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**National Association of Area Agencies on Aging**

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TESTIMONY OF

**Margaret Davidson**

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AND

**Executive Director  
Community Connection of Northeast Oregon, Inc.  
La Grande, Oregon**

BEFORE THE

**U.S. Senate Special Committee on Aging**

**“Aging in Rural America:  
Preserving Seniors’ Access to Health Care”**

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106 Dirksen Senate Office Building  
Washington, DC

Good morning, Chairman Kohl, Ranking Member Smith and other distinguished members of the Committee, my name is Margaret Davidson. I am the Executive Director of the Community Connection of Northeast Oregon, Inc. in La Grande, Oregon, and I serve as a Board Member of the National Association of Area Agencies on Aging (n4a).

n4a represents our nation's 650 Area Agencies on Aging, or AAAs as they are known, and 240 Title VI Native American Aging Programs that serve older adults and caregivers around the country. As the local component of the Aging Network, Area Agencies on Aging and Title VI aging programs have successfully delivered aging services in every community across the country for over 30 years, and provide assistance to over 8 million older Americans annually.

Community Connection is a private, non-profit that was formed in 1969, and in addition to being an Area Agency on Aging, is also a Community Action Program. Our agency covers 13,000 square miles across four rural counties of Northeast Oregon, which is mountainous and experiences winter travel conditions from November through April. There are 13,000 seniors in our area accounting for 23 percent of the total population of the region.

I want to thank the Committee for inviting me here today to testify on behalf of n4a on the issue of aging in rural America, and preserving seniors' ability to access health care and social services that will allow them "age in place."

### **Growth of the Aging Population in Rural Areas**

The aging demographics our nation faces as a whole are well documented. The population 65 and older will increase from 35 million in 2000 to 40 million in 2010 (a 15 percent increase) and then to 55 million in 2020 (a 36 percent increase for that decade). By 2030, there will be about 71.5 million older adults age 65 and older, almost twice their number in 2005, or 20 percent of the total U.S. population.

However, the particular pressures that rural areas of the country face are less well known and yet deserve significant attention. The 65 and older population represents 15 percent of total non-metro population compared to 12 percent for the country as a whole.

The rural aging population will accelerate at a significant rate over the next several years. The USDA Economic Research Service reports that growth rates from aging-in-place alone (i.e., not new elders moving to an area) will triple among the non-metro older population, from 6 percent this decade to 18 percent in the next decade. These growth rates in the rural aging population are complicated by the fact that rural seniors generally have less income, lower educational attainment, and a higher dependence on Social Security income than their non-rural counterparts. In addition, it is generally more expensive to deliver services in rural areas due to fewer service providers per capita and higher per capita costs in sparsely populated and remote areas of the country.

Population shifts due to the out migration of young adults and the in migration of retirees and the Baby Boomers are also clearly having an impact on the complexion of the aging population in rural areas. While these trends vary by location in how pronounced they are, the aging-in-place population in rural areas generally has access to fewer health care services, which are in turn more costly. These disadvantages are difficult to address in rural areas currently experiencing declining workforce populations and worsening local economies.

### **An Average Client: Mrs. Jones**

Perhaps the best way to articulate the challenges agencies like mine in rural areas face in serving older adults is with a real life example. Let me introduce you to Mrs. Jones, a very typical 77-year-old, widow of a World War II veteran who worked the family farm and at the local mill. Mrs. Jones never worked outside the home, but instead she spent her years raising her family, volunteering with the PTA and at the church bazaar, and

sharing flowers from her garden. Mr. Jones passed away ten years ago, and their children are grown and do not live nearby. Her monthly income is \$900 from Social Security. She is in fairly good health for her age and manages her hypertension and Diabetes with medication, and she can do most things for herself.

Yet, taking care of the big yard and house that she raised her family in is getting to be too much. She won't drive after dark anymore or during the winter months. The eight miles to town and half mile to the nearest neighbor make for lonely days for Mrs. Jones.

Rapidly rising costs for gas, home heating fuel and food have squeezed Mrs. Jones and her already tight budget. Last winter, she only heated two rooms of her home and she still couldn't afford it. With gas so expensive, Mrs. Jones's fixed income can not cover both the gas and insurance. As the cost of food keeps going up, along with medicine and co-pays, she is often torn between paying for food or medicine. She often eats cereal for breakfast and lunch.

Mrs. Jones is proud and doesn't like to ask for help, but she knows she is starting to need some support. She wants to stay in the community where she spent her entire life and where her friends and neighbors live. All Mrs. Jones asks for is to be safe, warm, and able to live independently for as long as possible. Mrs. Jones' situation is not unlike many older adults living in rural areas as they seek to age in place.

## **Overview of Aging Programs in the Community**

Established under the Older Americans Act (OAA) in 1973, Area Agencies on Aging offer a host of options to help older adults stay in their homes and communities for as long as possible. While our mission is to ensure that individuals can age-in-place where they want to — at home and in the community — this system also reduces long-term care costs to taxpayers by providing alternatives to more expensive institutional care.

The OAA also helps fund Native American Aging Programs, known as “Title VI,” to meet the unique needs of older American Indians, Alaska Natives, and Native Hawaiians.

Following leadership at the federal level from the U.S. Administration on Aging and the state level from the State Units on Aging, AAAs leverage public and private funds to help older adults remain active and contributing members of their communities as long as they can. They do this by offering a wide range of services that fall into five broad categories: information and access services, community-based services, in-home services, housing and elder rights. Some AAAs provide direct services and some contract with local providers, but they all customize what they offer to reflect local needs and resources.

For example, older adults and their caregivers turn to their local AAAs:

- to arrange for Meals on Wheels home deliveries or attend congregate meals;
- to learn about and access other home and community-based supports that are available locally;
- to access to home health and other in-home services;
- to secure transportation to doctor’s appointments and other essential trips;
- to get help in a fraud or elder abuse situation;
- to provide legal assistance;
- to get information and counseling to enroll in Medicare Part D and other public health benefits; or
- to access needed information and support for caregivers of the elderly.

Community Connection’s annual allocation through the Older Americans Act is approximately \$420,000. We use these funds to leverage twenty times more in resources through multiple funding sources for a total annual budget of \$8.5 million.

### **Community Connection Is Not Unlike Many Rural Aging Programs**

Community Connection is a direct service provider and our comprehensive services can meet many of an average client like Mrs. Jones’ needs. We can provide nutrition

services (both home-delivered and congregate meals), transportation, and advocacy and service coordination. Our agency operates 13 meal sites in the four counties we cover – two serve five days a week, one serves four days a week, two serve three days a week, and the others serve once a week. In fiscal year 2008, we have served 124,000 total meals from these sites, including home-delivered meals. This year, the cost to prepare, serve and deliver each meal has increased 18 percent compared to last year – from \$4.60 per meal up to \$5.41. In addition, the fuel surcharge from our food distributor has doubled from about \$4.00 to \$8.00 per food order. Many volunteers for Meals On Wheels are, for the first time, asking for a fuel subsidy. In short, increases in staff, food costs and transportation have nutrition programs stretched to very limit. For the first time in three years, we have increased the suggested donation at our meal sites to postpone service cutbacks, but anticipate that this will only delay the inevitable this year. Our advisory council is working to do more fundraising to minimize the impact on seniors.

We provide nearly 19,000 units of information, outreach, and counseling assistance annually to seniors and their families on issues ranging from caregiver support, advocacy and service coordination with hospitals, home health care, mental health services, and other in-home services. Our agency plays a significant role in assisting seniors with their transportation needs, home energy assistance through the Low-Income Home Energy Assistance Program (LIHEAP), and with Medicare counseling as we are a local State Health Insurance Assistance Program (SHIP).

We offer dial-a-ride and door-to-door transportation services for older adults and persons with disabilities, and medical transportation up to 250 miles in one direction. For these transportation services, we utilize both volunteer and paid drivers and reimburse for mileage at the current IRS rate of 58.5 cents a mile. In fiscal year 2008, we have provided a total of 105,040 rides funded through Federal Transit Administration (FTA) formula grants and state funds. While we have been able to increase the total rides provided by 9 percent compared to fiscal year 2007 by taking advantage of multiple funding sources, our fuel costs have increased by 25 percent over the last six months compared to July through December 2007 (\$1.24 vs. 99 cents per ride).

As a Community Action Program, we administer LIHEAP, which is critical to older adults like Mrs. Jones in Northeast Oregon who are struggling with increasing energy costs for both heating and cooling. The typical retiree on Social Security makes just under \$13,000 a year. One fill up of a 275 gallon tank of oil can cost \$1,300. If that retiree needs six tanks of oil this winter, she will spend 60 percent of her income to heat her home. In fiscal year 2008, our agency assisted 868 older adult households or 41 percent of the 2,100 households we provided with assistance. However, due to the jump in energy prices affecting the broader low-income population and the resulting increase in crisis payments, we have seen a 12 percent drop in the number of older adults that we have been able to assist through LIHEAP during the last two years, despite the 18 percent increase in funding.

We also provide health insurance counseling services as part of our Oregon's State Health Insurance Assistance Program, known as SHIBA. During fiscal year 2008, we have provided one-on-one counseling and enrollment assistance to 150 beneficiaries, spending on average 45 minutes per counseling session. We rely heavily on volunteers to provide the information and counseling assistance and often the counselors who volunteer their time and experience are seniors themselves. These services have also been limited because of rising fuel costs this year, which has caused our agency to cut back on the amount of outreach efforts we have been able to undertake in the community.

### **Challenges Faced by Rural Aging Programs**

Distances and isolation are major factors for many rural seniors. Many of the communities in our planning and service area are 20 miles or more from the nearest focal point for services, which increases the cost of services. Mileage from one end of my service area to another is 215 miles, with two-thirds of it only accessible through two-lane roads. And I know some of my AAA and Title VI aging program colleagues cover distances even greater. The impact of travel costs and the staff time consumed by

transportation to and from a client's home has a direct connection to the amount of services a rural agency can provide.

Adequate funding is also an issue for rural area agencies. For example, in fiscal year 2008 there was roughly a \$17 million funding increase combined for the home-delivered and congregate meals programs at the federal level. Oregon receives 1 percent of the federal allocation for these programs or \$170,000; Community Connection receives 2.1 percent of Oregon's share, which translates into \$3,400 or about 26 cents for each of the 13,000 seniors in Northeast Oregon. When distributed across my four counties, the additional funding means \$850 more for each county or a total of 160 additional meals in that entire fiscal year. This translates into **four** older adults receiving a meal three times a week for 12 months.

While this funding is much appreciated, it is far less than what is needed after years of static funding and no inflation adjustments. For many seniors, our home-delivered meals drivers are the only people they see all day. In those outlying communities, meals are provided just one day per week. Consequently, many older adults withdraw and become depressed and develop physical and mental health issues. The interaction they receive at senior centers and with outreach staff that visit their home helps to minimize or prevent such conditions.

Community Connection is typical of many rural area agencies. Many provide multiple types of services, but if not they are very well connected to complementary service providers that enable them to readily respond to clients' needs. Whether a client has the ability to pay for some or all services and supports, our experience shows that clients and their families lack the ability to navigate, broker, and arrange the array of programs, differing eligibility requirements, and fee structures to effectively access the services they need. This is where we come in offering information, referral, case management services, and direct services to older adults like Mrs. Jones.

### **Capacity of Local Aging Programs in Rural Areas**



Based on the 2007 Aging Network Survey of all AAAs and Title VI aging programs, 49.5 percent of AAAs report serving rural areas and a total of 86.5 percent of AAAs report they served locations that included some rural areas. By comparison, 50 percent of AAAs in Oregon report serving rural areas, and a total of 92.9 percent reported they served locations including some rural areas. Based on preliminary findings, the number of Title VI aging programs that serve rural communities is even more pronounced: 20.3 percent report they serve mostly remote or frontier areas, 1.2 percent report serving a mix of rural and remote or frontier areas, 65.7 report serving mostly rural areas, and a total of 98.2 percent report serving locations including some rural areas.

Half of AAAs have a budget of \$3.8 million or less and half serve 3,020 or fewer clients. Comparatively, half of Title VI aging programs have a budget of \$141,119 or less and half serve 150 or fewer clients. AAAs have an average staff size of 39 full-time employees and 20 part-time employees, while Title VI aging programs have an average staff size of 3.9 full-time employees and 3.2 part-time employees. Currently, AAAs and Title VI aging programs depend on Older Americans Act funding to varied degrees. With AAA budgets on average comprised of 41.9 percent OAA funding and Title VI Aging Program budgets comprised of 73.3 percent OAA funding on average. However, when asked about fiscal constraints, barriers and challenges, over 90 percent of AAAs and 95 percent of Title VI aging programs report increasing expenses limit what they can do.

#### **n4a “Seniors Stranded” Survey Highlights Economic Pressures**

A national survey of AAAs and Title VI aging programs on rising fuel, food, and other costs recently conducted by n4a in June, revealed that if aging programs continue to face escalating costs while funding remain static, millions of older adults will suffer serious consequences in 2009. According to the survey, over half of AAAs (56 percent) and Title VI aging programs (59 percent) have already been forced to cut back on services and 90 percent of AAAs and 100 percent of Title VI aging programs will be forced to make more cuts in 2009 due to rising operating costs. More than half of

agencies report an increase in the number of seniors forced to wait for service including transportation to medical appointments, home-delivered meals, respite care, homemaker services, and homecare. Other key findings include:

***Economic impact on operating costs spikes:*** 86 percent of AAAs and 94 percent of Title VI aging programs report that operating costs have increased for the array of programs their agency offers seniors since the beginning of calendar year 2008;

***Fuel costs directly impact volunteer services:*** Over 73 percent of agencies reported it is more difficult to retain volunteers and over 74 percent said it is more difficult to recruit volunteers; and

***Fuel costs directly affect services:*** 53 percent of AAAs and Title VI aging programs have had to either somewhat or significantly decrease the number of weekly scheduled trips their agency can provide to older adults.

### **Opportunities and Challenges Ahead for the Aging Services Network**

Even before the first Baby Boomers turned 60 years old in 2006, national spending for long-term care, especially under Medicaid and Medicare, was placing significant strain on federal and state resources. Although, times are now hard with agencies making the most out of limited funding resources to serve a growing number of clients despite ever increasing costs, the future holds both opportunities and challenges for the Aging Services Network. We are poised nationally and at the local level to better serve the Mrs. Jones' and their families in rural communities.

Congress recognized this potential when it enacted new provisions expanding the Network's role in providing long-term care services and supports during the Older Americans Act reauthorization in 2006. It is now time for Congress to fulfill that promise by providing the resources needed to implement these consumer-centered and cost-effective solutions. These provisions empower the Aging Services Network to

implement strategies encompassing person-centered access to information, evidence-based disease prevention and health promotion activities, and enhance nursing home diversion services.

Each of these strategies have been tested through the U.S. Administration on Aging in cooperation with State Units on Aging and AAAs, and have proven to reduce the need for more expensive institutional care and prevent “spend down” to Medicaid for people of all ages with disabilities. n4a and the National Association of State Units on Aging (NASUA) have released a proposal to fully implement these provisions that has the potential to reach over 40 million Americans and reduce federal Medicaid and Medicare costs by an estimated \$2.7 billion over the first five years, resulting in a net savings to the federal government of over \$300 million. As the proposal is fully implemented over ten years the net federal savings are expected to reach over \$1.4 billion.

## **Policy Recommendations**

With this in mind, n4a recommends the following policy recommendations to better serve rural older adults like Mrs. Jones.

**1) Provide emergency funding for Older Americans Act programs in the next supplemental appropriations bill.** This funding should be targeted to assist area agencies with the rising costs of fuel and food during the remainder of this calendar year, in particular, home-delivered and congregate meals programs and Title III B which provides very flexible funding to states and local agencies that they can use to provide a wide range of needed supportive services to older Americans. Title III B dollars, for example, support senior transportation programs, case management services, housing assistance, in-home services for frail elderly, and emergency/disaster response efforts targeted to older adults.

**2) Expand on funding available under the Low-Income Home Energy Assistance Program in anticipation of record high home heating bills this winter.** We fully

support increasing funding for LIHEAP to the program's authorized level of \$5.1 billion under the Energy Policy Act of 2005. While Congress has indicated some willingness to increase LIHEAP funding as part of a supplemental appropriations bill, we urge you to also consider raising income and asset guidelines under LIHEAP, and increasing the fuel allotment per household to match the increase in fuel cost inflation expected this winter. We also encourage you to expand on crisis payments for the 60 and older population and homebound older adults.

**3) Enhance home and community-based services for older adults who live in rural areas and around the country.** Congress should act on the provisions under the 2006 Older Americans Act reauthorization by funding them to expand on the Aging Services Network's role in providing long-term care services and supports. These provisions will streamline access to home and community-based services and supports, empower consumers to stay active and healthy through disease prevention and health promotion services, and enhance the organizational capacity of the Aging Services Network to provide enhanced home and community-based long-term care systems.

**4) Increase mobility options for rural seniors in the next surface transportation reauthorization bill (SAFETEA-LU).** In the upcoming reauthorization, we urge Congress to further invest in senior transportation needs by enhancing funding for the FTA's Section 5310 Elderly and Disabled Formula Grant Program, which helps non-profit transportation providers meet the needs of the elderly and persons with disabilities, the Section 5311 Rural Formula Grant Program and Section 5317 New Freedom Program. This additional investment will allow area agencies and other non-profit providers to maintain their existing vehicles and replace and enhance their aging fleets, in order to increase capacity to meet the growing demand for services.

In light of rising fuel prices that often prevent vehicles from being fully utilized, it is increasingly important that current restrictions on the Section 5310 program be relaxed to allow transportation programs greater flexibility to use funds where they are most needed. Congress must also provide greater incentives to help aging programs recruit

and retain the volunteer drivers that they depend upon so much, but who are struggling due to high fuel costs.

**5) Ensure that there is an adequate supply of safe, affordable, accessible, and energy efficient housing for older adults.** The majority of rural housing is old stock and there is currently limited assistance for repairs and home modifications to make housing more accessible for seniors and support aging in place for the majority of older adults who want to stay in their own homes. This aging housing stock is not energy-efficient and, consequently, leads to higher home heating bills. We encourage Congress to continue at least level funding for the Community Development Block Grant program and support an increase in funding for the Section 202 Elderly Housing Program to reach the estimated ten seniors who are waiting for each Section 202 unit that becomes available. We also urge Congress to pass S. 2736, The Section 202 Supportive Housing for the Elderly Act of 2008, introduced by Chairman Kohl, to simplify and streamline the development and preservation of affordable, supportive, senior housing to increase participation by non-profit developers, private lenders, investors and state and local funding agencies.

Thank you, Chairman Kohl and Ranking Member Smith, for the opportunity to testify before you today to call attention to the needs of rural seniors and the aging programs they depend upon as they seek to age in place. I would be pleased to answer any questions you may have.