

# THE ADVOCATE

October 2010

## State Aging Budget Receives Expected Cut

The Department of Community Health (DCH) Conference Committee released its final 2011 budget which includes a mix of funding cuts and increases. Advocates for aging services, who braced for cuts as initially proposed by the Governor, met with key legislators in an attempt to preserve critical funding. However, while funding was preserved for some Medicaid programs that impact older adults, and restored for others, **the Office of Services to the Aging (OSA) received an 8% cut, for an overall reduction of \$2.3 million.**

When asked about the OSA cut in light of an overall increase of 5% to the DCH general fund budget, state officials responded that an expected increase in federal Older Americans Act monies sent to Michigan for nutrition and support services reduce the effective cut to 2%. Advocates are concerned that for the second consecutive year, OSA services have suffered a larger percentage cut than the overall loss in state revenue, and that for FY 2011, legislators approved a cut to OSA (8%) that is twice as large as the cut they gave their own budgets (4%).

**The Area Agency on Aging 1-B, which represents nearly one quarter of Michigan's older adults, is expected to face a nearly \$500,000 loss of state funding, which supports critical programs such as nutrition services, in-home support, and care management. Over 2,700 consumers may experience a change in service or an elimination of service altogether.**

### Medicaid Programs Gain

A number of Medicaid long term care programs are scheduled to receive state funding increases in 2011. MI Choice, the waiver program designed to provide home and community based services in lieu of nursing home care, received an increase of \$29.9 million, to \$205.9 million. This increase is nearly \$16 million higher than the original Governor and House proposals, and almost \$10 million higher than the Senate recommendation. The approved \$29.9 million will be found through transitioning funds for Medicaid nursing home residents to MI Choice.

Other Medicaid funding increases include:

- Nursing homes receive a 6% increase to \$1.7 billion.
- Home Help program receives a 15% increase to \$305 million.
- PACE (Program of All-Inclusive Care for the Elderly) receives a 42% increase to \$24 million.
- Adult dental and podiatry benefits were restored to 2009 levels.
- Vision benefits were partially restored to 2009 levels.

## Federal Older Americans Act Funding Update

Federal funding for critical Older Americans Act (OAA) programs in FY 2011 looks promising as the Senate Subcommittee on Labor/HHS/Education Appropriations increased the budget for the U.S. Administration on Aging (AoA) \$143.3 million, even higher than the President's budget request. The House has yet to release details of its spending bill, but its recommendation of AoA funding is also increased from FY 2010, again higher than the President's. After years of stagnant funding, advocates are encouraged that aging programs are being given priority. Neither bill came to the floor for consideration before Fiscal Year 2011 began on October 1; they may become part of an omnibus bill that merges several spending bills after the November elections.

However in 2011, a new funding formula goes into effect which will allocate monies to states for key OAA titles (for support services, senior centers, nutrition, and disease prevention/health promotion) based on its percentage share of the nation's 60+ population. Michigan sees slower growth in age 60+ residents, relative to other states, and may face a funding cut. The OAA itself expires in 2011, and the funding formula will be addressed in the reauthorization process.

### Elder Justice Act Not Funded in 2011

In April 2010, *The Advocate* reported that federal legislation to combat elder abuse was signed by President Obama as part of health care reform, known now as the Affordable Care Act (ACA). The Elder Justice Act authorized funding of approximately \$777 million over four years to combat elder abuse, neglect and exploitation. However, first year funding has not been appropriated for FY 2011 by congressional appropriations committees. The Area Agency on Aging 1-B will continue to advocate for full funding for FY 2012.

### Livable Communities Bill Introduced

Federal legislation to encourage the development of livable, sustainable communities has been introduced in the US Senate, and the Area Agency on Aging 1-B (AAA 1-B) congratulates Michigan Senator Carl Levin for supporting this bill.

The Livable Communities Act (Senate Bill 1619) would respond to the needs of AAA 1-B consumers by encouraging consortia of municipalities to apply for grants to plan and develop communities that contribute to consumers' safety and independence by integrating safe and reliable transportation choices, affordable and accessible housing choices, and revitalizing existing infrastructure. The AAA 1-B has contacted Senator Debbie Stabenow urging her support.



## Senior Advocate Partners with AAA 1-B to Achieve Policy Change

The Area Agency on Aging 1-B (AAA 1-B) has a long history of promoting and supporting the civic participation of its senior advocates. A year's worth of research, letters, phone calls, and even a trip to Washington, D.C. by advocate Bob Fox, with AAA 1-B's help, has contributed to a federal policy change that will prevent excessive Medicare Advantage Plan (MAP) premium increases.

Fox, a member of the AAA 1-B's Advisory Council and of the Michigan Senior Advocates Council, has served as a volunteer Medicare/Medicaid Assistance Program counselor since 2005. While working with AAA 1-B consumers in 2009, Fox began hearing complaints that premiums for some MAP plans had risen drastically from the previous year.



Advocate Bob Fox and friends

Many MAP customers, particularly those with lower incomes, Fox feared, would be unable to absorb exorbitant increases in their premiums as they struggle to pay for basic needs such as food and housing. While customers have the opportunity to change plans during the annual enrollment period, Fox believed that few older adults would actually change to a lower cost plan if it required them to change doctors. Fox enlisted the resources of the AAA 1-B, particularly the support and guidance from Research, Policy Development, and Advocacy Director Jim McGuire, and began to advocate that greater protections from unmanageable premium increases be implemented.

Through his research, Fox discovered that in 2010, MAP beneficiaries in Livingston County saw premium increases ranging from 16% to 300%, with an average increase of 66% from the prior year. Subsequent conversations with the Centers for Medicare & Medicaid Services (CMS) and MEDPAC, an independent congressional agency that advises on Medicare, revealed that similar premium increases were implemented throughout southeast Michigan.

In spring of 2010, Fox and McGuire traveled to Washington, D.C. to press for the CMS regulatory oversight of MAP premium changes. They learned that CMS does a thorough review of MAP proposals submitted by health plans, yet has little authority to make premium changes from year to year. Fox and McGuire met with the staffs of Senators Stabenow and C. Levin; and Representatives Dingell, Rogers, and S. Levin; and urged them to recommend to their colleagues that Congress provide statutory authority to CMS that will require them to consider proposed premium and out-of-pocket increases when reviewing and approving MAP proposals.

## Advocate Contributes to Policy Change—continued

On September 21, 2010, the CMS Office of Public Affairs issued a news release highlighting Medicare policy changes that will benefit customers, which includes a provision advocated for by Fox and the AAA 1-B: “Through the new tools provided to Medicare under the Affordable Care Act, and working closely with Medicare Advantage Organizations and Prescription Drug Plans, CMS took steps to protect beneficiaries from excessive increases in premiums and cost sharing through aggressive bid reviews.” As a result of CMS negotiations with plans that had imposed excessive increases in premiums and cost-sharing, CMS reports that most of the 300 plans scrutinized “improved their benefits by \$13 per member per month (5 percent) on average. The average annual reduction of about \$155 per member per year for the 966,000 beneficiaries enrolled in these plans resulted in an estimated total savings for beneficiaries of \$150 million for 2011.”

Regulatory policy change at the federal level can take years of negotiation and involvement of many stakeholder groups. Fox and McGuire are to be applauded for their efforts to ensure that older adults have a choice of affordable, comprehensive Medicare insurance options.

## Elder-Friendly Communities Bills Approved

The state Senate recently passed three bills in a series designed to encourage local development of elder-friendly communities. Advocates applaud the actions of the Senate on recognizing the importance of municipalities making public facilities, amenities, and housing, accessible and attractive to adults as they age.

**SB 1327** gives downtown development authorities the authority to give out “elder-friendly. community” low interest loans and subsidies to developers.

**SB 1331** requires consideration of senior citizens’ needs in local planning efforts.

**SB 1332** requires consideration of senior citizens’ needs in the adoption of local zoning ordinances.

The bills have now been referred to the House Intergovernmental and Regional Affairs. **Advocacy is urged on the passage of these bills in the House** before the legislative session ends on December 31. The following Representatives from Region 1-B serve on this committee:

Marie Donigan	(866) 585-2471	mariedonigan@house.mi.gov
Vicki Barnett	(888) 642-4037	vickibarnett@house.mi.gov
Harold Haugh	(866) 994-4284	haroldhaugh@house.mi.gov
Pete Lund	(888) 642-4737	petelund@house.mi.gov
Cindy Denby	(866) 282-4863	cindydenby@house.mi.gov



The Area Agency on Aging 1-B (AAA 1-B) is a nonprofit agency serving the needs of older adults in Livingston, Macomb, Monroe, Oakland, St. Clair, and Washtenaw counties. For more information about the Senior Advocacy Network (SAN) or to receive future editions of The Advocate, contact Ann Langford at (248) 262-1282 or by email at [alangford@aaa1b.com](mailto:alangford@aaa1b.com).

## **Tax Credit for Hearing Aids Passes in State Senate**

### **Advocates Push for Passage in House Before Year End**

On September 28, 2010, the Michigan Senate unanimously passed Senate Bill 403 which authorizes a non-refundable state income tax credit for the purchase of a hearing aid. Individuals who qualify for the credit, up to \$1,500 per year, must be older than 60 years of age or be another taxpayer's dependent, and have a household income of less than \$100,000.

It appears that the bill would not generate a credit if Medicaid or a third party insurance company paid for the hearing aid. Also, it is unclear if the costs of purchasing a hearing aid would also include costs for fitting, hearing evaluations, and other related expenses. Hearing aids typically cost from \$850-\$2,500 and include fittings. Most insurance companies do not cover the cost of hearing aids.

The bill was referred to the House Tax Policy Committee on September 29, 2010. **The following Representatives from Region 1-B serve on this committee and are urged to take this bill up for consideration before the legislative session ends December 31.**

Kate Ebli	(888) 325-4056	kateebli@house.mi.gov
Tim Melton	(888) 635-8664	timmelton@house.mi.gov
Vicki Barnett	(888) 642-4037	vickibarnett@house.mi.gov
Ellen Cogen Lipton	(877) 347-8027	ellenlipton@house.mi.gov
Rebekah Warren	(517) 373-2577	rebekahwarren@house.mi.gov
Eileen Kowall	(866) 334-0010	eileenkowall@house.mi.gov
Pete Lund	(888) 642-4737	petelund@house.mi.gov
Kim Meltzer	(800) 209-3330	kimmeltzer@house.mi.gov

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## **Scorecard Becomes Public Relations Tool For Some Legislators**

In August, Ann Langford from the AAA 1-B traveled to Lansing to present a thank you letter to the 30 Senate and House members from Region 1-B who scored 100% on the 2009-2010 Senior Legislation Scorecard. Some of these legislators have since promoted their top scores in constituent newsletters and promotional pieces. One goal of the Scorecard is to hold legislators accountable for their votes, and the AAA 1-B is pleased that lawmakers who support senior issues receive recognition. The Scorecard is viewable at the agency website, [www.aaa1b.com](http://www.aaa1b.com), by clicking on Advocacy; or available by US mail. Call or e-mail Ann Langford at (248) 262-1282 or [alangford@aaa1b.com](mailto:alangford@aaa1b.com) to receive a paper copy of the Scorecard.



## Advocates Invited to Talk with Legislators

The November election promises to shake up Lansing as at least 63 state senate and representative seats will be filled by new members. Advocates will face a challenge as they work to communicate the needs and concerns of older adults and adults with disabilities to new lawmakers.

However, a number of legislators in Region 1-B are running for re-election. Please consider attending one of these coffee hours and urge lawmakers to make older adults and adults with disabilities a priority. The following legislators have sent their upcoming schedules to the AAA 1-B to share with advocates. If your representatives are not listed, contact their offices directly. Senators may be reached at (517) 373-2400 and Representatives at (517) 373-0135.

Legislator (district)	Upcoming Local Meetings
Sen. John Pappageorge (13)	Every last Saturday, 9 - 11 a.m., Troy Community Center, 3179 Livernois, Troy; Noon - 2 p.m., Baldwin Public Library, 300 W. Merrill Street, Birmingham; 3 - 5 p.m., Royal Oak Public Library, 222 E. 14 Mile Road, Royal Oak
Rep. Sarah Roberts (24)	Every 2 <sup>nd</sup> Monday, 8 - 9 a.m., Steve's Backroom, 24317 Jefferson, St. Clair Shores; Every last Friday, 8 - 9 a.m., Big Apple Bagel, 26250 Crocker, Harrison Twp.
Rep. Jon Switalski (25)	Oct. 25, 6:30 p.m., Beat Café, 29200 Hoover Road, Warren
Rep. Ellen Cogen Lipton (27)	Oct. 4, 9 a.m., Coffee Beanery, 28557 Woodward, Berkley
Rep. Vicki Barnett (37)	Oct. 9, 10 a.m., Family Buggy Restaurant, Farmington Hills
Rep. Chuck Moss (40)	Every 4 <sup>th</sup> Friday, 9 - 11 a.m., Leo's Coney Island, 6535 Telegraph Road, Bloomfield Township
Rep. Marty Knollenberg (41)	Tentative: Oct. 15, 8 a.m., Starbucks at 15 Mile and Crooks, Troy
Rep. Eileen Kowall (44)	Every 1 <sup>st</sup> Monday, 8 - 9 a.m., Leo's Coney Island, 6845 Highland Road, White Lake; Every 1 <sup>st</sup> Monday, Noon - 1 p.m., Pete's Coney II, 6160 Dixie Highway, Clarkston