Aging in Place in San Angelo

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15,032. That is the number of seniors living in San Angelo in 2017 according to the most recent figures from the Census Bureau. Slightly more than one-third (5,189) were over age 75, and 2,060 seniors (13.7%) had exceeded current life-expectancy by reaching ages over 85 years.

Nearly 92% of San Angelo seniors age 65 and over were what geriatric specialists describe as "aging in place." About 9,739 or 64.8% of seniors lived independently in their own homes with spouses or other relatives. Another 4,060 or 27% lived alone at home.

The 8% of San Angelo seniors who were not aging in place included about 830 people living in households headed by others, including relatives and non-relatives. An additional 403 senior citizens lived in group quarters such as nursing homes and assisted living centers during 2017.

Most local residents over the age of 65 have health insurance. Indeed, the 2017 Census figures show only 95 uninsured individuals, less than 1% of the city's seniors, with no insurance. Most (14,494 or 96.4%) had publicly funded coverage in the form of Medicare. However, a smaller number, 1,634, about one in every 10 elders, also had Medicaid insurance.

Something the journalist Robert Kuttner wrote about Medicaid back in the 1980s made us curious about this latter group of people age 65 and over in San Angelo with Medicaid coverage. Kuttner made this dire observation about the situation, "we have created a 'system' of nursing-home care for the aged in which middle-class people pay exorbitant rates to for-profit nursing-home entrepreneurs - and then when private resources are consumed and the patient qualifies as a pauper; the nursing home begins billing Medicaid."

Of course, Medicaid is a federal and state funded program designed to provide health insurance to financially strapped Americans. While the federal government administers the program, each state determines some of the eligibility criteria and governs the extent of services.

Of particular importance for seniors is that Medicaid covers the cost of nursing homes, assisted living facilities, and other long-term alternatives for as long as necessary. The more universal Medicare for seniors provides only limited coverage for senior care, with most benefits restricted to skilled nursing facilities for no more than 100 days.

Of course, Medicaid also differs from Medicare on qualification requirements. Medicare is nearly universal among seniors because coverage is based on work history. In a manner similar to Social Security, elder individuals and their dependents qualify based on their work history rather than their income or financial assets.

Medicaid, on the other hand, is means tested so that one's financial situation affects qualification. For 2018, senior Texans seeking Medicaid for long-term care are normally limited to no more than $2,250 in monthly income and $2,000 in finincial assets.

The recent 2017 Census data measures one impact of Medicaid means testing. In San Angelo, 1,687 seniors had disabilities that limit daily living activities needed for self-care, and another 2,741 had disabilties affecting independence for living in their own homes. As previously noted, however, only 1,634 local seniors received Medicaid. This is equivalent to 37% of elders with

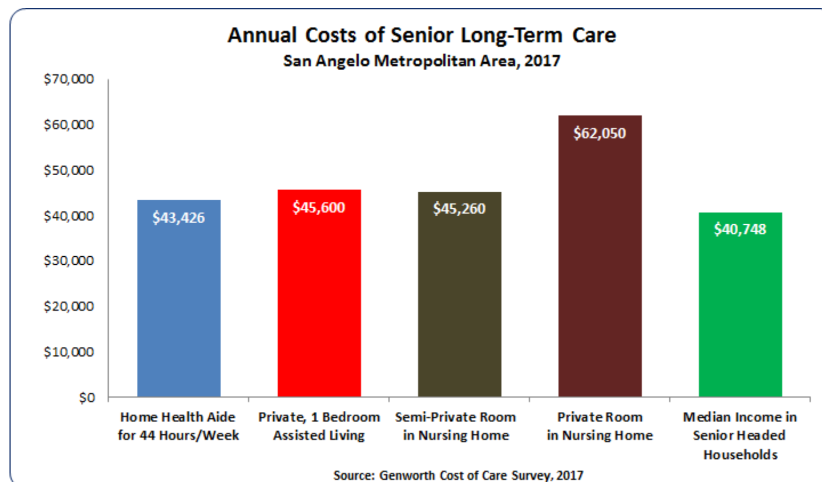
self-care and independent living disabilities.

One reason why local seniors facing these impaired abilities may avoid pursuing Medicaid is because many see the program as welfare for the poor. A more formidable reason, however, is the one that Kuttner wrote about years ago.

To qualify for Medicaid support, most senior citizens would have to find acceptable ways to "spend-down" assets in order to qualify as a low-income senior. Within limits, this can be done by gifting assets and surrendering control of them. Moreover, for seniors who explore these options, it is advisable to consult an elder-law attorney to ensure a full understanding of the options and implications.

The other side of the coin for seniors with disabilities is the marketplace of extended care services. Kuttner described the nursing home market, for its part, as having “exorbitant rates to for-profit nursing-home entrepreneurs.” A 2017 Cost of Care Survey (CCS) conducted by the long term care insurance and financial advising firm Genworth gives insight.

The Genworth CCS included more than 15,000 responses from long-term care providers in areas of the country that are home to about 85% of Americans. Responses from the San Angelo metro area (Tom Green and Irion counties) indicate that the annual cost of 44 hours of weekly service by a Home Health Aide is about $43,426. The cost for a private room in a local assisted living facility is $45,600. A semi-private room in a full-service nursing home is $45,260 according to the CCS, and the tab for a private nursing home room is $62,050.



Whether these are “exobitant rates,” as Kuttner claimed, may be debatable. However, the median income of $40,748 in local households headed by people age 65 and older during 2017 reveals how significant the cost burden is for most seniors. Few elder households can endure the expense of any of the long-term care alternative without “spending down” income and assets to eventually qualify for assistance under Medicaid. In fact, the Washington based Center on Budget and Policy Priorities estimates that about 70% of nursing home residents across the nation eventually end up on Medicaid after depleting their personal resources.

Another alternative for seniors in need is to rely on relatives and others in their personal networks for caregiving. Here again, research conducted by Genworth in 2015 is revealing. The study of unpaid caregivers nationwide found that about 76% were adult children or other family

members of those receiving care. Also, despite the positive feelings they had about caring for loved ones, the study found that caregivers experienced high levels of stress (31%), depression (41%), and other negative effects on their own health (43%). There were negative impacts on family relationships (35%) and contributions to the caregiver's own savings and retirement (38%) assets. The caregiver's paid work hours (52%) and career opportunities (26%) also suffered.

These facts show that our nation's long-term care policies confront seniors with a choice between impoverishment or imposing a toll that compromises the health, familial relationships, and future successes of children and relatives. These are steep sacrifices that seniors and their families face when debilitation, fragility, and dependence comes. Moreover, given the current climate of healthcare politics, the sacrifices look likely to grow more demanding and damaging in the future.

President Trump announced his budget proposal for 2019 In early February this year. If Congress enacts it, Medicare spending would decline by $236 billion over 10 years; the option for states to expand Medicaid would end; most funding under the Older Americans Act would be cut; and self-management programs that help people with mental illness, disabilities, and chronic diseases to stay in their homes would decrease.

The White House budget also goes beyond simply putting programs on the chopping block. It includes a more consequential proposal that would transform Medicaid from a guaranteed safety net into a block grant.

Currently, the federal government is required to pay a percentage of each state's Medicaid costs with no fixed dollar limit. If a state's expenses increase, the burden is shared by the federal goovernment.

President Trump proposes to convert this guaranteed federal funding into a Medicaid block grant. This approach allocates a set amount of money to each state, and states are then free, within broad parameters, to distribute funds as they see fit.

A standard selling point of block grant advocates is the claim that they give states maximum flexibility. However, past block grants for workforce development and community revialization have not kept pace with rising demands. Even an ardent Trump supporter like former Health and Human Services Secretary Tom Price recognized that converting Medicaid into block grants will force cash needy states to restrict eligibility and require indigent beneficiaries to pay more.

Clearly, the President's priorities seek to roll back the Affordable Care Act in ways that severely unravel the safety net for retired seniors. The impetus is partly a visceral urge to undo Obama's signature achievement, but it is also driven by ambitions to cut taxes and reduce budgets to supercharge the prosperity of private investors and businesses.

These trends set a stage for serious debate over healthcare, senior care, and Medicaid at a time when it is hard to imagine how honest discussion might occur in our vicious, divided public square.

When times for decision come, we urge citizens and leaders to take guidance from Kuttner's critique of the long-term care system. His book on the subject was entitled, *The Economic*

Illusion, but its subtitle, *False Choices between Prosperity and Social Justice*, should not be overlooked.

It is just plain wrong to believe that we have to choose between prosperity and doing what is right.