



Pennsylvania Senate Aging and Youth Committee

April 8, 2008

08/09 Budget Progress

In Balancing Pennsylvania's Long Term Living System

Good morning Senator Vance, Senator Washington, and members of the Senate Aging and Youth Committee: I am Crystal Lowe, Executive Director of the Pennsylvania Association of Area Agencies on Aging (P4A), and on behalf of the 52 AAAs that serve all 67 of Pennsylvania's counties, I want to thank you for the opportunity to provide testimony on the rebalancing efforts in the Governor's proposed 2008/2009 budget. We greatly appreciated your interest in this critical topic that impacts everyone.

I am also here on behalf of the Senior Support Coalition, organizations which joined together four years ago for the purposes of advocating on behalf of supporting seniors to live as independently as they can in the community - where they want to be. The Coalition includes the Alzheimer's Association, AARP, the

Center for the Rights and Interests of the Elderly, the PA Adult Day Care Association, the PA Home Care Association and the Pa Senior Center Association. This Coalition includes AAAs as the administrative entity, community providers and advocates. Later in the hearing you will hear from three other members of our Coalition. Our mission is to achieve a better balance in long term living options by strengthening Pennsylvania's Home & Community-Based Services System.

I would like to first commend the Governor and his key Cabinet leaders for the initiatives that they are proposing in the 08/09 budget. We can see that slow but steady progress is being made to help us achieve the right balance in Pennsylvania's long term living options. As we move forward, we must have a robust long term living program, one that provides the right service, at the right time and in the right setting. We need to assure what we offer is a quality product and provides the public and the private pay customer with value for their dollar.

There are many things we are pleased to see in the budget:

- Expansion of the community based **Waivers**. In particular we are very pleased to see that the 60+ Waiver continues to show slow steady growth. The progress that Pennsylvania has achieved in rebalancing can partially be attributed to the

fact that some people can choose to receive their nursing home level of care in the community. Home and Community based waivers are somewhat invisible to the public as we do not have “facilities” but the over 20,000 people served in the community are not invisible - they are a significant portion of those served by the long term living system. This services two “good”: allowing people the receive there care in the setting they choose and in a manner which costs the Commonwealth, on average, less than half the cost of a nursing home stay. We also are pleased that attention will be given to issues such as rates, provider recruitment, and service equity across the Commonwealth.

- The funding to expand **Adult Day Care** will help assure that this service delivery model is available throughout the state.
- The **Tenant based Rental Assistance** pilot will be broadened to include 10 more counties.
- I know all of you also must share my pleasure in the efforts that are being made to establish licensed **Assisted Living** residences.
- It is critical that **Nursing Home Transition** efforts continue. Last fiscal year 2,500 people, who may have stayed in nursing home, returned to the community. Nursing homes

provide vital services, but many others can and do return home with encouragement and support.

- **The Money Follows the Persons**
grant initiatives give us the opportunity to help expand our transition efforts and in particular assist older state hospital residents to reenter to the community.
- We look forward to the expansion of the **Long Term Care Capitated Assistance Programs**.
- Finally, we are also delighted to see funding allocated to assist nursing homes expand or change their business model to include other community supports.

In short there are a number of exciting activities that have been proposed.

As delighted as I am about the strides we are making, I fear that we also are slipping backwards in other areas. I've been reading and listening to the concerns the nursing home industry has expressed that the 22% increases they have received in the past five years have not enabled them to keep pace with the escalating inflation. I am not disputing that claim, but during that same time Area Agencies on Aging, which either pay or impact on the majority of the community based care

system, have had a mere 7% increase. What's more, because of the issues around "hold harmless", some AAAs has received as little as a 4% increase in funding.

While Home and Community Based services are a cost effective way of providing long term living services, they do have costs and those costs continue to rise. Despite these rising costs, this year's budget does not include a COLA. We support the Administration's goal of rebalancing, but we recognize that this rebalancing cannot occur without the necessary financial support.

As legislators, you encounter community providers such as home care organizations, adult day programs, and senior centers, who have received few if any cost adjustments. Wages, benefits, utilities, travel expenses go up for us and our contractors, too. Area Agencies on Aging have eliminated services, they have not filled positions, and many have had to increase their fundraising to help support important programs such as home delivered meals and others have placed people on waiting lists. I am also concerned that money for guardianship and the senior center capital assistance programs were eliminated. Our system is gravely underfunded and without some relief, the problems will increase.

Let me ask you two questions: Did you have a bath/shower today? Did you have a nutritious hot meal within the last 24 hours? Well, thousands of seniors across Pennsylvania would answer “no” to both of those questions. According to Secretary Dowd Eisenhower’s budget hearing testimony, more than 4,000 people were on the waiting list for services beginning July 2008. Throughout the year that number changes, but suffice to say, thousands still wait for much needed services. Home support, chore, guardianship, environmental modifications are services that have been eliminated or simply are not offered because of the extreme shortage of funding. Stagnant funding has led to limited hours and closures among the state’s senior centers. Access to adult day care is also increasingly limited.

We are sharing with you the stories of some of those who are waiting. As you have time glance through book, you will see that the services provided through Penn Care are often minimal, costing anywhere from \$200 per month for home delivered meals to \$600-\$800 per month for weekly personal care, but these services make a difference – and not just about quality of life. Services frequently help seniors stay medically stable. For frail older adults that is an accomplishment. Helping someone safely take a bath or a shower can prevent that life changing fall. Providing relief to stressed families helps them stay engaged so we do not need to have the total support of the public system. Keeping senior centers open, with

qualified staff, helps seniors stay healthy, active, and engaged. Having one or two nutritious meals prevents a whole host of medical issues from worsening.

I also want to take a moment to express concern about the Lottery. We know that the revenue projections were very conservative, but we simply do not understand how we can go from a surplus of more than \$400 million down to \$34 million and not see any additional funding in the home care community based care system. Additionally, Medicare Part D is reducing Pace expenditures by \$6 million a week. Lastly, we have also seen that the Aging Waiver has been significantly under-spent. We are hopeful that will change for this coming year.

We, the Area Agencies on Aging and the Senior Support Coalition, have substantial unmet needs. In addition to the \$7 million needed for a 3% COLA, \$25 million is needed to address waiting lists and service cuts; \$30 million is needed to achieve greater funding equity to assure that the services you receive in one county are not driven by funding based on a nearly twenty year old funding formula; \$16 million is needed for capital assistance and \$10 million is needed to address the desperate needs to increase certain medical assistance home care rates.

As you move forward during these very, difficult economic and political times, we want to encourage you to endorse the administration's proposal. Support home and community based services for younger and older adults with disabilities, but also be mindful of the great needs which are not being addressed. The seniors that we serve want to remain at home, but that alternative will only be available if you are willing to make the financial commitment necessary to ensure the viability of that home and community service system. We want to assure that home and community based services remains a viable alternative. We cannot do that without a sufficiently robust service delivery model which has a stable trained workforce. Please, be aware, that we cannot achieve the goal of rebalancing our Long Term Living System if one part of the system is rewarded at the expense of another.

Offering testimony with me today are Patricia Fretz, Executive Director of the Monroe County AAA, M. Eileen Carson, Dauphin County Area Agency on Aging's Deputy Director, and retired Senator Roy Afflerbach representing the Pennsylvania Senior Center Association. I would like to have them share with you their perspectives on the status of Pennsylvania's home and community based care system and then we will be happy to take questions.

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