

Testimony
Senate Bill 2012 – Department of Human Services
House Appropriations – Human Resources Division
Representative Pollert, Chairman
February 22, 2007

Chairman Pollert, members of the House Appropriations Human Resources Division, I am Linda Wright, Director of the Aging Services Division, Department of Human Services. I am here today to provide you an overview of the Aging Services Division budget.

Programs

The Aging Services Division provides home and community based service options to maintain individuals in their homes and communities and assists in protecting the health, safety, welfare and rights of residents of long term care settings and vulnerable adults in the community. This includes administration of Older Americans Act federal funds services, the Telecommunications Equipment Distribution program, State Funds to Providers, the Long-Term Care Ombudsman program, the Alzheimer's Demonstration grant, the Real Choice Systems Change grant, the Guardianship program for vulnerable adults, the Senior Community Service Employment Program, Qualified Service Provider Training, and support for the Governor's Committee on Aging.

The Aging Services Division is a federally designated single planning and services area, which requires the Division to carryout the responsibilities of the State Unit on Aging and the Area Agency on Aging as set forth in the Older Americans Act (OAA). Among the requirements in the 2006 re-authorization of the OAA is the following: "require state agencies to promote the development and implementation of a state system of long-term care that enables older individuals to receive long term care in home

and community based settings in accordance with the individual's needs and preferences."

Customer Base/Trends

- In 1980, 12.3% of the state's population base was 65 and older, in 2000, the proportion had increased to 14.7%. It is projected that by 2020 this proportion will be 23% or nearly one out of every four North Dakota residents.
- North Dakota has the highest proportion in the nation of older residents 85 years and older (2.6%).
- If current trends continue, the number of people age 65 and older will grow by 58.3% over the next 20 years and will represent 23% of the state's population. Further, the number of the oldest old (85 and older) will grow by nearly two-thirds (64.7%) and will represent 3.7% of the state's population. (North Dakota State Data Center)

Table 1: North Dakota Population by Age Cohort (North Dakota State Data Center)

AGE	1980 CENSUS (652,717)	1990 CENSUS (638,800)	2000 CENSUS (642,200)	2003 ESTIMATE (633,840)	PERCENT CHANGE FROM 1980 TO 2003	PERCENT OF TOTAL ESTIMATED 2003 POPULATION
65+	80,445	91,055	94,478	93,837	+16.7%	14.8%
60+	108,387	118,195	118,985	119,636	+10.4%	18.9%
60-74	75,089	74,799	70,408	69,700	-7.2%	11.0%
75-84	25,158	32,244	33,851	33,820	+34.4%	5.3%
85+	8,140	11,152	14,726	16,116	+98.0%	2.6%
MEDIAN AGE	28.1	32.4	36.2	---	---	---

Table 2: North Dakota Population Projections by Age Cohort (Source: North Dakota Data Center)

AGE	2000 CENSUS (642,200)	2003 EST. (633,840)	2005 PROJ. (640,200)	2010 PROJ. (645,325)	2015 PROJ. (648,972)	2020 PROJ. (651,291)	PROJ. % CHANGE 2000- 2020
65+	94,478	93,837	97,771	110,229	127,263	149,566	+58.3%
60+	118,985	119,636	124,043	144,137	168,978	194,002	+63.1%
60-74	70,408	69,700	70,503	83,283	102,400	120,744	+71.5%
75-84	33,851	33,820	38,251	42,027	43,918	49,000	+44.8%
85+	14,726	16,116	15,289	18,827	22,660	24,258	+64.7%

- The leading edge of the baby boom population is currently entering the pre-retirement years. This means the state needs to prepare itself for a significant elderly growth boom. In 2000, 53,433 North Dakota residents were in the pre-retirement age category (i.e. ages 55-64). The number of pre-retirees in the state is expected to grow by nearly 23,000 people in less than 10 years and by 32,250 people within 20 years.
- According to research conducted by the Lewin Group there is a significant decline nationally (13.9%) in the use of nursing facilities among the oldest old. Much of the decline has to do with the growth of alternative residential settings.
- North Dakota still ranks among the top states in the nation regarding residents age 65 and over per 1,000 in nursing homes, and among the lowest in the nation regarding the percentage of the Medicaid budget spent on home and community based care (under 10%). Our neighbor to the east, Minnesota, spends 25% to 35% of their Medicaid budget on home and community based services.

- In Federal Fiscal Year (FFY) 2006, 30,819 older persons received Older Americans Act funded services which includes home-delivered meals, congregate meals, outreach, health maintenance and transportation services, national family caregiver program services, legal services, in-home safety, senior companion services, vulnerable adult protective services, and long-term care ombudsman services.

Older Americans Act – Title III Programs	
SERVICE	UNITS OF SERVICE
Assistive Safety Devices	1,201 devices
Congregate Meals	771,548 meals
Home-Delivered Meals	521,481 meals
Health Maintenance	169,301 units
Information & Assistance	1,944 units
Legal Assistance	18,798 units
Outreach	122,343 units
Senior Companion	6,620 units
Transportation	130,146 rides

Vulnerable Adults Program	
New cases	466
Closed cases	430
Information/referral	318
Brief Services	203
Hours	6,471

Family Caregiver Support Program	
Unduplicated New Caregivers Served	308
Unduplicated New Grandparents Served	5
Respite Care Provided	49,184 hours

Long-Term Care Ombudsman Program	
Number of Complaints	1,143
Number of Cases Opened	795

- The Qualified Service Provider (QSP) training program under contract with Lake Region State College has trained 263 QSPs to date for provision of in-home care. The training is provided by 62 nurses statewide. **The current budget of \$30,000 coupled with \$11,000 from Minot State University has already been expended. Additional funding of \$10,000 from SPED funding will allow the training program to continue to meet demand for the remainder of the current biennium.**
- The Senior Community Service Employment Program will provide on the job training to 73 low-income individuals over the age of 55. The Division is contracting with Experience Works (formerly Green Thumb) to provide direct service to the enrollees. Experience Works serves an additional 283 enrollees in North Dakota through a national contract with the Department of Labor.

Major Program Changes/Accomplishments

The following significant changes have impacted the Aging Services Division:

1. The addition of the state portion of the Senior Community Service Employment Program, which was previously administered by Job Service. This is 100% federal funds.
2. Beginning January 1 of this year all transportation services for older persons that were formerly funded by the Older Americans Act will be funded by the Department of Transportation. This has allowed the Division to offset federal funding limitations and to place the funding in other Older American Act Services.
3. The Aging Services Division assisted older persons to apply for Medicare Part D through contracts with OAA service providers. During the first enrollment period 7,879 consumers were assisted.

4. The Division applied for and received a 3 year \$300,000 grant to establish and market a legal assistance hotline for low-income senior citizens. Particular efforts will be targeted to Native Americans, immigrants, rural senior citizens and those with disabilities.
5. In coordination with the Guardianship Task Force, Aging Services developed Standards of Practice for Guardianship Services for Vulnerable Adults. Draft Administrative Rules have also been developed. A request for proposals has been issued twice for the provision of direct services with no bidders. The division is in the process of determining if we have any other options due to the very prescriptive nature of the state law and the limited funding in the budget.

The Older Americans Act, which was re-authorized by Congress in 2006, contained several changes. The full impact of those changes is unknown at this time, however one change authorizes the establishment of Aging and Disability Resource Centers (ADRC's) in every state. Forty-three states have established ADRC's. Senate Bill 2070 will provide the authority for our state to apply for federal funding to establish an ADRC. ADRC's serve as integrated points of entry into the long-term care system, commonly referred to as a "one stop shop," and are designed to address many of the frustrations consumers and their families experience when trying to access needed information, services and supports. The research and preliminary findings from the Real Choice Change Grant strongly indicates that establishing an ADRC will provide the opportunity to move another step forward in providing ease of access to information and services for consumers.

Our intent is to apply for funding to establish ADRC's. I have contacted the Administration on Aging regarding our intent to apply and Carol Olson has written a letter to Senator Kent Conrad asking for his support. Senator Conrad's response was as follows, " The Older Americans Act Amendments of 2006, which was signed into law (P.L. 109-365) on October 17, 2006, requires the AoA to make ADRC funds available to all states. Specifically, if states submit a competitive application for ADRC funds that meets the AoA guidelines, the state should receive these funds." Increased appropriations for the ADRC program are dependent on Congress acting on the 2007 budget for the Department of Health and Human Services.

Attachment A is a summary of the Real Choice Grant. Attachment B summarizes the services and accomplishments that have been provided through the Alzheimer's Disease Demonstration project.

Overview of Budget Changes

Description	2005 - 2007 Budget	Increase / Decrease	2007 - 2009 Budget	Senate Changes	To House
Salaries	1,011,583	164,072	1,175,655	-	1,175,655
Operating	10,634,503	1,373,591	12,008,094	-	12,008,094
Capital Assets	1,883	(1,689)	194	-	194
Grants	470,070	(220,070)	250,000	-	250,000
Total	12,118,039	1,315,904	13,433,943	-	13,433,943
General	1,114,861	333,650	1,448,511	-	1,448,511
Federal	10,854,778	720,654	11,575,432	-	11,575,432
Other	148,400	261,600	410,000	-	410,000
FTEs	10.00	-	10.00	-	10.00

Budget Changes from Current Budget to Executive Budget:

Salary:

- Net increase of \$164,072. The Governor's pay plan increased the budget by \$83,581. The remaining increase of \$80,491 is for the payout for the future retirement of 1 staff person and to continue the salaries of the ten employees for the 2007-2009 biennium.

Operating Expenses – net increase of \$1,373,591 based mainly on the following:

- \$280,000 – increase in State Funds to Providers.
- \$1,023,290 – for a new program that was transferred from Job Service, the Senior Community Service Employment Program.
- \$176,600 – increased funding for the Telecommunications Equipment Distribution program that is a result of additional revenue generated by the relay service charge.

Capital Assets:

- \$1,689 – decrease to pay for the share of the bond payment for staff at Southeast Human Service Center.

Grants – Net decrease of \$220,070 based mainly on the following:

- \$20,070 – decrease due to the Alzheimer's demonstration project, which is ending this year.
- \$200,000 – decreased funding for the Single Point of Entry grant, which is ending in 2007.

Senate Changes:

The Senate made no changes to the Aging Services Division budget.

If you have any questions, I would be happy to answer them.

