

The Decisive Role of the States in Aging Policy

By Larry Polivka, guest editor

The sheer size of the federal Social Security and Medicare programs, in terms of expenditures and number of beneficiaries, tends to obscure the major importance of the roles that state and local policy makers play in development and administration of services for older people.

Most aging policy in this country is shaped by the states—as is demonstrated by the extraordinary extent to which long-term care, transportation, housing, and other programs vary among the states. As the older population rapidly increases in most states over the next several years, state-level policy makers and public and private organizations will be challenged to address a wide range of policy and administrative issues in a cost-effective and timely fashion. Especially now, in light of the growing economic crisis and a changing political landscape, we hope that readers will glean an appreciation for the issues facing the states and the options for addressing them.

The range of articles in this issue of *Genera-*

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older citizens.*

tions reflects the breadth of policy issues that state and local policy makers must address in their efforts to identify and meet the needs of their older residents and protect their quality of life. Andy Achenbaum's historical overview of the role of the states in aging policy shows that the states have been active in this arena since the nineteenth century, or well before the Social Security program was created in 1936 as part of President Roosevelt's New Deal. This role has

evolved to the point that states are now involved in virtually every dimension of public policy affecting the lives of older people.

Pynoos, Siciliano, and Beattie describe the expanding efforts of states to prevent falls, which are a major threat to the health and overall well-being of older people. This article focuses on the exemplary efforts of California and Connecticut to develop model falls-prevention programs that could inform similar initiatives in other states. Karp and Wood's article on monitoring state guardianship programs also

describes model efforts in several states. Guardianship issues tend to be overlooked until they erupt as a scandal in the media and then return to relative obscurity. The cycle of indifference and outrage could well be remedied if the kinds of enduring interventions described by Karp and Wood were widely implemented.

The article by Liebig and Cicero addresses the increasingly urgent issue of economic security for older people. Liebig and Cicero make a convincing case for paying far more attention to the financial needs of older people, many of whom are as threatened as any other age group by declines in the economy. These authors argue that we need new measures of economic well-being, especially measures of poverty, which determine eligibility for public housing assistance. States will probably have to take the lead in the development of these measures, as several of them have in the past. Pitt-Catsouphes, Weber, Gabrielson, and McNamara describe several state initiatives designed to enhance the employment prospects of older workers, who still encounter serious barriers to gaining and retaining employment. The need for continuing employment among older people is likely to increase in the future as retirement security becomes more tenuous for the baby boomers.

Mental health services for older people have been even more neglected than services for younger people have been. According to Schonfeld and Hedgecock, however, this situation may be changing as states begin to implement mental health programs specifically designed for the older population and to integrate them with the larger healthcare system, including long-term care. The cost-effectiveness of mental health interventions for older people has been demonstrated in several studies over the past twenty years. One of the beneficial effects of these interventions appears to be a reduction in the use of long-term-care services, including nursing home care.

Several articles in the issue address aspects of long-term-care policy, which is a growing challenge for policy makers in most states. Rosalie Kane provides a comparative analysis of long-term-care policies and practices in several states and identifies factors that may help explain the

wide variance among states in the extent to which they have used Medicaid waiver funds to create home- and community-based long-term-care services. Grabowski and Bramson describe the efforts of a few states to develop integrated programs of long-term-care and other services funded by Medicare and Medicaid designed to reduce service fragmentation and cost-shifting.

Polivka-West and Okano discuss changes in nursing home regulations over the past several years and recommend a number of options state officials and advocates may want to consider in maximizing the potential of these changes to improve the quality of care and the quality of life for residents. Mollica assesses regulatory practices for assisted living across the country and provides a summary perspective based on his extensive work on this issue over the past decade.

Bryant and Stone describe the growing shortages in the long-term-care labor force and assess implications for the availability and quality of long-term-care services in the future when the number of people ages 80 to 85 will be three times greater than it is today. The authors stress the importance of state initiatives to address this critical challenge, especially the expansion of education and training programs at the post-secondary level and the use of incentives (e.g., loan forgiveness) to increase the number of students willing to work in long-term-care programs after graduation. Healthcare workforce issues are generally vexing, but with the rapid aging of the population, we may feel their urgency more in long-term care than do those in other areas, except for primary care physicians.

Browdie's essay on the evolution of the aging network over the past three decades reminds us of the critical role the network has played in many states in the development and administration of home- and community-based long-term-care services. He raises the issue, however, of what the future of the aging network at the state and local levels should be and of what steps should be taken to best position the network at every level for the huge increase in the demand for long-term-care services expected over the next three decades. Browdie raises the possibility of establishing national performance outcome standards for the aging network in order to build on

the demonstrated strengths of the network in many states in managing comprehensive community-based long-term care service systems. This kind of national strategy could expedite the spread of best practices and accelerate the development across the states of long-term-care systems that are more integrated, cost-effective, and consumer-responsive in advance of the “age wave.” This may be a controversial proposal, but it is one I think we would be well-advised to begin debating as soon as possible.

We need to have this debate and develop a consensus strategy relatively soon in order to avoid being swamped by the emerging policy battles over the funding of the entitlement programs and healthcare reform. Long-term care is still something of a backburner policy issue in Washington and in many states, but it will not remain in obscurity much longer with the growth of the older population, the shaky economy, and the latest manifestation of the fiscal crisis of the country at virtually every level. As noted by Payne and Applebaum in their article on local tax levies for aging services in Ohio and a few other states, the Older Americans Act funding has actually lost 30 percent of its purchasing power since 1980, while the older population has grown by over 40 percent since then. This is the reason that some local jurisdictions have decided to generate local resources to meet the needs of their low-income older residents who are not eligible for Medicaid services. This, however, is not a viable strategy for meeting long-term-care needs in a relatively uniform fashion, given the great variance in financial capacity across communities within and between states.

We can also expect increasing pressure to contain or reduce Medicaid expenditures as the fiscal vise tightens in Washington, D.C., and in state capitols. These trends (growing need and struggles over stagnant resources) constitute the critical context for thinking about the future role of the aging network and its capacity at the state and service-delivery levels to respond to these imminent challenges.

The aging network varies enormously across the country, with budgets ranging from a few hundred thousand to over two hundred million. The number of people served ranges from a few hundred to over 125,000 (Kunkel and

Lackmeyer, 2008). We know that area agencies and aging network providers vary a great deal in terms of the kinds of services provided and levels of organizational and information system complexity, and along many other dimensions.

We also have considerable evidence, some of which is discussed by Rosalie Kane in this issue, indicating that the states with the most balanced long-term-care systems and the most extensive arrays of home- and community-based services have some organizational features in common. These features include administrative structures and budgets that are relatively more integrated than in states with less developed home- and community-based long-term-care systems; a wider range of home- and community-based service options, including consumer direction and community-residential programs; single access points that efficiently manage access to information and services, including expedited eligibility processes; and well-developed information systems designed to monitor consumer services and outcomes on a timely and accurate basis and systematically provide services to those who want to make a transition out of nursing homes.

Other factors are also emerging as important in the development of more balanced long-term-care systems, but these appear at the moment to be the most relevant for any effort to design a set of national standards that could be used to raise the floor for long-term-care programs administered by the aging network. National standards along these lines could be a major resource for state and local aging network leaders who want to use the social and political capital (community confidence) the aging network has been able to generate over the past thirty years to build more comprehensive and better balanced long-term-care systems to meet the steady growth in the need for services. Local variation in aging network operations is to be expected and often supported. It should also be recognized, however, that local variation may not be as important as increasing the aging network’s capacity to serve more people in a wider array of home- and community-based programs in as efficient and effective a fashion as possible by drawing on established “best practices,” some of which may be formulated as national standards.

The aging network at every level represents an extraordinarily successful initiative to improve the quality of life of older people through public-private partnerships. No other population in need of long-term care and other kinds of assistance benefits from an organizational arrangement comparable to the aging network. This success now makes it possible to talk about the creation of what Browdie and Castora writing in *Public Policy & Aging Report* (2008) call “a truly national network” based on national standards that would permit considerable variation at the state and local levels in strategies for achieving them:

In our increasingly mobile and diverse society, only a national network will be able to accomplish national goals through locally adapted means. In fact, a national network is crucial in giving Americans the confidence in “the system” to provide access to affordable and attractive long term care options even if their family is not at hand to be their advocate. That was the promise of the Older Americans Act, and that is what America can do to make the public and private costs more affordable and sustainable for our aging society. P. 28

The Administration on Aging (AOA) and the Centers for Medicare and Medicaid Services (CMS) have taken several steps over the last ten years to build on the network’s strength and enhance its capacity to serve both Medicaid and non-Medicaid populations. The AOA initiatives include the Caregiver Support Program, the Aging and Disabled Adult Resource Centers, the Evidence-Based Preventive Health Program, and the recently implemented Nursing Home Diversion Program for the population not eligible for Medicaid. The aging networks in many states have been very active participants in the CMS New Freedom Initiative, including such grant programs as Real System Change, Nursing Home Transition, and Money Follows the Person. The National Area Agency on Aging Association (N4A) and the National Association of State Units on Aging (NASUA) have built on these efforts to develop a collaborative project, called Project 2020, that is designed to prepare the aging network for the next stage of its evolution. The Obama Administration should

take steps to ensure that the new leaders of the Department of Health and Human Services, CMS, and AOA are prepared to build on these initiatives to create more balanced long-term-care systems across the states by expanding and strengthening the role of the aging network at every level.

The aging network through, its own organizations (N4A and NASUA) and in collaboration with AARP, the National Council on Aging, the American Society on Aging, and other organizations, should take decisive steps to formulate a long-term-care reform agenda designed to accelerate the expansion of home- and community-based long-term-care services. The Project 2020 represents a promising step in this direction.

The cost of long-term-care services will be an increasing burden on the states with the huge growth in the age-75-plus population over the next thirty years. Many states are already experiencing severe fiscal stress, which will only increase with the emerging economic downturn. So it appears that at the same time that revenues are becoming stagnant or declining, the need for state services will increase. Just when the states and the federal government should be expanding long-term-care services—especially for home- and community-based care—in preparation for the unprecedented future growth of the older population, spending on long-term-care services is likely to fall farther behind. And, on the other side of the emerging recession, which threatens to be deeper than any since 1981–1982, states are likely to face a wider gap between long-term-care needs and resources than ever before. The states will be poorly prepared to meet the long-term-care needs of the aging baby boomers.

The boomers are not likely to be any better prepared than their parents to meet the need for long-term-care assistance on their own. In fact, the national retirement risk index (NRRI) developed by Munnell, Golub-Sass, and Webb (2007) at the Center for Retirement Research indicates that many future retirees will have an increasingly difficult time maintaining an adequate standard of living in retirement and may be even less able than their parents to cover long-term-care costs on their own.

This trend, in combination with the growing pressure on state budgets caused by increasing Medicaid costs, will make questions regarding the relationship between the role of the public sector and personal responsibility in meeting long-term care needs an increasingly important part of the debate over the relationship between states and the federal government in the funding and delivery of healthcare services. Support for incorporating long-term care into the Medicare program is likely to grow over the course of this debate—support based on the rationale that a uniform, federally administered long-term-care program would be a more efficient and equitable strategy for providing long-term-care services than the current Medicaid-based array of fragmented, unevenly funded services. It is not too soon for aging network organizations at every level to begin thinking about how the network can build on its current capacities in preparation for playing a leading role in administering an integrated, comprehensive long-term care benefit.

This issue is likely to arise in the context of a larger healthcare reform debate over how best to contain healthcare costs while expanding coverage for the large population of uninsured people and increasing the quality of care. The aging network can help ensure that the long-term-care issue is not overlooked as the larger debate unfolds and that the extraordinary assets of the aging network are essential features of any new long-term-care initiative that may emerge from the new Administration and Congress.

These developments, plus a clear-eyed view of a future featuring a growing gap between needs

and resources, should help set the stage for a full-scale debate over the proper role of the states and the federal government in the financing and delivery of long-term-care services. The aging network has the potential to play a major role in defining the terms of this debate and in shaping its outcome by moving now to reach a consensus on major policy goals and essential strategies for achieving them. New economic policy and governance (i.e., relationships between the states and the federal government) models, based on enhanced roles for the public and private nonprofit sectors, are likely to emerge in the wake of the current financial market crisis and recession and the fiscal crisis of the public sector. Aging network organizations and advocates should be prepared to ensure that these new policy models do not diminish the nation's capacity to meet the needs of its older citizens in an efficient and just fashion. ❧

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