Testimony of Ken Gordon

Vertical Association of Area Agencies on Aging

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Thank you for the opportunity to speak before the committee. My name is Ken Gordon. I serve as the Executive Director of the Area Agency on Aging for Northeastern Vermont.

As you know, our State is served by five independent, non-profit Area Agencies on Aging that provide a wide variety of health related services to older adults and their families including senior meals, care management, transportation, caregiver support, health insurance counseling, chronic disease management, injury prevention programs and more.

Thank you for your past support of our work, and for all you do to support the older adults in your home communities. Also, please keep us in mind as a resource for your constituents back home when assistance is needed around issues related to aging and family caregiving.

Today I am speaking on behalf of all five of the state's Area Agencies on Aging to express our views on the importance of addressing the long term care needs of Vermont's aging population. While we deeply appreciate the support for our work that is contained in the Administration's budget proposal, it falls short of the investment needed to sustain and rebuild the state's system of home and community-based long term care services. Specifically, I am speaking of the system of care that includes adults day programs, non-profit home health agencies, senior centers, public transit providers, and, of course, the Area Agencies on Aging.

In our view, this is a system that has saved the state millions of dollars in nursing home costs, yet it has become so starved for resources that we have had to begin to dismantle it for lack of funding. As you know, the funding to develop and support these programs was intended to be derived, in part, from the savings generated by frail elders and people with disabilities choosing the less expensive option of receiving their long term care services at home, but, for a variety of reason, the reinvestment of these savings has, for the most part, not occurred.

If I may indulge in a bit of history, the development of the Choices for Care (CFC) program occurred well after the deinstitutionalization of the mentally ill that took place in the 1960's and 70's, but that experience served to inform our thinking about the need for investment in community-based services in order to avoid the problems that took place when people with mental illness were discharged to the community without appropriate supports.

From the beginning of the Choices for Care program, policy makers have understood that it wasn't enough to simply announce the goal of having more people age in place at home, and that investments would be needed in the program itself, and the infrastructure upon which the program rests, in order for this goal to be achieved.

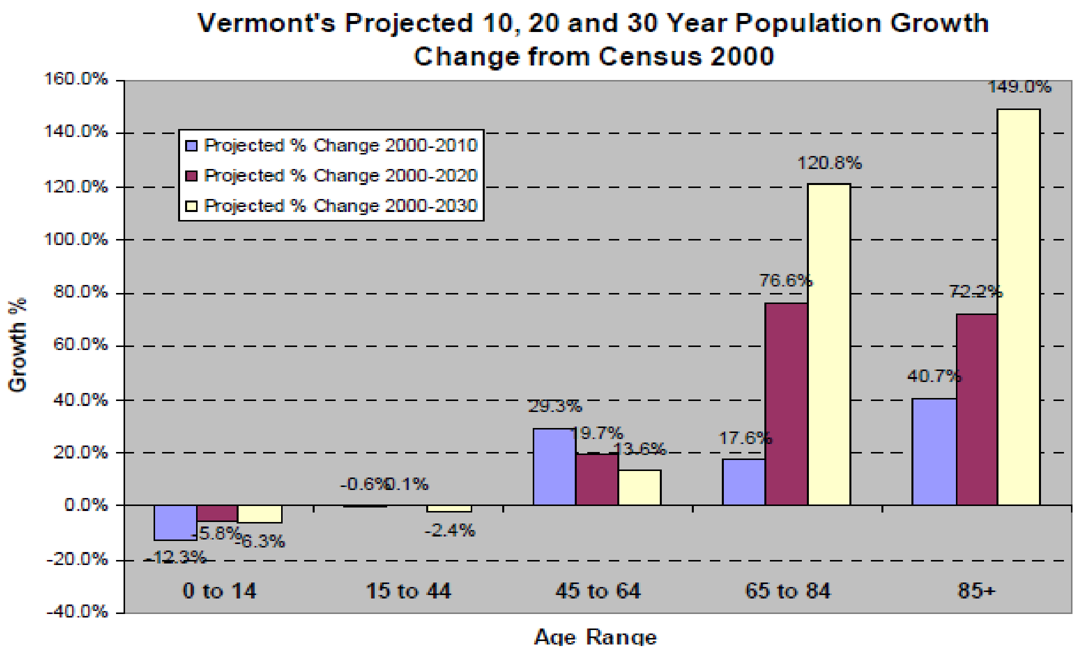
For instance, today, the financial eligibility process for entry into the CFC program often takes four to six months to complete, largely, due to our under-resourcing of the Department of Children and Families. Another example involves home-delivered meals, a service not part of the CFC program, yet essential to many CFC program participants who rely upon this service in order to remain living at home. Federal funding for home-delivered meals has remain flat for the better part of a decade, while the demand for this service has increased almost every year. Other examples exist, and they all point to the ongoing need for additional investment in this system if we expect to be able to provide a home care option for individuals who qualify for state-funded long term care services.

It would be fair to ask how we've managed to maintain this system given the lack of investment that I've suggested. In our view, because the state has not increased its investments to accommodate caseload growth and the rising cost of providing these services, providers have responded by reducing already low wages and benefits for their employees, and, more recently, eliminated staff. Over the past two years, nearly 10% of the AAA workforce has been eliminated, and additional cuts can be expected should the federal sequester continue. We can't continue to operate in this fashion, and simply won't be able to maintain the current system we have that has allowed us to provide a less expensive option for those who would otherwise require institutional care.

The home and community-based system of long term care we have today is not sustainable given current demand, and certainly won't be robust enough to contend with the growing number of seniors who are in the "pipeline." As you know, Vermont is one of the oldest states in the nation. The latest Census Bureau estimates report that there are approximately 94,000 people over the age of 65 now living in Vermont. The number of those aged 65 and older will increase rapidly in the coming years. Over the next decade, Vermont's over-65 population will grow by 3 to 4 percent per year, which is 10 times faster than the State's total population growth rate. By the middle of the next decade, the number of Vermonters 65+ will be twice (160,000) what it was in 2000.

In 2030, one out of every four Vermonters will be over the age of 65, and some 25,000 Vermonters will be over the age of 85.

The fastest growing segment of the population is the age 85 years and older group. Census projections for 2030 anticipate a 149% increase in this group over 2000 census numbers. Census projections also suggest that the population of Vermonters ages 0-44 will decline during this same time. The chart below illustrates the significant growth in the percentage of older adults that is now underway.



In short, we face significant challenges in the years ahead in terms of addressing the health and well-being of a rapidly growing population of older adults, while our system of home and community-based long term care services is being forced to dismantle itself because of underfunding.

We have an interest in maintaining this system not only for the long term care savings in makes possible, but also because of the savings it creates in the realms of disease and injury prevention, chronic disease management and acute care utilization.

Research conducted during the past several decades has demonstrated that home & community-based long term care services can deliver significant savings in long term care spending for states that offer these services to their residents. What is less discussed, but also true, is that home & community-based services help seniors avoid injury, to eat well, to manage their chronic conditions and to reduce utilization of more costly acute care services. For example, the cost of providing a years' worth of meals-on-wheels to a homebound senior is roughly equivalent to the cost of an overnight hospital stay. Utilization of relatively low-cost interventions like home-delivered meals, emergency call devices, fall prevention and weight training programs, transportation to medical appointments and other supportive services can make a critical difference to the health and well-being of frail seniors and save an untold amount of dollars in the form of avoided health care costs.

Yet, funding for these relatively inexpensive supportive services that we provide has remained flat (or even decreased) in recent years, despite the growth in the number of older Vermonters. Services have been curtailed in nearly every region of the state, and further reductions in service should be anticipated given the declining Federal support for these programs.

Reinvesting a portion of the savings generated by the state's Choices for Care program into our home & community-based long term care service network in future years (as already required under state statute) is a critical step towards maintaining the viability of this network.

We deeply appreciate the opportunity to share these observations with you today and your past support for our work. We stand ready to assist you and your constituents when help is needed. Thank you.
