Assembly Standing Committee
on Aging

Examination of Non-Medical Programs that Support Seniors in the Community Testimony

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 topic of providing seniors with cost-effective services and programs that will allow them not only to age in place, but also to age with options. LeadingAge New York represents over 400 not-for-profit and public providers of aging services and senior housing, long term and post-acute care (LTPAC), as well as provider-sponsored Managed Long Term Care plans. This testimony addresses the issue of providing the growing population of low- to moderate-income seniors with affordable services as they age.

New York is home to approximately three million residents age 65 and older, representing 15 percent of the population. By 2025, 18 percent of New York's population is projected to be age 65 or older, up from 14 percent in 2010. Both the number and percentage of older New Yorkers are expected to 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. However, 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 increasingly 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.

These demographic and socioeconomic challenges are not just problems for the future. Today, seniors and their families are already experiencing the impact of LTC workforce shortages, lack of access to home care services (especially upstate), and financial pressures associated with the high cost of LTC. Faced with current and future demographic challenges and their anticipated impact on the state budget, New York must take action now. It must invest in lower-cost long-term services, supports, and technologies that enable individuals to remain in their 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.

The following testimony proposes an array of legislative/regulatory changes and financial investments that would advance the goals of improving the overall health of the State's growing elderly population and providing them with better care at a lower cost, while enabling older New Yorkers to access services in the most integrated settings appropriate to their needs.

Senior Housing Resident Service Coordinator Program

We are extremely pleased with New York State's historic commitment of $125 million in capital appropriations for the construction and rehabilitation of senior housing over the course of five years, and extend our gratitude to the Assembly for the role it played in securing this funding. The newly-created Senior Housing Program that was designed by Homes and Community Renewal (HCR) to facilitate the disbursal of these funds provides the perfect opportunity to bring support services into affordable senior housing that can have a significant impact on seniors' ability to remain in their communities 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 Senior Housing Resident Service Coordinator Program to be administered by the New

York State Office for the Aging (NYSOFA) and the addition of $10 million to the state budget to fund service coordinators 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 coordinators 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 home care, which typically ranges from $35,000 to upwards of $55,000 per year in State expenditures. If a service coordinator can keep only two people out of a nursing home for one year, the savings covers the cost of the grant. This does not even consider other Medicaid costs that could be avoided through service coordination, such as avoidable hospital use. If a service coordinator works in a building with 70-100 people; emphasizes health education, wellness programming, more effective use of primary care, and better management of chronic health conditions; and reduces use of emergency departments, 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 service coordinators.[1] 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/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 Service Coordinator model.

A strategic investment of $10 million to be administered by NYSOFA over five years in conjunction with the planned $125 million in capital funding 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 Service Coordinator Program aligns directly with the goal of HCR's Senior Housing Plan to develop rental housing with healthy aging programming that affords seniors the option to age-in-place 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.

[1] Li, G., Vartanian, K., Weller, M., & Wright, B. (2016). *Health in Housing: Exploring the Intersection between Housing and Health Care*. Portland, OR: Center for Outcomes, Research & Education.

Provide Additional Funding for NORCs/NNORCs

The State should continue to expand and increase funding for Naturally Occurring Retirement Communities (NORCs) and Neighborhood NORCs. Generally, NORCs are neighborhoods or buildings in which many of the residents are older adults who have either aged in place or have migrated to these communities with the intention of remaining there. The State should further support NORCs as a mechanism to support aging-in-place, improved health outcomes, and reduced reliance on institutional services. With the benefit of geographic proximity and a sense of community, these clusters of seniors provide a cost-effective platform to deliver services and social supports.

Support the Development of the Village Model

Like NORCs, the Village concept arose out of community members' desire to reside in their own homes while being able to access services that address their changing lifestyles as they age. At their core, Villages are grassroots, self-governing, self-supporting consolidators of services that offer their members access to vetted, discounted providers and volunteers for any service they might want or need; healthy living options; and organized programs, seminars, and trips to support connectedness and friendships. There are nearly 30 Villages currently operating or in development in New York State. As with NORCs, the State should disseminate information about the Village model and support the formation and operation of Villages to encourage aging-in-place, improved health outcomes, use of personal funds for LTC expenses, and reduced reliance on Medicaid-funded institutional services.

Support Informal Caregivers

The State should 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 an eminently cost-effective approach for the State through Medicaid expenditure avoidance.

Expand Access to Social Supports for Seniors

The State should provide greater financial support for the Expanded In-Home Services for the Elderly Program (EISEP) and Community Services for the Elderly (CSE) program, both of which target non-Medicaid eligible seniors who want to remain at home but need help with activities of daily living. These programs not only save money by enabling seniors to access services without qualifying for Medicaid, but they do so at a lower cost to the State through the use of consumer cost-sharing. These programs can also support activities to reduce avoidable hospital use by connecting with the health care delivery system and providing services such as care navigation, wellness classes, and transportation to medical appointments. Added State funding could allow them to serve more people, possibly increase the covered services, and create programmatic linkages with the health care delivery system.

Align NY Connects and HIICAP

The State should ensure that New Yorkers are aware of the array of LTPAC and senior services available through private payment and NYSOFA, as well as Medicaid and Medicare, by aligning NY Connects and the Health Insurance Information, Counseling and Assistance Program (HIICAP). Currently, HIICAP provides free information, counseling, assistance, and advocacy on Medicare, private health insurance, and related health coverage plans through trained volunteers. NY Connects, by contrast, offers

information about long-term services and supports and public assistance programs. These programs should work together to proactively disseminate information about LTPAC services and their financing to consumers before a crisis strikes. Counselors should be available to educate consumers on the full continuum of services; supports; LTPAC options; and Medicaid, Medicare, and other sources of payment for services. Building on this base of knowledge, HIICAP counselors could be trained to provide information and referral for all the long-term services and supports available in the community and integrated Medicare/Medicaid managed care plans, while NY Connects staff should be able to inform consumers about health coverage. Providing ready access to this information will help individuals to remain in the community and off Medicaid for as long as possible.

Conclusion

Facing a rising population of seniors with high rates of chronic disease and disability, New York must develop strategies to optimize their health and independence within the constraints of available workforce, funding, technology, and service capacity. The 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 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, 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.