

## **2007-2008 APPLICATION SUMMARY**

**PROGRAM TITLE: Metro Meals on Wheels**

**PROVIDER:** Oregon Pacific Chapter, American Red Cross (ARC)

**DESCRIPTION:** Package and deliver meals to OAA eligible clients who are frail, homebound or isolated and age 60 or older, as well as to OPI and Medicaid waived service clients, Monday through Friday, year around, in designated Eugene/Springfield neighborhoods. Provide frozen meals for weekend use to high priority clients and emergency meals for disruptions in service. Assess clients for OAA eligibility, provide a regular safety check and refer people when other service needs are identified. The Service Provider also delivers meals in negotiated areas to adults, who are not eligible for the programs listed above, on a fee for service basis or on special grants.

### **SERVICE OBJECTIVES:**

1. Service to an estimated **657** clients.
2. Units of Service: 73,963. This is the 2,000 fewer meals than contracted for in the FY 07 Amended Contract. The service provider does not have a waiting list at this time.
  - a. Deliver 54,106 Older Americans Act subsidized meals. This is 2,000 lower than the amended FY07 OAA contract.
  - b. Delivery of 9,939 meals to Medicaid clients over age 60 and 3,314 meals to Medicaid clients under age 60. This is approximately the same number being served in FY 07.
  - c. Delivery of 5,604 meals to OPI authorized clients.

Note: This proposal is predicated upon ARC delivering 1,000 private pay meals, which is approximately the same as the current contract.

### **METHOD OF SERVICE PROVISION:**

1. Package meals for routes, using a combination of four agency-owned and volunteer-owned vehicles. The subsidized program's geographic area is defined by the following boundaries: east boundary--I-5, except for Glenwood, the Gateway Mall area and the area north of Hwy 105 east to Marcola Rd; south boundary--approximately 49th Avenue; north boundary--Barger Drive in Bethel and the Eugene city limits (ARC goes out River

Road to Northridge Mobile Park on Delta, and to Armitage Park on Coburg Road); west boundary--Green Hill Road. Red Cross delivers private pay meals in Pleasant Hill, Dexter and Lowell.

2. Use approximately 300 volunteers to deliver meals during the year.
3. Use the kitchen at the Oregon Pacific Chapter of the American Red Cross, 862 Bethel Drive, Eugene, as Meals on Wheels office and meal dispatch site; use a mix of staff and volunteers to receive fresh food from the Central Kitchen and package for delivery.

**PMC's MONITORING SUMMARY:**

The Procurement and Monitoring Committee (PMC) conducted one on-site monitoring visit to the American Red Cross Meals on Wheels Program during the current fiscal year and found satisfactory performance.

**REVENUE SUMMARY:**

Intergovernmental Human Services Funds	\$0.00
OAA Title III-C-2	\$76,059
OPI	\$35,000
<b>Subtotal Contracted Cash</b>	<b>\$111,059</b>

**I. COMPARATIVE SUMMARY:**

	FY 06 Amended	FY 07 Amended	FY 07 YTD thru 2/28 66%	FY 08 Proposed
OAA Service Units	59,339	56,106	37,399 (67%)	54,106
OPI Service Units	4,060	5,604	3,585 (64%)	5,604
Medicaid +60	9,272	9,939	5,153 (52%)	9,939
Medicaid -60	1,900	3,314	1,990 (60%)	3,314
Total Contracted Units of Service	74,571	74,963	48,120 (64%)	72,963
Private Pay Service Units	1,310	1,000	514 (51%)	1,000
Persons Served	560	600	365	657
LCOG OAA Funds	\$89,365	\$75,568	\$50,373 (67%)	\$76,059
OAA Unit Rate	\$1.5060	\$1.3469	\$1.3469	\$1.4057
LCOG OPI Funds	\$25,000	\$31,775	\$20,615 (65%)	\$35,000
OPI Unit Rate	\$6.16	\$6.28	\$6.28	\$6.86

**STAFF COMMENTS:**

1. This budget will provide for 2,000 fewer OAA meals in FY 08, which suggests that waiting lists may be implemented. There is currently no waiting list.

2. This budget proposes an overall unit rate of \$6.69 per meal, a \$.41 increase over the current year amended budget.
4. The United Way contribution is budgeted \$4,000 higher than the current year. United Way will not announce their allocations until June.
5. The Human Services Commission funding (nearly \$14,000) has been eliminated from this version of the budget as the County has placed both of the Meals on Wheels programs on the list of services funded with discretionary County funds which would be eliminated if the Federal funds are not renewed or if the County income tax is defeated.
6. This budget is calculated at the NSIP (formerly USDA) rate of \$.53 per OAA meal.
7. This budget estimates no significant change in Medicaid paid meals. These numbers are estimates based on the assumption that the Legislature makes no further cuts to Medicaid which would reduce the number of clients. The reimbursement rate is calculated using the current rate.
8. ARC estimates collecting an average of \$1.70 per OAA meal. The current average donation is \$1.73 per meal. The suggested donation will be set at the current year's rate or 50% of the average of the ARC and S&DS unit cost rounded up to the nearest nickel whichever is greater. This figure is estimated to be the same, \$3.75 per meal.
9. This budget anticipates 1,000 private pay meals. It is also dependent on receiving a \$2,500 grant, increasing the funds designated to ARC's Meals on Wheels by \$7,800 and increasing the ARC % of the combined Meals on Wheels Campaign by slightly more than \$16,000. Based on S&DS and ARC budgets, S&DS will be serving 54% of the Meals on Wheels and ARC will be serving 46%.
10. Red Cross purchases meals under the Food Service Consortium contract. The cost of hot meals is increasing \$.23 to \$3.66. The cost of frozen meals is increasing to \$.10 to \$3.31. If the Food Service Consortium exceeds the volume contracted for in the Tier 1 rate, the price of subsequent meals will drop significantly. This budget is based on the higher costs.

11. Administration and Program Support Costs are 12% of this budget.
12. Direct Service Staff levels are similar to last year at 4.0 FTE. The staff includes: 1 Program Director, 3 Program Coordinators. Direct Service staff wage increases of 3% have been included although offsetting reductions in benefits result in a minor increase in direct labor cost.
13. Occupancy and utility costs in the new building have been recalculated and have increased by \$3,800.
14. This budget is based on several revenue and expense estimates which could change. A contract amendment will be required when the numbers are certain.

**PMC RECOMMENDATION:**

1. That the SSAC recommend that LCOG approve the FY 2008 contract for Metro Meals on Wheels with American Red Cross, for meals at a total unit rate of \$6.69 per meal. This recommendation is made with the understanding that if funding levels or contracted food service rates change, the budget and service levels will be renegotiated. Specific reimbursement rates are noted in the table below.

**RATES APPLICABLE TO METRO MEALS ON WHEELS**

<b>Source</b>	<b>Units</b>	<b>Unit Rate</b>	<b>Total Funds</b>
OAA	54,106	\$1.4057	\$76,059
USDA (includes OAA meals only)	59,710	\$0.53	\$31,646
OPI (includes OPI client donations)	5,604	\$6.86	\$38,470
HSC Funds	0	\$0.0	\$0