

## EXECUTIVE DIGEST

### DELIVERY OF SERVICES TO THE AGING

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**INTRODUCTION** This report contains the results of our performance audit of the Delivery of Services to the Aging\* for the period October 1, 1992 through December 31, 1995.

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**AUDIT PURPOSE** This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness\* and efficiency\*.

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**BACKGROUND** The delivery of services to the aging is the responsibility of several State departments and agencies. The Office of Services to the Aging\* (OSA), Department of Management and Budget, is designated by law as the primary advocate for the aging in the State of Michigan. Also, coordination of human service programs, including programs for the aging, occurs through the Human Services Directors' Group\*, which includes the directors of OSA, the Family Independence Agency\* (FIA), and the Department of Community Health\* and the Superintendent of Public Instruction. The Human

Services Directors' Group meets monthly to facilitate the coordination of various health and human services to clients common to these departments.

The federal Older Americans Act of 1965\*, which established the federal Administration on Aging, required the states to create a State agency on aging and to establish a network of area agencies on aging\* (AAA's).

OSA is the State agency responsible for implementing the federal Older Americans Act and is designated as the primary advocate for the aging by Act 180, P.A. 1981 (the Older Michiganians Act\*). OSA has defined its mission\* as promoting independence and enhancing the dignity of Michigan's older persons and their families.

Federal and State funds are transferred to a network of 14 AAA's to provide services to the aging. The AAA's are responsible for determining the needs of the aging and for coordinating services purchased with State and federal funds with other resources in the community to provide for comprehensive and coordinated services to the aging. Clients with the ability to pay are asked to voluntarily contribute toward their cost of care. OSA and the AAA's have established a system for the elderly\* to voluntarily contribute toward the cost of in-home services\* and nutrition services\* they receive. This voluntary system collected approximately \$10.3 million in fiscal year 1994-95. Funds collected are used to provide additional services to the elderly.

Effective October 1, 1996, the State of Michigan will have 16 AAA's.

For the fiscal year ended September 30, 1995, OSA was appropriated \$3.8 million for its operations and \$63.3 million, which was primarily allocated to 14 AAA's, to provide services to the aging. As of December 31, 1995, OSA employed 40.5 full-time equated employees.

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**AUDIT OBJECTIVES,  
CONCLUSIONS, AND  
NOTEWORTHY  
ACCOMPLISHMENTS**

**Audit Objective:** To determine if the aging service delivery network\* was effective and efficient at identifying and providing services to meet the significant needs of the aging.

**Conclusion:** We concluded that programs for the aging operated by OSA and the AAA's were generally operating in an effective and efficient manner. However, effectiveness and efficiency could be improved in the areas of assessment of program effectiveness\*, coordination of services, the competitive bid process, cost sharing, and home-delivered meal eligibility (Findings 1 through 5).

**Noteworthy Accomplishments:** OSA's Care Management Program\* provides funds for all 14 AAA's to provide intensive assessment, care plan development, and service provision to a small group of the most frail elderly\* in an efficient manner. Care management programs provide for cost sharing by requiring the client and family to participate in the cost of care either through direct purchase of services by the client or family based on ability to pay or by providing homemaking, meal preparation, or other direct services. Also, OSA, in conjunction with FIA, is implementing an adult community-based waiver program\* to divert Medicaid-eligible

elderly and disabled clients from placement in a nursing home. Both of these programs provide in-home services to allow the most frail elderly to remain at home rather than being placed in a nursing home, which allows the aging to remain as independent as possible.

Also, our random survey of clients receiving services through the aging service delivery network indicated that clients were generally satisfied with the services being provided to them, that the services helped maintain the clients' independence, and that services were performed in a timely manner.

**Audit Objective:** To determine if the aging service delivery network coordinated its efforts with aging services provided by various State agencies.

**Conclusion:** We concluded that OSA was generally effective in coordinating its efforts with the aging service delivery network and services provided by various other State agencies.

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**AUDIT SCOPE  
AND  
METHODOLOGY**

Our audit scope was to examine the program and other records of the Office of Services to the Aging, Department of Management and Budget, and select area agencies on aging and to examine the Office of Services to the Aging's interaction with other State departments and agencies that provide services to the aging for the period October 1, 1992 through December 31, 1995. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing

procedures as we considered necessary in the circumstances.

To accomplish our audit objectives, we performed a preliminary survey of OSA operations, including OSA's and the AAA's efforts to establish and measure program goals\* and objectives\*.

We surveyed a random sample of elderly clients who received services through the AAA's to determine client satisfaction and unmet needs. We also surveyed a random sample of elderly Michigan residents to assess their awareness of available services.

We reviewed activities of a random sample of the AAA's, including planning, contracting, monitoring, and reporting systems. In addition, we identified other State agencies that provide services to the aging and met with staff of various departments to assess efforts to coordinate services to the aging.

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**AGENCY  
RESPONSES**

Our audit report contains five findings and six corresponding recommendations. The agency preliminary response indicated that OSA agreed with the recommendations and has taken or will take steps to implement them to the extent permitted by federal and State law.