ILC Policy Report

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

April 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

Inside this issue:

ILC Launches Second Year of Caregiving Grants to Community Colleges

The ILC, with funding from the MetLife Foundation, has released a Request for Proposals (RFP) and will award up to twelve $25,000 grants to community colleges to establish new caregiver training programs or to build upon existing programs. This initiative is part of the ILC's Caregiving Project for Older Americans, and follows up on a successful first round of grants in 2007. The grant program is focused on the development of new and novel programs to train both family and professional in-home caregivers, promote skill development, advance the quality of care, and provide opportunities for career development. The RFP encourages innovation in the design, management, and implementation of caregiver training programs. The goal of the program is to develop accessible training programs for caregivers of older adults, and community colleges are considered to have the ability to provide affordable, quality caregiver training to both family caregivers and paid care workers. More information about the funding initiative can be found on the ILC's website at www.ilcusa.org.

News from the U.S. Government

Federal Interagency Forum on Aging-Related Statistics: The Federal Interagency Forum on Aging-Related Statistics has issued the latest edition of Older Americans 2008: Key Indicators of Well-Being," which presents a wide range of data on the older population in the U.S. The report notes that an estimated 37 million people were age 65 and over in 2006, representing 12% of the population. This will increase to 71.5 million people by 2030, representing nearly 20% of the population. It also finds that more older people are enjoying increased prosperity than any previous generation, although major inequalities remain for older black people, who report smaller economic gains and fewer financial resources. A sampling of additional statistics in the report include the rise in health care costs from $8,644 in 1992 to $13,052 in 2004; the decline in the prevalence of functional limitations from 49% in 1992 to 42% in 2005; and that while longevity continues to increase, life expectancy at

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

age 65 in the United States is lower than that of other industrialized countries. More statistics can be found at www.agingstats.gov.

Hearings: The Senate Special Committee on Aging held a hearing "Scrambling for Health Insurance Coverage: Health Security for People in Late Middle Age," on April 3rd. Another hearing on "Caring For Our Seniors: How Can We Support Those On The Frontlines?" was held on April 16th. Hearing information is at http://aging.senate.gov/hearings.cfm. The Senate Finance Committee held a hearing "Outside the Box on Estate Tax Reform: Reviewing Ideas to Simplify Planning," a hearing held April 3rd. Hearing information is at www.senate.gov/~finance/sitepages/hearing040308.htm. The House Ways and Means Subcommittee on Health held a "Hearing on the 2008 Medicare Trustees Report," on April 1st. Hearing information is at http://waysandmeans.house.gov/hearings.asp?formmode=detail&hearing=621.

Institute of Medicine (IOM): The IOM has issued a report "Retooling for an Aging America: Building the Healthcare Workforce," which highlights that the U.S. faces an impending health care crisis as the number of older patients with more complex health needs increasingly outpaces the number of health care providers with the knowledge and skills to adequately care for them. It discusses how virtually all health care providers treat older patients to some extent during their careers so they need a minimal level of competence in geriatric care. This can be done by ensuring that all health professional schools and health care training programs provide coursework and training in the treatment of older individuals. The report also notes that the field of geriatric care is hindered because it attracts fewer specialists than other disciplines and experiences high turnover rates among direct-care workers — nurse aides, home health aides, and personal care aides. The report calls for bold initiatives starting immediately to train all health care providers in the basics of geriatric care, better financial incentives to pursue a specialty in geriatrics, and to begin to prepare family members and other informal caregivers, who currently receive little or no training in how to tend to their aging loved ones. More information is at www.iom.edu/CMS/3809/40113/53452.aspx.

Medicare: The Medicare Trustees have issued their 2008 report, which highlights that Medicare is the second-largest social insurance program in the U.S., with 44.1 million beneficiaries and total expenditures of $432 billion in 2007, which comprised 3.2 percent of gross domestic product (GDP). The Trustees also report that Medicare's Hospital Insurance (HI) Trust Fund, which finances Medicare Part A (inpatient care), will spend more than it takes in from Medicare payroll taxes in 2008, and from 2009 through 2017, about $342 billion will need to be transferred from the Federal treasury to cover beneficiaries' hospital insurance costs. Previously the HI Trust Fund ran a surplus. The report also notes that HI expenditure growth is estimated to average 7.4 percent each year over the next 10 years, a higher rate than either Gross Domestic Product (GDP) or Consumer Price Index (CPI) growth. The Trustees report that the projections demonstrate the need for timely and effective action to address Medicare's financial challenges, because the sooner the solutions are enacted, the more flexible and gradual they can be. More information is at www.cms.hhs.gov/ReportsTrustFunds/.

Social Security: The Social Security Trustees have issued their 2008 report, which finds that the point at which the trust fund is exhausted remains at 2041, and the year in which tax revenues fall below program costs comes in 2017. In 2007, the Social Security trust fund had $785 billion in revenue, most of it from payroll taxes, and expenditures of $595 billion. Almost 50 million people received Social Security benefits, and roughly 163 million people had earnings covered by Social Security and paid payroll taxes. More information can be found at www.ssa.gov/pressoffice/pr/trustee08-pr.htm.

International News

International Federation on Ageing (IFA): The IFA has posted a report, "Age-Related Policies: A Global Review on Age Discrimination Legislation," which reviews the legislative response to age discrimination in eight countries: Argentina, Australia, Canada, Jamaica, Japan, South Africa, United Kingdom, and the United States. Each nation is profiled, with a discussion of the legislation currently in place, the areas covered by the legislation, the remedial measures available, and the political context in which the legislation was developed. It also notes several general trends across the selected countries, including the parallel justifications of human rights and economic imperative for enacting legislation; the primacy of age discrimination legislation covering the workforce; and the relationship between age discrimination and mandatory retirement, reasonable exemptions, and lawful age differentiation. The IFA intends to use this report as a foundation for greater awareness and knowledge sharing among key stakeholders at an international level. The final report can be found at www.ifa-fiv.org/en/accueil1.aspx?sortcode=2.12&id_article=408&starting=1&ending=50.

Japan: The Japanese government recently held the first meeting of the "Prime Minister's Advisory Committee for Building a Viable Social Security, Health and Welfare System." The committee aims to identify, through active dialogue with citizens, the desirable structure of the social security, health, and welfare system for the rapidly aging population of Japan, and explore the role of the government, corporations and individuals in creating such a system. The 15-member committee is represented by nationally recognized authorities from a wide spectrum of Japanese society, including employers, unions, academia, health and long term care providers, women's groups, and the media. The advisory committee will address key issues and make recommendations regarding 1) "employment, retirement, and pensions," 2) "health care, long-term care and social welfare," and 3) "declining birthrates/balance between work and the rest of life." The committee is expected to issue its viewpoints beginning June 2008. For details see the website (in Japanese) of the Ministry of Health, Labour, and Welfare at www.mhlw.go.jp. (This article has been contributed by the ILC-Japan.)

Social Security Administration (SSA): The U.S. SSA has issued the latest regional volume of its series focused on social security systems in regions around the world. This volume, "Social Security Programs Throughout the World: The Americas, 2007" reviews and compares the social security systems in over 30 nations in the Americas. It summarizes the five main social insurance programs in those countries: old-age, disability, and survivors; sickness and maternity; work injury; unemployment; and family allowances. The other regional volumes in the series focus on the social security systems of countries in Europe, Asia and the Pacific, and the Americas. Together, the reports provide important 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/americas/index.html. The SSA has also issued the latest International Update, which reviews recent developments in public and private pensions around the world. This issue includes news from Finland, Greece, Canada, Colombia, and Mexico. It is at www.ssa.gov/policy/docs/progdesc/intl_update/2008-04/2008-04.html.

United Kingdom (UK): The UK Department of Health and Department of Work and Pensions have published a report, "Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society," which discusses how the aging of the population will be one of the greatest challenges of the 21st century for housing, and offers a strategy to address the problem. The report notes that today, most homes and communities are not designed to meet people's changing needs as they grow older. It then

International News (cont'd)

discusses initiatives to build new housing for older people, help finance repairs to enable older people to stay at home, provide information and advice about housing, and reconnecting housing, health, and care. The comprehensive report emphasizes the need to prepare communities for the multiple changes that will be faced; to 'future proof' society so that it does not alienate or exclude; and to allow everybody, regardless of age, to participate and enjoy their home and their environment for as long as possible. More information is at www.communities.gov.uk/publications/housing/lifetimehomesneighbourhoods.

Special Interest to the ILC

Caregiving: The Alzheimer's Foundation of America has issued its third annual ICAN: Investigating Caregivers' Attitudes and Needs survey, which finds that caring for someone with Alzheimer's Disease stretches over several generations. The survey finds that about about three in five caregivers say their children aged 8 to 21 are involved in caring for a loved one with Alzheimer's disease. Among those children who are involved in caregiving, many are reported as taking on significant tasks such as assisting with doctor's appointments (about 30%), providing transportation (42%), and assisting with activities of daily living such as feeding and dressing (25%). More information is at www.alzfdn.org/MediaCenter/260308.html.

Aging Research: The National Institute on Aging (NIA) has launched a new electronic newsletter "Spotlight on Aging Research: News and Notes from the National Institute on Aging," which highlights NIA research, recently published findings, upcoming events and new publications, and provides links to current funding opportunities and other information. This issue discusses research examining the link between caloric restriction and lifespan, genetic research among residents of Sardinia, and numerous study results that were supported by the NIA. The newsletter can be found at www.nia.nih.gov/NewsAndEvents/SOAR/v1n1/.

News from the Not-for-Profit Sector and Beyond

Boston College Center for Retirement Research: The Center has issued the following issue briefs "When Should Married Men Claim Social Security Benefits?" which highlights that if married men delayed claming Social Security, they could increase the expected value of their wife's survivor benefit by 25 percent. It also finds that men with more education are more likely to delay claiming, which suggests that raising awareness of Social Security benefit rules could help. In addition, policy changes could also help, such as raising Social Security's Earliest Eligibility Age; requiring spousal consent for early claiming; and/or reducing higher-earning spouse's benefit to maintain survivor benefit. Another brief, "Social Security's Financial Outlook: The 2008 Update in Perspective," discusses how due to new immigration assumptions, the 75-year deficit dropped to 1.70 percent of taxable payrolls from about 2 percent for the last 14 years, and that an improved ration of workers to retires will enable the current level of payroll taxes to cover more than 75% of promised benefits after 2041. Nevertheless, Social Security's trust fund still will be depleted in 2041, and despite any improvements in its outlook, the brief emphasizes that achieving solvency requires benefit cuts and/or tax increases — there is no silver bullet. The briefs are at www.bc.edu/crr.

Commonwealth Fund: Commonwealth has issued a report, "Medicare Out-of-Pocket Costs: Can Private Savings Incentives Solve the Problem?" which examines if incentives for private savings such as health savings accounts can relieve the burden of post-

News from the Not-for-Profit Sector and Beyond (cont'd)

retirement health care costs. The report notes that Medicare's benefit structure leaves beneficiaries with significant out-of-pocket costs, particularly if they lack supplemental coverage, and that such costs disproportionately affect low-income, old, and chronically ill Medicare beneficiaries. It then evaluates the benefits incentives for savings, with a particular focus on low-income participants, and finds that because their pre-retirement incomes are low on average, helping low-income individuals to save will not fully address the problem of out-of pocket medical costs for the low-income elderly. Another brief from Commonwealth, "Medicare Advantage: Options for Standardizing Benefits and Information to Improve Consumer Choice," discusses how there is a great deal of variability and complexity in Medicare Advantage plans, which hinders people's ability to make educated choices. It then presents three possible remedies: requiring more standardized information and better tools to support beneficiaries' decision-making; implementing a few standardized benefit and cost-sharing regimes to limit the number of ways in which plans may differ; and requiring that plans put a cap on out-of-pocket costs. These briefs are at www.commonwealthfund.org/publications/publications_list.htm?attrib_id=15310.

Dartmouth Institute for Health Policy and Clinical Practice: The Dartmouth Institute, with the support of the Robert Wood Johnson Foundation, has released its 2008 Dartmouth Atlas of Health Care: Tracking the Care of Patients with Severe Chronic Illness, which shows that Medicare and most other payers encourage the over-use of acute-care hospital services and the proliferation of medical specialists due to misplaced financial incentives, especially for treating chronically ill people. Indeed, it isn't so much what each medical service costs, the report says; it is how many services doctors prescribe. As a result, the U.S. healthcare system lacks efficient ways of caring for people, especially those with severe chronic illnesses who account for more than 75 percent of all health care spending. It then highlights institutions such as the Mayo Clinic that provide better care at a lower cost because they don't over-treat patients. The Atlas calls for changes in Medicare policy to encourage care management and better research into clinical practices to manage chronically ill patients. More information is at www.dartmouthatlas.org.

Deloitte: Deloitte has issued a brief "Taking Candy from a Baby (Boomer) – Protecting Retirement Savings of an Aging Population," which highlights that many baby boomers, now nearing retirement, will receive most of any employer-provided retirement benefits as a lump sum from a 401(k) or similar defined contribution plan, rather than a stream of regular income from a defined benefit plan. This trend increases the risk of being ripe targets for financial losses – both from financial fraud and well-meaning, but ill-trained financial advisers. Moreover, the brief notes that how the boomers spend this money will affect the national economy, including private investment markets, consumer spending, and government spending on social programs such as Social Security, Medicare and Medicaid. More information is at www.deloitte.com/dtt/article/0,1002,cid%253D190482,00.html.

RAND Corporation: RAND has published a research brief "Modeling the Health and Medical Care Spending of the Future Elderly," which summarizes studies showing that medical innovations will improve health and extend life but will likely increase Medicare spending. It further notes that eliminating any one disease will not save a great deal of money, but reducing obesity might be an important exception. Also, it discusses how prevention efforts focused on the most important risk factors for disease, especially those requiring costly treatments, could be very cost-effective. More information is at http://rand.org/pubs/research_briefs/RB9324/index1.html.

Learn More About the ILC's International Partnerships!

ILC-Japan
http://www.ilcjapan.org

ILC-France
http://www.ilcfrance.org

ILC-UK
http://www.ilcuk.org.uk

ILC-DominicanRepublic
rosy.pereyra@verizon.net.do

ILC-India
www.ilcindia.org

ILC-South Africa
mf@cormack.uct.ac.za

ILC-Argentina
liadaichman@fibertel.com.ar

ILC-Netherlands
www.ilczorgvoorlater.com

More information and reports available on the ILC website!

Check out the ILC Update for news about the ILC, as well as past issues of the ILC Policy Report at www.ilcusa.org/pages/newsroom/newsletters.php

See the wide range of ILC reports and other documents at at www.ilcusa.org/pages/publications.php.

See the ILC in the news at www.ilcusa.org/pages/newsroom/ilc-in-the-news.php

Check Out the ILC's Step Counter!!! Only $19.99

Features:

1. Counts the number of steps while walking or jogging up to 100,000 steps
2. Large easy to read display
3. Strong, reliable alligator clip
4. Bulk purchases at a reduced rate available

****Featured in Good Housekeeping magazine!!**

See the website at www.ilcusa.org/pages/get-involved/ilc-shop.php.