



THE SENATE SPECIAL COMMITTEE ON AGING
The Future of Long Term Care Policy:
Continuing the Conversation
December 18, 2013

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ASSISTED LIVING FEDERATION OF AMERICA

“The Future of Long-Term Care Policy: Continuing the Conversation”

Hearing before the Senate Special Committee on Aging
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Statement for the Record
Submitted by Richard P. Grimes, President/CEO
Assisted Living Federation of America

Chairman Nelson, Ranking Member Collins and Members of the Committee, we are grateful for this opportunity to address the future of long-term care policy in the United States.

The Assisted Living Federation of America (ALFA) is the largest national association exclusively dedicated to companies operating professionally managed, resident-centered senior living communities and the seniors and families they serve. Since 1990, ALFA has advocated for choice, accessibility, independence, dignity and quality of life for all seniors.

As the majority of the U.S. population trends older, the future of long-term care policy is a pressing issue for ALFA and the nation. *We believe assisted living is part of the solution.*

Our member companies operate senior living communities offering assisted living, independent living and memory care services to seniors and their families. Assisted living and memory care communities are licensed and regulated by each of the 50 states and provide 24-hour supervision, meals, activities, medication management and assistance as needed with activities of daily living such as dressing and bathing.

Until the 1980s, seniors who could not live safely in their own home or with family had very few alternatives to institutional care. Today, more than 730,000 seniors live in assisted living communities where they get the assistance they need when they need it while maintaining their privacy, dignity and respect with the assistance of a caring professional staff.

A 2010 national survey of residential care conducted by the Centers for Disease Control and Prevention revealed that *a typical assisted living resident is female, widowed, 85 years old and needs assistance with activities of daily living such as bathing and dressing.* Additionally, the study indicated that 42% of residents in assisted living have some degree of Alzheimer's or a related dementia.

The statistical profile of the typical resident in assisted living is important because a common assumption is that assisted living is serving a younger, independent and healthy population of retirees. Because the majority of assisted living residents are

among the oldest old, they often require considerable help with their activities of daily living and a safe living environment but don't require the 24/7 nursing care provided by skilled nursing facilities.

Assisted living is home for our residents, most of whom pay out of their own pockets from their own private resources. There are many assisted living options available at a range of price points including large or small, urban or rural, high-rise or single level to name a few.

Assisted Living Is Part of the Solution

In 2010, 40.3 million or 12% of the total U.S. population was age 65 or older with the fastest growing segment of America's population consisting of those who are age 85 and up. In 2010, there were 5.8 million people aged 85 or older and by 2050, it's projected that there will be 19 million people in that age group, according to the U.S. Census Bureau.

Additionally, many assisted living communities offer special care and services for residents with Alzheimer's or related dementia. While today 5.4 million people suffer from Alzheimer's, it is estimated that 16 million U.S. residents will have the disease by 2050.

Alzheimer's disease, the most common form of dementia, almost always results in a need for long-term services and supports. It affects more than 42% of Americans over the age of 85, according to the Alzheimer's Study Group, part of the U.S. National Alzheimer's Strategic Plan.

Today, many of our elderly citizens are under the care of family members. Family caregivers have a noble and critical role in caring for individuals, providing the majority of long-term support and services for their loved ones throughout the United States. However, care giving "often places a financial, physical, and emotional hardship on the caregivers" who often have little advance knowledge or training in the activities they have to perform, according to the Commission on Long-Term Care's Report to Congress.

Many seniors and their family caregivers turn to assisted living when they can no longer perform complex medical or nursing tasks or have the necessary supports they need to continue caring for their loved one. For example, they may be wary of, lack the training or be too emotionally connected to perform complex medical tasks, wound care or medication management.

Finding a way to pay for long-term care services is a growing concern for older adults, persons with disabilities and their families. Recent estimates for the amount spent annually on all long-term care services reach up to \$306 billion, according to a 2012 report from Genworth Financial cited in a new Centers for Disease Control and Prevention report on long-term care services.

Assisted living is financially competitive. Average rates in 2012 for a private room in a nursing home were \$7,543 per month compared to a private room in assisted living at \$3,550 per month, according to MetLife Mature Market Institute. Annually, this means assisted living is about 50 percent less expensive than skilled nursing facilities — \$42,600 versus \$90,520.

Assisted Living Is Working

Occupancy in assisted living is averaging 90.9% nationwide. While anecdotally we have known that consumers are extremely satisfied living in assisted living, a 2013 poll conducted by Public Opinion Strategies and Frederick Polls showed that 94% of assisted living residents say they are *satisfied or very satisfied* with the overall quality of life in their community, and 99% say they feel *safe or very safe* living in their community.

ALFA's goal is to continue to explore ways for consumers to plan and prepare for their own long-term care needs.

ALFA Supports Many Commission on Long-Term Care Recommendations

The Commission on Long-Term Care made a set of important recommendations in its Sept. 18, 2013 Report to Congress.

We at ALFA strongly support many of the recommendations, including:

Service Delivery

We agree that the process of accessing and navigating long-term services and supports can be challenging. We also support that individuals should be able to receive the needed services and supports in the least restrictive setting possible and that these options should be available regardless of income and age. Because the network of long term services and supports varies state by state, we believe the states would be in a better position to inform consumers of state options. As Assisted Living providers, we voluntarily embrace consumer disclosure to ensure that prospective residents are adequately informed of our services and fees to help them make an informed choice on whether or not assisted living is the best option.

Paid Workforce

ALFA strongly supports the Commission recommendation enabling nurses to delegate to appropriately trained direct care workers to perform tasks typically performed by nurses, such as the administration of medications and injections. We agree with the commission - and our members have seen firsthand - that this has a positive impact on the workforce who now has a career path and increased job satisfaction. Additionally, studies show that safety of medication administration is not compromised with adequately trained and supervised direct care staff.

ALFA strongly supports the recommendation that the federal government work with states to enable national criminal background checks for all members of the long-term services and supports workforce. ALFA members have a zero tolerance for elder abuse, neglect and exploitation, but we are well aware of the horror stories we read about where vulnerable populations are victimized mainly in their own homes but other settings as well.

While assisted living providers are mandated in almost every state to conduct criminal background checks, consumer protections could be improved through a more integrated, comprehensive and efficient background check system. In addition there are conflicting recommendations such as the Equal Employment Opportunity Guidance on Criminal Background Checks that has the philosophy that background checks can be discriminatory and should not be used in all situations, even when mandated by state law.

ALFA believes that when caring for vulnerable populations receiving long term services and supports, a comprehensive criminal background check process must be in place. We support the Commission recommendation that Congress direct the Department of Justice to examine barriers to sharing interstate criminal background data for health care workers in every setting and accelerate the effort to develop solutions.

Additionally, ALFA completely agrees that there is a shortage of professionals and direct care workers to work in this field. Students are unaware of the career path and opportunities they can have in the field of aging and long-term care. We need to work with universities and high schools to educate students about this career path.

Finance

ALFA completely agrees with the Commission that Americans are not aware of or adequately prepared for the costs of long-term services and supports. ALFA absolutely believes that Medicaid needs to be the safety net for low income Americans who through no fault of their own cannot pay for their long-term care needs. However, we believe consumers should also bear some personal responsibility for future long-term care needs. ALFA supports the Commission principle stating: “Public policy toward the financing of LTSS must reflect a comprehensive and balanced approach to public and private responsibility. It must encourage and enable individuals to prepare adequately to finance their own needs while providing a strong safety net for those who simply cannot do so.”

Commission recommendations to “create a comprehensive, understandable and affordable LTSS financing system with both public and private components that work together effectively to enable individuals to plan for their LTSS needs.”

ALFA applauds the Commission’s suggestion that such a system include:

- A public insurance program to spread risk and help individuals pay for LTSS;

- Expansion of private savings incentives and access to workplace saving options;
- Reforms and improvements in the private long term care insurance market; and
- Information, education and other resources to help individual understand different financing options and make the right choice

Next Steps

We commend the Commission for making tremendous progress in a very short period of time. We believe this is a great start and the report should not languish on an office shelf. For too long, elected officials and the public have tried to avoid talking about long term care. The discussion can no longer be pushed aside and we are grateful that the Senate Special Committee on Aging has taken on this topic wholeheartedly.

We support the recommendation to create a national advisory committee to continue the work of the Commission. We support the recommendation that this national committee include governmental, private sector stakeholders as well as family caregiver representatives.

Assisted living communities have become an integral part of neighborhoods across the country and of our daily lives, providing a valuable service to seniors and families in a residential environment that enriches their lives and wellness.