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## National Association of Area Agencies on Aging

November 28, 2016

To: President-Elect Donald Trump Transition Team  
From: National Association of Area Agencies on Aging (n4a)  
Re: **An Aging Nation Requires Policy Change**

There may be only one near-universal opinion among the nation's 48 million adults over age 65: an estimated 90 percent of them want to age "in place." This means aging well in their own homes and communities, and not in institutions such as nursing homes. This goal is shared by the baby boomers, of whom 10,000 turn 65 every single day, and by the 2016 Republican Party Platform, which acknowledged the importance of enabling older adults to age in their homes and communities.

To help millions of aging Americans meet this goal, local aging agencies develop and provide older Americans with the local supports necessary to age with health, independence and dignity in their homes and communities. A nationwide Aging Network—made up of states, 622 local Area Agencies on Aging and tens of thousands of service providers—was founded on the principle of giving states and local governments the flexibility to determine, coordinate and deliver the supports and services that most effectively and efficiently serve older adults and caregivers in their communities.

The National Association of Area Agencies on Aging (n4a) serves as the advocacy voice in Washington, DC for the Area Agencies on Aging (AAAs) and the more than 250 Title VI Native American aging programs. It is on behalf of these vital local entities and the millions of older adults, veterans, caregivers and people with disabilities who they serve, that we urge the incoming Trump Administration to recognize the critical demographic juncture in which President-Elect Trump will assume office.

## **Demographics Demand Focus on Aging Issues**

From day one, the Trump Administration will face the steep slope of an unprecedented, and long-term shift in the composition of our country's age demographics ushered in by the maturing of America's baby boomer generation. In the first four years of a Trump Administration, nearly 15 million people will turn age 65. By 2030, 74 million—or one in five—people in America will be 65 or older.

Many rural areas in every region of the country are already grappling with the challenges of this historic population shift, with ratios of older adults far exceeding the current national average, and available services unable to keep pace with the growing need. However, by 2040, all communities must be prepared to address these demographic realities when, for the first time in the nation's history, the population of adults 65 and over will outnumber children under 18. Furthermore, a majority of this growing population of older adults—nearly 70 percent or almost 80 million people—will need an

average of three to five years of long-term care (LTC; also called Long-Term Services and Supports) as they age.

These demographic milestones are not simply blips on the U.S. Census radar. They are mile-markers on a longer road toward a significantly older nation. The incoming Trump Administration must recognize that, unlike at any other point in our history, demographics demand, and must drive a dedicated approach that includes:

- Developing policy strategies that will support people in their homes and communities as they age;
- Improving the health and well-being of the fastest-growing demographic cohort in our country while effectively managing expenditures; and
- Preserving the original intent and current structural integrity of Medicare, Medicaid, Social Security and other vital aging programs.

On behalf of n4a's AAA and Title VI members in nearly every community in the country, we look forward to working with the new Administration to advance these critical policy solutions.

## **Economic Benefits of Supporting Aging in Place**

### ***A Better Way to Spend Medicaid Dollars:***

Medicaid is not just an acute health care program for low-income people, but is also consumers' only guaranteed provider of long-term care services. In FY 2015, one-third of Medicaid's budget was spent on long-term care for older adults and people with disabilities, totaling \$158 billion.

The financial benefit to taxpayers and return on investment inherent in supporting aging in place in Medicaid cannot be overstated. Currently, an imbalance in how the program is structured means that unwanted and costly institutionalization is often the only option to guarantee care in many states, despite the fact that providing LTC in the community costs a fraction of institutionalization. Therefore, the economic implications for ensuring that older adults are able to age in their homes and communities essentially guarantees substantial Medicaid savings to both states and the federal government.

### ***Prevent Unnecessary Health Care Costs, Impoverishment:***

It is also important to ensure that older adults are not forced to spend down to Medicaid in order to get the help they need. Non-Medicaid community-based services provided by the Older Americans Act allow people to age with dignity and independence where they want to be through the provision of in-home supports and evidence-based health interventions (e.g., home delivered meals, medical transportation, personal care, falls prevention, chronic disease self-management programs, elder abuse prevention and other community-focused supports). We believe, and increasing evidence suggests, that these supports drive improved health outcomes and reduced Medicare expenditures.

That's why more than 90 percent of AAAs now operate evidence-based health and wellness programs. There is tremendous innovation happening at the community-level to coordinate social services with health care, such as the use of care transitions programs to prevent hospital re-admissions and save Medicare and taxpayers money.

With private long-term care insurance covering only a fraction of consumers (in 2014, only 11 percent of people over 65 had private LTC insurance), the reality looks like this for millions of middle-class people who were financially responsible and independent their entire lives:

- When confronted with long-term illness or disability—such as dementia or arthritis or Parkinson’s—family caregivers step in to assist.
- When the family caregivers become exhausted or unable to meet all their loved one’s needs, a family may try to secure help from local programs funded by the Older Americans Act, but access to such life-saving services is limited due to federal budget cuts and rapidly rising demand.
- This drives many families to pay out of pocket for nursing home care, which costs \$90,000 annually on average, or the more affordable in-home care, which can still be a financial burden for most families.
- Too quickly, a lifetime of savings can be exhausted and consumers have no choice but to “spend down” to Medicaid to get the help they need but can no longer afford.

*We should not be asking our nation’s older adults to impoverish themselves in order to get the long-term help they need.* Much needs to be done to support existing community supports like the Older Americans Act, as well as explore long-term care financing solutions that make sense for an aging nation.

### ***Building a Stronger Workforce, Creating New Jobs:***

Another economic opportunity in promoting aging in place is the emerging in-home and direct care workforce, which must grow considerably over the next decade. Workforce development and training is needed to build the workers we desperately need to handle this demographic shift. Now the industry is plagued by low wages and incredibly high turnover as the work itself is physically and mentally difficult. We must create opportunities to expand this workforce if we are to realize the other economic benefits of aging in place.

### ***Avoid Billions Lost in Personal Assets:***

Every year, older adults are defrauded out of an estimated \$36 billion. Nearly one in ten older adults will experience some form of elder abuse or financial exploitation, which can have devastating physical, emotional and financial consequences for victims and families. Far too many, hard-earned life savings have been wiped out by criminals preying on seniors experiencing social isolation and diminished cognitive capacity forcing victims to safety-net programs such as Medicaid to provide care they can no longer afford. Investments in community-based services and supports to identify, prevent and combat elder abuse and financial exploitation has the potential to save older adults and taxpayers tens of billions annually.

## **Immediate Aging Policy Opportunities**

Immediate and important opportunities for the new Administration to demonstrate a proactive response to the historic population shift include identifying leaders within the White House and Administration who can focus on issues affecting older adults, and making a robust commitment to current aging services and supports in the Administration’s first federal budget.

### ***White House Leadership:***

An essential first step toward achieving long-standing systemic change to address the challenges and seize opportunities of a rapidly aging population includes establishing a dedicated aging liaison at the White House and on the President's Domestic Policy Council.

Additionally, advocates and experts developing and promoting policies to efficiently and cost-effectively serve older adults and caregivers in their homes and communities should have a direct line of communication to the White House with liaison(s) who are able to prioritize aging. Both the scale of the challenges, and the potential of the opportunities to improve and better integrate the system of home and community-based (HCBS) long-term services and supports (LTSS), necessitates leadership within the President's team of policy advisors. n4a looks forward to being a key partner for the White House in developing and pursuing policy options to improve supports and services for older adults and caregivers during the next four years.

### ***Agency Leadership:***

Appoint Administration officials to lead the Administration on Aging (AoA) and the Administration for Community Living (ACL) who have a strong history of advocacy on behalf of older adults, a deep understanding of critical aging issues, and an appreciation for the value of the Aging Network.

It is essential that the Trump Administration both preserve the important role of Assistant Secretary of Aging to lead the AoA and to uphold the mission of the Older Americans Act (OAA) to allow older adults to age with health, dignity and independence in their homes and communities for as long as possible.

Additionally, the reorganization within the Department of Health and Human Services (HHS) to create the Administration for Community Living (ACL)—focused on promoting access to home and community-based services for both older adults and people with disabilities—necessitates that an ACL Administrator have a depth and breadth of knowledge about the unique issues and challenges of serving older adults, and that this appointee be well-equipped to serve both the aging and disability communities.

### ***Budget Leadership:***

Because Congress has not agreed on a comprehensive, balanced approach to federal debt and deficit challenges, discretionary programs have borne an unduly onerous burden under the Budget Control Act of 2011, producing nearly all of the trillions of dollars of deficit reduction of the past five years. This portion of the federal budget, which unlike the mandatory programs is not driving the longer-term fiscal issues, must be more responsibly addressed in the Trump Administration. Starving one part of the federal budget while not addressing the mandatory spending and revenue columns is short-sighted and unsustainable.

*To begin to fulfill the platform promise on aging in place, we specifically urge the Trump Administration to consider critically needed increases for Older Americans Act (OAA) and other Administration on Aging (AoA) programs within the Health and Human Services (HHS) FY 2018 budget. Current funding, and recent Presidential budget requests, for OAA and other discretionary aging programs have lagged the growing population, need, and cost for these services and supports. Simply put, Area Agencies on Aging and other community-based service providers are constantly faced*

with serving more people with fewer resources, and this situation has only gotten worse in the past five years. The Trump Administration can make a bold statement about the President's commitment to supporting older adults and caregivers and capitalize on a return on investment by boosting the request for OAA and other aging programs to meet both the population and cost growth for these services. At a minimum, we encourage the Administration to honor the modest increases for OAA funding that Congress unanimously passed in the 2016 OAA reauthorization. However, it must be recognized that much more substantial increases in OAA funding are needed to even begin to accommodate the current and growing need for these critical programs. Because our members direct these federal programs locally, n4a is uniquely positioned and stands ready to help educate your team on OAA programs and services.

## **Foundational Aging and Health Principles**

As President-Elect Trump works with Congress to develop budgetary and health care priorities for the first 100 days of the new Administration, we urge the Administration to pursue significant but achievable strategies to jump-start policy solutions and preserve best practices to improve support for older adults and caregivers in their communities. These efforts should reflect or advance the following principles.

***Health Happens in the Home and Community:*** *Recognize and promote the importance of integrating social services in the health care delivery system.*

The vast majority of health happens outside of traditional health care settings. Unfortunately, access to social services and other home and community-based services (HCBS) that support older adults and caregivers outside of the medical system are often inadequately funded to meet a growing need. (These include transportation, nutrition, caregiver support, disease prevention and health promotion programs and person-centered care management approaches.) According to the Robert Wood Johnson Foundation, 80 percent of physicians indicated they see their patients' need for social supports, but don't know how to connect them.

It is essential that the Trump Administration build upon current efforts and pursue new policy options to ensure that older adults and caregivers have sufficient access to social services/HCBS that can preserve and improve health and prevent costly medical interventions. It's also important to note that these services are provided at lower cost in the community than in a medical setting—why pay a nurse to do what a social worker can?

Furthermore, it is important that long-standing, successful, efficient and cost-effective systems—such as the Aging Network—are included and championed as key partners for the health care system in implementing these changes. There is still a wide gap to be bridged between these very different social services and medical systems, and it is imperative that new intersections and coordination processes are created rather than allowing the medicalization of social services.

To this end, it is vital that top Centers for Medicare and Medicaid (CMS) appointees truly understand the social services systems that already exist for HCBS, and that CMS ensures that CBOs are adequately compensated for their contribution to preserving and improving health outcomes of older adults. CMS must promote key policy decisions that respect this reality.

***Older Veterans Deserve Options:*** *Ensure that aging Veterans' needs are met at home and in the community.*

In 2015, nearly 50 percent of veterans were age 65 or older. We appreciate President-Elect Trump's commitment during the campaign to prioritize this cohort of veterans, which has similar, or even more intensive, care needs than the general population of older adults. Current successful programs such as Veterans-Directed Home and Community-Based Services, supported by the Veterans Administration and often administered in communities by local Area Agencies on Aging, can help a Trump Administration achieve these service goals. The VDHCB program has received nearly universal endorsement from beneficiaries who are able to self-direct their own care in their homes and communities. The Trump Administration must preserve and build upon the commitment to ensure that the country's older Veteran population is adequately supported as they age where they want to be.

***We Are Only as Strong as Our Caregivers:*** *Recognize the critical importance of caregivers by building on current caregiver support programs for this essential informal workforce.*

Every year nearly 40 million unpaid caregivers provide over \$470 billion worth of support to friends and family. The financial value of this unpaid care rivals the entire federal Medicaid budget. Communities, states and the federal government depend on the work of unpaid caregivers to meet the HCBS needs of an aging population. However, programs such as the Older Americans Act National Family Caregiver Support Program, that support (through training, respite, support groups, etc.) those who are caring for aging friends and family, while essential to many, do not begin to meet the need for these services due to limited funding. We urge the Administration to work with the Aging Network to expand federal support for current caregiver support programs and also to explore policy solutions to ensure that caregivers become a vital and empowered component of state and federal LTSS-delivery reform.

***Investment in Community Infrastructure:*** *Commit to building communities that are livable for people of all ages.*

Ultimately, the ability of older adults to age in place depends on having access to their communities—which is largely determined by community infrastructure. Over 70 percent of AAAs have been an essential partner in local, state and federal government efforts to make communities more livable for people of all ages. Access to community features such as transportation and housing are often lacking, creating barriers to full independence and engagement. We appreciate that the new Administration has made a clarion campaign promise to focus on infrastructure improvements, and as part of this effort, we urge the Trump Administration to commit to federal interagency collaboration among the Departments of Transportation, Housing, Health and Human Services and the Administration for Community Living to achieve federal policy solutions and support local efforts to enable communities everywhere to ensure that people of all ages have access to essential transportation services and housing options that meet their needs over their lifetime.

While this list is just a sampling of our policy positions, we look forward to working with you to pursue any specific policy changes necessary to realize these and other important

goals to enhance the health, well-being, independence and dignity of the country's growing population of older adults and caregivers.

In pursuing these critical solutions, we again urge the Trump Administration to recognize and partner with the successful, efficient, long-standing nationwide Aging Network that supports and serves older adults and caregivers in their homes and communities.

**For further information on these and n4a's other policy proposals, visit [www.n4a.org/policypositions](http://www.n4a.org/policypositions) or contact:**

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