

## **NEW YORK STATE OFFICE FOR THE AGING (NYSOFA) FEDERAL FUNDING AND POLICY PRIORITIES FOR THE FIRST SESSION OF THE 110<sup>TH</sup> CONGRESS (2007)**

Over the next 30 years the proportion of the U.S. population over the age of 60 will dramatically increase as 77 million baby boomers reach retirement age. By 2030, 70 million Americans – twice the number in 2000 – will be 65 and older. At that point older Americans will comprise 20 percent of the U.S. population, representing one in every five Americans.

There will be a similar growth rate in New York State's population. From 2000 to 2030, our age 60 plus population will increase by 65 percent, from 3.2 million to over 5.3 million. Additionally, the State's 85 plus population will increase more dramatically from 315,378 to 555,993, or 76 percent, during this period. This has serious programmatic and funding implications because of the high incidence of multiple chronic conditions and dementia in this oldest segment of the senior population.

These demographic shifts will be accompanied by a corresponding rise in the need and demand for fiscal, health and social supports that are necessary to ensure a sound quality of life for millions of older Americans. The aging of our nation's population will challenge not only Federal entitlement programs, such as Social Security, Medicare and Medicaid, but will substantially impact the demand for home and community-based support services, offered through such programs as the Older Americans Act.

The well-established system of federal, state and local agencies that comprise the Aging Network is committed to and, with adequate resources, capable of meeting the service demands of the nation's aging population. This Network is comprised of the federal Administration on Aging, 56 State Units on Aging, 655 Area Agencies on Aging, and thousands of service providers that have delivered aging services in every community across the country for over 40 years. In New York, the Network includes NYSOFA, 59 Area Agencies on Aging and approximately 1,200 service providers.

The 110th Congress presents a variety of challenges and opportunities for accomplishing many of our public policy goals on behalf of New York State's seniors. In support of the New York State Aging Network, this document details our federal policy and funding priorities for the First Session of the 110<sup>th</sup> Congress (2007).

## **FFY 2008 APPROPRIATIONS – PROGRAMS AND SERVICES FOR OLDER AMERICANS:**

**IMPLEMENTATION OF OLDER AMERICANS ACT (OAA) AMENDMENT OF 2006** – The OAA funds critical programs and services to keep seniors healthy and independent, including: nutrition, senior centers, home and community-based services, family caregiver support, protection against abuse and neglect, legal assistance, information and assistance, older worker training and employment, transportation, and health promotion/disease prevention. OAA programs save tax dollars by reducing or delaying premature nursing home placement and medical assistance applications, averting malnutrition and controlling chronic health conditions.

In the fall of 2006, Congress accomplished the number one priority from the 2005 White House Conference on Aging -- reauthorization of the OAA for five years (2007 – 2011). The Older Americans Act Amendments of 2006 (P.L. 109-365) strengthen the role of the aging network in preparing for the retirement of the baby boomers and steering efforts to build self-sufficient long-term care options for the population as it ages. Core principles that are reflected in the reauthorization include: re-balancing long-term care, increasing consumer choice, developing single-point of entry for all aging services, expanding evidence-based health promotion, and promoting livable communities for all ages. These new responsibilities require new resources.

In order for the new provisions of the Act to be fully implemented, Congress must act annually to appropriate adequate resources to the Aging Network. To accomplish this, we recommend:

***Oppose the President's FFY 2008 budget proposal to cut \$109 million, or six percent, from OAA programs.***

The President's FFY 2008 budget request eliminates funding for preventive health (\$21 million) and Alzheimer's demonstration grants (\$12 million) and reduces funding for in-home and community-based supportive services, the family caregiver supports, the long-term care ombudsmen program and the senior employment program – all core programs that provide needed services to seniors.

***Increase funding for Older Americans Act (OAA) programs by at least 10 percent, or \$185 million, to allow the OAA to keep pace with projected population growth and increases in inflation.***

In FFY 2008, the nation's age 60 plus population eligible for OAA programs will grow by at least 3 percent. Meanwhile, the cost of providing these services will increase by over 2 percent. The OAA is a critical part of the nation's long term care system, providing older Americans with much needed services including

home care, congregate and home-delivered meals, adult day care, ombudsman, disease prevention and health promotion, elder abuse prevention, care management, legal services, transportation and caregiver support programs.

For years, OAA funding has not kept pace with inflation or the growing population of individuals eligible for services, yet demands by at-risk older adults in need of support services has risen and will continue to rise with the growth in the aging population. The authorization of the National Family Caregiver Support Program in the 2000 amendments and changes in the 2006 amendments have also created new demand by focusing on services to new populations – grandparents and other relative caregivers, children with severe disabilities, and those with Alzheimer’s or other forms of dementia. The need for an inflation adjustment is magnified by the fact that aging programs have had to absorb increases in operating costs over the past several years due to such factors as hikes in insurance premiums and gas prices, as well as being entrusted with new responsibilities without added resources. Additionally, labor costs for many aging programs will continue to rise with increases to state (and potentially federal) minimum wage. Many of these added costs have had a negative impact on the aging network’s ability to recruit and retain volunteers that provide critical services such as Ombudsman, health insurance counselors, and drivers in the “Meals on Wheels” program.

***Support the role of the Aging Network in transforming the long-term care system by providing new funding for “Choices for Independence” that supports the development of comprehensive, coordinated systems for providing long-term care in home and community-based settings by:***

- ***Completing the process of providing demonstration grants for Aging and Disabilities Resource Centers (ADRCs) to those states that have not as yet received funding and expanding funding beyond the demonstration phase to enable all state ADRCs to operate at the community level as a single point of entry for programs and services;***
- ***Increasing funding for disease prevention and health promotion activities;***
- ***Encouraging consumer choice and long-term care planning;***
- ***Facilitating the re-balancing of federal dollars spent on long-term care from institutions to home and community-based settings; and***
- ***Building on the non-Medicaid home and community-based system embodied in the OAA and the Aging Network to provide cost-effective coordination of Medicaid long-term care.***

***Allocate resources for demonstration programs authorized in the 2006 Amendments.***

The 2006 amendments to the OAA significantly increased the breadth and scope of demonstration programs authorized under Title IV - Activities for Health, Independence and Longevity. Among these are:

- Technical assistance to improve transportation for seniors;
- Elder abuse prevention activities;
- Community innovations for aging in place;
- Mental health screening and treatment services; and
- Multigenerational and civic engagement activities.

***Enact legislation to integrate mental health and substance abuse services into federal programs serving seniors.***

NYSOFA supported the inclusion in the OAA reauthorization of demonstration project grants for screening and treatment for mental illness and urges that these projects be fully funded. NYSOFA will continue to support legislative initiatives to strengthen mental health and substance abuse services and outreach, especially using evidence-based protocols and models targeting community service integration, and to require health insurance plans to guarantee parity in coverage and reimbursement for mental and physical health and substance abuse disorders.

***Increase funding for Title V - Older American Community Service Employment Program and provide oversight of the U.S. Department of Labor's implementation of the 2006 Amendments.***

Both the House and Senate have proposed increases to the federal minimum wage. Title V funding needs to be increased to accommodate not only increases in the minimum wage at both the state and federal levels but also to increase the total number of positions available for seniors. In addition, Congressional oversight is needed to ensure that congressional intent is reflected in any new rules or guidance issued by the U.S. Department of Labor and that the program's core values, such as community services, are retained.

**MEDICARE BENEFICIARY COUNSELING SERVICES** – *Provide adequate resources for the State Health Insurance Assistance Programs (SHIPs) to provide Medicare information, outreach, counseling and assistance (including Medicare Part D) to Medicare beneficiaries by providing at least \$1 per beneficiary (\$43 million) for these activities. Such funds should be set aside under the allocation to the Centers for Medicare and Medicaid Services (CMS).* There are over 2,800,000 Medicare beneficiaries in New York State. SHIPs are critically needed to assist seniors in understanding the increasing complexity of Medicare benefits, selecting the best plan among an increasing array of choices, including those choices under Part D. SHIPs provide assistance through education and outreach efforts including one-on-one counseling. Last year the New York SHIP provided assistance to an estimated 213,000 individuals.

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) –**

*Increase LIHEAP funding to \$5.1 billion as authorized by the Energy Policy Act of 2005. LIHEAP plays a critical role in helping New York's low-income seniors, families with children, and disabled citizens meet their energy costs. A portion of these funds also go to weatherization services that lower energy costs for recipients due to efforts to make their homes more energy efficient. New York receives 12.7 percent of regular LIHEAP funds distributed nationwide. Around 856,000 New York households statewide received funds to pay for their heating bills under the LIHEAP program. With rising oil prices, a harsher winter, wars in Iraq and Afghanistan, and increased applications, increased regular and emergency funding is needed.*

**SENIOR TRANSPORTATION –** *Enhance funding for the Federal Transit Administration's (FTA) Section 5310 Formula Grant Program, which helps non-profit transportation providers meet the needs of the elderly and disabled, to the authorized level for FFY 2008 of \$127 million, and fund the 5311 Rural Formula grant program and the Section 5317 New Freedom Program at the FFY 2008 authorized levels of \$508 million and \$87.5 million, respectively. Provide funding for an Economically Sustainable Transportation Program that would build new community focused models for transportation.*

**NATIONAL CENTER FOR TRANSPORTATION –** *Allocate \$2 million for the National Center on Senior Transportation for FFY 2008 to provide seed grant support that would assist local communities and states in the expansion and provision of transportation services for older adults.*

**SECTION 202 SENIOR HOUSING –** *Support an increase in funding for the Section 202 Elderly Housing program to \$775 million (an increase of \$40 million over the FFY 2007 level), provide at least level funding for Assisted Living Conversion Grants (\$25 million in FFY 2007), and increase funding for Service Coordinators to \$75 million (\$51.6 million in FFY 2007). Access to affordable housing is a major barrier to keeping seniors in their communities.*

**REAL CHOICES SYSTEMS CHANGE GRANTS –** *Increase funding to \$50 million (\$40 million in FFY 2007) for the Real Choice Systems Change Grants, which are used to enable states and community partners to make effective and enduring improvements in community-integrated services and long-term support systems that allow seniors and persons with disabilities to remain in their homes and communities.*

**MONEY FOLLOWS THE PERSON DEMONSTRATION GRANTS –** *Support the President's recommended increase of \$50 million (for a total of \$298 million) for Money Follows the Person (MFP) demonstration grants, which are designed to help states shift Medicaid's institutional bias to systems offering greater choices for individuals and a full range of home and community-based services. The*

MFP re-balancing initiative is included in the Deficit Reduction Act and is currently being implemented by CMS.

**GERIATRIC EDUCATION AND TRAINING** – *Support continued funding for Title VII Geriatric Education Centers and Training at \$32 million.* These funds address a national need to train health care professionals by raising their core competencies in the area of geriatrics. This is a critical issue given the growing senior population. Older Americans account for one third of all hospital stays and half of all days of inpatient hospital care. By 2015, most health care professionals will spend at least half of their time caring for people over the age of 65. Yet only 10 percent of the nation's 125 medical schools require coursework in geriatrics and only three have geriatrics departments.

**SOCIAL SERVICES BLOCK GRANT (SSBG)** – *Return the SSBG to its previously authorized funding level of \$2.38 billion and continue to allow states to transfer up to 10 percent for their Temporary Assistance for Needy Families (TANF) funds to SSBG.* SSBG funds are directed to services for older adults, such as adult protective services and adult foster care. SSBG offers states the means to fill gaps in critical social services. Funding for the SSBG has been cut by over \$1 billion and the authorization level has been reduced twice over the last 10 years. Even with efficient use of SSBG funds and an increasing number of states transferring the maximum allowance of TANF funds, communities still have older adults on waiting lists for many essential supportive services.

**COMMUNITY SERVICES BLOCK GRANTS (CSBG)** – *Retain at least level funding for the Community Services Block Grants (\$630 million for FFY 2007), which funds a range of supportive services to lessen poverty among older adults and to help them live independently in their communities.* These flexible dollars build on OAA's core programs to help provide affordable housing, transportation services and/or nutrition assistance.

**LIFESPAN RESPITE CARE PROGRAM** – During the waning days of the 109<sup>th</sup> Congress both chambers passed the Lifespan Respite Care Act. *Funding should be provided in FFY 2008 (\$40 million was authorized), to support the implementation of this new initiative to: expand and enhance respite care services to family caregivers; to improve the statewide dissemination and coordination of respite care; and to provide, supplement, or improve access and the quality of respite care services to family caregivers.* Respite care reduces caregiver burnout that has a direct link to nursing home placement and increased Medicaid costs.

Each of these programs plays a significant role in supporting and facilitating the independence, health and continuing community involvement of millions of seniors. Every one of these programs has either been unfunded or under funded.

## **PROGRAM REAUTHORIZATIONS:**

**SENIOR FARMER'S MARKET NUTRITION PROGRAM (SFMNP) – *Request an authorization level of at least \$20 million for the SFMNP for FFY 2008, with authorization levels increasing each fiscal year.*** The Farm Bill is up for reauthorization in 2007. The current law includes an authorized funding level of \$15 million for SFMNP, which provides vouchers for seniors to purchase fresh, locally-grown fruits and vegetables at farmers' markets. This program is an extension to the highly successful State-funded SFMNP that has served New York seniors since 1988. Last year the program served 86,738 seniors and benefited over 910 farmers at 350 farmers' markets in every county in the State.

## **PROGRAM AUTHORIZATIONS:**

**ELDER JUSTICE ACT - *Enact legislation to improve protections against elder abuse and neglect.*** Protecting seniors from abuse, exploitation and neglect is critical to their continued health and independence and is a fundamental responsibility of a just society. NYSOFA supports the Elder Justice Act (S. 1070 and H.R. 1783), which would create a combined law enforcement and public health approach to study, detect, treat, prosecute and prevent elder abuse, neglect and exploitation. The bill would:

- Coordinate efforts and develop leadership at the national level, by creating an Office of Elder Justice within the Department of Justice and the Department of Health and Human Services (HHS);
- Create an Elder Justice Coordinating Council to assure coordination of efforts at all levels and an advisory board on Elder Abuse, Neglect and Exploitation to make recommendations;
- Create a federal home and secure funding for adult protective services activities at the federal level;
- Enable the HHS Secretary to make block grants to prevent elder abuse, create centers of excellence, test different types of elder shelters, set up volunteer programs focusing on elder abuse, and fund "various multidisciplinary activities;"
- Develop resources to protect consumers, increase collaboration and prevent abuse in long-term care settings;
- Revise quality standards for long-term care facilities and require reporting of crimes against elders that happen in federally-funded facilities; and
- Evaluate funded projects and research to identify successful approaches to elder abuse prevention, prosecution and victim services.

**MEDICARE SAVINGS PROGRAM - *Enact legislation to increase enrollment in needs-based benefits programs for low income seniors, particularly the Medicare Savings Programs (MSPs).*** Enrolling low-income seniors in needs-based benefits programs is critical to their health and independence. Unfortunately, enrollment rates for these programs have been historically low,

due to lack of awareness, complicated application forms, and language and literacy problems. While the Food Stamp program began in 1965, only 30 percent of eligible seniors have enrolled.

One very important, problematic set of benefits is the Medicare Savings Programs (MSPs), which assist beneficiaries with incomes below 135 percent of poverty in paying their premiums and cost sharing through the Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB), and Qualified Individual (QI-1) programs. Eligible recipients must also meet a rigid asset test that is not indexed for inflation. SLMB enrollment rates are estimated at an alarmingly low 13 percent.

Reforming the MSPs is critical for our most frail, low-income seniors and is long overdue. Ideally, the programs should be completely federalized and aligned with the Part D LIS program. Short of that, NYSOFA supports a number of improvements:

- The QI-1 program, which is set to expire on October 1, 2007, should be made permanent.
- The asset eligibility test should be eliminated. Alternatively, levels should be adjusted to reflect past inflation and should be indexed to keep pace with inflation in the future; and
- Consistent with the Medicare Part D LIS program, beneficiaries should be permitted to apply for MSP benefits in local Social Security Offices and applicants' income and resource levels should be self-attested and verified, without requiring burdensome documentation.

**OLDER WORKERS - Enact legislation that assists older workers.** NYSOFA supports the Older Worker Opportunity Act, which would create: tax incentives to employers for offering flexible and part-time work arrangements to older workers, COBRA coverage beyond the usual 18 months for workers age 62 or older who must leave their jobs, and a tax credit to workers for eldercare services they provide for aging and disabled relatives.

NYSOFA also supports re-establishing a specific set-aside for older workers in the Workforce Investment Act (WIA), which is likely to be reauthorized in 2007. Previously, there had been a 5 percent older worker set-aside.

**MEDICARE PART D - Strengthen Medicare Part D prescription drug benefits by improving access to the Low-Income Subsidy (LIS) program.** Much can be done to strengthen the Medicare Part D program, which provides valuable extra help under the LIS program. LIS eligibles have low or no copayments, deductibles and premiums, as well as coverage in the "donut hole." Unfortunately, an estimated 75 percent of the over 4 million beneficiaries still without any drug coverage are LIS eligible. One of the aging networks priorities

is to find and enroll LIS eligibles. To this end, NYSOFA's legislative recommendations include:

- Eliminating the asset test for LIS eligibility, as it is the single most significant barrier to receiving needed extra help. The asset test penalizes retirees who did the right thing and created a modest nest egg to provide some security in their old age. An estimated 1.8 million low-income beneficiaries would be eligible for the LIS program but for the asset test. The LIS would provide them with coverage in the "donut hole."
- Permanently extending the enrollment period for LIS eligibles and waiving any premium penalties. This would make Medicare Part D consistent with Medicare Part B.
- Adjusting cost sharing amounts for many beneficiaries with incomes between 100 and 150 percent of the poverty level by indexing to the Consumer Price Index, not higher drug cost increases. Current indexing will make the benefit less affordable over time.
- Funding LIS outreach and enrollment efforts at the local level through area agencies on aging and other community-based organizations.

**In addition, the Medicare Modernization Act must be amended to:**

- Repeal the requirement for establishing demonstrations in six metropolitan areas to test a defined contribution approach called the Comparative Cost Adjustment Program.
- Repeal the 45 percent requirement for Medicare's dependence on the general fund. This requirement would automatically trigger Congressional cost containment measures.

**MEDICARE THERAPY CAPS - Enact legislation to eliminate Medicare therapy caps.** NYSOFA supports eliminating the caps that were imposed in 1997 on Medicare physical, speech and occupational therapies. These arbitrary caps can result in the denial of needed rehabilitation services and further complications for some of the sickest Medicare patients.

**CALLING FOR 2-1-1 ACT – Enact legislation (H.R. 211/S. 211) that would facilitate the nationwide availability of 2-1-1 telephone service for community information and referral on health and human programs and services.** The bill would require state grant recipients to abide by Key Standards for 2-1-1Centers and to collaborate with human service organizations to provide an exhaustive database of services in their service area.

## **SOCIAL INSURANCE ISSUES:**

**MEDICARE REFORM - Engage in a national discussion on Medicare's long-term sustainability, while opposing reforms that would unduly harm beneficiaries.** Our nation needs to have a rational, nonpartisan discussion about the sustainability of Medicare over the long-term, recognizing that Medicare spending is directly related to health care spending generally, and that future challenges arise primarily from the increasing number of eligible beneficiaries.

Congress and the President are expected to begin to engage in such a debate in early 2008 due to a provision in the 2003 Medicare prescription drug law that requires the President to propose legislation to reduce the portion of Medicare funding coming from general revenues to no more than 45 percent if projections indicate the portion will rise above that level within the next six years.

NYSOFA believes that a national Medicare dialogue should be guided by these key principles:

- The affordability of Medicare should be protected by opposing substantial increases in beneficiary copayments, deductibles, or premiums, particularly for those least able to pay.
- Issues associated with chronic illness under Medicare should be recognized as a national priority. More than 80 percent of adults 65 and over have at least one chronic condition, often related to their behavior or lack of access to appropriate care. These chronic conditions lead to serious illnesses and disabilities which contribute to the fact that 25 percent of beneficiaries account for 85 percent of annual Medicare spending.
- Serious consideration should be given to addressing the significant geographic variations in Medicare spending that are unrelated to regional differences in beneficiary health status.
- Options for increasing revenues to support the program should be on the table.
- Analysis should be conducted to determine the savings that can be realized from improvements in and wider use of evidence-based health promotion and disease prevention programs and health information technologies and systems.
- Medicare "solvency" issues should be discussed, including: current solvency distinctions between Medicare Parts A and B; defining long-term program sustainability; and measures comparing Medicare spending relative to the Gross Domestic Product and per capita increases in similar private sector spending.

**SOCIAL SECURITY REFORM - Strengthen Social Security solvency and oppose privatization.** *NYSOFA opposes the "partial privatization" of Social*

*Security and “carve-outs” for private savings accounts, but would not necessarily oppose “add-ons” for these types of accounts. NYSOFA also opposes calculating initial retirement benefits on a price index rather than a wage index system.*

NYSOFA supports consideration of a number of relatively modest changes that together would effectively deal with the long-term fiscal solvency challenge now facing Social Security. These include:

- Gradually increasing the maximum amount of annual wages subject to the payroll tax; and
- Bringing all state and local governmental employees into the Social Security system.

If you have questions or need additional information, please contact Sandy Longworth, Director of Federal Relations, at (518) 474-0529 or e-mail her at [sandy.longworth@ofa.state.ny.us](mailto:sandy.longworth@ofa.state.ny.us).

