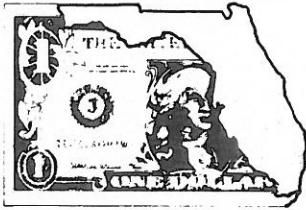


# BRIEF DISCLOSURE

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*Non-Partisan Research Focusing on  
Economics in Florida's Government*



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The population of Florida's senior citizens is far outpacing the growth of the State as a whole, with an increase in the population 75 years and older growing at an accelerating rate. This growth provides a stalwart challenge to the State in meeting the medical, social and nutritional needs of these Floridians in the most meaningful, productive and cost-effective manner.

## The Graying of Florida

Persons 65 years of age and over represent nearly 1/5 of the State's population and total more than 1.8 million Florida residents. This figure excludes the annual influx of senior citizen tourists in Florida, which amounted to over 5 million in 1977<sup>1</sup>. Florida now has the highest percentage of persons aged 65 and over in the Nation and in 20 years will have the greatest absolute number of elderly persons.

In 1960, 11.2% of the State's population was over 65 years of age compared with 19.0% in 1980.<sup>2</sup> While Florida's total population increased 91.7% (from 4,951,560 in 1960 to 9,492,273 in 1980), the State's population of persons aged 65 and over tripled during the same period (from 553,129 in 1960 to 1,804,854 in 1980). Moreover, the oldest age group (75 and older) remains the fastest growing segment - soaring 1 1/2 times faster than the composite growth of persons aged 65 and over since 1960. This segment will grow nearly twice as fast in the next twenty years.

According to the Florida Consortium of University Centers on Aging:

"The rapid increase in the older population is due primarily to migration into the State. The phenomenal influx of older persons is not a new occurrence. From 1900 to 1950, Florida's increase in this segment of the population was 1,603% compared to a national increase for this age class of 298%. This rather sizeable percentage increase was in part due to the small number of older people in Florida at the turn of the century, but the trend which started then has continued (to increase rapidly since 1950)."<sup>3</sup>

Information based on 1970 census data indicates Florida "receives the largest number of in-migrants, age 65 and over, of any state; nearly 1/4 of all the Nation's interstate migrants in this age group."<sup>4</sup> Furthermore, "State officials estimate that between 8,000 - 15,000 elderly persons move to Florida each month."<sup>5</sup> While the in-migration of 100,000 Cuban and Haitian refugees stirred public concern about the economic impact it will have on the State, the migration of over 100,000 older persons to Florida each year raises little public attention.

**GROWTH IN FLORIDA POPULATION: 1960-2000\***

Year	All Ages		Age 65+		Age 75+	
	Total	% Inc.	Total	% Inc.	Total	% Inc.
1960	4,951,560		553,129		163,840	
1980	9,492,273	91.7%	1,804,854	226.3%	724,084	341.9%
2000	13,671,350	176.1%	2,844,174	414.2%	1,432,851	774.5%

\*Percentage increase uses 1960 as the base year.

### Florida's Elderly: An Economic Burden?

Quite the contrary....Misconceptions that Florida's senior citizens receive a disproportionate share of public services and present an economic burden to the State are just that - misconceptions.

The empirical evidence indicates that older Floridians provide a steady revenue base and have a greater positive impact on income in Florida than in any other state.<sup>6</sup> It is estimated that in FY 1975-76 people 65 and over paid state and local taxes totaling \$1.039 billion (19.5% of revenues collected by Floridians) and received benefits valued at \$1.014 billion (15.9% of goods and services received by Floridians).<sup>7</sup> These benefits ranged from state provided services to local police and fire protection.

The figures demonstrate that older Floridians provide their share of financial support. Moreover, persons 65 and over received 19.6% of Florida's \$65 billion personal income - a \$12.8 billion contribution to Florida's economy in 1978 alone.<sup>8</sup>

Myths which state that older Floridians drain the public purse are not only empirically unfounded, but also create negative attitudes toward senior citizens, termed "ageism". This alienation towards elderly persons also serves to deny the needs and potential productivity of older Floridians - thus ignoring vital human resources.

### Implications for Planning

While older people in Florida have higher average incomes than their counterparts nationally, they have lower incomes than the younger population. Recent income information shows that gap widening.<sup>9</sup>

As older Floridians' marginal resources become eroded by double-digit inflation and escalating health care expenses, a substantial number of these Floridians will fall into poverty or vulnerable resource levels. As a result, they will require a greater need for public supported health maintenance, personal care, social and nutritional services. This situation is accentuated by the rapid increase in the 75 and over age

group which places a greater demand on these services by those who may lack the full resources to purchase them independently.

By the year 2000, over 225,000 elderly persons will be bedridden or housebound - requiring a variety of community-based outreach services to prevent unnecessary and costly institutionalization. During this same period, nearly 100,000 older Floridians will need institutional care due to severe physical and mental disabilities and over 500,000 older Floridians will need some form of long-term care in either nursing homes or supervised group homes.<sup>10</sup>

Despite important contributions made by older Floridians, the fact remains that with Florida's high proportion of persons 75 and over, there will be a sizeable vulnerable group that should be adequately planned for.

Since the care of Florida's older population is not solely the State's responsibility, the Citizens Council for Budget Research recommends that the Department of Health and Rehabilitative Services (DHRS) and the Florida Consortium of University Centers on Aging develop an inventory of public and private community resources that are provided to elderly persons in each DHRS district. This information should serve as a planning tool to help identify the medical, social and nutritional needs of elderly persons as well as local communities' capacity to meet those needs. Furthermore, it should help avoid the duplication of services, identify specific localities which experience a higher degree of unmet need, and stimulate local community support to meet the diverse needs of a growing population among the elderly.

### Cost-Effective Alternatives

Medicaid expenditures to Florida nursing homes are increasing dramatically from nearly \$46 million in 1974 to over \$1 billion by the year 2000. While older Floridians will inevitably require a continuum of medical care in nursing homes, Florida must aggressively develop viable, cost-effective alternative living arrangements to reduce the tremendous

growth rate of these medicaid expenditures.

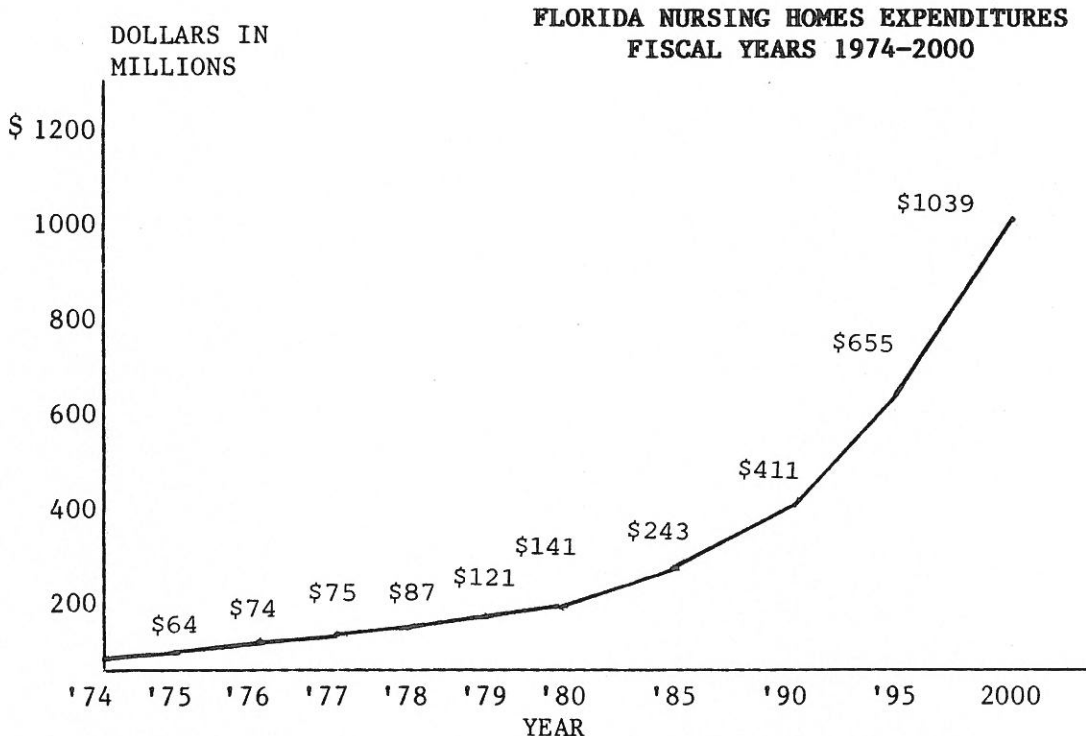
Adult Congregate Living Facilities (ACLFs) and Adult Foster Homes (AFHs) are two such examples of cost-effective group homes which provide room, board, and personal care. The State's share of providing care in ACLFs and AFHs is \$87 and \$68 a month per person respectively; while Florida's cost of medicaid reimbursements for nursing homes is \$295.<sup>11</sup> Additionally, the cost of providing care in Florida's nine institutions amounts to \$52.93 per day<sup>12</sup> for 1,619 Floridians 65 years and older<sup>13</sup> and totals more than \$31 million annually.

ACLFs and AFHs can not replace the need for nursing home and institutional care but should serve to reduce the growth rate of medicaid and institutional expenditures and treat older Floridians more humanely in a less restrictive/more productive environment. Moreover, these group homes are an alternative for many inappropriately placed nursing home and institutional residents. According to the 1980 DHRS Medicaid Reform Study, "as many as 30% of nursing home placements might be unnecessary or premature, (in

which) eight persons could be admitted to nursing homes in Florida every day of the year who do not need institutional care and, more importantly, desperately want to avoid institutional placement. These avoidable and costly placements will continue unless additional steps are taken to support community alternatives."<sup>14</sup>

The Citizens Council for Budget Research supports the proper placement of elderly persons in ACLFs and AFHs for those senior citizens who either are, or would be, inappropriately placed in nursing homes and institutions. Placing 2,920 of these older Floridians in ACLFs, for example, should save the State \$7.3 million each year and reduce the growth of Florida's costly medicaid expenditures.

Furthermore, the Citizens Council for Budget Research supports the U.S. General Accounting Office's recommendation<sup>15</sup> that DHRS complete a pre-admission screening process on all DHRS elderly clients prior to placing them in nursing homes. This should further preclude the avoidable and costly inappropriate institutionalization of older Floridians and enhance their capacity to live more independently.



SOURCE: Profile of Florida Nursing Homes, Florida Department of Health and Rehabilitative Services, Office of the Deputy Assistant Secretary for Medicaid.

## Notes

<sup>1</sup>Aging: A Realistic Commitment, Florida House of Representatives Committee on Health and Rehabilitative Services, Ad Hoc Subcommittee on Aging, February 7, 1979, pp. 37-38.

<sup>2</sup>Population projections were extrapolated from "Economic Impact of Older People on Florida," Florida Board of Regents of the State University System Project Number STAR 78 128aa, February 18, 1980, Section I. These projections are a revision of "Older People in Florida: A Statistical Abstract 1978," Center for Gerontological Studies, University of Florida, 1979, Chapter 1.

<sup>3</sup>Carter C. Osterbind, Background Paper on Older People in Florida - Prepared for Planners of 1980 Governor's Conference on Aging, 1980, p.7.

<sup>4</sup>Charles F. Longino, "Aged Migration in the U.S.," A Symposium presented at the 31st Annual Scientific Meeting of the Gerontological Society (Dallas, November 16-20, 1978). Cited in the Ad Hoc Subcommittee on Aging Report, P. 17.

<sup>5</sup>Testimony delivered to the Florida House of Representatives Committee on Health and Rehabilitative Services, Ad Hoc Subcommittee on Aging by E. Bentley Lipscomb, Program Staff Director, DHRS, Aging and Adult Services Program Office, April 20, 1978. Cited in the Ad Hoc Subcommittee Report, p. 17.

<sup>6</sup>Status Report on Data Bank for Older Floridians, Florida Consortium of University Centers on Aging, 1979, p.2.

<sup>7</sup>Background Paper on Older People in Florida - Prepared for Planners of 1980 Governor's Conference on Aging, pp.18-21.

<sup>8</sup>Ibid, pp. 11-12.

<sup>9</sup>Status Report on Data Bank for Older Floridians, p.2.

<sup>10</sup>Background Paper on Older People in Florida - Prepared for Planners of 1980 Governor's Conference on Aging, pp.10-11.

<sup>11</sup>The State's share of providing care is based on rates of \$335 for ACLFs and \$316 for AFHs less \$248 in Supplemental Security Income and \$10 disallowance. Florida's share of medicaid expenditures is based on the \$720 actual-adjusted appropriations cap for Intermediate Level II care in nursing homes.

<sup>12</sup>Florida Department of Health and Rehabilitative Services, Mental Health Program Office, Office of State Mental Health Facilities, September 7, 1980.

<sup>13</sup>Correspondence from the Florida Department of Health and Rehabilitative Services, Mental Health Program Office, Office of Integration Planning and Service Integration, September 9, 1980.

<sup>14</sup>"Medicaid Reform: A commitment to Better Health Care in the 1980's for Florida's Needy," Florida Department of Health and Rehabilitative Services, Office of the Deputy Assistant Secretary for Medicaid, Vol. 1, March 17, 1980, pp. 263-264.

<sup>15</sup>U.S. General Accounting Office, Entering A Nursing Home: Costly Implications for Medicaid and the Elderly (Washington, D.C.: Government Printing Office, November 1979), pp. 123-124. Op.cit., p. 264.

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