



July 12, 2023

The Honorable Jon Tester
Chairman
U.S. Senate Veterans' Affairs Committee
412 Russell Senate Office Building
Washington, DC 20510

The Honorable Jerry Moran
Ranking Member
U.S. Senate Veterans' Affairs Committee
412 Russell Senate Office Building
Washington, DC 20510

Dear Chairman Tester and Ranking Member Moran:

On behalf of Argentum, the leading national association representing senior living communities and the older adults and families they serve, I appreciate your holding today's hearing on pending legislation, including S. 495, the Expanding Veterans' Options for Long-Term Care Act.

The members of Argentum operate senior living communities offering assisted living, independent living, continuing care, and memory care services. Along with its state partners, Argentum's membership represents approximately 75 percent of the professionally managed communities in the senior living industry—an industry with a national economic impact of nearly a quarter of a trillion dollars and responsible for providing more than 1.6 million jobs. These communities are home to nearly two million vulnerable seniors, offering choice, dignity, security, and comfort in the final years of life.

Our veteran population is aging rapidly, and their long-term care needs are growing as well. According to the U.S. Department of Veterans Affairs (VA), roughly half of the 9 million veterans currently enrolled in veterans' health care programs are 65 or older. Over the next decade, the number of veterans over 75 is expected to approach 3 million. The number of veterans aged 85 or older receiving care from VA health services is expected to grow approximately 535 percent over the next 20 years.

Federal data shows that someone turning age 65 today has a 70 percent chance of needing some type of long-term care in their lifetime, while the VA predicts that approximately 80 percent of veterans will develop the need for long-term services. However, VA is restricted from covering "room and board fees" at assisted living communities, which precludes veterans from utilizing this long-term care option. Many veterans eligible for nursing home care may not need skilled nursing or other institutional settings and may prefer a more home-like setting that promotes independence such as assisted living when appropriate.

If enacted, S. 495 would authorize VA to carry out a three-year pilot program to assess the effectiveness of providing assisted living services to eligible veterans who do not require nursing home care but cannot live alone. Studies have shown that by attending to the social determinants of health, assisted living helps maintain the well-being of seniors and relieves the burden on public health programs by reducing hospitalization and social isolation.

In a 2021 report to Congress, the VA outlined federal savings that could be achieved if veterans were given the option of assisted living care. Approximately 5 percent of veterans residing in federally funded Community Nursing Homes (CNHs) could be appropriately housed in assisted living. In FY2020 the annual cost of a CNH placement was \$120,701 compared with \$51,600 for



assisted living. By utilizing assisted living for individuals who meet the relevant criteria at the time of admission, the VA would save \$69,101 per placement per year.

Support is growing for S. 495. In a July 7 hearing entitled "An Abiding Commitment to Those Who Served: Examining Veterans' Access to Long Term Care," members of this committee heard from Ms. Carla Wilton, Chief Operating Officer of Immanuel Lutheran Communities, a full-service retirement community offering independent living, assisted living, memory support, and long-term care to 300 older adults in Kalispell, Montana. In her testimony, Ms. Wilton shared her support for S. 495, telling the committee that "this important legislation would create a commonsense approach to identifying and securing greater options and opportunities for Montana veterans to access important supportive long term care services."

In a June 21 legislative hearing of the House Veterans' Affairs Committee's Health Subcommittee, which included H.R. 1815, the House companion to S. 495, Dr. Erica Scavella, Assistant Under Secretary for Health for Clinical Services at the Department of Veterans Affairs, indicated that the VA supports the bill, with some technical amendments.

In her written testimony, Dr. Scavella told the committee "VA agrees that specific authority, particularly in the form of a pilot program, to furnish assisted living services would be a helpful addition to VA's options for long-term care. VA has encountered difficulties within its current authorities in appropriately placing Veterans who may only require assisted living services because these Veterans do not qualify for nursing home care. Moreover, due to shifts in the industry to an assisted living model of care, particularly for patients with dementia, Alzheimer's, or other memory deficits, VA's lack of authority to furnish assisted living services means they have no appropriate option. The pilot authority would allow VA to determine how best to develop a program to support these Veterans' needs. VA supports the protections this bill would include to ensure that Veterans are protected and receiving safe and appropriate care." We welcome VA's support of this important legislation.

Senior living communities are home to some two million seniors, 42% of whom are veterans or their spouses. However, the current VA prohibition on paying for assisted living room and board fees means many low-income veterans who participate in federal assistance programs have had to pay for almost all assisted living costs out of pocket. S. 495 is the first step in addressing this issue by helping VA provide access to a greater range of long-term care options, and to prepare to care for the ever-increasing population of aging veterans.

Argentum, its members, and its state partner organizations look forward to working with members of this committee to pass S. 495, and to identify bipartisan legislative solutions to increase veterans' access to assisted living. Please contact my office with any questions.

Sincerely,

James Balda
President & CEO
Argentum