Joint Legislative Executive Committee

on

Aging and Disability Issues

Interim Report

December 2013

The Joint Legislative Executive Committee on Aging and Disability Issues

The Joint Legislative Executive Committee on Aging and Disability Issues (Committee) was established in the 2013-15 operating budget. The Committee was charged with the responsibility to identify strategic actions to prepare for the aging of Washington's population by:

- 1. Establishing a profile of Washington's older population and population with disabilities and a projection of those populations through 2030;
- 2. Establishing an inventory of services and supports from health care and long-term services and supports;
- 3. Identifying budget and policy options to effectively use public resources to reduce the growth rate in state expenditures compared to current policies;
- 4. Identifying strategies to better serve the health care needs of the aging population and people with disabilities and promote healthy living;
- 5. Identifying options for financing mechanisms for long-term care services and supports to promote additional private responsibility to meet needs for services;
- 6. Identifying options to promote financial security in retirement, support people staying in the workforce, and expand the availability of workplace retirement savings plans; and
- 7. Identifying options to help communities adapt to the aging demographic in planning for housing, land use, and transportation.

The Committee is comprised of four members of the Senate, four members of the House of Representatives, and four members of the Executive Branch. The following persons have been appointed to the Committee:

Senate:

- Sen. Barbara Bailey
- Sen. Bruce Dammeier
- Sen. Jeannie Darneille
- Sen. Karen Keiser

House of Representatives:

- Rep. Paul Harris
- Rep. Laurie Jinkins
- Rep. Norm Johnson
- Rep. Steve Tharinger

Executive Branch:

- Marcie Frost, Director of the Department of Retirement Systems
- Jason McGill, Representing the Office of the Governor
- Kevin Quigley, Secretary of the Department of Social and Health Services

• Dorothy Teeter, Director of the Health Care Authority

The Committee held two meetings in the fall of 2013, one on September 25 and the second on November 4.

September 25 meeting.

At the first meeting Senator Bailey and Representative Tharinger were selected as co-chairs and members were reminded of their statutory duties. At this meeting, the Committee received background information relating to the aging population and long-term care to provide the members with a broad view of the demographic trends facing Washington, the fiscal implications for the state, and a preliminary look at state programs that serve seniors and those with disabilities. Topics discussed included:

- Information regarding state services for the aging population, including funding and demographic data
- Department of Social and Health Services and Health Care Authority initiatives to inventory long-term care resources and demographic data

November 4 meeting

At the November 4 meeting, members received background information on aging issues and participated in a roundtable discussion on those issues. Topics discussed included:

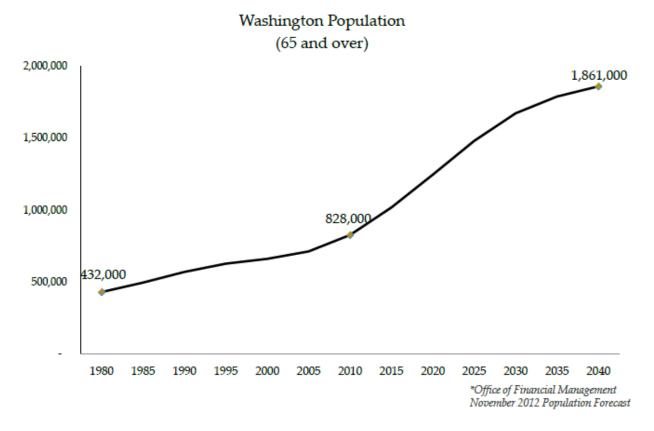
- A review of the Governor's Aging Summit recommendations
- Adult Protective Services, including information from the Department of Social and Health Services, the King County Prosecutor's Office, and Disability Rights Washington
- Options for promoting financial security, including information from the Department of Retirement Services and a presentation on life settlements (converting life insurance to income to pay for long-term care needs)
- Long-term services and supports, including information from the Olympia Area Agency on Aging, the Department of Social and Health Services, and the Office of the Insurance Commissioner.

Both meetings provided opportunities for the public to provide their testimony and their suggestions for Committee consideration.

Materials from both meetings are available on-line at the Committee's website: <u>http://www.leg.wa.gov/jointcommittees/ADJLEC/Pages/default.aspx.</u> This website will be updated with Committee materials in 2014 after each Committee meeting.

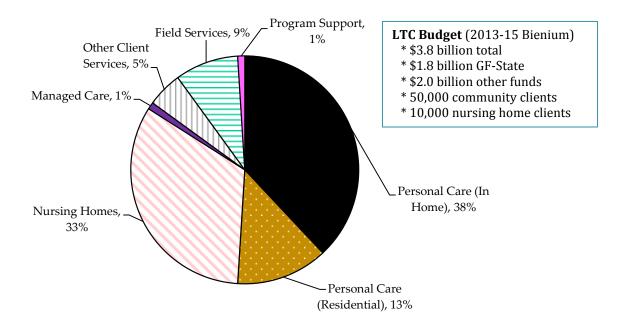
Demographic Trends in Washington

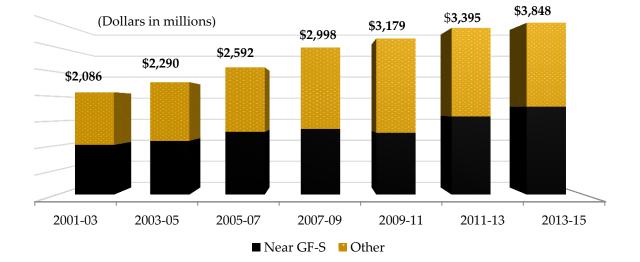
Since 1980 Washington's population over age 65 has doubled and is projected to more than double again by 2040. According to the Office of Financial Management's November 2012 Population Forecast there are currently approximately 830,000 people in Washington who are age 65 and over, or almost 14 percent of the population. By 2040 that number is estimated to reach 1,860,000 people, or 21 percent of the project population.



Budget Overview

Within the Department of Social and Health Services (DSHS), the Aging and Long Term Services Administration (ALTSA) administers the Long Term Care (LTC) program. LTC is budgeted at \$3.8 billion total (\$1.8 billion General Fund-State) to serve roughly 60,000 clients during the 2013-15 Biennium. LTC accounts for about one-third of the DSHS budget, and 6% of the overall state operating budget. The LTC budget has consistently increased since the 2001-03 Biennium, but growth has slowed in recent years. Most of the LTC budget pays for personal care, and other community based client services, that are primarily funded by state and federal matching funds (i.e., Medicaid). The institutional-based Medicaid "entitlement" program in LTC is the nursing home, or skilled nursing facility program. Field services include client assessment, case management, adult protective services, licensing and certification of facilities, and complaint investigations. Program support includes policy development, budget, accounting, information technology, and other headquarters functions in Olympia.





Committee Work Plan for 2014

May: Healthy Aging

The Committee will review the options for seniors and the disabled along the continuum of care and consider the program options for the range of needs that they face. This discussion will be complemented with a report on demographic information about the state's aging population and an inventory of services and supports for health and long-term care services. Included for consideration will be ways to make access to care and services that promote healthy aging and independence, such as programs to modify homes to keep people independent, practices that support caregivers, and programs that assure quality and safety in home care settings and long-term care facilities. The committee will also consider transportation and community options that promote these goals. In addition, the committee will examine how each of these options is meeting the needs of those with chronic conditions and special care needs, including consideration of the development of a state Alzheimer's Plan.

June: Workforce Quality and Protection from Elder Abuse and Exploitation

The Committee will review the current workforce and potential workforce development issues that will need to be addressed to ensure sufficient resources will be available to provide quality care during the upcoming demographic shift. Included in this review will be consideration of standards for the training of long-term care workers, including the curriculum used to train these professionals and the need for specialized training for certain populations. The Committee will also continue its review of the systems for protecting vulnerable adults from abuse and financial exploitation and explore ways to improve these programs.

July: Financial Security

The Committee will consider ways to enable Washington residents to become more financiallyindependent and self-sufficient which in turn may dampen the trend for publicly-funded services. Included in this review will be ways to make the purchasing of long-term care insurance and investments in retirement savings an affordable consideration for individuals who would like to partake in these products. Incentives will be reviewed for encouraging individuals and their families to plan for financing their retirement and long-term care needs. The Committee will review options for assisting individuals in making their resources last longer, rather than requiring them to relinquish their savings in order to qualify for Medicaid.

Early September: Initial Recommendations

The Committee will receive any remaining information that it needs to develop recommendations. The committee will take testimony regarding what should be in the final recommendations and begin considering what the recommendations should address.

Mid-November: Final Recommendations

The Committee will discuss and decide upon its final recommendations to the Legislature.

December 10: Submit Final Report

APPENDIX

Proviso

Agendas

Budget Proviso Establishing the Joint Legislative Executive Committee on Aging and Disability Issues

(3ESSB 5034, Laws of 2013; Section 206)

(11) \$33,000 of the general fund--state appropriation for fiscal year 2014, \$17,000 of the general fund--state appropriation for fiscal year 2015, and \$50,000 of the general fund--federal appropriation are provided solely for staffing and other expenses associated with the work of the joint legislative executive committee on planning for aging and disability issues that is established by this subsection.

(a) A joint legislative executive committee on aging and disability is established, with members as provided in this subsection.

(i) Four members of the senate, with the leaders of the two largest caucuses each appointing two members. Four members of the house of representatives, with the leaders of the two largest caucuses each appointing two members;

(ii) A member from the office of the governor, appointed by the governor;

(iii) The secretary of the department of social and health services or his or her designee;

(iv) The director of the health care authority or his or her designee; and

(v) The director of the department of retirement systems or his or her designee.

(b) The committee must convene by September 1, 2013. At the first meeting, the committee will select cochairs from among its members who are legislators. All meetings of the committee are open to the public.

(c) The purpose of the committee is to identify key strategic actions to prepare for the aging of the population in Washington, including state budget and policy options, by conducting at least, but not limited to, the following tasks:

(i) Establish a profile of Washington's current population of older people and people with disabilities and a projection of population growth through 2030;

(ii) Establish an inventory of services and supports currently available to older people and people with disabilities from the health care and long-term services and support systems and other community resources such as housing, transportation, income support, and protection for vulnerable adults;

(iii) Identify state budget and policy options to more effectively use state, federal and private resources to, over time, reduce the growth rate in state expenditures that would otherwise occur by continuing current policy in light of significant population growth;

(iv) Identify strategies to better serve the health care needs of an aging population and people with disabilities, and promote healthy living;

(v) Identify policy options to create financing mechanisms for long-term services and supports that will promote additional private responsibility for individuals and families to meet their needs for service;

(vi) Identify policies to promote financial security in retirement, support people who wish to stay in the workplace longer, and expand the availability of workplace retirement savings plans; and

(vii) Identify policy options to help communities adapt to the aging demographic in planning for housing, land use and transportation.

(d) The committee shall consult with the office of the insurance commissioner, the caseload forecast council, health care authority, and other appropriate entities with specialized knowledge of the needs and growth trends of the aging population and people with disabilities.

(e) Staff support for the committee shall be provided by the office of program research, senate committee services, the office of financial management, and the department of social and health services.

(f) Within existing appropriations, the cost of meetings must be paid jointly by the senate, house of representatives, and the office of financial management. Joint committee expenditures are subject to approval by the senate facilities and operations committee and the house of representatives executive rules committee, or their successor committees. The joint committee members may be reimbursed for travel expenses as authorized under RCW 43.03.050 and 43.03.060, and chapter 44.04 RCW as appropriate. Advisory committee members may not receive compensation or reimbursement for travel and expenses.

(g) The committee shall issue an interim report to the legislature by December 10, 2013, and issue final recommendations to the governor and relevant standing committees of the legislature by December 10, 2014.

Wednesday September 25, 2013 10:30 a.m. Senate Hearing Rm 4 J.A. Cherberg Building Olympia, WA

AGENDA

- 1. Introductions, overview of the Committee, and selection of chairs.
 - Christopher Blake, Office of Program Research
- 2. Aging 101: Information regarding state services for the aging population, including funding and demographic data.
 - James Kettel, Office of Program Research
 - Carma Matti-Jackson, Senate Committee Services
 - Ryan Black, Office of Financial Management
- 3. Progress of Department of Social and Health Services and Health Care Authority initiatives to inventory long-term care resources and demographic data.
 - David Mancuso, Department of Social and Health Services
 - Bea Rector, Department of Social and Health Services
 - MaryAnne Lindeblad, Health Care Authority
- 4. Overview of the upcoming Governor's Aging Summit.
 - Ingrid McDonald, AARP Washington
 - Jason McGill, Governor's Policy Office
- 5. Public testimony.

Monday November 4, 2013 11:00 a.m. to 2:00 p.m. House Hearing Rm B John L. O'Brien Building Olympia, WA

AGENDA

Work Session:

- 1. Review of Governor's Aging Summit recommendations.
- 2. Adult protective services.
- 3. Options for promoting financial security.
- 4. Long-term services and supports.
- 5. Discussion of potential policy and budget proposal for the 2014 legislative session.
- 6. Discussion of Committee work plan and interim report.