

North Carolina Division of Aging and Adult Services
Home and Community Care Block Grant
County Budget Instructions
March 18, 2008

I. Introduction

This document provides time frames and instructions to counties with regards to the development, completion, and submission of the County Home and Community Care Block Grant Funding Plan. The County Funding Plan, upon review by the Area Agency on Aging, forms the basis for and becomes wholly a part of the Agreement for the Provision of County-Based Aging Services (DOA-735) between the Area Agency on Aging and the County.

II. Purpose of Home and Community Care Block Grant

The Home and Community Care Block Grant as authorized in G.S. 143B-181.1(a)(11), is designed to improve the planning and coordination of in-home and community based services provided to North Carolina's older adults. It is also intended to promote the visibility of aging programs at the local level by giving counties increased flexibility with respect to funding aging services available through the Block Grant.

III. Older Americans Act Funds

The majority of funds comprising the Block Grant are authorized by the federal Older Americans Act. Since this is the largest federal funding source that states receive to develop services and programs specifically for older adults, it is necessary to incorporate the philosophy and policies of the Older Americans Act as part of the Block Grant.

IV. Intent of Older Americans Act

The primary role of aging programs established with Older Americans Act funds is to develop and enhance comprehensive and coordinated community based systems of services, opportunities, and protections for older people. Community service systems are designed to assist older persons in leading independent, meaningful, and dignified lives in their own homes and communities as long as possible.

Comprehensive systems of services include:

1. access services - such as transportation, outreach, and assessment;
2. community services - such as congregate meals, education, legal services and counseling, elder abuse services, and senior center programs;

3. in-home services - such as home health, in-home aide, and home delivered meals.

Services and programs authorized under the Older Americans Act are intended to serve all older people including those who are high risk (frail), the at-risk, and the well elderly. However, to maximize the impact of available resources, aging programs are required by federal law to target resources to those elderly in greatest social and economic need and to low income and minority older people.

Although there are federal mandates and priorities established by the Older Americans Act, the legislation provides for state and local discretion in the funding of particular services and programs. Local flexibility in decision-making is encouraged in order to take into consideration the needs of particular communities. Thus, the intent of the Older Americans Act is consistent with the purpose of the Home and Community Care Block Grant which is to foster flexibility and discretion in the decision-making process at the local level.

SECTION V

Development of the County Funding Plan

V. Development of the County Funding Plan

A. County Board of Commissioners Responsibilities

The county board of commissioners will be responsible for the planning, coordination, and implementation of the county funding plan. Primary responsibilities are as follows:

1. Designation of an agency or office within the county with lead responsibility for planning and coordination of the county funding plan. **The designation can be for more than one (1) year. The length of designation is at the discretion of the board of commissioners.**
2. Appointment of a committee to serve as a Block Grant Advisory Committee to the lead agency for planning and coordination in the development of the county funding plan. **The length committee members' appointment is determined by the board of commissioners.** When the area agency on aging is not designated as lead agency, an area agency representative shall be appointed to the Block Grant Advisory Committee to perform as stated in Section V(B). The Division strongly recommends that older adults comprise no less than 1/3 of Advisory Committee membership.
3. Ensuring that the county funding plan is in compliance with budgetary instructions provided by the Division of Aging and Adult Services.
4. Submission of the recommended county funding plan to the area agency on aging and entering into a grant agreement with the area agency on aging.

B. Area Agency on Aging Responsibilities in County Funding Plan Development and Approval

The Older Americans Act requires that area agencies on aging function as public advocates in the development and enhancement of community-based aging services. In carrying out their mandated responsibilities, area agencies on aging shall serve on the Block Grant Advisory Committee as specified in Section V(A)(2). Area agencies will contribute to the development of the county funding plan as follows:

1. As necessary, train Advisory Committee members on:
 - flow of funds and budgetary requirements
 - responsibilities of the Division of Aging, area agency on aging, board of commissioners, lead agency, and advisory committee
 - service standard requirements

2. Interpret demographic information in the County Data Package and explain variations in regional and county funding from the previous year.
3. Based upon monitoring and provider performance data available through the Division of Aging Management Information System, provide analysis on provider performance, expenditures and service levels, and effectiveness of client targeting.
4. Make recommendations concerning an effective services mix and provider selection.
5. Through the compliance review, approve county funding plan submitted by the board of commissioners (See Section V(C)(10)).

C. Key Dates and Actions Which Affect the Planning and Coordination of the County Funding Plan Are as Follows:

1. **April 11, 2008: County Block Grant allocations, budgeting instructions and planning data will be provided to each county by the Division of Aging and Adult Services (DAAS) and the area agency on aging.**
2. **April 11, 2008: Chairman of the board of commissioners notifies the agency or office with lead responsibility for planning and coordinating the county funding plan and appoints County Block Grant Advisory Committee. *(This is done only when lead agency designation changes from the previous year. The length of advisory committee members' appointment is at the discretion of the board of commissioners.)***

a) Agency or Office with Lead Responsibility for Funding Plan Criteria

1. The county manager's office, a public human services agency, a private nonprofit human services agency, or the Area Agency on Aging may be designated as the agency or office with lead responsibility for the funding plan.
2. Primary lead responsibilities are as follows:
 - Directing the work of the Block Grant Advisory Committee in order to assure community input into the county funding plan.
 - By April 30, submit county funding plan information to the County Budget Officer. At a minimum, the County Budget Officer must be provided with the

amount of Block Grant funding and required local match for each service to be funded to meet requirements of G.S. 159-10.

- Ensuring that the approved funding plan meets all requirements as specified by the Division of Aging and Adult Services, and submitting the funding plan, as recommended by the county board of commissioners, to the area agency by June 30.

3. Block Grant Advisory Committee Criteria

4. The advisory committee must represent a broad range of aging interest in order to effectively build local consensus on the county funding plan. A viable committee will not be viewed as being predisposed to supporting particular providers or favoring specific interests. Representation should include the following:

- area agencies on aging must be represented as specified in Section V(B) of these instructions
- aging service providers (public, private nonprofit, and for-profit)
- local elected officials and civic leaders
- older consumers (the Division of Aging strongly recommends that older consumers comprise 1/3 of the Advisory Committee membership)

5. The committee shall function as a resource to the lead agency by obtaining input from provider interests, older consumers and their families and, providing consensus on the contents of the funding plan.

3. **April 11, 2008- April 30, 2008: The agency or office with lead responsibility for the funding plan, in conjunction with the Block Grant Advisory Committee, will submit the county funding plan information to the County Manager and County Budget Officer, as required by G.S. 159-10.**

The agency or office with lead responsibility for the funding plan coordinates community input into the funding plan through the Block Grant advisory committee and assumes responsibility for ensuring that the County Funding Plan meets all requirements specified by the Division of Aging prior to approval by the Board of Commissioners. By April 30, the County Budget Officer must be provided with, at a minimum, the amount of Block Grant funding and required local match for each Block Grant service. While the Home and Community Care Block Grant allocations to counties do reflect Older Americans Act mandates through the provision of minimum budget requirements for in-home, access, congregate nutrition and home delivered nutrition services, considerable flexibility is

given in establishing aging services in the county. As indicated in the instructions for the Provider Services Summary (DOA-732), nine (9) services are classified as in-home and four (4) are classified as access. Approximately seventy percent (70%) of most counties' Block Grant funding is not associated with minimum budget requirements; therefore, discretion in budgeting these funds lies entirely within the county. Counties may fund any of the seventeen (17) allowable services listed in the instructions for the Provider Services Summary (DOA-732) with funding not associated with minimum budget requirements.

- 4. April 30, 2008: County commissioners or the agency or office with lead responsibility for the Funding Plan works with the Block Grant Advisory Committee and the area agency on aging to identify Block Grant Services to be procured by the area agency on aging on behalf of the County.**

This notification is provided when the funding plan is submitted to the County Budget Officer and allows Area Agencies the opportunity to prepare and initiate the procurement process. Area Agencies may be designated in the notification to purchase services on behalf of the County. Area agencies that are identified in the funding plan as direct service providers must obtain a waiver from the Division of Aging as required by the Older Americans Act. This notification is contingent upon approval of the county funding plan by the board of commissioners.

- 5. April 30, 2008: The Chairman of the board of commissioners shall notify the Director of the Division of Aging and Adult Services if the County exercises the option to have the portion of the Block Grant identified in the Division of Aging and Adult Services County budget instructions granted and reimbursed directly by the Division of Aging. Reimbursement procedures for these funds are provided in the N.C. Division of Aging and Adult Services Home and Community Care Block Grant Procedures Manual for Community Service Providers, Section 3(X)(C) Reimbursement Procedures for Option B.**

A copy of the County Services Summary (DOA-731) or Provider Services Summary (DOA-732) will accompany the notification. Instructions are provided in Section VI (B)(1) on page 12.

- 6. No later than June 30, 2008: A county funding plan, as recommended by Chairman of the board of commissioners shall be submitted to the area agency for review for compliance with Division of Aging and Adult Services budgeting requirements.**
- 7. June 25, 2008: The Division of Aging and Adult Services issues Notification of Grant award to the area agency on aging.**
- 8. June 30, 2008: The area agency enters into grant agreement with the County for the provision of aging services specified in the funding plan.**

If the area agency review of the county funding plans is incomplete or county funding plans do not meet requirements, the Area Agency shall attach a condition to the grant agreement indicating that the agreement is entered into pending approval of the county funding plan for procedural compliance by the area agency. The condition shall also state any procedural deficiencies found in the county funding plan.

9. July 31, 2008: The area Agency completes the compliance review.

The Area Agency review shall ensure that:

- a) allocated minimum budget amounts have been met or agree minimum budget amounts negotiated by the area agency or authorized by the Division of Aging.
- b) The total county Block Grant allocation is utilized and not exceeded.
- c) Funding plan documents are accurate and complete, including signatures and dates.

10. If, after the initial allocation, additional services funding becomes available, area agencies will allocate funding to counties on the basis of county equity funding plans specified in the area plan. The Division of Aging and Adult Services shall provide allocation notifications to the Chairman, boards of county commissioners and county managers, with a copy to the area agency directors.

Date: Availability of additional Block Grant funding.

The Division of Aging and Adult Services will issue instructions for budgeting additional services funding that becomes available after the initial Block Grant allocation has been made or after county funding plans and Grant Agreements have been completed. Counties will have full discretion in budgeting additional allocations for any allowable Block Grant Service that meets the legislative intent of the funding.

SECTION VI

Instructions for Completion of County Funding Plan

Instructions for Completion of County Funding Plan

The County Funding Plan Consists of the Following Documents:

Identification of Lead Agency or Office with Lead Responsibility for County Funding Plan (DOA-730)

County Services Summary (DOA-731) Lead Agency or Office

Provider Services Summary (DOA-732) Community Service Provider
(This format is also used for making revisions to county funding during the state fiscal year.)

Service Cost Computation Worksheet (DOA-732A)

Labor Distribution Schedule (DOA 732A1)

Methodology to Address Service Community Service Provider
Needs of Low-Income Minority
Elderly (DOA-733)

Community Service Provider Community Service Provider
Standard Assurances (DOA-734)

The County Funding Plan is based on a twelve (12) month funding cycle from July 1 through June 30 of the applicable State Fiscal Year.

All formats are available through the Division of Aging and Adult Services' website at www.ncdhhs.gov/aging . In the website, access *County Budget Instructions for the Home and Community Care Block Grant* under the Topic Index.

VI. Instructions for Completion of the County Funding Plan.

A. Instructions for Completion of County Funding Plan Documents by the Lead Agency or Office.

1. Identification of Agency or Office With Lead Responsibility for County Funding Plan (DOA-730)

The completion of this document 1) identifies the agency or office with lead planning and coordination responsibilities, and 2) recommends the funding plan to the Board of Commissioners.

Step 1: Complete the DOA-730

2. County Services Summary (DOA-731)

This form is applicable when more than one (1) community service provider is designated in the County Funding Plan and will be completed by the lead agency or office for planning and coordination. Service information from each Provider Service Summary (DOA-732) will be compiled on the County Services Summary form for each service provided through the Block Grant. The Block Grant funding amounts and local match requirement specified on the form will reflect budgetary instructions and allocation levels issued to the county by the Division of Aging.

Step 1: Complete the DOA-731

B. Instructions for Completion of County Funding Plan Documents by the Community Service Provider.

1. Provider Services Summary (DOA-732)

This form will be completed by each community service provider and submitted to the lead agency. Community service providers designated in the County Funding Plan shall be public or private nonprofit agencies or organizations, except when through a procurement process, a for-profit organization receives a contract to provide aging services. When local service providers, as designated in the County Funding Plan are procuring contractual services, they will follow their own procurement procedures. These providers need to make certain that their procedures are not in conflict with requirements of 45 C.F.R. Part 92, Section 36. Counties may delegate any procurement responsibilities to their area agency on aging. **This format is also used for making revisions to county funding during the state fiscal year.**

Funding amounts shall be rounded to the nearest whole dollar, not to exceed available funding. Lead agencies may designate an Area Agency as a community service provider only when the Area Agency has received a waiver from the Division of Aging to directly provide aging services. The instructions for the DOA-732 are as follows:

Step 1: All services to be provided through the Block Grant shall be listed in the Services column. The following services may be provided with Home and Community Care Block Grant funding. Uniform service standards have been developed for each of these services and are specified in the N.C. Division of Aging Home and Community Care Block Grant Procedures Manual for Community Service Provider, Section 3.

Adult Day Care*	Housing and Home Improvement
Adult Day Health*	Information and Case Assistance
Care Management	Health Screening
In-Home Aide**	Institutional Respite Care
Congregate Nutrition	Mental Health Counseling
Home Delivered Meals	Senior Companion
Home Health	Transportation
Senior Center Operations	Volunteer Program Development
	Group Respite Care

*Effective 7/1/94, the basis for reporting Adult Day Care and Adult Day Health Care units of service will change. Service units will be reported for all enrollees based on the number of days they are scheduled to attend through the client care plan, instead of reporting units of service based on days of actual attendance. Two (2) units of service cannot be reported for the same enrollee space on the same day. When an enrollee is absent for 10 consecutive days, units for the person will no longer be reported until such time the person returns.

**In-Home Aide-Level II providers must have the capacity to provide Personal Care and Home Management services either directly or through contract. The appropriate level(s) (I, II, III or IV) for In-Home Aide services shall be provided on the DOA-732 form. Multiple levels of In-Home Aide services are to be listed as separate services.

Step 2: The method of Service Delivery by the community service provider, either Direct or Purchased, shall be indicated for each listed service. When purchasing any services, community service providers will use procurement procedures which do not conflict with requirements specified in the N.C. Division of Aging Home and Community Care Block Grant Procedures Manual for Community Services Providers, Section 2.

Step 3: Services information descriptions are as follows:

A. **Block Grant Funding** will be categorized as follows:

<u>Access</u>	<u>In-Home</u>
Care Management	Adult Day Care
Information/Case Assistance	Adult Day Health
Outreach	Home Health
Transportation	Housing/Home Improvement
	In-Home Aide Level I
	In-Home Aide Level II
	In-Home Aide Level III
	In-Home Aide Level IV
	Senior Companion

All other services will be classified as **Other**. Block Grant funding categories must be developed in compliance with budgeting instructions issued to the County by the Division of Aging. The Area Agency must approve county funding levels for access, in-home, congregate nutrition and home delivered nutrition services which are below budget minimums provided in the county budget instructions. The amount entered equals line I.A on the Service Cost Computation Worksheet (DOA-732A).

Special Note Concerning Bid Bonds: The Division of Aging has had discussions with the Department of Administration, Division of Purchase and Contract concerning bid bonds for goods and services procurement. While there is no prohibition on requiring bid bonds, the Division of Purchase and Contract does not consider them appropriate for the procurement of goods and services and recognizes that bid bonds may unnecessarily restrict competition. Entities involved in services procurement are requested to take this into consideration when making decisions concerning bid bonds.

B. **Required local match** will be computed on the basis of 10 percent of the net service cost. The local match requirement is computed by dividing the amount of Block Grant funding by 90 percent to determine the net service cost. The difference between the Block Grant funding amount and the net service cost is the amount of required local match. An example is as follows:

\$50,000 (In-Home Aide Block Grant funding)
/ 90%
 \$55,556 (net service cost)
-50,000
 \$5,556 (required local match)

The amount entered equals line 1.B on the Service Cost Computation Worksheet (DOA-732A).

- C. **Net service cost** reflects the sum of the Block Grant funding and required local match. **The amount entered equals line I.C on the Service Cost Computation Worksheet (DOA-732A).**

- D. **Nutrition Services Incentive (NSIP) Program Subsidy** is the amount of reimbursement paid to the provider through the area agency for the provision of congregate and home delivered meals. The entitlement is calculated on the basis of a reimbursement per meal x the number of planned meals (units) for the grant period. The NC Division of Aging establishes the meal reimbursement rate based upon anticipated NSIP funding through the Administration on Aging. The **SFY 08-09** rate will be **\$.60** per meal, unless further notice is received from the Division of Aging and Adult Services. The amount entered equals line I.D on the Service Cost Computation Worksheet (DOA-732A).

- E. **Total Funding** represents the sum of columns C and D.

- F. **Projected HCCBG Units** will be specified for services that base reimbursement on the number of service units delivered. These services are as follows:

Adult Day Care	In-Home Aide
Adult Day Health	Institutional Respite Care
Congregate Nutrition	Senior Companion
Home Delivered Meals	Transportation
	Home Health

The number of units stated equals those stated on line III.C of the Service Cost Computation Worksheet (DOA-732A). Unit definitions are provided in the N.C. Division of Aging and Adult Services Home and Community Care Block Grant Procedures Manual for Community Services Providers, Section 3.

- G. **Projected Net Unit Cost** is calculated by dividing column C by column F. This amount will equal line III.B.5 on the Service Cost Computation Worksheet (DOA-732A).

- H. **Projected Clients** reflects the estimated number of unduplicated persons to be served. **When revisions are made to funding levels during the fiscal year, corresponding revisions must be made to projected clients, where appropriate.**

I. **Total Projected Units** are the total number of units estimated to be provided through the resources identified in Section I of the Service Cost Computation Worksheet (DOA-732A). The number of units will equal the number stated on line III.F of the Worksheet. The total number of projected units is being provided for informational purposes only and is not associated with reimbursement through the Home and Community Care Block Grant.

Step 4: Net service costs for adult day care and adult day health care, as specified in column C, will be itemized on the Provider Services Summary form. This itemization will be determined as follows:

Daily care is the direct cost of providing care to a client for one day. Effective July 1, 2006, the maximum daily care rate for **adult day care** will be **\$33.07**. The maximum daily care rate for **adult day health care** will be **\$40.00**. The total cost of daily care equals the number of projected units x an amount not to exceed \$33.07 and \$40.00, respectively.

Transportation represents the cost of providing transportation for clients to and from **adult day care and adult day health care facilities**. Effective July 1, 1998, the maximum rate for transporting a client one-way will not exceed \$1.50. The maximum daily reimbursement rate will not exceed \$3.00. Transportation is included in the unit costs for adult day care and adult day health care services and is not reimbursed separately. Note that maximum rates for transportation are not affected by the increase in daily care rates in 2006.

Administration represents all other cost associated with the provision of the adult day care service.

The itemized **Total** will equal the amount of net service cost specified in column C.

The maximum daily care and transportation rates for adult day care and adult day health care do not automatically justify increases in unit rates. The projected costs for providing these services must be reasonable and accurately stated on the Service Cost Computation Worksheet (DOA-732A).

Step 5: The county finance officer will certify that the community service provider or the contracted provider has budgeted local resources to meet the local matching requirements specified on the Provider Services Summary and that the required local match will be expended simultaneously with Block Grant funding.

Step 6: The authorized representative of the community service provider and the Chairman of the Board of Commissioners will affirm the information on the Provider Services Summary by their signatures.

The Service Cost Computation Worksheet (DOA-732A) provides for budgeting projected program income and units to be provided with program income. The regulations implementing the Older Americans Act (45 C.F.R. 1321.67) require that earned program income be used to expand services through the federal "addition" method of accounting for program income. The "addition" method is federally mandated to create expansion of services through the utilization of earned program income, since federal and state funds are limited and cannot meet service demands. As specified in the Health and Human Services Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (45 C.F.R. 92.25), the "addition" method requires that program income be added to funds committed through a grant agreement and subtracted from program reimbursement as it is earned. Service expansion occurs when the level of service exceeds the net service cost stated in Column D of the DOA-732. For example, an in-home aide, level I service is budgeted for \$50,000 in federal and state Block Grant funding and required local match and earns \$3,500 in program income, the sum of net service cost and earned program income must be \$53,500 for the provider to earn all of the net service cost in column D of the DOA-732 form. The reporting of earned program income is discussed in Section 3 of the Home and Community Care Block Grant Procedures Manual for Community Service Providers.

2. Service Cost Computation Worksheet (DOA-732A) and Labor Distribution Schedule (DOA-732A1)

The Service Cost Computation Worksheet and Labor Distribution Schedule have been in use since SFY 98-99. All service providers have had the opportunity to receive Division of Aging training on the development and use of these formats. The division arranges on going training through area agencies on aging. The purpose of these formats is to:

- 1) encourage service providers to recognize common funding streams and more accurately determine the actual cost of providing services; and,
- 2) to allow lead agencies, Block Grant advisory committees, and other aging interests to be more informed concerning the cost of providing community based aging services.

All providers of Home and Community Care Block Grant services must have a method to project service costs based on projected revenues and expenditures. HCCBG providers will utilize the DoA 732A Service Cost Computation Worksheet and DoA 732A1 Labor Distribution Schedule, or comparable formats, to develop HCCBG unit and non-unit costs. These formats will accompany the applicable County Services Summary (DoA-731) or Provider Services Summary (DoA-732) provided to HCCBG lead agency and will be available to area agency upon request.

While it is important to recognize the cost of services and to take measures to receive adequate reimbursement, it is imperative that services costs be reasonable and justifiable and, when possible, that services to existing clients are continued and expanded to address waiting lists.

Computerized formats of the Service Cost Worksheet (DOA-732A), Labor Cost Distribution Schedule (DOA-732A1), and accompanying instructions are available through each of the area agencies on aging. Both formats are Excel 5.0. These formats are available on the Division of Aging website at www.ncdhhs.gov/aging. In the website, access *County Budget Instructions for the Home and Community Care Block Grant* under the Topic Index.

3. Methodology to Address Service Needs of Low-Income Minority Elderly (DOA-733)

This narrative shall be completed by each community service provider. As required in Section 305(a)(4)(A) of the 2006 Amendments to the Older Americans Act, Area Agencies will set specific objectives in the Area Plan for providing services to older individuals with the greatest economic or social needs, including specific objectives for servicing low income minority individuals. The narrative provided on the DOA-733 will support the outreach and targeting objectives established by the Area Agency. The Area Agency will provide lead agencies with specific objectives for outreach and targeting in time for County Funding Plans to meet completion deadlines.

Step 1: Complete the DOA-733.

4. Community Service Provider Standard Assurances (DOA-734)

Step 1: Assure compliance through authorized signature.