LTC PRESENTATION

Legislative Committee on Senior Citizens, Veterans and Adults with Special Needs
January 20, 2010

Good morning chairwoman McClain and committee members. For the record I am Carol Sala, Administrator of the Aging and Disability Services Division. Thank you for the opportunity to speak to you today regarding long term care. The phrase long-term care has been around for a long time. Traditionally, people spoke of long term care in the context of nursing home care. However, today the term is used much broader and includes a multitude of care and services over an extended period of time that can be provided in many settings. These can include a person's home, other sites within a person's community, a managed residential setting or an institutional setting. A choice of provider care and services can make it possible for someone to continue to live at home rather than in a nursing home.

Services throughout the continuum of long term care may be paid for privately, by insurance, counties, state or federal funds. Nevada has two unique issues in relation to the development of waiver programs. First, the state is responsible for the non-federal share of costs for all waiver participants but the county is responsible for the non-federal share of medical costs of nursing facility residents with income between 156 and 300 percent of the SSI limit. Diverting or transitioning individuals with income over 156 percent of SSI from nursing facilities to waiver services results in cost savings for the counties and increased costs for the state.

The Aging and Disability Services Division is responsible for the oversight of programs that strive to keep people as independent as possible, attempting to prevent or delay more costly institutional placement. These include programs for both seniors and persons with disabilities, such as the CHIP, WEARC and AL waivers administered by ADSD and the PAS, TBI and IL programs for persons with disabilities.

For 20 of the last 21 years, Nevada was the fastest growing state in the nation. The percentage growth in population is most significant for residents over the age of 85. According to the US Census Bureau, in 1985, less than 100,000 individuals in Nevada were over the age of 65. By 2025, over 650,000 Nevadans will be over the age of 65.

This population increase correlates with the upward trend in utilization of long term support services for all populations. Nevada Division of Health Care Financing and Policy reports that from FFY01 through FFY07, Personal Assistance Services expenditures increased 930%, decreasing the need for new nursing facility beds because PAS provides supports to keep individuals in the community. For this same period, Nevada has maintained the unduplicated nursing facility participants at approximately 3,000 individuals per month, during a period of rapid population growth. This provides an indicator of success in maintaining community placements. [1]

[1] State Profile Tool – Long Term Support Services, March 2009 DHCFP
http://dhcfp.state.nv.us/pdf%20forms/FactSheets/SPT-NEVADA%20FINAL%203-31-09.pdf

EXHIBIT I
Senior Citizens, Veterans and Adults
With Special Needs (A.B. 9)
Document consists of 5 pages
Entire exhibit provided.
Meeting Date: 1-20-2010

According to the AARP Public Policy Institute's 2008 report entitled, *A Rebalancing Act: State Long-Term Care Reform*, "Nevada allocates a greater percentage (32%) of its Medicaid long-term care spending for older people and adults with physical disabilities to home and community based services. In FY 2006, Nevada spent 6% on waiver services and 26% on personal care services (PCS)." The report further states, "Nevada has made significant progress in increasing access to HCBS for Medicaid participants. In 1999, more participants received nursing home services than receive HCBS, but by 2004, participants receiving HCBS nearly equaled participants in nursing homes. From FY2001 to FY2006, the increase in Medicaid spending on nursing homes was slightly greater than the increase in spending for HCBS." [2]

Throughout 2009, the National Association of State Units on Aging (NASUA) surveyed its members to get a snapshot of their work and the current challenges they face. At the end of 2009 NASUA published the report entitled *State of Aging: 2009 State Perspectives on State Units on Aging Policies and Practices.* The report outlines states' perspective on the evolution of the aging network as it works to redesign the long-term care delivery system.

From the report there were 10 themes that emerged from the survey questions asked of the states.
"The first finding was that states continue to demonstrate the age old adage that if you have seen one state system, then you have seen one state system. Each of the state structures for delivering home and community based services and supports has been designed to support the needs of that state.
The second finding concluded that the role of the state unit on aging continues to evolve to cover additional populations and not just those individuals over 60 years of age. The majority of states now report serving a more diverse clientele of seniors and individuals with physical disabilities.
The third finding is that the U.S. Administration on Aging funding designed to support and sustain the aging services program activities continues to diminish in comparison to the growth of the population and other funding sources that create the total funding for the states' efforts. In fact, the AoA funding is supporting less than 30 percent of the overall efforts in the states.
The fourth finding is that states across the nation continue to face mounting pressure as the economy continues to decline. Most analysts believe that this tightening within the state budgets will continue for at least two more years, causing additional significant administrative and programmatic cuts.
The fifth finding is that states are preparing for the aging baby boom generation by developing a comprehensive strategy of services for long-term services and supports. This is driving change in planning and systems development to embrace a more complex and diverse population that states will serve.

[2] AARP Public Policy Institute's 2008 report, *A Rebalancing Act: State Long-Term Care Reform* http://assets.aarp.org/rgcenter/il/2008_10_ltc.pdf

The sixth finding is that delivering core services of the Older Americans Act continues to be a central mission for state units on aging. While Older Americans Act funding has not kept pace with the demands, the core service package remains relevant to meeting the needs of older Americans.
The seventh finding is that states are enhancing evidence-based health promotion and disease prevention programs that allow seniors and individuals with disabilities to remain in their homes and communities.
The eighth finding is that states continue to encourage community living though the use of various grant initiatives and state funded only programs.
The ninth finding is that states continue to expand their person centered access to information systems, building on the foundation of existing information and referral systems.
Finally, states continue to expand their use of technology to improve planning outcomes in their programs."[3]

In preparing for today's meeting I researched where other states stand in their rebalancing efforts. Oregon, New Mexico and Washington have worked diligently to shift their funding from institutional to community based care. The AARP report ranks them 1st, 2nd and 4th in the nation for rebalancing. Unfortunately, these states are currently affected by the same economic crisis that many other states face and are having to make budget and program cuts. Since June 2008, NASUA has been surveying its members to gauge the impact of the economic downturn on the state units on aging. The latest survey, conducted in November, 2009, contains responses from forty-two states, the Northern Mariana Islands and the District of Columbia. NASUA published their analysis of the economic downturn on the state units on aging in a report entitled, *The Economic Crisis and Its Impact on State Aging Programs*, *11/2009*.

This report documents the challenges facing the states as they struggle to serve an expanding population with diminished funding and resources. Alarmingly, the economic crisis is having an increasingly profound effect at the state unit level, with many states facing not only simultaneous additive budget reductions and increasing service requests, but also reduced service levels and decreasingly effective direct service impact mitigation strategies. Although the states continue to evolve and adapt to the economic crisis, their options for doing so are dwindling.[4]

This report has caught the attention of the Assistant Secretary on Aging, Kathy Greenlee, who had previously been the state aging director of Kansas and a NASUA member. NASUA hosted a conference call with the membership and Asst Secretary

[3] 2009 NASUA report, *State of Aging: 2009 State Perspectives on State Units on Aging Policies and Practices*
http://www.nasua.org/documents/StatePerspective2009_000.pdf

[4] November 2009 NASUA report, *The Economic Crisis and Its Impact on State Aging Programs*
http://www.nasua.org/documents/TheEconomicCrisisandItsImpactonStateAgingPrograms11.2009.pdf

Greenlee last Thursday. She wanted to reach out to the states in response to the devastating state budget information contained in NASUA's Economic Survey report.

Asst. Secretary Greenlee focused the call on three significant issues occurring within the next 18 months, and asked states to address the following:

1. What are the states expecting for the remainder of FY 2010 regarding budgets, funding, etc.? What do states see happening over the next 6 months to affect their end year budgets?
2. What do states see happening with the ARRA funding they are receiving? Specifically, in regard to the anticipated cliff affect on meals and Medicaid?
3. What do states project for FY 2011?

The responses from state directors covered the common theme that ARRA has helped to absorb some of the reduced state services, and the enhanced FMAP has been vital. However, there is the fear that when the ARRA funding ends, it will be difficult to fill that gap. Also, many states are implementing waiting lists and service reductions to absorb loss in funding. Both of these issues hold true to Nevada.

Lastly, I was asked to give an update to the committee on Assembly Bill 263 which authorized the division to establish and administer a PACE program. PACE stands for Program of All-Inclusive Care for the Elderly. It is a capitated benefit that features a comprehensive service delivery system and integrated Medicare and Medicaid financing. For most participants the comprehensive service package permits them to continue living at home while receiving services rather than be institutionalized. Capitated financing allows providers to deliver all services participants need rather than be limited to those reimbursable under Medicare and Medicaid fee-for services systems. I am the lead on pursuing this and unfortunately I haven't had a moment to do anything on it. That doesn't mean that it isn't important – it's just that with the Office of Disability Services coming into my division and continual budget issues, and all other things that get pushed to the top, PACE has gotten pushed to the bottom. I have had 2 conversations with PACE people in California who have expressed a willingness to help when we get to the point of trying to pursue – I also have my sister agency partners lined out from Health and Medicaid who are willing to work on the pursuit of PACE.

The last comment I would like to make is that in June of 2009, CMS posted an Advanced Notice of Proposed Rule Making that asked for comments relating to HCBS characteristics. Hundreds of comments were submitted including one from NASUA. Since that time, NASUA executive committee members have been working with their counterparts in other national associations to help CMS to define some of the more difficult issues around the 1915 (c) waiver.

In a meeting with leadership from CMSO's Disabled and Elderly Group last week NASUA's president and vice president were asked to solicit comments from states on key issues including *identifying and highlighting ideas and potential best practices from states that could be evaluated and shared with others with regard to the expectations within 1915(c) HCBS waivers*.

In an effort to assist CMS with this request, NASUA will be hosting an all-state call on January 27 at 2 p.m. EST. I hope to get some good information from this call that I can share with the committee.

Thank you again. I would be happy to answer any questions.