



**May Monthly TA Call**  
**Older Americans Act and Participant-Direction**  
**May 6, 2010**

Moderator: Tim Engelhardt – The Lewin Group  
Speakers: Bob Hornyak, Administration on Aging  
Deborah Kuhn, Administration on Aging

**Introduction**

The introduction to the call was conducted by Bob Hornyak who discussed how the Older Americans Act laid out a declaration of objectives for older Americans in Section 101.

- There are 10 objectives listed in the legislation, and the 10<sup>th</sup> objective was pertinent this discussion in that it called for:
  - “freedom, independence, and free exercise of individual initiative in planning and managing their own lives, full participation in the planning and operation of community-based services and programs provided for their benefit, and protection against abuse, neglect and exploitation.”
- This objective crystallizes the importance of offering people the maximum flexibility and direction in their lives.
- When looking at the act, Mr. Hornyak does not see a rigid set of services, even though services are defined, but what he does see is a systems approach.
  - The building of a system of home and community based services is at the heart of the OAA
- During the listening sessions as part of the reauthorization of the OAA, a recurring message was the demand for more flexibility at both the systems and consumer levels.
  - With increased flexibility comes the idea that states, ADRCs, AAAs, etc. may have to rethink how those funds are used at the local level.
  - States, AAAs, ADRCs, and provider agencies may have to work together to effect the type of change needed.

**Using OAA Funds For Participant-Direction/ Self-Directed Services**

Debbie Coone illustrated some of the mechanisms within the OAA that states can use to effect systems change by transforming the statutory language into programs that promote self-direction.

- Section 102.46 defines self-directed care, and includes services which are planned, budgeted, and purchased under the direction and control of the individual. The individual is provided with information and assistance as necessary and appropriate to enable him or her to make informed decisions about care options. The needs, capabilities, and preferences of the individual are assessed and a plan of service is developed together with the individual, the

- family care giver, or legal representative and the area agency or state agency provides for oversight to ensure quality of service provided and appropriate use of funds.
- Area agencies are supposed to provide, to the extent feasible, for the furnishing of services under the OAA consistent with self directed care.
  - One example – Texas asked if states can use their excess administration funds for innovative purposes, integrating those OAA funds with their demonstration programs (specifically to allow their VDHCBS program to serve younger veterans).
    - The part of the OAA that deals with state admin funds gives states the authority to carry out demonstration projects relating to the initiation, expansion or improvement of services.
    - The use of a demonstration moves the service from Title III requirements to Title IV demonstrations. This allows more flexibility to serve people of different ages.
  - Another example relates to Title III-B funds.
    - Section 321 under supportive services has large list of services which can be provided.
    - Clarified that fiscal management services can be funded through Title III-B
  - The greatest use of self-directed programs under the OAA is through Title III-E the National Family Caregivers Support Program

### **Questions and Answers**

Questions to Debbie or comments from states which have made OAA funding streams more person-centered and supportive of consumer direction.

- Comment from Georgia: From beginning of project they decided to move forward using primarily state funds, though noted they also use some Title III-B and III-E. The first issue they ran into was cost-share since there are a number of services in Georgia in which cost-share is required. However under Title III, there are certain services where it is not allowable to require cost-share. This presented a problem since Georgia was bundling services. Originally, they used state funds in which they were doing cost-sharing for everything. The other issue they had was that state funds had legislative intent and they had to model their programs around that (e.g. the state funding they used had a requirement that a caregiver be involved). Georgia asked to clarify usage of Title III funds.
- Response from Debbie: Currently they can't get around the limitations under cost-sharing. The most flexibility comes under Title III-B. Also stated, that states have a big role to play in advocating for changes in the legislation which would provide the type of flexibility they need.

Question was asked whether states had been using OAA funds for FMS and if so could they describe their experience.

- Response from New Hampshire: They have been using Title III-E funds under a consumer directed model for several years. They have been working with an FMS, and had been using multiple funding streams. Started by releasing an RFP

for FMS providers, and one of the bidders was already providing consumer-directed funding for clients with developmental disabilities. Many of the things could be adopted and modified to fit into their program.

- Comment from Debbie: another example came from a state that wanted to use excess admin funds to hire a person at the state level who would perform FMS services.

Question from Vermont: AAA directors have been interested in using dollars more flexibly, but don't feel they have dollars to be flexible with. The question is where the conversation starts to begin this process (e.g. is it a state driven process or a locally AAA driven process), and what kind of conversations unfolded and what steps did you take to make that happen?

- Response from Georgia: Several years ago they had an influx of \$2 million in their supplemental budget, which gave them a short time frame to spend it. Largest AAA had additional dollars, and they were able to get them on board with a demonstration grant. This was the easiest way for them to get AAAs to buy-in.
- Response from New Hampshire: Conversation first started with the RFP for the nursing home diversion grant. Got the buy-in from state and ADRC level very quickly because they liked the idea of consumer direction.
- Response from Connecticut: One of the concerns that came from the AAA and State level about moving their CLP and C&C program statewide, was because of the additional Fiscal Intermediary costs would they be serving fewer clients and would services not go as far. CT worked with Mollie Murphy at NRCPS to conduct a cost analysis. Results of the cost analysis found that service workers were making more an hour and admin and total costs were lower through C&C than traditional services. This demonstrated that there would not be a trade off and therefore it wouldn't be the case that fewer clients would be served or that services would be restricted.

Question from Georgia: Another opportunity may exist through health care reform under the CLASS Act. It looks like the self directed care option may fit nicely in that context and they would like to hear what others think about that.

- Response from Tim at Lewin: Beneficiaries of the CLASS Act will get required assistance and counseling, AAAs that have already gone down path of developing options counseling infrastructure will be well-equipped, but also those that have experience working with self-directed program. This is the type of skill set that will be necessary to support beneficiaries of the CLASS act. This is in line with this concept of total flexibility of types of services that people can support and purchase.
- Response from Deb: CLASS Act funds are likely to have less strings attached than OAA funds. It lends itself to be blended with other funding streams and will be helpful to develop a more flexible system. It will also help states and Area Agencies position themselves to provide a service that is so well designed that individuals will want to use those funds to purchase those services.

- Follow-up from Linda at AoA: AoA is interested in helping the network move toward self-direction, CLP and VDHCBS. It is important to develop the infrastructure that the network will need take advantage of the types of programs.
- Response from Tim at Lewin: Some of these federal initiatives have been great at spawning these changes, but states have the equipment and flexibility to do this even absent federal grant funding. The apparatus exists to shift from what might not be so person-centered to more person-centered. The challenges will be political and operational, but the flexibility is already there.

Question from Virginia: Asked for clarification concerning a statement regarding the administrative SUA funds which could be converted to title IV for the use of demonstration purposes, and if there are there any guidelines concerning this?

- Response from Deb: The part of the OAA that provides that flexibility is under Section 308-A1. Few states have excess admin funds with which to do innovation and demonstration. The Title III funds are not converted to Title IV funds, but rather if they are not needed by the state the Title III funds can be used to carry out demonstration projects. Demonstration projects do not fall under the same requirements under Title III.