



Testimony on the 2019-20 Executive Budget Proposal: Human Services

Provided by

LeadingAge New York

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Introduction

On behalf of the membership of LeadingAge New York, thank you for the opportunity to submit testimony on the SFY 2019-20 Executive Budget Proposal. LeadingAge New York represents over 400 not-for-profit and public providers of aging services and senior housing, long term and post-acute care, as well as provider-sponsored Managed Long Term Care (MLTC) plans.

New York is approaching a demographic crisis. Approximately 3 million adults age 65 and older, representing 15 percent of the population, make New York their home. By 2025, that percentage will rise to 18 percent and will continue to rise over the next 20 years. This growth will drive a corresponding increase in the number of New Yorkers with cognitive and functional limitations who need long term care (LTC) services. While the percentage of our population over age 65 is growing, the percentage between 18 and 65 is shrinking. By 2025, the availability of younger New Yorkers to care for seniors will be at its lowest point in a decade and declining. Both informal caregivers and workers in the formal care delivery system to support the growing population of seniors will be in short supply. Moreover, with one-third of today's older New Yorkers living at or near the poverty level, it is reasonable to expect that a significant portion of our growing senior population will continue to rely heavily on public programs – principally the Medicaid program – to cover their LTC needs.

Faced with current and future demographic challenges, New York must take action now and invest in the workforce, long-term services, supports, and technologies that enable individuals to remain in their homes and communities, and it must modernize regulations and provide funding to permit providers to address consumer preferences, optimize efficiencies, improve quality, and effectively deploy an increasingly scarce workforce.

We urge the State to continue its multi-agency effort to invest in and target the many positive social determinants of health that improve the lives of our aging and disabled populations. These long-term services and supports prevent visits to the emergency room, unnecessary hospital admissions and readmissions, institutional based care, and they enable seniors and the disabled to remain living at home and in the community.

Caring for Our Seniors – Workforce Needs

Long-term/post-acute care (LTPAC) and aging services providers are coping with severe workforce shortages statewide at all levels. The inability to hire a sufficient number of aides and professionals has resulted in long waiting lists for community-based services, the inability to fill authorized home care hours, admission of individuals to higher levels of care due to lack of access to these services, and reliance on overtime and staffing agencies.

Our Recommendation: LeadingAge New York urges the Legislature and the Executive Branch to implement a multi-pronged strategy to address the workforce needs of the LTPAC sector. First, we urge you to appropriate \$50 million to support initiatives to train, recruit, and retain the LTPAC workforce, including programs that provide:

- Enhanced wages and benefits
- Access to transportation for workers
- Social supports for workers
- Reimbursement of certificate training expenses

- On-the-job training
- High school pre-apprenticeship programs
- Peer mentoring
- Career ladders
- Additional staff to support direct care positions.

These funds should be made available to both Medicaid providers and senior services providers that do not bill Medicaid.

In addition to this investment, LeadingAge New York is seeking an array of statutory and regulatory reforms to streamline certificate training and renewal requirements for direct care workers, enable cross-setting certification and facilitate efficient deployment of workers, expand the availability of certificate training courses, and authorize nurses to practice nursing in assisted living facilities.

Affordable Independent Senior Housing Assistance Program

LeadingAge New York applauds New York State's historic commitment of \$125 million in capital appropriations in the 2017-18 State Budget for the construction and rehabilitation of senior housing over the course of five years. Existing and newly created development programs such as the "Senior Housing Program," designed by Homes and Community Renewal (HCR) to facilitate the disbursement of the \$125 million, provide an excellent opportunity to bring support services into affordable senior housing that can have a significant impact on seniors' ability to remain in their homes in an extremely cost-effective manner.

LeadingAge New York, along with a coalition of senior housing providers and associations, has called for the creation of the Affordable Independent Senior Housing Assistance Program, to be administered by the Department of Health (DOH), and the addition of \$10 million to the State budget to fund resident assistants in 140 senior housing properties around the state. We propose that grants of approximately \$70,000 per property be made available to congregate senior housing operators to work with seniors, and that those assistants specifically focus on linking residents to the services they need to remain healthy in their communities. As you know, the State bears much of the cost of Medicaid-funded nursing homes, which can range from \$30,000 to upwards of \$50,000 per year in State expenditures. If a resident assistant can keep two people out of a nursing home for one year, the savings covers the cost of the grant. If a resident assistant works in a building with 70 to 100 people and emphasizes health education, wellness programming, more effective use of primary care, reduced use of emergency departments, and better management of chronic health conditions, the savings potential is enormous.

Evidence of these savings has been demonstrated in recent studies conducted in Oregon and New York. In 2016, the Center for Outcomes, Research & Education issued a report on a study conducted in Oregon that showed a decline in Medicaid costs by 16 percent one year after seniors moved into affordable housing with resident assistants. Their analysis included 1,625 individuals, 431 of whom lived in properties that serve older adults and individuals with disabilities. The statistic of 16 percent savings in Medicaid costs breaks down to a savings of \$84 per month for each individual in this subset, or \$434,000 over a 12-month period for the relatively low number of 431 individuals.

Additionally, a three-year research study that was recently conducted by Dr. Michael Gusmano of Rutgers University focused on the health care savings and utilization of Selfhelp residents living in Queens compared to older adults from the same zip codes based on New York State Medicaid claims

data. Selfhelp's model for senior housing is affordable housing that is complemented by an array of services as requested by their residents. Among the key findings in this study is that the average Medicaid payment per person, per hospitalization for Selfhelp residents is \$1,778 versus \$5,715 for the comparison group. Additionally, the odds of Selfhelp residents being hospitalized were approximately 68 percent lower than for the comparison group, and the odds of visiting the emergency room were 53 percent lower than for the comparison. These findings have huge implications for health care savings if more affordable housing for seniors can be developed in conjunction with a successful resident assistant model.

A strategic investment of \$10 million to be administered by DOH over five years is an extremely low-cost way to ensure that New York's growing senior population is being taken care of while also saving money for the State. The Affordable Independent Senior Housing Assistance Program aligns directly with the goal of HCR's Senior Housing Plan to develop rental housing that has healthy aging programming that affords seniors with the option to age in their own homes and communities and ultimately represents a modest investment that will improve seniors' quality of life, save Medicaid dollars, and help the State implement its ambitious Olmstead Plan to serve people in the least restrictive settings appropriate to their needs.

Our Recommendation: Invest \$10 million in the Affordable Independent Senior Housing Assistance Program.

SOFA's Private Pay Model

LeadingAge New York supports the State Office for the Aging's (SOFA) plan to implement a private pay program option to expand access to SOFA programs to those above 400 percent of the federal poverty line who choose to purchase services using private funding. Area Agencies on Aging (AAAs) would have the discretion to participate in the program. We applaud this effort to create more capacity on the ground for SOFA services.

As we stated earlier, the growing demographics call for ramping up the level at which we are serving elderly New Yorkers. Increasing non-medical supports and services, including care coordination, socialization, personal care, and more, will meet seniors where they are and help them age in place in their homes and communities. We ask SOFA to consider working with communities around New York to help them develop a larger and more agile workforce to deliver these services.

Our Recommendation: Implement and expand SOFA programs to the general public and partner with State agencies and the Executive to address the LTC workforce shortage.

Expanded In-Home Services for the Elderly Program (EISEP)

LeadingAge New York fully supports the Executive's additional \$15 million investment (for a total of \$65 million) in the Expanded In-Home Services for the Elderly Program (EISEP), which supports non-medical, in-home services; case management; non-institutional respite care; and ancillary services for functionally impaired older adults. These services are critical to the aging in place of New Yorkers, and a major increase for this program is long overdue.

A broad perspective of the budget, on the other hand, shows that DOH proposes to offset costs in MLTC due to this increase in EISEP funding. LeadingAge New York supports this EISEP increase. We stress, however, that New York's commitment to caring for its aging and chronically disabled is and will

continue to grow. Adding funding to EISEP to produce savings in MLTC or Fee-for-Service (FFS) Medicaid is neither a reasonable nor practical approach to funding a long-term health care challenge that grows more formidable every day with our rapidly changing demographics.

Our Recommendation: Increase EISEP funding without implementing offsets to other programs that fund LTC.

Invest in NORCs/NNORCs

LeadingAge New York would like to thank the Legislature for its continuing support of Naturally Occurring Retirement Communities (NORCs) and Neighborhood NORCs (NNORCs). This program capitalizes on multi-age housing developments or neighborhoods not originally built for seniors but now home to a significant number of older persons. This growing support and services program maximizes and supports the successful aging in place of older residents. It offers preventive health and wellness activities, identifies major health risks among the elders served, and develops programs to improve the NORC community's health status. The NORC framework addresses key social determinants that support quality health outcomes and result in long-term savings for the State. The density of older adults and their proximity to each other further fosters creative approaches to providing health and social services. N/NORC programs provide case management services; nursing services; recreational, social, and cultural activities; and ancillary services tailored to meet the needs of each community. Programs actively encourage healthy aging by providing access to health care, promoting health and wellness activities, addressing disease prevention, and responding to chronic health conditions.

LeadingAge New York supports additional funding for this successful program. The Governor's proposal includes \$4.055 million for each of the two N/NORC programs. This funding will sustain programming or offer enhanced services for the existing N/NORCS across the state, and it will continue to grow and establish the most recent round of Requests for Proposals (RFPs) funding new programs both upstate and downstate.

This is a successful, cost-effective program and in line with meeting New Yorkers where they live, in their homes and communities.

Our Recommendation: Fund NORC and NNORC programs at the recommended levels.

Invest in Community Services for the Elderly (CSE)

The proposed budget calls for \$31 million for the Community Services for the Elderly (CSE) program and continues the exemption for the county share, relieving the burden on localities for this program. LeadingAge New York supports funding this vital program and urges the Governor and Legislature to include an additional \$20 million annually to serve the more than 16,000 older adults statewide who are on waiting lists for critical community-based aging services. These waiting lists occur every year and are growing as a result of the demand generated by both an increasing aging population and the expansion and awareness of NY Connects/NWD. CSE helps New Yorkers maintain their autonomy and independence in their homes and communities, and it supports caregivers who provide a majority of their care.

Our Recommendation: Provide an additional \$20 million for CSE and maintain the county share exemption.

Expand Funding for Respite Programs and Elder Abuse Education and Outreach

The Governor's Executive Budget decreases critical funding for SOFA's Respite Program, including funding for individual respite programs. It also decreases money for Elder Abuse Education and Outreach. This is a time when supports for our elderly, especially the most vulnerable, should be expanding, and LeadingAge New York supports increased funding for these programs.

SOFA's Elder Abuse Education and Outreach programs are a critical resource for elderly victims. According to the U.S. Treasury Department, banks reported a record number of suspected cases of financial abuse to the Treasury Department in 2018, an increase of nearly 15 percent from 2017. Seniors are frequently targeted by scammers for wealth accrued over their lives and vulnerabilities presented by loss of mental and physical abilities. As the population grows, cases of physical and emotional abuse grow as well. Further, the [National Adult Protective Services Association](#) finds that only about one in every 44 cases is reported due to victims who are often too embarrassed, humiliated, or afraid to speak up. New York's Elder Abuse programs provide investigation and intervention services relating to physical, mental abuse, neglect, and financial exploitation. These programs provide direct services to adult victims in a multidisciplinary approach. They also prepare, educate, and train communities across the state on this important issue.

Respite funding goes hand in hand with the important service of elder abuse prevention. Caregivers are a significant part of our senior workforce and face difficult challenges on many fronts caring for those they love. Respite care programs allow caregivers a break and some relief from the stress they experience.

LeadingAge New York urges the State to offer expanded respite benefits, direct financial assistance, greater tax incentives, training programs, and education and community outreach programs for informal caregivers. This assistance would represent a cost-effective approach for the State by extending the longevity of informal caregivers and delaying Medicaid use.

Our Recommendation: Expand funding for Elder Abuse Education and Outreach and Respite Programs.

Conclusion

Facing a rising population of seniors with high rates of chronic disease and disability, New York must develop and invest in strategies to optimize their health and independence within the constraints of available workforce, funding, technology, and service capacity. The budget recommendations outlined above provide a cost-effective policy structure to enable New York's growing elderly population to access services in the most integrated settings appropriate to their needs, thereby providing them with better care at a lower cost and improving their overall health.

Thank you for allowing LeadingAge New York the opportunity to provide this testimony. We look forward to working with you to expand our state's capacity to serve its seniors. For questions or concerns, please feel free to contact the LeadingAge New York Advocacy and Public Policy staff at 518-867-8383.

Founded in 1961, LeadingAge New York is the only statewide organization representing the entire continuum of not-for-profit, mission-driven and public continuing care including home and community-based services, adult day health care, nursing homes, senior housing, continuing care retirement communities, adult care facilities, hospice, assisted living programs and Managed Long Term Care plans. LeadingAge New York's 400-plus members serve an estimated 500,000 New Yorkers of all ages annually.