

FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Division of Aging and Adult Services (DAAS) Overview

Joint House and Senate Appropriations
Committees on Health and Human Services

March 2, 2023

Objectives

- Provide a high-level overview of DHHS Division of Aging and Adult Services (DAAS)
- Review DAAS budget summary
- Provide a detailed overview of key DAAS services and programs
 - Home and Community Care services
 - Key Program
 - State/County Special Assistance (SA)
 - Caregiver Support, Ombudsman, Adult Protective Services, and Adult Guardianship Services



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DAAS Overview

NC aging and adult services are primarily administered at the regional and local levels, and some services vary by county.

State Level

Division of Aging and Adult Services (DAAS) provides oversight, guidance, and technical assistance to 16 Area Agencies on Aging and 100 county departments of social services

Regional Level

Area Agencies on Aging administer some services and oversee their funding at the regional level. They function in 5 basic areas:

- Advocacy
- Planning
- Program and resource development
- Information brokerage
- Funds administration quality assurance

County Level

County boards of social services & commissioners determine local priorities and supplement funding

County departments of social services administer some services

Source: <https://www.ncdhhs.gov/divisions/daas>.



DAAS Services

Home and Community Based Services

Services provided through the Home and Community Care Block Grant (HCCBG)

Caregiver Support

Range of services to support family caregivers, including individual counseling, respite care, and other services

Key Rental Assistance Program

Rental assistance for eligible low-income disabled individuals in partnership with NC Housing Finance Agency

Long-Term Care Ombudsman Program

Assistance for residents of long-term care facilities in exercising their rights and resolving grievances

State-County Special Assistance

Cash supplements to low-income individuals to help pay for room and board in residential facilities or services at home

Adult Protective Services (APS)

Services to identify and prevent the abuse, neglect, and exploitation of disabled adults

Guardianship

Services for individuals who are deemed ‘incompetent’

Note: This list includes core State-level DAAS services and is not a comprehensive list of all services.

Source: <https://www.ncdhhs.gov/divisions/daas>.



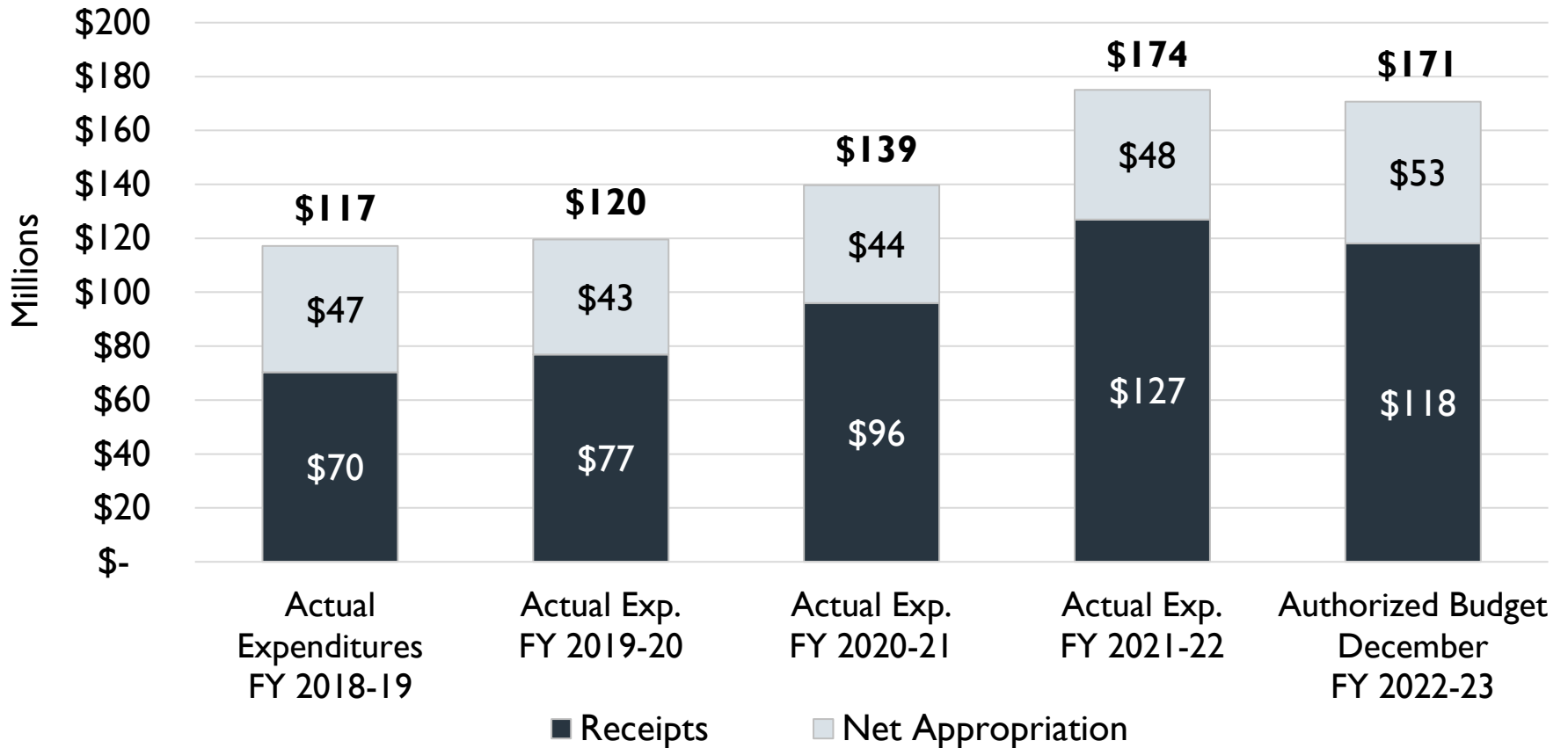
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Five-Year Budget Summary

DAAS Five-Year Budget Summary (Millions USD)



Note: Figures may not add to total due to rounding.

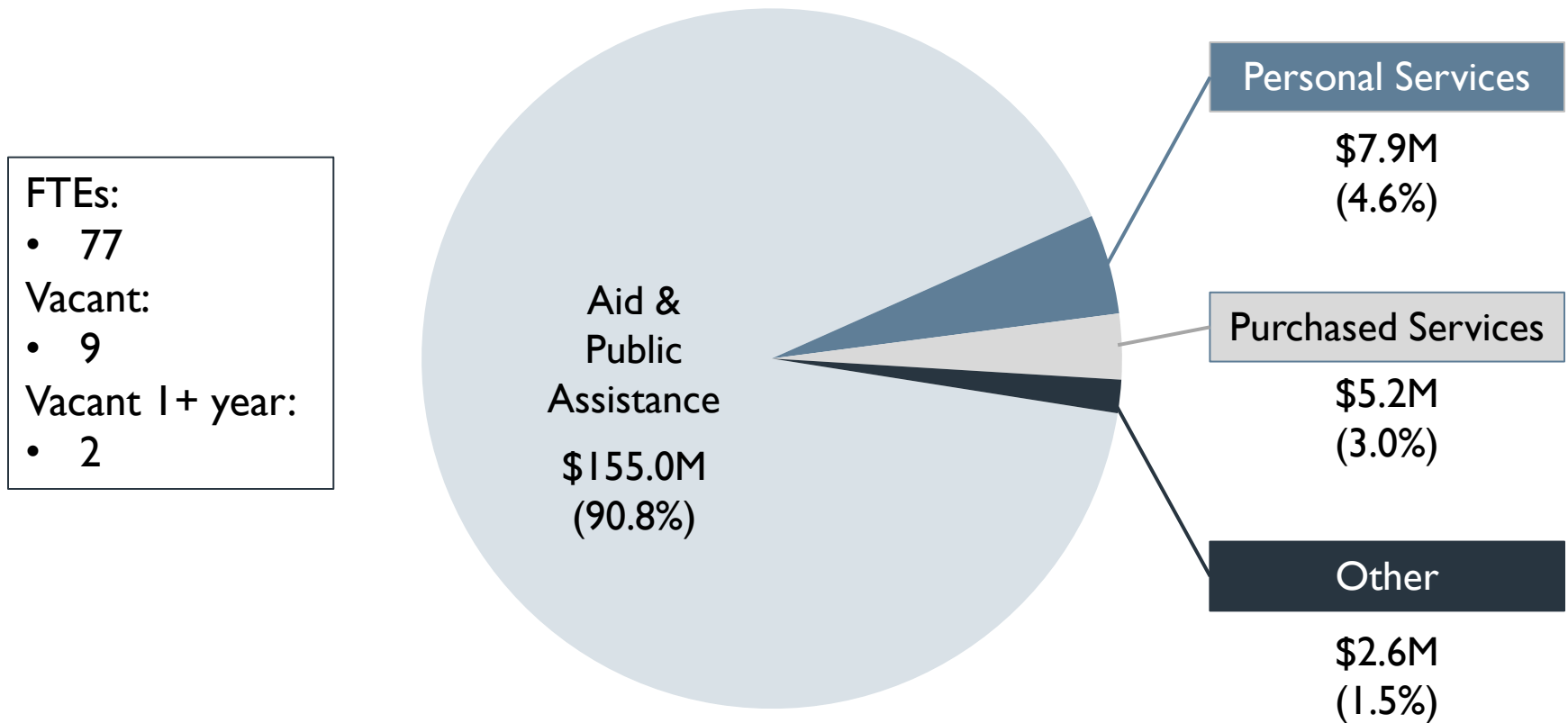
Sources: DAAS BD701's



Authorized Budget Requirements

DAAS FY 2022-23 December Authorized Budget Requirements

Total Requirements: \$170.7M



Note: Figures may not add to total due to rounding.

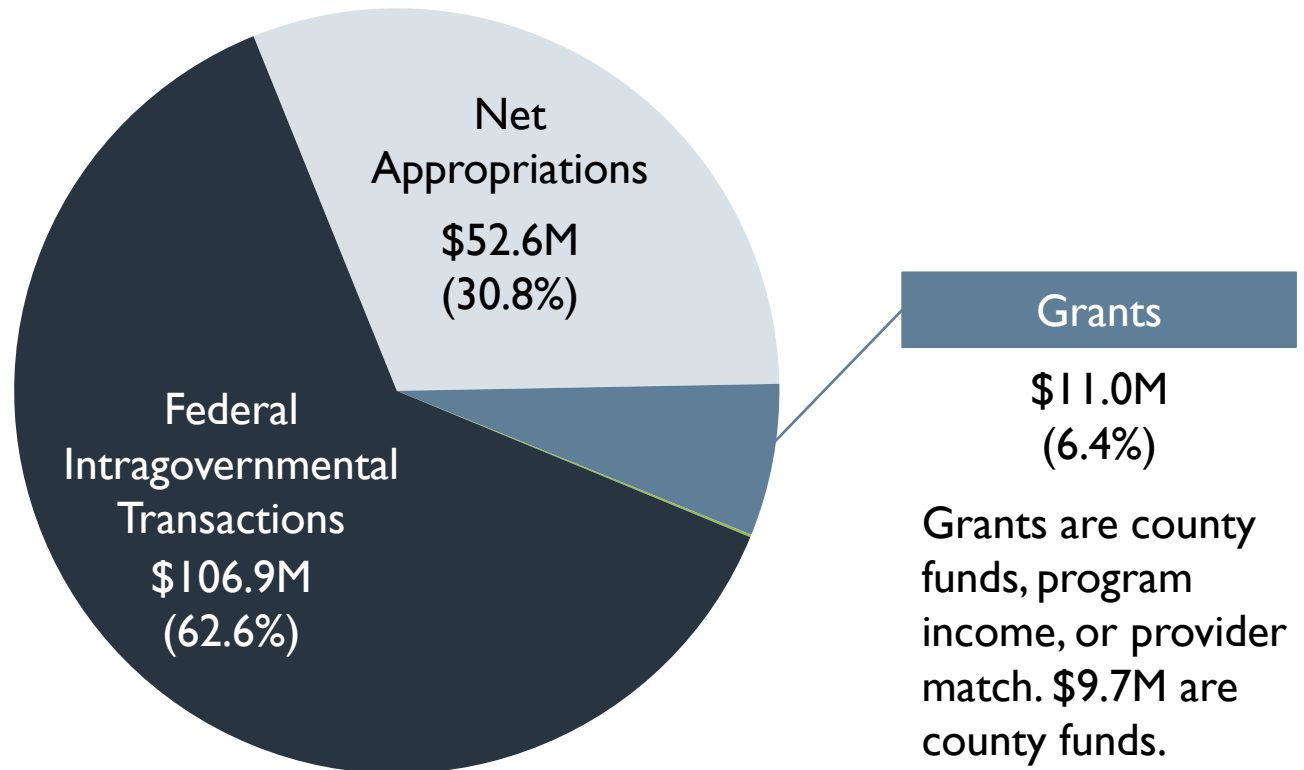
Source: DAAS December 2022 BD701



Authorized Budget Funding Sources

DAAS FY 2022-23 December Authorized Budget by Funding Source

Total Funding Sources: \$170.7M



Other miscellaneous sources make up \$0.2M (0.1%) in funding.

Note: Figures may not add to total due to rounding.

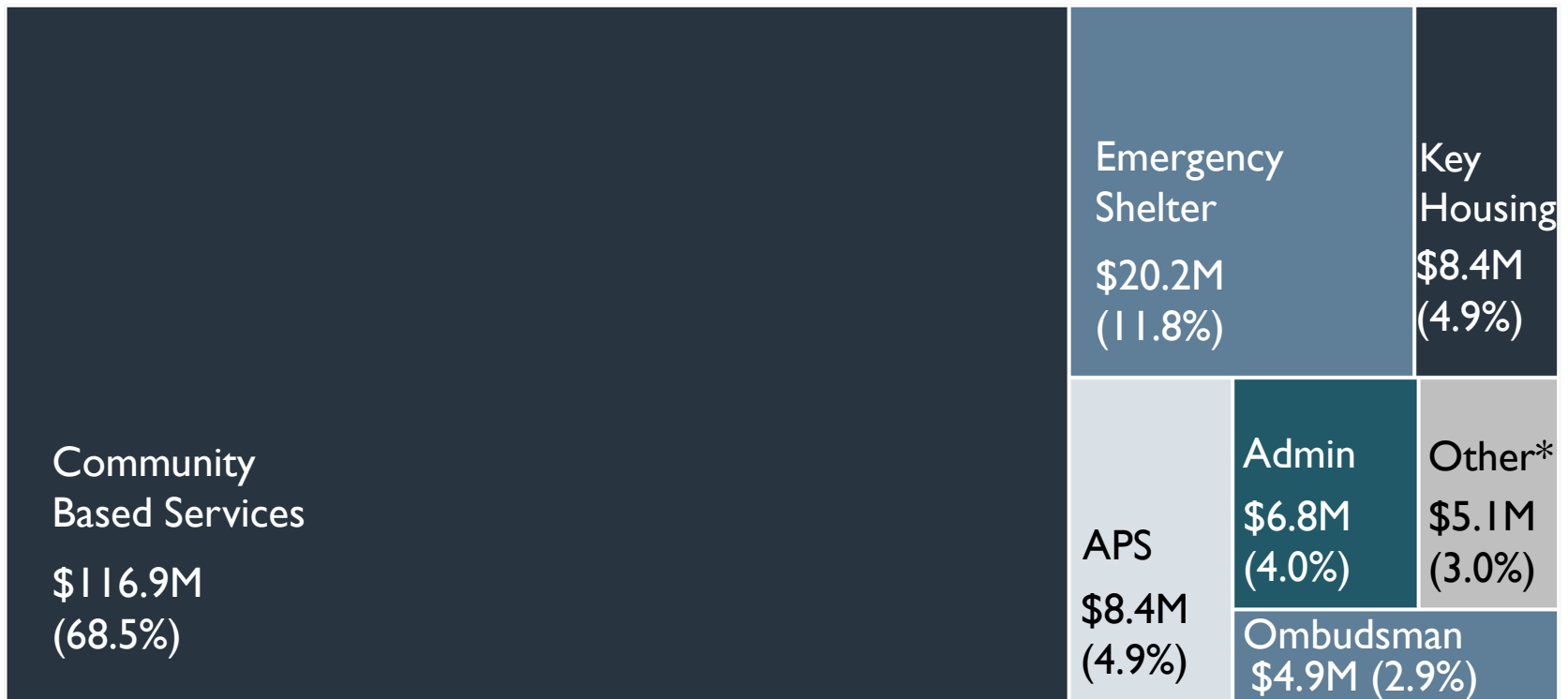
Source: DAAS December 2022 BD701



DAAS Requirements by Service

DAAS FY 2022-23 December Authorized Budget Requirements by Service

Total Requirements: \$170.7M



*“Other” is mostly composed of Health and Wellness Programs and funding for senior centers and legal services

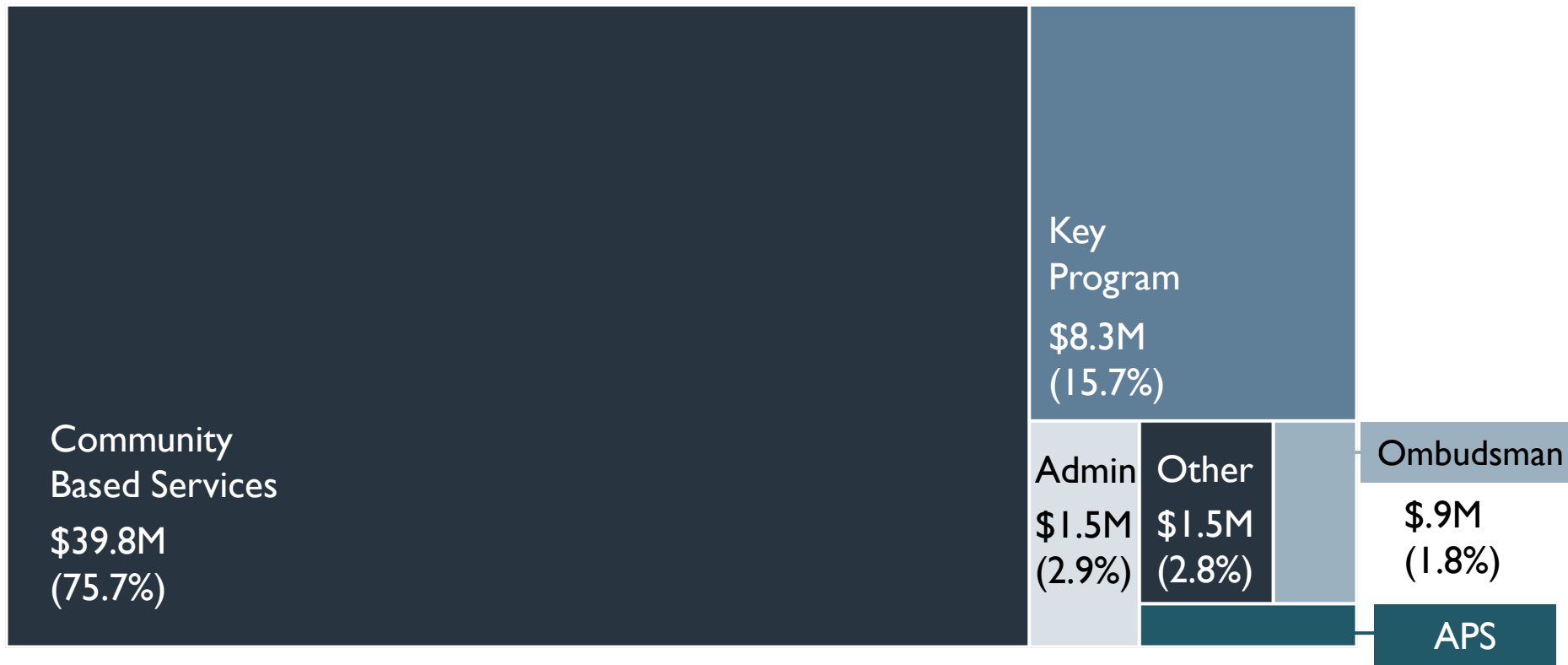
Note: Figures may not add to total due to rounding.

Source: DAAS December 2022 BD701



DAAS Net Appropriation by Service

DAAS FY 2022-23 December Authorized Budget Net Appropriation by Service
 Total Net Appropriation: \$52.6M



*“Other” is mostly composed of Health and Wellness Programs, senior centers, and legal services

Note: Figures may not add to total due to rounding.

Source: DAAS December 2022 BD701



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Home and Community Care Services through HCCBG

Overview

- Established by the NCGA in 1992
- Designed to improve the planning, management, and coordination of in-home and community-based services for older adults
- Boards of County Commissioners determine services to be provided, establish the funding level for each service, and identify community service providers for each service

Primary Funding Sources

Federal (Older Americans Act and Social Services Block Grant)

County (Required to provide 10% of HCCBG Funds)

Net Appropriation

Eligibility

- Individuals 60+ years of age and their unpaid primary caregivers
- Generally based on functional needs of the individual

Source: HCCBG Procedures Manual for Service Providers, Sections 1 and 2; NC DHHS DAAS HCCBG Funding and Expenditure History, SFY 09-21.



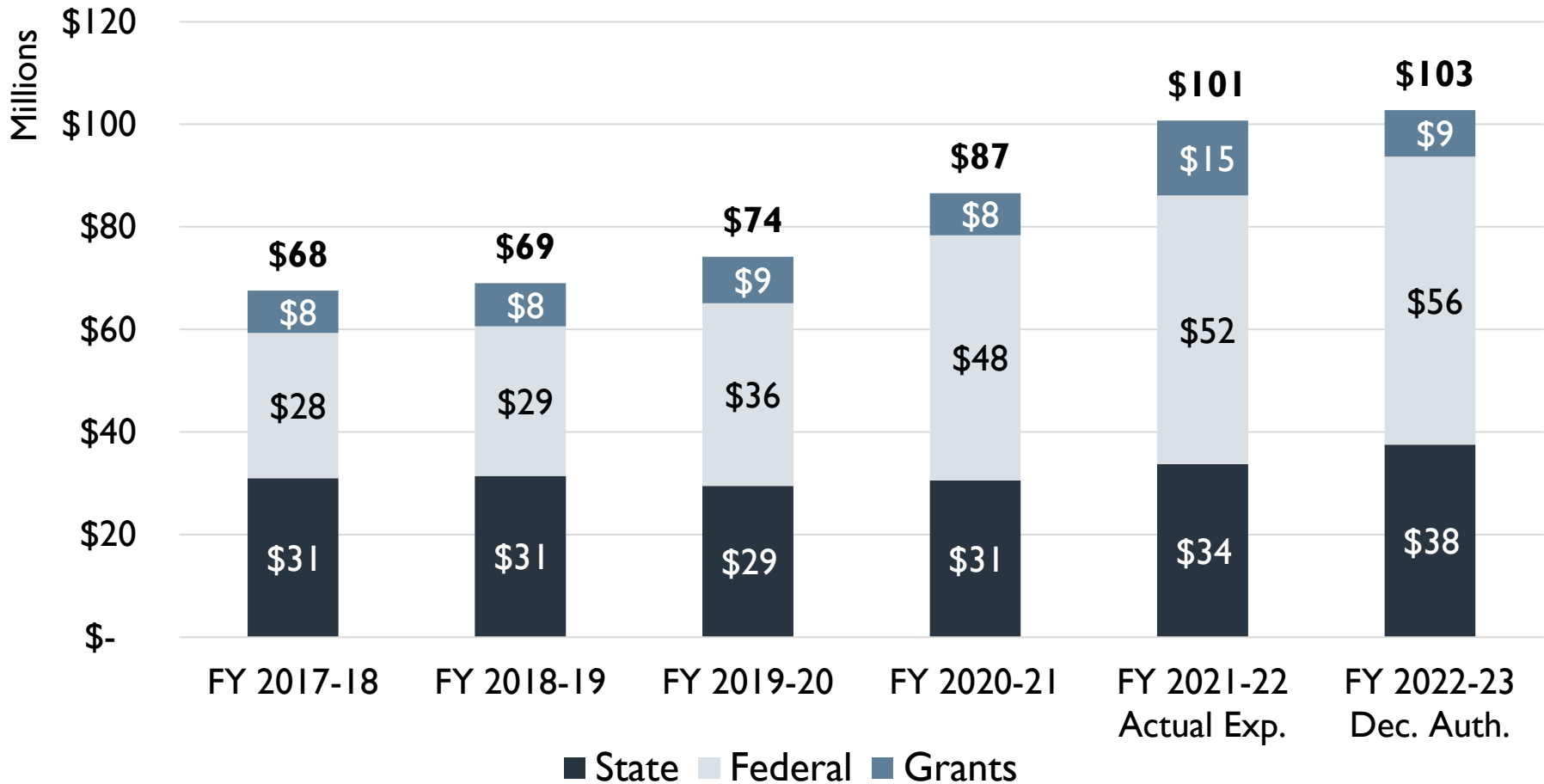
HCCBG Services

Congregate Nutrition	Housing and Home Improvement	Institutional Respite Care
Home Delivered Meals	Information and Case Assistance	Health Screening
Adult Day Care	In-Home Aide (Levels I-IV)	Health Promotion and Disease Prevention
Adult Day Health Care	Senior Companion	Mental Health Counseling
Care Management	Transportation	Senior Center Operations
Skilled Home (Health) Care	Group Respite	Volunteer Program Development

Source: HCCBG Procedures Manual for Service Providers, Section I.



HCCBG Budget by Funding Source

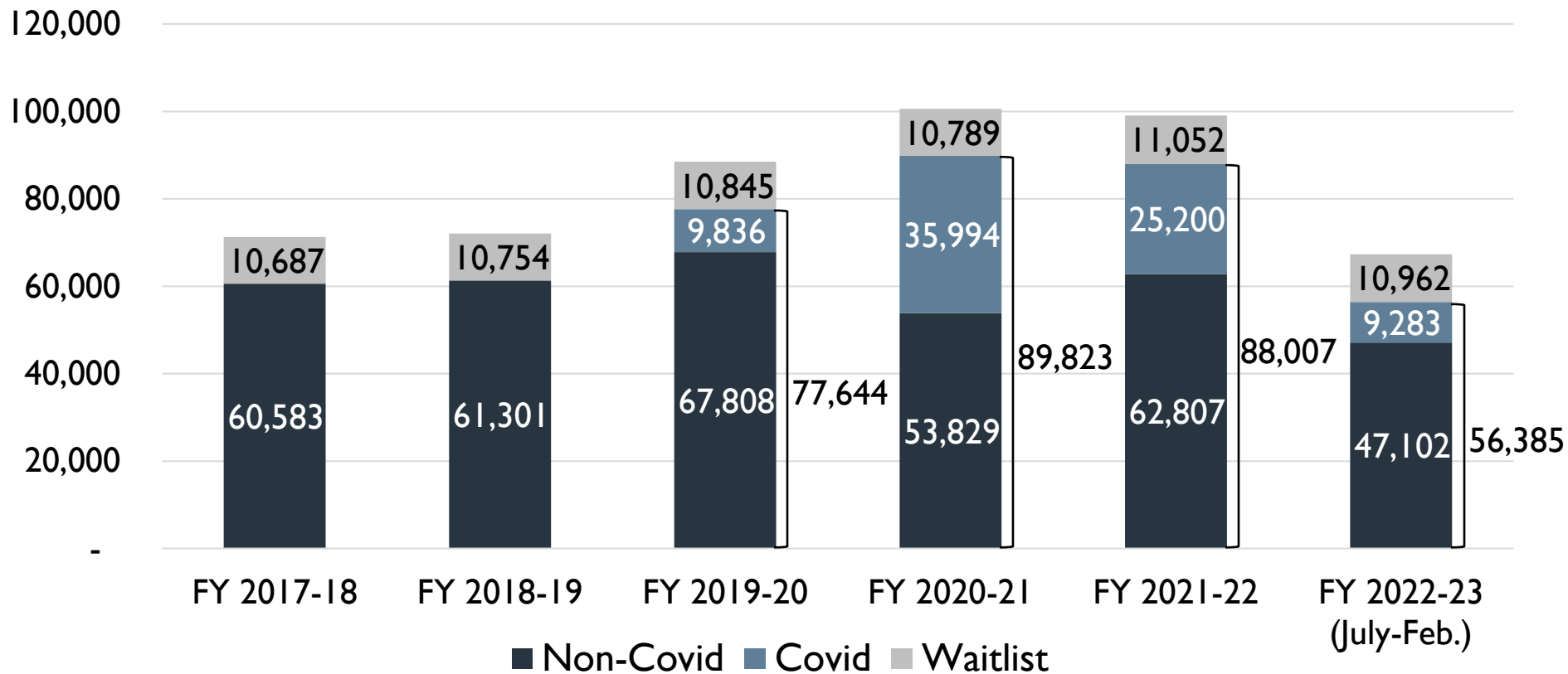


Note: Grants includes Local funding as well as program income.

Sources: NC DHHS DAAS HCCBG Funding and Expenditure History, SFY 09-21; DAAS BD 701s



HCCBG Clients and Waitlist by Fiscal Year

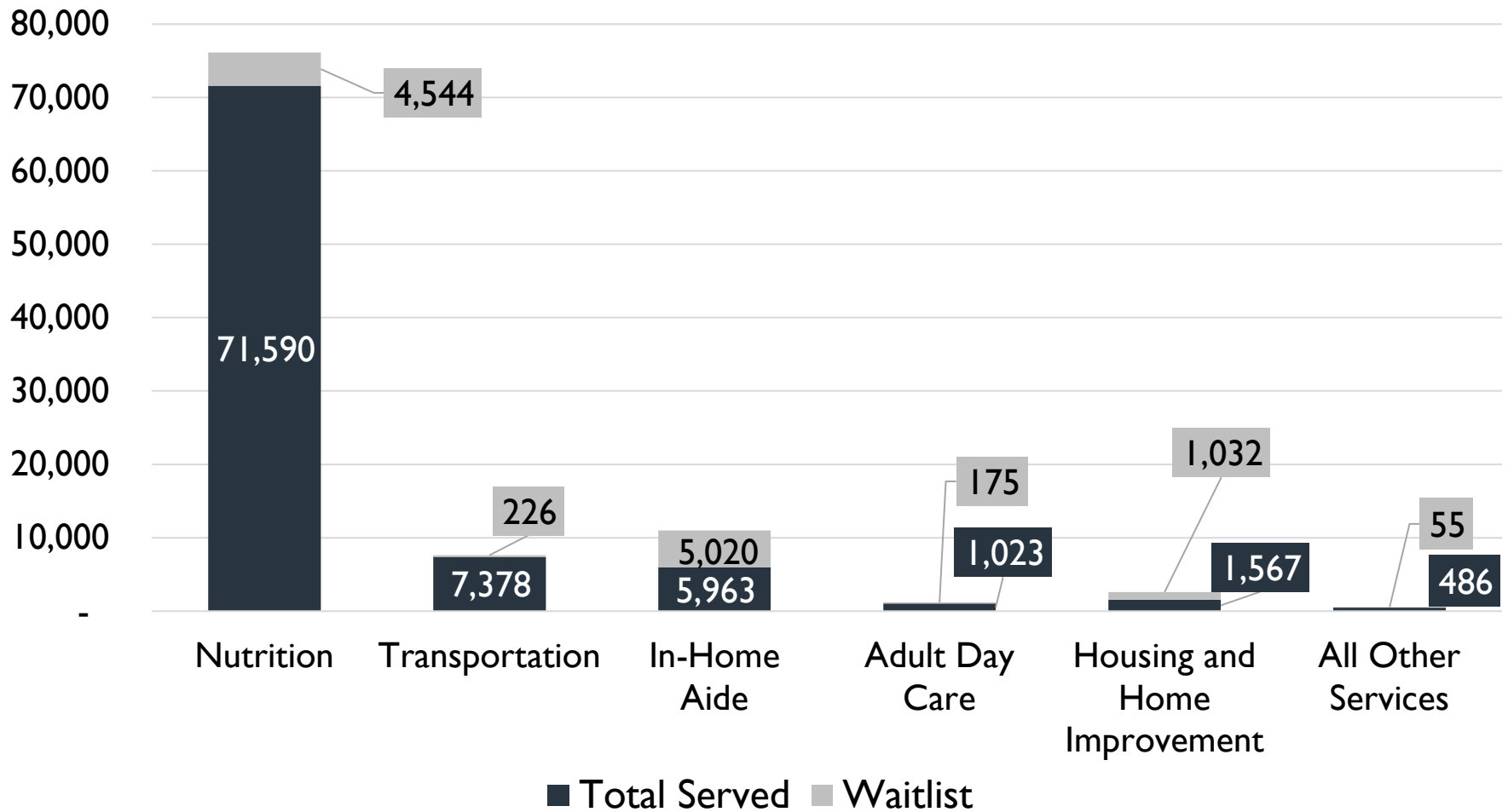


Note: The HCCBG Waitlist data is one barometer of unmet need, but there are various reasons why it does not precisely reflect the “waitlist”. Furthermore, not all HCCBG-funded services are provided in every region or county. Therefore, in some areas where services are not provided, individuals in need of the services may never apply or express need and may not be added to the waitlists.

Source: NC DHHS DAAS Aging Client and Waiting List Data, 02-24-2023



HCCBG Clients & Waitlist by Service, FY 2021-22



Source: NC DHHS DAAS Aging Client and Waiting List Data, 02-24-2023



HCCBG Takeaways & Next Steps

- Mostly Nutrition Services
- Relatively big waitlist for Nutrition, In-Home Aide, and Housing and Home Improvement Services
- Due to COVID, federal funding of HCCBG services has greatly increased, thus increasing the number of people served. However, the last of the federal COVID funding (\$37 M from ARPA) will expire in September 2024



State/County Special Assistance (SA)

Overview

- Provides cash benefits to low-income individuals requiring assistance with daily activities (cooking, bathing, dressing, etc.)
- SA is NC's supplemental program to the federal Supplemental Security Income (SSI) program
 - Federal parameters regarding SA, but NC sets the eligibility requirements and benefit structure
- Entitlement program → No one who qualifies can be turned away
- 2 Program segments – Adult Care Home residents, and in-home residents
- Higher income limit and benefit level for participants with Alzheimer's/Dementia
- Funding for benefits is split 50/50 between the State and counties



SA Eligibility & Rates

Eligibility

1. Low-income
2. Require assistance with activities of daily living
3. Either:
 - 65 years of age, or;
 - Between 18-65 years of age and have a permanent disability or be legally blind

Benefit

- The General Assembly set the maximum monthly rates for SA (108A-42.1). Starting 2023, they are adjusted annually*
- SA participants also receive a \$70/month Personal Needs Allowance (PNA)

Program	Maximum Monthly rate	PNA
Basic	\$ 1,285	\$70
Special Care Unit (SCU)	\$ 1,647	\$70

- The maximum monthly rates are also the maximum that Adult Care Homes can charge SA participants

*Adjustments are indexed to the Social Security cost-of-living adjustment (COLA)



SA Financial Eligibility (with an example)

- A participant's income cannot exceed the sum of the Maximum Monthly Rate + Personal Needs Allowance

Program	Max. Monthly rate	PNA	Monthly Income Limit
Basic	\$ 1,285	+ \$ 70 =	\$ 1,355
Special Care Unit (SCU)	\$ 1,647	+ \$ 70 =	\$ 1,717

An individual's benefit amount is determined by taking the sum of the applicable maximum monthly rate and the PNA, and subtracting from that the individual's monthly income

Example: individual with \$1k monthly income		
Basic	SCU	
\$ 1,285	\$ 1,647	Max Monthly Rate
\$ 70	\$ 70	+PNA
\$ 1,000	\$ 1,000	- Monthly Income
\$ 355	717	= Monthly SA cash payment



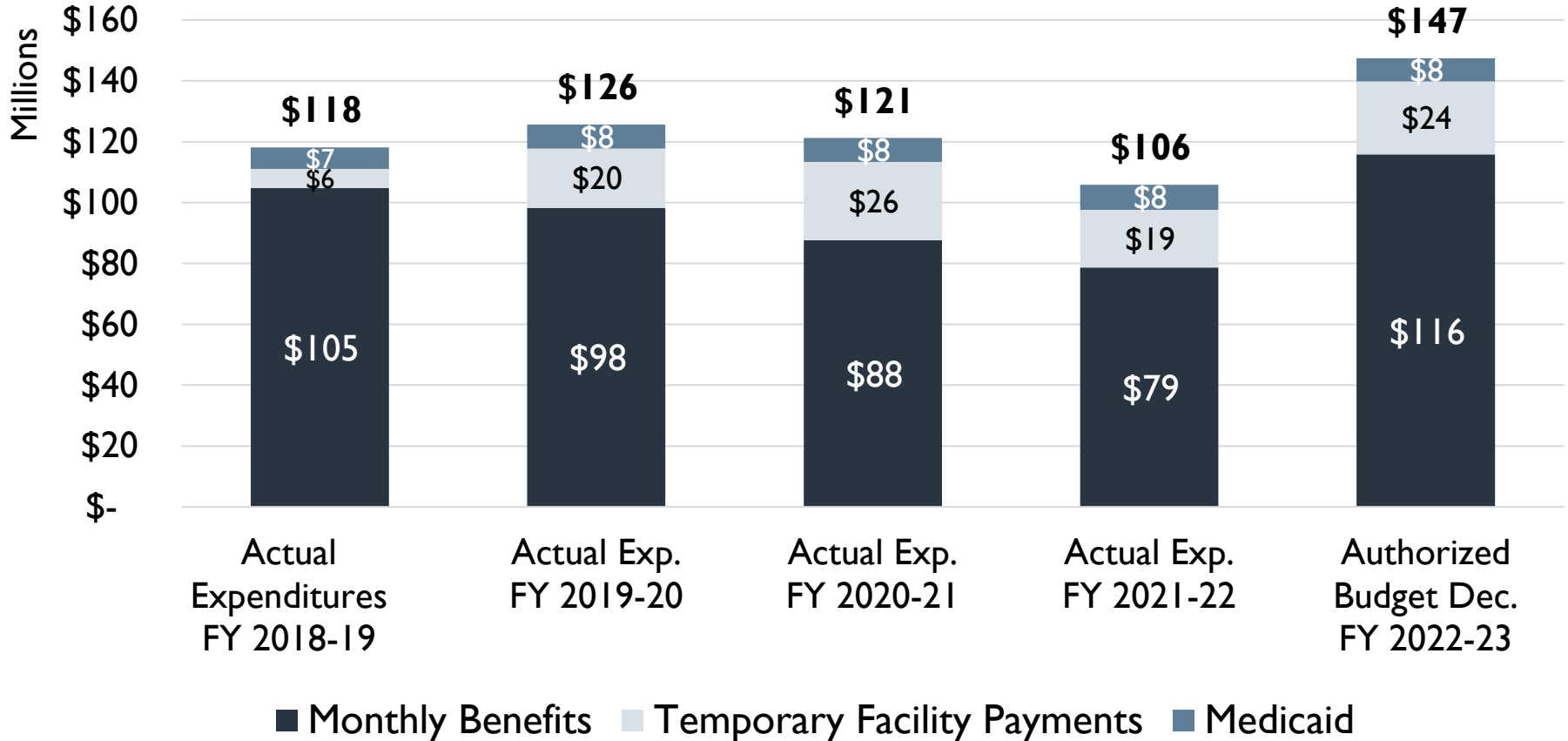
S/C SA In-Home Parity Changes

Area of Change	Before S.L 2021-180 & S.L. 2022-74	After S.L 2021-180 & S.L. 2022-74
Removed Participant Cap	Only up to 15% of SA cases could be in-home.	There is no limit on the number of recipients that can be in-home.
Cash Benefit Maximum Increased	The in-home cash was calculated based on the SA-basic max rate, and it is determined by a local case manager. Also, in-home participants are not eligible for the SA-SCU rate.	Starting January 2023, in-home max benefits equal the max rates. This also now means that in-home individuals with an Alzheimer's or Dementia diagnosis can receive benefits at the SCU rate.
Medicaid Eligibility	In-home recipients must first qualify for Medicaid.	Starting January 2023, in-home recipients are automatically eligible for Medicaid.
Income Eligibility	To be eligible, SA an in-home recipient's income could not exceed 100% federal poverty level.	Starting January 2023, income eligibility for in-home participants is equal to the sum of the Maximum rate + PNA; same as it is for participants in facilities.



S/C SA Budget

SA 5 Year Budget by Expense Type (Millions USD)



Note: Figures may not sum due to rounding

Note: Administrative Costs not pictured here (\$1.2M in the FY 2022-23 December Authorized Budget)

Source: DSS BD 701s (DSS, CMS IT Projects)



S/C SA Monthly Rates per Client

FY	SA Rate (Basic)	SA Rate (SCU)	PNA	Temporary Facility Payment	Temporary Facility Payment Funding Source
2018-19	\$1,182	\$1,515	\$46	\$34	State and counties (50/50)
2019-20	\$1,182	\$1,515	\$46	\$1,325 (Mar 10-Jul 30)	Federal funds (CRF)
2020-21	\$1,182	\$1,515	\$46	\$1,325 (Mar 10-Jul 30) \$250 (Aug-Dec) \$344 (Dec)	Federal funds (CRF)
2021-22	\$1,182	\$1,515	\$70*	\$125	Federal funds (SFRF)
2022-23	\$ 1,285**	\$ 1,647**	\$70	\$125	Federal funds (SFRF)

*As of January 1, 2022

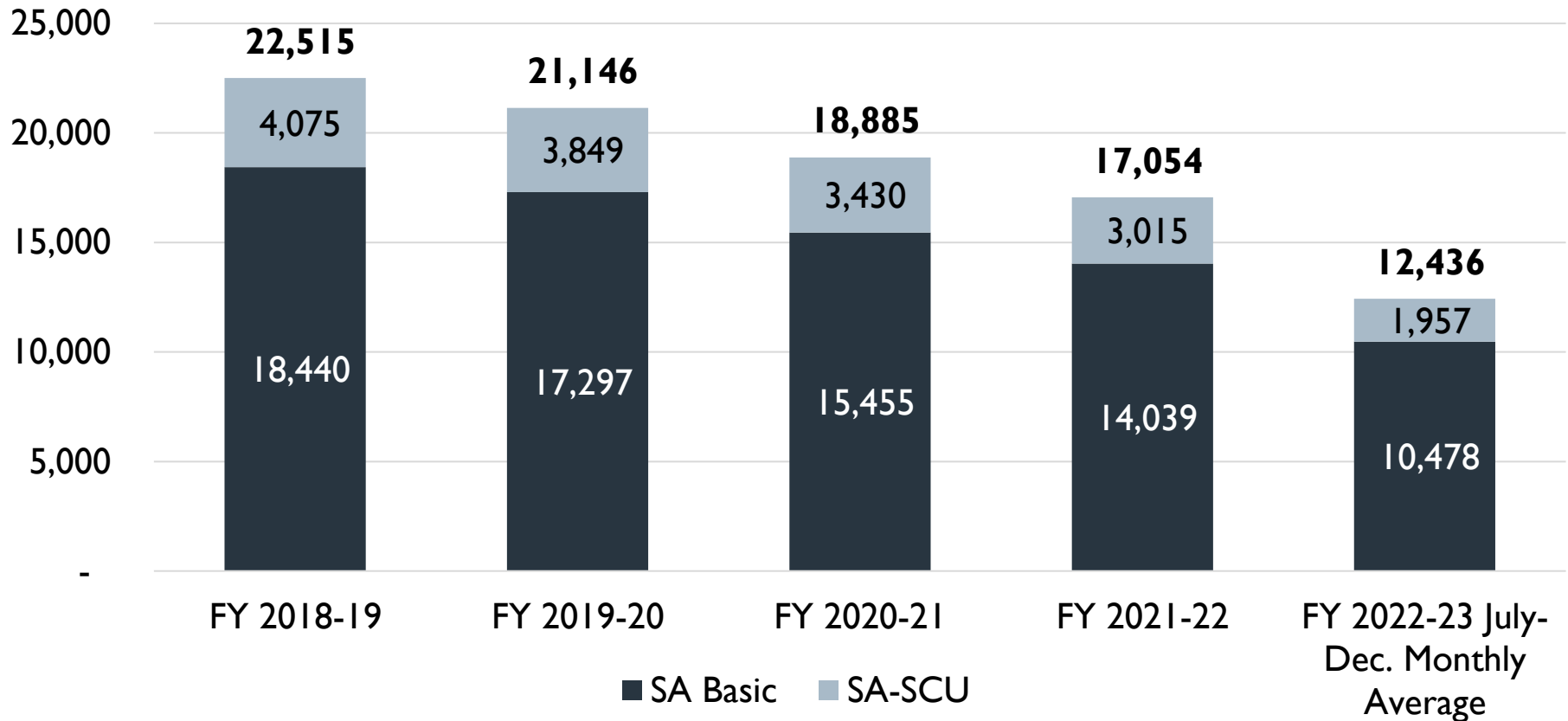
**As of January 1, 2023

Note: CRF = Coronavirus Relief Fund; SFRF = State and Local Fiscal Recovery Funds

Source: NC DHHS Plan for Long-Term Solution for Adequate Reimbursement to Facilities Serving Recipients of State-County Special Assistance, April 1, 2017; S.L. 2017-257; S.L. 2020-4; S.L. 2020-97; S.L. 2021-180.



S/C SA Recipients in Facilities (5 Years)

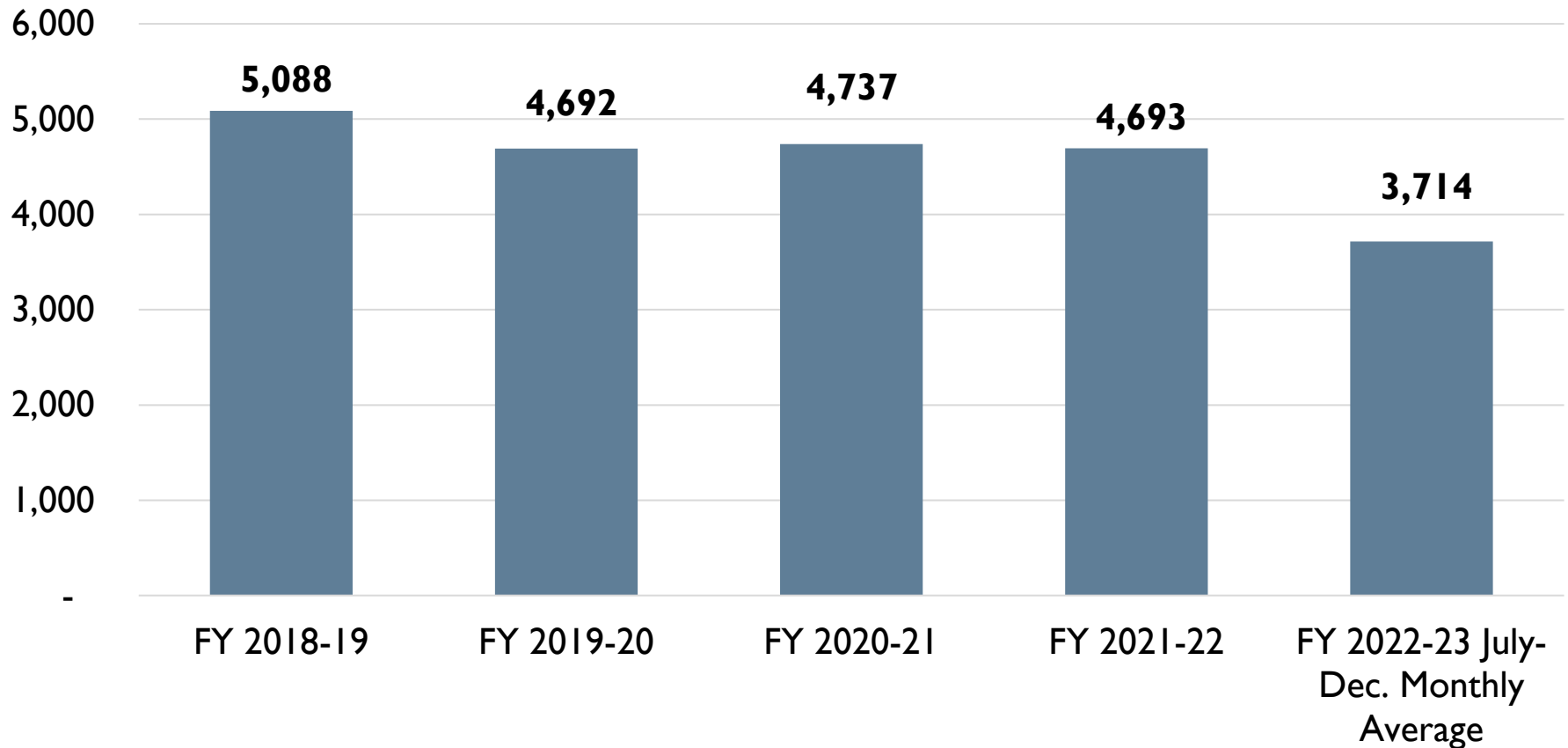


Note: some counts are duplicated (numbers shows are total recipients served in each program throughout the year, so an individual that switches program type within a year is counted twice)

Source: Data provided by DAAS on 4/22 and 2/23



S/C SA Recipients In-Home (5 Years)



Note: some counts are duplicated (numbers shows are total recipients served in each program throughout the year, so an individual that switches program type within a year is counted twice)

Source: Data provided by DAAS on 4/22 and 2/23



S/C SA Key Takeaways

- Provides a cash payment to low-income individuals who are elderly, disabled, or blind, and require the level of care provided in Adult Care Homes
- Recent changes have achieved ‘parity’ between the In-Home program and regular SA program
- Majority 50/50 State and County funded
- Net General Fund Appropriation in FY 2022-23 December Authorized Budget is \$58M
- 21,747 program recipients in FY 2021-22
- Reasonable expectation for program cost to increase



Key Rental Assistance Program

Overview

- Rental assistance program for disabled individuals in partnership with NC Housing Finance Agency
- Participants pay no more than 25-30% of income toward rent (assistance pays difference between rent and payment standard)
- As of January 13, 2023, there were 2,135 Key subsidy participants

Eligibility

- Individuals with a disability with gross income below 50% of area median income and minimum gross income of \$300/month (income includes SSI/SSDI)

Note: Figures may not add to total due to rounding.
Source: NC Housing Finance Agency, September 2016

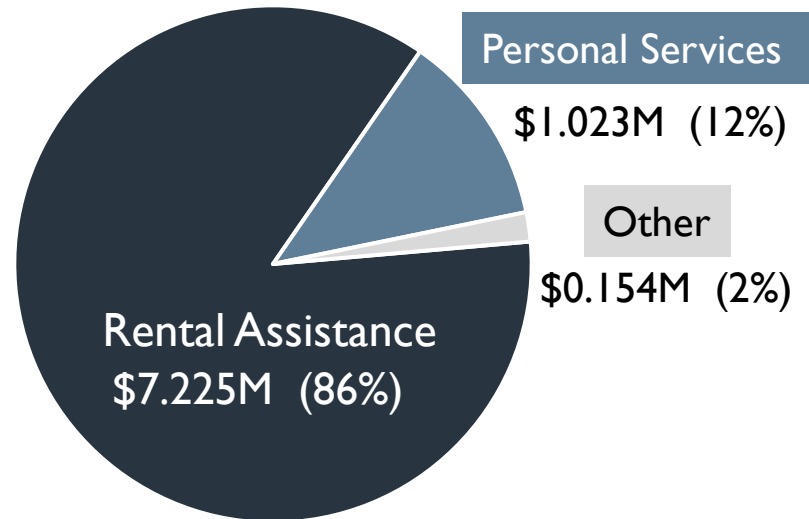


Key Rental Assistance Program (cont.)

- 2,135 Key subsidy participants
- Waitlist: 20,057
- Average monthly rental assistance per household: \$387

At the current monthly cost, the Key Program is estimated to become cash-flow insolvent in April 2027

FY 2022-23 December Authorized Budget	
Requirements	\$8.4M
Receipts	\$0.2M
Net Appropriation	\$8.2M



Source: DAAS January 13, 2023, DAAS December BD701



Other DAAS Services

Caregiver Support

Range of services to support family caregivers, including individual counseling, respite care, and other services

In FFY* 2022, there were 3,278 cases where a caregiver received a support service or cash assistance

Mostly funded through federal funds, with some State and County Funds

Long-Term Care Ombudsman Program

Assistance for residents of long-term care facilities in exercising their rights and resolving grievances

In FFY* 2022, 3,219 complaints were addressed, and 1,849 cases were closed

Mostly funded through federal funds, with some State and County Funds

*FFY = Federal Fiscal Year, which runs from October 1st – September 30th

Note: This list includes some core, State-level DAAS services and is not a comprehensive list of all services.

Source: DHHS, DAAS February 2023



Other DAAS Services (cont.)

Adult Protective Services (APS)

Services to identify and prevent the abuse, neglect, and exploitation of adults with disabilities.

In FY 2021-22, APS evaluated 18,281 cases

Mostly funded through county funds, with some State and federal Funds

Adult Guardianship

Guardianship is a legal relationship in which a person(s) or agency (the guardian) is appointed by the court to make decisions and act on behalf of a person who does not have adequate capacity to make decisions involving their personal welfare and/or financial resources

In FY 2021-22, 5,786 individuals were served. DAAS, on behalf of county DSS, currently manages contracts for 1,410 individuals served by one of six private guardianship corporations. Statewide, those contracts cost about \$3.8M for FY 2021-22

The Guardianship Budget is currently about \$14.4M and is funded through federal (44%) and county (56%) funds

Note: This list includes some core, State-level DAAS services and is not a comprehensive list of all services.

Source: DHHS, DAAS February 2023



Takeaways

- In NC, aging and adult services are primarily administered at the regional and local levels, supervised at the State level, and some services vary by county.
- The Net Appropriation for Aging and Adult Services largely supports Community-Based Services (including HCCBG services), State-County Special Assistance, and the Key Rental Assistance Program
 - HCCBG services: Federal COVID funding has greatly increased the capacity to serve people, but will end in September 2024
 - S/C SA: Recent changes have brought ‘parity’ amongst the facility and in-home segments of the program and increased the program costs
 - Key Program: solvent in the short-term but large waitlist



Questions?

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