

## Healthcare Reform and You

Recently, California state and local policy makers, along with elder advocates and care providers, gathered at the first annual Bay Area Senior Healthcare Policy Forum. Sponsored by the Center for Elders Independence and On Lok Lifeways, the forum was designed to prompt dialogue and ideas about the changing landscape of policy related to healthcare for older adults. Joanne Handy, president and CEO of Aging Services of California, spoke on the United States House and Senate healthcare reform bills, focusing on how they may help or hurt people of differing age groups.

For those over 65 years of age, Handy noted, the proposed healthcare reform would reduce or eliminate out-of-pocket drug costs, promote preventive care, improve access to primary care and stabilize the Medicare trust fund. The doughnut hole – the costly gap in prescription drug coverage under Medicare Part D – would be reduced or eliminated, depending on which plan is adopted. Copays and deductibles would be eliminated for preventive tests, such as mammography, prostate cancer screening and colonoscopy. Through companion legislation, primary care physicians would receive increased reimbursement so they can continue to accept Medicare patients.

Handy indicated that healthcare reform also would bring changes to how those over 65 receive their health benefits. Members of Medicare HMOs may see a decrease in their added benefits or an increase in their premiums or copays, as the 15 percent higher Medicare payments that these plans currently receive are phased out through 2014. There may also be issues accessing home health care, skilled nursing care and durable medical equipment benefits because providers of these services may choose not to participate in Medicare due to payment cuts.

For those over 50, Handy said, the reform would reduce costs and increase the availability of insurance. Those ages 50–65 constitute the fastest growing age group of uninsured in the United States. The reform proposals would end insurance discrimination due to preexisting conditions, provide subsidies for people to buy affordable insurance and reduce cost differences

in insurance policies by preventing insurers from charging two or three times the cost to insure older adults.

Long-term care likewise would see changes, Handy reported. Currently, both the House and Senate versions of the bill include the Community Living Assistance Services and Supporters Act, known as the CLASS Act. This would establish a voluntary social insurance plan with daily cash payments for people who need services and supports; the benefits would become available after a five-year vesting period. Other long-term care changes would include more incentives for states to rebalance their Medicaid spending to emphasize

home and community-based services. The act also would offer states incentives to create Independence at Home programs under Medicare; such programs fund teams of physicians and nurse practitioners to provide in-home care for people with complex, chronic conditions.

Handy reminded the audience that although federal healthcare reform is closer than ever, the process is far from over. The Senate version of the bill will be debated on the floor, where up to hundreds of amendments may be offered – and when the House and Senate versions go to the conference committee, further compromises and modifications will ensue. Even with the possibility of such changes, Handy gave an optimistic assessment of the probable outcomes of the reform legislation.

For ideas on how to get involved in promoting the best federal healthcare reform proposals, visit AAHSA's Health Reform Hub website at [www.aahsa.org/healthreformhub.aspx](http://www.aahsa.org/healthreformhub.aspx).



# Public Policy & Advocacy Report

## California Faces More Red Ink

A recent report from the California Legislative Analyst's Office projects that the state will be in the red by more than \$20 billion for 2010. According to the report, the budget problem consists of an estimated \$6.3 billion shortfall for 2009-10 on top of a \$14.4 billion gap between projected revenues and spending in 2010-11. At several points over the past two years, the state has repeatedly approached insolvency – unable at times to meet some of its basic financial obligations.

The report urges the California Legislature and the governor to take action over the next few years to address the structural deficit by crafting a sustainable framework for the state's public finances: "It is unlikely that the Legislature can address all of the state's massive, ongoing budget problems with permanent, ongoing solutions in the next year. Nevertheless, steady progress in developing such a budget framework is imperative to restore the state's fiscal health and enhance public trust in state government."

For the full report, "California's Fiscal Outlook: The 2010-11 Budget," visit the Legislative Analyst's Office website at [www.lao.ca.gov](http://www.lao.ca.gov).

## California Fees on Providers Mean Residents Would Pay More

California Gov. Arnold Schwarzenegger is seriously considering imposing the skilled nursing quality assurance fee on continuing care retirement communities and multi-level retirement communities, both of which were exempted when the state instituted the fee in 2005. The state's projected budget deficit going into the 2010-11 fiscal year is already \$21 billion. Since California has exhausted all budget gimmicks and tricks in deficit accounting from previous years, the state is desperate for new revenue. Eliminating the retirement communities' fee exemption would produce a large revenue stream for the state.

Why does the proposed change in fees charged to CCRCs and MLRCs matter to you as a resident? Because any fee assessed on providers will be passed on to those who live in the communities. In essence, the state will be taxing residents' retirement savings to help fund state government. But is it fair to indirectly tax residents when the governor and the legislature absolutely refuse to tax anyone or anything else in the state?

Aging Services staff is working with residents and providers to stop this unconscionable proposal. Keep an eye on *RESIDENT agenda* for opportunities to voice your opinions and concerns about any such budget proposal as we start 2010.



*RESIDENT agenda* is the monthly newsjournal of  
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Aging Services of California represents more than 400 nonprofit providers of senior living services – including affordable housing, continuing care retirement communities, assisted living, skilled nursing, and home and community-based care. Aging Services of California's advocacy, educational programs, communications and other resources help its members best serve the needs of more than 100,000 seniors.

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The *RESIDENT agenda* editorial board encourages submission of original articles for consideration.

Subscription to *RESIDENT agenda* is paid through Aging Services of California membership dues. Third-class postage paid at Sacramento, Calif.

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## News Briefs

### **New Website Helps Consumers Make Long-Term Care Choices**

The California Healthcare Foundation recently launched a new online resource designed to help consumers make better choices when it comes to long-term care. Not only does the site pull data from other consumer-oriented websites, it also goes a step further by adding a “Long-Term Care Assistant” tool that walks users through the different types of service and levels of care. Visit the site at [www.calqualitycare.org](http://www.calqualitycare.org).

### **Report Outlines Challenges to State’s Long-Term Care System**

California faces serious challenges in helping elders and people with disabilities live independently, according to a new report prepared for the state’s Health and Human Services Agency: “The challenges are fiscal, geographic and structural. Even when the state does not face unprecedented budget deficits, investments are needed in the services and delivery system to promote informed choice, access to preferred services and adequate financial support.” For details, visit the California Community Choices website at <http://communitychoices.info>.

### **Study Shows Internet Use May Improve Elders’ Brain Function**

Scans of the brains of adults in midlife and older who had been immersed in the Internet for the first time show that activity in parts of the brain used in memory and decision-making increase, according to a new study from the University of California, Los Angeles.

Senior research associate Teena D. Moody, one of the authors, said, “The results suggest that searching online may be a simple form of brain exercise that might be employed to enhance cognition in older adults.”

The research, performed by UCLA psychiatrists and neuroscientists, looked at the brain circuitry of adults ages of 55 to 78 who

had rarely used the Web, compared with their peers who used it daily.

More research is needed to confirm the results, to establish the effects on younger brains and to determine what sort of Web use has the greatest cognitive effects. *Adapted from The Daily Telegraph (10/21/2009)*

### **Idea House Steals the Show**

Participants at this year’s AAHSA annual meeting found themselves on the cutting edge of technology. Nowhere was that more evident than in the AAHSA Idea House – a 2,600-square-foot model home featuring 25 companies that displayed the best of aging-in-place technologies in a hands-on, interactive environment.

The Idea House received an incredible amount of media attention: The *Chicago Tonight* television program, *USA Today*, the *Chicago Sun Times*, the *Chicago Tribune* and *Sci-Tech Today* covered the house and its exhibitors. The technology also was highlighted by U.S. Assistant Secretary for Aging Kathy Greenlee during her remarks to the conference attendees. Greenlee predicted that baby boomers would soon be demanding many of the innovations contained in the model home.

### **Study Links Drugs With Falls**

A study published in the Nov. 23, 2009, issue of the *Archives of Internal Medicine* finds that older adults who take psychotropic medications may be at increased risk for falls. After analyzing 22 previously published studies, the researchers concluded that there is in fact an association between the use of sedatives, hypnotics, antidepressants and benzodiazepines and the risk of falls in older adults. “Given the divergent results shown by some observational assessments within specific medication classes, the results of our analysis reiterate the need for caution when prescribing these medications to seniors,” writes John C. Woolcott, of the University of British Columbia. The complete study is available for \$15 at <http://archinte.ama-assn.org>.

## Events & Education Slate



### **Aging Services of California Public Policy Conference**

Dates: Feb. 8-10, 2010

Location: Sheraton Grand Hotel, Sacramento

Jack Christy, director of public policy at Aging Services of California, will host a resident breakfast this year to talk about legislative issues that will directly impact residents in the coming year. The breakfast will be on Tuesday, Feb. 9, 2010, 8:00 a.m. – 9:00 a.m.

*All residents registered for the Public Policy Conference are welcome to attend.*



### **Annual Conference & Exposition: Communities: Inside Out**

Dates: May 3-5, 2010

Location: Westin Hotel Long Beach and Long Beach Convention Center

Joanne Handy, president and CEO, will host the annual resident luncheon on Tuesday, May 4, 2010, at the Aging Services Annual Conference in Long Beach. The luncheon is an opportunity for residents to learn what Aging Services is doing for them.

*All residents registered for the Annual Conference are welcome to attend.*



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is an  
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2 to experience life  
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experience than others.”)

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