

Area Agencies on Aging: Strategies to Rebalance Long Term Care and Delay Medicaid Eligibility

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Prepared for:
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Introduction & Recommendations

AREA AGENCIES ON AGING

Introduction

Demand for long term care services is growing as New York's elder population continues to increase. The 60+ population is expected to reach 5.3 million by the year 2030, a 68% increase from the most recent estimate of 3.6 million. Dramatic changes on the horizon require action now to rebalance the long term care system and delay Medicaid eligibility. This report outlines strategies to achieve these goals, to ensure the most cost-effective options for long term care, and to provide elders with the opportunity to live in the community in the least restrictive setting. Area Agencies on Aging are part of the solution.

Area Agencies on Aging (AAAs) design, fund, and coordinate programs that enhance the community support system designed to maintain senior citizens in their homes, postponing the need for more medically intensive and costly health care services. AAAs develop and enhance community programs and services so that each individual resident can move to the most integrated setting appropriate to meet his or her needs. Area Agencies on Aging pride themselves on the ability to keep those they serve in the community. These services will become increasingly important as the population ages.

RECOMMENDATIONS

Along with an overview of aging services in the pages that follow, we provide substantiation for the following recommendations:

1. ***Establish the New York State Office for the Aging (NYSOFA) and local Area Agencies on Aging (AAAs) as focal points*** for providing information, assistance, and community-based services. ***Rationale:*** Demographic projections predict double-digit growth in the older population, which requires an investment in cost-effective long term care options championed by NYSOFA and provided by local AAAs. Providing the visibility and adequate funding for NYSOFA and AAAs provides New York residents with livable communities that support senior citizens, caregivers and individuals with disabilities.
2. ***Expand caregiver support programs and home and community-based services*** run by the AAAs (such as EISEP, CSE, SNAP, and HIICAP), which help keep caregivers from being overburdened, sustain their ability to provide care longer, and delay or prevent their loved ones from entering into a nursing home. ***Rationale:*** 80% of long-term care is provided by over 2.2 million informal caregivers, saving tax payers an estimated \$25 billion annually.
3. ***Fully fund the NY Connects program*** to provide one stop access to free, objective and comprehensive information and assistance on long term care, linking individuals of all ages needing long term care and their caregivers to the most appropriate services and supports of their choice, regardless of payment source. ***Rationale:*** NY Connects saves New York State \$28.5 million annually in Medicaid costs (using the Cost Savings Calculator developed by the Lewin Group). Every \$1 invested yields almost \$6 in Medicaid savings!
4. ***Position New York to take advantage of funding opportunities available in the federal Affordable Care Act*** to reform the long term care system and offer more choices and cost-effective alternatives to institutional care. ***Rationale:*** New York could receive significant federal dollars to support long term care initiatives.

OUR VISION FOR: THE NYS OFFICE FOR THE AGING

We recommend that the New York State Office for the Aging (NYSOFA) be maintained within the Executive Department, and its visibility and viability be strengthened. Community-based services and information & assistance provided through NYSOFA reach almost 600,000 older New Yorkers, or 16.5% of the total 60+ population.

We recommend that the following programs be placed under the purview of NYSOFA:

NY Connects: Choices for Long Term Care

The local Offices for the Aging have been running home and community based long term care programs for a number of years. The current goal of the US Administration on Aging (AoA) is to have Aging and Disability Resource Centers (ADRCs) serve as single points of entry into the long-term supports and services system for older adults and people with disabilities.

In New York State, the NY Connects program, predominantly run by the local Area Agencies on Aging serve as those ADRCs. The 2010 Federal appropriation of \$10 million nationwide for the ADRC program represents less than \$1 for each person receiving long term services and supports. This amount is less than one-third of 1 percent of total Medicaid home and community-based services spending for FY 2009. *(Source: National Health Policy Forum Report; Aging and Disability Resource Centers, November 19, 2010.)*

Nationally, the goal of the ADRC program is to save avoidable long term care costs and reduce unnecessary hospital readmission. The NY Connects program is already achieving these savings through several pilot projects being run across the state on care transitions. The NY Connects program puts people in touch with services they will need once they have been discharged from the hospital and are planning on returning to their community.

The Federal Affordable Care Act appropriated \$10 million for each year beginning with the federal fiscal year 2010 and going through federal fiscal year 2014 to continue the expansion and implementation of all facets for the ADRC program nationwide. The first year of the grant focuses on Options Counseling. New York State must continue its strong NY Connects program, which is already implementing many of the ADRC requirements, in order to qualify for the federal grants that will be offered through this appropriation.

Currently, NY Connects funds are appropriated in the state Department of Health's budget, and then a portion is transferred to NYSOFA. NYSOFA disburses funds to the local Departments of Social Services which then reimburse the local Offices for Aging who are running the programs. This requires a multi-tiered voucher system for reimbursement. We recommend that the entire program be overseen directly by the State Office for the Aging streamlining the payment system, saving the state money by having fewer staff processing voucher payments.

HEAP/Weatherization

The Area Agencies on Aging assist seniors with applications for heating assistance as well as weatherization for their homes. In many counties, AAAs have a contract with the local Department of Social Services to provide the service. It would be a more effective system to have the program fall under the direction of the State Office for the Aging so the funding would be more direct and the voucher processing would be streamlined. The Area Agencies on Aging are already assisting the seniors with a myriad of other programs; they are the trusted organization by the senior citizens to handle their needs.

Elderly Pharmaceutical Insurance Coverage (EPIC) Program

EPIC is a New York State program that helps low and moderate income seniors pay for their prescription drugs. The local AAAs assist seniors in signing up for the EPIC coverage as part of their HIICAP counseling process. Since EPIC is for state residents age 65 or older, this program should be overseen by the NYSOFA as a component of other senior programs. EPIC is already one of a range of programs that the local AAAs provide assistance to seniors with, therefore the program itself would make sense to be overseen by the agency that runs the balance of the senior programs.

In February of 2010, HHS Secretary Kathleen Sebelius announced financial relief to states by reducing the amount they will have to pay the federal government (“clawback”) to offset the cost of Medicare coverage for prescription drugs for state residents eligible for both Medicare and Medicaid. New York State will see over \$400 million in reduced clawback payments. We recommend that these savings be re-invested in aging programs supported by NYSOFA.

OUR VISION FOR.... AREA AGENCIES ON AGING

Area Agencies on Aging should continue to be the central agency to plan and coordinate the continuum of services available to older adults, and to identify current and future needs and strategies to meet them. AAAs are the “go to” place for seniors and caregivers. Seniors are familiar with their local aging office, which is well-recognized as a trustworthy provider of services and unbiased information. Seniors know that they can call or stop by their local AAA and get assistance with program applications, referrals to services needed as well as information and assistance to access providers of services.

The AAA is a one-stop shop for seniors and their caregivers. On the federal level, the Older Americans Act acknowledges the importance of maintaining a strong Area Agency on

Aging. The role of the AAA has increased tremendously especially with the establishment of Aging and Disability Resource Centers (ADRCs). The implementation of fully functioning ADRCs is dependent on adequate funding, at the federal, state and local levels as well as a leadership team that supports the notion that the senior population, as well as those with all types of disabilities regardless of income, has the right to live in the most integrated setting within their communities.

Local Area Agencies on Aging have become the epicenter for all programs operated for the benefit of senior citizens. Through the development and expansion of the NY Connects program, the AAAs have also become a resource for information and assistance for the disabled population. The visibility and viability of these Agencies across the state is critical to the continued success and further development of programs to assist those in need of services to remain in their communities and to further minimize the expense for institutional long term care.

Overview of the Aging Services Network

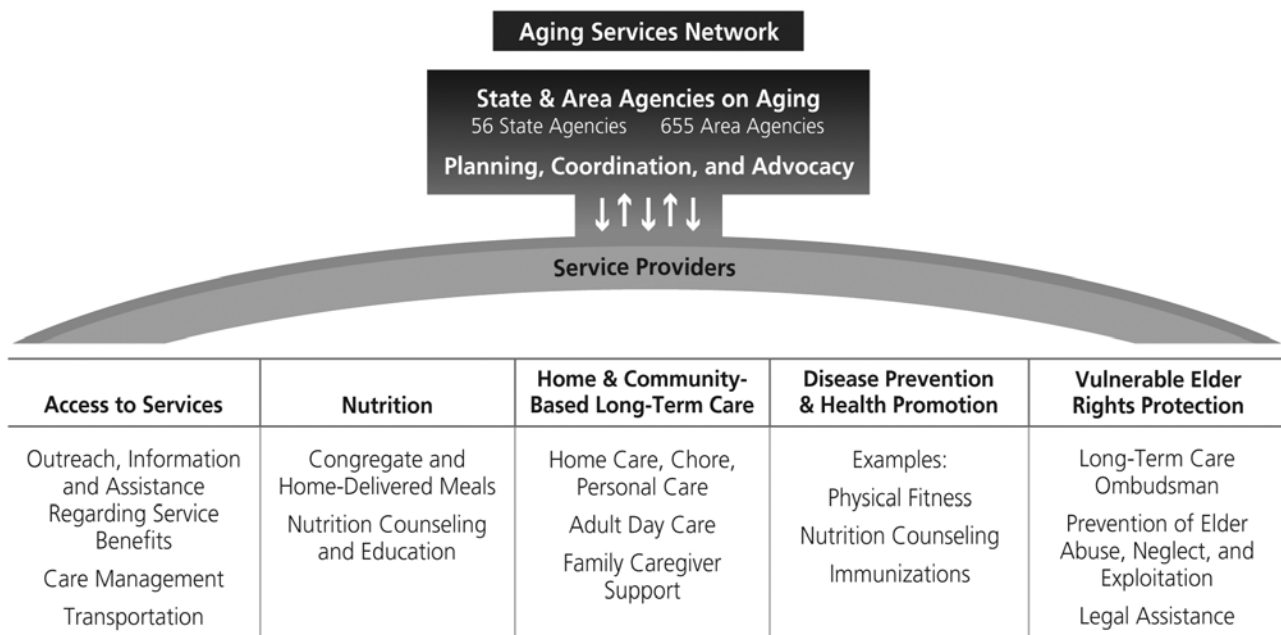
THE PHILOSOPHY

Area Agencies on Aging have an extensive and proven background in flexible planning for the packaging of services, both public and private. One of the greatest strengths is its networking ability, which allows the greatest possible use of traditional and non-traditional services in assisting individuals to remain independent while having their needs met. Each day, case-managed services provided by local Area Agencies on Aging prevent, delay, or reduce the usage of higher-cost long term and acute care, including hospital and nursing home care. Case managers conduct comprehensive care assessments and “package” an array of available low-cost services to support existing informal caregiving and enable impaired seniors to live at home in the community. AAA service plans are customized to reflect local needs and resources that vary greatly in each community. The local planning process ensures that limited government dollars are utilized effectively and efficiently to deliver the appropriate level of services to

seniors. AAAs have an unparalleled history of providing seniors with comprehensive assistance designed to achieve and maintain independence in the most integrated setting possible, appropriate to their needs, and they have done so in the most cost-effective manner possible.

Area Agencies on Aging maintain services largely through contracts with local provider organizations. In general, AAAs provide services directly only when no other providers are available locally and able to ensure an adequate supply of services to older persons. AAAs also monitor service providers to ensure the job is done in an efficient and effective manner. AAAs support a range of local services, available to individuals aged 60 years and older. Priority is generally given to low-income and minority elders. Because local needs vary, not all services are available in every community. Commonly available services, as depicted in this graphic created by the National Health Policy Forum, include the following:

Major Services of the Aging Services Network



Overview of the Aging Services Network

AAA resources are committed to maintaining the independence of the impaired seniors who are the most immediate at-risk of becoming eligible for Medicaid. Through assisting families and neighbors to sustain their efforts in providing the majority of care to the impaired elders, the Aging Network succeeds in maintaining the independence of elders in their communities at a fraction of the cost of medically focused long term care services and systems. Providing information, assistance, and services for caregivers who are supporting the older person in the community is a wise investment.

Area Agencies on the Aging promote economies of service by incorporating these elements into their service delivery system:

1. **AAAs promote early identification and intervention** – Early identification and intervention has long been proven to promote cost containment. This is especially relevant in the long term care arena when late stage intervention often means nursing home placement.
2. **AAAs promote independence of the individual** – Seniors living independently in their own homes is both cost effective to the state and beneficial to the individual.
3. **AAAs focus on family** – Family and other informal caregivers remain the primary source of care for clients served by the Aging Network. AAAs not only acknowledge caregivers in a client's care plan, but also provide a vital support network to caregivers to help them cope with their increasing responsibilities.
4. **AAAs employ a non-medical model** – In a medical model, the emphasis is on illness and treatment, whereas in the non-medical model, the focus is on issues related to strengths and wellness. An underlying principle is the emphasis on respecting individual differences and promoting individual choices.
5. **AAAs promote flexibility** – AAAs provide a care plan to suit each senior's individual needs, reassessing and adjusting services over time. Seniors are given as many or as few services as are deemed appropriate.
6. **AAAs are effective and efficient** – The Aging Network is a true network in that it employs all available community services. As situations change, AAAs have found creative ways to tap community and government resources. AAAs are challenged to utilize every resource available, making it the number one goal to keep families together and as independent as possible, for as long as possible.
7. **AAAs are positioned to impact Long Term Care Reform** – Through the local NY Connects programs, AAAs have brought together over 1,600 consumers, providers and other stakeholders involved in the care of seniors and the disabled. They have formed local long-term care councils to analyze the gaps in the long term care services provided in their communities, and are developing plans and implementing strategies to address the identified issues. The systems change work the councils are doing is critically important in utilizing existing resources and bringing together a wide spectrum of stakeholders.

Demographic Landscape

THE DEMOGRAPHIC LANDSCAPE TODAY AND TOMORROW

In New York...

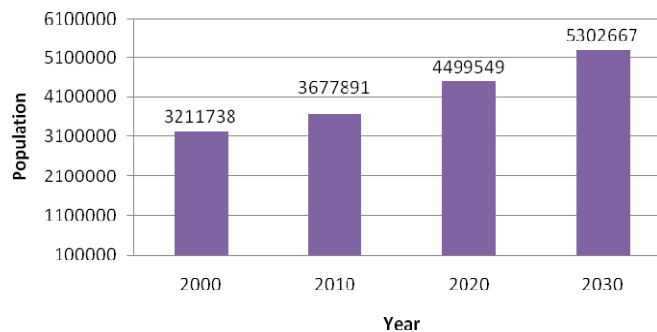
In 2008, the population of persons age 60+ in New York State was 3,558,460. Of this number, 1,281,459 were aged 75+ and 403,129 were aged 85+. The following charts show the dramatic increases in the 60+ population:

National Demographic Trends...

Over the next 20 years, the proportion of the U.S. population over the age of 60 will dramatically increase as 78 million baby boomers reach retirement age. Beginning on January 1, 2010, baby boomers will be turning 65 at the rate of one every eight seconds – that equates to more than 10,000 people per day or 4 million per year, for the next 19 years!! By 2030, 70 million Americans – twice the number in 2000 – will be 65 and older, and will comprise 20% of the U.S. population.

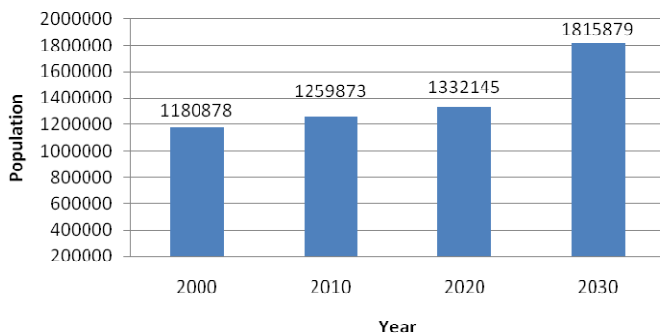
Based on demographic projections for over the next 20 years, from 2010 to 2030, New York State's senior citizens will increase dramatically:

Population Projections 60+



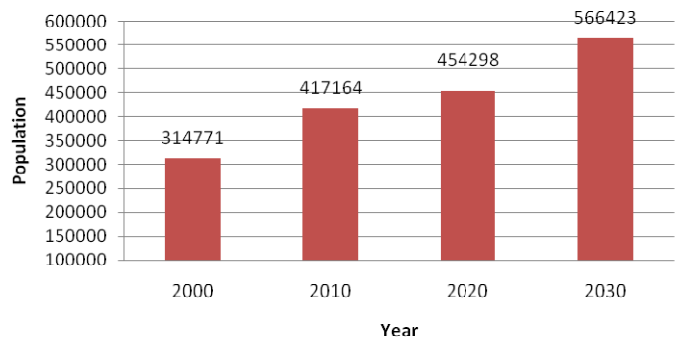
**The 60+ population is expected to reach 5,302,667 by the year 2030
68% increase**

Population Projections 75 +



**The 75+ population will increase to 1,815,879
70% increase**

Population Projections 85+



**The 85+ population will increase to 566,423
73.5% increase**

Opportunities and Challenges

Senior Citizens -- A Source of Economic and Social Capital

Seniors living in New York State represent a tremendous source of economic and social capital. Baby boomers and older adults make up 52% of the State's economy in population numbers, but they represent a much larger percent of economic activity because of being in prime earning years, pensions, Social Security etc.

The economic value seniors provide has been measured in:

- \$3.6 billion per month (\$43.2 billion a year) is paid to New Yorkers through Social Security, 65% of this is received by our older residents and they receive billions in retirement pension benefits, a majority of which are used to purchase goods and services.
- According to the U.S. Census Bureau, 2005-07 American Community Survey, 72 percent of persons over 60 own their own homes – pay real property taxes and do not create additional demands on a community's local school system.
- 80% of long-term care is provided by over 2.2 million informal caregivers, saving tax payers an estimated \$25 billion annually. The average age of a caregiver is 64.

The social capital provided by seniors is difficult to measure in dollar figures. Without their volunteerism and community activism, there are many community projects that would never have been initiated.

- Seniors volunteer and support community activities not only through their service – but with their financial support
- Seniors have helped communities become Livable Communities through a process of thoughtful planning and engagement that by design supports seniors so that they can safely live independently.
- Seniors provide an estimated 47.9 million hours of service to their communities; an estimated value of \$1.3 billion. More than 683,000 New Yorkers' over age 60 volunteered their energy and talents to improve the lives of their fellow residents.

Keeping older adults healthy and active in their communities ensures they remain part of the economic engine of their communities.

Challenges....with a Silver Lining

Area Agencies on Aging are part of the "silver lining" in terms of confronting challenges and addressing the needs of the current and future senior population. As the senior population continues to grow, community based services will be more in demand. By providing home and community-based services, AAAs make it possible for older adults to live with independence and dignity in their homes and communities as long as possible. These services are a more cost-effective option compared to alternate levels of care. AAA services yield an impressive return on investment.

The burgeoning population of senior citizens provides opportunities along with challenges. From a cost perspective, the aging boom has serious programmatic implications because of the high incidence of multiple chronic conditions and dementia in the oldest segment of the senior population. Half of the 85+ population will suffer from some form of dementia and the 75+ age group is the age group most at risk, as chronic conditions and other health care problems arise, for Medicaid spend down.

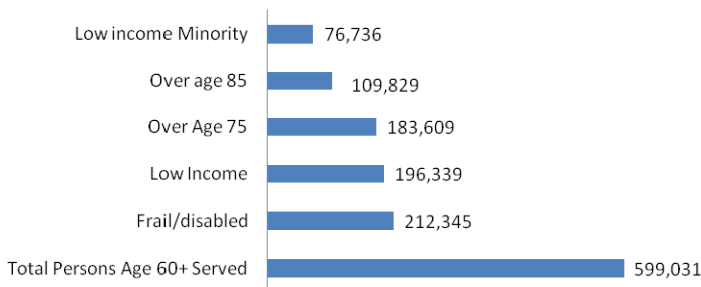
- The fastest growing segment of the population are those considered "old-old" – the 85+ population. These individuals are the primary users of community-based services and represent a large percentage of Medicaid spending. They also have lower income and higher rates of disability. This is the age group that AAAs primarily serve.
- The number of minority seniors in New York State will grow by 50.8% between 2000 and 2015. Minority elders have higher poverty rates, earlier onset of disability and a very high risk of converting to Medicaid.
- Based on the 2008-2009 state fiscal year reported figures, of the 60+ population, approximately 16.5% received services from Area Agencies on Aging. If all other factors remain equal, by the year 2030 New York State can expect to need to provide services to 848,427 seniors – an increase in services for 249,395 people.

Aging Services Snapshot

OVERVIEW

For the twelve month period ending March 31, 2009, almost 600,000 individuals age 60+ received AAA services, which translates into 16.5% of the total senior population in the State. Categories add up to more than the total because some seniors fit into more than one category.

Demographics of Seniors Receiving AAA Services



The New York State Office for the Aging (NYSOFA) is part of the Executive Department in New York State and is the designated State Unit on Aging under the Older Americans Act of 1965, as amended.

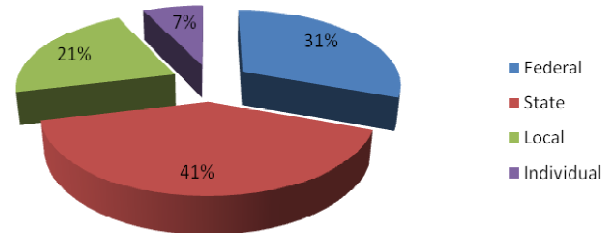
NYSOFA administers various Titles under the Federal Older Americans Act and a variety of State-funded programs which serve seniors. In these programs, preference is given to seniors people with the greatest economic or social need, with special emphasis on meeting the needs of low income minority seniors.

The majority of programs and services are administered through local offices for the aging. There are 59 local offices which serve each county, the City of New York as well as the St. Regis Mohawk Indian Reservation, and the Seneca Nation of Indians.

WHO PAYS AND HOW MUCH?

For State Fiscal Year 2008-09, funding sources breakdown as follows:

Funding Streams for SFY 2008-09



State Funds (41%)

- Of the \$116,163,000 provided to NYSOFA, \$104,400,439 was provided to Area Agencies on Aging, or 89.66% of the total.
- Counties receive \$4.9 million in grants to operate local NY Connects programs through the DOH budget. A majority of the 53 NY Connects programs operational at the local level are led by AAAs.

Local Share (21%)

- Several programs require a local match in order to draw down the funds. For State funds, EISEP, CSE, and CSI and require a 25% match. On the federal level, for Titles III-B, C1, C2 and E, of the Older American's Act (OAA), the state must match at least 25% of plan administration costs. For Title III-B, C1, C2 and D of the OAA, the state must match at least 10% of service costs.

Participant Contributions (7%)

- Although most seniors receiving AAA services are low-income, they still make voluntary contributions in the amount of \$16,930,773. In addition, cost sharing for EISEP (based on a sliding scale according to income) totals \$1,773,871 annually.

Federal Funds (31%)

- Federal funds from the Older Americans Act (OAA) are for the purpose of assisting states and Area Agencies on Aging to develop or enhance for older persons comprehensive and coordinated community based systems. Federal funds provided to New York State for the five categories was \$78,464,968, or 31% of total funds.

Expanded In-home Services for the Elderly Program (EISEP)

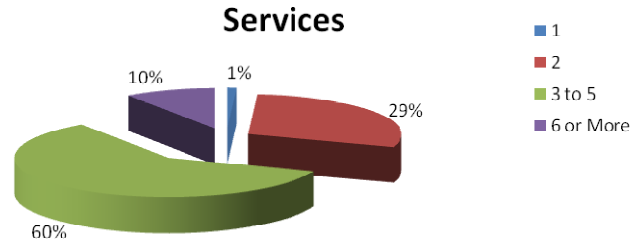
The Expanded In Home Services for the Elderly Program (EISEP) provides case management and home care services that enable the most vulnerable non-Medicaid seniors to remain safely at home. Without these cost-efficient services, many seniors will spend down to Medicaid, costing the state far more. By delaying institutional care and reducing Medicaid spending, EISEP saves taxpayers money and improves seniors' quality of life. Services provided under EISEP are:

1. **Personal Care** – Personal Care Level 1 (light housekeeping, laundering, meal preparation, escort assistance, doing errands and shopping) and Personal Care Level 2 (all tasks listed under Personal Care Level 1 plus bathing, grooming, dressing, toileting, transferring and ambulation, feeding, eating and the self-administration of medication);
2. **Case Management** which includes an in-home assessment, care plan development, arrangement of services, information and referral, client monitoring and follow up;
3. **Non-institutional Respite Care** through social adult day programs and companion/supervision services;
4. **Ancillary Services** such as Personal Emergency Response Systems (PERS).

EISEP is a state funded program with a 25% local match requirement. Area Agencies on Aging are able to use Federal Title III-B and III-E funding to provide specific services within the EISEP program. With state funding cut-backs, there are numerous regions throughout the state that have waiting lists for these types of services and many have reduced the number of hours of service an individual receives in order to continue to provide the services to the most frail.

As life spans increase, so too will the number who need EISEP services in order to remain at home and in their communities. In many instances, a package of services is needed to address the unique needs of the individual, as evidenced in the following chart:

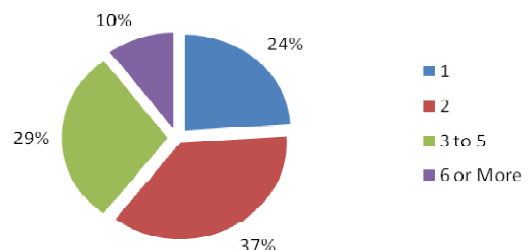
Number of Services Used by those Persons Receiving Personal Care Services



Supplemental Nutrition Assistance Program (SNAP)

Meals are provided by Area Agencies on Aging directly or through subcontractors, either at a congregate meal site (often a senior center) or delivered to the individual's home. Meals provide at least one-third of the recommended dietary standards established by the Food and Nutrition Board of the Institute of Medicine of the National Academy of Sciences, as well as the Dietary Guidelines for Americans, issued by the Department of Health and Human Services and Department of Agriculture. These programs are instrumental in helping vulnerable elders remain at home in their community. Of the persons receiving home delivered meals, many also receive additional services to promote independent living.

Number of Additional Services Used by Persons Receiving HDM



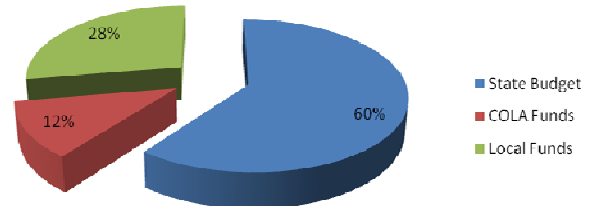
SNAP is a state program. Local governments supplement the state dollar with federal dollars from the Title III-C 1 and 2 programs as well as the Title III-E program.

In the State Fiscal Year 2009-2010, 9,637,101 meals were served to our seniors in either a congregate setting or in the home. Unfortunately, there are many more seniors in need of meals that due to budget cutbacks remain on waiting lists.

Community Services for the Elderly (CSE)

The Community Services for the Elderly program enables local Offices for the Aging to determine specific unmet needs and to shape the way the delivery system is organized to respond. Localities have considerable flexibility within the general parameters of the program's intent and goals. Through the initial and ongoing annual planning and coordination process, a wide range of service needs and gaps have been identified including case management, personal care, home delivered meals, information and assistance, referral, social adult day care, transportation, respite, telephone reassurance and friendly visiting, health promotion and wellness activities, senior centers and other congregate programs, personal emergency response systems, minor residential repairs, escort, and other important services. During SFY 2008-09, approximately 79,976 older New Yorkers benefited from CSE funded services.

CSE Funding for SFY 2008-09



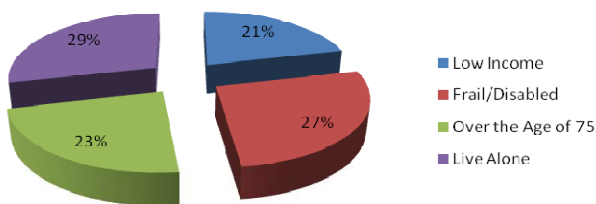
State expenditures in the 2007-2008 SFY year for the CSE program totaled \$19,819,624 and in the 2008-2009 SFY was \$18,548,835. This reflects a decrease of 7.5% at the state level. The local expenditures also showed a decrease of 6.5% in funding. While the population of seniors requiring services is on the rise, the funds needed to provide the services are on the decline.

Health Insurance Information Counseling and Assistance Program (HIICAP)

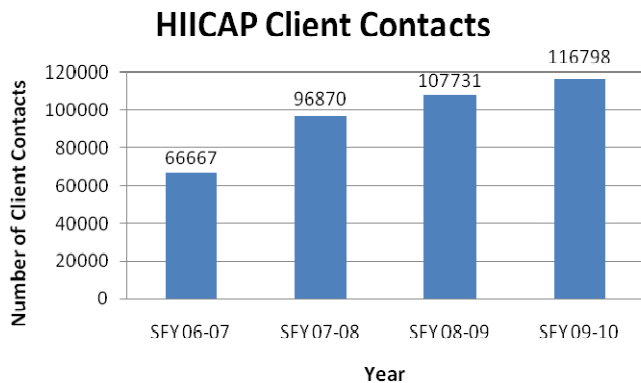
The Health Insurance Information Counseling and Assistance Program (HIICAP), is the New York State Health Insurance Assistance Program (SHIP). Through the HIICAP program, Area Agencies on Aging (AAAs) provide free information and assistance on health care coverage options. HIICAP counselors and volunteers must have knowledge of and be able to provide unbiased information and assistance on health insurance programs.

HIICAP receives federal funds from the Centers for Medicare & Medicaid Services (CMS) to operate a statewide network of local programs. There is no requirement for a local match to the funding; however, the minimal amount of money received by each AAA is insufficient to cover staff expenses for the program. As the Health Care Reform Act is implemented incrementally over the coming years, the burden on the Area Agencies on Aging to provide the information and counseling on the changes will further stretch the capacity of existing staff. Over the past four years alone, client contacts almost doubled.

Demographics of those served with CSE funds



The CSE program is state funded with a required 25% local match. Area Agencies on Aging are able to use Federal Title III-B funds to supplement programs supported by CSE funds. CSE funds provide the greatest flexibility to support community based programs that supply the services needed for seniors to remain at home and avoid far more costly institutionalization.



Under the Affordable Care Act, \$15 million has been appropriated to CMS for federal fiscal years 2010 through 2012 for SHIPS. \$15 million is appropriated to the US Administration on Aging (AoA) for Area Agencies on Aging for federal fiscal years 2010 through 2012. \$10 million is appropriated to AoA for additional funding of Aging and Disability Resource Centers for federal fiscal years 2010 through 2012. These grant dollars will be distributed nationally to qualifying programs, therefore NYS must maintain a high level of service and qualified staff in its existing programs to remain eligible for a portion of this funding. Additional funding at the state level is still needed in order to make the HIICAP program sustainable.

NY CONNECTS: CHOICES FOR LONG TERM CARE

NY Connects: *Choices for Long Term Care* plays a pivotal role in the State's efforts to rebalance the long term care system so that people can live independently and remain at home and in their communities. It advances and supports the most beneficial and cost effective long term care services.

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. It is a trusted community resource that links individuals of all ages needing long term care and their caregivers to the most appropriate services and supports of their choice, regardless of

payment source. 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 long term care system in New York State, though comprehensive, is often fragmented and more costly as services are delivered by a multitude of agencies and providers. The complex nature of New York's comprehensive long term care system frequently leads to confusion and uncertainty in obtaining the most appropriate services. Consumers and their caregivers often must contact many different agencies during times of crisis to obtain necessary services. The increase in the numbers of individuals over the age of 60, and in people with disabilities, has created more demand on the long term care system.

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

NY Connects complies with federal statute, as prescribed by the 2006 Reauthorization of the Older Americans Act and is statutorily mandated through the New York State Elder Law § 203(8). This law specifies the key program functions that are to be implemented by the local NY Connects:

Information and Assistance:

- Provision of comprehensive, objective information and support for individuals and their caregivers/families about home, community based and institutional long term care services and linkage to services and resources to meet their needs.

Public Education:

- An on-going education and awareness campaign to educate all residents about NY Connects, the long term care services in their community and to assist consumers in preparing for their long term care needs.

NY Connects is a mandatory component of many existing federal funding sources:

- A central component of federal long term care reform initiatives for both the AoA and CMS is the Aging and Disability Resource Center or, in New York State, NY Connects

The NY Connects program has served close to 500,000 New Yorkers from 2006 through June 2010, providing information on cost-effective, community-based long term care services to prevent or delay more costly care in other settings. The majority of these contacts were from individuals needing home and community-based services. Survey results of the program showed an over 90% customer satisfaction rating of local NY Connects staff and overall benefit of program to the community.

The NY Connects program is integral to maintaining lower cost community based care to NY residents and also keeps the door open to federally funded grant opportunities to fund the development of sustainable pilot projects to allow seniors to age in place.

RETURN ON INVESTMENT

Area Agencies on Aging and subcontractors, deliver cost-effective care for New York's senior citizens and caregivers.

- The NY Connects program, which has received State funding of \$5.1 million in the past, is slated for a reduction in funding for the 2010-11 fiscal year. Funding for NY Connects should be maintained or increased because it saves New York State \$28.5 million annually in Medicaid costs, as determined by The Lewin Group's ADRC Cost Savings Calculator. *Every \$1 invested yields almost \$6 in Medicaid savings!*
- HIICAP (Health Insurance Information Counseling and Assistance Program) provides personalized counseling to Medicare Beneficiaries through the local AAAs. In the 12 month time period of June 2009 to the end of May 2010, the National Center for Benefits Outreach and Enrollment has calculated that the new enrollments in the Low Income Subsidy (LIS) and Medicare Savings Programs (MSP), facilitated by HIICAP counselors, has resulted in a *savings to New York State residents of \$34,816,428.*
- Informal caregivers provide 80% of all long-term care in New York State. The care and assistance these caregivers provide includes assisting in specific tasks, such as: transportation, financial management, arranging for care or services, housekeeping, home repairs, and assistance with activities of daily living. Absent their commitment to provide this care, New York taxpayers would be contributing millions more in funding to support frail individuals in settings such as nursing homes.
- According to a recent AARP report (Houser, & Gibson, 2008), family caregivers who care for those who are aged 18 or older provided an estimated economic value of about \$25 billion in New York State. The economic value of informal caregivers exceeds total Medicaid expenditures for nursing home and home and community-based services combined. Caregiver support programs and home and community-based services run by the AAAs have been demonstrated to help keep caregivers from being overburdened, sustain their ability to provide care longer, and delay or prevent their loved ones from entering into a nursing home.

Impact of Caregiving

Caregivers are spouses, family, friends and neighbors who provide care and support to a loved one. Caregivers are critical in helping persons of all ages with disabilities and/or chronic illnesses remain independent. Some caregivers live with the person needing care, but many do not. Some are providing care to grandchildren or other young relatives. Some caregivers are balancing a life of work outside the home with their caregiving duties at home. As mentioned earlier, *80% of long-term care is provided by over 2.2 million informal caregivers, saving tax payers an estimated \$25 billion annually.* 52 percent of caregivers surveyed responded that they could not continue caregiving without the support of the AAAs. Supporting caregivers will continue to be very important as the population ages.

The federal Older Americans Act (amended 2006) Title III-e provides funding for:

1. information to caregivers about available services;
2. assistance to caregivers in gaining access to the services;
3. individual counseling, organization of support groups, and caregiver training to assist the caregivers in the areas of health, nutrition, and financial literacy, and in making decisions and solving problems relating to their caregiving roles;
4. respite care to enable caregivers to be temporarily relieved from their caregiving responsibilities; and
5. supplemental services, on a limited basis, to complement the care provided by caregivers.

The Area Agencies on Aging are required to make use of trained volunteers to expand the provision of the available services described above, and if possible, work in coordination with organizations that have experience in providing training, placement, and stipends for volunteers or service settings.

Return on Investment

A recent study of New York’s aging services network caregiver support programs found that individuals receiving care from caregivers are more likely to be female (64 percent) and a majority (85 percent) of them are age 75 or older. Many of the individuals receiving care or support from a caregiver has significant health needs, with the most prevalent health condition being Alzheimer’s disease or other dementia. A majority (85 percent) have one or more impairments. (Source: *NYS Family Caregiver Council Report – Supporting and Strengthening Caregivers in New York State 2009.*)

In the State Fiscal Year 2008-2009, the state provided caregiver services to 23,553 people for a total of 124,318 hours. Of these service recipients, 1857 were under the age of 60 but caring for someone over the age of 60. The balance, 21,696 people were over the age of 60.

The “MetLife Caregiving Cost Study: Productivity Losses to U.S. Business” estimate the cost to employers of \$17.1 to \$33.6 billion annually attributable to caregiving. These costs are due primarily to absenteeism (\$5.1 billion), shifts from full-time to part-time work (\$4.8 billion), replacing employees (\$6.6 billion), and workday interruptions (\$6.3 billion). While lost productivity may be a hidden consequence of caregiving, employee health costs are also a concern but have remained undocumented. The stresses of caregiving lead to greater risk of chronic disease for the caregiver, either from the direct effects of stress, poorer sleep, greater fatigue, depression, and/or less attention to one’s own health (poorer diets, less opportunity for exercise, etc.). Supports provided to caregivers by the AAAs are an important element in reducing the additional financial burden in the workplace and the community.

THE CASE FOR INCREASED INVESTMENT

Here is an example of how Area Agencies on Aging utilize resources in a fiscally effective manner.

Characteristic		
Female	66.6%	
Lives Alone	55.2%	
85+	40%	
Services		Cost Per Unit
Home Delivered Meals	5 per week	\$6.36
Home Care	5 hours	\$18.02
Case Management	1 hour	\$43.91
Cost Per Customer		
Weekly	\$165 average	
Annual Investment Per person	\$8,580	

Compared to the annual cost of a nursing home at approximately \$121,000 in the NYC/Metro area and \$92,000 upstate, this is a relatively nominal investment to support an individual in the most integrated setting.

The safety net that AAAs have been able to provide throughout the years is being challenged by the needs of a growing aging population that increasingly requires more intensive services. Seniors and their families want to use their resources wisely and keep their loved ones at home for as long as possible. They turn to AAAs at the local level to help them assess their needs and plan appropriately for a package of services enabling them to live at home. The most practical way to improve the quality of services and supports for New York State’s senior population is to increase the State Office for Aging budget, thereby allowing for an increase in AAA service capacity at the local level which is instrumental in allowing older persons to maintain their independence in the community, in the least restrictive setting, and avoid premature nursing home placement.

Affordable Care Act Incentives

Under the Affordable Care Act of 2010, the New York State home and community based programs could receive an additional 2% Federal funding for non-institutional based services and supports under the Balancing Incentive Payments Program (BIPP). In order to qualify for this funding, New York would have to commit to a Home and Community Based Services (HCBS) spending percentage of 50% by 2015 and meet the federal requirements of options counseling and assessments. New York State will need to make further investments in the NY Connects program to keep pace with the Federal requirements.

In addition, under the Community First Choice (CFC) option, there is a possible 6% Medicaid match rate increase for providing person-centered, consumer-directed home and community-based attendant care; including the hiring, training, management and removal of attendants. New York State's consumer directed EISEP program run by the AAAs meets the requirements for qualifying for this funding.

CONCLUSION

In summary, the local Area Agencies on Aging are an integral part of each and every community and the seniors they serve. The community based services that they provide are the key component to maintaining senior citizens in their homes, as viable members of their community. The financial impact that the AAAs have on overall state expenditures for care for our seniors has been proven over the years to provide extensive cost savings. The cost for institutional care for one person is 10 times that of home and community based services based on upstate figures and 14 times greater in New York City.

As the senior population grows, New York State will need to rely more heavily on these community based, lower cost services, to take care of our elder citizens. The current structure of the AAAs is best suited to provide the community based services to this population that has given so much over the years to the successes in New York State.



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