



1 | action, unannounced special monitoring, temporary assumption  
2 | of operation of one or more programs by the department,  
3 | placement on probationary status, imposing a moratorium on  
4 | agency action, imposing financial penalties for  
5 | nonperformance, or other administrative action pursuant to  
6 | chapter 120, if, after an evaluation, the department finds  
7 | that:

8 |         (a) An intentional or negligent act of the agency has  
9 | materially affected the health, welfare, or safety of clients,  
10 | or substantially and negatively affected the operation of an  
11 | aging services program;~~—~~

12 |         (b) The agency lacks financial stability sufficient to  
13 | meet contractual obligations or that contractual funds have  
14 | been misappropriated;~~—~~

15 |         (c) The agency has committed multiple or repeated  
16 | violations of legal and regulatory requirements or department  
17 | standards;~~—~~

18 |         (d) The agency has failed to continue the provision or  
19 | expansion of services after the declaration of a state of  
20 | emergency;~~—~~

21 |         (e) The agency has exceeded its authority or otherwise  
22 | failed to adhere to the terms of its contract with the  
23 | department or has exceeded its authority or otherwise failed  
24 | to adhere to the provisions specifically provided by statute  
25 | or rule adopted by the department;~~—~~

26 |         (f) The agency has failed to properly determine client  
27 | eligibility as defined by the department or efficiently manage  
28 | program budgets; or~~—~~

29 |         (g) The agency has failed to implement and maintain a  
30 | department-approved client grievance resolution procedure.  
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1           (3)(a) If the department takes an intermediate measure  
2 against an area agency on aging as provided in subsection (2)  
3 and the department determines, at least 90 days after the  
4 measure is taken, that the area agency on aging has failed to  
5 effectively plan, fund, or administer contracts for programs  
6 and services not funded by the federal Older Americans Act,  
7 the department may terminate the contract of the area agency  
8 on aging for such programs or services. Notwithstanding any  
9 law to the contrary, if the department terminates a contract  
10 with an area agency on aging, the department must contract, in  
11 accordance with chapter 287, with an entity to plan, fund, and  
12 administer the programs and services previously under contract  
13 in the affected planning and service area. The department may  
14 directly provide the affected program or service for a limited  
15 period of time, but must initiate a competitive-procurement  
16 process to replace the area agency on aging within 180 days  
17 after the termination of the area agency on aging's contract.

18           (b) Any contract or referral agreement effective on or  
19 after July 1, 2006, between an area agency on aging and a lead  
20 agency or service provider must be assignable to the  
21 department and subsequently to an entity competitively  
22 selected under this subsection.

23           Section 2. This act shall take effect July 1, 2006.  
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1                   STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
2                   COMMITTEE SUBSTITUTE FOR  
3                   Senate Bill 1330

4 This Committee Substitute allows the Department of Elderly  
5 Affairs (DOEA) to terminate a contract for administration of  
6 state-funded aging programs through Area Agencies on Aging  
7 under certain circumstances. If a contract is terminated, the  
8 department must contract with another entity to administer the  
9 state funded programs or may directly provide the service for  
10 a specified period of time and must begin a competitive  
11 procurement process. After July 2, 2006, any contract or  
12 referral agreement between an area agency and a lead agency  
13 must be assignable to DOEA and, subsequently, to a  
14 competitively procured entity.  
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