



HAWAII
COMMUNITY
FOUNDATION

Caring for Our Kupuna

Building an Aging in Place Movement in Hawaii



Nonprofit
Finance Fund®

With generous support from Hawaii Community Foundation, this report was written by Nonprofit Finance Fund.

why support aging in place?

Government funding for elder care in the United States is becoming increasingly strained as the number of seniors and the cost of healthcare rise. Medicare paid \$560 billion for hospital visits, prescription drugs, and

other services in 2010 and expects to pay out just over \$1 trillion by 2022. Medicaid, which covers long-term care for individuals with low income and assets, is the source of payment for 70% of nursing home stays across the country and paid \$48.2 billion for senior residential care in 2007.^{1,2}

As the costs of Medicare and Medicaid soar, practitioners in Hawaii and around the country have experimented with preventive and supportive aging-in-place services that reduce the cost of service while improving the lives of seniors. Rather than rushing an elder to the emergency room after a dangerous fall in the bathroom, providers have begun installing hand and safety rails in the home to prevent falls. Other providers are offering preventive health and nutrition classes that help seniors maintain their health and delay the need for long-term residential care.

By focusing on preventive services rather than treating only advanced health needs, aging-in-place service providers are helping seniors maintain independence at home, avoid nursing home admission, reduce hospitalization, and minimize social isolation. Studies show that those who choose to age at home have better

health outcomes while incurring significantly lower health costs than those who age in nursing homes.^{3,4} In addition to saving financial resources, aging in place is popular among seniors: a full 90% of American seniors share the desire to remain in their homes as they age.⁵

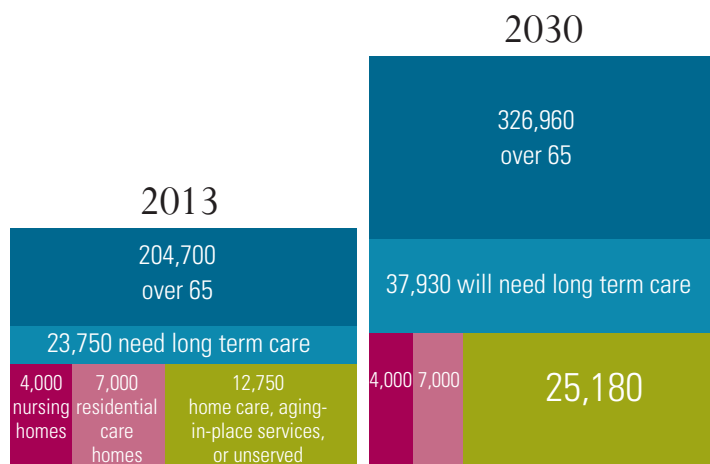
The value of aging in place is particularly relevant in Hawaii, which has the highest life expectancy of any state and the second highest cost of living in the country. By 2030, Hawaii expects to have an older population of 475,000 individuals, representing 29.7% of the population and a 310% increase during the 55-year period from 1980-2035. As the number of seniors aging in Hawaii rapidly increases, the state faces limited capacity in its residential care homes. With only 4,200 beds in nursing homes and 7,000 spaces in residential facilities in 2010, Hawaii's current facilities would be able to serve only 30% of the 38,000 older adults projected to need long-term care in 2035.⁶

Increasing the portion of seniors aging in place could increase the happiness of Hawaii's seniors ("kupuna") and save significant resources for society. However, a continuum of wrap-around services must be available to seniors if they are to age in place effectively. Aging-in-place services must be available to transport elders, support needs in the home (safety, cleaning, cooking, etc.), connect elders with a community, provide respite for caregivers, and monitor and address health/nursing needs. Without this comprehensive support, elders living alone are not empowered to age with dignity and are more likely to become ill or incur injuries.

the coming decades

In the last census, Hawaii had about **204,700** people over the age of 65. The American Health Association estimates that about 12%, or 23,750 need long-term care. With only **4,000** spaces available in nursing homes and **7,000** in residential care homes, approximately **12,750** kupuna that need long-term care are unable to age in a residential facility.

Estimates suggest that nearly 40,000 kupuna will need long-term care in 2030. If the number of spaces at nursing & residential care homes remains the same, how will we efficiently and effectively scale aging-in-place services to meet the community's needs?



Drawing on the knowledge of aging-in-place service providers in Hawaii, it is our hope that this report sparks a discussion about how to make affordable and sustainable aging-in-place services accessible to more seniors in Hawaii. Specifically, the report focuses on the following three questions:

- What will it take to ensure that Hawaii’s seniors have the ability to age in place?
- What solutions are emerging from the field?
- How can we use knowledge from the field to scale comprehensive, preventive, and sustainable aging-in-place services across Hawaii?

why nonprofit finance fund?

NFF envisions a world where capital and expertise come together to create a more just and vibrant society. To achieve this vision, our services are designed to unlock the potential of mission-driven

organizations through tailored investments, strategic advice and accessible insights. Over the past 30 years, NFF has worked with organizations and funders across the country to address questions of sustainability in dynamic and challenging funding environments. In recent years, our work has evolved to address systemic issues as well, due in large part to the demands of our funders and our clients. NFF defines a system as a network of people and organizations working toward a similar goal within a specific geography.

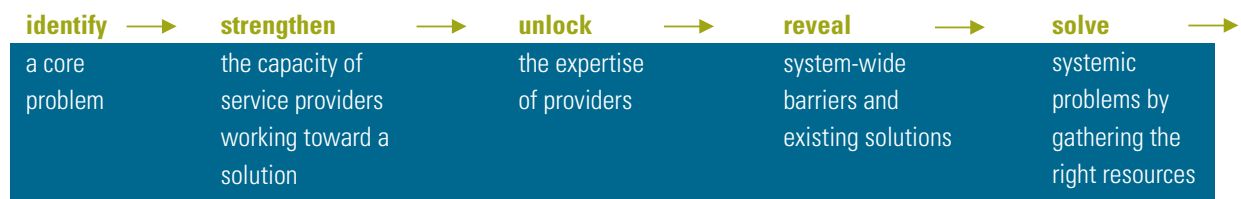
While we continue to work broadly across the country and across issues, we focus our capacity building services on

providers within a specific system when the time is right and the resources are available. We specialize in understanding the challenges faced by social sector organizations and in synthesizing the knowledge of our clients, who have a deep understanding of the challenges facing their communities.

We believe that change cannot be led by funders and intermediaries, but must be driven by the organizations that provide services. But we have seen first-hand that organizations often struggle with insufficient infrastructure, miscapitalization, and constrained capacity. This is why our approach to systems change starts with listening to the experts who provide services. Then, we develop nuanced capacity-building services to fit their situation. Our hope is that, as we work with providers to determine an agenda for systems change, we are simultaneously increasing their ability to manage to the current economic reality and plan for longer term sustainability.

With support from Hawaii Community Foundation, Nonprofit Finance Fund (NFF) had the opportunity to work with nine nonprofit organizations across the state that offer case management, home companionship, adult day health, adult day care, in-home cleaning services, senior nutrition programs, transportation, and several other aging-in-place programs. By aggregating and sharing the collective expertise of all organizations in the cohort, this report offers clarity about the barriers that need to be addressed to help kupuna age in place with dignity, highlights the innovations that are emerging in Hawaii to overcome these barriers, and recommends next steps for the field.

methodology: from identifying to solving systemic problems



After identifying a core problem, NFF provided technical assistance to build the capacity of each organization in the cohort. Ranging from in-depth business model repositioning services to half-day trainings for board members, NFF’s services addressed critical operating

questions such as: How can we expand services in low-income neighborhoods in a sustainable way? Which earned income venture is likely to generate a subsidy for the organization? Which strategies are likely to reduce organization-wide deficits?

expose system-wide barriers

With current estimates suggesting that one in three individuals in Hawaii will be an older adult by 2035,⁷ NFF initially set out to understand how the sector could scale existing aging-in-place programs to serve the increasing community need. But several of the barriers to providing wrap-around aging-in-place services were so pronounced that most organizations in the cohort were not operating at full capacity. The question for the aging-in-place sector in Hawaii is not merely one of scale; we must also understand why programs are currently inaccessible to large portions of the population. Drawing on their extensive experience in the field, the service providers in the cohort identified several barriers that limit the

accessibility of current aging-in-place programs:

- 1 **Funding structures** leave large portions of the population underserved.
- 2 **An information gap** means that kupuna and their families are often uninformed about available services.
- 3 **Caregiver stress** leads many families to seek residential options for their parents when stress becomes unbearable.
- 4 **Isolation** of kupuna from their communities makes it difficult to access services.

This report describes each of these barriers in detail before highlighting the solutions that are emerging to address them.

funding structures & cost

Services that foster independent, safe, and healthy living are unaffordable for many elders in Hawaii, and there are not sufficient third party subsidy sources to fill this gap.

Traditional sources of funding are rarely available for preventive care, making it challenging for many aging-in-place service providers to access capital.

the challenges of government assistance

Medicare, the largest source of public funding for elder care, served 40 million people age 65 and older in 2010. However, Medicare is designed to make funds available for curative care, which focuses on curing an existing disease or medical condition, rather than preventive care. As a result, many seniors are able to access a doctor's services after they suffer a fall but are unable to access preventive services that could have helped avoid the fall by installing safety equipment.

Some funding is available for preventive services through Medicaid, but this funding has historically been limited in Hawaii. In 2008, Hawaii spent 80% of its Medicaid Long-Term Care Funding on nursing homes and only 19% on home and community based waivers, placing Hawaii significantly below the national average of 32% of Medicaid funding spent to help individuals remain in or return to their homes. As part of

the transition to the Quest Expanded Access (QExA) managed care model for Medicaid in 2009, the state has made a concerted effort to provide funding for home and community care. One new program provides chore services for up to 1,600 people under their managed care plans. The Chore Services program under QExA provides house cleaning, laundering, shopping and meal preparation services to enable eligible adults to age in their community. While this program has increased the number of seniors accessing Medicaid to age in place, the program serves only a small portion of seniors, and there is a substantial waiting list.

Even when services are eligible for Medicaid payment, elders may have difficulty accessing the services in their communities. Of the organizations in the cohort that deliver services that would be eligible for Medicaid reimbursement, about 50% have chosen not to accept clients paying with Evercare or Ohana Health Plans, the managed care plan options under the QExA. There are a variety of reasons that organizations decide not to accept Medicaid beneficiaries: the payments do not cover the full cost of service delivery, the plans only pay the patient share that is a subsidized cost, significant staff time is needed to ensure full reimbursement, payments are often delayed, and payment is fixed rather than based on the client's level of health.

The state has introduced several other programs to promote aging in place, although they are small relative to the number of people aging in place. There is a chore services program

for those ineligible for Medicaid, a Senior Companion Program that recruits low income seniors to provide in-home companionship, and Kupuna Care that offers funding for personal care, home delivered meals, case management, and transportation. Each of these programs contributes toward seniors' ability to age in place, but they do not provide funding at a scale to make the services broadly accessible.

subsidized services

Providers agree that the population that falls just above the asset and income thresholds for Medicaid has the most difficult time accessing

aging-in-place services. There are rarely alternative sources of funding for aging-in-place services, requiring the vast majority of elders and their families to navigate and pay for aging-in-place services independently. The recession—coupled with a high and rising cost of living in Hawaii—led many families and seniors to reduce spending on adult day care, transportation, case management, and other services that help seniors maintain a high quality of life in their homes. As a result, private pay revenue streams declined for the majority of aging-in-place organizations in the cohort over the past three to five years.

There are two primary models in Hawaii that are currently being used to help individuals just above the Medicaid threshold access care. The most common sources of contributed revenue for scholarships are Persons in Need grants from Hawaii Community Foundation and contributions from Aloha United Way. Though there are limited sources of contributed revenue currently available for scholarships, such grants are frequently the only source of revenue enabling organizations to offer these services. Philanthropy plays a vital role in subsidizing services for

low-income individuals.

Because contributed revenue for scholarships is currently limited to a few sources, several providers are entering into earned income ventures as an alternative model to subsidize services for individuals who are not able to pay in full. Earned income ventures take many different forms, but some examples include a for-profit cleaning company, case management services for wealthy individuals, and rental properties. Each of these earned income ventures generates a surplus of no more than about 3-5% of expenses, and, in some cases, these ventures have generated a deficit for the organization.

When entering into an earned income venture, nonprofits are competing on the open market with many for-profit companies that specialize in offering these services. About 40% of small businesses are profitable, and it takes an average of at least 12-18 months to break even.⁸ The same is true of earned income ventures for aging-in-place organizations, but if the venture fails, it also has the potential to compromise the sustainability of the elder care organization that provides core services to Hawaii's kupuna.

All organizations in the cohort agreed that subsidies are a critical piece of a healthy aging-in-place system, but they also worry about the risks inherent in starting an earned income venture to offer such subsidies. Some form of subsidy, whether from foundations, individual donors or the government, will be required to help those with limited means age in place successfully. Earned revenue from programs and social enterprises will be insufficient to cover the full cost of delivering comprehensive aging-in-place programs.

system on stilts: financial dynamics of aging-in-place programs

Aging-in-place services are funded differently depending on income status. Upper & middle income kupuna are more able to cover their own costs through **private pay**. Nonprofits **subsidize** a portion of costs for middle & lower income individuals through earned income ventures, scholarships, & foundation grants. Hawaii's **state funding** includes a chore services program, a Senior Companion Program, and Kupuna Care. **Medicaid** is available for those with limited assets. Many kupuna do not have access to aging-in-place services.



information gap

Even when services are available and affordable for families, people who need services to age in place successfully are often not aware that they exist. Seniors and caregivers who need more than one type of service

must often deal with multiple providers (both for-profit and nonprofit) and a variety of governmental and private payment sources. The stress of navigating a fragmented system is compounded by the fact that it is difficult to find coordinated information about providers and services, referral sources, how to access these services, and how to pay for them. The complicated language used to describe aging-in-place services is rarely consistent and further complicates seniors' and families' understanding of the services available to them. Among the providers in the cohort that had low enrollment relative to their capacity, most cited lack of information about their services as the primary challenge.

connecting kupuna to care

There are two resources currently available to help families navigate this information gap: individual case management services and Aging and Disability Resource Centers (ADRCs). While both are helping to fill the information gap, all providers in the cohort agree that these services are inadequate and a substantial need for information remains. Case management services offer counseling to help families navigate the complicated system and determine eligibility for a host of services.

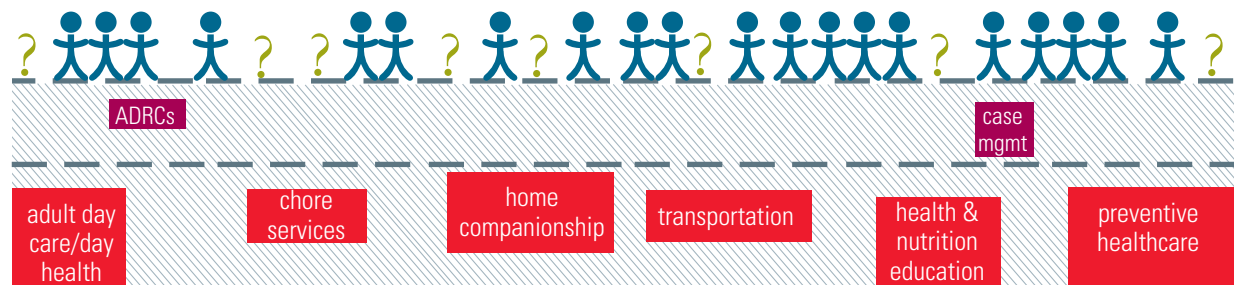
Instead of each family spending hours researching and recreating the available options, counselors offer specialized knowledge to save time and resources. While providers in the cohort find that this is the most effective way of connecting individuals with resources, it can be difficult to scale due to limited financial resources and capacity. Each consultation requires at least five hours of staff time from a trained counselor, and few seniors are able to afford the full cost of this service. In addition to individualized case management services, county-specific ADRCs offer central databases that provide assistance navigating the system to a much broader audience. Unfortunately, the centers are under-resourced and are primarily website or telephone based. This makes the resource centers difficult to access for individuals that are not familiar with computers, do not own a computer, or speak little or no English.

information gaps among service providers

The information gap is not only of concern to families and elders; many service providers are also unaware of the full spectrum of services available in their communities because they are accustomed to providing only one aspect of care. Several providers voiced a concern that they are unable to offer holistic care to kupuna because they do not know about other available resources in their community. Organizations in the cohort also voiced a common frustration at the lack of a collaborative aging-in-place sector that cuts across services to focus on the holistic needs of seniors and their families.

system on stilts: barriers between people, referral resources, and services

Case management services and county-specific Aging and Disability Resource Centers (ADRCs) currently bridge the information gap for some kupuna, but many families remain unaware of the services that are currently available.



caregiver stress

Family and friends provide approximately 85% of all long-term care in Hawaii,⁹ amounting to 162 million hours that were valued at about \$2 billion in 2011.¹⁰ While lovingly offered, caregiving can impose

substantial burdens on family members, including financial expenses, reduced hours of work and opportunities for advancement, reduced retirement savings and Social Security income, limitations on the ability to pursue one's own goals, depression, and health and psychological strain.¹¹ Providers in the cohort voiced a common concern that families are waiting to seek services until care needs are so far advanced that the elder needs continued high levels of care. Research has found a strong connection between caregiver stress and an elder's move to institutional care, indicating that families who are unable to access aging-in-place services to manage their stress are more likely to move their elders into nursing homes.¹²

economic and social implications

In addition to the stress and financial burden placed on a specific family, there are also significant societal implications stemming from the stress placed on caregivers. Studies estimate that up to 75% of informal caregivers are women, placing a disproportionate burden on women to care for our elders.¹³ Another national study on women and caregiving found that 33% of working

women decreased work hours to care for an aging family member, 29% passed up a job promotion, training or assignment, 22% took a leave of absence, and 20% switched from full-time to part-time employment.¹⁴ These staggering statistics have broad social and economic repercussions, ranging from equal opportunity for women to the economic impact of lost wages.

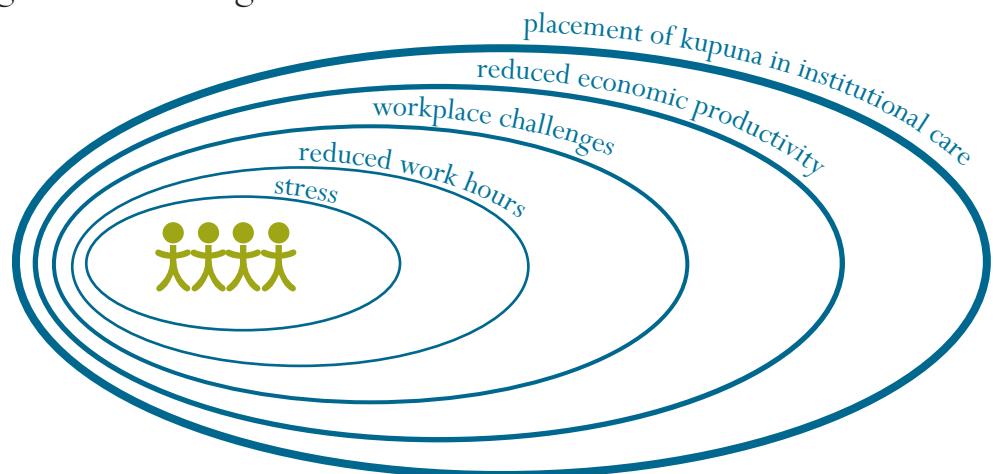
Family and caregiver stress also impacts businesses, which may be experiencing lower productivity and higher absenteeism due to heightened levels of caregiving stress among their employees. The cost to businesses because of partial absenteeism (e. g., extended lunch breaks, leaving work early or arriving late) due to women's caregiving has been estimated at \$327 million. Caregiving-related workday interruptions add another \$3.8 billion to the burden borne by businesses.¹⁵

To be successful, the aging-in-place sector must be attentive to the health and well-being of the kupuna's caregivers and ensure that respite services are readily available. A variety of respite services can support caregivers, including adult day care, short-term residential options, support groups, volunteer visitation, and chore services. Some communities, especially on Oahu, have these services readily available for caregivers; however, the information gap means that caregivers are often not aware of these options. Other communities across the state do not currently offer the same range of services that allow for caregiver respite.

the compounding effects of caregiver stress

Family and friends provide 85% of long-term care in Hawaii, amounting to about 162 million hours of care that were valued at \$2 billion in 2011.

While lovingly offered, caregiver stress creates a ripple effect that **results in...**



isolation

Though aging can be challenging for caregivers, it is the kupuna without a support system who are most at risk. As the traditional

family structure evolves— individuals choose not to marry, to divorce, not to have children, or their children move away— it is increasingly common for elders to be separated from their support network. A recent study showed that elders who are apart from their family and friends had a 26% higher death risk during a seven-year period than those who were the most social.¹⁶

connection to community

In addition to the obvious health risks of living alone, Hawaii's kupuna have also expressed their need to be connected to a community. In a

survey of seniors in Honolulu County, 45% of respondents said isolation and loneliness affect their quality of life. When asked, "What services do you need that are not available in your community?", 40% of respondents identified senior center activities.¹⁷ Connection to peers, to the community, and to meaningful activities offers a sense of purpose to individuals of all ages and especially to kupuna. Unfortunately, many kupuna in Hawaii are living without this connection.

The isolation gap is exacerbated when seniors are slow to recognize that they need help. Seniors who are isolated from their communities may forgo available services because they do not want to admit that they can no longer be independent, do not want to bother others, or do not want strangers in their homes. Regardless of the reason, seniors who are cautious to seek help are living in isolation from their communities

and are susceptible to significant mental and health risks. After falling, seniors may lie for hours, or even days, before someone finds them. Kupuna may stop bathing or cooking because they cannot do it alone and have not asked for or could not find help. When seniors are not connected to the community, no one is aware of these challenges and can offer help.

need for transportation

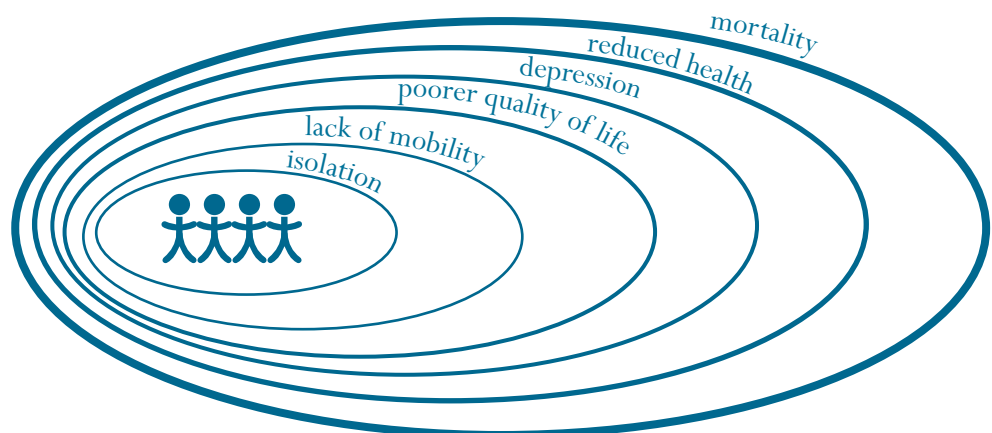
In addition to being separated from their support network, many kupuna are also physically separated from their communities. Seniors

rarely have access to a car, and most cannot drive, leaving them unable to run errands, attend community programs, or visit friends. Without reliable transportation, seniors remain isolated in their homes and are unable to connect to their communities. Providing transportation services is particularly difficult in the rural areas of Hawaii where public transportation is limited or nonexistent. All service providers in the cohort that are located in less densely populated areas voiced a common struggle with transportation. Many adult day cares own vans to transport individuals each day, but there are limits on the amount of time that an elder can be in a van, restricting the number of individuals that an organization can transport each morning. On Oahu, the Handi-van offers greater service than in other areas, but is still a barrier for some individuals who are unable or unwilling to ride in the vans. It is also challenging for the government to maintain the Handi-van system, and the city government in Honolulu has expressed interest in outsourcing the program to nonprofit providers.

the compounding effects of isolation

As the American family structure evolves, today's **kupuna** are more likely to lose their family support systems than ever before.

This loss of connection and community has an acute effect on the health and happiness of kupuna, **resulting in...**



reveal existing programmatic solutions

These four barriers to aging in place are structural and challenging,

but they are not insurmountable. Drawing on extensive experience in the field, the providers in the cohort have identified several innovative and preventive programs that have the potential to both enhance the quality of life for seniors and save resources for the sector. These programs address barriers to connection, the information gap, and caregiver stress. Models to confront incomplete funding structures are discussed in detail in the next section.

There is no one solution that will address all of the multifaceted barriers to aging-in-place, but a combination of

the following ideas can begin to do so jointly:

- 1 **Preventive health programs** to effectively manage chronic illnesses and centralize resources.
- 2 **Early-access chore services** to maintain a safe living environment and create relationships with isolated kupuna.
- 3 **Purposeful neighborhood planning** to establish community-based connections and make services accessible to seniors.
- 4 **Full service escort** to transport seniors and effectively connect them with community services.
- 5 **Leveraging volunteers** can help to alleviate caregiver stress and reduce the effects of isolation.

preventive health programs The Statewide Healthy Aging Initiative was started in 2007 to improve health practices among older adults and empower people with chronic conditions to take charge in controlling their symptoms. The program uses Stanford's Self-Management Programs, a series of workshops given once a week for six weeks in community settings such as senior centers, churches, libraries and hospitals. Subjects covered include: 1) techniques to deal with problems such as frustration, fatigue, pain and isolation, 2) appropriate exercise for maintaining and improving strength, flexibility, and endurance, 3) appropriate use of medications, 4) communicating effectively with family, friends, and health professionals, 5) nutrition, 6) decision making, and 7) how to evaluate new treatments.

The classes that are offered through this program have been proven to increase patients' ability to manage distress, decrease limitations in social activities, and increase communication with physicians. As a result of this program, a recent study showed that Asian and Pacific Islanders in Hawaii realized significant increases in self-rated health, time spent engaging in stretching/strengthening exercise, and ability to cope with symptoms.¹⁸ In addition to the health benefits, the classes also offer respite to caregivers, provide a central resource where seniors learn about other programs, and connect seniors to others in their communities.

early access chore services As seniors age, many lack the mobility to perform everyday chores such as repairs, maintenance, cleaning, cooking, etc. Several providers in the cohort have found that kupuna are more likely to seek chore services before other types of aging-in place services because assistance with chores does not represent a loss of independence. Cleaning, for example, is a task where people of all ages seek help. By training chore service delivery staff in recognizing the broad needs of a client, providers in the cohort have increasingly used chore services programs as a way to identify the isolated seniors in their communities that may benefit from other programs. Other organizations foster a sense of connection by encouraging chore services staff to play a broader companion role during their cleaning visit.

Regardless of the method, attentive delivery of chore services can help reduce a senior's feeling of isolation and can help service providers understand where kupuna in the community may benefit from other services.

full service escort Many seniors cannot access bus services because they are not able to walk from their front door to the curb. Even those who are able to get a ride to their destination in vans have to wait, sometimes for hours, for return transportation. This lack of reliable and dependable transportation severely impacts seniors' ability to remain in their homes, because they are unable to go to the grocery store, visit the doctor, or run other errands. By providing

timely, full-service transportation from door to door, several organizations have found that they can establish a meaningful connection with kupuna while helping them accomplish the errands that are necessary to maintain their independent lives.

purposeful neighborhood planning

To successfully age in place, seniors need their communities to be accessible and navigable. Transportation is an important piece

of access, but the design of communities also has a large impact on the ability of seniors to age in place. Increasing the number of sidewalks and encouraging the development of mixed-use neighborhoods enhances seniors' ability to access the services that they need. As policymakers develop plans for development or re-development, purposeful design can make community services accessible to seniors and enhance their ability to age in place.

Naturally occurring retirement communities (NORCs) are communities that were not originally designed for seniors but have naturally gained a large proportion of older adults over time. In response to the NORC demographic phenomenon, organizations in Hawaii and elsewhere around the country have developed programs to gather and serve seniors in these communities. Such programs can include centralized case management services, connection to appropriate public benefits, healthcare management and monitoring, field trips, exercise classes, and arts and culture discussion groups.

Well-planned NORC programs provide a supportive environment that allows seniors independence as they age in place, facilitates linkages with the larger community, and offers supportive services based on individual assessments.

Through purposeful and deliberate programs in NORCs, organizations can serve large numbers of seniors in one space at a relatively low cost. Such programs are an extremely cost-effective solution in NORCs but are more challenging in rural environments. Transportation will remain a critical variable in communities that are dispersed, rural, or difficult to access.

leveraging volunteers

Certain services will never be available in small cities and towns due to the high fixed

costs of operations for relatively few clients. But several communities have leveraged the goodwill of their residents to visit and establish a social connection with aging kupuna. Leveraging volunteers offers a low-cost way to identify early warning signs of health or mental challenges, alleviate the stress and economic burden on families, and reduce senior isolation. One organization in the cohort has a program that offers families access to a respite volunteer for up to 80 hours per year or respite reimbursement to the family for the same number of hours. In both cases, the organization draws on county funds to pay \$12 per hour to the volunteer or the family.

Though this program offers only a small stipend to volunteers, it defrays the cost of their time, formalizes the commitment, and facilitates recruitment. The volunteer stipend also enables organizations to reach more communities than they otherwise could by hiring a staff member based in a single location. Volunteers offer caregivers several hours a month where they can decompress and focus on other responsibilities. Many volunteers offer services that extend far beyond their compensation and are a critical link to resources in the community.

"I am the sole caregiver for my grandmother and my mother. Every Monday for two hours I get help. Debbie watches my family members so I can have a break away from the 24 hour 7 day per week care I give. For these two hours I forget my responsibilities and let my body and head take a break. Sometimes I walk, or go to a movie, go to the store, or to the doctor, but those two hours are mine. And it recharges my senses and relieves my stress. I feel safe and comfortable with Debbie caring for my family."

We have highlighted above some great programmatic solutions

that can be pursued by individual providers or through collaborations. Now we want to explore how the system in which these organizations operate can be a barrier to pursuing those solutions, and, likewise, how we can create solutions that address these barriers for the whole system. To successfully scale programs and offer sustainable, reliable, and comprehensive services across the state, the system will need to:

- 1 **Build a service continuum** that holistically addresses the challenges kupuna face

- 2 **Centralize access points** by re-thinking resource portals and improving sector-wide collaboration
- 3 **Facilitate the flow of capital** to help organizations get the right types of financial resources at the right times

The process that is outlined below for solving systemic problems includes practices that have worked well for other sectors as well as actions that are specific to the aging-in-place sector in Hawaii. With an adequate combination of resources, we believe that aging-in-place organizations can offer comprehensive services that successfully meet the needs of the growing population of kupuna across the state.

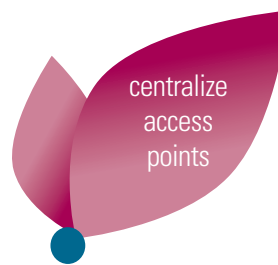


Seniors who are aging in place do not just need affordable adult day care or chore services; kupuna need access to a variety of wrap-around services that are unique to their health needs and their family's situation. Many of the services that are needed to reduce senior isolation and provide respite to caregivers already exist, and new services are emerging from the field each day to help seniors age in place more effectively.

But aging-in-place services do not exist uniformly in each neighborhood across the state. Before the sector can begin to connect kupuna with the unique services that they need to age in place, the sector must gain a comprehensive understanding of the services that are available in each community.

By creating a system-wide map of the services that are currently available across the region, the sector can begin to understand the geographic gaps in service and work with local providers to understand the specific wrap-around services that isolated seniors still need in each community. Ensuring the availability of comprehensive services in each neighborhood may require scaling existing programs or replicating programs offered on a different island. The solutions

offered in the previous section highlight several models that could be replicated in communities that do not currently have access to services that reduce caregiver stress and senior isolation. Every community has different dynamics and will require a different array of services. It is crucial that ideas about community need are generated from seniors and service providers in the community rather than assuming that a single model should be scaled across the state.



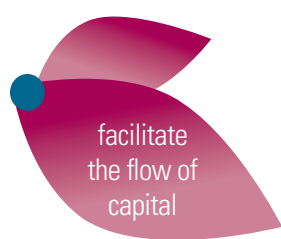
Once the sector has an understanding of the aging-in-place services available across the region, this information must be available to the public in a central and accessible way. Families

need to be aware of the continuum of aging-in-place services that are available in their own communities if they are to help their kupuna age in place effectively. Hawaii has county-specific ADRCs that are tasked with administering information portals, but providers in the cohort are concerned about the portals' accessibility and usability for families. There are two critical components that will be necessary to make resources visible in the sector: sector-wide collaboration and an accessible resource portal.

The aging-in-place field is not currently well-defined, and many providers are not even aware of other services that are available in the community. By investing in or appointing a ‘backbone’ or ‘hub’ organization focused on the issue of aging in place, providers could work across silos and offer comprehensive aging-in-place care to kupuna. A central backbone organization would also make it easier for families to identify appropriate resources to help their kupuna age in place. Adult Day Centers Hawaii, Inc. effectively connects adult day cares across the state and fosters collaboration among providers. However, there is no sector-wide aging-in-place initiative that connects organizations offering a range of services.

Across the country, there have been pilots in several sectors that use different strategies to centralize information and access. These range from collective impact projects to creative applications of technology. NFF does not advocate for a specific approach but recognizes that caregivers and seniors will ultimately benefit from having a centralized, trusted, resource that serves as a visible starting place for understanding aging-in-place services.

The next step is to increase the dialogue in Hawaii about the need for central access points in this field. Coming to an agreement about the best way to create the access point in Hawaii will likely require financial resources, structured facilitation, and time; but, the benefit of doing this work is that it will solve a systems-level problem that no provider could realistically address on its own.



system in Hawaii can facilitate access to capital far more efficiently than the organizations working

Growth and change require capital; yet, access to capital in the nonprofit sector is difficult and inefficient. By working in aggregate, the aging-in-place

alone. There are two actions at the systems level that we believe will make access to capital easier for individual providers: a dedicated pool of capital and a collaborative attempt to measure outcomes and impacts.

a dedicated pool of capital

A pool of capital is an aggregation of capital from different sources that would offer a combination of different types

of capital to service providers in the system. Rather than investors working with organizations solely on an individual basis, a consolidated pool of capital offers efficiencies in underwriting and removes the hassle for borrowers and grantees. A dedicated pool for the aging-in-place system should include debt capital as well as grants in the form of philanthropic change capital . NFF defines change capital as a one-time infusion of capital that supports an organization through a period of growth or change.

Access to affordable debt and change capital could enable providers in the sector to begin accepting Medicaid, enter into other reimbursement-based contracts, pursue new sources of revenue, or embark on a period of change or growth. When providers are unable to serve Medicaid patients, the field is forgoing valuable revenue from its single biggest payer. Changes to the Medicaid assets threshold or the services covered by Medicare could make aging-in-place services affordable for more seniors, but services would still remain inaccessible to low-income seniors if service providers choose not to accept these reimbursements.

With a line of credit, organizations can access capital to pay for upfront expenses and to continue operations while waiting for payment from Medicaid. As a result, debt can leverage revenue that already exists within the system now and in the future. A line of credit could also offer the capital necessary for aging-in-place organizations to enter into other reimbursement-based contracts that require upfront capital to deliver services

before payment is received.

In addition to capturing revenue that is already in the system, capital can be used to invest in building new revenue streams or changing an organization's business model. Debt can function as long-term patient capital that allows the organization to adapt its business model and build reliable, recurring revenue. Debt, however, is not always appropriate, and philanthropic change capital will be necessary for many organizations. Rather than providing annual revenue to an organization, change capital offers the upfront resources necessary to implement a change that helps to generate higher, reliable, recurring revenue in the future.

Creating a collective investment vehicle offers potential donors, who may care deeply about aging in place, a mechanism through which to leverage systems-level change and understand the impact of their investment. Likewise, it can provide a crowd-funding mechanism through which even small donations can be mobilized as capital and leverage systemic change.

**collaborate
on impact
measurement** Because aging-in-place services help to prevent emergency health costs and reduce or delay the need for expensive residential

facilities, there is an opportunity for the system to consider outcomes-based financing mechanisms. In order to attract the financial capital that will enable the scaling of preventive programs, providers will want to begin measuring the outcomes of core programs.

Currently, providers of aging-in-place services use a range of different systems and indicators to measure outcomes. Building the capacity of the field to measure outcomes will require investing in the human capital and financial costs associated with outcomes measurement systems. Doing so will enable the cohort and potential investors to understand the impact of a given program and the cost savings realized as a result.

“Our aged have not been singled out to segregate them from other citizens. Rather, I have sought to emphasize the important values that can accrue to us as a nation if we would but recognize fully the facts concerning our older citizens—their numbers, their situation in the modern world, and their un-utilized potential... We can continue to move forward—by building needed Federal programs—by developing means for comprehensive action in our communities—and by doing all we can, as a nation and as individuals, to enable our senior citizens to achieve both a better standard of life and a more active, useful and meaningful role in a society that owes them much and can still learn much from them.” John F. Kennedy, 1963

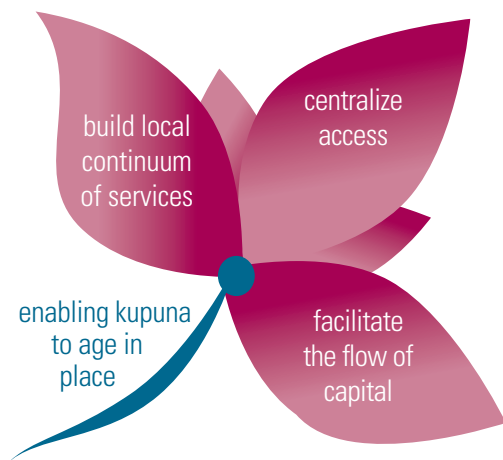
conclusion

John F. Kennedy's remark above was spoken at a time when life expectancy at birth was 70 years. As the number of seniors continues to rise in Hawaii and across the country, we must confront

the reality that an increasing number of seniors will be aging with ever fewer resources to do so. We must create and adequately fund a comprehensive continuum of aging-in-place services in our communities if we want our kupuna to age with the respect and dignity that they deserve.

We must also address the barriers to aging in place at the systems level and yet we know there is not currently enough capital in the system to fund the changes. We believe the best response is to simultaneously do three things: scale (or replicate) programs that work to ensure that the right services are available in the right places, develop a central resource to share the continuum of existing services with the community, and facilitate access to capital.

The right investment of financial capital now into the scaling of aging-in-place services will result in lower long-term care costs for society in the future. While it is important to underscore the financial benefits to society of scaling and making comprehensive aging-in-place services accessible, the need for these services is grounded firmly in the belief that aging in place provides greater long-term health, happiness, and dignity for our seniors.



Our ability to analyze and develop a continuum of aging-in-place services, centralize access points, and creatively finance programs depends on the human capital of service providers, intermediaries, and funders. We will only make progress toward these goals if we adequately support those tasked with addressing the critical barriers to aging in place. In addition to financial capital, this will require strong leaders with adequate capacity to evaluate and assess future opportunities.

Nonprofit Finance Fund firmly believes that, given the right combination of resources, advice, and time, the service providers in this cohort are capable of addressing the barriers to aging in place so that we are able to care for our kupuna now and in the coming decades.

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Established in 1916, the Hawaii Community Foundation helps people make a difference by inspiring the spirit of giving and by investing in people and solutions to benefit every island community. For nearly 20 years through the generosity of our donors, the Foundation has been funding adult day health/care services, as well as chore and other support services to help elders of limited means age in place. As part of our commitment to this field HCF contracted Nonprofit Finance Fund to provide technical assistance for a cohort of our elder service providers. Drawing on information from this cohort, NFF also did a field-level scan of the challenges and opportunities for aging-in-place service providers to help inform our continued efforts to support this field.

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