

Maryland Commission on Aging
North Laurel Community Center, 9401 Whiskey Bottom Road, Laurel Maryland
April 25, 2018
Minutes

Members Present:

Rose Maria Li, Chair
Joy Hatchette
Dot Principe
George Rebok
Carmel Roques
Mary Ellen Thomsen

Members Absent:

Sharonlee Vogel, Vice Chair
Hon. Barbara Frush
John Haaga
Hon. Jordan Harding
Hon. Barbara Robinson

Staff:

Rosanne B. Hanratty, Staff to Commission
Rona E. Kramer, Secretary of Aging

Greetings, Rose Maria Li, Chair:

Dr. Li greeted those in attendance.

Secretary's Remarks: Rona E. Kramer, Secretary of Aging:

Secretary Kramer informed the Commission of the status of the innovations which the Maryland Department of Aging (MDOA) is implementing.

- Senior Call Check will be rolled out starting with a pilot, in recognition of the complexity of establishing and operating a statewide system. A Request for Proposal had been issued for the system.
- Planning for implementation of a statewide Durable Medical Equipment (DME) Program is progressing well. A business model for rollout has been developed and some funding has been secured for initial phases. While estimates indicate that 60 percent of users of DME are people over 65 with the balance of users being under that age, MDOA is the agency which has proposed a statewide reuse system. Howard County's Loan Closet is an example of a robust local reuse system and provides a good model on which to build.

Secretary Kramer also updated the Commission on the status of the Communities for Life initiative and said that she is working with the Governor's office to finalize announcements and individual rollouts. Ms. Roques complimented the Secretary on her vision of establishing a means to address the non-medical needs of older adults in order to sustain their continuing to age optimally in a community setting. Dr. Rebok inquired whether there will be specific

catchment areas for communities and Secretary Kramer indicated that there would be divisions into catchment areas. Secretary Kramer noted that, on average, even those who enter nursing homes with some ability to pay fully out-of-pocket or in combination with insurance receive Medicaid benefits to cover nursing home costs within two years. Thus, providing older adults the opportunity to access services, or participate in innovative efforts, such as Communities for Life, to permit aging in place may result in significant savings to public programs, since such efforts may act as diversions for placement in nursing homes.

Approval of March 14, 2018 minutes:

The minutes were approved without changes.

Presentation: How Homeowners' Insurance Facilitates Aging in Place—Joy Hatchette, Esq., Associate Commissioner for Consumer Education and Advocacy, Maryland Insurance Administration (MIA):

Ms. Hatchette explained that the MIA is an independent State agency that regulates Maryland's insurance industry and protects consumers by ensuring that insurers and agents are in compliance with applicable law. MIA has oversight for complaints about Maryland insurers and serves as a resource for consumers seeking to understand their insurance policies and insurance needs. Ms. Hatchette, as Associate Commissioner for Consumer Education and Advocacy, oversees staff who are responsible for statewide public outreach and education.

She then described circumstances in which older adults may cease to maintain homeowners' insurance policies and the impact such cessation may potentially have. Older adults may fail to maintain homeowner insurance intentionally—based on the mistaken belief that it is unlikely that they will utilize homeowners' insurance benefits—and/or, in light of economic circumstances such as reduced income after retirement, they may view insurance coverage as an optional expenditure that may be eliminated. In addition, seniors may unintentionally allow homeowners' insurance policies to lapse, for example, if insurance premiums had been paid as part of a mortgage payment; upon the payoff of the mortgage, a homeowner may fail to ensure that premiums continue to be paid by another means—such as direct payment from a checking account or by check. If homeowners experience an event, such as a fire or damage from storms, without homeowners' insurance they are “out of pocket” for repairs or replacement and may not be able to afford to make the repairs or continue to reside in the home.

Another situation that older adults may not address, or are unable to address, is the lack or decreased quality of maintenance of their dwellings. This may occur to the extent that some dwellings may no longer meet the underwriting criteria of the insurer and the insurer may cancel coverage. Insurers assess whether residences continue to meet underwriting criteria through mechanisms such as “drivebys” to ascertain the condition of the dwelling. While insurers are required to give notice of cancellation of a policy, it is common for homeowners not to examine, or fully understand, the notices so that they are unaware that their policies have been cancelled.

Ms. Hatchette explained that she and her staff often are contacted by those who have allowed their homeowners' insurance to lapse, only after a potentially insurable event has occurred. In these circumstances, homeowners may lack the resources to make repairs and seek information from MIA about programs that may provide assistance. Over time, Ms. Hatchette noted, the number of such programs has decreased. If repairs cannot be made or afforded, with residence in the home no longer being safe, seniors may be forced to leave their communities and move in with others and/or become dependent on public benefits.

With regard to seniors who are no longer able to adequately maintain their homes, Ms. Hatchette noted that public assistance with such repairs has decreased or in some cases been eliminated, for example an assistance program formerly provided by the Department of Housing. She also said that the MIA does not have a subsidy program to assist with payment of insurance policy premiums. MIA functions as the regulator of the industry, not as a provider of services or financial assistance.

Ms. Roques stated that the Communities for Life initiative may present the opportunity for participants to engage with trusted providers of services, such as home repairs, which would serve to obviate some of the difficulties older homeowners may encounter with home maintenance. Ms. Hatchette said that the MIA does provide consumer education, such as rate comparisons and is able to provide training, for example, to potential service navigators of Communities for Life, who would then be able to assist participants.

Dr. Rebok asked whether intentionally allowing homeowners' insurance policies to lapse or allowing the policies to lapse through oversight are more common. Ms. Hatchette responded that there is evidence of a mix of reasons for lapsed policies, but that financial considerations are common across the board. Secretary Kramer inquired about older adults use of rental insurance. Ms. Hatchette said that there is often a misapprehension that once an older adult moves into a senior residence or assisted living facility that the need for insurance is eliminated. This is not the case. For example, seniors living in senior apartments should carry rental insurance. Ms. Hatchette said that she has developed a presentation focused specifically on rental insurance.

Ms. Roques noted that there is a housing crisis for many older adults, who live on fixed incomes and spend a higher percentage of income on housing than they had in the past. It is not unheard of for older adults to spend from one-third to upwards of one-half of their incomes on housing.

Ms. Hatchette said there are other insurance-related areas about which seniors and their adult children may be in need of education. For example, if upon the death of a senior, a house is inherited by a child/children, the house may have been placed into the child's name but the change in name on the homeowner's insurance policy from that of the deceased parent to that of the child may have been overlooked. If all ownership and policy name changes do not occur, even if the premiums continue to be paid, the insurer may not pay benefits after an insurable event.

Dr. Li asked whether there are strategies that may be utilized to prevent unintended or negative insurance-related situations. Ms. Hatchette said that one strategy is to have a contact person, in addition to the older adult, for notices from insurers, for example about lapses in coverage. In addition, several other steps should be taken as one's circumstances change: updating beneficiaries on policies, informing dependents of the location of insurance policies, and overall estate planning—although estate planning alone will not obviate all insurance-related issues, such as lapsed coverage and outdated insurance policy beneficiaries. Ms. Hatchette also stated that MIA has two webinars that are available and may be of critical importance to seniors: one on fraud protection and another on disaster preparedness.

Ms. Hatchette distributed resources developed by the MIA—a consumer guide to homeowners' insurance and a guide on preparedness for natural disasters—and said that additional copies are available through the MIA.

Update: Commission on Aging Subcommittee to Review the Senior Care Program—George Rebok, Chair:

Dr. Rebok briefed the Commission on the most recent work of the subcommittee, that was formed in response to a request by Secretary Kramer for the Commission to review the Senior Care Program. He said that the subcommittee has focused on strategies to optimize what is a well-regarded program, the largest of the state-funded MDOA programs—the intent of which is to enable older adults, meeting program criteria, to remain in the community through the services local Senior Care program provide and coordinate. He noted that the subcommittee work had been structured in two phases: one which focused on waitlists and for which recommendations had been submitted to MDOA in spring 2017, and one which has focused on triage and on program menu of services, about which the subcommittee would formally report to the full Commission in June 2018.

He provided an overview of the strategies that the subcommittee has utilized in information-gathering and analysis, including site visits, literature searches, analysis of management and program information collected routinely by MDOA as well as targeted requests for information that the subcommittee had made of MDOA. He also provided an overview of the recommendations that have emerged during the subcommittee's deliberations. George acknowledged the work of the subcommittee members, several Johns Hopkins Bloomberg School of Public Health graduate students, MDOA and local program staff and Ms. Hanratty, staff to the Commission.

New Business/Other:

Dr. Li invited Commissioners to consider the Commission's goals for the upcoming year. She suggested that the Commission may consider focusing on innovations that MDOA is rolling out as well as on evaluation generally. Ms. Roques suggested that the Commission could provide expertise on, and secure information on, the social determinants of health and their relevance for older adults as well as the non-medical needs of older adults. She described Maryland's efforts in global payment for health services and the integration in such initiatives, of strategies

to meet older adults' medical and non-medical needs. She said that it is essential for health providers and payers to adopt a holistic vision so that the totality of an older adults' needs are addressed.

Secretary Kramer informed the Commission that the Maryland Primary Care Program (MDPCP) is one such initiative and that MDOA has had a role in the MDPCP rollout. Ms. Principe stated that the opioid epidemic is an important issue to be addressed and that the effect of opioid abuse on older adults should not be minimized.

Dr. Li also suggested that when future appointments to the Commission are made, consideration be given to securing expertise on evaluation and more broadly sourced appointments. For example, she suggested that potential appointees be sought from the University of Maryland and that Commission appointments represent geographical diversity.

Adjournment:

The meeting was adjourned at noon.