

Illinois Department on Aging



Fiscal Year 2012 Budget

Pat Quinn, Governor

Charles D. Johnson, Director

February 23, 2011



Governor Quinn's Plan One Year Ago

Five Pillars of Recovery

- Creating Jobs
- Cutting Costs
- Strategic Borrowing
- Continued Federal Assistance
- Increased State Revenues

It will take all five of these strategies to solve Illinois' current fiscal crisis!!!



Progress & Achievements

Job Growth

- Capital Program
- Unemployment decrease of 1.7% in 2010
- Employment increase of 46,300 jobs in 2010

Long Term Cost Savings

- Medicaid reform
- Pension reform

Federal Assistance

- Enhanced Medicaid match
- Education funding

Enhanced Revenues

- Individual and corporate income tax increases

Budget Stability

- Achieved only through continued reform and spending restraint



Governor Quinn's Priorities

Jobs

- Continue creating jobs with companies like Ford, Navistar, Mitsubishi, Chrysler and Boeing

Paying the bills

- Return to normal payment cycle to keep vendors stable and people working

Education improvement and funding

- Raise achievement levels to develop students who are career-ready

Global Competitiveness

- Strengthen our position as the largest in-land exporter

Ongoing capital investment

- Address deferred maintenance & IT modernization while creating jobs



Governor Quinn's Priorities

Healthcare Costs

- Control costs amid growing demand

Rebalancing the social safety net

- Provide coordinated care while restraining costs

Unfunded pension liability

- Work for additional reforms

Implementing budget reforms

- Get results while living within available revenues and spending caps



The Keys of Budget Stability

- **Economic Growth**
- **Paying Bills On Time**
- **Spending Reform**
- **Budgeting for Outcomes**
 - 1) Establish goals
 - 2) Allocate resource
 - 3) Monitor performance
 - 4) Evaluate outcomes



Governor Quinn's Human Services Priority Outcomes

- Increase long-term care consumers served in community settings
- Provide more comprehensive surveying at nursing homes
- Federal match for children at 200-300% of federal poverty level – awaiting federal approval
- Fill Manteno Veterans Home (open new wing, and fully staff)
- Unified budgeting through joint management of Long Term Care services appropriations by DHS, DHFS and Aging



Governor Quinn's FY12 Human Services Priority Outcomes

Keeps

- Support Childcare, Home Services, & Community Care Programs (DHS / Aging)
- Elder Abuse and Neglect Investigation Program (Aging)
- Differential Response Program (DCFS)
- Aftercare (DJJ)

Cuts (GRF Only)

- Eliminate Illinois Cares Rx (HFS) - \$107M
- Reduce Medicaid Rates (HFS) - \$552M
- Eliminate Circuit Breaker (Aging) - \$24M
- Do not fund new field office staff for caseload administration (DHS) - \$53M

Illinois Department on Aging



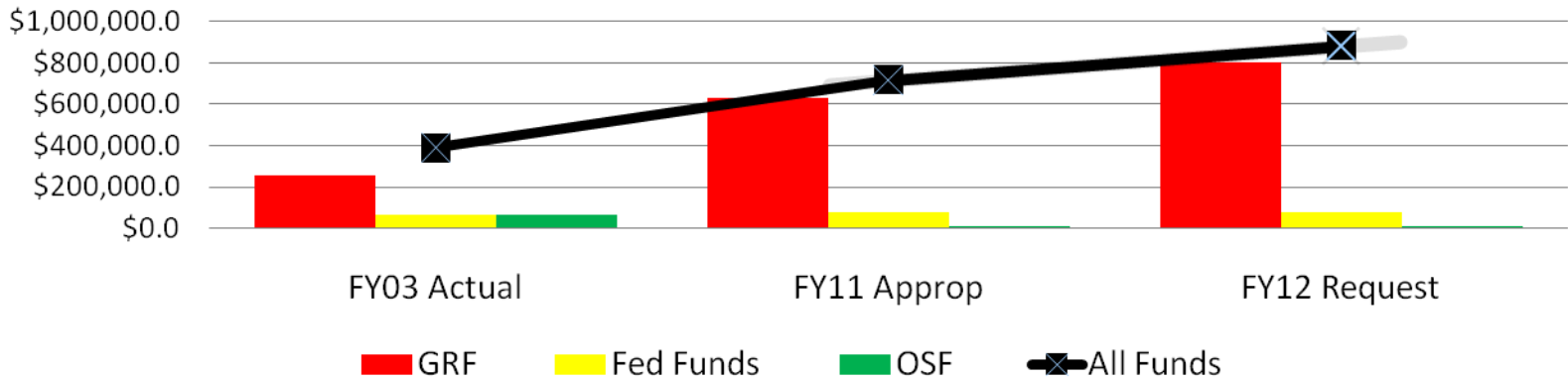
Governor Quinn's FY12 Budget Recommendation Agency-Specific Highlights

Agency Budget Highlights

- The fiscal year 2012 budget recommendation for the Department includes \$798.9 million in General Revenue funds (GRF), which is an increase of \$170.1 million, or 27% over the current fiscal year GRF appropriations. The recommended budget fully funds Community Care Program (CCP) services; eliminates any CCP liability rollover; and makes various programmatic reductions.
- The Other State Funds budget totals \$7.2 million, which is a decrease of approximately \$2 million, or -21.7% from the current level.
- Direct Federal funds comprise \$76.8 million, which is a decrease of approximately \$3.4 million, or -4.2% from the current year, due to the termination of supplemental funds from the American Reinvestment & Recovery Act (ARRA) for nutrition and senior employment services.
- The introduced budget supports the Governor's Office of Management & Budget's (GOMB) plan of a projected onboard headcount of 155.5 positions for the Department, which is identical to their projected end-of year headcount for the Department in fiscal year 2011.

Agency Appropriations Summary

(\$ in 000's)



	FY03 Actual	FY11 Appropriations	FY12 Request	\$ change FY12 over FY11	% change FY12 over FY11
All Funds	\$389,211.7	\$718,174.8	\$882,888.8	\$164,714.0	22.9%
General Revenue	257,000.4	628,826.5	\$798,883.4	170,056.9	27.0%
Direct Federal Funds	67,456.8	80,162.4	76,810.4	(3,352.0)	(4.2)%
Other State Funds	64,754.5	9,185.9	7,195.0	(1,990.9)	(21.7%)

Illinois Department on Aging



Fiscal Year 2012 Highlights by Programmatic Areas

Community Care Services

The Fiscal Year 2012 Recommended Budget includes:

- \$701.4 million to administer Community Care Program (CCP) services, which represents approximately 88% of the agency's FY12 General Revenue funds budget recommendation. This is an increase of approximately \$184 million to restrict liability rollover, maximize federal Medicaid receipts, and cover increased client utilization and caseload growth.
- The fiscal year 2012 budget recommendation includes \$58.8 million for Comprehensive Care Coordination for CCP clients, which is an increase of \$10.4 million, or 21.5% over the FY11 budget.
- The Community Care Program FY 2012 budget is projected to serve an average monthly caseload of approximately 71,100 older adults.

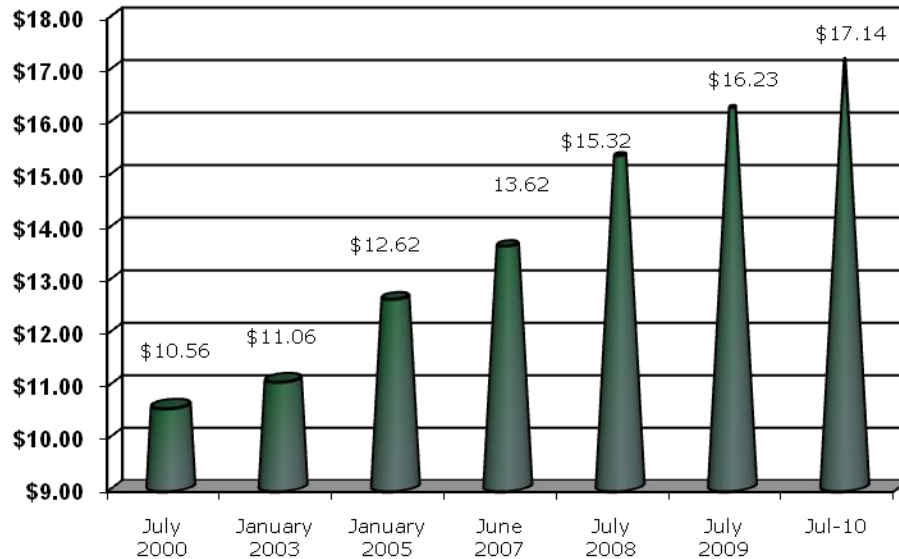
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- The FY12 recommended budget for the Community Care Program (CCP) reflects the proposed change to make the program Medicaid-only, effective July 1, 2011.
 - All existing non-Medicaid clients will be grandfathered into the Community Care Program, while the Department will continue its efforts to maximize Medicaid claims for eligible service recipients.
 - This change is projected to save \$13 million owing to 1,300 potentially new CCP having to spend down in order to qualify for Medicaid and to receive CCP services.
 - This measure will ensure the availability of services to the most vulnerable and efficient use of public resources.

Community Care Service

(cont'd)

- The Community Care Program (CCP) budget accommodates annual growth in the number of clients served, and current service rates and benefits for homecare aides.
- The program serves as a viable alternative to nursing home placement and continues to be one of the fastest growing State programs, due to the growth in the senior population, and the desire of this age cohort to obtain comprehensive services to remain independent for as long as possible in the most integrated community-based setting of their choice.
- In addition to the associated savings with implementing the Medicaid-only provision, the Department intends to leverage additional Medicaid receipts by allowing clients to use their CCP expenditures to count toward spend down; enroll more clients in Medicaid; and administer a reliable system to allow daily billings for providers.

In-Home Service Hourly Rate History Summary

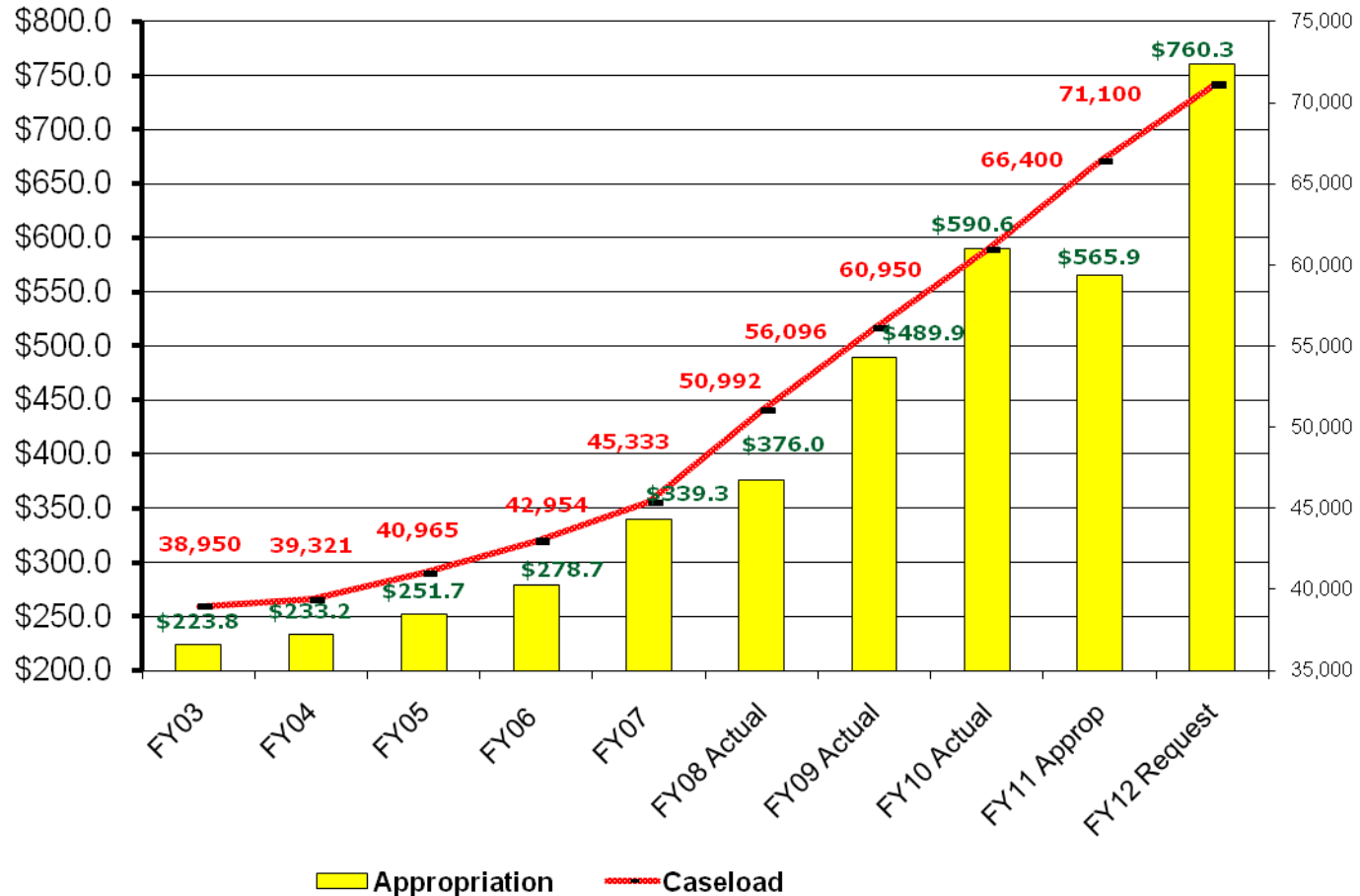


Effective Date	Rate	\$ Change	% Change
1-Jul-10*	\$17.14	\$.91	5.6%
1-Jul-09	\$16.23	\$0.91	5.9%
1-Jul-08	\$15.32	\$1.70	12.5%
1-Jun-07	\$13.62	\$1.00	7.9%
1-Jan-05	\$12.62	\$1.56	14.1%
1-Jan-03	\$11.06	\$0.50	4.7%
1-Jul-00	\$10.56	\$0.26	2.5%

*The unit hour rate for the health insurance benefit for eligible home care providers (i.e., \$1.61) that started in FY09, and the unit hour for in-home care remain UNCHANGED from the FY11 levels.

CCP Appropriations & Caseload History

(\$ in Millions)



Money Follows the Person

- **Money Follows the Person Demonstration Project**

- 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 through 2016.
- MFP supports states creating systems and services to transition 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.
- Eligible participants must have been in a nursing facility for at least 90 days, and must be enrolled in Medicaid for at least one (1) day before their transition.
- Work is being done to capture new data elements and questions on the MDS-Q which will be used by the Department's network to target and identify other potential MFP clients. As of February 2011, there were 149 persons considering, 3,088 not enrolling, 59 enrolled, and 72 transitions.

Human Services Framework Project

- 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.
 - Work remains ongoing to leverage federal funding for the initiative, and to complete the initial planning and assessment processes which the Department on Aging is taking a leadership role in.

Illinois Department on Aging

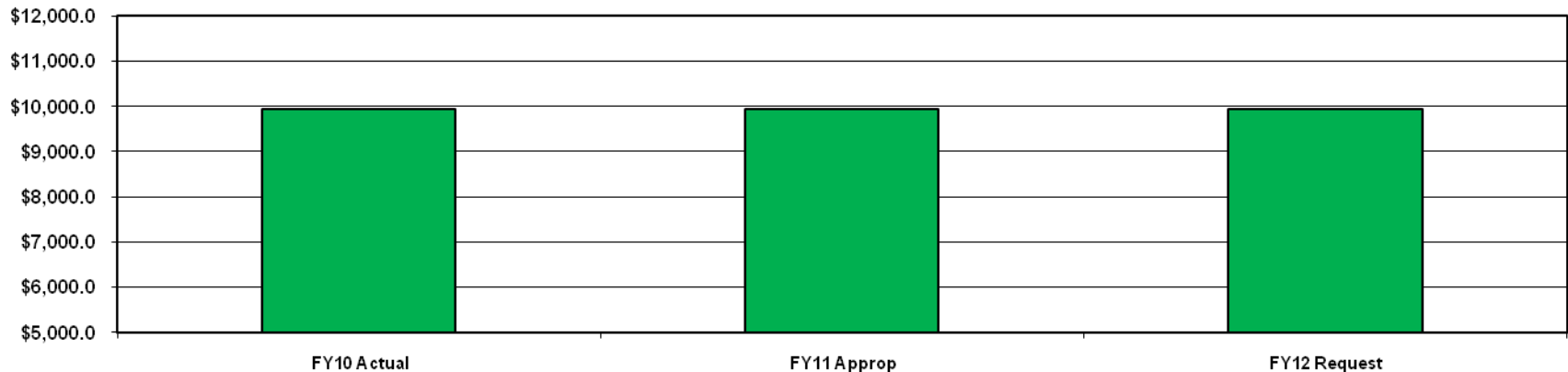


**Fiscal Year 2012
Community Supportive
Services**

FY12 Elder Abuse and Neglect Program

GRF (\$ in 000's)

- **FY10 Actual** **\$9,937.8**
- **FY11 Approp.** **\$9,937.8**
- **FY12 Request** **\$9,937.8**



FY12 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 \$9.9 million in General Revenue funds for the ANE program to respond to approximately 10,550 reports of elder abuse, neglect and financial exploitation.

Elder Abuse Reporting Outcomes

	FY 2009	FY 2010
ANE Reports	10,812	10,294
Abuse		
- Physical	22%	21%
- Sexual	5%	4%
- Emotional	46%	45%
Neglect		
- Passive	38%	38%
- Willful	13%	11%
Financial Exploitation	58%	58%

FY12 Circuit Breaker/ Pharmaceutical Assistance Program

	FY10 Appropriations	FY11 Appropriations	FY12 Request	FY12 over FY11 \$ Diff.	FY12 over FY11 % Diff.
GRF	\$24,196.0	\$24,196.0	\$0.0	(\$24,196.0)	(100.0%)
Other State Funds	\$6,490.9	\$6,490.9	\$4,500.0	(\$1,990.9)	(30.7%)
Total Funds	\$30,686.9	\$30,686.9	\$4,500.0	(\$26,186.9)	-(85.3)%

- Given the current budget pressure to reduce expenditures, the Governor's FY12 budget for the Department on Aging does NOT include any funding to provide Circuit Breaker (CB) - Property Tax Relief grants to eligible beneficiaries. This will result in an estimated savings of \$24.2 million in GRF and certain related reductions in Other State Funds.
- The Governor's FY12 budget also eliminates the companion program, also known as Illinois Cares Rx, for an estimated savings of \$107 million in the budget for the Department of Healthcare and Family Services.
- Aside from the approximately 348,000 CB grants that were issued last year, the agency approved approximately 234,500 claims for Illinois Cares Rx, 304,400 for the License Plate Discount Program, and 95,050 for the Seniors Rides Free Program.

FY12 Older Americans Act: Community Supportive Services

The Department distributes Older Americans Act funds to 13 Area Agencies on Aging (AAAs), which in turn contract with 259 service providers to provide senior services at the local level.

The Older Americans Act funds serve 511,800, or 23% of Illinois' approximately 2.2 million seniors, age 60 and over.

FY12 Community Supportive Services

General Revenue Funded Programs	FY11 Approp	FY12 Request	FY12 over FY11 \$ Diff.	FY12 over FY11 % Diff.
Senior Employment Program	\$237.9	\$190.3	-\$47.6	-20.0%
Older Adult Services Initiatives	\$9.0	\$9.0	\$0.0	0.0%
Exp of Intergenerational Programs	\$54.8	\$43.8	-\$11.0	-20.1%
Grandparents Raising Grandchildren	\$302.9	\$242.3	-\$60.6	-20.0%
Home Delivered Meals	\$2,000.0	\$1,600.0	-400.0	-20.0%
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%
Exp of Senior Helpline	\$2,155.3	\$2,155.3	\$0.0	0.0%

FY12 Community Supportive Services

General Revenue Funded Programs	FY11 Approp	FY12 Request	FY12 over FY11 \$ Diff.	FY12 over FY11 % Diff.
Retired Senior and Volunteer Program	\$703.0	\$563.0	-\$140.8.0	-20.0%
Planning and Services Grants to AAA	\$2,241.7	\$1,793.4	-448.3.0	-20.0%
Foster Grandparent Program	\$307.9	\$246.3	-\$61.6	-20.0%
Agencies for LTC Systems Development	\$248.8	\$248.8	\$0.0	0.0%
Ombudsman Program	\$351.9	\$351.9	\$0.0	0.0%
HDM and Mobile Food Equipment	\$7,969.6	\$7,183.5	-\$786.1	-9.9%
Community-Based Services	\$3,062.3	\$2,449.8	-\$612.5	-20.0%
Community-Based Services (equal dist)	\$958.0	\$766.4	-\$191.6	-20.0%



FY12 Community Supportive Services

Federal and Other State Funds (OSF)	FY11 Approp.	FY12 Request	FY12 over FY11 \$ Diff.	FY12 over FY11 % Diff.
National Lunch Program	\$8,500.0	\$8,500.0	\$0.0	0.0%
Nutrition Services Incentive Program	\$1,500.0	\$1,500.0	\$0.0	0.0%
Title V Employment Services	\$6,000.0	\$6,000.0	\$0.0	0.0%
Title V Employment Additional Grant	\$1,900.0	\$650.0	-\$1,250.0	-65.8%
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	\$500.0	\$500.0	\$0.0	0.0%
Title VII LTC Ombudsman Services	\$1,000.0	\$1,000.0	\$0.0	0.0%
Title III D Preventive Health	\$1,000.0	\$1,000.0	\$0.0	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)	\$750.0	\$750.0	\$0.0	0.0%
Senior Health Assistance Programs (OSF)	\$1,600.0	\$1,600.0	\$0.0	0.0%



Older Americans Act Funded Services FFY10 Outputs/Outcomes

Service Recipients' Profile Summary	% Distribution
Incomes Below Poverty	32.7%
Minorities Served	32.1%
Living Alone	43.4%
75+	34.6%
85+	20.7%

Nutrition Services	Units Provided	Persons Served
Congregate Meals	2,805,195	99,621
Home Delivered Meals	7,584,674	40,912
Social Services		
Transportation	604,182	29,373
Legal Assistance	32,795	7,905
Information & Assistance	833,490	444,506
Outreach	14,145	12,232
Housing Assistance	4,462	473
Multipurpose Senior Centers	N/A	25,480
Residential Repair	1,184	1,041
Health Promotion Services		
	44,443	29,262
Caregiver Services		
Counseling/Support Groups	8,611	25,407
Respite Care	2,110	114,579
Supplemental	603	1,436
Access Assistance	49,898	76,127
Information Services	9,176	7,640

Nutrition Services % at High Nutritional Risk	% Distribution
Congregate Meals	31.5%
Home Delivered Meals	63.5%

THANK YOU!

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

www.state.il.us/aging

or call the Senior HelpLine at:

1-800-252-8966

1-888-206-1327 (TTY)