

# Illinois Department on Aging

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Pat Quinn, Governor

Charles D. Johnson, Director

**Fiscal Year 2011**  
**July 1, 2010 - June 30, 2011**  
**Introduced Budget**

March 10, 2010



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# State of the Economy

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## **The National Crisis -- The Great Recession**

- Historic economic challenges
- Record-high unemployment
- Worst financial crisis since the Great Depression

## **The Illinois Crisis -- \$13 Billion Deficit**

- Structural deficit
- Skyrocketing pension costs
- Plummeting revenues
- Unpaid bills

**Immediate action is required**



# Five Pillars of Recovery

- **Creating Jobs**

63 investment packages have created or retained nearly 12,000 jobs and generated over \$1.2 billion in private investments; 6,000 jobs created due to \$1.2 billion in federal high speed rail funding, ARRA-backed construction jobs.

- **Cutting Costs**

Pension stabilization, education cuts of \$1.3 billion, human services cuts of \$276 million, state employee sacrifices, state office space consolidations, local government income tax distributive share to be cut from 10% to 7%.

- **Strategic Borrowing**

Strategic, low interest borrowing is a sound financial tool that enables the state to borrow to make payments to providers and educational institutions, and offer other relief.

- **Continued Federal Assistance**

State receives 62% Medicaid reimbursement that could decrease to 50% on December 31. The state is fighting for an extension. Illinois is a finalist of the US Dept. of Education's "Race to the Top" Grant program which can be used to fund education reforms.

- **Increased State Revenues**

**It will take all five of these strategies to solve our fiscal crisis!!!**

# Illinois Department on Aging



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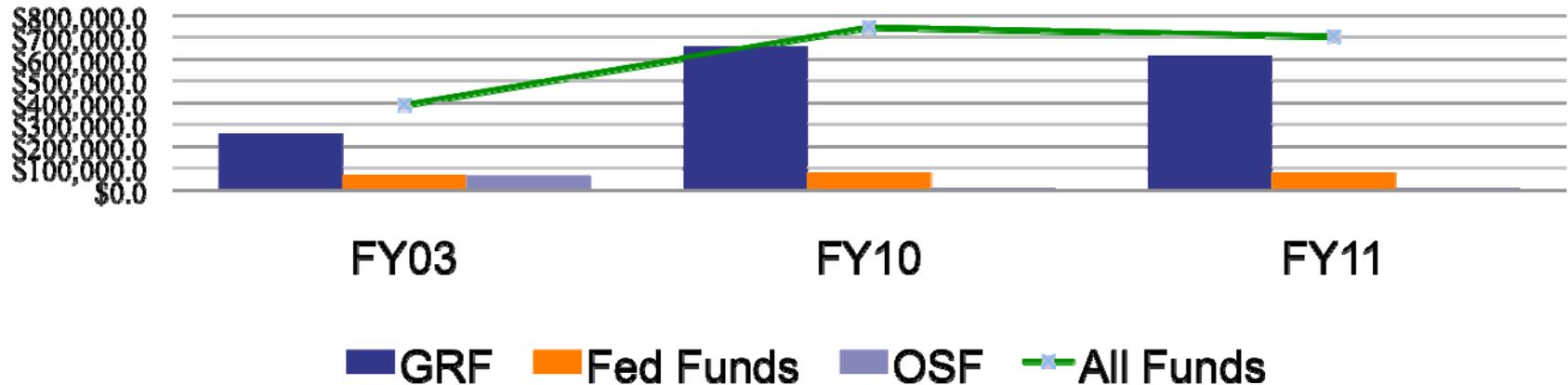
**Fiscal Year 2011  
Introduced Budget  
Highlights**

# Agency Budget Highlights

- The General Revenue funds appropriation totals \$613.8 million, which is a decrease of \$41.9 million, or -6.4% from the FY 2010 enacted budget for the Department on Aging.
- Direct Federal funds comprise \$80.2 million, or 11.4% of the FY 2011 introduced budget.
- Illinois also receives over \$120 million in Federal Financial Participation for services provided to Medicaid enrolled clients in the Community Care Program (CCP), which is approximately 22% of the total CCP appropriation.
- The budget supports a headcount of 160 positions.

# Agency Appropriations Summary

(\$ in 000's)



	FY03	FY10 Enacted	FY11 Introduced	\$ change FY11 over FY10	% change FY11 over FY10
All Funds	\$389,211.7	\$745,171.1	\$703,146.9	(\$42,024.2)	-5.6%
General Revenue	257,000.4	656,213.5	\$613,798.6	(42,414.9)	-6.4%
Direct Federal Funds	67,456.8	80,521.7	80,162.4	(359.3)	-0.4%
Other State Funds	64,754.5	8,435.9	9,185.9	750.0	8.9%

# Illinois Department on Aging



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**Fiscal Year 2011  
Highlights by  
Programmatic Areas**

- The FY 2011 Introduced Budget includes:
- \$502.8 million to administer Community Care services, which comprise 82% of the agency's fiscal year 2011 General Revenue Fund Introduced budget.
- The Fiscal Year 2011 introduced budget includes \$48.4 million for Comprehensive Care Coordination, which is an increase of \$7.5 million, or 18.3% from the FY10 appropriation.
- The Community Care Program FY 2011 budget is based on an average monthly caseload of approximately 64,000.

## **Community Care Service Continued**

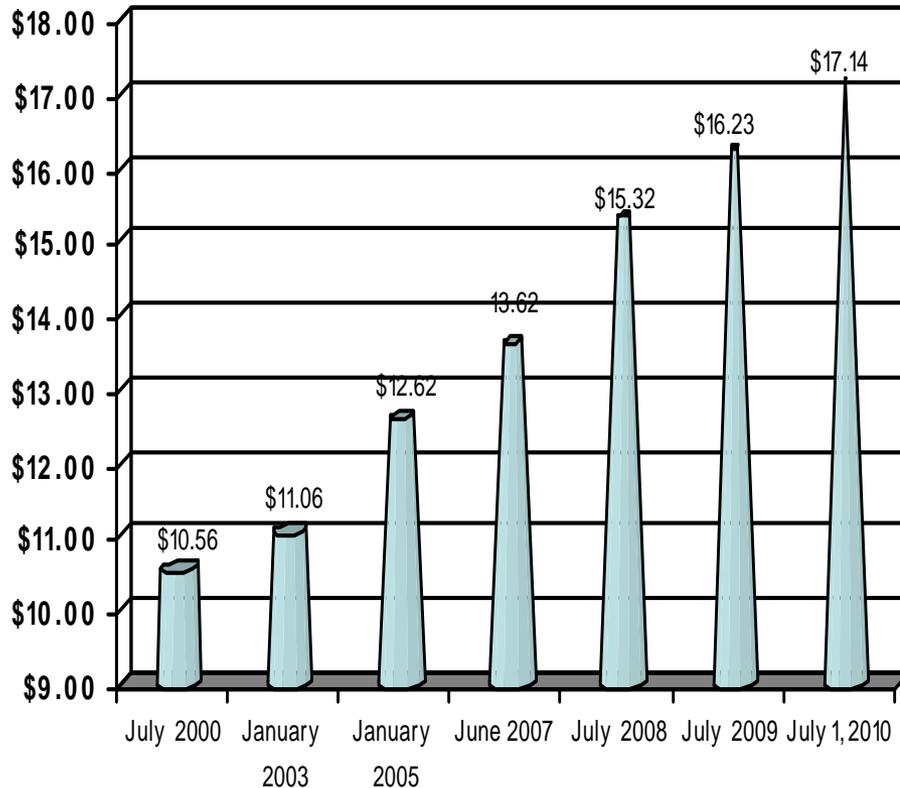
- The FY 2011 introduced budget for the Community Care Program reflects the proposed change to make the program Medicaid-only, effective July 1, 2010.
- All existing 21,100 non-Medicaid clients will be grandfathered into the Community Care Program.
- This change will enable the Department to better control future spending pressures for the program and continue providing quality in-home and community-based services to low income seniors.

# Community Care Service

(cont'd)

- The FY 2011 introduced budget reflects targeted savings of \$140 million for in-home and community-based services in the Community Care Program (CCP).
- The CCP budget accommodates annual growth in the number of clients served and benefits for homecare aides.
- In addition to the associated savings with implementing the Medicaid-only Community Care Program, the budget assumes other savings that include: adjusting client service cost maximums, moderate homemaker hours reductions, and the elimination of certain demonstration projects.

# In-Home Service Hourly Rate History

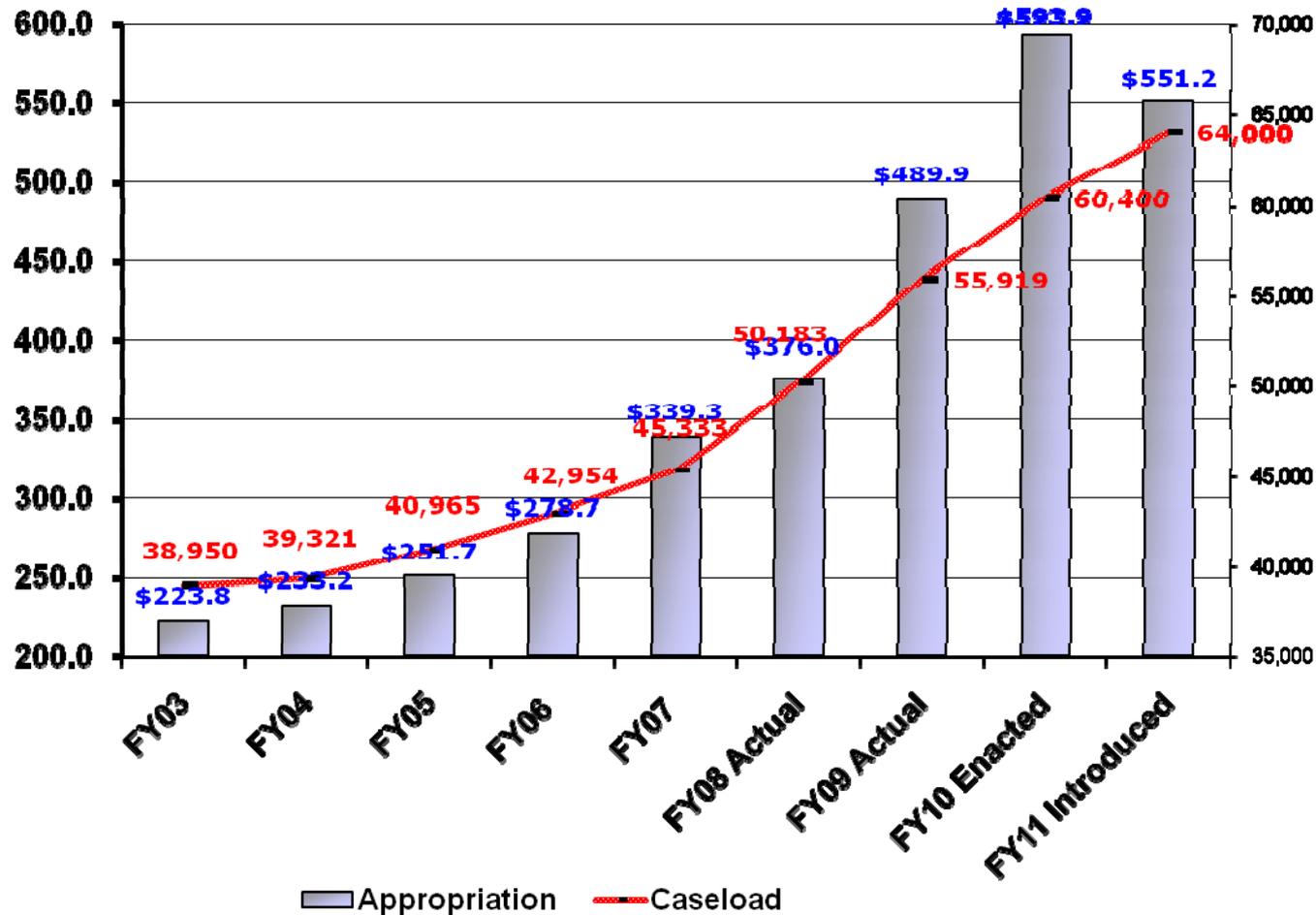


Effective Date	Rate	\$ Change	% Change
1-Jul-10	\$17.14*	\$ .91	5.6%
1-Jul-09	\$16.23*	\$0.91	5.9%
1-Jul-08	\$15.32*	\$1.70	12.5%
1-Jun-07	\$13.62	\$1.00	7.9%
1-Jan-05	\$12.62	\$1.56	14.1%
1-Jan-03	\$11.06	\$0.50	4.7%
1-Jul-00	\$10.56	\$0.26	2.5%

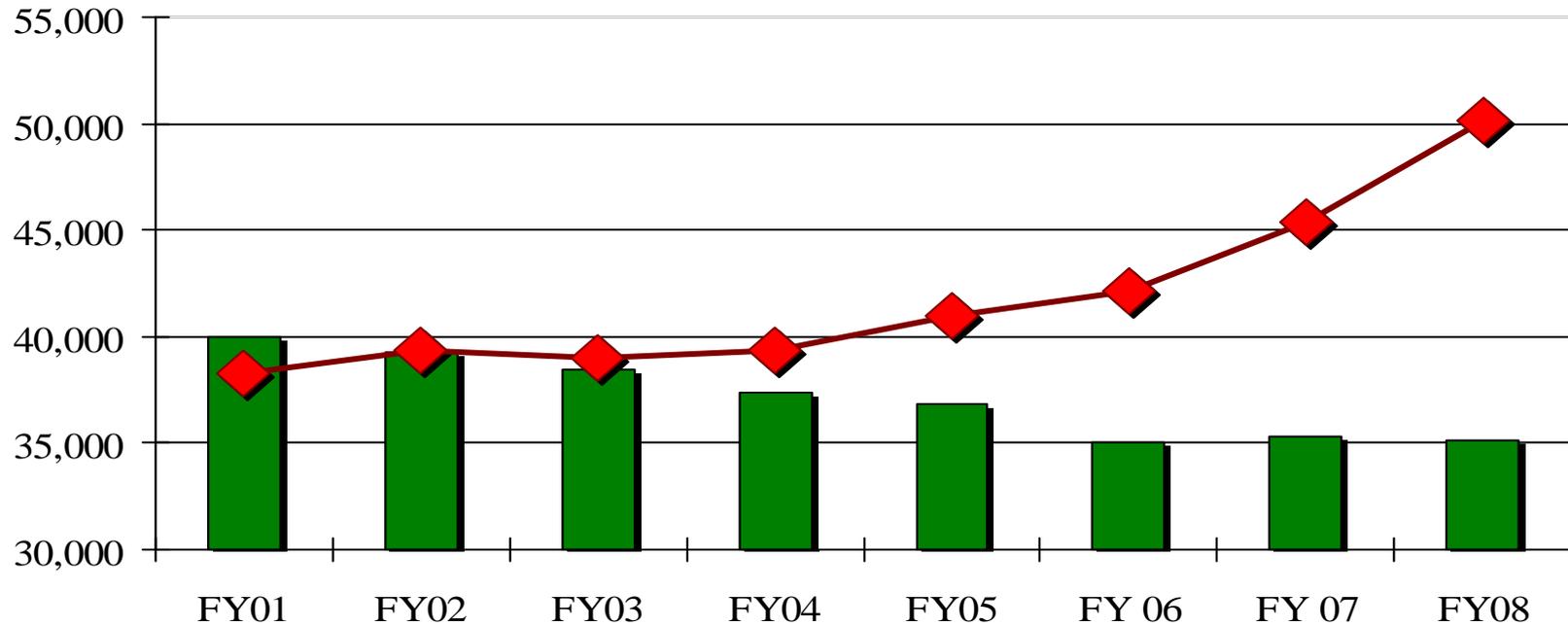
- The introduced budget also includes funding to increase the rate for health benefits to \$1.59 per unit of delivered in-home service on July 1, 2010, which represents an increase of \$0.13 per hour since this benefit was first implemented in FY09 for eligible providers.

# CCP Appropriation & Caseload History

(\$ in Millions)



# 65+ Medicaid Residents in Long-Term Care Facilities and CCP Caseload



 LTC Facilities 65+ Medicaid Residents

 CCP Avg. Monthly Clients

# Money Follows the Person

- **Money Follows the Person Demonstration Award**

- The Departments on Aging, Healthcare and Family Services, Human Services and the Illinois Housing Development Authority (IHDA) are coordinating their efforts to redesign the long term care system based on the MFP demonstration award from the federal Centers for Medicare and Medicaid Services.
- MFP supports states creating systems and services to transition long-stay Medicaid-eligible persons residing in institutional settings to appropriate home and community-based settings (HCBS), as well as further the states' overall long-term care (LTC) rebalancing strategy.
- Federal CMS is offering enhanced matching funds on demonstration services provided during the first year after returning to the community. The enhanced match is 80%.
- Eligible participants must have been in the nursing facility for at least six months, and must be enrolled in Medicaid for at least 30 days before their transition.
- Implementation is well underway in eight of the state's 13 planning and service areas. As of 3/02/10, there have been 619 first contacts, with 567 from the HFS targeted outreach lists. Thirty individuals are considering enrolling, 555 are not enrolling, nine have enrolled and 16 have transitioned. Ten of the 16 went to Supportive Living Facilities.

# Human Services Framework Projects

- Human Services Framework
  - The Illinois Human Services and Healthcare Framework Project is a multi-year, comprehensive project of all human service departments.
  - Designed to develop a system to support data-sharing and efficient delivery of programs and services among the partner agencies.
  - “The Framework Project” will utilize modern technology and streamlined, standardized processes to expand residents' access to human and healthcare services, enhance the state's planning ability, and improve the efficiency of the present system.
  - The planning begun in FY 2009 with the state seeking to leverage federal funding for the initiative, while work is well underway to complete the initial planning and assessment processes.

# Illinois Department on Aging

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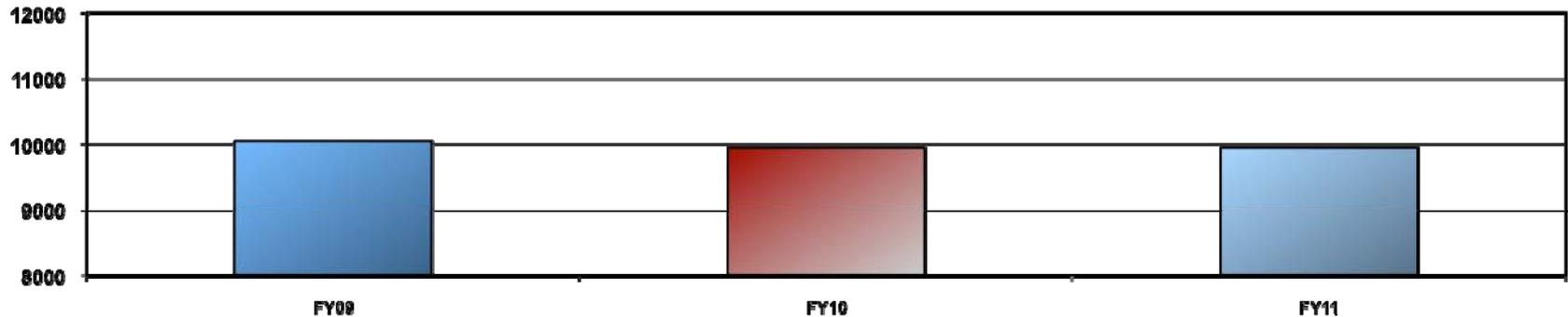


**Fiscal Year 2011  
Community Support  
Services**

# FY11 Elder Abuse and Neglect Program

## All Funds (in thousands)

- FY09 Actual \$10,040.9
- FY10 Approp. \$9,937.8
- FY11 Introduced \$9,937.8



# FY11 Elder Abuse and Neglect Program

- The Elder Abuse and Neglect Program responds to and investigates reports of abuse, neglect and financial exploitation of persons age 60+ who live in the community.
- It is administered through the Area Agencies on Aging, which have designated 43 local agencies to provide services statewide.
- Effective January 1, 2007, the Department began accepting reports concerning seniors who are suspected of placing themselves or others at risk of harm.
- A steering committee has recommended rules for administering this new mandate pursuant to Public Act 94-1064, which in some states accounts for up to 40% of all abuse, neglect, and exploitation (ANE) cases.
- The budget includes approximately \$10 million for the ANE program to respond to approximately 11,580 reports of elder abuse, neglect and financial exploitation.

# FY11 Circuit Breaker Program

	FY09 Appropriation	FY10 Appropriation	FY11 Introduced	FY11 over FY10 \$ Diff.	FY11 over FY10 % Diff.
GRF	\$44,196.0	\$24,196.0	\$24,196.0	\$0.0	0.0%
Other State Funds	\$6,490.9	\$6,490.9	\$6,490.9	\$0.0	0.0%
<b>Total Funds</b>	<b>\$50,686.9</b>	<b>\$30,686.9</b>	<b>\$30,686.9</b>	<b>\$0.0</b>	<b>0.0%</b>

- The Circuit Breaker/Rx division is responsible for processing Circuit Breaker property tax relief grants, assessing client eligibility for the Illinois Cares Rx program, the reduced license plate program and the Disabled Ride Free Program.
- The FY 2011 introduced budget for the program remained flat at the prior year's level. Property tax relief grants to eligible seniors and disabled persons will be kept at 50% of their calculated maximum amount.
- Each year, the Department process approximately 325,000 CB/Rx applications.

# **FY11 Older Americans Act: Community Support Services**

The Department distributes OAA funds to 13 Area Agencies on Aging, which in turn contract with 262 service providers to provide senior services at the local level.

The Older Americans Act funds serve 502,400 or 23% of Illinois' approximately 2.1 million seniors, age 60 and over.

## **American Recovery and Reinvestment Act (ARRA) Funding for Supportive Services**

- In FFY 2009, the Department distributed \$3.77 million in ARRA funds to the 13 Area Agencies on Aging for home-delivered and congregate meals statewide which was used by existing nutrition providers to fill service gaps, eliminate waiting lists for home delivered meals, and restore staff positions. The grant period for these funds ends on September 30, 2010.
- The Department also distributed almost \$923,700 in ARRA funds to the 13 Senior Community Service Employment Program sub-grantees which enabled the program to have 89 additional slots to provide job training to low-income adults age 55 and older who are entering or reentering the job market. The grant period for these funds ends on June 30, 2010.

# FY11 Community Support Services

<b>General Revenue Funded Programs</b>	<b>FY10 Approp</b>	<b>FY11 Enacted</b>	<b>FY11 over FY10 \$ Diff.</b>	<b>FY11 over FY10 % Diff.</b>
Senior Employment Program	\$237.9	\$237.9	\$0.0	0.0%
Older Adult Services Initiatives	\$9.0	\$9.0	\$0.0	0.0%
Exp of Intergenerational Programs	\$54.8	\$54.8	\$0.0	0.0%
Grandparents Raising Grandchildren	\$302.9	\$302.9	\$0.0	0.0%
Home Delivered Meals	\$2,000.0	\$2,000.0	\$0.0	0.0%
Alzheimer's Initiative and Related Programs	\$94.2	\$94.2	\$0.0	0.0%
Exp for Monitoring and Support Services	\$267.2	\$267.2	\$0.0	0.0%
Exp of Illinois Council on Aging	\$18.0	\$18.0	\$0.0	0.0%
Exp of Senior Meal Program	\$31.1	\$31.1	\$0.0	0.0%
Alzheimer's Task Force	\$11.2	\$11.2	\$0.0	0.0%
Exp of Senior Helpline	\$1,577.7	\$2,155.3	\$577.6	36.6%

# FY11 Community Support Services

<b>General Revenue Funded Programs</b>	<b>FY10 Approp</b>	<b>FY11 Enacted</b>	<b>FY11 over FY10 \$ Diff.</b>	<b>FY11 over FY10 % Diff.</b>
Retired Senior and Volunteer Program	\$703.0	\$703.8	\$0.0	0%
Planning and Services Grants to AAA	\$2,241.7	\$2,241.7	\$0.0	0.0%
Foster Grandparent Program	\$307.9	\$307.9	\$0.0	0.0%
Agencies for LTC Systems Development	\$248.0	\$248.8	\$0.0	0.0%
Ombudsman Program	\$351.0	\$351.9	\$0.0	0.0%
HDM and Mobile Food Equipment	\$7,969.6	\$7,969.6	\$0.0	0.0%
Community-Based Services	\$3,062.3	\$3,062.3	\$0.0	0.0%
Community-Based Services (equal dist)	\$958.0	\$958.0	\$0.0	0.0%

# FY11 Community Support Services

<b>Federal and Other State Funds (OSF)</b>	<b>FY10 Approp.</b>	<b>FY11 Introduced</b>	<b>FY11 over FY10 \$ Diff.</b>	<b>FY11 over FY10 % Diff.</b>
Nutrition Services Incentive Program	\$8,500.0	\$8,500.0	\$0.0	0.0%
Title V Employment Services	\$4,500.0	\$6,000.0	\$1,500.0	33.3%
Title V Employment Additional Grant	\$0.0	\$1,900.0	\$1,900.0	100.0%
Title III Nutrition Services	\$24,475.8	\$24,475.8	\$0.0	0.0%
Title III Nutrition Services Incentive Program	\$17,000.0	\$17,000.0	\$0.0	0.0%
Title VII Prevention of ANE	\$0.0	\$500.0	\$500.0	0.0%
Title VII LTC Ombudsman Services	\$0.0	\$1,000.0	\$1,000.0	0.0%
Title III D Preventive Health	\$0.0	\$1,000.0	\$1,000.0	0.0%
Expenses for Governmental Discretionary Projects	\$5,000.0	\$5,000.0	\$0.0	0.0%
National Family Caregiver Support	\$7,500.0	\$7,500.0	\$0.0	0.0%
Long Term Care Ombudsman Fund (OSF)	\$0.0	\$750.0	\$750.0	100.0%
Senior Health Assistance Programs (OSF)	\$1,600.0	\$1,600.0	\$0.0	0.0%



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# Unified Budgeting

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- The state is instituting a new budgeting model to better serve vulnerable populations.
- State agencies will be authorized to transfer funds as necessary to assure older adults and people with disabilities are served in the most appropriate setting.
- Ensures the most efficient delivery of high quality long-term care services.

**THANK YOU!**

For more information about the Department  
or for assistance accessing services visit:

**[www.state.il.us/aging](http://www.state.il.us/aging)**

**or call the Senior HelpLine at:**

**1-800-252-8966**

1-888-206-1327 (TTY)