



Department of
Aging

Mike DeWine, Governor
Jon Husted, Lt. Governor
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TESTIMONY
MODERNIZING OUR APPROACH TO AGING
FISCAL YEAR 2024 AND 2025 EXECUTIVE BUDGET REQUEST
OHIO DEPARTMENT OF AGING

BY
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BEFORE THE
OHIO HOUSE OF REPRESENTATIVES
FINANCE COMMITTEE

FEBRUARY 8, 2023

Fostering sound public policy, research, and initiatives that benefit older Ohioans.

Introduction

Chair Edwards, Vice Chair LaRe, Ranking Member Sweeney, and Members of the Ohio House Finance Committee:

I am Ursel McElroy, Director of the Ohio Department of Aging. It is my privilege to serve on Governor DeWine's Cabinet, driving the issues that impact the lives of the 2.8 million older adults who call Ohio home, as well as their families, caregivers, and communities. As Ohio's federally designated State Unit on Aging, our department is responsible for developing and administering a multi-year [State Plan on Aging](#): the strategic blueprint for planning, coordinating, and implementing activities the state will undertake to address the needs of older adults and build the capacity of the long-term care system.

Our department is an integral part of the state's aging network, from the development of fiscal policy to its execution through service delivery. We oversee 12 regional Area Agencies on Aging, which offer services that help older adults remain in their homes, if that is their preference, in coordination with local direct service providers.

We administer the Older Americans Act – a major vehicle for the organization and delivery of nutrition, social, and support services for older Americans and Medicaid waiver programs for eligible individuals who meet the nursing facility-based level of care and can receive services safely in their home and community.

The State Long-Term Care Ombudsman, the principal advocate for nursing home residents, and the Board of Executives of Long-Term Services and Supports (BELTSS), which licenses nursing home administrators and health services executives are housed within the department.

Our support touches the state's nursing facilities, assisted living communities, adult day centers, senior centers, and home- and community-based service providers. As a department, we respect our partners and rely on all our relationships in the aging network to achieve our shared goals of assisting older adults to live as independently as possible; promoting healthy aging and active community involvement; and supporting family members in their vital caregiving roles.

This is a department that I am proud to lead, a network I am honored to guide, and a cause I am prepared to champion. I am also enthusiastic to stand before you today to discuss the critical Aging initiatives included in the DeWine-Husted Administration Budget Proposal.

I thank you – members of the General Assembly – for your time and attention to the important matters in front of us today.



Current Landscape of Aging

Nationwide, Ohio has the sixth-largest population age 65 and older. According to Scripps Gerontology Center at Miami University, Ohio's overall population growth is projected to be flat between 2015 and 2030. During that period, the 65 and older population is expected to increase by almost 30%, with a 24% increase in those 80 and older. While we celebrate increased longevity, we also recognize the urgent need for our state to cultivate an aging network that can diversify and expand at a speed matching this rapid population growth.

The challenges facing our network became starker during the pandemic and have become untenable. The workforce infrastructure, supported by direct care workers, family caregivers, and volunteers, is at risk of burnout at a time when the demand is growing. The complexity of care needs and associated costs are rising, and the consumer demand for services delivered in a variety of settings is increasing.

Per Scripps, as of 1993, more than 90% of older Ohioans on Medicaid received their long-term care in a nursing facility. Today, more than half (55%) of these same individuals now receive their care services in the community. Our state's home- and community-based services waivers serve over 48,500 consumers daily – the second-largest amount in the nation. This is in addition to the many thousands of individuals that receive services through the federal Older Americans Act and local initiatives, such as senior services levies.

Building the capacity of our aging network is an essential investment that affects our economy, the sustainability of families, and the ability to provide the needed supports to older Ohioans. The bold transformation needed is urgent and our department's budget request, coupled with the political will of our state's leaders, are the necessary first steps.

A top priority within the DeWine Administration is to make information available in a transparent way. Moving forward, we will be publishing a biennial economic report on aging that will be made available to you, city planners, the business community, and local government.

Strong Budget Request

Our budget request includes all-funds of \$171 million in fiscal year 2024 and \$108.4 million in fiscal year 2025, which includes General Revenue Fund requests of \$28.2 million and \$27.4 million in those same years.

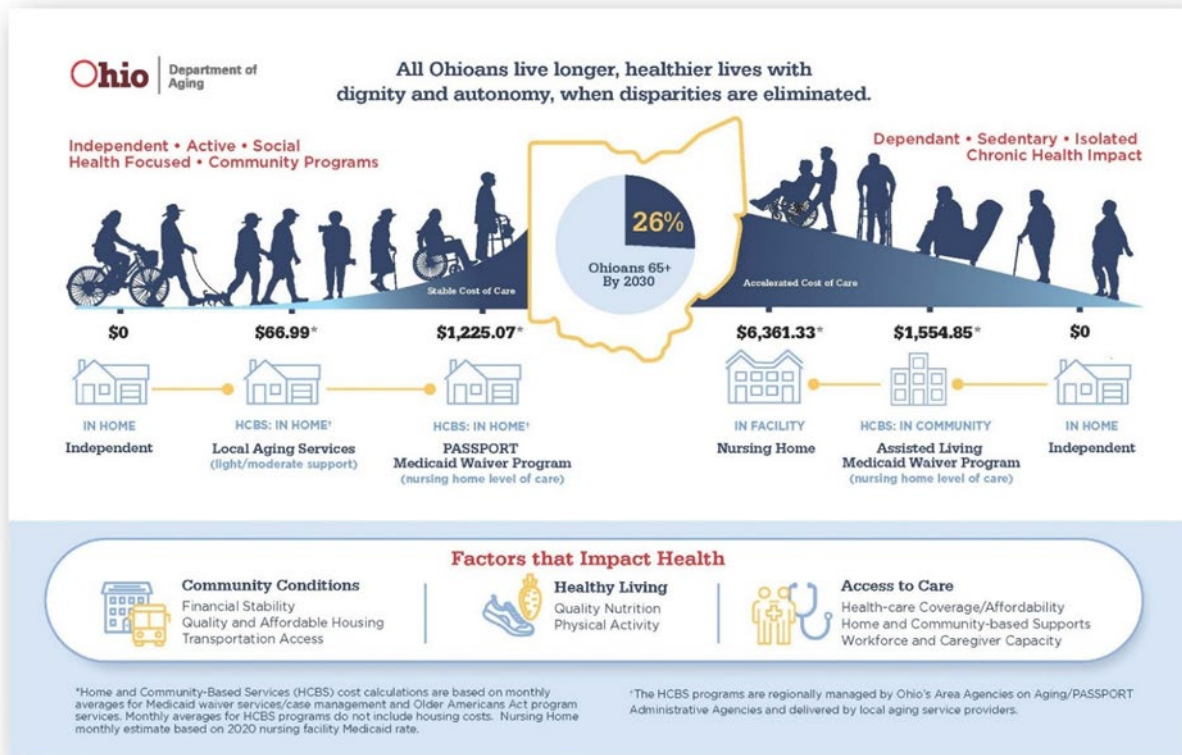
Our budget request is sound. It is reflective of our moral imperative to see that all Ohioans have the tools and the understanding they need to live up to their God-given potential. In my role, I am privileged to work with and for older Ohioans every day. And, in this job, you come to understand quickly that the potential we each possess doesn't have an expiration date. With the right support, older Ohioans can and do contribute their talents and wisdom to their communities and our economy in meaningful ways long past retirement age.

Our budget request underscores our responsibility to our consumers and partners, as well as the taxpayers of Ohio. We assessed our services and structure as they exist and sought to address gaps and create efficiencies. To assure that we were targeting the right options for our seniors, we used a results-based budgeting approach, based on evidence, research, and data, to evaluate the level of effective services that are currently being provided. We then set targets for levels of services that could be provided with the additional requested funding.

The funding streams for our programs are varied. We have General Revenue funds from the state, Medicaid federal matching funds and grant funding from the federal government, ARPA funding from the federal government, and revenue from fees and grants for various programs and activities, such as our Ombudsman program and BELTSS. In designing our budget, we were cognizant of the requirements of each funding stream and sought to maximize our funding through matching dollars from Medicaid and the use of the ARPA funding for programs where feasible. In addition, we needed to assure that the base budget for our department remained funded at a level to sustain our current operations so that we can continue to provide programs and technical assistance to our clients and partners.

The budget provides one-time revenue from federal ARPA dollars to disburse Healthy Aging grants to local communities and update technology for those systems that support Medicaid and other programs. It provides additional General Revenue funding for two of our main state funded programs – Senior Community Services and Alzheimer’s and Other Dementia Respite. It provides appropriation for us to send the final Older Americans Act ARPA funding to our partners to provide additional services for our seniors as we come out of the pandemic. And it provides additional funding for home- and community-based Medicaid programs through provider rate increases, which will allow our seniors to receive nursing facility-based level of care in their own homes.

Healthy Aging Grants



A key priority is the Healthy Aging Grants to local communities. This \$40 million transformational grant will keep at-risk populations in their homes and communities and prevent or delay the move to institutional care and reliance on Medicaid funding. These grants will increase local access to services and initiatives designed to help older adults stay healthy, live longer, and increase their independence in the

community. This includes nutrition services, transportation, minor home modifications, chronic disease management, health promotion, personal care, respite, and more. These funds help fill the gap for the nine out of ten seniors who are not on Medicaid, but who are unable to afford these types of services.

Our state is at an inflection point. Prioritizing healthy aging and supporting contemporary approaches to health promotion and disease prevention and management are critical considering the current landscape: rapidly growing aging population, rising costs of care, and a stressed direct care workforce infrastructure. Compared to acute care, the state has limited investment in this area despite the fact that, over the last decade in the U.S., the burden of chronic disease, healthcare costs, and fragmented care delivery have increased.

Local initiatives fund aging services at varying levels, typically funded at the county through property taxes that raise funds for levies or through private foundations. These grants would bolster existing programs and incentivize the creation of new, evidence-based programs targeting at-risk individuals before they need more costly publicly funded care.

The best way to illustrate the problem is to describe the Ohioan for whom this risk is highest. Imagine someone in their 70s living on a fixed income, within their limited means. Maybe they were married at one time, but now they live alone – with no family nearby to support them. Perhaps they had a good job at one point, but it was hard work, and now their working days are behind them. They're holding onto their health as best they can – they're not yet on Medicaid. It is oftentimes at this juncture when modest support can be impactful yet is delayed.

Every day, people in similar situations are faced with impossible choices. Do I ration the medication I have been prescribed to cut back on costs? Do I skip a nutritious meal to pay my home expenses? Sadly, people in these situations cannot afford preventive measures like installing grab bars in their bathtubs or showers, so they either risk a fall or go without bathing for days or weeks or even months on end. They are unable to pay for a homemaker to assist with meal preparation or light housekeeping and gradually their personal hygiene and home environment decline. Predictably the situation worsens, and their health deteriorates.

Once people reach a certain level of disability, their cost of care increases exponentially, and their choices of where to receive care shrink. The Healthy Aging Grants provide us with an opportunity to support healthy aging, longevity, and a better quality of life.

Alzheimer's Disease and Other Dementia Respite Line

The Alzheimer's and Other Dementia Respite Line supports individuals living with dementia and their caregivers. According to the Alzheimer's Association, there are now over 220,000 individuals living with Alzheimer's disease and other dementias in Ohio – a number that is expected to double as the number of older Ohioans rises. It is the sixth leading cause of death in our state.

Respite services help and strengthen caregivers in local communities by providing a short-term break from caregiving duties. Increasing this line by the proposed amount – just over \$1.8 million – would enable us to provide education, networking, and supportive services, such as personal care, chore services, adult day, and care coordination, while the person living with Alzheimer's disease receives care in a safe environment – all at no required cost to any participant.

As Chair of the state's Alzheimer's and Disease Task Force, I am proud of our recent accomplishments and look forward to building upon that work with this funding.

Last year, the department entered a partnership with Case Western Reserve University (CWRU) Cleveland Clinic and the Ohio Department of Education to fund the MINDS Study where we will begin to understand multidisciplinary interventions, including yoga, diet, music, and cognitive behavioral therapy, to determine if there is impact on slowing the progress of early detection to disease state. Beginning this year, the Clinic, along with the CWRU School of Medicine, will organize quarterly seminars for medical students that educate about neurological disorders, early detection of high-risk individuals and the role of lifestyle interventions to mitigate the risk of neurological disorder development.

We are also partnering with The Ohio State University to develop baseline assessment and educational materials for our practitioners. This year we will open the first state Caregiver Center for Dementia Care to provide up to date assistance and information to families and caregivers.

Home- and Community-Based Services Rates

Through Medicaid waiver programs, such as PASSPORT and the Assisted Living Waiver, direct care workers deliver hands-on assistance with activities of daily living such as bathing, toileting, dressing, and mobility to older Ohioans who meet a nursing facility-based level of care in their homes and communities. They can also assist individuals with everyday activities, like using the telephone, managing medications, doing laundry, cleaning, preparing meals, and managing finances. Without the services these waivers provide, many individuals would need to receive care in a nursing facility.

The Medicaid and CHIP Payment and Access Commission cited high rates of turnover driven by low wages, lack of advancement opportunities, and worker dissatisfaction as contributors to the home- and community-based workforce shortage. Indicators such as waitlists, inability to accept new clients, and discontinuation of programs underscore the problem in Ohio.

Recognizing that hiring, training, and maintaining frontline staff is critical to sustaining a viable home- and community-based services workforce, the administration undertook an analysis of the existing rates and assessed the buying power of these rates. Specifically, its impact on the ability of providers to offer a fair wage and sufficient levels of services to older Ohioans.

Let's take the Assisted Living Waiver as an example. Currently, we have a three-tiered rate structure for Assisted Living programs, yet over 98% of the paid units for services were in the third tier. Our proposal would collapse the three tiers into one rate. We are also proposing an "add-on" to the base rate for the provision of dementia care. The total funding increase for this proposal is 48%. If approved by this General Assembly, the structure will be simplified, funding amplified, and services more specialized for families seeking dementia care.

Working alongside our partners in government and the aging network, we are committed to engaging in this iterative rate modification process.

Program of All-Inclusive Care for the Elderly

The Program of All-Inclusive Care for the Elderly, or PACE, is an innovative care model that helps people who meet a nursing facility-based level of care receive the services and support they need while in their own home and community. PACE provides the full spectrum of care covered by Medicare and Medicaid, including preventive, acute, and long-term care. Some of the services include adult day primary care,

transportation to the PACE site, physical and occupational therapy, laboratory and x-ray services, prescription drugs, home care, hospital care, and more.

Care is coordinated by a team of clinicians, social workers, therapists, and direct care workers who continue to care for participants as their needs change or become more intensive. Research has shown that PACE participants receive high-quality care, resulting in improved health outcomes. Evidence demonstrates PACE initiatives are a cost-effective model of care delivery with high customer satisfaction.

Currently, access to this valuable service is only available in Cuyahoga County. This budget cycle, we sought to launch a long-overdue expansion of the program. We were extremely pleased and thankful to have the support of the previous General Assembly, which committed \$50 million – via the passage of House Bill 45 – that is enabling us to embark on an exciting expansion of PACE into several new counties across the state.

Governor’s Nursing Home Quality and Accountability Task Force

Governor DeWine made clear his priority to make excellence the expectation for all of Ohio’s nursing facilities during his recent State of the State address. Ohio has approximately 960 licensed nursing facilities and ranks 39th as a state in the most recent CMS overall Quality Star Ratings.

We know that the General Assembly will be looking at nursing facility rebasing this year and this administration looks forward to working with you and the leaders of the nursing facility industry to ensure adequate funding. The Governor has reminded us that as we look at rebasing, we must take a fair look at the quality of care and quality of life currently being offered.

He has announced that he will appoint a task force to study the issues surrounding quality of life and quality of care in our nursing facilities. I am pleased to share that I will have the privilege to convene and serve as chair of this task force. While I’m with you today, I want to take a moment to preview our work ahead with the Governor’s Nursing Home Quality and Accountability Task Force.

Since his announcement, we have wasted no time. We will visit every corner of the state with public town hall events beginning this month. We will hear directly from residents and families – giving them a voice to share their experiences; consult with subject matter experts on post-acute and long-term care; and work cooperatively with the nursing facility industry and key stakeholders. We will deliver an actionable report to the Governor in May, and I look forward to reporting back to this General Assembly with our recommendations.

Conclusion

As legislators, you’ve been given a tall task to solve a long-term problem with a two-year vehicle. As Director of our State Unit on Aging, it is incumbent upon me to present the most pressing challenges and offer well-developed solutions. Our budget request provides a sound pathway to solutions that support older Ohioans, strengthens the aging network, and helps ensure solvency of essential funds throughout the next biennium and in the years to come.

Chair Edwards, Vice Chair LaRe, Ranking Member Sweeney, and members of the committee, thank you again for the opportunity to testify before you today. I hope we’ll have your support of our 2024-2025 budget request. Working together, we can make Ohio the best place to age in the nation. I welcome the opportunity to address any questions you may have.