

- PASSPORT GRF funding is increased \$12.6 million (18.4%) in FY 2004 and \$22.7 million (28%) in FY 2005

## Aging, Department of

*Chris Murray, Economist*

### ROLE

The Department of Aging (ODA) advocates for and serves the needs of Ohio's citizens age 60 years and older. The Department strives to improve the quality of life for older Ohioans through both state and federal programs that emphasize community-based and self-care options. Over 90% of all funds appropriated in the Department's budget are for community-based long-term care (LTC) and senior independence services.

The Department administers programs such as PASSPORT (Pre-Admission Screening System Providing Options and Resources Today), Residential State Supplement (RSS), Alzheimers Respite Care, Long-Term Care Ombudsman, and the Golden Buckeye Card program. About 70% of the Department's budget is directed to PASSPORT.

Programs administered by the Department under the federal Older Americans Act include: congregate meals, home-delivered meals, senior employment, chore services, counseling, adult day care, education, employment, escort, friendly visitor, health services, home health aide, home maintenance, homemaker, information/referral, legal services, nutrition, outreach protective services, recreation, respite care, telephone reassurance, transportation, and volunteers.

The Department also provides technical assistance to the 12 Area Agencies on Aging (AAAs). The AAAs administer state and federal senior citizen programs throughout Ohio.

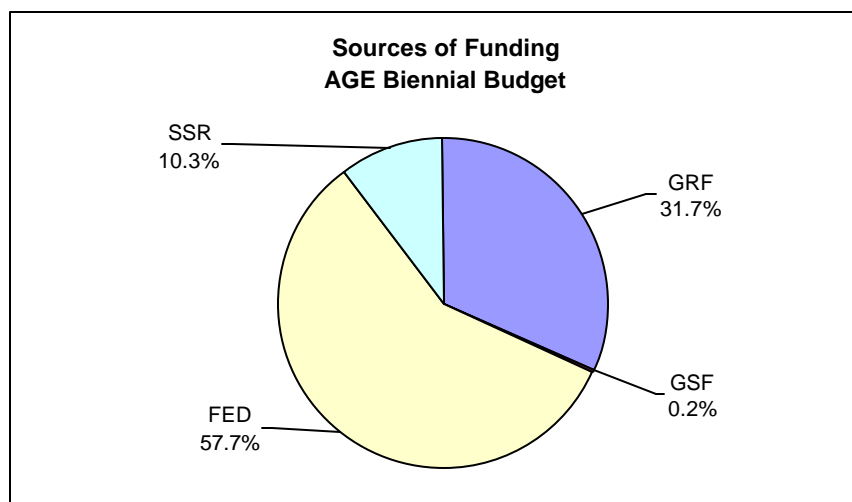
Agency In Brief					
Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2004	2005	2004	2005	
126	\$367.9 million	\$402.1 million	\$110.8 million	\$133.6 million	Am. Sub. H.B. 95

\*Employee head count obtained from the Department of Aging payroll reports as of June 28, 2003. This number includes Ohio Community Service Council and Ohio Advisory Council on Aging employees.

### OVERVIEW

The Department has a total all funds annual budget of about \$368 million in FY 2004 and \$402 million in FY 2005. The Department's total budget increases by 6.5% from FY 2003 expenditures and by 9.3% from FY 2004 levels. General Revenue Fund (GRF) appropriations represent about 32% of the total agency budget appropriation, with 76% of the GRF funding appropriated for PASSPORT. The GRF portion of the Department's budget increases by 10.9% in FY 2004 (over FY 2003 expenditures) and by 20.5% in FY 2005 (over FY 2004 appropriations). Appropriations for the PASSPORT and Residential State Supplement (RSS) programs account for the majority of this increase.

The following chart illustrates the various funding sources of the Department of Aging's biennial budget, as enacted by Am. Sub. H.B. 95.



## BUDGET ISSUES

### ***PASSPORT (PRE-ADMISSION SCREENING SYSTEM PROVIDING OPTIONS AND RESOURCES TODAY)***

The PASSPORT home and community-based Medicaid Waiver program enables older persons who are in need of a nursing home level of care to stay at home by providing them with in-home services. The services that are available are as follows: personal care; homemaker; home delivered meals; adult day services; transportation; social work and counseling; nutrition consultant; independent living assistance; emergency response systems; home chores and home repairs; medical supplies and equipment; and adaptive and assistive equipment.

To be eligible for the program, a person must meet both financial and non-financial requirements. A person must: (1) be Medicaid eligible, (2) be 60 years old or older, (3) be in need of a nursing home level of care, (4) be in need of services not readily available from other community resources, (5) be evaluated periodically to determine need and eligibility of services, (6) be under a physician-approved service plan, (7) be adequately assured of health and safety living at home, (8) not have elected to use Medicaid or Medicare hospice benefits, and (9) be able to receive services that meet their needs within a cost cap.

The federal government restricts the number of persons who may be served each year in a Medicaid Waiver program. The maximum number that may be served in the PASSPORT program was 27,891 in FY 2003. Given the FY 2003 budget reductions, the Department served an estimated 27,058 individuals in FY 2003.

PASSPORT is funded with state GRF, nursing home franchise fees, the off-track betting tax, and federal Medicaid reimbursement. Total PASSPORT funding is increased by approximately \$14.5 million in FY 2004 over FY 2003 expenditures and \$31.8 million over FY 2004 appropriations. The budget act increases GRF appropriations by approximately \$12.6 million in FY 2004 and \$22.7 million more in FY 2005 than appropriated in FY 2004. Franchise fee revenue for the program is increased by about \$9.2 million in FY 2004 and \$4,068 in FY 2005. The PASSPORT program gains an additional \$500,000

in appropriation from off-track betting in FY 2004 with funding levels remaining the same for FY 2005. The federal reimbursement moneys are about \$7.9 million less than FY 2003 expenditures. This is because of some delays in receiving FY 2003 reimbursements and the spending down of federal moneys the Department had in reserve in order to avoid service cuts in the program during the last biennium. Federal appropriations in FY 2005 increase by about \$9 million from FY 2004 levels to account for the anticipated increase in federal reimbursements because of greater GRF spending.

At these funding levels, the Department anticipates being able to meet the increasing demand for PASSPORT services and avoid waiting lists over the biennium. An estimated 29,700 people will be served in FY 2004, increasing to about 32,300 in FY 2005, pending federal approval from the Centers for Medicaid and Medicare Services (CMS) for additional waiver slots.

### ***RSS (RESIDENTIAL STATE SUPPLEMENT)***

This program provides cash assistance to aged, blind, or disabled adults who have increased financial burdens due to a medical condition. This condition, however, may not be severe enough to require institutionalization. Persons participating in the RSS program reside in a group home setting and receive a protective level of care. The program provides a cash supplement to people whose income does not exceed the RSS payment standard and who live in approved homes. Clients receive the supplemental payment directly and then pay the RSS providers themselves. The monthly supplement is currently \$600 to \$900 depending on the particular kind of home, apartment, or facility in which they live. The resident keeps at least \$50 each month for their personal care needs. An RSS recipient is also eligible for Medicaid services such as doctors' visits and prescriptions.

The Department of Aging administers the RSS program, although the Department of Job and Family Services (JFS) issues the warrants to recipients. In addition to GRF funding, the RSS program receives a portion (approximately \$2.8 million in FY 2003) of the nursing facility bed tax moneys, which are transferred from JFS to the Department of Aging's SSR Fund 4J4, and appropriated in line item 490-610, PASSPORT/Residential State Supplement.

The RSS program was nearly flat funded from FY 2003 expenditure levels, receiving GRF appropriations of just over \$9.9 million in FYs 2004 and 2005. Services will continue at their FY 2003 levels. The Ohio Administrative Code limits enrollment in RSS to 2,800 residents at any given time; however, RSS has had to close enrollment because of budget constraints. At the end of FY 2003, 2,514 residents were receiving services. More than half of the recipients are under age 60 and of these, two-thirds suffer from some type of chronic mental illness. The RSS waiting list is about 1,363 individuals and will continue to fall because no new applicants are being enrolled.

### ***PRESCRIPTION DRUG PROGRAM***

S.B. 261 of the 124th General Assembly directed the Department of Aging to develop a prescription drug discount card program for individuals over the age of 60, or disabled. In FY 2003, the Department entered into a contractual agreement with Member Health to establish a prescription drug discount program for seniors (see Controlling Board AGE010 of the 124th General Assembly for details of the contract). The program is to be administered by Member Health and will use new Golden Buckeye Cards as the discount prescription card. Member Health is responsible for issuing the new cards and entering into rebate agreements with pharmaceutical companies.

The budget bill makes some changes to the prescription drug program. Language was included that allows the administrator of the prescription drug program to serve as the single enrollment point for a manufacturer's discount program. Furthermore, the bill exempts the discounts from federal best price calculations under certain circumstances and requires the program administrator to get Controlling Board approval before using rebates for purposes other than those required by law. Finally, the bill appropriates \$169,986 in each fiscal year in GRF line item 490-419, Prescription Drug Discount Program, and earmarks these funds to be used for administrative purposes related to a prescription drug discount program.

As of the beginning of FY 2004, the prescription drug discount program is still in its final stages of development. In preparing for the initiation of the new program, a production contract to produce and mail the new Golden Buckeye Prescription Drug Program card has been signed. The program is expected to commence sometime in FY 2004.

### ***LONG-TERM CARE OMBUDSMAN PROGRAM***

The Ombudsman program investigates and attempts to resolve consumer complaints about long-term care services. The program is operated through 12 regional offices. Six AAAs operate the program directly, while the other six AAAs contract with a nonprofit organization to run the program. In FY 2003, the program investigated over 9,200 new complaints.

The program receives its funds from the GRF, the federal Older Americans Act, and a \$3 per bed per year fee on all long-term care beds in Ohio. General Revenue Fund appropriations for the Ombudsman program is decreased 47% in FY 2004 from FY 2003 expenditure levels and flat funded for FY 2005. To offset the decrease in GRF funds, the budget bill increases the bed fee from \$3 to \$6. The Department estimates that services provided by the Ombudsman program will remain at FY 2003 levels.

The budget bill also makes changes to permanent law that allows the Ombudsman program to investigate complaints against community-based long-term care service providers by individuals age 60 or younger. According to the Department, there are a limited number of under-60 cases that will be absorbed by the program with minimal costs.

### ***LONG-TERM CARE CONSUMER GUIDE***

Am. Sub. H.B. 403 of the 123rd General Assembly required the Department to develop a guide to nursing homes in the state, including information related to customer satisfaction measurements and clinical quality indicator data. The Consumer Guide is a web-based resource for individuals choosing a nursing home ([www.ltcoho.org](http://www.ltcoho.org)). It currently includes regulatory compliance and consumer satisfaction information for nursing homes in the state, and quality indicator data. Besides having descriptions of services provided by each home, the website also includes references to community-based care alternatives. The site averages about 6,100 visitors monthly.

The budget bill repeals Revised Code sections 173.45 through 173.59, which required the Department to develop the Consumer Guide. The bill also removed funding for the program. The Department is currently funding a 0.5 FTE analyst position from federal Long-Term Ombudsman funds and using intermittent Information Technology support to keep the web page updated weekly.

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### ***RESIDENT SERVICES COORDINATOR PROGRAM***

Prior to FY 2004, the Department administered the Resident Services Coordinator program for the Department of Development's Ohio Housing Trust Fund (OHTF). The Resident Services Coordinator program provides information and assistance to low-income and special-needs tenants, including the elderly, living in subsidized rental housing complexes, in obtaining community and program services and other benefits for which they are eligible. The budget bill contains language that creates the federal special revenue fund line item 490-616, Resident Services Coordinator Program, (Fund 5W1) and appropriates \$250,000 in each fiscal year. The bill transfers the funds from the Department of Development's OHTF and will be disbursed via grants by the Department of Aging.

### ***GOVERNOR'S VETOES***

#### **STARS (Seniors Teaching and Reaching Students)**

This program allowed seniors to provide tutoring and mentoring in schools. It was first funded in Am. Sub. H.B. 215 of the 122nd General Assembly. The goals of the program were to improve the academic performance of students, enhance self-esteem, expand family involvement, and increase volunteer opportunities for older adults to be involved in the education of youth. The budget bill contained language that would have transferred funds from the Department of Education's OhioReads line item to the Department of Aging to fund the STARS program, as was done during the FY 2002-2003 biennium. This is the only source of funding for STARS.

The Governor vetoed the transfer of the funds to be used for the STARS program noting that STARS performed many of the same functions as OhioREADS, but at a higher cost. 

**FY 2004 - 2005 Final Appropriation Amounts**

**All Fund Group**

<i>Line Item Detail by Agency</i>			<i>FY 2001:</i>	<i>FY 2002:</i>	<i>FY 2003:</i>	<i>FY 2004 Appropriations:</i>	<i>% Change 2003 to 2004:</i>	<i>FY 2005 Appropriations:</i>	<i>% Change 2004 to 2005:</i>
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**Report For: Main Operating Appropriations Bill**

**Version: Enacted**

**AGE Aging, Department of**

GRF	490-100	Personal Services	\$ 2,010,588	\$ 1,198	\$0	\$ 0	N/A	\$ 0	N/A
GRF	490-200	Maintenance	\$ 924,185	\$ 57,746	\$0	\$ 0	N/A	\$ 0	N/A
GRF	490-300	Equipment	\$ 16,966	---	\$0	\$ 0	N/A	\$ 0	N/A
GRF	490-321	Operating Expenses	---	\$ 1,908,867	\$2,395,202	\$ 2,308,867	-3.60%	\$ 2,308,867	0.00%
GRF	490-403	PASSPORT	\$ 57,951,192	\$ 54,790,789	\$68,416,077	\$ 81,008,877	18.41%	\$ 103,746,032	28.07%
GRF	490-404	Eldercare	\$ 131,645	---	\$0	\$ 0	N/A	\$ 0	N/A
GRF	490-405	Golden Buckeye Card	---	\$ 267,628	\$305,769	\$ 297,628	-2.66%	\$ 297,628	0.00%
GRF	490-406	Senior Olympics	---	\$ 17,707	\$16,625	\$ 16,636	0.07%	\$ 16,636	0.00%
GRF	490-407	Long-Term Care Consumer Guide	---	\$ 555,451	\$505,046	\$ 0	-100.00%	\$ 0	N/A
GRF	490-408	STARS	\$ 2,237,713	\$ 204,561	\$9,356	\$ 0	-100.00%	\$ 0	N/A
GRF	490-409	Ohio Community Service Council Oper	\$ 300,599	\$ 287,689	\$254,394	\$ 228,048	-10.36%	\$ 228,048	0.00%
GRF	490-410	Long-Term Care Ombudsman	\$ 1,319,191	\$ 1,303,908	\$1,375,499	\$ 729,685	-46.95%	\$ 729,685	0.00%
GRF	490-411	Senior Community Services	\$ 15,974,463	\$ 13,178,453	\$11,569,394	\$ 11,271,431	-2.58%	\$ 11,271,431	0.00%
GRF	490-412	Residential State Supplement	\$ 13,346,854	\$ 10,660,775	\$9,963,250	\$ 9,960,356	-0.03%	\$ 9,960,356	0.00%
GRF	490-414	Alzheimer's Respite	\$ 4,218,039	\$ 4,460,262	\$4,463,989	\$ 4,346,689	-2.63%	\$ 4,346,689	0.00%
GRF	490-416	Transportation for Elderly	---	\$ 169,440	\$153,217	\$ 138,369	-9.69%	\$ 138,369	0.00%
GRF	490-418	Area Agency on Aging Region 9	\$ 604,556	---	\$0	\$ 0	N/A	\$ 0	N/A
GRF	490-419	Prescription Drug Discount Program	---	---	\$163,086	\$ 169,986	4.23%	\$ 169,986	0.00%
GRF	490-499	Senior Employment Program	\$ 16,342	\$ 173	\$0	\$ 0	N/A	\$ 0	N/A
GRF	490-504	Senior Facilities	\$ 741,500	\$ 59,100	\$0	\$ 0	N/A	\$ 0	N/A
GRF	490-506	Senior Volunteers	\$ 504,707	\$ 476,694	\$405,626	\$ 375,471	-7.43%	\$ 375,471	0.00%
<b>General Revenue Fund Total</b>			<b>\$ 100,298,541</b>	<b>\$ 88,400,440</b>	<b>\$ 99,996,530</b>	<b>\$ 110,852,043</b>	<b>10.86%</b>	<b>\$ 133,589,198</b>	<b>20.51%</b>
480	490-606	Senior Citizens Services Special Event	\$ 182,494	\$ 5,666	\$30,905	\$ 372,677	1,105.88%	\$ 372,677	0.00%
5R5	490-614	OHIOREADS/STARS	---	\$ 1,835,475	\$1,932,205	\$ 0	-100.00%	\$ 0	N/A
5T4	490-615	Aging Network Support	---	\$ 65,395	\$121,255	\$ 252,830	108.51%	\$ 252,830	0.00%
<b>General Services Fund Group Total</b>			<b>\$ 182,494</b>	<b>\$ 1,906,536</b>	<b>\$ 2,084,365</b>	<b>\$ 625,507</b>	<b>-69.99%</b>	<b>\$ 625,507</b>	<b>0.00%</b>
3C4	490-607	PASSPORT	\$ 108,175,708	\$ 129,640,473	\$150,866,891	\$ 142,926,054	-5.26%	\$ 151,954,474	6.32%
3M3	490-611	Federal Aging Nutrition	\$ 21,581,495	\$ 21,544,668	\$21,882,733	\$ 25,541,095	16.72%	\$ 26,818,149	5.00%
3M4	490-612	Federal Supportive Services	\$ 15,522,644	\$ 21,436,382	\$23,072,633	\$ 26,305,294	14.01%	\$ 27,094,453	3.00%

**FY 2004 - 2005 Final Appropriation Amounts**

**All Fund Group**

<i>Line Item Detail by Agency</i>			<i>FY 2001:</i>	<i>FY 2002:</i>	<i>FY 2003:</i>	<i>FY 2004 Appropriations:</i>	<i>% Change 2003 to 2004:</i>	<i>FY 2005 Appropriations:</i>	<i>% Change 2004 to 2005:</i>
<b>AGE Aging, Department of</b>									
3R7	490-617	Ohio Community Service Council Progr	\$ 6,702,425	\$ 6,499,401	\$7,287,999	\$ 8,951,150	22.82%	\$ 8,905,150	-0.51%
322	490-618	Older Americans Support Services	\$ 9,501,762	\$ 12,771,442	\$10,935,115	\$ 12,904,949	18.01%	\$ 13,298,626	3.05%
<b>Federal Special Revenue Fund Group Total</b>			<b>\$ 161,484,034</b>	<b>\$ 191,892,367</b>	<b>\$ 214,045,371</b>	<b>\$ 216,628,542</b>	<b>1.21%</b>	<b>\$ 228,070,852</b>	<b>5.28%</b>
4U9	490-602	PASSPORT Fund	\$ 7,500,000	\$ 5,000,000	\$5,000,000	\$ 5,500,000	10.00%	\$ 5,500,000	0.00%
4H1	490-603	Aging Services	\$ 19,499	---	\$0	\$ 0	N/A	\$ 0	N/A
624	490-604	OCSC Community Support	\$ 1,088	---	\$1,004	\$ 2,500	149.00%	\$ 2,500	0.00%
4C4	490-609	Regional Long-Term Care Ombudsman	\$ 403,679	\$ 414,661	\$340,729	\$ 829,321	143.40%	\$ 829,321	0.00%
4J4	490-610	PASSPORT/Residential State Supplem	\$ 24,000,000	\$ 24,000,000	\$24,000,000	\$ 33,268,052	38.62%	\$ 33,263,984	-0.01%
5K9	490-613	Nursing Home Consumer Guide	\$ 287,633	\$ 587,946	\$160,374	\$ 0	-100.00%	\$ 0	N/A
5W1	490-616	Resident Services Coordinator Progra	---	---		\$ 250,000	N/A	\$ 250,000	0.00%
<b>State Special Revenue Fund Group Total</b>			<b>\$ 32,211,899</b>	<b>\$ 30,002,606</b>	<b>\$ 29,502,107</b>	<b>\$ 39,849,873</b>	<b>35.07%</b>	<b>\$ 39,845,805</b>	<b>-0.01%</b>
<b>Aging, Department of Total</b>			<b>\$ 294,176,968</b>	<b>\$ 312,201,949</b>	<b>\$ 345,628,373</b>	<b>\$ 367,955,965</b>	<b>6.46%</b>	<b>\$ 402,131,362</b>	<b>9.29%</b>