

PROGRAM INSTRUCTION

AoA-PI-07-01

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, Amendments 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 purpose of this Program Instruction (PI) is to provide States with guidelines for use in developing and submitting State Plans and amendments including intrastate funding formula (IFF) requirements. Program Instruction PI-06-01, dated 04-26-06, is superseded by this PI and is no longer effective in full or in part.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. ***The PI is made up of the following contents:***

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I. State Plan Vision & Purpose

The vision of the Administration on Aging (AoA) for State Plans on Aging is that they serve as a comprehensive document which can provide direction for States as they plan and implement long-term care reform efforts. Such efforts are in support of the mission of the Older Americans Act (OAA) to help elderly individuals maintain independence and dignity in their homes and communities. It is our hope that the State Plan process can help strategically position States to address the many realities they currently face such as a rapidly growing new generation of long-term care consumers, an overwhelming desire on the part of citizens to age at home among their families and friends, and the considerable fiscal pressures on State and local budgets.

With this expectation, AoA also reinforces its commitment to State and local flexibility in crafting and executing programs that fulfill the mission and vision of the OAA and of AoA. Flexibility and innovation have resulted in the development and testing of best practices by the Aging Network that provided the basis for the principles of modernization that are now embedded in the OAA. As States develop their plans to meet the mission and vision of the OAA, we encourage them to offer the same flexibility to area agencies and community service providers to ensure that they can best meet the unique needs of their communities within the context of the OAA.

In addition, the AoA envisions the State Plan serving multiple functions including:

- A publication which will provide State government officials tangible examples of long-term care reform efforts for their respective State;
- A document that translates activities, data and outcomes into proven best practices which can be used to leverage additional funds;
- A planning process which allows for the coordination and optimum use of all applicable staff and funding resources; and
- A blueprint for how each State plans to carryout the principles and strategies of ***Choices for Independence*** which include:
 - Empowering consumers to make informed decisions about their care options;
 - Helping consumers who are at high-risk of nursing home placement, but not yet eligible for Medicaid, to remain in their own homes and communities through the use of flexible service models, including consumer-directed models of care; and
 - Building evidence-based prevention into our community-based systems of services and enabling older people to make behavioral changes that will reduce their risk of disease, disability, and injury.

The 2006 reauthorization of the Older Americans Act occurred at a pivotal point in the history and direction of aging policy in our nation. It is the modernization of an Act that for more than forty years has been a mainstay in our communities. The State Plan process, in concert with the strategy behind Choices for Independence, can serve as a vehicle and strategic framework that States can use to address meaningful and important changes in health and long-term care systems at the State and local level.

II. State Plan Content

A. States are invited to develop implementing objectives for one or more of the AoA Strategic Plan Goals as included in the Administration on Aging Strategic Action Plan for FY 2007-2012 (Attachment C). The Strategic Plan program goals are:

1. Empower older people and their families to make informed decisions about, and be able to easily access, existing home and community-based options. *Objectives should address:*

➤ **Choices for Independence - Empowering Consumers**

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, referral, intake, assessment, eligibility determination and options 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 including www.longtermcare.gov;
- 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.

See Attachment D for resources to help you in this process.

2. Enable seniors to remain in their own homes with high quality of life for as long as possible through the provision of home and community-based services, including supports for family caregivers. *Objectives should address:*

➤ **Choices for Independence - Community Living Incentives**

The State's 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.

See Attachment D for resources to help you in this process.

3. Empower older people to stay active and healthy through Older Americans Act services, including Evidence-Based Disease and Disability Prevention programs.

Objectives should address:

➤ **Choices for Independence - Evidence Based Disease Prevention**

The implementation of evidence-based health promotion/disease and disability prevention programs - The evidence-base establishing the need and the means for older individuals to maintain healthy lifestyles and prevent disability is 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.

See Attachment D for resources to help you in this process.

4. Ensure the rights of older people and prevent their abuse, neglect and exploitation.

- ***States should familiarize themselves with the new statutory language*** related to Elder Justice issues including new definitions in title I of the OAA.
- ***States should work to develop comprehensive elder justice systems*** by promoting collaborative efforts, especially multi-disciplinary approaches or State Coordinating Councils, and developing strategic plans for the prevention, detection, assessment, and treatment of, intervention in, investigation of, and response to elder abuse, neglect, and exploitation.

See Attachment D for resources to help you in this process.

B. Medicaid Long-Term Care Reform

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 Deficit Reduction Act of 2005, and include the “Money Follows the Person” Initiative.

C. Medicare Modernization Act

AoA's partnership with CMS related to Medicare Part D, Medicare Modernization Act (MMA) has helped set the stage for helping older persons and their caregivers better understand their health care options and prevention benefits. The personalized information available through "My Health, My Medicare" campaign is assisting consumers to be better informed managers of their own health care.

State Plans should 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 MMA, including the prescription drug benefit and prevention services. The MMA provides significant 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

D. Emergency Preparedness Plans

Planning for the involvement of State and Area agencies in disaster preparedness and response is essential to ensure needed assistance for seniors. Such planning includes natural and man-made disasters as well as health emergencies such as pandemic flu outbreaks. ***State Plans should include*** information about how the aging program will work with the State and local emergency preparedness organizations in the development of long-range emergency preparedness plans and how the aging programs will coordinate their efforts with emergency response teams in responding to disaster events. Information should be included about the State Director's involvement in the State's Emergency preparedness and response plan. Area agencies on aging should include the same information in their Area Plans.

See Attachment D for resources to help you in this process.

E. Transportation Coordination

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.

See Attachment D for resources to help you in this process.

F. Attachments

The information listed in Part II, A-D above, along with the following attachments; make up the content for development of State Plans. *States should carefully review all assurances and provisions outlined in Attachments A and B as they are statutory requirements.* Attachments C and D are resources for the State's use in developing the Plan.

[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 are to 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 2012. 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](#) – Resources for State Plan Development and implementation of the 2006 Amendments to the OAA.

An electronic version of the State Plan requirements may be downloaded from the AoA website, <http://aoa.gov/prof/agingnet/PI/PI.asp>

III. Deadline for State Plan Submission

State Plan and plan amendments should be submitted to the appropriate Regional Office of AoA by August 1, 2007 in order to receive approval in a timely manner. States should work informally with their AoA Regional Office staff on State Plan development prior to the August 1 submittal.

IV. State Plan Submission and Approval

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 will develop a new Plan. There is no statutory authority to extend a Plan beyond a four-year period. The format of the State Plan is determined by each State.

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, 2007. The Regional Office will review and forward plans to headquarters for the approval of the Assistant Secretary for Aging.

V. Intrastate Funding Formula Submission and Approval

- A. The State **submits any planned changes to its intrastate funding formula (IFF) prior to implementing the changes.**
- B. The State **submits the planned changes to the Regional Administrator at least 60 days prior to the planned implementation of the revised IFF.**
- C. The Regional Administrator reviews the planned revisions and then submits them to the Assistant Secretary for approval.
- D. **Changes to the IFF are submitted as part of a new State Plan submission or separately.**
- E. Each State IFF submittal **demonstrates that the requirements in Sections 305(a)(2)(C) have been met:**
 - OAA, Sec. 305(a)(2)
 - “States shall,
(C) in consultation with area agencies, in accordance with guidelines issued by the Assistant Secretary, and using the best available data, develop and publish for review and comment a formula for distribution within the State of funds received under this title that takes into account--
 - (i) the geographical distribution of older individuals in the State; and
 - (ii) the distribution among planning and service areas of older individuals with greatest economic need and older individuals with greatest social need, with particular attention to low-income minority older individuals.”

- F. For purposes of the IFF, “**best available data**” is the most recent census data (year 2000 or later), or more recent data of equivalent quality available in the State.
- G. As required by Section 305(d) of the OAA, the **IFF revision request includes: a descriptive Statement; a numerical Statement; and a list of the data used (by planning and service area).**
- H. The request **also includes information on how the proposed formula will affect funding to each planning and service area.**
- I. States may use a base amount in their IFFs to ensure viable funding for each Area Agency but generally, a hold harmless provision is discouraged because it adversely affects those planning and service areas experiencing significant population growth.

VI. Additional Information to Consider

A. Mental Health

The 2006 reauthorization of the Older Americans Act has added new provisions regarding mental health services, which at this time can be reflected in State Plans as assurances that are comparable to those for related provisions. *The new provisions have been added to the list of standard assurances included in Attachment A, Section 306(a), Area plans.*

B. Volunteers

The 2006 reauthorization of the Older Americans Act has added new provisions regarding the use of trained volunteers in providing direct services delivered to older individuals and individuals with disabilities, as well as services offered under the National Family Caregiver Support Program. States and area agencies should work in coordination with organizations that have experience in providing training, placement, and stipends for volunteers or (such as organizations carrying out Federal service programs administered by the Corporation for National and Community Services) in community service settings.

See Attachment D for resources to help you in this process.

C. Future State Plan Guidance

In the future, State Plan guidance will be provided with best practice models developed by States, area agencies on aging and the AoA through the Planning Grants Project. You will receive periodic updates on the project over the next two years.

ATTACHMENTS: A - Listing of State Plan Assurances,
 B - State Plan Provisions and Information Requirements
 C - US Administration on Aging Strategic Action Plan
 D - Resources for State Plan Development

EFFECTIVE
DATE: Immediately

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

Josefina G. Carbonell
Assistant Secretary for Aging