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## Report on trends in aging population as baby boomers grow older

The U.S. Census Bureau has recently issued a report funded by the National Institute on Aging (NIA) which is part of the National Institutes of Health (NIH) which is titled “65+ in the United States: 2010.” While the report results are not new, they do highlight what many experts have warned about, that is, as baby boomers age, the number of elderly seeking extensive long term care will increase. Couple this with a recent U.S. Government of Accountability (GAO) report indicating that applicants for Medicaid have much more limited resources to pay for their care than Congress believes, and the potential for a long term care crisis becomes more likely.

The NIA commissioned census report states that risky behaviors such as smoking and excessive drinking have declined but the rate of chronic diseases has risen, in part due to the increased prevalence of overweight and obese older people. This can lead to diabetes, arthritis, and impaired mobility. Furthermore, the NIA’s Health and Retirement Study shows a significant increase of chronic conditions among older people between 1998 and 2008. For example, in 2008 41 percent of the older population surveyed had three or more chronic conditions, 51 percent had two, and only 8 percent had no chronic conditions. Add to that is the exponential growth of the older population thanks to the numbers of aging baby boomers. It is estimated that between 2010 and 2020, the older generation will grow in numbers more rapidly than in any other decade since 1900.

It is common knowledge that the cost of everything is rising, which includes long term care in a nursing home. The GAO report found that of the 294 approved Medicaid nursing home applications in Florida, New York, and South Carolina that were reviewed, 41 percent of Medicaid applicants had **total** resources (countable and non-countable) of \$2,500 or less. Only 14 percent had more than \$100,000 in resources. Even if the latter group used all of their resources for their care, that would likely pay for less than one year in a facility. Medicare only pays for a limited time and in specific circumstances. Medicaid pays for the majority of long term care, and this is unlikely to change in the near future.

Richard Suzman, director of the Division of Behavioral and Social Research at NIA in commenting on the report states that “Most of the long-term care provided to older people today comes from unpaid family members and friends. Baby boomers had far fewer children than their parents. Combined with higher divorce rates and disrupted family structures, this will result in fewer family members to provide long-term care in the future. This will become more serious as people live longer with conditions such as cancer, heart disease and Alzheimer’s.”

The struggle on how to pay for long term care is not something to ignore. Those older persons who are already struggling with health issues should be very careful to follow all the rules for Medicaid eligibility, including being extremely careful about gifting. The National Academy of Elder Law Attorneys (NAELA) President, Bradley J. Frigon, CELA, CAP recently stated that the Medicaid system is “complicated terrain.” Families become overwhelmed and make mistakes by not seeking advice. A family caregiver agreement can protect assets of the elder while providing compensation for adult children who remain at home without the money being considered gifts. Careful financial planning can protect a spouse who remains in the community when his or her spouse is institutionalized. Much of the “planning” that is recommended by well-meaning friends and relatives is either inaccurate or does not work in today’s environment. The statistics are frightening and not to be ignored.