



The Journey Home

FACT SHEET

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There is a current and impending crisis in elder care. There are numerous reform efforts now underway to deal with our current nursing home/elder care system. But there are no concrete plans at any level of government, industry or academia to deal with the millions of Boomers who will need elder care in the future.

This fact sheet is only intended as an introduction to the myriad of issues involved preparing for the next twenty years. The short film, *The Journey Home*, was produced to get Boomers and others more involved as future consumers and create a new vision for the year 2030.

Here are some of the facts:

- Individuals 85 years and older, the oldest old, are one of the fastest growing segments of the population. In 2005, there are an estimated 5 million people 85+ in the United States. This figure is expected to increase to 19.4 million by 2050. This means that there could also be an increase from 1.6 million to 6.2 million people age 85 or over with severe or moderate memory impairment in 2050.

(The number is extrapolated by applying projected population estimates in 2050 to prevalence estimates of moderate to severe memory impairments in 2002.)

http://www.caregiver.org/caregiver/jsp/content_node.jsp?nodeid=440

- Research suggests that if savings rates are not increased and government programs to assist the elderly are not strengthened, many retirees will face serious problems attaining needed health and long-term care services in the future. By 2030, many retirees will not have enough income and assets to cover basic expenditures or any expenses related to a nursing home stay or services from a home health provider.

(From VanDerhei, J., and C. Copeland. *Can America Afford Tomorrow's Retirees: Results from the EBRI-ERF retirement security projection model* [Issue brief # 263]. Washington DC: Employee Benefit Research Institute, 2003.)

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- The aging of the population, especially those 85+—the most in need of long-term care—is expected to result in a tripling of long-term care expenditures, projected to climb from \$115 billion in 1997 to \$346 billion (adjusted for inflation) annually in 2040.

(Niefield, M., E. O'Brien, and J. Feder. *Long-term care: Medicaid's role and challenges*. Washington, DC: Kaiser Commission on Medicaid and the Uninsured, 1999.)

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- A major public policy concern in the long-term care field is the potential burden an aging society will place on the caregiving system and public finances. The "2030 problem" involves the challenge of assuring that sufficient resources and an effective service system are available in thirty years, when the elderly population is twice it is today. Much of this growth will be prompted by the aging of the Baby Boomers, who in 2030 will be aged 66 to 84 (the "young old") and will number 61 million people. In addition to the Baby Boomers, those born prior to 1946 (the "oldest old") will number 9 million people in 2030.

http://findarticles.com/p/articles/mi_m4149/is_4_37/ai_91568394/

The 2030 problem: Caring for Aging Baby Boomers by James R Knickman and Emily K Snell

- Based on a market survey prepared yearly by LifeCare, Inc. for the MetLife Mature Market Institute (2002), the average rate for a private room in a nursing home in 2002 was \$168 per day or \$61,320 per year. The average rate for a semi-private room was \$143 per day or \$52,195 per year.
- The Health Insurance Association of America (HIAA) notes that assisted living facilities charge an average daily fee of \$63 or approximately \$23,000 per year with some residents paying significantly more based on their care needs (HIAA, 2002). The average hourly rate for home care in 2002 was \$37 for a Licensed Practical Nurse and \$18 for a Home Health Aide. Thus, an individual receiving services 24-hours per day from Home Health Aides could expect to spend on average \$432 per day or \$157,680 per year (MetLife, 2002).
- A nursing home that costs \$168 per day (or \$61,320 per year) will cost \$336 per day (or \$122,640 per year) in 15 years if inflation is 5% per year. According to the National Association of Insurance Commissioners (www.naic.org)(NAIC, 1999), the cost of nursing home care has been rising at an annual rate of 8% for the past several years. By the year 2030, the number of individuals over 65 years of age needing long-term care services will double to approximately 12 million (Wright, 1997) and the current costs will likely triple.
Edlund, B., Lufkin, S., Franklin, B., (May 31, 2003). "Long-Term Care Planning For Baby Boomers: Addressing An Uncertain Future" Online Journal of Issues in Nursing. Vol. 8 No. 2, Manuscript 2.
<http://cms.nursingworld.org/MainMenuCategories/ANAMarketplace/ANAPeriodicals/OJIN/TableofContents/Volume82003/No2May2003/CarePlanningforBabyBoomers.aspx>

Check out these web addresses for more information of interest:

www.pioneernetwork.net

The Pioneer Network was formed in 1997 by a small group of prominent professionals in long-term care to advocate for person-directed care. This group called for a radical change in the culture of aging so that when our grandparents, parents—and ultimately ourselves—go to a nursing home or other community-based setting it is to thrive, not to decline. This movement, away from institutional provider-driven models to more humane consumer-driven models that embrace flexibility and self-determination, has come to be known as the long-term care culture change movement. Our partners and audience are primarily engaged in some aspect of long-term care including long-term care CEOs and administrators, consumers and family caregivers, doctors and nurses, direct care providers, and others who care about, and care for, the aging.

“Baby Boomers on Brink of Health Care Crisis”

http://www.uspharmacist.com/content/d/senior_care/c/9780/

“Study: Boomers to Flood Medical System”

http://www.usatoday.com/news/health/2008-04-14-boomers-healthcare_N.htm

“Boomers to flood medical care system. Report says U.S. faces 'impending crisis' in health care for seniors”

<http://www.msnbc.msn.com/id/24107916>

“Making Nursing Homes Desirable Places to Live and Work”

The Commonwealth Fund's Quality of Care for Frail Elders program recently surveyed a nationally representative sample of 1,435 nursing homes to learn how far the culture change movement has spread and to measure the extent to which nursing homes are adopting culture change principles and practicing resident-centered care. The survey was completed by directors of nursing. (In collaboration with the Pioneer Network, The Commonwealth Fund hosted a May 19th, 2008 webinar on the survey findings; a recording of the event is available on this website.)

<http://www.commonwealthfund.org/Content/From-the-President/2008/Making-Nursing-Homes-Desirable-Places-to-Live-and-Work.aspx>

Long Term Care – Demographic Impacts – 2005–2030

(Complete with graphs) <http://www.ofm.wa.gov/researchbriefs/2006/brief040.pdf>