



September 15, 2010 - Topic: Long-Term Care

## Report: Calif. Seniors Face High Costs for Health, Basic Needs

The cost of living for California's elderly population is significantly higher than the amount set by the federal poverty level, **according to a new report** from the UCLA Center for Health Policy Research, "**California Watch Blog**" reports (Lin, "California Watch Blog," 9/15).

The report found that the cost of living in California counties ranged from \$5,570 to \$22,984 higher than the federal poverty level of \$10,830 (Robertson, **Sacramento Business Journal**, 9/14).

### Measuring Cost of Living

Researchers from the UCLA center and the Insight Center for Community Economic Developments developed the Elder Economic Security Standard Index, also known as the Elder Index, to evaluate the cost of living for California residents age 65 and older. The index takes various expenses into account, including:

- Health care;
- Housing;
- Transportation; and
- Food costs.

In comparison, the federal poverty level is based solely on the cost of food.

### Health Care Costs

According to the report, health care and housing make up the majority of living expenses for California seniors. Researchers also found that health costs exceeded housing costs for many elderly residents, particularly those in rural areas.

Medi-Cal, California's Medicaid program, covers most health costs for low-income residents who receive federal Supplemental Security Income. Despite receiving Medi-Cal benefits, SSI beneficiaries still had average annual incomes that were \$6,212 below the income adequacy level set by the Elder Index, according to the report ("California Watch Blog," 9/15).

Susan Smith, director of the Insight Center's California Initiative, said some seniors are making compromises to adjust to their cost of living. She said, "They're splitting their pills so medications last longer, they're forgoing paying the utility bill in a month so they can pay rent. They're skipping a meal."

### Backing the 'Elder Index' as a New Metric

Supporters of the Elder Index say the federal poverty level does not provide an accurate picture of the cost of living in California. They want the state to begin using the Elder Index as a planning tool and a metric for program eligibility formulas.

Many not-for-profit agencies that work with seniors already use the Elder Index (Anderson, **Fresno Bee**, 9/14).

### Related State Legislation

This year, Sen. Carol Liu (D-La Cañada Flintridge) introduced legislation (**SB 1084**) that would have created a task force to recommend policy based on the Elder Index, but the bill stalled in the Assembly.

Assembly member Jim Beall (D-San Jose) also introduced a bill (**AB 2114**) that would have required local and state organizations to use the Elder Index. The bill did not receive approval before the end of the legislative

session ("California Watch Blog," 9/15).

### **Federal Changes in the Works?**

The federal government has acknowledged that federal poverty guidelines need to be updated and improved. Officials say they plan to release a new supplemental poverty measure in fall 2011 (*Sacramento Business Journal*, 9/14).

© 1998 - 2010. All Rights Reserved. California Healthline is published daily for the **California HealthCare Foundation** by **The Advisory Board Company**.