MINUTES
Utah Commission on Aging
October 21, 2008
12:00 – 2:00 pm

Commission Member Attendees: Representing:
Norma Matheson Chair
Maureen Henry Executive Director
Kari Waring for Deborah Bayle Charitable Organizations
Michael Deily for David Sundwall Utah Department of Health
Cherie Brunker Health Care Providers
Rob Ence Advocacy Organizations
Gary Kelso Long-Term Care
Rand Rupper for Mark Supiano Higher Education
Ryan Christiansen for Diana Kirk Financial Institutions
Helen Thatcher for Kristin Cox Workforce Services
Shauna O’Neil Area Agencies on Aging
Archie Archuleta Ethnic Minorities
Kent Alderman Legal Profession

Other attendees:
Laura Owen, OPG
TantaLisa Clayton, Utah Legal Services
Lynn Samsel, LDS Welfare Services

The meeting was called to order by Norma Matheson, Chair.

1. Welcome, Introductions, and Lunch Provided
The minutes from August 25 were approved.

2. Economic Report by Codrina Rada, Assistant Professor, Department of Economics, University of Utah – PowerPoint Presentation

Economic Implications of Demographic Changes

Codrina began her discussion about dependency ratios from an economic view as to how much the share of non-working elderly will be relative to the working population, as the working population will have to support the non-working population. In 2050, based on a forecast from the UN Population Database, the dependency ratio will be .33 in the US. In the long run, it is necessary to increase productivity of the working population. Labor productivity must grow such that GDP per capita grows at 2% annually. For the US to maintain an output growth of 2% per year from now until 2050, the productivity growth must be at 2.2%.
The next issue will be how to distribute (taking from wages, and giving from profit) the growth in output. The higher profit share (national income) supports investment and, in turn, supports economic growth.

The numbers tell us that, as people age, they consume more. The reason is health care. We need to know the consumption patterns of retirees and how we can address those patterns. The economy should be modeled on how much income is going to the retirees because now the retirees will become a very important part of the economy. Compared to other developed countries, the US is lacking in infrastructure. Health care also needs to be addressed.

Conclusions:

1. Population aging will play an important role for the growth-distribution dynamics if old people behave differently in economic sense.
2. Demand-driven, medium-run models can still be relevant in some cases.
3. Redistributive policies directed to deal with demographic changes must take into account the type of growth regime that is in place.
4. Institutions could play an important role.

3. Annual Report, Utah 2030, Legislative Sunset Review – PowerPoint Presentation

Maureen explained that the 2007-2008 Annual Report contained information that matched up issues from different sources in order to paint a better picture about issues, such as, preparedness for retirement. One source was the Care Source Foundation Survey; more data can be analyzed to see how different populations are affected by different issues. National data was used where Utah data was unavailable in order to get a current picture.

One recurring theme is that state government tends to view the aging population as a burden, in large part because state programs have a tendency to be focused on the population that needs support. We looked at what portion of the 65+ population is accessing services. About 92% of the 65+ population does not access government services. The largest number is Meals on Wheels, which is a very effective expenditure on the part of the government to help support individuals. The next largest number is state-funded nursing facilities. The question becomes one of policy; should the number be higher or lower? Is this the right balance?

The vast majority of the 65+ population live in their homes. Based on the GOPB population estimates, Utah has the largest under 18 population in the nation, along with the 65+ population. This 65+ population will double in the next 25 years. The increase is disproportionate because, in contrast, the growth rate of the under 18 population is projected to stay flat from now until 2050. Utah is projected to have one of worst total dependency ratios in the 2030-2050 years because Utah will continue to have a very large 18 and under population, combined with a rapidly growing 65+ population.
National data reveals that, since 1959, there has been a downward trend in the personal savings rate. Most people in Utah feel prepared for retirement; however, the numbers drop when people were asked if they were confident they had enough money needed to retire, because many do not know how much is necessary to retire. The data suggests that many people will not have enough money to retire on in the future, and many are relying on pension income that they will not receive. In a national survey, only 40% of the 55+ population were confirmed to be covered by defined pensions.

There is a high level of satisfaction with health care coverage in the 55+ population, due in part to the success of Medicare. Regarding the geriatric loan forgiveness bill, which the Commission is looking at legislatively this year in the hopes that Utah will acquire more geriatric physicians, the data reveals that the ability to fill geriatric medicine fellowship positions is going down and the total number of geriatricians is declining.

30% of all Medicare dollars in a given year are spent on the 6% of the beneficiaries who are in the last year of their lives. If the Advance Directives help people to get their wishes honored at the end of their lives, and if those wishes are less care rather than more care, then there is the potential that the Advance Directives could positively impact the numbers.

There has been a trend in the last 30 years of a decline in both the duration and the percentage of the population that needs long term care. About 30% of the 65+ population will never need long term care; about 50% will need long term care for less than five years; about 20% will need long term care for more than five years. Approximately 83% of the population in need of assistance with one or more ADLs is in the community; the rest reside in other settings. In the 83% category, we do not know if they are getting the kinds of services they need.

4. Commission Activities and Funding Options

The Commission will be applying to the Archstone Foundation for project funding. The Governor was supportive of the continuation of the Commission without funding; Health and Human Services Interim Committee voted to continue the Commission on a three-year sunset without funding.

The meeting adjourned at 2:00 p.m.

The next meeting will be on December 10, 2008.