

Family Care for an Aging Population: Policy Dilemmas

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Sources of Care



- The family, the state, and the market.
- Diversification is good—but leads to institutional tensions.
- We want families to provide care for free—but when they don't, we must provide a substitute.
- Perverse incentives—and unfair outcomes.



What Exactly is Family Care?

- An obligation or a choice?
- About 30 states have filial responsibility statutes that establish a duty to care for indigent elderly, but these are not enforced.
- Is unpaid care “work”? By any common sense definition, yes. by national accounting standards, no.

Family Care is Extensive



- A recent National Alliance for Caregiving survey shows that about 19 per cent of U.S. residents provide some care to adults age 50 or higher, averaging about 19 hours per week.
- If we paid money for these services, the total price tag would exceed total Medicaid expenditures—or if you prefer a private-sector comparison—total sales of Wal-Mart.

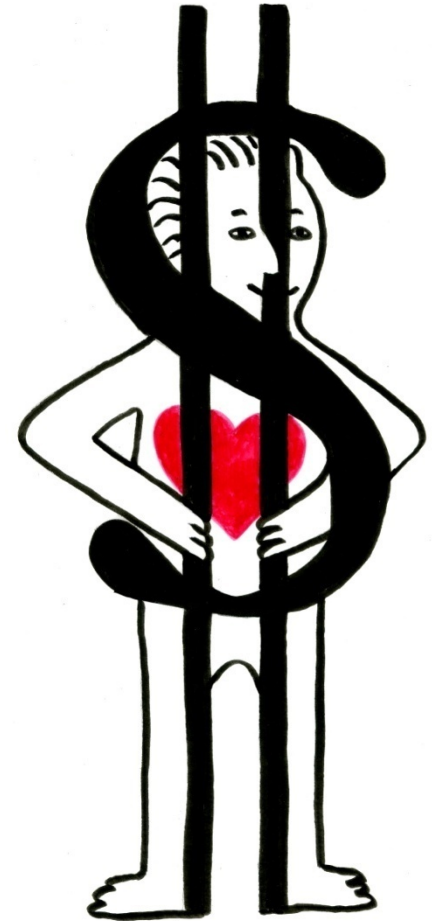
Family Care Saves Taxpayers Money



- Childless elderly are more likely than others to become dependent on Medicaid-financed nursing home care
- A German court ruled it unconstitutional to tax parents and non-parents at the same rate for long-term care insurance.

Bargaining over Family Care

- no penalty for “default”
- first mover advantage—geographic proximity matters
- first mover disadvantage--“hostage” effects and prisoners of love
- family obligations are highly gendered



Women and Elder Care



- Women are 67% of all elder caregivers
—and about 68% of elder care recipients.

According to the National Alliance Survey, about 45% of all women caregivers reported that they felt that they had no choice.

They stepped forward for a variety of reasons: because no other family member or friend was willing or able to provide adequate care or because paid services were economically out of reach.

Reproducing Gender Inequality



Women face a double bind.

Taking responsibility for the care of family members lowers their lifetime earnings and leaves them economically vulnerable.

Partly as a result, older women remain dependent on younger women for unpaid care. They have an economic stake in younger women's sense of obligation.

Public Support for Elder Care



Great that we have some
but what we have is:

- Unfair
- Inadequate
- Inefficient
- Expensive

Diagnostic Inequity

Let's say you are eligible for Medicare and need a pacemaker.. Most of your medical and care costs will be covered.

But if you are diagnosed with Alzheimer's or dementia, they won't be, because Medicare does not cover long-term care—there's no “medical” treatment for it.



Susan NYC

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Forced Indigence and Vulnerability to Low Quality Care



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- Medicaid asset test frozen since 1989--\$2000 for individuals
- Low reimbursement rates lead to discrimination by nursing homes and by physicians
- Personal needs allowance—a dollar a day.
- Huge variation across states in eligibility and quality

Home and Community-Based Services



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- State Medicaid “waivers” can be used for HCBS
- Widely preferred except for cases of extreme disability such as Alzheimer’s or dementia
- Far less expensive—in part because they enable greater participation of family members.
- Well-developed in some states—particularly in West (California, Oregon), but not every where, for fear of “woodwork” effect—family members will demand to be paid for previously unpaid services.

Direct Care Workers are Poorly Paid and Turnover Rates are High



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Black and Hispanic women are over-represented in these jobs.

Immigrants play an important role.

A large “informal” sector.

But increasingly complex demands made on caregivers—as result of efforts to shorten hospital and nursing home stays.

Home Care Workers Are Not Covered by the Fair Labor Standards Act

EVELYN COKE WAS a HOME CARE WORKER FOR 20 YEARS. HER EMPLOYER, LONG ISLAND CARE AT HOME, PAID HER BELOW MINIMUM WAGE AND DENIED HER OVERTIME PAY. THE U.S. SUPREME COURT RULED IN 2007 THAT THERE WAS NOTHING WRONG WITH THAT. WHAT DO YOU THINK?



NF, BASED on a GREAT PHOTO by TODD HEISLER

Private Long-Term Care Insurance is Expensive and Risky



Premiums are high.

Companies may go out of business.

Protection against cost inflation is limited.

Susan NYC

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Some Policy Prescriptions



Family Caregiver Alliance

<http://www.caregiver.org/>

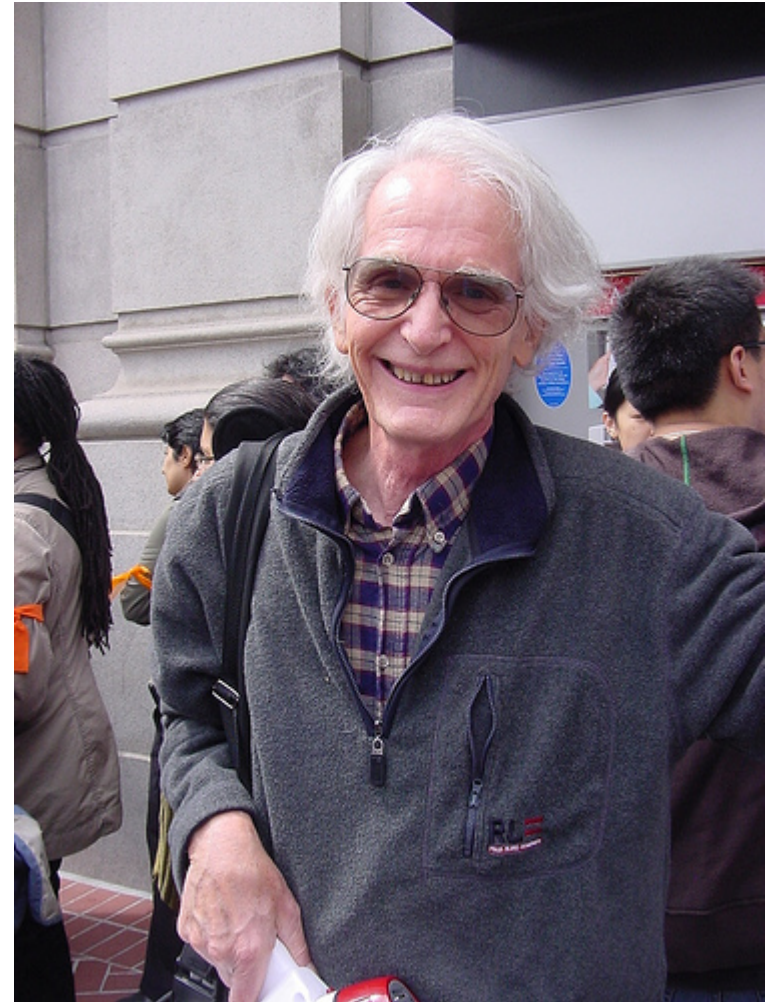
1. Recognize and provide economic support for family care

- through paid care leave and sick leave
- full tax deductions for costs of child care and elder care
- support services like adult daycare and training that can make it easier to provide family care

2. Develop a sustainable public UNIVERSAL adult care provision system and safety net

- help elderly individuals make effective use of housing assets without driving them into indigence
- learn from experiences of Germany, Japan, Scotland, Norway...
- emphasize home and community-based care based on California model

Michael Lyons of Gray Panthers



Confetti

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3. Encourage market provision to supplement family and public care, but set firm regulatory guidelines.

- Private long-term care insurance could provide “wrap-around”
 - Set and enforce high quality standards.
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- Improve wages and working conditions of those providing nursing home and home and community-based services.

Thanks for your attention!



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