



New York State Association of
Area Agencies on Aging
272 Broadway
Albany, NY 12204
Ph. 518-449-7080
Fax 518-449-7055
office@nysaaaa.org
www.nysaaaa.org

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On February 3, 2003, President Bush released his \$2.23 trillion proposed budget for 2004. The plan calls for record deficits, an increase in defense spending, additional tax cuts, and flat funding to cuts across a variety of domestic programs. Bush wants to devote an extra \$400 billion over the next decade to Medicare, creating some form of prescription drug benefits and encouraging elderly Americans to join private health plans.

The President's Budget proposes to fund the Community Services Block Grant (CSBG) at \$495 million for 2004, a \$75 million reduction from the 2003 President's Budget request level of \$570 million. The CSBG program provides funding to a largely static group of organizations, called Community Action Agencies (CAAs). When CSBG is reauthorized, the Administration intends to develop a set of performance measures to be consistently applied by all states and CAAs to ensure program outcomes and accountability. If reformed, the Administration will again assess the appropriate level of direct federal investment.

The 2004 President's Budget provides \$1.3 billion for Administration on Aging programs. This level includes an increase of \$2.8 million over the 2003 Budget level to fund the White House Conference on Aging. The 2004 Budget also continues the proposal to merge the Administration on Aging's nutrition programs for the elderly with the Department of Agriculture's Nutrition Services Incentive Program.

Other programs of note in the President's budget proposal include:

New Freedom Initiative. The budget repropose four demonstrations to promote home and community based care for individuals with disabilities. Two of the demonstrations provide respite care services for caregivers of disabled children and adults. Unrelieved caregiver burden is a major contributing factor to institutionalization of individuals with disabilities; respite care is the service often requested by families to keep a family member with a disability at home. The third demonstration will test the therapeutic effectiveness and cost-effectiveness of providing a home- and community-based alternative to psychiatric residential treatment for children enrolled in Medicaid. The fourth demonstration will test methods to alleviate workforce shortages of direct care workers in the community.

"Money Follows the Individual" Rebalancing Demonstration. The budget proposes to create a five-year demonstration that finances Medicaid services for individuals who transition from institutions to the community. Federal grant funds would pay the full cost of home and community-based waiver services for one year, after which the participating states would agree to continue care at the regular Medicaid matching rate. This demonstration would also test whether increased use of home and community-based services reduces spending on institutional care, as some advocates believe.

Ticket-to-Work Spousal Exemption. This proposal would give states the option to continue Medicaid eligibility for the spouses of individuals with disabilities who return to work. Under current law, individuals with disabilities might be discouraged from returning to work because the income they earn could jeopardize their spouse's Medicaid eligibility. This proposal would extend to spouses the same Medicaid coverage protection offered to workers with disabilities.

Presumptive Eligibility for Home and Community-based Care Services. The budget proposes to establish a state option enabling Medicaid presumptive eligibility for institutionally qualified individuals who are discharged from hospitals into the community.

Long-term care options. The Administration also plans to explore other options to expand Americans' access to and ability to afford long-term care. The Administration proposals include \$40 million in Real Choice Systems Change Grants to provide financial assistance for states to develop systems that support community-based care alternatives for persons with disabilities who require institutional care.

The President's FFY 2004 Budget Request for AoA includes:

II Aging Network Support	\$2,379,000
III-B Supportive Services	\$357,000,000
III-C-1 Congregate Meals	\$390,000,000
III-C-2 Home-Delivered	\$178,500,000
Nutrition Service Incentive	\$149,670,000
III-D Preventive Health	\$21,562,000
III-E Caregiver Support	\$141,500,000
IV Program Initiatives	\$27,837,000
VI Grants to Indians	\$25,729,000
VII Elder Rights	\$17,681,000
Alzheimer Grants	\$11,500,000
Program Administration	\$17,501,000
White House Conference	\$2,842,000
Total Discretionary	\$1,343,701,000
Senior Medicare Patrols	\$3,000,000

Since the FFY 2003 has not been finalized, we cannot provide a comparison between the two Federal Fiscal Years.

To read the full text of the President's budget, please visit:
www.whitehouse.gov/omb/budget/fy2004/budget.html.