

PROGRAM INSTRUCTION

AoA-PI-06-01

TO: STATE AGENCIES ON AGING ADMINISTERING
PLANS UNDER TITLE III OF THE OLDER
AMERICANS ACT OF 1965, AS AMENDED

SUBJECT: Guidance on the Development and Submission of
State Plans and Intrastate Funding Formulas

LEGAL AND RELATED

REFERENCES: Sections 305, 306, 307, 308, 373, and 705, of the
Older Americans Act of 1965, As Amended

The primary purpose of this Program Instruction (PI) is to provide States with the guidelines they must use in developing and submitting State plans and amendments including assurances, provisions, information requirements, and intrastate funding formulas (IFFs) requirements. Program Instruction PI-05-02, dated 05-04-05, is superseded by this PI and is no longer effective in full or in part. These guidelines are effective immediately and will remain so until replaced.

Because of the emergence of the aging network as a major coordinator/provider of long-term care, we are adding several focus areas to the 2007 State plan guidance. In the future, State plan guidance will be provided with best practice models developed by States, area agencies on aging (AAAs) and the Administration on Aging (AoA) through the Planning Grants Project. You will receive periodic updates on the project over the next three years.

In addition we are adding an attachment (D) that describes the new AoA initiative, Choices for Independence. The Choices program incorporates many of the focus areas included in this guidance and will be rolled out as a demonstration program in 2007. We will be providing additional information to States in the coming months on how they may participate in the Choices demonstration.

Deadline for State Plan Submission

State plan and plan amendments must be submitted to the appropriate Regional Office of AoA by August 1, 2006 in order to receive approval in a timely manner.

State Plan Submission and Approval

All State Plans are subject to the approval of the Assistant Secretary for Aging. State Agencies on Aging may elect to develop a State Plan for a two, three or four year period. States with a two or three year plan may request an extension or may amend plans annually if needed; however, at the end of a four-year plan, the State must develop a new Plan. There is no statutory authority to extend a Plan beyond a four-year period.

An original and two copies of the new Plan or Amendment (s) are to be submitted to the appropriate Administration on Aging Regional Office by August 1, 2006. That Regional Office will review and forward Plans to headquarters for the Assistant Secretary's approval.

States that submit amendment/extension requests need only outline the reason(s) for the specific request in letter format, and attach the resource allocation plan to area agencies for 2007. Any other changes the State is making to the Plan, such as revisions to objectives or major activities, should also be included in the amendment request.

State Plan Content

We are asking **States to address the four program goals** included in the Administration on Aging Strategic Action Plan (Attachment C), **and to develop implementing objectives** for inclusion in State plans. The Strategic Plan program goals are:

1. Increase the number of older people who have access to an integrated array of health and social supports.
2. Increase the number of older people who stay active and healthy.
3. Increase the number of families who are supported in their efforts to care for their loved ones at home and in the community.

4. Increase the number of older people who benefit from programs that protect their rights and prevent elder abuse, neglect and exploitation.

As a part of these objectives, we are asking that States **specifically address** the development, expansion, and coordination of Aging and Disability Resource Centers (ADRCs), **or** the basic principles of systems change that this program entails, including:

- Integrating a comprehensive array of information, intake, referral and counseling services (one-stop service centers);
- Expanding service provision to private pay and non-elderly clients;
- Helping middle-aged individuals become aware of the importance of planning ahead for their long-term care, and of the resources that are available to assist in such planning;
- Developing management information systems that support the functions of the program, including client intake, needs assessment, care plans, utilization and costs; and
- Establishing measurable performance objectives related to: program visibility, consumer trust, ease of access, responsiveness to consumer needs, efficiency of operations, and program effectiveness.

States should also **address their role in providing more choices for high-risk individuals**. Older Americans Act programs and the Aging Network are uniquely positioned to assist individuals who are not financially eligible for Medicaid to remain in their homes and delay premature entry into nursing homes. States may consider a variety of consumer-directed strategies and methods to provide increased choice such as the use of “cash and counseling” models which give consumers more control over the care they receive.

In addition, **States should address** the implementation of evidence-based health promotion/disease prevention programs, including an assurance that States will “confirm and influence the coordinated vaccination of seniors, particularly for influenza and pneumonia.” We recognize significant, and perhaps primary, responsibility for this activity may lie with public health departments and the medical community, but its importance as a fundamental health promotion/disease prevention practice, especially for seniors, dictates that the aging network should be fully cognizant of, and influence, the activity. As such, this issue should be addressed in State and Area plans.

Implementing objectives may include any major program or policy initiative a State will undertake that would further the principles of these focus areas, e.g.,

establishing an Aging and Disability Resource Center; developing a joint Medicaid/OAA programs assessment/intake process; establishing or expanding community based service options (e.g. personal care, homemaker, adult day care, respite); or implementing specific evidence-based health promotion/disease prevention programs.

The evidence-base establishing the need and the means for accomplishing the national imperative of Healthy Aging is abundantly available, and fully supported by HHS and its science agencies. Early results from the AoA Evidence-Based Disease Prevention Demonstration project indicate that disease prevention programs that have proven effective in the Health sector can be successfully implemented by community aging service providers. Such models could result in more healthy aging for seniors, and a decreased/delayed need for long term care services.

State Plans should also address the steps that States, area agencies, and network providers will take to help elderly individuals in the State avail themselves of the benefits available to them under the Medicare Modernization Act (MMA). The MMA provides significant new benefits, especially to elderly beneficiaries with limited income. Elderly beneficiaries in all economic groups will require assistance in preparing for enrollment decisions to ensure they can select plans that are appropriate to their needs. The aging network is in a unique position to assist the elderly and help to prepare them for these decisions.

State Plans should describe how each State agency on Aging will be involved in the State's decision-making and implementation efforts related to the Medicaid long-term care reforms. These are reforms that were enacted as part of the recent Deficit Reduction Act, particularly the "Money Follows the Person" Initiative.

In partnership with the Federal Transit Administration, AoA has developed a toolkit for State and local planners to help them assess the transportation needs of elderly individuals and to coordinate transportation services for elderly individuals in communities and across the State. **State plans should address** specifically how the State will apply the tools that have been provided specifically in two areas: 1) assessing the needs of the elderly for transportation services, and 2) the coordination of transportation services to assist elderly individuals in communities and across the State.

To assist AoA in responding to Congressional and other inquiries related to the oversight of area agencies and their planning processes, **States should submit** to AoA with the State Plan a copy of an area agency plan for a large, urban or suburban area agency and for a small, rural area agency.

Finally, **State plans should address** the concept of competition in the provision of services under the Older Americans Act. Competition in financing and

providing services is an important element that can influence not only the cost of care, but the quality of care. State plans should address the use of competition at the State and local level in arranging for services for elderly individuals and their caregivers.

Additional Plan Requirements

The format of the State Plan is determined by each State, however; the Older Americans Act Amendments of 2000 stipulate that all State Plans must address specific assurances and informational requirements.

The requirements listed in this program instruction (PI), along with Attachment A, State Plan Assurances and Required Activities, Attachment B, State Plan Provisions and Information Requirements, and Attachment C, US Administration on Aging Strategic Action Plan, make up the package of instructions for development of State Plans. **Please note that Attachment D is provided for your information only and does not represent State Plan requirements.**

Attachment A – Listing of State Plan Assurances and Required Activities delineates all of the assurances outlined in the Older Americans Act. States are expected to sign and include this Attachment in the State Plan submission.

Attachment B – State Plan Provisions and Information Requirements delineates all of the provisions and information requirements that must be included and discussed in the State Plan. Attachment B is not to be submitted as part of a State Plan submission. It is provided for the State's review to ensure that the State Plan addresses those specific provisions and information requirements.

Attachment C – US Administration on Aging Strategic Action Plan outlines AoA's plan of action through FY 2008. The goals and objectives listed in this document should be reviewed for possible inclusion in new State Plans and/or amendments to current State Plans.

Attachment D – A summary the new Choices for Independence demonstration program aimed at positioning the network to provide long term care options to the aging baby boom generation.

An electronic version of the Plan requirements may be downloaded from the AoA website.

Criteria for Intrastate Funding Formula (IFF) Approval

If you are submitting a new IFF for approval along with a new plan or amendment, it must also be sent to the appropriate Regional Office for review no

later than 60 days before the effective date. Please note a State may submit an IFF revision at any time during the State plan period. It is not necessary to wait for submittal of a new plan or other amendment.

In reviewing a State's IFF, the amended Act will be used as criteria for approval or disapproval. Each State will be expected to demonstrate that the requirements in Sections 305(a)(2)(C) have been met, the criteria set forth in Sections 305(a)(2)(C)(i) and 305(a)(2)(C)(ii) have been taken into account, and the factors and weights in its formula are based upon the best available data (generally the latest census data). As required by Section 305(d) of the OAA, the IFF revision request must include a descriptive statement, a numerical statement, and a list of the data used (by planning and service area). The request must also include information on how the proposed formula will affect funding to each planning and service area.

**EFFECTIVE
DATE:**

Immediately

ATTACHMENTS: Listing of State plan Assurances,
State Plan Provisions and Information Requirements
US Administration on Aging Strategic Action Plan
Choices for Independence

INQUIRIES: Address inquiries to Regional Administrators on Aging,
DHHS Regional Offices.

Josefina G. Carbonell
Assistant Secretary for Aging