



Let's Make It Safe to Age in Place

At No *Net* Cost to the Government

The vast majority of America's elderly prefer to age in their homes. Today, healthcare policymakers, regulators and providers are calling for more healthcare to take place outside traditional institutions. For example, the Centers for Medicare and Medicaid Services' reimbursement structures are shifting from traditional inpatient and outpatient settings to care in the home. The pandemic has, if anything, reinforced that thinking.

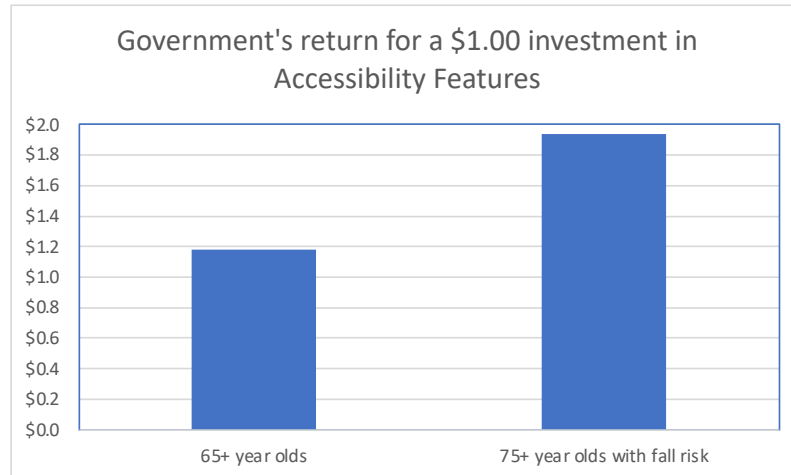
However, America's existing housing stock was built for a much younger population and does not support the needs of aging residents or the provision of healthcare and other support services needed in the home. Most of today's homes are simply not ready to safely house the United States' rapidly aging population.

In this paper, we show how the federal government might catalyze the widespread installation of home safety and accessibility features and save money doing it. Decreasing falls alone would be a huge step forward. Falls cost over \$50 billion a year in medical expenses. Individuals over 65 years old have a 10 percent annual probability of suffering a serious fall incurring an average of \$11,500 in expenses. Home accessibility modifications can lower the incidence and severity of falls, extending the time the elderly safely remain in their homes. Safer homes are foundational to achieving the promises of telemedicine, home healthcare and hospital level care delivered in the home.

Sharing the costs of upgrading homes among the healthcare savings beneficiaries - insurers, government and the homeowner - is one way to improve the country's housing stock. The surest way to provide homeowner decisionmakers with a nudge is to give them a financial incentive.

The cost of home modifications necessary for a given residence can vary from only a few hundred dollars to tens of thousands; the report adopts an industry average \$4,400 per modification. If the government provides a 20% subsidy to 65+ year-olds its net cost is \$880. The paper demonstrates that over 10-years the

federal government will receive back \$1038, or \$1.18 for every dollar spent, in healthcare savings; that grows to \$1707 or \$1.94 for every dollar spent for 75+ year-olds living at home at identified fall risk.*



This 10-year ROI calculation is not reported in the paper but uses cash flow figures from it.

Allowing penalty-free early withdrawals from IRA/401k accounts for eligible home modifications would cost the government nothing while encouraging younger households to install accessibility features when they are already engaged in remodeling projects. This prepares for the future, while immediately helping families where someone is disabled, that might have disabled visitors or have elderly parents in residence. This use of retirement funds for home modifications converts financial assets into a physical capital investment that provides a return over the lifetime of the homeowner.

The societal need for safely aging in place is already upon us, with education and training promoted by the Administration for Community Living and many other organizations. This paper demonstrates the federal government --at no net cost -- can play a constructive role in the transformation of the United States to a culture of accessibility and visitability.

* This ROI calculation is not reported in the paper but uses cash flow figures from it. Access the study at <https://www.homesrenewed.org/wp-content/uploads/2021/11/HomesRenewed-Gov-save-money-on-remods-for-aging-in-place.pdf>