The original documents are located in Box 3, folder "Aging - Federal Council on Aging (4)" of the Sarah C. Massengale Files at the Gerald R. Ford Presidential Library.

The Interrelationships of Benefit Programs for the Elderly

Appendix II

Programs for Older Americans in Four States: A Case Study of Federal, State and Local Benefit Programs

Federal Council on the Aging

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Prepared for
The Federal Council on the Aging
by

The Human Resources and Income Security Project
The Urban Institute

December 29, 1975

FEDERAL COUNCIL ON THE AGING
WASHINGTON, D.C. 20201

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

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PROGRAMS FOR OLDER AMERICANS IN FOUR STATES: A CASE STUDY OF FEDERAL, STATE AND LOCAL BENEFIT PROGRAMS

The Federal Council on Aging, as part of a study of the combined impact of various benefit programs on older Americans, requested that four states be visited for the purpose of identifying and describing benefit programs for the elderly which would be illustrative, although not necessarily statistically representative, of state-level activities nationwide. The intent was to gain an understanding of several spectra of programs which might be available to individual recipients around the country. It is important to stress that the emphasis is on "might," since there is wide variation in the extent and types of programs offered in different states.

Wisconsin, Georgia, Massachusetts and Washington were selected as representative of certain geographic and demographic characteristics as well as having fairly high levels of program activity. These states represent four regions of the continental United States - Northeast, North Central, South and West - and have on the average similar proportions of persons 65 years of age and over, incidence of poverty, and percent of total state population who are both over 65 and poor. An important consideration in selecting the states was the availability of data and the willingness of the state program people to cooperate in the study. The schedule for the project, of which this report constitutes one task, necessitated a time limit of one week in each state, including travel time. For this reason visits, for the most part, were limited to the State Capitals where most of the departments are located. Consequently, there is a paucity of data on local, private programs which might have been obtained by means of a statewide survey with visits to each of the

Area Agencies on Aging within a state, or to selected localities. There is no central corpus in the state which gathers data on local programs offered throughout the state. State and Area Agencies on Aging are making a continuing effort to learn of such programs and to include them in their information and referrel services, but so far it has not been possible to obtain an inclusive listing and description of them.

The initial contacts in each state were with the Stage Agency on Aging (or its equivalent, since the position of this office in the hierarchy of state government varies from state to state) and the state department responsible for social services. These offices, in turn, supplied referrals to specific program people. The timing of the state visits presented some problem to the program people in that they were engaged in meeting October deadlines for formulating State Plans required under Title XX of the Social Service Admendments and State Plans required under the Older Americans Comprehensive Services Amendments. A minimum of problems were encountered in arranging appointments with appropriate persons. Some follow-up by phone was necessary where appointments could not be arranged at the time of the state visit. Where data were not readily available, such data were, in most cases, sent following the visit. In many cases the data were simply not available, or, in the case of programs not specifically aimed at the elderly, data were not always broken out by age.

It was not possible to establish a uniform period for cost information because of reporting variations among the program offices. An effort was made to obtain the most recent annual data, but in many instances only monthly, quarterly, or semi-annual data were available.

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In 1974, an estimated 692,500 persons in Wisconsin were age 60 and over; 493,680 were age 65 and over. They represented 14.9% and 10.8% of

the state's total population respectively. Approximately, 24% of those 65 and over had incomes below the poverty level, resulting in 3% of Wisconsin's total population being both 65+ and poor. 36% of the 65+ population reside in rural areas.

Since 1968, the Wisconsin Division on Aging has been located within the Wisconsin Department of Health and Social Services (DHSS). The Division does not have statutory authority and operates primarily as an administrative office. Its present budget is $9 million, $240,000 of which are state funds. The Department of Health and Social Services is an umbrella agency committed to a comprehensive human services approach to the planning and delivery of services to people in need. Services to older adults are part of the broad context of providing services to persons of all ages. Some debate exists within the state on the question of whether the aged would be best served by a separate agency, but for the present the "umbrella" concept prevails.

The Division on Aging, the Governor's Office, the State Legislature and various divisions within DHSS are strongly committed to providing systems and services as alternatives to the institutionalization of the elderly. In keeping with this commitment, an adult Protective Services Act was passed effective June 1974. Guidelines for local agencies administering the act were published in July of 1975. In terms of the elderly, it is estimated that 15% (about 75,000 persons) of those aged 60 through 74 need protective services, if not protective placement, while an estimated 75% (150,000 persons) aged 75 and over require such services.

Many of these people are presently residing in protected residential settings either with families or in institutions, nursing homes and other

care facilities. The act is directed at protecting these people from self-neglect and neglect by others, from hazardous situations and from being abused or taken advantage of. The services consist of court-related activities as well as a wide range of social and health services which individually or in various combinations can constitute an alternative to placement in institutions. Such services are to be made available to those who need them at their request or with their consent. Under the Act, courts can order protective services only for persons who are judicially determined to be incompetent.

The Act is designed to establish these services statewide and to make them available to everyone who needs them. However, since there is no new money to make this possible because there is no fiscal note attached to the Act, it is unlikely that full-scale, county-based systems for delivery of the services will be implemented in the immediate future. The initial objective is to expand the systems of existing agencies.

Attention is given to this Act in this report because it seems apparent that it will have particular implications for services provided under Title XX of the Social Service Amendments. Specific services which are likely to be affected by the Act are diagnosis and evaluation, counseling, planning placement and supervision, home and financial management, court and legal services, chore services, home-delivered and congregate meals, housing services, transportation, day care, special living arrangements and personal care services.

Title XX - Social Services

Since it is expected that Title XX services to the elderly in Wisconsin will be essentially the same as those under Title VI of the Social

Security Act, at least for the first year beginning October 1, 1975, there is little likelihood that the Protective Services Act will have an immediate impact on the delivery of services under Title XX. Wisconsin is presently at its maximum federal allocation of $54.5 million. An additional $22.5 million of state funds brings the total budget to $77 million. This budget which is already allocated for the coming biennium does not allow for new programs or expansion of old Title VI programs.

Title XX services, estimated numbers of people to be served and estimated expenditures for the 21-month program period appear in the following table:

TABLE 1

TITLE XX PROGRAM

Services[a]	Estimated No. of Persons[b] 65 and over to be Served	Estimated Expenditures
Health Related	7,100	$ 2,422,000
Diagnosis and Evaluation	2,210	216,000
Counseling	2,700	552,000
Day Services	3,400[c]	12,458,000
Day Care	13,000[c]	838,000
Transportation	10,000	480,000
Housing	13,300	398,000
Education & Training	2,000	68,000
Personal Care	5,900	1,763,000
Home & Financial Management	7,400	2,265,000
Chore Services	12,200	3,376,000
Home Delivered or Congregate Meals	800	32,000
Court Services	300	11,000
Legal Services	100	1,000
Planning, Placement and Supervision	5,800	1,605,000
Protective Payment	1,400	492,000

[a] See Definitions of Services following Table 1.

[b] SSI recipients only, does not include income eligibles who may be 65+ because breakdown by age was not available. The income maintenance official interviewed estimated that the bulk of SSI recipients in Wisconsin are age 65 or over.

[c] A large portion of SSI recipients receiving these services are probably disabled rather than aged.

TITLE XX Definitions of Services

Diagnosis/Evaluation

Activities (including medical) leading to identification of the nature and/or extent of the presenting problems; the services necessary to remove, ameliorate or manage the problem; and the development of measurable client objectives.

Counseling

The utilization of special skills to assist individuals in achieving objectives and in decision-making through exploration of a problem and its ramifications, examination of attitudes and feelings, and consideration of alternative solutions.

Chore Services

Performing work or household tasks which persons are unable to do for themselves because of frailty or other conditions and which do not require the services of a trained homemaker or other specialist. Chore services, which may be done on a paid or volunteer basis, may include but are not limited to such activities as: (a) help in shopping, (b) lawn care, (c) simple household repairs, (d) running errands.

Court Services

Assisting the courts when requested or required in investigations, studies, recommendations and supervision.

Day Care Services

The provision of care of children and adults for any portion of the 24-hour day in a setting licensed or approved by the appropriate agency for purposes of personal care and/or for promotion of social, health, and emotional well-being through opportunities for companionship, self-education and other developmental activities. Settings include licensed day care centers as well as in-home and family day care and may include provision of a noon meal. Medical if not covered under Title XVIII or XIX may also be included.

Day Services Program

Non-residential comprehensive coordinated care, services and/or treatment (including medical if not covered by Title XVIII or XIX) to enhance motivation and social development and to alleviate disabilities when present. Day services shall provide a continuous delivery of services for a scheduled portion of a 24-hour day and may include the cost of a noon meal. Examples are licensed or approved day treatment facilities, day care for the mentally handicapped, etc.

Education and Training

Those activities which assist persons in obtaining education and or training in accordance with their capacities and/or vocational needs. This service can include payment for educational expenses as well as the actual provision of a broad and varied curriculum of practical and/or academic subjects primarily designed to develop the ability to learn, acquire useful knowledge and basic learning skills to improve his economic well-being and/or to improve the ability to apply them to everyday living.

Health Related

Identifying needs for preventive and prompt remedial medical services, dental services, locating qualified providers of those services and helping solve any problems which may prevent persons from obtaining and making optimum use of services available.

Home and Financial Management

Assisting in or providing for management of household budgets, maintenance and care of the home, preparation of food, and nutrition.

Home Delivered Meals or Congregate Meals

This means payment for the cost of food, preparation and delivery of meals to an individual in his or her home or a central dining facility.

Housing Services

Assisting persons in finding and maintaining living arrangements which are suitable and adequate to meet their housing needs; planning and making appropriate alterations in a home to meet specific needs of its occupants to assure safety and adequate standards; construction of ramps to replace stairs if an occupant is wheel-chair bound; rebuilding or rearranging kitchens and providing specialized equipment so a handicapped person may function more independently; adding railing and handholds in strategic places; or other modifications. (This service includes payment of moving expenses.)

Information and Referral

Provision of factual information to individuals and organizations concerning human problems and available services and resources. Referral includes a follow-up responsibility for verifying that a contact has been made with the agency to which the client has been referred.

Legal Services

The services provided by a professionally trained attorney. (For DFS, this service consists of referral and follow-up.

Personal Care Services

The non-medical services performed for an individual to maintain well-being, e.g., feeding, bathing, dressing, etc.

Planning Placement and Supervision

Activities of the agency staff leading to placement of children and/or adults in an approved or licensed setting which is suitable to the needs of the individual; and ongoing activities assuring the appropriateness of and need for that placement through periodic review.

Protective Payment Services

Services may include fees for guardians, conservators and related costs of bonds and filing fees. The decision as to who is to have a protective payee and the actual selection of the payee are the responsibilities of the income maintenance unit or agency.

Transportation

Provision of transportation and related costs to make it possible for individual or families to travel to and from facilities and resources. Services may include but not be limited to the cost of transportation and attendants or escorts when necessary.

Services directly benefiting the aged which are receiving the largest allocations appear to be those which coincide with the state's goal of keeping the aged out of institutions. These services are personal care (non-medical services to assist in maintaining well-being), chore services (lawn care, simple household repairs, shopping assistance, etc.), home and financial management (assistance with maintenance and care of the home, food preparation and budgeting), and health-related services which focus on preventive and prompt remedial medical and dental care. Where these efforts fail to enable aged persons to live independently, a substantial allocation has been provided for planning, placement and supervision to insure that elderly persons are appropriately placed in a setting which is suitable to their individual needs. Ongoing supervision is also provided by means of periodic evaluation and reviews to assure that the

need for such placement still exists or to determine if alternative living arrangements would be more beneficial.

A fee schedule for Title XX services provides that fees will be one-quarter of the excess monthly income above 80% of the median income, adjusted for family size. Fees will never exceed the actual cost of services. 115% of the median income, adjusted for family size, is the maximum income limitation. Gross monthly income limitations for single persons and couples are as follows:

	80 % Median Income	115% Median Income
Single Person	$334	$480
Couple	556	799

Fees for Services

On December 16, 1974, the State of Wisconsin issued Administrative Order No. 1.42 which provides for a complex schedule of fees, liability and collections for any services purchased or provided with state funds. (No system has as yet been implemented for fees for county services.) The schedule is basically an ability-to-pay system based on the state's expectations by way of collecting. No fees are charged where costs of collecting would approximate or exceed the amount recovered or when the fee is determined to have a sufficiently adverse effect upon the client that it can be predicted that the positive result intended through delivery of the service would be appreciably impaired.

Each facility operated by DHSS is responsible for deciding whether a fee will be charged and the amount of the fee in accordance with various formulae established for operating and unit costs of the various services rendered. Any money available for spending is considered as income. However, the means tests set aside money for essentials of food, shelter,

taxes, etc. and no fee for other services is charged until these essentials are met. Some of the services to the elderly to which this administrative order applies are outpatient clinic services, inpatient mental health services, foster home care, day care, and alchoholic and drug inpatient and outpatient services.

The order is most likely to apply where the recipient of services is not an SSI recipient and does not qualify as medically needy under Medicaid.

SSI State Supplement

Wisconsin has a federally administered SSI State Supplementation program. Income standards for the state supplement are $228 per month for an individual, $362 for a couple. All SSI eligibles are eligible for the supplement as well as others whose incomes fall within the standards.

Examples - SSI and state supplemental benefits to individuals with and without social security benefits (no other income).

	Case I	Case II
Social Security	$ 0	$186
SSI	157.70[1]	0
State Supplement	70.30	62[2]
	$228.00	$248

1/ As of July 1975, the federal SSI benefit to an eligible individual with no other income was raised from $146 to $157.70 per month; from $219 to $236.60 for an eligible couple.

2/ State supplement is less countable income. $20 of social security is excluded.

Income under the state supplement program is subject to the same exclusions as under federal SSI. States in which the supplement is federally administered have established supplemental benefit amounts for individuals and couples which vary according to living arrangements.

There is no federal requirement that states adjust supplemental benefit levels as the cost of living changes or that they pass through the automatic SSI cost-of-living adjustment. Because Wisconsin has what it considers high state supplement benefit levels, it does not pass through the cost-of-living adjustment. It was not possible to obtain information on the number of state supplement recipients who were dropped from the rolls due to income ineligibility caused by the July increase in Social Security since statistics on monthly attrition are not cross-tabulated by categorical eligibility. Becoming ineligible for SSI, however does not cause most former recipients to lose medical assistance (Medicaid) benefits, because they qualify as medically needy under Medicaid.

The following SSI and state supplement data are for August 1974:

Number of Wisconsin Aged receiving SSI payments	32,587[1]
Average monthly amount of combined federal and state payments	$103.18
Average monthly federal SSI payment	$ 62.64
Average monthly state supplement	$ 64.19

The state appropriation for SSI supplementation was $21 million for fiscal year 1975. The portion of this amount earmarked for the aged was not indicated.

1/ includes persons with federal SSI payments and/or state supplementation.

Medical Assistance (Medicaid)

Medicaid in Wisconsin is known as Medical Assistance. It is a broad-based program which offers the maximum benefits available under Title XIX of the Social Security Act. Benefits are identical for Group I (categorically needy) and Group II (Medically needy). According to the director of the Wisconsin Bureau of Medical Services there was a large upsurge in participation in October 1974 which has continued.

Eligibility requirements include verification through proof of age or a medical report that the applicant is age 65 or over, or totally and permanently disabled as currently defined for SSI, or blind. In addition the applicant must be a citizen of the U.S. or an eligible alien and a resident of Wisconsin. Economic conditions vary for Group I and Group II eligibility and are too involved to be included in detail except for annual allowable income levels for the medically needy which are $3,400 for an individual, $4,000 for a couple. (These limits are somewhat below the federal SSI annual income cutoff levels, $4,800 for an individual and $6,698 for a couple, and substantially below the state supplement cutoff levels of $6,492 for an individual and $9,708 for a couple.) Even if annual income exceeds these amounts, persons may be eligible for benefits where medical expenses, including health insurance premiums, equal one-half or more of the difference between annual income and the allowable income levels given above.

The following participation and cost figures were provided on medical assistance to the aged for the first three months of 1975.

	Beneficiaries	Average Benefit Per Beneficiary	Total Benefits
Jan.	47,540	$288	$13,703,749
Feb.	46,153	282	12,019,388
Mar.	48,483	254	12,306,970

Slightly over half of the total benefits in each of these months was expended for care in nursing homes or intermediate care facilities. In the opinion of the director of the Bureau of Medical Services, there is a great need for the federal government to relax the regulations on outpatient services. In many cases elderly patients are institutionalized in order to receive services which could be delivered on an outpatient basis, allowing these elderly persons to remain in their own homes or in other living arrangements which would afford them a greater degree of independence and dignity. He also cited the need for federal matching of funds to provide day care for the elderly in skilled nursing home and intermediate care facilities which would further the goal of noninstitutionalization of the elderly wherever possible.

A three-year demonstration project was recently begun in La Crasse, Wisconsin to establish community care organizations (CCOs). The major function of the CCO is to locate persons presently in institutions such as nursing homes who could be released to outside living arrangements if a minimum of community care were provided. In addition, the CCO attempts to locate elderly persons about to be admitted to institutions to determine if the provision of certain health and home care services might preclude the need for placement in an institution. The hypothesis of the project is that by means of a per capita rate paid through Title XIX to CCOs, services could be provided which would keep many elderly persons out of institutions and greatly reduce the funds currently required for care in nursing homes and intermediate care facilities.

Mental Health Services

The Division on Aging and the Division of Mental Hygiene are currently working on an agreement to further state policies for the proper maintenance

of mental health for older Americans and the care and treatment of the alcoholic and other drug abusers, the mentally ill and the developmentally disabled among the elderly. Their aim is a statewide coordinated system of home, health, and community services to provide older Americans with realistic alternatives to inappropriate placement in institutions. Because the agreement is not fully implemented at the present time, participation and cost data are not available.

Nursing Homes

As of January 1974, the state of Wisconsin converted all but one of its 35 county mental hospitals (7,980 beds) to nursing homes in order to qualify for Federal funding and to meet patient demand. There are now 84 county nursing homes with a total of 13,469 residents located throughout the state. They represent 68% of the total nursing homes in Wisconsin, but only 24% of total nursing home beds in the state. A 1974 report showed that 10.9 percent of Wisconsin's population of persons age 65 and over (36,268 persons) were residing in county, nonprofit, or proprietary nursing homes. Over 80% of all nursing home residents are over 65 years of age. Approximately 25% of these elderly persons are bedridden; the remainder are ambulatory or semi-ambulatory. About one-third of these patients are private pay and two-thirds receive Title 18, Title 19 or Veterans payments. The number of Medicaid patients increased by 25% from 22,882 in 1973 to 28,632 at the end of 1974. Very few elderly persons utilize outpatient services. In fiscal year 1974, 1,547 persons age 60 - 64 received outpatient services and 3,504 age 65 and over, for a total of 5,051. An effort is being made to expand the delivery of community-based outpatient services.

One example of a negative program interaction was described with respect to nursing homes. The SSI state supplement program provided for a $45 per month personal allowance. In the case of a bedridden SSI recipient residing in a nursing home, the personal allowance could accumulate to the point where it would total $1,500, the assets cutoff point at which a person is no longer eligible for SSI and therefore not automatically eligible for Medicaid. Considering that the individual would probably still qualify as medically needy under Medicaid, this interaction would not appear to be a serious one. In any event, the personal allowance was recently lowered to $25 per month.

Alternative Living Arrangements

Alternative living arrangements for the elderly such as private resident or boarding homes, adult homes and foster care are decentralized to such an extent in Wisconsin that no participation or cost data are available.

County-Delivered Social Services

A special survey was conducted in February 1974 to determine the type and extent of social services delivered by the counties to persons age 65 and over. The seventy-two counties of Wisconsin provided services to over 7,000 persons during that month. Among the services provided, purchased or arranged for by county departments under the supervision of the regional offices of the Division of Family Services, DHSS, were homemaker services (could include personal care, light housekeeping, help with shopping, transportation and consumer education), home health care (provided either by health aides of county nurse offices or else purchased from friends, relatives or neighbors), chore services (lawn care, snow removal, errands, etc.), transportation for medical attention or shopping, home delivered

meals, assistance in locating adequate housing, nursing home placement, arrangement for guardianship, information and referral, friendly telephone visits, counseling older persons and their families, and adult group home placement (of which there are very few).

These services are intended to reduce isolation, to provide some help to people so that they can continue to live in their own homes, or to protect them from harm when they are no longer able to take care of themselves.

County budgets for these services are very small, which accounts to a large extent for the small numbers served. Cost figures and fee schedules, if any, were not included in the report.

Public Health Nursing

There are approximately 140 public health nursing agencies in Wisconsin which are mainly county nurse offices, city and county health departments, and visiting nurse associations. An estimated 72% of the 9,000 persons served by these home health agencies were age 65 or over in calendar year 1972, the most recent year for which statewide data were available. Payment for these services is on a sliding scale and varies by locality.

Housing

The following information on the total housing units under management for the elderly only as of August 1975 were provided by the Divison on Aging Housing Consultant:

Housing Program[a]	Total Units
Public Housing	7,091
Rent Supplement (Housing and Urban Development Act of 1965)	2,194
Leased Housing (Sec. 23)	532
Interest Subsidy (Sec. 236)	1,076
Lower Income Housing Assistance (Sec. 8 of Housing and Community Development Act of 1974)	1,799 503 under construction
Co-op Housing (Sec. 202 of the Housing Act of 1959)	124
Rural Rental Housing Loans (Sec. 515)	580 451 under construction
Total	14,350

a/ All of these housing programs are federal programs. For eligibility criteria, see Handbook of Programs for Older Americans which is part of this study.

By November 1976, Wisconsin expects to have 15,319 units under management for the elderly only. This compares with approximately 118,000 elderly poor in the state, some of whom reside in other than private residences.

The Wisconsin Department of Local Affairs and Development, Division on Housing, confirmed that there are no state housing programs exclusively for the elderly. There are a number of Community Action Programs (CAPS) funded by OEO which help people sell their homes and contract for repairs, but these programs are not statewide, nor are data available by age. Last year some federal money was channeled to CAPs from the Federal Energy Agency for a home winterization program which provided insulation, weather stripping, space heaters and emergency fuel aid. No data are available on the number of elderly served. However, it was estimated that in rural low-income

areas, one-half to two-thirds of those served were elderly.

Homestead Property Tax Credit Program

In 1964, a law was passed establishing the Homestead Property Tax Credit Program for persons age 62 and over(age 60, if disabled) who own or rent their homes. The law was revised in 1973 to reduce the age of eligibility to 18. Claimants must have resided in Wisconsin during the entire year preceding the year in which a claim for credit is filed. Income, which cannot exceed $7,000, is defined as the sum of adjusted gross income, including net income from sources outside the state, alimony, support money, the gross amounts of any pension or annuity (including railroad retirement benefits, all payments received under the federal social security act and veterans disability pensions), SSI benefits, non-taxable interest received from the federal government, workman's compensation and the gross amount of "loss of time" insurance. General assistance and AFDC recipients are ineligible as of 1973.

The tax credit is calculated as follows: If household income was $3,500 or less during the claim year, 80% of property taxes or rent accrued as property taxes can be claimed, subject to a $500 limitation. If income is between $3,500 and $7,000, the claimant can claim 80% of the amount by which it exceeded 14.3 % of household income, subject to a $500 limitation. The percentage of rent allowed as tax equivalent is 25% (does not include utilities). Nursing Home residents can claim $15 per week.

In fiscal year 1974 there were about 193,000 claimants and the average payment per claimant was $183. The total amount of the credit was $35.4 million. Since the program was revised in 1973, changing age of eligibility to 18, there are no precise data available on benefits to

persons age 62 and over. However, a legislative audit of 300 claimants indicated that in fiscal year 1974, 85% of the claimants were 62+. The Revenue Department official interviewed cautioned that that percentage is closer to 60%, with the elderly receiving about 70% of the total tax credit. In fiscal year 1973, the last year in which only elderly persons were eligible, there were 81,000 claimants. The average credit was $114 and the total credit was $9.2 million.

Transportation

There are a few vehicles for transporting the elderly under Title III of the Older Americans Act: 15 vehicles (8 - 18 passenger) funded under new Title III and 44 vehicles under old Title III. Escort services under Title III allow reimbursement mileage for travel in some cases.

As of June 30, 1975, the Urban Mass Transit Authority (UMTA) notified Wisconsin of the approval of 30 proposals totaling $623,000 for projects scattered throughout the state. This will be an ongoing program, but the money is strictly for capital grants which do not cover operations costs. Approximately 50 vehicles (vans and buses) will be purchased to serve the elderly and the handicapped. Eligible applicants must be nonprofit organizations not controlled or appointed by a government. Examples of nonprofits applying are the Red Cross and churches. The sponsor has to be located in a town with a population of 5,000 or more. Rural needs in Wisconsin will be met by restricting the operation in the cities to 50% of the time. The other 50% of the time, the vehicle must serve the rural areas. The Wisconsin Department of Transportation and DHSS (Division on Aging) are working together to implement the projects.

In every Wisconsin community where there are public transportation systems there are reduced fares for the elderly. The reduction is usually 50% during off-peak hours. The transportation systems are subsidized by Federal and State funds for deficits and are therefore not directly related to providing reduced fares for the elderly. Consequently, there are no data indicating how many elderly persons are served or what the dollar amount of the benefit to them might be.

Nutrition

Nutrition projects under Title VII of the Older Americans Comprehensive Service amendments are not statewide as yet. They are operated as county projects, and presently 19 counties plus the Inter-Tribal Council have nutrition sites. The cost is about $2.00 per meal which includes food, labor, administrative and back-up services. Food stamps are accepted by eight of the projects, and all projects utilize commodities from the federal commodity distribution program. The meals are served in churches, city halls, community and senior centers. Schools, hospitals, nursing homes, religious houses and food service vendors prepare and transport the food to the sites. Support services such as transportation and escort, outreach, information and referral, recreation, nutrition education and shopping assistance are an integral part of the nutrition program, since the aim is to provide a total service which fulfills both the nutritional and the social needs of the elderly. General guidelines and suggestions for implementing supporting services are provided to the projects and participants are surveyed to determine their needs and interests.

During fiscal year 1975 there were 16 projects in the state (three additional projects were added after June 30, 1975), with 114 nutrition sites in operation (57 each in urban and rural areas). A total of 152 full-and part-time staff members and about 1,500 volunteers, over half

of whom are age 60 or over, operate the projects. The total number of different individuals who participated in the program was 54,719. Of this total, 51,651 were white, 1,117 were black, and 1,817 were American Indians. 1,341,527 meals were served in a congregate setting and 134,369 meals were home delivered. Approximately 30,000 of the participants (55%) were below the poverty level. There are over 600,000 noninstitutionalized persons 60 years of age and older residing in Wisconsin and more than one-fifth (120,000) of them have incomes below the poverty level. Presently, only 25% of this population is being served by the program. However, progress is being made in attracting local funds which will facilitate the expansion of the projects. Last year $50,000 was raised from general operating funds. County Boards are also showing increased willingness to allocate some of their money for the projects. Total expenditures for FY 1975 amounted to $2,843,682, of which $288,375 were non-federal funds.

To augment the Title VII program, legislation was passed by the Wisconsin Legislature in April 1974 authorizing the establishment of an elderly nutrition improvement program in the public schools and placing the administrative responsibility for carrying out the law in the Department of Public Instruction. If such a service is desired, the School Board develops a plan for provision of the services. Each district food service plan must provide for at least one meal each day that the school is in regular session.

Wisconsin residents 60 years of age or older and the spouses of such persons are eligible. They may be required to contribute up to 65¢ per meal to help defray the district's food and production expenses. The School Board may file a claim with the Department of Public Instruction for reimbursement payments up to 20 cents a meal for allowable expenditures

in excess of 65¢ per meal; costs in excess of 85¢ may be chargeable to the participants. Capital equipment costs are not allowable in determining the district's average meal cost: Minimal nutritional standards are established, consistent with federal standards and reasonable expenditure limits.

The program runs for the school year. An estimated 5,264 meals were served during the last school year to approximately 1,000 persons. Figures on the cost to the State were not available at the time of the state visit.

Title III Programs

Nine area agencies on aging are located throughout the state which offer largely support services such as transportation, escort, outreach, and information and referral in addition to gap-filling services which are purchased. An effort is being made to change the philosophy of area agencies from that of providers of funds and services to the role of planning, coordinating and organizing. The area agencies are each committed to the state policy of providing systems and services as alternatives to placement in nursing homes and other institutions. There is no comprehensive state plan on aging at the present time, but work has begun on the development of a comprehensive five-year plan of health and social services. No participation and cost-per-service data are available because reports of the area agencies to the Division on Aging do not contain detailed estimates of such information.

Board on Aging

In 1971, the Wisconsin Legislature established a Board on Aging appointed by the Governor. The Board serves as an advocate in behalf of older persons in the state and is not tied in with the Division on

Aging. It has no control over resources but works closely with a coalition of aging groups to introduce legislation to help the elderly. To date five bills have failed to be passed which were introduced to provide such benefits as a statewide nutrition program to augment the Title VII program, disregard of social security benefits as income under the Homestead Property Tax Credit Program, a double exemption on state income tax for senior citizens, state revenues to match local efforts in building or expanding multipurpose senior centers, and the creation of a task force to study and make recommendations for solving transportation problems of the rural elderly. Although the Board has the support of the Governor, its bills have not gotten beyond committee hearings.

GEORGIA

In 1974, an estimated 575,000 persons in the state of Georgia were age 60 and over (12% of the state's total population). Approximately 25% of these persons (141,000) resided in Metropolitan Atlanta. The 400,000 persons who were age 65 and over comprised 8% of the state's total population. Approximately 41% of those 65 and over had incomes below the poverty level, resulting in 3.5% of Georgia's population being both 65^+ and poor. 42% of the 65^+ population reside in rural areas.

In 1972, there was an extensive reorganization of the state government, resulting in the abolishment of the Former Commission on Aging. Functions of the Commission were transferred to the Office of Aging which became part of the newly created Department of Human Resources (DHR), which functions as an umbrella agency to provide human resource programs through a statewide, integrated service delivery system to needy persons of all ages. One-half of the employees of the Georgia state government are employed in the Department of Human Resources. The department's total budget for fiscal year 1975 was $804.8 million. The Office of Aging's share of this budget was $3.8 million, $353,234 of which consisted of state funds.

The seven area agencies on aging throughout the state work closely with the ten district areas of the DHR to bring a wide range of human services on a coordinated basis to those who need them.

It should be noted that generally the data gathered in Georgia for this report did not contain the levels of detail of that collected in the other states visited. Participation and financial data were provided

orally, and in most instances the interviewer did not have direct access to reports. Copies of regulations and legislation were not readily available.

Title VI and Title XX, Social Services

Georgia is presently at its maximum federal allocation of $56.6 million. An additional $14.2 million of state funds brings the total budget to $70.8 million.

As in many other states, programs under Title XX of the Social Service Amendments will be quite similar to those under old Title VI with few new programs offered because the total funds available for such programs is unchanged.

There are six services aimed primarily at the aged population: day care for adults, adult foster care, chore services, homemakers services, home-delivered and congregate meals and transportation. In addition some health-related services are provided to the aged but these data were not broken out by age. Approximately 6% of the total contract services budget is spent for adult services. The major portion of the budget provides day care for children and programs related to retardation.

The following data are for contract services provided in fiscal year 1975 under Title VI:

Service	Estimated Number of Aged Clients Serviced	Cost
Day Care for Adults	1,177	$265,627
Adult Foster Care	201	211,625
Chore Services	920	180,856
Homemaker Services	2,365	447,360
Home-Delivered and Congregate Meals	2,883	382,810
Transportation	7,146	1,191,431
Total	14,692	$2,679,709

In addition some non-contract services are provided to the aged, such as protective services, assistance in obtaining adequate housing, recreational services, and information and referral. However, estimated numbers of persons by age and corresponding cost breakdowns for these services are not available. No fee schedule will be used in implementing the Title XX plan once eligibility has been determined. The gross income limits for income eligible participants are $4,056 for an individual and $5,304 for a couple. Aged SSI recipients are automatically eligible.

State Supplementation of the Federal SSI Benefit

In July 1973, a federal amendment (Public Law 93-66) required states to make mandatory supplement payments to all persons receiving assistance in December 1973 under former assistance programs whose income would otherwise be reduced by transfer to the SSI program. For the period July-September 1974, Georgia's mandatory state supplement totaled $402,000 or an average payment of $27.92 per month to aged recipients. Of the total 92,229 aged recipients in Georgia, approximately 14,400 were eligible for the mandatory supplement. The average combined monthly federal SSI and mandatory state supplement payment to the 92,229 eligibles in August 1974 was $83.63. There is no optional state program in Georgia. Aged SSI recipients in August 1974 represented about 23% of the state's total population who are age 65 and over.

A statewide SSI Alert Plan funded by AOA was inaugurated in early 1974. Outreach and referrals were handled through contracts with the Red Cross and Community Action Programs. 6,973 applicants were determined as eligible through this program.

Medical Assistance Program (Medicaid)

Medical assistance comprises one-third of the Department of Human Resources annual budget. The Medical Office was in the midst of a financial crisis at the time of the state visit, operating $69 million in the red. The official interviewed indicated that financial reports are not disaggregated by categorical eligibility, but he said he would try to obtain some estimates of the number of aged beneficiaries and total cost figures. Follow-up efforts to obtain this information have been unsuccessful.

In addition to the mandatory services under Medicaid, the following optional services are offered: full-service pharmaceutical, podiatry, intermediate care, prosthetics and refractive optical services. The dental program has been cut back to serve only persons under 21 years of age. Eligibility is determined by the Division of Social Services or by the Social Security Administration in the case of SSI recipients.

Nursing Homes

There are 345 licensed nursing homes and intermediate care facilities (ICFs) in the state. Most of which are proprietary. The ratio of nursing homes to ICFs is approximately three to one. Together they provide 29,338 beds which are occupied primarily by elderly patients. 80% of the patients are covered by Medicaid; the remainder are private pay or receive Medicare or veteran's benefits. Medicaid covers charges up to the following maximums: $500 per month for intermediate care, $550 per month for skilled nursing home care.

Visiting Nurse Services

It was not possible to obtain statewide information on public health nursing services to the elderly. However, the support service coordinator

of the Metropolitan Atlanta Visiting Nurse Association provided some data for the first six months of 1975. Of 8,104 visiting nurse visits and 6,671 health aide and homemaker visits, an estimated 537 patients age 60 and over were served. Payment is made on a sliding scale. The ability-to-pay schedule showed that persons or couples with net incomes below $4,000 per year are charged no fees. Fees are nominal up to a net income level of $7,000.

Residence and Boarding Homes for the Aged

The Golden Age Information and Referral Service, sponsored by the Atlanta Council of Jewish Women assists elderly persons in metropolitan Atlanta to locate residence or boarding homes consistent with their ability to afford such living arrangements. There is no state licensing for these homes and in most cases the residents must be able to take care of their own personal needs. A few of the more expensive ones have a doctor and/or nurse in residence. Some of the units do utilize rent supplements but no data are available on the number of elderly receiving supplements for this purpose. Since Medicaid cannot be used for this purpose, many persons who are ambulatory and require minimum health care are placed in nursing homes, when there is no other place for them to go.

A directory of homes for the aged in Atlanta indicated that residents are predominantly white females.

Family Foster Care for the Aged

As of August 1975 there were 800 adults placed in foster homes. Only 75-100 of these persons are elderly. Most of the elderly who might be more appropriately placed in foster homes are placed in nursing homes because there are no funds available to expand the foster care program. The maximum payment to home providers is $185 per month. Adults living in

foster homes receive a $25 per month personal allowance. According to the chief of the Supportive Living Unit Mental Health Division, it is not difficult to find home providers. There is no means test for this program. The major criterion is whether the person would be better cared for in a family environment. Over 1400 elderly persons have been identified who could leave nursing homes for foster homes if there were funds available. A request for $1 million in state funds for home providers has been submitted to the legislature, but there is little optimism that this amount will be appropriated. That amount would defray the annual cost of providing homes for about 450 persons. The opinion was expressed by a number of state program people that once an elderly person is placed in a proprietary nursing home, there is little likelihood of being placed in an alternative living arrangement.

Protective Services

Legal assistance is available to the staff of county departments of the Divison of Family and Children Services, DHR, in all 159 counties in providing protection for adults and children from self-neglect, neglect by others, abuse and exploitation. Effective July 1, 1974, a bill was passed to strengthen these services for adults determined to be mentally retarded or incompetent to manage their own estates. The major provision of the act is for the appointment of guardians through the courts. When necessary, the Commissioner of the Department of Human Resources will be appointed guardian, as in the case of a person who has no relative or friend deemed capable of assuming guardianship. In these cases, the Commissioner will appoint a county caseworker from the Division of Family and Children Services to act in his stead as guardian. A draft of a policy and procedures manual

for the implementation of this act and other protective services is scheduled to be issued in late November. It is expected that the issuance and use of the manual will enable county caseworkers to expand the scope of protective services to those in need of them.

Housing

At the end of January, Georgia received notification of HUD approval of an $18 million grant under Section 8 of the Housing and Community Development Act of 1974 for a housing assistance payments program to supplement subsidy funds previously authorized for leased housing. The allocation for Standard Metropolitan Statistical Areas (SMSAs) is $10 million which could support approximately 3,800 new or rehabilitated housing units or 5,800 existing units. For non-SMSAs, the allocation is $8 million, which could support about 3,000 new or rehabilitated units or 6,000 existing units. At the present time it is not clear how many of these units will be under management for the elderly.

There are no state or private housing programs for the elderly in Georgia. The only public housing provided for them is through federal programs. Following is a summary of housing units under management for the elderly:

Housing Program	Total Units
Public Housing	7,000*
Lower Income Housing Assistance (Section 8)	1,000
Rental or Co-op Housing (Section 202 of the Housing Act of 1959)	2,575
Rural Rental Housing Loans (Section 515)	417
Total	10,992

This total of 10,992 compares with approximately 164,000 elderly poor in

*There are approximately 50,000 public housing units in the state.

the state some of whom reside in other than private residences.

Property Tax Reduction Programs

In 1964 a law providing for the Real Property Tax Credit Program was enacted to provide tax relief for homeowners 65 years of age and over by means of a reduced assessment. Every homeowner in Georgia is eligible for a $2,000 reduced assessment. This program provides for an additional $2,000 reduction for elderly homeowners, or a total reduction in assessed valuation of $4,000. The net income limit for this reduction is $4,000. Until January 1, 1975, net income was defined the same as for federal and state income tax purposes. Effective with claims filed in 1975, social security and pension payments can be excluded from net income up to a maximum for a couple of $7,296, which means that some elderly couples can have a net income of up to $11,296 and still be eligible for the $4,000 reduced assessment. For the tax year 1974, 75,000 persons qualified for the reduced assessment. Because tax rates vary considerably from jurisdiction to jurisdiction, the Department of Revenue was reluctant to estimate the average benefit. The number who qualify for this benefit is expected to increase substantially in 1975 because of the change in the definition of net income.

In addition to the above program, Georgia enacted in 1974 a property tax reduction program for the levying of school district taxes. This program also affects homeowners age 65 and over. The gross income limit is $6,000 and includes income from social security and pensions. The benefit is in the form of a $10,000 reduction in assessed valuation for school district taxes. The assessment rates vary by locality, and the local tax assessors determine eligibility.

The first claims under this program were filed in 1975. Because the programs are locally administered, the Department of Revenue could not provide participation and benefit data.

Transportation

There are seven public transportation systems in seven cities of Georgia. All but one receives federal subsidies and provide reduced fares for the elderly, some at off-peak hours. No data are available on the number of persons served.

A survey of 22 counties was conducted in 1975 to assess the transportation needs of the elderly and the handicapped in connection with a request for an Urban Mass Transit Authority (UMTA) grant. Difficulty was encountered in providing matching funds. Consequently, the grant was reduced from $465,000 to $253,000, with $36,240 in matching funds. The outcome of the project was to provide 24 buses, some specially equipped for persons in wheelchairs, in four counties. There is still a problem of meeting operating costs since the UMTA funds are capital grants which cover only the purchase of vehicles. A nominal fare which varies by county is charged for transportation provided by these vehicles. Data are not available on the actual number of elderly persons served.

Nutrition Programs

As of July 1, 1975 there were eight Title VII nutrition projects serving 83 of Georgia's 159 counties at 85 sites (51 urban and 34 rural). Another project was added in July which serves 10 more counties at 6 sites. Three more projects are planned which would serve an additional 26 counties, but dates have not yet been set for the start of these projects.

825,273 meals were served in a congregate setting (senior centers, churches and school cafeterias) and 83,824 meals were home delivered at an average cost of $1.70 per meal. Food stamps are accepted by 8 of the projects.

Supportive services, such as transportation and escort, outreach, recreation, nutrition education, information and referral, and shopping assistance, are provided within the 20% ceiling set for these services.

A total of 136 full- and part-time paid staff members and about 873 volunteers, three-quarters of whom are age 60 and over, operate the projects. The total number of different individuals who participated was 14,382. Of this total, 7,761 were white, 6,617 were black and 4 were American Indians. (Only 28 American Indians in Georgia are known to be age 60 or over.) Approximately 11,666 of the participants (81%) were below the poverty level. An estimated 164,000 of persons age 65 and over have incomes below the poverty level. Approximately seven percent of these persons were served by the program. The total cost of the program for fiscal year 1975 was $1.9 million, of which $141,500 were state funds. The budget for 1976 is set at $2,051,000 ($1.8 million in federal funds and $251,000 in state funds).

There are a few meals-on-wheels programs in the state funded in part by revenue sharing, churches and other private organizations which are not part of the Title VII program, but no participation and cost data are available.

Title III Programs

There are seven area agencies on aging in the state. Except for Atlanta, each area unit operates with a small staff of two or three persons. They rely heavily on volunteers for outreach efforts. A review of the area plans of five of the area units revealed that the range of services offered includes homemaker and chore services, transportation, telephone reassurance, recreation, loan of ambulatory devices (wheelchairs and walkers),

counseling, and information and referral. A needs assessment of these areas indicated that the most critical needs of the elderly in these areas, as perceived by the program staff, were for adequate housing and income. Transportation ranked third.

Statistics on the number of persons age 60 and over being served by Title III programs were incomplete or not given for all areas except Atlanta where approximately 48,000 are being served.

A tie-line or toll-free number which persons throughout the state can call for information and referral is in operation as part of the Title III program. According to the field service representative interviewed, the line has not been too effective in bringing together those in need and service providers because of insufficient publicity of the telephone number, skepticism on the part of the elderly that they may have to pay for the call, and the fact that many of the rural poor do not have telephones.

MASSACHUSETTS

In 1974, an estimated 900,000 persons in the Commonwealth of Massachusetts were age 60 and over (15.6% of the state's total population). Persons age 65 and over totaled approximately 652,000, or about 11% of the state's total population. An estimated 48% of these persons resided in the Boston Standard Metropolitan Statistical Area. Approximately 19% of those 65 and over had incomes below the poverty level, resulting in 2% of Massachusetts' population being both elderly and poor. An estimated 88% of the elderly population reside in urban areas.

In 1970, the Massachusetts State Legislature passed a bill creating the first cabinet-level agency on aging in the country, the Executive Office of Elder Affairs, which raised the previous state unit on aging to the top administrative level of the state government. In 1973, the Office of Elder Affairs was made a permanent part of the state government through the legislature's adoption of Chapter 1168, establishing the Massachusetts Department of Elder Affairs (DEA). It is not housed within any other agency of state government but functions independently as an advocate for the elderly population and as a planner, developer and coordinator of comprehensive services for the elderly.

The department has statutory authority to create and supervise locally based, consumer-oriented Home Care Corporations which will be discussed in detail in another section of this report. In addition, DEA's statutory activities in inter-agency affairs includes input on all matters relating to the licensure of long-term care facilities (nursing homes) and the rules and regulations governing them, review of regulations of the Department of Public Welfare relating to the elderly (including medical assistance), and review of the design of housing to be provided for the elderly.

Through the Department of Elder Affairs, a new approach to the entire social service delivery system has been set in motion. Programs previously administered by various state agencies such as the Department of Public Welfare, the Department of Community Affairs, and the Department of Educational Affairs are being transferred to the DEA. The approach contrasts with previous delivery systems which combined social services, income maintenance programs and vendor payments under the administration of a vast number of state employees accountable to offices and agencies within the extensive hierarchy of state government. The DEA service delivery system is administered by a small core of administrative staff which controls the planning and administration functions related to service delivery to the elderly. The actual delivery of services is provided largely by private agencies under contract to DEA and its Home Care Corporations. Payments to recipients and vendors are handled by the Massachusetts Rate Setting Commission. The transfer of responsibility for social services to the elderly is being accomplished on a phased-in geographical basis. The first purchase of service agreements were signed by DEA and the Welfare Department in 1973, complete transfer of services is still underway.

The DEA budget for fiscal year 1975 was $4.8 million, of which $3.65 million were state funds. The department expects to receive $6.3 million for FY 1976, of which an estimated 30% will be state funds. The department received $1,125,000 in Title VI funds in 1975, all of which was used for the Home Care Program.

Home Care Corporations [1/]

A home care corporation (HCC) is a private, nonprofit agency chartered by the state under auspices of the DEA. The primary goal of an HCC is to coordinate health and social services for persons age 60 and over in its area. Of

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1. The information reported on HCC's was derived from the DEA Ombudsman Manual, a report by Helen C. O'Malley, Senior Project Coordinator, DEA, to the U.S. Senate Special Committee on Aging, Oct. 15, 1974, and from interviews with various DEA staff members.

particular concern is the delivery of social services at a level which would prevent placement in institutions and allow elderly persons to remain in their own homes or familiar surroundings where they have a greater degree of independence and sense of self-worth.

The Home Care Program consists of two basic organizational units which are (1) Home Care Corporations which plan and coordinate for certain geographical areas consisting of several town or cities and (2) one or more Home Care Service Units which are responsible for the delivery of services in specific areas of the corporation's responsibility. The Corporations may contract for services with local agencies to be provided through all or any one of their Home Care Units.

Each HCC is governed by a Board of Directors, averaging 17 to 21 members. 65% of whom are present or potential consumers, age 60 or more. The Boards, which are designed to be geographically, racially, ethnically and economically representative of the local elderly population they serve, function in a policy-making capacity, including priority-setting, financial review, evaluation, and personnel decisions.

The staff of each HCC is composed of an executive director, a community services coordinator, an intake supervisor (responsible for introducing cases to the system), a fiscal manager, clerical staff, and caseworkers/case managers in proportion to the population served (presently 1 to 100). The HCC is responsible for providing eight basic services which include homemaker, chore, transportation, health, legal, housing assistance, nutrition and information and referral. Information and referral and intake services are performed directly by the HCC; other services are provided by community-based agencies or groups under contract with the HCC to meet the special needs of the elderly. Not all HCC's offer all eight basic services.

As of August 1975, 18 of the projected 27 Home Care Corporations were fully funded and operating in over 120 communities in the state. A statistical analysis for the fourth quarter of 1975 revealed the following breakdown of participation and services for all 18 HCC's:

Service	Average Clients Served per Month
Home	1,584
Chore	694
Transportation	2,144
Housing	39
Health	1,217
Legal	60

Homemaker services include food shopping, personal errands, light housekeeping, meal preparation as necessary and related activities. Chore services provide help in home maintenance,such as heavy household cleaning, minor repairs, snow removal and relocation preparation. Transportation services provide mobility and independence through transportation tral meal sites, medical appointments, community service agencies and othe· loc ions. These are the three major services provided by HCC's.

ad ion, certain supportive services were provided during the uar er of 1975 as follows:

Service	Average Clients Served per Month
utreach	2,117
iendly Visits	788
lephone Reassurance	591
cort	113

Over 10,000 indiv duals (unduplicated count) received information and referral services during the fourth quarter of 1975.

The total Home Care Program budget for 1975 is $3.6 million. The primary funding sources for the HCC's are Title III of the Older Americans Act ($2.1 million in FY 1975) and Title VI of the Social Security Act ($1.5 million in FY 1975). These figures include state matching funds. Beginning with fiscal year 1976, the Home Care Program will tie in with Title XX of the Social Service Amendments to the extent of $5.3 million, providing increased financing. This tie-in is expected to have a significant effect on the composition of the elderly population served because the program will go from an income-declaration system to an income-verification system in order to comply with Title XX eligibility requirements. The income limits under Title XX will be $4,800 for individuals and $7,300 for couples. The only way that non-SSI recipients who are not income eligible under Title XX will be able to utilize HCC services will be through the availability of Title III money (a substantial portion of Title III money is earmarked for the Home Care Program in 1976) or through a voluntary fee system. The DEA expects that some elderly persons currently utilizing the services of HCC's may discontinue their participation when it becomes necessary to submit to verification of their financial status.[2/] The tie-in with Title XXX funds is also expected to exert increased pressure on the voluntary fee system which will apply to non-SSI recipients and others who exceed the income standards under Title XX. No estimates have been made for fiscal year 1976 of the composition of the HCC clientele, but it is expected that it will consist increasingly of SSI

2. It is the opinion of some DEA representatives that some of these persons may have an aversion to programs that connote "welfare" or "relief" and resent the necessity of presenting proof of their income and assets.

recipients and income eligibles under Title XX. In the fourth quarter of 1975, two out of every three clients receiving direct services were non-SSI recipients.

The Home Care Program, in addition to services provided by the HCC's, also assists in integrating nursing home residents into a community or family setting through a nursing home furlough program which was established in March 1974. Through this program, a medicaid recipient can be absent from an intermediate care facility for nonmedical reasons for up to ten days per calendar year (up to five days from a skilled nursing home) without loosing his place in the facility. Wherever possible,support services are provided within the community (usually by HCC's) to allow the patient and his family to experiment with an independent living situation. The DEA and Department of Public Welfare (which administers the medical assistance program) are cooperating to expand the medicaid reimbursement structure to include a broader range of home care services.

The Home Care Program has also instituted the Elder Ombudsman Program to assist elderly persons residing in nursing homes by promoting involvement of the community through volunteer visiting programs and by attempting to resolve the complaints and problems of nursing home residents. This program is coordinated with another project administered by DEA known as the State Nursing Home Ombudsman Office, funded through a grant from AOA. During the past year this office's efforts were directed toward establishing a nursing home information clearinghouse within the DEA, developing rate-setting policies aimed at improving patient care, facilitating complaint-solving by appropriate agencies, and developing a legal-aide program for nursing home residents.

Legal Services

Adult protective services legislation has been proposed in Massachusetts but as yet has not been enacted. However, the 88 Ombudsmen in the state are

informed on the legal assistance resources available in the state and assist their elderly clients to exercise their legal rights with respect to such matters as evictions, violations of the State Sanitary Code, consumer protection credit problems, age, sex, and race discrimination, execution of wills, conservatorships and guardianships, and involuntary commitment to mental institutions. The Ombudsmen provide this assistance through a variety of resources, such as OEO funded legal assistance projects, the Office of the Public Defender, Legal Aid Societies, and such other public and private resources as may be available in their communities.

Long Term Care Facilities

There are approximately 48,000 nursing home beds in the state, located in 600 nursing homes and 350 intermediate care facilities. About 75-80% of the services provided by these long-term care facilities are paid for with Medicaid funds. The remainder are private pay, or paid for by Medicare or veterans benefits. Medicaid eligibles residing in these facilities receive $25 per month for personal needs. Figures were not available from the Department of Public Health on the number of rest homes in the state which also serve the long-term care needs of the elderly but are not paid by Medicaid. Ninety percent of the long-term care facilities are proprietary; the remainder are nonprofits operated mostly by religious organizations. In 1974, an estimated 7% of the state's population 65 years and over (about 50,000) resided in some type of long-term care facility.

Title VI and Title XX Social Services

The two major direct services provided to the elderly in Massachusetts under Title VI are homemaker and chore services. Transportation in some cases is provided indirectly, but no data are available on the numbers of elderly served. No day care services are provided for the elderly in Massachusetts,

although the program people acknowledge that there is a great need for these services as one alternative to placement in institutions.

Homemaker services are purchased through 50 homemaker service agencies, some of which are nonprofit and some of which are proprietary. The services consist of light housekeeping, meal preparation, laundry, and shopping assistance. An estimated 7,500 elderly persons received these services through the Department of Public Welfare in fiscal year 1975, at a cost of about $4.8 million in Title VI funds.

Chore services were provided to an estimated 350 elderly persons at a cost of $300,000 in Title VI funds. These chore services differ from those offered by HCC's in that they are non-contract services. The local social worker makes arrangements with the client, who contacts a friend or neighbor to perform the service. The Welfare Department is billed monthly for the services.

By fiscal 1977 it is anticipated that the transfer of social services to the elderly from the Department of Public Welfare to the Department of Elder Affairs will be completed. In the interim, approximately $6 million of the Welfare Department's budget will provide homemaker, chore, transportation and emergency services to the elderly. This amount is in addition to the $5.3 million of Title XX funds earmarked for the Home Care Program in fiscal 1975, which will result in a total of $11.3 million of the Massachusetts 1975 Title XX federal allocation of $69.4 million (16%) being spent on services for older Americans.

SSI State Supplement

Massachusetts has a federally administered SSI State Supplementation program which serves over 70,000 aged persons. Income standards for the state supplement are $269 for an individual and $410 for a couple. All Federal SSI recipients are eligible for the supplement, as well as other whose incomes fall within the standards.

In 1973, the state legislature passed a guaranteed minimum income law which provided that persons receiving SSI benefits would have their supplementary state benefit increased by 10% as of March 1974. One intent of the law was to provide for the subsequent pass through of cost-of-living increases in social security benefits in 1974. However, a similar increase was not granted in July 1975 when the most recent increase in social security benefits was granted because no final state budget had been passed by the legislature. Consequently, the 1975 increase was not passed through, and it is not expected that it will be included in the budget when it is finalized. The cost-of-living provision would have raised the income standards for the state supplement to $290 for an individual and $443 for a couple.

The following SSI and state supplement data are for August 1974:

Number of Massachusetts aged receiving SSI payments	71,984 a/
Average monthly combined federal and state payments	$ 149.86
Average monthly federal SSI payment	$ 66.25 b/
Average monthly state supplement	$ 111.91

a/ Includes persons with federal SSI payments and/or state supplementation.

b/ This is an average of only those receiving federal SSI benefits, whereas the other averages are based on all those persons receiving federal and state payments, plus those receiving just state supplements.

SSI beneficiaries are not eligible for food stamps in Massachusetts. However, the state supplement payment levels include an amount equivalent to the cash value of the food stamp bonus.

Medical Assistance (Medicaid)

Massachusetts provides a broad based system of medical assistance which provides 16 services. Eight additional services are available under certain circumstances but require prior approval of the Welfare Department which administers medical assistance.

In fiscal year 1974, 43% ($460 million) of the state's annual welfare budget was allocated to the Medical Assistance Program. An estimated $209 million, or 45% of the total medical assistance budget, was expended for services for aged SSI recipients and aged medically needy persons. The average monthly aged SSI caseload in fiscal year 1974 was 58,081. The average monthly caseload for aged medically needy persons was 42,248. 3/

Economic circumstances determining eligibility vary for the two groups and are too complex to be included in detail. However the net income exemptions for medically needy (non-SSI) persons living in their own homes are $3,504 for an individual and $4,296 for a couple. These exemptions are somewhat below the federal SSI annual income cutoff levels, $4,800 for an individual and $6,698 for a couple, and substantially below the state supplement cutoff levels of $7,476 for an individual and $10,860 for a couple. However, even if a medically needy person's income exceeds the amount of the net income exemption, he may still be eligible for medical assistance under certain circumstances. A six-month period is used in determining eligibility rather than a monthly period because in certain cases income can fluctuate considerably from month to month.

Example: Assume a non-SSI recipient age 65 who lives alone had a net income of $2,500 for the six-month period used for determining eligibility for medical assistance:

$2,500	net income
-1,752	net income exemption for 6 months (½ of $3,504, annual net income exemption)
$ 748	amount of medical expenses the person must pay himself

3. Based on a 10-month average, September 1973 - June 1974.

Assume further that he incurs al expenses:

$3,000 medical expenses
- 748 amount person must pa
$2,252 amount paid by medicaid

The following participation and cost figures were provided on medical assistance to the aged for January 1975: 40,712 of the estimated 80,000 aged SSI recipients in the state received $3.4 million in benefits. These benefits in most cases were direct payments to individuals. In addition, 34,810 aged non-SSI recipients of the estimated 42,000 eligibles received benefits totaling $16.5 million. These medical assistance benefits were paid to vendors rather than as direct payments to individuals. Of the 34,810 non-SSI beneficiaries, an estimated 21,000 were patients in long-term care facilities (nursing homes and ICFS), which accounts for the much higher cost for this group. Figures for August 1975 showed that 42%, or $20 million of the total medical assistance benefits ($47 million) paid that month went for care of aged and disabled persons combined in long-term care facilities. Approximately $16 million (80%) of the total expended for care in long-term care facilities was for aged SSI and non-SSI recipients. The balance was expended for the disabled. An estimate of the number of disabled persons age 60-64 is not available.

Housing

There are two state housing programs for the elderly in Massachusetts, both administered by the Department of Community Affairs through local housing authorities. One is known as the State "667" Program which provides funds for the construction of new housing units for low-income elderly persons. Local housing authorities across the state have built more than 30,000 units of elderly housing under this program. Most communities in the state have at least one 667 project, each of which usually contains 40 to 100 units.

The other state program assisting the elderly is the "707" Rental Assistance Program. In this program, housing authorities lease apartments and make them

available to low-income elderly persons. There are fewer units under the 707 program (an estimate was not available) than under the 667 program. However, eligibility requirements, the application process, rental procedures, and management by the local housing authorities are the same for both programs.

Persons 65 years of age and older or couples, one of whom is 65 or older, may be eligible if annual adjusted gross income does not exceed $4,500 (for an individual) or $5,000 (for a couple), and total assets (savings, stocks, etc.) do not exceed $10,000. There is no residence requirement. The housing authority may not charge the tenant more than 25% of monthly income for rent, 20% maximum if the tenant pays the utilities. Once a person's or couple's rent has been set by the housing authority, annual income may increase by up to $1,200 per year without the rent being increased.

In some cases, elderly persons may have assets in excess of the $10,000 limit as when they sell a home prior to moving into elderly housing. The amount of assets above $10,000 may be placed in an irrevocable trust or an annuity. These persons may receive income from the assets, but such income is not considered as assets for the purpose of eligibility as long as such income, plus their regular income, does not exceed $4,500 for an individual or $5,000 for a couple at the time the application is approved.

Almost all housing authorities have long lists of eligibles waiting for housing units or apartments. The waiting lists must be maintained in chronological order according to application dates and a vacancy must be offered to the first person on the list.

In addition to the state housing programs, there are approximately 20,000 additional units for the elderly under federally subsidized programs (many of these are under old HUD programs). There is very limited activity under Section 515, Rural Rental Housing Loans. Approximately 500 additional units will be provided this year under Section 202 (Rental or Cooperative Housing under the Housing Act of 1959).

A DEA representative described a significant tradeoff which will occur in 1976 between Section 8 of the Federal Housing and Community Development Act and the "707" state housing program for the elderly. The State Department of Community Affairs has applied for $3.25 million in Section 8 funds for fiscal year 1976 to be used for rent subsidies for leased housing. Simultaneously, they have reduced their request to the state legislature for "707" funds by a like amount. The state was previously committed to $3.5 million for state subsidized "707" units. This transfer of operating costs from the state level to the federal level is a legitimate means of cutting back on state expenditure but will result in fewer housing units available to low-income elderly persons.

Property Tax Relief Programs

There are two state laws which provide some relief to elderly property owners in Massachusetts. One is the Property Tax Exemption for certain persons age 70 and over; the other is Property Tax Deferrment for homeowners age 65 and over. At the present time there is no "circuit breaker" [4/] tax credit program in Massachusetts.

The Property Tax Exemption Program provides an exemption of $4,000 in assessed valuation or $350 in taxes, whichever would result in the exemption of the greatest amount of taxes due on real estate occupied as the domicile of the claimant. A person is eligible if he or she is age 70 or over, and owns property, or owns property jointly with a spouse, either of whom are 70 or over, or owns property jointly or as a tenant-in-common with someone not his or her spouse. Claimants must have lived in Massachusetts for 10 years and have owned property in the state for five years. Gross income from all sources cannot exceed $6,000 if single or $7,000 if married, and the total value of his or her (or joint) real and personal property (home, land, savings, stocks, bonds, etc., but

4. See p. 19 of this report on Wisconsin's Property Tax Credit Program for a description of how a "circuit breaker" program operates.

not including clothes, household furnishings, cars, boats, etc) cannot exceed $40,000 if single, $45,000 if married. An amount equal to the minimum payment allowable under social security may be deducted from the annual gross income of persons applying for the property tax exemption. As of July 1, 1975, these amounts were $1,216.80 for an individual, $1,825.56 for a couple.

The program is administered on a town-by-town basis, so the DEA had no data on the number of persons participating or the average of total benefits provided. However, it is estimated that approximately 200,000 persons are eligible.

The Property Tax Deferrment Program allows persons age 65 and over to postpone payment of real estate taxes to the city or town in which they live until such time as the property is sold either by the owners or from the estate of the owners. At such time the municipality recovers the full amount of the postponed taxes plus 8% interest per year.

The amount of taxes allowed to be postponed is proportional to the amount of equity the person has in the home. For example, if a person owns a $20,000 home and has paid $10,000 of the principal on the mortgage, he or she may postpone payment of 50% of the property tax due each year. If the home is owned outright, 100% of the taxes may be postponed. However the total amount of the taxes deferred may not exceed 50% of the owner's equity in the property. The property can be owned jointly or as tenant-in-common with someone not the spouse of the eligible claimant. The claimant must have lived in Massachusetts for 10 years and must have owned and lived in the home for five years. Gross annual income from all sources cannot exceed $20,000. The exemption of the minimum amount of social security benefits from gross income does <u>not</u> apply to this program.

If the mortgage is not paid off in full, or if there is a joint owner or mortgagee that has interest in the property, the bank or other party at interest must give written approval for the tax postponement. No person or couple may apply for both a property tax exemption and a tax deferment in the same tax year.

The Tax Deferment Program was enacted early in 1974. Apparently very few persons utilized it the first year, but there are no accurate participation or benefit estimates available.

Transportation

The position of the DEA with respect to the provision of transportation services to the elderly as well as to the handicapped and other citizens requiring public transportation is set forth in the following excerpts of a 1973 statement prepared by the DEA Transportation Specialist who also serves on the Intergovernment Relations Staff:

> The Massachusetts Bay Transportation Authority (MBTA) is the major operator of transit in the Metropolitan Boston Area and it provides service to 79 cities and towns. Last year seven MBTA communities became involved in an experimental program utilizing compact sized or "mini-buses". The key element of this mini-bus program was the involvement of the local community in planning how these buses would best serve local needs by designing their own bus routes.
>
> Older persons were well represented in this planning through Councils on Aging and other elder-related organizations. Normally, route planning would have been done by MBTA routing specialists with little, if any, input from the community to be served.
>
> In many of the communities, existing bus routes provided service only on main streets with little, if any, crosstown connections. For many elders this means long walking distances to bus stops. For those who are not able to walk more than a short distance, transportation service did not exist. With the mini-buses, service could now be linked to these areas.

> Although the mini-buses are not exclusively for elders, their routing has been planned with them in mind. Community representatives took the following factors into consideration when planning these routes: the location of elderly housing and high concentrations of other transit dependents, the location of health facilities, shopping areas, nursing homes, churches, parks, hot lunch programs, and libraries. These locations were pinpointed on a street map along with existing transit routes. Using this information, various routes were suggested.
>
> A unique feature of these mini-bus routes is that while the bus has specific stops, it can also be flagged down in between stops. For many persons, it comes close to providing door-to-door transportation.
>
> (In 1975, MBTA purchased 15 vehicles which are specially equipped to serve the elderly and the handicapped. These vehicles augment the mini-buses referred to above.)
>
> Outside the MBTA, in those parts of the State where public transportation is virtually non-existent, the Office of Elder Affairs has been involved in the promotion of accessible transportation through its participation with Regional Planning Agencies.
>
> In Massachusetts twelve (12) Regional Planning Agencies are responsible for comprehensive planning on a regional level. Included in this comprehensive planning process is the determination of transportation needs, goals and priorities for each of the regions.
>
> Joint Transportation Planning Committees are being established within each region as the vehicle for consumer input through its task forces. Elders are being encouraged to participate in order to have input into regional needs, goals and priorities. This kind of early involvement will, hopefully assure, that the development of new transit services will be responsive to all elements of society.

The state legislature established eight regional transit authorities (RTA's) in 1973 to promote the development of public transportation in those parts of the state where such transportation was virtually non-existent. All eight RTA's are not yet in full operation. Those that are operating contract for services and efforts are being made to encourage them to tie in with Urban Mass Transit Authority and Title III transportation services for the elderly and the handicapped.

In 1973, a 21-month statewide planning project called LINKS was funded with a $492,000 grant from Title III funds. The goal of this project was to provide the elderly with a "link" to transportation services through the development of transit services geared to their needs. To avoid duplication of services, efforts have been made to coordinate the planning function through the cooperation of various federal, state, and regional agencies, such as the Urban Mass Transportation Administration, the State Office of Transportation, the State Department of Public Works, and the Regional Planning Agencies.

As of 1975 the State Office of Transportation received notification of a $443,548 UMTA grant for the purchase of vehicles to transport the elderly and the handicapped. This money will be distributed among 27 private non-profit organizations located throughout the state. The exact number of vehicles to be in service by January 1976 was not known at the time of the state visit. Project LINKS has played a significant role in planning for the integration of these vehicles within the main transit systems of the areas receiving funds from this UMTA grant in an effort to avoid the development of separate transportation systems which could result in a duplication of services. Some Title III funds will be used for operating costs to help insure continuity of service to the elderly.

Nutrition Programs

Nutrition projects under Title VII of the Older Americans Comprehensive Service Amendments are not statewide as yet. There are presently 18 projects (15 urban, 3 rural) operating at 129 sites. In some cases the projects are

under the direction of Home Care Corporations. Although the program has no means test, projects do provide the opportunity for clients to make contributions for services received, either on a flat fee or fee schedule basis. Food stamps are accepted by 14 of the projects. Meal cost runs about $2.00 per meal, which includes food, labor, administrative and back-up services. All 18 projects utilize commodities from the federal commodity distribution program. Meals served in a congregate setting totaled 1,298,923. An additional 171,934 meals were home delivered. Approximately 6,200 elderly persons are served each day, five days a week at most sites.

In addition to providing nutritious meals, the projects provide an intake service to assess clients' needs and an ongoing outreach service from each project site. The projects also provide supportive services that are not otherwise readily available to elders in the community, such as transportation and escort service to and from the project sites, information and referral, health and welfare counseling, nutrition education, shopping assistance and recreational activities.

A total of 324 full- and part-time staff members and about 1,200 volunteers, 93% of whom are age 60 and over, operate the projects. The unduplicated count of persons served by the program in fiscal year 1975 was 49,170. Of this total 38,903 were white and 10,267 were minorities. Approximately 31,000 of the participants (63%) were below the poverty level. Of the estimated 124,000 persons age 65 and over in Massachusetts who have incomes below the poverty level, approximately 25% were served by the program.

The total expenditure for the program in fiscal year 1975 was $4,170,593, of which $772,600 were non-federal funds.

In addition to the Title VII nutrition program, the Massachusetts Department of Education administers a hot lunch program for elders through

the regular school lunch program. Approximately 5,600 persons age 60 and over are served hot lunches daily at a fee of 50¢ per meal. The annual estimated budget for the 120 contracts in operation is $543,000. No supportive services are offered through this program.

Private Programs

Very little detailed information was available on the nature and scope of private agencies serving the elderly in Massachusetts. State personnel interviewed indicated that the majority of private programs in the state are aimed at families and children. Those private agencies which do serve the elderly are direct service providers such as homemaker and chore service groups, Visiting Nurse Associations and church-related organizations. There are some volunteer or part-time work opportunities provided for elders through private agencies as well as cultural and/or ethnic groups offering companion services. Ombudsmen throughout the state are encouraged to develop comprehensive listings of such programs operating in their respective towns and cities so that complete information and referral service can be provided to elderly persons requiring services. In most cases the private programs are not means tested except for the Visiting Nurse Association which operateson a sliding scale fee system based on ability to pay.

WASHINGTON

In 1974, an estimated 478,000 persons in the state of Washington were age 60 and over (14% of the state's population). Approximately 30% of these persons (145,616) resided in the Seattle-King County area. Persons age 65 and over totaled about 344,000 or 10% of the state's total population, with about 74% of this group residing in urban areas. Approximately 24% of those persons 65 and over had incomes below the poverty level, resulting in 2.4% of Washington's total population being elderly and poor.

Since 1971, the state Office on Aging has been one of 10 offices and bureaus operating within the Division of Community Services, which, in turn, is one of nine divisions within the Department of Social and Health Services (DSHS). DSHS expenditures for fiscal 1975 were slightly over $600 million. Of this amount, $342,000 was allocated to the Office of Aging, $142,497 of which were state funds.[5/] The Office on Aging's eight area units on aging, which have 15 planning and service areas, work with the six regional offices of the Community Services Division in an effort to coordinate the delivery of social and health services to aged persons throughout the state. However, because of its position in the heirarchy of state government, its small staff, and lack of statutory power, the Office on Aging personnel interviewed indicated that it has been difficult to fully develop and coordinate a system of service delivery to the state's elderly population. A request for a substantial increase in program funds for the next biennium has been submitted, which, if granted, would enable the Office on Aging to progress in its goals to provide elderly persons with increased options for combatting isolation, to encourage independent living, to prevent unnecessary institutionalization, and to provide opportunities for meaningful involvement in

5. The amount allocated to the Office on Aging is a small portion of the total expended on services to the elderly, many of which are delivered by other offices within DSHS. An estimate of the proportion of the total DSHS budget allocated to services for the elderly was not available.

community life.

Title VI and Title XX - Social Services

The state of Washington has been utilizing its maximum federal allocation for social services in the amount of $41.3 million for the past two years. The state has provided matching funds of over $13.4 million each year. These amounts will remain unchanged for the coming year, which means that programs under Title XX will not change significantly from existing Title VI programs. These social service programs are administered by the Office of Family, Children and Adult Services. As a result much of the data on Adult services is not broken down by age, but estimates of elderly participants were obtained to the extent possible. Cost information for this category was not available.

Participation rates can vary widely from month to month. In July 1975, an estimated 5,506 persons age 65 or over received one or more social services distributed as follows:

Service	Recipients Age 65 or Over
Foster Care	39
Homemaker and Home Aide	336
Health Related	3,574
Protective Services	448
Educational and Training	14
Housing	396
Legal	84
Chore	1,946
Mental Health	42
Family Counseling	228
Total	5,506

Under Title XX the above services will continue to be offered to elderly SSI recipients. In addition a limited program of day care will be provided for this group, and homemaker and health support services will be stepped up to serve larger numbers of elderly persons.

Information and referral or services directed toward preventing or remedying neglect, abuse or exploitation of persons unable to protect themselves are offered without regard to income eligibility requirements. An estimated 58,000 SSI recipients will receive these services under Title XX in the nine-month period ending June 30, 1976.

The major focus of Title XX social services in Washington appears to be on health support and homemaker services which are directed at keeping elderly persons out of institutions. However, without projected cost figures for these services, it cannot be stated conclusively that this is the thrust of the program as it relates to the elderly.

SSI State Supplement

Washington has a federally administered State Supplementation Program with income standards of $194 per month for an individual and $277 for a couple. There is no pass-through of social security benefit increases by the state supplement.

The following federal SSI and other state supplement data are for June 1975:

Number of persons 65+ receiving SSI payments	20,102[a/]
Average monthly combined federal and state payments	$91.84
Average monthly federal SSI payment	$66.95[b/]
Average monthly state supplement	$20.95

a/ Includes persons receiving federal SSI payments and/or state supplementation.

b/ This is an average of only those receiving federal SSI benefits, whereas the other averages are based on all those persons receiving federal and state payments, plus those receiving just state supplements.

In 1974, an SSI-Alert program recruited 1,127 volunteers to make individual contacts with persons who might be eligible for SSI benefits. Over 11,000 elderly persons were contacted, but it is not known how many of these persons ultimately qualified for SSI.

Medical Assistance (Medicaid)

Washington provides a comprehensive medical assistance program consisting of 26 services. Eligibility is determined by the State Office of Personal Health Services which is part of the Health Services Division. Allowable annual net income levels for the medically needy under Medicaid in Washington are linked to the public assistance standards for federal SSI and state supplementation, i.e. $194 per month for an individual ($2,328 per year), and $277 per month for a couple ($3,324 per year).

Total medical assistance expenditures for fiscal 1975 were approximately $172 million. Of this amount an estimated $55.4 million was expended for benefits for persons age 65 and over. The average monthly benefit to elderly persons was $147; an average of 35,000 elderly persons per month participate in the program. In July 1975, 21% of the total medical assistance expenditures were for the care of predominantly elderly persons in skilled nursing homes.

In addition to Medicaid, there is a limited state-funded Medical Only Program which receives no federal matching funds. It is designed to provide care for acute and emergency medical conditions for persons receiving continuing or non-continuing general assistance grants, for medically indigent persons between the ages of 21 and 65 who cannot qualify under one of the federally aided public assistance or medical care programs, and for those who have insufficient income to meet all or a portion of their medical expenses. There is a $100 deductible clause in the program and beneficiaries are not eligible for mental-health, chiropractic or out-of-state care. An estimate of the

number of participants age 60-65 was not available.

Nursing Homes and Intermediate Care Facilities

As of June 1975 there were 198 licensed nursing homes in the state which provided 17,860 beds and 40 intermediate care facilities (ICFs) which provided 1,418 beds. In addition there were 23 facilities which provided both nursing home and ICF care, with a total of 2,897 beds.

In May 1975, the latest month for which data are available, 11,483 elderly persons received care in nursing homes paid for in full or in part by the Department of Health and Social Services. During the same month, the Department paid in full or in part for the care of 1,063 elderly persons in ICFs. No data are available on the number of private pay patients or those whose care was provided by veterans benefits.

SSI recipients residing in nursing homes and ICFs receive a $25 per month personal needs allowance.

Alternative Living Arrangements

There are two types of alternative living arrangements available to elderly persons in the state, both of which are in relatively short supply. One is Congregate Care; the other is Family Home Care for Adults.

A congregate care facility is one which provides its residents (in addition to shelter, food, laundry and household maintenance) encouragement and assistance in taking responsibility for themselves, guidance as necessary in the activities of daily living and social and recreational activities and opportunities, but which does not provide medical or social services.

At least every six months the local office service worker reviews and re-evaluates the resident's need for congregate care to determine whether the services actually rendered are adequate to the person's identified conditions and needs.

A facility wishing to provide congregate care must have a valid license as a boarding home or as a private establishment and must be licensed by the State Health Services Division as a boarding home for the aged.

Residents must be essentially well people who need a supervised group living arrangement providing personal and social care. Most of them are SSI and Medicaid eligibles, and they receive grants from the state from which they pay $255 per month for care. Vendor payments are made when the state has been designated as representative payee. The personal needs allowance under this program is $25 per month. In July 1975, 340 elderly persons were residing in congregate care facilities.

Family Homes for Adults is also a state program with homes licensed by DSHS after meeting certain standards to assure good family living which includes the provision of personal care, supervision, friendly interest, and companionship. No home can be approved to accommodate more than two guests. The monthly rate is $192.25 for persons who need supervision and personal care. Where minimal nursing care is required which can be safely given in a family home, the monthly rate is $219.75. The personal needs allowance is $29.60.

The purpose of this program is to provide homes for adults who can meet some of their own needs, but, for varying reasons, can no longer live in their own homes. They may currently be in nursing homes, state hospitals, or other institutions only because they have no other place to go. They do not need institutional care or skilled nursing care. Only 68 of the 267 persons residing in adult family homes in September 1975 were age 65 or over. Figures were not available on the number of elderly persons who might be eligible for such a living arrangement if more homes were available.

Community Health Care

This is a private, Medicare-certified agency operating in Seattle. It is four months old and still very much in the developmental stage but growing fast. The participants are about 90% Medicare patients. The objective of the agency is to provide home health services to delay or eliminate the need for placement in nursing homes. Services include regular home nursing care, home health aides, occupational and physical therapy, and dietary counseling. A homemaker component is in the planning stage which will rely somewhat on volunteers. The agency, which is one of five such private agencies in the Seattle area, has been receiving an increasing number referrals each month. It has 50-75 clients in active service on a monthly basis. The other private health care agencies are very small operations and data were not collected on them.

Outreach for Older Adults

This program, which is operated by the King County (Seattle area) Health Department serves as a crisis intervention center for persons age 60 and over who refuse to leave their homes or have no resources to deal with their medical or psychiatric problems. The Outreach organization provides initial care and makes referrals, often to the Visiting Nurse Association. During calendar year 1974, Outreach for Older Adults handled 463 cases. This figure does not represent only individual persons, since frequently the families of elderly persons are also involved in the crises to be resolved. The organization receives administrative support from the County Health Department, and the Mental Health Board. Its annual budget is under $100,000.

Housing

There are no state housing programs for the elderly in Washington and data

on existing units under federal programs was not readily available. However, a study of the need for housing and alternative living arrangements for the elderly has just begun to gather such data. It is estimated that there are about 8,210 units for the elderly under the Federal Housing Act of 1959 (Section 202) and an additional 300 units under the Rural Rental Housing Loan Program (Section 515). Whatever grants are approved under Section 8 will probably be earmarked primarily for the elderly, but no data are available on how many are planned or what the amount of the grant might be.

Property Tax Relief

In 1966, a law was passed which established The Senior Citizen Residence Property Tax Relief Program. The law has been amended several times since enactment.

Initially it provided tax relief for homeowners age 65 and over with family incomes of $3,000 or less. There was a $1,500 ceiling on earned income. To qualify, claimants must have resided in the state for three calendar years preceding the year of the claim and must have occupied the residence on which the claim for exemption was made for two years preceding the year of the claim. The benefit was in the form of a grant of the first $50 of property tax liability. These provisions were in effect for five years and provided average tax relief of $48 per participant for approximately 43,000 participants.

In 1971, the program was amended, lowering the age requirement to 62, raising the family income levels, and establishing an exemption formula. Claimants with family income of $4,000 or less were exempted from 100% of special levies, with a minimum guarantee of relief up to $50. Those with incomes between $4,001 and $6,001 were exempted from 50% of special levies.

In 1972, the $1,500 earned income ceiling was removed, and claimants were allowed to exclude one-third of social security payments when calculating

family income. The definition of residence was also extended to include "fixed" mobile homes.

A 1973 amendment allowed an additional income exclusion of one-third of federal civil service and railroad retirement benefits under the income test.

Participation increased substantially under the expanded program. There were around 43,000 participants and $2.08 million in total levy relief from 1967 through 1971, compared with 89,240 participants and $8.1 million in relief in 1974. Average relief per participant increased 81% to $93.

In 1974, the state legislature again amended the program to combine the aspects of the circuit-breaker and income-limited grant approaches to tax relief. The major changes were the extension of relief in terms of tax burden reductions and a residence valuation reduction of $5,000 for claimants with gross family income less than $4,000. Those with incomes under $5,000 are now exempt from 100% of levies. The following table summarizes these benefits:

Total Gross Family Income	Residence Value Reduction	Special Levy Exemption
$ - 3,999	$ 5,000	100%
4,000 - 4,999	-	100
5,000 - 5,999	-	50

In 1975, the number of participants declined slightly to 85,819. However, the total levy relief increased 69% to $13.7 million. The average relief per participant was $159, up 71% from the previous year.

Effective January 1, 1976, retired homeowners 62 years of age or older will be eligible for a new program which provides for the deferral of property taxes and special assessments.

For 1976, the income limit is $8,000. In subsequent years, it will be

an amount equal to the previous year's income limit adjusted by the percentage change in the cost of living for the 12-month period ending September 1 of the previous year. Persons who receive pension payments can exclude from declared income the portion they contributed. In the case of social security this is set at one-third. There is no asset test. The claimant must have regularly occupied the dwelling during the two calendar years preceding the year in which claim is filed and must have been a resident of the state for at least three calendar years preceding the year in which a deferral claim is filed. "Residence" under this law is defined as a single-family dwelling, excluding land not to exceed one acre. "Fixed" mobile homes qualify under this definition.

Retired persons are allowed to defer payment of property taxes and special assessments on their residences up to 80% of their equity in the property. The deferred amount becomes a lien in favor of the state and bears interest of 8% each year, the rate presently prescribed for delinquent taxes, payable upon sale of the property, upon the death of the claimant (unless the surviving spouse qualifies for the deferral program), upon condemnation or exercise of eminent domain, or at such time as the claimant ceases to reside permanently in the residence.

The Tax Deferral Program is intended to provide additional tax relief. Therefore, persons who meet the eligibility requirements may participate in both programs.

There were 20 tax proposals related to senior citizen tax relief introduced in the last legislative session. The tax deferral program combined three of them. The others did not pass.

Volunteer senior citizens are currently working on disseminating information on the tax deferral program. No estimate of the number of potential eligibles was available.

Transportation

There are presently 25-30 vehicles which serve the elderly and the handicapped in various parts of the state. A $319,000 UMTA grant for fiscal year 1975 will be used to purchase 30 additional vehicles. It has not as yet been determined what the source of operating costs for these vehicles will be.

Public transportation systems operate in Seattle, Tacoma, Olympia and Spokane, all of which provide reduced fares for persons age 60 and over. A bill was recently passed by the state legislature which provides for the improvement of transit services in unincorporated areas which may affect the elderly, in that it allows county commissioners to approve the extension of transit routes to designated selections of unincorporated areas.

Nutrition Programs

There are currently 14 Title VII nutrition projects operating in 25 of Washington's 39 counties, at 42 urban and 38 rural sites. Two of the projects serve Indian nations at seven sites. An additional five projects are expected to be in operation by January 1976. Most of the urban sites serve meals five days a week; the rural sites do not all serve meals five days a week. Community gardens have become an important adjunct to the program in certain areas and the produce they supply has contributed to keeping the average cost per meal at $1.98 including food, labor, administrative and back-up services. The gardens are located on public land under power lines. The project arranges to have the land plowed and provides the water; the planting, maintenance and harvesting are done by volunteers. Several projects also have purchase agreements with local canneries and fisheries which enable them to obtain food at reduced prices.

During fiscal year 1975, 812,063 meals were served in a congregate setting and 76,650 meals were home delivered. The unduplicated count of persons served was 31,663, of which 29,821 were white, 383 were black, 1.010 were American Indians and 304 were oriental. The remainder were Spanish speaking or other limited English speaking individuals. Approximately 57% of the participants had incomes below the poverty level.

The projects are operated by 342 full- and part-time paid staff and over 3,000 volunteers, 47% of which are age 60 or over. Total expenditures for fiscal year 1975 were $2,022,385, of which $609,846 were non-federal funds.

In addition to the Title VII program there are several small programs, including those operated by Community Action Programs (CAPs), for which detailed participation and cost data are not available.

Title III Programs

A substantial portion of Title III funds is used to provide seed money to get programs started and to mobilize other resources. For example, Title III used to be a major funding source for senior centers which are now predominantly funded locally. In addition, in 1974, a home visitation project, a mobile health service center, and a geriatric screening project were initially funded with Title III money. Many of these projects continue to operate when Title III funds are no longer available. According to Office on Aging representatives, there is an 80-90% chance of such projects continuing under funding provided locally from other resources once the project becomes firmly established.

The major services currently provided by the eight area agencies on aging in the state are outreach, information and referral, personal escort and other forms of transportation. Three adult day care projects have been

operating with Title III funds, serving about 120 persons. These will be continued under Title XX, with restorative care as the focus.

One small area agency on aging is an Indian Nation located in Yakima which has approximately 500 elderly persons (57% of the total population of the Indian Nation). About $30,000 in Title III funds are allocated to this area, and the Tribal Council provides the balance of money required for services to the elderly in that area. This area also receives about $45,000 in Title VII funds.

Other Programs

The State of Washington provides free fishing licenses to persons age 70 and over as well as passes to state parks for persons age 65 and over. During the last legislative session a measure became law which authorizes the governing boards of post-secondary institutions, including community colleges, to waive in whole or in part tuition and other fees for students who are Washington residents age 60 and over.

Very little information on private programs for the elderly could be gathered in the time allotted. In was stated by a number of state program people that church-related and other private organizations are focusing attention on the needs of elderly persons, but that the programs are generally very small and data are not readily available on the nature or scope of them.

SUMMARY STATEMENT

It was not the intent of this study to make a comparison of the states' effectiveness in meeting the needs of the elderly, but, rather, to present a general description of the services which might be available to an elderly person residing in any one of the four states. The program descriptions in this report, while not in great depth or completely comprehensive due to time limits imposed on the study, nevertheless do provide a broad overview of program activity in the four selected states. Based on this limited survey, some tentative summary statements can be made.

The level of program activity varied considerably among the four states, as did the methods of planning, coordinating, and providing services to the elderly.

The location of the state office on aging within the hierarchy of state government may have some bearing on the level of program activity, with those operating as major offices or divisions with some statutory authority having the more extensive program activity. The four offices on aging visited each occupy a somewhat different position within the framework of state government. Three operate within large umbrella-type state departments of health and/or social services, but at different levels, while one operates as a cabinet-level department devoted solely to serving the needs of the elderly.

While the level of program activity varied considerably among the states, all states--regardless of the location of the office on aging--faced budget constraints which severely limited their ability to provide services to all elderly persons in need. While poverty and the related factors of inadequate housing, food and other essentials are major problems for the elderly, isolation, anxiety, poor health, and the decreasing ability to cope

with the day-to-day demands of living often outweigh or exacerbate the plight of being both poor and elderly. There are a wide range of services designed to alleviate these problems, such as homemaker services, chore services, health maintenance and rehabilitation, nutrition services, transportation services, legal and advocacy services and emergency services. However, these services are, in fact, available to and utilized by relatively small numbers of elderly persons when participation rates are compared with the total elderly population in a state who are potential beneficiaries of such services. If a needy elderly person also resides in a rural area, the problems are compounded, since in most cases, these services are more readily available in urban areas.

There was considerable, if not surprising, commonality in the types of programs offered in the four states, even though the level of program activity differed substantially. Over three-fourths of the programs offered in any one state were offered in all four states, though sometimes in slightly different form.

Finally, all four states seemed to have in common a major objective to which many programs were tied, namely providing alternatives to placement of the elderly in institutions through a diverse offering of social and health services.

In the course of interviewing numerous state program personnel, certain administrative problems and recommendations were consistently expressed. A major problem cited in all four states concerns eligibility determinination. Elderly persons attempting to get into the system often experience long delays in determining eligibility. Frequently it is necessary to visit several different offices to determine what benefits are available and whether the applicant qualifies. In the case of the frail elderly, there is the increased

problem of making such visits and persevering until eligibility is determined. In some programs, such as SSI, the administering office will send a claims representative to the person's home to assist in filling out the application, but this is not a common practice for all programs.

State program administrators in each of the states visited also emphasized that the complexity of federal regulations and the frequent changes in those regulations make it costly and time consuming to administer the programs. Funds which could be used to provide increased benefits and services to the elderly are eaten up by administrative costs.

It was the consensus of those interviewed that a great need exists for more effective information systems which would enable the states to improve outreach efforts and reorder service priorities. They recognize that such refined information systems would undoubtedly lead to the need for program expansion, which, in turn, would require increased appropriations, a touchy issue in most states which are increasingly faced with budgetary problems. More effective information systems, however, would still serve to improve the distribution of funds among programs and indicate more persuasively the areas in which increased appropriations are most crucial.

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D.C. 20201

OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF H.E.W.

HEW–391

DHEW Publication No. (OHD) 76-20952

The Interrelationships of Benefit Programs for the Elderly

Appendix III

The Combined Impact of Selected Benefit Programs on Older Americans: A TRIM Analysis

Federal Council on the Aging

The Interrelationships of Benefit Programs for the Elderly

Appendix III

The Combined Impact of Selected Benefit Programs on Older Americans: A TRIM Analysis

Prepared for
The Federal Council on the Aging
by
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December 29, 1975

FEDERAL COUNCIL ON THE AGING
WASHINGTON, D.C. 20201

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

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I. INTRODUCTION

This paper is part of a research effort directed at assessing the combined impact of various benefit programs on Older Americans. Two reports preceded this one--a compendium of Federal and Federally-supported benefit programs affecting the elderly and a description of the programs available in four selected states. The information gathered from the compendium of Federal benefit programs and the State program data served as background material for the analysis reported here. This report, in turn, serves as a primary source of information for a further report of the recommendations for refining and restructuring income tested programs which affect Older Americans.

Purpose of the Study

This report focuses on the interrelationships among three of the major benefit programs for the elderly. These programs are the Supplemental Security Income program, Medicaid and the Food Stamp program. These programs are emphasized because the work performed under the preceding tasks has demonstrated that significant interactions occur across these three programs, and also because these programs readily lend themselves to examination within the context of the analytical method utilized.

The interaction of these programs is studied by introducing a change in one of the programs and tracing through the primary and secondary impacts of the change on individual program benefits and on the combined benefits received from all three programs.

Special attention is given to the Supplemental Security Income program, since this program, more than any other, is directed at providing basic living expenses for those among the elderly who are most in need. Thus, in addition to examining the interaction of this program with others, this report examines alternative treatments of selected features of the SSI program.

The Methodology of the Transfer Income Model

The results reported in this paper were derived by utilizing the TRIM Microsimulation Model. TRIM was developed at the Urban Institute as an evaluation tool for policy makers, and as such, it has been used extensively by various Federal, State and Congressional agencies.[1/] The model consists primarily of a set of modules which represent the rules and regulations of tax and transfer programs in computer-oriented logical and mathematical instructions. These rules and regulations are then applied to each person and family included in a representative sample of the population. In this way, the model is able to operate in essentially the same manner as a caseworker or tax accountant. First, the program rules and regulations are applied to each relevant individual or family to determine which are eligible. Then the model uses the economic data and program benefit formulae available to it to determine the amount of payment

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1/ The following organizations have utilized TRIM estimates for various purposes: the Social and Rehabilitation Service and the Office of the Assistant Secretary for Planning and Evaluation of the Department of Health, Education and Welfare, Office of Policy Development and Research of the Department of Housing and Urban Development, the Joint Economic Committee, The Brookings Institution and the Economic Research Service of the Department of Agriculture. Currently a Federal Consortium of TRIM users consists of the executive department above, the Office of Tax Analysis of the Treasury Department and the Food and Nutrition Service of the Department of Agriculture.

to which the eligible individual or family is entitled. Finally, those who qualify for benefits are screened to determine if they will actually participate in the program.

The TRIM model has three features which make its use desirable for the analysis reported here. First, the impact of a change in one program on both the original program and a series of other programs can be measured for the entire sample of individuals and families. These measurements would include the number of families who are eligible after the change or who lost eligibility because of the change, the change in program costs, and the change in average benefits--for each program separately or for all the programs combined.

Secondly, since the model simulations operate on a large number of representative families, the individual results can be aggregated or summarized for a large number of socio-economic subgroups of the population. This allows the analyst to identify and assess any difference in impact for the various subgroups. This capability may highlight any particularly onerous treatment which was unintended and unexpected. Third, the TRIM model permits the analyst to alter particular program features and trace out the impact, both primary and secondary, on the welfare of the population.

In determining eligibility or benefit payments, each program draws upon its own definition of which individual or groups of individuals are to be considered jointly. These definitions vary extensively across programs. The Food Stamp program, for example, considers all members of a household and their resources jointly, while the Supplemental Security Income program

considers either a single adult individual, a husband and wife unit, or in those cases where the eligible person is a blind or disabled dependent child, the entire family's resources. In order to accommodate these diverse definitions of units of eligibility, TRIM operates on a hierarchically-structured data base, that is a file in which the members of a household can be disaggregated into families and family members disaggregated into persons. The data files which have been used for this analysis are the March 1974 Current Population Survey (CPS), adjusted to reflect the population that would be represented by a 1976 survey, and the 1970 Census Public Use Sample (CPUS), adjusted to represent the projected population in 1976.[2/]

The capabilities of TRIM are limited by the data it utilizes. Each individual data base imposes a unique set of constraints. The CPS and CPUS, have several limitations in common. In order to determine eligibility and benefit payments under the Social Security program, a detailed work and earnings history must be available for each individual on the file. The absence of such information on both the CPS and CPUS data files automatically precludes simulating the Social Security Program. However, Social Security recipients and the benefits they receive are identified on the data files. Similarly, data limitations involving the identification of veterans, amount of time served, and type of discharge received currently preclude the simulation of veterans' programs within TRIM.

2/ These data files are discussed in Appendix A and the procedures used to update them are presented in Appendix B.

An additional data limitation, common to both the CPS and CPUS, does not totally preclude simulation of any particular program but causes the simulations to be more complex. Both the CPS and CPUS lack information on assets. To compensate for this absence of data, it is assumed that income reported as rent, interest and dividends represents a percentage return on the total value of assets held. Employing this assumption, we then work backwards to determine an individual's total dollar value of assets.

Naturally, the rate of return on assets held depends upon the form in which the assets are held and the total dollar value held in each form.[3/] Availability of this information, however, would obviate the need for determining the relevant rate of return. Thus in the absence of this information, we are forced to estimate a percentage return on total assets. For these tasks, it was assumed that the income received in the form of interest and dividends represent a six percent return on total assets.[4/] In this manner, the total dollar value of assets held can be derived by dividing total income from interests and dividends by .06.[5/] Thus it was possible to partially compensate for this particular data limitation of the CPS and CPUS.

3/ For example, one would expect a higher rate of return on a portfolio consisting of certificates of deposit, stocks and bonds, than on a portfolio which consists only of passbook savings accounts.

4/ The CPUS simulations assume a seven percent rate of return.

5/ Rental income is excluded in the determination of total assets for purposes of the SSI program since that program excludes income-producing property in determining total assets if such property is relied upon as a significant factor in producing income. Rental income is included in total income in determining whether or not the filing unit passes the income test.

Another component of assets, market value of the home, is required in the simulation of the Supplemental Security Income program. While the CPS contains most of the information required to simulate the SSI program, it does not contain detailed housing information. Thus the CPS simulation of the SSI programs includes all the asset limit screens to which eligibles are submitted, with the exception of the maximum excludable market value of an owner-occupied home. For this reason we use the CPUS instead of the CPS to analyze the impact of the home value limit on eligibility for SSI.

Data constraints external to those imposed by either the CPS or CPUS further restrict the range of possible TRIM applications. One such limitation precludes simulation of the Medicare program. Here the fault lies not with the CPS or CPUS but with the lack of administrative data on benefit payments. Information concerning benefits paid to Medicare participants is available only in aggregated amounts by state and county. For this reason, this report does not include simulation results for the Medicare program.

Still another external data constraint affects the TRIM simulation of the Supplemental Security Income program. The SSI program is composed of three major parts: the basic Federal program, State optional supplementation and State mandatory supplementation. The two State supplementation programs may be administered by the Federal government or the State government, at the option of the State. States administering their own supplementation programs are permitted to set their own administrative guidelines and procedures such that no single standardized structure exists for these programs and no data concerning the individual States' procedures

are available. Thus, it is not possible to simulate the State administered supplementation programs, and our treatment of the SSI program, in the following tasks represents the total basic Federal program and that portion of the State supplementation program that is Federally administered.

The Use of Program Elements

Despite the diversity of eligibility criteria and benefit formulae across programs, certain key elements are common to every program. The identification of these elements permits the analyst and TRIM to accurately portray the complex rules and regulations of each individual program and greatly facilitates the identification of interactions across programs.

The program elements and their interactions can be grouped into three main categories: those which occur in the categorical eligibility criteria (e.g., age, sex of head of household, condition of health), those which occur in the economic eligibility criteria, and those which occur in the computation of benefits. These subdivisions and the elements contained in each are described below.

Categorical Eligibility Criteria

The filing unit defines the individual or group of individuals who are considered jointly in determining benefits or eligibility. Filing units are generally defined according to familial relationship, age, sex or deprived status. Deprivation may be based upon conditions of health, as in the SSI coverage of the blind and disabled, or upon unemployment status, as in the unemployment compensation program or upon absence of a parent, as in the Aid to Families with Dependent Children program.

Economic Eligibility Criteria

Many programs require that the filing unit meet certain economic criteria, as well as categorical criteria before it is eligible to receive benefits. These means-tested, "income-conditioned" programs generally state the types of income that are included in the program definition of income and state the maximum amount of income which the filing unit may have and still be eligible for benefits.

The remaining component of economic eligibility criteria is the treatment of assets. Once again, the program rules state what items are included in the definition of assets and set the maximum allowable dollar amount of assets the filing unit may hold and still remain eligible. Once the individual or individuals have fulfilled the categorical and economic eligibility criteria, the only remaining step is the calculation of their benefit payment.

Computation of Benefits

The determination of benefits varies across programs and may vary within a particular program according to family size, place of residence, living arrangements or other program-stipulated criterion. Generally, a payment standard is the amount of assistance which would be paid to any filing unit which had no program-defined income. The benefit paid to persons who do have income is determined by adjusting this payment standard according to the program's benefit formula. This adjustment usually involves reducing the full benefit by some fraction of program-defined income. The fraction of income deducted may vary depending upon type of income. In the SSI program, 50 percent of earned income after a small disregard is

deducted while 100 percent of unearned income above a disregard is deducted.

Program Interactions

Program interactions occur in primarily two ways: (1) receipt of benefits from one program may either preclude or automatically entitle the beneficiary to eligibility in another program; or (2) receipt of benefits from one program may affect the beneficiary's level of benefit payment in another program without affecting basic eligibility.

Automatic eligibility occurs when legislation or program regulations specifically state that beneficiaries of one program are automatically eligible for benefits in another program. Hence, Social Security beneficiaries are automatically eligible for Medicare benefits, and SSI recipients are automatically eligible for Food Stamp benefits. Similarly, in many states, SSI recipients are automatically eligible for medical care assistance under the Medicaid program.

Interactions affecting the level of benefits received from a program depend primarily upon cross-program definitions of countable income and most often occur because one program includes the benefits of a second program in its definition of countable income. Hence, an increase in Social Security benefits will lead to a reduction in SSI benefits for units receiving assistance from both programs. The same is true of SSI beneficiaries who also receive Food Stamps. Any increase in their SSI payment will lead to a reduction in their Food Stamp bonus.

These are the types of interactions that some of the simulations will identify and examine in detail; additional simulations will explore the

significance of particular elements within individual programs. More specifically, this research effort will include an analysis of the impact of: (1) changing the Federal SSI payment standards; (2) changing the Federal and State SSI payment standards; (3) changing the amount of income received from Social Security and Railroad Retirement; (4) removing reduced SSI payment standards for those living in the household of another; (5) adjusting income disregards in SSI; and (7) varying the treatment of owner-occupied homes in the SSI asset test.

First, however, a description of the level and extent of existing multiple-program participation will be presented in the following section. This will also serve as a baseline simulation for the analyses in sections III and IV.

II. SIMULATED BASELINE CASELOADS AND COSTS

The initial step in analyzing the nature and extent of program interaction is the identification of the total number of individuals who receive benefits from these programs and the number who receive multiple benefits. Thus our first task is to determine the number of individuals who participate in one or more benefit programs.

The first problem confronted in presenting such an analysis arises from the lack of uniformity among programs in the definition of the recipient unit. As stated in the previous section, each program contains its own definition of an eligible unit. Thus, for example, the Food Stamp filing unit includes the entire household, while the SSI unit may include only one or two members of that household. Unless otherwise stated, our analysis unit will be based on the concept of a family as opposed to a household or an individual. Thus, a unit may contain one or two persons--a single individual or a husband and wife. In a household with two or more family units, therefore, our analysis unit will consist of only the elderly persons (age 60 and over) and their spouses. Institutionalized persons are excluded from our sample, since they do not appear on the CPS data base.

Finally, consistent with the scope of this study, we are only concerned with analysis units in which the head or spouse is age 60 or older. (With regard to SSI, it should be noted that simulated SSI participants include only those disabled or blind persons between the ages of 60 and 64. Blind and disabled persons age 65 or over are defined as categorically eligible for SSI due to age.) With these definitions in mind, we now turn to an examination of the incidence of multiple participation in the SSI, Food Stamp, and Medicaid Programs.

Table 1 presents an overview of the simulated participation in the three programs. Note that these are simulated as opposed to actual caseloads. It is also important to note how Medicaid is handled in the simulation. Because the receipt of Medicaid benefits is predicated upon incurring a medical expense, in addition to meeting the other eligibility criteria, and because the CPS does not contain data on medical expenditures, we cannot accurately simulate the number of Medicaid recipients in any given year. Rather, the simulated figures represent those eligible for assistance from Medicaid in the event that they incur covered medical expenses, and the benefit assigned to each eligible unit is the total Medicaid benefits paid out, divided by the total number of eligibles (not recipients), and adjusted by state of residence, age, and basis for eligibility. Thus the Medicaid benefit emanating from the simulation is an average benefit received by all eligibles.

Table 1 indicates that 6,788,598 units are estimated to participate in one or more of the three programs in 1975. This represents 21.9 percent of all units where the head or spouse is age 60 or over, of the participants, 3,327,434 or 49.0 percent are estimated to receive benefits from only one program, 2,288,081 or 33.7 percent participate in two programs, and 1,173,083 or 17.3 percent participate in all three programs.

Table 2 demonstrates that Medicaid participants are the least likely to receive benefits from another program with 39.4 percent of all Medicaid participants receiving benefits from only that program. SSI recipients are the most likely to participate in another program with only 2.7% of all participating SSI units receiving benefits from that program alone. This is because in all but six states, SSI recipients are automatically eligible for Food Stamps and in approximately two-thirds of the states, SSI recipients are

TABLE 1

OVERVIEW TABLES OF MULTIPLE PARTICIPATION IN SSI, FOOD STAMP AND MEDICAID PROGRAMS

Program Participation Status	Distribution of Participating Units	
	Number of Units (000's)	Percent
SSI Only	100.6	1.5
Food Stamps Only	1,029.2	15.2
SSI and Food Stamps	80.2	1.2
Medicaid Only	2,197.6	32.3
SSI and Medicaid	1,625.0	23.9
Food Stamps and Medicaid	582.9	8.6
SSI, Food Stamps and Medicaid	1,173.6	17.3
Total Participants	6,788.6	100.0

TABLE 2

DISTRIBUTION OF MULTIPLE PARTICIPATION
BY PROGRAM

Total SSI Participants (000's)	29,978.8
Percentage of SSI Participants Receiving Benefits from:	
SSI Alone	3.4%
SSI and Food Stamps	2.7
SSI and Medicaid	54.5
SSI, Food Stamps and Medicaid	39.4
Total Food Stamp Participants (000's)	2,865.4
Percentage of Food Stamp Participants Receiving Benefits from:	
Food Stamps Alone	35.9%
Food Stamps and SSI	2.8
Food Stamps and Medicaid	20.3
Food Stamps, SSI and Medicaid	40.9
Total Medicaid Participants (000's)	5,578.6
Percentage of Medicaid Participants Receiving Benefits from:	
Medicaid Alone	39.4%
Medicaid and SSI	29.1
Medicaid and Food Stamps	10.4
Medicaid, SSI and Food Stamps	21.0

automatically eligible for Medicaid benefits. Thus, it is highly probable that an SSI unit would also participate in one or the other, if not both, of the remaining programs.

Tables 3 through 6 present the estimated distribution of program benefits for the various combinations of multiple participation. The first of these tables (table 3) shows estimated SSI benefits received and the extent of joint participation in other programs by income class. In each of Tables 3 through 6 income is defined as earnings plus reported unearned income minus reported AFDC and general assistance payments plus simulated SSI benefits for those units receiving benefit payments from SSI. This income definition replicates the Current Population Survey's definition of income which excludes in-kind benefits, such as Food Stamps and Medicaid benefits. It should also be noted that blank cells signify that no unit appeared in that cell, while cells containing dashes mean that the number of units falling into that cell was so small as to be of questionable validity and therefore is not shown. Given this information, we may now proceed with the presentation of our results.

Examination of Table 3 shows that 50 percent or more of the units estimated to participate in SSI alone or SSI plus any combination of other programs had annual post-transfer incomes between $2,000 and $4,000. No units receiving SSI benefits fall into the less than $1,000 post-transfer income category, since those units with less than $1,000 in pre-transfer income would receive an SSI benefit of sufficient value to push their post-transfer income above the $1,000 level.[1/] At the other end of the distribution, it can be observed that only those SSI participants who also participate in Medicaid had annual incomes in excess of $7,500. This is a

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1. The average 1975 SSI payment is $1,821 to an individual with no income ($1,202 if living in someone else's household) and $2,744 to a couple with no other income ($1,804 if in another's household).

TABLE 3

SSI BENEFITS RECEIVED BY INCOME UNIT AND JOINT PARTICIPATION IN OTHER PROGRAMS

POST-TRANSFER UNIT INCOME	PROGRAM PARTICIPATION STATUS							
	SSI Only		SSI and Food Stamps		SSI and Medicaid		SSI, MED and Food Stamps	
	Number of Units (000's)	Total Annual Benefits ($ millions)	Number of Units (000's)	Total Annual Benefits ($ millions)	Number of Units (000's)	Total Annual Benefits ($ millions)	Number of Units (000's)	Total Annual Benefits ($ millions)
Under $1,000	---	---	---	---	---	---	---	---
1,000 - 1,999	---	---	---	---	316.0	309.946	159.7	287.260
2,000 - 2,999	39.3	16.533	69.2	31.536	635.5	683.098	777.4	800.629
3,000 - 3,999	30.5	29.365	8.3	3.393	378.8	524.388	190.5	311.376
4,000 - 4,999	19.7	20.048	---	---	80.6	92.508	23.0	29.824
5,000 - 5,999	---	---	---	---	48.8	51.620	9.1	28.937
6,000 - 7,499	---	---	---	---	117.4	245.674	12.1	30.323
7,500 - 9,999					35.1	75.906	---	---
10,000 - 14,999					11.4	18.286		
15,000+								
TOTALS	100.6	70.223	80.162	38.310	1,625.0	2,005.071	1,173.6	1,502.536

reflection of the fact that those states with a high level of voluntary supplementation to SSI also provide SSI recipients with automatic eligibility for Medicaid benefits. Thus SSI recipients with high post-transfer income appear only in the group receiving both SSI and Medicaid benefits.

Table 4 shows Medicaid benefits and the number of eligibles by participation group and income class. The figures further demonstrate the availability of Medicaid benefits to higher income units. Here units with incomes as high as $15,000 receive Medicaid benefits. This reflects the fact that 25 states and the District of Columbia permit the "medically needy" to participate in the Medicaid program, allowing units with incomes equal to or below 133 1/3 percent of the state's AFDC payment standard to receive Medicaid benefits. It should be noted that the number of units participating in both Medicaid and SSI is the same as that shown in Table 3. The benefits received by these units in Table 4, however, represents Medicaid benefits instead of SSI benefits as displayed in Table 3.

Table 5 presents the distribution of Food Stamp benefits by participation status and income class. Of those 1,029,200 persons aged 60 or over who participate only in the Food Stamp program, 940,400 or 91.4 percent have incomes below $4,000 per year, and they receive 91.2 percent of the total benefits.

Table 6 shows, for each participation group, the percentage of total per unit income (this time <u>including</u> Medicaid and Food Stamp benefits) that is contributed by the benefits received (in other words, in computing the percentages, the numerator is the total combined benefits received and the denominator is the same plus earned income and all non-transfer unearned income, eg. interest and dividends). For consistency with the previous

TABLE 4

MEDICAID BENEFITS RECEIVED BY INCOME UNIT AND JOINT PARTICIPATION IN OTHER PROGRAMS

POST-TRANSFER UNIT INCOME	PROGRAM PARTICIPATION STATUS							
	Medicaid Only		SSI and Medicaid		Food Stamps and Medicaid		SSI, MED and Food Stamps	
	Number of Units (000's)	Total Annual Benefits ($ millions)	Number of Units (000's)	Total Annual Benefits ($ millions)	Number of Units (000's)	Total Annual Benefits ($ millions)	Number of Units (000's)	Total Annual Benefits ($ millions)
Under $1,000	309.2	103.197	---	---	140.9	36.159		
1,000 - 1,999	592.9	212.401	316.0	80.971	243.9	60.006	159.7	31.753
2,000 - 2,999	716.6	457.165	635.5	230.830	152.4	60.022	777.4	194.947
3,000 - 3,999	394.6	372.553	378.8	79.986	39.2	23.470	190.5	88.672
4,000 - 4,999	86.6	97.504	80.6	49.484	---	---	23.0	15.355
5,000 - 5,999	27.1	11.821	48.8	25.490			9.1	2.759
6,000 - 7,499	30.1	15.635	117.4	40.013	---	---	12.1	8.779
7,500 - 9,999	19.4	10.876	35.1	18.653			---	---
10,000 - 14,999	21.2	6.973	11.4	2.079				
15,000+	9.9	5.649						
TOTALS	2,197.6	1,293.775	1,625.0	527.999	582.9	180.581	1,173.6	343.265

TABLE 5

FOOD STAMP BENEFITS RECEIVED BY INCOME UNIT AND JOINT PARTICIPATION IN OTHER PROGRAMS

POST-TRANSFER UNIT INCOME	PROGRAM PARTICIPATION STATUS							
	Food Stamps Only		SSI and Food Stamps		Food Stamps and Medicaid		SSI, MED and Food Stamps	
	Number of Units (000's)	Total Annual Benefits ($ millions)	Number of Units (000's)	Total Annual Benefits ($ millions)	Number of Units (000's)	Total Annual Benefits ($ millions)	Number of Units (000's)	Total Annual Benefits ($ millions)
Under $1,000	156.8	73.469			140.9	75.705		
1,000 - 1,999	217.2	66.157			243.9	77.986	159.7	28.122
2,000 - 2,999	356.2	66.703	69.2	13.820	152.4	38.092	777.4	143.480
3,000 - 3,999	210.2	57.487	8.3	1.805	39.2	9.772	190.5	56.892
4,000 - 4,999	46.1	13.478	---	---	---	---	23.0	7.230
5,000 - 5,999	24.1	6.235					9.1	3.974
6,000 - 7,499	12.6	3.112			---	---	12.1	3.439
7,500 - 9,999	---	---					---	---
10,000 - 14,999	---	---						
15,000+								
TOTALS	1,029.2	289.237	80.2	16.588	582.9	203.873	1,173.6	244.296

TABLE 6

SUM OF FOOD STAMP BONUS, MEDICAID BENEFITS
AND SSI PAYMENTS AS A PERCENTAGE OF
GROSS RESOURCES BY INCOME UNIT
AND JOINT PARTICIPATION STATUS

POST-TRANSFER UNIT INCOME	PROGRAM PARTICIPATION STATUS						
	SSI Only (%)	Food Stamps Only (%)	SSI and Food Stamps (%)	Medicaid Only (%)	SSI and Medicaid (%)	Food Stamps and Medicaid (%)	All Three Programs (%)
Under $1,000		91.0		53.8	---	75.8	
1,000 - 1,999	---	16.3		19.4	69.3	27.4	99.0
2,000 - 2,999	15.9	7.4	25.3	20.0	49.2	21.1	52.9
3,000 - 3,999	27.8	7.6	18.1	22.0	43.7	20.4	58.4
4,000 - 4,999	23.2	6.3	---	20.3	34.9	---	42.4
5,000 - 5,999	---	4.5		7.6	26.7		61.9
6,000 - 7,499	---	3.7		7.3	36.3	---	48.2
7,500 - 9,999		---		6.1	31.0		---
10,000 - 14,999		---		2.7	16.6		
15,000+				2.7			
TOTALS	19.7	10.9	24.9	19.1	44.3	29.2	58.5

tables, the first column--Post-Transfer Unit Income--is defined the same as before, ie., it excludes Medicaid and Food Stamp benefits. This table demonstrates that, of those persons participating in all three programs, an average 58.5% of their total income is derived from SSI benefits, Medicaid benefits, and cash equivalents of Food Stamp bonus coupons. Except for those with incomes under $2,000, each income class receives from 40 to 62 percent of their total income in benefits from the three programs.

The next most significant contribution of benefits to total income, is the benefits paid to those units participating in both the SSI and medicaid programs. Of the total resources available to those units, 44.3 percent is derived from SSI and Medicaid benefits.

Because of small sample sizes in some of the cells, the individual percentages should be interpreted with some caution, but the pattern of relationships, both between income classes and across participation categories, should be accurate. In looking at these patterns, units with lower incomes receive a greater proportion of their income in benefits, with the proportion declining as income rises, as would be expected. Looking across categories, Food Stamp benefits add the least to income, while both SSI and Medicaid are major contributors to the total income of these older recipients.

In summary, these simulations indicate that approximately 21.9 percent of all units where the head or spouse is over age 60, participate in at least one program. Of these participating units, 49.0 percent are estimated to receive benefits from only one program, 33.7 percent participate in two programs, and 17.3 percent in all three programs. It is further indicated, that for those participating units with post, cash-transfer incomes of less than $2,000, the benefits they receive account for a major portion of their total income.

III. ANALYSES OF PROGRAM INTERACTIONS

The three analytical tasks in this section illustrate the ways in which, and the extent to which, programs for older Americans interact and overlap. The method of illustration is to introduce a change in benefits of one program, or in income from other sources, and simulate both the direct and indirect impacts on the benefits received from all programs by those age 60 or older.

In all three cases an increase was utilized rather than a decrease but it is expected that the impacts estimated would be symmetrical over the same range. These tasks do not suggest that benefit levels be increased but only show the impact of an increase for analytical purposes. Both of the major types of program interactions are highlighted; namely when eligibility for one program automatically entitles the beneficiary to eligibility in another program, and where receipt of benefits from one program affect the beneficiary's level of benefits from another program.

The interactions identified and examined here are those that occur among and between the three major income-conditioned programs for older Americans--the Supplemental Security Income Program (SSI), Medicaid, and the Food Stamp Program. The three subsections to follow analyze the primary and secondary impacts of (1) increasing the Federal SSI payment standard, (2) increasing both the Federal and Federally-administered State payment standards, and (3) increasing Social Security payments.

The Effect of a Change in the Federal SSI Payment Standard

The purpose of this analysis task is to illustrate the secondary impacts of a change in the federal SSI payment standard on the Food Stamp and Medicaid programs resulting from program interaction. Many of the state Medicaid programs tie eligibility for medical care benefits to the receipt of SSI benefits or to eligibility for SSI payments. A more generous SSI standard should result in a larger proportion of the older population becoming eligible for Medicaid benefits.

The SSI/Food Stamp interaction operates in two ways. In many states, households consisting entirely of public assistance recipients are automatically eligible for Food Stamp bonuses. The second interaction affects older people residing in the households of others. When their SSI payment increases or the SSI payment of another adult categorical unit in the household increases, the household income as defined by the Food Stamp program increases and the household's bonus may be reduced, or its eligibility may be lost altogether.

It is expected that when the federal SSI standard is increased we should have an increase in the number of Medicaid recipients. The direction of change in the number of Food Stamp recipients is not predictable a priori because the two affects mentioned above operate in different directions.

In order to explore these interactions the SSI program was simulated with a 10 percent increase in the federal standard. Food Stamps and Medicaid were then simulated using the new SSI payment and the newly eligible SSI recipients.

The effect of increasing the federal SSI payment standard by 10 percent is to increase the number of older SSI recipients by approximately 283,000, or 9.5 percent, and the total cost of SSI to this group by $535 million, or almost 15 percent. Another 216,000 units were affected by secondary changes in eligibility status for other programs as a result of program interactions.

Table 7 presents in detail the caseload dynamics which would presumably be caused by such a change. The row headings are the program participation status before the simulated change, and the column headings indicate the program participation status after the simulated change. An entry in the table indicates the number of units who were in the row participation status before the change and who are in the column participation status after the change. The row totals indicate number of units in the eight participation statuses after the simulated change.

Column one of Table 7 indicates that 147,000 units or about six-tenths of a percent of those who participated in no other programs prior to the change, received benefits under one or more programs after the change. Of these, 29,000 units would be new participants in the SSI program, 87,000 would receive benefits from the Medicaid program and 30,000 more would receive benefits from both the SSI and Medicaid programs.

Of the 1,029,000 units previously participating only in the Food Stamp program, 46,000 would also have benefits from SSI and Medicaid, 30,000 would receive SSI benefits in addition to their Food Stamp bonuses, and 25,000 would receive medical care benefits (through becoming eligible for SSI even though they did not participate).

About 99,000 of the participants previously receiving only Medicaid benefits would also receive SSI payments. Of the 584,000 units previously receiving both Food Stamps and Medicaid benefits, 22,000 would also receive

TABLE 7

CHANGES IN PROGRAM PARTICIPATION STATUS RESULTING FROM A CHANGE IN THE FEDERAL SSI PAYMENT STANDARD

INITIAL PROGRAM PARTICIPATION STATUS	RESULTING PROGRAM PARTICIPATION STATUS (Number of Units in Thousands)								Totals Before Change
	None	SSI Only	Food Stamps Only	SSI and Food Stamps	Medicaid Only	SSI and Medicaid	Food Stamps and Medicaid	All Three Programs	
None	24,082	29			87	30		---	24,229
SSI Only		101				---	25	46	101
Food Stamps Only		---	919	30					1,029
SSI and FS		---		74					80
Medicaid Only					2,099	99			2,198
SSI and MED						1,621		---	1,625
FS and MED							538	22	584
All Three Programs								1,087	1,174
TOTALS AFTER CHANGE	24,087	137	919	104	2,188	1,862	563	1,160	31,020

SSI, while another 22,000 would lose Food Stamp bonuses and gain SSI. Also 87,000 of the 1,174,000 previously receiving benefits from all three programs would lose their food stamp eligibility.[1/] The information contained in Table 7 indicates that most of the units experiencing changes gain eligibility for one or more new programs while only 87,000 units (17 percent of those units changing participation status) lose eligibility for food stamps.

The change in the federal SSI standard increased the amount of total SSI payments by $534.6 million, or almost 15 percent. The distribution of this increase by initial program participation status is presented in Table 8. The third column contains the increase in SSI payments going to the various participant groups. Of the $534.6 million total, $71.9 million or 13.5 percent goes to those who previously received no SSI benefits (2.6 percent to those who previously did not receive benefits under any of the three programs and 10.9 percent to those receiving benefits under Food Stamp or Medicaid or both but not SSI). The remainder (86.5 percent) of the increase in benefits goes to those already receiving SSI benefits (3 percent to those receiving only SSI benefits before the change, 30 percent to previous SSI and Food Stamp recipients, 44 percent to previous SSI and Medicaid recipients, and 36.5 percent to those previously receiving benefits from all three programs). A total of 3.262 million units are affected by the change in the federal payment standard: 283,000 who did not receive any SSI benefits previously would receive an average SSI payment of $254 per year and the remaining 2.98 million units who previously received SSI payments experience an increase in their payment ranging from $145 to $202 or an average of $155.

Table 9 shows the impact on Medicaid of the change in SSI. The results indicate that an additional 192,000 units are now eligible for Medicaid

1/ The reason for this loss of Food Stamp bonus is that the Food Stamp filing unit may contain persons not categorically eligible for inclusion in the SSI filing unit. However, the resources of the food stamp filing unit include the resources of all occupants of the housing unit and would include SSI payments received by the smaller SSI filing unit. Thus an increase in SSI may eliminate the household from eligibility for the Food Stamp bonus.

TABLE 8

IMPACT ON SSI CASELOAD AND COST FROM A CHANGE IN THE FEDERAL PAYMENT STANDARD

Initial Participation Status	Initial SSI Payments ($000)	Resulting SSI Payments ($000)	Differences in SSI Payments ($000)	Number of Units Affected (000)	Average Change Per Unit $
None	---	13,787.0	13,787.0	60	230
SSI Only	70,222.7	85,466.2	15,243.5	101	151
Food Stamps Only	---	19,570.4	19,570.4	80	245
SSI and FS	38,095.1	54,331.8	16,236.7	80	202
Medicaid Only	---	26,449.4	26,449.4	99	267
SSI and MED	2,005,071.2	2,241,154.5	236,083.3	1,625	145
FS and MED	---	12,121.1	12,121.1	44	275
All Three Programs	1,502,536.2	1,697,684.1	195,147.9	1,174	166
TOTALS	3,615,925.2	4,150,564.5	534,639.3	3,262	164

TABLE 9

IMPACT ON THE MEDICAID PROGRAM
RESULTING FROM A CHANGE IN THE
FEDERAL SSI PAYMENT STANDARD

Initial Participation Status	Number of New Medicaid Beneficiaries (000's)	Value of New Medicaid Benefits ($000's)	Average Value of New Medicaid Benefits ($)
None	118	49,535.0	419.79
Food Stamps Only	74	15,512.8	209.63
TOTALS	192	65,047.8	338.79

benefits averaging $338 per unit. The total additional cost to the Medicaid program of these benefits is $65 million.

Table 10 indicates that there is an overall decrease in the amount of Food Stamp bonuses of $29.9 million dollars due to an increase in income arising from higher SSI benefits. There is also a net decline in the number of recipient units who reside in the households of others. This $29 million decrease in Food Stamp bonuses includes only the loss of benefits to Older Americans and their spouses. Food Stamp benefits are based on all occupants of a housing unit. The amount of bonus attributed to members of the Older Americans analysis unit is the sum of the per capita bonus received by this smaller elderly unit. If the household contains 5 people and there is one elderly person in the household, any change in Food Stamps bonus reported would be 20 percent of the change in the household bonus. Thus the $29 million decrease should be considered as a lower bound estimate of the secondary impact on the Food Stamp program brought about by the increased federal standards and program interaction.

Finally, Table 11 indicates the impact of the change in SSI standards on the combined benefits received from the three programs. The first row indicates that the $13.8 million in SSI benefits which would be received by those previously receiving no benefits from any of the three programs is only 22 percent of the total benefits they would receive. Vitrually all of the remaining 78 percent is Medicaid benefits. Thus an increase in the Federal SSI payment standard of 10 percent would through program interaction, increase Medicaid benefits nearly four times more than SSI benefits for those previously receiving no benefits. Those receiving only Food Stamps before would gain an increase in SSI benefits of $19.6 million, which is 60 percent of their total increase in benefits. The total benefit change of all other groups is equal to the SSI increase, or less (i.e. they lose some other benefits as a result of increased income via additional SSI benefits). Sixteen percent of the additional SSI benefits which

TABLE 10

IMPACT ON THE FOOD STAMP PROGRAM
RESULTING FROM A CHANGE IN THE
FEDERAL SSI PAYMENT STANDARD

Initial Participation Status	Initial Food Stamp Bonuses ($000)	Resulting Food Stamp Bonuses ($000)	Change In Food Stamp Bonuses ($000)
None	0	100.3	+ 100.3
Food Stamps Only	289,227.3	286,628.2	- 2,609.1
SSI and Food Stamps	16,587.8	14,197.9	- 2,389.9
SSI and MED	0	294.5	+ 294.5
FS and MED	203,872.9	199,297.8	- 4,575.1
All Three Programs	244,296.2	223,536.5	-20,759.7
TOTALS	753,994.2	724,055.2	-29,939

TABLE 11

IMPACT ON COMBINED PROGRAM BENEFITS FOR
SELECTED GROUPS RESULTING FROM A CHANGE
IN THE FEDERAL SSI PAYMENT STANDARD

Initial Participation Status	Initial Total of Combined Benefits ($000)	Resulting Total of Combined Benefits ($000)	Change in Combined Benefits ($000)	Change in SSI Benefits ($000)	Change in SSI Benefits as a Percentage of The Change in Combined Benefits (%)
None	0	63,422.3	63,422.3	13,787.0	21.7
SSI Only	70,222.7	85,466.2	15,242.5	15,243.5	100.0
Food Stamps Only	289,237.3	321,711.4	32,474.1	19,570.4	60.3
FS and SSI	54,897.3	68,529.6	13,632.3	16,236.7	119.1
MED and SSI	2,533,070.2	2,769,447.9	236,377.7	236,083.3	99.9
All Three Programs	2,090,097.1	2,264,485.3	174,388.2	195,147.9	111.9
TOTALS	5,037,524.6	5,573,062.7	535,538.1	469,068.8	92.6

would be received by units previously receiving Food Stamps and SSI would be offset by reductions in Food Stamps bonuses. A similar but smaller offset would occur for those previously receiving benefits from all three programs.

In summary, this illustration of an increase of 10 percent in the Federal SSI payment standard has demonstrated that there are not only significant interaction effects with other programs, but that the interactions are complex. Changes can have quite different effects on different groups, depending on their initial program status. Some units become eligible for other programs by becoming eligible for SSI, some would merely receive the full increase in the SSI benefit, and others would receive less than the full benefit because reduced benefits from other programs partially offset the increase in SSI benefits. Everyone would be made better-off as a result of the increased SSI standard but some units would gain more and others would gain less than is indicated by simply the change in SSI payments because of program interactions. In the case of SSI the people who would benefit most from an increase in the standard are usually experiencing the interaction of tied eligibility. People who benefit the least are experiencing the interaction of one program reducing the benefits received from another program.

This analysis task only addresses the consequences of a small change in the SSI payment standard, but the results are illustrative of the impact of including SSI payments in program-defined income for determining Food Stamp eligibility and bonus. Total Food Stamp bonuses transfered to Older Americans are considerably lower than would be the case if the Food Stamp income definition did not include SSI payments.

Similarly the secondary impact on the Medicaid caseload is illustrative of the impact of the tied eligibility between Medicaid and SSI. The small increase in SSI benefits which would be received by new eligibles entitles them to valuable medical care benefits.

Certainly one conclusion that can be drawn from these results is that looking at the benefit structure of any one program may be misleading because of the various forms of program interaction.

The Effect of a Change in the Federal and State SSI Payment Standards

The purpose of this analysis task is to illustrate the primary and secondary impacts of a change in the Federal and State Voluntary SSI payment standards. This differs from the previous analysis task in that the state voluntary payment standard is also increased, whereas it was held constant before and only the Federal payment standard was increased.

The expected consequences are the same as for the previous changes except that the impacts should be larger in magnitude. There should be more new Medicaid eligibles and a greater reduction in Food Stamp benefits received by the elderly.

The analysis confirms these expectations. It shows that a 10 percent change in both standards would increase the total cost of SSI by $689 million dollars, or about 19 percent. This is $154 million more than the increase brought about by raising the Federal standard only, which was a 15 percent increase. An additional 316,000 units would participate in the SSI program, or a 10.6 percent increase in caseload. Another 245,000 units would be affected by secondary changes in eligibility for other programs as a result of program interaction, compared to 216,000 in previous analysis.

Row one of Table 12 shows that 195,000 units, or 0.8 percent of those who participated in none of the programs prior to the change, would receive benefits. Of these, 29,000 units would receive benefits from the SSI program alone, 110,000 would receive Medicaid benefits alone, and 55,000 more would receive benefits from both the SSI and Medicaid programs. Of the 1,029,000 units previously benefiting only from the Food Stamp program, 47,000 would also receive additional assistance from both SSI and Medicaid, 30,000 would receive SSI benefits in addition to Food Stamp bonuses, and 24,000 would also receive Medicaid benefits.

TABLE 12

CHANGES IN PROGRAM PARTICIPATION STATUS RESULTING FROM A CHANGE IN THE FEDERAL AND STATE VOLUNTARY SSI PAYMENT STANDARDS

INITIAL PROGRAM PARTICIPATION STATUS	RESULTING PROGRAM PARTICIPATION STATUS							Totals Before Change
	None	SSI Only	Food Stamps Only	SSI and Food Stamps	Medicaid Only	SSI and Medicaid	Food Stamps and Medicaid	All Three Programs	
None	24,034	29	---	---	110	55	---	---	24,229
SSI Only	101	---	---	---	---	---	---	---	101
Food Stamps Only	---	---	919	30	2,093	105	24	47	1,029
SSI and FS	---	---	---	74	---	1,621	---	---	80
Medicaid Only									2,198
SSI and MED									1,625
FS and MED									584
All Three Programs									1,174
TOTALS AFTER CHANGE	24,039	137	919	104	2,205	1,903	561	1,152	31,020

About 105,000 of the participants previously receiving only Medicaid assistance would also receive SSI payments. The remaining changes are also similar in direction to the results discussed under the earlier analysis task but are larger in magnitude.

As stated previously, the change in both SSI standards increased the amount of total SSI payment by $689 million, or about 19 percent. The distribution of this increase is shown in Table 13. Of the $688.8 million increase, only $90 million, or 13 percent, would go to those not previously participating in the SSI program (3.1 percent to units previously not receiving aid from any of the three programs and 10 percent to those receiving benefits from Food Stamps, Medicaid or both). These units would receive an average payment or $285 (compared to $254 in the prior analysis). The remaining $598.7 million or 87 percent, would go to those already receiving SSI payments and results in an average increase in their benefits of $201 (compared to $155 when only the Federal standard was raised). The distribution of this 87 percent is as follows: 2.2 percent to those only previously receiving SSI, 2.4 percent to those previously receiving SSI and Food Stamps, 51.5 percent to those previously participating in SSI and Medicaid and 30.9 percent to those previously participating in all three programs.

The impact on the Medicaid caseload is presented in Table 14. An additional 337,000 units become eligible for Medicaid benefits averaging $338, which would increase the cost of the Medicaid program by $80.9 million. This is about $15 million higher than the increase resulting from a change in the Federal standard alone. Of this $80.9 million, over 80 percent would go to those units not previously receiving any program benefits and the remaining 19 percent would go to those units previously receiving only Food Stamp bonuses.

TABLE 13

IMPACT ON SSI CASELOAD AND COST FROM CHANGES IN THE FEDERAL AND STATE VOLUNTARY SSI PAYMENT STANDARDS

Initial Participation Status	Initial SSI Payments ($000)	Resulting SSI Payments ($000)	Differences in SSI Payments ($000)	Number of Units Affected (000)	Average Change Per Unit ($)
None	--	21,130.7	21,130.7	85.0	209
SSI Only	70,222.7	85,466.2	15,243.5	100.6	152
Food Stamps Only	---	20,070.7	20,070.7	81.0	248
SSI and FS	38,095.1	54,423.8	16,328.7	80.2	204
Medicaid Only	--	35,477.0	35,477.0	105.0	338
SSI and MED	2,005,071.2	2,359,592.2	354,521.0	1,625.0	218
FS and MED	---	13,379.5	13,379.5	45.0	297
All Three Programs	1,502,536.2	1,715,181.8	212,645.6	1,173.6	181
TOTALS	3,615,925.2	4,304,721.9	688,796.7	3,295.4	209

TABLE 14

IMPACT ON THE MEDICAID PROGRAM RESULTING
FROM CHANGES IN THE FEDERAL AND STATE
VOLUNTARY SSI PAYMENT STANDARDS

Initial Participation Status	Number of New Medicaid Beneficiaries (000)	Value of New Medicaid Benefits ($000)	Average Value of New Medicaid Benefits ($)
None	166	65,428.0	394
Food Stamps Only	74	15,512.8	210
TOTALS	240	80,940.8	337

Table 15 presents the secondary impacts on the Food Stamp program. There is a $32.0 million decrease in the cost of the Food Stamp program. This decrease is about $2 million larger than the decrease resulting from altering only the Federal standard. The largest proportion of this decline, 69.5 percent, is experienced by older people who previously participated in all three programs. Here again, this magnitude should be considered a lower-bound on the real loss of welfare to older Americans.

Finally, Table 16 presents the total impact on combined benefits received by six selected groups. These groups would experience an increase in SSI benefits of $639.9 million, but the increases in combined benefits is $693.9 million. Thus the change in combined benefits is 8.5 percent higher than the change in SSI benefits.

The group previously receiving benefits from none of the three programs would experience a change in combined benefits which is four times as large as the change in SSI benefits. The increase in combined benefits for those only on food stamps before the increase in the SSI standard is nearly 65 percent higher than the increase in SSI benefits alone.

The group previously receiving both SSI and food stamps has a change in combined benefits which is 16 percent lower than the change in SSI benefits, i.e., they "lose" 16 percent of the SSI increase via reductions in other program benefits (or put another way, consistent with the last column in the table, the increase in SSI benefits exceeds the increase in combined benefits by 19 percent). Similarly, those previously receiving benefits from all three programs would experience a total change in combined benefits which is 10.5 percent lower than their change in SSI benefits.

TABLE 15

IMPACT ON THE FOOD STAMP PROGRAM
RESULTING FROM CHANGES IN THE FEDERAL AND STATE
VOLUNTARY PAYMENT STANDARDS

Initial Participation Status	Initial Food Stamp Benefits ($000)	Resulting Food Stamp Benefits ($000)	Change in Food Stamp Benefits ($000)
None	0	100.3	+ 100.3
Food Stamps Only	289,237.3	286,644.6	- 2,592.7
SSI and FS	16,587.8	14,197.9	- 2,389.9
SSI and MED	0	294.5	+ 294.5
FS and MED	203,872.9	198,720.3	- 5,152.6
All Three Programs	244,296.2	222,076.2	-22,220.0
TOTALS	753,994.2	722,033.8	-31,960.4

TABLE 16

IMPACT ON COMBINED PROGRAM BENEFITS FOR SELECTED GROUPS
RESULTING FROM CHANGES IN THE FEDERAL AND STATE
VOLUNTARY SSI PAYMENTS STANDARDS

Initial Participation Status	Initial Total of Combined Benefits ($000)	Resulting Total of Combined Benefits ($000)	Change in Combined Benefits ($000)	Change in SSI Benefits ($000)	Change in SSI Benefits as a Percentage of the Change in Combined Benefits (%)
None	0	86,658.9	86,658.9	21,130.7	24.4
SSI Only	70,222.7	85,466.2	15,243.5	15,243.5	100.0
Food Stamps Only	289,237.3	322,228.1	32,990.8	20,070.7	60.8
FS and SSI	54,897.3	68,621.6	13,724.3	16,328.7	119.0
MED and SSI	2,533,070.2	2,887,885.7	354,815.5	354,521.0	100.0
All Three Programs	2,090,097.1	2,280,522.7	190,425.6	212,645.6	111.7
TOTALS	5,037,523.8	5,731,383.2	693,868.6	639,940.2	92.2

As noted earlier the total increase in combined benefits for these selected groups is nearly $694 million, and each group experiences a net increase in combined benefits. However, two groups--those previously on none of the programs and those only participating in the Food Stamp program--experience an increase in combined benefits of 400 and 164 percent respectively, of their increases in SSI benefits because of the tied eligibility interaction between SSI and Medicaid. Two of the other groups--units on the Food Stamp and SSI programs and units on all three programs--have increases in combined benefits which are 10 to 20 percent lower than their increases in SSI benefits.

This and the previous analysis shows that, when SSI benefits are increased, there is some "leakage", in that combined benefits do not rise as much as the SSI increase if the unit was previously receiving Food Stamps. An interaction of greater magnitude, however, is that between SSI and Medicaid, and it works in the opposite direction. Because Medicaid eligibility is tied to SSI eligibility, a small increase in the SSI payment standard can make a sizeable number of older families eligible for (small) SSI payments, but their combined benefits can be quite large because of becoming automatically eligible for Medicaid benefits.

The Effect of a Change In Social Security Payments

The purpose of this analysis task is to assess the secondary impacts of a 10 percent increase in Social Security payments received by Older Americans. It is expected that SSI payments to Social Security recipients will decline, and since Medicaid eligibility is tied to SSI eligibility in many states, Medicaid costs and caseloads should also fall. Furthermore, since Social Security payments are counted as income in determining Food Stamp benefits, the increased social security payments should result in lower Food Stamp costs and caseloads.

The mechanics of this analysis task are as follows: The amount of social security income reported by individuals on the CPS was inflated by 10 percent. These higher social security amounts were then used to simulate SSI. Finally, the new SSI payments were used in simulating benefits under the Food Stamp and Medicaid programs.

The 10 percent increase in social security payments to Older Americans amounted to $4.789 billion, of which 21.5 percent or slightly over $1 billion, would go to units previously receiving benefits from one of the three programs. This would cause SSI benefits to that portion of the group who previously received SSI to decline by $404 million, or 11 percent, and the number of units receiving SSI benefits would decline by 352,000, or almost 12 percent. An additional 772,000 units would have their eligibility for programs altered in other ways.

Table 17 presents the caseload dynamics. The second row of that table indicates that 25,000 units, out of the 100,000 previously receiving only SSI but not food stamp and Mediciad benefits, would lose SSI payments. Of the

TABLE 17

CHANGES IN PROGRAM PARTICIPATION STATUS RESULTING FROM A CHANGE IN SOCIAL SECURITY BENEFITS

INITIAL PROGRAM PARTICIPATION STATUS	RESULTING PROGRAM PARTICIPATION STATUS (Number of Units in Thousands)							Totals Before Change
	None	SSI Only	Food Stamps Only	SSI and Food Stamps	Medicaid Only	SSI and Medicaid	Food Stamps and Medicaid	All Three Programs	
None	24,223	---	---	---	---	---	---	---	24,230
SSI Only	25	72	---	---	---	---	---	---	100
Food Stamps Only	228	---	801	50	---	---	---	---	1,029
SSI and FS	370	---	30	---	1,828	---	---	---	80
Medicaid Only	56	15	---	---	135	1,414	---	---	2,198
SSI and MED	11	---	39	---	61	---	472	---	1,624
FS and MED	---	---	56	35	---	---	35	1,033	583
All Three Programs									1,173
TOTALS AFTER CHANGE	24,918	87	931	85	2,032	1,420	511	1,033	31,020

2,865,000 units previously receiving Food Stamps (the sum of rows 3, 4, 7, and 8), 314,000 or nearly 11 percent would lose benefits from the Food Stamp program. About 30,000 units, out of 80,000 units previously receiving Food Stamps and SSI but not Medicaid, would lose their SSI benefits but would retain their Food Stamp benefits.

A large number of units, 587,000, nearly 11 percent of the 5,578,000 who previously received Medicaid benefits (sum of rows 5-8), would lose them (but, as will be explained later, this is probably an overestimate). Of the 1,624,000 previously receiving SSI and Medicaid but not Food Stamps, 135,000 units would lose their SSI benefits, 15,000 units would lose their Medicaid benefits and 56,000 units would lose their previous eligibility for both SSI and Medicaid. One hundred and eleven thousand units previously receiving Food Stamps and Medicaid assistance but not SSI would lose benefits from one or both programs (61,000 would lose Food Stamps, 39,000 would lose Medicaid and 11,000 would lose both). Of the 1,173,000 units originally benefiting from all three programs, 35,000 would lose only SSI, 35,000 would lose only Medicaid, 6,000 would lose only Food Stamps, and 64,000 would lose benefits from two or more programs.

In summary as many as 973,000 units lose all benefits from at least one program. As many as 123,000 units lose all benefits from two or more programs.

As stated previously, the total amount of SSI benefits transferred to Older Americans decreased by $404 million, or 11.2 percent. The distribution of this reduction is shown in Table 18. The largest percentage decline (38.5 percent) is experienced by the group previously receiving both SSI and Food Stamp benefits, the next highest percentage decline (22.9 percent) is imposed on those previously receiving only SSI benefits and the smallest decline ($.9 percent) in SSI benefits is for those previously getting assistance from all three programs.

As a result of the decreased SSI caseload the Medicaid benefits received by Older Americans would decline by $195.4 million or 9.1 percent as indicated in table 19. This decline is

TABLE 18

IMPACT ON SSI CASELOAD AND COST RESULTING FROM
A CHANGE IN SOCIAL SECURITY BENEFITS

Initial Participation Status	Initial SSI Payments (000s)	Resulting SSI Payments ($000)	Differences in SSI Payments ($000)	Percentage Decrease in SSI Payments (%)
SSI Only	70,222.7	54,132.8	- 16,089.9	22.9
SSI and FS	38,095.1	23,420.4	- 14,674.7	38.5
SSI and MED	2,005,071.2	1,765,139.5	-229,931.7	12.0
All Three Programs	1,502,536.2	1,369,155.8	-133,380.4	8.9
TOTALS	3,615,925.2	3,211,848.5	-404,076.7	11.2

TABLE 19

IMPACT ON MEDICAID CASELOAD AND COST RESULTING FROM
A CHANGE IN SOCIAL SECURITY BENEFITS

Initial Participation Status	Initial Medicaid Benefits ($000)	Resulting Medicaid Benefits ($000)	Change in Medicaid Benefits ($000)	Percentage Change in Medicaid Benefits (%)
Medicaid Only	1,293,775.0	1,132,137.6	-161,637.4	12.5
MED and SSI	527,990.1	519,767.0	- 8,223.1	1.6
MED and FS	180,581.3	177,021.5	- 3,559.8	2.0
All Three Programs	343,264.9	318,894.3	- 24,370.6	7.1
TOTALS	2,345,611.3	2,147,820.6	-195,356.9	9.1

the largest for those units previously receiving only Medicaid assistance, a 12.5 percent decrease in Medicaid benefits. Units previously receiving all three forms of assistance would experience a decline in Medicaid benefits of slightly over 7 percent. The other two groups would be only slightly affected.

The overall decline in Medicaid benefits, as well as the figures for the individual groups, are likely somewhat overstated. This is because the "spend-down" provision is not incorporated into the Medicaid simulation. The spend-down feature of Medicaid allows a previously ineligible family to receive benefits after it has incurred sufficient medical expenditures to bring family income down below the income eligibility cutoff. This is not incorporated in the TRIM simulation because the CPS has no record of medical expenditures. Rather, we assign average Medicaid benefits to eligible families, with this amount varying only by state of residence and basis of eligibility (i.e., whether by being declared medically needy or through eligibility for SSI). Thus in the simulation, if the family's income rises above the eligibility level, it loses all Medicaid benefits. In reality, those with large medical bills can receive a partial subsidy through the spend-down provision. For example, a family with income $500 above the eligibility income cutoff, but with medical expenses of $1,000, can pay the first $500, then become eligible for medical assistance, and have Medicaid pay the remaining $500.

The impact of increased social security payments on the food stamp caseload and cost is presented in Table 20. There would be an overall decline in cost of $81.5 million or 10.8 percent. This decline is heavily concentrated on two groups--those previously receiving only food stamp benefits, (a decline of $54.9 million, or 19 percent) and those previously receiving food stamp and Medicaid benefits (a decrease of $23 million, or about 11 percent). Food stamp benefits of the other two groups would be only minimally affected,

TABLE 20

IMPACT ON FOOD STAMP BENEFITS RESULTING FROM A CHANGE IN SOCIAL SECURITY BENEFITS

Initial Participation Status	Initial Food Stamp Benefits ($000)	Resulting Food Stamp Benefits ($000)	Change in Food Stamp Benefits ($000)	Percentage Change in Food Stamp Benefits (%)
Food Stamps Only	289,237.3	234,314.1	-54,923.2	19.0
FS and SSI	16,587.8	16,944.2	+ 356.4	2.2
MED and FS	203,872.9	180,811.7	-23,061.2	11.3
All Three Programs	244,296.2	240,473.9	- 3,822.3	1.6
TOTALS	753,994.2	672,543.9	-81,450.3	10.8

and it should be noted that these are the ones receiving cash assistance from the SSI program. Units receiving both SSI and Social Security payments would experience relatively small changes in income as measured by the Food Stamp Program because SSI benefits are reduced one-for-one as Social Security payments increase. The two affected groups--those not receiving SSI payments--would have increased income as measured by the Food Stamp program as a result of the 10 percent increase in Social Security payments.

The consequences on combined benefits are depicted in Table 21. Unlike in the earlier Tables, combined benefits include Social Security payments. A 10 percent increase in Social Security payments leaves four of the eight groups with about the same total benefits. All of those units received SSI benefits prior to the change, and for many the increase in Social Security payments was merely offset, dollar-for-dollar, by reduced SSI benefits. However, one would expect an increase in benefits for those whose increase in Social Security payments exceeded the amount of SSI benefits before the change. Thus the average change in combined benefits for these four groups would be slightly positive. This is partially, if not wholely, offset, however, by the fact that participation in the SSI program declines as benefits decline--for some, it is simply not worth the bother of applying and/or becoming recertified for eligibility. Thus some families (and particularly new applicants over time) may actually wind up with less total benefits. For example, consider a family with a monthly Social Security payment of $180 and a monthly SSI benefit of $25. A 10 percent change in social security raises these payments to $198 per month and lowers the SSI payment to $7 per month. The family may not bother with reapplying for the latter, resulting in a combined benefit loss of $7, or an after-change benefit of 96.6 percent of the before-change benefits.

TABLE 21

IMPACT ON COMBINED BENEFITS* OF A CHANGE IN SOCIAL SECURITY FOR SELECTED GROUPS

Initial Participation Status	Initial Combined Benefits ($000)	Resulting Combined Benefits ($000)	Resulting Benefits as A Percentage of Initial Benefits (%)
SSI Only	210,873.9	209,293.1**	99.3**
Food Stamps Only	1,986,413.6	2,101,208.0	105.8
SSI and FS	193,553.9	192,886.9**	99.7**
Medicaid Only	5,169,129.5	5,395,028.1	104.4
MED and SSI	4,861,512.2	4,846,930.3**	99.7**
FS and MED	1,172,767.9	1,224,978.2	104.5
All Three Programs	3,388,919.7	3,357,228.7**	99.1**
TOTALS	16,983,170.7	17,327,553.3	102.0

* Unlike earlier tables, combined benefits include social security benefits

** Figures are understated--see text

Since information on participation rates, particularly for those eligible for small benefits, is limited, one should view the numbers in Table 21 for these four groups as approximate. The change in combined benefits for these groups may be either positive or negative, but in any case they are not large.

Those receiving Food Stamps and/or Medicaid but not SSI benefits (the second, fourth and sixth groups) would experience an increase in combined benefits. Those families previously receiving Food Stamps only have their bonuses reduced by 25-30 percent for each $1 increase in Social Security payments and thus experience the largest percentage increase in combined benefits. Families previously receiving both Food Stamps and Medicaid receive less of an increase in combined benefits because in addition to the loss in Food Stamp bonuses they also lose Medicaid benefits. Finally, those units previously receiving benefits from Medicaid alone have a percentage change in combined benefits which is approximately equal to that experienced by the units previously receiving Medicaid and Food Stamp benefits.

In summary, this analysis shows that, for SSI recipients, an increase in Social Security payments is pretty much offset by the dollar-for-dollar reduction in SSI benefits. Those gaining most in combined benefits are units who were receiving Food Stamps and/or Medicaid benefits but not SSI payments.

The analysis also demonstrates that, due to program interaction, a change in one program has produced secondary effects which substantially mitigate the direct effects of the change.

In addition to the above analysis, a second simulation was carried out in which all non-earned income (including Social Security income but excluding

transfers from the three income-conditioned programs) was increased by 10 percent. The pattern of the results are identical to those discussed above, though the magnitudes of change are slightly different. The total decrease in SSI payments was $438 million, only $34 million greater than the $404 million decline brought about by increasing only social security payments. The resulting combined benefits for all groups were also quite similar.

IV. SENSITIVITY OF CHANGES IN SSI PROGRAM FEATURES

In addition to looking at problems which arise because of the overlap and interaction of programs for Older Americans, the scope of concern encompasses features of individual programs which may lead to inequitable treatment among older recipients, or between older and younger beneficiaries, or for the same recipient under changing economic conditions. In line with this expanded scope, simulations were made under alternative program features to provide backup information for possible recommendations that might be made to the Council in a separate report.

Four of these simulations are reported here. They explore the consequence of changes in SSI--the major income-conditioned program for those age 65 or over. Specifically, they address the consequences of (1) eliminating reduced SSI payments to elderly persons residing in someone else's household, (2) increasing the benefit-reduction rate on earned income, (3) Adjusting income disregards by the CPI, and (4) alternative ways of treating the value of owner-occupied homes in the SSI asset test. Indirect (secondary) impacts are not reported because they are small--principally because the magnitudes of the direct (primary) impacts are not very large.

Eliminating the Payment Variation Due to Living Arrangements

The current SSI program reduces the payment standard by one-third if the recipient is living in the household of another. The rationale behind this feature is that there are economies of scale in living in larger households, and further, that these older persons are presumed to be receiving in-kind benefits from the primary family. There is some debate concerning the validity of the latter assumption. Also, it is not clear how the program determines who is living with whom. Since there is some arbitrariness involved in this reduction, it was decided to assess the impact of eliminating it.

The total amount of SSI payments increases by $234 million, or 6.5 percent, when the reduction is eliminated. This increase represents a 46 percent increase in SSI payments which go to units residing in the households of others and is a consequence of both increasing existing payments and extending eligibility to some previously ineligible units.

Changing the SSI Benefit-Reduction Rate on Earned Income

The purpose of this experiment is to assess the sensitivity of SSI payments to one of the major elements in the program design. This task does not suggest that the benefit-reduction rate be increased, but uses an increase to illustrate the sensitivity of program costs to this parameter. The amount of SSI payments received by our analysis units decreases by $28 million, or less than 1 percent, as a consequence of a 10 percent increase (to 55 percent) in the benefit-reduction rate. This small reduction in payments reflects the fact that older Americans receive very little of their resources from earnings; thus, altering the benefit-reduction rate imposed on earned income has very little impact on program cost. This is contrary to what would be expected from an income-conditioned program which extended eligibility to the so-called working poor--low income families headed by prime-age males. So while the benefit-reduction rate may be a major issue in welfare reform, it's significance for older Americans is considerably less.

Adjusting the Income Disregards

One feature of the SSI program is that all income up to a specified limit ($20 for earned income and $65 for unearned income)is disregarded (not counted) in determining eligibility and payment levels. The SSI payment standard is adjusted for the cost of living, but the disregards are not. In times of inflation, then, SSI recipients with income (either earned or unearned) above the disregards experience a real decline in benefits. To assess how much real benefits have declined due to this feature since the program was initiated (January 1974); the SSI program was simulated with the disregards adjusted by the CPI

If the disregard had been adjusted,Older Americans would have received $97.7 million more in SSI payments in 1975 alone. This represents a 2.7 percent increase in SSI payments received by this group. The largest part of this increase, 88.3 percent, accrues to those units previously receiving SSI benefits, and 11.7 percent of the increase goes to units not previously receiving SSI payments.

Alternative Treatments of the Asset Value of Homes

The primary purpose of this task is to analyze the effect of the exclusion from countable assets of homes of market value less than or equal to $25,000 [1] and to examine possible alternatives to this allowable exclusion.

As previously stated, these simulations will rely upon the Census Public Use Sample instead of the Current Population Survey. The CPUS contains detailed information on housing tenure, home value and mortgage debt, all of which are required in order to examine the effect of, and alternatives to, the limit on the market value of homes in the SSI asset test. [2] It should also be recalled that the baseline simulations performed for this task and presented here, assume a seven percent return on assets rather than a six percent return as assumed in simulations performed on the CPS. Three additional differences should be noted--the simulation results presented here reflect (unless specifically stated otherwise) 1976 eligible SSI filing units. Since this task does not treat cross-program interactions, the "analysis units" of previous tasks can be replaced by SSI filing units. In addition, as stated above, the figures

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[1] $35,000 if the residence is in Alaska or Hawaii.

[2] The specific file used in the simulations described here is an extract of the 1970 Census 1 in 1,000 data file aged to 1976. The file includes 56,365 households and 219,613 persons. In addition to containing valuable housing information use of this file has another advantage in that in creating the extract tape, the population of primary concern to this study, those age 60 and over, were intentionally oversampled.

displayed in the following tables represent total SSI eligibles in the year 1976 rather than SSI participants in 1975. Thus the reader is cautioned that these combined factors preclude the comparability of this task with preceding tasks. This lack of comparability should not lessen the significance of either, however, since preceding tasks deal with cross-program interactions and this task treats a specific program element of the SSI program. A final technical note must be made before we proceed with the analysis.

Since the decision to assume that income from interest and dividends represents a seven percent return on assets can be considered arbitrary, we have performed a sensitivity analysis to determine the degree of impact this assumption exerts upon the total cost and caseload. Table 22 displays the results of assuming that income from these sources represents a 7, 8, and 10 percent return on total assets. It is easily observed that changing the assumed rate of return exerts little influence upon the total cost or caseload size. We can therefore presume that assuming a seven percent rate of return does not introduce any extreme biases or unexplained errors.

As evidenced by the figures in Table 23, 3,627,000 of the estimated 9,230,000 eligible SSI filing units own the homes in which they reside. [3] Thus, an estimated 39.3 percent of the total population of SSI eligibles are subject to loss of SSI benefits if they do not reside in homes of market

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[3] These estimates represent categorically eligible filing units who have passed the income test and the asset test without the $25,000 limit on home value.

TABLE 22

IMPACT OF VARIABLE RATES OF RETURN TO ASSETS
ON THE TOTAL SSI CASELOAD AND BENEFITS

Assumed Rate of Return (%)	Total Caseload (000's)	Total Benefits ($ millions)	Average Benefit ($)
7	8,817,927	$12,368.2	$1,403
8	8,820,620	12,373.8	1,403
10	8,825,792	12,379.0	1,403

TABLE 23

TENURE PROFILE OF SSI ELIGIBLE FILING UNITS
BY CATEGORICAL ELIGIBILITY

TENURE	BASIS OF ELIGIBILITY				TOTAL	
	Aged		Blind and Disabled			
	Eligibles (000's)	Benefit ($ millions)	Eligibles (000's)	Benefit ($ millions)	Eligibles (000's)	Benefit ($ millions)
Homeowners	3,040	$4,283.4	587	$1,183.3	3,627	$5,466.8
Renters	1,800	2,709.9	676	1,629.7	2,476	4,339.6
Other	2,078	2,467.0	1,049	1,629.8	3,127	4,096.9
TOTALS	6,918	$9,460.3	2,312	$4,442.8	9,230	$13,903.2

value less than or equal to $25,000. Table 24 demonstrates that of these 3,627,000 filing units, 3,133,068 or 86.39 percent do in fact reside in homes with a market value less than or equal to $25,000. These 3,133,068 units receive estimated benefit payments of $4,082,402.

Table 25 shows the impact that adoption of alternative excludable market values limitations exerts upon the total SSI eligible population and total benefits. If this market value limitation were lowered to $15,000, 591,876 units would become ineligible for benefits amounting to $746,274,000. This would result in an 18.9 percent reduction in total caseload, and an 18.3 percent reduction in total benefits. If on the other hand, the market value limitation were raised to $35,000 nationwide, an additional 279,017 filing units would become eligible for benefit payments of $441,508. This represents an 8.9 percent increase in the total number of eligibles units and a 10.8 percent increase in total benefits. It should be recalled that these 279 thousand units represent persons who do not receive SSI benefits solely because the market value of their home exceeds $25,000. Exploring the effect of this limitation even further, we can observe that total removal of the market value limit would result in increasing the estimated caseload by 13.6 percent from 3,133,068 eligible homeowning units to 3,626,850 eligible homeowners. It would further increase benefit payments to this group by 16 percent from $4,082,402 to $4,859,871. Table 25 displays the impact of assuming alternative market value exclusion limits upon the total simulated eligibles and benefits. The advisability of extending the nationwide home value limit by $10,000 from $25,000 to $35,000 or totally abandoning the limit, is dependent upon one's interpretation of the relative equity of including such a limit. The cost arising from such action can be evidenced by the above estimates.

TABLE 24

DISTRIBUTION OF SSI HOMEOWNING ELIGIBLES AND BENEFITS BY MARKET VALUE OF HOME

Market Value of Home	Total Eligible Filing Units	Total Benefit ($000s)	Average Benefits ($)
< $ 5,000	1,366,496	1,852,258	1,355
5,000 - 10,000	684,204	390,860	1,302
10,001 - 15,000	490,492	593,010	1,209
15,001 - 20,000	375,907	435,308	1,158
20,001 - 25,000	215,969	310,966	1,440
25,001 - 25,500	27,718	43,454	1,568
25,501 - 30,000	152,770	222,344	1,455
30,001 - 30,500	6,937	4,054	584
30,501 - 31,000	12,594	22,689	1,801
31,001 - 31,500	7,373	13,191	1,789
31,501 - 32,000	7,101	19,921	2,805
32,001 - 32,500	9,283	17,357	1,870
32,501 - 33,000	2,890	3,945	1,365
33,001 - 33,500	3,972	5,204	1,310
33,501 - 34,000	15,899	37,958	2,387
34,001 - 34,500	20,809	34,043	1,636
34,501 - 35,000	11,671	17,348	1,486
35,001 +	214,764	335,963	1,564
TOTAL	3,626,850	4,859,871	1,340

TABLE 25

EFFECT ON TOTAL CASELOAD AND BENEFITS
OF VARIABLE MARKET VALUE LIMITATIONS

Home Value Limit	Total Eligibles	Total Benefits ($000's)
$25,000 Limit	8,817,927	$12,368,186
$15,000 Limit	8,226,051	11,621,912
$35,000 Limit	9,096,944	12,809,694
No Limit	9,311,708	13,148,657

The argument can reasonably be advanced that allowing a home to be excluded from countable assets, regardless of what total value is excludable, is inequitable in that it provides homeowners with an economic advantage not available to the 2,891,000 eligible SSI units who are not homeowners. One means of rectifying this inequity is to discard any special provisions for owner-occupied homes and treat homes like any other type of asset. In this manner, homeowners can be expected to receive a reasonable rate of return on this asset and include this return in their countable income.

Table 26 presents the impact of including equity income at various rates of return in countable income on the total number of SSI eligible filing units. The first row in Table 26 represents the benefits and caseload of eligible units who pass the SSI categorical, income and asset tests prior to imputing home equity to income. Inclusion of six percent of total home equity in countable income results in a decrease of 472,417 eligible units and $698,247 in benefits, a 5.4 percent decrease in the number of eligible units, and 5.7 percent decrease in total benefits. The impact of imputing equity to countable income increases as the percentage of equity imputed increases. Thus, imputing 8 percent of total equity to income results in a 7.9 percent decline in the number of eligible units and a 10.2 percent decline in total benefits; imputing 10 percent of total equity results in a 10.3 percent decrease in total caseload and a 10.2 percent decrease in total benefits. It thus becomes evident that adopting this alternative approach to the treatment of owner-occupied homes exerts a significant impact upon the total program cost and caseload. Table 27 displays

TABLE 26

IMPACT OF IMPUTING VARIABLE PERCENTAGES OF TOTAL HOME EQUITY TO COUNTABLE INCOME ON THE TOTAL SSI CASELOAD AND BENEFITS

Handling of Home Value	Total Caseload	Total Benefits ($000's)	Average Benefits ($)
Before imputing home equity to income with $25,000 limit on market value of home	8,817,927	$12,368,186	$1,403
After imputing 6% of total home equity to income	8,345,510	11,669,939	1,398
After imputing 8% of total home equity to income	8,121,447	11,356,426	1,398
After imputing 10% of total home equity to income	7,910,318	11,105,505	1,404

TABLE 27

IMPACT OF IMPUTING VARIABLE PERCENTAGES OF TOTAL HOME EQUITY TO COUNTABLE INCOME ON THE DISTRIBUTION OF SSI ELIGIBLE HOMEOWNERS

SSI Countable Income	ALTERNATIVE RATES OF RETURN ON EQUITY									
	Before Imputing Equity		Equity Imputed at 6%		Equity Imputed at 8%		Equity Imputed at 10%			
	Eligibles (000s)	Benefit ($000s)	Eligibles (000s)	Benefit ($000s)	Eligibles (000s)	Benefit ($000s)	Eligibles (000s)	Benefit ($000s)		
Equal to $0	696	1,915,282	266	722,311	243	653,534	220	595,359		
$1 - 999	447	978,452	544	1,237,665	505	1,128,584	468	1,032,105		
1,000 - 1,999	1,418	1,455,618	1,009	1,054,250	884	938,984	825	880,998		
2,000 - 2,999	748	638,776	580	541,069	560	532,778	489	498,432		
3,000 - 3,999	170	254,474	143	198,759	126	171,642	122	166,838		
4,000 - 4,999	80	134,313	55	87,070	51	86,755	52	84,268		
5,000 - 5,999	57	65,558	57	48,005	59	53,349	44	40,062		
6,000 - 7,999	9	16,545	5	12,583	7	12,681	3	7,530		
8,000 - 9,999	1	5,615	1	5,816	1	5,611	1	5,496		
10,000 +	1	2,120	0	0	0	0	0	0		
TOTALS	3,627	5,466,753	2,660	3,907,528	2,436	3,583,918	2,224	3,311,088		

the effect that this alternative scheme has upon the distribution of SSI eligible homeowners. It can be seen that as the rate of return on equity imputed increases the number of persons in each countable income cell decreases.

In summary, it can be evidenced from this analysis that varying the market value exclusion limit in the asset test results in significant changes in the total number of eligibles and the benefits they receive. However, the magnitude of resulting change appears to be even greater if the home value limitation is replaced by imputing equity to countable income. In addition, it may be suggested that the latter treatment is more equitable in terms of the treatment of homeowners vis-a-vis non-homeowners.

V. SUMMARY AND CONCLUSIONS

The purpose of this study was to assess the impact of various benefits programs on Older Americans. To accomplish this task we first estimated the joint participation in the three major income-conditioned programs, the amount of benefits received from each of these programs and, finally, the proportion of total benefits received from the three programs compared to the total cash income and in-kind benefits of Older Americans.

The second step was to illustrate the interrelationships of these three programs by introducing a change in one program's benefit levels or in income received from another source and analyzing the impact on combined benefits. We have attempted to illustrate that the consequences of a change on combined benefits can be quite different than the impact of the change on any single program.

Our baseline estimates indicate that about 22 percent of older Americans will receive assistance from at least one of the three income-conditioned benefit programs--SSI, Food Stamps and Medicaid--during 1975. Of these beneficiaries, 49 percent are estimated to participate in only one program, 34 percent to participate in two programs and 17 percent in all three programs. The most significant overlap is between SSI and Medicaid, with 41 percent of the units receiving assistance from both. The Food Stamp/Medicaid overlap affects 26 percent of the recipient units, and the Food Stamp/SSI overlap involves only 18 percent. Thus, considerable overlap exists between programs. Over 50 percent of the participants, or nearly 3.5 million units, receive benefits from 2 or more programs, and all of these units are likely at some time to be affected by program interactions.

The 6.8 million units receiving assistance have over $6.7 billion in benefits transferred to them through the three programs ($3.6 billion from SSI, $2.3 billion from Medicaid and $0.8 from the Food Stamp Program).

These benefits account for a substantial proportion of the resources available to these units. The benefits received by those units on only one program represent between 11 and 20 percent of their available resources. Between 25 and 44 percent of the available resources of units participating in two programs is contributed by those programs. Finally, nearly 60 percent of the available resources of units participating in all three programs is accounted for by combined program benefits.

To summarize, there are a considerable number of people receiving assistance, a large number are affected by program interactions, and their economic resources and economic well-being are highly dependent on the three programs.

The third section of the paper illustrated the primary and secondary impacts on benefit patterns by introducing three changes. Two of these changes dealt with increasing payment standards in the SSI program and the other was an increase in Social Security payments.

All three cases indicate that the primary impact on SSI caseloads significantly understates the impact of the change through secondary impacts. When the Federal SSI standard was increased, 283,000 units had their SSI eligibility affected but an additional 216,000 units experienced changes in participation status in other programs. When both Federal and state SSI standards were altered, 316,000 units were added to the SSI caseload, and an additional 245,000 people had their eligibility for other programs affected. Similarly, when Social Security payments were increased, 352,000 units lost SSI eligibility and an additional 765,000 units lost their eligibility for

either Food Stamps or Medicaid. Thus, looking at just the impact on the SSI caseload masks the substantial secondary impacts which result from tied-eligibility and from reductions in benefits from one program as benefits from another are increased.

Not only did we find marked interactions in eligibility status, but we also found that the impact of changes in the SSI program on combined program benefits was often substantially different from the impact on SSI benefits alone. In both the SSI simulations, about 7 percent of the initial increase in SSI benefits was offset by reductions in other program benefits via secondary impacts. Moreover the secondary impacts were not evenly distributed across participation groups. Units who participated in SSI and one or more of the other programs had changes in combined benefits which were equal to or less than the initial change in SSI benefits. Units previously not receiving assistance always had increases in combined benefits in excess of the initial increase in SSI benefits.

When Social Security payments were increased by 10 percent, the resulting increase in combined benefits was always less than 10 percent, and was considerably less than this, almost zero, for the units previously receiving SSI payments.

More than anything else, the analysis of program interactions in Section III demonstrated two fundamental points. First, the primary impact of a change in one program may be substantially altered by the interaction of that program with other programs. Second, even when only three programs are considered, the interactions are so complex that to trace them out prior to actually implementing the change is virtually impossible without simulating the change first. Clearly adding more programs increases the complexity of the interactions and the potential for even more dramatic changes in combined

eligibility and benefits resulting from a modification of one of the programs.

In addition to the experiments designed explicitly to measure the impact of program interactions on Older Americans, a set of simulations were designed to examine the sensitivity of SSI costs and caseloads to changes in a number of features of that program. The findings as reported in Section IV are as follows: First, removing the current one-third reduction in the SSI standard for SSI eligibles living in someone else's household would increase potential program benefits to Older Americans by $234 million or 6.5 percent, and would increase the payments to SSI eligibles living in other's households by about 46 percent. The second major finding from this set of SSI simulations was that both program costs and the benefits received by individuals appear to be insensitive to changes in the benefit-reduction rate imposed on earned income. A 10 percent increase in that rate led to only a $28 million dollar reduction in benefits to Older Americans. A third SSI simulation adjusted the current earned and unearned income disregard by the CPI to prevent its erosion in real terms over time. Older Americans would have received about $100 million (2.7 percent) in additional SSI benefits had this provision been in effect since the inception of the SSI program in January of 1974. A final set of SSI simulations explored the impact of changing the limit on the value of owner-occupied homes or imputing income to homeowners based on their house equity. The effect of these changes on total SSI payments and the size of the eligible caseload was quite substantial. We estimated that the house value limit of $25,000 eliminates almost 500,000 SSI units from the eligible SSI population. Furthermore, permitting these units to enter the program could increase the caseload by as much as 13 percent and program costs by as much as 16 percent. Equally dramatic would be the potential loss of benefits to homeowners if a return to home equity were imputed to income using a rate of 6 percent. In this case, as many as 472,000 homeowners who would otherwise be eligible for SSI could lose their eligibility. Clearly program costs and caseloads are sensitive to changes in the treatment of owner-occupied houses.

APPENDIX A

THE DATA BASES

As explained in the body of this paper, operation of the Transfer Income Model requires the use of a hierarchically structured data file. Three data files of this type have been used in TRIM applications: the 1966-67 Survey of Economic Opportunity (SEO) the 1970 Census Public Use Sample (CPUS) and the March Current Population Surveys (CPS) for the years 1967-1974. Each of these data files contain individual strengths which commend their usage, and individual weaknesses which may or may not prohibit their use in certain applications of TRIM.

The Survey of Economic Opportunity is the most complete in terms of providing data on individual holdings of assets. This information has, however, become outdated since the survey was conducted in 1966 and 1967. As a result of the age of this data, the SEO is seldom utilized since substantial adjustments would be required in order to make the data current. Such adjustments would compromise the integrity of the data and any estimates produced through its use.

The Census Public Use Sample is based upon the 1970 Decennial Census of the Population. This data base has been used extensively in TRIM applications since it contains valuable information on housing tenure and geographic location,[1/] and is a large sample consisting of 60,000 household observations. As we move farther away in time from the 1970 Census, however, the problem of the age of the data base once again becomes an important consideration.

1/ The housing variables contained on this file permitted the analysis of the effect of the market value limit on homes in the asset test of the Supplemental Security Income program. This analysis task is described in part II of this paper.

Thus, as a result of the need for a current source of reliable data, most of the analysis tasks presented in this paper were performed on the March 1974 Current Population Survey.[2/] The March CPS is based on a sample of 461 areas comprising 924 counties and independent cities with coverage in every State and the District of Columbia. Approximately 50,000 households are selected for interview from these areas. The sample follows a rotation scheme so that a portion of the sample is changed each month. This rotation is performed in order to avoid the poor response rate which might occur as a result of continuously interviewing the same persons and to reduce the cumulative effect of biases in response which may occur when a constant panel is repeatedly interviewed. According to the rotation scheme, each household is interviewed for four consecutive months, dropped from the sample for eight months and returned for the same four months the next calendar year. This procedure insures that 75 percent of the sample is constant from month to month and 50 percent from year to year, thus providing a substantial degree of overlap in the panel, reducing discontinuities in the series of data without placing a burden on any specific group of households through unnecessarily lengthy periods of interview.

The CPS is conducted under strict quality control procedures to insure the accuracy of the data collected. Each month, one-sixth of the total number of interviewers are selected and one-third of their work assignment is reinterviewed as a quality control check. After the reinterviews, all the data collected are submitted to extensive editting and allocation procedures so that the record for each person interviewed is complete and internally consistent.

2/ For a description of the Current Population Survey, see Marvin M. Thompson and Gary Shapiro, The Current Population Survey: An Overview, dated August 28, 1972, prepared for the Conference on the Current Population Survey - September 1972. Unpublished.

Each month in a given calendar year, a certain set of questions are included in the interview so that the questionaire for any given month is consistent from year to year. TRIM utilizes the March CPS because this file contains information on family structure, work experience and income. Thus TRIM can obtain from the March CPS all the demographic and economic data it requires to produce tax and transfer program estimates.

Despite the timeliness of the Current Population Survey, a time lag of approximately 8 months to one year generally exists between the date that the survey is taken, and the date that the data is available for public use. Procedures exist within TRIM to compensate for this time lag and produce estimates representative of the current population. A description of these procedures follows.

APPENDIX B

PROJECTING THE DATA BASES

The most recent CPS data base available for use at the time this study was undertaken was the 1974 CPS (the file that is representative of the demographic population in 1974 and the economic conditions of 1973). Significant changes have taken place which have affected the national economy, the demographic profile of the population and the availability and structure of individual benefit programs. In order to more accurately represent the present situation, this data base was aged to represent the population and economic conditions that would be represented by a survey taken in the year 1976.

This adjustment is performed in two steps. The first step adjusts the data base to reflect growths and shifts in the demographic composition of the population. This adjustment takes into account any changes which may have occurred in the age, sex and race profile of the population between 1974 and 1976. The second major adjustment is performed to reflect the changes which have occurred in the national economy through inflation and productivity gains and in individual changes in income by source.

These two major adjustments are discussed in greater detail in the following sections.

Demographic Aging: The procedure used to adjust the size and demographic composition of the population attempts to capture the projected changes in the population as reported by the Bureau of the Census. This is achieved in two steps. The first step modifies the distribution of the population by age, race and sex to agree with the Census Series II projection for the survey month which would be consistent with a survey

taken in 1975. The resultant or intermediate household distribution which arises from the above discussed adjustment of the demographic distribution of persons is then reconciled with the Census Series B projections of households for the survey period which would be consistent with a sample survey taken in 1975.

This methodology results in an adjusted data base that is demographically consistent with the Bureau of the Census' middle range projections.

Economic Aging: Once the population has been adjusted to represent the demographic composition of the population in 1975, an adjustment must be made for the change in income experienced between the years 1973 and 1975. TRIM identifies income according to fourteen sources (Wages, Business Earnings, Farm Income, Social Security, Rent, Interest, Dividends, Private Pensions, Workmen's Compensation, Unemployment Insurance, Welfare, Government Pensions, Veteran's Benefits and Other) for each person on the file. The adjustment factors are derived from observed and/or projected growth in the national aggregates for these income sources. These aggregate growth rates are further adjusted to reflect the rate of change in the number of recipients for each source. The resultant adjustment factors are the growth in average per-recipient amounts.

Aggregate national estimates for observed time periods are obtained from various government publications;[1/] estimates for future time periods are derived from the control projections from the Data Resource Incorporated (DRI) macro-economic model of the United States.

1/ These include but are not restricted to the DHEW's monthly Social Security Bulletin, the Department of the Treasury's Statistics of Income, and the Department of Commerce publication, Survey of Current Business.

In summary, the aging procedures used to update the 1973 CPS to be representative of a 1975 CPS are aimed at making the data base consistent with two acceptable sources of data projections: Bureau of the Census demographic projections and DRI economic forecasts.

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HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D.C. 20201

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HEW–391

DHEW Publication No. (OHD) 76-20953