



Auxiliary Grant Program Monitoring

Report to

**Chairman of the House Appropriations Committee
Chairmen of the Senate Finance Committee
Director of the Department of Planning and Budget**

**Virginia Department for Aging
and Rehabilitative Services**

**Commonwealth of Virginia
Richmond
October 1, 2016**



COMMONWEALTH OF VIRGINIA
DEPARTMENT FOR AGING AND REHABILITATIVE SERVICES

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MEMORANDUM

TO: The Honorable Thomas K. Norment, Jr.
The Honorable Emmett W. Hanger, Jr.
Co-Chairmen, Senate Finance Committee

The Honorable S. Chris Jones
Chairman, House Appropriations Committee

Dan Timberlake
Director, Department of Planning and Budget

FROM: James A. Rothrock

A handwritten signature in blue ink that reads "James A. Rothrock". The signature is written over the printed name and extends into the subject line.

SUBJECT: Annual Report on Auxiliary Grant (AG) Program Monitoring Activities

As Commissioner of the Virginia Department for Aging and Rehabilitative Services (DARS), I am pleased to present the first annual AG Monitoring report in response to the 2016 Appropriation Act, Item 337 C. There has been minimal monitoring and oversight throughout the history of the AG Program. This report is a starting point to strengthening AG Program administration and provides background on AG, the status of current monitoring of activities, and an overview of planned monitoring actions.

The AG Program faces future challenges of serving a growing aging population, a shrinking pool of available facility providers, low provider reimbursement rates, and little training for eligibility workers. Additionally, the 2016 General Assembly expanded AG to serve a limited number of eligible individuals in a supportive housing setting. This was a much needed structural change, though one which added more complexity to the program. The newly funded AG Program Monitor position will ensure the integrity of this critically important benefit program which is a lifeline for many vulnerable Virginians.

If you have any questions regarding the report, please do not hesitate to contact me.

JAR/pm

Enclosure

EXECUTIVE SUMMARY

In 2016 the Virginia General Assembly approved funding effective July 1, 2016 for the Department of Aging and Rehabilitative Services (DARS) to hire an Auxiliary Grant (AG) Program monitor position. This was a welcome staffing addition, as previous DARS Adult Protective Services Division staffing levels limited the ability to monitor this important eligibility program that supports many of Virginia's most vulnerable adults. The position, referred to as an AG Program Consultant, was filled on July 25, 2016. The AG Program Consultant is responsible for issuing a report on monitoring activities to the Director of the Department of Planning and Budget and Chairmen of the House Appropriations and Senate Finance Committees by October 1 of each year. The following report complies with this requirement and provides background on the AG Program, caseload and funding information, as well as the results of initial monitoring activities that commenced shortly after the AG Program Consultant was hired.

2016 AUXILIARY GRANT PROGRAM MONITORING ACTIVITIES

Background

Section 51.5-160 of the Code of Virginia establishes the Auxiliary Grant (AG) Program and instructs the Commissioner of the Department for Aging and Rehabilitative Services (DARS) to prepare and implement, a plan for a state and local funded AG program to provide assistance to individuals ineligible for benefits under Title XVI of the Social Security Act and to other individuals for whom benefits provided under Title XVI of the Social Security Act, are not sufficient to maintain the minimum standards of need.

The AG Program provides cash payments to Supplemental Security Income (SSI) recipients and other low income aged, blind, or disabled adults who need assistance with activities of daily living and who reside in an assisted living facility (ALF) or adult foster care (AFC) home. AG payments are 80% state funded and 20% locally funded.

In 2016, House Bill (HB) 675 passed the Virginia General Assembly and added a third setting, supportive housing, to the AG Program. Implementation of this new setting is in the planning stages and is not in effect yet. Eventually individuals will have the option to reside in a more independent living setting where supportive housing services are provided.

Need for AG Program Monitoring

Virginia must adhere to AG Program Maintenance of Effort (MOE) requirements set forth in an agreement with the Social Security Administration (SSA). The MOE ensures that Federal costs of living adjustments (COLA) are passed along to SSI eligible individuals through appropriate adjustments to the individual's monthly AG payment. Virginia must report successful compliance with the MOE to SSA annually. As various factors, in addition to COLA, may cause an AG recipient's eligibility to change, DARS must ensure that the AG eligibility determination process is accurate and errors that could affect a person's access to an AG payment are addressed. Individuals who receive AG automatically receive Medicaid, further heightening the importance of ensuring precise eligibility determination. Additionally, should the AG Program not meet MOE compliance, the federal government could withhold Virginia's Medicaid funding, thereby threatening Virginia's entire Medicaid Program.

In 2016 the Virginia General Assembly approved funding, beginning July 1, 2016, for an AG Program monitor position. DARS filled the position, referred to as an AG Program Consultant, on July 25, 2016. The AG Program Consultant is also responsible for issuing a report on monitoring activities to the Director of the Department of Planning and Budget and Chairmen of the House Appropriations and Senate Finance Committees by October 1 of each year.

Establishment of Monitoring Procedures for Local Department of Social Services

The AG monitoring process will ensure that the local departments of social services (LDSS), who are responsible for eligibility determination, are in compliance with program laws, regulations and policies.

Monitoring efforts will focus on specific areas of eligibility determination including:

- Resources
- Transfer of resources
- Income
- Budgeting
- Application procedures
- Assistance plans
- Verification of resident in licensed facility
- Citizenship verification
- Denials

A minimum of ten LDSS will be monitored during the first year of the AG monitoring plan. Monitoring results will be evaluated after a year and DARS will determine needed adjustments to the number of LDSS reviewed annually.

The AG Program Consultant will select a random sample of cases to monitor and will conduct an exit interview with the LDSS within 30 days of the completion of the review. The findings will be summarized and communicated in a written report to the DARS, Adult Protective Services Division Director, LDSS Director, and LDSS Benefits Supervisor and a copy to the DARS Commissioner. The report will identify the LDSS strengths as well as areas needing to be addressed through a corrective action plan (CAP).

The LDSS will have 30 days to respond with their CAP. The AG Program Consultant will review the CAP to determine that all deficiencies have been addressed.

In the less than two months that the AG Program Consultant position has been filled, significant progress in developing and implementing the AG Program monitoring plan has been made. After the plan was developed, monitoring activities commenced in mid-August 2016. Although a statistically significant number of LDSS AG caseloads have not been reviewed as of the writing of this report, preliminary results indicate that the AG Program Consultant will be an invaluable tool in discovering issues within the program. An initial review of one LDSS' AG caseload found:

- Lack of annual assessment forms to support the continued placement.

- Lack of documentation verifying that client resides in the ALF.
- LDSS workers not using the proper eligibility forms.
- General lack of documentation to support various changes made to cases.

Other AG Program Monitoring Efforts

In addition to LDSS monitoring, DARS also ensures that ALFs are adhering to AG Program regulations. ALFs are required to submit an annual certification form to DARS by October 1. Certification forms are reviewed for completeness and accuracy. Fiscal year (FY) 2015 annual certification report data indicated the following:

- 40 facilities received third party payments on behalf of their residents.
- Over 2,000 residents' personal needs allowances were managed by the facilities.
- Approximately 4,200 AG residents resided in the 267 facilities that completed the certification.

DARS also compiles AG statistical data to identify Program trends. The following charts provide information on statewide caseloads, expenditures, and average monthly payments.

SFY 2015 Auxiliary Grant Expenditures and Monthly Case Counts			
	AFC	ALF	Total
Average Monthly Caseload (Aged)	6	1,505	1,511
Average Monthly Caseload (Blind)	0	6	6
Average Monthly Caseload (Disabled)	33	2,818	2,851
Average Monthly Caseload (Total)	39	4,329	4,368
State	\$196,025	\$21,055,670	\$21,251,695
Local	\$49,006	\$5,263,917	\$5,312,923
Local-Non Reimbursable	\$0	\$1,587	\$1,587
Total Expenditures	\$245,031	\$26,321,174	\$26,566,205

Year	Average Monthly Cases	Total Payments (in millions)	Average Payment
2010	5,105	\$25.8	\$422
2011	4,947	\$27.8	\$469
2012	4,822	\$27.7	\$479
2013	4,704	\$27.4	\$485
2014	4,610	\$27.7	\$500
2015	4,368	\$26.6	\$507

Conclusion

Prior to this time, there has been no comprehensive, structured support provided to LDSS to help workers effectively manage their AG caseload. With the addition of the supportive housing setting, AG caseloads may become more challenging for the LDSS eligibility workers to manage. While the AG Program Consultant will focus primarily on ensuring Program compliance, she will also provide technical assistance, identify best practices, and conduct training for LDSS workers to further strengthen eligibility determination procedures.

Though LDSS are required to monitor local department approved AFC providers, DARS also is developing a protocol to ensure that AFC home providers comply with AG Program standards. As the structure of the AG Program continues to change in order to meet the needs of low-income adults with a variety of needs, DARS will evaluate the need to adjust and improve the AG Program monitoring system to uphold AG Program integrity.

DARS will continue to work with state and local partners through the AG Program Consultant and other avenues to ensure that the AG program continues to serve as a critical resource for some of the Commonwealth's most vulnerable citizens.