

DEPARTMENT OF AGING

1300 NATIONAL DRIVE, SUITE 200
SACRAMENTO, CA 95834-1992
Internet Home Page: www.aging.ca.gov
TDD Only 1-800-735-2929
FAX Only (916) 928-2268
Main Office (916) 419-7500



March 3, 2010

Kathy Greenlee
Assistant Secretary
U.S. Department of Health and Human Services
Administration on Aging
Washington, DC 20201

Dear Ms. Greenlee:

The California Department of Aging (CDA) appreciates the opportunity to make recommendations to the Administration on Aging (AoA) on policy and administrative issues for consideration in formulating changes to the Older Americans Act during the 2012 reauthorization of the Act.

Transitioning Demonstration Programs Into Core Older Americans Act Services

Background

Over the past six years, the Administration on Aging (AoA) has secured federal funding to conduct demonstration programs in order to develop and evaluate Aging and Disability Resource Centers (ADRCs); Evidence-Based Health Promotion (EBHP) Programs; and Nursing Home Modernization and Transition Programs. The Centers for Medicare and Medicaid (CMS) has partnered with AoA in funding/administering several of these grants and has also independently funded similar efforts aimed at developing systems to rebalance state long term care systems.

CDA has participated in all of these activities either directly or indirectly and remains committed to the principles at the core of these grant efforts. This demonstration grants have helped us develop, implement and evaluate the effectiveness of new programs and services responsive to the needs of today's older adults, persons with disabilities of all ages, and family caregivers. But with the looming increase in both the aging and disabled population, we need to expand the Older Americans Act to articulate a clear federal and state framework for addressing these needs on a comprehensive and on-going basis.

Recommendation

The California Department of Aging advocates that (1) the OAA target population be expanded to include not only individuals who are at risk of institutionalization but those

who are nursing home residents and seeking to transition back into the community; and (2) the funding and administration of the above mentioned AoA demonstration programs be incorporated into the Older Americans Act in Title IIIB and Title IIID Supportive Services as ongoing programs with designated funding to all states through the annual budget appropriation process.

Rationale

- By their very nature, demonstration grants tend to reward geographic areas that already have resources with more funding. The poorest areas lack the capacity to redirect staff to implement the grant activates and lack the capacity to sustain these efforts after the funding ends. The recent ARRA *Putting Communities to Work: Chronic Disease Self Management Grant* is a case in point. The most economically depressed areas of California where older adults health disparities are the greatest were unable to muster the resources necessary to be included in California's application. While the interest was there in a handful of these counties, the critical mass to implement the CDSMP in the 24 month grant period was not possible given their limited local resources and CDA was obliged to partner with counties that had the capacity to meet the performance goals.

However, if each Planning and Services Area had an increased Title IIID allocation that was targeted to EBHP programs, the CDA and the California Department of Public Health could re-direct the staff time currently spent on demonstration grant management to facilitate collaboration in these poorer counties to build the local partnerships needed to implement and sustain the CDSMP and other EBHP programs;

- Times of extreme fiscal constraints do create new opportunities for states and local communities to examine more cost effective strategies in providing various services and the organization best positioned to deliver these services. In the context of the national debate on health reform, there is great interest in programs and services that bridge health and social services and achieve better client outcomes and reduced health care expenditures.

But to the degree that these programs are (1) only demonstration programs being piloted in some geographic areas through short term federal demonstration grant funding; and (2) there is no federal statutory language establishing on-going responsibility for this activity and funding to perform it, there will be reluctance to establish long-term formal relationships that rely on the SUA (or another designated entity) to perform this task. The lack of federal designation conveys a sense of uncertainty as to who is will be assigned responsible for and the relative importance of this activity in the future.

For example, CMS is implementing a new version of the nursing facility (NF) client assessment instrument, the Minimum Data Set (MDS 3.0). The new MDS 3.0 will require that when NF staff are interviewing residents and the resident responds that they want to talk with someone about returning to the community, the NF interviewer will be required to initiate care planning and may refer the resident to a state designated local contact agency. Who that will be in California is unclear at this point. While several of California's regional ADRCs are involved in nursing home transition efforts, those efforts are primarily funded through federal demonstration grants and sustaining those activities after the funding ends will be challenging. Furthermore ADRCs are only operational in a handful of California's counties.

If the OAA contained language specifying that SUA and the AAAs (or other designated entities) have a responsibility in serving individuals in NFs seeking to transition back to the community and are provided funding to perform this role, there would be clarity as to who needs to be engaged at the state level in MDS 3.0 implementation discussions;

- Pursuing initiatives requires AAAs to divert increasingly limited resources from their ongoing planning, systems development and service delivery activities. Integrating these initiatives into predictable and already established funding streams would enable AAAs to incorporate these activities into their on-going partnership building and systems development efforts; and finally
- It is very difficult, given current budget realities, for CDA to maintain the continuity of the grant activities even when AoA offers continuation grant opportunities. If the initial grant comes to an end and even if the state is successful in applying for a new competitive federal grant, there will inevitably be a gap of several months while the SUA secures the state budget authority to spend the new federal funding. This is not an effective way to maintain on-going services and effective state and local partnerships. Furthermore, the procurement and management of these demonstration grants absorbs a considerable amount of staff time at the federal, state and local level. These resources could be re-directed to focus on greater systems development and increased interdepartmental collaboration if these were permanent OAA programs.

Making the State Health Insurance Counseling Program (SHIP) a Permanent Program

Background

While the State Health Insurance Program (SHIP) is not an OAA program, the AoA collaborates closely with CMS programmatically and specifically in funding and administering the Medicare Improvement for Patients and Providers Act (MIPPA).

While the name “SHIP” implies that this is a federal “program,” since it was established in 1990, it has been administered as an on-going CMS grant.

Recommendation

CDA requests that AoA to encourage CMS to advocate with Congress that the on-going SHIP grants to states be converted into a permanent program and conform the program funding cycle to either the state or federal fiscal year. We have in the past, and will once again, make this request to CMS as well.

Rationale

The administrative challenges involved in securing and operating grant programs discussed above also applies to SHIP. The fact that states have to apply for their SHIP grant every year and then receive this funding at a point during the year that neither coincides with the state or federal budget cycle, adds to the administrative challenge and complexity involved in operating this valuable program. It also hinders the ability of the state, AAAs, and local SHIPs to plan and budget effectively.

Replacing OAA Match with MOE for New Funding and Leveraging OAA Funding to Meet Other Federal Match Requirements

Background

The OAA reauthorization is being undertaken at a time when the nation continues to struggle in recovering from the greatest economic crisis since the Great Depression. The forecast is that many states will face continued major shortfalls in balancing their budgets for at least the next five years as revenues continue to fall well below expenditures.

By the start of the next fiscal year, CDA will have lost over \$18 million in state general fund support for our LTC Ombudsman program and supportive services for older adults funded solely through state funding. At the local level, Area Agencies on Aging have experienced additional funding losses as county, city and private funding sources shrink.

California has been actively involved in and fully supports the federal interest in and funding for services and programs supporting family caregivers, hospital-to-home and nursing home diversion/ transitions, and EBHP programs. In this context, CDA requests that AoA consider two suggested changes that would help SUAs and the local aging service network to maximize available funding during this difficult financial period.

Recommendation

(1) Establish a Maintenance of Effort at the 2010 state match level but not require state match for any new federal OAA funding that might be allocated to the states; and (2) Include in the OAA reauthorization, language specifying that federal OAA funds can be used to meet the matching requirement for other federal grants and programs funded/administered by entities other than the AoA.

Rationale

These two recommendations would allow states most economically disadvantaged to also be able to benefit from any newly allocated federal funding; and would allow SUAs, AAAs, and other members of the aging services network to leverage their OAA funding to the fullest extent in developing and funding innovative state and local collaborative programs serving older adults and family caregivers.

CDA is very grateful for the AoA demonstration grant funding that it has received over the past six years. We make these recommendations with the goal of encouraging the incorporation of these initiatives in the core OAA programs and services to assure their continuation and to permit all of us to use our limited resources most effectively in fostering the continued expansion of these important efforts.

Please do not hesitate to contact me if you have any questions or would like to further discuss these recommendations.

Sincerely,

Lynn Daucher
Director