



**New York State Association of
Area Agencies on Aging**

272 Broadway
Albany, NY 12204
Ph. 518-449-7080
Fax 518-449-7055
office@nysaaaa.org
www.nysaaaa.org

**February 16, 2011
2011-12 Joint Budget Hearing
Senate Finance Committee and Assembly Ways & Means Committee
Human Services Sub-Committee**

Testimony of

**Laura A. Cameron, Executive Director
New York State Association of Area Agencies on Aging**

Good morning Senator DeFrancisco, Assemblyman Farrell, and members of the Committee. My name is Laura Cameron and I am Executive Director of the New York State Association of Area Agencies on Aging. We extend our appreciation to Assemblyman Jeffrey Dinowitz, Chair of the Assembly Aging Committee, Senator David Valesky, Chair of the Senate Aging Committee, and NYSOFA Acting Director Greg Olsen, for their leadership and support of programs and services to assist older New Yorkers.

Our Association represents the 59 Area Agencies on Aging (AAAs), also known as Offices for the Aging, throughout New York State. AAAs design, fund, and coordinate programs that maintain seniors in their homes, postponing the need for more medically intensive and costly health care services. The local planning process ensures that limited government dollars are utilized effectively and efficiently to deliver the appropriate level of services to seniors.

Governor Cuomo's proposed budget preserves funding for critical core programs at the current year appropriations, which is a reduction from previous years. The overall impact of cuts made over the last few years has resulted in reduced services for seniors and longer waiting lists at the local level.

Underfunding the AAA programs is driving people with long term care needs into Medicaid because long waiting lists throughout the state force the "Medicaid vulnerable" population into higher cost care and onto Medicaid in a short period of time. We suggest an alternative - provide low-cost home and community based services for seniors that are at imminent risk of Medicaid eligibility. The AAA services outlined below augment the assistance provided by family supports and help keep people from spending down their resources and going on Medicaid or being admitted to skilled nursing facilities.

While a great number of our older adults live independently, there are a growing number of older adults who have limitations, chronic illnesses and disabilities, particularly as life expectancies increase. Those age 85 and above, who are more likely to need support services, have already increased by 28% from 2000 to 2010, and are anticipated to grow by almost 75% by the year 2030. Many require supportive services that help them remain safely at home which can avoid or delay more costly nursing home placement.

The aging services network administers home and community based non-medical services such as home delivered meals, home care, and case management services to frail elderly persons who are just above Medicaid eligibility guidelines, have multiple health problems, and have lost the ability to perform essential activities of daily living without assistance. The typical profile is:

- A woman over 80 years of age with multiple chronic health problems and living alone
- Needs help with personal care, meal preparation, transportation to doctor's offices or house cleaning
- Has income above Medicaid eligibility but is typically below 150% of federal poverty guidelines, relies on Social Security for one's main source of income, and has less than \$50,000 in assets
- Relies on family and friends to remain at home and is at considerable risk for higher and more costly levels of care

The core programs of EISEP, CSE, SNAP and caregiver support services keep seniors in the community, reduce Medicaid costs, and prevent nursing home placement. We ask the Legislature to reaffirm the value of support services provided through AAAs around the state, as follows:

Restore EISEP to \$48,035,000 (+\$2 million)

EISEP (Expanded In-Home Services for the Elderly Program) provides case management and home care services that enable the most vulnerable non-Medicaid seniors to remain safely at home. In many instances, a package of services is needed to address the unique circumstances of the individual. Seniors receiving personal care services have multiple needs: more than 60% receive three to five services, and an additional 10% receive six or more services. Reductions in EISEP funding have resulted in waiting lists throughout the state. Without these cost-efficient services, many seniors will spend down to Medicaid, costing the state far more. By delaying institutional care and reducing Medicaid spending, EISEP saves taxpayers money and improves seniors' quality of life.

Restore SNAP to \$23,380,000 (+\$2 million)

The Supplemental Nutrition Assistance Program (SNAP) provides nutritious meals and related services to frail, homebound seniors at high nutritional risk, enabling them to remain in the community. Increasing SNAP will have an immediate positive impact on seniors. Data shows that of those receiving home delivered meals, nearly 50% fall below 150% of the poverty level standard. Lacking money to pay for adequate foods can result in a host of nutrition problems. Eighty percent of meal program participants average two chronic health conditions. Nearly 75% of chronic diseases are nutrition or diet related. Economic conditions have caused an increased demand for meals resulting in waiting lists for home delivered meals for seniors.

Restore CSE to \$16,312,000 (+\$1 million)

The Community Services for the Elderly program (CSE) provides non-medical community-based services to frail, low-income seniors helping them to remain at home. Services include personal care, home delivered meals, congregate meals, and adult day services. The program offers flexible service options to meet the unique needs of senior citizens.

During SFY 2007-08, approximately 78,159 people benefited from CSE funded services. There was an increase in the number of people provided CSE funded services of approximately 2.25% between the years 2007-08 and 2008-09. As the number of seniors utilizing CSE services is on the rise, the funding for the programs is on the decline.

COLA Funds for CSE, EISEP and SNAP (\$14,707,000 in Executive Budget)

The Executive Budget proposal defers the 1.2% Human Services Cost of Living Adjustment (COLA) for one year, which holds the funding at current rates. The Association acknowledges the current fiscal climate as the reason for the deferment. However, this will contribute to longer waiting lists for cost-effective services that delay or prevent seniors from becoming Medicaid eligible. As energy, transportation, and operational costs increase, COLA funds help the AAAs maintain services.

We will continue to support the intent of the (COLA) and hope that the COLA can be fully realized in the future for the following programs:

- Community Services for Elderly (CSE) program
- Expanded In-Home Services for the Elderly Program (EISEP)
- Supplemental Nutrition Assistance Program (SNAP)

NY Connects: Choices for Long Term Care Services

The proposed Executive Budget completely eliminates funding for the NY Connects Program. The Association strongly supports full restoration in the amount of \$5.1 million for the NY Connects Program led by the New York State Office for the Aging (NYSOFA). The funds had previously been provided to the Department of Health, then transferred to NYSOFA for NY Connects.

The NY Connects program is recognized by the federal Administration on Aging (AoA) and the Centers for Medicare and Medicaid Services (CMS) as a formal state partner in the national movement to redesign long term care, to make it more effective, cost efficient and sensible.

The program is also recognized by the federal government as the ADRC (Aging & Disability Resource Center) in New York State. The AAAs have been the lead agencies at the local level to establish NY Connects and have been operating and supporting this system for the last five years.

NY Connects is a statewide, locally based point of entry system that provides one stop access to free, objective and comprehensive Information and Assistance on long term care. NY Connects helps consumers identify appropriate levels and types of services to prevent or delay the need for institutional care. In addition it helps to avoid preventable hospitalizations and subsequent costly and unnecessary institutional placements.

The ADRC designation is the catalyst to leverage additional federal funding through the Affordable Care Act and other competitive funding that will become available through grant programs administered by the federal AoA and CMS for those state that have ADRCs. By maintaining a program that has been in existence for 5 years, the State is eligible for additional financial supports from the Federal government. The Lewin Group's ADRC Cost Offsets Calculator shows that if only 2% of nursing home eligible Medicaid recipients remain in the community (737 persons), the cost savings in 2010 dollars is \$35,161,147 of which \$17,580,574 is a direct savings to the state.

Under the Affordable Care Act's Balancing Incentive Payments Program (BIPP), states operating successful home and community based programs could receive an additional 2% of federal funding for non-institutional based services and supports. There are three structural changes that states must make within six months of application: 1) a statewide no wrong door-single entry point system; 2) conflict-free case management services; and 3) core standardized assessment instruments. New York State would need to make further investments in the NY Connects program to broaden available information and ensure that individuals can obtain easy access to eligibility determinations for public programs.

Impact of EPIC Cutbacks on HIICAP

The Executive Budget's proposed cut of \$58 million to the EPIC program combined with the elimination of client representation and assistance will have a profound impact on our seniors. The potential out of pocket expenses that will be incurred will cause the poor and frail to make choices between heat, food, or medication. In addition, the recurrence of hospital admissions for those with chronic diseases could increase due to an inability to purchase the medication needed.

According to the proposed changes, enrollees in EPIC will be required to apply for Low-Income Subsidy (LIS), also known as Extra Help. However, any assistance with those applications will not come from EPIC. The local Health Insurance Information, Counseling & Assistance Program (HIICAP) operated by the AAAs will be required to absorb the additional clientele. At current staffing levels and with the use of volunteers to assist with the distribution of information, HIICAP is already woefully underfunded, understaffed and over utilized. An increase in persons needing assistance to navigate a complicated health insurance system will further tax and already overburdened program. The State provides a mere \$921,000 statewide for HIICAP. Additional funding to the counties to support the increased need in staff must be a consideration. In the 12 month time period of June 2009 to May 2010, the National Center for Benefits Outreach and Enrollment has calculated that the new enrollments in the LIS and Medicare Savings Programs (MSP) has resulted in a savings to New York State residents of \$34.8 million. This figure is based on having enrolled a total of 17,083 people in these programs. As of May of 2010, CMS is showing a total of 102,521 Medicare enrollees that are potentially eligible for LIS or MSP. Tremendous savings could be realized if there was the staff and support to reach out to these people.

Seniors using HIICAP are linked to the wide array of services provided by AAAs, potentially accessing additional services. Volunteers have historically been utilized as HIICAP counselors, but

volunteers are resigning due to the time commitment and complexity of the health insurance programs. By the close of SFY 2009-2010, there were 116,798 client contacts through the HIICAP program, compared to only 66,667 four years ago.

Title XX (OCFS Budget)

The Governor's proposed budget moves all discretionary funds under Title XX (\$36 million) over to mandated child welfare services. The Title XX discretionary funds pay for many programs providing services to frail and at-risk elderly including housing services, home delivered meals, information and assistance. In particular, New York City faces a loss of \$25 million if this change was implemented, directly impacting funding for their Senior Centers, which would result in the closure of another 110 senior centers. Other counties affected include Erie, Nassau and Steuben.

Closing

In closing, investing state funds to maintain and expand AAA services is a cost-effective alternative to more medically intensive and costly health care services. A few dollars spent now can significantly delay, and in some cases prevent, admissions to nursing homes and subsequent Medicaid eligibility. Seniors and their families want to use their resources wisely and keep their loved ones at home for as long as possible. AAA services are part of the solution to delay Medicaid eligibility.



New York State Association of Area Agencies on Aging

272 Broadway, Albany NY 12204 | Phone (518) 449-7080 | Fax (518) 449-7055
www.nysaaaa.org

NYS OFFICE FOR THE AGING: STATE FISCAL YEAR 2011-12 Executive Budget vs. Previous Years (Updated 2-1-2011)

NYSOFA Budget Programs/Services/Grants (in order of funding in enacted Budget)		2008-2009	2009 -2010		2010 -2011		2011 -2012
		Final Funds Available (including mid-year adjustments)	Executive Budget (12-16-08)	Enacted Budget	Executive Budget (1-19-10) vs. Enacted 2009-10	Enacted Budget (6-28-10) vs. Enacted 2009-10	Executive Budget (2-1-11) vs. Enacted 2010 - 2011
1	EISEP	\$46,486,742	\$46,035,000	\$48,035,000	\$46,035,000 (\$2,000,000)	\$46,035,000 (\$2,000,000)	\$46,035,000
2	SNAP (Supplemental Nutrition Assistance Program)	\$21,592,210	\$21,380,000	\$23,380,000	\$21,380,000 (\$2,000,000)	\$21,380,000 (\$2,000,000)	\$21,380,000
3	CSE (Community Svcs for the Elderly)	\$15,485,498	\$15,312,000	\$16,312,000	\$15,312,000 (\$1,000,000)	\$15,312,000 (\$1,000,000)	\$15,312,000
4	COLA – EISEP, CSE & SNAP	\$14,370,720	\$13,207,000	\$14,707,000	\$14,707,000	\$14,707,000	\$14,707,000
5	NORCs	\$2,035,547	\$2,027,000	\$2,027,000	\$2,027,000	\$2,027,000	\$2,027,000
6	Neighborhood NORCs	\$2,026,640	\$2,027,000	\$2,027,000	\$2,027,000	\$2,027,000	\$2,027,000
7	Managed Care Consumer Assistance Program (MCCAP)	\$1,844,280	\$923,000	\$1,767,000	\$1,767,000	\$1,767,000	\$1,767,000
8	Respite	\$1,207,120	\$1,207,000	\$1,207,000	\$1,207,000	\$1,207,000	\$656,000 (\$551,000)
9a	Senior Transportation Oper. Exp.	\$924,031	\$921,000	\$921,000	\$921,000	\$921,000	\$921,000
9b	Senior Transportation Legis Add On	\$752,000					
10	HIICAP (Health Insurance Info. Counseling & Assistance Program)	\$921,200	\$921,000	\$921,000	\$921,000	\$921,000	\$921,000
11	Social Model Adult Day Services	\$1,067,840	\$872,000	\$872,000	\$872,000	\$872,000	\$872,000
12	CSI (Congregate Services Initiative)	\$805,664	\$725,000	\$806,000	0 (\$806,000)	\$806,000	0 (\$806,000)
13	LTC Ombudsman Program	\$689,767	\$621,000	\$690,000	\$690,000	\$690,000	\$690,000
14	Elder Abuse Education & Outreach	\$490,000	\$490,000	\$490,000	\$490,000	\$490,000	0 (\$490,000)
15	RSVP (39 local programs)	\$433,000	\$433,000	\$433,000	\$433,000	\$433,000	0 (\$433,000)
16	Caregiver Resource Centers	\$353,000	\$353,000	\$353,000	\$353,000	\$353,000	\$353,000
17	Enriched Social Adult Day Services Demonstration	\$245,000		\$245,000	\$245,000	\$245,000	0 (\$245,000)
18	Community Empowerment grants	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	0 (\$245,000)
19	State match for federal grants	\$236,000	\$236,000	\$236,000	\$236,000	\$236,000	\$236,000
20	Regn Caregiver Ctrs of Excellence 21 a --Direct Respite for caregivers	\$230,000	\$230,000	\$230,000	\$230,000	\$230,000	0 (\$230,000)
21	Foster Grandparents	\$196,000	\$196,000	\$196,000	\$196,000	\$196,000	0 (\$196,000)
22	Patients' Rights Hotline (Statewide Senior Action)	\$63,000	\$63,000	\$63,000	0 (\$63,000)	\$63,000	0 (\$63,000)
Competitive Grant Program: (proposed in Executive Budget 2011-12)							\$1,550,000
	LTCIEOP (LTC Insur Educ & Outreach)	\$2,771,607					
	Geriatric In-Home Medical Care pilot	\$564,000					
	Senior Transportation (Econ Sustainable)	\$245,000					
	End of Life Care Initiatives	\$150,000					
TOTALS		\$116,430,866	\$108,424,000	\$116,163,000	\$110,294,000 -\$5,869,000	\$111,163,000 -\$5,000,000	\$109,454,000 -\$1,709,000
Compared to previous year's Exec Budget							-\$840,000

NYSOFA Budget

Overview - Executive Budget (Released 2/1/11):

- \$840,000 less than last year’s 2010-11 Executive Budget
- \$1,709,000 less than last year’s 2010-11 Enacted Budget
- Eliminates discrete funding for some programs, which would be eligible for funding through a new “local competitive performance grant program.”

Reduces each agency’s General Fund State Operations budget by 10%. These savings are intended to be achieved through administrative efficiencies in non-personal service and negotiated workforce savings that minimize layoffs to the extent possible.

Managed Care Consumer Assistance Program (MCCAP) (see #7 on page 1):

793,000	Medicare Rights Center
354,000	Statewide Senior Action Council, Inc.
155,000	Empire Justice Center
132,000	Community Service Society
111,000	New York Legal Assistance Group
111,000	Legal Aid Society of New York
<u>111,000</u>	Selfhelp Community Services, Inc.
\$1,767,000	

Respite (see #8 on page 1):

<i>Maintained:</i>	
656,000	State aid grants to providers of respite (renewal of existing contracts)
<i>Eliminated:</i>	
237,000	EAC/Nassau Senior Respite Program
172,000	New York Foundation for Senior Citizens home sharing and respite program
142,000	Home Aides of Central NY, Inc. senior respite program

Local competitive performance grant program

(page 4 of budget bill S. 2803/A. 4003):

“...the director is authorized to make grants to and enter into contracts with public, non-profit or private entities. Such grants will be awarded under this section on a competitive basis pursuant to a request for application/proposal process, in the number and amounts determined by the director, pursuant to criteria determined by the director.....\$1,550,000”

Several programs were not funded (see chart on page 1), but will be eligible for the local competitive performance grant program.

DOH Budget

Excerpt from “Health Care” section of Briefing Book, p 35:

EPIC: Modify Program to Focus Funding to Gap Coverage (“donut hole”).

Effective January 1, 2012, EPIC will only provide payment for drugs when an enrollee has entered into the Medicare Part D coverage gap. Additionally, effective July 1, 2011, EPIC Enrollees will be responsible for paying their Part D premiums or their full deductible. Finally, as a result of the lower program payments expected under this reform, a one-time sweep of fund balances contributes to the 2011-12 savings in this program. (2011-12 Value: \$58.4 million; 2012-13 Value: \$93.2 million)

Excerpt from “Health Care” section of Briefing Book, p 38:

Eliminate NY Connects Program.

Funding for the NY Connects Program will be eliminated. This program provides seniors with information regarding available services through the establishment of call centers, telephone hotlines and NYSOFA’s NY Connects web site. (2011-12 Value: \$0.95 million; 2012-13 value: \$3.8 million)

Defer Human Services COLA.

The 1.2% human services COLA is delayed for one year, which will result in no new COLA funding in either DOH or SOFA. (2011-12 Value: \$9.25 million; 2012-13 Value: \$9.25 million)

OCFS Budget

Excerpt from “OCFS” section of Agency Presentations, p 115:

Utilize Federal Title XX Funding to Support Child Welfare Services:

Currently districts are allocated \$102 million annually in Federal Title XX funding, of which the State requires that \$66 million be used to offset the State and local cost of the Adult Protective and Domestic Violence Services program. The 2011-12 Executive Budget would shift the remaining \$36 million in Title XX funds from mainly discretionary services to reduce the 62% State and 38% local share of child welfare services. In doing this, the State generates \$22 million in savings and reduces by \$14 million the direct cost to districts for providing such services. Districts would lose \$36 million of discretionary Title XX funds.