

TESTIMONY BEFORE
THE OHIO HOUSE OF REPRESENTATIVES
FINANCE & APPROPRIATIONS COMMITTEE
HEALTH AND HUMAN SERVICES SUBCOMMITTEE

Thursday, March 7, 2013
Statehouse, Room 313

OHIO ASSOCIATION OF AREA AGENCIES ON AGING

Presented by
Cindy Farson
Director
Central Ohio Area Agency on Aging

Chairwoman Gonzales and members of the Subcommittee, thank you for giving me the opportunity to testify today. My name is Cindy Farson and I am a member of the Board of Directors of the Ohio Association of Area Agencies on Aging (*o4a*) and Director of the Central Ohio Area Agency on Aging.

I am here today to testify on behalf of the Area Agencies on Aging to explain the key role we play in ensuring seniors receive the services they need to be able to stay in their homes and communities. Our Association represents the twelve regionally-based Area Agencies on Aging in Ohio that fund, plan, and coordinate services for, as well as advocate for, older adults and their families throughout Ohio. The Area Agencies on Aging were established under the federal Older Americans Act in 1973 to serve as the “on the ground” organizations charged with assisting older persons to live with independence and dignity in their homes and communities. The Area Agencies on Aging administer and provide case management for the PASSPORT, Assisted Living, and Choices waiver programs and a variety of county levy programs.

The Area Agencies on Aging have over 40 years of experience serving our communities, and over 30 years operating the PASSPORT program. We serve all 88 counties through 12 regional agencies. Our agencies provide a wide array of services including comprehensive screening/assessment, care planning, negotiation of services, care coordination, ongoing reassessment of needs, and quality management and monitoring.

Serving consumers... saving Medicaid

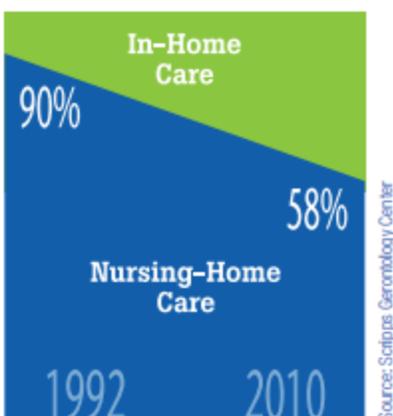


A small amount of services helps most seniors remain independent and off Medicaid rolls.

Most importantly, we are the front door to long-term care solutions. The Area Agencies on Aging answer 300,000 requests for information and referrals annually, and experienced screeners and assessors evaluate individual and family needs and link older adults to cost-effective in-home and community-based programs where they live.

Our impact is significant. An independent evaluation in 2011 showed a 99.3% approval rating among consumers. This high level of satisfaction is important because people strongly prefer to stay at home, even when their functional needs qualify them for nursing homes.

The Area Agencies on Aging are cost-effective. Since the inception of PASSPORT, the rate of people receiving nursing facility care compared to in-home care has decreased from more than

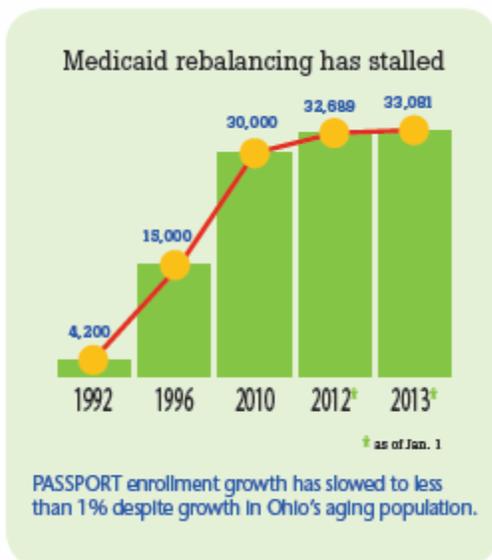


Since PASSPORT in-home care began, the rate of people receiving nursing-home care compared to in-home care has dropped from more than 90% to 58%.

90% to 58%. The savings add up: it costs the state \$20,000 annually for in-home care, compared to \$60,000 for nursing facility care. Over a 12 year period, the use of Medicaid-funded nursing homes by Ohioans age 60 and older dropped by 14.5%, despite a 15% increase in the aging population.

We are cost-effective in large part because we provide the less costly home and community-based care options that most people prefer, we connect people to community resources that can delay enrollment in Medicaid, and we transition long-time nursing home residents back to the community. We are on the ground in our communities, tapping into partnerships with hospitals, hospice programs, subsidized housing, food banks and homeless shelters, to name a few. We are constantly building new partnerships and resources to meet changing needs and funding realities, utilizing volunteers and soliciting community donations for many of our programs. In many instances, these partnerships enhance public resources that are available including waiver services, thus lowering their cost to the state, and enhancing their effectiveness for consumers.

A few weeks ago, Director Moody testified before the House Finance Committee that the Governor and Office of Health Transformation are committed to rebalancing long term care by prioritizing home and community based services. Yet the proposed budget includes only a fractional increase in PASSPORT operational funding: less than ½ % in 2014 and less than 1% in 2015. Two years ago, funding was cut for PASSPORT operations by 10%, or \$3.6 million. In part because of the funding cut, new enrollment has slowed to a trickle - less than 1% since the



last budget was passed. We have had to make cuts by laying off people, most notably screeners and assessors who are the front door to services that keep seniors in their homes and communities. The small increases proposed in this budget are not nearly enough to restore the staffing necessary to meet the needs of Ohio's seniors and achieve the

goals set forth by the Governor. Unless we have the funds to rehire skilled front door personnel, Ohio risks returning to expensive institutional care in nursing homes and hospitals.

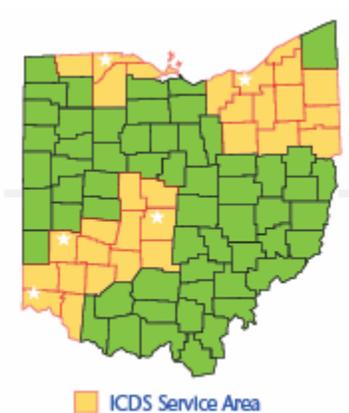
Restoration of funding is critical, but flexibility is also important. The previous budget limited the flexibility of Area Agencies on Aging to manage their budgets to enable more funds to be shifted to screening, assessment and provider relations. Consequently, money is left in one fund that could have been available for screening and assessment to help people remain in their homes. We need the flexibility in funding to be able to provide cost-effective, quality services.

New enrollment has also been affected by care plan ceilings. The previous budget reduced the amount that Area Agencies on Aging can spend on an individual's care plan. Care plans averaged \$1147 in fiscal year 2012 and currently average \$1060 for fiscal year 2013. Care plans are authorized by care managers to ensure that Ohio's seniors get the right care at the right time in the right setting. Lower care plan ceilings cause a reduction in care, and have lowered the quality of life for many seniors and cut the lifeline for caregivers trying to keep their loved ones out of nursing homes.

The previous budget also cut PASSPORT providers by 3%. This results in fewer quality providers to serve Ohio's elderly population. Providers who have earned a Medicaid-Medicare certification get a higher Medicaid reimbursement rate than PASSPORT's and thus many of them choose not to provide the PASSPORT service. We appreciate the administration's recommendation to increase adult day services in PASSPORT and Assisted Living rates but

believe other provider rates need to be restored to ensure that all seniors receive quality services without delay.

The Area Agencies on Aging are active participants in Ohio's transformation of the long-term care system. The Integrated Care Delivery System (ICDS) is a new pilot program starting in September for people on both Medicare and Medicaid that will be operated by managed care organizations in 29 counties. ICDS plans will be responsible for conducting a comprehensive assessment of Medicare-Medicaid enrollees' medical and behavioral health, long-term services and supports, and social needs. The project builds on the longstanding role of the Area Agencies on Aging in Ohio's existing Medicaid waivers by including the AAAs as the waiver coordinators of people over 60 who need nursing home level of care services. The AAAs have been meeting with the managed care plans and are committed to the success of the ICDS.



The ICDS will offer an array of new home care services.

Unfortunately the 29 pilot counties are predominately urban and suburban counties. Seniors who live in rural communities will not be able to access these new life-enhancing services but will only have access to traditional PASSPORT services. We are enthusiastic about our new partnership with the state, but we are also concerned that by creating a disparity in how seniors are cared for inside and outside

the ICDS, the state could be creating two separate but unequal long term care systems – one for elderly and disabled persons in poor communities and a better one for those “fortunate” to live in metropolitan areas.

The Ohio Association of Area Agencies on Aging is part of Advocates for Ohio's Future, a statewide coalition of over 400 organizations that works to strengthen families and communities by ensuring that our state budget maintains investments in vital public services, including health, human services, and early care and education. As a member of Advocates for Ohio's Future, we support Governor Kasich's proposal to expand Medicaid eligibility and remove barriers to health for currently uninsured Ohioans. Expanding the safety net will provide access to care for people 45-64 who have lost insurance coverage along with their jobs or who work in low-wage occupations with no insurance benefits. Insurance coverage encourages appropriate use of health care resources, reduces costly emergency-room care, and helps people manage chronic diseases. Improving health care will improve Ohioans' opportunity to stay independent in their homes and communities.

We also support the proposal to modernize the Board of Examiners of Nursing Home Administrators by moving it into the Ohio Department of Aging and expanding its scope and authority to more accurately reflect the rebalancing of long term care services and supports in Ohio.

Lastly, I would like to state our support for increasing funding for Adult Protective Services. County departments of job and family services are mandated by law to investigate and intervene in suspected cases of adult abuse, neglect or exploitation, but are severely underfunded. Thirty-nine counties lack a full time adult protective services worker. In HB 49, Attorney General Mike Dewine's Elder Abuse Commission is recommending a number of much needed changes to the law to strengthen the requirements for adult protective services and increase

responsibilities; however, county budgets are strapped and there are no additional resources for them to carry out those responsibilities.

In conclusion, thank you again for giving me the opportunity to testify today on behalf of the Area Agencies on Aging. Please continue your efforts to provide cost-effective choices for older Ohioans who need long term care and to contain Medicaid costs for all Ohio taxpayers. We urge you to restore \$3.6 million for PASSPORT screening and assessment, assure funds for individual care plans that support nursing home transition and diversion, and restore the 3% increase for home care provider rates.