



Assembly Standing Committee on Aging:

# Home-Based Long-Term Care Services

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Testimony  
Provided by

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Dec. 12, 2022

On behalf of the membership of LeadingAge New York, thank you for the opportunity to present testimony regarding the long-term needs of older adults who are not eligible for Medicaid and the challenges these individuals face in securing home-based care.

LeadingAge New York represents approximately 400 not-for-profit and public providers of long-term and post-acute care (LTPAC), aging services, and senior housing, as well as provider-sponsored Managed Long-Term Care (MLTC) plans, collectively serving over 500,000 aging New Yorkers. Our members provide services for older adults throughout the continuum, including home and community-based services (HCBS) through programs funded by the State Office for the Aging (SOFA) and local governments, including the Expanded In-Home Services for the Elderly Program (EISEP), the Community Services for the Elderly (CSE) program, social adult day care (SADC) programs, Naturally Occurring Retirement Communities (NORCs), and affordable and market-rate senior housing.

Older adults seeking community-based services in New York face multiple barriers to access – lack of service capacity due to workforce shortages, inability to navigate systems to connect with services, and financial obstacles (whether having too much money to qualify for Medicaid or too little money to pay out of pocket). Many New Yorkers believe that Medicare will pay for their long-term care services when they need assistance with activities of daily living, but in fact it does not. Medicaid covers long-term care, but only for those who meet financial eligibility criteria. EISEP and CSE offer payment for home care services for some individuals whose income or assets exceed Medicaid limits, but capacity in those programs is limited. Even those who qualify for government-funded long-term care programs or who have the means to pay for care face difficulty finding aides or programs that are able to meet their needs. Many older adults lack close family or friends who can help them navigate the complex systems and administrative requirements needed to identify and connect with services, and those who have social supports quickly learn that aides and day program capacity are in short supply.

In short, New York has created many effective programs to support older adults in the community, but the State is at risk of renegeing on the promise of these programs due to workforce shortages and insufficient capacity. This testimony provides an overview of the challenges faced by older adults and their caregivers in accessing services and programs, the community-based long-term care and aging services and programs established to address the needs of older adults wishing to age in place, and opportunities for the State to address those challenges as it works to support New Yorkers in their communities as they age.

### ***Demographic Challenge: Who Will Take Care of Our Parents and Grandparents? Who Will Take Care of Us?***

New York is approaching a demographic crisis: Approximately 3 million adults age 65 and older, representing 16 percent of the population, call New York State home and, at the same time the percentage of our population over age 65 is growing, the percentage between 18 and 64 is shrinking. Simply put, the number of people available to care for an expanding older adult population is declining. Today, there are only approximately 29 working-age adults for every adult over age 85 in New York and only four working-age adults for every adult over age 65. By 2040, there will be approximately **15** working-age adults for every adult over age 85 and only **three** for every adult over age 65. **Nationally, 70 percent of adults turning 65 today will need long-term care at some point in their lives.**<sup>1</sup>

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<sup>1</sup> U.S. Dept. of Health and Human Services, Office of Asst. Sec'y. for Planning and Evaluation, What Is the Lifetime Risk of Needing and Receiving Long-Term Services and Supports?, Apr. 2019, accessed at <https://aspe.hhs.gov/reports/what-lifetime-risk-needing-receiving-long-term-services-supports-0>.

Our aging population is contributing to demand for health care workers. Health care job growth in New York State exceeds job growth in every other sector, and not surprisingly, most of those new jobs are in long-term care. Of the 150,000 health care job openings anticipated annually, **89,000 (60 percent) are for personal care aides, home health aides, and nursing assistants.**<sup>[9]</sup>

### ***Workforce Shortages Driven by Labor Market Dynamics and Inadequate Government Rates***

These demographic trends, combined with the stresses created by the COVID-19 pandemic, are driving the unprecedented workforce shortages across all economic sectors. However, the shortages are particularly intractable in long-term care. Providing care for older adults is demanding – physically and emotionally – requiring extensive training, intensive documentation, and stringent accountability. Because of the demanding nature of the work and the training required, many potential employees now opt for a lower-stress job in fast food, retail, or another sector with similar pay. We have reached a juncture when competition for workers across the health care, retail, and hospitality sectors and beyond is fierce – making home care and other long-term care positions almost impossible to fill.

Home care wages are often only slightly better than the wages available in retail or food service positions because home care is paid for primarily by government programs (e.g., Medicare and Medicaid) and government payment rates have not kept up with increased costs. Home care providers – whether funded by Medicaid, Medicare, or SOFA – generally cannot raise wages to attract and retain workers because they do not have a significant base of private payers that can make up the difference between what the government pays and their costs. Thus, they have been unable to raise wages higher than their competitors in fast food and retail, and their ability to attract workers has weakened.

The recently enacted increase in the home care minimum wage will help to improve the wage rates in home care. However, although all home care aides are entitled to the increase, New York State is paying only for hours reimbursed by Medicaid. Hours reimbursed by Medicare (i.e., post-acute hours and hospice hours) and services provided through EISEP and CSE are not funded to cover this increase in wages.

Inability to access HCBS can lead to increased emergency room utilization, rehospitalizations, and the need for higher levels of long-term care in more costly settings. These trends all point to increased costs to the State, if HCBS are not appropriately funded and available. Even more alarming are the risks of poor health outcomes and diminished quality of life for older adults who live in the community without the supports they need.

### ***EISEP and CSE Programs***

LeadingAge New York members and other providers of HCBS deliver home care and other services funded under the EISEP and CSE programs to those not eligible for Medicaid. These services are delivered through contracts with counties across the state. The EISEP and CSE programs deliver necessary personal care and assistance with activities of daily living to older adults at home so that they may maintain independence in the community and optimize their health. Services include transportation and outreach; case management; in-home services; home-delivered meals; adult day

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<sup>[9]</sup> New York State Department of Labor Employment Projections; <https://www.labor.ny.gov/stats/lsproi.shtm>; accessed Jan. 11, 2019.

care; respite; housing-related programs; personal emergency response systems (PERS); and health promotion services.

Extensive waiting lists for EISEP and CSE program services have been a concern for several years, and we have appreciated the Legislature's recent increases in funding of these programs. While funding has always been a constraint on the availability of EISEP and CSE services, the severe workforce shortages discussed above have further limited access to these services.

Further, the recent home care minimum wage mandate is providing a strain on these services, as the mandated increase to wages is not being funded by the State. This is leading to home care agencies dropping cases due to lack of funding. We urge the State to fund the CSE and EISEP programs so that they can comply with the wage mandate and meet the demand for services they are seeing in communities.

### ***Naturally Occurring Retirement Communities***

LeadingAge New York members also provide services through NORC or N/NORC programs. Traditional and Neighborhood NORCs are multi-age housing developments or neighborhoods that were not originally built for seniors, but now serve as home to a significant number of older persons. This program helps older residents with and without Medicaid to age in place by offering socialization, preventive health, and wellness activities; identifying health risks; and improving the NORC community's health status.

During COVID-19, LeadingAge New York's N/NORC program provider members connected with individuals in their buildings and catchment areas by check-ins via phone or video, socialization via online programming, transportation to necessary medical services, case management, and other supports. They worked diligently to educate older adults on the effectiveness of vaccination and to dispel misinformation from unreliable sources. Without the support of these services, many older New Yorkers may have suffered greater isolation and worse health outcomes as they delayed necessary care. Now, as life slowly returns to normal, their work involves reengaging seniors who may have become isolated or delayed necessary care via support groups, wellness groups, and other activities.

LeadingAge New York supports continued funding and increased investment in this program, including the adoption of language that would expand the definition of Neighborhood NORCs to facilitate additional Neighborhood NORCs in upstate areas. We also support increased funding for NORC nursing services to ensure their continuation. This will help programs deliver required wellness checks, case management, education, and more, and will improve the overall health and wellbeing of the older New Yorkers who rely on these services.

### ***Social and Adult Day Health Care Programs***

SADC and adult day health care (ADHC) programs provide services to both private pay and Medicaid individuals. ADHC programs, which are affiliated with a sponsoring nursing home, provide a broad array of services, including skilled nursing and rehabilitative services, case management, and socialization, in a day setting to individuals who can return home at the end of the day. SADC programs provide socialization, case management, and supervision of individuals and often utilize volunteer staff to provide services.

Day programs offer care and supervision to individuals and provide much-needed relief to caregivers and loved ones responsible for them at home. These programs were hit hard during COVID-19, especially ADHC programs, which were ordered to close for more than a year. To date, only 53 of the 120 ADHC programs have reopened, and programs that are open are operating at a much lower census.

ADHC programs typically serve individuals who require a nursing home level of care and are an effective way to postpone institutional care, including admissions to emergency rooms and hospital readmissions. SADC programs often serve individuals with dementia or cognitive impairments, a growing segment as our aging population expands. These programs are an important option for individuals and families and are a necessary resource as access to home care is limited in most regions of the state.

### ***Affordable Senior Housing***

COVID-19 has clearly reinforced the importance of bringing services to older adults where they live and proactive efforts to combat social isolation, which can lead to cognitive decline, depression, anxiety, and adverse health effects. But before an individual can secure home-based care and services, they need to have an affordable, accessible, and safe place to call home. LeadingAge New York and its membership appreciated the recent enactment of a new five-year statewide spending plan for affordable housing purposes that includes \$300 million in capital funding for units targeted to low-income seniors – an investment that will help meet the basic shelter needs of older New Yorkers. However, we urge the State to recognize that affordable housing is most beneficial and appropriate for seniors when it is paired with resident assistant services.

Approximately 27 percent of older adults in the United States live alone, and almost half of individuals in this age group share their household with only one partner or spouse.<sup>2</sup> Similarly, seniors living in affordable housing often do not have family members nearby and lack the social supports that could educate them on and connect them with appropriate community-based services. In addition, due to program misalignments, some older adults are income-eligible for rental assistance, but not for Medicaid,<sup>3</sup> making it more difficult for them to identify and access needed programs and services in the community.

For this reason, LeadingAge New York supports State investment in an Affordable Independent Senior Housing Resident Assistance Program to complement its capital investments in affordable senior housing in the State Fiscal Year 2023-24 Budget. The Resident Assistant program would allow for new and existing affordable senior housing properties to hire a staff person who can help low-income older adults navigate and access existing HCBS that will help extend independent living, improve quality of life, and keep older adults out of more costly levels of care. In addition to its benefits for aging residents, as the population of low-income older adults continues to grow, this model of early intervention to avoid more staffing-intensive care in assisted living programs and nursing homes will be critical in offsetting workforce shortages across the health care and long-term care sectors.

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<sup>2</sup> [1] Ausubel, J. (2020) *Older people are more likely to live alone in the U.S. than elsewhere in the world*, Pew Research Center. Pew Research Center. Available at: <https://www.pewresearch.org/fact-tank/2020/03/10/older-people-are-more-likely-to-live-alone-in-the-u-s-than-elsewhere-in-the-world/> (Accessed: December 8, 2022).

<sup>3</sup> Molinsky, J., Berlinger, N. and Hu, B. (2022) *Advancing Housing and Health Equity for Older Adults: Pandemic Innovations and Policy Ideas*. rep. President & Fellows of Harvard College. Available at: [https://jchs.harvard.edu/sites/default/files/reports/files/Harvard\\_JCHS\\_Hastings\\_Advancing\\_Housing\\_Health\\_Equity\\_for\\_Older\\_Adults\\_2022.pdf](https://jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Hastings_Advancing_Housing_Health_Equity_for_Older_Adults_2022.pdf) (Accessed: December 8, 2022).

Rigorous studies have shown that affordable senior housing with resident assistance results in improved outcomes for aging residents and reduces overall Medicare and Medicaid spending.<sup>4</sup> A three-year research study conducted by Dr. Michael Gusmano of Rutgers University focused on the health care savings and service utilization of Selfhelp Community Services residents living in Queens compared to older adults from the same zip codes. Selfhelp's model for senior housing is affordable housing that is complemented by an array of senior services readily available in the community. The study, which was based on New York State Medicaid claims data, found that the average Medicaid payment per person, per hospitalization was \$1,778 for Selfhelp residents, versus \$5,715 for the comparison group. Additionally, the odds of Selfhelp residents being hospitalized were approximately 68 percent lower than that of the comparison group, and the odds of visiting the emergency room were 53 percent lower. Furthermore, with the Selfhelp resident assistance model in place, fewer than 2 percent of Selfhelp's residents are transferred to a nursing home in any given year.<sup>5</sup>

### ***Home and Community-Based Services Start at Home***

For low- and moderate-income seniors still living at home, access to HCBS may be impeded by the physical features or condition of their home. According to the Harvard Joint Center for Housing Studies (JCHS), “[a]t the last available count, less than 4 percent of US housing units offered three basic accessibility features: a no-step entrance into the home, a bedroom and bath on the main living floor, and extra-wide hallways and doors that allow passage of a wheelchair.”<sup>6</sup> Additionally, the JCHS notes that safety issues, including missing handrails, faulty wiring, or the presence of pests or mold, can further impact older adult homeowners. When a home becomes inaccessible or unsafe as an individual ages, it can lead to displacement or homelessness, disruption of necessary health and social services, and significant financial loss for the homeowner.

LeadingAge New York and its members encourage the State to increase its investments in programs that can help senior homeowners stay in their homes and make minor repairs and upgrades that will ultimately extend their ability to age in place and provide a safe, accessible platform for the delivery of HCBS, including the Homeowner Protection Program (HOPP), the Housing Opportunities Program for the Elderly (HOPE), the Access to Home Program, the Low-Income Weatherization Program, and the Home Energy Assistance Program (HEAP).

### ***Programs of All-Inclusive Care for the Elderly***

Programs of All-Inclusive Care for the Elderly (PACE) offer a hybrid provider-managed care plan model that provides comprehensive medical and social services for individuals age 55 or older living in the community who require a nursing home level of care. PACE programs directly provide medical, therapy, and social services primarily in the program's health center, which also offers social activities. The PACE center's services are supplemented by in-home and other services as needed. PACE integrates the

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<sup>4</sup> Gusmano, MK. Medicare Beneficiaries Living in Housing With Supportive Services Experienced Lower Hospital Use Than Others. *Health Affairs*. Oct. 2018. Li, G., Vartanian, K., Weller, M., & Wright, B. Health in Housing: Exploring the Intersection between Housing and Health Care. Portland, OR: *Center for Outcomes, Research & Education*. 2016.

<sup>5</sup> [1] *Spotlight: A conversation with Mohini Mishra, Selfhelp Realty Group: The Melamid Institute for Affordable Housing vice president, Housing Services - COVID-19 Resource Center - National Housing Conference* (2021) COVID-19 Housing Resource Center. National Housing Conference. Available at: <https://covid19.nhc.org/best-practice/a-conversation-with-mohini-mishra-selfhelp-realty-group/> (Accessed: December 8, 2022).

<sup>6</sup> Molinsky, J., Berlinger, N. and Hu, B. (2022) *Advancing Housing and Health Equity for Older Adults: Pandemic Innovations and Policy Ideas*. rep. President & Fellows of Harvard College. Available at: [https://jchs.harvard.edu/sites/default/files/reports/files/Harvard\\_JCHS\\_Hastings\\_Advancing\\_Housing\\_Health\\_Equity\\_for\\_Older\\_Adults\\_2022.pdf](https://jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Hastings_Advancing_Housing_Health_Equity_for_Older_Adults_2022.pdf) (Accessed: December 8, 2022).

Medicare and Medicaid funding and benefits under a single plan, with care coordinated by an interdisciplinary team of health professionals. While most PACE program members are dually eligible for Medicaid and Medicare, individuals who are eligible only for Medicare may enroll in PACE programs and pay out of pocket for the Medicaid portion of their premiums.

PACE programs show promise in reducing nursing home and hospital use and improving longevity and quality of life.<sup>7</sup> Moreover, in communities where the home care workforce is limited and transportation poses a challenge, it may be more feasible and efficient to serve nursing home-eligible older adults in a setting such as a PACE center than to provide frequent home visits.

The federal PACE Innovation Act offers opportunities to expand the PACE model to additional populations. The State should actively promote further growth in PACE, particularly in rural areas, by subsidizing the development of PACE centers and publicizing the PACE program.

### ***Recommendations***

As the Legislature considers how it may best assist in expanding access to community-based services for older adults, it must first look to the State Budget process for State Fiscal Year 2023-24.

Workforce: We urge the Legislature to address workforce challenges with significant investment and multi-faceted solutions. Funds should be made available to address financial and social barriers to attracting workers and reduce barriers to training, certification, and licensure. Uses of funds should include:

- *Raising rates paid to providers to enable payment of competitive wages;*
- *Access to transportation for health care personnel to provide services in the community;*
- *Job-related social supports for trainees, nursing students, and health care personnel;*
- *Stipends for aides in training;*
- *Increased financial aid for nursing students;*
- *Increasing the availability of instructors for aide training programs and professors for nursing programs by reducing requirements and raising compensation;*
- *High school pre-apprenticeship and apprenticeship programs.*

### Housing-Based Services:

- Bringing services to clusters of older adults where they live is a cost-effective way to combat social isolation and optimize health and independence. Both NORCs and affordable senior housing offer opportunities to connect people with services in their community that help keep them well, while making the most efficient use of a scarce home care workforce.
- We recommend additional funding for N/NORCS, including funding for nursing services and changes to the law to allow for increased Neighborhood NORCs upstate.

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<sup>7</sup> See, e.g., Micah Segelman, MA, Jill Szydowski, Bruce Kinoshian, MD, Matthew McNabney, MD, Donna B. Raziano, MD, MBA, Catherine Eng, MD, Christine van Reenen, PhD, and Helena Temkin-Greener, PhD, "Hospitalizations in the Program of All-Inclusive Care for the Elderly," *Journal of the American Geriatrics Society*, (Feb. 2014) 62(2):320–324. Darryl Wieland, Rebecca Boland, Judith Baskins and Bruce Kinoshian, "Five-Year Survival in a Program of All-Inclusive Care For Elderly Compared With Alternative Institutional and Home- and Community-Based Care," *J Gerontol A Biol Sci Med Sci* (Mar. 2010) 65A (7): 721-726. Susan M. Friedman, MD, MPH, Donald M. Steinwachs, PhD, Helena Temkin-Greener, PhD, and Dana B. Mukamel, PhD, "Informal Caregivers and the Risk of Nursing Home Admission Among Individuals Enrolled in the Program of All-Inclusive Care for the Elderly," *The Gerontologist* (2006) 46 (4): 456-463.

- We recommend investing \$25 million in State funding over five years to support Resident Assistant positions in subsidized and income-restricted independent rental housing for low-income seniors.

#### PACE and ADHC Programs:

- We recommend investing in the expansion of PACE through capital funding, operating grants, outreach, and education.
- Legislation to help facilitate PACE expansion was passed earlier this year. The State should implement the provisions that will help streamline PACE expansion without delay and work to make the enrollment process as quick and efficient as possible. Importantly, the PACE rate setting methodology should be rationalized to ensure sustainability and allow for program expansion.
- We support the reopening and rebuilding of ADHC programs with adequate investment and a substantial Medicaid rate reimbursement.

#### ***Conclusion***

New York's health care system is currently in crisis. After the crushing blows that COVID-19 has dealt, we are now contending with financial distress and workforce shortages. This is leading to serious access issues, both for acute care and long-term care.

Home-based services, thus, are more critical than ever. We need to ensure that proactive measures are taken to ensure that people remain in their own homes for as long as possible, as well as possible. There are relatively modest investments that the State can make that will alleviate the pressure on nursing homes and hospitals and save Medicaid dollars. Those investments must happen now, given the current crisis and the growing aging population in New York.