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**Testimony before the Joint Legislative Fiscal Committees of the  
New York State Legislature**

**Health and Medicaid Budget Hearing for the  
Fiscal Year 2012-13 New York State Budget**

**Kemp Hannon, Chairman, Senate Standing Committee on Health**  
**Richard Gottfried, Chairman, Assembly Standing Committee on Health**

**Herman Farrell, Jr., Chairman, Assembly Ways & Means Committee**  
**John A. DeFrancisco Chairman, Senate Finance Committee**

**February 8, 2012**

Good morning. My name is Carin Tinney, and I am the Policy Analyst for Aging Services at United Neighborhood Houses of New York, Inc. (UNH). UNH, founded in 1919, is the membership organization of New York City settlement houses and community centers. Rooted in the history and values of the settlement house movement, UNH promotes and strengthens the neighborhood-based, multi-service approach to improving the lives of New Yorkers in need and the communities in which they live. UNH's membership comprises one of the largest human service systems in New York City, with 37 agencies working at more than 400 sites to provide high quality services and activities to a half million New Yorkers each year. UNH supports its members through policy development, advocacy and capacity-building activities. Services provided by our members include: early childhood education, after-school programs, teen centers, meals and supportive services for seniors, English for Speakers of Other Languages (ESOL) classes, immigration legal services, GED classes, job training, tutoring, recreation, mental health counseling, drug prevention, and art, music and drama programs.

The economic downturn coupled with the growth of the senior population has created increased demand for services- as the number and type of seniors seeking help has increased over the past few years. Our members are reporting an influx of homeless, or near homeless seniors; seniors with drug and alcohol abuse problems; and increased demand for long term care services, like home care. Hence, as New York moves towards decreasing its reliance on institutional care for the older adult population, established community based social and long term care services become increasingly important in supporting a senior's right to remain in their own homes.

Although we recognize the continued murkiness of the economic climate, it is important to note that any cuts to community based services that benefit low income older adults is in opposition to New York's plan of helping older adults to age in place. Three key trends combine to demonstrate the clear need for state -funded, cost effective community based services for older adults.

### **Trend One: Population Growth**

The percentage of older adults in the general population is steadily growing. In New York, the senior population comprise between 12 and 19 percent of each county's population in 2000. It is estimated that older people will constitute 20-24 percent of the county population in 35 counties and 25-29 percent of the county population in 17 counties.<sup>1</sup>

### **Trend Two: Poverty**

Based on the NY State Office for the Aging's County Data Book, 1 in 5 adults over the age of 65 are living at or below the 150% of the federal poverty level.<sup>2</sup>

### **Trend Three: Disability**

Over a third of New Yorkers aged 60 and over live with at least one disabling condition and are likely to need some kind of assistance.<sup>3</sup>

The trifecta of trends creates the need for *more not less* community based services to support New York's rapidly growing senior and disabled population. Moreover, the services and agencies providing community based social and long term care services need to be fully funded- not cut or compromised.

To this, United Neighborhood Houses respectfully urges the following:

### **Naturally Occurring Retirement Communities (NORC) and Neighborhood NORCs (NNORCS)**

The Executive Budget cuts critical funding for NORCs and NNORCs, this is on top of a FY08-09 cut that is still being felt by the provider community. The budget proposes to reduce funding again; this cut is \$228,500 to each program, a total cut of \$457,000. UNH urges the legislature to restore funding to these programs to their FY08-09 level of \$2.2 million each, a total of \$4.4 million.

Currently, the State sponsors and provides matching funds for supportive service programs in 20 Classic and 16 Neighborhood NORCs. The primary focus of NORC and NNORC programs is to enable senior residents to age with dignity in their own homes. In partnership with the communities they serve, NORCs and NNORC programs create supportive programs and services to help foster the health and well-being of the seniors in residence. The supportive services offered in NORCs and NNORCs vary by community though all are required to provide social and health services, and offer a wide range of social engagement opportunities. NORC's and NNORC's staff help residents access public services and apply for benefits such as Medicaid, food stamps, or home care. Some programs provide advocacy on related issues such as crime prevention and public safety.

NORC's and NNORC's are geographic in nature with the scope of their service defined by the dimensions of the apartment building (NORC) or the boundaries of the neighborhood (NNORC). Also key to the determination of NORC status is the size of the older adult population as compared to the general population of residents in the building. The original NORC, Penn South in the Chelsea neighborhood in New York City, was established in 1986.

NORC's and NNORC's are a cost-effective way to provide care management, a key priority in New York State's Medicaid Redesign initiative. With a focus on monitoring chronic disease, staff members are often the first ones to see changes in physical and mental health status,

<sup>1</sup> <http://www.aging.ny.gov/NYSOFA/Demographics/DemographicChangesinNewYorkState.pdf>

<sup>2</sup> <http://www.aging.ny.gov/ReportsAndData/CountyDataBooks/01NYS.pdf>

<sup>3</sup> <http://www.aging.ny.gov/ReportsAndData/CountyDataBooks/01NYS.pdf>

which in turn slows, if not prevents further decline and more costly treatment later on. From a prevention standpoint, NORC's and NNORC's are on the frontline of fostering healthy aging, and as well, they are anecdotally said to delay if not prevent nursing home placement.

UNH urges the restoration of \$401,500 for the NORC program and \$401,500 to the NNORC program; returning funding to the FY08-09 levels of \$2.2 million to each.

### **Support Adequate Reimbursement Rates for Licensed Home Care Agencies**

Come March 1, 2012, most Licensed Home Care Services Agencies (LHCSA) not currently mandated to adhere to a County/NYC implemented Living Wage law will be required to adhere to the Home Care Worker Wage Parity law that was adopted in the State's FY11-12 Budget as a part of Medicaid Redesign.

The Home Care Worker Parity law raises the wage and benefit floor from \$7.25 to \$10.35/hour<sup>4</sup> for home health aides in New York State. Parity eliminates the disparities in wage and benefits between home health aides (HHA) and personal care aides (PCA). LHCSAs employing home health aides need adequate reimbursement to ensure their ability to adhere to the Parity law. While reimbursement rates to LHCSAs is established by contracts between the LHCSA and the managed care entity, the State Department of Health has the discretion to stipulate minimum reimbursement rate to LHCSAs as it recently did during the Personal Care service transition this past summer. UNH urges the legislature to advocate for reimbursement of at least \$17/hour to LHCSAs under Home Care Worker Parity mandates.

Moreover, another Medicaid Redesign proposal adopted in the FY11-12 budget that mandates the transfer of 40,000 Medicaid beneficiaries from the Personal Care Program administered by New York City's Human Resource Administration (HRA) to Managed Care and Managed Long Term Care plans, may have the adverse effect of the aforementioned Parity Law; that is to say, worker's may experience a decrease in wages and benefits. LHCSAs who have been paying the Living Wage in the HRA system (under a City contract) will no longer need to do so as the personal care aides begin to work under the auspices of Managed Long Term Care plans (not a City contract). Medicaid reimbursement rates in the HRA system have been historically higher than those offered by Managed Care Plans. Additionally, the providers need adequate reimbursement in the new paradigm of managed care, as they will now need to purchase additional insurances, not previously a requirement. Therefore, in order for LHCSAs to maintain the Living Wage and current benefit levels for personal care aides, reimbursement rates must be adequate. UNH urges the legislature to advocate for reimbursement of at least \$17/hour to LHCSAs currently paying a Living Wage.

### **Oppose the Proposal to Eliminate Spousal Refusal**

The Governor proposes to eliminate the law that allows a spouse to refuse to count his/her income in determining Medicaid eligibility for his/her community dwelling disabled partner. The existing Spousal Refusal provision prevents the well spouse from becoming impoverished. Elimination of spousal refusal encourages separation and divorce amongst couples, as couples are then faced with the choice: marriage or Medicaid? Further, because spousal refusal would still exist for partners of spouses in an institutional setting, elimination of spousal refusal in the community promotes the use of institutional care over community based care. UNH urges the Senate and Assembly to oppose the Governor's proposal to eliminate spousal refusal.

### **Managed Long Term Care (MLTC) Transition Plan**

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<sup>4</sup> \$9.00 is mandated for wages; \$1.35 for health benefits or cash in lieu of benefits.

UNH urges the legislature to ensure that the State Department of Health publishes a written plan/guidance on the transition of Medicaid recipients from Personal Care Services Program to the Managed Long Term Care plans, of particular importance in NYC as the bulk of those being transferred reside in NYC. This plan should at a minimum include: a detailed timeline for the transition that includes the process by which the clients will be transferred within the borough, guidance on the home care providers responsibility for aid-continuing should a recipient's Medicaid expire or authorization lapse, contact information for each of the MLTC plans in New York City, a dedicated contact person at the SDOH for home care providers, and an explanation of the process for enrollment.

**Title XX Social Services Block Grant**

On behalf of United Neighborhood Houses and our member organizations, we would like to extend our sincere appreciation for the legislature's support of senior services and commitment to preserving Title XX Local Discretionary funding in the State FY12-13 budget. In preventing this cost savings measure from being proposed in the FY12-13 budget it is estimated that over 100 senior centers were spared from cuts and/or elimination.

**Programs of the State Office for the Aging**

Lastly, UNH is very appreciative of the Governor's decision to spare other vital programs for seniors living independently in the community. We ask that you support the Governor's decision to maintain funding to the following programs:

**Community Services for the Elderly Block Grant- \$15,312,000**

**Expanded In-Home Services for the Elderly Program - \$46,035,000**

**Supplemental Nutrition Assistance Program- \$21,380,000**

**Operational Funding for Transportation Providers, \$921,000**

**Caregiver Resource Centers, \$353,000**

**Respite Services, \$656,000**

Thank you for the opportunity to testify today. We look forward to working with you in the upcoming months to ensure that our State budget helps to keep New York's communities vibrant and strong.