



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

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### **Assembly Standing Committee on Aging Public Hearing: Monday, October 5, 2009, New York City**

#### ***The State of Senior Programs in the Current Economy***

Good morning, Chairman Dinowitz and Aging Committee members. I am Laura Cameron, Executive Director of the New York State Association of Area Agencies on Aging. Thank you for this opportunity to present testimony on behalf of the 59 local offices for aging throughout New York State, which provide services to over 625,000 seniors and caregivers each year. While I am presenting the statewide perspective of AAAs, individual county offices for the aging are also here today to testify, in addition to those that have submitted written testimony. Several upstate AAAs have asked me to convey their interest in testifying at a hearing in Albany, should you decide to hold a similar hearing in the near future.

#### **Trends Over the Last Two Years**

The last two years has challenged the ability of Area Agencies on Aging to deliver services to seniors at a time when they have needed assistance the most. Trends include:

- Increased demand for services due to the growth of the senior population growth, as well as the impact of the economic downturn on older workers and retirees. Seniors have seen their retirement investments plummet along with the value of their homes, while simultaneously facing increased out-of-pocket expenditures for prescription drugs and health care in general. Many are turning to offices for the aging for information, assistance, and services.
- Increased costs to provide services. Area Agencies on Aging and aging network providers have experienced increased costs for fuel, food, energy, insurance and administration.
- Curtailed foundation and philanthropic support. Foundations have been negatively impacted by losses in the financial sector, limiting their ability to supplement reductions in public funds. For example, the New York City Meals on Wheels program lost tens of thousands of dollars in donations from employees that had worked for investment firms that folded.
- Downward trend in voluntary contributions. Seniors are struggling financially to meet their basic food, housing and health needs, thus AAAs are seeing a reduction in voluntary contributions.

- Reduced State Funding. NYSOFA's state aid to localities for the current fiscal year 2009-2010 was \$116,163,000, compared to \$120,104,000 in SFY 2007-08, a reduction of \$3,941,000 – almost a \$4 million reduction compared to two years ago.
- Reduced federal funding. Older Americans Act funding has decreased by 1.61% as compared to FFY 2008. In fact, over the last decade, Older Americans Act funds have remained almost level, which amounts to a reduction in purchasing power after being adjusted for inflation. The aging network has been hard pressed to serve a larger population with fewer dollars.
- Reduction in local share. For years, county governments and the City of New York have increased local funding to meet gaps in services. Statewide, AAAs report over \$32 million in program support above their required match for state and federal programs. However, with the economic downturn, our members report that counties are implementing cuts due to reduced sales tax and property tax revenue, forcing AAAs to make difficult decisions on how to reduce services and eliminate some programs.
- Growing waiting lists for services. The factors enumerated above have resulted in longer waiting lists for all levels of services throughout the State. One county in the Adirondack region reports that waiting lists for EISEP are so long that many seniors pass away before being able to receive services.
- Weakened infrastructure. Cutbacks have resulted in the loss of experienced personnel, delays in purchasing equipment for nutrition programs, and increased caseloads for case management staff. This all leads to diminished capacity, which jeopardizes the ability of seniors to live safely and independently in their homes and communities. It also compromises the ability of the aging network to gear up to re-establish and expand services when the economy recovers.

#### **Impact of the American Recovery and Reinvestment Act of 2009**

Area Agencies on Aging received a total of \$5,881,607 in ARRA funds for Older Americans Act Title III nutrition programs. While it has helped to address waiting lists, the demand for nutrition services continues to grow. The breakdown of funds is as follows, but note that 40% may be transferred between Titles, based on local need:

- \$3,941,283 for Title III-C-1, or congregate meals
- \$1,940,324 for Title III-C-2, or home delivered meals

#### **Legislation and Regulation Review**

EISEP regulations review. Our Association recognized a need to modernize regulations to provide flexibility for local program design. Our Association formed an EISEP Flexibility workgroup to review existing regulations and recommend changes to the New York State Office for the Aging. We commend Director Burgess and his staff for working with our Association to address several issues. This includes changing the expenditure limit for ancillary services from 10% to 33%, and reducing the in-home expenditure requirement from 50% to 33%. The Association also appreciates NYSOFA's continued efforts to implement the Consumer Directed In-home Services Option for EISEP and CSE funded EISEP-like in-home services.

HDM Legislation. We support legislation to expand HDM, such as A. 7152-B and S. 3340-C.

## General Recommendations

- Support flexible funding, such as CSE. The needs of seniors and the types of community and in-home supports vary geographically. Please consider increasing funding for the Community Services for the Elderly (CSE) Program. The program's flexibility makes it an effective vehicle to adapt to meet the needs of the growing senior population. CSE is used to fund home delivered meals, case management, homemaking/housekeeping/personal care, adult day care, information & assistance, and transportation. Funding has remained level at \$16 million for many years.
- Expand commitment to EISEP and SNAP. EISEP provides case management and in-home supports for the frailest seniors who represent the fastest growing cohort. EISEP base funding for this fiscal year is \$1.9 million less than two years ago. While SNAP has experienced an increase of \$4.2 million in the last two years, there's a growing demand for nutritious meals and related services to frail seniors at high nutritional risk.
- Continue the COLA for CSE, EISEP and SNAP. The COLA is extremely important in recruiting and retaining worker that provide aging services in the community.
- Health insurance information is critical. HIICAP (Health Insurance, Information and Counseling Program) provides information to seniors and caregivers regarding Medicare, Medicaid, managed care, EPIC, and other health insurance options and issues. Volunteers have historically been utilized as HIICAP counselors, but volunteers are resigning due to the major time commitment and complexity of the health insurance programs. Client contacts increased significantly from the end of SFY 2007 to 3/31/09, from 66,328 to 108,132. Yet the base federal allocation for most AAAs is \$15,000 plus a NYS allocation of \$13,818, not nearly enough to run a year-round program for an entire county. The \$1 million provided to AAAs two years ago has eroded to \$921,000. HIICAP cannot continue to operate effectively without additional funding.
- Restore transportation funds. The availability of transportation makes a difference in whether or not a senior receives a meal or can keep medical appointments. Funding has been reduced by more than 50% in the last two years, going from \$2 million to less than half that amount for this fiscal year, at \$921,000.
- Avoid across-the-board cuts and mid-year budget cuts. Instituting a percentage reduction for all programs removes the ability to re-align resources based on changing needs and program performance. Funding reductions for community-based services would have an immediate negative impact on seniors and would weaken the infrastructure of the aging network.

Thank you for the opportunity to testify regarding the impact of the economy on senior programs. We believe that investing state funds to maintain and expand community-based 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. These services are critical to older New Yorkers in order to remain safely and with dignity in their own homes.