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Paul Winkler  
President and CEO  
Presbyterian Senior Care  
(412) 828-5600  
[PWinkler@srcare.org](mailto:PWinkler@srcare.org)

**Testimony before the Joint Hearing of the Senate Aging and Youth Committee and House Aging and Older Adult Services Committee**

Good morning Chairman Vulakovich, Chairman Wiley, Vice Chairman Wagner, Chairman Hennessey, Chairman Samuelson, and Joint Committee Members.

My name is Paul Winkler and I am President and CEO for Presbyterian SeniorCare, a network of senior care communities and services in Western Pennsylvania. We provide care across the long-term care continuum including rehabilitation, personal care, adult daily living services, dementia care, long-term and short-term skilled nursing care, independent living, subsidized housing with services for the elderly and other home and community-based care. Our Oakmont Campus' Woodside Place, one of the nation's first dementia-specific communities, is the basis for the Woodside Experience, which has been replicated more than 70 times around the world. Thank you for the opportunity to provide testimony today and thank you to those of you who visited our campus yesterday to tour our facilities and see a few of the exciting programs that Presbyterian SeniorCare has to offer.

Today I am here to talk about the pressure that is mounting on the Commonwealth's long-term care delivery system to better meet the needs of our growing senior population. It is important for Pennsylvania to find innovative ways to deliver care in a way that benefits seniors, their families, and healthcare providers. Presbyterian SeniorCare's own 2014-2015 Strategic Plan aims to accomplish this rebalancing within our own community by focusing on five core values: **Quality, Customer Service, People, Innovation and Growth, and Financial Stewardship.**

**Quality:** Presbyterian SeniorCare is committed to increasing our operational excellence so our organization can be prepared for partnerships with Accountable Care Organizations and the possible implementation of managed long-term care. The Centers for Medicare and Medicaid Services (CMS) predicts that by the end of 2014, 25 states will have adopted models for managed long-term supports and services. As a healthcare provider, we are particularly concerned with how ACO partnerships and managed long-term care will impact provider reimbursement and in turn impact the care that we are able to provide to consumers who need it.

**Customer Service:** Our organization plans to develop our dementia care service model to include care management services for all residents in our communities, not just those who reside in our dementia-specific community at Woodside Place and our other Woodside memory support units within our nursing and personal care communities. We have also developed a proposal to pilot a multi-disciplinary



team-based program focused on community living by persons with Alzheimer's Disease or other forms of dementia and their caregivers. Our model, called Cognet, would function as a shared community support resource for a collaborative of payers to assist with effectively managing this population to achieve the triple aim of improving healthcare, containing costs, and improving health outcomes in today's environment and in any model of service delivery that emerges in the future. This kind of program is critical given our state's demographics related to the growth of the 85+ age group and related incidence of dementia, estimated to approach 50% for this age cohort, and the fact that persons with Alzheimer's Disease have 2-5 times higher healthcare costs and hospitalization costs 2.8 times higher than age-matched Medicare beneficiaries.

**People:** All long-term care providers are faced with workforce challenges. Part of our Strategic Plan includes internal and external leadership development and improved retention through employee integration and staffing that reflects person-centered care and new team models.

**Innovation and Growth:** Throughout the next year, we will expand our services by further growing the continuum of care that we provide. This includes exploring urban living options for older adults and pursuing partnerships with community stakeholders to serve aging persons with intellectual disabilities and other special needs.

**Financial Stewardship:** Presbyterian SeniorCare plans to improve our financial health through revenue enhancement and strategic cost avoidance. This will include the development of strategies to mitigate risk in areas such as human resources, clinical and quality compliance, and physical plant safety.

Our organization is a member of LeadingAge PA, a trade association representing over 360 not-for-profit providers of senior housing, healthcare and community services across the Commonwealth. Many Presbyterian SeniorCare team members have been active in LeadingAge PA committees and Board and I, myself, have served as the Chairman of the Board. LeadingAge PA shares Presbyterian SeniorCare's values and goals through its own envisioned future of senior service, the North Star 2.0 initiative. As part of that initiative, LeadingAge PA recently launched a new online tool called *The Change Institute* where members can find information, resources and education to help identify and navigate future challenges, shifts and trends, and to support continuous learning with their long-term care peers.

In speaking about the LeadingAge PA NorthStar 2.0, its President and CEO, Ron Barth, stated that it could be distilled into one word –rebalancing. LeadingAge PA members need to rebalance the services that they provide. Skilled Nursing Facilities are and will continue to be a vital part of the continuum, but predominantly as relatively short term providers of post-acute and rehabilitation care. The average current nursing facility stay in Pennsylvania is less than six months, and we anticipate that it will continue to get shorter.

Once the post-acute phase or rehabilitation is completed, most residents can be transitioned to their home, perhaps with assistance from home and community based services; or to senior housing with services; or to personal care and/or assisted living. LeadingAge members need to rebalance their services to meet the new and better way services can be provided. We believe that Presbyterian SeniorCare is a leader in this type of rebalancing.



But government also needs to rebalance its approach to senior services, both regulatory and also in funding services for those with limited incomes. Currently, regulations tend to force services into silos – separate rules for nursing facilities, personal care facilities, assisted living facilities, housing, CCRC’s, etc. There is little or no coordination between the types of services; in fact, it is sometimes difficult to actually determine in which “silo” a person needing services actually belongs. A prime example of that is the difference between personal care and assisted living.

But even more importantly, government needs to rebalance its funding for services for those with limited incomes. If a person has sufficient private resources, one can find a variety of high quality senior services in nearly all parts of the Commonwealth – nursing facilities, personal care, assisted living, retirement communities, senior housing, and other home and community based services. But those with limited funds, and who rely on government assistance are severely limited in the types of services that they can access. For instance, a person who needs 24 hour supervision, but not necessarily 24 hour skilled care, will most likely be forced into a nursing facility through the Medicaid program. The Medicaid rate for nursing facility care in the Pittsburgh area is approximately \$200 per day. Many current Medicaid residents in nursing facilities could potentially be cared for in assisted living or personal care for half of that amount. But the state provides NO funding for low income residents in assisted living, and only allows supplemental funding for low income persons in personal care at \$35.00 per day. Let’s rebalance funding so persons not needing high cost nursing facility care, can access more appropriate personal care or assisted living or home and community based services.

The status quo in how senior services are provided and funded in Pennsylvania is unsustainable. Presbyterian SeniorCare and LeadingAge PA are committed to finding solutions for this challenge of providing the most appropriate quality senior care services for ALL Pennsylvanians. We want to be your resource as you deliberate on this issue. By working together, we can help the legislature open new avenues for change and innovation to ensure seniors can receive the best care, in the right setting, in the right intensity without statutory barriers preventing that care. Thank you for your time.