



May 19, 2021

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

Dear Speaker Pelosi; and Leaders Schumer, McConnell, and McCarthy:

On behalf of the members of the American Seniors Housing Association (ASHA), who own and operate the full range of professionally managed senior living communities including Independent Living, Assisted Living, Memory Care, and Continuing Care Retirement Communities (CCRCs), I write to share our views and urge your support on key policy issues as you consider infrastructure legislation. We are eager to weigh in and engage on these significant policy proposals especially as they impact the delivery of care to our nation's older Americans and Veterans who are living in our senior living communities. Policies that offer enhanced long-term care benefits, address the workforce shortage, and provide meaningful and robust investment in our country's physical infrastructure that benefit the wellbeing of our nation's seniors are our top priority.

ASHA represents over 500 companies who collectively own and operate more than 700,000 apartments of senior living across the country. As we pass the one-year anniversary of the COVID-19 pandemic, I ask that you please recognize the senior living providers and staff who have been serving on the front lines of this crisis from the very beginning and have personally experienced the effects of our country's public health response. As policy talk moves from relief to recovery, I must remind you that our industry has been hit hard financially by COVID-19 and has not yet received a meaningful level of financial relief. **We are counting on a much-needed Phase 4 Provider Relief Fund allocation to assist with our industry recovery. Your support for such an allocation is respectfully sought and will ensure the industry will be able to meet the current and future demands of our rapidly aging country.**

The Biden/Harris "Building Back Better" plan is bold and ambitious and hits on many of the initiatives supported by our members. These initiatives are critical to improving our nation's declining physical infrastructure and providing for increased investments in other key areas such as affordable senior housing, technology that ensures broadband access to support telehealth, family and community communications and other critical resources to unlock technological health focused advances necessary to increase efficiency and wellbeing in senior living communities. Energy efficiency investments that make buildings more environmentally safe and create operating cost savings are also initiatives we

support. More specific to our industry are proposals to expand the Medicaid Home and Community Based Services (HCBS) program, workforce development and training initiatives, immigration reform and the need for a broader and improved long-term care financing system to better meet the needs of aging baby boomers and our Veterans.

HCBS Enhancement

The Biden proposal calls for substantial investments in the infrastructure of caregiving in our country. Specifically, the plan seeks \$400 billion to expand access to quality, affordable home- or community-based care for vulnerable seniors and people with disabilities through enhancements to the Medicaid program. It is estimated that over 800,000 seniors in need of care are currently on wait lists, underscoring the need to improve these funding and programmatic shortfalls.

As enhancements to improve the long-term care options for Medicaid eligible seniors advance in Congress, it is critical that senior living settings such as Assisted Living continue to be defined as a Home and Community Based Services (HCBS) settings. Assisted Living is an important part of the HCBS settings continuum, but it tends to be misunderstood by policymakers, often confused with skilled nursing facilities (or nursing homes) given its congregate nature. As a community-based residential setting, Assisted Living includes personal assistance with activities of daily living (ADLs) such as bathing, dressing, medication management, meals, social activities, housekeeping, transportation to appointments and personal enrichment programs and other core home and community-based services in a maintenance free environment.

Importantly, Assisted Living offers significant benefits to residents that are not always available to an older adult living in a traditional single-family home. Policy goals that are singularly focused on keeping seniors at their traditional home to the exclusion of other residential care settings may overlook these benefits. For example, the community living environment available in Assisted Living combats prolonged social isolation, lack of engagement and loneliness that can contribute to functional and cognitive decline, as well as depression and anxiety in older adults. These benefits should factor heavily as efforts to improve options and choice are considered.

While most Assisted Living communities serve predominately private pay residents, it can also be a critically important setting for individuals with Medicaid coverage. Nationwide there are 1.4 million dual eligible beneficiaries who need assistance with two or more ADLs, and among these individuals, 10 percent live in Assisted Living communities. However, Medicaid eligibility for and access to Assisted Living varies greatly by state. This variation in eligibility and coverage can result in limited access to the full range of settings that meet the unique needs of frail, older adults. The consequence of this variation can be unmet need in traditional private housing or unnecessary institutionalization in a skilled nursing facility when an individual could otherwise be served in the community. And in states that do allow Assisted Living participation via HCBS, while Assisted Living costs are below skilled nursing costs, reimbursement rates are rarely sufficient to adequately cover the cost of care.

ASHA Recommendation:

An expanded Medicaid HCBS program should recognize the benefits of Assisted Living as part of the continuum of care. This inclusion will help facilitate the efficient provision of services to the hundreds of thousands of seniors who are currently on waiting lists. Higher reimbursement rates to accommodate

the costs associated with providing quality care should be supported while noting that the annual cost of Assisted Living is about half that of nursing home care and similar to that of home health care. The efficient delivery of intermittent care, nutritious meals, and the opportunity for social engagement make Assisted Living an excellent option for seniors who need supportive services and will ultimately create savings for the Medicaid program.

Further, CMS and state Medicaid agencies should ensure that Assisted Living communities are included in the temporary 10-point federal matching assistance percentage (FMAP) increase being provided for Medicaid HCBS as part of the American Rescue Plan Act of 2021. The senior living industry was hard hit by COVID and any relief to recognize the increased cost of care is warranted.

The Caregiving Workforce

The senior living workforce shortage was a challenge pre-pandemic and has been exacerbated by COVID-19 due to school closings, lack of childcare, and fear of the virus. It is anticipated that staff shortages in our industry will continue going forward. There are more job openings than people to fill them and it is expected that between now and 2028, the direct care workforce will need more than 1.3 million new workers. Recruiting, training, and retaining employees is both a challenge and an opportunity. Creative and strategic initiatives to address these issues are being advanced by many companies and all efforts to create job training programs such as the proposed community college partnerships for in-demand skills are encouraged.

ASHA Recommendation:

Workforce development is essential to providing efficient, qualified staffing and ultimately the quality of care and services required. We support programs to train, retain and promote these essential workers. Immigrants represent a substantial, and thus critical, part of America's essential workforce combating the COVID-19 pandemic. Numbering nearly 23 million people, these medical, agricultural, food service, and other essential immigrant workers make up nearly 1 in 5 individuals in the total U.S. essential workforce. Immigration policies to meet the U.S. labor needs, such as those serving in essential jobs, should be advanced in Congress. Responsible immigration reforms can attract skilled as well as unskilled workers to industries most in need of labor, including senior living, and can grow the tax base of the U.S. economy.

A Call for Long-Term Care Financing Reform

The financing of long-term care services for elderly adults is a critical public policy issue for an aging society like the United States. The pandemic has brought the issue into sharper focus. Proposals to strengthen the long-term care system for older Americans should call attention to the need for a comprehensive strategy that will address the needs of middle market seniors who do not have the resources to pay for their long-term care costs and who should not be forced into poverty to access Medicaid supports.

The country is experiencing a demographic transformation and to meet the demands this will place on society and the economy; policymakers must consider a strategy that will address the long-term care needs and workforce demands of the future. The senior living industry should be recognized as part of this strategy and solution.

Key facts that support the need for a broader long-term care financing policy:

- Every day 10,000 people turn 65. By 2030, all 73 million baby boomers will have turned 65.
- 70% of people over the age of 65 will require long-term care services and support at some point in their lives.
- By 2035, for the first time in history, people over the age of 65 will outnumber people under the age of 18.
- Total fertility rate (TFR) is dropping. According to the CDC, the U.S. rate has generally been below replacement of 2.1 since 1971 and has consistently been below replacement since 2007. In 2020 the TFR was 1.6.
- People are living longer and with multiple care needs. The average age of a resident in Assisted Living is 85, most have 4 or more chronic conditions and need help with 2 or more ADLs.
- More than 6 million Americans are living with Alzheimer's disease. At least 50 percent of residents in Assisted Living and nursing homes have some form of dementia or cognitive impairment, including Alzheimer's.
- Full benefits under the Social Security system are expected to be paid until 2037. After that time, without reforms, Social Security payroll taxes are expected to be enough to pay 76 percent of scheduled benefits, decreasing a senior's retirement income available to pay for senior care needs.

ASHA Recommendation:

Policymakers need to place the issue of long-term care financing back on the agenda. When most Americans erroneously believe Medicare will pay for long-term care and fail to recognize their retirement savings and Social Security are inadequate to pay for these costs, it is time to give this issue some serious attention.

While this is a significant undertaking and policy initiatives have been advanced and abandoned before, smaller steps may create some positive momentum.

- For starters, consideration should be given to create more flexibility under the Medicare and Medicaid programs to allow greater collaboration with senior living industry partners in offering supportive services and housing to seniors in need of care.
- The Center for Medicare and Medicaid Innovation (CMMI) should test opportunities for Assisted Living to improve care and lower costs for Medicare beneficiaries with complex and LTSS needs. This could include a pilot program to evaluate the role of Assisted Living as a home-based setting that reduces hospital and emergency department utilization, or as part of the shift of acute care services to the home via CMS Hospital at Home models.
- Congress should explore policies to deliver and finance long-term care supports and services such as public and private long-term care insurance solutions as well as Medicare expansion.

There is no easy or single solution, but we believe the benefits and quality outcomes that can be achieved in senior living, can be part of the solution. Accessing senior care benefits when necessary, should not require an older adult to become indigent. There is a better way forward and we look forward to working with you to explore additional options to provide needed care affordably, efficiently and with dignity to our nation's seniors.

I would be pleased to discuss this request further and can be reached directly by phone at (202) 494-8682 or email at david@ashaliving.org. You can also reach out to Jeanne McGlynn Delgado at (202) 841-6044 or email at jeanne@ashaliving.org.

Most sincerely,

A handwritten signature in blue ink, appearing to read "David Schless".

David Schless
President