DRAFT

THE HEALTH OF AMERICA'S OLDER WOMEN: A WHITE HOUSE REPORT ON CURRENT STATUS AND THE IMPACT OF REPUBLICAN BUDGET CUTS

December 20, 1995

ADD EXECUTIVE SUMMARY

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A PROFILE OF AMERICA'S OLDER WOMEN

DEMOGRAPHIC TRENDS

The aging of the American population has significant implications for women. Women represent the majority of older Americans and an even larger proportion of the very old, those aged 85 and over. Furthermore, the # of older American women is growing quickly

The American Population is Aging. Currently, 13% of the total population in the United States, or 33.2 million Americans, are 65 or older. In the next 35 years, the number of Americans over the age of 65 will more than double, reaching 20% of the total population or 70 million.[1]

The Number of Older Women is Growing. About 20 million, or 8% of Americans are women age 65 or older. In the next 35 years, that number will nearly double, to 38 million or 10% of the population.[2]

- Life expectancy for women has increased steadily. In 1960, life expectancy at birth for females was about 73. By 1994, life expectancy increased to 79 years. Average life expectancy is shorter for men than for women. In 1994, when life expectancy at birth was 79 for a female, it was 72.3 for a male.[3]

Women Over 85 Are One of the Fastest Growing Segments of Society. The number of people over the age of 85 is growing quickly, and women represent an even larger proportion of this group. While women constitute 59% of the overall elderly population, they account for 72% of the very old. Today, 2.5 million women are over 85, a figure that will more than double to 5.7 million by 2030.[4]

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[1]U.S. Bureau of the Census, *Statistical Abstract of the United States*, (115th edition) Washington D.C., September 1995.

[2]Id.

[3]G.K. Singh, T.J. Matthews, S.C. Clark et al., "Annual Summary of Births, Marriages, Divorces, and Deaths: United States, 1994." *Monthly Vital Statistics Report*, Vol. 43, No. 13, Hyattsville, MD: National Center for Health Statistics (NCHS), October 1995.

[4]U.S. Bureau of the Census, 1995.

Older Women Are Far More Likely Than Men to Live Alone. Forty-two percent of women aged 65 and over lived alone in 1992 compared with just 16% of older men. The proportion of women living alone increases dramatically with age. About one-third (34%) of women aged 65 to 74 lived alone, compared to over half of women aged 85 and over.[5] Because women have longer life expectancies and many women marry men who are older, the life expectancy for widowed women in the United States is about 17 years beyond the death of their spouses -- years in which increased frailty or disability are generally endured alone.[6] - implication?

this doesn't really make sense here

FINANCIAL STATUS

Older women are typically poorer than older men, and women over 85 and women of color are even more likely to be poor. Elderly women living alone, however, are the most vulnerable to poverty. the number of elderly women in poverty would increase without social security benefits

Older Women Are Poorer Than Older Men. The median income for women 65 or older is $8,200 a year. The median income for men is $14,600, 78% higher than the median for women.[7]

Fifteen percent of older women live in poverty compared with 8% of older men. Twenty-one percent of women over age 85 have incomes below the federal poverty level.[8] Forty percent of women aged 65 to 74 and 56% of women over 75 live on incomes ~~below twice~~ twice below or twotimes the poverty line (about $14,000).[9]

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[5]U.S. Bureau of the Census and National Institute on Aging, "Living Arrangements of the Elderly," *Profiles of America's Elderly*, No. 4, November 1993.

[6]C. Costello and A.J. Stone, eds, for the Women's Research and Education Institute, *The American Woman: 1994-1995,* New York, NY : W.W.

[7]U.S. Bureau of the Census, Current Population Reports, Series P60-184, *Money Income of Households, Families and Persons in the United States: 1992*, Washington D.C., September 1993.

[8]Id.

[9]Id.

Women of Color Are Poorer Still. Older women of color have substantially lower incomes. In 1992, the median income ($8,600) of elderly white women was 38% higher than the median income ($6,200) of elderly black women, and 44% higher than the median income ($6,000) of elderly Hispanic women.[10]

Poverty Rates Among Women Living Alone Are Higher. Poverty rates are higher at every age for women who live alone than for men, and the disparity increases with age. In 1993, over 26% of women 65 and older living alone were in poverty (income of about $6,900), compared to 13.9% of men. Another 15.6% of these women were near poor (income of $8,700). And the picture was even worse for women of color; 44% of black women and 47% of Hispanic women 65 and older living alone were poor, as compared with 24% of white women.[11]

Widowhood often drives women into poverty. A study by the National Bureau of Economic Research found that half of poor widows were not poor when their husbands were alive.[12]

Half of All Women on Social Security Would be Poor Without It. As of 1990, 33% of unmarried women age 65 or older who received Social Security depended on it for at least 90% of their income; more than 18% had no other income.[13] Half of all women Social Security beneficiaries would be poor if they did not receive a Social Security benefit.[14]

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[10]Id.

[11]U.S. Bureau of the Census, Current Population Reports, Series P60-188, *Income, Poverty, and Valuaton of Noncash Benefits: 1993*, Washington, D.C., February 1995.

[12] Wise and Hurd, *Elderly People Living Alone: Aging and the Prospects of Poverty: Executive Summary*, report prepared for The Commonwealth Fund Commission on Elderly People Living Alone, (National Bureau of Economic Research, 1987).

[13]American Association of Retired Persons (AARP) Fact Sheet, *Facts About Older Women: Income and Poverty*, 1995.

[14]R. O'Grady-LeShane, Economic Security for Midlife and Older Women. Background paper prepared for the Conference on Women and Aging: An Agenda for Action (sponsored by Public Health Service Office on Women's Health and the National Policy and Resource Center of Women and Aging, Brandeis University), October 30, 1995.

HEALTH STATUS

Despite living, on average, seven years longer than men, older women have poorer health outcomes and are more likely to have chronic diseases and disability than men.

Women Suffer from Chronic Conditions. Women age 65 or older are more likely than men to suffer from serious chronic conditions. For example, 41% of women age 75 or older, but only 30% of men suffer from hypertension.[15] In addition, 64% of women 75 or older, but only 36% of men have diabetes.[16] Older women are also more likely to experience non-life-threatening chronic conditions. Fifty-five percent of women 65 and over suffer from arthritis compared with 39% of men.[17] These conditions may contribute to a loss of functioning, particularly as women age.

Women 85 And Older Are Even More Vulnerable. These problems become more serious with increasing age. Women over the age of 85 are extremely vulnerable. More than half of all women over age 85 have problems managing basic daily activities like bathing and eating, as compared to only 34% of men in the same age group.[18] In addition, because women generally live longer than men, they are more likely to get diseases associated with very old age, including Alzheimer's and complications arising from osteoporosis.

The following table illustrates the prevalence and risks of particular diseases faced by older women.

[JASON -- INSERT TABLE HERE]

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[15]R.A. Cohen and J.F. Van Nostrand, "Trends in the Health of Older Americans: United States, 1994," *Vital and Health Statistics*, (3)30, Hyattsville, MD: National Center for Health and Statistics, April 1995.

[16]NHCS, National Health Interview Survey, 1993.

[17]Cohen and Van Nostrand, 1995.

[18]Health Care Financing Administration (HCFA), *Medicare: A Profile*, February 1995.

MEDICAL NEEDS AND EXPENSES

Although all older Americans spend a significant portion of their incomes on health care, elderly women who live alone face the greatest financial burden.

Older Americans Spend A Substantial Portion of Their Incomes On Health Care. Older Americans currently spend 21% of their incomes on health care.[19]

Because older women have lower incomes than older men, their health care costs take a larger toll. Women over age 65 spend nearly one quarter (24%) of their income on health care, whereas elderly men spend only 17% of their income for this purpose.

Older Women Rely More Than Men On Long-Term Care. Twenty-two percent of women 65 or older either live in an institution or need help to live at home, compared with 15% of men.[20]

- **Home Care.** Older women living alone are major users of paid home care services. In particular, disabled elderly women who live alone are more likely to need home care services. According to the 1989 National Long-Term Care Survey, elderly women living alone who have mild functional limitations (e.g. difficulty doing light housework, laundry, meal preparation, shopping) have on average about 22 home health visits annually, costing about $1,140. However, elderly women living alone who have greater difficulty with activities of daily living (e.g., bathing , dressing, eating) have on average 45 home health visits annually, costing about $2,100. Overall, elderly women living alone who have either mild or severe limitations in functional status have on average 33 home health visits annually at a cost of about $1,6000. About 62% of all women receiving paid home care live alone; another 28% live with adult children or others. Only 10% of women receiving home care are married.[21]

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[19] AARP Public Policy Institute and the Urban Institute. "Coming Up Short: Increasing Out-of-Pocket Health Spending By Older Americans," February 1995. Excludes long-term nursing home costs.

[20] J.M. Guralnik and E.M. Simonsick, "Physical Disability in Older Americans, *J. of Gerontology*, Vol. 48 (special issue): 3-10, 1993.

[21] Diane Rowland and Karen Davis. Caring for Women in Older Age, *An Unfinished Revolution: Women and Health Care in America*, 1994.

- **Nursing Home Care.** Over 75% of nursing home residents are women. Roughly 28% of all women over 85 live in nursing homes, compared with 16% of men in this age group.[22] The average cost of nursing home care is $38,000 per year -- more than four times the median income for older women. On average, women remain in nursing homes a year longer than men.[23]

WOMEN AS CAREGIVERS

Women are the primary unpaid caregivers for their spouses and parents and also provide a vast majority of the paid long-term care in this country.

- Today, more than 7 million Americans are unpaid caregivers who provide about 75% of all non-medical care to the frail elderly.[24] Seven out of ten of these caregivers are women.[25] The typical unpaid caregiver is a woman in her middle or older years (average age of 57) providing care to a parent, spouse or other relative. Women provide the care that has helped to alleviate the need for formal supportive services and health care and to forestall costly institutional care for loved ones.

- The role of "unpaid caregiver" has important consequences for women's health. Caregiving can be a significant financial drain, and it is likely to have an even greater emotional and physical impact, particularly as the woman gets older. The stresses and strains of care giving, including the inability to have a break from responsibilities, can lead to depression, reduced immunity levels, poor general health, and lower quality of life.[26]

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[22]U.S. Bureau of the Census and National Institute on Aging, 1993. *Profiles of America's Elderly*.

[23]P. Kemper, B.C. Spillman, and C.M. Murtlaugh. " A Lifetime Perspective on Proposals for Financing Nursing Home Care," *Inquiry* 28(4):333-344, Winter 1991.

[24]Paper presented by Fernando Torres-Gil, Assistant Secretary for Aging, at the Conference on Women and Aging: An Agenda for Action, October 30, 1995.

[25]United States Congress House Select Committee on Aging, Exploding the Myths: Caregiving in America, January 1987.

[26]U.S. Public Health Service, Office on Women's Health, *Fact Sheet on Older Women's Health*, 1995.

- The majority of paid home care workers and nursing home aides are also women. The overwhelming majority of nursing home aides (95%) and home health aides (93%) are female, and they are disproportionately from minority groups.[27]

OLDER WOMEN'S DEPENDENCE ON MEDICARE AND MEDICAID

Because they are generally poorer and use more health care services than men, women depend more on Medicare and Medicaid for critical health services.

Number of Women Covered

- **Medicare.** Of the 37 million Medicare beneficiaries, over 20 million, or 57% are women. The proportion of female beneficiaries over age 85 is nearly double that of male Medicare beneficiaries.[28]

- **Medicaid.** Over 4 million older Americans are covered by Medicaid. 60% of all Medicaid beneficiaries are women.[29]

Dependence on Medicare and Medicaid

Older Women Are More Likely to Rely on Medicare and Medicaid. Because elderly women typically have lower socioeconomic status and more limited retirement benefits than elderly men, they are more likely than men to be either solely dependent on Medicare or to have coverage under Medicaid, which serves as supplemental insurance to Medicare for eligible low-income elderly people.

- Almost 5 million, or 23% of women age 65 or older, have only Medicare to cover their medical bills.

- An additional 4 million (about 20%) of older women rely on Medicaid in addition to Medicare. Of these women, about 2 million receive only assistance in paying for Medicare premiums, coinsurance, and deductibles.[30]

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[27]S.J. Williams, series ed. *The Continuum of Long-Term Care: An Integrated Systems Approach*, Albany, N.Y.: Delmar Publishers Inc., 1996.

[28]HCFA, *Medicare: A Profile*, February 1995.

[29]HCFA, *Medicaid Statistics: Program and Financial Statistics Fiscal Year 1993.* HCFA Pub No. 10129. October 1994.

[30]Current Population Survey, March 1995.

Medicare and Medicaid Provide Critical Services for Older Women.

- Medicare covers a range of medical services, including hospital stays, physician visits, skilled nursing care, and some home health care.

- Medicaid also covers essential services for older women, including some that are not covered by Medicare -- like prescription drugs, dental care, eyeglasses, hearing aids, and more extensive long-term care.

    - Medicaid will pay an average of over $800 for prescription drugs for an older woman on Medicaid in 1995.[31] [HHS average = $585?]

    - Approximately 68% of the nation's 1.5 million nursing home residents rely on Medicaid to pay for some or all their care.[32] Over 75% of nursing home residents are women.[33]

    - Medicaid pays Medicare premiums for about 4 million elderly women in poverty. Most of these beneficiaries also receive Medicaid coverage for Medicare coinsurance and deductibles.[34]

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[31]U.S. Department of Health and Human Services estimates from aged National Medical Expenditure Survey data, 1995.

[32]HCFA, *Medicaid: An Overview*, September, 1995.

[33]U.S. Bureau of the Census and National Institute on Aging. 1993.

[34]Estimates based on data from: HCFA, Office of Legislation and Intergovernmental Affairs; the 1994 Greenbook, Tables B-11 and 5-1; and G. Chulis et al., "Health Insurance and the Elderly: Data from the MCBS," *Health Care Financing Review*,14(3):163-181, Spring 1993.

THE IMPACT OF THE REPUBLICAN CUTS IN MEDICARE AND MEDICAID

MEDICARE

REDUCED BENEFITS AND INCREASED MEDICARE COSTS

The Republican Medicare Plan Will Reduce Benefits and Increase Health Care Costs for Older Women. The Republican budget cuts Medicare by an unprecedented $200 billion. These cuts will reduce the benefit provided by Medicare while increasing direct and indirect costs for beneficiaries.

- **Cuts Benefits.** Federal Medicare spending per beneficiary will be $1,700 less than under current law in 2002.

- **Increases Premiums.** The Republican budget increases premiums from 25% of Part B program costs to 31.5%. This amounts to a premium increase of more than $40 billion over the next seven years. In 2002, this translates into $84.60 per month -- $14.20 per month per person more than the President's plan -- $170.40 per year and $340.80 per couple per year. The President's balanced budget plan maintains current policy and permanently sets premiums at 25% of program costs.

    - Over 19 million elderly women, more than a third of whom are at or near poverty, are currently enrolled in the Medicare Part B program.

    - Over 20%, or $10.4 billion, of the increase in premiums would come from elderly women with incomes below 200% of poverty ($15,000).[35]

- **Allows Doctors to Increase Charges to Beneficiaries.** Under current law, Medicare limits the amount doctors can charge beneficiaries above Medicare payment rates. The Republican Medicare plan creates new, private fee-for-service plans that are similar to Medicare but that allow doctors to increase their fees and charge beneficiaries the difference above what Medicare pays -- so-called "balance billing."

- **Ends Financial Protection for Poor Medicare Beneficiaries.** As many as ___ poor elderly women will lose funding for their Medicare premiums -- just when these premiums are being increased. [NEED TO MAKE CONSISTENT WITH INFO

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[35] Id.

ABOVE.]

- Medicaid currently pays all Medicare premiums, coinsurance and deductibles for people below 100% of poverty (known as Qualified Medicare Beneficiaries or QMBs) -- two million of whom are elderly women -- and premiums for people with incomes between 100% and 120% of poverty. The Republican proposal completely eliminates coverage of coinsurance and deductibles for these poor elderly and disabled people. And while Republicans claim to cover premiums, they set aside *less than half* of the money needed to cover premiums in 2002.

- **Could Force the Poor to Leave Fee-For-Service Plans.** Without assistance with premiums, copayments and deductibles, poor Medicare beneficiaries may be forced to leave their fee-for-service plan and enroll in a managed care plan that does not require cost sharing -- if one exists in their area.

INCREASES COSTS FOR BENEFICIARIES WITHOUT EXPANDING BENEFITS OR PREVENTION

- The Republican budget increases beneficiary costs while adding only one new benefit -- coverage of oral nonsteroidal antiestrogen for the treatment of breast cancer.

- Currently, Medicare does not cover the array of preventive benefits now offered by many private plans, particularly managed care plans. These preventive benefits can both increase beneficiary's health and reduce costs.

- President Clinton's balanced budget proposal updates the Medicare benefit package to make it more comparable to private sector benefit packages, including:

  - **Mammography.** The President's proposal eliminates cost sharing for mammography services and provides annual screening mammograms.

  - **Certain Colorectal Screening.** Early detection of cancers and other serious conditions can result in less costly treatment, enhanced quality of life and, in some cases, a greater likelihood of cure. The President's proposal provides coverage for some colorectal screening.

  - **Preventive Injections.** The President's proposal would increase payments for certain preventive injections provided in physician offices which will encourage providers to immunize beneficiaries.

- **Respite Benefit for Families of Beneficiaries with Alzheimer's Disease.** The President's plan creates a Medicare respite benefit for families of beneficiaries with Alzheimer's disease or other irreversible dementia, covering up to 32 hours of care per beneficiary per year, administered through home health agencies or other entities. Services could be provided in the home or in a day care setting.

MEDICAID

ENDS GUARANTEE OF COVERAGE UNDER MEDICAID

The Republican plan cuts $117 billion from Medicaid and repeals the program, replacing it with a "block grant." The plan completely eliminates Medicaid's guarantee of defined, meaningful coverage for Americans who are sick, elderly, poor or disabled.

- Because the block grant constrains spending growth per beneficiary to 1.6% per year, providing 26% less funding than under current law by 2002, states will be forced to reduce Medicaid eligibility and benefits significantly.

- Under current law, all states are required to cover a minimum set of services, including hospital, physician, and nursing home services. states have the option of covering an additional 31 services, including prescription drugs, hospice care and personal care services. Under the block grant, states could eliminate almost any benefit covered by Medicaid. The only required services would be immunizations and limited family planning.

LOSS OF MEDICAID COVERAGE

The reduction in Federal support of $117 billion in Medicaid spending could force states to deny meaningful coverage for over [8 million] Americans in 2002 alone, [according to estimates by the Department of Health and Human Services.]

These people include:

- **[650,000] older women**

- **[330,000] nursing home residents -- about 75% of whom are likely to be women.**[36]

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WOMEN PUSHED INTO POVERTY

[CHECK --Over 185,000] women over age 65 would be thrown into poverty, largely as a result of the cuts in Medicare and Medicaid, according to the Department of Health and Services.[37]

WEAKENS NURSING HOME QUALITY STANDARDS

The Republican budget takes away key protections and enforcement of nursing home quality standards put in place by the Reagan Administration with bipartisan support.

- **Nursing Home Laws Have Resulted in Dramatic Progress.** The landmark nursing home reform law of OBRA '87, approved with bipartisan support during the Reagan Administration, sought to redress at times deplorable treatment in nursing homes -- including unjustified physical restraints and gross negligence in caring for nursing home residents -- by establishing federal quality standards. Prior to the OBRA '87 reforms, the Institute of Medicine reported that all states had some facilities with serious deficiencies in nursing home quality of care.[38]

  Since OBRA '87, nursing home quality has improved dramatically. The use of physical restraints has declined 25%; dehydration has declined 50%; hospitalization rates for people in nursing homes have declined 31%.[39]

- **Federal Enforcement and Protections Would be Repealed.** The Republican bill takes away federal protections and enforcement and leaves responsiblity for ensuring nursing home quality with states. Although states may want to maintain these guarantees, inadequate resources could lead them to fail to set and enforce quality standards that protect elderly and disabled people in nursing homes.

  - States could turn over their survey and enforcement responsibilities to private accreditation organizations with no federal review, thereby reducing accountability and increasing variation in quality and enforcement.

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[37]U.S. Department of Health and Human Services, December 1995. Note: In this analysis, poverty is defined more broadly than in official poverty statistics from the Census Bureau. This broader definition includes the effects of Federal tax policies (including the Earned Income Tax Credit), near-cash in-kind assistance programs such as food stamps and housing programs, and out-of-pocket health spending.

[38]Institute of Medecine. *Improving the Quality of Care in Nursing Homes*, Washington, D.C.: National Academy Press, 1986.

[39]Research Triangle Institute and HCFA, 1995.

- Nursing homes would no longer be required to provide services to "attain or maintain the highest practicable physical, mental and psychosocial well being of each resident." Without this protection, residents could be denied skilled nursing and rehabilitative services necessary to improve their ability to function.

- Residents would no longer be guaranteed the same comprehensive assessment of their health and functional status now required nationally.

- Uniform data collection would not be required, making monitoring more difficult.

- Federal training requirements for hands-on caregivers would be eliminated; each state could determine who would be trained and how.

WEAKENS PROTECTION AGAINST SPOUSAL IMPOVERISHMENT

The Republican budget undermines protections against spousal impoverishment that were signed into law by President Reagan in 1987. Since this federal law went into effect in 1989, it has protected about 450,000 spouses of nursing home residents. Most of these spouses are women.[40]

- Current federal law ensures that spouses of people needing nursing home care do not have to lose everything they have in order for their spouse to qualify for Medicaid.

- Because the Republican budget repeals the guarantee of nursing home coverage, it also effectively eliminates any protection from spousal impoverishment. If an individual were denied coverage for nursing home care altogether, their spouse could be forced to bear the burden of paying for that care.

- The Republican budget also repeals the right of individuals to enforce spousal impoverishment protections in court when they believe they have been wrongfully denied, making the protections unenforceable.

Add family financial protections? -no VIC this is about the affect on elderly women

[40] U.S. Department of Health and Human Services, 1995.