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Medicare cannot age in place: A diversifying population requires policy evolution

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By 2034, for the first time in the history of the United States (US), older adults will outnumber those under the age of 18.[1] The US Census Bureau projects that the population of individuals over the age of 65 will grow substantially in the coming decades,[1] and **by 2060, 1 in 4 Americans will be over the age of 65, representing over 95 million people.**[1] Further, although the aging population is expected to rapidly increase, the overall US population is projected to experience slower growth. This demographic shift is caused by several factors, including aging Baby Boomers, increased life expectancy, and lower birth rates.[2]

The US population is not only aging more rapidly, but also becoming more racially and ethnically diverse. From 2010 to 2019, the Hispanic population grew by 20% and the Black or African American population grew by 11.6%.[2] Between 2010 and 2020, the number of Americans who identified as non-Hispanic White declined.[3] Additionally, more than 4 in 10 people identify as a race other than non-Hispanic White.[4] In the 2020 US Census, more respondents than ever identified as Latino or Hispanic, Black, Asian American, Native Hawaiian or Pacific Islander, Native American, or multiracial.

As a result, the demographics of Medicare in the future will not resemble the demographics of today's beneficiaries.

As the demographic profile of the Medicare population changes, a shift in the prevalence of certain health and chronic conditions may also arise, as communities of color are disproportionally impacted by chronic diseases such as obesity, diabetes, asthma, and heart disease.[5] Between 2017 and 2019, the percentage of adults with multiple chronic conditions was highest for Native American adults (18.4%), followed by multiracial adults (14.1%), Black adults (10.7%), and Asian adults (3.2%).[5]

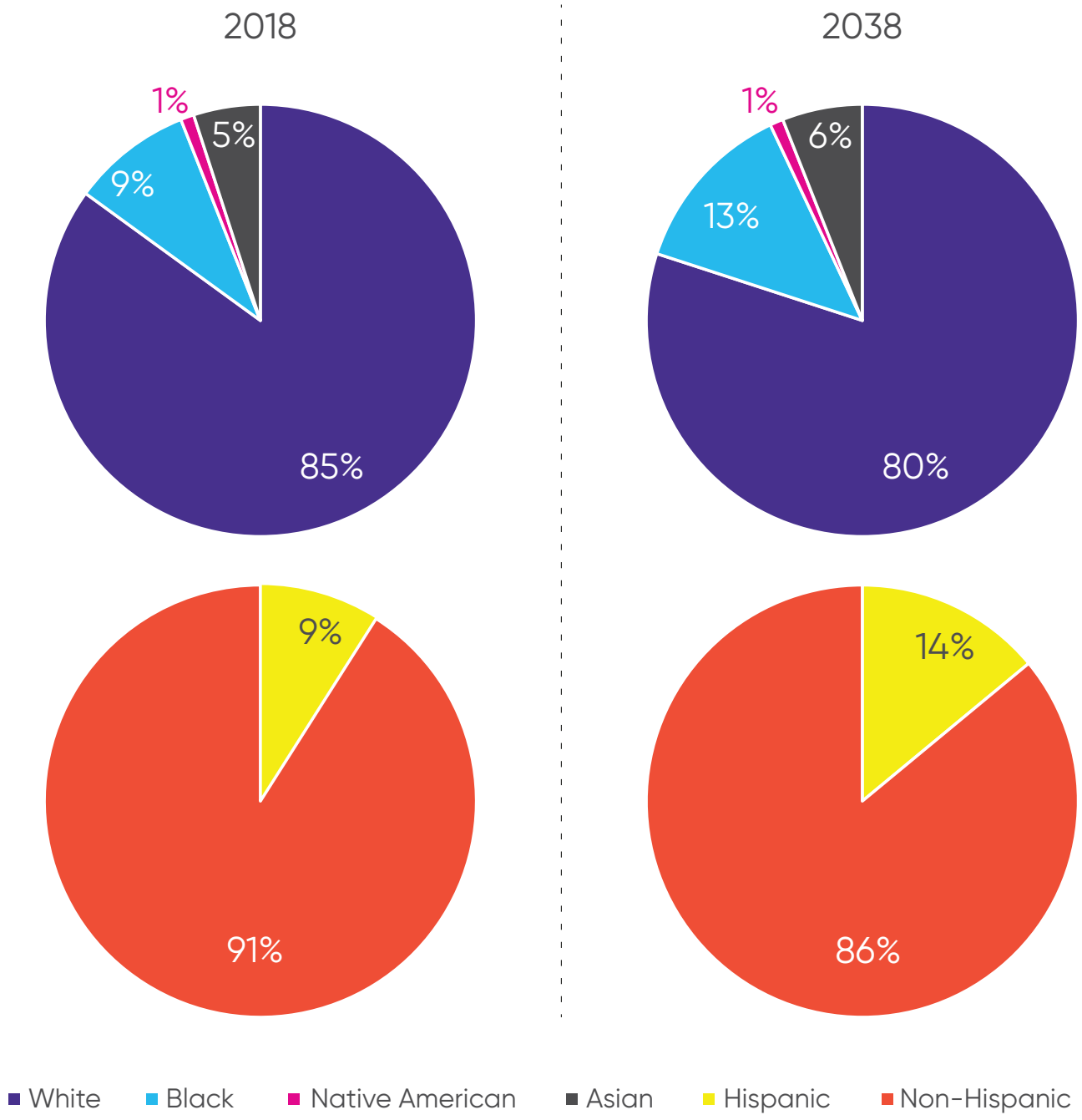
Obesity is one of the most common, serious, and costly chronic diseases in adults and children, and a root cause for the disproportionate impact of chronic diseases in many communities of color. Communities of color live with obesity at higher rates, with Black adults having the highest prevalence of obesity at 43%, followed by Native American adults at 41%, compared to White adults at 30% in 2018. Additionally, in 2018, diabetes affected 38% of Native American adults, 33% of Black adults, and 30% of Hispanic adults, compared to 19% of White adults. Native American and Black adults were also twice as likely to die from diabetes than White adults in 2018.[6] Further, individuals in Native American populations are also more likely than those in White populations to have asthma, diabetes, and a heart attack or heart disease.[7]

As the current, more diverse US population ages, Medicare policies need to evolve to appropriately account for the changing medical needs of future Medicare beneficiaries. To better understand how the demographics of today will shape Medicare in the future, we analyzed nationally representative survey data to look at the racial/ethnic forecast of the future Medicare population and select chronic conditions.

Analysis of the future Medicare demographics

By 2038, the Medicare population is expected to not only grow substantially, but it will become increasingly diverse, with more beneficiaries identifying as non-White. The total number of Medicare beneficiaries who are Black, Native American, Asian, and Hispanic are expected to **more than double** from today's enrollment numbers; and while the number of White Medicare beneficiaries will also increase during this period, it will do so by only approximately 50%.

Racial and ethnic distribution of Medicare beneficiaries in 2018 vs 2038



Number of 2018 Medicare beneficiaries by race and ethnicity

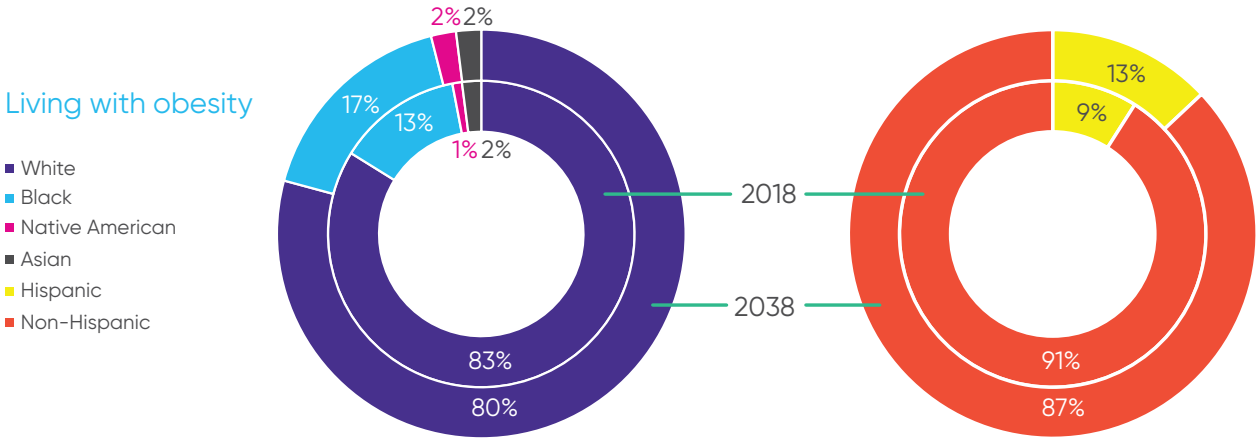
Number of 2038 Medicare beneficiaries by race and ethnicity

*Note: There may be overlap in the number of beneficiaries that fall under Non-Hispanic/Hispanic categories and other racial categories.

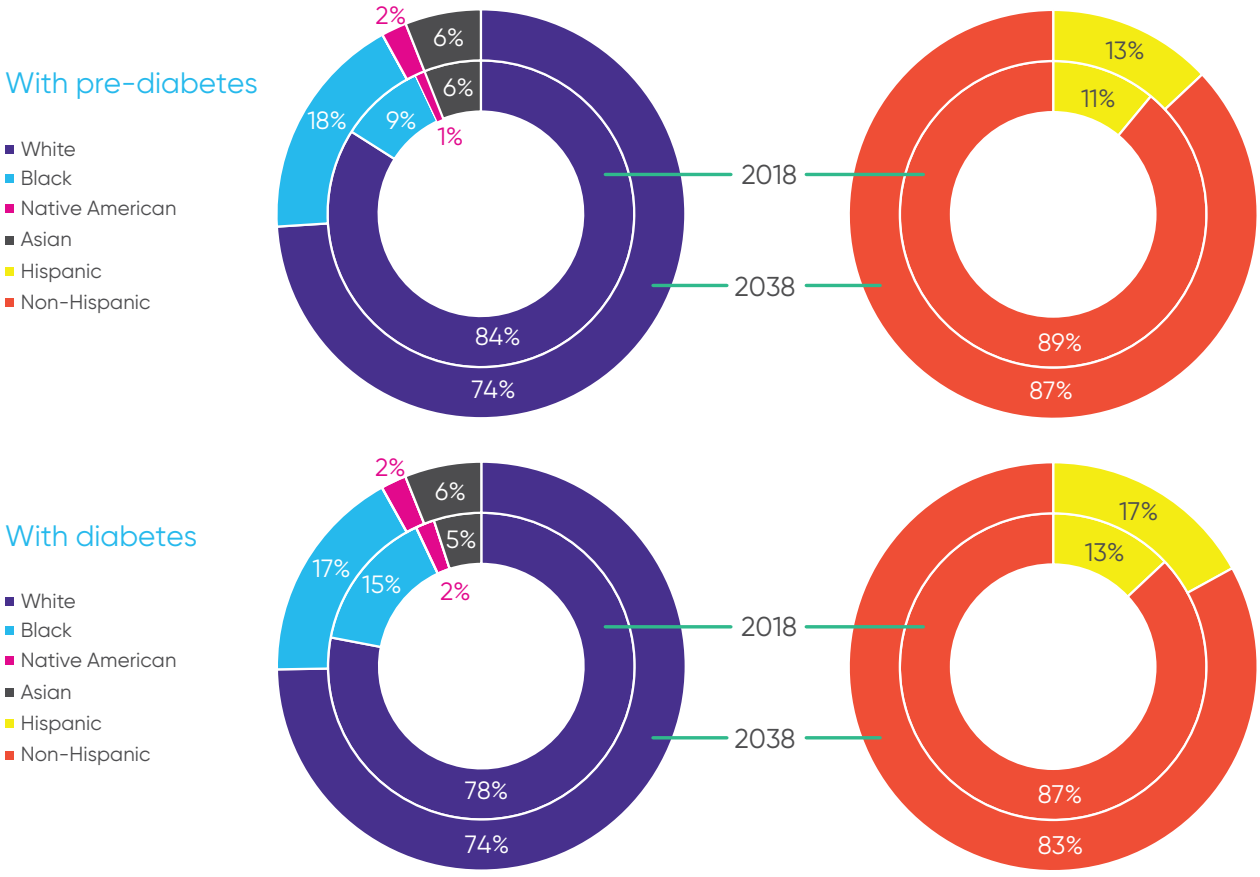
Demographic shift and increasing rates of chronic conditions

- According to the Centers for Disease Control and Prevention, obesity is an epidemic in the US and a greater number of people in 2038 are expected to be living with **obesity** compared to today's Medicare population. The percentage of Black Medicare beneficiaries living with obesity is projected to increase by 4%, to 17% of the total Medicare population by 2038.

Racial and ethnic distribution of Medicare beneficiaries in 2018 vs 2038



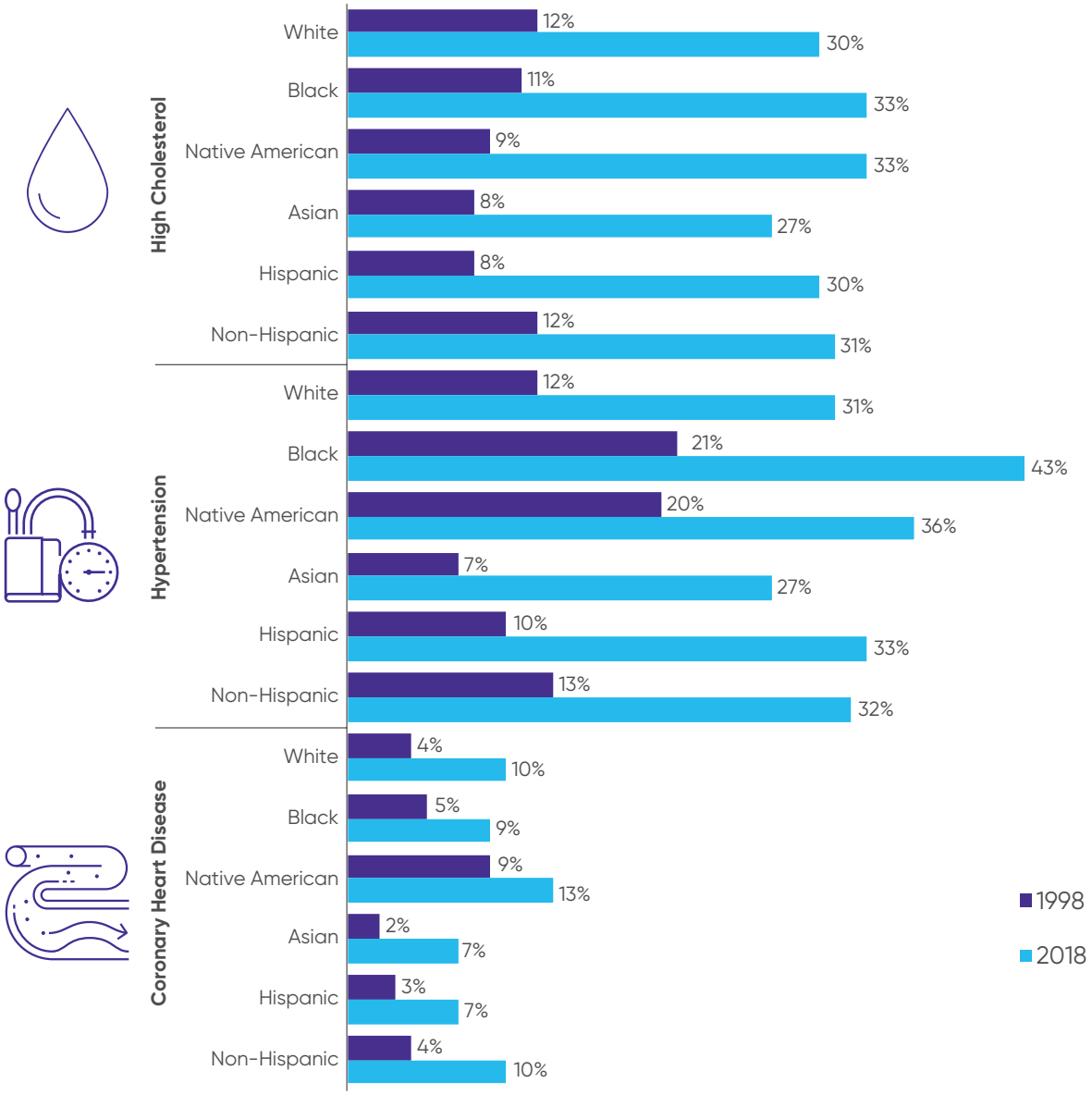
- The number of Black adults diagnosed with **pre-diabetes** is also expected to increase significantly compared to the Medicare population today (+9%) by 2038. The number of Black, Asian, and Hispanic adults with **diabetes** will also continue to increase.



The future can be shaped by the past

- In 1998, adults aged 45 to 65 years had an average prevalence rate of **high cholesterol** of 10%; this same population, once Medicare age (65+) in 2018, had an average prevalence rate of 31%, indicating that cholesterol increases with age and signaling that the Medicare population in 2038 may have a far greater rate of cholesterol than the Medicare population today.
- **Hypertension** risk may increase with age. Rates of hypertension among Black adults aged 45 to 65 in 1998, increased significantly, from 21% to 43%, followed by Native American adults (20% to 36%), compared to other groups, once this population was Medicare age in 2018.
- In 2018, rates of **coronary heart disease** rose among Medicare age (65+) adults of all racial and ethic groups, compared to their rates in 1998 when aged 45 to 65. The disease is most common among White adults (4% to 10%) and Native American adults (9% to 13%). Coronary heart disease risk may increases with age.

Rates of select chronic conditions among racial and ethnic groups in the Medicare-covered population in 1998 vs 2018



Demographic shifts and increasing rates of chronic conditions will place new pressures on the Medicare system and require additional resources and innovative thinking around care delivery. The transition to a healthcare system that can support the changing demographics of the population must begin today.

The Centers for Medicare & Medicaid Services (CMS) must look toward the future and begin implementing targeted policies that address the evolving needs of the American people.

To support the changing population, the Medicare program must address several key issues:

- The healthcare professional shortage. Specifically, consideration must be made to ensure that a diverse group of healthcare practitioners mirrors the growing diversity of the Medicare population.
- Cultural competency, offering practitioners additional training to better understand how culture and social determinants of health affect health outcomes.[8]
- Cultural appropriateness of healthcare services, ensuring that services accommodate people from a variety of backgrounds. Resources and care should include educational materials and hotline support in multiple languages, as well as non-English pharmacy labeling.
- Seniors with underlying chronic health conditions by creating targeted programs and changing coverage policies that perpetuate health inequities—for example, coverage of anti-obesity medications under Medicare Part D and culturally tailored dietary advice for those with diabetes or hypertension. It is also important that information be provided through avenues that are most likely to reach the intended population.
- The long-term care and end-of-life needs of this diverse aging population, including supportive care that involves a range of services such as home nursing, community care and assisted living, residential care, and long-stay hospitals.

Diversity is a defining issue of our time. As the US population grows more diverse and ages, the healthcare system will face significant challenges to meet its needs. Meaningful transformation of the Medicare program must consider how different the population will look from today—including a different set of chronic conditions than the program is currently prepared to serve.

Policy solutions must be undertaken immediately to be highly impactful. An opportunity exists for CMS to commit to more culturally relevant programs and coverage that drive better health outcomes for all Americans.

CMS must continue to implement policies that create a health system that achieves equitable outcomes.[9] Policies that strive to achieve health equity across all stages are imperative to not only serving today's population but also for recognizing areas ripe for reducing inequities.

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