CARING FOR AN AGING AMERICA

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Thank you, Mr. Chairman, for this invitation to testify today. My name is Mary Jane Koren and I am an assistant vice president of the Commonwealth Fund and a member of the National Commission for Quality Long-Term Care. I thank Chairman Obey and Ranking Member Walsh—and every member of the House Appropriations' Subcommittee on Labor, Health and Human Services, Education, and Related Agencies—for conducting this hearing on the challenges our nation's health care system faces as society ages, and how, ultimately, we can help strengthen that system for America's seniors.

I doubt that there is anyone present here today who is unfamiliar with the fact that the number of people over the age of 65 is increasing. It is the exponential nature of that growth, as those born between 1946 and 1962 enter "old age," which is staggering. In 1950, there were 16 million people over age 65, about 8 percent of the U.S. population. Today there are about 36 million—roughly 13 percent of the population. Projections to 2020 and 2050 have the proportion of elderly rising to 17 percent and then 20 percent. That is, one of every five people in the United States will be "old" by mid-century. Likewise, looking at the growth rates for the elderly, it is the oldest cohorts, those over 85, that will be growing the fastest. By 2050, this group will represent almost 5 percent of the population, a 10-fold increase from 1950, when it was 0.4 percent.

For the moment, put aside the broader societal consequences of those numbers and instead think about them from the perspective of demand for health services. As people age, progressing from what we geriatricians call "the young old" to "the old old," the following three outcomes can be expected: First, the number of people with chronic illnesses will increase. This has tremendous consequences. Two-thirds of Medicare spending is for beneficiaries with five or more chronic conditions while only 1 percent is for beneficiaries without chronic conditions. In addition, however, to the economic impact, we also know that chronic illnesses have profound functional consequences, which leads to my second point.

As people get older, they will more likely need someone to help them perform basic activities of daily living (e.g., personal functions like bathing, dressing, and toileting; as well as social activities) and "independent activities of daily living," like managing money, meal preparation, and transportation. This means that the need for long-term care services will escalate in tandem with the aging of America. Unfortunately, the problem of long-term care is the elephant in the room when policymakers and planners gather to talk about the health care system. Everybody knows it's there, but it's too daunting to take it on and simply hasn't been part of the discussion.

Finally, the mortality rate for the human race is 100 percent. Despite the impressive gains in life expectancy made over the past century, old people will die. Our current system has not really come to grips with that fact with devastating consequences for patients dying in hospitals rather than at home with their families and the concomitant costs of futile interventions.

What then, in my view, are the challenges? I would argue that foremost is the need to completely rethink the system we have and create a person-centered health care system. If we segmented the elderly population not by age cohorts or eligibility categories, but rather grouped them according to their health care characteristics (e.g. those dying with a short terminal course or those having limited physiologic reserve who experience acute exacerbations of underlying chronic conditions), our care delivery system would have a very different orientation and our current cost spiral might slow. Dr. Joanne Lynn, from the Center for Medicare and Medicaid Services (CMS), who originated this idea, has developed a very provocative framework that shows us what such a system might look like and what the cost implications might be. Using patients' goals for care to shape the delivery and payment system is a far more sensible and cost-effective way to begin planning for the provision of services for our aging population than our current approach. It would also mean that long-term care services and palliative care cease to be the problem no one wants to discuss and, instead, become central to the solution for caring for our aging society.

The second major challenge is helping the long-term care system realize its potential and ready itself to meet the coming demand. The National Commission for Quality Long-Term Care, a non-partisan group of former or current governors, members of Congress, state officials, policy experts, advocates, and others, chaired by former Senator Bob Kerrey and former House Speaker Newt Gingrich, has come together to grapple with the problems and promise of long-term care. The Commission, in its report *Out of Isolation: A Vision for Long-Term Care,* has identified six broad areas of system change: cultural transformation, empowering individuals and families, workforce, technology, regulation, and finance. I would like to address several of those areas here.

First, is the issue of quality: how do we transform the culture of long-term care, making it a high-performance system that delivers the very best quality of care and quality of life? At the system level, the Nursing Home Quality Campaign: Advancing Excellence for America's Nursing Homes represents an outstanding example of a high level public-private partnership committed to helping nursing homes meet performance targets for specific quality areas. Each of the stakeholders involved—consumers, provider associations, professional organizations, the Agency for Healthcare Research and Quality, and CMS—are using their influence with nursing home providers to measurably improve the quality of care and quality of life for residents. It's a model that could be adapted to take on other seemingly intractable issues or that could be emulated by other parts of the long-term care system. At the practice level, there are a number of promising models that embody the concept of person-centered care. Providing evidence on what works is critically important to enlightened policymaking. To this end, The Commonwealth Fund has provided financial support for an evaluation of Wisconsin's Wellspring Alliance and the Green House model in Tupelo, Mississippi. These evaluations have shown higher quality of life, better or the same clinical outcomes, no higher costs, and lower turnover of certified nurses aides.

Which brings me to a second urgent issue, that of caregivers. How do we ensure adequate numbers of well-trained workers and also support individuals and their families to care for those

needing assistance? We face a coming shortage of skilled and trained workers who are empowered to make decisions on the front-lines to ensure the kind of care we all want in our old age—compassionate, competent, and caring. This is not an insurmountable problem as the results of such demonstrations as the Better Jobs/ Better Care initiative, funded by the Robert Wood Johnson Foundation and Atlantic Philanthropies, have shown.

A third issue is technology: How can technologic innovations such as electronic health records and telehealth be used in the long-term care setting to enhance consumer independence, improve service quality and efficiency, and coordinate care? My first recommendation would be to ensure that long term care is included in the planning and development of health information systems. A second suggestion is to study and learn from some of the "natural experiments" going on. For example, New York state is about to invest several million dollars to provide health information technology systems in about 20 nursing homes to learn what the impact is on workers and residents and "the business case" for such facilities. Tracking such initiatives will accelerate their adoption by long-term care providers.

Lastly, there is the issue of paying for long-term care. What should the balance be between public, private, and individual responsibility and how can that to be achieved? Much has been made of projections that show Medicare and Medicaid consuming an ever-greater share of the federal budget and the nation's gross domestic product, nevertheless simply shifting costs onto older people will not make the financial problem disappear. Most older Americans do not have the savings to ensure their own health security during old age, a period which may extend for decades. Perhaps one of the most important first steps toward finding solutions has been taken by The Commission on Quality LTC which is providing a forum for information sharing and open dialogue between the highest levels of elected state and federal officials aided by nationally recognized experts in long-term care policy and finance. As commissioners, Governor Phil Bredesen from Tennessee, Governor Haley Barbour from Mississippi, and four members of Congress, Representatives Jim McCreary (LA) and Earl Pomeroy (ND) and Senators Gordon Smith and Ron Wyden, both from Oregon, are being afforded an opportunity to share their mutual concerns and look for common ground.

In conclusion, there are several recommendations I would make for things that can be done at the federal level. First, have the courage to turn our health care system on its head and reorganize it around patients' health-related goals. Second, begin now to ensure that people can enter old age in better health, with their chronic conditions better controlled. Third, support research into new models of care to help people maintain their independence longer and enhance their quality of life and then ensure that federal regulations and reimbursement policies permit those models to thrive. Finally, if real progress is to be made, give long-term care policy a much higher priority in the national debate. Thank you.

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