

# How runaway healthcare costs are a threat to older adults and what to do about it

6 February 2020

Empowering Medicare to directly negotiate drug prices, accelerating the adoption of value-based care, using philanthropy as a catalyst for reform and expanding senior-specific models of care are among recommendations for reducing healthcare costs published in a new special report and supplement to the Winter 2019-20 edition of *Generations*, the journal of the American Society of Aging (ASA).

The report, "[Older Adults and America's Healthcare Cost Crisis](#)," sponsored by West Health, a family of nonprofit and nonpartisan organizations committed to lowering healthcare [costs](#) to enable seniors to successfully age in place, includes a dozen articles by experts and leaders from healthcare, business, academia and philanthropy.

The authors examine the major drivers of the high cost of healthcare and its impact on patients and then offer solutions that can reduce costs and improve the quality of care for [older adults](#) and society at large. Topics include the employer's role in reining in healthcare prices, the high cost of prescription drugs, investing in the social determinants of health, the value of home-based acute care, the need for oral health programs for older adults, value-based [payment reform](#) and the geriatric emergency care movement.

"Skyrocketing healthcare costs represent a significant and growing public health crisis that requires more action and less debate," said Shelley Lyford, president and CEO, West Health, one of the authors. "We can all agree Americans are hurting, in some cases dying or going bankrupt, because of a broken system that costs too much and delivers too little. We can no longer delay or defer common sense reforms and better and more cost-effective models of care when the health and [financial security](#) of millions hang in the balance."

In the report's lead article, Lyford and Timothy Lash, chief strategy officer of West Health and president of the West Health Policy Center, call for allowing Medicare to directly negotiate [drug prices](#) with manufacturers, which is currently prohibited by law. They write it "would be a game-changing lever that could force prescription drug manufacturers to bring down prices and lower costs for older Americans." They also state it's essential to quickly move from unfettered fee-for-service to value-based payment models and that more transparency on price and quality is needed so consumers and other purchasers can make more informed decisions about care.

Other articles offer recommendations including:

- Employers demanding greater price accountability from hospitals and health plans and taking the lead in adopting value-based payment models
- Value-based payment reform for serious illness
- Establishing senior-specific models of care including geriatric emergency departments, which may improve health outcomes and reduce hospital admissions, and senior dental centers, which can address a silent epidemic of oral health problems among older adults
- Supporting widespread use of home-based acute care, which increases the value of healthcare and better allows older adults to age in place

In an introduction to the special report, guest editor Robert Blancato, M.P.A., Immediate Past Board Chair of the ASA and a member of the National Board of AARP writes, "As the U.S. population ages, it is increasingly vital to support common sense steps that can reverse the trend of runaway healthcare costs. Unless we advocates take bold actions now to lower healthcare costs, our nation's older adults cannot hope to successfully age in

place in the communities they cherish."

As spiraling U.S. healthcare costs dominate policy agendas at the state and federal level, older adults—the largest consumers of healthcare services—have a particularly high stake in solving the crisis. According to a 2019 [West Health-Gallup poll](#), seniors withdrew an estimated \$22 billion from long-term savings in the past year to pay for [healthcare](#) and an estimated 7.5 million were unable to pay for a prescribed medicine.

**More information:** "Older Adults and America's Healthcare Cost Crisis" is available for free from ASA and [West Health at West Health Supplement: America's Healthcare Cost Crisis](#).

Provided by West Health Institute

APA citation: How runaway healthcare costs are a threat to older adults and what to do about it (2020, February 6) retrieved 31 May 2022 from <https://medicalxpress.com/news/2020-02-runaway-healthcare-threat-older-adults.html>

*This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.*