

Minnesota Realities: Health Care Cost and Demographic Trends

Minnesota Hospital Association

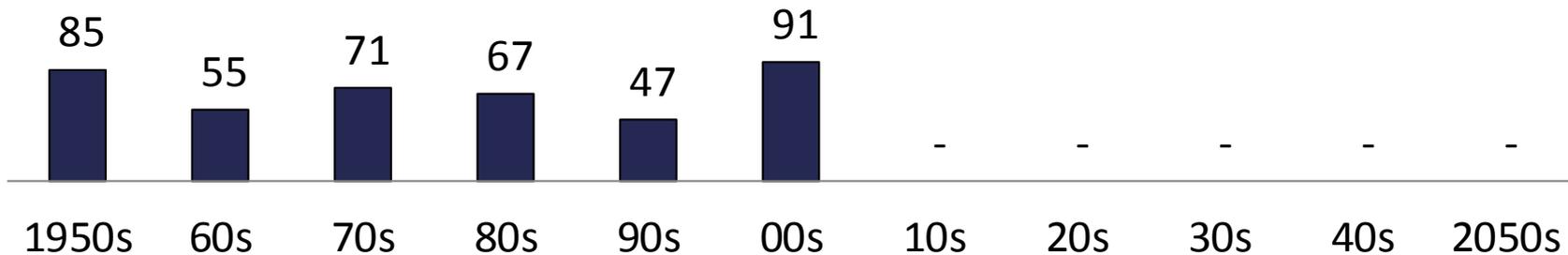
Laura Kalambokidis, MN State Economist &

Susan Brower, MN State Demographer

March 6, 2014

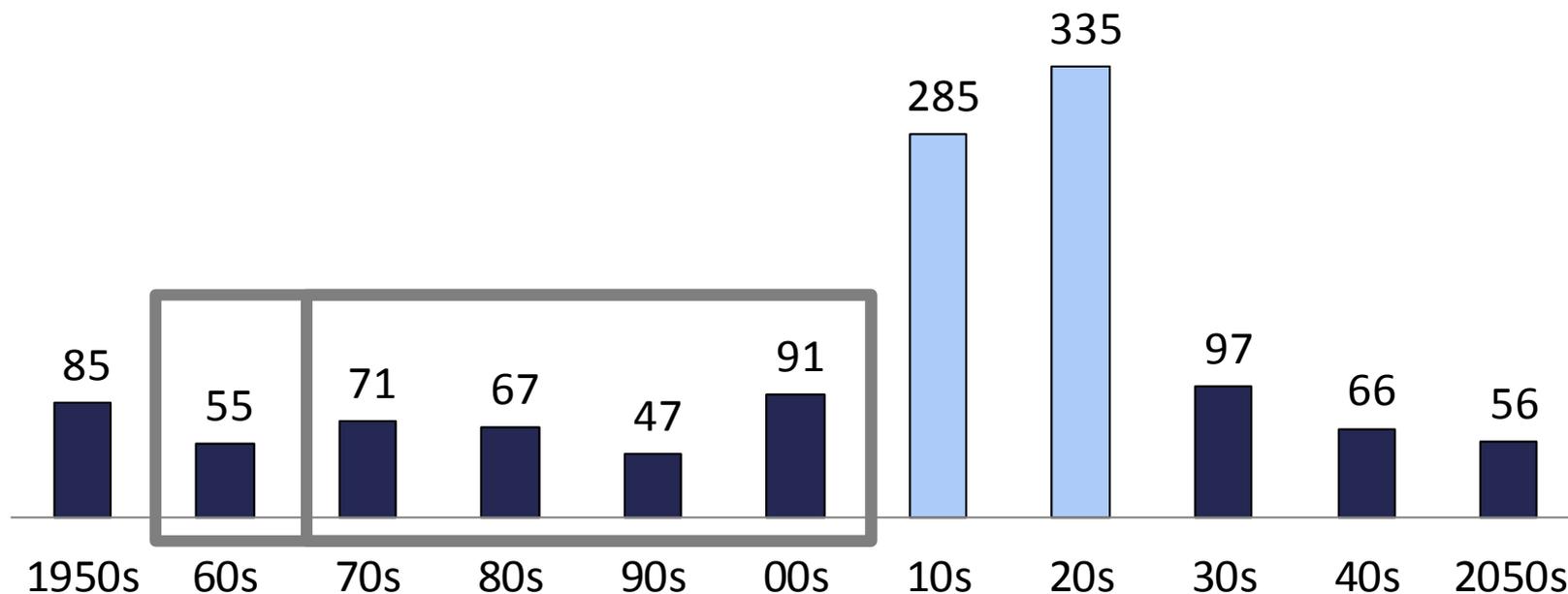
How many additional “older adults” will Minnesota gain during this decade?

Change in older adults, age 65+ (in thousands)

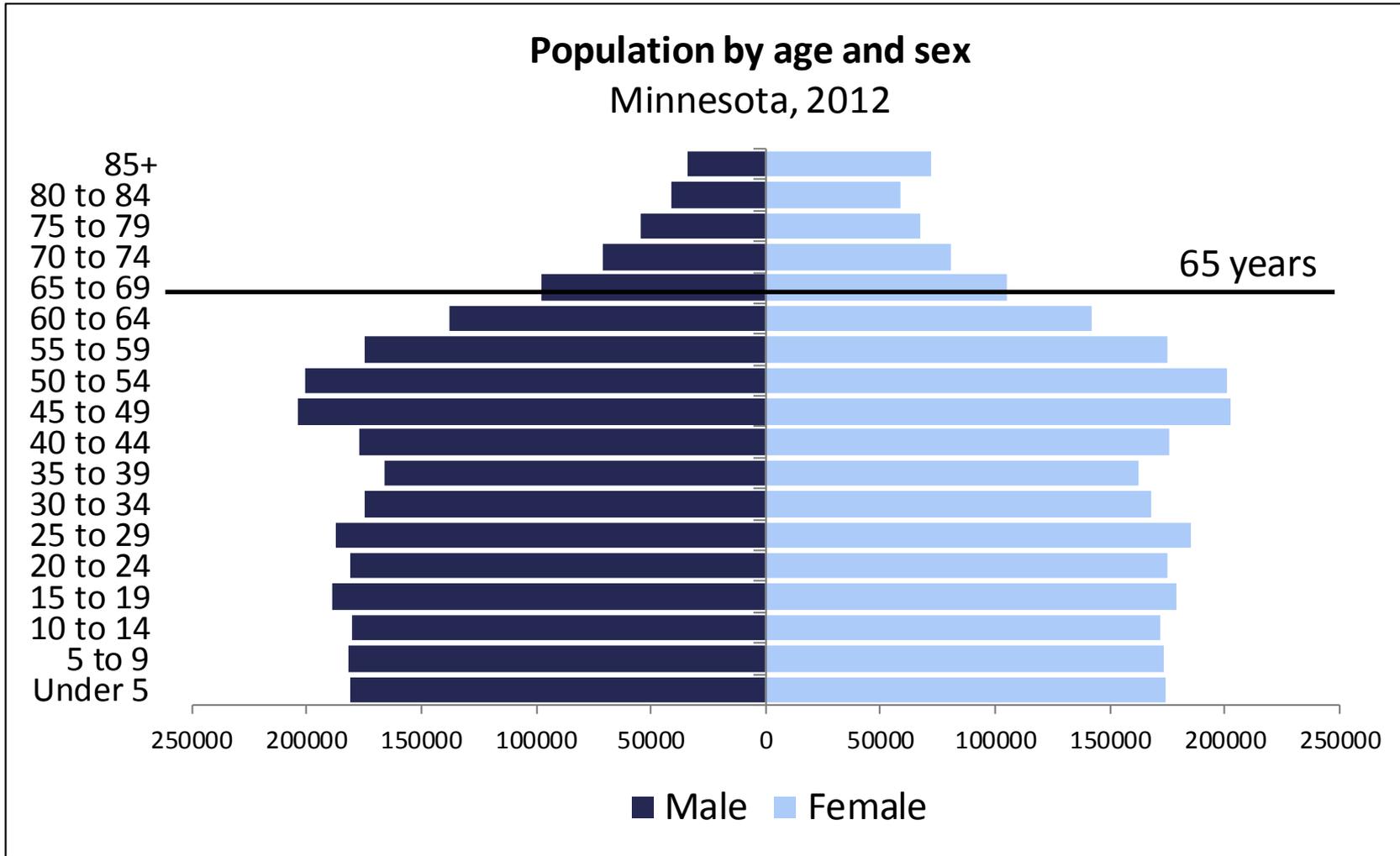


Unprecedented increases in MN's “older adult” population

Change in older adults, age 65+ (in thousands)

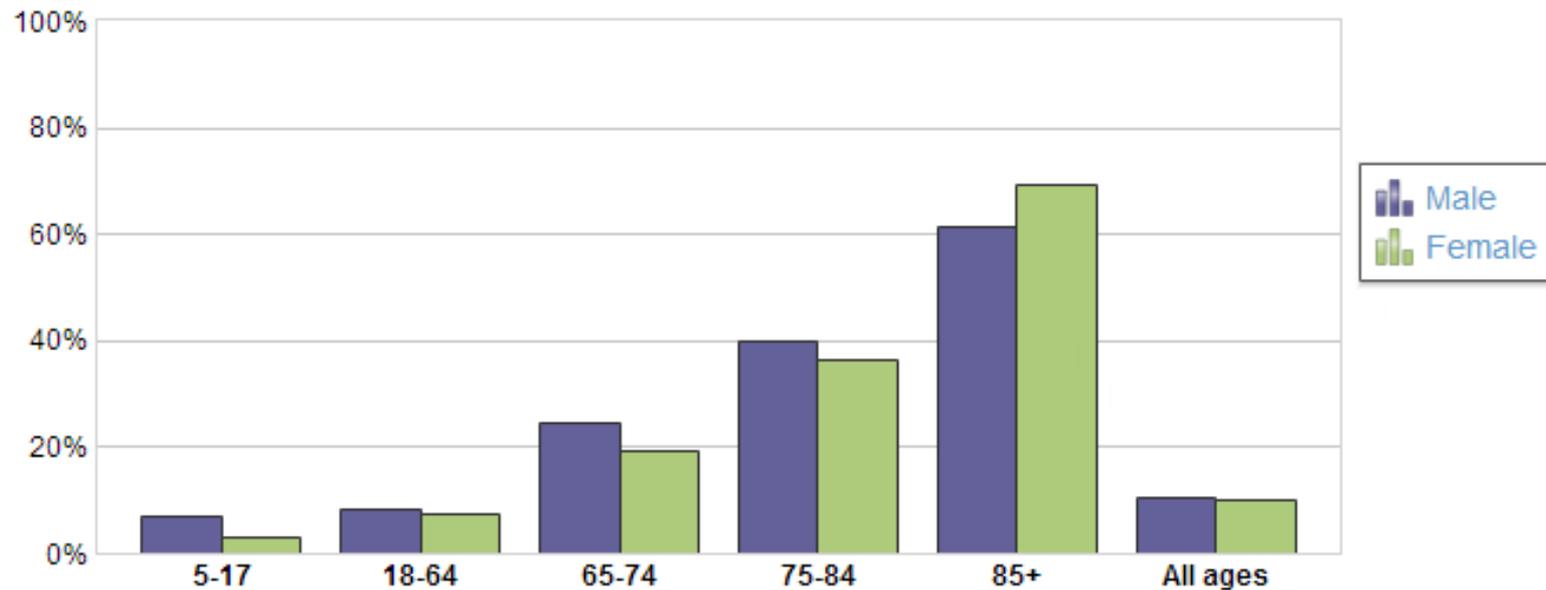


Why are these changes so marked now?



Aging brings higher rates of disability

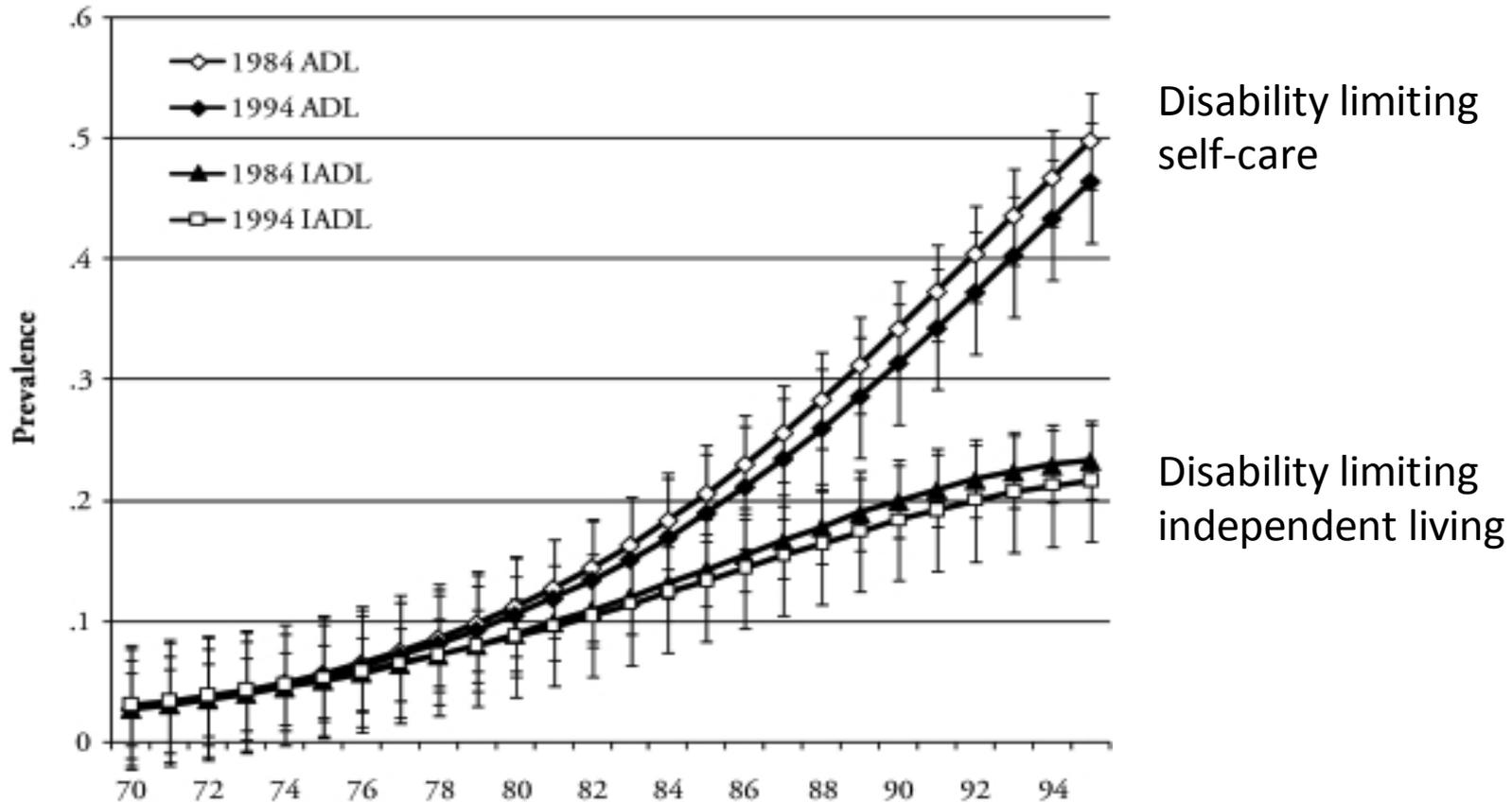
Percent with a disability by gender and age
Minnesota, 2011



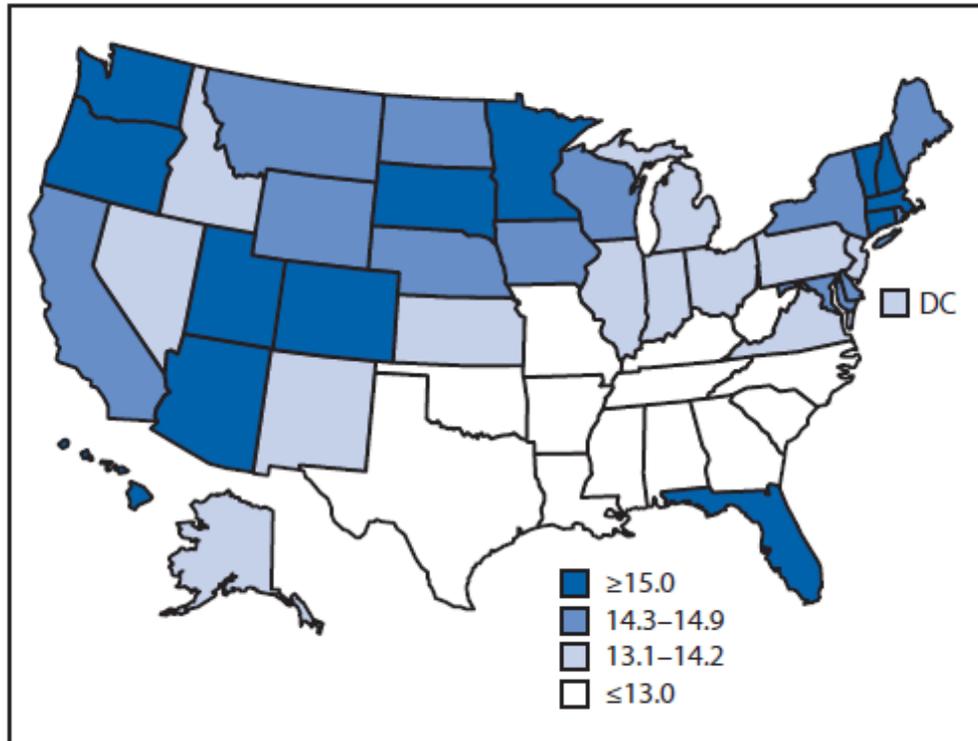
Source: U.S. Census Bureau, American Community Survey, via MNCompass.org.

Note: Includes the civilian, non-institutionalized population with a serious difficulty in one or more of four basic areas of functioning: vision, hearing, ambulation, and cognition.

Prevalence of disability has declined, but overall age pattern remains

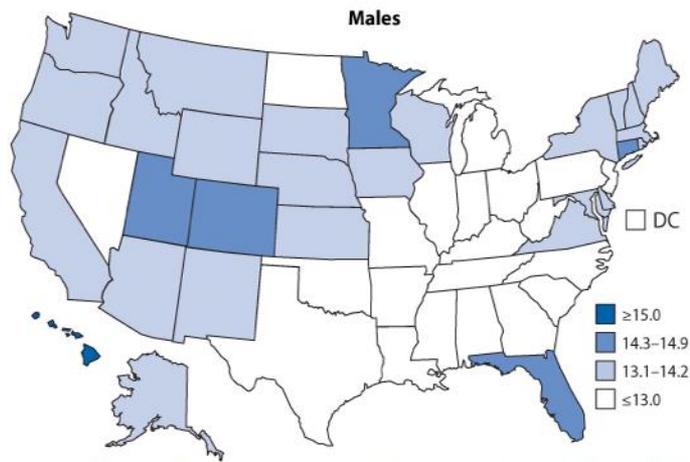


Healthy life expectancy at age 65, 2007-2009

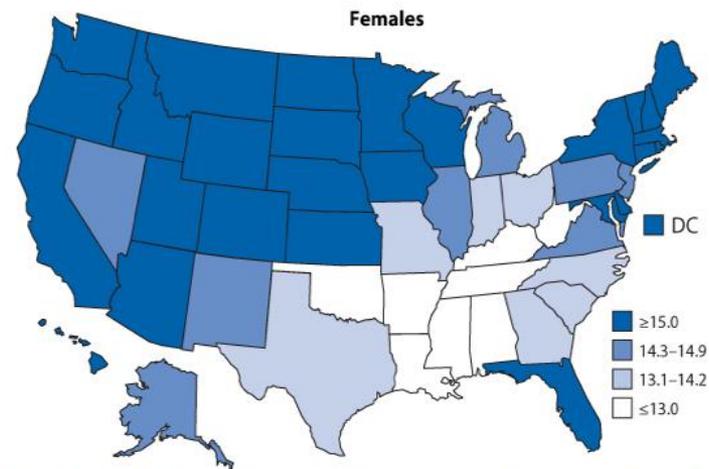


Source: Centers for Disease Control, 2013

Healthy life expectancy at age 65

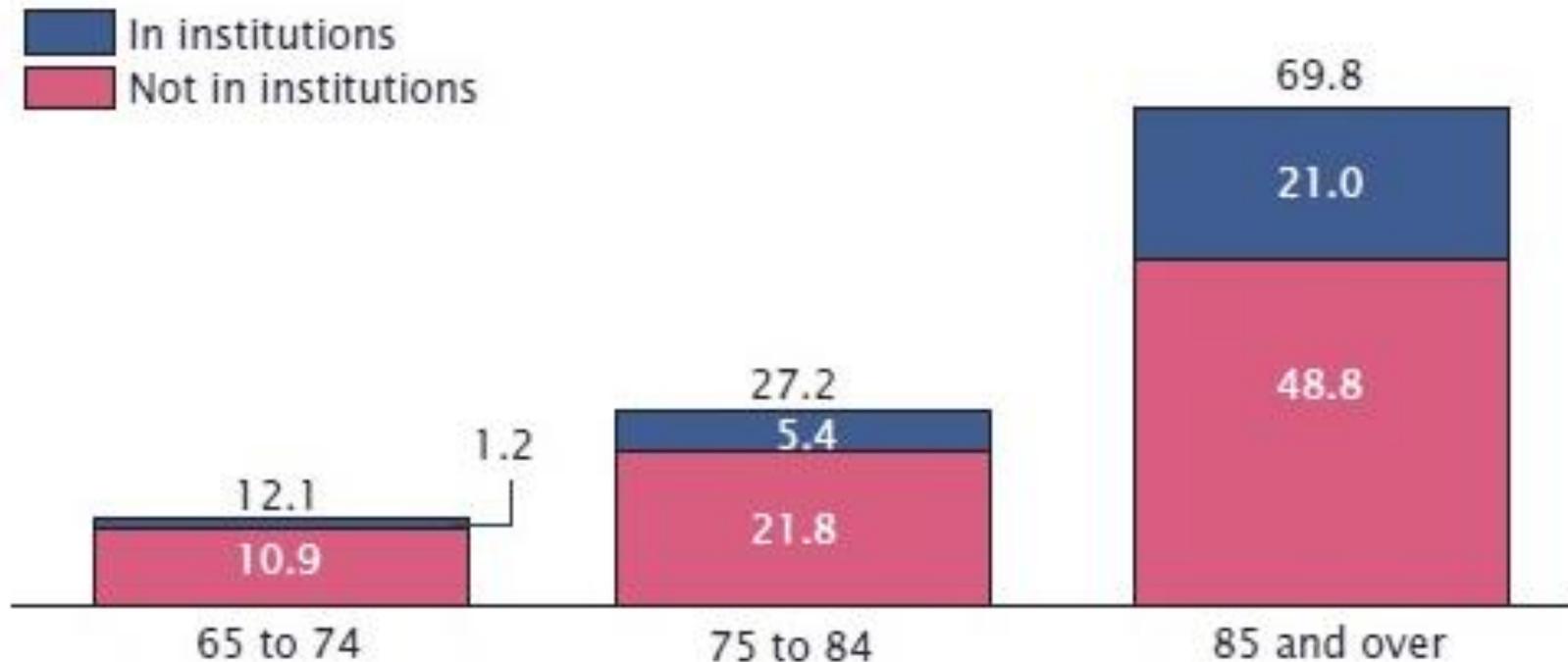


State-specific healthy life expectancy in years at age 65 years, Males — United States, 2007-2009

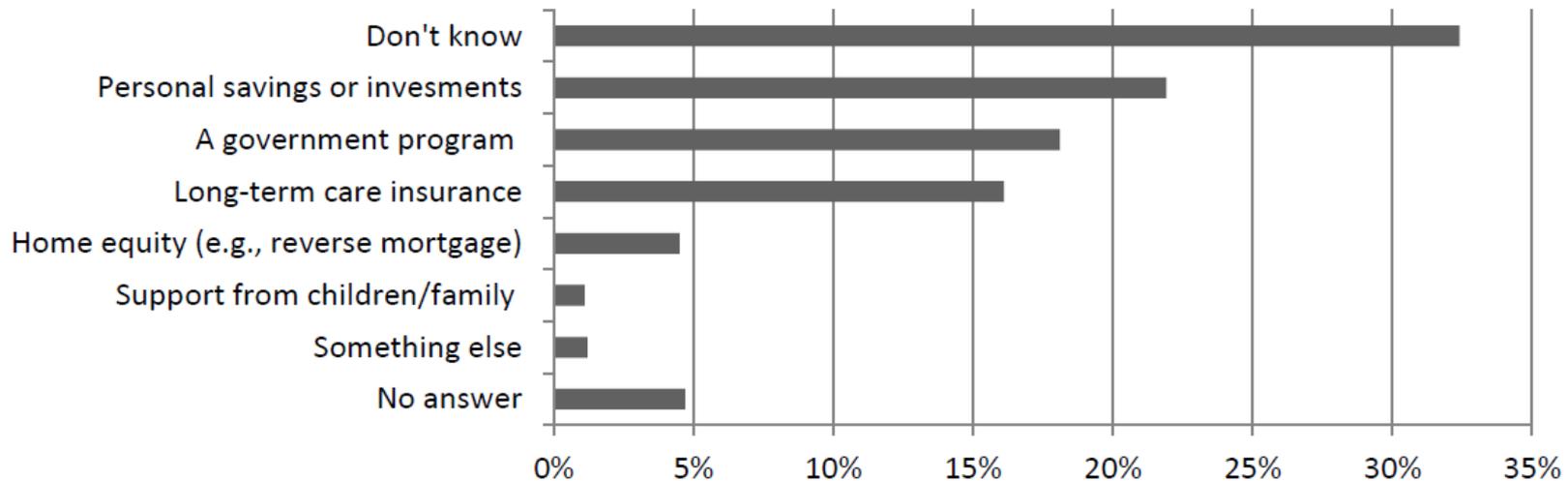


State-specific healthy life expectancy in years at age 65 years, Females — United States, 2007-2009

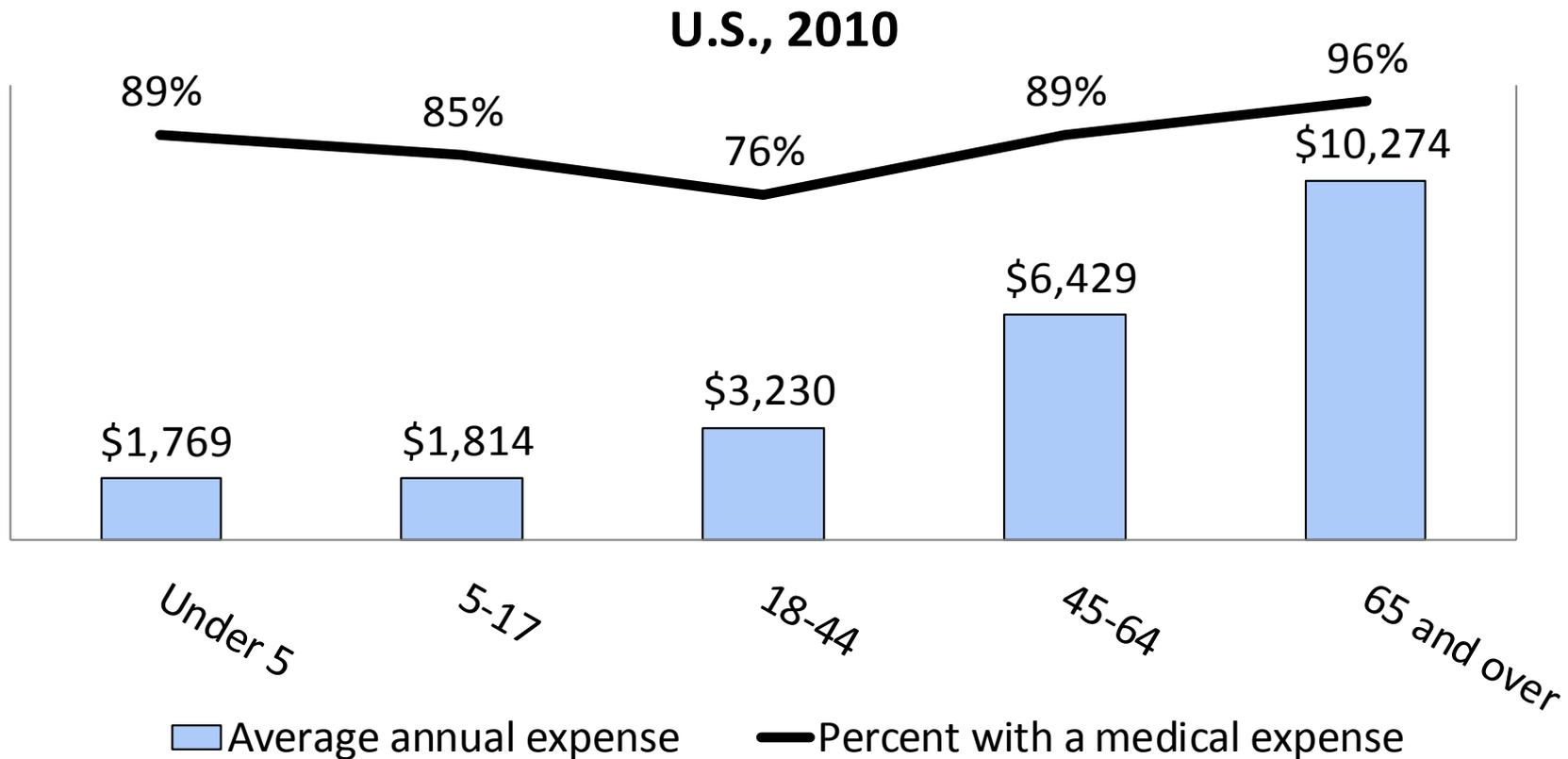
Need for long-term care grows after 65; is substantial after age 85



Plans to pay for long-term care MN Baby Boomers, 2010

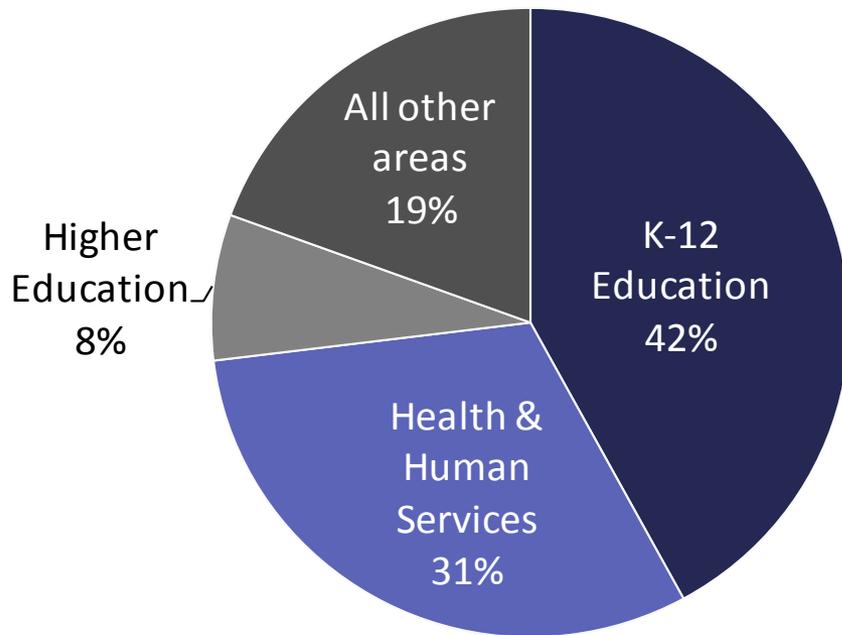


Medical expenses rise considerably after age 65



Increasingly our demographics will change demand for services

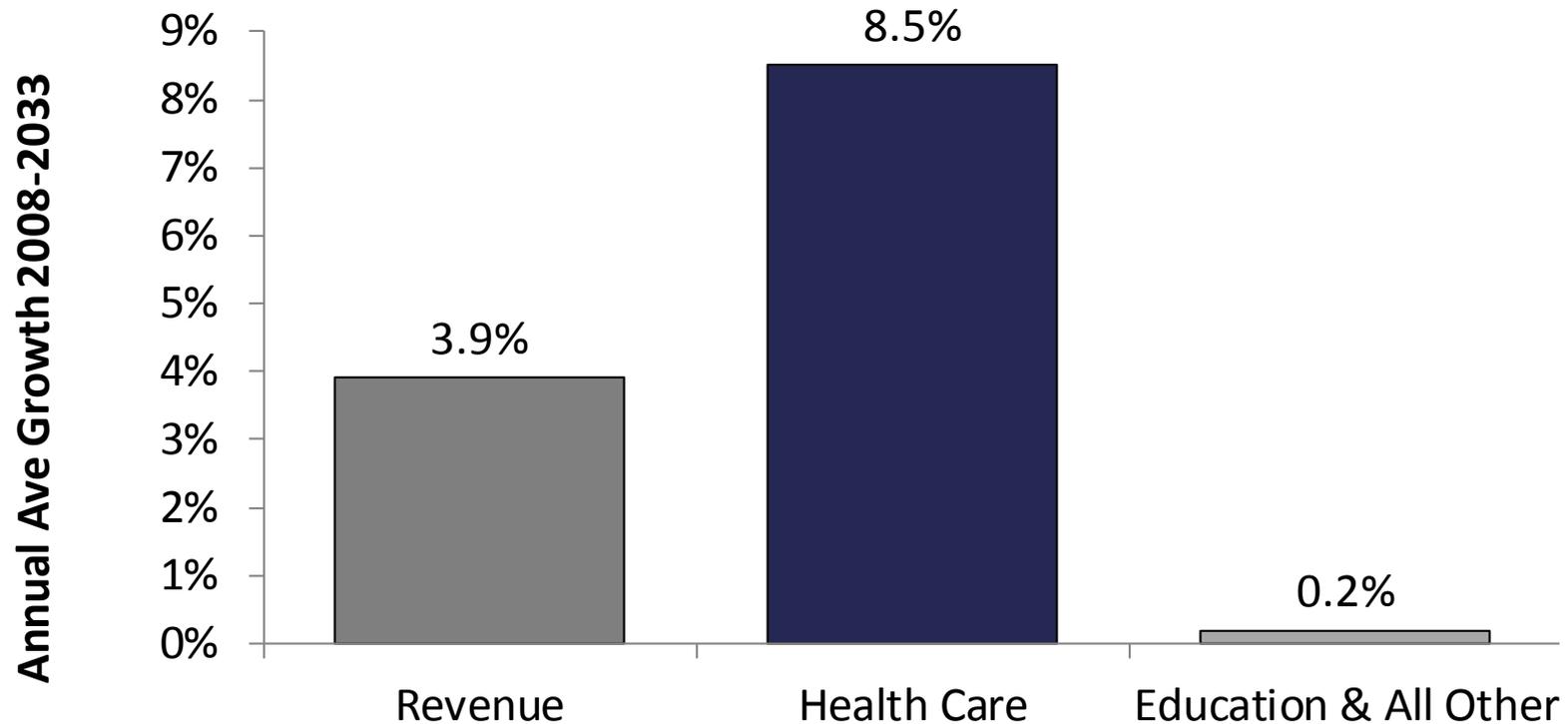
General Fund Expenditures FY 2012-2013



Within Health & Human Services

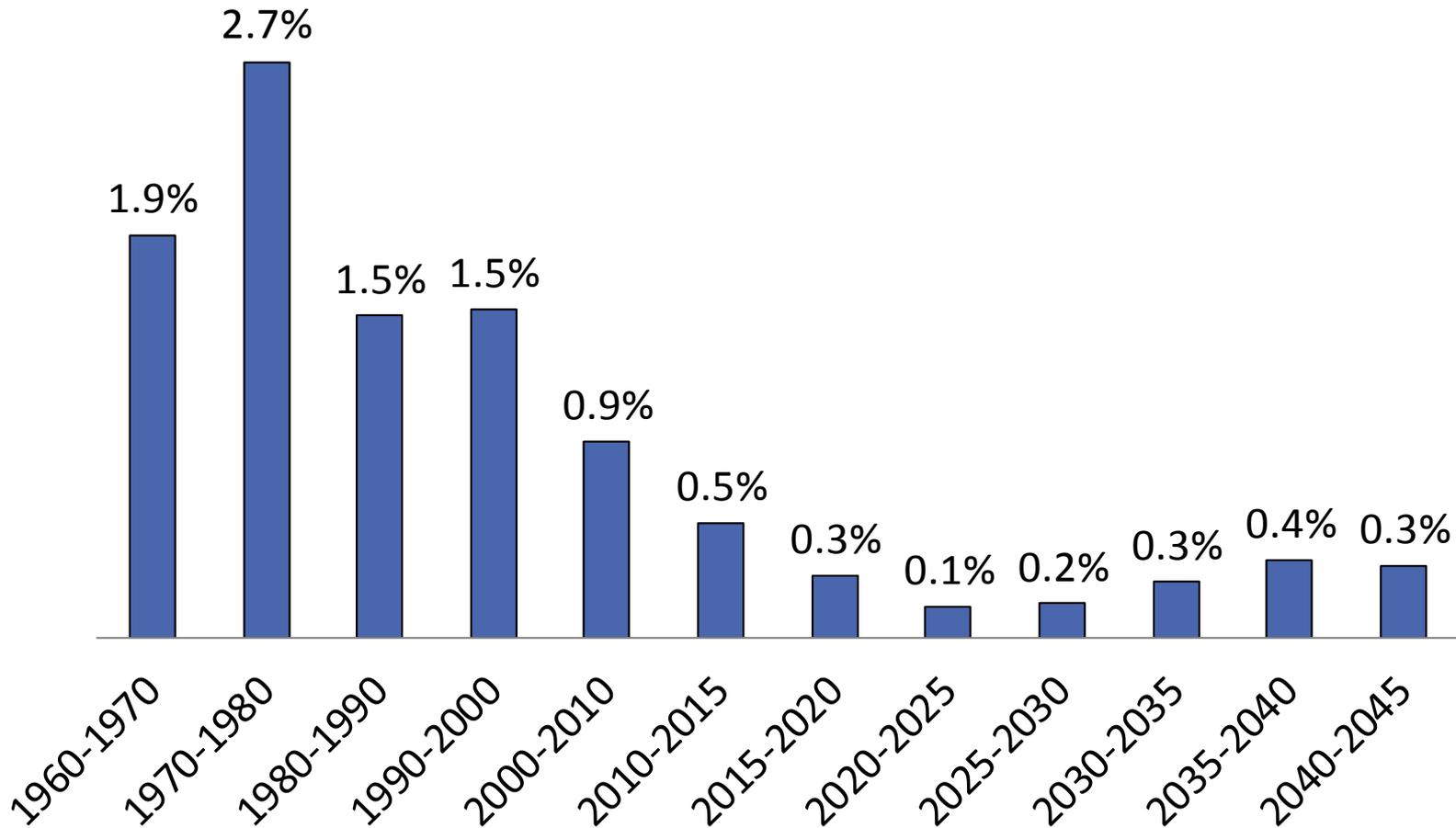
- Medical Assistance Expenditures: 25% of GF spending (8.5 billion)
- Medical Assistance Expenditures for the Elderly and Disabled: 16% of GF spending (5.5 billion)
- MA expenditures include basic care, long-term care waivers and long-term institutional care

If state health care costs continue unabated, other services crowded out



Source: General Fund Spending Outlook, presentation to the Budget Trends Commission, August 2008, Dybdal, Reitan and Broat.

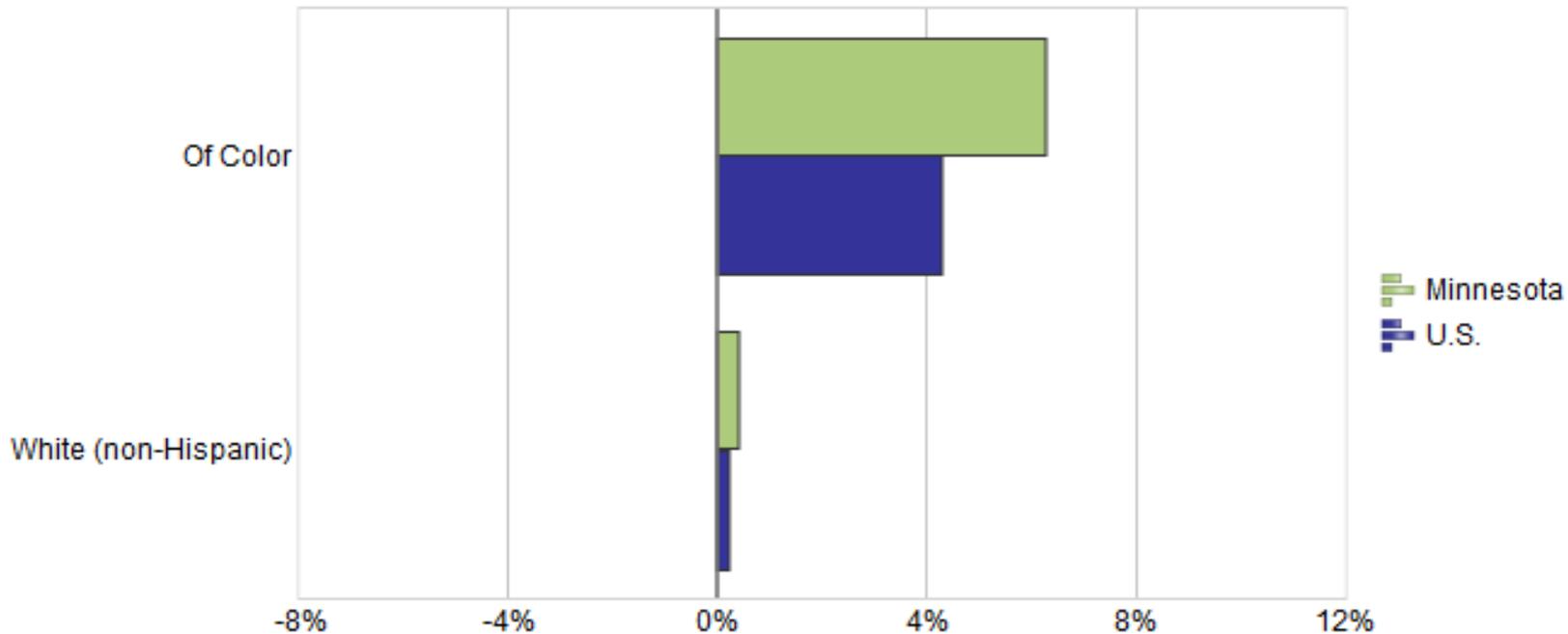
+ Labor force growth is projected to slow



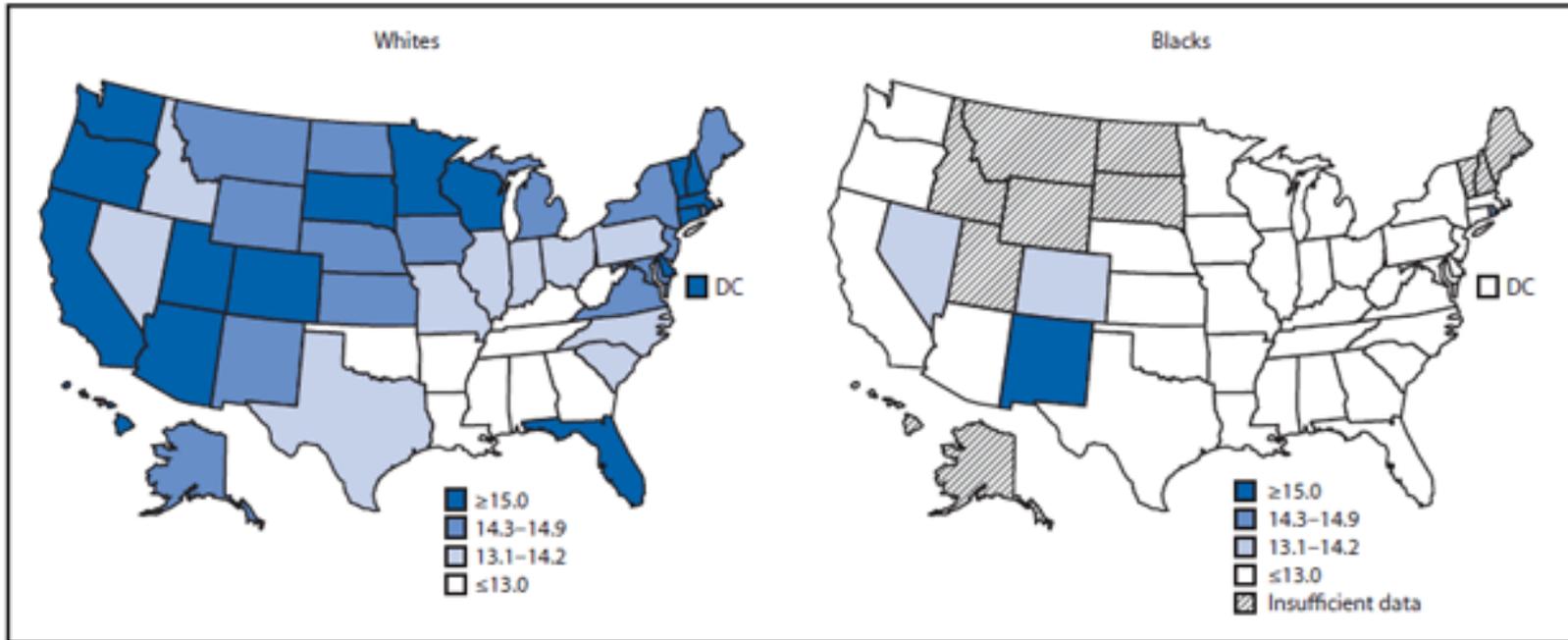
Populations of color growing quickly



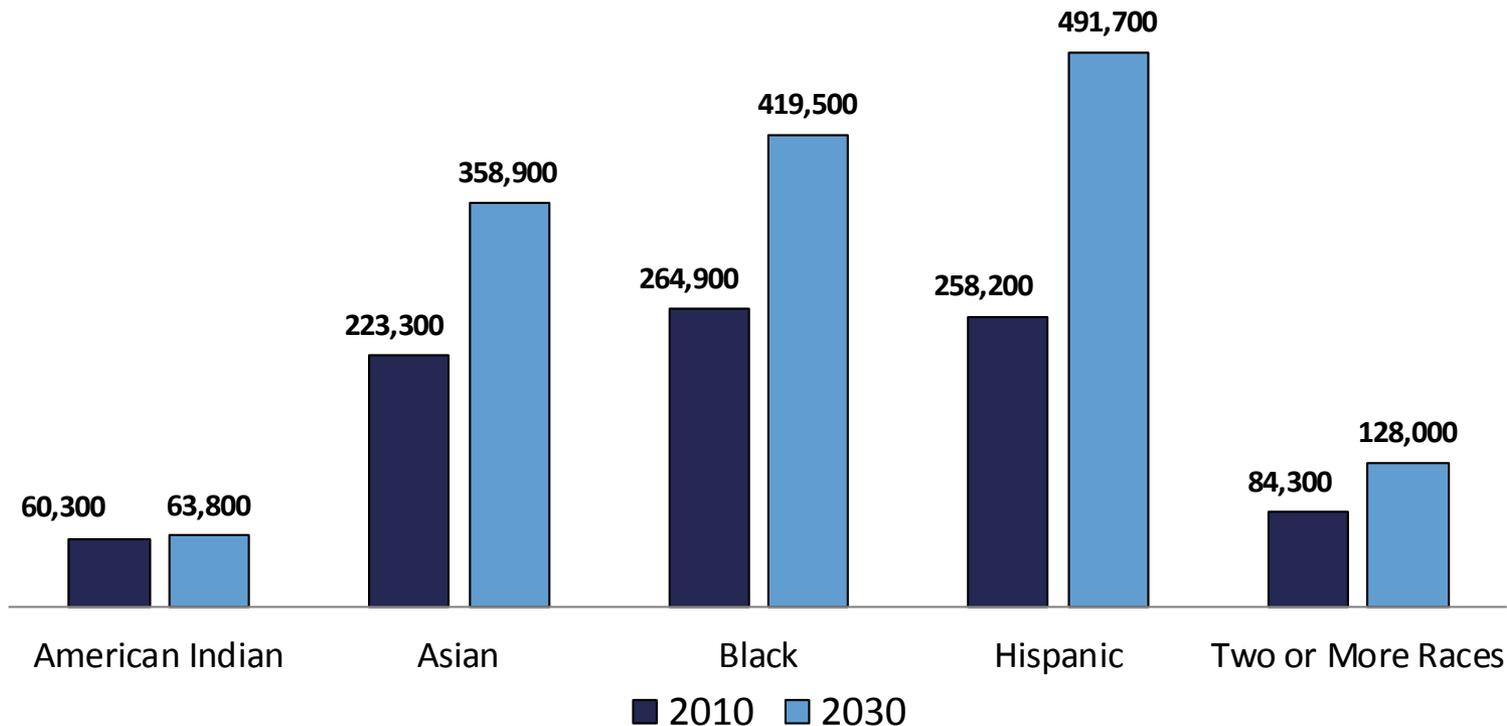
Population change by race
Minnesota and U.S., 2010-2012



Healthy life expectancy at age 65



MN: Largest population growth among Asian, Black and Latino groups by 2030



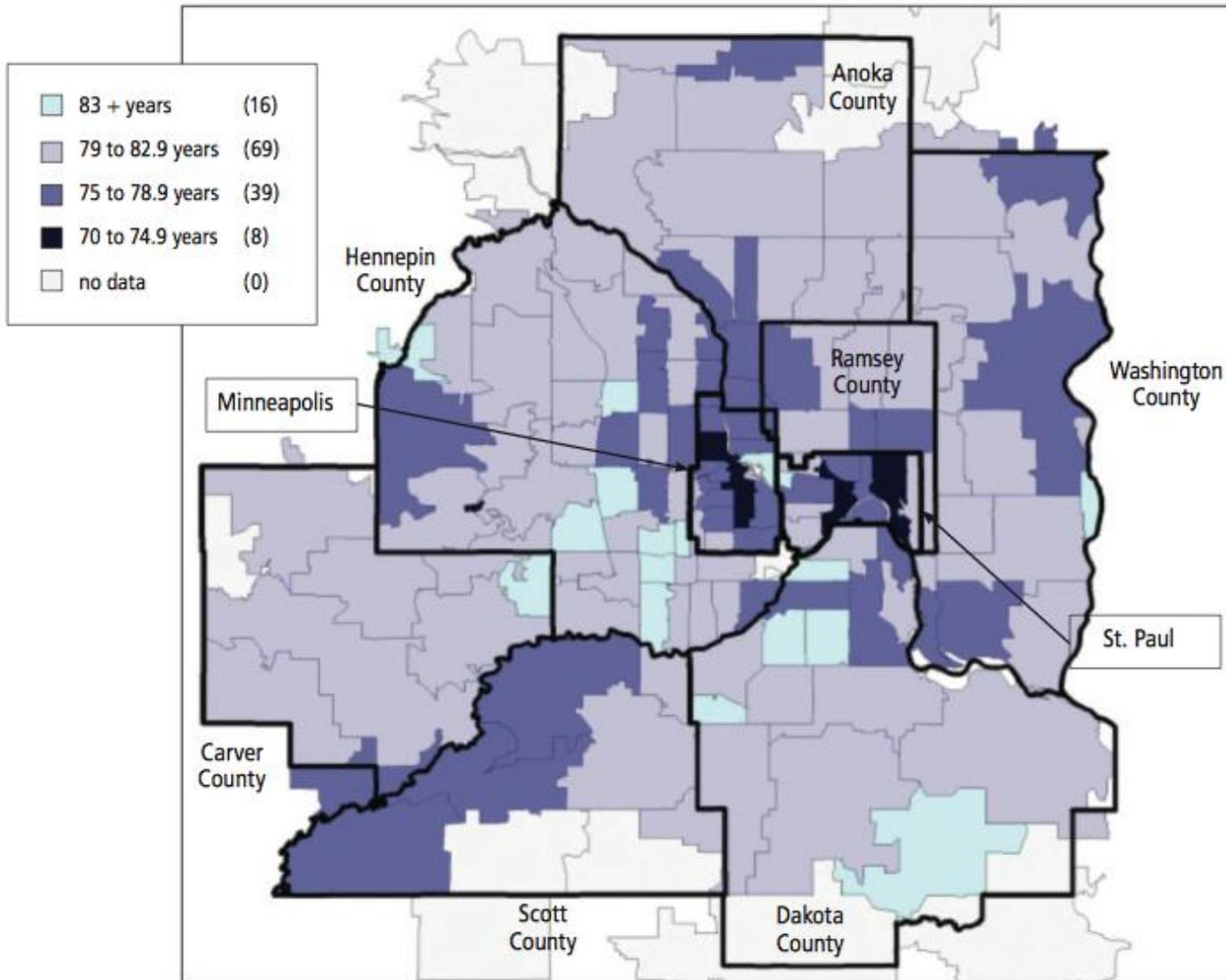
Source: Minnesota State Demographic Center projections.



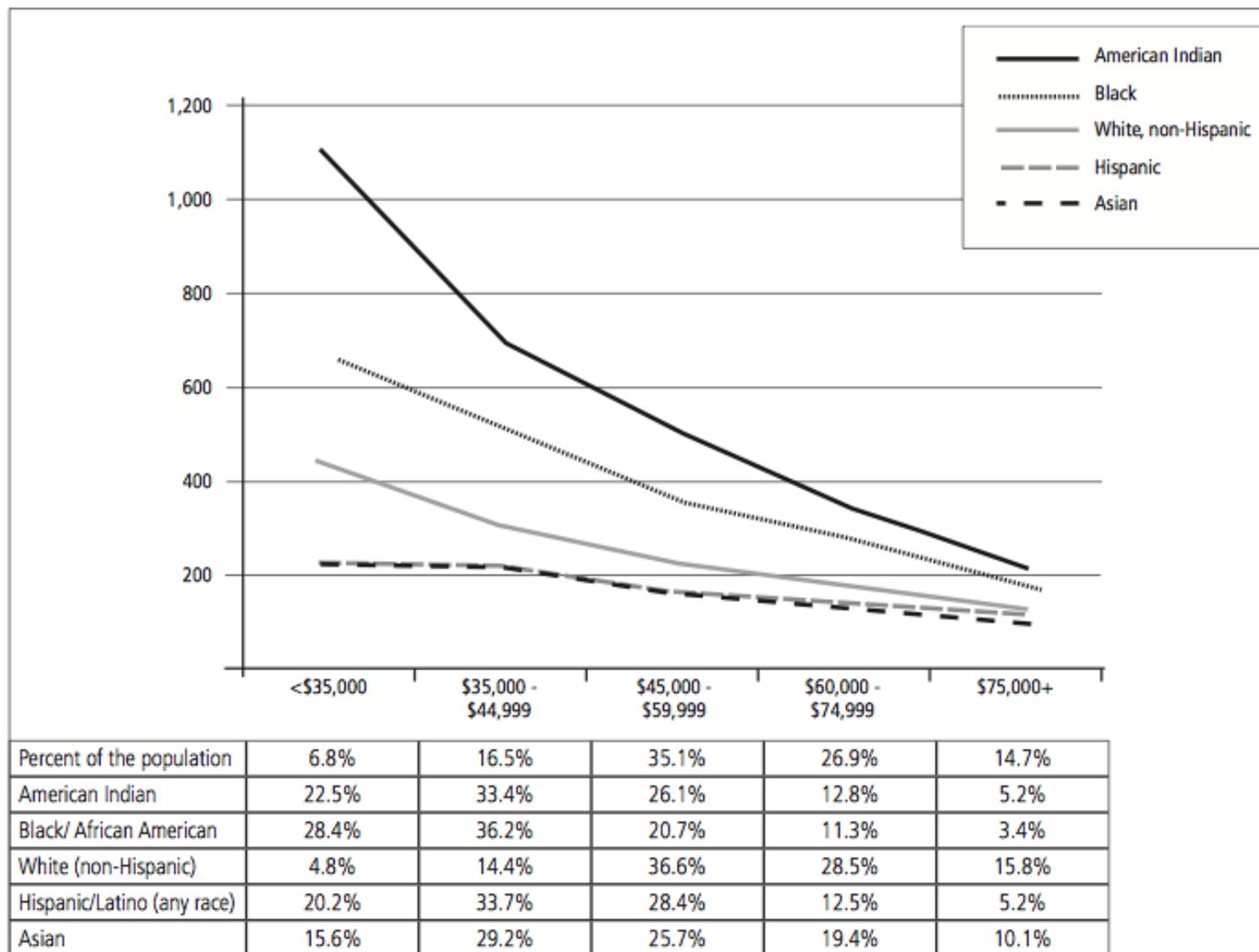
The unequal distribution of health in the Twin Cities

*A study commissioned by the Blue Cross and Blue Shield
of Minnesota Foundation / October 2010*





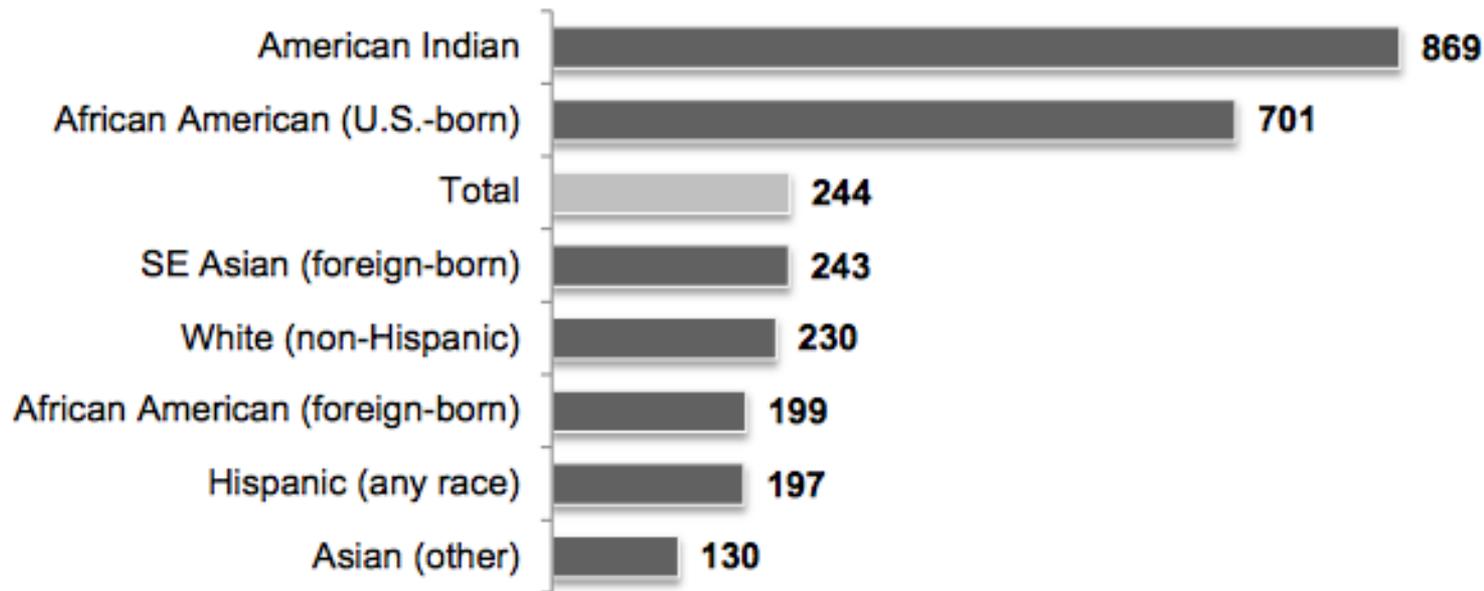
17. Mortality rates* by race within median household income group of ZIP codes



* Deaths per 100,000 for those age 25 to 64.

Source: Minnesota Department of Health (mortality data 1998-2002), U.S. Census Bureau (2000 population and median household income by ZIP code).

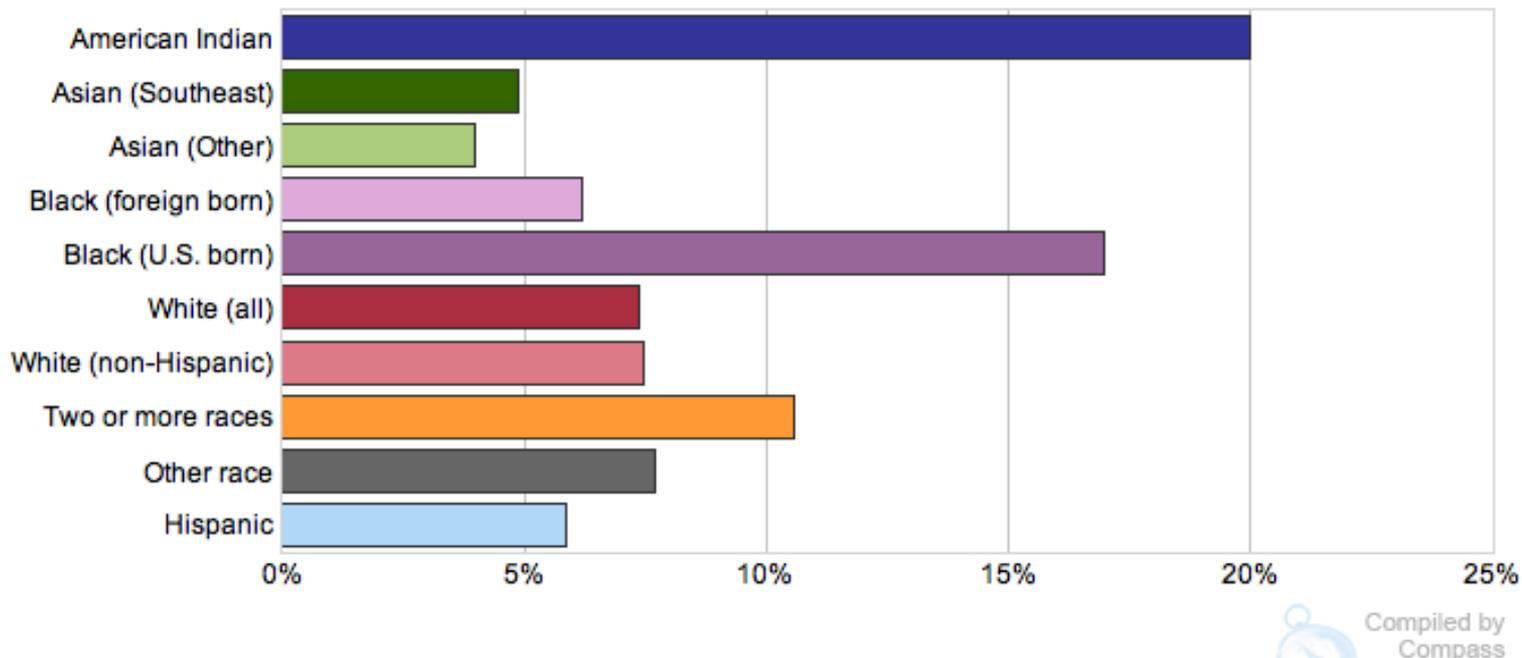
Mortality highest for U.S.-born populations of color in Minnesota



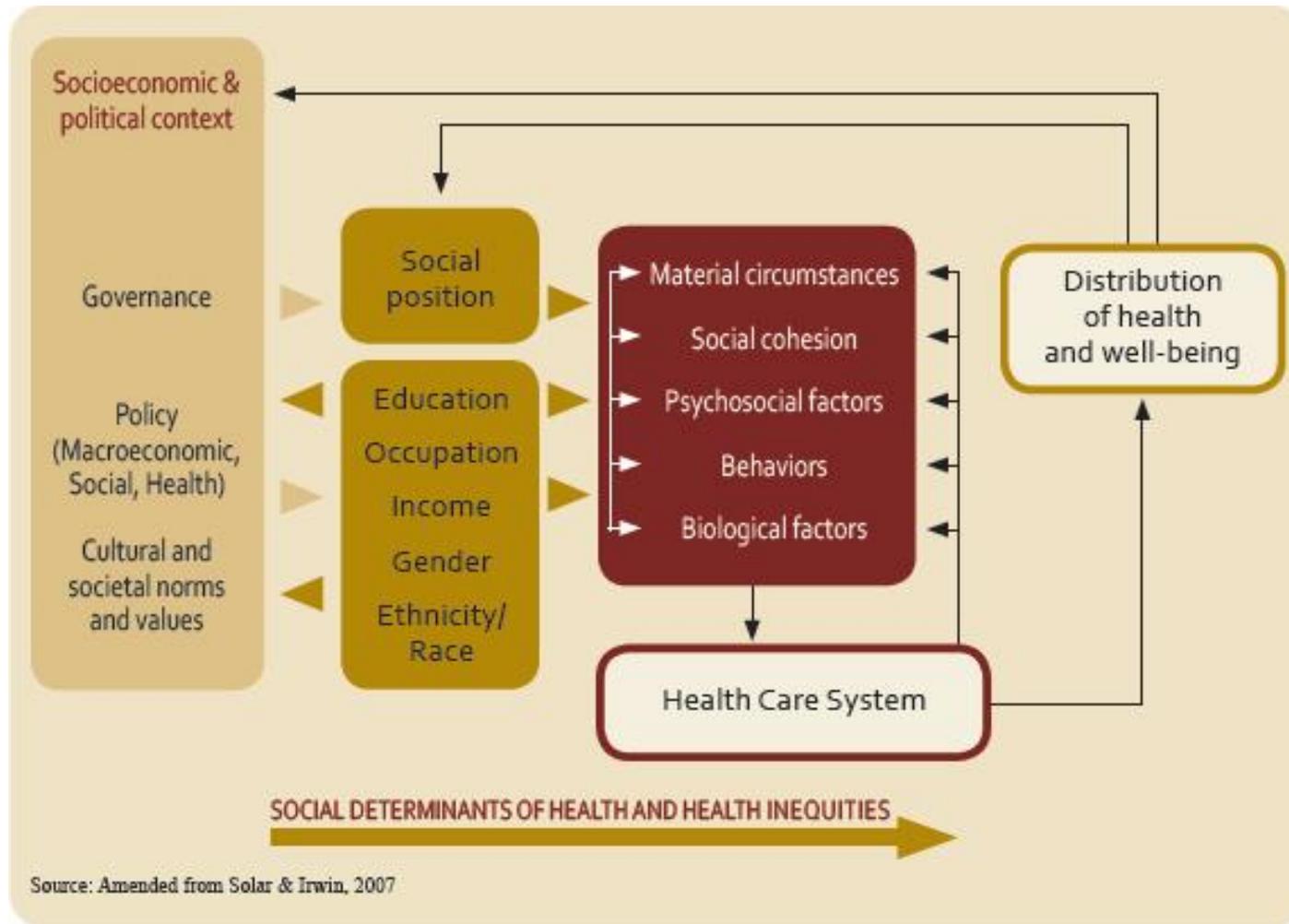
* Age-standardized deaths per 100,000, among the population age 25-64 during the years 2006-2008

Source: Minnesota Department of Health (mortality rates calculated by Wilder Research)

Percent with a disability by racial and ethnic group, (age 16-64) Minnesota, 2011



Complex causal pathways link race, income and health



Leadership choices will affect Minnesota's future economic performance

- **Productivity** matters
 - Worker health → productivity
 - Education → productivity
 - Research → innovation → productivity
 - Infrastructure → productivity
- Leave no **worker** behind
- Leave no **entrepreneur** behind