

STRATEGY 21

Increase and Modernize the Home and Community Care Block Grant

The North Carolina General Assembly should:

- a. Fulfill the Senior Tar Heel Legislature’s recommendation to increase recurring state funding for the Home and Community Care Block Grant (HCCBG) by \$8 million.
- b. Fund the North Carolina Division of Aging and Adult Services to:
 1. Study and update HCCBG policies that impact how local providers can use funds.
 2. Improve provider reimbursement to streamline data-sharing and increase capacity for evaluation.
 3. Modernize the Aging Resources Management System (ARMS) as a tool for provider reimbursement and program planning and evaluation.

Priority of the Senior Tar Heel Legislature 2023–2024

Allocate an additional \$8M in recurring funds for the Home and Community Care Block Grant.

The Home and Community Care Block Grant is the primary funding source for community-based programs that support people 60 and older and current funding is insufficient to meet the need. The current state appropriation is \$36.9M.

Desired Result – Increased funding for the Home and Community Care Block Grant (HCCBG) to improve the capacity to serve older adults and family caregivers in North Carolina.

Why does the task force recommend this strategy? – The HCCBG is the primary source for non-Medicaid-funded home- and community-based services for older adults in North Carolina. American Rescue Plan Act (ARPA) of 2021 funding has allowed for a flexibility in adding in new services that traditional block grant funding would not have allowed, such as food vouchers, carryout meals, and supports for social connections through purchase of technology equipment like tablets. When the ARPA funds terminate, these kinds of services may be lost to older adults. Modernizing the grant will allow for the continuation of similar services.

Context – The HCCBG was established by North Carolina General Statute 143B-181.1(a)(11) and became effective in 1992.²⁵ The North Carolina Division of Aging and Adult Services (DAAS) administers the HCCBG, which is made up of funds from the Older Americans Act (45%) and separate state and local funds

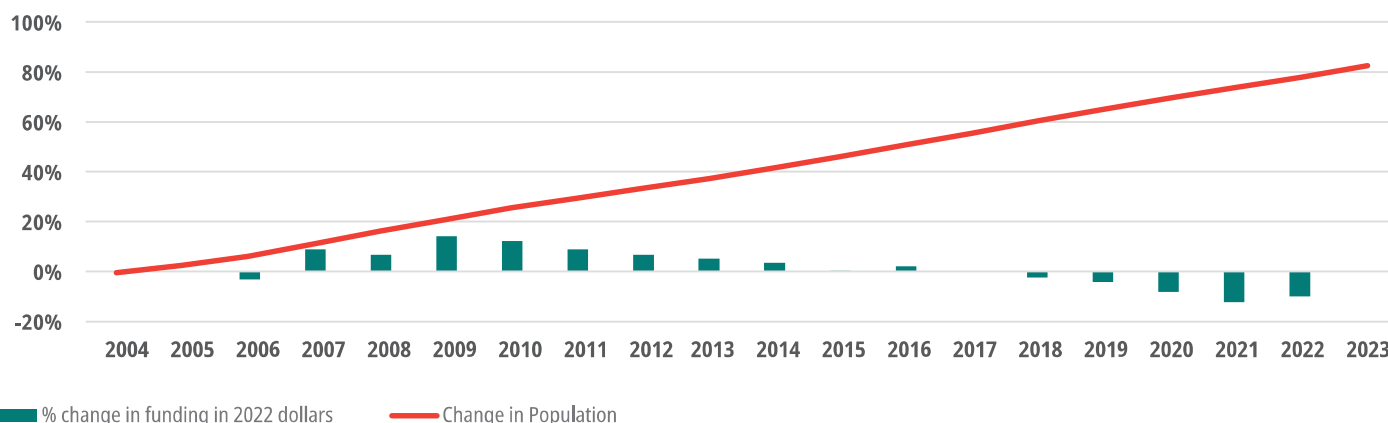
(each county is required to provide 10% of HCCBG funds).²⁶ Area Agencies on Aging (AAAs) monitor programs that receive HCCBG funds. In FY 2021–2022, 88,007 individuals were assisted through HCCBG services, primarily nutrition services (71,590 individuals), with a total of \$101 million in funds dedicated to those services (\$34 million from the state).²⁶ Adjusting for inflation and population growth, the HCCBG appropriation has decreased by 10% since 2004 (See Figure 7).

Services have not been able to expand, with more than 10,000 older adults on the waiting list for HCCBG services.²⁷

There are 18 allowable services under the HCCBG (see Figure 8), and each county provides some, but not all, of these services due to limited funding. Funding is allocated to Area Agencies on Aging based on the Intrastate Funding Formula that takes into account an area’s proportion of the state population aged 60 and older and the proportion of the older adult population in that area who live in poverty, represent non-White racial/ethnic groups, and live in rural areas.²⁸ Eligibility criteria for HCCBG-funded services is:

- Individuals aged 60+ years and their unpaid primary caregivers
- Generally based on functional needs of the individual.²⁶

FIGURE 7. Change in HCCBG Appropriation (Adjusted for Inflation) and 60+ Population Growth, SFY 2004-2023



Source: NC Senior tar Heel Legislature. Priority #3. Funding for NC Home & Community Care Block Grant. <https://ncseniortarheellegislature.org/wp-content/uploads/2023/01/2023-24-STHL-LEGISLATIVE-PRIORITIES-FACT-SHEETS.pdf>

B Information about the potential of ARMS system updates was gathered through discussion with DAAS staff familiar with the system.



FIGURE 8. Services Funded Under the Home and Community Care Block Grant

Congregate Nutrition	Housing and Home Improvement	Institutional Respite Care
Home-Delivered Meals	Information and Case Assistance	Health Screening
Adult Day Care	In-Home Aide	Health Promotion and Disease Prevention
Adult Day Health Care	Senior Companion	Mental Health Counseling
Care Management	Transportation	Senior Center Operations
Skilled Home (Health) Care	Group Respite	Volunteer Program Development

Source: Fiscal Research Division. Presentation to Joint House and Senate Appropriations Committees on Health and Human Services. Division of Aging and Adult Services (DAAS) Overview. <https://webservices.ncleg.gov/ViewDocSiteFile/75939>

Aging Resources Management System (ARMS)

The Aging Resources Management System (ARMS) is a state system that tracks client demographic data and performance data for reimbursement purposes.²⁹ It is accessible by all Area Agencies on Aging, service providers, and governmental bodies that need access to the data. ARMS was designed to collect client data, provide budgetary control, link databases to track services and costs, and meet federal reporting requirements.²⁹

However, ARMS was designed for inclusion of one funding source at a time, which creates issues when there are multiple funding sources for a service. The system’s outdated design has made additions and maintenance a significant challenge. An overhaul of the system to modernize and maintain its capabilities will require initial and sustained funding. Modernization of the system would allow for care management capabilities, connections with other data systems, and more advanced system analysis to improve service delivery.⁸

How would this impact the health of older adults?



Increased funding and improved data systems would allow for expanded access to quality programs that can prevent falls, expand mobility, improve nutrition, and increase social connections.



Antonio is a retired businessman and his wife Maria is a retired school teacher. Maria suffered a stroke a few years ago that has limited many of her physical and mental functions. Antonio drops her off several days a week at an adult day health program.

The program offers a safe place for Maria to be so that Antonio can go to the gym, work at his part-time job, and run errands like grocery shopping. Antonio is grateful for the program, which is supported by Home and Community Care Block Grant (HCCBG) funds along with various forms of participant payments. He says of the program, “It allows me to do the things I need to do during the day and know that she is being taken care of.” Maria receives medications that she needs during the day and participates in activities designed for her capabilities. The organization that provides the adult day health program offers respite care, which is also supported through HCCBG funds. Twice a year Antonio joins his friends for a weekend of golfing and is able to use the respite service to make sure Maria is cared for, giving him needed rest from caregiving responsibilities.

***This is a composite story that represents the experience of people who can benefit from HCCBG-supported services.*