



LONG-TERM CARE INFORMATION FORUM FEBRUARY 3, 2009

LTC: Current Trends, Issues, and Opportunities

AGENDA

- 9:00 **WELCOME AND INTRODUCTIONS**
- 9:05 Peggy Brey, Interim Director
 Office of Long-Term Care Supports and Services
- 9:05 **CHANGES OVER TIME for the ELDERLY AND**
- 9:30 **PERSONS WITH DISABILITIES**
 Maureen Mikus, Ph.D., MSG
 Associate Professor, Western Michigan University
- Linda Potter**, Executive Director
 United Cerebral Palsy of Michigan
- MAUREEN AND LINDA WILL PROVIDE INFORMATION AND
FACILITATE DISCUSSION ON THE MORE FOCUSED ISSUES OF
- 1) WHERE WILL I LIVE,
 - 2) CAREGIVING/DIRECT CARE WORKFORCE, AND
 - 3) THE IMPACT OF MICHIGAN'S ECONOMY ON LONG-TERM
CARE
- 9:30 - **TRENDS, ISSUES, AND OPPORTUNITIES IN LONG-**
- 10:40 **TERM CARE FOR THE AGING**
 Maureen Mikus
- 10:40 - **BREAK**
- 10:50
- 10:50 **TRENDS, ISSUES AND OPPORTUNITIES IN LONG-**
- NOON **TERM CARE FOR PERSONS WITH DISABILITIES**
 Linda Potter

LONG-TERM CARE FORUM

FEBRUARY 2009

**PRESENTATIONS AND
HANDOUTS**

Long Term Care: Current Trends, Issues, and Opportunities

Maureen Mickus, PhD, MSG
Western Michigan University

Key Historical Trends with Impact on Elders and Long Term Care

- Shifting composition of the U.S population
- Smaller households
- Declining rates of:
 - poverty
 - disability

LTC in Michigan, the U.S. and beyond: Global Aging

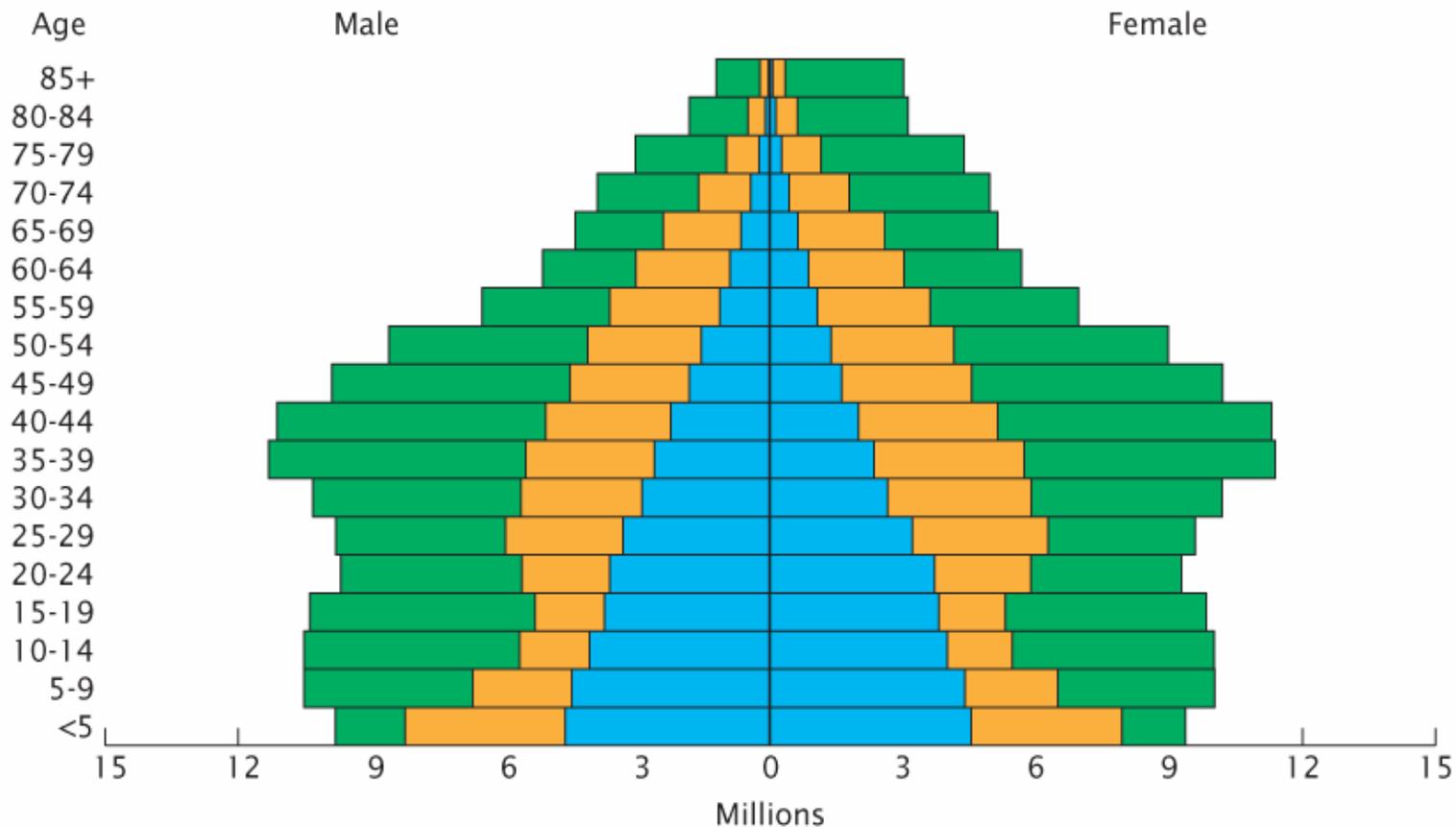


Tuti Yusapova of Uzbekistan-Oldest Woman at age 128

Source: BBC 1/31/09

Rectangularization of the Population Pyramid

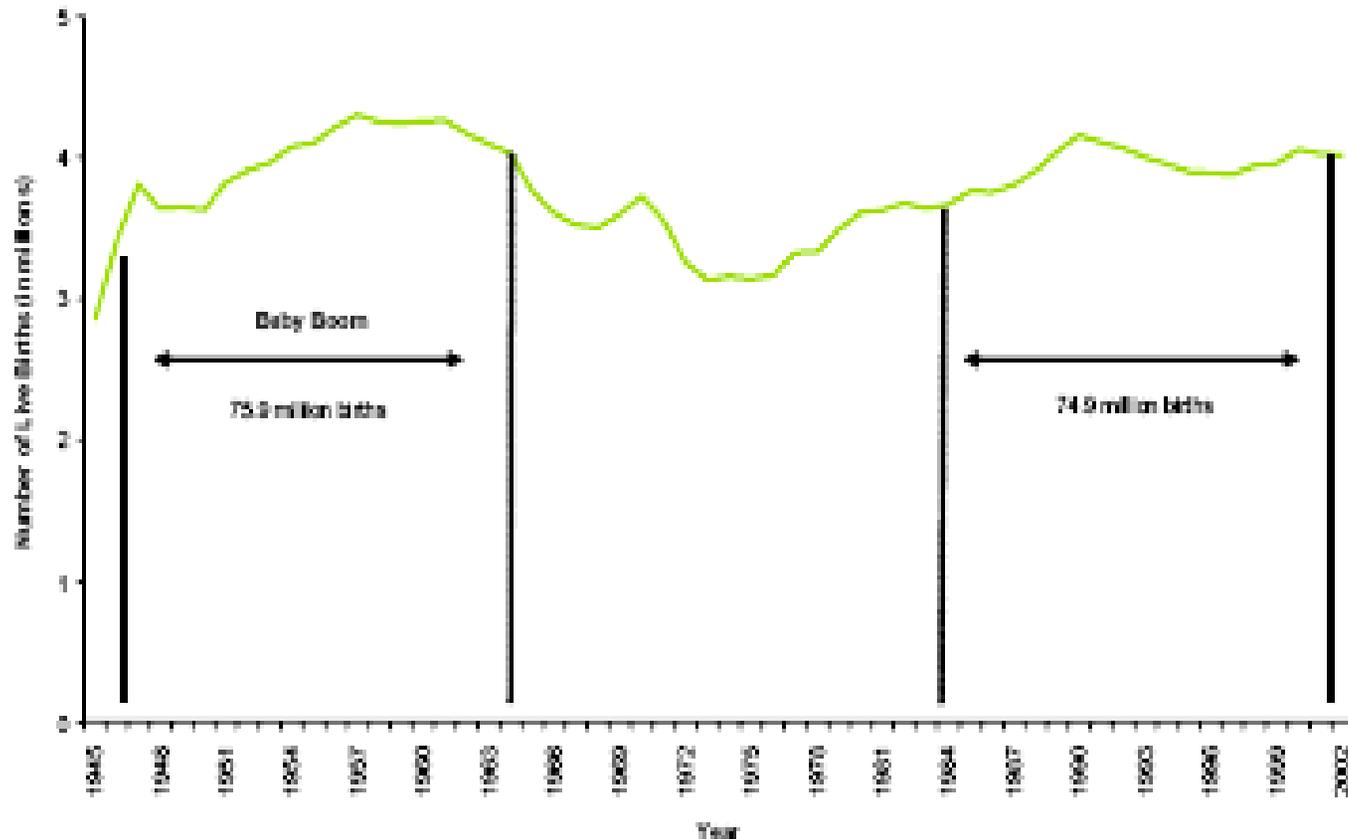
**Total Population by Age and Sex:
1900, 1950, and 2000**



Source: U.S. Census Bureau, decennial census of population, 1900, 1950, and 2000.

Baby boomers had fewer children, but almost as many babies born in the past 18 years as there had been during the “boom period”.

Figure 1-3. Number of Live Births, 1945 to 2002

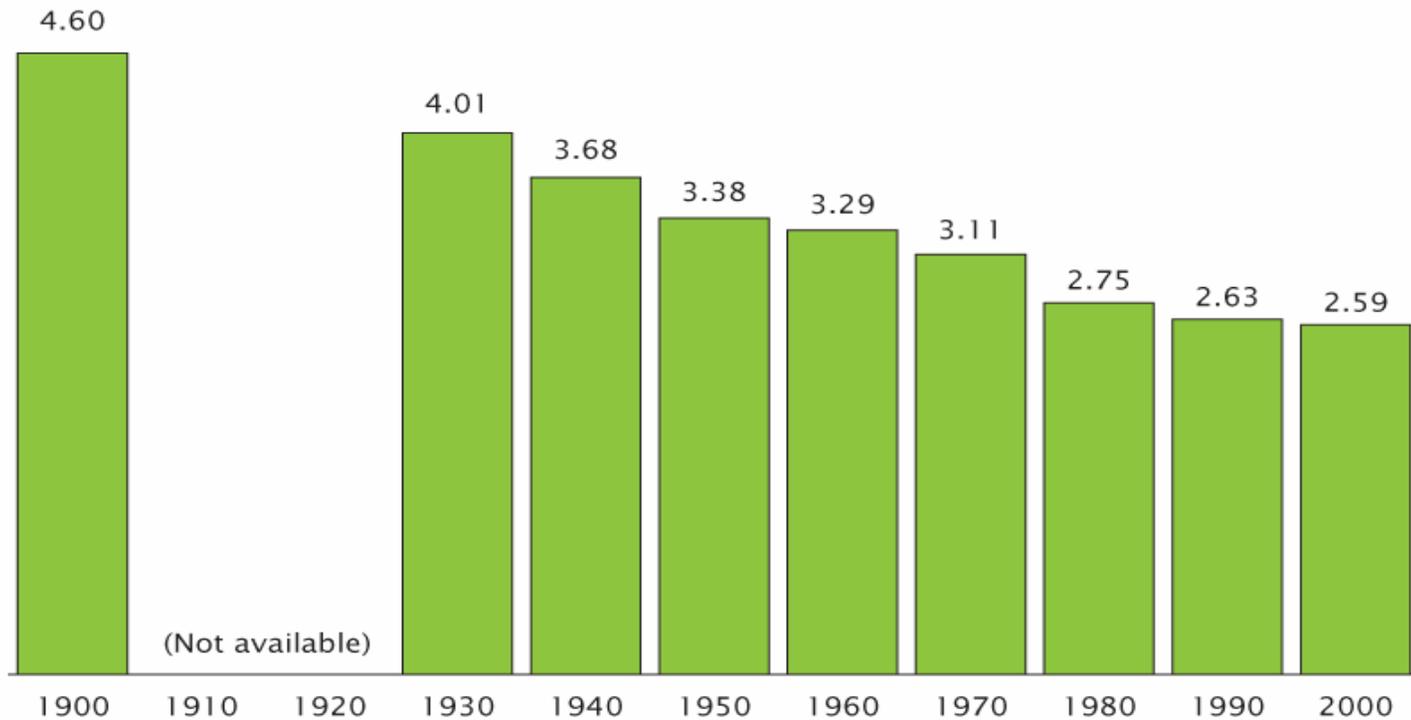


Sources: (1945 to 1963 data) U.S. Census Bureau. (1975). *Historical Statistics of the United States: Colonial Times to 1875*. Washington, DC: Government Printing Office. (1963 to 2002 data) National Center for Health Statistics. (2003). *BIRTH: Final Data for 2002* (National Vital Statistics Report Vol. 52, No. 9). Washington, DC: U.S. Department of Health and Human Services. Available at <http://www.cdc.gov/nchs/births.htm>.

Increasing single parent status, divorce rates and smaller families have led to decreased household size.

Average Household Size: 1900 and 1930 to 2000

(People per household)



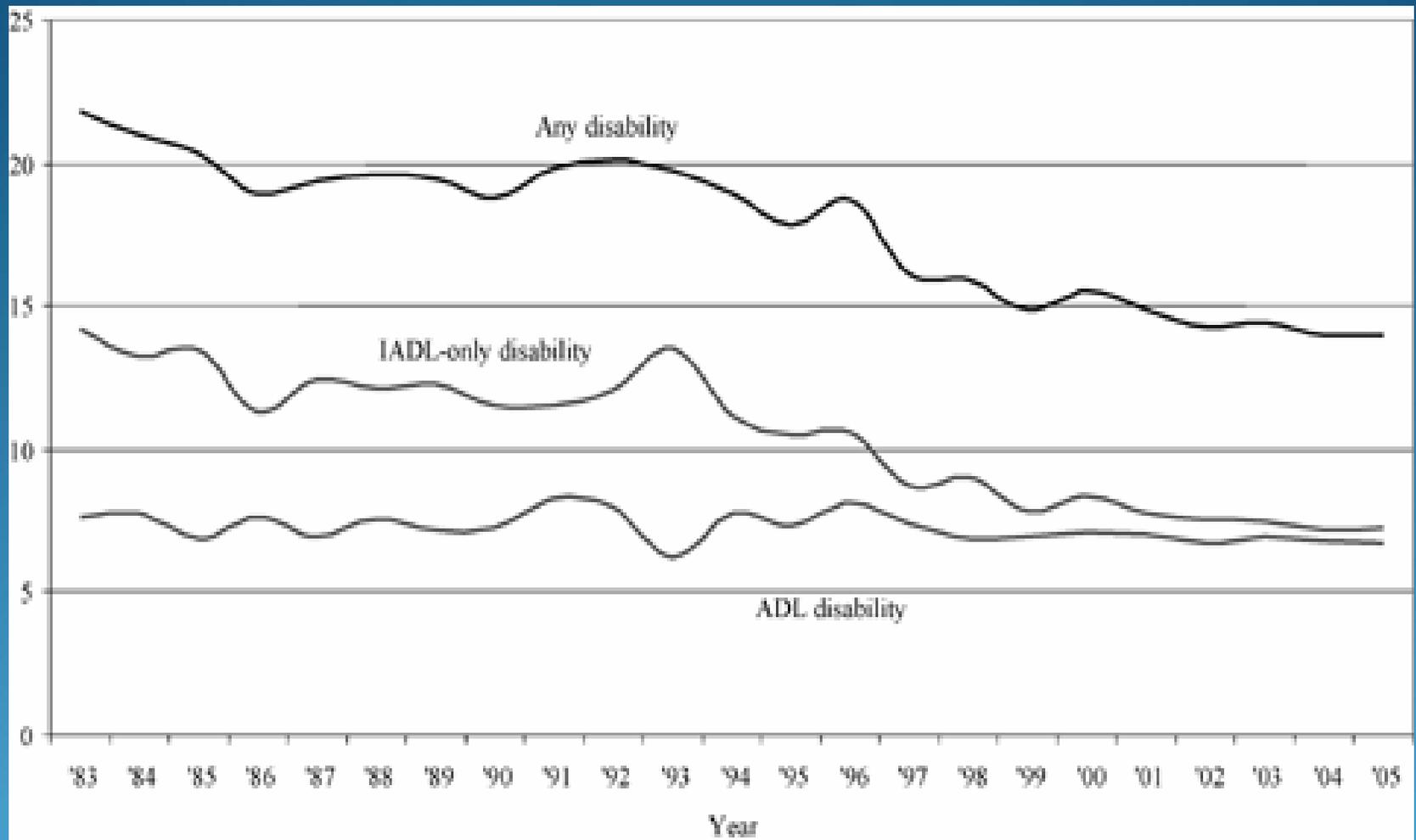
Source: U.S. Census Bureau, decennial census of population, 1900 and 1930 to 2000, and decennial census of housing, 1940.

Increased Percentage of Older Persons Living Alone (non-institutionalized population)

Year	Men		Women	
	65–74	75 +	65–74	75 +
	%		%	
1970	11.3	19.1	31.7	37.0
1980	11.6	21.6	35.6	49.4
1990	13.0	20.9	33.2	54.0
2000	13.8	21.4	30.6	49.5
2003	15.6	22.9	29.6	49.8
2004	15.5	23.2	29.4	49.9
2005	16.1	23.2	28.9	47.8
2006	16.9	22.7	28.5	48.0
2007	16.7	22.0	28.0	48.8

Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement.

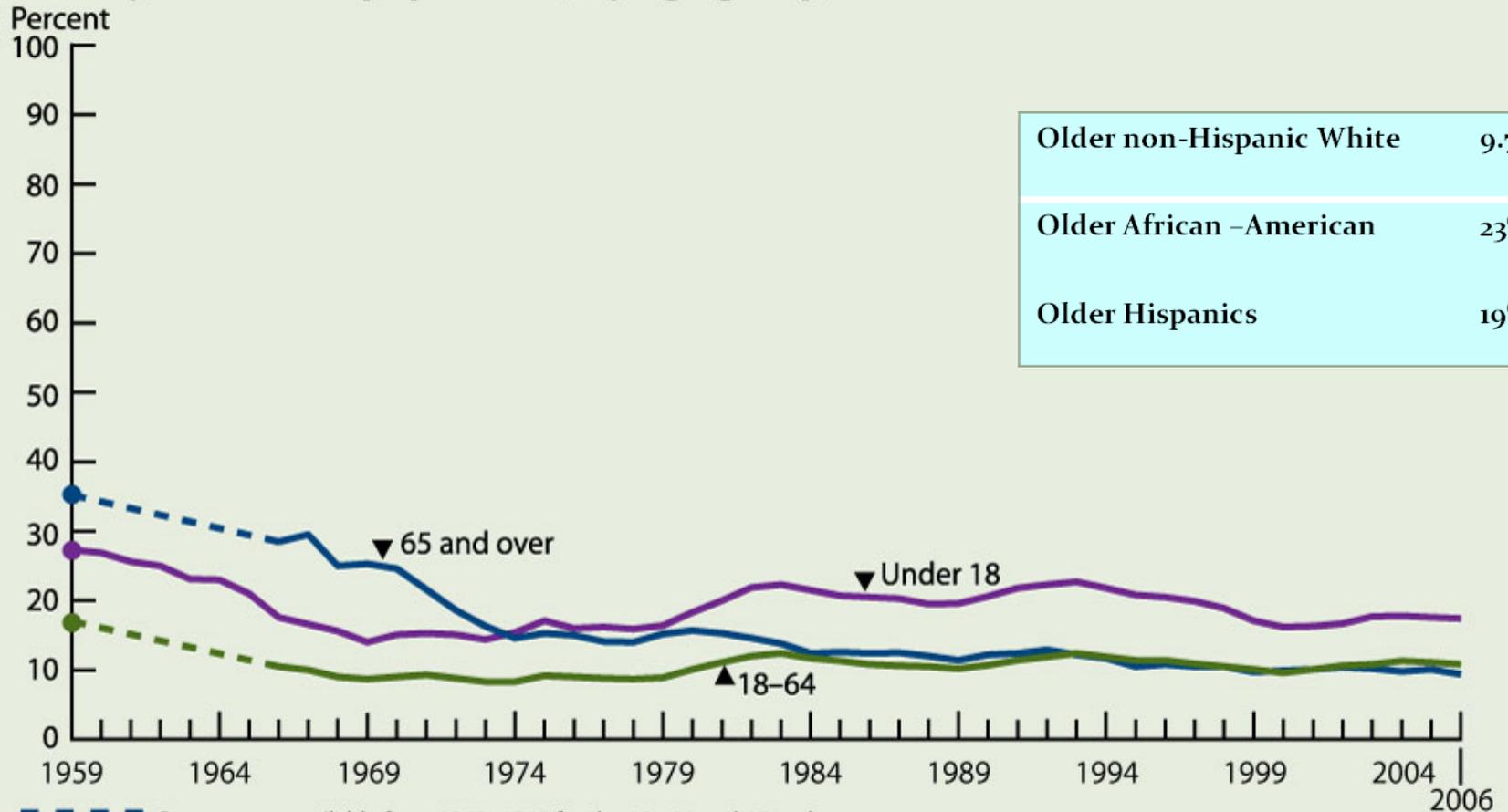
Age-Adjusted Prevalence of Disability among the Non-institutionalized Population 70 +, 1983 to 2005.



Schoeni et al, Milbank Quarterly, March 2008

Reduced Rates of Poverty

Poverty rate of the population, by age group, 1959–2006



Older non-Hispanic White	9.7%
Older African-American	23%
Older Hispanics	19%

— Data are not available from 1960–1965 for the 18–64 and 65 and over age groups.

Reference population: These data refer to the civilian noninstitutionalized population.

Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 1960–2007.

Current Trends impacting Elders

1. Caregiving
2. Housing Challenges
3. Economic Downturn



Who cares for our Elders?

- Families still provide the bulk of care, estimated 80 percent of care for older adults (*Curry et al., 2006: 166*).
- In 2006 economic value of CG estimated at \$350 billion (exceeding Medicare and Medicaid)
- Family CG represents \$33 billion loss in productivity

AARP Public Policy Institute

Economic Consequences for CG

Middle-aged women (aged 51 to 61 years) who assumed CG roles for their aging parents were:

- 2.5 times > likely than non-CG to end up living in poverty;
- 5 x > likely to receive public assistance through SSI when they were older themselves;
- Single female CG were 4x > likely than married caregivers to live in poverty in later life.

Source: Study conducted by researchers at Rice University and data compiled from the Health and Retirement Study funded by the National Institute of Aging 1992-2004.

Paying for Family Caregiving

Learning from other countries:

- *Sweden* offers an allowance to caregivers of elderly dependents, including spouses. The salary is equal to that of formal home help service provider employed by the municipality – this payment is taxable .

(Sweden Ministry of Health and Social Affairs, 2007).

- In *Australia*, a carer payment is offered as a biweekly payment of \$459 for caregivers who are unable to participate substantially in the workforce due to caregiving responsibilities .

(CAD, 2004) .



Should Older Persons Pay Family?

- “Caregiver agreements” - formal contracts under which relatives are hired to care for elderly family members.
"We expect the deteriorating economy to lead to a spike in caregiver agreement work."
-Thomas D. Begley Jr., an elder and disability law attorney in Moorestown, N.J., (WSJ 1/14/09)
- Financial transfers made under a caregiver agreement generally aren't considered gifts, an important consideration if the elder later hopes to qualify for Medicaid.
- The agreements need to be carefully crafted, and there are tax consequences.

Support:

- W/o financial support, the sustainability of the cg relationship threatened.
- Responds to the lack of direct care workers.
- Care recipients often feel indebted to their caregivers. Not present if the cg is financially compensated (*Guberman, 2003, p.3*).

Oppose:

- Because of the small value of allowance, the care provided may still be undervalued and reinforce the expectation of care as 'free'.
- Unless carefully defined, payments to CG could create a drain on public funds ("woodwork" effect).
- Family CG may have a vested interest in keeping the care receiver dependent (*Interministry Committee 2002, p.19*).

Can we legislate Filial Responsibility?

In *India* legislation was passed in 2007 by both Houses of Parliament for the **Maintenance of the Welfare of Parents and other Senior Citizens Bill**.



Penalty for “abandoning” a parent in someone’s care is punishable with imprisonment of up to three months, a fine of Rs.5,000 (\$100) or both.

Parents and older adults may reclaim property gifted to children or relatives if the latter fail to provide the former with “basic facilities and basic

physical needs.”

Strengthening Generations

The USC Longitudinal Study of Generations between 1985 and 2000 involved dyads of adult children and their aging mothers.

Results: Parents might increase their levels of instrumental and social support through:

- **fostering strong emotional bonds with their children**
- **demonstrating such support to their own parents.**

(Gans and Silverstein, *American Sociological Association*, 2008)



Investment in Direct Care Workers

- **DC employment with elders and persons with disabilities expected to increase 35% vs. 18% for other health care jobs.**

Michigan's direct-care workforce grew by a third over the last 8 years, from about 71,000 workers in 1999 to nearly 93,500 workers in 2007.
(PHI Michigan Nov 2008)

- **Investing in DC jobs would:**
 - **promote economic recovery in local communities;**
 - **stem job loss;**
 - **stabilize low-income families**
- **States can realize additional economic and social benefits:**
 - **higher tax revenues;**
 - **less reliance on public assistance**

(www.PHInational.org)

Housing

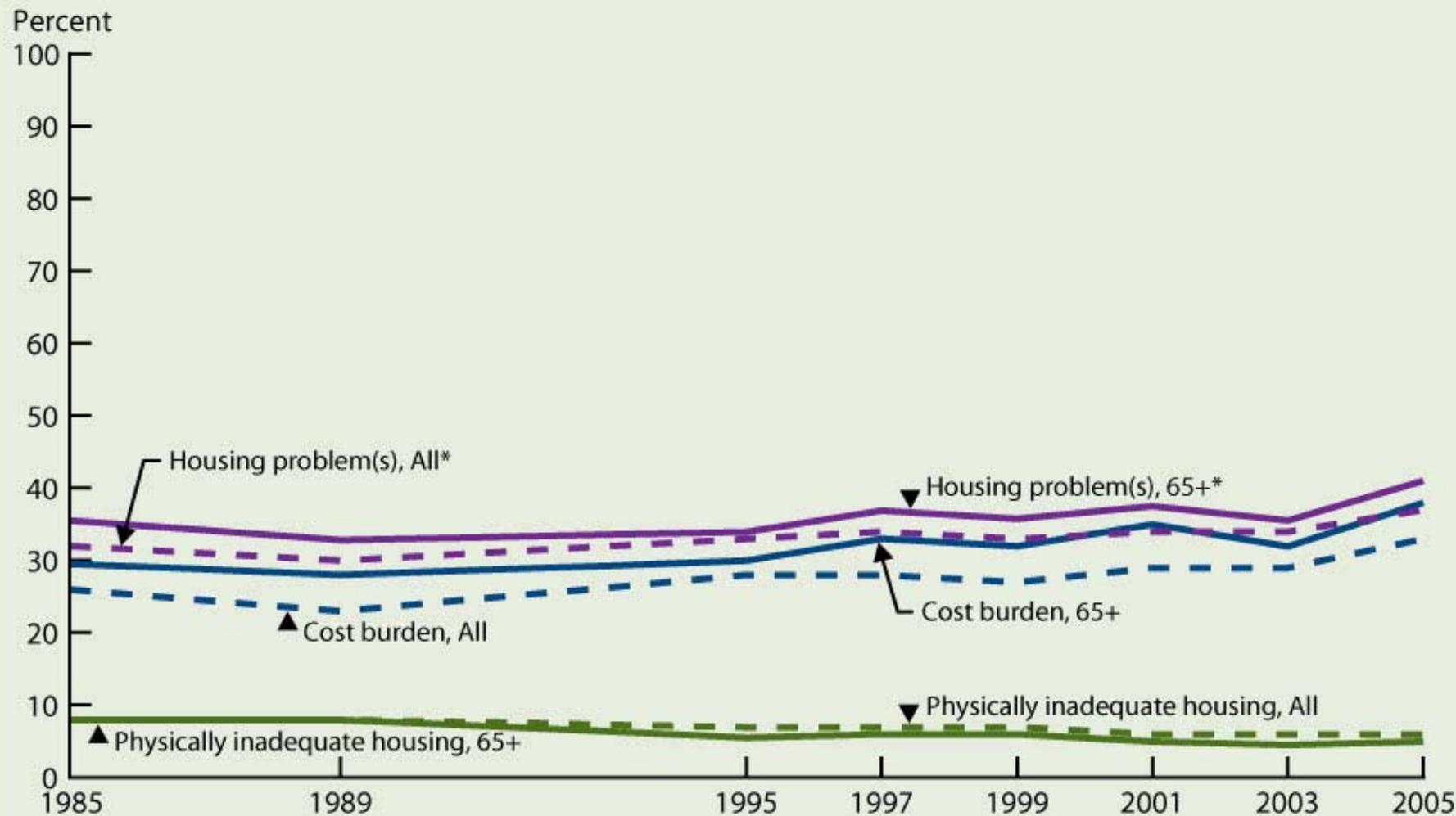
Range of LTC Settings available in Michigan

- Congregate settings, NH, ALF (both licensed and unlicensed), AFC, CCRC, subsidized housing.
- Services to support remaining in/returning to the one's home
e.g. MiChoice, Home Help, Case Management, Local Millage services, Nursing Home Diversion

Range of *Options* less available, especially for low-income elders.

- Despite SPE efforts, most elders unaware of housing options or availability of aging network
- Waiting list or lack of providers for services problematic
- Cost prohibitive for middle class or low income, esp. ALFs

Percentage of all U.S. households and households with residents age 65 and over that report housing problems, by type of problem, selected years 1985–2005



(All) All U.S. households; (65+) U.S. households with one or more residents age 65 and over.

*Although crowded housing is not a common problem for older people (less than 1 percent), it is included as one of three possible housing problems under "housing problem(s)." See Tables 13a and 13b in Appendix A for more information.

Reference population: These data refer to the resident noninstitutionalized population. People residing in noninstitutional group homes are excluded.

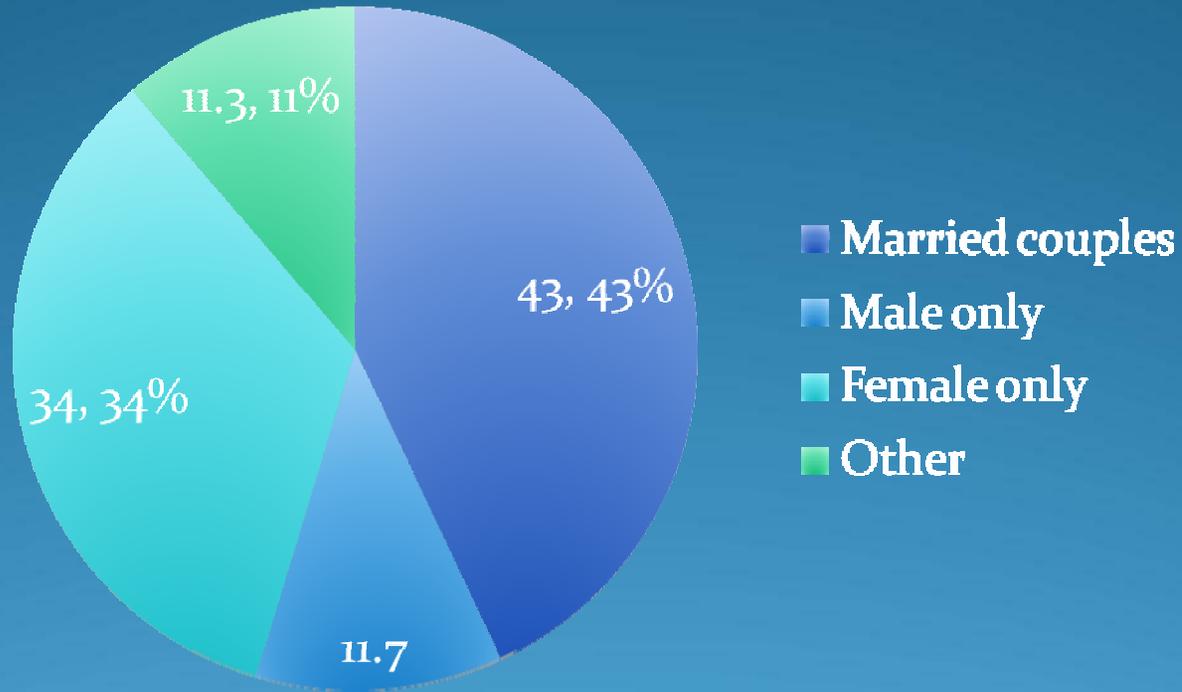
Source: Department of Housing and Urban Development, American Housing Survey.

Cost of Housing

- Single largest expenditure category for households headed by someone age 65 or older.
- Exceeds the cost of transportation and medical expenses combined.
 - Consider:
 - home loans
 - property tax
 - homeowners insurance
 - utilities
 - repair/maintenance



Housing in Michigan Persons 65+



Source: 2003-2004 American Community Survey, U.S. Census Bureau

Housing Cost Burden for Michigan 65+ (Paying 30% or more of income)

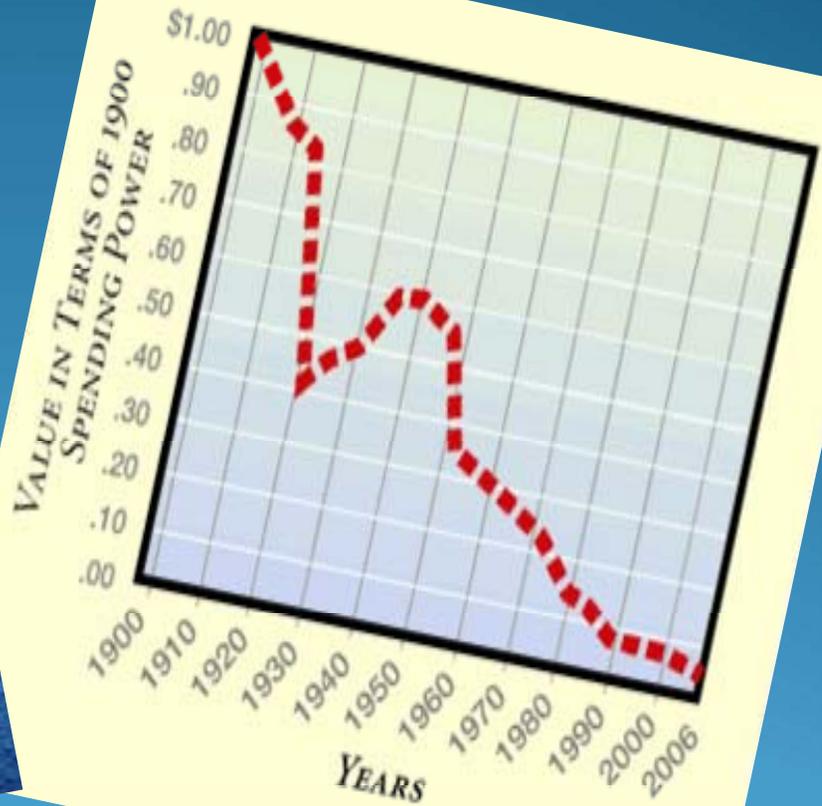


Homelessness in Later Life

- Increased homelessness among elderly persons is largely the result of poverty and the declining availability of affordable housing among certain segments of the aging.
- Throughout the nation, there are at least 9 seniors waiting for every occupied unit of affordable elderly housing.

Source: Annual Homeless Assessment Report to Congress, 2007.

Economic Downturn



Source: U.S. Department of Commerce

How the Economic Downturn Impacts Older Peoples' Spending Behavior, April 2008

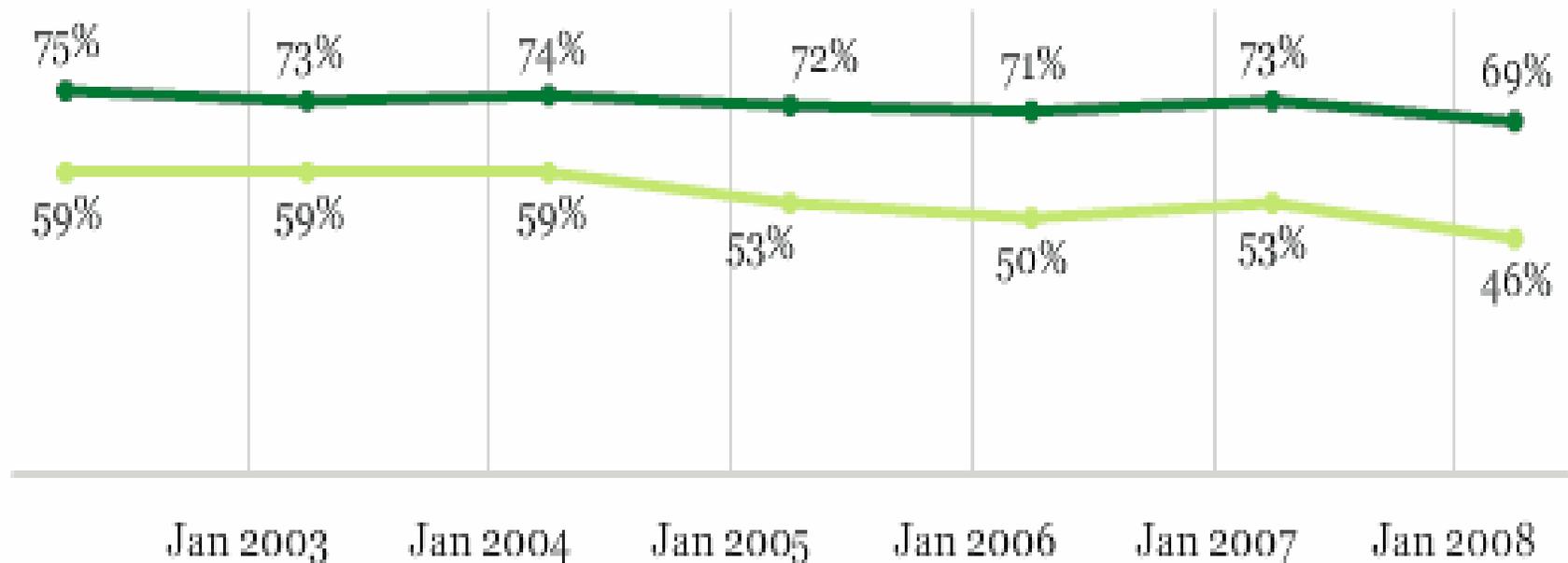
Behavior	Yes	No	N/A
Found it more difficult to pay for essential items such as food, gas and medicine	66%	34%	<0.5%
Found it more difficult to pay for utilities	53%	46%	1%
Found it more difficult to pay your mortgage or rent	26%	54%	20%
Found it more difficult to pay for education expenses	19%	35%	46%
Postponed plans to travel	47%	49%	4%
Postponed a major purchase	46%	52%	3%
Postponed paying some bills	20%	80%	<0.5%
Reduced the number of times you eat out	61%	36%	3%
Reduced spending on entertainment	60%	36%	3%
Decided not to change jobs	19%	33%	47%
Postponed plans to retire	16%	42%	42%
Your spouse postponed plans to retire	16%	59%	24%
Prematurely withdrew funds from 401(k), IRA, or other investments	23%	69%	8%
Moved to a smaller house or apartment	8%	86%	6%
Stopped putting money into a 401(k), IRA or other retirement account	33%	53%	14%
Increased the number of hours you work	18%	82%	5%
You got a second job	8%	64%	28%
Made changes to your home so you could live there longer	29%	65%	5%

Source: AARP, *The Economic Slowdown's Impact on Middle-Aged and Older Americans*, May 2008

Percentage Living Comfortably Now Versus Percentage Expecting to Live Comfortably in Retirement

■ Have enough money to live comfortably now

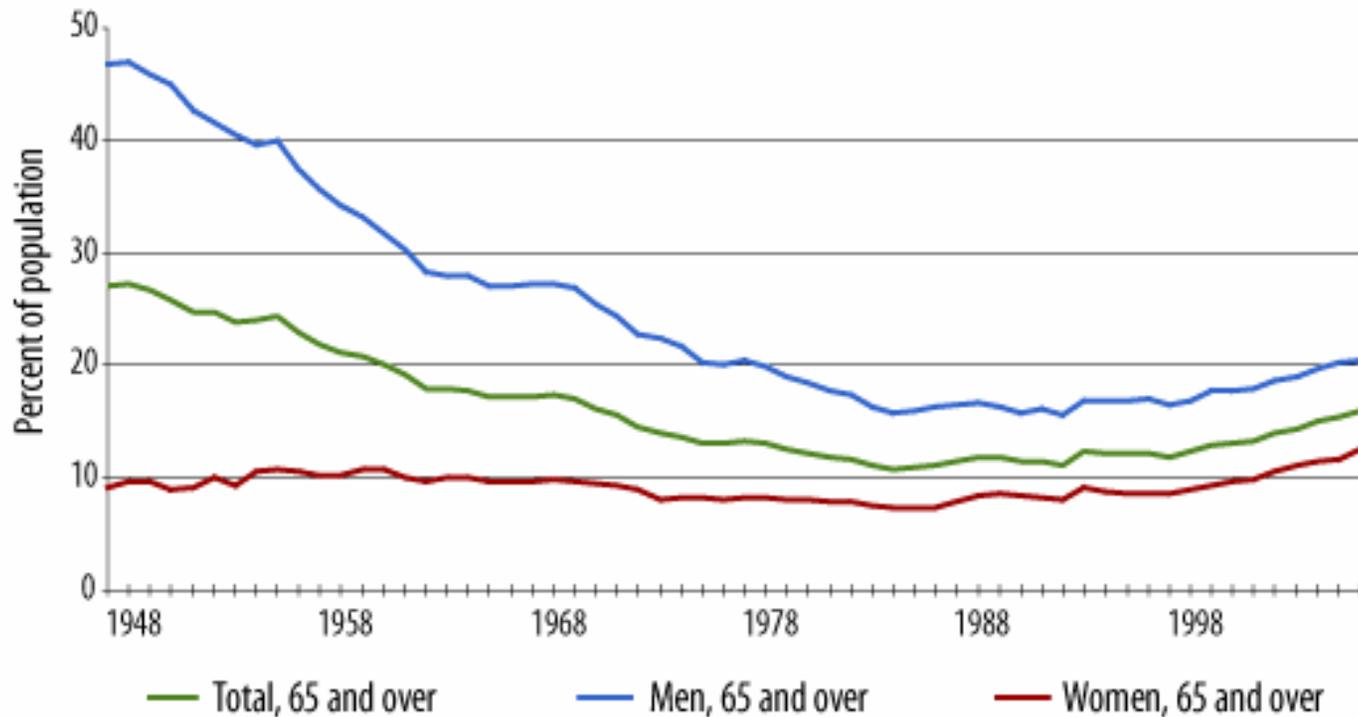
■ Expect to have enough money to live comfortably in retirement (asked of non-retirees)



GALLUP POLL

As falling real-estate and stock markets erode savings, many are delaying retirement, choosing labor over leisure in uncertain times.

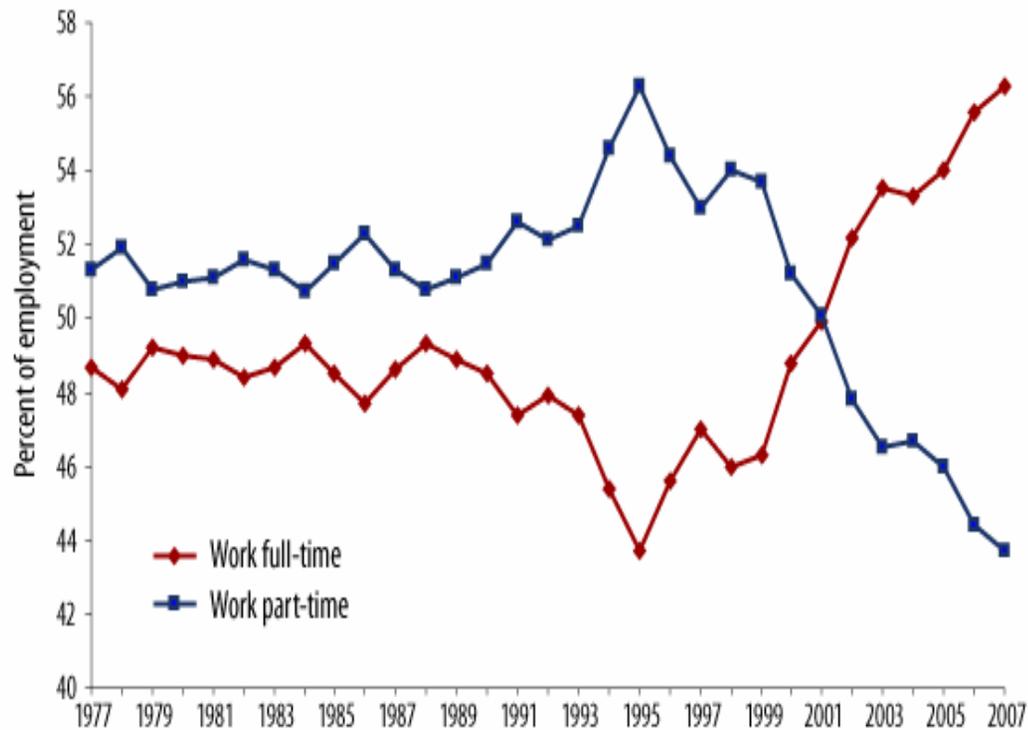
Labor force participation rate of workers 65 and over, 1948-2007



Source: U.S. Bureau of Labor Statistics

www.bls.gov

Workers 65 and over by work schedule, 1977-2007



Source: U.S. Bureau of Labor Statistics

www.bls.gov

Between 1988 and 2007, the percentage of large companies offering retiree health benefits fell by half, to 33%

In 1979, 62% of U.S. employees participated only in a pension plan. By 2005, 63% of workers reported that they participated only in a 401(k) plan.

(Kaiser Family Foundation)

Occupancy rates for independent and assisted-living facilities have fallen slightly in the last year, by about 2 percent through the middle of 2008. (Source: National Investment Center for the Seniors Housing and Care Industry)



Ms. Merlin, age 94. “I just couldn’t go anywhere until I sold my apartment,” she said. “I and a lot of other oldsters are stuck.”

Financial Dependence on Adult Children

Freya Berman, 92, a resident of Westwood Horizons in Southern California. “My reserves have dropped,” she said, and her children pay the pricey monthly rent. “If I didn’t have my son paying rent,” Berman said, “I’d have to consider leaving.”

Monthly rent at the independent living facility ranges from \$3,000 to \$6,500.





CNN

Japan has the fastest-aging population in the world. The increase in the elderly crime rate was *seven times* the increase in their numbers. Thefts such as shoplifting and pick-pocketing were the main offenses."The main reasons they shoplift are poverty and loneliness," said Kazuo Kawakami, a former federal prosecutor. "The traditional Japanese family is gone, and now our elderly live alone.

"<http://edition.cnn.com/2008/WORLD/asiapcf/12/24/elderly.shoplifters/index.html#cn-STCVideo>

Percent of Bankruptcy Population by Age

Age Category	1994	2002	2006
under 25	10.6	4.2	3.6
25 - 34	31.6	28.4	22.7
35 - 44	30.9	28.4	28.6
45 - 54	17.3	24.9	22.4
55 and over	9.6	14.0	22.7

Source: Institute for Financial Literacy

- Higher prices for ordinary goods have hurt those on who are on fixed budgets.

- Some fall prey to scams.

- Costs of medical treatment continues to rise significantly.

- Borrowers 65 + 3x > likely to hold a subprime mortgage than borrowers less than 35 years of age. (PPI Data Digest #57).

Relative percentage change in bankruptcy filing rates 1991-2007

Age	% change
18-24	-64.1%
25-34	-46.1%
35-44	-30.1%
45-54	-24.7%
55-64	40%
65-74	125%
75-84	433.3%
Total filings	-29.2%

Source: 2007 Consumer Bankruptcy Project

- Hurt by adjusted interest rate mortgages on their houses. The percentage of seniors borrowing against their homes in order to support themselves increased from 20.7 percent in 1990 to 28.3 percent by 2000.
- Cost of prescription drugs at the same time as car loans and other debt prohibitive.
- Or, person's spouse may die, cutting in half the income brought into a household.



Credit Card Debt Increasing

Tommie Nell Hettick, 74, of West Palm Beach, Fla., in her senior-living efficiency that she shares with her dog, Myssy, used credit cards to cover medical costs not paid for by insurance. (USA Today 3/2/07)



Impact on Aging Services



Matt Jackson of the Meals On Wheels program waits to deliver a meal to a home in Charleston, W.Va. The program is losing volunteer drivers nationwide.

<http://www.pbs.org/newshour/video/module.html?mod=0&pkg=14082008&seg=3>

Conclusion

- Confluence of demographic and economic factors indicate that older adults and their families are facing serious challenges.
- Problems are not likely to diminish quickly, but require long term planning and prioritizing. High risk populations (e.g. minority elders and renters) should be targeted first.
- Creative new solutions are warranted (e.g. home sharing, funds for home modification)
- Additional data is needed to understand how broader trends are specifically affecting Michigan elders.

FY 2008 Transitions by Waiver Agent and Center for Independent Living

<u>WAIVER AGENT</u>	MIChoice	Community	In process	<u>CIL</u>	MIChoice	Community	In process	<u>Total/region</u>
Region 1A								
DAAA	41	45	58	DN/Wayne	0	1	3	41/46/61
Region 1B								
AAA1B	32	5	21	AACIL	0	1	3	39/7/39
MORC	7	0	5	DN/Wayne	0	1	3	
				DN/OM	0	0	7	
Region 1C								
Senior Alliance	8	6	11	DN/Wayne	0	1	3	31/15/29
The Info. Center	23	8	15					
Region 2								
R2AAA	12	0	2	DC- Jackson	0	21	3	12/21/2005
Region 3								
AAA3B	11	2	6	DN/SW	0	17	4	33/24/16
Senior Services	22	5	6					
Region 4								
AAA3B	11	2	6	CC-Ben. Har.	0	2	2	23/4/15
R4AAA	12	0	7					
Region 5								
Valley AAA	3	0	3	TDN-Flint	0	13	9	3/13/2012
Region 6								
TCOA	20	2	15	CACIL	0	7	3	20/9/18
Region 7								
R7AAA	5	1	2	DN/MM	0	8	2	71/18/35
A&D	66	8	26	BWCIL	0	1	5	
Region 8								
AAAWM	36	18	13	DC/Muskegon	0	2	1	42/31/31
HHS	6	2	9	DAKC	0	2	6	
				DN/Lakeshore	0	7	2	
Region 9								
NEMCSA	15	2	6					20/3/8
NMRHS	5	1	2					
Region 10								
AAANW	16	0	8	DN/NM	0	1	0	21/1/11
NHCM	5	0	3					
Region 11								
UPCAP	28	8	21	SAIL	0	2	4	28/10/25
Region 14								
Senior Resource	8	0	1	DC/Muskegon	0	2	1	14/9/6
HHS	<u>6</u>	<u>0</u>	<u>2</u>	DN/Lakeshore	<u>0</u>	<u>7</u>	<u>2</u>	
Total	390	105	242		0	91	57	

January 27, 2009