

“Whealthcare.” Or, how we can assure older adults’ cognitive and financial well being

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In 2006, Renee Packel brought her husband Arthur for a new patient assessment at the Penn Memory Center. Not only had he missed paying three consecutive months of condominium fees, he’d either been defrauded or he himself had committed a series of bad financial transactions. Regardless of the cause, he’d lost much of their life savings.¹

Their life was transformed. She sold their house, they moved to an apartment, she took up the first job of her life, and shelved their plans for travel and leisure; and I diagnosed him with Alzheimer’s disease dementia. They only visit he’d make to his beloved Paris would be after he died when Renee scattered his ashes over a grave in Pere Lachaise cemetery.

My message to you is that this did not have to happen.

The sufferings of Arthur and Renee Packel and millions of Americans like them can be prevented, prevented in the same way we can prevent heart attacks, strokes, and hip fractures. They can be prevented because among the first signs of cognitive changes caused by diseases such as Alzheimer’s disease, and cognitive aging as well, are changes in our capacity to manage our finances.

Financial transactions – bill payments, cash transfers, account withdrawals, investments – are all also data about our nation’s cognitive health. Errors in these transactions, or evidence that others are taking advantage of persons who make them, are data about cognitive function. These data are far more real-world, real-time and arguably cheaper than data from performing and interpreting esoteric cognitive testing or brain scans.

Doctors focus on health. Bankers and financial services professionals focus on wealth. Rarely in the practice of their professions do the two meet. Until now.

Errors in finances and cases of financial fraud and abuse are the strokes, heart attacks and hip fractures of the aging and diseased brain. Yes, they’re sometimes justice issues, sometimes criminal issues that need the full force of our justice system brought to bear to address them. But they’re typically matters of cognitive health -- even when criminal issues are not in question. And they could be prevented.

The banking and financial services industries are on the front lines of screening for cognitive impairment.

¹ See Gina Kolata. “Money woes can be the first clue to Alzheimer’s disease.” The New York Times. 30 October 2010.

The intimate connections between health and wealth suggest the need for a new model to assure the financial security of aging Americans. We need to fuse health care and wealth care into “whealthcare.”²

This new model of “whealthcare” fits nicely into the principles of public health:

1. It requires education and empowerment of the public and financial professionals.

2. It can use assessment to surveil and screen to detect the problem.

Financial institutions have the real-time data showing problems with financial capacity – missed or double bills, odd cash transfers, unsuitable investments. They could deploy technologies to monitor transactions and develop algorithms to predict who may suffer problems.

3. Interventions in the life space, outside medical settings, can promote both health and wealth.

Interventions include changes in regulations and banking and financial services practices that make it routine to monitor, integrate reporting into a health care system, facilitate reporting suspected cases of abuse or fraud, and permit holds on suspicious or worrisome transactions.

4. Assuring the financial well-being of aging Americans is a public health issue because the failure to address this problem leads to harms to others.

Older adults who suffer losses in financial capacity that lead to losses in wealth cannot go back to work to make up the lost money. They lack the time and the capacity to do so. Someone else has to pay, their family or us, the public.

The public policy mandate is evident. The CDC has issued the Healthy Brain Initiative: A national public health roadmap for maintaining cognitive health.” The Roadmap plainly explains why cognitive health is a public health priority. Whealthcare is part of that roadmap. The National Alzheimer’s Project Act is law and the U.S. now has a National Alzheimer’s plan. First among its five goals are that by 2025 we will discover effective interventions to treat or prevent cognitive impairment caused by diseases such as Alzheimer’s disease. You, congress, have been allocating millions to achieve this goal. Today’s hearing is a clear opportunity to include the nation’s banks and financial services industries in achieving this goal.

I urge you to review the President’s Council of Advisors on Science and Technology – PCAST – recent report “Independence, Technology and Connection in Older Age.” Chapter 3 -- “Technologies to address changes in cognitive ability” – explains how technologies that allow passive monitoring of account and online view only account can monitor cognitive function and protect older adults’ economic security.³

Some specific steps.

1. Facilitate and promote the creation of industry standards for the collection and aggregation of data; requiring financial institutions to adopt commercially reasonable best practices for the use of technologies that detect potential fraud, abuse, or changes in financial capacity; and making rules that

² See Jason Karlawish and Dan Blazer. “Why Bankers, Financial Analysts, And Doctors Need To Start Working Together.” Available at <http://www.forbes.com/sites/sciencebiz/2015/07/22/why-bankers-financial-analysts-and-doctors-need-to-start-working-together/#79c98c113020>.

³ Executive Office of the President. President’s Council of Advisors on Science and Technology. Report to the President. “Independence, Technology, and Connection in Older Age.” March 2016

will prompt financial institutions that offer online banking to create a means for older adults to give monitoring power to a trusted party without enabling that party to initiate transactions, change the customer's profile information, or otherwise engage in fraud or abuse.

2. Regulatory nudges could incent the industry to make passive monitoring and reporting and online view-only accounts part of routine banking and financial management.

a. The SEC should assure financial institutions that holding a transaction due to suspected elder abuse or fraud or impaired capacity does not violate regulations for efficient and timely execution of a transaction

b. The FDIC should require financial institutions to routinely offer safe-harbor forms to customers that authorize the institution to share information with a designated family member or other trusted actor if an event of fraud or financial abuse is suspected or discovered.

c. The signatories to the 2013 Interagency Guidance on Privacy Laws and Reporting Financial Abuse of Older Adults should assure financial institutions that complying with State mandatory reporting requirements, and reporting suspected elder abuse and fraud in states that do not have mandatory reporting requirements, does not violate the customer's privacy rights under Gramm-Leach-Bliley Act.

3. Congress and the Executive Office of the President should convene State governors to identify the challenges and share successful strategies that ensure that suspicious activity reports with information about suspected elder abuse or fraud are transferred to local adult protective services and law-enforcement authorities to protect seniors

4. Customers should expect to have conversations about their healthcare a routine part of opening an account at an institution and in communication with an online bank to meet their needs over the long term.