



June 7, 2023

Honorable Jon Tester, Chairman
U.S. Senate Committee on Veterans' Affairs
825-A Hart Senate Office Building
Washington, D.C. 20510-6050

Honorable Jerry Moran, Ranking Member
U.S. Senate Committee on Veterans' Affairs
412 Russell Senate Office Building
Washington, D.C. 20510-6050

Dear Chairman Tester and Ranking Member Moran:

On behalf of the American Seniors Housing Association (ASHA), I want to thank you for holding this important hearing, ***“A Binding Commitment to Those Who Served: Examining Veterans Access to Long Term Care”***. As we know all too well, the long-term care needs of our aging population are a national concern, and we commend your attention to assessing the state of VA programs and services that are currently available to our cherished veteran community.

ASHA is a national organization of over 500 companies involved in the operation, development, investment, and financing of the entire spectrum of seniors housing – independent living, assisted living, memory care, and Continuing Care Retirement Communities (CCRCs). Our members are on the front lines when it comes to serving frail seniors by providing 24/7 expert care, supportive services, dining, housekeeping and myriad activities that promote wellbeing and social interaction. As providers of long-term care, we are pleased to offer our thoughts and recommendations to create additional supportive care options for our veterans.

The Department of Veterans Affairs (VA) provides or purchases long-term care for eligible veterans through 14 long-term care programs in institutional settings like nursing homes and noninstitutional settings such as home-based care. However, as noted in a report by the Department of Veterans Affairs to Congress¹, there is much concern over the projected future needs of the veteran population and the sustainability of the existing programs. The report correctly calls for the VA to explore additional options to serve aging and disabled veterans including the utilization of assisted living settings.

As you review the effectiveness of these programs and services, we would like to commend your leadership as well as Senator Murray and Senator Rounds, on the introduction of S. 495, the ***“Expanding Veterans’ Options for Long Term Care Act”***. We would also like to call attention to this bill to the members of the Senate Veterans Affairs Committee as consideration is given to the current VA long term care programs and future needs.

The proposed three-year pilot program to assess the effectiveness of providing eligible veterans with the option to move into an assisted living community for their supportive care services is an economically sound and sensible approach to demonstrate the benefits of assisted living for the veterans as well as their families. ASHA strongly believes assisted living offers the best of personal and supportive care services with a team of professionals in a home environment where individuals can

¹ *Veterans’ Use of Long-Term Care is Increasing, and VA Faces Challenges in Meeting the Demand*, February 2020
<https://www.gao.gov/assets/gao-20-284.pdf>

continue to live a meaningful life that promotes social engagement, nutrition, and wellbeing. This pilot program is designed to assess not only the effectiveness of the setting itself, but the satisfaction of resident veterans. Other details of the bill underscore the thoughtful approach to this effort. Locations will be geographically diverse, will include rural areas, and areas where the largest concentration of veterans live. The pilot will also include assisted living settings in at least 2 VA state homes. While the pilot may be small in scope, the benefits can be significant to understanding options available that will help to meet the future demand for long term care options. We commend your leadership in leading and advancing this bill this year.

The timing is right for such action given what we know about the aging population and the increasing demand for supportive services.

Aging Demographics Demand Additional Long Term Care Options for Veterans

- As reported by the VA, the fastest growing segment of the Veteran population are those veterans over the age of 85. Further, the number of veterans eligible for nursing home care will increase 535%, from 62,000 to 387,000, over the next 20 years.
- The overall 85 and older population is projected to more than double from 6.6 million in 2019 to 14.4 million in 2040 (a 118% increase).
- Approximately 5% of Veterans in Community Nursing Homes (CNH) at VA expense do not require daily skilled nursing interventions.
- The increasing prevalence of chronic conditions will drive up demand for long-term care services, including assistance with the activities of daily life (ADLs).
- A 65-year-old today has almost a 70% chance of needing some type of long-term care services and supports in their remaining years and will need it for an average of 3 years. Twenty percent are projected to need long-term care for five years or more.

Simply put, people are living longer, there are more of them, and they are more fragile. For those who will need long-term care, they will on average incur \$138,000 for these services. These projections are especially concerning for those seniors who are unprepared financially. Nearly 4 in 10 mistakenly expect to rely on Medicare to pay for their long-term care needs and 1 in 3 have done little to no planning for their own care needs. As a country we must prepare for this demand for long-term care options and this bill presents an opportunity to highlight through this pilot program, the critical need for quality settings such as assisted living that are also cost effective.

Cost of Care Varies Among Settings:

As stated above, the demand for assisted living is growing, the benefits are many, and the average annual costs are among the lowest of Long-Term Care Services (LTCSS) options and therefore beneficial to taxpayers. Senior living covers a range of service-enriched housing aimed at older adults who want or need specific service amenities or help with activities of daily living. They differ from nursing homes in purpose, levels of care, residences, and lifestyle. Importantly, it is the most cost-efficient setting available to our seniors today. The desired goal is for these services to help people live as independently and safely as possible when they can no longer perform everyday activities on their own. Assisted living does just that.

According to the 2021 Genworth Annual Cost of Care Report, the median monthly and annual costs for the selected settings are as follows:

Provider	Setting	Monthly Cost	Yearly Cost
Home Health Care (44 hours per week/52 weeks)	Homemaker Health Aide	\$ 5,148	\$ 61,776
Assisted Living Community (12 months of care/housing)	Private, One Bedroom	\$ 4,500	\$ 54,000
Nursing Home Care (365 days of care)	Semi- Private Room	\$ 7,908	\$ 94,896
	Private Room	\$ 9,034	\$ 108,408
Adult Day Health Care (5 days per week/52 weeks)	Day Program	\$ 1,690	\$ 20,280

While the median cost for assisted living is clearly lower than the median costs of home health care, it is also important to note the differences in these settings. The cost of assisted living is inclusive of meals, care, private apartment, activities, transportation, and other services. The median cost for a home health aide is limited to services provided 44 hours per week. It does not include meals and activities and the ongoing costs of maintaining a home, i.e., mortgage or rent, repairs, utilities etc. will remain the responsibility of the client. Under this pilot program, after factoring in a higher payment rate that will include room and board, the savings are expected to be significant.

As you assess policies and programs to address the long-term care needs of aging veterans, we ask that you not overlook the benefits of senior living, and support S. 495. Given current and projected needs for VA long term care services, efforts to rebalance these programs have the potential to yield significant benefits to the veterans as well as result in overall cost savings for long term care.

On behalf of the senior living industry, I thank you for your work in taking bold action to improve the lives of our nation's veterans at a time when they need it the most. If you have any questions, please reach out to Jeanne McGlynn Delgado, ASHA VP, Government Affairs at jeanne@ashaliving.org. We look forward to working with you to advance this important option of care for veterans.

Sincerely,



David Schless
President & CEO

CC: Senate Veterans Affairs Committee Members