Florida Association of Aging Services Providers e-Newsletter

Volume 26: September/October 2011

Sponsor: BlueCross BlueShield of Florida
Guest Editor: Jim Croteau, Elder Care Services

Table of Contents

Message from the President

by Karen Deigl, Senior Resource Association, Inc.

Dear FASP Members:

The old saying, "this old mare, she ain't what she used to be" rings true as we start to assess the changing needs of our seniors.

Programs have to be developed, revised, and updated to meet the unique and changing needs of seniors particularly as more and more baby boomers require our services.

I am pleased to be part of an organization like the Florida Association of Aging Services Providers (FASP) which reviews and identifies the needs of all seniors.

Through our regular networking meetings, FASP conferences and retreats, our members are kept up to date with the most current news, advocacy, trends and information relating to those ever-changing opportunities.

I encourage all members to get involved and share the insight FASP offers to the aging community.

Sincerely,

Karen Deigl

Click here to apply for or renew FASP membership online

Guest Editorial

The theme of this issue of FASP's e-newsletter is "Preparing for a New Day." It recognizes that significant changes in Medicare and Medicaid are facing seniors aging services providers in Florida. Larry Polivka, PhD from the Pepper Center at Florida State University and Gary Koenig and Lina Walker at the AARP Public Policy Institute, describe many of the issues surrounding the Medicare discussion in Washington. Seniors and providers are going to feel the impact of cost shifting and rate reductions that will be the inevitable result of debt reduction negotiations.

The scariest part of the plans being circulated in Washington is the failure to recognize that "entitlement" is not a bad word. Medicare is an insurance program that seniors have paid for, and are still paying with premiums and co-pays. Many of these seniors are at or near poverty levels and are watching a larger and larger percentage of their incomes go to cover medical services and prescription drugs, with little left for rent, food or discretionary expenses.

Medicaid long term care programs for the elderly are also slated for significant changes in the near future. As you read this, the Center for Medicaid and Medicare Services is still negotiating with the state over pilot programs for privatizing Medicaid services. Plans for expanding the pilot programs statewide beginning with long term care for the elderly are still a priority for the Legislature. That will mean a new way of work for many FASP members. My article in this issue on preparing for the effects of the reform goes into a bit more detail of what we might need to do in the future.

The members of FASP often serve in leadership roles in other statewide organizations. The synergy that results from multiple perspectives on advocacy and information is what makes FASP so strong. Over 140 members are united in speaking out for the seniors we serve and the community based provider network we maintain. I encourage everyone to use this network to find ideas, share best practices and work together to keep seniors safe and healthy.

Medicaid Reform Continues

by James M. (Jim) Croteau, PhD President/CEO Elder Care Services, Inc

As this e-newsletter comes out, the Center for Medicaid and Medicare Services has agreed to yet another short term extension of Florida's pilot program. Federal approval is needed for the expansion statewide of managed care (HMOs/PSNs) taking responsibility for long term care for the aged, and then for all services for all Medicaid recipients. There will be some negotiated changes, but there is no doubt it will happen.

The intent of the reform effort is to reduce the number of providers the state has to deal with and to change the focus of the program. The desire is to move from acute and sub-acute medical services on a fee basis to wellness and chronic disease management on a capitated basis. By moving from fee based to a per member per month system, the state hopes to control costs by sharing risks and rewards with the managed care organizations.

Over the last several years, Florida has supported a dual system for long term care. One arm provides fee for service contracts to lead agencies for General Revenue and Adult and Disabled Medicaid Waiver programs to serve seniors at risk of nursing home placement. The other approach is the Nursing Home Diversion Program with a capitated per member per month rate that covers community based and assisted living care, but shifts the cost of nursing home placement to the provider. Allocations for this program have increased significantly over the last several years until today where it is funded at three times the community based Aged and Disabled Medicaid Waiver ($347M vs. $114M). This is despite the fact that annual cost of care in the Waiver program is half that of the Diversion program for essentially the same clients ($9K vs. $18K).

Continued on Page 9

FASP At-Large Representatives Updates

The Transportation Disadvantaged Commission is reviewing the Non-Emergency Transportation (NET) Medicaid funding for reallocation throughout the coordinated system. The new reallocation will be voted on at the December Commission meeting and become effective January 1, 2012.

In addition, Bobby Jernigan is no longer the Executive Director of the Transportation Disadvantaged Commission and Karen Somerset is the acting Interim Executive Director. The Commission is currently recruiting for this position.

David Darm is the new Chairman of the Transportation Disadvantaged Commission, replacing JR Harding, who served in that position since 2006.

Sarah Stroh, Executive Director
Marion Senior Services

The Florida Adult Day Services Association (FADSA) was pleased to partner with FCOA and FASP again this year on the 2011 Florida Conference on Aging.
The Adult Day Services preconference intensive and workshops were well received and attended. Prior to the conference, FADSA's leadership conducted a membership survey to help determine priorities for the coming year. We had an excellent response rate; 30% of FADSA's members responded to the survey! The priorities that clearly emerged from our members' responses to the survey were: Training, Communication, Advocacy and Networking. These priorities will guide the work of FADSA's Board of Directors in the coming year.

Ginna O'Connor, Vice President/Programs
Senior Resource Association

The National Senior Corps Association (NSCA), a national nonprofit organization representing the three programs of Senior Corps (Foster Grandparent, Senior Companions and Retired and Senior Volunteer Programs), recently met with the leadership of both Corporation For National and Community Services (CNCS) and Senior Corps to discuss the future of Senior Corps.

Both the CEO of CNCS and the director of Senior Corps agreed that support of Senior Corps is a priority. However, they also noted that big challenges lie ahead in view of the difficult 2011 budget year and it is expected that 2012 will be no different. Initiatives will be developed over the coming months that will more accurately reflect the benefit of all the Senior Corps Programs. They were in agreement that Senior Corps Programs will need to modernize, prove their effectiveness and their outcomes; as they will be increasingly compared to other organizations addressing some of the same elder care issues.

The Retired and Senior Volunteer Program (RSVP) suffered the biggest cuts in the most recent round of budget cutting. This resulted in the relinquishment of about 30 RSVP Programs around the country; due primarily to lack of local funding to offset the federal cuts and the mission incompatibility with the sponsor agencies. Almost none of the Foster Grandparent (FGP) and Senior Companion (SCP) Programs were relinquished. Any funds "saved" because of RSVP relinquishments will be held in "kind of escrow" until the 2012 financial picture is clear. At that point a decision will be made whether to redistribute it among RSVP Programs based on some criteria.

The work of the so-called "Super Committee", which will be making budget cut recommendations to the legislature, is going to be critical. ALL elder care programs (Senior Corps, OAA, Senior Centers, etc.) must make their elected officials aware of the critical life sustaining impact these programs have on elders in our respective communities. We are the advocates for those who have no powerful lobbyists or no powerful special interests.

John B. Clark, President/CEO
Council on Aging of West Florida

The Hidden Population of Caregiving Youth

By Cristy Kovach Hom, LCSW—Director of Continuing Care
American Association of Caregiving Youth

Do elderly service providers notice the children in the lives of their patients, and do they consider how these children may be caring for them? With the increasing number of multigenerational households, more youth are assuming the role of family caregiver. Recent budget cuts to Florida's skilled nursing facilities may result in a rise of this trend.

In the United States, an estimated 1.4 million youth ages 8 – 18 are caring for disabled, chronically ill or aging family members. They administer medications, assist with mobility, and manage household chores. Some provide personal care such as bathing or helping a loved one to the bathroom.

Currently, 38% of youth caregivers in this country are caring for a grandparent.

Youth caregivers experience the same challenges and stress as adult family caregivers. Yet, as children and teenagers, they are not emotionally or, at times, physically equipped to manage the strain. This can result in profound sadness, extreme anxiety and physical injury or illness. It affects their development and their social and academic lives.

The Bill and Melinda Gates Foundation Study, *the Silent Epidemic,* reported that among students who drop out of school for personal reasons, 22% do so to care for a family member. Multiple research studies state that youth caregivers have increased levels of anxiety and depression.

Other countries like the United Kingdom and Australia have been supporting "young carers" for years, but in the United States, they remain a hidden population, isolated and alone.

"I love my grandpa, but I am angry that I can't go out with friends." "I am the only one in the house that can calm my grandmother." "Can you find my auntie some help? I sit with her every Saturday to make sure she is safe." These are the voices of youth caregivers. They are asking for help.

Aging service providers are often the only professionals who learn that a child has assumed a caregiving role, and as professionals, it is important that they recognize the child's need for support. The study, *Young Caregivers in The U.S.,* (2005) found that one in six child caregivers helps their care recipient communicate with doctors or nurses and that 15% of those aged 12 and older assist with arrangements for additional outside care. In Florida, an abundance of children and teens are translating vital medical information for their families and are often unprepared for the messages they convey.

Based in South Florida, the *American Association of Caregiving Youth* is the first and only U.S. organization that identifies, recognizes and supports children who are responsible for the care of their ill, injured, elderly or disabled family members. A former youth caregiver, the Association's Founder and President, Dr. Connie Siskowski studied the prevalence of youth caregiving in Palm Beach County, Florida, and found that there were approximately 10,000 local middle and high school students in this role.

Working together with the National Alliance for Caregiving, Dr. Siskowski contributed to the first U.S. study on child caregiving, funded by the Administration on Aging in 2005.

Continued on Page 5

Continued from Page 4 –The Hidden Population of CaregivingYouth

The American Association of Caregiving Youth provides information and resources to youth, families and helping professionals; conducts research; and promotes awareness of the issue of youth caregiving. The Association's local effort, the Caregiving Youth Project, works with middle and high school youth caregivers. It provides in-school skills building and therapeutic groups, out of school educational and recreational (respite) activities, family evaluation home visits, an overnight camp, health education and stress management classes and most importantly, gives caregiving youth the opportunity to connect with peers who understand. The project also links families to community resources that include tutoring, computers, internet access, health and social services, and respite.

Aging service providers are in an ideal position to raise awareness about the hidden population of caregiving youth. They can begin to help by asking their clients about the children in their lives and their caregiving roles. To refer caregiving youth and their families to the American Association of Caregiving Youth, please call 1-800-725-2512. Palm Beach County's Caregiving Youth Project can be reached at 561-391-7401. For more information, please visit www.aacy.org.

Jacksonville's Largest Non-Profit Service Provider for Seniors Has New Brand, New Website and a New Name

Aging True, speaks to organization's support and celebration of independent, graceful aging.

For nearly 50 years its programs and services have helped seniors by enabling them to stay in their homes longer.

Aging True Fact Sheet
Aging True History

Have you heard about the recent startup of Meals on Wheels Association of Florida?

Get in on the ground floor with this organization. Click here to see recent meeting information, and about how to join the group and the next conference call.

Any concerns, comments or questions, please contact s.king@mowtampa.org

Come visit us at the FASP website www.fasp.net

Threats to Medicare

By Larry Polivka, PhD

The greatest threat to the retirement security of future Americans may well be the projected increase in retiree out of pocket health care costs over the next several decades that will occur under current provisions in Medicare law.

Within a decade, without any changes to the program, we are likely to find ourselves facing health care costs that are even less sustainable -- and an even greater threat of class-based health care rationing for all age groups, but particularly the elderly and disabled.

Far from constructively addressing this problem, however, politicians in Washington are instead racing to cut Medicare spending in ways that would make the problem worse.

Out of pocket costs would rise far higher if Medicare undergoes further privatization through conversion to a defined contribution program based on a premium support strategy as proposed by Republican House Budget Committee Chairman Paul Ryan. But they'd also go up as a result of the kinds of cuts that Democrats appear to be considering as part of an attempted compromise plan. The "Gang of Six" proposal to tie Medicare spending to increases in the GDP plus 1% beginning in 2020 could substantially increase beneficiary out of pocket cost depending on increases in the rest of the health care system, which have an average exceeded GDP by 2.25% for 40 years.

Medicare is second only to Social Security in ensuring an adequate standard of living for older Americans. (Read my June article for Nieman Watchdog about Social Security: "Reporting without context on the nation's greatest policy achievement ever.") According to most measures, Medicare is a public policy success story. In 1965, almost 50 percent of persons age 65 and older had no health insurance. Medicare now provides health care coverage for over 95% of the age 65+ population. Medicare has greatly increased access to health care and helped increase longevity.

But a growing number of older people will not have adequate access to health care until Medicare co-payments and deductibles are reduced and long-term care, which is now available under Medicaid for only the impoverished, is made an affordable Medicare benefit.

A fair minded effort to reform Medicare would be responsive to the fact that Medicare beneficiaries have been experiencing a steady growth in out of pocket spending for health care for several years. The percentage of beneficiaries' discretionary income spent on Medicare premiums, copayments, and deductibles has increased from 10% in the 1980s to over 15% on average today (Caplan & Brangan, 2004) and is over 30% for many lower income beneficiaries. These increasing costs have put routine medical care beyond the reach of many less affluent older people. The median income of Medicare beneficiaries is only $22,800 a year.

Current projections indicate that Medicare beneficiaries' out of pocket expenditures will rise from 22% in 2020 to between 30% and 40% in 2030 and health care spending, as a share of after-tax income for married couples, will rise from around 20% in 2000 for those in the bottom 40% of the income distribution to almost 50% in 2030.

These projected increases represent a profound threat to the economic security and health status of future retirees and their families under current law -- a threat that would be greatly increased by privatizing Medicare, which would not contain the costs of health care but rather shift the cost burden on to those who could least afford to bear them-the elderly and disabled.

Continued on Page 7

Continued from Page 6 –Threats to Medicare

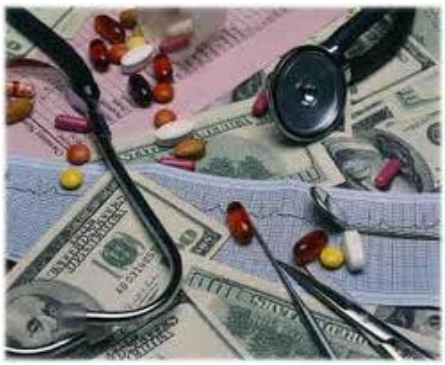
A more effective, as well as just approach to containing costs would be to adopt features of health care systems that have achieved universal coverage at affordable prices in several European and Asian countries. A 2003 report by Gerard F. Anderson, Uwe E. Reinhardt, Peter S. Hussey and Varduhi Petrosyan called *It's The Prices, Stupid: Why the United States Is So Different From Other Countries,* found that several other national health care systems were able to provide universal access, pay for more per capita medical services, achieve better health outcomes and consumer satisfaction at substantially lower costs than the U.S., by systematically restricting price increases.

Every country has its own approach to providing universal coverage, cost containment and quality assurance. Three strategies that could work in the U.S. without turning health care into even more of a Rube Goldberg system than it already is are; a public option insurance program to compete with private plans that currently have near monopoly control in most markets, the gradual extension of Medicare, (single payer coverage) to younger age groups, or an all payer rate regulation system similar to the current Maryland program which has operated with reasonable success for several years.

The health care industry has vigorously resisted these strategies, most recently in the debate over the Affordable Care Act, and will continue to do so in the future. Nevertheless, these strategies are far more likely to contain unsustainable cost increases while preventing Medicare from being eviscerated through privatization or funding reductions that would threaten physician and other providers participation rates and undermine access and quality of care.

The fear that major cuts in the Medicare program could reduce access and undermine the quality of care is supported by recent research reported by the National Bureau of Economic Research (NBER). Researchers Vivian Wu and Yu-Chu Shen found that Medicare payment reductions in the 1997 Balanced Budget Act led to increased mortality rates during 2001-2005 in hospitals that absorbed large Medicare payment cuts relative to the hospitals that experienced small cuts. Reductions in staffing levels and operating costs following big Medicare payment cuts are the most likely cause of increased mortality rates.

Rising Medicare costs are not a result of inefficiencies unique to the Medicare program. These increases are caused by the same factors that have driven costs in the entire U.S. health care system at the rate of 2.2% above the Consumer Price Index (CPI) for almost 40 years. These factors include advances in medical technology and a health care system that is unique among developed nations in the extent to which it is driven by shareholder value and high executive compensation and professional salaries, especially for doctors and administrators.



Provisions in the Affordable Care Act, if successfully implemented, have the potential to contain costs in the Medicare program without significantly harming beneficiaries. At this point, however, there is little reason to think that these provisions will have more than a marginal effect on costs.

Medicare is not perfect, but privatization or further cuts would undermine its value for beneficiaries by making the program increasingly unaffordable.

Larry Polivka serves as Scholar in Residence of the Claude Pepper Foundation at Florida State University, focusing his efforts on issues relating to long-term care and retirement security.

The New Reality: Important Facts about America's Seniors

By Gary Koenig and Lina Walker - AARP Public Policy Institute

For many Americans 65 and older, the future has changed. The recession has left millions with higher expenses, lower incomes, depleted savings, and reduced home equity or homes lost to foreclosure. Longer term trends have also had a negative impact. Here are ten key facts:

1. **One in six lives in poverty.** An updated measure of poverty taking health care costs into account and endorsed by the National Academy of Sciences shows 16.8 percent poverty among seniors (2009), almost equal to poverty among children (17.5 percent).[1]

2. **$18,500 annual income.** Half of those 65 and older had annual individual income less than this amount. Ten million people over 65 had income less than $10,800, while fewer than two million had income above $85,150 (2009).[2]

3. **Older women have less.** Poverty rates for older women are higher than those for men in all racial and ethnic groups. African American women have a 24 percent poverty rate compared to 13.7 percent for African American men. Among whites, 9.5 percent of women live in poverty, compared to 5 percent of men.[3]

4. **$3,103 out of pocket on health care.** Half of all Medicare beneficiaries spent more than this amount of their own money on health care in 2006. The oldest and poorest beneficiaries spent about a quarter of their income on health care.[4]

5. **Unemployed 12 months or more.** As of May 2011, jobseekers 65 or over spent an average of a year looking for work; there were more than seven million people 65 or older in the labor force; and the unemployment rate for this age group was almost twice what it was in 2007.[5]

6. **Growing debt.** In 2007, two-thirds of families with a head of household age 65–74 had debt. Of those, more than half owed at least $40,000 (a 400 percent increase since 1989).[6]

7. **Wide savings gap.** Three out of five families headed by a person 65 or older had no money in retirement savings accounts (2007). Half of those with savings had less than $60,800.[7]

8. **High cost of long-term care.** More than six million people 65 plus need daily assistance (4.6 million in the community, 1.3 million in nursing homes.)[8] Typical private-pay assisted living costs (2011) are more than $39,000 a year. Nursing home costs are almost twice as much.[9] Medicare pays for very limited nursing home care and does not pay for assisted living.

9. **Medicare: no free ride.** Nearly seven out of ten Medicare beneficiaries spent at least 10 percent of their income on health care expenses (2006);[10] Medicare households spent three times more on health care, on average, than non-Medicare households (2009).[11]

10. **Social Security: a lifeline for many.** Social Security kept 36 percent of older Americans out of poverty (2008). It is the principal source of family income for nearly half of older Americans and the primary source of income for older minorities. More than a quarter of older African Americans and Hispanics depend on Social Security for almost all of their family income.[12]

For footnotes please click here

Upcoming Events

November 2011
November 18-22, 2011: Boston, MA. *Gerontological Society of America Annual Conference.* For more information please visit www.geron.org/annual-meeting

February 2012
February 10, 2012: Florida State University, Tallahassee, FL. *Making Health Law in the Sunshine State: Do (and should) Ethics Influence Policy Making?* Additional information about this event will be posted to the events calendar as it becomes available. http://www.fasp.net/events.php

March 2012
March 28-April 3, 2012: Washington, DC American Society on Aging Conference. Aging in America. For additional information and to register, visit http://asaging.org/general-info

Continued from Page 2 –Medicare Reform Continues

As the new day is upon us, what should local non profits and community providers look to do? Here are a few considerations:

Think Like A Small Business. Non-profits and small businesses alike can succeed only if they closely monitor revenues and ruthlessly manage expenses. It is no longer good enough to have a good program or provide quality services. Careful consideration of the true cost of services versus reimbursement or contract rates will be important as grants disappears and provider sub-contracts are offered from managed care.

Think About Partnerships. As the landscape changes, most current Medicaid clients will be transferred to managed care. Do you want to simply become one of many subcontractors competing for business on the basis of price alone? Or do you want a broader partnership that takes advantage of your experience and community connections? Local agencies and providers have links to local resources that out of town HMOs/PSNs don't have. Include that fact in any negotiations to show how it will save them money.

Don't Sell your Services Too Cheaply. There will be few monopolies on the service provider end, but that does not mean a local agency or provider should automatically take what is offered. If you know the true cost of your services, including overhead, you should negotiate a rate that cover all of it. Don't use community funds to help for-profit HMOs/PSNs save money.

There Are Other Seniors Out There Who Need You. Much attention has been paid to keeping and serving Medicaid clients. The truth is that funding constraints at the state level have resulted in extraordinary waiting lists in many communities and the lists will continue to grow as the number of seniors in need outpace the increase in available funds. Agencies must look for ways to offer valuable services at reasonable cost to the majority of seniors and their caregivers who do not qualify, or are on waiting lists, for subsidized services.

When the Bottom Falls Out, You Need to be There. One in seven Floridians is eligible for Medicaid services. Medicare does not cover long-term care. There will simply not be enough money or services available. With continue rate cuts, there may not be enough providers to meet all the needs. When managed care cannot make a profit in the business, they have shown in the past no reluctance to leave. There may be no one else to help all the seniors and their caregivers except local non-profits and community based providers. Keeping the mission, integrity and community support for the local network will be essential to our future as the primary resource to seniors in our state.

FASP is on Facebook - Are You?

Do you or does your organization have a Facebook or Twitter account?
We would love to "like" "Friend" and/or "follow" you too.

FASP - Florida Association of Aging Services Providers Facebook page
http://www.facebook.com/home.php?#!/pages/FASP-Florida-Association-of-Aging-Services-Providers/186392068069967

FASP - Florida Association of Aging Services Providers Twitter
http://twitter.com/FLAgingServProv

Florida Department of Elder Affairs (DOEA) Facebook page
http://www.facebook.com/pages/Florida-Department-of-Elder-Affairs/128604923878650?sk=wall

FCOA - Florida Council on Aging Facebook page
http://www.facebook.com/home.php?#!/pages/Florida-Council-on-Aging/74320166787

FCOA - Florida Council on Aging Twitter
http://twitter.com/#!/FCOA1

SPONSOR SPOTLIGHT

This issue of the FASP e-Newsletter was brought to you by the generous donation of

FLORIDA

An Independent Licensee of the
Blue Cross and Blue Shield Association

http://www.bcbsfl.com/

The intent of the FASP Newsletter is to keep you informed about program updates and information relating to aging services providers. If you have any comments about the newsletter, suggestions on ways to improve it and/or items you would like included, please contact FASP by e-mail at moreinfo@fasp.net or by phone at (850) 222-3524.

The mission of FASP is to support and advocate for public and non-profit organizations engaged in the provision of community-based services to Florida's elders to improve their quality of life.

Mark your calendars now!

The 2012 Florida Conference on Aging will be held

August 20-22, 2012

at the JW Marriott in Orlando