

## **AGING AND DISABILITY RESOURCE CENTER (ADRC) REINVESTMENT**

Aging and Disability Resource Centers (ADRCs) are one-stop shops designed to provide services to individuals who need, or expect to need, long-term care services, as well as their families. ADRC services include providing information and assistance, benefits counseling, coordinating short-term services, conducting functional screens, and enrollment processing and counseling. There are currently 34 single-county ADRCs, 12 multi-county/tribal ADRCs, and seven tribal Aging and Disability Resource Specialists (ADRS) that work with an ADRC.

ADRCs serve the fastest growing demographic of our state's population; yet, the funding methodology for ADRCs has not been revised in more than a decade. The original funding methodology was based on several factors that were appropriate for the original ADRC pilots and the eventual expansion of ADRCs statewide. However, it is now evident that the funding methodology needs revision in order to create a more equitable distribution of funds across the state. It is also clear that additional funding is required to allow ADRCs to effectively meet their mission.

The Office for Resource Center Development (ORCD) within the Department of Health Services (DHS) established a stakeholder advisory group to begin the work necessary to revise the funding methodology for ADRCs. The group's mission shifted from reallocating existing GPR funding to determining the amount of funding needed to fully support ADRCs.

Multiple issues were identified and addressed by the stakeholder advisory group to develop a reliable, accurate, equitable, and flexible funding formula for ADRCs. These issues include:

- **Generational Differences:** Current funding for ADRCs differs based on date of establishment – Generation One, Generation Two, or Generation Three.
- **Health Equity:** The current funding formula does not address or take into account elements associated with health and social inequity that require a greater need for ADRC services – racial and ethnic minority status, income level, number of residents age 75 or older, rate of disability.
- **Projected Population Growth:** Wisconsin's aging (and disability) population continues to escalate. Understanding that this population will continue to grow over time, it is necessary to have a funding formula that adjusts with the aging and disability populations to ensure a continued equitable distribution of funds.
- **Cost of Living Adjustments:** ADRC contract allocations have remained flat despite increasing costs to operate.

In order to implement the new ADRC allocation formula recommended by the stakeholder advisory group, an additional investment of state GPR funding - \$27.4 million – is needed.

The stakeholder advisory group also determined how much additional funding would be needed to add critical services to an ADRC's operational requirements – approximately \$25 million. This additional investment would equalize the services provided by ADRCs throughout the state.

**CURRENT STATUS:** The current funding allocation results in an inconsistent approach to funding the state-contracted services every ADRC is required to perform. The funding allocation also does not account for all of the required and recommended services contained in the Scope of Services; for example, the state funds services for some ADRCs, such as dementia care specialists, but not for others.

The stakeholder advisory group has completed its work and developed a funding methodology that not only updates formula factors but ensures greater equity in funding and services provided throughout the state.

**REQUESTED ACTION:**

- Provide an additional \$27,410,000 GPR in funding to our state's ADRCs. It is important to note that the change in the ADRC allocation methodology cannot occur unless the full \$27.4 million is allocated.
- Provide additional funding to expand/equalize ADRC services across the state:
  - Expand Dementia Care Specialist Funding Statewide: \$3,320,000
  - Fully Fund Elderly Benefit Specialists Statewide: \$2,300,000
  - Expand Caregiver Support and Programs: \$3,600,000
  - Expand Health Promotion Services: \$6,000,000
  - Expand Care Transition Services: \$6,000,000
  - Fund Aging and Disability Resources in Tribes: \$1,180,000
  - Fully Fund Aging and Disability Resource Support Systems: \$2,650,000

**TALKING POINTS:**

- The lack of adequate funding directly impacts the ability of ADRCs to assist individuals with disabilities and older adults equitably throughout the state.
- The total number of consumers served by ADRCs increased from 130,588 in 2016 to 141,692 in 2019, an 8.5% increase.
- The number of ADRC contacts increased 11.5% from 2016 to 2019 – from 512,413 to 571,424.

- ADRC funding must be increased to keep pace with the state's increasing aging population – in 2010, Wisconsin had 777,314 residents aged 65 and over; in 2040, this population is expected to grow to 1,535,365.
- The number of Wisconsin residents living with a disability is also expected to rise substantially by 2040.
- ADRCs are underfunded for the amount of work they are required to provide. ADRCs are required to enter into a grant agreement with the Wisconsin Department of Health Services, that includes a 78-page Scope of Services contract addendum, listing mandated and recommended services.
- In order to fully fund the current contract requirements (mandated and recommended services), ADRCs need approximately \$64,755,000 in GPR funding. This is based upon an all-funds need of \$104,500,000 that includes GPR funds, as well as a 38% federal Medicaid Administration drawdown average. An additional \$27.4 million GPR investment is needed to meet the \$64.7 million goal.
- The allocation for each ADRC has not increased since 2006.
- The current funding allocation for ADRCs is based on cost estimates that are more than 10 years out of date and treats ADRCs differently depending on when they began operations. ADRCs that have been open the longest are funded at a higher level than those that started at a later date.
- From FY11 to FY18, ADRC expenditures have risen from \$46.6 million to \$65.8 million.
- The additional \$25 million requested (expand/equalize ADRC services) would cover the costs to fully expand several programs that are not provided consistently statewide but are known to make a significant impact in people's lives.

Contact: Sarah Diedrick-Kasdorf, Deputy Director of Government Affairs  
608.663.7188  
diedrick@wicounties.org