State of Illinois
Pat Quinn, Governor
Illinois Department on Aging
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American Recovery and Reinvestment Act

This summary highlights some of the key provisions in the legislation developed by the National Association of State Units on Aging (NASUA). We have listed the section of the conference report next to the summary when it was available for those interested in further analysis. See http://thomas.loc.gov/home/approp/app09.html#h1 for links to the bill (H.R. 1) and the conference report.

In addition, there are a number of tax rebates and deductions for individuals that will affect older adult populations that are not included in this analysis. A general list of some of the tax deductions and rebates will be posted as a separate attachment.

Summary of the Economic Stimulus Proposals

Medicaid Aid to States (Temporary Federal Medical Assistance Percentage Increase) (Sec. 5001):
States will receive an additional $87 billion for the Medicaid program under the compromise. The increase for all states is 6.2 percent for the period October 1, 2008 through December 31, 2010. Prior to application of the 6.2 percent increase, if the Federal Medical Assistance Percentage (FMAP) for the state in FY 2009 is less than that determined for FY 2008, the 2008 FMAP will be substituted for FY 2009. The same methodology will apply for FY 2010 and 2011 ("hold harmless" decline in FMAP). Additional FMAP relief based on an increase in unemployment is also available. This increase is calculated as a percentage reduction (5.5 percent, 8.5 percent, and 11 percent) in the state share after the hold harmless reduction and after an across the board increase of 3.1 percent. The FMAP increase does not apply to DSH (Disproportionate Share Hospitals), Title IV-E payments, State Children's Health Insurance Program (SCHIP) and expenditures attributable to assistance provided to individuals eligible because of higher income standards that went into effect after July 1, 2008.

To qualify for the increased FMAP, states must utilize eligibility standards, methodologies and procedures that are not more restrictive (under its State Plan or waiver) than those in place on July 1, 2008. It is not clear how "standards, methodologies and procedures" will be interpreted by the Centers for Medicare and Medicaid Services (CMS), particularly with regard to whether that will include level of care eligibility under a waiver. States that have restricted eligibility can become eligible for the FMAP increase by reinstating eligibility requirements that were in effect on July 1, 2008 by July 1, 2009.

Medicaid Regulations (Sec. 5003):
The moratoria are extended until July 1, 2009, for the optional case management, provider tax, and school based administration/transportation regulations. The bill language also indicated that the Secretary of Health and Human Services is directed not to take any action to implement the final regulation concerning outpatient hospital facility services between December 8, 2008 and June 30, 2009. This provision goes on to state that the Secretary should not promulgate as final regulations the proposed cost limit, graduate medical education, or rehabilitative services rules. The cost for the extension is $105 million. It is not known at this time whether the moratoria will be extended beyond on July 1, or if the Secretary will follow the suggestion of Congress not to promulgate as final the enumerated regulations.

Premium Assistance for COBRA Continuation Coverage (Sec. 3001):
The Consolidated Omnibus Budget Reconciliation Act (COBRA) provision provides a 65 percent subsidy for nine months for involuntarily terminated workers and their families. Termination must have occurred between September 1, 2008 and December 31, 2009. Workers involuntarily terminated between September 1, 2008,

and enactment and who did not elect continuation will be given an additional 60 days to elect COBRA and receive the subsidy. Individuals with adjusted gross incomes in excess of $125,000 (families $250,000) are not eligible for the subsidy. The subsidy is disregarded for purposes of determining income or resource eligibility for any federal, state, or local public benefit. The cost for this program is $25 billion.

Increase in Unemployment Compensation Benefits (Sec. 2002):
Monthly equivalents of additional compensation paid under this provision are disregarded when determining the amount of income of an individual applying for Medicaid or SCHIP.

Transitional Medical Assistance (TMA) (Sec. 5004):
The bill extends TMA beyond current expiration of June 30, 2009 through December 31, 2010. The bill provides a state option for 12 month initial eligibility period without the requirement for previous receipt of medical assistance. The cost of this extension is $1.3 billion.

Qualified Individual Program (QI) (Sec. 5005):
The bill extends the QI program (assistance with Medicare Part B premiums for certain low income individuals) through December 31, 2010. This will cost $550 million.

Medicaid Coverage for Unemployed:
Unlike earlier versions of the economic stimulus bills there is no provision to cover unemployed individuals with Medicaid.

Prevention and Wellness Fund:
The conference committee agreed to $1 billion in funding for the prevention and wellness fund. Up to 0.5 percent of the funding may be allocated to management and oversight. The conference committee includes language that funding may be transferred to other appropriate accounts within Health and Human Services (HHS) as determined by the Secretary. Within the $1 billion, $650 million is allocated to carry out evidence-based clinical and community-based prevention and wellness strategies authorized by the Public Health Service Act that deliver specific, measurable health outcomes that address chronic disease rates.

NASUA understands that some of this funding may be available for State Units on Aging for work with the evidence-based health promotion and disease prevention programs, but there is no specific amount set-aside for OAA. State aging networks are able to apply for the wellness and prevention funding.

State Grants to Promote Health Information Technology (Sec. 13301):
The conference committee adopted language that creates a new program encouraging the adoption and promotion of health information technology (HIT). Under this program, the new national coordinator of Health Information Technology would be authorized to award planning and implementation grants to states or qualified state-designated entities to facilitate and expand electronic health information exchanges. Grants to states could begin immediately and there is no match specified in the conference report until FY11. Prior to that the match can be determined by the Secretary of Health and Human Services.

While not specifically mentioned, it may be possible for some of the HIT funding to be used by the aging network to report data because within the laundry list of activities permitted, one is “such other activities as the Secretary may specify.” At this point, it is not known what other activities the Secretary may specify but it may be possible that the Secretary would include the aging network. The legislation provides that the funding is to be used to conduct activities to facilitate and expand the electronic use of health information among organizations according to nationally recognized standards. The activities listed in the statute (in addition to those specified at the Secretary’s discretion) are:

- Enhancing broad and varied participation in authorized and secure nationwide electronic use and exchange of health information.
- Identifying state or local resources available towards a nationwide effort to promote HIT.
- Complementing other Federal grants, programs, and efforts towards promotion of HIT.

- Providing technical assistance for the development and dissemination of solutions to barriers to the exchange of HIT.
- Promoting effective strategies to adopt and use HIT in medically underserved communities
- Assisting patients in use of HIT.
- Encouraging clinicians to work with Health Information Technology Regional Extension Centers, to the extent available. (These centers are authorized in the economic recovery legislation as forums for exchange of knowledge and experience about the adoption, implementation and use of HIT.)
- Supporting public health agencies authorized use of and access to electronic health information.
- Promoting use of electronic health records for quality improvement through quality measure reporting.

Healthcare Effectiveness Research:
The agreement includes $1.1 billion for comparative effectiveness research. The funding is to be used to conduct or support research to evaluate and compare the clinical outcomes, effectiveness, risk and benefits of two or more medical treatments and services that address a particular medical condition. The conference report includes special language that indicates that the conferees do not intend for the comparative effectiveness research funding be used to mandate coverage, reimbursement, or other policies for any public or private payers.

Community Health Centers (Title VIII Department of Health and Human Services Health Resources and Services Administration):
$1.5 billion shall be available for grants for construction, renovation and equipment, and for the acquisition of health information technology systems, for health centers including health center controlled networks receiving operating grants under section 330 of the Public Health System.

Senior Nutrition Programs (Administration on Aging, Aging Services Programs):
The conference committee includes $100 million in additional funding for senior nutrition programs as proposed by the Senate. Within the $100 million, the conferees determined that $65 million must be allocated to congregate meals and $32 million is available to home-delivered nutrition services. $3 million is also provided to the Native American nutrition services. The funding is available immediately upon enactment of the legislation.

Supplemental Nutrition Assistance (Formally known as Food Stamps) (Section 101):
The bill calls for $19.9 billion additional funding for the Supplemental Nutrition Assistance Program (SNAP) that would increase the benefit by 13.6 percent for recipients. $145 million shall be available for FY 2009 and $150 million for FY 10 for administrative expenses associated with carrying out this section and administering the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008. The additional funding would begin within 60 days of enactment of the legislation. Seventy-five percent of the funding will be allocated to states based on the state's share of participants in the program over the last 12 months for which the most recent data is available; the remaining 25 percent would be allocated to the states based on the percent of increase in participants over the most recent twelve month period for which data is available. The Secretary of Agriculture is required to establish a simple process for states to notify households.

Digital TV (DTV) Conversion Coupons (Division A, Title II):
The conference agreement includes $650 million for additional implementation and administration of the analog to digital converter box coupon program. Of the $650 million, up to $90 million may be used for education and outreach to vulnerable populations, including one-to-one assistance for converter box installation. There is no mention of how the funds will be distributed.

Payments to Social Security, Supplemental Security Income, Railroad Retirement Benefits, and Veterans Disability Compensation or Pension Benefits (Sec. 2201):
A one-time $250 payment will be issued to an individual eligible under the enumerated programs in any month during the three month period prior to the enactment of the stimulus. This payment does not apply to individuals who receive SSI while in a Medicaid institution. An individual eligible under more than one program will receive only one payment. The Secretary of the Treasury must issue the payment as soon as possible, but no later than 120 days after enactment. Payments are disregarded as a resource for purposes of eligibility under any federal program or any state or local program financed in whole or in part with federal funds. This disregard is effective for the month of receipt and the following nine months. The payments are not considered taxable income.

Community Service Employment for Older Americans:
The conference agreement includes $120 million for Title V of the Older Americans Act as was proposed in both the House and Senate. The funds are to be distributed within 30 days of enactment to the current grantees to support additional employment opportunities for low-income seniors in proportion to their allotment in program year 2008. The conference agreement includes language to allow for the recapture and re-obligation of such funds, as proposed by the Senate and as authorized under Title V of the Older Americans Act. Funding is available until June 30, 2010.

Vocational Rehabilitation State Grants (Division A, Title VIII):
$680 million was set for the Vocational Rehabilitation funding of which $540,000,000 shall be available for part B of Title I of the Rehabilitation Act. $18 million shall be used for state grants. Federal share is 100 percent.

Workforce Investment Act:
The conference agreement includes $3.95 billion for WIA programs. Within the $3.95 billion, $2.95 billion is provided for formula grants to the states for training and employment services. The funds must be available within 30 days of enactment of the legislation. The conference committee report notes that the intention is for the funds to be spent quickly and effectively. Within the state formula grants, $500 million is provided for services for adults. The conference agreement includes language proposed by the Senate to ensure that supportive services and needs-related payments are available to support the employment and training needs of priority populations, including recipients of public assistance and other low-income individuals.

Social Security Administration Disability Backlog and Claims Processing:
$500 million is provided for processing disability and retirement workloads, including information technology acquisitions and research in support of such activities. The conference committee intends that these funds will alleviate some of the backlog of disability claims that the agency currently has and will promote timely processing of the growing workload. Funds are included to facilitate the adoption of electronic medical records for disability claims.

Low-Income Home Energy Assistance:
There is no funding for Low-Income Home Energy Assistance included in the final legislation.

Weatherization:
$5 billion is included for weatherization. The conference agreement modifies a provision in the House proposal that expands the eligibility of low-income households for the Weatherization Assistance Program.

Community Services Block Grant:
$1 billion of additional funding is provided for the CSBG program. The Conference agreed to the Senate language that would make the entire amount available within enactment of the program. The agreement includes language that will require states to reserve 1 percent of their allocation for benefit coordination services and to distribute the remaining funds directly to local eligible entities. It also permits states to increase the income eligibility ceiling from 125 percent to 200 percent of the federal poverty level (FPL) for services furnished under the CSBG for FY09 and FY10.

During the call on February 17, a question was asked concerning whether CSBG funding that requires coordination of benefits would be allowed to support Aging and Disability Resource Centers. Following NASUA's review of the language of the bill, we note it provides that one percent of the funding "shall be used for benefits enrollment activities relating to identification and enrollment of eligible individuals and families in Federal, State and local benefit programs" but does not define benefit enrollment activities nor does it give any other detail about how that may be accomplished. The funding for CSBG relates specifically to foster care and adoptions.

Community Development Block Grants (Community Planning and Development):
The conference committee provides $1 billion for the Community Development Block Grants (CDBG) available until September 30, 2010 to be distributed to grantees who received funding in 2008. Grantees are to give priority to those contracts that can be awarded within 120 days of receiving the grant. An additional $2 billion is allocated to the Neighborhood Stabilization program. The funding is designed to assist states, local governments and non-profits in the purchase and rehabilitation of foreclosed, vacant properties in order to create more affordable housing. The funds are available until September 30, 2010. Grantees must spend at least 50 percent within the first two years and 100 percent within three years of the funds becoming available. The funds are to be awarded to eligible entities based on areas with greatest number and percentage of foreclosures and to those entities that are able to ensure that the funds can be spent.

Social Services Block Grant:
The conference agreement does not include funding for the Social Services Block Grant program.

Rural Community Facilities Program (Division A, Title I):
$130 million is set aside in the bill for the cost of direct loans and grants for essential rural community facilities programs, including hospitals, health clinics, health and safety vehicles and equipment, public buildings and child and elder care facilities, as authorized by section 306 and described in section 381E(d)(1) of the Consolidated Farm and Rural Development Act.

Centers for Independent Living (Division A, Title VIII):
The bill provides for $87.5 million for independent living centers. $680 million is added to the Rehabilitation Act of 1973 of which $34.3 million "shall be for services for older blind individuals." This funding is described in the bill under the Department of Education.

Emergency Food and Shelter (Title VI Department of Homeland Security):
$100 million is set aside for the emergency food and shelter program pursuant to title III of the McKinney-Vento Homeless Assistance Act (42 U.S.C.13 11331 et seq.). Administrative costs shall not exceed 3.5 percent of the total funds.

Homelessness Prevention (Title XII Department of Housing and Urban Development):
$1.5 billion is set aside for homelessness prevention and rapid re-housing activities including short term and medium term rental assistance, housing relocation and stabilization services. Funding will be available until September 30, 2011 and shall be allocated to eligible grantees as defined in the McKinney-Vento Homelessness Act by formula. Grantees may use up to five percent of any grant for administrative costs. Grantees must collect data on how the funds are used and the persons served using the Housing and Urban Development (HUD) Management Information System or comparable data base. 60 percent of the funds must be spent within two years of the funds becoming available and 100 percent within three years. Up to one half of one percent is available for staffing, training, technical assistance, technology, monitoring and evaluation.

Veterans Extended Care Facilities (Title X Department of Veterans Affairs):
States will be eligible to receive grants totaling $150 million until September 30, 2010 to acquire or construct state nursing homes and domiciliary facilities and to remodel, modify, or alter existing hospital, nursing home, and domiciliary facilities in state homes, for furnishing care to veterans.

Senior Centers:
There is no specific funding set aside for senior centers, but the Rural Development and Community Facilities Programs under the Department of Agriculture, which did receive funding, do allow for funding of senior centers.

One state asked whether the State Fiscal Stabilization Funding would allow for funding for Senior Centers or other senior services. Based on our review of the legislation, it appears this is possible. However, the focus of the fund appears to be for education and provides that the State Fiscal Stabilization Fund shall be administered by the Department of Education. The bill provides "[T]he Governor shall use 18.2 percent of the State's allocation under section 14001 for public safety and other government services, which may include assistance for elementary and secondary education and public institutions of higher education and for modernization, renovation, or repair of public school facilities and institutions of higher education facilities, including modernization, renovation, and repairs that are consistent with a recognized green building rating system." (Emphasis added.) Each state must use 18.2 percent of the funds allocated to the state for these specific purposes. The bill does not define "other government services".

For more information go to http://thomas.loc.gov and search for H.R. 1.