

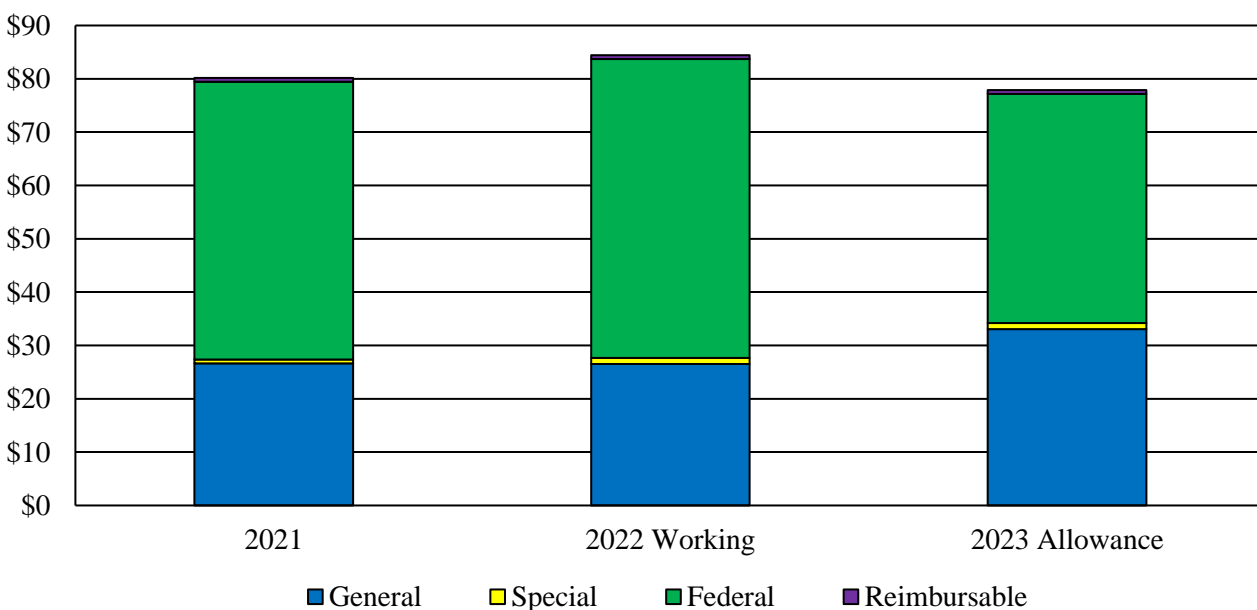
D26A07 Department of Aging

Program Description

The Maryland Department of Aging (MDOA) has the responsibility for administering community-based programs and services for older Marylanders, evaluating the services that 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 (MDOD), 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 2023 Budget Decreases \$6.6 Million, or 7.8%, to \$77.9 Million
(\$ in Millions)**



Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

- The decrease in federal funds of \$13.1 million in the fiscal 2023 allowance is mostly due to a higher level of federal stimulus funds available in the fiscal 2022 working appropriation. The federal fund decrease is partially offset by a \$6.6 million general fund increase primarily for program enhancements in community services administered by AAAs, including Information and Assistance, the Senior Care Program, the Senior Assisted Living Subsidy Program (SALS), and the Congregate Housing Services Program (CHSP).

Fiscal 2022

Federal Stimulus Funds

As shown in **Exhibit 1**, MDOA has received a total of \$47.1 million for various aging services through the federal coronavirus relief packages. MDOA indicates that fiscal 2020 and 2021 expenditures of the funds totaled \$14.3 million. MDOA was allocated the most funding for meals programs, allowing the department to provide substantially more meals during the pandemic compared to prior years. With this funding, MDOA has also encouraged the purchase of restaurant meals to jointly support older adults in need and small businesses throughout the State. Other uses of the funds have included technology purchases for older adults and one-time equipment purchases in senior centers. MDOA indicates that the fiscal 2022 working appropriation includes \$19.9 million of the funds, \$16.0 million of which is included in the community services budget to be directly distributed to AAAs. In addition, \$6.0 million of the stimulus funding is expected to be used in fiscal 2023, \$5.7 million of which is included in the community services budget to be directly distributed to AAAs. After projected expenditures in fiscal 2023, \$6.9 million federal stimulus funds from the American Rescue Plan Act (ARPA) remain available. The ARPA funds must be expended by September 30, 2024. **MDOA should comment when it expects to expend these remaining funds.**

Exhibit 1
Federal Stimulus Fund Expenditures
Fiscal 2020-2023
(\$ in Thousands)

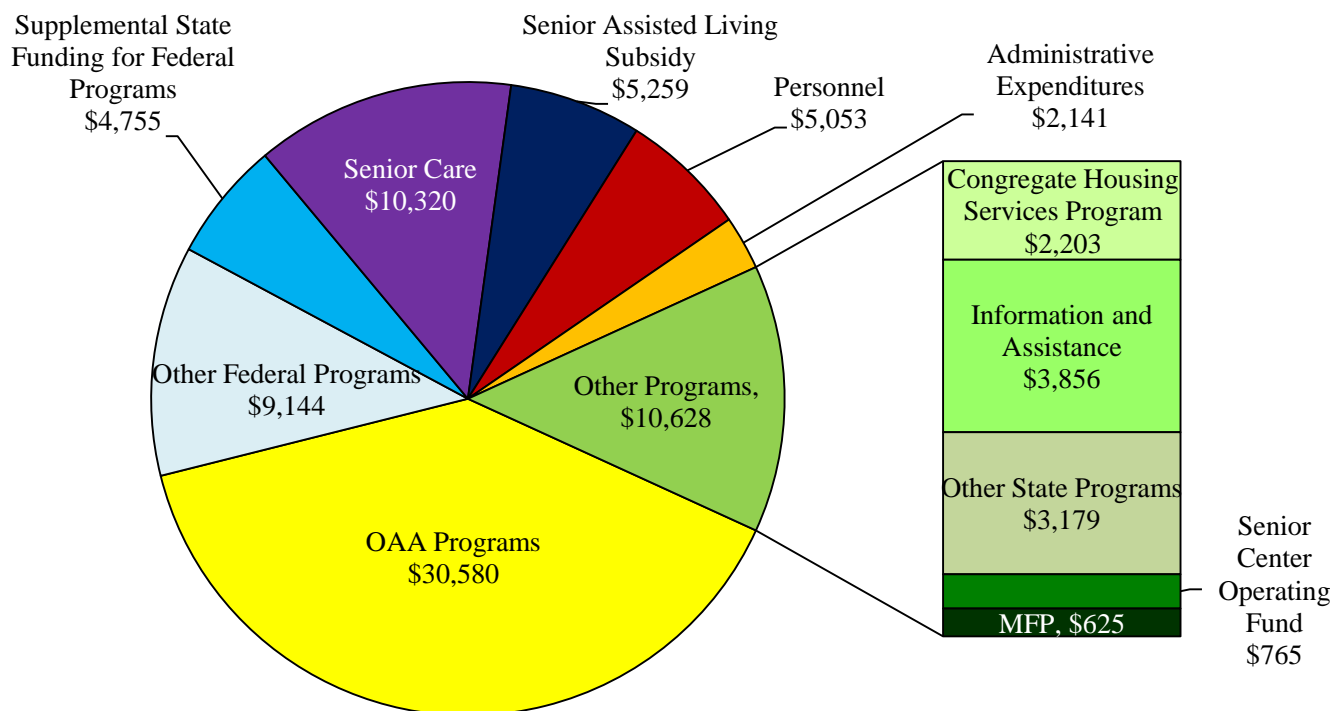
Purpose	Total Award	2020 Actual	2021 Actual	2022 Working	2023 Allowance	Total Expenditures	Available Unexpended Funds
Home-delivered and Congregate Meals	\$28,088	\$149	\$10,093	\$10,601	\$3,556	\$24,399	\$3,688
Supportive Services	11,547	220	2,624	4,745	1,697	9,285	2,262
Family Caregivers	4,129	85	978	1,846	523	3,432	697
Aging and Disability Resource Centers	1,148		118	1,030		1,148	
Area Agencies on Aging	865			865		865	
Preventive Services	757			379	162	541	216
Protection of Vulnerable Older Americans	346	13	41	291		346	
Long-Term Care Ombudsman Program	241			155	37	192	49
Commodity Supplemental Food Program	24			24		24	
	\$47,146	\$468	\$13,853	\$19,936	\$5,975	\$40,233	\$6,913

Source: Maryland Department of Aging

Fiscal 2023 Overview of Agency Spending

As shown in **Exhibit 2**, 91% of MDOA’s budget supports various aging services. Federal funding for aging programs totals \$39.7 million and comprises 51% of the allowance. In addition to Older Americans Act (OAA) programs, other federal funding is received for the administration of the Veteran Directed Care Program (\$1.6 million), the State Health Insurance Program (\$569,843), and federal financial participation for Medicaid information and assistance (\$5.8 million). A further \$4.8 million State funds are also available to supplement federal funding in nutrition services, the Long-Term Care Ombudsman program, Public Guardianship, the Vulnerable Elderly Programs Initiative, and hold harmless funding that insulates AAAs from fluctuations due to formula-based allocations of federal funds. Other State-administered programs serving seniors comprise 33% of the allowance. In addition to the larger general funded programs, smaller State programs include the Community for Life (CFL) program, the Durable Medical Equipment (DME) Reuse Program, and the Senior Call Check program.

**Exhibit 2
Overview of Agency Spending
Fiscal 2023 Allowance
(\$ in Thousands)**



MFP: Money Follows the Person
OAA: Older Americans Act

Note: The fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Source: Governor’s Fiscal 2023 Budget Books

Proposed Budget Change

As shown in **Exhibit 3**, the fiscal 2023 allowance decreases by a net of \$6.6 million compared to the fiscal 2022 working appropriation. The decrease is due to the department expecting to utilize more federal stimulus funds in fiscal 2022 than in fiscal 2023, as shown in Exhibit 1. The overall decrease is partially offset by \$6.0 million in enhancement funding for four State programs, increased funding for the CFL and DME programs, and Chapter 24 of 2021’s mandated appropriation for Aging-in-Place programs. General fund enhancement funding is described further in the Key Observations section of this analysis.

**Exhibit 3
Proposed Budget
Department of Aging
(\$ in Thousands)**

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2021 Actual	\$26,631	\$754	\$52,058	\$742	\$80,185
Fiscal 2022 Working Appropriation	26,499	1,187	56,029	717	84,432
Fiscal 2023 Allowance	<u>33,063</u>	<u>1,131</u>	<u>42,977</u>	<u>709</u>	<u>77,880</u>
Fiscal 2022-2023 Amount Change	\$6,564	-\$57	-\$13,052	-\$8	-\$6,552
Fiscal 2022-2023 Percent Change	24.8%	-4.8%	-23.3%	-1.2%	-7.8%

Where It Goes:	Change
Personnel Expenses	
Turnover rate decreases from 10.01% to 5.01%	\$180
Reclassifications	73
Employee retirement system.....	-5
Regular earnings	-29
Employee and retiree health insurance	-45
Other fringe benefit adjustments.....	-1
Community Services	
Enhancement funding for Senior Care, Senior Assisted Living Subsidy, Congregate Housing Services Program, and Information and Assistance (see Key Observation 1)...	6,000
Community for Life.....	300
Aging-in-Place mandate per Chapter 24 of 2021	100
Durable Medical Equipment Reuse Program	87
Medicare Improvement for Patients and Providers Act program funding for Area Agencies on Aging	46
One-time funding restricted for waitlist reduction that will not be released.....	-250
Federal community services funding fluctuations, mostly due to coronavirus relief funds (see Exhibit 4)	-11,942
Other Changes	
Add 4.2 contractual full-time equivalents.....	202
Statewide cost allocations	161
Senior Call-Check program	-95
Grants available through one-time federal stimulus to support management studies and consultants.....	-1,330
Other changes	-5
Total	-\$6,552

Note: Numbers may not sum to total due to rounding. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Community Services Fluctuations

As shown in **Exhibit 4**, the fiscal 2023 allowance includes \$30.2 million in federal funds to support grants to AAAs for administration of OAA programs. The allowance includes more than \$5 million federal stimulus funds to support the grants to AAAs. In fiscal 2022, available stimulus funds to AAAs are more than double this amount. As shown in Exhibit 1, the federal stimulus funding will not be exhausted at the end of fiscal 2023, leaving approximately \$6.9 million still available after anticipated expenditures through the end of the upcoming fiscal year. This could overstate or understate the difference between years to the extent that the funds that are not yet appropriated are added to either the fiscal 2022 or 2023 budgets later.

Exhibit 4 Community Services Grant Funding Fiscal 2022-2023 (\$ in Thousands)

<u>Program</u>	<u>2022 Working</u>	<u>2023 Allowance</u>	<u>2022-2023 \$ Change</u>	<u>2022-2023 % Change</u>	<u>Fund Type</u>
Increases					
Information and Assistance	\$865	\$3,865	\$3,000	347%	GF
Senior Care	8,579	10,320	1,741	20%	GF
Senior Assisted Living Subsidy	4,372	5,259	887	20%	GF
Congregate Housing Services Program	1,831	2,203	372	20%	GF
Maryland Community for Life	300	600	300	100%	GF
Aging-in-Place Programs	0	100	100	New	GF
Durable Medical Equipment Reuse Program	951	1,038	87	9%	GF
MIPPA programs in Area Agencies on Aging	61	107	46	76%	FF
OAA Community Services	6,204	6,242	38	1%	FF
State Health Insurance Program	558	570	12	2%	FF
Decreases					
Nutrition Services Incentive Program	1,647	1,639	-8	0%	FF
Commodity Supplemental Food Program	290	267	-24	-8%	FF
OAA Health Promotion and Disease Prevention	785	568	-217	-28%	FF
OAA Ombudsman	661	352	-309	-47%	FF
MAP COVID-19 Response Project	582	0	-582	-100%	FF
Vaccine Access	822	0	-822	-100%	FF
OAA Family Caregiver and Caregivers Support	4,652	3,501	-1,152	-25%	FF
OAA Supportive Services	4,500	1,609	-2,891	-64%	FF
OAA Congregate and Home-Delivered Meals	22,187	16,199	-5,988	-27%	FF
Level Funded					
Federal Financial Participation for Medicaid					
Information and Assistance Activities	5,840	5,840	0	0%	FF
State Nutrition	2,071	2,071	0	0%	GF
Veteran Directed Care Program	1,600	1,600	0	0%	FF
Naturally Occurring Retirement Communities	1,300	1,300	0	0%	GF
State Ombudsman	1,122	1,122	0	0%	GF

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<u>Program</u>	<u>2022</u>	<u>2023</u>	<u>2022-2023</u>	<u>2022-2023</u>	<u>Fund</u>
Level Funded	Working	Allowance	\$ Change	% Change	Type
State Guardianship	641	641	0	0%	GF
Vulnerable Elderly Programs Initiative	479	479	0	0%	GF
Hold Harmless – Supplemental State Funding	442	442	0	0%	GF
No Wrong Door Hospital Transitions Project	388	388	0	0%	FF
Money Follows the Person – MAP Level One Screening	325	325	0	0%	RF
Money Follows the Person – Nursing Facility Program Education	300	300	0	0%	RF
Maryland Dementia Capable Community Connections Project	279	279	0	0%	FF
Senior Medicare Patrol	179	179	0	0%	FF
Maintaining Active Citizens Inc.	132	132	0	0%	GF
MIPPA programs	110	110	0	0%	FF
OAA Elder Abuse	78	78	0	0%	FF
MIPPA programs through Aging and Disability Resource Center	71	71	0	0%	FF
Total	\$75,203	\$69,795	-\$5,407	-7%	

GF: General Funds

FF: Federal Funds

MAP: Maryland Access Point

MIPPA: Medicare Improvements for Patients and Providers Act

OAA: Older Americans Act

RF: Reimbursable Funds

Note: Durable Medical Equipment Reuse Program total excludes contractual full-time equivalent expenditures. Fiscal 2022 working appropriation excludes funds restricted for waitlist reduction not being released. The Nutrition Services Incentive Program was authorized under the OAA and is considered an OAA program in this analysis.

Source: Governor’s Fiscal 2023 Budget Books

Due to the availability of federal stimulus funds, MDOA has been able to provide extraordinary numbers of home-delivered meals to older adults. In federal fiscal 2019, 1.2 million home-delivered meals were provided. During the pandemic, the number of home-delivered meals provided rose to 5.2 million in federal fiscal 2020 and 6.3 million in federal fiscal 2021. MDOA indicates that although less federal funding is available for OAA programs in fiscal 2023, it will likely not need to prepare individuals for reduced services. MDOA advises that pandemic caseloads for OAA services, including meals, increased as individuals that typically were able to meet their needs through other means started participating in the State’s community services. As Maryland’s pandemic recovery continues and older adults feel more comfortable seeing family members and outside caregivers, going grocery shopping, and eating in restaurants, MDOA expects those individuals to likely exit these services on their own. In addition, MDOA notes that some federal stimulus funding supported one-time investments in senior centers and equipment purchases during the pandemic. The decreases in federal funding are partially offset by a \$6.5 million increase in general funds for several State funded programs.

Personnel Data

	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 22-23</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	39.00	39.00	39.00	0.00
Contractual FTEs	<u>16.90</u>	<u>10.00</u>	<u>14.20</u>	<u>4.20</u>
Total Personnel	55.90	49.00	53.20	4.20

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	1.95	5.01%
Positions and Percentage Vacant as of 12/31/21	8.00	20.51%
Vacancies Above Turnover	6.05	

- The allowance includes a net increase of 4.2 contractual full-time equivalents (FTE). These additions will assist with federal grant oversight, the ombudsman program, and the DME Reuse Program.
- The budgeted turnover rate decreases 5 percentage points, from 10.01% in the working appropriation to 5.01% in the allowance. MDOA indicates that this decrease will allow for greater flexibility in hiring and personnel changes as the department works to actively recruit its vacant positions.
- As of this writing, the department has 7 vacant positions, 3 of which have been vacant for more than a year. For 2 of these positions, the department indicates that it has experienced challenges recruiting qualified individuals that will accept the positions' budgeted compensation.

An administrator II (special assistant) position has been vacant since June 2019. This position researches, analyzes data, and prepares reports to support the department's policy priorities. The duties of this position are carried out by existing staff.

An administrator III (communications and marketing director) position has been vacant since September 2020. This position develops and manages the department's internal and external communications. The duties of this position are carried out by existing staff.

A human services administrator II (senior housing program manager) position has been vacant since October 2020. This position oversees the SALS and CHSP programs. The duties of this position are carried out by an existing staff member and a part-time contractual FTE.

The department is actively recruiting for each vacant position.

Key Observations

1. General Fund Enhancements to Reduce Waitlists

As shown in **Exhibit 5**, program enhancements across four services increase the fiscal 2023 allowance by a total of \$6 million in general funds. Half of this increase in funding supports information and assistance; however, limited information is available demonstrating how MDOA plans to utilize the \$3 million. MDOA described that the funds will be used for the following broad purposes:

- additional funding to contribute to the State’s general fund expenditures eligible for federal financial participation related to Medicaid activities;
 - increased AAA staffing and outreach;
 - support for MAP; and
 - better service to Maryland’s growing population of seniors.
-

Exhibit 5
General Fund Enhancements by Program
Fiscal 2022-2023

	<u>2022</u> <u>Working</u>	<u>2023</u> <u>Allowance</u>	<u>Change</u>
Information and Assistance	\$865,000	\$3,865,000	3,000,000
Senior Care	8,579,278	10,320,398	1,741,120
Senior Assisted Living Subsidy	4,371,896	5,259,150	887,254
Congregate Housing Services Program	1,831,167	2,202,793	371,626
Total	\$15,647,341	\$21,647,341	\$6,000,000

Source: Governor’s Fiscal 2023 Budget Books

While these goals align with the department’s mission, it would be preferable to have more specificity about AAAs’ staffing needs, the amount of AAA staff expected to be able to be hired with the additional funding, the programs that will be supported with the additional funding, the number of additional seniors expected to be served, or the amount of additional federal financial participation expected to be claimed with these general funds before the appropriation is available to the department. **The Department of Legislative Services (DLS) recommends restricting the \$3 million for information and assistance until MDOA submits a spending plan.**

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Chapter 357 of 2021 (the fiscal 2022 Budget Bill) restricted \$250,000 of MDOA’s fiscal 2022 community services general fund appropriation for the purpose of reducing the department’s program waitlists. MDOA indicates that the restricted fiscal 2022 funding will not be released. Instead, the fiscal 2023 allowance includes increased funding for Senior Care, SALS and CHSP, which the Administration indicates will primarily be used for the reduction of waitlists. Each of these programs experience an increase of 20% in the fiscal 2023 allowance compared to the fiscal 2022 levels.

The Senior Care program provides services and gap filling funds to help individuals avoid nursing facility placements. MDOA indicates that AAAs will have flexibility to use the enhancement funding to either offer more generous benefits through this program, increase the number of individuals served, or both.

SALS provides financial assistance to help individuals afford assisted living costs. The current maximum subsidy ranges from \$650 to \$1,000 per month, depending on the jurisdiction. Similar to the Senior Care flexibilities, MDOA indicates AAAs will have discretion to increase the amount of the subsidy, increase the number of individuals served, or both.

CHSP supports congregate housing placements and limited personal assistance. MDOA indicates that the goal of this enhancement funding is to increase the number of program participants, and MDOA hopes this will also increase providers in the State.

As shown in **Exhibit 6**, both the Senior Care and SALS programs have consistently seen waitlists equal to more than a third of total program participation throughout the year.

Exhibit 6
Served and Waitlisted Individuals, by Program
January 1, 2021, July 1, 2021, and January 1, 2022

	<u>Senior Care</u>	<u>Senior Assisted Living Subsidy</u>	<u>Congregate Housing Services Program</u>
Fiscal 2020 Actual Participation	4,525	557	525
Fiscal 2021 Actual Participation	4,350	610	721
Waitlisted Individuals as of January 1, 2021	2,372	219	11
Oversubscription Relative to Fiscal 2021 Utilization	55%	36%	2%
Waitlisted Individuals as of July 1, 2021	1,469	354	51
Oversubscription Relative to Fiscal 2021 Utilization	34%	58%	7%
Waitlisted Individuals as of January 1, 2022	1,901	394	73
Oversubscription Relative to Fiscal 2021 Utilization	44%	65%	10%

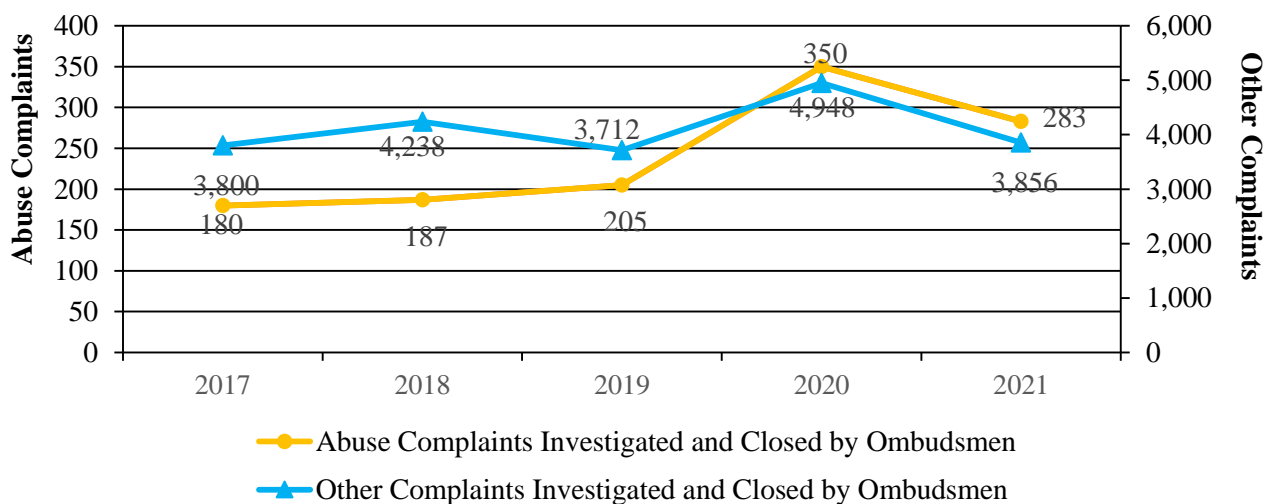
Source: Maryland Department of Aging

To monitor waitlists during this period of enhanced program funding, DLS recommends adopting committee narrative requesting biannual reports of waitlist totals across the Department’s programs and periodic updates describing how AAAs are utilizing the enhanced funding.

2. Pandemic’s Effect on Ombudsman and Guardianship Programs

MDOA administers the Long-Term Care Ombudsman Program, through which paid employees or volunteers serve as ombudsmen to advocate for residents of assisted living and nursing facilities. With virtual service provision, ombudsmen were able to provide twice as many consultations in federal fiscal 2021 (14,861) than in the previous year (7,300 consultations in federal fiscal 2020). However, as shown in **Exhibit 7**, the number of complaints ombudsmen investigated were influenced by the pandemic. In federal fiscal 2020, the number of general complaints was elevated, which MDOA indicates may have been partially driven by lack of trust in long-term care facility staff during early pandemic months. The number of complaints declined in federal fiscal 2021, which may be due to lack of in-person visits, increased resident isolation, and staffing shortages. MDOA indicates that the decrease in abuse complaints was also influenced by the pandemic, as there was limited visitation and interaction with long-term care facility staff.

Exhibit 7
Complaints Investigated and Closed by Ombudsmen
Federal Fiscal 2017-2021

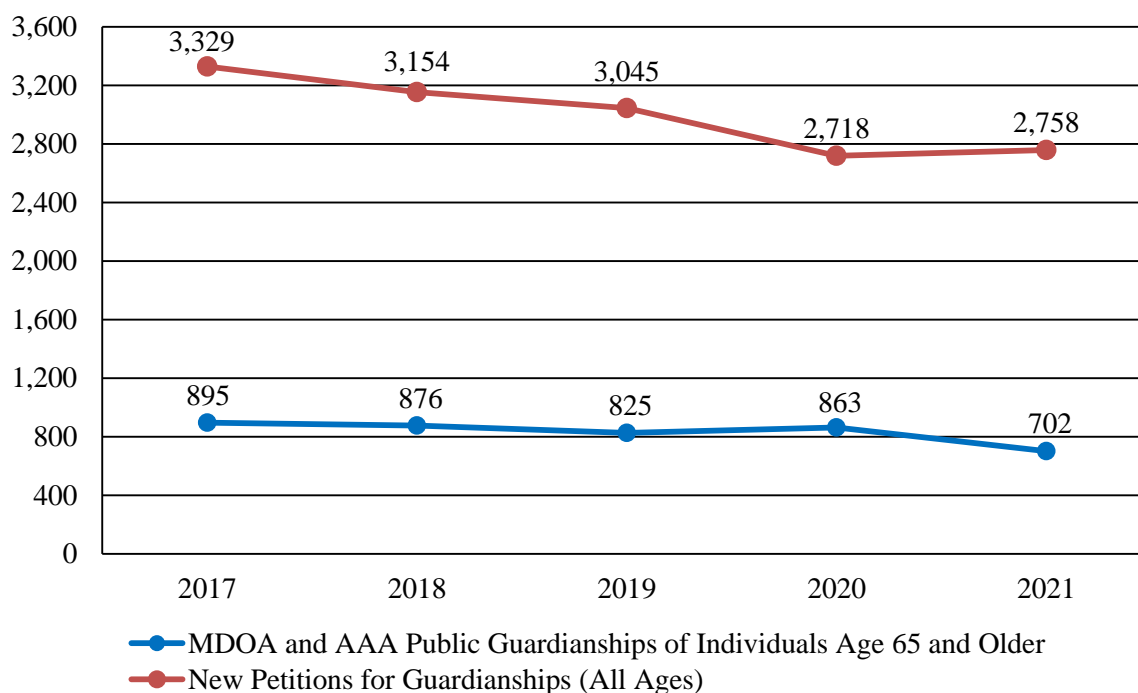


Note: “Other complaints” include but are not limited to discharge issues, responses to requests for assistance, medication issues, care plans and assessments, and personal hygiene concerns.

Source: Maryland Department of Aging; Department of Budget and Management

MDOA also oversees the Public Guardianship program. When the court deems guardianship is the most appropriate care for an older adult and no other willing and appropriate guardian can be identified, MDOA or AAAs may serve as the public guardian. As shown in **Exhibit 8**, MDOA’s public guardianship caseload declined in fiscal 2021, as court closures resulted in decreased guardianship petitions and postponed guardianship hearings. For reference, new petitions for guardianships of all ages statewide were lower in fiscal 2020 and 2021 compared to prior years.

Exhibit 8
Public Guardianships
Fiscal 2017-2021



AAA: Area Agencies on Aging
MDOA: Maryland Department of Aging

Source: Maryland Department of Aging; Department of Budget and Management; Maryland Administrative Office of the Courts

3. Continued Rollout of New State Programs

In recent years, the department implemented several new innovations intended to serve the needs of the aging population:

- the Senior Call Check Program provides automated daily well-check calls to enrollees;

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- the CFL program provides seed funding to nonprofit grantees that operate CFL programs within a defined geographic region and provide home maintenance, service navigation, and transportation services to CFL members in order to support independent living; and
- the DME Reuse Program accepts DME, sanitizes and refurbishes the donated equipment, and redistributes the equipment to the public at no cost.

Senior Call Check Program

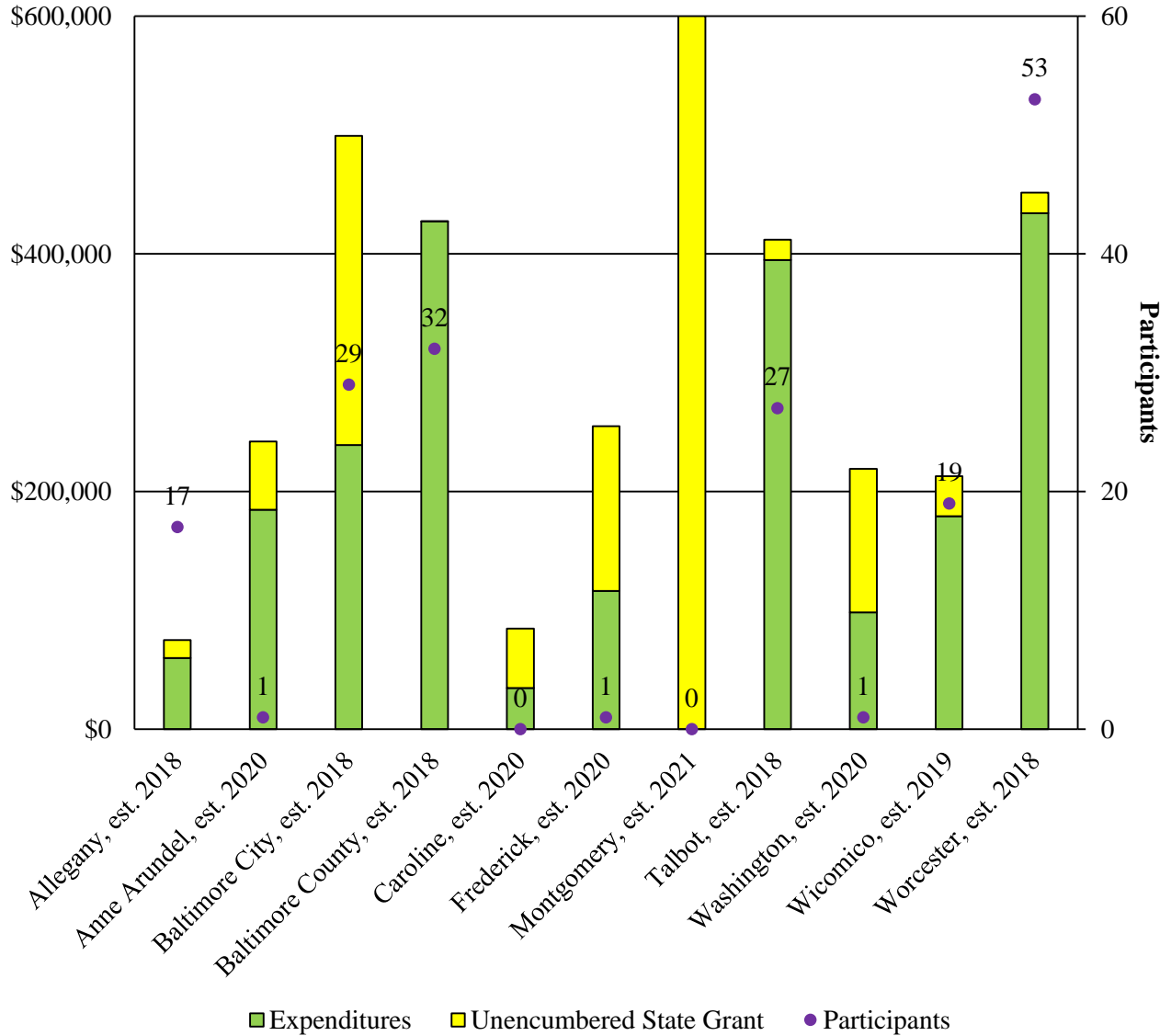
Funding for the Senior Call Check program decreases by \$95,000 in special funds in the fiscal 2023 allowance to reflect reduced program needs. Both MDOA and MDOD support this program with funding from the same source, the Universal Services Trust Fund (USTF). MDOD's budget for the Senior Call Check Program also decreases \$252,539 compared to the fiscal 2022 working appropriation. The USTF is funded with a \$0.05 monthly subscriber surcharge on telecommunications companies' customer phone bills. As described further in the MDOD budget analysis, expenditures from the USTF have risen in recent years, partially due to the implementation of the Senior Call Check program. **As MDOD projects program expenditures to consistently outpace USTF revenues in the current and future years, DLS recommends committee narrative requesting that MDOA, in coordination with MDOD, submit a report on Senior Call Check program utilization and expenditures. This recommendation is included in the MDOD analysis.**

Community for Life

The CFL program is designed to support older adults' independent living, and thus reduce avoidable nursing home placements or other costly long-term care that eventually could be billed to Medicaid or Medicare. The program first awarded grants in calendar 2018. On average, those grantees had 32 participants as of January 1, 2022.

As shown in **Exhibit 9**, 180 individuals were participating in CFL as of July 1, 2021. By January 1, 2022, participation increased by 6 individuals. When comparing utilization data against grantees' encumbrances of the State funding by July 1, 2021 (\$841,489), the average State investment per person was \$4,675. Expenditures of the State grant through January 1, 2022, (\$1.2 million) indicate the average State investment per person was \$6,248. When looking at grantee expenditures, including those drawing from other revenue sources, less the value of revenue from membership dues, expenditures for each member rises to \$12,051 in July 2021. It should be noted that the pandemic hampered some program outreach and therefore likely participation and some program efficiency.

Exhibit 9
Participation and Total Expenditures to Date of All Grantees Established
Calendar 2018 through 2021
Data as of July 1, 2021



Note: The value of each grantee’s membership dues were removed from the calculation of total expenditures across all sources. In addition to expenditures supported by the State grant funding, expenditures were also supported by other revenue sources, including federal or local government funding, in-kind contributions, and philanthropic donations.

Source: Maryland Department of Aging

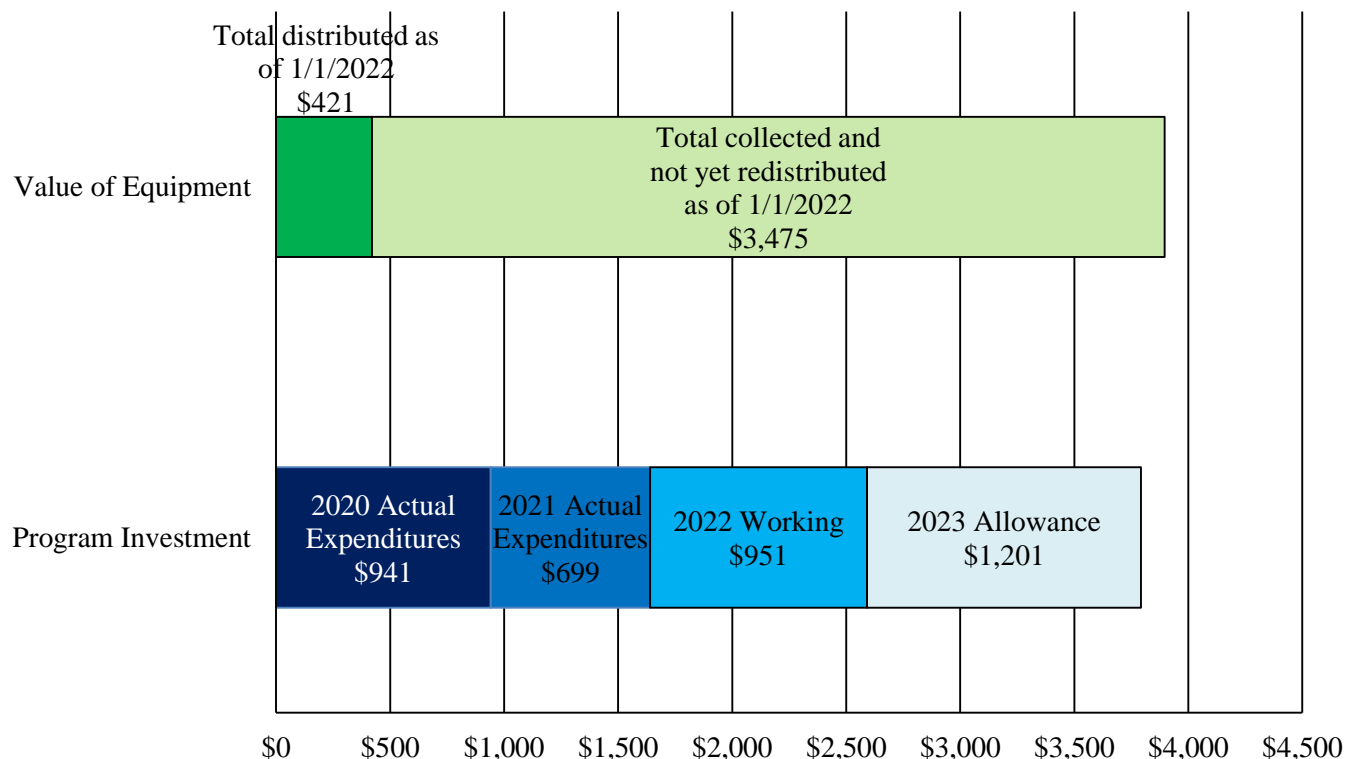
Given the high per capita cost and low participation, the cost effectiveness of the program remains unclear. The fiscal 2023 allowance doubles the appropriation for CFL to \$600,000. MDOA indicates that the fiscal 2023 allowance will support expansion (approximately \$560,000) and marketing (approximately \$40,000). MDOA indicates that there will also be expenses associated with an ongoing evaluation of the Medicaid and Medicare savings realized from the program. MDOA is currently working with the Chesapeake Regional Information System for Our Patients, the University of Maryland, and the Johns Hopkins Bloomberg School of Public Health to perform the evaluation. The evaluation will be completed in fiscal 2025, but MDOA expects to have preliminary findings in advance of the evaluation's completion. MDOA does not have an estimate of the funding needed to support the evaluation in the upcoming fiscal year. These expenditures would likely be funded through the \$560,000 available for program expansion.

Durable Medical Equipment Reuse Program

State investment in the program in fiscal 2020 and 2021 totals \$1.6 million combined. The program is still relatively new and could only perform limited operations during much of the pandemic. As of January 1, 2022, 134 individuals received equipment from the program, half of which were age 71 and older.

Exhibit 10 shows investments in the DME program relative to the value of equipment received and redistributed. MDOA determines the value of its inventory based on the value of new equipment. As of January 1, 2022, MDOA indicated that it received a total 7,537 pieces of equipment worth approximately \$3.9 million when new, nearly doubling equipment collected by July 2021 (at that time, 3,878 pieces of equipment were collected, worth approximately \$2.2 million when new). As of January 2022, 6,519 pieces of equipment, with a combined estimated value of \$2.5 million, were sanitized, repaired, maintained in inventory, and ready to be distributed to the public. These figures represent an increase of 3,755 pieces of equipment ready to be distributed and increased value of approximately \$1 million compared to data provided for July 2021. **The department should comment on its approach to improving equipment collections over the prior six months, whether it expects equipment collections to continue to grow at this rate, and how it plans to increase equipment distribution given the higher inventory.**

Exhibit 10
DME Reuse Program Investment Relative to Value of Equipment
Collected and Distributed
Fiscal 2020-2023
(\$ in Thousands)



Source: Maryland Department of Aging

In fiscal 2023, the budget for this program totals \$1.2 million, of which MDOA estimates approximately \$1 million is for operational expenditures and personnel costs, \$81,000 supports utilities and building maintenance, and \$118,000 supports equipment and safety. The fiscal 2023 allowance for the program, including personnel expenditures, increases by \$250,000 compared to the fiscal 2022 working appropriation.

To continue monitoring the CFL and DME Reuse programs, DLS recommends requesting biannual reports on program activities, participation, and expenditures.

Chapter 357 restricted \$100,000 of MDOA’s fiscal 2022 general administration general fund appropriation pending receipt of two reports on waitlist data and utilization of the CFL and DME programs. **Having complied with the requirements of the reports, DLS recommends the release of the \$100,000 in general funds and will process a letter to this effect if no objections are raised at the budget hearing.**

Operating Budget Recommended Actions

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

, provided that \$3,000,000 of this appropriation made for the purpose of information and assistance may not be expended until the Maryland Department of Aging submits a report to the budget committees on its spending plan for the funds. This report shall include:

- (1) information on the amount of funding to be allocated to each Area Agency on Aging (AAA);
- (2) the number of increased staff positions each AAA plans to support with the funding, an estimation of the total amount of the funds expected to support increased staffing at the AAAs, the estimated date of recruitment by which each AAA anticipates hiring additional staff positions, and the anticipated job duties of each new position supported by the funds;
- (3) a description of improvements to the Maryland Access Point program expected to be made possible with the funding and the estimated date at which such improvements will be implemented;
- (4) a list of programs each AAA plans to support through this funding and an estimation of the total amount of the funds expected to support each program;
- (5) the estimated number of additional individuals the funding will serve, by AAA, by program;
- (6) a description of the policy and service goals planned to be achieved through expenditures of the funds;
- (7) an estimation of the amount of federal financial participation able to be claimed for expenditures of these funds; and
- (8) a statement indicating whether the department will use the funds for one-time program investments or for operational costs that are expected to continue in the out-years.

This report shall be submitted by July 1, 2022, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of this report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The Maryland Department of Aging (MDOA) fiscal 2023 allowance increases by \$3 million in general funds for information and assistance. Limited information was

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available to indicate how the funds would be used. The department indicates that it plans to offer better service to Maryland’s growing population of seniors, support Maryland Access Point, increase staffing and outreach at AAAs, and increase general fund expenditures that are eligible for federal financial participation. The committees are interested in better understanding the department’s spending plan for the funds.

Information Request	Author	Due Date
Information and assistance spending plan	MDOA	July 1, 2022

2. Adopt the following narrative:

Waitlist Data and Utilization of Program Enhancement Funding: With \$3 million in general funds appropriated for the purpose of reducing Senior Care, Senior Assisted Living Subsidy (SALS), and Congregate Housing Services Program (CHSP) waitlists, the committees are interested in monitoring how the funds will be used and the effect on program waitlists. The committees request that the Maryland Department of Aging (MDOA) submit two reports, the first providing the following data as of July 1, 2022, and the second providing the following data as of January 1, 2023:

- the number of individuals participating in each program at each Area Agency on Aging (AAA);
- the number of individuals waitlisted for each program at each AAA;
- the number of assisted living and congregate housing providers that provide services to SALS and CHSP participants; and
- an update describing how each AAA plans to use each program’s appropriation over the coming six months.

Information Request	Author	Due Date
Waitlist data and utilization of program enhancement funding	MDOA	July 21, 2022 January 21, 2023

3. Adopt the following narrative:

Community for Life (CFL) and Durable Medical Equipment (DME) Reuse Program Updates: While the CFL and DME Reuse programs continue rollout, the committees are interested in monitoring the cost effectiveness of each program. The committees request that the Maryland Department of Aging (MDOA) submit two reports, the first providing the

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following data as of July 1, 2022, and the second providing the following data as of January 1, 2023:

- membership totals of each CFL program;
- the amount of funding each CFL was originally granted, the date each grant period commenced, and the amount of the State grant that is unencumbered to date;
- CFL total expenditures to date, and the amount of funding by source, that each grantee received to date from other revenue sources to support operating expenses of the CFL program;
- the number of pieces of durable medical equipment collected through DME, the dollar value of the equipment in inventory, the number of pieces of equipment distributed, and the dollar value of equipment distributed; and
- by age group, the number of individuals participating in each program.

Information Request	Author	Due Date
CFL and DME Reuse Program updates	MDOA	July 21, 2022 January 21, 2023

Appendix 1
2021 Joint Chairmen’s Report Responses from Agency

The 2021 JCR requested that MDOA prepare five reports. Electronic copies of the full JCR responses can be found on DLS Library website.

- **Program Utilization Data:** Two reports were submitted. Further discussion of waitlist data can be found in Key Observation 1 of this analysis. Further discussion of program utilization data for the CFL and DME Reuse Center can be found in Key Observation 3 of this analysis.
- **Affordable Senior Housing:** MDOA and the Department of Housing and Community Development were expected to identify policy options that could be implemented in Maryland to improve housing security in the State. The submitted report listed programs available to improve the housing security of older adults and indicated that there is not necessarily a need to develop new programs but rather adequately equipping existing services with sufficient resources should be a priority.
- **Improving Coordination of DME Donations and Distribution:** The submitted report indicated that MDOA works with the Maryland Department of Health (MDH), the Department of Human Services, MDOD, the Maryland Department of the Environment, and the Maryland Department of Veterans Affairs to connect individuals to appropriate equipment and coordinate donations of equipment to the program.
- **Development of Cognitive Health Plan for Maryland’s Aging Population:** MDOA and MDH submitted a report summarizing the aging population growth projections, common behavioral health concerns for older adults, and challenges that the State faces in meeting the cognitive and behavioral health needs of the aging population. The report indicated that improving interagency coordination in serving the aging population with mental health services and prioritizing older adults’ cognitive and behavioral health needs is the work of the State’s existing advisory groups and councils.

**Appendix 2
Audit Findings**

Audit Period for Last Audit:	May 25, 2016 – July 7, 2020
Issue Date:	June 23, 2021
Number of Findings:	3
Number of Repeat Findings:	2
% of Repeat Findings:	66%
Rating: (if applicable)	n/a

Finding 1: MDOA’s policy for conducting annual financial reviews of AAAs was not comprehensive, and MDOA did not perform numerous required reviews or adequately document reviews that were performed.

Finding 2: Annual MDOA reviews of SALS and Senior Care grant program activity were not performed or were not adequately documented.

Finding 3: MDOA did not always submit requests for reimbursement of federal fund expenditures in a timely manner, resulting in lost interest income totaling at least \$53,000.

*Bold denotes item repeated in full or part from preceding audit report.

**Appendix 3
Object/Fund Difference Report
Department of Aging**

<u>Object/Fund</u>	<u>FY 21 Actual</u>	<u>FY 22 Working Appropriation</u>	<u>FY 23 Allowance</u>	<u>FY 22 - FY 23 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	39.00	39.00	39.00	0.00	0%
02 Contractual	16.90	10.00	14.20	4.20	42.0%
Total Positions	55.90	49.00	53.20	4.20	8.6%
Objects					
01 Salaries and Wages	\$ 3,313,237	\$ 3,705,644	\$ 3,878,321	\$ 172,677	4.7%
02 Technical and Special Fees	834,198	972,547	1,174,746	202,199	20.8%
03 Communication	97,546	84,230	84,230	0	0%
04 Travel	6,947	84,076	83,400	-676	-0.8%
06 Fuel and Utilities	10,280	0	0	0	0.0%
07 Motor Vehicles	450	10,583	10,763	180	1.7%
08 Contractual Services	3,133,733	2,707,197	1,434,980	-1,272,217	-47.0%
09 Supplies and Materials	13,556	31,600	25,567	-6,033	-19.1%
10 Equipment – Replacement	9,538	50,000	50,000	0	0%
11 Equipment – Additional	28,250	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	72,535,521	76,592,475	70,935,500	-5,656,975	-7.4%
13 Fixed Charges	187,362	194,118	202,552	8,434	4.3%
14 Land and Structures	14,625	0	0	0	0.0%
Total Objects	\$ 80,185,243	\$ 84,432,470	\$ 77,880,059	-\$ 6,552,411	-7.8%
Funds					
01 General Fund	\$ 26,630,977	\$ 26,498,689	\$ 33,063,059	\$ 6,564,370	24.8%
03 Special Fund	754,346	1,187,496	1,130,754	-56,742	-4.8%
05 Federal Fund	52,058,400	56,029,131	42,977,412	-13,051,719	-23.3%
09 Reimbursable Fund	741,520	717,154	708,834	-8,320	-1.2%
Total Funds	\$ 80,185,243	\$ 84,432,470	\$ 77,880,059	-\$ 6,552,411	-7.8%

Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.