

# **Maryland Coming of Age: The O'Malley-Brown Plan for Making Maryland the Most Aging Friendly State In America**

## **- Key Points -**

Today, one out of seven Maryland residents is over the age of 60. In the next 25 years, this figure is expected to grow to one in four. The aging of the Baby Boom generation could create a significant challenge if Maryland is not properly prepared. Since coming into office, the Ehrlich Administration has taken few steps to ensure that we will be ready to face the issues presented by an increasingly older population.

Martin O'Malley and Anthony Brown believe that Maryland's older population must be given the opportunity to take more responsibility to make Maryland, and Maryland's next generation, stronger, smarter and better. Our elders can be leaders, not followers, in Maryland's "coming of age." Here's how Martin O'Malley and Anthony Brown plan to finally provide the respect that older and retired Marylanders deserve and the opportunities they demand:

- **“Experience Corps Maryland”:** Utilizing One of Our Greatest Natural Resources
  - One of Baltimore's most innovative policy developments, under Mayor O'Malley, has been the “Experience Corps” program, which utilizes the abilities, resources and experience of our older residents and connects them with opportunities to serve and to be more active citizens.
  - A central policy goal of “Experience Corps Maryland” will be to provide older adults with the opportunity to participate, if they so choose, in local non-profit organizations focused on the educational needs of Maryland's next generation.
- **Prescription Drug Assistance: Helping Marylanders Navigate the Maze of the New Federal Medicare Drug Benefit**
  - The federal government's new prescription drug program, under Medicare Part D, went into effect on January 1, 2006, and in response to the inadequacy of efforts at the federal and state level, Mayor O'Malley made sure that the City of Baltimore took strong action on behalf of its older adults with the Medicare Part D Surveillance and Response Initiative.
  - This initiative has protected many of Baltimore's most vulnerable residents from losing access to essential medications during the transition to Medicare Part D and a similar statewide program will yield the same results and provide all of Maryland's citizens the same protections that Baltimore residents now enjoy.

- **Retirement Security, Employee Pensions and State Investment Policy**
  - Martin O'Malley will be firmly committed to using his authority as Governor to preserve retirement security.
  - The O'Malley-Brown Administration will strengthen Maryland's state employee retirement system, protect private-sector pensions and make smart investments for the state of Maryland.
- **Preserving Independence: Rewarding Older Marylanders and Their Families with Tax Incentives for Taking Smart Action to Safeguard Their Independence**
  - In stark contrast to the Ehrlich Administration, the administration of Martin O'Malley and Anthony Brown will be dedicated to providing tax relief for older adults who need, but cannot afford crucial health care services.
  - The O'Malley-Brown Administration will be committed to developing the smartest set of older adult policy tax incentives in the nation. It will initially feature expansion of the existing individual and employer credits for long-term care insurance and the development of caregiver tax credits, plus special assistance for custodial grandparents.
- **Expanding Family Leave for State Employees**
  - Martin O'Malley believes that our state government in Annapolis should be a model employer in its family leave policies.
  - The O'Malley-Brown Administration will initially extend family leave for state employees to 16 weeks, and then, eventually to 20 weeks. While the benefits to Maryland families would be widely felt, experts say the costs to the state of extending leave guarantees would be relatively minimal.
- **Long-Term Care Reform: A Quality Transformation for Maryland**
  - For too many years, Maryland's system of long-term care has been inefficient at best and dysfunctional at worst.
  - Martin O'Malley will work for broader Medicaid spending options that will allow long-term care services for needy seniors to work as effectively as possible.
- **Defusing the "Ticking Time Bomb" of Senior Group-Home Assisted Living**
  - The Ehrlich Administration's budget cuts to the Department of Aging and his attacks on assisted living programs provide a clear example that its priorities are not in step with those who support assisted living programs in Maryland.
  - The O'Malley-Brown Administration will be committed to greater budgetary support of assisted living programs and an overhaul of regulatory requirements and enforcement responsibilities.
- **Elevating the Congregate Housing Services Partnership**
  - The Congregate Housing Services Program is another example of a small but important senior program that has been under the senseless attacks of the Ehrlich Administration.
  - The O'Malley-Brown Administration will make support for Congregate Housing partnerships an integral part of the policy for Maryland's aging population.

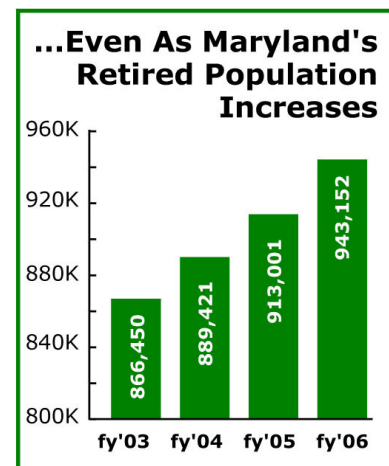
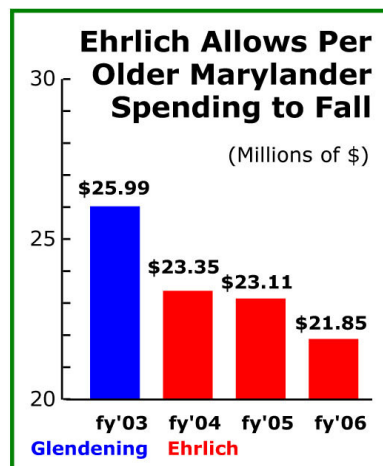
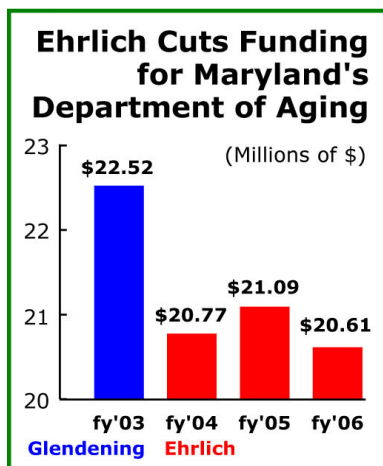
## Maryland Coming of Age: The O'Malley-Brown Plan for Making Maryland the Most Aging Friendly State in America

In 2004, for the first time ever, the number of Marylanders over the age of 60 (859,326) exceeded the number of children enrolled in public schools (850,780). And, while both these populations will continue to increase in the coming decades, projections illustrate that our 60-and-over-population is on the brink of a massive expansion. The Baby Boom generation will begin turning 65 in 2011 and some will reach 60 this year. Today, one out of seven Maryland residents is over the age of 60. By 2030, this figure is expected to grow to one in four.

The aging of the Baby Boom generation creates the potential for major crisis if Maryland is not properly prepared. Since coming into office, the Ehrlich Administration has taken few steps to ensure that we will be ready to face the question of what to do about an increasingly older

population. In fact, Governor Ehrlich doesn't even seem to recognize that a potential problem exists. They've been busy cutting back on the state's commitment to our retired and soon-to-be-retired population, rather than doing what they can to protect the security of aging Marylanders. For example, the Ehrlich Administration has: cut funding for the Maryland Department of Aging; reduced funding for the successful "Meals on Wheels" nutrition program; decreased support for Maryland's Assisted Living programs; cut subsidies for Maryland's Congregate Housing programs; and attempted to cut a program that provides pharmacy services to older citizens.

In fact, the charts below show exactly how Governor Ehrlich's Administration has turned its back on our retirees and seniors:



Source: Maryland Department of Legislative Services

If our state government continues to ignore our older population, they will be doing nothing less than turning their backs on one of Maryland's most closely held values... the belief that that we are a community where there is no such thing as a spare Marylander. As Marylanders we have a responsibility to older citizens whose hard work built our Maryland quality of life. And by exercising that precious responsibility, there are tremendous opportunities for all Marylanders.

The Baby Boom generation's sheer size, relative affluence, robust education and history of civic activism could provide the necessary social capital that our state needs to reach its virtually limitless potential. A strong majority of older Marylanders are ready to spend their golden years, not simply in retirement, but rather as active and productive contributors to our society.

Thus, with the right kind of visionary leadership and commitment, the aging Baby Boomers will become a central element in Maryland's "coming-of-age" as the most aging friendly state in America.

All too often, older populations are wrongly viewed as an unproductive drag on society. Sometimes retirees may be treated as victims who deserve some compensation and care, when they should be viewed as active

citizens who are integral to the shaping of our society's future.

To Martin O'Malley and Anthony Brown, the question of whether Maryland's maturing population will cause crisis for our state's coming of age essentially boils down to this simple question: Will Maryland's leaders continue to treat our older population as politically insignificant persons or will Maryland's leaders offer this undervalued group the respect they deserve and the opportunities they demand?

As Maryland's next governor, Martin O'Malley will reverse the negligent Ehrlich legacy and significantly enhance the effectiveness of state services provided to our older citizens. Governor O'Malley will also treat our older adults and retirees as potential catalysts for unleashing an unprecedented wave of social improvement, transforming our schools, health care systems, economy and our general quality of life. Martin O'Malley and Anthony Brown believe that our elders should be leaders, not followers, as Maryland moves forward into the 21<sup>st</sup> century.

In December of 2005, Martin O'Malley and Anthony Brown had the opportunity to lay out some of their goals for helping to make Maryland a more senior friendly state. Here is what they said:

### **Martin O'Malley:**

*"Senior citizens, like all Maryland citizens, want to see Maryland move forward. This state, which you have built for us, is strong because of the wise investments you made in our future – in education, in transportation, in healthcare and in safeguarding our*

*environment. And Anthony Brown and I want to build on your legacy.*

*“And as we build toward the future, we must safeguard the legacy of the greatest generation – and continue to call, if you’re willing, on their service. In Baltimore, we started the Experience Corps, which brings retired men and women into our schools to help our children learn – and pays a small stipend.*

*“We’re working to make sure that our seniors are not harmed by the complicated new Medicare benefit – by implementing a troubleshooting strategy. And we need to do more to ensure that the men and women who have built this state have the care to stay in their homes as long as possible.*

*“What we pledge to deliver is leadership that works. The other party believes that government doesn’t work – and then they get elected and prove it. Anthony and I will make government work for you. It’s your government.”*

### **Anthony Brown:**

*“We have an opportunity to do a great deal of good for seniors in Annapolis during the upcoming legislative session. And with your help, the next year we’ll be able to do even more by restoring effective leadership to the Governor’s office.*

*“One of the most important bills we have coming before the legislature would invest in stem cell research. We have great healing institutions in our state, like the University of Maryland Medical System and Johns Hopkins. We should be harnessing their power to find cures for diseases like Parkinson’s and Alzheimer’s and juvenile diabetes – that diminish, and ultimately take so many lives. And stem cell research also represents great potential for job creation.*

*“Maryland should be moving to protect pensions for people who earned them. We should be working to make our neighborhoods safe – so that no senior should fear leaving his or her home. And we should be heading off what some call the “ticking time bomb” of inadequate care in assisted living facilities.”*

Major elements in the O’Malley-Brown plan include the following:

## ***I. Experience Corps Maryland: Utilizing One of Our Greatest Natural Resources***

One of our most innovative policy developments in recent years has been the concept of an “experience corps,” sometimes called “seniors corps,” which utilizes the abilities, resources and experience of our seniors in our society and connects them with opportunities to serve and to be more active citizens. This goal can harness the growing human and social capital of aging Baby Boomers and other older adults to benefit older Americans as well as other segments of our society. Our most insightful social observers have long held that “generativity” – the care of others and the transfer of wisdom to younger generations – is the principal challenge of older adulthood. And, as a prestigious team of medical and public health experts from Johns Hopkins University has pointed out, “the creation of opportunities for generativity ...require(s) the development of new programs and policy.”

Therefore, a central policy goal of the “experience corps” has been to provide older adults with the opportunity to serve, if they choose, in “local non-profit organizations focused on the ... educational needs of the next generation of American workers.” According to the Progressive Policy Institute and other observers, the best national example is the Experience Corps initiative now operating in 15 cities across the nation. Martin O’Malley is proud that a team of policy experts at Baltimore’s John Hopkins University developed the Experience Corps initiative after years of careful analysis. He is also proud that since its inception in 1999 Baltimore’s own local initiative has become the most prominent home of the Experience Corps. Thanks to the commitment of Martin O’Malley, *Experience Corps Baltimore* is now seen as a national model.

In response to the strong support from Martin O’Malley, *Experience Corps Baltimore* will soon expand placement of older adults from 6 public elementary schools to 12 in an effort to continue improving the academic achievement and social behavior of Baltimore’s students. These trained volunteers interact with children in kindergarten through third grade to enhance in-class and out-of-class reading development, behavior management, violence prevention and community outreach. The specific roles of initiative participants are selected by the school principals in order to meet their schools’ most pressing unmet needs.

At the same time, *Experience Corps Baltimore* is designed to increase the physical, social and cognitive activity of the participants. After being trained, Experience Corps’ volunteers make a minimum commitment of 15 hours a week and at least three intensive periods of interaction with “at-risk” students. The volunteers are recruited through community and church events, the City’s Commission on Aging and Retirement Education, senior events, job fairs, and targeted mailings to member of such groups as AARP. Participants receive a small stipend to cover costs and in acknowledgement of their activity but otherwise serve in a volunteer capacity.

In 2004, the *Journal of Urban Health* published an impressive series of papers from Johns Hopkins researchers confirming the positive impacts of *Experience Corps Baltimore*. In the words of the researchers, “The Experience Corps-Baltimore program led to gains in student academic achievement and behavior...and did not burden the school staff.” Principals and teachers expressed “high satisfaction” – with teachers in particular reporting that they “were able to spend more time on task in classes.” The researchers also indicated that *Experience Corps Baltimore*’s positive impacts were helping to establish a crucial foundation to address the critical problems of low teacher retention and high student dropout rates.

The health effects on Experience Corps volunteers have been quite positive as well. Researchers found that participation increased social connectedness as well as levels of physical and cognitive activity that constitute “independent predictor[s] of important health outcomes in later life.” Not surprisingly, *Experience Corps Baltimore* has experienced an 80% retention rate among participating participants. And, in reviewing the results, Dr. Richard Suzman, the Associate Director for Behavioral Social Research at the National Institute for Aging told *The New York Times* that Experience Corps appears to offer “precisely the kind of programs that can reduce disability and raise cognitive awareness” among older adults.

***Experience Corps appears to offer “precisely the kind of programs that can reduce disability and raise cognitive awareness” among older adults***

Dr. Richard Suzman, Associate Director for Behavioral Social Research,  
National Institute of Aging, *New York Times*, 4/13/04

As Maryland’s next Governor, Martin O’Malley will be committed to taking the *Experience Corps Baltimore* model and its intergenerational positive impacts statewide. His Administration’s most immediate goal will be to extend Experience Corps to targeted elementary schools across the state which need assistance with at risk students. Based on estimates from the Johns Hopkins researchers, the cost should be in the range of \$1.8 million for every 20 schools. And the O’Malley-Brown Administration will aggressively explore, with the help of expert researchers, how to adapt the Experience Corps Baltimore model to reach as many at-risk K-3 students as possible.

The larger goal of the O’Malley-Brown Administration will be to extend the Experience Corps model. The overarching goal of Experience Corps Maryland will be to improve the health and longevity of seniors while improving the academic achievement of our children. Also, the Administration will be dedicated to adapting the Experience Corps model to other arenas where our older adults and retirees can be leading participants in efforts to achieve cutting-edge progress for Maryland’s future.

**"...[W]hat we found is a 'win-win' for everyone involved...Physical, cognitive and social activity increased in volunteers, suggesting potential for Experience Corps and similar programs to improve health for an aging population while simultaneously improving educational outcomes for children. It could potentially have a great impact if taken to a large scale."**

Dr. Linda P. Fried, Director of the Center on Aging and Health at Johns Hopkins, 4/7/04

Martin O'Malley believes that the lessons from *Experience Corps Baltimore* and the larger "senior corps" concept possess revolutionary implications for efforts to improve the lives of Maryland's older residents, by helping them improve the lives of others. This new model, as recognized by Dr. Linda Fried of the Johns Hopkins Schools of Medicine and Public Health, enables us to offer two extremely beneficial programs for the price of one. And, as Maryland's next Governor, Martin O'Malley will be determined to turn this exciting local program into a state-wide reality that will vitally contribute to Maryland's coming-of-age as a state where our elderly citizens can age with dignity, respect and a sense of accomplishment.

## ***II. Prescription Drug Assistance: Helping Marylanders Navigate the Maze of the New Federal Medicare Drug Benefit***

Affordable access to out-patient prescription drugs is essential if older adults are to sustain an independent and high-quality life. Without such access, too many seniors unnecessarily run the risk of suffering from debilitating disease, incurring high hospital costs, and losing their independence. Moreover, the skyrocketing nature of prescription drug costs threatens not just household budgets but the long-range budgetary integrity of our state and federal governments.

Thus, it has been one of the greater policy outrages of our time that the federal Medicare program has failed to include any coverage for out-patient prescription drug costs. Finally, more than forty years after the passage of Medicare, the federal government's new prescription drug

program under Medicare Part D went into effect on January 1, 2006. While this new Medicare program will provide limited coverage for prescription drugs and holds the promise of providing important health and financial protection to older and retired Marylanders, its present structure also represents a decidedly mixed blessing.

For dubious ideological reasons, the Bush Administration insisted on developing a benefit that is complicated and incomplete, rather than simple and comprehensive.

Coverage under Medicare Part D contains big “donut holes” that all but the very poorest will somehow have to fill from their own pockets. Furthermore, Part D coverage is administered by dozens of private insurers and HMOs competing with each other on the basis of differing price structures, formulary lists of covered drugs and pharmacy networks. And, rather than striving to contain prescription drug costs, the Bush legislation specifically bans federal Medicare officials from using the federal government’s purchasing power to negotiate lower prices.

At the same time, the scope of the transition to Part D coverage is unprecedented. Approximately 81,000 underprivileged Marylanders are being moved from coverage under Medicaid to the new Medicare Part D prescription drug benefit. An additional 45,000 low-income older adults will need to switch from state-run pharmacy assistance programs. All of the over 570,000 Maryland seniors on Medicare will have to join an HMO or find a new Prescription Drug Plan (PDP) that they can add on to their existing Medicare coverage if they choose to participate.

The outreach approach of the federal government has largely revolved around promoting Web sites to help older Marylanders shop among competing plans on the Internet. This approach has, not surprisingly, revealed the digital divide between out-of-touch Washington ideologues and the real world of retired Americans. For many low-income and less educated older adults as well as older ones without adequate family support, the access to and utilization of a computer and the Internet is hardly an option. Older Marylanders, retirees, as well as their family members and caregivers deserve the assistance of trained and skilled intermediaries to assist them in making such momentous decisions.

At the state level, the Maryland Department of Aging has provided some funding and support through its Senior Health Insurance Assistance Program (SHIP) and volunteer services. But over the past few years, the Ehrlich Administration has been cutting back on funding to provide information and benefits counseling for older Marylanders.

In response to the inadequacy of efforts at the federal and state level, Mayor Martin O’Malley made sure that the City of Baltimore took strong action on behalf of its seniors. The Mayor’s Commission on Aging and Retirement Education (CARE) has already held more than 50 community meetings and plans at least another 30 more to help seniors navigate through the complexities of Medicare Part D.

Furthermore, in an effort that is fast becoming a national model, Mayor O'Malley has launched the Medicare Part D Surveillance and Response Initiative. The thrust of the initiative is to treat the needs of Baltimore older adult population regarding Medicare Part D as tantamount to a health emergency. At his December 2005 announcement of the City of Baltimore's public health response to Medicare Part D, O'Malley declared, "When just one person switches drug coverage, that's a health insurance issue. When as many as 100,000 people switch at the same time, that's a public health issue. As a result, we are taking innovative steps to protect some of our most vulnerable residents from losing access to essential medications during the transition to the new insurance program."

The *Los Angeles Times* wrote in its recent news story entitled "Baltimore Goes on Alert for Drug Benefit Snafus,"

"With the federal government still struggling to explain the ins and outs of the Medicare prescription drug benefit... officials in one city have come up with an inventive approach of their own: They are treating complex program as if it were a massive outbreak of disease and mobilizing local resources accordingly."

The multi-faced elements of the Mayor's Baltimore initiative include the following:

- 24-hour reporting by pharmacies to the Health Department of problems experienced by fellow residents with Medicare Part D;
- Follow-up support by the city's Commission on Aging and Retirement Education to all Baltimore City residents identified as having problems with Medicare Part D;
- Immediate intervention to prevent Baltimore City's poorest and most vulnerable residents from forgoing essential medications during the transition, including drawing from a reserve fund for medications;
- Advocacy on behalf of city residents if private Medicare drug plans consistently fail to meet expectations on coverage; and
- Outcome assessment and performance measurement, including monitoring of Emergency Department utilization by older citizens in Baltimore.

***Tricia Neuman, vice president of the Kaiser Family Foundation, said she wasn't aware of any other local or state government with a monitoring program like Baltimore's, which she termed "very exciting."***

*Baltimore Sun, "City to Aid Medicare Launch," 12/22/05*

The City's Health Department will also evaluate this initiative for lessons that can be applied to preparedness for natural disasters, outbreaks of infectious disease, and bioterrorism.

Martin O'Malley believes that Baltimore's Medicare Part D Surveillance and Response Initiative should serve as the foundation for a similar statewide initiative. He is calling upon the Ehrlich Administration to depart from the Bush Administration and its own record of relative passivity and neglect. But the Ehrlich Administration will have to act in an uncharacteristically fast and disciplined fashion because our state's older adults are already making decisions about Medicare Part D and are facing a May 2006 deadline (in order to avoid paying late penalties). This is one policy emergency that cannot wait for new executive leadership in Annapolis. Martin O'Malley is proud that his efforts in Baltimore have laid out a path that the state should immediately follow.

Furthermore, given the Ehrlich administration's record of indifference and neglect, Martin O'Malley and Anthony Brown believe that the state should appoint a special ombudsman to be in charge of managing the assistance program and assuring older and retired Marylanders as well as the rest of the public that proper steps are being taken.

### ***III. Retirement Security, Employee Pensions, and State Investment Policy***

One of the most disturbing social trends throughout our nation is the continued disintegration of American retirement security. Providing for retirement security has been a central element of the social compact that has made our workforce the most productive and our society the most harmonious in the world. Yet in a threatening sign of the times, a *New York Times* magazine cover story in October of 2005 was entitled "The End of Pensions?"

Martin O'Malley will be firmly committed to using his authority as Governor to preserve retirement security. A primary obligation of state government, of course, is to make sure that the retirement system for its own employees is adequately funded. New developments such as the recent regulatory change in how the State of Maryland must calculate pension and health benefits for state employees will present formidable challenges for the state. The O'Malley-Brown Administration will seek out the best expert financial advice in confronting these challenges.

On a similar note, in October of 2005 Martin O'Malley pledged to improve Maryland's teacher pension system which is the worst in the country. The current system provides the average teacher just 38% of his or her salary in retirement, while Pennsylvania pays almost double that amount. O'Malley stated that this is unacceptable and unfair and, in order to remain competitive

and attract quality teachers to Maryland, we must shrink this gap and significantly increase the percentage of salary that our teachers and education support personnel receive in retirement. As a candidate for governor, Martin O'Malley will make an improved pension plan for teachers and education support personnel a key part of his education and retirement security platforms.

At the same time, Martin O'Malley and Anthony Brown know that state government also has a duty to show its support for hard-working families whose private-sector pensions are under attack. State government should not try to benefit from the "vulture capitalism" practices that are extinguishing the American Dream for many of Maryland's working and retired households. All too often, older Marylanders have to delay retirement or return to work in order to supplement their retirement income.

Therefore, as Maryland's next Governor and Lieutenant Governor, Martin O'Malley and Anthony Brown will call for a comprehensive review of state investment practices. Maryland currently has few if any standards regarding the social responsibility of its investment practices. This lack of guidelines is usually defended on the basis that state practices must prioritize the return for its own retirement and other funds. While a top return on investment should indeed be the priority of state investing practices, our state's investment agents should also be able to find better long-range investment in companies which significantly under-fund their employees' pensions. As analysts have pointed out, such under-funding is often a tell-tale sign that a company is headed for serious financial trouble.

Using the best expert financial assistance, the O'Malley-Brown Administration will develop reasonable standards for smart financial investment that avoid "deadbeat" corporations which are failing to meet their pension obligations. The goal will be to establish a model so that states around the nation can join their financial leverage together to promote protection of American retirement security.

#### ***IV. Preserving Independence: Rewarding Older Marylanders and Their Families with Tax Incentives for Taking Smart Action to Safeguard Their Independence***

In stark contrast to the Ehrlich Administration, the administration of Martin O'Malley and Anthony Brown will be committed to providing services to older Marylanders and their families who need but cannot afford them on their own. Yet, as life expectancies lengthen, it is neither smart nor cost-effective nor compassionate public policy to just wait until older Marylanders and their families are in crisis, and then develop programs to address the need. Martin O'Malley knows that our public policy must also encourage, assist and reward seniors and families for taking beneficial action on their own.

One such way Maryland can assist older residents is to improve the state's property tax assistance. With real estate assessments reaching record levels in many parts of country, older and retired Marylanders, most of who live on fixed incomes, are facing higher and higher property tax bills. An O'Malley-Brown administration will work to improve the so-called "circuit breaker" property tax assistance so that low and moderate income older Marylanders not be forced to move or sell their homes because they cannot afford to pay their property taxes. The O'Malley-Brown administration will make annual adjustments in the "circuit breaker" program with respect to the income scale and the property tax assessment to keep pace with changes in the housing market and in the economy and will constantly monitor the net worth amount for adjustments.

Like a number of other states, Maryland has taken some tentative steps in the direction of such a smart approach featuring targeted incentives. During the 1990s, for example, Maryland moved into the forefront of states encouraging the purchase of private long-term care insurance. This is a far more cost-effective and beneficial option for middle-class families and governments than the growing practice of exhausting assets in one's later years to qualify for long-term care under Medicaid.

Maryland currently has an individual and employer tax credit for the purchase of long-term care insurance. A son or daughter can claim the individual credit to cover insurance for a parent or stepparent, as well. It constitutes a one time 25% credit that ranges from \$270 to a \$500 maximum on a sliding income scale. Yet a long-term policy may cost up to \$2,000 or more for a typical 49 year old and up to \$3,000 or more for a typical 59 year old. Another clear limitation is that the credit is not "refundable" – and thus low and modest income working families who stretch to make such a purchase do not receive any credit or subsidy if they have no or little income tax liability. Furthermore, this credit may only be claimed one time, and for this reason does not provide much of an incentive to acquire long term care insurance. The credit for employers constitutes only a 5% credit limited to the lesser amount between \$5,000 per firm or \$100 for each covered employee. This very small employer credit has generated negligible interest and use among Maryland employers while the number of Maryland tax returns claiming an individual credit remains quite low.

In other areas of older adult-family policy, however, Maryland has not even followed the small steps taken by other states. Maryland only provides a tax break to families if they can claim elderly relatives as "dependents." Other states, however, have started to extend tax breaks when family members make major purchases of equipment or services that help allow seniors to continue living in their own homes. Maryland needs to catch up to the rest of the nation, and Martin O'Malley and Anthony Brown know how to do it.

Maryland policy, furthermore, needs to recognize and reward the growing trend involving retired and older Americans serving as the prime caregivers to their grandchildren. Too many parents are not able to care for their children due to the tragedy of substance abuse, incarceration, or death. More parents are also facing time away from their children due to job re-locations or

military deployment. According to the 2000 Census, at least 6 percent of Maryland grandparents had custodial responsibility for grandchildren and a third of Maryland's custodial grandparents were over the age of 60 – and we should be prepared for these numbers to grow over the coming decades.

This combined challenge of aging and raising a family (for a second time) can generate a level of stress that has a severe impact on even the fittest seniors' health. Maryland needs to explore special tax assistance for grandparents who take on such a Herculean task.

The O'Malley-Brown Administration will be committed to developing the smartest set of senior-policy tax incentives in the nation. It will initially feature expansion of the existing individual and employer credits for long-term care insurance and the development of caregiver tax credits plus special assistance for custodial grandparents. The O'Malley-Brown Administration will plan to expand the revenue total into the \$50-75 million range over time. During this development phase, the specific forms of assistance will be closely evaluated and refined to make them as efficiently targeted and as cost-effective as possible.

## ***V. Expanding Family Leave for State Employees***

Another aspect of public policy touching on care giving for older adults is the amount of unpaid leave guaranteed to employees who have a seriously sick or injured family member. Martin O'Malley believes that our state government in Annapolis should be a model employer in its family leave policies. Yet, as the National Partnership for Women and Families recently pointed out, Maryland state government is currently not a family-friendly employer. In its 50-state report entitled *Expecting Better: A State-by-State Analysis of Parental Leave Programs*, the National Partnership gave Maryland state government an "F" because it fails to extend unpaid leave beyond the minimum 12 weeks guaranteed under federal law.

The bipartisan National Governors Association has identified expansion of family leave guarantees as an important step for states' older adult and retiree policy. At the same time, Martin O'Malley knows that such extended leave constitutes a much-needed attractive benefit for state government as it competes for quality employees with the private sector.

Thus the O'Malley-Brown Administration will initially extend family leave for state employees to 16 weeks, and then, eventually to 20 weeks. While the benefits to Maryland families would be widely felt, experts say the costs to the state of extending leave guarantees would be relatively minimal.

Other states outrank Maryland in the area of family-friendly policy due to their more expansive policies for maternity and parental leave. Yet no state provides unconditional extended leave to its employees who must provide care to ill elderly family members. Thus, by extending

guaranteed unpaid leave for older adult caregivers, Maryland under Governor Martin O'Malley will become a national pacesetter in senior policy. This comprehensive family leave benefit could also be an effective tool in attracting quality professionals who are interested in governmental work. And in accordance with the O'Malley-Brown Administration's emphasis on support for custodial grandparents, the extended family leave policy will apply to them, as well as parents who must care for ill children.

## **VI. Long-Term Care Reform: A Quality Transformation for Maryland**

Like most states, Maryland continues to struggle with the responsibility of providing quality long-term care to seniors in need. Promotion of private long-term insurance should be an important part of the ultimate solution in keeping former middle-class wage earners from falling onto the Medicaid rolls. But in terms of the immediate future, Martin O'Malley knows that our state government must make sure that current long-term care services for needy seniors work as effectively as possible.

For too many years, Maryland's system of long-term care has been inefficient at best and dysfunctional at worst. The state government has annually spent hundreds of millions of Medicaid dollars on institutional nursing home care. The current amount is approximately \$900 million for over 18,000 nursing home residents. Yet, to an increasing number of Maryland seniors and their families, nursing homes still represent settings for impersonal and inadequate care.

State government officials are now, belatedly, moving for a federal waiver to broaden spending options under Medicaid. The stated goal is to better accommodate the funding of more cost-efficient and attractive alternatives like home care, assisted living, adult day care, group homes and other community-based programs.

While long in support of moving to such alternatives, many senior advocates are (in the words of the *Baltimore Sun*) "watching wearily to see how the care will be managed." Special concern exists that the process could simply devolve into an off-loading of responsibility for long-term Medicaid services to new and unsupervised HMO organizations.

The Ehrlich Administration's record on seniors and Medicaid policy is indeed sufficient cause for worry. In contrast, the O'Malley-Brown Administration will be dedicated to making sure that implementation of a successful Medicaid waiver will result in a major step forward for Maryland's long-term senior care rather than a step backward.

And regardless of the federal waiver outcome, Martin O'Malley and Anthony Brown know that immediate action needs to be taken in a number of areas involving long-term care for seniors.

## ***VII. Defusing the "Ticking Time Bomb" of Senior Group-Home Assisted Living***

Maryland's retiring top patient safety official at the Office of Health Care Quality recently warned in the *Baltimore Sun* that the state's lack of quality oversight over assisted-living group homes for the elderly constitute "a ticking time bomb." For those families whose only option is nursing homes, the State of Maryland must be a partner by providing necessary resources not draconian cuts.

The state's Assisted Living Program provides low-income seniors access to privately-run group homes ranging from just a small number of residents to larger facilities with 75 or more. The goal of this Assisted Living Program is to provide the needed resources and support for them to avoid nursing-home institutionalization. Yet the state's current per-resident subsidy amount is only \$550 monthly – which represents no increase at all from the initial subsidy amount at the beginning of the program in 1988 and a decrease from a high of \$650. Today, total funding for the program stands at only \$2.35 million and covers less than 500 Marylanders.

Moreover, the Ehrlich Administration's "Fiscal Year 2006 Strategic Budgeting Guide" outlined a push for cutbacks as part of its so-called "strategic budgeting" exercise because these services represent one of the "low priority" programs. Simply stated, the Ehrlich Administration's budget cuts to the Department of Aging and assisted living programs provide a clear example that its priorities are not in step with those who support assisted living programs in Maryland.

Also, the retiring Health Care Quality Director pointed out to the *Baltimore Sun* that the state's regulatory requirements contain gaping holes. For example, many residents have a tendency to wander at night as they suffer the onset of dementia and Alzheimer's disease. However, the state does not require the presence of overnight staff at the group home facilities.

***"We have group homes for the elderly, which are assisted living, and...what is happening in assisted living is a ticking time bomb. We need desperately to strengthen regulations, especially in the larger assisted-living programs."***

Carol Benner, Maryland's Former "Top Patient Safety Officer" and Former

Head of the Maryland Office of Health Care Quality, Baltimore Sun, 10/23/05

The dangers and risks are, of course, multiplied in larger group home settings. Yet, the state only has one set of regulations setting standards for all group home facilities. Furthermore, it is clear that local health departments and local Area Agencies on Aging need to be more directly involved in the enforcement of quality standards. These local entities are far more likely to be knowledgeable about the quality of individual facilities and work more effectively with providers than state officials. Thus the O'Malley-Brown Administration will be committed to greater budgetary support and an overhaul of regulatory requirements and enforcement responsibilities.

## ***VIII. Elevating the Congregate Housing Services Partnership***

The Congregate Housing Services Program is another example of a small but important senior program that has been under the senseless attacks of the Ehrlich Administration. Congregate Housing provides such support services as meals, personal care and housekeeping to residents of low-to-moderate senior housing who need regular help with daily living activities due to advanced age or chronic health conditions. Through Congregate Housing, these seniors are able to continue living independently in places that they call home. Supporting seniors at Congregate Housing sites costs the state a fraction of what it would cost to institutionalize them in nursing homes. Yet Congregate Housing Services currently reaches into only 7 of Maryland's 24 jurisdictions.

The main contract providers for the Congregate Housing Services include religious non-profit organizations. Some of these religious non-profit groups have an impressive record of cost-effectiveness in delivering such services. Yet the total state budget for Congregate Housing Services stands at only \$1.7 million and, for example, the state payment to one group, Catholic Charities, amounts to less than \$300,000. While exhibiting resourcefulness in increasing its own services budget to around \$1 million through resident contributions and donations, Catholic Charities can still serve less than 130 seniors eligible for Congregate Housing Services. And while its services do include some primary health care, most religious non-profits are currently unable to provide wide-ranging systematic medication management or 24-hour emergency services. An O'Malley-Brown Administration will constantly reach-out to religious non-profits in an effort to invest adequately in Congregate Housing Services for Maryland's older adults.

In Martin O'Malley's view, Congregate Housing Services represents the kind of creative partnership between the state and private non-profit organizations that should be celebrated rather than subject to budgetary attack. The O'Malley-Brown Administration will make support for such partnerships an integral part of Maryland senior policy.