



**Senate Committees on Health and Human Services,
Aging and Youth, and Intergovernmental Operations as
well as the Health and Human Services Subcommittee
of the Appropriations Committee**

**Testimony on the Impact of the proposed consolidation
of the Departments of Health, Human Services, Aging
and Drug and Alcohol Programs into a unified
Department of Health and Human Services**

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May 1, 2017; 11:00 a.m. - 2:30 p.m.

Good Morning Chairwoman Baker, Chairwoman Schwank and members of the Senate Committees on Health and Human Services, Aging and Youth, and Intergovernmental Operations and the Health and Human Services Subcommittee of the Appropriations Committee. Thank you for the opportunity to provide testimony on the impact of the proposed consolidation of the Departments of Health, Human Services, Aging, and Drug and Alcohol Programs into a unified Department of Health and Human Services.

My name is Ron Barth. I am the President and CEO of LeadingAge PA, which is a trade association representing over 360 not-for-profit providers of senior housing, health care, and community services across the Commonwealth. Our members include 200 nursing facilities, nearly 200 personal care homes or assisted living residences, 88 affordable housing developments, and 189 Continuing Care Retirement Communities. Our members also provide adult day services, LIFE programs, home health care, home care, hospice, and independent living options for older adults.

Because LeadingAge PA's members provide a full array of long term services and supports (LTSS), we have adopted an envisioned future of services for Pennsylvania which recognizes that adults are living longer, healthier lives with greater purpose and meaning in their "home" environment - however they define home. We believe that older adults should be able to easily access services and supports when they need them and, whenever possible, where they would like to receive them. We believe that financial sources and government regulations should allow people of various financial means to access a full choice of services in order to facilitate their quality of life.

It is with our envisioned future in mind that LeadingAge PA is evaluating the proposal by Governor Wolf to consolidate the Departments of Human Services, Health, Aging and Drug and Alcohol Programs into the Department of Health and Human Services. As with any proposal as complex as this one, the specific details are critically important. While we have seen possible legislative language, the detailed organizational charts were just released and we have not had time to study them. Hence it is difficult to take a definitive position one way or the other. However, whether the consolidation does or does not occur, we will need to continue to work closely with the functions of the Departments of Human Services, Health and Aging that pertain to long-term care and other services for older adults.

Like any organizations, there are areas that could be improved such as coordination of the technology used between existing departments that might lead to coordination and streamlining efforts that would positively affect the older adults that are served by these departments. An example of a streamlining effort would be the creation of a No Wrong Door approach to allow clients to access the array of social and human services offered by Pennsylvania and Federal governments. This may ensure that individuals quickly and easily obtain the services they need without going through months of bureaucratic processes that cut across several state agencies. Creation of a No Wrong Door approach to providing access to services for older adults not only stands to improve their experience but could provide

efficiency and effectiveness of state government by improving databases containing a variety of information regarding the older adult in need of services such as information regarding demographics, Medical Assistance eligibility, specific service needs as well as if the services were rendered by the provider. The elimination of redundant data bases and information may reduce costs of government for computer equipment and provide for improved efficiency of commonwealth staff. One single information technology platform would provide the Commonwealth with a more transparent system for tracking, extracting, and reporting on data, therefore improving service delivery and program integrity.

The concept of streamlining can also apply to functions related to providers. For example, many providers are licensed and overseen by multiple Commonwealth departments. Through a collaborative effort, the Commonwealth could eliminate multiple, redundant systems and reduce the time providers spend attending to repetitive requests from various monitoring staff. We understand and support the necessity of monitoring to ensure our dollars are being judiciously spent to provide high quality services. Challenges arise when valuable time that could be spent attending to improving services is spent providing the same information to a variety of different state agencies. An example of this would be if an incident were to occur in a nursing facility. The nursing facility is required to submit information to the Department of Health, depending on the circumstances to the Department of Aging and, under Community HealthChoices, to the Department of Human Services. It is the same incident but the nursing facility provider must take valuable human resources away from patient care to submit the same information to three state agencies through three separate IT reporting systems. Could this be rectified today without the merger? Possibly, but to date the agencies haven't been able to provide this coordination of information.

This brings me to the point of speaking about licensure of long term services and supports for older adults. Currently, this function is spread over the Departments of Health for nursing facilities, home care and home health services; the Department of Aging for adult day services and the Department of Human Services for personal care homes or assisted living residences. For our members that provide the full array of long term care and older adult services, they may have multiple surveyors from the three agencies at their communities on any given day. If for some reason the surveyors all ask for the same information, it is impossible for the provider to share the same information with multiple sets of surveyors. This may cause deficiencies because the surveyors from the different agencies do not collaborate. Perhaps most troubling is the difference in approach of the different agencies to the survey process. Some agencies perform surveys in a manner that is punitive where the provider is made to feel guilty until they can prove they aren't doing anything wrong. This attitude is driving good employees out of long term care – most specifically the nursing facility business. If through the unification of these four state agencies, the oversight and licensure functions for older adult service providers could become more collaborative, with a goal of enhancing the quality of services provided to older adults, rather than punitive, focusing solely on deficiencies and punishment, we would readily embrace the change.

Further, Pennsylvania needs to take full advantage of federal matching funding. We believe that there might be opportunities with the consolidation of the agencies to enhance the funding offered by the federal government. Since Pennsylvania demographically is currently the fourth oldest state in the nation with an over-85 population that is continuing to grow at 10 times the rate of the rest of the population, we need to ensure that our state resources are used wisely. Additionally, we need to make sure that we reimburse providers for services at rates which cover their costs to provide quality care. For example, the current Medical Assistance reimbursement for nursing facility services is at least \$25 per day less than the costs to provide these services. Our Medical Assistance rates for home and community based personal assistance services are less than \$19 per hour which is barely enough to cover the direct care worker's salary, payroll taxes, training, etc., much less the cost to run a home care agency. We need to do better.

Whether or not the Commonwealth decides to consolidate these agencies, LeadingAge PA believes we have an opportunity to provide services in a more preferred setting, and at the same time, save considerable and valuable general fund dollars by including assisted living services in our Medical Assistance Program. Assisted living residences provide this opportunity, but because these services are not funded through the Medical Assistance Program, the option is only available to older adults with financial means. Currently, people of modest financial means who need some assistance with daily tasks can find themselves in a nursing facility because Medical Assistance does not pay for assisted living services. Our analysis has estimated over two million days of nursing facility care could be replaced with assisted living services, saving the Commonwealth over \$40 Million in state funds. This is not just about money- we have an opportunity to save money and do the right thing for Pennsylvania citizens who need some help but would not need nursing facility services if assisted living residences were available to them. This could happen without the consolidation but perhaps with better coordination of state agencies, we could make this a reality more quickly.

Finally, whether through consolidation of the agencies or through targeted initiatives, we must work together to develop and increase the availability of affordable housing options for older adults. Low-income housing is already in short supply; the resources to preserve the properties we have are lean and the resources for new construction are seriously oversubscribed. Affordable housing developments, especially if they have service coordinators to assist residents in accessing the services they need to address their chronic health conditions, provide a unique opportunity to efficiently address service needs in the older adult's home. Like assisted living residences, this is a service that can save the Commonwealth money by avoiding hospital and nursing home stays and reducing emergency room usage, but it takes investment in housing infrastructure. LeadingAge PA members have developed some exemplary programs in this area and are seeing very strong results.

LeadingAge PA is committed to assisting the Commonwealth with its efforts to streamline programs and services whether it is through consolidation of the agencies or through individual

targeted projects. We understand that there are budget constraints that the Commonwealth must work within, but we think there are ways that we can provide better services to older adults, increase the efficiency of state government and perhaps save some money or at least spend our precious funds more wisely. LeadingAge PA is committed to finding solutions to issues so that services can be delivered in the most appropriate, person-centered way possible, while attending to the fiscal constraints. Thank you for your consideration of our comments and for the opportunity to testify today. I'll be happy to answer any questions you have.