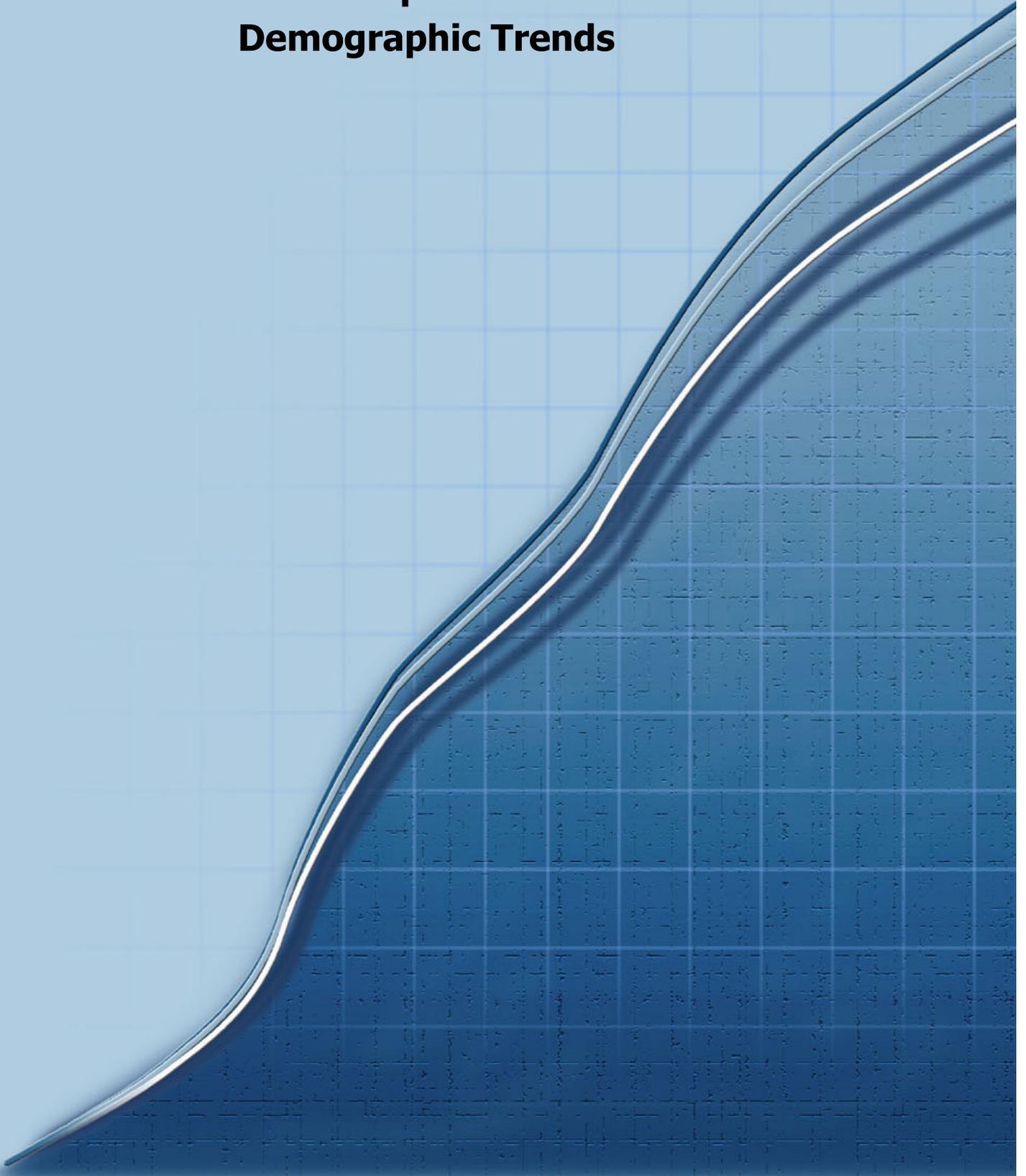


# **Chapter 6: Demographic Trends**



## Chapter 6: Demographic Changes

The population of the United States is growing, aging, and becoming more racially and ethnically diverse. Consequently, hospitals must prepare to meet the increase in demand for health care services in their local communities, as well as the emerging challenges of serving a population with diverse communication styles and beliefs about health care. Between 1990 and 2000, the population of the United States grew 13.2 percent from approximately 249 million to about 281 million. Much of this growth was centered in states in the south (e.g. Florida) and west (e.g. Nevada, Arizona, Colorado) (Chart 6.3). The highest growth can be found in low population density states.

Over the last two decades, the downward pressure of declining utilization rates, as measured by hospital days per thousand population, has outweighed the upward pressure of population growth on demand for inpatient services. Consequently, the need for inpatient capacity nationally has declined and the number of hospitals and hospital beds has decreased. Between 1990 and 2000, the number of community hospitals decreased by 8.7 percent, and in 2000 alone, an estimated 64 hospitals closed, roughly 1.4 percent of all community hospitals.<sup>(1)</sup> In 1999 and 2000, however, the decline in the inpatient utilization rate leveled off and population growth drove a slight increase in inpatient days. (Charts 6.5 - 6.7, 6.9 - 6.11).

While the overall need for inpatient hospital capacity in the United States has declined, different rates of population growth or decline have created capacity challenges in particular areas. Within many metropolitan areas, growth tends to be higher in the suburbs than in the center cities. While hospital capacity may be sufficient in a metropolitan area overall, it may not be distributed appropriately to meet the needs of outlying areas. Similarly, certain regions of the country are growing much faster than others. High growth states like Nevada, Arizona, and Colorado have not seen a decline in inpatient capacity.

Some high growth areas are working to keep up with the increasing demand for hospital capacity. For example, Las Vegas, Nevada is the fastest growing MSA in the country: between 1990 and 2000, the population of Las Vegas grew 83 percent.<sup>(2)</sup> In order to meet the health care needs of its rapidly increasing population, existing hospitals are undertaking major expansions, new hospitals are being built, and there are plans for more.



Currently, Las Vegas is being served by about 3,400 beds in 15 community hospitals (Chart 6.8).<sup>(3)</sup> Despite the expansion in the number of hospitals and hospital beds, hospitals and emergency rooms continue to be filled to capacity.

It is well documented that the U.S. population is aging. The Census Bureau projects that the population over age 65 will double in the next 30 years. The aging of the baby boom generation and the advent of new life-extending drugs and medical procedures are driving this population growth. As people age, they tend to use more health care services. Not surprisingly, the highest concentration of people over age 65 can be found in Florida, but the population of those 65 and older is dispersed widely across the country (Charts 6.1, 6.12 - 6.13).

As the population has aged, Medicare has become an increasingly important payer to hospitals, accounting for 34.6 percent of costs in 1980 and 38.3 percent of costs in 2000. As the baby boom population reaches retirement age, Medicare beneficiaries will account for an even higher portion of overall hospital volume. Meanwhile, pressures to contain Medicare spending are likely to increase as the ratio of workers to retirees is projected to decline from 3:1 in 2000 to 2:1 in 2044.<sup>(4)</sup>

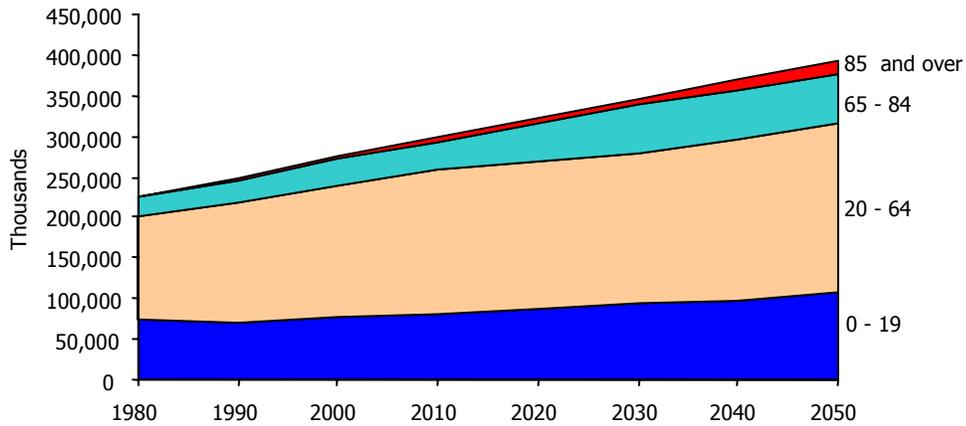
The U.S. is also becoming more diverse. While the population identifying themselves as white is the majority in every state except Hawaii, the non-white population is growing rapidly. The Hispanic population is projected to grow 70 percent in the next 20 years and the population of Asian and Pacific Islanders is projected to grow 75 percent. The percent of the population identifying themselves as black or African American is highest in the southeast, while the percent of the population identifying themselves as Hispanic is highest in the southwest. A more diverse population presents challenges for hospitals and health care providers as they must become more attuned to how cultural differences can influence the provision of care. In an effort to provide better care for everyone, regardless of background, hospitals are offering cultural competence staff training, providing written health material in languages other than English, and trying to recruit workforces that better reflect the populations they serve (Charts 6.2, 6.14 - 6.16).

<sup>(3)</sup> Gartner, October 2001

<sup>(4)</sup> Social Security Administration, Office of Policy

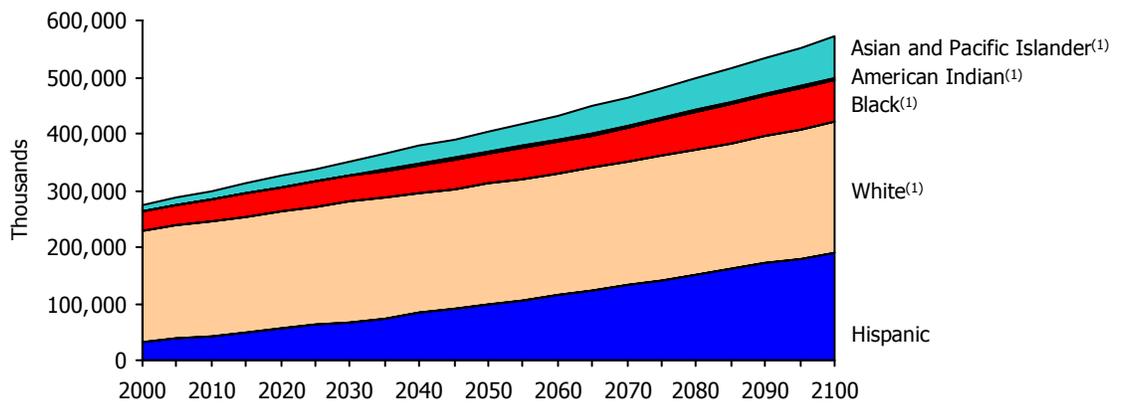


**Chart 6.1:**  
**US Population Trends and Projections by Age**  
 1980 - 2050



Source: US Census Bureau

**Chart 6.2:**  
**US Population Trends and Projections by Race and Hispanic Origin**  
 2000 - 2100



Source: US Census Bureau

(1) Non-Hispanic