



October 26, 2011

Dear Members of the Affordable Housing Medicaid Redesign Workgroup:

The redesign and expansion of housing with supportive services and adult care facility (ACF) and assisted living (AL) services has tremendous potential to save Medicaid dollars while providing consumers with the community-based services and supports they want. While there are barriers to realizing the true potential of these services in the state, LeadingAge New York has some long-term and short-term recommendations for your consideration. We represent more than 500 not-for-profit and public providers of long term care and senior services throughout New York State, including housing, ACF and AL facilities.

A progressive and structured approach to the redesign of assisted living and housing with supportive services must occur to ensure a clear and meaningful continuum of options for seniors. LeadingAge NY believes that any effective redesign must happen in phases—initially tweaking the existing models to operate optimally in the short term, and then undertaking a long-term, broader effort to completely redesign the models.

Ideally, a single model of AL should replace the multiple categories of ACF/AL facilities that confuse the system currently. This new AL model must retain the flexibility that the various models provide, however. Nurses must be able to have a more meaningful role in assisted living by being empowered to provide more services, within the scope of their licensure and training. More options for low- and moderate-income seniors—a basic tenet of the *Assisted Living Reform Act* that has not come to fruition—are essential, particularly if Medicaid redesign is to succeed. And once and for all, the state must develop a distinct line that defines the difference between senior housing with services and licensed ACF or AL services.

These issues are extremely complex, and the solutions—or lack thereof—have a great and far-reaching impact on New York’s seniors. LeadingAge NY has much to contribute to these conversations. The following are specific recommendations for your consideration that will result in greater efficiencies, greater consumer options and greater savings for the state.

1. **Proposal: Expand the role of the nurse in ACF and AL settings.** Nurses must be able to have a more meaningful role in ACF/AL settings by being empowered to provide services that they are trained for and capable of providing. If an ACF or AL facility has nurses on staff, they would be authorized to provide intermittent or incidental nursing services within the scope of practice of that licensure (See Attachment A, Proposal to expand the role of the nurse in ACF and AL settings).

Rationale: Current interpretation of the statutory definitions of an ACF has resulted in the restriction of nurses’ abilities to perform functions within their training and licensure, as well as functions that aides can perform in other settings. This results in unnecessary utilization of other services, resulting in increased costs for the state and for consumers. The delivery of services becomes less efficient, less coordinated and less personal.

2. **Proposal: Adopt ALP efficiency measures.** The Assisted Living Program (ALP) must be updated to operate more efficiently in a managed care environment. Specific examples include: eliminating the requirement for ALPs to contract with a single certified home health agency (CHHA) or long term home health care program (LTHHCP); empowering licensed home care services agencies associated with ALPs to provide any services they are authorized to provide under Article 36 of the Public Health Law; allowing nursing homes to provide those services traditionally provided by a CHHA or LTHHCP, and allowing an individual to be admitted to an ALP without an assessment conducted by the local department of social services (LDSS) *prior* to admission. (See Attachment B, ALP efficiency bill and memo).

Rationale: The ALP is a model well-equipped to manage Medicaid-eligible residents with higher needs than the traditional ACF resident. The ALP coordinates housing and services in some areas where affordable housing is not accessible. If empowered to provide more services directly and access more services in the community, the ALP can be even more efficient and effective in the delivery of care. Speeding up the admission process could enable quicker admissions, particularly from hospitals, thereby saving Medicaid dollars spent on unnecessary nursing home placement.

3. **Proposal: Broaden the care coordination model principles to include ALPs.**

Rationale: The ALP already has considerable experience coordinating the care of their residents *and* providing affordable housing. Since its inception, the ALP has saved the state money by preventing or delaying nursing home placement for Medicaid eligible individuals. With the aforementioned efficiency measures instituted, the ALP can be an effective care coordination model (CCM). Some broadening of the CCM principles is necessary, primarily to allow different ways to achieve appropriate provider-based assumption of financial risk.

4. **Proposal: Authorize an ALP capital component in the Medicaid rate.**

Rationale: Currently, the ALP capital component does not reimburse for *actual* capital costs. This hinders development of new ALPs and the conversion of nursing homes to ALPs and prevents older ALPs from providing necessary environmental and safety updates for the well-being of their residents. Last year, a bill passed both the Senate and the Assembly allowing the state discretion to include a capital component in the ALP Medicaid rate if doing so would save the state money. The governor vetoed the bill, deferring the issue to the assisted living redesign discussions of this MRT workgroup (See Attachment C, ALP capital component bill).

5. **Proposal: Adopt the Independent Senior Housing Freedom of Choice Act.**

Rationale: While the lines separating assisted living and housing with services may be moving, each service has its place. Any policy change must appreciate this and foster options for seniors, rather than push them out of reach. This distinction must retain meaning to licensed services while also protecting the options of seniors to remain independent in congregate housing and obtain services. The Independent Senior Freedom of Choice Act bill, which was introduced in the Senate and Assembly last year, addresses part of this issue by clarifying the rights that seniors have to access services in the community (See Attachment D, Independent Senior Freedom of Choice Act).

6. Proposal: Invest in the development of affordable housing.

Rationale: In many parts of the state, there is a real lack of safe, accessible affordable housing for seniors, while the need for such housing continues to grow. Low-income seniors often end up in higher levels of care because they are unable to access affordable housing. Investing in the housing now will save the state Medicaid dollars in the future.

7. Proposal: Develop new housing with services models that maximize state and federal resources.

Rationale: Senior housing can be the least restrictive, most affordable and most flexible congregate living arrangement in the senior services spectrum. It offers an ideal platform for efficiently and effectively delivering home care, other health services and social and environmental supports. These services enable seniors to remain independent for as long as possible, and current federal initiatives are promoting housing with services models. In New York, we must develop policies that enable these creative projects to develop, while clarifying the role of AL as an important yet *different* option for seniors.

LeadingAge NY appreciates the opportunity to provide input into this process. We believe that the recommendations made by this workgroup are of the utmost importance as we plan for the future needs of New York's seniors. We need more affordable options now than never before. If you have any questions, don't hesitate to contact me at dheim@leadingageny.org or 518-867-8866 or Diane Darbyshire at 518-867-8828 or ddarbyshire@leadingageny.org.

Sincerely,



Daniel J. Heim
Executive Vice President

Enclosures

cc: Jason Helgersen
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