

UTAH  
COMMISSION  
ON AGING

# Aging in Utah:

Avoid Crisis

Maximize Opportunity

Annual Report  
2007-2008



## Executive Summary

*“A tsunami is building and ready to hit future generations, but this one won’t be set off by earthquakes or other natural disasters. Instead, it will be a fiscal calamity created by the failure of government and business leaders to deal with the financial drain of millions of retiring baby boomers.”*

David Walker, U.S. Comptroller General

The Utah Commission on Aging shares Mr. Walker’s view of the impending demographic change that will take place in Utah and across the nation: the change could be a “fiscal calamity.” But it will be a calamity *only if* government and business leaders fail to address the coming changes. Although Utah is the youngest state in the nation, it must still address its aging population because of the unique dynamic of a stable and substantial number of children combined with a doubling aging population, which could spell calamity for the state’s economy and budget.

As it did at the end of its first year, the Commission views as keystones to an optimistic future as the state ages:

- ◇ Financial security among all Utahns
  - Promote retirement savings
  - Retain older workers who are nearing retirement age
  - Protect the accumulated assets by prosecuting financial exploitation
- ◇ Effective health care system for older adults and those in need of long-term care
  - Improve coordination of care for individuals with multiple chronic illnesses
  - Address workforce shortages of health care providers who serve the aging population
  - Develop an advance health care planning system that allows individuals to seek or decline care at times when they can no longer speak for themselves
  - Provide systems for surrogate decision making for individuals lacking surrogates and lacking decision making capacity
  - Plan for the inevitable growth in the need for paid long-term care providers
  - Support community caregivers
- ◇ Comprehensive, one-stop information and referral source

**“ Between 5.3 and 8.4 million Americans have already launched “encore careers,” positions that combine income and personal meaning with social impact. ”**

Civic Ventures

## Executive Summary

During the 2007-2008 fiscal year, the Commission on Aging:

### Utah 2030

- Completed **Utah 2030: State Government Prepares for an Aging Utah**

### Financial Security

- In collaboration with AARP Utah, published ***Take Charge of Your Future Now: Utah's Resource Guide for Lifetime Financial Security***
- Developed a financial security evaluation plan to assure that interventions are effective
- Explored older worker retention interventions

### Health Care

- Linked University of Utah Community Clinics with Salt Lake County Aging Services to develop a formal relationship to allow patients' needs for non-medical supports and services to be met
- Is considering ways of addressing workforce shortage of health care providers serving older Utah
- Educated more than 1000 health care and legal professionals about the new Utah Advance Health Care Directive Act
- Worked with government agencies and private entities to assure that the state has an effective advance health care planning system that works seamlessly across settings
- Obtained funding for advance care planning education and outreach to ethnic and minority communities
- Considered options to address the need for structures for surrogate decision making for individuals who lack capacity and who also lack a surrogate decision maker by assessing the scope of the problem
- Participated in the Utah Judicial Council's Ad Hoc Committee on Probate Law and Procedure, helping to update the state's guardianship laws
- Developed a long-term vision for a long-term care system that will accommodate increasing numbers of individuals who need long-term care
- Compiled data to better understand Utahns' current need for long-term care services

### Elder Abuse and Financial Exploitation

- Studied law enforcement officers' understanding of Utah's elder abuse and financial exploitation laws to determine where to target future educational and policy efforts

### Information and Referral

- Collaborated with 2-1-1 Information and Referral to assure that Utah has an effective, easily accessible source of information about the services available to older Utahns

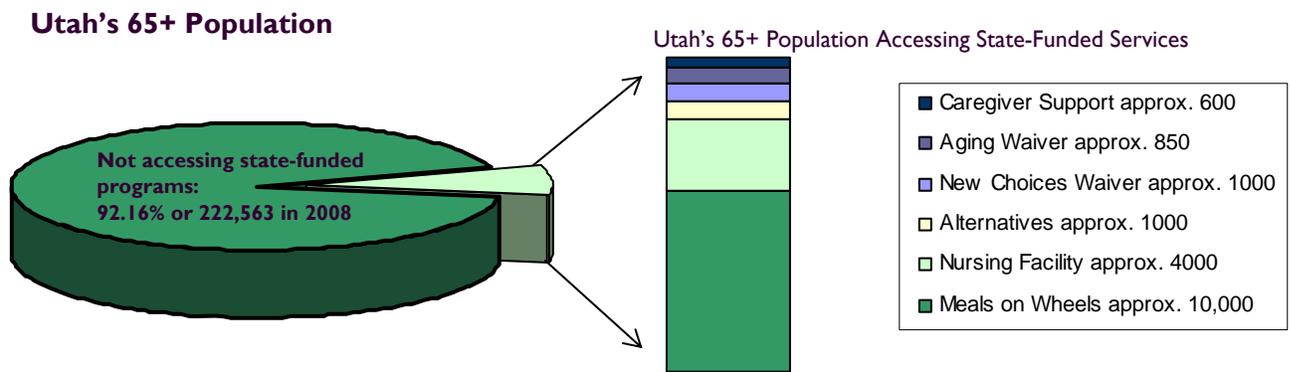
## Baseline Assumptions

- Utahns value community, family, and independence.
- Utah's aging population will create both opportunities and challenges.
- Public sector safety nets are necessary to support the most vulnerable of the aging Utahns.
- The private sector must play a role in assuring that Utah benefits from its aging population.
- Preventive measures can reduce the financial impact that the increase in the aging population will impose on the state.
- Utah must continually strive to assure that every public dollar spent on aging individuals provides the maximum benefit to the recipient at the most reasonable cost to the state

## The State of Utah's Older Citizens

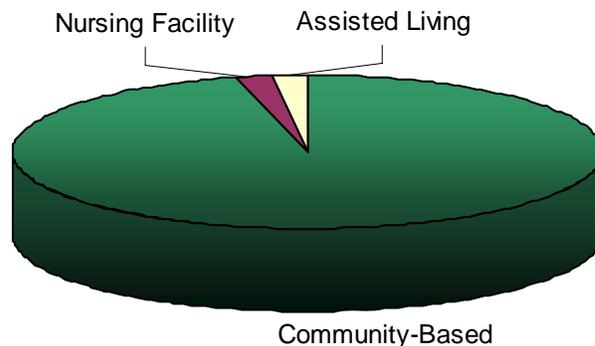
As we consider how to prepare for the aging of Utah's baby boomers, it is instructive to consider how older Utahns are faring under current private and public systems. The following is a review of available data that gives us a window through which to view the lives of older Utahns.

**The vast majority of Utahns aged 65 and older live without state-funded services.**



Source: DAAS and DHS data titled "Continuum of Care for Seniors Who Need Long-Term Care" 2008.

**Most older Utahns live in their homes.**



Source: Utah Department of Health and U.S. Census Bureau Projections (2005)

**Aging Utahns are largely independent, optimistic, and satisfied with their lives.**

## The State of Utah's Older Citizens (continued)

**Many older Utahns report that their health is above average or excellent.**

*How would you rate your overall health, using a 1 to 7 scale, with one meaning 'very poor' and 8 meaning 'excellent?'*



Most older Utahns view themselves as healthy and are satisfied with their lives.

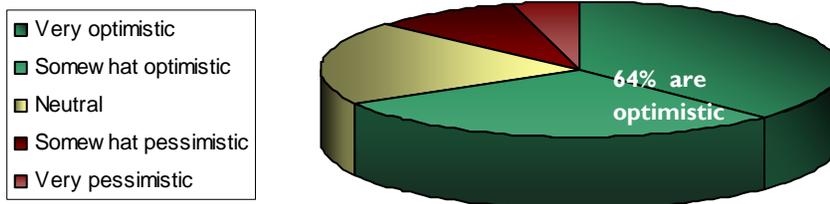
**Older Utahns are satisfied with their lives...**

*Overall, how satisfied are you with your life and general situation right now?*



**...while many, but fewer are optimistic about the next 10-15 years.**

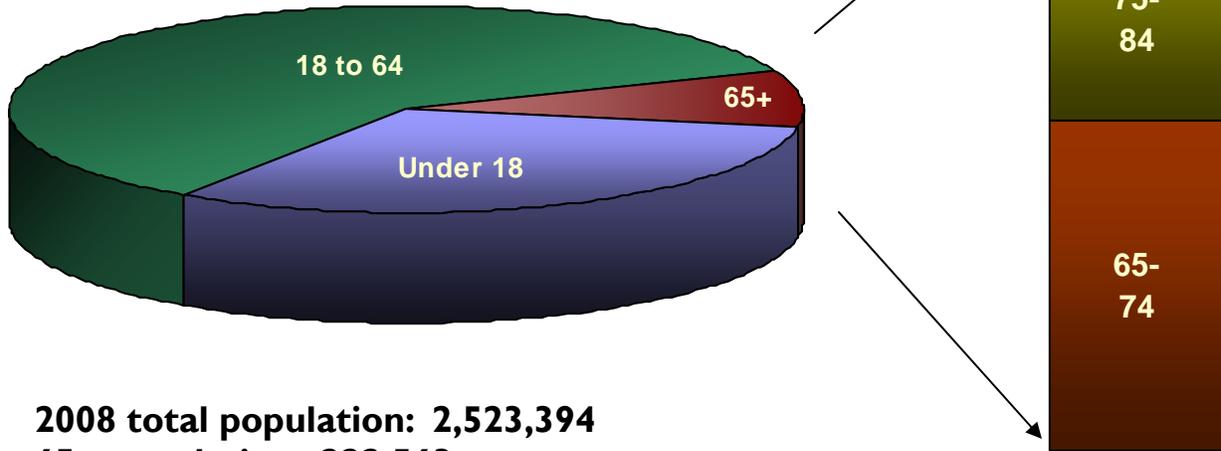
*When you look to the next 10-15 years, do you feel optimistic or pessimistic?*



Source: CareSource Foundation Survey, conducted in 2007 by Dan Jones and Associates.

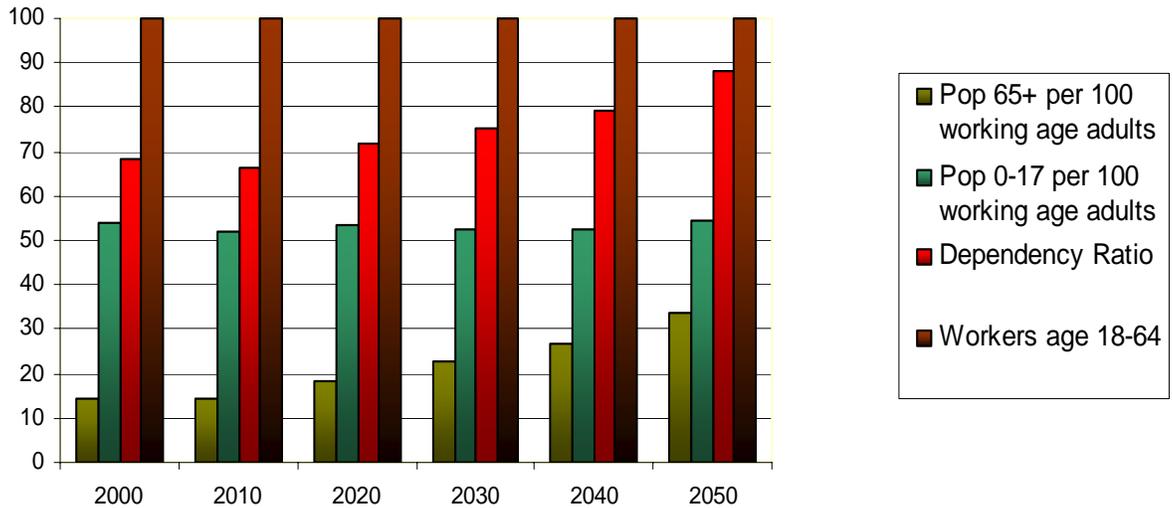
**The Numbers**

**Utah 2008 Population Estimate**



**2008 total population: 2,523,394**  
**65+ population: 222,563**  
**85+ population: 30,566**

**Utah's Dependency Ratio 2000 to 2050**



The dependency ratio is the ratio of individuals aged under 18 and over 64 to individuals age 18-64. The higher the dependency ratio, the higher the burden on the working age population.

Source: U.S. Census Bureau, State Population Projections, [Interim Projections 2000-2030 based on Census 2000 \(released 2005\)](#)

## Economic Impact of Baby Boom Aging

*“Over the next few decades, the U.S. population will grow significantly older, a development that will affect our society and our economy in many ways. In particular, the coming demographic transition will create severe fiscal challenges.... A failure on our part to prepare for demographic change will have substantial adverse effects on the economic welfare of our children and grandchildren and on the long-run productive potential of the U.S. economy.”*

Federal Reserve Chairman, Ben S. Bernanke

Federal Reserve Chairman, Ben Bernanke, frames the economic impact of baby boomer retirees as a question of intergenerational transfer: ideally it will be an intergenerational transfer of wealth, but, absent planning, it will be a transfer of debt. “[T]he decisions that we make over the next few decades will matter greatly for the living standards of our children and grandchildren. If we don’t begin soon to provide for the coming demographic transition, the relative burden on future generations may be significantly greater than it otherwise could have been.”

[The Coming Demographic Transition: Will we treat future generations fairly?](#) Federal Reserve Chairman Ben S. Bernanke, Speech to the Washington Economic Club, Washington, D.C., October 4, 2006.

The most widely discussed concern about the impact of the baby boom retirements on the economy concern the question of whether the federal budget can bear the weight of entitlement programs for seniors, including Medicare, Medicaid, and Social Security. These issues are matters of federal law, largely outside of the control of individual states. Other consequences, however, have the potential to directly impact individual states. For example:

1. “Productivity growth may slow, as older, more experienced workers are replaced with younger, less experienced workers.”
2. Increased tax rates needed to meet increased demands for programs and services to support the aging baby boomers could impact investment, slowing productivity growth.
3. Negligible or “negative personal saving rates will limit capital formation and productivity growth.”

[As Boomers Slow Down, So Might the Economy](#), Kevin Kliesen, Federal Reserve Bank of St. Louis, *Regional Economist*, July 2007.

**“Decisions that we make over the next few decades will matter greatly for the living standards of our children and grandchildren.”**

Federal Reserve  
Chairman Ben  
Bernanke

## Economic Impact of the Aging Baby Boom (continued)

### Addressing Economic Impacts

While Utah, the youngest state in the nation, can expect to be less burdened than states with older populations, baby boomer retirements are already impacting Utah state government agencies and industries from health care to aerospace engineering, where shortages are already being felt.

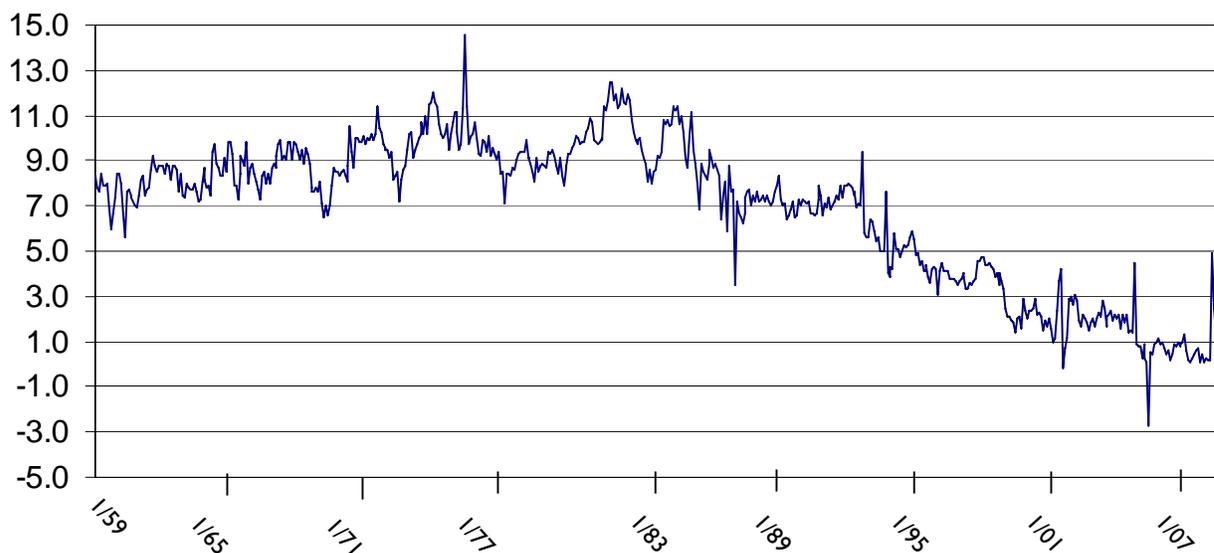
Chairman Bernanke recommends the following to proactively address possible negative impacts of the aging baby boom population:

- ◇ Increase personal savings through financial education
- ◇ Increase participation in the labor force

### Increase Personal Savings Rate

Improving the personal savings rate “would benefit both the economy and the millions of American families who currently hold very little wealth.” If the baby boomers “consume less and save more” the financial burden on future generations will be no greater than it would have been without the baby boom. As the following figure shows, however, the personal savings rate has sunk to its

### Personal Savings Rate\*



Economic Research, Federal Reserve Bank of St. Louis, [PSAVERT](#), accessed 9/25/08.

\* The Personal Savings rate is the amount of income not spent in a given period.

## Economic Impact of the Aging Baby Boom (continued)

The national savings rate is grim, and there is little to suggest that Utah's savings rate is substantially better than the national rate. Efforts to promote financial literacy within the state could, however, pay off and help Utah to better weather the coming demographic change. Commission on Aging initiatives addressing these issues are addressed in the Financial Security section in this report.

### Increase Labor Force Participation Among Older Workers

Another state-level intervention that Utah can explore to minimize any adverse impacts of the aging baby boom is to consider ways to increase the labor force participation of older workers. The benefits of this approach are threefold:

1. The worker benefits from additional years of income, improving the individual's financial outlook in retirement, and potentially lessening the financial burden on subsequent generations,
2. Phased retirement can help ease the feared productivity losses described on page 7 by allowing a transition period between young workers and experienced older workers, and
3. Keeping older workers in the state workforce will address shortages that are already being seen in many government departments.

Some of these changes may occur naturally, but the state can and should track retirement trends and should take available opportunities to encourage employers to adopt

## Financial Security

Now, as the oldest boomers near retirement ... approximately two-thirds of early boomer households, who are aged 54 to 63, are financially unprepared for retirement – that is, they have not accumulated enough savings to maintain their lifestyle as they age. Meanwhile, their predicament is worsening with the fall in home values and stock prices that began in 2007.

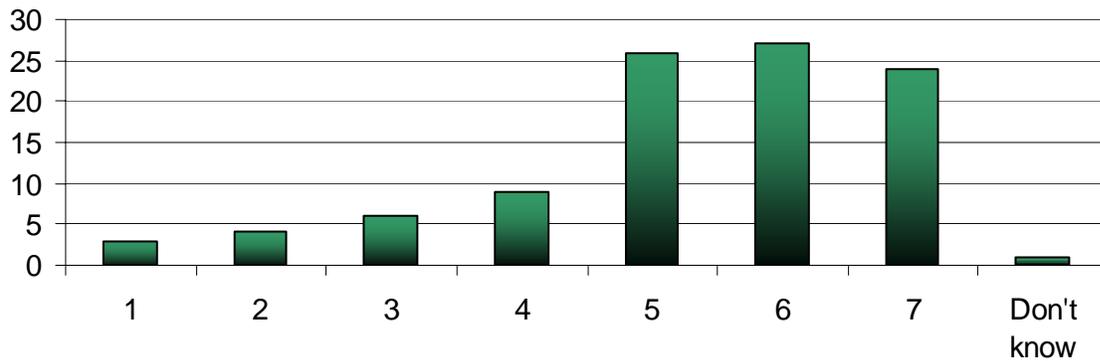
[For Baby Boomers, Retirement Likely to Include a Job](#), Doug Bates, Kalamazoo Gazette, August 18, 2008

If Utahns do not save sufficient funds for retirement, the burden on state government will increase.

But “financial illiteracy is widespread among older Americans: only half of the age 50+ respondents could correctly answer two simple questions regarding interest compounding and inflation, and only one-third correctly answered these two questions and a question about risk diversification.” [Financial Literacy and Planning: Implications for Retirement Wellbeing](#), Annamaria Lusardi & Olivia S. Mitchell, October 2006.

Most Utahns age 55+ living on the Wasatch Front (77%) viewed themselves as financially prepared for retirement.

*How financially prepared are you for retirement, using a 1-7 scale, with one meaning not at all prepared and 7 meaning very prepared?*

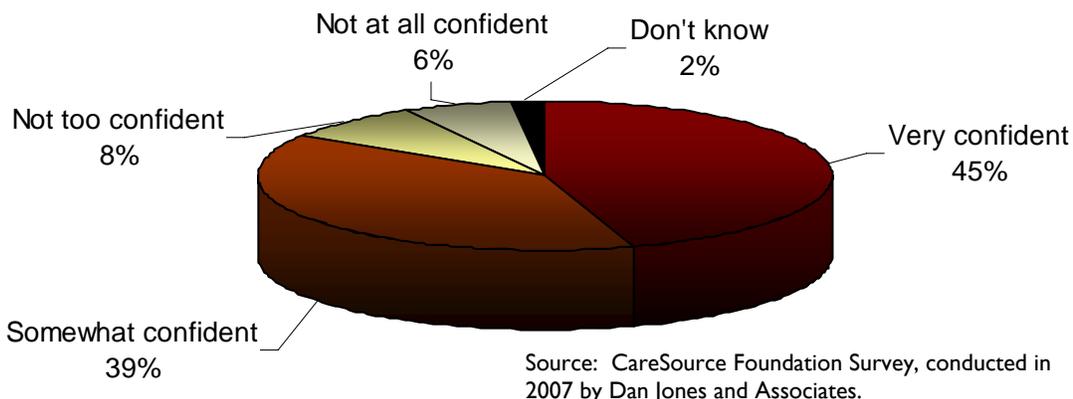


Source: CareSource Foundation Survey, conducted in 2007 by Dan Jones and Associates.

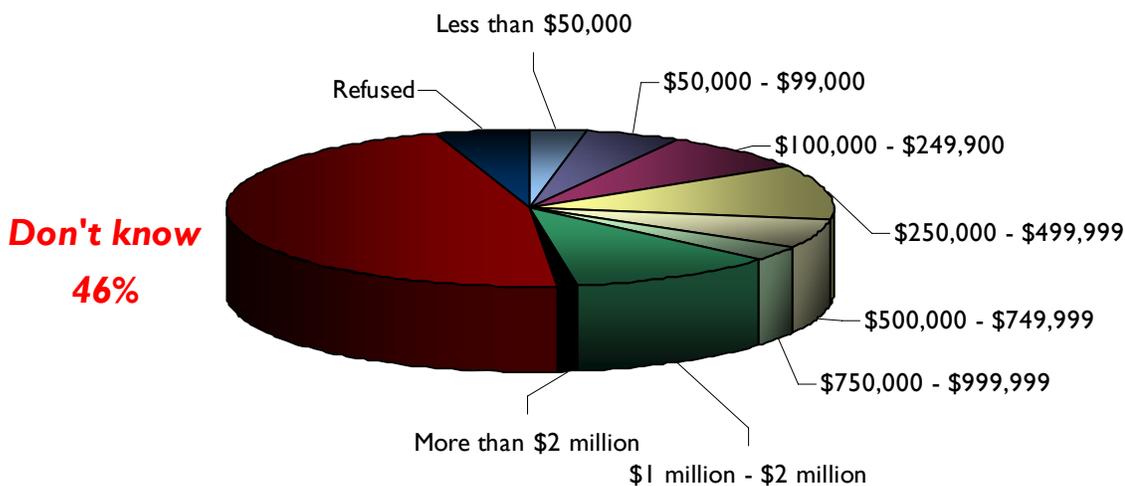
### Financial Security (continued)

Eighty-four percent of those polled reported that they were “somewhat” or “very” confident that they would have what they would need for retirement.

*How confident are you that you will actually have the amount you will need for retirement?*



Because older individuals tend to be optimistic, the survey asked other questions about financial security to assess whether the self-perception was correct. We therefore asked individuals about how much they thought they needed to save for retirement.. A remarkable 46% replied “don’t know.”



Source: CareSource Foundation Survey, conducted in 2007 by Dan Jones and Associates.

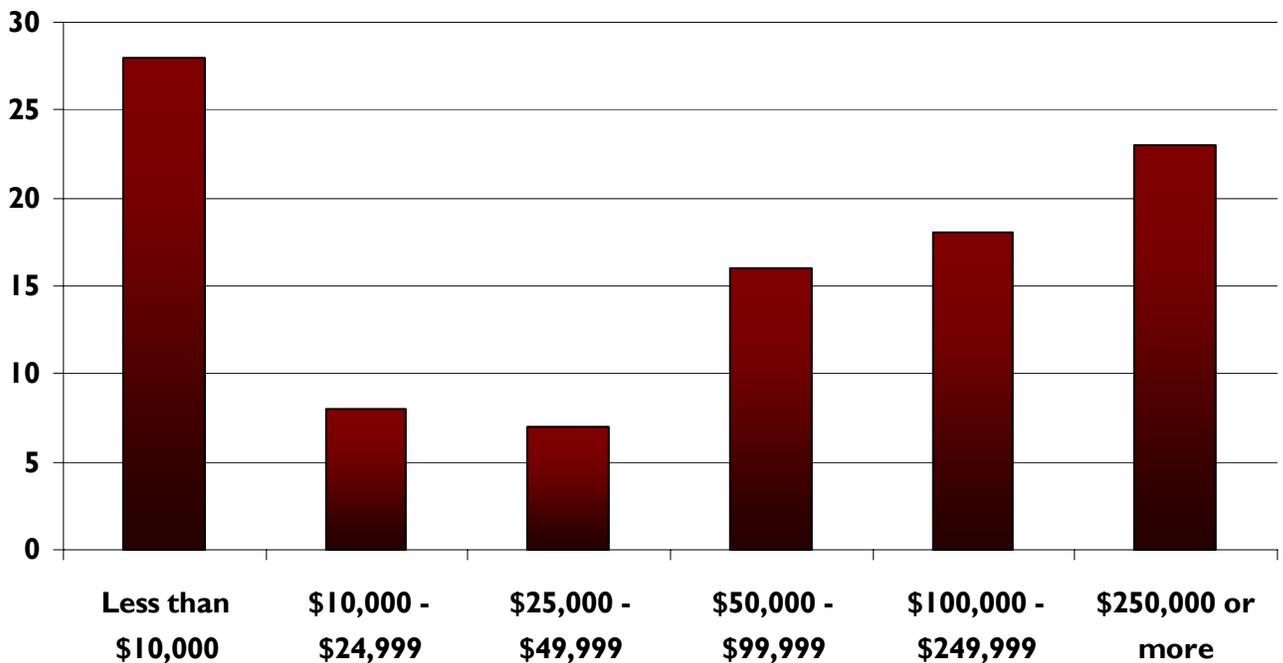
## Financial Security

*“Lack of knowledge [about financial status] appears to have real consequences. One study compared the wealth and investment patterns of people who had received financial education at work with the patterns of those who had not, finding that financial education was associated with higher savings and higher wealth (Lusardi 2004). Such findings underscore that educating people about retirement planning makes a difference in how well they plan.”*

Lusardi & Mitchell, id.

National data further highlights the disconnect between optimism about retirement financing and savings.

**Reported Total Savings and Investments of Workers Age 55+**  
 (not including value of primary residence or defined benefit pension plans)



Source: *Saving for Retirement: How Much is Enough? Fast Facts from EBRI*, # 90, July 9, 2008, Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2008 Retirement Confidence Survey.®

## Financial Security (continued)

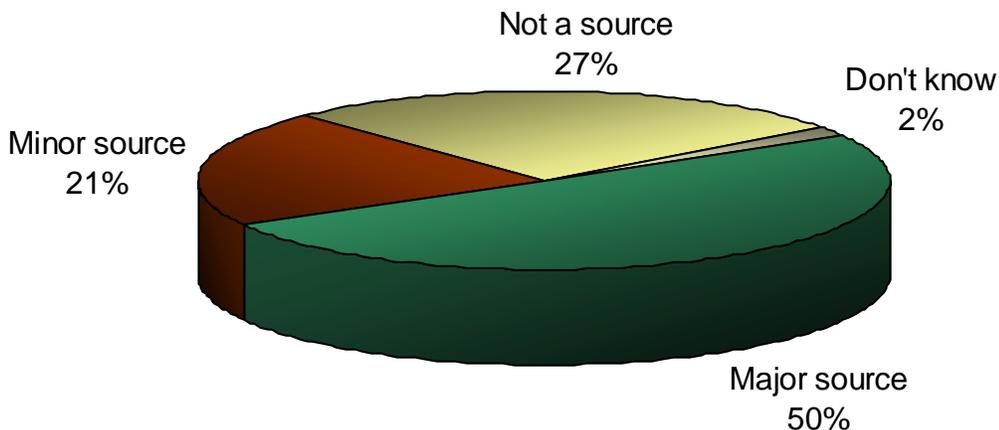
The Employee Benefits Research Institute, EBRI, has found “that American workers may be slow to recognize how the U.S. retirement system is changing, and those who are aware...may not be adapting to them in ways that are likely to secure them a comfortable retirement.” *The Retirement System in Transition:*

The 2007 Retirement Confidence Survey, by Ruth Helman, Mathew Greenwald & Associates; Jack VanDerhei, Temple University and EBRI Fellow; and Craig Copeland, EBRI

For example, the report notes that 41 percent of workers say they or their spouse have a defined benefit pension plan, while 62 percent expect that they will receive income from such a plan.

In the 2007 CareSource Foundation Survey, 71% reported that a pension plan will be a source of income during retirement. While some of this high number may be explained by already-retired individuals who retired prior to the decline in defined benefit pension plans, the numbers also suggest that Utahns, like the rest of the nation, are expecting income that they will not receive.

*Based on your own expectations, will [a pension] be a major source, minor source, or not a source of your income during retirement?*



Source: CareSource Foundation Survey, conducted in 2007 by Dan Jones and Associates.

## Financial Security: Commission on Aging Analysis and Action

### Improving financial literacy

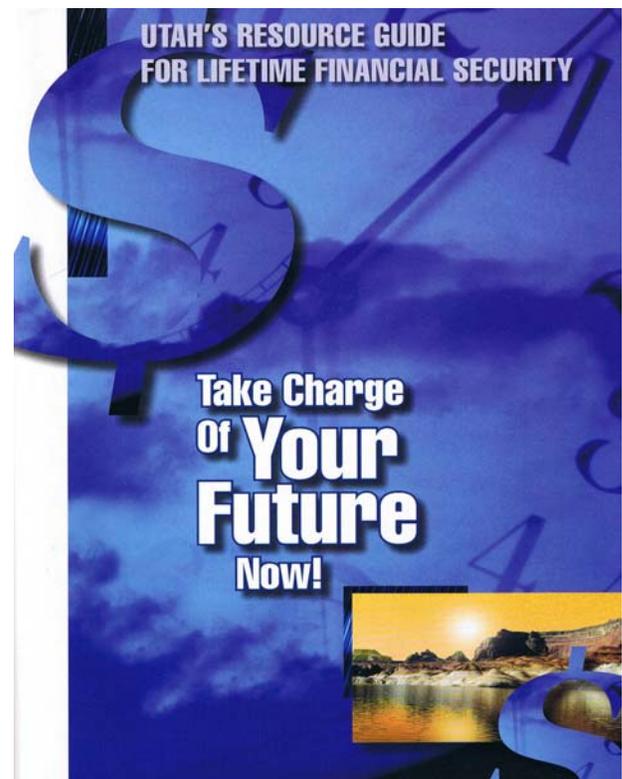
Throughout the literature addressing financial security and the aging population, from the economists to the aging advocates, financial literacy training is recommended.

A study conducted for the Social Security Administration found “that financial knowledge and planning are clearly interrelated.” Included in the findings:

- ◇ Those who displayed financial knowledge were more likely to plan and to succeed in their planning
- ◇ Those who did plan were more likely to rely on formal methods such as retirement calculators, retirement seminars, and financial experts
- ◇ Those who display higher financial literacy are more likely to save and invest in complex assets, such as stocks.

Lusardi & Mitchell, supra.

The Commission on Aging’s Financial Security Special Committee identified improved financial literacy, especially saving for retirement, as its primary objective. A scan of resources revealed that there are few tools directed at saving for retirement that are not sales-driven. Every financial institution has materials about saving for retirement, but those materials are selling products, and consumers lack the trust in information that would lead them to take action and save for retirement and the cost of long-term care.



## Financial security: Commission on Aging Analysis and Action

### Actions

- ◇ Collaborated with AARP Utah to produce Take Charge of your Future Now! Utah's Resource Guide for Lifetime Financial Security
- ◇ Offering workshops at employer sites introducing the need to save for retirement and presenting the Guide
- ◇ Collaborating with United Way's Utah Saves program, Utah State University, and AARP Utah to design an evaluation plan to assess the effectiveness of these interventions
- ◇ Actively seeking support for initiatives to increase retention of older workers in industries and job categories that are or are project to suffer shortages, such as nursing and engineering
- ◇ Exploring policy changes that would better protect aging individuals from loss of assets through financial exploitation (see Public Safety, infra)
- ◇ Offering LifeLong Learning course on planning for retirement through the University of Utah Division of Continuing Education

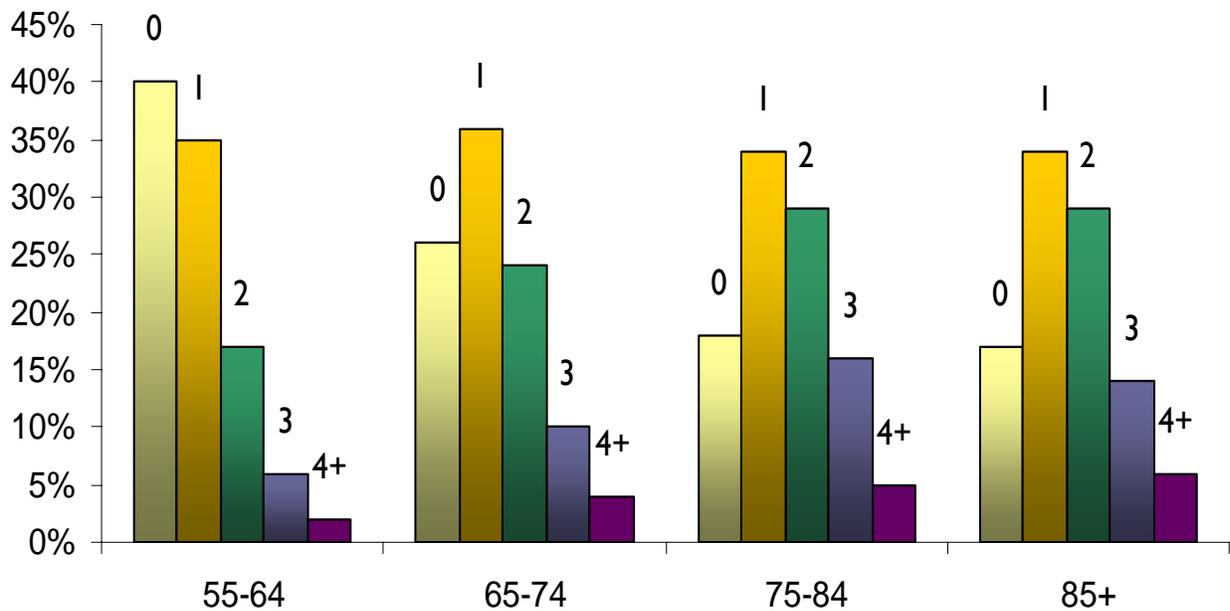
<b>CONTENTS</b>	
<b>Planning Fundamentals</b>	
2	Evaluating Your Net Worth
3	Budgeting Your Income and Expenses
5	Your Goals and Objectives
<b>Assessing and Managing Risk</b>	
6	Health Insurance
12	Long-term Care Insurance
14	Social Insurance Programs
	Social Security
	Medicare
	Medicaid
19	Disability Insurance
20	Life Insurance
22	Auto Insurance
23	Homeowner Insurance
25	Umbrella Liability and Floater Insurance
<b>Building and Managing Assets</b>	
26	Savings Accounts and Certificates of Deposit
28	Annuities and Insurance Company Savings Products
30	Employer Retirement Programs and IRAs
34	Investment Fundamentals
36	Investment Types
	Money Market Funds
	Bonds
	Stocks
	Mutual Funds
	Other Investments
43	Managing Investment Risk
<b>Preserving and Protecting Assets</b>	
46	Retirement Planning
48	Estate Planning
50	Planning for Incapacity
54	Consumer Protection
56	Seeking Professional Advice
60	Consumer Tips
<b>Appendix: Utah and National Resources</b>	

- ◇ Applying for CMS/AOA "Own Your Future" program promoting planning for the cost of long-term care, which has been shown to be an effective approach to changing individual savings behavior

### Health Care: Chronic Conditions

The problems in the health care system, such as lack of coordination among medical specialists, that affect all Utahns can be particularly devastating for aging individuals.

As people age, they suffer increasingly from health problems. Among the 85+ population, 83% have one or more potentially serious health problems. The following table list the percentage of those suffering from the following conditions: hypertension, diabetes, cancer, bronchitis/emphysema, heart condition, and stroke.



Source: *Growing Older in America: The Health and Retirement Study*, NIA, NIH, USDHHS, 2004, Chapter 1, Figure 1-3

The number of Americans who will suffer functional disability due to arthritis, stroke, diabetes, coronary artery disease, cancer, or cognitive impairment is expected to increase by at least 300 percent by 2049.

#### Care of patients with multiple chronic conditions requires:

- ◇ Effective coordination of care among multiple specialists, often in multiple settings
- ◇ Partnerships between providers and community agencies serving the aging population

## Health Care: Chronic Conditions

### *Addressing the Needs*

- ◇ **Care Management Plus:** The Commission on Aging has worked with Intermountain Health Care and HealthInsight to explore the viability of a care management model that has been shown to be highly effective in reducing the disease burden while managing the cost burden on physician offices. Research on the Care Management Plus model has shown that, for patients with complex chronic illness assigned a care manager:

- ◇ Odds of hospital admission rates were reduced by 24-40%
- ◇ Death is reduced by over 20%

Physician offices meeting certain criteria were able to increase productivity, showing that the model is financially viable in certain settings.

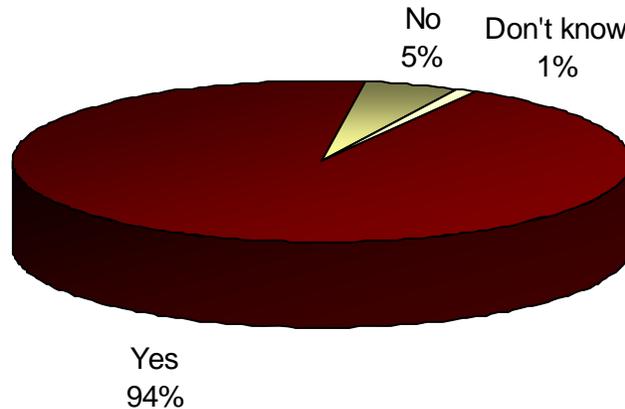
The Commission is exploring options to expand the use of this program in new settings.

- ◇ **Community Collaboration:** The Commission has worked to link the University of Utah Community Clinics with Salt Lake County Aging Services to provide a responsive relationship that allows the health care providers to make referrals for community supports when appropriate.
- ◇ **Pharmaceutical Management:** The Health Care Special Committee is exploring projects that would help individuals in the community have access to assistance in evaluating drug appropriateness and possible drug interactions.

## Health Care: Access to Insurance

In contrast to long-term care insurance, most of the 65+ population has good overall health coverage because most are covered by Medicare. 94% of adults age 55+ on the Wasatch Front that were polled reported “adequate health care coverage” in 2007.

*Do you currently have adequate health care coverage?*



Source: CareSource Foundation Survey, conducted in 2007 by Dan Jones and Associates.

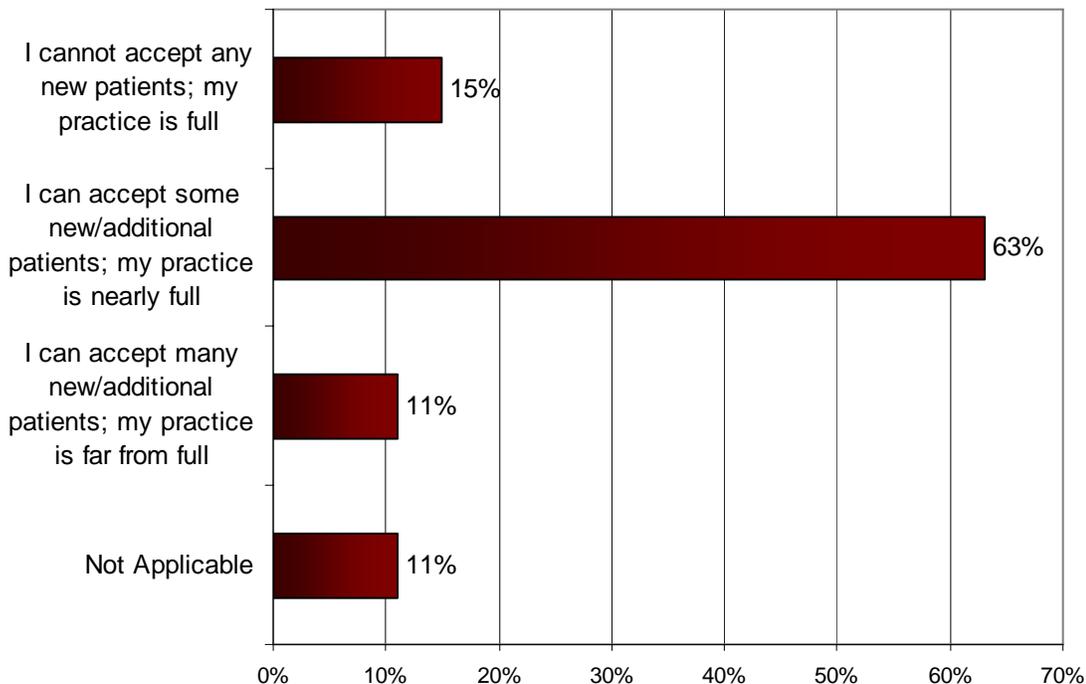
The Health and Retirement survey found similarly high rates of health insurance coverage, though it shows that coverage rates decline among ethnic and minorities, unmarried individuals, and those age 55 to 64 who are not working for pay. For example, 35.6 percent of unmarried Hispanic individuals age 55 to 64 who are working for pay lack health coverage. This percentage drops to 30.9 among the same population of individuals who *are not* working for pay. At age 65 and above, the coverage rates increase dramatically for all cohorts, though black and Hispanic married individuals fall behind single individuals in rates of coverage.

Source: *Growing Older in America: The Health and Retirement Study*, NIA, NIH, USDHHS, 2004, Chapter 1, Table 1-2

### Health Care: Access

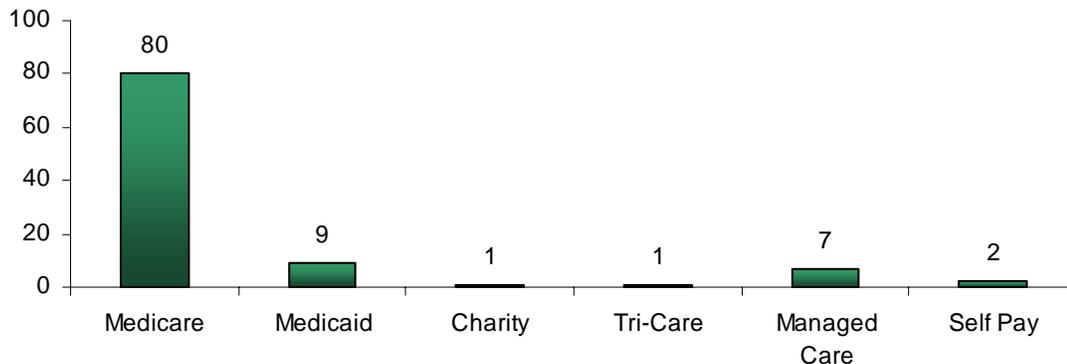
Although access to health insurance is quite good in populations of individuals who are eligible for Medicare, access to care that is tailored to the geriatric population is a challenge in Utah. According to the most recent report issued by the Utah Medical Education Council, geriatrician practices are among the fullest in the state.

**Geriatrician Practices in Utah**



Source: Utah Medical Education Council

One explanation for the shortage of geriatricians is low Medicare reimbursement rates for physician care. Most geriatric patients in Utah are covered by Medicare.



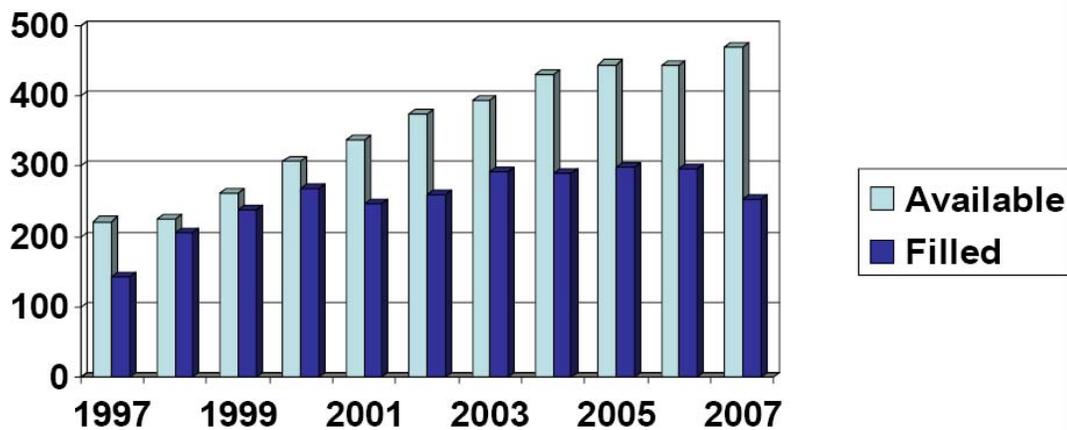
Source: Utah Medical Education Council

## Health Care Workforce

Geriatricians are among the lowest-paid specialists, both nation wide and in Utah. In Utah geriatricians make about the same as internal medicine and family practice physicians, but geriatricians have at least one year more of fellowship training than primary care physicians.

Although Utah has, in recent years, been successful at recruiting students for its geriatric fellowship program at the University of Utah, the number of fellowships filled is declining.

### First-Year Geriatric Medicine Fellowship Positions



Source: Retooling for an Aging America: Building the Health Care Workforce, IOM, April 2008

The Institute of Medicine recommends that state and federal governments provide financial incentives to increase the number of geriatric specialists in every health profession. Specific recommendations include:

- ◇ increase payments for clinical services
- ◇ develop awards to increase the number of faculty in geriatrics and
- ◇ establish programs that would provide loan forgiveness, scholarships, and direct financial incentives for professionals who become geriatric specialists

**The nation needs to move quickly and efficiently to make certain that the health care workforce increases in size and has the proper education and training to handle the needs of a new generation of older Americans.**

Retooling for an Aging America: Building the Health Care Workforce, IOM, April 2008

## Health Care Workforce

### ***Addressing the Needs***

To improve the supply of health care providers with specific training to address the needs of geriatric patients, the Commission has taken the following actions:

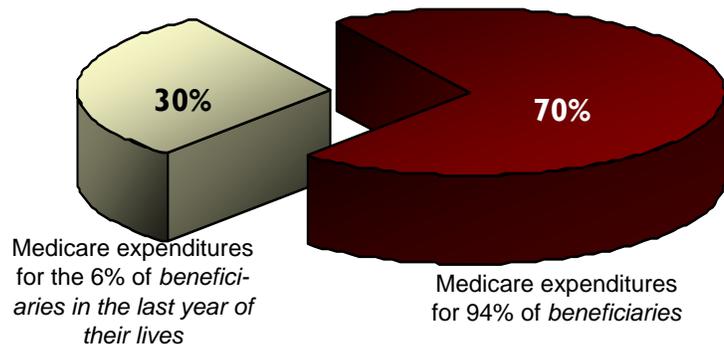
- ◇ Formation of a Utah chapter of the American Geriatrics Society as a way to bring together health care professionals, including physicians and allied health care providers
- ◇ Recommending legislation for loan forgiveness for professionals with specialty training in geriatrics who serve geriatric patients. The program will be modeled on rural health care provider loan forgiveness programs

## Advance Health Care Planning

Beginning several decades ago, states started to pass “Living Will” laws like Utah’s Personal Choice and Living Will Act. The laws allowed individuals to decline life-sustaining care in advance of a time when such care might be necessary, and under limited circumstances. In the decades since these laws were passed, substantial research has been done on the effectiveness of the living will. Unfortunately, the research has consistently shown that traditional living wills do not work. See *Enough: The Failure of the Living Will*, Fagerlin & Schneider, Hastings Center Reports 34, no. 2, 2004.

In its first year, the Commission on Aging formed an End-of-Life Care Committee that included nurses, physicians, social workers, and attorneys from many different health care settings, including hospitals, nursing facilities, home health, and hospice. This committee identified as its primary objective developing a system that would remove existing barriers to honoring patient end-of-life care wishes.

Although cost savings were not a driving force in the legal changes, the committee recognized that, while some suggest that Medicare and other programs might limit the provision of aggressive life-sustaining care, the committee thought there may be cost savings because individuals who do not want aggressive life-sustaining interventions have a legal avenue that will allow them to decline unwanted care.



Source: Last Year of Life Study, Calfo, Smith, Zezza, CMS Office of the Actuary, 2002.

The committee used the vast experience of the committee members plus the objective research findings to develop a new Advance Health Care Directive form. A second committee of attorneys with representatives from health care settings went to work on drafting a comprehensive bill to stand behind the form.

Prior to the legislative session, we circulated the bill to stakeholder groups, ranging from disability rights groups, religious organizations, and seniors, reviewing it with hundreds of individuals. The Utah Advance Health Care Directive Act was finalized, and was introduced by Sen. Allen Christensen during the 2007 legislative session. Although advance directive legislation is potentially controversial, the bill passed unanimously and was signed into law by Governor Jon M. Huntsman.

Utah now has the most sophisticated, nuanced, evidence-based directive law in the U.S.

## Advance Health Care Planning

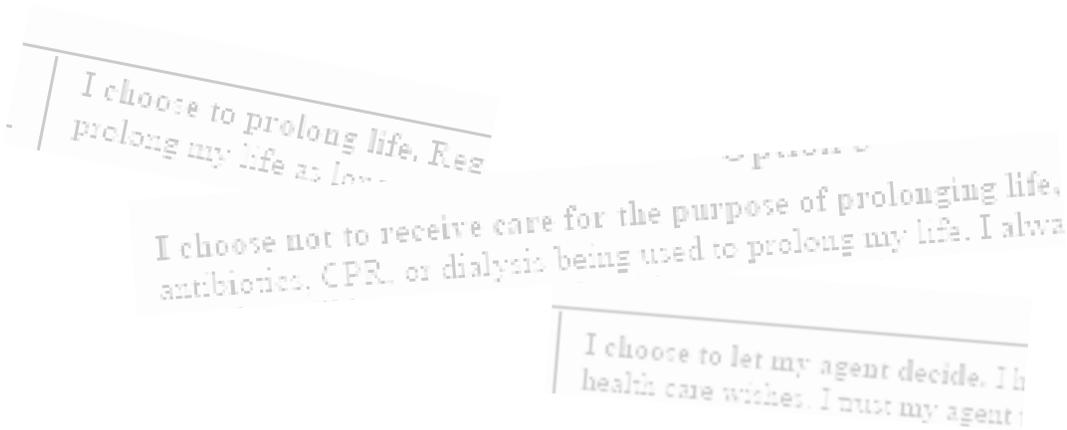
### Features

The new **Advance Health Care Directive Form** should be completed by **every Utahn age 18 and older**.

- ◇ Encourages individuals to appoint a health care agent, which has been shown to be the best way to improve the odds that end-of-life care wishes will be honored
- ◇ Clarifies the responsibility and authority of appointed health care agents
- ◇ Gives individuals **choices** among end-of-life care options
- ◇ Barriers to making the document legal, meant to be protective to the individual but often just a burden to the individual wishing to complete a directive, were removed.

“This law will make it easier for me to provide the care that my patients want.”

Utah Physician



The **Advance Health Care Directive Act** clarifies the roles and responsibilities of health care agents, surrogate decision makers, and health care providers involved in the care of an individual facing a life-threatening condition.

Specifically, the Act:

- ◇ Puts the patient at the center of inquiry by clarifying that the decisions made on behalf of a patient should be based on what the patient would want under the circumstances
- ◇ Establishes a hierarchy of family members and friends who can serve as health care decision makers for patients who lack health care decision making capacity
- ◇ Emphasizes the individual’s right to make health care decisions and establishes a process to follow when a provider finds that the patient lacks capacity
- ◇ Allows EMS providers to decline to provide life-sustaining care to an individual when 9-1-1 is called, but only when specific documentation is completed

And more...

## Advance Health Care Planning

### Implementation

Passing the law was only the first step in developing an advance health care planning system for the State of Utah.

- ◇ Provided 2-day intensive advance health care planning facilitator training to 100 individuals including attorneys, nurses, social workers, and state employees; another session will be offered in the fall
- ◇ Commission on Aging and Salt Lake County Aging Services has provided in-service education to more than 1000 health care providers, state-wide, including sessions in Logan, St. George, and Kanab, as well as in Utah County, and Salt Lake County
- ◇ Upcoming training and public meeting scheduled for Washington County
- ◇ Served as Utah liaison for National Health Care Decisions Day, recruiting community partners including Intermountain Health Care, KUED 7, Utah Division of Aging and Adult Services, and other public and private agencies, which made directives available to clients, patients, patient families, and employees
- ◇ Salt Lake County and the Utah Medical Association have distributed more than 10,000 of the new forms
- ◇ Working with Utah Department of Health to involve health care providers and health care attorneys in the process of implementing the Life with Dignity Order, which will document specific patient preferences about end-of-life care in a transferable physician order
- ◇ Commission on Aging, Division of Aging and Adult Services, and Salt Lake County Aging Services have provided educational sessions to the public
- ◇ Obtained \$10,000 grant to provide outreach and education about the directives in ethnic and minority communities around the state
- ◇ Development of a satisfaction survey is in process
- ◇ Applying for additional funding to support research into the efficacy of the new system
- ◇ Established "UtahDirectives.org," a web site providing a form that can be completed on line, then printed and signed.

## Mental Health

Mental illness raises difficult issues regardless of the age of the individual suffering from this devastating condition. When mental illness is added to the burdens that can accompany aging, such as cognitive and physical decline, the problems can seem insurmountable. The Commission's Mental Health Special Committee is addressing the following issues:

### Mapping the Options

Even professionals working in the aging field have difficulty understanding and navigating the mental health system for the mentally ill elderly. For individuals suffering from mental illness and their families and friends, finding help and resources is like scaling Mt. Everest.

The Mental Health Special Committee is beginning to tackle this issue by developing a map of the options for the mentally ill elderly in Utah.

### Guardianship

Guardianship is a legal process that allows one individual or entity to take over responsibility for the affairs of a person who lacks the ability to manage finances, living arrangements, health care, etc. Although autonomy is a fundamental principle of American society, we agree that some people become so unable to manage their own affairs that we must take away autonomy, giving the power to make decisions to another.

Utah's guardianship law is in need of an update. The State of Utah Judicial Council's Ad Hoc Committee on Probate Law and Procedure is revising the guardianship code to assure that individual rights and the need for protection are balanced appropriately and carefully. The Commission on Aging serves on the Ad Hoc Committee and its Mental Health Special Committee has provided information to the Ad Hoc Committee about how the guardianship code and the civil mental health commitment codes could better dovetail to avoid duplication and gaps.

## Mental Health (continued)

### Health Care Decision Making

The Mental Health Special Committee has also been focused on an issue that became more prominent with the implementation of the Advance Health Care Directive Act: How should health care decisions be made for individuals who lack health care decision making capacity and who also lack a surrogate decision maker?

#### Examples

**Mrs. Smith, 87**, lives in a nursing facility where she has lived for 5 years; she was unable to care for worsening dementia after her husband died. She can speak, but her mind lives on the farm in central Utah where she was raised. Mrs. Smith is quite healthy, although she has suffered from gall bladder problems.

The physicians agree that she needs gall bladder surgery. They also agree that she lacks the cognitive capacity to either give or withhold consent for surgery. They are between a rock and a hard place: they can treat without consent, or they can decline to treat, waiting until the condition threatens her life, then they can treat under the emergency exception to the requirement for informed consent. Neither option is good.

**Mr. Jones, 74**, needs cataract surgery — his declining vision is becoming a hazard. He was never married and no one knows of family or friends. He is developmentally disabled, but lived successfully in supported housing and worked for a janitorial service for much of his adult life. He lives in an assisted living facility. The RN for the assisted living facility schedules the surgery, but when he arrives, the CNA who brought him to the surgery center, is asked to sign the consent for surgery form. She refuses, saying that Mr. Jones “is his own guardian.” The physician, who has concluded that Mr. Jones lacks the capacity to consent to surgery, refuses to perform the surgery.

**Mrs. Edwards, 80**, is at the end of her life, living in a nursing facility. She hasn’t meaningfully communicated with anyone for a year, since a stroke. She has no known friends or family. She is suffering from an infection that everyone agrees will be fatal. The doctor describes her as “rotting from the inside out.” The facility policy is that all patients will receive CPR and be transferred to a hospital unless the patient or a legal surrogate has agreed in writing to a “Do Not Attempt Resuscitation” order. Her heart stops, facility staff give chest compression until the paramedics arrive. Like the nursing facility, the hospital’s policy is that you give all available treatment unless the patient or a surrogate agrees in writing to a “DNAR” order. They get her heart beating, but she is on a ventilator. She dies in the ICU a week later.

**Mr. Hart, 68** has struggled with schizophrenia his entire life. A lifetime of heavy smoking has left him with life-threatening circulatory problems; his leg needs to be amputated. The amputation will leave him with many years of life; failure to amputate will result in death over a number of weeks. At times, he consents to the surgery because “a new leg will grow back and I will be able to walk.” Other times he declines surgery because “it’s a good leg and you want to take it so you can give it to someone better.” Physicians agree they he is not able to consent, but they also do not want to let him die.

## Mental Health (continued)

In each of these cases, both patients and providers fall into a legal black hole. Ethics committees can help the providers by providing an ethical analysis, but ethics committees have no legal authority that protects a provider acting in accordance with an ethics committee recommendation. Providers are put in positions where they are forced to choose between options, all of which might be unethical or, worse, illegal.

### Actions:

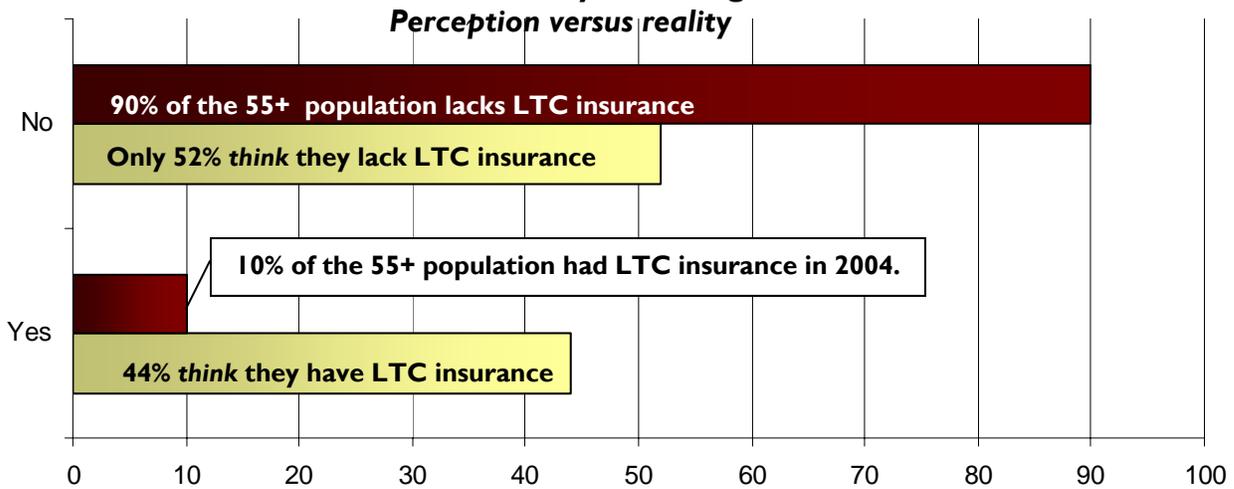
- ◇ The Commission considered legislation to create community-based surrogate decision making committees with the legal authority to consent to or withhold consent for treatment, modeled on a program in Iowa; the Mental Health Special Committee concluded that additional investigation was needed before proceeding with legislation
- ◇ The Committee has drafted a survey to be sent to health care facilities around the state to estimate how many individuals living in licensed facilities in Utah are facing these issues
- ◇ The results of the survey, which will be administered by the end of 2008, will be used to develop a policy strategy to address the needs of this very vulnerable population

### Long-Term Care (continued)

#### The Costs: Who Pays?

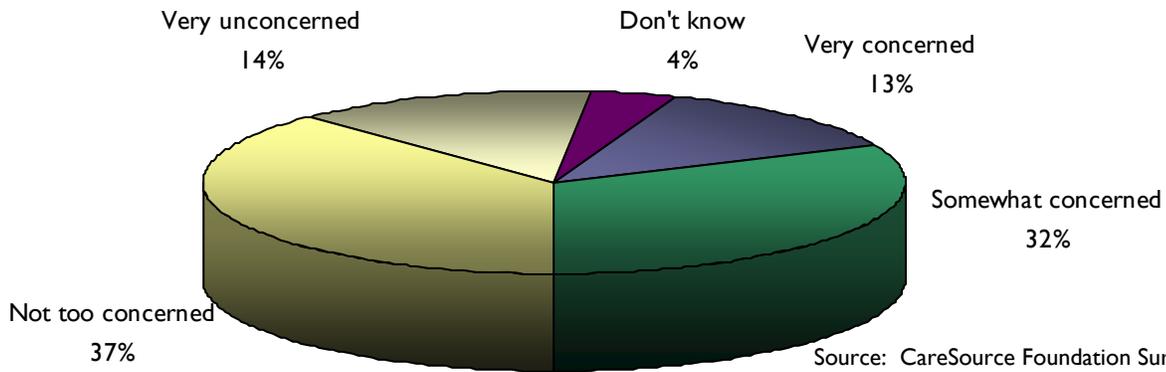
Unfortunately, the public’s understanding of long-term care insurance serves as a very painful example of the tremendous gap between reality and how individuals understand the reality of whether they are covered by private insurance or public programs. A comparison of the CareSource Foundation Survey and national data about the rates of long-term care coverage highlights some of these gaps.

**Percent of Individuals who currently have long-term care insurance:**



Source: CareSource Foundation Survey; State Innovations to Encourage Personal Planning for Long-Term Care, NGA Center for Best Practices, Issue Brief, June 18, 2004.

In a related question, the CareSource Foundation study gives further reason for Utah policymakers to worry about getting the state’s aging population to plan for the costs of long-term care. While the vast majority of Utahns could not afford the cost of nursing facility care, or even intensive personal or home health care, for more than a few months, only 13% are “very concerned” about their ability to cover the costs of this type of care.

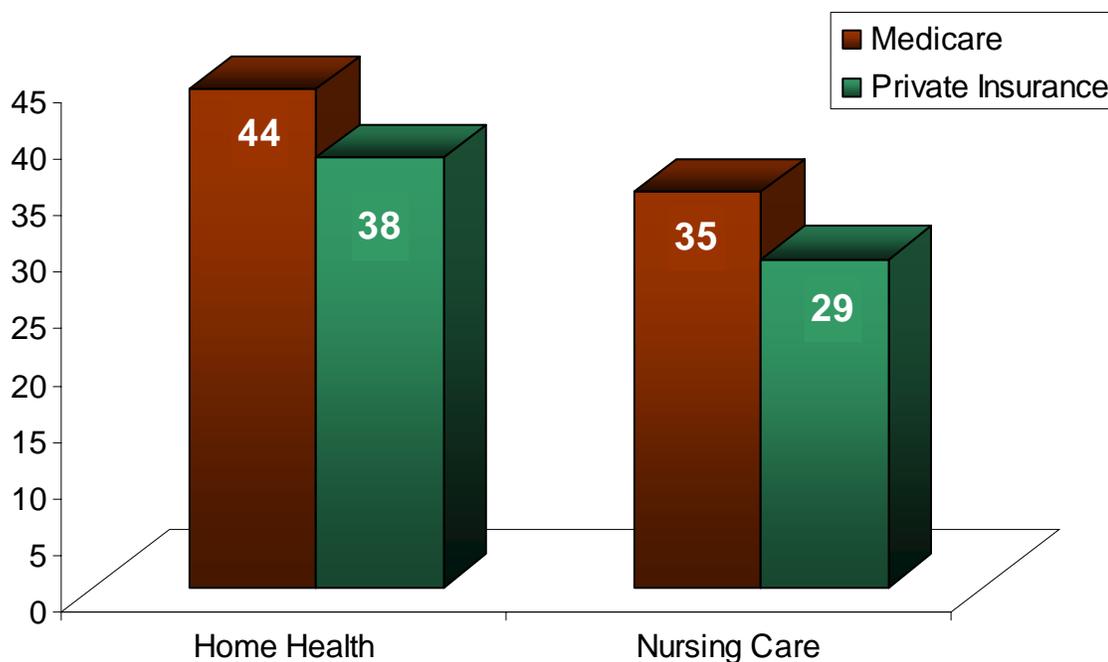


Source: CareSource Foundation Survey, conducted in 2007 by Dan Jones and Associates.

### Long-Term Care (continued)

One source of the misunderstanding of who pays concerns Medicare. The vast majority of U.S. Citizens age 65+ are the beneficiaries of the federal Medicare program. Medicare provides coverage for physicians, hospitalization, and tests and procedures. While it sometimes covers care in a nursing facility or home health care **for the purpose of rehabilitation and for a limited time**, it does not cover long-term care costs. Private health insurance has similar limitations.

**Percent of older Wasatch Front residents who incorrectly think Medicare and private insurance will cover the cost of long-term care**



*Too many aging Utahns think, incorrectly, that Medicare will cover the costs of long-term care. It is estimated that 1/5 of all older adults will incur more than \$25,000 in out-of-pocket long-term care costs before they die.*

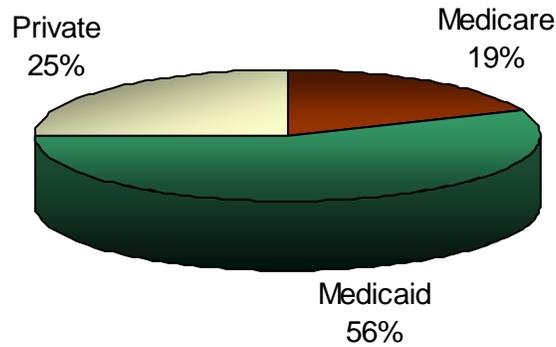
Johnson et al., supra

Source: CareSource Foundation Survey, conducted in 2007 by Dan Jones and Associates.

### Long-Term Care: Paid Care

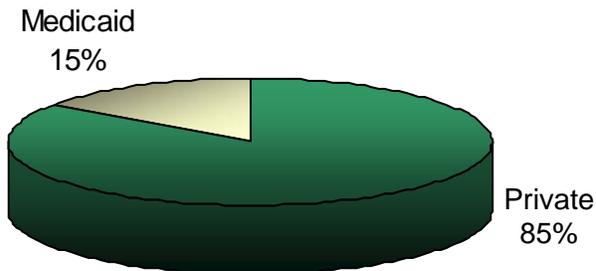
In Utah, the majority of nursing facility care is paid for by Medicaid.

#### Payor source for nursing facility residents in Utah 2005



In contrast, the vast majority of care in assisted living is private pay.

#### Payor source for assisted living residents in Utah



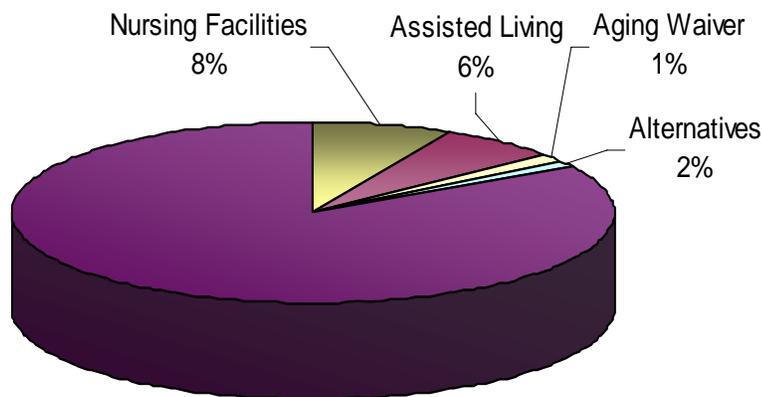
Utah Department of Health, Health Facility Licensing and Medicaid

## Long-Term Care: Community Based Care

One estimate suggests that, in 2008, approximately 65,000 Utahns need assistance with one or more activities of daily living.

### Utahns age 65+ in need of assistance with one or more ADL

Needs assistance with ADL(s), but unknown level of services in the community 83%



### Caregivers

The vast majority of long-term care is unpaid care provided by informal caregivers, such as friends or family, but as family structure changes in coming decades, individuals may more often need to pay for long-term care, whether in the home or in an assisted living or nursing facility.

Utah's Caregiver Support Program assists 500 to 600 caregivers each year, with education, information and referral, and respite.

Utah's policymakers must consider whether there are effective ways to assure that caregivers can and will continue to support family and friends in need of assistance. While some of the population in need of assistance who are not in facilities or on community-based support systems might have the funds to pay for the care that is currently being provided, the vast majority do not.

If the number and availability of caregivers decline, as projections suggest they might, the impact on state government and the other paid infrastructure could be devastating.

Missing from the ... debate [about Social Security and Medicare] is a serious examination of long-term care provided by nursing homes, home health agencies, personal care attendants, adult day care programs, assisted living facilities, and family and friends.

Johnson et al. supra.

## Long-Term Care

Long-term care raises many questions:

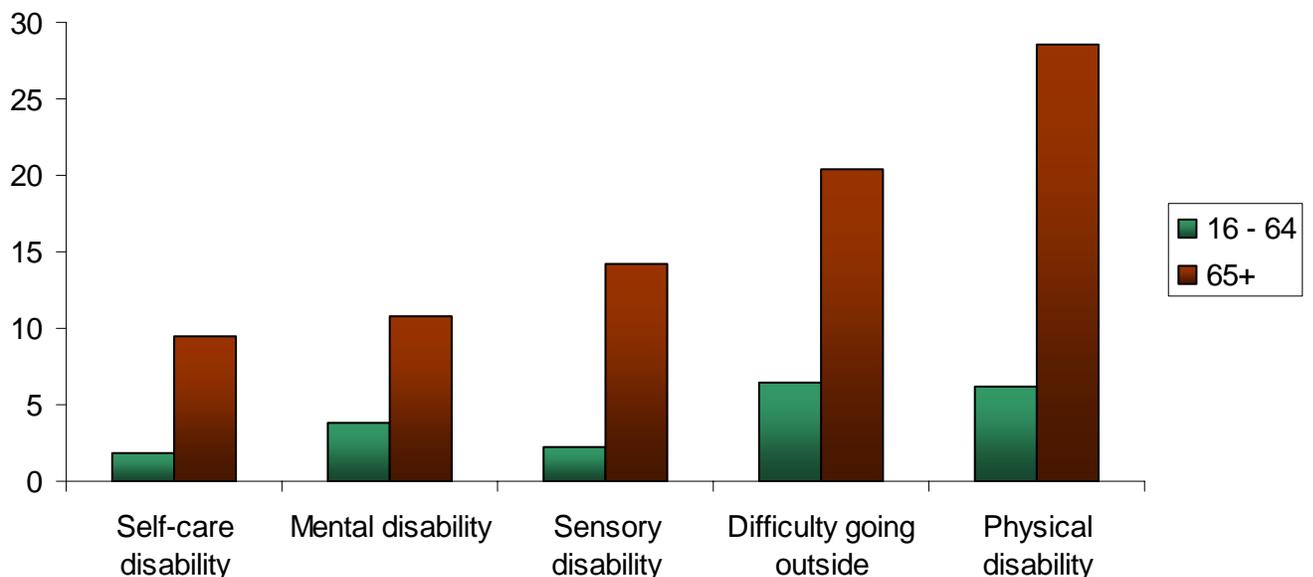
- ◇ How many people will need long-term care in the future?
- ◇ What is included in long-term care?
- ◇ Who provides and pays for long-term care?
- ◇ Where should care be provided?
- ◇ Can the culture of facility-based care be changed to improve the quality of life of residents?
- ◇ What is the proper role for the state in supporting caregivers, funding care, and regulating long-term care provider?

### What does “Long-Term Care” mean?

Long-term care is typically provided to individuals who need assistance in:

- ◇ Activities of daily living, which include bathing, dressing, using the toilet or caring for incontinence, transferring to or from bed or chair, eating
- ◇ Instrumental activities of daily living, which include preparing meals, managing money, shopping for groceries or personal items, performing light or heavy housework, using a telephone

The following table shows how the rates of different types of disabilities that may lead to the need for long-term care rise dramatically after age 65.

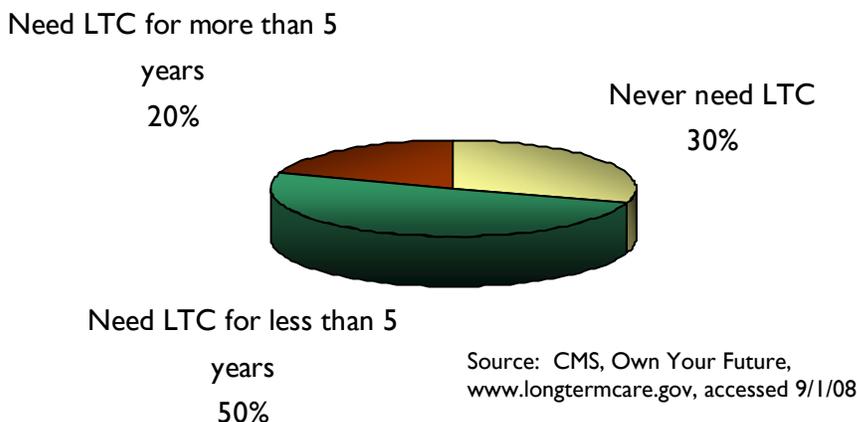


Source: Disability Status: 2000, U.S. Census Bureau Brief, Issued March 2003

### Long-Term Care (continued)

According to the federal government, on average, today's 65+ population will need long-term care for 3 years. Own Your Future at [www.longtermcare.gov](http://www.longtermcare.gov).

#### Projected LTC needs of today's 65+ population

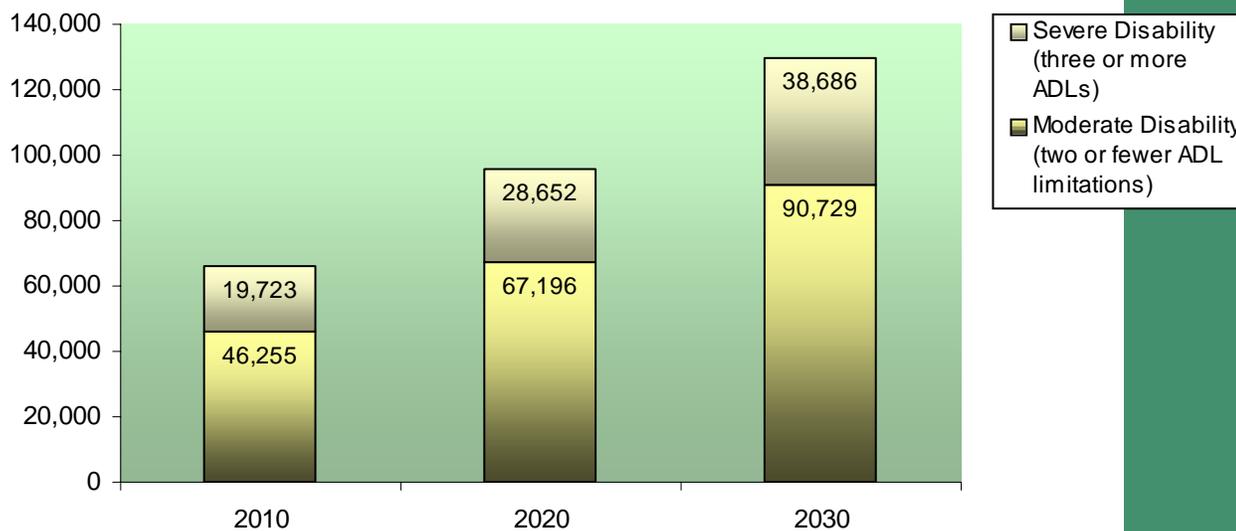


The future demand for long-term care depends heavily on how old-age disability rates evolve over time.

*Meeting the Long-Term Care Needs of the Baby Boomers: How Changing Families Will Affect Paid Helpers and Institutions*, Johnson, Toohey, and Wiener, 2007

Using national projections, the following chart shows the number of older Utahns projected to need long-term care through 2040.

#### Utahns Age 65+ Projected To Need Long-Term Care 2010 to 2030



Source: Disability rate projections from *Meeting the Long-Term Care Needs of the Baby Boomers: How Changing Families Will Affect Paid Helpers and Institutions*, Johnson, Toohey, and Wiener, 2007, Utah population projections from U.S. Census Bureau

## Long-Term Care: Recommendations

In the summer of 2007, the Commission convened a Long-Term Long-Term Care Special Committee. The charge to this committee was to develop a vision of what Utah's long-term care should look like in 2030.

In short, the vision is:

***Functional, caring communities, quality services, and effective safety net programs.***

1. Strong prevention services will be available. The state will promote healthy behaviors and access to affordable routine and preventive health care will be available.
2. An efficient and effective system will provide a comprehensive array of care. Many options will allow choice of setting and smooth transitions among integrated aspects of life, including housing, transportation, health care, social engagement, work, and civic engagement.
3. The system will balance support from family and professional caregivers.
4. Community design and infrastructure will support aging in place and will limit barriers to those in need of long-term care, with urban planning addressing the need for long-term care.
5. Innovative facility design enhances the quality of life. Strive for community based centers that are home, not institutional, settings. All facilities maximize dignity, privacy, personal choice, and life experiences.
6. The regulatory environment focuses on quality of life and quality of care, and is consistent across settings.
7. Technology facilitates independence, quality of care, and access to information
  - ◇ medication dispensers, motion sensors, emergency alert systems
  - ◇ internet allows access to information about care options and about public and private programs
  - ◇ telehealth is used to provide access to quality health care for those in rural communities and for the home bound
  - ◇ electronic health records improve the quality of long-term care
8. Care is coordinated and services and information are accessible: medical systems and advancements improve quality of life and quality of care, medical advances reduce the rate/term of disability
9. The public financing system meets the needs of those most in need and provides appropriate incentives for beneficiaries and providers:
  - ◇ Transparent public financing provides for those who truly need financial assistance
  - ◇ An effective "no wrong door" approach is in place
  - ◇ Eligibility rules do not discourage work
10. Innovative and collaborative private funding: private and public assistance are seamlessly integrated, and private options are available, and funding structures offer incentives for providers to provide and for individuals to receive the right care or support in the right place at the right time
11. Support for caregivers, who are recognized as an asset to the community, is available.
12. The long-term care workforce is trained, skilled, adequate to fill the jobs needed, and highly respected

## Long-Term Care: Recommended Principles to Guide Policy

1. The role of the state will be as provider of safety net services and law enforcement and as regulator of long-term care services. The state will also encourage and facilitate the creation of an infrastructure and systems that will provide options for long-term care across geographic settings within the state.
2. Public agencies, providers of services, and people in need of long-term care and their families are interdependent in their relationships.
3. The preferences, values, and needs of the person in need of long-term care shall guide services and supports.
4. The community will work to preserve and develop service options within allocated resources that those in need of long-term care choose and that meet their needs.
5. Legal structures should be in place to allow an individual with decision making capacity to choose a less protective setting and to protect family, providers, and agencies that support that choice. The person will assume relevant responsibility associated with the choices that he or she makes.
6. Choices that make claims on others may need to be negotiated to the mutual satisfaction of the parties involved.
7. The community will support people in need of long-term care participating in and contributing to the communities where they live.
8. People will be provided the most cost-effective services and supports of their choosing.
9. Families, friends, and community will be supported and encouraged to accept as much responsibility for care as is possible.
10. There will be systems in place to assure that quality services are provided.

## Long-Term Care: Recommendations

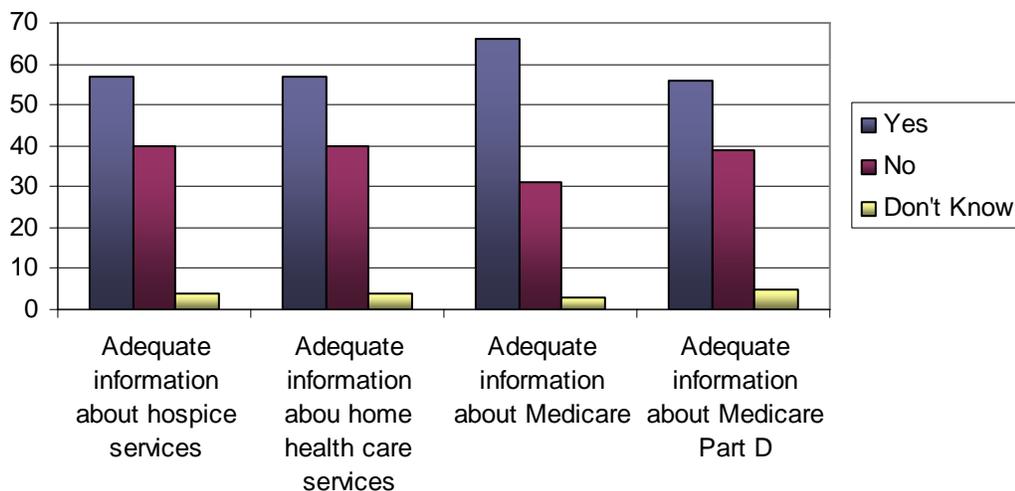
Immediate concerns of the Commission on Aging's Long-Term Care Committee include:

- ◇ Determine whether the data is available to understand today's needs for long-term care, and to make educated projections about future needs
- ◇ Shape policy to help achieve long-term objectives
- ◇ Assure that Utah's infrastructure is adequate to provide a continuum of care throughout the state, including in rural areas
- ◇ Promote financial literacy to encourage individuals to take responsibility for the costs of long-term care

## Information and Referral

Services are available in the private and public sectors to help those who become increasingly frail as they age, but, often, aging individuals and their caregivers do not know how to access those services. To assure a single, unduplicated, collaborative approach, the Commission has worked with 211 Information and Referral, along with other related agencies, to assure that existing systems will effectively serve Utah's aging population, allowing the continuum of care to work.

*“Do you have:”*



Source: CareSource Foundation Survey, conducted in 2007 by Dan Jones and Associates.

To address the information and referral needs of Utah's aging community and caregivers, the Commission has collaborated with 2-1-1 Information and Referral and the Area Agencies on Aging to assure that the statewide information and referral program understands and addresses the needs of Utah's aging population.

Specifically:

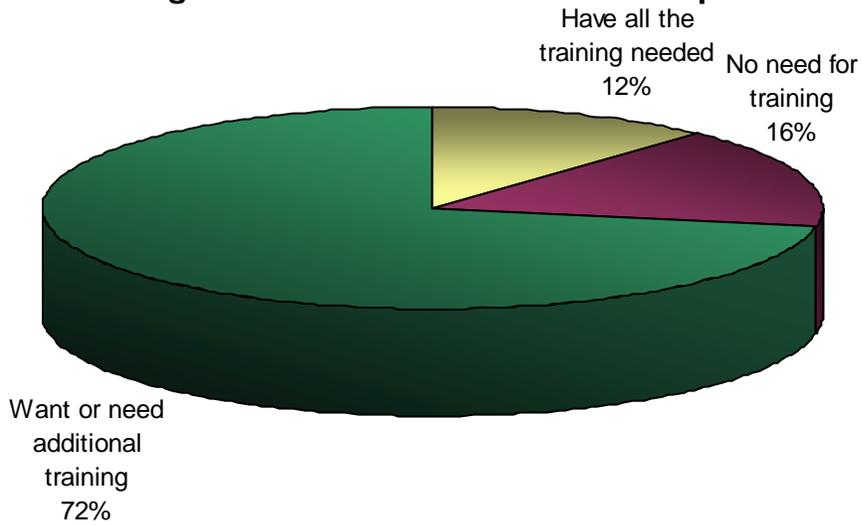
- ◇ 2-1-1 has changed its inclusion/exclusion policy to include for-profit providers — the majority of providers of long-term care to Utah's aging population — to provide a comprehensive, one-stop location for information and referral
- ◇ 2-1-1 is obtaining agreements with the Area Agencies on Aging to delineate responsibilities of the partners to assure that callers get the information they need
- ◇ 2-1-1 is sponsoring a media campaign to inform older Utahns and caregivers that 2-1-1 provides information and referral for seniors

### Elder Abuse and Financial Exploitation

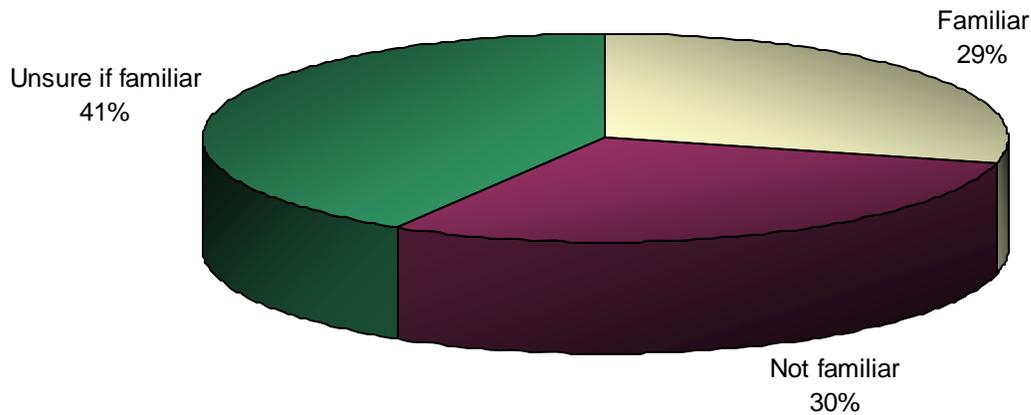
The Commission’s Public Safety Special Committee identified the need for information about how law enforcement officers view aging and whether they understand Utah’s elder abuse laws. The survey was drafted and was completed by 200 law enforcement officers in Salt Lake County.

The following charts and graphs show notable findings:

#### Officers need more training about elder abuse and financial exploitation:



#### Officers lack an understanding of the definition of elder abuse:



## **Elder Abuse and Financial Exploitation**

Answers to qualitative questions that asked officers to say what they would do in specific cases showed a widespread misunderstanding of Utah elder abuse law.

The committee is now considering the following actions:

- ◇ Provide more training for officers on elder abuse and financial exploitation
- ◇ Determine whether data can be obtained without legislative changes, and, if not, consider legislation to assure data collection on elder abuse and exploitation cases
- ◇ Consider how to form multidisciplinary committees to address cases with officers, APS, and prosecutors working together
- ◇ Consider a request for a dedicated elder abuse and exploitation prosecutor to be located in APS

## Utah 2030

In 2006, Governor Jon M. Huntsman asked each department in state government to participate in UTAH 2030. The project was designed to consider how the dramatic increase in Utah's aging population will affect state government. The process is designed to:

- Gain an understanding of Utah's changing demographics
- Project the impact of the aging population on each department's policies, programs, and operations
- Establish realistic and achievable short-term action steps for each department
- Create an optimal fit between the goods and services provided by state agencies and the needs of the people the agencies are serving.
- Minimize the burdens on state agencies caused by an aging population
- Maximize the benefits to the State of Utah of an increasing aging population

Following the completion of the Utah 2030 project, it is evident that departments in state government will be impacted by changing demographics coming soon to Utah. Through the hard work of designers from each department, the Utah 2030 process has created a picture of the impacts that will be seen. Even more important, every department has prioritized issues and created an action plan.

The results of this process should serve as a powerful planning tool for the State of Utah.

## Utah 2030 (continued)

One of the most prominent themes was the threat to the state government workforce caused by two converging dynamics: an aging workforce, particularly at the professional and management level where a potentially devastating wave of retirements may hit in the next decade, and competition with the private sector for workers. For example, shortages in the engineering and healthcare workforces will challenge state government agencies.

Agencies will address the workforce challenges in various ways. Some will analyze possible vacancies that will arise as older workers reach retirement age. Several agencies identified cross-training and succession planning as strategies. Yet others will consider ways of retaining older workers or using retired workers to address shortages. A possible golden lining of the economic crisis of 2008 is that the competition for workers may diminish.

Along with the threat to the state workforce, agencies see threats to the private sector workforce that could stall economic development. In addition, local government could face problems that will affect state agencies. DEQ cited a shortage of water system operators in rural communities, which could lead to problems with water quality which, if poor, disproportionately harms the aging population.

The briefs also show that competing funding priorities will be a problem, as agencies face the challenges of an aging workforce along with aging customers. Several departments will therefore explore cost-control. The need for collaboration, both among agencies and between agencies and private sector organizations, is one way cited that agencies will try to manage costs and create effective partnerships. These partnerships can help to provide the public and professional education many departments identified as a need.

The Utah 2030 briefs show that the challenges raised by Utah's aging population are real, and some are difficult, but they are not insurmountable. Participants indicated that the process helped them to see unanticipated impacts. Many were surprised to find impacts within their agencies because they did not view the aging population as a focus of their agencies.

## **The Commission on Aging at the University of Utah**

The Commission on Aging moved from the Department of Human Services to the University of Utah's Center on Aging at the beginning of the 2008 fiscal year.

The change has been beneficial to both the Commission and the University of Utah. The Commission has benefited by successfully using students to help answer unanswered questions about issues facing Utah. Similarly, the Commission has helped the University by serving as a link between state government and University researchers seeking funding from major national foundations and from federal agencies. This link between the researchers and the state has been viewed as positive by the funding sources.

The College of Nursing generously donated the space to house the Commission, and the Division of Geriatrics in the Department of Internal Medicine has donated the administrative support and oversight of Commission operations.

The College of Social Work will provide space for the Commission in its new Wilford W. and Dorothy P Goodwill Humanitarian Building where the Commission can work with faculty and students in the College of Social Work, along with the community organizations serving seniors, which will be located in the same building.

## **Higher Education Work Group**

Out of a desire to serve as an effective, state-wide Commission, we formed a Higher Education Work Group. All state and private colleges and universities were invited to send a designee.

Although the committee has had only one meeting, it has already been productive. Through our initial meeting, two separate research initiatives were able to collaborate on a successful grant application that has brought several million dollars to the state to support rural veterans throughout the Western U.S.

## Commission Members

Representing	Name	Organization
Utah Senate	Senator Allen Christensen	Utah Senate
Utah House of Representatives	Representative Steven Mascaro	Utah House of Representatives
Executive Director, Health	David Sundwall	Utah Department of Health
Executive Director, Human Services	Lisa-Michele Church	Utah Department of Human Services
Director, Governor's Office of Economic Development	Jason Perry	Governor's Office of Economic Development
Executive Director, Workforce Services	Kristen Cox	Utah Department of Workforce Services
Utah Association of Counties	Commissioner William Cox	Rich County Commissioner
Utah League of Cities and Towns	Mayor JoAnn Seghini	City of Midvale
Business Community	Patricia Jones	Dan Jones & Associates
Higher Education	Mark Supiano	University of Utah
Area Agencies on Aging	Shauna O'Neil	Salt Lake County Aging Services
Charitable Organizations	Deborah Bayle	United Way of Salt Lake
Health Care Providers	Cherie Bruner	Intermountain Healthcare
Financial Institutions	Diana Kirk	Zion's Bank
Legal Profession	Kent Alderman	Parsons Behle & Latimer, Utah State Bar Committee on Law and Aging
Public Safety	Sheriff Jim Winder	Salt Lake County Sheriff's Office
Transportation	Suzanne Allen	St. George City Council; Dixie Metropolitan Planning Organization
Ethnic Minorities	Archie Archuleta	Coalition of LaRaza
Long-Term Care	Gary Kelso	Mission Health Services; Utah Health Care Association
Advocacy Organizations	Rob Ence	AARP
General Public	Norma Matheson	