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January 8, 2020

Senator Geoff Gratwick, Co-Chair
Representative Patty Hymanson, Co-Chair
Joint Standing Committee on Health and Human Services
100 State House Station
Augusta, ME 04333-0100

Senator Gratwick, Representative Hymanson, and Members of the Joint Standing Committee on Health and Human Services:

This letter accompanies two reports that have been prepared by the Department of Health and Human Services, Office of Aging and Disability Services (OADS). The reports are being provided in response to your letter dated June 19, 2019, with reference to LD 1146, "An Act to Ensure the Provision of Housing Navigation Services to Older Adults and Persons with Disabilities".

The two reports provided with this letter are as follows:

- Review of Housing Programs Managed by DHHS and MaineHousing; and
- Maine State Plan on Aging Update.

Thank you for your attention to these important topics. If you have any further questions, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Paul Saucier".

Paul Saucier
Director, Office of Aging and Disability Services



Review of Housing Programs Managed by DHHS and MaineHousing

January 10, 2020

Report in reference to LD 1146
“An Act To Ensure the Provision of
Housing Navigation Services to
Older Adults and Persons with
Disabilities”

Maine Department of Health and Human Services
Office of Aging and Disability Services

Executive Summary

On May 23, 2019, the Joint Standing Committee on Health and Human Services voted to carry over LD 1146 (“An Act to Ensure the Provision of Housing Navigation Services to Older Adults and Persons with Disabilities”) to the next legislative session. In a letter dated June 19, 2019, the Committee requested additional information from the Department of Health and Human Services (the Department), regarding a review of available housing programs and related services.

The Department designated the Office of Aging and Disability Services (OADS) to perform the review. The review will:

- a) Describe housing programs and services managed by the Department; and
- b) Describe housing programs and services managed by the Maine State Housing Authority (MaineHousing).

Introduction

The Department of Health and Human Services provides health care and social services to approximately a third of the state's population, including children, families, older adults, and individuals with disabilities, mental illness and substance use disorders. The Department also promotes public health through the Maine Center for Disease Control and Prevention, operates two state psychiatric hospitals, and provides oversight to health care providers through the licensing division. As the largest Department, we employ 3,200 people dedicated to improving the health and wellbeing of Maine residents.¹

The Department’s mission is to provide integrated health and human services for the people of Maine and to assist individuals in meeting their needs, within available resources, while respecting the rights and preferences of the individual and family. The Department delivers services that are individualized, person-centered, preventative, independence-oriented, interdisciplinary, collaborative, evidence-based and consistent with best and promising practices. The Department is committed to engage staff, stakeholders, providers and customers in a collaborative partnership that continuously seeks excellence in service design and delivery to ensure delivery of services in a way that maximizes the health, well-being and independence of Maine’s low-income older citizens and Mainers with disabilities.

Maine’s population is currently the oldest in the country, and this distinction is expected to become even more pronounced in the years ahead. Federal and state long-term services and supports policies have long promoted the goal of supporting older adults to stay at home and “age in place.” However, the goal may not be desirable or feasible for many older persons with low incomes. As they age, low-income older adults can face a limited number of housing choices. They try to make do, even as their homes become increasingly unsafe, inaccessible or unaffordable.²

Public policy focuses on the benefits to “age in place.” Aging in place is defined as “the ability to live in one’s own home and community safely, independently, and comfortably, regardless of age, income, or ability level.”³ Studies show that some 70 percent of Americans aged 65 and older live in single-family detached homes, and nearly 90 percent intend to age in place and remain in their homes permanently.⁴ This option is the most cost-effective and financially sensible, as long as physical abilities allow one to stay at home. Some accessibility improvements can be made relatively easily, others can be complex and costly. A 2010 MetLife Mature Market Institute report estimates that home modifications range in price from well under \$1,000 for installation of grab bars and grips in bathrooms, hand rails on both sides of steps, and lever-style handles on doors and faucets, to

\$1,600–3,200 for wheelchair ramps, and \$3,000–12,000 for stair lifts.⁵ Major remodeling projects such as bathroom or kitchen renovations can cost even more.

OADS and MaineHousing work together to support older and disabled low-income adults who require both accessible, affordable housing, and help in managing their health care and other needs. Both agencies have developed innovative models of supportive housing, specifically the Assisted Living Facilities (ALF), Independent Housing with Services Program (IHSP), and housing services such as Mainstream Vouchers, Section 811 PRA Demonstration Grant, HEAP, and Weatherization. Housing and service provider partnerships provide a unique opportunity to address the housing needs of low-income older adults and adults with disabilities.

Maine's Older Adult Demographic Data⁶

Maine has the highest percentage of older people in the country.

According to 2012 Census data, nearly one-third of Maine's population was aged 55 and older (nearly 420,000 people), representing the largest share of older adults of any state in the country. Some regions of the state had higher rates of older people than others. The Coastal Region (composed of Hancock, Knox, Waldo, and Lincoln Counties) had both the highest rate (36 percent), and the highest number of older people, with 61,549.

Many of Maine's older residents had limited incomes in 2012, and a sizable share had at least one disabling condition.

Thirty-seven percent of Maine's older population had low incomes; that is, incomes (through earnings, retirement, or benefits) of 80 percent or less of the area median income. Nine percent had extremely low incomes, defined as incomes of 30 percent or less of the area median income.

More than one-quarter (27 percent) of Maine's older population had at least one disabling condition. Poorer older people had considerably higher disability rates. For extremely low-income people, the disability rate jumped to 50 percent.

Most people 55 and older lived in family households (most often, with a spouse). Nine percent of households were males living alone, and 16 percent of households were females living alone. Female householders living alone had lower incomes than their male counterparts. Nearly 8 in 10 (78 percent) of older females living alone had low incomes compared to two-thirds of older males living alone (67 percent).

A considerable share of Maine's older population was living in unaffordable housing situations in 2012.

Housing is considered unaffordable when its cost consumes more than 30 percent of household income. In 2012, 21 percent of all older people in Maine were living in unaffordable housing. The rate of unaffordable housing differs by housing tenure (renters compared to owners).

Maine's has the eighth oldest housing stock in the country.

Approximately 31 percent of units in Maine were built before 1950. In 2012, the median age of housing was between 33 and 42 years, having been built between 1970 and 1979. Cumberland County Southeast had the oldest stock, as more than half of housing units were built before 1950.

There was a shortage of nearly 9,000 units of affordable housing available to low income older people in 2012. Without any change to the existing rental stock, by 2022 the shortfall of affordable rental units will increase to 15,000.

Renters aged 55 and older had lower median incomes than other renters, at \$24,245. Based on the median income, approximately 40,000 rental units are available at a rent affordable to renters 55 and older. In 2012, the

estimated number of renter households with at least one person aged 55 and older is 49,125. Projecting to 2022, the number of renter households with at least one person aged 55 or older will increase to nearly 56,000.

A. Housing Programs and Services Managed by the Department of Health and Human Services

Within the Department, OADS is responsible for planning, developing, managing and providing services to promote independence for older adults and adults with disabilities. This is done through the program oversight and management of several programs including evidence-based prevention programs and comprehensive home and community-based services for older adults and adults with disabilities including individuals with Intellectual Disabilities, Brain Injury, and Other Related Conditions. OADS is also responsible for the management and oversight of Adult Protective Services including Public Guardianship and/or Conservatorship for incapacitated adults who have no family member or other private individual able or suitable to serve in those capacities.

The following are the housing and service-related programs that are either managed or supported by the Department to assist older adults and adults with disabilities.

Adult Family Care Homes

The demographic characteristics of rural Maine (i.e. high poverty rates and low population density) provide challenges for both older adults and providers. These challenges have limited the availability of both housing and services in these rural communities. The Adult Family Care Home (AFCH) model is a long-term care model particularly suited for low-income older adults living in rural communities. The program began with the Adult Family Care Home Demonstration Program grant in 1995.⁷

The program provides both housing and supportive services for up to eight individuals in a residential setting. Individuals typically have their own room and share common space (such as kitchen and dining space) with their fellow residents. Although they do not require nursing home level of care, they usually require assistance with activities of daily living (ADL) such as dressing, eating, bathing and personal hygiene. Additional services include, 24-hour supervision, meals, housekeeping, laundry, transportation, and medication management.⁸

The AFCH service model provides residents choice and flexibility in their care. They can set their own schedules. The typical AFCH resident is between 80 and 90 years old.⁹ Direct care is provided by Personal Support Specialists (PSS). The AFCH model provides these services in a familiar home like setting. There are occasions when an individual's needs exceed the abilities of the AFCH to manage, however most of the homes are designed for residents to age in place and remain in the community through the end of life. AFCHs are licensed residential care facilities and are located in 12 of Maine's 16 counties.¹⁰

The Independent Housing with Services Program (IHSP)

The Independent Housing with Services Program (IHSP) began in 1979 after the 109th Legislature appropriated \$87,000.00 to develop two congregate housing demonstration projects. The purpose of these demonstration programs was to address both the housing and service needs for older adults who have long-term care needs but do not require a nursing facility level of care. In a 1980 report¹¹ of the Governor's Task Force on Long-Term Care for Adults, it was reported that increasing numbers of Maine's older adults experienced hardships in living in their own homes and apartments. This was due to chronic medical conditions (which prohibited their ability to carry out routine activities of daily living), and an increased likelihood of social isolation. This was often combined with an inability to pay for housing related expenses, i.e. repairs and routine maintenance. The theory was that Congregate Housing would serve the needs of this population, since it provided both affordable housing, as well as supportive services which in turn increased opportunity for independence and freedom of choice.

In 2002 the Congregate Housing Program name was changed to Independent Housing with Services Program (IHSP). It continues to provide supportive services such as personal care, homemaking, service coordination, meals and transportation.¹² Currently there are six IHSP providers statewide serving approximately 89 program participants.

Affordable Assisted Living Facilities (ALF)

The Affordable Assisted Living Facilities (ALFs) were initiated in the 1990's with private foundation grants, state and federal funds. The facilities were all developed with Low Income Tax Credit Financing (LITCF). The owners would develop and fill the property and hire an agency to provide services. These facilities were piloted in Maine through a unique partnership between MaineHousing and the Department. There are seven sites located throughout the state. They were developed on the premise that the resident would have their own apartment with the option of having services provided. The residents' housing rent is paid directly to the property owner; and services (meals, personal care, medication administration, homemaker services, plus an emergency response system) are provided by the service provider. Eligibility for services is determined by an assessment. A resident of the facility may require all or some of these services. The residents are charged a co-pay and cost share by the service provider based on their income and expense. Approximately half of the residents receive some sort of HUD rental assistance either a Section 8 Housing Choice Voucher¹³ or a Project Based Voucher.¹⁴ The vouchers are managed either by the local Public Housing Authority (PHA) or by MaineHousing. On the service side, the ALFs are licensed by the State of Maine, and the funding for services is provided through a contract with OADS.

Since July 2009, the seven ALFs have been funded with state general funds. The funds were authorized to pay for eligible residents' services not covered by other funding sources.

Facility Based Supports and Services (Nursing Homes, PNMI & Dementia Care)

Over the last several decades, through a series of major reform initiatives, Maine has dramatically reduced its reliance on facility-based supports and services for older adults and adults with disabilities.

Prior to the 1990's, nursing homes were the most common placement for adults in need of long-term care services. At that time, nursing homes offered the only environment where adults could receive 24-hour care. Individuals who did not need an intensive level of medical care ended up in nursing facilities because there were simply no other options. As a result, Maine began developing alternative residential settings to reduce the over-reliance on nursing home care.

In the 1990's, Maine initiated several reforms including the targeting of nursing home admissions to those most in need by raising the medical eligibility threshold. Maine's Legislature established a law¹⁵ requiring that anyone seeking admission to a nursing facility, regardless of payment source, will be assessed for medical eligibility based on a standardized assessment conducted by an independent assessing agency. This same assessment tool is used to determine medical eligibility for a wide range of Medicaid and state funded home and community-based services for older adults. As a result of these reforms, between 1995 and 2000, the number of MaineCare members in nursing homes, on average in a month, dropped almost 18% while the number of people receiving Home and Community Based Services (HCBS) waiver services increased 13%.¹⁶

Homeward Bound, Money Follows the Person (MFP)

OADS established **Homeward Bound, Maine's Money Follows the Person Demonstration Program**, a federal CMS initiative to help states reduce their reliance on institutional care (i.e. nursing homes) for people with long-term care needs. The program expands options for older adults and adults with disabilities to instead

receive support services in the community. The program is overseen by the Department through the Office of Aging and Disability Services.

Individuals enrolling in Homeward Bound are eligible to receive an individualized package of services and supports. All participants receive assistance facilitated by a Transition Coordinator, who works with the individual and his or her team to better understand their needs, develop a transition plan and provide intensive help with transitioning back into the community. Additional services are arranged according to individual needs and may include Home and Community Based Waiver Services (if eligible), Medicaid State Plan Services and Homeward Bound Demonstration Services such as Specialized Clinical Assessments, Independent Living Assistance, Household Start-Up, Enhanced Care Coordination, Technology Services, Planning Consultation and Peer Supports.

Through the MFP demonstration, Maine has prioritized Housing, Home Care, and Assistive Technology for investment of rebalancing dollars, with initial use of rebalancing funds support an expansion of Housing Assistance. Maine has a very similar experience as other states who are participating in the MFP demonstration, with the most significant challenge in returning people back to the community being the lack of affordable/accessible housing. The LTSS Transition Coordinator Specialist position increases the availability of individual assistance to include those who may not qualify for MFP, yet still need assistance to move from institutional to community living. It will also service to increase systemically, the availability of affordable and accessible housing for Medicaid recipients.

B. Housing Programs and Services Managed by MaineHousing

MaineHousing is an independent state agency that bridges public and private housing finance, combining them to benefit Maine's low and moderate-income people. MaineHousing brings millions of new private and federal housing funds to invest in Maine to create safe, affordable, warm housing. The mission of MaineHousing is to assist Maine people in obtaining and maintaining quality affordable housing and services suitable to meet their housing needs.

The following are the housing programs that are either managed or supported by MaineHousing.

Affordable Rental Housing Development

MaineHousing offers several programs to support the development of affordable rental housing. The Low-Income Housing Tax Credits, HOME Partnership, and Housing Trust Fund are the primary sources of funding for new affordable rental housing.

The **Low-Income Housing Tax Credit** provides a subsidy in the form of a federal tax credit to developers of affordable rental housing. Tax credits are awarded on an annual basis for both senior and family housing development. Evaluation of proposed housing includes the community's aging in place initiatives, the project's proximity to services and transportation, and broadband access sufficient to support telehealth. In 2019 Maine Housing awarded \$3.78 million in Low Income Housing Tax Credits to five affordable housing projects in Maine. The tax credits will generate over \$37 million in equity from private investors. Combined with an additional \$3 million in subsidy from MaineHousing, more than \$40 million of funding will create or preserve 317 housing units. Of those units, 275 will serve households at or below 60% of the area median income.

The **Rental Loan Program (RLP)** provides low interest rate, long-term mortgage financing to qualified private and nonprofit developers of affordable rental housing for senior or family housing. The RLP may be used for acquisition, acquisition and rehab, or new construction of apartment buildings of five or more units. Developers

must reserve a portion of the units for lower income renters. RLP financing can be combined with the subsidy available from the federal Low-Income Housing Tax Credit.

In 2019, MaineHousing is offering funding resulting from a General Obligation bond for **Rural Housing for Older Adults**. Proposed housing projects must create new affordable rental housing units for low-income households headed by a person 55 years of age or older through new construction or the adaptive re-use of an existing building. Projects must be located in Maine counties with populations less than 100,000. These counties are Aroostook, Franklin, Hancock, Knox, Lincoln, Oxford, Piscataquis, Sagadahoc, Somerset, Waldo, and Washington.

Housing Choice and Mainstream Vouchers

Housing Choice Vouchers provide rental assistance to income-eligible tenants to lease affordable private housing of their choice by subsidizing a portion of their monthly rent and utilities and paying it directly to their landlord. The program is offered statewide through public housing authorities. MaineHousing is the public housing authority for those municipalities that do not have a local authority. MaineHousing uses preferences that guide the distribution of vouchers including a preference for families having a person who is elderly or with a disability.

There are also specific Mainstream vouchers available for individuals with disabilities that support them to stay living with their family. Mainstream program vouchers also assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market. Applicants will be selected from the Public Housing Authorities (PHA) housing choice voucher waiting list. The PHA compares the family's annual income (gross income) with the HUD-established very low-income limit or low-income limit for the area. The family's gross income cannot exceed this limit. Families apply to the local PHA that administers this program. When an eligible family comes to the top of the PHAs housing choice voucher waiting list, the PHA issues a housing choice voucher to the family.

Section 811 PRA Grant¹⁷

The Section 811 Supportive Housing for Persons with Disabilities program is a U. S. Department of Housing and Urban Development (HUD) supportive housing program that assists the lowest income people with significant and long-term disabilities to live independently in the community by providing affordable housing linked with voluntary services and supports. According to the Section 811 statute, the purpose of Section 811 is to enable persons with disabilities to live with dignity and independence within their communities by expanding the supply of supportive housing.

In December of 2010, Congress passed bi-partisan legislation – the Frank Melville Supportive Housing Investment Act (Melville Act) – which includes important Section 811 reforms to stimulate the creation of thousands of new integrated permanent supportive housing units every year. The Melville Act revitalizes and reinvigorates the Section 811 program as a federal mechanism to assist states to develop new policies and more systematic approaches for expanding integrated supportive housing for high-need, high-cost individuals who may be living unnecessarily in an expensive institutional setting, or who may be homeless, or at risk of either circumstance.

This legislation made significant changes to Section 811 with one of the changes being the establishment of new project rental assistance authority which provides funding to state housing and other appropriate agencies for project-based rental operating assistance for extremely low-income persons with disabilities.

As a result of the NOFA (written in partnership with DHHS) MaineHousing was awarded a \$2 million Section 811 Project Rental Assistance (PRA) Grant from HUD.

Home Energy Assistance Program

The Home Energy Assistance Program (commonly called LIHEAP or HEAP Fuel Assistance) provides money to low income homeowners and renters to help pay heating costs. MaineHousing uses HEAP funds to provide heating assistance to low-income households, including emergency funds for lower-income households experiencing an energy emergency. The funds are distributed throughout Maine by 9 Community Action Agencies, in most cases directly to the fuel vendors. The program is not intended to pay for all heating costs, but to assist in paying the heating bills. In 2017-2018, MaineHousing assisted 37,369 homes with their energy expenses.¹⁸

Low Income Assistance Plan

Low Income Assistance Plan (LIAP) helps low-income homeowners and renters with their electric utility bills. MaineHousing, through Community Action Agencies, accepts customer applications for LIAP as part of the HEAP application process.

Weatherization

MaineHousing's Weatherization Program provides grants to low-income homeowners and renters to reduce energy costs by improving home energy efficiency. MaineHousing offers this program through Community Action Program agencies, who screen people for eligibility as part of the HEAP application process.

In Federal Fiscal Year (FFY) 2017, MaineHousing received a waiver to invest 25% of the HEAP grant in weatherization to make homes of low-income residents more energy efficient. The increase will be applied through March 31, 2019. MaineHousing usually combines HEAP Weatherization with Department of Energy Weatherization Assistance Program funds in order to do a more complete and effective weatherization of a home. In FFY 2018, MaineHousing helped 542 homes become more energy efficient.¹⁹

Central Heating Improvement Program

MaineHousing's Central Heating Improvement Program (CHIP) provides grants to repair or replace central heating systems that serve low-income households. Priority is given to households that have no heat. In 2018, MaineHousing improved heating in 1,542 households.

CHIP is administered by a network of local community action agencies, the same agencies that administer the Home Energy Assistance Program (HEAP). In some instances, households may be required to provide a co-payment towards the overall expense. Limited CHIP benefits of up to \$400 may be available for rental properties occupied by HEAP-eligible tenants.²⁰

Home Accessibility and Repair

The Home Accessibility and Repair program provides a grant to low-income homeowners who cannot afford necessary home repairs. The program can assist with improvements necessary to permit use by persons with disabilities or who are experiencing physical barriers living at the home.

AccessAble Home Tax Credit²¹

The AccessAble Home Tax Credit is a Maine income tax credit available to individuals who earn \$55,000 or less for expenses paid for modifications to their residence to make it accessible for a person with a physical disability or physical hardship who lives or will live at the residence.

Community Aging in Place

The Community Aging in place program offers no-cost home safety checks, minor maintenance repairs, and accessibility modifications to homeowners who are age 55+ or have a disability. Annual household income limits are 80% of area median income (AMI). The program is based on a best practice model and is available to homeowners who live in the program's service area.

Conclusion

Maine's population is the oldest in the country and is expected to become even more pronounced in the years ahead. Federal and state long-term supports and services policies have long promoted the goal of supporting older and disabled adults to live in their communities of choice and "age in place." The Department will continue to collaborate with community partners (i.e. MaineHousing and others) and work together to support older adults and adults with disabilities who require safe, accessible, affordable housing, and assistance to manage their health care needs.

¹ Department of Health and Human Services, <https://www.maine.gov/dhhs/about-us.shtml>

² American Association of Homes & Services for the Aging, *Affordable Senior Housing: The Case for Developing Effective Linkages with Health-Related and Supportive Services* (Washington, DC 2010)

³ Centers for Disease Control and Prevention, *Healthy Places Terminology* (Washington, DC; Centers for Disease Control and Prevention, 2010).

⁴ Farber, Nicholas, et.al. *Aging in Place, a State Study of Livability Policies and Practices* (AARP Public Policy Institute, 2011).

⁵ Joint Center for Housing Studies of Harvard University, *Housing America's Older Adults, Meeting the needs of an Aging Population* (Kennedy School of Government, Harvard University, 2014)

⁶ Maine Affordable Housing Coalition, *A Profile of Maine's Older Population and Housing Stock* (Abt Associates, January 2015)

⁷ Maine State Housing Authority and Maine Department of Human Services, *Adult Family Care Home Status and Findings* (1998)

⁸ The Genesis Fund, *Adult Family Care Homes: Housing and Services For Elders in Rural Communities* (2006)

⁹ The Genesis Fund, *Adult Family Care Homes: Housing and Services For Elders in Rural Communities* (2006)

¹⁰ Department of Health and Human Services, *Regulations Governing the Licensing and Functioning of Assisted Housing Programs* (Ch.113)

¹¹ Final Report of the Governor's Task Force on Long Term Care for Adults, *Long Term Care Dilemmas: Perceptions and Recommendations* (1980)

¹² Department of Health and Human Services, Office of Elder Services Policy Manual, Section 62, *Independent Housing With Services Program (IHSP)*

¹³ Housing Choice Vouchers Fact Sheet; https://www.hud.gov/topics/housing_choice_voucher_program_section_8

¹⁴ Project Based Vouchers; https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/project

¹⁵ MRSA §3174-I, Medicaid eligibility determinations for applicant to nursing homes

¹⁶ Department of Health and Human Services, Office of Aging and Disability Services, *Homeward Bound, Maine's Money Follows the Person Demonstration Project Operational Protocol* (March 2014)

¹⁷ Section 811 PRA Program; <http://mainehousing.org/programs-services/rental/rentaldetail/811-pra-program>

¹⁸ MaineHousing, *MaineHousing Federal Funds Report 2018*, p. 6

¹⁹ *Ibid.*, p. 6

²⁰ *Ibid.*, p. 6

²¹ AccessAble Home Tax Credit; <http://mainehousing.org/programs-services/HomeImprovement/accessablehome>