



COMMONWEALTH OF
PENNSYLVANIA
DEPARTMENT OF AGING
Harrisburg, PA. 17101

PENNSYLVANIA DEPARTMENT OF AGING

1. File Number:

APD # 15-01-05

2. Disposition:

Rescinds APD # 15-01-01

3. Issuance Date:

September 26, 2014

4. Effective Date:

July 1, 2014

5. Program Area:

AAA Administration

6. Origin:

Bureau of Finance

7. Contact:

Bureau of Finance (717) 772-0192

AGING PROGRAM DIRECTIVE

SUBJECT: AREA AGENCY ON AGING (AAA) PROGRAM REQUIREMENTS, PLANNING ALLOCATIONS AND AGING SERVICES BLOCK GRANT FORMAT FOR FY 2014-2015-REVISION #1-AMENDED

TO: COUNTY COMMISSIONERS
COMPTROLLER
EXECUTIVE STAFF
AREA AGENCIES ON AGING
ADMINISTRATION ON AGING
PA ASSOCIATION OF AREA
AGENCIES ON AGING

CHAIRPERSONS, NON-PROFIT AAA
GOVERNING BOARDS
PDA GRANTEES AND CONTRACTORS
PA STATE ASSOC. OF COUNTY
COMMISSIONERS

FROM:

Brian Duke
Secretary
Pennsylvania Department of Aging

PURPOSE:

The purpose of this Aging Program Directive (APD) is to (1) delineate minimum requirements for FY 2014-15 Area Agency on Aging (AAA) program; (2) set forth procedures for the development and submission of the FY 2014-15 Aging Services Block Grant Revised Budget No. 1; and (3) transmit for planning purposes the FY 2014-15 funding allocation levels for each AAA.

BACKGROUND:

This APD transmits, in one document, all key information required for the submission of the FY 2014-15 Aging Block Grant Revised Budget No.1. The AAAs are advised to refer to this APD frequently throughout the planning process for the development of these plans.

Federal funding included within this APD are the following grants: Title III (Grants **14AAPAT3SP**, and 14AAPAT3SP), Title VII (Grant **14AAPAT7SP**), Nutrition Services Incentive Program (Grant **14AAPANSIP**), State Health Insurance Assistance (Grant **90SA0025-01-00**), and MIPPA (Grants **10AAPAMAAA**, **10AAPAMADR**, and **IX0CMS330790-01-00**).

BLOCK GRANT:

The allocations distributed through the Aging Block Grant include Regular Block Grant, State Caregiver Support Program (SCSP), Federal Caregiver Support Program (FCSP), Nutrition Services Incentive Program (NSIP), APPRISE, Health Promotion, and Other funds.

AAAs should continue to refer to APD #97-01-02, "Accounting Manual for Area Agency on Aging Programs", and the Home and Community Based Services (HCBS) procedure Manual for definitions related to specific cost centers and service programs. Any fiscal instructions necessary to complete the contract process, and not included within the Accounting Manual, will be cited in this APD.

AAAs that operate/fund mental health referral programs must report these activities under the Information & Referral (I&R) Cost Center. AAAs may only utilize the approved cost centers when preparing the budget.

All AAAs will be organized in a manner which avoids conflicts with the mission and responsibilities of an AAA. At a minimum, the AAA Director and all subordinate staff must be free from any responsibilities for the oversight or operation of:

- Nursing facilities, personal care homes, home health agencies; and
- Any other organization which would be in a position to financially benefit from favorable decisions by an AAA.

MINIMUM PROGRAM AND FUNDING REQUIREMENTS **FOR FY 2014-15**

The following requirements apply:

1. IN HOME SERVICE PARAMETER

The Pennsylvania Department of Aging (PDA) has established a minimum parameter of **65%** of funding levels for the provision of in-home services. The In-Home Services Parameter Schedule identifies the minimum amount each AAA must expend on in-home services for the FY 2014-15. The calculation base for the **65%** parameter are the Block Grant allocations for the Regular Block Grant, State Caregiver Support Program, Federal Caregiver Support Program, Nutrition Services Incentive

Program, categorical allocation-Waiting List Initiative, categorical allocation-Options Services, and categorical allocation-Block Grant Supplement.

The following cost centers have been identified as in-home services for the purpose of meeting this parameter: Home Delivered Meals, Passenger Transportation, Home Health, Personal Care, Personal Assistance Service, Overnight Shelter/Supervision, Environmental Modifications, Medical Equipment/ Supplies/Adaptive Devices, Home Support, Adult Day Care, Counseling, Assessments, Care Management, Protective Services, Guardianship, and Consumer Reimbursement.

2. ADMINISTRATIVE COSTS

No more than 10% of the funds allocated in the Total Aging Block Grant (***less the Waiting List Initiative and Options Services funding***) may be budgeted and expended in the AAA Administration cost center.

AAAs must also adhere to the requirements of APD #05-01-10, "Indirect Cost Policy for Department of Aging Contracts". This directive identifies that the maximum indirect costs for direct service contracts with public or private providers shall be the actual indirect costs or 2% of the agency's total direct service costs, whichever is lower. These costs are considered to be part of the AAA's Administrative cost center.

3. STATE CAREGIVER SUPPORT PROGRAM (SCSP)

At a minimum the SCSP allocation must be budgeted on SCSP activities including administration. AAA administration costs charged to the SCSP allocation must not exceed 10% of the SCSP allocation. At least 55% of the allocated SCSP funding must be budgeted and expended for financial assistance to caregivers.

Of the SCSP allocation, no more than 20% of the amount budgeted and expended for financial assistance to caregivers may be budgeted and expended for home modifications and assistive devices.

The AAA may reallocate SCSP funds between SCSP budget categories in an amount up to 10% of the initial budget allocation or \$10,000, whichever is greater. All reallocations of SCSP funds between SCSP budget categories in excess of 10% of the initial budget allocation or \$10,000, whichever is greater, must receive prior approval from the Department of Aging.

No reallocation of SCSP funds shall be made that will result in non-compliance with the established minimal parameters.

In administering cost sharing for the SCSP, AAAs must comply with the provisions of the SCSP Cost Sharing Chart listed in the Caregiver Support Reimbursement Benefits Cost Sharing Guide.

The regulations governing the SCSP were published in PA Code, Title 6, Chapter 20, and effective July 11, 1992. Funds expended under the SCSP allocation must be administered in strict accordance with those regulations. All AAAs are also encouraged to review the requirements of the Pennsylvania Caregiver Support Act No. 112 of 2011.

4. FEDERAL CAREGIVER SUPPORT PROGRAM (FCSP)

The total FCSP allocation includes the federal dollar amount representing a maximum of 75% of each AAA's FCSP budget. Each AAA must ensure that the SCSP match funds (identified on ABGATCHA - FCSP allocation schedule) are utilized for consumers who meet the program requirements for both the FCSP and the SCSP. The maximum monthly plan costs for any dual eligible consumer will not exceed \$500 monthly while maintaining an average monthly plan cost of no more than \$300 (this includes consumer cost share amounts).

AAA administration costs charged to the total FCSP allocation must not exceed 10% of the federal allocation.

Of the total FCSP allocation, no more than 20% of the total allocation may be budgeted for Supplemental Services. The Department of Aging defines Supplemental Services as consumable supplies, home modifications and assistive devices.

The AAA may reallocate FCSP funds between FCSP budget categories in an amount up to 10% of the initial budget allocation or \$10,000, whichever is greater. All reallocations of FCSP funds between FCSP categories in an amount over 10% of the initial budget allocation or \$10,000, whichever is greater, must receive prior approval from the Department of Aging. All reallocations of FCSP funds shall comply with the established minimal parameters.

AAAs are encouraged to budget categorical funds prior to the utilization of local resources. AAAs should review the current caseload and/or waiting list for consumers who qualify for benefits in the FCSP. The FCSP allocation should then be applied to allowable costs associated with providing services to eligible consumers and their caregivers.

5. U. S. NUTRITION SERVICES INCENTIVE PROGRAM CASH

The allocation amounts are based on the number of eligible meals each AAA reported as providing during FY 2012-13.

Please note that NSIP expenditures are included in the calculation to meet the in-home services parameter.

6. APPRISE

Funding for APPRISE must be dedicated to training sessions, Medicare Part D enrollment and information meeting, informational efforts, equipment needs such as laptops and LCD projectors, and other activities related to Medicare benefits, Medicare Advantage plan selection, Medicare Part D assistance, application for assistance and outreach to enroll people in the low Income assistance programs for Medicare premiums, and long-term care insurance. A minimal amount of funding should be designated to personnel cost. Federal funding for the APPRISE program requires that the program provide Medicare Part D assistance to the Medicaid/Medicare enrolled individual with a mental health diagnosis.

AAAs should carefully analyze its costs allocation methodologies associated with these funds. Funds for telecenters must be expended on the daily operations of the telecenters activities; this money must not be utilized for other activities.

Funding for the APPRISE Program is identified as a categorical allocation in the AAA's Total Block Grant. AAAs must continue to provide APPRISE Program services consistent with the established program requirements.

Funds for the AAA's APPRISE Program must be budgeted and expended on allowable activities in the Information and Referral and/or the Senior Community Center Services cost center(s). AAAs that receive funding for the telecenters and outreach must budget these funds in the information and referral cost center.

7. HEALTH PROMOTION

AAAs must continue to provide Health Promotion Program services consistent with the established program requirements.

Funds for the AAA's Health Promotion Program must be budgeted and expended on allowable activities in the Senior Community Center Services cost center.

8. OMBUDSMAN

Each AAA must budget and provide monies for the local ombudsman program, or contracting provider, for ombudsman service, and recruitment, training and management of volunteers to perform activities as ombudsmen for the Long Term Care Ombudsman Program subject to policies and reporting requirements contained in APD #98-10-01. All activities should be documented in the statewide reporting system, OmbudsManager, to include full-time equivalency staff and volunteers. The corresponding amounts identified by AAAs are as outlined in the formulary in the attached ABGATCHA on the Ombudsman worksheet.

If the AAA utilizes a contractor to administer the volunteer ombudsman component, including the Pennsylvania Empowered Expert Residents (PEER) program, at least the amount of the ombudsman volunteer/PEER allocation must be provided to the contractor in support of the volunteer ombudsman program. These funds must be over and above any other funds expended on Ombudsman activities and must be reported in the Ombudsman cost center. Ombudsman allocations are subject to adjustment in subsequent budget amendments based on the performance of the local ombudsman program in relation to the performance of the volunteer ombudsman component.

Ombudsman allocations are to be used solely for the purposes of recruitment, retention, training and management of volunteers performing activities as ombudsmen for the program. Funds may also be utilized to offset costs of appropriate staff time to assist with the ongoing growth and support of the program.

Uses can include:

- Ombudsman Staff: training costs, copying, meals for PEERs, transportation, aides support and other services
- Volunteer recruitment: advertising, training, backyard training sessions, meals for volunteers, mileage for volunteers, and appropriate staff time. Staff time should be reflective of time spent on management of a volunteer ombudsman program. May also include meals for PEERs, transportation, aides support and other services.
- Volunteer retention: ongoing meetings with volunteers, copying/printing of the ombudsman training materials and stipends, speakers, meals, mileage, and recognition activities.

Uses do not include:

- Cost of standardized orientation.
- Meal provision for Pilot Tier I training.
- Equipment such as laptop computer and LCD projector.

AAAs that have agreed to hold regional ombudsman coordinator contracts must budget these funds in the Ombudsman cost center. PDA will negotiate separate budget and reporting requirements with the AAAs that are hosting the ROCs. An annual spreadsheet of budgeted expenses should be supplied to the Department and approved prior to the fiscal year. This will also be supplied upon request at any time.

In addition, each AAA must budget an amount of funds equal to the AAA share of ombudsman activities charged to Older Americans Title III funds in FY 2000-01.

The ABGATCHA contains the minimum funds that must be budgeted for ombudsman activities. All ombudsman activities for all ombudsman funding sources, projects and program must be budgeted and expended in the Ombudsman cost center.

9. PASSENGER TRANSPORTATION SERVICES

AAAs directly receiving transportation funds (either operating or capital funds) must report these planned expenditures in the Aging Block Grant Application on the following documents:

The project revenue will be shown on line 95 of the Line Item Budget spreadsheet in the Line Item Budget workbook (LIB15XXY.XLS).

AAAs that are not directly receiving Shared-Ride Program funds must not report the funds received by other Shared-Ride Program providers. The amount the AAA plans to expend in co-payments for Shared-Ride service must be reported in the Passenger Transportation Services cost center. The funds used for co-payments must be reflected in the respective funding source such as; Block Grant, local cash, etc.

The Department of Aging reaffirms its intent to promote the coordination and integration of transportation services for older persons with other local transportation systems. AAAs should refer to APD #85-07-01, "Passenger Transportation Services".

10. LEGAL ASSISTANCE

In all subcontracts procured for legal assistance, the provider standards contained in 45 CFR Section 1321.71 (1988) must be addressed. The Department of Aging requires all AAAs to expend a portion of the AAA's Block Grant funds on legal assistance.

11. OTHER CATEGORICAL FUNDS

Allocations have been included for those agencies that were awarded additional categorical funds for community and other various grant projects. Specific programmatic and fiscal guidance can be found in the grant application's guidelines and procedures as well as the grant's award notification letter.

12. CATEGORICAL FUNDS-OPTIONS SERVICES FUNDS and WAITING LIST INITIATIVE

Within the Other categorical funding allocations is a \$20 million allocation for Options services and \$4.8 million allocation for the Waiting List Initiative. Guidelines specific to the use of these funds include:

- They are intended to serve additional consumers and provide additional units of service to existing consumers.
- Priority will be given to individuals on the waiting list and provision of protective services.
- Funding will be used for consumer direct services and reported in the following cost centers:
 - Home Delivered Meals
 - Home Health
 - Personal Care
 - Personal Assistance Service
 - Overnight Shelter/Supervision
 - Environmental Modifications
 - Medical Equipment/Supplemental Adaptive Devices
 - Home Support
 - Adult Day Care
 - Care Management
 - Protective Service Intake/Investigation
 - Guardianship
 - Consumer Reimbursement
- Care Management cost center expenditures should be limited to the amount attributable to the increase in consumers being served as a result of this allocation.
- Funding is not intended to offset losses incurred from alterations in the Aging Waiver program.
- Funding is available for providing contractor rate increases. See #14 below.
- The funding can be used to support information and referral costs associated with evidenced based programs. For guidance on allowable programs please refer to the Aging Technical Assistance Bulletin 12-04-01 "Older Americans Act Title IIID Funding for Evidenced-Based Programs".

Further guidance related to this allocation can be found in APD 15-01-02.

Allocation and expenditure amounts will be tracked on the Options Services worksheet in the LIB and FRR workbooks.

A projected spending plan will be submitted to the Department detailing how this allocation is to be spent (see attachment 1 to APD 15-01-02).

13. CATEGORICAL FUNDS- BLOCK GRANT SUPPLEMENT

The allocation is an increase of \$5 million throughout the network. The allowable uses of the funds are:

- Contractor rate increases.
- Supplement ongoing agency operations.
- Offset operational losses incurred as a result of changes in the Aging Waiver program. If funds are used for this purpose a request must be sent to the Department of Aging and approved prior to the expenditure of funds.
- Hiring additional program staff.

14. CONTRACTOR RATE INCREASES

AAAs are authorized to provide contractor rate increases up to 2% of their existing rates. Funding that is available for the rate increase includes the Regular Block Grant, Block Grant Supplement, and Options Services allocations. Any rate increase given to a contractor is up to the discretion of the AAA director/administrator.

15. LINE ITEM BUDGET

PDA will develop “placeholder” A01s for the allocations noted in this APD which will be used until AAA LIBs and A01s are received. This is done to facilitate the payment process and ensure AAAs continue receiving monthly payments until their budget documents are received by PDA.

16. DELIVERY OF SERVICES

The Older Americans Act of 1965, as amended, requires AAAs to give preference in the delivery of services to those older persons with the greatest social and economic need with particular attention to low-income minority individuals, low-income individuals and frail individuals (including individuals with any physical or mental functional impairment). In planning FY 2014-15 program budgets, AAAs should be guided by this requirement as well as their individual goals and objectives in determining funding priorities. “Greatest economic need” means the need resulting from an income level at or below poverty levels established by the U.S. Department of Health and Human Services (<http://aspe.hhs.gov/poverty/13poverty.cfm>). The 2012 figures define poverty as being \$11,490 for one person, with each additional person adding \$4,020. “Greatest social need” means the need caused by non-economic factors which include physical and mental disabilities, language barriers and cultural, social or geographic isolation including that caused by racial or ethnic status which restricts an individual’s ability to perform normal daily tasks or which threatens such individual’s capacity to live independently.

Service delivery information in the SAMS/OMNIA data base will be used to determine service levels and the numbers of consumers served.

The appropriateness of the Assessment expenditures to activity will include a review and analysis of SAMS/OMNIA reports of activity. This review will be part of an overall analysis for increased assessment allocations.

17. ACCOUNTING MANUAL

AAAs must comply with the “Accounting Manual for Area Agency on Aging Programs”, (APD #97-01-02) and applicable federal and state regulations (e.g., 45 CFR Part 95, Circular A-87, Circular A-122, etc.) in the utilization of Pennsylvania Department of Aging Block Grant agreement funds.

18. PUBLIC HEARINGS

A public hearing should be held with the issuance of this APD.

19. MANDATORY RETIREMENT

Neither the AAA nor any AAA vendor may apply a policy of mandatory retirement to positions funded under this Application for Support.

20. AMENDMENTS

As stated in the Cooperative Agreement, the Department of Aging has the authority to amend the Aging Services Block Grant allocation on an as needed basis. This may occur if the AAA has not expended an appropriate level of its annual allocation by December 31, 2014. Amended allocations may also occur if additional funds are awarded during the year.

21. FIXED ASSETS

The definition of a fixed asset includes property of a tangible nature with a useful life of more than one (1) year and an acquisition cost of \$5,000 or more. Acquisition cost is defined as the net invoice price of the article plus the transportation charges, installation or setup fees and the cost of any necessary modifications, attachments, programming, or accessories.

When procuring fixed assets or facility space, the AAA must make an appropriate cost analysis of the lease versus purchase alternatives, and the most economical cost alternative must be chosen.

All proposed fixed asset acquisitions must be reflected in the Line Item Budget fixed asset schedule. Acceptance of a LIB by PDA is considered approval for the purchase of fixed assets shown on the Fixed Assets worksheet. For acquisitions of additional fixed assets during the year, the AAA must receive prior approval from PDA’s Bureau of Finance.

When acquiring or disposing of assets, the AAA must list the following on the LIB/FRR: Purchase Date, Asset Life, Disposal Date, and Residual Value (at date of disposal) as applicable.

22. IN-KIND SERVICE VOLUNTEERS

Where applicable the value of In-Kind Service Volunteers should be shown in the LIB as local in-kind contribution.

The budgeted amount must not be distributed to the respective cost centers to which the volunteer services apply.

23. PROGRAM INCOME

APD #05-01-11, "Area Agency on Aging on Aging Program Income Policies", establishes the following policies for the retention of program income collections:

Federal Program Income -- All program income generated from services funded, in whole or in part, by federal Older Americans Act funds that is on hand as of June 30, 2014, must be budgeted and expended during FY 2014-15.

Local Program Income – The June 30, 2014, balance of local program income generated from services funded by non-federal sources must not exceed 10% of the AAA's total Block Grant allocation for FY 2014-15 or \$400,000, whichever is greater. These funds are to be budgeted and expended in consumer service cost centers.

Options State Cost Sharing Funds – The June 30, 2014, balance of Options State Cost Sharing Fund collections must be budgeted and expended during FY 2014-15.

Local fee scales funds received are reported as Options State Cost Sharing Funds.

Failure to comply with these policies may result in the reduction of Aging Block Grant funding to the AAA.

For FY 2014-15, seven (7) cost centers will contain Title III federal funds and all program income earned in any of these cost centers will be considered Federal Program Income. The seven cost centers are Home Delivered Meals, Congregate Meals, Senior Community Center Services, Passenger Transportation, Information and Referral, Legal Assistance, and Ombudsman. NOTE: Home Delivered Meals provided to Waiver consumers may not be purchased with Title III or Block Grant funds. Meals provided to Waiver consumers must be billed for reimbursement through the PROMISE system.

Federal Program Income must be budgeted and expended only in the seven (7) federally funded cost centers.

AAAs will comply with the provisions of APD #05-01-11 concerning excessive balances of program income collections. AAAs are advised that payments of funds on FY 2014-15 Aging Block Grant contracts will be contingent upon the compliance of AAAs with the federal and state requirements for program income and cost sharing fund balances.

If an AAA has excessive balances of Federal Program Income, Local Program Income or Options State Cost Sharing Funds as of June 30, 2014 (Fourth Quarter FRR), its Block Grant payment for October 2014 and subsequent monthly payments may be reduced or withheld until the AAA achieves compliance with the established program income balance requirements.

Planned expenditures of accumulated, as well as anticipated, collections of program income and cost sharing funds must be included under "Other Resources".

24. MATCH FOR FEDERAL DOLLARS

AAAs that intend to use Block Grant funds as match for other federal funding must notify PDA's Bureau of Finance in writing. PDA will issue a statement to the agency clarifying that only state funds are allocated to the affected cost center(s).

25. BUDGETING FEDERAL FUNDS

AAAs are strongly encouraged to budget and expend Aging Block Grant and Federal Program Income funds, prior to allocating other resources to the federal funded cost centers. This will assist PDA in meeting federal spending parameters.

26. SENIOR CENTERS

AAAs will request and receive written approval from the Department of Aging's Bureau of Aging Services prior to implementing plans to open, close or relocate a senior center or a satellite senior center.

27. REPORTING REQUIREMENTS

Upon receiving this APD and any subsequent updates that adjust funding levels AAAs are responsible for the development of their Line Item Budget and A01 budget documents. These reports are due to the Department no later than **45 days** after the issuance date of this directive.

AAAs are also required to submit quarterly financial reports (FRRs) to the Department according to the following schedule:

<u>Period</u>	<u>Quarter</u>	<u>Due Date to PDA</u>
July-September	1	October 31st
July-December	2	January 31st
July-March	3	May 1st
July-June	4	August 15 th

The LIB and FRR documents can be found in this APD's subfolder on the AAAEXCEL drive in the AGINGAPD folder.

Additionally, AAAs are responsible for providing annual information regarding their agency's operations on the following forms no later than December 31, 2015:

D18-Staff Summary
Q13-Nutrition Services
Q14-Center Facilities
Q25-AAA Staffing

Instructions for completing these forms can be found in APD #08-01-05.

28. COMPLIANCE WITH COOPERATIVE AGREEMENT

The AAA must comply with all the terms and provisions identified in the Cooperative Agreement between PDA and the AAA.

29. REIMBURSEMENT RATES

The Commonwealth of Pennsylvania's Office of Administration establishes travel, lodging and subsistence allowable maximum reimbursement rates. AAAs are able to access the most current information on the Office of Administration's web site at www.oa.state.pa.us. This information is found under Management Directives, Management Administration Support, and #230.10 Commonwealth Travel Policy. Please refer to the most recent revision for the approved rates.

Questions regarding the completion of the Aging Services Block Grant documents should be directed to Rob Heinlen (rheinlen@pa.gov) at 717.772.0192 or Mike Fowler (mfowler@pa.gov) at 717.783.3471.