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**SPECIAL PROGRAMS FOR THE AGING - TITLE III - D -
DISEASE PREVENTION AND HEALTH PROMOTION
SERVICES (STATE GRANTS FOR DISEASE PREVENTION
AND HEALTH PROMOTION)**

**State Project/Program: SPECIAL PROGRAMS FOR THE AGING - TITLE III - D -
DISEASE PREVENTION AND HEALTH PROMOTION
SERVICES**

**U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION ON AGING**

Federal Authorization: Older Americans Act of 1965, Title III, Parts A and D, Public Health Service Act, Section 398, Public Law 89-73, as amended; Public Law 90-42, 81 Stat. 106; Public Law 91-69, 83 Stat. 108; Public Law 93-29, 87 Stat. 30; Public Law 93-351, 88 Stat. 357; Public Law 94-135, 89 Stat. 713; Public Law 95- 65, 91 Stat. 269; Public Law 95-478, 92 Stat. 1513; Public Law 97- 115, 95 Stat. 1595; Public Law 98-459, 98 Stat. 1767; Public Law 100- 175, 101 Stat. 926; Section 705, Public Law 100-628; 42 U.S.C. 3022- 3030(M); Public Law 102-375.

**N. C. Department of Health and Human Services
Division of Aging and Adult Services**

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N. C. DHHS Confirmation Reports:

SFY 2009 audit confirmation reports for payments made to Counties, Area Programs, Boards of Education, Councils of Government, District Health Departments, DCD State Level Contractors and HRSA Bioterrorism Grant Subrecipients will be available by around late August to early September at the following web address: <http://www.dhhs.state.nc.us/control/>

At this site, page down to “Letters/reports/forms for ALL Agencies” and click on “Audit Confirmation Reports (State Fiscal Year 2008-2009)”. Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from the DHHS are found at the same website except select “Non-Governmental Audit Confirmation Reports (State Fiscal Years 2007-2009)”.

The auditor should not consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor can consider the Supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current. The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

GENERAL INTRODUCTION

The Division of Aging and Adult Services (DAAS) is the State Unit on Aging (SUA) as referenced in the Older Americans Act of 1965 as reauthorized October 17, 2006. The Division administers funding under Titles III, V, and VII of the Older Americans Act as well as a variety of other funds both Federal and State in nature.

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The largest program or set of programs administered by the Division is the Home and Community Care Block Grant (HCCBG). This block grant is a pooling of resources used to fund services authorized by both the Older Americans Act and the North Carolina General Assembly. This pool is made up of Parts B, C1, C2, and D of Title III and State funds. In addition, the HCCBG is also funded with Social Services Block Grant (SSBG) funds administered by the Division of Social Services via the State's Block Grant Funding Plan which provides for a substantial transfer of SSBG funds to the Division of Aging and Adult Services for the HCCBG.

I. PROGRAM OBJECTIVES

Title III-D of the 2000 Amendments to the Older Americans Act authorizes programs to support disease prevention and health promotion at senior centers, congregate nutrition sites, through home delivered meals programs, or other appropriate settings.

II. PROGRAM PROCEDURES

Funds are provided to states, in accordance with a predefined formula, upon submission of a state plan to the Commissioner of Aging in HHS. States then allocate funds to Area Agencies on Aging through the intrastate funding formula which provide for a comprehensive services delivery plan for their respective planning and service areas. Part D funding is administered through Area Agencies on Aging designated by the Division. Services are delivered by provider agencies through grants or contracts with the Area Agency on Aging. Area Agencies may provide Title III-D services on a direct basis upon submission and approval of a waiver request to the Division.

Area Agencies monitor the III-D subrecipients to insure that approved Health Promotion and Disease Prevention events and activities are conducted.

III. COMPLIANCE REQUIREMENTS

NOTE: In developing audit procedures for testing the compliance requirements of aging grants, auditors should review the matrix to identify which of the 14 compliance requirements (State Compliance Supplement Section B Part 2) are applicable. In addition to the general requirements reflected on the matrix, the following requirements also apply. The general requirements are contained in Part 3 of the A-133 Compliance Supplement.

A. ACTIVITIES ALLOWED OR UNALLOWED

Funded services and activities to promote disease prevention and health promotion to individuals aged 60 and older are allowable. Program requirements are broad, and cover a wide range of health promotion activities cited in the Older Americans Act, as amended, in Title III Part D. Specific plans are developed by Area Agencies and then implemented by service providers. Upon approval of waiver by the Division, Area Agencies can provide these services. Since service activities are broad in nature, the DAAS Disease Prevention and Health Promotion Service Standard provides a list of activities that are allowable and does have a section on prohibited activities. This service standard is available through the area agency on aging or the service provider. Actual expenses that support disease prevention and health promotion activities are reimbursed.

Services cannot be paid for that are covered under Title XVII (Medicare) of the Social Security Act (42 U.S.C. 1395 et. seq.). This includes flu shots, mammograms, pap smears, laboratory services, and durable medical equipment. The purchase of medical services,

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prescription drugs, physical examinations, home safety devices for individuals, and activity of daily living supply items are not allowable. Activities that are strictly recreational in nature are not allowable costs.

B. ALLOWABLE COSTS/COST PRINCIPLES

All grantees that expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are required to comply with the cost principles described in the N. C. Administrative Code at 09 NCAC 03M .0201.

C. CASH MANAGEMENT

Title III Part D Health Promotion Disease Prevention funds are provided on the reimbursement basis only, therefore no additional testing is required.

E. ELIGIBILITY

Services must have direct benefit for people age 60 and older.

G. MATCHING, LEVEL OF EFFORT, EARMARKING

1. Current allocations of Title III D funds are combined with current State appropriations and require a 10% local match. The local match may be in the form of cash, in-kind or any combination of cash and in-kind.
2. Title III D Carry-over funds are not accompanied by State appropriations, and therefore, require a 15% local match. This requirement can also be met with cash, in-kind or a combination of cash and in-kind.

NOTE: The Notification of Grant Award (NGA) will distinguish the amount(s) of Title III D funding that requires the 10% and 15% local match. Contracts between Area Agencies and service providers should likewise separate and identify the applicable matching requirement. Matching requirements may be verified by reviewing the NGA to compare applicable III D matching requirements with contracted services.

Earmarking

The reauthorized Older Americans Act (section 308 b 1) appropriated funding for the purpose of medication management, screening, and education to prevent incorrect medication and adverse drug reactions. 25.28% of the regional expenditures are required to be associated with medication management purposes.

Level of Effort – Not applicable

L. REPORTING

1. Area Agencies are required to report the number of unduplicated persons that participated in each planned health promotion or disease prevention activity/event on an annual basis to the Division of Aging and Adult Services. Likewise, providers report this same information to the Area Agencies on Aging to complete the annual reporting requirement. (NOTE: Adequate source documentation that provides this information is attendance logs, registration forms, and written estimates of attendance for large events such as health fairs.)

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2. Area Agencies are required to report through the Aging Resources Management System (ARMS) the expenditures for all approved health promotion and disease prevention activities as a non-unit based service for each contracting agency. Report series ZGA370-7 reflects amounts reimbursed for Disease Prevention and Health Promotion activities. Service codes are as follows: 401- Disease Prevention/Health Promotion, 410 – Carry-forward Disease Prevention/Health Promotion and 420 – Medication Management.

M. SUBRECIPIENT MONITORING

Area Agencies are required to provide technical assistance, monitor and periodically evaluate the aging programs of sub-recipients and contractors. (Older Americans Act: Section 306)

Area Agencies in direct service for Title III D funds receive an on-site review for programmatic compliance at least every other year depending on the level of risk assigned by DAAS.

N. SPECIAL TESTS AND PROVISIONS

- In order to provide direct services, an Area Agency must obtain a waiver from the Division before providing the III-D service(s).

Suggested Audit Procedure

- Determine if the Area Agency has been granted a waiver for direct service. If so, test for provisions of direct service listed below, as stated in the Older American's Act, Section 307(a)(10).
- Determine that no services which are covered under Title XVIII Medicare of the Social Security Act (42 USC 1395 et. seq.) are being provided with III-D funding. Covered services are stated in the current *Medicare Handbook*.
- Determine that funds have not been expended for personal medical services, Rx Supplies, physical exams, home safety devices and daily living supplies.
- Determine that funds have not been expended on activities that are strictly recreational (offered for amusement) in nature.
- Determine if the Area Agency on Aging has utilized 25.44% of the total Title III-D allocation for medication management (considered to be educational programs, screenings, or assistance with management of prescription drugs to prevent incorrect medication and adverse drug reactions).