



TESTIMONY OF CATHERINE EDWARDS, PhD - EXECUTIVE DIRECTOR  
MISSOURI ASSOCIATION OF AREA AGENCIES ON AGING  
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Mister Chairman, members of the Committee and guests - good morning.

My name is Catherine Edwards. I am the Executive Director of the Missouri Association of Area Agencies on Aging (ma4). Collectively, we represent the 10 Area Agencies on Aging and 225 (another decrease from last year) senior centers that exist throughout Missouri. On behalf of ma4 and the seniors across Missouri we represent, thank you for the opportunity to speak with you today.

We would like to thank Senator Wallingford for sponsoring this important legislation. And I would like to thank you, Mr. Chairman, for holding this hearing today.

SB192 addresses a crying need in Missouri. For seven years now I have appeared before the House and Senate Budget and Appropriations committees to advocate for increased funding for the Area Agencies on Aging, the aging network for Missouri originally authorized by the Older Americans Act of 1965. These requests have been to get the AAAs at least back to the funding levels of 2009. This has not happened and the program is eroding---shrinkage in number of senior centers, waiting lists for meals and other services, ability to serve only 10% of the seniors eligible. (Please see Funding Trend Chart and Impact Statement).

**As you all are aware since you are just now going through the budget process, there were NO increases recommended for aging services in last year's proposed budget--- and this year we are facing a \$200,000 restriction of current funding. On top of that the Governor's budget recommends a 3% cut in Medicaid provider reimbursement, which will impact the home delivered meals that we provide for Medicaid recipients. The Level of Care changes proposed in the Governor's budget will also impact eligibility for home and community based services. Adding to that, is the move in the Senate to eliminate the property tax credit for seniors who rent.**

**What this tells us is that we need a new solution. Missouri is simply not prepared and is not preparing for the future needs of seniors in this state.** So, we respectfully bring you a solution---the creation of a separate and dedicated funding stream for senior services.

SB 192 would dedicate a portion of the revenue generated by the premium tax on insurance to support AAA senior services. Historically this fund has been growing each year;

so in one respect we can argue we are asking for new money for the aging network. Half of this fund is currently dedicated to education for children. We are asking that 10% of the revenue collected be dedicated to services for Missouri's elders.

Of Missouri's seniors, approximately 30% live on the edge financially. They are not just the Medicaid population, but those for whom social security represents 90% of their income; those who due to the recessions and market upheavals have lost much of their retirement savings; those who have had catastrophic health events which wiped out most or all of their savings and those who have lived longer than they expected. Unlike other populations their options to turn this around are very limited to non-existent. They cannot turn back the clock. These are the Hidden Poor. (Please see the Hidden Poor Chart)

The Area Agencies on Aging (AAAs) provide critical and cost effective services to Missouri's seniors: such as meals, case management, respite care, information and assistance, in-home care, wellness programs, Medicare education, public benefits counseling, ombudsman services, adult day care, options counseling, transportation and more. In all, last year the AAA's provided 9.6 million units of service to Missouri's seniors,\* about 60% in-home and 40% in the community. Of the seniors we serve, over 2/3 are 75+, 60% live alone, 49% are low income 60% are in rural communities---in short, some of the most isolated and vulnerable.

These are cost effective services. The average cost nation-wide of home and community based care according to the National Association of States United for Aging and Disabilities (NASUAD) is \$18,000 to \$20,000. Compare that with the average annual cost to Medicaid for nursing home care at \$53,500.

The number of seniors in Missouri is increasing so that it will double during the next 25 years, while the number of informal caregivers is decreasing. In fact, Missouri's population of age 45-64 caregivers is expected to drop 45% from 2010 to 2030.

Moreover, the cost of the program is increasing while at the same time the network has suffered losses of critical supplemental support in the form of grants. In short, the trends that should go up are going down, and vice versa. At what point do we reach the tipping point, that point when programs lose viability?

**We ask for your support for SB 192 to establish the Senior Services Growth and Development Program.**

**Thank you.**

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\*The unit depends on the service. Examples:

For meals, it is a meal served or delivered.

For transportation, it is a one way ride.

For I & A, it is a contact with information and follow up provided.

Case management is one hour of service.