



**Testimony of
Terry Allton, Director of National Church Residences at Home
House Housing and Community Opportunity Subcommittee**

H.R. 2930: Section 202 Supportive Housing Act of 2007

Thursday, September 6, 2007

Good Morning Chairwoman Waters, Ranking Member Biggert and distinguished members of the subcommittee. My name is Terry Allton and I am the Vice President of NCR at Home at National Church Residences, a non-profit housing, housing based community services and healthcare provider, based in Columbus, Ohio. National Church Residences has been dedicated providing service to older adults since 1961 and is committed to providing quality housing and services at affordable prices to low and moderate income seniors. NCR has over 270 communities throughout the United States and Puerto Rico, housing more than 25,000 low-income seniors, families and persons with disabilities. NCR's Department of Support Services currently oversees 300 service coordinator programs in more than 350 properties across the United States, serving over 30,000 residents.

Congress authorized the Cranston Gonzalez Act in the early 1990's creating the service coordinator program within the HUD Section 202 program and launching a profession. Service coordination addresses the basic issue of quality of life for our seniors and provides them with options to premature institutional care. Currently HUD funds service coordination in Section 202/Section 8 properties through a grant process or within property operating budgets. These communities house very low-income residents, with income levels of \$10,000/annually or less. At NCR, we believe in the benefits of community-based services and supportive housing. Our goal is to link residents with services that will allow them to remain independent, in their own homes and avoid unnecessary institutionalization. We are committed to placing service coordinators in each one of our communities.

NCR's Department of Support Services is a nationally recognized leader in the industry and our Quality Assurance program has won national awards as the most comprehensive program of its kind in the country. I am pleased to be here to discuss the practical effects of the changes in H.R. 2930 will have on the lives of residents and the national goal of helping seniors age-in-place safely. NCR is also a member of the American Association of Service Coordinators (AASC), a national, nonprofit organization representing more than 1,800 professional service coordinators serving populations living in federally assisted and public housing facilities nationwide, their caregivers, and others in their local community. I am the immediate past Chair of the Board of AASC, a position I held for two years and have served as a Board member for a total of four years.

The Role of Service Coordination in Senior Housing

Service coordinators are an increasingly important part of senior housing communities. Coordinators identify resident service needs, seek out community resources, provide case management and organize health and wellness programs. They arrange homemaking, transportation and meals and offer one-on-one assistance for residents by providing help with entitlements, benefits, insurance, Medicare and Medicaid. In addition to helping working with residents to secure services through existing community agencies and providers, service coordinators also act as a broker for services that are not readily available through public resources. Their role not only enhances the quality of life for seniors, but influences the cost of caring for elders by keeping them in non-institutional care longer.

The first stage of providing a continuum of housing and service choices for the elderly often is in-home supportive services. Individuals with ample resources, many times, have easier access and a greater variety of choices in how and from whom services are acquired. Seniors with limited incomes

depend more on publicly funded services. These programs are overburdened, financially restrictive, severely limited and in recent years, have been targeted for funding cuts. Navigating the fragmented system of service providers and benefits are a challenge to anyone, and particularly difficult for seniors. NCR has started its own home health care and hospice agency in order to further streamline residents ability to receive appropriate services, at the appropriate time, and to help them age-in-place at home. This is where they want to be.

Service Coordinator Outcomes in Senior Housing

Service coordinators have proven outcomes that demonstrate their ability to help residents age in place and provide significant cost-savings. More than 91% of residents that work with a service coordinator age-in-place. Our average resident is a 79 year old widowed female that has an income of \$10,018/year. When that resident works with a service coordinator, on average they save \$279/month, which is 1/3 of their annual income. Service coordinators are able to do this by connecting these elderly, frail, low-income residents with entitlement programs and prescription drug discounts, but more importantly they broker services that result in grocery store discounts, free pharmacy deliveries, free transportation through volunteer programs, discounts on prescription glasses, free durable medical equipment, food pantries and emergency rent assistance. The majority of these programs are created by service coordinators in communities where they previously did not exist. They are successful in negotiating discounts by leveraging the fact that many qualified residents who would use a given product or service live at one address, maximizing the community partners economies of scale.

NCR's Support Services division has gone to great lengths to quantify the benefits of service coordinators. We continually monitor programs, offer training and track outcomes. NCR's 160 service coordinators serve approximately 15,000 residents. Each service coordinator serves an average of 93

residents. Over 90% of the residents are 70 years of age or older and over 40% are considered “frail”, meaning they need assistance with 3 or more ADLs per day. A recent study found that service coordinator’s time is allocated accordingly:

- Advocacy 16%
- Help with Benefits and Entitlements 13.7% (mostly due to Medicare Part D last year)
- Case management 9.5%
- Monitoring services 8.6%
- Health Care Services 6.4%
- Assessments 5.5%

It is a testament to the need for service coordinators and the benefit of their presence that only about 3.2% of their time is spent on crisis intervention.

Imagine how difficult it could be for a senior living alone without access to a service coordinator. Service coordinators provide a cost saving benefit to our subsidized housing communities, by preventing unnecessary vacancies in federally subsidized properties. Coordinators help residents avoid potential eviction, move-outs and unnecessary placement at a higher, more costly level of care. The average cost for a vacancy in one of NCR’s facilities is \$1,732. We were able to establish that service coordinators in NCR facilities saved the properties an average of \$2,393 over a four month period by making it possible for residents to remain in their homes.

A preventative, expansive, affordable range of community based services is essential to making our communities, our staffs and our residents successful, but more can be done. Coordination and funding are key. Federal, state and local governments are struggling with soaring costs related to caring for our

seniors. Organizations like NCR are committed to helping, but we need the resources, the flexibility and the support from you.

Section 202 housing and service coordination programs provide the federal government with a desirable, cost effective solution for non-institutionalized long-term care - housing and services. Efforts to preserve existing housing, increase service coordination opportunities and supportive services should be encouraged and promoted on a national level. Increasing the available funding to make sure that all senior communities have access to service coordinators is critical. H.R. 2930 will secure non-federal dollars for this purpose in properties around the country.

Service Coordinator Funding

Funding for service coordination is always challenge. This is made more difficult by HUD's refusal to allow for adequate funding in new Section 202 PRAC properties. Although this program was authorized to include the service coordinators in the operating budgets and is supposed to be funded to meet that goal, the HUD offices around the country refuse to provide funding in the budgeting process. This policy is both unconscionable and irrational. The Section 202 program is a supportive housing for seniors. HUD administration has determined that service coordinators are not eligible for the competitive grant program because Section 202 PRACS are supposed to have the necessary funding in their operational budgets. The fact is that they do not. The Section 202 PRACS are in the same or a worse position as the older Section 202/8 properties and need services coordination staff.

It is important to note that even the Section 202/8 properties face dismal prospects for new service coordinator grants. The funding strain has made it less possible for facilities to incorporate the service coordinator funding into their operational budgets, leaving sponsors dependant on the annual grant

process to fund a new coordinator or retain their existing one. This dependence on the grant program for permanent funding for service coordinator staff means that the majority of the funding goes towards renewals. Fewer and fewer new grants are available each year. In the FY06, HUD provided funding for just 23 new service coordinators throughout the entire country.

During the last few years, innovations in home and community based services delivery, nursing home diversion programs and the Administration programs such as the New Freedom Initiative, have led to more options for seniors that want to remain in their homes. The service funding streams and program requirements are numerous, with little coordinated effort on the part of the state and federal governments. Most of our residents do not even know that most of these services exist and that help is available. This creates a sense of isolation for many seniors and a fear that admitting they need some assistance will endanger their ability to remain in their housing. Our coordinators represent a life line for these residents. They work through the consumer confusion and program requirements to meet the resident's needs and promote their sense of dignity. We are the link that makes supportive housing with service work. We must, as part of our national policy, find some way to increase the options for funding these positions in all senior properties.

The Promise of H.R. 2930

There are two sections of this legislation that I am particularly excited about. Title II, Section 203 would provide clarification and much needed sources of funding for service coordinators and services in senior housing. The current 15% on the limitation on the use of funding has long been a moving target for organizations striving to provide supportive housing. It has never been clearly defined what the 15% limitation applies to and the HUD offices have varying policies. The current limitation, no matter what the field office has based it on, ignores the growing frailty and service needs of the

resident population that we are working with. As I mentioned, at National Church Residences, 40% of our residents are frail. In addition, Section 204 would enable providers to use excess residual receipts for the benefit of residents.

Most importantly for the long term sustainability of service programs and service coordination, there must be additional, permanent funding streams for the services in Section 202 properties. Clearly the federal government does not have the political will to fund this on a nationwide level. The refinancing of Section 202 properties provides an opportunity for substantial capital to be raised and through excess proceeds and contributed developer's fees to create enough money to generate a permanent funding stream for staff service coordinator staff and supportive services. The residents in Section 202 housing rely heavily on affordable supportive housing to stay out of nursing homes. I strongly urge you support the provisions in this legislation that will lift the cap on the funding for services and service coordination, permit excess residual receipts to be used to increase funding and allow housing providers to use excess refinancing proceeds to establish permanent funding streams for staff and services.

Conclusion

I want to thank you for the opportunity to be here today. I appreciate the fact that you've taken the time to explore the role that services and service coordinators play in the success of the Section 202 program. Under H.R. 2930, the Section 202 will move closer towards the goal of making all of its communities truly supportive. National Church Residences has committed to the goal of providing service coordination in our communities as part of our ministry to preserve the safety, independence and dignity of our seniors. We hope that Congress will join us and make this possible in all of the communities throughout the country. Thank you.