

# Defining the Greatest Need

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ACL Final Rule  
on the Older  
Americans Act  
puts spotlight  
on social and  
economic  
disparities.

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## WE'RE GETTING OLDER

An estimated 82 million Americans, nearly a quarter of the U.S. population, will be 65 or older by 2050. That's a 47 percent increase from 58 million older adults reportedly living in the U.S. in 2022, according to the Population Reference Bureau (PRB), a non-profit research group based in Washington, D.C.

As these demographics continue to shift, how our society supports older Americans must also adapt. When the Older Americans Act (OAA) was published in 1965, individuals ages 65 and older living in the U.S. made up about 9 percent of the nation's population. That year, with the creation of Medicaid and Medicare, considerable funding was slotted for nursing homes.

The revolution in health and human services is well underway. And the Administration for Community Living (ACL) is in lock step with the times. The latest final rule from the agency, released in February of this year, outlines key updates to the OAA and highlights the agency's commitment to providing comprehensive services to those seeking to live and thrive in their homes and communities, with special attention paid to those in greatest economic and social need.

The U.S. Department of Housing and Urban Development reported 6.1 percent of the 2023 homeless population was over the age of 64. Advocacy groups estimate homelessness among older adults will triple by 2030.



## THE GREATEST NEED

The OAA was created in 1965 to ensure quality services and supports were provided to aging and disabled individuals in greatest social need. But what does that mean? According to the regulation, those in greatest social need may include physical and/or mental disabilities, language barriers or isolation that prevents them from performing normal daily tasks or living independently. While the OAA does account for economic status, this definition of social need accounts for other noneconomic factors that contribute, particularly, to isolation.

With the updates to the OAA, agencies administering OAA programs are given further guidance on how to define greatest social need based on the unique needs of their aging and disabled populations. This may mean consideration for disabilities, chronic health conditions and whether individuals live in rural or urban settings. According to the ACL, state agencies and area agencies on aging (AAAs) are best equipped to decide what conditions and factors contribute to older adults falling into the category of greatest social and economic need in their jurisdictions. This means OAA administrators can, “refine specific target populations of greatest economic need based on local and individual factors.”

Additionally, the updates to the OAA include several requirements for state agencies and AAAs, including they must describe how “greatest economic need” and “greatest social need” are determined and addressed.

## OAA GETS AN UPGRADE

ACL published its Final Rule on the updates to the OAA Feb. 6, and it took effect March 15, 2024. The ruling considers more than 700 comments from state agencies, advocacy groups and other stakeholders that poured in after the proposed changes were announced in June 2023. State aging agencies are expected to comply with updated guidance by October 2025.

At its core, the OAA authorizes funds to state agencies administering aging programs that support community-based continuums of services and supports. While there have been notable updates to the federal regulation over the decades, including enhancements to provisions designed to prevent elder abuse and encourage the modernization of senior centers, this is the biggest update to the act in more than 30 years.

There are dozens of ways the updated regulation provides clarity and more specificity on OAA programs and services. The ACL has also added emergency preparedness considerations in light of the COVID-19 pandemic and clarifications around legal action that can and should be taken in suspected cases of abuse.



It's estimated 4.2 million individuals enrolled in Medicaid long-term services and supports are part of HCBS programs. According to the 2023 LTSS State Scorecard, 53 percent of LTSS spending nationwide went to HCBS.

Zeroing in on the provisions regarding how funds should be allocated to serving those in greatest economic and social need, the ACL Final Rule is very specific and outlines the following key steps:

### **1. Assess state aging population needs.**

States review demographic data, consult Tribal leaders, survey older adults, family caregivers and community providers, hold public hearings, etc. Using this information, state agencies can start to define what greatest social need means for their program members.

### **2. Communicate how those in greatest social need will be targeted for service delivery.**

States are encouraged to work in partnership with advocacy groups to market availability of OAA services to populations identified as being in the greatest need.

### **3. Further refine greatest social need definition.**

State agencies may decide to prioritize subsets of their aging community based on needs that relate to geographic location, ethnic identity or incarceration history, for example.

### **4. Establish methods for serving prioritized populations.**

State agencies outline how funds will be distributed to programs that serve those in greatest need.

### **5. Conduct training and outreach for family caregivers and service providers.**


Focusing on caregivers (professional and family) will help ensure quality services are delivered to those in greatest need. States must also update their websites, social media accounts and other materials to reflect greatest need priorities.

### **6. Evaluate success.**

Collect data for the purposes of understanding success of targeting and prioritization efforts. Data can be collected through focus groups and outcome surveys, among other methods.

While some state agency and advocacy groups commented the proposed regulation changes may be overly prescriptive, the ACL believes states still have adequate discretion in how best to operate their OAA programs.

Supporting older populations seeking to age in place will continue to be a fundamental role for health and human services agencies in the coming decades, especially as the demographics shift older. ACL and their partners are prepared to support agencies serving older and disabled adults, but the prioritization is given to those in greatest need.





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For 25 years, FEI Systems has provided innovative IT solutions that assist federal, state and local health and human services agencies in caring for the most vulnerable members of their communities. Our Blue Compass suite of solutions includes a host of modules designed to address common requirements while meeting the unique and complex needs of each of the agencies and organizations we serve, including AAAs. Our case management for long-term services and supports system offers comprehensive tools for the cross-agency delivery of person-centered, coordinated health and human services. To best serve agencies administering OAA programs, the Blue Compass suite also includes ancillary sub-modules and function-specific features for:

- data collection and reporting
- waitlist management
- incident management
- APS reporting
- reimbursement and claims processing
- waiver eligibility

Our Adult Protective Services reporting features were built while keeping in mind ACL's standard reporting system (NAMRS), enabling our clients to easily report on critical APS data impacting older adults. The person-centered plan not only enables the capture of services and providers but also helps identify unmet needs across critical domains. By structuring our solution this way, states and agencies can perform trend analysis on common factors and identify key gaps in access to providers and care.

Additionally, our critical incident reporting module was designed in alignment with OIG's audit reports. We assist agencies in remaining compliant by providing the ability to create, track, triage and document incident follow ups. Notifications and task workflows within the system help providers stay on top of timelines, and trend analysis reporting enables oversight agencies to identify trends in incidents by population demography and providers. Additionally, FEI is leveraging advanced analytics to help with risk predictions and detection of unreported incidents.

FEI is prepared to support our client partners with comprehensive solutions that meet ACL requirements as the October 2025 deadline approaches.

Our Blue Compass suite of solutions provides compliant, comprehensive support for a range of health and human services, and we would be honored to partner with you in providing care and support to those you work tirelessly to serve.

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