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PLANNING FOR AN AGING POPULATION: THE ADMINISTRATION'S RECOMMENDATIONS FOR THE OLDER AMERICANS ACT REAUTHORIZATION

HEARING

BEFORE THE

SUBCOMMITTEE ON RETIREMENT SECURITY AND AGING

OF THE

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS
UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

ON

EXAMINING THE ADMINISTRATION'S RECOMMENDATIONS FOR THE OLDER AMERICANS ACT REAUTHORIZATION, FOCUSING ON THE NATIONAL FAMILY CAREGIVER SUPPORT PROGRAM, PRIMARY LONG-TERM CARE ISSUES, AND THE AGING POPULATION AND WORKFORCE

MAY 17, 2005

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C O N T E N T S

STATEMENTS

TUESDAY, MAY 17, 2005

	Page
DeWine, Mike, Chairman, Subcommittee on Retirement and Aging, opening statement	1
Mikulski, Barbara A., a U.S. Senator from the State of Maryland, opening statement	2
Prepared Statement	3
Carbonell, Josefina G., Assistant Secretary for Aging, U.S. Department of Health and Human Services, Washington, D.C.	5
Prepared Statement	7
DeRocco, Emily Stover, Assistant Secretary for Employment and Training, Employment and Training Administration, U.S. Department of Labor, Washington, D.C.	15
Prepared Statement	17

ADDITIONAL MATERIAL

Statements, articles, publications, letters, etc.:	
Clinton, Hillary Rodham, a U.S. Senator from the State of New York, prepared statement	35

PLANNING FOR AN AGING POPULATION: THE ADMINISTRATION'S RECOMMENDATIONS FOR THE OLDER AMERICANS ACT REAUTHORIZATION

TUESDAY, MAY 17, 2005

U.S. SENATE,
SUBCOMMITTEE ON RETIREMENT SECURITY AND AGING,
COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:10 a.m., in Room 430, Dirksen Senate Office Building, Hon. Mike DeWine, chairman of the subcommittee, presiding.

Present: Senators Dewine, Mikulski, and Murray.

OPENING STATEMENT OF CHAIRMAN DEWINE

Senator DEWINE. Good morning. We welcome all of you this morning, welcome you to the Subcommittee on Retirement Security and Aging's first hearing on the reauthorization of the Older Americans Act.

We thank Senator Mikulski for being here. It is a pleasure to always work with her. During the reauthorization process in the year 2000, we were the chair and ranking member, as well, and I look forward to again working with her on the Older Americans Act.

Older Americans are an important and rapidly growing segment of our population. Over 36 million people living in the United States are over the age of 65, accounting for about 12 percent of the population. The Census Bureau projects that 45 years from now, people 65 and older will number nearly 90 million in the United States and comprise 21 percent of our population.

Further, we know that 4.6 million people age 65 and older are still employed. The Older Americans Act is an important service provider for these Americans. It makes a range of social services available for our aging population, including congregate and home-delivered nutrition programs, community service employment, and services to prevent the abuse, neglect, and exploitation of older Americans.

As we work toward reauthorization, this subcommittee plans to hold a series of hearings on the Older Americans Act and other issues facing older Americans. Reauthorizing the act is a primary goal of this subcommittee and we look forward to reviewing and updating the Older Americans Act programs.

We also look forward to the recommendations expected to come from the White House Conference on Aging, which will take place

later this year. I am sure that they will provide recommendations that will be both informative and timely for this reauthorization.

Today's senior population is very different from what it was in 1965, when the Older Americans Act was created. Our hearing will begin with an overview of the act, its history, how it operates today, some of its problems, and some suggested solutions.

Senator Mikulski?

OPENING STATEMENT OF SENATOR MIKULSKI

Senator MIKULSKI. Thank you very much, Mr. Chairman. I, too, am pleased today to initiate the hearing on the reauthorization of the Older Americans Act. I, too, look forward to working with you. As I recall, we were the ones that actually got the job done and got it authorized——

Senator DEWINE. I wasn't going to say that, but—

[Laughter.]

Senator MIKULSKI. [continuing]. And look forward to the same collegial efforts that are a hallmark of you.

This is the 40th anniversary of the Older Americans Act, and as we look forward to reauthorizing it, we have got to look at how we need to not only reauthorize, but how we have to refresh, reinvigorate, and even reexamine what needs to be done. I am looking forward to you, and I have several principles that I hope would guide reauthorization.

No. 1, we do need a national program with national standards to ensure consistency of the administration, but allowing for local flexibility—a senior program in a rural area of Utah is very different than in the bustling metropolis of the Baltimore metropolitan area. So we want national standards, but the flexibility to adapt to local needs for both good delivery of care and for, as well, creativity in the area.

Second, we have to recognize the changing demography, the growing number of seniors over 85, the baby boomers coming of age, and the growing number of seniors in minority groups, many of whom with different language and cultural demands.

Third, we have to look forward to making sure that our ultimate goal is to make sure that seniors are independent.

And fourth, that we also ensure that State and local programs have the resources they need in order to do this.

It is vital to continue the core services. I particularly note that we need to continue the much beloved information and referral service, probably one of the most important services, and at the same time the meals, the whole issue of nutrition programs, whether delivered onsite or offsite, and then the other issues relating to helping people keep independence, and also how to protect our seniors against scams. Scams, scams, scams, scams, and there seems to be no end at how to do that. And then at the same time, look for independence, not only from the health standpoint, but also now many people are facing unexpected layoffs.

Senator DeWine and I represent manufacturing areas. When this bill was passed 40 years ago, manufacturing was king in this country. Now it is changing. People have been laid off, whether it is my steelworker or his tire worker, and yet what then happens? Do we say goodbye to them or do we find a way for them? Before, we used

to focus on the poor and how to get them back into the labor market, but now we have to look at the middle class, as well.

We look forward to your ideas on modernizing the Older Americans Act in terms of the new demography and the new demands, and then it comes to the issue of independence. That is why I look forward to your insights on lessons learned from the national Caregiver Support program that we created, and caregiving, as we know, is so important.

We look with such fondness and admiration to First Lady Nancy Reagan. She has emerged as really kind of the icon of caregiving. She had the will, she had the love, she had the affection, and she had the means. Usually, the people we are talking about have the will, but not the wallet. How can we help families by giving help to those that practice self-help, and we look forward to that.

So rather than me talking, we want to hear from you and then have an ongoing dialogue.

Mr. Chairman, I ask unanimous consent that my full statement be in the record.

Senator DEWINE. It will be made a part of the record, and as always, Senator, a very good statement. We thank you for that.

[The prepared statement of Senator Mikulski follows:]

PREPARED STATEMENT OF SENATOR MIKULSKI

Good morning. I'm very pleased to be here this morning as we meet to discuss ways to improve the Older Americans Act—an extremely important act that meets the day-to-day needs of America's seniors. I would like to thank the new chairman, Senator DeWine, for calling this hearing today.

I am looking forward to reauthorizing the Older Americans Act. It is an important responsibility that we have to our Nation's seniors. There are several principles that I believe must guide reauthorization. First, we must continue and improve the core services of this act to meet the vital needs of America's seniors. Secondly, we must modernize the act to meet the changing needs of America's senior population, including the growing number of seniors over 85, the impending senior boom, and the growing number of seniors in minority groups. Next, we must look for ways to help seniors live more independent and active lives. Finally, we must give national, State, and local programs the resources they need to carry out these vital responsibilities. Let me expand on these principles.

Core Services

It is vital to continue and improve the core services of this act. Seniors have come to depend on the information and referral services, congregate and home-delivered meals, transportation, home care, and other OAA programs to meet their daily needs. Take information and referral services. Whether it is pension counseling or the long-term care ombudsman program—these are vital to helping seniors navigate the complex financial and health care systems. Not all seniors have family and friends that can assist them with complicated decisions, like choosing a long-term care insurance plan or a nursing home. These programs put information in terms

seniors can understand. These programs are a safety net for many. Where else would they get these services?

Modernization

Our senior population is not the same as it was in 1965. This will be the first time the baby boomers will be eligible for services under this reauthorization of the Older Americans Act. That's why we must modernize the OAA to meet the changing needs and diversity of our seniors. What does this mean? Well, it means making sure we have programs and services to meet the needs of the growing population that is 85 or older. It means making sure that we are sensitive to the needs of minority, low-income, and hard-to-reach seniors. And it means preparing for the upcoming senior boom. By 2050 there will be nearly 90 million seniors over age 65, more than twice their number in 2003. We must take advantage of new technology and innovations like the Internet to reach out to these seniors.

Independence

Seniors today are living longer, healthier lives. We must do what we can to help them be as independent and active as possible. The majority senior citizens with chronic conditions live in the community and has their care provided by spouses, adult children and other family members. With the reauthorization of OAA in 2000, we worked hard to create the National Family Caregiver Support Program. In 2003, this program provided assistance to nearly 600,000 caregivers. Services include respite care, caregiver counseling and training, information about available resources, and assistance in locating services. These services are invaluable to seniors and their families. We must ensure that we are doing what we can to help ALL seniors live healthy, independent lives for as long as possible.

Resources

Finally, we must provide the resources necessary to meet these challenges and support our seniors. Too many Older Americans Act programs have been flat funded for too long. We must commit ourselves, our dollars, and our programs to meet the needs of our growing and changing senior population.

I want us to reauthorize this act. This is our responsibility. We must not abandon it. I look forward to working with the Administration on Aging and the Department of Labor to get their input.

I thank you for your testimony and I look forward to working with you in the coming months to improve the quality of life for all of America's seniors in 2005 and beyond.

Senator DEWINE. Let me introduce our witnesses today. First, I would like to introduce the Assistant Secretary for Aging, Josefina Carbonell. She was sworn in as Assistant Secretary for Aging at the Department of Health and Human Services on August 8, 2001. In her position at the Administration on Aging, she advocates for and works on issues concerning older Americans. The Administration on Aging reaches into every community by providing services, information, and referral on adult day care, elder abuse prevention,

home-delivered meals, in-home care, transportation, and caregiver supports.

Prior to joining the Administration on Aging, Ms. Carbonell was President and CEO of the largest Hispanic geriatric health and human services organization in the Nation, Little Havana Activities and Nutrition Centers in Dade County, Florida. We welcome you being with us.

Let me also introduce our second witness, Assistant Secretary Emily DeRocco. Ms. DeRocco was sworn in as the Assistant Secretary for Employment and Training at the Department of Labor on August 3, 2001. She is responsible for managing the over $11 billion budget that funds our Nation's public workforce investment system, which includes the Community Service Employment for Older Americans program.

Ms. DeRocco has served in a number of high-level Federal positions, including serving cabinet officers at the Department of the Interior and the Department of Energy. She also spent over 10 years as the Executive Director of the National Association of State Workforce Agencies. We welcome you, as well.

Ms. Carbonell, we will start with you.

STATEMENT OF JOSEFINA G. CARBONELL, ASSISTANT SECRETARY FOR AGING, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, WASHINGTON, DC.

Ms. CARBONELL. Thank you, Mr. Chairman. Chairman DeWine, Senator Mikulski, distinguished members of the subcommittee, thank you for inviting me and Emily DeRocco to discuss the reauthorization of the Older Americans Act. In the 40th anniversary year of the Older Americans Act, it is appropriate to speak of the importance of modernizing this legislation to meet the needs of the next generation of elderly individuals, the baby boom generation.

The Older Americans Act has produced a wide variety of programs to support the long-term care needs of elderly people. It brought Federal support to Meals on Wheels, making it one of the most worthwhile volunteer ventures in the history of this Nation. It brought quality to senior center programs, providing seniors an opportunity to socialize and to improve their health status through nutrition, health screening, medication management, and physical activity programs. More recently, the Older Americans Act brought recognition and support to family caregivers, who account for some two-thirds of all of the long-term care provided to elderly and disabled people across the United States.

AOA and its network of State and community-based organizations and volunteers successfully implemented the 2000 reauthorization, including the Caregiver program, through which States and communities served almost 600,000 caregivers in fiscal year 2003, far exceeding client projections for the programs during its early years of implementation.

Since the last reauthorization, we listen regularly to our customers and those who serve them to ensure that we can move the Older Americans Act and its programs forward in a way that will best serve elders, including the baby boom generations, for years to come.

Perhaps the most significant contribution of the Older Americans Act over the past 40 years is the emergence of our long-term care service network, which is the largest provider of community-based care for the elderly in the United States, administering $3 to $4 billion each year in community-based care. Just as the Older Americans Act created this network that has provided so much in helping people maintain their independence in the community, the act should now be modernized to help the network and the country sustain community-based care.

There are challenges to address with this reauthorization. The number of Americans is increasing at unprecedented rates, and those Americans reaching age 65 are living longer. As the baby boom ages, there will be far more people in need of long-term care than there are today.

The costs of long-term care are enormous. This year, $129 billion will be spent on older individuals receiving paid care. Everyone agrees that there are major problems with our approach to long-term care, with its bias toward institution-based services, it is out of sync with people's needs and preferences. It is fragmented, confusing, and inefficient at times. It is financially unsustainable for individuals, for families, and our society at large.

Just as the Older Americans Act was the solution for many significant policy challenges affecting frail elderly people in the past, the act should be a significant part of the Nation's solution to the challenges we face now. Consistent with the mission of the act and the President's new Freedom Initiative, our strategies for reauthorization of the Older Americans Act will focus on simple but relevant principles: Consumer information and consumer choice; support for those at highest risk of disability and poverty, before they become disabled and impoverished; providing care to people where they want it; and the prevention of conditions that cause disability and disease.

We will pursue efficiency and integration in access to long-term care by those who need it. We will pursue changes that recognize that we cannot wait until people are old and frail and poor to begin to address their long-term care needs. This will require older people to be more engaged in the planning of their own long-term care and will require them to take steps to maintain their health and to reduce their risk of disease, disability, and injury.

We will pursue changes that recognize people's preferences for long-term care. This means a greater focus on community-based care and providing choice and control to consumers in the management of that care.

We will continue to make it easier for consumers to learn about and access services and supports. We will strengthen our efforts to give people practical tools based on the best available science so that they can maintain their health and independence for as long as possible.

Thank you, Mr. Chairman, for the opportunity to speak to you today about the reauthorization of the Older Americans Act. I have tremendous respect for and confidence in the long-term network that I have spoken about today, and many of which are present here today. I am proud to have served as a provider and a leader in this network for more than 30 of the 40 years since the Older

Americans Act was created and I look forward to working with you on the reauthorization.

Senator DEWINE. We appreciate your testimony. Thank you very much.

[The prepared statement of Ms. Carbonell follows:]

PREPARED STATEMENT OF JOSEFINA CARBONELL

INTRODUCTION

Chairman DeWine, Senator Mikulski, distinguished members of the committee, thank you for inviting me here today to discuss the reauthorization of the Older Americans Act.

In the 40th anniversary year of the Older Americans Act, it is appropriate to speak of the importance of this legislation to elderly people across the United States, especially those who are disabled and frail and at risk of institutionalization in nursing homes. The Older Americans Act has produced a wide array of programs to support the long-term care needs of elderly people. The act brought Federal support to meals-on-wheels, making it one of the most significant and worthwhile volunteer ventures in the history of this Nation. The Older Americans Act brought consistency and quality to senior center programs across the country, providing declining seniors an opportunity to socialize with each other, to improve their nutritional status with healthy meals, and to see other aspects of their health status addressed through health screening, medication management, and physical activity programs. More recently, the Older Americans Act brought recognition and support to family caregivers, who to this day account for some two-thirds of all of the long-term care provided to elderly and disabled people across the United States. In the 2000 reauthorization, the act brought respite services to family caregivers, as well as information, access assistance, counseling, training and other supports.

We saw to the successful implementation of the provisions of the reauthorization of 2000 by focusing closely on the implementation of the caregiver program, where we brought vision, strategic planning, and performance accountability to the day to day management of the program. We also recognized the capacity of the aging network of States, area agencies, and service providers, which assist frail elderly people with long-term care services. As a result, we steered our discretionary innovation resources to pursuing program efficiency in long-term care, and improving the well being of elderly clients by focusing on prevention. Finally, we listened regularly to our consumers and those who serve them to ensure that we can move Older Americans Act programs forward in a way that will best serve elders, including the baby boom generation for years to come.

OLDER AMERICANS ACT ACCOMPLISHMENTS SINCE REAUTHORIZATION IN 2000

The National Family Caregiver Support Program

The single most important new provision of the 2000 reauthorization, and most significant accomplishment of AoA and the aging network since 2000, is the implementation of the National Family Caregiver Support Program. In the first 2 full years of the program's implementation, over 12 million people received information about the program, and many of these individuals have sought assistance through the aging network. At the time of the 2000 reauthorization, State and area agencies were projected to serve 250,000 caregivers with respite, access, counseling, training, or other forms of service. However, the number of caregivers served surpassed the projections so that States and area agencies provided access assistance services alone to almost 600,000 caregivers, and also provided respite, counseling, training, and other forms of support in 2003.

Soon after its initial implementation, the National Family Caregiver Support Program became a highly visible program that responded to the diversity of caregiver needs. At the same time, it forged connections to the home and community-based services (HCBS) system in each State. With AoA's emphasis on performance accountability and management, it became evident that resources provided under the caregiver program would not be the sole source of support for caregivers, but that Older Americans Act services provided to elderly people would also ease caregiver burden and help them care longer for the elderly they served.

AoA provided flexibility in program structure and operations that has allowed States to focus on such issues as developing new infrastructures for caregiver support; reorganizing State aging networks to be better able to integrate the NFCSP; and developing partnerships with entities not traditionally part of the State's aging network. As a result of this flexibility, States have reported a number of efforts fo-

cused on integrating the NFCSP into the existing HCBS infrastructure. Some approaches involved blending the NFCSP with other existing services, while others incorporated the program in a way that allowed it to stand on its own as a unique program yet still connected to the broader array of HCBS.

Ohio, for example, has approached integrating the FCSP by broadening its State care coordination policy to include many of Ohio's Federal and state-funded programs for older adults and caregivers. This new framework fosters awareness of the similarities among programs and draws attention to the under-served and unidentified caregivers in other programs. As the FCSP becomes integrated into the continuum of care already in place, a more seamless approach to service provision will result.

Minnesota has utilized the development of the NFCSP to encourage AAAs, counties, providers and community organizations to examine other programs (Medicaid waiver, State respite programs, community service grants) to ensure that the NFCSP and HCBS programs offer a complementary array of services.

Georgia, in collaboration with the Rosalynn Carter Institute for Human Development (RCI), has utilized demonstration grants available through the NFCSP to expand a collaborative network of professional and family caregiver groups known as Care-Nets. Composed of educational institutions, businesses, and family caregivers, Care-Nets develop service and educational programs to meet the needs of caregivers, oversee research conducted by RCI, and provide recognition and support for caregivers.

Pennsylvania saw the NFCSP as a vehicle for expanding the scope of the existing state-funded caregiver support program and maximizing opportunities to get consumers into, and help them to navigate through, the long-term care system.

Coordination of the FCSP and other HCBS programs has been a key to assuring access and reaching caregivers, as was developing partnerships with business, religious, ethnic, social service and community organizations. States reported similar ways of ensuring that their FCSPs are accessible to anyone seeking information and services, including:

Alabama's "care coordinators" have taken a grassroots approach to doing outreach. Because a majority of the care coordinators have some direct experience with caregiving (either in the past or currently), they are able to understand caregivers' needs and use their personal experiences with caregiving as a tool for outreach and education.

Alabama, California, Delaware, and Massachusetts have all utilized the concept of a "mobile van tour" to reach remote, hard-to-access areas of their States where caregivers have little opportunity to receive information, or because of the remote location, have difficulty getting to a central point such as a service center to obtain information and service.

Maryland has adopted a proactive strategy of reaching out to caregivers early, before they are in crisis. To achieve this, printed materials (e.g., bookmarks) have been printed and disseminated broadly to promote the program to a wide group of prospective consumers of caregiver services.

AoA commissioned the Family Caregiver Alliance to further document and summarize the States' efforts in implementing the caregiver program and to assess the States' performance in implementing the program. One interesting finding was that the vast majority (78 percent) of adults in the United States who receive long-term care at home, are cared for exclusively from unpaid family and friends. Other findings included the following: (1) More than one in three (36 percent) States began providing support to caregivers of older people for the first time as a result of the implementation of the NFCSP; (2) All States now provide some explicit caregiver support services as a result of the NFCSP; (3) The NFCSP is emerging as a key program in the States for enhancing the scope of services to caregivers and as fuel for innovation; (4) The NFCSP seems to be speeding the adoption of consumer direction in family caregiving programs; (5) Respite care is the service category most commonly offered to caregivers and is available in all 50 States and DC; and (6) State legislatures, recognizing family caregivers' roles, are enacting laws to fund caregiver support services, expand family and medical leave, and include family caregiving in State long-term care efforts.

Throughout the Nation, States and communities committed the necessary resources, attention and commitment to the implementation of the National Family Caregiver Support Program that allowed the program to achieve the early results AoA sought for the program. States and communities served far more caregivers than early projections indicated would be served; and from the beginning, States and communities provided the full range of services to caregivers, such as respite, access, counseling, training and supplemental services. This accomplishment demonstrated the capacity, organization and skill of the aging network of Federal, State

and community entities to implement a major new program to serve the long-term care needs of elderly people and their caregivers in a short period of time.

Accomplishments in Strategic Management of Network Capacity

The reauthorization of the Older Americans Act in 2000 allowed the aging network to expand the reach and scope of support to the elderly. The act also fostered a more strategic approach to program management, whereby the activities and initiatives AoA undertakes are determined by their ability to produce the goals AoA established for the program. For example, AoA's initiatives to integrate long-term care in communities are designed to improve the efficiency of the program. States and communities are responding to these initiatives, and have increased the number of elders served per million dollars of AoA funding by over 10 percent by 2003. AoA's emphasis on improving the health and nutritional status of elders through its meals programs and health promotion and disease prevention initiatives are expected to help Older Americans Act clients remain in the community. The fact that 86 percent of caregivers surveyed by AoA report that Older Americans Act services help them care longer for the elderly than they could without the services, indicates that States and communities are succeeding in maintaining the independence of vulnerable elderly clients. Since the reauthorization of the Older Americans Act in 2000, AoA has employed a mission-driven strategic plan and performance outcome measures to demonstrate the effectiveness of its network of State and local entities, and we will continue to use these tools to pursue additional program improvements.

AoA program activities have a common purpose that reflects the primary legislative intent of the Older Americans Act: **to make community-based services available to elders who are at risk of losing their independence, to prevent disease and disability through community-based activities, and to support the efforts of family caregivers**. This fundamental purpose is accompanied by the following four strategic priorities: (1) Make it easier for older people to access an integrated array of health and social supports; (2) Help older people stay active and healthy; (3) Support families in their efforts to care for their loved ones at home and in the community; and (4) Ensure the rights of older people.

This new focus on strategic management was accompanied by a strong commitment to measuring performance outcomes, which in turn required immediate improvements in the data AoA used to measure performance. With the cooperation of State and area agencies on aging, AoA has achieved two significant improvements related to performance outcome data. The first was to improve the quality and to reduce the time lag in making program data available to support budget and other management decisions. Since 2000, AoA has reduced the time lag from 28 months to 11 months for the last budget cycle. AoA also instituted annual performance outcome measure surveys to obtain and use data reported by elderly individuals and caregivers about outcomes such as the usefulness and effects of Older Americans Act services and also about their satisfaction with the services they received.

This effort has resulted in comprehensive performance measures that have led to a new understanding of the nature and effects of Older Americans Act programs and the entities across the Nation which administer services through these programs. We now measure the efficiency of Older Americans Act programs, and have documented significant efficiency improvements, noting again for our core programs an increase of 10 percent in the number of clients served per million dollars of AoA funding since 2001. We now measure our ability to target services to the most vulnerable of elderly individuals, noting again for our core programs that States and communities have increased the number of severely disabled clients who received selected in-home services by 15 percent over the fiscal year 2003 base level for this measure. We now measure how consumers assess our core programs, noting that the percentage of caregivers who report that our services **definitely** help them provide care longer has increased to 68 percent, and that 82 percent of clients receiving transportation services rated the services as very good to excellent.

Our commitment to performance measures has guided and contributed significantly to: (1) our budget requests and initiatives over the past 3 years, which document how demonstration initiatives can contribute to improved performance in core programs; (2) our establishment of comprehensive performance partnerships with the Centers for Medicare and Medicaid Services (CMS) and other HHS partners, which have allowed us to expand our demonstration initiatives beyond what AoA could support on its own; and (3) our proposals for the reauthorization of the Older Americans Act, which focus on modernizing the act to better empower community-based organizations and consumers to contribute even more to helping elderly individuals retain their health, independence and dignity in the community.

Learning What Needs To Be Done in This Reauthorization

The upcoming reauthorization of the Older Americans Act provides an opportunity to build on the work of the current Older Americans Act. To guide us in identifying areas where the Older Americans Act can be improved, AoA has again used strategic management and performance results. Our commitment to improve the efficiency of our programs causes us to pursue greater integration of community-based long-term care services through the reauthorization of the act. The lack of integration, which is often characterized by duplicative, uncoordinated programs and systems in the community, causes inefficiency in the delivery of long-term care in the community. Likewise, our commitment to help elderly individuals maintain their health and independence in the community, causes us to pursue through this reauthorization the expansion of the use of evidence-based health promotion and disease prevention programs and practices that delay and prevent the chronic conditions that are known to result in disability among the elderly.

Another significant source of information, which has guided AoA's activities over the past few years, is the numerous, grassroots conversations we had with the elderly people and caregivers we serve and with those in the States and communities who serve them. The listening sessions we have conducted around the Nation have presented us with a distinct opportunity to better serve our consumers and to more effectively implement our services in rural, urban, and suburban areas by listening to the concerns and challenges faced by older Americans and their caregivers. We have worked to ensure that we hear the voices of *all* of our consumers—including States, area agencies on aging, tribal organizations, service providers, volunteers, older persons and their caregivers, as well as, representatives of Federal, State and local policymakers and the media. Nearly half of the comments received addressed ideas for future amendments to the act, and those ideas focused primarily on allowing greater flexibility in implementing the Older Americans Act, allowing greater integration of long-term care programs and funding streams to create a more seamless program of services for elderly people and caregivers.

Principles To Be Achieved With This Reauthorization

Perhaps the most significant contribution of the Older Americans Act over the past 40 years is the emergence of a long-term care service network, which is the largest provider of community-based long-term care for the elderly in the United States. The State and area agencies on aging, and the service providers that comprise this network have grown to be the most significant source of community-based care under the major national programs serving the elderly, including Medicaid waiver programs. In addition to administering our Older Americans Act investment in long-term care, and related State and community-funded programs, this community-based long-term care network now administers and manages almost two-thirds of this Nation's Medicaid investment in community-based long-term care for the elderly and disabled. Just as the Older Americans Act created this network that has provided so much in helping elderly people maintain their independence in the community, the act should now be modernized to help this network and the country adapt to the challenges of sustaining community-based long-term care.

Demographic Issues

Many important changes are taking place in the elderly population, which are creating new challenges and opportunities for our society, families and individual citizens. The number of older Americans is increasing at unprecedented rates, and those Americans reaching age 65 are living longer than ever before. Among those over the age of 85, the proportion of people who are impaired and require long-term care is about 55 percent. While the precise number of people who will need long-term care in the future could be affected by numerous variables, including possible declines in rates of impairment, the expected increase in the number of seniors as the baby boomers age is so great that most experts agree that there will be far more people in need of long term care in the future than there are today. By 2050, when all of the baby boomers will be age 85 and older, there will be over 86 million people age 65+ living in the United States, compared to 35 million today.

Primary Long-Term Care Issues

Three major issues in particular must be addressed in the modernization of the Older Americans Act: (1) the growing demand for long-term care; (2) the future public and private costs of long-term care; and (3) the systemic problems inherent in our current approach to financing and delivering long-term care services and supports.

Demand: The shift in our Nation's demography that I cited above will have profound implications for every aspect of our society, and particularly for the future of

long-term care. The projected demographic changes that are influencing the demand for long-term care will also affect how this care is provided. Families are expected to be smaller in the future than they are today, and if current trends continue, a greater proportion of women may be in the labor force. Both shrinking family size and increasing workforce participation by women could make informal care less available (women currently provide the majority of such care) and thus lead to a greater potential reliance on care from other sources. In addition, ethnic and racial minorities age 65 and over will grow faster than other segments of the population. By 2050, the African-American proportion of the elderly population will increase by more than half—from 8.2 to 12.0 percent—and the proportion of Hispanics among the elderly will almost triple from 6 to 16 percent. The issue of growing demand is directly linked with the baby boom generation. As the baby boom generation ages, the demand for long-term care services is certain to increase.

Cost: Even before the aging of the baby boom generation, the costs of long-term care are enormous. This year, $129 billion will be spent on older individuals receiving paid care—or approximately $15,000 per impaired senior. The major sources of financing are: Medicaid (39 percent); individual and private out-of-pocket expenses (36 percent); and Medicare (20 percent) which pays for some skilled nursing facility and skilled home health care.

It is important to note that another significant source of care is donated or non-paid care provided by families, friends and neighbors. Over 95 percent of all chronically disabled elders living in the community receive at least some unpaid family care, and two-thirds rely exclusively on such help. The dollar value of informal care is estimated to be $257 billion per year. As the population ages and fiscal pressures on State budgets increase, it becomes increasingly important to find more effective ways to finance and deliver long-term care.

System Problems: While views may vary on exactly what we should do to prepare for the baby boom, everyone agrees that there are major problems with our current approach to long-term care, and our **system** of care needs fundamental reform. It is out of sync with people's needs and preferences. It is fragmented, confusing and inefficient. And it is financially unsustainable for individuals, families and our society at large.

Studies consistently show that seniors have an overwhelming preference to receive support at home. One recent study reports that 81 percent of persons over age 50 would prefer to avoid nursing home care even if they needed 24-hour care. Another study reports that 30 percent of older people would rather die than move to an institutional setting. While nursing home care is a critically important component of our support system, most experts agree we need to provide more opportunities for home and community-based services.

Another major problem with our current system is that it is fragmented, terribly confusing to consumers, and inefficient. Most people are simply unaware of their potential need for long-term care and their financial exposure to costs. Research shows that most Americans still equate long-term care with nursing homes and that many believe that Medicare pays for long-term care. When older people or their family members do seek out information or care, they face a complex, and often mind-boggling, maze of publicly supported and private options, administered by a wide variety of providers operating under different, sometimes conflicting—and often duplicative—rules and regulations. Consumers consistently report experiencing serious difficulty and frustration in trying to learn about and access available options. Compounding this situation is the fact that most individuals face difficult long-term care decisions amidst a crisis, such as an unexpected hospital admission (65 percent of nursing home admissions are directly from hospitals), or the collapse in a fragile unpaid caregiver support network. Under these circumstances, families have little time to explore the many options that might be available, and this often results in a nursing home admission or the unnecessary use of very expensive home health care.

Emerging Solutions

Just as the Older Americans Act has been the solution for so many significant policy challenges affecting frail elderly people in the past, and the caregiver program in particular in the recent past, we believe the act is a very significant part of the Nation's solution to the emerging long-term care financing challenges that we face now. And this solution will build on policies that the President and the Secretary of HHS have already instituted.

As evidenced by the New Freedom Initiative, the Administration is committed to creating a system of care that reflects the needs and preferences of Americans of all ages with disabilities, and the values of choice, control and independence. Since 2001, the Department of Health and Human Services, with the support of Congress,

has provided the States and communities with a variety of new tools to help them advance the goals and values embedded in the New Freedom Initiative. These tools have included Medicaid demonstrations, including "Money Follows the Person" to fully fund 1 year of the cost of helping Medicaid nursing home residents return to the community; implementation of the National Family Caregiver Support Program; replication of the successful Cash and Counseling model; the Aging and Disability Resource Center Initiative; and the Own Your Future Campaign.

It is noteworthy that many of these tools also support the integration of people with disabilities into the workforce. As more people continue working past the nominal retirement age of 65, the provision of supports and accommodations will enable some individuals with disabilities to extend their employability well into their senior years. For seniors with disabilities, income from employment or self-employment will help improve their self-confidence and productivity as well as extend their independence and integration into their communities.

Several of the Administration's long-term care initiatives address the needs of the entire population. There are three strategies that are particularly relevant: empowering consumers to make informed decisions; targeting limited public resources to help high-risk individuals to stay out of nursing homes; and promoting the use of programs that can help older people reduce their risk of disease, disability and injury.

Empowering Consumers

Helping all individuals to make informed choices—including choices about their financing and care options—can enhance people's ability to stay at home and improve the quality of their lives. Increased awareness and use of two private financing options in particular would go a long way toward advancing these goals: private long-term care insurance and home equity programs. Both instruments are relatively new products and currently underutilized. Only about 4 percent of Americans aged 45 and older with incomes of at least $20,000 currently have long-term care insurance. In addition to giving people greater control over their future, long-term care insurance can reduce both Medicaid and Medicare costs.

One of the paradoxes of our current long-term care system is that impaired, older Americans are struggling to live at home at a time when they own more than $2 trillion in untapped housing equity. Over half of the net worth of seniors is currently illiquid in their homes and other real estate. Home equity instruments such as reverse mortgages enable older people to tap into the equity in their homes. It is estimated that 45 percent of households at financial risk for "spending-down" to Medicaid could take advantage of a reverse mortgage to help them pay for long-term care. On average, affected households could expect to get $62,800 from a reverse mortgage.

The Administration has launched two interrelated, complementary initiatives to empower people to make informed decisions about their financing and care options. One initiative, the *Own Your Future Campaign* was launched this past year to encourage more people to plan ahead for their long-term care. The project is a joint effort of the Administration on Aging, the Assistant Secretary for Planning and Evaluation (ASPE), the Centers for Medicare and Medicaid (CMS), the National Governors Association, and the National Conference of State Legislators. It is currently being piloted in five States (Arkansas, Idaho, Nevada, New Jersey, and Virginia), and involves the targeted mailing of HHS materials and a letter from the Governor of each State to every household headed by an individual between the ages of 50 and 70.

The Aging and Disability Resource Center (ADRC) Program, which was launched in 2003 by the Administration on Aging and the Centers for Medicare and Medicaid Services, is also designed to help people plan ahead for their long-term care, as well as address the immediate problems consumers face when they try to learn about and access needed care. This program provides competitive grants to States to assist them in developing and implementing coordinated access to information, individualized advice to consumers on their options, and streamlined eligibility determination for programs. The long-range vision is to have ADRCs serving as "visible and trusted" places at the community level nationwide where people of any age or income can go to get information on all available options. The program also reduces government fragmentation, duplication, and inefficiencies.

The Administration on Aging is also actively partnering with CMS to ensure that all older Americans take full advantage of the new prescription drug coverage available under the Medicare Modernization Act. This past year, we collaborated with CMS to inform seniors about the Medicare Drug Discount Card options and the transitional assistance program for low-income seniors. This AoA/CMS partnership provided almost $5 million in support to help community-based organizations assist

low-income, limited-English speaking populations learn about and enroll in the transitional program. This year, we are working to help seniors to learn about and enroll in the Part D Program, including the low-income subsidy being made available through SSA. We have dedicated staff full-time to this effort in both our headquarters and regional offices, and have assigned them to work on various CMS and SSA teams to oversee this national outreach and enrollment effort. AoA's goal is to enlist the active support of at least 10,000 of our community-based aging services provider organizations in helping older people learn about and take full advantage of the new coverage.

AoA is uniquely suited to add value to this partnership because it is inherent in our mission to provide access to information, resources, and services for older Americans. Our service providers can reach the homebound through home care and meals-on-wheels services. They can educate and advise senior beneficiaries who gather at senior centers and congregate programs. They can reach out to caregivers, who are known to help their frail family members make exactly the types of decisions that are needed for the drug benefit program. AoA's community-based organizations are experienced providers of services to the poor, minorities, and those in rural areas. The network will service as it does in communities across this country as the tool to inform, educate and enroll. AoA's activities will be focused on getting information and support to these community organizations to ensure that they can and will participate in the education and enrollment of elderly people.

Targeting High-Risk Individuals

Another strategy is targeting limited amounts of public resources under capped appropriations to help individuals who are at high risk of nursing home placement to remain at home for as long as possible. These individuals are usually in a situation where they have neither the time nor the ability to do anything but use their liquid assets. The research shows that effectively targeting individuals who, without some form of help would have gone into a nursing home, is key to saving public dollars. Every day you help an individual stay out of a nursing home, you are helping them use their own personal and financial resources on less expensive forms of care for a longer period of time.

Seven States have implemented programs, all administered by their State aging offices in coordination with their regular Older Americans Act programs, and these are targeted explicitly at people who are at risk of nursing home placement. These States include Minnesota, Nebraska, New Jersey, New York, Rhode Island, Utah, and Wisconsin.

Building Prevention Into Long-Term Care

Most long-term care needs emerge from chronic diseases and other conditions, such as arthritis, diabetes, heart or lung disease, stroke and dementia, as well as from injuries suffered as a result of a fall or other accident. We now know these conditions and their effects can be mitigated, even for people who are very old, through lifestyle changes and disease management programs. Yet, our formal system of long-term care—like our acute care system—still emphasizes medical services over prevention. While changes are occurring in Medicare to give more emphasis to prevention and chronic care management, much more can be done through our public health and social service programs.

There is a growing body of scientific research, being generated by the National Institutes of Health, the Centers for Disease Control and Prevention, and the Agency for Healthcare Research and Quality and others, documenting evidence-based programs that have proven effective in reducing the risk of disease, disability and injury among the elderly. Deploying these programs at the community level through venues, like senior centers and congregate meal programs, that can reach large numbers of older people when the opportunities for prevention are optimal (i.e., long before they become seriously disabled and/or spend down to Medicaid) can improve the quality of life and reduce health care costs.

One example is the Chronic Disease Self-Management Program (CDSMP), a model developed at Stanford University. This program is a 6-week workshop designed to empower people with various chronic diseases to take control of their health. The program has been shown to significantly improve participant health status and reduces the use of hospital care and physician services. Another example is a program developed at Yale University to prevent falls—a leading cause of serious injury and death among the elderly—and a major contributor to health costs. The Yale program uses a multifaceted approach to help older individuals cope with key risk factors. Participants are trained to improve balance, gait and posture, better manage their medication, and to remove home hazards. The program significantly reduces the incidence of falls among participants.

In an effort to begin bringing these types of programs "up to scale" nationwide, the Administration on Aging launched an Evidence-Based Prevention Program in 2003 in partnership with NIA, CDC, AHRQ, CMS and the John A. Hartford, Robert Wood Johnson, and several smaller foundations. The program is designed to demonstrate the efficacy of implementing evidence-based models at the community level through aging service provider organizations such as senior centers, nutrition programs, faith-based organizations, and senior housing projects. A dozen local projects are being funded for a 3-year period. They focus on disease self-management, fall prevention, nutrition, physical activity, medication management, and depression. Each project is being evaluated to ensure that they maintain fidelity with the original research design and outcomes.

The employment of strategies such as these provide us a basis for hope that we can sustain our national support for the long-term care needs of the Nation, even with the aging of the baby boom generation. The strategies focus on several principles that are simple but relevant: consumer information and choice; support for those at high-risk of disability and poverty before they are disabled and poor; prevention of conditions that cause disability and disease.

Reauthorization: The Opportunity for Policy Changes in Long-Term Care

The 2005 reauthorization of the Older Americans Act provides a unique and timely vehicle for accelerating the long-term care policy development that is needed to fully prepare the United States for the aging of the baby boom and the emergence of long-term living as a common experience of life. The Older Americans Act was passed in 1965 to promote the dignity and independence of older Americans and to help society prepare for an aging population. It was designed to complement two other programs enacted that year: Medicare and Medicaid. Congress charted out a vision in the OAA for a nationwide network of public and private agencies organized around the common purpose of promoting the development of a comprehensive and coordinated system of care designed to help older people live at home for as long as possible and avoid unnecessary placement in nursing homes.

The system envisioned in the OAA has become a consumer-driven, locally designed service program, supported by multiple funding streams, and capable of reaching people with low-cost social interventions long before they needed intensive services so that preventive opportunities could be optimized. The system was to be available to people of all income levels, and service resources were to be targeted at those most in need, especially low-income minority, isolated and limited-English speaking populations. Early reauthorizations of the Older Americans Act created area agencies on aging and fostered the principle of local flexibility and the use of a "bottom-up" planning process to ensure that OAA programs would reflect local needs and conditions. Over the last 4 decades, the Administration on Aging has guided the development of the national aging services network that today consists of 56 State units on aging, 655 area agencies on aging, almost 250 Tribal organizations, 29,000 community-based provider organizations, over 500,000 volunteers, and a wide variety of national non-profit organizations. This nationwide infrastructure currently provides a wide array of home and community-based services to over 8 million elderly individuals each year, which is 17 percent of all people aged 60 and older, including 3 million individuals who require intensive services and meet the functional requirements for nursing home care. It also provides direct services to over 600,000 informal caregivers each year, who are struggling to keep their loved ones at home.

Many States have looked to their aging services networks to lead the development of their long-term care systems, including States that have created the most balanced and cost-efficient systems of care such as Oregon, Washington and Vermont. The OAA network is one of the largest providers of home and community-based care. It manages between $3 and $4 billion each year in public and private resources. All State units on aging have been given responsibility to administer State revenue programs; over 30 State units administer Medicaid Waiver Programs and State Health Insurance Counseling Programs; over 25 States have expanded the authority of the State aging units to serve younger populations with disabilities; and 22 States have authorized their State units to administer the Aging and Disability Resource Center program.

In short, the network created by the Older Americans Act and led by the Administration on Aging is positioned to help ensure the modernization of long-term care under the Older Americans Act. The network has experience in serving all populations. It has experience in serving the older population and those that are not elderly. It has served the caregivers of the elderly and disabled, and has reached out to these varied service populations with models of integration that can simplify access to services and provide choice to consumers. Community-based organizations

across the Nation have emerged as leaders in bringing evidence-based health promotion and disease prevention practices to the elderly in senior centers and in their homes.

The single most important goal of the Older Americans Act reauthorization should be to strengthen the act so it can play a more central role in helping our Nation prepare for the baby boom and long-term living. Consistent with act's mission and the President's New Freedom Initiative, the reauthorization should reflect the values of consumer choice, control and independence, and the principle of providing care to people where they want it.

With the reauthorization of the Older Americans Act, AoA and HHS will propose forms of modernization along the lines that I have addressed here. We will pursue changes that will improve the efficiency and effectiveness of the largest long-term care provider network in the country. Prominent among those changes will be the integration of long-term care and efficiency in access to care by those who need it. We will pursue changes that recognize that we cannot wait until people are old and frail and poor to begin to address their long-term care needs. This will require that those who are not old should plan for their own long-term care. It will require the elderly who are not poor to make creative use of their existing resources to finance and support their care, with limited government assistance, to prevent poverty and the loss of independence. We will pursue changes that recognize the preferences of people for long-term care, which means a greater focus on community-based care and providing choice and control to consumers in the management of that care.

Thank you, Mr. Chairman, for the opportunity to speak to you today about the reauthorization of the Older Americans Act. I have tremendous respect for and confidence in the long-term network I have spoken about today. I am proud to have served as a community-based provider and a leader in this network for more than 30 of the 40 years that have passed since the Older Americans Act created it.

Senator DEWINE. Ms. DeRocco?

STATEMENT OF EMILY STOVER DEROCCO, ASSISTANT SECRETARY FOR EMPLOYMENT AND TRAINING, EMPLOYMENT AND TRAINING ADMINISTRATION, U.S. DEPARTMENT OF LABOR, WASHINGTON, DC.

Ms. DEROCCO. Thank you, Mr. Chairman, Senator Mikulski. I am delighted to join my distinguished colleague here to talk about the reauthorization of the Older Americans Act.

As you have cited, the U.S. economy is entering a period of dramatic demographic changes as our population ages. The changing demographics of the labor force in combination with the ever-increasing skill needs of employers have made it more critical than ever before that every available worker, including older Americans, be able to join or remain in the workforce.

Yet we know older workers face significant challenges to full participation in our workforce. Employment barriers include difficulties keeping pace with changing skill requirements and technology, the lack of opportunities for skills training and professional development, some misperceptions among some employers about the abilities of older workers, the lack of flexible work schedules and certain financial disincentives to working that may encourage early retirement.

We know many older workers want to remain in the workforce and many need to continue working for financial reasons, and there is a resource available to help. Currently, our Nation's taxpayers invest about $15 billion a year in the workforce investment system, and this system, as you know, includes the Senior Community Service Employment program and we have an important role to play in helping older workers obtain the necessary skills and access the opportunities that will enable them to continue working.

At the Department of Labor, we are taking steps to enhance the effectiveness of this system to serve workers, and my testimony describes our Older Worker Task Force, our protocol for serving older workers, and other initiatives that I hope you will read in the written testimony.

But I would like to turn now specifically to the Senior Community Service Employment program, which, as you know, is the Workforce Investment program targeted exclusively to low-income seniors. We currently have 69 SCSEP grantees, including 13 national grantees and 56 units of State and Territorial governments that assist in the operation of this program throughout the Nation.

In 2000, Congress enacted the Amendments to the Older Americans Act, including our SCSEP program, and the Department of Labor subsequently issued regulations implementing your changes. The program has clearly evolved from being focused largely on community services to a program that increasingly emphasizes the achievement of economic self-sufficiency and independence through unsubsidized employment.

In 2002, the Department conducted the first open national competition for the SCSEP grants. Our purposes were to ensure that the best providers working with this population had an opportunity to compete and be selected to provide services, as well as to infuse new and innovative service delivery methods and ideas into the program and improve our efficiency and our services so more seniors could be served.

We also are implementing the rigorous performance measures that the Congress called for in your amendments in 2000. Beginning July 1, 2005, our grantees will be held accountable for achieving specific performance outcomes related to placement in unsubsidized employment, retention, earnings increases, and customer satisfaction.

In view of the increasing importance of older workers in our economy, it is fortuitous that reauthorization of the Workforce Investment Act and the Older Americans Act are before the Congress this year. We have worked to closely link these two systems and believe that that ought to be an additional part of our goal in reauthorization of Title V of the Older Americans Act.

I would like to just articulate five principles that we believe ought to be considered in that reauthorization. First, in order to help meet employers' demands for skilled workers, we need to attract additional older workers at all income levels to our labor force, encourage others to remain in the workforce, and offer opportunities for older workers to update their skills. SCSEP and the Workforce Investment System are each avenues to do this and we will be recommending specific improvements in both to do it more effectively.

Second, we must make the One-Stop Career Center system more responsive to the specialized needs of older individuals seeking to work or upgrade their skills. Specifically, we need to better integrate services for older workers into that One-Stop Ccareer Center system in order to truly provide universal service and assist more older workers, regardless of income, to gain skills which are in demand.

Third, we need to tailor SCSEP services to meet the needs of individual older workers by providing a range of training experiences, including on-the-job and classroom training or retraining, depending upon the individual's background and experience.

Fourth, we must target our SCSEP resources to effectively serve those older workers in need of work experience, including low-income older workers who lack basic skills or who are unable to obtain private sector employment immediately.

And finally, we need to streamline the SCSEP program to make it easier to administer in order to improve program performance, serve more participants, and get return on the investment for the Federal taxpayers' dollars. We will have specific proposals to address each of these issues and to improve program accountability and administration.

Mr. Chairman, Senator Mikulski, we look forward to working with you, this subcommittee, and your House counterparts on reauthorizing the Older Americans Act.

Senator DEWINE. Great. Good testimony. Thank you very much.

[The prepared statement of Ms. DeRocco follows:]

PREPARED STATEMENT OF EMILY STOVER DEROCCO

Mr. Chairman and members of the subcommittee, I am pleased to have the opportunity to testify before you today with my distinguished colleague, Josefina Carbonell, Assistant Secretary for the Administration on Aging, to discuss the reauthorization of the Older Americans Act (OAA). For over 35 years, the Department of Labor has administered the Senior Community Service Employment Program (SCSEP), authorized by Title V of the Older Americans Act.

Before discussing what we believe to be the important principles to consider in reauthorizing title V, I would like to say a few words about America's aging population and workforce and provide context on where SCSEP fits in the broader workforce investment system.

The Aging Population and Workforce

As you know, the U.S. economy is entering a period of dramatic demographic change as our population ages. According to the Department of Labor's Bureau of Labor Statistics, by 2030, as the baby boom generation ages, 24.2 percent of the civilian noninstitutional population, or about 66.2 million Americans, will be 65 or older, compared to just 15.6 percent in 2000. Further, as a result of lower birth rates in recent years, combined with the aging and retirement of the baby boom generation, the American workforce is growing more slowly.

The changing demographics of the labor force, in combination with the ever-increasing skill demands of employers, have made it more critical that every available worker, including older Americans, be able to join or remain in the workforce to enable the continued competitiveness of American businesses in the 21st Century.

Barriers to Employment Faced by Older Workers

Yet, older workers face significant challenges to full participation in our workforce. Employment barriers include difficulties keeping pace with changing skill requirements and technology, the lack of opportunities for skills training and professional development, misperceptions among some employers about the abilities of older workers, the lack of flexible work schedules, and certain financial disincentives to working that may encourage early retirement. Many older workers want to remain in the workforce and many need to continue working for financial reasons.

There is a resource available to help: currently, our Nation's taxpayers invest about $15 billion in the workforce investment system. The workforce investment system, which includes SCSEP, has an important role to play in helping some older workers to obtain the necessary skills and access to opportunities that will enable them to continue working.

Response by the Department of Labor to an Aging Population

Our workforce investment system has an important role to play as well for employers who need a skilled workforce in order to grow and be competitive. If we are to meet the rapidly-changing skills demands of business and address potential labor

shortages, we will need to help employers seek out untapped labor pools, like older workers. Some employers already recognize the value that older workers bring to the workplace: they know that older workers are a human capital asset; bring responsibility, loyalty, dedication, experience and skills to the workplace; and serve as effective mentors to younger employees.

Still, more needs to be done to provide job training opportunities for mature workers and better connections to older workers for employers looking to hire.

At the Department of Labor we are taking steps to enhance the effectiveness of the workforce investment system to serve older workers, and we are pursuing new strategies and special initiatives to link mature workers to employers.

Older Worker Projects and Initiatives

Older Worker Task Force

In November 2004, the Employment and Training Administration convened an interagency taskforce comprised of representatives from the Office of the Assistant Secretary for Policy, the Bureau of Labor Statistics, the Employee Benefits Security Administration, and the Bureau of International Labor Affairs to focus on the older worker population. Its charge is to develop a comprehensive policy and investment strategy designed to address the key issues related to the participation of older workers in the labor market.

Three objectives have been identified for the taskforce:

1. Identifying and filling knowledge gaps that currently exist regarding older workers' employment opportunities.
2. Strengthening the capacity of the workforce investment system to provide comprehensive, integrated employment and training services to older workers.
3. Identifying and addressing the barriers to employment faced by older workers in order to improve employment outcomes for this population.

The taskforce's recommendations are under review, and I look forward to working with our public and private partners to move the recommendations from ideas into reality.

Protocol for Serving Older Workers

In January 2005, the Department of Labor released a written "Protocol for Serving Older Workers" to the over 1,900 comprehensive One-Stop Career Centers of the workforce investment system. The goal of this protocol is to enhance the services provided to older workers, and to promote the One-Stop Career Center system's adoption of innovative strategies for tapping into this labor pool.

We know the workforce investment system must do a better job serving a larger number of older workers and we must forge new partnerships with business and industry and organizations representing the interests of mature workers to ensure successful placement of older workers in jobs.

Now I would like to turn to the Senior Community Service Employment Program (SCSEP), a workforce investment program targeted exclusively to low-income seniors.

Title V—The Senior Community Service Employment Program

SCSEP serves persons 55 years of age or older whose family incomes are no more than 125 percent of the Federal poverty level. Participants are placed in a part-time community service assignment in a local non-profit agency so that they can gain on-the-job experience, and prepare for unsubsidized employment.

The fiscal year 2005 appropriation for SCSEP is $436,678,400. This funding will support over 61,050 SCSEP positions, and will result in approximately 91,500 people participating during Program Year 2005 (July 1, 2005–June 30, 2006).

There are currently 69 SCSEP grantees, including 13 national grantees (12 national non-profit organizations and one Federal public agency), and 56 units of State and territorial governments. The 13 national grantees are:

- the AARP Foundation;
- Asociacion Nacional Pro Personas Mayores (ANPPM);
- Easter Seals, Inc.;
- Experience Works, Inc.;
- Mature Services, Inc.;
- National Able Network;
- National Asian Pacific Center on Aging (NAPCA);
- National Caucus and Center on Black Aged, Inc. (NCBA);
- National Council on the Aging, Inc. (NCOA;
- National Indian Council on Aging (NICOA);
- Senior Service America, Inc.;
- SER-Jobs for Progress National, Inc.; and

• The United States Forest Service.

Program participants receive training and work experience in a wide variety of occupations, including nurse's aides, teacher aides, librarians, gardeners, clerical workers, and day care assistants at non-profit 501(c)(3) organizations and public agencies. Program participants also work in the health care industry, such as in hospitals, as well as in recreation parks and forests, education, housing and home rehabilitation, senior centers, and nutrition programs. They are paid the highest applicable minimum wage, be it Federal, State or local, or the prevailing rate of pay for persons employed in similar public occupations by the same employer.

The typical SCSEP participant is a woman with a high school education in her mid-sixties. At the end of Program Year 2003 (June 30, 2004), 73 percent of the participants were women, 44.3 percent were minority, 81.5 percent were age 60 or older, 8.7 percent were age 75 or older, and 70.8 percent had a high school education or less.

SCSEP can make a difference for these individuals. A recent article on the SCSEP Web site featured the successful placement of an Ohio woman laid off from her 5-year secretarial job at a local hospital. She came to SCSEP for help, was found to be SCSEP-eligible and placed in a community service assignment in the grantee's resource room. In that capacity, she helped to provide services to other older workers as she pursued her own job search. Initially reluctant, she agreed to participate in the grantee's WIA-funded Job Club, refreshing her interviewing and job-seeking skills, and benefiting from shared information on job openings. As a result of a Job Club lead and these services, she is now employed at a mass transit company as the Administrative Assistant to the Executive Director—a challenging and interesting position. The SCSEP gave this participant an opportunity to earn money and engage in meaningful work while she gained the self-confidence to engage in a successful job search.

SCSEP Reforms

In 2000, the Congress enacted Amendments to the OAA, including the SCSEP program. The Department of Labor subsequently issued implementing regulations. As a result, there are a number of changes that have been made to SCSEP since 1999 when the last reauthorization hearings were held.

The program has evolved from being focused largely on community services to a program that increasingly emphasizes the achievement of economic self-sufficiency through unsubsidized employment. While the statutory goal for private-sector placement is a minimum of 20 percent, our grantees place approximately 35 percent of participants in unsubsidized employment each year. Our goal is to increase this percentage. In fact, some of our best-performing grantees place from 50–75 percent of their participants each year. A community service assignment is the first stop in the SCSEP program, not the last station.

Currently, we estimate that SCSEP serves less than ½ percent of the eligible population—and, as we are all aware, the baby boomer aging cohort continues to grow. Therefore, achieving unsubsidized placements for employment-ready participants enables grantees to serve more eligible applicants. The new regulations tighten income eligibility guidelines to ensure that the statutory mandate to serve our neediest seniors is met. Further, the Amendments and the implementing Final Rule also require that grantees apply certain priorities and preferences in recruiting and selecting eligible individuals for SCSEP to serve those individuals with multiple barriers to employment.

In 2002–03, the Department conducted the first open national competition for the national SCSEP grants. The Department made this decision to ensure that the best providers were selected, as well as to infuse the program with new and innovative ideas to improve its efficiency so more seniors could be served. Over 60 organizations applied and 13 organizations were awarded national grants—9 incumbents and 4 new grantees. The Department ensured a smooth transition through a variety of mechanisms, including: (1) permitting voluntary slot swaps; (2) providing additional resources to avoid potential layoffs of program participants due to over-enrollment; (3) convening a PY 2003 Orientation and Training Conference for all national grantees; (4) establishing an internal Transition Management Group; (5) instituting weekly conference calls between the Department and the national grantees; and (6) using the Department's Toll-Free Help Line to respond to questions about the transition.

The coordination roles and responsibilities between SCSEP grantees as One-Stop partner programs and the One-Stop Career Center system have now been clarified and strengthened. The Department has been committed to helping this system forge relationships that leverage resources to serve more older individuals.

Beginning July 1, 2005, SCSEP grantees will be held accountable for achieving specific performance measures relating to placements in unsubsidized employment, retention, earnings increase, and customer satisfaction. This means that the Department will have specific outcome data to show the Congress about the value-added we provide to older individuals.

Administrative procedures have also been strengthened. Grantees must now meet fiscal accountability provisions such as assuring there is no fraud and abuse in the grantee organization or failure to repay debts, similar to those required under the Workforce Investment Act.

The State Plan is now known as the State Senior Employment Services Coordination Plan, reflecting the new emphasis on collaboration and partnership. In order to improve the ability of States to coordinate services, grantees must arrange for the participation of a broad array of stakeholders in the development of an annual plan to ensure an equitable distribution of projects within the State.

Section 502(e) of the 2000 Amendments is now a separate employer-based subsidized training program. These projects utilize innovative strategies and new work modes, such as flex-time, flex-place, and job sharing, to provide SCSEP participants with second career training and to prepare them for placements with private sector employers in high-growth industries. This program was designed to enhance the employer connections of the SCSEP grantees and increase placements of participants in jobs.

To support these legislative and regulatory changes, the Department has undertaken a number of initiatives. We are working with the business community—especially in high-growth sectors such as health care, retail, information technology and hospitality—to promote the benefits of hiring older workers. We are also providing technical assistance to our grantees to help them recruit participants who meet the new eligibility criteria. Finally, we have developed outreach materials to inform both employers and potential participants about opportunities to hire SCSEP participants, and will be mounting a high-profile celebration of the 40th anniversary of the program during Older Workers Week, September 18–24.

Principles for SCSEP Reauthorization

In view of the increasing importance of older workers in our economy, it is fortuitous that the reauthorization of both the Older Americans Act and the Workforce Investment Act are before the Congress this year. As you know, SCSEP is closely linked to the Workforce Investment System. It is a required partner in the WIA One-Stop delivery system. Additional provisions in both WIA and title V link the two programs together. After considering our experience administering the program and input we have received from our grantees through "SCSEP Reauthorization Town Hall Forums" that we held earlier this month, we propose five principles for title V reauthorization, which view SCSEP within the larger framework of the Workforce Investment System.

First, we need to help meet employers' demands for skilled workers by attracting additional older workers into the labor force, encouraging others to remain in the workforce, and by offering opportunities for older workers to update their skills. SCSEP and WIA are each avenues to do this, and we will be recommending specific improvements to both programs to do it more effectively.

Second, we must make the One-Stop Career Center system more responsive to the specialized needs of older individuals seeking to work or upgrade their skills. Specifically, we need to better integrate services for older workers into the One-Stop Career Center system, in order to provide truly universal service and assist more older workers, regardless of income, to gain skills in demand. One-Stop Career Centers should be a primary destination for older workers seeking to work or upgrade their skills. An ideal One-Stop Career Center would have a resource room with a wide variety of worker information and might offer older workers information on job search and placement assistance, training and supportive services, starting a business, and volunteering, as well as retirement planning. It also would help older workers find opportunities for job sharing, part-time employment, and other work modes for older workers who want to or need to continue working, perhaps in second careers, but possibly not full-time, or who simply seek to ease into retirement.

SCSEP serves the low-income segment of the older worker population, and SCSEP grantees, often the experts on serving older workers in the One-Stop Career Centers, must be integrally involved in this effort to integrate services for all older workers into the One-Stop Career Center system. They cannot do it alone, however. The larger WIA system must do a better job of serving older workers in general and it must serve more of them in order to meet employers' demand for skilled workers. The Protocol for Serving Older Workers was a step in this direction.

Third, we need to tailor SCSEP services to meet the needs of individual older workers by providing a range of training experiences, including on-the-job and classroom training or re-training, depending on the individual's background and experience. This range of training options will allow us to better address individual needs and prepare low-income older workers at varying skill levels for private sector employment.

Fourth, we must target SCSEP resources to effectively serve those older workers in need of work experience, including low-income older workers who lack basic skills or are unable to obtain private sector employment immediately. As I noted earlier, SCSEP currently serves only a small percentage of the eligible population. This principle therefore fits hand-in-glove with our second principle: as we target resources to meet the needs of the low-income senior population, we must ensure that other older workers can access appropriate and effective services through WIA.

Finally, we need to streamline the SCSEP program to make it easier to administer, in order to improve program performance, serve more participants, and get return on investment for the Federal taxpayers' dollar. Some of the features and provisions of SCSEP have been in place for many decades and no longer make sense in view of the changing economy, increased longevity, and the current geographic distribution of the target population. We will have specific proposals to address these issues, as well as to improve program accountability and administration.

Mr. Chairman and members of this subcommittee, I look forward to working with you and your House counterparts on reauthorizing the Older Americans Act. Working together, I am hopeful that we can obtain enactment of this important legislation later this year. I also look forward to working with you on the reauthorization of the Workforce Investment Act.

Mr. Chairman, this concludes my prepared statement. At this time I would be pleased to answer any questions that you or other subcommittee members may have.

Senator DEWINE. Let me ask both of you when you believe that we will have specific legislative recommendations on reauthorization from you all.

Ms. CARBONELL. Our proposals are currently being vetted by the administration and we hope shortly. We don't know the exact time frame, but——

Senator DEWINE. You don't know what "shortly" means yet?

Ms. CARBONELL. We have been working on this for quite a long time and getting input from the field and from our providers in the aging network. The proposal is being fine-tuned right now by the administration and we hope to be able to come with the overall white paper on the principles of the reauthorization and look forward to working with you, hopefully—I don't want to say a time frame, but I hope that in the next month, we should be able to do that.

Senator DEWINE. Good. Obviously, the sooner the better. We appreciate that very much and look forward to working with you.

Ms. Carbonell, you talked in your—and 5 minutes is always a tough time frame to say anything, certainly Senators can't do it in 5 minutes. I don't know how we expect you to do it in 5 minutes. But you talked about the need to keep people in their own homes, the need to provide services in their own homes. I wonder if you could reflect a little bit more in detail about the Older Americans Act and as we move toward reauthorization how that pertains to what we will be doing. I mean, it affects so much of what the States are doing with health care, so much of what we are looking at at the Federal level, so much in the jurisdiction of the Finance Committee, for example, but I wonder if you could reflect on what we are doing with the Older Americans Act.

Ms. CARBONELL. Well, one of the first things that I did when I came into office was go out back into the community to talk to care-

givers, to talk to seniors, to talk to our aging services providers, to see which way we could not only implement the amendments and the changes and the strengthening of the Act of 2000, but most importantly, how we could move the act and the services within it, modernize them and improve the efficiency to better serve the people.

One of the continuing comments that have circulated in almost all venues, whether you talk to, most importantly, the seniors, older Americans, their caregivers, is they want to have a choice to stay at home as long as possible and to live as independently, quality of life as long as possible.

So that means that that served as the core value that when we develop our strategic vision, our strategic plan, as we implemented the changes of 2000, as we move the act forward, to make sure that we looked at the consumer and their wish to remain at home as the central focus of what we did throughout the entire network.

And then the implementation of the new Family Caregiver program gave us the ability to not only continue to expand the services to seniors across this country, but to serve a different kind of client that gave us the complete picture on the kinds of challenges that caregivers, mostly women, working women in families that have both children and older adults, are facing in caring for their loved ones.

So being able to assist them and support them with services and information and giving them availability and brokering those resources to those caregivers and to the older Americans gave us, again, another opportunity to expand and build upon the core programs of the Older Americans Act, under supporting services, nutrition services, elder abuse prevention, and Native American programs, to build upon additional services to maintain people at home.

Again, the ability and the fragmentation of some of the services, having been on the other side of this table and having been a provider for over 30 years, we knew how difficult it was sometimes to try to really meet the needs of the entire consumer when someone showed up at your doorstep needing help. And it was the fragmentation of services with different funding sources and different requirements which made it very difficult to try to serve the whole person and their needs.

So we know that home- and community-based care is the number one priority. They want to remain at home. They want to age in place. They want to be able to receive services at home, to maintain independence, to have the ability, for those that are able and capable of working, to have the ability to maintain active and independent, to have the ability to volunteer and to be engaged in their community. So that is one of the most important principles that was implemented in the strategic vision and, of course, in the implementation of all the amendments of the Older Americans Act.

The other very important factor is that throughout the 40 years, we have built one of the most impressive community-based care systems that is locally based, locally managed, from the local community up to the Federal level, by States and local communities developing their own priorities based on their own community needs, and we have built the largest—we are the largest provider of home-

and community-based care in our country. We also manage about two-thirds of the Medicaid waiver programs in States throughout this country.

So we know that we are in the right position to modernize the act and to bring it to the next level to address not only the current challenges of people living longer, needing more forms of support, but also the ability of the act to maintain independence and to reach younger folks, people, by serving people 60-plus.

Senator DEWINE. Very good. Thank you.

Senator Mikulski?

Senator MIKULSKI. Thank you very much, both of you, for very dynamic presentations. Ms. Carbonell is someone whose social work background and Master's degree—actually, my first job out of graduate school was working in a rural and poverty program getting ready for this bill. So it is great to talk to somebody who likes to go into the street in the community to know what is up.

Let me go right to the questions about keeping people in their home. In 1965, we designed this. We were a booming economy. There was a smaller proportion of elderly. And we were focusing more on loneliness and isolation and so on.

Now, how would you see the top three things you would like to focus on if we were just starting this program now? How would you—what here would you keep as core, or what would you change, or what would you add, or what would you subtract?

Ms. CARBONELL. I think that the principles that the administration is looking at and the Administration on Aging definitely have been working on is we have built the system and we have a core set of programs that have been very effective in keeping people out of homes. Particularly, we are serving 8.2 million persons under the Older Americans Act, 3 million of which received intensive services at home. These 3 million actually would qualify for a nursing home right now because they have more than three ADLs and they would qualify right now for institutional care should they wish to seek that choice. That means that we are being very successful in keeping people at home.

So what we are looking at, and I think the basic principles is that we built upon the core programs and the strengths——

Senator MIKULSKI. Let me go through this list. No. 1, would you keep information and referral?

Ms. CARBONELL. Information and referral has been proven to be one of the most important services for older Americans and caregivers across this country.

Senator MIKULSKI. Second, would you keep the nutrition programs, Meals on Wheels and congregate meals?

Ms. CARBONELL. Nutrition programs have been extremely effective in keeping people healthy, particularly because we are targeting those at most risk, with high nutritional risk factors and other nutrition intervention services that help people remain healthy and are part of the overall prevention and wellness programs of the success of the programs.

Senator MIKULSKI. Senator DeWine said we are going to be holding other hearings on the Meals on Wheels and the Eating Together programs. That is the term we use for congregate meals in Maryland. Do you face challenges, for example, the decline of the

number of volunteers? Gosh, skyrocketing gas prices when many of the volunteers are elderly themselves. Are there challenges in maintaining the Meals on Wheels program as we know it?

Ms. CARBONELL. Well, the Meals on Wheels program, again, is one of the most successful, and the recruitment of volunteers, again, in that area, is extremely high. You know that overall in the Older Americans Act, we have over 500,000 volunteers that provide services directly. A large portion of them are in the Meals on Wheels program. So the continuous building upon the ability of the act that we have already the authority, to build upon the act, to recruit more volunteers, to engage more people in meaningful activities of volunteering, in programs such as these and with other programs in the community, is going to be a critical point of—will continue to be a critical point of our programs.

Senator MIKULSKI. So that would be also part of the "must do." Now, one of the things that we added was the National Family Caregiver Support program, and it is something I am very keenly interested in. It, of course, goes to the independence principle that we both—we all endorse.

What have we learned from the National Caregiver Support program so far? What aspects have been successful? What can we do to improve the program? Do you see holes or gaps in the program?

Ms. CARBONELL. Well, first of all, the National Family Caregiver, like I expressed before, has given us the opportunity to serve a whole array of providers. They are helping us provide the care that is being given to older Americans and disabled Americans across this country. So Caregiver is a critically important program and it is a core program that we have embedded into the Older Americans Act rest of the program.

Senator MIKULSKI. But what about it was successful?

Ms. CARBONELL. It has been extremely successful not only in reaching——

Senator MIKULSKI. But what aspects of it?

Ms. CARBONELL. All of the aspects. I think that the Congressional vision to identify the key importance of information and assistance as one of the most important services that caregivers need in their search for being able to care for their loved ones better and quality of care and accessing resources. So information and assistance has been a critical service area, and in that area, we have been able to serve 12 million caregivers so far. We are very proud of that.

Senator MIKULSKI. That is great.

Ms. CARBONELL. So we know that information assistance, like you mentioned, Senator Mikulski, is a very, very important service, whether it is given through the Caregiver program, but we are looking at the Caregiver program as an integral component of the overall core programs of the Older Americans Act.

Senator MIKULSKI. Absolutely. Have you found gaps in the program or areas that need greater support, either financial, the supplemental services in particular, or the caregiver——

Ms. CARBONELL. We have been able to——

Senator MIKULSKI. I note your comments on transportation and——

Ms. CARBONELL. Yes.

Senator MIKULSKI. Those things that don't require actual home health, but they require assistance for independence, whether it is the chore service, the transportation service——

Ms. CARBONELL. The beauty about the Family Caregiver program, the way it was designed by the Congress, it gave us the flexibility to give to States that flexibility to design the program based on caregiver needs in that local community. So it allowed us to, for instance, if the caregiver needed a ramping built in their home and that meant the difference between somebody being active and social and being able to be transported out of their home safely, then the ramp was allowed to be built. That means that we gave that provider the flexibility to do that.

Consumer training, that means caregiver training. You know, many caregivers, unfortunately, are faced with caring for their loved ones and not knowing how to pick up people and not be injured, you know, from beds, and transporting people. One of the abilities that we had was through the demonstration grants that were funded under the Caregiver program, there were several programs that tested other innovative ideas, including in, of course, your district, the ARC of the United States actually did cross-training between the disability networks and the aging networks on the needs of caregivers——

Senator MIKULSKI. Ms. Carbonell, I see that my time is up. When we come back, either for a second round of questioning, but in our ongoing work, what you are saying is that the original pillars of the program stand. The program will stand on that and then there has to be changing demography, since we need to look at it in a creative way. But this Family Caregiver program is really one of the new pillars——

Ms. CARBONELL. That is right.

Senator MIKULSKI. [continuing]. That will be a cornerstone to independence, is that correct?

Ms. CARBONELL. That is so correct.

Senator MIKULSKI. We will forward actual specific suggestions, and thank you for your insightful testimony.

Senator DEWINE. Senator Murray?

Senator MURRAY. Mr. Chairman, thank you very much. There is a lot going on in the Senate, but I did want to come by for a couple minutes of this hearing to thank you and Senator Mikulski for the hearing today and for your work on this issue.

Certainly, the Older Americans Act is something I think is extremely important and I hope we can move through the process and reauthorize this quickly and strengthen the program, not dismantle it. It is one that I hear about everywhere I go in my community. People say how important this legislation is to them personally, in their own lives, and certainly as we see the baby boomers retire and a number of pension systems that are under duress right now, we are going to see a greater need for this program. We need to make sure that we are doing the right thing.

So I really wanted to especially come and say I support you in the work on this and want to work with you.

But I did want to ask, as we begin the process of reauthorizing this act, I am really interested in getting some more specific information on how HHS and DOL have improved outreach, especially

to minority groups. I know that during the last reauthorization, we focused a lot on diversity within the programs, but we still today have a lot lower participation rates for most minority populations, and in my State, I am especially concerned about aging Pacific Islanders and Native Americans.

I realize that, nationwide, these are smaller minority populations, but in some regions of the country, they make up a larger share of the population, and I think we should be looking more at minority outreach and participation rates on a more regional basis.

So, Ms. Carbonell, I know in your prepared statement I had a chance to look at, you mentioned that one of the four strategic priorities for implementation for the 2000 reauthorization was to make it easier for older people to access an integrated array of social supports. I am concerned that we still have a lot of work to do to achieve that goal, especially with the Asian Pacific and Native American communities.

You might know that in 2004, I got funding for a specific outreach effort in Indian Country in Washington State, and that was sort of due in part to my frustration in making sure that Native Americans, especially older, low-income elders, were aware of a lot of these important social services. So could you provide for us today an update on diversity in all the programs and how the administration is working to make sure it is culturally sensitive, the manner that they work in these minority communities?

Ms. CARBONELL. Thank you, Senator Murray. I think that we have a good report on the targeting issue. I think that, number one, it is a requirement of the Older Americans Act, and as you have said, the 2000 amendments strengthen our commitment to targeting vulnerable populations throughout the country and we have got a good story to tell.

I think, overall, the percentage of Older Americans Act clients that are being served that are poor almost tripled the poverty rate. That means that we are serving three times the number of poverty-level individuals that we did some years back.

The percentage of the Older Americans Act clients that are minority was almost 20 percent higher than the minority rate for all elderly people in 2001, and rose over 40 percent higher by 2003.

Specifically, minority participation in OAA programs have increased in the last 4 years, especially for Hispanics and Asian Pacific Islander categories, including extra efforts with Native American programs and increases that we have dedicated to specifically resource centers and to improve the training and technical assistance to minority communities. So we are very proud of the work that we have done in the area of minority and then targeting those in most risk.

We have also made some very important strides in serving clients in rural areas. For instance, the Older Americans Act clients that live in rural areas is at least 25 percent higher than the rural rate for all elderly people, and we have certainly seen just in the last 3 years a tremendous increase both in the minority participation in centers, and that is thanks to a very concerted effort by us and all of the network providers at the State and local level to make sure that we have created and continue to build upon im-

proved access to services, information, and programs and resources for this population——

Senator MURRAY. I really appreciate it. I think that is really an important emphasis that we have to maintain and continue.

I know my time is up. I just want to ask, Mr. Chairman, if you don't mind, one quick question, and that is I know an important part of the Older Americans Act is coordination of services and programs. We have a lot of veterans who are aging, who need assistance, and I would like to know if you are working with the VA, because I am finding that a lot of those veterans don't know of the services that are available to them. So do you coordinate with the VA?

Ms. CARBONELL. Yes. There is continuous coordination with the VA, particularly as we develop the Caregiver program. We have had specific coordination efforts for caregiving support, technical assistance. We have also coordinated at the local level with the Area Agencies as we develop plans to serve the needs of communities. We see that coordination happening at the local level and at the State level. So we see that continuing to grow and expand as we move forward. And, of course, Senator Craig is now chairing the Veterans' Affairs Committee and we look forward to working and to continue to work with our counterparts——

Senator MURRAY. I think it is really important that we continue to do that because it is a population that often gets lost, doesn't know of those services, and it is a great way to avail those veterans who served our country with the knowledge of what is out there to support them.

So, Mr. Chairman, I thank you very much for having this hearing and I look forward to working with you and Senator Mikulski on the reauthorization of this bill.

Senator DEWINE. Good. Ms. DeRocco, you say that you would like to increase the number of participants who receive jobs in the private sector. What is the Department doing now to help SCSEP grantees find jobs for participants, and also is the dual purpose of SCSEP, valuable community service activities, and unsubsidized employment outcomes, working as intended?

Ms. DEROCCO. Absolutely. Yes. Let me say that the dual mission, dual purpose of SCSEP is an important and not exclusive set of focus. They work together well. The community service opportunities for our older Americans to actually learn new job skills is a tremendous opportunity for them to gain the skills necessary to move into unsubsidized employment.

We are finding that the more we can integrate the SCSEP program with the Workforce Investment System and assure that the services of both and the participants in both understand the array of resources, services, and opportunities available to them, the better off our mature workers are going to be coming out of or through either of those programs.

We have established a strong relationship between the SCSEP program and the One-Stop Career Centers across the country. As I indicated, we have issued a protocol to our one-stops about serving older workers and assuring that older workers who access services in the one-stops understand what the SCSEP program is and what services it might provide, especially for low-income workers

or those who need the work experience in order to then gain the skills to access employment in the job market.

We have had from both programs an aggressive outreach to employers, and quite frankly, the employers are the ones now aggressively outreaching to us in their wisdom, understanding the demographics of this workforce and the fact that mature workers are a critical component, a solution for the workforce challenges that lie ahead. They are interested in making the connections and the arrangements with our Workforce Investment System and with the SCSEP program to offer job opportunities, training opportunities, and then integration into eventually unsubsidized employment.

So we have a focus on integrating these two systems and a focus on assuring employers recognize the value of mature workers in their solutions, human capital solutions, for the future.

Senator DEWINE. We have heard—and I appreciate your answer—there have been some who have said that since the 2000 amendments were implemented, there has been too much emphasis on placement in unsubsidized jobs and really not enough on community service aspects of the program. Do you want to comment on that?

Ms. DEROCCO. Well, again, we don't see these as mutually exclusive missions.

Senator DEWINE. I understand.

Ms. DEROCCO. They are very complementary missions. But still, it is our mission at the Department of Labor and through the Workforce Investment System, of which SCSEP is a part, to provide as many opportunities as possible for individuals to gain the kind of independence Senator Mikulski spoke about, which means the independence of having a job and a job at a wage and with benefits that assure opportunities for families and within the communities.

We use the work experience in community service, both to benefit the community during the term of community service, but also to gain the skills necessary for unsubsidized employment. And it is important, I think, that Congress recognized this when you reauthorized in 2000 and amended the Older Americans Act.

There are two huge benefits to focusing on the opportunities for those, where it is appropriate, to move from community service to unsubsidized employment, and that is number one, that they do gain more income, which means more independence for them individually. But it also means that they move out of a slot and additional older Americans who need the services of the SCSEP can move in. So it expands our opportunity to serve more low-income Americans who need work experience.

Senator DEWINE. Ms. Carbonell, the OAA Title 3(d) program provides funding for disease prevention and health promotion services. This program has become increasingly really invaluable, as recent evidence-based research continues to prove that health promotion, disease prevention, not only contributes significantly to an individual's quality of life, but also really are cost-effective means of reducing the key to chronic care costs.

How do you see this program fulfilling today's needs and how can the aging network's role in disease prevention and health promotion be enhanced?

Ms. CARBONELL. Well, the preventative health line item is a very important service that is provided to communities across this country. Thanks to your support in the innovations line item, we have invested in looking at the evidence-based science that is coming out of the Institutes of Health and implementing the best science into community-based programs that are simple and understandable by lay people so they can maintain their health at an optimal level.

So it means that we have built upon the existing core programs under preventative health and added that extra component of modernizing and testing ways in which our core programs, our aging services network providers at the community level, whether it be an adult day care facility, whether it be a senior center, whether it be a nutrition program or a home-bound program, can instill in their clients the ability to give them tools to take care of themselves better, to manage chronic conditions, which is going to be one of the toughest challenges facing an older population in the United States, giving them proven techniques and tools to maintain independence.

For instance, in Maryland, we are funding a very important health promotion program which looks at wellness and instills the wellness and prevention techniques into programs. In Washington, Senator Murray's State, we are implementing the models that Susan Snyder implemented in Washington State for wellness programs and physical activity and chronic disease management. We are looking at nutrition. We are looking at physical activity. We are looking at chronic disease management. And, of course, we are looking at falls prevention, which is another area of high cost, both dollar-wise and in quality of life for many seniors, to prevent falls and to improve the quality of health care for individuals.

In the medication management, you know Congress has dedicated a certain amount that is being spent on improving people's abilities to understand proper medication management, particularly when there are complex or there are multiple medications being taken. So efforts at the community level are being improved by this special emphasis on medication management to assist people to look at their medications and the safety of those medications and how they take them, both in our congregate programs and our home-delivered programs.

We see that as the reauthorization is upon us, we see another unique opportunity to build on the work that we have done in the preventative health area and to take it to the next level, modernize it, bring the best science to bear, and to have that as a central focus as we look at long-term care. It is not only giving people better choices to remain at home and better control and independence in their own lives, it is also giving them adequate tools and simple tools that they can follow that science has proven that with physical activity and improved health and improved nutrition, health status can be maintained even in later years even with people with chronic conditions.

So that is what we are trying to look for as we look at reauthorization, being health and wellness as a key component as we look at modernizing long-term care.

Senator DEWINE. Good. Senator Mikulski?

Senator MIKULSKI. Thank you, Mr. Chairman.

I would like to come back to the jobs issue, the so-called title V. The chairman asked many of the questions I had related to community service, but could you refresh my memory? What is the One-Stop Career Center? Is that——

Ms. DEROCCO. Certainly. The One-Stop Career Center is the service delivery system for the entirety of the Workforce Investment Act System. Seventeen mandatory partners that are federally funded, employment and job training programs——

Senator MIKULSKI. I have got it. So it is for everybody.

Ms. DEROCCO. [continuing]. All come together at a community-based job resource center, so that in Maryland, your One-Stop Career Centers are where both your job seekers of all, a universal population——

Senator MIKULSKI. Are they tend to be run out of the unemployment offices?

Ms. DEROCCO. Pardon?

Senator MIKULSKI. Do they tend to be run out of the unemployment offices?

Ms. DEROCCO. I think when they were created in 1998, many of the One-Stop Career Centers were built on the old Unemployment Insurance Employment Service local office structure, but many are also new. Many are on community college campuses. Many are in community-based organizations. It is up to each State to determine where, in conjunction with local elected officials, the best place is.

Senator MIKULSKI. Let me tell you where I am heading with this——

Ms. DEROCCO. OK.

Senator MIKULSKI. [continuing]. Because usually, it requires them knowing about a center and going to it. That doesn't always happen, and it doesn't happen in many ways, which I am sure you have already identified. But let us go to one, just think older, and deciding you would want to return to the labor market because your money is running out and you want to come back part-time, don't even know where to begin. So you go to maybe Ms. Carbonell, or you don't know and you are immobilized. So that is one issue.

The other issue is what I know is something Senator DeWine and I have faced, which is the collapse, say, in the manufacturing base. All of a sudden, you are a steelworker. You have worked there 30-some years. You are now maybe 58. Maybe you are 60. You are one or two—you are not going to be eligible for Medicare, Social Security, etc. Pow! Are you involved in where we see plant closings?

Our last minivan rolled out of General Motors. I can't believe a Baltimore that doesn't make steel or doesn't make cars, but that is the reality. And what we see is particularly men, particularly men. They are going to sit around the union hall. They are going to go to local cafes. How can we reach out to them to even know that there are services, and not only the resume class and so on. These are guys who don't even like to dial their own phone to talk to their granddaughter.

Ms. DEROCCO. Oh, absolutely.

Senator MIKULSKI. Do you know what I mean?

Ms. DEROCCO. I sure do.

Senator MIKULSKI. It is a cultural thing that we see. It is, one, a terrible emotional shock. It is a terrible financial shock. Then we are seeing a whole other category, which is people who thought they had pensions. It has not been dumped into Pension Guaranty, like what we are dealing with here, and those pensions are gapped. So even for the middle-income, where they thought they were going to have a pension, say, of 50, it might now be 35, no small change, the poor would tell you. If you have planned on a certain income, here is the shock.

So they are going to want to work, and they had skills. Where are you going to come in here——

Ms. DEROCCO. Those are exactly the reasons——

Senator MIKULSKI. [continuing]. Modernization, this is what I am thinking about.

Ms. DEROCCO. Those are exactly the reasons why we cite the integration with the One-Stop Career Center. When a plant closes in your State or district, the One-Stop Career Center is the place that sends in the rapid response team that brings, for example, trade adjustment assistance, and for older workers, the alternative trade adjustment assistance for individuals over 55. They bring in all of the job training resources for individuals at whatever age that want to learn a new skill. They bring in the job availability list, who is hiring and who is not. And SCSEP, as a part of this, is a service that can be offered to older workers who need a different work experience.

But primarily, your workers who are in a dislocation or an economic dislocation have skills that are either transferrable to another hiring industry or they at least have work readiness and we can provide some job training for some additional skills that would make them ready for another business or industry that is hiring or interested in moving into your community.

But the fact of the matter is, each of these programs now have different eligibility, different sets of resources, and different services. Bringing them together at the community level and providing the flexibility that you spoke about to respond specifically to the needs of those workers, whether it is an age requirement or issue, a skills requirement or issue, an education, remedial education that might be needed, the fact that they all come together in the One-Stop Career Center allows us to best serve the workers and the employers——

Senator MIKULSKI. Do you go back—I know my time is up, but let us say the crisis happens. The plant closes, and often, there is the appropriate notification that is required by law. But, you know, hope springs eternal. They either think that something is going to happen that is going to be different, or there might be initially where we just, after hard, hard work, but then all of a sudden, reality sets in and even a form of, I don't want to say depression, but sadness, melancholy. Then is there an organized outreach, particularly where maybe there has been a workers' association, a union, any number of types of organizations, do you all then go back to them?

Ms. DEROCCO. Absolutely. Our State and local workforce systems are always outreaching, not only in areas where there have been dislocations and layoffs, but in areas where there are individuals,

disadvantaged individuals who haven't—they have been marginalized in our labor force, because now employers need them. So there is a constant marketing to the individuals and to the employers to bring them together in this community-based job center to ensure that we can make the best matches possible.

The coordination with the Agencies on Aging is critically important for older workers who do go to those agencies to access supportive services——

Senator MIKULSKI. I see.

Ms. DEROCCO. [continuing]. That they, in turn, can then refer to the job opportunities, and SCSEP and the workforce system.

Senator MIKULSKI. As we move on, we look forward to creativity.

Ms. DEROCCO. Great.

Senator DEWINE. We thank you both very much.

Senator MIKULSKI. Before we end, could I come back to Ms. Carbonell?

Senator DEWINE. Sure.

Senator MIKULSKI. Ms. Carbonell, I essentially have two areas of questions, one of which is the success of the Older Americans Act has been based on the concept of the senior center that is a multipurpose center, that provides organized and structured activities and then partnerships like Meals on Wheels. However, new generations, the caregiving generation and so on, how do you see using the Internet for news that you can use? In other words, when my sisters and I were caring for our mother, we knew what to do. I am a social worker. Another sister was a lab technician with expertise in orthopedics. So we knew how. But a lot of people have to get information on just very different times.

Are you using the Internet? I know that one of the most interesting and dynamic places in centers that I visit were seniors themselves learning to be the e-generation now. But how do you see this, even in the integration of services for information and referral, for news that you can use, both to the senior or to the family who wants to support independence? And do we have the framework to support that, because it bears its own expense?

Ms. CARBONELL. It goes back again to the ability that we have had, thanks to Congressional support, to invest in particular efforts. For instance, the Aging and Disability Resource Centers are so-called One-Stop Centers in which we access information for the long-term care. In addition to that, we have invested in improving our elder care locator number, which is a toll-free number. We have expanded the Web site to have access, so anyone in the United States—for instance, I as a caregiver was able to locate—even having worked in the system for a while and knowing the ropes, it takes a little bit of help and it takes a little bit of navigation to go through.

That is why we are trying to be able to integrate the services, both the social support services and working with CMS on health care, particularly for long-term care, as we look at being able to give better access to information and assistance to seniors, not only through technology. Obviously, technology is improving in the areas of both health care and access to information of all sorts. I think baby boomers will demand to have—you know, we are used to going to the computer and finding the answer right there and

we are building. We are building and improving the infrastructure and strengthening the aging services network's capacity to meet the growing demands, including technology.

So a very important part of the Aging and Disability Resource Initiative, which we fund in 24 States to date, including one right in your State, Senator, is technology. That means the improvement of technology not only to create access and improve access, but also in the efficiency of the programs, how we provide that information to seniors and how we can track clients and also build multiple funding sources——

Senator MIKULSKI. That will be fantastic.

Ms. CARBONELL. Right.

Senator MIKULSKI. What I will be looking forward to in the information as you come back in the next month or so, or even as we get information from the White House Conference, will be the use of technology to support the seniors and those who love them in terms of their goals of independence. And I am particularly interested in the areas of information and referral, in wellness and nutrition, and also kind of a resource base. Where can they go on their own?

And if I might add, alerts on scams, because this alerts on scams, we have areas that are often flooded with schemes for investment, schemes for home-based work, etc, and we find that the alert system that is now in some places in the senior network really works well. So that would be very important.

Ms. CARBONELL. Thank you. We look forward to providing extra information on that.

Senator MIKULSKI. The next area is, are you familiar with the Natural Occurring Retirement Community effort?

Ms. CARBONELL. Yes, I am.

Senator MIKULSKI. The aging in place? We funded some demonstration projects even through an earmark process, otherwise known as Congressional designated projects. I am a big believer in the NORCs, and Senator, just maybe to help you, this is where often there is a zip code where people have aged in place. Like after World War II, you know, where people—yes, some neighborhoods, and people are independent, they have got their homes. They are aging in place. Their housing is aging in place. Like Mom once said to me, "Barb, I don't know what is going to give out first, my pipes or my knees."

[Laughter.]

Could you have ideas and recommendations on what we could do in terms of the NORCs, because I think this goes to your coordinated, systematic way of bringing fragmented or smokestack, we will call them programs, stovepipe, and so on. Do you think they have been effective, and can you bring us recommendations on that area, as well?

Ms. CARBONELL. Well, we thank you for your interest in that area, and I know that there is a lot of Congressional interest because there are over 40 sites, 40 NORCs, Naturally Occurring Retirement Communities, throughout the county that have been funded through Congressional action.

Again, I don't have any up-to-date data. There are different levels of performance in the sites. Some are smaller, some are larger.

But it certainly affirms—the NORC concept certainly affirms the aging in place and the community-based care that we have been working on and that the act is so central to. So we look forward to, as the proposals get fine-tuned, the details get out, we look forward to working with you on that.

Senator MIKULSKI. I would like you to look at the 40 that are on the books and just preliminarily, not some complicated one, but what are we learning from lessons learned, best practices, and what have been, quite frankly, duds, so that we can make sure we get on the track, in a no-fault environment so that we can really look at this, because I think this is going to be an accelerating issue and if we can get our arms around it in this reauthorization and give you the tools you need to sponsor these programs on a competitive basis based on what we already know so we can make wise use of taxpayers funds, and yet an opportunity that presents itself.

Ms. CARBONELL. Thank you. We look forward to that.

Senator MIKULSKI. So we want to have you tell us about the NORCs. I was thinking about "Knock on the NORCs" or something, but you get what I am saying.

Ms. CARBONELL. Well, we know that the NORCs—clearly, the NORCs is a perfect example of how people are wanting to remain at home in their own communities and the support services that are brought to and the coordination and the improvement of the coordination of care and support between all the services that are being provided, whether public or private, come to bear to keeping people quality of life in their later years.

Senator MIKULSKI. Thank you, Mr. Chairman. You have been very generous. I appreciated the extra time.

Senator DEWINE. Well, we appreciate both of your testimony and we look forward to your recommendations and we look forward to working with both of you.

Ms. CARBONELL. Thank you.

Senator DEWINE. This committee will hold additional hearings in the future. Thank you very much.

Ms. CARBONELL. Thank you.

Senator DEWINE. The subcommittee is adjourned.

[Additional material follows.]

ADDITIONAL MATERIAL

PREPARED STATEMENT OF SENATOR CLINTON

I would like to thank Subcommittee Chairman DeWine and Senator Mikulski for holding this important hearing. In less than 10 years, the first wave of Baby Boomers will turn 65. As Americans are living longer, we will continue to see increasing demands on our local, State, and Federal health systems over the next 30 years.

As we prepare for the upcoming reauthorization of the Older Americans Act, we must take a long hard look at how well prepared we are to meet the increasing needs of our country's older adult population.

Today, the Older Americans Act is the major vehicle for the delivery of social and nutrition services for older persons. Originally enacted in 1965, the act supports a wide range of social services for older persons, including the congregate and home-delivered nutrition program; community service employment; the long-term care ombudsman program; services to prevent the abuse, neglect, and exploitation of older persons; grants to Native Americans; and research, training, and demonstration activities.

There are a variety of areas which I believe will be important to examine as we prepare for the next generation of older adults and consider this reauthorization.

The first issue of considerable importance is caregiving. Caregiving issues touch the lives of families from all socioeconomic, ethnic, and educational backgrounds. Research suggests that more than a quarter of adults are currently providing care for a chronically ill, disabled, or aging family member or friend, while 59 percent of adults will care for a loved one at some point in their lifetime.

Caregivers today are not simply family members lending a hand, but rather, providers of a large portion of our health and long-term care for the aging. Older adults are now the fastest growing segment of the U.S. population, and almost half require some help with personal care and daily needs.

Grandparents or other relatives caring for children referred to as "kinship caregivers" comprise another growing group of family caregivers. According to the 2000 U.S. Census, kinship care families are growing with more than 4.5 million children living in grandparent-headed households.

Some people are caring for children or grandchildren with special needs and older adult parents at the same time. Many have referred to people in these circumstances as the "sandwich" generation, sandwiched between the caregiving demands of children or grandchildren and the caregiving demands of aging parents.

Although the role of family caregiver can be personally rewarding, it can also result in substantial psychological, physical, and financial hardship. Research suggests that caregivers often put their own health and well being at risk while assisting loved ones. These difficult demands can lead to depression, relationship stressors, physical illness, anxiety, and emotional strain.

As you know, my husband signed the National Family Caregiver Support Program into law as part of the 2000 amendments to Title

III of the Older Americans Act. This was a tremendous step toward recognizing the heroic efforts of our family caregivers.

Prior to the establishment of this program, there was no comprehensive Federal program for family caregivers.

One way in which to reduce the burden of caregiving on those providing this labor of love is through respite care. Respite care provides a much needed break from the daily demands of caregiving for a few hours or a few days. These welcome breaks help protect the physical and mental health of the family caregiver, making it possible for the individual in need of care to remain in the home.

Unfortunately, in New York and across our country quality respite care remains hard to find and too many caregivers do not know how to find information about available services. Even when community respite care services exist, there are often long waiting lists. There are more caregivers in need of respite care than there are respite care resources available.

Although the National Family Caregiver Support Program took a step in the right direction, further efforts are necessary to meet the increasing needs of family caregivers.

That is why I introduced the Lifespan Respite Care Act. This legislation would improve efficiency and reduce duplication in respite service development and delivery, and make quality respite available and accessible to families and family caregivers, regardless of their Medicaid status, disability, or age. It assures that quality respite care is available for all caregivers who provide this labor of love to individuals across the lifespan.

My legislation picks up where the National Family Caregiver Support Program leaves off by recognizing respite as a priority for caregivers and elevating respite as a policy priority at the Federal and State levels.

A second important issue that I believe we must focus on during the upcoming reauthorization of the Older Americans Act relates to the growing mental health needs of our older adult population. Although most older adults enjoy good mental health it is estimated that nearly 20 percent of Americans age 55 or older experience a mental disorder. It is anticipated that the number of seniors with mental and behavioral health problems will almost quadruple, from 4 million in 1970 to 15 million in 2030.

Among the most prevalent mental health concerns older adults encounter are anxiety, depression, and cognitive impairment. These disorders, if left untreated, can have severe physical and psychological implications. In fact, older adults have the highest rates of suicide in our country and depression is the foremost risk factor.

The physical consequences of mental health disorders can be both expensive and debilitating. Depression has a powerful negative impact on ability to function, resulting in high rates of disability. The World Health Organization projects that by the year 2020, depression will remain a leading cause of disability, second only to cardiovascular disease. Even mild depression lowers immunity and may compromise a person's ability to fight infections and cancers. Research indicates that 50–70 percent of all primary care medical visits are related to psychological factors such as anxiety, depression, and stress.

In order to address this issue I am preparing to reintroduce the Positive Aging Act with my co-sponsor Senator Collins later this month during Older Adult Mental Health Week.

This legislation would amend the Older Americans Act to make mental health services for older adults an integral part of primary care services in community settings and to extend them to other settings where seniors reside and receive services, such as naturally occurring retirement communities, NORCs.

This legislation will not only increase opportunities to diagnose and treat mental health problems in our seniors, but will lessen the burden on their families and our health care system.

Finally, the growing longevity of Americans has created a long term care crisis in our country. While we consider the reauthorization of the Older Americans Act, we must look for solutions to this growing problem.

As the number of individuals in need of long-term care rises, issues such as financing, quality of care, family involvement, quality of life, end-of-life care, and overall service delivery are growing in importance and impact.

And although Medicaid does provide some home and community-based services and supports, the program is weighted towards institutional care, even when many seniors would be able to—and most times would prefer to—stay in their own homes.

Home and community-based services are not only the preference of seniors, but they are also a more cost-effective means of providing care. As the baby-boomers continue to age, our current infrastructure for delivering services needs to adjust to reflect this preference and help ease the cost of providing care to this burgeoning group.

I am currently working on legislation that would amend the Older Americans Act to assist older adults who are capable of and would prefer to remain in the community. This legislation would assist seniors, who are just above the Medicaid threshold, to obtain the supportive services necessary to remain safely in the community.

This consumer directed model would not only respect the preferences of our seniors who would like to age in place, but would also help to reduce some of the burden that long term care services place on the Medicaid system.

We have an exciting and important challenge ahead of us as our country's aging boom begins. What we do to prepare now will have a tremendous impact on our systems of care tomorrow.

Again, I thank you for holding this important hearing today and look forward to continuing to explore these and other important issues as we prepare for the reauthorization of the Older Americans Act.

[Whereupon, at 11:16 a.m., the subcommittee was adjourned.]

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