

Successful Aging in Community: The Role of Housing, Services, and Community Integration

By Robyn I. Stone

Solving the United States' impending issue with housing for low- and moderate-income elders should be high on the new Administration's priority list.

Over the past decade, it has almost become a truism that people prefer to age in their own homes and communities. Most policy and programmatic solutions to the challenges of aging in place have focused on increased access to and improved delivery of home- and community-based services to help older individuals avoid placement in more restrictive care environments. While there have been efforts domestically and internationally to encourage developing age-friendly cities and communities, relatively little attention has been paid in the United States to the lack of adequate housing for our aging population.

Policy makers, housing and services providers, advocates, and researchers are increasingly acknowledging adequate housing as a crucial element in the effort to help older adults age successfully in their communities, to reduce use of expensive healthcare and nursing home care,

and to allow for healthier aging and improved quality of life. Unfortunately, public resources for senior housing, particularly affordable, service-rich options, are inadequate and have been cut back at the federal level, just when an increasing segment of the older population lives in substandard housing and in communities where they are isolated.

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A multifaceted approach is needed to ensure that all older adults, particularly low-income elders, have the opportunity to successfully age in their communities of choice. The comprehensive proposal outlined below is based in large part on the report *Healthy Aging Begins at Home* (Bipartisan

→ABSTRACT Little attention has been paid to housing America's aging low- and modest-income population. The new Administration should develop a policy agenda focused on transforming existing homes and neighborhoods to ensure they allow older adults to remain in their communities as their risk of disability increases over time; integrating healthcare, social services, and wellness initiatives with housing to support population health management and care coordination; and expanding affordable housing options for the older adult population—within the financial resources available to support these goals. | **key words:** *affordable housing for older adults; linking housing and healthcare; livable communities*

Policy Center [BPC], 2016), issued by the BPC's Senior Health and Housing Taskforce.

A Proposal for Enabling Successful Aging in Community

We recommend that the new Administration develop a policy agenda focused on three areas: transforming existing homes (owned or rented) and neighborhoods to ensure they are livable (physically accessible, affordable, and safe) and allow older adults to remain in their communities as their risk of disability and frailty increases over time; integrating healthcare, social services, and wellness and disease-prevention initiatives with housing to support effective population health management and care coordination (particularly of low- and modest-income older adults); and expanding the supply of affordable housing options for the growing older adult population, within the limited financial resources available to support these goals.

Transforming existing homes and neighborhoods

The proposal begins with the development of a new Modification Assistance Initiative. The Initiative would coordinate federal resources in an interagency program to support physical modifications and the use of technology in the home and neighborhood to ensure that older adults living in substandard or inaccessible housing are able to age successfully in their communities. This program would also work with states and municipalities to establish or expand programs to assist lower-income older adults with home modifications through property tax credits, grants, or forgivable loans.

The U.S. Department of Housing and Urban Development (HUD) should maintain protections and strengthen counseling services for the existing Home Equity Conversion Mortgage insured loan program, and explore new products that assist borrowers in accessing home equity to address housing challenges. The Administration also should work with Congress to reauthorize the Community Innovations for Aging in Place

Initiative to identify successful community models for possible replication in low- to moderate-income communities, and to work toward establishing a nationwide suitability rating scale for age-friendly housing and communities.

Integrating housing and services for older adults

The new Administration should take advantage of the current stock of publicly subsidized senior housing and naturally occurring retirement communities to test models that use these settings as platforms for coordinating and delivering healthcare, long-term services and supports, and health education–disease prevention activities (including falls prevention and detection programs) to the millions of low- and modest-income older adult Medicare beneficiaries living in these environments. The Centers for Medicare & Medicaid Services (CMS) should develop targeted demonstrations and evaluations to test the potential of such programs to improve broad health outcomes and reduce healthcare costs.

This proposal also calls for the Administration to ensure that nonprofit hospitals include the older adult population and the status of senior housing in their triennial IRS-required community health needs assessment. To date, most of these assessments, which provide hospitals with information about where they can target their community benefit/philanthropic resources, have not included older adults. A few hospitals and health systems have used these funds to develop affordable senior housing; others have provided on-site pro-bono wellness nurses, clinics, or home-modification services to address the needs of low-income elderly residents for care coordination and better service integration. These efforts, however, have been ad hoc and should be expanded formally.

Expanding the supply of affordable housing for older adults

The new Administration must recognize preventing and ending homelessness among

older adults as a national priority by first ensuring that the U.S. Interagency Council on Homelessness explicitly adopts this goal. The new Administration also needs to work with Congress to fund federal rental-assistance programs at adequate levels and to create and fund a new program specifically for older adult housing that uses project-based rental assistance and low-income tax credits to support new construction and attract wraparound service dollars from Medicare, Medicaid, and other health and social service funders. Also, the U.S. Department of the Treasury should use

Nearly 40 percent of individuals older than age 62 are projected to have financial assets of \$25,000 or less.

the Capital Magnet Fund and the Administration should encourage states to use their National Housing Trust Fund allocations to support the production and preservation of affordable housing for the lowest income elders. Finally, the Office of Management and Budget should convene an interagency taskforce that assesses the impact of federal laws and regulations on the production of new affordable senior housing and identifies legal or regulatory modifications that could reduce costs and increase production.

**The Message to Americans:
Yes, You Can Age in Community**

The new Administration would announce this multifaceted plan as a framework for ensuring that all older Americans, whether they are homeowners or renters, and regardless of their economic status and level of disability, have an opportunity to successfully age in their communities. We have an unprecedented opportunity to significantly alter the expensive, overly medicalized way we care for older adults before the Baby Boom Generation overwhelms Medicare and Medicaid. Housing is the centerpiece of this

shift from overuse of hospitals and nursing homes to home and community. This comprehensive national senior housing plan is essential if we are to enable people to age successfully and safely in their homes and communities, avoid expensive medical care, and optimize social engagement and productive participation of older adults in our society.

The rundown on housing

Housing costs are a major burden for many older adult households, particularly for those living at or below 125 percent of the federal poverty level, where 36 percent of spending goes to housing-related expenditures (Favreault, Smith, and Johnson, 2015). As for physical infrastructure that would enable aging in place, only 57 percent of homes have more than one universal design element (e.g., single-floor living, no-step entries, lever-style door and faucet handles) (Joint Center for Housing Studies of Harvard University, 2014), and a little less than 4 percent of housing units in the United States are suitable for individuals with moderate mobility difficulties (HUD, 2015). This lack of accessibility is particularly troubling given the fact that 38 percent of households ages 65 and older house at least one person with a disability (Lipman, Lubell, and Salomon, 2012).

The need for affordable, accessible housing will become even more challenging over the next twenty years as the baby boomers age. The personal savings of older adults—a critical source of funds to support aging in community—will fall woefully short (BPC, 2016). Nearly 40 percent of individuals older than age 62 are projected to have financial assets of \$25,000 or less. Currently, the average amount of per capita home equity among homeowners ages 62 and older is \$136,000, but was less than half that amount for black and Hispanic older adult households (Favreault, Smith, and Johnson, 2015). Future cohorts of older adults will have far less home equity available to support their daily living and housing needs.

Older adult renters have no such home equity; an estimated 1.8 million elder households suffer severe rent burden, paying in excess of 50 percent of their incomes just for housing (Jakabovics et al., 2015). And 44,000 older individuals have no home, representing the fastest growing segment of the homeless population (Corporation for Supportive Housing and Hearth, 2011). Over the next fifteen years, the United States can expect to see both a growth

Advocates for publicly subsidized housing for a range of demographic groups are vying for the same shrinking dollars.

in the low-income older adult population and millions of elders transitioning to rental housing, from 5.8 million in 2010 to 12.2 million in 2030 (Favreault, Smith, and Johnson, 2015). In the absence of new supply, rents will likely increase and the housing cost burdens borne by older adults will grow (Joint Center for Housing Studies of Harvard University, 2014).

More than 2 million older adult renters live in some type of publicly subsidized housing, with thousands of low-income older adults on waiting lists. Older adult subsidized housing residents make up a very vulnerable population—70 percent are dually eligible for Medicare and Medicaid and 57 percent have five or more chronic conditions—much higher even than their low-income, “dual eligible” peers living in unsubsidized housing in the same community (The Lewin Group, 2014). They also have 58 percent higher monthly Medicare expenditures (\$1,479) than their non-subsidized peers, and higher rates of hospitalization and emergency department use. These individuals could benefit tremendously from formal links and integration between the housing properties and local health and social services to foster successful aging in community. Recent research indicates that housing–service integration and coordination could help many older adult re-

sidents avoid transfers to nursing homes, as well as save Medicare dollars through reduced hospitalizations and emergency department visits (RTI International and LeadingAge, 2014; The Lewin Group, 2014).

The lack of affordable and accessible housing for our burgeoning aging population is a serious problem that will only become more challenging over the next twenty years without serious policy intervention and investment from public and private sectors. Older adults’ ability to successfully age in community, however, goes beyond housing and integration with health and social services. Many elders, particularly those living in rural or suburban areas, lack easy access to transportation, grocery stores, recreational facilities, and healthcare entities. The degree of “age-friendliness” of the local infrastructure has an impact on the health and well-being of older adults and, ultimately, their ability to successfully age in community.

The Driving Forces of the Housing Debacle

The aging of the population over the next twenty years, coupled with the recognition that many older individuals will not be able to remain in their own homes or communities (physically and-or financially) without serious intervention, is driving increased attention to our inadequate housing and community infrastructure and serious lack of affordable housing options. Several other demographic and policy trends underscore the need for a comprehensive plan to enable successful aging in community. Affordable housing advocates recently have been shining a light on the current and future population of homeless older adults, as an increasing proportion of older adults are living longer on fixed incomes with little or no housing assets and limited savings.

Current waiting lists for publicly subsidized housing are likely to expand in the face of the elimination of HUD’s Section 202 program, the federal investment that historically supported

service-enriched housing for low-income older adults. The lack of affordable housing stock is creating significant problems for many states, aging services organizations, and managed care plans trying to implement Medicaid-funded home- and community-based service programs such as Money Follows the Person (MFP). MFP's objective is to relocate older adults and younger people with disabilities from nursing homes to community settings.

Several post-Affordable Care Act healthcare reform efforts are also driving more attention to the link between housing and health. Policy makers are experimenting with alternative financing and delivery strategies to reduce Medicare and Medicaid expenditures through value-based payment schemes that encourage more efficient management of high-risk older individuals, particularly “super utilizers” of hospitals and emergency departments. Also, there is an increased focus on population health management through managed care entities, Accountable Care Organizations, and other alternative delivery systems. Finally, healthcare providers are acknowledging that social determinants of health—including housing—are major contributors to the physical and mental well-being of the individuals they care for, and are exploring ways to address these non-medical factors.

The integration of housing and services, particularly in publicly subsidized senior housing or densely populated naturally occurring retirement communities, provides a unique opportunity to manage high-risk, vulnerable older adults as well as to achieve better population health management of lower-risk elders through links between housing-based service coordinators (often available in senior housing) and health and social service partners.

Community settings provide significant economies of scale to reach many older adults and help with identification and targeting, health education, falls prevention and medication management, care coordination, and good tran-

sitional care for high-risk residents. As noted previously, studies have begun to demonstrate the benefits of such integration for elders, health and housing providers, and payers. These early findings provided some of the impetus for HUD's new investment of \$15 million to develop and evaluate a four-year randomized control trial testing a housing-based service coordinator-nurse team model in forty affordable senior housing properties nationwide. The BPC's report also recommends that CMS fund a demonstration focused on housing-healthcare partnerships serving the low-income older adult population, support evidence-based practices that address falls prevention through clinical interventions and home modifications, and explore the role of technology in achieving better outcomes (BPC, 2016).

There is also a growing “age-friendly communities” movement spearheaded by the World Health Organization, AARP, the federal Administration for Community Living, and several private philanthropic foundations. These efforts shed light on the need to develop local communities that are safe, accessible, and affordable for older adults, and representing a broad range of demographics and geography. Such communities, moreover, are viewed as livable environments for all ages, not just the older adult population.

Winners, Losers, and the Challenges Ahead

A number of stakeholders stand to benefit from this comprehensive proposal. Currently homeless older adults and those in unstable, unsafe housing situations (low- and modest-income older adults, with fixed incomes and little or no savings) stand to gain the most from this multifaceted strategy. Family members also benefit tremendously, because older relatives who can no longer remain in their substandard or expensive-to-maintain homes or cannot afford rent will need to move in with kin or rely on family resources to support other housing. Affordable senior housing providers and developers, and the larger community, also will benefit from

investments in current and future housing stock. Service coordinators, other community-based service providers, and those employed in the home-modifications sector will be winners under this proposal.

Assuming that early research findings of savings to the healthcare system from linking affordable senior housing with healthcare and social service partners continue to accrue, health systems and public payers (primarily Medicare) will benefit from reduced expenditures and improvements in the quality of care delivered to and quality of life experienced by older adults. Some savings could be reinvested in the construction of new properties to expand the availability of service-enriched housing. Also, younger families looking for housing in tight housing markets might benefit from houses that become available when older homeowners move to more appropriate housing options. With widespread increases in existing housing preservation and supply expansion, local communities could benefit from jobs in construction and related sectors.

As with any large-scale policy effort, there will be some real or perceived losers. Given the lack of overall federal investment in affordable housing over the past few decades, advocates for publicly subsidized housing for a range of demographic groups (children and families, people with disabilities, the younger homeless population, the chronically mentally ill) all are vying for the same shrinking dollars. There is likely to be concern that the older adult population is “stealing” resources from other more needy groups. In fact, relatively little attention has been paid to the need for older adult housing because there is little recognition of the invisible near poor and poor older populations—cohorts that are likely to grow over the next two decades.

Similarly, any funds allocated to housing-based service coordinators may be viewed by other providers in the aging network as a reduction in their relatively small pot of resources and a redundant use of scarce dollars for

community-based services. Research findings from our evaluation of a service-enriched housing model embedded in Vermont’s state-wide healthcare reform effort substantiate this concern expressed by area agencies on aging and homecare agencies, organizations that are primarily responsible for delivering care-management services to older adult and younger disabled Medicaid home- and community-based service beneficiaries (RTI International, Stone, and Sanders, 2016). With a growing emphasis on better care coordination and population health management, many health systems are hiring their own care managers–navigators and may not see a business case for relying on housing-based staff.

The challenges to plan implementation

The new Administration will face a number of challenges in the implementation of this comprehensive proposal. There is little appetite at the federal level for new investment in publicly subsidized housing and even less for programs that target the older adult population (including preservation, new construction, and widespread home modification). While CMS is testing new value-based delivery models, most of the funds support large health system efforts; few dollars are supporting true community-based initiatives that recognize senior housing as part of the infrastructure. Healthcare systems will only be interested in partnering with senior organizations that have enough volume of older adult residents to achieve the efficiencies and cost-savings that support their return on investment. Given that older residents may be served by multiple providers and hospitals in a geographic area and are not all enrolled in any one plan, it may be difficult to achieve volume without some new type of bundled payment mechanism and housing networks.

Conclusion

One of the “sleeper” issues related to the aging of the baby boomers is the need for affordable

housing options and the development of more age-friendly housing and communities to enable successful aging in community. Despite the challenges highlighted in this article, the proposal outlined above provides a framework for the new Administration to acknowledge the problem, develop a call to action, explore policy barriers and opportunities for reform, and begin to provide solutions that will benefit a wide range of stakeholders. Federal, state, and local governments, and the private sector, will need to work together to identify the resources required

to implement the plan and achieve its bold objectives. Inaction will undoubtedly lead to a crisis for millions of older adults and their families over the next two decades. Comprehensive solutions will take time, but the Administration can start now by creating an awareness of the urgency of the problem and laying out a road-map for successful aging in community. 🍂

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