2011-12 Advocacy Platform

Area Agency on Aging 1-B

Advocacy • Action • Answers on Aging

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Tina Abbate Marzolf
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Monroe County Senior Advocates with Senate Majority Leader Randy Richardville at the 2010 Older Michiganians Day rally

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The Area Agency on Aging 1-B enhances the lives of older adults and adults with disabilities in the communities we serve.

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Introduction

The Area Agency on Aging 1-B's (AAA 1-B) FY 2010 - 2012 Strategic Plan directs the agency to "Provide leadership by collaborating and partnering to advocate for public policies and programs that meet the needs of the diverse populations we serve". To assist in achieving this objective, the AAA 1-B conducted an Advocacy Platform Summit in collaboration with key community stakeholders in September, 2010. The purpose of the summit was to solicit from stakeholders specific advocacy recommendations and supporting data which supports their recommendations. Representatives from the following sectors agreed to participate:

Consumers/Senior Advocates, Henry Traurig

Senior Housing, Elizabeth Adams, Housing Bureau for Seniors

Centers for Independent Living, Dorie Bawks, Disability Network of Oakland and Macomb

Community Mental Health, Jeff Brown, Oakland County Community Mental Health Authority

Michigan Association of Senior Centers, Lindsay Bacon, Chelsea Senior Center

Public Transportation, Megan Owens, Transportation Riders United

Nursing Homes, David LaLumia, Health Care Association of Michigan

Local Government, Robert Morris, SEMCOG

Senior Service Providers, Angela Willis, Macomb County Department of Senior Citizen Services

Disease-Specific Services, Carrie Collins, Alzheimer's Association

In addition, advocacy priorities of other aging stakeholder agencies were reviewed to identify areas of mutual interest and opportunities for advocacy collaboration. A survey (online and by mail) of stakeholders and senior advocates was subsequently conducted to prioritize and categorize potential recommendations and secure additional recommendations in October, 2010. This advocacy platform represents the culmination of this collaborative development effort. It is intended to guide Region 1-B aging network advocacy efforts during the course of the next two-year legislative and congressional sessions, and educate elected officials on the needs and concerns of older adults.

The November 2, 2010 election serves as a bellwether for change in the state and nation's expectations of public programs and performance on behalf of the citizenry. A renewed scrutiny of the efficiency, effectiveness, and value of public programs will result, with a focus on the measurement of outcomes that impact individual lives and the greater community. In this environment, effective advocacy must focus not on the need for resources, but on the need for results that are desired by citizens, and support for the programs and systems that deliver high quality results in a transparent and cost-effective manner. The recommendations contained in this platform strive to reflect the results that citizens want, provide benchmark information against which the achievement of results can be measured, and a clear vision of what government should achieve to foster successful aging in Michigan. Advocacy will be needed to educate elected and public officials about the following vision and enlist their support in realizing it:

- Rebalance the long term care system to build on the strengths of institutional care and home and community-based care models
- Provide critical services that support the independence of older adults and adults with a disability in the community
- Make Michigan a retirement destination of choice
- Engage older adults and adults with disabilities in work and community life
- Restructure public service systems to achieve better efficiency, quality, accountability, and outcomes
- Improve public transportation options for adults of all ages and abilities
- Modernize the Older Americans Act
- Increase access to safe and affordable housing
- Increase the safety and financial security of older adults and adults with a disability

2011 - 2012 Advocacy Platform: Recommendations at a Glance

Rebalance the Long Term Care (LTC) System to Build On the Strengths of Institutional Care and Home and Community Based Care Models

Continue transitioning nursing home residents to homes in the community and helping those on MI Choice wait lists to prevent or delay nursing home admission.

Save Medicare and Medicaid dollars by building on the non-Medicaid community-based support system embodied in the Older Americans Act and Older Michiganians Act through new legislation, research, and program funding.

Support a proven three-pronged health and long term care prevention and diversion strategy to expand access to the following (formerly known as Project 2020):

- Person-centered access to information on aging and disability long term care services and supports;
- Evidence-based health promotion and disease prevention activities; and
- Enhanced nursing home diversion services including increased funding for in-home services such as personal care, homemaking and respite.

Provide Critical Services that Support the Independence of Older Adults and Adults with a Disability in the Community

Increase access to federal, state and local aging and disability programs that successfully achieve desired results.

- Make critical investments in successful Older Americans Act, Older Michiganians Act and state Medicaid programs;
- Make critical investments in nutrition and in-home care by prioritizing Community Services Block Grant Fund.
- Support restoration of funding and parity for mental health services including support for those with cognitive impairments such as dementia; and
- Restore state funding for senior center programs.

Support the deduction of healthcare expenses from income when applying means testing to eligibility for state and federal social service programs.

Support expansion of evidence-based wellness and prevention programs offered by senior centers and other aging network organizations that change behaviors to improve healthy lifestyles and lower healthcare costs.

Make Michigan a Retirement Destination of Choice

Create more elder-friendly communities by supporting legislation that will facilitate their development.

Support restoration of essential public services for older adults and adults with a disability that have been lost as a result of cuts in revenue sharing to municipalities

Engage Older Adults and Adults with a Disability in Work and Community Life

Keep Michigan's seniors engaged and contributing to their community by supporting restoration of Office of Services to the Aging funding cuts to senior volunteer programs.

Foster entrepreneurialism among older adults and adults with a disability by supporting the targeting of workforce and economic development efforts.

Reinvent the Public Service System for Better Efficiency, Quality and Accountability

Account for increasing out-of-pocket healthcare costs among older adults by supporting legislation to modify the formula used to calculate annual federal poverty guidelines.

Empower states to better address increased citizens' needs through an automatically-triggered enhanced federal match for temporary Medicaid assistance during economic downturns.

Support older adults and adults with a disability through implementation of provisions of the 2010 Affordable Care Act.

Improve Public Transportation Options for Adults of All Ages and Abilities

Increases public transit access for older adults and adults with disabilities in southeast Michigan through funding and implementation of a regional transit plan.

Capture all available federal transportation dollars by providing sufficient state and local matching funding.

Restore public transit funding to its historical level of 10% of transportation revenues from its current level of 8.5%.

Modernize the Older Americans Act (OAA)

Strengthen the aging network's role in delivering home and community based long term care services and supports through support of Older Americans Act reauthorization in 2011.

Support the capacity of the Older Americans Act programs to meet growing demand by increasing funding at least equal to the sum of the nation's annual population growth rate and the annual inflation rate.

Assure slow-growth states like Michigan will participate in any funding increases by supporting the modification of the Older Americans Act funding formula by setting minimum state allocation levels at their 2011 amounts and establishing guaranteed growth provisions.

Generate additional revenues for select Older Americans Act programs by allowing means testing to facilitate participant cost sharing of these programs.

Ensure optimal allocation of Older Americans Act nutrition funding by allowing nutrition providers to determine the appropriate ratio of home delivered and congregate meals, based on consumer needs and preferences in their service area, and cost to administer.

Strengthen Title IV of the OAA by requiring and funding rigorous scientific evaluation of the effectiveness of OAA programs in achieving positive outcomes for individuals and their impact on the use of more costly Medicare and Medicaid services.

Increase Access to Safe and Affordable Housing

Increase the accessibility and affordability of housing by supporting legislation that:

- Allows the exclusion of medical expenses when calculating income for purposes of eligibility for means-tested rental and home energy assistance programs;
- Directs a portion of new state affordable housing development to be dedicated for older adults and adults with a disability who have incomes at or below 150% of the poverty level; and
- Adopts municipal building codes that direct 20% of new residential development to be of universal-design and support aging in place.

Increase the accessibility and affordability of housing by strengthening existing housing programs including:

- Retaining at least level funding for the Low Income Home Energy Assistance Program;
- Restoring funding for the Housing and Urban Development (HUD) Section 202 Elderly Housing Program; and
- Continuing at least level funding for HUD's Community Development Block Grant, which develops and rehabilitates housing and provides supportive services for low-income older Americans and adults with a disability.

Allow older adults and adults with a disability to remain living at home by supporting legislation that provides tax credits for purchase of assistive devices.

Increase the Safety and Financial Security of Older Adults and Adults with a Disability

Prevent the physical, psychological, and financial abuse of vulnerable older adults and adults with a disability through passage of state legislation recommended by the 2006 Elder Abuse Task Force.

Support funding of the Elder Justice Act, passed as part of the Affordable Care Act.

Support increasing the retirement savings rate by:

- Modifying federal defined contribution pension laws to permit the use of pre-tax dollars to fund long term care expenses; and
- Passing federal legislation to allow workers who do not have an employer-sponsored retirement plan to contribute to an individual IRA through payroll deductions.

Rebalance the Long Term Care System to Build On the Strengths of Institutional Care and Home and Community Based Care Models

Providing consumers access to their choice of long term care options that offer high quality, person-centered supports will result in a rebalancing of Medicaid long term care as individuals take responsibility for their care and choose the least restrictive and least costly options.

The July 1999 Olmstead v. L.C. Supreme Court decision requires states to administer Medicaid long term care services, supports and programs "in the most integrated setting appropriate to the needs of qualified individuals with disabilities". This decision issued a challenge to Medicaid's institutional long term policy bias, which requires states to provide institutional care to individuals needing a nursing home level of care, but makes it optional for states to offer these individuals the choice of receiving long term care in their home or another community setting. The decision validated and accelerated a rebalancing movement to promote greater utilization of home and community-based Medicaid long term care services. Two key reasons for this are that respecting individual preferences is the morally and ethically appropriate thing to do, and because experience with home- and community-based waivers demonstrated that some nursing home residents can be served in the community at less cost with comparable quality care. In 2009, the cost for an older adult or adult with disability to remain living in the community through the MI Choice program was $62.84 per day, compared to the average Medicaid nursing home cost of approximately $184 per day.

Evidence suggests that many of these same home- and community-based supports, access to information on long term resources, and evidence-based health promotion programs are also successful in assisting individuals of lesser disability levels to prevent or delay avoidable nursing home admissions, and unnecessary healthcare utilization.

A 2010 Indiana University study found that a state general fund increase of $10 million will bring an additional $12.7 million - $27.4 million in matching federal Medicaid dollars to the state (depending of FMAP rates); create 668 – 1,099 new jobs; assist 850 – 1,800 nursing home residents to return home or help those on the MI Choice wait list remain in their own home; and return $1.1 million - $1.9 million in tax revenues to the state.

RECOMMENDATION

Continue transitioning nursing home residents to homes in the community and helping those on MI Choice wait lists to prevent or delay nursing home admission.

MI Choice is a home and community-based alternative to nursing home care that provides home care and supports for individuals qualified for Medicaid. In FY 2010, there were as many as 4,300 individuals on the wait list for MI Choice services, including over 1,400 in Region 1-B struggling to avoid a costly and unwanted nursing home admission. In 2010, 10,072 individuals were served through Michigan's MI Choice program, including 1,296 in Region 1-B[1]. At the same time, nursing home bed occupancy rates were around 85%. For every one individual being served in the MI Choice Medicaid[2] nursing home alternative, there are five individuals receiving Medicaid nursing home care. More progressive states such as Oregon have closer to a 50/50 balance between Medicaid nursing home- and community-based participants. Clearly, there appears to be significant room for Michigan to move further in this direction. Michigan's FY 2009 Nursing Facility Transition program goal was 3,100, the second highest total in the nation. Increased MI Choice funding will contribute toward reduced overall Medicaid long term care costs and attract federal matching funds at higher rates.

While rebalancing implies less nursing home utilization and more participation in home and community-based alternatives, this goal is about assuring that consumers have a choice of long term care options, and is not intended to de-emphasize the importance of and need for nursing home care. High quality and accessible nursing home options must be preserved, and Medicaid nursing home care must be adequately funded to support the facilities and staffing levels needed to deliver quality care.

RECOMMENDATION

Save Medicare and Medicaid dollars by building on the non-Medicaid community-based support system embodied in the Older Americans Act and Older Michiganians Act through new legislation, research, and program funding.

While the most visible and measureable aspect of rebalancing is based on a de-institutionalization movement, there is increasing recognition of the value in assisting individuals to avoid Medicaid spend-down and qualification for nursing home care altogether. The in-home and community-based services supported through the Older Americans Act (OAA) and Older Michiganians Act (OMA) are preventive in nature by assisting individuals to maintain their current living situation, and assisting family caregivers to provide appropriate care and avoid burnout. OMA and OAA programs are resources of last resort that emphasize assisting individuals to use their personal and financial resources wisely, and subsidize the cost of services for those who cannot afford to purchase needed services at private market rates.

A 2010 study[3] conducted by the AAA 1-B and The Senior Alliance Advisory Councils found that hospital discharge planners consistently verified that they discharge Medicare hospital patients to nursing homes when they could have been sent home if OMA- and OAA-funded services were readily available and could be delivered in a timely manner. If OMA and OAA preventive programs are to achieve their true potential for bending the spending curve of entitlement programs, appropriations must be sufficient to reduce or eliminate wait lists for service. Alternative sources of support for OMA/OAA services must be made available, and research must be conducted to document the evidence that these programs save money and produce quality outcomes.

RECOMMENDATION

Support a proven three-pronged health and long term care prevention and diversion strategy to expand access to the following (formerly known as Project 2020):

- Person-centered access to information on aging and disability long term care services and supports;
- Evidence-based health promotion and disease prevention activities; and
- Enhanced nursing home and Medicaid diversion services including increased access to in-home services such as personal care, homemaking and respite.

This strategy was introduced in 2009 in Congress as S. 257 and H.R. 2852, and was close to being included as part of the final Affordable Care Act legislation that passed Congress. It represents a comprehensive and integrated approach to enable older adults and adults with disabilities to make their own decisions, take steps to manage their own health risks, and to receive the support they choose in order to remain in their own homes. The Michigan Office of Services to the Aging has successfully secured demonstration grants to develop these programs, including the formation of Aging and Disability Resource Centers. Permanent funding is needed to allow these programs and resources to be implemented at the community level.

[1] MDCH/MSA Boilerplate Report 1689(2), FY 2010 First Quarter

[2] *Economic Impact of the Mi Choice Medicaid Waiver Program*, Yong Li, Indiana University School of Medicine, July 2010

[3] *Awareness of Resources for Care Transitions,* Area Agency on Aging 1-B and The Senior Alliance Advisory Councils, November 2010

Provide Critical Services that Support the Independence of Older Adults and Adults with a Disability in the Community

Ensuring our most vulnerable older citizens and persons with disabilities have access to services and supports that they need to live a quality, healthy and independent life.

Older adults who live in poor families are more likely than those with higher incomes to report poor health status. In 2008, 21% of poor adults aged 65 and older said they were in poor health, compared to 6% of older adults with incomes above 400% of the federal poverty level. Older poor adults are also more likely than those with higher incomes to have physical disabilities or cognitive limitations and to require assistance with daily activities such as preparing meals, bathing and getting dressed. According to the Census Bureau's 2008 American Community Survey, nearly 40% of adults age 65 and older report having a disability of some kind. Poor older adults are nearly twice as likely as the non-poor to have a limitation in their ability to live independently (28.4% compared to 15.9%).

Poverty hits some groups harder than others. Twenty percent of older adults who are black or Hispanic are poor, and poverty hits older people with limited education and those who are not married especially hard. Older women of color are especially likely to live in poverty. Nearly a quarter of older women who are black or Hispanic are poor, and more than a third are poor or near poor (with income below 125% of Federal Poverty Level).

RECOMMENDATION

Increase access to federal, state and local aging and disability programs that successfully achieve desired results.

- Make critical investments in successful Older Americans Act, Older Michiganians Act and state Medicaid programs;
- Make critical investments in nutrition and in-home care by prioritizing Community Services Block Grant Funding for this purpose.
- Support restoration of funding and parity for mental health services including support for those with cognitive impairments such as dementia; and
- Restore state funding for senior center programs.

Existing programs have been instrumental in building and maintaining a comprehensive home and community-based support service system, which is a key requirement of area agencies on aging if states are to continue to be recipients of available Older Americans Act funding. However, the current economic crisis threatens to curtail funding to programs that reduce hunger and food insecurity, promote the health and well-being of older adults and delay adverse health conditions through access to nutrition and other disease prevention and health promotion services. Due to the increasing number of adults over age 65 and with disabilities, it is important that the funding for these programs be increased to meet the growing need.

Senior Centers came into existence in 1943 and had a presence in most mid-and large-sized cities by 1973, when amendments to the federal Older Americans Act recognized senior centers as community focal points for aging and created area agencies on aging with a mandate to develop a comprehensive and coordinated service delivery system for older adults. Since then, increasing demand for more complex health-related services that are needed to assist frail individuals in maintaining their independence in their own homes necessitated a shift in priorities. A multipurpose senior center is an important component of an elder-friendly community's infrastructure, and necessary to sustain a high quality of community life or older residents as well as promote healthy independent lifestyles. Prior state funding of over $2 million for senior center staffing and equipment was eliminated through past budget cuts.

RECOMMENDATION

Support the deduction of healthcare expenses from income when applying means testing to eligibility for state and federal social service programs.

Poor health and disability on top of very limited income and inadequate insurance protection means that healthcare costs are a burden for many low-income older adults. Large out-of-pocket expenditures for healthcare service, including premiums, co-pays and deductibles, have been shown to limit access to care, affect health status and quality of life, and leave insufficient resources for other necessities. Health-care costs represent an unaffordable burden for many of the elderly poor, with many spending a much larger fraction of their income on healthcare than middle and higher income people. In 2006, the typical low-income older adult age 65 and older spent nearly 20% of income on healthcare compared to 6.1% for older adults with incomes exceeding 400% of the poverty level. Healthcare costs are unaffordable for half of poor elderly adults.[4]

RECOMMENDATION

Support expansion of evidence-based wellness and prevention programs offered by senior centers and other aging network organizations that change behaviors to improve healthy lifestyles and lower healthcare costs.

Social and lifestyle factors can affect the health and well-being of older adults. These factors include preventive behaviors such as cancer screenings and vaccinations along with diet, physical activity, obesity and cigarette smoking. Currently, the Centers for Disease Control (CDC) reports that 80% of adults age 65 and older have at least one chronic condition; 50% have at least two. According to the National Center for Chronic Disease Prevention and Health Promotion, if left unchecked, these and other chronic conditions will cost the healthcare system an additional $400 to $500 billion annually.

Evidence-based wellness and prevention programs have been proven to change behavior, increase health status and lower health care costs. Examples of programs targeted at older adults include Chronic Disease Self-Management Program, A Matter of Balance, Enhance Fitness, Enhance Wellness, Program to Encourage Active Rewarding Lives for Seniors (PEARLS), People with Arthritis Can Exercise (PACE) and Healthy Ideas. Community-based interventions that foster healthy choices do not get the attention they deserve. Billions of dollars are spent each year supporting research and the provision of services related to the diagnosis and treatment of older Americans, but very little is spent researching, evaluating and promoting community programs to support seniors in making lifestyle changes that could prevent, or at least delay, the need for these treatments in the first place.[5]

[4] *Older Americans in Poverty: A Snapshot,* AARP Public Policy Institute, April 2010

[5] *A New Vision of Aging: Helping Older Adults Make Healthier Choices,* Center for the Advancement of Health, March 2006.

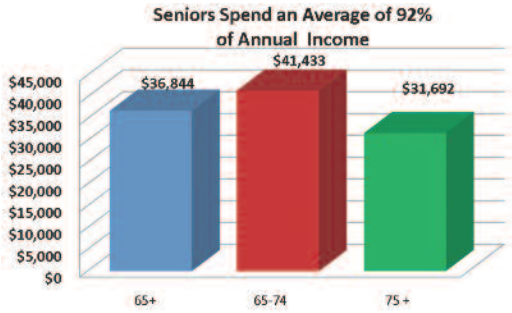
Make Michigan a Retirement Destination of Choice

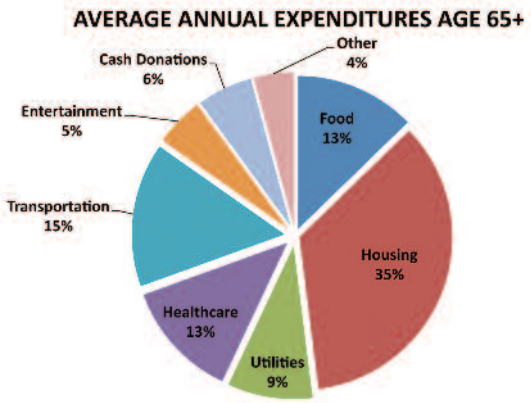
Encouraging more older adults to remain in or relocate to Michigan provides economic benefits and contributes to stable communities.

Overall, older adults are a significant positive economic force that brings economic benefits and stability to Michigan's economy. In 2009, Michigan's age 65+ households pumped nearly $35 billion into Michigan's economy through consumer spending[6]. This is a valuable source of income because it is imported in the form of Social Security, pension benefits, and earnings on investments. Older adult spending helps drive two of Michigan's largest and fastest-growing industries, healthcare and tourism.

Retirees provide $4 in revenue for every $3 they cost in state and local government services, according to University of Florida Bureau of Economic and Business economist David Denslow. States and communities that are successful in attracting and retaining retirees stand to see considerable gains for their economies over those who do not. In fact, many states, from Arkansas to North Dakota, have already initiated substantial efforts to position themselves as retirement havens. Michigan has done nothing to actively compete with other states, despite its many natural, social, and economic assets. For example, Michigan recently was among those listed by Kiplinger.com in the top 10 tax-friendly states for retired persons.

According to the American Community Survey 2005-2009, nearly 6% of Michiganians age 65 and older lived in a different house in the U.S. one year ago, and most moved within the state of Michigan. 3.7% moved to another house in the same county, 2.1% to a different county, and 1.5% within the state. Only 1% of those 65 and older lived in a different state a year ago; 0.6% in a different state, and 0.4% overseas[7]. Michigan must attract and retain retirees, because out-migration causes a reduction in overall state income and spending, which in turn causes a chain reaction of even less spending and lost jobs.





Economic Impact Per 100 Seniors	
Benefit	Amount
Homes Occupied	82
Annual Spending	$3.15 million
Healthcare Spending	$1.4 million

RECOMMENDATION

Create more elder-friendly communities by supporting legislation that will facilitate their development.

The following are examples of state legislation to make Michigan more attractive and responsive to the needs of an aging population that were introduced in the 2009-10 Legislature, but not approved. Passage of new comparable legislation should be a 2011-12 priority.

- Authorize Downtown Development Authorities and "Corridor Improvement Authorities" use of captured funds for elder-friendly development loans and amenities such as heated sidewalks.
- Allow the Department of Consumer and Industry Services to promulgate rules to establish an "elderly-friendly" standard and designation for the construction and renovation of residential buildings.
- Require consideration of older adult needs in the adoption of local land use planning and zoning ordinances.
- Promote elder-friendly dwelling certification that meets certain criteria in the Neighborhood Enterprise Zone Act's definition of "rehabilitated facility" and "elder-friendly dwelling".

RECOMMENDATION

Support restoration of essential public services for older adults and adults with a disability that have been lost as a result of cuts in revenue sharing to municipalities.

According to the Michigan Municipal League, $3 billion in revenue sharing cuts in the last eight years cost the state more than 2,000 police officers and nearly 2,400 firefighters, endangering public safety[8]. This has increased the risk of reduced response times to emergency calls resulting in greater loss of personal property and diminished safety. Senior centers which depend on local city and township funding have also been impacted by these cuts, reducing their ability to provide the range of activities and supports that residents value.

Annual Revenue Sharing	
Fiscal Year	Amount (millions)
2008	$1,076
2009	$1,037
2010	$939
2011	$940

[6] American Community Survey, 2009

[7] (Bureau, U.S. Census, 2010)

[8] Michigan Municipal League, *What is Revenue Sharing?* http://www.mml.org/advocacy/funding/rev-sharing-at-a-glance.html

Engage Older Adults and Adults with a Disability in Work and Community Life

Older Michiganians are a valuable resource to their communities as employees, entrepreneurs, leaders, and volunteers. Their participation in all areas of commercial and public enterprise should be fully supported.

Throughout Michigan, many older adults are leaders in volunteer and paid enterprises. For example, 96% of those aged 60 to 64 make charitable contributions and 62% volunteer time to a charitable cause. In addition, older adults are remaining employed longer, often by choice.[10] Among workers age 65 and older, more than half say they continue working because they want to, and the same percentage report high job satisfaction at nearly twice the rate of younger workers.

Mature workers already possess many of the skills that are projected to be in demand by employers, according to a state of Michigan workforce investment plan. Skills such as "active listening, critical thinking, judgment and decision making, problem sensitivity, verbal and reading comprehension," are valued by employers. According to a report in Entrepreneur Magazine, in addition to maturity, older employees bring dedication, honesty, organizational skills, attentiveness, punctuality, and efficiency–all traits that boost productivity in business.[11]

Entrepreneurial activity is very appealing to baby boomers; according to a Merrill Lynch survey, 76% of baby boomers intend to keep working for pay during retirement.[12] Nationally about 11% of baby boomers plan to start their own business after retirement. Moreover, older entrepreneurs are linked with overall economic growth according to the book Elderly entrepreneurship in an aging US economy: it's never too late by Ting Zhang. Among its findings are that the more older entrepreneurs a region has in its labor force, the higher its economic growth.[13]

Older adults also concern themselves with volunteerism: statewide more than 11,000 persons over age 60 offer their abilities in Senior Corps programs administered by OSA such as Foster Grandparents, Senior Companions, and Retired and Senior Volunteer Program (RSVP). Foster Grandparents work individually with nearly 6,000 special-needs youth, and Senior Companions assist nearly 3,000 elder adults and persons with a disability with personal chores and activities of daily living in their homes.[14] Retired and Senior Volunteer Program volunteers serve in areas of high need with more than 1,800 organizations throughout Michigan conducting safety patrols for local police departments, participating in environmental projects, and responding to natural disasters.

RECOMMENDATION

Keep Michigan's seniors engaged and contributing to their community by supporting restoration of Office of Services to the Aging funding cuts to senior volunteer programs.

Restoration of funds to FY 2008 levels will keep senior volunteers from losing the modest stipends they receive for volunteering and becoming dependent upon public programs. This will also allow them to continue improving the lives of those whom they serve, including special-needs children.

RECOMMENDATION

Foster entrepreneurialism among older adults and adults with a disability by supporting the targeting of workforce and economic development efforts.

The state can boost economic activity by promoting investment in older workers and entrepreneurs by re-training older workers and developing mature entrepreneurs. According to a Merrill Lynch report 11% of baby boomers plan to start their own business after retirement.[15] This means that there is a potential pool of nearly 132,000 Region 1-B baby boomers who will be retiring over the next 18 years who plan an entrepreneurial venture in their retirement. The region and state would benefit significantly if it can successfully capitalize on this interest in developing small businesses, and should strive to achieve national parity by improving upon Michigan's general rate of entrepreneurship of 300 per 100,000 to 340 of 100,000 older adults.[16]

Baby Boomers and Entrepreneurs

Baby Boomers in Region 1-B Age 46 – 64 in 2010		Potential Entrepreneurs 2011-2028
Livingston County	77,648	8,541
Macomb County	331,162	36,428
Monroe County	65,385	7,192
Oakland County	529,701	58,267
St. Clair County	72,716	7,998
Washtenaw County	121,878	13,407
Region 1-B	1,198,490	131,833

Source: SEMCOG. "The New Retirement Survey", Merrill Lynch 2005.

[9] *Snapshot on Giving and Volunteering in Michigan,* highlights from a 2008 survey of Michigan residents by the Michigan Nonprofit Association

[10] *Michigan Indicators: Aging & Work,* The Center on Aging and Work at Boston College By: Michelle Wong with Tay McNamara, Sandee Shulkin, Chelsea Lettieri and Vanessa Careiro, March, 2008 http://www.bc.edu/content/dam/files/research_sites/agingandwork/pdf/publications/states/Michigan.pdf

[11] Entrepreneur Magazine *12 Benefits of Hiring Older Workers,* Stephen Bastien September 20, 2006 http://www.entrepreneur.com/article/167500

[12] *The 2006 Merrill Lynch New Retirement Study: A Perspective from Individuals and Employers* http://www.ml.com/media/66482.pdf

[13] Elderly *entrepreneurship in an aging US economy: it's never too late* By Ting Zhang, Series on Economic Development and Growth, Vol. 2. World Scientific Publishing Co. Pte. Ltd, Hackensack, NJ, 2008 p. 173

[14] Senior Corps in Michigan, http://www.seniorcorps.gov/about/role_impact/state_profiles_detail.asp?tbl_profiles_state=MI

[15] "The New Retirement Survey", Merrill Lynch 2005.

[16] Kauffman Index of Entrepreneurial Activity, http://www.kauffman.org/uploadedfiles/kiea_2010_report.pdf

Reinvent the Public Service System for Better Efficiency, Quality and Accountability

The challenges of the aging population require effective solutions that meet public expectations and a public service system which emphasizes successfully delivering efficient, measurable and quality results.

Accessibility to important public programs that meet basic needs of older adults and adults with a disability should not be dependent on a prosperous economy or subject to outdated, inefficient systems. As Michigan positions itself for an economic resurgence, the time is right to modernize policies and reinvent service delivery systems that can function effectively throughout the economic cycle and provide the best value to the taxpayer. Ongoing public liabilities related to healthcare and pensions continue to grow and demand resources, and governors and legislators throughout the nation have begun to pursue long-term structural solutions to cut costs through program and benefit reductions, managed health care strategies, privatization, streamlining agencies, and sharing services.

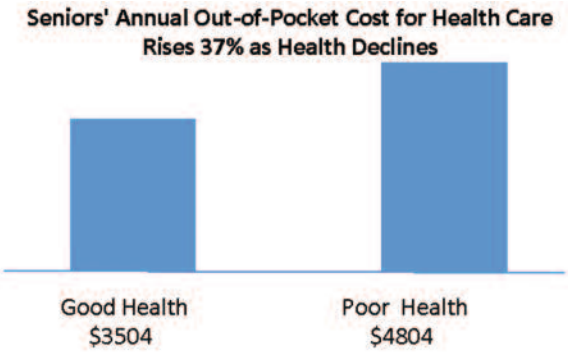
In 2011 and beyond, the challenge for federal lawmakers is to implement reforms that empower states to better prioritize their tax revenues and provide services with clear objectives and measurable outcomes to improve the quality of life for its constituents.

RECOMMENDATION

Account for increasing out-of-pocket healthcare costs among older adults by supporting legislation to modify the formula used to calculate annual federal poverty guidelines.

According to the Elder Economic Security Initiative, Michigan's older adults cannot meet their basic living expenses whether at the Federal Poverty Level or at the average Social Security benefit.[17] The Michigan Elder Economic Security Index (EESI) calculates that older adults 65+ in Michigan have annual living expenses (housing, healthcare, transportation, food and miscellaneous) that range from approximately $16,000 to $19,000 depending upon whether they own a home or rent. Comparatively, the federal poverty guideline, which measures income inadequacy based solely on food costs, is set at $10,830 for an individual in 2010. The net result of these high out-of-pocket healthcare costs is that between 224,000 and 336,000 poor and near-poor older adults are forced to live below the poverty standard of living.

Federal poverty guidelines are used to establish eligibility criterion for a number of federal programs often used by older adults, such as the Medicare Part D Prescription Drug program's Low-Income Subsidy assistance, the Low Income Heating Assistance Program, and the Supplemental Nutrition Assistance Program. State and local governments, as well as private companies (utilities, telephone and prescription manufacturing) also use federal poverty guidelines to qualify participants for assistance. Modernizing the guidelines to reflect the disproportionate impact of basic healthcare expenses provides vulnerable adults greater access to programs and services that reduce reliance on Medicaid, and keeps them healthier in their own homes and communities.



Source: Elder Econcomic Security Index Report 2009

RECOMMENDATION

Empower states to better address increased citizens' needs through an automatically-triggered enhanced federal match for temporary Medicaid assistance during economic downturns.

In 2010 and 2011, states received additional temporary federal Medicaid match dollars: monies that precluded lawmakers from having to make drastic cuts to state programs. With the loss of the increased funds, severe cuts will be inevitable. The Senate Fiscal Agency projected a FY 2012 budget deficit of $1.85 billion. A permanent automatic Medicaid match that adjusts more responsively based on the state's economy will result in state governance that need not rely on quick-fixes and emergency funding to sustain critical programs. During economic downturns, the state will then have the resources needed to sustain key health and social services until economic vitality can be restored.

RECOMMENDATION

Support older adults and adults with a disability through implementation of provisions of the 2010 Affordable Care Act.

The 2010 Affordable Care Act (ACA) has a number of provisions designed to curb the growth of Medicare expenditures, extend the fiscal health of the program, offer long term care consumers greater choice, and improve health outcomes for older adults. However, repeal of the ACA has been an issue that has remained a priority of Congressional conservatives, and has been bolstered by the 2010 general election results and shift in House majority control. Key ACA provisions that will benefit older adults and adults with a disability and should be protected include:

- Financial incentives such as enhanced federal Medicaid match will be given to states to improve access to home and community-based services (HCBS).
- States will be given greater flexibility to manage HCBS eligibility, and type, scope, and duration of services in order to deliver measurable program outcomes.
- Pilot programs will evaluate the effectiveness of medical interventions and Medicare fraud will be targeted.
- Medicare preventative screenings and annual wellness visits will be covered 100%, and prescription drugs will become more affordable through the gradual closing of the Medicare Part D "donut hole".
- The Community Living Assistance Services and Supports Act provision (CLASS program), which creates a national voluntary long term care/disability insurance program funded by contributions through payroll deduction, is included as part of the ACA.

[17] Elder Economic Security Initiative: The Elder Economic Security Standard Index for Michigan, 2009. http://www.wowonline.org/ourprograms/eesi/state-resources/documents/MIIndexReport.pdf

Improve Public Transportation Options for Adults of All Ages and Abilities

Helping people get to places they need to go enhances health and quality of life by reducing missed medical appointments, mitigating social isolation and its known negative affects, and fostering opportunities for work and civic engagement.

Older adults are the fastest growing demographic in the region and state, and have a desire to participate in the workforce, age in place, and access social and health services. For many, particularly those with low incomes, their ability to achieve these objectives depends on their access to public transportation.

Public transit has been under significant strain in Michigan, with increasing ridership (a 6% increase from 2007 to 2009), increasing demand, and decreasing state funding. Between FY 2000 and FY 2010, Michigan's Comprehensive Transportation Fund allocation decreased from $199 million to $198 million, ($3,958,800 of that amount is for the Specialized Services program that supports small bus service for older adults and people with a disability), but the impact of inflation over that period decreased the value of those funds by $27 million. Michigan's $20 per capita spending on public transportation lags far behind the national average of $34 per capita. In addition, Michigan has been unable to raise the level of funding needed to match all available federal funds, resulting in Michigan rail and transportation funding going to other states.

Studies have demonstrated that investments in public transportation produce significant economic and social benefits. For each dollar of state capital funds, the federal government provides $4 in matching funds. On average, every dollar invested in public transit returns $6 to $8 in economic activity. Mobility options are a key factor in prompting at risk older drivers to give up their keys.

RECOMMENDATION

Increase public transit access for older adults and adults with disabilities in southeast Michigan through funding and implementation of a regional transit plan.

The Regional Transit Coordinating Council has developed a Regional Transportation Plan that will, if implemented, increase access to public transportation for all citizens. The plan will enhance and expand existing transit services, introduce new rapid transit services and corridors, assure connectivity between existing and new service, and identify and access available funding.

RECOMMENDATION

Capture all available federal transportation dollars by providing sufficient state and local matching funding.

Michigan has adopted bonding strategies as a short term measure to enhance state transportation revenue and capture available federal matching funds. However, that bonding strategy cannot continue without additional revenue, placing the state's ability to capture available federal funds at risk.

RECOMMENDATION

Restore public transit funding to its historical level of 10% of transportation revenues from its current level of 8.5%.

State public transit revenues from a portion of Michigan's state gas tax revenues and auto and auto-related sales taxes were historically divided with 90% going to roads and 10% allocated to public transit. However, the last transportation tax revenue increase in the 1990s did not provide additional funding for public transit, reducing their net share to about 8.5%. Flat funding since 2000 has steadily eroded the state share of operating dollars for local public transit agencies as their cost of doing business has increased. For FY 2011, urban transit systems are projected to receive only 29% of their state eligible expenses, while non-urban and rural systems will receive 35.09%. Additional revenues and policy changes will be needed to restore the capacity of public transit agencies to address growing ridership needs.

Modernize the Older Americans Act

Improving the Older Americans Act strengthens the nation's long term care system by making the best use of public resources to provide innovative, responsive, and effective programs to the growing numbers of older adults it serves.

Helping seniors to stay independent and healthy, the Older Americans Act (OAA) has been the backbone of support to America's aging population since 1965. Through the aging services network, comprised of the U.S. Administration on Aging, 56 State and Territorial Agencies on Aging, 629 Area Agencies on Aging, 246 Title VI Native American and Native Hawaiian aging programs, and over 30,000 service provider organizations, each year more than eight million older adults receive critical support such as nutrition, in-home care, transportation, disease prevention and health promotion, long-term care ombudsman services, senior employment and other social supports essential to maintaining their independence. Subsequent reauthorizations of the OAA have demonstrated the responsiveness of the Act to changing needs of older adults, introducing such innovative programs as the National Family Caregiver Support Program and the Disease Prevention and Health Promotion initiative (Title III-D).

In 2011, the OAA will require reauthorization and this presents a pivotal opportunity to reshape aging services and modernize funding strategies. Reauthorization of the OAA will allow the aging network to continue to develop and test promising interventions, and as a result, contribute to helping solve the nation's current budget imbalance by bending the cost curve for its most expensive entitlement programs: Social Security, Medicare and Medicaid.

RECOMMENDATION

Strengthen the aging network's role in delivering home and community based long term care services and supports through support of Older Americans Act reauthorization in 2011.

The aging network provides home and community-based service interventions that help seniors avoid early, unnecessary, and costly nursing home admissions. Michigan's aging network is able to serve as the safety net for older adults, before they exhaust their assets and are forced to rely on costly Medicaid. In 2009, OAA services provided through the aging network cost the state $4.72 per participant per day ($1,723 per year).[18] The average Medicaid nursing facility cost per participant per day is $185 ($67,357).[19]

Michigan's Office of Services to the Aging (OSA) reports that the 2009 Medicaid long term care costs would have increased by $140 million if older adults who qualified for Medicaid nursing home care had been served in a nursing home. The cost of services funded through the OAA and the Older Michiganians Act for these same individuals: $4 million.

Resulting cost savings will enable the expansion of critical nutrition and in-home support services and proven evidenced-based programs. Awareness of OAA services as a preferred long term care strategy will increase and consumers will become more self-directed in their care choices.

RECOMMENDATION

Support the capacity of the Older Americans Act programs to meet growing demand by increasing funding at least equal to the sum of the nation's annual population growth rate and the annual inflation rate.

The National Council on Aging reports that if OAA funding since FY 2002 had simply kept pace with inflation and the increasing number of seniors, it would be more than $480 million higher (30%) than the FY 2009 funding of $1.49 billion. Michigan either maintained or cut funding to the Office of Services to the Aging programs during that time, with approximately 29% in funding cut from FY 2009 to 2011, further eroding the purchasing power of stagnant OAA funds. Local efforts by providers to raise additional local funds for services have helped to sustain services and mitigate the effect of cuts. However, the weak economy and drop in home values has reduced local government revenues including senior millages, meaning older adults now bear the full brunt of stagnant or reduced federal funding. Advocacy efforts must at least request allocations that allow the current level of services to be maintained.

RECOMMENDATION

Assure slow-growth states like Michigan will participate in any funding increases by supporting the modification of the Older Americans Act funding formula to set minimum state allocation levels at their 2011 amounts and establish guaranteed growth provisions.

The allocation of OAA Title III B, C, and D dollars are distributed to states according to their share of the nation's 60+ population or their actual 2006 funding level, whichever is higher. While the number of Michigan residents age 60+ is growing rapidly, the growth rate is actually lower than that of many other states. Therefore, Michigan's share of future OAA allocations will gradually erode. In years when OAA funding increases, Michigan will not gain as much as other states. In years when overall OAA funding is held level, Michigan will actually receive less than in the previous year. A cursory analysis based on FY 2010 OAA allocations suggests that Michigan could lose over $200,000 more each year beginning in FY 2011, unless hold harmless provisions are retained and updated as part of reauthorization to place the floor for slow growth states at their 2011 levels. There should be a guarantee that all states participate in any increases in OAA funding and receive protection from cuts below FY 2011 levels.

RECOMMENDATION

Generate additional revenues for select Older Americans Act programs by allowing means testing to facilitate participant cost sharing of these programs. (PMS 300)

As increased scrutiny is placed on the cost and necessity of publicly funded programs, cost sharing through means testing should be considered as a strategy to leverage additional private resources. Means testing has been accepted and successfully used in the social services sector and in select Older Michiganians Act programs. Greater experimentation is needed to create new and more sustainable models of service implementation. Cost sharing can create greater perceived value for programs, enable consumers to feel a sense of self-directedness, and generate additional revenue that will allow an increase in the number of consumers served.

RECOMMENDATION

Ensure optimal allocation of Older Americans Act nutrition funding by allowing nutrition providers to determine the appropriate ratio of home delivered and congregate meals, based on consumer needs and preferences in their service area, and cost to administer. (PMS 293)

Both nationally and in Region 1-B, there is a clear pattern in increased demand and utilization for home delivered meals, and decreased demand and participation in the congregate meal program. However, funding is allocated for both programs separately, with limits on the ability of a state, area agency on aging, or service provider to shift funds to the program where they are needed the most. Every community is unique, with different levels of local needs, preferences and resources. Therefore, the OAA should provide flexibility for nutrition providers to fund programs that are most needed and valued by their consumers.

RECOMMENDATION

Strengthen Title IV of the OAA by requiring and funding rigorous scientific evaluation of the effectiveness of OAA programs in achieving positive outcomes for individuals and their impact on the use of more costly Medicare and Medicaid services. (PMS 641)

Title IV of the OAA has historically been the research and development section of the Act that has allowed the Administration on Aging to initiate demonstration programs to test new and more effective ways to deliver services. However, the evaluations of these programs have not been sufficiently rigorous to provide unequivocal proof of the programs' effectiveness, and have not measured the outcomes that matter most to policy makers. The aging network believes that OAA programs help people stay healthy, avoid hospitalization and other health service use, and avoid or delay nursing home admission. However, stronger evidence of these outcomes is needed to assure policy makers and appropriators that OAA programs have the capacity to bend the growth and spending curve of the nation's "Big Three": Medicare, Medicaid, and Social Security. Funding for Title IV has been reduced 23% over the last five years to $19 million for FY 2010. Increased funding is needed to enable the aging network to gather and provide evidence that OAA programs produce positive outcomes and warrant support for further investment.

[18] NAPIS State Program Report, FY 2009

[19] *Profile of Publicly-Funded LTC Services,* Michigan Department of Community Health, Office of LTC Supports and Services, June 2009

Increase Access to Safe and Affordable Housing

Helping seniors and persons with disabilities live independently in a hazard-free environment while maintaining their self-respect and active lifestyles.

Safe and affordable housing is a core ingredient in strong prosperous communities. Neighborhoods with a range of quality housing options have better performing schools, lower crime rates, stronger local economies and a better overall quality of life.[20] Livable communities afford older adults meaningful residential options. Accessible housing and public transit, as well as nearby services and amenities provide the ingredients for successful aging without a forced move. Because livable communities also include a variety of housing types at different price points, older adults can choose to move to a more appropriate home nearby without having to leave behind their neighbors, doctors, or house of worship. Many housing options are expensive, lack accessibility features, and are not convenient to essential services, which make it difficult for residents to age in place.

Many of today's older adults face housing challenges rooted in residential development patterns that have favored large, inaccessible, single-family units in auto-dependent communities. Often, the size, structure and maintenance requirements of these homes make them less appropriate as individuals age in place, and many do not have the resources to afford or modify their homes. No two situations are alike so a continuum of programs must offer an array of approaches for meeting the diverse needs and preferences of older populations.

RECOMMENDATION

Increase the accessibility and affordability of housing by supporting legislation that:

- Allows the exclusion of medical expenses when calculating income for purposes of eligibility for means-tested rental and home energy assistance programs;
- Directs a portion of new state affordable housing development to be dedicated for older adults and adults with a disability who have incomes at or below 150% of the poverty level; and
- Adopts municipal building codes that direct 20% of new residential development to be of universal-design, and support aging in place.

It is imperative that policymakers work to maintain and create viable housing options and communities that meet the needs of older adults and facilitate aging in place. The most straightforward way for older adults to improve physical accessibility in their home is through home modification. Home modifications may include the adoption of universal design renovations that improve a home's safety and ease-for-use for all family members and make the home more accessible to visitors of all abilities. It is generally less expensive to include universal design and visit-ability features during initial home construction than to modify a home after the fact. Legislation should ensure that new housing stock is designed to accommodate the needs of older residents from the outset.

Even if older adults can not or choose not to remain in their homes as their abilities change, they should have the opportunity to remain in the same community with the neighbors, friends, relatives, doctors, restaurants, parks, and services with which they are familiar. Eighty-five percent of older adults said that if they can no longer live in their home, they would at least like to remain in their local community for as long as possible. Supportive housing communities including independent and assisted living are needed to meet this need.

RECOMMENDATION

Increase the accessibility and affordability of housing by strengthening existing housing programs including:

- Retaining at least level funding for the Low Income Home Energy Assistance Program;
- Restoring funding for the Housing and Urban Development (HUD) Section 202 Elderly Housing Program; and
- Continuing at least level funding for HUD's Community Development Block Grant, which develops and rehabilitates housing and provides supportive services for low-income older Americans and adults with a disability.

The HUD Section 202 Supportive Housing for the Elderly Program is the only federally funded housing program designed specifically for low-income older persons. Section 202 housing attempts to maximize residents' ability to maintain their independence while "aging in place." In 2006, HUD conducted a study to assess the performance of the Section 202 program. The study found that when Section 202 housing is provided along with other supportive community services consisting primarily of meals, transportation, and housekeeping, the cost of housing and Medicaid-paid services provided to at-risk individuals is about half as expensive as institutionalization over a two-year period. In FY 2010, all funding of the Section 202 congregate housing construction program was halted.[21] Advocacy efforts should be targeted on resuming the Section 202 program and allowing additional communities to create affordable independent living rental options.

The feasibility of aging in place can be influenced by the relationship between housing costs and income. Older adult earnings can fall as they exit the workplace and approach advancing ages. Table 1 show more than 8.5 million households headed by an adult age 65+ spend more than 30% of their income on housing costs. This figure includes some 4.6 million households who spend more than half of their income on housing.

TABLE 1
Share of Income Spent on Housing Costs (millions)

	Owners	Renters	Total
65+ Households	18.2	4.1	22.2
>30% of Income Percent	5.7 31%	2.8 70%	8.5 38%
>50% of Income Percent	3.0 17%	1.6 40%	4.6 21%

Note: Excludes households with zero/negative income and households reporting no cash rent.
Source: 2007 American Housing Survey

Programs such as the Low Energy Home Energy Assistance Program and the Community Development Block Grant ease this financial burden and allow older adults to stay in their homes longer and prevent premature relocation or institutionalization.

RECOMMENDATION

Allow older adults and adults with a disability to remain living at home by supporting legislation that provides tax credits for purchase of assistive devices.

Technology has provided many tools to support the ability of older adults and adults with a disability to maintain independent living at home. Examples of these assistive devices include entrance ramps, lifts, Personal Emergency Response Systems, Personal Electronic Monitoring, Vital Signs Monitoring and Medication Management Systems. These assistive devices can remove barriers to independence and increase the safety of living at home. However, cost makes utilization of the devices and technologies unaffordable for some. The availability of tax credits to offset this cost will help some individuals and families to afford needed supports.

[20] *Insight on the Issues: Strategies to Meet the Housing Needs of Older Adults,* AARP Public Policy Institute.

[21] Report from the National Summit on Affordable Senior Housing with Services, May 2010.

Increase the Safety and Financial Security of Older Adults and Adults with a Disability

Helping older adults remain safe and secure in their homes fosters their sense of independence, reduces use of costly public programs, strengthens neighborhoods, and contributes to the economic growth of their communities.

Supporting older adults' basic needs for personal safety and financial security is vital to reinventing Michigan because the physical and financial abuse of older adults imposes significant social and economic costs including healthcare, social services, investigative and legal costs, and lost income and assets.

In Michigan, an estimated 73,000 older adults are physically abused each year[22], and according to the National Committee for the Prevention of Elder Abuse, elder abuse is estimated to cost Americans tens of billions of dollars annually in health care, social services, investigative and legal costs, and lost income and assets. In 2010 there were 18,992 Adult Protective Services referrals and 11,797 investigations, an increase of 31% from 2009. These vulnerable adults are sometimes subject to injury and to premature death, often from caregivers and family members.

Nationally, elder financial abuse accounts for nearly 21% of the allegations of mistreatment investigated by Adult Protective Services[23], and according to the MetLife Mature Market Institute, the problem appears to be growing. The annual loss by victims of elder financial abuse is an estimated $2.6 billion[24]. Furthermore, related medical care and other service costs for older financial abuse victims are estimated at more than $13 million annually[25]. For every known case of elder financial abuse, four or five cases may go unreported. As a result, some older adults find they are unable to pay for their long term care, and must rely on costly public programs.

In 2006, Michigan's Elder Abuse Task Force issued a report calling for legislation to adopt numerous laws that would help to protect older adults from abuse. Not one of the recommended bills introduced in the 2009-2010 legislative session was passed. Elder abuse prevention best practices from other states must be adopted in Michigan to demonstrate the value of this protection. Elder abuse is a public safety issue that impacts vulnerable adults, their families, law enforcement and the penal system. Older adults contribute significantly to the economic base in Michigan, and demonstrating that elder abuse will not be tolerated will further accentuate Michigan as a retirement destination of choice.

RECOMMENDATION

Prevent the physical, psychological, and financial abuse of vulnerable older adults and adults with a disability through passage of state legislation recommended by the 2006 Elder Abuse Task Force.

Seniors who live free from abuse remain healthier, are more financially secure and less reliant upon financial help from others, spend their money in the local economy, and are able to enjoy social and civic engagement activities in their communities. Communities will be safer as perpetrators are detected and prosecuted. Area Agency on Aging 1-B has advocated for the passage of state legislation that will:

- Increase penalties for financial exploitation of older adults
- Allow court testimony by videotape or closed-circuit television
- Allow a third party to file an abuse complaint on behalf of a vulnerable adult
- Require financial institutions to report suspected cases of financial abuse
- Create a senior medical alert act to notify the public of a missing older adult
- Prohibit felons from receiving benefits from a victim's estate
- Require certain financial institutions to disclose in writing rights of joint account holders
- Define the rights of incapacitated individuals and their guardians

More than one in ten older adults may experience some type of abuse, and only one in five cases or fewer are reported.

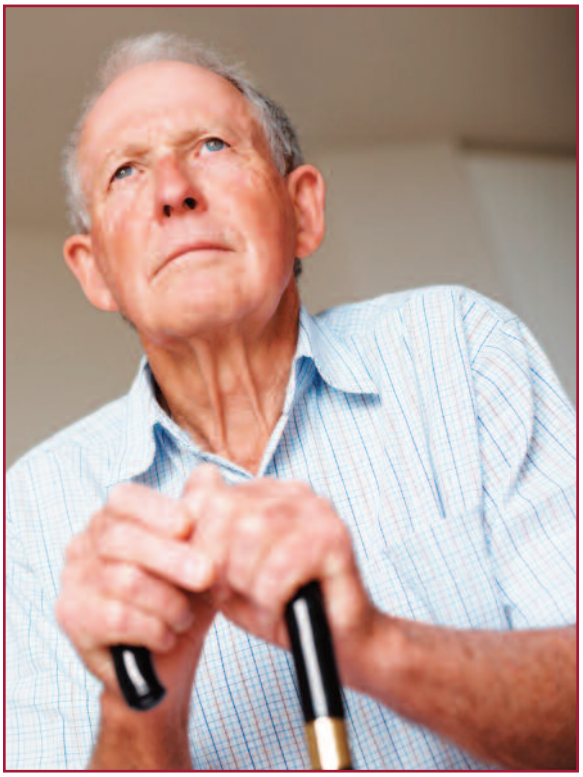
Source: National Center on Elder Abuse

RECOMMENDATION

Support funding of the Elder Justice Act, passed as part of the Affordable Care Act.

Passage of the Elder Justice Act has given national attention to the problem of neglect and exploitation of older adults. However, translating attention into measurable progress toward eliminating elder abuse is contingent on funding of the Act. In Michigan, the caseload for Adult Protective Services is 38 per worker; above the national average of 25 cases per worker[27].

Funding the Elder Justice Act at its authorized $777 million funding will allow 1,700 new investigators to be hired, state demonstration projects to test various new approaches to adult protective services, and state ombudsmen to be trained to investigate complaints related to long-term care facilities.



RECOMMENDATION

Support increasing the retirement savings rate by:

- Modifying federal defined contribution pension laws to permit the use of pre-tax dollars to fund long term care expenses; and
- Passing federal legislation to allow workers who do not have an employer-sponsored retirement plan to contribute to an individual IRA through payroll deductions.

Retirement savings in the United States has not kept pace with the growing cost of healthcare, home support services, and housing during retirement, and many baby boomers will not have adequate resources to fund these long term care expenses. According to Employee Benefit Research Institute, 69% of workers are currently saving for retirement, down from 75% in 2009[26]. About half of the nation's workers do not have the opportunity to save for retirement through their employer and one quarter of workers who have a 401(k) plan don't currently contribute to it. Increasing savings will reduce federal and state entitlement obligations such as Medicaid, reduce pressure on the Social Security system, and generate investment funds which lower reliance on foreign debt and can be used to fund business growth and stimulate the economy.

[22] Michigan Department of Human Services

[23] Elder Justice Now! A collaboration of the National Council on Aging, WITNESS, and the Elder Justice Coalition, http://elderjusticenow.org/about-elder-abuse/facts-about-elder-abuse-in-the-united-states/

[24] Elder Justice Now! A collaboration of the National Council on Aging, WITNESS, and the Elder Justice Coalition, http://elderjusticenow.org/about-elder-abuse/facts-about-elder-abuse-in-the-united-states/

[25] "Broken Trust: Elders, Family, and Finances", MetLife Mature Market Institute, 2009, http://www.metlife.com/assets/cao/mmi/publications/studies/mmi-study-broken-trust-elders-family-finances.pdf

[26] "2010 Retirement Confidence Survey", Employee Benefit Research Institute. http://ebri.org/pdf/surveys/rcs/2010/FS-03_RCS-10_Prep.pdf

[27] "Adult Service Workers Stretched Thin", Michigan League for Human Services, http://www.milhs.org/tag/early-retirements

2011-12 Advocacy Platform

The aging of Michigan's population presents challenges and opportunities that must be met through changes in public policies, legislation, and appropriations

Older Michiganian's are among Michigan's greatest natural resource

Tap into their civic and economic potential

- Older Michiganians spend over $30 billion annually in Michigan, which equates to almost 10% of the state's annual Gross Domestic Product.
- Most senior income is imported into the state's economy in the form of Social Security, pension income, and earnings on investments.
- The median age 65+ household income is equivalent to a full time $15 per hour job.
- The first Baby Boomers turn 65 in 2011 – 11% of them plan to start a business in their retirement years.

Older Michiganian's deserve to live with independence and dignity

Assure the most vulnerable older adults a strong service safety net

- Approximately 140,000 older Michiganians have income below the federal poverty level ($10,450 in 2009 for single).
- The Elder Economic Security Index, a more accurate measure of older adult living expenses, found that between 224,000 and 336,000 seniors live a poverty-level existence.
- At the beginning of FY 2011 there were over 3,700 individuals on the MI Choice wait list and over 2,200 on wait lists for Older Michiganians Act services because they could not afford to purchase needed services at private market rates.

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