DATA ON THE EDGE

Dissecting utilization trends for the 65+ population

For several years health systems have been adding programs that tailor services and care experiences for the rapidly growing population aged 65+. While it is no surprise that utilization trends for the 18 to 64 age cohort look different than those for the 65+ population, a closer look at utilization patterns reveals notable differences even within the 65+ age cohort. This underscores the importance of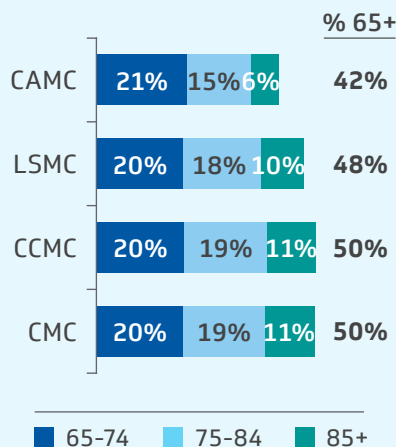 assessing patterns for distinct 65+ age groups, specifically 65 to 74, 75 to 84 and 85+. Only then can health system leaders proactively design care delivery models, workforce strategies and capital investments that are attuned to the specific needs of each segment. But first, as Figure 1 illustrates, a holistic look at patterns for the 65+ population across hospital cohorts and sites of care shows consistently high utilization as compared to the 18 to 64 demographic.

Segmenting the 65+ patient population among different dimensions

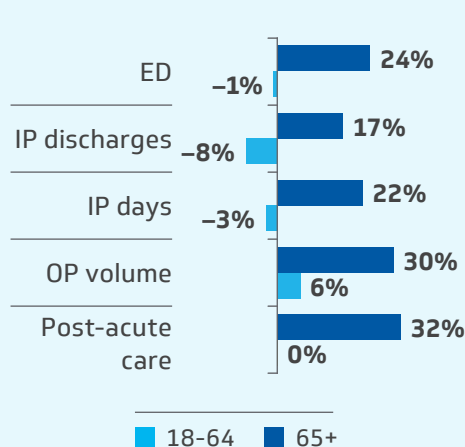**Figure 1. Impact of 65+ age cohort on healthcare utilization**

65+ population represents half of hospital patients
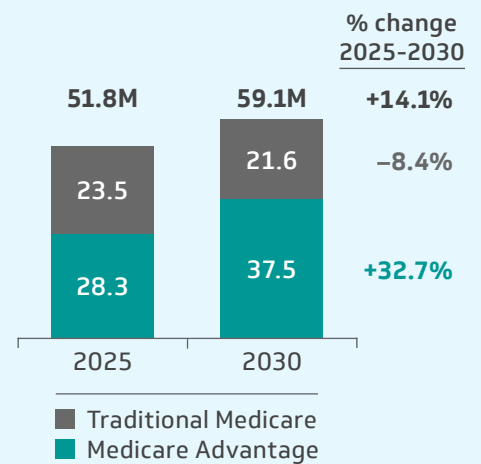
Percentage of total IP stays 2024

	65-74	75-84	85+	% 65+
CAMC	21%	15%	6%	42%
LSMC	20%	18%	10%	48%
CCMC	20%	19%	11%	50%
CMC	20%	19%	11%	50%

Legend: ■ 65-74 ■ 75-84 ■ 85+

Volumes expected to grow for all sites of care for 65+ age cohort

Percent change by site of care 2024-2034

	18-64	65+
ED	−1%	24%
IP discharges	−8%	17%
IP days	−3%	22%
OP volume	6%	30%
Post-acute care	0%	32%

Legend: ■ 18-64 ■ 65+

Coverage complexity persists

Medicare enrollment (millions)

	2025	2030	% change 2025-2030
Total	51.8M	59.1M	+14.1%
Traditional Medicare	23.5	21.6	−8.4%
Medicare Advantage	28.3	37.5	+32.7%

Legend: ■ Traditional Medicare ■ Medicare Advantage

Note: Analysis excludes 0-17 age group. 0% indicates the forecast is flat (less than ±1%). CAMC = comprehensive academic medical center; CCMC = complex care medical center; CMC = community medical center; ED = emergency department; IP = inpatient; LSMC = large specialty medical center; OP = outpatient. Sources: Data from Vizient® Clinical Data Base used with permission of Vizient, Inc. All rights reserved. Accessed April 2025. Impact of Change®, 2024; HCUP National Inpatient Sample (NIS). Healthcare Cost and Utilization Project (HCUP) 2019. Agency for Healthcare Research and Quality, Rockville, MD; Proprietary Sg2 All-Payer Claims Data Set, 2022; The following 2022 CMS Limited Data Sets (LDS): Carrier, Denominator, Home Health Agency, Hospice, Outpatient, Skilled Nursing Facility; Claritas Pop-Facts®, 2024; Sg2 Insurance Coverage Estimates, 2025; Claritas Demographics, 2025; Sg2 Analysis, 2025.

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- Although the 65+ population represents a significant proportion of the patient base for comprehensive academic medical centers (AMCs), they represent a larger proportion of community hospital–based care, indicating a need for lower-acuity inpatient services.
- An increase in utilization across all sites of care will be driven by the 65+ population, as utilization among younger adults is projected to remain flat or even decline in some settings over the next 10 years.

- Looking at insurance enrollment trends, Medicare Advantage enrollment is projected to grow by 33% over the next five years, while traditional Medicare is expected to decline by 8%. This will place additional pressure on capacity, given current challenges with prior authorization requirements for Medicare Advantage plans.

A closer look at emergency department utilization trends across hospital cohorts

Compared to academic medical centers, community hospitals see a higher share of older adults presenting to the emergency department, resulting in a greater volume of higher-acuity patients (see Figure 2). In 2024, 72% of ED visits for adults aged 65+ were classified as emergent, higher than the 65% rate for adults aged 18 to 64. This share is projected to increase further.

Over the next decade, ED emergent visit volume for the 65+ population is expected to grow by 28%, with the 75 to 84 age cohort alone projected to see a 45% increase—double the increase of each of the other two 65+ age cohorts. Given this trajectory, health systems must identify strategies to reduce patients' reliance on the ED and acute care services by expanding access to primary and specialty care services and leveraging technology to better manage chronic conditions, thus improving care quality, hospital efficiency and capacity.
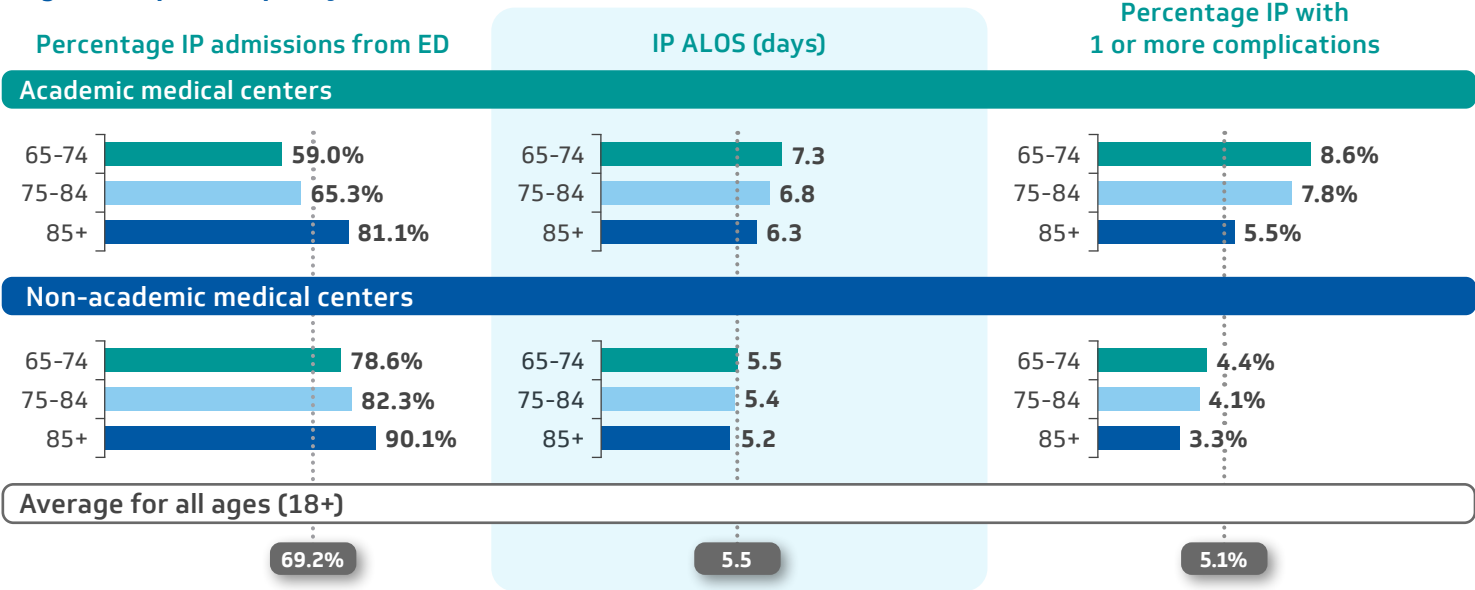
Figure 2: % of ED visits by 65+ population, 2024

AMC	19.1%
LSMC	21.8%
CCMC	24.4%
CMC	23.9%
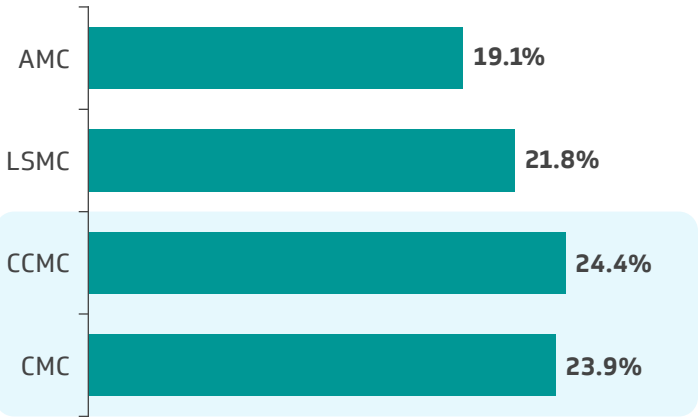
Note: Analysis includes 65 and over age group only; community hospitals include CCMC and CMC. Source: Data from Vizient Clinical Data Base used with permission of Vizient, Inc. All rights reserved. Accessed April 2025.

Select quality benchmarks for inpatient care

Figure 3. Inpatient quality metrics

| Percentage IP admissions from ED	IP ALOS (days)	Percentage IP with 1 or more complications
Academic medical centers		
65-74 59.0%	65-74 7.3	65-74 8.6%
75-84 65.3%	75-84 6.8	75-84 7.8%
85+ 81.1%	85+ 6.3	85+ 5.5%
Non-academic medical centers		
65-74 78.6%	65-74 5.5	65-74 4.4%
75-84 82.3%	75-84 5.4	75-84 4.1%
85+ 90.1%	85+ 5.2	85+ 3.3%
Average for all ages (18+)		
69.2%	5.5	5.1%

Note: Analysis excludes 0-17 age group; Q1 2024-Q4 2024. ALOS = average length of stay. Sources: Data from Vizient Clinical Data Base used with permission of Vizient, Inc. All rights reserved. Accessed April 2025.

- Overall, more than 77% of IP admissions for older adults originate from the ED, with non-academic hospitals having higher proportions than AMCs.
- While AMCs typically report higher average length of stay due to their greater share of clinically complex cases, it is notable that the 65 to 74 and 75 to 84 age cohorts have a longer length of stay at AMCs than the oldest cohort, as shown in Figure 3.
- As Figure 3 indicates, patients aged 65+ have higher complication rates at AMCs compared to non-AMCs, though complication rates decrease with increasing age cohort.

- The 30-day readmission rate remains elevated across all 65+ age cohorts (from 11.2% to 12.4%) compared to the all-ages average (10.5%). While opportunities to significantly reduce these rates may be limited, health systems can better manage the impact through more robust capacity planning and enhanced transitional care models.
- Inpatient days are projected to increase by 17% over the next decade, according to the Sg2 Impact of Change® forecast. Notably, the 75 to 84 age group is expected to see a 40% increase, more than double the overall rate, reinforcing the need for focused planning and resource alignment for this high-growth cohort.

Assessing transitions to post-acute care

Figure 4. PAC utilization by 65+ age groups

Patients discharged to select PAC services

PAC volume percent change, 2024-2034
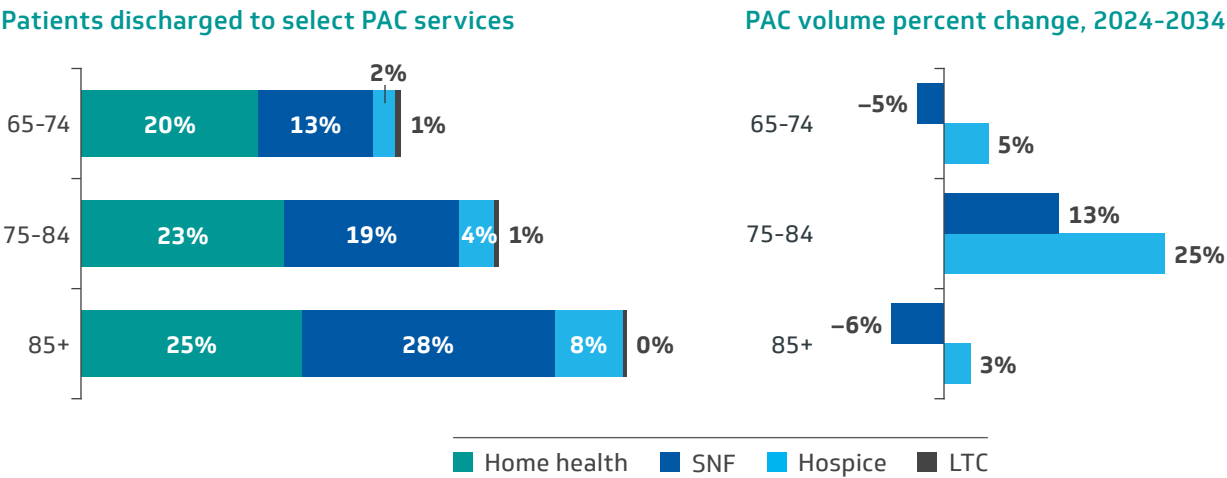
Note: Analysis includes 65 and over age group only. LTC = long-term care; PAC = post-acute care; SNF = skilled nursing facility. Sources: Data from Vizient Clinical Data Base used with permission of Vizient, Inc. All rights reserved. Accessed April 2025. Impact of Change®, 2024; HCUP National Inpatient Sample (NIS). Healthcare Cost and Utilization Project (HCUP) 2019. Agency for Healthcare Research and Quality, Rockville, MD; Proprietary Sg2 All-Payer Claims Data Set, 2022; The following 2022 CMS Limited Data Sets (LDS): Carrier, Denominator, Home Health Agency, Hospice, Outpatient, Skilled Nursing Facility; Claritas Pop-Facts®, 2024; Sg2 Analysis, 2025.

As expected, the 85+ age cohort has the highest proportion of discharges to post-acute care settings—more than double that of the 65 to 74 age cohort (see Figure 4). However, all 65+ age groups are projected to see an increased volume of discharges to some form of post-acute care, such as a skilled nursing facility, long-term care, home health or hospice, over the next decade. Once again, the 75 to 84 age group stands out, with projected growth nearly double that of the younger and older 65+ age cohorts.

Why it matters

- **Leverage data analytics** to diagnose the distinct needs of each age cohort within the 65+ population, help identify gaps, and align investments with future demand and community needs for the growing aging population.

- **Build a cohesive System of CARE (Clinical Alignment and Resource Effectiveness)** that has distinct service offerings for the population aged 65+, including primary care, chronic disease management, and post-acute access and coordination. These approaches are critical to managing increasing acuity levels, improving outcomes and reducing avoidable hospital utilization among older adults.

- **Expand capacity and improve access to care and resources** to address the rising inpatient demand, especially among the rapidly growing 75 to 84 age cohort. Prioritize equitable access to acute, post-acute and community-based services to avoid bottlenecks, care delays and avoidable utilization, particularly in settings like the ED.

- **Redesign care through targeted, age-friendly programs** to address gaps in access and quality by launching dedicated, aging-focused initiatives that reimagine care for older adults.

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To speak with one of our experts about enterprise strategy and System of CARE planning for the 65+ population, contact membercenter@sg2.com.

This report's analysis leverages the following proprietary data and analytics assets.

Sg2® Intelligence is a diverse team of subject matter experts and thought leaders who represent specialties ranging from clinical service lines to enterprise strategy. The team develops strategy-specific content in the form of editorial reports, including the Data on the Edge series, and perspective-based analytics, such as the Impact of Change® forecast.

The **Vizient Clinical Data Base** (CDB) is the definitive healthcare analytics platform for performance improvement. The CDB provides high-quality, accurate and transparent data on patient outcomes—such as mortality, length of stay, complication and readmission rates, and hospital-acquired conditions—that enable hospitals to benchmark against peers; identify, accelerate and sustain improvements; reduce variation; and expedite data collection to fulfill agency reporting requirements. Clinical benchmarking tools such as dashboards, simulation calculators, and templated and customizable reports enable you to quickly identify improvement opportunities and their potential impact.

The **Sg2 Insurance Coverage Estimates** model projects shifts in sources of health insurance coverage over the next five years. It disaggregates trends down to the county level and considers the following demographic factors: age, federal poverty level, ethnicity, gender and state of residence.

The model is built based on movements from one class of health insurance coverage to another (e.g., from the uninsured to Medicaid). Sg2 has considered historical data, projections, published studies and expert judgment as to how sources of coverage will shift over the next five years.

This model is based on individual covered lives, not health coverage utilization or penetration of insurance products in the market.

The **Vizient Operational Data Base** provides hospitals with transparent, comparative insights on the operational characteristics of hospital departments to support performance improvement, budgeting and cost reduction initiatives. It includes reliable financial and operational data that help organizations make informed decisions about employee productivity, supply usage and other areas that directly impact the bottom line.

The **Sg2 Impact of Change®** model forecasts demand for healthcare services over the next decade, examining the cumulative effects and interdependencies of key impact factors driving change in utilization. Using both disease-based and DRG-based analyses, the forecast provides a comprehensive picture of how patients will access inpatient and outpatient services along the continuum of care.

The Vizient Data on the Edge series team includes Brianna Motley, Catherine Maji, Eric Lam and Sg2 Creative Services.