

My name is James Matteau. I live in Westminster, Vermont and I currently serve on the Board of Senior Solutions, the Area Agency on Aging for 46 towns in southeast Vermont. I want to thank you for holding these local hearings on the state budget, and to say a few words about services for older Vermonters.

First, the essential point underlying all of this is that people want to age safely in their homes and communities. That's always been the case, and it always will be. Simply put, Area Agencies on Aging and other community-based service providers are constantly faced with serving more people with fewer resources. They do a great job, but financial support is critical.

Second, we all know that providing support for care at home is far less expensive than institutionally based care, and anyone in or nearing their last years will tell you that home is where they want to be unless a nursing home is truly needed. Case management, home health care, meals-on-wheels, transportation, visits from friends & neighbors, and other services, all add up to maintaining a place in the community and an immeasurably superior quality of life, all at a fraction of the cost of a nursing home, according to an industry survey.*

Finally, I want to stress the critical importance of combining formal in-home services with an essential—and largely unsung—informal network. An estimated 40 million Americans provide informal support to older friends and family members. Nationwide, the financial value of this unpaid care rivals the entire federal Medicaid budget, according to an AARP study.** And in Vermont in 2013, an estimated 74,000 people provided a total of 70 million unpaid hours of care and support for elders for a total economic value of over \$1 billion.*** Adequately funded elder services enable the Vermont budget to both support and leverage those valuable resources.

Thank you.

Notes:

**Genworth 2016 Cost of Care Survey*, conducted by CareScout, April 2016. Home care cost based on a Vermont average cost of \$22/hr for an average of 4 hrs/day, 5 days/week, equalling \$22,880/year. Nursing home care based on the reported average cost in Vermont for a semi-private room of \$103,295 per year. Other studies, including by Genworth, placed the average nursing home cost at about \$75,000, which would make the comparable home care cost still only about 30% of institutional care.

** Susan C. Reinhard, Lynn Friss Feinberg, Rita Choula, and Ari Houser. "*Valuing the Invaluable: 2015 Update - Undeniable Progress, but Big Gaps Remain*". AARP Public Policy Institute.

*** *ibid.* Averaging about 18 hrs/wk per provider. The economic value is conservatively estimated at just under \$15/hr, which itself is about two-thirds the hourly cost of a paid home health aid.