Statement of The National Council on the Aging
White House Conference on Aging Listening Session
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I am Howard Bedlin, Vice President for Public Policy and Advocacy with the National Council on the Aging (NCOA). Founded in 1950, NCOA is the nation's first organization formed to represent America's seniors and those who serve them. We are a broad national network of organizations and individuals dedicated to improving the health, independence, and continuing contribution of older persons. Our network is a diverse, representative membership of senior centers, area agencies on aging, consumers, faith-based and community-based organizations and individuals working to strengthen communities and improve service delivery.

We appreciate this opportunity to share our views on priority issue areas for next year's White House Conference on Aging (WHCoA). Our remarks will focus on: (1) Living Independently;
(2) Health; (3) Continuing Contributions; and (4) Strengthening the Senior Safety Net.

Living Independently

Our nation faces a long-term care crisis that is growing worse every day. After working hard throughout their lives, millions of older Americans are forced to bankrupt themselves before receiving help. Overburdened caregivers are sacrificing their mental, physical, and economic health. America's long-term care "system" is a national embarrassment – characterized by limited choices, fragmentation, confusion and institutional biases. With persons over 85 representing the most rapidly growing age cohort in our nation, we must remove our collective heads from the sand and take serious steps to address this rapidly escalating problem. Significant progress in this area can be made through thoughtful reforms by:

Strengthening the Older Americans Act (OAA) – The OAA has great untapped potential to promote greater independence among our growing senior population. From transportation to caregiver support to senior center services, the Act provides an array of cost effective programs to millions of vulnerable seniors. Unfortunately, most members of Congress, and most Americans, have no idea what the Act does or how important it is. We need to listen to experienced members of the aging network about how to strengthen and improve the OAA, raise its visibility and better support efforts to ensure that our oldest citizens will live their last years with dignity.

Reducing the institutional bias in Medicaid – Well over two-thirds of Medicaid long-term care dollars continue to be spent on institutional care, despite the fact that most recipients would strongly prefer to remain in their homes and communities. Medicaid resources could be allocated more wisely, quality of care and quality of life could improve, and families could be better supported if changes were made in Medicaid to level the playing field and improve incentives to promote access to home and community services.

Promoting private financing of long-term care – The current system of financing long-term care relies heavily on Medicaid. Every year states are spending a larger proportion of the state dollars, with a federal match, to pay for long-term care. To meet the burgeoning needs for long-term care, it is imperative that we make better use of all available public and private resources. Baby boomers need to better educated about their risks for long-term care as well as their financing options so that they will save more and plan for potential long-term care needs. One particularly promising strategy for increasing private sector financing is to promote the appropriate use of reverse mortgages to help seniors pay for long-term care services. By removing barriers and providing better incentives for consumers who need long-term care to "use their homes to stay at home," states and the federal government can help make available a major potential source of financing for home and community services.

Promoting consumer directed services – Consumer direction is a philosophy and orientation to the delivery of home and community services whereby informed consumers make choices about the services they receive. They can assess their own needs, determine how and by whom these needs should be met, and monitor the quality of services received. Expanding choices to receive consumer directed services can improve both satisfaction and efficiency. The WHCoA should focus on how to increase the availability of consumer directed services to America's seniors.

Addressing future workforce shortages – Direct-care workers provide up to 80 percent of the hands-on assistance care received by those needing long-term care. However, it is increasing difficult to recruit and retain these paraprofessionals, as too few people are choosing these occupations. Due to poor wages, minimal training, and few opportunities for advancement, too many direct-care workers leave their jobs within the first months of employment. The Bureau of Labor Statistics predicts that by 2010 over 780,000 new aides will be needed to fill long-term care staff positions while the number of new caregivers entering the civilian workforce during that period will increase by only 400,000. We must address this urgent situation.

Focusing on aging in place – Many seniors in need of long-term care opt for alternative living environments such as senior apartments, retirement communities, enriched housing, or assisted living. "Aging in place" makes economic sense, especially since we have not been willing to commit the necessary funding to build sufficient special-purpose housing for poor seniors who need affordable, appropriate shelter. We need to provide services and supports to those in need, regardless of where they live.

Health

Health promotion and disease prevention – Four out of five adults now aged 65+ are estimated to have one or more chronic conditions. The majority of adults aged 50+ are at significant risk for developing chronic conditions such as hypertension, heart disease, diabetes, some cancers, and stroke due to health related behaviors. The potential impact on their functional independence and quality of life, and the long-term care costs of a

rapidly aging population is alarming. In the mid 90's the costs of chronic disease in seniors rose to $470 billion and is expected to double by 2040.

Recent research indicates that the onset of chronic diseases and their attending disabilities (once thought to be inevitable consequences of aging) can be modified through the adoption of healthy behaviors, the reduction of personal risk, and the appropriate use of preventive clinical services. The most successful "treatment" of chronic conditions includes the proactive management of the disease with special attention to reducing risk factors, facilitating health promotion and preventing the progression of disability. There is now clear evidence documenting the effectiveness of risk factor interventions related to falls prevention, physical activity, sound nutrition, smoking cessation, medication management, and disease self-management. These interventions result in improvements in health and functional status, and in reduced health care costs. Older adults can and will assume responsibility for modifying unhealthy or risky behaviors, and for managing the elements of their chronic diseases. However, such behavior changes are predicated upon having access to and relevant information, practice opportunities, support services and strategies to facilitate and maintain changes. The WHCoA should play a critical role in this regard.

<u>The future of Medicare</u> – Many have raised increasing concerns about the future of Medicare as our nation ages. We share many of these concerns and believe this should be an important topic for discussion and recommendations. Three areas should receive special consideration. First is the role of Medicare in addressing chronic illness. Almost 70 percent of seniors who are dually eligible for Medicare and Medicaid have more than one chronic condition. The vast majority of our nation's health care spending is for chronic care. Medicare was designed to meet the needs of acute episodes of illness but does a poor job addressing the needs of seniors with chronic illness. Issues concerning chronic illness should be recognized as a priority in the Medicare reform debate.

Second, a non-partisan discussion needs to take place on how Medicare "solvency" is defined. Current definitions make little sense and obfuscate the challenges we face. The Conference should provide a forum to discuss issues such as: the desirability of continuing current solvency distinctions between Medicare Parts A and B; how to define long-term program sustainability; whether measures should include spending relative to the Gross Domestic Product; and whether measures should include comparisons to per capita increases in similar private sector spending.

Third, the WHCoA should address Medicare protections for low-income seniors. The current QMB, SLMB, and QI programs simply are not working for this vulnerable population. Millions of eligible seniors who desperately need these protections are not receiving it. Attention should focus on the enrollment process and eligibility criteria. There are far better ways to help low- income beneficiaries. The Conference should not ignore this serious problem.

<u>Mental health</u> – Mental health problems and substance abuse have a significant impact on the health and functioning of older persons and are associated with increased health care

utilization and costs. The current mental health and substance abuse service delivery system is inadequate and unprepared to address the needs associated with the growth in the number of seniors requiring treatment for late-life mental disorders. About one in four older adults has symptoms of mental disorders at some point. The number of older adults with mental illness is expected to double to 15 million in the next 30 years. Almost 20 percent of seniors misuse alcohol and prescription drugs, often unintentionally. Substance misuse among older adults is one of our fastest growing health problems. Longer life expectancy makes addressing these issues even more urgent.

The WHCoA should address mental health, alcohol and medication problems because the Conference can bring broad public attention to some myths and realities that, if better understood, could rapidly foster improvement in the lives of older people and their families. Strong policy recommendations should be developed to address the needs and concerns of important audiences including older people and their families, the aging services network, the Administration and federal agencies, Congress, and various health and mental health professional groups and advocates. The Conference should set the course and pace for change, particularly regarding access and continuity of services, quality of services, and workforce and caregiver capacity.

Continuing Contributions

Civic engagement – Demographic trends point to the growth of the largest, healthiest, best-educated, and most experienced generation of older Americans in our history. This demographic is a growing community asset and resource of time, energy and talent with the potential to competently address critical social issues and needs at the community level and beyond. The creation of a broad array of paid and unpaid civic engagement opportunities offers the potential to strengthen organizational capacity, expand the delivery of services, strengthen the fabric of communities, and demonstrate new roles and patterns of contribution throughout later life.

Even so, outmoded thinking about aging and retirement often discourages and can even preclude such contributions. Barriers to tapping the resource potential of older adults include both supply and demand issues: (1) Many current public policies affecting seniors are outdated. They were created decades ago under the belief that older Americans needed only care and resources rather than opportunities created by a new stage in life to contribute to the future of America;
(2) Changing characteristics and interests of recent and coming generations of retirees desirous of opportunities to improve their communities and engage in meaningful activity; (3) Outdated workforce policies, concepts, and work options; (4) Inadequate base of evidence and information about emerging best practices and required elements for replication of programs that effectively mobilize older adults; and (5) Bureaucratic rigidity in rules and requirements of public employment and volunteer service programs.

Addressing and overcoming these barriers is essential to integrating the changing needs of older adults and the interests of non-profit and public service agencies. Removing

barriers to increasing the opportunities for constructive and purposeful engagement of older adults will help to define the new 20 to 30 years of healthy living created by the longevity revolution achieved at the end of the last century. Channeling an increasing portion of future generations of older Americans to serve and strengthen their communities will add resources and value to service organizations that are responsible for meeting community and human needs while, at the same time, establishing productive engagement in paid and unpaid work as a defining characteristic of a new life stage.

Employment – American businesses are facing the growing problem of attracting qualified workers to maintain their competitive edge. A large, untapped resource in this country is looking for jobs. This large resource is the ever-increasing pool of older workers, people aged 55 and older, who are not ready to quit work. More and more people being forced into "retirement" would rather be working. As far back as 1995, a survey authorized by the Heritage Foundation, found that 36% of persons in retirement, forced or otherwise, would prefer to be working if they could find work appropriate to their skills or with employers who would be patient enough to teach them the skills necessary to perform the jobs that employers were looking to fill. Herein lies the rub. Most employers are looking for people already skilled, rather than invest in the costs of retraining an available workforce.

Over the next thirty years, the American labor force will increase by approximately 1 million older workers per year. Most of these older workers could be employed in private sector positions if they had the skills to perform the duties required. Older workers will out pace younger workers coming into the labor market during this period. Business and government must be made aware of what this work force will be like and start to address this issue now. Since the majority of people available for work will need new skill development training, or re-training, it makes a great deal of sense to invest capitol where it will give the greatest return, in enabling older Americans to develop the skills that will keep them productive, filling the needs of the business economy, and promoting healthier seniors. The WHCoA should address these critical issues, which will only grow more serious as the ratio of workers to retirees continues to decline.

Strengthening the Senior Safety Net

Improving access to public benefits –The history of public benefits outreach efforts to date is not very encouraging. Studies show that, even after many years, large percentages of people who are eligible for important public benefits are not receiving them. Between 44% and 50% of people eligible for SSI , between 29% and 46% of people eligible for Food Stamps, and an estimated 57% of people eligible for Medicare Savings Programs (QMB, SLMB and QI) are not receiving the benefits for which they are eligible. Take-up rates for most state benefits are believed to be even worse. As our nation continues to age, improving access to public benefits that meet the needs of the growing senior population becomes ever more critical. The WHCoA should seek to respond to these access issues, paying particular attention to low enrollment rates among underserved populations (e.g., racial and ethnic minorities, homebound, those with low literacy).

Improving financial security for low-income seniors – As our nation debates reforms to Medicare, Medicaid and Social Security, it is essential that we prioritize the needs of lower income seniors. For example, the Supplemental Security Income (SSI) program can better prevent the needy aged, blind, and disabled from becoming completely destitute. It is also important to note that an increasing number of grandparents are taking primary responsibility for the care and support of grandchildren. National eligibility standards for safety net programs should more specifically address circumstances in which older adults are acting as surrogate parents.

In conclusion, there are two other issues we want to mention. We appreciate the July 21 invitation to members of the Leadership Council of Aging Organizations (LCAO) to share their views with the Policy Committee. Following up on this request, we urge that each LCAO member be permitted to designate an organizational representative to serve as a delegate to the Conference. Finally, we are also interested in discussing opportunities for NCOA to work with you in sponsoring and promoting potential pre-conference meetings. For example, we are interested in looking into sponsoring meetings on civic engagement, the future role of senior centers, strategies for living independently, evidence-based health programming, and employment issues.