



# Testimony on the 2018-19 Executive Budget Proposal: Human Services

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Provided by

LeadingAge New York

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## **Introduction**

On behalf of the membership of LeadingAge New York, thank you for the opportunity to submit testimony on the SFY 2018-19 Executive Budget Proposal. LeadingAge New York represents over 400 not-for-profit and public providers of aging services and senior housing, long-term and post-acute care, as well as provider-sponsored managed long term care plans.

New York is home to approximately 3 million residents age 65 and older, representing 15 percent of the population. By 2025, 18 percent of New York's population is projected to be age 65 or older, up from 14 percent in 2010. Both the number and percentage of older New Yorkers is expected to continue to rise over the next 20 years. This growth will drive a corresponding increase in the number of New Yorkers with cognitive and functional limitations who require long-term supports and services. However, by 2025, the availability of younger New Yorkers to care for seniors both informally and in the formal care delivery system will be at its lowest point in a decade and declining. In addition, with one-third of today's older New Yorkers living at or near the poverty level, it is reasonable to expect that a significant portion of our growing senior population will continue to rely heavily on public programs - principally the Medicaid program - to cover their service needs.

Faced with current and future demographic challenges and their anticipated impact on the State budget, New York must take action now. It must invest in lower cost long-term services, supports, and technologies that enable individuals to remain in their communities, and it must modernize regulations and provide funding to permit providers to address consumer preferences, optimize efficiencies, improve quality, and effectively deploy an increasingly scarce workforce.

We urge the State to continue its multi-agency effort to invest in and target the many positive social determinants of health that improve the lives of our aging and disabled populations. These long term services and supports prevent visits to the emergency room, unnecessary hospital admissions and readmissions, institutional based care, and they enable seniors and the disabled to remain living at home and in the community.

## **Senior Housing Resident Service Advisor Program**

We are extremely pleased with New York State's historic commitment of \$125 million in capital appropriations for the construction and rehabilitation of senior housing over the course of five years, and extend our gratitude to the Legislature for the role it played in securing this funding. Existing and newly-created development programs such as the "Senior Housing Program," designed by Homes and Community Renewal (HCR) to facilitate the disbursement of the \$125 million, provide an excellent opportunity to bring support services into affordable senior housing that can have a significant impact on seniors' ability to remain in their homes in an extremely cost-effective manner.

LeadingAge New York, along with a coalition of senior housing providers and associations, has called for the creation of the Senior Housing Resident Service Advisor Program to be administered by the Department of Health (DOH), and the addition of \$10 million to the State budget to fund service advisors in 140 senior housing properties around the state. We propose that grants of approximately \$70,000 per property be made available to congregate senior housing operators to work with seniors, and that those advisors specifically focus on linking residents to the services they need to remain healthy in their communities. As you know, the State bears much of the cost of Medicaid-funded nursing homes, which can range from \$30,000 to upwards of \$50,000 per year in State expenditures. If a service advisor can keep two people out of a nursing home for one year, the savings covers the cost of the grant. If a service advisor works in a building with 70 to 100 people and emphasizes health education,

wellness programming, more effective use of primary care, reduced use of emergency departments, and better management of chronic health conditions, the savings potential is enormous.

Evidence of these savings has been demonstrated in recent studies conducted in Oregon and New York. In 2016, the Center for Outcomes, Research & Education issued a report on a study conducted in Oregon that showed a decline in Medicaid costs by 16 percent one year after seniors moved into affordable housing with service advisors.<sup>1</sup> Their analysis included 1,625 individuals, 431 of whom lived in properties that serve older adults and individuals with disabilities. The statistic of 16 percent savings in Medicaid costs breaks down to a savings of \$84 per month for each individual in this subset, or \$434,000 over a 12-month period for the relatively low number of 431 individuals.

Additionally, a three-year research study that was recently conducted by Dr. Michael Gusmano of Rutgers University focused on the health care savings and utilization of Selfhelp residents living in Queens compared to older adults from the same zip codes based on New York State Medicaid claims data. Selfhelp's model for senior housing is affordable housing that is complemented by an array of services as requested by their residents. Among the key findings in this study is that the average Medicaid payment per person, per hospitalization for Selfhelp residents is \$1,778 versus \$5,715 for the comparison group. Additionally, the odds of Selfhelp residents being hospitalized were approximately 68 percent lower than for the comparison group, and the odds of visiting the emergency room were 53 percent lower than for the comparison. These findings have huge implications for health care savings if more affordable housing for seniors can be developed in conjunction with a successful Service Advisor model.

A strategic investment of \$10 million to be administered by DOH over five years is an extremely low-cost way to ensure that New York's growing senior population is being taken care of while also saving money for the State. The Service Advisor Program aligns directly with the goal of HCR's Senior Housing Plan to develop rental housing that has healthy aging programming that affords seniors with the option to age in their own homes and communities, and ultimately represents a modest investment that will improve seniors' quality of life, save Medicaid dollars, and help the State implement its ambitious Olmstead Plan to serve people in the least restrictive settings appropriate to their needs.

***Our recommendation: Invest \$10 million in this Senior Housing Resident Service Advisor Program***

### **Invest in and Support our Long Term Care Workforce**

The growing demographic and socioeconomic challenges New York faces are not just problems for the future. Today, seniors and their families are already experiencing the impact of long term care workforce shortages, lack of access to home care services (especially upstate), and financial pressures associated with the high cost of long term care.

Faced with current and future demographic challenges and their anticipated impact on the state budget, New York must take action now. It must invest in lower-cost long-term services, supports, and technologies that enable individuals to remain in their communities, and it must modernize regulations and provide funding to permit providers to address consumer

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

preferences, optimize efficiencies, improve quality, and effectively deploy an increasingly scarce workforce.

Currently, thousands of individuals are on waiting lists for home care due to a lack of access to aides, proper transportation, and adequate funding of Area Agencies on Aging and their subcontracted licensed home care providers. Formal health care delivery systems also lack a sufficient workforce to provide long term care required by the populations they serve. In both rural and urban communities, home health and personal care aides are seeking employment elsewhere due to less than sufficient wages and other barriers to providing care.

New York must ensure that it uses all the tools available to recruit and retain a stable workforce. Shortages in qualified staff have resulted in long waits for community-based services, increases in emergency room (ER) visits and hospitalizations, and reliance on overtime and staffing agencies. The growing population of seniors requires additional funding to meet the growing demand for this critical workforce.

***Our recommendation: Fund and incentivize the recruitment and retention of a robust LTC workforce.***

### **Invest in NORCs/NNORCs**

We'd like to thank the Legislature for its continuing support of Naturally Occurring Retirement Communities (NORCs) and Neighborhood NORCs (NNORCs). This program capitalizes on multi-age housing developments or neighborhoods not originally built for seniors but now home to a significant number of older persons. This growing support and services program maximizes and supports the successful aging in place of older residents. It offers preventive health and wellness activities, identifies major health risks among the elders they serve and develops programs to improve their NORC community's health status.

The NORC framework addresses key social determinants that support quality health outcomes and result in long term savings for the state. The density of older adults and their proximity to each other further fosters creative approaches to providing health and social services. N/NORC programs provide case management services; nursing services; recreational, social and cultural activities, and ancillary services tailored to meet the needs of each community. Programs actively encourage healthy aging by providing access to health care, promoting health and wellness activities, addressing disease prevention and responding to chronic health conditions.

LeadingAge NY supports additional funding for this successful program. The Governor's proposal includes \$4.055 million combined for the two N/NORC programs, but cuts the \$2 million added by the Legislature in the FY2018 Enacted Budget. Without this additional funding, existing N/NORCs will not be able to sustain programming or offer enhanced services. This lack of funding also prevents growth and expansion of the model to new areas in New York State, especially upstate regions, which could benefit immensely from this program but currently do not receive a proportionate share of the funding.

LeadingAge NY respectfully requests your support for the restoration of \$2 million and the investment of an additional \$1 million for N/NORC programs. These investments will help preserve the existing 29 NYSOFA-funded N/NORCs, and potentially allow for program expansion statewide.

In addition, we are concerned that investments made by the legislature are not a stable funding source for program contracts that are longer than one year. This poses challenges for expansion of the N/NORC program when NYSOFA releases a future RFA. We urge the Legislature and Governor to ensure funding is baselined into the out-years of the program

contracts to ensure that N/NORCs can continue to provide services and grow their programs to meet the needs of a rapidly aging population.

This is a successful cost-effective program and meets New Yorkers where they live, in their homes and communities.

***Our recommendation: Provide an additional \$3 million and establish baselined funding to ensure success and longevity of the program.***

### **Expand Investment in Community Services for the Elderly (CSE), EISEP and NY CONNECTS**

The proposed budget calls for \$29 million for the Community Services for the Elderly (CSE) program and continues the exemption for the county share relieving the burden on localities for this program. LeadingAge NY supports funding this vital program and urges the Governor and Legislature to include an additional \$24 million annually to serve the more than 16,000 older adults statewide who are on waiting lists for critical community based aging services. These waiting lists occur every year and are growing as a result of the demand generated by both an increasing aging population and the expansion and awareness of NY Connects. CSE helps New Yorkers maintain their autonomy and independence in their homes and communities and it supports caregivers who provide a majority of their care. Decreasing this funding is shortsighted considering the cost savings it generates.

NY Connects is a locally coordinated system of specialized information and assistance on long term services and supports which support New Yorkers over 60 and their caregivers in providing information and assistance, advocacy and education. Supportive services in our communities do not work without this connective tissue. The Executive Budget provides \$44.5 million to support the sustainability of NY Connects, yet this two year allocation effectively cuts the program by \$15 million. LeadingAge NY urges the Governor and Legislature to restore this to full funding.

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

***Our recommendations: Fund these expanded services for seniors at the recommended levels.***

## Conclusion

Facing a rising population of seniors with high rates of chronic disease and disability, New York must develop and invest in strategies to optimize their health and independence within the constraints of available workforce, funding, technology, and service capacity. The budget recommendations outlined above provide a cost-effective policy structure to enable New York's growing elderly population to access services in the most integrated settings appropriate to their needs, thereby providing them with better care at a lower cost and improving their overall health.

Thank you for the opportunity to provide this testimony. We look forward to working with you to expand our state's capacity to serve its seniors. For questions or concerns, please feel free to contact the LeadingAge New York Advocacy and Public Policy staff at 518-867-8383.

*Founded in 1961, LeadingAge New York is the only statewide organization representing the entire continuum of not-for-profit, mission-driven and public continuing care including home and community-based services, adult day health care, nursing homes, senior housing, continuing care retirement communities, adult care facilities, assisted living programs and Managed Long Term Care plans. LeadingAge New York's 400-plus members serve an estimated 500,000 New Yorkers of all ages annually.*