

Senate Finance Oversight Subcommittee

Summary Report on the

SC Lieutenant Governor's Office on Aging

March 2016



The Lieutenant Governor's Office on Aging is responsible for funding services for seniors with federal and state funds. To ensure these services are appropriate, cost-effective, and adequately funded, the agency should hire a full-time director, separate its budget from the Lt. Gov. Office, and improve its information technology systems. The placement of the office within state government should be examined and guidance should be given on the allocation of state funds. The Office on Aging should implement a pricing schedule for some services, a formal written process for evaluating senior center applications, and a statewide intake and referral system for requests for assistance.

Agency at a Glance

The Office on Aging's goal is to partner with state and local governments, non-profit organizations, and the private sector to enhance the quality of life for seniors and/or vulnerable adults. It distributes funds to ten regional Aging and Disability Resource Centers (ADRCs)/Area Agencies on Aging (AAAs) who then contract with local providers for services such as home delivered and congregate meals, transportation, home care services, social adult day care services, respite, and disease prevention/health promotion. For FY 15-16, the office has total funding of \$46 million with \$13 million in state funds. It has a staff of 40 FTEs and is part of the Lieutenant Governor's Office.

Issues

STATE APPROPRIATIONS

For FY 15-16, \$11.5 million in state funds were appropriated for Home and Community Based Services and Family Caregivers. Unlike the federal funds, there is no legislative directive in permanent law or proviso directing how this money is to be allocated or used.

- **Legislative Recommendation:** The General Assembly should adopt language giving the Office on Aging guidance on the activities to be funded and/or the intended methodology to allocate these funds.

STAFFING

The higher than normal turnover rate in the preceding years has reduced the organizational knowledge at the Office. This coupled with the lack of a Director has left the staff and local entities with some uncertainty about the lines of authority and the future direction of the Office.

- **Agency Recommendation:** A full-time Director with the requisite skills should be selected to lead the Office on Aging.

SEPARATE BUDGETS FOR LT GOV. OFFICE AND OFFICE ON AGING

The practice of transferring funds from the Office on Aging budget to the Lt. Governor's administrative budget blurs the programmatic distinction between these two separate cost centers and renders it difficult to determine if the funding has been utilized in compliance with legislative intent.

- **Legislative Recommendation:** The General Assembly should realign the Lieutenant Governor's budget in the appropriations act to reflect the actual structure of the office.

SENIOR CENTER PERMANENT IMPROVEMENT PROGRAM

Without an objective process to award the funds for the senior centers, there is less assurance that the funds are awarded in accordance with the guidelines to the most deserving applicants.

- **Agency Recommendation:** The Lieutenant Governor's Office on Aging should implement a formal, written process for evaluating and awarding Permanent Improvement Program grants.

PROCUREMENT

Reimbursement rates for services paid to providers vary widely without a clear explanation for these disparities. Also, some AAA directors are confused about the Office on Aging's role in the procurement process.

- **Agency Recommendation:** The Lieutenant Governor's Office on Aging should develop and implement a uniform pricing schedule with input from the Area Agencies on Aging and local providers.

SERVICE COORDINATION

The multiple entities providing funding and services to the elderly makes it complicated for an individual to readily locate services for themselves or an elderly person in their care.

- **Agency Recommendation:** A statewide Intake and Referral system with a publicized telephone number and web site/email address could be established to coordinate all requests for assistance for the elderly including reports of abuse and neglect.

TECHNOLOGY

The reporting systems at the Office on Aging are antiquated and lack the functionality to respond to the demands of a reimbursement grant accounting system with multiple programs.

- **Agency Recommendation:** The Office on Aging should explore avenues for obtaining a grants accounting system which would integrate the AIM system and the payment/allocation system allowing better management of both federal and state grant funds.

RESTRUCTURING

While no other states have aging services located within the Office of the Lt. Governor, there is no uniformity among states regarding the placement of this function or the duties encompassed by the entity. The most common alternatives for the organizational placement of the state aging function are 1) as part of the Governor's Office, 2) within a larger umbrella health agency, and 3) as a stand-alone entity.

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Report on the Lieutenant Governor's Office on Aging

March 2016



Members of Subcommittee:

Senator Thomas C. Alexander, Chair
Senator Daniel B. Verdin, III
Senator Joel Lourie
Senator Floyd Nicholson

The Lieutenant Governor's Office on Aging is responsible for funding services for seniors with federal and state funds. To ensure these services are appropriate, cost-effective, and adequately funded, the agency should hire a full-time director, separate its budget from the Lt. Gov. Office, and improve its information technology systems. The placement of the office within state government should be examined and guidance should be given on the allocation of state funds. The Office on Aging should implement a pricing schedule for some services, a formal written process for evaluating senior center applications, and a statewide intake and referral system for requests for assistance.

I. Agency at a Glance

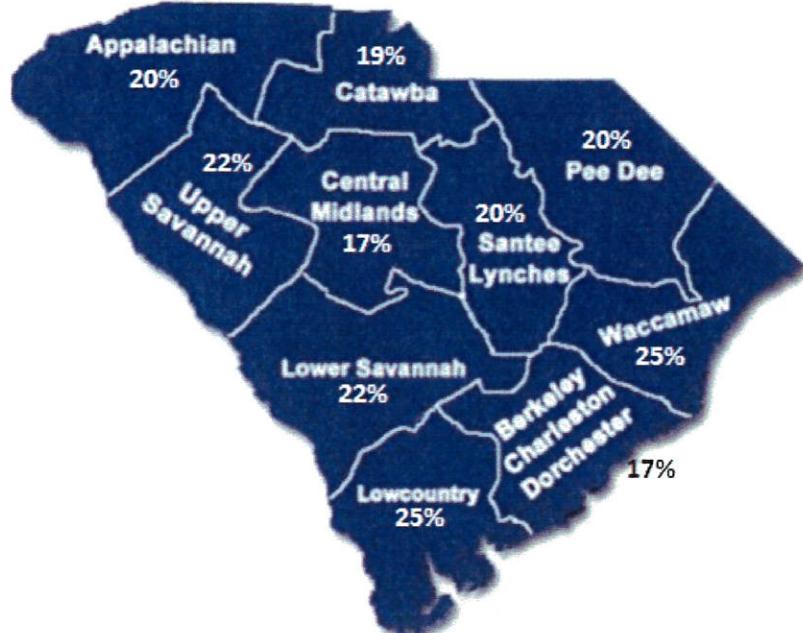
Mission

The Lieutenant Governor's Office on Aging's mission is derived from responsibilities set by state and federal law. There is no specific mission stated in South Carolina law. The Office on Aging's goal is to partner with state and local governments, non-profit organizations, and the private sector to enhance the quality of life for seniors and/or vulnerable adults. It is responsible for implementing and administering all programs of the federal government relating to the aging which are not the specific responsibility of another state agency under the provisions of federal or state law.

The Lt. Governor's Office on Aging is also the designated State Unit on Aging (SUA). The Older Americans Act (OAA) requires that an entity be designated to receive and disburse the OAA funds to the local entities. The Office administers federal funds received through the Older Americans Act and the State of South Carolina. These funds are distributed to ten regional Aging and Disability Resource Centers (ADRCs)/Area Agencies on Aging (AAAs) who then contract with local providers for services such as: home delivered and congregate meals, transportation, home care services, social adult day care services, respite and disease prevention/health promotion.

The 10 designated Area Agencies on Aging in South Carolina, including the percentage of the population over 60 years old, are:

1. Appalachia (Anderson, Cherokee, Greenville, Oconee, Pickens, and Spartanburg)
2. Upper Savannah (Abbeville, Edgefield, Greenwood, Laurens, McCormick, and Saluda)
3. Catawba (Chester, Lancaster, Union, and York)
4. Central Midlands (Fairfield, Lexington, Newberry, and Richland)
5. Lower Savannah (Aiken, Allendale, Bamberg, Barnwell, Calhoun, and Orangeburg)
6. Santee-Lynches (Clarendon, Kershaw, Lee, and Sumter)
7. Pee Dee (Chesterfield, Darlington, Dillon, Florence, Marion, and Marlboro)
8. Waccamaw (Horry, Georgetown, and Williamsburg)
9. Trident (Berkeley, Charleston, and Dorchester)
10. Lowcountry (Beaufort, Colleton, Hampton, and Jasper)



Governing Authority: State & Federal

State

The Lieutenant Governor is the Office on Aging's governing authority as defined by S.C. Code Ann. §43-21-10 (1976). The Office's state supporting body is the Aging Advisory Council. Pursuant to §43-21-10, the council is composed of fifteen members who are appointed for four-year terms and serve until successors are appointed. No member may serve more than two consecutive terms. All members must be residents of South Carolina with an interest in and knowledge of the problems of an aging population. In making appointments, consideration must be given to assure that the council is composed of appointees who are diverse in age, who are able and disabled, and who are active leaders in organizations and institutions that represent different concerns of older citizens and their families. After a nomination is submitted to the director, the Lieutenant Governor makes the appointment.

The members of the council shall be appointed as follows: (1) one member must be from each of ten planning and service areas under the Division of Aging; and (2) five must be from the State at-large. The advisory council meets at least once each quarter.

Position	Counties in Region	Position Title	Current Members	Appointed By	Appointed Date	Expiration Date
Area 1 (Appalachia)	Anderson, Cherokee, Greenville, Oconee, Pickens and Spartanburg	Member	Mary M. Heatherly	Lieutenant Governor Henry McMaster	2015	6/30/2018
Area 2 (Upper Savannah)	Abbeville, Edgefield, Greenwood, Laurens,	Member	Belinda Dorn Turner	Lieutenant Governor Glenn McConnell	2013	6/30/2017

	McCormick and Saluda					
Area 3 (Catawba)	Chester, Lancaster, York and Union	Member	Oscar L. Jones	Lieutenant Governor Henry McMaster	2015	6/30/2018
Area 4 (Central Midlands)	Fairfield, Lexington, Newberry and Richland	Member	Dr. James D. Bouknight	Lieutenant Governor Henry McMaster	2015 * filling unexpired term	6/30/2019
Area 5 (Lower Savannah)	Aiken, Allendale, Bamberg, Barnwell, Calhoun and Orangeburg	Member	Janie Cooper-Smith	Lieutenant Governor Henry McMaster	2015	6/30/2018
Area 6 (Santee Lynches)	Clarendon, Kershaw, Lee and Sumter	Member	Sumter Moye Graham	Lieutenant Governor Henry McMaster	2015	6/30/2018
Area 7 (Pee Dee)	Chesterfield, Darlington, Dillon, Florence, Marion and Marlboro	Member	Dr. Mary Bradley Tepper	Lieutenant Governor Henry McMaster	2015	6/30/2018
Area 8 (Waccamaw)	Georgetown, Horry and Williamsburg	Member	Mary B. Henry	Lieutenant Governor Henry McMaster	2015	6/30/2019
Area 9 (Trident)	Berkeley, Charleston and Dorchester	VACANT				
Area 10 (Lowcountry)	Beaufort, Colleton, Hampton and Jasper	Member	Sharon L. Morris	Lieutenant Governor Glenn McConnell	2013	6/30/2017
At-Large 1		Member	The Reverend Stan R. Means	Lieutenant Governor Glenn McConnell	2013	6/30/2017
At-Large 2		Member	The Honorable Vida Miller	Lieutenant Governor Glenn McConnell	2013	6/30/2017
At-Large 3		Member	Carl M. Hust	Lieutenant Governor Henry McMaster	2015	6/30/2017

At-Large 4		Member	Mark M. Smith	Lieutenant Governor Glenn McConnell	2013	6/30/2017
At-Large 5		Member	Arthur Fusco	Lieutenant Governor Glenn McConnell	2013	6/30/2018

Federal

The Older Americans Act (OAA) of 1965 provides a national network of aging services and funding that helps older adults live in communities of their choice for as long as possible. These services include home-delivered and congregate meals, caregiver support, preventive health services, transportation, job training, and elder abuse prevention. It authorizes a wide array of service programs through a national network of 56 state agencies on aging, 629 area agencies on aging, nearly 20,000 service providers, 244 tribal organizations, and 2 native Hawaiian organizations representing 400 tribes. As previously mentioned, the Office on Aging is the designated State Unit on Aging (SUA), which is the designated entity to receive and disburse the OAA funds to local entities.

Programs & Coordinating Council

Programs

The Office on Aging advertises several programs and initiatives: State Health Insurance Program, Family Caregiver Support Program, Vulnerable Adult Guardian ad Litem Program, Alzheimer's Resource Coordination Center, Long Term Care Ombudsman, Student Loan Repayment Program, senior emergency preparedness, senior pet program, and the Eldercare Trust Fund.

Medicare & State Health Insurance Program

The state and federal government have developed the State Health Insurance Program (SHIP), also known as Insurance Counseling Assistance and Referrals for Elders program (I-CARE), to assist in Medicare decisions. This program provides health insurance counseling for Medicare, Medicare Supplement, Medicare Savings program, Medicare Prescription Drug Plans, Medicare Advantage Plans and Senior Medicare Fraud programs.

Family Caregiver Support Services

Family Caregiver Support Services are administered locally by the 10 Area Agencies on Aging (AAA). Each AAA has a full-time Family Caregiver Advocate who works directly with family caregivers. Under this program, qualifying caregivers receive information about local services and support, assistance from a trained Family Caregiver Advocate to help caregivers assess needs and access support services, counseling, support groups, and respite care for caregivers. These services are provided at no cost to qualifying participants and are federally funded under the Older Americans Act with state and local matching funds.

Vulnerable Adult Guardian ad Litem Program

In 2014, the General Assembly created the Vulnerable Adult Guardian ad Litem Program in the Office on Aging to serve as a statewide system to recruit, train, and supervise volunteers to serve as court-appointed guardians ad litem for vulnerable adults in abuse, neglect, and exploitation proceedings within the family court (S.C. Code

Ann. §43-35-200). The legislation is the result of a successful pilot program run by the University of South Carolina's School of Public Health's Office for the Study on Aging. It is currently funded through the Lieutenant Governor's Office, but, according to program staff, would like to increase marketing, hire additional regional coordinators, and to expand their volunteer program.

Alzheimer's Resource Coordination Center

The Alzheimer's Resource Coordination Center (ARCC) provides statewide coordination, service system development, information and referral, and caregiver support services to individuals with Alzheimer's disease and related disorders, their families and caregivers. The ARCC Advisory Council is comprised of persons from agencies and organizations that have a special interest in Alzheimer's disease and related dementias. The Advisory Council assists in reviewing grant applications and conducting site visits to the ARCC grantees. All members are appointed by the Lieutenant Governor. The current membership includes many vacancies:

Organization	Member
AARP	James Love
Alzheimer's Association	Beth Sulkowski, Chair
Clemson University	Dr. Stephanie Davis
Consumer/Caregiver	Mildred Lilley
Medical University of South Carolina	Dr. Jessica Broadway
National Association of Social Workers	Sara English, Secretary
SC Adult Day Services	VACANT
SC Association of Area Agencies on Aging	VACANT
LeadingAge South Carolina	Vickie Moody
SC Association of Residential Care Homes	Karen Bowman
Office for Study of Aging USC School of Public Health	Dr. Macie Smith
SC Department of Disabilities and Special Needs	VACANT
SC Department of Health & Environmental Control	VACANT
SC Department of Health & Human Services	VACANT
SC Department of Mental Health	Dr. Miroslav Cuturic
SC Department of Social Services	VACANT
SC Health Care Association	VACANT
SC Home Care and Hospice Association	Leigh Nunn
SC Hospital Association	VACANT
SC Medical Association	Marilynn Koerber
SC Silver Haired Legislature	VACANT
SC State University	VACANT
Veteran's Administration Health Care System	VACANT
University of South Carolina	Dr. Mindi Spencer
At-Large	Patricia McCloud
At-Large	Kathy Pears

Long Term Care Ombudsman

This activity, located in the Office on Aging, was initiated in 1972 as a demonstration project under the Older Americans Act and is now operational in all states. The role of the Ombudsman's Office as defined in the OAA is:

Long-Term Care Ombudsmen are advocates for residents of nursing homes, board and care homes, assisted living facilities and similar adult care facilities. They work to resolve problems of individual residents and to bring about changes at the local, state and national levels that will improve residents' care and quality of life.

In this role, the Ombudsman's Office investigates complaints by individuals residing in institutional settings and advocate on their behalf. The state ombudsman's office investigates complaints at state facilities while the local ombudsmen are responsible for local and private facilities housing elderly residents. The state office also trains and certifies the local ombudsman staff.

Since the Ombudsman has no actual enforcement mechanism, whenever possible, they seek to resolve complaints through mediation between the resident and the facility. If the complaint is serious enough and cannot be resolved, it is then referred to the appropriate entity which has the authority to take action. In the case of criminal abuse or neglect, it would be referred to state or local law enforcement authorities. If it is a facility issue, it would be referred to the Department of Health and Environmental Control which is the licensing entity for the facilities. However, if the problem involves the administration of the facility then the case would be referred to the Department of Labor, Licensing and Regulation which licenses Long Term Care Administrators.

SC Healthy Connections - In 2015, the Ombudsman's Office received funding to implement a Dual Eligible Ombudsman program as part of SC Healthy Connections which is the Medicaid program at the Department of Health and Human Services. Under the program, all eligible participants who are both Medicare and Medicaid eligible either select a medical care organization (MCO) or are assigned to one. In this role, the Ombudsman's Office will advocate for participants enrolled in the program to ensure that they are receiving appropriate care via the MCOs.

Senior Emergency Preparedness

Senior P.R.E.P. (Planning and Resources for Emergency Preparedness) is a program that raises awareness of the importance of individual emergency preparedness for South Carolina's seniors. The program is sponsored by the Office on Aging in partnership with Walgreens and the South Carolina Emergency Management Division (SCEMD).

Student Loan Repayment Program

The Student Loan Repayment Program, or the Geriatric Physicians Loan Program, was created by statute to encourage physicians who have completed a fellowship training program in geriatrics or geropsychiatry accredited by the Accreditation Council for Graduate Medical Education to practice in South Carolina. If accepted into the program, the state will help these physicians repay their student loans. In exchange for the commitment to practice in South Carolina for at least five years, qualified doctors can receive as much as \$35,000 to repay their loans for medical school (S.C. Code Ann. §43-21-200).

An advisory board administers the program. All appointments to the board are made by the Lieutenant Governor's Office on Aging. The board is responsible for reviewing qualified applicants and selecting award recipients. The advisory board is composed of representatives from the following institutions:

- South Carolina Medical Association;
- South Carolina Commission on Higher Education;
- Medical University of South Carolina;
- School of Medicine of the University of South Carolina; and
- fellow in geriatrics or geriatric psychiatry.

Organization	Member
Wm. Jennings Bryan Dorn Veterans Affairs Medical Center	Dr. Bruce Easterling
USC School of Medicine	Dr. James Bouknight
South Carolina Medical Association	Dr. Gary A. Delaney (Vice-Chair)
SC Commission on Higher Education	Lane Goodwin
Medical University of South Carolina	Dr. Warachal Faison
USC School of Medicine	Dr. Victor Hirth (Chair)
Geriatric Fellowship Program	Dr. Mayes DuBose
Lieutenant Governor's Office on Aging	Kay Taylor Hightower

Senior Pet Program

The Senior Pet Program is a pilot program created by the Lieutenant Governor and funded through private funds collected by a non-profit entity. The program's goal is to provide low or no cost pet care to qualifying individuals receiving services through the Office on Aging. The program's goals are to offer nutritious meal options for both the senior and the pet(s), educate seniors on proper ways to take care of their pet(s), provide seniors the opportunity to live in their own homes with their pet(s), and establish statewide partners that will provide pet supplies/services to seniors receiving other aging services.

ElderCare Trust Fund

The ElderCare Trust Fund was created by statute to award grants to public and private non-profit organizations to establish and administer innovative programs and services that assist older persons to remain in their homes and communities with maximum independence and dignity. The fund supplements and augments programs and services provided by or through state agencies but may not take the place of these programs and services. The Office on Aging carries out all activities necessary to administer the fund and is supported by the ElderCare Trust Fund Advisory Board (S.C. Code Ann. §43-21-160 et. seq.) It is funded primarily through voluntary taxpayer contributions through the SC Check-off program on state income tax returns, and also through direct contributions.

The committee that evaluates the ElderCare Trust Fund applications meets when there are funds to disperse. The Board who evaluates the ElderCare Trust Fund's FY17 distribution will not be constituted until sometime after tax season when the Office on Aging knows the amount of money in the fund.

Coordinating Council

Pursuant to S.C. Code § 43-21-120, the Coordinating Council to the Division on Aging is created, works with, advises, and makes recommendations to the Office on Aging regarding the coordination of programs related to the field of aging. The council is comprised of the following:

- Director of the Department of Health and Environmental Control;
- State Director of Social Services;
- Director of the Department of Mental Health;
- Superintendent of Education;
- Director of the State Department of Labor, Licensing and Regulation;
- Executive Director of the South Carolina State Department of Employment and Workforce;
- Secretary of the Department of Commerce;

- Commissioner of the State Department of Vocational Rehabilitation;
- Director of the Clemson University Extension Service;
- Director of the South Carolina Department of Parks, Recreation and Tourism;
- Director of the South Carolina Retirement System;
- Executive Director of the South Carolina Municipal Association;
- Executive Director of the State Office of Economic Opportunity;
- Executive Director of the South Carolina Association of Counties;
- Commissioner of the Commission for the Blind;
- Director of the Department of Health and Human Services;
- Director of the Department of Alcohol and Other Drug Abuse Services; and
- Chairperson of the Commission on Women.

The council shall meet at least once each six months and special meetings may be called at the discretion of the chairman or upon request of a majority of the members. The chairman of the advisory commission and the director of the Division on Aging are required to attend the meetings of the council.

The Coordinating Council has been suspended by budget proviso since 2009.

Finance: Federal Funds, Expenditures

Federal Funds

The Office on Aging is allocated approximately \$25 million in federal funds annually. The bulk of this funding (approximately 70%) is from the Title III grant. The amount of this allocation varies as Congress allocates funds and the grant awards are often increased during the year as additional funds are authorized. These funds are distributed to the AAAs via the Intra State Funding Formula. However, before the allocations are made to the AAAs, 5% is retained at the state level for administration and 10% is set aside for local administration which is allocated separately to the AAA's. Additionally, an amount necessary to administer the Ombudsman program is deducted prior to allocation to the local entities. This amount is not based upon a percentage but simply defined as what is needed to adequately operate the program.

Expenditures

Because both the federal and state funds have carry-forward provisions, the agency is always expending funds from multiple years. For this reason, expenditures can exceed program revenues in a given year. In FY 14-15, the Lt. Governor's Office had approximately \$45.9 million in total expenditures. Most of these are attributable to the Office on Aging.

II. Issues

A. Organization/Structure of the Office

On July 1, 1997, the Division on Aging was transferred by temporary proviso from the Governor's Office to the Department of Health and Human Services and renamed the Office on Aging. The Office was then transferred to the Lt. Governor's Office by proviso in the FY 05-06 appropriations act.

57.2. (LTG: Division on Aging Transfer) Notwithstanding any other provision of law, the duties, functions and responsibilities of the Division on Aging are transferred from the Department of Health and Human Services to the Office of the Lieutenant Governor as the Office on Aging. A director must be employed to be the administrator of the office.

The placement of the Office on Aging in the Lt. Governor's Office was codified in 2008. Ambiguity regarding the optimal placement of the Office on Aging is reflected in other states which have also moved this function in recent years. Beginning in 2018, the Lieutenant Governor will be elected jointly with the Governor and cease to preside over the SC Senate. While this legislation does not mention the Office on Aging, it does raise the issue of the placement of the Office since the Lt. Governor will no longer be running separately from the Governor.

The federal government has been moving in the direction of combining services for the elderly with services for the disabled within the Administration for Community Living. The rationale for this being that the services and goals are very similar. Both programs seek to keep clients in the least restrictive setting and avoid institutionalized care when possible. This is usually less expensive and in keeping with the preferences of the target population.

While no other states have aging services located within the Office of the Lt. Governor, there is no uniformity among states regarding the placement of this function or the duties encompassed by the entity. The most common alternatives for the organizational placement of the state aging function are 1) as part of the Governor's Office, 2) within a larger umbrella health agency, and 3) as a stand-alone entity. However, even within these models, there is variation regarding the lines of reporting and duties included. Each of these models has advantages and disadvantages:

Governor's Office

Being an office under a statewide elected official with term limits means that there will be periodic changes of leadership. This can result in changing priorities and policies for the Office. At the same time, it can be beneficial to have a highly placed advocate in charge of this function. Concerns about turnover and political interference are frequently cited in the literature regarding aging offices located within the Office of the Governor.

Health Agency

Having the Office under the umbrella of a larger health agency can assist in coordination of aging services among the various offices located within the broader health agency. At the same time, aging services can be discounted and underfunded as a smaller part of the agency's larger mission. Also, South Carolina does not structurally have a single overarching health agency. Combining the Office on Aging with another single health agency has these same advantages and disadvantages to varying degrees and risks having the aging function subsumed by the larger mission of that agency.

Independent Agency

Setting up the Office as an independent entity would allow the agency to focus solely on the mission of providing services to the elderly. It would also provide an opportunity to combine some of the various elderly programs (such as Long Term Care & Adult Protective Services) under a single entity to improve coordination. The director

of this agency should be appointed in a way that ensures that it remained responsive to the public via elected officials.

B. Staffing

The SC Lieutenant Governor's Office on Aging has undergone significant changes in leadership recently. Since 2011, there have been four different lt. governors and two directors of the Office on Aging. The director position has been vacant since August 2015. The Lt. Governor's Office indicates that they do not intend to fill this vacancy. The Office on Aging has a staff of approximately 40 FTEs, of which approximately half are state-funded. The turnover rate for FY 14-15 was 15.58% which is similar to the state average and typical of agencies of this size. However, the turnover rate for FY 13-14 was 37.97% and 21.62% in FY 12-13. The recent director and staff both cited morale as issues but indicated that these has been alleviated.

The higher than normal turnover rate in the preceding years has reduced the organizational knowledge at the Office. This, coupled with the lack of a director, has left the staff and local entities with some uncertainty about the lines of authority and the future direction of the Office. This makes planning difficult as the Office prepares to meet the challenges of providing services to an ever growing cohort of elderly South Carolinians as well as an influx of retirees from other states.

The proviso transferring the Office on Aging to the Lt. Governor's Office mandated that a director be employed to administer the Office on Aging. Although this language was not included when the transfer was codified in FY 07-08, it appears from the language below that it was envisioned that a director would be employed to administer the Office on Aging.

Section 43-21-70. The Lieutenant Governor may employ a director to be the administrative officer of the division who shall serve at his pleasure and who is subject to removal pursuant to the provisions of Section 1-3-240.

Section 43-21-80. The director shall appoint any other personnel and consultants considered necessary for the efficient performance of the duties prescribed by this chapter and shall fix the compensation therefore in accordance with the Human Resource Management Division of the State Budget and Control Board and Merit System requirements.

- **Agency Recommendation:** A full-time director with the requisite skills should be selected to lead the Office on Aging.

C. Finances: Appropriations, Bingo Revenue, Budget, & Procurement

State Appropriations

Of the \$12.2 million in state funds appropriated to the Office on Aging, \$11.5 million are for Home and Community Based Services and Family Caregivers. Unlike the federal funds, there is no legislative directive in permanent law or proviso directing how this money is to be allocated or used. There are provisos allowing the funds to be carried forward and “used for the same purposes”. While the Office on Aging has used discretion in utilizing these funds for activities that conform to the Agency’s budget request narrative justification, there seems to be some confusion regarding the methodology used to make the allocations. For these reasons, it cannot be determined if the distribution of the funds are in keeping with the legislative intent.

- **Legislative Recommendation:** The General Assembly should adopt language giving the Office on Aging guidance on the activities to be funded and/or the intended methodology to allocate these funds to the local AAAs.

Lt. Gov. Office/Office on Aging Budget

In its FY 12-13 budget request, the Lt. Governor's Office requested and received an increase of \$402,707 in recurring state funding for Executive Administration (Personal Services & Employee Contributions). The materials submitted to justify this budget request included the assertion that, *"The Lieutenant Governor has a constitutional obligation to staff his State House office in order to serve as President of the Senate and to coordinate his statewide activities. In order to make up the shortfall from losing this funding in Fiscal Year 2010 – 2011 and Fiscal Year 2011 – 2012 the Lieutenant Governor's Office is being funded by aging services through the State Office on Aging. The money provided could be better used by serving South Carolina's growing senior population."* The stated intent by the Lt. Governor during subcommittee meetings was that the budget of the Office on Aging and the budget of the Lt. Governor's executive function be separated and not comingled to ensure that funds intended for aging services were not used outside of that purpose. In FY 14-15, transfers occurred moving state funds from the Office on Aging budget into the Lt. Governor's administrative budget. This appears to be necessitated by the fact that the salaries for unclassified staff positions at the Lt. Governor's Office exceed the personal services budget for the Lt. Governor's Office.

The practice of transferring funds from the Office on Aging budget to the Lt. Governor's administrative budget blurs the programmatic distinction between these two separate cost centers and makes it difficult to determine if the funding has been utilized in compliance with legislative intent.

- **Legislative Recommendation:** The General Assembly should realign the Lieutenant Governor's budget in the appropriations act to reflect the actual structure of the office. This would allow the Agency to make these expenditures without transferring funds and provide greater accountability and transparency.

Bingo Revenues for Senior Services

Some of the revenues collected from bingo license and admissions taxes are allocated every year in accordance with state law to the Office on Aging. Nine hundred thousand dollars is credited annually to the Senior Citizen Centers Permanent Improvement Fund. An additional \$600,000 is allocated each year to the LGOA for home community services.

Senior Center Permanent Improvement Program

The Senior Center Permanent Improvement Program (PIP) provides grants for permanent improvements at senior centers used for senior activities. There must be a demonstrated need for the project and funds can be used for emergency projects, new construction, or renovations. Local governments or non-profits providing services for seniors can apply for grants up to \$350,000. A 30% match is required for new construction or renovations and a 10% match is required for emergency repairs. As of October 2015, there were 4 active new construction projects funded at \$350,000 each. Only one project had any expenses which totaled \$25,000.

The projects that received funding or were active in FY 14-15 were:

Location	Grant Amount	Spent
New Construction		
Salters-Hopewell (Williamsburg County)	\$350,000	\$350,000
Town of Pacolet	\$350,000	\$25,080
Pickens County Meals on Wheels	\$350,000	\$328,462
City of North Charleston	\$350,000	\$0
City of Fountain Inn	\$350,000	\$0
Pine Ridge/Lexington	\$350,000	\$0
Lourie Center (Richland County)	\$12,800	\$12,800
Emergency Repairs		
Midlands Development Corporation	\$18,000	\$14,787
Catawba Indian Nation	\$19,719	\$17,478

There is an extensive grant application and a site visit by the PIP coordinator. The application includes evaluation criteria that is used to review the proposal:

- Need and client base for project.
- Proposed design, utilization of space and range of services and activities.
- Project and operating budget.
- Benefit to community and community collaboration in planning.

Although it is a competitive grant process, the applications are not scored. A committee of LGOA staff reviews the applications and makes funding recommendations. However, the Lieutenant Governor has the final decision. Without an objective process to award the funds, there is less assurance that the funds are awarded in accordance with the guidelines to the most deserving applicants. For example, there were no grant applications accepted for 2015 because previous lieutenant governors had already awarded the funds.

- **Agency Recommendation:** The Lieutenant Governor's Office on Aging should implement a formal, written process for evaluating and awarding Permanent Improvement Program grants.

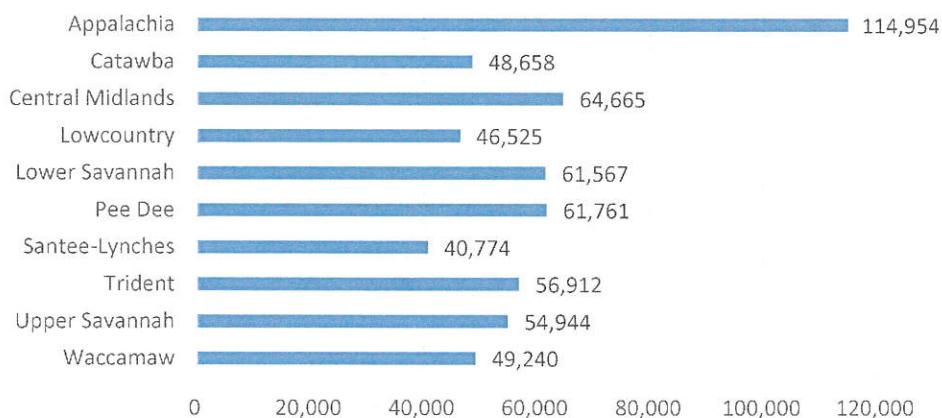
Home Community Services

SC Code Section 12-21-4200(1) sets the requirements for how the funds should be allocated for home community services:

- One-half, \$300,000, must be divided equally among the 46 counties.
- The remaining funds are allocated based on the county's population of people aged 60 or older.

The Office on Aging allocates these funds through the 10 Area Agencies on Aging. The amounts of the annual distribution have not changed since 2010.

Annual Allocation of Bingo Funds for Home/Community Services



In previous years, there were limited services which could be paid for with these funds. However, the Office on Aging currently directs the AAAs to spend these funds on any activities funded under the Older Americans Act except administrative costs. Because it is not a large amount of funds, most of the AAAs use the funds for in-home services such as homemaker services. The expenses are reimbursed through the same system as the Older Americans Act funds.

Procurement

Although all of the contracting with local service providers is performed by the AAAs, it is unclear what role the Office on Aging has in this process. The Office on Aging says that the AAAs are essentially autonomous in contracting for services but also states that “unreasonable” payments would not be authorized. When asked, staff were unable to define what constituted an unreasonable reimbursement amount. The staff at the Councils of Governments and AAAs could not explain the role of the Office on Aging in the procurement process but did say that they interjected at times. In the FY 13-14 appropriations act, proviso 94.9 was adopted to direct the Office on Aging to develop a plan for uniform pricing. At this point, no action has been taken on the draft plan produced by the Office. The draft plan proposed utilizing the Community Long Term Care reimbursement rates to establish reimbursement rates for the Home and Community Based Services program. The proposal recommended phasing in this change over a two-year period. The services provided via the Community Long Term Care program are similar to those provided in the Home and Community Based Services program.

94.9. (LTG: Home and Community Based Services Unit Rates) *The Office on Aging shall develop a plan by December 31, 2014, to implement a uniform pricing schedule for Home and Community Based Services unit rates. The plan shall be provided to the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee. (Deleted in FY 2015-16 budget)*

Reimbursement rates for services paid to providers vary widely. There is no clear explanation for these disparities. Also, some AAA directors are confused about the Office on Aging’s role in the procurement process. Ultimately, overpayment for services reduces the number of seniors that can receive needed services.

Group Dining Unit Cost Comparison		
Lowest Unit Cost	Highest Unit Cost	Spent 7/1/14 – 11/25/14
\$4.62	\$9.54	\$788,606.22

Home-Delivered Meal Unit Cost Comparison		
Lowest Unit Cost	Highest Unit Cost	Spent 7/1/14 – 11/25/14
\$4.27	\$8.00	\$2,741,333.01

Transportation To Group Dining Site Unit Cost Comparison		
Lowest Unit Cost	Highest Unit Cost	Spent 7/1/14 – 11/25/14
\$0.66	\$3.74	\$788,606.22

Transportation for Essential Trips Unit Cost Comparison		
Lowest Unit Cost	Highest Unit Cost	Spent 7/1/14 – 11/25/14
\$0.60	\$3.74	\$18,821.50

Evidenced-Based Programs Unit Cost Comparison		
Lowest Unit Cost	Highest Unit Cost	Spent 7/1/14 – 11/25/14
\$1.49	\$12.90	\$93,311.78

Health and Fitness Unit Cost Comparison		
Lowest Unit Cost	Highest Unit Cost	Spent 7/1/14 – 11/25/14
\$1.49	\$4.27	\$2,766.00

Home Care Level I Unit Cost Comparison		
Lowest Unit Cost	Highest Unit Cost	Spent 7/1/14 – 11/25/14
\$13.83	\$25.95	\$589,345.88

Home Care Level II Unit Cost Comparison		
Lowest Unit Cost	Highest Unit Cost	Spent 7/1/14 – 11/25/14
\$15.16	\$20.88	\$135,686.85

Home Chore (Home Maker) Unit Cost Comparison		
Lowest Unit Cost	Highest Unit Cost	Spent 7/1/14 – 11/25/14
\$18.93	\$19.49	\$22,897.61

Home Modification Unit Cost Comparison (Minor Home Repairs)		
Lowest Unit Cost	Highest Unit Cost	Spent 7/1/14 – 11/25/14
\$1.03	\$41.16	\$76,327.98

Legal Assistance Unit Cost Comparison		
Lowest Unit Cost	Highest Unit Cost	Spent 7/1/14 – 11/25/14
\$30.07	\$100.00	\$48,539.92

- Agency Recommendation:** The Lieutenant Governor's Office on Aging should develop and implement a uniform pricing schedule with input from the Area Agencies on Aging and local providers.

D. Service Coordination

Under the present system, services for the elderly are provided through various state agencies. They are also spread among state and local government and the public and private sectors. The Lt. Governor's Office on Aging is the state funding source for the Older Americans Act, some state funds, and operates the Ombudsman Office. The Department of Health and Human Services is the funding source for Medicaid Long Term Care. Adult Protective Services is located within the Department of Social Services. Long Term Care facilities are licensed

by the Department of Health and Environmental Control and Long Term Care Administrators are licensed by the Department of Labor, Licensing and Regulation. The South Carolina Law Enforcement Division runs the Vulnerable Adults Investigations Unit which “receive and coordinate the referral of all reports of alleged abuse, neglect, or exploitation of vulnerable adults in facilities operated or contracted for operation by the South Carolina Department of Mental Health (SCDMH) or the South Carolina Department of Disabilities and Special Needs (SCDDSN)”.

Local law enforcement investigates most reports of abuse, neglect and/or exploitation of elderly individuals living at home or in private institutional settings. While the state ombudsman advocates for the elderly in state-run institutions such as the Department of Mental Health and the Department of Disabilities and Special Needs, the local AAA ombudsman’s offices represent elderly people in private nursing homes and community care facilities.

While most of the funding for the elderly is federal money which is allocated by state agencies, the majority of the service providers are private for-profit and non-profit entities. Very few services are provided directly by government entities.

The multiple entities providing funding and services to the elderly makes it complicated for an individual to readily locate services for themselves or an elderly person in their care. While the intake and referral systems assist with this, it can still be difficult to know where to call based upon the elderly person’s geographical location, specific needs, and the type of setting in which they reside.

- **Agency Recommendation:** A statewide intake and referral system with a publicized telephone number and web site/email address could be established to coordinate all requests for assistance for the elderly including reports of abuse and neglect.

A statewide database could be maintained for reports of abuse, neglect and/or exploitation. This should track cases regardless of the state or local entity addressing the complaint and include the final disposition of the case. Where possible, functions could be grouped under a single entity to provide more effective coordination of services.

E. Technology

In order to allocate funds, receive and record reports of reimbursable services provided, maintain a roster of service providers and make payments to the AAAs, the Office on Aging utilizes several distinct systems:

- Advanced Information Management System (AIM), for reporting reimbursable services to the state office for payment and for generating reports to the federal government on services provided.
- SC Access, which is used for identifying available service providers in a particular geographic area, making the public aware of available services and for tracking intake and referral calls.
- SCEIS Grant Accounting module, for processing payments to the AAAs and other vendors and reporting financial information to the Comptroller General’s Office.
- Microsoft Excel is used for allocating grant funds and preparing reports.

As part of an energy settlement with Duke Energy, Duke elected to make a \$1 million contribution for senior outreach and education. This money is being administered by the Office of Regulatory Staff which established an advisory committee to determine how to expend these funds. One of their recommendations was to utilize \$250,000 to update the Office on Aging’s website and information and referral system. The impetus for this initiative was the recognized deficiencies in the existing systems to inform the public about available resources.

These problems have been noted by the AAAs and the State Office on Aging. One goal of this project is to revamp the SC Access program.

The AIM system is an aging system (over 17 years old) that has been adapted to submit reimbursement claims. Coding errors in the AIM system have sometimes created significant delays in providing reimbursements to the AAAs and ultimately payment to the service providers. In addition, the SC Access system does not allow AAAs or the public to retrieve accurate information on service providers and cannot be updated to meet local needs. While the current administration has been more willing to quickly address these issues and facilitate payments, this continues to be an impediment to the mission of the Office.

The reporting systems at the Office on Aging are antiquated and lack the functionality to respond to the demands of a reimbursement grant accounting system with multiple programs. In the agency's FY 16-17 budget request, a total of \$824,650 was requested for information technology. \$750,000 of this request is specifically intended to upgrade the AIM reporting system.

- **Agency Recommendation:** The Office on Aging should explore avenues for obtaining a grants accounting system which would integrate the AIM system and the payment/allocation system allowing better management of both federal and state grant funds. The Office on Aging should continue to work with the advisory committee to expedite the adoption of a system to update and/or replace the SC Access system.