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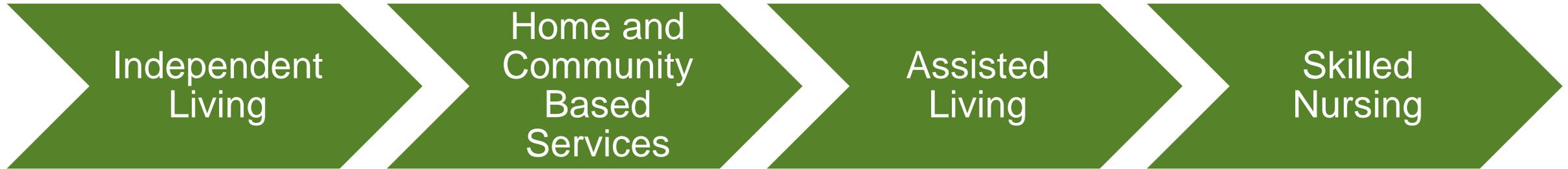
Who We Are

LeadingAge California

- Founded in 1961, LeadingAge California is the state's leading advocate for quality, not-for-profit senior living and care.
- LeadingAge California represents more than 400 nonprofit providers of senior living and care – including affordable housing, continuing care retirement communities, assisted living, skilled-nursing, and home and community-based care.
- Our members serve more than 100,000 of CA's older adults.

What We Do

Continuum of Senior Care



Limited services provided directly by the houser, usually service coordination. Can be coupled with HCBS.

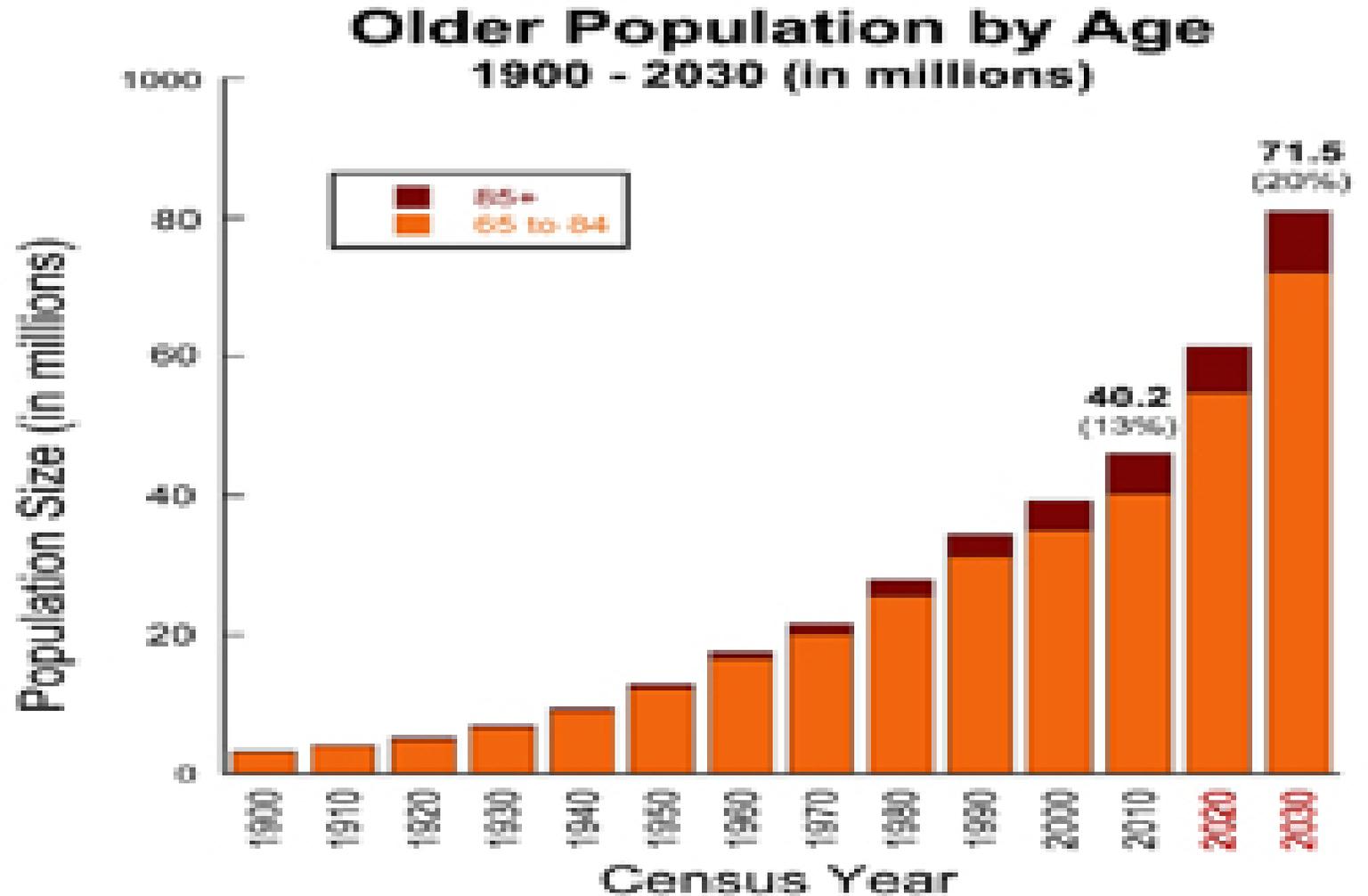
Includes PACE, Home Care, Home Health, In-Home Supportive Services, Meal Programs, Adult Day Health Care and more.

Residential care, sometimes includes memory care. Does not include health services, only assistance with Activities of Daily Living (ADLs).

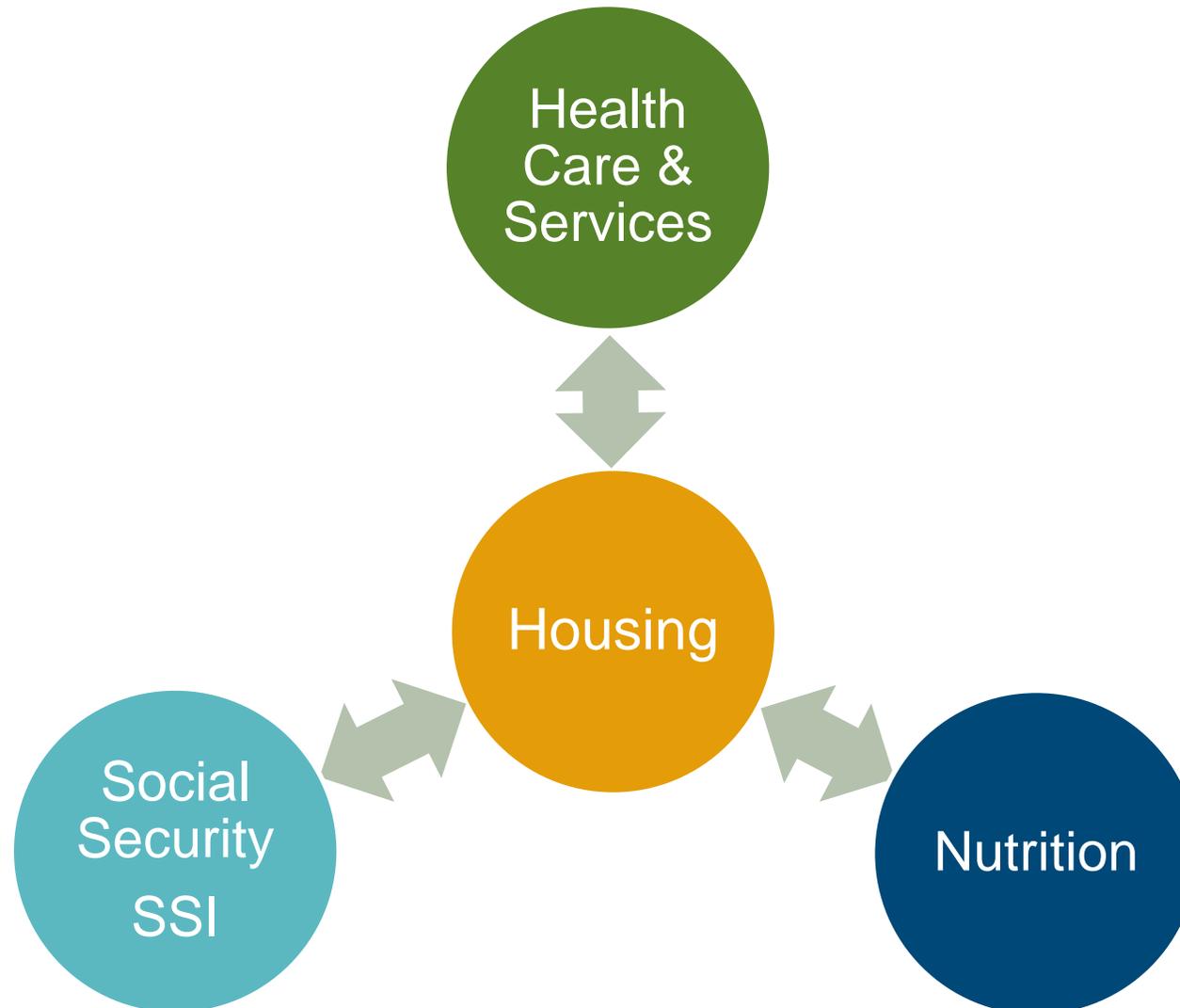
Residential post-acute care and rehabilitation. Healthcare setting with professional nurses on-staff 24/7.

The Aging Population

- In 2030, nearly one in five U.S. residents is expected to be 65 and older.
- This age group is projected to increase to 88.5 million in 2050, more than doubling the number in 2008 (38.7 million).
- The 85 and older population (total, U.S.) is expected to more than triple, from 5.4 million to 19 million between 2008 and 2050.



Growing Population + Longevity = Challenges

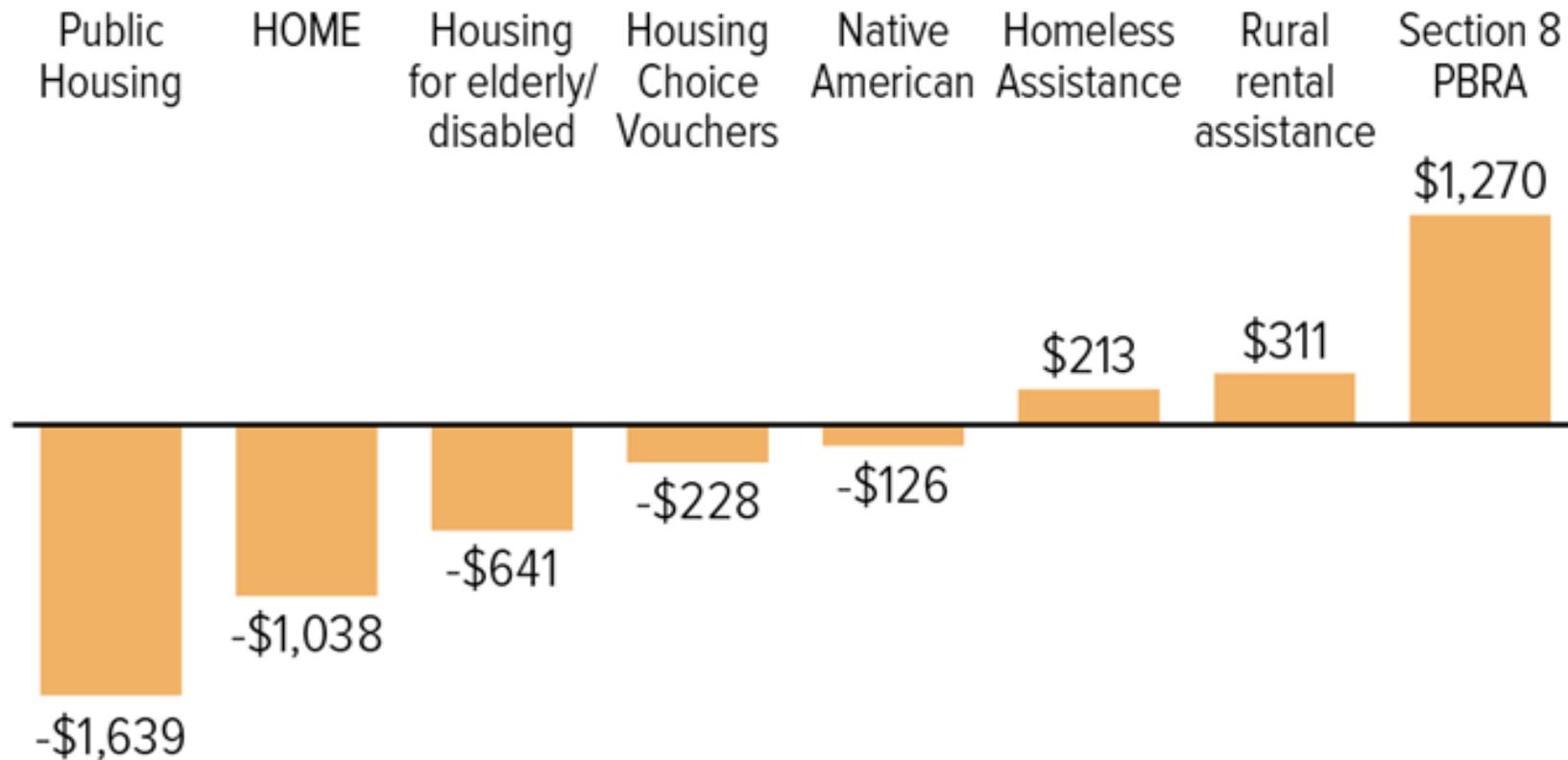


Affordable Senior Housing - What is it?

- Housing is considered affordable if the tenant pays no more than 30% of their monthly income toward housing costs.
- Affordable housing is commonly subsidized. Two funding sources are needed to create affordable housing: capital and subsidy. Typically, subsidies come from HUD.
- In subsidized properties, the tenant pays no more than 30% of their monthly income toward rent, and the subsidy covers the difference, up to the market rental value of the unit.
- Age restricted.
- Landlord/tenant relationship: Landlord cannot directly provide health care services or assistance with ADLs because of state regulations; and,
- Many provide a Service Coordinator – “concierge” of services.

Cuts to Federal Housing Programs

Change in funding, 2016 compared to 2010, in millions, adjusted for inflation

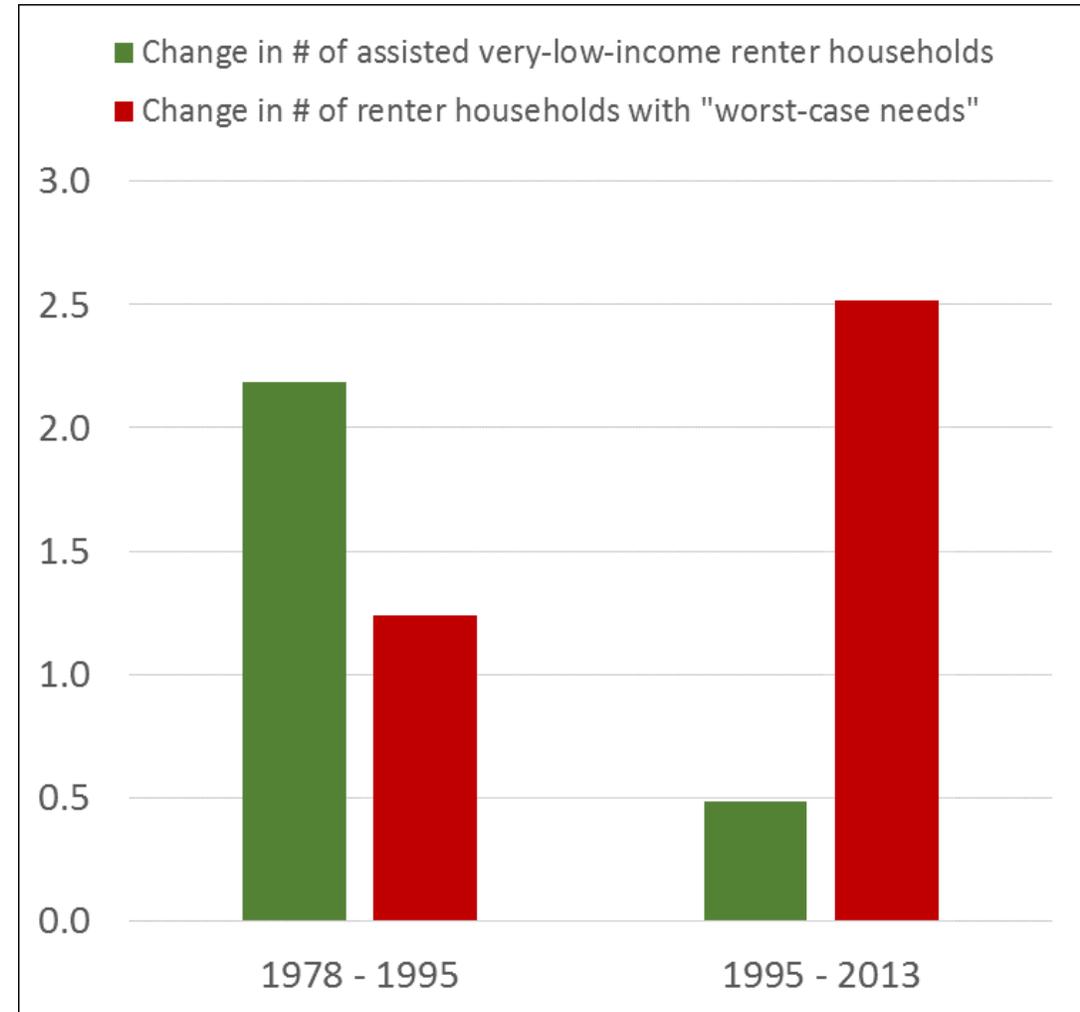


Source: CBPP

Cuts to Federal Housing Programs

- As rental assistance expansion has slowed, growth in “worst-case housing needs” has accelerated.
- From 1995 to 2013, “worst-case needs” rose by 2.5 million households – about twice the size of the growth from 1978 to 1995 -- to 7.7 million households.

Source: CBPP



Financing New Units is Harder Than Ever

Three of four financing mechanisms have been eliminated or depleted:

- **Redevelopment:** In 2011, California eliminated funding to more than 400 redevelopment agencies.
- **HUD 202:** The same year, Congress eliminated capital advance grant funding for the HUD 202 program.
- **Bond Financing:** State investment through general obligation bonds (Prop. 46 (2002) and Prop. 1C (2006)) built, rehabilitated, or preserved 174,000 affordable apartments.
- All told, these cuts have reduced California's investment in the development and rehabilitation of affordable homes by more than **\$1.7 billion annually**. State dollars that leverage federal and local funds and private investment is the lowest it has been in years.

Demand for Affordable Housing is Greater Than Ever

- Nationally, of 3.9 million very low-income rental households aged 62 and over who were eligible for housing assistance in 2011, just 1.4 million were able to secure aid.
- In the past decade, rents have increased by 22%, while fixed incomes have remained stagnant.
- In California, over 1.5 million low-income households pay more than half of their income for rent. 35% of these households are elderly or disabled.
- 40% of people receiving federal housing rental assistance in California are elderly.

Seniors Have Special Housing Needs

- The percentage of persons age 65+ with 2 or more chronic conditions increased between 2000 and 2010 from 37% to 45%. People with chronic diseases often have difficulty with basic tasks such as lifting objects or walking up stairs and daily life activities like bathing and dressing. They have significantly higher rates of hospital and emergency room visits.
- Older adults living in poverty have a higher prevalence of disability and chronic illness. With limited resources, they have a harder time bearing the cost of out-of-pocket medical expenses and purchasing supportive services. Ultimately, many rely on publicly-funded programs. Older adults have less earning potential than younger demographics and are less likely to drive.
- Up to 8 million older adults, or 20% of the current senior population, suffer from some form of mental health or substance abuse condition. Depressive disorders and dementia-related behavioral and psychiatric symptoms are the most prevalent.

By the Numbers: California

See the problem?

- The average monthly SSI benefit is only \$891.
- 34% of people age 65 and older are making less than \$25k per year.
- 18% of rental homes are occupied by people aged 55 and over.
- Average One Average One Bedroom Fair Market Rent in CA: \$1,261.
- Average Income needed to afford 1bd FMR in California: \$50,427.
- Rent affordable to someone living on SSI: \$267

Service Enriched Housing: The Answer?

What is Service Enriched (or supportive) Housing?

- Affordable housing linked with health and other supportive services. Also called supportive housing, or housing with services.
- Service enriched housing provides an option for meeting the varied needs of lower-income seniors while also helping address multiple public policy priorities. Service enriched housing models:
 - Build on the existing infrastructure of housing, health and community service networks;
 - Provide a potential concentration of high-risk/high-cost individuals. Many of these individuals are dually eligible for Medicare and Medicaid;
 - Offer economies of scale. This can increase delivery efficiencies for providers and affordability for seniors; and,
 - Provide easy access to services for residents. This access may encourage greater utilization and follow-through.
 - SAVE HEALTH CARE \$\$\$\$

How Our Healthcare Systems Are Involved

Understanding the Roles of Medicare and Medicaid

- Medicare:
 - Covers Adults 65 and over; and,
 - Covers basic health care costs including doctors visits, preventative care, hospital stays, 100 days of rehab in skilled nursing facility, some home health, and hospice.
- Medicaid:
 - Federal program implemented by states. In CA: Medi-Cal;
 - Covers low-income individuals regardless of age; and,
 - Picks up where Medicare leaves off.

How Our Healthcare Systems Are Involved

Where Medicare and Medicaid/Medi-Cal Fall Short:

- Residential assisted living and memory care are not covered by either program. Medical recipients can qualify for In-Home Supportive Services (IHSS) and ALW.
- “Trapped in the Gap”: Seniors who are mid- to low-income but do not qualify for Medi-Cal. Implications:
 - Must pay out-of-pocket for any type of assistance with ADLs. Many have to spend-down to qualify for Medi-Cal; and/or,
 - Prematurely placed in skilled nursing.
 - Either way, Medi-Cal costs go up. Demand for affordable housing increases.

Overview:

- Our population is rapidly aging, and prevalence and severity of chronic conditions among older adults is increasing;
- Poverty among older adults is increasing as fixed incomes remain stagnant and cost of living increases;
- Low-to-middle income seniors are being forced to spend down to qualify for Medi-Cal, costing the state money;
- Service enriched housing is a proven solution, but without housing it cannot be done, and not just any housing – supportive housing for the elderly.
- Let's move out of the siloes and get creative to solve this problem.



Questions?

Contact Meghan Rose

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For Advocacy Tools and Resources: www.LeadinAgeCA.org/advocacy/policy