

SENATE BILL REPORT

SB 5519

As of April 17, 2013

Title: An act relating to enacting planning measures to provide for the future long-term care services and supports needs of the aging population.

Brief Description: Concerning planning measures to provide long-term care services and supports needs of the aging population.

Sponsors: Senators Bailey, Darneille, Dammeier, Keiser, Litzow, Kohl-Welles and Conway.

Brief History:

Committee Activity: Health Care: 2/11/13, 2/21/13 [DPS-WM].
Ways & Means: 2/27/13.

SENATE COMMITTEE ON HEALTH CARE

Majority Report: That Substitute Senate Bill No. 5519 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Becker, Chair; Dammeier, Vice Chair; Keiser, Ranking Member; Bailey, Cleveland, Ericksen, Frockt, Parlette and Schlicher.

Staff: Kathleen Buchli (786-7488)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Jenny Greenlee (786-7711)

Background: The Aging and Disability Services Administration (ADSA), located in the Department of Social and Health Services (DSHS), assists adults with disabling conditions due to aging, disease, or accident, and children and adults with developmental disabilities to gain access to supports and services. Every four years, ADSA develops a State Plan on Aging. Among the goals of the current State Plan on Aging are the following: to empower the informed decision making of older people, their families, and others by providing easy access to information and referral for both public and private health and long-term support; to enable older adults to remain in their homes and maintain quality of life by strengthening the statewide system of home and community-based services, caregiver support, the integration of behavioral health and family support services within the home, and community-based long-term care system and the expansion of participant directed models of support; and to

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empower older people to stay healthy and active through expansion of evidence-based healthy aging programs.

Area Agencies on Aging are local organizations across the nation that develop and promote services and options to maximize independence, quality of life, and choice for older people, adults with disabilities, and family caregivers.

Aging and Disability Resource Centers (ADRCs) offer long-term care information, referral, and assistance for people of all ages. ADRCs are a collaborative effort of the federal Administration on Aging and the Centers for Medicare & Medicaid Services, and provides states with an opportunity to integrate long-term supports and services into a single, coordinated system.

On February 8, 2013, the Secretary of DSHS announced that ADSA's responsibilities would be assigned to three smaller administrations, one of which is the new Aging and Long-Term Support Administration.

Summary of Bill (Proposed Second Substitute): Under current law, DSHS must contract with Area Agencies on Aging to provide family caregiver long-term care information and support services to the extent of available funding. Part of this activity must include outreach to people in the community who would benefit from family caregiver long-term care information and support services.

ADSA must report to the Legislature on a phased expansion plan to meet the demands of an aging society and extend caregiver support to a greater percentage of caregivers in need. ADSA must also report on: existing funding on ADRCs throughout the state; the level of funding necessary to achieve the full complement of ADRC functions statewide by December 1, 2017; the preliminary results of evaluations underway on ADRCs; and the roles and responsibilities of ADRCs. These reports must be developed in consultation with stakeholders such as individuals with developmental disabilities, physical disabilities, behavioral health needs, and long-term care needs.

Consistent with funds appropriated for this purpose, the Office of Financial Management (OFM) must contract for professional services to summarize and update information from the 2005 joint taskforce on long-term care financing and chronic care management. The update should include options to support families as they prepare for the cost of long-term services and supports needs. These options include the following: tax incentives to encourage individuals to purchase private long-term care insurance and to encourage employers to offer private long-term care insurance to their employees; regulatory changes necessary to encourage the use of life insurance to finance long-term services and supports; and a public insurance option financed through voluntary or mandatory contributions. Options must be evaluated on how they: delay or divert Medicaid long-term care utilization and provide relief for family caregivers; support individuals with functional or cognitive limitations so they are able to remain in the community through home care and adult day health services; expand long-term coverage and supports for the greatest number of people; address workforce recruitment issues; are affordable; promote economic security; and impact the general fund.

A Joint Legislative Executive Committee on Aging and Disability Issues (Committee) is established; with membership to come from the Senate, the House of Representatives, the Governor's Office, DSHS, and the Health Care Authority. The Committee must: establish a profile of Washington's current elderly and disabled population; establish an inventory of the services and supports currently available to the elderly and disabled; assess the area of the current system where additional support is needed; establish a profile of the expected elderly and disabled population in 2025, including future services and supports to be needed by this population; develop statutory and regulatory changes to promote the efficient use of resources; develop practices to maintain the independence of the elderly and disabled population; develop caregiver supports and resources for populations with special needs; and develop housing and transportation programs to help individuals maintain their independence.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Proposed Second Substitute): The requirement that OFM contract for a study of long-term care financing is changed to require an update of information from the 2005 joint taskforce on long-term care financing and chronic care management and is to be accomplished consistent with funds appropriated specifically for this purpose.

EFFECT OF CHANGES MADE BY HEALTH CARE COMMITTEE (Recommended First Substitute): The requirement that DSHS must contract with Area Agencies on Aging to conduct distribution of family caregiver long-term care information and support services must be conducted to the extent of available funding. The requirement that OFM provide staff support to the Committee is removed.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: Yes.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill (Health Care): PRO: We need to address long-term care issues and the requirements of our aging population. There is a disconnect between people aging today and the services available to them. We need to look at aging and the resources needed to address future needs. We need to address the age wave that is hitting us now. People are living longer and we are seeing a large demographic change that we need to be prepared for. There are no committees that look at aging issues in a global way; we need to look at housing, transportation, vulnerable adults, and financing options. The ADRCs and the family caregiver support programs have demonstrated their ability to help caregivers. If we help caregivers, we keep people out of nursing homes and keep costs down. Options counseling is critical; we need to look at private insurance options. The aging population includes the disabled population because people with disabilities are getting older and their needs must be planned for as well.

OTHER: The requirement that OFM study regulatory changes necessary to encourage the use of life insurance to finance long-term services and supports is ambiguous and needs clarity to describe what is intended to be regulated.

Persons Testifying (Health Care): PRO: Senator Bailey, prime sponsor; Ingrid McDonald, AARP WA; Dennis Mahar, Thurston County Area Agency on Aging; Jim Freeburg, Multiple Sclerosis Society; David Lord, Disability Rights WA.

OTHER: Mel Sorensen, American Council of Life Insurers.

Staff Summary of Public Testimony on Proposed Second Substitute Bill (Ways & Means): PRO: This is a smart and strategic bill. The long-term care financing study is especially important given that demand will skyrocket for these services. Private long-term care insurance really is not an option for most people. There are tremendous options for people to care for family members within the family unit. The ADRCs and the family caregiver support program are crucial. Making the right investments now will allow the state to change the cost curve on providing long-term care services. This study will more than pay for itself. Would ask for a friendly amendment to include home health and hospice in the study. These two services help achieve the goal of aging in place.

Persons Testifying (Ways & Means): PRO: Ingrid McDonald, American Assn. of Retired Persons of WA; Dennis Mahar, WA Assn. of Area Agencies on Aging; Jerry Riley, Eldercare Alliance; Leslie Emerick, Home Care Assn of WA, WA Hospice.