

AoA Reauthorization Listening Session – San Francisco, March 3, 2010

Submitted by Lynn Kellogg/CEO Region IV AAA, St. Joseph, MI

While I have the honor of serving as n4a President, my testimony today is offered primarily as a AAA director from Michigan. We are a stable, progressive group in Michigan. Most AAAs serve as access points for OAA, state services and the Medicaid HCBS waiver. We serve adults aged 18 and up and support the ADRC concept. Partnerships with disability colleagues are growing across the state. In my own region the local CIL has co-located with the AAA to coordinate our strengths in the provision of access services such as I&A, options counseling, care management and nursing home transition.

Quoting from the Older Americans Act...

*“The overall objective of the Title III program is to strengthen or to develop at the substate or area level a system of coordinated and comprehensive services for older persons – services which will enable older people to live in their homes or other places of residence as long as possible.”*

This mission, along with the required role in advocacy, is still valid. It must be retained and strategically strengthened.

As reauthorization is considered, there are four trends that impact the world in which the aging network operates and which it should recognize and respond to:

- 1) That the development of services and supports for the aging population and persons with disabilities represents an economic growth sector – a market economy that will continue to emerge;
- 2) That the numbers of service providers and scope of the provider world is increasing with the markets, and that the expertise of providers is siloed within distinct areas and corresponding trade associations;
- 3) That the medical fields and third party payer systems feel increasing need to reach to or develop non-medical interventions to prevent or curtail the advance of chronic disease; and
- 4) That local communities regularly invest in infrastructure and services but have yet to understand, embrace and plan for aged or disabled citizenry.

Reauthorization must recognize these trends and capitalize on them. We can strengthen core OAA functions and infrastructure based on proven best practices while building on and complementing the energy of a growing aging service industry. I'll offer some comments on how we can move in this direction and then offer thoughts for changes within the OAA.

To build on the market economy and the growth of this economic sector we must...

**1) *Move from an agency based system to a consumer-driven system that builds on emerging markets***

This manifests most commonly in self-directed services. In some states, Michigan being a prime example, SUAs and AAAs have also moved away from an agency based system of annual contracts with providers to establish flexible purchasing pools that capitalize on the growth of the industry by inviting an unlimited number of quality providers to be vendors that can respond to the array of needs. This also provides an excellent vehicle for bringing needed cultural and linguistic diversity into the provider pool to respond to person-centered needs.

Creating purchasing pools significantly strengthens and energizes the AAA based Program Development function outlined in the OAA by motivating private and public entities alike to expand their offerings and diversify their businesses. It truly builds on the growth of the economic sector by steering business into needed areas. The Michigan experience has resulted in lower unit costs, greater diversity of the types of services the OAA is able to provide and increased consumer choice. Several schematics that exemplify these concepts are attached for clarification purposes.

Being consumer driven also means being person centered and not being “program” or “eligibility” focused. To build a comprehensive system as required in the Act, we must reach from private pay to Medicaid. To capitalize on emerging markets, private pay options should be actively encouraged if not required.

To respond to the challenges in health care we must

**2) *Recognize and strengthen the critical role of AAAs & Title VI entities in long-term services & supports***

The strength of the data we have underscores the strength of the network in providing a) access to information, options counseling and supports coordination, b) evidence-based chronic disease interventions as a bridge between the medical and non-medical worlds of evolving service development, and c) providing services and supports in a consumer directed fashion.

My own AAA, like most around the country, got involved in the provision of “access” services such as I&A, options counseling, and care management [now commonly referred to as supports coordination], because we were not a service provider; because the frame of reference in giving information was and is objective. While this is a vital service for the well elderly, it is an absolutely critical service for elders needing long-term services and supports.

As the medical and third party payer systems recognize the need for chronic disease management, caregiver support and preventative assistance with activities of daily living, they stand poised to reinvent from a medical perspective the expertise that already exists in the aging network. It’s critical that the aging network be recognized as a strategic solution and base from which to build.

*And* – to both aid our communities and leverage resources into the mission of the OAA we must

**3) *Strengthen the OAA community planning role of AAAs & Title VI entities as a national force in development of Livable Communities for All Ages***

Perhaps because of their role in access services, AAAs are sometimes over simplified and categorized as service providers when their core function and purpose is community planning and program development. The diversity and local reach of AAAs and Title VI entities reflects the diversity of the communities that comprise America. There is no better vehicle to reach into **all** communities to motivate and mobilize economic developers and planners to act on behalf of their aged and disabled citizenry. Indeed no other network even exists.

*In order* to capulate these ideas into the OAA, the following changes to the Act should be considered.

1. **Incorporate the components of Project 2020 into the Act.** Project 2020 builds on proven best practices of person centered access to information, chronic disease management and community living services and supports and takes them to national scale through AAAs and Title VI entities.
2. **Either create a separate Title or significantly strengthen existing language that builds on AAAs and Title VI entities to serve as a catalyst and advocate for broad base community and economic planning to create Livable Communities for All Ages.** This would recognize the bottom up planning inherent in the OAA and leverage significant local resources towards the development of comprehensive systems of care. Funding to allow for dedicated staff at the AAA and Title VI level should be pursued.
3. **Retain both the broad mission of the OAA to develop comprehensive coordinated systems of care, and the focus of key Titles within the Act such as III-B, C, D, and E, but encourage broad flexibility in both service and age, targeting use of limited OAA service dollars to vulnerable adults most in need.** The mission of the Act is to develop systems. It doesn't mean that the Act has to directly fund all services. Planning and program development are the heart of the mission and must remain. OAA service dollars however, must be targeted to those most in need and areas of proven impact for the well elderly and caregivers. For long-term services, formally structured but voluntary cost-sharing using a self-declaration model that includes 100% cost share should be encouraged to bridge from Medicaid to private pay. The OAA is the only national resource poised to structurally bridge this gap.

Finally, let me close with a few observations.

It's important that demonstration funding not be the norm. It tends to advance the stars of the network without working on the country as a whole. We have a host of best practices and proven interventions, some funded through the OAA, some not. We must focus on taking these practices to national scale.

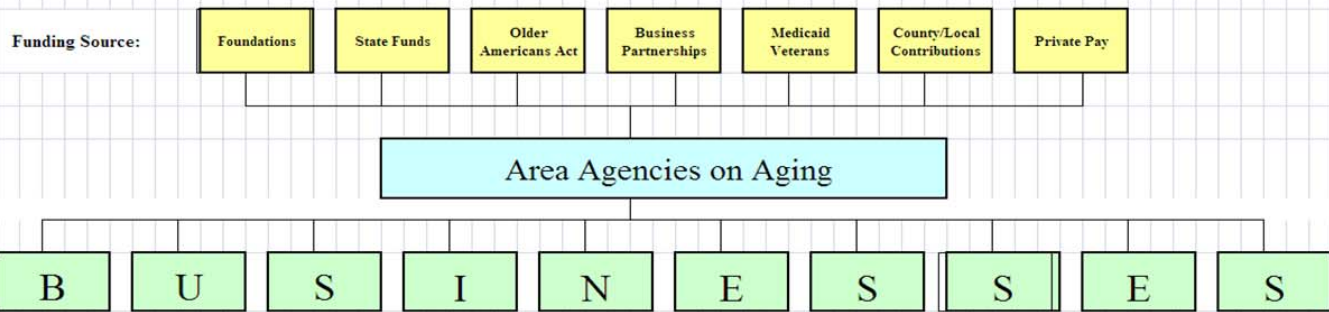
We also must recognize that the diversity embodied in SUAs, AAAs and Title VI entities, while at times messy and challenging, reflects America and is the Act's greatest strength. The OAA already reaches into every community in America. AAAs and Title VI tribal organizations are known and trusted entities at the community level. Efforts to reinvent this reach are prone to waste of time, effort and money. The ADRC conceptual rollout, supported strongly by the network, my own included, has had missteps in this regard on a number of fronts.

Lastly, as we look to move a very diverse network forward, it's essential that we recognize the role(s) that n4a and NASUA play as critical, stable and trusted vehicles to understanding and using this diversity. They identify best practice(s), bridge diverse players and provide needed technical assistance to move the network forward. They need to be used more.

Thank you.



# Aging of America: Growth of an Economic Sector



**In-Home & Community Based Care**  
 A- Nursing  
 Access Home Care  
 Advantage Private Nursing  
 A.J. Jager-Heiden  
 Alliance Medical Services  
 Arcadia Health Care  
 Care-A-Van-Coloma Ambulance  
 Cass County Council on Aging  
 Central County Center for Senior Citizens  
 Child and Family Services of Southwest Michigan  
 Citizens for Better Care  
 Comfort Keepers  
 Counseling at Home  
 Emergency Ambulance Response System  
 Fresh Perspective Home Care LLC  
 Friends Who Care

Gentiva Health Services  
 Geriatric Connections  
 Gilead Elder Care  
 Great Housekeeping Service  
 Guardian Medical Monitoring  
 Guardianship & Alternatives  
 Lakeland Health Services  
 Lee Memorial Hospital  
 Legal Aid of Western Michigan  
 MStaff  
 Medic 1 Ambulance  
 Medic Choice Services  
 Metron People Care  
 Michiana Guardianship Services  
 Network Nursing Services  
 North Berrien Senior Center  
 Olympia Home Care

**Partner Businesses**  
 Respite Care Center  
 River Valley Senior Center  
 Senior Companion Program  
 Senior Nutrition Services  
 South Haven Private Duty  
 Valued Relationships, Inc.  
 VBEMS, Inc.  
 West Michigan Guardianship  
 Wil-Care Nursing  
 Wholistic AFC  
 YWCA of Berrien County

**Special Needs Services**  
 Ace Hardware  
 Adams & Son, Inc.  
 Advantage Plumbing  
 Airway Oxygen

American Electric Power  
 Arrow Services  
 Aquila (Michigan Gas Utilities)  
 BW Heating & Cooling  
 Benjamin Franklin Plumbing  
 Boothby Construction  
 Briggs Med Supplies  
 Brunke-Getzer  
 Builders Plus  
 Christian Brothers Construction  
 City of Benton Harbor  
 City Plumbing & Heating  
 Compton, Inc.  
 Consumers Energy  
 Daleiden's, Inc.  
 Diamond Construction  
 Derwagiac Heating

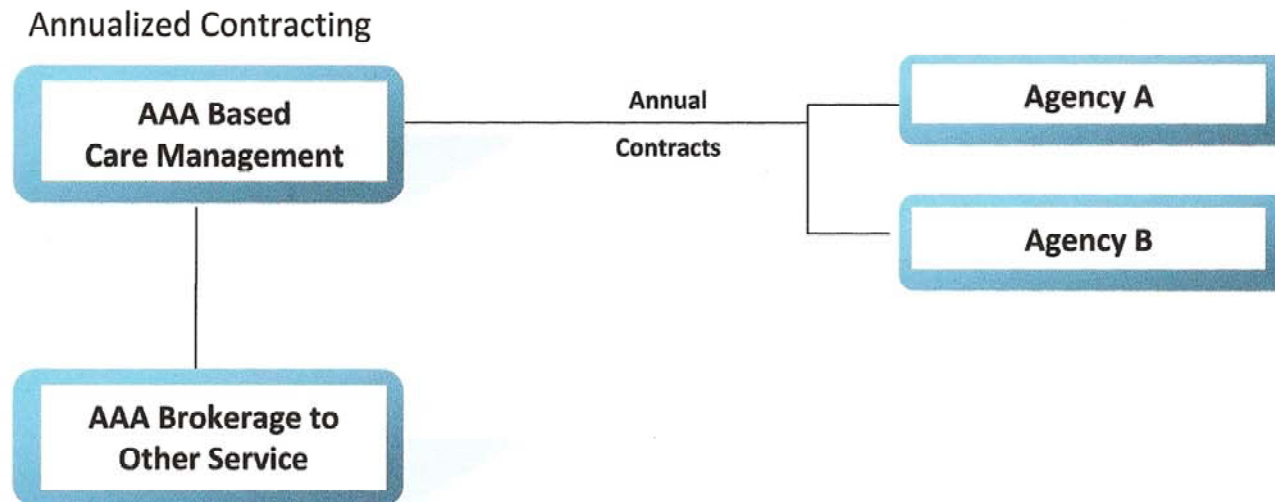
Draw Mammina, Contractor  
 Field Plumbing & Heating  
 HDIS  
 H. J. Starbuck  
 Hart Appliance, Heating & Air Cond.  
 Heaven Scent  
 Hometown Heating & Cooling  
 House Calls  
 J & G Construction  
 K-Mart  
 Knoll Gas & Propane  
 Lightyear Network Solutions, LLC  
 Lowe's  
 McCarty Well Drilling, Inc.  
 Meijer  
 Mr. Electric  
 R & R Medical

Radio Shack  
 Rice Electric  
 Sammons Preston  
 Semco Energy  
 Shoreline Plumbing  
 Sun Appliance  
 Superior Van & Mobility  
 Sweet Home Furnishings  
 The Vineyards Apartments  
 Two Men & A Truck  
 Visual Insights  
 Walgreen's  
 WalMart - Benton Harbor  
 Wyatt Vondran Construction

Area Agency on Aging market/needs analyses and consumer driven purchasing channel age and disability related services and supports into high need areas. This encourages additional providers into the field and spurs private sector growth to meet future needs.

# ANNUAL CONTRACTING SYSTEM

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## Characteristics:

- Limited # of providers
- Provider control over access
- Limited # of services under contract
- Limited competition, higher costs
- Provider targeting – determination of private pay

# DIRECT SERVICE PURCHASING SYSTEM (DSP)

