

What Policymakers Need to Know About an Aging America

Policymakers in 2023 and beyond must adopt policies that address the unprecedented and long-term shift in our country's age and racial demographics, while also recognizing the disparities and challenges to healthy aging that COVID-19 has illuminated and exacerbated.

By 2040, 80.8 million—or one in five—Americans will be 65 or older, a full 21.8 percent of the population.ⁱ Federal priorities of the Biden administration and the 118th Congress must recognize and address the opportunities—and the real challenges—posed by the unmet needs of our nation's rapidly growing number of older adults. The dramatic impact of the COVID-19 pandemic on older adults has made painfully clear the need for a national response and local supports to address the critical needs of the oldest among us—who experienced the health consequences and hardships of the COVID-19 crisis more than any other population group. This is an unwanted designation that continues even today, with older adults most likely to be hospitalized or die from COVID-19 and many older adults grappling with health issues exacerbated by the social isolation of the past few years.

Every community in the country is already grappling with an historic population shift, with ratios of older adults far exceeding the current national average, and available services unable to keep pace with the growing need. However, in just one decade, all communities will reach an unprecedented milestone that few have prepared for: by 2034, the population of adults 65 and older will outnumber children younger than 18.ⁱⁱ

Furthermore, at some point in their lives most of this growing population of older adults—nearly 70 percent—will need an average of three years of long-term care (LTC; also called Long-Term Services and Supports) as they age.ⁱⁱⁱ

These demographic milestones are not simply blips on the U.S. Census radar. They are mile markers on a longer road toward a significantly older and more diverse nation. It is critical that lawmakers at all levels of government recognize that, unlike at any other point in our history, demographics demand, and must drive, a policy agenda that:

- Supports the ability of older adults to live in their homes and communities as they age—where the majority want to live;
- Improves the health and well-being of the fastest-growing demographic cohort in our country while effectively managing health care expenditures; and
- Preserves the original intent and structural integrity of Medicare, Medicaid, Social Security, Older Americans Act and other vital aging programs upon which millions of older adults rely, while also ensuring that these foundational programs are prepared to serve the growing population.

In the months and years ahead, we encourage policymakers at all levels, but especially in the 118th Congress and the Biden administration, to pursue ambitious but achievable strategies to advance policy solutions and promote innovative best practices that improve support for older adults and caregivers in their communities.¹

We hope the efforts of policymakers to develop proposals that will affect older adults and caregivers, and their access to services at home and in the community, will reflect and advance the following key aging principles.



¹ USAging also publishes comprehensive annual Policy Priorities addressing urgent and emerging policy issues each year for Congress and administration leaders. Learn more at www.usaging.org/policypriorities.

People Want to Age Safely in Their Homes and Communities

Strengthen access to and the efficacy of social services that support the cost-effective aging options people most want.

Preserving the ability of millions of older adults to live at home and in their communities—and forgo more restrictive, expensive and often unwanted institutional care—requires a range of supportive services that include in-home care, homemaker services, transportation, respite care, home-delivered meals and more. The federal Older Americans Act (OAA), which was initially signed into law in 1965, first authorized access to and provision of these services, which are today provided in nearly every community in the country through local Area Agencies on Aging (AAAs) and Title VI Native American Aging Programs. The OAA is the foundational legislative initiative that fosters a national commitment supporting options for older Americans to age with health and independence in their homes and communities—and was signed into law nearly twenty years before Medicaid began offering home and community-based services (HCBS) options and decades before Medicare did.

Historically, through the OAA and eventually within Medicaid, AAAs and Title VI programs have served the key role of developing and coordinating these vital services to older adults and caregivers. AAAs work with their state government partners and tens of thousands of local providers and vendors to deliver critical home and community-based services to millions of older adults and caregivers each year. This collective community is known as the Aging Network, and the resulting national system, which has been functioning efficiently and effectively for nearly five decades, supports people where they want to age—at home and in the community.

The Aging Network helps individuals avoid unnecessary and more expensive institutional care and helps prevent or reduce the need to spend down one's assets to qualify for Medicaid. In 2021, the average annual cost for a private room in a nursing home exceeded \$108,000, nearly twice the cost of care provided at home and in the community.^{iv} The COVID-19 crisis showed older Americans and their families just how important it is to have in-home and community options for aging well. As the population of older adults grows, it is critical that federal policymakers place greater emphasis on advancing and investing in priorities and programs that enhance access to HCBS, including discretionary programs like those included in the OAA.

In addition to federal investments, AAAs leverage state, local and private funding to build comprehensive systems to deliver these services in their communities. Surveys from the U.S. Administration on Aging (AoA) show that every \$1 in federal funding for the OAA leverages nearly an additional \$3 in both public and private funding.^v Furthermore, the Aging Network engages hundreds of thousands of volunteers who donate millions of volunteer hours each year, further reinforcing federal, state and local investments. But leveraging dollars and engaging volunteers and staff to respond to the growing need and demand for home and community-based services requires resources. These front-end investments pay off.

Congress can make a bold statement about supporting the needs of older adults and caregivers living in their homes and communities—and capitalize on the return on investment of these programs—by significantly boosting investment in OAA and other aging programs to recognize and respond to both the increasing population of older adults and the rising cost of providing aging services.

Health Happens in the Home and Community

Recognize and promote the importance of integrating social services with the health care delivery system.

The vast majority of health happens outside of traditional health care settings—at home and in the community. Unfortunately, access to home and community-based services that support the health and well-being of older adults and caregivers outside of the medical system have historically been inadequately funded and, as a result, these services are unable to meet the growing needs.

Fortunately, the health care world is increasingly recognizing how social drivers affect health and thus health care costs. Programs to address the **social drivers/determinants of health** include transportation, nutrition, caregiver support, disease prevention and health promotion, and person-centered care management approaches. According to the Robert Wood Johnson Foundation, nearly 90 percent of physicians indicated they see their patients' need for social supports, but unfortunately 80 percent of doctors said they don't fully know how to connect them to community options.^{vi} And, given current OAA funding levels, if doctors do connect their patients with agencies that haven't received adequate funding, those agencies may not be able to adequately serve the referred clients/patients due to limited funding.

It is essential, therefore, that Congress build upon current efforts and pursue new policy options to ensure that older adults and caregivers have sufficient access to social services/HCBS that can preserve and improve health and prevent the need for costly medical interventions. It is equally important that long-standing, successful, efficient and cost-effective systems—such as the Aging Network—are included and championed as key partners with the health care system. Additionally, any efforts to reform access to health care should include the critical conversation about how social determinants of health and issues such as long-term care factor into health care access and cost trajectories well into the future.

USAging encourages Congress to seize policy opportunities in Medicare and Medicaid that would bridge this gap between social services and health care. Such solutions should both reinforce existing integration and explore opportunities for new intersections, partnerships and coordination processes to successfully blend and support care across the continuum rather than medicalize social services. However, it is imperative that policymakers understand the social services systems that already efficiently provide HCBS and ensure that AAAs and other community-based organizations are adequately compensated for their contributions to preserving and improving the health outcomes of older adults.

We Are Only as Strong as Our Caregivers

Recognize the critical importance of caregivers by building on current caregiver support programs for this essential informal workforce.

There are an estimated 53 million unpaid caregivers in the U.S.^{vii} and AARP estimates that 38 million of them provide more than \$600 billion worth of support to friends and family.^{viii} The financial value of this unpaid care rivals the entire federal Medicaid budget. Communities, states and the federal government depend on the care provided by unpaid caregivers to meet the needs of an aging population. However, due to limited funding, programs such as the OAA National Family Caregiver Support Program (Title III E), which support those who are caring for aging family members (through training, respite, support groups and more), while essential to many, do not begin to meet the growing need for these services. We urge Congress to work with the Aging Network to expand federal investment in current caregiver support programs and to explore policy solutions to ensure that caregivers become a vital and empowered component of state and federal LTSS-delivery reform. Both Congress and the Biden administration have new opportunities to improve caregiver policies through the 2022 National Strategy to Support Family Caregivers.

Additionally, we encourage lawmakers to seek innovative legislative strategies to bolster and invest in the country's formal caregiving workforce, which is urgently needed. The direct care workforce crisis has further strained unpaid caregivers and is making it more difficult for older adults to get the care they need that will enable them to avoid unnecessary institutional care in nursing homes or other congregate settings.

Community Infrastructure is a Critical Component of Healthy Aging

Commit to preserving and promoting existing efficient infrastructure and to prioritizing policies that build communities that are livable for people of all ages.

Ultimately, the ability of older adults to age in place depends on their ability to utilize services and infrastructure within their communities. More than half of AAAs are currently involved in local and state efforts to make communities more livable for people of all ages or more dementia-friendly.^{ix} Access to community features, such as affordable, accessible and appropriate transportation and housing options, is often lacking for older adults and people with disabilities, creating barriers to full independence and engagement. Home modifications and repairs are always in high need, but few resources exist to make these modest changes that help older adults remain at home safely. We urge policymakers to pursue federal policy solutions that support local efforts focused on ensuring that people of all ages have access to essential transportation services and housing options that meet their needs over their lifetime.

It must be noted that increasing older adults' transportation options is of particularly acute importance. Many older adults find it difficult to access essential transportation services in their communities. This is particularly true for older adults who live in suburban or rural communities where destinations are too far to walk, public transit is inadequate or non-existent, and private transportation is prohibitively expensive.

Recognize That We Are All Stakeholders in an Aging Nation

Address social isolation, ageism and other challenges of major demographic change.

If we are to realize the full potential of an aging nation, we will need national leadership and innovation. While the policy principles outlined in this document are critically important, policymakers and all Americans must also join the conversation to rethink how our nation treats aging. To combat social isolation and ageism, and to meet the needs of a growing population

of people living with dementia, we must change the way we think about aging along with the opportunities and challenges it presents.

Policymakers should support positive and effective responses to the very real problems older adults face. For example, a growing aging population means that there will be more people living with Alzheimer's and other dementias—and more family caregivers will be charged with providing them with support. In fact, researchers project that the number of people living with dementia may more than double by 2050.^x Yet, this disturbing reality poses unique opportunities for policymakers to advance best practices—such as those already demonstrated by AAAs and Title VI programs and other social care practitioners in the Aging Network.

Furthermore, there is a new opportunity to address a recently identified significant driver of health care costs. Even before COVID-19, nearly 20 percent of older Americans experienced social isolation, driving nearly \$7 billion in annual health care costs. Tremendous innovation has occurred in the Aging Network to address the widespread risk of social isolation among all older adults, yet much more needs to be done and more federal investment is needed.

Conclusion

USAgings' annual—and more detailed—set of *Policy Priorities* will be released in late April 2023. We look forward to working with policymakers to pursue specific initiatives necessary to realize these and other important goals to enhance the health, well-being, independence and dignity of the country's growing population of older adults and caregivers.

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End Notes

- ⁱ Administration for Community Living, *2020 Profile of Older Americans*, https://acl.gov/sites/default/files/aging%20and%20Disability%20In%20America/2020Profileolderamericans.final_.pdf.
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- ⁱⁱⁱ Administration for Community Living, *How Much Care Will You Need?*, <https://acl.gov/ltc/basic-needs/how-much-care-will-you-need>.
- ^{iv} Genworth, *Cost of Care Trends & Insights*, February 2022, <https://www.genworth.com/aging-and-you/finances/cost-of-care/cost-of-care-trends-and-insights.html>.
- ^v Administration for Community Living, *Justification of Estimates for Appropriations Committees*, 2019, <https://acl.gov/sites/default/files/about-acl/2018-05/FY2019ACL-CJ3.pdf>.
- ^{vi} Robert Wood Johnson Foundation, December 2011, *Summary of Findings: Health Care's Blind Side, the Overlooked Connection between Social Needs and Good Health*, https://vcha.uic.edu/wp-content/uploads/sites/169/2021/03/Health-cares-blind-side_RWJF.pdf.
- ^{vii} AARP, *1 in 5 Americans Now Provide Unpaid Family Care*, June 2020, <https://www.aarp.org/caregiving/basics/info-2020/unpaid-family-caregivers-report.html>.
- ^{viii} AARP, *Valuing the Invaluable: 2023 Update*, <https://www.aarp.org/content/dam/aarp/ppi/2023/3/valuing-the-invaluable-2023-update.doi.10.26419-2Fppi.00082.006.pdf>.
- ^{ix} USAgings, *2020 AAA National Survey Report: Meeting the Needs of Today's Older Adults*, <https://www.usaging.org/2020aaasurvey>.
- ^x Alzheimer's Association, *Alzheimer's Disease Facts and Figures*, 2020, <https://www.alz.org/alzheimers-dementia/facts-figures>.



Leaders in Aging Well at Home

About USAgings

USAgings represents and supports the national network of Area Agencies on Aging and advocates for the Title VI Native American Aging Programs that help older adults and people with disabilities live with optimal health, well-being, independence and dignity in their homes and communities.

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