

Implications of Utah's Changing Demographics

Health and Human Services Interim Committee

May 20, 2015

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Last year, the Legislature adopted a new interim committee rule requiring "each interim committee [to] devote part of its May interim meeting to long-term planning for the areas over which the committee has jurisdiction."

To fulfill that requirement last interim, the committee received reports from the Department of Health, the Department of Human Services, and the Division of Occupational and Professional Licensing on long-term issues currently on each agency's radar and the processes used to identify those issues. An issue raised by DOPL, how to facilitate the multi-state licensure of physicians, was the subject of legislation that passed during the most recent general session.

Another issue, mentioned by the Department of Health, is the demographic change occurring in the state. This morning, each of the interim committees is focusing on that change, particularly as it relates to their own areas of jurisdiction. So, for the next five minutes, I'd like to walk you through some of these changes and their implications.

In a nutshell, Utah is changing. Compared with where we're at today, the Utah of tomorrow will have more people and will be more urbanized, more racially and ethnically diverse, and older.

Specifically, by 2030, the state's population is expected to increase from the current 3 million residents to 4 million. That's a 33% increase in just 15 years. Most of that growth, of course, will be along the Wasatch Front, leading to the next projection, which is that the state will become only more urbanized than it is today. In 2010, Utah was the eighth most urban state in the nation, with 91% of its population living in "densely developed areas." That urbanization is expected to only increase in the coming years.

Also, Utah's racial and ethnic minorities are expected to increase from 20% of the population just five years ago to 25% by 2030. Salt Lake City, which is already more diverse than the rest of the state, is expected to increase from 34% minority in 2010 to about 45% in 2030.

And finally, the state will be getting older. In 2010, those 65 and older made up only 9% of the population. By 2030, it's expected they will make up 14% of the population.

Of course, for this committee, the question becomes, "How will these changes affect everyday, ordinary Utahns? To answer this, let me suggest several questions you may want to consider. These are not questions to be answered today, but could perhaps become a

starting point for future discussions, if the committee wishes to take up the issue of long-term planning within the context of projected demographic changes.

First, with respect to the overall increase of the population, clearly the demand for government services, including health and social services, will increase. But the real question may not be, "How much will those additional services cost?" but rather, "Is per capita spending on services expected to exceed per capita growth in revenue." To answer *that* question, here are some other questions to consider:

How will increased urbanization affect Utahn's consumption of health care? How will it affect Utahn's personal lifestyle choices, which have such a large impact on health status? Will Utahns be healthier or less healthy in the future?

How will increased racial and ethnic diversity affect overall health status? Currently, there are various disparities in health status related to race, ethnicity, and other cultural characteristics.

And last, as the 65 and older population increases, how will *that* affect overall health status? Also, as the 65 and older population increases, the ratio of non-working age Utahns to working age Utahns will also increase. What impact will that have on state revenue?

Again, the real question for the future may not be, "How much will health and social services spending increase due to these changes?" but rather, "Is per capita spending expected to exceed per capita growth in revenue." If it is, there will have to be some way to balance the budget--- by rationing services (where possible), paying less for needed services, raising additional revenue, reducing spending in other areas, or reducing the underlying demand for those services. Reducing demand may be possible with significant improvements in any of the following, regardless of the demographic trends we have discussed today:

- Population health status
- Drug abuse and misuse
- Child abuse and neglect
- Intergenerational poverty
- Criminal recidivism
- High school graduation and post-secondary training
- Healthcare payment and delivery systems

To wrap up, let me point out that during the last General Session, the Legislature appropriated \$450,000 to the University of Utah to begin developing demographic data that will help policymakers answer the types of questions I have raised today. Data that will allow you to use projections of the future, to inform decisions you must make today.