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Disability Among California's Seniors: A Long-Term Outlook

PRESENTED TO:

Senate Health Committee

and

Senate Budget and Fiscal Review Subcommittee No. 3
On Health and Human Services

Hon. Richard Pan, Chair



LEGISLATIVE ANALYST'S OFFICE

Background

People With Disabilities Utilize Long-Term Services and Supports (LTSS)

- ***Disability Is Measured by Limitations in Activities of Daily Living (ADLs).*** ADLs refer to routine, daily personal care activities, such as eating or dressing.
- ***Disability Rates Vary by Demographic Factors, Including Age, Race, Level of Education, and Gender.*** In general, disability rates are higher among older individuals, certain racial and ethnic minorities, individuals with less formal education, and women.
- ***LTSS Are a Range of Services and Supports Provided to People With Disabilities.*** LTSS are commonly grouped into three categories: (1) institutional care, such as skilled nursing facilities; (2) home- and community-based services, such as paid in-home services, aimed at helping people with disabilities live in the least restrictive setting possible; and (3) informal, unpaid care that is often provided at home by a spouse or other family member.

California's Senior Population Is Growing

- ***California Is a Young State . . .*** California's median age was 36.5 years in 2017, a little less than the national median age of 38.1 years.
- ***. . . But Is Aging.*** California's population is getting older. Over the past ten years, the share of people over the age of 65 increased from 11 percent of state population in 2007 (3.9 million) to 14 percent in 2017 (5.5 million).
- ***California's Senior Population to Increase More Than Twofold by 2060.*** The state's senior population is projected to increase from 5.5 million in 2017 to 13.4 million in 2060.



Background

(Continued)

- ***California’s Rapidly Growing Senior Population Raises Questions About LTSS System.*** The rapid growth and changing demographics of California’s senior population raises questions about seniors’ LTSS needs, LTSS system capacity, and the financial impact of LTSS on personal and state finances.

Demographics in California Different Relative to the Rest of the Nation

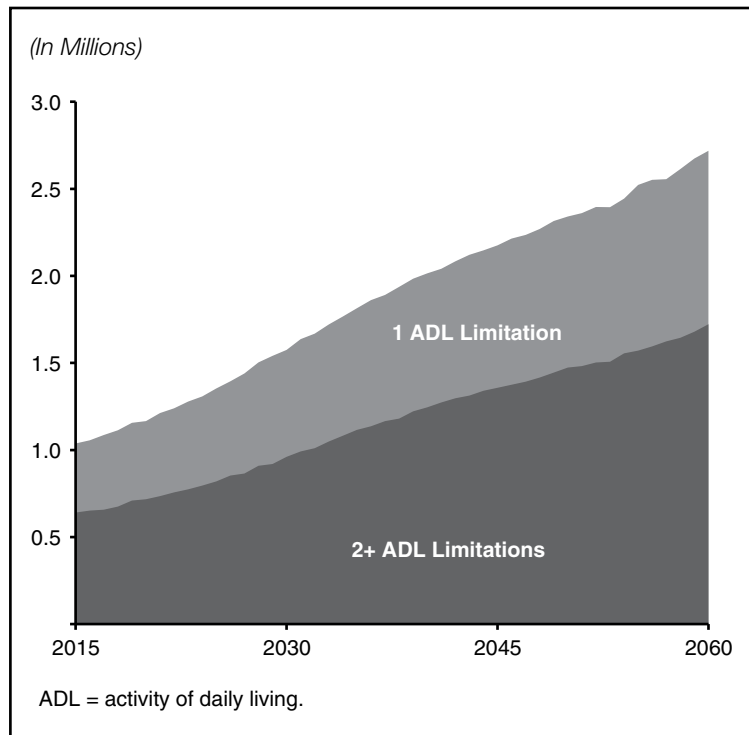
- ***California Is the Most Populous State in the Nation.*** In 2017, 39.5 million people resided in California—about 12 percent of nation’s population.
- ***California Is a “Majority-Minority” State.*** Over half of California’s residents are nonwhite. Specifically, in 2017, 39 percent of the state’s residents were Latino, 37 percent were white, 14 percent Asian American, 5 percent African American, 3 percent multiracial, and less than 1 percent American Indian or Pacific Islander. California is one of only five majority-minority states in the nation.

LAO Disability Projections: 2015 to 2060

- ***Disability Projections Provide Useful Starting Point in Planning for the Aging Population.*** Because California’s population is different and national-level data therefore cannot be reasonably relied on, in 2016 the LAO released projections of disability levels of California’s seniors through 2060. These projections were indented to inform the Legislature and stakeholders about the potential need for LTSS among California’s seniors over the next several decades.
- ***Methodology.*** We examine the cohort of individuals turning 65 between 2015 and 2019 and model the relationship between demographic characteristics and disability. Specifically, we assume disability rates remain constant and statistically age the cohort forward to project disability rates between 2015 and 2060.



Number of California Seniors With a Disability Projected to Grow to 2.7 Million by 2060

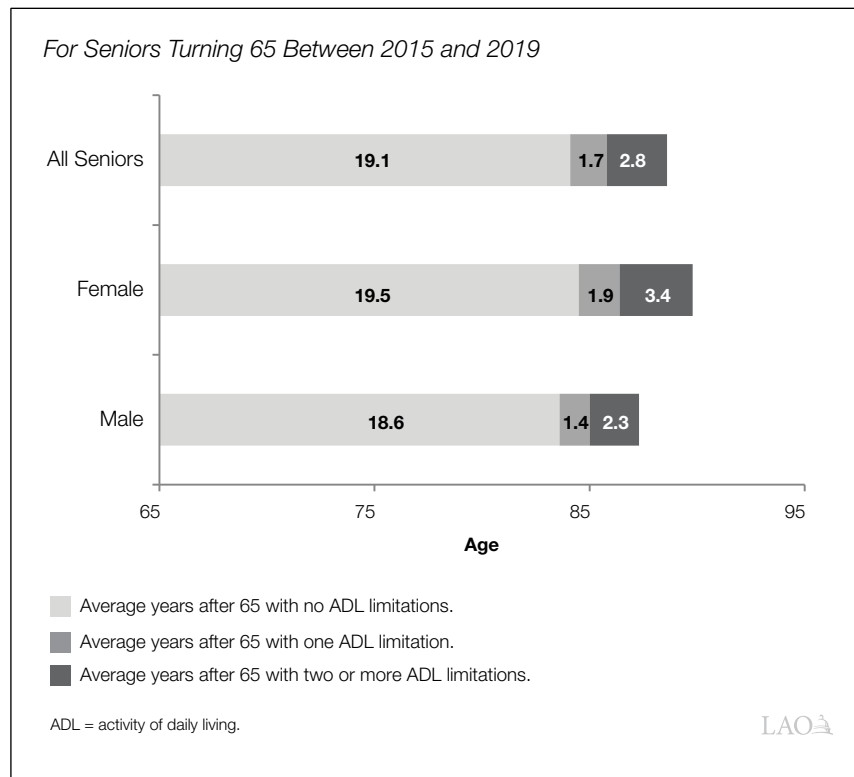


Population of Seniors With a Disability Projected to Grow Faster Than Overall Senior Population

- The share of seniors aged 85 and older is projected to increase, and older seniors have higher rates of disability.
- The senior population is projected to become more nonwhite, and the nonwhite population has higher rates of disability.
- However, the share of seniors with higher levels of education is projected to increase, and rates of disability are lower among those with higher education. This partially offsets the effects of the increasing shares of seniors over 85 and of nonwhite seniors.



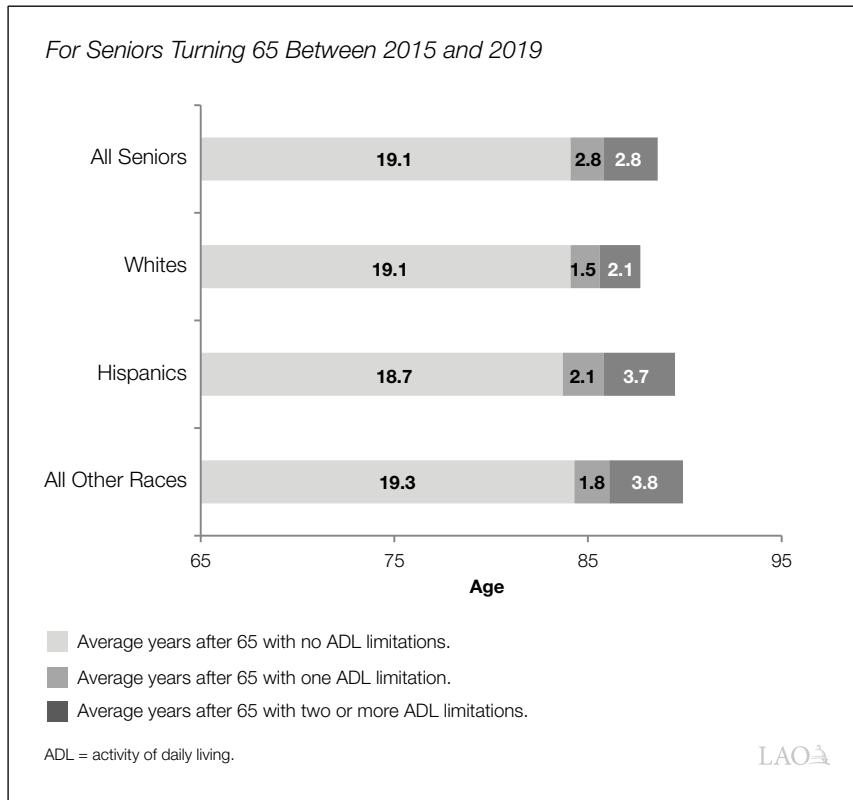
Female Seniors Projected to Spend More Years After Age 65 With a Disability



- Female seniors are projected on average to spend 13.7 percent of their lives after age 65 with at least two ADL limitations.
- Male seniors are projected on average to spend 10.3 percent of their lives after age 65 with at least two ADL limitations.



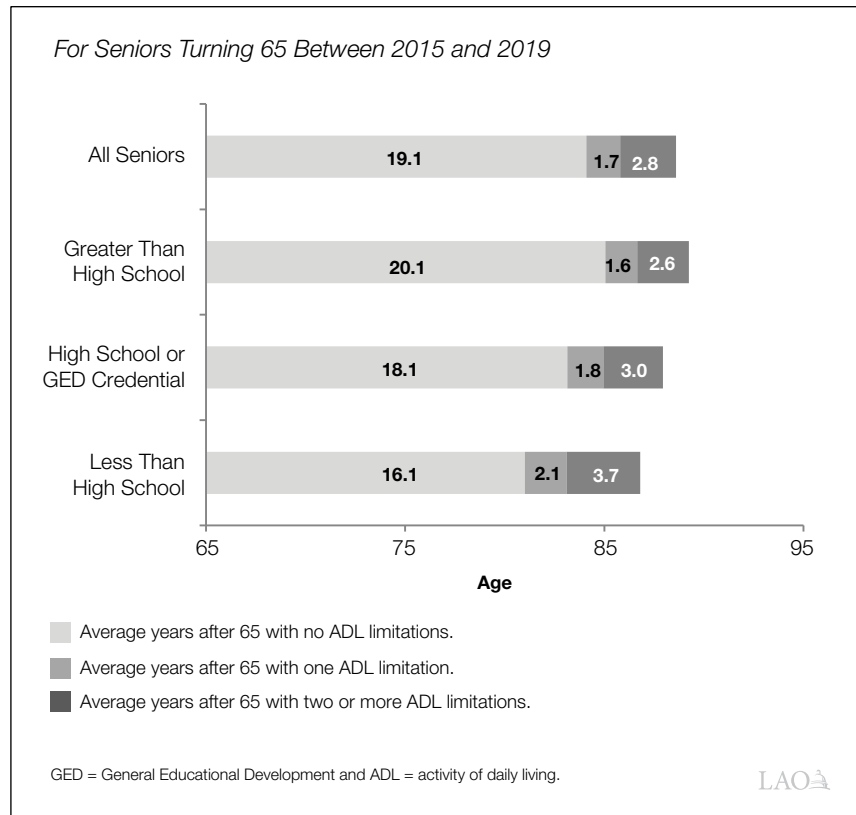
Nonwhite Seniors Projected to Spend More Years After Age 65 With a Disability



- Due to data constraints, our study focused on three very broad racial/ethnic categories that were available across our datasets.
- Overall, seniors are projected on average to spend 11.9 percent of their lives after age 65 with at least two ADL limitations.
- White seniors are projected on average to spend 9.3 percent of their lives after age 65 with at least two ADL limitations.
- Hispanic seniors are projected on average to spend 15.1 percent of their lives after age 65 with at least two ADL limitations.
- Seniors of all other races are projected on average to spend 15.3 percent of their lives after age 65 with at least two ADL limitations.



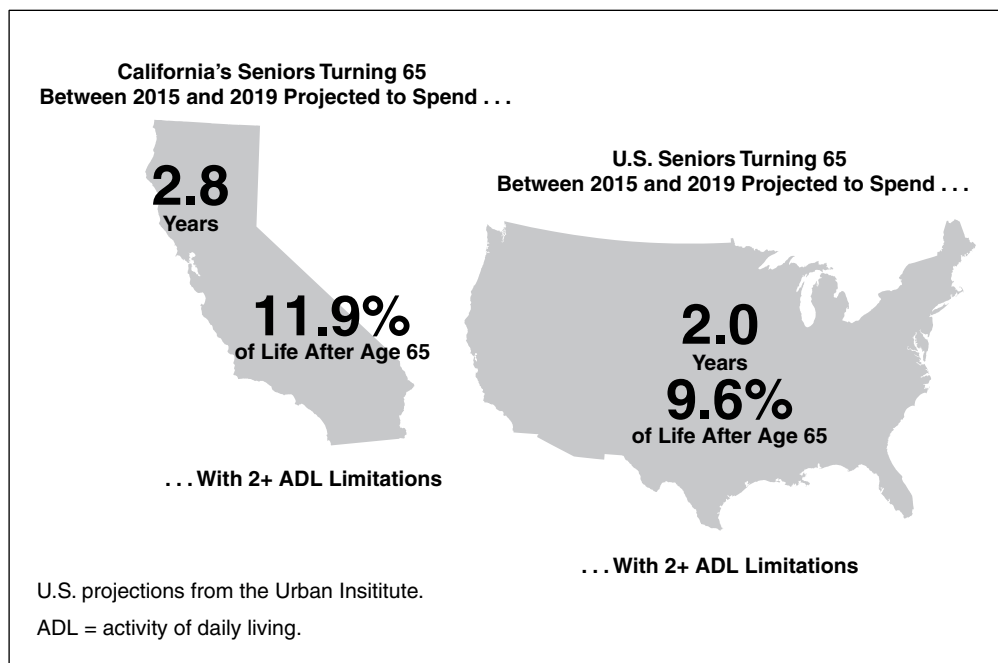
Less Educated Seniors Projected to Spend More Years After Age 65 With a Disability



- Seniors with greater than a high school education are projected on average to spend 10.6 percent of their lives after age 65 with at least two ADL limitations.
- Seniors with a high school or equivalent education are projected on average to spend 13.2 percent of their lives after age 65 with at least two ADL limitations.
- Seniors with less than a high school education are projected on average spend 16.8 percent of their lives after age 65 with at least two ADL limitations.



California's Seniors Projected to Spend More Years With a Disability Than U.S. Seniors



Planning for the Growing Senior Population

Ideal Next Step for the State: California-Specific Projections on LTSS Utilization and Financing

- To further understand the impact of the aging California population on the LTSS system, it would be useful to have projections of LTSS utilization and financing.

Remaining Questions

- *Additional Information Is Needed to Adequately Project Utilization and Cost.* Several key remaining questions include:
 - Is the current LTSS system meeting the needs of seniors and people with disabilities?
 - How many individuals will need some form of LTSS in the future?
 - Which services will disabled seniors utilize?
 - How will future LTSS utilization impact the financing of state-funded LTSS programs?

