



BUDGET POSITION

Position on 2011-12 Executive Budget

Revised February 22, 2011

The New York State Association of Area Agencies on Aging (NYSAAAA) believes the State Budget should focus resources on community-based critical care direct services to keep seniors at home and reduce Medicaid costs and nursing home placements. NYSAAAA supports funding priorities as follows:



PRIORITY 1

Restore Core Services to SFY 2009-10 levels for:

- EISEP
- SNAP
- CSE
- COLA funds

Why?

Avoid or delay spend-down to Medicaid

PRIORITY 2

NY Connects (DOH)

- Restore to \$5.1 million to draw down federal funds
- Provide Directly to NYSOFA

Why?

Leverage federal funding, and Save Medicaid costs

PRIORITY 3

EPIC (DOH)

Mitigate adverse impact of EPIC changes on low-income seniors

PRIORITY 4

Title XX (OCFS)

Maintain Discretionary Funds For Title XX

Home and Community Based Services

While a great number of our older adults live independently, there are a growing number who have limitations, chronic illnesses and disabilities, particularly as life expectancies increase. Those age 85 and above are more likely to need support services through local Area Agencies on Aging (AAAs). This age group has already increased by 28% from 2000 to 2010, and is anticipated to grow by 75% by the year 2030. Many require supportive services that help them remain safely at home which can avoid or delay more costly nursing home placement.

Preserve Core Services

Three core programs -- Expanded In-Home Services for the Elderly Program (EISEP), Supplemental Nutrition Assistance Program (SNAP), and Community Services for Elderly (CSE) -- keep seniors in the community, reduce Medicaid costs, and prevent nursing home placement.

These core services, along with supportive services for caregivers, are imperative. Caregivers provide 80% of all long-term care, saving New York State an estimated \$15 billion in health care spending annually.

The \$5 million reduction in EISEP, SNAP and CSE for SFY 2010-11 (compared to SFY 2008-09), in addition to the 1.1% cut in local assistance due to the FMAP contingency plan, has reduced seniors' access to care and resulted in waiting lists for home delivered meals, case management, and home care. Waiting lists for services will continue to increase, forcing many seniors to spend down to Medicaid, costing the State far more than investing in AAA services.

In light of the Budget deficit, resources must be targeted to seniors with greatest need. The strongest impact will be achieved by strengthening and enhancing community-based programs with a proven track record.

We ask the Legislature to reaffirm the value of support services provided through AAAs around the state:

PRIORITIES

Priority #1: Restore Core Services

Restore EISEP to \$48,035,000
(\$46,035,000 in Executive Budget)

Reductions in funding for the Expanded In-Home Services for the Elderly Program (EISEP) have resulted in waiting lists throughout the state.

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Without these cost-efficient services, many seniors will spend down to Medicaid, costing the state far more. EISEP provides case management and home care services that enable the most vulnerable seniors to remain safely at home. By delaying institutional care and reducing Medicaid spending, EISEP saves taxpayers' money and improves seniors' quality of life.

Restore SNAP to \$23,380,000
(\$21,380,000 in Executive Budget)

Economic conditions have resulted in an increased demand for meals resulting in waiting lists for home delivered meals for seniors. The Supplemental Nutrition Assistance Program (SNAP) provides nutritious meals and related services to frail, homebound seniors at high nutritional risk, enabling them to remain in the community. Benefits of a healthy diet and proper nutrition include increased mental acuteness, resistance to illness and disease, and better management of chronic health problems.

Restore CSE to \$16,312,000
(\$15,312,000 in Executive Budget)

The Community Services for the Elderly program (CSE) provides non-medical community-based services to frail, low-income seniors helping them to remain at home. Services include information & assistance, personal care, home delivered meals, congregate meals and adult day services. CSE provides flexible service options to meet the needs of senior citizens in varied communities.

Continue and Make Permanent COLA Funds at \$14,707,000
(\$14,707,000 in Executive Budget)

The Association supports continuing and making permanent the Cost of Living Adjustment (COLA) for EISEP, SNAP and CSE.

Priority #2
REDESIGNING LONG TERM CARE

Fund NY Connects at \$5.1 million & Move to NYSOFA
(eliminated in Executive Budget)

NY Connects is recognized by the federal government as the ADRC (Aging & Disability Resource Center) in New York State. The ADRC designation is the catalyst to leverage additional federal funding through the Affordable Care Act.

The AAAs have been operating and supporting the NY Connects program for the last five years. NY Connects allows all people to access person-centered, unbiased cost-effective services while conserving public and private resources. NY Connects provides comprehensive and easily accessible information and assistance for consumers of all ages seeking long term care services.

The Lewin Group's ADRC Cost Offsets Calculator shows that if only 2% of nursing home eligible Medicaid recipients remain in the community (737 persons), the cost savings in 2010 dollars is \$35,161,147 of which \$17,580,574 is a direct savings to the state.

Priority #3

Mitigate Adverse Impact of EPIC Changes on Frail Seniors
(Reduced by \$58 million in Executive Budget)

The Executive Budget proposes changes to EPIC that will increase the out of pocket expense to seniors on fixed incomes:

- requires enrollment in Medicare Part D but removes the assistance with premium payments
- removes EPIC representation of clients
- removes outreach for assistance with enrollment applications

--requires enrollees to apply for Low-Income Subsidy (LIS) a.k.a. Extra Help, without assistance from EPIC.

The change in out of pocket expenses could be as much as \$1,200 annually, depending on the number and type of prescriptions used.

Impact of EPIC Cuts on HIICAP
(\$921,000 in Executive Budget)

According to the proposed changes, enrollees in EPIC will be required to apply for the Low-Income Subsidy (LIS), also known as Extra Help. However, EPIC will not provide assistance to seniors for the applications. The local Health Insurance Information, Counseling & Assistance Program (HIICAP) operated by the AAAs will be called upon to absorb the additional clientele. HIICAP is already woefully underfunded and would not be able to provide counseling for all those needing assistance with LIS and MSP.

In the 12 month time period of June 2009 to May 2010, the National Center for Benefits Outreach and Enrollment calculated that the new enrollments in the LIS and Medicare Savings Programs (MSP), facilitated by HIICAP counselors, resulted in a savings to NYS residents of \$34.8 million. As of May of 2010, CMS shows 102,521 Medicare enrollees that are potentially eligible for LIS or MSP. With the proposed changes in EPIC, the burden on the HIICAP system will be profound.

OCFS BUDGET:

Priority #4
Maintain Discretionary Funds for Title XX
(eliminated in Executive Budget)

The Association opposes the Executive Budget's recommendation to eliminate discretionary funding for Title XX. New York City (\$25.2 million for senior centers), Erie, Nassau and Steuben utilize these dollars for senior services.