



Auxiliary Grant Program

Report to

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

**Virginia Department for Aging
and Rehabilitative Services**

**Commonwealth of Virginia
Richmond
September 1, 2020**



COMMONWEALTH OF VIRGINIA
DEPARTMENT FOR AGING AND REHABILITATIVE SERVICES

KATHRYN A. HAYFIELD
Commissioner

8004 Franklin Farms Drive
Henrico, VA 23229

Office (804) 662-7000
Toll free (800) 552-5019
TTY Toll free (800) 464-9950
Fax (804) 662-7644

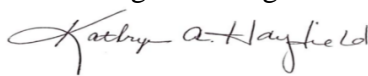
September 1, 2020

MEMORANDUM

TO: The Honorable Janet D. Howell
Chairwoman, Senate Finance and Appropriations Committee

The Honorable Luke E. Torian
Chairman, House Appropriations Committee

Dan Timberlake
Director, Department of Planning and Budget

FROM: Kathryn A. Hayfield 
Commissioner, Department for Aging and Rehabilitative Services

SUBJECT: Annual Report on Auxiliary Grant (AG) Program

As Commissioner of the Virginia Department for Aging and Rehabilitative Services (DARS), I am pleased to present the AG Program annual report in response to the 2020 Appropriations Act, Item 334 C. The report highlights AG Program statistics, including information about AG supportive housing (AGSH) and the number of individuals residing in this setting. The report also provides a summary of AG Program oversight and monitoring activities.

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

KH/pm

Enclosure

EXECUTIVE SUMMARY

The 2020 Virginia Acts of Assembly directed the Department for Aging and Rehabilitative Services (DARS) to develop an annual report on the Auxiliary Grant (AG) Program. Item 344C of Chapter 1289 of the Acts of Assembly further states:

This report shall include an overview of the program as well as a summary of oversight activities and findings. In addition, the report shall include for each month of the previous fiscal year, the number of Auxiliary Grant recipients living in a supportive housing setting as well as the number of individuals receiving an AG supportive housing slot that were discharged from a state behavioral health facility in the prior 12 months.

The following report highlights AG Program statistics, including information about AG supportive housing (AGSH). The AG Program Consultant monitored nine local departments of social services during the year, conducted special request reviews of four other LDSS, and provided supplemental training to LDSS and AG providers. As of June 30, 2020, thirty-eight individuals resided in AGSH and five individuals were discharged from a state behavioral health facility to AGSH.

2020 AUXILIARY GRANT PROGRAM ANNUAL REPORT

Program 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). AG payments are 80% state and 20% locally funded. Two DARS staff, the AG Program Manager and the AG Program Consultant, are responsible for statewide management of the AG Program. Eligibility workers in 120 local departments of social services (LDSS) determine individuals' eligibility for assistance.

The AG rate, which an AG provider is required to accept as payment in full for services rendered, remained static for several years, increasing only a few dollars annually in response to the federal cost of living adjustments (COLA). Over the past two years, the Virginia General Assembly has approved additional increases, though the overall low rate likely has had a negative impact on providers' ability to operate. Sixty-six ALFs closed in the past six years, severely limiting the number of available AG beds and reducing the number of individuals the program can serve. An \$80 rate increase took effect at the beginning of SFY 2021. **Table 1** lists the AG rates from 2015 to 2020 for most planning districts and the higher rate for Planning District 8 (Arlington, Alexandria, Fairfax City and County, Falls Church, Loudoun County, Prince William County, Manassas City and Manassas Park).

Table 1: Auxiliary Grant Rates: 2015-2020

Year	Standard Rate	Planning District 8 Rate
1/2015	\$1,219	\$1,402
1/2016	\$1,219	\$1,402
1/2017	\$1,221	\$1,404
1/2018	\$1,236	\$1,421
7/2018	\$1,271	\$1,462
1/2019	\$1,292	\$1,486
7/2019	\$1,317	\$1,515
1/2020	\$1,329	\$1,528

Program Statistics

DARS compiles AG statistical data to identify program trends. **Table 2** provides information on statewide caseload, expenditures, and average monthly payments. The average monthly caseload continues to decline, dropping almost 26% from SFY 2015 to SFY 2020. **Table 3** lists SFY 2020 AG recipients' demographics.

Table 2: Auxiliary Grant Expenditures and Monthly Case Counts¹

Year	Average Monthly Cases	Total Payments (in millions)	Average Payment
2015	4,368	\$26.6	\$507
2016	4,190	\$25.7	\$513
2017	4,084	\$24.7	\$504
2018	3,799	\$23.1	\$508
2019	3,901	\$22.6	\$483
2020	3,254	\$22.4	\$576

Table 3: Auxiliary Grant Case Demographics

Gender	Race	Aid Category
Female 47%	White 65%	Aged 40%
Male 53%	African American 33%	Disabled 60%
	Other 2%	

Number of AGSH recipients in SFY 2020 by month

The AGSH Program enables individuals to receive AG payments in designated supportive housing settings in Virginia. The program is capped at 90 individuals². As of June 2020, there were 38 individuals residing in AGSH. This represents a 15% increase in AGSH recipients compared to June 2019.

Table 4: AGSH by month

7/19	8/19	9/19	10/19	11/19	12/19	1/20	2/20	3/20	4/20	5/20	6/20
36	27	27	28	32	35	34	35	37	35	35	38

The entities that provide AGSH are:

¹ Source: Virginia Department of Social Services Laser Local Fund and Count Summary

² 30 additional slots may be added once 90 slots have been filled.

- Blue Ridge Behavioral Health Authority (40 slots);
- Mount Rogers Community Service Board (35 slots);
- Danville-Pittsylvania Community Service Board (5 slots);
- Piedmont Community Services (5 slots); and
- Southside Community Services (5 slots)

AGSH census by provider as of June 2020

- Blue Ridge Behavioral Health Authority (19 housed)
- Mount Rogers Community Service Board (19 housed)
- Danville-Pittsylvania Community Service Board (0 housed)
- Piedmont Community Services (0 housed); and
- Southside Community Services (0 housed)

During SFY 2020, five individuals were discharged from a state behavioral health facility to AGSH.

AG Program Monitoring Program: LDSS Quality Reviews and Findings

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 the Virginia passes COLA 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.

Since 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 rectified. 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 SFY 2020, the AG Program Consultant initiated quality reviews, which included assessment of hard copy and electronic AG records, on the following LDSS.

Buena Vista	Culpeper	Franklin City	King & Queen
Nelson	Northumberland	Patrick	Rappahannock
Sussex			

The AG Program Consultant identified the following major errors during case monitoring activities:

- Lack of annual assessment documentation to support admission and level of care for continued placement in the ALF.
- Improper verification of client's residence in the ALF.
- Not reviewing COLA changes or other changes reported by recipients in a timely manner.
- Not documenting eligibility determinations properly on the evaluation form or documentation screens.
- Failure to request clients apply for any additional income they appear to be eligible to receive.
- Improper evaluation of resources; overlooking information that requires additional research and documentation such as source and destination of a resource.

The AG Program Consultant provided each LDSS with a written summary identifying case errors and steps to fix them. In addition to the formal quality reviews, the consultant performed targeted reviews of some cases in the cities of Charlottesville and Petersburg and the counties of Dickenson and Washington. The Consultant conducted these reviews in response to a request from the LDSS. The consultant and AG Program Manager conducted AG refresher and supplemental trainings for LDSS and AG providers.³ LDSS refresher trainings supplement Department of Social Services (DSS) training and reinforce policy and updates.

Provider Oversight

Oversight of AG providers is a critical part of program monitoring. Providers who accept AG residents are required to submit an annual certification form to DARS by October 1. DARS reviews certification forms for completeness and accuracy, including the ALF's management of residents' personal funds if the residents have requested this assistance. At the start of the SFY 2020, 271 ALFs accepted AG recipients. Annual certification report data indicated the following⁴:

- Two hundred sixty three facilities submitted certifications.⁵
- Thirty-five facilities received third party payments on behalf of their residents.
- Over 1,649 residents' personal needs allowances were managed by the facilities.

³ DSS is responsible for conducting AG training for LDSS. DARS provides DSS with course curriculum updates.

⁴ SFY 2020 certification forms are not due until October 1, 2020

⁵ Three facilities did not submit forms.

AG Program Response to COVID-19 pandemic

Beginning in March through June 2020, DARS issued temporary guidelines for LDSS authorizing AG application and renewal processing flexibility in order to prevent hardships and homelessness during the COVID-19 pandemic. The guidelines permitted additional time for LDSS to locate placement, complete annual renewals, and obtain and document verifications. AG staff also issued guidance to ALF providers confirming that residents' Coronavirus Aid, Relief and Economic Security (CARES) Act stimulus checks belonged to the residents and not to the facility.

Conclusion

AGSH aligns with the DARS mission to improve the employment, quality of life, security, and independence of older Virginians, Virginians with disabilities, and their families. AG Program staff will continue to raise awareness of AGSH in Virginia and collaborate with state partners on the goal of increasing the number of individuals who may benefit by residing in a supportive housing setting. The AG Program Consultant will also continue to support LDSS efforts to improve case determination actions through monitoring and education, ensuring individuals in need can promptly access AG benefits. Should the AG rate remain at its current level, DARS expects the number of AG providers to decrease contributing to further statewide decline in AG caseloads.