



House Aging and Long-term Care Committee

May 17, 2017

Chairman Arndt, Vice-Chair Pelanda, Ranking Member Howse, Members of the Committee, Thank you for the opportunity to testify today. My name is Kathryn Brod, and I am the President/CEO of LeadingAge Ohio.

LeadingAge Ohio is an association representing mission-driven, values-based pre- and post-acute care providers in the state of Ohio. Our members include affordable and market rate senior housing providers, independent living, assisted living and skilled nursing facilities, adult day centers, home care agencies, hospice providers, county homes and life plan communities, previously called continuing care retirement communities, which offer a variety of the services previously mentioned.

Because LeadingAge Ohio represents providers from across the healthcare spectrum, our vantage point tends to be unique among provider associations. We are able to look at the whole system of care, and create strategies that wrap those systems around the needs of the patient, rather than advocating for one or two service lines or “silos”. In this way, our perspective is similar to yours: to foster a system which offers appropriate options for the vast array of needs *and circumstances* demanded by aging Ohioans. Additionally, as an association comprised of member organizations with long, deep roots in their communities—some of them going back over a hundred years—we tend to take the long-range view, considering the needs of our communities ten, twenty and thirty years into the future. We want to make decisions today which position Ohio to meet its needs tomorrow.

Today I have been asked to speak to home health, as it pertains to the Ohio Revised Code. Before I do so, I’d like to paint a picture of the significant challenges that Ohio will be facing in the coming years. I will be relying on data from both state and national levels as I walk you through the demographic shifts that characterize Ohio’s aging population. We have categorized these challenges into four areas: demographic shifts, economic pressures, social norms and lastly, the absence of adequate options.

In Ohio, we are on the front edge of a tidal wave. Between 2015 and 2055, the over-65 demographic will grow significantly. Most of them are unprepared to shoulder the cost of their inevitable long-term care needs.

Key Facts [Refer to Slides]:

- Not only will there be more older adults in raw numbers, but the over-65 cohort will be significantly larger, with the over-75 group comprising more than half of this group. This matters because they are heavier users of LTSS than their younger counterparts.
- In Ohio, this population will also grow sicker: those individuals who are aging into the 65-and-older population have a higher rate of health conditions than their predecessors, and will require more supports to ensure they can remain in their communities for as long as possible, straining our system of home- and community-based supports further.
- Over the same period of time, caregivers will be fewer: it is anticipated there will be less than half of the potential caregivers in 2050 as there were in 2010. This is true for both professional



as well as unpaid caregivers: I will speak to our current workforce challenges momentarily. People who have traditionally not served as caregivers—grandchildren, for example—may be called to step into this role. This demands that we focus on policy solutions which maximize efficiency in providing long-term services and supports, relying technologies like telehealth, telemonitoring and other innovative care models which reduce caregiver burden.

- While Medicaid concerns itself with professional caregivers, it is important to note that those comprise only 13% of caregivers nationwide. Different strategies need to be employed to support unpaid caregivers. While paid caregivers can largely be supported via the existing benefits under which they are reimbursed, we need different strategies to support family caregivers. Things like family leave protections, respite care and adult day options can often be the lynchpin that extends a family's ability to maintain their elderly loved one in the community.
- It is important to note that Medicaid design and policy is only one part of this system: families are shouldering significant burden. They are doing this by changing their work schedules, leaving the workforce, spending down their savings, cutting back on spending -- all in order to ensure that their aging parent/loved one has the care they need. When you begin to think of aging in this light, you see that it touches everything: it is a challenge to the economy as much as it is a challenge for our healthcare delivery system.
- Less than 1 in 5 boomers have taken any action to prepare for needing LTSS. This means they've not considered their healthcare wishes, have not used benefits like health savings plans or long-term care insurance products, nor considered options for aging in their communities.
- There are also significant misperceptions about what our current system of long-term services and supports offers. A recent poll found that most Americans did not know that over sixty percent of nursing home care is paid for by Medicaid. Over half of Americans believe that Medicare will pay for long-term care. In case any of those folks are in the room, here's some news: Medicare only pays for short-term services focused on rehabilitation and restoration of function.
- And finally, since the mid-2000s, the number of long term care insurance policies sold has dropped precipitously, with fewer and fewer individuals able to afford one of the few vehicles we have that addresses this problem.

In addition to this, we are in the midst of a worsening workforce shortage in Ohio. In a 2016 workforce study surveying long-term care associations' members across the state, 57% of hospice and home health agencies reported they have fewer home health aides than planned, 40% of hospice and home health agencies reporting no applicants for certain positions. The situation in assisted living facilities and nursing homes mirrored this: 7 of 10 STNAs who left their job did so to seek better pay, 75% of nursing facilities and assisted living facilities have fewer STNAs than planned and 20% had no applicants for certain positions. Due to these shortages, a large number of providers said that they have been forced to use overtime, double shifts and/or other strategies to fill open hours, all of which not only are expensive but can lead to caregiver burnout and jeopardize quality. Nearly 1 in 5 providers also report limiting services due to inability to find staff to provide the services.



I could speak at length about these issues: I could tell you about how many employers offer pet insurance, but not long-term care insurance, about the differences between how men and women use and pay for long-term care, and so many other things we know. What I want you to know is this: that while we have significant challenges ahead of us, we know that if sufficient attention and investment is paid to aging, that we can meet these challenges.

Since last summer, LeadingAge Ohio has been convening state leaders to discuss and develop viable strategies to address the coming challenges. As part of this work, called “Pathways”, we are working to identify viable options to address the problem of long term care financing, to ensure all Ohioans are preparing and planning for their own aging.

With less than a year behind us, we are proud of the headway we’ve made. We’ve successfully maintained the engagement of Ohio’s Departments of Aging, Insurance, and Medicaid, as well as leadership from the General Assembly, private employees, municipal leadership, other provider associations and experts from the insurance and finance sectors. We have made some headway in understanding the options that already exist in Ohio, the “low-hanging fruit” if you will. One example of this is work we have done is to work with the Ohio Department of Insurance to consider potential changes to its “Partnership product” (a type of long-term care insurance which protects an individual’s estate from Medicaid reclamation) in order to increase its use by Ohioans.

We have also been making steady progress around the workforce issue, which as mentioned before, is paramount for our provider stakeholders. While workforce issues in long-term care often get tied up in discussions of the budget and payment rates, we believe there are untapped resources in our communities, outside of the purview of the Medicaid program.

Our work has included outreach efforts to expose young people to careers in long-term services and supports, including curriculum for children and exploring an “alternative pathways” model which partners at-risk youth with care giving opportunities. Several of our members have partnered with OSU’s Alber Enterprise to pilot an “eldercare certification”, a program to build career pathways in our field. We offer training to frontline supervisors to raise the competency and professionalism of the supervisory staff working with older Ohioans every day – to mitigate the risk that those we work so hard to recruit will be lost due to poor supervisors. We have launched an “employer of choice” designation for those organizations that meet certain criteria for excellence in human resources management.

But we can’t do it alone, and being here today, at your invitation, I’m reassured we won’t have to. We need viable strategies to address the workforce crisis we are experiencing in long-term services and supports. While reimbursement rates may be beyond the purview of this committee, there are other options we can put forward that may not add significant costs to the state. These include:

- Regulatory relief. Often regulations add unnecessary layers of bureaucratic requirements that can be discouraging for new hires and discourage employment in our industry.
- Incorporation of long-term services and supports, including home care, into existing workforce initiatives. There has been an immense amount of work done by the state on the topic of job



training, linkage and support. Long-term services and supports should be part of those efforts, and sit at that table.

- Establishment of recruitment and training pathways between our state's education system and the long-term services and supports industry. From pre-k to post-graduates, young Ohioans should understand aging and the rewards that come from a career in this field.
- Identification and incubation of innovative, scalable programs. There are new ideas sprouting up in each of your districts. We need your leadership and involvement so that we can reap the full benefits of our efforts.

I am happy to speak in specifics about each of these areas and answer any questions you may have. Again, I am grateful for the opportunity to share with you today.