



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, 2017**



COMMONWEALTH OF VIRGINIA
DEPARTMENT FOR AGING AND REHABILITATIVE SERVICES

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October 1, 2017

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, appearing to read "James A. Rothrock", written over the printed name.

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 AG Monitoring report in response to the 2017 Appropriation Act, Item 337 C. There has been minimal monitoring and oversight throughout the history of the AG Program. It is clear from this report that the AG Program Consultant is serving a critical function in addressing problems with AG eligibility determination procedures and has initiated steps to strengthen Program integrity.

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

JAR/pm

Enclosure

EXECUTIVE SUMMARY

The Virginia General Assembly appropriated funding in 2016 to the Department for Aging and Rehabilitative Services (DARS) for an Auxiliary Grant (AG) Program monitor position. The AG Program Consultant, who was hired in July 2016, 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 highlights the AG Program Consultant's state fiscal year (SFY) 2017 activities including monitoring of local departments of social services' (LDSS) actions on AG applications and case renewals, technical assistance and training for LDSS eligibility workers, and review of provider compliance with AG Program regulations. The report also provides an overview of the AG Program, including caseload statistics and expenditure information.

2017 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 locally 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), adult foster care (AFC) home or supportive housing (SH)¹. AG payments are 80% state and 20% locally funded.

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 compliance¹, the federal government could withhold Virginia's Medicaid funding, thereby threatening Virginia's entire Medicaid Program.

SFY 2017 Program Quality Reviews and Findings

The following LDSS were selected for quality reviews which included assessment of a combination of hard copy and electronic AG records.

Cumberland	Richmond County	Manassas City	Bath
Charlottesville	Lynchburg	Bland	Smyth
Mathews	Prince George		

¹ The SH setting was authorized in 2016 and is limited to 60 AG recipients. Additional information about SH may be found in the annual report available at:

[http://leg2.state.va.us/dls/h&sdocs.nsf/By+Year/RD1932017/\\$file/RD193.pdf](http://leg2.state.va.us/dls/h&sdocs.nsf/By+Year/RD1932017/$file/RD193.pdf)

The AG Program Consultant identified the following errors during case monitoring activities. AG cases may have had only one of the errors listed below, though some cases were found to have multiple concerns needing attention.

- Lack of annual assessment documentation to support the continued placement.
- Improper verification of client's residence in the ALF.
- Proper renewal applications and notice of action forms were not used.
- Lack of documentation or verification to support that a client meets an aid category of aged, blind, or disabled.
- Improper evaluation of clients' eligibility in other aid categories when their aid category changed.
- Improper interpretation of AG policy regarding issuance of grant payment for clients who do not receive income.
- Not processing the Medicaid portion of the AG application resulting in recipients going without Medicaid coverage although they are eligible.
- Not monitoring AG grant payments to ensure payments are consistently being issued timely and accurately by the city or county.

The AG Program Consultant provided each LDSS with a written summary identifying case errors and steps that needed to be initiated to fix them. One LDSS with a significant number of cases out of compliance had to submit a corrective action plan and undergo a subsequent review.

In addition to the formal quality reviews, the Consultant performed targeted reviews of a few cases in Richmond City, Hampton, James City and Greenville-Emporia usually in response to a request from the LDSS or from AG providers.

AGTrak as the Program System of Record

For several years LDSS eligibility workers entered case information into the Department of Social Services (DSS) MedPend system. However, in March 2016 DSS notified DARS that the MedPend system would no longer be operational. DARS quickly developed AGTrak, a web-based application to replace MedPend, within three months. Prior to the July 1, 2016, implementation date, LDSS eligibility workers were instructed to review the information transferred from MedPend to AGTrak for accuracy, enter new applications received, and update the tracking system as applications and ongoing case renewals were approved, denied, or transferred.

Yet, more than one year after implementation, the AG Program Consultant discovered that only 43 LDSS were actively using AGTrak. In response to the lack of system use, in early August 2017 DARS AG staff issued an August 25, 2017 deadline for LDSS eligibility workers to obtain

system access and begin entering case information. As of the deadline, 60 LDSS are now using the system but 60 are not.

Over the next several weeks the AG Consultant will contact the remaining LDSS to establish a date by when they will become compliant. The 60 LDSS that did not meet the deadline are listed in the following chart. The APS Division suspects the primary reason that LDSS do not use AGTrak may be that all public assistance applications, except AG, are processed through the DSS VaCMS system and the workers may not want to use two different systems for benefit program eligibility determination. AGTrak does not automatically compute eligibility and is not tied to the system that issues payments, therefore eligibility can be determine on paper and processed for payment manually and the case information can be entered into AGTrak later. Often it is not. Forcing compliance through measures such as withholding and LDSS's AG funds would only hurt the individuals in need of assistance.

LDSS Not Using AGTrak			
Accomack	Essex	Lancaster	Richmond City
Amelia	Floyd	Loudoun	Richmond County
Alexandria	Fluvanna	Louisa	Radford
Alleghany	Franklin City	Lunenburg	Rappahannock
Arlington	Fredericksburg	Lynchburg	Rockbridge
Bath	Grayson	Madison	Spotsylvania
Bland	Halifax	Manassas City	Southampton
Botetourt	Hampton	Manassas Park	Suffolk
Brunswick	Henrico	Middlesex	Surry
Buchanan	Highland	New Kent	Tazewell
Charles City	Hopewell	Norton	Virginia Beach
Chesterfield	Isle of Wight	Orange	Warren
Clarke	King George	Page	Westmoreland
Craig	King & Queen	Petersburg	Williamsburg
Dickenson	King William	Prince Edward	Wise

Training Concerns

LDSS eligibility workers' inability to access updated and available AG Program training remains a concern for DARS. DSS has maintained oversight for the two-day AG course for new eligibility workers. DSS held six trainings during SFY 2017 or approximately one class per each of the five DSS regions once a year. However, no classes have been scheduled between July and December 2017. Through monitoring activities, the AG Program Consultant determined that workers are teaching themselves AG policy by shadowing co-workers or supervisors. Using these methods, poor eligibility determination procedures are passed down and ingrained, resulting in case action errors. Therefore, in addition to her other responsibilities, the AG

Program consultant has conducted AG training at two statewide conferences and three LDSS. Though the training was well received it was not intended to replace consistent classroom training. While DARS continues to negotiate with DSS for more course offerings, the AG Program has continued to provide half day refresher training when able. In early SFY 2018, she held sessions for Hanover and Fluvanna counties and has scheduled sessions for Chesterfield/Colonial Heights, Petersburg and Richmond City in October 2017.

Other AG Program Monitoring Efforts

Oversight of AG providers is a critical part of program monitoring efforts. Providers are required to submit an annual certification form to DARS by October 1. Certification forms are reviewed for completeness and accuracy and provide details how the ALF manages residents’ personal funds if the residents have requested this assistance. Fiscal year (FY) 2016 annual certification report data indicated the following²:

- Two hundred and seventy-eight facilities submitted certifications.
- 35 facilities received third party payments on behalf of their residents.
- Over 2,000 residents’ personal needs allowances were managed by the facilities.

DARS also compiles AG statistical data to identify program trends. The following charts provide information on statewide caseloads, expenditures, and average monthly payments. The average monthly caseload continues to decline, dropping 16% from SFY 2012 to SFY 2017. The AG rate has remained fairly static for the past several years, increasing only a few dollars annually in response to the federal COLA which is likely to impact providers’ ability to operate. Nearly 50 facilities have closed over the past 4 years severely limiting the number of available AG beds which ultimately impacts the number of individuals the program can serve.

SFY 2017 Auxiliary Grant Expenditures and Monthly Case Counts			
	AFC	ALF	Total
Average Monthly Caseload (Aged)	6	1,377	1,383
Average Monthly Caseload (Blind)	0	5	5
Average Monthly Caseload (Disabled)	31	2,665	2,696
Average Monthly Caseload (Total)	37	4,047	4,084
State	\$170,991	\$19,604,540	\$19,775,531
Local	\$42,748	\$4,899,284	\$4,942,032
Local-Non Reimbursable	\$1,279	\$-760	\$519
Total Expenditures	\$215,018	\$24,503,064	\$24,718,082

² SFY 2017 certification forms are not due until October 1, 2017

Year	Average Monthly Cases	Total Payments (in millions)	Average Payment
2012	4,822	\$27.7	\$479
2013	4,704	\$27.4	\$485
2014	4,610	\$27.7	\$500
2015	4,368	\$26.6	\$507
2016	4,190	\$25.7	\$513
2017	4,084	\$24.7	\$504

Conclusion

Over the past year, the AG Program Consultant has identified issues with LDSS adherence to AG Program policy when evaluating AG applications and processing eligibility renewals. Improper verification of an individual's placement, lack of documentation for level of care assessments, misinterpretation of policy in non-financial and financial areas, and the inability to obtain necessary documents underscore the need for the consultant's continued monitoring efforts and reinforcement of correct procedures. The Consultant will continue LDSS monitoring in the coming year, selecting ten more LDSS for review and follow up with LDSS who have been reviewed to ensure that errors are corrected and do not reoccur. Additionally, the dearth of consistent, quality training for new workers has negatively impacted the AG Program and the Consultant will attempt to supplement training in the immediate future while discussions with DSS continue. Finally, DARS will continue to call attention to the declining AG caseload and explore strategies to shore up this critical program for vulnerable adults.