



**Testimony on behalf of Aging Services of Michigan to the
Senate Appropriations Subcommittee for Community Health
April 23, 2009**

Senator Kahn and members of the subcommittee, thank you for the opportunity to testify on the FY2010 budget proposal. My name is David Herbel, and I am President and CEO of Aging Services of Michigan.

With me today is Al Kaul, Executive Director for the Lutheran Homes of Michigan Foundation, based in Frankenmuth with ministries across Michigan. Since 1893, Lutheran Homes of Michigan has been providing Michigan seniors with housing, home health care, skilled nursing care, hospice, and assisted living services.

Aging Services of Michigan represents more than 230 not-for-profit long term care organizations statewide in programs affected by the DCH budget. We are the only Association in Michigan to represent the entire array of programs and services to seniors. These programs include: home and community based programs, PACE (Program of All Inclusive Care of the Elderly), life care communities, nursing homes, county medical care facilities, hospital long term care units, affordable assisted living residences, hospice, home health, and low income senior housing.

Aging Services of Michigan advocates for a long term care system that adequately supports the entire array of long term care services for frail seniors. As Michigan sits at an important crossroads in its development, we strongly believe that there are opportunities here that can positively affect our seniors today, as well as the seniors of tomorrow and years to come.

Our demographics are changing, and we are going to need an infrastructure that supports more opportunities to age in place. By dedicating stimulus dollars to specific Medicaid programs, we can maintain seniors in the community longer and with good outcomes.

We encourage the Senate Subcommittee to support funding for the following critical programs already contained within the House Appropriations Committee version of the FY2010 DCH Budget.

Expanding PACE in multiple areas throughout the state

The Program of All-Inclusive Care for the Elderly (PACE) is a program that blends federal and state funding streams in an Adult Day Health model, where care is managed and integrated across acute,

primary, and long term care needs. On a national scale, PACE outcomes for quality of care and quality of life have outperformed most other Medicaid programs, especially in maintaining seniors in the place where they call home. Unfortunately, expansion of this program over time has been too slow and after more than 10 years, includes less than 400 participants statewide.

Affordable Assisted Living

We ask that you also support funding in the DCH Budget for Michigan State Housing and Development Authority (MSHDA) Affordable Assisted Living Program. These programs combine MSHDA subsidized housing with MI Choice Program services to provide a much-needed affordable assisted living option for low-income seniors. Michigan Medicaid continues to have far too few community options for seniors with limited incomes and without further support there will be few alternatives to nursing home care. It is our belief that seniors should have a choice of programs to help meet their needs.

Home and Community Based Waiver Services in Licensed Settings

Current policy prohibits seniors who choose to live in licensed and regulated assisted living settings (known in Michigan as Homes for the Aged or Adult Foster Care facilities) from applying for MI Choice Program services. In contrast, seniors living in unlicensed assisted living settings can apply for the MI Choice Program without a problem. Ending this unfair policy is a major step toward expanding the array of long term care choices to our seniors of all income levels.

Nursing Home Provider Tax and Gain Sharing

Michigan currently receives approximately \$50 million annually from the Nursing Home Provider Tax Revenue. With Economic Stimulus dollars in hand, Michigan has an opportunity to divert the Gain Sharing to the above programs that are so important to Michigan seniors. This time of economic adversity can also be a time for change and innovative program development. It is critical that Michigan take these opportunities now.

Aging Services of Michigan believes that it is imperative to support the residents of Michigan through these trying times, and that it is time to focus on senior care. The aging demographic and the dire need in our most urban and most rural areas call to us for new ideas and answers to long term problems. We must act soon if we are to support our elders and provide the environments that will satisfy, ensure safety, and stop migration out of the state.

Again, thank you for considering Aging Services of Michigan's concerns and suggestions. Please do not hesitate to call me or my Vice President of Government Strategy, Stephanie Shooks, with any questions or concerns.

Dave Herbel
President and CEO
Aging Services of Michigan