

THE ADVOCATE

**Special Budget
Edition!**

KEY TIME FOR DECISIONS ABOUT OLDER ADULT PROGRAMS

STATE BUDGET UPDATE

While Michigan sidestepped a government shutdown (technically, the government was shutdown for a few hours early Monday, October 1, but ended around 4:30 a.m. when Governor Granholm signed a continuation budget), there remains much advocacy work to do before the FY08 budget is completed. The continuation budget allows state legislators 30 more days to complete the FY08 budget.

The FY08 state budget was approximately \$1.75 billion in the red. House Bills 5194 and 5198, respectively, increased the income tax and expanded the sales tax to some services. The income tax increase is expected to generate about \$745 million, and the sales tax expansion another approximate \$614 million annually.

The remaining work for legislators over the next 30 days provided by the continuation budget is to identify cuts in spending to make up for the remaining \$435 million shortfall.

Advocates need to continue talking with their legislators during this critical time. Calls, emails, and visits are all important actions to take in order to protect cuts in older adult programs. Please see page 2 for talking points on state budget cuts.

BUDGET ITEMS ADOPTED

- Income tax increase (from 3.9% to 4.35%)
- Expansion of the 6% sales tax to cover certain services
- \$400 million in cuts to current state services
- Establishment of health incentives for Medicaid recipients
- Establishment of health care insurance pooling and competitive bidding for schools
- Privatize mental health services in prisons
- Requirement of common calendar within intermediate school districts

ADVOCACY TOOLKIT TIP

Letters to the Editor

Did you know one of the most read sections of the paper is the Opinion Page? Advocates can reach a large audience by writing letters to the editor about issues important to them. Elected officials read their hometown papers as one way of keeping their finger on the pulse of their constituents.

Editors like letters that respond to something that appeared recently in the paper (the state budget fiasco, for example!). Letters should be kept concise (most papers have a 250 word count limit), and include the writer's full name, address, phone, and email.

TALKING POINTS FOR STATE BUDGET ADVOCACY

Advocates are encouraged to use the following talking points when calling, writing, or meeting with their State Representative or Senator during the month of October:

- We support the \$42 million increase for the MI Choice program already approved by the House of Representatives, raising total MI Choice funding to \$142 million.
- While most Michigan citizens want to receive long term care in their own homes, the state spends most of its long term care dollars on nursing homes. Michigan Medicaid spends nearly \$2 billion on long term care, with 80% of that spent on nursing homes and only 20% spent on home care.
- Without a significant investment in home care, costs will explode for long term care. Between 2000 and 2005, nursing home costs in Michigan grew by 45%. The aging of the baby boomers will add to the problem.
- Home care can be more cost-effective than nursing home care. While the average daily Medicaid reimbursement rate for a nursing home is \$140, the average daily cost for MI Choice is \$40.
- As of June 2007, there were 2,400 people on the MI Choice wait list.

ESTATE RECOVERY INSTITUTED IN MICHIGAN

Michigan, the last remaining holdout state to establish a federally mandated estate recovery program, will implement their own version of the program in the coming months. Senate Bills 204 and 374 set the stage for the program; details of which will be worked out by the Michigan Department of Community Health (DCH).

Key aspects of the legislation include:

- Estate recovery will not be retroactive, meaning the program will only affect Medicaid recipients entering long term care programs after the effective date of the policy.
- Recipients entering both nursing home and the MI Choice waiver will be subject to recovery.
- An exemption for the portion of an estate that is the primary income-producing asset of survivors including, but not limited to, a family farm or business.
- Assets will not be recovered from the home if one or more of the following individuals are lawfully residing there: spouse; minor or permanently disabled child; caretaker relative living in the home for a period of at least two years prior to the individual's admission to a medical institution; or a sibling living in the home for at least one year before the date of the individual's admission to a medical institution.

The Federal government (in the budget reconciliation of 1993) required states to establish estate recovery programs for Medicaid recipients who are age 55 or older and receive Medicaid long term care services. The details are left to the discretion of the states, and in the case of Michigan, the legislature has left much of the detail up to DCH to decide.

As DCH works out the details of the programs, advocates will have opportunities to respond. Please contact Amy Smyth at (248) 213-0545, or at asmith@aaalb.com, if you are interested in providing feedback to the DCH recommendations regarding Michigan's estate recovery program.

FEDS FACE BUDGET PROBLEMS OF THEIR OWN

While Michigan was consumed by fiscal issues, Congress wrestled with their own budget battles. President Bush signed a bill to prevent a government shutdown October 1, while Congress continued to work on more than a dozen unfinished spending bills. Such stopgap funding bills are routine and have been needed every year since 1994. But for the first time in five years, not one of the 12 annual appropriations bills had become law by the October 1 deadline. The continuation bill keeps departments running at current levels through mid-November.

The bills were tied up because Democrats wanted to add \$23 billion for domestic programs to Bush's \$933 billion request for the approximately one-third of the federal budget made up by the yearly spending bills. President Bush has threatened vetoes on most of the bills if they exceed his budget requests.

STATUS OF OAA FUNDING

The Senate Appropriations Committee boosted funds for the Administration on Aging (AoA) by 4.2%, or \$58.6 million. The House of Representatives increased overall AoA funding by 2.3%, or \$31.4 million. While each chamber added its own attractive incentives for Older Americans Act (OAA) programs, the Senate's higher overall spending for AoA is the preferable choice by advocates. While the House and Senate are resolving the differences in their bills, advocates should urge Congress to adopt the higher number for every OAA program.

OAA ADVOCACY TALKING POINTS FOR CONGRESS

- OAA programs help to preserve the health and independence of our nation's seniors, enabling them to remain in their own homes longer.
- Spending money on OAA programs saves taxpayer dollars in the long run because it cuts Medicaid and Medicare expenditures by reducing premature nursing home placements, averting malnutrition, and controlling chronic health conditions.
- With flat funding, service providers are constantly faced with having to make difficult choices about which services to cut.

AOA AND OAA PROGRAMS EARN HIGHEST RATING

The White House Office of Management and Budget (OMB) recently released the results of its assessment of OAA programs. **AoA programs were classified as "Effective," the highest rating.** According to the assessment, "AoA and OAA programs have a clear purpose and are well-managed, efficiently provide high quality home and community based services and promote the well-being and independence of the elderly."

Only 18% of federal programs received this highest rating.

SENATE BILL AIMS TO PREVENT SENIOR SUICIDE

Senate Bill 1854, the Stop Senior Suicide Act, was introduced by U.S. Senate Majority Leader Harry Reid in July. Data from the Centers for Disease Control indicates that the rate of suicide among adults age 65 and older is higher than any other age group. This bill is of particular significance in Region 1-B because budget constraints forced the AAA 1-B to discontinue funding counseling services at the end of FY05.

This bill, if enacted, would:

- Establish a Federal Interagency Geriatric Mental Health Planning Council to improve delivery of mental health services to older adults.
- Adjust the current 50% co-payment rate for Medicare outpatient mental health counseling services to 20%, which is the current coinsurance rate for all other Medicare outpatient services.
- Create funding opportunities over a 3-year period for developing early intervention and prevention strategies to be delivered through the aging network.

REGION 1-B EVENTS OF INTEREST TO ADVOCATES

Senior Advocates of Washtenaw (SAW)

is hosting the

2ND ANNUAL

SENIOR SUMMIT

A free lunch will be served.

FRIDAY, NOVEMBER 16

10:30 a.m. - 2:30 p.m.

Ypsilanti District Library

5577 Whittaker Road, Ypsilanti

Come meet with elected officials and talk about the issues that are important to advocates!

There is no cost to attend the Senior Summit, but registration is required.

Call (734) 712-0548 to register.

Area Agency on Aging 1-B

presents

SOLUTIONS FOR FAMILY

CAREGIVERS EXPO

Saturday, October 20

9:00 a.m. - 2:00 p.m.

Diamond Center

Rock Financial Showplace

46100 Grand River Ave., Novi

Free parking and admission

For more information contact:

sjustice@aaa1b.com

(800) 852-7795

The Council on Aging, Inc.

serving St. Clair County

23RD ANNIVERSARY

SENIOR POWER DAY

Wednesday, October 24

10:00 a.m. - 2:00 p.m.

Port Huron Senior Center

600 Grand River Ave., Port Huron

For more information, contact:

The Council on Aging, Inc.

serving St. Clair County at

(810) 987-8811



The Area Agency on Aging 1-B (AAA 1-B) is a nonprofit agency serving the needs of older adults in Livingston, Macomb, Monroe, Oakland, St. Clair, and Washtenaw counties. For more information about the Senior Advocacy Network (SAN) or to receive future editions of The Advocate, contact Amy Smyth, AAA 1-B Advocacy Coordinator, at (248) 213-0545, or asmith@aaa1b.com.