



**LeadingAge<sup>TM</sup> PA**  
*formerly panpha*

TESTIMONY TO THE SENATE AGING AND YOUTH COMMITTEE

ON

PENNSYLVANIA'S SENIOR CARE AND SERVICES DELIVERY SYSTEM

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SEPTEMBER 7, 2011

Good afternoon Chairman Ward, Senator Vogel, and other distinguished members of the Committee. I am Russ McDaid, Vice President and Chief Public Policy Officer of LeadingAge PA-- an Association of over 360 not-for-profit senior service providers statewide. Our members serve more than 65,000 older Pennsylvanians daily, employ over 45,000 dedicated caregivers, and tap the talents of more than 150,000 volunteers, trustees, and auxiliary members. LeadingAge PA members provided high quality senior care and services in 50 of 67 counties, offering the full range of care and services that Pennsylvania's seniors need including home care, affordable senior housing, home health care, adult day care, assisted living/personal care, and nursing facility care. Our members truly are providing the full array of senior care and services, and we represent the vast majority of Pennsylvania's Continuing Care Retirement Communities (CCRCs)—where the concept of 'aging in place' started. It is my pleasure to address the committee on the opportunities and challenges that hat exist in meeting the growing care and service needs of Pennsylvania's seniors.

LeadingAge PA believes the challenging future that experts in the field have been talking about – when the sheer care and sevice need of our population is larger than the provider network or existing funding framework can handle – has arrived here in Pennsylvania. Most projections on the growth and needs of the “baby boomers” point to a post-2020 crisis in providing the necessary care and services. Here in Pennsylvania we're getting a preview of the challenges we will face TODAY – and the reality isn't all that encouraging. Pennsylvania is one of the “grayest” states in the country in terms of proportion and in sheer numbers clocking in at 2.4 million people over sixty – fourth only to Florida, West Virginia, and Maine in the percentage of our population over the age of 65. Our over 85 age cohort is growing even faster – 24 percent between 2000 and 2006 versus a mere 1 percent growth in our general population. By 2020, this vintage age cohort will increase by approximately 52 percent from the 2000 population, yielding approximately 415,000 Pennsylvanians age 85 or older.

LeadingAge PA believes that the continuing debate among consumers, policy makers, and provider advocacy organizations around 're-balancing' the system misses the larger point—merely shifting funding from 'institutional' care in nursing facilities to 'home and community-

based care' in other settings that seniors call home isn't a solution. Our population is aging at an unprecedented rate, and we will need to enhance our investment in *every level of care* if we are to meet Pennsylvania's growing demand for senior care and services.

That is why the LeadingAge PA Public Policy Positions for the 2011-2012 legislative session, which I have provided for you today, call for fundamental and sweeping changes in the way Pennsylvania funds our senior care and services delivery system. While the use of one time or limited term revenues such as the Intergovernmental Transfer (IGT) proceeds and ARRA stimulus funding provided a short-term benefit for consumers in sustained access to 24/7 skilled services and additional investments in home and community-based services, it has also created a gap between the cost of fully funding senior care and services and the money available to pay for services under the state/federal Medical Assistance (MA) program. This gap exceeds the amount that Pennsylvania's general tax revenues can or will afford, which is why we continue to lag behind in our investment in home and community-based care and services at the same time we are forced to discount the rates paid to nursing facility providers through the use of a 'budget adjustment factor'. The resulting system creates conflict between the so-called 'provider associations' representing the traditional providers of care, and 'consumer advocates' who continue to advocate for enhanced consumer choice. Unfortunately, the annual 'us vs. them' advocacy efforts surrounding the state budget further fragment the funding picture, and actually end up *limiting* the choices that seniors have in many of Pennsylvania's counties. This is why that we believe that when the various constituencies representing seniors are forced to 'choose sides'—advocating for *either* funding for home and community-based services *or* 24/7 skilled care fail, no one is served well—not the seniors who are the focus of our collective efforts, not their families, not the providers who struggle to meet their unmet care and service needs in an era of declining reimbursement, and not the dedicated direct care staff providing their care on a daily basis.

LeadingAge PA believes that the time for incremental change is over, and that it is time to advocate for a complete re-design of Pennsylvania’s senior care and services funding framework. Our vision for Pennsylvania’s senior care and services delivery system includes:

1. The use of a single assessment tool entry into state-funded senior care and services to allow for an accurate comparison of a consumer’s care and service needs to determine what combination of care, services, and setting that can most safely meet their needs.
2. A global senior care and services reimbursement framework where reimbursement levels for state funded care and services are set based on the results of the ‘single assessment tool’. This would allow the state to establish various per diem rates based on the consumer’s assessed care and service needs, ensuring that the funding follows consumers to the setting where their needs can best be met.
3. Determine cost effectiveness on an a case-by-case basis, ensuring that consumers get the care and services they need while assuring taxpayers that their investment is caring for the maximum number of consumers possible.
4. A ‘seamless’ senior care and services funding system, where all state funds currently allocated for senior services and programs including revenues from the state General Fund, Lottery Fund, and Tobacco Settlement Fund—would be available to meet consumer needs regardless of their currently allocated purpose. If consumers were determined to be eligible under Medical Assistance (MA), the state would receive federal matching funds for their care.

LeadingAge PA stands ready to work with the Legislature, the Corbett Administration, and other stakeholders interested in meeting the needs of Pennsylvania’s seniors to re-design how we use the Pennsylvania’s public funding targeted to seniors. Our Public Policy Positions, which we have provided with this testimony, give the general blueprint of our position. We stand ready to work with you in this regard, and I look forward to answering any questions you may have.