



**COMMONWEALTH OF VIRGINIA**  
**DEPARTMENT FOR AGING AND REHABILITATIVE SERVICES**

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September 1, 2021

**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 *KAH*  
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 2021 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



# **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, 2021**

## **EXECUTIVE SUMMARY**

The 2021 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 552 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 ten local departments of social services during the year, conducted special request reviews of Henrico and Norton County DSS, and provided supplemental training to LDSS and AG providers. As of June 30, 2021, sixty-five individuals resided in AGSH and ten individuals were discharged from a state behavioral health facility to AGSH.

## 2021 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, has primarily remained static for several years, with the exception of increasing only a few dollars annually in response to the federal cost of living adjustment (COLA) and increases provided by the Virginia General Assembly in the past two years. The overall low rate has had a negative impact on providers' ability to operate. Seventy-four ALFs closed in the past seven years, severely limiting the number of available AG beds and reducing the number of individuals the program can serve. However, DARS is optimistic that a 10% rate increase which took effect at the beginning of SFY 2022, will provide much needed financial support to AG providers. **Table 1** lists the AG rates from 2016 to 2021 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: 2016-2021**

<b>Mon/Year</b>	<b>Standard Rate</b>	<b>Planning District 8 Rate</b>
<b>1/2016</b>	\$1,219	\$1,402
<b>1/2017</b>	\$1,221	\$1,404
<b>1/2018</b>	\$1,236	\$1,421
<b>7/2018</b>	\$1,271	\$1,462
<b>1/2019</b>	\$1,292	\$1,486
<b>7/2019</b>	\$1,317	\$1,515
<b>1/2020</b>	\$1,329	\$1,528
<b>7/2020</b>	\$1,409	\$1,620
<b>1/2021</b>	\$1,420	\$1,633
<b>7/2021</b>	\$1,562	\$1,796

## 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 28% from SFY 2016 to SFY 2021. **Table 3** lists SFY 2021 AG recipients' demographics.

**Table 2: Auxiliary Grant Expenditures and Monthly Case Counts<sup>1</sup>**

Year	Average Monthly Cases	Total Payments (in millions)	Average Payment
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
2021	3,013	\$24.1	\$669

**Table 3: Auxiliary Grant Case Demographics**

Gender	Race	Aid Category
Female 46%	White 66%	Aged 41%
Male 54%	African American 32%	Disabled 58%
	Other 3%	

## Number of Auxiliary Grant Supportive Housing (AGSH) recipients in SFY 2021 by month

The AGSH Program, which was authorized in 2016, enables individuals to receive AG payments in designated supportive housing settings in Virginia. With approval from the Social Security Administration (SSA), DARS increased the program cap from 90 to 120 individuals effective November 1, 2020. As of June 2021, there were 65 individuals residing in AGSH. This represents a 71% increase in AGSH recipients compared to June 2020. Seventy-five individuals have received AGSH since the program's inception. The first individual to transition to AGSH celebrated her 4th year in the community. Prior to transferring to AGSH, she lived in an ALF for 17 years.

**Table 4: AGSH by month**

7/20	8/20	9/20	10/20	11/20	12/20	1/21	2/21	3/21	4/21	5/21	6/21
41	49	59	55	59	63	63	65	67	67	65	65

<sup>1</sup> Source: Virginia Department of Social Services Laser Local Fund and Count Summary

The entities that provide AGSH are:

- 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 2021**

- Blue Ridge Behavioral Health Authority (20 housed)
- Mount Rogers Community Service Board (35 housed)
- Danville-Pittsylvania Community Service Board (0 housed)
- Piedmont Community Services (7 housed); and
- Southside Community Services (3 housed)

During SFY 2021, five individuals were discharged from a state behavioral health facility to AGSH, bringing the total to ten discharges to AGSH since the program's inception.

Effective July 1, 2021 two additional AGSH providers were added to the program. Highland Community Service Board serving Washington County and Bristol City (15 slots); and New River Valley Community Service Board serving the counties of Floyd, Giles, Montgomery and Pulaski and the City of Radford (5 slots). Mt. Rogers Community Service Board received 10 additional slots.

### **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 SSA. The MOE ensures that 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 2021, the AG Program Consultant initiated quality reviews, which included assessment of hard copy and electronic AG records, on the following LDSS.

Amelia	Fauquier	Fluvanna	Lee
Madison	Petersburg	Pittsylvania	Warren
Westmoreland	Winchester		

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

- Lack of annual assessment documentation to support the level of care for admission and continued placement in the ALF. In some cases where a form was collected, the document was not completed by a qualified assessor authorized to complete the form.
- Improper verification of the client’s residence in the ALF or the failure to verify the residence in the facility.
- Acceptance of applications for AG from individuals with a third party signature without supporting documentation as proof the third party has the authority to conduct business for the individual.
- Not reviewing COLA changes or other changes reported by recipients in a timely manner. Not resuming renewals in a timely manner once the COVID temporary extensions had expired.
- Not documenting eligibility determinations properly on the evaluation form or documentation screens.
- Failure to confirm the ALF the recipient resides in is an AG approved facility.
- 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 counties of Henrico and Norton. The Consultant conducted these reviews in response to a request from the LDSS. During the fiscal year, the AG Consultant and Program Manager conducted AG refresher and supplemental trainings for more than 200 LDSS eligibility workers and 62 hospital discharge planners<sup>2</sup>. 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

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<sup>2</sup> DSS is responsible for conducting AG training for LDSS. DARS provides DSS with course curriculum updates.

residents' personal funds if the residents have requested this assistance. SFY 2020<sup>3</sup> annual certification forms indicate that 257 ALFs accepted AG recipients. Annual certification report data indicated the following:

- Two hundred fifty-one facilities submitted certifications.<sup>4</sup>
- Eighteen facilities received third party payments on behalf of their residents.
- Over 3,200 residents' personal needs allowances were managed by the facilities.

### **AG Program Response to COVID-19 pandemic**

DARS granted LDSS temporary AG application and renewal processing flexibilities during the first few months of the COVID-19 pandemic. Workers could take additional time processing applications and obtaining necessary financial documents, thereby avoiding unnecessary eligibility terminations. The guidelines also permitted additional time for LDSS to locate placement and complete annual renewals. However, as LDSS adapted quickly to operating under COVID-19, DARS determined standard processing procedures could resume on July 1, 2020.

### **Conclusion**

The AG program provides critical housing and support to vulnerable Virginians and 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. Given the significant increase to the AG rate, DARS is hopeful that more providers will join the program and the AG caseloads will gradually increase.

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<sup>3</sup> SFY 2021 certification forms are not due until October 1, 2021

<sup>4</sup> Six facilities did not submit forms.