

STATE ⁹ 40th WIDE ANNIVERSARY

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Testimony of
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*Before the Joint Fiscal Committees on the
2012-13 Human Services Executive Budget Proposal
Monday, February 13, 2012
Hearing Room B, Legislative Office Building, Albany*

My name is Maria Alvarez. I am Executive Director of the New York StateWide Senior Action Council, a grassroots organization of older New Yorkers which has been advocating for 40 years to improve income security, health care and quality of life and to promote intergenerational programs to help families. The older population in New York State continues to grow and now there are over 3.6 million persons who are age 60 and older. The needs continue to rise because the recession has had a difficult impact particularly on the frail and most economically vulnerable.

Thank you for the opportunity to speak to you today about the important issues facing older New Yorkers, their families and caregivers. New York State needs to have a positive agenda to allow older persons to live in the community independently. Unfortunately, the state's senior agenda seems unbalanced with its medical focus. There needs to be a commitment and a further investment in the home and community based non-medical services which will allow older persons to remain living

independently as long as they are able. We need a firm commitment to a policy that brings together health and aging providers, human services providers and the entire community to plan for our demographic future so that we can continue to improve the quality of life for older persons who range in age from 55 all the way to 100 and beyond. Many of them still are contributing to their communities as volunteers who support the services needed by their peers.

StateWide believes that in order to prevent or delay older and disabled persons from needing Medicaid that a strong commitment of home and community based services is required. We should be investing in the services provided by local area agencies on aging to keep older persons living independently. Too often, these services are disregarded and even reduced when it has been proven that programs of care transition, nursing home diversion, home modifications and other services are cost effective. While the move toward managed long term care services anticipates a greater level of care coordination, we need to understand that care coordination includes social services, support for caregivers and patient navigators and not just medical interventions.

Precisely because growing older is not a disease, we are pleased that the Governor's SAGE Commission did not propose merging the State Office for the Aging with the Department of Health which was discussed last year. Still, the NYSOFA is suffering from a lack of support. The agency still has an Acting Director. The Governor needs to officially appoint a Director of the agency. In addition, the agency must meet the needs of a growing senior population, yet its own staff has declined dramatically. 15% of the staff of the aging has been lost through retirements in the past two years and has not been replaced. The state operations budget for the agency has been squeezed to the

point where the agency's field operations have been substantially curtailed and unlike other state agencies, it has no local offices. This important agency should continue to be the gateway for older New Yorkers to interact with their state government.

Regarding the programs and services for older New Yorkers, thank you for restoring some of the devastating cuts the Governor proposed in the EPIC program. Last year, the Governor's office chose to make substantial cuts to all programs and to make a fundamental decision to shift the burden of EPIC to the federal government. As you know, the EPIC program has been the best and most popular program of direct benefits the state ever created for older New Yorkers. The cuts to the EPIC program which were enacted last year have taken full effect on January 1, 2012 and are a shock to many older persons. They are having a devastating impact on those with low incomes which are just above the thresholds where federal subsidies are available to greatly limit out of pocket costs. Some state legislators have told us they didn't realize that what they were voting for in the budget would lead to the devastating cuts in EPIC.

Unfortunately, seniors in EPIC are so disappointed now that the state has chosen to greatly reduce the scope of the program rather than continue it as an important supplement to the Medicare Part D program. They know that the EPIC program we had was better than Medicare Part D and it remained so as a supplement to Medicare Part D. Now, the security that EPIC brought has been lost. Fortunately, the Legislature restored the state coverage of premiums in Medicare Part D plans last year. However by agreeing to allow EPIC to only supplement drug costs in the Medicare coverage gap or donut hole, seniors who have been on EPIC are getting a shock as drugs which had copayments capped with EPIC at \$20 are facing copayments which are 25% of the

cost, often \$100 or more. Some cancer drugs can cost hundreds of dollars each month. One county staff worker told us of a senior literally crying in the office because he could no longer afford his medicine. **We are recommending that the state restore support to limit these copayments.**

The state has saved nearly a quarter of billion dollars on EPIC from the allocation two years ago. In 2010-11, the state budget included \$370 million for EPIC. In the current fiscal year, \$232 million is allocated for EPIC. The Governor now proposes only \$118 million.

Much of this \$114 million savings comes from the federal cost sharing in the donut hole, but tens of millions of dollars comes from the state budget cut limiting coverage to the donut hole. . We want coverage restored which limits all co-pays to \$20 not just those in the in the donut hole. The of this can come from reducing the \$114 million plans to save on EPIC.

Thank you for restoring many other serious budget cuts proposed in the health care field last year. You saved the New York Connects program from being de-funded by the Governor's office, a move that was shortsighted given the federal funding attached to having an Aging and Disability Resource Center (ADRC) such as New York Connects. Restoring the Governor's cut of \$450,000 to New York Connects in his proposed budget could allow the program to expand to New York City which is interested in being part of the program. The New York City Department for the Aging (DFTA) and any county which does not take part in New York Connects is unable to receive federal dollars which have been coming to the state for this program.

The New York Connects program continues to provide important information on long term care choices for consumers. The federal government is tying the existence of these types of programs to additional federal funding for new demonstration projects and to increased Medicaid reimbursement. However, the NY Connects is not operating in New York City and several upstate counties. \$1 million in additional federal funding has been received in the past year, but the Governor's budget reduces the state support for the program. **We recommend that funding for the NY Connects program should be restored by \$450,000.**

Our NORC programs have also been playing an important role in helping older persons remain living in their apartments, houses or local communities and we should be investing in these types of self help services which promote livable communities for seniors and persons of all ages. NORC programs were previously cut in 2009 and with this additional cut, the ability of these programs to continue to better coordinate services and care for older New Yorkers living in a community is diminished. We recommend **restoring \$920,000 to the NORC programs to return funding to its 2009 level.**

Last year's budget also had an unintended consequence of causing significant cuts in local contributions to aging services. With the 2% tax cap enacted, county governments are seeking to cut non-mandated services and senior services fall in that category. Several counties have reduced their local match to senior programs. As the squeeze continues on county finances, many counties are also considering the consolidation of their aging office with another department or even whether to continue the office at all since it is a non-mandated service.

Another unintended, hidden budget comes in aging services results from changes in the US Census and their impact on the EISEP program (Expanded In-Home Services for the Elderly Program). Since no increases are proposed, thirty-nine counties including the City of New York will see a reduction in their funding for this program despite having an increase in their senior population over the last ten years. Since some counties have a larger percentage increase in their senior population, the funding formula for this program will result in many counties losing funds. The biggest losers are the small, rural upstate counties along with most of our urban areas. Funding will increase in many suburban areas since their 60+ population has risen faster though all counties except one have seen an increase in their senior population. For example, New York City will lose over \$386,000 despite a 12.4% increase in its 60 + population from 2000 to 2010. Erie County will lose \$338,455 despite a 4% increase in the same time period. Schoharie County which was devastated by Hurricane Irene has had a 24.6% increase in its senior population yet it will lose nearly \$28,000 in local funding. Essex County, also hard hit by Irene loses almost \$19,000 for senior services despite a 22.6% population increase. These cuts should not happen just because we as a state have decided to keep the program flat funded this year again. **We propose allocating \$5 million in new money to finance a "hold harmless" budget provision so that no county loses funding from the Census changes and to add funds to offset cuts by county governments.**

The Governor's budget also eliminates the Enriched Social Adult Day program. Social adult day care is a key part of the social model of keeping older persons living in the community and delaying institutionalization and accessing Medicaid. The enriched model would have provided a demonstration to increase the services which could be

offered in a social adult day care setting and the investment in this program would produce cost savings if replicated. **We propose restoring funding for the Enhanced Social Adult Care Demonstration program.**

Important senior programs which provide funding for other senior services were cut by 50% in the state budget a year ago and need to be strengthened. These programs are:

- Congregate Services Initiative (CSI)
- Regional Caregiver Center for Excellence
- RSVP (Retired and Senior Volunteer Program)
- Foster Grandparent Program
- Elder Abuse Education and Outreach Program
- Community Empowerment Initiative
- Patients Rights Helpline

The Patients Rights helpline is operated by our organization. This program has become even more important now that Medicare has a new care transitions program and is seeking to reduce medical errors, hospital re-admissions and inappropriate billing. We have held 20 community forums in the past year to educate older New Yorkers and their families about changes in Medicare and the health care system. We have identified key concerns such as the increasing use of "observation status" in the hospital which can lead to large out of pocket costs for Medicare beneficiaries. We have also educated and trained seniors about proper discharge planning and what steps need to be taken to avoid re-hospitalization with a short period of time. Medicare

estimates that 18% of beneficiaries are re-admitted into the hospital within 30 days of discharge and 76% of those were preventable. **Funding should also be restored to the ten programs which were cut by 50% last year in the NYSOFA budget.**

More grandparents are now the primary caregivers for young children. It is estimated that up to 400,000 grandchildren in New York State are being primarily cared for by a grandparent. This responsibility is a great, unexpected stress and caregiver support is needed to help them to stabilize life for children who might otherwise be in foster care. Budget cuts last year ended funding for several caregiver support programs and only a few have been able to adequately function. **\$1 million should be restored in the OCFS budget for grandparent caregiver support**

StateWide is also concerned about the funding reduction in the Weatherization Referral Assistance Program (WRAP). This program has always had an earmark for seniors for "last resort" help to prevent emergency heating situations such as repairing broken furnaces, emergency heating, keeping seniors off of waiting lists that can go as long as 2 years. This funding (for seniors) has now been eliminated in the state plan presented by OTDA, leaving no ready source of emergency help for older persons should their heating system and equipment need immediate repair or replacement. Not only was the federal funding amount reduced by 25% but the State OTDA also changed the State Plan so that there is 5% less for conservation than in 2011. So even if they put more money back in the program there is still less money that will be available. The \$4.2 million NYSOFA got was a small piece of the 15% available for weatherization. The rest of the weatherization dollars goes to Division of Homes and Community Renewal for the regular Weatherization Program which is run primarily through Community Action Programs

We urge that the state plan be changed to restore this program through the State Office for the Aging.

We have identified some ways to find additional money such as federal funds which will save money in EPIC and Medicaid through increased reimbursement. We also support the agenda of New Yorkers for Fiscal Fairness to raise more state revenues by closing corporate tax loopholes. One change alone, requiring non resident hedge fund managers to pay higher taxes on their profits in New York State will save \$50 million. That one change would fund most of what we have discussed today. We urge you to carefully examine tax equity and to enact measures to increase fairness and eliminate loopholes which deprive the state of needed revenue which could restore cuts to our most vulnerable citizens.

We again thank members of the Legislature for making senior services an important concern and we ask you once again to restore funds for these important services which provide dignity for older New Yorkers.