

Return Service Requested



# Aging Alert

Vol. 35, No. 7

September, 2010

## MI CHOICE BUDGET UP – MEALS, HOME CARE CUT

“Mixed bag” describes the 2011 budget decisions affecting older Michigianians. The good news - lawmakers increased MI Choice Waiver funding by \$8 million. However, senior meals, care management, in-home services, caregiver supports and volunteer programs were cut 8% in the Office of Services to the Aging (OSA).

The MI Choice increase boosts total funding from \$176 million to \$184 million. While thousands are on a waiting list, the increase is targeted to a priority group - those living in nursing homes who want to return to the community. MI Choice is a Medicaid program that provides home and community-based services as an alternative to nursing home placement. MI Choice clients are adults 18+ who are determined to need a nursing home’s level-of-care.

OSA services will lose \$2.3 million. Here are the categories and the amounts cut:

community services	\$1,193,200
senior meals	\$ 763,200
RSVP volunteers	\$ 54,500
Senior Companions	\$ 139,400
Foster Grandparents	\$ 194,000

The recession has had a devastating impact on aging services. From 2009-2011, cuts in OSA’s state funding total almost \$10 million

or 28%. OSA also receives federal funds.

Lawmakers increased  
MI Choice Waiver  
funding by \$8  
million....OSA services  
will lose \$2.3 million”

“The MI Choice increase will help, but I am extremely disappointed in the cuts to meals-on-wheels and other services,” says Marion Owen, President of the Area Agencies on Aging Association (AAAAM). “It’s unfair to make frail elders sacrifice more than others during these tight budget times.”

Meals-on-wheels gets another blow in 2011 from the loss of federal stimulus funds that have minimized the impact of previous cuts. Almost 4,500 homebound seniors will lose 700,000 meals.

In other budget news, no Medicaid providers will see reimbursement cuts next year, and two Medicaid services that were previously cut have been restored – dental services for adults and podiatry.

## SENATE BILLS OF INTEREST TO SENIORS

*For more information about these and other bills, go to [www.michiganlegislature.org](http://www.michiganlegislature.org).*

- SB 744**      **MEDIGAP POLICIES**    (Sanborn)    Prohibits insurers from denying policies or charging higher prices to Medicare supplemental customers based on their genetic information. Allows insurers to request genetic information under certain conditions. Passed Legislature, signed by Governor Granholm as Public Act 219. Applies to policies as of May 21, 2009.
- SB 749**      **LICENSE PLATE**    (Pappageorge)    Allows the spouse, parent, sibling, or child of a veteran who died in combat to apply to the Secretary of State (SOS) for a Gold Star Family license plate for a \$5 fee. Passed by Senate on August, 2010; in House Transportation Committee.
- SB 750**      **DONATED PROPERTY**    (Pappageorge)    Allows property seized for drug violations to be donated to nonprofit organizations or put to other uses. Passed Senate on December, 2009; in House Intergovernmental & Regional Affairs Committee.
- SB 772**      **BANK FEES**    (Kahn)    Prohibits banks from charging account inactivity fees. In Senate Banking & Financial Institutions Committee.
- SB 782**      **VOLUNTEERS**    (McManus)    Exempts nonprofit volunteers from the requirements of the Michigan Occupational Safety and Health Act. In Senate Commerce & Tourism Committee.
- SB 801**      **CONFLICT OF INTEREST**    (Patterson)    Bars legislators from voting on bills if they have a conflict of interest. In Senate Judiciary Committee.
- SB 806**      **PROPERTY TAX APPEALS**    (Kahn)    Requires local governments to notify taxpayers of their right to appeal assessments in writing without appearing in person. In Senate Finance Committee.
- SB 858**      **MEDICAL LIABILITY**    (Kahn)    Protects hospitals from lawsuits when treating patients in the emergency room, with the exception of gross negligence. In Senate Judiciary Committee.
- SB 860**      **YOUTH VOLUNTEERS**    (Allen)    Allows nonprofits to use youth volunteers for unpaid volunteer work without getting work permits. Passed Senate in March, 2010; in House Labor Committee.
- SB 865**      **MENTAL HEALTH ASSESSMENT**    (Brater)    Requires the state to develop standardized instruments to determine the severity of mental illnesses. In Senate Health Policy Committee.
- SB 867**      **MENTAL HEALTH DATABASE**    (Brater)    Requires the state to create a database to collect information on applicants denied mental health services. In Senate Health Policy Committee.

- SB 869**      **GUARDIAN POWERS**    (Brater)    Amends current law to clarify that legal guardians have the authority to consent to psychiatric hospitalization and outpatient treatment for the person they assist. In Senate Health Policy Committee.
- SB 870**      **MENTAL HEALTH DATABASE**    (Martha Scott)    Requires the state to collect data on the deaths, injury, incarceration and homelessness of all mental health recipients and applicants. In Senate Health Policy Committee.
- SB 872**      **MENTAL HEALTH APPEALS**    (Thomas)    Requires Community Mental Health agencies to develop procedures for appeals/grievances filed by clients, applicants, guardians or family members. In Senate Health Policy Committee.
- SB 885**      **FUNERAL ARRANGEMENTS**    (Van Woerkom)    Allows individuals to dictate in writing their own funeral arrangements and the disposition of their remains, providing that funds are available. In Senate Judiciary Committee.
- SB 895-6**    **FINANCIAL EXPLOITATION**    (Whitmer)    Increases prison time and financial penalties for the financial exploitation of a vulnerable adult. In Senate Judiciary Committee.
- SB 897**      **FINANCIAL EXPLOITATION**    (Whitmer)    Prohibits someone charged with abuse, neglect or exploitation from inheriting assets from the victim's estate. In Senior Citizens & Veterans Affairs Committee.
- SB 906**      **SMOKING**    (George)    Forbids smoking in the State Capitol or on the capitol grounds. In Senate Government Operations & Reform Committee.
- SB 907**      **ADULT FOSTER CARE**    (Hunter)    Prohibits an adult foster care home from retaliating against a resident for interfering with an investigation. In Senate Judiciary Committee.
- SB 942**      **MEDICAID FRAUD**    (Kahn)    Creates a new office of Medicaid Inspector General within the Department of Community Health to address fraud and abuse. In Senate Health Policy Committee.
- SB 949**      **WAR MEMORIALS**    (Richardville)    Makes it a crime to damage war memorials, increases penalties for damaging graves and memorials, and adds the option of community service. Passed Senate in November, 2009; in House Judiciary Committee.
- SB 959**      **PROTECTIVE ORDER**    (George)    Allows a law enforcement officer or County Department of Human Services Director to petition the court for an immediate order to protect an individual's property without notice or a hearing. In Senate Judiciary Committee.
- SB 960**      **NOTARY PUBLIC**    (George)    Requires notaries to refuse to witness a signature if, in their opinion, the person making the oath does not understand the transaction. In Senate Judiciary Committee.

## **BLUES REQUEST CHANGES IN MEDIGAP PREMIUMS**

Blue Cross Medicare supplemental insurance premiums would vary based on a customer's income, under a proposal released in August by Blue Cross Blue Shield of Michigan (BCBSM). The Blues' request, affecting 200,000 Medicare beneficiaries, also includes a 12.5% rate hike. Attorney General Mike Cox doesn't like the changes and is likely to challenge them. The final decision is in the hands of the Insurance Commissioner.

The income-based premiums revolve around the allocation of something called the 'senior subsidy.' BCBSM now subsidizes four Medigap policies: Legacy High Option, Legacy Low Option, Medigap Blue, and Plan A. The senior subsidy was won by aging advocates many years ago and is part of Public Act 350, the state law that governs the operation of BCBSM as a nonprofit, charitable and benevolent organization. The subsidy is paid by other Blue Cross customers, and now totals \$180 million. No other insurers have a senior subsidy.

Some have suggested that the subsidy be targeted more to seniors with lower incomes. It is estimated that thousands of low-income older adults in Michigan are going without a Medigap policy because they cannot afford the premiums.

This so-called "means-testing" proposal would require customers to show proof of their income so they will be charged the appropriate premium. The current subsidized premium for the Blue Cross Legacy High Option policy is now \$111. Without the subsidy, the policy would cost \$182/month; \$111 is a 39% discount. The Blues' proposal would set up four income categories and vary the premiums as shown below:

### **BLUE CROSS MEANS-TESTING PROPOSAL FOR MEDIGAP** **(Legacy High Option policy)**

<u>Income Category</u>	<u>Premium</u>	<u>% Discount</u>
Low Income: 100-150% of poverty (\$10,830 - \$16,245 annual income)	\$95/month	50%
Low Middle Income: 150-300% of poverty (\$16,245 - \$32,490 annual income)	\$116/month	39%
Middle Income: 300% poverty to \$85,000 (\$32,490 - \$85,000 annual income)	\$127/month	34%
High Income over \$85,000 annual income	\$143/month	25%

Under this plan, all seniors would still get some subsidy, but the lower your income, the larger the discount. If you are affected by these changes and want to provide input, write to Aging Alert, 6105 W. St. Joseph, Suite 204, Lansing, Michigan 48917.

Aging Alert is published ten months each year by the Area Agencies on Aging Association of Michigan. Reproduction of articles not permitted without permission. Call (517) 886-1029. Annual subscription rate: \$12 individuals, \$24 organizations. Editor: Mary Ablan