

# Progress Report



June 1999

Report No. 98-81

## DOEA Should Study the Pros and Cons of Changing Planning and Service Areas

### *at a glance*

Subsequent to our prior report, both the 1998 and 1999 Legislature considered but did not take action to address reconfiguring Florida's planning and service areas for providing services to elders. The 1998 Legislature considered a Senate bill that recommended reducing the number of planning and service areas. The 1999 Legislature considered proviso language directing the Department of Elder Affairs to conduct a study of the current configuration.

The Department of Elder Affairs does not plan to address reconfiguring the state's planning and service areas in the immediate future. However, if the department should decide to address this issue in the future, we continue to recommend that it assess and report to the Legislature the potential advantages and disadvantages of changing the planning and service areas.

### Purpose

In accordance with state law, this progress report informs the Legislature of actions taken by the Department of Elder Affairs (DOEA) in response to our June 1997 report.<sup>1,2</sup> This report presents our assessment of the extent to which the department has addressed the findings and recommendations included in our 1997 report.

### Background

The United States Congress enacted the Older Americans Act of 1965 to address concerns about the increasing numbers and needs of older Americans. The original act and subsequent amendments establish a network of federal, state, and local agencies that collaborate to plan and provide a variety of programs to meet the needs of older persons in the community. These networks are organized within planning and service areas (PSAs) determined by the state. The Older Americans Act requires that states establish an Area Agency on Aging (AAA) in each PSA. AAAs are public or non-profit private organizations responsible for planning and administering programs and services for persons age 60 and older.

<sup>1</sup> Section 11.45(7)(f), F.S.

<sup>2</sup> *Reconfiguring the Planning and Service Areas Covered by Florida's Area Agencies on Aging*, [OPPAGA Report No. 96-87](#), June 1997.

States have typically configured their PSAs around county, multi-county, or other existing service delivery systems such as health and human resources regions or education districts. Florida aligned its PSAs to coincide with the 11 Department of Health and Rehabilitative Services (DHRS) service districts then in existence. When DOEA became Florida's state unit on aging in 1992, it continued to use the same boundaries.

## Prior Findings

*In response to changing conditions, policy makers questioned whether Florida should reconfigure its planning and service areas.*

During the time of our prior review, the Legislature questioned whether the state's system of PSAs was appropriate. During the same time, DOEA examined alternatives to the PSA structure that would reduce the number of PSAs from 11 to between 4 and 10. Revisiting the state's system of PSAs was merited due to changes that occurred in Florida subsequent to the creation of the federal Older Americans Act.

In 1992, the Legislature transferred responsibility for administering and coordinating services to Florida's elders from DHRS to DOEA, which focuses exclusively on the elder population. Also, Florida's population of persons over age 60 increased dramatically between 1980 and 1996 and the number of senior citizens needing services is expected to continue growing at a rapid rate.

*Decreasing the number of planning and service areas could potentially save from \$1.4 to \$1.7 million.*

Although Florida had fewer PSAs than other states with high numbers of elders, the state could realize cost savings by reducing the number of PSAs. Potential savings would most likely come by achieving economies of scale in operations and reductions in upper and middle management. At the time of our review, DOEA staff estimated that savings could range from 20% to 25% of the AAAs' administrative budgets

or from \$1.4 to \$1.7 million if five AAAs were eliminated.

*However, making major changes in the configuration of planning and service areas could be disruptive as well as cumbersome and time consuming.*

Some of Florida's AAA executive directors expressed concern that major changes in PSA configuration could adversely affect service delivery systems as well as affect the relationships that AAAs had developed over the years with the providers in their service areas. Making such changes could also be cumbersome and time consuming. Federal law requires that states planning to change PSA boundaries follow due process procedures.

In addition, states must allow affected parties to appeal recommendations for PSA changes to the assistant secretary of the federal Administration on Aging. At the time of our review, over half of the AAA executive directors indicated they would likely take legal action on behalf of their AAA.

*The Department should consider a number of factors before changing the state's planning and service areas.*

The Older Americans Act provides a list of factors for states to consider when planning their PSAs. (See Exhibit 1.) However, the act does not define these factors or provide guidance to states on how to use them.

### Exhibit 1: Factors that States Must Consider When Establishing PSAs

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- Geographic distribution of older persons
  - Incidence of need for supportive services, nutrition services, multi-purpose senior centers, and legal assistance
  - Distribution of older persons with greatest economic need, particularly low-income minority
  - Distribution of older persons who are Indian
  - Distribution of resources available to provide needed services or centers
  - Boundaries of existing areas within the state drawn for purposes of planning or administering supportive services
  - Any other relevant factors
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Source: Older Americans Act.

As part of our prior review, we developed several PSA configurations that considered one or more of the above factors and that met DOEA's objective to reduce the number of PSAs. We presented two such configurations in our report. One configuration, based on equalizing Florida's elder population, resulted in six PSAs. The other configuration, derived by using a Geographic Information Systems software package to plot the need for elder services, resulted in four PSAs.<sup>3</sup>

Because the number and size of potential PSAs varies depending on the factors considered, we recommended that DOEA take into account multiple factors when considering possible PSA configurations. We also recommended that DOEA conduct a study that identifies potential cost-savings, likely improvements in the delivery of elder services, and weighs these advantages against potential disadvantages such as service disruption and legal problems.

## Current Status —————

Although there was some interest in addressing reconfiguring Florida's PSAs during the 1998 and 1999 legislative sessions, no actions were taken. A Senate bill introduced during the 1998 legislative session recommended reducing the number of PSAs from 11 to 8. However, the bill was withdrawn from consideration before the end of the session.

During the 1999 legislative session, an early version of the Senate appropriations bill contained proviso language directing DOEA to conduct a study of the effectiveness of the current PSA alignment. This proviso language was subsequently removed from the version of the appropriations bill that passed.

Department staff report that DOEA has no immediate plans to pursue changing the state's

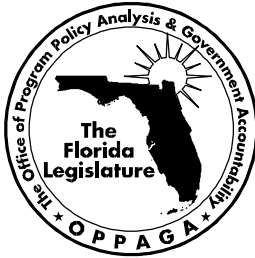
system of PSAs. However, if either the department or the Legislature decides to take further action, we continue to recommend that the department conduct a study that considers the factors detailed in Exhibit 1; includes a detailed analysis of expected cost savings; and provides an assessment of the pros and cons of changing the PSA configuration. The department should use the study, along with input from the Legislature and other stakeholders to guide it in deciding whether to reconfigure the PSAs.

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<sup>3</sup> We developed a need index for each county based on the number of elders who were low income, of minority status, and had mobility or self care limitations. We did not have sufficient information about the service delivery system to consider the distribution of resources.

## The Florida Legislature

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