

ILC Policy Report

Longevity News and Trends in the U.S. and abroad

January 2008



The International Longevity Center-USA

60 East 86th Street
New York, NY 10028
Phone: 212-288-1468
Fax: 212-288-3132
www.ilcusa.org
info@ilcusa.org

An Affiliate of Mount Sinai
School of Medicine

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Geriatrics Funding Approved for 2008!

A final spending bill has been approved by Congress and recently signed into law by the President, which again includes funding for the critical geriatrics health professions programs in fiscal year 2008. The geriatrics programs are funded at \$30.9 million, which is a slight reduction from \$31.5 million in 2007 due to an across the board spending cut of 1.7% from the amount initially approved.

Nevertheless, this continued funding helps enhance the stability of these programs after funding was eliminated just two years ago. The geriatrics programs are comprised of geriatric academic career awards (GACAs), which support the development of academic geriatricians; geriatric education centers (GECs), which support interdisciplinary training programs for physicians, nurses, social

workers, and other health care providers; and geriatric training fellowships for physicians, dentists, and mental health professionals. There is also good news in the private sector, as the Donald W. Reynolds Foundation has announced a new round of its grantmaking initiative to provide up to \$20 million to support geriatrics education in medical schools for students, residents, and practicing physicians. This initiative will complement the federal support by funding curriculum development, programs to promote interest in geriatrics, and related activities. Given the critical need to expand and enhance geriatrics education, a collaborative public-private effort is needed to improve our health care system's ability to care for our rapidly growing older population.

News from the U.S. Government

Centers for Disease Control and Prevention (CDC): The CDC's National Center for Health Statistics issued a report "Summary Health Statistics for U.S. Adults: National Health Interview Survey, 2006," which presents health statistics from the 2006 National Health Interview Survey. The

report finds that 61% of adults 18 years of age or over reported excellent or very good health, although 62% percent of adults never participated in any type of vigorous leisure-time physical activity, and 16% of adults did not have a usual place of health care. It also finds that 35% of adults were overweight and

News from the U.S. Government (cont'd)

26% were obese. More information is at www.cdc.gov/nchs/data/series/sr_10/sr10_235.pdf.

Centers for Medicare and Medicaid Services (CMS): CMS has issued its latest report on health spending in the United States, highlighting that such spending increased 6.7 % in 2006, totaling \$2.1 trillion. Medicare spending rose by almost 19%, from \$338 billion to \$401 billion, due primarily to the new Part D prescription drug benefit. The 6.5 % increase was the smallest since 1999. The report also shows that Medicare Advantage spending as a share of total Medicare spending increased from 14% in 2005 to 18% in 2006, in part due to a 25% increase in Medicare Advantage enrollment over the same period. The data also shows that Medicaid spending declined for the first time, falling 0.9% to \$310.6 billion, due primarily to the shift in drug coverage for older people from Medicaid to Medicare Part D. The report was published in the January/February issue of *Health Affairs*, and can be found at www.healthaffairs.org/press/janfeb0801.htm. More information can also be found in a January 8th CMS press release at www.cms.hhs.gov/apps/media/press_releases.asp.

Equal Employment Opportunity Commission (EEOC): The EEOC issued a ruling that employers can legally eliminate or reduce health benefits for

retirees when they reach age 65 and become eligible for Medicare while retaining benefits for retirees younger than age 65. The ruling was made in response to a 2000 U.S. Court of Appeals decision that required benefits to be offered at the same level for Medicare-eligible retirees and those younger than 65. Supporters believe the ruling will enable employers to continue to provide health insurance coverage for early retirees (i.e. those under the Medicare-eligible age of 65), while opponents believe that it will allow employees to simply eliminate any health benefits for those age 65 and over. More information is at www.eeoc.gov/press/12-26-07.html.

Hearings: The Senate Aging Committee held a hearing, “Reverse Mortgages: Polishing Not Tarnishing The Golden Years” on December 12th. Hearing information is at http://aging.senate.gov/hearing_detail.cfm?id=288811&. The House Ways and Means Subcommittee on Social Security held a hearing on Social Security Benefits for Economically Vulnerable Beneficiaries on January 16th. Hearing information is at <http://waysandmeans.house.gov/hearings.asp?formmode=detail&hearing=603>. The House Budget Committee held a hearing on “CBO’s Long-Term Budget Outlook,” on December 13th. Hearing information is at http://budget.house.gov/hearings/2007/12-13-LTBO_Testimony.pdf.

International News

Alliance for Health & the Future: The Alliance, a division of the International Longevity Center, has published a review of the European Commission’s new health strategy, “Together for Health: A Strategic Approach for the EU, 2008 to 2013.” The review summarizes the EU strategy, including its goals of fostering good health in an aging Europe by promoting health throughout the life span; protecting citizens from health threats including communicable diseases, bioterrorism, and patient safety; and supporting dynamic health systems and new technologies. The review discusses how the EU strategy notes that while

Member States have primary responsibility for health policy, the international nature of population aging, threats to health from natural and man-made incidents, and advances in health technologies are areas in which EU-wide action would add value. The Alliance also finds two absences in the strategy: a lack of a framework to audit existing health and aging indicators to ensure reliability and consistence; and the lack of financial measures to advance the strategy. The Alliance will continue to monitor and evaluate the recommendations and proposals as the EU continues its efforts in this area. The review paper can be found at www.healthandfuture.org.

International News (cont'd)

Japan: The Ministry of Health, Labor and Welfare of Japan has issued a directive to implement the Healthcare Reform Act of 2006, which mandates that those health insurers under the national health insurance program begin conducting annual health checks of all 40-74 years olds to detect metabolic syndrome or life-style related diseases beginning in April. For nearly three decades, the Japanese health insurers have covered basic health checks, but under the reform act every insurer must provide its insured in this age group with a comprehensive health screening that includes measurement of waistline as well as the conventional measurements of blood pressure, cholesterol levels, BMI, etc. The new policy is designed to identify “high risk groups” for conditions such as metabolic syndrome and provide them with timely guidance on nutrition, exercise and other life style issues. The ministry aims at achieving a 70% participation rate in the expanded health check program by 2012 and a 10% decline in the number of people in the “high risk groups” from 2008 to 2012. Additionally, as an incentive for insurers, beginning 2013 each insurer’s required contribution to the National Health Insurance Program for 75 Years Old and Over will be adjusted by the proportion of its insured members receiving health screening. The directive is part of an increased focus on prevention as the Japanese government is faced with growing health care costs. (*Contributed by Dr. Masako Osako*) See www.mhlw.go.jp (in Japanese) for details.

Social Security Administration: The U.S. SSA has issued its latest “International Update,” a monthly compilation of developments in foreign public and private pensions. This issue includes news from Poland, Russia, Spain, and Trinidad and Tobago, as well as news about an Ibero-American Multilateral Agreement on social security benefits. The publication is at www.ssa.gov/policy/docs/progdsc/intl_update/2007-12/index.html.

United Kingdom (UK): Caring Choices, Caring Choices, a coalition of 15 organizations from across the UK long-term care system, has issued its final report “The Future of Care Funding: Time for a change,”

which presents the thoughts of a wide range of stakeholders on the long term care system and explores the choices ahead in order to inform government thinking on how to reform the funding system. The report finds that individuals strongly prefer a universal element to state-funded care, determined by care need rather than by someone’s income or wealth. It also finds that 99 percent of participants believe more needs to be spent on long term care, and almost three-quarters of all participants believed that the costs of such care should be shared between the government and the individual. There were also many calls for a wider range of care needs beyond those narrowly defined as ‘personal care’ (help with washing and dressing etc), such as shopping, and a strong sense that unpaid caregivers need more support, financial and otherwise. More information can be found at www.caringchoices.org.uk/.

United Nations (UN): As a contribution to the conclusion of the first review and appraisal cycle of the Madrid Plan of Action, the UN Secretary General has issued two documents, entitled respectively “First review and appraisal of the Madrid International Plan of Action on Ageing: preliminary assessment” and “Regional implementation of the Madrid International Plan of Action on Ageing, 2002.” The first report reviews efforts to mainstream aging concerns throughout the world, present a bottom-up evaluation of the implementation of the Madrid Plan of Action. In addition, salient trends and responses to challenges and opportunities of aging are described and analysed. The second report provides regional perspectives on the activities related to the implementation of the Madrid Plan of Action and underlines the enormous challenges that persist for the aging population in the regions. It notes that future priority actions at the regional level to respond to the challenges and opportunities of the aging process will have to be tailored to each region, taking into account needs and circumstances and the differing nature of the process of aging at the regional and subregional levels. Both documents can be found at the website devoted to the upcoming session of the Commission for Social Development at www.un.org/esa/socdev/csd/csocd2008.htm.

Special Interest to the ILC

BUSINESS NEWS

AARP: The AARP has published a report, “It’s Good to be Green: Socially Conscious Shopping Behaviors Among Boomers,” which examines how eco-friendly messages resonate among older consumers. The report estimates that over half of the boomer population can be considered socially conscious shoppers, in ways such as supporting local retailers, buying from companies that give back to their communities and choosing locally produced products. The report also notes that while affluence is sometimes associated with eco-friendliness, it is boomers with lower incomes (less than \$50,000) that are more ‘green’ than those with higher incomes. More information is at www.aarp.org/research/reference/boomers/green_boomers.html.

HEALTHY AGING

International Longevity Center – USA (ILC-USA): The ILC-USA has issued three new issue briefs focused on urgent geriatric health concerns. The brief, “The Need for Drug Safety-the Older Person and Ageism,” highlights the lack of representation of older people in clinical trials for drugs,

although they consume 40% of drugs. The brief argues that this exclusion is fundamentally ageist and needs to be changed. Another brief, “Immunizations-Not Just for Kids,” addresses the mistaken belief that, with the exception of the flu vaccine, children should be the primary recipients of this important area of disease prevention. It notes that as people grow older they become increasingly vulnerable to a variety of illnesses, and would still benefit from a variety of vaccinations. It also notes that as many elders are caregivers to young children, giving them preventive vaccinations goes a long way toward curbing the spread of contagious disease. The last brief, “Reduce Avoidable Hospitalizations: A Policy to Increase Value from Health Care Expenditures,” done in collaboration with the Alliance for Health & the Future, calculates the rate of avoidable hospitalizations in France and England through better primary care and disease management. It estimates that there are about one million hospitalizations that could be avoided in these two nations, and discusses how data can be used to introduce disease management efforts and improve primary health care. These briefs are at www.ilcusa.org/.

News from the Not-for-Profit Sector and Beyond

Center for Retirement Research at Boston College: The Center has released a new Issue in Brief “Pension Wealth and Income: 1992, 1998, and 2004” which finds that the shift from defined benefit to defined contribution pension plans has reduced pension wealth and income. According to the brief, between 1992 and 2004, the average household age 51-56 experienced a decline in total pension wealth of about 11% and a decline in pension replacement rates from 32% to 26%, indicating that the typical household is less prepared for retirement in 2004. It then discusses how these developments are of particular concern given the decline in Social Security and lack of personal saving. The brief can be found at http://crr.bc.edu/images/stories/Briefs/ib_8_1.pdf.

Kaiser Family Foundation: Kaiser has published a new issue brief, “Financing Medicare,” which provides an overview of Medicare’s financing and the fiscal challenges the program faces in the coming decades. The brief highlights how Medicare spending totaled \$440 billion in fiscal year 2007 with about 44 million beneficiaries, and discusses how rapid growth in the nation’s health care expenditures and overall demographic trends pose a challenge to the program’s financing in the 21st century. The brief notes that maintaining Medicare will require major changes, and a balance will need to be found ‘between limiting growth in payments to providers, increasing contributions from beneficiaries, and raising revenue—all while maintaining beneficiary access to medically necessary services and the overall quality of the care.’ It also discusses how

News from the Not-for-profit Sector

many analysts believe that the most successful long-term strategies for dealing with Medicare cost trends are likely to be those that address the growth in overall health care costs, such as greater research on the comparative effectiveness of alternative medical treatments and linking these findings to payment policy, changing the financial incentives of health care providers by bundling payments, increasing consumer cost sharing, and improving the prevention and management of chronic disease. The brief can be found at www.kff.org/medicare/7731.cfm.

Pew Charitable Trusts: Pew has issued a report, “Promises with a Price,” which is a 50 state analysis of state pension and health benefit obligations. It highlights that states have promised at least \$2.73 trillion in pension, health care and other retirement benefits for public employees over the next three decades, and have set aside roughly \$2 trillion to pay for these obligations. The vast majority of costs are pension payments, totaling \$2.35 in future costs, but states have set aside over \$1.99 trillion to cover the costs. The shortfall is primarily in promised retiree health care and other non-pension benefits, with only 3% of the needed funds set aside for these costs, estimated to total \$381 billion. The report discusses the magnitude of the unfunded pension and health obligations (roughly \$730 billion) and urges states to take steps to reduce their liabilities, pointing to specific efforts undertaken by some states. The report can be found at www.pewtrusts.org/

news_room_ektid32368.aspx.

Urban Institute: The Urban Institute has issued three new policy briefs in its series ‘Perspectives on Productive Aging.’ One brief, “Retaining Older Volunteers is Key to Meeting Future Volunteer Needs,” examines older adults’ decisions to stop or start formal volunteer work. It finds that older adults more often stop than start volunteering. It also finds that volunteers who contribute a lot of hours over many years and who are married to volunteers are less likely to quit. Another brief, “Will Retiring Boomers Form a New Army of Volunteers?” examines older adults who retired between 1996 and 2004 to see who engages in formal volunteering after retirement. The brief finds many individuals begin volunteer work after retirement, even if they did not previously volunteer. According to the brief, 45 percent of these retirees engage in formal volunteer activities even though only 34 percent of these same adults had actively volunteered while working. The other brief “Are We Taking Full Advantage of Older Adults’ Potential,” highlights that over 10 million healthy older adults with no caregiving responsibilities did not work or volunteer in 2004, and about half of these able seniors are under age 75 and 9 out of 10 have prior work experience. It discusses the untapped potential of this population, and the benefits for all involved, including individuals and employers, to employ this talent. The briefs are at www.urban.org/toolkit/policybriefs/subjectbriefs.cfm?documenttypeid=126.

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