

Testimony of Marge Kilkelly on Behalf of the Maine Council on Aging to the Joint Standing Committees on Appropriations and Financial Affairs and Health and Human Services

Testifying in favor of LD 210 An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2025, June 30, 2026 and June 30, 2027

Senators Rotundo and Ingwersen, Representatives Gattine and Meyer, and members of the Committees on Appropriations and Financial Affairs and Health and Human Services.

My name is Marge Kilkelly I am a Policy Consultant with the Maine Council on Aging (MCOA). The MCOA is a broad, multidisciplinary network of over 140 organizations, businesses, municipalities, and older community members working to ensure we can all live healthy, engaged, and secure lives with choices and opportunities as we age at home and in community settings.

I am testifying in favor of the Governor's proposed Biennial Budget, although we are urging amendments to this bill to include changes we believe are necessary to support the health of Maine people and the economy.

We are grateful to the Governor for putting forward a continuing services budget that continues to make critical investments in MaineCare and other state-funded programs that support the health of older Mainers. These are critical investments in Maine's future. We are also gravely concerned that this continuing services budget is proposed by cutting equally critical investments that you made in growing the care and support workforce.

Older people in Maine are our family members, friends, neighbors. We are working, volunteering, retired, self-employed, students, teachers, care giving, receiving care, they farm, fish, or cut wood. Older people lead our state in many ways, and generally make our state, communities, and economy stronger.

Unfortunately, older people in Maine are also:

- being evicted from apartments, not because they cannot pay their rent, but because they're not able to get the home care they need;
- hospitalized and often cannot be discharged because of home care and facility staffing shortages, leaving too many older people living in hospitals; and
- eligible for Meals on Wheels, but have to wait up to 1 year to get a meal delivered.

For nearly a decade, the legislature has acted swiftly and decisively to address waitlists for core services like Meals on Wheels and Home Based Care (Section 63), ensuring older Mainers can access these critical safety net programs when needed. The legislature has also been proactive about taking action to grow Maine's Essential Care & Support Workforce – a workforce that helps older Mainers with daily activities whether at home or in residential settings.

Meals on Wheels and Home Based Care (Section 63) are low cost programs that provide a financial return to the state while providing improved personal well-being and quality of life to older Mainers.

Meals on Wheels recipients are homebound individuals who cannot prepare a meal and don't have others to prepare a meal for them. These hot meals provide nourishment for the body and the delivery serves as an essential wellness check-in that fends off isolation and sometimes can identify an accident or illness that

otherwise could result in a crisis. Home delivered meals give people the option to stay in their own homes longer and more safely.

Section 63 Home Based Care, is a state funded program that provides home care services to medically eligible older and disabled people who lack sufficient financial resources to pay for in-home services, and who do not qualify for MaineCare services. These are older Mainers who have been certified as eligible for nursing home care waiting for in home support- a person to help them out of bed, help them bathe or dress, help them stay in their homes.

Often by the time a home care worker is available the person's situation has become critical and they are hospitalized or moved to a nursing home. In any given year, once the funds are exhausted, the Department starts a waitlist for the service. Unless there is additional funding, no one comes off the waitlist.

In every budget decision there are short and long term consequences. That is especially true in this budget decision...and beyond that lives are on the line.

Addressing the waiting lists and providing adequate long term funding for Meals on Wheels and Home Based Care (Section 63), is a critical investment in low-cost interventions that support healthy aging and provides future budgets with a return on investment. When older people get the support they need, they avoid unnecessary healthcare utilization and delay entry into facilities, the two most expensive types of care; and that care is generally paid by MaineCare.

We appreciate todays budget challenges and uncertainty about federal funding; however, we also know that the care gap is growing every day.

Last year, the Department issued the AAAA report¹ outlining the efforts it has taken to grow the essential care and support workforce but despite the efforts outlined in the report, the care gap between those who are entitled to care and those who got care grew significantly. For instance:

- o Section 19 went from 33% in 2022 to 50% in 2023
- o Section 96 went from 47% in 2022 to 62% in 2023
- o Section 63 went from 53% in 2022 to 71% in 2023
- o Occupancy rates in Residential Care facilities declined from 86% to 73%
- o Nursing home occupancy rates which had been climbing, also fell slightly

A more surprising consequence of the lack of adequate support services is the impact on the greater economy. A Maine Center for Economic Policy report estimates that Maine is missing out on over \$1 billion per year in additional economic activity as more than 8,000 traditionally employed people are kept out of the of our labor force. Why? Because as families struggle to find care for a loved one and can't find a worker, many are being forced to leave the workforce in order to provide care at home.

The undervaluing of this workforce at a time when Maine's labor market is as tight as it has ever been has created a perfect storm. When literally anyone with no background check, no drug test, and no specialized training, can get a job working at Burger King for \$17 an hour, and other national companies are able to drive wages up to compete for workers, providers who are tied to reimbursement rates set by the state cannot compete and are losing workers, not attracting them.²

¹ <u>https://www.maine.gov/dhhs/sites/maine.gov.dhhs/files/inline-files/Efforts-Progress-Implementing-</u> <u>Recommendations-Commission-to-Study-LTSS-Workforce-Issues-3rd-annual.pdf</u>

² Maine Center for Economic Policy, The High Cost of Undervaluing Direct Care Work

Even though we have made a lot of investments over the last four years and while these have had some impact, the care gap is growing because our workforce continues to contract. The recommended language in UU takes us in the exact opposite direction than we need to go in – we need to figure out how to pay a market rate for this labor. It should be one of the top priorities for this body – we all have people we love, we know, and in our districts who are waiting to get care. If we allow UU to stand, they will wait longer – or worse, will never get care. We have to go the other way.

For these reasons, we urge the Committees to reject section UU which unravels much of the previous work to address workforce shortages. We also urge the Committee to adequately fund investments in this workforce to reduce the growing care gap in Maine. Finally, we urge you to include funding in this budget to meet the most basic core services that allow older people to remain living in the community, including for the Meals on Wheels and the state funded Section 63 Home Based Care wait lists.

In addition, we want to call out additional pieces of the budget that impact older Mainers.

We oppose flat funding the Civil Legal Services Fund. We are concerned that the "ongoing" portion of civil legal services funding in the proposed budget is the same as in the last biennium -- \$1.3 million per year. This apparent flat funding is actually a significant reduction because two years ago this program received \$4.0 million in "one time" funding. We know that the funds were used to staff up and work to meet the legal needs of older Mainers. If this line is left at \$1.3 all the civil legal services organizations will have to make cuts, staff cuts, because the significant portion of their budgets are staff. Older folks will then be left on their own to navigate the complexities of the legal system and we know many will not be able to succeed.

We support the creation of a Development Ready Advisory Committee with a recommendation that a member be appointed to the Committee to specifically represent older Mainers.

The housing issue is of particular concern to MCOA because we know the ramifications of the lack of housing stock are creating some deeply concerning trends for older people. According to a 2023 federal Department of Health & Human Services Report entitled Addressing Homelessness Among Older Adults: Final Report, older adults are the fastest-growing homeless population in the nation. As of 2022, the number of homeless people over the age of 62 has doubled and the number of older adults who are unhoused is expected to triple by 2030.

We support the creation of a Targeted Workforce Investment Program that includes addressing Maine's Essential Care & Support Workforce and efforts to employ older Mainers in the workforce. We have already outlined the critical shortage in Maine's Essential Care & Support Workforce and the resulting care gap. Any program looking at workforce investment must include efforts to address this need. Additionally, as we embrace a new vision of aging and the needs of businesses to find employees, a targeted workforce program should consider ways to identify older Mainers that are interested in participating in the workforce but often do not know what options might be available. Creating a dialogue between business, organizations and older Mainers could go a long way to addressing our general workforce shortage.

Finally, because we ask that you make additional critically needed investments in the infrastructure that supports healthy aging and the ability of older Mainers who need to care to remain at home, we support efforts to responsibly grow revenues, particularly making sure we all are paying our fair share to ensure we can all live healthy, engaged and secure lives as we age.

I would be happy to answer any questions.