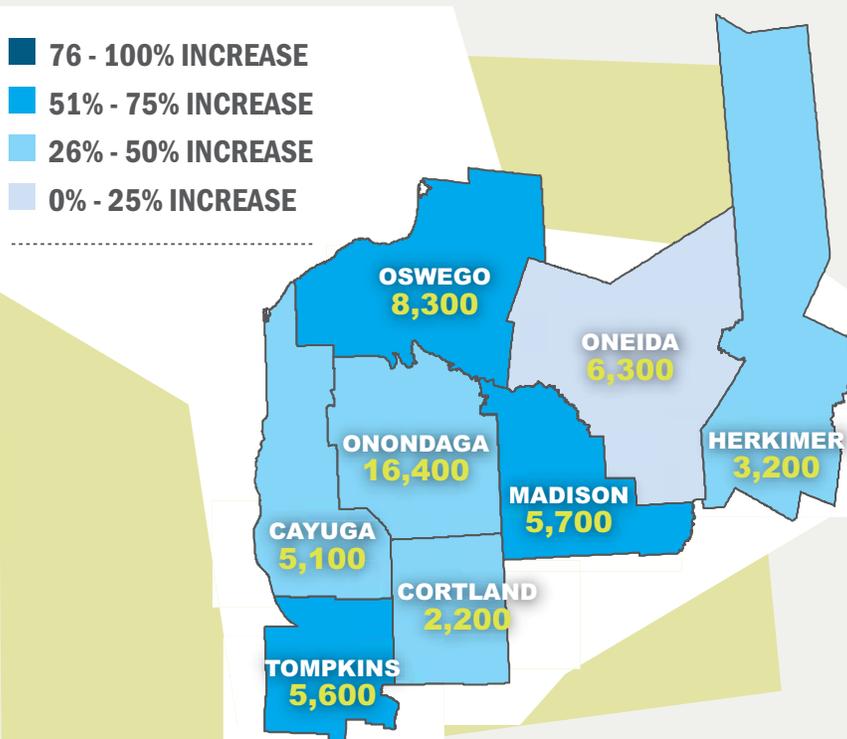


June 2, 2011

## Building a Sustainable Health Care System for Central New York's Aging Population

# Live Long and Prosper

Figure 1  
CNY Population Growth:  
Age 65 and Over from 2000 to 2030



Source: Cornell Institute for Social and Economic Research, 2002 Population Projections, New York Statistical Information System Data.

### Like the nation and state, Central New York's population is aging.

This trend will place new pressures on the health care system as increasing numbers of elders see the onset of chronic health conditions and disabilities that may require complex, ongoing, costly health care services. Today, those age 65 and older comprise less than 15 percent of the U.S. population but account for more than one-third of national health care expenditures. Beyond that are troubling socioeconomic factors – the region's elders are poorer, less educated and more likely to live alone than are younger Central New Yorkers.

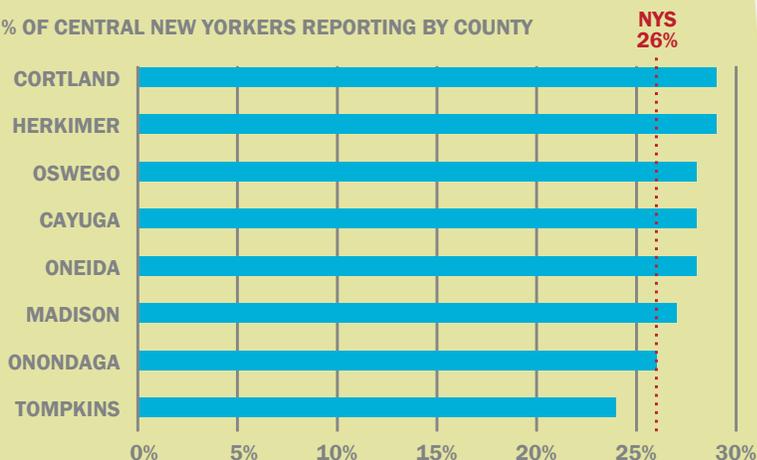
Moreover, indicators suggest the region's current health care system lacks the capacity to adequately meet the increased health care demands of an aging population. Central New York, especially in areas outside its core metro, is above state and national benchmarks in ratios of population to primary care physicians, with very striking shortages of trained geriatricians. Additionally, the region seems to lack sufficient affordable options to institutionalized long-term care, which has implications for the cost of care and the ability of elders to age in place.

**The elderly in Central New York will grow in number, even as the overall regional population is projected to decline. Central New York's 65-and-over population will expand 33 percent by 2030, from a baseline year of 2000 (Figure 1), with the population of frail elders, or those 85 and older, expected to increase a slightly smaller 27 percent.**

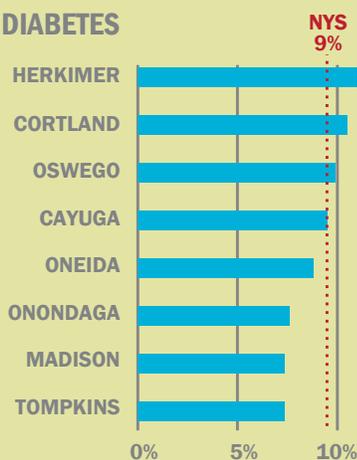
Figure 2  
Incidence of Disease and  
Chronic Conditions Among  
Adults in CNY

### HIGH BLOOD PRESSURE

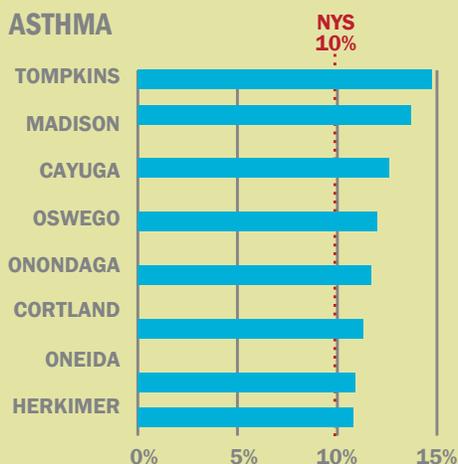
% OF CENTRAL NEW YORKERS REPORTING BY COUNTY



### DIABETES



### ASTHMA



Compounding this population bulge, which will amount to an additional 53,000 seniors in Central New York by 2030, is an estimated 12 percent decline in Central New York's overall population over the next two decades by 2030. As a result, the elderly will comprise a greater proportion of the region's total population – 21 percent by 2030, compared to 14 percent in 2000. This regional trend will mirror that of the state and nation, which will see the 65+ population rise from about 12 percent of the total population in 2000 to 20 percent by 2030.

While Onondaga County will see the greatest absolute increase (+16,400) in its elder population, the aging demographic shift will be felt more greatly outside the region's metro core. The number of seniors in Cayuga, Cortland, Herkimer, Madison, Oswego and Tompkins counties is projected to increase between 30 and 66 percent, compared to 26 percent in Onondaga County.

**An aging population will have greater need for health care and place a greater burden on the region's health care system, as disease rates increase exponentially as a population ages.**

Of particular concern are chronic diseases which require recurring health care treatment over the long term and which generally can be managed but rarely cured. Common to this category of diseases are heart disease, high blood pressure and asthma. **Across Central New York, rates of these chronic conditions affect anywhere from 7 to 28 percent of the adult population.** Moreover, most counties already have rates greater than the state average for at least one or more of these measures (**Figure 2**). Herkimer, Oswego, Cortland and Cayuga are counties where the incidence of all three of these chronic conditions is higher than across the state as a whole. More coordinated, preventive approaches to health care in the region could support the effective management of such conditions, thereby mitigating related health care usage and cost pressures as

Source: New York State Department of Health, County Health Assessment Indicators, 2006-2008.

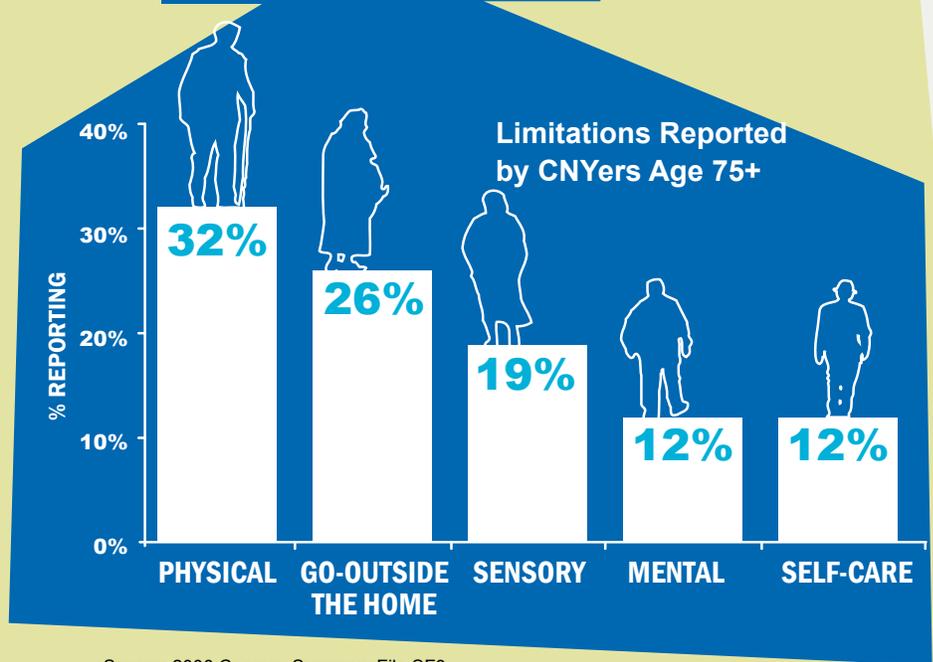
well as quality-of-life issues for the elder population.

The high incidence of disabilities among the elder population will further challenge the region's health care system. Nearly half (48 percent) of seniors age 75 and older are physically or mentally disabled (Figure 3), meaning they have a long-term condition that significantly impairs their life or capacity to perform certain activities. The most frequently reported disabilities are physical limitations in the ability to walk, climb stairs or lift or carry items (32 percent) and an inability to go outside the home to visit the doctor or conduct errands (26 percent). Also, about one in eight are unable to care for themselves, compromising their ability to live alone without sufficient support.

Compounding these limitations is the fact that resources – financial and otherwise – decline as the region's residents age (Figure 4). Poverty becomes steadily more prevalent as Central New Yorkers grow older and see their financial savings draw down. The median household income of seniors in the region age 75+ is less than half of that for the working age population ages 25 to 64. Across Central New York, about 10 percent of seniors age 75+ live in poverty, while close to 40% or 31,000 seniors age 75+ live near poverty with incomes under 200% of the federal poverty level.

Figure 3  
Incidence of Disability in CNY, by Age

AGES 21-64	18%
AGES 65-74	29%
AGE 75+	48%



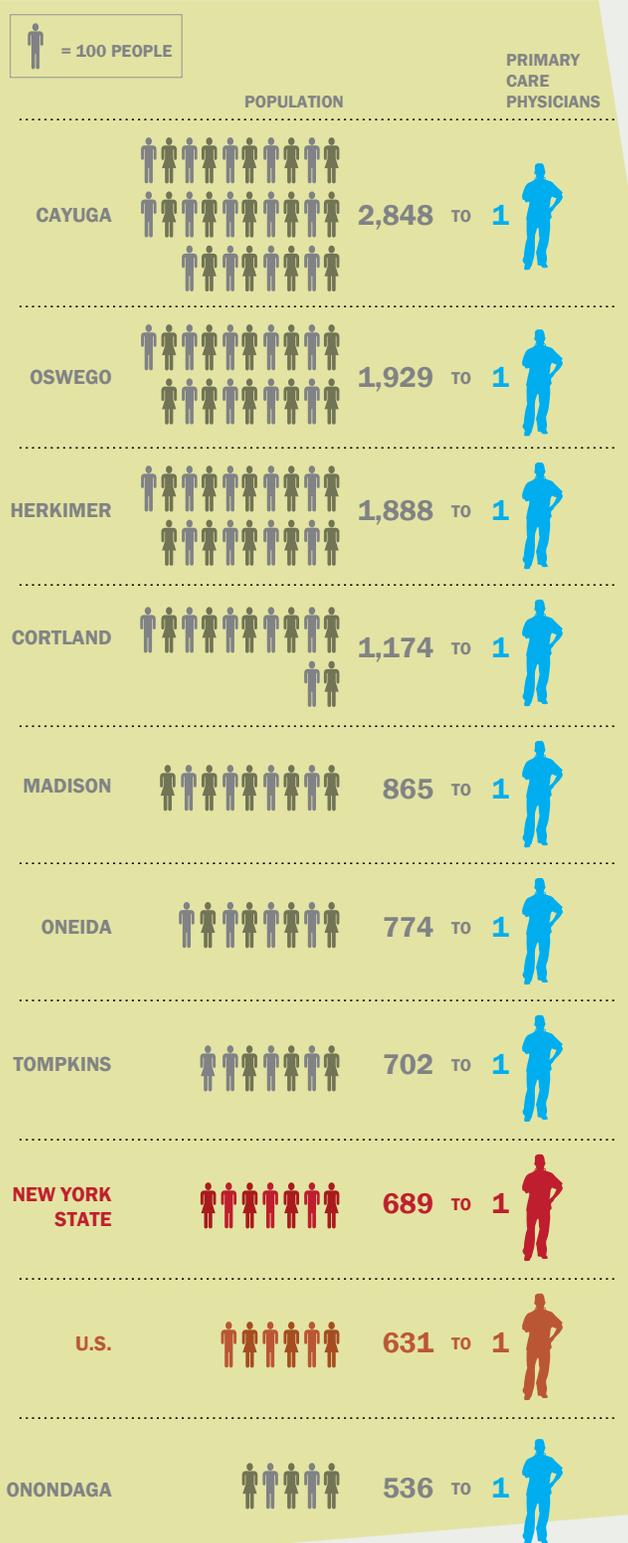
Source: 2000 Census, Summary File SF3.

Figure 4  
Socioeconomic Attributes of Central New Yorkers, by Age

	AGES 25-64	AGES 65-74	AGES 75+
WOMEN	50%	55%	64%
LIVING WITH SPOUSE OR OTHER FAMILY MEMBER	72%	59%	27%
MEDIAN HOUSEHOLD INCOME	\$44,400	\$28,900	\$20,100
NO HIGH SCHOOL DIPLOMA	11%	32%	N/A

Source: 2000 Census, Summary File SF3; the percentage of persons ages 65-74 without a high school diploma reflects all persons over age 65 without a high school diploma.

Figure 5  
Ratio of Primary Care Physicians  
to Population in CNY



The region's oldest residents are also more likely to be women, given their longer life expectancies. They are also more apt to live alone, and a third lack even a high school diploma, two factors that create access challenges and pose barriers to seniors obtaining successful health care treatment.

**Ageing trends in Central New York will place increased pressure on a health care system that appears to be already operating near capacity.** The declining health of an increasingly aged, poor, and sometimes isolated population has implications not only for the usage and cost of health care, but also for health care service delivery, which will need to adapt to provide accessible, high-quality care to a less mobile, higher-needs population.

#### Outpatient Care

Already, Central New York lags New York State and the nation in the number of physicians available to provide care to patients. On average, the region has fewer primary care physicians to care for the population compared to the state and nation. **Onondaga County is the only county in the region with a ratio of population to physicians that is better than the state or federal level (Figure 5).** This is likely due to the presence of SUNY Upstate Medical University, the region's only medical school located in Syracuse, NY. On the other hand, outside Onondaga County, the population to physician ratio is of considerable concern, especially in light of the aging population. In Cayuga County, for instance, where the current physician shortage is greatest, there is only one primary care physician for nearly every 3,000 persons.

The number and distribution of geriatric physicians is also troubling. In short supply across the nation, they are nearly as rare as a healthy senior without a single chronic disease. According to the American Medical Association (AMA), only 19 physicians in Central New York specialize in some aspect of geriatric medicine – about one geriatrician for every 1,100 Central New Yorkers age 85 and over. More rural areas of the region are in the shortest supply of these physicians who have special expertise in the care of elders. With 12 of the 19 geriatricians located in Onondaga County and seven in Oneida County, there are no geriatric medical specialists practicing in Cayuga, Cortland, Herkimer, Madison, Oswego, or Tompkins counties, according to the AMA.

Source: Robert Wood Johnson Foundation 2011 County Health Rankings.

### Inpatient and Residential Services

The ideal situation is to enable the region's elderly to age in place, in a safe and comfortable home environment (according to AARP, 85 percent of seniors surveyed want to live out their lives at home). However, for those unable to provide adequate self-care, the goal becomes providing affordable care in the least restrictive environment possible, both for the patient's quality of life and the most efficient use of resources. A nursing home is a costly option that provides

highly specialized, skilled nursing care needed only by those with the greatest medical need. At this time, however, **limited, affordable options exist in the region for community-based care, especially for frail lower-income seniors, particularly those in more rural areas that need primarily personal care and support services (Figure 6).** As a result, the region is overly reliant on nursing home care, even as many of these facilities struggle financially and operate close to 100 percent of their capacity.

Figure 6  
Select Options for Long-Term Care in CNY

	Option	Level of Service	Annual Cost	Medicaid Reimbursement	Capacity in CNY
Level of Independence +	<b>Home Health Aid</b>	In-home nursing and personal care services	<b>\$48,620</b>	<b>Yes</b> (up to 40 visits per year if in lieu of hospitalization)	60 home health care providers in CNY with about 3400 employees (approximately 4 home health care providers per 100 persons age 75+ in CNY).
	<b>PACE (Program for All-Inclusive Care for the Elderly)</b>	Program for all-inclusive care for the elderly covers a rich array of services aimed at keeping participants home-based (services include personal care, physician, transportation, medication, nutrition, case management, hospital care, and nursing home care, if ever needed).	<b>\$74,220</b>	<b>Yes</b>	415 seniors currently enrolled in PACE CNY, a collaboration between Loretto and St. Joseph's Hospital Health Center. Only Onondaga County residents are eligible. Residents who do not qualify for Medicaid pay approximately \$4,300 per month out-of-pocket for PACE services.
	<b>Assisted Living Programs</b>	Health, personal care, housekeeping and case management services in adult home facility; nursing home alternative for those not requiring round-the-clock nursing care.	<b>\$44,400</b> (excludes physician, hospital and similar health care services)	<b>Yes</b>	547 beds across 13 facilities. No beds in Cortland, Madison, Oswego or Tompkins counties.
	<b>Assisted Living Residences</b>	Health, personal care, housekeeping and case management services in adult home facility; nursing home alternative for those not requiring round-the-clock nursing care.	<b>\$38,712</b> (one-bedroom unit)	<b>No</b>	About 58 adult care facilities providing varying degrees of assistance.
	<b>Nursing Home</b>	24/7 skilled nursing care	<b>\$109,500</b> (semi-private room)	<b>Yes</b>	Approximately 8,500 beds across 56 facilities. With nursing homes offering the greatest capacity for low-income Central New York seniors, a full 30 percent of Medicaid fee-for-service expenditures in CNY went to nursing homes in 2007.
-					

Sources include New York State Department of Health, Centers for Medicare & Medicaid Services, Genworth Financial 2011 Cost of Care Survey, Kaiser Family Foundation, U.S. Census Bureau and interview with PACE CNY representative.



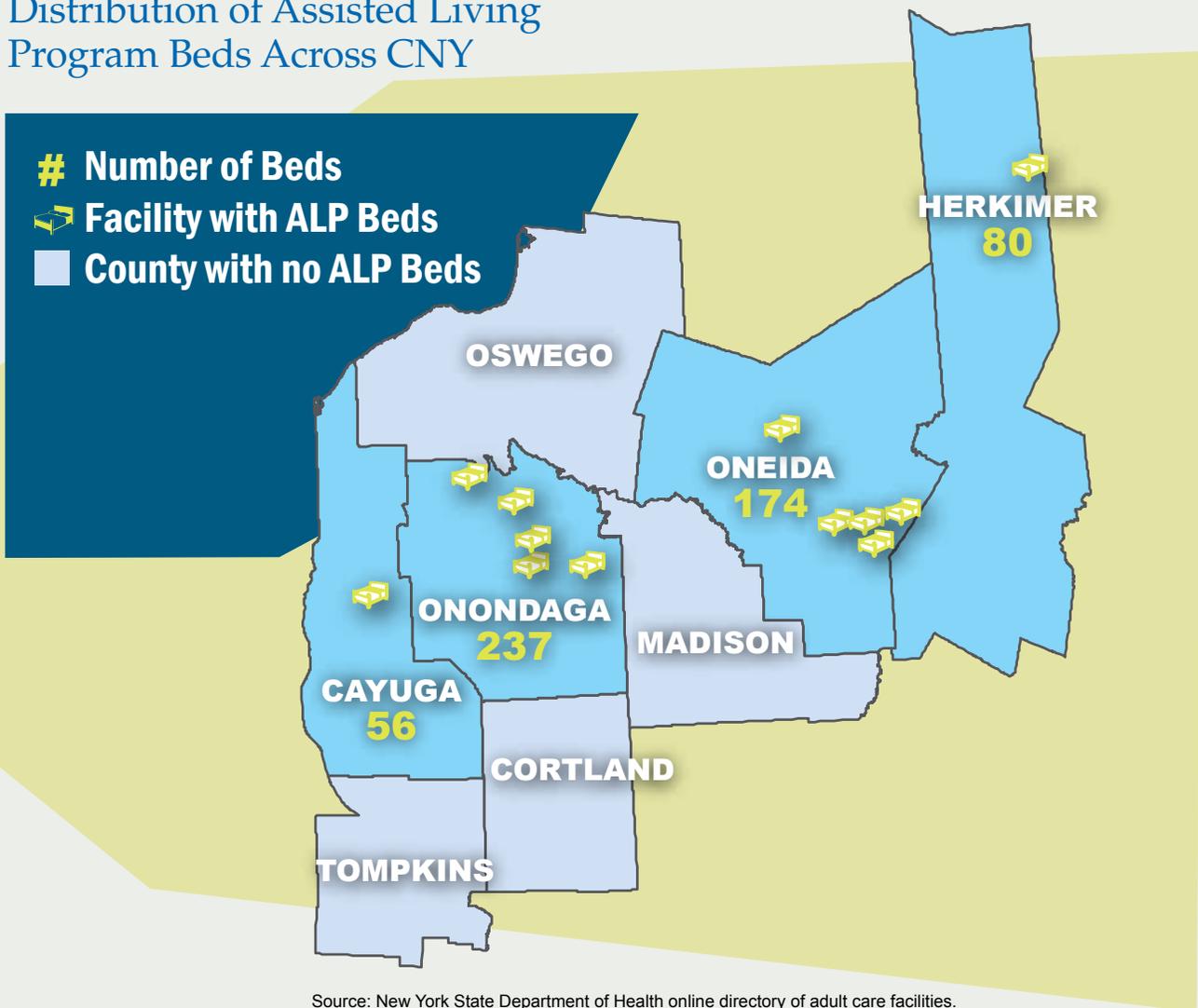
New York State's relatively new managed long-term care programs provide coordinated, long-term care services to chronically ill or disabled elders with the goal of allowing them to remain in their homes and communities as long as possible. These plans, supported by Medicaid and/or Medicare, arrange and pay for a range of health and social services. For example, certified PACE (Programs of All-Inclusive Care for the Elderly) organizations coordinate all primary, inpatient hospital and long-term care services for nursing-home eligible members, and offer a unique financing model that pools Medicare, Medicaid and private payors (typically the eligible senior is required to pay for costs not covered by Medicare, in cases where they don't qualify for Medicaid). Other managed long-term care plans provide a similar range of services, but with reimbursement from Medicaid only. Although these programs are growing in number across the state, Central New York has only one PACE program that is available to Onondaga County residents only. Moreover, the 415 slots currently filled at PACE CNY are just a drop in the bucket compared to the 17,100 seniors across Central New York that are currently on Medicaid and may at some point require long-term care services like those offered through PACE.

Another alternative, though a more restrictive environment, is an adult care facility providing nursing home-eligible populations with residential, personal and health services in an adult-home setting. Facilities that are part of New York's Assisted Living Program (ALP) provide these services with Medicaid coverage, critical for serving the region's low-income senior population. Assisted Living Residences provide a similar level of care but require private payment by the patient for the average annual cost of about \$39,000. At this point, Central New York has fewer than 550 ALP beds across 13 facilities. Moreover, [three-quarters of the beds available at these Medicaid-accepting facilities are located in Onondaga and Oneida counties \(Figure 7\)](#). The region has more capacity for Assisted Living Residences, with about 50 organizations

throughout the region offering such services. Again, this is a relatively expensive option for which seniors must pay out-of-pocket, at least those without long-term care insurance.

Demand for community-based care can be expected to grow over the next two decades as Central New York's elder population expands. The region has made progress with its capacity for such long-term care services, but it has seemingly not kept pace with increasing demand, thereby setting the stage for major challenges in providing the elder population sufficient affordable alternatives to institutional care when they need assistance living independently.

Figure 7  
Distribution of Assisted Living Program Beds Across CNY



## Data Sources and Notes

### Figure 1

Cornell Institute for Social and Economic Research, 2002 Population Projections, New York Statistical Information System Data, [http://www.ciser.cornell.edu/PAD/nysis\\_data.shtm](http://www.ciser.cornell.edu/PAD/nysis_data.shtm).

### Figure 2

The percentage of adults diagnosed with diabetes, high blood pressure and/or asthma is from the New York State Department of Health County Health Assessment Indicators for 2006-08, available at <http://www.health.state.ny.us/statistics/chac/chai/>.

### Figure 3

U.S. Bureau of the Census, 2000 Census, Summary File 3, Tables P42, PCT 27, PCT 28, PCT 29, PCT 30 and PCT 31.

### Figure 4

U.S. Bureau of the Census, 2000 Census, Summary File 3, Tables P8, P21, P56, and PCT 25. The percentage of persons ages 65-74 without a high school diploma reflects all persons over the age of 65 without a high school diploma.

### Figure 5

The ratio of population to primary care physicians is from Robert Wood Johnson Foundation's 2011 County Health Rankings, available at <http://www.countyhealthrankings.org/new-york>.

### Figure 6

New York State Department of Health provides for each county across the state information on nursing homes ([http://www.health.state.ny.us/facilities/nursing/select\\_nh/](http://www.health.state.ny.us/facilities/nursing/select_nh/)) and assisted living program beds ([http://www.health.state.ny.us/facilities/adult\\_care/](http://www.health.state.ny.us/facilities/adult_care/)). NYSDOH also provides the number of Medicaid eligibles by county and category of eligibility, <http://www.health.state.ny.us/nysdoh/medstat/medicaid.htm#table1>.

NYSDOH also provides the number of Medicaid eligibles by county and category of eligibility for 2010 (<http://www.health.state.ny.us/nysdoh/medstat/medicaid.htm>) and Medicaid expenditures by county and category for 2007 (<http://www.health.state.ny.us/nysdoh/medstat/medicaid.htm#table2>).

Nursing home occupancy comes from the Center for Medicare & Medicaid Services' Nursing Home Compare Database, <http://www.nyhealthcarecommission.org/docs/final/appendix5-nursinghomedata.pdf>. The 56 nursing homes that operate in the eight counties of Central New York have an average occupancy rate of 95 percent.

Assisted living residences are from the online directories made available by Care Pathways (<http://www.carepathways.com/FacilitySearch-AL.cfm>) and the Central New York Association of Homes and Services for the Aging ([http://www.wnyahsa.org/levels\\_search.php](http://www.wnyahsa.org/levels_search.php)).

The average annual costs of nursing home care, assisted living residences and home health service come from the Genworth Financial 2011 Cost of Care Survey, April 2011, [http://longtermcare.genworth.com/comweb/consumer/pdfs/long\\_term\\_care/Cost\\_Of\\_Care\\_Survey.pdf](http://longtermcare.genworth.com/comweb/consumer/pdfs/long_term_care/Cost_Of_Care_Survey.pdf).

The average annual cost of New York's assisted living program comes from a combination of sources, factoring in reimbursement of these facilities by both Medicaid and SSI, with Medicaid covering the health care provided and SSI covering room, board and other personal expenses. New York State Department of Health provides average Medicaid reimbursement to assisted living programs by category of services provided and region of the state as of April 2009 ([http://www.nyhealth.gov/facilities/long\\_term\\_care/reimbursement/#alpr1](http://www.nyhealth.gov/facilities/long_term_care/reimbursement/#alpr1)). The rate calculated represents a weighted average of rates in the Syracuse and rural Central New York regions. In addition, it includes SSI reimbursement of \$1,368 per month per individual living in an assisted living program. See Mollica, Robert, *State Medicaid Reimbursement Policies and Practices in Assisted Living*, September 2009 (prepared for the National Center for Assisted Living and American Health Care Association).

Information about PACE in Central New York is from a telephone interview with a representative at Loretto.

Home health care workers in Central New York are provided by the U.S. Census Bureau, 2008 County Business Patterns (<http://censtats.census.gov/cgi-bin/cbpnaic/cbpsel.pl>) and reflect businesses and employment in NAICS Sector 6216, Home Health Care Services, for the eight counties of Central New York.

Medicaid coverage for home health service is from The Kaiser Family Foundation's online database of Medicaid benefits by state and service (October 2006), <http://www.kff.org/medicaid/benefits/service.jsp?gr=off&nt=on&so=0&tg=0&yr=3&cat=1&sv=12>.

### Figure 7

The distribution of assisted living program beds across the region is from the New York State Department of Health's online directory of adult care facilities at [http://www.health.state.ny.us/facilities/adult\\_care/](http://www.health.state.ny.us/facilities/adult_care/).



**Main Office**  
Larkin at Exchange  
726 Exchange Street,  
Suite 518  
Buffalo, NY 14210-1485

**Syracuse Office**  
431 E. Fayette Street  
Suite 200  
Syracuse, NY 13202

[www.chfwcny.org](http://www.chfwcny.org)