

Testimony
Senate Bill 2012 – Department of Human Services
House Appropriations – Human Resources Division
Representative Pollert, Chairman
March 3, 2011

Chairman Pollert, members of the House Appropriations Committee – Human Resources Division, I am Jan Engan, Director of the Aging Services Division with the Department of Human Services. I am here today to provide an overview of the Division's budget for the Department of Human Services.

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, the Long-Term Care Ombudsman Program, the Guardianship Program for Vulnerable Adults, State Funds to Providers, Telecommunications Equipment Distribution Program, the Senior Community Service Employment Program, Qualified Service Provider Training, support for the Governor's Committee on Aging, Dementia Care Services, the Aging and Disability Resource-LINK, and the Aging and Disability Resource Center pilot grant.

The Aging Services Division is a federally designated single planning and services area, which requires the Division to carry out 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 reauthorization 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."

Caseload / Customer Base

The Graying of North Dakota brochure (Attachment 1) provides an outline of the aging demographic in North Dakota. More recent data taken from "Aging Is Everyone's Business" provides the following:

- In 2007, North Dakota counties ranked high in the percentage of population ages 60 and older.
- McIntosh County ranks number one in the nation among 3,142 counties for the highest percent of the population age 60 and older (42.8%) and number two in the nation for percent of population ages 85 and older (9.1%).
- North Dakota has 34% of the counties (18) with concentrations of 30% of individuals ages 60 and older compared to 4% of the counties nationwide.
- Between 2000 and 2020, the older adult population (60 and older) is expected to grow by about 43% while the child population (0-14 years) is expected to decline by 13.4% and the working population (15-64 years) is also expected to decline by 6.1%.
- A population shift of persons 60 years and older from rural North Dakota communities to urban North Dakota communities is expected from 2000 to 2030.

- In 2000, persons 60 years and older living in rural areas was 74,706 (63%) as compared to persons 60 years and older living in urban areas at 44,279 (37%).
- In 2020, this same age group will be about the same; 50% living in rural communities and 50% living in urban communities.
- By 2030, there is a population shift in this age group where 45% will be living in rural communities and 55% will live in urban communities.
- Growth is expected in the older population through 2050;
 - In 2011, the first Baby Boomer will reach age 65 (Baby Boomers include anyone born between 1946 and 1964).
 - In 2030, all Baby Boomers will be between ages 65 and 84 and the population 65 and older will comprise about 25% of North Dakota's total population.
 - In 2050, Baby Boomers will be age 85 and older.

In Federal Fiscal Year (FFY) 2009, 27,479 older persons received Older Americans Act funded services, which included home-delivered meals, congregate meals, information and assistance, outreach, health maintenance services, assistive safety devices, senior companion services, national family caregiver program services, legal services, vulnerable adult protective services, and long-term care ombudsman services.

See Attachment 2 for additional information about Older Americans Act Services.

FFY 2009 Program Utilization

Older Americans Act – Title III Programs		
SERVICE	UNITS OF SERVICE	
Congregate Meals	690,570 meals	1 unit= 1 meal
Home Delivered Meals	508,155 meals	1 unit= 1 meal
Health Maintenance	139,688 units	Set unit/procedure
Information & Assistance	1,655 units	1 unit = 1 contact
Legal Assistance	3,984 units	1 unit = 1 hour
Assistive Safety Devices	2,168 units	1 unit = 1 device
Outreach	86,145 units	Set unit/procedure
Senior Companion	4,534 units	1 unit = 1 contact

Family Caregiver Support Program	
Unduplicated Caregivers Served	453
Unduplicated Grandparents Served	7
Respite Care Provided	56,182 hours

Vulnerable Adults Program	
New Cases	530
Closed Cases	456
Information/referral	395
Brief Services (2 hrs or less)	231
Hours	5,689

Long-Term Care Ombudsman Program	
Number of Complaints	715
Number of Cases Opened	518

- The Qualified Service Provider (QSP) training program, under contract with Lake Region State College has trained 125 QSPs from July 2008 to June 2009 for the provision of in-home care. The training is provided by 29 nurses statewide. To enroll as a Qualified Service Provider, the individual must obtain documentation of competency. Documentation of competency requires a signature of a health care professional. Many QSPs choose to participate in the approved training program provided by Lake Region State College. Successful completion of the program provides the documentation of competency as signed by the nurse trainer. As of November 2010 there were 1,778 QSPs statewide which included 145 agencies. Of the 1,778 QSP's statewide, family home care or family personal care is provided by 368 QSPs, which means that those QSPs provide services to only one client (a family member).
- The Senior Community Service Employment Program (SCSEP) provided on-the-job training to 71 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. From July 1, 2009 to June 30, 2010; there were 26 placements to unsubsidized employment settings. Experience Works serves an additional 287 enrollees in North Dakota through a national contract with the Department of Labor.
- Dementia Care Services was implemented in January 2010 through the passage of House Bill 1043. The Division is contracting with the Alzheimer's Association of MN/ND to provide resources, assistance and support for citizens across North Dakota, in all geographic areas.

DEMENTIA CARE SERVICE January – September 2010	
Public Awareness/Training Activities	2,578 Individuals

Assessment/Care Consultations	344 Individuals
Caregiver Training	1,608 Individuals

The Alzheimer’s Association has contracted with the Center for Rural Health to conduct the study and report the outcomes of the program; including the estimated long-term care and health care costs avoided, and the improvement in disease management and caregiver assistance.

- Implementation of the Aging and Disability Resource LINK (ADRC) www.carechoice.nd.gov (Attachment 3) completed the first phase of the “No Wrong Door” or single point of entry approach to services for older adults and persons with disabilities in North Dakota. Receipt of the Aging and Disability Resource Center – Options Counseling grant opened the second phase of this model implemented through a 3-year pilot starting in Region VII. This service delivery model is a process that does not duplicate existing services; nor does it replace the functions of other agencies, but instead strengthens the lines of communication (referral), establishes criteria for follow-up and brings community agencies together to build on existing services; to cross-train staff; to educate and inform the public; to network and enter into collaborative agreements that results in more effective and efficient service to older persons and persons with disabilities and to their families by providing a single point of entry for all persons seeking information and services. The ADRC process addresses gaps, avoids duplication and improves consumer access to service options and information. The roll-out of ADRC Options Counseling throughout the state will take place over the next two years; January 2011, Region II will transition the outreach system to options counseling and this will be followed by Region I and VIII in January 2012; Region VII in September 2012 and Regions III, IV, V and VI in January 2013. The

ADRC concept uses the person centered approach with three main functions: 1) information and awareness through public education and information on long-term support options; 2) assistance through long-term support options including counseling, referral, crisis intervention and planning for future needs; and 3) access through pre-eligibility screening for public pay services, comprehensive assessment and access to private pay services.

AGING & DISABILITY RESOURCE CENTER Pilot OPTIONS COUNSELING (9 mo. 4/10 - 12/10)	
Contacts made to ADRC	369
Contacts by Consumers	170
Contacts by Caregivers	73
Contacts by Professionals	123
Contacts by Other	3
Options Counseling Clients	70

Program Trends / Major Program Changes

- The increasing costs of providing nutrition services to include raw food costs and supplies; compliance with federal dietary requirements for congregate and home delivered meals; transportation costs for meal delivery; population shifts from rural to urban, as well as service needs in the sparsely populated rural and frontier communities; along with fairly flat federal funding have increased the burden on contract providers to meet expenses in providing services to older adults, specifically in the area of nutrition services.
- Through the expansion of various initiatives including Money Follow the Person and changes in the Minimum Data Set (MDS 3.0) individuals needing long-term care services and support now have more choice in care options through home and community based services. Many studies have shown that consumers of long-term care services prefer to

remain at home; to live with or near family; and to have the opportunity to maintain independence as supported by the ND Real Choice Systems Change Grant Rebalancing Initiative (9/04-9/07). The trend to keep persons in their homes and communities has increased the demand in the labor market for qualified service providers as evidenced by the increased use in the QSP program provided at Lake Region State College. During 2010 there is an average of 35 to 40 new QSP applications per week. The numbers support a significant turnover in this occupation as there is an increase in applications and persons trained yet the number on the QSP list does not fluctuate. The focus to provide services in the home and community is supported by increased federal initiatives such as Lifespan Respite, ADRC Nursing Home Transition and Diversion Program and the Veterans Directed Home and Community Based Services.

- As increased numbers of North Dakotans reach 80 years of age and older and since the incidence and prevalence of Alzheimer's disease and other related dementias increase with age, it is expected the number of individuals with these conditions will also grow rapidly. Estimates indicate there are about 18,000 North Dakotans with Alzheimer's disease being cared for by some 17,000 family members. Alzheimer's disease impacts the health and well-being of the recipient and also impacts the caregiver who report experiencing high levels of stress and negative effects on their health, employment, income and financial security. Continued efforts to provide access to assessments, referrals and information on services, caregiver training and community education will be needed to sustain the ability of caregivers in their efforts to provide care needed in the home setting.
- The long-term care ombudsman program provides services to protect the health, safety, welfare and rights of residents living in nursing

facilities, assisted living, swing bed, transitional care units and basic care facilities. State and Federal law address the requirements of the program. There has been an increase in both nursing facility and basic care beds and assisted living units in North Dakota. For example: Bismarck-Mandan increased nursing facility and basic care beds 21% from 2008 to 2009 with an additional increase of 14.5% in 2010; this community also increased assisted living units by 105% from 2008 to 2009 with an additional 4% increase expected in 2010.

Overview of Budget Changes

Description	2009 - 2011 Budget	Increase / Decrease	2011 - 2013 Executive Budget	Senate Changes	To House
Salary and Wages	1,380,188	81,126	1,461,314		1,461,314
Operating	13,040,730	721,881	13,762,611		13,762,611
Grants	2,935,668	(28,726)	2,906,942	(10,000)	2,896,942
Total	17,356,586	774,281	18,130,867	(10,000)	18,120,867
General Funds	3,784,842	891,434	4,676,276	(10,000)	4,666,276
Federal Funds	13,261,552	(86,961)	13,174,591		13,174,591
Other Funds	310,192	(30,192)	280,000		280,000
Total	17,356,586	774,281	18,130,867	(10,000)	18,120,867

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Budget Changes from Current Budget to the Executive Budget:

The Salary and Wages line item is increased by \$81,126:

- An increase of \$78,694 in total funds of which \$78,696 is general fund needed to fund the Governor’s salary package for state employees.
- An increase of \$25,750 in total funds of which \$15,228 is general fund needed to fund the second year employee increase for 24 months versus the 12 months that are contained in the current budget.

- A decrease of \$19,579 of federal funds which were included in salaries to cover a portion of existing salaries which will be moved from the ADRC demonstration project salaries to cover additional ADRC operating fees related to the purchase of services.
- The remaining net decrease of \$3,739 is a combination of increases and decreases needed to sustain the salary of the 10 FTE in this area of the budget.

The Operating line item increased by \$721,881 and is mainly a combination of the following increases and decreases:

- Travel increase of \$49,716 (\$17,099 general fund) is mainly attributed to the following:
 - An increase of \$24,673 of federal funds for the ADRC demonstration project due to an increase of on-site visits;
 - An increase of \$5,537 of federal funds related to increased activity in Ombudsman services due to additional Assisted Living facility visits;
 - An increase of \$9,250 in Senior Employment due to additional federal funds available to complete mandatory training and increased monitoring activities;
 - An increase of \$8,167 of which \$4,718 is general fund in Administration due to increased training needs and monitoring activities.
- Net increase of \$14,152 of which \$7,849 is general fund for the Division and ADRC demonstration project expenses that include office supplies, printing, office equipment, repairs, insurance, IT, postage and telephone.
- Prairie Hills Plaza rent increase and office space for ADRC demonstration project for a total increase of \$19,160 of which \$16,043 is federal funds.

- Operating Fees and Services has a net increase of \$642,402 that mainly includes the following:
 - An increase in federal funds of \$99,967 related to the ADRC demonstration project (the \$99,967 increase includes the \$19,579 moved from salaries to operating fees and services);
 - An increase in federal funds of \$35,000 related to increasing the funding available for QSP training;
 - A general fund increase of \$83,468 for State Funds to Providers to continue the inflationary increase provided for in the 2009-2011 biennium and to provide a 3% per year inflationary increase in the 2011-2013 biennium;
 - An increase in Title-III federal funding of \$649,359 for: Title III-B Support (\$115,607), Home Delivered Meals (\$235,796), Family Caregiver Support (\$71,454) and Congregate Nutrition (\$226,502);
 - A general fund increase of \$300,000 for Congregate Nutrition;
 - A decrease in federal funds of \$485,000 due to the removal of ARRA funds of \$325,000 related to congregate nutrition and \$160,000 for home delivered nutrition;
 - Decrease in federal funds to the Nutrition Services Incentive Program of \$45,384.

The Grants line item decreased by \$28,726 and is a combination of the following increases and decreases:

- A federal funds increase of \$41,274 in the Senior Employment program comprised of a decrease of \$143,288 due to the removal of ARRA funds and an increase of \$184,562 due to increased federal funding.
- A general fund increase of \$10,000 for the Silver Haired Assembly.

- A decrease of \$30,000 of other funds in Telecommunications Equipment because less authority is needed this biennium as a result of less tax being collected for distribution.
- A federal funds decrease of \$50,000 due to Senior Legal Hotline federal grant ending.

Senate Changes:

The Senate reduced grants by \$10,000 from the general fund due to the removal of the grant for the Silver Haired Assembly.

This concludes my testimony on the 2011 – 2013 budget request for Aging Services Division of the Department. I would be happy to answer any questions.