

Testimony of Claudia Schlosberg, JD
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Before the
Senate Finance Committee
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SUPPORT with Sponsor Amendments – Senate Bill 884 – Maryland Department of Health –
Limited Affordable Assisted Living Enhanced Care Demonstration Program

Good afternoon, Chair Griffith and Members of the Senate Finance Committee. My name is Claudia Schlosberg. I am the founder of Castle Hill Consulting, LLC, and 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 4.5 years as State Medicaid Director 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, demographic trends show that by 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. In 2017, more than 91000 older Marylanders 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 already 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 Demonstration Program that this bill, as amended, 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 non-public dollars including private equity and low-income housing tax credit financing. These communities are between 80 to 150 beds units and offer private apartments, 24-hour staffing and enhanced services such as medication and nutrition management and care coordination designed to mitigate breakdowns in care delivery and continuity that can lead to emergency room use and avoidable hospital admissions.

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 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.