



Lackawanna County Area Agency on Aging
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Senate Aging and Youth Testimony

Good Morning Senator Vance and members of the Senate Aging and Youth Committee. My name is Teresa Osborne. I am from Lackawanna County where I serve as the Interim Director of Human Services and the Director of the Area Agency on Aging (AAA). I also serve on the Board of Directors for the Pennsylvania Association of Area Agencies on Aging (P4A) representing Region 2, which is comprised of Lehigh, Northampton, Pike, Luzerne, Wyoming, Lackawanna, Carbon, Monroe and Wayne counties. Thank you for scheduling this Senate Hearing on the proposed plan to centralize long term care eligibility assessments and separate this function from the Area Agencies on Aging (AAAs).

On Monday, February 12, 2007, in preparation for the Commonwealth's first significant winter storm, the Pennsylvania Emergency Management Agency (PEMA) reminded all State and County agencies to work together to ensure the health and safety of our residents. As predicted, the storm struck on the morning of Tuesday, February 13th and continued to wreak havoc for the next four days leaving hundreds of motorists stranded on multiple state highways. Afterward, Governor Rendell announced that the Commonwealth's response to the storm was hampered by problems in preparation, execution and communication and during a February 16th news conference with many roads still closed, the Governor commented, "It is not a good day for State government."

Coincidentally, also on Monday, February 12, 2007, in preparation of the array of Budget Hearings for the Governor's proposed 07/08 Budget, the Secretary of the Pennsylvania Department of Aging, Nora Dowd Eisenhower, provided the P4A Board of Directors with a budget overview. With most P4A Board Members participating via conference call, the Secretary disclosed the State's proposal to centralize the clinical

eligibility determination process, which is more commonly known as conducting an assessment. To Secretary Eisenhower's credit, by disclosing this information to P4A before the Budget Hearings began, she provided the network of 52 local AAAs the opportunity to digest what we were being told and to develop a strategy in response to this proposal created under the leadership of the Long Term Living Council. On February 13th, like the weather outside, our storm gained momentum as the entire P4A network was informed of the announcement to "eliminate conflicts of interest and to create economies of scale by separating care management activities from the assessment function." Recognizing that since the mid-1980s, the Commonwealth's network of local Area Agencies on Aging have served as portals to care...assessing multiple service needs....determining clinical eligibility....authorizing services...and monitoring the appropriateness and cost effectiveness of those services....to hear that the efforts of the AAA network were now perceived as inconsistent, inefficient and inadequate felt as cold and as lonely as being stranded on the Interstate....indeed, it was a not a good day for State government.

A recently released AARP report confirmed that what Administrators in Aging already knew: there is no doubt that most Pennsylvania residents are unaware of the costs associated with long term care and most overestimate the amount that government programs, such as Medicare, will pay for long term care. In its survey, AARP spoke with 400 Pennsylvania residents. Only 15% reasonably estimated that the State's average private pay monthly nursing home cost is \$6,874; over half (55%) incorrectly believe that Medicare will pay for a long term nursing home stay; only one in ten (9%) reasonably estimated that the state's average cost for an in-home visit by an aide is \$80 (eighty) dollars; and nearly half (46%) incorrectly believed that Medicare will pay for placement in an assisted living residence. To this end, there is no argument. Pennsylvania must increase public awareness about the importance of planning for future long term living (also called long term care) needs. Steps must be taken to educate the public so that every Pennsylvanian, regardless of age or disability, knows about available long term living options and understands the costs associated with these options so that informed decisions can be made and preparations can begin to either meet immediate needs or to plan for future ones.

To Pennsylvania's credit the Commonwealth recently took advantage of the technical assistance available through CMS (Centers for Medicare and Medicaid Services) to have Thomson Medstat analyze our State's long-term support system across all disability and age groups. MEDSTAT provides technical assistance to State Medicaid home and community based waiver programs in order to assist them in designing and implementing quality assurance and improvement efforts. The MEDSTAT Report, which was released in December 2006, highlighted several positive features of Pennsylvania's long term living system including: 1) a single line-item budget for Medicaid funded nursing home and home and community based services; 2) using county-based Area Agencies on Aging as the single point of entry for adults receiving publicly funded care; and 3) the State's successful efforts to control nursing facility supply. The report also recognized, however that Pennsylvania's long term support system for adults with physical disabilities is particularly fragmented with two major programs providing home and community based services, each with its own functional eligibility criteria and service infrastructure. It also referenced that the split of fiscal and administrative authority between the Department of Public Welfare (DPW) and the Department of Aging (PDA) blurred lines of responsibility. Whereby, PDA was not accountable for the budgetary impact of policy decisions and DPW was not responsible for programmatic changes to respond to budgetary constraints. In response to these inefficiencies, it is anticipated that the relatively recently created Office of Long Term Living will move the Commonwealth toward a much needed consolidated model of long term care as the Office's newly appointed Deputy Secretary, Michael Hall, is now accountable for the fiscal, policy and programmatic operations of the long term living system for the elderly and adults over age 18 with physical disabilities.

While the snow that fell in the February storm is gone, the turbulence it triggered in the long term living system did help to create many positive outcomes as is evident in the eruption of dialogues now occurring at all levels of government to address the fact that despite the demand and preference for home and community services, our long term care expenditures are still predominately targeted to institutional care. Due to Secretary Eisenhower's willingness to share the specifics of this budget proposal, which

was otherwise shrouded in veil of secrecy, throughout the past four weeks the AAA network has successfully communicated with members of the Legislature, State Officials and County Commissioners so that the impact of an ill-conceived approach to privatize/outsourcing the eligibility determination process will not take place without the benefit of public comment, legislative consideration or hearings that would allow stakeholders, who would be potentially adversely affected by this decision, to provide input.

Similar to Senate Resolution 60, which urges the Rendell Administration and the Secretary of Public Welfare to desist in any action that could potentially fragment the current managed health care system, cause a breakdown in the continuity of care or cause extreme confusion for medical assistance consumers across the Commonwealth, the proposed outsourcing of eligibility determinations will yield the same results and thus deserves the same level of scrutiny. While the parameters of each program are distinct, the premise is the same. Therefore, the lessons learned during DPW's implementation of physical health and behavioral health managed care, called HealthChoices, must be remembered as the issues of cost, consistency, conflict, efficiencies and economies of scale are discussed. It is critical to recognize that the goals of HealthChoices mirror those of the long term living system: to improve the accessibility, continuity and quality of services while controlling costs.

When DPW made the decision to 'carve out' behavioral health care from physical health care in the HealthChoices program, it was after an extensive public process in which input was sought and received from all segments of the stakeholder community, including private sector organizations, service providers, consumers, families, state/local government, advocates and other interested parties. Recognizing the unique structure of County mental health and substance abuse service delivery systems, an essential component of the HealthChoices procurement process was to afford each County the right of first opportunity and thus enter into an agreement with the Commonwealth to provide a seamless system of care. In addition, with thirty years of experience in administering community based services, Counties were seen as being most knowledgeable about the comprehensive needs of high risk individuals facing the

prospect of institutionalization. Under the first opportunity provisions, Counties either individually, as regional jointers or in other groupings were afforded the option to manage the eligibility determination process directly or to subcontract with a Commonwealth licensed private entity. As such, the County right of first opportunity cannot be overlooked as AAAs also strive to operate a seamless system of care that is balanced, cost effective and responsive to individual needs.

Administrators of AAAs are committed to ensuring consistency, accuracy and quality. We desire to facilitate an eligibility determination process that is efficient and fiscally responsible. Contrary to DPWs Testimony on Long Term Living, we do not believe that the Commonwealth needs to 'create' accessible one-stop shopping or to 'establish' a centralized quality management unit as this infrastructure is already in place within the Department of Aging and its network of local Area Agencies on Aging. Understanding that change must occur and enhancements are needed, it is a mistake to overlook the talent, knowledge and experience that already exists in an AAA Network that is trusted, dedicated, outcomes-based and established throughout the Commonwealth. To invest dollars in 'creating' and 'establishing' new systems will not achieve the results needed to balance the long term living system.

The AAA Network has made recommendations to address the spiraling medical assistance costs being experienced and will continue to bring solutions to the table. We are poised and prepared, committed and determined to address the concerns expressed by the Administration. We desire to continue the dialogue and to forge ahead in collaboration with the Departments of Aging and Welfare and the Office of Long Term Living in order to calm the storm and assist in the development of alternative approaches needed to provide appropriate, consistent and cost-effective long term living services while ensuring that the State is not again hampered by problems in preparation, communication and execution.

Submitted By: Teresa Osborne
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