

oppaga Progress Report

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Elder Affairs Takes Steps to Separate Case Management from Other Services

at a glance

To date, the Legislature has not authorized piloting of case management by area agencies on aging, nor has the Department of Elder Affairs conducted the recommended review to determine if lead agencies are providing cost-efficient and appropriate services.

However, the department has taken steps to separate the case management role of lead agencies from their delivery of direct services. As a result of a new competitive bid process that was piloted in three planning and service areas, the number of lead agencies has been consolidated and the number of alternative service providers has increased.

Other cost-effective measures the department is also using include lower cost case aides instead of case managers for lower risk clients, implementing a uniform methodology for determining service costs, and reviewing client files to determine if services are cost effective and appropriate.

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 1997 report.^{1,2} This report presents our assessment of the extent to which the department has addressed the findings and recommendations included in our 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 in each PSA. Area agencies on aging are public or non-profit private organizations responsible for planning and administering programs and services for persons age 60 and older.

¹ Section 11.45(7)(f), F.S.

² The Role of Area Agencies on Aging in Providing Case Management Services to Florida's Elders, [OPPAGA Report No. 96-80](#), April 1997.

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A critical component of the service system for elders is well-developed and integrated case management that links client needs to available services. Case management consists of a number of activities intended to assist elders to remain in the community and avoid the costs of nursing home care. Case management includes assessing need, determining eligibility for services, preparing a care plan, assisting the elder client in obtaining community resources, and monitoring the client's progress.

In Florida, 11 area agencies on aging contract with entities called *lead agencies* to provide case management services to elder clients. The law allows lead agencies to also directly provide other services to elders or subcontract with other providers.

Prior Findings

Although other states allow area agencies on aging to provide case management services, Florida law precludes this service arrangement. Allowing Florida's area agencies on aging to provide case management may benefit the state by improving service coordination and integration and by reducing costs. However, cost savings might be minimal and changing the current system could cause disruption in the aging service network.

Since most of the lead agencies that provide case management services to Florida's elders also directly provide other services, the potential exists for conflicts of interest that can adversely affect the cost and appropriateness of services. Some DOEA staff and area agencies on aging executive directors were concerned that case managers in these lead agencies might tend to authorize services provided by their own

agency rather than services offered elsewhere that might be more appropriate or less costly.

Consequently the state could potentially benefit by having area agencies on aging provide case management services, but it might be premature to mandate widespread changes at this time. The two most critical reasons for delay include the uncertainty surrounding the pending reauthorization of the federal Older Americans Act and the possible changing role of the area agencies on aging under the state's long-term managed care initiatives.

Our 1997 report recommended that if the Legislature wanted to test the feasibility of allowing area agencies on aging to provide case management, it should authorize one or more of the area agencies on aging to provide case management on a pilot basis. The pilot evaluation should identify any problems associated with allowing area agencies on aging to provide case management as well as assess the effect on costs and quality of services.

We also recommended that the DOEA conduct a review to determine if lead agencies are providing cost-efficient and appropriate services and whether lead agencies exhibit a bias towards providing in-house services that adversely affects either costs or service delivery.

Current Status

Actions Not Taken

To date, the Legislature has not authorized piloting of case management by area agencies on aging. The federal Older Americans Act still has not been reauthorized, and only one long-term care

system contract has been implemented with a health maintenance organization in one area of the state. Two other contracts are still in the negotiation stage. In addition, DOEA has not conducted the recommended review of lead agency activities.

Actions Taken

The department has taken steps to separate case management from other services in order to help ensure that services provided to elder clients are both cost effective and appropriate. To encourage the separation of case management from services, the department established a competitive bid process for lead agency designation in three demonstration areas. This process is designed to produce innovative approaches to provider agency administration and service delivery.

As a result of competitive bidding, the number of lead agencies in one of the three demonstration PSAs was reduced. In PSA 4 (Baker, Clay, Duval, Flagler, Nassau, St. Johns, and Volusia counties), the number of lead agencies was reduced from seven to four and the number of service providers in that PSA increased from 25 to 35. This increase in the number of service providers resulted in lead agencies providing only 18% of services directly, compared to about 75% previously. The department's goal is to separate case management from other services to the extent possible.

In addition, the department is attempting to improve the cost-efficiency of providing services by using lower cost case aides instead of case managers for some clients. For lower-risk, more independent clients, case aides perform a set of activities that are similar to but less intensive than case management. In a demonstration project in Orange, Osceola, and Seminole counties,

the department used service coordinators (similar to case aides). The three-year demonstration project resulted in higher consumer satisfaction, but the department has not yet determined if there were any cost savings through the use of service coordinators.

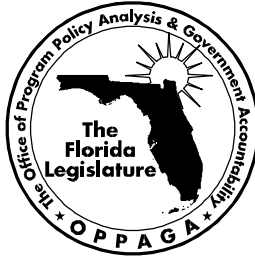
DOEA also has implemented a uniform methodology for determining costs of services. This methodology is required for all providers under contract to the department. According to DOEA officials, use of this methodology has helped ensure cost-effectiveness for all DOEA-funded services.

Finally, although the department has not conducted the recommended study to determine if lead agencies are exhibiting a bias towards providing in-house services, it is reviewing provider case files to determine if cost-effective and appropriate services are being arranged for DOEA clients. According to DOEA, these reviews indicate that there is evidence that some case managers tend to authorize services their agency provides, rather than use another agency or an informal source in the community for services. The department is now emphasizing that case managers more actively seek all community resources available for client services, including the use of informal services such as those provided by church-related and other community groups.

While these initiatives are beneficial, we continue to recommend that the Legislature authorize area agencies on aging to provide case management on a pilot basis. We also recommend that the department conduct a review to determine whether lead agencies are exhibiting a bias toward providing in-house services.

The Florida Legislature

Office of Program Policy Analysis and Government Accountability



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Project supervised by Frank Alvarez (850/487-9274)

Project conducted by Sharon Anderson (850/487-9228)