

Testimony
House Bill 1012 – Department of Human Services
House Appropriations – Human Resources Division
Representative Pollert, Chairman
January 14, 2013

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

Programs

The Aging Services Division (Division) provides home and community-based services to assist individuals to remain in their homes and communities and to protect the health, safety, welfare, and rights of residents of long-term care settings and vulnerable adults in the community. The Division administers programs and services authorized and funded, in part, by the Older Americans Act that include:

- Elderly Nutrition Programs
- Supportive services such as Legal Assistance, Health Maintenance, Assistive Safety Devices Distribution Services, Senior Companion, and the Aging and Disability Resource-LINK initiative (Information and Referral and Options Counseling)
- Family Caregiver Support Program
- Long-Term Care Ombudsman Program
- Vulnerable Adult Protective Services Program

The Division also administers the U. S. Department of Labor's award to the state for the Senior Community Service Employment Program, and administers programs and services funded with state funds to include: Guardianship Program for Vulnerable Adults, State funds to Providers, Dementia Care Services, support for the Governor's Committee on Aging, and the Telecommunications Equipment Distribution Program.

The Division is a federally designated single planning and service 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

In Federal Fiscal Year (FFY) 2011, the total estimated unduplicated count of persons served through services supported by OAA Title III was 27,997. Services provided under the OAA are generally for individuals 60 years of age and older with an emphasis on services to those with greatest economic need and greatest social need, with particular attention to low-income minority individuals and older individuals residing in rural areas. Also included in the target groups are older individuals at risk for institutional placement, with severe disabilities, with limited English proficiency, and with Alzheimer's

disease and related disorders, and their caregivers. [Attachment 1](#) depicts the programs and services provided by the Division.

OAA Federal Fiscal Year 2011 Program Utilization

Older Americans Act – Title III Programs		
SERVICE	UNITS OF SERVICE	
Congregate Meals (meals served at meal sites)	686,631 meals	1 unit = 1 meal
Home Delivered Meals	480,547 meals	1 unit = 1 meal
Health Maintenance	129,442 units	Set unit/procedure
Information and Assistance	1,856 units	1 unit = 1 contact
Legal Assistance	6,007 units	1 unit = 1 hour
Assistive Safety Devices	1,431 units	1 unit = 1 device
Outreach	75,647 units	Set unit/procedure
Options Counseling	3,188 units	Set unit/procedure
Senior Companion	3,625 units	1 unit = 1 contact

Family Caregiver Support Program	
Unduplicated Caregivers Served	386
Unduplicated Grandparents Raising Grandchildren Served	6
Respite Care Provided	29,150 hours

Vulnerable Adult Protective Services	
New Cases	458
Closed Cases	434
Information/Referral	687
Brief Services (2 hours or less)	411

Hours	5,324
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Long-Term Care Ombudsman Program	
Number of Complaints	858
Number of Cases Opened	687

- The **Senior Community Service Employment Program (SCSEP)**, provides part-time employment and training opportunities for eligible persons 55 years of age and older with incomes up to 125 percent of poverty with the goal to transition into permanent employment. The Division contracts with Experience Works to provide direct services to participants. On-the-job training was provided to 74 individuals, with a program year-end open caseload of 57. From July 1, 2011, to September 30, 2012, there were 22 placements to unsubsidized employment settings. Testimony provided in 2010 reported that SCSEP programs nationwide experienced a 25 percent reduction in federal funding reducing North Dakota’s planned participants from 71 to 56 positions. Experience Works serves an additional 216 participants in North Dakota through a national contract with the Department of Labor, which was reduced from 276 positions. The Division recently was notified of an award to the National Indian Council on Aging, effective October 1, 2012, adding 25 positions in designated locations throughout North Dakota.
- The **Guardianship Enhancement Program** provides funds for the purpose of guardianships program enhancements. From July 2011 to December 2012, guardianship funds were approved for 24 low-income individuals who were not eligible for guardianship services through the Developmental Disabilities system. In addition to being low-income, a

proposed ward must have a current diagnosis of a serious mental illness, or a documented traumatic brain injury (TBI), or be age 60 or older and be receiving case management services from a human service center, county social services, vulnerable adult protective services, independent provider, medical facility or similar agency. In this same time period, there were 41 intakes, 24 approved, 12 denials, three waiting further information, and two requests withdrawn. Referrals are received from a variety of sources with 41 percent being initiated by Vulnerable Adult Program staff. The current diagnosis or category for **approved requests** are:

TBI	2
60 years of age and older	5
Mental Health	5
Mental Health/TBI	3
Mental Health/60+	9
Total	24

From July 1, 2011, to January 8, 2013, total expenditures for the petitioning of 20 guardianships was \$32,805.41 with the average cost per person served at \$1,640.27. From the funds appropriated, an annual \$500 payment is provided to guardians to assist in defraying associated costs for being a guardian. A combination of first and second year payments totaling \$7,000 have been made to nine guardians.

- **Dementia Care Services Program** continues to be contracted to the Alzheimer’s Association of MN/ND to provide resources, assistance, and support for citizens across North Dakota, in all geographic areas.

DEMENTIA CARE SERVICES PROGRAM		
	18 months January 2010 - June 2011	12 months July 2011 – June 2012
Contacts*	1,456	1,067
Caregivers	717	616
Persons with Dementia	454	345
Caregiver Training	320	168
Public Awareness/Training	867	694
Long-Term Care Costs Avoided (Median Range)	\$3,007,147	\$14,167,102
Health Care Cost Savings	\$216,928	\$85,944

*Contacts are a duplicate count of caregivers or persons with dementia.

- The Aging and Disability Resource-LINK** initiative is in the final stages of implementation. The reauthorization of the OAA in 2000 and again in 2006 included language to create the Aging and Disability Resource Center Program (ADRC), known in North Dakota as the Aging and Disability Resource LINK (ADRL). The program is a collaborative effort of the Administration on Aging and the Centers for Medicare and Medicaid Services designed to streamline access to long-term care services and supports. Essentially this initiative is a nationwide effort to restructure services and support for older adults, all persons with disabilities, family members, and care providers. The Administration on Aging issued grants to states, and North Dakota received a three-year grant in 2009 for a pilot program to operationalize the ADRL concept and implement Options Counseling in Region VII. The implementation plan for the ADRL concept is to transition outreach services to options counseling. The ADRL is a new approach to serving people that is built on strengthening existing community partnerships and also developing new partnerships. The service is available to provide help to persons who do not qualify for publicly funded services

as well as those who do qualify. ADRL services focus on information and awareness, options counseling, streamlined access, person-centered hospital discharge planning, and quality assurance and evaluation. Beginning in January 2012, options counseling was implemented in the western four regions of the state and in 2013 it will be available statewide. Options counseling benefits individuals with immediate long-term care needs, especially after a major life changing event, individuals planning for future needs, and individuals and caregivers transitioning from one setting to another, especially those who do not qualify or receive public assistance.

The Graying of North Dakota brochure ([Attachment 2](#)) outlines the aging demographic. More recent data taken from "Aging Is Everyone's Business," December 2010, shows:

- A population shift of persons 60 years of age and older from rural 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 percent) as compared to persons 60 years and older living in urban areas at 44,279 (37 percent).
 - By 2030, there is a population shift in this age group where 45 percent will be living in rural communities and 55 percent will live in urban communities.
- Growth is expected in the older population through 2050:
 - In 2011, the first Baby Boomer reached 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 percent of North Dakota's total population.
- In 2050, Baby Boomers will be age 85 and older.

Information from the 2012 Statewide Housing Needs Assessment Briefing Points indicates in 2025, residents ages 65 and older are projected to be 18 percent of the total population, up from 14 percent in 2010.

Program Trends/Major Program Changes

- Studies continue to support the belief 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 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 from the Alzheimer's Association indicate about 18,000 North Dakotans with Alzheimer's disease are being cared for by some 27,000 caregivers. This number is projected to increase in coming years. Alzheimer's disease, other related dementias, and some chronic care diseases impact the health and well-being of the recipient and also impact caregivers who report experiencing high levels of stress and negative effects on their health, employment, income, and financial security. Continued efforts to provide services, training, and community education will be needed to sustain the ability of caregivers in their efforts to provide the care needed in a home setting.

- With the projected increase in the aging population, the ability to access services to support a safe and healthy environment has the potential to increase demands in the area of Elder Rights. A 2010 study published in the American Journal of Public Health reports approximately 11 percent of elders experienced some type of abuse. This study did not include elders with dementia; however, it reported this population to be at an even greater risk of mistreatment. Nationally, research estimates indicate 1 in 14 cases of elder abuse is reported, and that elder abuse is under-identified and under-reported (1998 National Elder Abuse Incidence Study).
- Assisting individuals to live in a safe and healthy environment includes the work of the Long-Term Care Ombudsman Program. Staff and volunteers work to protect the health, safety, welfare, and rights of residents living in nursing facilities, assisted living, swing beds, transitional care units, and basic care facilities. This program has experienced a 40 percent increase in cases from FFY 2009 through FFY 2011.
- Living at home and in the community is also supported through elderly nutrition services that includes congregate meals, home delivered meals, nutrition education, and nutrition counseling. Older Americans Act Nutrition Programs have a three-fold purpose: to reduce hunger and food insecurity, to promote socialization of older individuals, and to promote the health and well-being of older individuals. A study released December 4, 2012, completed by Brown University indicates the more states spend on home delivered meals the more likely they are to help people stay at home. Proper nutrition improves the health, self-sufficiency, and quality of life of older adults. With

projected increases expected in the 60+ population, the nutrition providers will face new challenges in meeting the needs of a more diverse population group along with on-going challenges such as increasing costs of foods and supplies, compliance with federal requirements including dietary requirements for meals, transportation and fuel costs for meal delivery, population shifts from rural to urban, as well as service needs in sparsely populated rural communities. Additional challenges include fairly flat federal funding that continues to stretch the resources available to contract providers to meet expenses of providing these services.

Overview of Budget Changes

Description	2011 - 2013 Budget	2013 - 2015 Budget	Increase/ Decrease
Salary and Wages	1,584,936	1,655,296	70,360
Operating	13,721,684	14,993,825	1,272,141
Grants	2,834,472	2,873,446	38,974
Total	18,141,092	19,522,567	1,381,475
General Funds	4,788,173	6,687,109	1,898,936
Federal Funds	13,073,669	12,555,458	(518,211)
Other Funds	279,250	280,000	750
Total	18,141,092	19,522,567	1,381,475
FTE	11.00	11.00	0.00

Budget Changes from Current Budget to the Executive Budget:

The Salary and Wages line item is increased by \$70,360:

- \$34,842 is general fund needed to fund the Governor’s benefit package for health insurance and retirement for state employees.
- \$37,980 in total funds of which \$29,628 is general fund needed to fund the employee increases approved by the last Legislative Assembly.

- The remaining net decrease of \$2,462 is a combination of increases and decreases needed to sustain the salary of the 11 FTEs in this area of the budget.

The Operating line item increased by \$1,272,141 and is mainly a combination of the following increases and decreases:

- Travel decrease of \$20,180 of which \$17,099 is general fund and is a combination of increase and decreases that reflect current utilization and the ending of the federal ADRL grant.
- Professional Development decrease of (\$61,351), the majority of which is for the removal of a one-time increase to Guardianship, which is all general fund.
- Operating Fees and Services has a net increase of \$1,366,849 mainly attributed to:
 - An increase of \$800,000 for Elderly Nutrition Programs.
 - Increase of \$1,000,000 for Guardianship services, which is all general fund.
 - Decrease of \$175,690 for Title IIIB.
 - Decrease of \$250,000 for Senior Employment.

The Grants line item increased by \$38,974 and is mainly a combination of:

- Increase of \$81,404 for Title IIIB Support.
- Decrease of \$43,330 due to reduction in Senior Employment.
- Increase of \$900 in other funds due to donations received for conference speakers.

This concludes my testimony on the 2013–2015 budget request for Aging Services Division of the Department. I would be happy to answer any questions.