

**JOINT LEGISLATIVE AUDIT AND REVIEW COMMISSION  
OF THE VIRGINIA GENERAL ASSEMBLY**

**Review of the  
Virginia Department  
for the Aging**

**House Document No. 25**

---

---

# Members of the Joint Legislative Audit and Review Commission

---

## **Chairman**

Senator Richard J. Holland

## **Vice-Chairman**

Delegate Vincent F. Callahan, Jr.

Delegate J. Paul Councill, Jr.  
Delegate Glenn R. Croshaw  
Delegate Jay W. DeBoer  
Delegate V. Earl Dickinson  
Senator Joseph V. Gartlan, Jr.  
Delegate Franklin P. Hall  
Senator Kevin G. Miller  
Delegate W. Tayloe Murphy, Jr.  
Senator Thomas K. Norment, Jr.  
Delegate Harry J. Parrish  
Delegate Lacey E. Putney  
Senator Stanley C. Walker

Mr. Walter J. Kucharski, Auditor of Public Accounts

## **Director**

Philip A. Leone

---

---

## Preface

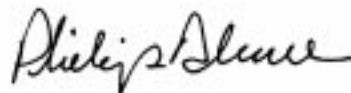
---

The Virginia Department for the Aging (VDA) is the State component of a federal, state, and local structure that provides services to the aging under the federal Older Americans Act. VDA distributes funds and provides support to 25 local area agencies on aging (AAAs), which provide services to the elderly. House Joint Resolution No. 209 from the 1998 Session required the Joint Legislative Audit and Review Commission (JLARC) to conduct a study of VDA's mission and the effectiveness of its organization, operation, and performance.

The review found that a greater priority for VDA and aging issues by the executive branch appears needed. Although both the number and proportion of elderly persons in Virginia's population have increased since 1980 and are projected to continue rising, during recent years VDA's staffing has been substantially reduced. Partly as a result, VDA's ability to support its primary clients or customers -- the AAAs -- has been diminished. VDA has had difficulty in meeting its statutory responsibilities, and has done little on-site monitoring of the programs and services provided by AAAs. The agency recently operated for over 11 months without a full-time director. Also, executive branch appointments to a statutorily-created Commonwealth Council on Aging have not been expeditious.

VDA's activities need to be refocused in order to provide statewide leadership on aging issues and assist policy-makers in preparing for further increases in the aging population. During the course of the review, VDA management indicated an intent to make substantial changes at the agency. However, the level of management commitment and willingness to follow through on needed improvements is unclear at this time. The report recommends that the Joint Commission on Health Care request periodic progress reports from VDA on the department's rebuilding and refocusing efforts. In addition, the report contains some specific recommendations for improvements.

On behalf of the Commission staff, I would like to express our appreciation for the cooperation and assistance providing during this review by VDA staff and AAA directors.

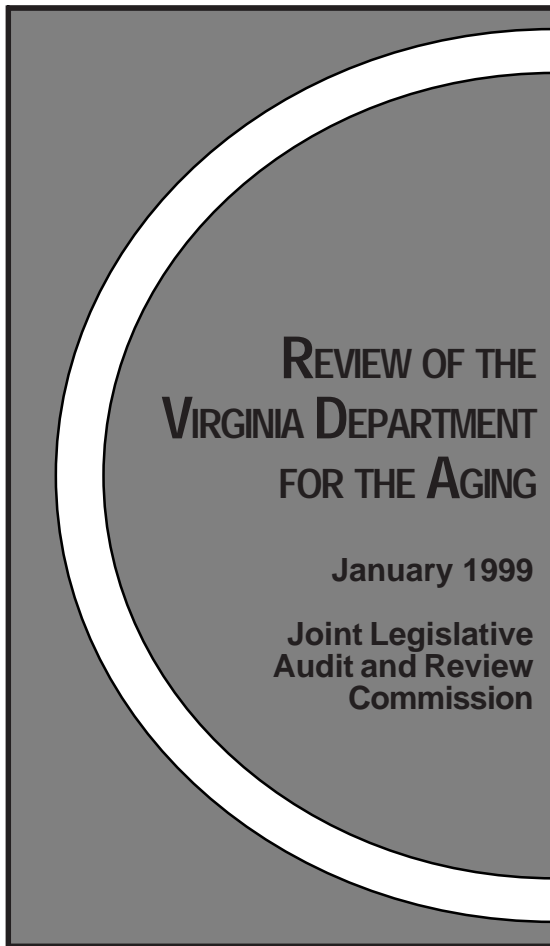


Philip A. Leone  
Director

January 5, 1999



# JLARC Report Summary



**T**he Virginia Department for the Aging (VDA) is the State component of a federal, state, and local structure that provides services to the aging under the Older Americans Act (OAA). Statutory authority for this agency, which is located in the Health and Human Resources secretariat, is provided in Title 2.1, Chapter 24 of the *Code of Virginia*.

VDA distributes funds to and provides support to 25 local area agencies on aging (AAAs), which in turn provide services to the elderly through contracts with public or private entities, or, if there are no viable contractors, may provide the service directly. Examples of the types of services provided

through this structure include congregate (group) and home-delivered meals, personal care, transportation, and case management services. VDA's budget, which mostly includes funds to disburse to AAAs but also includes over \$1.5 million in funding for administrative and support services, is \$30,564,157 in FY 1999. Of the total amount, about \$12.4 million is for nutritional services, and about \$16.6 million is for a variety of other services described as "individual care services."

House Joint Resolution 209 from the 1998 Session requires a JLARC study of the mission and the effectiveness of the organization, operation, and performance of VDA. The mandate indicated a number of concerns about VDA, including reductions in the agency's maximum employment level (MEL) and concerns of the Joint Commission on Health Care as to VDA's effectiveness in assisting State policy-makers.

In recent years, VDA has not provided a strong leadership role. Proposals to consolidate aging issues into a new agency or an existing agency resulted in departmental uncertainty and inaction. At the same time, the agency's maximum employment level and filled positions declined.

VDA has an opportunity and the responsibility to provide leadership and vision in helping the Commonwealth address the needs of the elderly. While this period of instability and staffing changes appears to have weakened the agency, the agency has a new commissioner and there is an opportunity to refocus and strengthen the agency. There is a need for more priority to be given to VDA in the executive branch to aid in this process. For example, at the time of the review, the commissioner was not able to give full-time attention to the agency, and gubernatorial appointments to the Common-

wealth Council on Aging and the Public Guardian and Conservator Advisory Board had not been made. Specific recommendations are made in this report for the process of rebuilding the agency.

**A Lack of Priority to VDA and Aging Issues Needs to Be Addressed**

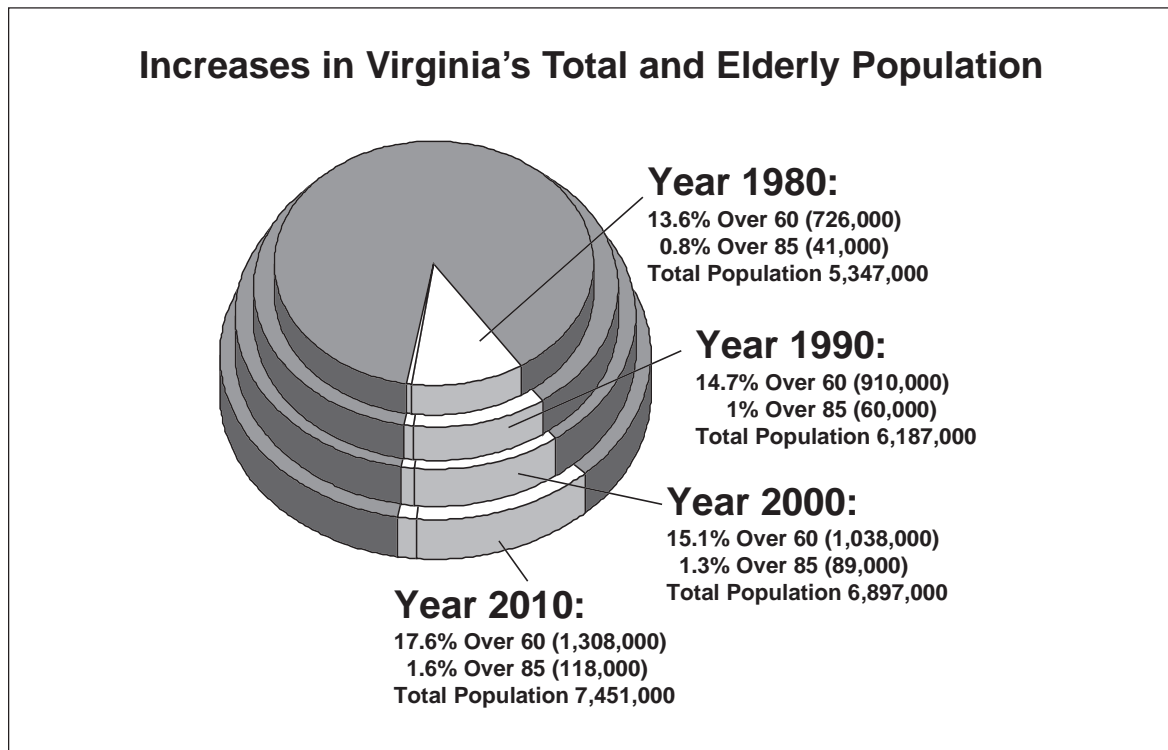
Since 1983, VDA has had a strong statutory statement of mission that indicates that the agency is to help improve the quality of life for older Virginians. While VDA does not directly provide the services to the elderly, it has the responsibility for providing leadership at the State level on aging issues and for providing support to the AAAs.

The population addressed by VDA’s mission has grown substantially since 1980 (see figure). Also, population projections indicate that the elderly population will continue to increase both in number and as a percentage of the total population in Virginia.

However, during recent years, VDA staffing has been substantially decreased.

The sharpest decrease in VDA’s staffing occurred from FY 1995 to FY 1996, under the State’s Workforce Transition Act (WTA). While most agencies of State government were impacted by this Act, overall from December 1993 to December 1997, VDA’s salaried staffing was reduced by 33 percent, compared to the average reduction in the Health and Human Resources secretariat of 13.5 percent, and a net reduction in the executive branch of State government of 2.1 percent.

VDA appears to have adjusted to these reductions by focusing on the minimally necessary fiscal, budget, and other administrative support tasks needed to be good stewards of funding under the OAA. However, the role envisioned for VDA in statute goes beyond these functions; for example, VDA is required to “promote local participation in programs for the aging, evaluate and monitor the services provided for older Virginians and provide information to the general public.” In these areas, it appears that VDA has



had difficulty in meeting its statutory charge. For example, the agency has done little on-site monitoring of the programs and services provided by AAAs.

The diminishing staff and priority that VDA has had appears to have had consequences in terms of the agency's ability to support its most direct client or customer, the AAAs. On a survey for this study, only eight percent of the AAA directors agreed with the statement that "VDA provides good leadership in the aging field," and only 12 percent agreed with the statement that "VDA appears to have a clearly defined vision for the future service needs of aging Virginians." Almost three-quarters of the AAA directors indicated disagreement with statements that VDA provides good support through training, or on technical assistance related to program areas, or in completing and conveying research and policy analysis that is useful to them. A majority of respondents indicated that VDA does not do a good job of monitoring the AAAs and that VDA's policies about the provision of services are not clear and updated in a timely fashion.

Some AAA directors have described VDA as practically "invisible" to them at a time when they have been trying to meet the challenges posed by an increasing elderly population. A number of AAAs reported that adjustments have been made to address their unmet needs, including striving to continue to progress without VDA's help or enhancing the role of the AAA association. Still, most AAAs report that they would like to see VDA do more in several areas, with 75 percent or more favoring greater VDA effort in: increasing public awareness of aging issues, grant development work, leadership in new ideas for the elderly, technical assistance, informing AAAs of best practices, research and information gathering about state and national trends, coordination of projects or grants across multiple State or federal agencies, analyzing local area agency data to do

statewide needs assessments and service trends, and sponsoring training made available to the AAAs.

Two AAA directors summarized the current situation as follows.

[VDA needs] to assume a more proactive leadership role at a state level in the field of aging: researching trends, proposing policies, and helping the state develop a vision and a strategy for coping with current unmet needs and the rapidly growing aging population.

\* \* \*

We are all in this together – that is, trying to provide home and community based care to an increasing older population to help them remain as independent as possible. We need research, a strong vision of aging in Virginia, and best practices.

The new commissioner has indicated that she plans to make significant changes at the agency, and intends to deal with a number of weaknesses as she reorganizes the agency. The new commissioner has been successful in obtaining approval for several new positions and substantial progress has been made towards the development of an aging information system. Still, there are some factors that raise some concerns as to the prospects for strengthening the agency. For example, the executive branch's degree of commitment or priority to seeing a strong VDA is still uncertain. As of October 1998, the agency had gone almost 11 months without having a full-time director (the new commissioner had been serving as director of both VDA and the Governor's Employment and Training Department since November 1997). Many VDA staff and AAA directors believe that this has slowed forward progress by the agency, and the agency commissioner indicated that ful-

filling both positions was challenging. VDA leadership indicates that it has communicated the importance it places on the formation of the new Commonwealth Council on Aging, which is to replace its advisory board that was terminated in July. However, as of the fall of 1998, the appointments other than those of the legislature had not been made.

A recommendation in the report addresses the need for VDA to have a commissioner with full-time responsibility for managing VDA, and for all appointments to be made to the Commonwealth Council on Aging and to the Virginia Public Guardian and Conservator Advisory Board no later than January 1, 1999.

### **Changes Are Needed to Refocus VDA's Activities**

To address VDA's limitations, there is a need to strengthen and refocus the agency. In some areas, VDA's new management has made progress. For example, on automated information systems issues, the new leadership is already credited with making substantial progress in an area in which the department had been floundering for many years. The commissioner has indicated her desire to make significant changes in agency operations including an agency reorganization, use of team processes, and a rethinking of some agency activities.

As part of the reorganization, VDA management needs to comprehensively review staff responsibilities and in many instances redistribute responsibilities or change work priorities. Until that process is completed, it is not possible to state what VDA's staffing level should be. VDA, as a relatively small agency, will need to maximize its use of staff capabilities and supplement the work of classified staff with grant-funded and contract staff.

In supporting the work of the AAAs, VDA needs to address the following: (1) reduc-

tions in recent years in the caliber and number of on-site monitoring visits conducted; (2) problems reported by a majority of the AAA directors and some VDA staff in the areas of communication, technical assistance, and training; (3) procurement practices which have received too little attention in the past; and (4) its advocacy role, in which VDA has failed to provide leadership and vision in the aging field.

Recommendations are made within the report which address actions VDA needs to take to refocus and improve its activities. In addition, a recommendation is made that the General Assembly may wish to consider directing VDA to contract with a single entity for the administration of all of the elder rights programs.

### **VDA Needs to Better Fulfill Its Statutorily-Defined Mission and Responsibilities**

The *Code of Virginia*, in 2.1-373, states that the mission of VDA is to:

improve the quality of life for older Virginians... The Department's policies and programs shall be designed to enable older persons to be as independent and self-sufficient as possible. The Department shall promote local participation in programs for the aging, evaluate and monitor the services provided for older Virginians and provide information to the general public.

In addition, during the 1998 General Assembly session, the legislature added language to VDA's statute which requires VDA to "serve as the focal point for research, policy analysis, long-range planning, and education on aging issues."

Changes will be needed at VDA to adequately fulfill the statutory mandates. VDA's knowledge of local programs has declined



as its on-site monitoring role was reduced in recent years. Also, as agency staffing declined, program staff had to add more program areas to their workload, which had a negative impact on the agency's ability to provide meaningful information to the AAAs and the public. These problems will need to be addressed.

VDA staff also indicate that they have not been extensively involved in research that addresses the long-range needs of the elderly, and members of the aging network identify this as an important and continuing gap in what VDA provides. Recommendations are made within the report to give greater emphasis to VDA's research and planning roles. To emphasize the importance of research and policy analysis activities, the General Assembly may wish to elevate the language contained in VDA's statute and add it to the discussion of VDA's major responsibilities that immediately follow the declaration of agency mission. To meet this statutory mandate of the General Assembly, it will be critical for the department – which recently established a new chief deputy commissioner position for policy and planning – to employ staff with research and policy expertise to effectively perform this role.

### **VDA Needs to Ensure that Policy-Makers and Interested Parties Are Well-Informed of its Vision and Progress in Rebuilding the Agency**

This review indicates that the department needs to be more active than it has been during recent years. It appears that new VDA leadership, and most VDA staff and AAA directors, wish to see changes occur at the department to make it stronger, without becoming inflexible or overly bureaucratic. The recommendations in this report are intended to assist in that process. However, it is clear that the department will be in the best position to succeed if the vision that is guiding its reorganization, and the approach that is being taken to achieve that vision, are articulated clearly and understood by policy-makers and other actors concerned with the State's ability to address aging issues. Therefore, it is important that the department share information periodically on its vision for and the progress of its effort to reorganize and increase the effectiveness of the agency.

To accomplish these objectives, recommendations are made within the report that: (1) VDA obtain input from, and provide information about its progress to, the AAAs and other interested parties regarding its effort to reorganize and refocus the department, and (2) the Joint Commission on Health Care may wish to request that VDA provide it with a progress report on the department's efforts to rebuild the agency.



---

---

## Table of Contents

---

	<u>Page</u>
<b>I. INTRODUCTION .....</b>	<b>1</b>
Origin and History of the Virginia Department for the Aging .....	1
Statutory Basis for a Department for the Aging .....	3
Previous Studies .....	5
Organizational Structure of the Department for the Aging .....	8
Funding and Staffing of the Department for the Aging .....	12
Study Mandate, Scope, and Research Activities .....	19
Report Organization .....	21
<b>II. ASSESSMENT OF ISSUES AND FUTURE DIRECTION</b>	
<b>    FOR VDA .....</b>	<b>23</b>
A Lack of Priority to VDA and Aging Issues Needs to Be Addressed. ....	23
VDA Needs to Refocus Its Activities .....	33
VDA Needs to Better Fulfill Its Statutorily-Defined Mission	
and Responsibilities .....	47
Conclusion .....	50
<b>APPENDIXES .....</b>	<b>53</b>



---

## I. Introduction

---

The Virginia Department for the Aging (VDA) is the State component of a federal-state-local structure that provides services to the elderly under the Older Americans Act (OAA). VDA has experienced substantial upheavals in recent years with significant reductions in maximum employment levels and with several recent studies recommending different configurations for the agency responsible for services to the aging.

This chapter provides background information regarding the creation and history of VDA, the statutory basis for VDA, previous studies of long-term care that also addressed VDA, and current VDA operations in terms of organization and funding. It also discusses the study mandate and the scope of the review. This study was required by House Joint Resolution 209 of the 1998 legislative session. The study resolution directs JLARC staff to examine VDA's mission, organization, performance, and staffing with regard to its administration of the Older Americans Act and the extent to which VDA's mission should include more than OAA administration.

### ORIGIN AND HISTORY OF THE VIRGINIA DEPARTMENT FOR THE AGING

As shown in Exhibit 1, the earliest precursor of the Department for the Aging was the Commission on the Aging, which was created by the General Assembly in 1958. Commission members included six ex officio members – the State health commissioner, the superintendent of public instruction, the director of the department of welfare and institutions, and the commissioners of labor, of mental hygiene and hospitals, and of the unemployment compensation commission – as well as six other members who were appointed by the governor. This commission was charged with determining options and services available for aged persons and with coordinating with other entities in providing services for the aged.

In 1970, the Commission on Aging was abolished and responsibility for coordinating and implementing programs for the elderly was transferred to the Division of State Planning and Community Affairs. The division had been created in 1968 and charged with State-level planning responsibilities as well as with assisting individual State agencies and governmental subdivisions with their internal planning activities. The Division of State Planning and Community Affairs had two primary foci in assuming responsibility for programs for the aging:

- (1) to study and plan for services for Virginians 65 years of age and older, and
- (2) to act as the single State agency responsible for administering Older Americans Act provisions.

**Exhibit 1****History of State Entities Having Responsibility for Issues on Aging**

<b>Date</b>	<b>Action</b>	<b>Purpose</b>
July 1, 1958	Commission on the Aging is created	The Commission was charged with (1) studying the options and services available for persons 65 and older, and (2) coordinating with other agencies and parties in providing services for the aged.
July 1, 1970	The Division of State Planning and Community Affairs assumes responsibility for programs for the elderly	The division was given responsibility for "coordinating and developing programs to meet the needs of the elderly in accordance with the Older Americans Act and relevant state legislation." Each local governing body was to establish a local or district commission to carry out these programs.
July 1, 1974	The Office on Aging is established	The Office on Aging was established as an independent agency responsible to the governor for issues related to the elderly.
July 1, 1982	The name and status of the Office on Aging is changed to the Department for the Aging	The name was changed to reflect attaining full departmental status.
Source: 1958 <i>Virginia Acts of Assembly</i> , Chapter 560; 1970 <i>Virginia Acts of Assembly</i> , Chapter 331; 1974 <i>Virginia Acts of Assembly</i> , Chapter 420; and 1982 <i>Virginia Acts of Assembly</i> , Chapter 345.		

In consultation with the division, every local government was to establish a local or district commission to carry out OAA programs for the elderly.

On July 1, 1974, the Office on Aging was established as an independent agency under the secretary of human resources (which is currently the health and human resources secretariat). All program responsibilities and funding related to programs for the aging were transferred from the Division of State Planning and Community Affairs to the Office on Aging. In 1982, the agency attained full departmental status and the name was changed to the Department for the Aging.

Since the creation of a separate agency for aging in 1974, there have been four directors (or later, commissioners). The current commissioner was first appointed in November 1997 and later re-appointed on June 16, 1998. Until the fall of 1998, the commissioner continued to be the executive director of the Governor's Education and Training Department (GETD), and divided her time between the two agencies.

## STATUTORY BASIS FOR A DEPARTMENT FOR THE AGING

In keeping with the Great Society philosophy of the 1960s that launched broad social welfare programs, Congress enacted the Older Americans Act in 1965. The purpose of the original act was to provide for community-based services for America's elderly population. The structure for providing the services envisioned a state-level entity that would coordinate funding while community-based entities would determine need and contract for services based on the particular needs of their elderly populations.

As noted, the State-level unit in Virginia is the Department for the Aging, an agency within the Health and Human Resources secretariat. *The Code of Virginia* in Title 2.1, Chapter 24 specifies statutory authority for VDA.

### **Federal Authority - The Older Americans Act**

The current Older Americans Act includes a "Congressional declaration of purpose," which states that the Act is designed to assist state and area agencies on aging in developing comprehensive service systems for older individuals. These services are expected to:

- (A) secure and maintain maximum independence and dignity in a home environment for older individuals capable of self care with appropriate supportive services;
- (B) remove individual and social barriers to economic and personal independence for older individuals;
- (C) provide a continuum of care for vulnerable older individuals; and
- (D) secure the opportunity for older individuals to receive managed in-home and community-based long-term care services.

OAA has established a variety of programs to serve the elderly, especially "those at risk of losing their independence." (OAA defines "elderly" as anyone 60 years of age or older.) These programs are defined in Titles III and VII of the Act and involve in-home and community services and elder rights programs, respectively. Services provided under OAA are not considered to be entitlements and it is understood that OAA funding might not be adequate to meet all service needs of the elderly. It is assumed that many service needs will be met by existing programs and that state and local funding will also be used to provide services.

***State-Level Responsibilities Under the Older Americans Act.*** According to the Older Americans Act, a single agency or unit must be designated to be responsible for OAA administration for that state or territory. In establishing the service network (which was accomplished during the 1970s in Virginia), each state agency was

responsible for establishing “planning and service areas” designed to account for the distribution of elderly individuals, service needs, economic needs, and available resources within that state. The state agency then designated a “public or private non-profit agency or organization” as the area agency on aging for each planning and service area. In Virginia, the State aging agency worked with planning districts in designating the area agencies on aging.

On an ongoing basis, the state agency is required by OAA to: (1) develop and administer a State Plan (which is based on area plans formulated by the area agencies), (2) be responsible from the planning stage to the evaluation for activities undertaken to achieve OAA objectives, and (3) “serve as an effective and visible advocate for older individuals.” Within the State Plan, the state agency must ensure that proper fiscal controls and accounting procedures will be in place and that a formula has been designed to fund services provided by the area agencies. The designated state unit is also required to periodically complete evaluations and public hearings on the services authorized by the State Plan, including an assessment of “the effectiveness of the State agency in reaching older individuals with greatest economic need and older individuals with greatest social need, with particular attention to low-income minority individuals.”

***Community-Based Responsibilities Under the Older Americans Act.*** The Older Americans Act requires area agencies on aging to develop an area plan of all OAA services that are to be provided at the community level. The area plan is to cover a two- to four-year time period with annual updates as needed. Area agencies are expected to provide services through contracts with other public or private entities. If there is no contractor available, the area agency may directly provide the services. Each area agency is also required to periodically complete evaluations and public hearings on the services they provide and to annually evaluate the effectiveness of outreach activities. Each area agency is to have an advisory board which includes among other members “older individuals (including minority individuals) who are participants or who are eligible to participate in [OAA-funded] programs.”

Although any individual age 60 or older is eligible for services under OAA, area agencies are required to give priority to those who are “frail, homebound by reasons of illness or incapacitating disability or otherwise isolated.” Economic need, which can include high health and medical expenses as well as low-income or receipt of public benefits (such as food stamps), is also to be considered in “targeting” services.

### **State Authority – The *Code of Virginia***

Title 2.1, Chapter 24 of the *Code of Virginia* delineates VDA’s responsibilities in administering the Older Americans Act in Virginia and in fulfilling its mission to improve “the quality of life for older Virginians.” Chapter 24 requires VDA to prepare and administer Virginia’s *State Plan for Aging Services* and to submit reports required by the U. S. Department of Health and Human Services. Chapter 24 also authorizes



VDA to designate entities to serve as area agencies on aging and “to promulgate rules and regulations for the composition and operation of such area agencies on aging.” Local governing boards are also authorized to provide funding for area agencies within Chapter 24.

In Virginia, there are 25 area agencies on aging which display four types of organizational structures (Figure 1). Fourteen AAAs are private, nonprofit organizations, five are agencies of local government, five are “joint-exercise-of-powers agencies,” and one functions as part of a community services board. The joint-exercise-of-powers structure allows two or more localities to designate one administrative entity with the authority to represent or serve all of the localities.

## PREVIOUS STUDIES

Three studies completed in the last five years have reviewed the role of the Department for the Aging and made divergent recommendations. Two studies examined long-term care services and advocated reorganizing VDA as part of coordinating these services. The 1998 study by the Joint Commission on Health Care recommended changing the role rather than the organizational structure of VDA.

VDA’s last three audits, conducted by the Auditor of Public Accounts (APA), indicated no “material weaknesses” in the Department for the Aging’s financial operations.

### **Two Studies of Long-Term Care Advocated the Reorganization of VDA**

VDA operations were the secondary focus of several recent studies which addressed concerns about the cost of long-term care and the failure of the Long-Term Care Council to “be effective in coordinating long-term care policy.” (The Long-Term Care Council was established in 1982 and allowed to sunset in 1995. During its existence, the council consisted of the director of the Virginia Center on Aging and the commissioners of the State departments of health; social services; mental health, mental retardation and substance abuse services; visually handicapped; and aging.)





The first study was requested by HJR 603 in 1993 and required the secretary of health and human resources to develop a plan for consolidating State-level responsibilities for long-term care. That study proposed consolidating long-term care responsibilities and the functions of VDA into a Department of Aging and Long-Term Care Services. This study proposal was considered during the 1994 General Assembly, but legislative action was deferred for a year. The General Assembly in HJR 209 (1994) requested that the newly appointed secretary of health and human resources review the study and “develop a plan for coordinated delivery of [long-term care] services at both the state and local levels.”

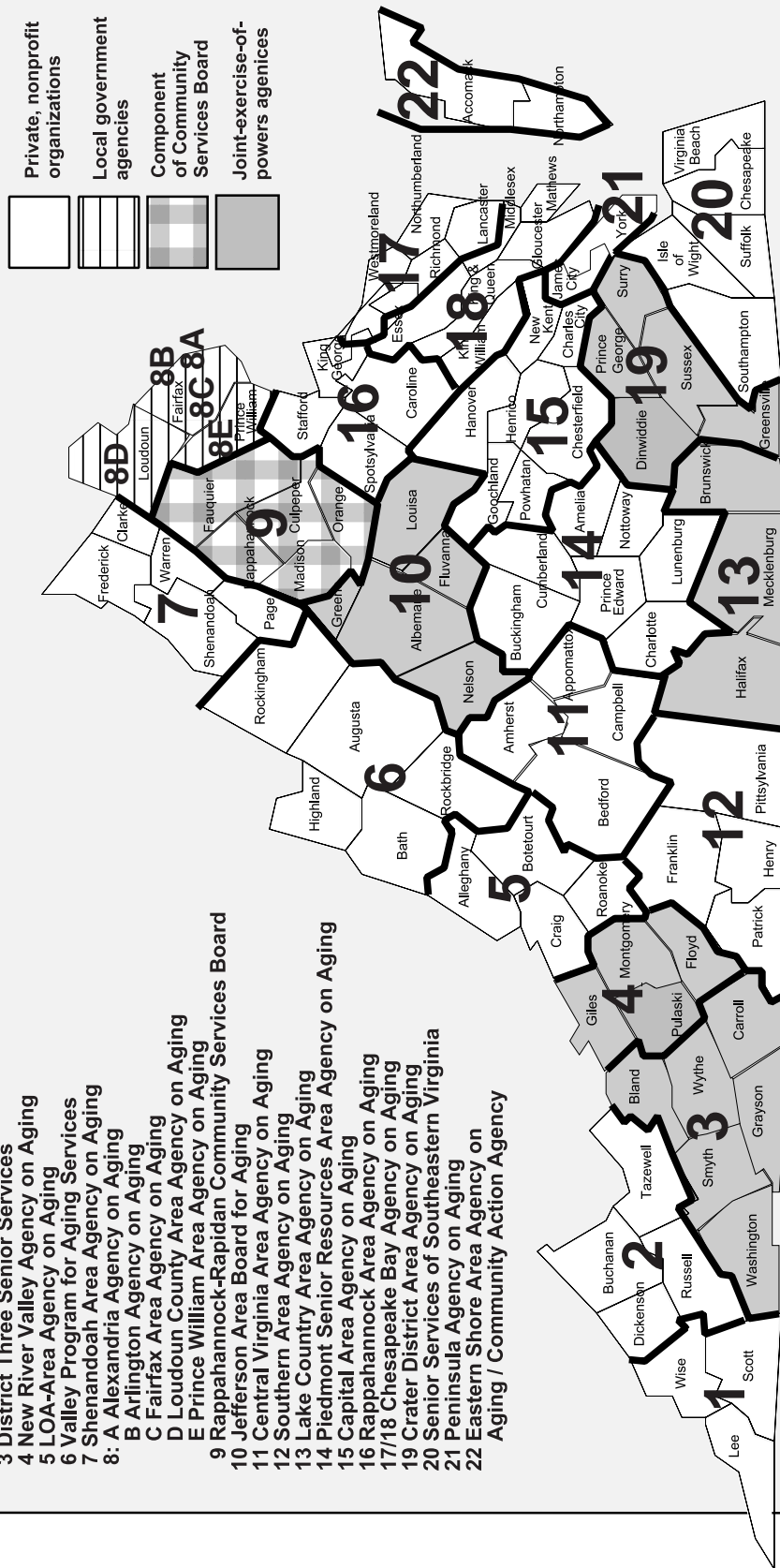
Figure 1

# Areas Served by Virginia's Area Agencies on Aging

- 1 Mountain Empire Older Citizens
- 2 Appalachian Agency for Senior Citizens
- 3 District Three Senior Services
- 4 New River Valley Agency on Aging
- 5 LOA-Area Agency on Aging
- 6 Valley Program for Aging Services
- 7 Shenandoah Area Agency on Aging
- 8: A Alexandria Agency on Aging
- B Arlington Agency on Aging
- C Fairfax Area Agency on Aging
- D Loudoun County Area Agency on Aging
- E Prince William Area Agency on Aging
- 9 Rappahannock-Rapidan Community Services Board
- 10 Jefferson Area Board for Aging
- 11 Central Virginia Area Agency on Aging
- 12 Southern Area Agency on Aging
- 13 Lake Country Area Agency on Aging
- 14 Piedmont Senior Resources Area Agency on Aging
- 15 Capital Area Agency on Aging
- 16 Rappahannock Area Agency on Aging
- 17/18 Chesapeake Bay Agency on Aging
- 19 Crater District Area Agency on Aging
- 20 Senior Services of Southeastern Virginia
- 21 Peninsula Agency on Aging
- 22 Eastern Shore Area Agency on Aging / Community Action Agency

Key to Organizational Structure:

	Private, nonprofit organizations
	Local government agencies
	Component of Community of Community Services Board
	Joint-exercise-of-powers agencies



Source: Virginia Department for the Aging.

The second plan or proposal, which resulted from HJR 209 (1994), was presented in November 1994. This study proposal recommended consolidating long-term care and aging services within the Department of Medical Assistance Services (DMAS) rather than creating a new agency. VDA would have been eliminated and selected programs would have been moved into DMAS from several other departments, including: social services; health; rehabilitative services; and mental health, mental retardation and substance abuse services. This plan was opposed by aging advocates as it was seen as actually diminishing the prominence of aging and long-term care issues in Virginia. Legislation was never introduced to effectuate this proposal or to reconsider the proposal developed under the first study.

Although VDA's organizational structure was not changed in response to either of the two studies, their recommendations created an environment of uncertainty regarding VDA's future existence as an agency. These studies also revived "turf battles" with health and human resources agencies arguing to retain their program responsibilities.

### **Study of Long-Term Care and Aging by the Joint Commission on Health Care**

The Joint Commission on Health Care (JCHC) was directed in HJR 655, SJR 316, and Item 12 of the 1997 Appropriation Act to establish a task force within the Commission to "address outstanding long-term care and aging issues pertaining to the licensing, financing, organization, and regulation of long-term care facilities and community-based services." The study of the task force was presented in January 1998. Study findings involving the Department for the Aging included:

- staffing and authority are not adequate for VDA to effectively coordinate long-term care,
- staffing limitations and "an unclear mission" were consistently reported by VDA staff as "two of the department's most significant challenges," and
- VDA is in the best position of any State agency "to conduct research and analysis of aging issues for the Commonwealth as well as to conduct public education" and to "coordinate aging policy."

The JCHC study also noted that the aging advisory board could be "reconstituted as a executive-legislative branch partnership to help establish aging policy for the Commonwealth." Legislation was enacted to accomplish this by creating the Commonwealth Council on Aging on July 1, 1998.

### **Recent Reports of the Auditor of Public Accounts**

The last three APA audits found no "material weaknesses" in the Department for the Aging's financial operations. VDA's financial operations were found to comply

with all “applicable laws and regulations tested.” Combined, these three APA audits covered the time period from July 1, 1994 through December 31, 1997.

## ORGANIZATIONAL STRUCTURE OF THE DEPARTMENT FOR THE AGING

The Department for the Aging is currently undergoing both internal and external changes that will affect its future functioning as an agency. First, VDA is undergoing an internal examination and reorganization under the direction of the commissioner. Second, VDA will be working with a newly formed council – the Commonwealth Council on Aging – after all Council members have been appointed.

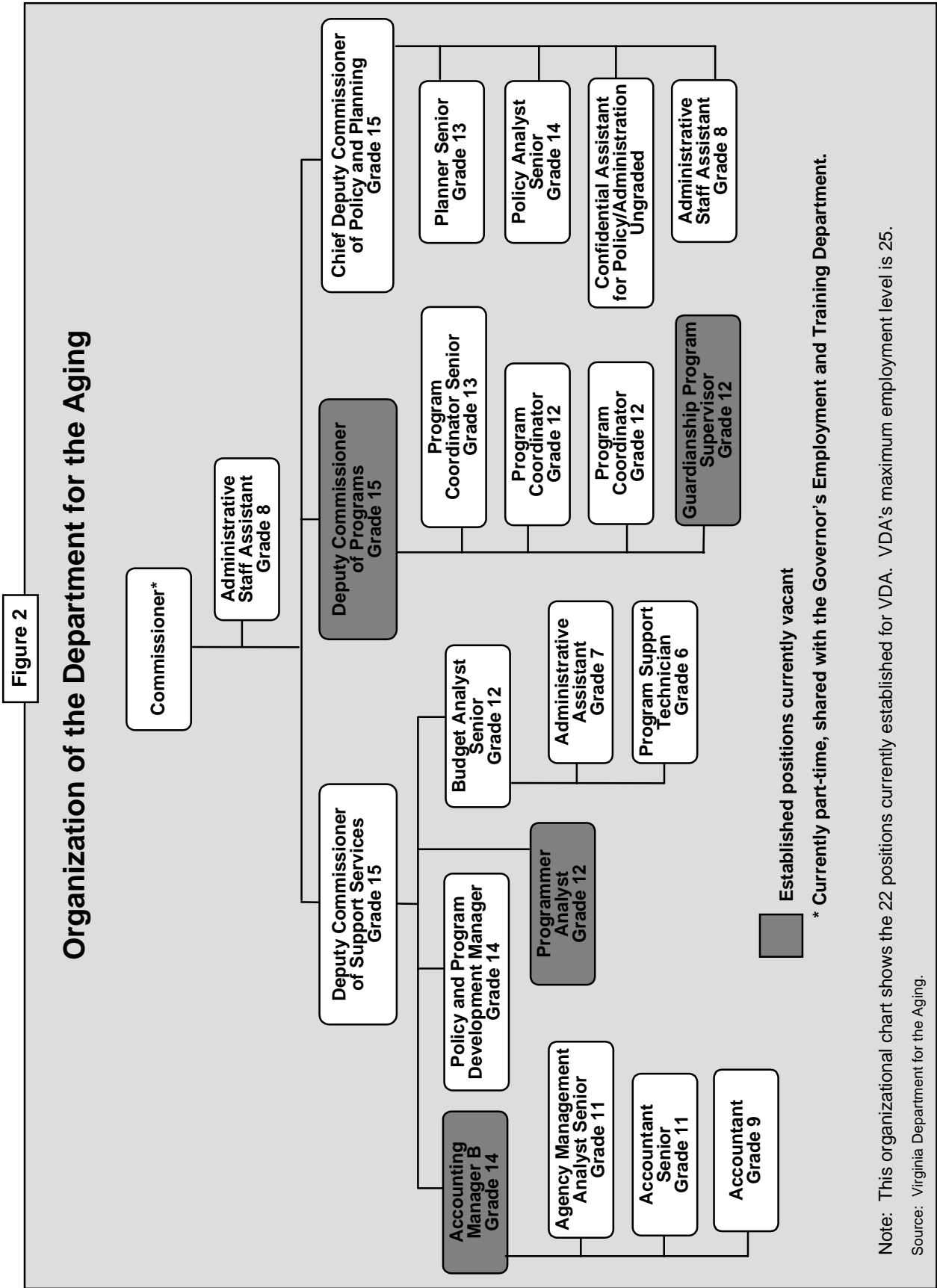
### Reorganization Efforts within VDA

The Department for the Aging is in the process of internal examination and reorganization. VDA’s organizational structure had been “flattened” during the Allen administration when the two-division structure was abolished and only one deputy commissioner was retained. As of August 1998, the current commissioner has established a three-division structure composed of the two original divisions – support services and programs – and a third division for policy and planning. The current staff assignments within the three divisions are considered to be temporary arrangements as some additional organization structure changes may occur soon. Figure 2 shows the three-division structure and the 22 positions that are currently established within VDA.

***VDA Division of Support Services.*** The division of support services is primarily responsible for budgetary and financial operations, the management information system, and grants management. Many of VDA’s personnel functions have been contracted out to the Virginia Department of Health (VDH) while most payroll functions have been assumed by the Department of Accounts (DOA). There are four operational sections within the support services division.

The first section comprises financial management, in which there are currently three filled positions and one vacant position. (The former director of financial management who supervised this section resigned and left VDA in August 1998. The director position is being replaced by the position of accounting manager B). VDA’s primary financial function is to distribute and oversee the use of federal and State funding. Monitoring the area agencies on aging (including both onsite audits of AAA operations, and office or “desk” reviews of the annual financial audits submitted by AAAs) is completed by staff within this section. Remaining personnel and payroll responsibilities, such as the submission of payroll and leave reports to DOA, are completed by staff within the division.

The second support section will include one programmer position that is being recruited to assist in developing an aging information system (AIS) for VDA. The AIS



will allow the area agencies to electronically report client-specific information to VDA. The federal Administration on Aging (a division within the U.S. Department of Health and Human Services) requires states to submit this client-specific information electronically as part of the National Aging Program Information System (NAPIS). This information will also allow VDA to better understand current client service needs and to better plan for what the future needs of elderly Virginians are likely to be. Currently, the only automated data VDA receives is through the financial management system. This financial management system is a grants management system that tracks expenditures at the program rather than client level.

The three staff within the third support section are responsible for administering the department budget; allocating contract, grant, and funding formula amounts; and answering VDA's toll-free telephone number to address questions about aging issues.

The fourth section is comprised of one staff person who was recently moved out of the program division to support services. This staff member is responsible for developing and monitoring grants and contracts and for working with the Office of the Attorney General regarding contract and grant provisions.

***VDA Division of Program Services.*** As of September 1998, the program division was reduced from nine positions to five positions with the transfer of four positions to the other two divisions. It should be noted that at the time that VDA staff were interviewed for this study, only two divisions were established – support services and programs. Information presented in this background section and in Chapter II generally reflects the two-division structure that was in place when the study research was completed.

Staff within the program division had assumed a variety of additional duties as the agency down-sized in recent years. Generally all program-related responsibilities, including acting as a liaison with area agencies and overseeing various programs and services provided by the area agencies, were carried out by staff within this division. In August 1998, the deputy commissioner of programs resigned. One of the program staff has been appointed as the acting deputy commissioner pending selection of a successor.

A program supervisor for the guardianship program is expected to be hired soon. The commissioner plans to immediately fill only one of the three guardianship positions granted during the 1998 legislative session. The commissioner indicated her decision is based on inadequate guardianship funding to employ three staff while covering the expenses of office expansion to accommodate the additional staff, of travel by the guardianship supervisor, and of support costs for the guardianship advisory board when those members are appointed.

***VDA Division of Policy and Planning.*** This is a newly forming division. The chief deputy of policy and planning was appointed by the Governor on August 1, 1998. Since that time, four classified staff (three staff who were working in the pro-

gram services division and a confidential assistant who reported to the commissioner) and one temporary staff person have been moved into that division. The temporary staff member was hired in August 1998 to assist in developing information and media contacts and educational and training materials related to the Medicare+ Choice options that will be introduced by the federal government in October 1998.

Because of the newness of the division's operation, only the responsibilities that are planned for the division can be described. According to the chief deputy commissioner, her division staff will conduct research on the needs of elderly Virginians and their families and develop literature and educational materials on how to take care of elderly citizens.

### **Accommodating a New Council**

On July 1, 1998, the Commonwealth Council on Aging replaced VDA's previous advisory board. VDA's previous board was created in 1974 within the same legislation and *Code* section that created the Office on Aging. Section 2.1-373.10 (c) of the *Code of Virginia* stated, "The Governor is authorized to select such persons as may be qualified, as an advisory board, to assist the Department in the performance of the duties imposed upon it herein." No specific number of advisory board members were designated and there were no term limitations for board members. The advisory board chairperson noted that the number of board members has varied, at times to include an almost unmanageable number. The chairperson also noted that board members often served for many years – he had served for 14 years during five gubernatorial administrations.

The composition and role of the Commonwealth Council on Aging will differ from the previous board in five significant ways. First, appointments will be made by both the governor and the General Assembly. Second, these appointments will ensure geographic representation in that the governor will select one appointee from each of Virginia's 11 congressional districts. Third, there will be a specific number of council members – 19 voting, appointed members and four nonvoting *ex officio* members. Fourth, council members will be limited to two consecutive four-year terms and be ineligible for appointment for at least two years after serving on the council. Fifth, whereas the role of the advisory board was to assist VDA in "the performance of its duties," the role of the Commonwealth Council will be broader including responsibilities that are outside of VDA's operation. The Commonwealth Council's role is described in the following statutory duties:

1. Examine the needs of older Virginians and ways in which state government can most effectively and efficiently assist in meeting those needs;
2. Advise the Governor and General Assembly on aging issues and aging policy for the Commonwealth;
3. Advise the Governor on any proposed regulations deemed by the Director

of the Department of Planning and Budget to have a substantial and distinct impact on older Virginians...;

4. Advocate and develop the Commonwealth's planning for meeting the needs of the growing number of older Virginians; and
5. Advise the Governor and General Assembly regarding the activities of the Department.

The Council is also statutorily authorized to "apply for and expend such grants, gifts, or bequests from any source as may become available in connection with its duties...."

During the review, the Commissioner indicated her plans to involve the Council in examining VDA's mission, strategic plan, and department organization. As of mid-October 1998, however, only the Council members appointed by the legislature had been named, so no Council meetings were held.

#### **FUNDING AND STAFFING OF THE DEPARTMENT FOR THE AGING**

The Older Americans Act funds a variety of services for older Americans. The applicable titles and types of services that are authorized are shown in Exhibit 2. The General Assembly has appropriated funding as required to "match" or qualify for federal funding and to support a number of additional programs for the elderly. VDA acts as a funnel for this federal and State funding, distributing most of it by formula or contractually to the area agencies on aging. Consequently, VDA's own administrative funding and staffing needs are relatively small.

#### **Funding**

As noted, most of the funding appropriated to VDA is allocated to the area agencies on aging. Of the \$61.4 million appropriated for VDA during the 1998-2000 biennium, five percent or \$3.1 million was earmarked for agency administration (Table 1).

In addition to the federal and State funding shown in Table 1, area agencies on aging receive local, private, and grant funding and service fees collected from service recipients. These additional sources of funding can be significant. In the survey conducted of AAAs for this study, the area agencies reported total funding from all sources in federal FY 1997 as being almost \$60 million. (Note that AAA funding is spent on a number of services that are not related to Older Americans Act or State-funded services.) Of that \$60 million, federal and State funding allocated by VDA for OAA services comprised only \$21.6 million or 36 percent of the area agencies' total funding.



**Exhibit 2****Services Authorized and Funded by the Older Americans Act**

<b>OAA Authority</b>	<b>Types of Services Funded</b>
Title III-B	Supportive Services including: <ul style="list-style-type: none"> <li>• Access Services – transportation, outreach, information and assistance, and case management</li> <li>• In-home Services – homemaker, home health aides, chore services, and support for families of older Alzheimer's disease sufferers</li> <li>• Community Services – adult day care, legal assistance, and recreation</li> </ul>
Title III-C	Congregate and Home-Delivered Meals
Title III-D	In-home Services for the Frail Elderly – homemaker and home health aides, in-home and telephone reassurance, chore and maintenance services, in-home and adult day respite care, minor home modification, and personal care
Title III-F	Disease Prevention and Health Promotion Services
Title IV	Research and Training Demonstration Projects
Title VII	Protection of Vulnerable Older Americans – long-term care ombudsman program, elder abuse prevention, and insurance counseling

Source: Administration on Aging materials from its Internet site.

**Table 1****Biennial Appropriations for VDA**

	<b>1992-94</b>	<b>1994-96</b>	<b>1996-98</b>	<b>1998-2000</b>
Total VDA Funding	\$56.8	\$53.6	\$56.7	\$61.4
<i>Administration</i>	\$2.6	\$2.8	\$2.9	\$3.1
<u>Fund Source</u>				
General Fund	\$16.0	\$17.8	\$20.9	\$25.5
Federal Trust	\$40.8	\$35.8	\$35.8	\$35.9

Source: Various Virginia Acts of Assembly.

**Older Americans Act Funding.** The federal Administration on Aging allocates OAA funding to the state-level agencies based on a formula which accounts for the number of older persons (at least 60 years of age) in the state or territory. In federal fiscal year 1998, \$406 million was appropriated at the federal level for the programs that VDA receives funding to support. As shown in Table 1, federal funding for VDA decreased from the 1992-1994 biennium to the 1994-1996 biennium. This reduction resulted from responsibility and funding for employment services for the elderly being transferred from VDA to GETD. Thus, federal funding for the programs currently administered by VDA has actually remained relatively constant for the last three biennia.

According to federal Administration on Aging guidelines, states “allocate funds to the Area Agencies on Aging, based on approved Area Plans, to pay up to 85 percent of the costs of supportive services, senior centers, and nutrition services.” State agencies and AAAs are expected to use federal funding to “leverage state and local resources to expand and improve services” for the elderly.

**State Appropriations.** While federal funding has been level during the last four biennia, State funding has increased by 59 percent during that same time period. Most of the federal OAA and matching State funds are allocated to the 25 area agencies on the basis of a formula which VDA has used since 1989. (A 1991 JLARC report reviewed that “intrastate funding formula” and found it to be “a reasonable and acceptable means for distribution of Older Americans Act funds.”) This funding formula (Exhibit 3) was first reported to and approved by the Administration on Aging in 1992. To distribute funding for the ombudsman program, case management for elderly Virginians, and respite care initiative, however, a request for proposal (RFP) process was used to competitively award the original contracts. The majority of these contracts were awarded to area agencies on aging.

**Other Funding Sources.** Additional funding sources for programs for the aged include local funds, private donations including donations made by service recipients, grant awards, and fee for service payments. Although the Older Americans Act

### Exhibit 3

#### Current Virginia Intrastate Funding Formula for Distributing Funds to Area Agencies on Aging

Factor Considered	Formula Weight
Proportion of total population aged 60+	30 percent
Proportion of rural residents aged 60+	10 percent
Proportion of population in poverty aged 60+	50 percent
Proportion of minority population aged 60+	10 percent

Source: Report of the Joint Commission on Health Care, Long-Term Care/Aging Study, SD No. 28 (1998), p. 8.

precludes states from charging fees for services funded by OAA (including any State match for OAA funding), states are allowed to charge for services which are otherwise funded.

In 1991, the General Assembly proposed that VDA, in consultation with the area agencies, study the feasibility of charging fees for services through pilot projects. Since services for the elderly are not entitlements and are not subject to income eligibility restrictions, not all qualifying individuals receive services. Charging a fee for services allows some individuals to pay at least a portion of their service costs on a sliding-scale basis. This allows area agencies to serve additional elderly individuals with the collected service fees.

Based on the feasibility study findings, an amount that was not to exceed \$250,000 a year in general funds was earmarked to fund pilot fee service projects from FY 1992 through FY 1998. In 1995, the General Assembly also added language in the Appropriation Act indicating that area agencies with new general fund allotments should establish fees for services on a sliding scale. It is the General Assembly's expectation that area agencies will continue to provide fee-for-service programs with any non-OAA funding available. (Exceptions have been noted in the Appropriation Acts exempting home-delivered meals and ombudsman services from the fee for services requirements.)

***Expenditures by VDA and Area Agencies on Aging.*** VDA's reporting of administrative expenditures for fiscal years 1993 through 1998 are shown in Table 2. A comparison of administrative expenditures with appropriated funding (as shown in Table 1) shows that VDA expended 108 percent of its administrative appropriation during the 1992-1994 biennium, 96 percent of its appropriation during the 1994-1996 biennium, and 86 percent during the 1996-1998 biennium. The reduction both in personnel-related and total expenditures during the three biennia reflects the staffing

---

**Table 2**

---

### Biennial Expenditures by VDA

<i>Expenditure Type</i>	<i>1992-1994</i>	<i>1994-1996</i>	<i>1996-1998</i>
<b>Personnel-related Expenditures (1100, 1400)</b>	<b>\$2,034,809</b>	<b>\$2,169,142</b>	<b>\$1,861,030</b>
<b>Miscellaneous Expenditures (1200)</b>	<b>\$412,718</b>	<b>\$217,080</b>	<b>\$281,638</b>
Travel-related Expenses	\$99,223	\$47,222	\$36,951
<b>Office-related Expenditures (1300, 1500, 2200)</b>	<b>\$368,383</b>	<b>\$314,029</b>	<b>\$369,959</b>
Building Rental	\$252,390	\$213,417	\$196,757
Computer Equipment	\$24,852	\$1,450	\$77,344
<b>TOTAL EXPENDITURES*</b>	<b>\$2,815,910</b>	<b>\$2,700,251</b>	<b>\$2,512,627</b>

\*Totals include the bolded lines only. Non-bolded lines are sub-categories.  
Source: Virginia Department for the Aging.

---

reductions VDA experienced during that time period. (Personnel-related disbursements accounted for approximately three-quarters of VDA's reported expenditures.) The 62 percent reduction in travel expenses resulted in part from significant reductions in the number of monitoring visits VDA staff made during the reported time period. (Personnel reductions and monitoring adequacy will be discussed further in the next chapter.)

The reduced rental expenditures shown in Table 2 for the 1996-1998 biennium resulted when VDA staff moved to the Koger Center in Henrico County. VDA was required to move because its maximum employment level was reduced to a point that no longer justified the assigned office space in the 700 Centre in downtown Richmond. The current commissioner has initiated two renovation projects of the VDA office space which will be paid from FY 1999 funding. The first project has been completed and involved adding six offices and a shared work room at a cost of \$10,717. These offices are to accommodate the commissioner, the three deputy commissioners, and the guardianship staff. The commissioner did not consider the office space that was provided to be adequate, particularly since three additional guardianship positions were to be added. The second project which is still under way involves expanding the conference room and is expected to cost approximately \$10,000. The conference room was not large enough to accommodate VDA staff and representatives from the AAAs at the same time.

Computer-related expenditures are also shown in Table 2. The deputy commissioner for programs indicated that VDA's computers were very outdated. New computers were purchased with some of the savings in personnel and other costs.

In its most recent audit of VDA, the APA included the federal FY 1997 expenditures for OAA- and State-funded programs as reported by the 25 area agencies (Table 3). These expenditures were supported by all funding sources available to the area agencies, including local, grant, and private funding. As shown, expenditures on congregate and home-delivered meals comprised 39 percent of all expenditures by the area agencies. Personal care, which according to the APA report involves "long-term assistance to older persons with personal hygiene, mobility, eating/feeding, etc., to enable them to remain at or return to home," had the highest annual cost per recipient at \$3,000 for federal FY 1997. (Appendix B contains a description of the services listed in Table 3 as well as other terms that may be unfamiliar to the reader.)

## **Staffing**

Historically, VDA has been a relatively small agency in the Health and Human Resources secretariat. VDA's peak maximum employment level during the period from FY 1983 to the present was 31 positions, which was a figure that was originally established for FY 1993. However, over the last four fiscal years, substantial reductions have been made in VDA's maximum employment level (MEL), and its actual full-time equivalent (FTE) positions (see Table 4 at the top of page 18).

Table 3

**Services Provided by 25 Area Agencies  
Federal FY 1997**

<u>Service Provided</u>	<u>Individuals Served</u>	<u>Service Units</u>	<u>Total Expenditures</u>
Congregate Meals	49,901	1.15 million meals	\$6.97 million
Home-delivered meals	13,046	2.23 million meals	\$6.94 million
Personal Care	2,281	691,000 hours	\$6.93 million
Transportation	13,253	970,000 one-way trips	\$5.25 million
Homemaker	2,418	245,000 hours	\$1.81 million
Access and Acquisition	21,725	75,000 hours	\$1.66 million
Information and Referral	78,187	38,000 hours	\$1.32 million
Case Management	3,444	40,000 hours	\$1.11 million
Volunteer Programs	8,861	536,000 hours	\$547,000
Adult Day Care	319	158,000 hours	\$509,000
Long-term Care Ombudsman	—	Not available	\$474,000
Disease Prevention/Health Promotion	79,550	34,000 hours	\$442,000
Other Services	—	Not available	\$1.67 million
<b>TOTAL EXPENDITURES</b>			<b>\$35.63 million</b>

Source: Auditor of Public Accounts, *Department for the Aging Report on Audit for the Period July 1, 1996 through December 31, 1997*, p. 4.

VDA's MEL for the 1992-94 biennium was reduced from 31 to 30 during the 1993 General Assembly session, as was recommended in the governor's budget submission. From FY 1994 to FY 1998, the agency's MEL was further reduced by 27 percent, from 30 to 22 positions.

Specifically, during the 1994 General Assembly session, VDA's MEL was reduced beginning in FY 1995 from 30 to 29 as requested by the executive branch. One position was to be transferred from VDA to the Governor's Employment and Training Department (GETD) to effectuate the transfer of responsibility for elderly employment and training programs to that agency.

In February 1995, three full-time VDA staff working in what was essentially a newly-forming "elder rights unit" that included an ombudsman program were informed

Table 4

**Changes in VDA Staffing Levels, FY 1994 to FY 1998**  
**(Maximum Employment Levels, Filled Salaried Positions, and Wage Staffing)**

Fiscal Year	Agency MEL	Average FTEs, Salaried Staff	Average Wage FTEs	Average FTEs, Salary Plus Wage Staff
1994	30	26.79	5.11	31.90
1995	29	26.50	2.90	29.40
1996	22	21.67	0.01	21.68
1997	22	19.08	0	19.08
1998	22	19.08	0	19.08

Note: Average FTE levels are calculated based on an average across the end-of month DPT employment reports for each fiscal year.

Source: JLARC staff analysis of DPT monthly employment reports.

that the ombudsman program was going to be transferred from the agency and that they would not have positions with the department after June 30<sup>th</sup>. The department had already eliminated a part-time position working in the elder rights unit in the fall of 1994. By action of the 1995 General Assembly session, \$125,000, representing the salaries of three VDA staff, was transferred from the VDA budget to contract for ombudsman work.

During the 1995 session, the General Assembly reduced VDA's MEL by seven positions. The budget language indicated that three of the seven positions could be taken due to reductions in VDA's administrative responsibilities. In addition, the executive branch had recommended a reduction of four positions in the agency's MEL – two staff who provided support to the Long-Term Care Council which was allowed to sunset, and two additional positions that were indicated as not needed under the governor's plan to centralize "legislative, public relations, and constituent affairs" by increasing staff within the secretary's office. The General Assembly also made these four staff reductions although the secretary's office was not allowed to increase its staffing.

No additional changes in VDA's MEL were made until the 1998 General Assembly session, which determined that on July 1, 1998 the department's MEL would be increased from 22 to 25. The three new positions were to be dedicated to the expansion of the guardianship program.

With regard to filled positions, typically there is a difference between the number of filled positions an agency has at any given time and the agency's maximum employment level. This difference is primarily due to agency vacancies that may or may not be under active recruitment. At VDA, from FY 1994 to FY 1998, reductions of 29 percent were made in full-time salaried positions. During this time period, the

State was generally under a hiring freeze, and the department typically had several positions left vacant during those years. In addition, VDA eliminated all wage positions during this time period, which the agency had previously used at a rate of about four or five FTE positions per year. As a result, there was an overall 40 percent reduction in agency salaried and wage FTEs (from 31.90 FTEs down to 19.08 FTEs).

### STUDY MANDATE, SCOPE, AND RESEARCH ACTIVITIES

House Joint Resolution 209, which was approved during the 1998 General Assembly session, requires the Joint Legislative Audit and Review Commission to “examine (i) the mission of the Department [for the Aging] and the extent to which such mission should extend beyond administration of the Older Americans Act; (ii) the effectiveness of the organization, operation, and performance of the Department for the Aging in meeting its current mandate; (iii) the staffing of the Department with regard to its current mission; and (iv) any other activities as it may deem appropriate.” Specific language included within the resolution provided further guidance for the study by including the following statements:

- that the Joint Commission on Health Care (JCHC) had “identified concerns regarding the effectiveness of the VDA in assisting state policymakers in dealing with the increasing numbers of elderly Virginians”;
- that a 1996 study by the Secretary of Health and Human Resources stated the education and research capabilities of the Virginia Department for the Aging (VDA) should be strengthened;
- that the department’s maximum employment level had decreased from 32 to 22 positions, that several positions had remained unfilled for lengthy time periods, and that VDA staff lacked expertise in the increasingly complex subject of financing long-term care;
- that “a need exists for coordination among the multiple state agencies involved in aging issues (as distinct from long-term care issues)” and for “consumer education regarding long-term care and aging issues”; and
- that VDA could perform an important role “in conducting research, policy analysis, and long-range planning on aging issues” and in assisting the Commonwealth by preparing “all state agencies and programs to best meet the needs of the growing number of older Virginians and their families.”

A copy of the study mandate is included in Appendix A.

## Study Scope

This report on VDA is part of a series of JLARC reports that will address issues in the functional area of health and human resources. This functional area was identified as a subject for JLARC to focus on by House Joint Resolution 137, also from the 1998 Session. HJR 137 requires that JLARC examine the organization and management of the largest agencies in the secretariat, and also examine issues such as duplication, unnecessary expenditures, or the need for coordination of the services provided across the secretariat.

This VDA report, which was specifically required by HJR 209, focuses on VDA's internal management issues, its interaction and relationship with the AAAs, and ways in which the agency needs to refocus its work. The recommendations are largely directed to VDA. Some potential issues that could have been reviewed could have required expanding the scope of this review beyond VDA, to address the roles performed by other State agencies. For example, VDA and the AAAs are not alone in seeing to the provision of case management and transportation services to elderly persons. These types of issues that relate to potential duplication or coordination needs between VDA and work under the jurisdiction of other State agencies are not addressed in this report, but may be addressed at a later time as part of the HJR 137 series.

## Research Activities

A number of research activities were completed in order to review the operation of VDA. These activities included structured interviews, a mail survey of each of the area agency directors, site visits to seven area agencies, and document reviews.

**Structured Interviews.** The completion of structured interviews was a major research activity of this review. Interviews were conducted with all classified VDA staff, some former VDA staff, staff within other State agencies, federal Administration on Aging staff, State and national associations interested in aging issues, and other aging network members including interest group representatives. Associations with an interest in aging issues that were interviewed included: the American Association of Retired Persons, the Coalition on Aging, the Senior Statesmen of Virginia, the Virginia Association of Area Agencies on Aging, the Virginia Council of Senior Citizens, the National Association of State Units on Aging, and the chair of the advisory board on aging.

**Mail Surveys.** A mail survey was sent to each of the 25 AAA directors, and there was a 100 percent response rate. The survey requested both descriptive information about the AAAs and a series of questions asking area agency directors to assess: (1) their interaction with VDA, (2) the effectiveness of VDA's operations as they impact the area agencies, and (3) the emphasis VDA should place on doing more or less in terms of specific supportive activities.



**Site Visits.** Site visits were made to seven of the area agencies on aging. Two representatives of each of three organizational types and the sole representative of an AAA which is a component of a community services board were visited. During the visits, in-depth interviews were held with the AAA director and in some cases other area agency staff.

**Document Reviews.** A number of documents were examined during the course of the study. These documents included: the *Code of Virginia* and *Acts of Assembly*; the Older Americans Act; Virginia's current State Plan on Aging; studies of VDA; selected VDA policies and procedures; VDA's performance measures; selected memoranda of understanding and contracts between VDA and other entities; and VDA position descriptions, budget information, and expenditure data.

## REPORT ORGANIZATION

The first chapter of this report has provided background information on the Virginia Department for the Aging and a description of the study mandate and approach. Chapter II provides an assessment of issues concerning VDA as well as findings and recommendations that may assist VDA leadership as they seek to rebuild the agency.



---

## **II. Assessment of Issues and Future Direction for VDA**

---

The General Assembly has shown an ongoing interest in services that address the needs of older Virginians. Seven years before the passage of the federal Older Americans Act (OAA) in 1965, the General Assembly established the Commission on the Aging to enhance planning and coordination of services for the elderly. In recent years, as federal funding levels have remained relatively unchanged, the General Assembly has continually increased general fund support both for programs established under OAA and for newly initiated programs for older Virginians.

In recent years, the Virginia Department for the Aging (VDA) has not provided the strong leadership and vision needed to assist in addressing the needs of Virginia's elderly population. Proposals to consolidate aging issues into a new agency or an existing agency resulted in uncertainty and inaction within VDA. At the same time, VDA's maximum employment level was substantially reduced, which appears to have further weakened its operations. Area agency on aging (AAA) directors reported serious concerns about VDA operations. Whereas VDA is the agency responsible for State administration of the OAA in Virginia, the AAAs have the responsibility to actually put in place the services for the elderly. Since VDA is responsible for the State administration of OAA, the AAAs have certain expectations of VDA. Generally, the AAAs expect VDA to ensure the appropriate distribution of funds, to provide statewide leadership on aging issues, and to generally provide them with oversight and support in efficiently and effectively providing services to elderly Virginians.

The current commissioner has indicated plans to complete a comprehensive review of VDA's mission, goals and objectives, and internal organization. If the commissioner is to be successful in rebuilding the department, VDA will need to work with AAA staff to address deficiencies that affect their operations. In addition, VDA and aging issues will need to be given a higher priority within the current administration to ensure that meaningful changes can be made in a timely manner.

The remainder of this chapter addresses the need to place a higher priority on the importance of VDA and aging issues and includes specific recommendations for the process of rebuilding the agency.

### **A LACK OF PRIORITY TO VDA AND AGING ISSUES NEEDS TO BE ADDRESSED**

The uncertainty regarding VDA's continued existence coupled with reductions in staffing and agency responsibilities raise questions regarding the priority that aging issues have been given. It appears that these negative factors have hindered VDA in fulfilling its statutory mission. The AAAs report that VDA's ability to provide useful assistance to them has been compromised. There is now the opportunity, with a new administration and a new commissioner, to understand and address VDA's operational

deficiencies with a focus on supporting the services provided by the area agencies while assisting the Commonwealth in preparing for the needs of an expanding elderly population.

### **Diminishing Resources and Responsibilities at VDA Raise Questions About the Priority Given to VDA**

Since 1983, Virginia's statute for the Department for the Aging has charged the agency with the mission of improving "the quality of life for older Virginians." Under the statute, the department's policies and programs are to be designed to "enable older persons to be as independent and self-sufficient as possible." This statutory statement of mission has provided VDA with a strong statement of purpose to assist elderly Virginians.

Since the time that this statutory statement of mission was put into place, the elderly population addressed by VDA's mission has steadily increased (see Figure 3). For example, according to census data, Virginia's population that is 60 years and older grew by about 181,000 persons from 1980 to 1990, and accounted for 14.7 percent of the State's population in 1990 compared to 13.6 percent in 1980. Further, according to population projections from the Virginia Employment Commission (VEC), by the year 2000 the population group 60 years and older will have grown by about 131,000 persons, accounting for 15.1 percent of the population. As the baby boomers begin to reach age 60, the population is expected to further surge (by 2010, increasing by about 267,000 persons and accounting for 17.6 percent of population, according to the last projections made by VEC.)

In addition, substantial increases are expected during the shorter-term in the population 85 and over, a population which presents some of the greatest challenges in terms of the levels of service that may be required for them to be as independent and self-sufficient as possible. Specifically, from 1990 to 2010, the population 85 and over is expected to double, from about 59,000 to 118,000 persons.

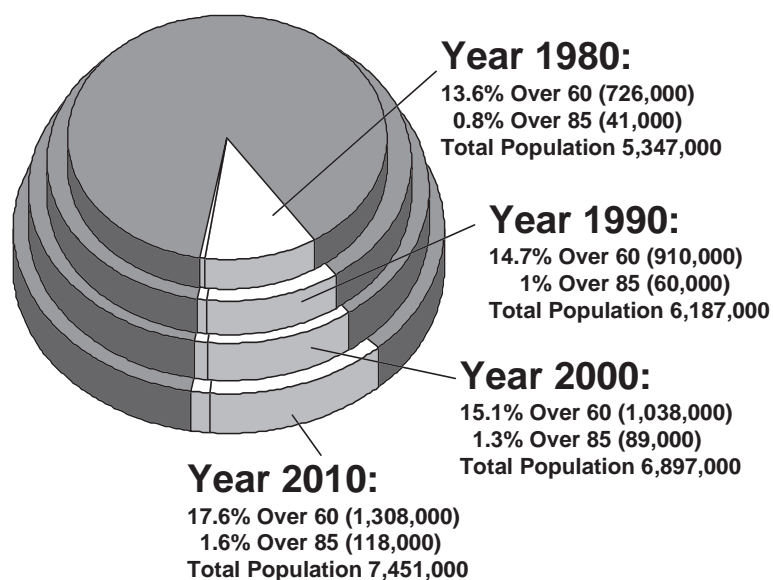
Thus, a strong and unchanged statement of VDA's basic mission has been in place since 1983, and the population to which VDA's mission applies has increased and is expected to continue to increase. However, during the 1990s, the agency experienced a period of uncertainty and diminishing resources that called into question the priority which VDA and aging issues were receiving.

As indicated in the introductory chapter to this report, VDA was the subject of two studies, one in 1993 and one in 1994, that examined the idea of moving VDA and its functions in total or in part to other agencies of the secretariat. The uncertain status of the agency during that time appears to have resulted in some paralysis of leadership and decision-making at the agency, according to VDA staff.

Also, as indicated in Chapter I, the agency's maximum employment level (MEL) and filled full-time equivalent (FTE) positions declined substantially from FY 1994 to

Figure 3

### Increases in Virginia's Total and Elderly Population



Source: JLARC staff analysis of census data in the *Virginia Statistical Abstract*, and the Virginia Employment Commission's *Virginia Population Projections 2010*.

FY 1998. The sharpest decrease in MEL and actual staffing occurred from FY 1995 to FY 1996, under the State's Workforce Transition Act (WTA). While many agencies of the health and human resources secretariat (and other agencies in State government as well) were impacted by staffing reductions through the Workforce Transition Act, Department of Personnel and Training (DPT) data indicates that the percentage reductions at VDA were among the greatest in the secretariat in the health and human resources secretariat. For example, a comparison of VDA's December 1993 salaried FTE staffing level with its December 1997 salaried FTE staffing level indicates a reduction of 33 percent. Across the secretariat, the average reduction during this same time period was about 13.5 percent, and the net reduction across the executive branch of State government was 2.1 percent.

The reductions in FTEs at VDA between FY 1994 and FY 1998 were made by eliminating certain workload responsibilities, by reallocating workload to staff, or in some cases, by removing responsibilities from the direct performance by VDA staff and providing that the services were to be performed by contract. VDA generally sought to ensure that the minimally necessary fiscal, budget, and other administrative support tasks needed to be good stewards of funding under the OAA were performed despite the staff reductions. For example, the Auditor of Public Accounts found no "material weaknesses" when reviewing VDA's financial operations, indicating that generally adequate financial controls were in place. VDA staff continued to perform some financial monitoring visits, although that monitoring was less frequent and not as detailed as in

the past. VDA staff responsible for financial, budgetary, and other administrative support tasks generally report that the work that needs to be done does get done. And, although it has not conducted any programmatic or fiscal assessments of VDA's operations, the regional office of the federal Administration on Aging indicates that it has not experienced any particular problems in its interactions with VDA on OAA matters.

However, the VDA role that is described in Virginia statute goes beyond the basic functions of an administrative "pass-through" agency for federal and State funds. It is in these other areas that the impact of an uncertain VDA future and the reduced priority to VDA, in part reflected in reduced staffing, appears to have been felt in recent years. Included in the statutory statement of mission since 1983, VDA is required to "promote local participation in programs for the aging, evaluate and monitor the services provided for older Virginians and provide information to the general public." In these areas, it appears that VDA has had difficulty in meeting its charge.

For example, VDA staff have responsibilities for promoting programs, providing support to AAAs pertaining to services and evaluating and monitoring those services, and lending their expertise to provide information and answer questions on program or service matters. A majority of VDA program staff interviewed for this study indicated that there are AAA service needs, technical assistance needs, or monitoring needs that have not been met. One of the critical issues with a relationship to the statutory charge is that program staff in recent years rarely visited the AAAs to evaluate and monitor their service provision. On-site monitoring had been an important staff responsibility in the past. This issue is discussed in more detail and a recommendation is made later in this report. However, the point to be considered here is that a priority was not given to ensuring that this work be performed. VDA staff have attempted to assess, monitor, and assist AAAs without first-hand knowledge of each AAA's current operations.

In addition, as agency resources declined, program staff report that the agency relied on staff to volunteer to pick up additional duties in order to maintain some agency presence on aging issues. A number of staff appear to have been overloaded with responsibilities. For example:

*One program staff member has needed to serve as field liaison (or the primary contact person) with six AAAs; is responsible for programs involving elderly rights, advocacy, ombudsman services, insurance counseling and guardianship; has served as agency legislative liaison; and has had shared responsibility for planning and grant application activities.*

\* \* \*

*Another program staff member has served as field liaison to six AAAs; and has had VDA program responsibility for nutrition, in-home services, and respite care (this includes homemaker services and chore*

*maintenance services). Nutrition and in-home services are offered by all AAAs, and account for over \$22 million of the service expenditures made by AAAs.*

The situation at VDA has negatively impacted the agency's ability to provide the meaningful information to the AAAs and the public that is statutorily required. Several VDA program staff reported concerns that their responsibilities were now so diffuse that they either were assigned one or more programs for which they lacked expertise, or for which they have insufficient time to be up-to-date on the subjects. One VDA staff member, in order to compensate for a lack of expertise in an assigned responsibility area, indicated that formalized consultation with an outside expert would have been helpful in providing better services, but that no such arrangement had been implemented under prior agency leadership. Several AAA directors reported that they no longer call VDA staff with technical questions since they think staff will be unable to answer those questions.

In summary, the changes that occurred at VDA raise some significant questions as to whether the agency has had an adequate priority in recent years, especially in light of the growth in the population for which the agency has had statutory responsibilities during that time. It is true, however, that VDA is not the direct provider of services to elderly – that role under the OAA is given to the AAAs. VDA, however, is the entity that is available to provide State support and assistance to the AAAs as they seek to efficiently and effectively provide appropriate services to the elderly. The AAAs are clear clients or customers of VDA services. Therefore, it is important to consider whether the level of priority given to VDA by the State, and the leadership exerted by VDA, has been adequate to meet the needs of AAAs.

### **Area Agency Directors Report on Problems with VDA Operations**

The lack of priority that VDA and aging issues received in recent years was reflected in responses given by AAA directors. While there was some variation of opinion, the prevailing view that emerged from the surveys of and the interviews with AAA directors was a belief that VDA has not been as strong as it could be, or as strong as many AAA directors would like to see it be. Most AAA directors indicate that in recent years, VDA has not been a leader on aging issues. The following comments are illustrative of some of the broad concerns expressed by AAA directors about VDA:

VDA is not a statewide leader on aging issues, either perceived or in reality. VDA does not actively pursue private-public partnerships. VDA does not actively seek alternative private or public funding sources for AAAs. VDA does not provide adequate technical assistance to AAAs. VDA does not have the status a state dept. on aging should have within the executive branch... Generally speaking, she [the new commissioner] has her work cut out for her to bring VDA to the point it should attain for older Virginians.

\* \* \*

[In recent years] the Department lost its role and staff and was on its way to losing its funding. In this process the Department's effectiveness and credibility were compromised... [Because they have limited resources], small, rural agencies [AAAs] must depend upon and are at the mercy of the VDA to give extra assistance in [areas such as] staff talent, training, liaison with the Governor and the Legislature, liaison with other State agencies and liaison with the Federal offices such as AoA.

\* \* \*

It has been left to the V4A [the Virginia Association of Area Agencies on Aging] to act as the de facto state office especially when dealing with the private sector.

\* \* \*

I believe VDA is rebuilding after several years of assault and weak management. I believe that the initial steps taken by the new commissioner are positive and needed. Virginia needs a state agency dedicated to aging given the sheer demographic shift that will occur in the next 10 to 15 years. Area Agencies on Aging have moved in to fill the void of leadership. A strengthened VDA is a welcomed ally in serving the aging.

Table 5 shows the extent to which AAA directors, in response to the JLARC staff survey, agreed or disagreed with 15 positive statements about VDA. The unshaded statements are statements with which the majority of respondents indicated that VDA performance is good; the statement with the light shading is one for which the results were very mixed; and the statements in the dark shading are statements with which the majority of directors had the greatest concern with VDA's performance.

As noted, a majority of AAA directors reported the following positive aspects of their relationship with VDA:

- VDA keeps my area agency updated on changes in federal regulations and requirements (84 percent),
- VDA provides good technical assistance related to financial matters (76 percent),
- the methodologies used by VDA to allocate funding are good, (60 percent) and
- relationships between VDA and the local area agencies on aging are good (52 percent).



Table 5

<b>Survey Responses Indicating AAA Perceptions of VDA</b>			
<b>Statement</b>	<b>Percent Who Agree or Strongly Agree</b>	<b>Percent Who Disagree or Strongly Disagree</b>	<b>Other</b>
VDA keeps my agency updated on changes in federal regulations and requirements.	84	16	0
VDA provides good technical assistance related to financial matters to the local area agencies on aging.	76	24	0
The methodologies used by VDA to allocate funding are appropriate.	60	24	16
Relationships between VDA and the local area agencies on aging are good.	52	48	0
Communication between the VDA and the local area agencies on aging is good.	48	44	8
VDA's service provision policies are clear and updated in a timely fashion.	40	52	8
VDA does a good job of monitoring the local area agencies on aging.	36	56	8
VDA provides good technical assistance related to program issues to the local area agencies on aging.	28	72	0
VDA completes and conveys research and policy analysis that is useful in my area agency's services.	28	72	0
VDA provides good technical assistance related to management issues to the local area agencies on aging.	24	68	8
VDA provides good training to the local area agencies on aging.	20	76	4
VDA appears to be a well managed agency.	12	72	16
VDA appears to have a clearly defined vision for the future service needs of aging Virginians.	12	84	4
VDA provides good leadership in the aging field.	8	84	8
VDA has provided good support for the automated information systems needed by the local area agencies.	4	88	8
<p>Note: The "other" category includes respondents who had no opinion, were undecided, did not answer the question, or did not provide a single response.</p> <p>Source: JLARC survey of AAA directors, August 1998. Percentages based on 25 surveys (100 percent response).</p>			

The views of AAA directors on the question of communication between VDA and the AAAs was mixed and indicated some need for VDA improvement. A director who indicated that communication was good wrote that “individual staff are responsive” and that “Tuesday mailings” from VDA have been informative. However, another director who disagreed said that during the spring and summer of 1998, the agency was especially poor at “contracting and communicating.” One AAA director specifically indicated a belief that VDA’s performance in communication varied from one AAA to another, stating that “information needs to be given to all [emphasis in the original] AAAs, not just favorites or [those] who happened to ask.”

The general areas in which VDA was rated least favorably can generally be categorized as (1) monitoring, technical assistance, and training; (2) VDA management, leadership, and vision; and (3) support of automated information systems.

**Monitoring, Technical Assistance, and Training.** According to the area agency directors, VDA has not placed a high priority on monitoring, technical assistance, and training in recent years. Only 36 percent of AAA directors indicated that VDA does a good job of monitoring the area agencies. AAA directors in other responses to the JLARC survey indicated that 12 had received a monitoring visit to review financial operations in the last three years, but only seven had received a monitoring visit focused on program operations during that same time frame.

Several area agency directors connected the decrease in program monitoring visits with their dissatisfaction with VDA’s ability to provide meaningful technical assistance. As these directors noted, VDA staff were not always familiar enough with their programs to provide technical assistance that was useful. As noted in Table 5, only 28 percent of AAA directors agreed that VDA provides good technical assistance related to program issues, and 24 percent agreed that VDA provides good technical assistance related to management issues.

A smaller number of AAA directors (20 percent) agreed with the statement that VDA provides good training to the area agencies on aging. Remarks made by AAA directors during site visits and in survey responses included the following:

*One AAA director noted concerns about the program training provided by VDA over the last four years and that the association (V4A) had tried to address the training needs. The director would like to see “VDA provide training in the areas of transportation, nutrition, in-home service housekeeping, and useful VICAP training.”*

\* \* \*

*When asked about whether VDA should provide less or more work than it currently does in many different areas, a director responded that, “The area of VDA sponsored training is an item that we feel very strongly about. Also, quality of training is certainly a factor.”*

**VDA Management, Leadership, and Vision.** An overwhelming majority of area agency directors reported that VDA has been lacking in its leadership role and its ability to provide direction to the AAAs. Less than one-third of the directors agreed with positive statements about how VDA was doing in terms of completing useful research and policy analysis, of being well-managed, of having a clearly defined vision of the future, or of providing good leadership in the field (Table 5). Only in the area of having “service provision policies which are clear and updated in a timely fashion” did a slightly larger percentage (40 percent) of AAA directors agree that VDA did a good job. VDA’s leadership and direction were serious concerns for the AAAs because VDA could provide considerable assistance to the AAAs in planning for significant increases in the elderly population in the coming years.

**Support of an Automated Information System.** Only four percent of AAA directors agreed that VDA has provided good support for the automated information systems that are needed (Table 5). This percentage is reflective of the number of years VDA has been working to establish an automated information system or what is often referred to as an aging information system (AIS). Many of the problems associated with the creation of the AIS occurred before the current Commissioner was appointed and, it does appear that the AIS is a priority for current VDA management. VDA is negotiating for a software package that 11 AAAs already use to collect data. In addition, VDA is attempting to increase staff expertise in this area by hiring a programmer. Several area agency directors are concerned about funding for the system since federal and State funding for its development was expended on unsuccessful earlier automation attempts.

The federal Administration on Aging requires the State to collect and report information as part of the National Aging Program Information System (NAPIS). Federal funding of \$45,000 was provided for the development of this system in FY 1995. Since 1995, VDA has contracted with several outside parties to develop the AIS including the Pinkerton Corporation and the Department of Health (VDH). The VDH contract came about through the involvement of the Secretary of Health and Human Resources. However, none of the contractors developed a successful product that would allow the AAAs to report the information to VDA. Eleven of the AAAs which grew impatient with waiting for VDA to develop a system purchased and installed the AIM software for their agencies’ use.

Recognizing there were concerns with the development of AIS, the current commissioner assigned the project as a critical priority to the deputy commissioner of support services. The deputy commissioner initiated a review and analysis of the network’s hardware and software needs. In June of 1998, the AAAs voted to purchase the AIM software for the aging information system. VDA is currently in negotiation with the vendor to purchase the AIM product in January 1999 when the new enhanced version of AIM is released.

### **There Is an Opportunity to Give VDA and Aging Issues a Higher Priority**

While VDA's diminished resources and ability to assist the AAAs in recent years is a concern, there have been some indications of continued State support for aging issues and VDA. For example, although federal funding levels have remained relatively unchanged in recent years, the General Assembly has continually increased general fund support during the 1990s, both for programs established under OAA and for newly initiated programs for older Virginians.

Also, the General Assembly took the following actions: it placed in statute provisions for a new Commonwealth Council on Aging; it established in statute a new program responsibility for VDA (the guardianship program) and an advisory council for that program; and it added language to VDA's statute requiring the agency to "serve as the focal point for research, policy analysis, long-range planning, and education on aging issues." The Commonwealth Council's statutory duties, enumerated in Chapter I of this report, suggest that the council could help the State exert some increased leadership on aging issues.

With regard to VDA's new program under statute, §2.1-373.10 of the *Code of Virginia* establishes the Virginia Public Guardian and Conservator Program within the agency (and §2.1-373.13 creates an advisory board for the program). VDA staff indicate that the program is designed to create "a new statewide system of local or regional public guardianship and conservator programs" which will expand on the programs that have been funded through VDA on a pilot basis since FY 1996. The placement of this program within VDA reflects some additional priority being given to the agency. To allow VDA to oversee the implementation and to provide funding for expansion of the program, the General Assembly increased the agency's maximum employment level and provided for additional funding of \$110,000 for FY 1999 and \$450,000 for FY 2000.

Further, there have been some developments in the executive branch that indicate that there may be some improvements at VDA and in the priority it receives. In an agency which lost substantial staff, the new commissioner has been able to get several new positions approved to meet some of the needs that she perceives for the agency. In concert with the AAAs, VDA has recently made substantial progress towards the development of an aging information system. The development of such a system, which had floundered for many years at VDA, in part due to a lack of expertise at VDA, offers the potential for the first time for VDA and the AAAs to have good statewide data on the clients served, the services delivered, and, potentially, the outcomes of the services.

Still, there are remaining concerns as to how much priority VDA has in the executive branch. The new commissioner of VDA divided her time as agency head between VDA and another State agency (GETD) for more than nine months of the new administration. This is a substantial portion of any administration's tenure. The situation appears to have slowed VDA in setting a new direction for the agency, establish-

ing a better working relationship with the AAAs, fully reestablishing on-site monitoring activities, and implementing other initiatives.

Another concern is that whereas the General Assembly has named its appointments to the Commonwealth Council on Aging, the gubernatorial appointments were not forthcoming in an expeditious manner. According to staff in the Office of the Secretary of Health and Human Resources in late September 1998, little progress in determining these appointments had been made, and the timetable for when the appointments would be made was unclear. This is a council that under statute was to replace the VDA's previous board that was eliminated as of July 1, 1998. VDA's commissioner has indicated that she intends to involve the council in examining VDA's mission, developing a strategic plan, and in making organizational changes at the department. Obviously, until the council is formed, the commissioner must choose to either move forward on these matters without council involvement or delay taking up these issues. Similarly, the appointments to the Public Guardian and Conservator Advisory Board had not been made as of late September 1998, and according to staff in the Secretary's office, the timetable for these appointments was also still unclear. Since VDA is statutorily charged to help establish this program, the lack of a board that was to be established to "advise the Commissioner on means for effectuating the purposes" of the statute and to "assist in the coordination and management of the local and regional programs" is problematic.

Finally, it is not clear that VDA will receive the degree of priority that may be required to refocus the agency, better meet AAA needs, and strengthen the department. The department needs to be refocused and strengthened to the point that it is able to provide statewide leadership on aging issues and assist policy-makers in preparing for an increasing elder population. The remainder of this chapter addresses the need for VDA to refocus its activities and better fulfill its statutory mission.

***Recommendation (1). The Commissioner for the Virginia Department for the Aging needs to have full-time responsibility for managing that agency. In addition, the appointments necessary to form the Commonwealth Council on Aging and the Virginia Public Guardian and Conservator Advisory Board should be made no later than January 1, 1999, and earlier if feasible.***

## VDA NEEDS TO REFOCUS ITS ACTIVITIES

VDA is a small agency granted authority for and oversight of a wide variety of programs and services for the elderly. Contacts with VDA staff members, AAA directors, and aging network members for this study indicated overwhelming support for VDA to be a strong State agency, but many of these respondents also stated that VDA is not a strong agency at this time. The current commissioner has indicated a need to make significant changes in agency operations to address current weaknesses. The

commissioner reports that she plans to deal with a number of weaknesses as she reorganizes the agency.

The following report section addresses the need to comprehensively review staff responsibilities and in many instances redistribute those responsibilities as part of the agency reorganization. Until that process is completed, it will not be possible to definitively determine what VDA's maximum employment level should be and what its associated administrative funding needs are. VDA, as a relatively small agency, should seek to be flexible and innovative in responding to the changing needs of the aging. To be effective, however, VDA will need to maximize its use of staff capabilities and supplement the work of classified staff whenever possible with grant-funded and contract staff.

The following report sections also delineate operational areas of concern and in some cases the types of positions VDA should employ to address those concerns. The need for these positions does not directly translate into the need for a higher employment level, however. VDA's reorganization needs to result in work being more efficiently distributed. There are also currently four vacant positions that can be filled. (The four vacant positions are in addition to the three positions that are to be devoted to the guardianship program).

### **VDA's Reorganization Needs to Be Based on a Comprehensive Review of Staff Utilization**

As part of the reorganization that VDA's commissioner is planning, the duties of the current staff should be comprehensively reviewed. A number of VDA staff indicated that in the down-sizing that the agency experienced, little forethought or planning went into redistributing job responsibilities. According to VDA staff, the reshuffling of job responsibilities resulted in instances of staff being responsible for too many programs and being responsible for programs the staff did not feel capable of overseeing.

*One staff member indicated a belief that there is quality in the delivery of the programs being monitored but that there is not time to "pay attention to the details." The staff member indicated that work is often performed reactively rather than proactively. The person indicated that as "people left, they [VDA management] dealt with it by passing duties around. Another action that hurt them [program staff] was getting rid of all the P-14s. There were lots of contradictions - [program staff] were to be good stewards of the funding but they did desk monitoring and did not go out in the field."*

\* \* \*

*Another VDA staff member indicated difficulty getting a handle on a program assigned due to staff down-sizing. The staff member noted*

*further that VDA has lost a lot of the program development aspect of what the AAAs do and that because of the down-sizing, staff are in "crisis management mode.... Now, whatever hits your desk is the priority."*

Conversely, some staff remained relatively underutilized in spite of the down-sizing and resulting reorganization. For example, one VDA staff member indicated that there was an unwillingness by previous leadership to reassign the relatively routine duties being completed by a staff member at a relatively high grade level to a staff member at a lower grade level. Similarly, several AAA directors reported that certain VDA staff were capable of doing much more than they were encouraged to do.

VDA, as a relatively small agency, must maximize its utilization of all staff to be effective. Once the review of currently assigned job responsibilities has been completed, VDA management should reassign job responsibilities in a more intentional, prudent manner. New job descriptions should then be written as needed. All positions should be reviewed to ensure that assigned duties and reporting relationships match the requirements for the assigned grade levels. Currently there are several staff whose grade levels appear to be inappropriate considering that they do not supervise staff or have broad policy-making authority in the agency. There may also be instances in which new job descriptions will need to be considered for position regrading due to significant changes in the difficulty of the redesigned job responsibilities. In completing the reorganization, VDA should request assistance from the Department of Personnel and Training, as needed, to ensure compliance with Virginia Personnel Act requirements.

In completing this redesigning of job responsibilities, VDA management should seek to maximize the use of grant-funded positions and outside experts. As one VDA staff member indicated, the part-time staff employed in the past were often highly skilled, talented people who worked on specific grant-funded projects which paid their wages. Although VDA management decided to abolish all grant-funded positions and did so by FY 1995, the current commissioner has indicated a different philosophy. The commissioner has indicated her desire to include in future grant proposals the funding needed for positions to oversee the requested programs. This would allow VDA the flexibility to employ individuals with specialized expertise for as many hours and months as needed. Other VDA staff suggested contracting with outside experts to provide training and technical assistance in specific program areas. This practice would also allow VDA to provide expert assistance to the AAAs in a cost-effective manner.

A comprehensive reorganization of VDA will require a great deal of direction and leadership from the commissioner. It will be important, however, to ensure that the work of the department continues during the process and that the process is completed in a timely manner. The commissioner also indicated a desire to have the Commonwealth Council on Aging involved in advising the department on strategic planning which will affect the reorganization. The Council has not been able to meet, however, because the gubernatorial members have not been appointed.

**Recommendation (2).** In completing a reorganization of the Virginia Department for the Aging, agency management should ensure that the following are included:

- a comprehensive review of position descriptions and the grade level assigned to each of those positions;
- the reassignment of job responsibilities and the development of new job descriptions as needed;
- a reconsideration of grade levels as needed for all existing and newly developed positions;
- the advertising of any positions that are new, vacant, or have been changed so significantly that their assigned grade has changed.

**Recommendation (3).** In evaluating the need for classified positions, management within the Virginia Department for the Aging should consider the use of grant-funded and contract positions. Prudent use of such positions would allow for flexibility and specialized expertise, while reducing the number of classified positions that would need to be employed.

### **VDA Needs to Improve Monitoring of the Area Agencies on Aging**

The Virginia Department for the Aging, as the designated state unit in Virginia, is responsible under the Older Americans Act for the “evaluation of all State activities related to the objectives” of the Act. The Act does not specifically define what state units are required to do in meeting this evaluation requirement. The most specific language included in the Act relates to “assurances” that are to be included in the State Plan:

§3027.a(7)(A) The [State] plan shall provide satisfactory assurance that such fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, Federal funds...including any such funds paid to the recipients of a grant or contract.

§3027.a(8) The [State] plan shall provide that the State agency will conduct periodic evaluations of, and public hearings on, activities and projects carried out under the State plan....

The director of State and Community Programs (SCP) within the federal Administration on Aging indicated that there is now “inherent flexibility” in how states choose to monitor their aging programs. This is in keeping with the evolution within AoA away from making sure states and area agencies follow OAA requirements to emphasizing technical assistance and “the partnership with states and AAAs.” Accord-



ing to the SCP director, the state writes its policy for monitoring programs and “as long as it is within federal guidelines it will be accepted.” Under the Governmental Responsibility and Performance Act, the goal will be to measure performance in terms of outcome measures, and different states are at different stages in this.

VDA evaluates the area agencies’ financial and program information through “desk reviews” and on-site monitoring. Desk reviews entail such activities as reviewing the annual financial audits submitted by each AAA, and comparing program outputs and unit costs with area plan projections. On-site monitoring involves financial and program staff visiting each of the area agencies to review records, files, and programs. As VDA staffing has been down-sized, the caliber and number of on-site monitoring visits has been reduced. In describing their recent relationship with VDA, several AAA directors noted the following:

They [VDA staff] have tried to keep the faith during tremendous pressures of downsizing and increased expectations. They have been given huge tasks with limited staff and an unclear, ambiguous state vision.

Relationships/communications are “good” meaning that there are no problems. It usually feels like a fairly distant relationship with minimal interaction of any kind. VDA monitoring, though less frequent than in the past, reflects that the network has matured and the monitoring needs have changed.

As noted previously, only 36 percent of AAA directors agreed with the statement that VDA does a good job of monitoring and in a related survey question 60 percent stated VDA should complete more on-site visits.

VDA staff have indicated that desk reviews do not take the place of on-site monitoring and that it is their goal to reestablish regularly scheduled monitoring visits. The strategic plan, developed by VDA during the summer of 1997, listed the inability of its small staff to conduct on-site monitoring at each area agency “on a regular and consistent schedule” as one of four agency weaknesses. Goal six of that strategic plan was to strengthen VDA’s oversight with one of the strategies being that “program and fiscal staff will establish and carry out on-site monitoring visits for Area Agencies on Aging.” The current commissioner has indicated a desire for financial and program staff to begin visiting each area agency on an annual basis. The JLARC staff review found that during the past five years VDA staff generally continued their on-site financial monitoring but on-site program monitoring was generally stopped.

***On-Site Financial Monitoring Has Continued But on a Less Thorough Basis.*** On-site financial monitoring is an important tool in ensuring that AAAs are complying with federal and State requirements that independent auditors might not be conversant in. VDA’s on-site financial monitoring has continued to be conducted despite the loss of VDA’s senior auditor in FY 1997. VDA’s former director of financial management (who left VDA in late August 1998) indicated that on-site monitoring is an audit requirement and that staff of the Auditor of Public Accounts check to see that

it has been done. The on-site monitoring responsibility has been assumed by an agency management analyst (who has earned a certified public accountant certificate). The management analyst has other job responsibilities, however, and cannot take the time to complete the in-depth reviews that were previously completed. One of the management analyst's other primary duties is to review the financial audit that each area agency must submit on an annual basis. While these audits are very useful in ensuring that proper financial controls are in place, relatively new programs such as case management and fee for services require additional monitoring due to special funding conditions.

AAA directors reported a relatively high level of satisfaction with the amount of VDA's financial monitoring, with less than one-fourth of the AAA directors indicating that they would like for VDA to do more financial reviews of their operations. This level of satisfaction may partially reflect the fact that VDA was able to continue some on-site financial monitoring of area agencies. Several AAA directors indicated that they would like for VDA to complete in-depth reviews of their financial operations at least once every two years to identify practices that may need correction. As one respondent noted:

[During on-site monitoring visits the VDA auditor] would do more than just review the books, as he would provide technical assistance on how to fix problems, provide training when needed and make suggestions for other improvements such as what to automate. [The auditor] would also find problems before an independent auditor would, thus making the audits better.

VDA should ensure that adequate staffing is available to complete both reviews of the area agencies' independent audits and in-depth, biennial monitoring visits to each AAA.

VDA, through its reorganization, has an opportunity to reassign job duties, to reduce the number of financial support staff it employs, and to reestablish its support division. As support staff positions were abolished or left vacant, a number of those job duties were reassigned to the director of financial management. Additional duties included responsibility for oversight of the area agencies' financial management, supervision of three staff, purchasing, and personnel matters. As a consequence of the manner in which duties were reassigned and the absence of a deputy commissioner, support services ceased operating as a unified division. Instead, a financial management "subdivision" and a budgetary "subdivision" operated in tandem under two different supervisors.

The deputy commissioner of support services has redesigned the finance position to be an accounting manager B position to emphasize the accounting/finance nature of the position. This should allow the higher-level management responsibilities to be assumed by the deputy commissioner. This action should allow the deputy commissioner to reinstate division management and ensure consistency and coordination throughout the division. This will be particularly important as the support services division seeks to establish the aging information system.

**Recommendation (4).** In completing a reorganization of the Virginia Department for the Aging, agency management should ensure that adequate staffing is available to complete financial auditing of the area agencies on aging. VDA should ensure that a qualified auditor completes at least one in-depth financial review of each area agency on aging on a biennial basis.

**Recommendation (5).** In completing a reorganization of the Virginia Department for the Aging, agency management should ensure that support services is not only structured as, but also operates as, a unified division again. Recent actions taken by VDA appear to be a positive step toward this objective.

**Routine On-Site Program Monitoring Was Discontinued by VDA.** On-site monitoring of the AAA's program operations was discontinued following the downsizing of VDA in 1995. According to program staff, the agency had previously adhered to a two-year schedule for those visits. The former deputy commissioner of programs (who left VDA in late August 1998) reported that on-site monitoring of the area agencies' programs was only completed if a specific problem was identified.

*The former deputy commissioner stated that improving VDA's on-site monitoring is an objective of the new commissioner. The former deputy commissioner acknowledged that on-site monitoring would improve accountability. She noted that while monitoring "is not the be all and end all... VDA's expectations may break down if we don't visit the AAAs."*

Considering the importance of and liability associated with programs being provided by the AAAs, particularly those involving nutritional services and in-home care, VDA needs to place a higher priority on on-site program monitoring.

In the last year, VDA management initiated desk reviews of program operations that involve examining AAA spending totals for compliance with their area plan projections for various programs. Several program staff indicated that they do not feel they are qualified to complete these reviews, which they consider to be financial in nature.

*One VDA program staff person stated that before program staff were required to "concentrate on monitoring AAA spending," they were able to address program issues to help in developing programs and operating more efficiently. "Program staff don't do that anymore."*

\* \* \*

*Another program staff member indicated that because VDA has lost fiscal staff, program staff are now more involved with fiscal matters. The staff member indicated feeling ill-prepared to talk to fiscal staff in the AAAs about unit costs and spending patterns. Fiscal staff frequently use terminology that the program staff member does not feel*

*adequately trained to understand. According to this staff member, the focus on fiscal monitoring has also meant that “VDA has lost a lot of the program development aspect in what the AAAs do.”*

Several AAA directors reported that the unit cost analysis is of limited use because VDA staff typically do not understand their programs well enough to know why unit costs may be high. Moreover, the function of these desk reviews is not to examine the quality of the programs being provided but to review output data (number of units produced at what cost).

To ensure that on-site monitoring is given the emphasis it deserves, VDA and the Department of Planning and Budget should consider adding a performance measure that addresses expectations regarding on-site monitoring of the area agencies. This would also address the fact that all of VDA’s current performance measures address responsibilities that are directly carried out by the area agencies rather than VDA. VDA’s four performance measures are:

- percentage of clients at risk for institutionalization who are receiving home delivered meals, case management, and personal care services;
- increase in ratio of fees collected to total expenditures in the Fee for Service Program;
- average cost per unit for congregate meals, home delivered meals, transportation, and homemaker services provided through public and private sources; and
- average number of units of service per individual who receives congregate meals, home delivered meals, transportation, and homemaker services.

As long as the area agencies are operating well, VDA could conceivably meet all of its performance objectives in spite of significant operational problems within the State agency.

***Recommendation (6).*** The Virginia Department for the Aging should ensure that on-site monitoring of the area agencies’ financial and programmatic operations is a priority for the agency. The department should ensure that each area agency receives a thorough, on-site monitoring visit of its financial and programmatic operations on a biennial basis (and more frequently if needed). VDA leadership’s desire to increase the number of visits made to the area agencies is a positive step toward this objective.

***Recommendation (7).*** The Department of Planning and Budget should work with the Virginia Department for the Aging to develop a performance measure that addresses the need for on-site monitoring of the area agencies on aging. This performance measure should specify that each area agency

**receive at least one financial monitoring visit every two years and at least one program monitoring visit each year.**

### **VDA Needs to Better Fulfill the Role of Advocate for Older Individuals**

The Older Americans Act discusses the responsibility VDA, as Virginia's designated State agency, has to be an effective advocate for older individuals:

§3025.a(1)(D) [The designated State agency is to] serve as an effective and visible advocate for older individuals by reviewing and commenting upon all State plans, budgets, and policies which affect older individuals and providing technical assistance to any agency, organization, association, or individual representing the needs of older individuals....

It appears that VDA has become a less effective advocate in recent years as staff down-sizing and management indecisiveness affected the agency. The current commissioner has indicated that she wants the agency to be more active in many areas but she is uncomfortable with the idea of a State agency being an advocate.

***Initiatives VDA Plans to Undertake.*** The current commissioner has indicated a desire to have a more proactive agency. The commissioner plans to undertake a number of initiatives, which include:

- becoming a more “customer-friendly” agency, including the desire to better address the technical assistance and training needs of the area agencies on aging;
- better assessing and evaluating the needs of the elderly and their caregivers so staff can better understand and articulate the “prevailing issues;”
- developing an integrated database to allow for better feedback for service providers, the aging network, and State officials;
- educating the public about issues including long-term care insurance, VDA programs and policies, and family values and responsibility; and
- continuing to assist in defining long-term care, figuring out how to coordinate services, and determining whether there are ways to contain the costs of community-based services while providing the services people need to remain in their homes.

The commissioner indicated however, that she is uncomfortable with the concept of being an advocate. She noted that “OAA talks about advocacy, which is a slippery slope for a State agency. How do you delineate between advocacy and lobbying? Who is the advocate – the Commissioner, the board, the network?”

Some of the more direct advocacy roles, particularly related to elder rights, can be contracted out, and there appear to be reasons the State may choose to do that. However, there are other advocacy roles that VDA should fulfill in providing leadership and vision for the future. These roles should include evaluating State policies for their impact on the elderly and presenting the needs of the elderly to assist State officials in their decision-making. VDA has not been in a position to fulfill these roles in part because the aging information system has not been successfully established. Current VDA staff also indicated that they generally lacked the interest and qualifications to conduct the research needed to effectively plan for the future needs of elderly Virginians.

***Advocacy Services that Could Be Contracted by VDA.*** Congress reaffirmed the need for advocacy, in the area of elder rights, in the 1992 amendments to Title VII of the Older Americans Act (known as the Vulnerable Elder Rights Protection Title). According to the federal Administration on Aging, these Title VII provisions “address the need for strong advocacy to protect and enhance the basic rights and benefits of vulnerable older people. Through Title VII, Congress refocused the Older Americans Act’s original advocacy mission and empowered State Agencies on Aging to ‘provide firm leadership...to assure that the rights of older individuals [are] protected.’” AoA materials describe the purpose of this title as connecting and strengthening four existing advocacy programs – the Long-Term Care Ombudsman Program; Programs for the Prevention of Abuse, Neglect and Exploitation; State Elder Rights and Legal Assistance Development Programs; and Insurance/Benefits Outreach, Counseling and Assistance Programs.

In Virginia, administration of the State Office of the Long-Term Care Ombudsman was transferred from VDA to the Virginia Association of Area Agencies on Aging on July 1, 1995. The State ombudsman office provides oversight, technical assistance, and training for the area agencies which administer a local ombudsman program. For the six area agencies that have not had a local ombudsman program, the State office provided the actual ombudsman services. Responsibility for the ombudsman program was transferred to V4A on the basis of a budget amendment approved during the 1995 General Assembly session. The actual budget language transferred funding for ombudsman/elder care programs from VDA administration to funding for the AAA services. Although the budget language did not mention V4A, VDA officials in consultation with their advisory board and the Elder Rights Task Force members, made the decision to temporarily contract with V4A to operate the ombudsman program until a more permanent arrangement could be found. VDA interpreted the budget language to mean that only the ombudsman program within the larger issue of elder rights was to be transferred. VDA accordingly maintained control of the other elder rights responsibilities.

Since the transfer of the ombudsman program, a number of aging network members have recommended privatizing all of the elder rights programs to ensure that the services can be coordinated, that staff can receive cross-training, and that elder rights can receive the priority it deserves. As one AAA director noted, “Within the focus of what VDA does, it [elder rights] cannot be a higher priority than it is.” “Empowering

Older Virginians: An Elder Rights Blueprint,” the most recent elder rights plan developed for Virginia, recommends combining “the operation of all elder rights programs under one entity [and] privatizing all Elder Rights programs for more strategic, visible location.” A November 1997 proposal by VDA for an elder rights hotline for Virginia also discusses the need to coordinate elder rights services so that an individual would only need to make one telephone call for assistance. V4A officials indicated they would favor the transfer of all elder rights programs to their association. These officials indicated they believe the language in the original budget amendment meant for both the ombudsman program and the elder rights programs to be transferred to V4A in 1995. Both VDA officials and the assistant attorney general assisting VDA interpret the budget language to involve only the transfer of the ombudsman program.

During the 1998 General Assembly session, the legislature increased funding for the ombudsman program by \$90,000. In examining how to allocate the additional funding, the commissioner became concerned about the ombudsman contract with V4A since it was not competitively awarded. The commissioner sought advice from the assistant attorney general assigned to VDA concerns. The assistant attorney general determined that the contract for the Office of the State Long-Term Care Ombudsman should be awarded on the basis of a request for proposals (RFP) process. In order to avoid any disruption in ombudsman services (since the contract with V4A was to expire June 30, 1998), an emergency contract was signed to allow V4A to continue to provide services through FY 1999. It is the expectation of the assistant attorney general and the commissioner that a contract for the services of the State ombudsman office will be competitively awarded effective in FY 2000.

A requirement to award the contract for the State ombudsman office through the RFP process should not prevent consideration of contracting for the provision of all of Virginia’s elder rights programs by one entity. Co-locating the administration of all elder rights programs would be consistent with OAA language calling for coordination and collaboration between the programs. Furthermore, locating elder rights administration within a non-governmental organization, and particularly within a non-profit organization, would facilitate the ability to attract private funding. This type of organization would also be in a better position than VDA to speak out against federal or State policies which may have a harmful effect on the elderly. It would also be a means of addressing concerns noted in the *Long-Term Care/Aging Study* completed by the Joint Commission on Health Care in 1998. The commission report noted:

State agencies have inherent difficulties in conducting advocacy. A state agency is also not the optimal vehicle for forging the public/private partnerships that will be an increasingly important part of meeting the needs of elderly Virginians. The General Assembly may wish to consider creating a private sector entity such as a foundation or private authority to address the Department for the Aging’s advocacy function. This private sector entity could also serve as a catalyst for private-public partnerships on aging issues. Creating a private sector entity to address these issues would allow the Department for the Aging to concentrate on addressing aging issues best handled

within the purview of government: administration of the Older Americans Act, service to and technical support of Area Agencies on Aging, research and education on aging issues, and aging policy coordination throughout State government.

In contracting for elder rights programs, VDA should ensure that the contract period is at least three years. This would assist in minimizing program disruptions and in providing some protection to the contractor to allow for independence in advocacy and immunity from reprisal. Since contract funding would be based on the amount and availability of appropriated funds, VDA should be careful to include protective clauses in the contract.

***Recommendation (8).*** The Virginia Department for the Aging needs to provide strong leadership and vision in the field of aging. VDA's evaluation of State policies for their impact on the elderly and the presenting of the needs of the elderly are advocacy roles that should be retained and given a high priority by agency management.

***Recommendation (9).*** The General Assembly may wish to consider directing the Virginia Department for the Aging to contract with one entity for the administration of all elder rights programs. VDA could accomplish this transfer at the same time that the current ombudsman contract with the Virginia Association of Area Agencies on Aging expires.

***Recommendation (10).*** In any contract for statewide administration of the elder rights programs, the Virginia Department for the Aging should include a contract period of at least three years and stipulate that funding is contingent on the availability of appropriated funds.

### **VDA Needs to Improve Its Communication and Interaction with the Aging Network**

VDA will need to ensure that communication and interaction with the aging network is strong, particularly during the agency reorganization. Only 48 percent of AAA directors indicated when surveyed that communication between VDA and their agencies was good. As noted earlier in this chapter, other facets of their interaction with VDA that were seen as being problematic included technical assistance for program and management issues, and training.

***Effective Communication with the Aging Network Needs to Be Maintained.*** VDA will need to build and maintain strong communication links with the aging network, particularly as the agency reorganization is completed. As staff assignments are changed and new staff are added, there will be increased confusion within the network if VDA does not inform network members of developments on a regular basis.



While personnel decisions sometimes have to be treated confidentially, VDA can keep network members informed of their general plans and projected time frames. Several network members indicated that their requests, made early in 1998 to VDA, for an agency organizational chart had never been answered. Another network member indicated serious communication problems as of September 1998:

*One AAA director stated that communication had become so bad it was unclear what – short of a freedom of information request – would help. The director stated that VDA staff were not responding to requests regarding how additional funding for the ombudsman program and for insurance counseling from Health Care Financing Administration was going to be distributed. The director noted that without that information, the area agencies were not able to plan their fiscal year 1999 budgets and it was already early September. The individual stated that “communication has shut down and that is new.”*

Another AAA director stated the following:

It is hard to judge the current relationship between the department and AAAs because there is so little interaction with the majority of the VDA staff. At times it is difficult to tell that VDA staff actually exist. Our agency only gets communication regularly from about five staff people. In the past, VDA staff and AAAs worked together on many projects. That is not occurring.

The commissioner indicated that while she is attempting to strengthen communication with the network, she believes that the process may take time. The commissioner stated that several updates on organizational structure had been included in regular “Tuesday mailings” to the area agencies on aging. An explanation of each staff member’s programmatic responsibilities was also sent out in an effort to further clarify changing duties. The commissioner emphasized that she did not intend to send out information prematurely, however, since that would undermine confidence if plans had to be changed. Since VDA has not received an award notice for additional federal funding for insurance counseling, no plans for that funding have been communicated to the area agencies.

***Interaction with the Area Agencies Needs to Be Improved.*** As noted previously in this chapter, less than 30 percent of AAA directors agreed with the statements that VDA provides good technical assistance related to program or management issues or provides good training to their agencies. Further, five of the nine activities in which at least 75 percent of the directors wanted VDA to do more involved the provision of technical assistance and training – (1) technical assistance activities, (2) leadership in developing new ideas for how to serve the elderly population, (3) research and information gathering about State and national trends for elderly issues, (4) work to inform local area agencies of best practices in other states or in Virginia agencies, and (5) VDA-sponsored training made available to local area agencies.

Several AAA directors reported that their association (V4A) has provided some training and technical assistance. V4A staff reported providing training during the last two years on personnel issues, managed care, and Medicare/Medicaid issues. (Additional ombudsman training was provided separately by the Office of the State Long-Term Care Ombudsman.) Some of V4A's technical assistance projects included completing a wage, salary, and benefits survey; compiling an automated listing of foundation resources; arranging for vendor updates on such products as nutritional goods, long-term care insurance, and in-home service products; and providing on-line access to the status of legislation introduced at the State level.

While the support provided by V4A is valuable, it does not take the place of the technical assistance and training VDA should provide for the AAAs. Several VDA program staff indicated that training had been one of the areas they had cut back on due to staffing reductions. In contrast, the director of financial management indicated that she tried to continue a level of financial training to make up for less thorough on-site monitoring of the financial records. The director did note that she would seek to provide additional financial training if staff became available. The commissioner indicated that she does plan to emphasize technical assistance and training for the area agencies.

***Recommendation (11).* The Virginia Department for the Aging should ensure that meaningful communication, technical assistance, and training are a priority for the agency. VDA should meet with the area agency directors to discuss communication issues. VDA staff performance in areas such as technical assistance and training, where applicable, should be important parts of their employee performance appraisals. Increased monitoring efforts should assist department staff in becoming more familiar with the programs supported by the area agencies on aging.**

### **VDA Needs to Address Past Procurement Weaknesses**

The commissioner has indicated her intention to address the practice of continuing to fund programs through the same contractors (typically area agencies) without allowing different contractors to compete for that funding. One example of this practice is related to ombudsman program funding. As noted previously in this chapter, VDA is in the process of determining local allocations for the ombudsman program for FY 1999 through a RFP process. At a minimum, allocation decisions for the respite care and case management for elderly Virginians programs should be reviewed for procurement compliance. Funding for the respite care and case management for elderly Virginians programs has been continually allocated to the local entities first awarded contracts in 1988 and 1991 respectively. Only when additional program funding has been appropriated have additional local entities been allowed to compete for these contracts.

The commissioner supports competition in the allocation of program funding and intends to review the basis on which program funding (other than the intra-state

funding formula) has been allocated in the past. The commissioner indicated that she will rely heavily on legal advice from the Office of the Attorney General in making these determinations. This appears to be a prudent course of action. To minimize disruption in service provision, VDA should consider issuing contracts for periods of more than one year. If additional funding is appropriated in subsequent years, contractors should be allowed to apply for additional funding while new contractors should also be allowed to compete for the additional funding. Since contract funding would be based on the amount and availability of appropriated funds, however, VDA should be careful to include protective clauses in the contract language.

***Recommendation (12).* The Virginia Department for the Aging should ensure compliance with the Public Procurement Act in allocating program funding. VDA should consider whether the contracts should be for time periods of more than one year to minimize service disruption. Contracts should include a protective clause indicating that funding is contingent on the availability of appropriated funds.**

#### VDA NEEDS TO BETTER FULFILL ITS STATUTORILY-DEFINED MISSION AND RESPONSIBILITIES

The resolution for this study required an examination of VDA's mission and "the extent to which such mission should extend beyond administration of the Older Americans Act." The mission of VDA is stated in the *Code of Virginia* §2.1-373, which reads:

The mission of the Department for the Aging shall be to improve the quality of life for older Virginians.... The Department's policies and programs shall be designed to enable older persons to be as independent and self-sufficient as possible. The Department shall promote local participation in programs for the aging, evaluate and monitor the services provided for older Virginians and provide information to the general public.

Further, the General Assembly included a number of specific duties VDA should be involved in to address that mission. A number of those duties relate directly to fulfilling the requirements of OAA including submitting reports to the United States Department of Health and Human Services and designating the area agencies on aging. In addition to these types of duties, the General Assembly specified a number of duties which reflect the legislature's desire for VDA to do more than administer OAA programs. These duties include pursuing grants and funding from sources other than OAA, and providing information concerning "recommended features of special care units" in order to "educate consumers and their representatives concerning the recognized features of special care units...." This expansion of VDA's statutory responsibilities is in keeping with the General Assembly's interest in and support of programs for the elderly which go beyond programs and services funded by OAA.

Exhibit 4 lists additional duties involving research and planning functions that the General Assembly has specified for VDA to perform. The first two responsibilities shown in Exhibit 4 were spelled out in the 1970 delineation of duties to be completed by the Division of State Planning and Community Affairs (a precursor of the current VDA). Hence, the General Assembly's desire for VDA to study the needs of the aging and to recommend changes that will ensure that services are responsive to those needs has been long-standing. During the 1998 General Assembly session, the legislature went further in adding the language in subdivision 12, which requires VDA to "serve as the focal point for research, policy analysis, long-range planning, and education on aging issues."

VDA staff reported that they have not been extensively involved in research that addresses the long-range needs of the aging. They also indicated that additional staff who possess expertise in the area of research and statistical analysis would need to be hired for the agency to do a credible job.

#### Exhibit 4

### Selected Statutory Duties of VDA

In furtherance of this mission, the Department [for the Aging's] duties shall include, but not be restricted to:

- (1) To study the economic and physical condition of the residents of the Commonwealth whose age qualifies them for coverage under [the Older Americans Act] and the employment, medical, educational, recreational and housing facilities available to them, with the view of determining the needs and problems of such persons;
- (2) To determine the services and facilities, private and governmental and state and local, provided for and available to the aging and to recommend to the appropriate person or persons such coordination of and changes in such services and facilities as will make them of greater benefit to the aging and more responsive to their needs;
- (12) To serve as the focal point for research, policy analysis, long-range planning, and education on aging issues.

Source: *Code of Virginia*, §2.1-373.

### **VDA's Statutory Mission Could Be Amended to Elevate Research and Long-Range Planning as a Major Responsibility**

VDA staff indicated that the agency has not been extensively involved in long-range planning for the aging. One staff member reported:

There needs to be future planning about what to do with all the "baby boomers." There needs to be long-term care for these people that will be better educated, more affluent, and more active as an older popu-

lation. There are more than 76 million baby boomers. We need to know how aging services will change and how to deal with a large percentage of our population being older.

Other members of the aging network reported similar conclusions, two members stated the following:

The agency [VDA] is addressing its primary charge, to serve as the State agency for administering the funds of the Older Americans Act. But as far as developing programs, providing futuristic thinking, and planning for the upcoming explosion in the elderly population, the agency simply does not have the staff to do it. They do not have the staff to do planning, research, and policy development.

\* \* \*

Long-term planning is a significant gap. VDA is in a crisis for a usable data system and I do not think the department will be prepared for long-term needs. Additional State and federal funding is only part of their needs. They also need to look at other avenues, such as fee for service which the State recently allowed with general funds.

To emphasize the importance of research and policy analysis activities, the General Assembly may wish to elevate the language currently contained in subdivision 12 of the *Code of Virginia*, §2.1-373. This language could be added to the discussion of VDA's major responsibilities that immediately follow the declaration of its mission. Currently that *Code* section discusses four major responsibilities – in designing policies and procedures, in encouraging local participation, in evaluating and monitoring services, and in supplying information to the public.

***Recommendation (13).* The General Assembly may wish to consider amending the language contained in *Code of Virginia*, §2.1-373 regarding the mission and duties of the Department for the Aging. This language could specify that providing research, policy analysis, long-range planning, and education on aging issues is one of five major statutory responsibilities of the Department for the Aging.**

### **If Research and Long-range Planning Are Emphasized, VDA Will Need to Employ Qualified Staff**

The VDA commissioner has indicated the desire to “be able to assess and evaluate the needs of [the aging] population” and their care-giving families so the department will “have a better idea of how to provide and articulate the prevailing issues.” If VDA is going to provide the type of research and long-range planning that will assist the Commonwealth in preparing for the future needs of the aging, several new staff will need to be employed. VDA has recently received approval to employ one of these

positions. That position is for a grade 12 programmer, who will be critical in establishing the aging information system. It is anticipated that AIS information will allow the aging department to better track and project service needs and eventually identify service outcomes. Understanding how service provision influences client outcomes will be critical in VDA's planning of services to provide in the future.

At least one additional research position probably needs to be employed. According to the chief deputy commissioner for policy and planning, management will "try to utilize the staff here" but the research person may need to be newly hired. The work that the policy and planning division will complete was described by the chief deputy in the following manner:

We will research the needs of senior citizens and their families. We will put out literature and educational materials on how to take care of their senior citizens. The legislative person will track State and federal legislation.

Moreover, the chief deputy commissioner plans to promote "activities like town meetings and public hearings to hear the public's concerns" and to work with the AAAs regarding their data needs and in securing more grant funding.

VDA needs to expeditiously determine how it will complete the research and statistical analysis required to complete long-range planning for the future. As noted previously in this chapter, it appears that VDA staff do not currently possess the types of research and statistical analysis skills needed to complete the critical long-range planning that is needed. The importance of planning for the aging of the "baby boomer" generation and the effect that the large number of elderly persons will have on service demand have been widely discussed. VDA's long-range planning should include options for financing home- and community-based services (which are the long-term care services overseen by VDA). As reported earlier in this chapter, VDA staff did not believe that long-range planning is being effectively completed at this time or that staff have the expertise to meet the agency's need for research and analysis in these areas.

***Recommendation (14).* The Virginia Department for the Aging should expedite the process of hiring any research staff that must be recruited from outside the agency.**

## CONCLUSION

VDA leadership plans to comprehensively review agency structure and operation. This review appears to be needed given the observations of area agency directors and the findings of this review. VDA leadership is more likely to be successful in its rebuilding of the agency if aging network members are allowed to have input regarding their needs for agency support. For this review, AAAs indicated a number of areas in which they would like for VDA to be more active (see Appendix C). VDA needs to solicit

this type of input as part of its process for refocusing the agency. It will also be important for VDA to keep the network members informed regarding its progress in redesigning the agency.

To ensure that General Assembly members are kept informed of VDA's reorganization efforts, the Joint Commission on Health Care may wish to direct VDA to provide its staff with periodic progress reports.

***Recommendation (15).*** As part of its effort to redesign the department, the Virginia Department for the Aging should ensure that aging network members, and the area agency directors in particular, are allowed the opportunity to have input to ensure that their needs for support are considered and met. VDA should also ensure that aging network members are kept informed regarding progress on redesigning the agency's structure and operation.

***Recommendation (16).*** The Joint Commission on Health Care may wish to request periodic progress reports from the Virginia Department for the Aging on its efforts to redesign the agency's structure and operations. Documents which the Commission may wish to request include VDA's consultant reports, and agency organization charts, strategic planning documents, and performance measures as they are updated.





---

---

# Appendixes

---

	<b>Page</b>
<b>Appendix A:</b> Study Mandate .....	A-1
<b>Appendix B:</b> Description of Selected Terms and Services .....	B-1
<b>Appendix C:</b> AAA Directors' Survey Responses Regarding Work ..... They Would Like for VDA to Perform	C-1
<b>Appendix D:</b> Agency Response .....	D-1

**Appendix A**  
**House Joint Resolution No. 209**  
**1998 Session**

**Directing the Joint Legislative Audit and Review Commission to study the mission and effectiveness of the organization, operation, and performance of the Department for the Aging.**

WHEREAS, the Department for the Aging is the Commonwealth's single state agency responsible for the administration of the Older Americans Act; and

WHEREAS, the Joint Commission on Health Care has identified concerns regarding the effectiveness of the Department in assisting state policymakers in dealing with the increasing numbers of elderly Virginians; and

WHEREAS, a 1996 report by the Secretary of Health and Human Resources recommended strengthening the Department's education and research functions; and

WHEREAS, Virginians 85 years of age and older are the fastest-growing segment of the state population; and

WHEREAS, the Department's maximum employment level has been reduced from 32 to 22 positions; and

WHEREAS, the Department has several positions that have remained open for a long period of time; and

WHEREAS, long-term care financing is becoming increasingly complex with regard to managed care and blending Medicaid and Medicare financing for the dually eligible; and

WHEREAS, the Department does not currently have staff expertise in long-term care financing; and

WHEREAS, a need exists for coordination among the multiple state agencies involved in aging issues as distinct from long-term care issues; and

WHEREAS, a need exists for consumer education regarding long-term care and aging issues; and

WHEREAS, the Department plays a potentially important role in conducting research, policy analysis, and long-range planning on aging issues and on the challenges and opportunities presented by the growing number of older Virginians; and

WHEREAS, a strong Department is important to the Commonwealth's ability to prepare all state agencies and programs to best meet the needs of the growing number of older Virginians and their families; now, therefore, be it

**Appendix A**  
(continued)

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Legislative Audit and Review Commission (JLARC) be directed to study the mission and effectiveness of the organization, operation, and performance of the Department for the Aging. The study shall examine (i) the mission of the Department and the extent to which such mission should extend beyond administration of the Older Americans Act; (ii) the effectiveness of the organization, operation, and performance of the Department in meeting its current mandate; (iii) the staffing of the Department with regard to its current mission; and (iv) any other activities as it may deem appropriate.

The Department shall cooperate fully as requested and make available all records, staff, and information necessary for the completion of work by JLARC and its staff. All agencies of the Commonwealth shall provide assistance to JLARC, upon request.

JLARC shall complete its work in time to submit its findings and recommendations to the Governor and the 1999 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

## Appendix B

### Description of Selected Terms and Services

Unless otherwise indicated, the following definitions were quoted directly from the Internet site for the Virginia Department for the Aging, August 1998.

**Access and Acquisition** – assessment of a person’s eligibility and need for case management and/or other services. (This definition was quoted from the Auditor of Public Accounts report, *Department for the Aging, Report on Audit for the Period July 1, 1996 through December 31, 1997*, page 5.)

**Activities of Daily Living** – refer to seven basic activities of life: bathing, dressing, toileting, bladder function, bowel function, transferring (moving between the bed, chair, wheelchair, and/or stretcher), and eating/feeding. (This definition was quoted from *Report of the Joint Commission on Health Care, Long-Term Care/Aging Study, SD 28 (1998)*, page 2.)

**Adult day care programs** – provide supervised activities in a community center or other location for older persons who cannot remain alone at home during the day.

**Case management services** – assist older persons with locating, applying for, receiving, and coordinating needed community services.

**Chore Services** – the performance of heavy-duty household tasks and chores that service recipients are unable to perform themselves. (This definition was quoted from *Title III Services Standards*, Virginia Department for the Aging, October 1992.)

**Disease prevention and health promotion services** – provide older persons with counseling and educational materials which help them adjust their lifestyles and physical activities in order to prevent many of the physical losses commonly experienced in old age.

**Elder Rights Programs** – programs authorized under Title VII of the Older Americans Act which in Virginia include the following types of programs:

- (1) long-term care ombudsman programs (see definition on the next page of the glossary);
- (2) elder abuse programs involving services to individuals age 60 or older who are “at-risk of abuse, neglect, or exploitation;”
- (3) legal services programs involving assistance to the elderly in understanding their rights regarding “guardianship, age discrimination, pension and health benefits, insurance, consumer protection, surrogate decision-making, protective services, public benefits, and dispute resolution;”
- (4) the Virginia Insurance Counseling and Advocacy Project (VICAP) which “will be directed primarily to the provision of educational seminars and publications dealing with the financial aspects of retirement and retirement planning;”
- (5) Guardians of Last Resort and Guardianship Alternatives Demonstration Project which will “identify innovative mechanisms for decision-making on behalf of adults who are unable to act in their own best interest.”

(The quoted information contained within the definition was taken from the *State Plan for Aging Services, October 1, 1995 – September 30, 1999*, pp. 31-32.)

## Appendix B (continued)

**Frail Elderly** – the older individual is determined to be functionally impaired as the individual:

- (A) (i) is unable to perform at least two activities of daily living without substantial human assistance, including verbal reminding, physical cueing, or supervision; or (ii) at the option of the State is unable to perform at least three such activities without such assistance; or
- (B) due to a cognitive or other mental impairment, requires substantial supervision because the individual behaves in a manner that poses a serious health or safety hazard to the individual or to another individual. (This definition was quoted from the *Older Americans Act* §3002.28.)

**Homemaker services** – provide assistance with household tasks, essential shopping, meal preparation, and other household activities which enable an older person to remain at home.

**Information and referral services** – assist older persons and their families with identifying and locating services and programs which can help persons remain independent and in their own homes.

**Insurance counseling and assistance services** – assist older persons to evaluate their insurance needs, choose a Medicare supplement policy if needed, review long-term care insurance policies, and generally sort and track medical bills.

**Legal assistance activities** – provide legal advice, assistance, and representation in areas of public benefits, wills, and estate planning.

**Long-term care ombudsman** – [the purpose of this function is to provide] counseling and support to older persons in long-term care facilities or those receiving such services in the community, as well as their families and friends; and to assist in resolving issues/complaints with service providers. (This definition was quoted from the Auditor of Public Accounts report, *Department for the Aging, Report on Audit for the Period July 1, 1996 through December 31, 1997*, page 5.)

**Meal programs and nutrition services** – provide hot and cold meals, as well as nutrition education, to older persons. These meals may be served at a community center or other central location [congregate meals] or delivered to the homes of those individuals who cannot leave their homes [home-delivered meals].

**Personal care services** – provide assistance with critical activities of daily living such as bathing, dressing, eating, and toileting.

**Residential repair and renovation programs** – assist older persons to maintain their homes or to adapt their homes to accommodate a wheelchair or walker.

**Socialization, education, and recreation programs** – allow older persons the opportunity to get out and participate in activities which help them stay mentally alert and physically active.

**Transportation services** – transport older persons to and from needed community facilities and resources.

## Appendix C

### **AAA Directors' Survey Responses Regarding Work They Would Like for VDA to Perform**

The directors of local area agencies on aging (AAAs) were asked on a survey for this review to indicate for 16 different items the areas in which they “would like to see VDA as an agency: (1) do less, (2) do more, or (3) do about the same amount of work as it currently performs.” For 11 of these items, more than half of the AAAs indicated that they think that VDA should do more (see table on the next page).

With regard to the other five items, there were no areas in which a majority or a plurality of AAA directors wished VDA to do less. A plurality of respondents wanted VDA to do more reviews “to identify potential program issues that may need correction” (48 percent wanted more, 40 percent wanted the same, and 12 percent wanted less). Fifty percent or more of the respondents wanted VDA to do about the same amount of work on: (1) reviews to “identify potential financial issues that may need correction” (68 percent want about the same amount); (2) “monitoring of the efficiency of local area agencies,” which for example includes analyzing local area agency unit costs (64 percent want about the same amount); (3) reviews to “identify potential management and performance issues that may need correction” (56 percent want about the same amount); and (4) consulting with AAAs “about services with high unit costs to explore service provision changes that might reduce unit costs” (50 percent wanted about the same, 46 percent wanted more, and 4 percent wanted less).

**Appendix C** (continued)

<b>AAA Director Survey Responses Regarding Whether the Amount of Work Performed by VDA is Appropriate</b>			
<b>Statement</b>	<b>VDA Should Do More %</b>	<b>VDA Should Do Less %</b>	<b>VDA Should Do About the Same %</b>
VDA work and sponsorship of activities to increase public awareness and give greater visibility to aging issues	92	0	8
VDA grant development work.*	92	0	8
VDA leadership in developing new ideas for how to serve the elderly population.	88	4	8
VDA technical assistance activities.	84	0	16
VDA work to inform local area agencies of best practices in other states or in Virginia agencies.	84	4	12
VDA research and information gathering about state and national trends on elderly issues.	80	0	20
VDA coordination of projects or grants that require consultation, coordination, or cooperation across multiple <u>State</u> or <u>federal</u> agencies.	80	0	20
VDA analysis of local area agency data to help perform statewide needs assessments and/or to analyze actual service trends.	80	4	16
VDA-sponsored training made available to local area agencies.*	79	4	17
VDA staff on-site visits to local area agencies.	60	8	32
VDA coordination of projects or grants that require consultation, coordination, or cooperation across multiple <u>localities</u> and <u>local</u> area agencies.*	58	4	38

Note: N = 24 for items with an asterisk. In all other cases, N = 25.  
 Source: JLARC survey of AAA directors, August 1998.

## **Appendix D**

### **Agency Responses**

As part of an extensive data validation process, State agencies involved in a JLARC assessment effort are given the opportunity to comment on an exposure draft of the report. Appropriate technical corrections resulting from written comments have been made in the final report.

This appendix contains the response submitted by the Virginia Department for the Aging.





---

---

## JLARC Staff

---

*DIRECTOR:* PHILIP A. LEONE  
*DEPUTY DIRECTOR:* R. KIRK JONAS

*DIVISION I CHIEF:* GLEN S. TITTERMARY  
● *DIVISION II CHIEF:* ROBERT B. ROTZ

---

*SECTION MANAGERS:*

PATRICIA S. BISHOP, FISCAL AND ADMINISTRATIVE SERVICES

JOHN W. LONG, PUBLICATIONS AND GRAPHICS

GREGORY J. REST, RESEARCH METHODS

---

*PROJECT TEAM LEADERS:*

CRAIG M. BURNS

LINDA BACON FORD

HAROLD E. GREER, III

WALTER L. SMILEY

WAYNE M. TURNAGE

---

*PROJECT TEAM STAFF:*

CYNTHIA A. BOWLING

BETH SILVERMAN CROSS

STEVEN E. FORD

WAYNE A. JONES

● APRIL R. KEES

MELISSA L. KING

ERIC H. MESSICK

SUZANNE R. PRITZKER

LAWRENCE L. SCHACK

● E. KIM SNEAD

PAUL VAN LENTEN

CHRISTINE D. WOLFE

---

*ADMINISTRATIVE AND RESEARCH SUPPORT STAFF:*

JOAN M. IRBY

BETSY M. JACKSON

BECKY C. TORRENCE

STEVE MYRAN, INTERN

DON MOONEY, INTERN

---

● Indicates staff with primary assignment to this project



**JLARC**  
**Suite 1100**  
**General Assembly Building**  
**Capitol Square**  
**Richmond, Virginia 23219**  
**(804) 786-1258 Fax: 371-0101**  
**<http://jlarc.state.va.us>**

