

Helping Older Ohioans to Remain independent and in the Community

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Background

Ohio and the nation overall are experiencing a phenomenon never achieved—an aging society. While each day we celebrate the accomplishments associated with increased longevity, we also need to recognize that coupled with this progress is an increase in the number of older people needing long-term assistance. Today, Ohio has an estimated 175,000 individuals age 60 and older who experience a severe long-term disability requiring long-term services and supports. About half of these individuals receive support from the Medicaid program through home and community-based services or nursing home care. The average per member per month cost to Medicaid for older Medicaid recipients getting long-term services is \$3,000 and for those receiving nursing home care that figure rises to more than \$6000 per member per month. About 40% of older Ohioans with severe disability are cared for through a combination of family members and by purchasing some help using private funds. The public and private costs are considerable and are projected to increase substantially over the next two decades. By 2040, Scripps Gerontology researchers at Miami University estimate that Ohio will have more than 260,000 older people with severe disability affecting activities of daily living and if the current use rates continue that would result in some 130,000 older Ohioans needing long-term aging services supported by Medicaid. Today that number is about 90,000.

Today's Challenge

Because federal policy addresses the growing number of older people requiring long-term services primarily through Medicaid, older people must become impoverished to receive assistance. More than nine in ten older Ohioans are not eligible for Medicaid, nor are they interested in relying on the program. However, when health and long-term needs become so great that personal and family resources are depleted, Medicaid becomes the dominant fall back for many. One response to this policy mismatch has been local initiatives, typically funded at the county level through property taxes that raise funds for home care services and supports for individuals in the local community. Seventy-four Ohio counties have passed such initiatives, ranging in size from \$200,000 to more than \$40million. These programs have in common an effort to target individuals prior to Medicaid eligibility to keep older residents from Medicaid reliance. While such initiatives highlight the commitment of local communities to support elder independence,

this large variation means that different communities have different levels of support available to older people in their communities. It is also important to note that 15 states use the local funding approach and Ohio generates more money in this way than any other state in the nation.

State Response

The question for Ohio is how can the state focus on the population of older people who are at risk of relying on Medicaid because of a need for long-term services. Because Medicaid represents such a large portion of Ohio's state budget and because most individuals would rather not rely on Medicaid in order to preserve their legacy, there is consensus that helping individuals remain as independent as possible is a unifying goal. Recent national studies have found that states spending more funds on support services such as home-delivered meals and personal care assistance have fewer low care Medicaid residents in nursing homes. Are there strategies that the state can undertake to help older people remain independent to delay or avoid Medicaid assistance for long-term services? Ohio's levy programs places the state in a unique position in this area since some of these support services are available in some counties. However, 12 counties do not have levy programs and an additional 21 counties have small levies that can provide only limited support. Eight of the counties in the state are classified as having high levies, generating \$125 per person age 60 and older in their community. One of the challenges faced in these high levy counties is that local officials emphasize using state Medicaid funds for those potentially eligible.

Because of the differences in county access to support services it is important for the state to develop a strategy to expand support services that both builds on existing community support, but also recognizes that more than one-third of Ohio's counties have limited or no support currently available for these services. So in low resourced counties direct financial support is critical and for higher resourced counties enhancing incentives to prioritize helping older people delay Medicaid use would be an important goal. Designing such an effort, while challenging, can improve care for older people with disability and save Medicaid expenditures in the future.

The aging of our state and nation is unprecedented in human history. We have always had old people in society, but for the first time ever we have an aging state and nation. Ohio's overall population growth between now and 2040 is flat, in fact it will drop a little bit. But our age 85 and older population will increase by more than 50%. As the population most likely to need long-term services continues to grow, it is critical that we design a system that is efficient and effective. Making sure that individuals remain as independent as possible, for as long as possible, is both the right thing to do and is also the cost- effective approach to serving older Ohioans and their families.