

# *Aging, Women and Poverty in California: Role of Health and Long-term Care*

**Usha Ranji, M.S.**

**Associate Director, Women's Health Policy**

**Henry J. Kaiser Family Foundation**

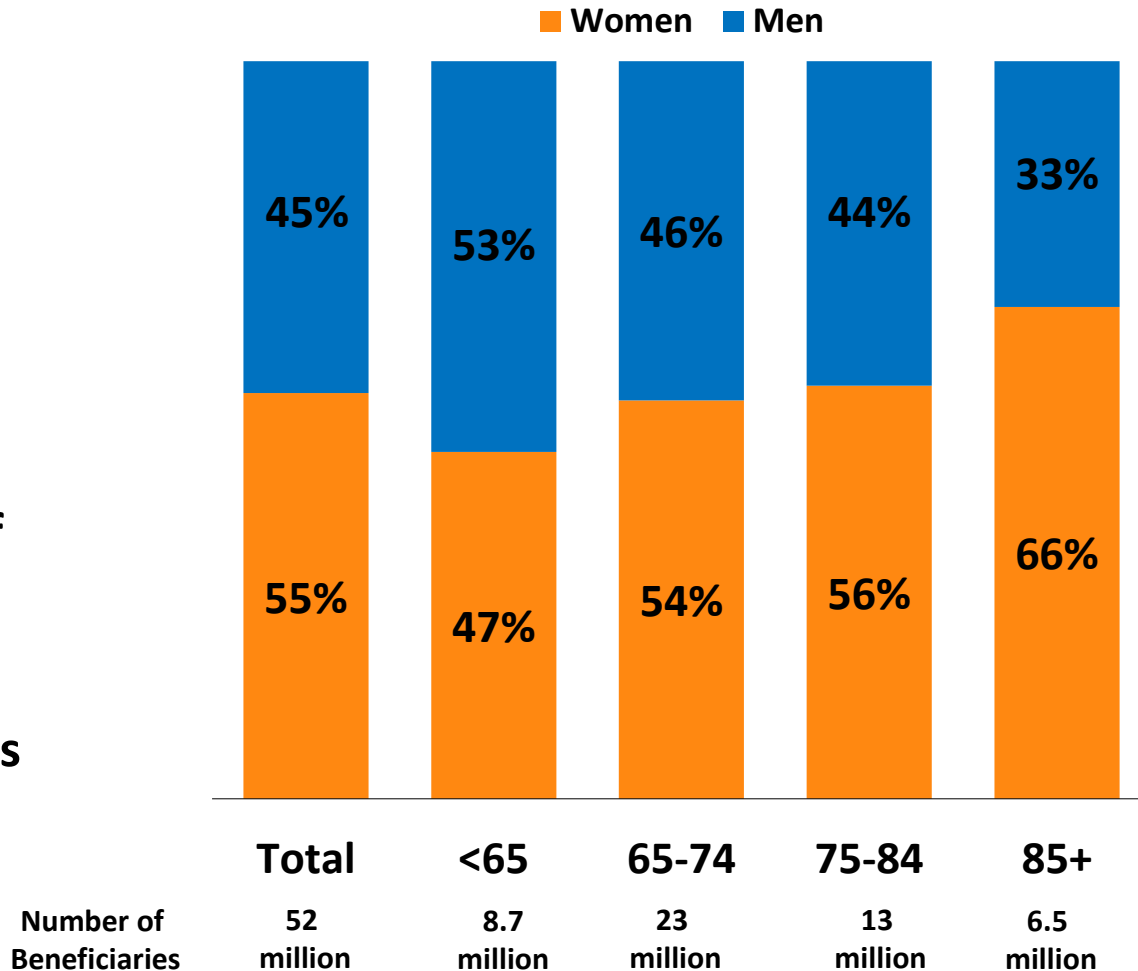
Los Angeles, CA

June 3, 2016

# Medicare and Older Women

- Health care is a leading expense for seniors
- Medicare provides critical financial protection for most seniors in the US: covers ~50 million people
- Women comprise over half of all of seniors with Medicare
- Among Medicare beneficiaries over 85 years, two-thirds are women

Medicare beneficiaries, by Age and Sex, 2012



# Benefits and Gaps in Medicare Coverage

## Major Benefits

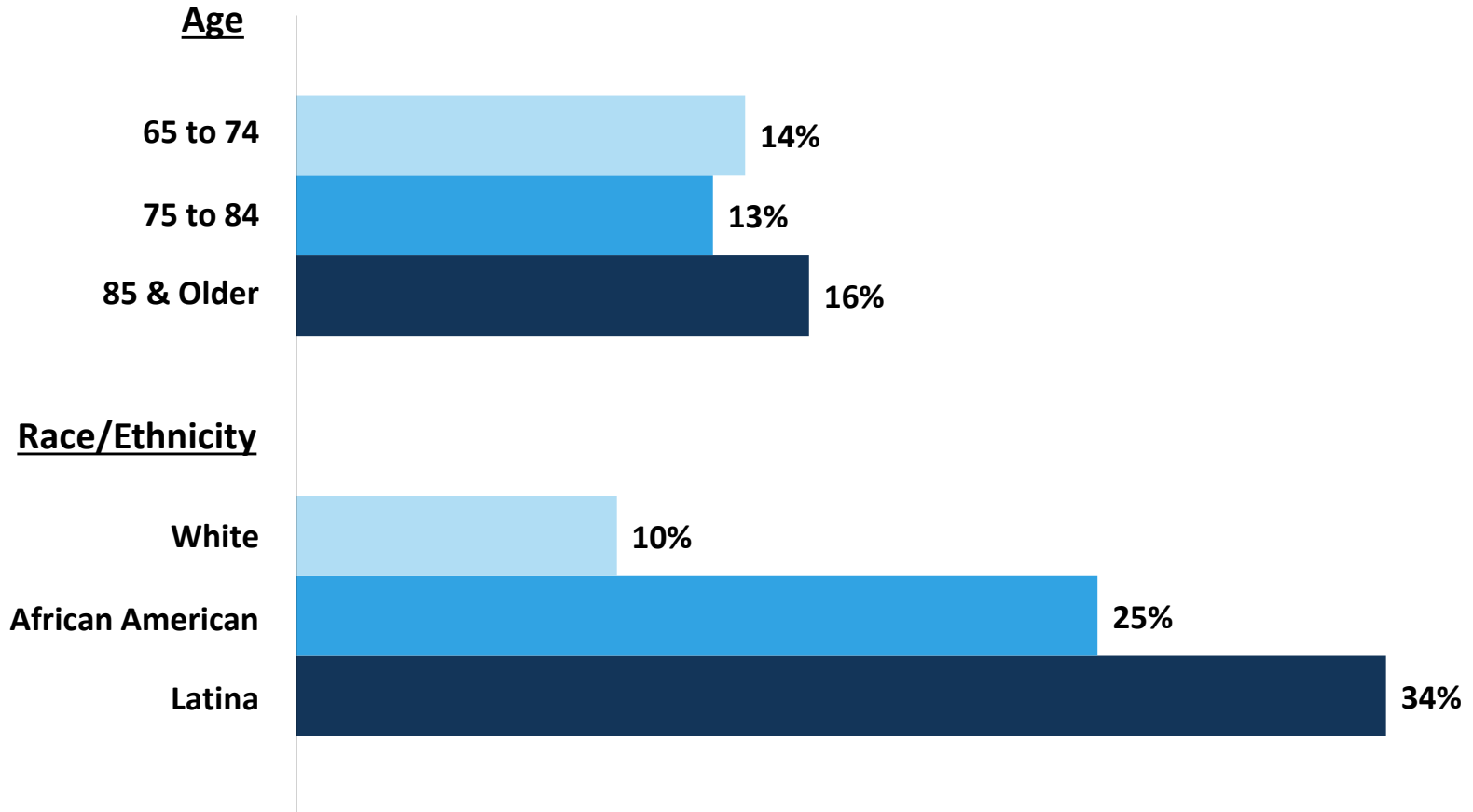
- **Hospital stays**
- **Physician visits**
- **No cost preventive care**
  - including screenings and annual health assessment
- **Medical supplies and ancillary services**
- **Prescription drugs**
  - through private plans

## Major Gaps

- **Benefits are not comprehensive**
  - No coverage for hearing aids, eyeglasses, or dental care
  - Time limited long-term care only after hospitalization
- **Significant cost-sharing**
  - Part A hospital deductible (\$1,288)
  - Part B monthly premium (\$~105/month) plus 20% co-insurance on many outpatient services
  - Medicare drug plans charge various premiums, deductibles, co-payments
  - No annual out of pocket spending cap
- **Medicare only pays approximately half of total health and long-term care costs**
  - Remainder paid by supplemental coverage and beneficiaries' out-of-pocket

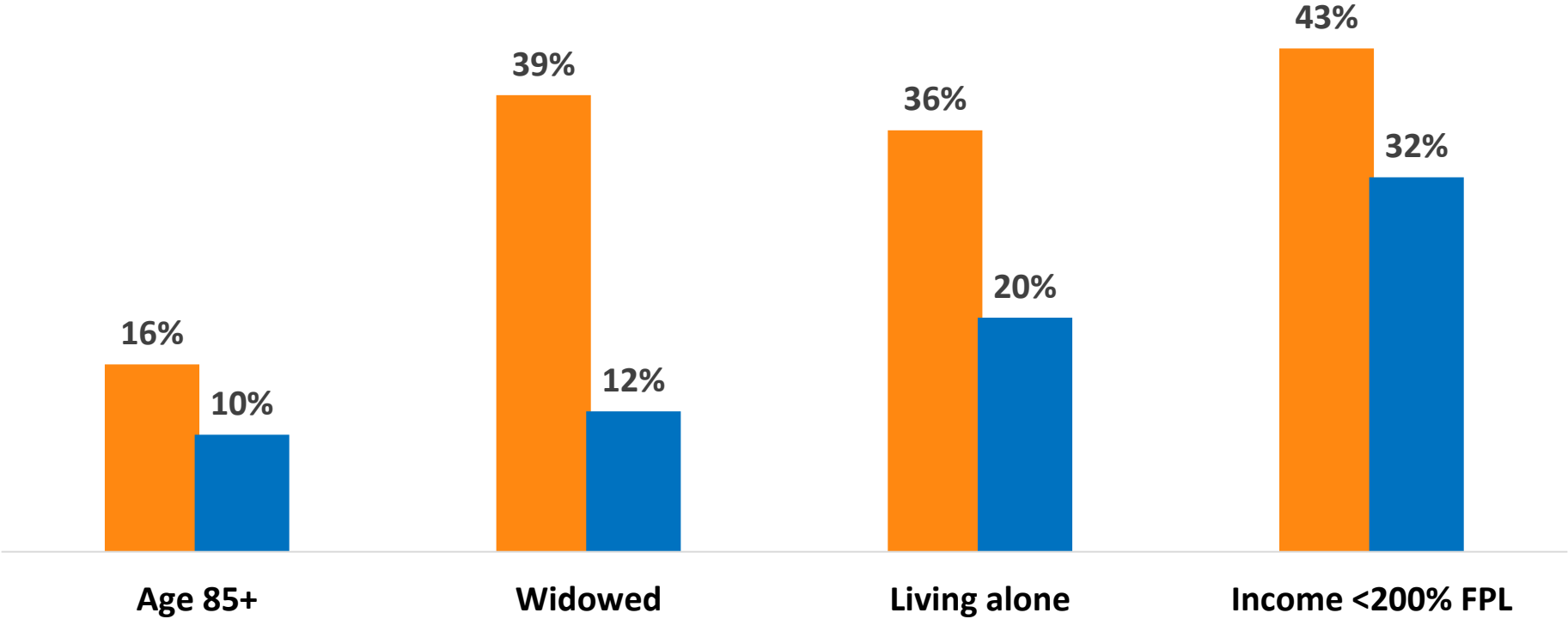
# Many Older Women on Medicare are Impoverished

Percent of women ages 65 and older on Medicare with estimated annual income below \$10,000:



# Socioeconomic factors predispose women to needing long term services and supports

Women Men

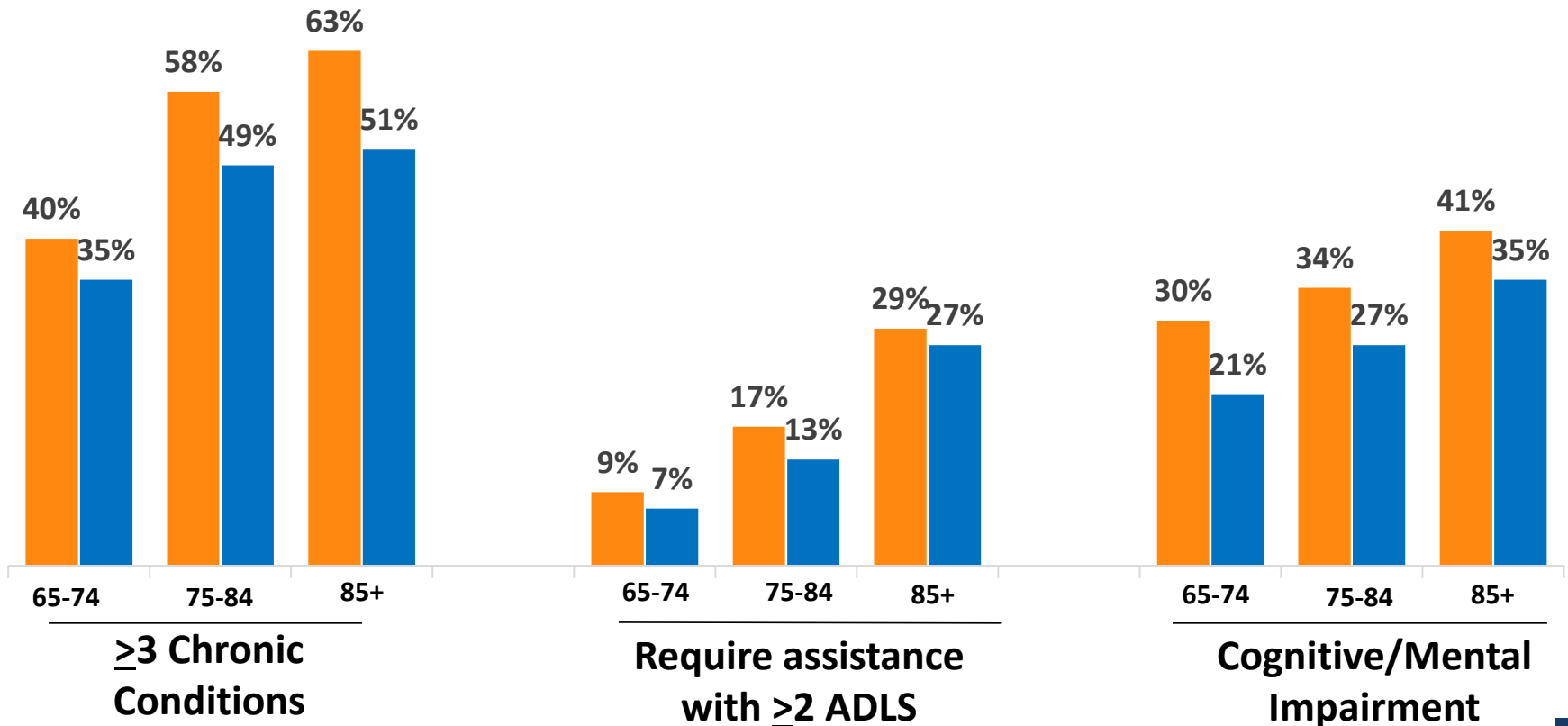


SOURCE: Kaiser Family Foundation analysis of the Medicare Current Beneficiary Survey Cost and Use File, 2010.



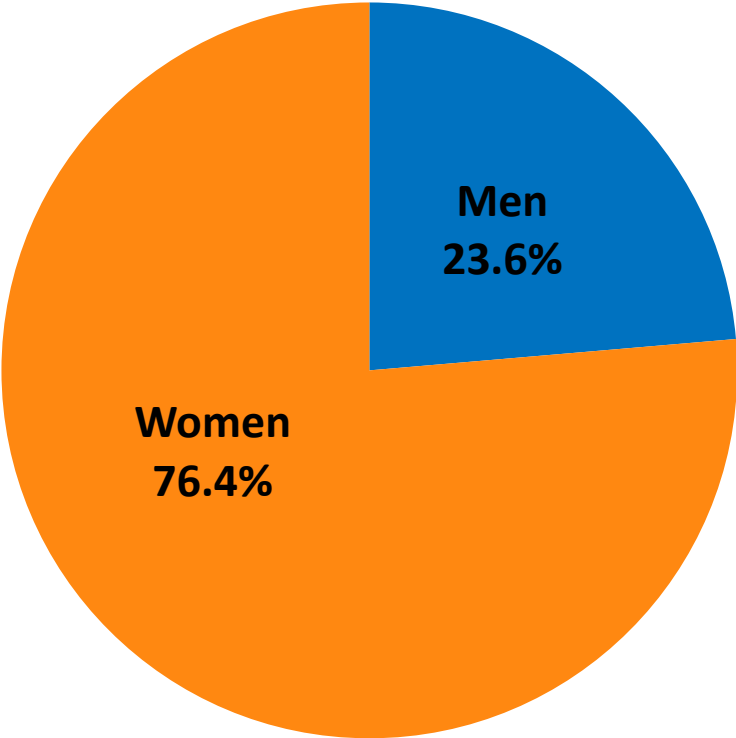
# Women fare worse than men on several measures of functional status; needs rise with age

Women Men



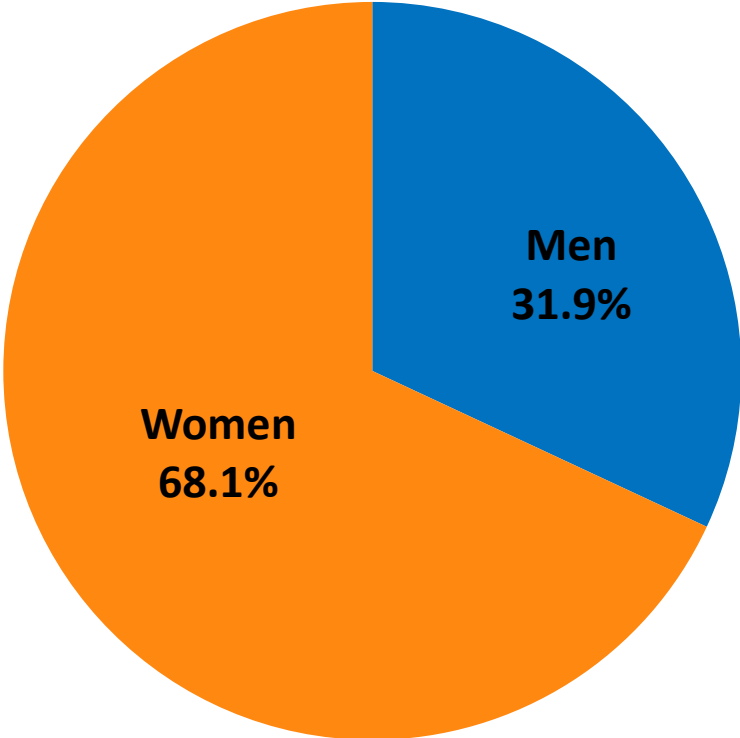
# Women Comprise the Majority of the Long-term Care Population

### Nursing Home Residents



Total = 1.5 million

### Home Health Users

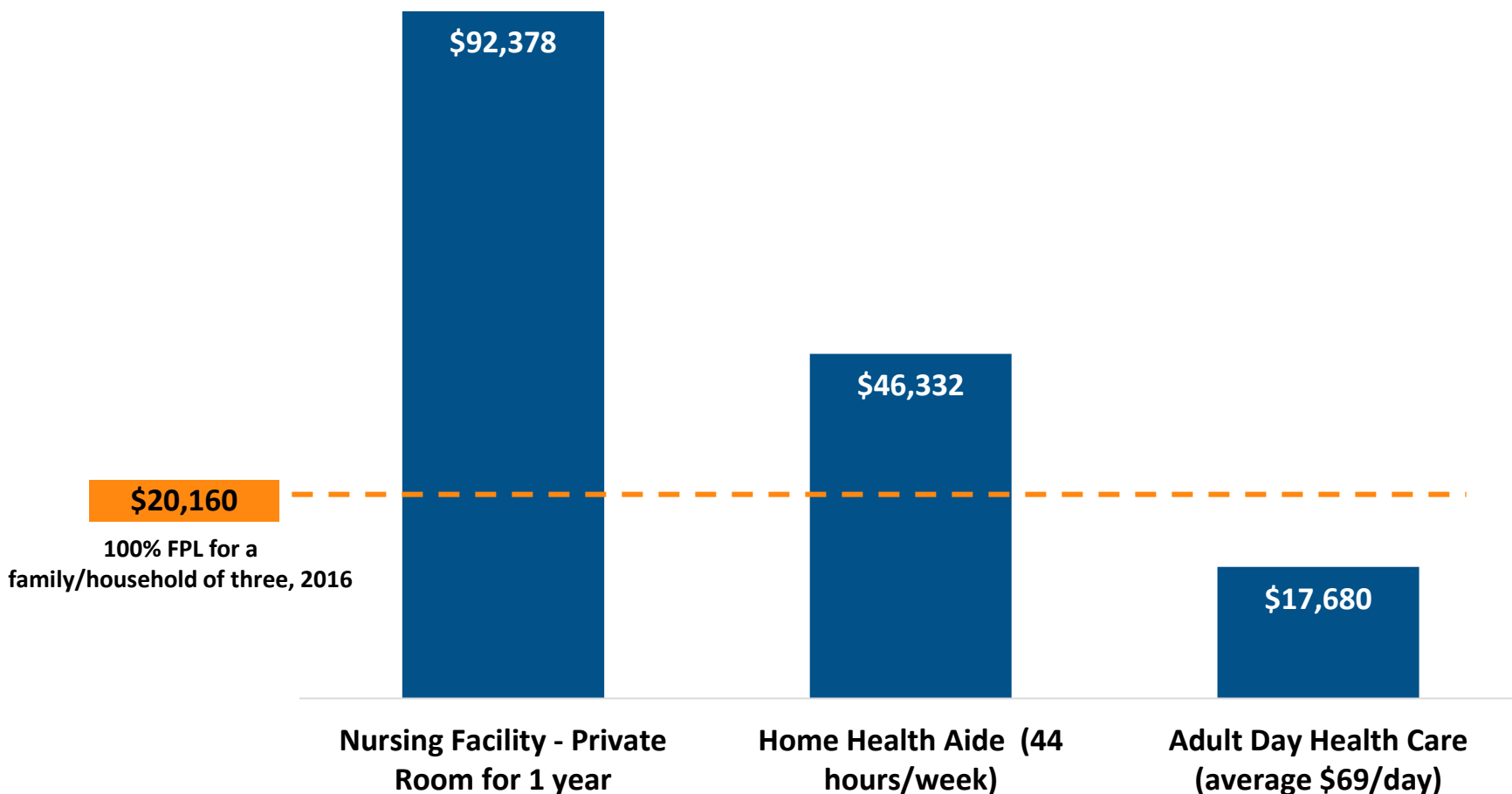


Total = 2.5 million

NOTES: Nursing home residents refer to those ages 65 and older. Data from 2008.  
SOURCE: Kaiser Family Foundation analysis of Medicare Current Beneficiary Survey

# Long-term Care Services are Expensive

Median Annual Care Costs, by Type of Service, 2016

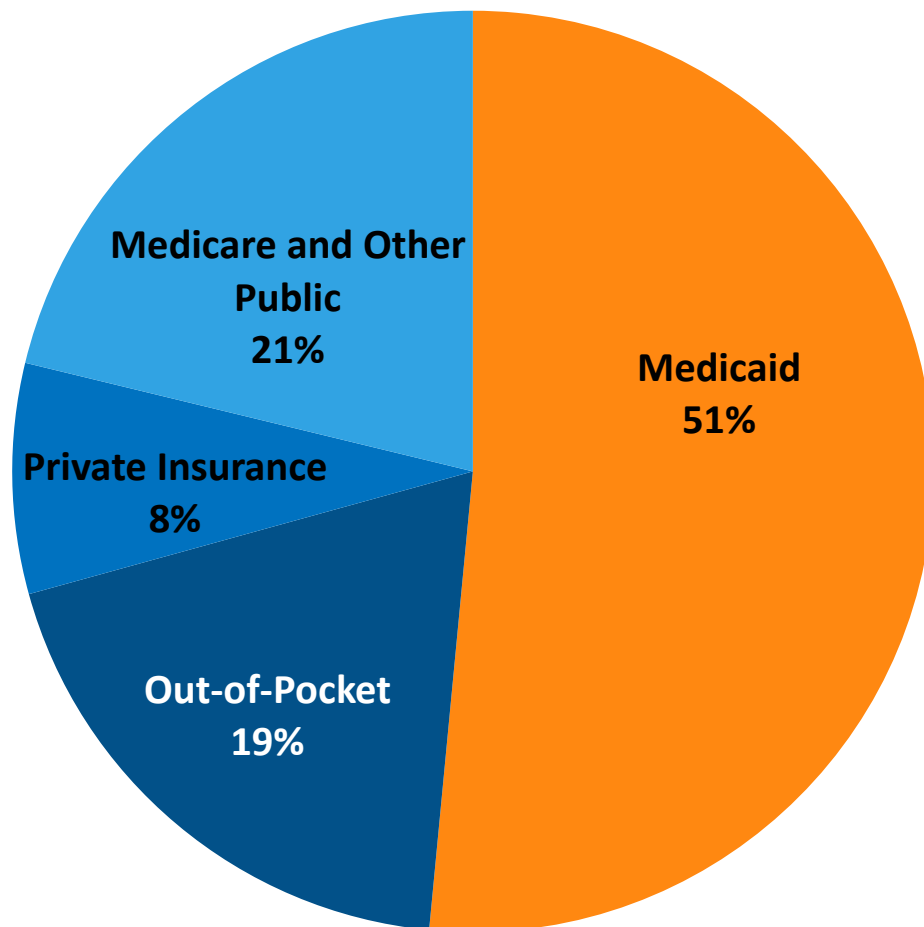


SOURCE: Genworth. [Annual Median Cost of Long Term Care in the Nation](#). Accessed June 1, 2016.

U.S. Department of Health & Human Services, Office of the Assistant Secretary for Planning and Evaluation. [Poverty Guidelines](#). January 25, 2016. Accessed June 1, 2016.



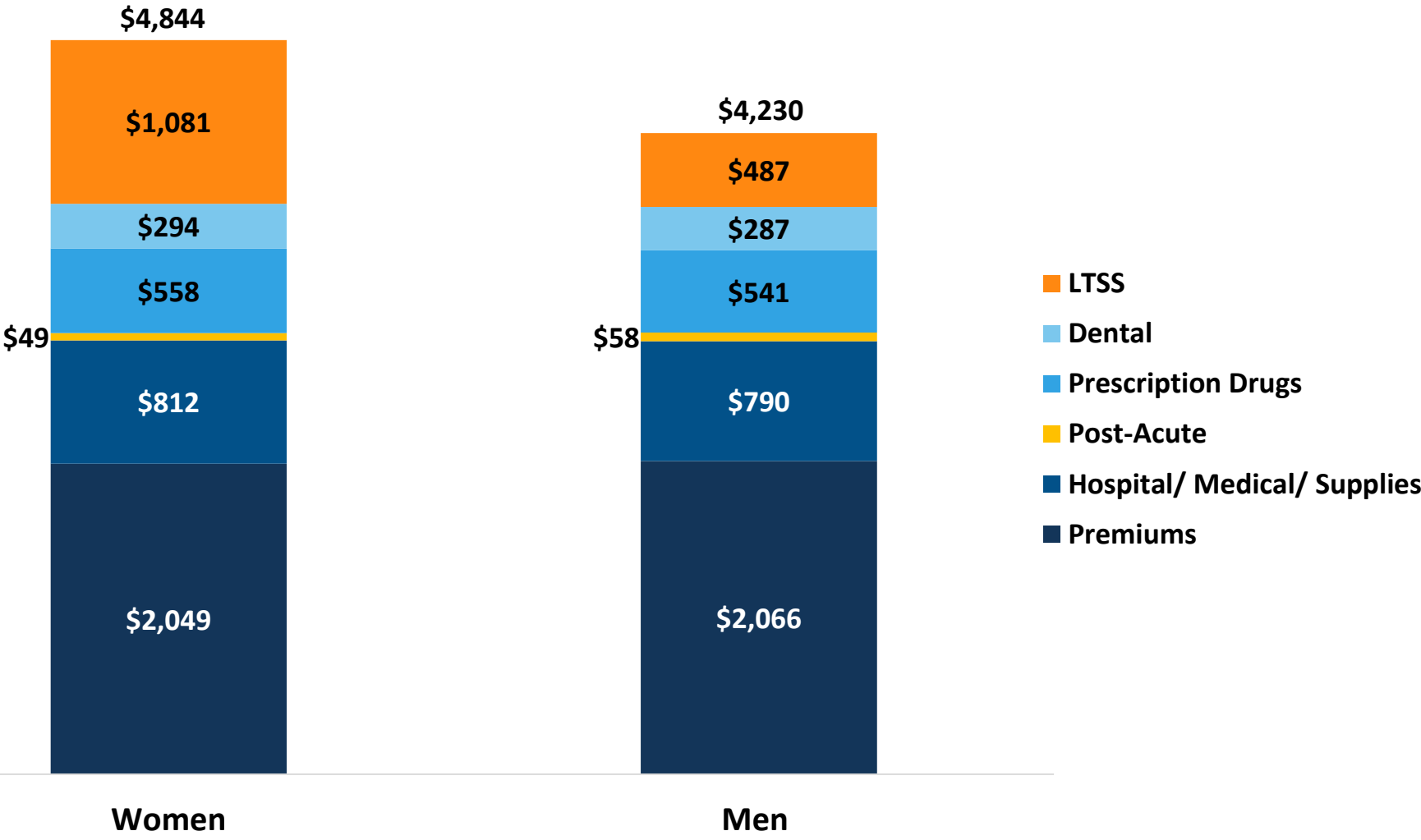
# Medicaid Pays for the Majority of Long-term Care Services



**Total National LTSS Spending = \$310 Billion**

# Compared to men, women spend over twice as much on out-of-pocket costs for long-term care

Out-of-pocket health spending by Medicare beneficiaries 65 and older:



NOTES: LTSS are long-term services and supports and include home health spending. Premiums include Medicare Part A, B, C, D and private health insurance premiums. SOURCE: Kaiser Family Foundation Analysis of CMS Medicare Current Beneficiary Survey 2009 Cost and Use file.

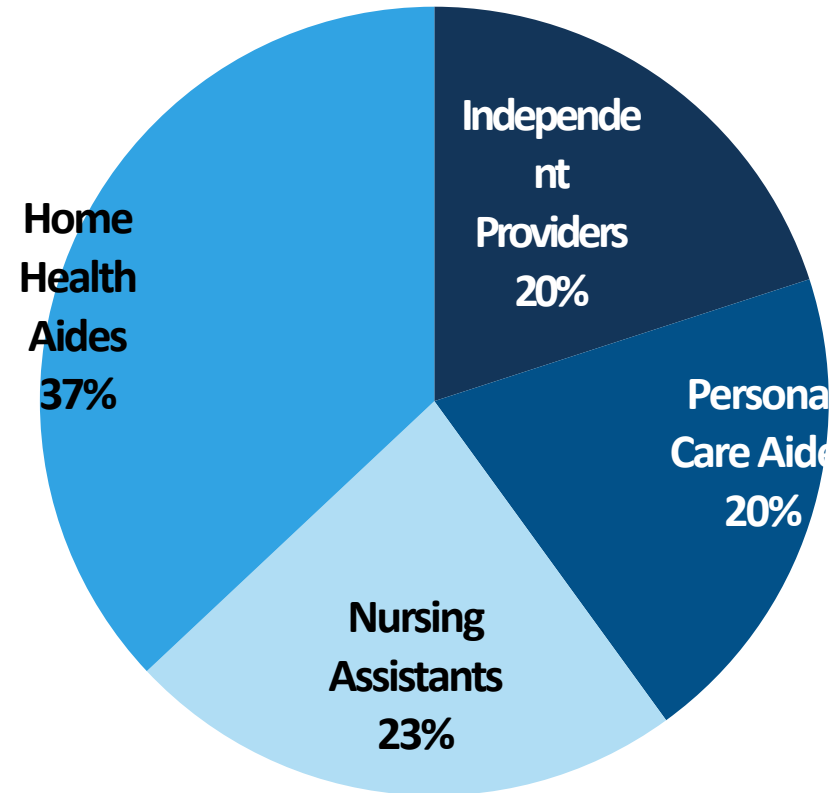
# Women also make up majority of formal and informal LTC workforce

## Most paid LTC provided by paid or “direct care” workers

- Most are low-wage workers
  - Average wage is \$9.40/hr; \$16,000/ yr
- Between 800,000 and 2 million are independent providers
  - Salaries and benefits limited for many

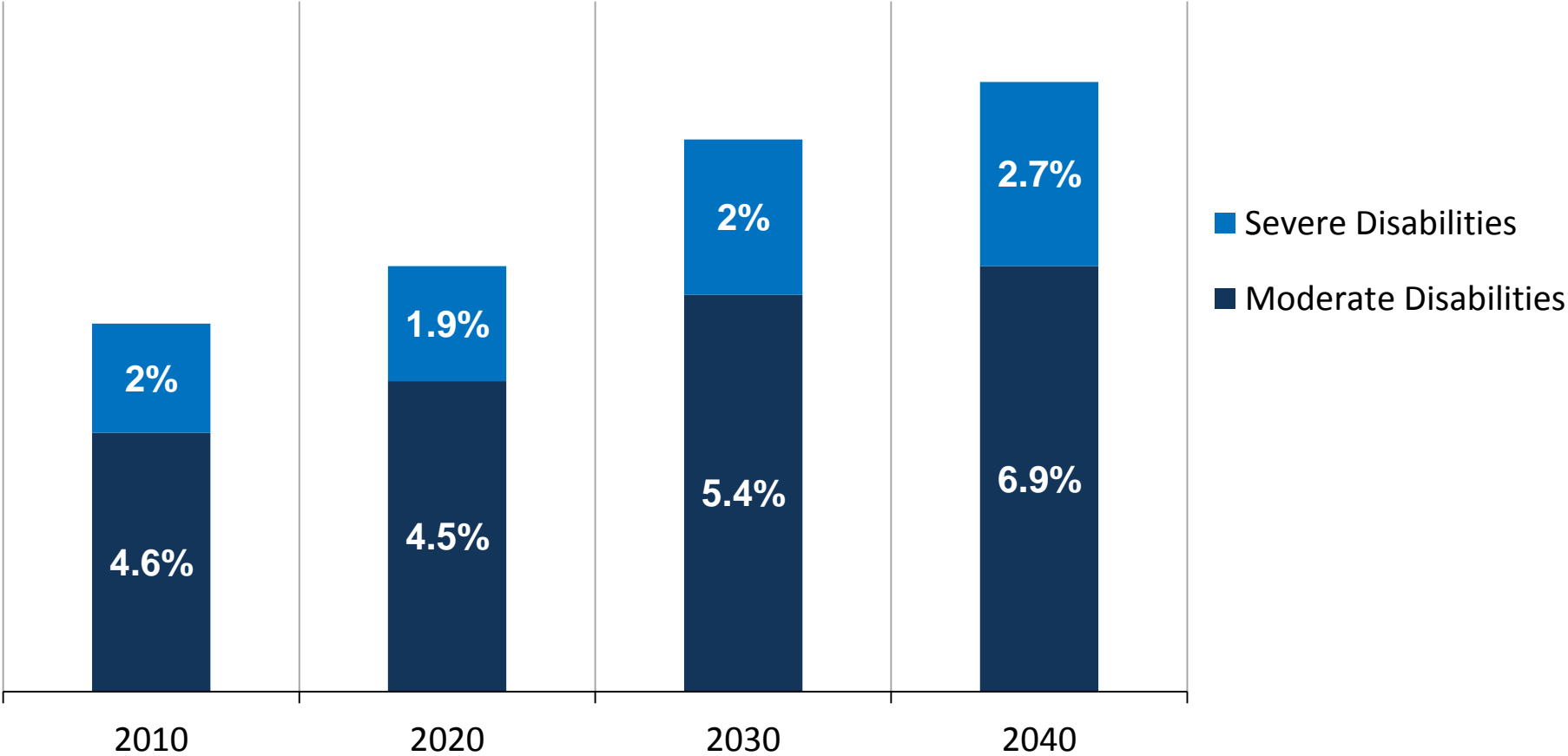
## 9 in 10 get care from “informal” or unpaid caregiver

- 3/4 unpaid caregivers are women
- Informal caregivers provide avg of >20 hours unpaid care/week
- Half must adjust/reduce work schedules to provide care
- More than half have chronic conditions themselves and 40% raising children



# Need for Long-Term Care Will Grow

Frail adults, Age 65 and older as a percentage of the population ages 25-64, 2010-2040



NOTES: Estimates are based on intermediate disability growth scenario. The analysis defines frailty as having and ADL or IADL limitations. People are classified as having moderate disabilities if they have two or fewer ADL limitations and severe disabilities if they report 3 or more ADL limitations.

SOURCE: Johnson RW, Toohey D, & Wiener JM. [Meeting the Long-Term Care Needs of the Baby Boomers: How Changing Families Will Affect Paid Helpers and Institutions](#). Urban Institute. May 2007.

# Looking Forward: Health Coverage and Cost Challenges for Older Women

- Older women will continue to be disproportionately affected by health coverage and cost challenges
- Medicare is a vital source of support for women's health needs, but gaps can leave many women with large out-of-pocket costs or without care
- Pressing need for women to have high quality, affordable options for long-term care
- Medicaid is primary financier for LTC – strengthening the program is a women's issue
- Long-term care workforce is critical and many are poorest women; how do we support this population as well?

