

ILC Policy Report

Longevity News and Trends in the U.S. and abroad

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ILC Policy Report prepared by
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Progress Being Made in Advancing Geriatrics Education and Training

Despite a near-crippling funding cut two years ago, significant progress has been made in restoring federally-supported geriatrics education and training. First, Congress provided funding of \$31.5 million in 2007 for the three geriatrics programs operated by the Health Resources and Services Administration (HRSA): geriatric academic career awards (GACAs), geriatric fellowships, and geriatric education centers (GECs). The funding for these programs was eliminated in 2006. More recently, the House Labor-HHS-Education Appropriations subcommittee voted in June to maintain the \$31.5 million in funding for Fiscal Year 2008. While this marks

just one step in this year's federal funding process, it signals an important early indication of support for these programs. It should also be noted that the private sector has long played a key role in supporting geriatrics education and training initiatives, including the Donald W. Reynolds Foundation, the Brookdale Foundation, and the John A. Hartford Foundation among others. This continued public-private collaboration provides the stability of funding necessary to develop new and/or enhanced geriatrics programs around the nation. Ultimately, it will greatly improve our health care system's ability to provide quality, cost-effective care to an aging population.

News from the U.S. Government

Deloitte: Deloitte, a professional services firm, has published a report "Serving the Aging Citizen," which examines how population aging will challenge governments to reshape the design and mix of services, the funding sources they rely on, and how government services are delivered to citizens (whom the report views as basically consumers of government services).

The report notes that the issues associated with aging (such as Social Security and health care) have been probed in depth, but that the way government services are designed and delivered has been much less explored. For example, the composition of government services will change, with services catering to older people increasing while demand for services such as education and child

News from the U.S. Government (cont'd)

welfare could decline. It also states that governments will have to modernize their tax systems to reduce dependency on personal income tax revenues and projects that a reliance on user fees will grow. In addition, the report explores in depth how governments can provide services in a cost-effective way by better understanding the segments of its market and moving away from a one-size-fits-all approach. It discusses the increasing interest among some individuals for one-stop shopping for their service needs via the internet while others prefer the face-to-face experience, and points out airline check-in kiosks as a practical combination of offering personal interaction while using technology to reduce costs. More information is at www.deloitte.com/us/agingcitizen.

Government Accountability Office (GAO): The GAO has issued the following reports and testimony: “Health Benefits: Majority of Sponsors Continued to Offer Prescription Drug Coverage and Chose the Retiree Drug Subsidy”; “Federal Retirement Thrift Investment Board: Due Diligence Over Administrative Expenses Should Continue and Be Broadened”; “Long-Term Care Insurance: Partnership Programs Include Benefits That Protect Policyholders and Are Unlikely to Result in Medicaid Savings”; “Medicare: Providing Systematic Feedback to Physicians on their Practice Patterns Is a Promising Step Toward Encouraging Program Efficiency”. These are at www.gao.gov.

Hearings: The Senate Committee on Health, Education, Labor, and Pensions, Subcommittee on Retirement and Aging held a hearing “Alzheimer’s Disease: Current and Future Breakthrough Research,” on May 15th. More information is at http://help.senate.gov/Hearings/2007_05_15/2007_05_15.html. The Senate

Finance Committee held a hearing “Funding Social Security’s Administrative Costs: Will the Budget Meet the Mission?” on May 23rd. Hearing information is at www.senate.gov/~finance/sitepages/hearing052307.htm. The House Ways and Means Subcommittee on Health held a hearing on “Medicare Advantage Private Fee-For-Service Plans,” on May 22nd. Hearing information is at <http://waysandmeans.house.gov/hearings.asp?formmode=detail&hearing=561>. The Joint Economic Committee held a hearing, “Are the Explosive Costs of Elder Care Hurting Family Finances and Business Competition?” on May 16th. More information is at www.jec.senate.gov/hearings.htm.

National Institute on Aging (NIA): The NIA has published “Growing Older in America: The Health & Retirement Study,” which describes the breadth and depth of the HRS and offers a snapshot of research findings based on analyses of the Study’s data. The Health and Retirement Study (HRS) was launched in 1992 and has followed over 20,000 men and women over 50, examining older adults’ health, work and retirement, income and wealth, and family characteristics and intergenerational transfers. Among the research snapshots in the report, HRS data finds that while older Americans are in reasonably good health overall, there are striking differences by age and by race and ethnicity, with white respondents reporting very good or excellent health at a rate almost double that of black and Hispanic respondents. The data also shows that the rate of severe depression rises with age, with such symptoms evident in about 20 percent of people age 85 and older. More information about the health of the older population as well as numerous other aspects, can be found at www.nia.nih.gov/.

International News

Carers UK: Carers UK, an advocacy group for informal caregivers, has issued a report “Real change not short change: time to deliver for carers,” which highlights the extent of unpaid care by family and friends, and discusses the financial issues confronting these caregivers. It finds that despite recent improvements, such as the right to an assessment of their needs, the right to request flexible working and rights to pension contributions based on caring, too many carers are struggling financially as well as socially. The report argues that the tax, benefit and support system is failing carers and should be reformed to help carers stay in work; help carers who are unable to work; and help older carers enjoy a decent retirement. More information is at www.carersuk.org/Policyandpractice/PolicyResources/Research.

European Commission: The Commission has adopted a European Action Plan for “Ageing Well in the Information Society”, which is intended to strengthen the rights and opportunities of older people in the information society. The Action Plan is part of a broad-based effort to improve quality of life and social participation for older people in Europe, develop new business opportunities for Europe’s industries and promote more efficient and more personalised health and social services. More information is at www.age-platform.org/EN/spip.php?article470.

HSBC: HSBC, a global banking and financial services firm, in collaboration with the Oxford Institute on Ageing, has issued its third annual report on global aging entitled “The Future of Retirement: The New Old Age,” which presents the findings of a comprehensive survey of over 21,000 people aged 40 to 79 in 21 countries and territories. A particular focus of this year’s report is on the impact of older people on societies. It finds that many people in their 60s and 70s are playing a vital role in their nation’s economy through paid work, volunteering, and caregiving. For example, the survey indicates that about a third of those in their 60s and 11 percent of people in their 70s are doing some form of paid work. Overall, the survey highlights that more older people provide financial, practical and even in some cases,

personal care, than receive it. The report also examines the role of individual responsibility for other family members, using a new family solidarity index, and finds that despite differences in family structures, all countries surveyed demonstrate a strong feeling of responsibility between the generations in a family. This report, as well as individual country fact sheets, can be found at www.ageingforum.org/files/8/default.aspx.

Organisation for Economic Cooperation and Development (OECD): The OECD has published a comprehensive report “Pensions at a Glance,” which presents a wide range of facts and detailed analyses of the public pension systems in OECD nations. The report finds that people in OECD countries now have to save more for their retirement as a result of various major pensions reforms carried out in recent years, with the average pension promise reduced by 22%. Only two nations, Hungary and the United Kingdom, actually increased pension promises. The most common feature of pension reforms has been to increase the pension age. The OECD find that when reforms are complete, most OECD countries will have a standard retirement age of 65 years, although in Denmark, Germany, Iceland, Norway, the United Kingdom and the United States, the pension age is or will be 67. Only France, Hungary and the Czech and Slovak Republic still plan to have pension ages below 65. The OECD also concludes that despite the reforms taking place, more needs to be done to ensure the financial sustainability of pensions systems for current and future retirees. The report is at www.oecd.org/els/social/ageing/PAG.

US Social Security Administration (SSA): The SSA has issued the latest International Update, which covers recent developments in foreign public and private pensions. This issue includes news from Germany, Mexico, and the Philippines, as well as a new East and Central African Social Security Association (ECASSA) report and a report from the UN Economic Commission on Latin America on the effect of the region’s aging population on current and future development. The Update is at www.socialsecurity.gov/policy/docs/progdesc/intl_update/2007-05/2007-05.html.

Special Interest to the ILC

Caregiving: The Caregiving Project for Older Americans, launched in 2006 by the ILC-USA and the Schmieding Center for Senior Health & Education (SCSHE), has announced the members of a national advisory committee to help guide the effort to develop innovative, affordable new approaches to in-home caregiving for older adults. The members include include Rosalynn Carter, former First Lady; Walter Cronkite, CBS news anchor; Hugh Downs, former 20/20 and Today Show anchor; Frank Broyles, hall of fame NCAA football player, coach and current Athletic Director at the University of Arkansas; Humphrey Taylor, chairman of The Harris Poll; Dr. John Finnegan, Dean of the University of Minnesota's School of Public Health; Val Halamandaris, founder and president of the National Association of Homecare and Hospice; and Carol Raphael, president and CEO of Visiting Nurse Service of New York. The Caregiving Project has

undertaken a variety of initiatives to improve the nation's caregiving workforce through training, the establishment of standards, and the creation of a career ladder. More information is at www.ilcusa.org/prj/caregiving.htm.

Agng Research: A study in the March issue of the *Journal of General Internal Medicine* indicates that older people who participated in a physical conditioning program were able to maintain or enhance their ability to drive. The study evaluated the benefits of a program involving a physical therapist who conducted an exercise program focused on abilities relevant to driving. It found that those who underwent the program performed better on an on-road driving evaluation, committing 37 percent fewer critical errors. The results of the study may help shift the debate from simply limiting or stopping older people from driving towards maintaining or enhancing their driving performance, thereby increasing the safety and well-being of all parties. More information is at www.yale.edu/opa/newsr/07-05-30-01.all.html.

News from the Not-for-Profit Sector and Beyond

ACT-AD: ACT-AD (Accelerate Cure / Treatments for Alzheimer's Disease) has released a study that provides the first economic estimates of the impact of new treatments that could delay the onset of Alzheimer's disease (AD), concluding that such treatments could be worth trillions of dollars to Americans. The paper, entitled "Alzheimer's Disease and Cost-effectiveness Analyses: Ensuring Good Value for Money?", assumes a scenario in which a treatment were made available to patients by 2010 which could delay the onset of Alzheimer's by a range of up to five years, resulting in a present value benefit to the United States of nearly four trillion dollars by 2050. A goal of this study is to encourage the Food and Drug Administration to give the same priority review to Alzheimer's treatments as drugs for other life-threatening conditions like cancer and HIV/AIDS. More information is at www.act-ad.org.

Center for Retirement Research at Boston College: The Center released an issue in brief "Do People Plan to Tap Their Home Equity in Retirement?" which reports on a survey of older workers about the role their housing equity will play in their future retirement security. The survey finds that most households do not plan to access their home equity to cover regular living expenses, rather, the home is seen as insurance against old-age contingencies and as a way to leave a bequest to children or charity. The report also notes, however, that trends such as being inadequately prepared for retirement, having to rely on a defined contribution plan, and having a mortgage are all positively related to plans to tap home equity in retirement, and in the future more individuals may need to access such equity for regular living expenses. The brief is at www.bc.edu/centers/crr/ib_7-7.shtml. Another brief, "Older Workers: Lessons from Japan," notes that Japan is the one industrial nation with

News from the Not-for-Profit Sector and Beyond (cont'd)

higher labor force participation rates among older workers than the U.S., with 30.1 percent of persons age 60 and over in the work force. The reasons for this high rate include desire to maintain standard of living, a large proportion of self-employment among older workers, the cultural emphasis placed on remaining a productive member of society through work, government policies and initiatives to support older workers, and the overall good health of older Japanese people. The brief can be found at www.bc.edu/centers/crr/wob_11.shtml.

Commonwealth Fund: Commonwealth has issued a new report “Improving the Medicare Part D Program for the Most Vulnerable Beneficiaries,” which notes that while the Medicare drug benefit has improved access to needed medications for millions of Americans, an estimated 3.3 million of the 13.2 million beneficiaries eligible for the low-income subsidy are not receiving the help. It asserts that administrators must find better ways to reach out to these beneficiaries, simplify the enrollment process, and provide hands-on assistance in navigating that process. The report is at

www.commonwealthfund.org/publications/publications_show.htm?doc_id=484282.

National Academy of Social Insurance (NASI): NASI has published a brief “Social Security and Retirement Income Adequacy,” which discusses how most current retirees rely on Social Security for most of their income, but that such a reliance on the program to help achieve an adequate retirement income will be increasingly difficult for future retirees. It notes that while Social Security has many features of an ideal pension system, it does have some flaws, including benefits that will replace a smaller share of earnings in the future as well as structural financial challenges. The brief concludes that ‘policymakers who are concerned about securing adequate retirement income in the future – for boomers, their children, and grandchildren – will face choices. They will need to decide how much to build on the strength of the Social Security system, how much to expect from employer-sponsored pension plans, and how much to expect individuals to save for themselves.’ The brief is at www.nasi.org/usr_doc/SS_Brief_025.pdf.

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