

IMPACT OF INEQUALITY ON THE FUTURE ELDERLY POLICY TOOLS AND ACTIONS WORKSHOP

OECD Conference Centre, 2 rue André Pascal, Paris
5 and 6 April 2018

BACKGROUND NOTE POLICY FORESIGHT FOR BETTER AND MORE EQUAL OUTCOMES

Governments are challenged to sustain pension and health care systems due to population ageing and increasingly tight fiscal conditions. Developing a base of evidence upon which to evaluate policy options to sustain government programmes is often challenging due to incomplete or missing data. Further, when data are available for policy evaluation, they are often too highly aggregated to be useful for evaluating how policies may indirectly increase or reduce socio-economic and health inequalities.

To address the need for better evidence, for over a decade the Roybal Center for Health Policy Simulation has been researching the determinants of health and health spending among older populations; developing models to understand the consequences of social policy, social forces, and biomedicine for health, health spending, and health care delivery; and translating these findings for policy makers who influence ageing policy. Established by the U.S. National Institute on Ageing and housed within the USC Schaeffer Center for Health Policy & Economics, the Roybal Center moves promising research findings out of the laboratory and into programs, practices, and policies.

The Roybal Center's centrepiece effort is the Future Elderly Model (FEM), an economic-demographic microsimulation model that projects a rich set of health and economic outcomes for ageing populations. The FEM has been employed to explore a variety of policy questions including:

Distributional impact of disparities in life expectancy	Global pharmaceutical policy and health	Consequences of obesity in older Americans
Value of delayed ageing	Medicare reform	Disability in older populations
Value of health improvement at older ages	Technological advances and their consequences for spending and mortality	Burden of chronic diseases among the elderly

Led by researchers at the University of Southern California, with collaborators from Columbia University, Harvard University, Stanford University, RAND, University of Rome Tor Vergata, Université du Québec à Montréal, the National University of Singapore, the Organization for Economic Co-operation and Development (OECD), and more, FEM analysis has produced over fifty peer-reviewed publications, including two special issues of Health Affairs devoted to FEM analysis. FEM findings have been relied on by several government agencies, the White House and Congress, the National Academies of Science, as well as private organizations interested in ageing policy.

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The Roybal Center has fostered a team of global collaborators who are currently employing FEM-based microsimulation methods to forecast long term trends in disease dynamics in 15 countries:

Austria	Denmark	Italy	Mexico	Spain
Belgium	France	Japan	Netherlands	Sweden
Canada	Germany	Korea	Singapore	Switzerland

In 2017, the OECD released [Preventing Ageing Unequally](#) – a report that examines how the two global mega-trends of population ageing and rising inequalities have been developing and interacting, both within and across generations. The OECD partnered with the Roybal Center and the Centre for Economic and International Studies, University of Rome Tor Vergata to develop a pilot model (Global FEM) that projects the health and economic circumstances of population cohorts in Belgium, Italy and the US to assess how current income inequalities during the working age could pass into inequalities at older ages and the impact of inequality in life-expectancy trends on social benefits. Results of this collaboration will be discussed on Day 1 in the context of policies for better and more equal health and economic outcomes in the retirement years.