Preparing for the Aging Population in Western New York

Is the Health Care System Ready?

Like the nation and state, Western New York’s population is rapidly aging, with the oldest and frailest – those 85 and older – growing faster than any other age cohort. 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, costly health care services. Today, those age 65 and older comprise 12 percent of the U.S. population but 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 Western New Yorkers.

The region’s current health care system lacks the capacity to adequately meet the increased health care demands of an aging population. Western New York, especially its rural areas, is below state and national averages in physician supply, with even greater shortages in trained geriatricians. Additionally, the region lacks affordable alternatives 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 Western New York, especially the region’s rural pockets, will grow in number even as the overall population declines. Western New York’s 65-and-over population will expand 26 percent by 2030 (Figure 1), with its frail-elder population, or those 85 and older, expected to increase by 36 percent. Compounding this population...
The aging demographic shift will be even more dramatic for rural Western New York. The number of seniors in Wyoming, Allegany, Cattaraugus, Genesee and Orleans Counties is projected to increase between 40 and 83 percent, compared to 15 percent for the more urban and suburban Erie County. Erie County will, however, see the greatest absolute increase (22,000) in its elder population – a trend worth noting for a county that already ranks 16th out of 236 counties nationwide for the size of its older population. According to the Erie County Department of Environment and Planning, growth projections for Erie County’s 75+ population by 2030 reveal low-income seniors living in the city of Buffalo (where median household incomes of this age group are less than half the countywide average) will account for about one-quarter of the total growth of this age cohort.

An aging population will have unique health care needs. Western New York can expect its aging population to require a different approach to health care, as chronic health conditions spike significantly for the 65+ population. The prevalence of heart conditions, arthritis and high blood pressure among those over 65 is nearly double the rate for 45-to-64-year-olds. More than half of Western New Yorkers 65 and over have arthritis or high blood pressure. Nationally, 62 percent of the 65+ population has two or more of these chronic conditions (Figure 2).

Figure 2
Incidence of Disease and Chronic Conditions by Age

Source: Western New York Health Risks Assessment and, for data on two or more conditions, Partnership for Solutions, Medicare Expenditure Panel Survey, 2001, Chronic Conditions: Making the Case for Ongoing Care, September 2004.
Moreover, the region’s next generation of elders has the highest rate of obesity in Western New York, according to the Western New York Health Risks Assessment. Nearly two-thirds (63 percent) of the region’s population between ages 44 and 64 are overweight or obese, exceeding the incidence for the current senior population (53 percent) and those between ages 18 and 44 (48 percent). Obesity is a leading risk factor for chronic conditions such as heart disease, diabetes and some cancers.

More coordinated, preventive approaches to health care in the region could support the effective management of chronic conditions, thereby mitigating related health care cost pressures and 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. Half of seniors age 75 and older are physically or mentally disabled (Figure 3). The most frequently reported disabilities are physical limitations in the ability to walk, climb stairs or lift or carry items (33 percent) and an inability to go outside the home to visit the doctor or conduct errands (28 percent). Also, nearly one in seven are unable to care for themselves. 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 Western New Yorkers grow older and see
their financial savings draw down. The region’s oldest residents are more likely to live alone, with women, given their longer life expectancy, predominantly experiencing the age-associated challenges of poverty and living alone.

**Aging trends in the region will place increased pressure on a health care system already operating at capacity.** The declining health of an increasingly aged, poor, isolated population has implications not only for the 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 and sicker population.

**Outpatient Care.** Already, Western New York lags New York State and the nation in the number of physicians available to provide care to older patients. On average, the region has 15 physicians for every 1,000 persons age 65 and up. This is nearly 50 percent fewer than the number of physicians available across the state, and is below the national capacity of about 20 physicians per 1,000 (Figure 5). The urban-rural divide is stark. In Wyoming, Allegany and Orleans — where the percentage of seniors is expected to increase by at least 50 percent — there are eight or fewer physicians for every 1,000 seniors.

The number and distribution of geriatric physicians is even more sobering. In short supply across the nation, they are nearly as rare as the number of centenarians in Western New York. According to the American Medical Association, only 32 physicians in Western New York specialize in some aspect of geriatric medicine — about one geriatrician for every 1,000 Western New Yorkers 85 and over. Again, rural areas are in the shortest supply of elder caregivers – 26 of the 32 geriatricians are located in Erie County, while no geriatric specialists currently operate in Chautauqua, Orleans and Wyoming Counties, according to the AMA.
**Inpatient and Residential Services.** The ideal 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 care required for only the medically neediest. At this time, however, few options exist in the region for community-based care, especially for lower-income seniors and those in rural areas (Figure 6). As a result the region is overly reliant on nursing home care, even as these facilities reach capacity and continue to struggle financially.

### Select Options for Long-Term Care in WNY

<table>
<thead>
<tr>
<th>Option</th>
<th>Level of Service</th>
<th>Annual Cost</th>
<th>Medicaid Reimbursement</th>
<th>Capacity in WNY</th>
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<tbody>
<tr>
<td><strong>Home Health Aid</strong></td>
<td>In-home nursing and personal care services</td>
<td>$25,054</td>
<td>Yes</td>
<td>57 home health care providers in Erie and Niagara Counties with about 4,500 employees (approximately 5 home health workers for every 100 persons 75+ in bi-county area).</td>
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<tr>
<td><strong>PACE</strong> (Program for All-Inclusive Care for the Elderly)</td>
<td>Program of all-inclusive care for the elderly (hospital, physician, nursing, social services, personal care and case management) that aims to keep participants home-based.</td>
<td>$33,979 (excludes housing costs)</td>
<td>Yes</td>
<td>151 slots at Weinberg Campus Pre-PACE program in Erie County; 300 slots planned for Niagara County by 2011 through Health Association of Niagara County; 300 for Our Lady Victory in Buffalo; and 139 by 2011 through HomeCare &amp; Hospice in Olean. Total planned PACE slots is 0.91 per 100 persons age 75+ in Erie, Niagara and Cattaraugus Counties.</td>
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<td><strong>Assisted Living Programs</strong></td>
<td>Health, personal care, housekeeping and case management services in adult home facility; nursing home alternative for those not requiring round-the-clock nursing care.</td>
<td>$33,580 (excludes physician, hospital and similar health care services)</td>
<td>Yes</td>
<td>470 beds across Erie, Niagara and Chautauqua Counties (about 1/2 bed per 100 persons age 75+ in the 3 counties). No beds in Allegany, Cattaraugus, Genesee, Orleans or Wyoming Counties.</td>
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<tr>
<td><strong>Assisted Living Residences</strong></td>
<td>Health, personal care, housekeeping and case management services in adult home facility; nursing home alternative for those not requiring round-the-clock nursing care.</td>
<td>$35,607 (one-bedroom unit)</td>
<td>No</td>
<td>About 50 facilities of varying size across the region with few located outside Erie and Niagara Counties.</td>
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<td><strong>Nursing Home</strong></td>
<td>24/7 skilled nursing care</td>
<td>$101,937 (semi-private room)</td>
<td>Yes</td>
<td>Nearly 12,000 certified beds (about 10 beds per 100 persons 75+). For majority, occupancy rate at 95% or more. Payments to skilled nursing facilities accounted for more than one-quarter of 2004 Medicaid fee-for-service spending in WNY, where at least 8 out of 100 seniors are eligible for Medicaid.</td>
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Sources include New York State Department of Health, New York State Commission on Health Care Facilities, Care Pathways, Kaiser Family Foundation, Genworth Financial 2007 Cost of Care Survey, U.S. Census Bureau, *The Buffalo News*, and interviews with PACE program directors.
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 variety of health and social services. For example, certified PACE (Programs of All-Inclusive Care for the Elderly) organizations coordinate 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 payers. 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, Western New York has only one pre-PACE program (with three in development, including one of the nation’s first rural PACE programs in Olean). PACE programs typically take three to five years to establish due to regulatory and funding requirements.

Another alternative 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 $36,000. At this point, Western New York has fewer than 500 ALP beds concentrated in the region’s most urban areas (Figure 7). The region has more capacity for Assisted Living Residences, with about 50 organizations throughout the region offering such services.
Demand for community-based care can be expected to spike over the next two decades as Western New York’s frail-elder population grows. The region is making progress in adding capacity for such long-term care services, but is not at pace to keep up with increasing demand, thereby setting the stage for major challenges in providing the elder population with an affordable alternative to institutional care.

Figure 7
Distribution of Assisted Living Program Beds Across WNY

Source: New York State Department of Health online directory of adult care facilities.
Data Sources and Notes

Figure 1

Figure 2

The incidence of two or more conditions reflects national data from the Partnership for Solutions, Medicare Expenditure Panel Survey, 2001, Chronic Conditions: Making the Case for Ongoing Care, September 2004.

Figure 3

Figure 4

Figure 5

Figure 6
New York State Department of Health provides for each county information on nursing homes (http://www.health.state.ny.us/facilities/nursing/select_nh/) and assisted living program beds (http://www.health.state.ny.us/facilities/adult_care/). NYSDOH also provides the number of Medicaid eligibles by county and category of eligibility for 2006 (http://www.health.state.ny.us/nysdoh/medstat/medicaid.htm#table1).


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


The average annual cost of New York’s assisted living program comes from the New York State Commission on Quality of Care and Advocacy for Persons with Disabilities, A Review of Assisted Living Programs in Impacted Adult Homes, June 2007 (http://www.ccqapd.state.ny.us/OnlineReports/ALPRpt.pdf). It reflects reimbursement of $60 per day per resident from Medicaid and $32 per day from Supplemental Security Income.

Information about PACE in Western New York is from The Buffalo News and personal correspondence with representatives from the Weinberg Campus, Catholic Health System, the Health Association of Niagara County, and HomeCare & Hospice.

Home health care workers in Erie and Niagara Counties are provided by the U.S. Census Bureau, 2002 Economic Census, Health Care and Social Assistance, New York, 2005. 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).

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