

What Policymakers Need to Know About an Aging America

POLICYMAKERS IN 2021 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 both illuminated and exacerbated. By 2030, 73 million—or one in five—people in America will be 65 or older.¹ Federal priorities of the Biden Administration and the 117th Congress must recognize and address the opportunities as well as the real challenges posed by our nation’s rapidly aging population. The dramatic impact of the current COVID-19 pandemic on older adults has made painfully clear the need for a coordinated national response and local supports to address the critical needs of our oldest citizens—who have experienced the health consequences and hardships of the COVID-19 crisis more than any other population group.

Many communities are already grappling with this historic population shift, with older adults a larger share of the population than the current national average, and available services unable to keep pace with the growing need. This is especially true in rural America. However, by 2034, all communities must be prepared to address these demographic realities when, for the first time in the nation’s history, the population of adults 65 and older will outnumber children younger than 18.²

Furthermore, at some point in their lives a majority 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.³

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;
- Improves the health and well-being of the fastest-growing demographic cohort in our country while effectively managing expenditures; and
- Preserves the original intent and structural integrity of Medicare, Medicaid, Social Security 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 117th Congress and the Biden Administration, to pursue ambitious but achievable policy solutions and promote innovative best practices that improve support for older adults and caregivers in their communities, based on the following key principles.*

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

* n4a also publishes comprehensive annual *Policy Priorities* addressing urgent and emerging policy trends each year for Congress and Administration leaders. Learn more at <https://www.n4a.org/policypositions>.

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 was the foundational legislative initiative that fostered a national commitment supporting options for older Americans to age with health and independence in their homes and communities—nearly 20 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 and now in some cases with Medicare Advantage, AAAs and Title VI aging programs have served the key role of developing and coordinating these HCBS to older adults and their caregivers. AAAs work with their state government partners and locally with tens of thousands of local providers and vendors to deliver critical HCBS 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 2020, the average annual cost for a private room in a nursing home exceeded \$105,000, nearly twice the cost of care provided at home and in the community.⁴ 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 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 of HCBS 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.⁵ 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 HCBS requires resources.

We urge congressional appropriators to seek opportunities to significantly increase annual appropriations for OAA programs and services. 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 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. This bold statement is more important today than ever in light of the devastating consequences that the coronavirus pandemic has had on older adults both in institutional care as well as those who are isolated at home during the ongoing health crisis.

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. Unfortunately, access to aging services and other HCBS that support the health and well-being of older adults and caregivers outside of the medical system have a history of inadequate funding to meet growing needs.

Fortunately, the health care world is increasingly recognizing how social issues affect health and thus health care costs. Programs to address the **social 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.⁶ And, given current OAA funding limitations, if doctors do connect their patients with social services agencies that haven't received adequate funding, those agencies may not have the financial capacity to adequately serve the referred clients/patients.

It is essential, therefore, that Congress builds upon current efforts and pursues 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 for 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 for a growing aging population factor into health care access and cost trajectories well into the future.

While there is still a wide gap between social services and medical systems, we encourage Congress to seize policy opportunities in Medicare and Medicaid that would bridge this gap by both reinforcing existing integration and exploring opportunities for new intersections, partnerships and coordination processes to successfully blend and support care across the continuum rather than medicalizing social services.

In fact, the cost of providing some care is lower outside of the medical facility, especially if care can be appropriately provided by a social worker or other social services provider instead of a doctor or nurse. For example, Medicare Advantage plans have, since 2017, been able to incorporate coverage for some health-related social services into their service portfolios for chronically ill individuals. Congress and the Trump Administration provided additional authority to do so since 2018 by allowing Medicare Advantage (MA) to offer non-medical supplemental benefits to beneficiaries. It is incumbent upon policymakers to support these opportunities and evolutions in care and to seek additional strategies to expand access to critical community-based services within MA and beyond. It is also important to note that although these services reduce health care costs and improve the quality of care, they do not come at no cost. To this end, 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.

Every year an estimated 41 million unpaid caregivers provide more than \$470 billion worth of support to friends and family.⁷ The financial value of this unpaid care rivals the entire federal Medicaid budget. Communities, states and the federal government depend on the work of unpaid caregivers to meet the HCBS 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 loved ones (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. Additionally, we encourage lawmakers to seek innovative legislative strategies to bolster and invest in the country's formal caregiving workforce, which is urgently needed. During the response to COVID-19, access to this direct care workforce became even more strained, making it more difficult for older adults to get the care they needed to enable them to avoid 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.⁸ Access to 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 enable older adults to remain at home safely. We urge policymakers to pursue federal policy solutions and support local efforts that enable communities everywhere to ensure that people of all ages have access to essential transportation services and housing options that meet their needs.

It must be noted that increasing older adults' transportation options is of particularly acute importance. The Eldercare Locator, the only federally funded national information and referral call center for older adults and caregivers, reported that pre-COVID, transportation requests were consistently either the first or second most common inquiry from the thousands of its weekly callers.⁹ 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 initiative. While the policy principles already outlined in this document are critically important, policymakers and all Americans must also join in the conversation to “rethink aging.” To combat social isolation and ageism, or to meet the needs of a growing population of people living with dementia, we must change the way we think about aging and the opportunities and challenges it presents.

As they tackle the federal policy challenges presented by our nation’s changing demographics, policy leaders must also be at the forefront of highlighting the value and opportunity that an aging population brings to society and call out and reject ageist thinking.

Policymakers should support positive and effective responses to the very real problems older adults face. For example, a growing aging population also means that there will be more people living with Alzheimer’s and other dementias—and more struggling family caregivers providing them with support. In fact, researchers project that the number of people living with dementia may more than double by 2050.¹⁰ Yet this disturbing reality poses unique opportunities for policymakers to advance best practices—such as those identified through the national Dementia Friendly Communities initiative—and

make large-scale improvements on how our nation addresses care for particularly vulnerable populations.

Furthermore, there is an exciting opportunity to address a recently identified significant driver of health care costs. Even pre-COVID, nearly one-fifth of older Americans experienced social isolation, which drives nearly \$7 billion in annual health care costs. Tremendous innovation has occurred in the Aging Network to address the widespread risk of social isolation of all older adults during COVID, yet much more needs to be done. The good news is that policymakers can invest in current Aging Network infrastructure and resources to address these and other emerging challenges resulting from our national demographic shift.

Conclusion

n4a’s annual—and more detailed—set of *Policy Priorities* will be released in April 2021. We look forward to working with policymakers 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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Endnotes

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About n4a

The National Association of Area Agencies on Aging (n4a) is the membership organization for the 622 Area Agencies on Aging (AAAs) and provides a voice in the nation’s capital for the more than 250 Title VI Native American aging programs in the United States. The fundamental mission of the AAAs and Title VI aging programs is to provide services that make it possible for older adults to remain in their homes, thereby preserving their independence and dignity. These agencies coordinate and support a wide range of home and community-based services, including information and referral, meals, in-home care, transportation, employment services, senior centers, adult day care and more.

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