

ILC Policy Report

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

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Inside this issue:

<i>News from the U.S. Government</i>	1
<i>International News</i>	2
<i>Special Interest to the ILC</i>	4
<i>News from the Not-for-Profit Sector and Beyond</i>	5

ILC Policy Report prepared by
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Efforts Still Underway to Secure Geriatrics Funding in 2008

The campaign to ensure adequate congressional funding for the geriatrics health professions programs in 2008 continues. Both the House and Senate have included \$31.5 million in funding for geriatrics education and training in their respective versions of the 2008 Labor-HHS-Education appropriations bill. This is the same level to which funding was restored in 2007 after being eliminated in 2006. Although the funding levels are not yet finalized, Congress appears to be committed to supporting this important initiative. The funding of \$31.5 million in 2007 helped support 88 geriatric academic career awards (GACAs), 48 geriatric education centers (GECs), and 11 Geriatric Training for Physicians, Dentists, and Behavioral/Mental

Health Professions Program awards. The 88 GACAs will help support the development of academic geriatricians in medical schools throughout the nation so that all health care providers receive some education in geriatrics. In addition, the GECs will be able to continue their interdisciplinary training initiatives in the health-related needs of the older population and the Geriatric Training awards will support fellowships and retraining efforts to help physicians, dentists, and behavioral and mental health professionals who wish to teach geriatric care in their respective disciplines. The multifaceted nature of these geriatric health professions programs is critical to providing better health care to an aging nation. It is vital that they continue to receive Congressional support.

News from the U.S. Government

Census Bureau: The Census Bureau has issued its latest "Consolidated Federal Funds Report for Fiscal Year 2005," which highlights almost all aspects of domestic spending by the federal government. It finds that the federal government spent \$2.3 trillion in 2005, with spending on

Medicare, Social Security, and Medicaid accounting for almost \$1.1 trillion of this total. This spending on the three entitlement programs was an 8% increase from 2004. More information can be found at www.census.gov/Press-Release/www/releases/archives/governments/010739.html.

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

Government Accountability Office (GAO): The GAO has issued the following recent reports and testimonies: “Retirement Security: Women Face Challenges in Ensuring Financial Security in Retirement”; “Prescription Drugs: Trends in Usual and Customary Prices for Drugs Frequently Used by Medicare and Non-Medicare Health Insurance Enrollees”; “Social Security Administration: Policies and Procedures Were in Place over MMA (Medicare Prescription Drug, Improvement, and Modernization Act of 2003) Spending, but Some Instances of Non-compliance Occurred”; “Medicare Inpatient Hospital Payments: CMS Has Used External Data for New Technologies in Certain Instances and Medicare Remains Primary Data Source”; and “Highlights of a Forum: Health Care 20 Years From Now—Taking Steps Today to Meet Tomorrow’s Challenges.” These can be found at www.gao.gov.

Hearings: The Senate Special Committee on Aging held a hearing on “Preparing For The Digital Television Transition: Will Seniors Be Left In The Dark?” on September 19th. Hearing information is at http://aging.senate.gov/hearing_detail.cfm?id=283608&. Another hearing was held on “Veterans’ Health: Ensuring Care for our Aging Heroes,” on October 3rd. Hearing information is at http://aging.senate.gov/hearing_detail.cfm?id=284905&. The Senate Finance Committee held a hearing “Home and Community Based Care: Expanding Options for Long Term Care,” on September 25th. Hearing information is at <http://finance.senate.gov/sitepages/hearing092507.htm>. Another hearing was held entitled “Frozen Out: A Review of Bank Treatment of Social Security Benefits”

on September 20th. Hearing information is at www.senate.gov/~finance/sitepages/hearing092007.htm. The Senate Commerce Committee held a hearing on “Oversight of the NFL (National Football League) Retirement System,” on September 18th. Hearing information is at http://commerce.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=1895. The House Committee on Education and Labor held a hearing on “H.R. 3185, the 401(k) Fair Disclosure for Retirement Security Act of 2007,” on October 4th. Hearing information is at <http://edworkforce.house.gov/hearings/fc100407.shtml>.

Social Security Administration (SSA): The SSA has issued its latest edition of “Fast Facts & Figures About Social Security, 2007,” which presents data on the people served and the benefits provided by the Social Security and Supplemental Security Income programs. It notes that the SSA paid benefits to about 54 million people in 2006, representing about 16 percent of the total U.S. population and almost 90 percent of the population aged 65 or older. It also notes that Social Security was the major source of income (providing at least 50% of total income) for 54% of aged beneficiary couples and 72% of aged non-married beneficiaries. It was 90% or more of income for 22% of aged beneficiary couples and 42% of aged non-married beneficiaries (total income excludes withdrawals from savings and nonannuitized IRAs or 401(k) plans). The average monthly benefit for retired workers was \$1,044 in December 2006. More information and the report is at www.socialsecurity.gov/policy/docs/chartbooks/fast_facts/2007/index.html.

International News

AARP: The AARP, in collaboration with Towers Perrin, has published a report “AARP Profit from Experience: Perspectives of Employers, Workers, and Policymakers in the G7 Countries on the New Demographic Realities,” which provides an overview of aging workforce issues in the countries comprising the Group of Seven (G7) – Canada, France, Germany,

Italy, Japan, the United Kingdom and the United States. It finds that these nations vary widely in how well prepared they are to address aging workforce issues, socially, legally, and politically. It then discusses approaches that individuals, employers, and governments can take to address aging workforce issues, noting that ‘countries and companies that are

International News (cont'd)

ahead of the curve have the opportunity to tap the unrealized potential of today's maturing workforce and reinvent past notions of work and retirement. The report is at www.aarp.org/research/work/employment/intl_older_worker.html.

Census Bureau: The U.S. Census Bureau has issued a report "Health and Health Care of the Older Population in Urban and Rural China: 2000," which analyzes the health status and health care of China's 140 million older people (age 60 and over) in 2000, including activity limitations, self-reported health status, chronic disease prevalence, lifestyle behaviors, mental health issues, and use of health care services. Among its findings, the report notes that nearly half of the older population in China reported some activity limitation, with women, the unmarried, the less educated, and the poor more likely to report such limitations. It also found that about 55 percent of older Chinese reported a chronic health condition. In addition, the report discusses how rural older people were less likely to use structured forms of health care, such as visits to doctor's offices and clinics or hospitalization, but more than twice as likely to receive relatively unstructured medical care such as doctor home-visits. The report examines how medical care is paid for, finding that older individuals paid up to half of their medical expenses out of pocket, with another one-third covered by their children or other family members, and only 10 percent covered by insurance. More information is at www.census.gov/prod/2007pubs/p95-07-2.pdf.

International Longevity Centre – UK (ILC-UK): The ILC-UK has helped coordinate the launch of new resource for mental health advocacy in Europe. The site, ImpleMENTIS, was developed by Bristol-Myers Squibb, Otsuka Pharmaceutical Co., Ltd., and the ILC-UK. It is an online resource designed to help service users, carers, and advocacy groups review existing mental health policies and services and lobby for change. The website builds upon the ILC-UK report '*Moving to social integration of people with severe mental illness: from policy to practice.*' It is at www.ImpleMENTIS.eu.

Social Security Administration (SSA): The U.S. SSA has published its latest "International Update," which is a monthly publication that covers recent developments in foreign private and public pensions, social security, and retirement. This issue includes news from Italy, Argentina, Peru, South Korea, Taiwan, and South Africa, as well as the recent UN report World Population Ageing 2007. The issue is at www.socialsecurity.gov/policy/docs/progdesc/intl_update/2007-09/2007-09.html. The SSA has also issued a report "Social Security Programs Throughout the World: Africa, 2007," which is part of a four-volume series covering the regions of the world. It provides a cross-national comparison of the social security systems in 44 countries in Africa, summarizing the five main social insurance programs in those countries: old-age, disability, and survivors; sickness and maternity; work injury; unemployment; and family allowances. The report is intended to provide information for researchers and policymakers who are reviewing different ways of approaching social security challenges and adapting the systems to the evolving needs of individuals, households, and families. The report is at www.ssa.gov/policy/docs/progdesc/ssptw/2006-2007/africa/index.html.

United Kingdom (UK): The UK Department of Work and Pensions has released a report, "Employer Responses to an Ageing Workforce: A Qualitative Study," which reviews how employers are managing an aging workforce, particularly in response to the introduction of the *Employment Equality (Age) Regulations 2006* which outlawed age discrimination in the workplace in October 2006. It found that most employers view older workers as an asset, and professed to be sympathetic to allowing those employees who reach normal retirement age to stay on. The study also found that employers are having difficulty finding appropriately skilled people, which appear to be encouraging employers to adopt more age friendly HR practices, especially around retention and flexible working. In terms of recruiting however, the study notes that evidence is mixed, with most employers eliminating formal age discrimination, but without any resultant increase in the recruitment of older people. It suggests

International News (cont'd)

that indirect discrimination among hiring managers may need more attention. More information about this extensive report can be found at www.dwp.gov.uk/mediacentre/pressreleases/2007/sep/emp-270907.asp.

United Nations (UN): The UN Department of Economic and Social Affairs has published two policy briefs related to global aging. One is entitled “Managing Health Care in an Ageing World,” which discusses how the aging world population will pose large challenges to existing health care systems and will require changes in the type of services delivered, the coverage of health insurance schemes, and the direction of medical research. It notes, however, that aging need not be the main factor in driving up rising health costs, drawing on data from the UN’s World Economic and Social Survey: 2007, which concludes that aging will not be the primary factor in the rise of health care costs, and that any such costs can be managed, particularly if governments put greater emphasis on preventive measures which could limit the incidence of chronic diseases. The brief does

note the need for developing countries to pool the financial risks associated with poor health or morbidity by adopting better-organized schemes, including public insurance schemes. The brief is at www.un.org/esa/policy/policybriefs/policybrief2.pdf. Another brief is entitled “Tackling Insecurity in Old Age: The Challenge of Universal Pension,” which notes that nearly 80 per cent of older persons living in developing countries (about 342 million people) lack adequate income security, a figure that could, according to the UN’s World Economic and Social Survey 2007 rise to 1.2 billion by 2050 if pension coverage does not keep pace with demographic changes. The brief discusses how a minimal universal social pension provides the surest way to tackle the problem by providing a floor below which nobody could fall, as well as providing the basis for a more comprehensive pension system which may consist of a mixture of public and private initiatives adapted in accordance with existing country practices, financial circumstances and equity considerations. The brief is at www.un.org/esa/policy/policybriefs/policybrief3.pdf.

Special Interest to the ILC

CAREGIVING

National Alliance for Caregiving: The National Alliance for Caregiving and Easter Seals have produced a report, “Caregiving in Rural America,” which highlights the ever-increasing numbers and unmet needs of rural caregivers. It presents some demographic data on rural caregivers, and identifies several challenges related to caregiving in rural America, including the limited use and availability of services in rural areas, the significant impact of caregiving on rural workplaces, the financial hardships rural caregivers with low incomes face, the stress of rural caregiving and related coping mechanisms, the level of availability and concerns regarding use of the Internet, the prevalence of disability related to incidents in farming and ranching operations, and the current and increasing number of veterans in need of care in rural areas. More information is at www.easterseals.com/ruralcaregiving.

AGING RESEARCH

The Centers for Disease Control and Prevention (CDC): The CDC has issued a report presenting national estimates of falls for older people who live in the community. It finds that annually one in three Americans age 65 and over experience a fall, with most of these falls recurrent. It discusses how falls are associated with numerous morbidities, including fractures, contusions, and lacerations, as well as decreased quality of life, and high health care costs. The report also explores how falls happen, finding slipping, tripping, or stumbling was the most common cause of fall injury among older adults, followed by loss of balance, dizziness, fainting, or seizure. Lastly, the report points out that the majority of fall injuries occurred inside or around the home, and over one-half of fall injuries occurred on the floor or level ground. More information is at www.cdc.gov/nchs/data/ad/ad392.pdf.

News from the Not-for-Profit Sector and Beyond

The Center for Retirement Research at Boston College: The Center has released a new Issue in Brief “Medicare Costs and Retirement Security” which finds that Medicare spending could rise from 3 percent of GDP today to 8 percent of GDP in 2040. At that time, retirees could face a nearly 20-percent increase in income tax rates to cover the government’s Medicare contribution; and rising out-of-pocket costs that will eat up more than half of the average Social Security benefit. It suggests that individuals nearing retirement should plan for an extra cushion to cover health care. The brief is at http://crr.bc.edu/images/stories/Briefs/ib_7-14.pdf. Another brief “The Role of Private Insurance in Financing Long-Term Care,” finds that while long-term care insurance would allow people to preserve assets and choice over providers and take pressure off Medicaid spending, it has not been too widespread due to high costs, misperceptions that Medicare and Medigap will cover long-term care, and the availability of Medicaid. It concludes that without significant structural changes, such private insurance is likely to play only a niche role in financing long-term care. The brief is at http://crr.bc.edu/images/stories/Briefs/ib_7-13.pdf.

Kaiser Family Foundation: Kaiser has published a report “Long-Term Service and Supports: The Future Role and Challenges for Medicaid,” which highlights policy challenges facing the Medicaid program today and identifies issues in providing long-term care going forward, such as integrating services, benefit design, quality monitoring, and financing. It notes that for the foreseeable future, Medicaid will remain the major financing system for long-term services and supports in our nation, and the only one addressing the needs of low-income Americans. As such, the challenges for those who finance, design and provide long-term care under the Medicaid program are to align incentives to ensure access, meet needs, and provide cost-effective high quality services and supports to low-income elderly and disabled Americans. The report is at www.kff.org/medicaid/7671.cfm.

Milken Institute: The Milken Institute has issued a report “An Unhealthy America: The Economic Burden of Chronic Disease: Charting a New Course to Save Lives and Increase Productivity and Economic Growth,” which quantifies the economic and business costs of seven chronic diseases and the potential impacts on employers, the government, and the nation’s economy. It finds that the annual economic impact on the U.S. economy of the most common chronic diseases is calculated to be more than \$1 trillion, which could balloon to nearly \$6 trillion by the middle of the century. The report notes that this can be avoided, however, through efforts to improve prevention and treatment of disease. Even modest improvements could help the U.S. avoid 40 million cases of chronic diseases and reduce the economic impact by 27 percent or \$1.1 trillion. The report further notes that the most important factor is obesity, which if rates declined could lead to \$60 billion less in treatment costs and \$254 billion in increased productivity. The report is at www.milkeninstitute.org/.

National Commission on Quality Long Term Care (NCQLTC): The NCQLTC has published a report commissioned from BearingPoint entitled “Essential But Not Sufficient: Information Technology in Long-Term Care as an Enabler of Consumer Independence and Quality Improvement.” The report finds that health information technology (HIT) is a powerful tool for improving the quality of long-term care, but it must better interact with other segments of healthcare in order to be successful. It discusses how technology in long-term care is much more fragmented than the rest of the healthcare system, involves a wider spectrum of issues, provides a wider range of services for seniors, and faces greater workforce and financing challenges. The report explains the benefits of HIT, including enhanced data collection, reducing isolation among caregivers and patients through social networking and electronic communities, promoting learning, and supporting the alignment of financial and reimbursement incentives with quality outcomes. The report is at www.ncqltc.org/pdf/LTHC_Release.pdf.

Learn More About the ILC's International Partnerships!

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