

## **FY 2011 Office of Service to the Aging (OSA) Budget Advocacy**

Programs funded by OSA, including meals, home care, caregiver services and volunteer programs, funded at \$40 million one year ago, have been slashed by \$7 million (18%) within the last year.

**Governor Granholm recently announced a recommended 8% cut for next year.** Your advocacy is needed to inform Legislators that more cuts are ‘penny wise and pound foolish.’

### **Background and Talking Points:**

The U.S. Census projects that Michigan had more than 1.8 million citizens 60 years of age in 2008 (18.2% of the total state population).

By 2030, it is projected that one in four Michigan residents will be an older adult (age 60).

Medicaid is the largest payer of long term care (LTC) services in Michigan with more than \$1.9 billion expended for LTC in FY 2008. Of that total, nearly \$1.5 billion supported LTC in nursing facilities while nearly \$405 million supported home and community based services through the MI Choice Waiver and Home Help Programs.

During FY 2009, 62,002 at-risk older adults were provided home care services through the Michigan Office of Services to the Aging funding.<sup>1</sup> Of that number:

- **51,344** needed assistance with cooking, bathing and housework
- **18,153** have incomes below poverty
- **22,173** were over the age of 85 and 31,611 live alone
- **33,563** were at high nutritional risk
- **5,356** meet eligibility for nursing facility placement; nearly half have incomes below poverty
- **192** individuals on the MI Choice wait list received services through the care management program while waiting for Medicaid funded home and community-based services.<sup>2</sup>

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<sup>1</sup> Home care client and service data is collected as part of Michigan's FY 2009 NAPIS State Program Report. Home care services include in-home services and home delivered meals.

<sup>2</sup> MI Choice waiting list data is based upon the FY 2009 4<sup>th</sup> quarter report. Care management client data is based upon Michigan's FY 2009 NAPIS State Program Report.

The Michigan Aging Network serves as the safety net for non-Medicaid eligible older adults in need of LTC at a fraction of the cost to Medicaid.

Average costs:<sup>3</sup>

- Medicaid in Nursing Facilities = \$185 per day (\$67,357 per year).
- Medicaid/MI Choice Waiver Program = \$48 per day (\$17,604 per year).
- Medicaid/Home Help Program = \$18 per day (\$6,570 per year).
- By comparison, the Michigan Aging Network provides services to at-risk older adults at an average annual cost of \$1,022 for in-home services and \$701 for home-delivered meals.

State funds for aging services were reduced by more than 5 million (14%) in FY 2010. The proposed executive budget includes reductions of an additional 8% in FY 2011. **If adopted, these reductions will result in a combined loss of nearly \$8 million (23%) in just two years.**

**The projected impacts of these reductions over this two-year period include:<sup>4</sup>**

- The loss of more than 81,807 hours of home care.
- The loss of 580,286 home delivered meals which equates to no home delivered meal service in the entire state for 19 days.
- 7,382 caregivers will lose access to nearly 37,845 hours of respite and adult day services.
- 1,511 at-risk older adults will no longer have access to assistance with bathing, dressing and toileting.
- Waiting lists will continue to grow. Since 2004, waiting lists for in-home services and home delivered meals have increased 56% and 67% respectively. *Nearly 66% of those waiting for in-home services were on the list for 90 days or longer. Nearly 40% of those waiting for home-delivered meals were on the list for 90 days or longer.*
- Many low-income Foster Grandparent and Senior Companion volunteers depend on the \$2,767 annual stipend to pay bills, as well as purchase prescriptions, food and fuel. The loss of the stipend could result in increased dependency on other government programs and services for these volunteers.

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<sup>3</sup> Nursing Facility, MI Choice, and Medicaid/Home Help cost per day data based on the *Profile of Publicly-Funded LTC Services* report prepared by the Michigan Department of Community Health, Office of LTC Supports and Services (June 2009). Michigan Aging Network cost per day data is a statewide average based on service utilization and expenditure data collected as part of the FY 2009 NAPIS State Program Report.

<sup>4</sup> Budget impact projections are based on FY 2009 NAPIS State Program Report client, service utilization, and expenditure data.