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America is Unprepared to Meet the Needs of its Growing Older Adult Population

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KEY TAKEAWAYS

- In 2030, approximately 1 in 5 (73 million) Americans will be aged 65+ years.
- New policies and resources are needed to prepare the physician workforce, older adult care facilities, and health care services to support this demographic shift.
- Medicare is not comprehensive enough to support the needs of every aging adult.
- Medicaid is an important supplemental program, but rigid income thresholds prohibit many aging adults from accessing its comprehensive services.

In 1900, only 3 out of every 100 Americans lived past the age of 65. Now more than 30 of every 100 Americans do so.[1] As we near 2030, the United States will undergo a transformative demographic shift, as approximately 73 million Americans will be ages 65 years or older. America is currently unprepared to meet the health and aging care needs of this large cohort.

American baby boomers (those born from 1946 to 1964) are turning 65+ during an unprecedented time when the nation is aging while fertility rates are declining. By 2030, the number of older adults is projected to outnumber children. As Americans continue to have fewer children than in the past, fewer young adults will be around to support and care for the aging population. Coupled with COVID-19 pandemic-driven disruptions to the healthcare industry, we are facing a precarious moment in the availability of services needed to support older adults. Over time, we will see increased health care scarcity and inequality in the distribution of elder care services, especially with continued healthcare worker shortages and drastic increases in the cost of living. This brief describes how the United States is ill prepared to support its aging population and provides policy recommendations on mitigating this challenge. It argues that the federal government must ensure that programs like Medicare, long-term care services, and the aging care specialists that support this population are prepared.

Service Gaps in Care for Older Adults will Widen in the Next Decade

As millions of Americans age in an already under-resourced and costly older adult care system, preexisting service gaps will widen. The COVID-19 pandemic worsened ongoing healthcare worker shortages that stemmed from pre-pandemic burnout and an aging physician workforce. One-third of physicians will be aged 65+ by 2030.[2] Additionally, the number of geriatricians, or healthcare professionals specializing in elder care, has steadily decreased since 2000.[3] 30,000 geriatricians are needed to support the growth in the older adult population, but here are only 7,300 geriatricians employed today (representing 1.07 geriatricians per 10,000 older adults). These gaps have left the healthcare system overextended and unequipped to serve this population.[3] Plus, with time-intensive geriatric training and lower wages compared to other healthcare specialties, there are few incentives to join this industry.

A shortage of primary care physicians, especially those with geriatric training, will heighten service gaps and reduce health care affordability. Currently, the average annual cost of a nursing home in the U.S. is $108,405.[4] However, due to geographic disparities in access to care, costs vary substantially depending on the state. For example, in Alaska an older adult may pay $378,140 annually – over double the national average.[4] Additionally, memory care facilities are priced at around $7,500 monthly, assisted living facilities cost over $5,800 monthly, and round-the-clock home health aides come in at $160,000 annually.[4] Yet, even those "fortunate" enough to afford these services will be harmed by service gaps, as staff turnover or burnout compounded with overextension can lead to diminished quality of care or even elder abuse.

For older adults who cannot afford long-term care services, children and grandchildren sometimes assume the role of caregivers. But caregiving is expensive. Three out of every five caregivers must take on a second job to afford caregiver costs (such as home modifications, round-the-clock care, and durable medical equipment, etc.), often leading to economic, social, and physical strain on the caregiver.[5]

Medicare Limitations Lead to High Health Care Costs for Older Adults

Medicare enrollment will skyrocket to roughly 69.7 million beneficiaries when all the baby boomers become eligible for enrollment in 2030.[6] Due to the surge in enrollees, Medicare spending is expected to double, with acute care spending projected to reach $260 billion by 2030.[6] This amount is larger than the GDPs of entire countries, including Ukraine, Greece, and Hungary.[7]

Additionally, unless enrolled in a privatized Medicare Advantage program, Medicare is limited to acute care, which consists of short-term, medically necessary treatment, hospital insurance, hospice care, and optional prescription drug coverage. Medicare will not cover vision care, hearing care, dental care, custodial care, or any nursing home and aide-delivered care not associated with a prior hospital visit. Chronic illness treatment and long-term care become essential needs as we age. Nearly 95% of adults aged 60+ have one chronic condition, 79% have at least two conditions, and 7 in 10 older adults will likely need long-term care services.[8] Recipients must fill Medicare coverage gaps through supplemental insurance or out-of-pocket payments. Thus, a Medicare

household's out-of-pocket health care costs average $7,000 annually, an amount that is out of reach for many low-income or Social Security dependent older adults.[9]

Older Adults in States with Medicaid Expansion Live Longer

Medicaid benefits 90 million Americans and covers a more comprehensive set of services than Medicare and most private insurances. Whereas Medicare is mainly universal to Americans once they turn 65, Medicaid often serves as a safety net for low-income, disabled, or uninsured individuals. Medicaid beneficiaries are entitled to acute care, home health services, transportation to medical care, prescription drugs, and nursing care. States have the option to cover other services, such as rehabilitative services, prosthetics, hearing care, vision care, and personal care. Medicaid also offers a paid familial caregiver program, alleviating financial stressors for caretakers.

There is significant between-state variation in Medicaid coverage that either inhibits or improves access to care. Fewer older adults are eligible in states that have not expanded Medicaid under the Affordable Care Act. As of 2021, roughly 360,000 adults ages 55-64 remained in the Medicaid coverage gap due to living in non-expansion states, a number that may increase as we move into 2030.[10] Assuming a substantial growth in health care costs, low-income older adults that are ineligible for Medicaid will experience increased medical debt and poverty. For older adults who are eligible for Medicaid in non-expansion states, their states often still do not cover optional yet medically necessary forms of care, like occupational therapy, hearing aids, or respiratory care services.

Beyond out-of-pocket costs, older adults in Medicaid expansion states live longer than those living in states that did not expand. Older adults without expanded Medicaid have less access to primary and preventative healthcare services, many of which detect cancer in its early stages. In states that expanded Medicaid, 19,200 lives of adults aged 55-64 were saved during the first four years of expansion alone (2014 to 2017). In comparison, in non-expansion states, there were 15,600 additional deaths in this age group that could have been avoided if these states had expanded coverage.[11] It is clear that Medicaid expansion saves lives.

How Can Policymakers Support the Aging Population?

Heading into 2030, comprehensive health and aging care services and coverage will be critical to support our growing older adult population. Policymakers should consider several strategies to provide optimal care and support for this population.

1. Create federal recruitment incentives such as student loan forgiveness, national endowments, and mandatory minimum pay raises for geriatricians and health aide workers (certified nursing assistants, custodial care workers, home health aides etc.). With these incentives, the government can stimulate job growth and interest in these critical health fields. In response, staff turnover rates should also decline over time. Other incentives could include free and accessible training for part-time high school workers to fill caregiving gaps in nursing homes or assisted living facilities.
2. The caregiver burden for family members is especially problematic. Transforming Medicaid's paid caregiver program into a Medicare program could support family caregivers. Because Medicare is (relatively) universal, most beneficiaries and their children would have this as a supplemental option to age in place without costly nursing homes or medical facilities. Such a program could also reduce the

financial, socioemotional, and physical harms of caregiving. This can be funded by gradually defunding Medicare Advantage, which relies on federal funding despite being privatized.

3. A more aggressive approach would be to adopt universal health insurance. Increasingly popular among the American public, a government-funded health insurance plan would improve health care accessibility and affordability. Additionally, chronic care and long-term care could be covered without the fear of life-altering medical debt or out-of-pocket costs.

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