

Allegheny County Council

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Meeting Minutes

Wednesday, March 9, 2016

4:00 PM

Conference Room 1

Committee on Budget and Finance

Mike Finnerty, Chair

Members; Sam DeMarco, Nick Futules, Paul Klein, Ed Kress, Bob Macey, Chuck Martoni, Sue Means, John Palmiere

I. Call to Order

The meeting was called to order at 4:03.

Invited Guests:

William D. McKain, CPA - County Manager or Designee

Mary C. Soroka - Director, Office of Budget and Finance or Designee

Marc Cherna - Director, Department of Human Services

Mildred Morrison - Administrator, Area Agency on Aging

Mr. McKain was present from the Office of the County Manager.

Mr. Cherna was present from the Department of Human Services.

Ms. Morrison was present from the Area Agency on Aging.

Mr. Barker and Mr. Szymanski were present from the Office of County Council.

II. Roll Call

Members Present: 5 - Finnerty, Sam DeMarco, Paul Klein, Sue Means and Ed Kress

Members Absent: 3 - Nick Futules, Bob Macey and Chuck Martoni

Members 1 - Cindy Kirk

Non-Members:

III. Approval of Minutes

[9509-16](#)

Motion to approve the minutes of the February 24, 2016 meeting of the Committee on Budget and Finance.

A motion was made by DeMarco, seconded by Means, that this matter be Passed. The motion carried by a unanimous vote.

Discussion Topic**Area Agency on Aging Advisory Council**

At the request of the Chair, Mr. Cherna and Ms. Morrison came to the table.

Ms. Morrison provided an overview of the Advisory Council and outlined its areas of responsibility, noting that the Council can provide advice in a number of subject areas, including things like transportation issues that are experienced by the County's aging population. Ms. Morrison also discussed the composition of the Advisory Council, and distributed a handout that provided the names of the Advisory Council members and included a summary of the Council's rules.

Ms. Morrison noted that the Advisory Council had been concentrating recently on the concepts of planning and meeting planned goals, as well as the continuing evolution of the services provided by the Commonwealth. Ms. Morrison discussed funding sources that the Advisory Council has been investigating lately, and indicated that a significant amount of information had been developed in order to facilitate the Council's ability to seek alternative funding.

Ms. Morrison noted that the Area Agency on Aging typically fields about 100,000 calls a year, relating to senior center services, requesting advice regarding senior relatives' driving

skills, and inquiring about care management and/or direct care services that are available to seniors in the County. Ms. Morrison noted that the Area Agency on Aging also provides nursing home care services, whether these are provided at home or in more traditional nursing home settings, and for things that vary widely, from investigating elder abuse allegations to things like mediating disputes between roommates. Mr. Cherna and Ms. Morrison noted that the elder abuse investigation activities necessarily entail close cooperation with local law enforcement and the Office of the District Attorney.

Mr. Cherna and Ms. Morrison noted that the Agency receives about \$50 million in funding per year, with about \$30 million coming from the Commonwealth state lottery proceeds and another \$15 million or so from a blend of other Commonwealth and federal funding and matching funding from the County.

In response to a question from Mr. Kress, Ms. Morrison noted that about 8,000 people per year who are still living at home contact the Area Agency on Aging or family members contact the agency regarding those individuals, and the Agency attempts to work with the individual and the family to determine what services might be necessary and what resources may facilitate keeping those individuals living at home for as long as possible. Ms. Morrison noted that individuals in this group are often quite frail, and that the Agency provides a significant amount of equipment along the lines of stair lifts and other similar equipment in order to facilitate remaining at home if at all possible.

In response to a question from Mr. Klein, Ms. Morrison noted that lifespans are obviously increasing due to improving medical care, and that this has resulted in increasing numbers of aging individuals who want to remain in their homes if at all possible. Ms. Morrison noted that about 70% of the people who enter nursing homes for extended periods will have entirely spent down their savings and other available resources within a year, as the cost of staying in a nursing home averages around \$60,000 to \$80,000 per year, while the cost of staying at home usually is closer to \$30,000 per year. Ms. Morrison noted that this cost differential has led to the states becoming more interested in having more individuals live at home for as long as possible, and that the funding landscape is in the process of changing to provide additional services to lower income seniors (i.e. those having incomes below \$1600 or so per month), albeit from a more limited universe of insurance providers, in order to allow these individuals to remain at home. Ms. Morrison noted that the shift would begin in southwestern Pennsylvania on January 1, 2017.

In response to a question from Mr. DeMarco, Ms. Morrison provided a more detailed breakdown of the public funding sources available to the Agency.

Ms. Means, Ms. Morrison and Mr. Cherna discussed the benefits of the new funding structure.

Mr. Kress and Ms. Kirk discussed some of the issues that have arisen in the physical therapy context under the UPMC-Highmark consent decree. Mr. Cherna and Ms. Morrison noted that these effects have little direct effect on the Agency, but that they do see a large number of aging individuals who are increasingly confused by the barrage of information and technical terminology relating to medical care.

In response to questions from Mr. Kress and Mr. DeMarco, Ms. Morrison noted that the new funding structure would essentially entail the Commonwealth requiring that insurance providers either coordinate with Medicare and other agencies to provide the mandated services for eligible individuals who cannot afford the full Medicare coverage on their own, or directly provide coverage for those mandated services for individuals who would be

eligible for Medicaid.

Mr. Kress, Mr. Cherna and Ms. Morrison discussed the comparative merits and economic efficiency of home care versus nursing home care.

In response to a question from the Chair, Ms. Morrison noted that, when the Agency is directly providing services funded by the lottery fund, the Agency has a much greater degree of flexibility and far greater ability to begin providing services with very little delay, as the coordination of benefits process is significantly easier, and families that are not reliant upon Medicaid are also generally better able to react to those scenarios. Ms. Morrison noted that advisory services provided by the Agency are generally fully funded through the lottery fund, but that care services are paid for from the fund on a sliding scale based upon income.

In response to a question from Ms. Means, Ms. Morrison noted that it would be wisest for individuals to contact the Agency as they go into the hospital, but that far more tend to do so upon or after their release, which compresses the timeline for evaluating priorities and coordinating benefits.

In response to a question from Ms. Means, Ms. Morrison described some of the mechanisms that exist for determining whether an individual living at home may require assistance, including things like partnering with local law enforcement, and the U.S. Postal Service so that letter carriers can report an accumulation of mail as a means of flagging potential issues of concern. Ms. Morrison noted that families' increasing reliance on dual incomes has functioned to reduce the number of family members who are available to provide care, and that this has placed significantly increasing stresses on the social services net. Ms. Morrison also noted that retirement planning has shifted away from more traditional pension models and towards things like voluntary contributions to 401k and similar retirement plans, and that this may very well create a major challenge for social service providers, as more people are living longer but with less in the way of resources in their retirement.

In response to a question from Ms. Kirk, Ms. Morrison provided contact information, and Mr. Cherna noted that between one fifth and one sixth of the County's residents receive some sort of service through the Department of Human Services each year, and that the Department integrates the services that it provides through multiple agencies or other entities to the extent possible.

The Chair noted that the Department of Human Services is the largest department in terms of operating budget appropriations, but that most of the funds appropriated are pass-through funding that actually originates with the Commonwealth or federal government.

V. Adjournment

The meeting was adjourned at 4:57.