

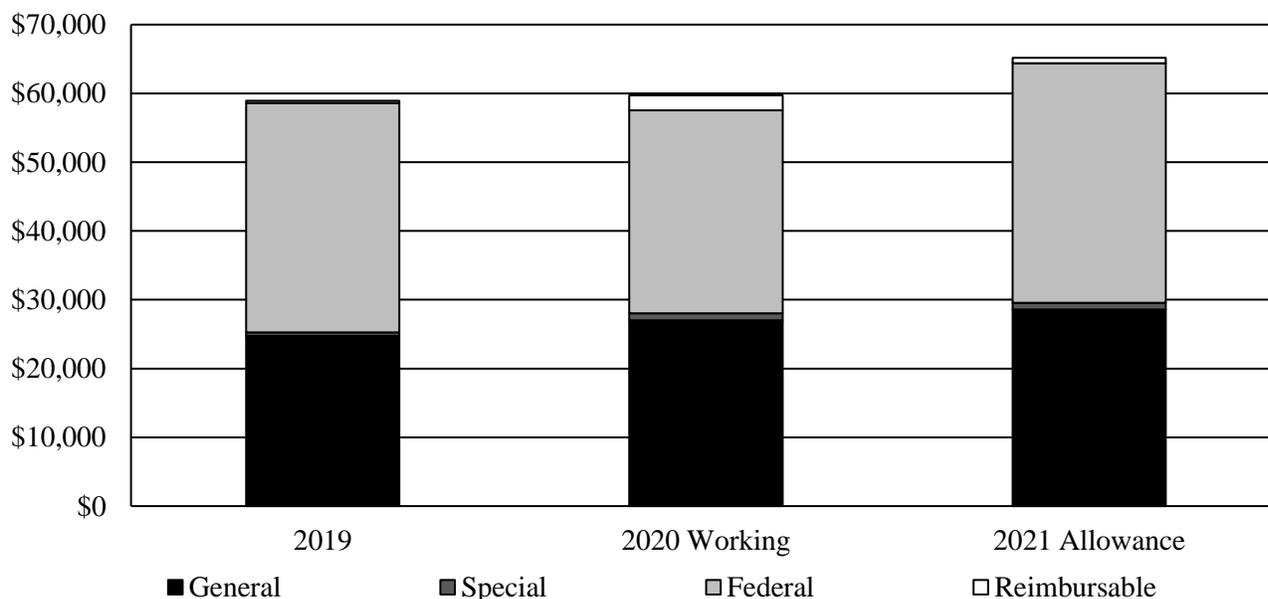
D26A07
Department of Aging

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). 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.

Operating Budget Summary

Fiscal 2021 Budget Increases \$5.5 Million or 9.2% to \$65.2 Million
(\$ in Thousands)



Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

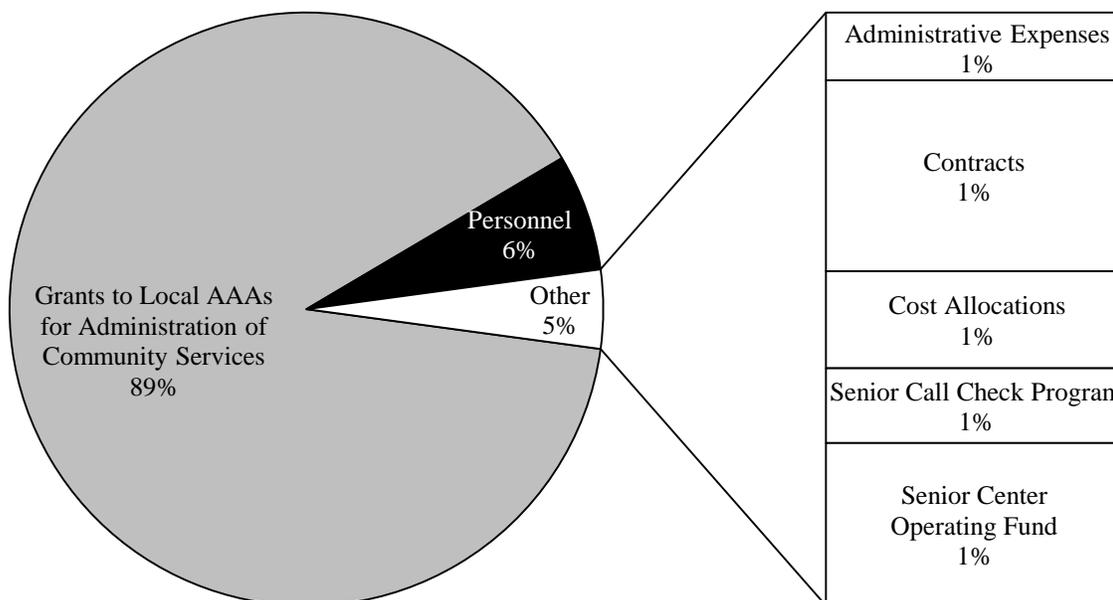
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Fiscal 2021 Overview of Agency Spending

As seen in **Exhibit 1**, most of this agency’s expenditures are for grants. However, the way this agency budgets for grants differs from the conventional use of grant allocations. Although MDOA distributes funds in the form of grants to local AAAs, the funds are actually used to provide State programs and services. With the funding from the State, each AAA functions as a local implementation arm of the State agency on aging.

Exhibit 1
Overview of Agency Spending
Fiscal 2021 Allowance



AAA: Area Agencies on Aging

Source: Governor’s Fiscal 2021 Budget Book

Proposed Budget Change

As seen in **Exhibit 2**, the budget grows \$5.5 million, which is mostly attributed to increased general and federal funding for grants.

Exhibit 2 Proposed Budget Department of Aging (\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2019 Actual	\$24,727	\$512	\$33,374	\$315	\$58,927
Fiscal 2020 Working Appropriation	27,004	1,022	29,516	2,152	59,694
Fiscal 2021 Allowance	<u>28,576</u>	<u>990</u>	<u>34,843</u>	<u>800</u>	<u>65,209</u>
Fiscal 2020-2021 Amount Change	\$1,572	-\$31	\$5,327	-\$1,352	\$5,515
Fiscal 2020-2021 Percent Change	5.8%	-3.1%	18.0%	-62.8%	9.2%
Where It Goes:					<u>Change</u>
Personnel Expenses					
Retirement contributions					\$56
Fiscal 2021 2% cost-of-living adjustment (COLA) effective January 1, 2020					28
New position (0.3 full-time equivalents (FTE))					23
Fiscal 2021 cost of fiscal 2020 1% COLA					12
Other fringe benefit adjustments					2
Employee and retiree health insurance					-78
Turnover adjustment.....					-145
Grants					
Grants to local Area Agencies on Aging (see Exhibit 3).....					5,183
Reimbursable costs for administration of federal grants					199
New federal grants for Assistive Technology and Innovations in Nutrition					196
Other Changes					
Other					258
Software contracts and maintenance.....					149
Administrative expenses					9
Cost allocations.....					8
Savings from reduced contractual FTEs.....					-384
Total					\$5,515

Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

MDOA oversees many programs, as seen in **Exhibit 3**, several of which fluctuate with federal funding availability, such as community services, congregate meals, caregivers support, home-delivered meals, ombudsman, and elder abuse. The largest increase occurs in Federal Financial Participation reimbursement funding due to higher than expected AAA activities related to Medicaid. MDOA was also awarded two new federal grants to implement the Innovations in Nutrition Services and No Wrong Door Hospital Transitions Project.

Exhibit 3
Changes in Grant Funding by Program
Fiscal 2020-2021
(\$ in Thousands)

	<u>2020</u> <u>Working</u>	<u>2021</u> <u>Allowance</u>	<u>2020-2021</u> <u>\$ Change</u>
Increases			
Federal Financial Participation Reimbursement Funding	\$3,500	\$5,000	\$1,500
Community Services	5,319	6,688	1,369
Senior Care	8,579	9,740	1,161
Senior Assisted Living Group Home Subsidy	4,372	4,963	592
Congregate Meals	7,160	7,684	524
Caregivers Support	2,382	2,874	491
No Wrong Door Hospital Transitions Project	0	388	388
Money Follows the Person – Maryland Access Point (MAP)			
Level One Screening	0	325	325
Home Delivered Meals	3,695	3,997	301
Money Follows the Person – Nursing Facility Program Education	0	270	270
Congregate Housing Services Program	1,831	2,079	248
Innovations in Nutrition Services	0	127	127
Health Promotion and Prevention	318	405	87
Medicare Improvements for Patients and Providers Act (MIPPA)			
Aging and Disability Resource Center	0	71	71
Assistive Technology	0	69	69
MIPPA Area Agencies on Aging	0	61	61
Nutrition Services Incentive Program	1,617	1,658	40
Commodity Supplemental Food Program	161	177	16

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	<u>2020</u> <u>Working</u>	<u>2021</u> <u>Allowance</u>	<u>2020-2021</u> <u>\$ Change</u>
Decreases			
Balance Incentive Program – MAP	990	0	-990
Money Follows the Person Rebalancing Demonstration	580	0	-580
Durable Medical Equipment Reuse Program	1,405	1,201	-204
MIPPA	313	110	-204
Veteran Directed Care Program	1,725	1,572	-153
Title VII Ombudsman	359	280	-79
Title VII Elder Abuse	103	75	-28
State Health Insurance Program	552	528	-24
Level Funded			
Maintaining Active Seniors	132	132	0
Vulnerable Elderly Programs Initiative	479	479	0
State Ombudsman	1,122	1,122	0
Information and Assistance	865	865	0
State Guardianship	641	641	0
State Nutrition	2,071	2,071	0
Hold Harmless – Supplemental State Funding	442	442	0
Naturally Occurring Retirement Communities	1,300	1,300	0
Maryland Community for Life	600	600	0
Senior Medicare Patrol	113	113	0
Senior Call Check Program	417	417	0

Source: Governor’s Fiscal 2020 and 2021 budget books

Aid to local governments supported with general funds grows in the Governor’s total fiscal 2021 proposed budget by 3.6%. MDOA’s general funded grants to local AAAs increase by 7.5% over that distributed in the fiscal 2020 working appropriation.

Three programs, the Senior Care Program, the Senior Assisted Living Group Home Subsidy (SALGHS), and the Congregate Housing Program, see a \$2 million general fund increase in the allowance. It should be noted that, in the most recently completed fiscal year, SALGHS was not fully utilized. Specifically, in fiscal 2019, MDOA reverted \$160,000 in general funds. Although only 4% of the entire SALGHS appropriation, this would have been sufficient to provide more than 18 additional eligible participants with the \$650 per month subsidy. Enrollment in the subsidy is inconsistent across the State with three counties (Calvert, Garrett, and St. Mary’s) not participating at all, while four other jurisdictions (Anne Arundel, Baltimore, and Prince George’s counties and Baltimore City) have over 70 participants.

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Included in the \$2 million increase, the fiscal 2021 allowance for SALGHS grows by \$591,502, or 14%. The department reports that the SALGHS program is labor intensive for local AAAs to administer and that increased funding will provide for more staff attention to the program.

The department expects the remainder of the additional State funds to support the Congregate Housing Services Program and AAA staff positions for the Senior Care Program. The Department of Legislative Services (DLS) expects that this use of funding will commit the State to this level of support for the foreseeable future. MDOA has no estimate for how many staff will be hired, no plan for how this funding will be distributed among the AAAs, and no mechanism for restricting this increased funding for these programs to be used for MDOA’s intended purposes. MDOA was also not able to provide an explanation of how it determined that funding for these programs needed to increase by \$2 million. **Without an established reason for needing \$2 million in additional general funds and no defined plan for use of these funds in fiscal 2021, DLS recommends decreasing the general fund allowance by \$1 million and restricting \$1 million until the agency submits a report describing how the increased funding will be used.**

Personnel Data

	<u>FY 19</u> <u>Actual</u>	<u>FY 20</u> <u>Working</u>	<u>FY 21</u> <u>Allowance</u>	<u>FY 20-21</u> <u>Change</u>
Regular Positions	38.70	38.70	39.00	0.30
Contractual FTEs	<u>9.92</u>	<u>14.00</u>	<u>9.61</u>	<u>-4.39</u>
Total Personnel	48.62	52.70	48.61	-4.09

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	4.25	10.90%
Positions and Percentage Vacant as of 12/31/19	9.70	25.06%
Vacancies Above Turnover	5.45	

- Positions increase by 0.3 to support bringing a part-time human service specialist I up to full time.
- Contractual full-time equivalents decrease by 4.39 to align with recent experience.
- The budgeted turnover rate grows from 6.88% in fiscal 2020 to 10.90% in fiscal 2021. This increased rate is still far lower than the actual vacancy rate of 25%. January 1, 2019, also saw a vacancy rate greater than 20%. **The Secretary of Aging should comment on the reasons for the persistent high vacancy rate.**

Key Observations

1. Management of Programs

MDOA’s management of programs is relatively unique because the State department provides coordination and direction to local AAAs that are then involved with the direct provision of the services that constituents receive. MDOA has also had opportunities to creatively address the needs of Maryland’s senior population through pilot programs. However, management of programs is not always smooth. Given that the fiscal 2021 allowance provides the department a \$2 million increase in the general fund appropriation for the Senior Care Program, SALGHS, and the Congregate Housing Program, DLS is concerned about several recent implementation issues in pilot programs and whether information is available to understand program demand.

Pilot Programs

In the past several years, the department has attempted to roll out two pilot programs: Community for Life (CFL), funded at \$600,000 in fiscal 2021; and the Durable Medical Equipment Reuse Program (DME), funded at \$1.2 million in fiscal 2021. CFL is a seed grant program for nonprofits to establish a membership-based service provision that supports aging in place. DME intends to collect unneeded durable medical equipment, sanitize and repair it, and redistribute it at no cost to the public. Initial funding for DME was included in the fiscal 2020 allowance. The CFL program received its first appropriation through a fiscal 2019 deficiency.

As it is currently in its first fiscal year of funding, it is understandable that DME is not yet providing free durable medical equipment to the public because it is still fitting out facilities for the sanitization and repair work to take place. MDOA expects DME facilities to be open to the public by September 2020. MDOA reports that State agency staff will be responsible for administering the DME facility and intake and pickup services, while the Maryland Environmental Service will be contracted to sanitize and repair equipment. MDOA has not yet determined which agency staff or how much agency staff will be devoted to administering this program in fiscal 2021 but hopes for the availability of volunteers to assist with DME management.

For a nonprofit to become a CFL, it usually must match the State seed funding; have a plan for being self-sustaining beyond the seed funding period; and, as an organization, have the “strength and track record” to meet MDOA’s expectations. According to a response to committee narrative in the 2019 *Joint Chairmen’s Report*, CFL grantees were intended to become financially independent of the seed grant within four to six quarters, but MDOA now accommodates start-up periods stretching as long as eight quarters. MDOA reports that it is more difficult than expected to recruit CFL members, necessitating longer lead-times before CFLs can become financially self-supporting. At the time of this writing, no CFLs have become financially self-sustaining. In addition, the existing CFLs have benefitted from local government contributions, which diverges from the original model that envisioned each CFL to be self-sustaining with membership fees alone. To date, \$1 million in general funds have been invested in CFLs, but just 123 Marylanders are currently benefitting from this funding as members of CFLs. Despite this experience, \$600,000 in general funds has been included in the

allowance for CFL grants to be awarded to new grantees to establish additional CFLs throughout the State. **The agency should comment on the current status of its recent pilot programs. DLS recommends deleting the appropriation for CFL and requesting the agency submit a report identifying a timeline for when each grantee will be financially independent of the seed funding.**

Waitlists

It is worth tracking the success of existing programs, especially as the agency adds new programs to its management portfolio. Although it would be helpful for evaluating existing programs' service and funding levels, waitlists are not tracked by the agency. MDOA reports that it does not track this data because AAAs manage waitlists differently and also try to serve people with other programs while they are on a waitlist. Nevertheless, waitlists are useful data that have the unique ability to characterize the equity and adequacy of service provisions in the State. **DLS recommends restricting funds from the agency until the agency submits a report describing its method for collecting waitlist data for each of its programs implemented by AAAs and another report that provides the number of people currently on a waitlist in each jurisdiction for all the programs the department administers through AAAs as of January 1, 2021.**

Operating Budget Recommended Actions

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

, provided that \$100,000 of this appropriation made for the purpose of general administration, may not be expended until the Maryland Department of Aging submits two reports to the budget committees. The first report should describe its method of waitlist data collection and each Area Agency on Aging's (AAA) approach to waitlist management. The second report should provide the waitlist data from each AAA, by program, as of January 1, 2021. This second report shall be submitted by January 15, 2021, and the budget committees shall have 45 days to review and comment. Funds restricted pending receipt of these reports may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if both reports are not submitted.

Explanation: As consideration of waitlist data is essential to determining the effectiveness of service, this language restricts funds until the Maryland Department of Aging (MDOA) creates a method for collecting waitlist data from local AAAs for each program's waitlist and a description of each AAA's approach to managing waitlists.

Information Request	Author	Due Date
Methodology for collecting waitlist data for each program	MDOA	September 1, 2020
The number of individuals in each jurisdiction that are on the waitlist for each program	MDOA	January 15, 2021

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

, provided that \$1,000,000 of this appropriation made for the purpose of Senior Care, the Senior Assisted Living Group Home Subsidy, and the Congregate Housing Program may not be expended until the Maryland Department of Aging submits a report to the budget committees describing how the funds will be used, including the amount of staffing to be supported by this increase, and a plan for distribution of the increased funding to the Area Agencies on Aging. The report shall be submitted prior to the expenditure of the funds, and the budget committees shall have 30 days to review and comment. Funds restricted pending receipt of this report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

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Explanation: The Maryland Department of Aging’s (MDOA) allowance includes \$2,000,000 to support Area Agencies on Aging (AAA) with staffing increases for Senior Care, the Senior Assisted Living Group Home Subsidy, and the Congregate Housing Program. This language restricts funds pending a report on how the funds will be used, how many staff will be added, and how the funds will be distributed among AAAs.

Information Request	Author	Due Date
Use of funds and distribution to AAAs	MDOA	Prior to the expenditure of the funds

	Amount Reduction	Position Reduction
3. Reduce \$1 million of the increase in grants for community services intended for increased staffing. The Maryland Department of Aging was not able to identify an estimate for the amount of staffing to be supported by this increase, a plan for distribution of increased funding to Area Agencies on Aging, or an explanation for what factors led the agency to determine that it needed an increase of \$2 million.	\$ 1,000,000	GF
4. Delete funds to expand Community for Life (CFL) pilot program. No previous grantee has established financial self-sufficiency, though that was the original intent. This reduction removes funding for additional CFL grantees.	600,000	GF
5. Adopt the following narrative:		

Timeline for Community For Life Self-sufficiency: The committees direct that the Maryland Department of Aging (MDOA) submit a report describing expected timelines for when each Community for Life (CFL) grantee will achieve self-sufficiency on membership fees alone and on current participation for each grantee.

Information Request	Author	Due Date
Timeline for CFL self-sufficiency	MDOA	September 1, 2020
Total General Fund Reductions		\$ 1,600,000

Updates

- ***Older Americans Act Reauthorization Passed House:*** The federal Older Americans Act reauthorization that provides funding to MDOA passed the U.S. House of Representatives and is now being considered before the U.S. Senate. Passage of this reauthorization would provide for annual increases in funding. MDOA anticipates that with increased federal funding, and thereby increased matching responsibilities, State funding for Older Americans Act activities could also increase.

Appendix 1
2019 Joint Chairmen’s Report Responses from Agency

The 2019 *Joint Chairmen’s Report* (JCR) requested that the Maryland Department of Aging (MDOA) prepare three reports. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Creation of a Joint Federal and State Program Reporting Database:*** Area Agencies on Aging (AAA) have experienced problems with their federal reporting system, “Advanced Information Manager;” these difficulties, in concert with planned changes to the federal Administration of Community Living (ACL) reporting requirements, led MDOA to consider implementing a new reporting database. MDOA consulted with a technology vendor and invited all AAAs to participate in the exploration of a new reporting database, including an investigation of creating a unified statewide system for reporting. While all AAAs were invited to contribute to these discussions, only 5 out of 19 AAAs participated and cited several reasons for not wanting a unified database. In addition, ACL postponed the planned changes to reporting requirements. As a result, MDOA is now reconsidering the need for a new database.
- ***Report on Community for Life Best Practices:*** MDOA has identified several best practices for Community for Life organizations, including sharing information and marketing resources, hosting regularly scheduled meetings, and establishing data collection requirements. Further discussion of this report can be found in Key Observation 1 of this analysis.
- ***Certification of Grant Allocations to the Local AAAs:*** MDOA reports that grant allocations were made prior to September 2, 2019.

**Appendix 2
Object/Fund Difference Report
Department of Aging**

<u>Object/Fund</u>	<u>FY 19 Actual</u>	<u>FY 20 Working Appropriation</u>	<u>FY 21 Allowance</u>	<u>FY 20 - FY 21 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	38.70	38.70	39.00	0.30	0.8%
02 Contractual	9.92	14.00	9.61	-4.39	-31.4%
Total Positions	48.62	52.70	48.61	-4.09	-7.8%
Objects					
01 Salaries and Wages	\$ 3,258,301	\$ 3,815,907	\$ 3,673,278	-\$ 142,629	-3.7%
02 Technical and Special Fees	455,631	794,111	410,206	-383,905	-48.3%
03 Communication	89,314	37,071	69,175	32,104	86.6%
04 Travel	26,633	104,139	89,050	-15,089	-14.5%
07 Motor Vehicles	3,272	20,889	18,391	-2,498	-12.0%
08 Contractual Services	699,240	1,011,869	1,427,425	415,556	41.1%
09 Supplies and Materials	11,987	45,038	39,818	-5,220	-11.6%
10 Equipment – Replacement	28,855	94,151	94,151	0	0%
12 Grants, Subsidies, and Contributions	54,177,436	53,491,772	58,870,454	5,378,682	10.1%
13 Fixed Charges	176,691	266,971	464,794	197,823	74.1%
Total Objects	\$ 58,927,360	\$ 59,681,918	\$ 65,156,742	\$ 5,474,824	9.2%
Funds					
01 General Fund	\$ 24,726,931	\$ 26,997,528	\$ 28,548,343	\$ 1,550,815	5.7%
03 Special Fund	511,904	1,020,205	983,541	-36,664	-3.6%
05 Federal Fund	33,374,020	29,511,908	34,825,032	5,313,124	18.0%
09 Reimbursable Fund	314,505	2,152,277	799,826	-1,352,451	-62.8%
Total Funds	\$ 58,927,360	\$ 59,681,918	\$ 65,156,742	\$ 5,474,824	9.2%

Note: The fiscal 2020 appropriation does not include deficiencies, planned reversions, or general salary increases. The fiscal 2021 allowance does not include contingent reductions or general salary increases.