

Department of Aging

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PROGRAM MEMO

TO: Area Agencies on Aging Directors	NO.: PM 10-26(P)
SUBJECT: Fiscal Year 10-11 Area Plan Contract Amendment #1	DATE ISSUED: November 18, 2010
REVISED	EXPIRES: July 1, 2011
REFERENCES: Older Americans Act Amendments of 2006; Older Californians Act, Welfare and Institutions Code 9100, et seq.	SUPERSEDES:
PROGRAMS AFFECTED: <input type="checkbox"/> All <input type="checkbox"/> Title III-B <input type="checkbox"/> Title III-C1/C2 <input type="checkbox"/> Title III-D <input type="checkbox"/> Title III-E <input type="checkbox"/> Title V <input type="checkbox"/> CBSP <input type="checkbox"/> MSSP <input type="checkbox"/> Title VII <input type="checkbox"/> ADHC <input checked="" type="checkbox"/> Other:	
SDF,SNF Quality & Accountability	
REASON FOR PROGRAM MEMO: <input type="checkbox"/> Change in Law or Regulation <input type="checkbox"/> Response to Inquiry <input checked="" type="checkbox"/> Other Specify:	
Transmit Amendment #1 for Area Plan Contract	
INQUIRIES SHOULD BE DIRECTED TO: Joe Rodrigues, Office of the State Long-Term Care Ombudsman, 916-419-4510 StateOmb@aging.ca.gov	

Attached is important budgetary information related to the Long-Term Care Ombudsman Program (LTCOP). This first Amendment to the 2010-11 Area Plan contract is being issued to implement major LTCOP budget changes included in the Fiscal Year (FY) 2010-11 budget.

In Fiscal Year 2009-10, we experienced cash flow problems with the Federal Health Facilities Citation Penalties Account (FHFCPA) because deposits into the account from the Centers for Medicare and Medicaid Services were lower than anticipated. The Department of Public Health (CDPH) was able to give us approximately \$700,000 of their General Fund savings to offset the difference between the allocations to the California Department of Aging (CDA) and the amount of money that was in the FHFCPA.

For Fiscal Year 2010-11, current and projected funding in the FHFCPA again will not support the baseline FHFCPA allocation to CDA for Ombudsman services. The funding deficit will be partially offset by a one-time General Fund appropriation, but there is still a net \$300,000 decrease in the overall level of FHFCPA and General Fund in Area Plan Amendment # 1. At the same time, this Area Plan, Amendment # 1 also includes an additional \$1.9 million in one-time funding from the Skilled Nursing Facility Quality & Accountability Fund through the enactment of Senate Bill (SB) 853. Therefore, funding for the LTCOP will remain consistent with last year's levels (though individual allocations will vary slightly when compared to Fiscal Year 2009-10 levels due to the different allocation methodologies for each type of funding).

The attached contract amendment incorporates the following adjustments:

- \$1.9 million in new funding from the Skilled Nursing Facility Quality and Accountability Fund for the LTCOP. At present this is One-Time-Only (OTO) funding for FY 2010-11.
- A one-time shift of \$680,000 in funding from the FHF CPA Special Deposit Fund (SDF) to the General Fund, due to the depleted fund balance for the SDF.
- An overall reduction of \$300,000 in funds from the FHF CPA SDF due to the depleted fund balance for the SDF.

Increased Funding for the LTCOP

As a result of the enactment of SB 853, \$1.9 million from the Skilled Nursing Facility Quality and Accountability Fund will be allocated for this year only (FY 2010-11) to local LTCOPs utilizing the LTCOP Funding Formula specified in Welfare and Institutions Code Section 9719.5.

One-Time Funding Shift from SDF to General Fund

The FY 2010-11 Budget Act authorizes a one-time shift of \$680,000 in local assistance funding from the Special Deposit Fund to the General Fund.

Reduction in Available SDF

Due to the depletion of the FHF CPA SDF, a reduction of \$300,000 in local assistance funding is allocated across Area Agencies on Aging (AAA) using the Funding Formula specified in the Budget Act.

Budget Revision, Expenditures, and Request for Funds

AAAs must take the following actions to obtain the additional FY 2010-11 program allocation:

- 1) Please submit a CDA-OMB-300 form revising your budgeted SDF allocation and incorporating the new SB 853 funding within 15 calendar days of the date of this Program Memo. The attached revised Budget Summary/Monthly Expenditure Report and Request for Funds form combines the budget, monthly expenditures, and requests for funds from both sources of funding on one form. As these funds are not a part of the Area Plan Budget (CDA 122) do not submit a revised CDA 122 until Area Plan Contract Amendment #2, which will include OTO and supplemental grant funds, is released. The CDA-OMB-300 form is now incorporated by reference per contract language in this amendment.
- 2) On the same OMB-CDA 300 form, AAAs must include a revised "Part III. Request FOR OVRI and SNF QAF FUNDS" beginning with October 2010 (date of enactment). Funds should be requested in this manner for each subsequent month of FY 2010-11. Payment will be contingent upon execution of Amendment #1 to Area Plan contracts.

Other guidance and directions for using funds allocated under SB 853:

- 1) Funds received under this allocation must be used for the support of LTCOP activities as specified in Welfare and Institutions Code Sections 9700, et seq. Funds were available upon the enactment of SB 853 and must be expended no later than June 30, 2011.
- 2) Unspent funds will not roll over to the next fiscal year, but will revert back to the Skilled Nursing Facility Quality and Accountability Fund.
- 3) AAAs will continue to use the process established in PM 04-01 to request advances and report expenditures of Skilled Nursing Facility Quality and Accountability Fund as well as for the Ombudsman Volunteer Recruitment Initiative. Advances from both funding sources will be available monthly upon request.
- 4) CDA will use the existing process for closeout reports after the end of FY 2010-11 through the AAA's submission of the OMB-CDA 002 form, Ombudsman Volunteer Recruitment Initiative Financial Closeout.

Additional Budget Adjustments to Follow

The budget adjustments traditionally found in an Amendment #1 will be made in a subsequent amendment this year. The adjustments in the subsequent amendment will include:

- Approved transfers of General and Federal Funds
- Allocation of OTO Funds, including:
 - 2009-10 Unexpended Funds
 - Unallocated Federal Funds (fund reconciliation)
 - Supplemental Federal Grant Funds
 - Funds Recovered from Audit Determinations



Lynn Daucher
Director

Attachment (Contract package will be mailed to the Agency Contract Representative.)