



May 22, 2009

The Honorable Max Baucus
 Chairman, Senate Committee on Finance
 219 Dirksen Senate Office Building
 Washington, DC 20510-6200

The Honorable Charles Grassley
 Ranking Member, Senate Committee on
 Finance
 219 Dirksen Senate Office Building
 Washington, DC 20510-6200

Re: Expanding Health Care Coverage: Proposals to Provide Affordable Coverage to All Americans

Dear Chairman Baucus and Ranking Member Grassley:

President
 Patricia A. Polansky
 New Jersey

On behalf of the National Association of State Units on Aging (NASUA), I am submitting the following comments concerning the Senate Finance Committee's policy options for expanding health care coverage.

1st Vice President
 Irene Collins
 Alabama

NASUA represents the 56 officially designated state and territorial agencies on aging. These agencies are responsible for administering programs and services under the Older Americans Act and, in some states, Medicaid Home and Community Based Services waivers. Our members and our partners in the aging network are innovators in delivering services to older adults and individuals with disabilities, as well as in helping to keep them well and engaged in their communities. Because of this mission and commitment, our members are interested and engaged in the debate on health care reform.

2nd Vice President
 James Toews
 Oregon

Secretary
 Carol Sala
 Nevada

We applaud the Senate Finance Committee for its focus on Long Term Care Services and Supports in Section VII its May 14 paper. We strongly believe that true health care reform must include long term care services and supports, the most costly component of the health care system.

Treasurer
 Charles D. Johnson
 Illinois

Past President
 Kathy Leitch
 Washington

In particular, our members support the Committee's proposed option for the Secretary of Health and Human Services to award grants to continue funding for the single entry point aging and disability resource centers, and expanding prevention and health promotion activities. These are two critical components of a three pronged approach that NASUA has proposed with its partner, the National Association of Area Agencies on Aging (n4a), called Project 2020. The proposal seeks to develop a nation-wide infrastructure for community-based long-term care that builds on successful demonstration projects that have been funded by HHS in the past.

The Administration on Aging, in cooperation with NASUA and n4a members, has been testing best practices in community-based long-term care that have been demonstrated to reduce the need for more expensive institutional care and prevent "spend down" to Medicaid for older adults and people of all ages with disabilities. N4a and NASUA have embraced these proven strategies as requirements for infrastructure development and participation in this program. Further, n4a and NASUA members worked together in their own states with their Medicaid directors and governors to develop the proposal. This three-pronged approach has support from the states and will allow communities to provide services to this growing population at a lower cost to consumers and to Medicaid and Medicare. The key elements of this approach include:

1. Person-Centered Access to Information
2. Evidence-Based Disease Prevention and Health Promotion
3. Enhanced Nursing Home Diversion Services

All but the last component was included in the Senate Finance Committee's proposed option. The enhanced nursing home diversion component of Project 2020 builds upon the successful nursing home diversion demonstration projects funded by HHS and it will help those consumers at high risk of institutionalization and spending down to Medicaid eligibility. In other words, this component targets the pre-Medicaid population and will intervene with less intensive services at a critical point that will help individuals not only remain in their homes and communities, but delay and possibly avoid institutionalization and Medicaid eligibility altogether. Examples of the kinds of services a consumer might purchase are things that would help them remain independent longer such as homemaker services, assistive technology or minor home repairs. The proposal for this component of Project 2020 would roll out over a three year time frame to allow states to build necessary infrastructure.

Not only do we urge you to include enhanced nursing home diversion services in health care reform, but also to make the funding for all three pieces of Project 2020 mandatory so that the infrastructure, once in place, can be sustained. As the baby boomer population ages, there will be even greater need for person-centered access to information, disease prevention/health promotion, and community-based long term care services supports. Providing a certain and reliable funding stream through three year grant awards to states will support an infrastructure that will not only serve individuals in their communities, but will provide savings to the health care system through delay and avoidance of institutionalization. According to initial estimates from The Lewin Group, Project 2020 has the potential to reach over 40 million Americans and produce net federal savings over ten years of more than \$1.2 billion.

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Senators Baucus and Grassley

We support the Senate Finance Committee's efforts to achieve real reform of the health care system so that it more effectively serves not only older adults and individuals with disabilities, but all Americans.

Should you have any questions, please contact Martha Roherty, NASUA Executive Director 202-898-2578.

Sincerely,



Martha Roherty
Executive Director

cc: NASUA Members