



Leaders in Aging Well at Home

Policy Priorities 2024

Promote the Health, Security and
Well-Being of Older Adults





According to US Census data, 17 percent of—or 55.6 million—Americans were 65 or older in 2020. With an estimated 10,000 people turning 65 each day, by 2040, an estimated 80.8 million—or one in five Americans—will be 65 or older, a full 22 percent of the population.ⁱ And by 2035, older adults are expected to outnumber children under 18 for the first time in history.ⁱⁱ The population of older adults is also becoming more diverse, and the proportion of non-White older adults will continue to significantly increase over the next several decades.ⁱⁱⁱ

One thing this rapidly growing and diverse demographic cohort agrees on is the overwhelming desire to age at home rather than in institutional settings: 85 percent of those age 65 and older want to remain in their home and community as they age.^{iv} This preference is also the most cost-effective solution for older adults, their families and governments.



Aging as a National Priority

Our nation is deeply immersed in the opportunities, challenges, realities and necessities of a society with an expanding aging population. This new demographic reality must inform policy debates and decisions across a spectrum of critical issues.

USAgings represents and supports the national network of Area Agencies on Aging and advocates for the Title VI Native American Aging Programs that help older adults and people with disabilities live with optimal health, well-being, independence and dignity in their homes and communities. To support our members in this work, each year USAgings develops a set of its top policy priorities that guide our legislative and administrative advocacy efforts to support the growing number of older Americans and family caregivers.

USAgings's 2024 *Policy Priorities* focus on our top priorities—investing in the critical services provided by the Older Americans Act, providing caregivers with needed help and support, prioritizing Medicaid home and community-based services and supporting healthy aging by strengthening the intersection of health care and social care services. It does not reflect all of our policy positions or limit what we may advocate for this year. These priorities are based on our members' experience in directly supporting older adults, people with disabilities and caregivers in their communities and are focused on the actions that the Biden Administration and Congress must take to ensure that all Americans can age well regardless of where they live or who they are.

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Support

Aging Well at Home by Investing in Older Americans Act Programs and Services

Role and Impact of Area Agencies on Aging

For 50 years, AAAs have served as the local leaders on aging by planning, developing, funding and implementing local systems of coordinated home and community-based services that enable older adults to age well at home and in the community. AAAs develop area plans on aging based on local input, demographics and consumer preferences and needs, then lead local networks of providers to deliver these person-centered services to older adults, caregivers and—increasingly—to younger adults with disabilities. AAA services include Information and Referral/Assistance, in-home care, congregate and home-delivered meals, adult day care, case management, transportation, legal services, and caregiver support and respite and more.

The Older Americans Act (OAA) is the cornerstone of the nation's non-Medicaid home and community-based services (HCBS). Each year, through the OAA, nearly 11 million older Americans receive critical support from the nationwide Aging Network, which consists of states, AAAs, Title VI Native American Aging Programs and tens of thousands of local service providers.

The OAA and the Aging Network are based on the principle that states and local governments should have the flexibility to determine, coordinate and deliver the supports and services that most effectively and efficiently address the needs of older adults and caregivers in their communities. The OAA supports older Americans by delivering a range of services such as in-home personal care, home-delivered and congregate meals, transportation, disease prevention and health promotion activities, legal services, elder abuse prevention and intervention and more.

Updates to Modernize the OAA

Signed into law in 1965 alongside Medicare and Medicaid, the OAA is up for reauthorization in 2024. Congress must make thoughtful changes and investments in the Act to better reflect a rapidly growing aging population, and to support the innovations that resulted from the pandemic's disruption to the status quo.

The reauthorization of the OAA provides an ideal opportunity for Congress to ensure that the Aging Network can best meet the needs of both current and future older adults and caregivers.

USAgings is particularly interested in engaging with Congress and other stakeholders in the following reauthorization priorities, which are critical to modernizing the Act in 2024.

To Serve More Older Adults Who Need Help to Age Well at Home

Recommendation 1.1: Significantly increase authorized funding levels to meet the real and urgent needs of a rapidly growing older population and the rising costs of service delivery.

Recommendation 1.2: Ensure that AAAs and other Aging Network community-based organizations are able to further meet their missions by securing health care or other private funding to serve more older adults.

Recommendation 1.3: Allow Title III D health and wellness programs to be evidence-informed—not just evidence-based—to expand the Aging Network's ability to reach older adults with emerging interventions and to extend the reach especially in rural areas and other areas which have limited funding for this important work.

Recommendation 1.4: Expand Title VI, Grants for Native American Aging Programs, to include a dedicated Supportive Services funding stream and boost the capacity of grantees through more robust training and technical assistance.

To Meet the Needs of Today's and Tomorrow's Older Adults

Recommendation 2.1: Unify and modernize the Title III C nutrition funding streams and programs to reflect recent innovations, the changing needs of consumers and the goal of local decision-making inherent in the Act.

Recommendation 2.2: Reduce social isolation and loneliness among older adults by authorizing a national resource center dedicated to providing training and technical assistance for Aging Network professionals on innovative strategies to build and expand social engagement programs and activities.

To Maintain Efficient Oversight and Management of Local Service Delivery to Ensure Quality

Recommendation 3.1: Increase the administrative funding ceiling by two percentage points to ensure appropriate program development, oversight and network management amid rising costs and eroding federal OAA funding.

For more information, see USAgings's [Recommendations for the Reauthorization of the Older Americans Act](#).



Resources to Reflect a Rapidly Growing Population

OAA programs and services save Medicare—and the nation—money by supporting the health of older adults through in-home assistance, health and wellness programs, nutrition services, transportation and many more HCBS supports. OAA services like those provided by AAAs in the community can delay or prevent the need for higher level or more expensive (i.e., nursing home) care. In most cases this postpones impoverishment and eligibility for the means-tested Medicaid long-term care program.

However, the OAA is much smaller than those health care programs because it relies on discretionary federal funding, which is in contrast to the mandatory spending fueling Medicare and Medicaid benefits. The OAA charges AAAs with using the federal funds with state, local and private funding to build comprehensive systems of HCBS in their communities. Furthermore, AAAs engage hundreds of thousands of volunteers who donate millions of volunteer hours each year, further leveraging public and private investment and helping them serve more people.

Surveys from the Administration on Aging (AoA), part of the U.S. Administration for Community Living (ACL), show that **every \$1 in federal funding for the OAA leverages nearly an additional \$3 in state, local and private funding.**^v

Appropriators should significantly increase funding for these programs to meet the rising need due to the rapidly aging population.

It's not only a wise investment in the health of older adults but it's urgently needed given demographic changes and rising costs.

Throughout the COVID-19 crisis, the Aging Network served more older adults than ever before by providing life-saving services thanks to federal emergency relief funds. High levels of need experienced by older adults have not faded away, and AAAs continue to serve an influx of older adults, with demographic trends only pointing to increased need in the near future.

While USAging consistently supports increased annual funding for all titles of the OAA, not just our top priorities, it is also vital that funding increases are not wholly concentrated in just one title of the Act. While needs differ, many people who need the most common service—meals—also need other services such as in-home help, transportation, case management and home modifications and repairs, which are funded in other OAA titles.

The OAA is intended to address all the needs of the older adults and caregivers it serves yet some OAA titles are funded at a fraction of others. And even the best-funded subtitles aren't funded enough to address the increasing levels of need among the growing older adult population. It is often the case that critical nutrition services receive meaningful increases under Title III C, but no equivalent investment is made in other equally important OAA programs and services.

Title III B Supportive Services include most of the other services that older adults and their caregivers need, such as in-home assistance, transportation, respite care, home modifications and repairs and access to other services and resources via the AAA's information and referral assistance system. The beauty of the OAA is that it allows states and local agencies to provide services that people need locally. However, that requires both a well-balanced approach to federal funding and maximum local flexibility.

Therefore, while all OAA subtitles require immediate increases to meet the current and future needs of older adults, **USAging urges Congress to prioritize the following OAA services when developing the FY 2025 budget** for the Administration on Aging, housed within the U.S. Administration for Community Living, Department of Health and Human Services.

OAA Title III B Supportive Services is the bedrock of the Act, providing states and local agencies with flexible funding to provide a wide range of supportive services to older Americans. These services include in-home services for frail older adults, senior transportation programs, Information and Referral/Assistance services (e.g., hotlines to help people find local services, resources), case management, home modification and repair, chore services, legal services, emergency/disaster response efforts and other person-centered approaches to helping older adults age well at home. Services provided through Title III B are a lifeline for older adults living in the community, and they also connect older adults to other OAA services—for example, transportation services funded by Title III B ensure older adults can reach congregate meal sites that are funded by OAA Title III C.

The critical flexibility of this funding stream gives AAAs greater means to meet the needs of older adults at home and in the community, thereby eliminating the need for more expensive nursing home care—which usually leads to impoverishment and a subsequent need to rely on Medicaid long-term care programs to meet critical health care needs. The flexibility of OAA Title III B also allows AAAs to meet new and emerging needs in their communities, such as wellness checks for homebound older adults, activities to help older adults stay socially engaged (in-person, hybrid and virtual) and vaccine outreach and assistance. However, years of eroded funding have resulted in local agencies losing ground in their ability to provide critical Title III B Supportive Services.

To address social isolation among older adults, AAAs use OAA Title III B funding to provide a wide range of engagement activities, wellness checks and other services designed to reduce the negative effects of isolation and loneliness (see box on the next page). While other OAA titles, such as the Title III C nutrition programs and Title III D Evidence-Based Health Promotion and Disease Prevention Programs, have social engagement as a key component, the flexibility of Title III B has

allowed AAAs, especially during the pandemic, to innovate, create, adapt and expand their offerings to specifically target the social isolation crisis.

The underfunding of Title III B affects the ability of local agencies to help their clients age at home and in the community and, ultimately, costs taxpayers money. When older adults are healthier, Medicare saves money. When frail older adults receive in-home services that prevent or delay nursing home admissions, Medicaid saves money.

COVID-19 relief funding for OAA in the Families First, CARES and American Rescue Plan Acts gave a much-needed infusion of resources to the Aging Network to assist more older adults, the population most vulnerable to health crises and loss of independence, during the pandemic. However, these newer clients continue to need support—and may require even more help as they age. Between previously unaddressed needs and the aging of the population, there is simply no “return to normal” to pre-pandemic funding when it comes to OAA programs and services. **Without bold investment in FY 2025, the expiration of the COVID-relief funding will create massive service cliffs across a range of OAA programs, but especially Title III B and Title III C.**

When older adults cannot access these supportive services, their health and independence declines and they have an increased risk for spending down their financial resources to become eligible for Medicaid and enter a nursing home. Their unpaid caregivers are also affected when services are reduced or eliminated due to loss of funding, which can result in escalating stress and economic pressure on the family member if the care need is more than the caregiver can manage with other family and job responsibilities.

The time now has come for Congress to recognize the value of the Older Americans Act as the critical non-Medicaid HCBS resource that meets these goals and invest accordingly.

To meet the high and rising demand for cost-effective supportive services, we call on Congress to significantly increase funding for OAA Title III B in FY 2025.

The Cost of Social Isolation— and Solutions

It's widely known that staying engaged and socially connected has tremendous health benefits. Conversely, social isolation and loneliness among older adults leads to the deterioration of a person's physical and cognitive health, resulting in personal suffering and greater national expense. Federally, social isolation and loneliness cost the Medicare program an estimated \$6.7 billion annually—or an added \$1,600 per socially isolated beneficiary.

AAAs are on the forefront of work to end social isolation, with 98 percent of agencies having a program or activity to address the critical need for social engagement. These programs include a wide variety of options, such as health and wellness activities, volunteer engagement opportunities for older adults, arts and creative activities, and technology engagement activities. Furthermore, to reach underserved populations and provide culturally responsive services, 69 percent of AAAs offer social engagement programming tailored to the needs of different communities, including older adults living in rural areas, racial or ethnic minority groups, people with disabilities, veterans, LGBTQ+ and more.^{vi}

To build on this work and continue to innovate, AAAs and others in the Aging Network rely

on support from [engAGED](#), a USAging effort historically funded by ACL, that provides training and technical assistance, identifies innovations and encourages replication, and leads the field in promoting social engagement among older adults. USAging's OAA reauthorization recommendations (page 2) include codifying this national resource center for Aging Network professionals. **For FY 2025, USAging requests a \$5 million appropriation for engAGED, as well.**

To further work toward ending social isolation and loneliness, USAging also supports:

- the National Strategy for Social Connection Act (S. 2350), which would create the “Office of Social Connection Policy,” to coordinate federal agencies and increase public awareness to channel critical policy initiatives and funding across the U.S. government to address the public health crisis of social isolation and loneliness; and
- the Improving Measurements for Loneliness and Isolation Act (H.R. 6284/S. 2360), to convene a working group of private and public sector subject matter experts, researchers and various stakeholders to provide recommendations for standardizing the measurements and definitions of loneliness and isolation to study, understand and mitigate them.

OAA Title VI Native American Aging Programs

are a primary authority for funding aging services in Indian Country, where elders are the poorest in the nation. Title VI Part A largely provides nutrition services but also covers wrap-around supportive services such as those found in Title III B. Title VI Part C funds family caregiver support programs for people caring for older adults, as well as older adults caring for adult children with disabilities or grandchildren or relative children. These services are intended to supplement the overall OAA programs and services by giving tribes added resources to respond to the most urgent needs of older adults in Indian Country.

We encourage policymakers to build on COVID-19–relief funding for tribal aging programs and increase Title VI appropriations levels given the current and future needs of American Indian elders and the years of insufficient growth in funding to meet the escalating need.

We urge Congress to significantly increase funding for Title VI in FY 2025 to reach at least \$76.5 million for Part A (nutrition and supportive services) and \$24 million for Part C (family caregiver support).

Our final top appropriations request for OAA is Title III E, the National Family Caregiver Support Program, which is detailed on page 7.

Recognize and Support Caregivers



Role and Impact of Area Agencies on Aging

In addition to providing the wide range of home and community-based services mentioned previously, AAAs also provide critical services to family caregivers of older adults, as well as older adults who are caregivers for younger relatives. AAAs also contract with or employ paid caregivers, from direct care workers providing in-home help with the activities of daily living (ADLs), such as bathing and dressing, to case managers who coordinate care for clients, especially those most vulnerable such as people living with cognitive impairments or chronic health conditions.

The historic increase in older adults as a percentage of the overall U.S. population also coincides with inadequate numbers of both professional and unpaid caregivers who are necessary to support them.

Family Caregivers in Crisis

Family caregivers need more support—and they need it now. We must invest in these unpaid family and friend caregivers in myriad ways, to support them in doing this critical work. Without the support of informal caregivers of older adults, we will face national crises including increased Medicaid and Medicare spending and, ultimately,

the unnecessary suffering of older adults if not addressed immediately. Overburdened caregivers are also at risk of negative health effects as a result of their caregiving duties—another driver of health care costs and risks to the caregiver’s own health, financial security and independence over time.

There are an estimated 53 million^{vii} unpaid caregivers in the U.S.^{viii} AARP estimates that family caregivers provide \$600 billion worth of support to friends and family annually.^{viii} The financial value of this unpaid care rivals the entire federal Medicaid budget.^{ix} Whether they recognize it or not, communities, states and the federal government depend on the work of unpaid caregivers to meet the HCBS needs of our nation's growing aging population.

Through the OAA's Title III E National Family Caregiver Support Program

(NFCSP), those who care for family members and friends as they age receive support through training, respite, support groups and other programs.

The NFCSP funds local AAAs to assist older caregivers and family members caring for older loved ones by offering a range of in-demand supports to family caregivers in every community. Steady and sustained increases are needed to adequately invest in this modest federal program that now supports just a small fraction of the 41.8 million caregivers for people age 50 and older^x, and if adequately funded, could prevent billions in more expensive institutional care costs that rely on taxpayer funding.

Though extremely valuable, given limited funding, the NFCSP cannot currently meet the need for these services. We urge Congress to expand federal funding for current caregiver support programs and to explore policy solutions to ensure that caregiver support becomes a vital component of state and federal long-term services and supports reforms.

For FY 2025, we encourage Congress to significantly increase appropriations for the National Family Caregiver Support Program, which is the only national program supporting the family caregivers of older adults—who provide the majority of long-term care in this country.



In 2022, the U.S. Administration for Community Living (ACL) released the **National Strategy to Support Family Caregivers**, a result of years of work by two advisory councils at the urging of Congress, which passed the RAISE Family Caregivers Act in 2018.

We urge Congress and the Biden Administration, as well as state and local policymakers, to ensure that the National Strategy is implemented and built upon to improve the lives of our nation's 53 million unpaid caregivers—and those they care for.

USAgging is part of the Act on RAISE campaign, powered by the National Alliance for Caregiving, to accelerate and drive implementation of the National Strategy. The campaign seeks to mobilize and align stakeholders to educate policymakers about the National Strategy and raise awareness about the issues surrounding caregiving.

USAgging supports next steps to:

- **Build on the current federal infrastructure of supports and services for family caregivers** and those in their care. We also urge Congress to highlight where further investment is needed under OAA programs and services and other family caregiver-related programs such as the National Family Caregiver Support Program (OAA Title III E), OAA Title VI Part C Family Caregiver Supports, the Lifespan Respite Care Program, and the Community Care Corps, all of which are administered by ACL.

- **Expand access to HCBS options** (whether through Medicaid, Medicare, or the Veterans Health Administration). Additional Medicaid HCBS funding is needed to expand access to more older adults and people with disabilities. Because many states typically put more resources into less-desired and more costly institutional care, there are widespread waitlists for HCBS—further straining the family caregivers of people who should be eligible for these critical services.
- **Address the grave issue of direct care workforce shortages** and recognize that we are facing workforce shortages in other Aging Network roles that may also have a detrimental impact on older adults and caregivers if not resolved.
- **Ensure that any recommendations made to expand or require use of evidence-based caregiver assessments take into consideration the roles and experience of AAA social care professionals** in administering appropriate assessments, as well as funding realities.
- **Increase research on the return on investment (ROI) of caregiver support** for unpaid family caregivers, including evaluating the ROI of family caregiver services and supports, which could support expanded investment in these vital programs. Some of the ROI evaluation for programs supporting older adult caregivers and caregivers of older adults could be conducted by funding the research, demonstration and evaluation center added to the Older Americans Act in 2020.



A Stronger Workforce is Needed to Support an Aging Nation

USAgings urges Congress and the Biden Administration to elevate the grave issue of direct care workforce shortages, and to recognize workforce shortages faced in other Aging Network roles that will also have a deleterious effect on caregivers if not resolved. This crisis will continue to have increasingly negative impacts on family caregivers and those they care for if major changes are not made now.

Our nation does not have the long-term care workforce it needs to support the numbers of older adults who need personal, in-home or institutional support. The pay is low (median earnings of \$23,688 annually^x), the work is demanding and there is rarely opportunity for career advancement. This leads to destabilizing churn and severe shortages of employees. Yet, we will need millions more of these critical and undervalued workers in the next two decades. According to PHI, the home care workforce is projected to add one million new jobs from 2021 to 2031—more new jobs than any other occupation in the U.S.^{xii} However, this isn't enough to meet current and future needs of our nation's aging population.

Regardless of the size of the communities they serve, USAging members report the same problems: not enough direct care workers to provide the care their clients currently require; tremendous turnover among the existing labor force; and rising wages in other industries that make it difficult to compete for workers.

In addition to direct care workers, many AAAs and their community partners face difficulties recruiting and retaining other aging professionals such as social workers, case managers and program specialists. In a 2022 USAging survey, 98 percent of AAA respondents told us that workforce shortages have had some impact on their ability to provide personal care services; 69 percent indicated it has made a major impact.^{xiii}

In the same survey, 99 percent of responding AAAs reported that older adults in their service areas experienced social isolation and loneliness due to workforce shortages.^{xiv} Social isolation and loneliness can lead to adverse health effects including premature cognitive and physical decline, ultimately increasing the burden on family caregivers.

USAging supports the following policy changes for consideration by Congress and the Biden Administration to build a workforce pipeline that reflects the urgent need our aging nation has for care professionals:

- **Expand investment in OAA and Medicaid HCBS programs** to enable states, AAAs and other providers to raise wages and attract and retain workers. (See the previous section and subsequent Medicaid priority for details.)
- **Create a national caregiving workforce taskforce** to make recommendations on short and long-term solutions to address this national crisis.
- **Elevate the profession** of direct care work through career advancement and advanced training opportunities. Consider changes to the scope of practice standards that would elevate the role of direct care workers.

- **Increase the appeal of a direct care career path** through wage increases, expanded retirement and health care benefits, offering benefits for part-time workers, student loan forgiveness and other incentives associated with stable and desirable employment.
- **Encourage policies that address the daily barriers** workers face such as uncertain work hours as clients' needs abruptly change and limited opportunities for mentoring or on-the-job training and more.
- **Expand training programs** to encourage more workers to go into aging services and direct care work. Consider paid apprenticeships and integrating aging services into vocational opportunities for high school students, which could also provide a cross-generational benefit. Develop comprehensive immigration policies that reflect the need for a much larger direct care workforce and the provision of high-quality, consistent care to older adults and people with disabilities. Thirty-two percent of current direct care workers are immigrants.^{xv}
- **Encourage and support pilots that promote innovation and entrepreneurial opportunities** for individuals, nonprofit organizations and companies to boost the supply of direct care workers and agencies.
- **Provide incentives to employers** to hire or otherwise support non-traditional or overlooked workers, such as older workers, the family members of care recipients, the underemployed or those interested in being self-employed.

Our nation's caregiving workforce issues will only get worse over the next decade without swift and sweeping investment and attention.



Prioritize Medicaid Home and Community-Based Services Options to Reduce Unnecessary Institutionalization

Role and Impact of Area Agencies on Aging

Historically, two-thirds of AAAs have played a key role in their state's Medicaid HCBS programs by performing assessments, leading case management and coordinating services. AAAs have also evolved along with changing state Medicaid systems. And 37 percent of AAAs now contract directly with managed care organizations (MCOs) to assist in implementation of their state's managed Medicaid HCBS program.^{xvi}

AAAs are OAA experts and also critical in helping older adults and people with disabilities access Medicaid HCBS. Specific roles vary by state, but common AAA Medicaid HCBS roles (whether provided directly for the state or via a contract with an MCO) include needs assessment, functional eligibility determination, case management, care coordination, service provision and more. All AAAs can help consumers learn more about their Medicaid HCBS options.

It is through this lens that USAging members approach Medicaid policy: as Medicaid service providers and/or as advocates for the needs of all older adults as charged in the OAA. This gives AAAs unique insight into how this program can be more effective in meeting the needs of the population they are designed to serve.

USAging and its members also believe that Medicaid consumers should have the option to receive care in their homes instead of in institutions. HCBS options are nearly always less costly per person and are vastly preferred by consumers.

In 2020, Medicaid spent a total of \$215 billion on all long-term services and supports (LTSS), with \$162 billion spent on HCBS care and \$53 billion on institutional care.^{xvii} However, enrollees using any kind of institutional LTSS made up only 6 percent of total enrollees but accounted for 37 percent of expenditures, reflecting the high costs and low popularity of institutional care options. Medicaid spent an average of \$36,725 per person for enrollees who used HCBS options and an average of \$47,729 per person for enrollees who used institutional LTSS. In 2020, an estimated 4.0 million enrollees used Medicaid LTSS through HCBS versus 1.4 million people who had LTSS delivered in institutional settings.^{xviii}



However, a bias for institutional care still exists in federal statute. In 39 states consumers are often forced to leave their homes permanently to receive care despite an overwhelming preference among this population to continue living at home and not in institutional settings.^{xix}

Medicaid Is a Lifeline for Older Adults

Federal and state policymakers must recognize and respect the Aging Network's role in developing and providing Medicaid HCBS, both in traditional waiver programs and managed care initiatives. USAging supports innovation in these areas but not unnecessary duplication or reinvention of existing systems that already successfully serve older adults. When considering short or long-term policy changes to Medicaid, it is imperative that Congress and the Biden Administration understand the realities facing older adults receiving Medicaid.

The federal-state Medicaid partnership is the backbone of our nation's current long-term services and supports (LTSS) system and the HCBS waivers that enable millions of vulnerable older adults and people with disabilities to retain their independence. While Medicaid is the largest provider of HCBS, decades of underfunding and a national patchwork of programs leaves at-risk older adults who want to age in their homes susceptible to inadequate supports or to lack of access to essential HCBS.

To address some of these challenges, the Centers for Medicare & Medicaid Services (CMS) published a 2023 proposed rule which aims to strengthen many aspects of Medicaid HCBS, including the direct care workforce that provides hands-on care and support. One proposed policy would require states to provide annual state data on HCBS waitlists, including number of people, services and how often re-screening occurs. This could help fill gaps in measuring unmet needs at the national and state levels. While USAging does not support every part of the proposed rule as originally written, we appreciate the Administration's focus on improving Medicaid HCBS.

Rebalancing to Save Money and Expand Access

As the largest public funding source for LTSS, Medicaid has been and will continue to be affected by the rapid growth in size and evolving needs of our nation's aging population. And yet sustainable funding for essential Medicaid HCBS remains at risk nationwide, reflecting a historic imbalance that favors institutional care for Medicaid beneficiaries. Rebalancing efforts—to correct Medicaid's inherent bias towards more expensive, less-desirable and, often lesser institutional care—must be supported and expanded, and at the very least preserved.

39: The number of states that have a waiting list for at least one HCBS waiver.

665,000+: The number of people on HCBS waiver waiting lists nationally at any point in FY 2020.^{xx}



We applaud the Biden Administration's continued support for critical HCBS investments that address not only access to these essential services that help older adults avoid unnecessary nursing home care but also the need to expand and strengthen the direct care workforce holding up this system of in-home care. The scope and scale of investments must grow. We call on Congress to:

- **Make a major investment in Medicaid HCBS in 2024** to adequately address pressing workforce and access problems. The Better Care Better Jobs Act (S.100), which echoes a Biden Administration priority, would significantly invest in the Medicaid HCBS workforce and increase access to services for older adults and people with disabilities through an enhanced Federal Medical Assistance Percentage along with other incentives to states. It is imperative that major investment be made swiftly to address current and anticipated future needs.

- **Remove the institutional bias** in Medicaid that allows states to make HCBS an optional service and not required as institutional care is. This is an important step in rebalancing care for older adults: 59 percent of older adults and adults with physical disabilities receiving Medicaid LTSS are living in institutional settings.^{xxi} The Home and Community-Based Services (HCBS) Access Act is designed to ensure older adults and people with disabilities have a choice of whether to receive care in their own homes or in an institution. The bill would create parity and ultimately eliminate HCBS waiting lists and the need for states to repeatedly apply for HCBS waivers, increasing HCBS access for those who are eligible to receive them.
- Permanently authorize the **Money Follows the Person** program to support individuals transitioning from institutional care to home or community-based settings.

Note: One of the most pressing Medicaid HCBS challenges reported by AAAs is securing sufficient direct care workers. This widespread workforce issue is addressed in our Caregivers priority, which can be found on page 6.



Connect Health Care and Aging Sectors to Improve Care and Reduce Costs

Role and Impact of Area Agencies on Aging

As long-standing, trusted community resources on healthy aging and home and community-based services (HCBS), AAAs are experts at providing social care programs and services that address social and environmental factors that affect health outcomes. These social determinants/drivers of health (SDOH), at the individual level also referred to as health-related social needs (HRSNs), include, but are not limited to, access to housing, employment, nutritious food, community services, transportation and social engagement and supports.

The Aging Network has an established local infrastructure that, with much-needed investment, can successfully support the integration of a more holistic integrated care service delivery system that bridges health care and social care services. There is a long history of community partnerships between AAAs and health care entities but these relationships have evolved to more formal contracting relationships through which AAAs are paid for their role in achieving better health and quality of life outcomes. In a 2021 survey, 47 percent of AAAs reported having health care contracts.^{xxii} This work has led to innovative models of service delivery to align health and social care, such as the development of AAA-led regional and statewide networks of community-based organizations (CBOs) with AAAs serving as community care hubs (CCHs) providing the needed infrastructure for health care contracting. The work of AAAs and CCHs serve as a model for all social care sectors to adequately integrate their community supports to ensure whole person support and best outcomes.

Over the past decade, the U.S. health care system has shifted from volume delivery to a value-based payment paradigm, placing more emphasis on the quality of care rather than the quantity of services

provided. This evolution creates new opportunities for health care entities to work with AAAs and the Aging Network to better assess and address the HRSNs of our nation's aging population.

As this alignment between health care and social care continues to evolve, it is vital that any **new integrated care models build on, and not supplant or exploit, the Aging Network's existing experts and systems.**

USAgings urges federal policymakers to recognize, engage and preserve the full potential of AAAs and the Aging Network in improving health and reducing costs, particularly in the following areas. It is critically important that all stakeholders understand and acknowledge the unique role of

social care experts who appropriately assess, care plan and coordinate services to meet the HRSNs of clients, especially those at risk of falling through the cracks, thereby increasing the risk of avoidable hospitalizations and negative health outcomes. Furthermore, the integrated care system needs to focus on how care professionals—clinical, post-acute and social care—share care for an individual, and that the care needs to dictate the workflows and process. Technology and data standards should not dictate the care but be designed to support the provision of that person-centered care.

Advancing SDOH Responses

At the end of 2023, the White House and the U.S. Department of Health and Human Services (HHS), through the Centers for Medicare & Medicaid Services (CMS), released the first ever U.S. Playbook to Address Social Determinants of Health to help support federal agencies, states, local and tribal governments to better coordinate health care, public health and social services. Goals include working towards a more interoperable health and social care ecosystem and providing technical assistance to the aging and disability networks to strengthen their ability to contract with health care. In addition, ACL is encouraged to identify and disseminate scalable approaches to secure social needs data, share person-centered care plans and share foundational elements for SDOH health information exchange, including successful models of shared governance and methods to streamline workflow processes for closed loop referrals between CCHs and health care systems. USAging is a part of this work, leading the new ACL-funded Center of Excellence to Align Health and Social Care, to support the advancement and development of CCHs. Additionally, USAging is actively participating in data and technology standards initiatives (Gravity Project, HL7, Direct Trust) working to integrate a standardized approach that aligns with legacy data requirements and realities of the social care landscape.

HHS also released a Call to Action to complement the Playbook with the intent of catalyzing efforts at the community-level to encourage partnerships across sectors, including health care, social services, public and environmental health, government and health information technology to address social needs with the goal of improving the health and well-being of every American. It describes key actions that partners in different sectors can take to help build a stronger, more integrated health and social care system, and it provides resources applicable to partners involved in each set of actions. It also discusses the important role that backbone organizations, including CCHs and AAAs, can play in managing community-based partnerships and contracting across sectors and how they can help develop and sustain the community-based infrastructure needed to improve coordination between health and social care clinicians.

Social Care Experts Should Be Paid to Improve Health Outcomes for Older Adults

For most older adults, health occurs and is supported at home and in the community—not in medical settings. AAAs are instrumental in supporting the health and well-being of older Americans living at home as their targeted services help achieve positive health and functional outcomes for older adults, including those with complex care needs. However, even though well-established as community nexuses for addressing older adults' SDOH needs, AAAs' contributions to overall health are too often overlooked by health systems, payers and policymakers. Additionally, health care providers and payers attempt to build their own systems of social care referral or service provision instead of leveraging the extensive expertise and long-standing services of AAAs, which are the social care experts on aging well at home.

USAging is heartened by increasing health care and government interest and efforts around aligning health and social care to improve health outcomes, yet it is critical that social care experts such as AAAs are in the conversations and that any policy, regulation or law reflects the existence, realities and contributions of the social care sector.

An example of related regulatory policy efforts is the CMS CY 2024 Physician Fee Schedule. The Physician Fee Schedule typically covers standards for payments for physicians and policies related to health care delivery to Medicare beneficiaries. However, for the first time, CMS called for increased partnerships between Accountable Care Organizations (ACOs) and CBOs such as AAAs. While the final rule did not reflect all [USAging's recommendations](#), most of which focused on creating clearer roles and funding pathways for AAAs and other social care experts to achieve success, it does begin to open a window between the two sectors. Additionally, CMS is requiring that hospitals report on their health-related social needs (HRSN) screening as part of their inpatient quality reporting. We believe that these new rules may provide AAAs and CBOs with opportunities to expand partnerships with health clinicians to



better serve clients and caregivers. However, in order to be successful, health care leaders and policymakers need to understand two overarching issues: payment for social care services and the sophistication of the social care system and its professionals.

Despite current progress and promising signs for future policy evolution, AAAs and CBOs remain under or unpaid for referrals and the provision of services. **There is a deep presumption and misunderstanding about the level of funding, how that funding works and the availability of social care services on the part of policymakers and health care that must be corrected.** Health care *should* turn to social care experts such as AAAs to assess, coordinate and serve the SDOH/HRSN needs of older adults and others, but *payment must follow the referral*. As our appropriations section makes clear (pages 3-5), there are not enough existing resources to meet the current need. Policymakers must ensure that social care resources and the expertise of social care experts are taken into consideration in ANY policy addressing SDOH. True health and social care integration and the health outcome goals that drive it will not be met unless efforts build on the existing social care infrastructure—and strengthen it with resources to meet the increased service level.

It's also critical that policymakers and health care stakeholders understand that social care provision requires training, expertise and, like health care, involves various levels of professional education and standards. For example, while community health workers (CHWs) are one type of community-based social care and health-related professional, and one in five AAAs employ CHWs, policymakers must understand that CHWs are not equipped to handle more comprehensive assessments, which are, especially in the case of at-risk or complex care clients, done by higher-level professionals such as Licensed Clinical Social Workers (LCSWs). Just as a medical screening is not the same as a social care assessment, a CHW-level engagement is not the same as a AAA social worker-conducted full assessment.

Therefore, we urge the Biden Administration and Congress to incorporate AAAs, other CBOs and social care networks in bridging the gap between health and social care through new payment, delivery and data exchange models—and to ensure they are also appropriately and adequately compensated for those roles in helping health care payers and providers meet patient care goals and quality benchmarks.

Specifically, we urge policymakers to:

- Maintain and strengthen person-centered consumer access to services—and assistance with planning and decision-making—with long-standing and trusted **Aging Network Information and Referral/Assistance (I&R/A)** platforms and services, which operate at the federal, state and local levels. An example of how not to partner with the Aging Network is the reality of social health access referral platforms (SHARPs) which are often paid by health care payers to refer their members to AAAs and other CBOs but do not pay for the handling of the referral or the needed services. As SHARPs and other apps from for-profit companies have more recently come into the market, it has given the health sector the false belief that technology platforms alone can most efficiently connect patients to services that address HRSNs.

To be person-centered means providing an integrated experience for the consumer, taking the whole person and their needs into consideration and helping them access needed services. Doing so requires that all of the systems—health care, social care (including AAAs and CBOs) and the technology vendors who want to assist communication between the two (i.e., SHARPs)—be in sync.

While technology can be an important tool in connecting the health care and social sectors, it is imperative that the core values of person-centered care are not lost and that the provision of social care is actually funded.

Furthermore, the 50-year-old AAA infrastructure that Congress has charged to take referrals, conduct thorough assessments, coordinate care and provide direct services to older adults with complex care needs should not be overridden, wasted or exploited by erroneously unloading patients on underfunded social services systems such as AAAs without reimbursement. AAAs already have I&R/A staff extensively trained to support older adults and caregivers, case managers who specialize in person-centered and complex care, and networks of providers at the community level to deliver all the other social care services their clients require.

Unfortunately, the implementation of SHARPs is often not done in collaboration with local leaders, such as AAAs, and/or does not provide the payment mechanism necessary to truly be a valuable service in connecting consumers to real local services. This can lead to inefficient systems, poor referrals, waiting lists for services and the needs of the consumers they are intended to serve not being met.

- Ensure that **new social care models, integrated care work flows, coding standards and systems** reflect the extensive work already invested in by federal, state and local governments, such as the data collection under the Older Americans Act, Medicaid and other robust systems. Additionally, the new standards need to acknowledge the existing obligations and requirements of social care providers that are required by a diverse set of funders. Coordinating across multiple disparate systems is a major challenge, but to be done successfully, it must consider the realities and strengths of the social services system and not intentionally or inadvertently medicalize social care. It also must solidify the pathway for reimbursement for social care service provision. To ensure this, the Aging Network must be at the table as these coding standards or systems are being imagined, developed and implemented.

Without fully recognizing and supporting the value provided by existing cost-efficient systems, any new policy efforts will fail beneficiaries, unnecessarily undermine existing successful systems and potentially reduce the quality of care for older adults who most need these services.

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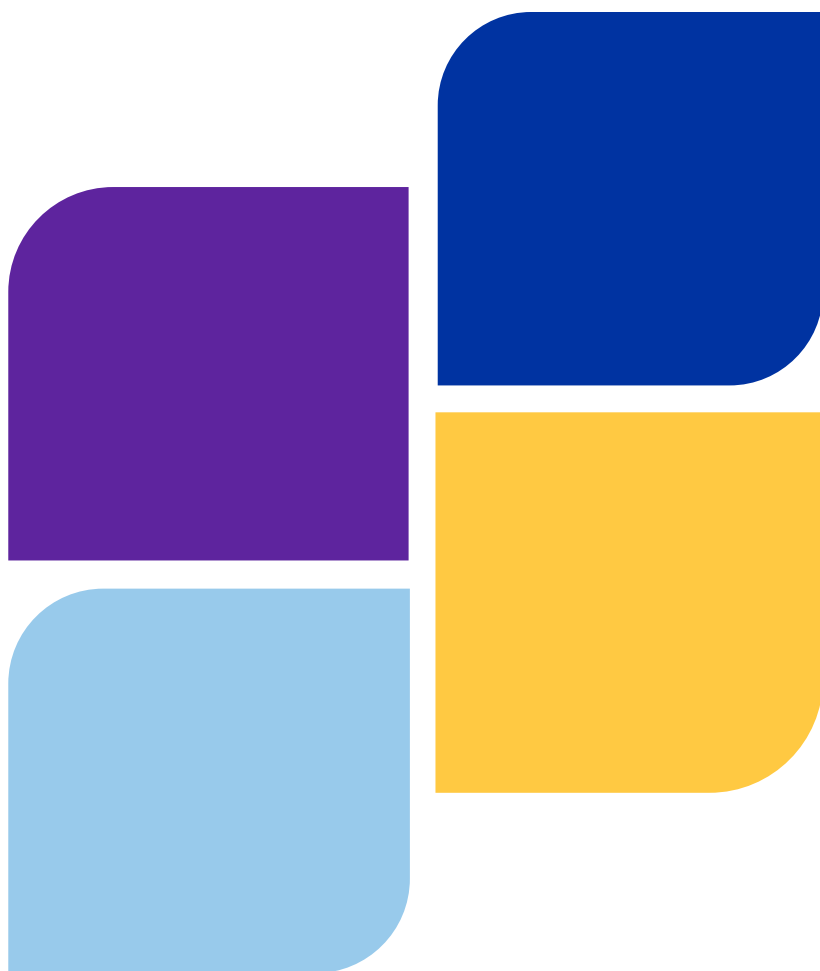
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USAgging is the national association representing and supporting the network of Area Agencies on Aging and advocating for the Title VI Native American Aging Programs. Our members help older adults and people with disabilities throughout the United States live with optimal health, well-being, independence and dignity in their homes and communities.

Our members are the local leaders that develop, coordinate and deliver a wide range of home and community-based services, including information and referral/assistance, case management, home-delivered and congregate meals, in-home services, caregiver supports, transportation, evidence-based health and wellness programs, long-term care ombudsman programs and more.

USAgging is dedicated to supporting the success of our members through advancing public policy, sparking innovation, strengthening the capacity of our members, raising their visibility and working to drive excellence in the fields of aging and home and community-based services.

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