

The Future of Senior Health Care: An Economic Burden

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It is no secret that the United States population is aging as 77 million baby boomers are entering their retirement years. The baby boomers are healthier than prior generations, a fact which is inevitably coupled with longer life expectancies. This increased life expectancy leads to longer retirements, a larger retirement population, and increased medical expenses for this age group. As America ages, there are two challenges facing the future health care of seniors:

- Providing needed and increasingly expensive medical care
- Funding the health care system

With the predicted rise in health care spending, seniors are being forced to share the economic burden with increased out of pocket payments. This means those seniors currently in the workforce may be required to extend their time there and/or invest more of the money they are making. For many seniors this may mean sacrificing or reducing the pleasures they enjoy, such as traveling. Further, numerous seniors who are currently struggling to cover the cost of healthcare, have already eliminated pleasures and barely scrape by financially due to healthcare costs. As costs increase, this population may be most affected as they will be unable to afford adequate care.

How high will the cost of health care climb? Currently greater than two of every five dollars (43%) of total potential consumption by the elderly is spent on health care. It is predicted that by 2024, health care will equal 50% of total consumption by seniors. For those aged 75 and older, health care is already greater than 50% of total consumption and is expected to rise. While much of this spending is covered by third party plans, such as Medicare, Medicaid, and previous employers, as costs rise, the elderly are being asked to cover an increasing percentage out of their own pockets. Out of pocket payments currently stand at 17.2% of seniors' incomes, including the cost of health insurance premiums. It is predicted that in just over 20 years this cost will rise to almost 25%, further rising to almost 33% by 2050. When looking at the predictions of health care spending by the elderly as a percentage of their total cash income (income from all sources: earnings, social security, asset income and other income), the numbers by mid-century are astounding. In 2006, the percent of total income spent on health care by seniors was almost 64%. By 2050, it is expected to rise to just over 115%, further rising by 2080 to almost 140%. It is important to note that these estimates are based on current law and Medicare status. It is likely that over the upcoming decades, policies will change, resulting in modifications to lessen the burden for taxpayers, but increase that of seniors.

What is the reason for the predicted rise in health care spending? Americans are living longer; they are healthier than prior generations. However, as they age, both physical and cognitive abilities will begin to decline, leading to increased utilization of health care. Thirty percent of seniors classify themselves as in good health status. It is known that with aging this status declines, increasing the costs of health care. According to the Kaiser Family Foundation analysis of Medicare Current Beneficiary Survey of 2003, 36% of all Medicare beneficiaries live with three or more chronic conditions, hypertension and arthritis being the leading two. Almost one-third (29%) of beneficiaries have a cognitive or mental impairment that limits independent functioning, and 16% have functional limitations, defined as two or more limitations in activities of daily living. Each of these limitations increases health care spending.

How can we reduce the burden of health care spending on future seniors? Those seniors still in the workforce may have to consider retiring later than they deem desirable. While this is not optimal to seniors, it may be necessary to ensure adequate funding for health care when they are no longer able to work due to physical and cognitive decline. Policy makers more than likely will eventually have to change current ways to reduce the cost of senior health care. As health care professionals, it is necessary to give each patient proper care, reducing patient costs wherever possible. Avoiding therapeutic duplications and unnecessary lab testing can help reduce the health care burden seniors are predicted to face.

One possible solution to lessen the burden may be to increase the presence of senior care pharmacists in each patient setting (i.e. nursing home, assisted living, hospital, etc). The presence of clinical pharmacists has been shown to improve medication utilization and decrease adverse events, resulting in lower costs. Because the senior population, both institutionalized and community-dwelling, is so highly medicated, it only makes sense to include pharmacists in all aspects of their care. Future inclusion of senior care pharmacists in the ambulatory population, a setting currently lacking this type of care, could help minimize medication cost, improve quality of life, and increase length of time seniors spend in the community before being institutionalized. While current pharmacy curricula and residency training programs are not adequate to support implementation of this type of service, it is important to realize that it may be a necessary change in the not too distant future. As pharmacists, it is imperative to support the progression of the profession and to utilize the knowledge gained through extensive schooling, training, and experience to decrease the burden seniors are predicted to encounter.

The aging United States population is expected to face astronomically higher health care costs than any of its predecessors. Increased numbers of elderly living longer retirements is the major reason for what may be considered a health care crisis. Policy makers need to look to the future to consider alternative methods of funding. It is important for those of us in the health care field to cut seniors' health spending wherever possible to help lessen their financial burden and allow them to enjoy their final years of life.

References

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