

Testimony of Claudia Schlosberg, JD
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Before the
Senate Finance Committee
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SUPPORT – Senate Bill 743 – Maryland Medical Assistance Program – Affordable Assisted Living Enhanced Care Pilot Program

Good afternoon, Chairperson Kelley and Members of the Finance Committee. My name is Claudia Schlosberg. I am the founder of Castle Hill Consulting, LLC, which is based in Washington, DC. I provide technical assistance and expertise to public and private entities seeking to leverage the Medicaid program to meet the needs of vulnerable populations with a particular focus on the needs of seniors and individuals with disabilities. I have over 35 years of experience in this field including serving as a senior policy advisory within the Department of Health and Human Services to guide the Department's response of the US Supreme Court's decision in *Olmstead vs L.C.* mandating that states provide services to people with qualified disabilities in the most integrated setting and serving in senior leadership position, including 4.5 years as State Medicaid Director, within the Department of Health Care Finance, the Medicaid state agency for the District of Columbia.

Maryland, like virtually every other State in the Nation, is faced with the challenge of meeting the needs of a growing population of seniors. According to the Maryland State Plan on Aging, 2022-2025, demographic trends show that between 2020 and 2040, Maryland's 60+ population is anticipated to increase by 27% from 1.37 million to 1.79 million. Individuals 85 and over are the fastest growing segment of the population. This cohort will grow in number, statewide, from 122,092 in 2020 to 314,961 by the year 2045, a 158% increase. In 2017, 91,630 older Marylanders (7.56% of the total state 60+ population) lived in poverty as defined by the federal poverty guidelines. If we assume the rate of poverty does not change, this means that in 2040 More than 135,000 seniors in Maryland will be both poor and old. Yet, today, the waiting list for home and community-based services offered through the Medicaid waiver is estimated already to be more than 26,000.

While there are several measures being taken, including legislation to try to manage the Medicaid waiting list, my experience is that the only way to truly reduce the number of people waiting for services is to expand service capacity.

The Affordable Assisted Living Enhanced Care Pilot Program that this bill would establish is designed to do just that. The bill leverages Medicaid funding that is available to pay for services to attract developers and investors to build Class A assisted living communities for low-income seniors using private equity and low-income housing tax credit financing. These communities are between 80 to 150 beds units and offer private studio and one-bedroom apartments, 24-hour staffing and enhanced services such as medication management and care coordination designed to mitigate breakdowns in care delivery and continuity that can lead to emergency room use and avoidable hospital admissions. All services are developed through a person-

centered approach to care that maximizes the resident's autonomy, independence and opportunity for community integration. These communities also address seniors' nutritional needs, and mitigate the serious harms caused by social isolation, which the National Academy of Sciences found to be one of the greatest predictors of early mortality in senior, while other studies link social isolation and loneliness to poor physical and mental health, loss of cognitive function and chronic illness.

This legislation also ties reimbursement for services to a percent of the average cost of nursing home care to ensure that the program is cost effective.

- In Illinois, which has the largest Medicaid funding Assisted Living program in the country, with over 154 operating sites and 12,755 apartments, the Illinois Affordable Assisted Living Coalition calculates that the State saves from \$104 to \$150 million annually by keeping people out of costly nursing homes.
- In Washington, DC, Medicaid support for LIHTC -financed Affordable Assisted Living Communities has resulted in significant expansion of housing options for seniors who need assistance. It is also making it possible for DC Medicaid to transition more people from nursing homes to the community and to house seniors who are unstably housed or have histories of chronic homelessness.

Finally, This program is not designed to replace current waiver services but to offer a cost-effective additional option for those in need of care and support.

Thank you for the opportunity to testify. I am happy to answer any questions.