

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 8, 2004

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER 

SUBJECT: BUDGET MEMO # 33: GUARDIANSHIP SERVICES

This memorandum responds to Councilwoman Pepper's request for an explanation of the City's decision not to fund Senior Services of Alexandria (SSA) for a Guardianship program for FY 2005. It also addresses the concerns raised in the attached March 25 memorandum from Gwen Mullen, Executive Director of Senior Services of Alexandria. (Attachment I) Ms. Mullen is writing in response to the March 22 email sent to the Commission on Aging by MaryAnn Griffin, Director of Aging and Adult Services to inform them of the City's decision.

Historically, staff in the Departments of Human Services (DHS) and Mental Health, Mental Retardation and Substance Abuse (MH/MR/SA) have sought family members or volunteer private attorneys to serve as Guardians and Conservators for low income seniors and disabled persons who could not afford to pay a private attorney for this service. A Guardian or Conservator provides substitute decision-making and fiduciary services for a person judged by the Court to be unable to accomplish those activities for themselves.

In FY 2001 the General Assembly established the Virginia Public Guardian and Conservator Program, which allows local Courts to appoint local or regional programs to be Guardians of Last Resort and appropriated funds for a state-wide program. In Alexandria, DHS staff approached Senior Services of Alexandria to explore the development of a public Guardian of Last Resort program in anticipation of the new grant-funded Public Guardianship program in Virginia. The planning committee consisted of City staff from DHS and the City Attorney's Office, staff from Senior Services, and representatives of INOVA Hospital, Northern Virginia Legal Services, a private attorney and others.

A grant application was submitted by Senior Services to the Virginia Department for the Aging (VDA) for first year funding for a local program, which was denied. State VDA staff encouraged Senior Services to re-apply for the following year. In FY 2002, DHS gave Senior Services a "seed grant" of \$25,000 from unexpended Department funds, to enable them to

organize the program and begin providing services to enhance their potential for receiving a grant in the second year.

In the second year, VDA only funded previously funded programs and Senior Services once again was denied. In FY 2003, Senior Services applied for and received a Community Partnership grant from the City of \$25,000 in order to sustain them as they applied again for State funding. DHS provided a second "seed grant" of \$25,000 from unexpended funds as well. In planning for the FY 2004 budget, DHS notified Senior Services that only \$12,500 would be available for "seed money" for Guardianship in FY 2004 because DHS expenditures had increased to the point it was anticipated that there would be no departmental under-expenditures in FY 2004. MH/MR/SA agreed to find its own funding to pay SSA for its clients served during FY 2004, to make up the difference in City funding that SSA had received in the two previous years.

DHS established a Guardianship Work Group in 2003, consisting of City staff from DHS, MH/MR/SA and the City Attorney's Office, staff from Senior Services and members of the Senior Services Guardianship Advisory Committee established by Senior Services, to examine the program's budget and expenditures and to address possibilities for funding a program as an alternative to State grant funding.

In order for MH/MR/SA to consider providing funding for its Guardianship clients in FY 2004 to make up for the reduction in DHS funding, and for both departments to consider funding for FY 2005, DHS asked Senior Services to develop a unit cost per client rather than a program budget as they had previously. DHS did not instruct SSA to begin billing the City on a fee-for-service basis beginning January 1, 2004, as Ms. Mullen states.

In her attached memorandum, Ms. Mullen recommends that the Commission on Aging take the lead in working with the City and Senior Services to develop a budgeting process wherein her agency would have input in developing the program budget. This task, however, has already been done by the Guardianship Work Group that was established in 2003 specifically to address the funding for Guardianships, and it included representatives of Senior Services from the beginning.

That Work Group met on July 25, 2003 before the departmental budgets were submitted to the Office of Management and Budget. In the Work Group, Senior Services was asked to develop a budget based on a unit of cost of service to allow DHS and MH/MR/SA to more precisely evaluate the services being provided and their costs. In December 2003, Senior Services submitted a funding proposal for a base-rate program serving up to 10 clients for \$46,401 or \$4,640 per client. When the program received referrals for more than 10 clients, Senior Services would bill the City at \$80/hour. Senior Services proposed that the City fund the full cost of the program with no fund raising on the part of Senior Services, as had been agreed upon in the previous two years when Senior Services was receiving the "seed grants."

City staff pointed out to Senior Services that the State grant program funded its grant recipients at roughly \$2,955/client per year. Senior Services responded that "The state-funded program closest to Alexandria Senior Services' program is the Personal Support Network (PSN), a non-profit in Falls Church. The FY 2004 VDA contracted cost per client is \$4,677, \$37 more per client than the SSA 2005 proposal."

While it is true that Senior Services' costs are comparable to those of PSN in Falls Church, the real point is that the City believes it can more efficiently serve the current small number of clients itself. Currently, there are only six potential DHS and MH/MR/SA clients who require guardianship services. State funding does not appear to be available for new guardianship programs in the near future, and the departments' FY 2005 budget are very tight. Rather than pay \$46,401 to Senior Services for its guardianship services to up to 10 individuals, the City departments have decided to once again use their own staff resources to secure a guardian or conservator for the relatively few clients who are expected to require one in the coming year.

City staff continues to support the idea of a public Guardianship of Last Resort, if it is State-funded. Unfortunately, the State budget problems make expanded State funding for guardianship programs unlikely, at least in the near future. City staff have informed Social Services that its guardianship clients will be transitioned over to City staff who will arrange for guardians by June 30, 2004. Should State funding be obtained by Social Services in the future for a Guardianship of Last Resort program, City staff will work with Social Services to utilize these services for City clients.

Attachment I: Memorandum from Gwen Mullen, Executive Director, Senior Services of Alexandria, dated March 31, 2004 with attachments.

Senior Services

OF ALEXANDRIA

121 North St. Asaph Street, Alexandria, Virginia 22314 • 703-836-4414 • (fax) 703-836-1252 • www.seniorservicesalex.o

MEMORANDUM

Date: March 31, 2004

Board of Directors

Officers

William P. Harris
President

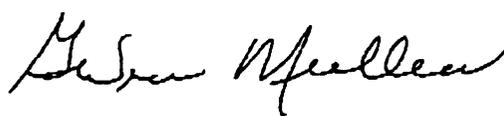
J. Howard Middleton
Vice President

Judy Drewry
Secretary

Paul Van DeWater
Treasurer

Linda Couture
Immediate Past President

To: Phil Sunderland, City Manager, Mike Gilmore, Executive Director, Community Services Board, Debra Collins, Director, Department of Human Services, MaryAnn Griffin, Director, Office of Aging and Adult Services, Ron Lyons, Supervisor, Adult Services, Debbie Ludington, Long Term Care Coordinator

From: Gwen Mullen, Executive Director 

Subject: Letter to Members of the Alexandria Commission on Aging and Background Information

Board Members

Phyllis J. Bogle
Sandy Calhoun
John Davies
Alfred P. Duncker
Arnold G. Fink
Poul Hertel

Arlene Hewitt
Mary Jane Nugent
Sabrina L. Reilly
H. Arthur Sauer
Gary B. Selmeczi
Dorothy Thomas
Susan Winn
Armintha Wood

Gwen C. Mullen
Executive Director

I wanted you to have copies of my response to the e-mail letter from MaryAnn Griffin to the members of the Alexandria Commission on Aging, her original e-mail to the Commission on Aging and the letter she sent to me in which she explained why the Office on Aging would not be contracting with Senior Services to run the Guardianship program for 2004 – 2005.

Because the e-mails I sent you were returned, I am faxing and mailing you the information. My hope is to clarify factual misunderstandings and, if possible, to find a way to continue the Guardianship Program beyond June 30, 2004.

My response also includes a request to the Commission on Aging to take the lead in working with SSA and DHS to develop a budgeting process that includes input from service providers. We have a model for that in neighboring Arlington with whom we have a contract to provide a Money Management program.

Please let me know if you have questions or concerns.



United Way
#8311

March 25, 2004

Dear Commissioners:

I have let Ms. Griffin know that I am writing to you today to correct some of the factual statements in her e-mail to you regarding the decision to discontinue funding of the Guardianship Program. The following paragraphs summarize our program cost comparison data and case data as well as the history of why this program was established in the first place.

I am also writing to recommend that the Commission on Aging work with the City and its non-profit partners to develop a budget and contracting process that, in the case of contracts involving services to city residents, includes service provider involvement and some degree of public oversight. The decision to not fund the program came as a great surprise to SSA. We acknowledge that the City should carefully review the efficacy of its contracted programs. My sense is that in the past, DHS and CSB have not had input from service providers or public oversight as parts of their budget process, so this year was no different from other years. We are taking your time to review the existing process and the effects it has had on SSA because we would like all of us to work together to change that process in order to better serve Alexandria's seniors.

For these reasons, I hope you will review our summary of the process that led to the decision not to fund the Guardianship Program and then consider whether it may be wise to adopt a new model. We suggest the Commission look at the program oversight process the Arlington Agency on Aging has been using for some time.

Comparison of Program Costs:

In the e-mail you recently received regarding the decision to terminate funding for the Guardianship Program, Ms. Griffin correctly cited that the December 1, 2003 proposal from Senior Services established a rate of \$4,640/client/year. However, she then writes that this "amount is 100% higher than the average amount being charged by other guardianship programs funded by the VA Department of Aging."

We believe this is an inaccurate reading of the cost data regarding these programs. The state-funded program closest to Alexandria Senior Services' program is the Personal Support Network (PSN), a non-profit in Falls Church. The FY 2004 VDA contracted cost per client for the PSN program is \$4,677, \$37 more per client per year than the SSA 2005 proposal. While the contracted cost per client varies considerably among the VA funded programs, this is because state funds do not account for the full cost of all the programs. Some of these programs are located in local human service agencies that pick up part of the personnel and much of the non-personnel cost. Consequently, after looking carefully at the state-funded studies on the Virginia programs, SSA concluded that the average contracted cost per client figure did not describe the actual costs of the programs and could not be used as a benchmark from which to establish SSA's costs.

SSA concluded that a fairer measure to determine the cost for guardian services was the comparable cost for various professionals that provide this service at the market rate. In its November, 2003 comparability study, SSA found that: the average rate for guardianship services provided by attorneys (based on three firms) was \$275/hour; the average rate for care management and/or geriatric consultation by private social workers in the area (based on three agencies) was \$111.67/hour; the average rate for guardianship service provided by a guardianship program to private pay clients was \$72.50/hour (Tidewater's Jewish Family Services and PSN); and trust officers charge percentages of client assets and income.

Cost Comparisons to Serve 10 Clients (using the VDA 20:1 Client to Guardian Ratio)	Hourly Rate	Annual Hours	Annual Cost
SSA Estimate for 2005	\$ 44.61	1040	\$ 46,394
PSN-State Contract for 2004	\$ 44.97	1040	\$ 46,769
Average Private Pay Programs (11/03)	\$ 72.50	1040	\$ 75,400
Average Private Geriatric CM (11/03)	\$111.67	1040	\$ 116,137
Average Attorney (11/03)	\$275.00	1040	\$286,000

Necessity for and Scope of Program:

Ms. Griffin described the "scope of the situation" regarding our program as involving "approximately two OAAS clients/year for whom a guardianship must be found. . ." According to our records, however, as of December, 2003, after about three years in operation, the program has served 30 clients representing cases from DHS, Mental Health, Mental Retardation and other providers. (It is important to note when appraising program cost-effectiveness, that the Virginia Department on Aging established a 20 client to 1 FTE guardian as the appropriate client to service ratio.) Currently, our 20-hour program (.5 FTE) fits well within this ratio with 10 active cases, and 7 pending cases.

It is important to also consider that in addition to direct client service, SSA's program included family counseling and public education. As of December, 2003, the program had reached over 500 persons via education and information programs and had provided 97 families counseling regarding the decision to provide guardianship or a less restrictive alternative for a relative. SSA had already raised \$5,000 to continue the public education and family counseling pieces of the program for FY 2005. However, with the loss of client funding, continuing the outreach piece will not be possible.

Ms. Griffin further noted in her e-mail that OAAS social workers "have very capably worked with clients and successfully secured family members and other to serve as guardians and conservators." That they were successfully securing family members and volunteers to serve as guardians and conservators was not the view four years ago when the Director of DHS asked SSA to develop a guardianship program for low income Alexandrians who had no other means of obtaining a guardian or conservator as well as a program that could provide less restrictive alternatives such as representative payee

service.(at that time it was not important to DHS whether the program's clients had been referred to SSA by DHS or CSB.) The Department Director gave SSA two reasons for funding such a program:

1. The Department was not able to adequately provide this service (providing incapacitated indigent senior adults with substitute decision-making and fiduciary services) through its volunteer program and;
2. DHS could not provide this service using social workers because of conflict of interest concerns.

Program Review Process:

We would like the Commission on Aging to take a closer look at the process that led to the termination of funding for the Guardianship Program because of its deleterious impact on Senior Services of Alexandria. I am assuming that the continued healthy functioning of a non-profit that has been a major partner of the Office on Aging for over 35 years is a concern of the Commission on Aging.

To summarize as briefly as possibly, the process that led to the termination of the Guardianship Program began in August, 2003, when SSA was instructed by the acting Director of DHS to bill the city on a fee-for-service basis by January 1, 2004. This seemingly simple directive entailed: conducting a comparable cost study; designing a new service model; hiring a part-time program manager; and developing a new program accounting system in the middle of our fiscal year. Nevertheless, SSA met the challenge and submitted a proposal to DHS on December 1, 2003. We repeatedly requested meetings with DHS and CSB to discuss our proposal and initiate contract discussions for 2005 but were not invited to meetings the departments had regarding the proposal.

While it is certainly appropriate for human service agencies to review the efficacy of their contracted programs, we feel that a new process is important to ensure the stability of the non-profit organizations that have partnered with the City all these years. We also feel that the process needs some degree of public oversight.

One model that SSA recommends the Commission consider is the public review process of the Arlington Agency on Aging. Each year SSA, along with other agency contractors, is invited to present information and answer questions about our program (Arlington Money Management) at a public hearing conducted by the Arlington Commission on Aging. This process brings all the stakeholders to the table at the same time.

Arlington also has a parallel budget process. By September of each year, each contracted service provider is invited to submit their next FY budget to ensure that these adjusted figures are accounted for in the budget the department submits to the county.

SSA's Partnership in the Alexandria Aging Network:

We hope the Commission will understand that SSA is more than just another City vendor. We are a mission-driven organization whose mission is to

“provide accessible, comprehensive and affordable services to seniors within the City of Alexandria and adjacent areas, and to promote the independence and self sufficiency that enable seniors to age with dignity in their own community.”

The Commission’s efforts to encourage an improved process for public review of services will help SSA and all the partners in the aging network to achieve their respective missions. Only an effective partnership with the City will enable us to meet the needs of our senior citizens, today and tomorrow.

Thank you for reviewing this information. We look forward to working with the City and the Commission on this important work.

Sincerely,

Gwen C. Mullen, Executive Director
Senior Services of Alexandria

*City of Alexandria, Virginia*

March 10, 2004

Ms. Gwen Mullen, Executive Director
Senior Services of Alexandria
121 N. St. Asaph Street
Alexandria, VA 22314

Dear Ms. Mullen:

We are writing to inform you that after careful consideration of your proposal for the FY 2005 budget year for Guardianship, Conservatorship and Representative Payee services, our departments have decided that we will not contract with Senior Services of Alexandria for those services in FY 2005. Our departments will resume responsibility for arranging Guardianship services for our own clients as we had done before the arrangement with Senior Services of Alexandria.

We are prepared to continue making payments from the grant funds from the Department of Human Services through the end of this year. The balance of the \$12,500 grant is \$11,187.24 for the remainder of FY 2004 as of this writing. The Department of Mental Health, Mental Retardation, and Substance Abuse will continue to negotiate an agreement with you for clients served between January 1, 2004 - June 30, 2004.

Our staffs will work with you and your staff to ensure a smooth transition of the existing Guardianship, Conservator or Representative Payee clients you have as of March 1, 2004. We have instructed staff to begin the process of identifying volunteer guardians and/or representative payees for the clients currently being served by Senior Services of Alexandria.

Sincerely,


Debra Collins, Director
Department of Human Services
2525 Mt. Vernon Avenue
Alexandria, VA 22301


Michael Gilmore, Ph.D.
Executive Director
Community Services Board
720 N. St. Asaph Street, 4th Floor
Alexandria, VA 22314

cc William Harris, President, Board of Directors
Senior Services of Alexandria