Aging in Pennsylvania

Thomas Jefferson University
Health Policy Forum
May 9, 2012

Brian M. Duke
Secretary
Pennsylvania Department of Aging
Learning Objectives

1. Discuss current programs and initiatives of the PA Dept. of Aging

2. Describe the implications of budget cuts on future programs and services

3. Explain demographic trends of aging population in PA
“Enhancing the quality of life of all older Pennsylvanians by empowering diverse communities, the family and the individual.”
Two main goals of PDA are prevention and protection.

**Prevention**
- Prevention from instability in health and wellbeing through assessment, service care coordination, nutrition programs, transportation, PACE and PACEnet and through health and wellness programs: PrimeTime Health, Healthy Steps, Chronic Disease Self Management
- Promote advocacy for consumers of long-term care
- Encourage partnerships among communities and other agencies

**Protection**
- Ensure vulnerable Pennsylvanians are protected from abuse
- Safeguard rights of residents in facilities
- Continually monitor services provided
Pennsylvania’s age 60+ population is projected to increase by 1.04 million from 2010 to 2030.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>2,239,096</td>
<td>2,269,508</td>
<td>2,429,895</td>
<td>2,669,720</td>
<td>2,967,029</td>
<td>3,197,529</td>
<td>3,285,204</td>
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<tr>
<td>Black</td>
<td>164,850</td>
<td>171,133</td>
<td>188,076</td>
<td>213,748</td>
<td>247,495</td>
<td>279,267</td>
<td>301,064</td>
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<tr>
<td>Hispanic</td>
<td>23,083</td>
<td>30,812</td>
<td>41,970</td>
<td>56,188</td>
<td>76,136</td>
<td>101,105</td>
<td>128,851</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,430,821</strong></td>
<td><strong>2,479,546</strong></td>
<td><strong>2,671,969</strong></td>
<td><strong>2,953,938</strong></td>
<td><strong>3,302,970</strong></td>
<td><strong>3,585,310</strong></td>
<td><strong>3,716,975</strong></td>
</tr>
</tbody>
</table>

Source: US Census Bureau
Pennsylvania’s Projected Population

**Pennsylvanians Total Population (in Millions)**

- 2010: 12.58
- 2020: 12.79
- 2030: 12.77

**Pennsylvanians 60 years and older (in Millions)**

- 2010: 1.90
- 2020: 2.40
- 2030: 2.89

**Pennsylvanians 85 years and older (in Millions)**

- 2010: 0.34
- 2020: 0.36
- 2030: 0.42

Source: US Census Bureau
Consistent Projected Growth in this Population

Pennsylvanians 60 years and older

Pennsylvanians 85 years and older

Source: US Census Bureau
Anticipated trends:

- The older population is growing rapidly, and the aging of baby boomers, born between 1946 and 1964 (and who began turning age 65 in 2011), will accelerate this growth.

- This larger population of older Americans and Pennsylvanians will be more racially diverse and better educated than previous generations.

- Another significant trend is the increase in the proportion of men age 85 and over who are veterans.

Source: PA Abstract
The demographics of aging continue to change dramatically.

The older population is growing rapidly, and the aging of baby boomers, born between 1946 and 1964 (and who began turning age 65 in 2011), will accelerate this growth.

This larger population of older Americans and Pennsylvanians will be more racially diverse and better educated than previous generations.

Another significant trend is the increase in the proportion of men age 85 and over who are veterans.

Source: PA Abstract
In Pennsylvania, there are more than 300,000 residents who are over the age of 85.

Additionally, 22% of PA population is age 60 and over; PA ranks 4\textsuperscript{th} in percentage of population age 65 and over.

Also, 2.4% of PA population is age 85+; PA ranks 4\textsuperscript{th} in percentage of population age 85.

Source: US Census Bureau
Americans are living longer with more complex conditions and disabilities

One in five Americans will be eligible for Medicare by 2030
  - Older adults account for 80% of Medicare spending

More than 20% of older adults have at least five chronic conditions
  - Heart disease
  - Diabetes
  - Arthritis
  - Osteoporosis
  - Dementia

http://www.americangeriatrics.org
Older adults access healthcare more than younger adults and children
- 26% of all physician office visits
- 35% of all hospital stay
- 34% of all prescriptions
- 38% of emergency medical services and responses
- 90% of all nursing home use

Most common diseases among the elderly are:
- Diseases of the heart
- Diabetes
- Chronic obstructive pulmonary disease
- Gastrointestinal disorders

http://www.americangeriatrics.org
### Household annual expenditures by expenditure category, by age of reference person, percent distribution, 2008

#### Percent Distribution

<table>
<thead>
<tr>
<th>Category</th>
<th>55–64</th>
<th>65 and over</th>
<th>65–74</th>
<th>75 and over</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>7%</td>
<td>13%</td>
<td>16%</td>
<td>14%</td>
</tr>
<tr>
<td>Transportation</td>
<td>13%</td>
<td>15%</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>Health care</td>
<td>17%</td>
<td>15%</td>
<td>16%</td>
<td>14%</td>
</tr>
<tr>
<td>Personal insurance and pensions</td>
<td>13%</td>
<td>13%</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>Food</td>
<td>32%</td>
<td>35%</td>
<td>33%</td>
<td>38%</td>
</tr>
<tr>
<td>Other</td>
<td>20%</td>
<td>19%</td>
<td>20%</td>
<td>19%</td>
</tr>
</tbody>
</table>

**NOTE:** Other expenditures include apparel, personal care, entertainment, reading, education, alcohol, tobacco, cash contributions, and miscellaneous expenditures. Data from the Consumer Expenditure Survey by age group represent average annual expenditures for consumer units by the age of reference person, who is the person listed as the owner or renter of the home. For example, the data on people age 65 and over reflect consumer units with a reference person age 65 or older. The Consumer Expenditure Survey collects and publishes information from consumer units, which are generally defined as a person or group of people who live in the same household and are related by blood, marriage, or other legal arrangement (i.e., a family), or people who live in the same household but who are unrelated and financially independent from one another (e.g., roommates sharing an apartment). A household usually refers to a physical dwelling, and may contain more than one consumer unit. However, for convenience the term “household” is substituted for “consumer unit” in this text.

Reference population: These data refer to the resident noninstitutionalized population.

Average annual health care costs for Medicare enrollees age 65 and over, by age group, 1992–2006

Dollars

- 85 and over
- 75–84
- 65–74

Data are not available for 2005.

NOTE: Data include both out-of-pocket costs and costs covered by insurance. Dollars are inflation-adjusted to 2006 using the Consumer Price Index (Series CPI-U-RS). Reference population: These data refer to Medicare enrollees. SOURCE: Centers for Medicare and Medicaid Services, Medicare Current Beneficiary Survey.
US Health Care Costs

Major components of health care costs among Medicare enrollees age 65 and over, 1992 and 2006

1992

- Physician/outpatient hospital: 32%
- Inpatient hospital: 32%
- Long-term care facility: 4%
- Home health care: 8%
- Prescription drugs: 4%
- Other: 4%

2006

- Physician/outpatient hospital: 35%
- Inpatient hospital: 25%
- Long-term care facility: 13%
- Home health care: 3%
- Prescription drugs: 16%
- Other: 9%

NOTE: Data include both out-of-pocket costs and costs covered by insurance. "Other" includes short-term institutions, hospice services, and dental care.
Reference population: These data refer to Medicare enrollees.
SOURCE: Centers for Medicare and Medicaid Services, Medicare Current Beneficiary Survey.
Figure 7. Prevalence of Disability and Fair/Poor Health Status for Pennsylvanians: Select Age Groups, 2009

Health Status

Figure 8. Prevalence of High Cholesterol and Cardiovascular Disease Among Pennsylvanians: Select Age Groups, 2009


Note: Over half of the “older Boomer” cohort has high cholesterol.
Health Status

Figure 9. Prevalence of Arthritis and High Blood Pressure Among Pennsylvanians: Select Age Groups, 2009

Health Status

Figure 10. Prevalence of Being Overweight or Obese Among Pennsylvanians: Select Age Groups, 2009

- **Overweight**
  - Ages 45–54: 38%
  - Ages 55–64: 42%
  - Ages 65+: 40%

- **Obese**
  - Ages 45–54: 31%
  - Ages 55–64: 32%
  - Ages 65+: 26%


Note: People in the “Boomer” age groups have higher prevalence of obesity than those age 65+. 
Health Status

Figure 11. Prevalence of Diabetes Among Pennsylvanians: Select Age Groups, 2009

Figure 12. Percentage of Pennsylvanians with Cognitive, IADL, and ADL Limitations: Select Age Groups, 2004 – 2006

An estimated 5.4 million people in the United States are living with Alzheimer’s disease; a new case is diagnosed every 69 seconds.

One in eight older Americans has Alzheimer’s Disease.

Alzheimer’s disease is the sixth-leading cause of death in the US and the only cause of death among the top 10 in the US that cannot be prevented, cured, or even slowed.

Source: Alzheimer’s Association
Projected Numbers of People Age 65 and Over in US with Alzheimer’s Disease

(in millions)

Source: Alzheimer’s Association
In Pennsylvania, there are 280,000 people age 65 and over with Alzheimer’s Disease.

<table>
<thead>
<tr>
<th>Year</th>
<th>65-74</th>
<th>75-84</th>
<th>85+</th>
<th>Total</th>
<th>% Change from 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>17,000</td>
<td>150,000</td>
<td>110,000</td>
<td>280,000</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>12,000</td>
<td>130,000</td>
<td>140,000</td>
<td>280,000</td>
<td>0%</td>
</tr>
<tr>
<td>2020</td>
<td>15,000</td>
<td>120,000</td>
<td>130,000</td>
<td>260,000</td>
<td>-7%</td>
</tr>
<tr>
<td>2025</td>
<td>17,000</td>
<td>140,000</td>
<td>130,000</td>
<td>280,000</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: Alzheimer’s Association
To achieve our main objectives of prevention and protection, PDA administers:

- Home and Community Based Services
- Pharmaceutical Assistance (PACE)
- Health and Wellness Programs
- Protective Services
- Advocacy (Ombudsman)

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Lives Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Services</td>
<td>342,000</td>
</tr>
<tr>
<td>In Home Services</td>
<td>82,000</td>
</tr>
<tr>
<td>Assessments</td>
<td>108,000</td>
</tr>
<tr>
<td>PACE/PACENET</td>
<td>343,000</td>
</tr>
</tbody>
</table>
52 Area Agencies on Aging

Prescription medications to over 350,000 older adults

In home and community services to over 520,000 older adults

Serves over 836,000 older adults annually

Average person served by PDA is a woman over age 80 who is widowed
The Pennsylvania Department of Aging funding sources do not include any general fund revenue. All funding originates from the Lottery, Tobacco Settlement, Other Funds for Pharmaceutical Assistance or federal sources.
State Lottery Fund

Total Budget is $1.1 Billion

Lottery Funds 2011-12

- General Government Operations: 1%
- PENNCARE: 49%
- Pharmacuetical Assistance Fund: 45%
- Alzheimer's Outreach: 0.05%
- Family Caregiver: 3%
- Pre-Admission Assessment: 2%

Lottery Funds 2012-13

- General Government Operations: 2%
- PENNCARE: 54%
- Pharmacuetical Assistance Fund: 39%
- Alzheimer's Outreach: 0.05%
- Family Caregiver: 3%
- Pre-Admission Assessment: 2%
Nursing Home Population Trend

Nursing Home Population*
7.8% Decrease from June 2010 to June 2011

Due to time lag for paid claims, numbers may be understated for up to six months.

*Based upon paid claims data with a first date of service within the reporting period.

Source: EDW PROMISe Claims

---------|---------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------
56,670   | 56,996  | 57,178  | 57,250 | 57,287 | 57,002 | 56,883 | 56,672 | 56,284 | 56,003 | 55,043 | 54,103 | 52,232 |
Nursing Facility Bed Trends

![Graph showing the trend of nursing facility bed counts from 2000 to 2011. The graph compares total MA certified beds (blue line) and total licensed beds (red line). The bed counts show a decreasing trend over the years, with the total MA certified beds decreasing from approximately 94,000 in 2000 to 82,000 in 2011, and the total licensed beds decreasing from approximately 92,000 in 2000 to 88,000 in 2011.](Image 1)
HCBS Alternatives

Actions contributing to rebalancing efforts:

- Expansion of home and community based services waiver
- Professionalization of industry
- Nursing facility participation review process
- Nursing facility budget adjustment factor
# Budget Performance Measures

<table>
<thead>
<tr>
<th>Measure</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pennsylvanians 60 years and older</td>
<td>2,644,175</td>
<td>2,702,605</td>
<td>2,705,875</td>
</tr>
<tr>
<td>Pennsylvanians 85 years and older</td>
<td>309,255</td>
<td>305,675</td>
<td>315,545</td>
</tr>
<tr>
<td>Persons served in community who are clinically nursing home eligible</td>
<td>13,125</td>
<td>12,275</td>
<td>12,275</td>
</tr>
</tbody>
</table>

**Pre-Admission Assessment:**

<table>
<thead>
<tr>
<th>Measure</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessments/recertifications</td>
<td>103,990</td>
<td>105,725</td>
<td>105,725</td>
</tr>
<tr>
<td>Referrals to nursing home</td>
<td>38,165</td>
<td>39,140</td>
<td>39,140</td>
</tr>
<tr>
<td>Referrals to community services</td>
<td>45,465</td>
<td>45,660</td>
<td>45,660</td>
</tr>
</tbody>
</table>

**Persons receiving assistance:**

<table>
<thead>
<tr>
<th>Measure</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congregate meals</td>
<td>131,640</td>
<td>132,630</td>
<td>132,630</td>
</tr>
<tr>
<td>Personal assistance services</td>
<td>1,565</td>
<td>1,470</td>
<td>1,470</td>
</tr>
<tr>
<td>Attendant care services</td>
<td>1,665</td>
<td>1,880</td>
<td>2,090</td>
</tr>
<tr>
<td>Home delivered meals</td>
<td>38,075</td>
<td>36,425</td>
<td>36,425</td>
</tr>
<tr>
<td>Home support services</td>
<td>6,805</td>
<td>6,595</td>
<td>6,595</td>
</tr>
<tr>
<td>Personal care services</td>
<td>13,705</td>
<td>13,125</td>
<td>13,125</td>
</tr>
<tr>
<td>Protective services</td>
<td>15,520</td>
<td>17,790</td>
<td>17,790</td>
</tr>
<tr>
<td>Families receiving caregiver support</td>
<td>7,020</td>
<td>7,120</td>
<td>7,120</td>
</tr>
</tbody>
</table>
# Budget Performance Measures

## Comprehensive PACE Program

<table>
<thead>
<tr>
<th></th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Older Pennsylvanians enrolled (average)</td>
<td>133,560</td>
<td>125,105</td>
<td>120,175</td>
</tr>
<tr>
<td>Total prescriptions per year</td>
<td>4,930,610</td>
<td>4,398,280</td>
<td>4,233,835</td>
</tr>
<tr>
<td>Average PACE cost per prescription</td>
<td>$24.16</td>
<td>$24.30</td>
<td>$20.74</td>
</tr>
</tbody>
</table>

## PACE Needs Enhancement Tier (PACENET)

<table>
<thead>
<tr>
<th></th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Older Pennsylvanians enrolled (average)</td>
<td>175,770</td>
<td>182,480</td>
<td>183,955</td>
</tr>
<tr>
<td>Total prescriptions per year</td>
<td>5,843,355</td>
<td>5,942,900</td>
<td>6,097,700</td>
</tr>
<tr>
<td>Average PACENET cost per prescription</td>
<td>$28.73</td>
<td>$28.02</td>
<td>$21.04</td>
</tr>
</tbody>
</table>
PACE / PACENET Program

**PACE**
- Prescription drugs, including insulin, insulin syringes & needles
- Generic medications: $6 copay (30-day supply)
- Brand name medications: $9 copay (30-day supply)
- Can get 90-day supply with PACE & Part D

**PACENET**
- Prescription drugs covered including insulin, insulin syringes & needles
- Generic medications: $8 copay (30-day supply)
- Brand name medications: $15 copay (30-day supply)
- Can get 90-day supply with Part D
- Pay PACENET deductible or Part D monthly premium

Source: PACE 2010 Annual Report
For more details on PACE: [www.aging.state.pa.us](http://www.aging.state.pa.us)
# Pharmaceutical Assistance Contract for the Elderly (PACE)

## Total Enrolled

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Enrolled</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>263,761</td>
</tr>
<tr>
<td>2002-03</td>
<td>263,780</td>
</tr>
<tr>
<td>2003-04</td>
<td>321,507</td>
</tr>
<tr>
<td>2004-05</td>
<td>341,892</td>
</tr>
<tr>
<td>2005-06</td>
<td>347,016</td>
</tr>
<tr>
<td>2006-07</td>
<td>356,977</td>
</tr>
<tr>
<td>2007-08</td>
<td>358,824</td>
</tr>
<tr>
<td>2008-09</td>
<td>359,533</td>
</tr>
<tr>
<td>2009-10</td>
<td>349,696</td>
</tr>
<tr>
<td>2010-11</td>
<td>343,406</td>
</tr>
</tbody>
</table>

## PACE and PACENET Combined Total Prescriptions per Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Prescriptions per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>10,168,800</td>
</tr>
<tr>
<td>2002-03</td>
<td>10,419,634</td>
</tr>
<tr>
<td>2003-04</td>
<td>11,384,660</td>
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<td>2004-05</td>
<td>12,037,387</td>
</tr>
<tr>
<td>2005-06</td>
<td>12,528,807</td>
</tr>
<tr>
<td>2006-07</td>
<td>12,410,451</td>
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<tr>
<td>2007-08</td>
<td>12,145,267</td>
</tr>
<tr>
<td>2008-09</td>
<td>11,598,878</td>
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<td>2009-10</td>
<td>10,831,072</td>
</tr>
<tr>
<td>2010-11</td>
<td>10,341,179</td>
</tr>
</tbody>
</table>

Source: PACE 2010 Annual Report
For more details on PACE: [www.aging.state.pa.us](http://www.aging.state.pa.us)
Ensure Pennsylvanians will age and live well and our communities are places to age and live well.

Provide Pennsylvanians with access to care in the right setting, with the right intensity and at the right time.

Bring the best of Pennsylvania to Pennsylvanians.
Brian M. Duke
Secretary
Pennsylvania Department of Aging
555 Walnut Street
Harrisburg, PA 17101
717-783-1550
Please fill out your evaluation

Thank You!
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