Create

Opportunities for Community Living and Healthy Aging

There may be only one near-universal opinion among the nation’s 56 million adults who are older than age 65: an estimated 80 percent of them want to age well in their own homes and communities, and not in institutions such as nursing homes. This goal transcends generational and political boundaries and is a commitment that both Republicans and Democrats have espoused as an important aim. The good news is that this approach is also the most cost-effective for consumers and taxpayers!

To assist millions of aging Americans in meeting this goal, state and local aging agencies develop and provide older adults with local services and supports that help them to age with health, independence and dignity in their homes and communities. A
nationwide Aging Network—consisting of states, 622 Area Agencies on Aging (AAAs), more than 260 Title VI Native American Aging Programs, and tens of thousands of local service providers—was founded on the principle of giving states and local governments flexibility to determine, coordinate and deliver the supports and services that they know most effectively and efficiently serve older adults and caregivers in their communities.

AAAs foster the development and coordination of these critical home and community-based services (HCBS) for older adults and their caregivers, then work with local providers and vendors to deliver them. Examples of these vital services include in-home care, homemaker services, transportation, caregiver support, home-delivered meals and so much more.

By assisting older adults on the front end, the Aging Network helps them avoid unnecessary and more expensive institutional nursing home care and reduces the instances in which older adults must spend down their resources in order to become eligible for Medicaid benefits. Delaying or preventing nursing home institutionalization saves federal and state governments tens of thousands of dollars per person each year. As the population of older adults grows, it is critical that the Administration and Congress place greater emphasis on federal policies and programs that strengthen HCBS, most particularly the following vital programs and services.

### Older Americans Act Programs and Services

Signed into law in 1965 alongside Medicare and Medicaid, and renewed in 2020 with broad bipartisan support, the Older Americans Act (OAA) is much smaller and depends on discretionary funding streams (and funding leveraged at state and local levels) rather than the mandatory spending used to fund federal health care programs. OAA is especially important to millions of older adults whose incomes are not low enough to make them eligible for Medicaid assistance, but who do not have sufficient financial resources to fully pay for the in-home and community-based supports they need to remain independent. The OAA not only fills those gaps but helps reduce long-term Medicaid expenditures by delaying or preventing individuals from spending down their resources to become eligible for the long-term care provided by Medicaid.

Each year, through the OAA, nearly 11 million older Americans receive
critical support from the Aging Network in the form of in-home personal care, home-delivered and congregate meals, transportation, disease prevention/health promotion, legal services, elder abuse prevention and intervention, and other supports essential to maintaining their independence. During the COVID-19 crisis, the Aging Network has served more older adults than ever. Thanks to a series of emergency relief funds, AAAs reached millions more older adults with life-saving assistance. (Estimates vary locally but anecdotally, n4a members are commonly reporting that client rosters increased by 50 to 100 percent on average throughout the pandemic.) Additionally, the OAA funds vital assistance for millions of family caregivers of older adults through the National Family Caregiver Support Program (NFCSP, Title III E), which provides grants to AAAs and Title VI programs to help family members care for their frail, ill or disabled loved ones.

OAA programs and services save taxpayer dollars by enabling older adults to remain independent and healthy in their own homes, where they prefer to be and where they are less likely to need more costly care paid for by Medicare and Medicaid. By supporting the health of older adults with evidence-based wellness programs, nutrition services, medication management and many more in-home and community options, OAA programs and services save Medicare—and the nation—money. Local OAA programs delay and can prevent the need for higher-level or more expensive (i.e., nursing home) care paid for by Medicaid, postponing impoverishment and eligibility for the means-tested Medicaid long-term care program.

In addition to federal investments, AAAs leverage state, local and private funding to build comprehensive systems of HCBS in their communities. Surveys from the Administration on Aging (AoA), part of the U.S. Administration for Community Living (ACL), show that every $1 in federal funding for the OAA leverages nearly an additional $3 in state, local and private funding. Furthermore, AAAs engage hundreds of thousands of volunteers who donate millions of volunteer hours each year, further leveraging public and private investments.

To support the ability of older adults to age at home and in the community, lawmakers should provide critically needed increases for OAA and other AoA/ACL programs within the U.S. Department of Health and Human Services’ (HHS) FY 2022 budget. The most recent bipartisan reauthorization of the Act includes a recommended funding increase of six percent for FY 2022—but
that recommendation was made before COVID fully unveiled the incredible need for these essential programs that exists in communities around the country.

**Appropriators must recognize that the foundational capacity of these programs must be dramatically increased to meet the need that will exist even as the pandemic wanes.** We must prevent a post-pandemic funding cliff that would require agencies to stop serving older adults who depend on these services to live independently at home. Such a terrible cliff would not only create suffering, but it is incredibly short-sighted, as less-healthy older adults drive up health care costs borne by Medicare. Without in-home supports many will turn to more expensive nursing homes, which is ultimately paid for by Medicaid in nearly all cases. Now is the time to properly invest in these much-needed, cost-saving programs. *(For details, see page 23.)*

**Medicaid Home and Community-Based Services**

The OAA philosophy of providing the services and supports needed to maintain the independence of older adults also drives the federal-state Medicaid home and community-based services (HCBS) waiver programs. Historically, two-thirds of AAAs play a key role in their state’s Medicaid HCBS programs, often performing assessments, leading case management and coordinating services.

**Medicaid Is a Lifeline for Older Adults**

When considering short or long-term policy changes to Medicaid, it is important that Congress and the Administration understand the realities facing older adults receiving Medicaid. The federal-state Medicaid partnership is the backbone of our nation’s current LTSS (long-term services and supports) system and the HCBS waivers that enable millions of vulnerable older adults and people with disabilities to retain their independence.

Our twin crises of the pandemic and the resulting economic pain has or soon will put pressure on states to reduce or limit their Medicaid expenditures. That’s why n4a has long called for an increased HCBS Federal Medical Assistance Percentage (FMAP), and adequate state/local funding to offset the increasing need in communities nationwide. Without this federal assistance, states may look to shift costs to consumers, or to attempt risky models that would drain Medicaid, putting older adults who most need our nation’s support in harm’s way. The American Rescue Plan Act made important inroads on these issues, with a one-year FMAP increase of 10 percentage points for Medicaid HCBS and significant relief for state and local governments, but more may need to be done in subsequent recovery packages to ensure that older adults who need in-home help to stay out of nursing homes can get the assistance they need.

Additionally, federal and state policymakers must respect the role that the Aging Network has served in developing
and providing Medicaid HCBS, both in traditional waiver programs and managed care initiatives. n4a supports innovation in these areas but this innovation must not drive the unnecessary duplication or reinvention of existing systems that already serve older adults well.

Rebalancing to Save Money and Expand Access

As the largest public funding source for LTSS, Medicaid has been and will be further affected by the rapid growth of our nation’s aging population. Rebalancing efforts—designed to correct for Medicaid’s inherent bias toward more expensive, less-desired, and often more dangerous institutional care—must be supported and expanded, and at the very least preserved.

We are appreciative of Congress’ late 2020 passage of a three-year Money Follows the Person reauthorization, which is the longest-running effort to support people transitioning from nursing homes back to the community.

But much more can be done to address this imbalance and expand access to Medicaid HCBS. We salute the Biden Administration’s proposals to eliminate waiting lists for HCBS, a key part of ensuring that older adults and people with disabilities have access to these more affordable, more desired services and can avoid unnecessary nursing home care. We hope Congress will go further and consider:

- Removing the institutional bias by not allowing states to make HCBS anything less than the required service it should be, just as nursing home and other facility-based care is required in all states. This would go a long way to rebalancing care for older adults: 59 percent of older adults and adults with physical disabilities receiving Medicaid LTSS care live in institutional settings.  

- Originally part of the Affordable Care Act’s rebalancing efforts, the Balancing Incentive Program (BIP) provided eligible states with enhanced flexibility and new funding to reform and rebalance their LTSS systems. However, because BIP expired in 2016, the next evolution of these rebalancing efforts is long overdue and should be authorized and funded in 2021. One measure, the bipartisan HCBS Infrastructure Improvement Act, would make investments in strengthening HCBS infrastructure to improve integration and accelerate initiatives that address the social determinants of health by addressing information technology, transportation, housing, workforce and caregiver supports.
Supporting Consumers and Families

Social Engagement and Older Adults

It’s widely known that staying engaged and socially connected has tremendous health benefits and, conversely, that social isolation and loneliness among older adults causes personal suffering and national expense. Prolonged loneliness for an older adult is as medically detrimental as smoking 15 cigarettes a day. Individuals who are socially isolated have an increased risk of heart disease, dementia, functional impairment and premature death. Federally, social isolation and loneliness cost the Medicare program an estimated $6.7 billion annually—or an added $1,600 per socially isolated beneficiary.

To reduce isolation and avoid these negative health outcomes, we must create communities that support adults as they age—whether that’s through an age-friendly or dementia-friendly public initiative, or via intentional consideration of an aging population in all of a state, local government or community’s policies and practices—or both! n4a leads engAGED: The National Resource Center for Engaging Older Adults, which is funded by the U.S. Administration on Aging, and administers a national public-private partnership to create communities that support people living with dementia: Dementia Friendly America. Both efforts promote and support communities’ efforts to engage older adults.

Caregivers in Crisis

Caregivers play a critically important role in the lives of our nation’s older adults. Every year 53 million unpaid caregivers (41.8 million of whom provide care to someone age 50 or older) provide more than $470 billion worth of support to family and friends. The financial value of this unpaid care rivals the entire federal Medicaid budget. Whether they recognize it or not, communities, states and the federal government depend on the work of unpaid caregivers to meet the HCBS needs of our nation’s growing aging population.

Caregivers of people living with dementia face particularly difficult financial, physical
and emotional challenges. More than 5.8 million older Americans are living with Alzheimer’s disease or other forms of dementia today, and experts project that, without significant medical breakthroughs, this number will more than double to reach 14 million by 2050.¹⁹

Caregiver programs—such as the OAA’s National Family Caregiver Support Program—that support (through training, respite, support groups and other programs) those who care for friends and family members as they age, though extremely valuable, do not begin to meet the need for these services due to limited funding. We urge Congress to expand federal funding for current caregiver support programs and to explore policy solutions to ensure that caregiver support becomes a vital component of state and federal LTSS-delivery reform.

Specifically, we ask that FY 2022 appropriations for the Older Americans Act National Family Caregiver Support Program (Title III E) are significantly increased to reflect need expressed in communities across the country. [See page 24 for more details.]
n4a also supports continuing the National Community Care Corps, an ACL demonstration program that is funding models that engage trained volunteers to provide non-medical support to older adults and people with disabilities living in the community, in order to supplement other caregiving options. (See page 28 for more details.)

**Transportation Options**

The functional and health issues that may affect people as they age can often result in many older adults losing their ability to drive. While it is important to help enable older drivers to stay safe for as long as possible, it is equally important to ensure that transportation alternatives are available in communities nationwide and that older adults and their caregivers are informed of existing transportation services that address their varying mobility needs. It is no surprise then that the need for transportation was consistently the number one reason older adults and caregivers contacted the national Eldercare Locator for information and assistance prior to the onset of COVID-19. Access to mobility options is critical for connecting older adults not only to health care but also to other destinations that enable them to engage in their community—a situation that the coronavirus crisis and challenges accessing health services, home and community-based supports, and critical vaccination opportunities have only highlighted. Accessible transportation also helps to curb risks associated with the growing problems of social isolation and loneliness.

n4a looks forward to working with Congress and the Biden Administration on bold, responsible policy changes to expand accessible transportation options to older adults and people with disabilities, including the following pressing issues during upcoming debates on federal funding priorities and throughout the impending surface transportation reauthorization process.

» The National Aging and Disability Transportation Center (NADTC), co-administered by n4a and Easterseals, was funded by the Federal Transit Administration beginning in FY 2016 to work with communities to increase the availability and accessibility of transportation services for older adults and people with disabilities. NADTC works directly with transportation professionals and other community transportation providers and stakeholders by providing best practices information and one-on-one assistance, as well as funding small community innovation grants. The next reauthorization bill should expand upon current federal efforts to foster mobility options in communities and disseminate best practices through NADTC and include funding that adequately addresses the growing need for accessible transportation infrastructure and service options for an aging nation.

» Another critical component to promoting transportation options for older adults is to ensure that volunteer drivers, an important resource in many communities for filling transportation gaps, are well supported. Current law has created chilling effects on the ability of aging and transportation programs to recruit and retain volunteer drivers. Bipartisan proposals to both update the volunteer driver reimbursement rate and ensure that there is no tax penalty for volunteer drivers should be considered by Congress in 2021.
Medicare

For more than 55 years, Medicare has provided vital acute health care coverage to older adults and people with disabilities. In 2020, Medicare covered nearly 63 million beneficiaries—or nearly one out of every six Americans. Medicare is the country’s largest health care payer, spending nearly $800 billion in 2019, or 21 percent of total federal expenditures.

The COVID-19 pandemic has also radically shifted the course of the nation’s largest health care program. Amid the health and economic crisis, Congress and the previous administration implemented unprecedented flexibility aimed at ensuring that health care providers could meet the rapidly shifting needs of beneficiaries and respond to the public health emergency. According to an August 2020 study from the Commonwealth Fund, more than 200 Medicare policies and regulations were modified in response to the coronavirus crisis—including the dramatic acceleration and adoption of telehealth. While most of these policy adaptations are expected to expire, it is certain that COVID-19 has upended how health care—including through the nation’s largest payer—is delivered now and into the future.

For one example, the rapid expansion into telehealth, although done to respond to an emergency and perhaps not fully vetted by
all stakeholders, has meant that many older adults in rural areas now have easier access to medical and mental health services. In some cases, older adults living in rural areas have access to these services for the first time due to changes made in response to COVID-19. This reminds us that post-emergency, a robust policy conversation should be had to ensure that the needs of all consumers, but especially older adults, are taken into consideration as health care policy advances. There should not be a one-size-fits-all solution in a country of such diversity and with geographic, income, access and other inequities.

Addressing SDOH through Supplemental Benefits in Medicare Advantage

While the long-term effect of the pandemic on Medicare spending is yet unclear, what is certain is that Medicare will continue to be a driving factor in emerging opportunities to improve care and lower costs. Furthermore, because the coronavirus crisis has spotlighted the importance of supporting access to community-based services that address SDOH, which largely drive health outcomes and costs, policymakers must include and pay for opportunities to address these emerging realities for an aging population.

Despite the growing awareness of the inherent value of social services that address SDOH and help older adults get and stay healthy and independent, Medicare investments still do not reflect the growing need. Research has shown that non-medical risk factors in the physical environment and individual behaviors account for 80 percent of the factors that influence overall health. Unfortunately, the vast majority of health care funding is directed toward acute care and historically, a wide gap has existed between social services and medical systems. To bridge this gap, it is imperative that intersections, partnerships, coordination processes and payment systems recognize the value that both bring to the table rather than medicalize social services, which will undoubtedly lead to higher costs and reduced consumer satisfaction.

In 2018, the Centers for Medicare & Medicaid Services (CMS) adopted an expanded definition of Health-Related Supplemental Benefits through Medicare Advantage (MA) and implemented the 2018 Creating High-Quality Results and Outcomes Necessary to Improve Chronic (CHRONIC) Care Act. Both efforts expanded options for MA plans to address non-medical risk factors for high-risk, high-cost and chronically ill beneficiaries, many of whom are older adults served by AAAs and Title VI programs. Since 2018, these efforts to improve care integration and increase access to services that promote health at home and in the community under Medicare have grown exponentially as Medicare Advantage plans have recognized that these services can meet the health needs of beneficiaries while reducing the cost of care. These services became particularly attractive during the pandemic, under stay-at-home recommendations.

However, barriers, such as inconsistent and incomplete guidance from CMS on supplemental benefits are challenging to work around and may continue to hamper further adoption once flexibilities granted due to COVID-19 expire. To address these challenges and to give MA and CBO networks the time necessary to realize these opportunities, we encourage
Congress and the Administration to promote additional efforts to address SDOH through Medicare and accelerate the incorporation of existing social services infrastructures, particularly the Aging Network, into government and industry efforts that improve the health of older adults. Additional recommendations on SSBCI implementation should be considered by CMS and lawmakers, including the *Guiding Principles for New Flexibility Under SSBCI*, which n4a has endorsed.27

**Preserving and Expanding Care Options in Traditional Medicare**

The 117th Congress and the Biden Administration also have an opportunity to ensure that the tragic lessons learned from the coronavirus crisis advance forward-looking proposals for Medicare to ensure that the growing population of Medicare beneficiaries have access to comprehensive coverage options under original, Fee-For-Service (FFS) Medicare. Historically, FFS Medicare has not covered dental, vision or hearing care, despite the fact that these services are critical to maintaining health.
In 2021, policymakers should consider legislative solutions to remedy this historically myopic view of health care coverage under traditional Medicare and seriously consider opportunities to expand FFS Medicare to provide basic oral, hearing and vision care. Evidence shows that neglecting these medical needs can lead to deterioration in overall health, including an increased risk of dementia, social isolation and falls—resulting in increased health care costs over the lifespan.

Previous administrative and congressional action has primarily focused on expanding access to health-related supplemental services through Medicare Advantage. However, the case for improving care integration is equally compelling for all Medicare beneficiaries, not just the roughly 24 million or 36 percent of Medicare beneficiaries who are enrolled in MA plans. We encourage policymakers to explore solutions that level the playing field between traditional FFS Medicare and MA to ensure that effective interventions are equally available to all Medicare beneficiaries.

Non-Biased Selection and Beneficiary Education is Essential

As Medicare grows more complex, it is essential that robust efforts are made to ensure that new and existing beneficiaries are as educated as possible about their benefits and how to use them. Existing efforts to provide non-biased, person-centered assistance in the form of the State Health Insurance Assistance Programs (see page 27) should be greatly expanded, to ensure that those who need the most help selecting a benefit plan for themselves are able to do so. This is in the best interest of consumers, plans and the taxpayer because education on how to most effectively use plan benefits drives better health. The need is documented: a 2019 survey conducted by Anthem with n4a found that 59 percent of older Americans find navigating the health care system difficult, and more than half of non-retired older adults need more help understanding their benefits. Nearly eight in 10 caregivers believe that they would be able to better help the person they care for manage their health if they better understood their benefits. Given the significant role AAAs have long played in providing Medicare education (two-thirds operate the local SHIP and nearly all provide basic education), their longstanding reputation for non-biased counseling, and the increased public awareness of and reliance on these resources in the wake of the pandemic, it’s essential that any changes reflect this existing strength and resource.

**Tap Into the Value of the Aging Network**

n4a appreciates that in recent years, CMS has recognized the value and importance of community-based organizations—in particular, AAAs—in achieving positive patient health outcomes. However, we urge the Biden Administration (specifically CMS) and the 117th Congress to more effectively ensure that AAAs are not only included as the long-standing, trusted community sources to bridge the gap between acute and community-based care settings, but that they are also appropriately and adequately compensated for the services they provide to ensure that health care providers meet patient care goals. Again, COVID-19 has illuminated the value provided by existing cost-efficient home and community-based services systems such as those provided by AAAs, Title VI programs and others in the Aging Network. Policymakers must include these systems in future reforms.