STATEMENT OF

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AOA LISTENING FORUM ON THE REAUTHORIZATION OF THE

OLDER AMERICANS ACT

ON BEHALF OF

NATIONAL ASSOCIATION OF STATE UNITS ON AGING (NASUA)

March 4, 2010

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Assistant Secretary Greenlee, I appreciate the opportunity to appear before you today in the early stages of your important journey to receive input on the Reauthorization of the Older Americans Act. I am Kathy Leitch, Assistant Secretary of the Aging and Disability Services Administration of Washington State. My administration oversees nursing home and residential care licensing and regulation, institutional and community-based services for people with developmental disabilities, and home and community-based services for people with physical disabilities. In addition, my organization oversees Washington's Aging Network. I also serve on the board of the National Association of State Units on Aging as a past president. NASUA's mission is to design, improve and maintain state systems delivering home and community based services and supports for the elderly and individuals with disabilities.

This presentation shall provide a set of ten key findings on the capacity of the network, the diversity in the populations that we serve and its future direction. Copies of this PowerPoint presentation, as well as this testimony, can be found on our website at www.nasua.org.

Briefly, I will share with you key events in the history of the Aging Services Network (slide 2). In 1965, the Aging Services Network was established as part of a comprehensive plan to care for older adults. Enacted in the same year as Medicare and Medicaid, the Older Americans Act was created to be "responsible for community planning for aging programs and to serve as catalysts for improving the organization, coordination, and delivery of aging services in their states."[1] As slide 2 demonstrates, the network has increased its scope of work throughout the decades; today, it serves as the foundation for long-term health and social services and provides supports for individuals of all ages and abilities.

First, the capacity of the Aging Services Network is much larger than the size or proportion of the federal appropriation (slide 3). As you can see on slide 4, the percentage of federal funding that is spent for Older Americans Act programs is quite small at .04 percent of the federal budget. In President Obama's proposed FY 2011 budget, we were delighted to see a proposed overall increase for Older Americans Act programs based at the U.S. Administration on Aging (AoA) of 7.4 percent, but even that generous increase will not allow us to serve all the individuals who are eligible for services.[2]

Slide 5 demonstrates the unique structure of the Aging Services Network and why its reach is far greater than the proposed FY11 $1.625 billion request for AoA. As the slide demonstrates, at the top of the pyramid is AoA and its funding stream. Bolstering the work of the network are the 56 state departments on aging, nearly 630 Area Agencies on Aging (AAAs), the nearly 250 Title VI Native American Aging Programs, well over 30,000 service providers and an estimated half million volunteers. One of our network colleagues likens the Aging Services Network to the Verizon television commercial with one gentleman on a phone and millions of people standing behind him supporting his phone. We're a broad network and we've "got people."

[1] The Aging Services Network: Broad Mandate and Increasing Responsibilities, Public Policy and Aging Report, Summer 2008, Vol. 18, no. 3, Carol V. O'Shaughnessy
[2] NASUA Summary of President Obama's FY11 Budget.

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Second, the age wave has begun (slide 6). Please refer to slides 7 and 8. When the Older Americans Act was enacted, people 65 and older represented just 9 percent of the nation. Today, one in every eight Americans is an older American.[3] The population 65 and older will increase from 35 million in 2000 to 40 million in 2010 and then to 55 million by 2020. By 2030, a staggering 19 percent of Americans will be 65 and older. On slide seven you can see in red the "baby boomers" and how they have aged since 2000.

Already several states have higher than average concentrations of older Americans:[4]

- Florida (17.4%)
- West Virginia (15.7%)
- Pennsylvania (15.3%)
- Maine (15.1%)
- Iowa (14.8%)
- Hawaii (14.8%)
- North Dakota (14.7%)
- South Dakota (14.4%)
- Arkansas (14.3%)
- Montana (14.2%)
- Rhode Island (14.1%)

Additionally, there are many communities in this nation where their population of 60+ citizens exceeds 25 percent of their total population.

Almost 4 million older adults—nearly 10 percent of all seniors— were below the federal poverty level in 2007. In addition, another 6 percent of the elderly population was "near-poor" with income between poverty and 125 percent of poverty. For reference, in 2009 the federal poverty level was $10,830 for a single person and $14,570 for a couple.[5]

As the population ages, challenges increase. Most older persons have at least one chronic condition and many have multiple conditions. Such conditions can make it difficult for individuals to handle daily tasks that allow them to remain independent in their homes or communities. These are activities that we all take for granted, such as bathing, dressing, eating, and walking.

The characteristics of the population served by the Aging Services Network continue to diversify, with nearly two-thirds of states serving both the elderly and adults of all ages with physical disabilities. States are now serving a more diverse population than ever before. In recent surveys (slide 10), we

[3] *A Profile of Older Americans: 2009,* Administration on Aging, U.S. Department of Health and Human Services (this figure is for 2008, the most recent available)
[4] Ibid., p. 6
[5] http://aspe.hhs.gov/poverty/09poverty.shtml

found that nearly two-thirds of the state units on aging are serving individuals 60 years of age and older as well as individuals with disabilities, regardless of age.

This trend evolved over the last several years from a variety of factors: state and local structural changes to departments that focused on an individual's functional needs rather than their diagnosis or age; federal changes to the Older Americans Act that required states and area agencies on aging to provide a single point of entry system for long-term services and supports; and creative new partnerships, such as the partnership that has evolved between the Aging Services Network and the Veterans Administration, which helps ensure our returning veterans have the necessary services and supports to enable them to live independently in their homes and communities. .

In my own home state of Washington, the Aging Network has served people of all ages based on functional needs for over twenty years. In the early eighties we capitalized on Aging Network infrastructure to administer agency homecare services contracts for people of all ages. In 1989, long before the advent of the Older American's Act Family Caregiver Support Program, we created a state-funded respite care program to support unpaid caregivers of people with disabilities of all ages. In the mid-nineties we expanded the role of Area Agencies on Aging to provide case management for all adult in-home service recipients under Medicaid Home and Community-based waivers. Our kinship caregiver programs have grown from their roots related to "grandparents raising grandchildren" to become multigenerational. Like many other states, Washington is also working to move its Senior Citizen Information and Assistance Programs toward the ADRC model.

Federal funding continues to decline relative to eligible Americans (slide 12). The Older Americans Act services are intended to be available to all people age 60 and older who need assistance. The law further requires that services be targeted to those with the greatest economic need. Individuals considered in greatest need according to amendments made by Congress include: older people with low-income, members of minority or ethnic groups, older people living in rural areas, older people at risk for institutionalization, and older people with limited English.[6] Although the federal funding continues to decline relative to the population of eligible seniors, the numbers of individuals served is impressive. In 2008, the Aging Services Network provided:

- personal care services for nearly 110,000 clients;
- care management services for nearly half a million clients;
- 28 million rides;
- home-delivered meals for nearly 1 million Americans;
- just under 1.7 million congregate meals; and

[66] There are many specific eligibility requirements under the OAA. Title V is targeted for those 55 and above; Title III generally targets those age 60 and older, except for nutrition programs and caregiving programs which can serve individuals with disabilities in certain circumstances and caregivers who are younger than 60 caring for older relatives.

- information and assistance to more than 12 million callers[7].

All this in a single year.

The Aging Services Network also manages to provide these services to clients very efficiently. In 2008, a home-delivered meal provided by the Aging Services Network cost on average $5.14. A meal prepared for an eligible participant in a congregate setting was slightly more expensive at $6.75. A ride to the doctor's office or to another necessary appointment cost on average $7.13.

Although funding from the Administration on Aging has not kept pace with the number of individuals age 60 plus, states, AAAs and the other Network partners have successfully leveraged federal funding (slide 15). Slide 16 demonstrates how the OAA's federal funds are leveraged. AoA starts the system by providing the seed funding and oversight and regulation for a greater program. The states then add their match to federal programs, as well as provide additional support through state-only programs for state specific program areas. The AAAs then add additional support of both local dollars and local-only programming efforts. Services providers support the Network through in-kind donations and they are able to deliver the vast array of services to the Network. Finally, the nearly half a million volunteers in the network lend their time, energy, and commitment to the program to enable meals to be delivered, seniors to visit their doctors, and senior centers to be staffed. One conservative estimate demonstrated that for every dollar invested by the federal government, state and local agencies on aging acquire more than $2 in additional funding.

Slide 17 provides an overview of a very general grouping of who pays for the services in the Network. It is important to remember that the services provided by the Aging Services Network go well beyond the programs and services in the Older Americans Act. In fact, the largest single payer of services for most state aging departments is Medicaid (slide 18). More than half of all AAAs also receive Medicaid waiver funding (slide 19).[8] Medicaid allows the Aging Services Network to build a comprehensive package of health and social services and supports that are person-centered and can best enable an individual to remain at home or in their community.

The Aging Services Network continues to develop a comprehensive strategy of services for long-term services and supports for Americans of all ages and abilities that may help bend the cost curve on entitlements (slide 20). There are five key functions that all states and AAAs provide under the Older Americans Act. Most recently, these core functions were articulated by our new Assistant Secretary for Aging into five key areas including (slide 21):

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[7] *State of Aging: 2009 State Perspectives on State Units on Aging Policies and Practices,* NASUA, October 2009, p. 62

[8] *Area Agencies on Aging: Advancing Access for Home and Community-Based Services*, 2008 Area Agencies on Aging Survey, n4a and Scripps, June 2009, page 6.

- Supporting family caregivers;
- Providing support to maintain health and independence;
- Protecting vulnerable Older Americans;
- Supporting the national Aging Network ; and
- Employing senior workers.

In addition to these functions, slides 22 and 23 provide a more comprehensive list of services and supports administered by the state departments on aging and then coordinated and delivered through the AAAs. Cost-effective non-clinical services, such as adult day care, home-delivered meals, rides to medical appointments, homemaker services, and personal care services often mean the difference between the ability to remain at home and the requirement of moving to a more expensive and often times less desirable institutional level of care.

The next slide depicts many of the other ways in which the states and AAAs are working on long-term care issues. Everything from ensuring the quality, protecting vulnerable seniors, determining eligibility, providing financing, and regulating community-based providers all fall under the purview of the Network. There is a clear commitment and increasing progress in redesigning overall systems for long-term services and supports to focus more on home and community-based efforts. Even in the face of the recession, states and AAAs are strongly united in championing the cost-savings and consumer choice embedded in home and community-based services as envisioned in Project 2020.

Moving forward, we must build on long-term care initiatives that the AoA and Centers for Medicare and Medicaid Services (CMS) have advanced in recent years, that have been evaluated in the field, and that were incorporated in the OAA during the 2006 amendments. These efforts, known as *Project 2020*, would provide the Aging Services Network with greater flexibility and resources in order to offer: person-centered access to information on aging and disability long-term services and supports; evidence-based health promotion and disease prevention programs; and enhanced nursing home diversion services.

If fully funded and taken to scale on a nationwide basis, *Project 2020* has the potential to reach more than 40 million Americans and reduce federal Medicaid and Medicare costs by approximately $2.7 billion over the first five years, resulting in a net savings to the federal government of over $300 million. *Project 2020* would also generate significant savings for states governments experiencing exploding state Medicaid budgets. As all programs reach full-scale operations nationally net federal savings over ten years are projected to reach over $1.4 billion. More information on *Project 2020* can be found on NASUA's website at www.nasua.org.

The Aging Services Network is evolving towards more consumer-driven activities (slide 27). The consumer-directed service delivery model provides older adults and younger individuals with disabilities the opportunity to exercise greater choice and control over the long-term services and supports that they receive[9].

In a recent NASUA survey, more than half of the states reported that they are now running person-centered Medicaid waiver programs and 15 states indicated that they are incorporating consumer-directed programs into their AoA-funded initiatives.[10]

The history of the Aging Services Network is one of compassion for assisting older adults and a strong social service mission of empowering individuals to remain independent. Spurred by the expansion of our efforts in working with the disability community, the Aging Services Network is evolving into a network driven first by the needs of the individual consumer. AoA for their part is helping to lead the way. The most recent examples include the community living incentives grant program and the partnership with the Veterans Administration on providing consumer-directed care to veterans so that they can avoid more costly institutionalizations. Both of these initiatives help propel the evolution of the network in its role of facilitating person-centered access to local support systems.

The Aging Services Network is providing evidence-based health promotion and disease prevention programs that allow seniors and individuals with disabilities to remain in their homes and communities (slide 30). Evidence-based programs are interventions of proven impact and cost savings based on tested and accepted scientific studies and I know that you will hear more about these important programs later from my colleague from Oregon, James Toews.

States and Area Agencies on Aging are encouraging the development of livable communities for all ages—the development of services and infrastructure to assist people across their lifespan—through the use of planning initiatives and partnerships (slide 33).

Livable communities for all ages are defined as places where citizens can grow up and grow old with maximum independence, safety, and well-being. They are places that value and support people over their lifetime. A key attribute of a livable community is an active, engaged citizenry. But, to maintain and support an active citizenry for the lifetime requires having long-term services and supports in place, readily available when needed.

The Aging Services Network can have a great impact on the development of a comprehensive system of long-term services and supports. A fundamental requirement of the Older Americans Act is to develop

[9] For a fuller description of consumer direction, see "New State Strategies to Meet Long-Term Care Needs" Health *Affairs*, January 2010, p. 49

[10] *State of Aging, 2009 State Perspectives on State Units on Aging Policies and Practices*, October 2009

comprehensive state and local plans for aging. As such, states and AAAs are at the forefront of developing strategies that encourage home and community-based living.

At the federal level, states and AAAs are engaging in innovative partnerships with the Veterans Administration, and on projects like Medicare Part D. At the state level, state units invite internal stakeholders, program participants, AAAs, providers, advocates and tribal organizations to participate, along with the state units, in many different levels of decision making and planning. Such partnerships provide unique perspectives and insights vital to states as they work to prioritize major issues, clarify mission and values statements, set goals and measurable objectives, identify barriers to project implementation, as well as in recognizing needs specific to the Aging Services Network while enhancing broad involvement at the state level. In the economic downturn, states are expanding their partnerships into some non-traditional avenues such as with health insurance companies, grocery store chains, employee assistance programs as well as private health clubs.

States and communities continue to face extraordinary pressures due to the economic decline (slide 36). For the last five quarters, NASUA has monitored the states on their overall fiscal health and more specifically the fiscal health of their state units on aging and my colleague Irene Collins will share additional information on this with you shortly.

As we look toward reauthorization of OAA in 2011, we need to build upon the momentum of the Aging Services Network to (slide 38):

- build on 40 years of experience as a trusted resource;
- build on track record of HCBS;
- build on momentum and success of demonstration grants; and
- build on reach of Network to serve broad and diverse populations.

As we move toward reauthorization, we also need to face our challenges as your Aging Services Network partners head on—from the budget crisis, the challenges in workforce capacity, the great need for improved technology, and the aging of the baby boomers (slide 39). However we believe strongly that the foundation of the Network is positioned to take on these challenges with the proper investments. Again, Secretary Greenlee, we want to thank you for the opportunity to discuss the capacity of the Aging Services Network with you today. We look forward to working with you and your staff on the reauthorization of this vital American program.