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Older Adults and Adults With Disabilities in California Struggle to Make Financial Ends Meet

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People with disabilities who need help to remain at home and maintain their independence are at increased financial risk due to out-of-pocket spending on health care and on home- and community-based services.¹ Rates of economic hardship are especially high for those who need long-term services and supports (LTSS), even among those with substantial financial resources.² The inability to make financial ends meet often results in individuals having to make difficult choices: Should they use their limited resources to pay for food or for medicine? Should they pay their rent or mortgage to keep a roof over their heads?

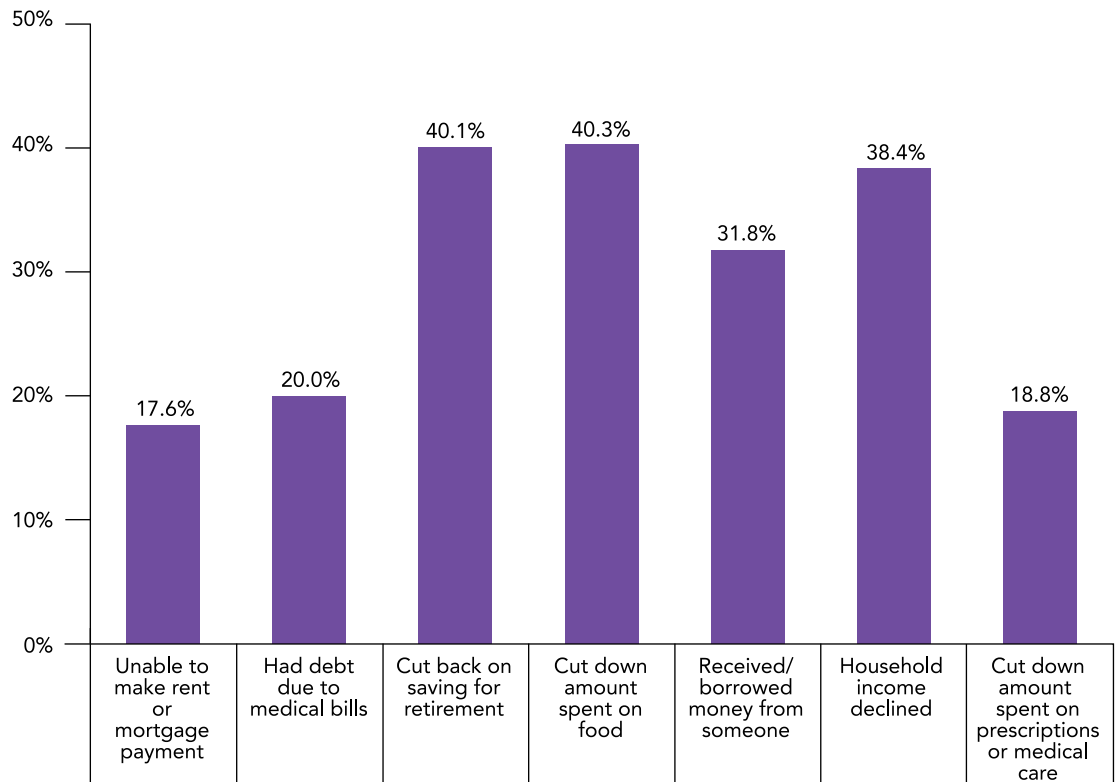
The costs of LTSS are beyond the reach of most individuals and their families.³ Yet there is currently no sufficient public source of funding or benefit at either the federal or state level that adequately addresses the ongoing needs of people who are living longer and with disabilities at home. Medicare does not cover their long-term care needs, and only a small percentage of people who can afford it choose to purchase long-term care insurance. Medi-Cal (California's Medicaid program) provides coverage for some, but not all, of the LTSS that people need.² Older adults and adults with disabilities, especially individuals with few alternatives, are at increased risk of spending down their assets and entering Medi-Cal. Doing so can increase both individual and societal costs.¹ Finally, those who are “not poor enough” to qualify

for Medi-Cal are left paying out of pocket. Those who cannot afford the costs may rely on family members and friends, or they may simply go without the supports they need to maintain independence and avoid institutionalization.

In this fact sheet, we provide a state-level population view of the financial difficulties experienced by older adults (ages 65 and older) and adults with disabilities in California. Data were obtained from the California Long-Term Services and Supports (CA-LTSS) study, a follow-on survey of the 2019 and 2020 California Health Interview Surveys (CHIS). When asked about specific financial challenges experienced in the last 12 months, 2 in 5 respondents reported that they had cut down on the amount they spent on food and/or had cut back on saving for retirement, and nearly the same proportion said that their household income had declined. Nearly 1 in 3 reported receiving or borrowing money from someone because they were struggling to get by, while close to 1 in 5 were in debt due to medical bills, had cut down on the amount they spent on prescription medications or medical care, and/or were unable to make their rent or mortgage payment.

Survey data also indicate significant racial/ethnic differences in the experience of certain types of financial difficulty.

Exhibit 1: Percentage of Older Adults and Adults With Disabilities Experiencing Financial Difficulties, California, 2019–20



Source: Authors' analyses of 2019–20 California Long-Term Services and Supports (CA-LTSS) Survey, a follow-on survey of the California Health Interview Survey (CHIS)

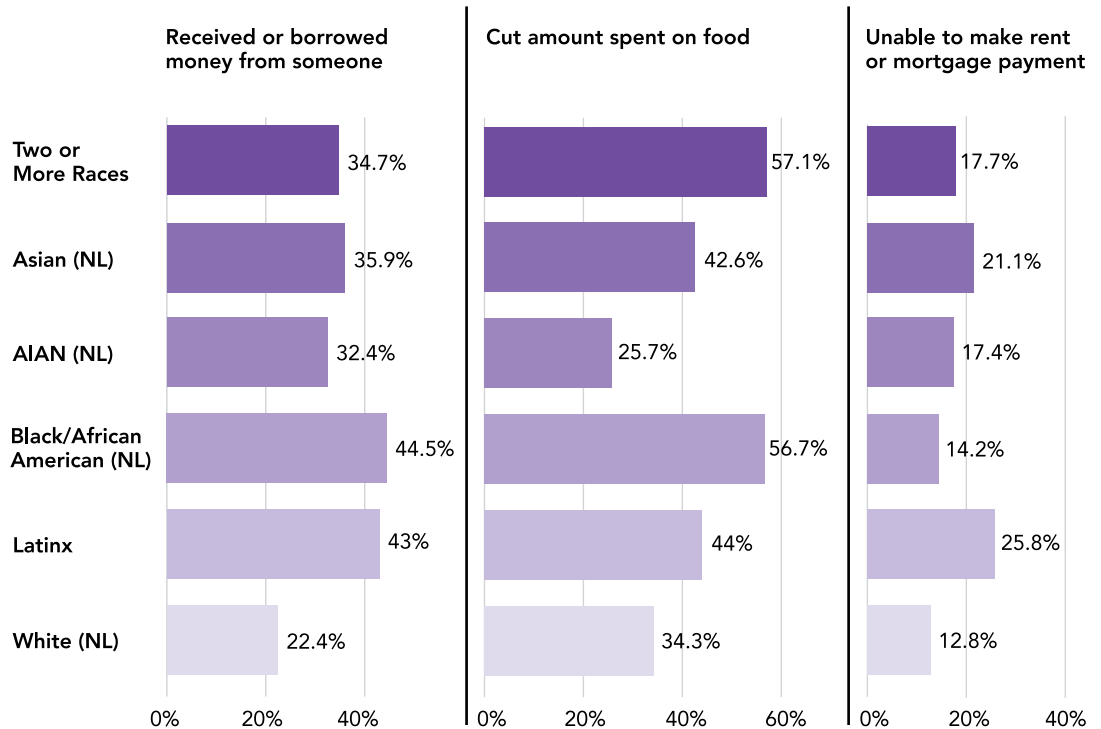
Respondents who identified as biracial/multiracial or as Black/African American were the most likely to report cutting down on the amount spent on food (57.1% and 56.7%, respectively). Black/African American (44.5%) and Latinx (43%) respondents represented the largest groups who had received or borrowed money from someone because they were struggling to get by, while Latinx (25.8%) and Asian (21.1%) respondents were most likely to report being unable to make their rent or mortgage payments. (Exhibits illustrating differences by age group and by cognitive status are provided in the online appendices: <https://healthpolicy.ucla.edu/publications/Documents/PDF/2022/Older-Adults-Struggle-Appendix-aug2022.pdf>.)

Finally, a majority of the 2,030 adults who completed the CA-LTSS survey (61.4%) reported that they were very or somewhat worried that their total family income was not enough to meet their living expenses and bills (data not shown). (Exhibits illustrating differences in financial worries by age, income, and employment status are provided in the online appendices: <https://healthpolicy.ucla.edu/publications/Documents/PDF/2022/Older-Adults-Struggle-Appendix-aug2022.pdf>.)

Implications

Public programs and benefits that support the delivery of LTSS are essential if we are to meet the needs and preferences of older adults and adults with disabilities. LTSS need to be affordable, accessible, and

Exhibit 2: Percentage of Older Adults and Adults With Disabilities Experiencing Financial Difficulties by Race or Ethnicity, California, 2019–20



Source: Authors' analyses of 2019–20 California Long-Term Services and Supports (CA-LTSS) Survey, a follow-on survey of the California Health Interview Survey (CHIS)

NL = Non-Latinx

universally available to all who need them. Policymakers, planners, and administrators especially need to direct attention and resources to the subgroups of older adults and adults with disabilities who are at greatest risk for experiencing financial difficulties and who have worries about being able to make ends meet. Increasing knowledge about and access to programs that address the social determinants of health—such as those that provide food, utility, and/or housing assistance—holds great promise for improving the network of financial support that older adults and adults with disabilities need.^{1, 4} Advancing policies that make LTSS more affordable and accessible can improve the health, well-being, and quality of life for individuals, while also reducing the costs borne by states by avoiding unnecessary and costly institutional care.

Methodology

A total of 3,990 adult respondents to the 2019–20 CHIS (9%) answered yes to at least one of the following three questions and were therefore eligible to participate in the CA-LTSS survey:

- 1) Because of a physical, mental, or emotional condition, do you have serious difficulty concentrating, remembering, or making decisions?
- 2) Do you have difficulty dressing or bathing?
- 3) Because of a physical, mental, or emotional condition, do you have difficulty doing errands alone, such as visiting a doctor's office or shopping?

Among the 2,030 who completed the CA-LTSS survey, 54.4% reported serious difficulty concentrating, remembering, or making decisions; 35.8% reported difficulty with personal care; and 52.7% reported difficulty with routine care. All results are weighted based on population characteristics in California.

Funder Information

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Endnotes

- 1 Willink A, Wolff JL, Mulcahy J, Davis K, Kasper JD. 2019. Financial Stress and Risk for Entry Into Medicaid Among Older Adults. *Innovation in Aging* 3(4):igz040.
- 2 Johnson RW, Favreault MM, Dey J, Marton W, Anderson L. January 31, 2021. *Risk of Economic Hardship Among Older Adults*. Issue Brief. Washington, D.C.: U.S. Department of Health and Human Services, Assistant Secretary for Planning and Evaluation.
- 3 Khatutsky G, Wiener JM, Greene AM, Thach NT. 2017. Experience, Knowledge, and Concerns About Long-Term Services and Supports: Implications for Financing Reform. *Journal of Aging & Social Policy* 29(1): 51–69.
- 4 Kane RA, Cutler LJ. 2015. Re-imagining Long-Term Services and Supports: Towards Livable Environments, Service Capacity, and Enhanced Community Integration, Choice, and Quality of Life for Seniors. *The Gerontologist* 55(2): 286-295.



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