



## Pennsylvania Association of Area Agencies on Aging, Inc.

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### Senate Aging and Youth Committee Hearing

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#### Long Term Care in Pennsylvania

Provided by

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Pennsylvania Association of Area Agencies on Aging, Inc.

Good morning Chairman Ward, and distinguished Members of the Senate Aging and Youth Committee. Thank you for inviting me today to share with you our organization's perspectives on the issues surrounding long term care in Pennsylvania. As the Executive Director of the PA Association of Area Agencies on Aging, I am here today to speak with you on behalf of the 52 AAAs which serve all Pennsylvania's 67 counties. These agencies serve as community focal points to coordinate services for older people and to responsibly represent the issues and concerns of aging. They provide information and assistance as well as a wide array of home and community based services funded through the Older Americans Act and the Pennsylvania Lottery as well as a variety of other funding, including cost sharing revenue. They are the "safety net" for seniors who may be abused, neglected, abandoned or exploited. They also serve as the gateway for publically funded long term living services. For more than 40 years, they have been an integral part of the long term care system and have direct knowledge and experience with the strengths and weakness of our current system of services and supports.

We are all concerned about the changing demographics and the impact these changes have on the fabric of our society. Whether we look at it from absolute numbers, the fiscal pressure on our tax strapped society, or on the opportunities that these changes will present; we all realize that things cannot stay the same. We cannot stand still.

As I was preparing my comments, I revisited some materials from the past and I realized that we have been worried about these changes since 1982. There have been State Planning Boards, Select Committees in the General Assembly, an Intra-Governmental Council, an Office of Health Care Reform, and a Senior Services and Care Study Commission, just to name a few. The recommendations are fairly consistent. We need to change the long term care system in Pennsylvania in several fundamental ways. We need to expand options; we need to reduce fragmentation and duplication. We should, where possible, constrain nursing home spending. We should encourage the investment in long term care insurance and explore revenue maximization.

Truly, since 1982 we have made changes and the system has improved. There are more options available. In addition to nursing homes and personal care homes, our spectrum of services and supports to those needing long term care now includes adult day services in the majority of the counties, LIFE Programs in about 1/3 of the counties, we have an emerging licensed assisted

living industry, as well as an array of home and community based waivers which support seniors and disabled adults to live in the community. We need this range of services, and more, to meet the challenges of the future.

What people want has been well documented for decades. They want to:

1. Remain at home as long as possible
2. Have respect and dignity
3. Have choice in how and by whom they receive care

The progress we have made has resulted in a million fewer nursing home bed days. People have some choice in where they would like to receive their care and by whom it is provided. People who go into a nursing home can come back to the community. We no longer are 47<sup>th</sup> among states in how much we spend on institutional care. Is it enough? No. The pressure is going to continue and we need to identify solutions.

I am here to urge you to understand that all the pieces must be in place in order for us to weather the storm. There have been assertions that when times are difficult, we must only provide care and services that are "mandated". However, if that would occur, Pennsylvania would face a great economic crisis and a human tragedy. By maintaining and expanding the range of options, we **will** be able to give people what they want **and** manage the financial impact of the burgeoning population.

Every spoke of the wheel needs to be present and adequately supported to move us forward. As elected officials, I would ask for your support in the following:

**Support a strong system wellness and health promotion.** We need to support evidence based health practices that have real personal and financial benefits. Programs such as falls prevention save on long term care spending. Judicious use of preventive services through the Options Program and Senior Community Centers can prevent or delay deterioration in a consumer's condition, and therefore the need for more expensive services. I would further encourage better collaboration between the Departments of Aging, Health, and Welfare at a minimum to review emerging evidence based practices which will help people "age well."

**Continue to support families; they truly are our salvation.** Programs that provide information, counseling and financial support help keep them engaged longer. We urge you to pass the Family Caregiver bill which will enable us to utilize already appropriated Lottery funding to support more families in need. The current guidelines are too restrictive and not reflective of today's families. The double "whammy" of requiring the care recipient to live with their caregiver and also requiring that the eligibility is tied to household income, makes it extremely difficult to identify eligible recipients. Also, a maximum reimbursement per month of \$200 does very little in today's economy. It means less than one day a week of adult day services per month, or less than two baths a week.

**Increase Penn Care funding to AAAs.** We need to maintain a strong network of senior community centers. Waiting lists that currently exceed 3,000 unmet individuals as well as several thousand more that need additional services need to be addressed. We must have resources to adequately reimburse those who provide meals, adult day services and personal assistance services. Protection and advocacy services are critical and the demand is growing.

Recruiting and retaining a qualified workforce is necessary in order to facilitate a comprehensive system of HCBS. This will also ensure that their caregiving is recognized and maintained as an integral and necessary segment of this long-term care services system. The rates we pay must be fair and competitive with other comparable industries.

The Aging network has received flat funding for more than five years. This during a time when our costs for fuel, health insurance, and utilities have sky rocketed. Every AAA has cut programs and services. Some have closed senior centers, some have cut staff, others have established proprieties and cut support for transportation, and limited services to existing consumers. All at a time within the Lottery is having its best revenues. Even looking to the future, the closing of the donut hole in Medicare Part D will lessen the burden on the Lottery. Additional Lottery funding is available.

**Continue your support of Home and Community Based Waiver Programs.** There remains uncertainty today about where the Aging Waiver stands for this current fiscal year. We continue to be concerned that waiting lists will be established. It is not like some have suggested, just a little bit of help, this support often makes the difference between living at home or going to a nursing home. Since October 2010 the State has implemented a review of every care plan for every new waiver consumer as well as a review of every additional permanent service requested. While the goal was for these reviews to be completed within 10 days, in reality it is taking much, much longer, often exceeding 40 work days. The result has been countless unnecessary nursing home admissions. Families can often hang on for a little, but not indefinitely. While I am very optimistic that things are going to change for the better with the review process in the near future, it has given the network the real preview of what will happen if waiting lists are established for the Aging Waiver.

**Adequately fund other key elements of the long term living continuum.** Nursing homes are critically needed to care for many who need rehabilitative services, who are at the end of life and or who need more care than can be provided in the community with the supports available. They must be adequately compensated so that residents receive quality care that respects autonomy, dignity, and choice.

LIFE/PACE programs, one model of integrated care, need to continue to be expanded. We view this as an excellent option for a variety of individuals who have complex medical issues.

One vital "spoke", which remains of concern to our network, is support for Personal Care Homes. The payment rate for individuals relying on the Personal Care Supplement has not changed in a number of years. Coupled with the appropriate scrutiny that DPW licensing is providing, has resulted in the closure of an incredible number of homes. As these residents are not clinically eligible for nursing home care, the alternatives are sad: prison or homeless shelters. These individuals have become the forgotten ones.

There are a variety of initiatives that the Administration could pursue to improve the long term care system:

**There should be fair and consistent access to Medicaid funded Home and Community Based Services (HCBS) and Nursing Facility Services.** In determining financial eligibility for Medicaid Long Term care services, income is treated differently for Nursing Facility Care than it is for home and community based services (HCBS) under a Medicaid waiver. While the monthly income limit for both is set at 300% of the SSI payment level, CMS rules allow states to anticipate the cost of nursing home care for residents of a facility and to use that anticipated expense as a

deduction in order to make individuals eligible for nursing home payment. However, for HCBS, CMS does not allow anticipated costs and therefore, individuals whose income exceeds the 300% limit are ineligible, and cannot "spend down" the excess income above the 300% level to become eligible. They can become eligible only if they spend down to the regular Medicaid 2008 income limit of \$664.40/month (100% of the SSI payment level). Pursuing a waiver to bring these eligibility rules in line would make HCBS a viable option for individuals who currently can only qualify financially for nursing facility care.

We should continue to expand the home and community based options. We applaud the Departments of Aging and Welfare who are reviewing shared living alternatives; small family like settings for individuals needing care and support. Expansion of tele-health also offers real possibilities to have an impact on who can be cared for in a home setting. We also hope that an Assisted Living Waiver will become a reality. Supportive housing and "Aging in Place Communities" should also be explored. We must create models that address the diversity of Pennsylvania, including programs that work in rural areas as well as in ethnic neighborhoods.

**Intervene Early to Conserve Public Resources.** All too often, anxiety, stress and fear combined with a lack of knowledge forces individuals and families to choose placement into a nursing home rather than home based care; while "temporary nursing home placements" frequently unintentionally and unnecessarily evolve into permanent placement situations. The AAAs and disability service organizations must be positioned to discuss options with everyone - not just engage in conversations with those who have modest or no assets. This early contact does not mean that a Comprehensive Assessment needs to be completed, rather having very early contact (in a home or hospital setting) to help people understand their long term living service would significantly reduce nursing home placements.

The following public policy initiatives will help to conserve public resources:

- **Enhance the Gate-Keeping role for AAA's** – As a network, Area Agencies on Aging have no financial interest in any one setting and are committed and motivated to support and counsel individuals and their caregivers who choose to receive care and services in the setting of their choice for as long as possible.
- **Adopt DPW Regulations Requiring Assessments 12-months prior to Spend-Down to Medicaid Eligibility** – Providing screening for individuals who have twelve (12) months of assets will allow people to be educated about their long term living options while they still have resources necessary to maximize these choices.
- **Continue to Strengthen and Enhance the Nursing Home Transition Program** - There is a need to continue to provide support for individuals who have been in a facility and desire to return to the community. The success of current efforts shows that there are many individuals who have been in nursing facilities for lengthy periods of time but are unable to return home with appropriate supports.
- **Implement Intensive Care Management of Short-term Nursing Facility placements** – AAAs and disability service organization coordinators must closely follow those individuals who have short term NFCE levels of care. This management will encourage and strengthen their family supports, allowing them to remain in place so the individual can return home after a "short stay".

- **Emphasize Consumer-Directed Models** – This is a cost effective way to do business and also gives the individual “consumer” increased choice and control. Consumer-Directed Models also expand the direct care worker pool and are frequently better equipped and able to provide services at irregular times and on weekends than the traditional Agency Model.
- **Add More Services to the State Medical Assistance Plan** – Services such as Adult Day Care and Personal Assistance should be added to the State’s Medicaid Plan so that low income individuals could receive the service without having to be eligible and enrolled into a Waiver program.

Finally, Health Care Reform offers us incentive to dismantle the silos of acute, chronic and long term care. Currently, incentives are in place that create inappropriate cost shifting. The better management of chronic conditions, the improved coordination between health care and their “downs stream: provider such as nursing homes and care providers, offers us hope that we will be able to minimize unnecessary costs by helping people be healthier, and better able to manage their conditions. We urge you to be open and supportive of these Federal initiatives

The future brings challenges and opportunities, but the time for action is upon us. The leading edge of the baby boomers is at our door step. And while some have suggested that they have had the best of life, most recently their conditions have changed and they may be less prepared financially to meet the financial demands of the future. We cannot deny the past ten years have had an impact on the financial health of the baby boomers and I suggest to you that as they approach the long term care door steps, they will have greater demands and fewer resources. We need to find ways to manage both.

I would like to thank you for the opportunity to share with you our recommendations, our hopes and our musings. You are the hub of the wheel that will carry us forward to meet our future. You are facing difficult demands from all sides. Our network appreciates the support you have provided and looks forward to working with you as we move ahead together.