



Association on Aging in New York

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Good morning distinguished members of the Senate and Assembly standing committees, my name is Rebecca Preve and I am the Executive Director for the Association on Aging in NY. I appreciate the opportunity to submit written testimony on the topic of aging services, and the homecare workforce crisis in New York State.

The Association on Aging NY is a not for profit membership organization that is tasked with supporting, and enhancing the capacity of New York's county-based Area Agencies on Aging, and works in collaboration with a network of almost 1,200 aging service providers to promote independence, preserve dignity, and advocate on the behalf of aging New Yorkers and their families. In New York State there are 59 county-based Area Agencies on Aging, whom work daily to provide services and supports to older residents and their families.

The mission of the Area Agencies on Aging is shared with New York State Office for the Aging: to assist older New Yorkers and their families to live autonomous and fulfilling lives. We provide a myriad of programs, services and supports to individuals 60 years of age and older, their families, friends, and natural supports to achieve this mission. These include home delivered and congregate meals, case management, personal care services to assist with bathing, toileting, dressing, shopping, meal preparation, legal services, personal emergency response systems, health insurance information and counseling, respite, social adult day services, information and assistance services, nutrition education and counseling, health promotion and wellness, evidenced based interventions, home modifications, transportation, caregiver supports, benefits and application assistance and access to long term services and supports through the NY Connects no wrong door systems reforms.

The older population is the basis for a strong economy in New York State, and in the country. Older residents have a tremendous amount of capital, and contribute significant income to the state. According to the 50+ Longevity Economy, the overall contribution of the 50 plus population economic and unpaid activities was worth more than \$9 trillion in 2018, and will triple to \$28.2 trillion by 2050. In New York, the over 60 population will rise from 3.6 million in 2015 to 5.6 million in 2040, and keeping these individuals in NYS is paramount to our economic success. Individuals over the age of 45 currently generate \$379 billion per year, 63% of all income in the state. The value of the volunteer contribution is over \$13 billion, and the 4.1 million unpaid caregivers are worth \$32 billion dollars per year. This data makes it abundantly clear that NYS must make it a priority to make NY a place where individuals remain as they age. The return on investment, by ensuring we provide appropriate care and support, makes sense from an economic standpoint, and our network provides that assistance.

The structure of the network of aging professionals via the Older Americans Act and NYS statute is structurally designed to assure strong community connections with community based organizations from a variety of systems, county governments, health and long term care systems, law enforcement, the courts and others to represent and advocate for older adults holistically. Our strengths as a network are helping individuals and families first and foremost, but we are also an important part of meeting state goals and priorities including becoming the healthiest state in the country, delivering on the Triple Aim, meeting the *Olmstead* Plan priorities, reducing future Medicaid costs, reducing preventable hospital readmissions and improving the overall well-being of our older population. Our network strengths include:

- Having an established infrastructure/network with experience serving vulnerable populations
- Knowledge of community based provider networks and the ability to access them
- Experience with hospital transitions and evidence based programs

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- Cultural and linguistic competence
- Knowledge of community they serve and their varied needs
- Established relationships and trust
- Being nimble and ability to provide services and supports in the home
- Serving clients for life, not episode focused
- Having a holistic approach to support individuals in their homes
- Serving individuals across all care settings
- Acting as the eyes and ears of medical professionals in the home
- Provide one door for many services to support individuals in their homes
- Able to improve the health of the community/people at an incredible value
- Not insurance or product driven

The services and supports that are provided through the Office's for the Aging and their network of almost 1,200 community partners improve overall health and save the state money by reducing higher cost services. The type of customer that is served through the aging networks coordinated array of core services and supports are high need individuals who are at risk of Medicaid spend-down and nursing home placement. The typical customers who receive core services are women in their early 80's, who are low-income and live alone, have substantial functional limitations and 4 or more chronic conditions. These are individuals who need a little support to remain independent. One of the primary supports provided to this population helps them with their personal hygiene, bathing, dressing, eating, toileting, transferring, shopping and preparing meals, house cleaning, transportation, doing laundry, self-administering medication and handling personal business. Most of these individuals (60-70%) have four or more chronic conditions such as arthritis, diabetes, high blood pressure, heart disease, osteoporosis and visual impairments.

Our network is able to serve them at a fraction of the cost of Medicaid funded services because we are able to intervene earlier, we do not require a physician's note to access services using a high cost medical model, and because we provide holistic care in a person centered way by coordinated services that we oversee and work with other systems if additional supports are needed. Further, the services we provide don't require an individual to impoverish themselves and spend all their assets, effectively diminishing their positive impact on the local and state economy. Our offices engage four general areas, including:

1. Healthy and active older adults who provide a tremendous amount of service through volunteerism. Our programs could not serve nearly the level of people we do without these individual's commitment to those who are more in need.
2. Older adults with small needs or information and assistance needs who can benefit from knowing what benefits they are able to access, what Medicare and insurance plans are best for them, managing their chronic conditions through our evidenced based program offerings, or other programming through our senior/adult centers which help to keep them active and engaged in their community.
3. At risk frail older adults that have extensive chronic conditions and functional impairments whom with a little support are able to avoid Medicaid spend-down and nursing home placement via a coordinates array of supports and case management, thereby maintaining their autonomy and reducing reliance on Medicaid funded care, and
4. Caregiver supports and respite.

This engagement of healthy older adults, down to those most at risk, are what the aging network in New York is all about. Clients that are served via our more intensive programs are comprehensively screened

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across numerous categories to identify any and all needs that they may have, and focus on their strengths and assets and how to leverage those strengths, as well as community partnerships, to provide services in a person centered approach, all while ensuring individuals are able to remain in the least restrictive setting, also providing savings to a costly health care system. Our network is one of the few that can, and does address the social determinates of health, preventing inappropriate utilization of skilled nursing facilities and emergency departments, and preventing spend down to Medicaid. Social determinates of health (individual behaviors and social and environmental factors) are responsible for 60% or more of all health care expenditures, yet interventions to address them comprise only 3% of national health expenditures, with 97% going to medical services. While health care will always be important, the heavy lift to assure that care plans and post-discharge services and supports are in place are the responsibility of our network. We are a central part of the success, or failure of the health care industry and the personal success of individuals and families.

Investing in aging services is a sound investment that has unequivocally proven to reduce future Medicaid costs by reducing unnecessary nursing home admissions and spend-down to community Medicaid/MLTC.

After reviewing more than 2,000 individual case files in the Fall of 2019 of those older adults who were awaiting services but were not receiving them from 2017-2019, 10% of those waiting but not receiving services went directly to a skilled nursing facility and 6% went to community Medicaid/MLTC. Because these individuals are low-income, have a myriad of functional limitations and multiple chronic conditions, they would spend-down to Medicaid almost immediately, costing the state hundreds of millions of dollars. For example, if there were 11,000 individuals on a waiting list and 10% went directly to a nursing home while awaiting services, 1,100 people would have gone to a facility. Taking the statewide average cost of \$150,000 annually, that would have cost \$165 million in total, or \$82.5 million in state share. The typical client we serve can be maintained in their homes and communities at a statewide average of about \$6,300 annually.

I would like to highlight not only the importance of the work that our network provides, but also some of the areas that need to be addressed in order to ensure New York State can continue to allow older residents to safely age in place.

As highlighted, services provided by the aging network are vitally important to the health and wellbeing of the rapidly aging population, and our ability to serve them is only hindered by our budgets. Funding for many of our core services, in real terms, has remained virtually stagnant for years. Our personal care program specifically impacts individuals that qualify for nursing home placement and wish to remain in the community. This is a huge savings to the Medicaid system, and these individuals receive limited services due to our funding levels. Looking at data that is collected via our network, it is easy to see why an increase results in a cost savings to the state. For example, the highest risk factors for nursing home placement include having 3 ADL, and 3 IADL deficits, and 3 or more chronic conditions. The network is only able to provide slightly over one hour of case management per month, and less than 5 hours of hands on care per week. An increase in our ability to provide a higher level of service to these customers will absolutely result in more individuals being maintained in the community, and to remain off Medicaid.

I cannot stress enough how aging service providers are providing a significant cost savings to the Medicaid system but do not receive the attention or stature that they deserve. The clients being serviced via aging services are complex, and at high risk. The local Offices for the Aging and their partners are

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able to provide quality services and supports to older individuals and their network of caregivers, at a much lower cost than the medical model and it does so looking at the entire person. Investments in aging services are vitally important to the economic security of the state, and they need to be a priority rather than an afterthought. On behalf of the 59 AAAs and our more than 1,200 community based partners, we ask that the Legislature continue to invest in our network and incentivize the network through proactive policy and statutory changes. Additionally, it is paramount for our infrastructure to be able to ensure a robust home care workforce to provide in home services for the aging population. These services are focused on Medicaid spend down prevention, and utilize the same network of providers that provide Medicaid home care services.

Across NYS there is a paralyzing of a lack of home health aides to provide in home services on behalf of our clients. Without a strong home care workforce, we will be unable to care for individuals in their own homes, forcing them into higher levels of care and to Medicaid. The continued focus to reduce emergency department visits, keep people out of the hospital, and on decreasing nursing home beds will be impossible without a sufficient, stable and sustainable workforce. It is a daily occurrence in our network for a client that has been assessed, and authorized care, not to receive their service based on the lack of a home health aide. Additionally, there are numerous instances in which a client was not able to discharge from an acute care facility as no hours could be filled on their behalf. There are many reasons why immediate attention is necessary to address the lack of direct care workers, especially to the older population in NYS.

NYS has a rapidly aging population, the number of NYers aged 65 and over grew 26% compared to an overall population that grew 3%. According to Cornell Program on Applied demographics, NYS will grow by 1.3% by 2040, however, the population of individuals over 80 will grow by 42.2%. The need to provide services in the home will continue to grow, and 70% of older individuals will need home care during some point in their lives. Long term care is extremely expensive, and many individuals that cannot afford home care are forced into institutional settings. This issue has been a focus of media attention since the 1980's, and continued changes to Medicare and the long-term care systems continues to focus on aging in place. However, it is not possible to age in place, without long term services and supports being tangible in the community. According to PHI, between 2016-2026 there will be over 750,000 employment openings for home health and personal care aides in NYS. This does not include the significant turnover rate; demanding home care agencies recruit over 70,000 workers to replace aides that leave the workforce. Unfortunately, the average annual salary for a direct care worker is below \$20,000 per year. This forces many direct care professionals to depend on government subsidies, and remain in poverty. Additionally, aides are required in many areas of the state to have reliable transportation, are not reimbursed for time on the road, and are faced with rapidly changing work schedules. These statistics are startling, as we know we are already faced with 85% of licensed home care agencies indicating worsening staff shortages as of 2020. To highlight the severity of the issue, and the overwhelming economic benefit of raising home care workers wages, two studies were completed, that evaluated the economic benefits to the state of ensuring workers are not dependent on governmentally funded safety net programs, and the economic boost provided in the community via goods and services purchased when a living wage is provided. Below are excerpts from both studies:

“One notable area of savings is through the decreased utilization of social safety net programs such as Medicaid and the Supplemental Nutrition Assistance Program (SNAP). As these programs are means-tested, any home health care workers who are paid a living wage will likely transition away from the program due to the increase in wages. Annual savings in money spent on Medicaid and SNAP programs are projected to be \$582 million, \$622

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million and \$665 million if the government increased the annual income of home healthcare workers to \$25,000, \$30,000, and \$35,000 respectively."

VerValin, et al. *Impact of Increasing Wages For Home Health Care Workers in New York State*. 2018; Cornell University, College of Human Ecology.

CUNY completed a study in 2020 looking at raising wages for home care workers in targeted wage brackets. Target 1 would raise yearly wages to \$40,000 in NYC, 35,000 for Long Island and Westchester, and 30,000 for the rest of state. Target 2 wages would be \$50,000, \$45,000 and \$40,000 respectfully.

The combined value of new savings, tax revenues, and economic spillover effects resulting from improved compensation would far exceed the cost of raising home care wages. The cost for Target 1 wages would be \$4 billion, and the cost for Target 2 would be \$6.3 Billion. However, the combined value of new savings, tax revenues, and economic spillover would far exceed these costs. The estimated total economic benefit is \$7.6 Billion, and \$12.9 billion for Targets 1 and 2.

These savings would be distributed across local, state and federal programs, with a NET gain of \$3.7 Billion for Target 1, and \$6.6 Billion for Target 2.

Carolus, et al. *The Case for Public investment in Higher Pay for New York State Home Care Workers*, 2020. 2021; City University of New York, School of Labor and Urban Studies and City University of New York, The Graduate Center.

On behalf of the aging services providers across NYS, I implore the legislature to take actions to address this crisis, as not having a workforce to support the rapidly aging population will have significant impact on the state budget, including the massive cost of skilled nursing facility placements. It is time to take a proactive approach to an issue that has been decades in the making. Addressing this issue is not only the most respectful person-centered approach, it is also the fiscally responsible action to take on behalf of NYS. Lastly, it is long overdue to incentivize a workforce that is responsible for loving, and caring for, our most vulnerable.