Keeping Pace with an Aging America

About the authors: Bill Laughlin, Bill Siren, and Michael Cohen are leaders within Deloitte's Health Care Strategy practice. This editorial represents perspectives on how health care leaders can respond to the aging population via virtual care, workforce technology, and value-based models to meet increasing health care demand, improve outcomes, and control costs.

Introduction: Impacts to US Health Care as the Population Ages

There are nearly 70 million living Americans born between 1946 and 1964. The Baby Boomer generation is causing the US to experience more than a few grey hairs – the population is aging at unprecedented rates, which will continue through 2030.[1] Life expectancies are also rising, with the population of Americans over the age of 85 expected to "to triple in size from 6.5 million in 2022 to 17.3 million in 2050."[1]

The results of the aging population have broad implications on the health care industry. In 2023, Medicare provided coverage to 65 million members.[2] Over 50% of Medicare enrollments are attributable to Medicare Advantage (MA) plans, which are offered via private insurers.[2] As Baby Boomers continue to age and life expectancies continue to increase, Medicare enrollments are also projected to grow. To contain costs, improve quality, and promote health equity, strategy leaders must consider a suite of solutions to address the growing demand.

Aging Population Impact: Key Strategic Challenges for the Health Care Industry

The aging population poses critical risks to health care organizations, including rising costs, negative health outcomes, and exacerbated health inequities.

The Impact of Chronic Conditions on Health Care Costs and Outcomes

Increasing costs can be attributed to the growing demand for elderly beneficiaries' unique care needs regarding chronic and age-related conditions. Chronic conditions require coordinated care across multiple settings and providers. The complexity of this care is often hard to navigate, especially for the aging population.

- **Patients with Multiple Chronic Diseases**: 95% of Americans aged 60+ have at least one chronic condition. Of that, 79% have two or more chronic diseases.[3] Patients that have more than one chronic disease make up a majority of costs. According to the NCOA, "patients with multiple chronic diseases make up two-thirds of health care costs and 93% of Medicare spending."[3]
- **Age-Related Diseases:** The increasing life expectancy seen across the United States is leading to the exacerbation of health costs because as people get older, service utilization increases. Age-related diseases, such as Alzheimer's and dementia, are contributing to rising costs, around $49,000 per person per year in treatment and lost wages.[3]

Strategies to Support the Aging Population

The time is now for health care leaders to build strategies to support older patients and their unique health care needs. By supporting the aging population, organizations can rein in spending and improve care across the health ecosystem.

Realigning Incentives with Care Models Adapted to Needs of Seniors
The transition from fee-for-service to value-based care models (VBC) is trending in the health care industry, especially for senior care. In 2022, about 70% of MA enrollees selected VBC providers, showing an increasing preference for providers that prioritize value and outcomes.[4]

Comprehensive clinic care delivery models dedicated to senior populations have exponentially increased in response to this demand. The care model is adapted specifically to the needs of seniors, including a dedicated care coordination team, proactive patient outreach, and ongoing home monitoring. Combined with a physician incentive model, heavy use of advanced analytics, and an environment that is both customer and provider friendly, this model optimizes senior care and emphasizes health outcomes.

For example, ChenMed is a MA only, primary care model that coordinates the patient journey with concierge-style medicine to address complex chronic disease management, using services such as 24/7 Primary Care Physician (PCP) access and a partnership with Lyft to support transportation.[5] Compared to Medicare averages, this model resulted in 50% fewer hospitalizations in 2019 and as a result of its success, ChenMed opened 18 new centers in 2023.[5]

Alongside the benefits of VBC, the success of these models depends on the ability of providers to manage both the clinical and financial risks associated with the care of their patients. Additionally, implementation can pose challenges to providers, and must be carefully executed to avoid excessive administrative burden, financial risks, and technology limitations such as patient data management.[6]

Developing a one-stop-shop for senior health needs meets the demand for value-based care and enables improved management of chronic disease which reduces unplanned, high-cost health events.

Addressing the Workforce Shortage
By 2030, it is expected that there will not be enough health care workers to satisfy the demand of the aging population, "resulting in a projected deficit of 1.2 million registered nurses and 121,900 physicians by 2030."[1] Additionally, it is estimated that less than 1% of registered nurses and fewer

than 3% of advanced practice registered nurses are certified in geriatrics, further exaggerating the shortage when it comes to older populations.[7]

However, there are many strategies to combat these concerns, such as:

- **Technology, AI, and Automation**: A study from the Deloitte Center for Health Solutions demonstrates how health care organizations can free up clinician time by leveraging AI/automation for administrative tasks. Technology can free up between 13-21% of nurses' time, or 240-400 hours annually per nurse, completing tasks such as appointment scheduling, liability estimates, eligibility checks, and payment facilitation.[6]
    - Implementing AI-enabled technologies, such as ambient notetaking scribes, which use machine learning applied to conversations to facilitate scribe-like capabilities in real time, allows the clinician to connect more with their patients.[8] One study on ambient notetaking usage found that "81% of patients reported that their physician spent less time looking at the computer screen than in their previous visits." [8]
    - Streamlining EMR documentation and prior authorization with Natural Language Processing and AI generates savings for payers and providers. For payers, this is especially salient following CMS' recent ruling to tighten authorization turnaround times.[9] For providers, reducing administrative burden means they can spend more time on direct patient care, which is particularly important for seniors, who place a high value on the provider relationship.
- **Care Management Strategy**: Health care organizations can expand their workforce by rethinking their care management strategy. Incorporating direct care workers such as certified nursing assistants and home health aides into team-based approaches expands caregiver resources for older adults. Patient and family caregiver educational campaigns and resources can also improve independent management of health conditions.
- **Policy Advocacy**: Policy advocacy areas include training requirements and financial incentives to increase the number of geriatric specialists.

Transforming Delivery with Virtual Care
Health organizations can support the aging population, particularly through chronic condition management, by increasing virtual care offerings. With digital adoption in older adults accelerating after the COVID-19 pandemic, these solutions are particularly accessible and cost-effective. One study found that the number of older adults over the age of 70 "who completed telehealth visits with their provider increased to 21.1% from 4.6% pre-pandemic."[10]

Telehealth and wearables expand care access for seniors, especially those with complex care needs that increase utilization and limit mobility. Continuous monitoring and increased check-in points enable a proactive approach to chronic care identification and management. These solutions are also a cost-effective way to boost health equity by increasing service offerings and health care monitoring to patients in places with limited care access, such as rural areas.

Despite the benefits of virtual care appointments, a study by JMIR Aging found that only 36.5% of participants with an average age of 84 felt comfortable connecting with their health care team through video visits.[11] Barriers to uptake include technology familiarity and difficulty hearing. To encourage adoption, solutions should anticipate senior needs with assistive features, such as screen readers, and hybrid approaches that blend virtual monitoring with in-person interactions.

It's important to note that as younger Baby Boomers age, a proclivity toward digital care in the 65+ population will increase. Taking a proactive approach to virtual health investments addresses care gaps today and prepares care delivery for patient modality preferences tomorrow.

Activating Aging Population Strategies: Immediate Next Steps

The strategies outlined in this piece present significant strategic change to current health care approaches. To inspire and initiate these efforts, we've outlined some immediate next steps below.

- ***Evaluate Patient Data:*** Evaluating patient data can help pinpoint specific challenges associated with your organization's aging patient population, such as chronic disease incidence, proximity to local care centers, and access to technologies enabling virtual care access
- ***Assess Payor Contracts:*** Evaluate fee-for-service and value-based payment models, and consider alternative models to incentivize and support proactive senior care
- ***Consider Emerging Technology:*** Consider how emerging technology, from virtual health innovation to AI/automation investments, can support transformation of health care delivery, workforce, and administration
- ***Health Care Ecosystem Partnerships:*** Collaborate across the health care ecosystem to drive strategic partnerships that fast-track digital transformation and hybrid patient experience compared to in-house technology builds
- ***Widen Definition of Health:*** Expand your organization's definition of health to emphasize social determinants that influence patients' care needs, such as socioeconomic status, community connections, and health education/literacy
- ***Redesign Primary Care:*** Develop and expand a novel model of primary care aligned with senior needs, including dedicated care teams responsible for coordinating care across a variety of delivery types and settings. In addition, design care pathways focused on major chronic disease states such as diabetes, congestive heart failure, and cancer care

Please reach out to Bill Siren, Bill Laughlin, or Michael Cohen with any questions.

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