

# Ohio's Medicaid Savings Solution



Advocacy. Action. Answers on Aging.

## Preserve Area Agencies on Aging's Advantages in Ohio's Health Care System

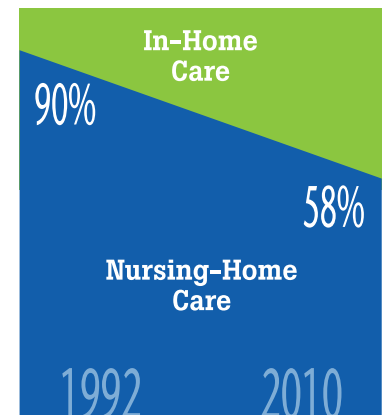
For more than 30 years, Area Agencies on Aging have helped frail older adults remain in their homes and saved millions of dollars for taxpayers. As experts on aging with deep community connections, we are the perfect partners for organizations seeking to manage medical care delivery in Ohio. Our statewide care management network, experience with long-term care, proven track record, and access to community resources are unmatched.

### Future cost savings hang in the balance

Ohio's Area Agencies on Aging welcome the opportunity to partner with a managed care entity to integrate long-term care programs into a system that includes medical care. We believe it is in the best interests of Ohio taxpayers and disabled adults for the state's new health care system to include Area Agencies on Aging that have effectively served their communities for more than 30 years and have been the driving force behind long-term care reform.

In a study crediting the effectiveness of Ohio's AAA network, the Scripps Gerontology Center reported that the use of Medicaid-funded nursing homes by Ohioans age 60 and older dropped by 14.5 percent over the past 12 years, despite a 15 percent increase in the older population. In terms of cost savings, Ohio spent \$121 million **less** on long-term care in 2009 than in 1997, despite the growth in population.

*Without AAAs in its new long-term care system, Ohio may reverse years of success in keeping people off Medicaid and jeopardize cost savings well into the future.*



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%.

### Area Agencies on Aging postpone Medicaid eligibility

Area Agencies on Aging are the "go-to" centers for trustworthy, unbiased information and referrals for older adults and their caregivers. When people turn to us for in-home and community supports, they are able to postpone or prevent costly Medicaid-funded nursing home placement or hospital admission.

Managed care companies coordinate medical care, but they lack experience managing long-term care services and supports that consumers need every day, such as help with bathing, dressing and toileting. Yet these essential services, coordinated by AAAs, allow older adults to remain independent in the lowest-cost setting – their homes. Without Area Agencies on Aging, more Ohioans will turn to care in nursing homes or hospitals – at greater taxpayer expense.

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**\$121,000,000**  
**less**  
on long-term care  
in 2009 than in 1997

Source: Scripps Gerontology Center

### Area Agencies on Aging: managing person-centered care in lowest-cost settings

The strength of Area Agencies on Aging comes from our experience in leveraging every available resource to provide the care older adults and their caregivers need to remain independent. We're on the ground in our communities, tapping into local resources, supporting families in caring for their own, and establishing innovative partnerships with service providers. Given that Ohio's population of adults age 60+ will reach 4 million by 2040, our care-management expertise is imperative to the state's cost-containment strategies.

Our latest innovation shows great promise in diverting individuals from nursing homes and returning long-time nursing home residents to the community. Preliminary research by the Scripps Gerontology Center shows that after six months, about two-thirds of individuals identified for diversion from nursing homes remained in the community, and 53 percent of targeted nursing home residents returned home or to assisted living. At one-third the cost of nursing homes, independent living rapidly racks up savings. One frail senior saves the state an average of \$3,000 for every month he or she uses in-home services instead of Medicaid-funded nursing home care.



Source: Ohio's Area Agencies on Aging

Area Agencies on Aging are expert at diverting older adults from Medicaid-funded services.

Of the 300,000 people who contacted their Area Agency on Aging last year, only 3% enrolled in Medicaid-funded in-home care.

### Keeping the front door open for Ohio's seniors

Area Agencies on Aging have become the focal point for assistance that older adults depend on to live independent lives at home and in the community. Without Area Agencies on Aging to make referrals to cost-effective community services, divert seniors from nursing homes, and return nursing home residents to the community, more people will enter the Medicaid system, thereby reducing the cost benefits of health system reform.

**We urge policy makers to ensure that Area Agencies on Aging will be strong partners in a new integrated health care system, to maximize Medicaid cost savings and improve Ohioans' quality of life.**

### Ohio's Area Agencies on Aging: an asset to keep and grow

Ohio is better off with its Area Agencies on Aging than without them. Besides saving money, AAAs bring value that managed care entities cannot match.

- **Home visits.** Through face-to-face assessments and care management, AAA staff gain accurate accounts of health status and can prevent or delay moves to high-cost care settings. For the frail elderly and other disabled individuals, in-person contact is typically the most effective method for containing care costs.
- **Community roots.** Managed care companies gravitate toward urban areas where health care services are concentrated and easier to coordinate. In contrast, AAAs reach into all 88 counties. They are part of a community's fabric, well-trusted, and provide superior service in urban and rural areas, often developing and nurturing providers in underserved regions.
- **Leveraging local dollars.** In 72 Ohio counties, voters have long supported tax levies that expand services to older adults. Bringing in more than \$136 million statewide every year, these ballot issues augment limited state and federal funds needed for our aging population. If they believe managed care companies are taking over long-term care, communities are less likely to raise local revenue for services such as in-home care, and Ohio will lose out.



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Larke Recchie, Executive Director  
 88 E. Broad St., Suite 870  
 Columbus, OH 43215  
 614-481-3511  
[www.ohioaging.org](http://www.ohioaging.org)