

Creating a New Department of Aging and Long Term Living: The Case for Change

In early 2007, the Rendell Administration established the Office of Long Term Living (OLTL) to reverse an alarming trend: the commonwealth ranked near the bottom in Medicaid support for home and community-based services and too many older adults and Pennsylvanians with disabilities were left with little choice but to enter expensive nursing homes because of a limited number of less costly community-based alternatives.

Governor Rendell charged OLTL to reform Pennsylvania's long term care programs by rebalancing the system, expanding consumer choice and strengthening the range and quality of home- and community-based services such as homecare, adult day services and assisted living.

Over the past two years, the state has made great strides:

- ☑ Three state offices have been integrated. The OLTL manages eight home and community-based waivers: Aging, Attendant Care, OBRA, Independence, COMMCARE, Michael Dallas, AIDS and Elwyn. In addition, OLTL administers the OPTIONS program, Act 150, Family Caregiver programs, and LIFE (formerly LTCCAP), as well as the Medical Assistance nursing facility program.
- ☑ Consumers and families are afforded greater choice in where they receive long term care services, and enrollment in home and community-based waivers has grown 10%.
- ☑ Many innovations have been introduced, including Nursing Home Transition and a focused effort on "Money Follows the Person," which enable individuals in nursing homes to experience a safe and smooth return to their homes and reintegration into their neighborhoods and communities.
- ☑ More than 3,900 Pennsylvanians have transitioned out of nursing facilities and returned to their homes and communities.
- ☑ Many of our long term care programs and processes have been criticized for being non-transparent, and overly bureaucratic. Instead, the new approach has opened up the policymaking process by inviting stakeholders to play an active role in charting the commonwealth's future course.
- ☑ There is a new responsiveness and customer service to the state's relationship with providers and consumers.
- ☑ Partnerships have been strengthened with Area Agencies on Aging, Centers for Independent Living, community-based service providers, homecare agencies and nursing homes.
- ☑ The commonwealth recently launched a comprehensive public information campaign, which improves customer service and focuses on eliminating overlap, duplication, conflicts and disconnects that frustrate consumers and families attempting to navigate our long term living programs.
- ☑ Expanding access and simplifying / clarifying eligibility rules, including initial work to address hospice and telehealth issues.

But, despite all this effort, **much more needs to be done**. Our programs for senior citizens and adults with disabilities are still not well-integrated, there are startling inconsistencies in the services we offer to various populations and providers are frequently confused as to which requirements apply.

Now is the time to take the next step. If Pennsylvania is to continue its momentum in creating a balanced long term care system, the structural barriers that still the Commonwealth's progress must be removed.

We need to create a seamless governmental infrastructure that:

- allows senior citizens and adults with disabilities to access services with a minimum of confusion;
- ensures that Pennsylvanians have fair and equitable access to services, no matter where they reside;
- encourages full cooperation between providers of long term living services;
- leverages programs such as the PACE pharmaceutical program, family caregiver support, nutrition meals programs, senior centers and home modifications so that they complement and enhance our ability to keep seniors at home, safe, independent and healthy and engaged in their communities.

In this budget, **we propose to cement PA's progress and lay the foundation for further innovation and improvement of the Commonwealth's long term living system by bringing the Department of Aging and the Office of Long Term Living together in a new department.**

Learning from the experience of other states that have been in the forefront of long term care reform and rebalancing, we propose to **give this new department the tools to make Pennsylvania a national leader in home and community-based services, to make our state the best place in America to grow old or live with a disability.**

HOW WILL CREATION OF THIS NEW DEPARTMENT BENEFIT CONSUMERS?

- Creation of a consolidated agency will **put primary focus on needs and preferences of older adults and consumers with disabilities, rather than on service providers.**
- The new department's emphasis on consumer choice and consumer direction across all state- and federally-funded long term living programs will **allow people with disabilities, older adults and their families to tailor services to meet their specific needs.**
- Continued expansion of home and community-based choices by the new agency will **reduce costs while serving people in less restrictive, more cost-effective settings.**
- Regardless of age or disability, consumers deserve fair and equitable access to services. An older adult or person with disabilities who lives in one region of the Commonwealth should not receive substantially fewer or different services than residents in another part of the state. Creation of the new department will help to **ensure that long term living services are administered and distributed uniformly across Pennsylvania.**
- Individuals with disabilities turning 60 currently find significant disparities in the services they receive under the Aging waiver compared to other Home and Community Based (HCBS) waivers. A key objective for the new department will be **continuity of services consumers receive when they turn 60.**

- Consumers – young and old -- often wonder why certain services are offered in some HCBS waivers, but not in others. Consolidation of programs in a single place will better equip the new department to **concentrate on creating comparability and consistency between our long term living programs.**
- The new department will continue recent progress in establishing a single, uniform needs assessment process and common gateway – **a single point of entry to all long term living services for both older adults and people with disabilities.**
- For far too long, long term care policies and procedures were developed by DPW and PDA without maximizing collaboration, resulting in inconsistencies and unforeseen impacts on both providers and consumers. A single new Department will avoid these disconnects and conflicts.
- A consolidated department's integration of programs supported by Older Americans Act funds with long term living dollars will **maximize the potential of programs such as the PACE pharmaceutical program, family caregiver support, nutrition meals programs, senior centers and home modifications to maintain older adults safe and independent in their homes.**

HOW WILL ESTABLISHMENT OF THE NEW DEPARTMENT HELP PROVIDERS?

- Until the creation of OLTL, nursing facility services and several different HCBS waivers were managed by multiple program offices. The new department will better coordinate operations, budgeting, policymaking and information technology, simplifying the system for providers and reducing duplication, waste, and delays in service. Establishment of the new Department will **create a single point of contact, support and accountability for providers and reduce conflicting messages and expectations.**
- PDA-funded Area Agencies on Aging serve as the single gatekeeper for both the aging and disability service systems, but waiver providers (e.g., home health agencies and under-60 disability providers) have a funding and service relationship exclusively with the DPW system. This dichotomy leaves waiver providers unclear where to seek recourse when questioning policy or coverage decisions. **Unifying all these long term living programs under one department will eliminate this ambiguity.**
- Across the state, Aging waiver providers contend with 52 different ratesetting entities and more than 4,200 discrete rates. A provider serving a six-county area can expect to receive substantially different payment – all for the same service – from each of the six counties.
- Many providers serve multiple counties with different contracting standards in each. **A single state department administering all of Pennsylvania's long term living programs will be charged with establishing fair and uniform ratesetting and contracting processes statewide.**
- **A consolidated department administering all the commonwealth's long term care programs will install a uniform quality management and regulatory oversight structure throughout the system.**
- In addition to these efforts, the new department will **continue the innovative nursing home modernization program that assists nursing homes to repurpose, downsize and**

diversify their product offerings, adjusting to the rapid changes occurring in the long term care marketplace.

- Blending funding streams in a single department will allow the commonwealth to **make vital investments in assisted living, adult day services, and domiciliary care and supported housing developments.**

HOW WILL CREATION OF THE NEW DEPARTMENT BENEFIT TAXPAYERS?

- Pennsylvania has the third oldest population in the nation -- the fastest growing segment is seniors over 85, who are also most likely to utilize the long term living system. As baby boomers age over the next 20-30 years, they will swell the ranks of PA's aged population until nearly one in every four of our citizens is over the age of 60. Creation of the new department is essential to **prepare the commonwealth for this tidal wave of new long term living users by building a more flexible, streamlined and efficient service delivery system.**
- Management of our long term care system has been fragmented. **Consolidating these program areas into a single department makes it possible for the Commonwealth to approach long term care as a leaner, holistic system designed to meet the changing needs of individuals -- not just a collection of separate programs.**
- **Unifying all data systems and reporting channels in a single state agency with responsibility for optimizing and harmonizing those systems will result in better monitoring, stronger fiscal oversight and more timely policy adjustments.**
- In an austere budget environment, the need to efficiently coordinate and align the supply of long term living services with available funding is greater than ever. **A single departmental budget with authority and flexibility to manage the entire array of long term living services and direct dollars to the programs and consumers who most need them is essential.**
- **The new Department will bring greater visibility to long term living programs and permit taxpayers to evaluate these programs on their own merits.**

WHAT ABOUT THE LOTTERY? WILL LOTTERY FUNDS STILL BE DEDICATED TO SENIOR CITIZENS?

- Yes, absolutely. The authorizing legislation does not make any changes to the lottery statute's requirement that lottery funds are limited to programs that serve the needs of Pennsylvania's senior citizens. Creation of the new department will not dilute these programs or divert funding that supports them.

IS IT NECESSARY TO CREATE A NEW DEPARTMENT TO ACHIEVE REBALANCING? WHY CREATE IT NOW?

- In states with a single department responsible for fiscal, policy, and program oversight of long term care, there is a more equitable balance between home- and community-based and nursing facility services. In a 2006 nationwide study, AARP reported that "**comprehensive**

system reform is much more likely to occur in states with consolidated long term care agencies.”¹

State	HCBS Spending Rank	% Funding Expended on HCBS
Arizona	1	64%
New Mexico	2	61%
Oregon	3	56%
Washington	4	56%
California*	5	52%

Source: Clearinghouse for the Community Living Change Collaborative, Thompson Reuters, September 2008.

Retrieved Jan 7, 2009 <http://www.hcbs.org/files/145/7233/FY2007InstComm-Updated.xls>

* Not a single long term care State Department

- More than a dozen states (Arizona, Delaware, Kentucky, Missouri, Montana, New Hampshire, New Mexico, North Carolina, Oregon, South Dakota, Tennessee, Texas, Vermont, Washington, Wisconsin) have already consolidated all their long term care programs into a single state agency serving both senior citizens and adults with disabilities.
- Research has repeatedly shown that these consolidated states have had the greatest success – and made the most progress -- in rebalancing their long term care systems. States, such as Washington and Vermont, that combined their aging and disabilities services in the mid-1990’s have become national leaders in shifting the balance from institutional to community-based systems. **“The best organized state long term care systems are those that have most, if not all, the of the component parts of the long term care system in one place.”**²
- As a condition of renewal, the federal government (CMS) is requiring Pennsylvania to administer our HCBS waivers in a consistent fashion, with standardized statewide ratesetting, common service definitions and quality assurance protocols, and uniform assessment and eligibility criteria that guarantee that consumers have equal access to services, no matter where they reside in the state.
- The time is right for this change. The home and community-based leaderships of both the aging community and adults with disabilities have never before worked so closely on issues of mutual interest as they are doing right now.

Partial integration through the Office of Long Term Living is not a permanent solution. Recent **progress could be reversed** without recurrent reauthorization of executive orders, coupled with a high degree of cooperation and shared vision of Cabinet officials. **Split budget authority limits the capacity for culture change:** rethinking the long term care system requires a significant investments and focus that is difficult to accomplish when budgets reside in two separate departments.

HOW MANY PEOPLE WILL THE NEW DEPARTMENT SERVE?

- Given the **projected growth of the 85+ population to nearly 300,000 by 2010** and the potential needs of **162,000 people with disabilities** currently living in Pennsylvania, it is critical to establish a single state department with authority to manage the Commonwealth’s long term

¹Fox-Grage, Coleman and Milne. *Pulling Together: Administrative and Budget Consolidation of State Long-Term Care Services*, (Publication #2006-05), AARP, February 2006

² Kane, Kane, Kitchner, Priester, Harrington. *Topics in Rebalanced State Long-Term Care Systems, Topic Paper No.2*, December 2006. Charles Reed, October 30, 2006

living programs rationally and efficiently, while expanding service choices available for these populations. As of November 2008, **the number of people currently being served by PDA and OLTL is more than 120,000** (note: this does not include PACE / PACENET participants).

Unduplicated Persons Served By Program

Nursing Homes	63,839
Aging Waiver	15,820
Aging Options	28,640
Attendant Care Waiver`	5,183
Independence Waiver	2,641
Act 150 Under 60	2,343
OBRA Waiver	1,401
Attendant Care Over 60	725
Michael Dallas Waiver	79
AIDS Waiver	129
COMMCARE Waiver	506
Elwyn Waiver	38
Total Unduplicated Persons Served*	121,344

MA Billed UPS July 2008 through November 2008 – Does not include PACE and Rent/Tax Rebate participants

WILL STAKEHOLDERS BE INVOLVED IN CREATION OF THE NEW DEPARTMENT?

It is critical that stakeholders are involved in the establishment of a single state entity for the administration of the long term living services. Stakeholders include consumers and family members, community-based and nursing facility providers, Area Agencies on Aging & county administrators, state staff, as well as the Legislature and other key officials in the Administration. **Involvement by all these key stakeholders will assure that the new department enjoys the support and sponsorship it needs to be successful and effective.**