TESTIMONY BEFORE THE OHIO SENATE FINANCE COMMITTEE MEDICAID SUBCOMMITTEE

Wednesday, May 1, 2013

OHIO ASSOCIATION OF AREA AGENCIES ON AGING

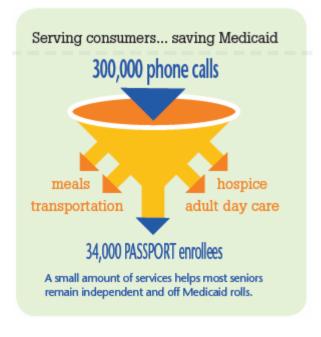
Presented by
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and

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Chairman Burke and members of the Subcommittee, thank you for giving me the opportunity to testify today. My name is Duana Patton and I am the Advocacy Chair for the Board of Directors of the Ohio Association of Area Agencies on Aging (*o4a*) and Director of the Ohio District 5 Area Agency on Aging, Inc. which serves the north central Ohio region. With me today is Suzanne Burke, Director of the Council on Aging of Southwestern Ohio, and she is also on the Board of Directors for the Ohio Association of Area Agencies on Aging.

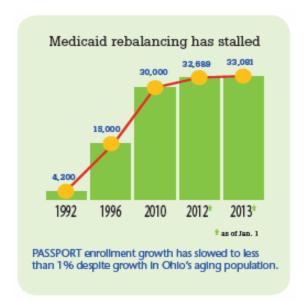
Our Association represents the twelve regionally-based Area Agencies on Aging in Ohio that fund, plan, and coordinate services for, as well as advocate for, older adults and their families throughout Ohio. The Area Agencies on Aging administer and provide case management for the PASSPORT, Assisted Living, and Choices waiver programs and a variety of county levy programs. We are the front door to the services that help seniors remain in their homes and communities. We are here today to emphasize that your support is needed to enable us to continue to provide cost-effective choices for older Ohioans who need long term care.



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.

However, in part because of the 10%, or \$3.6 million, cut to our operational funding for

PASSPORT in the last budget, new PASSPORT enrollment has slowed to less than 1% since the last budget was passed. Agencies have had to lay off staff, most notably screeners and assessors who are the front door to home and community based services, which has resulted in delays in handling the requests for information and ultimately screening and assessing seniors needing help.



We appreciate that the state is committed to

rebalancing long term care by prioritizing home and community-based services; however, the Governor's budget included only a fractional increase in PASSPORT operational funding -less than ½ % in 2014 and less than 1% in 2015 – and the House partially restored the funds cut in the last budget. These incremental increases are not nearly enough to restore the staffing necessary to meet the needs of Ohio's seniors and achieve the Governor's goals. We need to ensure that it is as easy to obtain home and community based services as it is to enter a nursing home if we want to rebalance long term care in Ohio.

We also need more flexibility. The previous budget limited the flexibility of Area Agencies on Aging to manage our budgets – we were unable to shift funds to screening, assessment and provider relations. We need the flexibility in funding to be able to provide cost-effective, quality services.

It is important to note that these activities are **not** activities that will be performed inside the Integrated Care Delivery System (ICDS). Rather they are activities that will help make the

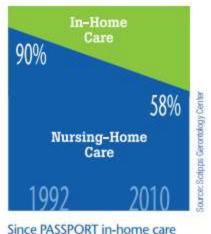
ICDS successful, as well as provide access to long term services and supports in the 59 counties that are **not** part of the ICDS.

New enrollment has also been affected by care plan budget ceilings. This is also known as the per member per month, or PM/PM, rate. The previous budget reduced the amount that Area Agencies on Aging can spend on individual care plans. These 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. 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 fully restored to ensure that all seniors receive quality services without delay.

I will now turn over the podium to Suzanne Burke.

Chairman Burke and members of the Subcommittee, thank you for giving me the opportunity to testify today. My name is Suzanne Burke, Director of the Council on Aging of Southwestern Ohio, and I am also on the Board of Directors for the Ohio Association of Area Agencies on Aging (04a). I would like to emphasize the cost-effectiveness of the Area Agencies on Aging and address the Integrated Care Delivery System.



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Since the inception of PASSPORT, the rate of people receiving nursing facility care compared to in-home care has decreased from more than 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.

The Area Agencies on Aging 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.

Our results are 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 regulated by the Ohio Department of Aging (ODA) as required by the federal Older Americans Act. The Ohio Department of Aging monitors and reviews our operations and we meet with the agency on a regular basis to discuss important issues. In 2012, ODA introduced outcome-based quality incentives which were funded by a one percent hold-back of the PASSPORT operating budget. This process is evolving but is far from finalized. We support outcome-based measurements, but those outcomes need to reflect the ideal of person-centered choice and care and the quality of life for the people we serve, and not out-puts, or process.

ODA's current model is problematic, and their proposal to hold back any additional increase in operating funds would make outcome-based incentives pointless. Currently, outcome-based quality incentives designed by ODA are funded through a one percent cut from the operating budget for the state fiscal year. The operating budget includes funds for screening, assessment and provider relations. ODA is proposing to withhold the additional increase to the operating budget added by the House to fund incentives. ODA currently awards these incentives later in the state fiscal year – after budgets have been established and staffing levels have been determined based on the funding that is immediately available. If the additional operating funds are withheld, the Area Agencies on Aging will continue to struggle to keep the front door open, delays will continue, and PASSPORT enrollment will continue to lag. Rather than improving outcomes, the ODA proposal will further jeopardize the rebalancing of long term care services in the state of Ohio by holding back essential operating funds necessary to keep the front door open.

The outcomes we should measure relate to case management, access and quality of services as much as they do PASSPORT operational activities. We are not confident that the current process measures the right things or that the incentive program is properly structured. As was done with nursing home incentives, we propose that the budget include language for a stakeholder committee to study issues around the effectiveness and methodology for implementing outcome-based incentives for home and community-based care, including provider incentives, and exploration of alternative funding models, including volume-based pay for performance as was done in the care management cost center in the current budget. We need to ensure that regulatory requirements and funding restrictions do not impede our ability to provide the most cost-effective services to Ohio's seniors.



waiver services now is premature as well because of a new state innovation which will alter how these services are delivered in some parts of the state. The Area Agencies on Aging are active participants in the Integrated Care Delivery System (ICDS), which is making dramatic changes to the waiver programs in parts of the

state. The ICDS is a new pilot program starting in September for

Formalizing performance measurement for PASSPORT

people on both Medicare and Medicaid that will be operated by managed care organizations in 29 counties. ICDS managed care 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 the state 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 appreciative of the opportunity to participate in the pilot, 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 rural 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.

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 us 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 the full \$3.6 million for PASSPORT screening and assessment, assure funds for individual care plans that support nursing home transition and diversion, restore the 3% increase for home care provider rates, and fully fund Adult Protective Services to give county departments of job and family services the tools they need to protect our most vulnerable Ohioans.