

ARKANSAS DEPARTMENT OF HUMAN SERVICES  
DIVISION OF AGING AND ADULT SERVICES

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SECRETARY OF STATE  
LITTLE ROCK, ARKANSAS

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Policy Type	Subject of Policy	Policy Number
AAA Functions	Title III Direct Services	201.01

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**Policy Statement**

For services funded by Title III of the Older Americans Act, Area Agencies on Aging (AAAs) must, with the exception of ombudsman services, contract with service providers to provide services. DAAS may approve exceptions for the situations listed below:

- 1) Where provision of such services by an Area Agency on Aging is necessary to assure an adequate supply of such services; or
- 2) Where such services are directly related to such Area Agency on Aging's administrative functions; or
- 3) Where such services of comparable quality care can be provided more economically by an Area Agency on Aging.

**Purpose**

The purpose of this policy is to prohibit the provision of direct services by AAAs without the permission of DAAS.

**Scope**

This policy applies to all Area Agencies on Aging.

**General Authority**

Older Americans Act of 1965, as amended § 307 (a) (10)  
DAAS Policy and Procedures.

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Effective Date 1/01/90

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**ARKANSAS DEPARTMENT OF HUMAN SVCS-DIVISION OF AGING & ADULT SVCS**

<b>SECTION OF MANUAL:</b> II	<b>SUBJECT OF PROCEDURE:</b> Title III Direct Services
<b>PROCEDURE NUMBER:</b> 201.01	<b>CORRESPONDING POLICY:</b> Title III Direct Services
<b>ORIGINATING UNIT:</b> Field Operations	<b>EFFECTIVE DATE:</b> 1/01/90

**SCOPE:**

The policy applies to all Area Agencies on Aging providing services funded by the Older Americans Act.

**DEFINITIONS:**

- I. Direct Services - As used in this part, means activity to provide services directly to an older person by the staff of an area agency.
- II. Service Provider - Means an entity that is awarded a contract from an area agency to provide services under the area plan.
- III. Adequate Supply - Means there is sufficient supply of services available to meet the need for services.
- IV. Effectively - Refers to the capacity of the service provider to provide services needed to meet the need in the PSA.
- V. Economically - Refers to the capacity of the service provider to provide the service in the most cost efficient manner.

**PROCEDURAL REQUIREMENTS**

- I. AAAs must award contracts to service providers for the provision of Title III services. The Ombudsman Program is the only program that is exempt.
  - A. Direct Services shall not be provided by the AAA without permission from DAAS.
  - B. AAAs requesting to provide direct services must meet the following criteria:
    1. AAA must demonstrate that it has actively encouraged direct service providers in the PSA to apply for funding.

2. AAA must document that attempts have been made to develop and encourage the establishment of service providers in the PSA if there is a limited number as determined by DAAS in the area.

3. AAAs must provide justification for the request to provide direct services which will include all or part of the following:

a. That the services and/or components are not duplicated by an existing agency;

b. That there is no conflict of interest in the provision of direct services by the AAA;

c. That the AAA can demonstrate that it can provide the services more economically and effectively than any other provider in the area;

d. That the AAA can assure that the direct provision of services will not jeopardize the AAA's ability to perform its other responsibilities;

e. That the AAA can demonstrate it is in the best interest of older individuals in the area that the service be provided directly;

f. That the AAA can demonstrate that direct provision of services is necessary to ensure that an adequate supply of services is available.

C. AAAs must meet the criteria above to request permission to provide direct services. However, meeting these conditions will not guarantee the approval of the request by DAAS.

II. Procedures for requesting permission to provide direct services.

A. The request to provide direct services is due when the area plan is due.

- B. The request must be accompanied by a copy of the Request For Proposal (RFP) for the service(s) being sought with proof of publication and distribution.
- C. The request must include the justification for the request to provide direct services as documented under the provision in I.B. of this procedure.
- D. DAAS will provide approval or disapproval to the AAA within 30 days of the request. Any appeal shall be heard by a DHS Fair Hearing Officer.
- E. Approval for the direct provision of service by the AAA will be valid for not more than a one year period. During the year the AAA must aggressively attempt to develop the capacity of a local service provider agency or agencies to perform the service. If the AAA fails to comply with this requirement, the state will withhold funding and/or develop providers for the area.

III. The method proposed by the AAA to provide direct services must be fully and completely explained and justified in the area plan.

- A. Documentation as specified in I. B. of this procedure must be included in the area plan.
- B. Letters of support from service providers in the area which document that they are unable and/or unwilling to provide services published in the RFP must be included.
- C. The area plan must include a detailed budget for direct services and identify the number of staff and positions required to provide the services.

IV. Emergency Provisions of Services.

- A. AAAs must notify the DAAS Director, immediately and in writing, if or when the subcontractor determines that the provision of services will be discontinued and/or interrupted.
  - 1. The notification should include the following:

- a. A copy of the letter from the subcontractor notifying the AAA of its intent to discontinue or interrupt service provision;
  - b. A copy of the letter from the AAA to the subcontractor acknowledging receipt of the notification and the procedure that is to be followed in discontinuing the service.
- B. The AAA must provide a plan of how services will be provided and request permission to provide direct services if another service provider cannot be located. The plan must include:
1. A timetable covering the period of time the AAA expects to provide services. The timetable shall not extend beyond the expiration date of the current area plan budgets.
  2. The procedures that will be followed in attempting to locate and/or develop another service provider.
- C. The AAA must amend the area plan to include the request to provide direct services, along with a budget and identification of services that will be provided directly.
- D. The AAA must revise the area plan to include:
1. The proposed AAA service plan and schedule for performing the direct service;
  2. The AAA staffing structure which reflects who will assume responsibility within the AAA for direct service delivery;
  3. A complete budget amendment request which provides the estimated units of services to be provided and unit costs;
  4. Specific assurances which cover the provision of direct services.