

Schedule 13

Funding Request for the FY 2018-19 Budget Cycle

Department of Human Services

Request Title

R-14 Increase Funding for Area Agencies on Aging

Dept. Approval By:

Melissa Waverlet

Supplemental FY 2017-18

Change Request FY 2018-19

OSPB Approval By:

[Signature]

Budget Amendment FY 2018-19

Summary Information	Fund	FY 2017-18		FY 2018-19	FY 2019-20	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$21,811,622	\$0	\$21,811,622	\$4,000,000	\$4,000,000
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$10,803,870	\$0	\$10,803,870	\$4,000,000	\$4,000,000
	CF	\$10,007,752	\$0	\$10,007,752	\$0	\$0
	RF	\$1,000,000	\$0	\$1,000,000	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2017-18		FY 2018-19	FY 2019-20	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$21,811,622	\$0	\$21,811,622	\$4,000,000	\$4,000,000
	FTE	0.0	0.0	0.0	0.0	0.0
10. Adult Assistance Programs, (D) Community Services for the Elderly – State Funding for Senior Services	GF	\$10,803,870	\$0	\$10,803,870	\$4,000,000	\$4,000,000
	CF	\$10,007,752	\$0	\$10,007,752	\$0	\$0
	RF	\$1,000,000	\$0	\$1,000,000	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required?	Yes	No	<input checked="" type="checkbox"/>	If Yes, see schedule 4 fund source detail.
RF Letternote Text Revision Required?	Yes	No	<input checked="" type="checkbox"/>	
FF Letternote Text Revision Required?	Yes	No	<input checked="" type="checkbox"/>	
Requires Legislation?	Yes	No	<input checked="" type="checkbox"/>	
Type of Request?	Department of Human Services Prioritized Request			
Interagency Approval or Related Schedule 13s:	None			

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Cost and FTE

- The Department requests \$4,000,000 total funds/General Fund in FY 2018-19 and \$4,000,000 total funds/General Fund in FY 2019-20 and on-going for the Aging and Adult Services Division within the Department to provide Area Agencies on Aging (AAAs) additional funding for services that help older adults in Colorado live independently.
- This is an increase of 18.3% over the FY 2017-18 appropriation.

Current Program

- The Aging and Adult Services Division is responsible for providing funding from the Older Americans Act (OAA) and State Funding for Senior Services (SFSS) to and overseeing 16 local AAAs that in turn provide funding to local service providers to deliver services to adults age 60 and older.
- In FY 2016-17, the AAAs provided services to 54,182 older Coloradans. Examples of the services provided include personal care, assisted transportation, congregate meals, home-delivered meals, homemaker services, adult day care, transportation and legal assistance.

Problem or Opportunity

- According to data from the Colorado State Demography Office, in 2030, Colorado's population 65 years and older will be 61 percent larger than in 2017, growing from 783,000 to 1,260,000.
- AAAs are seeing a greater demand for services. For example, the AAA in the Denver region has reported recently that they have about 1,100 older adults currently waiting for services and another 135 older adults are denied services each month for urgent requests like transportation to medical appointments due to lack of funding.
- While the Colorado General Assembly increased the SFSS line item in FY 2013-14 through FY 2015-16, funding levels are currently not sufficient to meet the needs of older adults in Colorado and the need will only continue to grow as the number of older adults increases.

Consequences of Problem

- Without additional funding, AAAs and their service providers will continue to have waitlists and deny services to older adults in need. As a result, some older adults in Colorado may experience greater isolation, decline in their health or other problems while others may no longer be able to live independently and have to transition to a more costly level of care such as a nursing facility.

Proposed Solution

- The Department requests \$4,000,000 total funds in FY 2018-19 for the Aging and Adult Services Division to provide the AAAs funding necessary to provide services that help older adults live independently.
- The programs and services provided through SFSS address the Department's Strategic Policy Initiative that every Coloradan will have the opportunity to thrive in the community of their choice.

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COLORADO
Department of Human Services

John W. Hickenlooper
Governor

Reggie Bicha
Executive Director

FY 2018-19 Funding Request | November 1, 2017

Department Priority: R-14
Request Detail: Increase Funding for Area Agencies on Aging

Summary of Incremental Funding Change for FY 2018-19	Total Funds	FTE	General Fund
Increase Funding for Area Agencies on Aging	\$4,000,000	0.0	\$4,000,000
Summary of Incremental Funding Change for FY 2019-20	Total Funds	FTE	General Fund
Increase Funding for Area Agencies on Aging	\$4,000,000	0.0	\$4,000,000

Problem or Opportunity:

The Department requests \$4,000,000 total funds/General Fund in FY 2018-19 and \$4,000,000 total funds/General Fund in FY 2019-20 and on-going for the Aging and Adult Services Division within the Department to provide Area Agencies on Aging (AAAs) additional funding for services that help older adults in Colorado live independently.

According to data from the Colorado State Demography Office, Colorado’s population 65 years and older is expected to grow by 37,000 every year through 2030. By 2030, Colorado’s population 65 years and older will be 61 percent larger than in 2017, growing from 783,000 to 1,260,000. In addition, between 2000 and 2010, Colorado had the seventh fastest growing population age 85 and older in the country and this trend is expected to continue. Colorado has an opportunity to prepare for this current demographic shift now by ensuring community based supports and services are available for older adults when they need them.

The Aging and Adult Services Division is responsible for providing funding from the Older Americans Act (OAA) and State Funding for Senior Services (SFSS) to oversee 16 local Area Agencies on Aging (AAAs) that in turn provide funding to local service providers to deliver a wide array of programs and services to adults age 60 and older. In FY 2017, the AAAs provided services to 54,182 older Coloradans. AAA clients receive one or more of a variety of programs and services available in their community. Examples of these services include personal care, assisted transportation, congregate meals, home-delivered meals, homemaker services, adult day care, transportation and legal assistance. For instance, in Federal FY 2015-16, Colorado AAAs provided more than 1.1 million home-delivered meals and more than 700,000 congregate meals to older adults. AAAs give priority for services to those older adults with the greatest social and economic need, with particular attention to low-income and minority individuals and those who are frail, homebound or otherwise isolated.

It is not possible to determine the precise number of older adults in Colorado that would benefit from programs and services provided by the AAAs. However, AAAs in Colorado are experiencing a greater demand for services than they are able to meet in recent years. For example, the AAA in the Denver region recently reported that about 1,100 older adults are on waitlists for various types of ongoing services like home-delivered meals and another 135 older adults are denied other types of urgent or one-time requests for services each month such as transportation to medical appointments because of a lack of funding to meet their needs. As a result, AAAs work to ensure their services are as effective and efficient as they can be and that services are targeted to those most in need, so that the greatest number of older adults and the ones that need the support the most are helped. AAAs are additionally challenged by the increasing cost of providing services such as meal programs and transportation. As the cost for service goes up in the future and if funding amounts remain level, the AAAs will likely need to provide fewer units of service per client and/or serve fewer clients to stay within their budgets. Also, it is worth noting that AAAs are sometimes hesitant to conduct promotional and outreach activities to make older adults aware of their programs and services because they do not have the funding or capacity to meet the demand if they did receive additional clients from those efforts. While the Colorado General Assembly increased the State Funding for Senior Services (SFSS) line item in FY 2013-14 through FY 2015-16 by \$4 million each year, funding levels are still not sufficient to meet the needs of older adults in Colorado.

Proposed Solution:

The Department requests \$4,000,000 total funds/General Fund in FY 2018-19 and \$4,000,000 total funds/General Fund in FY 2019-20 and on-going for the Aging and Adult Services Division to provide the Area Agencies on Aging (AAAs) additional funding for programs and services that help older adults live independently. The requested funding would be used to provide \$4 million to be distributed to the AAAs to expand existing programs and services for older adults in Colorado.

Colorado as the Number One Place to Age

According to results from the Community Assessment Survey for Older Adults for the State of Colorado completed in 2010, most older adults rated their community as a good place to live. In addition, a U.S. News ranking published on October 11, 2017 identified Colorado as the best place to age based on twelve indicators of how states are most effectively serving their senior citizens by keeping them healthy, financially secure and involved in their communities. Colorado has an opportunity to remain a top place to age in the nation. However, if funding to support key programs and services providing by the Area Agencies on Aging does not keep pace with the growing number of older adults in Colorado, this may not continue to be the case.

AAA Programs and Services

AAAs are often the “first line of defense” for older adults living independently who need a little additional support to continue to be healthy and age with dignity in their own home. The \$4 million additional funding requested for AAAs in FY 2018-19 and beyond would allow each AAA to use their Area Plan and other needs assessment information to target the funding to meet the needs of older adults in their communities. Service needs vary by individual and community, and while the federal funds are prescriptive in terms of

how much can be spent on each type of service, General Fund is flexible and allows AAAs to use the funding for the programs and services that are most needed in their region. Each AAA provides a plan for services to the Aging and Adult Services Division each year that identifies funding levels, and estimated number of services to be provided with the Older Americans Act (OAA) and SFSS funds each year. Because the needs vary, no two AAAs use the funds in exactly the same way. If \$4 million additional funding was provided through SFSS to AAAs in FY 2018-19 and beyond, the AAAs would be required to identify the needs in their communities and propose a plan for how the funds allocated to them could best be used. For example, one AAA region may have a high demand for transportation services that they are unable to meet, whereas another may have a waitlist for home-delivered meals. For this reason, it would not be possible at this time to provide a detailed list of the type and number of services to be increased in each AAA region as a result of this funding. However, based on the average cost of current services being offered by the AAAs, an additional \$4 million in funding would allow the AAAs to provide approximately 520,000 additional home-delivered meals, or 350,000 additional congregate meals, or 228,000 additional transportation trips. In addition, increases in the number of older adults serviced by AAAs in recent years as a result of increases in State funding may be a good indicator of future results. The SFSS line item increased from approximately \$9 million in FY 2012-13 to almost \$22 million in FY 2016-17. During that time, the unduplicated number of clients served by AAAs statewide increase by over 46 percent from 36,934 in FY 2012-13 to 54,183 in FY 2016-17.

One indicator of the success of the AAAs in helping older adults remain independent and in the community is the number of homebound older adults that have two or more impairments in Activities of Daily Living (ADLs) being served by the AAAs since this population is at a high risk for nursing home placement. As a result, the AAAs' success at serving this population is a proxy for success at nursing home delay and diversion. In FY 2016-17, approximately 42 percent of individuals receiving home-delivered meals had two or more ADL impairments. Additionally, approximately 68 percent of older adults receiving home-delivered meals were identified to be at high nutrition risk. It is anticipated that with an increase in SFSS outlined in this budget request, the number of older adults with two or more ADLs served by AAAs would also increase.

Research and Evidence-Based Policy Team Recommendation:

The Governor's Research and Evidence-Based Policy team recommends the increase in state funding for senior services and believes that an evaluation of how these funds are spent should be emphasized in future years.

Research Outcomes:

AAAs throughout Colorado offer a variety of programs to older adults to aid their ability to live independently. Services include transportation, congregate meals, home-delivered meals, personal care (including senior exercise and nutrition courses, and other health services), homemaker services, adult day care, and legal assistance. The level of research on these services are mixed. Transportation, congregate meals, home-delivered meals, and personal care are considered promising practices, as preliminary program evaluations suggest that these services are capable of improving health, housing, and major depressive disorder and/or anxiety outcomes for senior populations. Homemaker services, adult day care, and legal assistance are considered in need of additional research because limited to no research exists linking service activities to outcomes.

During 2015 and 2016, the Department contracted with the National Association of States United for Aging and Disabilities (NASUAD) to capture the current state of data collection and use by AAAs in Colorado. NASUAD's report outlines key factors needed to support the completion of program evaluations, including robust and streamlined data collection and identifying outcome measures that should be included in evaluation. Additionally, the report makes recommendations on how the Department can improve the administration of senior services to support these activities. As the implementation of senior services across the state varies depending on the combination of resources available to each AAA (federal, state, and local funds) in addition to the individualized needs of each senior receiving services, measuring data and identifying common outcomes of all services is complex. Documenting and developing a plan to address implementation and evaluation barriers and opportunities is an essential first step to furthering the understanding about service efficacy. The Governor's Research and Evidence-Based Policy team commends the Department for taking this first step toward evaluating senior services and recommends that information from the report be used to aid in the completion of process evaluations of each AAA service.

Evaluation Considerations:

To improve the evidence-base of all senior services provided by AAAs, the Department is working to collect better data to measure the specific impacts of senior services throughout Colorado. After careful review of program evaluations on senior populations, the Governor's Research and Evidence-Based Policy team recommends that the Department work to collect measures on the following outcomes:

- Delayed or avoided nursing home placements
- Emergency room visits, hospitalizations, and/or outpatient visits
- Use of primary care
- Symptoms of major depressive disorder
- Symptoms of anxiety, and
- General quality of life and/or well-being

All outcomes except two –delay or avoided nursing home placements and general quality of life and/or well-being– can be monetized by Colorado's Results First model (if adequate program evaluation data is available), allowing for a robust benefit-cost analysis of services to be completed. Additionally, all of these outcomes are associated with senior independent living and it is anticipated that they can be measured for each service provided.

In order to measure the outcomes listed above, it is important that AAAs and the Department have a thorough understanding of how services are being delivered. Building on the recommendations set forth in the NASUAD report, the AAAs in partnership with the Department should work to complete program evaluations of each senior service, including process evaluations. Process evaluations work to document service activities, outputs, and preliminary outcomes across program sites, ensuring administrative frameworks are capable of supporting high quality and consistent service delivery. Additionally, they help identify data collection needs and needed data systems.

As completing program evaluations across all sites and for all services will be complex, it is recommended that some portion of future funding be dedicated to the completion of evaluation, building off the Department's existing program documentation.¹

¹ The Department has completed an internal working document that outlines services' general inputs, outputs, and outcomes. This document could serve as a framework to aid in the completion of the process evaluations for select services.

Anticipated Outcomes:

The programs and services provided through AAAs address the Department's Strategic Policy Initiative that every Coloradan will have the opportunity to thrive in the community of their choice.

With an additional \$4 million provided to AAAs beginning in FY 2018-19, the number of older adults served could increase by as much as 10,000 based on the average amount expended per older adult.

The outcomes for older adults who receive services through AAAs vary depending on several factors such as the type of service received, amount of service, and level of need of the client. The following is a sample of some of the national research findings that demonstrate the impact on the older adults served by AAA programs and services provided:

- A study completed in 2014 by the Area Agency on Aging in southeastern Michigan evaluated the impact of remaining on a waiting list for in-home services. More than half (54%) of the people remaining on the wait list who relocated had moved to a nursing home. In comparison, only 21 percent of those receiving services who relocated had moved to a nursing home. Overall, the study found that individuals waiting to receive services were more likely to move to a nursing home, require emergency room attention, and/or die than their counterparts who began receiving services at some point during the two years.
- In a report on transportation presented to Congress, the General Accounting Office stated that as people age, their physical, visual, and cognitive abilities may decline, making it difficult for them to drive safely. A decline in mobility can severely decrease an older person's quality of life, leading to issues such as fewer out-of-home activities, increases in health and nutrition problems, and isolation. The report concluded that when flexible transportation services exist and are accessible, older adults can more comfortably age in place in their homes and communities for as long as possible.
- According to Mathematica Policy Research, individuals who have difficulty performing three or more ADLs are at increased risk of nursing home placement, and seniors receiving home-delivered meals, case management, homemaker services, and National Family Caregiver Support Program care recipients are six to eight times more likely to have this level of functional limitation.
- Research on home-delivered meals conducted in 2015 by Brown University's School of Public Health compared individuals who received daily home-delivered meals, individuals who received once-weekly frozen meals and others who remained on the waiting lists with times averaging six months or more. "More than a Meal, Results from a Pilot Randomized Control Trial of Home-Delivered Meal Programs," research had the following findings. Between baseline and follow-up, compared to individuals either receiving once-weekly frozen meals or remaining on the waiting list, respondents receiving daily-delivered meals were more likely to exhibit improvement in mental health (i.e., anxiety), improvement in self-rated health, improvement in feelings of isolation and loneliness. They also had statistically significant reductions in falls (79 percent among individuals receiving daily meals who had fallen in the past did not fall again during the study period, compared to 59 percent in the frozen meal group and 46 percent in the control/waiting list group). There was a statistically significant decrease in anxiety about being able to remain in home (32 percent improvement among individuals receiving daily meals, compared to 18 percent from the group

receiving frozen meals, and 21 percent in the control/waiting list group). In addition, individuals receiving daily-delivered meals were more likely to attribute their meals to making them feel safer and report that their meals helped them to eat healthier foods. These same participants also reported that receiving weekly delivered meals resulted in more social contact and less loneliness, as compared to individuals receiving frozen meals.

In addition, the Colorado Area Agencies on Aging conducted a survey of 12,800 older adults receiving services through the Older Americans Act/State Funding for Senior Services in FY 2016-17. The following are some key findings from that survey:

- 98 percent of consumers attending congregate meal sites reported that they are satisfied with the opportunity to socialize with others.
- 87 percent of consumers at congregate meal sites reported that the program helps them to live independently.
- 98 percent of home-delivered meal consumers reported that the program helps them to live independently.

Finally, it is important to point out that not only will expansion of the programs and services provided by the AAAs help older adults live independently in their own homes and communities, but they will likely contribute to cost savings for the State as well. Specifically, when older adults “age-in-place” with the help of supportive services, they are more likely to have delayed entry into assisted living and nursing facilities. Not only do most older adults prefer to live in their own home, but long term care facilities are often more costly alternatives. While some older adults are able to pay for long term care facilities for a period of time, often when they have spent down their resources and have no other resources, they must apply for Medicaid for their long term care needs. With the number of older adults in Colorado increasing by 61 percent over the next 13 years, it is important that the State invest in options that will help older adults remain independent and in their own homes. Unfortunately, the Department does not have access to all the data necessary to perform a cost-benefit analysis to determine the cost savings potentially attributable to the services provided by the AAAs.

Assumptions and Calculations:

Table 1: Long Bill Appropriation and Requested Funding for FY 2018-19 and Beyond				
Line Item: State Funding For Senior Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds
FY 2017-18 Appropriation (SB 17-254)	\$21,811,622	\$10,803,870	\$10,007,752	\$1,000,000
Requested Funding (or Spending Authority)	\$4,000,000	\$4,000,000	\$0	\$0
FY 2018-19 Total Requested Appropriation	\$25,811,622	\$14,803,870	\$10,007,752	\$1,000,000
FY 2019-20 Annualization of Prior Year Funding	\$0	\$0	\$0	\$0
FY 2019-2020 Total Requested Appropriation	\$25,811,622	\$14,803,870	\$10,007,752	\$1,000,000
FY 2020-2021 Total Requested Appropriation	\$25,811,622	\$14,803,870	\$10,007,752	\$1,000,000

NOTE: No federal funds are listed in this table because federal funds only go toward these Line Items: Area Agencies on Aging Administration, and Older Americans Act (OAA) Programs. No federal funds go toward the State Funding For Senior Services line.