Master Plan for Aging Symposium

Too Much to Qualify for Help, but Too Little to Afford Care, Understanding California's Overlooked Middle Population

September 10, 2026, 10:30 a.m. – 12:00 p.m.

Engage@aging.ca.gov

Welcome

Carroll De Andreis

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California Department of Aging (CDA)

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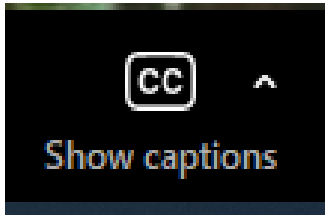

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Introductions and Agenda Overview

Sarah Steenhausen

Deputy Director, Division of Policy, Research, and Engagement

California Department of Aging (CDA)

Opening Speakers

State Perspectives

Richard Figueroa
Deputy Cabinet Secretary, Office of Governor Gavin Newsom

Michelle Baass
Director, California Department of Health Care Services

Legislative Perspectives

Senator John Laird
Chair, Senate Budget and Fiscal Review Committee

Assemblymember Patrick Ahrens
Chair, Assembly Committee on Aging & Long-Term Care

Understanding the Overlooked Middle

Marc Cohen, PhD

Co-Director, LeadingAge LTSS Center @UMass Boston

Gretchen Alkema, PhD

President, Wolf Eagle Enterprises

Evaluating the Needs, Preferences, and Potential Avenues of Care Support for the Overlooked Middle:

Findings from California's Long-Term Services and Supports (LTSS) Financing and Affordability Initiative

Marc Cohen, Ph.D.
Co-Director
LeadingAge LTSS Center @UMass Boston

Gretchen Alkema, Ph.D.
President
Wolf Eagle Enterprises, LLC

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LTSS Initiative Research Questions

1. Who are the older adults and people with disabilities in California's "Overlooked Middle" population now and how will their socio-demographic and health outlook change in the next 25 years?

2. What do California's Overlooked Middle say about their own needs, values, and preferences for accessing and financing ongoing care and support?

3. What are policies and programs that exist across the nation to serve these individuals, and how might these examples be valuable to meet the unique and changing needs of California's Overlooked Middle?

Multi-Partner Effort to Understand California's Overlooked Middle

Defining and Operationalizing the "Overlooked Middle"

The Overlooked Middle are:

1. Community-dwelling individuals who can afford basic living needs (food, housing, medical care, transportation, etc.) as measured by the Elder Economic Security Index;
2. Would have to meaningfully reduce expenditures on basic living necessities in the presence of a moderate amount of paid home- and community-based services; and
3. Do not qualify for Medicaid before or directly after the onset of an LTSS need.

Individuals who meet these three criteria are broadly those with ***annual incomes between 139% and 500% FPL***, which is approximately ***$21,000 to $102,000*** depending on household size (2024 dollars).

Source: Cohen & Alkema, 2026

Unique Challenges for the Overlooked Middle

- Financially vulnerable with modest incomes and no access to Medicaid or long-term care insurance; will likely need paid care to address future LTSS needs.
- No dedicated, readily available income stream to cover LTSS .
- Face an infinite deductible for LTSS costs until reach Medicaid eligibility.
- No visible system-oriented care management support to help with LTSS planning and choice making efforts.

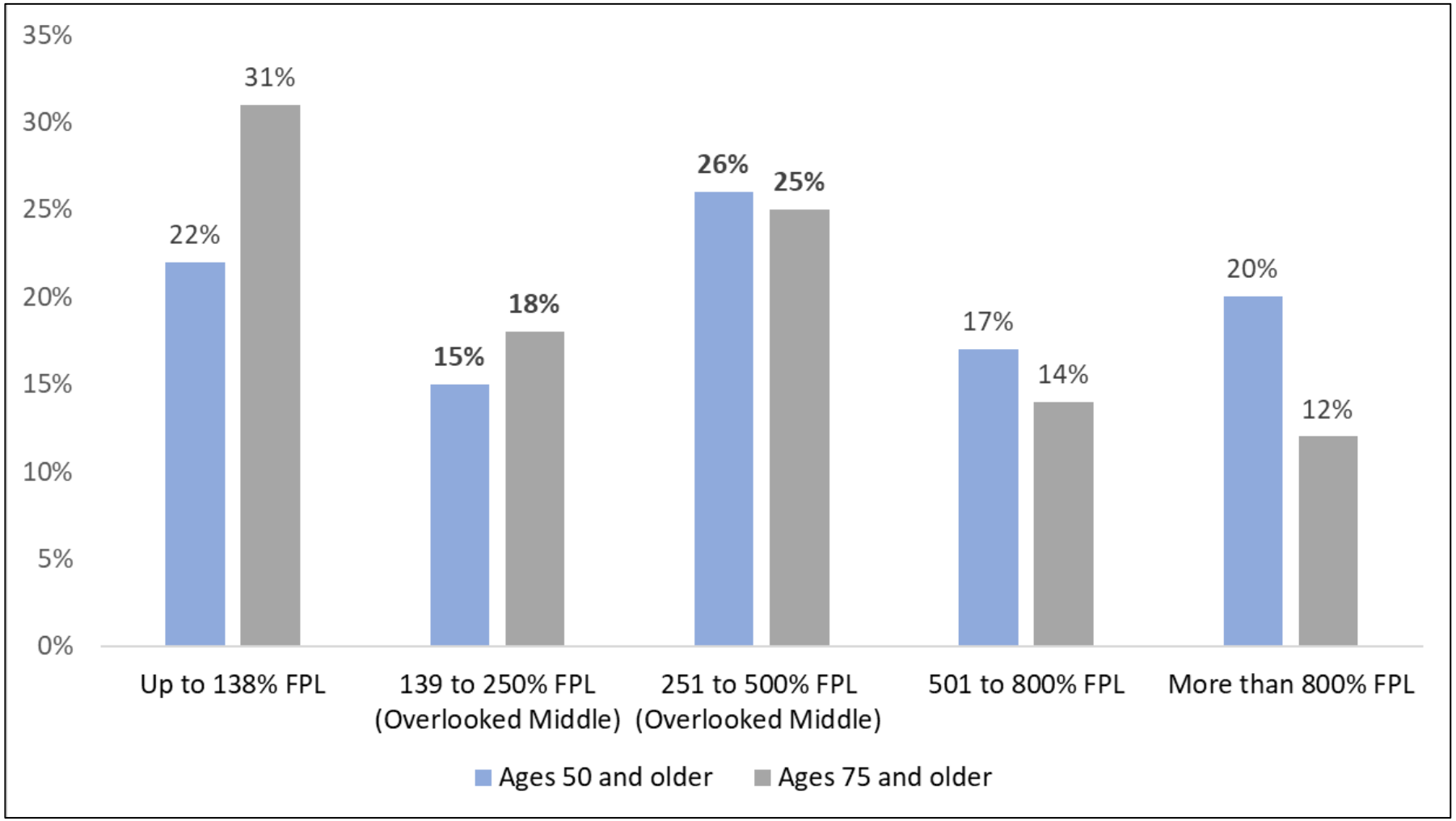
Key Implication: The standard of living in retirement is severely threatened in the presence of LTSS need.

Key Analytics for California's Overlooked Middle

- California age 50+ in Overlooked Middle:
  - 2024, 5.5 million people
  - 2050, 6.9 million people.
  - 75+ doubles from 1.2 million to 2.3 million people.
- Roughly half of California's Overlooked Middle cannot afford basic living needs in the presence of moderate LTSS expenditures.
- Affordability is even worse for women, Black and Hispanic older adults, and those between 139% and 250% FPL.

Source: Johnson & Cosic, 2026

Income Distribution Relative to the FPL for Older Californians by Age, 2024



Key Stats:

California's Overlooked Middle represents 41% of those ages 50 and older.

A greater percentage of those ages 75 and older have incomes 250% FPL and below, compared to those ages 50 and older (49% vs. 37%).

Source: Johnson & Cosic, 2026

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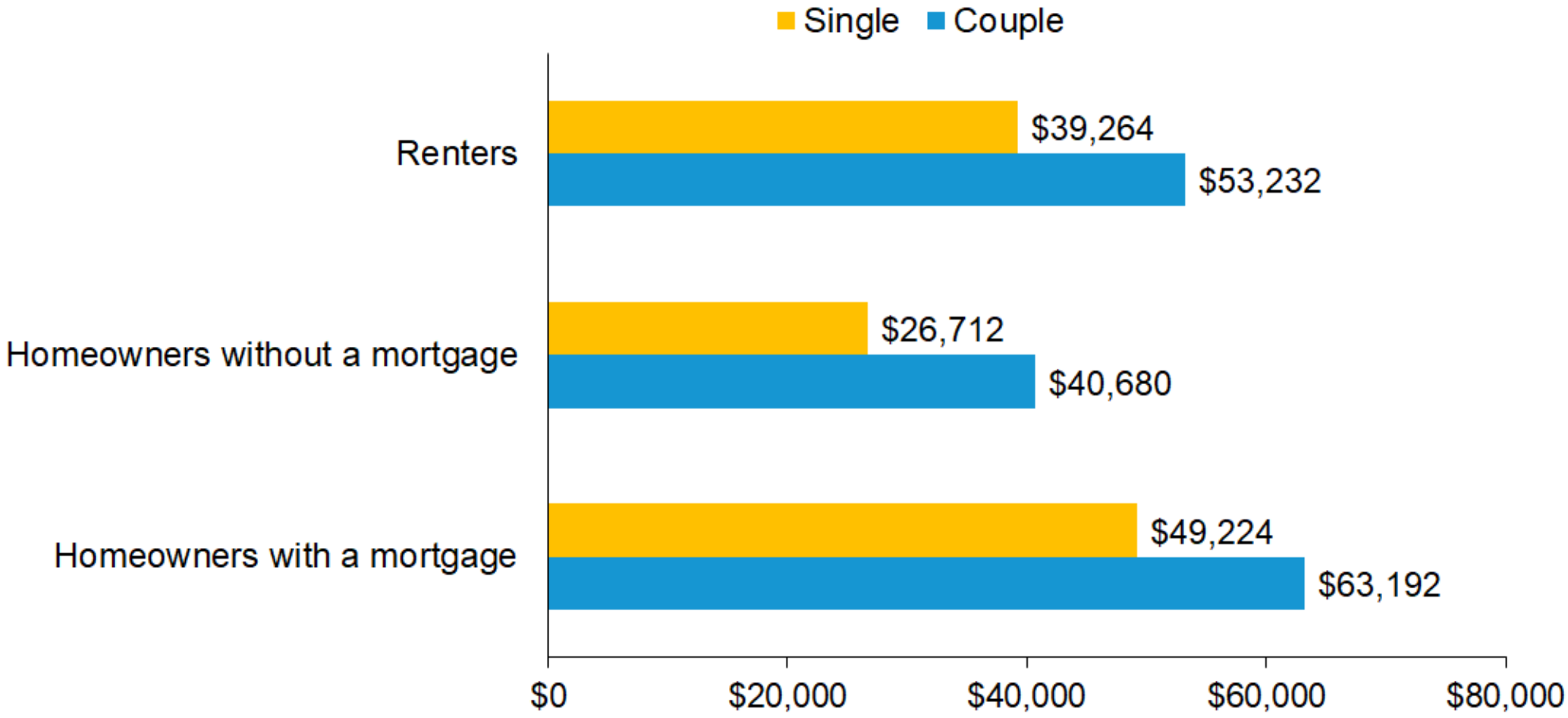
Depending on Homeowner Status, Living Costs for California's Overlooked Middle Vary Between $26,700 and $63,200



Source: Johnson & Cosic, 2026

Over 90% of Higher-Income Overlooked Middle Can Cover Basic Living Needs with Income Alone; Not So for Those with Lower Incomes

	Income Relative to the FPL				
		Overlooked Middle			
	Up to 138%	139 to 250%	251 to 500%	501 to 800%	More than 800%
Ages 50 and older					
- With income only	0	18	91	100	100
- With income and annuitized financial wealth	5	39	96	100	100
Ages 75 and older					
--With income only	0	28	91	100	100
--With income and annuitized financial wealth	5	52	97	100	100

Source: Johnson & Cosic, 2026

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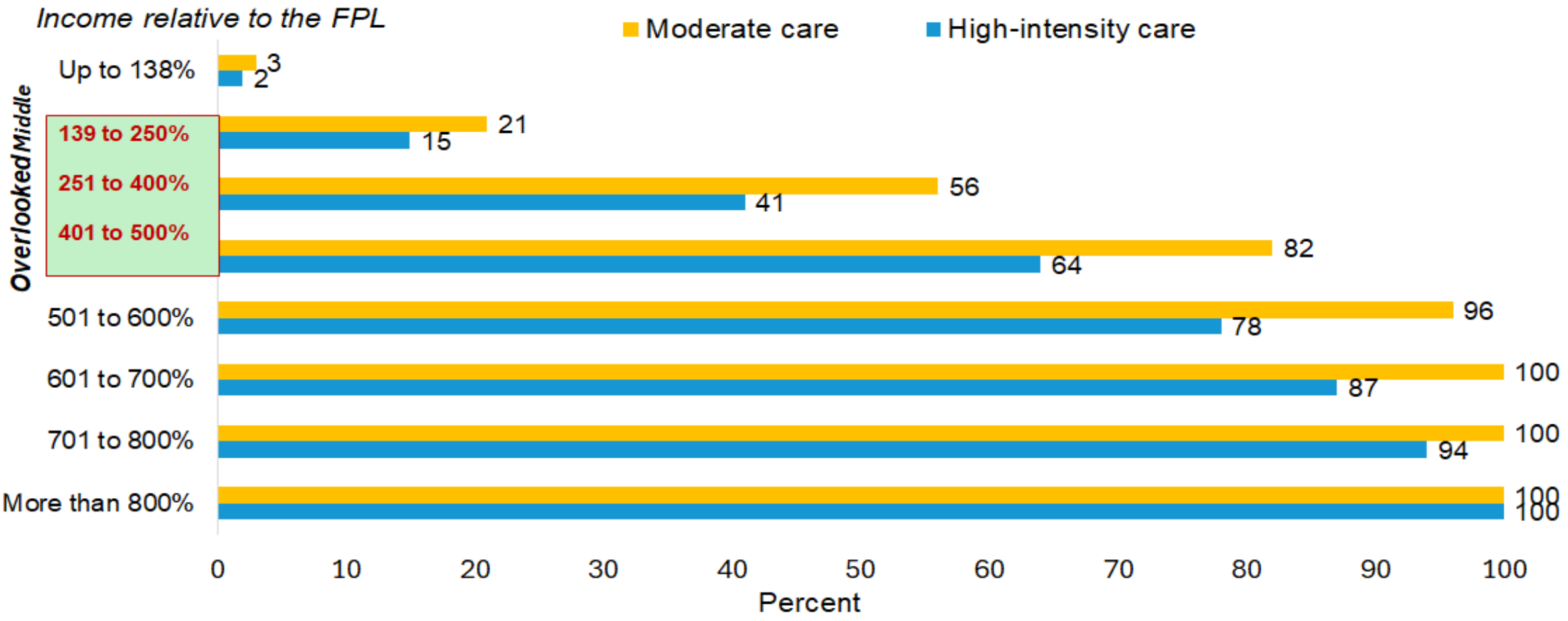
California's Overlooked Middle Shows Wide Variation in Affording Moderate ($50k) to High ($100k) Levels of Paid LTSS Each Year– Between 15% and 82% Depending on Whether They Have High or Low Incomes



Source: Johnson & Cosic, 2026

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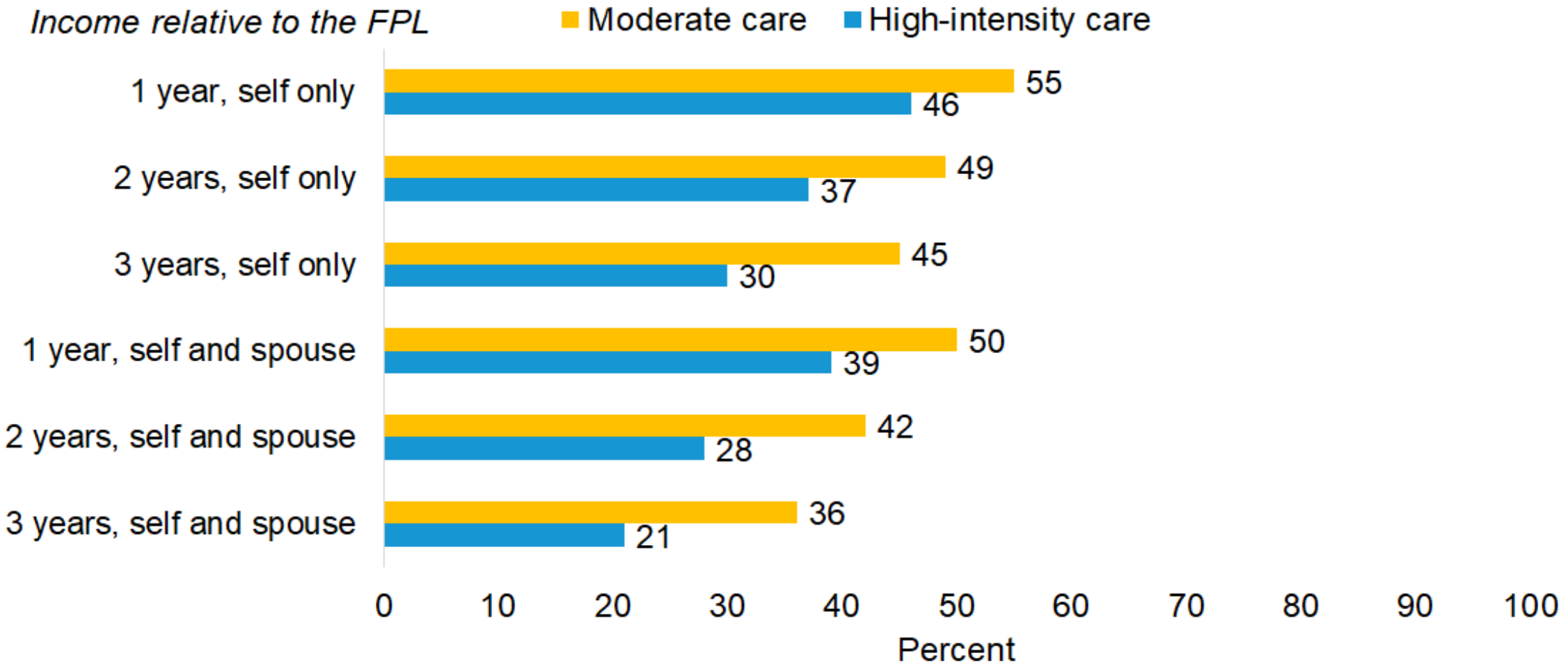
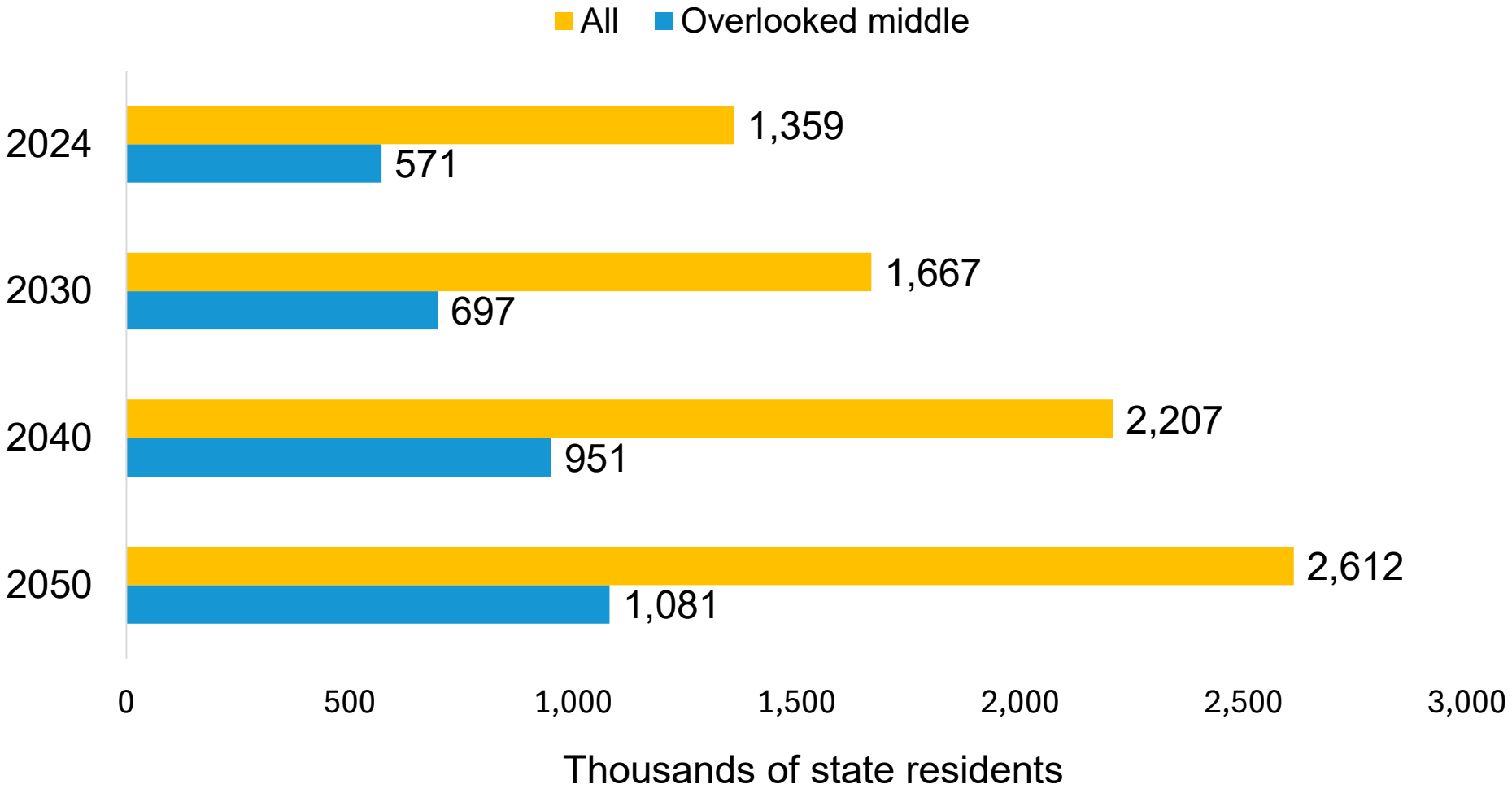
From 1/5th to Over 1/2 of California's Overlooked Middle Can Afford Moderate LTSS, Given Need Duration and Whether Self and Spouse Need Care



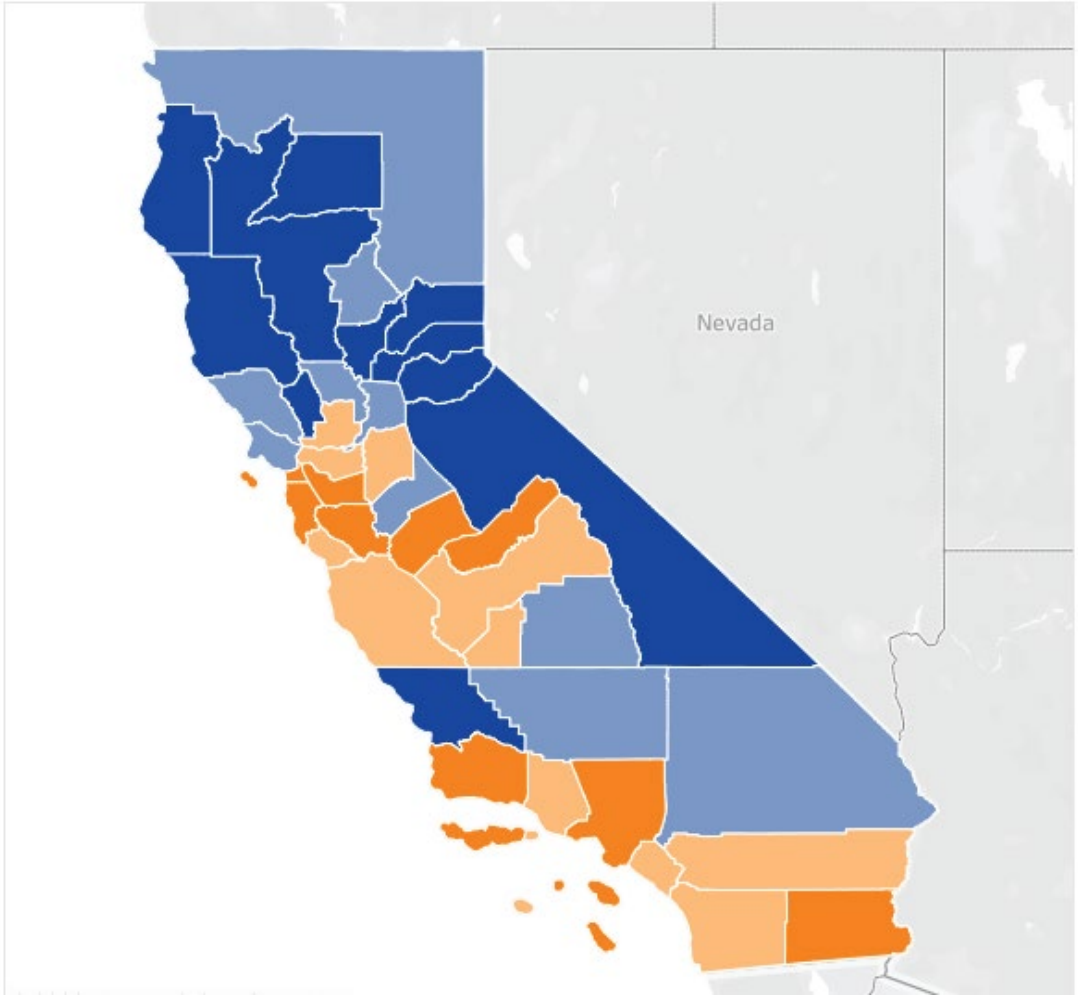
Source: Johnson & Cosic, 2026

California's Overlooked Middle Living with LTSS Needs Will Grow from 571,000 to 1,081,000 in 25 Years: an 89% Rate of Growth



Source: Johnson & Cosic, 2026

Percent of Overlooked Middle Will Grow in California Counties, Particularly Among Those with LTSS Needs



Percentage Growth in Older Californians in the Overlooked Middle with LTSS Needs by County Group, 2023–2050

Quartiles

- Highest quartile (108%+)
- Upper-middle quartile (89% - 108%)
- Lower-middle quartile (57% - 88%)
- Lowerest quartile (≤56%)

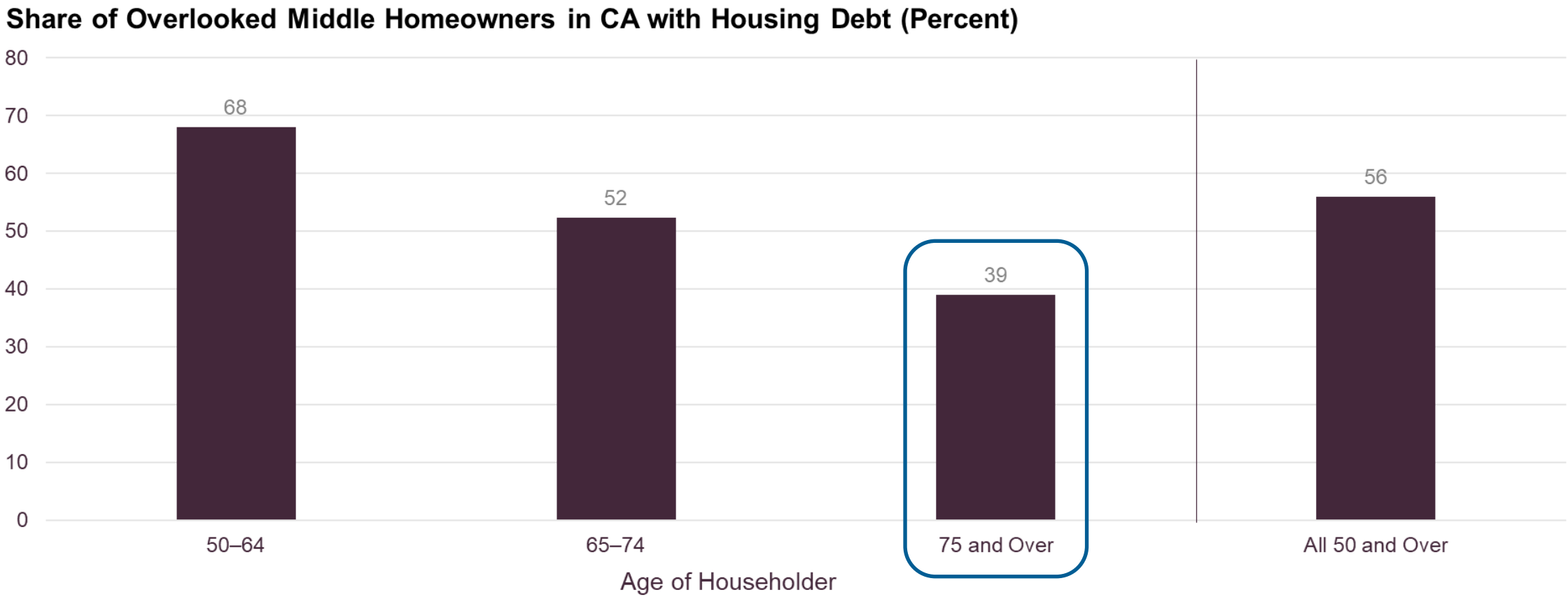
Source: Wickersham et al., 2026

Homeowners in California's Overlooked Middle

- About two-thirds of California's Overlooked Middle households ages 50 and older are homeowners.
- The majority of Overlooked Middle homeowners carry housing debt.
- The median amount of usable home equity for California's Overlooked Middle who want to remain living in their home is $350,000.
- However, this amount of usable home equity varies among key socio-demographic characteristics.

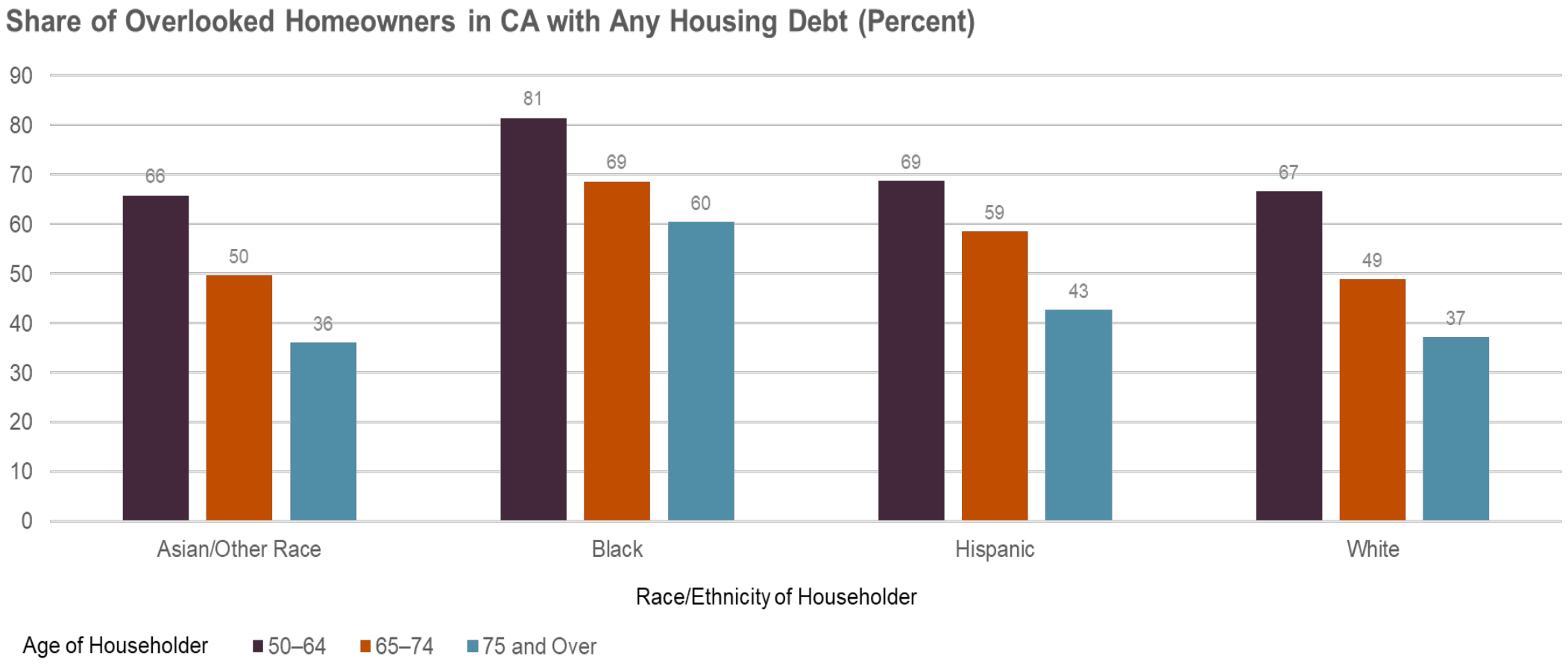
Source: Molinsky et al., 2026

Nearly 40% of Those Ages 75 and Older in California's Overlooked Middle Report Housing Debt, Compromising the Amount of Available Home Equity



Source: Molinsky et al., 2026

Among the Overlooked Middle, Black and Hispanic Households Report More Mortgage Debt than White and Asian counterparts



Source: Molinsky et al., 2026

Might Home Equity Play a Meaningful Role in Helping California's Overlooked Middle Meet LTSS Needs?

- Overlooked Middle homeowners consider their home as a potential source of financing support only if they have no other alternatives to meet LTSS needs.
- Many expressed willingness to make home modifications so they can age in community.
- Others expressed concern that accessing equity will reduce resources and therefore close off other housing options that might become preferred in the future, such as assisted living or continuing care communities.
- Several reported a desire to leave their home to younger generations.

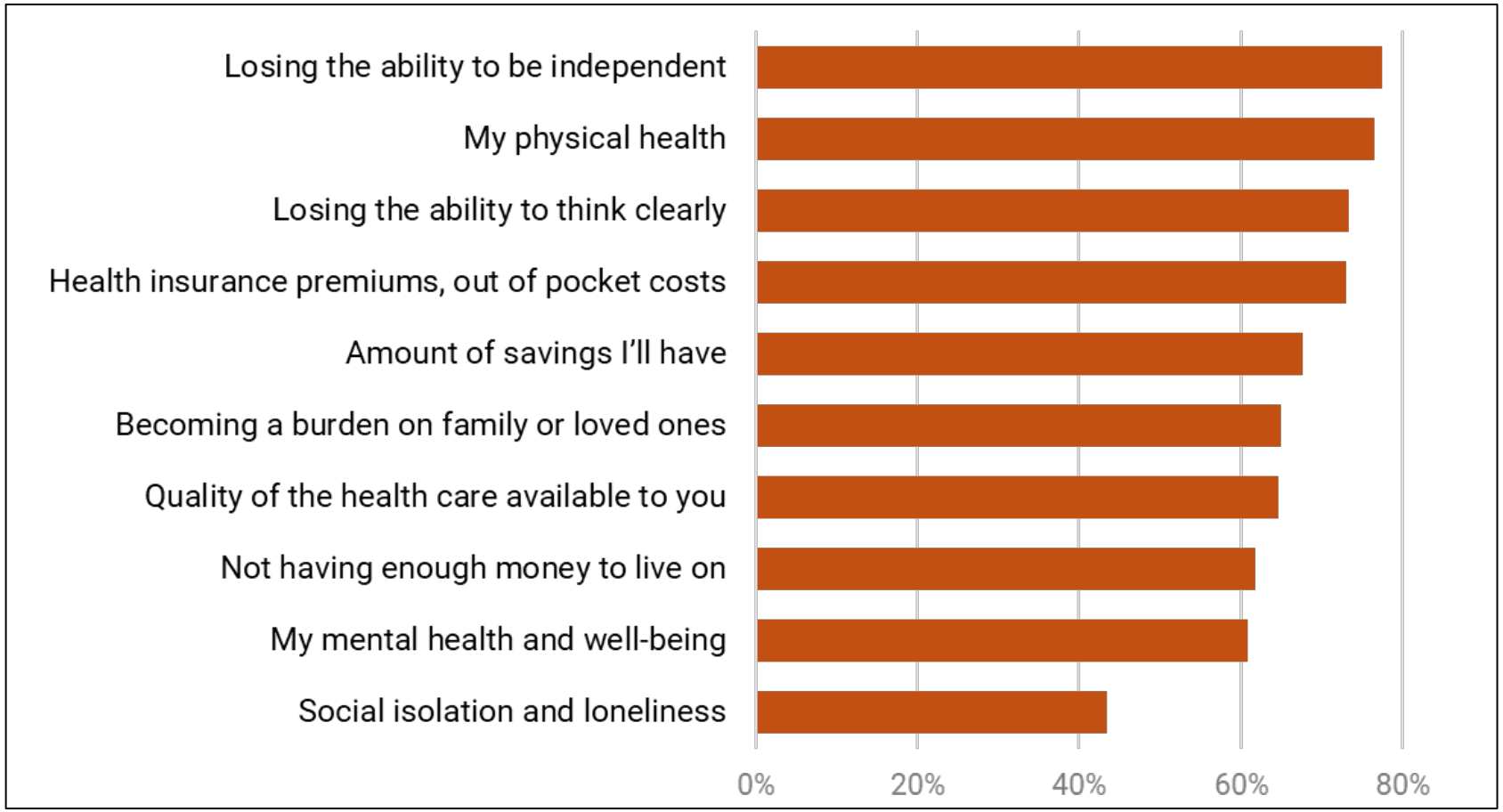
Source: Molinsky et al., 2026

Perspectives on LTSS Needs and Challenges Among Focus Groups/Listening Sessions Participants

- Californians seek independent living for as long as possible while desiring greater financial security, including housing security.
- Many expressed concern about affording, accessing, and the quality of LTSS now and in the future, particularly for in-home care and in rural areas.
- They described facing challenges with navigating complexity of health care and LTSS – separately and together.
- Many placed special emphasis on mental health treatment and transportation to combat social isolation.
- In general, respondents prefer in-person interaction when seeking LTSS information.

Source: Collaborative Consulting and Community Catalyst, 2025 & 2026

Californians Ages 50 and Older Expressed Deep Concern About Health and Well-Being as They Age



Percentage of Californians Ages 50 and Older Who Are Concerned/Very Concerned about the Following Health and Well-Being Issues, 2026

Source: Shugarman & Hefferon, 2026

Californians Ages 50 and Older, *Including the Overlooked Middle,* Say Expanding Medicare to Cover LTSS Needs Would Be More Helpful that Other Programs

If you needed help paying for long term care, how helpful would each of the following programs be to you?	% Helpful (Full Survey)	% Most Important (Full Survey)	% Most Important (Overlooked Middle)
Expand Medicare to cover long term care costs in the home for daily living help	**95%**	**68%**	**66%**
Being able to access the current Medi-Cal program	80%	14%	16%
Provide workplace benefits for long term care similar to health insurance or retirement savings, to help workers pay for their own or their family's care	75%	10%	10%
Classes, workshops, or one-on-one counseling to help people plan for care, manage money, and protect against frauds and scams	74%	4%	4%
A voluntary state-facilitated retirement savings program that would allow people to save money for future care	70%	4%	5%

Source: Shugarman & Sawyer, 2026

Program and Policy Landscape Analysis Identifies Ways to Support the Overlooked Middle Outside of Medicaid

A national review identified over **205 program and policy examples** across 13 major categories to help people with LTSS needs remain at home and in community.

Source: ATI Advisory, 2026

Medicaid Policy Analysis Offers Examples for Meeting LTSS Needs of the Overlooked Middle

Beyond California, several states use existing Medicaid authorities to increase home- and community-based LTSS access with examples showing variation and creativity.

- 1115 demonstration: Oregon serves older adults above traditional income limits, whereby Washington State provides limited HCBS to those at risk but not yet nursing home level eligible.
- 1915(c) HCBS waiver: Minnesota offers HCBS to middle-income adults who are at risk of institutionalization, with self-directed service option.
- 1915(i): Nevada provides targeted services to those with intellectual/developmental disabilities, mental health needs, physical disabilities, and/or older adults.
- 1115/State Plan Amendment: New York allows for a Medicaid Buy-In program focused on those near Medicaid + Medicare eligibility, those with LTSS needs but not Medicaid eligible, and working adults with disabilities.

Source: Wickersham et al., 2026

Medicare Advancing Home and Community Care Model Concept

California engaged ATI Advisory for analytics and technical support, and Milliman for actuarial support, to assess whether a Medicare-based model could deliver targeted home- and community-based services (HCBS) to the Overlooked Middle in a way that improves outcomes while reducing and/or not increasing Medicare costs.

Key Model Elements

- Service navigation and supports through a targeted HCBS benefit
- Inclusion of the evidence-based Community Aging in Place-Advancing Better Living for Elders (CAPABLE) program
- Close coordination with Medicare providers to align acute care services and services designed to support function in the community.
- Services delivered through administering agencies that would assess Medicare beneficiaries for eligibility and coordinate services.
- Population: Community-dwelling Medicare Fee-for-Service beneficiaries with specified frailty screening results to assure proper targeting of benefits.

Source: ATI Advisory, 2026

Baseline Scenario of 10-Year Financial Modeling Results for MAHCC Concept

Dual Status	Frailty Level	Unique Enrollees	Total Program Cost ($M)	Total Gross Savings ($M)	Total Net Savings ($M)
Non-dual	Mildly Frail	130,086	$1,202	$728	($474)
	Moderately-to-Severely Frail	48,644	$525	$828	$303
	Total	**178,730**	**$1,727**	**$1,556**	**($171)**
Dual	Mildly Frail	114,558	$302	$466	$164
	Moderately-to-Severely Frail	67,962	$227	$762	$535
	Total	**182,520**	**$529**	**$1,228**	**$699**
All	Mildly Frail	244,645	$1,504	$1,194	($310)
	Moderately-to-Severely Frail	116,605	$752	$1,590	$838
	Total	**361,250**	**$2,256**	**$2,784**	**$528**

Using detailed model elements, MAHCC is projected to generate a level of positive net savings when both Dual Eligible (eligible for both Medicare and Medi-Cal) and Non-Dual Eligible populations are included, and when those with moderate to severe disability are the intended participants.

Modeled evidence did not support net savings for the benefit delivered to those with lower levels of frailty.

Source: Wingfield et al., 2025

Four Reflections on California's Overlooked Middle

- Major information gaps often increase worry and stifle planning for LTSS.
- They have a broad view of longevity assets to help them age well, such as financial wealth, health wealth, housing stability, social connectedness, and community resiliency.
- Pathways exist to bolster longevity assets, including greater control and autonomy of care choices and meaningful participation.
- Targeted system-level changes could improve their overall aging journey.

Source: Cohen & Alkema, 2026

Read the Final Report:

Interested in Learning More?

Email Marc Cohen at marc.cohen@umb.edu

View LTSS Initiative Webpage:

LTSS Center - Overlooked Middle, CA

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Partner Perspectives

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Nina Weiler-Harwell

Associate Director, Advocacy and Community Engagement, AARP California

Narda Ipakchi

Vice President of Policy and Programs, The SCAN Foundation

Webinar Resources

- Recording will be posted on CDA's YouTube Channel
- PowerPoint presentation and recording will be posted to CDA's Long-Term Services and Supports (LTSS) Initiative webpage
- Additional comments and questions: Engage@aging.ca.gov

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