

Offering Choices for Independent Lives

*U.S. House Education and Workforce Committee
Subcommittee on Higher Education and Workforce Training
Hearing:
Serving Seniors Through the Older Americans Act*

February 11, 2014

*Testimony presented by
Lynn Kellogg, CEO, Region IV Area Agency on Aging
St. Joseph, MI*

Good morning, Chairman Kline, Chairwoman Foxx and Members of the Committee. The impact of Area Agencies on Aging (AAA) at the local level has been profound. It is my honor to testify before you to share how the Act fulfills its mission and manifests change. The result is an incredibly effective system for planning, developing and delivering vital supports and services to older Americans. I am Lynn Kellogg, CEO of the Region IV Area Agency on Aging in St. Joseph, Michigan. I have had the honor of working in this endeavor for 37 years. My region is a relatively rural area in the extreme southwest corner of Michigan, bordered on the west by Lake Michigan and to the south by Indiana. The area is comprised of small cities and towns, vineyards and farm country. It's comparable to many locales across the nation.

Introduction

Since its inception in 1965, the Older Americans Act (OAA) has been the foundation of our national system of home and community-based services for older Americans. The OAA provides funding to states for a range of community planning and service programs to older Americans at risk of losing their independence. Since its enactment, the OAA has been amended 15 times, most recently in 2006, to expand the scope of services, increase local control and responsibility, and add more protections for the elderly.

I'd like to use my time this morning to discuss how the Act uses AAAs to effectively develop local delivery networks to serve more than 8 million older adults and family caregivers.

To ensure that this federal program meets the wide array of needs of older adults and caregivers across the country, the OAA establishes a critical level of authority and leadership within each state, then turns over key planning and service development roles to AAAs to customize services according to local needs and preferences. This "bottoms-up" planning results in a wide range of services and provider efforts being administered under Act which allows consumers to select service choices that best meet their individual needs.

REGION IV



Area Agency on Aging, Inc.

SPECIALISTS IN AGING

How does this work? The Act designates entities to serve as Area Agencies on Aging (AAAs) to plan and develop services within specifically designated sub-state geographies called “planning and service areas.” All states and territories are covered with no duplication. The core mission of the Act is to develop comprehensive and coordinated systems of care so that older adults can live independently in their homes for as long as possible. In particular, AAAs play a pivotal role in assessing community needs and developing programs that respond to those needs. They often serve as portals to care, assessing multiple service needs, determining eligibility, authorizing or purchasing services and monitoring the appropriateness and cost-effectiveness of services. AAAs assess the adequacy and quality of myriad provider agencies. They have become experts in long term care.

I’m pleased to convey both the core services and common activities of every AAA established by the Act, as well as how AAAs have used their role to progress forward, revealing significant innovation and variation - the building blocks of the comprehensive and coordinated system of care envisioned in the Act’s creation.

Core Services - Permit me to truncate and categorize the many roles of AAAs into three areas.

Planning & Program Development

AAAs are charged by the Act with developing a system of home and community-based services that citizens of all communities need when facing challenges due to age or disability. This cannot be done solely with resources from the OAA. Beyond administering dollars for services at the local level, the program development role of AAAs is a driver for the development of aging as an economic growth sector. The partnerships and leveraging of resources by AAAs has significantly grown the impact of the OAA. It’s been documented that for every OAA federal dollar invested, three additional dollars are leveraged at the state and local level towards high-need service areas. Local planning and needs assessment identifies these high-need areas, which are also essentially potential business markets. In addition to using OAA service money to fill a gap in available services, AAAs play a key role in encouraging both private and public businesses to expand services into need areas, often using the OAA service dollars as a catalyst. A schematic of how this works is included at the end of this testimony. The impact on expansion of service can be robust. Given AAAs’ role as a trusted local broker of services, many AAA directors, me included, sit on local Economic Development Boards.

Home and Community-Based Services

The Act comes with dollars (Title IIIB,C & D) for critical services such as objective assessment and consultation, (e.g., case management), transportation, nutritional meals and a raft of in-home support services that help older adults with Activities of Daily Living (ADLs), such as dressing and bathing. These flexible supportive services are critical as such assistance is often what makes it possible for older adults to age safely and successfully at home and in the community. The Act requires AAAs to identify, assess, and wrap around all other possible funding streams existing in an area in order to target OAA service dollars to critical gaps. In this regard OAA services become the gold standard for connecting

disparate local services into a system for it is the only national funding source with flexibility enough to target resources where gaps in local services exist. AAAs are the only national vehicle with a consistent charge to target resources to gaps in service and build comprehensive services. States and locales vary tremendously in what they are able to provide their populace. *The vision of the OAA to create a national means through AAAs to direct services to flexibly fill whatever gaps are left by other federal, state and local initiatives is genius. And it works.*

Caregiver Support

The Act includes the National Family Caregiver Support Program (NFCSP, Title III E). Again allowing local flexibility through AAAs, the OAA provides a national mechanism to support and maintain the role of family and friends who provide the bulk of long-term support for people needing help on a daily basis. According to Pew Research Center, 39 percent of U.S. adults care for someone with significant health issues; up from 30 percent in 2010. Examples of caregiver support services include evidence-based caregiver classes on how to cope and provide care without toppling one's own physical or mental health, and provision of services such as respite and adult day care, which provide temporary relief for caregivers, enabling them to stay engaged longer. A lifesaver for many families struggling to continue their support for loved ones, the NFCSP is also a wise use of taxpayer dollars. Contributions by family and other informal caregivers save the nation billions in long-term care costs, including savings to Medicaid.

Innovation Examples

The OAA's mission, not to just administer dollars but rather to create comprehensive state and local systems, has been the origin of many innovations and business start-ups. Let me offer a few examples from my own AAA to give you a better sense of how the Act breeds innovation, enhances coordination with other systems, and is ever-changing to better meet the needs of today's older adults and caregivers.

- 1) *Person-Centered Versus Agency-Centered Contracting* – AAAs are a trusted source of objective information. This manifests in telephonic information and assistance services and in-home assessments, consultation and care planning—referred to as case management within the OAA and nowadays often referred to as care management or options counseling. In the early 1980s, Region IV AAA developed person-centered contracting as a component of its care management service. In person-centering contracting, rather than awarding a large sum to a single service provider to provide “X” number of units of a pre-designated service over the course of a year, available funds are placed in a purchasing pool. Services are then targeted to those most in need and ordered on a person-by-person basis. This allows more diversity both in the scope of services being purchased and the number of providers participating in delivery. The ability to tailor services to complex needs is enhanced and impact is based on whether the needs of the person needing assistance were met rather than whether contractual obligations were met; a significant improvement in quality assessment. Service providers are also very uneven in their geographic and cultural capacity to

serve people, particularly in rural areas. Person-centered contracting allows flexible design of service rather than being limited to the scope of an individual service provider. This innovation went statewide through all AAAs in Michigan and quickly spread to other states.

- 2) *Coordination with Medicaid & Medicare* – Region IV AAA’s person-centered contracting through the OAA became the basis for Michigan Medicaid’s initial investment in Region IV AAA to run a voluntary preadmission screening demonstration for people seeking nursing home care. This demonstration in turn became the basis for Michigan’s adult home and community-based service waiver, called MIChoice, which serves nursing home eligible adults age 18 and up. The coordination of MIChoice with the OAA is close, allowing callers seamless entry into whichever system is most appropriate. Michigan AAAs are currently pre-paid ambulatory health systems for the 18 and over Medicaid population, maintaining seamless coordination with the OAA for those not eligible for Medicaid.

Additionally, Michigan is working to be a demonstration state for integrated care for people who are dually eligible for Medicaid and Medicare. Region IV AAA is again part of a demonstration start-up site for this initiative. Details are not yet finalized.

- 3) *Custom Care/Private Pay* – When an adult son from California called about his mother living in St. Joseph, he asked if the AAA would work with his mother, package services from varied agencies for him, assure they were delivered correctly to his mother and then bill him. We did it for the OAA and Medicaid, why not a family? So we leveraged the administrative structure established by the Act to package services for private pay clients such as this adult son. *Custom Care* was started to bridge the availability of service from private pay to Medicaid.
- 4) *PACE of Southwest Michigan* – Region IV’s program development role has included multiple independent business start-ups. The most recent is the development of a Program of All-Inclusive Care for the Elderly (PACE) project. Seeking investor and donor partners, the AAA created PACE as an independent entity and expanded its AAA-owned building to create a destination, 2900 Lakeview, in which PACE is co-located with the AAA and the AAA’s other tenant, Disability Network Southwest Michigan.
- 5) *Technology Use* – Technology can assist in maintaining independence through online shopping, bill paying, consumer research and staying in touch with family and friends. Many seniors retired before heavy use of computer technology began. Also at the AAA is a computer classroom, staffed by volunteers who teach ten students at a time with one instructor and multiple coaches. Spin-offs have included expanding OAA information services to hold workshops on www.Medicare.gov to help new 65-year-olds understand their Medicare Part D options, training older job seekers to be comfortable with today’s common office computers, provision of class scholarships to low-income seniors and distributing refurbished computers to them, and multiple spin-offs in staff training and special projects.

- 6) *211 & Other National Information Systems* – OAA-funded information services have often formally linked with 211 information services. Calls to 211 in Region IV’s geography link automatically with the AAA call center for all callers requesting information on aging or disability. Similarly, calls from adult children to the national ElderCare Locator can be patched through to local AAA information lines to secure information on services for loved ones living away from them. These are only a sample of the type of coordination and streamlining of information services that AAAs are driving locally.
- 7) *Inter-Agency Care Team [ICT]* – One of Region IV AAA’s newest innovations is working with the local hospital and federally qualified health clinic to create an Inter-Agency Care Team, or ICT, to create a holistic approach for patients whose circumstances result in high recurrent use of the hospital emergency department. Increasingly medical providers realize that mitigating problems at home impact directly patients’ health outcomes. By incorporating the AAA’s knowledge of in-home and community services and bringing in the AAA as a partner with the medical team, it’s expected stabilization will occur and readmissions decrease. Though the project has just begun seeing its first patients, the hospital is already reporting decreased emergency department usage on an individual basis as a result of project planning. Both AAA-based hospital-to-home transition coaching services and ongoing care management are designed to become fundable components of the effort. The local Health Department is involved to oversee evaluative aspects of the project which include measurable outcomes such as hospital use patterns, no-shows at physician offices, and indicators of self-empowerment. The project is seen as an important program development piece in bridging medical and socially based services, a critical part of the OAA’s mission to create a comprehensive and coordinated system for those in greatest social and economic need.
- 8) *CMS Partnerships* - The Centers for Medicare and Medicaid Services has tapped the structure of the OAA and the Aging Network for multiple initiatives in addition to Medicaid waivers. Some of these include:
 - a) *State Health Insurance Assistance Programs (SHIPs)*: one-on-one volunteer counseling for consumers. In Michigan this is called Medicare/Medicaid Assistance Program (MMAAP). Nearly two-thirds of AAAs nationwide run or serve a vital role in the SHIP program in their state. Consumer outreach, engagement and education is what AAAs do well.
 - b) *Community-Based Care Transitions Program (CCTP)*: evidence-based post hospital coaching to assure a successful transition home following discharge from a hospital. The majority of sites selected for this demonstration are led by AAAs and constitute another example of the importance of bridging medical and socially-based in-home services and supports.
- 9) *Evidence-based consumer training* - AAAs have been in the forefront of developing and expanding evidence-based Health Promotion and Disease Prevention programs. OAA Title IIID

requirements for the provision of such efforts have spawned an army of certified trainers in local classes that empower people in a host of topics endorsed by the Center for Disease Control and Prevention and the Administration on Aging. AAAs routinely form local partnerships to expand these health and wellness options based on local demand. By providing critical tools to improve health, reduce the risk of disease and disability, and manage chronic disease, these programs have been proven to have both an immediate impact on the life of the older person, as well as the potential for significant reductions in health care costs. In Region IV chronic disease self-management trainings, caregiver trainings and fall prevention classes are becoming commonplace. Feedback from participants underscores the life-changing nature of results. Nationwide, more than 90 percent of AAAs deliver at least one evidence-based health promotion program or service.

Scope of Innovations

I want to reinforce that using the mission of the OAA as a springboard to systems development as Region IV AAA has done is not an aberration. Surveys conducted by the Administration on Aging (AoA) through the National Association of Area Agencies on Aging (n4a) in concert with Scripps Gerontology Center of Miami University at Ohio give us a window into the scope of work AAAs currently undertake.

While the mission has not changed, over time AAAs have broadened the scope of core services provided locally. Gradually, these have been augmented by a range of other services financed by various sources. Today AAAs operate complex local service delivery systems that provide access, community-based, in-home and elder rights services. In addition to the nine core services required by the OAA, the average AAA offers more than twelve non-mandated services.

How do AAAs do this? Simply - leveraging and partnerships. The limited amount of funding provided through the OAA means that AAAs must leverage additional sources of funding to meet the health and long-term care needs of older adults in their communities. In 2010, virtually all AAAs secured funds from an average of seven sources other than the OAA. To be sure, OAA funding provides the critical, unifying structure for the Aging Network. Nationally the average AAA receives 41 percent of its budget from OAA, but it should be noted that this forms the base and not the breadth. Increasingly other funding streams have seen the structure of the OAA, using AAAs to determine local need and develop services, as an advantageous construct for the distribution of resources [see referenced schematic on page 9]. The prevalence of states tapping the AAAs as a hub for the management of Medicaid home and community-based services is a common example. In Michigan the state passed the Older Michiganians Act to clone the OAA as a means of disbursing state funds. Nationwide, the most common sources of additional funding or service development through AAAs are: state general revenue funding, local funding, Medicaid Waiver programs, grant funds, and cost-sharing by consumers.

As well as an increasingly diverse funding pool, AAAs form collaborations with other community-based entities. On average, AAAs have 11 informal partnerships and 5 formal partnerships. The most common formal partnerships (i.e., those with a contract or memorandum of understanding) are with: State Health

Insurance Assistance Programs (68.8% of AAAs have a formal partnership); transportation agencies (52.4%); Medicaid (51.9%); disability service organizations (34%); and Adult Protective Services (32.0%). The most common informal partnerships are with long-term care facilities (65.5%), emergency preparedness agencies (59.1%), advocacy organizations (57.3%), public housing authorities (57%), and faith-based organizations (55.5%).

Observations of Pertinence to OAA Reauthorization

The primary theme of the OAA is one of independence and personal empowerment. AAAs are the engines of change to assure that community infrastructures have the choice and range of service that people need to age well with dignity and as much independence as possible. *The existing structure of the Act is well-suited to this end.* Some observations may be helpful as you consider reauthorization.

Administrative Leanness - With the growth of responsibility and significant leveraging of funds, it's important to note that the OAA and AAAs remain administratively lean as compared to virtually all other national systems. The structure within the OAA itself sets in place a process for state review and the award of funds to the AAA level that limits strictly the amount of administrative dollars to be used. State and AAAs are required to match that amount. This encourages partnerships. Also, the ability of AAAs to successfully target resources to those in greatest social and economic need with minimal bureaucracy creates a lean and efficient system. AAAs devise mechanisms to successfully target persons in need. The system works.

Linkage Potential – The OAA is a not-well-understood gem that should be paired with other initiatives. AAAs have become experts at stabilizing the home environment in a low-cost, person-centered way. Industries associated with medical outcomes increasingly recognize that the stability of the home environment is critical to achieving health outcomes. If older adults struggle to complete routine activities of daily living such as dressing, toileting and eating, as well as the errands and chores associated with an independent life, health outcomes become a secondary priority and suffer. Local experience has shown that rather than trying to re-create a focus on non-medical issues through a medical lens, AAAs should be a go-to partner in integrating long-term supports and services in the home, particularly when bridging medical and social services. This has the potential of providing a cost effective, non-medicalized means of providing holistic care and keeping costs down.

It is imperative that the reauthorization recognize and strengthen the role of AAAs, wherever feasible, to integrate or bridge medical and the social or human service side of long-term services and supports at the community level. Common roles to consider include the many different roles associated with long-term services and supports such as those related to health, wellness (both physical and behavioral health), and care management. Other Acts should be encouraged to reach to AAAs for expertise on home based services and supports. Strengthening the AAA role in these endeavors is also a means of supporting the myriad service providers supported by the OAA, particularly those reaching to rural America, a critical consideration for the future as many larger health entities may consider recreating direct service provision

from an in-house basis, significantly changing the flow of dollars, potentially away from existing providers. In rural America these are often small businesses piecing together the ability to provide service from a variety of funders, not the least of which are AAAs.

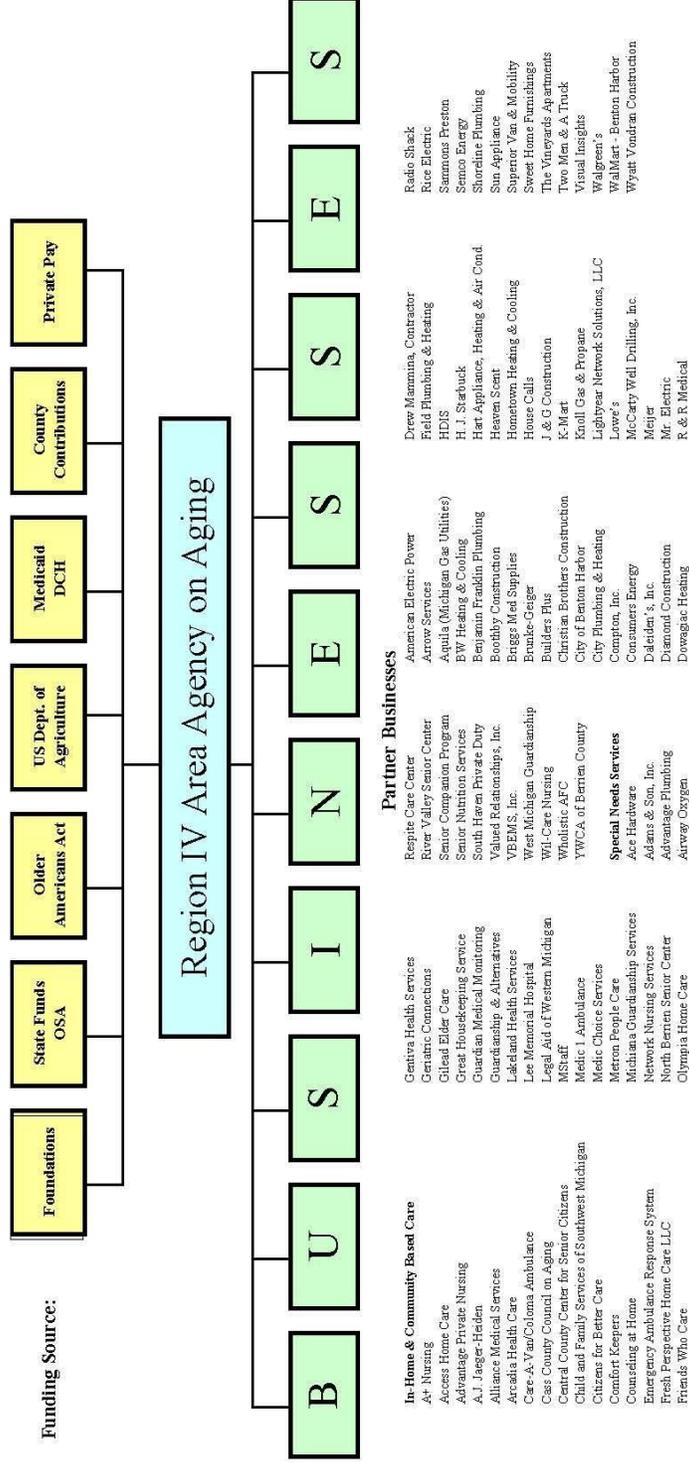
Local Flexibility – The core structure of the Act to provide “bottoms-up” planning and assuring local flexibility in systems design is the genius of the OAA and must be safeguarded. Without this local emphasis and flexibility, AAAs cannot achieve the greatest degree of wrap around and intersection with other systems, resources and funding in their communities. This ability is core to crafting services to meet a wide variety of individual needs, critical to achieving the goals of independence and personal empowerment. To safeguard this flexibility, the transfer authority between all relevant Title III service subtitles within the Act must be maintained.

Final Thought

I hope that my testimony today has helped expand your understanding of *how* the Act works, and works well. But we must not lose sight of the reason *why* the Act exists in the first place: the older adults who are trying to age in place in their homes and communities but need a little help. We serve the most vulnerable first and foremost, but another value of the Act is that it supports the development of the community infrastructures, resources and engagement that nearly everyone needs as they age.

Thank you for inviting me to testify today about the value and future of the Older Americans Act. I stand ready to answer any questions you may have and support your work on this reauthorization going forward.

Aging of America: Growth of an Economic Sector



Area Agency on Aging market/needs analyses channel age and disability related supports and services into high need areas. This saves the state money in health related costs while fostering private sector development to meet the growing demands of an aging population.