

## Baby Boomers' Impact on Healthcare: High Demands, Expectations Met with a Healthy Dose of Prevention

**B**aby boomers have practically achieved cult status. As the first of the post-World War II generation turns 60 this year, the media has been recounting their preferences in everything from music to parenting to lifestyles. Boomers are depicted as an educated, financially secure bunch, redefining retirement as they care for aging parents and launch second careers. Job-wise, they're having the last laugh: employers who shunned the older worker 20 years ago now recast work schedules and job descriptions to woo boomers back to work. But the picture wouldn't be complete without some sobering statistics, particularly when it comes to the healthcare needs of boomers:

- ✓ By 2029, when some 78 million baby boomers in the United States will be 65 years of age, some experts predict we'll be in the midst of a dementia epidemic<sup>1</sup>;



- ✓ More than 60 percent of adults ages 50 to 64 who work or have a working spouse have at least one chronic health condition, such as arthritis, cancer, diabetes, heart disease or hypertension<sup>2</sup>;
- ✓ 53 percent of patients visiting the doctor during 2001 were over age 45, compared to only 42 percent in 1992<sup>3</sup>.
- ✓ One-fifth of older adults in working families were either uninsured or had histories of unstable coverage since age 50<sup>2</sup>.

Whatever else they accomplish during their "golden years," baby boomers will likely fall ill and challenge the healthcare system to treat and manage their chronic and acute health conditions.

In its July 2006 online survey, the Healthcare Intelligence Network asked healthcare organizations to assess baby boomers' impact on their field and define strategies for anticipating and treating the needs of the sandwich generation so consumed with caring for their own parents that they may neglect their own health issues.

### Industry Already Primed for Boomer Health Needs

Healthcare providers, the first line of defense for ailing boomers, comprised half of the 143 survey respondents. Thirteen health plans and eight employers also answered the survey, with remaining responses coming from consultants, analysts, researchers and vendors. These organizations can't afford to ignore baby boomers. More than half of respondents say a quarter to 50 percent of their member or client population consists of baby boomers — individuals born between 1945 and 1964. They're evenly split on whether boomers will positively or negatively impact the healthcare system, but 65 percent say their organization's strategic plan already addresses the health issues of this growing American demographic.



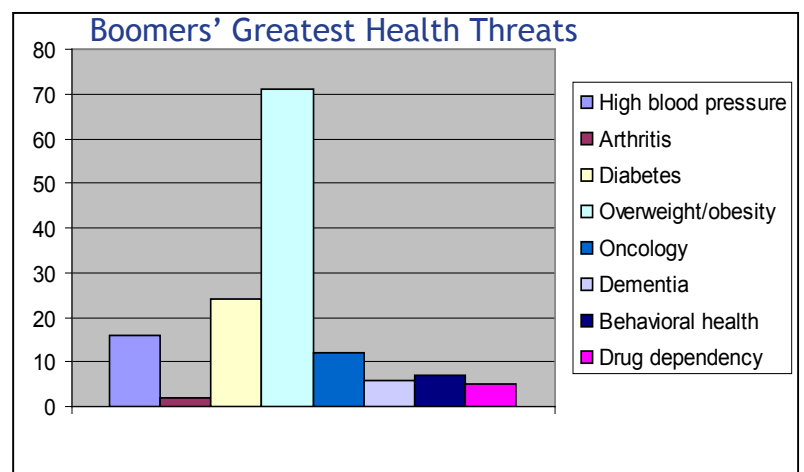
September 2006

Almost half of responding organizations — 45 percent — have already developed products, services or staff training that target boomers' healthcare needs. Of those that haven't, 51 percent will offer boomer-based programs in the next 12 months.

## Providers Brace for Boomers

More than half of survey respondents anticipate that obesity-related illness will be the single greatest health issue facing baby boomers, followed by the related conditions of diabetes and high blood pressure. The number of obese Americans 55-64 has jumped from 31 percent (1988-1994) to 39 percent (1999-2002), according to 2005 data from the Department of Health and Human Services. Many organizations told HIN they provide health screenings and educational sessions to address these issues, and several offer fitness center and weight management programs to support these educational efforts.

Nearly half the respondents shared details on program offerings, many of which are rooted in technology. Web-based programs for weight management, chronic care management, disease management and healthcare cost forecasting as well as automated inbound and outbound calling systems are common among respondents. This Internet-based approach aligns with respondent preferences in communications. (See page 3.)



Source: July 2006 HIN online survey, "Baby Boomers' Impact on Healthcare"

Figure 1

The subject of elder care — whether for boomers themselves or their aging parents — figures prominently in program offerings. "(We) provide educational materials for baby boomers and healthcare providers on healthy aging, dementia and its challenging behaviors, mental health and older adults, substance abuse and older adults, depression and generational differences," responded a provider of services to older adults and their families and caregivers. "We have also developed stress management materials for both the boomers and their caregivers."

## Top Concerns: Cost and Quality of Prevention, Chronic Care

With the focus on preventing health crises and augmenting care of the chronically ill, healthcare organizations are striving to improve these initiatives while restraining associated costs. Respondents indicated their concern by rating preventative efforts and chronic care as the two areas most in need of improvement and financial retooling. Respondents also said increasing physical capacity to handle increased patient volume was an expensive process in need of modification.

The table on page 3 indicates respondents' top five quality and financial concerns.

*Disclaimer: HIN survey results are not based on a scientific sampling but on the number of responses to the HIN monthly online survey at [www.hin.com](http://www.hin.com).*



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Respondents Evaluate Boomer Healthcare Efforts			
Room for Improvement		Greatest Cost Impact	
Prevention and early detection	<b>63.6%</b>	Chronic care needs	<b>47.6%</b>
Chronic care needs	<b>50.0%</b>	Prevention and early detection	<b>40.6%</b>
Increased physical capacity to handle patient/member volume	<b>38.5%</b>	Supportive care, such as in-home, community and institutional locations	<b>35.7%</b>
Behavioral health needs	<b>37.8%</b>	Pharmaceutical support	<b>28.7%</b>
Information technology	<b>37.8%</b>	Increased physical capacity to handle patient/member volume	<b>19.6%</b>

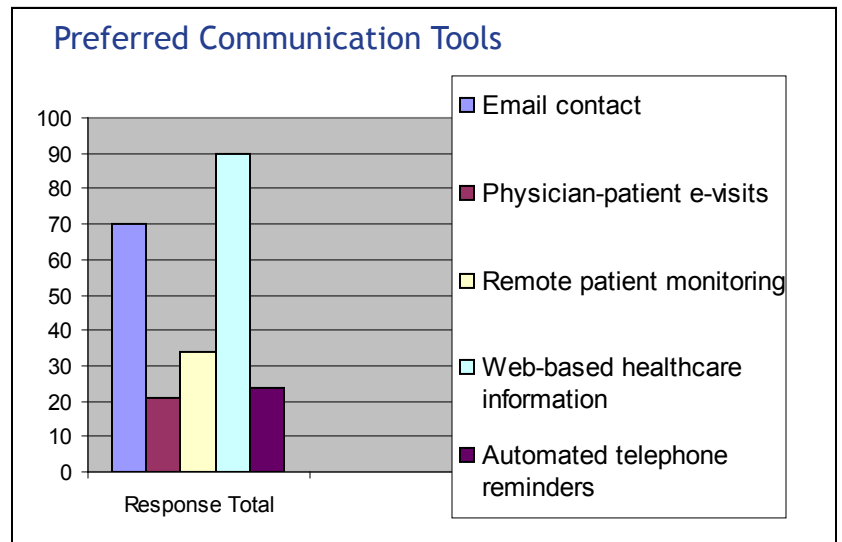
Common themes in respondents' comments include the need to recruit and retain quality healthcare workers, increase staff training, continually assess and refine quality and service and form alliances, coalitions and partnerships with like-minded organizations.

### Web, E-mail Technologies Drive Communication Efforts

Web-based healthcare information is the preferred communications channel of choice of nearly 63 percent of respondents, while almost half (49 percent) e-mail health information to members and employees. Remote patient monitoring, utilized by nearly 24 percent of survey respondents, was the third most popular communication vehicle. (See Figure 2.)

### Ingenuity Required to Market to Multi-Tasking Baby-Boomers

With the focus on program development, only about 35 percent of respondents have begun to massage marketing strategies to get boomers' attention. And when it comes to addressing the ideals, attitudes and demands of this population, healthcare marketers may be facing their greatest challenge to date. Respondents find boomers to be educated, discriminating and demanding customers — as preoccupied with elder care as they are with their own health, and torn between staying healthy and getting healthy.



Source: July 2006 HIN online survey, "Baby Boomers' Impact on Healthcare"

Figure 2

“The baby boomers are sandwiched with aging parents and grandchildren. They are in large numbers and have not typically been good to their bodies. The aging effects will show up as increased need for healthcare. The greatest challenge is having the number of case managers and other nurses to meet the demand. In addition, this generation is confused by the healthcare system. The elder generation of today expects the doctor to know it all and someone to pay for it. “Generation X” knows they have to stay healthy and is accustomed to the HMO model. The baby boomers are in the middle with total confusion over healthcare and the cost. It will be a challenge but one case managers are ready to accept.”

*Susan Rogers, president, Rogers Professional Guidance, responds to July 2006 HIN online survey, “Bracing for Baby Boomers’ Impact on Healthcare.”*

“We have focused on values that are appealing to the baby boomers, such as independence, health, choice, etc. Also, we focus on baby boomers as the conduit to access their parents or relatives needing services,” said one provider of geriatric mental health and substance abuse services.

“We are trying to appeal to the boomers with ‘reasons’ why they should utilize our services,” added Mary Howe, director of human resources and hospice liaison, Columbia Montour Home Health and Hospice Services. “Boomers want to know how our service will benefit them or their parents and what my agency can do to make a boomer’s life better in a holistic and wholesome way.”

Howe notes that the greatest challenge is capturing boomers’ attention in the first place and getting them to choose their service over another’s. Her organization

is trying some innovative and creative advertising schemes to develop its relationship with the boomers sooner than later. The organization is striving to “be true to its promise and genuine in its delivery of the promise,” she adds.

Conducting extensive demographic research, revamping marketing materials to appeal to 50- to 60-year-olds, mixing marketing and education and pressing the Internet into action are helping the effort, respondents say.

And even simple strategies like using a larger type size on print communications, choosing an age-appropriate model or photograph for advertisements and scheduling informational sessions after the typical work day are concessions that respondents are willing to make to reach out to baby boomers.

## What Lies Ahead

Immigration, the uninsured, staffing demands and, in the words of one respondent, “meeting boomer expectations for access, quality, safety, service and cost-effectiveness” are just a few issues challenging health plans and providers as they brace for baby boomers. What follows is just a sampling of the numerous concerns voiced by respondents and the coping mechanisms they suggest:

Challenge	Strategy
(Provider) Meeting [boomers’] high expectations. They are also much better educated about options. They are looking for the hospitals/healthcare centers that have the highest quality scores and lowest infection rates.	Programs and teams in place already addressing.

Challenge	Strategy
(Provider) We are [a radiology center] in a border community, and the lack of reimbursement for illegal aliens, compounded with increased business taxes and decreased payor reimbursement, makes meeting the challenge of maintaining high technological standards in equipment impossible.	We will most likely not purchase the advanced equipment, reducing our technological service to a lower, slower standard.
(Provider) The shortage of nurses and other hard-to-fill positions in healthcare and the ability to meet the rising demands of an aging population.	Numerous recruiting events, incentives, education opportunities
(Consultant) Quality perception. There is so much information available that consumers have a higher expectation of staff and require better customer service.	Customer service training across organizations.
(Lifestyle Educator) The greatest challenge is finding the right set of incentives to stimulate critical thinking about one's own health.	Snappy, engaging educational tools that make the correlation between health and wealth.
(Provider) Education and increased awareness of the advantages of planning and preparing for one's future must be somehow conveyed to this generation. This is a generation that, for the most part, is still caregiving for their parents; thus, they have not begun to think about their own aging.	Holding community meetings and educational seminars targeted toward boomers and aging will increase their exposure to the fact they are 'aging' and hopefully ignite the thought process.
(Provider) The baby boomer will be more educated and clinically aware than any other elder population in this country's history. One of the many challenges will be the use of information technology in providing healthcare. The demands ... will include fingertip access to their health information (and achieving this in an effective cost-controlled network).	The launching of e-care that is geared toward the end user, i.e. the baby boomer.
(Provider) Medicare reimbursement is below facility cost for providing these services. The Medicare population will continue to grow, commercial insurance will shrink... not a good equation to preserve margins.	[We are] considering a Medicare Advantage arrangement, as long as the risk adjustment is funded.

## Much Ado About Nothing?

At least one respondent feels the anticipated impact of baby boomers on healthcare has been exaggerated. The comments from this consultant to health plans and providers may offer some comfort to healthcare organizations overwhelmed by the baby boomer:

*"The impact of the baby boomer is likely to be less dramatic than expected. The baby boom generation will all suddenly demand healthcare, but instead [this] will occur gradually over 30 years, peaking and then diminishing slowly.*

*We portray the boomers as a bunch of aging hippies. Instead, the boomers are much more middle class, working class and poor, with health habits and demand not very dissimilar from those of the generation before them. Too much time has been spent on pushing this false difference. Yes there will be changes, but they will not be as dramatic or sudden as a day on the calendar."*



## Related Resource

Will baby boomers' demands and needs affect the healthcare industry in coming months? *Healthcare Trends and Forecasts 2007*, a September 2006 live audio conference also available on CD-ROM or as an on-demand rebroadcast, will examine the trends that will impact the healthcare industry in 2007. During this one-hour audio conference, **Dr. Peter Kongstvedt**, a partner in the health and managed care consulting services division of Accenture, will delve into the trends shaping today's healthcare industry. Dr. Kongstvedt will draw on his 12 years' consulting experience and almost 20 years of experience at the senior-most levels of health plans to provide inside information on healthcare trends likely to impact the industry in 2007. This third annual conference helps healthcare executives shape strategic plans for the coming year by providing details on:

- ✓ What's driving changes in the healthcare industry;
- ✓ What new trends will emerge in 2007;
- ✓ How healthcare organizations can best position for the coming year;
- ✓ Performance expectations for the healthcare industry in 2007;
- ✓ Problems affecting the healthcare business climate; and
- ✓ How 2007 will compare to 2006.

For further healthcare resources, please visit the HIN bookstore at <http://store.hin.com> or call toll-free 888-446-3530.

1. Joint study by the Indiana University School of Medicine, the Regenstrief Institute, Inc. and the Indiana University Center for Aging Research. Detailed in the *Journal of General Internal Medicine*, volume 20, page 572, July 2005.

<http://www.blackwell-synergy.com/doi/abs/10.1111/j.1525-1497.2005.0126.x>

2. The Commonwealth Fund Survey of Older Adults, January 2006.

[http://www.cmwf.org/newsroom/newsroom\\_show.htm?doc\\_id=340401](http://www.cmwf.org/newsroom/newsroom_show.htm?doc_id=340401)

3. 2004 National Ambulatory Medical Care Survey, National Center for Health Statistics.

<http://www.cdc.gov/nchs/about/major/ahcd/nhamcsds.htm>

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