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

Division of Aging and Adult Services Overview

Francisco Celis Villagrana

Joint Senate and House Appropriations Committees on
Health and Human Services
March 6, 2025

Outline

- DHHS Division of Aging and Adult Services (DAAS) overview
- DAAS budget
- Detailed overview of major DAAS services and programs
  - Home and Community-Based services
  - Key Program
  - State/County Special Assistance (SA)
  - Caregiver Support, Ombudsman, Adult Protective Services, and Adult Guardianship Services

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DAAS Overview

Mission: To promote the independence and enhance the dignity of North Carolina's older adults, persons with disabilities, and their families.

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

Federal Level	State Level	Regional and County Level
The federal Older Americans Act (OAA)(enacted in 1965) mandates many services, establishes Area Agencies on Aging (AAA), and provides funding	DAAS provides oversight, guidance, and technical assistance to 16 Area Agencies on Aging and 100 county departments of social services	Area Agencies on Aging administer some services and oversee their funding at the regional level County departments of social services administer some services County boards of social services & commissioners determine local priorities and supplement funding

DAAS Overview - 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'

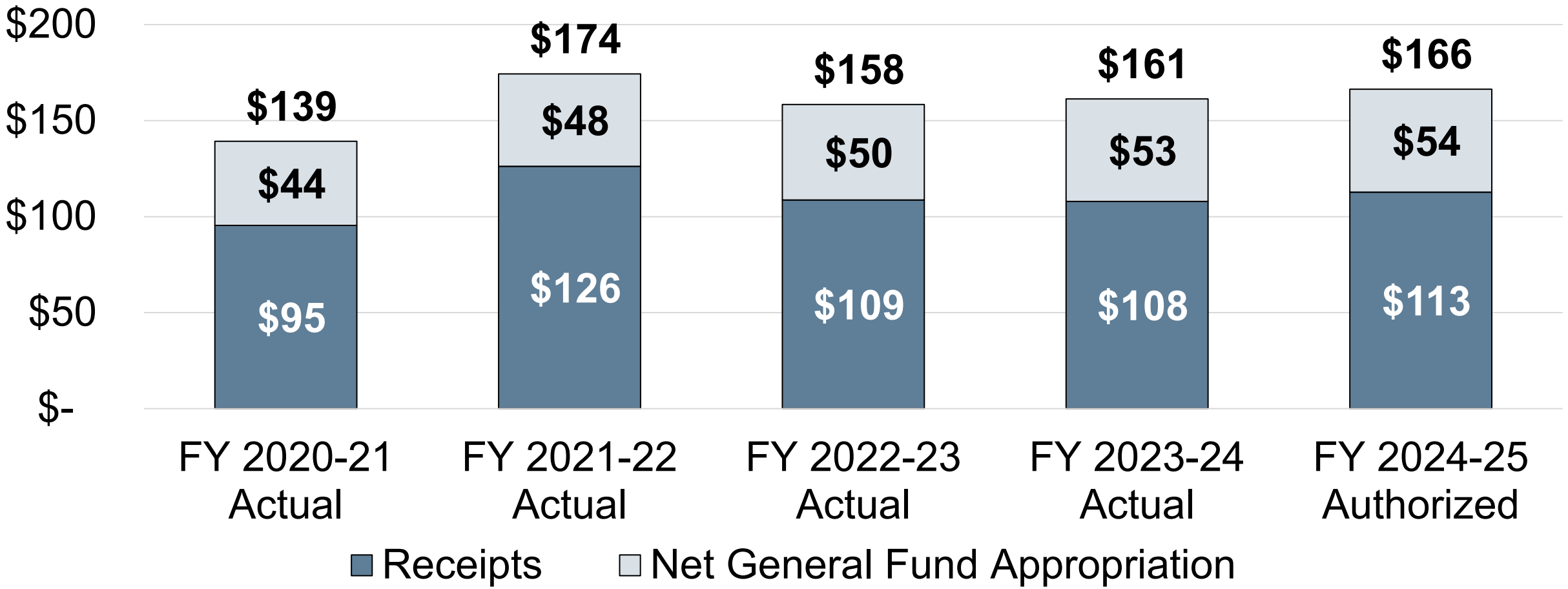
Note: This list includes core State-level DAAS services and is not a comprehensive list of all services

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

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DAAS Five-Year Budget Summary ($ Millions)



Note: Figures may not add to total due to rounding

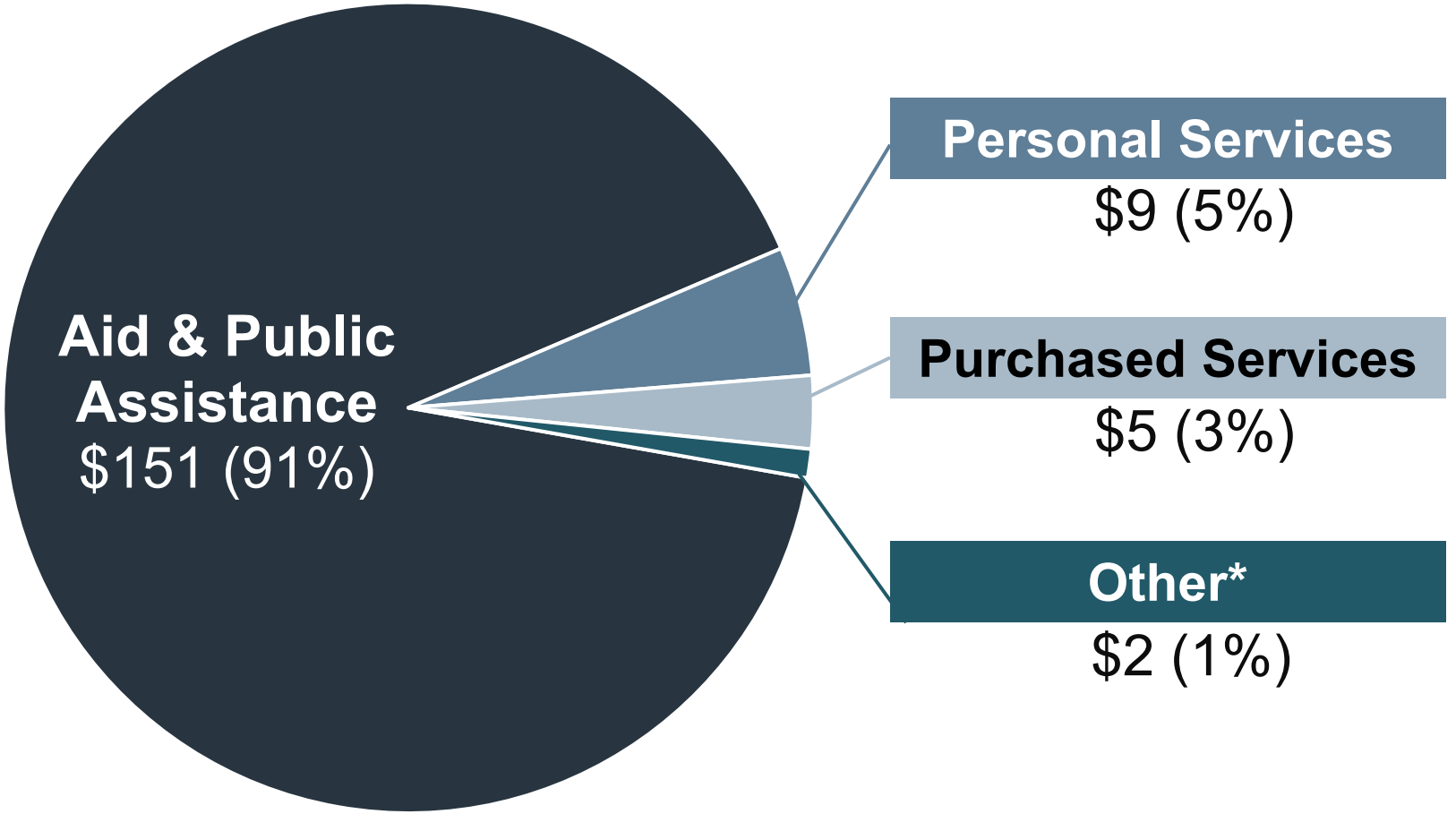
Sources: DAAS June Budget Reports (FYs 2021 – 2024), DAAS December Budget Report (FY 2025)

DAAS FY 2024-25 Authorized Budget Requirements by Purpose ($ Millions)

Total Requirements:
$166

Total FTEs:
79.00

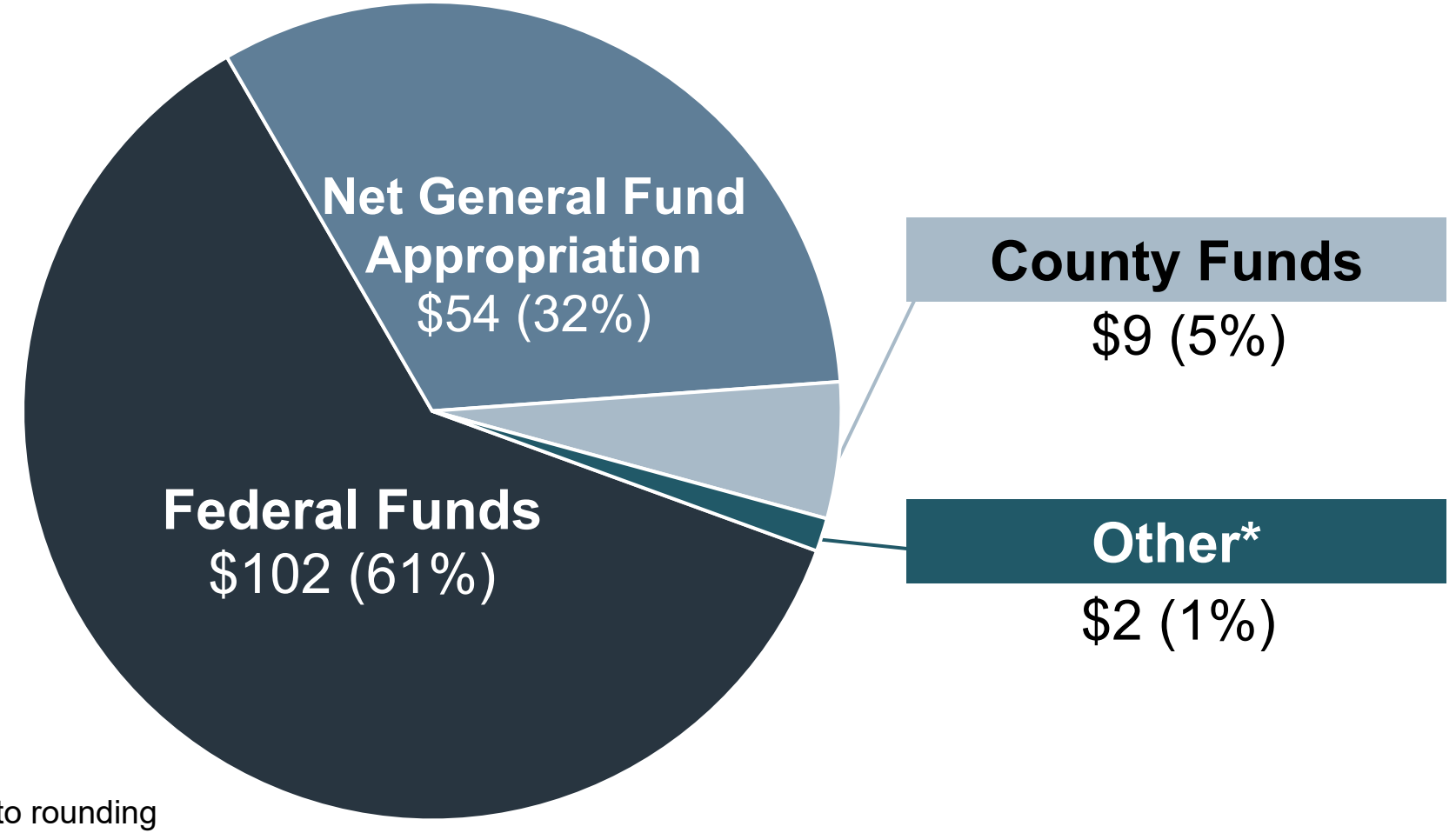
Vacancy Rate:
9%



Note: Figures may not add to total due to rounding
***Includes:** Supplies, Property, Plant, and Equipment, Reserves, and Other Expenses
Sources: DAAS December 2024 Budget Report, DAAS FY 2024-25 Certified Budget Report, Beacon January 2025 Vacancy data

DAAS FY 2024-25 Authorized Budget Funding Sources ($ Millions)

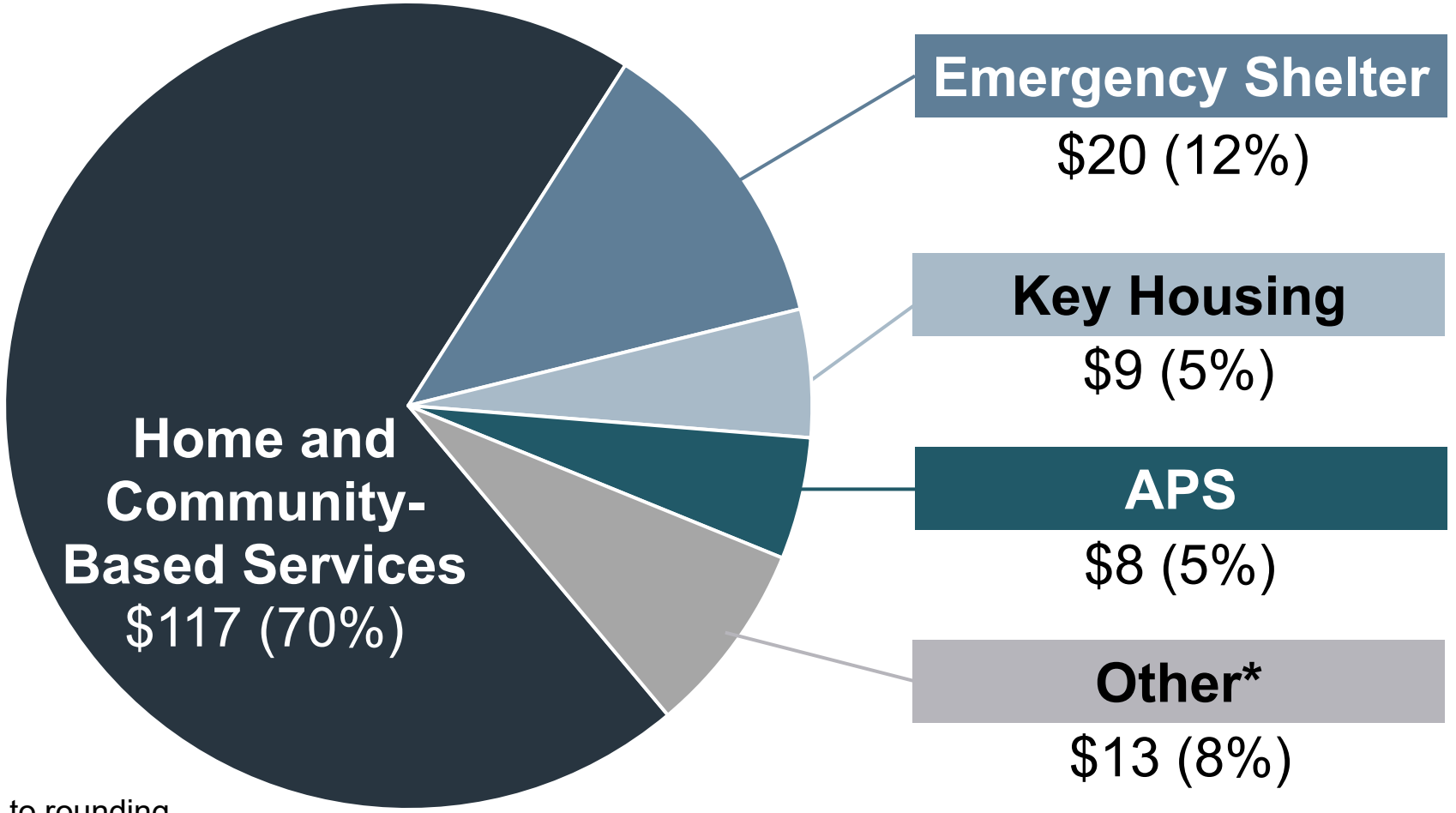
Total Requirements: $166



Note: Figures may not add to total due to rounding
***Includes:** Internal agency transfers, program income, provider match, carryforward, and other miscellaneous funds
Sources: DAAS December 2024 Budget Report, DAAS FY 2024-25 Certified Budget Report, Beacon January 2025 Vacancy data

DAAS FY 2024-25 Authorized Budget Requirements by Service/Program ($ Millions)

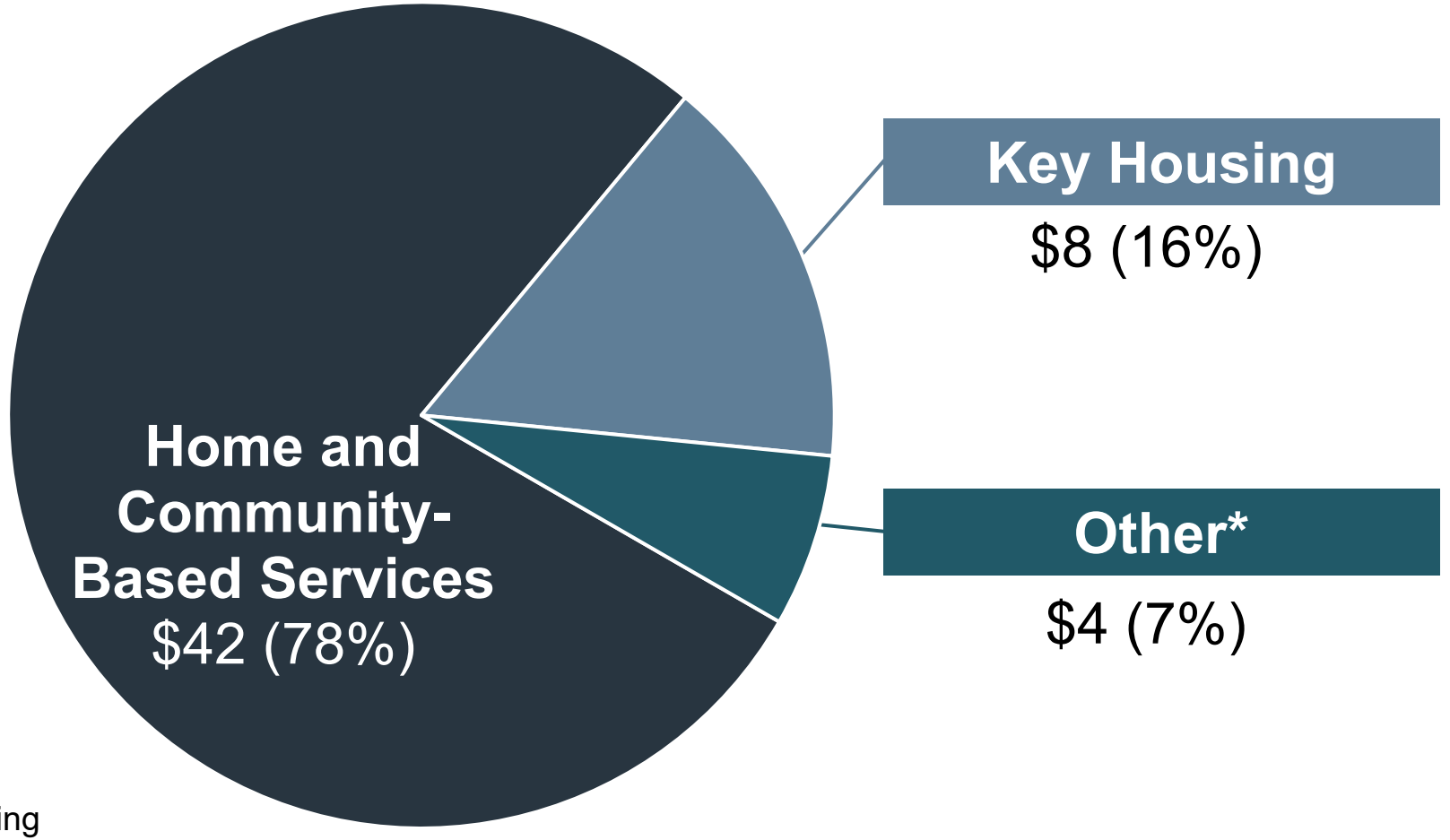
Total Requirements: $166



Note: Figures may not add to total due to rounding
***Includes:** Office of the Long-Term Care Ombudsman, Administration, Senior Community Services Employment, and Reserves and Transfers
Sources: DAAS December 2024 Budget Report

DAAS FY 2024-25 Authorized Budget Net Appropriations by Service/Program ($ Millions)

Total Net General Fund Appropriation:
$54



Note: Figures may not add to total due to rounding
***Includes:** Office of the Long-Term Care Ombudsman, Administration, Senior Community Services Employment, APS, and Reserves and Transfers
Sources: DAAS December 2024 Budget Report

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Home and Community-Based Services through the State Home and Community Care Block Grant (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 and their caretakers
- Boards of County Commissioners determine services to be provided, establish the funding level for each service, and identify providers for each service

Primary Funding Sources

Federal (primarily from the Older Americans Act)

County (required to provide 10% of HCCBG Funds)

Net General Fund Appropriation

Eligibility

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

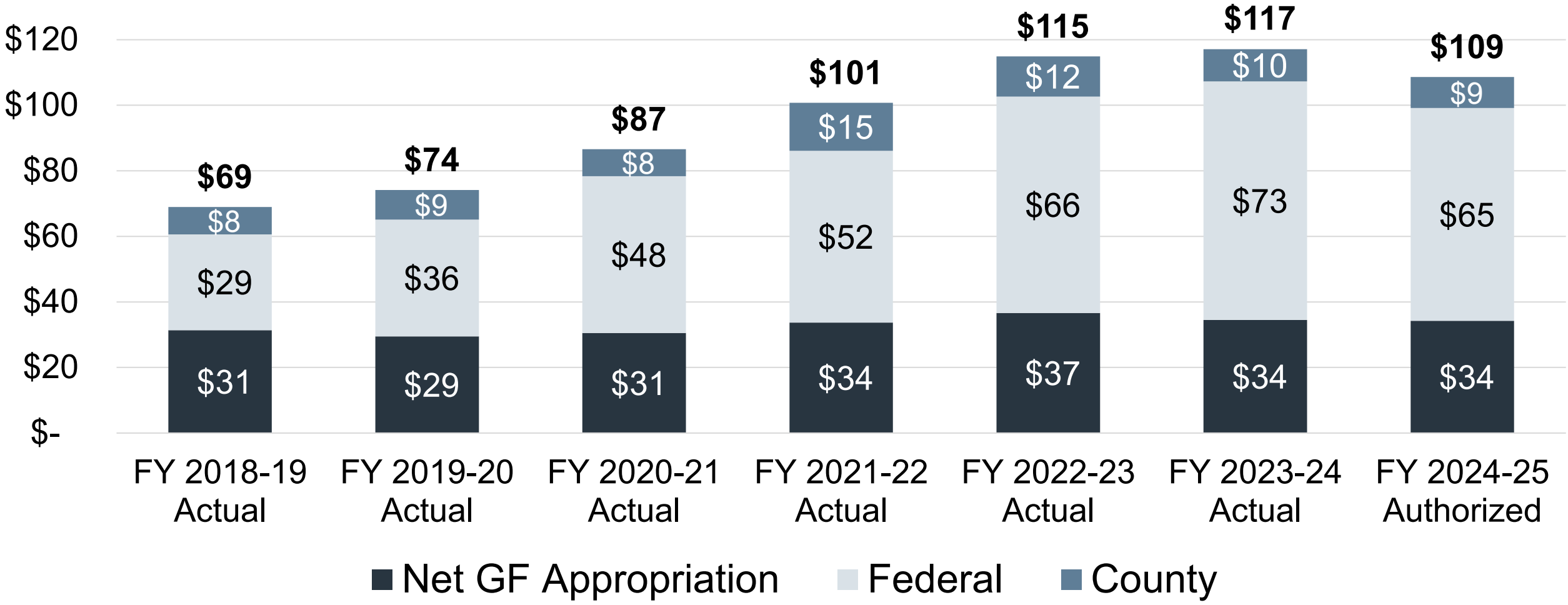
Source: HCCBG Procedures Manual for Service Providers, Secs 1 & 2; NC DHHS DAAS HCCBG Funding & Expenditure History, SFY 09-21

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

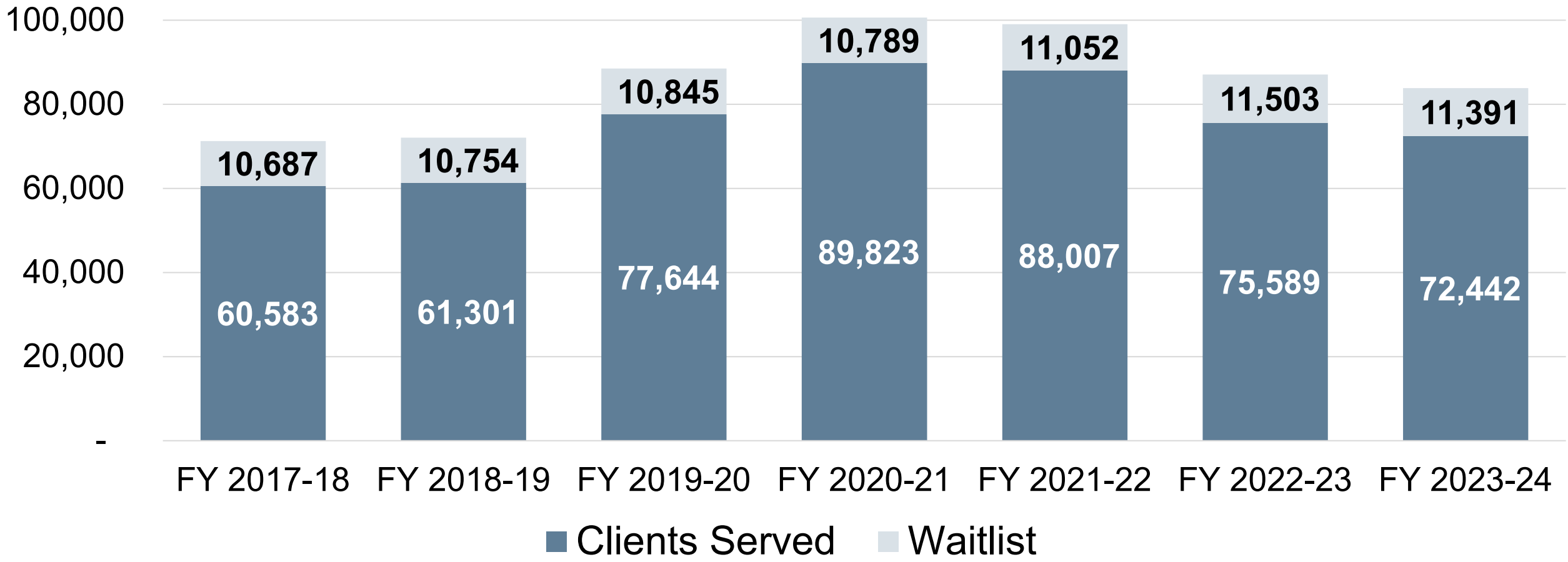
Source: HCCBG Procedures Manual for Service Providers, Section 1

HCCBG Funding by Source ($ Millions)



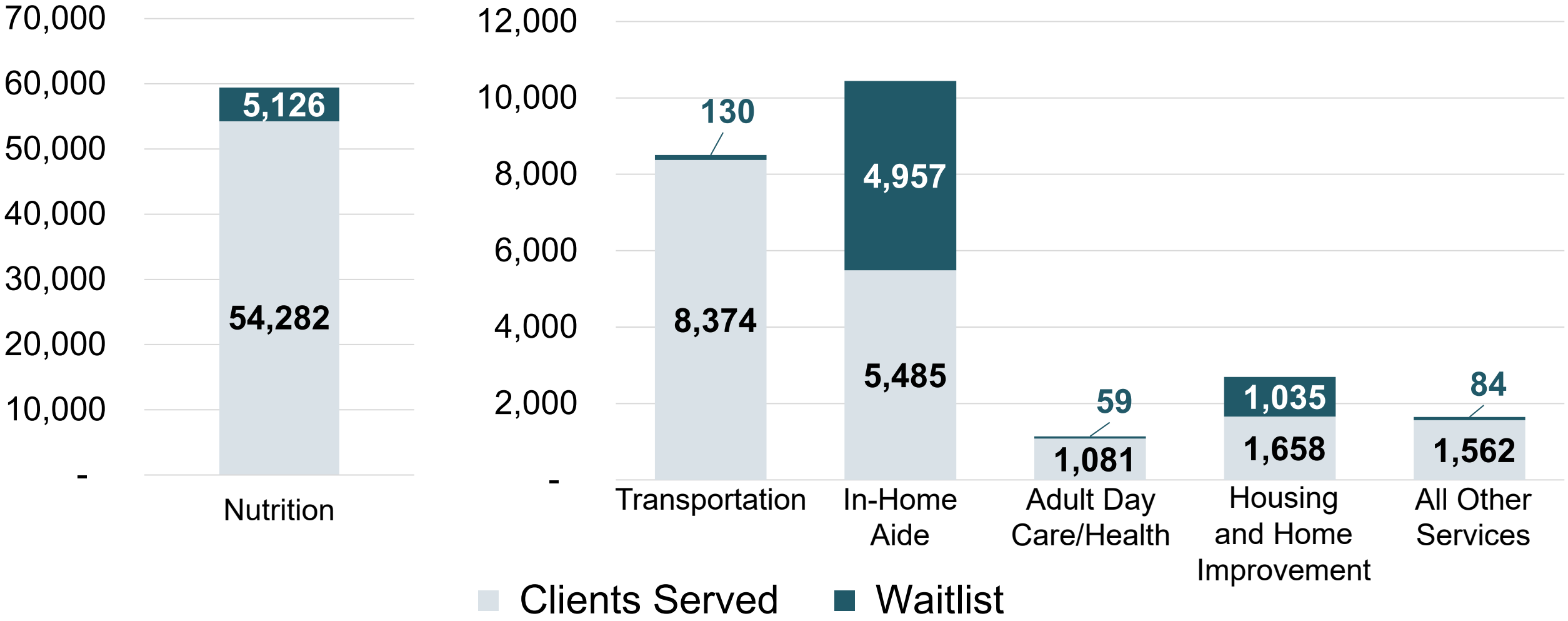
Source: NC DHHS DAAS HCCBG Funding and Expenditure History, SFY 09-21; DAAS June and December Budget Reports

HCCBG Clients Served and Waitlist by Fiscal Year



Note: Not all HCCBG-eligible services are provided in every region or county
Source: NC DHHS DAAS Aging Client and Waiting List Data, February 2023 and February 2025

HCCBG Clients Served and Waitlist by Service, FY 2023-24



Source: NC DAAS HCCBG Client and Waitlist data, February 2025

State and County Special Assistance (SA)

Overview

- Provides cash benefits to low-income individuals requiring assistance with daily activities (cooking, bathing, dressing, etc.)
- Federal parameters regarding SA, but NC sets the eligibility requirements and benefit structure
- Entitlement program — no one who is eligible and applies can be denied
- 2 setting types: facilities (adult care home) and in-home*
- Enhanced income limit and benefit level for participants with Dementia

Eligibility

- Require assistance with activities of daily living
- Either 65+ or 18-64 with a permanent disability

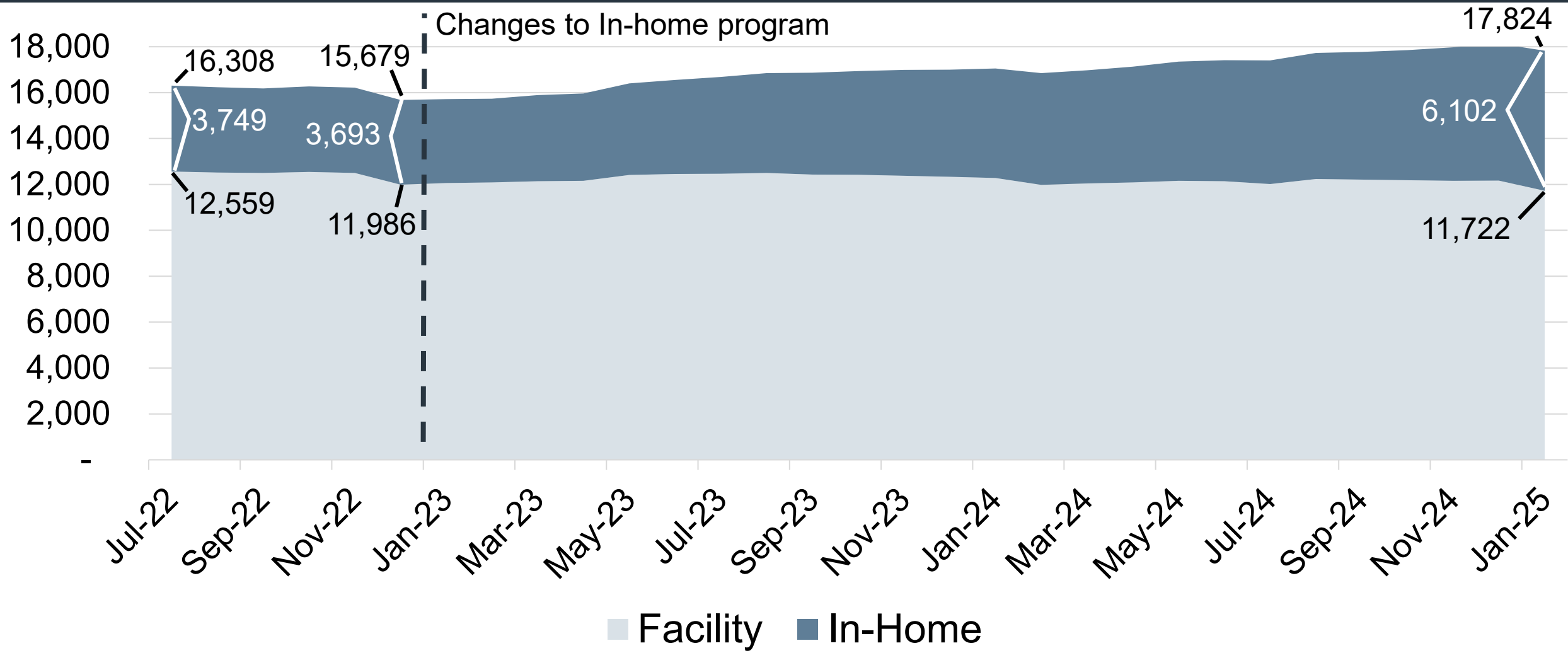
Program	Monthly Income Limit	Monthly Benefit Maximum
Basic	$ 1,429	$1,359
Enhanced	$ 1,812	$1,742

Funding

- Benefits (housed in DSS) are funded evenly by the State and counties

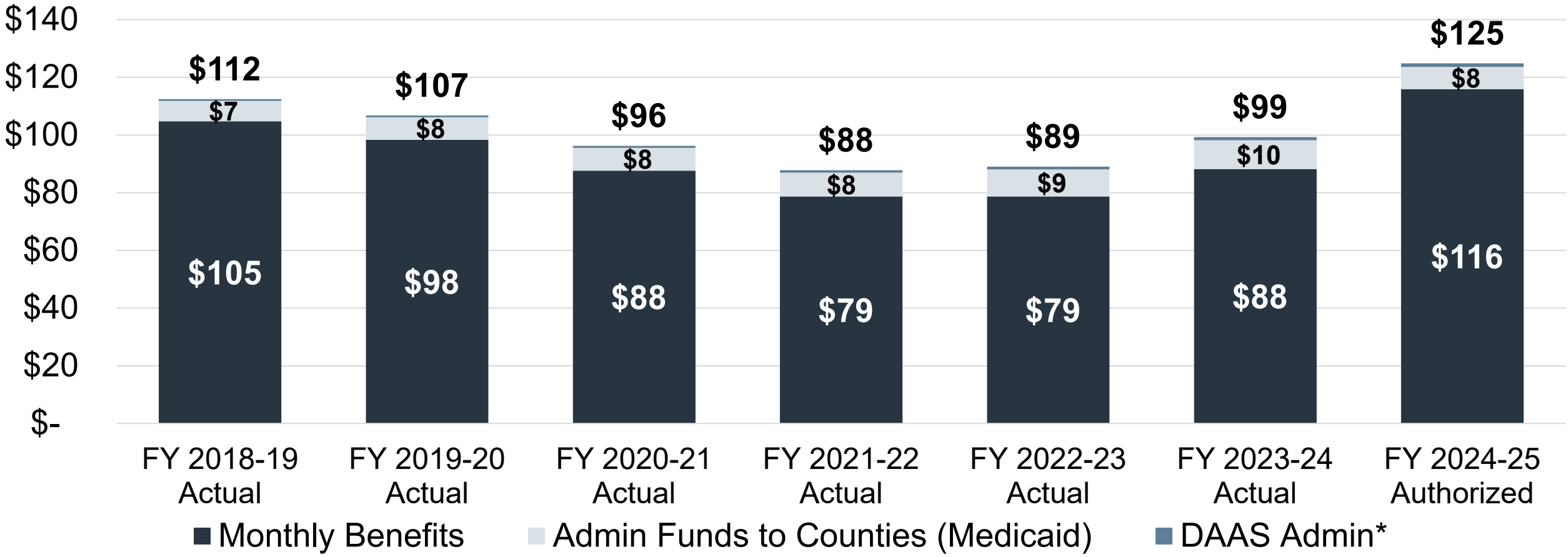
Notes: Since 2023, monthly income limits and benefit maximums are indexed to the annual Social Security cost-of-living adjustment (COLA)
The monthly benefit maximums are also the upper limit that facilities (adult care homes) can charge SA participants
*Prior to 2022, the in-home and facility settings had distinct parameters and features. Refer to the appendix for more information

Special Assistance Monthly Recipients by Setting Type



Source: Data provided by DHHS

Special Assistance Budget ($ Millions)



Note: Totals may not sum due to rounding

Note: Temporary facility payments, which were provided mostly with federal COVID-19 funds, are not presented in the above figures

*Admin budget within DAAS, which makes up ~1% of the annual totals show in the graph. All other program expenses are housed within DSS.

Source: DSS and DAAS June Budget Reports and DSS and DAAS December 2024 Budget Report

Key Rental Assistance

Overview

- Rental assistance program for disabled individuals in partnership with NC Housing Finance Agency (HFA)
- Utilizes Targeting Program units — housing units that received funds from the Low-Income Housing Tax Credit (LIHTC)
- Participants pay no more than 25-30% of income toward rent (assistance pays difference between rent and payment standard)
- As of February 2025, there were 2,156 Key subsidy cases and 8,056 people on a waitlist for vacancies at participating properties in the Targeting Program
- Average assistance payment was $392 in calendar year (CY) 2024

Eligibility

- Individuals with a permanent disability
- Gross income below 50% of area median income
- Minimum gross income of $300/month (income includes Social Security Benefits)

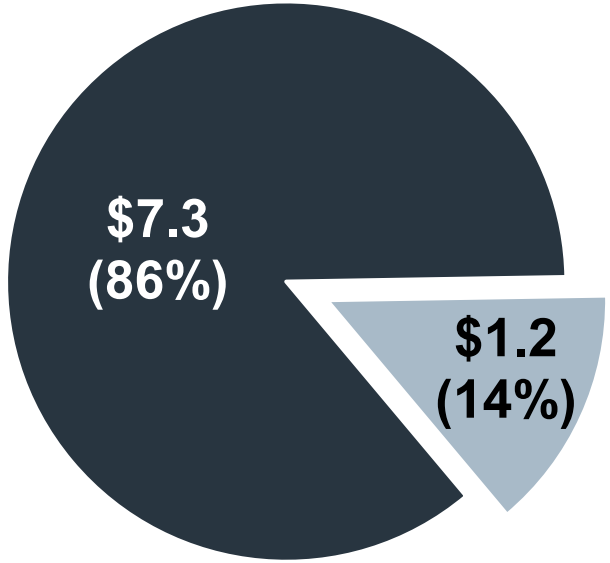
Source: DHHS, HFA

Key Rental Assistance (continued)

- The average monthly expenditure in CY 2024 was $825k
- Recurring DAAS funding amounts to $610k per month
- The program's "burn rate" is higher than its recurring funding
- $20 million Key fund balance as of January 2025
  - The Key fund received a one-time infusion of $10.5M from HFA's Community Living Housing Fund (CLHF) in 2020
  - DHHS began reimbursing the Key fund, for Key Rental Assistance payments made on behalf of Transitions to Community Living (TCL) participants
- DAAS estimates that the average monthly expenditure in CY 2025 will be $1,125k due to the increase in the Key payment standard and an estimated net gain in households using Key Rental assistance of 550 households.

Source: DHHS, February 2025

FY 2024-25 DAAS Key Program Authorized Budget ($ millions)



Other DAAS Services

Caregiver Support

- Range of services to support family caregivers, including individual counseling, respite care, and other services
- In FY 2023-24, there were 3,413 cases where a caregiver received a support service or cash assistance
- Mostly funded with federal funds

Long-Term Care Ombudsman Program

- Assistance for residents of long-term care facilities in exercising their rights and resolving grievances
- State office and 16 regional offices housed in Area Agencies on Aging
- In FFY* 2022-23, 1,745 complaints were addressed, and 2,860 cases were closed
- Mostly funded with federal funds

***FFY** = Federal Fiscal Year, which runs from October 1st – September 30th
Source: DAAS, February 2025

Other DAAS Services (continued)

Adult Protective Services (APS)

- Services to identify and prevent the abuse, neglect, and exploitation of adults with disabilities
- In FY 2023-24, APS received 38,400 reports
- Mostly funded through county funds, with some federal funds

Adult Guardianship

- A legal relationship in which a person or agency 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 2023-24, 7,925 adults were served under guardianship
- 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 per fiscal year.

Source: DAAS, February 2025

Takeaways

- NC aging and adult services are primarily administered at the regional and local levels, and some services vary by county
- Home and Community-Based Services make up the bulk of DAAS's budget
- Special Assistance, a program managed by DAAS, is expected to continue to see growth in the number of recipients and the budget's expenditures
- The Key Program, which provides disabled individuals with rental assistance, is the second largest DAAS program in terms of where State General Funds are budgeted

Questions?

Francisco Celis Villagrana
Francisco.CelisVillagrana@ncleg.gov
919-733-4910

Appendix

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.
Monthly 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 enhanced rate.	Since January 2023, in-home max benefits equal the facility max benefit rates. This also now means that in-home individuals with an Alzheimer's or Dementia diagnosis can receive benefits at the enhanced rate.
Medicaid Eligibility	In-home recipients must first qualify for Medicaid.	Since January 2023, in-home recipients are automatically eligible for Medicaid.
Income Eligibility	To be eligible for in-home assistance, income could not exceed 100% federal poverty level.	Since January 2023, income eligibility for in-home participants is equal to the sum of the maximum monthly benefit + personal needs allowance; same as it is for participants in facilities.