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Senior Citizens

Most of the aging-related legislation considered or enacted during the 2002 legislative session was influenced, directly or indirectly, by the state's continuing budget crisis.

State and Local Government Agencies

State Division of Aging

The Current Operations, Capital Improvements, and Finance Act of 2002, S.L. 2002-126 (S 1115), reduced appropriations to the state Division of Aging by \$926,000 (from \$29.5 million to \$28.6 million) for 2002–2003. This budget cut included a \$165,000 reduction in central administration funding, a \$4,000 reduction in funding for the Governor's Advisory Council on Aging, and a \$6,000 reduction in funding for the Senior Tar Heel Legislature.

Office of Long-Term Care

Section 10.4 of S.L. 2002-126 requires the Department of Health and Human Services (DHHS) Office of Long-Term Care to develop, in consultation with long-term care experts and others, a plan to streamline local services for older adults and to submit a report to the General Assembly's Fiscal Research Division, the Senate Appropriations Committee on Health and Human Services, and the House Appropriations Subcommittee on Health and Human Services by February 1, 2003. The report must identify all state agencies that provide services to persons sixty or older; describe the federal, state, and local resources available to provide these services; and propose a plan for reducing administration through consolidation of functions throughout DHHS.

Area Agencies on Aging

The \$926,000 budget cut for aging programs enacted by S.L. 2002-126 included a \$370,000 reduction in funding (from \$700,000 to \$330,000 per year) for North Carolina's seventeen area agencies on aging.

Government Programs for Senior Citizens

Adult Care Home Resident Assessment Program

Section 10.39 of S.L. 2002-126 eliminates funding for the adult care home resident assessment program established under S.L. 2001-424.

Adult Day Care Staffing Requirements

Section 10.3 of S.L. 2002-126 [as amended by the Technical Corrections Act, S.L. 2002-159 (S 1217)] requires the DHHS Office of Long-Term Care to review the state's current staffing requirements for adult day care and adult day health care programs and to report its findings and recommendations by February 15, 2003, to the General Assembly's Fiscal Research Division, the Senate Appropriations Committee on Health and Human Services, and the House Appropriations Subcommittee on Health and Human Services.

Medicaid

Legislation affecting the state's Medicaid program for elderly, disabled, and low-income persons is discussed in Chapter 22, "Social Services."

Prescription Drug Assistance Programs

Section 6.8 of S.L. 2002-126 authorizes the creation of a new senior prescription drug access program. Establishment of the new program is contingent upon a decision by the Health and Wellness Trust Fund Commission to spend up to \$3 million in funds reserved under G.S. 147-86.30(c) to develop and implement the program and the availability of the funds themselves, considering that section 2.2(h) of S.L. 2002-126 authorizes the transfer of funds reserved under this statute for other purposes. The purpose of the new program is to reduce the cost of and improve access to and use of prescription drugs by providing individual assistance to senior citizens and low-income persons in accessing public and private prescription drug assistance programs, providing face-to-face counseling by pharmacist evaluators to senior citizens to promote prescription compliance and identify potential adverse drug interactions, and using computer software to help patients identify drug coverage options. Drug acquisition services under the new program will be available to senior citizens (persons sixty-five or older) and low-income persons. Free counseling services will be provided to senior citizens enrolled in Medicaid or the Carolina CARxES (now, Senior Care) program.

Section 10.49 of S.L. 2002-126 eliminates funding for the senior prescription drug assistance program established in 1999.

Section 5.1 of the Studies Act of 2002, S.L. 2002-180 (S 98), requires DHHS to study how the state can coordinate and facilitate public access to public and private free and discount senior citizen prescription drug programs and to report its findings to the North Carolina Study Commission on Aging by January 1, 2003.

Senior Centers

The \$926,000 budget cut for aging programs enacted by S.L. 2002-126 included a \$381,000 reduction in senior center development and outreach funding.

State-County Special Assistance

The State-County Special Assistance program provides financial assistance to elderly or disabled residents of adult care homes. S.L. 2002-126 makes several provisions regarding this program.

- It amends S.L. 2001-424 to maintain the maximum payment rate for the program at \$1,091 per month (rather than increasing it to \$1,120), resulting in state budget savings of \$2.3 million and county budget savings of \$2.3 million (sec. 10.36).
- It makes the federal Supplemental Security Income (SSI) policies regarding asset transfer and estate recovery applicable to the program (sec. 10.41B).
- It directs DHHS to submit a report to the General Assembly's Fiscal Research Division, the Senate Appropriations Committee on Health and Human Services, and the House Appropriations Subcommittee on Health and Human Services by March 1, 2003, regarding whether state policies governing the program should be changed to allow an adult care home to accept payments from family members of eligible residents to cover the difference between the maximum assistance payment and the facility's monthly rate for room, board, and services (sec. 10.41B).

Long-Term Care Facilities

Criminal History Checks of Adult Care Home and Nursing Home Employees

Section 10.10C of S.L. 2002-126 directs that the provisions of G.S. 131D-2 and G.S. 131E-265 requiring national criminal history checks of adult care home and nursing home employees shall not take effect before January 1, 2004.

Section 2.1A of the Studies Act of 2002 (S.L. 2002-180) authorizes the Legislative Research Commission to study how federal law affects the distribution of national criminal history record check information requested for nursing homes, adult care homes, and other specified facilities and programs and the problems federal restrictions pose for effective and efficient implementation of state-required criminal record checks.

Adult Care Home Model for Community Services

Section 10.38 of S.L. 2002-126 extends until March 1, 2003, the deadline for DHHS's submission of a final report on an adult care home model for community services.

Health Insurance for Employees of Long-Term Care Facilities

Section 5.2 of the Studies Act of 2002 (S.L. 2002-180) requires DHHS, in consultation with the Department of Insurance, to study the establishment of a group health insurance purchasing arrangement for staff of residential and non-residential long-term care facilities. DHHS must report its findings and recommendations to the North Carolina Study Commission on Aging by January 1, 2003.

State and Local Government Retirees

Benefits for Retired State and Local Government Employees

Effective July 1, 2002, Section 28.9 of S.L. 2002-126 increases the retirement benefits of persons receiving benefits under the Teachers' and State Employees' Retirement System (TSERS) and the Local Government Employees' Retirement System (LGERS) as of June 1, 2002, by 0.6 percent of the amount payable on June 30, 2002.

Effective July 1, 2002, Section 28.8 of S.L. 2002-126 provides a 1.4 percent cost-of-living increase (based on the amount of benefits payable on June 1, 2002) for persons receiving retirement benefits under TSERS, LGERS, the Consolidated Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS).

State law suspends TSERS and LGERS retirement benefits when a retiree is reemployed by a covered employer and the retiree's earnings during a calendar year exceed a specified amount. Section 28.13 of S.L. 2002-126 extends the application of these earnings limits to the twelve-month period immediately following the effective date of the retiree's retirement.

Section 28.10 of S.L. 2002-126 extends until June 30, 2004, 1998 and 2001 legislation allowing a retired public school teacher to continue receiving TSERS retirement benefits if he or she is employed as a classroom teacher and meets certain other requirements.

Section 28.9 of S.L. 2002-126 increases from 1.81 percent to 1.82 percent the multiplier used, along with years of service and average final compensation, to determine the amount of full retirement benefits under TSERS and LGERS for persons retiring on or after July 1, 2002.

Making state law consistent with the federal Economic Growth and Tax Relief Reconciliation Act of 2001, S.L. 2002-71 (S 1429) amends the statutes governing TSERS, LGERS, CJRS, and LRS to increase from \$150,000 to \$200,000 the maximum level of compensation that may be considered in determining retirement benefits.

Purchase of Withdrawn Service and Rollover Contributions

Effective January 1, 2003, S.L. 2002-153 (S 1238) allows members of LGERS who have five or more years of service to purchase withdrawn service by paying the amount withdrawn plus 6.5 percent compounded interest. Under former law withdrawn service could be repurchased only if a covered employee worked under LGERS for ten years and made the repurchase within three years. Similar legislation was enacted in 2001 with respect to TSERS. S.L. 2002-153 establishes a formula for redetermining the amount of retirement benefits payable under TSERS and LGERS when a retired employee repurchases withdrawn service.

S.L. 2002-71 amends the statutes governing TSERS, LGERS, CJRS, and LRS to allow the use of rollover contributions from certain other plans to make service purchases, consistent with the federal Economic Growth and Tax Relief Reconciliation Act of 2001.

State Retirement Contributions

Section 28.5 of S.L. 2002-126 reduces the state's contributions to the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System for 2002-2003 by \$145 million. Contributions to the optional retirement programs for university and community college employees are not reduced.

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