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North Carolina Medicaid Spending on Over-65 Population Could Top \$6 Billion by 2037

Morrisville, NC (March 21, 2018)— The population of North Carolina citizens aged 65 and older is growing fast, and that means a heftier price tag for health care in the near future. This population, which in 2017 included 1.62 million residents, is expected to grow to 2.64 million residents by 2037. Health care costs for this group are expected to increase from \$25 billion to \$69 billion by 2037. While the cost of care for older adults is primarily paid by the federal government through the Medicare program, the state Medicaid program, older adults, and employers also bear significant costs. If Medicaid spending grows at the same rate as the rest of health care spending, Medicaid’s bill for North Carolinians 65 and older could almost triple to \$6 billion in 2037.

People over the age of 65 use more health care resources than younger people, and once a person passes the age of 85, their care costs are, on average, twice as much as that of someone between the ages of 65 and 84. According to the Centers for Medicare & Medicaid Services and demographic estimates from the North Carolina Office of State Budget and Management, the cost of care for state residents over 65 was \$25 billion in 2012. North Carolina’s share of the Medicaid costs in the state in 2014 was nearly \$2.2 billion.

The population over 65 in North Carolina is expected to increase by 62% by 2037; however, the cost of their medical care is expected to increase 180% to \$69 billion.

In the [current issue](#) of the *North Carolina Medical Journal*, Publisher Dr. Adam Zolotor examines the economic impact that this so called “Silver Tsunami” will have on the cost of care in North Carolina.

“Policymakers must look at ways to keep people in their homes and communities as long as possible. Family and substitute caregiving and effective symptom management may keep people from needing more expensive care,” states Zolotor.

These costs come primarily from home health, nursing homes, and assisted living services. Medicaid is the primary payer for skilled nursing facilities, and, counting both state and federal dollars, makes 39% of payments to nursing homes. Meanwhile, individuals pay most of the cost of nursing home care, and Medicare is the main payer for home health and hospice. But the group that primarily supports Medicare and Medicaid—people aged 25-64—currently makes up 51.9% of the population, and is expected to make up only 49.5% by 2037.

Because health care for people aged 65 and older is paid for through a mixture of employer, federal, and state plans, the expected increases will be felt by many North Carolinians.

“When we consider medical inflation and the aging of the baby boom generation, we need to prepare for dramatic increases in the cost of health care in the next 25 years. The cost of care for the 65 and older population will equal the total cost of care all North Carolinians in 2012,” says Zolotor.

To read the [full article](#), “Aging and Cost of Health Care in North Carolina,” by Adam Zolotor and Rebecca Tippet, as well as other NCMJ articles, visit ncmedicaljournal.com.

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