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DEPARTMENT OF AGING

**Department of Aging - D26A07
FY2017 Budget**

**Testimony of Rona E. Kramer, Secretary
Maryland Department of Aging**

**Senate Budget & Taxation Committee, Health and Human Services Subcommittee
February 18, 2016**

**House Appropriations Committee, Health and Human Resources Subcommittee
February 24, 2016**

Thank you for this opportunity to respond to the Department of Legislative Services (DLS) analysis of the Maryland Department of Aging's FY 2017 budget request. The Department extends its appreciation to the DLS analyst, Jared Sussman, who thoroughly reviewed the budget and programs. The Department's response to the requests and the recommendation noted in the analysis are included below:

1. The Secretary should comment on what factors contributed to large changes in the number of seniors receiving long-term services and home delivered meals.

Response

Changes to long-term services are primarily due to a recent restructuring of Medicaid Long-Term Services and Supports. The Department of Aging provides Supports Planning (formerly called case management) and serves older adults and individuals with disabilities. The FY 2014 figure reflects the total number of clients served (seniors and individuals with disabilities) while the FY 2015 figure reflects only the number of seniors served.

The increase in Home Delivered Meals is due to the increased demand for home delivered meals and efficiencies in the meal program. A wider variety of methods such as frozen foods and family pick-up from a central location have allowed more individuals to be served with similar funding. It should be noted that AAAs can transfer funds between Congregate and Home Delivered Meals grants to best serve their seniors.

2. The Secretary should comment on the increase in the length of waiting lists for community-based services.

Response

The State of Maryland is in the process of an age boom. Between 2010 and 2020, Maryland’s population of individuals age 60 and over is expected to increase by 36%. The Department is currently identifying solutions to promote better health and prevent disease to reduce the need for expensive long-term services.

The Department is also in the process of working with the AAAs to implement an evidence-based assessment tool for current and future clients in the Congregate Housing, Senior Care, and the Senior Assisted Living Group Home Subsidy programs. With this data, the Department hopes to be able to quantify Medicaid savings in order to direct future investments in these programs.

3. The Secretary should comment on how enactment of SB 98 affects allocations of the SCOF in fiscal 2018.

Response

The Department oversees the Senior Citizen Activities Center Operating Fund (SCOF) to promote innovative programming. By statute, half of the funds must be distributed to economically distressed jurisdictions. SB98 revises the criteria for a distressed jurisdiction to conform to the existing criteria in Economic Development Article 1-101(e).

Assuming there are no changes to the unemployment or personal per capita income data used for FY 2016 calculations, six jurisdictions (an increase from three jurisdictions currently) would be considered distressed:

Distressed Jurisdictions Using FY 2016 Data

Current Statute (Human Services 10-516)	Senate Bill 98
<ul style="list-style-type: none">• Allegany• Somerset• Worcester	<ul style="list-style-type: none">• Allegany• Baltimore City• Caroline• Dorchester• Somerset• Worcester

4. The Secretary should provide an update on development of a new formula for SALGHS allocations.

Response

The Department recognizes that the current funding formula for the Senior Assisted Living Group Home Subsidy (SALGHS) program is inequitable. Currently, funds are distributed based on each jurisdiction's share of program participants relative to the statewide program census. The current formula unfairly favors jurisdictions which already receive funds and prevents new participation. The Department is continuing to evaluate funding models and will update the AAAs upon completion.

5. The Secretary should explain why some AAAs that received more funding in fiscal 2016 benefit from the deficiency appropriation, including why the deficiency appropriations are meant to offset changes in specific grants instead of changes in overall allocations. The Secretary should also state whether MDOA expects the deficiency appropriations to be one-time funding or to continue in future years.

Response

Total grant awards are not considered in the distribution of the deficiency funds. Grants are considered independently as they serve different functions and, as funds cannot be transferred between programs.

The Department allocates funds for individual program areas based on required formulas with program specific criteria. The Department has requested a deficiency appropriation for the State Nutrition and State Information & Assistance grants to hold jurisdictions harmless for changes due to the implementation of formulas in FY 2016. An additional deficiency appropriation is requested for the Senior Citizen Activities Center Operating Fund (Fund). In FY 2016, the Department administered the Fund as mandated in statute. Due to a previous error in the determination of distressed jurisdictions, using the correct criteria caused many jurisdictions to receive less funding than for the prior year.

The deficiency appropriations are intended to allow notice for the jurisdiction to budget appropriately in the coming year.

6. The Secretary should detail the federal fund shortfall, which necessitates a total of \$6.1 million in general fund deficiencies.

Response

Upon arrival of the new Administration, the Department spent the majority of the 2015 year researching what appeared to be federal funds that had not been drawn down over previous

years. The Department has determined that since 2012, there were multiple over-estimations of federal fund revenues and corresponding over-expenditures attributed to those revenues. The Department is requesting deficiency appropriations of \$6.1 million to account for the over-expenditures.

DLS recommends abolishing 5.0 long-term vacant positions.

Response

The Department respectfully opposes the recommendation to delete 5.0 vacant positions. Since the start of the current Administration, the Department has dedicated significant time to investigating the above referenced fiscal position of the Department. The Department could not, responsibly, fill positions until there was clarity of the fiscal status of the agency.

As the fiscal status is now understood, the Department plans to fill the vacant positions to provide necessary program support and improve operations for the AAAs which will support seniors. Over the last year, multiple efficiencies have been identified and implemented including a reduction in personnel. Staff support for new programs and initiatives are necessary to keep older adults healthy and out of Medicaid funded nursing home care. The Department cautions that the deletion of the five positions will impede progress to develop financially sustainable solutions to support a growing senior population.