



Testimony before the New York State Assembly Committee on Aging

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Thank you for the opportunity to testify. My name is John Broderick and I am a Senior Policy Analyst with LeadingAge New York, which represents nonprofit providers of independent housing, assisted living, nursing homes, hospice programs, home and community based services, and provider-sponsored managed long term care plans.

The Silver Tsunami is no longer way off shore – it's right on the horizon. We are destined to have a substantial increase in the number of people over 65 in our state over the next two decades. Predictions are that they will have fewer resources than previous generations, and that many more will be at or near the official poverty level.

There is an extensive network of organizations that provide care, support and shelter to the elders of New York State. These organizations are located in all of your districts in all parts of the state. They serve the people of your districts. The people who work in nursing homes, assisted living facilities, senior centers and senior housing developments are your constituents as well. They make magic happen every day by providing compassionate care for elders.

But this network is stretched thin. Even without the impending population boom in this age range, the demand for housing and services far outpaces available resources. As you in the Assembly begin to establish your budget and policy priorities for the coming session, we hope that you will keep in mind this network of people and organizations that provide care for elders in their communities. If we hope to address poverty among our senior population, we really must invest in this network of innovative, forward-thinking providers. These mission-based organizations are committed to serving people, to helping them age in place with dignity and free of social isolation. They need your continued support.

The notice for today's hearing asks that we address any gaps in the current array of services for seniors. There are many such gaps. I will highlight a few.

Affordable Senior Housing

According to a national study by the Urban Institute, 30% of senior households that rent pay more than 50% of their income for rent. This number will certainly rise as demand increases. Affordable senior housing with services is a cost-effective means of helping seniors to maximize their independence and to avoid or delay the use of higher levels of care. It is the least restrictive and most

flexible congregate living arrangement in the senior living continuum, often providing a variety of benefits including socialization, resident assistance and a supportive environment for aging-in-place. Meals, transportation, laundry, housekeeping, security, emergency response, and resident assistance are all examples of services that may be offered as part of senior housing. Long waiting lists for affordable senior housing units are commonplace statewide, especially in New York City and its suburbs.

Most of the senior housing that has been built in your districts and around the state and the country has been financed and supported by a program called Section 202 Housing for the Elderly, run by the US Department of Housing and Urban Development. Unfortunately, the 202 program has been essentially discontinued. The program historically provided capital advances for developers to construct housing for seniors and also provided rental assistance so that the properties could be rented to low-income seniors earning less than 30% of the area median income. While the 202 program continues to provide renewals of these rental assistance awards, the federal budget has not included sufficient funding for new capital advances for the past four budget cycles. With the elder population boom approaching, the federal government is getting out of the business of providing resources to build new housing for the senior population.

Proposed Solution: LeadingAge, our national affiliate, is working with our partners in other states to call on HUD to create a new program to provide capital funding for development of new senior housing, and reinvestment in our stock of aging 202 properties.

Proposed Solution: LeadingAge NY is working with other advocacy organizations to encourage a substantial new investment in senior housing. We have proposed that \$250 million in bank settlement funds be allocated over five years, to create opportunities to create 500 new units of senior housing in each of the next five years.

Proposed Solution: Since the HUD 202 program provided rental assistance, LeadingAge is proposing that a new, state-funded rental assistance program be created to provide rental assistance vouchers that will allow low income seniors to find suitable housing that will allow them to age safely in their own homes.

Service Coordination in Senior Housing

HUD has traditionally provided grants so that senior housing operators could provide a resident service coordinator to help seniors with some basic assistance to remain independent. This funding is essential and these service coordinators have helped thousands of New Yorkers with a range of services. But this funding has been scarce in recent years. Service coordinators are spread very thinly. A greater presence of service coordinators is essential if we want to help seniors to live independently.

Although the dollar amounts have not been tracked, we believe that service coordinators have generated substantial savings in state and federal funds by helping seniors to stay healthy in their homes. By investing in the network of service coordinators, who connect seniors to appropriate services, we can reduce unnecessary hospitalizations, trips to emergency rooms, and nursing home placements.

Proposed Solution: LeadingAge New York has proposed providing \$10 million for the Resident Advisor Program – an existing, but unfunded, program in state law. By appropriating funding in the state budget for this program, NYSOFA would be charged with promulgating regulations for administering the program, and for creating an RFP to solicit applicants. We

would hope and expect that organizations funded through the revitalized program would emphasize wellness and healthy aging, and avoidance of more costly institutional settings.

Adult Care Facilities

There are many seniors who are unable to live completely on their own, but who do not need a nursing home level of care. These seniors may turn to Adult Care Facilities (ACFs), such as adult homes, enriched housing and assisted living programs or residences. These facilities provide room, board, housekeeping, personal care, supervision and monitoring and case management, and other services depending on their licensure. For many, if not most, elderly residents of ACFs, the alternative to an ACF is a nursing home.

Low-income seniors may qualify for SSI to pay for adult care facility services. The SSI Congregate Care Level 3 reimbursement rate for ACFs is approximately \$41 per day. This rate is completely inadequate to cover the services required by state law. The cost of food, supplies, utilities and increasing wages have increased dramatically in recent years, and there has been no commensurate increase in the State supplement to Congregate Care Level 3 payments. ACFs cannot continue to provide all of these services as the gap between cost and reimbursement grows each year. It has been eight years since there was an increase in the SSI State supplement; before that, it was 17 years. Such infrequent, unpredictable increases have made it extremely difficult to serve SSI recipients. In fact, some facilities are considering closing because it is not financially feasible to continue to operate with this loss.

Residents who receive SSI also deserve an increase in their personal needs allowance (PNA), so that they have adequate funds to cover their needs throughout the month. The PNA is an important quality of life measure for low-income seniors. Like the Congregate Care Level 3 payment, the PNA also has not been increased since 2007.

Proposed Solution: An immediate increase, along with a subsequent annual, predictable cost of living increase, is critical to ensure that ACFs can afford to serve low income seniors.

Increasing SSI to allow someone to remain in an ACF is clearly less expensive, and more consistent with the goals of the State and Federal governments, than paying for nursing home care.

Conclusion

Many seniors become impoverished when their health deteriorates, and their fixed incomes can no longer support rising health and long-term care needs, along with basic food and housing needs. As they spend down their assets and income, they qualify for Medicaid for long-term care. The state can reduce reliance on Medicaid, while helping people to remain in their homes and other community-based settings, by expanding the availability of affordable housing with services and investing in ACF options. In these settings, seniors can receive the services they need to remain healthy and independent for as long as possible.

New York's Medicaid Redesign effort has become a national model for how to control Medicaid costs by reinvesting savings in health and wellness efforts for specific populations. To date, there has been little investment targeted at services for seniors. The State should initiate a comprehensive and coordinated investment strategy in housing and long-term care services for low-income seniors.

Thank you for this opportunity to testify. The issue of poverty among senior citizens in New York State is challenging. We look forward to working with you to find feasible, cost effective solutions to ensure that the harmful effects of poverty among elders is addressed and minimized.

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