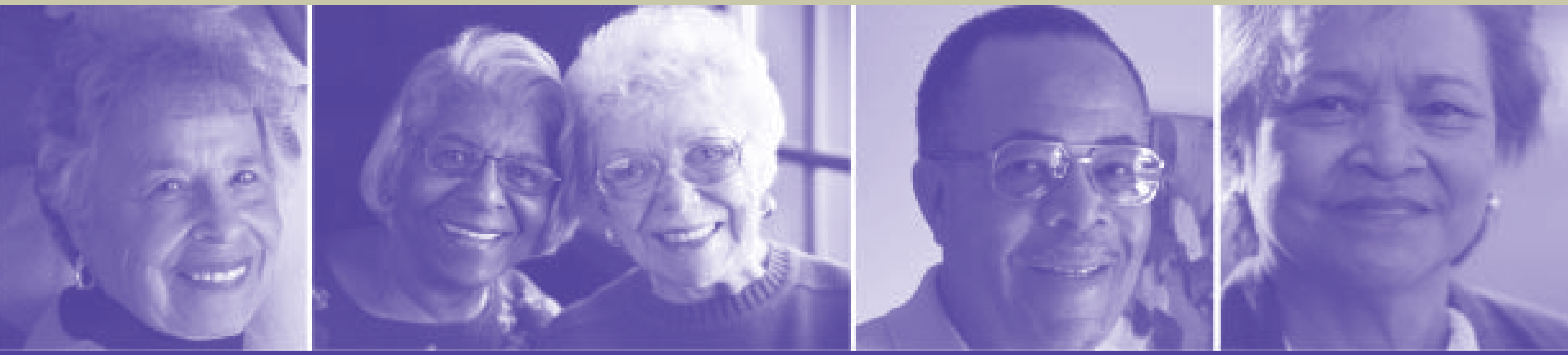
Elders Living on the Edge: The Impact of Public Support Programs in Pennsylvania When Income Falls Short in Retirement



May 2008

PathWays PA
services and advocacy for women, children and families

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Elders Living on the Edge

The Impact of Public Support Programs in Pennsylvania When Income Falls Short in Retirement

Wider Opportunities for Women

May 2008

Prepared for The Pennsylvania Elder Economic Security Initiative™
in partnership with Wider Opportunities for Women (WOW).

The Pennsylvania Elder Economic Security Initiative™

PathWaysPA was founded in 1978 as the Women's Association for Women's Alternatives. It served as one of Pennsylvania's first residential programs to keep low-income, vulnerable women together with their children and has grown to become one of the Greater Philadelphia Region's foremost providers of residential and community-based services for women, children and families. Each year over 5,000 women, children and families who reside in the Greater Philadelphia Region benefit from our full complement of social services; job training and employment assistance; as well as outreach and residential programs as they move along the path to self-sufficiency.

With offices throughout Southeastern Pennsylvania and advocacy initiatives on behalf of low-wage workers statewide, PathWaysPA provides programs committed to the development of client self-sufficiency which leads to the fulfillment of our mission: ***To help women, teens, children and families achieve economic independence and family well-being.***

Wider Opportunities for Women (WOW)

WOW works nationally and in its home community of Washington, DC to achieve economic independence and equality of opportunity for women and girls at all stages of life. For over 40 years, WOW has been a leader in the areas of nontraditional employment, job training and education, welfare to work and workforce development policy. Since 1995, WOW has been devoted to the self-sufficiency of women and their families through the national Family Economic Self-Sufficiency project (FESS). Through FESS, WOW has reframed the national debate on social policies and programs from one that focuses on poverty to one that focuses on what it takes families to make ends meet. Building on FESS, WOW has expanded to meet its intergenerational mission of economic independence for women at all stages of life with EESI. For more information about WOW's programs go to www.wowonline.org or call WOW at 202-464-1596.

The authors, of course, are responsible for the contents of this report, and accept responsibility for any errors or omissions.

Elders Living on the Edge:
The Impact of Public Support Programs in Pennsylvania When Income Falls Short in Retirement

Elders Living on the Edge

The Impact of Public Support Programs in Pennsylvania When Income Falls Short in Retirement

The Pennsylvania Elder Economic Security Initiative™

Pennsylvanian low-income elders face financial challenges that threaten their already fragile economic stability and the health of their communities. On one side, they are pressured by ever-increasing expenses — housing, health care, fuel and utilities. On the other, they see fixed incomes eroded by weaknesses within the economy, Social Security payments that are by themselves inadequate, Supplemental Security Income that lies stagnant below the poverty level, underfunded public support programs, and asset limits which prevent those receiving public supports from saving for their retirements

The Elder Economic Security Standard Index Measures Elders' Economic Well-Being

How much income do the state's elders need to meet the rising costs of living? What is the true impact of public support programs, such as medical assistance, utility assistance, or housing assistance on elders' expenses and income needs? To accurately answer these questions, policymakers, advocates and social service providers require an accurate measure of elders' economic security. The national Elder Economic Security Initiative™ program, a multi-year, research-driven initiative to raise awareness and

Policy Recommendations

1. Support and strengthen retirement incomes such as Social Security, SSI and defined contribution plans.
2. Support housing trust funds, affordable housing development, home repair and accessibility programs, homeowner tax exemptions, and expand the Tenant Based Rental Assistance program.
3. Remove barriers to receipt of public supports, such as low income and asset limits and confusing application processes.
4. Broaden and deepen outreach and public information on low-income supports, including information and support for caregivers.
5. Support an increase in the monthly maximum allowance and the lifetime home modification maximum allowances in the Family Caregiver Support program.
6. Eliminate the spend-down requirement for reimbursement of home and community-based options under Medicaid.
7. Increase elder transportation access and subsidies.
8. Promote equitable and rational policy by using the Elder Economic Security Standard Index in developing and evaluating policies.

Table 1: The Elder Economic Security Standard Index for Philadelphia County, PA, 2007						
Elders' Housing Expenses are the Greatest Determination of Economic Security						
	Single			Couple		
Monthly Expenses	**Owner without mortgage**	**Renter**	**Owner with mortgage**	**Owner without mortgage**	**Renter**	**Owner with mortgage**
Housing	$420	$689	$906	$420	$689	$906
Food	$271	$271	$271	$ 497	$497	$497
Transportation	$141	$141	$141	$226	$226	$226
Health Care (Good Health)	$373	$373	$373	$746	$746	$746
Miscellaneous	$241	$241	$241	$378	$378	$378
Index Per Month	**$1,447**	**$1,716**	**$1,933**	**$2,267**	**$2,536**	**$2,754**
Index Per Year	**$17,363**	**$20,588**	**$23,198**	**$27,209**	**$30,434**	**$33,044**

Source: Russell, Laura Henze; Bruce, Ellen A.; and Wider Opportunities for Women, *The Elder Economic Security Initiative™ program: The Elder Economic Security Standard Index for Pennsylvania*. (Washington, DC: Wider Opportunities for Women, 2008).

promote policy change for older adults, offers such a benchmark — the Elder Economic Security Standard™ Index ("the Index").

The Index measures the income older adults require to make ends meet, live with dignity, and remain in their own homes. The Index also allows us to better evaluate the impact of public policy. With the Index we are able to:

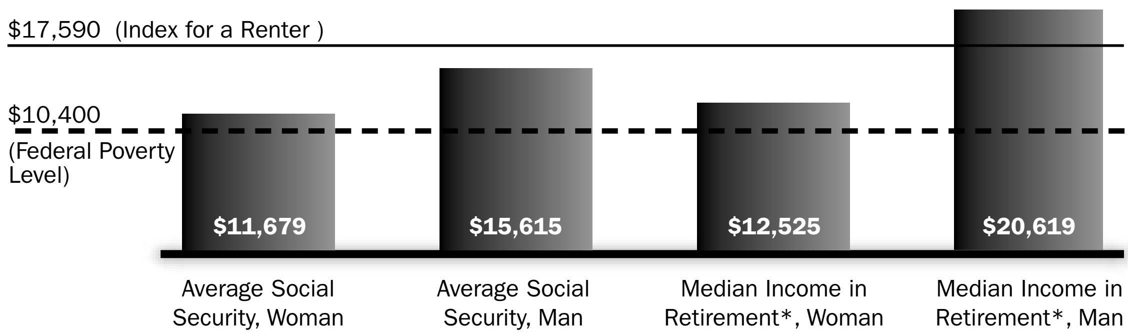
- quantify elder economic security;
- examine the components of economically secure elders' basic expenses;
- measure the gaps between income and economic security;
- determine how well public policies can help fill those gaps;
- evaluate current income support programs' ability to move individuals toward economic security; and
- gauge the return on investment made in public support programs.

While each of the Indexes' constituent expenses represents a key sector of the Pennsylvania economy, which has experienced inflation greater than that within the overall economy, within any single county housing costs are still the greatest determinant of elder economic security.

Table 1 displays the Index components and expenses for a single elder and elder couple living in Philadelphia County, Pennsylvania. It illustrates the importance of housing status as elders enter retirement. As illustrated by the Philadelphia County Index, seniors who enter retirement holding mortgages commonly pay more than twice as much for housing as their counterparts who have paid off their mortgages in less expensive counties, such as Cambria, Clinton, Fayette and Somerset Counties. In more expensive counties, such as Bucks, Chester, Delaware or Northampton Counties, those holding mortgages commonly pay three times as much as those who have paid off their mortgages. Renters pay significantly less than those elders with mortgages, but pay over 50% more than

Figure 1: Statewide Average Elder Economic Security Standard Index for Renters and Benchmark Annual Incomes for Single Elders in Pennsylvania, 2007

Income in Retirement for Men and Women Falls Short of Economic Security in Pennsylvania



Sources: US Census Bureau. 2006 American Community Survey PUMS data. Median Income values inflated using BLS CPI inflator for the Philadelphia area. Social Security Administration. OASDI Beneficiaries by State and County, 2006. Average Social Security values inflated using SSA COLAs.

* Income in retirement includes all personal income of those without earnings.

those who have paid off mortgages, and in the case of Philadelphia County, require an additional $3,000 more per year to achieve minimal economic security.

Rents for Pennsylvania's counties range greatly, from $415 to $875 per month, but rent *as a proportion of the Index* does not vary greatly among Pennsylvania counties. In those counties with the least expensive rents, a senior will devote approximately one-third of her or his income to rent; in those counties with the most expensive rents, he or she will devote just over 40%.

Neither Social Security Nor Median Incomes Allow Elders Economic Security

Single Pennsylvania elders' average Social Security payments allow economic security in very few of the state's counties, regardless of whether a senior is a renter or a homeowner. Women's average Social Security income and median income in retirement do not allow economic security in any of Pennsylvania's counties. Single men are not much better off. Men's average Social Security payment allows economic security to renters in just four of Pennsylvania's counties and allows economic security to homeowners who have paid off their mortgages in fewer than one quarter of the state's counties.

Single men in Pennsylvania who rent and rely entirely on Social Security find themselves more than $2,000 short of economic security; single women in Pennsylvania who rent and rely entirely on Social Security find themselves nearly $6,000 short of economic security. Not only do average Social Security payments to both men and women fall short of all three Indexes (renter, homeowner without a mortgage, homeowner with a mortgage), they leave many of the approximately 1 out of 4 Pennsylvania elders who rely entirely on Social Security below or teetering on the brink of the federal poverty level (FPL).[1]

[1]$10,400 for an individual; $14,000 for two persons. The federal poverty level, officially the "federal poverty guidelines," is used in determination of income eligibility for federal, state and local support programs. The federal poverty guidelines are developed by the US Department of Health and Human Services (HHS). http://aspe.hhs.gov/poverty/07poverty.shtml.

Elder Standard Index Expenses for Single Elder Renters in Pennsylvania Counties, 2007

Elder Renters Devote Similar Proportions of Income to Basic Needs

Figure 2: Philadelphia County, PA

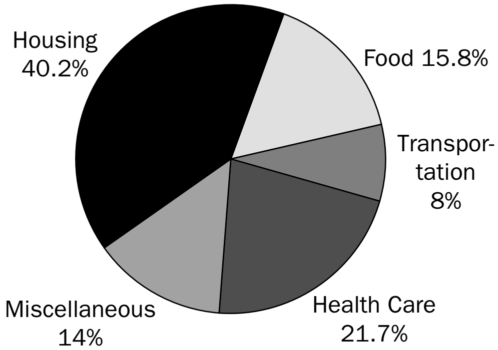


Figure 3: Dauphin County, PA

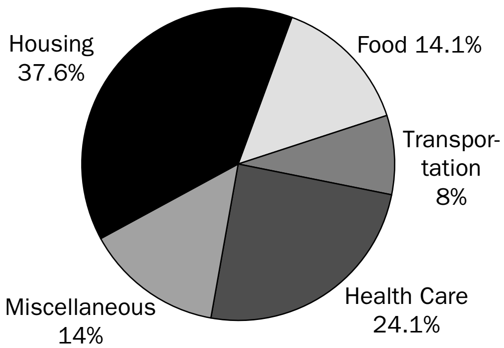
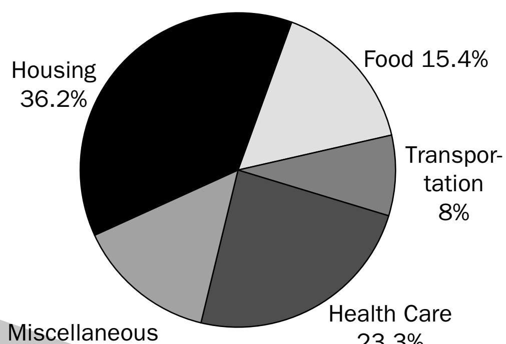


Figure 4: Fayette County, PA



Women who live on median income fare little better than those who rely on Social Security; they also live below statewide and county Indexes for renters and homeowners. Depending on the county, single women renters living on median retirement income find themselves falling short of economic security by between $3,000 (Juniata County) and $11,500 (Montgomery County). This demonstrates that even those fortunate enough to have retirement incomes which include personal retirement accounts, private savings and pensions may find themselves living below most counties' Indexes for renters. Even at incomes well above $20,000, nearly double the federal poverty level (FPL), some seniors who rent or make mortgage payments in high-cost counties lack the income and income supports required to make ends meet.

All Elders Can *Approach* Economic Security If They Receive the Supports For Which They are Eligible

Once gaps between income and economic security have been measured, and the source of the gaps has been identified, the needs of elders become clear: Can the gaps be bridged? Are there actually support programs which individually or together can and do provide economic security?

It is possible to answer these questions by modeling the impacts of major, widely drawn-upon, critical public support programs. Using the Index and Wider Opportunities for Women's Economic Security Simulator™, which calculates support levels by employing the same eligibility algorithms used by support programs, one can determine changes in economic security as public supports are secured.

The Simulator models the impact of the following major state and federal-administered programs. See Appendix for program details and income and asset limits.

Housing Assistance

Eligible elders can receive direct or indirect housing subsidies from 3 programs funded by the US Department of Housing and Urban Development (HUD): The Housing Choice Voucher Program (HCVP, formerly Section 8), Public Housing, and the Section 202 Supportive Housing for the Elderly Program.

Utility Assistance — LIHEAP

The Low Income Home Energy Assistance Program (LIHEAP) assists low-income households that spend a high proportion of their income on energy, primarily for cooling and heating. LIHEAP bases support on income, household size, fuel type and utility costs within each county.

Nutrition Assistance — Food Stamps

The US Department of Agriculture Food Stamp Program provides low-income households with coupons or electronic benefits which participants can use to purchase food.

Medical Assistance — Healthy Horizons

Healthy Horizons refers to the Medicare Saving Programs in Pennsylvania. Medicare beneficiaries whose income is at or below the FPL and whose assets are less than $2,000 for an individual or $3,000 for a married couple are eligible for full Medicaid coverage to supplement their Medicare coverage under the Qualified Medicare Beneficiary (QMB) program. Pennsylvania will also pay for the monthly Part B premiums as well as Parts A and B deductibles and copayments. QMB also includes a Medicare Cost Sharing program for Medicare beneficiaries whose income is at or below the FPL but whose assets are less than $4,000 for an individual or $6,000 for a couple that pays for Medicare premiums, deductibles and copayments. The Specified Low-Income Beneficiary (SLMB) and Qualified Individual (QI-1) programs cover beneficiaries with incomes below 120% and 135% respectively and Pennsylvania pays for the monthly Part B premiums. All Healthy Horizons beneficiaries automatically qualify for the full Low Income Subsidy to help with Medicare Part D prescription drug costs.

Table 2: Public Support Income and Asset Eligibility Limits, 2008

	Eligibility	
Support	**Income Limits**	**Assets Limits**
QMB (MSP)	100% or less FPL	Single: $4,000 Couple: $6,000
SLMB (MSP)	100% to 120% FPL	Single: $4,000 Couple: $6,000
QI-1 (MSP)	120% to 135% FPL	Single: $4,000 Couple: $6,000
(Part D) Low Income Subsidy	135% or less FPL (full) 135% - 150% FPL (partial)	SINGLE FULL SUBSIDY: $7,790 SINGLE PARTIAL SUBSIDY: $11,990 COUPLE FULL SUBSIDY: $12,440 COUPLE PARTIAL SUBSIDY: $23,970
PACE	Single: 140% or less FPL Couple: 127% or less FPL	N/A
PACENET	Single: 140% - 226% FPL Couple: 127% - 225% FPL	N/A
LIHEAP	150% or less FPL	N/A
Housing Assitance	80% AMI 30% AMI (priority)	N/A
Food Stamps	Single: 100% FPL Couple: 100% FPL	Single: $3,000 Couple: $3,000
SSI	Single: $7,793 Couple: $12,036	Single: $2,000 Couple: $3,000

Key: AMI=Area median income; FPL=Federal poverty level.
Income limits may be gross income or net/countable income, and are elder-specific where possible.

Medical Assistance

Some low-income older adults may be dually eligible for both Medicare and Medicaid covering all medical expenses. Others, may be only eligible for Medicaid particularly if they have not contributed to the Medicare Trust Fund. Elders with slightly higher incomes may be eligible to participate in the Medically Needy “spend-down” program, which covers medical costs after medical expenses have effectually reduced an elder’s income to one-half of the federal poverty level.

Federal Prescription Assistance — Medicare Part D Low Income Subsidy (LIS or "Extra Help")

The Low Income Subsidy helps low-income elders with prescription drug costs. The federal government pays premium subsidies to the participant's chosen private Medicare Part D drug (insurance) plan. There are two LIS programs, "full" subsidy and "partial" subsidy.

State Prescription Assistance

Like LIS, the state-funded Pharmaceutical Assistance Contract for the Elderly (PACE) and PACENET (PACE Needs Enhancement Tier) help low-income Pennsylvania elders pay premiums and deductibles. Unlike LIS, PACE doesn't provide help on a sliding scale; once allowed into PACE based on income eligibility, participants pay no premiums, only co-payments. PACE Plus is a program that allows PACE and PACENET to wrap around Medicare Part D. PACENET beneficiaries who are enrolled in a Part D plan are required to pay the monthly Part D premium to their plan. If not enrolled, they must pay a premium to PACE.

Supplemental Security Income (SSI)

SSI provides monthly cash payments to people in need. SSI recipients are 65 or older, blind or disabled. To qualify, single elders must have countable income of less than $7,973; a couple must have less than $11,996. SSI payments fill the gap between recipients' incomes and countable income limits.

Table 3 illustrates the impact of supports on the economic security of a single elder renter in Dauphin County. This elder lives alone and relies on Social Security as her only source of income, as do 1 out of 4 seniors. Her annual income is $11,425 ($952/month), the average Social Security payment for a Dauphin County senior. Her assets do not exceed the $2,000 asset limit of programs such as SSI and Medical Assistance or the $3,000 limit of

Table 3: The Impact of Supports on Monthly Costs and Economic Security for a Single Elder Renter Living on Average Annual Social Security ($11,425) in Dauphin County, PA, 2007

While Public Support Programs Reduce Expenses, Pennsylvania Elders Still Fall Short of Economic Security

	Elder Economic Security Standard Index	**Food Stamps**	Food Stamps + **Rx Assist.**	Food Stamps + Rx Assist. + **Medical Assist**	Food Stamps + Rx Assist. + Medical Assist. + **Energy Assist.***	Food Stamps + Rx Assist. + Medical Assist. + **Housing Assist.**
Housing	**$575**	$575	$575	$575	**$562**	**$270**
Food	**$215**	**$170**	$170	$170	$170	**$215**
Transportation	**$141**	$141	$141	$141	$141	$141
Health Care	**$368**	$368	**$304**	**$211**	$211	$211
Miscellaneous	**$229**	$229	$229	$229	$229	$229
Total Expenses (/mn)	**$1,528**	**$1,483**	**$1,420**	**$1,326**	**$1,313**	**$1,066**
Income (/mn)						**$952**
Economic Security	**62%**	**64%**	**67%**	**72%**	**73%**	**89%**

Source: Wider Opportunities for Women calculations
* Utility expenses are included in Housing data.

the Food Stamps program.

Table 3 measures the elder's economic security — the ratio of monthly income to monthly expenses — using as income the average Social Security payment for elders in Dauphin County and as expenses the Index for a single elder renter in the county — $18,339 ($1,528/month). Each column illustrates the decrease in expenses (in bold) which accompanies the elder's receipt of the supports for which she is eligible.

The elder in this scenario is both income and asset eligible for Food Stamps, LIS, PACE, SLMB Medical Savings Program, LIHEAP and housing assistance, and their cumulative impact is expressed as improved economic security. Receiving the supports moves the elder from 62% income security to 89% income security, with the largest increases coming from housing assistance ($305) and medical assistance ($93). Though income and asset eligible, the senior receives no Food Stamps if she receives housing assistance. If she did not receive housing assistance, she would receive $45 per month in Food Stamps.

Figure 5 and **Figure 6** capture individual supports' impacts — the proportion of total expenses each support constitutes for the elder. With housing assistance, the supports modeled collectively reduce expenses by 27%. This leaves the elder with an 11% gap between needs and income. With a full array of supports including housing assistance, Pennsylvania elders in low- and moderate-cost counties who live on modest fixed incomes (such as Social Security) can *approach* economic security.

As **Figure 6** illustrates, without housing assistance, the supports modeled collectively reduce expenses by only 11%. This leaves the elder with a 27% gap between needs and income. Such numbers represent a far more common reality for elders in the state, as the large majority of those eligible for housing assistance languish on waiting lists. Without housing assistance, renters across

Figure 5: Income, Supports, and the Gap Between Income and Needs as Percentages of the Elder Economic Security Standard Index, Single Woman Renter Living on Average Annual Social Security in Dauphin County, PA, 2007

Housing Assistance is Critical to Economic Security

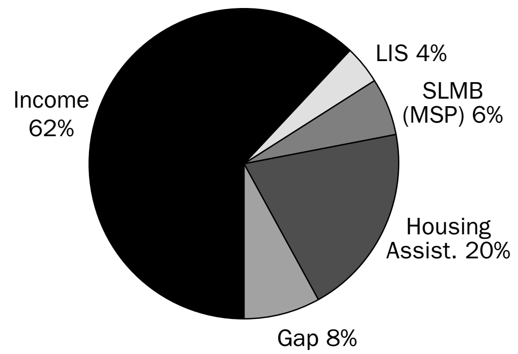
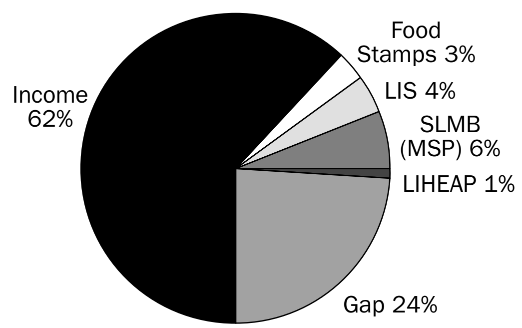


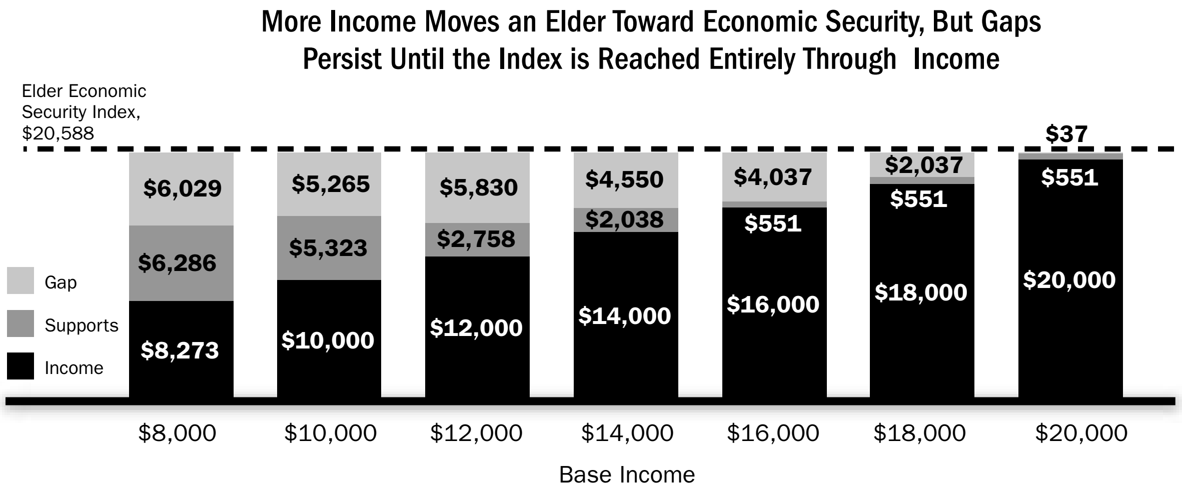
Figure 6: Income, Supports (Not Including Housing Assistance), and the Gap Between Income and Needs as Percentages of the Elder Economic Security Standard Index, Single Woman Renter Living on Average Annual Social Security in Dauphin County, PA, 2007

Seniors Unlikely to Achieve Economic Security without Housing Assistance



<?> Figures 5 and 6 illustrate supports' marginal impacts. As a result, the marginal values in these figures may not accord with economic security values in Table 3, which illustrate supports' cumulative impact on economic security. Differences in values are also attributable to Table 3's assumption that Food Stamp benefits are received until housing assistance is received; Figures 5 and 6 portray two separate scenarios — one in which Food Stamps are never received because housing is received, and another in which housing is never received.

Figure 7: Annual Income, Supports (without Housing Assistance) and Economic Security Gaps for Single Elder Renters in Philadelphia County, PA, 2008



a spectrum of incomes fall well below economic security. In Pennsylvania's more expensive counties, an elder woman living on Social Security may attain approximately 80% economic security if she receives all federal and state supports, including housing assistance, for which she is eligible. Without housing assistance she will not attain even 60% economic security.

These numbers testify not only to the importance of housing costs and assistance, but to the importance of geography-based measures of well-being and determinations of need and eligibility made at the local level.

Without Housing Assistance, Elders Across a Broad Spectrum of Incomes Fall Well Short of Economic Security

Because public supports begin to fall off shortly after incomes exceed the federal poverty level, those living above the 2008 federal poverty level of $10,400 find themselves nearly as far from economic security as those living below the federal poverty level. This effect is magnified when elders don't receive housing assistance.

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[1] Notable exceptions to modest income limits include programs such as housing assistance and PACE/PACENET. "Insurance programs" such as PACE and PACENET have done well to extend support to those with incomes and assets which prevent destitution, and to prevent catastrophic expense for those with serious medical expenses. However, those with typical or even more modest pharmaceutical expenses must find more substantive contributions to economic security elsewhere.

Figure 7 exhibits gaps between income and economic security within Dauphin County at various incomes. At lower incomes, such as $8,000, income supports provide more than $6,200, comprising approximately 30% economic security. However, the elder is still left with a gap of more than $6,000 between income and economic security.

Due to benefit cliffs (incomes at which eligibility ends or receipt of one support lowers the benefit value of another), a Dauphin County elder with a $12,000 annual income is no more secure than another with an $8,000 income; even though the senior now has $2,000 more in income, the economic security gap has decreased by only $200. An elder with a $14,000 annual income is only about $700 closer to economic security than an elder with a $10,000 income. At each income level, increased income does not cause an equal increase in economic security, and gaps between resources and needs are only fully eliminated when elders are able to achieve economic security through their own income.

Policy Recommendations

In the face of today's high and rising living costs, low-income elders must be able to rely upon a continuum of accessible, comprehensible, stable programs that help when their incomes fall short of the basic costs of living in Pennsylvania's communities. To ensure economic security for all elders, we must:

1. **Defend retirement income:** Avoid further erosion of retirement by supporting and strengthening Social Security, expanding (or providing) worker savings opportunities such as defined contribution and benefits plans, and resisting attempts to balance budgets on the backs of seniors by freezing the very modest SSI payment's annual cost of living adjustment (COLA).

2. **Support housing programs:** Without affordable housing, attaining economic security is nearly impossible for the majority of older low-income Pennsylvanian renters and for many senior homeowners as well:

   - *Demand:* Housing programs offer a limited number of vouchers, especially compared to the demand. Only a small percentage of eligible applicants receive housing assistance; the majority of applicants languish on waiting lists. Pennsylvania should provide a housing subsidy to Waiver recipients to help these elders remain in their homes if the total cost to the state is less than the cost of paying for the consumer in a nursing facility.

   - *Assistance:* In addition to the cost an elder incurs through rent or mortgages, elders must also pay to make their homes secure. Additional weatherization assistance, housing trust funds, affordable housing development, and homeowner tax exemptions for elders are all ways to help elders stay in their homes and achieve economic security.

   - *Expand Access:* Tenant Based Rental Assistance (TBRA) is a demonstration program in Pennsylvania which issues housing vouchers to elders who are able to and want to come out of a nursing home but have nowhere to return. The program will provide housing vouchers for up to two years to these elders (by which time they should have been able to receive Section 8 housing). Currently, the program is a pilot and receives only $750,000 in funds. The program should be fully funded and expanded to cover the full state.

3. **Remove application barriers:** Elders face numerous barriers to successful application and receipt of public supports:

    - *Limits:* Seniors desperately in need of supports often find their Social Security income provides too little money for economic security, but too much money to meet various income eligibility guidelines. Elders are often excluded by asset limits, which are set as low as $2,000, which dissuade retirement saving and prevent all but the destitute from participating. By increasing those limits, more elders could participate. Older adults encounter other barriers to accessing needed benefits in a timely way. For example, the PACE program, considers the previous year's income rather than current income to determine if seniors qualify. For some this policy creates a significant hardship. PA should consider the current income of applicants. PACE also lacks a COLA or a "grandfather" clause to allow seniors to maintain their eligibility even if the annual Social Security COLA raises their income above the current eligibility level.

    - *Misunderstanding:* Seniors (and many of those who assist them) are confused by the system of far-ranging FPL-based income limits, which range from approximately 70% FPL (SSI) to 250% FPL (housing) and are different for each program. They also face a cumbersome application process, often complicated by low literacy or cultural and language barriers. By streamlining the process, applications would become easier for elders, advocates, and the government.

    - *Stigma:* Elders face the social stigma of receiving "welfare." Active campaigns to remove the stigma should be conducted and supported.

4. **Broaden and deepen outreach and public information:** Many elders and their caregivers are unaware of the public programs offered by the state to help them pay for care, such as the Family Caregiver Support Program, Aging Block Grant Services, or other forms of care management.

5. **Improve family caregiver support:** The overwhelming majority of older adults who need long-term care assistance live outside of nursing facilities. The Family Caregiver Support Program in Pennsylvania is a cost effective program that enables nearly 8,000 families to receive some financial, emotional and physical relief. However, the program has not seen an increase in the monthly maximum allowance of $200/month or the lifetime home modification maximum allowance of $2,000 since the program's inception in the early 1990s. The State House unanimously passed Bill 1830 in 2007 to increase the monthly maximum amount to $500/month for expenses and the lifetime home modification maximum allowance to $6,000. The legislation would expand the definition of a primary caregiver beyond a relative to include support to any informal caregiver who is not being paid to provide care to an older adult and who meets the program's criteria. It also would help the Department of Aging to better coordinate Pennsylvania's program with the federal program and utilize dollars that are left unspent because of more restrictive state rules. The Senate is encouraged to act on this bill since this increase is essential in supporting the vital role caregivers provide.

6. **Support home and community-based options:** Policy in Pennsylvania must be changed to allow people who spend down their assets to receive home and community-based long-term care under Medicaid. Right now,

elder Pennsylvanians who need long term care and spend down their assets are entitled to nursing home care, but they are not entitled to receive services in their home and whether they receive home and community-based services is based on availability. The system must be realigned to support home and community-based options.

7. **Increase transportation access:** Elders often lack access to the transportation they need to visit medical professionals, grocery stores, and family members, all of which give them the ability to be independent and secure:

   - *Expansion:* Not all elders have access to the Attendant Transportation Services (ATS), which provides "door through door" transit options, or even to public para-transit or other models that promote senior transportation throughout the state; by extending the hours and availability of ATS and the Shared Ride program, more elders would be able to stay in their homes and still make it to their appointments.

   - *Cost:* The cost of using the Shared Ride program can make up a significant part of an elder's monthly income. By allowing the Lottery Fund to fully subsidize the Shared Ride program, elders will be more able to afford their transportation needs.

   - *Geography:* When utilizing Shared Ride services, elders are limited in their travel into service areas not covered by their provider, even if their physicians are located there. Some seniors can no longer visit spouses who now live in nursing homes that are nearby but just over the service area border. By extending the geographical limits of Shared Ride, elders' needs can be more fully accommodated.

   - *Communication:* Elders often report uneven service in transportation programs as well as communications problems with their drivers and with dispatch offices. By increasing the technology available for drivers to communicate with dispatch offices and vice versa, as well as providing training opportunities for drivers, Pennsylvania can improve the quality of its transportation and the reliability of services

8. **Promote equitable and rational public policy by using the Elder Economic Security Standard Index in evaluating existing policies and developing new policies for older adults**. The Index is a realistic, geography-based measure of need that can be used to guide policies and programs and to determine more realistic income eligibility guidelines and funding levels for critical public supports. The Index also provides a tool to help direct service providers benchmark an elder's movement toward economic security.

For more information, please visit PathWaysPA (http://www.pathwayspa.org) and Wider Opportunities for Women (www.wowonline.org) online.

Appendix: Major Public Supports

Nutrition Assistance — Food Stamps

The US Department of Agriculture (USDA) Food Stamp Program provides low-income households with coupons or electronic benefits which participants can use to purchase food. The USDA administers the program at the federal level through the Food and Nutrition Service, and State agencies administer the program at state and local levels, including determination of eligibility and distribution of benefits. A single elder's (net) monthly income must be no more than 100% FPL ($10,400) after deductions for earned income, child care, and other basic expenses. Elders must also maintain no more than $3,000 in assets.

Housing Assistance

Eligible elders can receive direct or indirect housing subsidies from 3 programs funded by the US Department of Housing and Urban Development (HUD): The Housing Choice Voucher Program (HCVP, formerly Section 8), Public Housing, and the Section 202 Supportive Housing for the Elderly Program. Recipients of a Section 8 voucher may select any housing, and voucher amounts are based on a local "fair market rent" established by HUD. The Section 202 program provides capital and operating funds to developers and operators of senior housing.

Those with 80% area median income (AMI: $29,250 for a single person in Philadelphia County) are eligible for assistance (and are assumed to receive assistance within this brief's calculations, unless otherwise noted). However, those with "very low" incomes, below 30% AMI ($10,850 for a single person in Philadelphia County), are granted priority, and housing assistance recipients rarely have incomes above 50% AMI ($18,250 for a single person in Philadelphia County).

Utility Assistance — LIHEAP

The Low Income Home Energy Assistance Program (LIHEAP) assists low-income households that spend a high proportion of household income on energy, primarily for cooling and heating. Pennsylvania's LIHEAP is administered by the Department of Public Welfare and its local offices, which distributes funds to contracted community energy service providers, which in turn make one annual direct payment to a recipient's utility provider on his or her behalf. Assistance is based on income, household size, fuel type and the cost of utilities within each county. Federal funding is fixed annually, and distributed on a first-come, first serve basis. To be eligible for LIHEAP, a single elder's gross monthly income must be no more than 150% FPL ($15,315 per year). Benefit amounts can approach $1,000 for those with no income. Those at 100% FPL are likely to receive less than $200.

Federal Prescription Assistance (Extra Help) – Medicare Part D Low Income Subsidy (LIS)

The Low Income Subsidy helps low-income elders with prescription drug costs. The federal government pays subsidies to the participant's chosen private Medicare Part D drug (insurance) plan, helping pay premiums, deductibles and co-payments. Those with Medicaid, or those participating in Medical Savings Programs, automatically qualify for LIS. For full eligibility, an elder's gross monthly income must be no more than 135% FPL ($14,040 and $18,900 for a married couple); thereafter the program provides help on a sliding scale to those with incomes up to 150% FPL ($15,600 and $21,000 for a married couple). Single and married elders must also maintain no more than $7,790 and $12,440 in assets, respectively.

State Prescription Assistance — Pharmaceutical Assistance Contract for the Elderly (PACE, PACENET)

Like LIS, the Pharmaceutical Assistance Contract for the Elderly, (PACE), and PACENET help low-income Pennsylvania elders with prescription drug costs. The program is state-funded and the Pennsylvania Department of Aging administers the program. The state pays subsidies to the participant's private Medicare Part D drug (insurance) plan, often for those with income or assets too high to qualify for the LIS program, although elders who have a partial subsidy may be simultaneously eligible for and benefit from both.

Unlike LIS, PACE doesn't provide help on a sliding scale; once allowed into PACE, based on income eligibility, participants pay no premiums, only co-payments. For PACENET participants without Part D insurance, the program "premium" functions as a monthly deductible equal to the average Part D plan premium in Pennsylvania. To participate in PACE, a single elder's gross monthly income must be no more than 140% FPL ($14,500), and an elder couple's income no more than 127% FPL ($17,500). For PACENET, a single elder's gross monthly income must be no more than 226% FPL ($14,500 - $22,500) and an elder couple's income between $17,700 and $31,500, no more than 225% FPL. The PACE program is only open to those who are not eligible for Medical Assistance.

Medical Assistance — Healthy Horizons

Healthy Horizons is the Medicare Savings Program in Pennsylvania. The Qualified Medicare Beneficiary program (QMB) helps pay for monthly Part B premiums as well as Parts A and B deductibles and copayments. The Specified Low Income Medicare Beneficiary (SLMB) and Qualified Individual (QI-1) helps pay the monthly Part B premiums. Healthy Horizons is financed by the state and federal governments and administered by county Department of Public Welfare offices. Those 65 years old or older who receive Supplemental Security Income/State Supplementary Payment (SSI/SSP) are automatically eligible for Healthy Horizons. For full QMB eligibility, a single elder's gross monthly income must be no more than 100% of the federal poverty level or FPL ($10,400); for SLMB, no more than 120% FPL ($12,480); for QI-1, no more than 135% ($14,040) FPL. Pennsylvania's income eligibility requirements track the FPL but also allow for an additional $20 of income per month that is disregarded by the County Assistance Office. Single and married elders must also maintain no more than $4,000 and $6,000 in assets, respectively, for the QMB and SLMB programs. Those who are dually eligible for Medicare and Medicaid and are part of the QMB program can only maintain assets of $2,000 for a single and $3,000 for married couples.

Medical Assistance

Pennsylvania's Medicaid program is a public health insurance program serving low-income families with elders, children, persons with disabilities, pregnant women and others. Medicaid pays for nearly all "medically necessary" health care, behavioral health, skilled home health care, most prescription drugs and essential dental care. For full eligibility, a single elder's countable income after a very modest earnings and unearned income allowance (normally less than $100/month) must be no more than 100% FPL ($10,400); elders with slightly higher incomes may be eligible to participate in the Medically Needy "spend-down" program in which medical costs are covered after medical expenses have effectually reduced an elder's income to one-half of the federal poverty level. Single and married elders must also maintain no more than $2,000 and $3,000 in assets, respectively.

Supplemental Security Income (SSI)

SSI provides monthly cash payments to people in need. SSI recipients are 65 or older, blind or disabled. SSI is administered by the Social Security Administration. The state of Pennsylvania supplements the federal payment. To qualify, single elders must have countable income less than $7,973; a couple must have less than $11,996. SSI payments fill the gap between recipients' incomes and the countable income limits. Single and married elders must also maintain no more than $2,000 and $3,000 in assets, respectively, not including a home, one car, and household items. In order to receive SSI, participants must also apply for any other cash benefits for which they may be eligible.

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