Testimony of
Steve Protulis, Executive Director and Vice-President
Elderly Housing Development and Operations Corporation (EHDOC)
Before the
Senate Committee on Banking, Housing and Urban Affairs
on S. 705,
To Establish the Interagency Council on
Meeting the Housing and Service Needs of Seniors Act of 2005
June 16, 2005

Mr. Chairman, and members of the Senate Committee on Banking, Housing and Urban Affairs, my name is Steve Protulis, Executive Director of the Elderly Housing Development and Operations Corporation (EHDOC), a non-profit development and management corporation based in Ft. Lauderdale, FL devoted to providing the best suitable and affordable housing for low and moderate income older persons. EHDOC currently has 42 senior housing facilities in 14 states, D.C. and Puerto Rico for approximately 4,000 senior citizens; and has three additional properties under development. Most of our senior housing facilities are financed through the Section 202 program.

First of all, I would like to express my appreciation to you, Senator Shelby, for your leadership in convening this very timely hearing on S. 705, legislation to establish the Interagency Council on Meeting the Housing and Service Needs of Seniors. I am pleased that my state's Senator, Mel Martinez is a member of this Committee. Not only because he is a compassionate person with practical housing experiences, but he also has a unique perspective of the need for interagency collaboration as the former Secretary of HUD.

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I would like to start my testimony by telling a story of Marie, a frail older resident who had lived for 14 years in one of our four senior housing communities in southern Florida. She called our service coordinator crying because she had no other family members or friends to help her and she didn't want to go to a nursing home as her doctor indicated that she would. Her level of frailty and income qualified her for Medicaid. The service coordinator linked her with a community agency that specializes in a comprehensive health care program for frail elderly --- a Program of All-Inclusive Care for the Elderly (PACE). As a result of the collaboration between the senior housing and the Florida PACE Centers, the resident who was previously at-risk of going to a nursing home, could continue to live in our senior housing facility, attend the PACE healthcare center and receive needed assistance 7 days a week, which achieved Marie's choice to remain in her home with dignity and independence.

This is just one example of the mutual benefits of collaboration between housing, services and health care that enables an older person to achieve their choice to age in place, while at the same time saving public funds. There are countless other stories in EHDOC's properties, and the other organizations testifying today, of frail older persons struggling to age-in-place. My testimony today will focus on some of EHDOC's experiences as well as my observations as one of the 14 members of the Congressional appointed Seniors Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century. The final report, "A Quiet Crisis in America", was presented to this Committee on June 27, 2002.

Seniors Commission

I would like to publicly thank Senator Paul Sarbanes for the honor of being his appointee to the Seniors Commission and for his leadership with introducing S. 705, Meeting the Housing and

Service Needs of Seniors Act As may be evident by the attendance of many older residents from Council House, an EHDOC community of 160 units in nearby Marlow Heights, Maryland, Senator Sarbanes has earned much respect and admiration for being a champion for senior citizens.

As we discuss today the issues outlined in Senator Shelby's invitation letter regarding housing and service needs of seniors, and how these programs can be better coordinated, we must always be mindful of the faces behind the data, and involve older persons in our deliberations. One of the most gratifying experiences of the Seniors Commission was the opportunity to hear compelling testimony directly from senior citizens at each of our field hearings held around the country.

The one consistent message that was repeatedly heard by the Seniors Commission from seniors, as well as from policy makers and other professional experts, was the desire of seniors to age in place. It is appropriate that one of the key objectives of the proposed Interagency Council on Meeting the Housing and Service Needs of Seniors is to facilitate the aging in place of seniors, as well as to improve coordination between housing and services.

The findings and demographic information highlighted in Section 2 of the S.705, and the fact sheet provided for these hearings provide forceful data to justify the need to establish the Interagency Council. These findings identified in the bill, are reinforced by the extensive research and documentation by the Seniors Commission, including a thorough analysis of projected housing and services needs provided in the appendix. The Commission reported that 53 million Americans (one in six) will be aged 65 and older in 2020, which will represent 20% of the population (compared to 12.4% when the report was issued in 2002). That significant increase and the need for Americans to prepare for the changing demographics represent a "Quiet Crisis is America" which is the apt title of the final report from the Senior Commission.

A substantial number of older residents in federally assisted housing are women living alone with some physical or cognitive limitations. The Seniors Commission reported that about a third of residents over the age of 65 require some assistance. For those aged 75 and older, this rose to 36% and 11% with mental disability that seriously interfered with their everyday activities. However, for the lowest income of the group, with income under 150% of poverty level, they are especially vulnerable with almost 214,000 or over 42% having at least one limitation with activities of daily living. The average age nationally of low-income residents of Section 202 elderly housing in 1999 was 75.

While these national figures may be helpful for public policy, for operations it is vital that the data be considered at the community and facility level where the data is far more meaningful. Nationally, the average age of residents in EHDOC facilities is 79 and increasing annually; we have facilities where the average age is 80 (Florida). The desire of older persons to age in place is certainly reflective of the number of years that they remain in federally assisted housing. Many of EHDOC residents have lived at properties in many states including Florida, Illinois, and Pennsylvania for over 20 years – from the time the senior housing facility was first opened. A few months ago, one of our residents in Ohio celebrated her 101 birthday – centurions are becoming more frequent. She has a regular exercise routine and participates in the weekly exercise class offered at our property – that's aging in place. At one of our properties in New Hampshire, 50% of the residents are over the age of 85, including one 98 years of age.

As documented by the Seniors Commission, the need for supportive services is reflected by the number of persons who are considered frail or at risk. In Florida for example, of our 620 units in four facilities, 37% of the residents are considered frail and 41% are at risk. This translates to

approximately 78% of the residents needing supportive services. In Pennsylvania, of the 348 units in five buildings, 22% of residents are rated as frail and 29% at risk; or over half of all residents needing services to maintain their independent living.

When considering the types of services that older residents of federally assisted senior housing need, (based on a survey of a small sample of facilities in Florida), the Seniors Commission reported that two of the top three most important services related to transportation. The need to collaborate between senior housing and transportation might be of interest to the Housing and Transportation Subcommittee. Seniors stated that transportation to and from doctor's office (15%), and for grocery shopping (14%) was a priority need. When asked if they had a problem getting affordable transportation to places (not within walking distance), over 25% of the elderly indicated that they had a problem always or most of the time and 15 percent some of the time. The number one service need reported was physical modifications to the facility or their apartment, i.e., hand-rails, grab-bars in bathrooms. Over a third reported that they had no person that they could rely upon for their health and disability-related problems, and 16 percent said they only had someone they could rely upon occasionally.

Dr. Stephen Golant, University of Florida, a senior issues specialist who conducted for the Seniors Commission an extensive research paper on demographics and future housing needs of Older Americans (included in the Appendix of the final report), is presenting a paper to the Commonwealth Fund and AcademyHealth Forum next month. As he will be reporting on emerging relationships between senior housing and long-term care, when informal care giving assistance becomes inadequate, lower-income older adults must turn to public sector solutions. (This is when), they are likely to confront administrative or organizational barriers that make it difficult for them to

bundle together the benefits and services they need to age in place successfully.

Dr. Golant's report also advises that not having access or knowledge of services, lack of funds, and the time and inconvenience it takes to secure services are important drawbacks in getting seniors the help they need. In addition, the qualifications/eligibility may be different for each service. The paperwork alone can deter a person from seeking the services they need.

Clearly, as often testified before the Seniors Commission, there are a number of existing barriers that are making it very difficult for some older persons, their caregivers, professional staff, and others to assist older residents to access a range of supportive services. The Seniors Commission identified a number of major barriers to linking housing and services, including the traditional distinct roles of various federal departments, such as HUD, focusing on a safe, decent and affordable place to live, i.e., to provide a roof over seniors heads -- but not to provide the types of services essential for enabling aging in place and/or quality of life for older residents.

Some of these barriers are the types of actions that can be addressed by the proposed Interagency Council on Housing and Service Needs of Seniors. For example, the Commission identified a number of administrative and organizational barriers caused by different government programs, levels of government, different types of providers (public, private, or non-profit), different funding streams. As characterized in the final report, … "housing and service needs of seniors traditionally have been addressed in different 'worlds' that often fail to recognize or communicate with each other….while policy makers have struggled to be to be responsive to the needs of seniors, the very structure of Congressional Committee and Federal Agencies often makes it difficult to address complex needs in a comprehensive and coordinated fashion. For example: Medical needs of seniors are addressed by Medicare and Medicaid; social services needs are address by Medicaid, the OAA

(Older Americans Act), and other block grant programs; housing programs are administered by HUD and the Department of Agriculture's Rural Housing Services (RHS); and transportation programs are administered by the U.S. Department of Transportation."

Future of the Interagency Council on Housing and Service Needs for Seniors

I believe that the various functions identified in Section 5 of S. 705 for the Interagency Council will significantly contribute to forging better communication and collaboration between the various federal agencies (as identified in Section 4c of the bill) involved with housing, services and health care, as well as between the federal government with state and local governments and with the private sector. For example, the Council could examine ways to promote increased collaboration by making more compatible the different income eligibility to participate in some HUD and HHS programs. HUD and USDA/RHS could collaborate with the Department of Health and Human Services/Center for Medicare and Medicaid Services (HHS/CMS) in working with states and local communities to ensure suitable and affordable housing is available in communities seeking to develop Home and Community-Based Services either in response to the Supreme Court, *Olmstead Decision* requiring community options for persons with disabilities or as part of the Administration's New Freedom Initiative.

The Interagency Council could facilitate a means to implement the various recommendations of the Seniors Commission: to provide a means to streamline counterproductive regulations; to compile and exchange data, research, and technologies; or a "one-stop shop" for best practices or to foster the development of innovative or cross-cutting models. As the Commission reported, "the Nation can no longer afford the inefficiency of the current disconnect between housing and health services systems for seniors." The time has come for coordination among Federal, State and local agencies

and administrators. The establishment of the Interagency Council could help improve efficiency among the various federal agencies within the existing structure.

While some could argue that the benefit of the Interagency Council is saving costs – and perhaps even could be self-financed by recycling cost savings, I believe that the focus of this effort should not be saving money, but rather on saving lives. Remember my first story of Marie, the frail older lady in Florida who was able to remain in her home through effective collaboration between the housing provider and the health care provider? The Interagency Council could help promote the replication of models like this as a means to save the life of another older person in another facility (or own home). The Program for All-Inclusive Care for the Elderly (PACE) program is administered by states and funded through Medicaid and Medicare for a wide range of health care and services, but does not have HHS funds for the physical structure to house a PACE center. Some federally assisted and public housing may have a number of frail residents who could benefit from the PACE program, but do not have HUD funds nor desire to operate the PACE program. However, if there should be surplus space in or adjacent to the housing facility to enable the co-location of a PACE center, it is a win-win situation for the frail elderly, the housing provider, the PACE provider and taxpayers. The Interagency Council could help expedite the development of both the PACE and Center space as well as transportation through uses of more flexibility with existing funds.

Service Coordinators

One of the key recommendations of the Seniors Commission for forging increased collaboration between senior housing and services is the staffing of service coordinators. I am pleased that Terry Allton is here to testify on behalf of the American Association of Service Coordinators (AASC) where I am honored to serve on the Board. I am pleased that EHDOC has a service coordinator for

nearly all of our 42 properties. In our website: www.ehdoc.org we include a copy of our Newsletter, *New Dimensions*, that includes a Service Coordinator Page with quarterly examples of exemplary efforts of service coordinators assisting seniors to age in place. The following are two examples where our service coordinators have not only assisted vulnerable frail elderly to remain in their home as they desired, but also saved public funds.

Council House, Marlow Heights, MD - One of our residents, Edna, stopped socializing as much as she used to. She had such severe leg pain that even using a walker was not possible. She seemed to be slipping into a depression because she was confined to her apartment. The Service Coordinator suggested that we get her a wheelchair, but she said that she would not be able to push herself around because she is too weak in her upper body.

The Service Coordinator told her about another option that could work. We contacted a company that has motorized, compact scooters. We ordered one and Medicare paid for it. Edna now "drives" herself everywhere. She is much happier now that she can again go outside, come down to bingo, come down to lunch where she plays cards with friends, attend religious services, etc. Her fear was that she would become so immobilized that she would have to move to a nursing home.

By keeping this resident mobile so she could live at home, we saved Medicare over $10,000 the state of Maryland nearly $40,000 plus additional savings with other Government programs and significantly reduced costs to the low-income older person. These estimates are based on the average cost of nursing homes in Maryland over the two years that Edna has been able to continue to live at Council House since getting the scooter.

Mildred and Claude Pepper Towers, Miami, FL - Our service coordinator has helped link our frail residents into the State's Channeling program to enable them to continue to live independently in their apartments. For example, the program has helped one of our resident's, Fannie, by providing a visiting nurse and home health aide to conduct daily cleaning activities, medications ands home delivered meals, thus saving the government tens of thousands in the two years that she has been in the program. Before Fannie was linked with this program, she thought she would have to go into a nursing home.

Despite the ample documentation of the cost effectiveness of service coordinators in enabling frail elderly to access community services, it may require an investment in one department (HUD) to save money in another (HHS). Unfortunately, funding for service coordinators in federally assisted senior housing, as well as with public housing, is woefully inadequate to ensure that facilities providing affordable housing for low and moderate income elderly have sufficient resources to include service coordinators as part of the operating budget of federally assisted and public housing. The Interagency Council could facilitate actions that both agencies would find mutually beneficial, including interagency training, access to timely information, technologies or best practices

Private Sector Collaboration

One of the issues that Chairman Shelby asked us to address was the role of the private sector with housing and services needs of seniors. Rightfully so, considering that senior housing and services is big business: jobs, consumer products, taxes, etc. Senior housing and services has a symbiotic partnership with the private sector. The Seniors Commission examined a number of issues that need the active involvement of the private sector with housing and services, including increased role for Government Sponsored Enterprises (Fannie Mae, Freddie Max), bonds, and various tax

incentives. With the present rapidly escalating housing costs and tight local markets, many federally funded facilities that could be used for affordable senior housing are being lost through conversions to condos.

Given the demographics, the limited federal funding for Section 202 and other affordable senior housing, and long waiting list for most facilities (nationwide EHDOC has over 4,200 seniors waiting for affordable housing – more than those who currently resident in our facilities), we need to create additional means to finance the development and preservation of affordable senior housing. Some existing buildings could be acquired through public-private partnership, rehabilitated, add enhanced services, and reposition in the community as mixed-financed, mixed-use, and mixed-income senior housing, as part of a community long-term care strategy. We clearly need effective interagency collaboration with the GSEs, HUD, IRS, state housing finance agencies, banks, state and local government and the private sector.

EHDOC could not function without partnering with the private sector. For example, we have been successful in work with Homeward Bound to provide 100 hours of free personal care aids to residents in New York; Verizon Corporation, Bell South, and SBC for donations in excess of $100,000 in computers for seniors to be connected to today's technology, and the Pequot Indians Prescription Drug Program which provides prescription medication to EHDOC seniors at the lowest possible costs.

In addition to the efforts of our service coordinators brokering linkages between senior residents with a myriad of public and private community agencies, EHDOC has established a program to promote collaboration between our residents, our facility, and the local community. Our Community Action Program (CAP) is designed to encourage active participation between seniors

and their community. We promote volunteers both by our resident's involvement within the community as well as by community organizations and individuals to assist our residents. Again, our website provides an on-gong listing of local programs in our newsletter. One of the recent examples of CAP which we take much pride, was action taken by our residents in response to the devastation caused by the Tsunami. Our low-income older residents conducted bake sales and other fund raising activities (some with local private sector matches), and were able to raise and donate $25,000 to survivors. Not only would an Interagency Council be helpful with our local, state or national efforts by exchanging timely information nationwide, but now also worldwide. I will be discussing our CAP program in Norway next week as part of the International Association of Homes and Services for the Aging (IAHSA).

One final comment on the private sector and S.705 to establish the Interagency Council on Meeting the Housing and Service Needs of Seniors, I would like to suggest that we borrow a phrase by the Nike Corporation…."Just Do It!" I believe that the establishment of the Interagency Council is the next step building upon the wealth of testimonies, research, data, best practices, and countless hours of deliberations of the Seniors Commission. It was the wisdom of the Congress in establishing the Seniors Commission to give us an 18-months deadline. I believe that the final report provides ample justification for the need to increase interagency and public and private collaboration in meeting the housing and services needs of rapidly increasing elderly population. While it was challenging, we met the deadline, and delivered our final report and recommendations to this Committee at hearings held on June 27, 2002 before Senator Sarbanes and the Banking, Housing and Urban Affairs Committee. I am pleased that the Committee arranged for the final report, as well as the proceeding of the hearings and related actions to be available at www.seniorscommission.gov I would like to request that the Committee take additional actions to insure the extensive demographic research paper is also inserted into the website. I am pleased that

the Commission was identified as a contributing factor in the introduction of this important and timely legislation. I am encouraged that the establishment of the Interagency Council on Meeting the Housing and Service Needs of Seniors will provide a means to address and implement its comprehensive list of recommendations.

My final comment would be to think like Nike of the private sector: "Just Do It! At EHDOC we have modified this phrase to: "Feel It (in your heart), Think it (do your homework), and Do it (take timely actions). I would urge your quick passage of this bill to establish the Interagency Council on Meeting the Housing and Service Needs for Seniors; and urge your support to ensure its quick enactment during this 109th Congress. Thank you.