STRATEGIC PLAN FOR SENIORS ACCOUNTABILITY COMMITTEE (SPAC)

Seventh Year of the Strategic Plan, ending June 30, 2010

MEMBERS:

Barry Gold, AARP Nevada

Jerry Johnson, Senior Representative

Wendy Knorr, Senior Representative

Kathy McClain, Nevada State Assembly

Connie McMullen, *Senior Spectrum*

Ernie Nielsen, Senior Representative

Charles Perry, Nevada Health Care Association

Susan Rhodes, Clark County Social Services

Liliam Shell, Nevada Health Centers

Period: July 1, 2009 – June 30, 2010

STRATEGIC PLAN FOR SENIORS
YEAR SEVEN PLAN STATUS
July 2010

Introduction

This report assesses the seventh year of the Strategic Plan, ending July 1, 2010 and includes the impact of the special legislative session. The year 2010 represents an interim period between regular legislative sessions. The seventh year activities of the accountability committee focused on issues and gaps in service from the 2009 Legislative Session and the special legislative session, due in part to the state's loss in tax revenue and federal matching dollars, requiring a reallocation of general fund and tobacco settlement dollars.

The Aging and Disability Services Division (ADSD) finalized the development of an essential services granting model (Appendix A) to address and prioritize funding for services, which continues to lag behind the rate of growth in the aging population. Nevada continues to lead the nation as the fastest growing state in senior population growth. The fact that more seniors and boomers are getting older, living longer and aging in place is a challenge for states, aging service providers and the health care system. Nevada funding availability and service delivery capability is regressing in providing care for those most at risk, including the underinsured frail, chronically ill and indigent elders. Nevada must stimulate more options for seniors. Nevada's delivery paradigm must shift to prioritize home-based care to maximize the use of shrinking revenue.

SPAC Membership

The committee met five times over the past year in preparation for the special legislative session and for legislation enacted by the 2009 Legislative Session. The committee consists of nine voting members and is staffed by the Aging and Disability Services Division. Staff from the Department of Health and Human Services also attended the meetings.

SPAC Members include:

- Barry Gold, AARP Nevada
- Jerry Johnson, Senior Representative
- Wendy Knorr, Senior Representative
- Kathy McClain, Nevada State Assembly
- Connie McMullen, *Senior Spectrum*
- Ernie Nielsen, Senior Representative
- Charles Perry, Nevada Health Care Association
- Susan Rhodes, Clark County Social Services
- Liliam Shell, Nevada Health Centers
- DHHS Staff
  Mary Liveratti
  Carol Sala
  Jeff Doucet
  Linda Bowman
  DaleAnn Luzzi

Summary / Overview

ADSD funds have been substantially used as a source of revenue for budget reallocation during the last three years. Social service funding levels have been left thinly stretched and priority services are apportioned with the limited remaining funds. T his leaves many low income, disadvantaged elders deprived of basic services that might help them lead independent, meaningful and dignified lives. Despite an ***Essential Services*** model, many critical services go unfunded.

Nevada continues to lead the nation in senior population growth while funding for senior services has remained flat or been reduced. Increased demand on services is attributed to issues such as in-migration of retirees, aging of the existing population, and the out-migration of younger people – especially from rural communities. Other challenges include rapidly increasing number of uninsured in Nevada, large geographic distance to access service delivery, and lack of resources in rural areas.

The Nevada housing market slump and lower-than expected tax revenues resulted in Nevada having budget deficit of more than $2 billion in the current biennium. This has forced budget reductions and decreases in the number of staff as well as mandatory furloughs. In many circumstances, the state general fund or tobacco settlement dollars were able to provide necessary federal matches. However, as the state's general fund continued to be reduced, the state may be unable to provide sufficient match for federal funds, thus resulting in a loss of additional resources used for direct services. Nevada is facing an estimated $3 billion shortfall in the upcoming biennium and even more drastic cuts to services will need to be considered.

Nevada fails to provide sufficient community-based service options as an alternative to institutionalization which may put the state at risk for an Olmstead style lawsuit. Though Nevada has developed an Olmstead plan to ensure choices and services exist, it has not implemented it due to budget deficits. To continue progress in service delivery for seniors and delay institutionalization, the goal of SPAC is to regain the reduced funding allocation and ensure future funding levels are related to the target population growth rate. This regression cannot be sustained and, when considering the dollar value of services provided by unpaid caregivers and costs of institutionalization, further burdens Nevada's care capacity.

Broad Issues and Priorities

Issues and priorities for SPAC address the care of low income, elder Nevadans and provide critical services which will reduce future costs to the state. These services develop and enhance caregiving, ensure healthy aging programs, provide information and referral services, and ensure that continuity of care exists for low income, elder Nevadans in an easy to navigate services continuum.

Testimony and information were provided to the Legislative Committee on Senior Citizens, Veterans and Adults with Special Needs that will hopefully result in bill drafts to improve the quality of life for Nevada seniors. The priorities include:

1. Home and Community-Based Care must be a standard and priority service. Home and Community-Based Care needs to be made into an established policy and essential service. As the established policy, target individuals most at risk, and individuals that may required access to higher cost services.

2. Define and clarify the role of assisted living endorsement and how to enforce, referenced in NRS 319.147. If a group home has an assisted living endorsement, what does this mean in terms of service and how will this be enforced? There is a disparity in terms of the qualifications and oversight so clients are confused on available benefits.

3. A legal counsel update at insurance identified the PACE program as falling under the Gaming Control Board. Program of all-inclusive care, commonly known as the PACE program, should not have to go before the Gaming Control Board for approval. If necessary, a legislative update is recommended.

4. Move toward a more concrete disciplinary team for elder abuse.

The broad issues considered are:

- Essential Services Funding Model
- Institutionalization versus Home-Based Care
- Community Based Care Services
- Increase State Agency Efficiency –Streamline existing processes between agencies
- Assisted Living Facilities and Nursing Home Facilities
- Cost of Services and Increasing Populations
- Transportation
- Affordable Housing

Services provided to elder Nevadans are sliding backwards and are not keeping up with the growth rate.

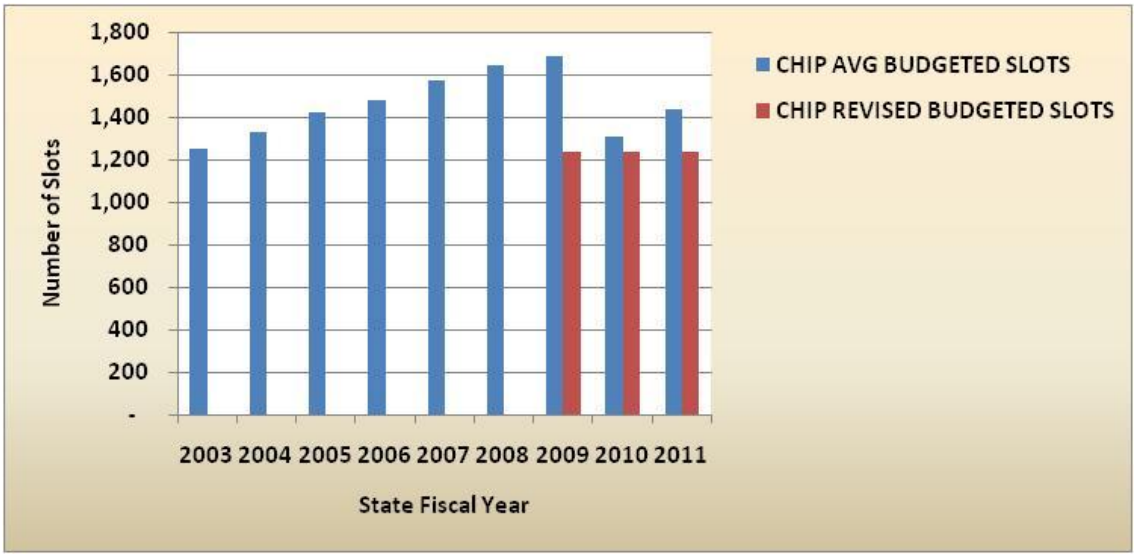
Essential Services Funding Model: The implemented ***Essential Services*** model considered the following areas when establishing and prioritizing services: 1) federal and state mandates to provide services; 2) lawsuits that may have impacted services; 3) optional versus mandatory services; 4) caseloads and waiting lists moving at a reasonable pace; 5) serving the lowest income first; 6) building efficiencies across programs and divisions; and 7) decision making that causes the least possible harm.

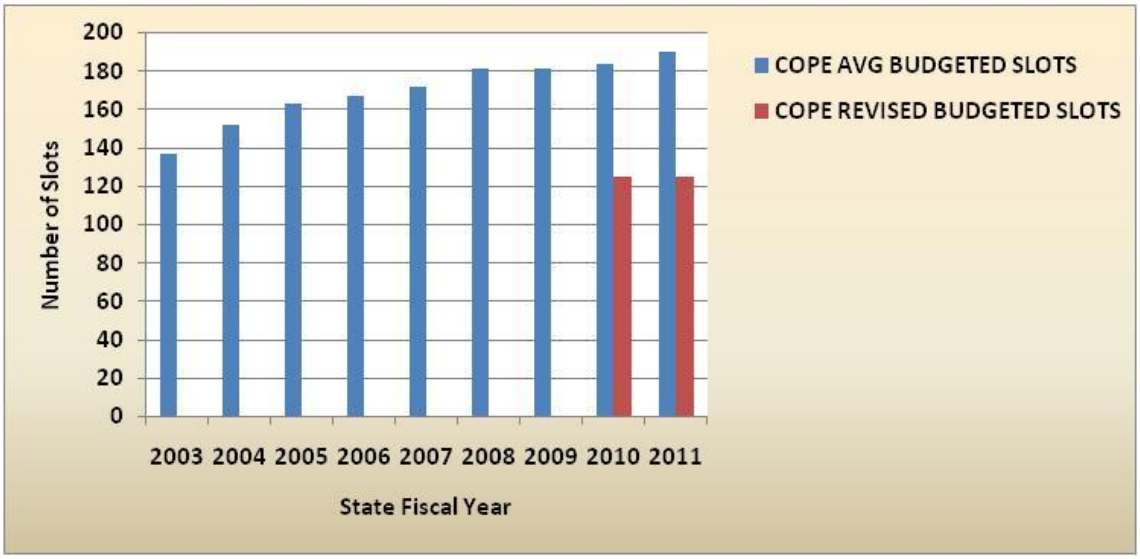
ADSD finalized criteria for "***Essential Services***" that comply with both federal and state requirements and support serving the most vulnerable. The ***Essential Services*** model was developed to prioritize services provided with the limited funding amounts. These are the services that *must* be available to help sustain frail seniors to live at home or in other community settings, to avoid institutionalization. This model identifies a core set of services that are considered essential and are funded as the priority for the allocated funding streams. Priority populations for these services include frail elders at highest risk for nursing home admission, who are from low income, minority and rural populations. Activity to integrate and formalize procedures for grantees regarding this concept is ongoing. Considering programs that meet this

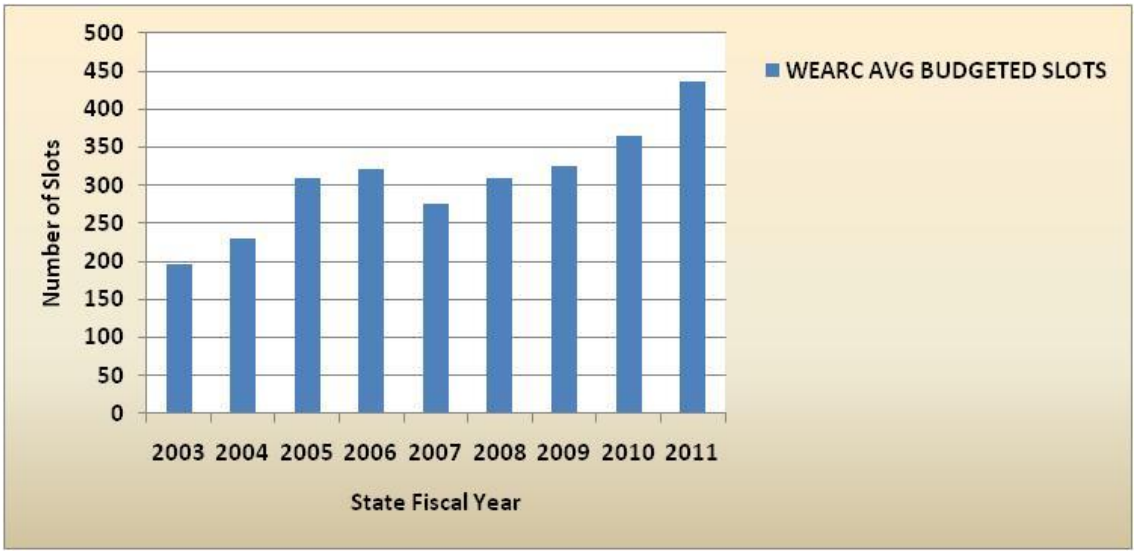
model is crucial as funding diminishes. However, key services critical to the growth and quality of life may fall outside this model, such as services that allow Nevada's elders and those with disabilities to lead independent, meaningful and dignified lives. Many programs that do not meet this model still provide a valuable, cost effective, service that contributes to the seniors well being. These programs prolong the quality of life for individuals and may even reduce future care costs. Continued funding decreases and rising service demands may ultimately change the service delivery capabilities of the Division, and negatively impact the provider network. The ***Essential Services*** model is intended to provide priority funding to the identified services but with continued funding reductions in state government and program staff, more essential services may be left unfunded. Without cost effective alternatives, the state's long-term service care financial and service delivery capabilities will be overwhelmed.

Institutionalization versus Home-Based Care: Home-based care is a much less expensive alternative to institutionalized care. Even a delay in institutionalized care for a few months results in thousands of dollars saving to the state. The average Medicaid per diem rate for nursing home care, statewide, is about $188, or $5,640 per month. As a means of illustration, that same amount of money could provide over 84 hours of weekly personal care assistance in an individual's home, or about 104 days of adult day health care—over three months' worth of that service. The existing service delivery structure needs to be changed to ensure home-based care is the preferred alternative. Implementing the Olmstead plan will require adequate community-based services be available within Nevada.

Community Based Care services must be identified as an essential Nevada service. Currently, there are not enough waiver slots for individuals most at risk, and some individuals at moderate risk may progress as a result of reductions. Concentrating services on those with "the highest, most immediate, and most critical needs" puts individuals with intermediate needs, who will most likely progress to a critical need, at risk - further burdening service delivery and reducing available services. Many of the more intermediate needs should be addressed to prevent the progression to the critical and life threatening needs. Utilizing funds that could be shifted to Medicaid waivers and the Community Services Options Program for the Elderly (COPE) could prevent the progression to these critical needs.







Increase State Agency Efficiency: Many individuals do not qualify for Medicaid services but still are unable to afford care; Medicaid criteria exclude many people who need care. Policy makers must understand Community-based services are critical services. Access to waiver programs must be streamlined. Coordination must occur between state agencies to avoid duplication of efforts and increase efficiencies. Processes must be consumer friendly with a goal of providing access to services quickly. Flexibility between waiver programs or a "money follows the person" approach would increase positive outcomes and should be incorporated into the Nevada service delivery system. These services should be mandatory and not optional.

Transportation: The lack of viable transportation remains an obstacle for seniors in Nevada. Transportation is a critical service for seniors and is often the only means that seniors have to access necessary services such as doctor appointments, pharmacies for prescriptions and other needs, groceries and shopping. Although this has been an ongoing discussion and priority for SPAC, little or no progress is being made.

Independent Living Grant funding from Nevada's share of the Master Tobacco Settlement dollars is continually reduced and there is never enough money at the county level to sustain transportation programs. Nevada should revisit how transportation is funded and how money is applied to transit programs.

Affordable Housing: Affordable housing is extremely limited and often requires years on a waiting list. Nevada needs to increase available Section 8 and other affordable housing options for low income individuals. Information should be made available to all residents about the energy assistance programs that help with paying for utilities.

Impact of the Special Session

The main impact of the special session was that senior services were among the first proposed to be cut. Proposed reductions to the Medicaid budget was one of the first approaches in the special session. Community level outreach efforts and advocacy were able to quantify the costs and the human impacts of reductions in these services. Initially in the special legislative session development, proposed limitations were reduction in Adult Day Care and "optional" Medicaid services (adult diapers, glasses, dentures, hearing aids) that directly address the quality of life, independence, and may translate into institution issues.

Previously, SPAC has made progress toward improving services. This progress has been halted and is reversing. The State's budget outlook was grim approaching the special session and hard decisions and sacrifice were required. However, hard decisions and sacrifice must consider the broader scope and long term instead of simply gutting necessary and life-sustaining services to the most vulnerable populations, who are not only the most dependent, but those with the least resources and ability to provide for their own needs.

The reduction of slots in home and community based waiver services will unquestioningly lead to the increased institutionalization of frail elderly and persons with disabilities. The same outcome will occur with the elimination of adult day health care services.

Conclusion

In order to ensure progress for the strategic plan objectives, funding levels must keep pace with the growth of the target populations and home and community-based services must be made a priority over institutionalized care. As the state's budget situation worsens, prioritized services are continually squeezed. Existing services must be supported and maintained to ensure a support infrastructure is available for the increasing aging population. The maintenance of services is much less expensive than replacing and rebuilding an infrastructure. Services must consider quality of life and quality of care issues for the long term, including effects on the existing infrastructure and cost of care. Many services might not fall into the essential services model but are still vital services and must be maintained. Ultimately, resources for aged and disabled populations must not be viewed as a source of revenue or cuts for state services. The impact of not having these services is much greater than the cost of maintenance and the service provided.

The essential services model, while necessary to cope with declining budgets, should be revisited as state revenue situations improve. Identifying stable sources of revenue to replace ILG funded services will be necessary as tobacco revenue continues to decline. Community outreach and advocacy will be crucial to preserving services in the upcoming legislative session.

At the time of this report, the $88 million in FMAP extension funding is still uncertain. This was included in the March 2010 Special Session to balance the state budget. Without this funding, there will be serious impacts to Nevada families.

ESSENTIAL SERVICES FOR AT RISK NEVADA ELDERS

April 2009

Introduction / Summary

The Division for Aging Services (DAS) has conducted comprehensive discussions to: (1) define a core group of Essential Services, listed herein, that will receive priority funding in coming competitive grant cycles; and (2) aim funding towards programs that demonstrate the ability to deliver these services first to the priority populations of Nevada elders defined herein.

These discussions have occurred internally between DAS management and staff, and externally with Administration on Aging (AoA), Office of Disability Services (ODS), and Nevada Department of Health and Human Services (DHHS) staff. The identified target populations and core group of Essential Services comply with both federal and state requirements, and consider input gained through discussions.

Background / Problems

While it is recognized that all of the supportive service programs currently funded by the Division are valuable, budget constraints and a rapidly increasing senior population make it necessary for Division funding to be progressively targeted toward Essential Services. Priority populations for supportive services, as indicated by the Older Americans Act (OAA), include frail elders at highest risk for nursing home admission, who are from low income, minority and rural populations.

A policy statement of the National Council on Aging (NCOA) to Congress this year further underscores the importance of designating Essential Services. The purchasing power of AoA funding has seriously eroded over the past eight years, due to the increasing cost of providing services and the growing number of older adults in need. Funding has not grown in any areas except for a mandatory increase in the Senior Community Service Employment Program (SCSEP) in order to account for the higher minimum wage. Therefore, even the proposed increase in AoA funding will be 12% less than the amount necessary to keep up with inflation. While this is a national trend, Nevada is more greatly affected as it leads the country in senior population growth.

In defining Essential Services and Priority Populations to receive services, the Division relied on both federal and state requirements, specifically the Older Americans Act and Nevada Revised Statutes (NRS). These requirements are provided in Appendix 1 of this document. Additionally, the decision also considers stated DHSS guidance for budget planning which includes the following factors and considerations:

1. Federal and state mandates to provide services
2. Any lawsuits that may have impacted services
3. Optional versus mandatory services
4. Caseloads and waiting lists moving at a reasonable pace

5. Serving the lowest income first
6. Building efficiencies across programs and divisions
7. Decision making that causes the least possible harm

Essential Services are characterized as services that *must* be available to help sustain frail seniors to live at home or other in community settings, to avoid institutionalization. As such, the Division has been moving toward a "design of service provision" that will support:

- "Nursing home diversion" for frail seniors to help older people age in place
- Service priority for those who are the most functionally and financially needy
- Attempts to assure that Nevada continues to sustain a strong senior service network focused on implementing the consumer-centered and cost-effective long-term care strategies in the 2006 reauthorization of the Older Americans Act
- Strategies to reduce or remedy elder abuse, neglect, exploitation or isolation

Solution

Considering all of the above factors and transitioning through the coming competitive grant cycles (for III-B, III-D, III-E, State Volunteer and State Transportation), the Division will begin to prioritize funding to grantees who:

- Demonstrate that services will be delivered first to frail seniors with the greatest functional and financial need, with particular attention to low-income minority individuals and those residing in rural areas; and

- Provide the following 16 designated Essential Services

Essential Services

- Personal Care Assistance
- Personal Emergency Response Systems
- In Home Services
- Nutrition, with priority to Homebound Meals*
- Transportation, with priority to Medical and Assisted Transportation
- Respite
- Companion Services
- Health Services Outreach, including Mental Health
- Access to Services, Information and Assistance*
- Case Management*
- Legal Assistance*
- Elder Protective Services*
- Long Term Care Ombudsman Service

- Medication Management, including Visiting Nurse
- Dental^
- Assisted Living, support for affordability^

* *Cost sharing prohibited*

^ *Services are mandated by NRS* ***439.630; Fund for a Healthy Nevada***

Conclusion

Implementation of priority funding for Essential Services will occur progressively, depending on available funding and the increasing population growth of seniors in need of these services. The senior services grantee network will be involved in identifying seniors meeting the stated risk groups after a period of orientation. The Division will provide technical assistance to grantees to design feasible cost-sharing policies in accordance with federal parameters.