

National Committee to Preserve Social Security & Medicare

Viewpoint Introduction

The Older Americans Act (OAA), originally enacted in 1965, supports a range of home and community-based services, such as meals-on-wheels and other nutrition programs, in-home services, transportation, legal services, elder abuse prevention, and caregivers support. These programs help seniors stay as independent as possible in their homes and communities. In addition, OAA services help seniors avoid hospitalization and nursing home care, and, as a result, save federal and state funds that would be otherwise spent on such care.

Who benefits from the Older Americans Act?

The intent of the OAA is to promote the dignity of older adults by providing services and supports that enable them to remain independent and engaged citizens within their communities. The original OAA established the Administration on Aging (AOA) and the aging services network that provides essential home and community-based supportive services. AoA is now part of the Administration for Community Living (ACL) within the Department of Health and Human Services (DHHS). OAA funding is distributed to 56 state agencies, over 200 tribal organizations, two native Hawaiian organizations, more than 600 area agencies on aging and 20,000 local service providers. While the program is open to older individuals, generally defined as 60 and older, it focuses on offering assistance to persons with the greatest social or economic need, such as low-income or older adults living in rural areas. Most services do not require means testing or copayments, but donations may be requested and some newer programs may have cost sharing on a sliding scale. Unfortunately, years of limited funding have restricted access to OAA services, resulting in waiting lists for many of these essential programs. In fact, in 2010 ACL reported that only about 5.1 percent of eligible older adults received services. The benefits of OAA programs are not just for older adults. These programs also support families by offering services to caregivers, and they provide jobs in the health and long-term care sectors in local communities around the country.

What Are the Benefits?

The OAA authorizes a range of services and supports that help older Americans remain as independent and productive as possible in our own homes and communities. The OAA consists of seven titles. Titles I and II declare the Act's objectives and establish the AOA, the federal coordinating agency for OAA services. Title III – Grants for States and Community Programs on Aging - covers supportive services such as case management, senior center services, in-home services, transportation, and information and referral. Also included under Title III are nutrition programs, such as meals-on-wheels and senior center group meals; family caregiver support; and health promotion and disease prevention services. Funds for Title III programs are distributed based on a state's proportionate share of either the age 60 or older population or, in the case of caregiver support programs, the age 70 or older population. Each state then has its own formula for allocating OAA funding to area agencies on aging which enables the delivery of services to local areas.

Title IV of the OAA provides support for training, research and demonstration projects while Title V

authorizes the Senior Community Service Employment Program (SCSEP). This program, which is managed by the Department of Labor, provides support for part-time employment for individuals 55 and over who are low-income, unemployed and have poor employment potential. Title VI covers Grants for Services for Native Americans and provides funding to tribal organizations, Native Alaskan organizations and nonprofits representing Native Hawaiians.

Finally, Title VII provides support for programs to ensure protection of the rights of older adults, including the Long-Term Care Ombudsman Program and elder abuse prevention services. The Long-Term Care Ombudsman Program is required to investigate and resolve complaints made by or on behalf of nursing facility residents or other institutionalized populations. Title VII funds are allocated based on the state's proportion of residents age 60 and older.

OAA Funding

The Older Americans Act has a broad and critical mission. However, it is plagued with modest resources to support the service continuum. Over the past 20 years, the OAA has lost ground due to our rapidly increasing frail, older population, and federal funding that has not kept pace with either inflation or growth in the older population. Eligible seniors face waiting periods for many OAA services in most states. For example, only seven percent of older adults who are food insecure receive home-delivered meals.

The Budget Control Act of 2011 imposed further cuts in non-defense discretionary (NDD) spending, which includes OAA programs, amounting to \$1.5 trillion over ten years. The Fiscal Year (FY) 2013 cuts have required dramatic reductions in senior nutrition and other programs. In addition, President Obama's FY 2014 budget submission proposed level funding for many OAA programs and reduced funding by \$68 billion for the Senior Community Service Employment Program. If Congress fails to replace the sequester with a balanced approach, OAA programs stand to lose even more every year between 2014 and 2021. The Leadership Council of Aging Organizations determined that in order for OAA funding to simply catch up with the growth in the senior population, it would have to be increased by at least 12 percent each year for several years.

These funding cuts come at a very difficult economic time for millions of older adults who depend on OAA services to make ends meet. For example, 1 in 5 individuals 65 and older survive on an average of only \$7,500 per year. Programs that provide nutritional support such as meals-on-wheels are a critical lifeline for low-income older adults. Likewise caregiver support programs enable families to continue to provide care to their loved ones, allowing them to remain in the community and out of expensive nursing homes. Flat funding or cutting already insufficient funding levels for these critical programs fails to recognize our nation's changing demographics, and puts older adults at risk of experiencing hunger, isolation, poor health, neglect, abuse, and other challenges to their health and well-being.

OAA Reauthorization

The OAA was last reauthorized in 2006 and was scheduled for reauthorization in 2011 but Congress has not acted on reauthorization legislation. Recently, Senator Bernie Sanders (I-VT), Chair of the Senate Committee on Health, Education, Labor and Pensions (HELP) Subcommittee on Primary

Health and Aging, and colleagues introduced S. 1028, the “Older Americans Act Amendments of 2013,” which would authorize increased funding for aging services and would make improvements to benefit older Americans and their families. These improvements would include:

- Strengthening core programs by calling for a 12 percent increase in funding from 2010 levels;
- Increasing the focus on economic security for older adults;
- Requiring the Bureau of Labor Statistics to improve the Consumer Price Index-for the Elderly (CPI-E), which would be used to calculate Social Security cost-of-living adjustments;
- Updating & expanding definitions of targeted populations with the greatest economic and social needs; and
- Protecting older adults from abuse and other elder justice provisions.

NATIONAL COMMITTEE POSITION

The National Committee supports S. 1028, the “Older Americans Act Amendments of 2013,” and commends Senator Sanders for his leadership in strengthening programs that provide much-needed assistance to many older Americans. In particular, the National Committee supports provisions in S. 1028 that make significant improvements to the Older Americans Act, which will help ensure their economic security and their ability to receive the supports and services that they need to stay healthy and active in their homes and communities.” In particular, we support provisions that would:

- **Allow for substantial, across-the-board increases in federal funding for OAA programs.** Even though many vulnerable older adults benefit from OAA programs, there are many more eligible seniors who are not receiving services. In 2010, AOA reported that only 5.1 percent of those age 60 and older received services funded through OAA on any regular or intensive basis. The National Committee supports increased funding for OAA services because most older adults cannot afford to purchase long-term care services since the average monthly Social Security benefit is only \$1,262. Furthermore, 10,000 Americans turn 65 every day, and this growing population of seniors includes many who will need these critical programs to help them stay in their own homes and communities.
- **Revise and improve the Experimental Consumer Price Index for the Elderly.** The CPI-E is based on a market basket of goods that more accurately reflects the spending patterns of the elderly on high-inflation and non-substitutable goods such as health care, prescription drugs and home energy costs. Thus the CPI-E is a better index for the purpose of protecting seniors from the harmful effects of inflation by providing a more accurate annual cost-of-living adjustment for Social Security recipients. With decreasing access to employer-based pensions, more and more older adults (40 percent) are relying on Social Security as their main (90 percent) income source. S. 1028 requires the Secretary of Labor to revise and improve the CPI-E within two years of enactment.
- **Expand definitions of greatest need.** Changing demographic patterns and cultural norms require identification of additional target groups that meet the definition of greatest social or economic need in response to changing social patterns. Such groups include older LGBT individuals, veterans, Holocaust survivors, those with a diagnosis of Alzheimer’s disease or

related dementias, those aging with HIV, and those with multiple chronic conditions. Targeting individuals with the greatest economic and social need prevents them from slipping into poverty or poor health. However, it is also important to keep the program open to all older adults who would benefit from OAA services and to ensure that it is not stigmatized as a welfare program.

- **Continue to fund the Senior Community Service Employment Program (SCSEP).** Older Americans are the largest population of the long-term unemployed, and they are the hardest to reemploy. SCSEP is the only federal jobs program available to older workers. In addition to helping older workers achieve self-sufficiency, SCSEP also provides an economic boost to communities and much-needed assistance to agencies and communities where the older workers provide services. S. 1028 also requires the Assistant Secretary for Aging and the Secretary of Labor to conduct a feasibility study on the proposed transfer of the Senior Community Service Employment Program from the Department of Labor to the Administration on Aging and submit a report to Congress.
- **Provide protection from abuse, neglect and exploitation.** Research shows a direct connection between elder abuse and increased need for costly services, such as nursing home care. Thus, beyond the ethical obligation to protect vulnerable older adults, these changes have the potential to save government costs in other programs such as Medicare and Medicaid. Similarly, efforts directed at reducing health care fraud have the potential to save revenue within the Medicare program. Such savings are critical to the sustainability of Medicare for years to come.

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