NORTH CAROLINA

STUDY COMMISSION ON AGING

REPORT TO THE
GOVERNOR AND THE 1995 GENERAL ASSEMBLY
OF NORTH CAROLINA
1995 SESSION

North Carolina
Study Commission On Aging

January 25, 1995

COCHAIRS:

SEN. BETSY L. COCHRANE
ADVANCE
LEGISLATIVE BUILDING
ROOM 1117
RALEIGH, NC 27601-2808
(919) 733-7850

REP. JAMES P. GREEN, SR.
HENDERSON
LEGISLATIVE BUILDING
ROOM 2123
RALEIGH, NC 27601-1096
(919) 733-5758

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CHERRYVILLE

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OF HUMAN RESOURCES

MEMBER EX OFFICIO

MR. JOHN YOUNG - STAFF
MS. SUE FLOYD - STAFF
MS. PHYLLIS PORTER - CLERK

LEGISLATIVE OFFICE BUILDING
SUITE 545
300 N. SALISBURY STREET
RALEIGH, NC 27603-5925
(919) 733-2578

To: Governor James B. Hunt, Jr.
President of the North Carolina Senate
Speaker of the North Carolina House of Representatives
Members of the 1995 General Assembly

Attached is the Report to the North Carolina General Assembly, 1995 Session, from the North Carolina Study Commission on Aging, pursuant to North Carolina General Statute 120-187, which reads: "The Commission shall report to the General Assembly and the Governor the results of its study and recommendations."

The North Carolina Study Commission on Aging presents to you findings and recommendations based on extensive study and public hearings. The Commission has held eight (8) meetings, including two public hearings. Proposed legislation is contained within this Report.

Respectfully submitted,

Senator Betsy L. Cochrane

Representative James P. Green, Sr.

NORTH CAROLINA STUDY COMMISSION ON AGING

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Advance, NC

Rep. James P. Green, Sr., Cochair
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Ms. Lynne Perrin
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John Young
Sue Floyd

Clerk:

Phyllis Porter

TABLE OF CONTENTS

EXECUTIVE SUMMARY

The North Carolina Study Commission on Aging is an independent commission created by the Study Commissions and Committees Act of 1987, Chapter 873, Section 13.1. The charge to this 17 member Commission is to study issues of availability and accessibility of health, mental health, social, and other services needed by older adults.

The Commission met eight (8) times since its last Report to the Governor and the 1993 General Assembly. Included in those meetings were public hearings in Lumberton and Hendersonville. The Commission has worked to establish a new and substantial forum for North Carolina's concerns about older adults.

The Commission found that the primary areas of need were still in in-home and caregiver services and other community-based care services. Institutional costs are still rising at a much more rapid rate than appropriations for community-based services. There is an immediate and pressing need for a long-term care policy and coordination of the service delivery system at the State level. In its final report the North Carolina Study Commission on Aging makes the following seven recommendations:

RECOMMENDATIONS

1. The Commission recommends that since no statement of long-term care policy exists as a guide for State action, the 1995 North Carolina General Assembly should place in statute the purpose and intent for a long-term care policy for this State.
2. The Commission recommends that the sunset on the Reverse Mortgage Act be removed.
3. The Commission recommends that the 1995 General Assembly amend the criminal statutes to allow for prosecution of a perpetrator of elder abuse when the elder is living in a domestic setting.

4. The Commission recommends that the 1995 General Assembly increase funding for community-based and in-home services to the elderly.
5. The Commission recommends that the 1995 General Assembly increase its funding to the North Carolina Elderly and Disabled Transportation Assistance Program to $3,000,000 to improve transportation services for the elderly and handicapped.
6. The Commission recommends that the 1995 General Assembly support the efforts of many older North Carolinians and the North Carolina Seniors Endowment to create an endowed professorship in geriatrics or gerontology at Duke Aging Center.
7. The Commission recommends that the 1995 General Assembly establish a legislative study committee to study long-term care insurance.

INTRODUCTION

The North Carolina Study Commission on Aging is an independent commission created by the Study Commissions and Committees Act of 1987, Chapter 873, Section 13.1 (see Appendix A). This Act adds a new General Statute Chapter 120, Article 21. The charge to this 17 member Commission is to study issues of availability and accessibility of health, mental health, social, and other services needed by older adults. The Commission has been given authority to obtain information from all State offices, agents, agencies, and departments, pursuant to G.S. 120-19, as if it were a committee of the General Assembly.

Beyond the general charge contained in G. S. 120-180, the Commission was assigned some very specific duties. In making the study, the Commission is to:

1. Study the needs of older adults in North Carolina;
2. Assess the current status of the adequacy of the delivery of health, mental health, social, and other services in North Carolina;
3. Collect current and long-range data on the older adult population and disseminate this data on an ongoing basis to agencies and organizations that are concerned with the needs of older adults;
4. Develop a comprehensive data base relating to older adults, which may be used to facilitate both short-range and long-range agency planning for services for older adults and for delivery of these services;
5. Document and review requests of federal, State, regional, and local governments for legislation or appropriations for services for older adults and make recommendations after review;
6. Evaluate long-term health care and its non-institutional alternatives;
7. Propose a plan for the development and delivery of State services for older adults that, if implemented, would over 10 years result in a comprehensive, cost effective system of services for older adults;

8. Study all issues and aspects of gerontological concerns and problems, including but not limited to Alzheimer's disease; and,

9. Carry out any other evaluations the Commission considers necessary to perform its mandate.

The Commission membership was established to consist of 17 members as follows:

1. The Secretary of the Department of Human Resources or his delegate shall serve ex officio as a non-voting member;

2. Eight shall be appointed by the Speaker of the House of Representatives, five being members of the House of Representatives at the time of their appointment, and at least two being planners for or providers of health, mental health, or social services to older adults; and

3. Eight shall be appointed by the President Pro Tempore of the Senate, five being members of the Senate at the time of their appointment, and at least two being planners for or providers of health, mental health, or social services to older adults.

A list of the current membership is included in this report behind the letter of transmittal.

NORTH CAROLINA'S OLDER ADULTS

The following is a summary of trends and principal characteristics of North Carolina's older population. The information presented is drawn from the 1990 Census, with analysis done by the Division of Aging. The third edition of the Aging Services Guide for Legislators contains graphs and charts relating to the text.

As we approach the next century, dramatic changes are expected in the demographic profile of North Carolina which will have direct impact on our health and human services systems. Between 1980 and 2010, the population of older adults will have doubled to over 1.1 million. Older adults now comprise the fastest growing segment of our population. Between 1980 and 1990, North Carolina experienced a growth rate of 33% for individuals 65 and over compared to a growth rate of 12.8% for the State as a whole. This ranked North Carolina 10th in the United States in the growth of the older adult population. By the beginning of the next century, older adults will constitute 15% of the total population.

Even more striking is the rate of increase occurring in the population 85 and older. The rate of increase during this same period for our oldest citizens was 51.9% and growth rates are expected to increase to 59.6% through the 1990s. It is the 85 plus population that experiences the highest rates of physical and health impairments which result in needs for health, personal care, and other supportive services. They are the largest group using both group and home and community-based care. This population of older adults is expected to increase from 70,000 in 1990 to over 150,000 by 2010.

A significant contribution to the growth of the older adult population comes from persons retiring to North Carolina. Estimates of up to 40,000 retirees relocated to North Carolina between 1985 and 1990. This ranks North Carolina fifth nationally in attracting out-of-state retirees. Mountain and coastal counties and the sandhills attract many, although urban areas also contribute, particularly from people who want

to locate near major medical facilities. Older in-migrants are generally younger and financially better off than older native North Carolinians. Poverty rates for in-migrants is less than half the rates for other older North Carolinians.

Poverty is a striking characteristic of older North Carolinians. In 1990 almost one in five older North Carolinians (19.5%) had incomes less than the federal poverty level (individual $7,360; family of two $9,840). This compares to a national rate of 12.8%. Only five counties in North Carolina -- Henderson, Dare, Carteret, Moore, and Catawba -- have poverty rates less than the national average. This means many older adults in North Carolina who need health and supportive services lack financial resources needed to pay for their own care.

The proportion of older adults in each of North Carolina's counties varies considerably across the State. While 12.1% of the State's population was 65+ in 1990, 66 of the State's 100 counties had higher proportions of older adults than the State's average. Counties with the largest overall populations tend to have smaller proportions of elderly which held down the State average. Mecklenburg, Guilford, Wake, Forsyth, Buncombe, Gaston, Durham, Rowan, Cumberland and Alamance Counties had the greatest number of older adults while Polk, Macon, Henderson, Clay, Cherokee, Alleghany, Transylvania, Perquimans and Haywood had the highest proportions. As can be noted, rural counties tend to have the highest proportions of older adults and in 1990 overall, 50.7% of the State's 65+ population were living in rural areas. Rural is defined as living in a town or municipality with a population of less than 2,500 or an area outside a town or municipality.

Race and gender and advanced age have very distinct relationships. Older age groups have higher proportions of females and lower proportions of minorities. In 1990, for the 65+ age group, nearly 82% of the population was white and 62% was female. White women made up 49.7% of the population 65 and over and 60% of the

population 85 and over. Both minority women and white women outnumber their male counterparts increasing by age. Minority women made up over 62% of the non-white population 65+ and 68% of those 85+.

Unlike popular conceptions, most older adults live in independent living arrangements. In 1990 over 94% of the 65+ population lived independently, leaving just over 5% in group quarters (nursing homes, domiciliary care, or mental hospitals). For those living in households, 68% were living in families and approximately 30% lived alone. With respect to gender, women are much more likely to live alone due primarily to widowhood. Older adults who live in households are also more likely to own their own homes; 79% own and 21% rent.

The rapid aging of the citizens of the State will mandate attention to increasing needs for hospitals and health care, group care, housing, in-home and community-based services, recreation, and a wide range of supportive services and programming needed and used by older adults and their families. At the same time, there is a need to better coordinate and use existing resources to assure optimal responses to expected increases in demands.

PROCEEDINGS

More than 100 years ago the German head of state, Count Otto Von Bismarck, unknowingly defined who the elderly are in our time by declaring that all workers who reached 65 would be entitled to an old age pension. This was a brilliant, if cynical, political ploy since the life expectancy of the average worker was only 40.

Today the life expectancy for males in the United States is well over 70 years, but the general benchmark for retirement has remained 65. That magic number remains the standard for determining who is elderly and who is not, regardless of more substantive indications. Whatever the threshold number, the fact is that the elderly represent the fastest growing segment of the population -- a segment that is about to explode. The current cliche is to call it "The Graying of America," and that is an accurate, if tired, expression.

Within this general "graying" trend, many subtle distinctions are emerging. The elderly are a heterogeneous group economically, socially and in terms of health status, need for services, and use of available resources. But the media's need for brevity and impact is fed by the desire of politicians, gerontologists and special interest groups to effectively market the particular programs, services or ideologies they wish to sell. Such marketing efforts have produced a stereotype of the elderly as a homogeneous population group -- poor, inactive, taking from society, in ill health and dependent upon others. Everyone aged 65 and over is classified as elderly, yet the elderly are the most diverse group within the population. Their differences have been accumulated over a lifetime.

Finding out who the elderly are and what their current and future needs are have been key tasks of the North Carolina Study Commission on Aging. In the late 70s, the North Carolina General Assembly began to recognize the older adult. In 1978 it began to study the problems of aging on an annual basis through the

Legislative Research Commission process until it made its final report to the 1987 General Assembly.

In its 1987 Session, the General Assembly established the North Carolina Study Commission on Aging with a $100,000 budget. Many studies are established through resolution but the North Carolina Study Commission on Aging was established by statute. The General Assembly's purpose for this rather unusual action was to offer a new and substantial forum for North Carolinians concerned about older adults. To this end, the 1993-95 Commission met eight (8) times during the course of its deliberations; two of these meetings were public hearings held in Lumberton and Hendersonville. The dates, locations and foci of all the meetings are listed in Appendix B.

The initial meeting of the Commission was dedicated to organizational functions and Commission education regarding the demographics of aging, both for North Carolina and the nation and the structure of aging services in the State. A major part of this meeting focused on the Division of Aging (DOA) which has the primary responsibility to administer the Older Americans Act funding and State appropriations. The Division serves as an effective and visible advocate for older adults. Within this context, DOA not only administers federal funds under the Older Americans Act, but also State appropriations, and a small amount of social service block grant funds to carry out its responsibilities.

Aging expenditures for the latest available fiscal years are included as Appendix C.

As required by statute, the Commission moves the hearing process away from Raleigh in order to achieve a balanced and broader view of aging issues and needs. Therefore, the Commission conducted public hearings in Lumberton on April 14,

1994, and Hendersonville on April 19, 1994. Many persons would never have been able to address the Commission if it had met only in Raleigh.

Numerous issues were brought to the attention of the Commission. Many of the recommendations contained in this Report are distilled from information presented at the public hearings. Appendix D contains a listing of these issues brought to the Commission. The following summary will give some indication of the scope of the hearings and the information placed before the Commission. A complete record of the testimony is on file with the Commission. The following two points illustrate the issues:

1. Community-Based Services - Currently, North Carolina spends at least five times more on institutional care for the elderly than on community-based care. The non-institutional system has not received adequate attention in North Carolina. Even though progress has been made in the programs to prevent unnecessary institutionalization, information obtained from these hearings indicated to the Commission that there are still certain weaknesses and needs in the community-based services.
2. Transportation - One of the highest priorities expressed at the Commission public hearings was the need for additional transportation services, particularly to help meet the increasing need for medical services. In addition, important groundwork for a new system of delivering transportation services had been laid through earlier study commissions and introduced in the 1987 Session of the General Assembly as Senate Bill 58. There is a great need to supplement existing sources of support for transportation services for the elderly, as well as for the handicapped.

Over the course of a number of meetings various aging and aging-related groups were invited to appear before the Commission to present, from their perspectives, the problems and issues affecting older adults in North Carolina. The full text of these comments is on file with the Commission. A staff summary is attached as Appendix E.

Assisted Living

Over the course of the last four years the Commission has devoted special attention and taken a closer look at housing with services options that serve frail, older people. Chapter 754, Section 19.2 of the 1991 Session Laws directed the Commission to study the concept of "assisted living" which is a combination of shelter and services for older adults, including maintenance, housekeeping, meals, transportation, 24-hour staffing and security, but not encompassing "continuing care" as that term is defined and regulated under Article 64 of Chapter 58 of the General Statutes. The Commission made no recommendations to the 1993 General Assembly but promised to monitor and report developments related to the feasibility of assisted living in North Carolina.

To continue this promised monitoring, the Commission visited one emerging type of assisted living facility, the Preiss-Steele Place in Durham. The target population is comprised of the elderly (60 years of age and over) and the disabled. The one-bedroom units are affordable for persons at or below 40% of the area median income ($14,037). One unique feature of the 102-unit apartment complex is its marriage of both housing and services for the low-income elderly and disabled citizens. By adjusting services to meet each individual's needs, independent living with services allows residents to age in place despite some changes that may occur with the aging process. This has been accomplished by a unique private/public/non-profit partnership. The facility is especially equipped and designed to allow for

independent living with services. All the units are handicapped accessible. Common areas include a multi-purpose room (dining room, kitchen), an examination room for visiting nurses, sun rooms on each level, lobbies and lounges. The Durham Housing Authority manages and provides staff to organize social and recreational activities. The Council for Senior Citizens serves meals on site daily. In addition, the Department of Social Services has a part-time case manager on site to coordinate the arrangements for additional services such as bathing, dressing, cleaning and meal preparation. There are two full-time aides on site to provide these services.

The Commission heard from the Assistant Secretary for Aging of the Department of Human Resources, Ms. Lynne Perrin, about the Department's efforts to define assisted living. The Secretary of the Department of Human Resources placed assisted living within the larger context of an investigation and analysis of domiciliary care in North Carolina. He established a steering team comprised of 31 persons in June 1993 to assist the Department by recommending actions that address a variety of issues in domiciliary care. One of the subteams has reported a definition that will help the State to regulate assisted living in North Carolina.

All of this discussion and analysis comes about because older persons and their families are in search for more humane alternatives to some current institutions for the frail elderly. For three decades, the United States has essentially defined aging as a medical problem. Institutional care has been financed by State and federal dollars and has created a tangle of regulations that minimize the emotional needs of residents and that greatly reduces personal privacy and independence.

After listening to a number of speakers, the Commission is impressed with the following principles for any housing with services for older adults:

1. Any efforts that encourage the development of a variety of assisted living models offering families and relatives choices and maximum flexibility.

2. A system that encourages a competitive free market for assisted living.

3. The recognition of shared risk based on individual choice and ability.

4. A system based on quality outcome indicators rather than current process oriented monitoring and regulation.

Long-Term Care

Since its inception, the Commission has continued to bring to the attention of the General Assembly the growing need for a continuum of long-term care services. The General Assembly has responded. In 1988 the General Assembly provided the first significant State funding to the Division of Aging for a comprehensive system of in-home aide services. The Commission again listened to testimony from many groups and persons about the need to develop a more efficient and far-reaching service delivery system in this State for older adults so that they are not pulled from their communities and families before it is necessary.

The Director of the Division of Aging, Ms. Bonnie Cramer, at the request of the Commission, gave a most cogent and succinct summary of the long-term care situation in North Carolina. Portions are produced below:

> The growth of the older adult population places obvious demands on all elements of our long-term care systems. The growth in expenditures should be anticipated and we can expect more demands as time goes by. This phenomenon is what Mary Odom, the Speaker of the Senior Tar Heel Legislature, calls the "sleeping giant" and we need to be particularly concerned about the growth of the over 85 population. Based on ratings by the Administration on Aging, North Carolina is ranked 8th in the nation in potential demand for long-term care services for older adults based on ten critical risk factors. But I also know that the numbers of high-risk are manageable with a strong community service delivery system (78,000 in 1996 growing to 104,000 by 2010).
>
> We have made substantial strides in developing a home and community-based service system for high-risk older adults who are Medicaid eligible through the development of the Community Alternative Program for Disabled Adults (CAP/DA). CAP/DA is an excellent program which has demonstrated it is possible to provide home and community care to a high-risk individual at a reasonable cost ($10,400 per person in 1993). Expansion of this program along

with Medicaid Personal Care accounts for most of the home and community-based care increases I noted previously. The recent steps taken to extend Medicaid eligibility to aged, blind and disabled SSI recipients will also increase access to an array of Medicaid covered services including home and community-based care.

We will still have, however, a significant portion of older adults in North Carolina, the working poor and middle class, who do not have the means to afford the total cost of long-term care services. Eighty-seven percent (87%) of the high-risk have incomes over current Medicaid eligibility levels. We need to increase the Medicaid eligibility level -- now at 39% of poverty except for recipients of Supplemental Security Income. This will draw down two federal dollars for each State dollar. But with 87% of high-risk older adults still above the Medicaid eligibility levels to be in effect this January, the alternative presented many of these families is to spend everything they have to support care, exhaust all their resources and become eligible for Medicaid.

What is needed to achieve better balance in North Carolina is a program of home and community-based services, provided through managed care, to complement the Medicaid Community Alternatives Program. This complementary program should be made available to high-risk, non-Medicaid individuals on a sliding fee basis.

This recommendation was initially made in the 1991 State Aging Services Plan as a result of the deliberations of the legislatively-mandated Home and Community Care Advisory Committee, and it was further refined in 1993. It continues to be an action needed and desired by older adults in this State as evidenced by recommendations from the North Carolina Coalition on Aging, the Senior Tar Heel Legislature and the Home and Community Care Advisory Committee and more recently, the Benefits Committee of the Health Planning Commission (September 27, 1994).

We already have in place some key components of a more comprehensive system --

- A well managed and successful Medicaid Community Alternatives Program.
- A well-developed service agency network, public-private coalitions, county-based planning, a block grant which takes initial steps to combine funding streams, provides flexibility, and places decisions at the local level within State guidelines.
- An area agency on aging structure that is growing in leadership and capacity in developing comprehensive local service systems.
- Automatic Medicaid eligibility for SSI recipients.
- A recent effort initiated by the Assistant Secretary for Aging and Special Needs to form a long-term care advisory committee composed of Division Directors.

- Coordination with Medicaid CAP/DA programs and those for non-Medicaid eligible persons at the State and local levels.
- Organized senior advocacy groups.
  Recognition of long-term care by the Benefits Committee of the Health Planning Commission that community-based services are central to long-term care for Medicaid and non-Medicaid eligible persons alike.

We also need to look towards increasing the eligibility level for Medicaid which will maximize federal dollars and extend home and community services to more high-risk older persons. At the same time, partial financial support needs to be available for the vast number of older adults who are not eligible for Medicaid but can pay a portion of the cost of their care to buy-in to CAP/DA program benefits. Finally, private insurance needs to be more affordable and attractive (i.e., tax credits or tax deductions). Annual long-term care insurance premiums for older couples run about $2,000 and only 8% of the older population in North Carolina can afford these premiums. Nationally, the private long-term care insurance market is experiencing significant growth and now 4%-5% of older persons have coverage. Even still, private insurance payments represent only 2%-4% of all long-term care expenditures.

We don't need to read studies to know frail older adults want to remain in their own homes as long as it is practical and they can do so without creating an undue burden for their families. At the same time, we know that families and informal caregivers go to extraordinary lengths in providing care -- in fact we know the primary building block for LTC for older adults is their family. We need to develop programs that can bring together these complementary notions -- supporting high-risk older adults in their own homes and augmenting the care provided by families. The State has demonstrated success in the CAP/DA program, and we have strong expectations that comparable programs can be successful and economically feasible for other persons in need of care.

Finally, long-term care policy goals should be:

- North Carolina needs to increase its commitment to home and community-based care as the cornerstone of the long-term care system. In-home care should not be viewed as an alternative to institutional care; rather it should be the primary choice for impaired older adults.
- Great strides have been taken to provide long-term care benefits to very poor older and disabled persons through the Medicaid program. We also need to provide coverage on a sliding fee basis to low- income and moderate income persons who do not qualify for Medicaid but who can buy in to CAP/DA services.
- Attention must be given to establishing a less complex system of services. We have to simplify access and the service delivery system so that families in need receive quality services and have choices about where services are received.

- We need to foster and promote a variety of individual and group housing models to provide amenable and affordable housing options for older adults. Adequate housing can be a pivotal ingredient in allowing older adults to continue to live in their communities.
- We need to work to continually ensure that quality home and out-of-home care is provided.

FINDINGS AND RECOMMENDATIONS

RECOMMENDATION 1

Since no statement of long-term care policy exists as a guide for State action, the 1995 North Carolina General Assembly should place in statute the purpose and intent for a long-term care policy for this State. (See Appendix F)

The continuum of health services for older persons has widened in recent years to include everything from hospital and nursing home care to home health services and adult day care. Reimbursement for long-term care (usually Medicare or Medicaid) often determines the location of care on this continuum. "Who will pay?" has become the overriding question rather than the more appropriate question: "What kind of health care does the person need?" It is now time for policymakers to structure the long-term care delivery system so that it emphasizes the appropriate level of care for an older person.

The aging of the population and advanced medical technology have resulted in a growing number of persons who require assistance. The primary resources for long-term care continues to be the family and friends. However, these traditional caregivers are increasingly employed outside the home. There is growing demand for improvement and expansion of home and community-based long-term care services to support and complement the services provided by these informal caregivers.

The public interest would best be served by a broad array of long-term care services that support persons who need such services at home or in the community whenever practicable and that promote individual autonomy, dignity and choice.

As other long-term care options become more available, the relative need for institutions will stabilize or decline relative to the growing aging population. Institutional care will continue to be a critical part of the State's long-term care options. All services should promote individual dignity, autonomy, and a home-like environment.

RECOMMENDATION 2

The Commission recommends that the sunset on the Reverse Mortgage Act be removed. (See Appendix G)

Some older persons reach a point in their lives when they are cash poor and many times their home is their major asset. Reverse mortgages provide opportunities for older persons to access the equity in their homes as an income stream which does not have to be repaid until the borrower dies, sells, or moves. Currently, the Housing and Urban Development (HUD) Home Equity Conversion Mortgage (HECM) is the only reverse mortgage product offered in North Carolina.

To access the HECM program and to allow older persons to take advantage of reverse mortgages, the Reverse Mortgage Act, Article 21 of Chapter 53 of the General Statutes, was enacted by the 1991 General Assembly. It has made available the opportunity for reverse mortgage products while providing protection for older consumers and has been a workable compromise between consumer protection advocates and private lending interests.

The Act sunsets on October 1, 1995, and no reverse mortgage loans are to be made on or after that date. This sunset originally coincided with the HECM demonstration and consequently the sunset clause dovetailed the ending date for the demonstration. Federal legislation is currently pending to extend the sunset of the HECM program to an as yet undetermined date. Removing the sunset from State law will comply with whatever date is enacted federally and will allow older persons the continued opportunity to access the equity in their homes.

RECOMMENDATION 3

The Commission recommends that the 1995 General Assembly amend the criminal statutes to allow for prosecution of a perpetrator of elder abuse when the elder is living in a domestic setting. (See Appendix H)

Adult protective services are provided by all 100 county departments of social services in North Carolina. This service is statutorily defined in G. S. 108A Article 6, with the legislative intent to protect elderly or disabled adults in North Carolina who are abused, neglected or exploited, by requiring the county departments of social services to receive and evaluate reports alleging the need for protective services, and to provide or arrange for protective services. Individuals receiving adult protective services are adults, 18 years of age or older, who are present in North Carolina, and are incapacitated in some way by a physical or mental disability. They have already experienced abuse, neglect, or exploitation, and are in need of protection because they are unable to prevent or stop the mistreatment and have no one else to protect them. Some 7,806 individuals received adult protective services in FY 1993-94 through the social services system. The majority of those receiving adult protective services are elderly. Fifty-five percent are between the ages of 60-84, and the 85+ group made up approximately 19% of cases.

The criminal statutes of North Carolina do not address the prosecution of a perpetrator of abuse or neglect when the elderly or disabled adult victim is living in a domestic setting. The statutes do provide for prosecution when the victim lives in an institutional setting, treatment facility or is receiving services from a kidney disease treatment center, home health agency, or ambulatory surgical facility. Even though the majority of adult protective cases do not involve criminal action, there is a need for a statutory provision to clearly allow District Attorneys to pursue prosecution in instances where there has been criminal action. Social Services staffs are often frustrated by the fact that the District Attorney is unable to prosecute a perpetrator after the Division of Social Services has made a report of its findings to the District Attorney's office.

RECOMMENDATION 4

The Commission recommends the 1995 General Assembly increase funding for community-based and in-home services to the elderly. (See Appendix I)

The "Aging of America" has no precedent. Extraordinary challenges and opportunities lie ahead as we learn to cope with the increasing numbers of older persons extending their lifetimes into their 80's and 90's. The 85+ population is the age group growing fastest and will place the greatest demands on our long-term care system. Their numbers are expected to more than double for the 85+ age group between 1990 and 2010 to 154,000 persons.

Older people are tending to remain in their homes longer as they grow older; however they have fewer support and caregiver resources such as family members. Eighty percent of the support for seniors comes from family and friends. With growing numbers of elderly, need for services by public and private providers will continue to increase. In-home supportive services are the key to bolstering the elderly's ability to continue living as they prefer in the face of growing frailty.

Currently, in North Carolina, many consumers cannot receive the care they need without being institutionalized. Therefore the challenge for this State in the future is to expand the number and kinds of options available that are less expensive and more preferred. The Commission believes that these options are community and in-home services.

The trend in North Carolina is to fund institutional care first and then fund in-home and community services if funds are available. Between 1990 and 1993, the ratio of North Carolina's public expenditures for home and community services decreased from 18.5% to 16%.

North Carolina will experience an age wave in the growth of our older population over the next four decades and long-term care needs will rise. We need to move swiftly

to put in place a long-term care system with home care as its cornerstone in order to reach the 95% over 65 who remain in their own homes. While states might once have been able to afford costs of long-term care programs that depend heavily on out-of-home care, the fiscal constraints of the 1990's and the demographic trends of the 21st century are poised to overwhelm systems that do not utilize home and community services to the maximum degree possible. Long-term care lurks as the sleeping giant of the health-care system and the stakes are high unless steps are carefully taken to forge a long-term care system in this decade that is accessible to all the citizens of this State.

RECOMMENDATION 5

The Commission recommends that the 1995 General Assembly increase its funding of $2,000,000 to improve transportation services for the elderly and handicapped. (See Appendix J)

Over the period of its existence, the Commission has heard from many persons defining many problems affecting the elderly. One of the persistent problems of the elderly has been transportation. It permeates many other issues relating to the elderly and handicapped. In essence, many elderly cannot get to and from the places they need to go. In rural areas, they are sometimes so isolated they cannot get to a telephone to request transportation that may be available. Even in urban areas, the elderly generally live in residential locations, poorly serviced by public transit. Many speakers have stated that "transportation for the elderly needs to be provided not purely for getting from here to there but also as an antidote for the entire process of aging."

Because of these concerns, a number of federal programs began to fund bits and pieces of these transportation needs and the State began efforts in the mid-seventies to streamline human service transportation. By that time, the proliferation of human service programs which allowed expenditure for transportation was apparent. In the Spring of 1978, A Governor's Committee on Rural Public Transportation was

established to study the situation. Due to the findings of that Committee, the Public Transportation Division of the Department of Transportation in conjunction with county government and local human service agencies, undertook to produce transportation plans for each of the State's 100 counties. As a result, there exists a reasonable degree of coordination and cost effectiveness in most counties. Ample equipment is available. With these factors as background, the Legislative Research Commission's Committee on Aging reported to the General Assembly that State operating money was needed to expend transportation to the elderly and handicapped. The Study Commission on Aging made a proposal to the 1987 General Assembly, 1988 Session, for operating assistance that should go to all 100 counties. The 1989 General Assembly finally approved these funds, providing $2,000,000 from highway funds specifying that $1,000,000 was to be divided based on the elderly and handicapped population in each county and the density of each county. Each successive General Assembly has continued this funding.

Unfortunately, the need for transportation continues and grows as shown by the latest data. The Commission believes that in light of this proven need and growing demand, the 1995 General Assembly should increase the $2,000,000 appropriation which has not been increased since 1989.

RECOMMENDATION 6

The Commission recommends that the 1995 General Assembly support the efforts of many older North Carolinians and the North Carolina Seniors Endowment to create an endowed professorship in geriatrics or gerontology at Duke Aging Center.

Each of our citizens should have the opportunity to live the later years of life with dignity and enjoyment, free of preventable hardships which so many experience. There is reason to believe that such a goal can be reached through a well-balanced program of research, education and service. In addition to these humanitarian

considerations, there are valid economic reasons for suggesting that a major investment be made in such a program. It is more efficient to prevent functional dependency as long as possible so that the individual may live at home than to provide institutional care for preventable problems.

From its inception, the Duke University Center for the Study of Aging and Human Development has been at the forefront of helping North Carolina's elderly to live longer, healthier and more productive lives. Established in 1955 long before "aging" became a national concern, Duke's Aging Center has worked for more than a generation to help older Americans "age well".

Across North Carolina, senior citizens are joining together in a critical campaign to help the Aging Center prepare to meet the future needs of the State's elderly. On behalf of the Aging Center, they are seeking to raise more than $1 million to establish the Seniors Endowment which would be used to create a Center professorship in geriatrics or gerontology. This is an excellent example of the private sector moving toward a goal with the help of the public sector. The Endowment currently has raised over $100,000 mainly through the efforts of retired school personnel.

Many older North Carolinians believe that an endowed professorship at Duke's Aging Center will be one of the State's greatest resources in preparing for the challenges of tomorrow. Already the North Carolina Seniors Endowment has been endorsed by the North Carolina Chapter of the American Association of Retired Persons, the North Carolina Senior Citizens Association and the Governor's Advisory Council on Aging.

RECOMMENDATION 7

The Commission recommends that the 1995 General Assembly establish a legislative study committee to study long-term care insurance. (See Appendix K)

It is clear that older adults quickly exhaust their resources when paying for long-term care. Studies show that more than 65 percent of single older adults will become impoverished after a nursing home stay of 13 weeks. Private insurance covered a very small percentage of nursing home costs paid for by private resources. Medicare supplement policies offer only marginal benefits to a consumer. Since Medicare and Medicaid are inadequate to finance long-term health care, more attention is being focused on developing private long-term care insurance policies. The Commission believes that the General Assembly should turn its attention to examining the issues in financing long-term care and consider the State's options. Some of the options that may need study are:

A. Whether to mandate long-term insurance coverage;

B. Impediments to product development;

C. Whether the State could promote product purchase; and

D. Minimum standards of coverage.

The Commission believes that the orientation of the proposed committee should be toward issues and membership that have a technical understanding of insurance markets and principles. It may be appropriate for the Commission to investigate the issue through a subcommittee of the Commission if proposed changes to the statutes establishing the Commission are made.

APPENDICES

APPENDIX A

ARTICLE 21.
The North Carolina Study Commission on Aging.

§ 120-180. Commission; creation.

The North Carolina Study Commission on Aging is created to study and evaluate the existing system of delivery of State services to older adults and to recommend an improved system of delivery to meet the present and future needs of older adults. This study shall be a continuing one and the evaluation ongoing, as the population of older citizens grows and as old problems faced by older citizens magnify and are augmented by new problems.

§ 120-181. Commission; duties.

The Commission shall study the issues of availability and accessibility of health, mental health, social, and other services needed by older adults. In making this study the Commission shall:

(1) Study the needs of older adults in North Carolina;

(2) Assess the current status of the adequacy and of the delivery of health, mental health, social, and other services to older adults;

(3) Collect current and long range data on the older adult population and disseminate this data on an ongoing basis to agencies and organizations that are concerned with the needs of older adults;

(4) Develop a comprehensive data base relating to older adults, which may be used to facilitate both short and long range agency planning for services for older adults and for delivery of these services;

(5) Document and review requests of federal, State, regional, and local governments for legislation or appropriations for services for older adults, and make recommendations after review;

(6) Evaluate long-term health care and its non-institutional alternatives;

(7) Propose a plan for the development and delivery of State services for older adults that, if implemented, would, over 10 years, result in a comprehensive, cost-effective system of services for older adults;

(8) Study all issues and aspects of gerontological concerns and problems, including but not limited to Alzheimer's Disease; and

(9) Carry out any other evaluations the Commission considers necessary to perform its mandate.

§ 120-182. Commission; membership.

The Commission shall consist of 17 members, as follows:

(1) The Secretary of the Department of Human Resources or his delegate shall serve ex officio as a non-voting member;

(2) Eight shall be appointed by the Speaker of the House of Representatives, five being members of the House of Representatives at the time of their appointment, and at least two being planners for or providers of health, mental health, or social services to older adults; and

(3) Eight shall be appointed by the President Pro Tempore of the Senate, five being members of the Senate at the time of their appointment, and at least two being planners for or providers of health, mental health, or social services to older adults.

Any vacancy shall be filled by the appointing authority who made the initial appointment and by a person having the same qualifications. All initial appointments shall be made within one calendar month from the effective date of this Article. Members' terms shall last for two years. Members may be reappointed for two consecutive terms and may be appointed again after having been off the Commission for two years.

§ 120-183. Commission; meetings.

The Commission shall have its initial meeting no later than October 1, 1987, at the call of the President of the Senate and Speaker of the House. The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall appoint a cochairman each from the membership of the Commission. The Commission shall meet upon the call of the cochairmen.

§ 120-184. Commission; reimbursement.

The Commission members shall receive no salary as a result of serving on the Commission but shall receive necessary subsistence and travel expenses in accordance with the provisions of G.S. 120-3.1, G.S. 138-5 and G.S. 138-6, as applicable.

§ 120-185. Commission; public hearings.

The Commission may hold public meetings across the State to solicit public input with respect to the issues of aging in North Carolina.

§ 120-186. Commission; authority.

The Commission has the authority to obtain information and data from all State officers, agents, agencies and departments, while in discharge of its duties, pursuant to the provisions of G.S. 120-19, as if it were a committee of the General Assembly. The Commission shall also have the authority to call witnesses, compel testimony relevant to any matter properly before the Commission, and subpoena records and documents, provided that any patient record shall have patient identifying information removed. The provisions of G.S. 120-19.1 through G.S. 120-19.4 shall apply to the proceedings of the Commission as if it were a joint committee of the General Assembly. In addition to the other signatures required for the issuance of a subpoena under this section, the subpoena shall also be signed by the cochairmen of the Commission. Any cost of providing information to the Commission not covered by G.S. 120-19.3 may be reimbursed by the Commission from funds appropriated to it for its continuing study.

§ 120-186.1. Commission; Alzheimer's Subcommittee.

The Commission cochairmen shall appoint an Alzheimer's Subcommittee. The cochairmen shall appoint as members of the Subcommittee three Commission members and at least four but no more than six non-Commission members. The Commission shall prescribe the duties of the Alzheimer's Subcommittee which may include conducting studies on the availability and efficacy of currently existing geriatric or memory disorder services and programs, advising the Commission on matters regarding Alzheimer's services and programs, and recommending to the Commission solutions to related problems.

§ 120-187. Commission; reports.

The Commission shall report to the General Assembly and the Governor the results of its study and recommendations. A written report shall be submitted to each biennial session of the General Assembly at its convening.

§ 120-188. Commission; staff; meeting place.

The Commission may contract for clerical or professional staff or for any other services it may require in the course of its on-going study. At the request of the Commission, the Legislative Services Commission may supply members of the staff of the Legislative Services Office and clerical assistance to the Commission as the Legislative Services Commission considers appropriate.

The Commission may, with the approval of the Legislative Services Commission, meet in the State Legislative Building or the Legislative Office Building.

APPENDIX B

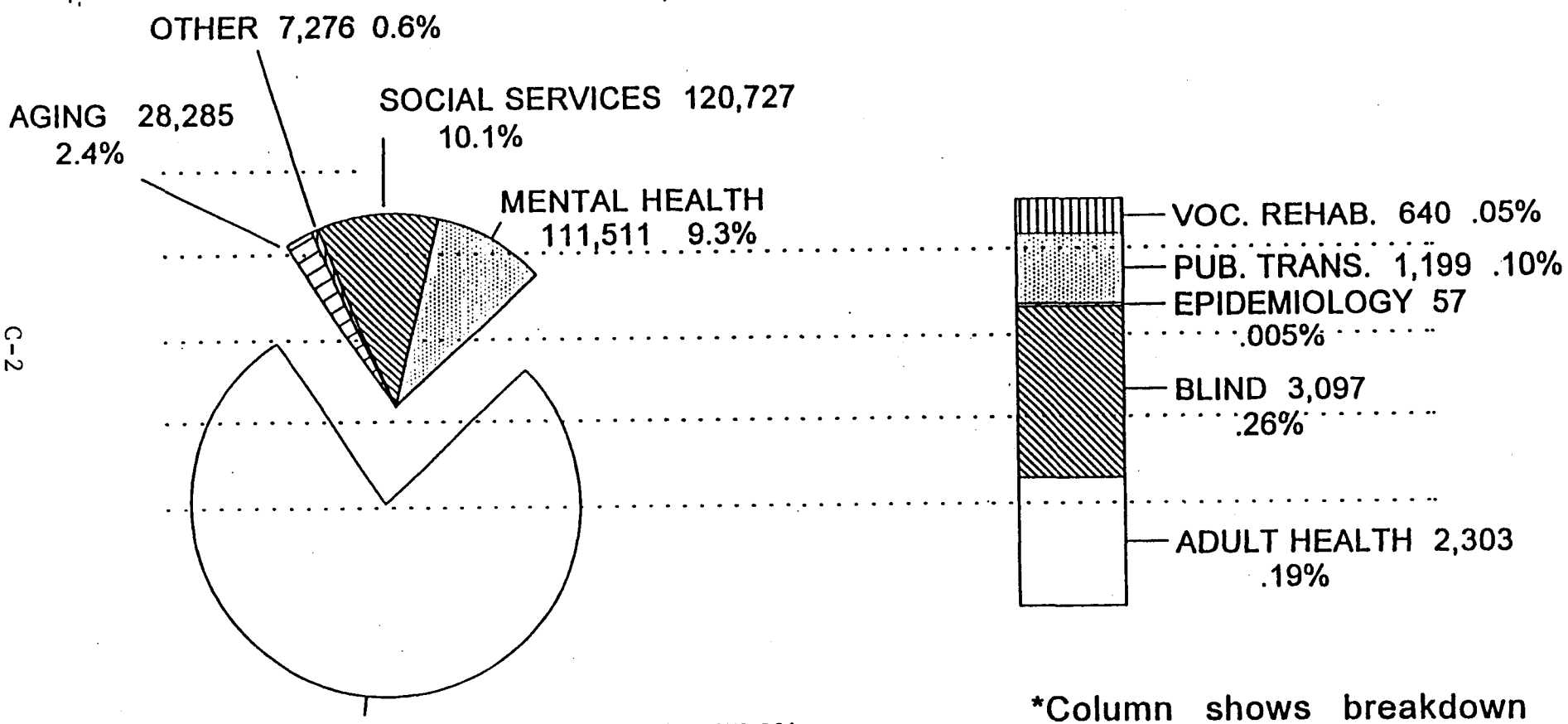
MEETINGS OF THE NORTH CAROLINA STUDY COMMISSION ON AGING
1993-94 FISCAL YEAR

	Date/Location	Focus of Meeting
1.	February 2, 1994 Raleigh	Orientation to Aging Issues and Programs; Demographics of Aging; and Report from the DHR Steering Team for Domiciliary Care
2.	April 14, 1994 Lumberton	Public Hearing
3.	April 19, 1994 Hendersonville	Public Hearing
4.	August 25, 1994 Raleigh	Legislative Issues: AARP; Senior Tar Heel Legislature; Governor's Advisory Council on Aging; and Long-Term Care Update
5.	September 29, 1994 Preiss-Steele Place Durham	Tour of Assisted Living Facility and Round Table Discussion of Assisted Living
6.	October 19, 1994 Raleigh	Long-Term Care; Elder Abuse; and Reverse Mortgages
7.	November 16, 1994 Raleigh	Legislative Issues Continued: North Carolina Coalition on Aging; Legislative Priorities from DHR; and Gerontological Education
8.	December 15, 1994 Raleigh	Review and Approval of Final Report

SFY 92-93
AGING EXPENDITURES

DIVISION	ECONOMIC SUPPORT	HOSPITALS, PHYSICIANS & OTHER HEALTH	INSTITUTIONAL CARE	DOMICILIARY CARE	HOME HEALTH & IN-HOME CARE	SOCIAL/ SUPPORTIVE SERVICES	DIVISION TOTAL	DIVISION PER CENT
ADULT HEALTH					2,303,400		2,303,400	0.19
AGING		738,905			14,195,078	13,351,272	28,285,255	2.36
BLIND		293,338		86,916	567,389	2,149,430	3,097,073	0.26
EPIDEMIOLOGY		57,185					57,185	0.005
MEDICAL ASSISTANCE	82,732,826	227,928,372	536,935,822		81,696,184		929,293,204	77.63
MENTAL HEALTH		13,731,537	97,780,340				111,511,877	9.32
PUBLIC TRANSPORTATION						1,198,839	1,198,839	0.1
SOCIAL SERVICES	56,582,091			57,650,975	1,379,739	5,114,287	120,727,092	10.08
VOCATIONAL REHABILITATION						640,385	640,385	0.05
CATEGORY TOTAL	139,314,917	242,749,337	634,716,162	57,737,891	100,141,790	22,454,213	1,197,114,310	
CATEGORY PER CENT	11.64	20.28	53.02	4.82	8.37	1.88		

EXPENDITURES IN SUPPORT OF OLDER ADULTS BY DIVISION
SFY 92-93



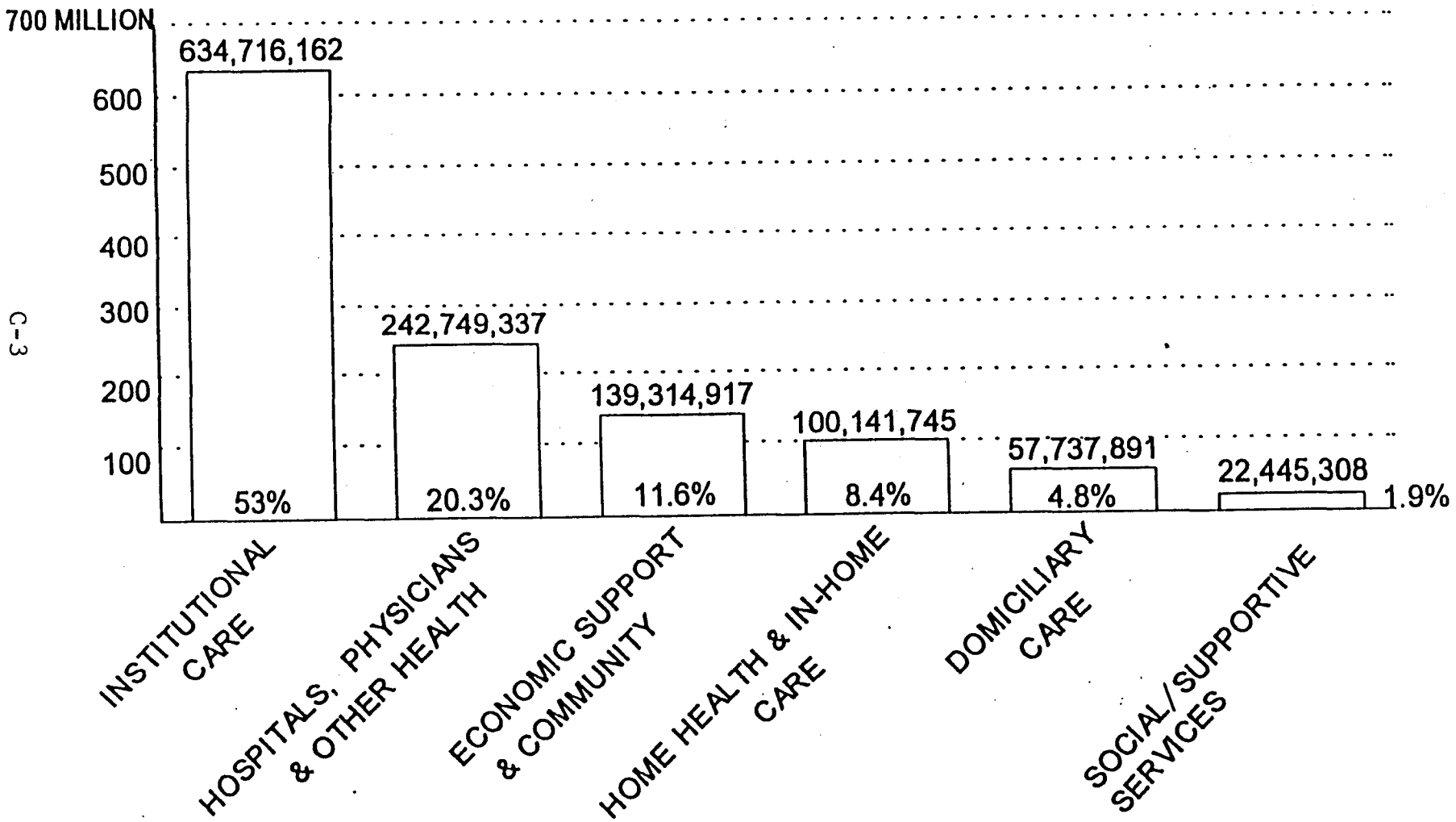
*Column shows breakdown of other Divisions

Total expenditures SFY 92-93
1,197,114,310

N.C. Division of Aging Jan. 1994

Expenditures indicated in thousands (000s)

EXPENDITURES BY MAJOR SERVICE CATEGORIES
SFY 92-93



N.C. Division of Aging January, 1994

APPENDIX D

"Summary of Issues from Public Hearings"

Lumberton, North Carolina - April 14, 1994
Hendersonville, North Carolina - April 19, 1994

(15 Speakers in Lumberton; 30 Speakers in Hendersonville)

	Issues	Total
1.	Expand and more funding for community-based and in in-home services, including respite, home health chore, homemaker.	10
2.	Support funding Senior Games.	7
3.	Manufactured home bill of rights (SB 1228).	5
4.	Increase number and funding for adult day care.	4
5.	RSVP/Senior Companion.	4
6.	More Transportation	3
7.	More affordable housing for the elderly to include incentives for improving housing alternatives and housing in rural and small towns.	3
8.	Require by State regulation training of rest home aides.	3
9.	Medications for older adults.	2
10.	Nursing Home Issues a. Require nursing homes keep promises made in CON process. b. Increase staff/patient ratio.	3
11.	Alzheimers issues.	1
12.	AARP/55 Alive/mature driving program.	1
13.	Senior Tar Heel Legislature.	1
14.	Unlicensed boarding facilities for aged.	1
15.	Elder abuse legislation.	1

APPENDIX E

Aging Issues

1. American Association of Retired Persons

   Remarks by: Mr. Warren Casey, Dr. James Clarke, and Mr. Richard Hatch.

   a. Health reform to include universal insurance coverage, quality prevention long-term care, and cost containment.

   b. Protection of public and private employee retirement funds.

   c. Probate reform.

   d. Increase the income tax exclusion for retirees receiving a private pension.

   e. Manufactured homeowners bill of rights.

2. Senior Tar Heel Legislature

   Remarks by: Dr. Page Hudson

3. Governor's Advisory Council on Aging

   Remarks by: Mr. John Denning

   a. Support the establishment of a unified administrative structure for long-term care through a Long-Term Care Policy Council.

   b. Increase the Medicaid eligibility level for older adults and increase support for non-medical eligible persons who can pay for a portion of the cost of service.

4. North Carolina Coalition on Aging

   Remarks by: Ms. Ann Johnson

   a. Appropriate at least $4 million for in-home services.

   b. Expand the Medicaid eligibility level to 100% of the federal poverty guidelines amount.

   c. Appropriate $3.25 million for senior centers.

   d. Create a long-term care commission.

   e. Link any increase in domiciliary care reimbursement to quality assurance, aide training and documented costs.

APPENDIX F

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

D

95-RI-02.5
THIS IS A DRAFT 13-DEC-94 16:08:32

Short Title: Aging Comn. Sub./Long-Term Care Changes (Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO CREATE THE LONG-TERM CARE SUBCOMMITTEE AND TO PROVIDE FOR THE CREATION OF OTHER SUBCOMMITTEES OF THE NORTH CAROLINA STUDY COMMISSION ON AGING AND TO MAKE CHANGES TO THE LONG-TERM CARE LAW.

The General Assembly of North Carolina enacts:

Section 1. G.S. 120-186.1 reads as rewritten:

"**§ 120-186.1. Commission; ~~Alzheimer's Subcommittee.~~ Alzheimer's Subcommittee, Long-Term Care Subcommittee, and other subcommittees.**

~~The Commission cochairmen shall appoint an Alzheimer's Subcommittee. The cochairmen shall appoint as members of the Subcommittee three Commission members and at least four but no more than six non-Commission members. The Commission shall prescribe the duties of the Alzheimer's Subcommittee which may include conducting studies on the availability and efficacy of currently existing geriatric or memory disorder services and programs, advising the Commission on matters regarding Alzheimer's services and programs, and recommending to the Commission solutions to related problems.~~

(a) The Commission cochairs shall appoint subcommittees as needed to assist with the completion of the work of the Commission. These subcommittees may include an Alzheimer's Subcommittee, a Long-Term Care Subcommittee, or other special

subject subcommittees. The cochairs shall appoint as members of any subcommittee not more than four Commission members and at least four but no more than six non-Commission members.

(b) The Commission cochairs shall prescribe the duties of any subcommittee created. Duties of the Alzheimer's Subcommittee may include conducting studies on the availability and efficacy of currently existing geriatric or memory disorder services and programs, advising the Commission on matters regarding Alzheimer's services and programs, and recommending to the Commission solutions to related problems. Duties of the Long-Term Care Subcommittee may include developing a long-term care policy for the State that has at least the following elements:

(1) Promotes elder independence, choice, and dignity;

(2) Provides a seamless, uniform system of flexible and responsive services;

(3) Provides single-entry access;

(4) Includes a wide range of home and community-based services available to all elderly who need them but targeted primarily to the most frail, needy elderly;

(5) Provides care and services at the least expense in the least confusing manner and based on the desires of the elder population and their families;

(6) Expands Medicaid income eligibility to allow more services in the home and community;

(7) Creates a single agency and budget stream to administer services to the elderly; and

(8) Approaches long-term care within the context of the entire health care system.

Sec. 2. Part 14B of Article 3 of Chapter 143B of the General Statutes reads as rewritten:

"PART 14B. Long-Term Care.

§143B-181.5. ~~Department to develop systems of long-term care.~~ Long-term care policy.

~~The Secretary of the Department of Human Resources shall develop effective systems of long-term care with interested counties to the extent that federal, State and local funds are available to support the expanded programs and services.~~ The North Carolina General Assembly finds that the aging of the population and advanced medical technology have resulted in a growing number of persons who require assistance. The primary resource for long-term care provision continues to be the family and friends. However, these traditional caregivers are increasingly employed outside the home. There is growing demand

for improvement and expansion of home and community-based long-term care services to support and complement the services provided by these informal care givers.

The North Carolina General Assembly further finds that the public interest would best be served by a broad array of long-term care services that support persons who need such services in the home or in the community whenever practicable and that promote individual autonomy, dignity and choice.

The North Carolina General Assembly finds that as other long-term care options become more available, the relative need for institutional care will stabilize or decline relative to the growing aging population. The General Assembly recognizes, however, that institutional care will continue to be a critical part of the State's long-term care options and that such services should promote individual dignity, autonomy, and a home-like environment.

§143B-181.6. ~~Screening program for elderly.~~ Purpose and intent.

~~The Secretary of Human Resources shall develop a comprehensive screening program for elderly people in need of care, to be administered at the local level, focused on providing elderly persons with the least restrictive level of care that meets the medical and social needs of the person. This program shall provide for expansion of the preadmission screening of applicants and recipients in need of long-term care, setting priorities according to immediate need. The process should be made more efficient in identifying those people in need of care who could remain at home if provided the precise program of in-home care each individual requires. Private paying patients may take advantage of the screening services and services necessary to remain in their homes by paying fees for these services, pursuant to G.S. 108A-10 or G.S. 130-17(e) as appropriate. The screening shall be carried out by a team of at least two people, a social worker and a registered nurse familiar with care of the elderly, each of whom must be experienced in evaluation and provision of in-home services. The process shall include a visit to the home by at least one member of the screening team. The team in consultation with a physician licensed to practice medicine in North Carolina shall determine if in-home care, whether health, social or both would enable the person to stay at home or in the community. The team shall plan precisely what program of care and support services are available through both public or private agencies. Provision must be made for such care in conformity with established quality assurance procedures for the care so rendered, together with periodic reassessment. Nothing contained~~

~~in the act shall require counties to participate in the comprehensive screening program.~~ It is the North Carolina General Assembly's intent that:

(a) Long-term care services administered by the Department of Human Resources and other state agencies include a balanced array of health, social, and supportive services that promote individual choice, dignity, and the highest practicable level of independence and that these services be open to all persons regardless of income;

(b) Home and community-based services be developed, expanded, or maintained in order to meet the needs of consumers and to maximize effective use of limited resources;

(c) Long-term care services be responsive and appropriate to individual need and also cost-effective for the State;

(d) Institutional care is provided in such a manner and in such an environment as will promote maintenance or enhancement of the quality of life of each resident and timely discharge to a less restrictive care setting when appropriate; and

(e) State health planning for institutional bed supply take into account increased availability of other home and community-based services options.

~~**§143B-181.7. Development and implementation of rules.**~~

~~The Department of Human Resources shall define by rule the population to be screened, establish a uniform screening and assessment schedule, and promulgate a uniform reporting form. Prior to action by the Department, the Secretary shall convene an implementation committee composed of local providers, representatives of State agencies and organizations with experience and information about in-home services and long-term care to assist in implementation and development of these rules.~~

~~**§143B-181.8. Utilization of Medicaid funds.**~~

~~The Secretary of the Department of Human Resources may utilize Medicaid funds to the extent provided for by federal law and regulation for home health and personal care and seek such waivers as may be necessary to implement this act including Medicaid eligibility criteria supporting the provision of in-home care.~~

~~**§143B-181.9. Reporting.**~~

~~The Department shall report to the Legislative Research Commission on the implementation of this act, including the eligibility requirements, screening processes, and financial barriers to implementation. Such report shall be made no later than January 1, 1982, but the Legislative Research Commission may require interim progress reports from the Department.~~

§143B-181.9A. Advisory Committee on Home and Community Care.

(a) There is established the Advisory Committee on Home and Community Care for Older Adults within the Department of Human Resources. In order to achieve a coordinated, county-based, full service system for older adults and their families, this Committee shall recommend to the Department of Human Resources and the General Assembly the design and implementation of managed care programs for high-risk older adults at the county level; initiatives and strategies to address the social, income security and employment, mental health, health, and housing needs of at-risk older adults. To the end of achieving coordinated Programs on Aging in all North Carolina counties that both care for and invest in older adults, the Committee shall make recommendations regarding common service standards and guidelines for county-based Programs on Aging, county aging plans, and managed care programs for high-risk older adults. These recommendations shall build on the needs and goals developed through local input of all 100 North Carolina counties and with the assistance and consultation of the Area Agencies on Aging and the Division of Aging.

(b) The Committee shall be guided by the following program and policy goals:

(1) To provide high-risk and at-risk older adults and their families with options for quality home and community based care;

(1.1) To provide older adults with opportunities for continued productive aging through employment, volunteer, and self-help activities;

(2) To ensure a coordinated and efficient utilization of public and private resources; and

(3) To build on the current strengths and initiatives in North Carolina's aging and long-term care service networks.

(c) The Committee's recommendations will include consideration of the following:

(1) Repealed by Session Laws 1991, c. 711, s. 1.

(1.1) Comprehensive County-Based Programs on Aging: the establishment of comprehensive, coordinated county-based programs on aging in all North Carolina counties by the year 2000;

(1.2) Managed Care for High-Risk Older Adults: The establishment of managed care programs for high-risk older adults in all North Carolina counties by the year 2000. These programs

shall provide high-risk older adults with the option of remaining in the least restrictive environment of their choice with the support of a core of supportive home and community services;

(2) Repealed by Session Laws 1991, c. 711, s. 1.

(2.1) Options for At-Risk Older Adults: Strategies and initiatives for at-risk older adults that provide them with home and community care options for an improved quality of life in the areas of social functioning, employment and income security, mental health, health care, and housing;

(2.2) Investment in Well Older Adults: Strategies and initiatives for well older adults that facilitate productive aging in the areas of continued employment, volunteerism, and self-help;

(3) Coordinated Aging Services Budget: Compilation of a State aging services budget to coordinate existing program funding sources, to develop a common funding stream, and to identify new funding resources to meet the needs of older adults; and

(4) Guidelines, Standards, and Procedures: To the greatest extent possible, development of compatible service definitions, service standards, assessment instruments, eligibility criteria, reimbursement methods, and reporting requirements for in-home and community based services for older adults, throughout the Department of Human Resources.

(5), (6) Repealed by Session Laws 1991, c. 711, s. 1.

(d) The Committee shall consist of the Secretary of the Department of Human Resources and 32 members, to be appointed as follows:

(1) One member each appointed by the Secretary of the Department of Human Resources from the Divisions of Aging, of Medical Assistance, of Mental Health, Developmental Disabilities, and Substance Abuse Services, of Social Services, and one director of an area agency on aging elected from among all the directors of the area agencies on aging. One member appointed by the Secretary of Environment, Health, and Natural Resources.

(2) One member each appointed by the Secretary of the Department of Human Resources from the North Carolina Institute of Medicine, the North Carolina Health Care Facilities Association, the Center for Aging Research and Educational Services at The University of North Carolina at Chapel Hill, the Long-Term Care Resources Program at Duke University, the North Carolina Association of Long-Term Care Facilities, the North Carolina Association for Home Care, the Center for Creative Retirement, University of North Carolina at Asheville, the Geriatric Medicine Programs at the following institutions: (i) Bowman Gray School of Medicine of Wake Forest University, (ii) the School of Medicine of the University of North Carolina at Chapel Hill, (iii) the School of Medicine at Duke University, and (iv) the School of Medicine at East Carolina University, the North Carolina Association of Continuity of Care, the North Carolina Association of Hospital Social Work Directors, the North Carolina Medical Society, and the North Carolina Hospital Association.

(3) One member appointed from the House of Representatives by the Speaker of the House of Representatives;

(4) One member appointed from the Senate by the President Pro Tempore of the Senate;

(5) One member who is a county commissioner appointed by the Secretary of the Department of Human Resources, upon the recommendation of the North Carolina Association of County Commissioners; and

(6) Eight members appointed by the Secretary of the Department of Human Resources, one upon the recommendation of the North Carolina Association on Aging, one other upon the recommendation of the Association of Local Health Directors, one other upon the recommendation of the Association of the County Directors of Social Services, one other upon the recommendation of Hospice of North Carolina, one other from the Governor's Advisory Council on Aging, upon recommendation of that organization, two others upon recommendation of the American Association of Retired Persons, and one other from

the North Carolina Senior Citizens Association, upon recommendation of that organization.

The Secretary of the Department of Human Resources shall be Chair of the Committee. Members shall serve at the pleasure of the Secretary. Vacancies shall be filled in the same manner as the initial appointment.

(e) The Committee shall, in performing its charge, develop an annual work plan and convene task forces or work groups comprised of interested State and local public and private service providers, older adult consumer groups, university programs on aging, distinguished gerontologists, and others, as appropriate for making recommendations.

(f) The Committee shall make a written progress report of every odd-numbered year, beginning in 1991. The report shall be submitted to the Governor, the Lieutenant Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Legislative Services Office, and the North Carolina Study Commission on Aging."

Sec. 3. This act becomes effective upon ratification.

SUMMARY

A BILL TO BE ENTITLED AN ACT TO CREATE THE LONG-TERM CARE SUBCOMMITTEE AND TO PROVIDE FOR THE CREATION OF OTHER SUBCOMMITTEES OF THE NORTH CAROLINA STUDY COMMISSION ON AGING AND TO MAKE CHANGES TO THE LONG-TERM CARE LAW.

The continuum of health services for older adults has widened in recent years to include everything from hospital and nursing home care to home health services and adult day care. There is a growing demand for improvement and expansion of home and community-based long-term care services. The Commission believes that the public interest would best be served by a broad array of long-term care services that support persons who need such services at home or in the community whenever practicable and that promote autonomy, dignity, and choice.

The proposed bill would, for the first time, place in statute a statement of intent and purpose for long-term care policy for North Carolina. It would also broaden the authority of the Commission to allow the Commission cochairs to appoint subcommittees when needed to study crucial issues related to aging. The current authority allows only for the appointment of an Alzheimer's Subcommittee. The new authority would place special attention for the creation of a Long-Term Care Subcommittee that would develop a more detailed long-term care policy to guide the legislative and executive branches when future policy and funding are considered for older citizens.

APPENDIX G

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

D

95-RI-01
THIS IS A DRAFT 16-DEC-94 10:50:46

Short Title: Remove Sunset on Reverse Mortgages (Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REMOVE THE SUNSET ON REVERSE MORTGAGES.

The General Assembly of North Carolina enacts:

Section 1. Section 3 of Chapter 546 of the 1991 Session Law reads as rewritten:

"Sec. 3. This act becomes effective October 1, 1991. ~~This act expires October 1, 1995. No reverse mortgage loan may be made on or after the date the act expires. The expiration of the act does not affect the validity of a reverse mortgage loan made before the date of expiration.~~"

Sec. 2. This act becomes effective upon ratification.

SUMMARY

A BILL TO BE ENTITLED AN ACT TO REMOVE THE SUNSET ON REVERSE MORTGAGES.

Some older persons reach a point in their lives when they are cash poor. Reverse mortgages provide opportunities for older persons to access the equity in their homes as an income stream which does not have to be repaid until the borrower dies, sells, or moves. To allow older persons to take advantage of reverse mortgages, the 1991 General Assembly enacted the Reverse Mortgage Act which provided protection for older consumers.

To assure that this product was effective and safe for North Carolina, the 1991 General Assembly placed a sunset of October 1, 1995, on the legislation. No reverse mortgages are to be made after this date.

The proposed legislation removes the sunset, therefore allowing older homeowners the continued opportunity to access the equity in their homes.

APPENDIX H

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

D

95-RI-09
THIS IS A DRAFT 20-DEC-94 14:06:55

Short Title: Domestic Abuse/Disabled or Elder Adults. (Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO IMPOSE CRIMINAL PENALTIES FOR THE ABUSE, NEGLECT, OR EXPLOITATION OF DISABLED OR ELDER ADULTS LIVING IN A DOMESTIC SETTING.

The General Assembly of North Carolina enacts:

Section 1. G.S. 14-32.3 reads as:

"**§ 14-32.3. Domestic abuse, neglect and exploitation of disabled or elder adults; punishments.**

(a) It shall be unlawful for a caretaker to intentionally abuse a disabled or elder adult residing in a domestic setting, when the abuse causes physical injury or mental anguish, deterioration of a preexisting mental or physical condition, or results in unreasonable confinement.

(b) Unless the conduct is prohibited by some other provision of law providing for greater punishment:

(1) A caretaker who intentionally abuses a disabled or elder adult is guilty of a Class C felony if the abuse proximately causes physical injury or mental anguish, or deterioration of a preexisting mental or physical condition.

(2) A caretaker who intentionally abuses a disabled or elder adult is guilty of a Class F felony where the abuse results in unreasonable confinement.

(c) It shall be unlawful for a caretaker of a disabled or elder adult residing in a domestic setting to engage in culpably negligent conduct which proximately causes physical or mental injury, deterioration of preexisting mental or physical condition, or endangers the life of the adult.

(d) Unless the conduct is prohibited by some other provision of law providing for greater punishment:

(1) A caretaker of a disabled or elder adult is guilty of a Class E felony where culpably negligent conduct proximately causes physical or mental injury or deterioration of a preexisting mental or physical condition.

(2) A caretaker of a disabled or elder adult is guilty of a Class H felony where culpably negligent conduct proximately causes the disabled or elder adult's life to be endangered.

(e) It shall be unlawful for any person to exploit a disabled or elder adult residing in a domestic setting when the exploitation is the result of an illegal or improper use of the disabled or elder adult or his resources.

(f) Unless the conduct is prohibited by some other provision of law providing for greater punishment:

(1) Any person who exploits a disabled or elder adult is guilty of a Class G felony where the exploitation involves resources in excess of one thousand dollars ($1000).

(2) Any person who exploits a disabled or elder adult is guilty of a misdemeanor where the exploitation involves resources less than one thousand dollars ($1000).

(g) Definitions. -- The following definitions apply in this section:

(1) 'Abuse' . -- The intentional infliction of physical pain or injury, unreasonable confinement, or the willful deprivation by a caretaker of services which are necessary to maintain mental and physical health.

(2) 'Caretaker'. -- An individual who has the responsibility for the care of a disabled or elder adult as a result of family relationship or who has assumed the responsibility for the care of a disabled or elder adult voluntarily or by contract.

(3) 'Culpably negligent'. -- Conduct of a gross and flagrant character, evincing reckless disregard of human life.

(4) 'Disabled adult'. -- An individual 18 years of age or older or a lawfully emancipated minor who is present in the State of North Carolina and who is physically or mentally incapacitated as defined in G.S. 108A-101(d).

(5) 'Domestic setting'. -- Any nonfacility setting regardless of ownership or type of construction and includes, but is not limited to, the following: single family homes, multiple family homes or apartments, or mobile homes owned by the disabled or elder adult or someone else.

(6) 'Elder adult'. -- An individual 60 years of age or older who is not able to provide for the social, medical, psychiatric, psychological, financial or legal services necessary to safeguard his or her rights and resources and to maintain his or her physical and mental well-being.

(7) 'Exploitation'. -- The illegal or improper use of a disabled or elder adult's funds, assets, or property, or the use of a disabled or elder adult's power of attorney for another's or one's own profit or advantage.

(8) 'Person'. -- Any natural person, association, corporation, partnership, or other individual or entity.

(h) Any defense which may arise under G.S. 90-321(h) or G.S. 90-322(d) pursuant to compliance with Article 23 of Chapter 90 shall be fully applicable to any prosecution initiated under this section.

(i) The provisions of this section shall not supersede any other applicable statutory or common law offenses.

(j) Nothing in this section shall be construed to impose criminal liability on a person who has made a good faith effort to provide for the health and personal care of a disabled or elder adult, but through no fault of his own has been unable to provide such care."

Sec. 2. This act becomes effective July 1, 1995, and applies to offenses under this act that are committed on or after that date.

SUMMARY

A BILL TO BE ENTITLED AN ACT TO IMPOSE CRIMINAL PENALTIES FOR THE ABUSE, NEGLECT, OR EXPLOITATION OF DISABLED OR ELDER ADULTS LIVING IN A DOMESTIC SETTING.

Pursuant to G.S. 108A, Article 6, all county departments of social services in North Carolina are required to receive and evaluate reports alleging the need for protective services and to provide or arrange for protective services for disabled adults who are abused, neglected or exploited. Individuals eligible for adult protective services are those who:

1. Are 18 years of age or older, present in North Carolina, and incapacitated in some way by a physical or mental disability;
2. Have already experienced abuse, neglect, or exploitation; and
3. Are in need of protection because they are unable to prevent or stop the mistreatment and have no one else to protect them.

The social services system provided 7,806 individuals with adult protective services in FY 1993-94. The majority of those recipients are elderly. Fifty-five percent are between the ages of 60-84, and the 85+ group made up nineteen percent of cases.

Social services staffs are often frustrated by the fact that the District Attorney is unable to prosecute a perpetrator after the Division of Social Services has made a report of its findings to the District Attorney's office. The criminal statutes of North Carolina, as currently written, do not address the prosecution of a perpetrator of abuse or neglect when the disabled adult victim is living in a domestic setting. The statutes do provide for prosecution when the victim lives in an institutional setting, treatment facility or is receiving services from a kidney disease treatment center, home health agency, or ambulatory surgical facility in G.S. 14-32.2. Even though the majority of adult protective cases do not involve criminal action, there is a need for a statutory

provision to clearly allow District Attorneys to pursue prosecution in instances where there has been criminal action.

This bill would create a new statute, G.S. 14-32.3, which would make it unlawful for any caretaker to abuse or neglect a disabled or elder adult residing in any domestic setting. Unless a violation is prohibited by other law providing for greater punishment, it is classified as follows:

1. Class C felony if intentional and proximately causes physical injury or mental anguish, or deterioration of a preexisting mental or physical condition.
2. Class F felony if intentional and results in unreasonable confinement.
3. Class E felony if culpably negligent and proximately causes physical or mental injury or deterioration of a preexisting mental or physical condition.
4. Class H felony if culpably negligent and proximately causes life endangerment.
5. Class G felony if exploitation and involves resources in excess of $1,000.
6. Misdemeanor if exploitation and involves resources less than $1,000.

Culpably negligent is defined as conduct of a gross and flagrant character, evincing reckless disregard of human life. Exploitation is defined as the illegal or improper use of a disabled or elder adult's funds, assets, or property, or the use of a disabled or elder adult's power of attorney for another's or one's own profit or advantage. Any nonfacility setting, regardless of ownership or type of construction, is considered a domestic setting.

APPENDIX I

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

D

95-RI-05.3
THIS IS A DRAFT 13-DEC-94 16:18:47

Short Title: Increase In-home Funds. (Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO INCREASE FUNDING FOR IN-HOME AIDE SERVICES AND CAREGIVER SUPPORT SERVICES.

Whereas, the North Carolina Study Commission on Aging finds that an increasing portion of North Carolina's population is living to an older age and requires an increasing amount of services and assistance; and

Whereas, North Carolina is facing an age wave with the 85+ population group growing fastest and placing the greatest demands on our long-term care system; and

Whereas, the number of frail older adults living in the community is increasing and is projected to be 78,000 in 1996 increasing to 104,000 by 2010, and

Whereas, the Commission finds that the elderly desire to maintain as much independence and dignity as possible and prefer to remain in the home and community whenever practicable; and

Whereas, due to insufficient funding there are 9,000+ older adults waiting for services to help them stay at home and avoid institutionalization; and

Whereas, the Commission finds that a broad array of services that support persons who remain in the home and community should be provided; and

Whereas, the Commission finds that health care needs, as well as other needs and desires, sometimes remain unmet because of the elderly's difficulty in getting to providers; and

Whereas, the Commission finds that North Carolina can best be served by increasing and improving the delivery of in-home services to the elderly; Now, therefore,

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Human Resources the sum of eight million three hundred nineteen thousand one hundred eighty-six dollars ($8,319,186) for the 1995-96 fiscal year and the sum of thirteen million six hundred eighty-five five thousand three hundred ten dollars ($13,685,310) for the 1996-97 fiscal year to fund in-home aide services and caregiver support services.

Sec. 2. These funds shall be used only for direct services.

Sec. 3. This act becomes effective July 1, 1995.

SUMMARY

A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO INCREASE FUNDING FOR IN-HOME AIDE SERVICES AND CAREGIVER SUPPORT SERVICES.

Older people are tending to remain in their homes longer as they grow older; however they have fewer support and caregiver resources such as family members that were once available to them. When older adults cannot find and pay for in-home services, often they must be institutionalized at higher costs which is often paid for by public agencies.

With the growing numbers of elderly, need for services by public and private providers will continue to increase. In-home services are the key to bolstering the elderly's ability to continue living as they prefer in the face of growing frailty. After studying these issues, the Commission found that instead of the State adequately increasing the lower cost in-home services, between 1990 and 1993, the ratio of North Carolina's public expenditures for home and community services decreased from 18.5% to 16%.

By Division of Aging statistics, there are currently 9000+ older adults awaiting in-home services because of lack of public funding. This bill would increase State funding to at least eliminate the backlog of those persons waiting for public funded in-home services.

APPENDIX J

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

D

95-RI-06.2
THIS IS A DRAFT 13-DEC-94 16:21:58

Short Title: Transportation Funds. (Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO INCREASE FUNDING TO THE NORTH CAROLINA ELDERLY AND DISABLED TRANSPORTATION ASSISTANCE PROGRAM.

Whereas, the North Carolina Study Commission on Aging finds that an increasing portion of North Carolina's population is living to an older age and requires an increasing amount of services and assistance; and

Whereas, North Carolina is facing an age wave with the 85+ population group growing fastest and placing the greatest demands on our long-term care system; and

Whereas, the number of frail older adults living in the community is increasing and is projected to be 78,000 in 1996 increasing to 104,000 by 2010, and

Whereas, the Commission finds that the elderly desire to maintain as much independence and dignity as possible and prefer to remain in the home and community whenever practicable; and

Whereas, due to insufficient funding there are 9,000+ older adults waiting for services to help them stay at home and avoid institutionalization; and

Whereas, the Commission finds that one of the most frequent problems affecting the elderly has been inadequate or lack of transportation services; and

Whereas, the Commission finds that in urban areas the elderly generally live in residential locations that are poorly serviced by public transit, and in rural areas, the elderly are sometimes so isolated that they cannot access public transit and cannot get to a telephone to request transportation; and

Whereas, the Commission finds that health care needs, as well as other needs and desires, sometimes remain unmet because of unavailable transportation to providers; and

Whereas, the Commission finds that North Carolina can best be served by increasing the level of funding to the North Carolina Elderly and Disabled Transportation Assistance Program; Now, therefore,

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Transportation the sum of three million dollars ($3,000,000) for the 1995-96 fiscal year and the sum of three million dollars ($3,000,000) for the 1996-97 fiscal year to provide funds for the North Carolina Elderly and Disabled Transportation Assistance Program.

Sec. 2. This act becomes effective July 1, 1995.

SUMMARY

AN ACT TO APPROPRIATE FUNDS TO INCREASE FUNDING TO THE NORTH CAROLINA ELDERLY AND DISABLED TRANSPORTATION ASSISTANCE PROGRAM.

One of the most persistent problems of the elderly in North Carolina is the lack of transportation. It permeates many other issues relating to the elderly and handicapped as has been reported to the Commission in a number of public hearings. With these factors as background, the Commission reported to the 1987 General Assembly that State operating money was needed to expand transportation to the elderly and handicapped that was being provided by local and federal funding. The 1989 General Assembly finally approved these funds, providing two million dollars from highway funds, specifying that one million dollars was to be divided equally by the 100 counties. The remaining one million dollars was to be divided based on the elderly and handicapped population in each county and the density of the county.

The Commission has reviewed the program and finds that it is meeting the purposes of the legislation as established in G. S. 136.44.27. Unfortunately, the need for transportation continues and grows as shown by the latest data presented to the Commission. The Commission believes that in light of this proven need and growing demand, the 1995 General Assembly should increase the two million dollar appropriation to three million dollars. This would be the first increase since 1989.

APPENDIX K

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

D

95-RI-07
THIS IS A DRAFT 16-DEC-94 10:52:14

Short Title: Long-Term Care Insurance Study. (Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO STUDY LONG-TERM CARE INSURANCE.

The General Assembly of North Carolina enacts:

Section 1. The Legislative Research Commission shall study the availability, coverage, and provision of long-term care insurance in North Carolina and may make recommendations to overcome any barriers to the provision of private long-term care insurance coverage. The Legislative Research Commission may investigate the relationship between Medicaid, Medicare and long-term care insurance; whether private long-term care coverage can provide some relief to the increasing public burden of Medicaid cost escalation; whether to mandate long-term insurance coverage; impediments to product development; whether the State could promote product purchase; and minimum standards of coverage. The Legislative Research Commission may consult with the Commissioner of Insurance, the insurance industry, the long-term care industry, and senior citizens' groups.

Sec. 2. The Legislative Research Commission may make an interim report to the 1995 General Assembly, 1996 Regular Session, and shall make a final report to the 1997 General Assembly.

Sec. 3. This act becomes effective upon ratification.

SUMMARY

AN ACT TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO STUDY LONG-TERM CARE INSURANCE.

Older adults quickly exhaust their resources when paying for long-term care. Studies show that more than 65% of single older adults will become impoverished after a nursing home stay of 13 weeks. At the point of impoverishment, Medicaid becomes the payor for older adults.

Since Medicare and Medicaid are inadequate to finance long-term care, more attention is being focused on developing private long-term care insurance policies. The Commission believes that the General Assembly should turn its attention to examining the issues in financing long-term care and consider the State's options.

The proposed bill would authorize the Legislative Research Commission to study long-term care insurance. The following issues could be considered:

1. The relationship Medicaid, Medicare and long-term care insurance;
2. Whether private insurance could provide some relief to the increasing public burden of Medicaid cost escalation;
3. Whether to mandate long-term insurance coverage;
4. Impediments to product development; and
5. Minimum standards of coverage.