

POLICY POSITION  
PENNSYLVANIA ASSOCIATION OF AREA AGENCIES ON  
AGING, INC.

# Funding

(Final, Ratified October 27, 2009)

## **BACKGROUND NARRATIVE**

In 1965, the United States Congress enacted the Older Americans Act (OAA) establishing the Administration on Aging (AoA) and state units on aging in order to address the social service needs of older Americans. The OAA is the primary vehicle responsible to drive and thus promote the delivery of social services to the aging population; and its mission is purposefully broad: to help older people maintain maximum independence in their homes and communities and to promote a continuum of care for the vulnerable elderly.

With the passage of the OAA, as expected the original primary source of funding for Aging programs in the Commonwealth of Pennsylvania was the Older Americans Act with supplemental funding support from Title XX of the Social Security Act. In 1971, however, the General Assembly in Pennsylvania created the Lottery Fund, whose proceeds were purposefully targeted to provide property tax relief for the elderly in the Commonwealth. In the years that followed, the network of local Area Agencies on Aging (AAA) serving the Commonwealth's 67 counties began to receive Lottery Funds in the form of an Aging Block Grant. The Aging Block Grant funds allowed the local AAAs to serve older adults in need of supportive services; and when Title XX funding disappeared, the General Assembly expanded the Lottery Fund to provide funding for rent rebates (administered by the Department of Revenue), free and reduced-fare transportation services for older Pennsylvanians and reduced vehicle registration fees (administered by the Department of Transportation). Lastly, the General Assembly again expanded the benefactors of the Lottery Fund to include the PACE (Pharmaceutical Assistance Contract for the Elderly) Program. While Lottery games grew in popularity and the Lottery Fund enjoyed significant growth, OAA funding stagnated and the very successful Pennsylvania Lottery has become the primary source of funding for services benefiting older Pennsylvanians.

Understanding that policy decisions often drive funding priorities, as a Commonwealth with a growing number of older adults, and in particular with very high number of seniors who need nursing home services, the escalating costs associated with paying for nursing home care became a major concern. As a result, the Commonwealth engaged in developing nursing home diversion programs, whereby individuals requiring services typically provided in a nursing home setting, who are financially eligible for medical assistance are 'targeted' for

possible enrollment into the Pennsylvania Department of Aging Medical Assistance (PDA MA) Waiver Program. In the PDA MA Waiver program, individuals successfully enrolled into this program receive their services at home rather than in an institution. Since its implementation in 1995, the PDA MA Waiver Program has experienced growth and has joined the Lottery as a major cornerstone for funding of home and community based services in the Commonwealth.

Throughout this history, Pennsylvania's network of Area Agencies on Aging (AAAs) have continued to serve as trusted stewards of the public dollar, adapting to changes in funding streams, accepting new roles and meeting new expectations.

## **PROBLEM STATEMENT**

While dwindling resources combined with an increasing senior population has prompted State and local leaders to creatively utilize and aggressively locate supplemental sources of revenue so as to meet the growing demand and need for aging services, there has rarely been adequate funding available to meet all presenting needs. The Commonwealth's efforts to consistently apply eligibility criteria when enrollment into a Waiver program is being pursued and to enhance its oversight in the development of PDA MA Waiver care plans have been effective. However, while there are no waiting lists for PDA MA Waiver services, most local AAAs have waiting lists for Lottery Funded services.

Commonly referred to as a "problem" facing Pennsylvania's Aging Network, the waiting list is, in reality, a symptom of multiple ailments in a service delivery system where steadily escalating demand is pitted against a multi-faceted shortfall in both financial and human resources essential to meet this need. Ranging, in a cyclical year, to as many as 10,000 persons, the waiting list reflects state and national demographics and labor market trends --- long term problems requiring long-range solutions:

- ❖ Changing health coverage issues increase demand for home care at a time when vastly reduced and increasingly restrictive Medicare reimbursement policies make AAAs the primary source for government-funded in-home service.
- ❖ Waiting list numbers are difficult to address without increased funding due to AAAs' historical placement of all available dollars into service delivery.
- ❖ Despite the availability of the Waiver to serve those on the waiting list who are most frail and financially needy, the administrative and labor-intensive nature of care management for this population places added burden upon care management staff.
- ❖ Rates continue to escalate for personal care, adult day care, and home health at a time when workforce issues necessitate more competitive salaries and benefits for all home care workers. These costs continue to rise disproportionately to the cost of living, yet critical staffing shortages exist at all levels of the service delivery network.

- ❖ As demand increases and costs rise for provider services, “unfunded mandates” such as Attendant Care and Guardianship also experience increasing demand and rising costs which must be pulled from already scarce resources.

Additionally, funding for Senior Community Centers has been flat for many years, in the face of the steadily increasing cost in doing business. Appropriations for capital replacement and expansion have been sporadic and inadequate to meet the presenting needs. If Senior Community Centers are to assume an enhanced role as a gateway to the Long-Term Living System, they must be adequately funded.

An inability to reach as many as 10,000 additional persons each year occurs in spite of the considerable effort that AAAs have made to contain cost and maximize resources while continuing to serve people. Additionally, it should be noted that funding increases from the State Lottery have not been sufficient to fully fund the intrastate funding formula, resulting in a situation in which shifts in population (and therefore need) have not been fully addressed.

### **GOAL:**

The guiding principle of AAAs is to assure that older Pennsylvanians have access to essential services based upon their need as identified through a standardized Intake and Assessment process. Furthermore, the Aging Network is committed to continuing to embrace both traditional and non-traditional means to provide the home and community based services that are needed in order to support people over the age of 60 and adults with physical disabilities.

### **THE POSITION**

- The Department of Revenue should continue to enhance and increase its efforts to market and merchandise the Pennsylvania Lottery games.
- The impact of casino gambling must continue to be carefully and independently evaluated, to ensure that:
  1. The revenue levels of the Pennsylvania Lottery are not negatively impacted, or;
  2. Aging Programs are held harmless through diversion of casino gambling revenue to offset any negative impact on the Lottery that is identified.
- Pennsylvania’s Executive Branch along with the General Assembly must more aggressively review and in turn, appropriate State Lottery Revenues to Aging Programs so that unmet needs of seniors subject to a waiting list can be addressed.

- ☑ Increased Lottery budget requests and appropriations should be used to fully fund the intrastate funding formula, while maintaining the hold harmless provision, and thus place all AAAs at an “equity” funding level.
- ☑ While nursing home diversion services (i.e., PDA MA Waiver and LIFE Programs) are critically important, adequate funding must be allocated for the array of home and community based services on the Long Term Living spectrum. This includes in-home personal care services and access to adult day programs, which can prevent deterioration in an individual’s condition and/or delay institutionalization....thus reducing the need for more intensive and costly services.
- ☑ Access for eligible participants to PDA Waiver services and MA-funded nursing facility care should be equalized. The cost of long-term care for older Pennsylvanians will ultimately cost significantly more if seniors are not provided with in-home care and must face institutionalization.
- ☑ PAAAA’s Members shall continue, as they have done historically, to explore and exploit all possible methods to generate creative alternatives to more expensive service, such as support for family caregivers and consumer directed services.
- ☑ While supporting the work of the Intra-Governmental Council on Long-Term Care Workforce Committee and Workforce Investment Boards at the local level, PAAAA recognizes that the human resource shortage is a long-range problem and maximizing the workforce will require a long-range solution.

## **CONCLUSION:**

As originally envisioned, Pennsylvanians continue to deserve access to a full array of high quality home and community based services that enables and empowers them to remain in their homes as valued family and community members. PAAAA urges all stakeholders to recognize the significance of the Pennsylvania Aging Network for what it is....a community-based system committed to collaborating with the disability service organization network in order to support a comprehensive home and community based service delivery model that is focused on helping adults over the age of sixty and adults with physical disabilities to live independently in their homes and communities. It is essential that our Commonwealth continue to nurture this precious resource by providing adequate funding.

*P4A*

*Representing Pennsylvania Network of 52 AAAs & the Older Pennsylvanians They Serve*

525 South 29<sup>th</sup> Street

Harrisburg, PA 17104

Telephone: (717) 541-4214; Fax: (717) 541-4217

Website: [www.p4a.org](http://www.p4a.org)