

**GAO**

Testimony

Before the Special Committee on Aging,  
U.S. Senate

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# OLDER AMERICANS ACT

## Preliminary Observations on Services Requested by Seniors and Challenges in Providing Assistance

Statement of Kay E. Brown, Director, Education,  
Workforce, and Income Security Issues



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## Why GAO Did This Study

Administered by the Administration on Aging (AoA) in the Department of Health and Human Services (HHS), Title III of the Older Americans Act (OAA) is intended to assist individuals age 60 and older by providing supportive services. Title III, Medicaid and Medicare, state, and other sources of funding provide for several types of services, including congregate and home-delivered meals, transportation, and support for caregivers.

This testimony reports on ongoing GAO work in preparation for the reauthorization of the OAA and a full report to be issued by GAO in 2011. Based on preliminary findings, GAO describes (1) Title III services most requested by seniors and how state and local agencies reach those most in need, and (2) how agencies have coped with increasing requests in the current economic environment.

To do this, GAO reviewed aging plans from the 50 states and District of Columbia; conducted site visits to 4 states; interviewed national, state, and local officials; and analyzed preliminary responses to a Web-based survey of 125 Local Area Agencies on Aging for fiscal year 2009. The survey data used in this document reflect a 54 percent response rate as of July 30, 2010. The survey is still in progress and our results are not generalizable at this time. GAO shared its findings with AoA and incorporated their comments as appropriate.

View GAO-10-1024T or key components. For more information, contact Kay Brown at (202) 512-7215 or brownke@gao.gov.

## OLDER AMERICANS ACT

### Preliminary Observations on Services Requested by Seniors and Challenges in Providing Assistance

## What GAO Found

Seniors frequently requested home-delivered meals and transportation services, and based on preliminary responses to GAO's survey and information from site visits, demand for some Title III services may be increasing. Some agencies said they were unable to meet all requests for services in fiscal year 2009. For example, 13 of 67 survey respondents said they were generally or very unable to serve all seniors who requested home-delivered meals, and 15 of 63 said they were generally or very unable to serve all who requested transportation assistance. Local officials cite seniors' desire to remain in their homes as they age, and the economic downturn as possible reasons for increased requests. Given this demand, providers must make decisions about which applicants will receive services. OAA requires providers to target those with the greatest economic and social need,—low-income, minority, lacking proficiency in English, and rural residents—and local officials said they advertise, conduct outreach, and coordinate with other local organizations to identify and serve these groups. Additionally, most local agencies reported screening potential clients to assess level of need, for example, to determine those most at risk of hospitalization due to poor nutrition. In addition to these known service needs, an unknown number of other seniors may need services but not know to contact OAA providers, some officials told GAO.

Local agencies who responded to GAO's survey reported using the flexibility afforded by the OAA to transfer funds among Title III programs to meet increased requests for specific services. Twenty-eight of 61 local agencies said they transferred funds in fiscal year 2009, most often removing funds from congregate meals to home-delivered meals or other services. Although the American Recovery and Reinvestment Act (Recovery Act) provided an additional \$97 million specifically for meal programs, Title III programs are heavily reliant on state funds, and 44 of 64 local agencies responding to our survey said their state funding was reduced for fiscal year 2010. To cope with funding reductions, some reported cutting services to seniors. Twenty-seven of 65 local agencies said they cut administrative expenses in fiscal year 2010; others relocated offices or left agency positions vacant. Some state and local officials said they provided less service to individuals so that more could get some amount of assistance. Some agencies said they used Recovery Act funds to replace lost state and local funding or created new programs, but the funding was restricted to meal services and was a relatively small percentage of total OAA allocations.

The proportion of Americans age 60 and over will continue to grow over the coming decades, and demand for Title III services also will likely grow. Therefore it will be increasingly important for service providers to focus services on those most in need.

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Mr. Chairman:

Thank you for inviting me here today to discuss the preliminary results of our work that you requested on services and funding provided under the Older Americans Act of 1965 (OAA).<sup>1</sup> Title III of OAA provides for a broad range of home- and community-based services for older Americans and their caregivers, including providing meals, transportation, assistance with personal care and housekeeping, and time off (respite) for seniors' caregivers. About 10 million seniors age 60 and older, or about 18 percent of the national 60 and over population, benefited from these programs in fiscal year 2008, the most current year for which these data were available. In fiscal year 2009, Congress provided \$1.2 billion for grants to states for home- and community-based services under Title III of the OAA.<sup>2</sup> Future funding will be determined in the reauthorization process in 2011.

Demographic studies show that older Americans will make up a larger proportion of the country's population in coming decades, with those aged 65 and older projected to increase from 40 million in 2010 to 72 million in 2030.<sup>3</sup> Delivery of services related to long-term care, nutrition, and other needs of seniors will likely be increasingly in demand as well, particularly services that help individuals remain in their homes and communities.

Currently, an economic downturn has challenged many seniors' ability to meet basic needs as well as the resources of agencies that provide assistance. The American Recovery and Reinvestment Act of 2009 (Recovery Act)<sup>4</sup> provided a one-time addition of \$97 million for Title III home-delivered and congregate meals for seniors. The Administration on Aging (AoA) requires states to expend these funds by December 30, 2010.

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<sup>1</sup>Pub. L. No. 89-73, 79 Stat. 219 (codified as amended at 42 U.S.C. §§ 3001 - 3058ee). It was most recently reauthorized by the Older Americans Act Amendments of 2006, Pub. L. No. 109-365, 120 Stat. 2522.

<sup>2</sup>Services funded through the OAA are not entitlements. The number of clients served is limited by available funding, and funding from OAA funds make up about one-third or less of total funding for services, which are delivered by state and local providers. Other funding sources include Medicaid, Medicare, state government, Social Services block grants, and voluntary contributions and donations.

<sup>3</sup>Population Division, U.S. Census Bureau; table 2, Projections of the Population by Selected Age Groups and Sex for the United States: 2010 to 2050 (NP2008-T2). Released August 14, 2008.

<sup>4</sup>Pub. L. No. 111-5, 123 Stat. 115, 179 (2010).

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For today's testimony, we focused on the following questions: (1) Which Title III services are most requested, and how do state and local agencies reach those seniors most in need? (2) How have agencies coped with increasing requests in the current economic environment?

Our analysis is based on preliminary responses to a GAO Web-based survey of a random national sample of 125 local area agencies on aging.<sup>5</sup> As of July 30, 2010, our response rate was 54 percent. These agencies are the frontline administrators of Title III services for seniors, and our survey asked them about fiscal year 2009. We also reviewed 51 aging plans from states and the District of Columbia, reviewed relevant statutory provisions, conducted site visits to 4 states, and interviewed national, state, and local officials involved in Title III programs. This testimony is part of ongoing work for a report requested by the Special Committee on Aging and scheduled to be issued in early 2011 in which we intend to estimate need for and potential gaps in Title III services, and provide results from our completed survey. We discussed our preliminary results with AoA and incorporated their comments as appropriate. For more information on our scope and methodology, see appendix I.

We conducted this performance audit from December 2009 to August 2010, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

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## Background

The purpose of Title III of the OAA is to help seniors maintain independence in their homes and communities by providing appropriate support services and promoting a continuum of care for the vulnerable elderly.<sup>6</sup> The OAA laid the foundation for the current aging services network. This network is comprised of 56 state units on aging (SUA), 629 area agencies on aging (AAA), 244 tribal and Native American

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<sup>5</sup>Because the survey is still in progress and the desired response rate had not been achieved by September 1, 2010, as we prepared for today's testimony, our results are not generalizable at this time. Our full report is to include final survey results intended to be generalizable.

<sup>6</sup>42 U.S.C. § 3021.

organizations, and 2 organizations serving Native Hawaiians, as well as nearly 20,000 local service provider organizations.<sup>7</sup> These organizations are responsible for the planning, development, and coordination of a wide array of home and community-based services within each state under Title III of the OAA. This testimony focuses on three categories of services—those provided under parts B, C, and E of Title III of the OAA. Part B covers, among other things, supportive services and senior centers, including transportation, help with homemaker tasks and personal care, and adult day care.<sup>8</sup> Part C covers nutrition services, including home-delivered and congregate meals.<sup>9</sup> Part E authorizes the National Family Caregiver Support Program, which provides counseling, support groups, and relief from caregiver duties (respite services) for caregivers.<sup>10</sup> (See table 1.)

**Table 1: OAA Expenditures on Title III Services, Parts B, C, and E, FY 2008**

(Dollars in millions)	
Select services provided through OAA Title III	OAA Title III expenditures <sup>a</sup> by service
<b>Part B: Support (Assistance) Services</b>	
Other services	\$105.5
Transportation	68.0
Information and assistance <sup>b</sup>	53.2
Case management	34.4
Homemaker	27.1
Legal assistance	24.8
Personal care	12.7
Adult day care/Health	11.8
Outreach	11.4
Chore <sup>c</sup>	5.8
Assisted transportation	3.7
<b>Part C: Nutrition Services</b>	
Congregate meals	265.5

<sup>7</sup>The 56 SUAs include states, the District of Columbia, Puerto Rico, and 4 territories.

<sup>8</sup>42 U.S.C. § 3030d.

<sup>9</sup>42 U.S.C. §§ 3030e – 3030g-22.

<sup>10</sup>42 U.S.C. §§ 3030s-3030s-2.

(Dollars in millions)	
Select services provided through OAA Title III	OAA Title III expenditures <sup>a</sup> by service
Home-delivered meals	228.2
Nutrition education	3.5
Nutrition counseling	1.0
<b>Part E: Caregiver Services</b>	
Respite care	55.1
Access assistance <sup>d</sup>	30.9
Counseling/support groups/caregiver training	15.9
Supplemental services <sup>e</sup>	14.1
Information services <sup>f</sup>	13.6

Source: State Program Reports Data from the Administration on Aging's AGIntegrated Database (AGID) - <http://www.agidnet.org/> (last accessed Jan. 29, 2010).

<sup>a</sup>Expenditures for the 50 states, District of Columbia, and U.S. territories.

<sup>b</sup>Information and assistance refers to brochures, literature, and information provided to seniors and care givers about services, programs and resources they may wish to access.

<sup>c</sup>Chore services includes assistance with heavy housework, yard work, or sidewalk maintenance.

<sup>d</sup>Access assistance refers to assistance to caregivers in locating services from a variety of private and voluntary agencies.

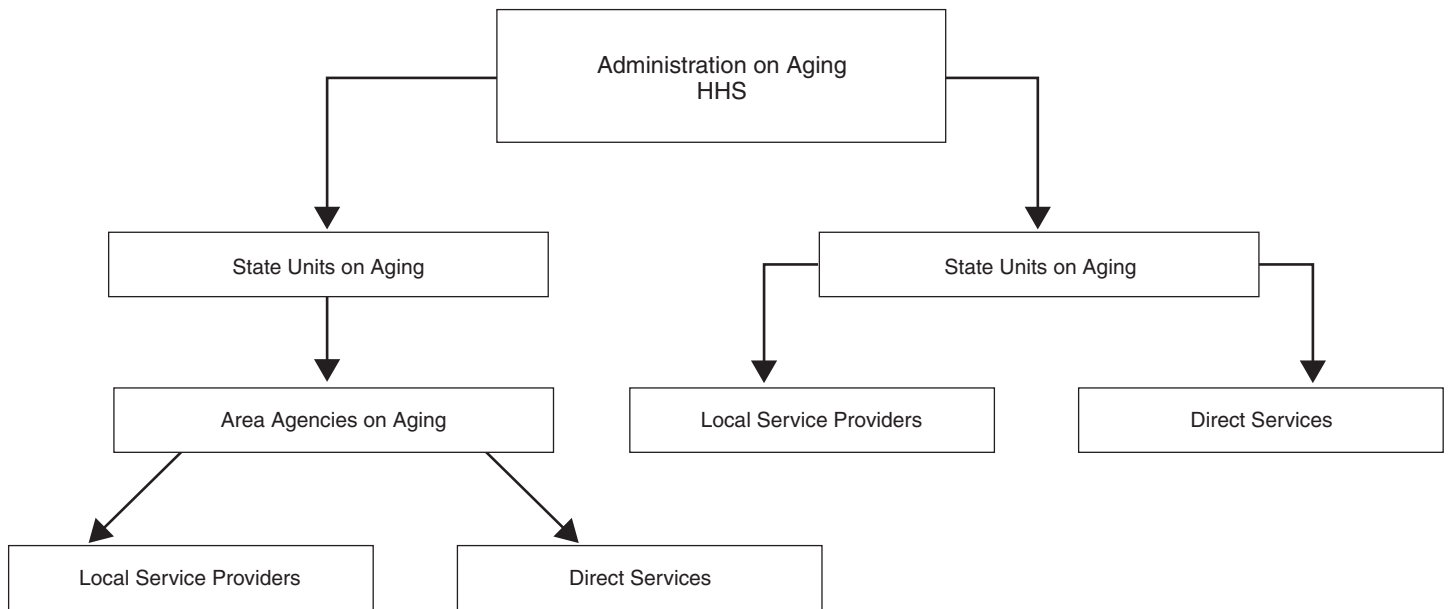
<sup>e</sup>Supplemental services are provided on a limited basis to complement the care provided by caregivers. Home modifications, assistive technologies, and emergency response systems are examples of supplemental services.

<sup>f</sup>Information services refers to information given to caregivers about available services within their communities.

AoA at the Department of Health and Human Services provides grants to the states through the SUAs. Grant amounts are based on funding formulas weighted to reflect a state's age 60 and over population, which is generally the group eligible for services.<sup>11</sup> For example, in fiscal year 2009, the state of Florida received about \$87 million in Title III dollars compared to the state of Montana, which received \$6 million, because more seniors reside in Florida. SUAs then typically allocate funds to Area Agencies on Aging (AAA) to directly provide services or to contract with local service providers. In a few states, the SUA directly allocates funds to local providers or provides services. (See fig. 1.)

<sup>11</sup>42 U.S.C. § 3024.

**Figure 1: Flow of Title III Funds**



Source: GAO.

A significant amount of program funding is also provided to state and local agencies by other sources, such as federal Medicare and Medicaid, states, private donations, and voluntary contributions from seniors for services they receive. According to a 2009 study published by the National Association of Area Agencies on Aging and Scripps Gerontology Center of Miami University, 99 percent of AAAs secure funds from additional sources, and the average AAA utilized funding from six sources to provide services in their communities.<sup>12</sup> The amount secured by AAAs varies.

OAA services are available to all people age 60 and older who need assistance. The law did not, however, establish an open-ended entitlement available to all seniors, nor was it intended to meet all of seniors' needs. OAA requires providers to target, or place a priority on reaching, seniors with the greatest economic and social need, and defines them as individuals who have an income at or below the poverty level, or who are culturally, socially, or geographically isolated, face language barriers, or

<sup>12</sup>*Area Agencies on Aging: Advancing Access for Home and Community-Based Services, 2008 Area Agencies on Aging Survey*, National Association of Area Agencies on Aging and Scripps Gerontology Center of Miami University (June 2009).

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have physical and mental disabilities.<sup>13</sup> Targeting these seniors who are most in need may include a local agency locating a congregate meal site in a low-income neighborhood or working collaboratively with organizations that represent minority seniors. In addition, some services are targeted to vulnerable groups by definition. Examples of these include the long-term care ombudsman program, family care-giver support services, and assisted transportation to those with limited mobility. OAA gives state and local agencies flexibility in determining which populations to target.

The recent health care reform legislation—the Patient Protection and Affordable Care Act—contains new provisions for senior health care, including one removing barriers to home- and community-based services under Medicaid.<sup>14</sup> While these changes may shift the provision of some services for seniors from OAA to Medicaid, the extent of this shift is unknown; nevertheless, seniors will likely continue to look to OAA-funded providers for a range of assistance.

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<sup>13</sup>42 U.S.C. § 3025(a)(1)(E) and (2)(C) and (E).

<sup>14</sup>Pub. L. No. 111-148, § 2402, 124 Stat. 119, 301-04. Medicaid law already authorized waivers under which states could, if certain conditions were met, cover most home and community based services under Medicaid. 42 U.S.C. § 1396n(c).



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## Agencies Report Increased Requests for Meals and Transportation and Varied Efforts to Reach Those Most in Need

Local agencies who responded to our survey identified home-delivered meals and transportation as frequently requested services in fiscal year 2009. These agencies also said they receive many requests for information and assistance services—help locating resources and programs—and for respite for caregivers. In preliminary responses to our survey, 49 of those 61<sup>15</sup> local agencies said more seniors requested home-delivered meals than congregate meals. Forty-four of our 67 survey respondents thus far cited transportation and 43 cited information and assistance as the support services requested most frequently.<sup>16</sup> One local official we spoke with in Wisconsin highlighted the importance of transportation services for his rural clients,<sup>17</sup> while an agency official in Massachusetts said OAA transportation services can be important in urban settings because seniors often prefer them to mass transit options.<sup>18</sup> In addition, 36 of the 63 local agencies who have responded to our survey and track such requests said respite services were most frequently requested by caregivers in fiscal year 2009. Respite care provides temporary caregiving for seniors so that a family member can take a break or engage in other activities.

Some agencies responding to our survey said they are currently unable to meet all requests for services. Thirteen of 67 agencies said they are generally or very unable to serve all clients who request home-delivered meals; 15 of the 63 agencies that provide transportation services said they are generally or very unable to meet all transportation requests. Of the 64 agencies that provide respite care, 17 said they were generally or very unable to meet all requests.

State and local officials we spoke with also said requests for some OAA services are increasing. Specifically, officials at several local agencies we

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<sup>15</sup>At the time of this testimony, 67 local agencies had responded to our survey. Because not all respondents answer every question, the numbers of total responses vary from question-to-question.

<sup>16</sup>Support services provided through Title III, Part B, include transportation, information and assistance, and a number of home-based care services. For a full list of Part B support services, see table 1.

<sup>17</sup>Our past work has noted the importance and difficulty of providing transportation to seniors in rural areas because alternatives to seniors' own transportation are less likely to be available and special transportation services are limited. GAO, *Transportation-Disadvantaged Seniors: Efforts to Enhance Senior Mobility Could Benefit from Additional Guidance and Information*, [GAO-04-971](#) (Washington D.C.: August 2004).

<sup>18</sup>Our past work has found that mass transit options may pose scheduling and accessibility challenges for seniors. See [GAO-04-971](#).

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visited described increased requests for home-delivered meals, transportation, or home-based services.<sup>19</sup> Officials attributed these increases to several factors. First, some agency officials said there are increasing numbers of Americans who are age 60 and older and eligible for services. According to U.S. Census data, more than 9 million more Americans were 60 years and older in 2009 than in 2000, and the Census Bureau projects that population group will continue to grow. Secondly, some agency officials told us requests for OAA services such as home-delivered meals and home-based care are increasing as more seniors stay in their homes longer rather than move to assisted living facilities or nursing homes.<sup>20</sup> For example, state officials in Wisconsin said their client population is increasingly older and those who remain in their homes less likely to go out, leading many to request home-delivered meals.

Lastly, most agencies who responded to our survey said requests for services have increased since the economic downturn began. Forty-eight of 61 said they have received increased requests for home-delivered meals, 44 of 62 for support services such as transportation, and 40 of 61 agencies for caregiver services since the downturn began. Twenty-five of 60 agencies said they had increased requests for congregate meals, even as long-term trends show a decline in use of this service.<sup>21</sup> A survey conducted by the National Association of State Units on Aging to determine the impact of the economic crisis on state-provided services also found requests for the types of services provided by OAA increased, particularly for home-delivered meals, transportation, and personal care.<sup>22</sup> Some researchers have concluded that older Americans have been hard hit

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<sup>19</sup>Agency officials' observations about seniors' increased interest in home-delivered meals are echoed by data describing trends in the use of OAA meal services. Although congregate meal programs still served more clients than home-delivered meal programs in fiscal year 2008, the Congressional Research Service found that from 1990 to 2008, the number of home-delivered meals served grew by almost 44 percent, while the number of congregate meals served declined by 34 percent. See Collelo, Kirsten J., *Older Americans Act: Title III Nutrition Services Program*, Congressional Research Service, RS21202 (November 2009).

<sup>20</sup>In addition to home-based services provided by OAA programs, many receive services through Medicaid. Provisions of the Patient Protection and Affordable Care Act, such as that authorizing the Community Choice First Option, which establishes an additional Medicaid waiver, and that constituting the CLASS Act, which establishes a national voluntary insurance program, may provide additional sources of coverage for in-home care services. Pub. L. No. 111-148, §§ 2401 and §§ 8001 – 8002, 124 Stat. 297-301 and 828 – 47.

<sup>21</sup>See Collelo, Kirsten J., 2009.

<sup>22</sup>National Association of State Units on Aging, *The Economic Crisis and Its Impact on State Aging Programs: Results of All State Survey* (November 2009).

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by the economic recession for reasons such as depreciating home values and retirement accounts.<sup>23</sup> These increasing economic challenges may lead to increased need for services like those provided by OAA programs.

Given the number of agencies that cannot meet all requests for services and the increasing demand for certain services, agencies must make decisions about which applicants to serve. To reach and serve seniors with the greatest economic or social need, local agencies responding to our survey reported a range of strategies. Over 50 of 67 agencies said they advertise, conduct outreach, and coordinate with other local organizations to reach and provide services to seniors who are targeted by OAA: seniors who are low-income, minority, or live in rural areas. At least 47 of 67 said they use these approaches to reach seniors who speak limited English, another group targeted by OAA. Additionally, most local agencies reported screening potential clients to assess, whether seniors requesting home-delivered meals or respite care had physical limitations that made these types of services particularly beneficial. For example, at one local agency where demand often exceeds supply, an official said preference may be given to those most at risk for hospitalization due to diagnosed malnutrition or chronic diseases managed through nutrition, such as diabetes. Most local agencies did not screen for congregated meals or transportation services.

Some officials we spoke to said there are additional seniors who need services but do not contact OAA providers to request them. For example, one local official in Illinois said needs assessments and anecdotal information indicate a much greater need for services than requests to the agency indicate. Similarly, researchers from one organization we spoke with surmised that if more seniors knew about the types of services available through Title III, the requests for such services would be greater.<sup>24</sup>

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<sup>23</sup>Hicks, Jennifer and Eric R. Kingston, "The Economic Crisis: How Fare Older Americans?" *Generations Journal of the American Society on Aging* (Fall 2009).

<sup>24</sup>In our final report, we hope to estimate the numbers of individuals in need of meal, transportation and home-based care services, and to provide information on what characteristics are related to need for these services and to the likelihood that these needs are being addressed. We plan to do this by conducting regression analyses of publicly available national data on the 60 and over population.

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## Agencies Often Move Funds among Programs to Meet Requests and Cut Costs to Cope with Reduced Funding

Local agencies have adopted a number of coping mechanisms to address seniors' requests and decreased funding. Preliminary responses to our survey indicate agencies utilize the flexibility provided by the OAA to transfer funds among Title III programs to meet requests from seniors for services.<sup>25</sup> Twenty-eight of 61 local agencies responding to our question said they transferred funds among programs in fiscal year 2009, most often removing funds from congregate meals, which are less requested, to home-delivered meals or other services. On a national level, nearly 20 percent of OAA funding for congregate meals in fiscal year 2008 was transferred out of the program by states and split almost evenly between home-delivered meals and support services, AoA data show. (See fig. 2.)<sup>26</sup> As a result, support services and home-delivered meal programs experienced an 11 percent and 20 percent net increase, respectively, in Title III funds. On the state level, 34 states transferred funds from congregate meals to home-delivered meals in fiscal year 2008, according to AoA data.

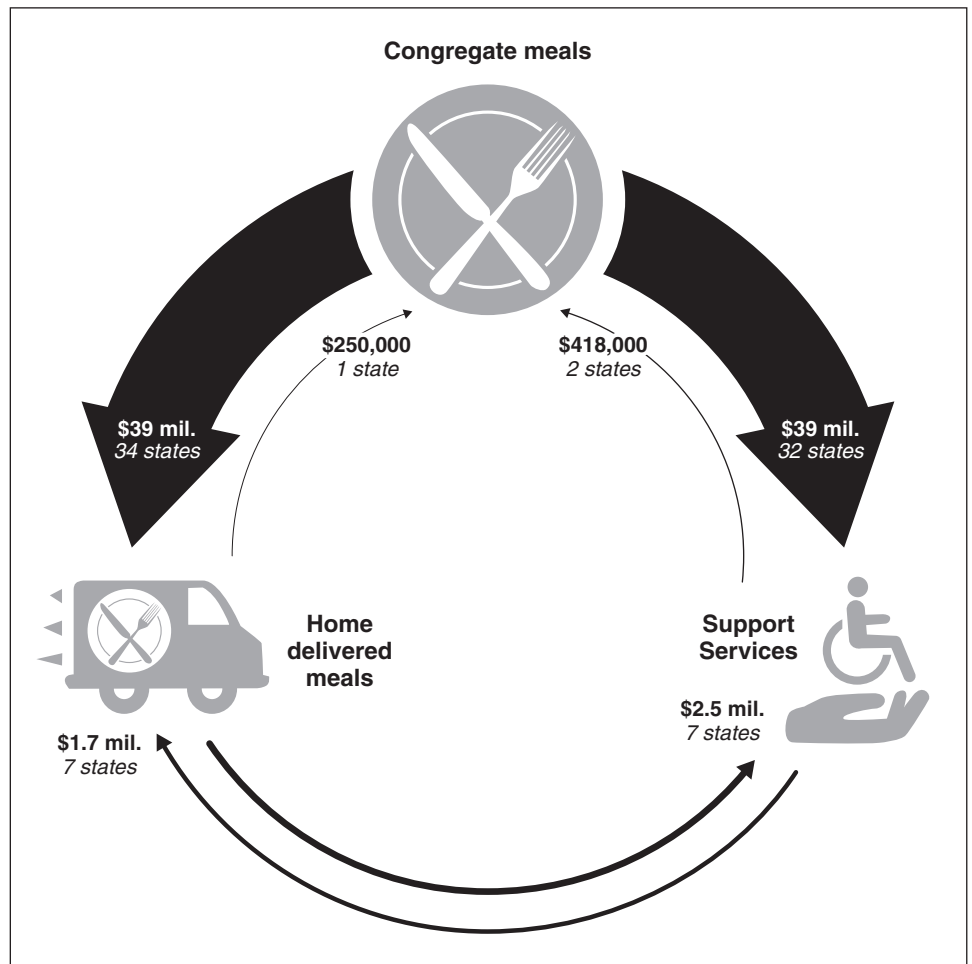
The ability to transfer funds offers states flexibility, yet some officials have questioned the need for meal funding to arrive in two streams. For example, Wisconsin state officials said maintaining separate funding for congregate and home-delivered meals creates a cumbersome process in which the state has to deal with multiple rules to allocate funds to services that are most needed. Similarly, Rhode Island state officials said they would like to see a single Title III, Part C, meal program because requests for congregate meals have decreased. In addition, in fiscal year 2008, 32 states transferred funds from the congregate meal program to Title III, Part B, services such as personal care, homemaker assistance, and transportation services. Local officials in Wisconsin told us federal funding for Part B services is not sufficient to meet requests.

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<sup>25</sup>OAA allows states to transfer funds among Title III Part B support services and Title III Part C meal programs. 42 U.S.C. § 3023(c)(2). States may transfer up to 40 percent of funds among Part C meal programs, and may transfer up to 30 percent of support services funds to the meal programs and vice versa. The Assistant Secretary of Aging also can grant a waiver that allows states to transfer additional funds. Funds for Title III Part E caregiver services cannot be transferred under this authority.

<sup>26</sup>Fiscal year 2008 is the most recent year for which state level data are available.

**Figure 2: Fund Transfers among Title III Programs, Fiscal Year 2008**

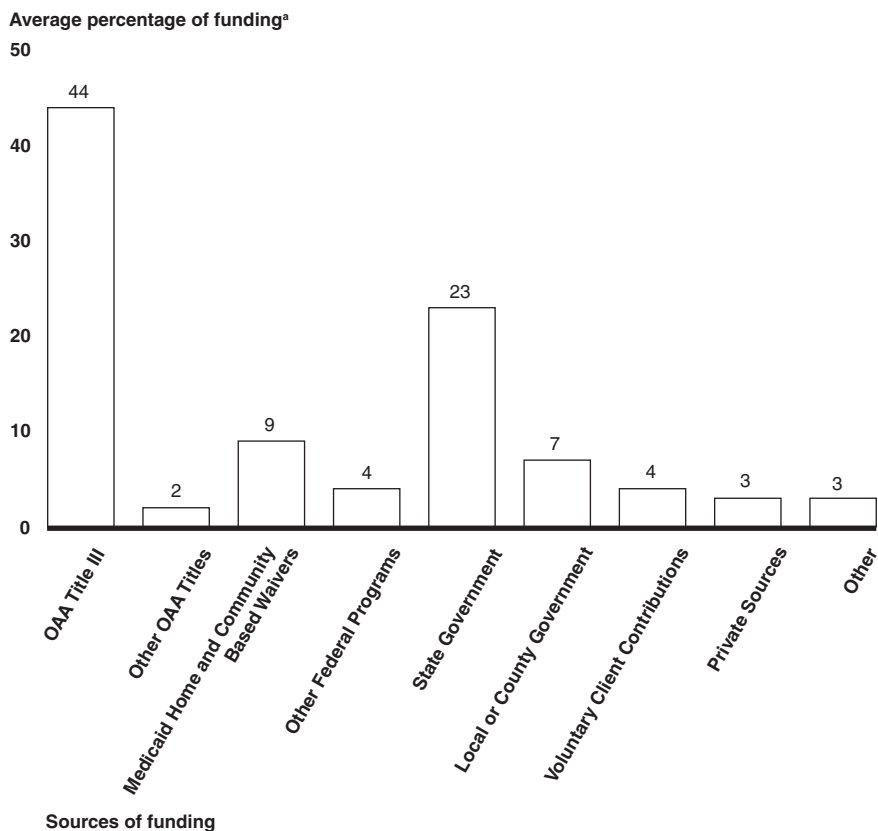


Source: GAO analysis of AoA Fiscal Year 2008 State Program Reports.

In addition to receiving federal funding, the programs created by Title III of OAA receive funding from other sources as well. (See fig. 3.) OAA funds to states and local agencies increased in fiscal year 2009 by \$97 million due to Recovery Act funding explicitly for meal programs. But many of the local agencies responding to our survey reported overall decreases in funding from fiscal year 2009 to fiscal year 2010. Forty-four of 64 local agencies said state funding – the second largest source of funding for these programs nationally—decreased for fiscal year 2010. This is consistent with information reported by the National Association of State Units on Aging (NASUA). NASUA found that most states reported state budget

shortfalls in fiscal year 2010 and reduced budgets for aging services. Local agencies also use funds from local governments, voluntary client contributions, and private sources, and our preliminary survey results indicate these funds also declined in fiscal year 2010.

**Figure 3: Percentage of Funds from Various Sources, as Reported by 58 Local Agencies, Fiscal Year 2009 (Preliminary Data)**



Source: GAO analysis of preliminary survey data from 58 local agencies.

Some local agencies responding to our survey reported reducing services as a result of funding cuts. Twelve of 64 local agencies said they reduced support services, an additional 12 of 63 reported reducing nutrition services, and 9 of 64 reported reducing caregiver services.

To replace lost state and local monies and maintain service levels to seniors, just under half of those responding to our survey said they took some steps to reduce administrative and operations costs and used

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Recovery Act funds to fill budgeting gaps. In our preliminary survey results, 27 of 65 agencies reported cutting administrative expenses, 22 of 54 reported cutting capital expenses, and 26 of 62 reported cutting operating expenditures in fiscal year 2010. Local agencies responding to our survey said they cut expenses in many ways such as by relocating to a smaller building with lower overhead costs, stretching meal service supplies, decreasing travel expenses, and limiting raises for employees. Additionally, 29 of 63 said they did not fill vacant positions. These preliminary survey data are consistent with what we heard from state officials on our site visits. State officials in Wisconsin, for example, told us that as a result of the state's budget deficit, the agency was unable to fill vacant positions and had cut planning, administration, and monitoring activities in order to avoid cutting services to seniors. Illinois state officials told us the last budget cycle included a 10 percent decrease in state funds for aging services, and there were layoffs, required furlough days, and positions left vacant as a result.

Some state and local agencies we visited also told us they adapt to limited funding or increased requests for services by providing less service to all rather than full service to only some. For example, a local official in Massachusetts said that some seniors are given fewer transit rides so others can be accommodated. A state official in Illinois said some local areas resolve the funding shortfalls by reducing the number of hours they provide respite services for each caregiver.

Local agencies said they used Recovery Act funds to fill meal budget gaps or to expand existing nutrition programs or create new ones. Nationwide, the Recovery Act provided \$65 million for congregate meals and \$32 million for home-delivered meals, or about 13 percent of the total OAA allocation for meals in fiscal year 2009.<sup>27</sup> Unlike regular Title III meal funds, Recovery Act meal funds could not be transferred among programs. Thirty-nine of 61 local agencies said it was moderately to extremely challenging that Recovery Act funds could not be transferred among meal programs.

Many local agencies responding to our survey said they used Recovery Act funds to replace funds lost from other sources; 35 of 52 local agencies said

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<sup>27</sup>SUAs that administer Medicaid programs received additional Recovery Act funds. 42 U.S.C. § 3023(c)(2). State officials in Wisconsin said although the funds were not specifically for OAA programs, they did help maintain some SUA program operations.

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they used Recovery Act funds to expand existing nutrition programs. Fourteen of 43 local agencies said they used Recovery Act congregate meal funds to create new programs and 6 of 37 used Recovery Act home-delivered meal funds to do so. City of Chicago officials said that they used excess congregate meal funds to create a new breakfast program since they could not transfer the funds to their home-delivered meal program. But many of those responding to our survey expressed concerns about how expenses covered by Recovery Act funds will be met when the funding ends. Fifty of 61 local agencies said sustaining services currently paid with Recovery Act funds will be a moderate to extreme challenge. A local agency director in Wisconsin told us Recovery Act funds helped replace lost state funds and delayed a blow to nutrition programs which is now expected to hit in fall 2010 after the funds are spent. City of Chicago officials expressed concern about their ability to maintain their new breakfast program.

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## Concluding Observations

OAA Title III programs are an invaluable support mechanism for many seniors, providing a varied network of care and services as they age. Seniors' needs for the types of services provided through these programs will only increase over time since demographic studies show a larger proportion of Americans will be age 60 and older over the next few decades. Programs that allow seniors to remain in their own homes and communities afford seniors the independence and dignity they desire. As current fiscal stress and looming deficits continue to constrain available resources, it will be increasingly important for all elements of the home and community-based service network to focus services on those in greatest need.

Mr. Chairman, this concludes my prepared statement. I will be happy to answer any questions you may have.



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# Appendix I: Objectives, Scope, and Methodology

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To determine the Title III services requested most often, local agencies' use of federal funds, and steps agencies take to deliver resources to those most in need, we conducted a web-based random national sample survey of 125 Area Agencies on Aging (AAA). The survey included questions about: (1) utilization of OAA Title III services, (2) requests for OAA Title III services, (3) approaches for measuring unmet need to target resources to areas of greatest need, (4) use of OAA Title III funds, and (5) the economic climate and use of American Recovery and Reinvestment Act (Recovery Act) funds. We drew a simple random sample of 125 agencies, from a pool of 638 agencies. This included all 629 area agencies on aging (AAA) that operate in the 50 states and District of Columbia, as well as nine State Units on Aging (SUA) in states that do not have AAAs. We included these nine state agencies in our pool for sample selection because the SUA performs the function of AAAs in those states. We conducted four pretests to help ensure that survey questions were clear, terminology was used correctly, the information could be obtained, and the survey was unbiased. Agencies were selected for pre-testing to ensure we had a group of agencies with varying operating structures, budget sizes, and geographic regions of the country. As a result of our pretests, we revised survey questions as appropriate. In June 2010, we notified the 125 AAAs that were selected to complete our survey and e-mailed a link to complete the Web survey to these agencies beginning July 1, 2010. The survey is on-going, and the information included in this testimony presents preliminary results, based on the 67 responses (54 percent) we received as of July 30, 2010. Some individual questions have lower response rates. The practical difficulties of conducting any survey may introduce nonsampling errors. For example, difficulties in interpreting a particular question, sources of information available to respondents, or entering data into a database or analyzing them can introduce unwanted variability into the survey results. We took steps in developing the questionnaire to minimize such nonsampling error. Due to the preliminary nature of the results, the information presented in this testimony is not intended to be generalizable to all AAAs.

We also reviewed relevant statutory provisions and used site visit interviews and Administration on Aging (AoA) State Program Report data to answer our two research questions. In March 2010, we visited Illinois, Massachusetts, Rhode Island, and Wisconsin. These states were selected due to varying sizes of the population age 60 and over and Title III expenditures. Additionally, we considered geographic region, proximity to AoA regional support centers, and a desire to interview at least one state without AAAs (Rhode Island). We interviewed officials from the SUA, AAAs, and AoA regional support centers. We also analyzed AoA State

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Program Report data available on the agency's Web site and at [www.agidnet.org](http://www.agidnet.org). We assessed the validity and reliability of this data by interviewing AoA officials, assessing official's responses to a set of standard data reliability questions, and reviewing internal documents used to edit and check data submitted by states. We determined the data were sufficiently reliable for purposes of this review.

To determine steps agencies take to deliver resources to those most in need, we also analyzed the most recently available state aging plan for the 50 states and District of Columbia. Each state is required to submit a state aging plan to AoA for review and approval covering a two, three, or four year period. The aging plan should include state long-term care reform efforts with an emphasis on home and community-based services, strategies the state employs to address the growing number of seniors, and priorities, innovations and progress the state seeks to achieve in addressing the challenges posed by an aging society.

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## GAO Contact and Staff Acknowledgments

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