

# Approaches to Easing the Affordable Housing and Health Care Challenges Seniors Face

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## The Senior Tsunami—A Diverse and Complex Group

Who among us hasn't heard the phrases "Silver Tsunami" or the "graying of America"? The Pew Research Center reports that 10,000 new seniors will be added to the population every day until 2030.<sup>1</sup> As we think about the demographic shift, it is easy to characterize the "senior" population as one big group. But looking closer at this large and growing segment of the U.S. population reveals a diverse and complex group that requires diverse options and solutions.

The age range of individuals commonly characterized as seniors is immense. For instance, you can get an AARP membership when you turn 50. You can enter a senior affordable housing community when you are 55. You are eligible for Medicare at 65. As becoming a centenarian becomes more and more common, the age range of a senior spans from 50 to 100+. That age range is incredibly wide and means that today we have three generations of seniors: the Greatest Generation (ages 90+, born in 1927 and earlier), the Silent Generation (ages 72 to 90, born 1928 to 1945), and the Baby Boomers (ages 53 to 72, born from 1946 to 1964). Imagine lumping a toddler, an adolescent, and a 30-year-old into the same age category! The three generations have very different life experiences and belief systems. They also reflect shifts in ethnic demographics as the white population declines and the African American, Asian, and Hispanic populations increase.<sup>2</sup>

We should all be aware of our internal assumptions when we use the term "senior." A senior can be a work colleague, a marathon runner, your grandfather, or even your great-great grandfather! It is unrealistic to use a single label to address such a large and diverse group of incomes, health conditions, experiences, and needs. With the aging in America now span-

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1. Pew Research Center, *Baby Boomers Retire* (Dec. 29, 2010), <http://www.pewresearch.org/fact-tank/2010/12/29/baby-boomers-retire/>.

2. U.S. Census Bureau, Population Division, *Annual Estimates of the Resident Population by Sex, Age, Race, and Hispanic Origin for the United States and States* (June 2017).

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ning three generations, it is imperative that policy makers, businesses, and communities understand such diversity in the “senior” population in order to ensure there are adequate services and supports for all.

The fact is that those fortunate enough to have a very long life span also face increased odds that they will need support to live their lives well. In other words, they will need help with life tasks. These are commonly referred to as “activities of daily living” (ADLs). For those who live into their 80s, three out of four individuals will need assistance. Where will all that help come from? Unless the senior has long-term care insurance, which only one in ten Americans has, it is often a surprise that these costs are not insured by Medicare. Therefore, if seniors need help, they can pay for it out of pocket or seek help from a family member. Unfortunately, if the senior has limited family support and/or limited funds to pay for help, the common outcome is impoverishment and a new member in the growing class of Medicaid clients.

Indeed, the harsh reality is that the experience of growing older can be dramatically different based on a variety of factors: how healthy a person is; how much money that person has available; how many family members that person has maintained relationships with; and the proximity of where those family members live, among others.

While the senior population can be broken into many different subsets, one important division is simply this: those with means and those without. On one end of the spectrum are individuals who likely had a good education, reliable careers, and good health insurance. They are more likely able to enter this phase of life with resources to spend on travel, entertainment, and high-quality health care.

On the other end of the spectrum are individuals who have limited assets, increasing chronic conditions, higher health care costs, and increased poverty. As is always the case, the bell curve is real. Many seniors retire after having worked in lower wage jobs with limited health insurance and/or modest retirement plans. With increased longevity, these same seniors will now live for decades on fixed incomes with few resources to pay for the basic supports needed as they age. For such individuals, can we really call these the golden years?

This resource-constrained elder group is large and growing larger. In its 2015 report “Housing Costs and Financial Challenges for Low-Income Older Adults,” the Urban Institute found that only 18 percent of adults ages 65 and older work for pay, so most depend on government benefits, pensions, or their own savings.<sup>3</sup> As compared with prior generations, today’s seniors have less and less money saved in pension plans,<sup>4</sup> and the

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3. Richard W. Johnson, Urban Institute, *Housing Costs and Financial Challenges for Low-Income Older Adults* (2015).

4. *Id.*

average 2015 monthly retirement payment was only \$1,300.<sup>5</sup> In addition, as of 2013, half of households headed by adults age 65 or older had less than \$45,000 in accumulated financial assets.<sup>6</sup> “The good life” we all desire in our retirement years is far out of reach for many of these seniors.

The tsunami wave of seniors also puts enormous pressure on Medicare and Medicaid. Many Americans think Medicare pays for Long-Term Services and Supports (LTSS), used by individuals with functional limitations and chronic illness who need assistance to perform routine daily activities such as bathing, dressing, preparing meals, and administering medication. It does not. One payment source for LTSS is long-term care insurance. But only approximately nine percent of Americans have long-term care insurance, which can be expensive.<sup>7</sup> Therefore, the major payer for LTSS is Medicaid, developed in 1965 as a safety net for the poor, not as a default long-term insurance program for the middle and working classes. However, because the fastest way to become poor is to be old and sick, seniors exhaust their savings and other assets to live, eventually qualifying for LTSS help through Medicaid. Medicaid now pays for forty percent of all LTSS in the United States.<sup>8</sup>

### **Housing—A Health Care Solution**

With these facts in mind, what can we do to increase the odds that more seniors will actually experience the good life in their golden years? One of the best resources to ensure a good quality of life is decent, safe, and affordable housing. It is the cornerstone to good health and wellness. The Brookings Institution released a report in March 2018 titled “Housing as a Hub for Health, Community Services and Upward Mobility,” which said, “We have learned that there is a strong relationship with substandard housing conditions and health. . . . Housing conditions are a major social determinant of health.”<sup>9</sup>

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5. *Id.*

6. *Id.*

7. Richard W. Johnson, Urban Institute, *Who Is Covered by Private Long-Term Care Insurance?* (Aug. 2, 2016), [https://www.urban.org/research/publication/who-covered-private-long-term-care-insurance?utm\\_source=iContact&utm\\_medium=email&utm\\_campaign=Retirement%20Policy%20Update&utm\\_content=Retirement+Policy+Update+-+8%2F9%2F2016](https://www.urban.org/research/publication/who-covered-private-long-term-care-insurance?utm_source=iContact&utm_medium=email&utm_campaign=Retirement%20Policy%20Update&utm_content=Retirement+Policy+Update+-+8%2F9%2F2016).

8. Melissa M. Favreault, Howard Gleckman & Richard W. Johnson, Urban Institute, *Can Catastrophic Insurance Improve Financing for Long-Term Services and Supports?* (June 2016), <https://www.urban.org/sites/default/files/publication/81216/2000804-Can-Catastrophic-Insurance-Improve-Financing-for-Long-Term-Services-and-Supports.pdf>.

9. Stuart M. Butler & Marcela Carbello, The Brookings Institution, *Housing as a Hub for Health, Community Services and Upward Mobility* (Mar. 2018), <https://www.brookings.edu/research/housing-as-a-hub-for-health-community-services-and-upward-mobility/>.

Today we have a huge demand for affordable senior housing and an equally huge supply problem. National Church Residences, where I serve, is the nation's largest provider of affordable senior housing. We see the value of quality affordable housing every day. The safety and community in quality affordable housing reduces individuals' stress levels. The watchful eye of the employees creates an adopted family environment. Paying an affordable rent allows a person to have enough funds for other expenses, such as healthy food, adequate medications, and necessary transportation. Affordable senior housing is a critical pathway to a longer, higher quality of life.

But as we know, affordable housing is not an entitlement. Just because you need it does not mean you are able to access it. Some of National Church Residences' affordable senior housing communities have waiting lists that are three years long. Roughly three out of every four lower-income seniors have to wait, sometimes for years, to be able to move into a unit.

One simple solution is to build more senior housing. Indeed we must build as much as we can and continue to advocate for more funds to be available for programs such as the Department of Housing & Urban Development's (HUD) 202 program. The HUD 202 program provides capital advances to private, not-for-profit sponsors to finance the development of housing for low-wealth elderly residents. Unfortunately, after over 50 years of building communities under the 202 program, the federal government stopped funding any new production from 2013 to 2017. Although a very modest amount was added in the FY2018 federal budget to allow for the development or rehabilitation of a small number of 202 communities, it is simply not enough. It is imperative that this unique low-income senior program is supported in future fiscal years. The HUD 202 program, along with the Low Income Housing Tax Credit program, will allow modest amounts of new construction, but it will likely be a drop in the bucket compared to the number of seniors who need affordable housing options.

Thus, the reality is that it is too late to think that we can simply build our way out of the affordable senior housing supply shortage. We must continue to build all of the additional affordable housing that we can, and in addition, we must address the needs of those seniors who will never gain access to these housing resources. We must not ignore the three out of four individuals who are waiting in line for affordable housing. The seniors who qualify for affordable housing but linger on long wait lists face impossible financial choices every day. For example, low-income seniors who live in affordable housing pay 30 to 35 percent of their income for housing. In contrast, the Urban Institute reported that seniors on the waiting list for affordable housing pay approximately 74 percent of their income for housing.<sup>10</sup> How are seniors who receive an aver-

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10. Johnson, *supra* note 3, at 10.

age Social Security payment of \$1,300 and have no other income able to afford any investment in their own health if they spend \$962 on rent and are left with only \$338 per month for all other expenses?

Those left behind on housing wait lists are also at higher risk of declining health. A 2014 report from the Joint Center for Housing Studies of Harvard University found that seniors who spend more than half of their income on housing spend significantly less on food and health care than their counterparts with lower housing expenses.<sup>11</sup> This is not because their food and health care needs are less. It is because they have less money to spend in these critical categories. The inability to afford things like healthy food and basic medical care exacerbates any chronic condition.<sup>12</sup>

The shortage of affordable housing is therefore both a social justice issue and a health care cost containment issue. As mentioned earlier, if building our way out of the shortfall is only part of the solution, then we must seek other remedies that will address the needs of those seniors who are not able to find affordable housing. Such solutions must seek to help today's lower-income seniors, as well as seek to ensure that modest-income seniors do not fall into poverty. Whether we are talking about a senior with or without financial means, a senior with or without close family, or a senior with or without access to affordable housing, there are several strategies that we must embrace and prioritize as a country in order to adequately look out for all senior citizens.

### Solutions

*Redefining family*—The Institute on Aging reports that 65 percent of seniors receive their caregiving services from friends and family, with another 30 percent combining family caregiving and paid services.<sup>13</sup> Yet, the demographic gap in family size, as well as increasing tendency for family members to live far from their senior relative, will strongly impact access to these traditional family supports in the future. By 2050, the ratio will plummet from seven possible caregivers per elder to three potential caregivers per elder.<sup>14</sup> Our society must realize that we cannot rely only on the family of origin to provide long-term caregiving.

Quite simply, exposing our youth to seniors early and often is a simple but important part of the solution. For too long, our society has put more and more distance between youth and elders. We visit an elder in a nurs-

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11. Joint Center for Housing Studies of Harvard University, *Housing America's Older Adults: Meeting the Needs of an Aging Population*, at 1 (2014), [http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/jchs-housing\\_americas\\_older\\_adults\\_2014.pdf](http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/jchs-housing_americas_older_adults_2014.pdf).

12. Feeding America, *Senior Hunger Fact Sheet* (Sept. 2017).

13. Institute on Aging, <https://www.ioaging.org/aging-in-america>.

14. LeadingAge, *Perspectives on the Challenges of Financing Long-Term Services and Supports* (Feb. 2016), [https://www.leadingage.org/sites/default/files/Pathways\\_Report\\_February\\_2016.pdf](https://www.leadingage.org/sites/default/files/Pathways_Report_February_2016.pdf)

ing home. We don't live side by side. Our stereotypes of seniors (especially elder seniors) continue to be about issues such as slow driving, being hard of hearing, shuffled walking, etc.

Instead, we must embrace the idea that it will take a village to care for our elders and that means normalizing the day-to-day engagement with seniors, including living in communities with them. Already, we see creative models involving intergenerational housing and accessory dwelling units (ADUs) that provide secondary housing, such as a tiny house on single-family residential lots. One European intergenerational model in use at Judson Manor in Cleveland allows college students to live rent-free in a retirement community, requiring them to socialize with the seniors. This is a new kind of family keeping an eye on the seniors' well-being and even boosting it through interactions.<sup>15</sup> Will our society ever think that it is cool to be an elder? We should aspire to this goal even if only to ensure that we have enough caregivers in our communities!

*Service-enriched senior housing models*—One major aspect of the affordable housing problem facing seniors is the lack of affordable assisted living. Virtually all assisted living communities in the United States require payment from private sources, meaning they do not accept Medicare or Medicaid, and their rates are unaffordable for moderate- to low-income seniors. Ironically, the effect of this is that low-income seniors often go from living independently directly into very expensive nursing homes paid for by the Centers for Medicare and Medicaid Services.<sup>16</sup> However, it is estimated that ten to twenty percent of all seniors residing in a skilled nursing facility (SNF) could live in less restrictive environments if there were affordable alternatives to SNFs that provided wraparound services, such as support with ADLs like bathing, taking medication, dressing, and transportation.

Over the last ten years, National Church Residences has worked with the Department of Housing and Urban Development and the Ohio Office of Medicaid to modify existing independent senior housing communities into buildings that have both independent living wings and assisted living wings (much like what many market rate developers are designing today). We successfully completed four such communities that combined Section 8 rental assistance to pay for the housing costs and a Medicaid waiver to pay for the assisted living services. These projects were major successes from all

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15. Heather Hansman, *College Students Are Living Rent Free in a Cleveland Retirement Home*, SMITHSONIAN.COM (Oct. 16, 2015), <https://www.smithsonianmag.com/innovation/college-students-are-living-rent-free-in-cleveland-retirement-home-180956930/>.

16. Robert Appelbaum et al., Scripps Gerontology Center, *Ohio's Aging Network Efforts to Enhance Nursing Home Diversion and Transition* (2011), <https://sc.lib.miamioh.edu/bitstream/handle/2374.MIA/4425/Ohio's%20Aging%20Network%20Efforts%20to%20Enhance%20Nursing%20Home%20Diversion%20and%20Transitionv3.pdf?sequence=1>.

perspectives, but the HUD financing was discontinued several years ago, preventing the ability to further replicate this model.

To prove the value of affordable assisted living, an independent Health Management Associates study in October 2012 reviewed the savings to Medicaid of the first of the National Church Residences' affordable assisted living communities. The report found that using affordable assisted living saved \$73.08 per individual per day.<sup>17</sup> The latest statistics from the Centers for Disease Control reported 1.4 million people living in skilled nursing beds as of 2014.<sup>18</sup> If just ten percent of those individuals (140,000) could move to affordable assisted living, at an individual savings of \$73.08 per person per day, Medicaid could achieve a cost savings of \$10.23 million a day or \$3.7 billion per year, based on the 2012 calculation.

Once the HUD program was terminated, National Church Residences attempted to create a similar model without HUD funds. In 2013, we proposed a concept that would leverage this proven healthcare savings in a Pay for Success model. Generally, a Pay for Success model is any program in which an agreement is reached with a public-sector entity to pay for services that ultimately results in savings to the public sector. In this case, the project was set to take place at Stygler Village in Gahanna, Ohio, an existing 150-unit Section 8 assisted property. The proposal would utilize funding from the Ohio Department of Medicaid. It would allow for the preservation of 75 units as affordable independent senior housing and would convert 75 units into affordable assisted living units targeted at individuals who would otherwise be housed in SNFs.

Ultimately, National Church Residences did not receive approval from the Ohio Department of Medicaid to proceed with this program. At that time, Social Impact Bonds and Pay for Success models, both of which were part of this proposal, were still relatively new concepts. Today more and more such models are proving to be successful in a variety of settings and with a variety of populations. With such a clear positive impact on Medicaid cost savings and with increased pressure to find alternative housing options for higher acuity seniors, these innovative models are well suited for implementation.

*Home for Life Models*—For those seniors in the community who may never enjoy living in affordable senior housing or an affordable living community, we are called to serve them where they live.

My organization, National Church Residences, is working with a variety of health systems and health insurance companies on innovative ways to reduce costs experienced by seniors living with one or more chronic

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17. Health Management Associates, *National Church Residences Housing Study Project: A Final Report* (Oct. 2012), [https://kresge.org/sites/default/files/Supportive-housing-study\\_0.pdf](https://kresge.org/sites/default/files/Supportive-housing-study_0.pdf).

18. Centers for Disease Control, National Center for Health Statistics, Nursing Home Care, <https://www.cdc.gov/nchs/fastats/nursing-home-care.htm>.

health conditions. We have designed a program called Home for Life, which includes the use of enhanced service coordinators to help patients overcome barriers to getting healthy; utilizes a proprietary Care Guide database that includes assessment tools to help determine individual needs; and implements an organizational commitment to achieving the triple aim of excellent client satisfaction, quality service delivery, and lower costs to the health care system.

One example where we have applied this model is a pilot program begun in January 2016 at Adena Medical System, based in Chillicothe, Ohio. The Home for Life model was used to help 100 high-risk patients with chronic obstructive pulmonary disease (COPD). The patients were individually assessed by the service coordinator. A visitation system was then created in which seniors received regular visits based on acuity risk levels. The service coordinator team was committed to accessing the various social determinants of health, from transport needs to dietary guidance to health education. In one year of reporting, the program saved Medicare/Medicaid more than \$874,000 and cut readmissions to the hospital from 33 to 14 percent of patients.<sup>19</sup>

Subsequently, Aetna and Molina Healthcare each acknowledged the immediate, measurable impact of the Home for Life program and its long-term promise as a sustainable model. Each of these insurance companies has partnered with National Church Residences to start its own Home for Life program for a subset of its clients.

The Aetna program consists of 300 patients who are part of the Aetna Medicare and Medicaid plan and have a primary care physician in Central Ohio Primary Care's practice. National Church Residences began reaching out to these members in August 2017. Enhanced service coordinators make approximately twenty calls each week to ensure patients get to their primary physicians appointments and remove any barriers that would cause seniors to miss their appointments. Enhanced service coordinators provide more extensive services to 80 Aetna members, visiting them in their homes to formulate a personalized care plan for each person. This plan could include providing transportation, assisting with social services, monitoring adherence to medication regimens, assessing individuals' living environments and implementing corrections to prevent falls, preparing nutritional programming, and providing other services.

The Molina project involves more extensive health management services for Molina members living in National Church Residences buildings. Molina pays National Church Residences to reduce hospitalizations and increase participation in preventative health screening for members in the program. Each patient receives a care management plan as an initial assessment, with annual assessments scheduled as follow-ups. National

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19. Bambi Huffman et al., Adena Health System/National Church Residences COPD White Paper (Aug. 2017).



Church Residences' enhanced service coordinators communicate closely with Molina care managers to facilitate timely interventions in areas such as social services, transportation, medication adherence, and nutrition. Weekly coordination meetings are held between Molina and National Church Residences staff, quarterly Pilot Executive Steering Meetings are also scheduled with a group of senior executives from the two organizations in order to ensure support and the provision of resources, and National Church Residences' enhanced service coordinators report a patient's changes in health status to Molina within 24 hours of learning about a change.

National Church Residences also is providing Home for Life programs in partnership with the Osteopathic Heritage Foundation and with fire stations in three suburbs of Columbus, Ohio. Additionally, a partnership with Habitat for Humanity in Atlanta, Georgia, using Home for Life is expected to launch later in 2018, taking the Home for Life model out of Ohio for the first time.

*Technology innovations*—The Home for Life model is a high-touch, in-community solution that is proving valuable to enabling seniors to remain in their homes for life and stay out of higher cost institutional settings. But just as building more housing will only be part of the solution, so will models such as “Home for Life” be one part of the total solution. There simply are not sufficient staffing resources to provide Home for Life programs to every senior who would benefit from such services. Rather, technological advances, which are already entering the market, are critical to providing daily assistance to seniors in ways that complement a human touch.

Our country has a long history of being innovative and entrepreneurial at our core. We see social issues that need solutions and we innovate! Many of today's leading innovations are happening in areas that address the needs of seniors: motion sensors for monitoring gait changes, robots that improve medication compliance, iPads that address safety and isolation, watches that monitor health indicators, and telemedicine programs to reach those in rural areas, just to name a few. Telemedicine programs are indeed one of the most encouraging impending solutions. Patients in rural areas can use telemedicine to communicate face-to-face and in real time with physicians, particularly specialists, who are located too far away for an in-person visit. The technology solutions are in their infancy but are emerging fast. They will indeed be a significant part of our overall strategic solution to allowing our country's seniors to age in place with safety, dignity, and respect.

### **Conclusion**

No matter what group or subgroup of seniors we are thinking about, the path of aging is complex. Unlike the path of childhood education, which some would say is fairly predictable, there are thousands of pathways for the aging process, depending on an individual's frailty level, income level, family resources, and medical conditions. Very few families

plan on dealing with a senior's need for housing and health care until a major health event happens, such as a stroke or heart attack or the occurrence of dementia or cancer. Then everyone asks the same three questions:

1. What does my elderly friend or relative need now?
2. Where is the best place to meet that need?
3. How do we pay for it?

The answers depend on the insurance the senior has, the savings and income he or she has, the number of friends or family members willing to share the burden of coordinating and assisting with care, and the proximity of those involved with caregiving to the senior receiving the assistance. The answers will also depend on whether the senior lives in or near poverty, as that drives his or her eligibility to receive certain government-funded resources.

No single solution can address the health and housing challenges facing all seniors. Yet every senior in our country deserves a unique pathway to a good quality of life as he or she ages. How do we create the multiple pathways that are critical for our country's seniors to age with dignity and access to necessary services? We must utilize a large and diverse toolkit of options that can be customized for an individual senior's situation. We must advocate and create more housing options. We must innovate and seek community-based engagement solutions. It will take a combination of trained health teams, a compassionate workforce, volunteers and family, innovative technology, and the willingness to experiment with creating funding solutions in order to address such a complex customer base and the particular circumstances each individual faces.