My name is Patricia Polansky and I am Assistant Commissioner of the Division of Aging and Community Services in the New Jersey Department of Health and Senior Services.

The Division of Aging and Community Services is New Jersey’s State Unit on Aging for the receipt of federal funds under the Older Americans Act as well as the State Administering Agency for the Medicaid 1915(c) waiver: Global Options for Long-Term Care.

Over 500,000 state residents benefit from New Jersey’s funding under the Older Americans Act whereas almost 10,000 participants are enrolled in Global Options for Long-Term Care.

The Division of Aging and Community Services is charged with this mission – to enable its growing aging population and caregiving communities to access a seamless and dynamic system of services that promotes well-being and embodies the values of dignity and choice.

In 1957, New Jersey was one of the first states in the nation to create a state division on aging. In 1973, amendments to the federal Older Americans Act of 1965 authorized states to designate geographic planning and service areas to be administered by Area Agencies on Aging. At that time, New Jersey designated each of its 21 county offices on aging as Area Agencies on Aging, making each eligible for federal funding under the Older Americans Act.

Let us now move ahead to 2010. New Jersey’s senior population is growing and diverse. The state currently ranks 11th in the nation in overall population, but 9th in the number of individuals age 60 and
older. According to U.S. Census data, this cohort grew 8.4 percent from 2000 to 2007 to a total of $1.5 million individuals.

The largest population growth during this period was among the youngest (people aged 60-64 years, 30 percent) and oldest (people aged 85 and over, 24 percent) age groups. This change reflects the aging of the baby boomers (those born between 1946 and 1964) and their parents.

The population over age 60 years is projected to grow substantially in the near future as the baby-boomer generation ages. By 2030, the population in this age group in New Jersey is projected to number 2.5 million. People aged 60 and over represented 18 percent of the state population in 2007: by 2030, this figure is expected to rise to 25.7 percent.

New Jersey is also one of the most diverse states in the nation. Among its residents aged 60 years and over in 2007, 9.8 percent were non-Hispanic black, 8.2 percent were Hispanic and 4.8 percent were Asian and Pacific Islanders. Within each of these groups there is a tremendous diversity among ethnicities and languages spoken. In fact, more than 70 languages are currently spoken in New Jersey homes.

Yet Census data does not tell the story alone about the expanding needs of New Jersey’s older adults — and just how critical the funding of Older Americans Act is enable them to remain at home with long-term care supportive services and often times avoid spending down to Medicaid eligibility.

This funding makes it easier for them and their and caregivers to get the help they need both to support their well-being and to maintain themselves in the community for as long as possible with independence, dignity and Choice.
The Elder Economic Security Standard Index, released in May 2009, was developed by the New Jersey Foundation for Aging in partnership with Wider Opportunities for Women (WOW) and the Gerontology Institute at the University of Massachusetts Boston. The Index found that in order to reach economic security in New Jersey, a single senior needed an annual income ranging from $23,452 (for homeowners without a mortgage) to $33,570 (homeowners with a mortgage). For married couples, the standards ranged from $34,324 to $44,442. The standard for renters was roughly $2,500 higher than for homeowners without mortgages.

Census data reveals the median income for families with the householder aged 60 years and over was $51,535 in 1999, and declined with age. The median income for families with the householder aged 85 years and over was about half that of families with the householder aged between 60 and 64 years. In 1999, 7.7 percent of all individuals aged 60 years and over in New Jersey had incomes below the poverty level, which is lower than the proportion for the population as a whole.

These statistics and utilization data mirror the day-to-day anecdotal experience of New Jersey’s aging services network. In these figures and throughout our workday, we see an aging population that is expanding at a tremendous rate and, in too many cases, is unprepared for the medical, social and financial challenges that lay before them.

The new generation of seniors also has different expectations than previous ones. They are aging into a system that offers home and community-based services that were unavailable to their parents. Today’s seniors want options, want to have a say in how, when, where and by whom their services are delivered, and are eager to use these services to maintain their independence late into life.

The 2006 Reauthorization of the Older Americans Act played a major role in redirecting New Jersey’s system of long-term care to
help elderly residents maintain their dignity in their homes and communities. In 2006, Congress included the key elements of the Administration on Aging’s modernization strategy into the core components of the Older Americans Act and required all levels of the Aging Network to actively promote the development of consumer-centered systems of long-term care and emphasize the use of a three-pronged strategy, including the expansion of the Aging and Disability Resource Centers, evidence-based disease prevention and increased service provision especially to those individuals at high risk of nursing home placement and spend-down to Medicaid.

The 2006 provisions of the Act were reinforced in New Jersey with the passage of the Independence, Dignity and Choice in Long-Term Care Act, also in 2006. Because of this historic bill signing, the State’s long-term care funding structure is being adjusted to provide more options for older adults through budgetary rebalancing. The Aging and Disability Resource Connection (ADRC) initiative has become the primary catalyst for rebalancing long-term care in New Jersey and is at the core of New Jersey’s modernization agenda for long-term care.

The Division of Aging and Community Services now looks forward to the 2011 Reauthorization of the Older Americans Act to strengthen the only organized network of home and community based service providers – the State Units on Aging and the Area Agencies on Aging – and work to ensure that all state and federal resources come together in a coherent way throughout the nation. The upcoming 2011 Reauthorization must build upon the Older American Act Amendments of 2006 and further modernize the delivery of aging services in long-term care.

The Reauthorization must take into account the current recession. Unlike the national economy, which witnessed significant growth in the fourth quarter of 2009, with Gross Domestic Product growing 5.7 percent, state fiscal conditions have continued to worsen. This is consistent with other recessions in that the biggest impact on states is one, two and even three years after the recession is over according to
the State Fiscal Update on the fiscal outlook of states as provided by state budget directors.

As a result, the funding under the Older Americans Act is even more fundamental now than it’s ever been in terms of delivering services and supporting consumer-directed systems of care for older individuals. The baby boomers have arrived. In 2011 when the Older Americans Act is reauthorized, the baby boomers will turn 69. The population growth of the baby boom generation creates an expanding need for a robust Aging Services Network supported by a strong yet flexible Older Americans Act.

As I stand before you and testify at this Listening Forum on the Reauthorization of the Older Americans Act, I would like to provide these top four policy recommendations for consideration by the Administration on Aging on behalf of the New Jersey Division of Aging and Community Services:

1. A state’s cost of living should be factored into its Older Americans Act allocation. New Jersey is among the states with the highest cost of living. Based on the *Elder Economic Security Initiative Index for New Jersey* prepared by the NJ Foundation for Aging, a single elder (renter, one bedroom) needs a minimum of $25,941 to survive without supports, whereas the same elder living in a low-cost of living state may find this amount to be sufficient without supports.

2. In order to increase a state’s opportunities to serve diverse populations of older adults, grants should be established that can only be obtained through the partnering of senior centers and the Area Agencies on Aging. Through these collaborations, awards should be funded for creative approaches to attract a range of older adults, from the baby boom generation through those who may be eligible for adult medical day care.

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1 This Update was a joint product of the National Governors Association and the National Association of State Budget Officers
3. Increase flexibility among the funding streams. Enable the transfer of funding among the titles to be better able to serve changing demands across the state as priorities and requirements shift and customize care at the local level according to need.

4. Expand support to care for loved ones at home and in the community. In New Jersey, it is estimated that there are over 980,000 unpaid caregivers. These caregivers are the main provider of long-term care services. In addition to their vital role as caregivers, they have an economic impact on state’s long-term care costs. The economic value of caregiving is estimated at $11.8 million in New Jersey.

    Thank you for the opportunity to testify today. If you have any questions, I would be pleased to answer them.