Appendix A
The State of Aging in Florida - A Monograph and Needs Assessment

The following section provides an overview of Florida’s current and projected elder demographics. The section includes a demographic analysis and needs assessment.

**Population Growth and Distribution**

Florida is the fourth most populous state, with over 17.8 million citizens. Having over 3.9 million persons age 60 and older, Florida ranks number one in the percentage of its citizens who are elders (23 percent in 2004). (See Figure 1.)
Since 1990, Florida’s elder population has increased by almost one million – a 29 percent increase. However, the rate of growth is not homogeneous among age groups; the oldest old age group increased fastest. (See Figure 2.) During the last ten years, the number of persons age 85 and older grew four times faster than persons age 60 to 84. This growth is significant for policy makers and planners as the oldest old are four times more likely to need long-term care services.

Nevertheless, in the near future this difference in growth rates among elderly age groups will be almost eliminated as baby boomers enter their early senior years starting in 2005. By 2020 when baby boomers start turning 75, demand for long-term care services will intensify. What this suggests is that, as a recent AARP report states, “there will not be a tidal wave for long-term supportive services for at least two decades, even if utilization trends stay constant at recent rates.”

The growth of the population age 60 and older has not occurred uniformly throughout the state. About half of the population growth
among the elderly comes from amenity-seeking retirees who move to Florida. In the past, the traditional destination counties have been in Southeast Florida. However, during the last ten years, an increasing number of retirees has been moving into counties in Northeast, Northwest and Southwest Florida. Figure 3 shows the growth of the elder population by county.

The counties with the largest number of elders are located in South and Central Florida. The top ten counties by size of their elder population are Miami-Dade, Broward, Palm Beach, Pinellas, Hillsborough, Lee, Sarasota, Orange, Brevard and Volusia. These ten counties account for 55 percent of the elder population in the state. (See Figure 4.)
Having a large elder population does not necessarily mean having a relatively older population. For instance, counties such as Miami-Dade, Broward and Palm Beach also have sizable younger populations. On the other hand, some smaller counties have a much larger share of the population age 60 and older. Among counties with a population larger than 10,000, Florida has the three top counties in the nation with the largest share of elders: Charlotte, Citrus and Highlands. In each of these counties, the incidence of elders is more than 40 percent. There are another 13 counties with elder population densities in excess of 30 percent. Among large counties, Miami-Dade has 18 percent, Broward 20 percent and Palm Beach 28 percent. (See Figure 5.)

**Income and Poverty**

Although the median family income of elder Floridians is $26,796 (mean is $41,223), an estimated 11.2 percent of all residents age 60 and older have annual family incomes that fall below poverty level as defined by the U.S. Department of Health and Human Services (single person = $8,980, as of February 2003). Among elders, the likelihood of being poor increases with age.²
Social Support Programs

The economic well being of elders is very dependent on social income-support programs such as Social Security, which provides an income safety net for a majority of elders. About 50 percent of the cash income of Floridians age 65 and older comes from Social Security, and about 46 percent of elders would be poor if not for this program. Another income support program for the elderly is Supplemental Security Income (SSI).

In-kind support programs are also very important for the well-being of the elderly. The most important of such programs is Medicare. Also included in this category are Medicaid, Food Stamps and supportive services under Title III of the Older Americans Act. Medicare has a fungible value worth on average about $8,000 per family. Figures 6 and 7 show the importance of public programs. Figure 6 shows the distribution of income (cash and in-kind) for all elder households. Figure 7 shows the distribution of income (cash and in-kind) for at-risk elders who would be poor if not for public income-support programs.
Living Situation

Over 60 percent of all elders in Florida live with their spouse. Some might also live with children, grandchildren and/or other people. Over 75 percent of elders residing in rural areas live with their spouse. (See Figure 8.) Knowing the number of elders living with a spouse is important in assessing the needs of older adults. A spouse is often the first person called upon to be a caregiver.

Additionally, federal income-support programs favor married couples by providing increased benefits leading to lower poverty rates for married elders. (See Figure 9.) Over half of Florida elders living in high poverty areas live alone. Poor elders are twice as likely as others to live alone. (See Figure 10).

Elders living alone are more likely to be at risk for Medicaid nursing home care. They have no family...
members to care for them when frailty sets in, and might lack the means to pay for care.

Rural elders are least likely to live alone. The hardship of living alone in geographical isolation may encourage widowed rural elders to move to urban areas.

Minority elders are three times as likely to be poor than non-minorities. (See Figure 11.) However, as Figure 12 shows, most of the difference in poverty rates is due to differences in government income-support programs.

Non-minorities are more likely to be married—due to the longer life spans of white males—and have work histories that represent higher Social Security payments.

Figure 13 shows that education has an impact on the amount of support received from public programs, because higher educational levels are tied to higher earnings and higher support payments. To a large extent, poverty among the elderly is a reflection of racist educational and workplace policies of 60 years ago.
Gender and Marital Status

Women have a substantially longer lifespan than men. Figure 14 shows that, while men are 46 percent of the population in the 60 to 74 age group, they make up only 34 percent of those age 85 and older. Since the likelihood of requiring long-term care is four times greater at age 85 than at age 60, most persons in need of long-term care are women who have outlived their male partners. Currently, about 47 percent of persons age 65 and older do not have a spouse, and the likelihood of not having a partner is much higher for elders age 85 and older.

Long-term trends indicate that the longevity gap has been narrowing, and is expected to continue to do so. (See Figure 15.) This trend has positive implications for the demand on public long-term care. The main determinant for the need for long-term care is the absence of a caregiver. As male longevity increases, the number of years women live without a caregiving spouse will be reduced.
**Ethnicity and Linguistic Isolation**

Minority populations constitute 18 percent of the total number of Floridians age 60 and older. Among minorities, Hispanics are most numerous, accounting for ten percent of the elder population, African Americans accounting for seven percent, and other minorities about one percent. For the period 1995 through 2010, U.S. Census projections predict an estimated 102 percent increase in the number of individuals of Hispanic origin age 65 and older residing in Florida, from approximately 237,670 to 479,556 individuals. Over this same 15-year period, the number of persons of Hispanic origin age 85 and older will grow from an estimated 24,734 individuals to 63,599, an increase of 157 percent.

The distribution of minority and linguistically isolated elders is not uniform throughout the state, as Figures 16 and 17 show. The non-English speaking elder population is concentrated in seven of Florida's 67 counties, with a single county (Miami-Dade) accounting for two out every three elder Hispanics. Other minorities are more evenly distributed, with African Americans the most prevalent minority in North Florida.
Dependency and Disability

A growing body of evidence proves that, during the last 20 years, disability rates have declined substantially. Declining rates have proven overly pessimistic past forecasts wrong. Figure 18 illustrates that in 1999 the number of disabled elder Americans was 2.3 million less than would have been expected based on 1982-1984 age specific disability rates. That represents almost a 25 percent decline. Most of the research exploring this trend strongly suggests that the main forces behind this decline are improvements in elder health, socioeconomic improvements and medical advances.

Improvements in elder health and medical advances reduce the demand for long-term supportive services by compressing morbidity and acute disability towards the end of life, resulting in significant gains in disability-free years. Even as the prevalence of chronic conditions has increased, medical technology advances have made the effects of these conditions less incapacitating. Particularly notable are advances that mitigate the disabling effects of arthritis and eye problems, such as cataracts and diabetes induced retinopathies.
Evidence from the National Long-Term Care Survey and Social Security data demonstrates that disability declines are associated with a higher educational level and white-collar occupations. Continuing increases in educational levels and improvement in workplace safety suggest that disability rates will continue their decline. Therefore, projections assuming that current disability rates will not continue their downward trend could produce inaccurately high forecasts.

Survey data indicates that the impairment rate of Florida’s elder population is seven percent less than the national rate, contributing to a relatively low nursing home occupancy rate in comparison with other states. Additional evidence comes from the 2000 Census, which reports that, even though Floridians have overall slightly higher physical disability rates, their disabilities are less likely to be of the type concomitant with the need for supportive care. The Census also reports that the prevalence of severe disability (two or more disabilities, including a self-care disability) among elder Floridians is 17 percent lower than the national average.

According to 2004 Department of Elder Affairs needs assessment findings, over 90 percent of Florida elders surveyed said that they are able to do personal tasks either “always” or “most of the time.” Rural elders are more likely to respond this way; poor and minority elders are less likely to respond this way. (See Figure 19.)

Source: Assessing the Needs of Elder Floridians, 2004, Department of Elder Affairs

![Figure 19](chart.png)
Less than half of those who need help with personal care receive such help either “always” or “most of the time.” Poor and rural elders who need help are more likely to receive the help they need. Only about one-third of minority elders are able to get the personal care they need. (See Figure 20.)

Statewide, over 85 percent of elders surveyed said that they are able to do household management tasks on their own either “always” or “most of the time.” All three special populations were less likely to respond this way. Minority elders are the least likely to respond this way. (See Figure 21.)

Among those who need help with household management tasks, some are more likely to get this help than others. Statewide, slightly more than half of these elders are able to get help with household management tasks if they need it. Rural elders are slightly more successful in getting this help. However, less than 40 percent of minority elders and less than 20 percent of poor elders are able to get help with household management when they need it. (See Figure 22.)
Caregiving

The long-term care setting preferred by most elders is their own home. To make this happen, family members, neighbors, faith-based organizations and community volunteers are relied upon to provide the bulk of home and personal care services. It is estimated that there are 1,427,899 caregivers in Florida (about half being primary caregivers) currently providing $11.2 billion worth of informal (not for pay) care for disabled Floridians. Nationally, this figure tops $196 billion. By comparison, Florida’s total public expenditures on long-term care were about $2.5 billion in state fiscal year 2002-03. Therefore, in Florida, the value of informal services provided by caregivers constitutes approximately 81 percent of the total cost of all long-term care.

Findings of the National Caregivers Survey (1997) show that about one in four households in America is involved in caring for an elderly relative. About 72 percent of those providing care are women, and 68 percent of them are middle-aged or elders. More than 30 percent of caregivers are caring for two or more elderly relatives or friends, and almost one-fourth of caregivers are dealing with someone who suffers from some form of dementia.

The survey also indicates that the average caregiver spends 18 hours a week providing care while many spend more than 40 hours a week. The typical recipient of care is a 77-year-old woman with chronic illnesses. About 64 percent of caregivers work full-time. Some quit their jobs or retire early to provide care; others take leaves of absence or reject promotions, while some try to accommodate the demands of both job and caregiving.
Results from a recent survey of caregivers conducted by the Department of Elder Affairs (DOEA) suggest that the greatest negative effects of caregiving are on household finances, with 62 percent of caregivers reporting that caregiving creates a financial burden. The survey also suggests that about one-fourth of caregivers are very frail and at high risk of discontinuing their caregiving. This survey also reported that the most frequently requested service by caregivers was help in navigating the maze of social and medical agencies that administer services to elders.6

Programs that assist caregivers are highly cost effective. For example, it is estimated that the Home Care for the Elderly (HCE) program, a caregiver cash-support program targeted toward caregivers of elders at high risk of nursing home placement, provides a savings of almost five-dollars in nursing home costs for every dollar spent by the program.7

Caregivers are also a critical component in the formal long-term care system. Without caregivers, the most impaired elders being served in the community through formal publicly-funded long-term care programs would not be able to stay out of nursing homes without substantially increasing their care plan costs. For example, only 32 percent of DOEA customers who are at medium risk for nursing-care placement have a caregiver. In contrast, 66 percent of those at very high risk of nursing home placement have a caregiver. Without such caregivers, customers would require either nursing home based care or a much more expensive publicly funded care plan.

A study done by the Florida Policy Exchange on Aging Center determined that “whereas exactly half of Florida’s nursing home long term residents require assistance with all five activities of daily living, fully 40 percent of the state’s home and community-based clients who have informal caregivers also need help with the five activities of daily living. When considering the specific amount of assistance needed with individual activities of daily living among the very impaired, the home and community-based sample was found to have a substantially higher percentage needing total help than was found in the nursing home sample. The home and community-based services clients who live with informal caregivers were also more likely to have severe impairment than nursing home residents.”8
According to the Department of Elder Affairs needs assessment survey, statewide, about 23 percent of elders are caregivers. This percentage is fairly consistent among poor and minority elders as well. Rural elders are more likely to be caregivers. (See Figure 23.)

Statewide, caregivers choose respite care most often if they could have multiple services or are limited to one service choice. Emotional support and information about resources are the next most common choices, if any number of services could be chosen or if they could only choose one.

Low income, rural and minority elders are more interested in information about resources for elders than respite services. The results of the needs assessment survey identify the need for greater outreach among the three subgroups. The types of services needed by minority, rural and poor elders vary considerably. Programs that target caregivers should focus on the unique needs of the clients (See Figures 24 and 25.)
Rural Issues

The number of elders living in urban areas is about five times greater than those living in rural areas, according to the Florida data of the 2000 U.S. Census. Figure 26 shows the distribution of the rural population.

Formal long-term care availability in rural areas is limited because of a low target population density that makes the provision of services unattractive for home health provider agencies. Some policymakers assume that providing services in rural areas is less expensive due to lower unit labor costs. However, rural service providers have to deal with issues related to lower density, such as longer travel times and severe shortages of qualified workers, factors that often make service provision more expensive than in urban areas.
Rural customers of long-term care services, whether frail elders or their caregivers, often face a lack of choice and service availability due to fewer service providers operating in the rural areas. This situation can result in earlier institutional placements relative to urban areas that have more services available. Unmet transportation needs are particularly acute in rural areas.

Affordable and available housing option needs for elders are especially evident in rural areas, where the elder population was 400,000 in the year 2000. Overwhelmingly, these elders prefer to own their own homes, and many do. Most people who live in rural areas do so by choice, but many aging rural residents are finding they need housing alternatives, such as rental housing or assisted living facilities. The scarcity of housing options significantly inhibits housing choices for elders in rural Florida.

Access to Health Care

Statewide, over 85 percent of Florida elders surveyed said that they are always able to get medical care. Rural elders are about as likely to respond this way as the general population. Minority elders are the least likely to respond this way and are the only group in which less than 75 percent responded that they were always able to get medical care. (See Figure 27.) Access to medical care might be related to differences in insurance coverage.

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Figure 26
Rural Population Density of within the Population Age 60 and Older By County

Source: Department of Elder Affairs based on Office of Economic and Demographic Research, Florida Legislature

Figure 27
Percent of Elders Who Are Always Able to Get Medical Care

Source: Department of Elder Affairs based on Office of Economic and Demographic Research, Florida Legislature
Since the survey targeted elders age 60 and older, some of the elders were not old enough to be eligible for Medicare. Even so, not all elders are eligible for Medicare on their 65th birthday. Although the percentage of elders not covered by any insurance is low relative to the under 65 population (20.6 percent, Florida Hospital Association), these elders might find private medical insurance nearly impossible to acquire. Poor and minority elders are the most likely groups not to have any insurance. (See Figure 28.)

Of particular concern, even among insured elders, is the affordability of items not typically covered by Medicare. Department of Elder Affairs’ needs assessment survey reveals that there are about 600,000 that had to do without dental care and about 400,000 that had to delay acquiring eyeglasses in the last 12 months because of a shortage of money. Overall, about three quarters of elder Floridians had to limit health care due to financial concerns. Overall, access was limited to a higher degree among poor, minority and rural elders. (See Figure 29.)
Access to Information

Most Florida elders get information about what is happening in their community from the newspaper. The newspaper was the most popular means of getting information for each of the special populations as well. Poor and minority elders are about as likely to get information from television as they are from newspapers. (See Figure 30.)

Elders can, and do, receive information from a number of different sources. Responses to this survey question can be helpful in determining the most effective ways of disseminating information to elders.

Access to Food

Statewide, about 90 percent of Florida elders surveyed report that they are able to get all of the food they need. Florida’s rural elders are slightly more likely to have all of the food they need. Florida’s poor elders are the least likely to be able to get all of the food they need all of the time. (See Figure 31.)
Even though 90 percent of elders get all of the food they need, that leaves almost 400,000 in Florida who do not. Lack of participation in the U.S. Department of Agriculture’s Food Stamp Program for Florida’s poor elderly is a problem. (See Figure 32.)

Financial issues are the main reason why elders are not always able to get all of the food they need. Health conditions that make eating difficult is the next most common reason. Difficulty in preparing food is the third main reason. This ranking is consistent across the subgroups. Successful strategies for improving elder access to food will depend on the reasons restricting access. Figure 33 presents the reasons elders are not able to get all the food they want.
Senior Centers and Focal Points

Over 90 percent of Florida elders surveyed said that they “never or hardly ever” go to a senior center. Poor elders are the least likely to respond this way; however, over 82 percent of this population said they never or hardly ever go to a senior center. This low participation rate could reflect a special niche of clients on whom senior centers tend to focus or could indicate a greater need for outreach by senior centers. (See Figure 34.)

When asked for the reason why they do not go to the senior center, most elders responded that they don’t want to go. This reason is the most common for the three subgroups as well. This response suggests that senior centers might have an image problem. (See Figure 35.) Other reasons include a lack of time and a lack of awareness of senior centers. These results were consistent in their rank order for each of the sub populations.

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**Figure 34**
Percent of Elders Who Never or Hardly Ever Go to a Senior Center

<table>
<thead>
<tr>
<th>Statewide</th>
<th>Poor</th>
<th>Rural</th>
<th>Minority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statewide</td>
<td>92%</td>
<td>88%</td>
<td>84%</td>
</tr>
<tr>
<td>Poor</td>
<td>80%</td>
<td>76%</td>
<td>66%</td>
</tr>
<tr>
<td>Rural</td>
<td>88%</td>
<td>84%</td>
<td>76%</td>
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<tr>
<td>Minority</td>
<td>92%</td>
<td>88%</td>
<td>84%</td>
</tr>
</tbody>
</table>

Source: Assessing the Needs of Elder Floridians, 2004, Department of Elder Affairs

**Figure 35**
Main Reasons Elders Give for Not Going to a Senior Center

- Don't want to go to senior center
- Don't have time/other responsibilities
- Lack of awareness

Source: Assessing the Needs of Elder Floridians, 2004, Department of Elder Affairs
Access to Transportation

According to the survey, most older Floridians are fully capable of driving. Over 70 percent of Florida elders surveyed said that nothing limits them from driving. Elders living in high poverty areas are more likely to have limitations in their driving. However, about half of elders living in high poverty areas are able to drive whenever they wish. (See Figure 36.)

Nonetheless, over one million elder Floridians are limited in their ability to drive. This situation represents a major challenge for transportation providers. Among the elders who reported limitations in their driving, health and age issues are the most common. Other reasons given include financial considerations, including insurance, gas or car maintenance expenses; having never learned to drive; and certain limitations related to night driving, weather conditions, highway driving and other special conditions. Poor elders are more likely to be limited in their driving, and most likely to be limited by health conditions and financial restrictions. (See Figure 37.)
Most Florida Elders Feel Valued by Community

Over 80 percent of Florida elders surveyed said that they feel their community values older people. Rural elders are more likely to feel valued. Even though poor elders are less likely to feel that elders are valued in their city or town, a strong majority do feel valued. (See Figure 38.)

The Department of Elder Affairs’ Communities for a Lifetime program might have an impact on this sense of value by drawing attention to the important role seniors play in Florida’s communities.

When asked why they felt the community valued or did not value elders, most elders responded with broad general statements. Two concepts appeared fairly often in survey responses: “nice people” and “being treated/not treated with respect.” Respondents who said that their communities valued elders tended to attribute this to “nice people,” while elders who did not feel valued attributed this to lack of respect by their communities. Issues regarding respect are more pronounced in the high poverty areas and among minorities than other groups (See Figures 39 and 40.)
Access to Housing

Statewide, less than ten percent of Florida elders surveyed noted that they had housing problems, such as repairs, upkeep or crime. Housing problems are more common among the special populations, especially among Florida’s poor elders. (See Figure 41.)

For those elders reporting problems with their homes, the need for major repairs is the most common issue. Minor repairs and upkeep is the second common problem. Environmental (pest control, flooding, etc.), landlord and other problems tend to be more common among elders living in high poverty areas and minorities. (See Figure 42.)
Advocacy and Consumer Protection

Less than a third of elders surveyed were aware that Florida has special programs and low-cost legal services that protect elders from overly aggressive sales people. Poor and minority elders are the least likely to be aware of these programs. (See Figure 43.) Since poor and minority elders are among Florida’s most vulnerable populations and arguably the most in need of the services, greater outreach to those elder populations might make these programs more effective.

Source:
Assessing the Needs of Elder Floridians, 2004, Department of Elder Affairs
elders are some of the most vulnerable people in the state, increased awareness of this issue and greater outreach of programs that help seniors avoid these problems would be helpful in reducing victimization of elders by consumer fraud.

**Volunteering**

One way that elders contribute to the community is through volunteering. Overall, about 30 percent of Florida’s elders volunteer. Part of the Department of Elder Affairs’ mission is to facilitate the work of volunteers. The annual value of the contributions by volunteers age 60 and older is estimated to be $2.5 billion. Rural elders are more likely to volunteer. (See Figure 45.) Elder Floridians are generous with their time. In the year 2000, elders contributed volunteer time and talent totaling 7.5 million person days.
Older Floridians volunteer for a large variety of programs. However, most volunteer for community programs and religious groups. Other programs include volunteer efforts sponsored schools and senior centers. Many seniors volunteer for multiple programs across multiple categories. Rural elders are more likely to volunteer for religious groups than the community at large. (See Figure 46.)

![Figure 46 Organizations Where Elders Volunteer](chart.png)

Source: Assessing the Needs of Elder Floridians, 2004, Department of Elder Affairs

**Employment**

Florida elders are a vital part of the state’s workforce. According to the needs assessment survey, nearly a quarter of elders are working. (See Figure 47.) Minority elders are more likely to be employed than other elders. Older Floridians work in a wide variety of positions and situations.

![Figure 47 Percent of Elders Who Are Employed](chart2.png)

Source: Assessing the Needs of Elder Floridians, 2004, Department of Elder Affairs
Of those elders in Florida who are unemployed, roughly a third are interested in full or part-time work. A smaller percentage is interested in job training. Fewer still believe they have been refused a job because of age. Unemployed elders living in high poverty areas are more likely to be interested in full or part-time work or job training. Unemployed elders living in rural areas are less likely to be interested in full or part-time work or job training. (See Figure 48.)

**Elders as Consumers**

Historically, Florida’s economy has rested on three legs: tourism, agriculture and retirees. A healthy retirement industry is critical for the ongoing prosperity and well-being of the state of Florida. Direct spending by mature Floridians and the value of their federal health benefits is estimated at $150 billion. From a fiscal perspective, Florida’s elder residents represented a net benefit of $2.8 billion in taxes, to state and local governments, in the year 2000.

Every month in the year 2004, $3.5 billion in Social Security and military retirement payments are transferred to Floridian residents; these payments represent over $75 billion in direct and indirect spending. Federal transfers on behalf of mature Floridians account for about 40 percent of the amount of Florida’s total share of federal revenue. In that same year, for every dollar that Florida workers and employers paid in Social Security taxes, the state received $1.26 in social security benefits for its citizens.
Trends and Conditions In Long-Term Care

Trends in supply and demand for elder services and care can be explained on the basis of population growth patterns and disability rates. Disability rates are, in turn, dependent on demographic factors, particularly age, health conditions and available medical and assistive technologies. In addition, the demand for publicly financed services will be influenced by the economic conditions of the elder population, the availability of informally (not for pay) provided care, the affordability of privately provided formal (for pay) care and the public’s attitude towards using public assistance services.

In Florida, a very small percentage, 2.4 percent, of the population age 65 and older reside in nursing homes; this number compares very favorably with the national average of 4.3 percent. Floridians age 65 and over are 45 percent less likely to require long-term nursing home care than elders from other states.

Possible reasons for Florida’s lower demand for nursing home care include Florida’s lower disability rates, a specialized supply of medical services and assistive technologies and affordable options for custodial care. The supply of medical services and assistive technologies and the affordable options for custodial care are made possible by the state’s high incidence of elders and favorable migratory patterns.

Relative to the rest of the country, Florida has a rich supply of specialized medical services and assistive technologies which result in lower disability rates among elders and in improvements to caregivers’ health. Lower disability rates reduce the number of people requiring nursing home care on two accounts. It reduces the number of disabled persons potentially requiring nursing home care and, at the same time, increases the supply of able caregivers who can provide care longer and at a higher intensity.
Demand for Long-Term Care

Favorable migratory patterns also help reduce Florida’s demand for nursing home care. The large majority of elders who relocate to Florida after retirement are “amenity seeking” retirees. They are characterized by good health and economic self-sufficiency, and most are married. These retirees are usually young elders in their sixties. On the other hand, Florida has a net outflow of elders relocating due to increasing frailty, severely disabled migrants, who relocate seeking nearness to adult children, and readily available of nursing home facilities. According to Census 2000 figures, Florida had a net migratory loss of persons age 85 and older.

Florida’s demand for nursing home care is further reduced by the availability of affordable substitutes for custodial care, most notably assisted living facilities. These options will be discussed below under the heading “The Supply of Long-Term Care in Florida.” Alternative projections of Medicaid nursing home utilization are illustrated in Figure 49.

The trends represented in the chart show future use patterns of long-term nursing home care that are in keeping with the decline in the overall incidence rate of severe disability among the aged. This chart shows a range of three alternative scenarios. The first scenario shows the forecasted number of nursing home bed months under the assumption of declines in disability rates that are consistent with the declines observed from 1989 through 1994. This represents the medium growth scenario and projects nursing home bed use to grow by 20 percent between the years 2000 and 2020.
The second scenario assumes that disabilities will continue to decline at the rates observed from 1994 through 1999. This scenario represents the low growth option and projects a marginal absolute decline between the years 2000 and 2020.

The third scenario is the high growth option based on the assumptions of a national model developed by the Lewin Group, which assumes mortality and disability declines of 0.6 percent per year, for a total growth in demand of 42 percent over the twenty year period.

These scenarios yield annual growth rates in the Medicaid nursing home caseload of 0.67 percent, 1.36 percent and 0.17 percent for the medium, high and low scenarios, respectively.

Additional evidence about Florida’s declining growth rate in the use of Medicaid nursing home care is provided by nursing home utilization historical reports from the Agency for Health Care Administration.

Figure 50 shows that the growth in Medicaid nursing home bed day use has been declining steadily for at least 12 years, even as the population age 75 and older was growing at an average rate of 3.1 percent per year.

While acute care is temporary and episodic, with a focus on restoration of health, long-term care has a focus on trying to help a person manage an irreversible disabling condition. Long-term care can be provided in a variety of settings: in the home with formal (paid) assistance; informal (unpaid) assistance by family members, relatives or friends; or in a long-term care facility. In-home formal assistance includes community-based long-term care that encompasses an array of interventions such as day care, caregiver respite and in-home services, including personal care and home-delivered meals.
A variety of service providers comprise the community-based long-term care system. They can range from senior centers, which also provide many preventive services, to Councils on Aging, home health agencies and others. Many of these agencies provide a host of services. Others may provide a single service through a contractual agreement with the case management or lead agency. Long-term care facilities in Florida are comprised of nursing homes, assisted living facilities and adult family care homes.

Occupancy rates in nursing homes have declined from about 91 percent in 1990 to 85 percent in 2001, even though the population age 85 and older grew very rapidly during the same period. Since 2001, the occupancy rate has inched up to a current level of 87 percent, possibly due to the nursing home bed moratorium established in 2001 by the state legislature.

Unfortunately, the scenarios regarding control in the growth of Medicaid expenditures for nursing homes are not so positive. Per diem reimbursement rates have been growing at a fast pace for the last few years. Indeed, from January 1997 to July 2002, this amount went from $93.25 to $136.89 for a compounded growth rate of 7.3 percent per year. A continuation of recent trends in per diem reimbursement growth would result in expenditure growth doubling the nursing home Medicaid budget every ten years, for a compounded growth of 490 percent from 2000 through 2020. (See Figure 51.)

These figures suggest that, in order to control the Medicaid nursing home budget, there is a need to control the growth in the caseload through community diversions and the growth in the per diem reimbursement to nursing homes. A projection of nursing home caseload growth through 2020 yields a growth rate of less than one percent per year. Assuming per diem increases equal to the general inflation rate, growth would yield a
projected future cost of $2.5 billion in constant 2003 dollars for a net increase of 20 percent. On the other hand, if per diem reimbursement rates were to increase at the rate observed over the last five years - five percent over inflation - the projected future cost, in constant 2003 dollars, would be $5.5 billion for a net increase of 164 percent. (See Figure 52.)

Since caseload assumptions are the same under both of these scenarios, the difference in the projected level of expenses for 2020 is due only to differences in per diem assumptions, and the enormous size of such differences points to the importance of reimbursement rates vis-à-vis caseloads in budget control.

**Home and Community-Based Services Supply**

Under Medicaid rules, all qualified individuals are entitled to the services included in the state’s Medicaid plan. Since nursing home care is part of the state Medicaid plan, it is a Medicaid entitlement. On the other hand, most Medicaid home and community-based services (HCBS) are provided on a “waiver” basis. Therefore, unlike nursing home long-term care, home and community-based services are not entitlements for medically and economically qualified persons. Federal Medicaid participation requirements mostly determine which services are covered by the state plan. However, states can elect to add optional services. Examples of such services are prescription drugs, physical therapy, durable medical equipment and community mental health.
On the other hand, provision of home and community-based services is dependent upon availability of appropriations within the state budget and federal approval of “waivers” to Medicaid rules. Unlike nursing home care, non-Medicaid programs provide much of the funding for HCBS.

HCBS non-independent housing options in Florida’s communities include adult family care homes (AFCHs), assisted living facilities (ALFs) and ALFs within public housing. These forms of non-independent housing provide elders with needed personal services in a supportive, residential environment. There is wide diversity in the accommodations, types of services offered and overall cost among these non-independent housing categories. A significant problem in Florida is that the supply of these types of housing arrangements is very limited in rural areas.

Generally speaking, assisted living is a residential setting that provides housing, meals, personal care services, 24-hour supervision and social and recreational activities. In the 1990s, assisted living was the fastest growing type of elder housing, with an estimated 15 to 20 percent annual growth rate, with less than 19,000 beds in 1991 to about 75,000 beds in 2003. Over the past few years, however, there has been a slight decline. As of December 2003, there were about 2,250 licensed assisted living facilities in Florida. (See Figure 53.)

There is little doubt that the emergence of the ALF industry has had a major impact on the demand for nursing home beds. The growth of ALFs in the 1990s corresponds with a decline in the growth rate of the nursing home industry. For non-Medicaid participants, assisted living is an affordable, more appropriate alternative to nursing home care.
There is evidence that in Florida, a significant proportion of ALF residents exceeds the minimum acuity criteria for nursing home placement. The estimates of this proportion vary from a low of 20 percent to a high of 30 percent. Based on these estimates, it is possible that nearly 20,000 potential nursing home patients are served in assisted living facilities at substantial savings to the state. In contrast to the nursing home industry, most ALF residents are private pay.

The concept of allowing elders to age in their own communities and avoid nursing home placement has led to several innovative programs. For example, with the assistance of the Department of Elder Affairs’ Coming Home Program, public housing authorities have recently begun to explore and utilize assisted living as way to serve their elder-housing consumers.

Currently, there are three housing authorities in Florida that have successfully licensed assisted living facilities. By combining federal housing subsidies with available assisted living programs in Florida, these housing authorities are able to provide assisted living services to low-income, subsidized housing consumers who, without services, would be at-risk of displacement or nursing home placement. Many other housing authorities have also expressed an interest in pursuing assisted living facility licensure.

Adult family care homes represent another assisted housing option for Florida’s elders. As with ALFs, adult family care homes provide housing, meals and personal services to frail elders and disabled adults. The primary differences between assisted living facilities and adult family care homes are that adult family care home providers must reside in the same home as the residents they serve, and adult family care homes are limited to a maximum of five residents. On December 1, 2003, there were 452 licensed adult family care homes in Florida. Public funding for this housing option is limited to the Optional State Supplementation (OSS) and Assistive Care Services (ACS) programs.

Although significant efforts are being made to increase elders’ access to supportive services, as individuals age and become frail, their need for a more supportive environment increases. If elders do not have access to affordable assisted living options,
nursing homes become their only alternative. Without extending such options to lower-income and rural elders, there will be an increase in the number of households forced prematurely into institutional settings at a higher cost.

**System Fragmentation**

Florida's long-term care system involves a complex array of programs, services and priorities, all with varying funding streams. This complexity can be challenging as consumers become more involved in care decisions. Many different state agencies have one or more long-term care functions. It is not uncommon for several agencies to be involved when a person receives publicly funded long-term care.

**Innovative Programs**

Florida is seeking a better system of long-term care that will contain costs, improve outcomes and increase consumer satisfaction. Developing a system that focuses on prevention and provides care in the least restrictive setting will involve the coordination of acute and long-term care services to ensure that services are targeted optimally. Another approach is Consumer Directed Care (CDC). CDC empowers consumers to decide what they will need and who will provide the services.

**Consumer Directed Care**

The CDC program is authorized under a Medicaid 1115 Research and Demonstration waiver, which allows the state maximum flexibility in program design. Consumers already enrolled in a home and community-based waiver program are given the opportunity to manage a budget that is based on the value of the home and community services they were receiving. The consumers then hire caregivers of their choice who, unlike in traditional waivers, do not have to be enrolled Medicaid providers and can be family members. DOEA implemented the program for elders in various areas of the state, achieving measurable success in improving consumer satisfaction and attaining cost neutrality compared to the traditional home and
community-based service waiver model. During its 2002 session, the Florida Legislature authorized expansion of the program to other areas of the state.

**Home Care for the Elderly**

Another program that increases consumer autonomy is Home Care for the Elderly (HCE). Under HCE, caregivers receive a monthly cash subsidy that can be used for any purpose. The subsidy is relatively small, but since it is targeted to the poorest caregivers, its impact is substantial.

Consumer Directed Care and HCE are different in several respects. CDC is a Medicaid program and provides the customer with spending authority that can only be used to purchase HCBS. Also, the customer/provider relationship is mediated by a “fiscal intermediary” who makes payments and retains tax deductions from payments made to the nontraditional providers. The amount of the monthly allowances under CDC is comparable to those provided under the existing traditional Medicaid HCBS program. On the other hand, the HCE subsidy is much smaller but can be used for any purpose, including paying for groceries, utility bills, non-medical supplies, etc. The HCE subsidy is a straight cash payment to the caregiver. Internal DOEA estimates suggest that HCE provides a savings of almost five dollars in nursing home costs per dollar spent by the program.

The Department of Elder Affairs is also pursuing models to integrate services in nontraditional locations, such as public housing. To facilitate aging in place, the department is seeking alternatives to augment traditional approaches and settings. Portability of payment, such as having vouchers individuals can use for any provider, including assisted living facilities, adds to the flexibility of options and creates greater consumer satisfaction.
Managed Care Approaches

Managed care is a strategy to maximize the use of long-term care resources. An important aspect of managed care is the integration and case management of long-term care social and medical needs. There is evidence that medical in-home care can either substitute for non-medical home and community-based services or boost their positive effects. The net effect is that federal Medicare dollars substitute or boost the effects of state Medicaid funds. Therefore, integration of services reduces the use of state funds by substituting Medicaid waiver services with Medicare health care services or by reducing the incidence of negative fiscal outcomes, such as hospitalization or nursing home placements.

Access to Long-Term Care

Access to services and choice of care options can be limited by numerous factors, such as the payer source, immediacy of need, knowledge of care options and availability of care options within the community. People who have not had experience with the system are often unaware of the challenges faced by frail elders entering the system.

Early planning can make the long-term care process easier and help elders to receive preferred care options when care is needed. Pre-planning can also reduce unnecessary expenditures incurred as a result of premature and inappropriate institutionalization. Education for elders and their caregivers can provide the foundation for informed choices, resulting in cost-effective service delivery and increased consumer satisfaction.

Accessing information on services and choice options can be confusing. Many entities provide limited information about social services which can help individuals enter and progress through the system. Hospitals, Community Care for the Elderly lead agencies, mental health providers, public housing offices, Department of Children and Families, nursing homes and assisted living facilities are a few examples.
Access to each may be limited, depending on where the elder lives or is receiving acute care. To help simplify access to information and referral services, the Department of Elder Affairs created the Elder Helpline. A statewide toll-free number can connect elders with the resources to meet their needs. National elder care information sources have also been developed. The Elder Care Locator provides referrals anywhere in the country through a single toll-free number. The Internet has also increased information availability throughout the country.

End Notes


2. County Level 2002 data provided by the Department of Elder Affairs Research Unit. Based on Census 2000; Florida Legislature Office of Economic and Demographic Research.


