



Caring for an Aging America

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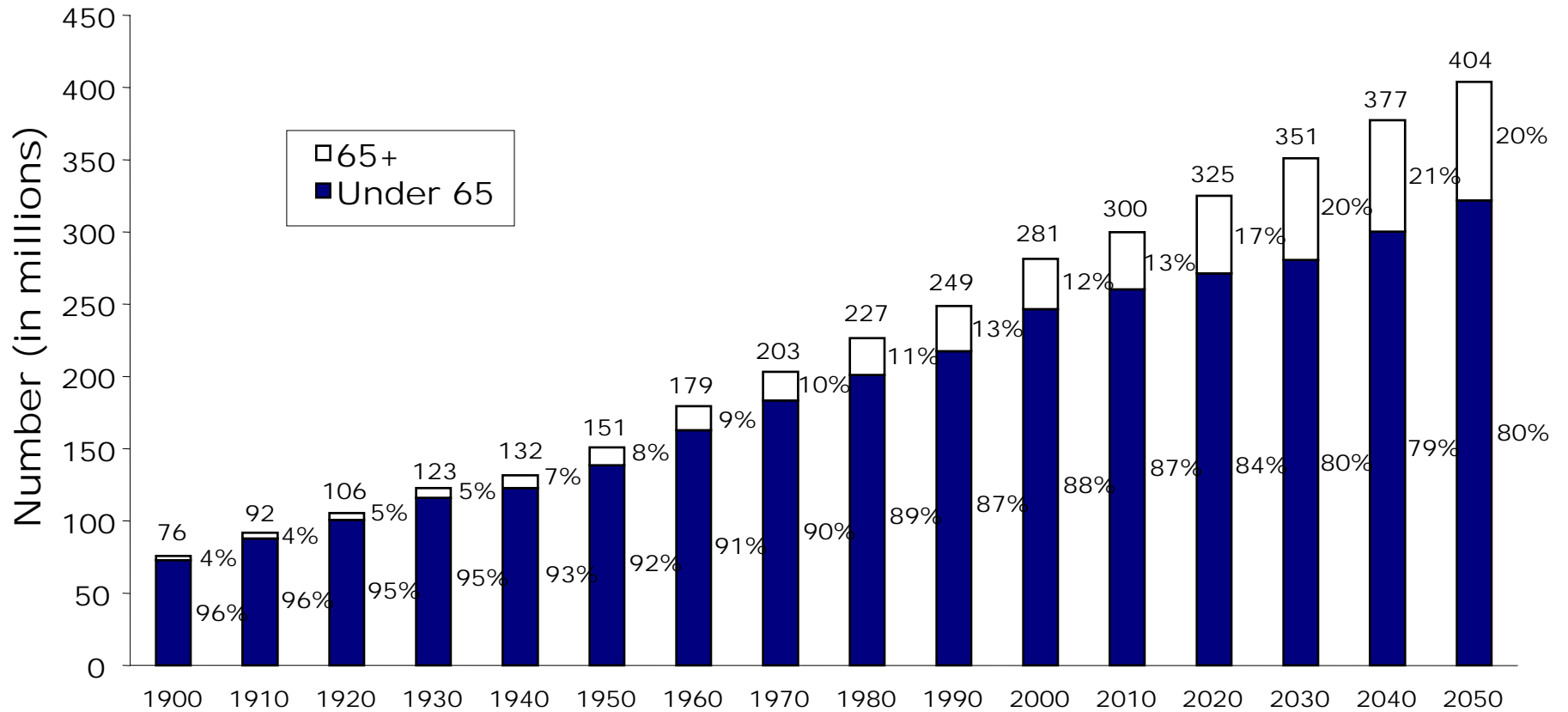
Invited Testimony
House Appropriations Committee
Subcommittee on Labor, Health and Human Services,
Education, and Related Agencies
Hearing on "Health Care Access and the Aging of America"
February 15, 2007

Challenges Ensuring Affordability and Quality of Life for Aging Population

- Rapid increase in share of the population over age 65 and over age 85
- High prevalence of chronic conditions and need for health care
- Growing demand for long-term care
- Need for culture change to ensure quality of life for frail elders



Figure 1. Growth in the Number of People Age 65 and Older

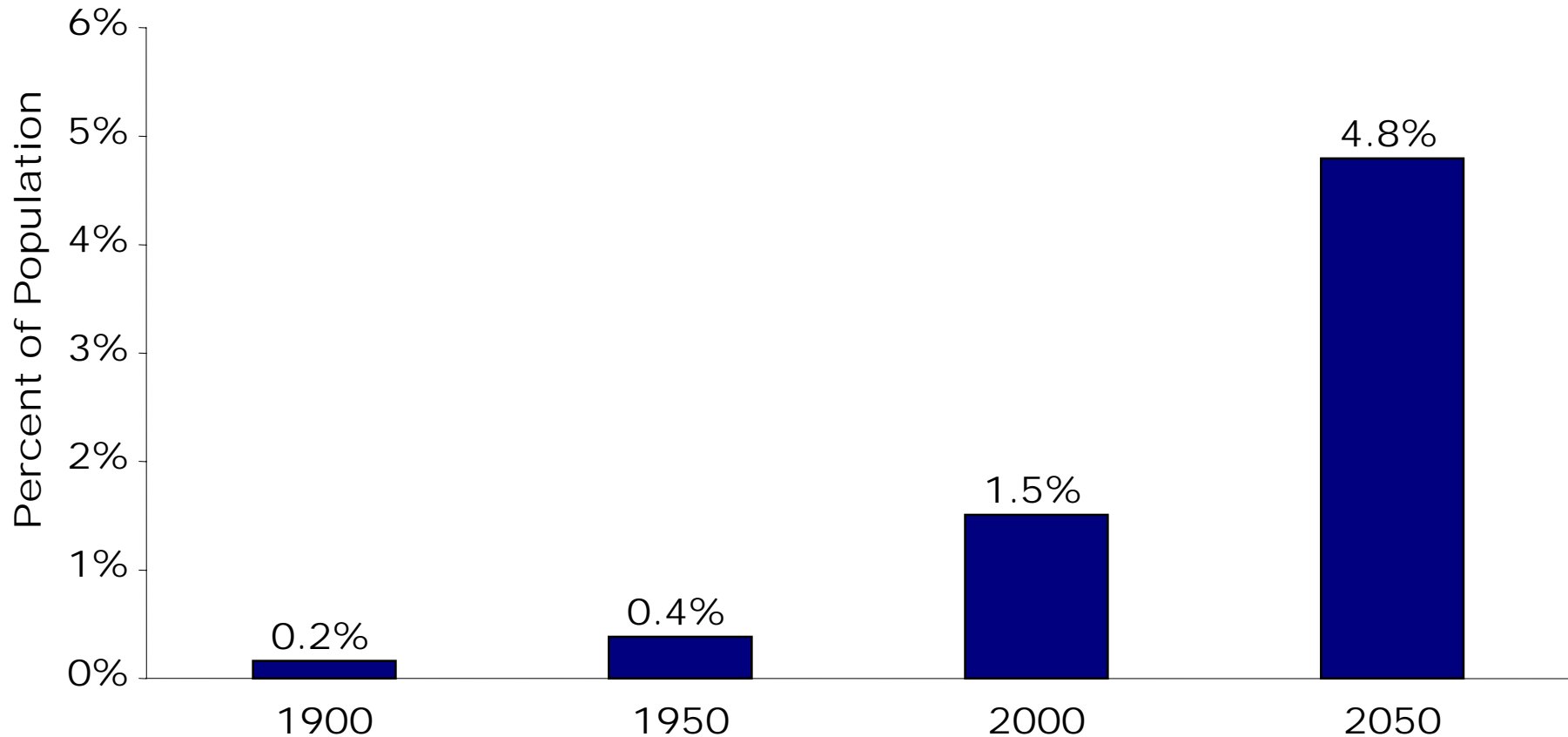


Note: The total population data for 1900 to 2000 include unknown age data. Therefore, the data used to determine the proportion of the population under age 65 and age 65 and older does not sum to equal the total population.

Sources: 1900 to 2000 data are from Hobbs, F., & Stoops, N. (2002). *Demographic Trends in the 20th Century* (Census 2000 Special Reports, CENSR-4). Washington, DC: U.S. Census Bureau. Available at <http://www.census.gov/prod/2002pubs/censr-4.pdf>. 2010 to 2050 data are from Population Projections Program (2000). *Projections of the Resident Population by Age, Sex, Race, and Hispanic Origin: 1999 to 2100 (Middle Series)*. Washington, DC: U.S. Census Bureau. Available at <http://www.census.gov/population/www/projections/natdet.html>. Source: R. Friedland and L. Summer, *Demography Is Not Destiny, Revisited*, The Commonwealth Fund, March 2005.



Figure 2. Population Age 85 and Older (%)



Sources: 1900 to 2000 data are from Hobbs, F., & Stoops, N. (2002). *Demographic Trends in the 20th Century* (Census 2000 Special Reports, CENSR-4). Washington, DC: U.S. Census Bureau. Available at <http://www.census.gov/prod/2002pubs/censr-4.pdf>. 2050 data are from Population Projections Program. (2000). *Projections of the Resident Population by Age, Sex, Race and Hispanic Origin: 1999 to 2100 (Middle Series)*. Washington, DC: U.S. Census Bureau. Available at <http://www.census.gov/population/www/projections/natdet.html>. Source: R. Friedland and L. Summer, *Demography Is Not Destiny, Revisited*, The Commonwealth Fund, March 2005.

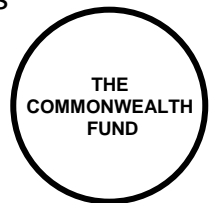
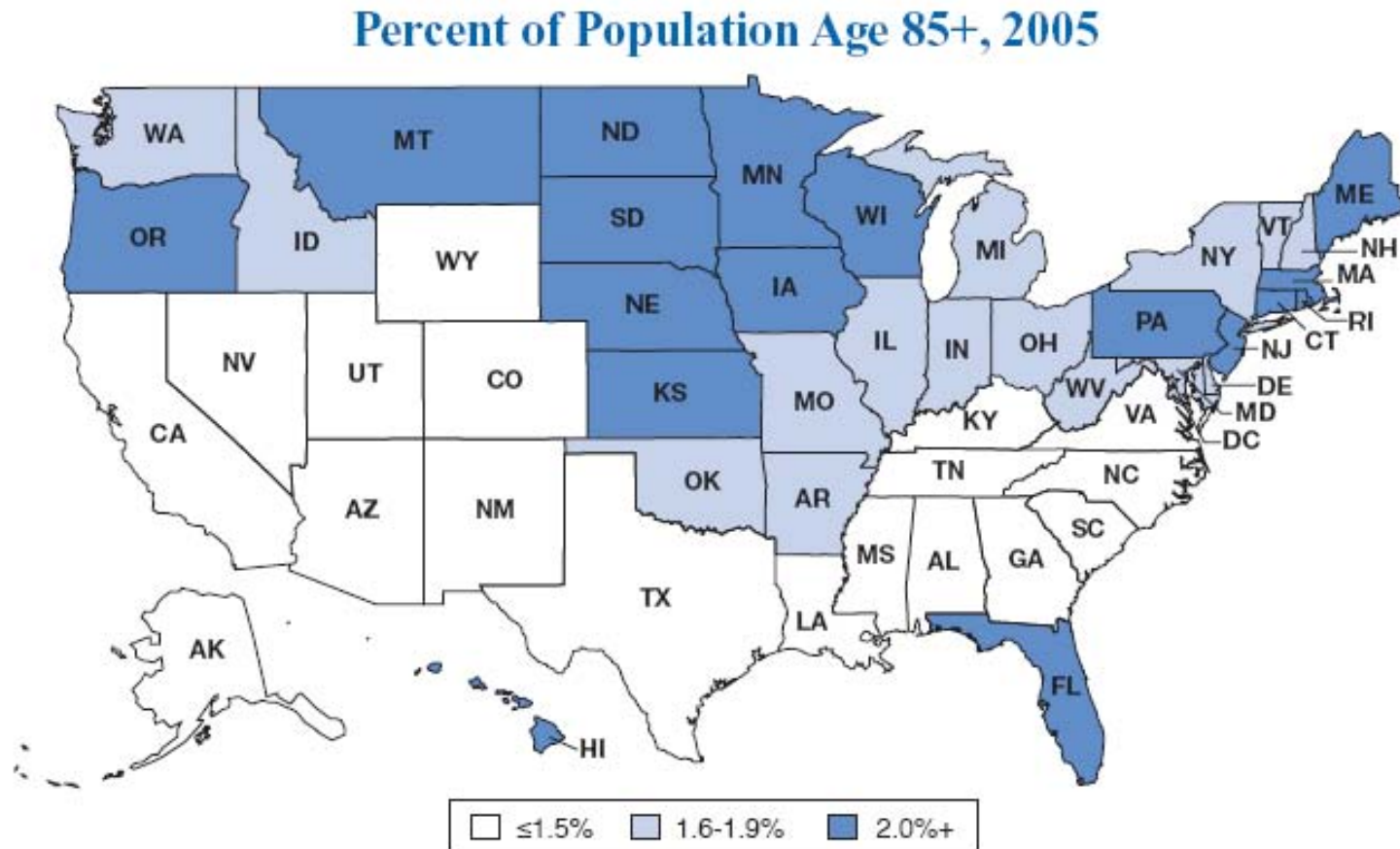


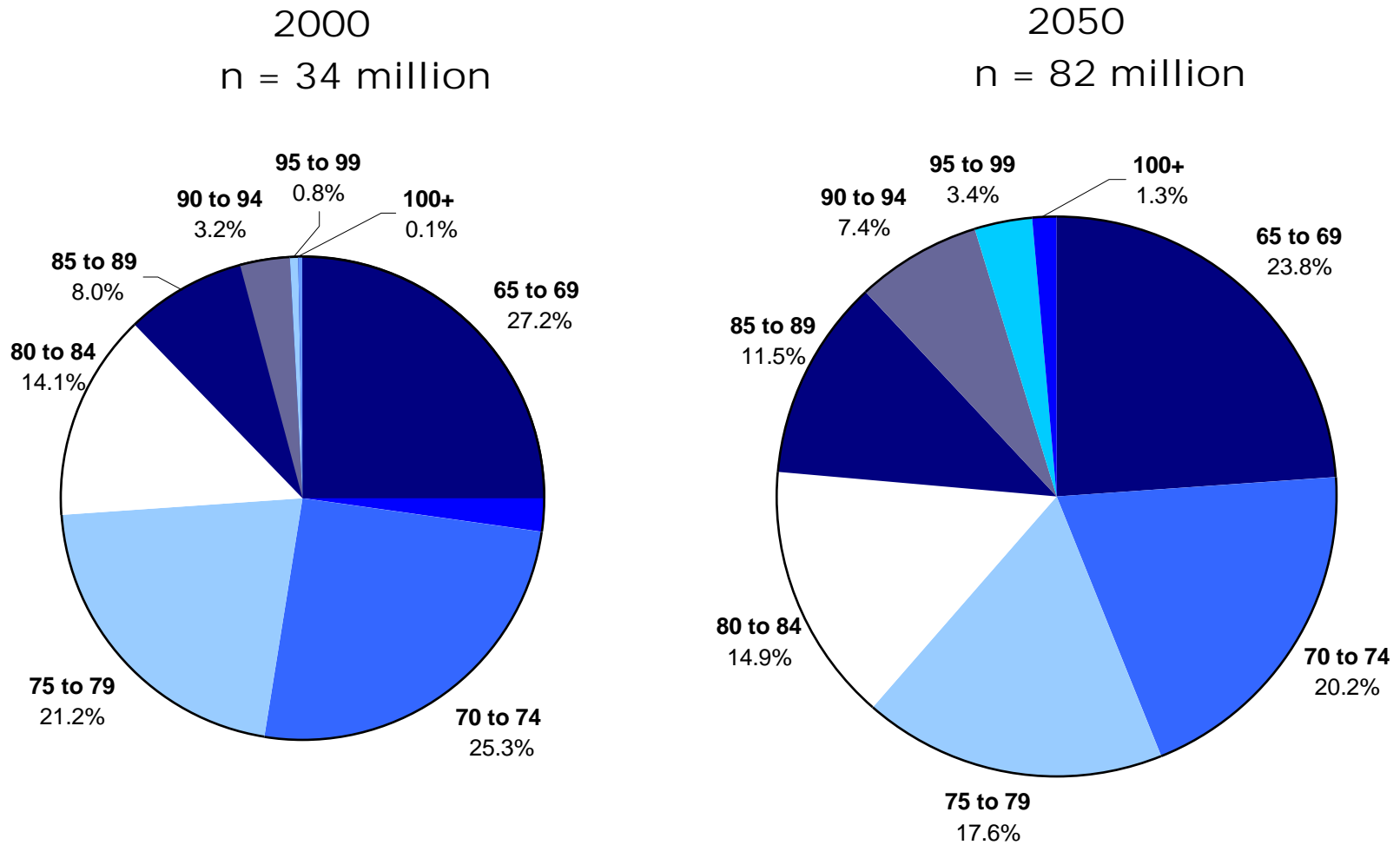
Figure 3. Percent of Population Age 85 and Older, 2005



Source: AARP. *Across the States: Profiles of Long-Term Care and Independent Living*, 2006.



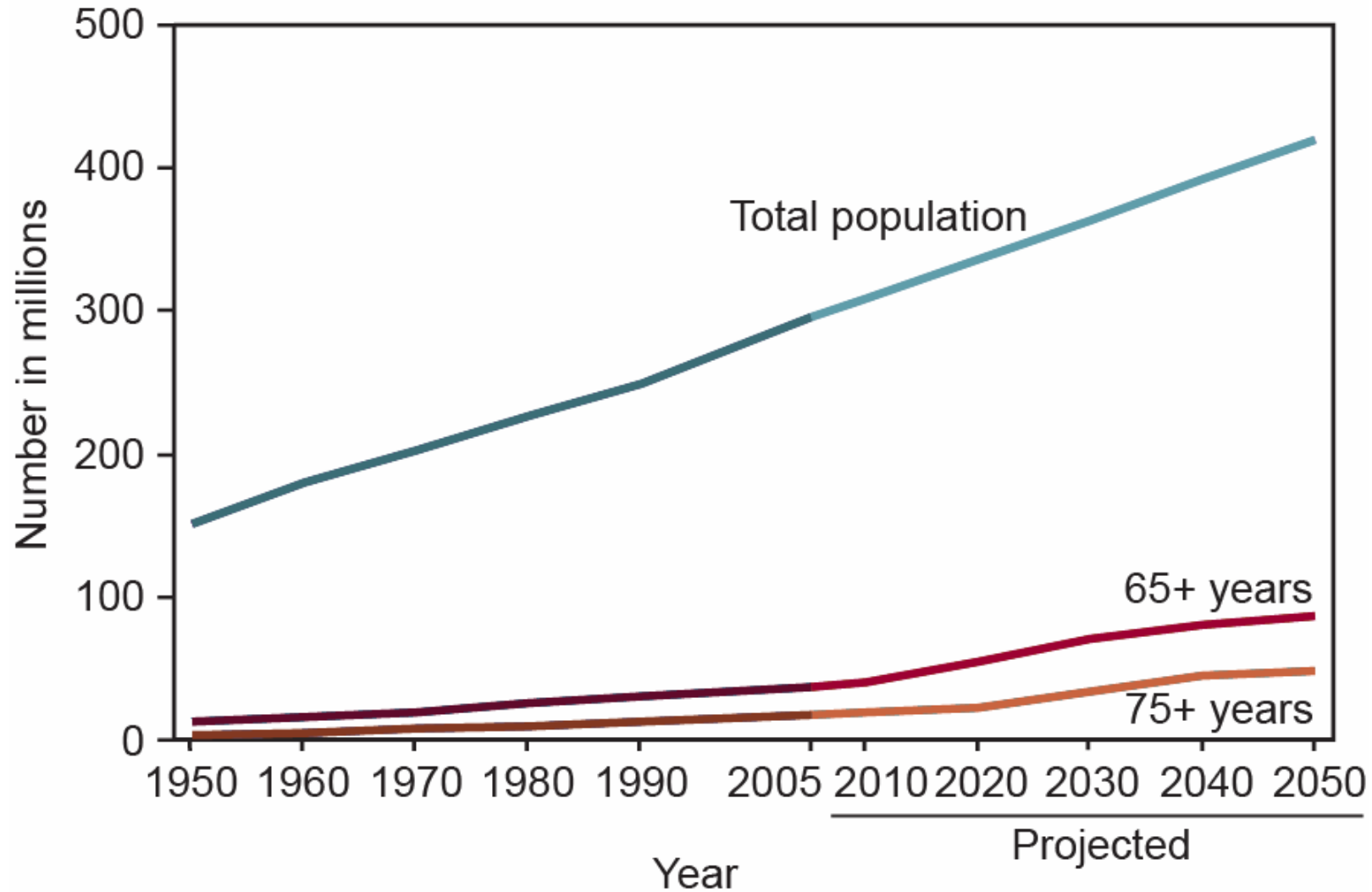
Figure 4. Older Population by Age



Sources: 2000 data are from U.S. Census Bureau. *Census 2000 Summary File 1 (Table PCT12)*. Available at <http://factfinder.census.gov>. 2050 data are from Population Projections Program. (2000). *Projections of the Resident Population by Age, Sex, Race, and Hispanic Origin:1999 to 2100 (Middle Series)*. Washington, DC: U.S. Census Bureau. Available at <http://www.census.gov/population/www/projections/natdet.html>
 Source: R. Friedland and L. Summer, *Demography Is Not Destiny, Revisited*, The Commonwealth Fund, March 2005.



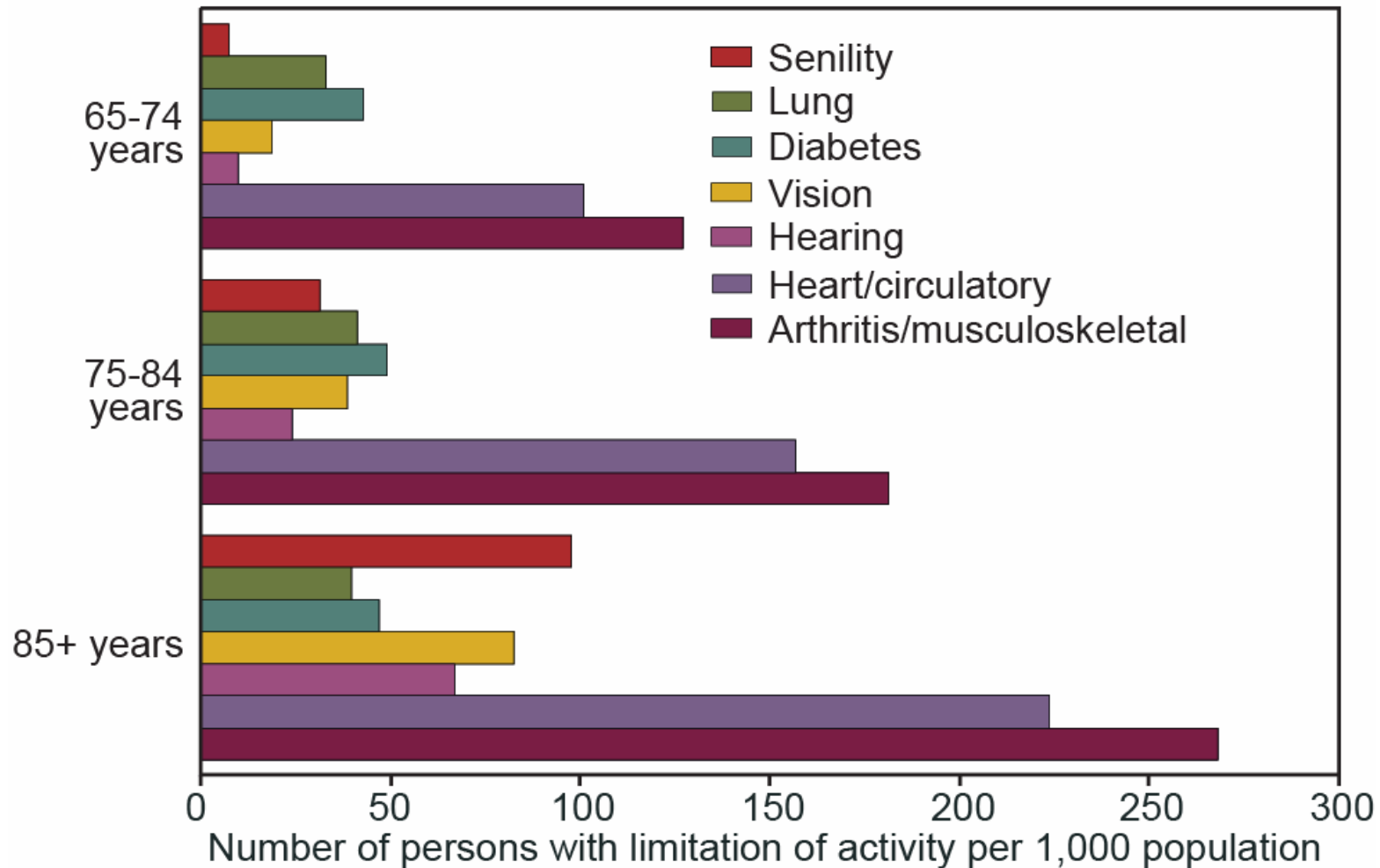
Figure 5. **Population growth**



SOURCES: Centers for Disease Control and Prevention, National Center for Health Statistics, *Health, United States, 2006*, Figure 1. Data from the U.S. Census Bureau.



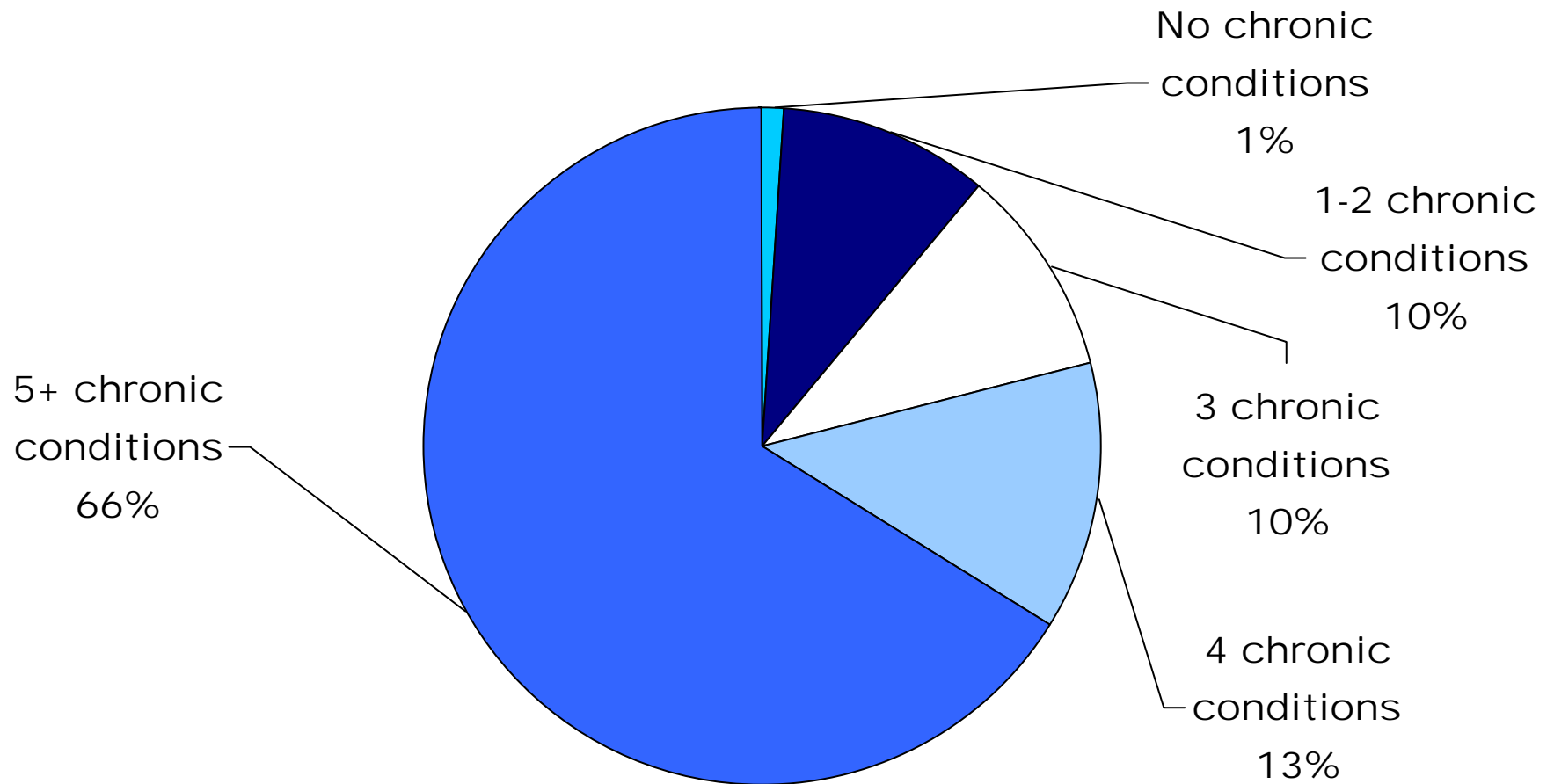
Figure 6. **Activity limitation among older adults due to chronic conditions, 2003-04**



SOURCES: Centers for Disease Control and Prevention, National Center for Health Statistics, *Health, United States, 2006*, Figure 18. Data from the National Health Interview Survey.



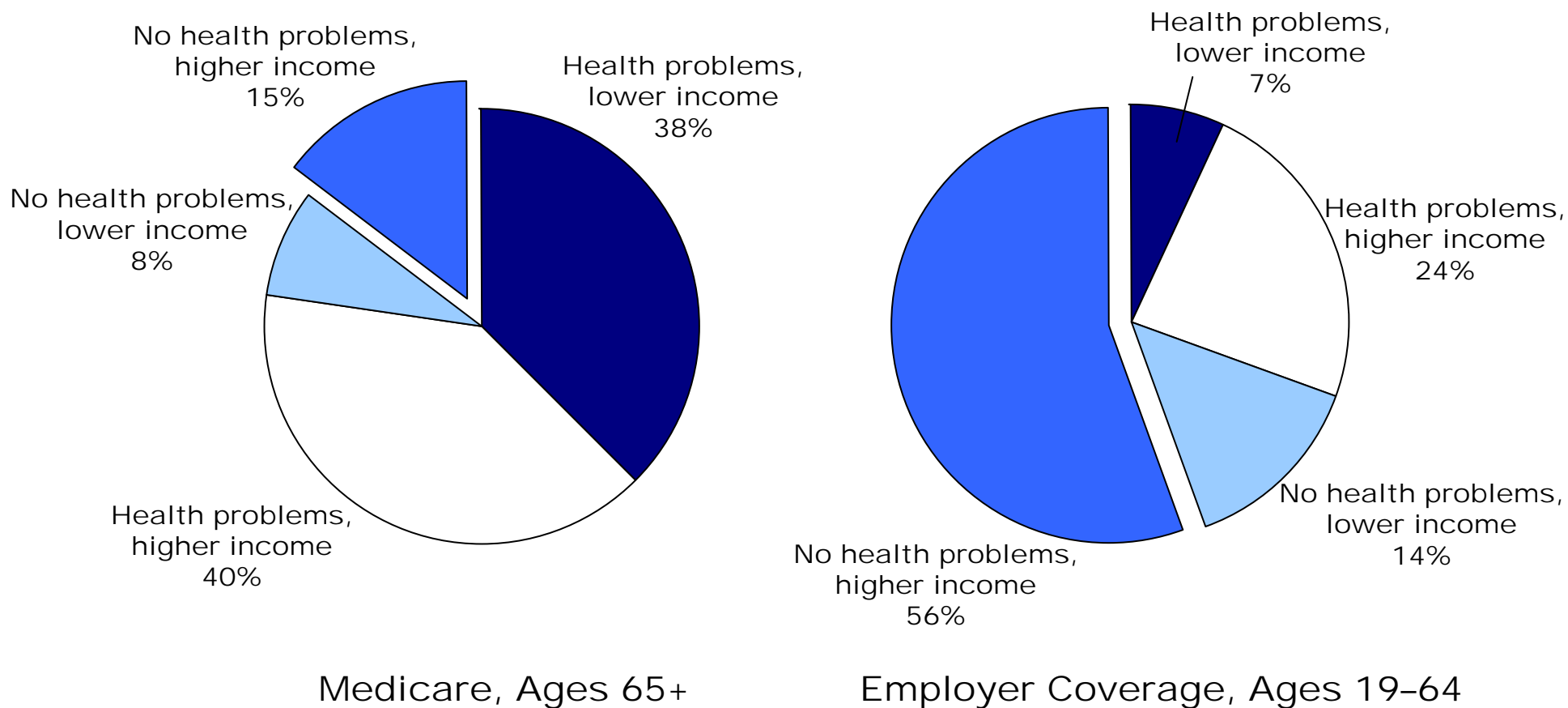
Figure 7. Two-thirds of Medicare Spending is for People with Five or More Chronic Conditions



Source: G. Anderson and J. Horvath, *Chronic Conditions: Making the Case for Ongoing Care*. Baltimore, MD: Partnership for Solutions, December 2002.



Figure 8. Profile of Medicare Elderly Beneficiaries and Employer Coverage of Nonelderly, by Poverty and Health Problems



Note: Respondents with undesignated poverty were not included; lower income defined as $\leq 200\%$ of poverty; health problems defined as fair or poor health, any chronic condition (cancer, diabetes, heart attack/disease, and arthritis), or disability.

Source: The Commonwealth Fund Biennial Health Insurance Survey, 2003.

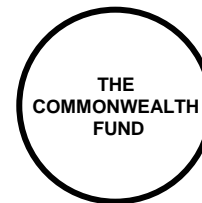
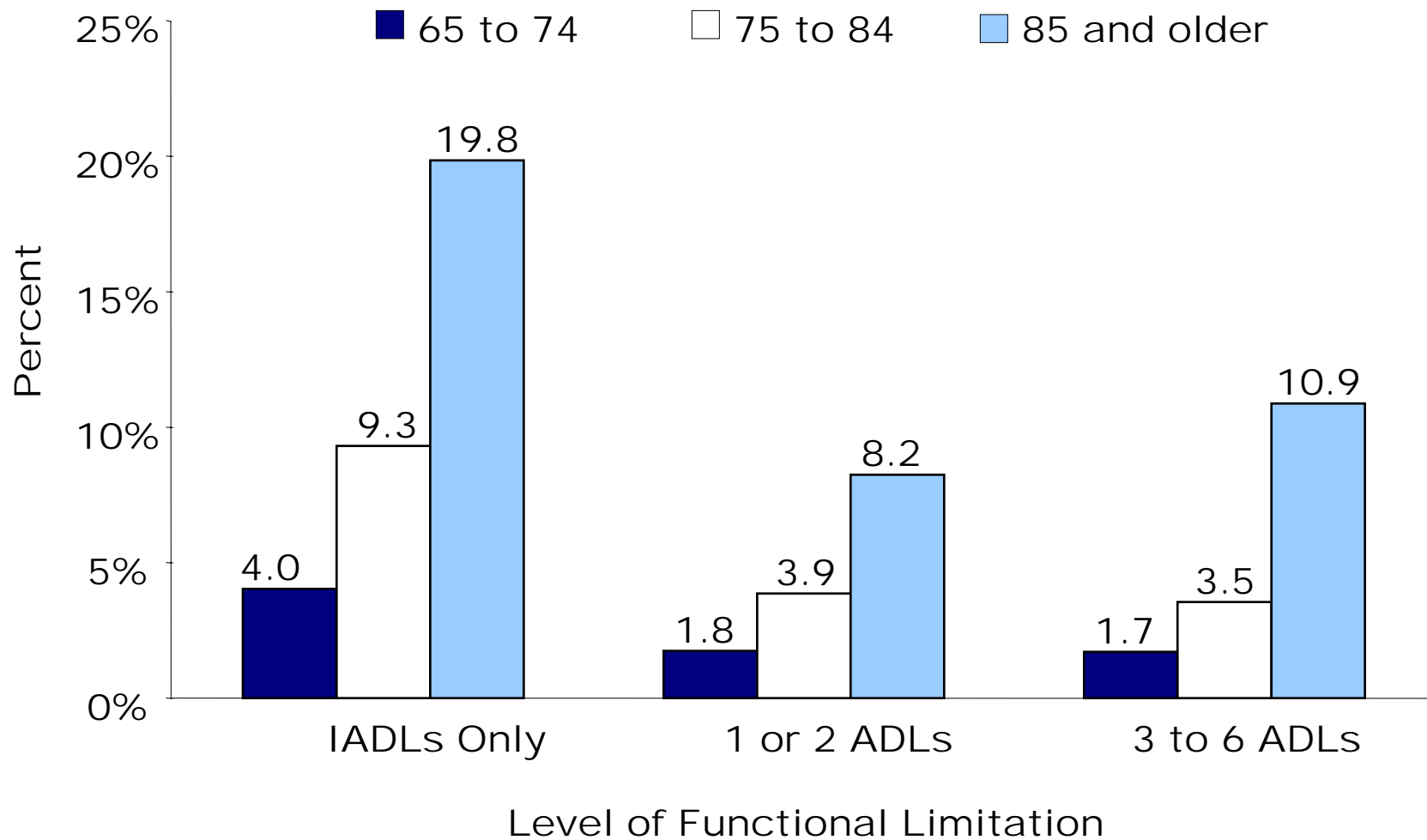


Figure 9. Percentage of Older People with Functional Limitations Who Need Help from Another Person, 2000



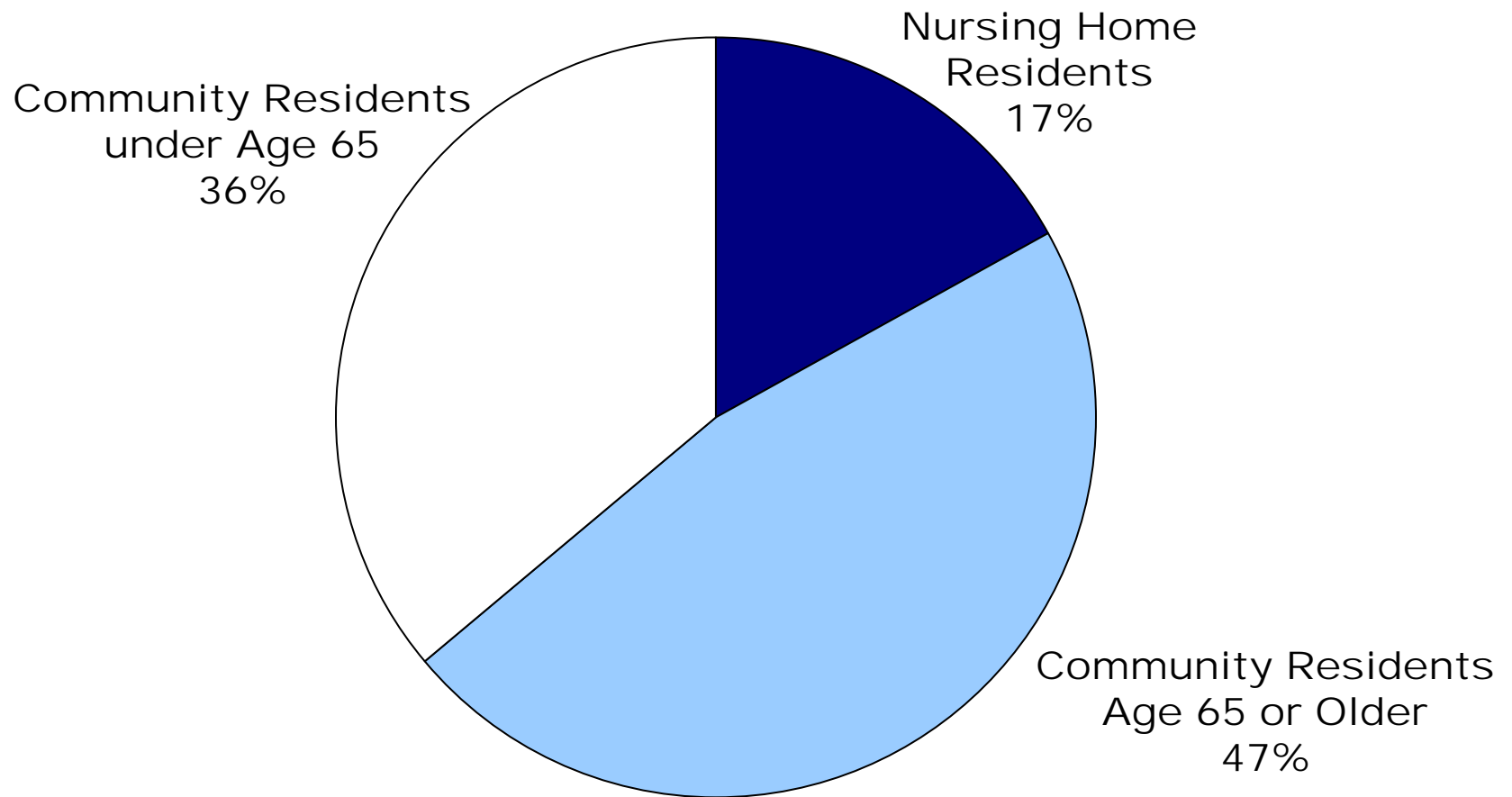
IADL = instrumental activities of daily living; ADL = activities of daily living

Note: Those with IADLs only said “yes” to needing help with IADLs from another person and “no” to ADL question. Those with ADLs may or may not have an IADL. Those with 1 or 2 ADLs responded “yes” to needing help with ADLs and “yes” to fewer than three specific activity questions. Those with 3 to 6 ADLs responded “yes” to at least three of the follow-up questions about specific activities.

Source: Center on an Aging Society analysis of data from National Health Interview Survey, 2000.



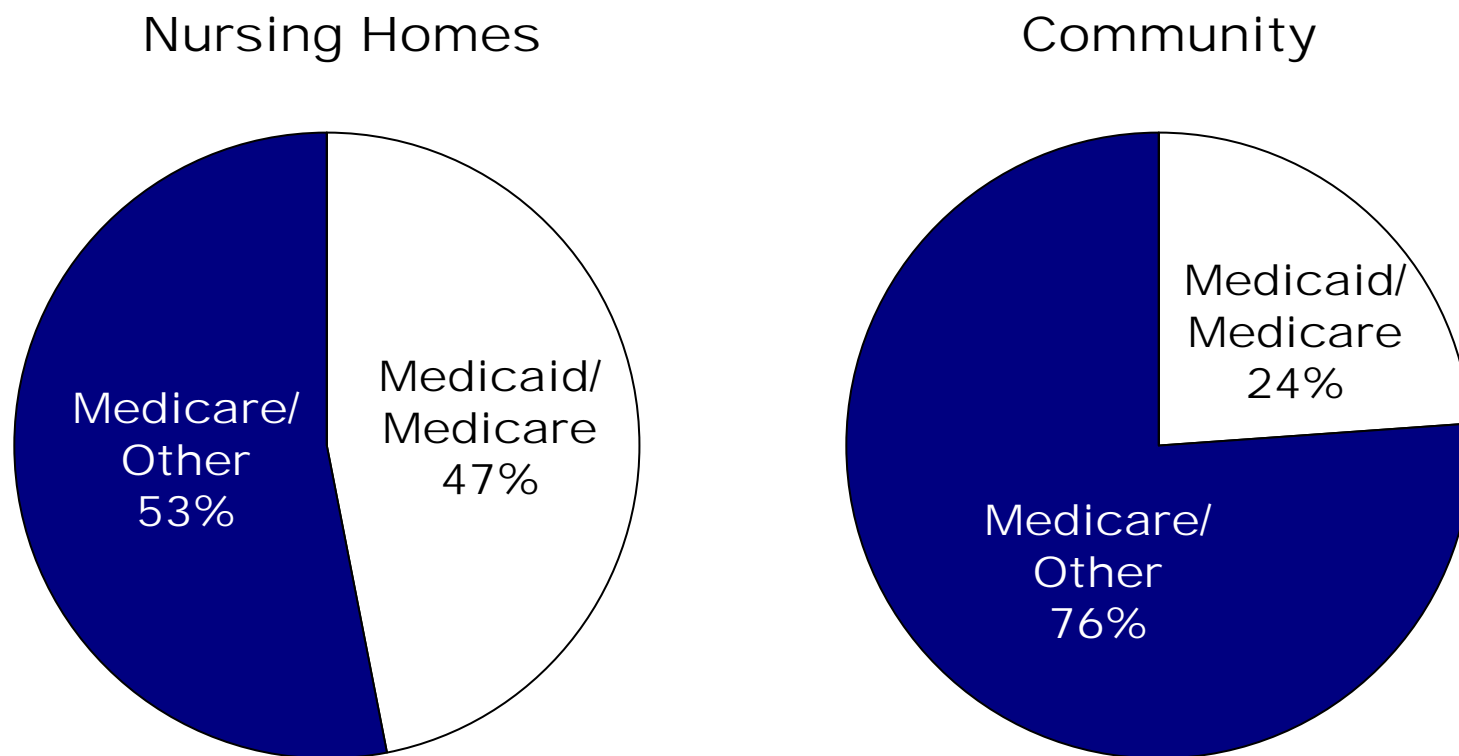
Figure 10. 10 Million Americans Use Long-Term Care



Source: Georgetown University 2003b.



Figure 11. Medicaid's Coverage of Seniors with Alzheimer's Disease



Note: Includes only Medicare beneficiaries age 65 and older with Alzheimer's disease. Medicare/Other group includes persons who only have Medicare coverage and persons who have Medicare with supplemental private coverage. Nursing home group includes beneficiaries who were in both a nursing home and the community during the year.

Source: Kaiser Family Foundation *Profiles of Medicaid's High Cost Populations*, December 2006.

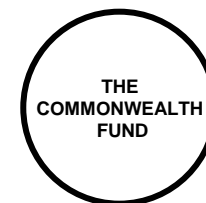
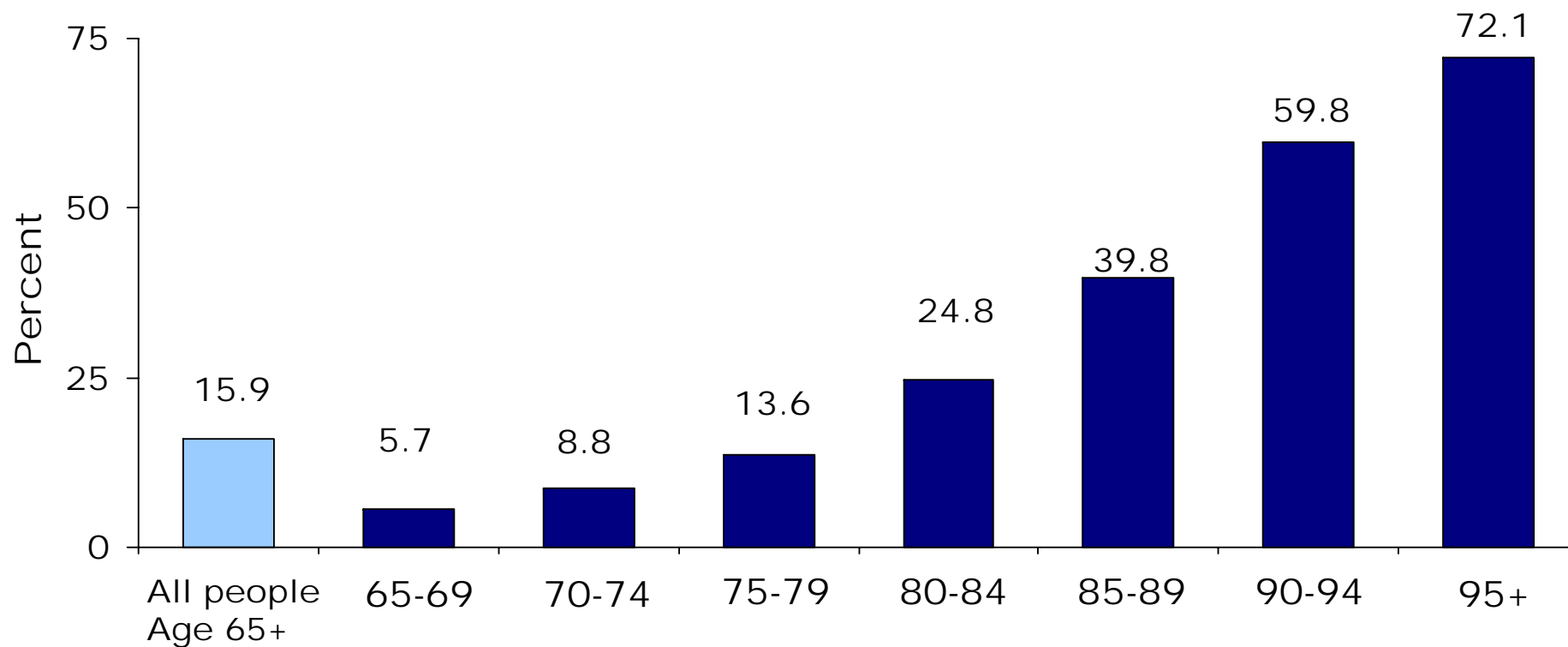


Figure 12. Share of People Age 65+ Receiving Long-Term Care Services

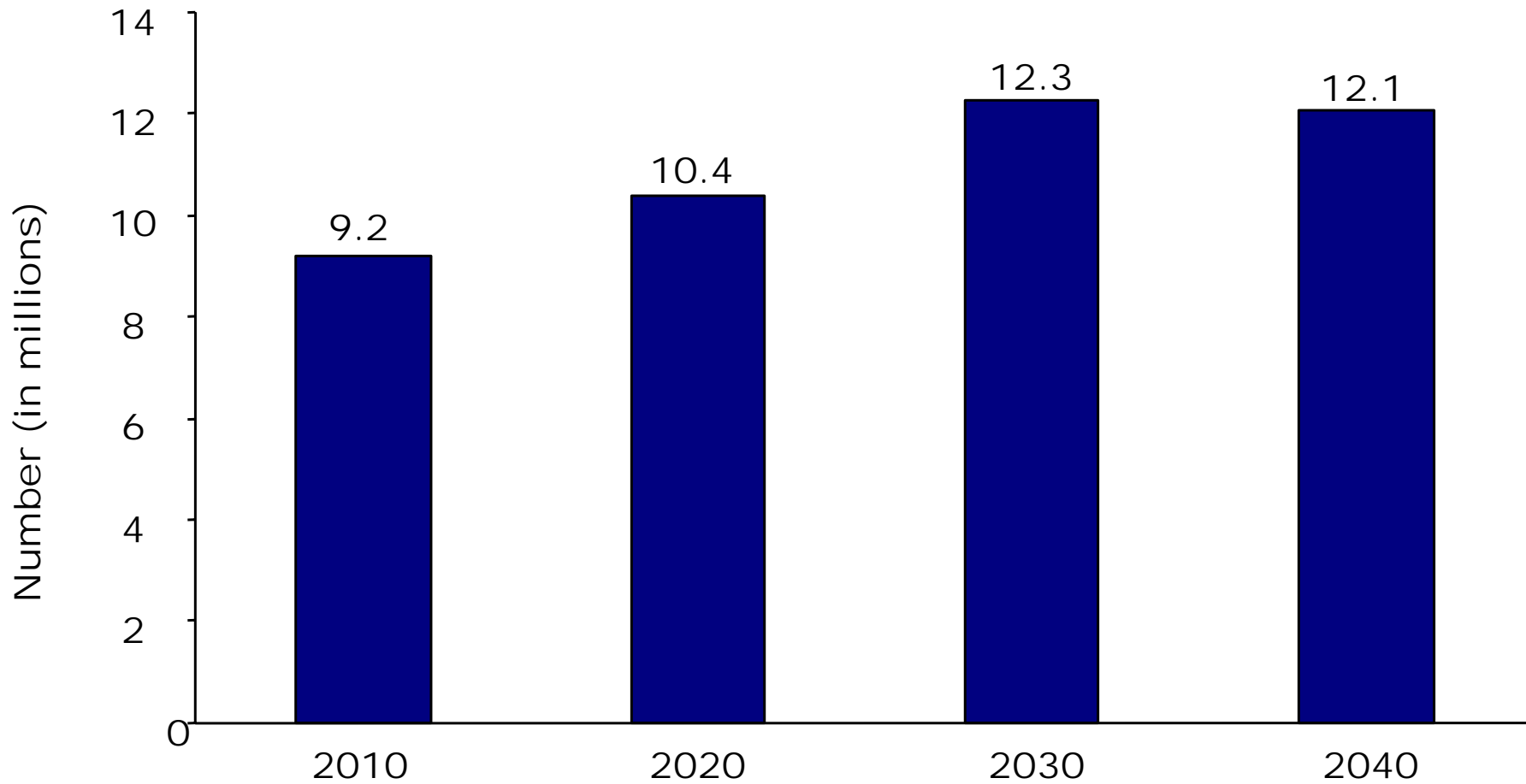


Note: Receipt of long-term care is defined as receiving human assistance or standby help with at least one of six activities of daily living or being unable to perform at least one of eight independent activities of daily living without assistance.

Source: Kaiser Family Foundation “Long Term Care: Understanding Medicaid’s Role for the Elderly and Disabled.” November 2005.



Figure 13. Projections of the Number of People Age 65 and Older Who Will Need Long-Term Care

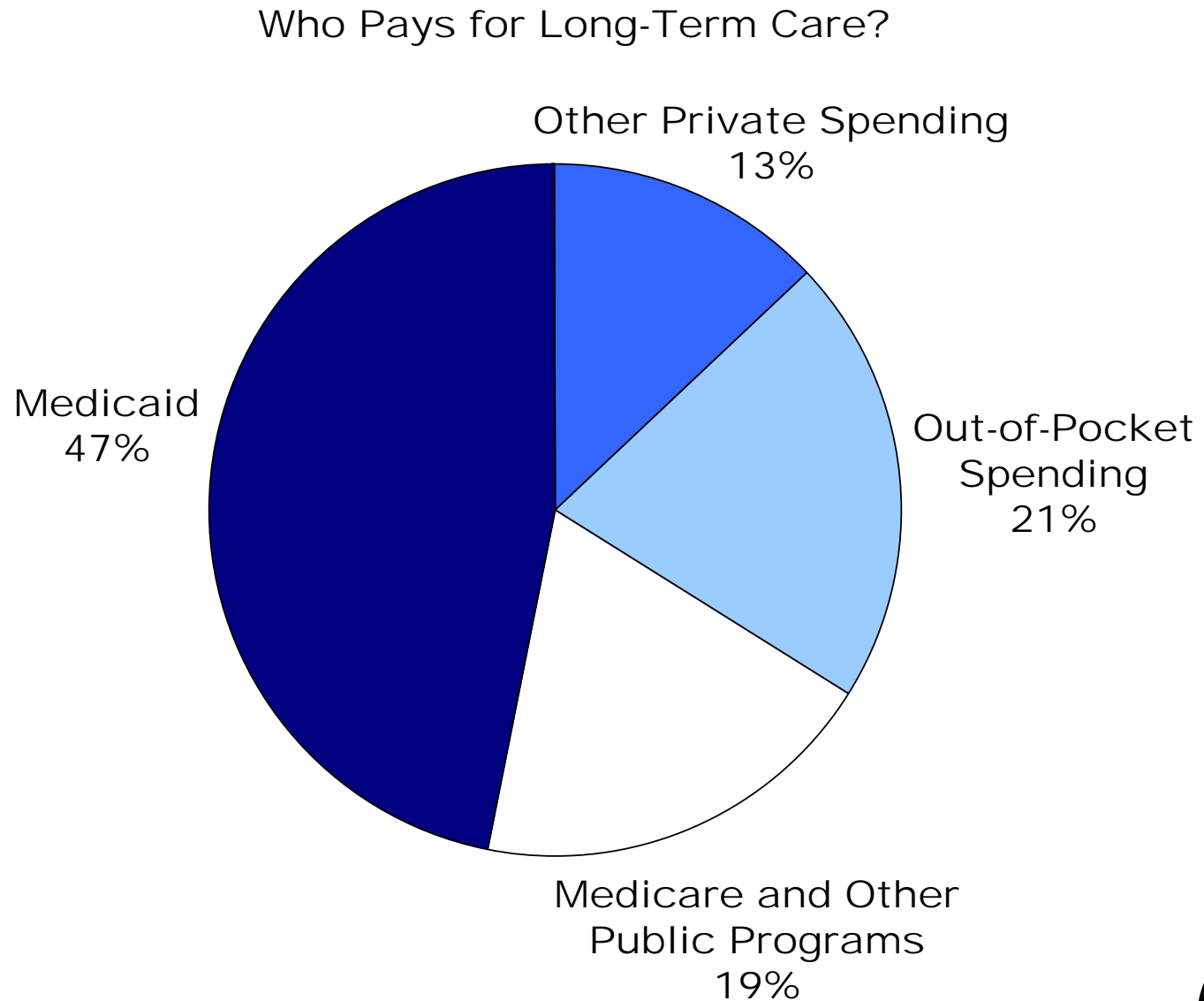


Note: Calculations are based on data from the Lewin Group and the Center for Demographic Studies at Duke University.

Source: Congressional Budget Office (1999). *Projections of Expenditures for Long-Term Care Services for the Elderly*. Washington, DC: CBO.



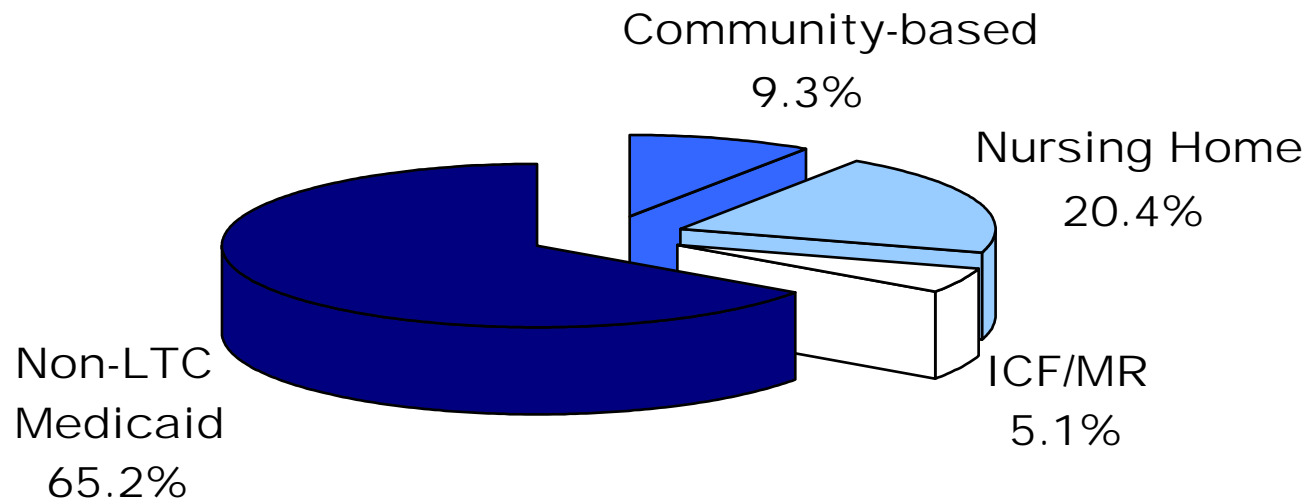
Figure 14. Half of Long-Term Care is Paid by Medicaid



Source: Georgetown University 2004.



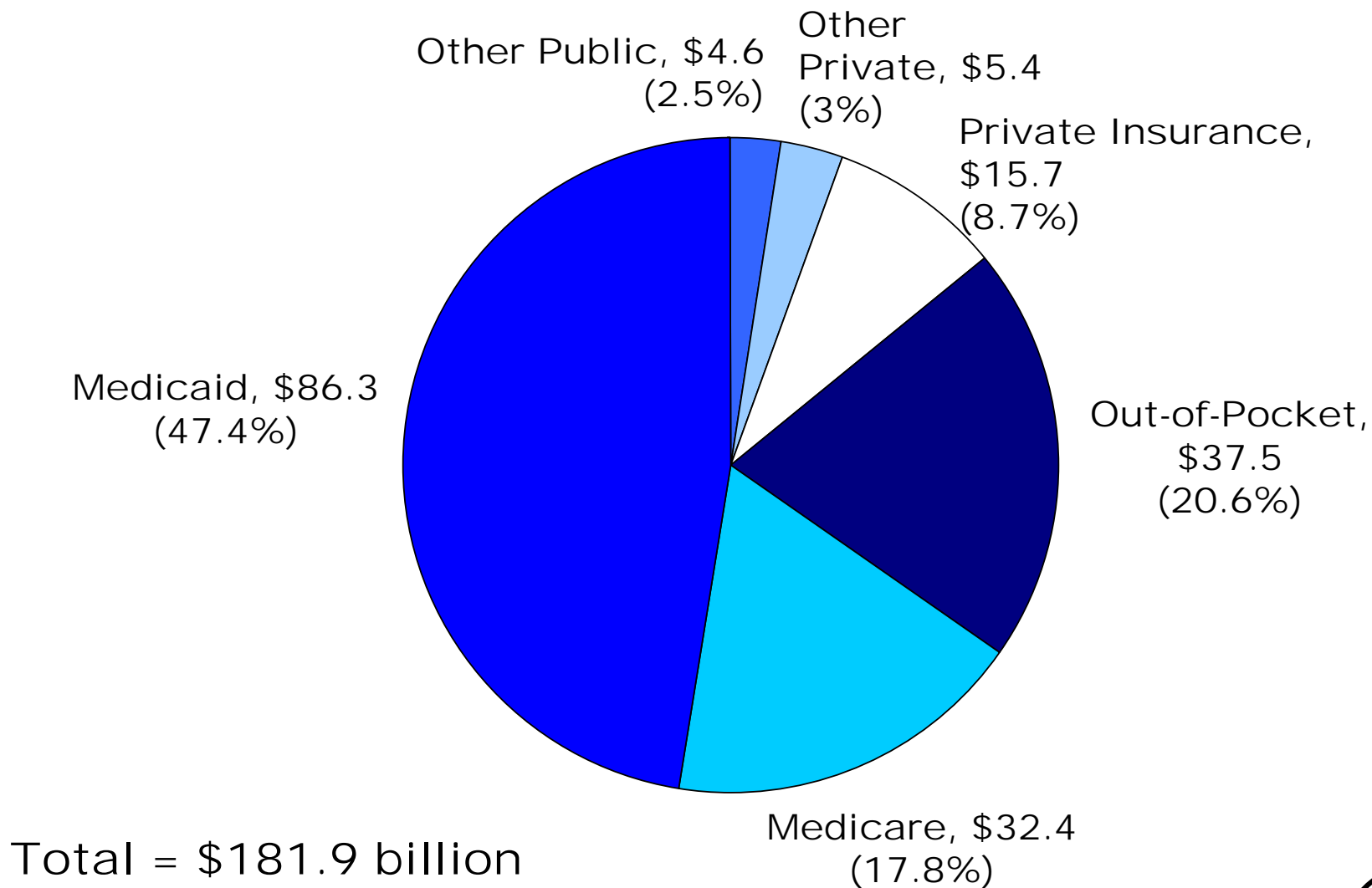
Figure 15. Thirty-five Percent of Medicaid Spending Goes to Long-Term Care



ICF/MR = intermediate care facilities for the mentally retarded
Source: MEDSTAT HCBS



Figure 16. National Spending on Long-Term Care, 2003, in Billions



Source: Kaiser Family Foundation *Long Term Care: Understanding Medicaid's Role for the Elderly and Disabled*, November 2005.

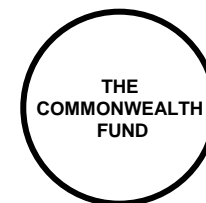
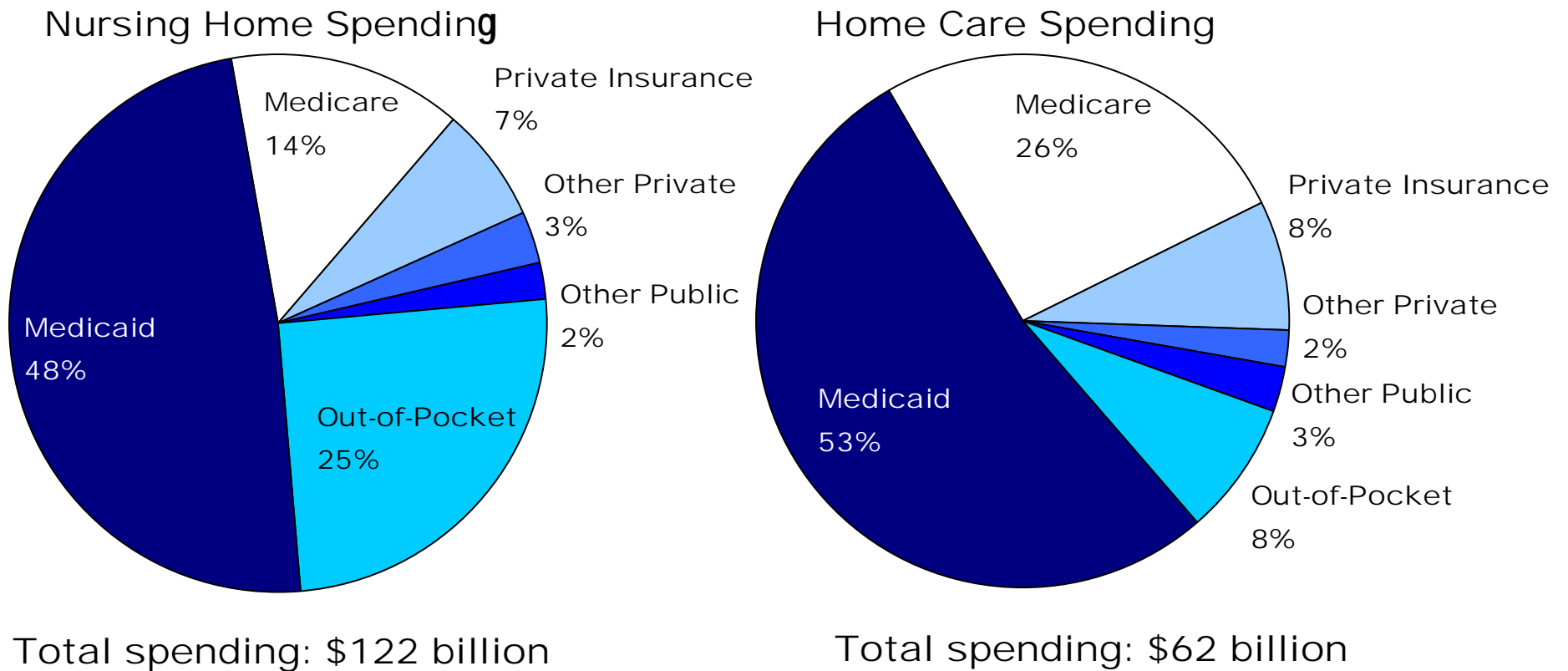


Figure 17. National Nursing Home and Home Care Spending, by Payer, 2004

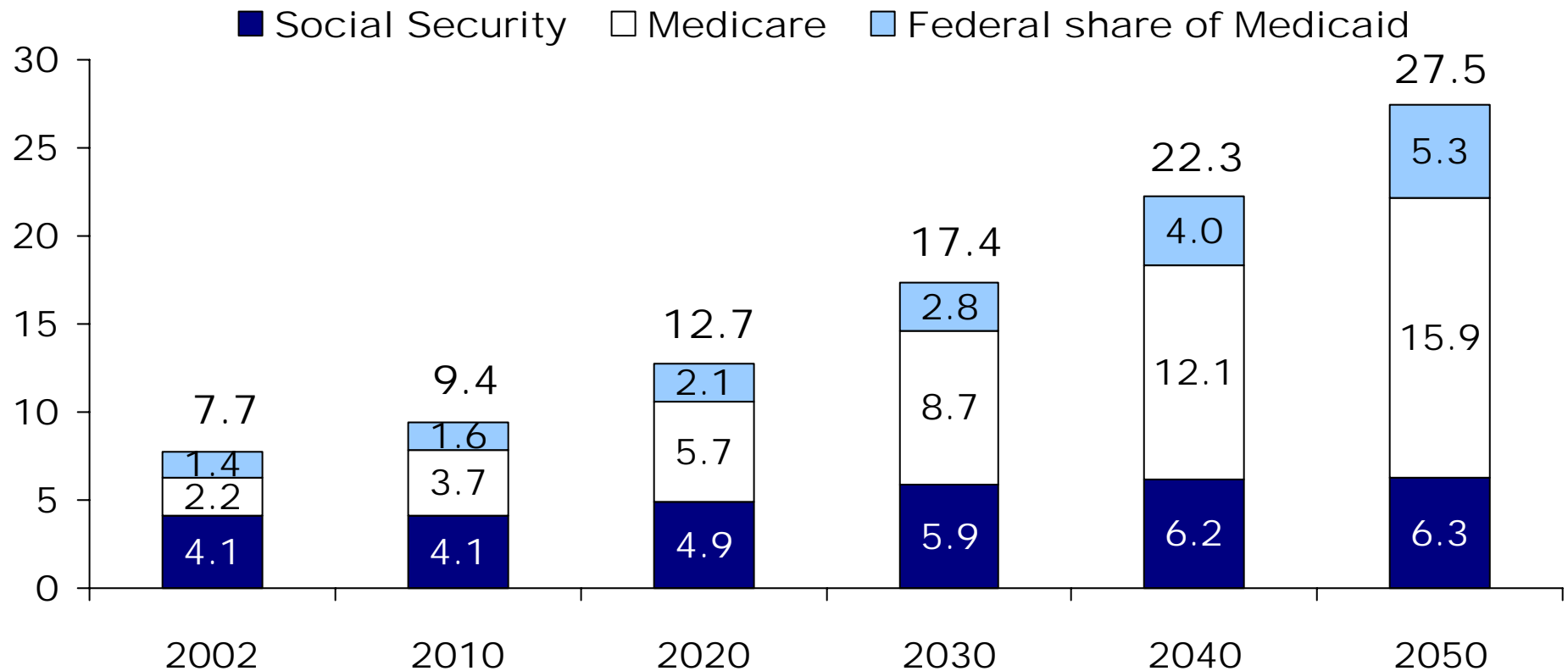


Source: Avalere Health analysis based on: Medicare, private and non-CMS public expenditures for free-standing nursing home and home health care reported by Centers for Medicare and Medicaid Services, National Health Expenditures by Type of Service and Source of Funds for 2004, and Medicaid Expenditures for Long-Term Care Services: 1992-2004 by Brian Burwell, Kate Sredl and Steve Eiken, www.hcbs.org. Figure includes Medicaid spending on intermediate care facilities for the mentally retarded.



Figure 18. Projections of Federal Expenditures as a Percentage of GDP

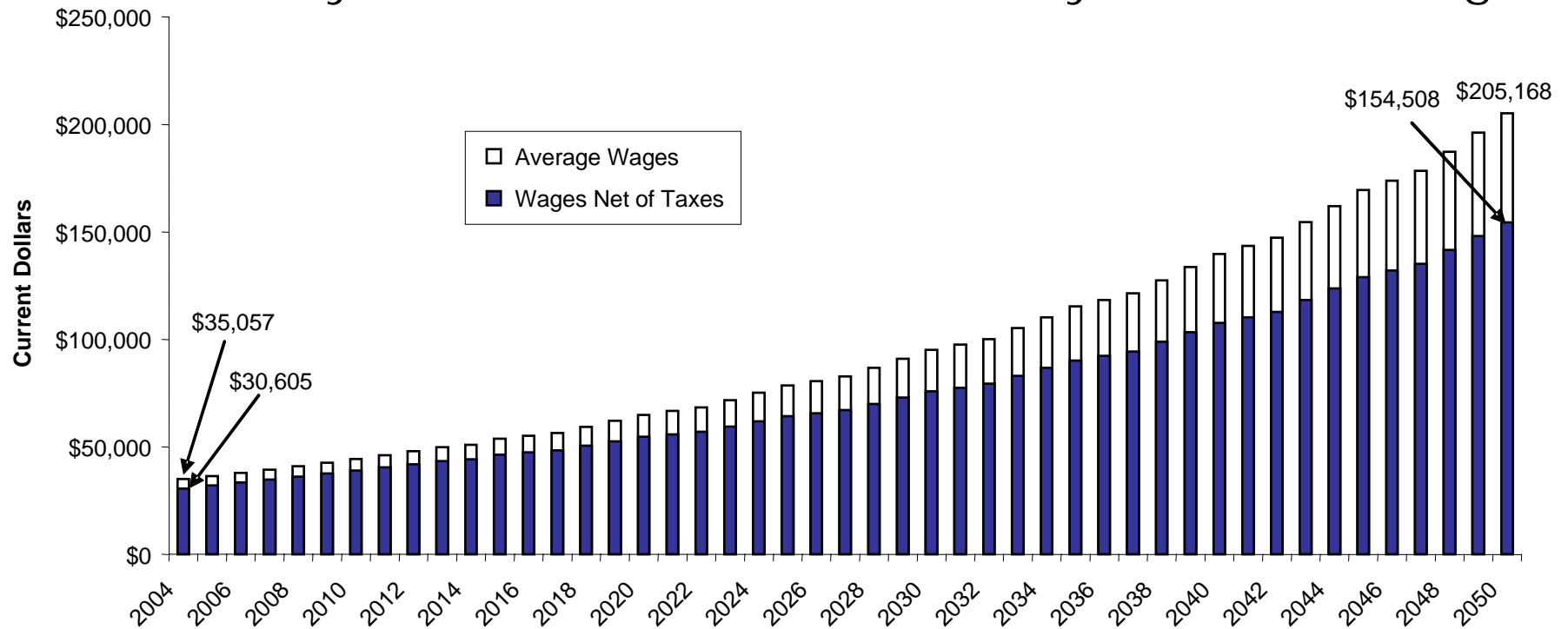
Percent of GDP



Source: Congressional Budget Office (2003), *The Long-Term Budget Outlook (Supplemental Tables)*, Available at <http://www.cbo.gov/showdoc.cfm?index=4916&sequence=0> as reported in R. Friedland and L. Summer, *Demography Is Not Destiny, Revisited*, The Commonwealth Fund, March 2005.



Figure 19. Wages of the Average Worker Net of Taxes to Finance Social Security, Medicare, and the Disability Insurance Program



Note: Taxes on the average worker assumes *only* workers finance OASI, DI, HI and the general revenues needed for Parts B and D of Medicare.

These calculations assume that the full cost of these programs is financed by workers. Old-Age and Survivors Insurance and Disability Insurance (OASDI) cost rates are from Table VI.B1 and average wages are from Table VI.F7 in the Board of Trustees, Federal OASDI (2004). *The 2004 Annual Report of the Board of Trustees of the OASDI Trust Funds*. Washington, DC: Social Security Administration. Available at <http://www.ssa.gov/OACT/TR/TR04/index.html>. The Hospital Insurance (HI) cost rate is from Table II.B8 and II.C21 and the cost of Supplemental Medical Insurance (SMI) is based on the estimated Government Contributions in Table II.C5 of the Board of Trustees, Federal HI and Federal SMI Trust Funds (2004). *The 2004 Annual Report of the Board of Trustees of the Federal HI and Federal SMI Trust Funds*. Washington, DC: Centers for Medicare and Medicaid Services. Available at <http://www.cms.hhs.gov/publications/trusteesreport/default.asp?>. Income tax data is from the Internal Revenue Service (2003). *Internal Revenue Service Data Book, 2002 (Publication No. 55B)*. Available at <http://www.irs.gov/taxstats/article/0,,id=102174,00.html>. Total income taxes were then increased by the assumed rate of increase in average wages provided in Table VI.F7 of the Board of Trustees, Federal OASDI (2004).

Source: R. Friedland and L. Summer, *Demography Is Not Destiny, Revisited*, The Commonwealth Fund, March 2005.

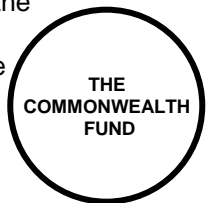
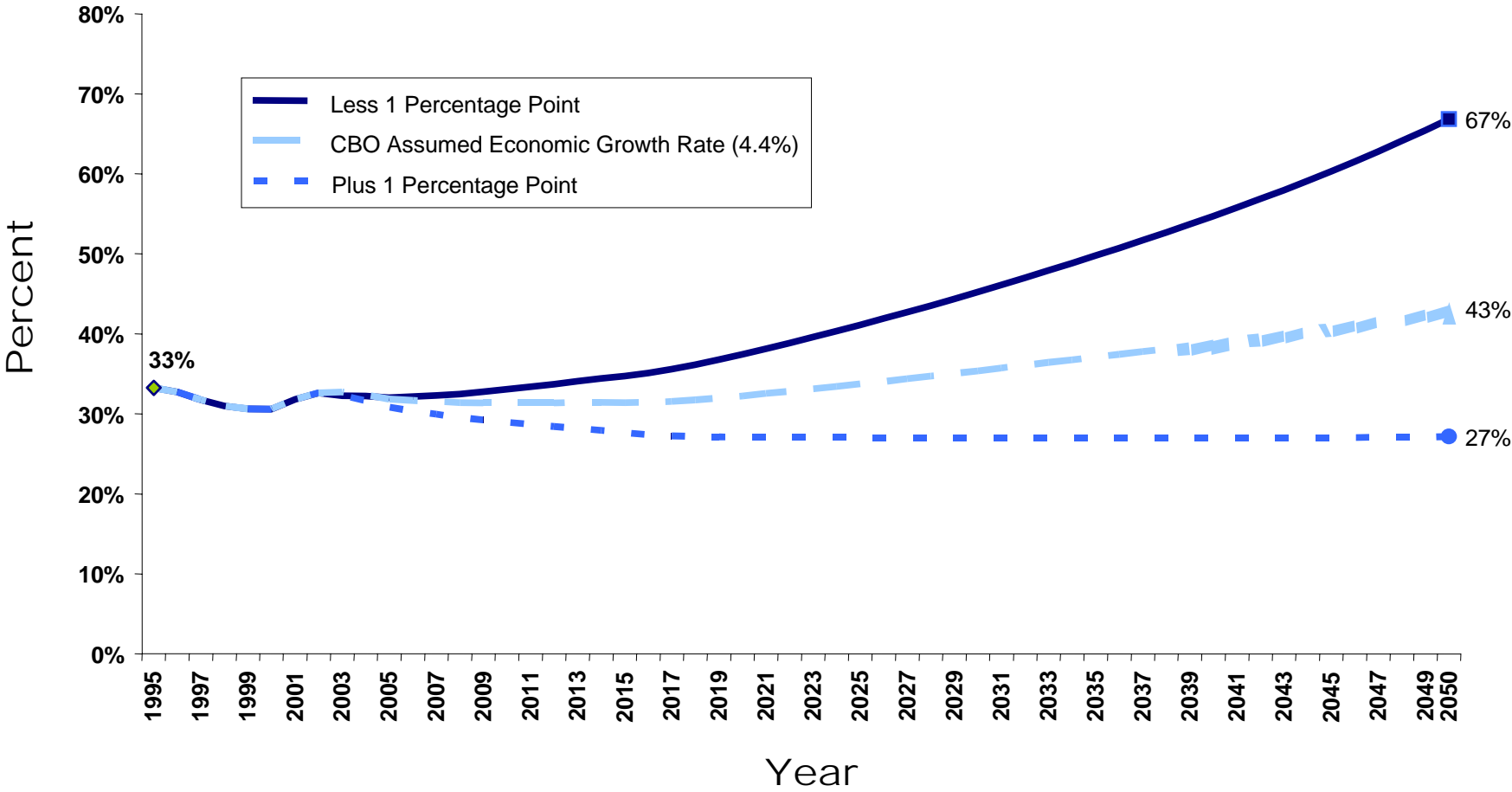


Figure 20. Total Government Spending as a Percentage of GDP, 1995 to 2050



Notes: Historic and projected GDP and Federal expenditure data are from Congressional Budget Office (2003). *Long-Term Budget Outlook: Supplemental Data* retrieved from <http://www.cbo.gov>. Center on an Aging Society's calculations of projected state and local expenditures are based on data from the U.S. Bureau of Economic Analysis. *National Income Product Accounts Tables (Table 3.3)*. Available at <http://www.bea.gov>.
 Source: R. Friedland and L. Summer, *Demography Is Not Destiny, Revisited*, The Commonwealth Fund, March 2005.

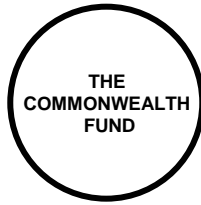
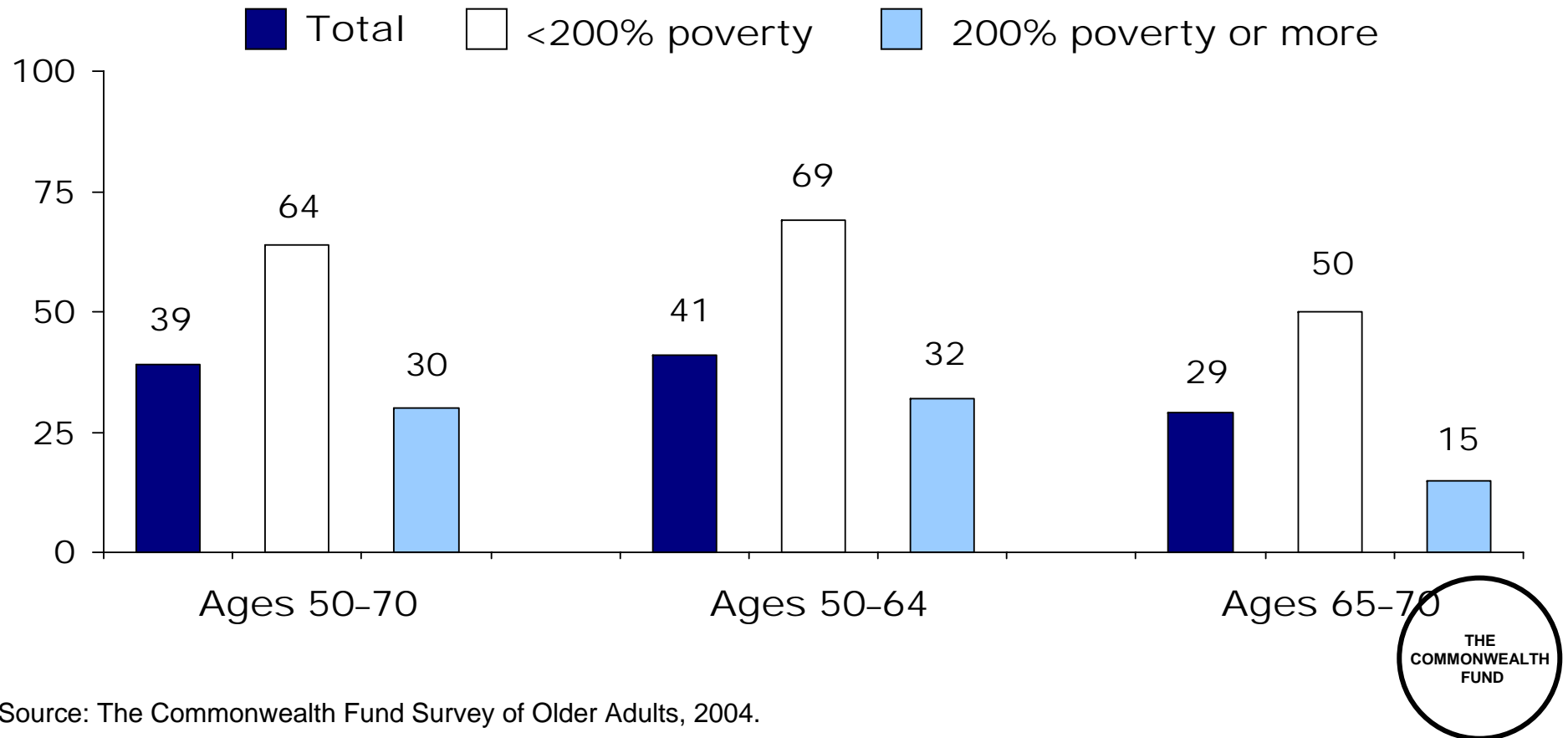


Figure 21. Two of Five Older Adults Are Not Confident in Their Retirement Security: Older Adults with Low Incomes Are the Least Confident

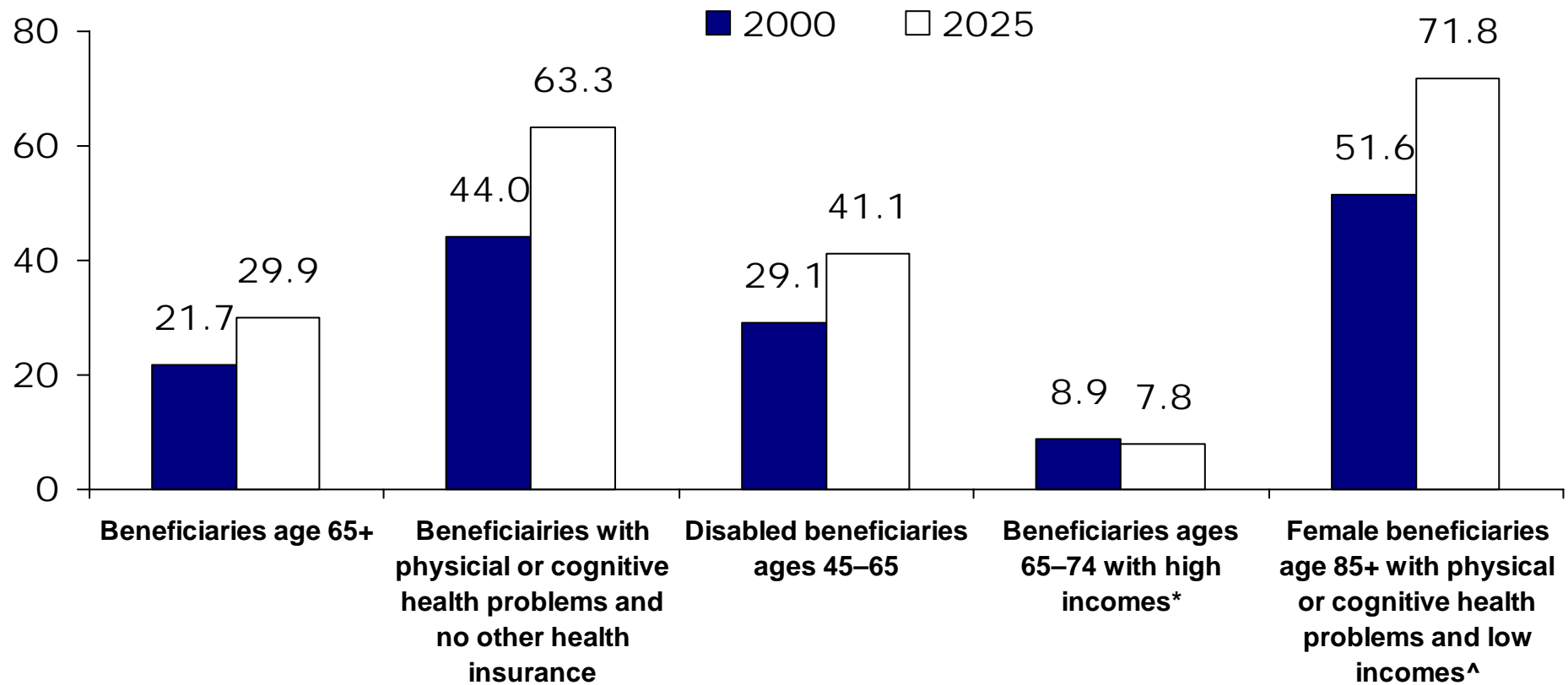
Percent of adults who are not too or not at all confident they will have enough income and savings to live comfortably in retirement



Source: The Commonwealth Fund Survey of Older Adults, 2004.

Figure 22. Projected Out-of-Pocket Spending As a Share of Income Among Groups of Medicare Beneficiaries, 2000 and 2025

Out-of-pocket as percent of income



* Annual household incomes of \$50,000 or more.

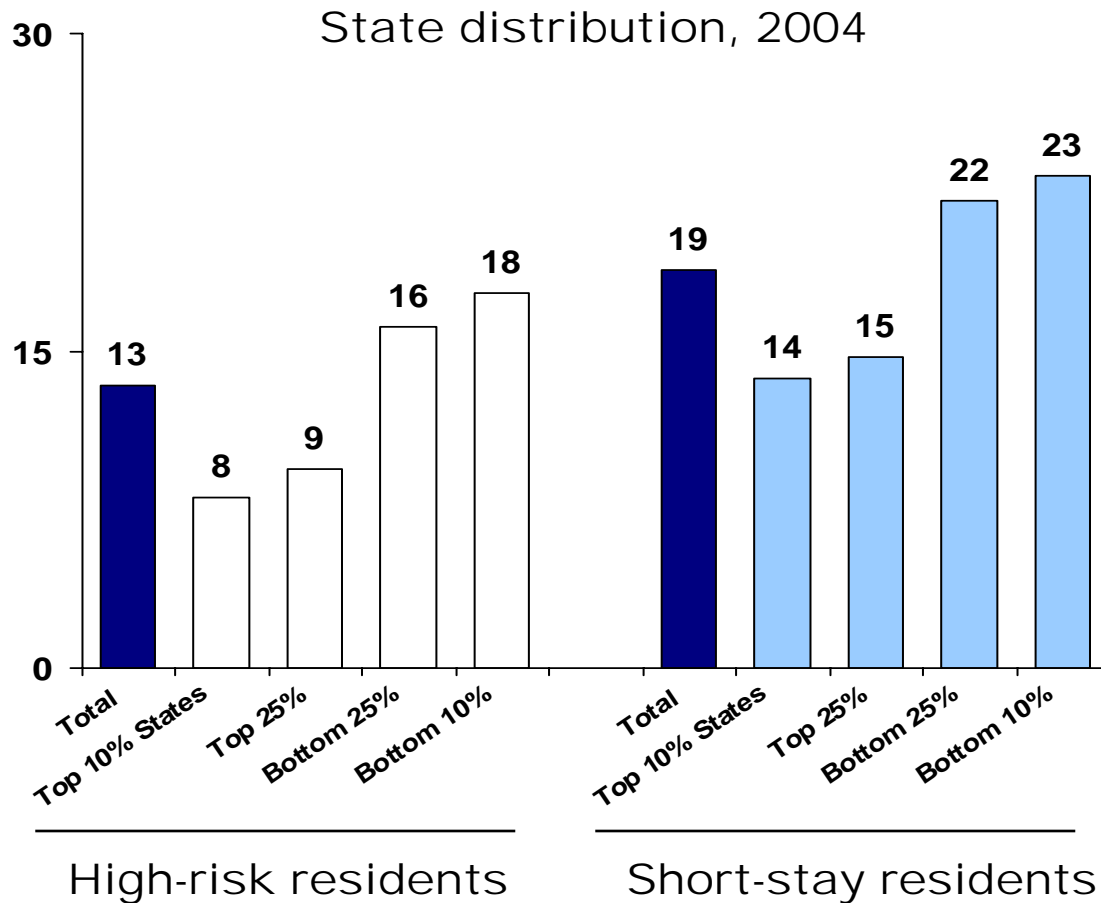
^ Annual household incomes of \$5,000 to \$20,000.

Source: S. Maxwell, M. Moon, and M. Segal, *Growth in Medicare and Out-of-Pocket Spending: Impact on Vulnerable Beneficiaries*, The Commonwealth Fund, January 2001 as reported in R. Friedland and L. Summer, *Demography Is Not Destiny, Revisited*, The Commonwealth Fund, March 2005.



Figure 23. Pressure Sores Among High-Risk and Short-Stay Residents in Nursing Facilities

Percent of nursing home residents with pressure sores



	High-risk residents	Short-stay residents
White	13%	21%
Black	17	26
Hispanic	15	25
Asian	12	22
AI/AN	17	23

AI/AN = American Indian or Alaskan Native.

Data: Nursing Home Minimum Data Set (AHRQ 2005a, 2005b).

Source: Commonwealth Fund Commission on a High Performance Health System.

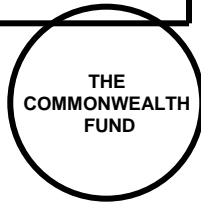
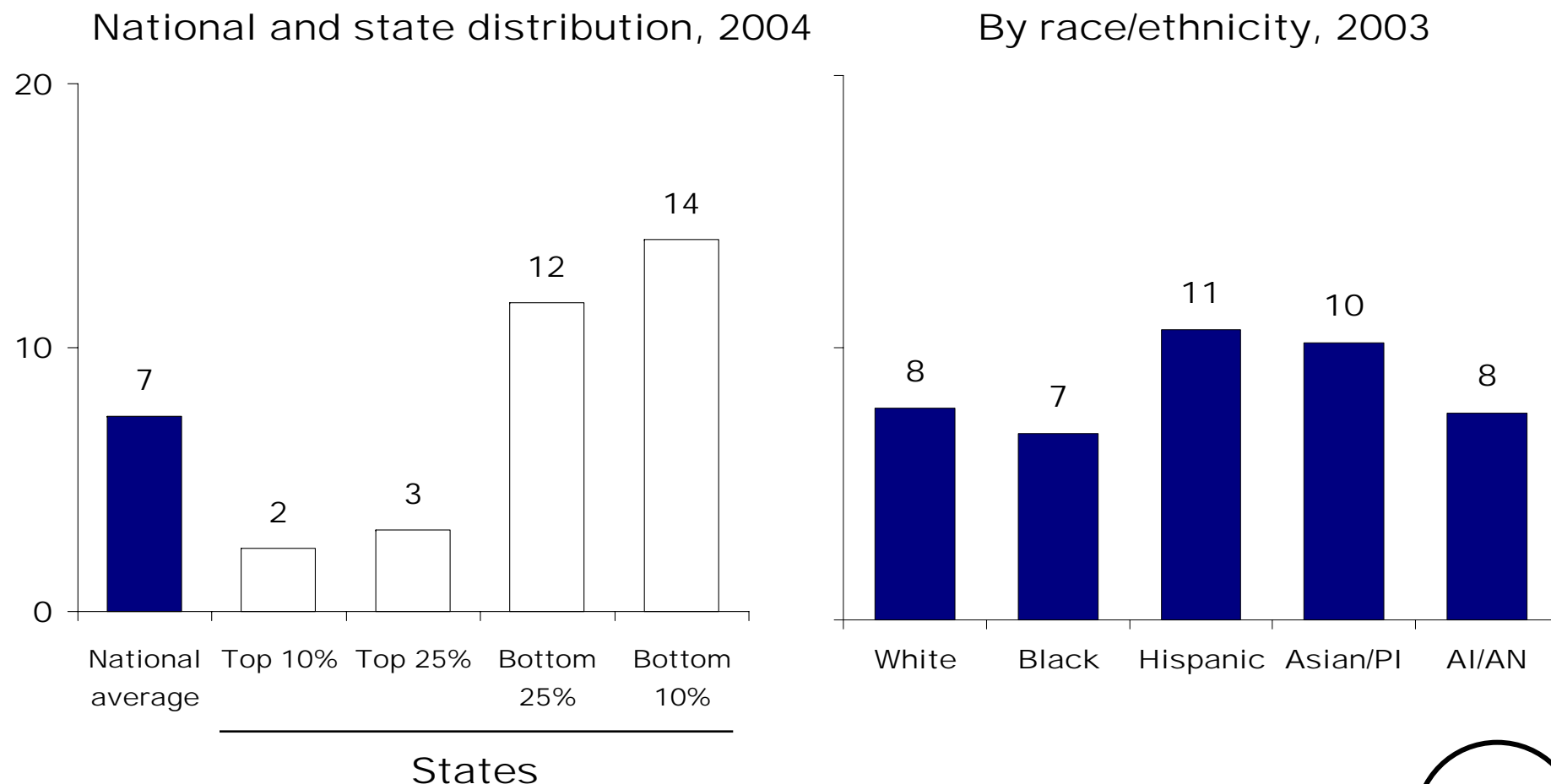


Figure 24. Physical Restraints in Nursing Facilities

Percent of nursing home residents who were physically restrained



PI = Pacific Islander; AI/AN = American Indian or Alaskan Native.
Data: Nursing Home Minimum Data Set (AHRQ 2005a, AHRQ 2005b).
Source: Commonwealth Fund Commission on a High Performance Health System.

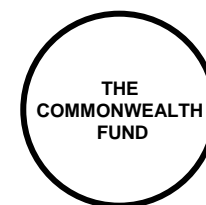
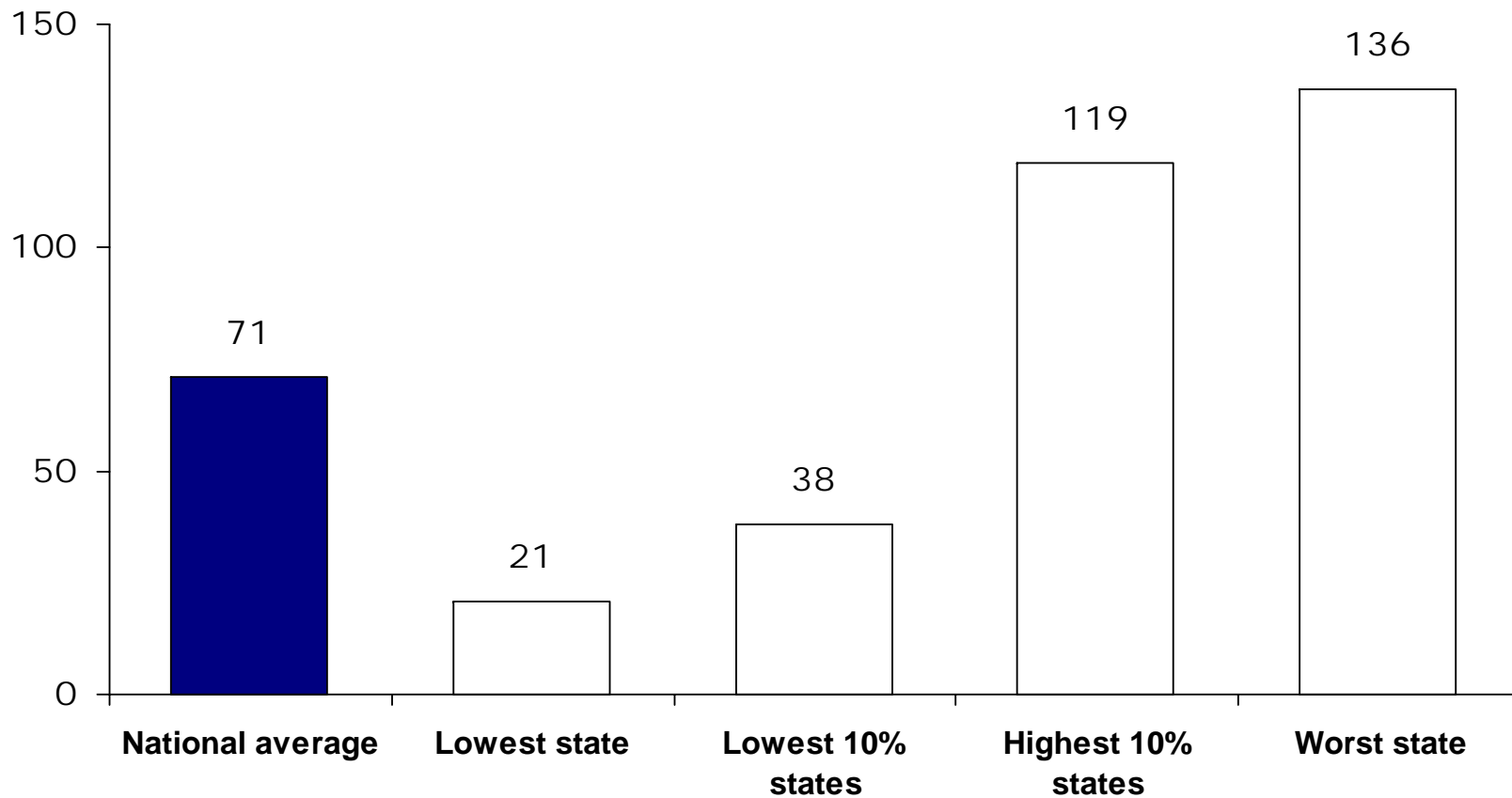


Figure 25. Nursing Homes: Turnover Rates of Certified Nursing Aides in Nursing Homes, 2002

Rate of terminations to established positions

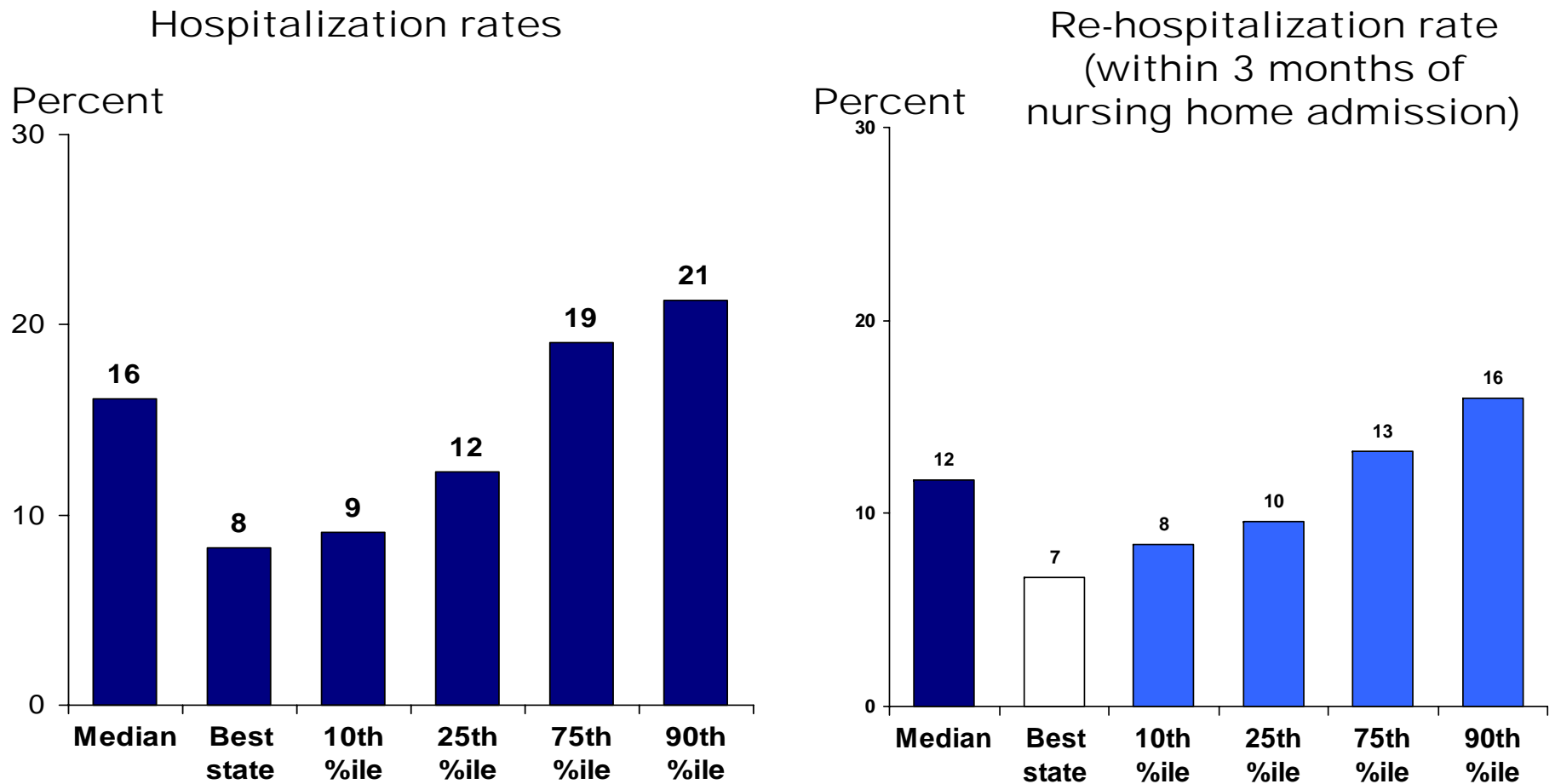


Data: 2002 American Health Care Association Survey of Nursing Staff Vacancy and Turnover in Nursing Homes (AHCA 2002).

Source: Commonwealth Fund Commission on a High Performance Health System.



Figure 26. Nursing Homes: Hospital Admission and Readmission Rates Among Nursing Home Residents, per State, 2000



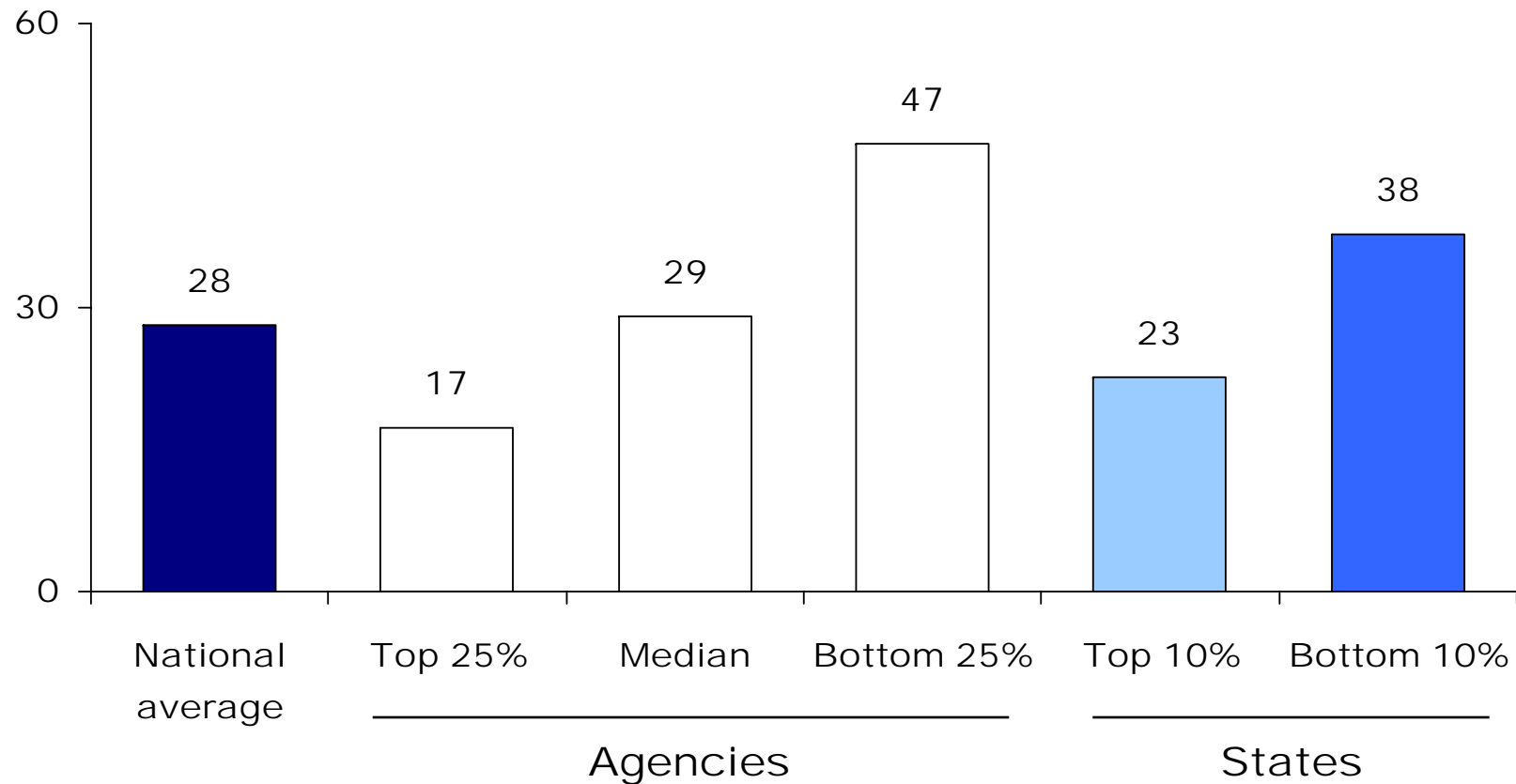
Data: V. Mor, Brown University analysis of Medicare enrollment data and Part A claims data for all Medicare beneficiaries who entered a nursing home and had a Minimum Data Set assessment during 2000.

Source: Commonwealth Fund Commission on a High Performance Health System



Figure 27. Home Health Care: Hospital Admissions, by Agencies and States, 2003–2004

Percent of home health episodes that ended with an acute care hospitalization



Data: Outcome and Assessment Information Set (Pace et al. 2005).

Source: Commonwealth Commission on a High Performance Health System.



Resident-Centered Nursing Home Care for Frail Elders

- Green House in Tupelo, Mississippi: evaluation supported by Commonwealth Fund finds higher quality of life; 24 sites in development
- Wellspring Alliance: started in Wisconsin; evaluation supported by The Commonwealth Fund finds higher quality of life, lower aide turnover, same cost; model spreading to other states
- Culture change movement would benefit from:
 - QIO technical assistance
 - Financial rewards and recognition for high quality of life, low aide turnover





A campaign to improve quality of life for residents and staff

www.nhqualitycampaign.org

Through its lead organizations, the campaign represents over:

- 11,000 nursing homes
- 196,000 health care professionals
- 20,000 consumers/ consumer advocates
- Leaders from health care research, academia, and other sectors

Working on behalf of the 1.5 million Americans cared for each day, and the more than 1 million compassionate long-term caregivers in America's nursing homes

Quality Improvement Goals

1. Reducing high risk pressure ulcers;
2. Reducing the use of daily physical restraints;
3. Improving pain management for longer term nursing home residents;
4. Improving pain management for short stay, post-acute nursing home residents;
5. Establishing individual targets for improving quality;
6. Assessing resident and family satisfaction with the quality of care;
7. Increasing staff retention; and
8. Improving consistent assignment of nursing home staff, so that residents regularly receive care from the same caregivers.

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- Chaired by Former Senator Bob Kerrey and Former Speaker of the House of Representatives Newt Gingrich
- A non-partisan, independent body charged with improving long-term care in America
- Appointed commissioners reflect a diversity of experience in academia, government, quality improvement and long-term care
- www.ncqltc.org

Working to find solutions to the pressing questions facing our aging society, including:

- How do we pay for long-term care and make sure all Americans have choices?
- What will it take to attract and retain the right kind of people to care for us?
- Which approaches hold the most promise for improving and assuring quality?
- Where can Americans get credible information to help them compare options?

