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Lt. Governor

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Secretary



DEPARTMENT OF AGING

Choice, Independence and Dignity

BUDGET PRESENTATION

Senate Budget & Taxation Committee
Health, Education, and Human Resources Subcommittee
February 3, 2011

House Appropriations Committee
Health and Human Resources Subcommittee
February 9, 2011

By Gloria G. Lawlah, Secretary
Maryland Department of Aging

Mr. Chairman (Madame Chairman), members of the committee, I am pleased to be here today to present the budget for the Maryland Department of Aging for Fiscal Year 2012.

Before I begin, however, I would like to compliment Steve McCulloch, the Legislative Services budget analyst, for his thorough analysis of our Department's funding and operations. We especially appreciate his concurrence with the Governor's allowance. Thank you, Steve!

In each of your books you will find the Department's Annual Report. The report provides a summary of the Department's accomplishments and grant awards over the past year. It contains information about the programs we administer with State and federal funds. In the back of the report are listings of Area Agencies on Aging (AAAs), Senior Centers, and the membership of the Department's Commission on Aging. In addition, you will find a listing of local Senior Information and Assistance Offices. Be sure to mark this page, as this is where you and your staff will want to go to obtain information or help resolving issues that are important to your senior constituents and their families.

The Maryland Department of Aging envisions Maryland as a place where all citizens can age with choice, dignity, opportunity and independence. MDoA, in partnership with the 19 Area Agencies on Aging, provides leadership and advocacy to Maryland's seniors and their families through information, education, and services.

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Introduction

The aging of Maryland's population presents many challenges. The national economic downturn continues to have a significant impact on Maryland's older adult population. Many older workers find themselves downsized out of jobs long before they are ready to retire. While older workers may be less likely to be laid off, those who do lose their jobs are likely to be unemployed for a longer period of time than younger workers and they are unlikely to replace their former salary. Older workers are also more likely to be laid off from industries that have restructured or reduced their domestic presence, and may not have the skills that readily translate to currently available jobs. Our Senior Community Service Employment Program is a community service and work based training program for older workers. Authorized by the Older Americans Act, the program provides subsidized, service-based training for low-income persons 55 or older who are unemployed and have poor employment prospects. The community service training is intended to serve as a bridge to unsubsidized employment.

We continue to see increases in the number of requests for services. We were grateful for the stimulus funds we received last year to address the nutrition needs of seniors. More than 17,000 additional individuals received meals through the Congregate Nutrition and Home Delivered Meals Services Programs with funding made available under the American Recovery and Reinvestment Act. The funds enabled local offices on aging to end waiting lists for home-delivered meals as well as purchase shelf-stable emergency meals that were distributed in the days preceding the 2010 blizzards that disrupted normal meal delivery. A video documenting the benefits of these funds was produced by Maryland Public Television and may be viewed at <http://www.youtube.com/watch?v=K3iP9CynjpA>

Even though these are tough times, we remain committed to finding new and innovative ways to ensure that our seniors are able to stay healthy, remain in their homes and are actively engaged in their communities. This is not only good for seniors, it is also good for Maryland taxpayers.

Our older adult population is growing in size as well as living longer. They are increasingly diverse and by 2030, racial and ethnic minorities will account for more than 40 percent of the U.S population. This year we will witness the first of the baby boomers turn 65. This "new longevity", as some refer to it, is impacting everything from housing to health care and everything in between.

Our long term care landscape is undergoing major changes in the wake of landmark legislation and court decisions that continue to underscore the rights of individuals with disabilities to live in the least restrictive settings. We are doing our part to change public policy and pilot new initiatives with the goal of shifting the focus of long term care in Maryland away

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from institutional settings and toward home and community-based settings. A little known and seldom touted outcome of these efforts is the role that they play as an incubator of small businesses and jobs. Since the Medicaid Waiver for Older Adults was created more than 10 years ago, hundreds of new businesses and thousands of jobs have been created. The growth of the home care, assisted living, and home modification industries, to name a few, are directly related to our efforts to build the community-based service infrastructure, and have an immediate impact on the local economy.

Maryland Access Point

Expansion of the Aging and Disability Resource Center (ADRC) Program, known as Maryland Access Point (MAP), is revolutionizing the way older adults and persons with disabilities access information and services. We are aware that not knowing where to go for help is one of the biggest problems faced by people with long term support needs. By the end of 2012, we hope to have a statewide network of local MAP sites up and running, creating a one-stop-shop in each county and making it easier for older adults, adults with disabilities, and their caregivers to obtain needed information and connect to available services much more quickly than has been possible in the past. A major milestone was the successful launch of the MAP website in December 2010. The web site provides information on long term supports and services, service providers, advocacy assistance, and directs consumers and users to their local MAP partners for aging and disability services and information. If you haven't visited the site, please go to www.marylandaccesspoint.info

Money Follows the Person

MDoA is working in partnership with the Departments of Health and Mental Hygiene to implement a five year federally funded program to identify individuals in nursing homes who wish to transition back into the community. Eligible individuals transition into one of several Medicaid Home and Community-Based Services Waivers. As of January 2011, 312 nursing home residents have transitioned to the Waiver for Older Adults under this initiative. A 2010 Memorandum of Understanding between the Maryland Department of Health and Mental Hygiene and the Maryland Department of Aging provides \$3 million to fund the Money Follows the Person Demonstration. This funding is allocated to the Department to support the MFP program through local Area Agencies on Aging and to expand the MAP program and website.

Grants

By aggressively pursuing grant-funded opportunities, we are developing new initiatives to help older persons navigate their health and long term support options, manage chronic diseases, and engage in meaningful community life. As you can see by our budget, federal

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funding for Fiscal Year 2012 has increased substantially, with the award of several new grants and our partnership with DHMH to help people transition from nursing homes back to community living. I want to acknowledge the effective work of the Department Staff, especially Stephanie Hull, who wrote or supported applications which resulted in awards which are enabling us to build a community-based service infrastructure. These awards include more than \$1.3 million in grants under the *Affordable Care Act* to help seniors and individuals with disabilities and caregivers better understand and navigate their health and long term care options, through the following three key program:

- **Medicare Outreach and Assistance in Low Income Programs and Prevention** will provide outreach and assistance to Medicare beneficiaries on their benefits, including client education and enrollment in the Qualified Medicare Beneficiary Program, Specified Low-Income Medicare Beneficiary Program, Part D Low- Income Subsidy Program; coverage for preventive services; and additional federal assistance for individuals who fall into the Medicare Part D “donut hole.”
Amount: \$595,551
- **ADRC Options Counseling** will strengthen Maryland Access Point sites by building their capacity to provide options counseling to individuals seeking information and assistance on long term supports and services. Options counseling programs help people understand, evaluate, and manage the full range of long term services and supports available in their community. Under this grant, Howard County will work to develop and test standards and to develop a method for incorporating these standards in all long term supports and services programs and among all MAP partners including the Money Follows the Person Demonstration.
Amount: \$500,000
- **Evidence Based Care Transition** will help older persons or persons with disabilities remain in their own homes after a hospital, rehabilitation or skilled nursing facility stay, breaking the cycle of readmission to the hospital that occurs when an individual is discharged into the community without the social services and supports they need. This program supports frail adults in the community by providing a Guided Care Nurse that works with the individual upon hospital discharge to assist the individual to remain stable in the community. The program has demonstrated savings as a result of reductions in readmission, emergency admissions and other acute episodes. The program is a collaboration between MDoA, the Baltimore City MAP and the Johns Hopkins Community Physicians Practice.
Amount: \$197,660

Additional grant-funded initiatives include:

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- **Person-Centered Hospital Discharge Program**, a 39-month grant from the Centers for Medicare and Medicaid Services, to develop a pilot program to target hospital patients at high risk of being discharged to a long term nursing home placement and to provide those patients expanded counseling and services. Amount: \$1,100,000
- **Nursing Home Diversion Grant/Community Living Initiative** has enabled MDoA, in partnership with five AAAs and other long-term care stakeholders, to develop a tool to identify individuals at risk of Medicaid spend down and nursing home placement and assist them through a flexible self-directed benefit program. The program also has made it possible to develop a Veteran Directed Home and Community Based Services Program which will provide a flexible benefit to veterans who have disabilities and are living in the community. In 2010, a Fiscal Intermediary was retained to provide personnel payroll and vendor purchases by individuals participating in the Community Living and Veterans Programs. Amount: \$500,000

Veterans-Directed Home and Community-Based Services (VD-HCBS) Program

I am also very pleased to inform you that the Department is about to enter into an agreement with the Veterans Health Service to establish the **Veterans-Directed Home and Community-Based Services (VD-HCBS) Program** in Maryland. Under this agreement, the local AAAs will be able to provide case management services to Veterans with disabilities to enable them to receive needed supports and services at home. MDoA has awarded a contract to a fiscal intermediary that will handle the payments to providers selected in participating Veterans. This initiative will roll out in Baltimore County in 2011 and is expected to be expanded to other areas of the State.

Health Promotion and Disease Prevention

We are continuing our efforts to promote healthy lifestyles and to train people to manage chronic diseases more effectively. With federal and private grants, we have been able to increase the number of older adults taking fitness classes, learning how to prevent falls, and taking charge of their health.

Long Term Care Ombudsman

For our most vulnerable seniors in long-term care settings, we have undertaken a significant retooling of our Long Term Care Ombudsman Program, a vital program that protects residents of nursing homes and assisted living facilities throughout the State. We also participated in the first of what we hope will be many groundbreaking ceremonies for the Green

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House model and other examples of “culture change” that are beginning to redefine facility-based long term care with a new emphasis on the resident.

Continuing Care

Downturns in the housing market and the economy as well as credit tightening in the financial markets, have made the last year a particularly difficult year for the continuing care retirement community industry in Maryland and nationwide. In 2009, the industry experienced the bankruptcy of a major developer and manager of continuing care retirement communities, Baltimore-based Erickson Retirement Communities. The average Maryland continuing care retirement community has seen waiting lists decline. We have also observed the pre-recession occupancy levels begin to decline and some communities have made adjustments to their entrance fee requirements in order to maintain occupancy.

In 2009, I appointed a 21-member Continuing Care Advisory Committee ("CCAC") consisting of senior living professionals and consumers to study the issues impacting the Continuing Care Retirement Community (CCRC) industry and to make recommendations for changes to existing statute to improve and sustain an optimal regulatory environment for CCRC's and their residents. The CCAC stakeholder group represented providers, residents, financial experts, attorneys, and consumer advocates. After a year of deliberations a final report was submitted in November of 2010. Departmental legislation is moving forward to implement the many recommendations contained in the CCAC report.

Summary

As a former legislator who served on the Senate Budget and Taxation Committee, I fully understand the difficult job you have insuring a balanced budget that maximizes resources for your constituents. I hope my presentation today has helped inform and convince you of the importance and need for the valuable programs and services delivered by the Department of Aging to thousands of older Marylanders. I look forward to working with you cooperatively over the next several years to ensure that we do all that is possible to meet the needs of our seniors.

Thank you. I will entertain any questions the Subcommittee may have at this time.