

ILC Policy Report

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

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ILC Policy Report to Suspend Publication

The ILC Policy Report, which has been published since 2000, will suspend publication with this issue, due to funding constraints in this difficult economic period. Efforts are being made to find continued funding with the hope of restarting the publication later this year or in 2009. Many thanks to editor James Nyberg who has presided over this service to the aging and longevity community, first in his role as the ILC's director of government relations and subsequently as a consultant. We've had much positive feedback and have been gratified by those who have written to encourage this effort. —E.E. Dennis, ILC executive director.

ILC Renews Effort to Expand Geriatrics Education and Training

Congress will soon begin work on the appropriations bills for Fiscal 2009 and the ILC and its colleagues will renew their effort to ensure that the federal government continues to invest in geriatric education and training for the nation's health care workforce. The importance of this effort was highlighted in the Institute of Medicine's recent report, "Retooling for an Aging America: Building the Health Care Workforce," which states that the United States faces an impending 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. The report further notes that specialists in geriatrics are needed because of their role in educating and training the rest of the workforce in geriatric issues. One

way that the ILC and other advocates have been working to address this issue has been to support funding for the geriatric health professions programs operated by the Health Resources and Services Administration (HRSA). In particular, the geriatric academic career award (GACA) is focused on the development of academic geriatricians, which will help expand and enhance geriatrics education and training at medical schools. In addition, the Medicare graduate medical education (GME) system could do more to support geriatrics education and training. The ILC will continue to advocate for these and other initiatives to ensure that all health care providers have some knowledge of geriatric medicine in order to provide quality and cost-effective health care to a rapidly growing older population.

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

Centers for Disease Control and Prevention (CDC): The CDC has issued the latest issue of its morbidly-entitled report, “Deaths: Final Data for 2005,” which presents a wide range of data about dying in 2005. Overall, in 2005, a total of 2,448,017 resident deaths were registered in the United States. The report also finds that life expectancy at birth was 77.8 years, the same as in 2004. More specifically, life expectancy was 80.4 years for females and 75.2 years for males. In addition, life expectancy increased 0.1 year for the black population to a record high of 73.2 years, and for the white population remained the same as that in 2004 at 78.3 years. The difference in life expectancy between the white and black populations in 2005 was 5.1 years, which was a 0.1-year decrease from the 2004 gap between the two races and was the smallest gap ever recorded. The report is at www.cdc.gov/nchs/data/nvsr/nvsr56/nvsr56_10.pdf.

Congressional Budget Office (CBO): The CBO has published a brief “Growing Disparities in Life Expectancy,” which highlights that there is a growing disparity in life expectancy between individuals with high and low income and between those with more and less education. Moreover, the difference in life expectancy across socioeconomic groups is significantly larger now than in 1980, with life expectancy at birth rising from 2.8 years more for the highest socioeconomic group than for the lowest to 4.5 years in 2000. In addition, the difference in life expectancy at age 65 rose from 0.3 years to 1.6 years. The report then discusses the implications of a continued widening of this gap in life expectancy on Social Security, which ‘would worsen the long-term shortfall in financing and reduce the program’s progressivity—the extent to which it redistributes resources from high-income to low-income beneficiaries on a lifetime basis. For Medicare, it is not clear whether a widening gap would exacerbate the cost increases that will result from increasing longevity.’ The brief is at www.cbo.gov/doc.cfm?index=9104.

Government Accountability Office (GAO): The

GAO has issued the following reports and testimonies: “Nursing Homes: Federal Monitoring Surveys Demonstrate Continued Understatement of Serious Care Problems and CMS Oversight Weaknesses”; “Social Security Administration Field Offices: Reduced Workforce Faces Challenges as Baby Boomers Retire”; “Older Workers: Federal Agencies Face Challenges, but Have Opportunities to Hire and Retain Experienced Employees”; and “Employment and Training: Most One-Stop Career Centers Are Taking Multiple Actions to Link Employers and Older Workers.” These can be found at www.gao.gov.

Hearings: The Senate Finance Committee held a hearing “More Work, Less Resources: Social Security Field Offices Struggle to Deliver Service to the Public,” on May 8th. Hearing information is at www.senate.gov/~finance/sitepages/hearing050808.htm. The Senate Special Committee on Aging held a hearing “Leading By Example: Making Government A Role Model For Hiring And Retaining Older Workers” on April 30th. Hearing information is at http://aging.senate.gov/hearing_detail.cfm?id=296963&. The House Committee on Energy and Commerce, Subcommittee on Oversight and Investigations held a hearing “In the Hands of Strangers: Are Nursing Home Safeguards Working?” on May 15th. Hearing information is at http://energycommerce.house.gov/cmte_mtgs/110-oi-hrg.051508.NursingHomes.shtml.

Department of Treasury: The Department of Treasury has published an issue brief “Social Security Reform: Mechanisms for Achieving True Pre-Funding,” which discusses how making Social Security reform fair to future generations requires building up and safeguarding resources in the near term that can be used to fund future benefits as the number of retirees per worker increases. The brief notes that there is currently no mechanism to safeguard such resources and then analyzes possible mechanisms to help ensure that attempted pre-funding is in fact real pre-funding, such as several variants of personal accounts. The brief is at www.treas.gov/press/releases/reports/ss_issuebrief_no.4.pdf.

International News

Australia: The Australian government has released new population data indicating that Australia is experiencing a new demographic phenomenon with citizens now enjoying the fourth longest life expectancy in the world – and a major shift in the number of people living to be more than 100. Currently, there are 2,860 Australians over the age of 100, which is expected to explode to 78,000 by 2055. The data also shows that currently, there are 2.7 million Australians aged 65 and over and within 40 years the number of people aged over 65 will almost triple, from 2.8 million today to around 7.2 million in 2047, or from around 13 percent of the population today to over 25 percent. More information is at www.health.gov.au/internet/ministers/publishing.nsf/Content/mr-yr08-je-je045.htm.

Canadian Policy Research Networks: The Canadian Policy Research Networks, a nonprofit policy think tank, has released a report, “Frameworks of Integrated Care for the Elderly: A Systematic Review,” which presents the findings of an extensive review of models of integrated care for elders. The report finds that some models of integrated health and social care for the elderly can result in improved outcomes, client satisfaction and/or cost savings or cost-effectiveness. It then identifies four key elements in successful models: umbrella organizational structures to guide integration of strategic, managerial and service delivery levels; multidisciplinary case management for effective evaluation and planning of client needs; organized provider networks; and financial incentives to promote prevention, rehabilitation and the downward substitution of services, as well as to enable service integration and efficiency. More information is at www.cprn.org/page.cfm?page=124&l=en.

European Foundation for the Improvement of Living and Working Conditions: The European Foundation has published a report “Working conditions of an ageing workforce,” which looks at ways in which the quality of work and employment can be promoted in order to encourage workers to remain in the labor market for a longer time. The report focuses on four key areas: ensuring career and employment security;

maintaining and promoting the health and well-being of workers; developing skills and competencies; and reconciling working and non-working life. It notes that age is an important factor in describing working conditions, with significant differences emerging between younger and older workers for most job characteristics. For example, according to the report, younger workers are the most exposed to physical risk factors at the workplace and the least satisfied with working conditions, while older workers are more ‘protected’ against risk exposure and have a higher degree of autonomy at the workplace and a lower degree of work intensity; however, they receive fewer opportunities with respect to involvement in new organizational forms, training and learning new things at work. The report concludes by correlating some aspects of working conditions with older workers’ employment rates, with positive correlations found with respect to work autonomy, the presence of HPWO (High Performance Work Organizations, which entail a horizontal hierarchical structure), and access to learning and training. A negative correlation is detected between employment rates and exposure to physical risks at work. The report is at www.eurofound.europa.eu/pubdocs/2008/17/en/1/ef0817en.pdf.

International Longevity Center – UK (ILC-UK): The ILC-UK has issued a report entitled “Navigating the Age of Inheritance” which discusses the increase in inheritance transfers across the population, from those at the peak age of mortality to younger cohorts. This increase has numerous implications for society, as the recipients enjoy the wealth, however, it can also lead to inequalities of opportunity. For example, it can lead to property inflation as families direct much of the wealth they inherit into property. In addition, the report reviews the issue of why individuals are not consuming all their wealth in their lifetime, and explores whether, given the dominance of property in the wealth portfolios of older people, there is a role for a new type of financial product - a ‘housing equity annuity’ - that lets individuals access this wealth but overcomes some of the barriers to traditional equity release products. The report is at www.ilcuk.org.uk/record.jsp?type=publication&ID=30.

International News (cont'd)

World Health Organization (WHO): The WHO has published “The WHO Global Report on Falls Prevention in Older Age,” which discusses the prevalence of falls around the world and provides an action plan for making progress in reducing falls among the older adult population. The model proposes specific strategies for building awareness of the importance of falls prevention and treatment; improving the assessment of individual, environmental, and societal factors that increase the likelihood of falls; and facilitating the design and implementation of culturally-appropriate, evidence-based

interventions that will significantly reduce the number of falls among older persons. The report notes that the strategies and solutions will require the engagement of multiple sectors of society. It also calls for continued research in all areas of falls prevention and treatment in order to better understand the scope of the problem worldwide and to better address the problem in specific settings and population sub-groups. The report is at www.who.int/ageing/publications/Falls_prevention7March.pdf.

Special Interest to the ILC

Caregiving: The ILC has published a report “Developing National In-Home Caregiver Training Standards, which examines the growing need for curricula, accreditation, certification, career ladder, and support for in-home caregivers. The report is based on the contributions of experts and professional advisors who participated in a 2007 conference, and outlines recommendations to develop innovative, affordable new approaches to train caregivers. Recommendations include: Adopt the term Geriatric Home Caregiver (GHC) to denote a professionally trained caregiver of older adults in home settings; Establish uniform national standards for training GHCs to be used by everyone who creates curricula; Implement a process for accreditation of all training curricula for GHCs; Develop a certification process for the GHC; Set a standard for annual continuing education for GHCs; Promote the creation of a career ladder that could further attract individuals to this work-force; and Facilitate the establishment of a national home

caregivers organization. The report can be found at www.ilcusa.org/.

Geriatrics: The Association of Directors of Geriatric Academic Programs (ADGAP) has released its latest “Training and Practice Update,” which focuses on geriatricians and compensation. The report compares the salaries of practicing geriatricians and academic geriatricians with their counterparts in other fields. It finds that geriatric medicine has the lowest median salary among providers at \$161,888. At the faculty level, academic geriatricians salaries are competitive with other non-procedural specialists such as internal medicine and family medicine, but much lower than procedural specialists such as orthopedics and urology. The report also discusses how the number of people completing geriatric fellowships continues to decline, due in part to the reduced earnings potential that the additional training will bring, coupled with large medical school debt. It is at www.americangeriatrics.org/adgap/adgapTandP_update.pdf.

News from the Not-for-Profit Sector and Beyond

AARP: AARP has published a report “Opportunities for Creating Livable Communities,” which reviews the need to promote livable communities for older people and highlights the barriers to such communities, like a lack of diverse housing options, lack of cooperation among adjacent communities, and rigid separation between residential, commercial, and recreational

areas. The report then discusses how communities around the nation have implemented measures to build and sustain livable communities, primarily involving housing, transportation, and supportive community features. More information is at www.aarp.org/research/housing-mobility/indliving/

4 [2008_02_communities.html](http://www.aarp.org/research/housing-mobility/indliving/2008_02_communities.html).

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

The Center for Retirement Research at Boston College: The Center has released a new Issue in Brief “Why Does Funding Status Vary Among State and Local Plans” which finds that although most public pension plans are in good shape, funding ratios do vary, with about 60 percent of plans adequately funded, and about 40 percent not. The brief discusses how better funding is associated with the following factors: Disciplined approach - the plan has an extended funding history, uses a more rigorous cost method, and makes its annual required contributions; Good governance - the plan has an independent investment council; Size and type of plan - the plan is large and does not include teachers; and Fiscal health - the plan is in a state with a relatively low debt burden. The Center has issued another brief “The Miracle of Funding by State and Local Pension Plans,” which highlights how state and local pension plans, overall, are as well funded as private plans, with assets covering nearly 90 percent of liabilities. It then finds that this outcome is striking, even “miraculous,” given that public plans tend to pay larger benefits; use a more stringent funding yardstick; and are not covered by any national legislation governing their funding status. It does note that while most plans are reasonably well-funded, a number, mostly small plans, fall below acceptable levels. These briefs are at <http://crr.bc.edu/>.

Commonwealth Fund: Commonwealth has published a report, “Culture Change in Nursing Homes: How Far Have We Come?” which discusses how many nursing homes have adopted some practices associated with the culture change model, such as giving seniors more say in decisions related to their daily activities and giving direct care workers more say in the care of the residents. The report surveys the nursing home industry and finds that the more that nursing homes adopt culture change practices, the more likely they are to report improvements in staff retention, reductions in absenteeism, greater market competitiveness, and higher occupancy rates. The report is at www.commonwealthfund.org/publications/publications_show.htm?doc_id=684709.

Michigan Retirement Research Center: The Michigan Retirement Research Center has published a policy brief, “Beyond the Golden Age of Retirement,” which discusses how the golden age of retirement is over and that our current path towards retirement has the potential to reduce standards of living for large segments of the U.S. population. This is due to factors such as the shift in defined benefit pensions to defined contribution pensions and the decline in employer-sponsored health insurance. It concludes that policy changes which encourage longer working lives have the potential to mitigate the situation and should be considered. The brief is at www.mrrc.isr.umich.edu/publications/policy/pdf/Schieber.pdf.

Urban Institute: The Urban Institute has released a brief, “Rising Health Care Costs Lead Workers to Delay Retirement,” which discusses how rising health care costs threaten many older Americans’ financial security. It notes that medical expenses now consume a substantial share of household spending in retirement, and that share is likely to rise as costs continue escalating and employer-sponsored retiree health benefits shrink. It then finds that many older workers are responding to these financial pressures by delaying retirement. The additional work enables those who receive employer-sponsored health insurance to reduce their risk of high out-of-pocket costs, and also increases income which helps make health care costs more affordable. More information is at www.urban.org/publications/411668.html. Another brief, “Measuring Personal Saving: A Tale of American Profligacy,” notes that official measures indicate that personal saving has been declining for the past 20 years, and even became negative in 2005. It further notes that inadequate saving threatens retirement preparations and reduces investment, which affects worker productivity and ultimately wages and living standards. The brief then discusses some flaws with the official measures of personal saving, such as the treatment of pension contributions and assets, which indicate that Americans may be somewhat less profligate. More information is at www.urban.org/publications/411671.html.

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