D26A07
Department of Aging

Operating Budget Data

($ in Thousands)

	FY 17 Actual	FY 18 Working	FY 19 Allowance	FY 18-19 Change	% Change Prior Year
General Fund	$21,583	$22,882	$24,980	$2,098	9.2%
Adjustments	0	-31	16	47	
Adjusted General Fund	**$21,583**	**$22,851**	**$24,995**	**$2,144**	**9.4%**
Special Fund	406	549	939	390	71.0%
Adjustments	0	-7	3	10	
Adjusted Special Fund	**$406**	**$542**	**$942**	**$400**	**73.7%**
Federal Fund	26,369	29,432	29,559	127	0.4%
Adjustments	0	-19	8	27	
Adjusted Federal Fund	**$26,369**	**$29,413**	**$29,566**	**$153**	**0.5%**
Reimbursable Fund	1,421	2,121	2,035	-86	-4.0%
Adjustments	0	0	3	3	
Adjusted Reimbursable Fund	**$1,421**	**$2,121**	**$2,038**	**-$83**	**-3.9%**
Adjusted Grand Total	**$49,779**	**$54,928**	**$57,542**	**$2,614**	**4.8%**

Note: FY 18 Working includes targeted reversions, deficiencies, and across-the-board reductions. FY 19 Allowance includes contingent reductions and cost-of-living adjustments.

- The adjusted fiscal 2019 allowance increases by $2.6 million, or 4.8%, compared to the adjusted fiscal 2018 working appropriation. Increases in general funds are driven by a new nursing home diversion initiative ($2.5 million). Increases in special funds are driven by the establishment of a new Senior Call-Check Service and Notification program ($416,985).

Note: Numbers may not sum to total due to rounding.

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Personnel Data

	FY 17 Actual	FY 18 Working	FY 19 Allowance	FY 18-19 Change
Regular Positions	41.70	38.70	38.70	0.00
Contractual FTEs	12.00	20.00	21.00	1.00
Total Personnel	**53.70**	**58.70**	**59.70**	**1.00**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	2.79	7.20%
Positions and Percentage Vacant as of 12/31/17	7.00	18.09%

- Turnover expectancy decreases from 7.53% to 7.20% in fiscal 2019.

- As of December 31, 2017, the Maryland Department of Aging (MDOA) has a vacancy rate of 18.09%, or 7 vacant positions.

- Contractual full-time equivalents (FTE) increase by 1.00. Additional FTEs are intended to aid in implementation of a new program.

Analysis in Brief

Major Trends

Maintaining Seniors in the Community: MDOA has a goal to enable seniors to reside in the most appropriate and safest living arrangements within the community for as long as possible. The total number of seniors receiving community-based support services through MDOA decreased in fiscal 2017.

Determinants of Health and Health Outcomes: The department has a goal to empower older Marylanders to stay active and healthy. Maryland ranks fourteenth in overall senior health. Despite this high ranking, there are areas in need of improvement.

Ensuring Seniors Are Treated with Dignity: MDOA has a goal to ensure the rights of seniors and prevent their abuse, neglect, and exploitation. The number of complaints investigated and closed has steadily increased since federal fiscal 2012, despite the number of employed ombudsmen remaining at the same level.

Issues

Report on Pilot Programs: The 2017 *Joint Chairmen's Report* requested a report on pilot programs in response to the department's indication that it was currently piloting new programs intended to address various needs of the senior community. This issue discusses the report.

Waitlist Data Collection: MDOA has had difficulty collecting waitlist data for programs that it administers. This issue discusses those data collection issues.

Operating Budget Recommended Actions

		Funds
1.	Add language restricting a portion of the General Administration budget pending submission of a report on waitlist data.	
2.	Add language restricting funds in the Community Service Program pending submission of a report detailing use and allocation of funds.	
3.	Reduce Nursing Home Diversion program by $750,000 to account for startup and planning delays	$ 750,000
	Total Reductions	**$ 750,000**

D26A07
Department of Aging

Operating Budget Analysis

Program Description

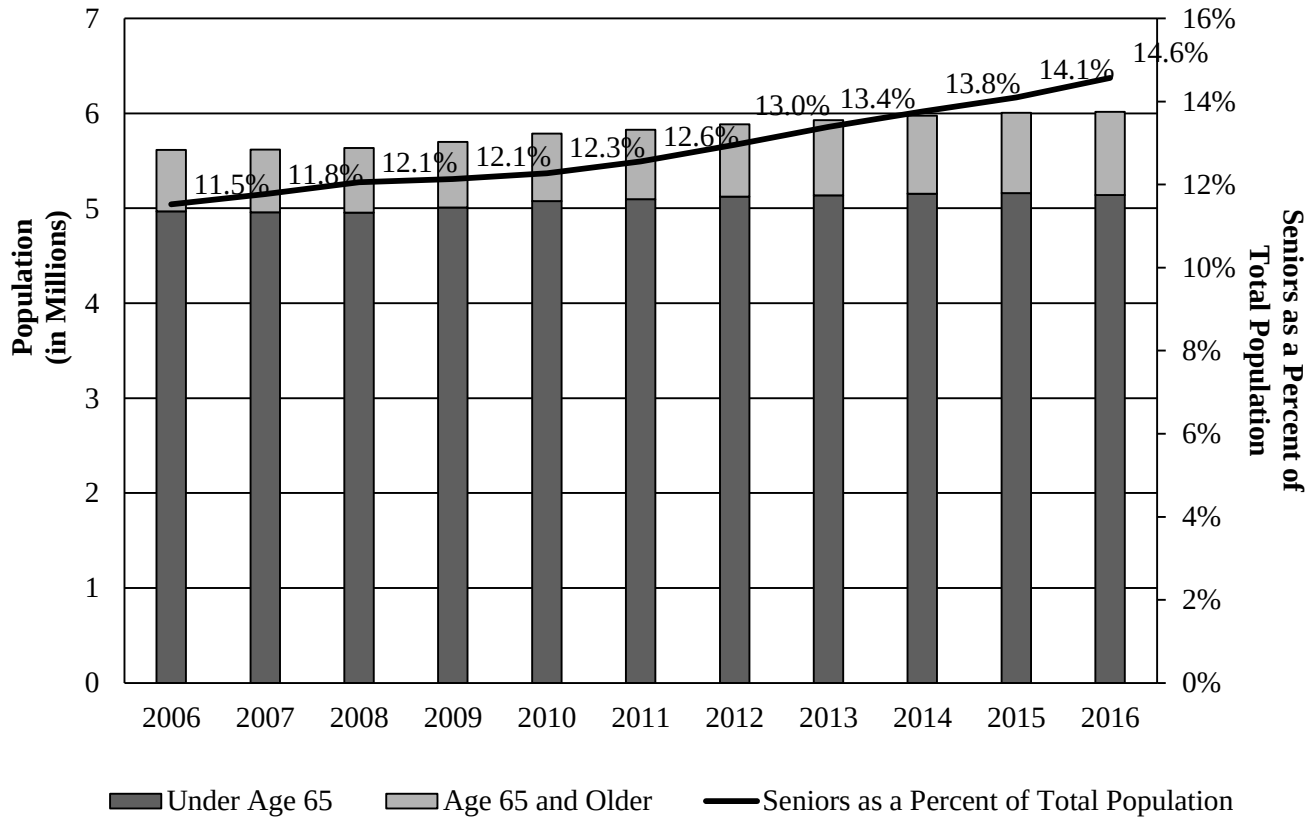
The Maryland Department of Aging (MDOA) has the responsibility for administering community-based programs and services for older Marylanders, evaluating the services they need, and determining the extent to which public and private programs meet those needs. The department also administers the State Aging and Disability Resource Center (ADRC) initiative, known as Maryland Access Point (MAP). The ADRC is a national initiative to realign long-term care information and access to resources into a single point-of-entry system. The department administers the MAP program through collaborative partnerships with State and local aging and disability agencies and stakeholders. With input from the local area agencies on aging (AAA), seniors, caregivers, the Maryland Department of Disabilities, and other sister agencies, the department establishes priorities for meeting the needs of older Marylanders and advocates for frail and vulnerable seniors. The department promotes healthy lifestyles for older Marylanders, *e.g.*, good nutrition, exercise, employment, and volunteerism, so that they remain active and engaged in their communities. The key goals of the department are to:

- advocate to ensure the rights of older adults and their families and prevent their abuse, neglect, and exploitation;
- support and encourage older adults, individuals with disabilities, and their loved ones to easily access and make informed choices about services that support them in their home or community;
- create opportunities for older adults and their families to lead active and healthy lives;
- finance and coordinate high-quality services that support individuals with long-term needs in a home or community setting; and
- lead efforts to strengthen service delivery and capacity by engaging community partners to increase and leverage resources.

Performance Analysis: Managing for Results

Many issues facing seniors are becoming increasingly urgent as the population ages. As shown in **Exhibit 1**, the senior population is growing, both in absolute terms and as a percent of the total population of the State. Aging of the population is a phenomena that is occurring across the country as people are living longer and birth rates are declining to historic lows. The growing senior population is an important context in which to consider the performance analysis.

Exhibit 1
The Silver Tsunami
Calendar 2006-2016

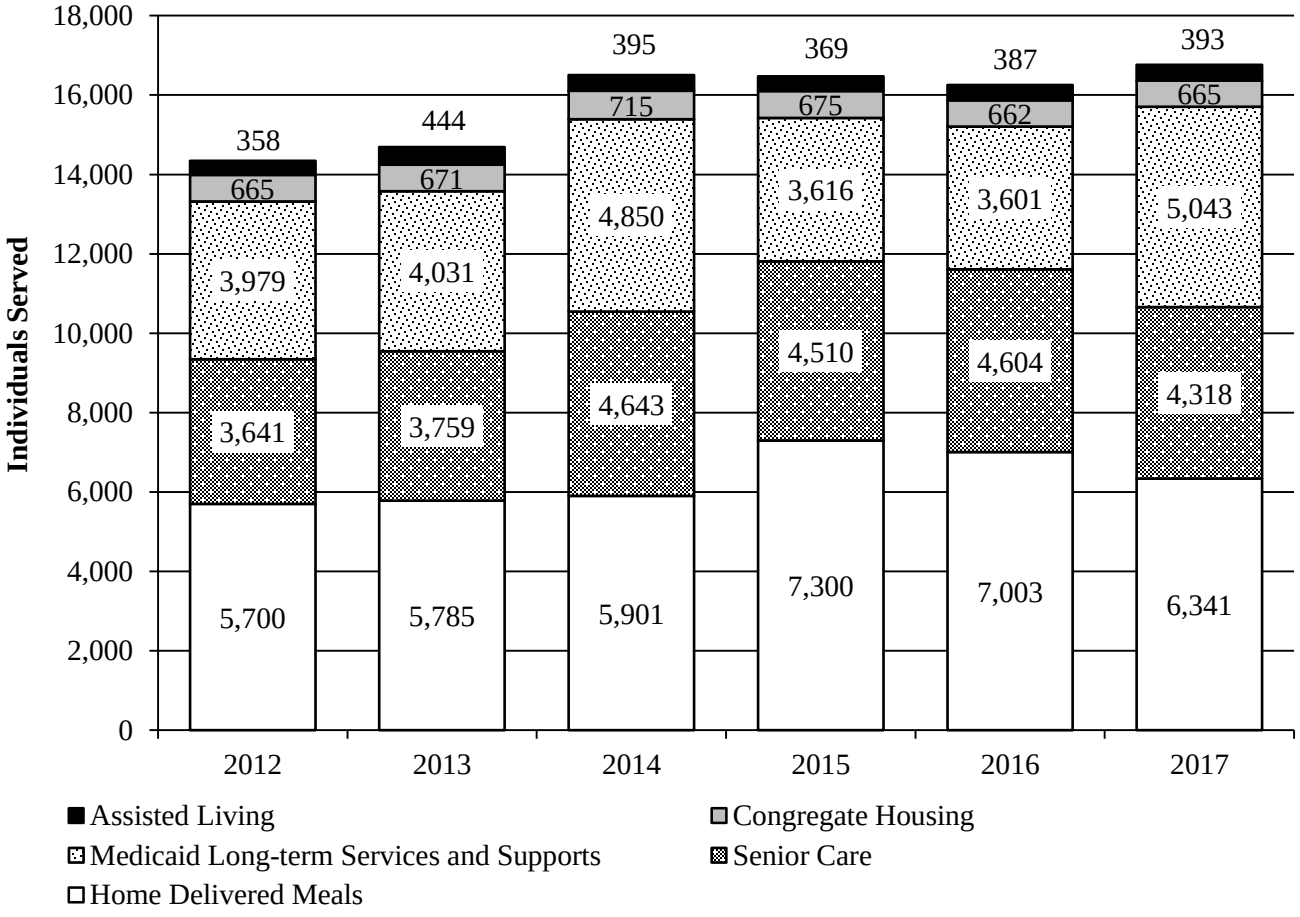


Source: U.S. Census Bureau, *American Community Survey*

1. Maintaining Seniors in the Community

MDOA has a goal of enabling seniors to reside in the most appropriate and safest living arrangements within the community for as long as possible. **Exhibit 2** shows the number of individuals receiving the different types of MDOA-coordinated services. The total number of services provided increases slightly in fiscal 2017. However, all services remained relatively level, with the exception of Medicaid Long-term Services and Supports (LTSS) coordination. LTSS coordination increases by approximately 40% compared to fiscal 2016. MDOA notes that this increase is due to a change in the data to include young individuals with disabilities.

Exhibit 2
Maintaining Seniors in the Community
Fiscal 2012-2017



Note: Long-term Services and Supports reflect only those individuals receiving Medicaid services coordinated by the Maryland Department of Aging. A significantly greater number of people are served in Medicaid long-term services and supports. Home Delivered Meals is reported on a federal fiscal year schedule.

Source: Maryland Department of Aging

Fiscal 2017 was the last year that MDOA provided LTSS coordination. In fiscal 2018 and future years, those services will be provided by the Maryland Department of Health. When adjusting for this change, MDOA is actually serving fewer people in fiscal 2017 compared to fiscal 2016 (11,717 vs. 12,656). This is largely due to a decrease in home delivered meals.

2. Determinants of Health and Health Outcomes

The department has a goal to empower older Marylanders to stay active and healthy. MDOA supports senior health through many of the grants allocated to local AAAs, such as the Home Delivered Meals and Congregate Meal programs that both ensure older Marylanders are provided with necessary nutrition to stay healthy.

The United Health Foundation (UHF) reports state rankings of senior health as part of its annual *America's Health Rankings*. UHF builds the rankings based on the World Health Organization definition, "health is a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity." In that respect, the annual report combines determinants of health in the areas of behavior, community/environment, policy, and clinical care with measures of health outcomes to rank each state in terms of overall health. The UHF ranks Maryland number 14 out of the 50 states – grouped in the second quartile of states. As shown in **Exhibit 3**, UHF ranks all neighboring states below Maryland in terms of overall health.

Exhibit 3
Senior Overall Health Ranking
Maryland vs Region
Calendar 2017

State	Overall Health Rank (Out of 50 States)
Maryland	**14**
Delaware	17
Virginia	25
Pennsylvania	26
West Virginia	45

Note: Washington, DC, although not officially ranked, has a lower raw score than Maryland. Based on the raw score, Washington, DC would rank between the twenty-eighth and twenty-ninth states.

Source: United Health Foundation

In terms of health outcomes only, Maryland ranks number 7. Despite comparatively high health outcomes, Maryland ranks only 19 in overall determinants of health with at least one low rank in each of the four areas UHF uses to measure determinants of health. **Exhibit 4** contains the measures in which Maryland ranks in the top quartile of states and in the bottom two quartiles.

Exhibit 4
Rankings: Determinants of Health
Calendar 2017

Area	Top Quartile	Rank	Bottom Two Quartiles	Rank
Behavior				
	Smoking (% of adults aged 65 and older)	10	Pain Management (% of adults aged 65 and older with arthritis)	49
			Obesity (% of adults aged 65 and older)	31
Policy				
	Health care-associated Infection Policies (% of policies in place)	1	Prescription Drug Coverage (% of adults aged 65 and older)	50
	Geriatrician Shortfall (% of needed geriatricians)	3		
	Low-care Nursing Home Residents (% of residents)	6		
	SNAP Reach (% of adults aged 60 and older in poverty)	10		
Community/Environment				
			Home Delivered Meals (% of adults aged 60 and older with independent living difficulty)	45
			Nursing Home Quality (% of four- and five-star beds)	36
			Community Support (dollars per adult aged 60 and older in poverty)	32
Clinical Care				
	Dedicated Health Care Provider (% of adults aged 65 and older)	10	Home Health Care (number of workers per 1,000 adults aged 75 and older)	42
	Health Screenings (% of adults with recommended screenings)	10	Hospital Deaths (% of Medicare decedents aged 65 and older)	36
			Hospice Care (% of Medicare decedents aged 65 and older)	32

SNAP: Supplemental Nutrition Assistance Program

Note: Some measures are in areas that are outside the scope of the Maryland Department of Aging.

Source: United Health Foundation

Behaviors and Policy

In the areas of behavior and policy, the UHF rankings highlight low-smoking prevalence among older Marylanders (10), as well as four policy areas in which the State excels – infection polices (1), number of Geriatricians (3), acuity of nursing home residents (6), and the utilization of the Supplemental Nutrition Assistance Program (10). However, UHF found that older Marylanders have a lower rate of effective pain management, a higher rate of obesity, and low prescription drug coverage, compared to older Americans nationwide.

Only 39.2% of older Marylanders with arthritis or joint pain report that it does not limit their usual activities. This measure is well below the national average of 46.5% in calendar 2017. Maryland also ranks low in a related measure, prescription drug coverage, where only 76% of Medicare enrollees have a creditable prescription drug plan, compared to the national average of 87%. A creditable drug plan is either Medicare Part D coverage or a plan that pays on average as much as standard Medicare Part D coverage.

Enrollment in a creditable drug plan is important, not only because seniors need affordable access to prescription drugs, but also because a penalty is levied once an individual eventually enrolls in a plan, resulting in large future costs. For each month that a Medicare enrollee is not enrolled in a creditable prescription drug plan, the individual must pay a 1% penalty on the national base premium. The national base premium in 2018 is $35.02 per month. As an example, if a Medicare enrollee enrolls in a creditable prescription drug plan after three years of Medicare enrollment, the enrollee's premium would increase by $12.61 per month. Many seniors may choose not to get coverage when first enrolling in Medicare because they have minimal prescribed medications, but that can change quickly and the penalty can result in large additional costs.

MDOA administers funding to AAAs to provide options counseling for Medicare beneficiaries across the State as part of the State Health Insurance Assistance Program (SHIP). In fiscal 2018, $500,917 was allocated to AAAs for SHIP. One of the topics covered by SHIP is assistance with Medicare Part D prescription drug coverage. Additionally, the department supports health promotion programs, including Chronic Disease Self-Management Education.

In terms of obesity, 29.4% of Marylanders aged 65 years and older have a body mass index (BMI) of 30.0 or higher, the threshold to be considered obese. This is compared to the national average of 27.6% obesity among the same age group. Poor nutrition, limited physical activity, and other community-related issues can contribute to high obesity levels.

Community and Environment

In the areas of community and environment, Maryland does not rank in the top quartile of states for any of the measures analyzed in the annual report. However, UHF found that Maryland delivers less home-delivered meals as a percent of seniors with independent-living difficulty, has comparatively low-quality nursing homes, and spends less per older Marylander in poverty.

In terms of home-delivered meals, Maryland ranks forty-fifth in the nation with only 5.4 meals delivered for every 100 seniors with independent-living difficulty. As noted in the first section of the performance analysis, the number of home-delivered meals has declined in fiscal 2017, so this ranking will likely decrease in the next annual report. UHF notes that home-delivered meal programs can enhance quality of life, provide a stable source of nutrition, increase nutrient intake, and help older adults remain independent and in their homes despite functional limitations. Even a small increase in the number of meals can have a large impact on senior health and reduce costs in the health care system.

In Maryland, only 41.5% of certified nursing home beds were rated four- or five-star in the three-month period that UHF analyzed data. This is slightly below the national average of 42.4%. Ratings are given by the Centers for Medicare and Medicaid Services and are based on health inspections, staffing, and quality measures.

The report collects expenditure data from the U.S. Administration on Aging's *State Programs Report* to develop a measure of spending per adult aged 60 years and older living in poverty. The calendar 2017 nationwide average is $536 per older adult in poverty compared to the Maryland average spending of only $358 per older adult in poverty. In this measure, Maryland generally underperforms the region. The District of Columbia spends $1,623, Pennsylvania spends $1,223, Delaware spends $707, and West Virginia spends $444 per older adult in poverty. Only Virginia has a lower per person spending than Maryland at $345 per older adult in poverty. MDOA indicates that some Maryland expenditures are not included in the federal reporting, and the department believes that Maryland's ranking would rise if all funds could be included.

Clinical Care

In the areas of clinical care, the UHF rankings highlight a high percent of older Marylanders with a dedicated health care provider (10) and a high percent of older Marylanders receiving recommended health screenings (10). However, UHF found that Maryland has a relatively low number of home health care workers, a high prevalence of hospital deaths, and a low enrollment in hospice care.

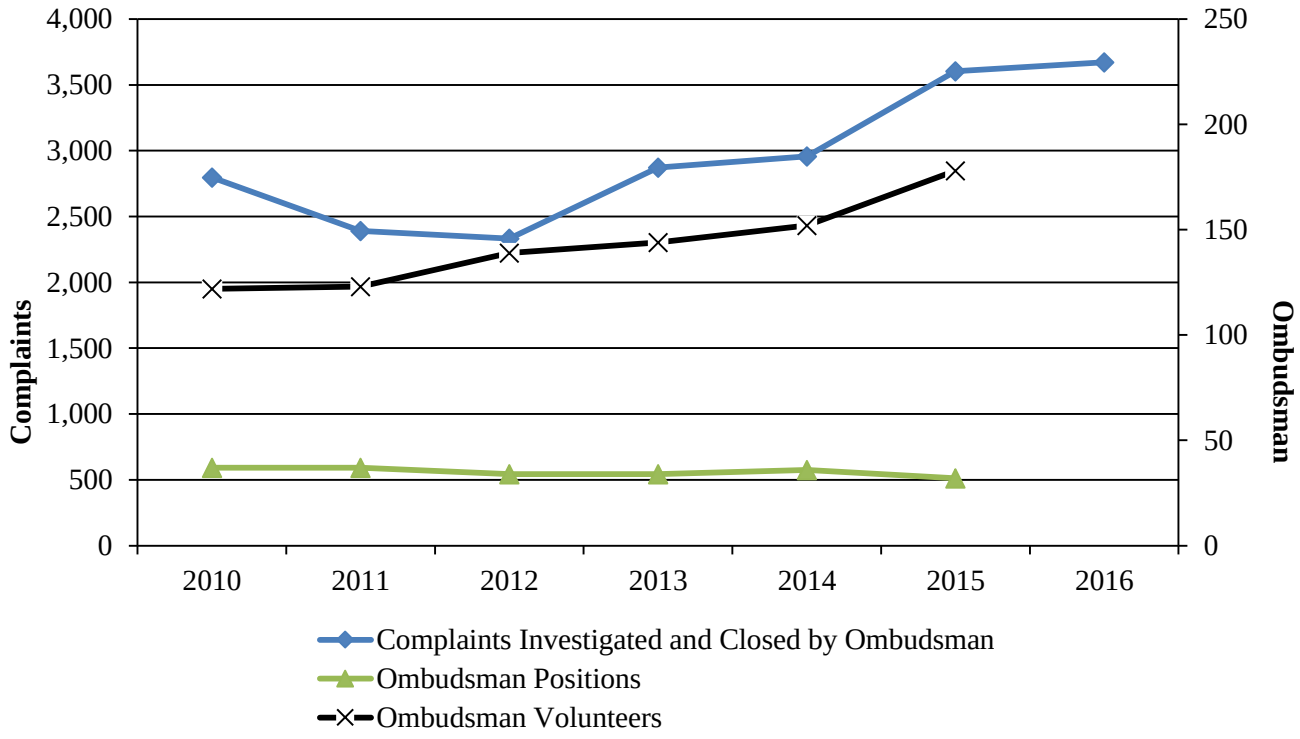
The three clinical care measures in which Maryland performs comparatively poorly are related to the department's goal to maintain seniors in the community. Maryland has only 72.4 home health care workers per 1,000 adults aged 75 and older compared to the national average of 110.6. In Maryland, 22.4% of Medicare decedents died in a hospital rather than in their own home or community, compared to the national average of 21.0%. Enrollment in hospice care was also comparatively low, with 49.3% of decedents enrolled in the last six months of life, compared to a national average of 52.0%.

3. Ensuring Seniors Are Treated with Dignity

MDOA has a goal to ensure the rights of seniors and prevent their abuse, neglect, and exploitation. MDOA administers the State's long-term care Ombudsman program, which investigates cases of abuse at nursing homes. As shown in **Exhibit 5**, the number of complaints investigated and

closed has steadily increased since federal fiscal 2012, despite the number of ombudsman remaining at the same level. The number of volunteers has increased in all years with 178 volunteers in federal fiscal 2015. Information on ombudsman and ombudsman volunteers was not provided for federal fiscal 2016.

Exhibit 5
Investigations Closed and Ombudsman Positions
Federal Fiscal 2010-2016



Source: Maryland Department of Aging

Fiscal 2018 Actions

Cost Containment

A September 6, 2017 Board of Public Works (BPW) cost containment action resulted in a $300,000 reduction to the fiscal 2018 working appropriation. Over half ($174,485) of the savings were realized by holding positions vacant. The remainder was realized through small reductions in equipment, supplies, contractual services, motor vehicle operations, and communication fees.

MDOA provided information on the positions held vacant as part of the cost containment action. As shown in **Exhibit 6**, all four positions are either filled or in the process of being filled. One was actually filled before the BPW cost containment action was approved. However, the department is maintaining vacancies well-above budgeted turnover and can likely generate the cost savings through other position vacancies.

Exhibit 6
Positions Held Vacant
Fiscal 2018

Description	Salary	Status
Deputy Division Chief	$55,223	Offer made to fill position
Division Chief	58,916	Offer made to fill position
Receptionist	25,502	Filled – January 2018
Deputy Secretary	100,980	Filled – August 2017

Source: Maryland Department of Aging

Across-the-board Employee and Retiree Health Insurance Reduction

The budget bill includes an across-the-board reduction for employee and retiree health insurance in fiscal 2018 to reflect a surplus balance in the fund. This agency's share of this reduction is $31,080 in general funds, $6,536 in special funds, and $19,026 in federal funds.

Proposed Budget

As shown in **Exhibit 7**, the adjusted fiscal 2019 allowance increases by $2.6 million, or 4.8%, compared to the adjusted fiscal 2018 working appropriation. Increases in general funds are driven by a new nursing home diversion initiative ($2.5 million), partially offset by decreases in other community grants. Increases in special funds are driven by the establishment of a new Senior Call-Check Service and Notification program ($416,985).

Exhibit 7
Proposed Budget
Department of Aging
($ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2017 Actual	$21,583	$406	$26,369	$1,421	$49,779
Fiscal 2018 Working Appropriation	22,851	542	29,413	2,121	54,928
Fiscal 2019 Allowance	24,995	942	29,566	2,038	57,542
Fiscal 2018-2019 Amount Change	$2,144	$400	$153	-$83	$2,614
Fiscal 2018-2019 Percent Change	9.4%	73.7%	0.5%	-3.9%	4.8%

Where It Goes:

Personnel Expenses	
Employee and retiree health insurance, impact of fiscal 2018 health insurance deduction holidays	$57
Regular salaries	45
Accrued leave payout	30
General salary increase	29
Employee retirement contributions	-20
Other Changes	
New Nursing Home Diversion program	2,452
Senior Call-Check Service and Notification program	417
Office and information technology (IT) equipment	59
Other grants administered by the department	32
Motor vehicles	14
Staff training	10
Postage	7
MAP phone system	-54
Department of Technology IT support	-102
Rent	-164
Indirect costs for Memoranda of Understanding	-197
Other	-1
Total	**$2,614**

MAP: Maryland Access Point

Note: Numbers may not sum to total due to rounding.

Personnel

Personnel costs in the allowance for MDOA increase by $140,964, largely driven by increases in salaries ($44,533) and accrued leave payouts ($30,000). The fiscal 2019 allowance also includes funds for a 2% general salary increase for all State employees, effective January 1, 2019. These funds are budgeted in the Department of Budget and Management's statewide program and will be distributed to agencies during the fiscal year. This agency's share of the general salary increase is $29,280.

As stated previously, as of December 31, 2017, MDOA has a vacancy rate of 18.09% compared to the fiscal 2019 budgeted turnover of 7.20%. Although the department's vacancy rate is still much higher than budgeted turnover, it is much closer to realistic levels. MDOA is implementing many new initiatives and may require the flexibility of the additional vacant positions. Additionally, as indicated in the Fiscal 2018 Actions section of the analysis two more vacant positions are in the process of being filled, which would decrease the vacancy rate to 12.92%.

Community Service Grants

The biggest component of the MDOA budget is funds appropriated for grants administered by MDOA, the bulk of which are federal funds. Grant funding in the allowance increases by $2.48 million, or 5.07%, compared to the fiscal 2018 working appropriation. Detailed grant funding for fiscal 2018 and 2019 is provided in **Exhibit 8**. The exhibit distinguishes grants that are increasing, decreasing, and level funded.

Exhibit 8
Change in Programs Administered by the Maryland Department of Aging
Fiscal 2018-2019

	2018	2019	Change 2018-2019
Increases			
Nursing Home Diversion (general funds)	$0	$2,452,056	$2,452,056
Balancing Incentives Program (reimbursable funds)	460,000	990,000	530,000
Medicare Improvements for Patients and Providers (federal funds)	212,000	313,488	101,488
Money Follows the Person Grants (reimbursable funds)	536,116	580,250	44,134
Congregate Meals (federal funds)	7,116,004	7,159,612	43,608
Home Delivered Meals (federal funds)	3,683,908	3,695,330	11,422
National Family Caregiver Grants (federal funds)	2,376,218	2,382,235	6,017
Commodity Supplemental Food (federal funds)	159,700	160,590	890
Senior Center Operating Fund (general funds)	764,003	764,238	235
Congregate Housing Grants (general funds)	1,608,187	1,608,188	1

	2018	2019	Change 2018-2019
Level Funded			
Senior Nutrition (general funds)	2,070,929	2,070,929	0
Nutrition Services (federal funds)	1,617,398	1,617,398	0
Naturally Occurring Retirement Communities (general funds)	1,300,000	1,300,000	0
Ombudsman (general funds)	1,121,801	1,121,801	0
Info and Assistance (general funds)	865,000	865,000	0
Public Guardianship (general funds)	641,192	641,192	0
Vulnerable Elderly (general funds)	478,756	478,756	0
Hold Harmless (general funds)	442,210	442,210	0
Managing Active Citizens (general funds)	131,800	131,800	0
Decreases			
Senior Assisted Group Housing (general funds)	3,416,106	3,416,105	-1
Elderly Abuse (federal funds)	102,645	102,633	-12
Ombudsman/Elderly Abuse (federal funds)	359,043	358,826	-217
Senior Health Insurance Program (federal funds)	557,843	552,255	-5,588
Health Promotion and Prevention (federal funds)	338,256	318,129	-20,127
Health Care Fraud and Abuse Control (federal funds)	155,946	113,359	-42,587
Community Services Grants (federal funds)	5,369,249	5,319,233	-50,016
Veterans Grants (federal funds)	1,800,000	1,725,000	-75,000
Senior Care (general funds)	7,818,672	7,305,992	-512,680
Subtotal	***$45,502,982***	***$47,986,605***	***$2,483,623***
Reimbursement for Administrative Medicaid Activities	$3,500,000	$3,500,000	$0
Total	**$49,002,982**	**$51,486,605**	**$2,483,623**

Source: Maryland Department of Aging

Both the Balancing Incentives Program and Medicare Improvements for Patients and Providers increase by significant amounts ($530,000 and $101,488, respectively). However, the largest increase in terms of absolute dollars is in a new Nursing Home Diversion program, which increases by $2.5 million in general funds.

The department indicates that the Nursing Home Diversion program is intended to supplement any programs that are designed to keep older Marylanders in the community due to a lack of growth in federal grant awards. However, the department has provided little detail about this new program. Although MDOA has indicated that the funds will likely be used in the Senior Care, Senior Assisted Living Group Home Subsidy, and Congregate Housing programs, it is unclear how the allocation of the funds intended for this program to the AAAs will be determined. It is also unclear how a determination will be made to direct the funds to supplement programs. **Therefore, the Department**

of Legislative Services (DLS) recommends reducing the funding by $750,000 to account for startup delays and planning and adding language that restricts the remaining funds intended for the Nursing Home Diversion program pending the submission of a report that explains how the funds will be used and allocated.

Senior Care decreases by $512,680 although this is offset by the large increase in the Nursing Home Diversion program, which will supplement Senior Care funds. The Senior Care program provides case management and funds for services for individuals at risk of nursing home placement. With the exception of Senior Care, there are no significant decreases in the community service grants, with any of the small decreases attributable to anticipated federal fund attainment.

Senior Call-Check Service and Notification Program

The fiscal 2019 allowance increases by $416,985 in special funds for establishment of the Senior Call-Check Service and Notification Program. Chapter 673 of 2017 established the program using funds from the Universal Service Trust Fund to make a telephone call each day at a regularly scheduled time to the residence of an eligible participant to verify that the participant is able to receive notifications and answer the telephone or place a call from the telephone; if the individual does not answer or does not call, the program notifies family, friends, and/or local agencies of that fact.

MDOA has the option to develop a call-check system or to contract for an existing system under Chapter 673. The department indicates that it will solicit a contract and is in the process of getting approval for a Request for Proposal (RFP).

Issues

1. Report on Pilot Programs

The 2017 *Joint Chairmen's Report* (JCR) requested a report on pilot programs in response to the department's indication that it was currently piloting new programs intended to address various needs of the senior community. The 2017 JCR requested that MDOA detail ongoing and planned pilot programs, including details on the target populations, program locations, partnerships, and structure of each program. The narrative also requested that the department include goals and performance indicators for each pilot program.

On December 1, 2017, MDOA submitted a letter to the budget committees that described two pilot programs. The response in its entirety is as follows.

> "The Department is actively developing a system to improve access and reuse of durable medical equipment. Additionally, the Department is working with not-for-profit organizations to bring services to Maryland residents age 65 and older to allow them to remain in their homes."

The letter did not include any of the information requested in the 2017 JCR such as details on the target populations, program locations, partnerships, or structure of each program. Further, despite additional inquiries from DLS related to the pilot programs, the department has still failed to provide meaningful detail.

DLS believes that the second described program is a program that MDOA is referring to as "Community for Life." However, this was not verified by MDOA. When asked for details on this program, the department's response was "We are using this term to reflect a non-medical supportive services program that is in development." If it is the case that this is the same program referred to in the 2017 JCR, then the RFP, published 10 days after the 2017 JCR response submittal, for that program lists all of the details that were requested in the 2017 JCR. **The department should confirm whether this program is the same one referenced in the 2017 JCR response and, if so, explain why these details were not included in the response to the 2017 JCR. Additionally, the department should provide details requested in the 2017 JCR for the other mentioned pilot program.**

2. Waitlist Data Collection

Historically, the department submits waitlist data as part of the annual Managing for Results (MFR) submission. This data is necessary to determine the demand for individual programs and understand where resources can be better allocated to serve the needs of the senior community.

Last year, the department did not submit waitlist data with the annual MFR submission. In fiscal 2018 budget testimony, MDOA cited multiple inconsistencies in the enrollment of individuals

on waitlists. MDOA indicated that it was hiring an employee to review programs and waitlists and to prepare and implement changes to modernize waitlist procedures.

Despite an indication that MDOA was working toward fixing issues with waitlist data collection, the department again did not submit waitlist data with the fiscal 2019 MFR submission. MDOA claims that it was not able to hire an employee due to legislative action during the 2017 legislative session that eliminated vacant positions. However, the current vacancy rate is 18.09% – well above the fiscal 2018 working appropriation turnover rate of 7.53%. The department currently has more than 4 vacancies above turnover expectancy, which is more than enough to hire an employee tasked with reviewing waitlist data. Unless, of course, these are positions it must hold open to meet the Governor's cost containment target from September.

MDOA has indicated that the Maryland Commission on Aging has agreed to take on the task of studying the waitlist under the Senior Care program to determine a methodology for creating consistency. This does not address the waitlists of other major programs administered by the department. In addition to addressing inconsistencies with waitlist data, the department should be able to provide jurisdiction-level waitlist data to better access demand for programs.

DLS recommends restricting $100,000 from the department's general administration budget pending submission of a report that provides the status of any waitlist data reviews. The report should contain an assessment of changes in collection/reporting methodology. To the extent that the issue is not resolved at the time of submission of a report, the department should provide an update on what steps have been taken as of submission and the next steps necessary to resolve the issue.

Operating Budget Recommended Actions

1. Add the following language to the general fund appropriation:

, provided that $100,000 of this appropriation may not be expended until the department submits a report to the budget committees on the status of waitlist collection. The report shall be submitted by December 1, 2018, and the committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if a report is not submitted.

Explanation: The Maryland Department of Aging (MDOA) has identified inconsistencies in waitlist data. MDOA has indicated that it is working to correct the issues. However, waitlist data has not been provided for two years. This language restricts general funds from the MDOA general administration budget pending submission of a report providing the status of waitlist data reviews. The report should contain an assessment of changes in collection/reporting methodology. To the extent that the issue is not resolved at time of submission of a report, the department should provide an update on what steps have been taken as of submission and the next steps necessary to resolve the issue.

Information Request	**Author**	**Due Date**
Report on waitlists	MDOA	December 1, 2018

2. Add the following language to the general fund appropriation:

, provided that $1,702,056 of this appropriation made for the purpose of the Nursing Home Diversion program may not be expended until the Maryland Department of Aging submits a report to the budget committees that explains how these funds will be used and how allocations to local Area Agencies on Aging will be determined. The budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if a report is not submitted.

Explanation: The fiscal 2019 allowance includes funds for a Nursing Home Diversion program to supplement funding in other programs intended to keep seniors in the community. The Maryland Department of Aging (MDOA) has not adequately explained how these funds will be allocated or how they will be used to supplement funding of other programs. This language restricts the funds pending submission of a report that explains how they will be allocated and used.

Information Request	Author	Due Date
Report on use and allocation of Nursing Home Diversion program funds	MDOA	45 days prior to expenditure

		Amount Reduction	
3.	Reduce funding for the new Nursing Home Diversion program to account for startup and planning delays. The reduction leaves $1.7 million to launch the program.	$ 750,000	GF
	Total General Fund Reductions	**$ 750,000**	

Appendix 1
Current and Prior Year Budgets
Department of Aging
($ in Thousands)

	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2017					
Legislative Appropriation	$22,370	$553	$26,877	$3,381	$53,180
Deficiency Appropriation	-132	0	0	0	-132
Cost Containment	-95	0	0	0	-95
Budget Amendments	34	4	23	0	61
Reversions and Cancellations	-593	-150	-530	-1,960	-3,234
Actual Expenditures	**$21,583**	**$406**	**$26,369**	**$1,421**	**$49,779**
Fiscal 2018					
Legislative Appropriation	$23,182	$549	$29,432	$2,121	$55,285
Cost Containment	-300	0	0	0	-300
Budget Amendments	0	0	0	0	0
Working Appropriation	**$22,882**	**$549**	**$29,432**	**$2,121**	**$54,985**

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. Numbers may not sum to total due to rounding.

Fiscal 2017

The Maryland Department of Aging (MDOA) fiscal 2017 legislative appropriation decreased by $3.4 million. A negative deficiency appropriation decreased general funds by $132,312 to account for the transfer of the Senior Community Service Employment Program (SCSEP) to the Department of Labor, Licensing, and Regulation (DLLR). MDOA reverted $95,000 in general funds as part of a November 2016 Board of Public Works (BPW) cost containment action. Decreases were offset by an amendment that allocates centrally budgeted salary increments across State agencies, which increased the budget by $61,001 ($34,052 in general funds, $3,730 in special funds, and $23,219 in federal funds).

MDOA reverted $593,378 to the General Fund, which was the remaining balance after salary savings on personnel and contract positions. In addition to the general fund reversion, $1,960,176 in reimbursable fund appropriations were canceled. A majority of the cancellation is due to a decision at the Office of the Comptroller to budget reimbursement for administrative Medicaid activities as federal funds rather than reimbursable funds, which left a large reimbursable fund balance. MDOA canceled $530,176 in federal funds, which is the difference between federal fund reimbursement for administrative Medicaid activities and intended expenditures on SCSEP prior to the decision to transfer the program to DLLR. A special funds cancellation of $150,495 is due to less than expected spending on continuing care retirement communities.

Fiscal 2018

To date, MDOA's fiscal 2018 budget has decreased by $300,000 due to a September 6, 2017 BPW cost containment action.

Appendix 2
Object/Fund Difference Report
Department of Aging

Object/Fund	FY 17 Actual	FY 18 Working Appropriation	FY 19 Allowance	FY 18 - FY 19 Amount Change	Percent Change
Positions					
01 Regular	41.70	38.70	38.70	0.00	0%
02 Contractual	12.00	20.00	20.75	0.75	3.8%
Total Positions	**53.70**	**58.70**	**59.45**	**0.75**	**1.3%**
Objects					
01 Salaries and Wages	$ 3,194,327	$ 3,514,119	$ 3,569,161	$ 55,042	1.6%
02 Technical and Spec. Fees	461,201	989,875	1,055,339	65,464	6.6%
03 Communication	73,009	108,148	60,104	-48,044	-44.4%
04 Travel	42,516	97,896	104,214	6,318	6.5%
07 Motor Vehicles	21,825	7,340	20,889	13,549	184.6%
08 Contractual Services	1,722,895	567,226	817,332	250,106	44.1%
09 Supplies and Materials	9,385	32,985	45,038	12,053	36.5%
10 Equipment – Replacement	46,500	35,000	94,151	59,151	169.0%
12 Grants, Subsidies, and Contributions	43,945,007	49,002,982	51,486,605	2,483,623	5.1%
13 Fixed Charges	262,724	629,066	260,032	-369,034	-58.7%
Total Objects	**$ 49,779,389**	**$ 54,984,637**	**$ 57,512,865**	**$ 2,528,228**	**4.6%**
Funds					
01 General Fund	$ 21,583,350	$ 22,882,290	$ 24,979,906	$ 2,097,616	9.2%
03 Special Fund	406,078	548,908	938,793	389,885	71.0%
05 Federal Fund	26,369,452	29,432,256	29,558,875	126,619	0.4%
09 Reimbursable Fund	1,420,509	2,121,183	2,035,291	-85,892	-4.0%
Total Funds	**$ 49,779,389**	**$ 54,984,637**	**$ 57,512,865**	**$ 2,528,228**	**4.6%**

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. The fiscal 2019 allowance does not include contingent reductions or cost-of-living adjustments.

Appendix 3
Fiscal Summary
Department of Aging

Program/Unit	FY 17 Actual	FY 18 Wrk Approp	FY 19 Allowance	Change	FY 18 - FY 19 % Change
01 General Administration	$ 5,862,668	$ 5,981,655	$ 5,609,275	-$ 372,380	-6.2%
02 Senior Centers Operating Fund	500,000	764,003	764,238	235	0%
03 Community Services	43,416,721	48,238,979	50,722,367	2,483,388	5.1%
04 Senior Call-Check Service and Notification	0	0	416,985	416,985	0%
Total Expenditures	**$ 49,779,389**	**$ 54,984,637**	**$ 57,512,865**	**$ 2,528,228**	**4.6%**
General Fund	$ 21,583,350	$ 22,882,290	$ 24,979,906	$ 2,097,616	9.2%
Special Fund	406,078	548,908	938,793	389,885	71.0%
Federal Fund	26,369,452	29,432,256	29,558,875	126,619	0.4%
Total Appropriations	**$ 48,358,880**	**$ 52,863,454**	**$ 55,477,574**	**$ 2,614,120**	**4.9%**
Reimbursable Fund	$ 1,420,509	$ 2,121,183	$ 2,035,291	-$ 85,892	-4.0%
Total Funds	**$ 49,779,389**	**$ 54,984,637**	**$ 57,512,865**	**$ 2,528,228**	**4.6%**

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. The fiscal 2019 allowance does not include contingent reductions or cost-of-living adjustments.