



William L. Minnix, Jr.

## Dear President-Elect Obama:

Your election has already generated a hopeful attitude in our country. The two key ingredients for transformation are hope and hard work, and you have promised both.

I represent the not-for-profit aging services and support sector. Our members are organizations that provide assisted living, in-

home care, affordable housing, adult day health programs, nursing home care and continuing care retirement communities. The majority are sponsored by religious, fraternal (like the Masons and Odd Fellows), community or labor organizations. Some have been serving seniors, children and the challenged for 150 years or more. We stand that test of time. We affect the lives of millions every day. We are the not-for-profit spirit of America at its best.

You were interviewed on television in November. You asserted that we need to find areas of short-term gains while creating a long-term solution to entrenched problems. You are looking for “twofers”—short-term stimulus and groundwork for long-term economic growth. Here are four ideas for you from our membership that represent “twofers” and more.

### 1. Expand the Nation's Work Force: Create Jobs in Aging Services

There is more need for caregivers than current training programs can meet. Offer stipends to our members to hire and train caregivers for two years. The “twofer” is that increasing qualified staff—especially in nursing homes—increases quality while employing people in entry-level jobs in the broader health care sector. Studies show that caregivers are the key to quality long-term care, and that good quality care is cheaper than bad quality care. Send us 100,000 people with two-year stipends and we will provide a better product at lower cost while putting people to work on a rewarding career path.

### 2. Construct Affordable Housing and Nursing Homes

The success of the U.S. Department of Housing and Urban Development's (HUD) housing for the elderly is a well-kept secret. Every city and hamlet in America has benefited. Current units stay full, yet need to be renovated. There is a backlog of applicants, with 10 older or challenged people on the waiting list for every occupied unit nationwide. This represents a triple “twofer.” Make three billion dollars available to rehab existing units to greener, leaner apartments that can cut energy costs, keep construction work alive, provide safe environments for seniors and help inner-city renewal. Another 10 billion dollars can stimulate new construction as well as services that keep older people out of nursing homes and emergency rooms,

except when truly necessary. Resulting Medicaid and Medicare savings substantially enhance the pay-off of these investments.

Almost every nursing home in America needs renovation and capital for technology. New service models such as small houses and green houses show promise for better quality. Technologies to improve care and efficiency are available and can be readily implemented with leadership from the U.S. Department of Health and Human Services and a capital loan/grant pool of funds. These technologies include such things as electronic health records, advanced care management systems, and monitors and devices to enhance independence.

Furthermore, give HUD a secretary with the commitment and vision of former Sen. Tom Daschle (D-S.D.) and insist that these secretaries work together on housing and services to coordinate Medicaid, HUD and Older Americans Act programs.

### 3. Provide Universal Health Coverage by Including Long-Term Care in Health Reform

We all know that our current health and long-term care system is unsustainable and does not deliver the healthiest of outcomes we should expect. Reform is urgently needed, with universal coverage available to all. The long-term care piece of the puzzle is integral to reform, as Sen. Daschle notes in his recent book *What We Can Do About the Health Care Crisis*.

Our association is advocating a broad-based national insurance program to help adults of all ages receive the care they need in a place they call home. This approach is fully consistent with the agenda you have set forth for “creating a voluntary, budget-neutral national insurance program to help adults who have or develop functional disabilities to remain independent and in their communities.” It is similarly consistent with legislation (the CLASS Act) that you co-sponsored with Sen. Edward Kennedy (D-Mass.), and it is also consistent with former Sen. Bob Kerrey's (D-Neb.) recent op-ed in the *Chicago Tribune*. Sen. Kerrey calls for a national insurance trust into which all Americans pay, with cash benefits to follow the person needing long-term supports and services. Our actuarial study shows that such an insurance pool enacted years ago would have cut Medicaid long-term expenditure in half by today.

Several hundred leading consumer, professional and advocacy organizations support this broad insurance approach. Recent polling reveals substantial consumer support for the approach and the expectation that long-term care financing reform will be integral with health reform.


This “twofer” has multiple short and long-term pay-offs. First, by investing in the national insurance pool or trust, millions of Americans would be participating in an enhanced savings program, with the investment used in the shorter term (i.e., in the years before the aging of the baby boomers requires large pay-outs) to provide jobs—building for longer-term sustained national economic development. Second, as long-term care financing is shifted from Medicaid to a national insurance trust paying cash benefits to those with disabilities, younger people with disabilities will be able to participate in the econ-

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omy, while new in-home services and innovative products are generated in response to enhanced consumer choice. Third, family caregivers will be more productive at work with reduced incidents of stress-related illness. Finally, Medicaid and Medicare dollars can be better spent, if not actually reduced.

***4. Improve quality of care for seniors and reduce costs through the creation of seamless transitions.***

Aside from the finances of health care reform, this country badly needs integrated systems of care, especially for seniors. The “silo” approach of multiple specialties and settings is costly from both financial and human perspectives. Effective chronic care management has the long-term benefit of engaging both consumers and providers in health care decision-making, ultimately reducing the need for dramatic and expensive interventions due to the treatment of episodes rather than the whole person. It also results in more rational models of consumer protection. Short-term returns include the broader education of physicians and other professionals involved with seniors, better opportunities for research on chronic diseases and better tools and practices for providers. The Program of All-Inclusive Care for the Elderly, or PACE, models the way effective transitions can be approached.

Mr. President-elect, we appreciate the determination, discipline and thoughtfulness that you are bringing to the challenges America faces. AAHSA and its members stand ready to help you in any way we can. 

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***Larry Minnix is AAHSA's president and CEO.***