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Report to the General Assembly

**Older Adult Services Act**  
**(PA 093-1031)**

January 1, 2006

**State of Illinois**

Rod R. Blagojevich, Governor

**Illinois Department on Aging**

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Springfield, IL 62701-1789  
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## **Acknowledgements**

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The Older Adult Services Act Advisory Committee (OASAC) applauds the more than forty organizations that supported and advocated for SB 2880's original proposal and offers sincere appreciation and thanks to the legislation's sponsors in the Illinois General Assembly for their leadership in the passage of this important legislation.

### **Sponsors:**

#### **Senate Sponsors:**

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**Contents**

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<b>Acknowledgements</b>		<b>2</b>
<b>Introduction</b>		<b>4</b>
<b>Executive Summary</b>		<b>5</b>
<b>History of SB 2880</b>		<b>6</b>
Purpose	6	
History of Legislation	6	
Consistency with National Efforts	7	
Consistency with Other States' Efforts	8	
Conclusion	8	
<b>Committee Reports</b>		<b>10</b>
Older Adults Services Advisory Committee	10	
Coordinated Point of Entry Committee	10	
Services Committee	13	
Workforce and Family Caregiver Committee	15	
Nursing Home Conversion Committee	18	
Finance Committee	20	
<b>Department Assessment</b>		<b>22</b>
<b>Work Plan for Next Year</b>		<b>23</b>
<b>Appendix</b>		<b>24</b>
OASAC Committee Members	23	
Members of Work Groups	#	
Meeting Dates and Locations	#	
Minutes	#	

## **Introduction**

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The Illinois Department on Aging (IDoA), through the Older Adult Services Act Advisory Committee (OASAC), is required to report to the General Assembly on or before January 1, 2006, and every year thereafter, on progress made in complying with the Older Adult Services Act (Public Act 093-1031 / SB 2880), impediments to such progress, recommendations of the Advisory Committee toward future progress, and recommendations for legislative changes necessary to implement this act. This report is presented as an initial plan of action with the intention of annual updates detailing the progress made in the past year and the progress expected in the future.

IDoA respectfully submits this initial report to the General Assembly.

## Executive Summary

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As the American population ages, the cost of care for older Americans, both in terms of dollars and time, becomes of increasing concern. By 2050, projections show a 50% increase in the number of citizens likely to need care, a total of 27 million.<sup>1</sup> Across, the country, states are recognizing that traditional models of care and financing were not established with an ever-increasing number of citizens needing care in mind. With the Supreme Court's 1999 decision in *Olmstead v. L.C.* confirming that no person should be institutionalized if living within the community is possible, the need for states to review traditional methods of elder care seemed clear.

The Older Adult Services Act (Public Act 093-1031 / SB 2880) is designed to support the transformation of Illinois' system of elder services from a mainly facility-based system to a system that is primarily home and community-based. The Act required the formation of the Older Adult Services Act Advisory Committee (OASAC), which is required to report to the General Assembly on progress made by the state in complying with the legislation.

Three key areas of concentration emerge from the Act: the identification of critical access areas, nursing home conversion, and coordination and planning. Through OASAC's five sub-committees, Point of Entry, Services, Workforce and Family Caregiver, Nursing Home Conversion and Finance, each of these areas of concentration is studied and recommendations for immediate actions on the part of the state as well as future actions are given.

OASAC sees the need for a complete listing of existing elder services as a foundation for looking at a redesign of the comprehensive system of care. Identifying overlapping services as well as complete gaps in services is crucial in looking at improving care and financing changes in the care system. Under-funded programs must be identified and the need for complete funding recognized as the number of seniors needing services increases.

Caregivers, both workforce and family, must be provided with support. The care-giving workforce must have training standards, re-education opportunities, equitable wages, a menu of benefits, and responsive recruitment/retention efforts. Family caregivers require the increased support available from adequate private and public financing services.

With the projected increase in the number of citizens requiring services, known and accessible contact points will need to be available in the community. At these "points of entry," individuals and families should be able to find staff providing clear and correct assistance in designing a plan of care tailored to specific circumstances.

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<sup>1</sup>Speaker's Summit on Senior Services: Long-Term Care: Final Report, Springfield, Il., 2004, p. 1

## History of SB 2880 Legislation

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### **Purpose:**

The Older Adult Services Act was enacted by the Illinois State General Assembly in order “to promote a transformation of Illinois’ comprehensive system of older adult services from funding a primarily facility-based service delivery system to primarily a home-based and community based system, taking into account the continuing need for 24-hour skilled nursing care and congregate housing with services. Such restructuring shall encompass the provision of housing, health, financial, and supportive older adult services. It is envisioned that this restructuring will promote the development, availability, and accessibility of a comprehensive, affordable, and sustainable service delivery system that places a high priority on home-based and community-based services. Such restructuring will encompass all aspects of the delivery system regardless of the setting in which the service is provided.” (PA 093-1031)

The act identified three key areas of concentration: the identification of critical access areas, or where elders can obtain information about Older Adult Services offered by the state; nursing home conversion, that is, reducing reliance on traditional nursing home care by Medicaid; and coordination and planning, which includes developing a financing system within the constraints of public funding in which money for long term care would follow the individual, rather than the provider. All areas of concentration are focused on allowing the older individual more flexibility in the self-determination of services needed to maintain his or her quality of life. Other services to be instituted include a comprehensive statewide case management system, expanded service options in consumer-directed Home and Community Based Services (HCBS) and developing a 24-hour emergency home response system.

The implementation of this legislation will give IDoA clients increased opportunity to make intelligent choices about care that will reflect personal preferences and values. It will provide options to families contemplating elder care and enable individuals and families to maintain the highest level of independence for as long as possible.

### **History of Legislation:**

In March of 1995, Governor Jim Edgar appointed a Community Based Long Term Care Reform Task Force that examined Illinois’ system of home and community-based services to ensure these services were cost-effective options for those in need of long-term care. In January of 1996, The Task Force published recommendations for long-term care reform, The Long Term Care Constellation. The Constellation report recommended building on the existing system to strengthen care management, build a skilled workforce, increase flexibility of services to meet individual needs and explore alternative financing in order to assist the elderly and their families to find optimum long-term care. The Task Force encouraged the exploration of alternative models of services, financing, service management and delivery to shift long-term care focus from facility care to home and community-based care.

The Speaker of the Illinois House of Representatives, Michael J. Madigan, announced a Summit on Senior Services to discuss key issues confronting the elderly in January of 2003. The second

## **DRAFT FOR DISCUSSION ONLY**

stage of the Speaker's Summit, held in October of 2003, focused on Long-Term Care (LTC). Senior citizens, care providers, care payers, state agencies and senior service organizations and advocacy groups gave testimony on existing senior services and the need for additional programs as well as overall system reform. Specific topics considered were need, consumer choice, workforce, informal care giving, quality assurance, governance, and finance. Recommendations from the summit were generally embodied in the IDoA Long-Term Care Reform Proposal of November 2003. Around the same time, Health and Medicine Policy Research Group, convened a Legislative Study Group on Long Term Care, developed briefing papers for legislators on pertinent policy issues, and conducted focus panels with older adults throughout the state, which identified strong political support and consumer demand for expanded home and community based services options.

Under the Blagojevich administration, the Illinois Department on Aging quickly implemented several initiatives to fulfill its mission to help the state's older adult population live their final years with as much dignity and independence as possible. The Department raised rates for Adult Day Service and Homemaker providers, sought and received grants to establish Aging and Disability Resource Centers and expand consumer direction opportunities in existing programs, and initiated planning to help nursing home residents safely return to the community and to increase service options under the community care program, as part of its plan to rebalance the state's long term care spending priorities..

Acting on these developments, AARP, the Alzheimer's Association, Illinois Health Care Association, Life Services Network, and Senior Center Association partnered with Illinois Department on Aging as principle drafters of legislation to ensure that all seniors in Illinois, regardless of geographic location, have access to a basic set of services.

Senate Bill 2880 was introduced into the Illinois State Senate on February 2, 2004, by Senator Iris Y. Martinez (D) of Chicago, and referred to the House by Representative Julie Hamos (D) of Evanston, on March 29, 2004. Co-sponsors included 33 Senators and 63 State Representatives (see Acknowledgements). The bill, with amendments, was passed overwhelmingly by both houses (Senate 57 – 0; House 113 – 1) in May 2004 and was approved and signed by Governor Blagojevich on August 27, 2004, becoming the Older Adult Services Act (PA O93-1013) enacted to establish a comprehensive, sustainable framework for Illinois elder care.

### **Consistency with National Efforts:**

On February 1, 2001, President George W. Bush announced the New Freedom Initiative which was followed up by Executive Order 13217 on June 18, 2001, directing Federal agencies to develop a government-wide framework to help provide elders as well as the disabled with the assistance necessary to fully participate in community life.

The New Freedom Initiative was one of numerous efforts by the federal government and by agencies advocating for the elderly and disabled to implement the Supreme Court's 1999 Olmstead decision. The Olmstead decree found that unnecessary institutionalization of individuals with disabilities was discrimination under the Americans with Disabilities Act (ADA). Olmstead confirms that no person should be institutionalized if he or she can live in his or her community.

## DRAFT FOR DISCUSSION ONLY

In the decision, the Court explained that a State might be able to meet its obligation under the ADA by having comprehensive, effective plans to ensure individuals with disabilities receive services in the setting most appropriate to their needs. Independent state planning efforts and the federal grants to states that have resulted from the New Freedom Initiative are two of the most significant state and federal activities in direct response to the Olmstead decision.

According to The States' Response to the Olmstead Decision: A 2003 Update, a report by the National Conference of State Legislatures, as of 2003, twenty-nine states have issued an Olmstead-related plan or report. The plans emphasize incremental development of additional community-based service capacity for people with a broad range of disabilities. Long-term care no longer refers only to nursing facilities, but now includes an ever-expanding array of personal care services: assisted living, home health care, adult day services, retirement living, and specialized services, including rehabilitation and special care units.

### **Consistency with Other States' Efforts:**

Illinois can learn more about the essentials of successful long-term care reform by studying the methods and best practices adopted by states that have already enacted long-term care reform. At a conference held in September 2004, sponsored by the Health and Medicine Policy Research Group Center for Long-Term Care Reform and the Institute of Government and Public Affairs, University of Illinois at Chicago, representatives from four states in the vanguard of long-term care reform, New Jersey, Massachusetts, Wisconsin and Minnesota, presented their experiences in transforming their respective systems.

The conference report titled, Long-Term Care in Illinois: The Next Generation, includes an overview of measures enacted to reform long-term care in each state as related by the states' representatives. While the states vary in their approaches to reform, all four states adopted regulations that allow a broader level of services to meet the needs of residents that will allow them to remain as long as possible in their home, and receive additional services as conditions change. The state models represent a more consumer-focused delivery of services centered on the person rather than the institution.

Illinois' efforts are consistent with these practices, including using savings generated through the closure of nursing home beds to fund expanded community care, setting up coordinated points of entry to access LTC, and establishing benchmarks to measure progress in implementing reforms. IDoA began its restructure in late 2004 giving priority to development and expansion of services in areas identified as having the greatest need.

### **Conclusion:**

There will be substantial challenges facing society as the population ages and the demand for services for long-term care for the elderly increases. The reform of long-term care must be sensitive to the needs of people with varying degrees of physical and mental impairment, as well as to the needs of the families of the person who requires long-term care. Moving from facility-based care to home and community-based care is an important opportunity for states to give desirable choices to the elderly that will allow them to avoid institutionalization, as well as an avenue for saving money by rebalancing savings from unused nursing home beds. The Older

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Adult Services Act is an important step in transforming and restructuring Illinois' system of care for older adults in order to meet the challenge of long-term care needs in the twenty-first century.

## Committee Reports

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### Older Adult Services Act Advisory Committee

The Older Adult Services Act required the formation of the Older Adult Services Act Advisory Committee, which meets quarterly as a whole to discuss the findings of the Committee's five working groups: Coordinated Point of Entry, Services, Workforce and Family Caregiver, Nursing Home Conversion, and Finances. Through these discussions, the committee studies and makes recommendations concerning the statewide restructuring initiatives required by the Older Adult Services Act. Committee members include representatives from statewide associations and senior service organizations as well as citizens and family care givers.

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### Coordinated Point of Entry and Assessment Committee Findings and Goals

Older people and their families are sometimes unaware of the options and services available from the Illinois long-term care system. Even if they are aware of some services, not all older people or their families have access to comprehensive assessment and case management services that can provide information to help make the best long-term care decisions and arrangements.

There is no need to recreate the access system that successfully leads 80,000 older adults in Illinois to long-term care services. Areas exist, however, in which the system may be significantly improved by providing more consistent assistance that crosses all current funding and service boundaries.

One of the most important areas is the Coordinated Point of Entry (CPE) which will facilitate ease of access into the system without regard for the individual's or family's economic or social needs. The CPE will be visible, accessible, consumer focused, inclusive and supportive. Older people and their families will expect and find a knowledgeable staff providing prompt information and assistance tailored to individual circumstances through a complete menu of services and assistance available at the CPE.

#### Coordinated Point of Entry Strategic Goals for 2005-2010:

1. Developing Coordinated Points of Entry throughout the state for older people and their families needing information and guidance on their long-term care options.
2. Designing and implementing a system of access points throughout the state that allows older people to gain entry into the aging service system in multiple ways.
3. Assuring older people in the state are aware of the new system's "brand" name (uniform name, logo, web page and toll-free number) and how and where they may go to access information about resources, services and other information they need to make decisions about long-term care.

**DRAFT FOR DISCUSSION ONLY**

4. Providing a state of the art information system and web site (available to individuals and used by long-term care professionals) that includes a standardized presentation of all the services and resources available in Illinois to assist older persons, documents gaps in the system and improves communication and coordination among service agencies.
  
5. Providing comprehensive case management services across all service settings utilizing a comprehensive assessment and coordinated approach to arranging and delivering services to older persons.
  
6. Creating a means to evaluate the system on an on-going basis that incorporates and tracks client satisfaction, outcomes of services and gaps in the service system.

**Coordinated Point of Entry and Assessment Priority Objectives:**

PRIORITY GOALS:	OASAC ACTION:	ESTIMATED FISCAL COSTS:	SOURCE/ RATIONALE:
<p>1. Developing Coordinated Points of Entry (CPEs) throughout the state through addition of funding to organizations who are designated to establish CPE services for a defined region.</p>	<p>Approved as amended</p>	<p>\$6,500,000</p>	<p>To start the process provide \$130,000 for each of 50 Coordinated Points of Entry serving areas with approximately 40,000 older persons each adjusted to assure geographic coverage across Illinois. This is predicated on the use of existing organizations to provide the services. Budget assumption is that each site would include the following: 1 FTE MSW level worker, receptionist services, multiple types of resources, printer, computer access and telephone transfer ability.</p>
<p>2. Initiating funding for comprehensive assessments as a first step towards a statewide system of holistic comprehensive case management to support the full range of long-term support options and a coordinated point of entry to public and private long-term support programs and benefits.</p>	<p>Approve – unanimous</p>	<p>Fiscal estimates will be provided by the services workgroup.</p>	<p>Fiscal estimates will be provided by the services workgroup.</p>

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<p>3. An interactive Department on Aging website with a statewide management information system that can identify service gaps and provide current information that can be accessed by consumers and providers.</p>	<p>Approve – unanimous</p>	<p>\$2,000,000</p>	<p>1) \$600,000 estimate to implement the I&amp;A Elder Service Program (adopted from the Atlanta Regional Council on Aging, Ga.) statewide; \$500,000 each subsequent year.                  2) \$530,000 estimate obtained from one MIS provider (Synergy) to meet information collection and reporting for home and community based aging services across program needs and requirements;                  3) \$870,000 estimate for Web Page development including programmatic development of materials, consumer assistance and hosting of web paged management information systems in Illinois.</p>
<p>4. Implementing and publicizing the newly branded statewide coordinated point of entry system using a uniform name, identity, web site, logo, and toll-free number. To assure that older people in the state are aware of the new system’s “branded” name and how and where they may go to access information about resources, services and other information they need to make decisions about long-term care.</p>	<p>Approve – unanimous</p>	<p>\$1,250,000</p>	<p>1) \$250,000 estimate for implementation of the Branded service system across Illinois including presentations and professional public relations services.                  2) \$1,000,000 distributed to an estimated 2,000 LTC providers @ \$500 per site for stationary/display ads/marketing materials.</p>
<p>5. Designing and implementing a system of access points throughout the state that allows older people to gain entry into the aging service system in multiple ways.</p>	<p>Approve – unanimous</p>	<p>\$2,000,000</p>	<p>To initiate the system, establish approximately 4 access points relating to each CPE throughout the state at \$10,000 each (50 CPE with 4 Access Points for 200 locations, at \$10,000 each). This provides for a variety of locations and contacts by older persons and their families to obtain long-term care.</p>

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			<p>information. These may include kiosks in public locations (including retail establishments, municipal buildings etc.), senior centers, and other locations determined through the Aging Network and Long-Term Care facilities that will be most responsive to the older persons and families in need of long-term care assistance. All will have staff oversight, materials and technology for individuals to access information. The dollars will pay for the staff time (someone who is regularly available to assure that basic materials are available, or who will talk to those asking for information on how to access more complete information through the CPE), the costs of technology including phone line, internet access, computer stations if needed, and the provision of standard informational materials required at every access point throughout the state.</p>
<p align="center">Total PoE Initiatives Fiscal Cost</p>		<p align="center">\$38,070,171</p>	

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**Services Committee Findings and Goals**

The Services Subcommittee is charged with providing guidance to the Department on Aging and the Departments of Public Health and Healthcare and Family Services regarding the expansion of senior services, quality standards for services and program retention.

**Services Strategic Goals for 2006:**

1. Expanding Case Management to an Enhanced Care Management System.

Allocating funding to Case Coordination Units would ensure ongoing comprehensive interaction with clients and their families, transforming the current system into an enhanced care coordination system that is more responsive to the needs of older adults

## DRAFT FOR DISCUSSION ONLY

and their family caregivers. This proposal builds on the strengths and experience of the current Case Coordination Unit system by transforming its function from simple eligibility determination to providing holistic, client-focused, and customized care plans.

Key components of the transformation are a standardized statewide comprehensive assessment, client follow-up, flexible staff hours and enhanced staff training. The comprehensive assessment process will include a face to face interview in the client's home which may identify formerly unseen needs in physical and mental health, home environment, and social and informal supports, while also providing functional and financial information. The purpose of a comprehensive assessment is to gather a complete picture of the older person's needs and strengths, allowing for the development of a care plan which helps the older person and his or her family to problem-solve, make informed choices, and remain as independent as possible.

### **Benefits of an Enhanced Care Management System:**

- ◆ Provides information and choices on the full spectrum of services, not just Community Care Program (CCP) services.
- ◆ Coordinates care for chronic conditions.
- ◆ Assures that formal support supplements rather than supplants family and other informal support.
- ◆ Identifies the caregiver's willingness, capability, and availability to assist with care.
- ◆ Enables services to accommodate family needs, including when interviews take place.
- ◆ Is built off best practice recommendations for comprehensive assessment and care planning used in other states.
- ◆ Includes statewide standardized training, monitoring, and quality assurance.
- ◆ Provides information on services not available through the state that would benefit the person in question.
- ◆ Utilizes computerized forms, documentation, and data collection/reporting.

**Fiscal Impact:** \$27,000,000 - Based on experience by some Care Coordination Units in utilizing Enhanced Care Management.

2. Expanding participation in adult day service programs through increasing the transportation rate from \$4.15 to \$8.30 per one-way trip.

**Fiscal Impact:** \$2,000,000. This is the rate needed by adult day service programs to cover the cost of transporting clients and reaching new clients.

3. Providing funding for Information and Assistance programs to annualize expansion of the helpline and local information and assistance outreach currently funded by Medicare Modernization Act dollars. These funds will be unavailable by September 2007.

**Fiscal Impact:** \$2.3 million.

4. Expanding Home-Delivered Meals to address waiting lists and to reach under- and un-served areas.

**Fiscal Impact:** \$13,441,535

Expand home delivered meal services to 2 meals per day and 365 days per year, offering shelf-stable meals, and address meal preparation and production issues.

**Fiscal Impact:** \$26,916,746

Funds needed to comply with the new federal Dietary Reference Intake (DRI) and Dietary Guidelines.

**Fiscal Impact:** \$2,052,842

5. Providing funding for the Senior Center grant program to offer competitive grants.

**Fiscal Impact:** \$3,500,000.

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## **Workforce and Family Caregiver Committee Findings and Goals**

The long-term care system for older adults in Illinois depends on an extensive support system consisting of both formal and informal care providers. Formal care (services provided by professionals and paraprofessionals) faces many challenges; these include difficulty in recruiting new workers, low rates of retention and limited available training. The Older Adult Services Advisory Committee anticipates as Illinois rebalances its long-term care services there will be an additional challenge as a dramatic shift occurs in this workforce across all settings. While this paid workforce is critical, the informal care system, made up of family and friends, provide the majority of long-term care for older adults. Changing demographics—larger numbers of the very old, smaller families, women in the workforce, etc.—lead OASAC to anticipate serious difficulties for family caregivers in the years ahead. Burnout that can lead to significant health problems result from limited respite care and respite options, inadequate individualized assistance, training and support and lack of family-friendly policies in the workplace. In the longer run, financial and other consequences for caregivers compound the practical problems they face each day. Caregivers, as an essential part of the long-term care system, deserve praise but they also deserve help and support so they can give care without the care giving becoming a liability to their own well being. The Older Adult Services Advisory Committee envisions a long-term care workforce that is supported by an equitable and seamless system of training standards, re-education opportunities, decent wages, a menu of benefits, and responsive recruitment/retention efforts. This system should be available for all current employees working within the long-term care industry and for all new individuals who desire careers as long-term care providers.

### **Workforce Strategic Goals 2005-2010:**

1. The State should achieve parity in wages and benefits across care settings that are adequate to attract and retain a qualified and stable worker pool.
2. The State should promote quality care through career development of direct care workers by implementing improved career ladders and lattices, certification programs, educational

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opportunities and other innovative programs.

3. The State should design, encourage, and support the development of career pathways and education and ongoing training to improve staff retention and the quality of care that long-term care workers in each segment of the industry deliver. This end can be met through comprehensive training, education, mentoring/coaching, and on-the-job training, with specific attention to cultural competency and diversity.
4. The State should promote job satisfaction and quality of work life through improved residential and community work environments, full employment initiatives, excellent supervision, and other programs designed to promote long-term employment, career development and quality person-centered care.

**Workforce Priority Objectives 2005-2010:**

PRIORITY OBJECTIVES:	ESTIMATED FISCAL COSTS:	SOURCE/ RATIONALE:
<p>1. Providing health insurance funding for employees who work for the Community Care Program vendor agencies as well as developing recommendations for wages and benefits adequate to attract and retain a qualified and stable worker pool across care settings.</p>	<p align="center">\$18,000,000</p>	<p>Based on an assumption that 6,682 of 16,000 eligible workers (i.e., those who have three consecutive months of employment at 86 hrs./mo.) would request comprehensive family health insurance coverage. The total cost would be \$18 million less Medicaid match (23.9 million total). Cost on a cents per hour basis for FY07 would be \$1.33/ hr. of service. (Level would need to be increased annually for increases in medical costs.)</p>
<p>2. Provide funding for the expansion and introduction of an evidenced-based career ladder/lattice programs in institutions and community-based care settings.</p>	<p align="center">\$400,000 not including training dollars, childcare or transportation</p>	<p>Based on an assumption that a minimum of two models would be introduced through state-supported training programs. Currently the state-supported LEAP program reaches 45 skilled nursing facilities annually at a cost of \$150,000/yr. The start-up cost in Chicago for coordinating the CAEL/U.S. DOL Program was \$125,000. Tuition assistance was not included. The Governor under the Critical Skills Shortage Initiative has set training dollars aside. ITAs (individual training accounts) are being allocated by the Mayor’s Office On Workforce Development for those who qualify (up to \$5,000 for non-professional training). (Level would</p>

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		need to be increased annually for increases in training costs.)
3. Providing funding for the introduction and expansion of programs that support caregiver career pathways and improve staff retention for quality long-term care.	\$500,000	Based on an assumption that a minimum of 10 communities would implement career pathways programs at \$50,000 per program.

**Family Caregiver Strategic Goals 2005-2010:**

Acknowledging that family care giving will remain the central component of current and future health care, long-term care and social services in Illinois, the Older Adult Services Advisory Committee envisions increased support for family and other informal caregivers that rests upon by providing adequate private and public financing of supportive and other services. Achieving this vision will make more resources available for those without family or other informal support, while enabling more caregivers to continue or assume the provision of care at home and in the community without jeopardizing their own health and well being.

1. The State should improve the level of resources available to provide respite care to family caregivers.
2. The State should be prepared to offer family caregivers with affordable, readily available, high quality, comprehensive, accessible respite services that are coordinated across all care settings.
3. The State should support family-friendly policies in the workplace in order to permit families to meet the care giving responsibilities they assume; such support includes flextime, work-at-home options, job sharing, dependent care accounts, paid family leave policies, job protections for workers who take time off for caregiving, and other financial protections such as continued pension coverage, etc.
4. The State should offer appropriate and ongoing education and training to family caregivers to assist them to continue to give care in ways that are good for both the care receiver and the caregiver.

Family Caregiver Priority Objectives:

PRIORITY OBJECTIVES:	ESTIMATED FISCAL COSTS:	SOURCE/ RATIONALE:
1. Improving the level of funding from the Older Americans Act for respite care from State and federal sources as well as expanding the availability of alternative respite services to provide flexibility to family caregivers, including home care, vouchers, transportation assistance, emergency respite, and	\$4,800,000	Based on the assumption that the current caregiver respite funding by the 13 AAAs of \$1,618,783 for 2,547 caregivers be quadrupled. Annual expenditures per person range from \$400 to \$1,500 (statewide average annual expenditure per person in FY 2004 was \$635.56; estimated 1.6 million caregivers in Illinois.) Based

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other services. .		on the assumption that 10,000 caregivers would opt for receiving respite through flexible use of their funding, enabling them to maintain their family member at home longer. (Level would need to be increased annually for increases in respite costs.)
2. Conducting a study in Illinois to provide a benchmark of family caregiver demographics, needs/assets and service utilization.	\$150,000	Based on the assumption that a statewide survey of family caregivers could be developed utilizing the study design conducted by the State of California.
3. Promoting awareness and visibility of the needs of family caregivers, especially working caregivers, by holding a public/private conference on the challenges to working caregivers.	\$75,000	Based on the assumption of holding a one time public/private consensus conference focused on increasing the utilization of family medical care leave and other policies that would improve worker retention and reduce caregiver burden would include 150 participants, speaker honoraria, pre-conference papers, marketing and dissemination.
4. Expanding individualized training for family caregivers through partnerships between the aging network and other specialized training organizations.	\$100,000	Based on the assumption that other individualized training programs provide training at a cost of \$200 per trainee; 500 family caregivers trained. (Level would need to be increased annually for increases in number of trainees.)

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**Nursing Home Conversion Committee Findings and Goals**

This committee was created to provide guidance to the relevant State Departments regarding the establishment of the federally mandated (Older Adult Services Act) Nursing Home Conversion project to develop a methodology for the effective reutilization of current nursing home service models to provide multiple options for elder housing and services.

In order to develop such a methodology, the committee must:

1. Establish a planning baseline.
2. Create a needs inventory.
3. Identify barriers to conversion.
4. Identify housing and care delivery models.

5. Rebalancing strategy.
6. Funding and financing strategies.
7. Assessment analysis and rebuilding.

The committee will initially focus on establishing a working knowledge of long-term care services currently being delivered in Illinois. This baseline will be available not only to the Nursing Home Conversion Workgroup but also to others engaged in the implementation of the Older Adult Services Act.

**Nursing Home Conversion Strategic Goals 2006:**

1. Establishing a planning baseline for the purpose of identifying priority service areas consistent with Section 20 of the Older Adult Services Act and developing review criteria for the nursing home conversion grant program consistent with Section 30 of the Act.

In order to accomplish this objective, we must:

- ◆ Update the bed need formula (pursuant to Section 20 of the Act) through work with the Illinois Health Facilities Planning Board.
- ◆ Implement a plan to contain Medicaid nursing home costs and maximize Medicare utilization (pursuant to Section 25 of the Act, specifically subsection 15) while working with DHFS to make changes to the Medicaid nursing facility reimbursement system in order to reduce beds (pursuant to Section 25 of the Act, subsection 16); this will be accomplished through work with the Department of Healthcare and Family Services in collaboration with the Illinois Department on Aging and the Illinois Department of Public Health.
- ◆ Implement a nursing home conversion grant program (pursuant to Sections 20 and 30 of the Act) through work with the Department of Public Health.
- ◆ Create an inventory of services (pursuant to Section 20 of the Act) through work with the Illinois Department on Aging, the Illinois Department of Public Health and the Illinois Department on Healthcare and Family Services.

2. Identifying and stating the impediments to accomplishing the above four points.
3. Identifying any legislation that may need to be drafted and implemented to address these impediments.

**Fiscal Impact:** There will be a need for dedicated staff in the Departments impacted in order to carry out the Conversion Subcommittee recommendations; however, we are unable to set first year cost estimates. Since the conversion subcommittee has multi-year strategic objectives, we are not able to define or set proposed dollars for a conversion strategy that has yet to be defined.

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## **Finance Committee Findings and Goals**

The Finance Committee was established to investigate financing options for reforming the long-term care system in Illinois. In order to complete this task, a working knowledge of current financing practices is essential. Therefore, the Finance Committee is in the process of mapping the primary publicly funded long-term care programs and older adult services offered in Illinois.

The final report produced by the Finance Committee will include a “map” of Illinois’ long-term care system as it is configured today, in addition to recommendations regarding the most efficient way to finance current programs and services and proven home and community-based demonstration programs. Due to the comprehensive nature of this project, data is still being gathered and specific recommendations cannot be made at this stage. We have, however, reviewed a number of programs and can make general comments based on our research thus far.

We have learned:

- ◆ Illinois’ long-term care system as a whole is substantially under-funded; we have yet to identify a single program that is adequately funded.
- ◆ Our initial research shows that some programs need additional funding simply to meet the needs of the older adults such programs were intended to assist.

For example, in some communities, due to a lack of funding, home delivered meals have long waiting lists of seniors who need the service. There are also significant geographic pockets where home delivered meals are not available at all.

Adult day services need financing to expand services into new geographic areas and provide additional services to older adults where few to none currently exist.

- ◆ Many programs studied show the cost of service delivery far exceeds the reimbursement received.

It is important to note that these observations come from our initial review, but nevertheless cover a diversity of funding sources -- federal, state and private -- as well as a variety of programs. Our preliminary findings lead us to believe the data will show that the financing of long-term care in our state is complex, with areas of overlapping funding as well as gaps that are not adequately funded.

In addition to the inadequate funding for senior services, the Committee has observed that more is being expected from decreasing staff in all state agencies involved in implementing the Older Adult Services Act. Necessary funding to fill vacant employee slots and even increasing slots where appropriate must be provided for.

### **Finance Strategic Goals Phase I:**

In the first phase of our research, we will create a map of the long-term care system as currently designed. In an effort to determine how we envision the state’s future long-term care system, the logical starting point is to get a comprehensive understanding of the system as it is today. The map will focus on the key publicly-financed care programs including, long-term care facilities,

## **DRAFT FOR DISCUSSION ONLY**

Supportive Living Facilities, home health care, the Community Care Program, Older Adult Act Services, the PACE managed care program, and pharmaceutical assistance. For each program or service, the Finance Committee has interviewed key industry experts and state agency staff, and gathered public and private data on eligibility, enrollment, financing sources, costs and reimbursement. The Finance Committee has begun to create profiles of each program or service, including information on administration, eligibility, entitlement, enrollment, and actual cost of providing the service, reimbursement rates, and sources of financing.

### **Finance Strategic Goals Phase II:**

Phase II of the map will include creation of a series of visual charts showing the financing of the long-term care and older adult services system in Illinois. The visual charts will provide detailed information on financing issues such as comparisons of provider cost to provider reimbursement; comparison of enrollment trends by program; and comparisons of enrollment to funding. During this phase, the Finance Committee will analyze data collected in the Community Reintegration Program “Home Again,” and will research best practices from around the country concerning transitioning persons from long-term care facilities to home and community-based care. Specifically, the Finance Committee intends to study successful models for long-term care reform with a concentration on analyzing the financing of such models through innovative structures including but not limited to, money follows the person demonstrations, global budgeting demonstrations, and cash and counseling demonstrations. Additionally, the committee will study the financial impact of the nursing home conversion program designed to help nursing homes transition some of their beds off line while providing new community based services instead.

### **Finance Strategic Goals Phase III:**

In Phase III, the map will be expanded to include information and cost projections on many different pilot programs including but not limited to such programs as the co-location project and the consumer direction program “My Choice,” that may be expanded to increase the opportunity of older people to choose from a richer array of home and community-based services in Illinois. In addition, the Committee will research and analyze best practices for financing all long-term care services to decrease dependence on state-financed programs through private funding strategies such as increasing the use of reverse mortgages, subsidizing long-term care insurance and federal funding strategies such as demonstration grants and Medicaid waiver expansions. The committee plans to complete the mapping project by December 31, 2006.

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**Department Assessment**

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**Work Plan for Next Year**

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## Appendix

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### Older Adult Services Act Advisory Committee:

State members, non-voting:

Charles D. Johnson (Chair)  
Anne Marie Murphy (Vice-Chair)  
Enrique Unanue (Vice-Chair)  
Teri Dederer  
Gwen Diehl  
Bert Gisi  
Sinead Rice-Madigan  
Jennifer Novack  
Sally Petrone  
Jared Thornley

Stephanie Altman  
Darby Anderson  
Paul Bennett  
Sidney G. Bild  
Dennis R. Bozzi  
Pat Comstock  
Ann M. Cooper  
Thomas Cornwell, M.D.  
Larry Frang  
Donna Ginther  
Marion Hanks-Bell, R.N.  
Flora Johnson  
Myrtle Klauer  
Jonathan Lavin  
Linda Leone  
David Lindemann  
Joyce E. Lony  
Jean McCain  
Phyllis B. Mitzen  
Harriet O'Connor  
Patricia O'Dea-Evans  
Ruth Rankin, R.N., N.H.A.  
Karen Anne Rose  
Steven K. Rothschild  
Brian Schwarberg  
Tim Thomas  
Carmen Velasquez  
Cathy Weightman-Moore  
Cheryl Woodson, M.D.  
Cynthia Y. Worsely

**Members of Workgroups:**

**Meeting Dates and Locations:**

**Minutes:**