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Aging in Place: What the Data Tell Us

More than nine of 10 seniors in the U.S. (93 percent) are living in a home or apartment in their community. And that is exactly where this 65-and-older population wants to stay, surveys show.¹

At the same time, nearly three of four seniors (70 percent) will need long-term services and supports (LTSS) at some point. When this happens, 82 percent would prefer to receive this more intensive and ongoing care in their home rather than in a nursing home. Thirteen percent of nursing home residents in Colorado have low care needs, indicating they could potentially be living in a community setting.² However, home modifications and home health services are expensive. Three-quarters of Americans between 55 and 64 have less than \$30,000 saved in retirement accounts. They will need much more.³

A safe and accessible home is a basic requirement to help Coloradans achieve their goal of aging in place.

Here is a selection of data related to aging in place:

Aging in Colorado

- The number of Coloradans who are 75 and older will almost triple from about **284,000** in 2015 to **805,000** in 2040. They make up about **5 percent** of Colorado's population in 2015, and will make up **10 percent** by 2040.
- **Four of five** (81 percent) of Coloradans 75 and older had incomes of less than \$45,000 per year in 2013.
- **Half (52 percent)** of people age 75 and older reported having a disability or difficulty doing daily tasks such as dressing or running errands alone in 2013.ⁱ
- **Thirty-seven percent** of Coloradans age 75 and older lived alone in 2013.⁴

Costs of Aging in Colorado

Medicaid Spending

- In fiscal year (FY) 2013-14, the daily rate Medicaid paid per client to nursing facilities was **\$161**, or about **\$58,800** per year.ⁱⁱ
- The average daily long-term care cost to Medicaid for clients living in alternative care facilities was **\$53** or about **\$19,400** per year.
- For clients living at home, the average daily long-term care cost to Medicaid was **\$44** per person, or about **\$16,100** per year.ⁱⁱⁱ

ⁱ Defined as responding yes to any of the following: Deaf or has serious difficulty hearing; Blind or has a serious difficulty seeing even when wearing glasses; Difficulty concentrating, remembering or making decisions because of a physical, mental or emotional condition; Difficulty walking or climbing stairs; Difficulty dressing or bathing; Difficulty doing errands alone such as visiting a doctor's office or shopping because of a physical, mental or emotional condition.

ⁱⁱ The costs of nursing facility care are based on the daily Medicaid reimbursement rate for nursing facilities.

ⁱⁱⁱ Alternative care facility rates, also called assisted living facility, and home care rates are from the Department of Health Care Policy and Financing analysis of Medicaid clients who receive long-term care services through the Elderly, Disabled and Blind waiver in FY 2013-2014. The rates includes state plan home health services.

Average Costs of Care

- The overall average daily cost of home health care services in Colorado is **\$138 per day**.
- The average daily cost of nursing home care is **\$252**.⁵

Where the Funding Comes From

- Medicare covers medically necessary home health care, but does not cover meals, homemaker or personal care services. Medicare pays for 80 percent of some durable medical equipment.
- Medicaid covers home health care for clients who have low incomes and a nursing facility level of need through home and community based services waivers.
- Long-term care insurance policies reimburse policyholders a daily amount (up to a pre-selected limit) for services to assist them with activities of daily living such as bathing, dressing or eating. About 16 percent of Colorado's seniors with annual incomes above \$20,000 have long-term care policies.⁶

Benefits of Prevention

The Centers for Disease Control and Prevention (CDC) recommends several ways to prevent falls for seniors, including reducing tripping hazards, adding grab bars to the inside and outside of tubs and showers as well as next to the toilet, adding railings on both sides of stairways, and improving lighting. Falls among older adults can lead to injuries resulting in high health care costs.

- More than a quarter (**27 percent**) of Colorado seniors reported a fall in 2014.⁷
- In 2013, **2.5 million** nonfatal falls among older adults in the U.S. were treated in emergency departments. More than **734,000** of these patients were hospitalized.
- In 2012, the direct medical costs of falls in the U.S., adjusted for inflation, were **\$30 billion**.⁸

Endnotes

¹ AARP, "Aging in Place", December 2011.

² "Raising Expectations: State Scorecard on Long-Term Services and Supports for Older Adults, People with Physical Disabilities, and Family Caregivers".

³ AARP, various studies.

⁴ Colorado Health Institute analysis of the American Community Survey, 2013.

⁵ Genworth, "Cost of Care Survey", 2014. Home health care costs are for a home health aide for about 6.5 hours per day. Nursing home costs are for a private room in a nursing facility.

⁶ LifePlans analysis of Colorado long-term care insurance market.

⁷ America's Health Rankings.

⁸ Centers for Disease Control and Prevention.