# SENIOR INDEPENDENCE ACT OF 2006

## HEARING

BEFORE THE

SUBCOMMITTEE ON SELECT EDUCATION

OF THE

COMMITTEE ON EDUCATION
AND THE WORKFORCE
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

May 2, 2006

**Serial No. 109–38**

Printed for the use of the Committee on Education and the Workforce

Available via the World Wide Web: http://www.access.gpo.gov/congress/house
or
Committee address: http://edworkforce.house.gov

U.S. GOVERNMENT PRINTING OFFICE

27–982 PDF WASHINGTON : 2006

For sale by the Superintendent of Documents, U.S. Government Printing Office
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# C O N T E N T S

# SENIOR INDEPENDENCE ACT OF 2006

**Tuesday, May 2, 2006**
**U.S. House of Representatives**
**Subcommittee on Select Education**
**Committee on Education and the Workforce**
**Washington, DC**

The subcommittee met, pursuant to call, at 2:35 p.m., in room 2175, Rayburn House Office Building, Hon. Patrick Tiberi [chairman of the subcommittee] presiding.

Present: Representatives Tiberi, Porter, Inglis, McKeon (ex officio), Hinojosa, and Van Hollen.

Staff Present: James Bergeron, Counselor to the Chairman; Jessica Gross, Press Assistant; Richard Hoar, Professional Staff Member; Lucy House, Legislative Assistant; Kimberly Ketchel, Deputy Press Secretary; Stephanie Milburn, Professional Staff Member; Susan Ross, Director of Education and Human Resources Policy; Deborah L. Emerson Samantar, Committee Clerk/Intern Coordinator; and Rich Stombres, Deputy Director of Education and Human Resources Policy; Toyin Alli, Minority Staff Assistant; Ricardo Martinez, Minority Legislative Associate; Cheryl Johnson, Minority Counsel; Michele Varnhagen, Minority Labor Counsel/Coordinator; and Denise Forte, Minority Legislative Associate.

Chairman TIBERI. A quorum being present, the Subcommittee on Select Education of the Committee on Education and the Workforce will come to order.

We are meeting today to hear testimony on the Senior Independence Act of 2006, and I ask for unanimous consent for the hearing record to remain open 14 days to allow member statements and other extraneous material referenced during the hearing today to be submitted in the official hearing record. Without objection, so ordered.

[The information referred to follows:]

**Prepared Statement of Hon. Jon C. Porter, a Representative in Congress From the State of Nevada**

Mr. Chairman, I thank you for holding this hearing today on the Senior Independence Act of 2006.

I look forward to the following testimony as it should help us identify strategies for improving systems serving the rapidly growing aging population.

This is an area of particular concern for me as I represent the 3rd district of Nevada which has seen a population growth which is 400 times that of the national average. Since 2000 my district has seen a 16.8% population increase, many of those persons being over the age of 65. During this same time period the rest of the United States witnessed 4.3% growth.

American's are living longer, healthier lives by 2030, it is projected that one out of every five Americans will be over the age of 65 representing the fastest growing segment of our older population. Today individuals age 85 and older represent 4 million people and are expected to grow to 19 million by 2050. In Nevada alone, there will be more than 34,000 seniors over the age of 85 by the year 2030.

In addition, I am interested in identifying ways in which the Older Americans Act is improving the lives of seniors, and ways in which seniors' quality of life may be further enhanced.

I thank the witnesses for their testimony today, and I look forward to hearing their expert opinions of the successes and shortcomings of this valuable program. I yield back.

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Chairman TIBERI. Good afternoon and welcome to today's hearing. Thank you all for being here today and to our witnesses, especially for agreeing to testify. Today's hearing is intended to seek comment on the Senior Independence Act of 2006, draft legislation to reauthorize the Older Americans Act. The month of May, as most of you in the audience I am sure know, is Older Americans Month. So it is most timely for the committee to consider legislation to reauthorize this very important piece of legislation.

I have prepared a formal opening statement that I will ask to be submitted into the record. I and other members of the committee on both sides of the aisle take seriously the recommendations derived from the White House Conference on Aging this past December, especially the delegates' No. 1 resolution to reauthorize the Older Americans Act.

I am pleased that we have made available to the public a draft bill for discussion today. I want to emphasize that the legislation that is the topic of today's hearing is a discussion draft.

This open approach demonstrates our desire to work cooperatively with interested parties as the bill moves forward during the legislative process. This approach also allows us to obtain feedback and consider additional suggestions that we may introduce, an agreeable bipartisan bill later this week, and set the pace for, I will say, a speedy approval process through this subcommittee and full committee. We really do want to get this act reauthorized this year.

It is a great pleasure to have Mr. Hinojosa, my colleague from Texas, as a partner in this process. We have worked together well in the past, and I know we will well in the future as well.

The Senior Independence Act of 2006 builds on the successes of the programs authorized under the Older Americans Act by strengthening services that can improve the quality of life for aging Americans. Our aging population, involving status and changing needs, require that Congress carefully and thoughtfully proceed with the reauthorization of the Older Americans Act. The Education and Workforce Committee will strive to make the necessary reforms to make the most of the Federal investment in programs to assist older Americans, while ensuring that the growing senior population is served by the same quality of programs established in the 1965 law. I look forward to working with all of you throughout this process.

Today we are honored to have with us a talented panel of experts to help us examine the issues for this hearing. I look forward to hearing your recommendations on the draft bill and actions for this subcommittee's consideration.

Before I introduce our first panel of witnesses, I will recognize my colleague from Texas, Mr. Hinojosa, for his opening statement.

[The prepared statement of Mr. Tiberi follows:]

**Prepared Statement of Hon. Patrick Tiberi, Chairman, Subcommittee on Select Education, Committee on Education and the Workforce**

Good afternoon and welcome. Thank you all for being here today, and to our witnesses for agreeing to testify. Today's hearing is intended to seek comment on the Senior Independence Act of 2006, draft legislation to reauthorize the Older Americans Act. The month of May is Older Americans Month, so it the most timely for the Committee to consider legislation to reauthorize this very important law.

I, and the other members of the Committee on both sides of the aisle, take seriously the recommendations derived from the White House Conference on Aging this past December, especially the delegates' number one resolution to reauthorize the Older American Act.

I am very pleased that we have made available to the public a draft bill for discussion today. I want to emphasize that the legislation that is the topic of today's hearing is a discussion draft. This open approach demonstrates our desire to work cooperatively with interested parties as the bill moves forward in the legislative process. This approach also allows us to obtain feedback and consider additional suggestions so that we may introduce an agreeable, bipartisan bill later this week and set the pace for speedy action.

Over the past several months, this Subcommittee has been examining the current program, learning about the evolving issues facing older Americans, listening to seniors in their own words, and laying out a plan for strengthening services to seniors that are authorized by this Act and relied upon by millions of aging Americans each year. It is a great pleasure to have Mr. Hinojosa as a partner in this process. I am also pleased that each of you, and many advocates for older Americans nationwide, is contributing to our effort.

The Senior Independence Act builds on the successes of the programs authorized under the Older Americans Act by strengthening services that can improve the quality of life for aging Americans. With this reauthorization, we aim to promote the development and implementation of comprehensive, coordinated systems at the Federal, State, and local levels to streamline access to program benefits and help individuals avoid institutional care; we advance the mission of evidence-based programs to assist older individuals and their family caregivers in learning about and making behavioral changes intended to reduce the risk of injury, disease, and disability among seniors; and we support and strengthen endeavors by the aging services network to expand services to care for the aging baby boom populations by allowing for private pay opportunities while maintaining important safeguards to ensure that local providers adhere to the public purpose mission and targeting provisions of the Act. Among other things, this draft bill encourages providers to deliver services in a manner responsive to the needs and preferences of older individuals and their family caregivers, including improved program access to individuals with limited English proficiency; it recognizes the critical link between nutrition and the prevention of chronic disease, and supports efforts to reduce the incidence of obesity, which is a growing problem among all segments of the population, including the elderly.

The Senior Independence Act also strengthens the Community Service Employment-Based Training Program for older Americans. The draft legislation maintains the current program structure, while promoting coordination with programs and services authorized under the Workforce Investment Act of 1998, and encouraging private sector partnerships; it allows for greater flexibility with funds for additional supportive services such as on-the-job training, and ensures accountability of pay for work and benefits required by law; it focuses the priority of service to persons 65 and older while allowing persons age 55-64 with special barriers to employment to continue to be served; it also requires a 10 percent increase in unsubsidized employment placement with technical assistance made available to meet the goal, and a two year participation limit for most participants so that more individuals can be served by the program.

Our aging population's evolving status and changing needs require that Congress carefully and thoughtfully proceed with the reauthorization of the Older Americans Act. The Education & the Workforce Committee will strive to make the necessary reforms to make the most of the federal investment in programs to assist older Americans, while ensuring that the growing senior population is served by the same

quality programs established by the 1965 law. I look forward to working with all of you throughout the process.

Today we are honored to have with us a talented panel of experts to help us examine the issues for this hearing. I look forward to hearing your recommendations on the draft bill and actions for this Subcommittee's consideration. Before I introduce our witnesses, I yield to the Ranking Member of the Subcommittee, Mr. Hinojosa, for his opening statement.

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Mr. HINOJOSA. Thank you, Chairman Tiberi.

I would like to join the Chairman in welcoming the witnesses today. I was pleased to hear him say that something very unusual is what we are trying to do, and that is to have a speedy passage of this act. But knowing the Chairman and how persuasive he can be with members of the other side of the aisle, I will do the same on my side and try to make this happen as he wishes.

The Older Americans Act is the cornerstone of our national network of support for older Americans. It represents our country at its very best.

We believe that all individuals, no matter how old, should be able to live their full lives with dignity. The Older Americans Act has built the aging network that makes that possible. The voices of the aging network have come through loud and clear: Reauthorize the Older Americans Act. We are working together to do that. I would like to thank the Chairman for the openness of this process.

I share the goals of producing a consensus bill that will enable this legislation to serve a new and larger generation of older Americans. It is up to us to build the capacity of our aging network to meet the demands of the future. We have just learned that the outlook for the solvency of Social Security and Medicare has been downgraded again.

Medicare is projected to be insolvent by year 2018. The projection for Social Security is 2040. The aging network supported by the Older Americans Act faces similar challenges. In our field hearing in the Chairman's district in Ohio, we learned that the buying power of the Older Americans Act has dropped by 50 percent since 1980. In constant dollars, in 1980 we were investing $15.82 per older American. Today that figure has dropped to $7.90. We cannot allow the aging network that has been so successful in improving the quality of life for our seniors to become frayed beyond repair because of lack of financial resources.

I am looking forward to hearing the witnesses' response to the draft legislation that was released. I think that it was a good start. However, it is essential that we get feedback about how the proposed changes will work in concert. One area of particular concern to me is the senior community employment program. The aging network has been steadfast in its support for the dual community service and employment nature of the program. We need to maintain that.

However, many of the changes advocated by the Department of Labor would move us away from the dual purpose and 40-year history of that program. Legislative changes, coupled with regulatory changes to eligibility, could put that program out of reach of many seniors who need it, and have the combined effect of making it very difficult for grantees to meet performance targets.

We must be sure that any changes that we make to the Senior Community Service Employment program do not undermine a successful program that has served this community and our seniors so well for over 40 years.

Mr. Chairman, I want to say thank you to everyone who is here today. This is important work, and I am looking forward to working with Chairman Tiberi to move this process forward speedily, as he said, and continue the great legacy of bipartisan support for the Older Americans Act.

Thank you, and I yield back.

Chairman TIBERI. Thank you, Mr. Hinojosa.

[The prepared statement of Mr. Hinojosa follows:]

**Prepared Statement of Hon. Rubén Hinojosa, Ranking Minority Member, Subcommittee on Select Education, Committee on Education and the Workforce**

Thank you, Chairman Tiberi. I would like to join the chairman in welcoming the witnesses today.

The Older Americans Act is the cornerstone of our national network of support for older Americans. It represents our country at its best. We believe that all individuals—no matter how old—should be able to live their full lives with dignity. The Older Americans Act has built the aging network that makes that possible.

The voices of the aging network have come through loud and clear. Reauthorize the Older Americans Act. We are working together to do that.

I would like to thank the Chairman for the openness of this process. I share his goal of producing a consensus bill that will enable this legislation to serve a new and larger generation of Older Americans.

It is up to us to build the capacity of our aging network to meet the demands of the future. We have just learned that the outlook for the solvency of Social Security and Medicare has been downgraded again. Medicare is projected to be insolvent by 2018. The projection for Social Security is 2040. The aging network supported by the Older Americans Act faces similar challenges. At our field hearing in the Chairman's district, we learned that the buying power of the Older Americans Act has dropped by 50 percent since 1980. In constant dollars, in 1980, we were investing $15.82 per older American. Today, that figure is $7.90. We cannot allow the aging network that has been so successful in improving the quality of life for our seniors to become frayed beyond repair because of lack of resources.

I am looking forward to hearing the witnesses' response to the draft legislation that was released. I think that it was a good start. However, it is essential that we get feedback about how the proposed changes will work in concert.

One area of particular concern is the Senior Community Employment Program. The aging network has been steadfast in its support for the dual—community service and employment—nature of the program. We need to maintain that.

However, many of the changes advocated by the Department of Labor would move us away from the dual purpose and 40-year history of the program. Legislative changes coupled with regulatory changes to eligibility could put the program out of reach of many seniors who need it and have the combined effect of making it very difficult for grantees to meet performance targets. We must be sure that any changes that we make to the Senior Community Employment Program do not undermine a successful program that has served the community and our seniors so well for over 40 years.

Thank you for joining us today. This is important work. I am looking forward to working with the chairman to move the process forward and continue the great legacy of bipartisan support for the Older Americans Act.

Thank you and I yield back.

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Chairman TIBERI. We are very pleased to have two expert witnesses before us on our first panel. I will introduce them now.

The Honorable Josefina Carbonell was appointed by the President and sworn in as Assistant Secretary for Aging at the U.S. Department of Health and Human Services in August of 2001. In this position, the Assistant Secretary presides over the Administration

on Aging which is the Federal focal point, an advocacy agency, for older Americans and their concerns. Through the aging network, AOA reaches into every community providing services and support such as information and referral for adult services, adult day care, elder abuse prevention, home-delivered meals, in-home care and transportation services for caregivers.

Prior to joining HHS, Ms. Carbonell was president and CEO of the largest geriatric health and human services organization in the country, Little Havana Activities and Nutrition Centers in Dade County, Florida. Welcome.

Our second witness, the Honorable Mason Bishop, is Deputy Assistant Secretary of the Employment and Training Administration of the Department of Labor. In his position, Mr. Bishop is responsible for overseeing key workforce investment, developing and implementing workforce policies and priorities, and assisting with congressional relations and legislative issues.

The Employment and Training Administration implements Senior Community Services, an employment program authored by the Older Americans Act. Prior to coming to the Department of Labor, Mr. Bishop was the legislative and marketing director for the National Association of State Workforce Agencies where he assisted the States with outreach efforts to employers and to the public.

He also served as the Public Affairs Director for the newly created Utah Department of Workforce Services, a combined agency that integrated the services delivery of all public assistance programs, employment services, and job training programs into one department.

Thank you, Mr. Bishop, for coming.

I will remind our witnesses that your written testimony will be submitted for the record, for the entire committee and for the public. If you could give a 5-minute overview, followed by questions and answers from the subcommittee.

The lights will turn on. Green means go, red means stop, or at least wrap up as quickly as you can.

We are also privileged to have today with us the Chairman of the full committee, a good friend of mine, who hails from California. We won't hold that against him today, but I just want to recognize Chairman McKeon at the end. Thank you, Chairman, for coming today.

With this, Assistant Director, we are going to start with—actually, why don't we start with the Assistant Secretary and then we will move on to the Assistant Director.

Ms. Carbonell.

**STATEMENT OF JOSEFINA CARBONELL, ASSISTANT SECRETARY FOR AGING, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Ms. CARBONELL. Thank you, Mr. Chairman. Chairman Tiberi, Congressman Hinojosa, distinguished members of the committee, thank you for inviting me here today to discuss the reauthorization of the Older Americans Act. I appreciate very much your efforts to develop a bipartisan reauthorization bill, and I am pleased with the direction you have taken to modernize the act for the 21st century.

I look forward to continuing to work with you on this important piece of legislation.

This act embodies our Nation's known lest aspirations to ensure the dignity and independence of our older citizens and to support their overwhelming desire to live in their own homes and communities for as long as possible.

For more than 40 years, it has guided the development of the national aging services network that today reaches into every community in the nation, and each year provides direct support to 8 million seniors or 17 percent of older individuals, and over 600,000 family caregivers.

Our successful implementation of the 2003 reauthorization focused on the new caregiver program and on bringing vision, strategic planning and performance accountability to the day-to-day management of the Older Americans Act programs. We are improving our efficiency every year and we are maintaining high consumer satisfaction.

Over the past few years, the Administration on Aging has devoted resources toward the pursuit of program efficiency and long-term care, enhancing our core programs and improving the well-being of elderly clients through the science of prevention. We have also repeatedly listened to our consumers and to those who serve them, and they have called for the modernization of the Older Americans Act; also called for the increased program flexibility and the integration of long-term care programs and funding streams to create a more seamless system of community-based long-term care.

These combined strategic efforts have resulted in the Choices for Independence, which is the centerpiece of our proposals for this reauthorization. It aims to educate and provide more accessible community-based long-term care options to the elderly. It targets the nonMedicaid elderly to take greater control of their long-term care. It will help them make better use of their own personal resources, thereby avoiding unnecessary nursing home placement.

Choices will also empower middle-aged individuals to plan ahead for their long-term care. Our Choices proposal embodies three key strategies for advancing systems change: empowering consumers to make informed decisions by streamlining access to needed care; helping those at high risk avoid unnecessary nursing home placement; and assisting older people reduce the risk of disease and disability through proven lifestyle and behavioral changes.

The empowerment component of Choices builds on two complementary initiatives: outreach campaigns which educate younger adults about long-term care planning; and the aging and disability resource centers which help States and communities integrate and streamline access to community-based long-term care.

Our goal is to have the aging and disability resource centers serve as a visible and trusted source where people of any age or income can turn to get information and personalized assistance on community care. By streamlining access, we cans also reduce the confusion and frustration people encounter with the current fragmented systems of care. Our partnership with the Centers for Medicare and Medicaid Services on the tested ADRC, or the aging and distance resource grants, is providing the flexibility and the results for States.

Ohio, for instance, is using the ADRC to create multiple avenues by which consumers can access comprehensive information and services, including housing, transportation. And employment. South Carolina, you will hear later from Lieutenant Governor Bauer, is using the ADRC model to develop a "no wrong door" approach where consumers can access an integrated array of home and community-based supports.

Choices will provide States and communities greater flexibility to help individuals who are at high risk of institutional placement but not yet eligible for Medicaid to remain at home and delay their premature entry into nursing homes.

The community-living incentive component of Choices will help people before they go into nursing homes and it implements CMS' Money Follows the Person Initiative that has targeted people who are already in nursing homes. With this incentive, program dollars will be tied directly to consumers and their unique functional needs and circumstances and help them stay at home.

This cash and counseling approach will give clients control over individualized budgets and specialized counseling to manage the types and services of support they need and the manner in which they are provided, including the option of hiring a member of their family, a friend, or a neighbor.

Choices will also test strategies that empower older individuals to make lifestyle changes to reduce the risk of disease, disability, and injury, which really can be mitigated, even for people who are very old, through lifestyle changes and disease management programs.

In acute care we have learned the importance of prevention. And prevention should be equally important in long-term care. The reauthorization of the Older Americans Act provides a unique and timely vehicle to accelerate the changes needed in long-term care policy to help our Nation fully prepare for the aging of the baby boom and the emergence of long-term living as a common experience of life.

Many States have already looked to their aging network to lead the development of their long-term care systems. The network is one of the largest providers of home community-based care and manages between $3- and $4 billion a year in public and private resources.

The aging services network is well positioned to help ensure the modernization of long-term care in this country. I have tremendous respect and confidence in this network. The administration supports your efforts to reauthorize the act, and I again commend the committee for producing the bipartisan draft legislation that will further strengthen programs and services for older Americans and their caregivers.

I am particularly pleased that the draft legislation promotes home and community-based supports for older people, avoiding expensive institutional care so they may age in place, which is, after all, what people want.

While the draft does not include the administration's proposed demonstration program by incorporating the principles of choices, the Choices proposal, it will advance the ongoing efforts to streamline access to information benefits, help promote the health and re-

duce the risk of disease, disability, and injury and, most importantly, empower older people to make informed decisions about their care options.

The committee's draft legislation, the Senior Independence Act, reflects the changing needs of the Older Americans Act service delivery system and the people that it serves.

As you move forward in your deliberations, we will work with you to modernize and strengthen our Nation's home and community-based long-term care system. I am proud to have served in this network for more than 34 of the 41 years in existence, and I truly believe, with the support of Congress, that this reauthorization will give consumers the choices they need to lead more healthy and productive lives.

Thank you, Mr. Chairman, for the opportunity to speak to you today about the reauthorization of the act. I would be pleased to answer some questions later on.

Chairman TIBERI. Thank you.

[The prepared statement of Ms. Carbonell follows:]

**Prepared Statement of Josefina Carbonell, Assistant Secretary for Aging, U.S. Department of Health and Human Services**

*Introduction*

Chairman Tiberi, Congressman Hinojosa, distinguished members of the Committee, thank you for inviting me here today to discuss the reauthorization of the Older Americans Act (OAA). I appreciate all of your efforts to develop a bi-partisan reauthorization bill for the Older Americans Act. I am pleased with the direction you have taken to modernize the OAA for the 21st century. I look forward to continuing to work with you on this important piece of legislation.

The OAA embodies our nation's noblest aspirations for ensuring the dignity and independence of our older citizens by promoting older people's full participation in society, and supporting their overwhelming desire to remain living in their own homes and communities for as long as possible.

Last July we celebrated the fortieth anniversary of the OAA. For four decades, the OAA has guided the development of the national aging services network (aging services network) that today consists of the Administration on Aging, 56 State Agencies on Aging, 655 Area Agencies on Aging, almost 237 tribal organizations, 29,000 community-based provider organizations, over 500,000 volunteers, and a wide variety of national and local non-profit organizations. This network reaches into every community in this nation, and each year provides direct support to 8,000,000 older individuals and 600,000 family caregivers.

The OAA and the aging services network accomplished a lot in forty years. It produced a wide array of innovative programs to help older Americans retain their independence in the community. It brought Federal support to meals-on-wheels, making it one of the most significant and worthwhile volunteer ventures in the history of this nation. It brought consistency and quality to senior center programs across the country, providing seniors an opportunity to socialize with each other, to improve their nutritional status with healthy meals, and to see other aspects of their health status addressed through health screening, medication management, and physical activity programs. More recently, through the National Family Caregiver Support Program (NFCSP), the OAA brought recognition and support to family caregivers, who to this day account for some two-thirds of all of the long-term care provided to elderly and disabled people across the U.S.

As we move ahead to reauthorize the OAA we can look back with pride on our accomplishments, but that is not enough. We must look forward to the changing realities facing our nation. In January, the baby boom generation started turning age 60, and over the next 25 years, the number of Americans over the age of 65 will double. By 2050, when the baby boomers will be age 85 and older, there will be over 86 million people age 65+ living in the United States, compared to 35 million today.

Not only is the number of older Americans increasing at unprecedented rates, but those reaching age 65 are living longer than ever before. This increase in age will dramatically expand the demand for long-term care. Long-term care is what people need to accommodate their inability to perform basic activities of daily living, such

as bathing, cooking, and cleaning the house. Among those over the age of 85, the proportion of people who are impaired and require long-term care is about 55 percent. While the precise number of people who will need long-term care in the future could be affected by numerous variables, including possible declines in rates of impairment, the expected increase in the number of seniors is so great that most experts agree that there will be far more people in need of home and community-based long-term care in the future than there are today.

These unprecedented shifts in the size and composition of our population are creating both challenges and opportunities for our society, our families and our individual citizens. Since the last reauthorization, AoA and the Department of Health and Human Services (HHS) have recognized this reality and laid the groundwork for the current reauthorization of the OAA.

*Older Americans Act Accomplishments Since Reauthorization in 2000*

*Strategic Planning*

The successful implementation of the provisions of reauthorization of 2000 focused closely on the implementation of the caregiver program and brought vision, strategic planning, and performance accountability to the day-to-day management of the program. With new information about the capacity of AoA and the aging network to assist frail elderly people with long-term care services, AoA steered our discretionary innovation resources toward the pursuit of program efficiency in long-term care, enhancing core programs, and toward improving the well-being of elderly clients through the science of prevention. AoA did this in partnership with the other Federal agencies, the private sector and our nationwide network.

In this strategic planning process, AoA repeatedly and formally listened to our consumers and to those who serve them to ensure that we can move OAA programs forward in a way that will efficiently serve elders, including the baby boom generation for years to come. Many called for flexibility in implementing the OAA. Nearly half of the comments were ideas for future amendments to the OAA. These also focused on flexibility, particularly with regard to allowing greater integration of long-term care programs and funding streams to create a more seamless program of services for elderly people and caregivers.

These efforts yielded a focused set of strategies to modernize the OAA to better serve the current and emerging needs of this country for efficient and cost-effective home and community-based long-term care. These strategies are designed to strengthen the OAA capacity to promote the dignity and independence of older people, and they build on the OAA unique mission and capabilities. They include: 1) empowering people to make informed decisions about their health and long-term care options, and making it easier for consumers to access the care they need; 2) helping older people who are at high-risk of nursing home placement to remain at home; and 3) empowering seniors to stay active and healthy. AoA program activities have a fundamental common purpose reflecting the primary legislative intent of the OAA: to promote the development of a comprehensive and coordinated system of support at the Federal, State and local level making community-based services available to elders, especially those who are at risk of losing their independence; to help prevent disease and disability through community-based activities; and to support the efforts of family caregivers who are struggling to keep their loved ones at home.

*Performance Accountability*

OAA services are delivered through efficient, high-quality, compassionate programs that help maintain independence for older people. The core OAA home and community-based long-term care services such as in-home services, congregate and home delivered meals, transportation, information and referral, outreach, and caregiver services have made living at home a real choice for many older adults. This nationwide infrastructure provides these services across the United States, U.S. Territories and the Tribes to more than 8 million elderly persons age 60 and over each year—which is 17 percent of all people aged 60 and older—including 3 million individuals who require intensive services, many of whom meet the functional requirements for nursing home care. These services improve quality of life, create community connections, make people safer and healthier, and are the foundation of this nation's long-term care system.

A comprehensive set of performance measures consistently indicates that OAA services make a positive difference in the lives of older adults. The results of these performance measures show that OAA programs serve those most in need, including people who are poor, who live in rural areas, and who historically were disadvantaged. The results also show OAA programs are cost-effective and maintain high consumer satisfaction. For example, AoA and the aging network increased the num-

ber of clients served per million dollars of AoA funding by 15 percent in the last two years. AoA achieved a 16 percent increase in complaint resolutions per million dollars of ombudsman funds. AoA maintained client satisfaction rates for home-delivered meals in the mid-80 to low-90 percentiles, and equally high percentages of elderly people report each year that the meals programs help them remain independent in their own homes.

The need and expectation for successful performance was also a critical factor for AoA with the implementation of the National Family Caregiver Support Program (NFCSP). Providing service to caregivers is critical because we recognize that they are the backbone of long-term care in this country. Sixty-four percent of people with Medicare who receive personal care support receive that care only from informal or family caregivers. Fewer than 10 percent of people with Medicare who receive personal care receive that care only from professionals. Fortunately, the implementation of the NFCSP provides a fine example of the results that are being produced by the aging network to help elderly people maintain their independence. Because of State and local efforts, we now serve approximately 600,000 caregivers each year. This occurred in large part because of very successful outreach campaigns by State and local programs that provided information about caregiving to over 12 million people in the last two years alone.

AoA includes family caregivers in annual performance outcome measures surveys. The surveys show that over 85 percent of caregivers reported that AoA services help them care longer for family and friends. Improvements in information and access surveys reduced to below 50 percent the number of caregivers reporting difficulty in getting the information they need. A number of States have developed programs to make it easier for consumers and their family caregivers to learn about the options that are available in their communities, and to assess the care they need. We have built on these best practices to develop our Aging and Disability Resource Center initiative, which fosters one-stop shops for information and access to community-based long-term care discussed later in the testimony.

One of the most significant accomplishments of the OAA is the emergence of a community-based, cost-effective, nationwide network that is now one of the largest providers of home and community-based long-term care for the elderly in the U.S. In addition to administering OAA investments in long-term care and related State and community-funded programs, this network also administers and manages over 60 percent of the funding made available under Medicaid home and community-based waiver programs for the elderly and disabled. Many States used their OAA program as the foundation for their home and community-based long-term care systems.

*Emerging Solutions*

Just as the OAA was the solution for so many significant policy challenges affecting frail elderly people in the past, the OAA may be a vehicle for addressing emerging long-term care challenges that we now face as a result of our rapidly growing older population. Building on policies that the President and the Secretary of HHS have already instituted, the OAA has the potential to increase the quality of life for our seniors and also make our system of care more cost-efficient.

President Bush's vision for the future of long-term care is outlined in his 2001 New Freedom Initiative (NFI). This Initiative aims to create a system of care that is responsive to the needs and preferences of Americans of all ages with disabilities, and the values of choice, control and independence. Since 2001, HHS and Congress provided the States and communities with a variety of new tools to help them advance the goals and values embedded in the NFI. These tools included: the Real Choice Systems Change grants, new Medicaid waiver options, implementation of the NFCSP, replication of the successful Cash and Counseling model, the Aging and Disability Resource Center (ADRC) Initiative, and the Own Your Future Campaign.

Most recently, HHS and the Congress took significant steps forward to modernize Medicaid long-term care working with the nation's governors and the Congress. Major Medicaid changes contained in the recent Deficit Reduction Act, such as Money Follows the Person, empowers consumers and gives more support to community-living options. Congress recognized through the expansion of the Long-Term Care Partnership program and other changes that our long-term care policy strategies must go beyond the parameters of the Medicaid program. This is especially important for our nation's older population.

The Choices for Independence demonstration (Choices) aims to educate and provide community-based long-term care options to the elderly. Specifically, the demonstration targets non-Medicaid eligible elderly take greater control of their long-term care by helping them make better use of their personal resources, thereby

avoiding unnecessary nursing home placement. Choices also will empower middle-aged individuals to plan ahead for their long-term care.

The Choices demonstration will test ways to help States and communities be more consumer-directed, more supportive of community living, and more cost-effective. Choices builds on recent HHS initiatives and the unique assets inherent in the OAA, including the ability to reach people while they are still healthy.

This demonstration funds implementation of Choices in a limited number of States and is intended to test and document the potential impact of Choices on the health and well-being of older people, their family caregivers, and on health care costs under Medicaid and Medicare. I was pleased to see that many of the Administration's concepts as well as our clarifying technical amendments are embedded in the Committee's proposed legislation.

As noted previously, Choices embodies three interrelated strategies for advancing systems change at the State and community level and is intended to test the effectiveness of this combined set of strategies. The demonstration builds on the unique assets of the aging network, its core programs and the best practices that have come from AoA's strategic investments since the last reauthorization. These strategies include: empowering consumers to make informed decisions, including streamlining access to needed care; helping high-risk individuals avoid unnecessary nursing home placement; and, assisting older people with lifestyle and behavioral changes proven to reduce their risk of disease and disability.

*Empowering Consumers*

The Empowerment component of Choices will build upon two complementary initiatives launched by the AoA in partnership with CMS and other HHS agencies to help people to make informed decisions about their support options, and easily access the supports they need.

One initiative, the Own Your Future Campaign, launched this past year, encourages more people to plan ahead for their long-term care. The project is a joint effort of the AoA, the Assistant Secretary for Planning and Evaluation (ASPE), the CMS, the National Governors Association, and the National Conference of State Legislatures. It was piloted in five States (Arkansas, Idaho, Nevada, New Jersey, and Virginia), and is currently being expanded to three additional States (Kansas, Maryland, and Rhode Island). The Campaign involves a variety of outreach activities, including the targeted mailing of a letter from the governor of each State to every household headed by an individual between the ages of 50 and 70. To date, almost eight percent of the individuals receiving letters requested a free Long-Term Care Planning Kit made available by HHS. This response rate is significantly higher than comparable private sector direct mail campaigns which might see responses of 0.5-2.0 percent.

The concepts of the Own Your Future Campaign were incorporated into the Choices demonstration because studies show that many people do not think about their future long-term care needs and therefore fail to plan appropriately. If individuals and families are more aware of their potential need for long-term care, they are more likely to take steps to prepare for the future. From a public policy perspective, increased planning for long-term care is likely to increase people's ability to remain at home with better use of their own resources, and may also reduce pressures on public programs.

The second initiative, the Aging and Disability Resource Center program, was launched in 2003 by the AoA and CMS, to help people plan ahead for their long-term care, and address the immediate problems consumers face when they try to learn about and access needed care. This program builds on the strength and experience of the extensive aging network by providing competitive grants to States to assist them in developing and implementing coordinated access to information, individualized advice to consumers on their options, and streamlined eligibility determination for publicly supported programs, including OAA, State revenue programs and Medicaid long-term care services. The goal is to have ADRCs serving as "visible and trusted" sources where people of any age or income can turn to get information and personalized assistance on options that are available in their community. By streamlining access to publicly supported care options, ADRCs also reduce the confusion and frustration people encounter when they try to access the various programs with different, and often duplicative, eligibility forms, requirements, and procedures.

To date, AoA and CMS have provided close to $40 million to fund ADRC projects in 43 States. In the first 24 funded States, 66 pilot sites opened and now provide specialized information and assistance to the elderly and people with disabilities. All of the pilot sites are now implementing activities that streamline access to publicly funded long-term care. These activities include: the use of uniform assessment and

eligibility determination processes; using integrated management information systems; developing websites to streamline access to information and eligibility determination; developing electronic applications for Medicaid eligibility; co-location of aging services and Medicaid eligibility staff; and outreach to hospitals and nursing homes to divert or transition consumers from institutional placement.

Under this joint initiative, AoA and CMS are giving States considerable flexibility in how to best implement their ADRC programs. For example, Ohio is using the ADRC to create multiple avenues by which consumers and their caregivers can access the ADRC network, via internet, phone or in-person. These new consumers and their caregivers will experience a seamless process in accessing information and services, including long-term care and related services such as housing, transportation, and employment. The South Carolina ADRC efforts are being spearheaded by the Lt. Governor's Office on Aging which is piloting an ADRC in two counties, Aiken and Barnwell. One of the most exciting efforts underway in the South Carolina project is the launching of Medicaid eligibility e-forms and the co-location of Medicaid staff at the local level. As a result of the successful development of an electronic application for Medicaid, the State is now considering developing e-forms for other applications. South Carolina is also using the ADRC model to develop a "No Wrong Door" approach where consumers can access an integrated array of home and community-based supports accessible by telephone, internet and personal appointments.

*Targeting High-Risk Individuals*

Choices will test ways to provide States and communities greater flexibility under the OAA to help individuals who are at high risk of institutional placement but not eligible for Medicaid to remain at home and delay their premature entry into nursing homes. The Community-Living Incentive (CLI) component of Choices is similar to "Money Follows the Person"—with the difference being that CLI will help people before they go into nursing homes, while the recently enacted "Money Follows the Person" initiative is targeted at people who are already in nursing facilities.

Currently, OAA dollars are allocated to specific service categories. Under the CLI, program dollars will be tied directly to consumers and their unique functional needs and circumstances. This way, States and communities will have the flexibility to provide the necessary assistance to help a senior stay at home. CLI will incorporate the Cash and Counseling approach into the OAA.

The Cash and Counseling model has been tested through a controlled experiment conducted over several years in New Jersey, Arkansas and Florida with funding from the HHS Assistant Secretary for Planning and Evaluation and the Robert Wood Johnson Foundation. This model gives clients control over individualized budgets to manage the types of services and supports they received and the manner in which they were provided. This included the option of hiring a member of their family, a friend or a neighbor. The results showed three major positive outcomes when compared to those achieved under the traditional model of care: enhanced consumer satisfaction; improved quality of care; and an absence of fraud and abuse. HHS made it a policy to encourage States to use the Cash and Counseling option under their Medicaid home and community-based care programs, and now want to do the same with the OAA program.

*Prevention into Long-Term Care*

Choices will also test strategies that best empower older individuals to make life-style changes to reduce their risk of disease, disability and injury. Most long-term care needs emerge from chronic diseases and other conditions, such as arthritis, diabetes, heart or lung disease, stroke and dementia, as well as from injuries suffered as a result of a fall or other accident. These conditions and their effects can be mitigated, even for people who are very old, through life-style changes and disease management programs. In acute care we have learned the importance of prevention. Prevention is equally important in the long-term care system.

There is a growing body of scientific research from the National Institutes of Health, the Centers for Disease Control and Prevention, and the Agency for Healthcare Research and Quality and others, documenting the effectiveness of evidence-based programs in reducing the risk of disease, disability and injury among the elderly. To reinforce the utility of the aging services network as a vehicle for making these evidence-based programs more widely available at the community level, the AoA launched an Evidence-Based Prevention Program in 2003 in partnership with NIA, CDC, AHRQ, CMS and the John A. Hartford, Robert Wood Johnson, and several smaller foundations. AoA funded more than a dozen local projects with models that focus on disease self-management, fall prevention, nutrition, physical activity, medication management, and depression. These models hold considerable

potential for long-term improvement in the quality of life and lowered health care costs.

One example of a very successful model is the Chronic Disease Self-Management Program developed at Stanford University. This program begins with a six week workshop designed to empower and educate people with various chronic diseases to better mitigate and control their symptoms. The program significantly improves participant health status and reduces the use of hospital care and physician services. Another evidenced-based model is a program developed at Yale University to prevent falls. Falls are a leading cause of serious injury and death among the elderly and are a major contributor to health costs. The Yale program uses a multifaceted approach to help older individuals cope with key risk factors. Participants are trained to improve balance, gait and posture, better manage their medication, and to remove home hazards. The program significantly reduces the incidence of falls among participants.

A culturally sensitive nutrition program launched by the Alamo Area Council of Governments in San Antonio, Texas is another model program that is helping low-income, Hispanic seniors head off diabetes before it starts. The program is based on a landmark study by the Diabetes Prevention Research Group which showed that diet and exercise could effectively delay the onset of Type 2 diabetes—even in adults who are already showing glucose intolerance. Participants in the program receive regular health monitoring and eat specially prepared "tex-mex" lunches at their local nutrition center. They also take part in a three-day-a-week education program that promotes physical activity, healthy cooking practices and better disease self-management. Sponsors have set a goal that participants will increase their physical activity to at least 150 minutes per week and experience a seven percent weight loss.

Finally, the Partners in Care Foundation in Burbank, California is helping low-income older adults who are homebound improve their health through an evidence-based exercise program. The activity portion of this intervention is modeled after a research-tested approach called "LifeSpan: A Physical Assessment Study Benefiting Older Adults." The approach was developed by researchers at California State University at Fullerton. After an initial assessment, clients are taught a variety of easy exercises by professional care managers and receive ongoing support and encouragement from volunteer peer coaches. The care managers monitor clients' participation during regularly scheduled appointments and reassess them at six-month intervals.

*Reauthorization of the Older Americans Act: Another Opportunity for Long-Term Care Systems Change*

The reauthorization of the OAA provides a unique and timely vehicle to accelerate the changes needed in long-term care policy to help our nation fully prepare for the aging of the baby boom and the emergence of long-term living as a common experience of life. When the OAA was passed in 1965, Congress charted out a vision for a nationwide network of public and private agencies organized around the common purpose of promoting the dignity and independence of older people through a coordinated system of services and supports to help them live in their own homes and communities for as long as possible.

The network envisioned in the OAA is now a reality. It is a consumer-driven, locally designed, nationwide infrastructure, supported by multiple funding streams, and capable of reaching people with low-cost social interventions long before they need intensive services. OAA programs have reached people of all income levels, while targeting its limited resources to those most in need, including low-income minority, rural or isolated populations. Early reauthorizations of the OAA created area agencies on aging and fostered the principle of local flexibility through a "bottoms-up" planning process that ensures OAA programs continually reflect local needs and conditions.

Many States have looked to their aging network to lead the development of their long-term care systems, including States with the most balanced and cost-efficient systems of care such as Oregon, Washington and Vermont. The OAA network is one of the largest providers of home and community-based care and manages between $3 and $4 billion each year in public and private resources. All State Agencies on Aging have the responsibility to administer State revenue programs; over 30 State agencies administer Medicaid Waiver Programs and State Health Insurance Assistance Programs; over 25 States have the authority of the State Aging Agencies to serve younger populations with disabilities.

In short, the aging services network created by the Older Americans Act and led by the AoA is well positioned to help ensure the modernization of long-term care in our country. I have tremendous respect for and confidence in the long-term care

network I have spoken about today. The Administration supports your efforts to reauthorize the OAA and I commend the Committee for producing bipartisan, draft legislation that will further strengthen programs and services for older Americans and their caregivers. I am particularly pleased that the draft legislation promotes home and community-based supports to help older individuals avoid expensive institutional care so that they can age in place as all older individuals desire to do. While the draft does not include the Administration's proposed demonstration program, by incorporating the principles of the Choices proposal, the draft legislation will advance ongoing efforts to streamline access to information and benefits, help promote health by reducing risk of disease, disability, and injury, and most important, empower older individuals to make informed decisions about their care options. The Committee's draft legislation reflects the changing needs of the aging system and the older individuals it serves. As you move forward in the reauthorization of the reauthorize the OAA, I and looks forward to continue working with you to modernize and strengthen our nation's home and community-based long-term care system.

I am proud to have served in this network for more than 34 of its 41 years. I truly believe, with the support of Congress, our reauthorization proposal and principles will give consumers the choices they need to lead more healthy and productive lives.

Thank you, Mr. Chairman, for the opportunity to speak to you today about the reauthorization of the Older Americans Act. I would be pleased to answer any questions you may have.

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Chairman TIBERI. Mr. Bishop.

**STATEMENT OF MASON BISHOP, DEPUTY ASSISTANT SECRETARY FOR EMPLOYMENT TRAINING ADMINISTRATION, U.S. DEPARTMENT OF LABOR**

Mr. BISHOP. Mr. Chairman, and members of the subcommittee, I am pleased as well to have the opportunity to testify before you today to discuss reauthorization of the Older Americans Act, and the Senior Community Service Employment Program as authorized by Title V of the act. The Department of Labor's flagship program in serving older workers with barriers to employment is SCSEP, the workforce investment program targeted exclusively to low-income seniors.

SCSEP serves persons 55 years of age or older, whose family incomes are no more than 125 percent of the Federal poverty level. Participants are placed in a part-time community service assignment in a local nonprofit agency so that they can gain on-the-job experience and prepare for unsubsidized employment.

There are currently 69 SCSEP grantees, including 13 national grantees and 56 units of State and territorial governments. The draft bill on which we have been asked to comment incorporates a number of key features of the administration's legislative proposal, and we do appreciate the bipartisan efforts of this subcommittee.

Let me talk about some of the principles that this bill reflects that we also have in the reauthorization of the SCSEP program. First is increasing the minimum age for eligibility.

Like the draft bill, our proposal increases the minimum eligibility for the SCSEP program from age 55 to 65. The Workforce Investment system is capably serving the workforce needs of individuals under age 64 through the Workforce Investment Act and other sources, and we feel that limited SCSEP resources should be targeted to an older age group of Americans.

The draft bill, consistent with our proposal, also sets aside 1.5 percent of appropriated SCSEP funds for outreach to businesses

and older workers, demonstrations and pilots, training and technical assistance, as well as dissemination of best practices. The Department also proposes to clarify the income eligibility standard and stipulate what type of participant income should count when the income eligibility test is applied to each applicant. We believe the standardization will increase applicant and public confidence that the program is being administered in a consistent and equitable manner.

Second, the bill does focus on employment outcomes. Both the draft bill and your proposal do enhance the employment focus of the program by, first, increasing the percentage of grant funds that grantees may spend on training to provide participants with the skills needed to obtain unsubsidized employment.

Second, it authorizes occupational training before or concurrent with community service.

Third, it does limit to 2 years the transition from community service to unsubsidized employment to encourage grantees to prepare their participants for work, to invest in skills development, and to work closely with local employers with a need for skilled, experienced workers. Finally, it does eliminate most fringe benefits that are inconsistent with a short-term taxpayer-funded employment and training program.

Next, the bill does strengthen performance accountability and, like our proposal, uses the common performance measures for workforce programs, holding grantees accountable for three basic measurements: first, entered employment; second, retention in employment; and, third, earnings. Grantees would also track additional outcomes unique to SCSEP, such as provision of community service.

Next, the one feature of the administration's proposal that isn't included in the draft bill is to streamline the program structure by allocating funds for the SCSEP program to States according to a statutory formula.

Under our proposal, each State would compete their funds among nonprofit entities, for-profit entities, and agencies of State government to operate the program in their State. No national competition would be necessary.

Separate grant awards would be retained for Indian and Asian Pacific islander organizations. We believe this method of soliciting applicants in awarding grants would simplify administration, eliminate duplication, reduce overhead costs and create a more cohesive program.

We do believe the draft bill makes significant improvements to the SCSEP program. It better targets the eligibility to those most in need, enhances the employment focus of the program, strengthens the performance accountability system and better coordinates the program with the Workforce Investment System.

Mr. Chairman, this concludes my prepared statement, and we do look forward to working with you on reauthorizing the Older Americans Act. We are hopeful that, working together, this important legislation can be enacted later this year.

I would be happy to answer any questions that the committee might have.

[The prepared statement of Mr. Bishop follows:]

**Prepared Statement of Mason M. Bishop, Deputy Assistant Secretary of Labor for Employment and Training, U.S. Department of Labor**

Mr. Chairman and Members of the Committee: I am pleased to have the opportunity to testify before you today to discuss the reauthorization of the Older Americans Act (OAA). For over 40 years, the Department of Labor has administered the Senior Community Service Employment Program (SCSEP), authorized by Title V of the Older Americans Act.

Before discussing our efforts to employ older workers and the draft legislative proposal for reauthorizing Title V, I would like to say a few words about America's aging population and workforce, and provide context on where SCSEP fits in the broader workforce investment system.

*The Aging Population and Workforce*

The U.S. economy is entering a period of dramatic demographic change as our population ages. According to the Census Bureau's American Community Survey, 12 percent of the total population in 2004 was aged 65 or over, and this percentage is set to expand rapidly in the coming decades. After the first Baby Boomers turn 65 in 2011, the older population will become twice as large by 2030 as it was in 2000.

Further, as a result of lower birth rates in recent years, combined with the aging and retirement of the baby boom generation, the American workforce is growing at a slower rate. The changing demographics of the labor force, in combination with the ever-increasing skill demands of employers, have made it more critical that every available worker, including older Americans, be able to join or remain in the workforce to enable the continued competitiveness of American businesses in the 21st century.

*Barriers to Employment Faced by Older Workers*

The Baby Boomer cohort of older workers has different characteristics than in years past. Far more women have experience in the workforce than their counterparts a generation ago. More of this cohort are caring for grandchildren, and most envision a very different retirement than that of their parents—one that includes at least some work, whether for social engagement, intellectual stimulation, or because of financial necessity. However, despite a need for their skills and their desire to remain in or re-enter the workforce, many older Americans find themselves unable to find suitable work. Limited opportunities for flexible work schedules, outdated technology skills, pension plan disincentives, and a reluctance by some employers to hire older workers all limit the full potential of this productive, experienced cadre of workers.

There is a resource available to help. The workforce investment system, which includes SCSEP, plays an important role in helping older workers gain the necessary skills and access the employment opportunities that will enable them to continue working. The workforce investment system also helps connect employers to the experienced and skilled workforce they need, including older workers, in order to compete in the 21st century global marketplace.

*Response by the Department of Labor to an Aging Population*

Some employers already recognize the value that older workers bring to the workplace. They know that older workers are a human capital asset, serving as effective mentors to younger employees and bringing responsibility, loyalty, dedication, experience and skills to the workplace.

Still, more needs to be done to provide older workers with job training opportunities and better connections to employers looking to hire them. At the Department of Labor, we are taking steps to enhance the effectiveness of our programs as well as brokering better relationships with partner federal agencies and other organizations serving older American workers.

*Protocol for Serving Older Workers*

In January 2005, the Employment and Training Administration (ETA) issued a national "Protocol for Serving Older Workers." This important step in enhancing services to older workers was disseminated throughout the workforce investment system. The protocol seeks to enhance the services provided to older workers, and inspire the workforce investment system to pursue innovative strategies for tapping into this labor pool and connecting them with the job market. The protocol outlines a set of action steps that key stakeholders can take to achieve the goal of connecting employers with older workers. The stakeholder groups addressed in the protocol are: (1) the U.S. Department of Labor; (2) State and Local Workforce Investment Boards;

(3) One-Stop Career Centers; (4) mature worker intermediaries and service providers; and (5) business and industry.

*Older Worker Projects and Initiatives*

*Older Worker Task Force*

To build on the Protocol for Serving Older Workers, the Employment and Training Administration convened a DOL-wide Older Worker Task Force last year to explore the key issues related to the participation of older workers in the labor market. To continue the work of that task force, and in response to a GAO recommendation and a request from the Senate Special Committee on Aging, the Department of Labor is convening an inter-agency federal task force to focus on the aging of the American workforce and the impact of this demographic change. The Task Force on the Aging of the American Workforce brings together agencies from across the federal government to work collectively to address the workforce challenges posed by an aging population. The first meeting of the task force is May 5.

Assistant Secretary for Employment and Training Emily Stover DeRocco will chair the task force, which will identify and assess ways to address the barriers that prevent older workers from remaining in, or re-entering, the labor market and the impediments that prevent businesses from taking full advantage of this skilled labor pool. The task force's recommendations will be submitted to the Secretaries of all the participating federal agencies, and may form the basis for future recommendations for the President and members of Congress.

Now I would like to turn to the Senior Community Service Employment Program (SCSEP), a workforce investment program targeted exclusively to low-income seniors.

*Title V: The Senior Community Service Employment Program*

SCSEP serves persons 55 years of age or older whose family incomes are no more than 125 percent of the federal poverty level. Participants are placed in a part-time community service assignment in a local non-profit agency so that they can gain on-the-job experience, and prepare for unsubsidized employment.

The Fiscal Year 2006 appropriation for SCSEP is $432 million. This funding will result in approximately 92,300 people participating during Program Year 2006 (July 1, 2006-June 30, 2007). There are currently 69 SCSEP grantees, including 13 national grantees, and 56 units of state and territorial governments.

Program participants receive training and work experience in a wide variety of occupations, including nurse's aides, teacher aides, librarians, gardeners, clerical workers, and day care assistants at non-profit 501(c)(3) organizations and public agencies. Program participants also work in the health care industry, such as in hospitals, as well as in recreation parks and forests, education, housing and home rehabilitation, senior centers, and nutrition programs. They are paid the highest applicable minimum wage, be it federal, state or local, or the prevailing wage for persons employed in similar public occupations by the same employer.

Before I turn to the SCSEP reauthorization proposal, I'd like to discuss two of the recent developments in our management of SCSEP: 1) the implementation of electronic performance reporting, and 2) the competition for SCSEP national grants.

*Electronic Performance Reporting*

Electronic performance reporting has improved the accuracy and timeliness of our performance information, providing more immediate feedback on the outcomes of SCSEP participants and enhancing our management of the program. To accommodate the collection of data for the SCSEP statutory performance measures as well as the common measures for federal job training programs, the Department provided grantees with a software program that has allowed them to collect performance data through their existing management information systems. Each quarter, grantees electronically submit performance data files, which are then consolidated into a single database.

The next step in the evolution of SCSEP performance reporting is the Internet-based SCSEP Performance and Results Quarterly Performance Report system (SPARQ), to be launched in May. This system will allow grantees to maintain their records via the Internet, reduce grantees' reporting burden and enhance report accuracy.

*SCSEP Grant Competition*

In addition to electronic reporting, the other significant development in our management of SCSEP is the current grant competition. On March 2, 2006, the Department announced a grant competition for the SCSEP national grantees. This is the second time we have competed the SCSEP national grants; the first was three years

ago. That competition opened the door for four new national grantees, and spurred innovation in service delivery and program administration among the other national grantees. Grants funded by the current Solicitation for Grant Applications (SGA) will be for Program Year (PY) 2006, which begins on July 1, 2006. This SGA is designed to strengthen program administration, including management systems, service delivery and program performance.

The SGA is designed to improve program efficiency by encouraging a regional service delivery architecture in order to reduce fragmentation of service delivery areas. For instance, rather than having multiple grantees per county, which creates confusion for participants as well as unnecessary administrative burdens and expenses, a grantee must serve an entire county except in very large urban counties. In addition, we have provided enough time for an orderly transition, and we remain confident that this competition will promote better services to participants and foster additional program improvements.

I'd like to now discuss the Administration's proposal for SCSEP reauthorization.

*Legislative Proposal for SCSEP Reauthorization*

The draft bill on which we have been asked to comment incorporates a number of the key features of the Administration's legislative proposal. The draft bill is an important step in improving the SCSEP program for the needs of the 21st century labor market. We look forward to working with the Committee on this important piece of legislation.

The Department's key reform principles are largely reflected in the draft bill by 1) increasing the minimum age for eligibility, 2) enhancing the focus on employment outcomes and training for participants, 3) strengthening the capacity of the One-Stop Career Center system to serve older workers, 4) strengthening performance accountability, and 5) streamlining the program structure.

*Increasing the Minimum Age for Eligibility*

The draft bill, like the Administration's proposal, increases the minimum eligibility age from 55 to 65, while allowing for exceptions for individuals aged 55-64 with certain barriers to employment. Currently, 56% of SCSEP participants are aged 55-64. We believe the workforce investment system should be the primary deliverer of services for individuals age 55-64, and in fact, our One-Stop Career Centers are already serving this population. To facilitate a smooth transition to the new age minimums, we also support the exceptions to allow SCSEP programs to assist those individuals aged 55-64 who have barriers to employment.

In order to enhance the capacity of the One-Stop Career Centers to effectively serve individuals age 55-64, the draft bill, consistent with our proposal, sets aside 1.5 percent of funds for national activities to provide policy guidance, fund demonstrations and pilots, and disseminate best practices on serving older workers.

The Department also proposes to clarify the income eligibility standard for SCSEP, and calls for specifying what participant income should be considered when the income eligibility test is applied. Standardizing the income eligibility for SCSEP assures that the program is administered in a consistent and equitable manner.

*Focusing on Employment Outcomes*

The draft bill also reflects the Department's legislative principle of enhancing the employment focus of the program. Included in the draft bill is a provision to limit to two years, with a limited exception, the time for participants to obtain unsubsidized employment. The time limit encourages grantees to prepare their participants for work, invest in skills development, and work closely with local employers to provide meaningful work opportunities.

In order to reinforce the short-term training aspects of the program, the draft bill, consistent with the Administration's proposal, eliminates most of the participant fringe benefits that are allowable expenditures under current law. The exceptions to this prohibition include benefits that are required by law (such as workers' compensation), the costs of physical examinations, and necessary sick leave that is not part of an accumulated sick leave program. Funds under the proposed legislation cannot be used for the cost of pension benefits, annual leave, accumulated sick leave or bonuses. It should be noted that many grantees have already eliminated fringe benefits, such as annual leave and cash outs of leave benefits. With that said, this provision brings SCSEP in line with other short-term training and employment programs administered by the Department, allowing for a more effective and cost-efficient administration of the program.

The bill also incorporates the Department's proposal to allow a greater proportion of grant funds to be used for training and supportive services. Specifically, the current law requirement that "no less than" 75 percent of grant funds be expended on wages is lowered to 65 percent, providing grantees with greater flexibility to use

those funds to provide training to enhance workers skills and provide related services.

*Strengthen Performance Accountability*

The draft bill also incorporates the Department's proposal to include the use of common performance measures, which holds all grantees accountable for entered employment, retention in employment, and earnings. Grantees would also track additional outcomes, such as the provision of community services that are unique to SCSEP. The common measures are currently being implemented under administrative authority. This change ensures that the statutory requirements reflect current administrative practice.

*Streamline Program Structure*

One feature of the Administration's proposal not included in the draft bill is to streamline program structure by allocating funds exclusively to states according to a statutory formula. Under our proposal, each state would then competitively select one or more grantees to operate the program in their state. A competition would have to take place at least once during each three-year period. This method of awarding grants would simplify administration, eliminate duplication, reduce overhead costs, and create a more cohesive program. It also is consistent with the management recommendations included in the Program Assessment Rating Tool (PART) review of the SCSEP program. Eligible entities for state grants would include nonprofit entities, for-profit entities, agencies of state government, or a consortia of agencies and/or organizations, including political subdivisions.

The Department envisions that national aging organizations would continue to play a major role in operating the SCSEP program in the states. However, the program would be streamlined by avoiding the current situation of having multiple national sponsors and the state program operating side-by-side in a state, sometimes administering programs with small numbers of positions.

*Closing*

Mr. Chairman and Members of this Committee, we believe the draft bill makes significant improvements to the SCSEP program. It better targets eligibility to those most in need, enhances the employment focus of the program, strengthens the performance accountability system, and better coordinates the program with the workforce investment system. We look forward to working with you and the Senate on reauthorizing Title V of the Older Americans Act. Working together, we are hopeful that this important legislation can be enacted this year.

Mr. Chairman, this concludes my prepared statement. At this time I would be pleased to answer any questions that you or other Committee members may have.

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Chairman TIBERI. Thank you both for your testimony. I want to defer my time or exchange my time with my colleague from Nevada, Mr. Porter.

Mr. PORTER. Thank you, Mr. Chairman. I appreciate the hearing today and all the work that has been put into this legislation on both sides of the aisle. I appreciate it greatly. Thank you for your testimony.

I do have a couple of questions. There seems to be a strong consensus that our collective goal should be to minimize nursing home care in favor of community-based care. What are the top two or three actions that you think should be taken to achieve this goal?

Ms. CARBONELL. Congressman, I think that what we are doing right now—first of all, I think I want to say, to begin with, that the act is one of the most important pieces of legislation that exists and has transpired over the last 40 years to create. The only piece of legislation that the main mission is to keep people at home in their communities.

I think that building up to what—the system of care that we have built throughout the entire Nation serves as a very important core as we move forward.

I think that if we look at the kinds of things that we need to do, first is we really need to modernize the way that we provide long-term care access and assistance in this country. I think that at present there is an institutional bias to long-term care access. People are really often denied a less expensive community care option at the expense of institutional placement.

I think that the experience in the 4 years that we have been funding and investing in aging and disability resource centers have really given us the opportunity to foster that integration of both the information and the access systems for long-term care between CMS or ourselves.

I think the second way that we can improve the ability to achieve a better access, or in favor of home and community-based care, is really allowing the Older Americans Act network to serve private-pay clients. Currently we have restrictions that really deny high-risk individuals of a viable low-cost option to prevent spend-down to Medicaid. So we really need to target high-risk people and serve them before they are placed in nursing homes and spend-down to Medicaid.

Giving us the authority to be able to serve those private-paid clients and add them to the core that we are able to serve is a second viable way.

I think the third piece is the prevention piece. I think building our best science, our evidence-based health promotion programs, and modernizing the way that we focus our health promotion programs through nutrition and through other very important chronic disease management vehicles that have been tested at the Institutes of Health and our best research institutions is the third way.

If we can delay and help delay the onset of those chronic conditions, or being able assist people with common simple tools to assist them with their lifestyle changes and management of their chronic conditions, I think that is the third-most important piece that we need to build into an integrated system. It is both modernizing the way we access, or people access, from a fragmented system right now to a more consumer-driven single point or "no wrong door" kind of approach; secondarily, giving us the ability to serve people that have the ability to pay before they spend out and end up in nursing homes.

What we are doing is virtually giving us the ability to have those people spend their money in home and community-based care so they can remain at home, which is what they wish to do.

Mr. PORTER. Thank you. I don't have an additional question but just a comment on how successful the program has been in our State of Nevada and communities in the past. Not only the program, but a unique caliber of individuals who help with these programs. They are very special as they touch and provide such a change in lives for seniors.

I applaud you and look forward to this bill being passed.

Thank you.

Chairman TIBERI. Mr. Hinojosa.

Mr. HINOJOSA. Thank you, Mr. Chairman.

Ms. Carbonell, you have really supported the act with all of your comments. I appreciate listening to your presentation. You have

praised program efforts that are successfully operating within limited budgets.

Only last Friday, at our field hearing in Ohio, we heard the tremendous increase in population that is coming into this program. We also heard a strong, very emphatic call for additional financial resources.

What is your recommendation to the administration in this regard?

Ms. CARBONELL. Well, the President's budget has been submitted and it stands there for the record. We would be pleased to talk to you about that if you need further details.

I think the most important—the most important issue at hand is that we have built this network and that we manage—that this network not only manages $1.2 billion of Older Americans Act funds, but actually manages a total of about $4 billion both in Older Americans Act and Medicaid waiver dollars and other State- and community-based programs. So that means that the Older Americans Act was never intended to be the sole source of funding for aging programs in our communities.

The beauty of this act—and I think that all of us that have worked from the community level into all the levels of involvement at the State and the Federal level—the beauty of the act has been the network that we have created. It leverages $2 for every dollar of Federal investment that we put in communities. For specialized and home and community-based services, we leverage $3 for every dollar we invest.

Mr. HINOJOSA. Ms. Carbonell, I am going to interrupt you because I want to ask some questions of Mr. Bishop also.

I have to agree to disagree with you. I gave in my remarks that the amount of the money that is being spent today, based on 1980 figures, is cut in half. So if the purchasing power is cut in half, and the population coming into the programs is rising at about 50 percent during the last 20 years, it doesn't square to hear what you are just telling me. So I am just going to agree to disagree with you, and my recommendations are going to be that we find the additional resources.

I would like to ask Mr. Bishop—I also wish to thank you for your comments. It is interesting that you haven't included any statements on why the Department wants to increase the placement of clients from 20 percent to 30 percent. We have asked for data as to the placement rates regarding the younger age, 55, to the older workers, age 65.

Do you have any data that would give us a better understanding of what this legislation is trying to do and what it would—indeed, what the impact would be?

Mr. BISHOP. Thank you, Congressman. I apologize if there is data you feel you have asked for that you haven't received. We have tried to be responsive to the committee and each of the individual members. If there are some particular data points or sets that you have not received, we will make sure we get those up here right away.

Let me just overall—that this particular law is a balancing act in Title V. The balancing act is between the goal of providing community service and the inherent positives as a result to commu-

nities of those activities, and then also helping the individual participants within the program in terms of their personal economic needs and employment goals.

What we essentially are trying to craft here is a better balance between those two principles. In no way do we feel that our legislative proposals in any way restrict or hurt the community service part of this legislation. In fact, we don't get rid of it, we don't diminish it in any way. What we try to do, then, is enhance the employment side, in that we see community service as one important avenue by which many individuals can gain the skills necessary to them to enter into unsubsidized employment.

We feel it is important in two respects why we need to help on the employment side. First is that for that individual participant, it is more likely that he or she can make higher wages in the unsubsidized market than they can on minimum wage in the program over a long period of time.

Second, for every individual who stays on the program, there is another individual sitting behind that person who can't get into the program because that person is staying in a slot. So what we have tried to do through issues like raising the minimum threshold to 30 percent and some of the other things I talked about in my testimony, is assure that those individuals have the best opportunity to gain higher wages through unsubsidized employment to meet their own personal economic goals and needs, while at the same time not diminishing the community service part of the program.

Mr. HINOJOSA. Mr. Chairman, my time has run out. But if there is an opportunity before this panel leaves, I would certainly like to ask another question.

With that, I yield to give other members an opportunity to ask questions.

Chairman TIBERI. Yes, thank you. I thank you, Mr. Hinojosa. It would be my intent to come back around to you, depending on the time limit of the witnesses.

Kind of just piggybacking on the comments that Mr. Hinojosa just talked about with respect to the issue of SCSEP, how does DOL work with AOA on administering that program?

Mr. BISHOP. Well, we have the primary responsibilities, obviously, for administering the program, but we try to coordinate, when necessary and where necessary, with AOA. I think we have had a very positive working relationship during the time we have both been in the administration. Josefina, the Assistant Secretary, has been there 4 or 5 years now, and I think we have been there—my assistant secretary and myself have been. It was one of our early connections. We have tried to stay in touch and contact and coordinate issues as we have gone along.

Ms. CARBONELL. If I may add, Mr. Chairman, the other vehicle that we also use is, of course, at the regional level and the State plans, both our State plans under the Older Americans Act on the program side, but also on the employment side, we coordinate to make sure that it is in line with the overall direction of the State to make sure that we include the opportunities for additional employment opportunity, so that if we access individuals through our network that are in need of employment, that we make sure that we refer them to the appropriate channels to the employment pro-

grams present in the State for employment; that we also serve as hosts, serve as hosts for the community service part, creating a whole array of training opportunities and on-the-job training for these individuals, particularly in limited English-speaking minority communities where we know that this is a very important vehicle to transition from low skills to some kind of average skills, so people can access employment, other employment training skills. Then, of course, with being able to coordinate at the local level between the employment and training of the Workforce Investment Act network and our aging network, our aging services network.

Chairman TIBERI. Thank you. Ms. Carbonell, you have made a pretty strong case to me, previous to this hearing, that reauthorization of the Older Americans Act can have significant savings to mandatory programs like Medicaid and Medicare through a variety of avenues of prevention and delaying or maybe preventing someone from going into a nursing home.

Can you talk to the committee for the record a little bit about that, stand upon your testimony?

Ms. CARBONELL. I think if you look at the Choices for Independence proposal, of course our Choices for Independence proposal is a reasonable proposal with, of course—in the limited financial times that we are living here, the President's budget for the Choices for Independence is included at the tune of $28 million as a starting point. But it builds upon some of the strategic investments that we have been doing in our discretionary line item of Title IV for 5 years now.

Again, we believe that the Choices has the same kind of potential to expand the use of low-cost community care options without increasing public cost, particularly over the long run. Of course, assigned work in a strategic period of time, we are using Choices that are really based on the same, the kind of best practices and cost savings potential that underpinned the changes now occurring in Medicaid, including the changes contained in the Deficit Reduction Act just recently passed.

Choices is not a new policy direction. At its core, the reality is that the strategy for leveraging the unique assets of the act and of the services network already in place in communities across the country is to support our current rebalancing agenda; again, assisting people to provide people with more options to remain at home. We will do this also through the private-pay individuals, allowing people to have the ability to pay and to use their own resources. And, again, for the three very important integrated approaches—the activities, the access point, the assistance and the prevention—to evidence-based programs for maintaining chronic conditions, and then a targeting of the highest risk of institutionalization and spend-down.

Again, we also believe that once a private-pay individual really reaches a nursing home or ends up in a nursing home, there goes all the money for that individual. We want to have the ability to be able to reach those people and intervene at that point in time and provide them with the opportunity to choose home- and community-based care options, which is what they want to do right now.

Chairman TIBERI. Thank you. My time has expired. I recognize the gentleman from Maryland, Mr. Van Hollen.

Mr. VAN HOLLEN. Thank you, Mr. Chairman, thank you and Mr. Hinojosa for your leadership on that. I just want to associate myself with the earlier comments both of you made about the importance of the Older Americans Act and thank our witnesses out here for their testimony.

Mr. Bishop, I would like to focus a little on the proposed changes to SCSEP. As I am sure you are aware, they have generated some concerns in communities, certainly in my district and other places around the country.

First, let me sure I get my math straight. As I understand from your testimony, with the current appropriation the funding results in approximately 92,300 people right now; that is from 55 on up. Is that correct?

Mr. BISHOP. Correct.

Mr. VAN HOLLEN. Your proposal is to change the eligibility from 55 to 65. I understand from your testimony about 56 percent are currently between 55 and 64.

Mr. BISHOP. That is correct, yes.

Mr. VAN HOLLEN. Rough math says about 50,000 people who are currently eligible, and part of the program will no longer be part of the program under your proposal; is that right?

Mr. BISHOP. Correct.

Mr. VAN HOLLEN. Do you have any accommodation in here for people? In other words, if you are 57 years old now and you are in the program, under your proposal are you out, or is there some accommodation for a transition period?

Mr. BISHOP. There are accommodations for a transition. In fact, the draft bill that we are discussing has some of those accommodations, and we are in concurrence with those kinds of discussions around making accommodations, both in terms of a transition—in fact, in terms of permanently in the program, there may be situations where it makes sense for an individual 55 to 64 who may need to access the program. But under our proposal, and really reflected in the draft bill, those would be on—there is a list of exceptions as to those individuals.

Mr. VAN HOLLEN. Right. I know there are some exceptions. Those will continue even under the existing bill; I mean, under the proposed changes. But if you are, for example, 57 years old now, are you assured, assuming you meet all the other requirements, are you assured that you can continue in the program. Or would your proposal knock you off?

Mr. BISHOP. We would propose a transition period so that individuals in that age group currently in the program could complete their program. We wouldn't just kick those people off.

Mr. VAN HOLLEN. Beyond the 2-year period you are talking about.

Mr. BISHOP. Well, that would be up to Congress in the draft bill to decide how they wanted to handle that transition. That is something we could discuss. We could propose a 2-year time limit. If there was a 2-year time limit implemented, you could start the clock at that point upon enactment of the legislation, or there could be a transition period indefinitely for those individuals.

Mr. VAN HOLLEN. Right. I am not sure I am persuaded it is a good idea to knock off these people. If we did, I think there should be a transition to the program.

In terms of the group that are now currently over 65 years old, do you have a—what kind of waiting list do you have in terms of the slots?

Mr. BISHOP. I don't have any data on exact waiting lists. Again, we propose 65 years and older. As you have to do in many of these programs, you have to make decisions in terms of targeting. We just feel that, given the fact that we have a One Stop Career system that does serve older workers, it has the capacity to server more older workers—that those that are in our country are really thought of from 55 to 64 as being working age; that those individuals, many of those individuals, could access and need access to services at One Stop Career Centers system.

Currently the program, even with 55 to 64, only serves about 1 percent of the eligible population. It really is a question of given finite resources, given limited resources and targeting, who should the program be targeted at? We think those low-income seniors 65 or older are the ones that we should be targeting.

Mr. VAN HOLLEN. Just so I understand your testimony, the rationale for this change is more because you think there is an existing system in place, rather than to free up resources to make room for more people over 65—is that right—because you don't have any data on a waiting list?

Mr. BISHOP. We don't keep a national waiting list per se. We can go to each of the grantees and ask them, do you have a waiting list for that age cohort, and get that information for you if you would like us to. We don't keep a national waiting list per se.

But you are correct in saying that the main premise behind our proposal is that we ought to target those that are 65 and older because we do have a comprehensive existing One Stop program. Again, 99 percent of the individuals will need those services potentially anyway. We feel that the program should be targeted to 65 and older. OK.

Mr. VAN HOLLEN. But it is very possible, as I understand your testimony, that once these changes go into place, a lot fewer people will be participating in the SCSEP program?

Mr. BISHOP. No, we don't believe that actually. We would maintain funding that would allow for 90,000-plus participants that would continue to be served, but they would need to be 65 and older, with some limited exceptions potentially for 55 to 64.

Mr. VAN HOLLEN. You have a 2-year provision in here now that you go off after 2 years.

Mr. BISHOP. Correct.

Mr. VAN HOLLEN. So you believe today, you have got 92,300 or 55 to 64, you believe there are at least 50,000, 65 and up?

Mr. BISHOP. I do. But we have currently right now, 9 million Americans who are within that total age cohort who are potentially eligible for the program. So I think probably our grantees could find 50,000 people out there that need services. I do believe those individuals are there and could be served.

Chairman TIBERI. Thank you.

Can you all stay for a second round? You are so popular. I am going to call on my Ranking Member here from Texas, Mr. Hinojosa.

Mr. HINOJOSA. Thank you, Mr. Chairman. I will try to be shorter than the first 5-minute period you gave us. But I would like to remind Mr. Bishop that you said that if we weren't getting enough information, you would get it to us.

Mr. BISHOP. Yes.

Mr. HINOJOSA. That is the requirement with regard to the questions that I asked about the placement from 20 to 30 percent. And then the second one was the placement rates, changing the age from 55 to 65. I would like to get that in writing so that I can see your analyses.

Mr. BISHOP. OK.

Mr. HINOJOSA. If you will, please, add a third request from me. That is, I like computer-generated what-if scenarios that would show me what it would do if we could improve this legislation by phasing in that 55 to 65 over a 5-year period, so that we would start with the 57, 59, 61s, all the way to 65, every year moving it up too, so that it is phased in rather than making that giant step from 55 to 65. I would like to see what the impact is financially.

Mr. BISHOP. From a data perspective; numbers?

Mr. HINOJOSA. Yes.

[The information referred to follows:]

**U.S. Department of Labor Responses to Follow-Up Questions From Messrs. Hinojosa and Van Hollen**

*Question 1. Unsubsidized Employment Performance*

MR. HINOJOSA: How many grantees meet 20% and 30% unsubsidized employment performance measures for age groups 55-64 and 65+?

*ETA response:*

The common measure for "entered employment"* is based on data collected during Program Year (PY) 2004 (July 1, 2004-June 30, 2005) and represents the most recent data for a complete program year available:

- Seven of the 13 national grantees were within 5 percent of the 30 percent threshold.
- Forty-three of the 56 state and territorial grantees were within 5 percent of the 30 percent threshold.
- The average entered employment rate for all national grantees was 36.7 percent.
- The average entered employment rate for all state and territorial grantees was 35 percent.

Attachment A details PY 2004 common measure entered employment rates for all SCSEP grantees, by age group.

*Question 2. Waiting Lists*

MR. VAN HOLLEN: What is the number of people on SCSEP grantees waiting lists, by age group?

*ETA response:*

SCSEP grantees are not required to maintain waiting lists. Although some grantees do maintain waiting lists, their lists are not necessarily comparable because DOL does not require a standardized method of tracking. However, some SCSEP grantees have been voluntarily keeping track of their waiting lists and reporting them along with their required performance metrics. As of June 30, 2005, the last

*This response provides the information requested under the common measure definition of entered employment, which differs from the current SCSEP performance definition of placement. The difference between the definitions is that the current SCSEP placement performance measure has a duration requirement whereas the entered employment common measure does not.

day of the most recently completed Program Year, there were over 2,100 people on these waiting lists. Grantees do not track waiting lists by age.

WAIT-LISTED SCSEP PARTICIPANTS AT THE END OF PROGRAM YEAR 2004

| Grantee | Waiting list |
|---|---|
| State grantee waitlist total | 914 |
| National grantee waitlist total | 1,254 |
| Nationwide waitlist total | 2,168 |

It is important to note that the waiting lists are not a reflection of the number of people who could be served by a reauthorized SCSEP targeting resources to those older than 65. Waiting lists only reflect, for grantees that maintain such lists, those eligible individuals who approach a grantee for a placement and do not reflect the thousands of individuals that could be reached by grantees through outreach efforts to underserved populations and other recruitment strategies. In 2000, 9 million people were eligible for SCSEP programs, a number that has since increased due to overall demographic trends.

*Question 3. Phased-in Age Eligibility*

MR. HINOJOSA: In order to construct a "what if" scenario where SCSEP age eligibility was phased in from 55 to 65 over 5 years, what is the unsubsidized employment rate for individuals 55-57, 57-59, 59-61, 61-63, and 63-65?

*ETA response:*

The table below illustrates one possible result of phasing-in age eligibility. The first row presents the rate of exits for unsubsidized employment under the current eligibility rules, using all exiters from the first two quarters of this program year (July 1, 2005 through December 31, 2005). Each succeeding row presents the change in the rate of exits for unsubsidized employment when the age range is made two years older. As evident from the table, there is approximately a 2 percentage point decrease in exits for unsubsidized employment for each 2 year increment in the lower age limit.

EXITS FOR UNSUBSIDIZED EMPLOYMENT

| Age ranges | Number | Percent |
|---|---|---|
| 55 and older | 9,199 | 41.2% |
| 57 and older | 7,308 | 39.1% |
| 59 and older | 5,690 | 36.6% |
| 61 and older | 4,455 | 34.5% |
| 63 and older | 3,391 | 32.1% |
| 65 and older | 2,577 | 30.3% |

Please note that these figures are based on current participants, grantees, and program structure. A reauthorized SCSEP program under the draft bill will provide more flexibility to grantees to provide the training needed for older workers to move into unsubsidized employment, and will hold grantees accountable for their performance.

*Question 4. Unsubsidized Employment Performance*

MR. VAN HOLLEN: How many exiters move into unsubsidized employment, by age?

*ETA response:*

Forty-eight percent of SCSEP program participants aged 55-64.99 move into unsubsidized employment upon exit of the program. Thirty percent of participants who are older than 65 move into unsubsidized employment upon exit of the program. Note that as the current SCSEP program does not have a time limit, many participants who exit without finding an unsubsidized employment placement do so because of failing health or death.

Attachment A provides unsubsidized employment rates by grantee.

*Attachment A*

## SCSEP PARTICIPANTS WHO ENTERED UNSUBSIDIZED EMPLOYMENT AFTER PROGRAM EXIT

[First half of program year 2005—July 1, 2005–Dec 31, 2005]

| | 55-64.99 (count) | 55-64.99 (percent) | 65+ (count) | 65+ (percent) |
|---|---|---|---|---|
| **NATIONAL GRANTEES** | | | | |
| National Council on the Aging, Inc. | 395 | 0.578 | 184 | ***0.394*** |
| Forest Service | 143 | 0.500 | 68 | ***0.360*** |
| AARP Foundation | 2163 | 0.508 | 720 | ***0.347*** |
| Senior Service America, Inc. | 813 | 0.502 | 350 | ***0.329*** |
| National ABLE Network | 59 | 0.399 | 33 | ***0.324*** |
| National Caucus & Ctr on Black Aged | 147 | 0.420 | 91 | ***0.311*** |
| Experience Works | 1161 | 0.451 | 435 | 0.269 |
| Mature Services | 54 | 0.545 | 18 | 0.261 |
| Easter Seals | 128 | 0.456 | 77 | 0.247 |
| SER—Jobs for Progress National | 223 | 0.415 | 85 | 0.211 |
| Asociacion Nacional pro Personas Mayores | 106 | 0.533 | 22 | 0.210 |
| National Asian Pacific Center on Aging | 78 | 0.451 | 18 | **0.167** |
| National Indian Council on Aging | 49 | 0.345 | 15 | **0.165** |
| Total Nat'l Grantees | 5519 | 0.486 | 2116 | 0.307 |
| **STATE** | | | | |
| Rhode Island | 3 | 0.429 | 8 | ***0.800*** |
| Oregon | 14 | 0.269 | 12 | ***0.667*** |
| Iowa | 28 | 0.718 | 7 | ***0.538*** |
| Virginia | 25 | 0.510 | 14 | ***0.467*** |
| Mississippi | 9 | 0.429 | 7 | ***0.438*** |
| South Carolina | 13 | 0.500 | 6 | ***0.429*** |
| New Mexico | 1 | 0.167 | 3 | ***0.429*** |
| North Carolina | 26 | 0.510 | 17 | ***0.415*** |
| Texas | 79 | 0.622 | 33 | ***0.413*** |
| Colorado | 12 | 0.632 | 5 | ***0.385*** |
| Alabama | 23 | 0.575 | 14 | ***0.359*** |
| Guam | 4 | 0.250 | 8 | ***0.348*** |
| Georgia | 41 | 0.519 | 18 | ***0.340*** |
| Maine | 7 | 0.412 | 7 | ***0.333*** |
| Tennessee | 16 | 0.444 | 8 | ***0.320*** |
| New York | 34 | 0.382 | 31 | ***0.320*** |
| Connecticut | 21 | 0.500 | 6 | ***0.316*** |
| Delaware | 30 | 0.536 | 11 | ***0.306*** |
| Maryland | 7 | 0.318 | 3 | ***0.300*** |
| Oklahoma | 11 | 0.478 | 11 | 0.297 |
| Ohio | 33 | 0.440 | 17 | 0.288 |
| Wyoming | 14 | 0.560 | 2 | 0.286 |
| Alaska | 50 | 0.476 | 8 | 0.286 |
| District of Columbia | 9 | 0.474 | 2 | 0.286 |
| Indiana | 28 | 0.424 | 10 | 0.286 |
| Illinois | 30 | 0.455 | 15 | 0.283 |
| Florida | 92 | 0.455 | 46 | 0.275 |
| Washington | 24 | 0.615 | 3 | 0.273 |
| Arizona | 8 | 0.267 | 6 | 0.273 |
| Wisconsin | 33 | 0.440 | 8 | 0.267 |
| Hawaii | 14 | 0.424 | 9 | 0.265 |
| Kansas | 7 | 0.500 | 5 | 0.263 |
| Pennsylvania | 61 | 0.442 | 23 | 0.258 |
| Massachusetts | 24 | 0.511 | 9 | 0.250 |
| Arkansas | 12 | 0.387 | 3 | 0.250 |
| Utah | 17 | 0.378 | 4 | 0.250 |
| Nevada | 18 | 0.340 | 12 | 0.245 |
| Nebraska | 6 | 0.400 | 3 | 0.231 |
| Montana | 7 | 0.350 | 3 | 0.231 |
| Minnesota | 14 | 0.341 | 4 | 0.222 |
| Kentucky | 16 | 0.271 | 8 | 0.222 |

SCSEP PARTICIPANTS WHO ENTERED UNSUBSIDIZED EMPLOYMENT AFTER PROGRAM EXIT—Continued

[First half of program year 2005—July 1, 2005–Dec 31, 2005]

| | 55-64.99 (count) | 55-64.99 (percent) | 65+ (count) | 65+ (percent) |
|---|---|---|---|---|
| New Jersey | 10 | 0.303 | 6 | 0.207 |
| Virgin Islands | 1 | 0.167 | 1 | 0.200 |
| West Virginia | 8 | 0.421 | 2 | **0.182** |
| Michigan | 26 | 0.406 | 5 | **0.172** |
| California | 85 | 0.464 | 15 | **0.161** |
| Louisiana | 14 | 0.424 | 2 | **0.100** |
| Missouri | 12 | 0.293 | 3 | **0.083** |
| South Dakota | 8 | 0.333 | 1 | **0.067** |
| Idaho | 5 | 0.455 | 0 | 0.000 |
| New Hampshire | 2 | 0.400 | 0 | 0.000 |
| Vermont | 5 | 0.294 | 0 | 0.000 |
| Puerto Rico | 1 | 0.083 | 0 | 0.000 |
| American Samoa | 0 | 0.000 | 0 | 0.000 |
| Mariana Islands | 0 | 0.000 | 0 | 0.000 |
| North Dakota | 0 | 0.000 | 0 | 0.000 |
| State grantees | 1098 | 0.445 | 464 | 0.287 |
| Nationwide | 6617 | 0.479 | 2580 | 0.303 |

Numbers in bold indicate that the grantee failed to meet the 20% unsubsidized employment rate performance target for participants older than 65. Numbers in italic indicate that the grantee exceeded 30% unsubsidized employment for participants older than 65.

AVERAGE DURATION IN PROGRAM FOR NATIONAL GRANTEES BY AGE CATEGORY

[Exiters only*]

| Grantee | Age category | Number | Average days |
|---|---|---|---|
| AARP | 55–59.99 | 4,491 | 181 |
| | 60–64.99 | 2,994 | 218 |
| | 65 and over | 3,651 | 387 |
| National Able Network | 55–59.99 | 151 | 215 |
| | 60–64.99 | 107 | 306 |
| | 65 and over | 189 | 379 |
| Asociacion Nacional Pro Personas Mayores | 55–59.99 | 221 | **413** |
| | 60–64.99 | 172 | **534** |
| | 65 and over | 190 | 434 |
| Easter Seals | 55–59.99 | 390 | 202 |
| | 60–64.99 | 291 | 262 |
| | 65 and over | 669 | 326 |
| Experience Works | 55–59.99 | 2,340 | **578** |
| | 60–64.99 | 1,752 | **782** |
| | 65 and over | 2,884 | **1,008** |
| Forest Service | 55–59.99 | 394 | **490** |
| | 60–64.99 | 338 | **682** |
| | 65 and over | 510 | **653** |
| Mature Services | 55–59.99 | 181 | **231** |
| | 60–64.99 | 144 | **265** |
| | 65 and over | 248 | **392** |
| National Asian Pacific Center on Aging | 55–59.99 | 154 | **381** |
| | 60–64.99 | 161 | **564** |
| | 65 and over | 184 | **642** |
| National Caucus and Center on Black Aged | 55–59.99 | 306 | **428** |

AVERAGE DURATION IN PROGRAM FOR NATIONAL GRANTEES BY AGE CATEGORY—Continued

[Exiters only*]

| Grantee | Age category | Number | Average days |
|---|---|---|---|
| | 60–64.99 | 337 | **650** |
| | 65 and over | 788 | **671** |
| National Council on the Aging | 55–59.99 | 694 | 282 |
| | 60–64.99 | 566 | 419 |
| | 65 and over | 840 | 548 |
| National Indian Council on Aging | 55–59.99 | 203 | **404** |
| | 60–64.99 | 136 | 404 |
| | 65 and over | 199 | 446 |
| SER–Jobs for Progress | 55–59.99 | 485 | 245 |
| | 60–64.99 | 494 | 303 |
| | 65 and over | 867 | 409 |
| Senior Service America | 55–59.99 | 1,813 | 278 |
| | 60–64.99 | 1,378 | 363 |
| | 65 and over | 2,436 | 446 |
| All National Grantees | 55–59.99 | 11,823 | 312 |
| | 60–64.99 | 8,870 | 422 |
| | 65 and over | 13,655 | 568 |

*Numbers include only those who have exited the program, based on PY2004 data. Numbers in bold indicate duration higher than national average.

AVERAGE DURATION IN PROGRAM FOR NATIONAL GRANTEES BY AGE CATEGORY

[All participants*]

| Grantee | Age category | Count | Average days |
|---|---|---|---|
| AARP | 55–59.99 | 3,208 | 302 |
| | 60–64.99 | 2,237 | 371 |
| | 65 and over | 3,516 | 479 |
| National Able Network | 55–59.99 | 142 | 231 |
| | 60–64.99 | 111 | 361 |
| | 65 and over | 196 | 448 |
| Asociacion Nacional Pro Personas Mayores | 55–59.99 | 216 | **664** |
| | 60–64.99 | 222 | **756** |
| | 65 and over | 246 | **777** |
| Easter Seals | 55–59.99 | 331 | 308 |
| | 60–64.99 | 370 | 381 |
| | 65 and over | 980 | 452 |
| Experience Works | 55–59.99 | 2,921 | **750** |
| | 60–64.99 | 2,360 | **1,090** |
| | 65 and over | 4,689 | **1,216** |
| Forest Service | 55–59.99 | 491 | **1,273** |
| | 60–64.99 | 590 | **1,198** |
| | 65 and over | 1,022 | **988** |
| Mature Services | 55–59.99 | 132 | 306 |
| | 60–64.99 | 96 | 453 |
| | 65 and over | 265 | 516 |
| National Asian Pacific Center on Aging | 55–59.99 | 198 | 444 |
| | 60–64.99 | 210 | 536 |
| | 65 and over | 294 | 509 |
| National Caucus and Center on Black Aged | 55–59.99 | 241 | **815** |

AVERAGE DURATION IN PROGRAM FOR NATIONAL GRANTEES BY AGE CATEGORY—Continued

[All participants*]

| Grantee | Age category | Count | Average days |
|---|---|---|---|
| | 60–64.99 | 332 | **925** |
| | 65 and over | 781 | **869** |
| National Council on the Aging | 55–59.99 | 570 | 507 |
| | 60–64.99 | 474 | **770** |
| | 65 and over | 1,101 | **775** |
| National Indian Council on Aging | 55–59.99 | 185 | 371 |
| | 60–64.99 | 164 | 392 |
| | 65 and over | 252 | 442 |
| SER–Jobs for Progress | 55–59.99 | 517 | 317 |
| | 60–64.99 | 514 | 403 |
| | 65 and over | 1,195 | 522 |
| Senior Service America | 55–59.99 | 1,344 | 377 |
| | 60–64.99 | 1,231 | 445 |
| | 65 and over | 2,365 | 505 |
| All National Grantees | 55–59.99 | 10,496 | 516 |
| | 60–64.99 | 8,911 | 685 |
| | 65 and over | 16,902 | 761 |

*Includes all participants still active as of June 30, 2005. Numbers in bold indicate duration higher than national average.

NATIONAL GRANTEES WITH AVERAGE DURATION OVER TWO YEARS

[All participants*]

| Grantee | Percent over 2 years |
|---|---|
| AARP | 26.00 |
| National Able Network | **39.70** |
| Asociacion Nacional Pro Personas Mayores | **40.30** |
| Easter Seals | 32.20 |
| Experience Works | **51.10** |
| Forest Service | **48.70** |
| Mature Services | **44.30** |
| National Asian Pacific Center on Aging | 38.60 |
| National Caucus and Center on Black Aged | **47.70** |
| National Council on the Aging | 37.20 |
| National Indian Council on Aging | 36.30 |
| SER–Jobs for Progress | **48.00** |
| Senior Service America | 37.40 |
| National Grantee Average | 38.90 |

*Includes all participants still active as of June 30, 2005. Numbers in bold indicate duration higher than national average.

Mr. HINOJOSA. Then my question to Ms. Carbonell is that I have a great deal of interest in the nutrition program that is used in your program. So I believe in your remarks you mentioned San Antonio Texas, which is in my great State of Texas, where diabetes is such a serious issue in our State, particularly to our Hispanic community. I want to know if you have evaluated this program and if yes, what are the results?

Ms. CARBONELL. Yes. As a matter of fact, one of the most important strategic investments that we have done in the last few years have been particularly funding evidence-based programs in areas, including nutrition, diabetes and chronic disease management, targeting particularly minority communities. As a matter of fact, we

are funding 13 grants across this country with an additional 66 sites in other parts of the country.

You have one right there in San Antonio, in your district. They are doing a terrific job. What is happening is that we are using the best science and implementing and bringing that science to bear, not by scientists but by our community providers, the ones that—trusted sources, where people turn for help in day-to-day activities, our aging services network—and translating that best science into short week programs and intervention programs to prevent diabetes and to manage diabetes, chronic conditions in the community.

We are seeing terrific results. The initial results will be in at the end of the year. We would be delighted to provide some additional information and the kinds of results that we are getting in San Antonio and other parts of the country by just targeting the best science; instead of leaving it off of the shelf, translating that into simple tools that people can manage.

Mr. HINOJOSA. I am a member of the Diabetes Caucus, and what I hear is different than what I am hearing you say: that the numbers are increasing. If you say we are doing a wonderful job in my State, would you provide me the data that supports the improvement so that I can study that?

Ms. CARBONELL. Absolutely. We would be delighted to be able to give in more detail the kind of work that we are strategically investing in those 13 sites.

Mr. HINOJOSA. I would like to see how it is being done, as you just mentioned, but I also want to see the numbers for the past 10 years, because our caucus is getting different information, and it is alarming. It is not just in the minority Hispanic and African American community. Central Texas, where I also represent counties like Bastrop, Colorado County, Fayette County, we have a huge European descent population, a lot of Polish, Czechoslovakian, German American. They have just as serious a problem with diabetes, many deaths.

I am really concerned. I would like to see how your program is addressing this problem for all older Americans.

Thank you, Mr. Chairman. That is all the questions I have, because I know we have another panel and I want to be fair to them. Thank you.

Chairman TIBERI. I just have one question, kind of following up on the dialog earlier on older Americans' employment to you, Mr. Bishop.

The Government Accountability Office has reported that the One Stop delivery system created under the Workforce Investment Act has not served older Americans well.

How do you respond to concerns raised by GAO and others that WIA performance goals create a disincentive for One Stops for older workers in our country.

Mr. BISHOP. Thank you, Mr. Chairman. As you are well aware, over the last 3 years we have been working on how to improve the One Stop system with this committee and others, on how to improve the Workforce Investment System overall and strengthen it.

But in the interim, what we have been doing as well is, again, we have to assume that the SCSEP program can only serve a finite number of individuals. So we have to get it right on the One Stop

system side. The Government Accountability Office did point out that one of the issues is performance.

Frankly, performance is probably the most difficult thing that government does, trying to figure out what it is that we want to accomplish with our programs. Really, the big issue around performance had to do with our earnings measure which I spoke about earlier. We used to measure really, historically, pre- and post-earnings.

We used to look at what did somebody make prior to the program and what did they make after the program. Often, because they were maybe in wages—jobs before layoff that they could not achieve after training right away, that somehow the programs weren't successful, and it would make individuals, or providers, afraid to enroll people because of that earnings measure.

We have fundamentally changed that earnings measure. We now look at average earnings, and we peg the expectation on earnings based on local labor markets rather than on individual pre- and post. So we think we have already undertaken major steps to address some of the findings that the Government Accountability Office found, especially with regard to the performance measurement system. We do believe the common measures of employment, retention, and earnings, based on average earnings, are the kinds of measures in an employment training program that makes sense.

In addition, it streamlines the performance measurement system from what it is currently as well. So actually the reporting burden on grantees would be easier under our proposal than it is currently.

Chairman TIBERI. Thank you. The final series of questions for this panel, the gentleman from Maryland, Mr. Van Hollen.

Mr. VAN HOLLEN. Thank you, Mr. Chairman. Just to piggyback on the Chairman's point and the GAO report that I came out a number of years ago that did say that the Workforce Investment Act, the One Stops were not well designed to help this sort of contingent Americans, the age group. I do think that is a serious concern.

I would also point out that as part of the administration's budget submission there, this year for WIA if you look at the request, there is a proposed 13.1 percent cut in funds. You are putting more people into the One Stop/ WIA system and asking them to take more with less funds.

If I could ask you, Mr. Bishop, about this 2-year timetable now. As I understand it, if you limit the program to over 65, you are now saying if you are 66 years old, you get on the program; you are out at 68. Is that right?

Mr. BISHOP. Right.

Mr. VAN HOLLEN. What data do we have on the current graduation rate? If people are 65 and older, which we now limit it to, how many of them after 2 years, or within 2 years, are now going into nonsubsidized employment, private sector employment. Do we have those figures?

Mr. BISHOP. How many 65 and older are going in——

Mr. VAN HOLLEN. Within the 2-year——

Mr. BISHOP. We actually have the breakdown by grantee. If you look at exiters right now, under our current participants we have

65 and over, average days are about 568 days on the program, which is less than 2 years.

Mr. VAN HOLLEN. But do we know that those are all people going into unsubsidized employment, or are those just people who drop out of the program?

Mr. BISHOP. It is exiters from the program.

Mr. VAN HOLLEN. So that includes someone who just no longer participates as well.

Mr. BISHOP. It is a mix. Yes, it is a mix. So we would have to break that down further for you in terms of getting the unsubsidized employment.

Mr. VAN HOLLEN. I just want to understand the theory here. As you have pointed out, you already have an incentive to move on to nonsubsidized employment because typically that is above minimum wage as opposed to the pay you are getting, minimum wage. As I understand your theory, by sort of creating the cliff after 2 years, you are going to provide some added incentive that is not already out there in the marketplace?

Mr. BISHOP. Well, our proposal, again, we look at the 2-year time limit, the fringe benefit piece and some of the other proposals as a package. Really what we are essentially trying to say is, this is a training program that leads to something else.

We still have situations, a number of situations where we have individuals who are staying on for a longer period of time and view the community service assignment as their final job. For instance, if you are volunteering at a library as part of the community service assignment part-time, and you are staying on 5, 6, 7 years—and we have gotten letters of correspondence from Members of Congress asking about these kinds of situations—those individuals are viewing that as their end, as their job.

Frankly, the library should be—if that employee is that valuable to that library, they should hire them as a full-time employee for the library, not have them continue on a program, because it does two things: One, it does keep that individual out of a potential labor market program where they might be better off. Second, it keeps other individuals from being able to access that slot and the opportunities that that community service assignment might provide to them.

Again, what we are trying to do as a whole package is say let us enhance the employment and training focus of the program and assure that these are temporary assignments that lead to a permanent future and a permanent solution, rather than in some cases a permanent solution, that the individual may assume and, frankly, the host agency may like, because they are saying well, as long as this person is being paid out of Community Service funds or SCSEP, we will keep them on indefinitely and I don't have to pick up the H.R. cost of that individual.

Mr. VAN HOLLEN. If you could, if you could provide the committee with two figures, Mr. Chairman. One is if you have got any data regarding the waiting lists, 55 to 65, and 65 and up, that would be helpful. Because the overall assumption you are making here, which may prove to be true, is we want to provide these resources and target them in the areas of most need. I just want to find out whether or not the statistics support that.

Second, if you are able to disaggregate the data with respect to people who are 65 and up, how many are currently going into new employment, nonsubsidized employment, as opposed to just leaving the program? That would be helpful in trying to make decisions on this.

Thank you. I thank you, Mr. Chairman.

Chairman TIBERI. Thank you both for your time and testimony and expertise today. We look forward to continuing to work forward through this process with you and both of your offices. Have a great day.

We will now have our second panel of witnesses. I would ask them to please take their seats at the witness table. I will have some name tags there in front.

Chairman TIBERI. The second panel is seated, and we are honored to have another distinguished panel with us today. First, with us from my left, the audience's right, we have with us the Governor of South Carolina—or, excuse me, not the Governor yet—the Lieutenant Governor of South Carolina, Andre Bauer.

He is also a passionate advocate for the aging. In July of 2004, the South Carolina General Assembly and the Governor transferred responsibility for South Carolina's Older Americans Act programs to the Lieutenant Governor's office. The Lieutenant Governor's Office on Aging is now South Carolina's State unit responsible for overseeing and strengthening the State's active aging network.

The Lieutenant Governor was instrumental in the successful enactment of legislation that can serve as a national model for attracting more models to the field of geriatrics. The South Carolina Office of Aging uses an annual fund to support the education of physicians who specialize in geriatric medicine or psychiatry and agree to serve seniors within the State of South Carolina for at least 5 years.

Thank you, Lieutenant Governor, for being here today.

Mr. Vinsen Faris is the Executive Director of Meals-on-Wheels of Johnson and Ellis Counties in Cleburne, Texas. He has served in this capacity for 18 years and has a long history of involvement in meal programs authorized by the Older Americans Act.

He is a past member of the board and executive committees of the Meals-on-Wheels Association of America, the past president of the Texas Association of Nutrition and Aging Services Programs, and a member of the Tarrant Area Gerontology Society in the Texas Association of Aging programs. Mr. Faris has attended and presented at numerous workshops and seminars on aging services and nutrition. You have a great advocate, fellow Texan here to my right, as well.

Mr. Richard Browdie, to my far right, is the president and CEO of the Benjamin Rose Institute in Cleveland, Ohio. The Benjamin Rose Institute is an organization that provides quality services, research and advocacy on issues related to the elderly, their families, and other caregivers.

Mr. Browdie has a distinguished career in serving older Americans that spans over 3 decades. He served as the Secretary of Aging for the Commonwealth of Pennsylvania for 7 years, and is

the Executive Director for the National Association on Aging in Washington, D.C.

He has represented the States of Pennsylvania and Ohio in the 1995 to 2005 White House Conference on Aging. He was chairman on the Pennsylvania delegation to the 2000 U.N. Conference on Aging and a member of the U.S. Delegation to the 2000 World Congress on Aging.

You know, Mr. Hinojosa, if we were going to have a Texan on the panel, we had to balance it out with an Ohioan. That is an inside joke.

To introduce our final witness, I will turn to the gentleman from Maryland.

Mr. VAN HOLLEN. Thank you, Mr. Chairman. And Dr. Cheung, I just want to make sure you knew the Chairman wasn't skipping over you because he missed you. It is because I asked for the honor of introducing you because of your work in Montgomery County and the Washington area in the congressional district I represent.

Dr. Ling Cheung coordinates the Chinese American Senior Service Association, which is a nonprofit coalition of five Chinese senior groups in the greater Washington, D.C. Area and serves all senior organizations and seniors.

Dr. Cheung graduated from Beijing University Medical School in 1956 and emigrated to the United States in 1977. She retired from the National Institutes of Health in 1997 and became a volunteer for senior services in Montgomery County. Dr. Cheung has worked with the Evergreen Senior Program, the Pan Asian Volunteer Health Clinic, and as I said, she is currently coordinating the Chinese American Senior Service Association.

Chairman TIBERI. Welcome, Dr. Cheung.

We will begin from my left with the Lieutenant Governor. I would like to remind everybody before the Lieutenant Governorbegins that you will have 5 minutes to recap your written testimony. Your written testimony will be submitted for the official record for the subcommittee.

You will have a series of lights that you will see, beginning with green; then you will see an orangish-yellowish color, which will mean you begin to wrap up; and then when the red button occurs, if you could try to wrap it up as quickly as possible. I am pretty lenient on that, but we do have four panelist, and we have Members here who I know have busy schedules.

So if we can begin, and then we will have a series of questions and answers as well.

Lieutenant Governor.

## STATEMENT OF HON. ANDRÉ BAUER, LIEUTENANT GOVERNOR, STATE OF SOUTH CAROLINA

Mr. BAUER. Chairman Tiberi, distinguished members of the subcommittee, I want to thank you for allowing me to be here. Every day is a great day, and I am honored to discuss the reauthorization of the Older Americans Act.

I would like to share a few stories with you beginning with the elder-ready community of Chesnee, which is located in Spartanburg County in the northwest part of our State. Chesnee has about 2,300 residents, and more than 600 of these are members of the

VSP Club, which is a local senior center that I have actually gotten to visit on several occasions in conjunction with the national You Can Steps for Healthier Aging Program, which is sponsored by the Administration on Aging.

We have held a dozen or more You Can events throughout our State, and last year we urged seniors to take personal responsibility to improve their health and quality of life. It is really simple. It allows making better lifestyle decisions about tobacco, exercise and nutrition. Leaders in Spartanburg, which is actually in Representative Inglis' district, have converted the bottom floor of a high-rise senior apartment building into a senior center. They are now talking about working with Medicare and Medicaid to bring home- and community-based services to seniors served by the Spartanburg Housing Authority. They want to help seniors living in public housing maintain their independence and avoid going into far more costly nursing homes.

That is the type of forward-thinking that is woven into the President's proposed reauthorization of the Older Americans Act, which was the No. 1 priority of the White House Council on Aging, and I actually was able to attend on behalf of our State.

Now, do not misunderstand me. Nursing homes play a valuable role, but we simply cannot afford to pay for a nursing home bed for everyone who might actually need one. So when we find innovative thinking occurring like in Spartanburg, let's open the gates whenever and wherever we can.

Dr. Michael Stogner is also here with me today. Dr. Stogner is the AAA director who is not only involved with the Chesnee and Spartanburg projects, but he is providing leadership to build South Carolina's third Aging and Disability Resource Center, which I was fortunate to be around in when South Carolina opened its first one in Aiken, South Carolina. Almost as soon as they opened that, over one-third of the calls were coming from outside their service areas. In the meantime, that same area has a marvelous what I think is an innovation in transportation being attempted by a lady named Miss Basham of the AAA, and she is working with a multitude of different agencies that receive tax dollars to provide transportation to the public. But what she is doing different is she has taken an idea funded with seed money from the Administration on Aging and CMS, and she is harnessing technology to coordinate all publicly funded transportation so the empty seats can be filled, and we do not have actually any empty seats anymore.

I said South Carolina is building for the future by positioning for their senior boom, and currently they are the fifth biggest State in the country for the influx of seniors. We believe technology, data, research can allow us to make evidence-based decisions to give us the best results as we invest our scarce tax dollars. South Carolina may be unique in its creation of a senior data cube, which links together large data bases so they may be cross-referenced, and we have done this with a lot of private funding.

Preliminary conclusions are showing us the direct correlation between the intensity of Older American services and the avoidance of ER visits and in-patient admissions, which I think is very, very important. While we can project the cost savings to our State in the Medicaid program, I think there is a tremendous savings not only

to Medicaid, but Medicare programs as well at the Federal Government level.

As we talk about reauthorizing the Older Americans Act, perhaps the major message is while Older Americans Act services are not expensive programs as a whole, they are the foundation for programs and services that can save tax dollars.

Your invitation to me today to testify asked for a description about what the State of South Carolina is doing to help older Americans live a more healthy and independent life. And you asked me to discuss proposed amendments to strengthen programs and services for older Americans administered by the Administration on Aging. I have got some specific recommendations as well as a genuine endorsement for the Older Americans Act. I have included those, but just a brief summary.

First I want to endorse Choices for Independence, the centerpiece of the reauthorization proposal. Not only does Choices for Independence give seniors more control, but we have experienced in South Carolina through our waiver an annual Medicaid savings of $1,713 per participant.

Second, we want to endorse cost sharing. It allows greater flexibility at the local level and will encourage innovative ways of service delivery.

Third, we recommend the Senior Community Service Employment Program be reauthorized. We would ask you to maintain the age of 55 because the sooner we can provide job-training skills to help people be independent, the better off they are.

Fourth, we recommend clarification within the Nutritional Services Incentive Program and recommend consolidation of services funded under Part C to reduce unnecessary administrative expense and paperwork.

Fifth, we would support increase in Title VII to protect our most vulnerable institutionalized seniors.

Finally, we recommend a technical change regarding grant income, recommending the same language in the regulation be placed within the act.

In conclusion, I want to thank you, Mr. Chairman, members of the committee. I know you have a busy schedule, and I want to urge you to think all of these over, and I would be willing to take any questions. But thank you for what you are doing for our country's seniors. We have been very blessed in South Carolina with the money that you have passed down to help them.

Chairman TIBERI. Thank you, Lieutenant Governor.

[The prepared statement of Mr. Bauer follows:]

**Prepared Statement of André Bauer, Lieutenant Governor, State of South Carolina**

*Introduction*

Chairman Tiberi, distinguished Members of the subcommittee, thank you for inviting me here today to discuss the reauthorization of the Older Americans Act. I am honored to have been invited to testify about how South Carolina is building the future by positioning for the senior boom. I am Andŕe Bauer, the Lieutenant Governor of South Carolina, and since July 1, 2004, head of the State Unit on Aging, the Lt. Governor's Office on Aging.

I'd like to share a few stories, beginning with the "elder-ready" community of Chesnee, which is located in eastern Spartanburg County in the northwest part of our state. Chesnee has about 2,300 residents and more than 600 are members of

the VSP Club, a local Senior Center I have visited several times to exercise with the seniors in our continuing efforts in conjunction with the national You Can Steps to Healthier Aging program sponsored by the Administration on Aging and the Centers for Disease Control. We have held a dozen or more You Can events throughout our state in the last year where we urge seniors to take personal responsibility to improve their health and quality of life. It is really simple and involves making better lifestyle decisions about tobacco, exercise and nutrition. I'll be back there later this month to help Council on Aging Director Nancy Ogle dedicate the new Archibald Rutledge Senior Center in downtown Spartanburg. They have converted the bottom floor of a high-rise senior apartment building into a senior center. Those people in Spartanburg are now talking about working with Medicaid and Medicare to bring home and community based services to seniors served by the Spartanburg Housing Authority. They want to help seniors living in public housing maintain their independence and avoid going into a far more costly nursing home setting. That's the type of forward thinking woven into the President's proposed reauthorization of the Older Americans Act, which was the No. 1 priority of our national White House Conference on Aging. Our country needs its nursing homes. They are a valued health care option, but we simply cannot afford to pay for a nursing home bed for everyone who might need one. So when we find innovation like is occurring in Spartanburg, let's open the gates whenever and wherever we can.

I am told that Dr. Michael Stogner is also here today. I'd like to introduce him in order to say what I just told you is no fluke. Dr. Stogner is the AAA director who not only is involved in the Chesnee/Spartanburg projects but is providing leadership to build South Carolina's third Aging and Disability Resource Center. I was fortunate to help open South Carolina's first one in Aiken 18 months ago. Almost as soon as it opened they found that one-third of their calls were coming from outside their service area. Meantime, in that same area, a marvelous innovation in transportation is being attempted by Lynnda Basham of the AAA. She is working with a multitude of agencies that receive tax dollars to provide transportation to the public. Her idea, funded with seed money from the Administration on Aging and the Centers for Medicare and Medicaid Services, is to harness technology to coordinate all the publicly funded transportation so empty seats can be filled. When we find people trying to turn duplication of effort into services for seniors, let's open these gates whenever and wherever we can.

Down in Charleston, Rev. Dick Giffin, a member of our state's Silver Haired Legislature, is working with community leaders to duplicate the Maine model of an Independent Transportation Network that allows seniors to donate their cars for credit against the cost of future rides. Groups like his need seed money, and the proposed recommendation to permit cost sharing under the Older Americans Act would open the door for private sector support of this vital service for seniors. This would give greater flexibility to State Units on Aging and Area Agencies on Aging in helping city and county governments prepare for the aging of the baby boomers.

South Carolina has just implemented a new geriatrician loan forgiveness program after we discovered we had only 30 board certified geriatric physicians to treat our 500,000 seniors. We worked with the Silver Haired Legislature, AARP, advocates and many, many more to come up with a plan to attract new geriatricians. It received unanimous approval by the General Assembly. Today, after making our first round of awards, our seniors have eight new doctors specially trained in geriatrics.

One of my first decisions as head of the Office on Aging was to bring together a group of distinguished business leaders and community leaders to serve on my Commission for Aging Research and Evaluation. They were backed up by an equally distinguished group of academics and advocates known as the Coalition for Successful Aging that prepared position papers for the issues South Carolina discussed at its state White House Conference on Aging. Together, these groups helped increase awareness of senior issues in South Carolina, especially within the business community.

One thing I have found everywhere is a willingness to join together to build the future by positioning for the senior boom. I think we all know that the future we build for today's seniors is also our future, and conversely, the future we deny our seniors is the one we lose ourselves.

I said South Carolina was building for the future by positioning for the senior boom. We believe technology, data and research can allow us to make evidence-based decisions to give us the best results as we invest our scarce tax dollars. South Carolina may be unique in its creation of a senior data cube, which links together large data bases so they may be cross referenced. We are early in this process, and have been helped, as always, by creating partnerships and being alert to private sector and foundation funding. Preliminary conclusions are showing a direct correlation between the intensity of OAA services and the avoidance of hospital ER use and

in-patient admission. While we can project a cost savings to our state in its Medicaid program, I think there will be tremendous cost savings to the federal government, especially in the Medicare and Medicaid programs. As we talk about reauthorizing the Older Americans Act, perhaps the major message is that while Older Americans Act services are not expensive programs they are the foundation for programs and services that can save tax dollars. From our standpoint, the prevalence of obesity-related conditions such as coronary heart disease, stroke, and diabetes is disproportionately high in South Carolina. One in four adults is obese in our state, and more than three out of five is overweight. We must find ways to prevent obesity and chronic diseases by encouraging the use of evidence-based health promotion and disease prevention programs at the community-level through local aging services provider organizations such as senior centers, nutrition programs, senior housing projects, and faith-based groups. Like I said at the outset, we have begun this process by emphasizing the You Can program.

Your invitation to me to testify today asked for a description of what the State of South Carolina is doing to help older Americans live a more healthy and independent life, and you asked to me to discuss proposed amendments to strengthen programs and services for older Americans administered by the Administration on Aging. I have some specific recommendations, as well as a genuine endorsement of the reauthorization of the Older Americans Act.

I have specific recommendations in my written remarks, but if it pleases the committee, I will summarize my recommendations.

First, I want to endorse Choices for Independence, the centerpiece of the reauthorization proposal. Not only does Choices give seniors more control, but we have experienced in South Carolina through our waiver, an annual Medicaid cost savings of $1,713 per participant.

Second, we endorse cost sharing. It will allow greater flexibility at the local level and will encourage innovative ways of service delivery.

Third, we recommend the Senior Community Service Employment program be reauthorized. We would ask you to maintain the minimum age of 55 because the sooner we can provide job training skills to help people be independent, the better.

Fourth, we recommend clarification within the nutritional services incentive program and recommend a consolidation of services funded under Part C to reduce unnecessary administrative expense and paperwork.

Fifth, we support increase in Title VII to protect our most vulnerable institutionalized seniors.

Sixth, we do not support designation of a single statewide planning and service area.

Finally, we recommend a technical change regarding grant income, recommending the same language in the regulation be replaced within the act.

In conclusion, I want to thank you, Mr. Chairman, for the opportunity to speak to you today about the reauthorization of the Older Americans Act. I have tremendous respect for and confidence in South Carolina's senior community.

More specifically, I want to endorse Choices for Independence, the centerpiece of the reauthorization proposal for modernizing the Older Americans Act, which will be important to enhancing systems change efforts in South Carolina. The new Choices proposal focuses on the non-Medicaid side of the long term care equation. Many older South Carolinians become Medicaid eligible after spending their lifetime savings on nursing home care. Most prefer to remain at home and in the community as long as possible. If Congress enacts and funds the proposed Choices program, more seniors can receive the community based services needed to prevent or delay the more expensive institutional based care. Choices for Independence will help the non-Medicaid senior population to exercise more control over long term care options, make better use of their own resources, and avoid, or delay, nursing home placement.

South Carolina is facing growing fiscal pressures in our Medicaid budgets. As we note that the baby boom generation will soon be reaching retirement age, we are growing increasingly concerned about how we will meet long term care needs while keeping our Medicaid budgets contained. Helping seniors who are not Medicaid eligible to optimize the use of their own private resources can help them delay, or better yet avoid, spending down to Medicaid. Expanding the Older Americans Act to provide more choices for community based care and more options for cost sharing has the potential to better serve our seniors and to contain costs for long term care.

In South Carolina we have allowed caregivers served through our Title III-E Family Caregiver Support program to specify what they most need to help them in providing care to a loved one over the age of 60. Experience has shown that the caregivers can make a little bit of money go a long way when they have more control over how it is used. We would welcome the opportunity to test increased consumer

control and choice in other OAA services. Currently, most OAA dollars are tied to specific service categories. The Choices proposal would allow the OAA dollars to instead be tied to people's needs.

Within our Medicaid program, South Carolina has documented benefits of consumer choice and control through SC Choice, our Independence Plus Waiver. There was an average annual Medicaid savings of $1,713 per SC Choice participant in the pilot project. After a successful pilot, SC Choice was implemented statewide as of January 2006.

To support informed decision making and to provide comprehensive service information, and with grants from CMS and AoA, we have developed SC Access, a website with information on over 12,000 services. Trained and certified Information and Assistance specialists are available by phone to provide the important human component to the SC Access system.

Through our Aging and Disability Resource Center (ADRC) pilot program, we are working closely with our Medicaid program for long term care services. We now provide support to persons who are placed on the waiting list for the elderly disabled community based services waiver. Identifying persons at high risk of institutional placement who prefer to remain in the community is one step in keeping the Medicaid budget in check. Having more options for long term care services in the community would be an important next step.

Additionally, we would welcome funding for activities that will integrate our three ADRC with statewide public education campaigns to help people begin to plan for their future, like the programs AOA is promoting under the Own Your Future initiative. We will help private pay individuals use low cost community based alternatives, such as adult day care and respite care programs, and utilize private financing options such as private long-term care insurance and home equity instruments.

We strongly endorse cost sharing. Past regulations have tied the hands of service contractors by disallowing cost sharing, for example, in home delivered meal and group dining programs. In these times of diminishing resources, aging organizations must market their programs to a broader spectrum of seniors to obtain needed revenue. This can be expanded through changes in the cost sharing portion of the statute. Seniors that can afford to pay for services should be allowed to contribute to those services. Organizations should then have the flexibility to use those funds where there are waiting lists for services, or to improve current service. We support the AoA proposed changes to the OAA that would permit states to institute cost sharing for all OAA services, except for certain programs that will retain their exemption. The President's New Freedom Initiative has provided a national vision for reforming the long term care system by empowering consumers and honoring a strong desire to live in a community and to contribute to the community. We support efforts to modernize the Older Americans Act to bring us closer to this vision. The proposed changes will provide opportunities for states to implement a new approach and to evaluate the impact on the health and well-being of older people, their family caregivers, and health care costs. The President's 2007 Budget Request includes resources to begin implementation. We hope to see Congress enact a bill that will include the Choices Initiative. In South Carolina we want to do all we can to provide the highest possible quality of life for all of our seniors. We are proud of what we have done for seniors since the state office on aging moved to the Lt. Governor's Office. We think this legislation will help states prepare to better serve the growing population of seniors and we look forward to working with the Administration on Aging on a new vision for prevention, choice and greater consumer control within the long term care system.

We strongly recommend that the Senior Community Service Employment program be re-authorized with particular emphasis on maintaining two important features of the program. First, maintain the minimum eligibility age at 55 because the sooner we can provide job training skills to help people be independent, the better. Research projects that 9 million seniors will be eligible for SCSEP in 10 years, according to current guidelines with an eligibility age of 55. If SCSEP did not already exist as it has for over 40 years, experts on aging today most likely would be calling for creating a new program just like SCSEP as part of a larger, comprehensive national response to our aging society. Secondly, continue to allow participants to provide community service to their host agency during their training period. Host agencies would be greatly diminished if paid community service were reduced. Among agencies that would be affected are Meals on Wheels, senior centers and elder-care services, as well as rural libraries and One-Stop Career Centers where SCSEP participants often serve as specialists for all older job seekers.

We support provisions under Title V requiring comprehensive study of current and future senior employment needs, including examination of Title V, Workforce

Investment Act programs and all federal employment programs. We recommend procedures to coordinate those programs.

We recommend clarification within the nutritional services incentive program. Disbursements of NSIP funds should be made based on the meals reported in the most recent NAPIS report submitted to the Administration on Aging. The current wording requires that funds be distributed based on the meals served in the preceding fiscal year. Since the funds are appropriated in October and the report for the preceding fiscal year is not submitted until January, at the beginning of the grant period the states have no idea how much NSIP revenue will be awarded. The Area Agencies on Aging have contractors who are providing meals with an expectation of reimbursement that may not be met, if the state receives less NSIP than projected. Waiting until the final quarter of the current federal fiscal year to determine the total amount of NSIP for each state does not do what the program intends. Without a firm number to work with, some providers are over expending and others may hold back services that could have been provided if the amount of NSIP revenue was assured at the beginning of the grant period. NSIP funding for October 1, 2006 though September 30, 2007 should be distributed based on the NAPIS report due to the Administration on Aging in January 2006 and not on the report due in January 2007.

We recommend that there be a consolidation of services so that nutritional services are funded as Part C only. This would reduce unnecessary administration and related paperwork. With one authorization and appropriation for Part C, more flexibility would be allowed throughout the grant period, thereby making the program more responsive to consumer needs.

We support increase in authorization of Title VII provisions and services to enhance capacity to increase training of law enforcement and medical staff, broaden public education and community involvement, and facilitate coordination amongst all the professionals and volunteers involved with prevention, intervention, detection investigation and treatment of abuse, neglect and exploitation of vulnerable older adults. Statistics nationwide state 1 in 14 persons report incidences of elder abuse. The OAA under Title VII has a provision for the prevention of abuse, neglect and exploitation of older persons for both community and institutional settings. Limited dollars are allocated to this provision, however we must begin to think of the new population entering the aging sector; baby boomers who have more discretionary dollars. Many of these persons will be targeted for abuse, neglect and/or exploitation. In order to meet the needs of this incoming population, formers of the OAA must examine current and future allocations to adequately provide education and training activities. I would also ask for review for the addition of legal assistance dollars in Title VII. The initial allocation of legal assistance dollars included in Title III are quickly eroded by older persons in the community, thereby leaving few if any dollars for persons in institutions who may need legal representation/assistance. This issue "bubbles over" to areas of Choice, Nursing Home Transition (Home Again), etc. as seniors move throughout the continuum of care.

We recommend this specific action regarding grant income. Several years ago the Office of the Inspector General issued a report that resulted in changes in the use of grant related income. Prior to that report, states operated on the provisions that are still in the official Federal regulations for the Older Americans Act [CFR 45 1321.67(b)(1) and (2)] that allow grant related income to be used as match, to expand services, or both. We recommend that the same language in the regulation cited above replace the language of the Older Americans Act at Section 315 (a)(5)(C) and (b)(4)(E). This would allow AAAs to expand services to areas where there may not be sufficient local sources of revenue to meet the required level of local match. It would also allow local resources to be used for consumer directed services for which there are no Older Americans Act funding.

We do not support the proposed designation of single statewide planning and service areas. The current service delivery and planning structure at the regional level is well established, and is working very well in South Carolina. Current law already provides a process by which individual states can reduce their number of planning and service areas if they so choose, and those states with a single planning and service area were designed that way for specific reasons within those states.

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Chairman TIBERI. Just a side note. I have never seen this as long as I have been here this 6 years. We have four witnesses, one from South Carolina, one from Texas, one from Maryland, one from Ohio. We have four Members up here, one from Maryland, one from Texas, one from Ohio, and one from South Carolina.

Mr. BAUER. Mr. Chairman, that means hopefully you will be gentle to us on your questions.

Chairman TIBERI. That, too.

Mr. Faris.

**STATEMENT OF VINSEN FARIS, EXECUTIVE DIRECTOR, MEALS–ON–WHEELS OF JOHNSON AND ELLIS COUNTIES, TX**

Mr. FARIS. Chairman Tiberi, Mr. Hinojosa, members of the subcommittee, good afternoon. I am Vincent Faris, and it is my privilege to serve as executive director of Meals-on-Wheels of Johnson and Ellis Counties in Texas. I thank you for the opportunity to speak to you today regarding the reauthorization of the Older Americans Act, and I will direct my comments to some of those provisions in the act that affect my program directly.

I am not an expert in legislation, so I will not pretend to be one; however, I am a person who works every day in the heart of communities, many diverse communities, to feed needy seniors. Our service area covers over 1,700 square miles immediately south of Dallas and Ft. Worth. Roughly half of our area is becoming more and more suburban, while the remainder is still very rural in nature.

I want to begin my remarks by telling you a story. We were attempting to get a meal route started in one particular small community that has a very large number of needy elderly people residing there. It is one of the poorest communities in the county. Most of the elders had lived and worked on the farms and dairies for years. Oftentimes they were self-employed, so their Social Security checks were small, and SSI checks were almost nonexistent. Many in the community were concerned about them and made referrals to us. Yet when we contacted these needy seniors, they politely declined. They generally answered, there are others out there that are needier than we are. They were proud people, and while we knew they needed our services, they would not accept them because they regarded Meals-on-Wheels as a poverty program.

Next we directed our efforts to the churches and to the pastors, who got the message out from the pulpits that Meals-on-Wheels was, in fact, a terrific program about neighbor helping neighbor, and it was not a government handout. People could even make donations for the meals they received. Soon we had a meal route up and running, with most of the people making at least some sort of donation for their meals.

Meals-on-Wheels learned from this experience. We learned that many of the elders in our community are proud people. Even though they have limited incomes, they do not want a handout. We learned that by giving people an opportunity to do their part, the welfare stigma can be alleviated.

Last time Congress reauthorized the Older Americans Act, you changed the law to allow us to actively solicit contributions. This has made a real difference. The change that you are now proposing will now enable us to be even more effective about bringing those seniors who need our services, but who also have the ability to pay, into our program, and it will assist our program in encouraging contributions from them.

Because the Older Americans Act requires that services be targeted first to those in greatest need, in some areas of the country only the poor are being served by Title III programs, but need among our seniors is not about finances alone. I can tell you that from experience.

I told you my program service area includes a diverse group of communities. All are very unique in cultures and their heritage, but all are alike because of their growing elderly populations who are all faced with the many difficulties and struggles that come with old age. Frail, disabled and isolated seniors who are not poor need our services, too. The change that you are proposing to make recognizes that. It sends a signal to the whole aging services community that we should be expanding our services to all in need, no matter where they fall in the social services ladder. It also helps the program collect the revenues that we need so we can provide services to these individuals.

Let me mention a couple of other points before I close. I told you that my program has been successful in soliciting client contributions. I should let you know that there has been a certain downside to this because my program's Title III allocation has been essentially reduced as our contributions have increased. This is wrong, and I am pleased that you will address this in your bill.

It also gives a strong incentive to programs that do not utilize voluntary contributions to begin doing so, and it leaves decision-making about how to implement this as a local one. People in the local communities know their neighbors best.

I do not have the time to mention every change the subcommittee is suggesting, but I do want to express my support for several. You emphasized the critical link between nutrition and the prevention of chronic disease. Meal programs have known this for a very, very long time. Before the promotion of wellness was a popular concept, we were doing it. Our programs keep people healthy. They are an excellent investment of Federal dollars. I am encouraged that you include options like allowing our programs to provide meals to individuals who would not be eligible for Title III if they will pay for the cost of the meal. This is a win-win.

My program has been providing Older Americans Act nutrition services for all of our 29 years. When I tell you we are serving the oldest, frailest, neediest people we have ever served, that is not an overstatement. Just when we think they cannot be more poor or more frail or more isolated, unfortunately we are proved wrong.

Let me end my remarks by thanking you. You have worked together in a bipartisan way to listen to our particular request. You are proposing changes to the law that will help us maintain, maximize and leverage more resources. That is what we need to meet the challenges of the future. So again I thank you for the opportunity to appear before you today and appreciate the work that you are doing. Thank you.

Chairman TIBERI. Thank you, sir.

[The prepared statement of Mr. Faris follows:]

**Prepared Statement of Vinsen Faris, Executive Director, Meals-on-Wheels of Johnson and Ellis Counties, TX**

Chairman Tiberi, Mr. Hinojosa, and Members of the Subcommittee—good afternoon! I am Vinsen Faris. It is my privilege to serve as executive director of Meals-

on-Wheels of Johnson and Ellis Counties in Texas. I thank you for the opportunity to speak to you today regarding the reauthorization of the Older Americans Act, and particularly "The Senior Independence Act of 2006,"which your Subcommittee has recently developed. I will direct my comments to some of those Title III provisions that affect my program directly. But let me tell you from the start that I am not an expert in legislation, so I will not pretend to be one. I am a man who works everyday in the heart of communities, many diverse communities, to feed needy seniors. Our service area covers over 1700 square miles, immediately south of Dallas and Fort Worth. Roughly half of our area is becoming more and more suburban, while the remainder is still very rural in nature. I want to begin by telling you a story about one of these communities.

It's a story that I have told and retold many times. We were attempting to get a meal route started in one particular community that was small, but that had a very large number of needy elderly people residing there. Demographically, it was one of the poorest communities in the county. Because it was a farming community, most of the elders had lived and worked on the farms and dairies for years, often times they were self employed. So their Social Security checks were small and SSI checks were almost nonexistent.

Our program knew who needed Meals on Wheels, where they lived, and that it was no longer safe for many of them to be driving. Others in the community were all too glad to make the referrals to us. Yet, when we called upon these people, they politely declined. Their answers generally went along the lines of "there are others out there that are needier than we are." They were proud people, and while we knew they needed our services, they would not accept them because they regarded Meals On Wheels as poverty programs.

Discouraged we were, but defeated we were not. We met with several ministers and asked for their help with our challenge. From that meeting, we directed our efforts to the churches and to the pastors. It was from the pulpits that the message went out that Meals On Wheels was a terrific program about neighbor helping neighbor. And it was not a government handout! People could make donations for the meals they received. And wouldn't it be great, to just visit with someone around the noon hour every day? Soon we had a meal route up and running, with some people donating $5.00 a month for their meals.

Meals On Wheels learned from this experience. We learned that many of the elders in our community are proud people. Even though they have limited incomes, they do not want a handout. We learned that by giving people an opportunity to do their part, the welfare stigma can be alleviated.

We also learned several other important lessons from that experience. We learned that senior meal programs are misunderstood by many in the community and thought to be only for low income people. We learned that voluntary contributions are essential to expanding our program. Our success at encouraging donations from clients has been great. In fact, our client donations have generally accounted for seven to ten percent of our overall revenue. Client contributions have been one of our largest single sources of revenue in our budget each year.

Last time Congress reauthorized the Older Americans Act, you helped us accomplish this by changing the law to allow us to actively solicit contributions. It has made a real difference. I believe the change that you are proposing in your reauthorization bill will have the same effect. It will enable us to be more effective about bringing those seniors who need our services, but also have the ability to pay, into our program. And it will assist our program in encouraging contributions from them.

Because the Older Americans Act requires that services be targeted first to those in greatest need, in some areas of the country only the poor are being served by Title III programs. But "need" among our seniors is not about finances alone. I can tell you that from experience. At the beginning, I told you my program's service area was large, and it includes a diversity of our communities. All are unique in their cultures, heritage, religions, workforce, and workplaces. In this diversity, we see challenges and opportunities to strengthen our communities to make them all better places to live.

A commonality in all of the communities is a growing elderly population that is faced with the many difficulties and struggles that come with age: health issues, disabilities, isolation, hunger, limited income, and lack of family. The list goes on and differs from group to group. But each thing I mentioned is a need.

Frail, disabled and isolated seniors who are not poor need our services too. The change that you are proposing to make recognizes that. It sends a signal to the whole aging community that we should be expanding our services to all in need. It also helps programs collect the revenues that we need, so that we can provide services to these individuals.

Let me mention a couple of other points before I close. I told you that my program has been successful in soliciting client contributions and I discussed the value to us and to seniors. I should let you know that there has been a certain downside to this, because my program's Title III allocation has been essentially reduced as our contributions have increased. This is wrong, and I am pleased that you address this in your bill. Not only does that benefit programs like mine, but it also gives a strong incentive to programs that do not utilize voluntary contributions to begin doing so. And the proposal in your bill leaves decision making about how to implement this as a local one. People in the local communities know their neighbors best.

I do not have the time to mention every change the Subcommittee is suggesting, even if I knew them all. But I do want to express my support for several. You emphasize the critical link between nutrition and the prevention of chronic disease. Meal programs have known this for a very long time. Before the promotion of wellness was a popular concept, we were doing it. Our programs keep people healthy! They are an excellent investment of federal dollars.

Speaking of dollars, let me return to the issue of resources again, because we depend on sufficient resources to do our jobs. I am encouraged that you include options like allowing our programs to provide meals to individuals who would not be eligible for Title III, like caregivers for example, if they will pay for the cost of the meal. This is a win-win. It gets meals to people who need them and it increases program resources.

Title III of the Older Americans Act has been providing financial support to our organization for all of our twenty-nine years. During that time, we have evolved from an organization that served primarily ambulatory well-elderly people at a senior center, to an organization that focuses our efforts on needy homebound individuals. When I tell you we are serving the oldest, frailest, neediest people we have ever served, that is not an overstatement. Just when we think they cannot be more poor, or more frail and more isolated, unfortunately we are proved wrong. Each year there are more hungry seniors who need our services. We know this trend is going to continue and get worse.

This is true across the country. It is particularly true in my State of Texas, which the USDA has identified as being among the top five in the country for food insecurity. Just to define that term, it means that food is either inaccessible, unavailable or unaffordable. In plain Texas talk, it means hungry people cannot get food. Congress makes money available for Older Americans Act senior nutrition programs through Title III C. You also make money available for supportive services in Title III B. My food insecure state has transferred money away from nutrition services and into supportive services. In 2004, they moved nearly $5.8 million out of nutrition, and that is the equivalent of at least a million meals. All of the services furnished under the Act are important. Don't get me wrong. But food is essential for life and health. While meal programs have waiting lists, which means that seniors are going without meals, this transfer should be prohibited. Your reauthorization bill does not address this issue. I am disappointed and on behalf of hungry seniors across the country, I ask you to reconsider this.

But let me end my remarks by thanking you. That thanks is not only for my program, but on behalf of senior meal programs across the country and for the individuals they serve and families they touch. You have worked together in a bipartisan way to listen to our particular requests. You are proposing changes to the law that will help us maintain, maximize and leverage more resources. That is what we need to meet the challenges of the future. So, again, I thank you for the opportunity to appear before you today to express my program's support for these changes.

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Chairman TIBERI. Doctor.

**STATEMENT OF LING CHEUNG, PRESIDENT, CHINESE AMERICAN SENIOR SERVICES ASSOCIATION, MONTGOMERY COUNTY, MD**

Dr. CHEUNG. Chairman and members of the subcommittee, thank you for this opportunity to present more than 1,000 Chinese seniors' thoughts of the Older Americans Act. My name is Ling Cheung. I was introduced to the Older Americans Act Senior Nutrition Program 7 years ago, when I was a volunteer at the Rockville senior center. There are about 40 Chinese seniors, but only a few attended the senior lunch because of the cultural barriers. So I

speak with the county's program director Mrs. Mower, who is here, and I asked if there is possibility of serving Chinese food once a week. I know many people like Chinese food, not only Chinese. But she said, no, I cannot, because the county's cook could not make Chinese food. And she said to me, but you can do it. She said county has contract with ethnic groups, but we could get Chinese meals through a contract with the county. She helped me apply for the contract and made an arrangement with the Chinese restaurants for meals.

The first year we served 1,500 meals in 1 site to 40 seniors. Then we doubled our service every year. For this year the Senior Nutrition Program in Montgomery County is serving more than 500 seniors with 23,000 Chinese meals in 6 lunch sites. This program not only provides balanced nutrition for seniors, but has attracted them to attend the activities such as Tai Chi, dancing, ping pong, and the classes of English, computers, citizenship and a Chinese cooking class. Of course they play a lot of Mahjong.

We also provide service to introduce 260 county service programs to the seniors. And the more important, the Senior Nutrition Program has provided the opportunity for senior volunteering. That make things really happen.

Many seniors come to our centers for the first time because of the lunch. As they come to the new transitionsite, they find out there are so many activities they like, so many friends to meet, and there are so many services they never know. They help each other like a family, and they never feel lonely and depressed again.

Eight years ago an old Chinese man in great despair killed his wife and committed suicide because he was isolated and had depression; but after we have the Senior Nutrition Program, that never happen again. Instead, for instance, Mr. and Mrs. Xu immigrated to the country 10 years ago to take care of their grandkids. They always wanted to go back to China because they feel lonely here. After they join the lunch program, they attended the activities, they become very active volunteers. Mrs. Xu is lunch site manager, and Mr. Xu is our accountant. He had cancer 5 years ago. He is very healthy and happy for his life here. Now they are U.S. Citizens.

In Montgomery County and across the country, the Older Americans Act Senior Nutrition Programs allow seniors to find happiness and health. I hope Congress will reauthorize the Older American Act this year and to strengthen the nutrition program so they may continue to serve seniors now and in the future. Thank you very much.

Chairman TIBERI. Thank you, Doctor. And count me in as a lover of Chinese food as well.

[The prepared statement of Dr. Cheung follows:]

**Prepared Statement of Ling Cheung, Director, Chinese American Senior Service Association of Montgomery County, MD**

Chairman Tiberi and Members of the Subcommittee: Thank you for this opportunity to present my thoughts on the Older Americans Act. My name is Ling Cheung. I coordinate the Chinese American Senior Service Association (CASSA). CASSA is a non-profit coalition of five Chinese senior groups in the Greater Washington, D.C., area and serves all senior organizations and seniors.

I graduated from Beijing University Medical School in 1956 and immigrated to the United States in 1977. I retired from the National Institutes of Health in 1997

and became a volunteer for senior services in Montgomery County. I have worked with the Evergreen Senior program, Pan Asian Volunteer Health Clinic, and CASSA. In 2003, I received Montgomery County's Path of Achievement Award.

I was introduced to the Older Americans Act Senior Nutrition Program in Montgomery County seven years ago. I was a volunteer in the Rockville Senior Center. There are about 60 Chinese seniors, but only a few attend the senior lunch because of the cultural barriers-many Chinese seniors do not like the American food served. During one visit to the lunch site, I spoke with Senior Nutrition Program Director Marilyn Mower about the possibility of serving Chinese food once a week, as I know many people like Chinese food, not only the Chinese seniors. She said that the county's cook couldn't make Chinese food, but that the county has contracts for ethnic organizations to have nutrition sites and that we could get Chinese meals through a contract with the county.

First, I applied for a contract and made an agreement with a local Chinese restaurant for meals. They delivered the lunch to our activity center. The first year, we served 1,500 meals in one site to 40 seniors. The second year, we served 3,000 meals to 60 seniors in two sites. The third year, the numbers more than doubled again with 7,000 meals at three sites. This year, the Senior Nutrition Program in Montgomery County provided Chinese food through two organizations, CASSA and CCACC (Chinese Culture & Community Center), and is serving more than 500 seniors with 23,000 meals in eight lunch sites.

This program not only provides balanced nutrition for seniors once a day, but has attracted more seniors to attend the activities we provide. The sites offer exercise programs such as Tai-Chi, line dancing, folk dance, social dance, and ping pong as well as educational programs such as classes in English, computers, citizenship, photography, cooking and Chinese painting. The leisure program gives seniors the opportunity to enjoy activities like singing, day trips, and games like Bridge and, of course, Mahjong.

The program also provides the opportunity to introduce seniors to Montgomery County's other services like health care, housing, and transportation and helps them to apply for programs that might meet their needs.

A major part of the Senior Nutrition Program is that it provides the opportunity for volunteering. CASSA has more than 500 members and 94 volunteers; there is no paid staff. This is a main reason why we can provide good, nutritious food and have money to support our activities.

Many seniors come to our activity centers for the first time because of the lunch. They hear through social networks that you can have a lunch with three dishes, rice and a fruit. As they come to the activity center, they find there are so many activities they like, so many friends to meet, and many services about which they may never have known. They are happier and healthier and for many it reduces their feelings of loneliness and depression.

There are many examples just in our program. Dr. Wang is 84, retired from government and lives by himself. He comes to the activity center five days a week at our different sites and joins the activities. Mr. and Mrs. Xu immigrated to the United States ten years ago to take care of their grandchild. They always wanted to go back to China because they found it lonely here. After they joined the lunch program and attended the activities, they become U.S. citizens and very active volunteers. Mr. Xu is our accountant and Mrs. Xu is the Lunch Site Manager. Mr. and Mrs. Shao recently joined the program and decided to sell their house in China to stay in the U.S. permanently. They said, "The U.S. is the best place to live."

In Montgomery County and across the country, the Older Americans Act Senior Nutrition Programs allow seniors to find happiness and health. I hope Congress will reauthorize the Older Americans Act this year and strengthen the nutrition programs so they may continue to serve seniors now and into the future.

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Chairman TIBERI. Mr. Browdie.

**STATEMENT OF RICHARD BROWDIE, PRESIDENT AND CEO, BENJAMIN ROSE INSTITUTE**

Mr. BROWDIE. Thank you, Mr. Chairman and members of the subcommittee, for this opportunity to share a few thoughts with you about the reauthorization of the Older Americans Act.

I have had the privilege of working in the field of aging services for more than 35 years, and I have come to believe that the Older Americans Act is, in fact, the most appropriate vehicle the country

has for the expression of national policy on older people in this country, and the need to modernize this policy, which occurs as our society evolves, has never been greater.

The United States has actually been experiencing its aging revolution for several decades. People over the age of 85 constitute the fastest-growing segment of the population, and they have for some time. Public awareness is finally catching up. The people who manage State budgets have been feeling the pain in their Medicaid budgets for three decades.

Rarely does a meeting of the National Governors Association with Federal officials, appointed and elected, pass that some discussion does not arise, sometimes contentious, over what should be done about long-term care. And while there are numerous factors to push up the cost of Medicaid, many of which that do not have anything to do with the elderly, long-term care expenditures and the older people who use them get the brunt of the blame and are seen as budget busters around the country.

From Governors to advocates, people are calling for a comprehensive systemwide reform. Even the White House Conference on Aging ranked this issue highest except for one, the reauthorization of the Older Americans Act.

As much as I would like to see it, it seems unlikely that an effort to develop a comprehensive policy at this time would bear fruit. On the other hand, I believe that the administration's proposal for Choices For Independence, at least as I understand it, represents a significant opportunity to take a big step forward. This initiative builds on a series of demonstration programs that have been sponsored by an array of Federal agencies, many times with the support of major foundations.

All of the demonstrations, from Money Follows the Person to Cash and Counseling, and the capstone of the Aging and Disability Resource Centers, are considered part of an overall effort to rebalance the long-term care system in this country. Key to the success of all of these demonstrations is the effort to give individuals and their supporting caregivers a greater voice in determining where they will receive the long-term care and services they need along with useful objective information.

All evidence shows that when given timely, competent, independent advice and support, consumers make choices that are more in accordance with their own preferences, produce good or as better outcomes, and are more cost-effective than the predetermined choices offered under Medicare.

The Choices for Independence initiative builds on these findings of these demonstrations and begins to build key pieces of what is needed. It also adds another key element that is missing in many States. The truth about Medicaid nursing home care is that the vast majority of the recipients were not poor when they went into the nursing home. On average they spend down their assets in about 3 to 6 months. These people were certain to be eligible on a clinical basis to receive Medicaid waiver services while they were living in the community, but they are not very likely to be financially eligible because of the resource limitations of Medicaid. The Choices for Independence initiative includes a funding mechanism that offers the kind of flexibility necessary to be effective in com-

munity-based care to meet this level of need as, I might add, has been demonstrated in yet other demonstrations. It represents an important step forward administratively.

What is needed is an infrastructure to build on, and the system of the State Units on Aging and the Area Agencies on Aging more than meet the requirements. In fact, it is the only nationally available system based in local communities that serves older people and is capable of acting like a network.

Widely trusted by consumers and respected by practitioners, the Aging Network has performed as it was designed to do, and given the resources it has had over the years, discounted by 50 percent, we are a provider of the services under the Older Americans Act, it has generated returns on the investments Congress has made many times over.

Where I respectfully disagree with the administration's proposal is in its scope. I really do not think we need another demonstration to show that what we learned in previous demonstrations will work better if we coordinate it. A well-thought-out strategy that includes proper technical assistance and the evaluation regime necessary will take a number of years anyway, and it seems particularly wasteful since more than 40 States are developing aging and disability resource centers, and many others are involved in moving their systems forward.

In a related point, I think that the funding change that I indicated is a good idea also should be on a national basis and should be funded accordingly.

Thank you, Mr. Chairman. I do have another thought or two, but perhaps maybe during questioning.

Chairman TIBERI. Thank you. We will try to accommodate your thoughts.

[The prepared statement of Mr. Browdie follows:]

**Prepared Statement of Richard Browdie, President and CEO, the Benjamin Rose Institute**

Thank you, Mr. Chairman and members of the subcommittee for the opportunity to offer testimony regarding the reauthorization of the Older Americans Act being considered by the committee. As someone who has worked in this field for more than thirty-five years, I have come to believe that the Older Americans Act is the most appropriate vehicle for the expression of national policy regarding older people in this country. The need to modernize that policy is greater today than ever.

The United States has actually been experiencing the early stages of its "aging revolution" for decades. The number of people over 85 is the fastest growing segment of the population and has been for some time. The pressure on state budgets produced by continued growth in Medicaid long term care expenditures (along with all the other growing cost drivers that impact Medicaid budgets) is being experienced across the country. National expenditures have grown accordingly.

Rarely a meeting of the National Governors' Association with federal elected or appointed officials passes without some exchange over the burgeoning issue of state and federal spending on Medicaid, with older people and nursing home care, appropriately or not, receiving the brunt of the blame. Calls for large scale, system-wide reform, from governors to advocates, from providers to consumers, will some day, I believe and hope, lead to a comprehensive effort to build a long term care and services policy which addresses the whole range of issues that will have to be a part of it. The recently completed White House Conference on Aging ranked its recommendation on long term care policy almost first. Reauthorization of the Older Americans Act was first. It would seem that we are not yet ready as a nation to take the step of developing a comprehensive long term care and services policy and financing strategy. Let us hope that we are ready to reauthorize the Older Americans Act. I believe that the elements included in the Administration's "Choices for

Independence" initiative are critical elements in moving the nation forward, and are parts upon which any reasonable comprehensive long term care policy would need to rest. I also believe that a demonstration program would delay progress needlessly. We need to get started putting the building blocks in place.

Advocates for persons with disabilities and their counterparts in the aging services system have been pressing states to rebalance the long term care system, and there has been a growing effort to do just that. Supported by federal initiatives beginning a number of years ago and continuing through to initiatives in the Deficit Reduction Act and in many of the Administration's proposals for 2007, the level of activity regarding "rebalancing" has continued to grow.

A continuing series of demonstration programs, funded by several of federal agencies and often in partnership with national foundations and state governments, have helped identify strategies and program approaches that are effective individually in meeting the needs of consumers who need long term care and services. I was a part of the National Long Term Care Channeling Demonstration. Despite the confusion over what the results of the demonstration meant, states that have achieved real progress in rebalancing their systems have learned to use the instruments of preadmission assessment and care management as the backbone of a community-based care system which can, when properly funded and supported, supply a cost-effective alternative to nursing home care for a significant portion of the people who need long term care and services. Since that time, we have demonstrated the importance of supporting families who provide the majority of all the care provided in this country, which led Congress to add the Title III-E, the National Family Caregiver Support Program, to the Older Americans Act. This effort, while in need of considerable expansion, bridged a huge gap in the thinking of policy makers regarding the elements a long term care system would need.

The "Money Follows the Person" and "Cash and Counseling" demonstrations, along with related initiatives, constitute the next wave of efforts to support rebalancing state Medicaid programs. These projects have added important elements to what is now a growing body of evidence that can be used to support developing alternative ways to meet the needs of people that have needs for long term care and services. The capstone of these demonstrations is the Aging and Disability Resource Center initiative, which recognizes the central role that consumer information, the elimination of unnecessary bureaucratic barriers and help through the maze of needed financial considerations plays in helping older people and their families sort through their long term care options.

Policy researchers and analysts reviewing state long term care data have begun to point to changes in the utilization of nursing home services to indicate that the changes in nursing home use that are already underway are evidence that the "system" is adjusting itself. This suggests that more aggressive efforts to rebalance the long term care system are important to consider as a response to future needs, but they are not as urgent as first thought, since they will happen without any additional changes in policies or programs. Yet, in many of those states, the number of days of care in long term care facilities paid for by Medicaid has continued to grow.

How can that be? The average length of stay in nursing homes is dropping because more people are using skilled nursing facilities as post-acute care settings, which increases admissions and discharges after relatively short stays. Meanwhile, people with the money to make choices have been finding their long term care service settings in places other than nursing homes more frequently. In the private marketplace, developers of assisted living and senior housing have been building an increasing number of settings where housing options support and even facilitate the receipt of care and services that can make "aging in place" a part of a personal plan that consumers could choose and implement. But when people run out of money, or when they or their families never thought that they had enough money to last very long in other unsubsidized settings, Medicaid reimbursed nursing home use remains the default option.

No analysis that I know of has ever fully sorted out exactly how many people would benefit from each of the alternatives demonstrated by the initiatives that the government has supported that I have referred to above. What we do know is that the states that have made concerted efforts over long periods of time, such as Oregon, Washington, Maine and a few others, have been successful because they were ready to do a whole array of things, including making the difficult political decisions involved, and they stuck with it. It should be noted that their success took years to accomplish. Further, consumer education, at the point of actually making a decision about long term care and even sooner whenever possible, was the lynchpin of their strategy. Efforts to empower consumers through strategies like Cash and Counseling build on the same principle. A consumer armed with good information and supported by high quality independent professional support, will make cost ef-

fective decisions even when the government is paying the bill. What we also know is that states that have not been able to make similar decisions and press for similar policies, for whatever reason, have remained unsuccessful in reforming their systems. The "unsuccessful" states outnumber those that have made significant progress. There are two observations to be drawn that might seem obvious, but they do not receive much attention.

The first is that the effort to create a national long term care and services policy is greatly complicated by the fact that states have the right under the law to manage the Medicaid program in very different ways. They are free to be innovative, and they are free to follow the path of least resistance. Their nursing home lobbies understand that reality better than anyone. Some states manage their long term care costs under Medicaid by unreasonably curtailing reimbursement for care in nursing facilities, creating a difficult and even dangerous challenge for the providers of needed care to very frail people. That is not a situation that should be supported with federal funds. At the same time, curtailing people's ability to choose because they happen to live in a certain state shouldn't be supported with federal funds either. I believe in the virtue of having national policy, implemented by state administrative management which recognizes the unique characteristics of state and local legal and human service system structures. I also believe in giving local system managers as much flexibility as possible, since states have tremendous variability and diversity within them. But, we seem to forget that the Federal Government and its taxpayers bear about 57% of the costs when a state that is running a system that makes too few alternatives available and reimburses for too many days of nursing home care pays it's bills. Since state taxpayers are for the most part likely to be the same people who are paying the federal taxes, those taxpayers are paying all the costs of any inefficiency a state Medicaid program may tolerate, and doing it while denying people access to alternatives that are less costly and more consistent with their personal preferences. In short, as a nation, when it comes to publicly funded long term care, we pay more for poor performance.

The second observation is that the key to success in all long term care initiatives is giving the consumer choices and as much influence over how their services will be offered to them as possible. Given that he country is facing the fastest growth in the population of people who are likely to need long term care in its history. The Administration is to be credited for their several initiatives broadly described under the banner of the New Freedom Initiative. In many ways, the most important initiative of all is the Choices for Independence initiative.

Informed consumers have been shown time and again to make decisions for themselves and their caregivers that use resources wisely and nearly always result in considerable delay in their use of institutional alternatives. By assuring that consumers and their involved caregivers have access to timely and objective information supplied by a respected resource in their community, consumers will overwhelmingly choose service venues that support the maximum sense of independence and dignity possible.

Choices for Independence will support the systematic development of an infrastructure to do just that. And, using the network of State Units on Aging and Area Agencies on Aging to do it just makes sense. The Aging Network has served this country since 1974. It is the only national system of aging organizations in the United States that is connected to the communities in which Older Americans live their lives and is independent from the incentives and biases associated with ownership of service agencies and their need to attract consumers to assure their economic viability. And, the Aging Network has for all of its years the mission of being concerned with the needs and circumstances of older people across the income spectrum. While certainly they have historically focused on the needs of the poor and those with greatest needs, they have years of experience with the challenges faced by older people who have too much money in the bank to be Medicaid eligible while living in the community, but too little money to be able to finance all their long term care needs without ever relying on Medicaid. This group is the population that it is most important new policy initiatives to focus on, since this is the group that makes up the vast majority of people who are recipients of Medicaid nursing facility care at any point in time. In short, the Aging Network has proven its reliability and trustworthiness in the eyes of older people and their families.

I would disagree with the Administration's proposal on a couple of key points. First, a demonstration program only delays beginning the critical work of building a national infrastructure to support consumer information on long term care. We already have demonstrated that long term care alternatives work. And we have demonstrated that the key to system change, where there is a tradition of innovation in state management or not, is informed consumers and families. A national strategy that includes the sound planning, technical assistance and evaluation com-

ponents needed would take a number of years to fully implement anyway. It seems wasteful, particularly since more than forty states are already developing Aging and Disability Resource Centers, to go through yet another demonstration.

Secondly, the initiative includes a new strategy for dispensing funds that allows states to use Older Americans Act funds without the historical program constraints that interfere with addressing needs with maximal flexibility. The capacity for managing resources in this fashion is already well developed in the Area Agencies in the country that manage Medicaid waiver services, and it will help states and communities target those people in the community who are at risk of needing nursing home care, but whose resources would make them ineligible for Medicaid. As I mentioned earlier, these people eventually make up the majority of Medicaid nursing home beneficiaries, and for that reason, this provision should be generously funded.

There are a few other areas that I would like to touch upon that may have relevance to the Members as they consider reauthorization of the OAA. The first is to increase the authorizations under the Act to levels that reflect both the lost buying power of the Act over the years and the growth in the population in need. I am a former public official, so I am well aware of the pressures that the government faces in restraining the growth in public spending. However, it should be recognized that the Aging Network has been producing extraordinary results at very low costs for decades. Indeed, recent decisions made by OMB because of the lack of "evidence" of the benefits of programs funded by the Act were reflective of years of squeezing every penny for service output, while being reluctant to spend money on the production of evidence. What is needed is to have the resources to produce data and generate evidence while serving those in need, not punishing agencies that are too busy to evaluate small, but critically important, programs.

The second is the issue of Elder Abuse. Title VII of the Older Americans Act has for years provided a set of guiding principles and policies that have played an important role in this increasingly important area. Information pulled together by the Elder Justice Coalition, which has been working with partners across the country, indicates that as the number of older people grows, there is every reason to believe that the nature of elder abuse will continue to diversify and that attempts to abuse older people will grow correspondingly. Many of the forms that elder abuse takes are in connection with federally funded programs and services. Yet, there is no center focal point for policy and research on this issue, and there is no place to act as a hub to coordinate with all the federal agencies that should be involved (and often are, in collaboration with their state counterparts) in dealing with this difficult interdepartmental and interdisciplinary issue. Consideration should be given to using Title VII as a vehicle to establish a federal home for this issue that has gone unaddressed for far too long.

Again, Mr. Chairman, allow me to thank you and the members of the committee for this opportunity.

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Chairman TIBERI. I am going to recognize Mr. Hinojosa to begin a round of questioning.

Mr. HINOJOSA. Thank you. My first question will be to Mr. Faris from the great State of Texas. I liked your presentation, and it is amazing to me that you have been at this for almost three decades. I come from a family that has been in the food service to hotels and restaurants, so some of our clients happen to be programs like Amigos del Valle down in Texas, and I can certainly relate to many of the comments that you made.

Your Title III allocation has been reduced as the client contributions have increased. I made that point to the first panelists. Is cost sharing an incentive, or do you think it is a disincentive?

Mr. FARIS. I think that voluntary contributions, encouragement of the clients to make those voluntary contributions, could be an incentive. I believe that people feel good about helping other people, and, therefore, every dollar that we can put into the program can purchase more meals.

Because of a technical problem that we encountered during the past 2 years, though, in which we had Federal grant earnings actually subtracted by the amount of the client donations coming into

the program, that is a disincentive, and we have seen a lot of programs actually turn away from encouraging their clients and participants to make those donations.

Mr. HINOJOSA. Would you agree with me that just like there is a different flavor profile in different regions of our State, that there are different levels of income by families?

Mr. FARIS. Yes.

Mr. HINOJOSA. In south Texas, if I were to take a look at the income per capita of senior citizens versus those I represent in central Texas close to the State capital, there is a significant difference. And in central Texas I would say the stories you shared would be repeated right there in Bastrop and Fayette County and those areas where the European-descent ethnic groups are very proud, and they do not like Federal money. They think we are in their way, to be honest with you.

All this to say that I am very proud of their work ethics and how they tried to provide for themselves. I really liked your presentation because I could relate to those in south Texas versus those 360 miles further north into central Texas who I represent.

You also recommended that funds transferred between the Title III(c) and the Title II(b) be prohibited. The Texas case that you gave is disturbing, but is this happening throughout the entire country?

Mr. FARIS. It is my understanding that there are numerous transfers being made with the State Units on Aging throughout the country from (b) services to (c) services. Being a nutrition provider, we work so hard to alleviate hunger in our elders. Monies that were originally allocated for our food, in my deepest heart of hearts those should be spent for food; (b) services those are important, yes, whether it is transportation or activities in senior centers, but I hate to see funds that were allocated for nutrition be moved into other areas.

Mr. HINOJOSA. When we go to the committee of the whole in the Education and Workforce Committee, I certainly will remember your statement and see if we can get some reaction from the 55-member committee that that we represent.

I am going to move on to Dr. Cheung. I really liked your presentation also, and one of your specific findings was that your efforts have helped older individuals overcome feelings of loneliness and depression. Do you have some recommendations for other program administrators to undertake it in this regard? I really was hit close to the heart here when you made those statements.

If I may, I can repeat the question.

Ms. CHEUNG. Actually I do have ideas. I think for the seniors to keep healthy and happy in the rest of life, they should live together. You know, the activities center has helped. You can come to the center in the daytime, but the transportation is very difficult for them. Our seniors, like more than 20 seniors, go to the community center. They spend more than 2 hours on the way. So that is not the way to do.

I think we should make the seniors living together like in the Leisure World. They have more than 10,000 seniors living there, so they have activity right there. They do not need to go anywhere.

And they have a clinic and a post office in their facility. I think that is a way to do. I wish I can see that day.

Mr. HINOJOSA. I agree with you. In listening to the presenters in Ohio this last week when we were in the Chairman's district, they talked about the importance of socialization just equally as important as the nutrition and the Meals-on-Wheels. So I agree with you.

Ms. MOWER. I think she would agree with you completely.

Mr. HINOJOSA. Thank you very much.

I yield back, Mr. Chairman.

Chairman TIBERI. Thank you, Mr. Hinojosa.

Lieutenant Governor, you mention in your testimony that South Carolina supports cost sharing. Has your State implemented cost sharing for home- and community-based services? And I have a follow up for that.

Mr. BAUER. I do not know if they have or not. I know we would like to. I would believe we have actually, judging from my notes here. But I know that they have experienced problems where they want to be able to branch out and do more cost sharing. They feel like the churches are taking care of some of these things, and there are people that actually have the funds available, but they do not have the services that are provided. South Carolina is a more rural State, and there is a lot of areas of the State where nobody is offering the services except the government, and so they cannot even go out and purchase some of these services, and some of them have the means to do so.

Chairman TIBERI. In your time as Lieutenant Governor and taking over this program, how important is the broad goal of flexibility?

Mr. BAUER. Flexibility is key to us. Again, the vital dollars that you send down to our State, about $29 million, and then until this previous year we had only allocated 2-. I got the general assembly to allocate another $2.9 million this year to help with some of these in-home services because we see just how vital small little things that we can do, whether it be transportation, making sure they are getting medical coverage, making sure they are taking the proper medications.

A lot of times we can keep them in their home, which the alternative is they would be put in a nursing home, which really would be a burden on our State. So any time we have any flexibility in any of these programs, our folks, who are much more knowledgeable than myself, I am more of a speaker and a figurehead as a part-time job as Lieutenant Governor, I have taken on this agency as well. But any time they have latitude to move around dollars and options, it helps the seniors in our State.

Chairman TIBERI. Thank you.

Mr. Browdie, I helped create legislation in Ohio or a law on a consumer guide, an Internet-based consumer guide with the Department of Aging. So along these lines, with the existing structure of the Older Americans Act, and utilizing the network that we have on State Units of—Area Agencies on Aging, how can the reauthorization that we are going to pass support the systematic development of a national infrastructure to support consumer information that you talked about or wrote about in your testimony?

Mr. BROWDIE. Mr. Chairman, I guess there are a number of things that could be done, and it is almost—the number of things would be relatively numerous. I do not know that we would want to go through all of them. The key would be to assist States. States are unevenly prepared to move forward on their own, and there are lots and lots of the information systems that are available now were developed with Federal money. Therefore, it would be not a difficult matter to share the infrastructure that has been made available in a number of States, give other States the opportunity to adapt their own to, if you will, populate the information cells with information that is State-relevant, and it would cut the lead time down substantially in evolving those things.

Second, I would say is that a great deal of the information on the Websites, we had developed one in Pennsylvania as well, was Federal information. Sometimes there are Federal agencies that make it easy to gain access to those Websites and to interface in a way that the consumer would find it easy to navigate, and sometimes less so. So there could be a development of some kind of avenue or bridge for States to use to make that interface better.

But last I would say is that there is little new under the sun, but there are many of us who live under one shade tree or another, and it would be an opportunity to offer technical assistance to States who are having trouble getting traction on moving their systems forward.

One of the things that we are all impressed by is that we talk about our opportunities and what we do on a State-by-State basis. Ohio, Pennsylvania, New York and other places know that many of our seniors move, and then frequently they will move back late in their life, so that the opportunities for these people to be able to plan for their long-term care needs across that bridge, including information in other locations, is something that is important to the country as it thinks about the long-term care across the States.

Chairman TIBERI. You had you some final thoughts before you stopped before.

Mr. BROWDIE. Yes, thank you, Mr. Chairman. Two thoughts. Briefly, Older Americans Act, particularly in Title VII, strikes me as being a vehicle where one of the other major unaddressed issues in this country that needs a Federal home, and that is the issue of elder abuse. And I would ask that the committee think about some action in that regard.

The last issue is that going to Representative Hinojosa's points that he made earlier, the purchasing power of the act has indeed fallen. This is an issue where the opportunity to serve people before they become Medicaid-eligible is what is so much going to be so helpful to the State government and also the Federal Government. The Federal Government pays 60 cents every time a State spends 40 cents on somebody that does not need long-term care in a nursing facility. Helping that just seems to me like good business.

Chairman TIBERI. Thank you.

Mr. Hinojosa.

Mr. HINOJOSA. Mr. Browdie, I think we have you on a roll. I want to ask you another question. I would agree with you that building a national infrastructure is needed much more than a pilot program in this regard.

You also mentioned in your remarks a greater need for resources in this area, so if that is how you feel, do you have any dollar estimate of how much more the act should provide?

Mr. BROWDIE. With the Representative's indulgence, I would be glad to do some calculations. I did not prepare a statistical—any kind of work to really go to that. Most of the advocates, as you know, would try to argue for a feasible number. As a State official, I know that budget pressure comes from all directions all the time. At the same time, this is an arena where I think being penny wise is indeed pound foolish. I would be glad to do an estimate.

[The information referred to follows:]

**Response to Mr. Hinojosa's Questions Concerning the Senior Independence Act of 2006 by Mr. Browdie**

Dear Rep. Patrick Tiberi, Chairman; Rep. Rubén Hinojosa, Ranking Member; and Members of the Committee: Thank you for the opportunity to submit additional information to the committee in response to questions regarding the "Senior Independence Act of 2006," and the Reauthorization of the Older Americans Act. Your work on behalf of the older people of this country is greatly appreciated.

"Senior Independence Act" addresses several inter-related aspects of access of long term care services that are fundamental to how people are served, which in turn drives a significant portion of Medicaid spending. As I indicated in my testimony before you, I believe that the Congress would best serve the nation's interest through a national effort. Committee members asked what I thought it would take to implement the program nationally as an alternative to a demonstration. I would like to answer the question, and then provide my rationale.

A national initiative would begin to make a difference in the way consumers use long term care and services across the country by helping to integrate the numerous and sometimes confusing initiatives that are already in progress. It would help states that are behind in the "rebalancing" process get started, and buttress those that are under way. Any amount that it would take to mount a credible national effort would seem huge in comparison to the current AoA budget, though it would seem modest in the context of Medicaid and Medicare spending, which I believe is the most appropriate point of reference. The Administration's "Money Follows the Person" initiative in selected states is projected at $1.75 billion over five years, more than the entire AoA annual budget. As important as that initiative is, all the evidence indicates that keeping people out of nursing homes in the first place is more cost-effective and less disruptive to their lives than trying to get them out after they have gone into a nursing facility. I believe a similar amount of $1.75 billion over a five year period is a reasonable place to begin, starting at about $150 million in the first year (about the size of the Family Caregiver Program) to accommodate development of program infrastructure at the national and state levels, and building from there. If resources are properly targeted to individuals with high levels of clinical need, but with too many resources to be eligible for Medicaid HCBS, this effort should pay for itself, through Medicaid and Medicare spending offsets over five years. It is worth noting that because of the dominant role government policy plays in the long term care market, a system wide effort to move long term care and services use to the home and to community settings would be very likely to influence private spending positively as well.

The "age wave" that advocates have been talking about for thirty years is now here. More importantly, the age group most likely to need long term care, those over age 85, became the fastest growing sector of the American population twenty years ago, and that growth continues. It is not a reasonable goal to reduce the number of people who will need to be served. The appropriate goal is to serve a larger number of people at a lower average cost, and to reduce the growth rate of public long term care expenditures from the present growth rate to a lower and more affordable one. To do that, we need to address the institutional bias and "rebalance" the system, or more accurately, create a balanced system of long term care services and supports across the country.

When states do take steps to rebalance their long term care systems, they save themselves money, and they save the federal government even more, since the federal share averages 57%. Conversely, when they don't, and the great majority of them have not, the federal government pays more than half the cost of their inefficiency. (It should be pointed out that the taxpayers in those states are footing the

bill on both levels.) CMS has been making efforts to support those that want to change as much as they can in the current framework, and they have recently been joined by AoA, which is appropriate, since AoA's network of State Units on Aging and Area Agencies on Aging have been involved in the most successful states since the beginning of their efforts. Despite these recent initiatives, states that are trying to make progress are, both politically and in a policy sense, on their own, with each state being its own battle ground. There are all sorts of reasons that states don't take steps to move their systems forward. Meanwhile, as a nation, we are all paying the bill.

To my knowledge, there has never been a comprehensive estimate of what it would cost to completely re-balance the long term care system, just as there has never been an estimate of what a balanced long term care system could actually save the country, in state and federal Medicaid expenditures. There are all sorts of things that make the scientifically precise measurement of cause and effect extraordinarily difficult in the real world, where decisions are being made every year that change one or more factors that would effect expenditures and trends. As a result, researchers and budget forecasters can't confidently apply the results of demonstrations, which themselves are trying to establish relationships in environments which are constantly changing, to the nation.

While analysts and researchers debate at the national level, a number of states that have taken the initiative and initiated a series of coordinated steps that have had a substantial impact on the growth rate of their long term care expenditures, and in some cases have actually decreased them for a period of time. They all have done the same things, albeit in different ways. They have developed a broad range of services that can meet the needs of many who would otherwise be compelled to enter nursing homes and make the services available to those who need and prefer them. They have established vigorous pre-admission assessment programs to verify clinical level of need and provide options counseling opportunities to assure individuals and their families and caregivers are fully informed of all the alternatives that could meet their needs before people can enter a nursing facility under Medicaid. If care in the home is preferred, they have developed care management systems, and increasingly, family supports and "cash and counseling" options for consumers who wish to manage their own services. Recently, through Aging and Disability Resource Centers, they have also begun to coordinate the to their systems to make the process of getting information about long term care options easier and earlier in the process, since making decisions at the point of crisis is always more difficult and oriented towards the fastest and most medically conservative resolution, which is always a long term care bed. In these ways, some states are making consumer preference viable, serving people how they would choose and saving the taxpayer money in the process.

The sources of funding that go into the long term care system add to the difficulties faced at the state level and stand in the way of truly comprehensive and coordinated federal policy initiatives. Medicaid is an entitlement, with all the attendant restrictions on federal agency use, while Older Americans Act funds are "discretionary", which means more manageable in the context of budget pressures. State funds connected to Medicaid become part of the entitlement, while state funds appropriated to serve people who are not yet Medicaid eligible are not, which has meant that many states can't see past the demands of Medicaid to ever get to the "spend down" population. Those states that have are the states that have been the most effective in containing cost growth. They have done so by targeting a combination of Medicaid funds and state non-entitlement funds (with some OAA funds as well) to maximize their impact on making alternatives available to people who are eligible for Medicaid and those who are nearly eligible. The savings realized, or more accurately the costs avoided, are counted on the Medicaid side of the ledger. The same will be true with the Senior Independence Act, since the greatest benefits will occur in Medicaid, and there will be additional benefits in Medicare, both huge entitlements.

Any national program, particularly one with several complex components, would take time to develop and then roll out. State administrators know that new programs can take up to three years take statewide, so it is reasonable to expect that it would take five years or more to establish and stabilize a national program of this kind. States that have not managed many programs of this type will need substantial technical assistance to develop the necessary management systems and the service infrastructure. Large programs are best expanded in a planned and orderly way, allowing for early implementers to try things out and see what needs to be retooled to work better. It also gives states that have more preparatory work to do the time to do it, while learning from the experiences of others. Federal agencies need the opportunity to develop technical assistance approaches, to develop reason-

able expectations while giving states the needed flexibility to adapt national programs to their unique state and local systems, to learn what information is most useful to have reported, and to develop appropriate performance monitoring methods.

Given all the above, I believe that it would be reasonable to begin building a program at about the same level as the Administration's "Money Follows the Person" proposal. It is large enough to have an impact, but small enough to be manageable. The idea of giving states new resources and financial incentives to get people out of nursing homes has great merit on moral grounds and should be cost-neutral. In addition, once the public understands that it is possible, it may mean that a larger proportion of nursing home residents and their families may more seriously consider return to the community even after a fairly lengthy stay in a nursing facility.

A comprehensive system of public education coordinated with enhanced long term care information resources through improved access systems and a serious attempt to help the near poor afford to stay in the community, enhanced by evidence-based wellness programs, is very likely to have an positive effect on state and federal Medicaid and Medicare expenditures, particularly since it has the effect of knitting together the "rebalancing" efforts already proposed in other parts of the budget. $2 billion over five years would constitute less than one percent of the funds that Medicaid alone will spend on long term care over the same period of time. It seems a modest yet realistic sum to invest in finally beginning a national effort to begin to turn the tide on the on the "institutional bias" that we have all come to know so well.

Thank you again for the opportunity to supply information to support your deliberations on the Older Americans Act. I would be glad to review this or any other information with your staff at any time.

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Mr. HINOJOSA. I would ask you to try, because my friends in Ohio, who are not shy, evidently they have done some homework, and they gave us some pretty strong numbers to increase it, and I want to try to be on the side of increasing it.

And I will go and ask the Lieutenant Governor a question. You recommend keeping the age eligibility for services in the Senior Community Services Program at age 55, and you heard my interest in trying to see what it would cost to phase it in. Tell us in your opinion what would be the effect if the age eligibility was raised to 65, in one jump up to 65. What would it do to South Carolina?

Mr. BAUER. South Carolina has—the distinct problem is that we are above the national average in unemployment. We continue to see manufacturing jobs leaving our State. And these are people in that age bracket that would substantially suffer if we did not have that age at 55. And I think making sure that we get them back in the workforce as quickly as possible is pivotal.

Mr. HINOJOSA. Could you garner support to look at other alternatives other than just doing that leapfrog to 65 from your State?

Mr. BAUER. We would entertain a multitude of different options. And, of course, our State tries to address them at a State level as best we can in helping these seniors find gainful employment, but, again, we do have an exceptionally high unemployment rate in our State, double about what the national average is.

Mr. HINOJOSA. At the top of the hearing, you heard our Chairman that there is a goal to try to expedite and make this happen quickly. Take it from me, when you go back, let's see how fast you can garner some support for me, because I think it is like a train coming down the track moving fast. So if you are going to be of help for us to look at other alternatives other than to make that leapfrog to 65, we need some written justification for other alternatives.

Mr. BAUER. Well, Representative, coming from the land of Strom Thurmond, at 55 that is about the halfway mark in South Carolina.

Mr. HINOJOSA. Thank you, Lieutenant Governor.

Mr. Chair, I think I am going to stop here because I think that I have gotten exactly what I have needed, and that is some support from an association that can be very vocal and very active. Now we just need to put it in writing so that the rest of our committee members will hear just how our South Carolinians feel.

Thank you very much, Mr. Lieutenant Governor.

Chairman TIBERI. Thank you.

Mr. Lieutenant Governor, your OAA office is not under your purview, is it?

Mr. BAUER. No, sir.

Chairman TIBERI. Maybe we can follow up with your office and try to get some of the participant numbers of South Carolina for both WIA and this program.

Mr. BAUER. Clearly we can get that for you.

Chairman TIBERI. Thank you.

[The information referred to follows:]

**Response to Mr. Tiberi's Questions Concerning SCSEP and WIA by Mr. Bauer**

Under the SCSEP program (Title V of the OAA), South Carolinia has 808 total "slots" for individuals aged 55 and older for program year 2006 (July 1, 2006—June 30, 2007). Of those slots, 165 are administered by the Lt. Governor's Office on Aging, 270 are administered by the AARP—SC, and 373 are administered by the national non-profit "Experience Works." Experience Works was also the winning contractor in the LGOA's competitive procurement process for providing the services for our 165 slots. SCSEP provides training and employment opportunities for low-income seniors—primarily in rural areas.

Bear in mind that slots do not equal individuals. Because of turnover and individuals cycling through the program (and hopefully finding regular employment), SC's 808 slots will actually serve an estimated 1600-plus individuals during the course of a program year.

The WIA numbers are a bit harder to figure. Like the state's Aging Programs, the state agency administering our WIA program changed recently. On April 12, 2005, Governor Mark Sanford issued an executive order to move the WIA Administrative Entity function from the South Carolina Employment Security Commission to the South Carolina Department of Commerce, effective July 1, 2005.

I've attached a state Commerce Department WIA report for program year 2006 that shows 157,288 total "customers" for WIA programs were served by our state's system of "One-Stop" employment centers through September 2006 (one quarter) My understanding is that the One Stops are the "on-ramps" for all WIA programs and services, so One-Stop usage should track pretty closely with total program numbers. That 157K would likely include some of the folks that Lt. Governor Bauer and Chairman Tiberi were discussing (i.e., older workers displaced by layoffs or plant closings who need retraining or other employment assistance) but unfortunately, I do not have an exact breakdown from Commerce of how many of those individuals would be age 55 or older.

At any rate, it's important to note that while the WIA programs are indeed critical to South Carolina in helping us deal with the layoffs our state has encountered during the past decade due in large part to plant closings in the textile industry, and that many of the workers in those industries are older workers who have a great need for retraining assistance, the WIA programs are a separate animal from the SCSEP that was recently (re)authorized under the Older Americans Act. SCSEP really targets a different group of people than WIA.

## PY 2006 LOCAL AREA COMPARATIVE REPORT
## SOUTH CAROLINA—LOCAL AREA COMPARATIVE REPORT

[Cumulative thru month of September 2006]

| Services provided | Frequency of one-stop services provided | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Catawba | Greenville | LowCntry | LowerSav | Midlands | PeeDee | Worklink | SanteeLyn | Trident | UpperSav | Upstate | Wacc. |
| Customers (Unduplicated Count) | 157,288 | 17,518 | 9,291 | 6,618 | 19,349 | 15,571 | 21,090 | 12,151 | 3,066 | 18,479 | 13,346 | 3,463 | 17,346 |
| Customer Visits | 318,472 | 29,608 | 15,827 | 17,565 | 34,488 | 52,831 | 50,006 | 22,518 | 5,645 | 34,989 | 29,415 | 4,431 | 21,149 |
| Services to customers: | | | | | | | | | | | | | |
| Job Search Services | 297,567 | 15,741 | 16,963 | 19,720 | 38,093 | 46,403 | 52,362 | 18,285 | 2,089 | 34,170 | 32,150 | 4,098 | 17,493 |
| Job Development Attempts/Contacts | 27,509 | 573 | 118 | 101 | 15,581 | 1,990 | 1,797 | 434 | 132 | 3,132 | 944 | 126 | 2,581 |
| Registration for Work | 76,473 | 6,344 | 6,092 | 3,716 | 10,307 | 9,798 | 9,639 | 6,567 | 0 | 9,635 | 7,134 | 0 | 7,241 |
| Entered Employments | 27,321 | 1,933 | 1,853 | 3,583 | 3,171 | 2,939 | 2,997 | 1,886 | 53 | 4,084 | 2,413 | 44 | 2,365 |
| Business/employer services: | | | | | | | | | | | | | |
| Employer Job Openings Received | 26,715 | 1,150 | 3,196 | 3,161 | 3,985 | 3,202 | 1,984 | 1,165 | 132 | 3,783 | 1,938 | 156 | 2,863 |
| Employer Job Openings Filled | 12,449 | 546 | 759 | 2,476 | 1,206 | 1,389 | 1,190 | 704 | 57 | 1,862 | 1,140 | 5 | 1,115 |
| On Site Employer Interviews | 5,373 | 85 | 561 | 1,392 | 925 | 370 | 630 | 120 | 49 | 725 | 230 | 0 | 286 |
| Group activities: | | | | | | | | | | | | | |
| Number of Group Activities | 2,683 | 249 | 84 | 201 | 182 | 158 | 276 | 229 | 95 | 381 | 537 | 105 | 186 |
| Number of Attendees | 22,522 | 2,352 | 781 | 2,251 | 1,425 | 1,640 | 1,843 | 915 | 578 | 5,596 | 3,682 | 369 | 1,090 |

2006 Edition, Revised 8/18/06.

Chairman TIBERI. One final question, Mr. Browdie. You touched on a subject that came up at the hearing in Ohio as well, and that is the issue of elderly abuse and neglect. There are a number of programs and activities obviously authorized by the act under current law to try to prevent elderly abuse and neglect. Are there ones that are working better than others, and do you have any suggestions how we can buildupon what is good?

Mr. BROWDIE. I think the first step would be to try to organize a way of looking at what does work and what does not. I think one of the issues about elder abuse is there is no Federal agency responsible for collecting information.

There is a lot of great work that does get done. The Administration on Aging works with the Department of Justice and works with other agencies around the country, but there is no systematic way of collecting that information. There is no systematic review of the incidents of elder abuse, and there is no systematic home for collecting information about what does work, building an evidence base, and then distributing that information.

So in many respects, I would be able to answer anecdotally, but I think the issue is growing sufficiently that it is time for the Federal Government to take it seriously and systematically.

Chairman TIBERI. I appreciate that.

Well, we would love to work with you and with everybody, quite frankly, on this and other subjects that are obviously very important to the act, to reauthorizing the act. As has been brought up by Mr. Hinojosa, my intent is to—at least in my small area of influence in this town—is to try to move a reauthorization, because I think when you look at more globally here in Washington, D.C., between the Senate and the House, you have a whole lot of top-of-the-fold, front-page issues that are going to be dealt with that need to be dealt with, that are in the process of being dealt with over the next several months. Just pick up the Washington Post, and you will get a clue of what I am talking about. And so I think when you have a number of issues, an election year, typically a long process to get a bill done between the House and in the Senate, a Senate that has not had, to my knowledge, a hearing yet—they have had hearings, not a bill yet—I think it is important for us to move this process along as quickly as possible and put pressure on the other body, because it is an important issue to reauthorize.

It is certainly not everything that I want. I will tell you that. It is not everything that my mom or dad want, and they are both seniors, at least not the start of the process, but I think it is important for us to try to move a reauthorization bill forward. And I have great confidence in my colleague to the right that we can move a bill that is going to make a difference in people's lives.

I want to thank you all, the four of you, for your time and your testimony today as well. It has been a really good hearing. The shame of it all is that when we go to the House floor, only a handful of us get the opportunity to have a dialog in the question-and-answer session. The entire committee, subcommittee, will be recorded, but this is so important, so important for you all to be part of this process not only on behalf of your own organizations and States, but also on behalf of seniors throughout the country. So we very much appreciate you coming today and spending time with us.

So with that, we will conclude this hearing for the day. If there is no further business before us, the subcommittee stands adjourned.

[Whereupon, at 4:23 p.m., the subcommittee was adjourned.]

[Additional testimony for the record follows:]

**Prepared Statement of William L. Minnix, Jr., President and Chief Executive Officer, American Association of Homes and Services for the Aging**

On behalf of the American Association of Homes and Services for the Aging (AAHSA), I appreciate the opportunity to submit written testimony on the re-authorization of the Older Americans Act. AAHSA members serve two million people every day through mission-driven, not-for-profit organizations dedicated to providing the services people need, when they need them, in the place they call home. Our members offer the continuum of aging services: assisted living residences, continuing care retirement communities, nursing homes, home and community based programs, and senior housing. AAHSA's commitment is to create the future of aging services through quality people can trust. Our ideals also include dignity for all persons at every stage of life, advocacy for the right public policies for the right reasons, and leadership through shared learning.

*AAHSA's Five Big Ideas*

We are proposing a national agenda consisting of Five Big Ideas designed to transform the field of long-term care into a more cost-effective and efficient system that works for older adults. First, AAHSA believes that managed care concepts should be expanded in the field of aging services to meet consumer needs and responsibly contain costs. Second, affordable housing should be combined with supportive services to enable older adults to age in place. Third, the development of new technologies and the innovative applications of existing ones should be encouraged to improve consumer choice, quality of care, quality of life, and cost-efficiency. Fourth, the culture of aging services must change to focus on individual choice and direction. All segments of aging services need to embrace a quality-of-life, resident-focused service culture and a continuous quality improvement management culture. Fifth, the transitions of elders between various settings—the community, acute and long-term care—must be managed to minimize stress to the consumer and wasteful and duplicative bureaucratic requirements for service providers.

The current effort to reauthorize the Older Americans Act to prepare for upcoming demographic changes should incorporate new ideas, new solutions and creative approaches to home and community based services that will modernize the aging services network and increase choices for consumers. We must begin to explore the ways technological innovations can impact the aging services network and improve the quality of care and quality of life of the elderly. We must also expand on partnerships between affordable housing programs and supportive services that will enable the frail elderly to receive a more comprehensive set of services in the place they call home. These solutions offer a cost-effective approach to home and community based services.

*Innovative Approaches to Home and Community Based Services*

The Older Americans Act (OAA) funds a wide variety of social and nutrition services that enable the frail elderly to maintain their independence, including senior centers, meals programs, in-home services, adult day services, transportation, and family caregiver support programs. Supporting seniors in their homes through community-based care programs such as the OAA allows a cost-effective alternative to premature institutional care. A recent Supreme Court decision requiring States to consider community-based alternatives for the mentally disabled emphasized the need for States to begin to "rebalance" their long-term care delivery systems from an institutional model of care to one that includes home and community-based alternatives.

Title IV of the Older Americans Act authorizes the Assistant Secretary of Aging to award grants for training, research and demonstration projects designed to test innovative approaches to the aging services network. Demonstration grants have been used to develop successful programs such as the Aging and Disability Resource Centers and Medicare Part D outreach activities. The Older Americans Act should fund additional demonstration projects to study the effect of linking affordable housing with supportive services, along with projects studying the ways technological innovations can be used to meet the objectives of the Older Americans Act.

*Technological Innovation and HCBS*

Technology has great potential—across the continuum of aging services—to help older adults maintain their independence; improve quality of care and quality of life; support the needs of professional and family caregivers; increase aging services provider efficiency; and reduce our nation's health care costs. Technological advancements will dramatically impact the ability of the frail elderly to age in place. Recognizing the potential of these developments in our field, AAHSA launched the Center for Aging Services Technologies (CAST) to explore ways in which technological developments could be applied to the field of aging services. We have achieved an exciting collaboration with corporations such as Intel and Sodexho, universities including MIT and the University of Virginia, aging services providers, and other stakeholders such as the Alzheimer's Association and the Robert Wood Johnson Foundation.

Technological innovations such as in-home monitoring tools, assistive technologies and advanced communication devices should be used to improve the efficiency and effectiveness of the aging services network. Technological innovations such as in-home monitoring tools, assistive technologies and advanced communication devices should be used to improve the efficiency and effectiveness of the aging services network. Technological advancements will dramatically impact the ability of the frail elderly to age in place, and we must begin to develop this cost-effective approach to fulfilling the objectives of the Older Americans Act.

AHHSA recommends that the Older Americans Act include Title IV demonstration projects to test the ways technological innovations can be used to assist the frail elderly and strengthen the aging services network. We must begin to set the framework for developing new models of home and community based care. Technological innovations can meet the objectives of the Older Americans Act in the following ways:

- Assist the frail elderly with their activities of daily living through assistive and enabling technologies.
- Assist family caregivers by facilitating faster communication between caregivers and the frail elderly.
- Assist the elderly in rural or remote areas through in-home monitoring technologies and communication devices linked to remote service providers.

AAHSA proposes adding the following Section to Title IV of the Older Americans Act.

Section 422. Demonstration Projects for the Study of Technological Innovations.

(a) Program Authorized.—The Assistant Secretary may award grants or contracts to institutions of higher education and private non-profit organizations to implement, in partnership with long term care providers, pilot projects designed to carry out one or more of the objectives described in subsection (b).

(b) Activities.—An eligible partnership that receives a grant under subsection (a) shall use such grant to further one or more of the following objectives:

1. Develop, implement, and assess technology-based service models and best practices to improve the aging services network for older adults both in their communities and in care settings such as adult day care centers.

2. Develop, implement and assess the use of in-home monitoring and assessment technologies designed to connect both family and professional caregivers to the frail elderly.

3. Develop, implement and assess technology-based service delivery systems designed to meet the needs of frail elderly residing in remote or rural areas.

*Innovative Approaches to Integrating HCBS with Affordable Housing*

Subsidized housing facilities currently offer supportive services on-site, including service coordination, health screening, education, and activities, meals programs and more advanced health monitoring. Virtually all of these programs link the Department of Health & Human Services housing programs with Older Americans Act supportive services programs. AAHSA's Institute for the Future of Aging Services is studying ways to improve the integration of housing and services through the development of innovative models and practices that foster consumer choice and independence. The re-authorization of the Older Americans Act is the right time to study and develop the linkages between affordable housing and supportive services.

*Conclusion*

The re-authorization of the Older Americans Act is the right time to develop new ideas that will strengthen the aging services. AAHSA supports the development of innovative approaches to the home and community based service delivery system. Technological innovations will transform the home and community based long-term care delivery system, and we must develop, implement and assess this model of

care. Affordable housing must be linked to supportive services to offer a comprehensive approach to care that will meet all of the needs of our frail elderly. We look forward to working with these proposals.

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**Prepared Statement of Gayla S. Woody, Aging Program Administrator, Centralina Council of Governments Before the U.S. Senate Special Committee on Aging**

Good morning, Chairman Smith, Ranking Member Kohl, Senator Dole, and other distinguished members of the Committee. Thank you so much for this opportunity to talk with you about how my community is preparing for the demographic changes facing the nation. My name is Gayla Woody and I am the Program Administrator of the Centralina Area Agency on Aging (AAA). My region covers nine counties in North Carolina: Anson, Cabarrus, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly and Union counties. This is the largest region in the state and includes Charlotte, the largest city.

While the counties in my agency's planning and service area (PSA) range from a large, metropolitan area to a very small rural region, they share at least one characteristic. The aging of our nation's adults—in particular the demographic cohort known as "baby boomers" and the fastest growing population in the country, those 85 years and older—will present tremendous challenges and opportunities for all of these communities.

With the first wave of boomers turning 60 this year, and thus becoming eligible for Older Americans Act (OAA) services, we cannot afford to sit still and wait. To ensure that America's communities are prepared to meet the needs of today's and tomorrow's older adults, preparation and planning must start now.

*The Aging of America*

The rise in the number of aging citizens will impact the social, physical and fiscal fabric of our nation's cities and counties, dramatically affecting local aging, health and human services; emergency preparedness; land use, housing and transportation; public safety, workforce and economic development; recreation, education/lifelong learning; and volunteerism/civic engagement policies and programs.

An organized, informed and thoughtful community planning process to prepare for the aging of this nation's population is needed at every level. Preparedness is not just for disasters and emergencies, but should be used to help a community adapt to changing demographic needs. "Livable communities for all ages" refers to places where citizens can grow up and grow old with maximum independence, safety and well-being. Although there is much that individuals can and should do to maximize their independence as they age, public policy makers must make critical decisions relating to housing opportunities, transportation systems, and land use regulations, for example, that affect the ability of an older adult to live at home and in their community.

*One Approach: Mecklenburg County's Status of Seniors Initiative*

I am proud to report that Mecklenburg County (which includes the City of Charlotte) has refused to just wait and see how the aging of the baby boomers will impact the community. The policymakers and leaders in the County know that they cannot afford to wait. Currently there are almost 90,000 people over the age of 60 in Mechlenburg County and there will be approximately one-quarter of a million people over 60 in the County by the year 2030. That's almost a tripling of the County's elderly population in fewer than 25 years.

In order to begin evaluating what this change will mean and to plan accordingly, the Mechlenburg County Commissioners convened a broad based group to examine this critical issue and launched "The Status of Seniors Initiative" (SOSI) to develop strategies to assist the community respond. Representatives from the hospitals, home care agencies, social service organizations, housing authority, transportation services, health department, the United Way and others were included in the group. The collaboration also included the Charlotte Chamber of Commerce, local attorneys, and representatives from colleges and universities, the real estate industry and others. As the director of the area agency on aging, I serve as a member of the project's executive steering committee.

After four years of data gathering, research, analysis and strategic planning, SOSI has completed three reports looking at the impact of the aging of the baby boomers on our community and has identified seven recommendations to begin making changes to respond to this major demographic trend. Our motto is "A Senior Friendly Mecklenburg" and our vision is a "senior-friendly community that values

dignity and independence for all older adults." (These reports and recommendations can be found online at *http://statusofseniors.charmeck.org.)*

To provide you with a sense of how we approached the demographic challenges, here are the categories we explored first:

1) Need for Information. How does our community ensure that older adults, baby boomers, caregivers and others can get the information they need about aging issues and services and, that they will know where to go for assistance?

2) Caregivers. One-third of current older adults believe they will be a caregiver in the next five years. Estimates of lost worker hours and income and the resulting reduced pension benefits related to caregiving are as high as $11.6 billion dollars. How will our community provide the support caregivers need in order to continue to function?

3) Physical Environments. Does our community's physical environment and infrastructure provide opportunities that older adults and baby boomers need in order to remain independent? For example: Do we have adequate, appropriate and affordable housing options for people as they age? Is senior housing (public and private) accessible to community and commercial services? Are crosswalks designed to allow enough time for an older adult to cross the street before the light changes? Are street signs actually large enough for older adults to read? Are sidewalks wide enough for wheelchairs or level enough for walkers?

4) Transportation. Are there programs in places to help older drivers access their driving and make adjustments to respond to physical limitations? Will we have enough adequate, appropriate and affordable transportation options available in our community to support older adults when they need to restrict or stop driving?

5) A Focal Point Organization for Aging. As a result of funding from various silos, our community has a fragmented service delivery system which sometimes makes it very difficult to get information and services on aging in just one place. We think the boomers will expect more and thus demand changes. Can our community develop a uniform and seamless system to enable all people to access needed aging information quickly and easily, regardless of income status?

6) Safety & Security. We found that older adults perceive safety as an important issue, regardless of the actual incidence of crime against older adults in their community. So how can our community communicate a safer, more secure environment for seniors? What can we do to help both reduce actual crime against older adults and to reduce citizens' fears?

7) Public Policy. One of the guiding principles of SOSI is that our community have a structure in place to allow those that wish to "age in place" to have the supports they need to do so successfully. We need to rebalance our systems to provide more options for older adults to get the care they need at home and in the community rather than in institutional settings.

With these goals in mind, several projects are already underway.

1) In partnership with the Charlotte Police Department, we have implemented a training program for new police officers called "First Responders." This training teaches law enforcement about the unique needs of older adults and how to recognize signs of abuse, neglect or exploitation.

2) In partnership with the Chamber of Commerce and a local Builders Association, a meeting was held with over 200 real estate and building professionals to talk about the SOSI report and its recommendations. The Charlotte Planning Commission Director and a representative from the Metropolitan Planning Organization are already engaged in discussions regarding initiatives in response to the report.

3) The community college and the local Council on Aging are co-hosting a conference entitled "Can Businesses Boom as Boomers Retire?"

4) While I was writing these remarks, our local government television channel ran a 30-minute program about the SOSI report and what we can expect from the aging of the boomers. There have been newspaper articles, as well as presentations on the report to the County Commissioners, the City of Charlotte, the Chamber, the United Way, AARP chapters, and countless others. A very important part of the work is educating the public about what the aging of the population will mean for them and for our community.

It has been quite an adventure over the last four years as our Mecklenburg community has pulled together to begin preparing for the future. It is important to note that other than a "will" and committed volunteers, we have very little in the "way" of funds. Progress has been much slower than if we had had even one staff member dedicated solely to this project. Yet it has been so exciting to see the large number of people involved with SOSI, including many "non-traditional" stakeholders who aren't normally identified as part of the aging community.

*Scaled to Fit: Rowan County's LIFE*

Senator Dole's home county of Rowan is also one of the counties in my AAA's PSA. In 2003, I began to work with a group called Rowan LIFE ("Life Improvement for Everyone") that included the local senior center (Rufty Holmes Senior Center) and the county's senior services department, all of which recognized that the community was in need of more planning for the future. Although a much smaller and more rural area, Rowan County shared several common denominators with Mecklenburg County, including:

- Recognition that the boomers would significantly increase the number of older persons in the community;
- Interest in Rowan County becoming a more senior-friendly community;
- A broad collaboration with many "non-traditional" stakeholders;
- Very little funding to support the initiative; and
- Committed volunteers.

Rowan LIFE has completed their first report and has identified five initiatives on which they are currently working. As Rowan LIFE completed their report, the local United Way was developing their community needs assessment. United Way decided to include the Rowan LIFE report for their section on aging. In addition, United Way's collaboration with the project has also resulted in the community getting a 211 county-wide information and assistance system established.

It is so exciting to see that the planning Rowan and Mecklenburg Counties have done has positioned them to leverage grants and other funding to achieve their goals. For example, in Rowan County, a uniform and seamless service delivery system is a major goal. Because of the collaborative work we have done with Rowan LIFE, this community is positioned to receive a State Rural Health grant of several hundred thousand dollars to help make changes to their service delivery system.

Another part of the grant that Rowan County applied for is about helping older adults with chronic illnesses manage their conditions for improved quality of life. One part of that management will include health promotion and disease prevention activities. Currently, Rowan County uses Older Americans Act Title III D funds for a very exciting evidence-based walking program our region calls "Walk Around the World." Participants in the program take a simple pre-test to determine baseline capacity, then maintain a regular walking schedule and record the actual number of steps taken. After six months, a post-test determines the individual's increased capacity. Working together, this community is making strides in helping people stay healthy.

With the burgeoning of the boomers into the elderly population, it is absolutely critical that we increase funding for and emphasis on health promotion programs. We will never have enough money to take care of everyone, but teaching and supporting people to live healthier lifestyles will improve quality of life and will be the only way our service delivery systems will be able to continue to offer service supports to the most frail and needy elders.

*Small Steps: Early Responses to Boomers*

I would like to mention a couple of other programs that have been initiated in my PSA in preparation for the boomers. One of my smallest counties, Lincoln County, was the only county in North Carolina that did not have a congregate meal program where older adults could gather in a public place for meals and socialization. Since the late 1980s, I had been encouraging Lincoln County to begin a meal program. About two years ago, while meeting with the local service providers, I again asked the question about the congregate program. The service provider responded: "You know, I don't think baby boomers are going to be interested in a congregate program; I wouldn't. So why would I go to the effort of starting a program that is going to die?" I responded: "Ok, we're boomers sitting around this table, so what kind of meal program would we be interested in?"

Out of this conversation about the preferences of baby boomers, the "Restaurant Voucher Program" was born. The program provides a variety of opportunities for participants to attend programs on healthy living, where they receive meal vouchers to use in participating local restaurants. Boomers like to have choices so the program includes several restaurants. Boomers may not want to come to a congregate meal at a certain pre-determined time, but they will go to the participating restaurant for lunch or dinner during the restaurant's more open hours. The program also allows multi-generational families to go out together and the participant can still use their voucher (vs. congregate meal programs that are limited to eligible older adults). This program has very good partnerships with the local restaurants, most of which see it as a community service.

One of our other small counties, Cabarrus, has a pilot program for consumer-directed care. Again, for boomers, choice is a very important word. The Cabarrus

County consumer-directed care program allows eligible participants to directly contract with providers and thus customize any services to their individual needs. While not workable for every consumer, this approach to offering services and supports is becoming popular and may be one of many ways to prepare the long-term care infrastructure for the future. For example, a boomer is caring for an older parent in her home, which does not contain a washer or dryer. The parent's medical condition is increasing the need for frequent laundering, so the caregiver asks a AAA for respite care so she can go to the Laundromat, or the services of an in-home aide to do the laundry. But consumer-directed care could allow for the purchase of a washer and dryer for the home, eliminating the need for respite or chore services, which over the long run are more expensive than the two appliances.

*What We Still Need to Do and Why*

As the Centralina Area Agency on Aging director, I have invested a lot of time in supporting Mecklenburg and Rowan counties' community planning efforts. I believe that AAAs can offer tremendous technical assistance to local community planning entities to help them define their mission, determine their process and gather critical information. Unfortunately, I have only had the staff resources and time to support two of the nine counties in our PSA. Some of the other counties have expressed interest in starting similar planning processes, but with my agency's regular responsibilities under the Older Americans Act and the recent demands that Medicare Part D enrollment counseling and assistance has placed on my agency, I simply cannot do so at this time. I would urge Congress to consider adding resources to the Older Americans Act to encourage and support AAAs to take on this community planning role. In the long run, this is the most cost-effective and rational way to brace ourselves for the boomers and their effect on our nation.

Widespread public support for such a measure exists: The need to improve state and local integrated delivery systems to meet the 21st century needs of seniors became the 10th highest-ranked resolution at the 2005 White House Conference on Aging. Delegates suggested a new Older Americans Act title on community planning as one of several implementation strategies for this resolution. North Carolina's state unit on aging has also identified community planning as a high priority and, with limited resources, we are trying to identify strategies for our aging network to adopt.

In conclusion, Mr. Chairman, the boomers will change the way we do business. In North Carolina and in my region, we have also recognized that as an aging network, we must collaborate and work with many "non-traditional" players. Aging impacts all parts of life—our environment, our workforce, our caregivers, our health, our service delivery system and our leisure—just to name a few. It is critical that we educate our communities about what this change will mean and aggressively plan to meet the challenges it will bring with it. The Older Americans Act has been the framework for the aging network since 1965. Today in 2006, it must be modernized to help communities prepare for the boomers. Too much is at stake to ignore the age wave and too much will be lost if we delay.

Thank you for the opportunity to testify before you today. I would be pleased to answer any questions you have today or in the future.