



You
think
you
know us.

think again

Area Agencies on Aging: Ohio's Medicaid Savings Solution

- **Privately managed network**
- **30 years of Medicaid savings**
- **Home and community care experts**



Advocacy. Action. Answers on Aging.

You know us through PASSPORT, the program for in-home and community care. But that's only a part of what we do to benefit older adults needing long-term care services and the taxpayers who fund them.

300,000
Contacts



Only 9,000
PASSPORT enrollees

Area Agencies on Aging network is Ohio's privatized system for long-term care

Some policymakers want to privatize long-term care through managed care companies. There is no need for that in Ohio, since 10 out of 12 Area Agencies on Aging are private, not-for-profit corporations.*

Area Agencies on Aging practice a care management model that offers quality services, while containing costs. We have 30 years' experience managing the long-term care needs of thousands of older adults each year.

Employees of Area Agencies on Aging are not state workers with costly benefits and pensions, and 100% live in the communities they serve.

We put the brakes on Medicaid spending

Ohio's Medicaid system will have to absorb 1.2 million currently uninsured children and adults who will be eligible for public coverage in 2014. The size of Ohio's population with severe disability will increase 13% during the next 13 years, further draining the state budget that is already in freefall.

At times like these, policymakers need to support established organizations that not only do a great job delivering services, but also save the state money, like Area Agencies on Aging. We are part of the solution to Ohio's escalating Medicaid costs.

Serving consumers ... saving Medicaid

Area Agencies on Aging are the "front door" to information and services that promote the wellbeing of older adults and their families. Our specialists evaluate individual and family

needs and link older adults to cost-effective in-home care and community programs. **Our impact is significant: since the inception of PASSPORT in 1992, the rate of people receiving nursing-facility care compared to in-home care has decreased from more than 90% to 58%. With your help, we look forward to doing even more to rein in Medicaid costs.**

We are expert at directing older adults to non-Medicaid services. Only 9,000 of the 300,000 people who contacted their Area Agency on Aging last year – just 3% – entered Medicaid-funded PASSPORT for nursing-facility level services that are provided at home. In fact, more than half of Ohioans who call us merely need a simple referral to a local program like a senior center or Meals on Wheels. Even elderly persons with serious chronic diseases like diabetes can be effectively treated at home and avoid costly and undesirable stays in institutions.

The savings add up: it costs the state \$20,000 annually for in-home care, compared to \$60,000 for nursing facility care.

Area Agencies on Aging help family members coordinate home care. This service not only allows daughters and sons to stay in the workforce and be tax producers, it also reduces the number of older adults who would be forced to enroll in Medicaid.

Consumer choice cuts costs

94% of Ohio consumers of long-term care services prefer home and community care over nursing facilities. But they don't always

\$60,000



\$20,000



Annual cost to Ohio per person

* 10 are not-for-profit, two are public.

get their choice. Older adults face barriers, including wait lists for home and community services, a medical establishment that makes it easy to assign a person to a nursing facility, and a confusing system that baffles the savviest consumers.

Ohio's current long-term care system forces people to enter nursing facilities where they don't want to be and pays their health care providers three times what the services could cost in the community.

We understand that policy makers may be concerned that consumer choice equates to higher costs. For instance, if you asked the average consumer to choose a car knowing that the government is paying for it, he would likely pick the car loaded with extras and carrying a hefty sticker price. Because older adults prefer in-home care, if allowed to choose between a nursing facility and home care, they pick the lower-cost option that saves the state millions a year. And, they are happy with their choices: 95% give Area Agencies on Aging high marks for consumer satisfaction ratings.



The aging network benefits Ohio

Continued shift from nursing facility to in-home and community care
(from 58%/42% to 50%/50%)

\$500 Million

Local levy support \$272 Million

Total benefit to Ohio \$772 Million**

\$750 Million
in savings over
3 Years



Correcting the balance

Ageing is a fact of life, not a disease

Area Agencies on Aging are adept at assisting consumers with the aging process and holding down costs simultaneously. We think of aging as a process, with some people moving along a continuum from independence to needing personal care and medical management to intense services as their medical conditions worsen. As these older adults' needs increase, we help them navigate and choose wisely the continuum of services that keep them in the community as healthy as possible for as long as possible. When people need intense services that culminate in a nursing facility or hospital ICU, costs are greatest. Last year, Medicare paid \$55 billion just for doctor and hospital bills during the last two months of patients' lives.

Our not-for-profit advantage

The state benefits in many ways from our private, not-for-profit organizations. As not-for-profits, we don't have to chase lucrative market areas at the sacrifice of service; Area Agencies on Aging serve all 88 counties so that older adults receive quality care whether they live in an urban county with an abundance of health care services or in a rural county with fewer resources. In addition, our not-for-profit status enables us to obtain grants and work with charities to leverage long-term care dollars. Moreover, **the savings from Area Agencies on Aging services go right back to the state to help more Ohioans.**

Area Agencies on Aging receive strong local support. 70 counties supplement funding for Ohio's aging network by operating senior levies, reducing the state's expenditure burden by more than \$136 million statewide each year.

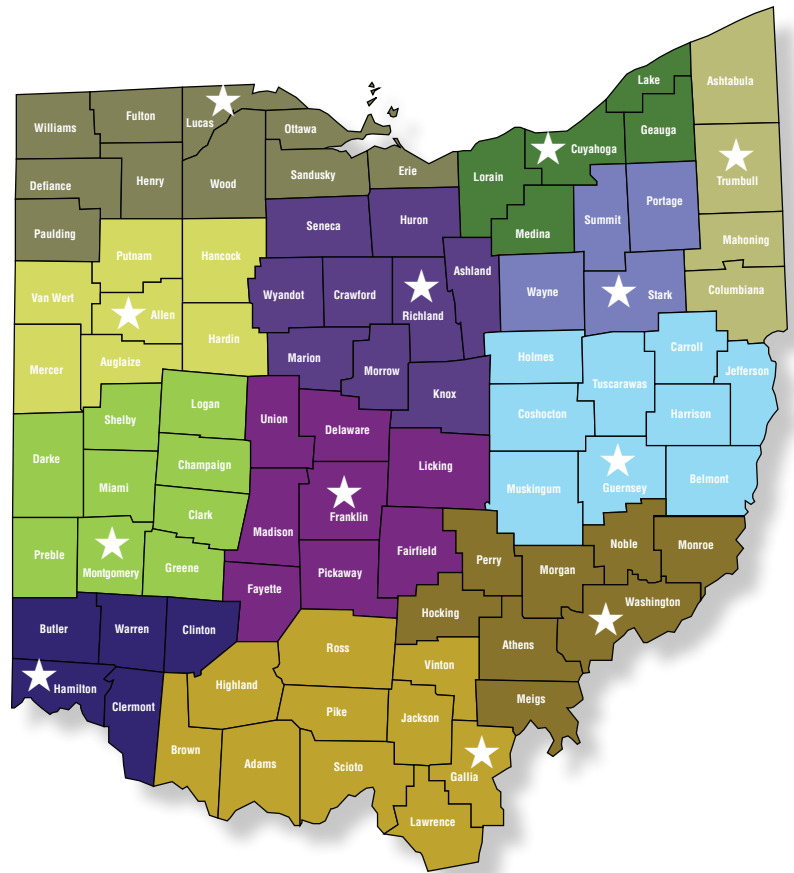
** Savings over the next biennium. Source: Ohio Department of Aging.

Let Area Agencies on Aging finish the job you asked us to do!

In 2008, legislators moved Ohio one step closer to containing the growth in Medicaid expenses when they created the Unified Long-Term Care System. The unified system would effectively put nursing home dollars and in-home care and community dollars into one bucket that can be used flexibly and maximizes consumer choice.

In 2009, The Ohio Business Roundtable's McKinsey study estimated that Ohio over time could save \$900 million per year, if the state reached the national ratio of expenses between nursing facility care and home and community services. Currently, 58% of Medicaid long-term care consumers are served in nursing facilities and 42% are served at home or in the community. **If the balance were evened to 50-50, Ohio could save \$750 million over the next three years!**

With the help of Area Agencies on Aging and support from state legislators, Ohio is making progress, but more action is needed to save Ohio from costly long-term care expenditures.



Area Agencies on Aging urge legislators to strengthen the partnership with the aging network that saves Ohio money!

Area Agencies on Aging:

- Uniform access to care throughout Ohio
- Medicaid cost savings
- Consumer satisfaction

Give Area Agencies on Aging the tools to succeed

Ohio can provide better care for those in need and shift the balance toward cost-effective service by:

- 1. Expanding the role of Long-Term Care Consultants** who work with hospital discharge planners to place older adults in home and community-based services and divert them from costly nursing facilities.
- 2. Permanently ending caps on enrollment in PASSPORT** and other home and community services.
- 3. Putting all long-term care expenses from both nursing facilities and waiver programs into one line item** so that funding follows people no matter where they receive care.



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