

The Older Americans Act

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The Older Americans Act (OAA) provides critical services—such as home-delivered and congregate meals, family caregiver support, in-home assistance, preventive health services, transportation, job training, protection from abuse, and other supportive services—that help about 11 million older adults stay as independent as possible. In fiscal year 2014, OAA federal funding was \$1.88 billion. Funding has been relatively flat over the past decade, failing to keep up with inflation and demand from a rapidly expanding older population.

Enacted in 1965, the Older Americans Act (OAA) provides essential services to our most vulnerable seniors. People who are age 60 and older are eligible to receive OAA services. However, states are required to target services to “older individuals with greatest economic need and older individuals with greatest social need, with particular attention to low-income minority individuals, older individuals residing in rural areas, low-income individuals, and frail individuals.”

Each state receives OAA funds according to a formula based on the state’s share of the U.S. population age 60 and older. (See Title III State Allocation Table.) The OAA targets services to older adults by helping them “age in place” in their homes and communities as health and function decline.

About 3 million people received OAA Title III services—including meals, family caregiver support, and supportive services such as home care, adult day, and transportation—on a regular basis in FY 2010.¹ Almost 8 million people received other OAA services, such

as transportation, information and assistance, or congregate meals, on a less-than-regular basis.²

The federal appropriation for OAA services is \$1.88 billion for FY 2014. States are required to provide a non-federal match. The required match is 25 percent for family caregiver support and 15 percent for supportive services, preventive health, and meals. States are able to leverage additional funds (e.g., state general revenue, Medicaid, block grants, and donations) as a result of OAA federal funds. In fact, many states “overmatch” with public and private funds. States also have the flexibility to transfer funds among supportive services and congregate and home-delivered meals.

OAA funding is relatively small, especially compared to Medicaid, which spent roughly \$136 billion on long-term services and supports (LTSS) in FY 2011 (including both federal and state contributions).³ However, Medicaid serves low-income people with minimal assets. Thus, many seniors are ineligible for Medicaid but cannot afford the cost of LTSS on their own.

Helping Seniors Live at Home

The OAA provides an important safety net for people who are at risk of entering nursing homes, a costly option at nearly \$88,000 per year for a private room.⁴ More than 85 percent of those people receiving OAA-funded homemaker services, case management, transportation, and home-delivered meals said that this assistance helped them to remain at home.⁵ Nationally, people receiving OAA services are at higher risk of nursing home placement than others in their age group.⁶ Researchers at Brown University found that states that have invested in home- and community-based services, especially home-delivered meals, have fewer low-care residents in nursing homes.⁷

Nutrition

The largest OAA program addresses hunger and food insecurity. More than 40 percent of the federal appropriation goes to meals provided in such

congregate settings as senior centers and adult day centers; home-delivered meals, sometimes referred to as “meals on wheels”; and nutrition counseling. (See Figure 1.) About 139 million home-delivered meals and 89 million congregate meals were served in 2011, which fed roughly 2.5 million people.⁸

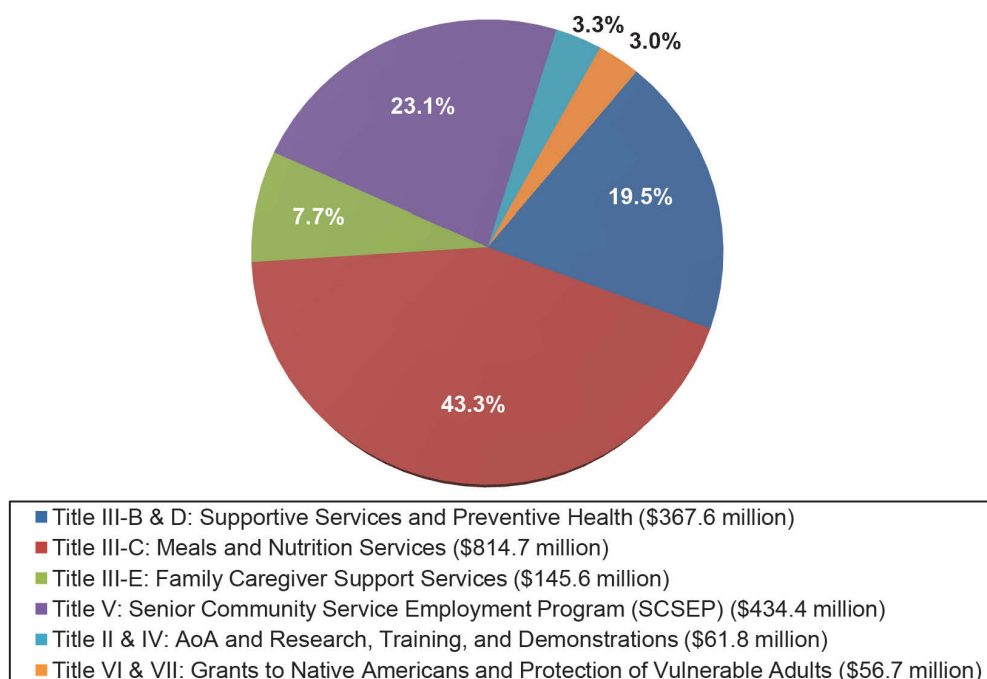
Employment

The OAA provides part-time community service employment and training (e.g., schools, libraries, and senior centers) to low-income, unemployed people age 55 and older. Almost a quarter (23 percent) of OAA federal funding goes to the Senior Community Service Employment Program (SCSEP), which has helped more than 1 million older Americans enter the workforce since its inception.⁹

Home- and Community-Based Services

The OAA provides supportive services and preventive health services, including

Figure 1
Older Americans Act, FY 2014 Appropriations, by Program Title



Source: AARP Public Policy Institute 2014 calculations from Administration for Community Living, “FY 2015 ACL Budget Table,” accessed March 12, 2014.

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home care, adult day services, case management, transportation, and health promotion. Approximately 20 percent of OAA federal dollars are allocated to these services that help older people remain active and independent in the community for as long as possible and reduce the need for more costly medical interventions.

Family Caregivers

The OAA has limited funds to help family caregivers with information and referral, counseling, and respite care. About 42 million families provided \$450 billion in care in 2009, making them the primary providers of LTSS.¹⁰ Thus, the \$146 million allocated to services for family caregivers is a small fraction of the unpaid care they provide.

Elder Abuse and Adult Protective Services

The OAA provides minimal amounts of funding—under \$9 million for FY 2014 (less than 0.5 percent of total OAA funding)—for the prevention and detection of elder abuse. Adult Protective Services (APS) caseworkers are the first responders when elder abuse is reported.

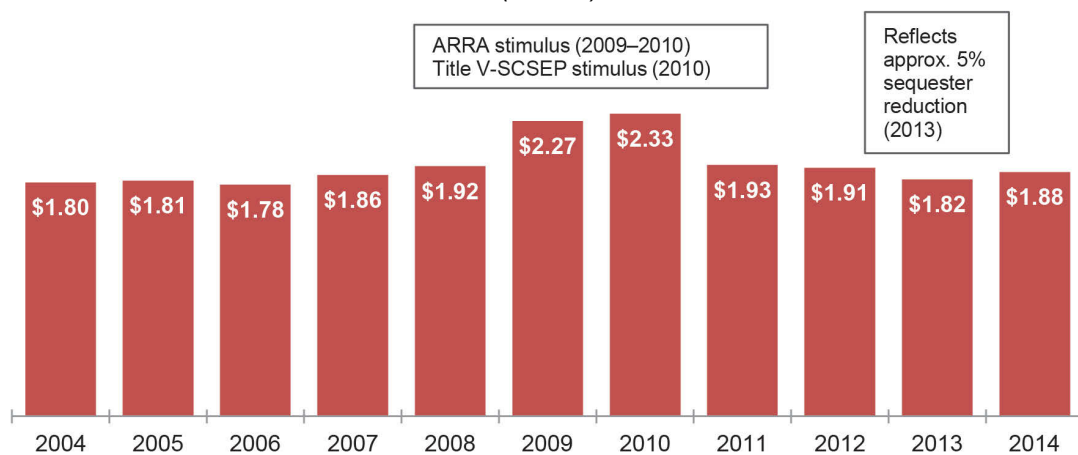
However, APS received no federal funding in FY 2014, leaving states with the full financial responsibility to administer this program.

Growth of the Older Population Outpacing Funds

The aging population is growing, yet OAA funding in 2014 had changed little from a decade ago (\$1.80 billion in FY 2004 to \$1.88 billion in FY 2014). (See Figure 2.) Over this time, the program experienced increases in 2009–2010 due to *temporary* stimulus funding from the American Recovery and Reinvestment Act (ARRA) during the Great Recession. In FY 2013, however, funding declined roughly 5 percent due to congressional sequestration budget cuts, and postsequestration funding levels have continued for most OAA programs in FY 2014.¹¹

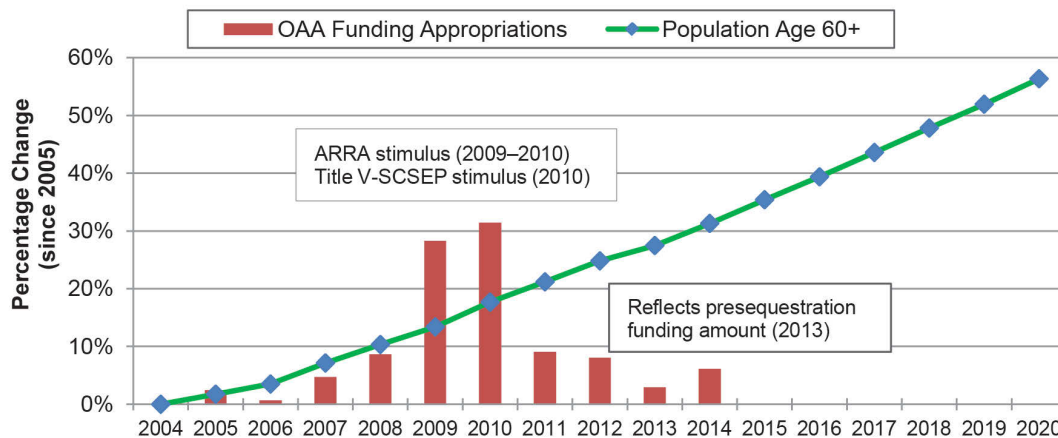
A recent Congressional Research Service report shows that *inflation-adjusted* funding appropriated for OAA nutrition services decreased substantially over the past two decades: \$768 million in FY 2013 compared to \$1.04 billion in FY 1990.¹² Food and gas costs contribute

Figure 2
Annual Funding for Older Americans Act Programs, FY 2004–2014
(billions)



Sources: Funding appropriations for OAA and other aging services programs for FY 1999–FY 2004 from CRS Report for Congress, *Older Americans Act: History of Appropriations*, FY 1966–FY 2004, June 18, 2004. Funding appropriations for FY 2005–FY 2012 from CRS Report for Congress, *Funding for the Older Americans Act and Other Aging Services Programs*, February 22, 2013. Data for FY 2013–FY 2014 funding appropriations from ACL Administration for Community Living, “FY 2015 ACL Budget Table,” accessed March 12, 2014.

Figure 3
Percentage Change in Funding for Older Americans Act Programs,
2005–2014 vs. Age 60+ Population, 2005–projected 2020



Sources: Funding appropriations for FY 2005–FY 2012 from CRS Report for Congress, *Funding for the Older Americans Act and Other Aging Services Programs*, February 22, 2013. Data for FY 2013–FY 2014 funding appropriations from ACL Administration for Community Living, “FY 2015 ACL Budget Table,” accessed March 12, 2014. Age 60+ population estimates from U.S. Census Bureau, Population Division, Table 1. Annual Estimates of the Resident Population by Sex and Five-Year Age Groups for the United States: April 1, 2000 to July 1, 2009 (NC-EST2009-01), released June 2010. Annual Estimates of the Resident Population by Single Year of Age and Sex for the United States: April 1, 2010, to July 1, 2012, released June 2013. AARP Public Policy Institute 2013 calculations from REMI 2012 baseline demographic projections.

to inflationary pressure. For example, from 1990 to 2013, the seasonally adjusted consumer price index (CPI) for food increased 84 percent while 1 gallon of unleaded gasoline rose 235 percent during the same period.¹³ If the OAA programs had kept up with inflation over the past decade, funding would have been \$2.23 billion in FY 2014 just to maintain the same buying power as in FY 2004.¹⁴

OAA funding also is not keeping up with the growth of the age 60 and older population. (See Figure 3.) While funding in FY 2014 was roughly the same as it was in FY 2004, the age 60 and older population grew by approximately 30 percent. From 2004 to 2020, this population is projected to grow by more than 55 percent.

A February 2011 U.S. Government Accountability Office (GAO) report on the OAA found that many older adults with low incomes who were likely to need meals did not receive them.¹⁵ GAO found that only about 9 percent of an estimated 17.6 million low-income older

adults received meals like those provided by the OAA. An estimated 19 percent of low-income older adults were food insecure, and about 90 percent of them did not receive any meal services. GAO also found that many people age 60 and older who had difficulties with daily activities received limited or no home-based care.¹⁶

Conclusion

The OAA serves millions of frail seniors—many of whom are homebound. OAA services play a key role in delaying or preventing more costly institutional services and helping people remain in their own homes—the setting of choice for most. Yet current funding for the OAA leaves many needs unmet, increasing reliance on more expensive medical and institutional care.

Acknowledgement

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Title III State Allocation Table
FY 2014 Older Americans Act, Program Specific Funding Allocations

State	Meals and Nutrition Services ^a	Supportive Services and Preventive Health ^b	National Family Caregiver Support Program ^c	Total Title III
Alabama	\$12,856,258	\$5,637,231	\$2,206,505	\$20,699,994
Alaska	\$3,664,574	\$1,819,482	\$720,651	\$6,204,707
Arizona	\$15,270,568	\$6,857,272	\$3,103,554	\$25,231,394
Arkansas	\$8,848,223	\$3,648,396	\$1,408,847	\$13,905,466
California	\$77,704,164	\$36,074,195	\$14,702,604	\$128,480,963
Colorado	\$10,358,326	\$4,334,455	\$1,878,721	\$16,571,502
Connecticut	\$9,193,969	\$4,585,093	\$1,721,520	\$15,500,582
Delaware	\$3,703,861	\$1,819,482	\$720,651	\$6,243,994
District of Columbia	\$3,733,372	\$1,819,482	\$720,651	\$6,273,505
Florida	\$52,964,833	\$26,354,267	\$11,546,017	\$90,865,117
Georgia	\$19,328,199	\$8,251,253	\$3,455,065	\$31,034,517
Hawaii	\$3,631,796	\$1,819,482	\$720,651	\$6,171,929
Idaho	\$3,924,510	\$1,819,482	\$720,651	\$6,464,643
Illinois	\$31,403,953	\$15,102,162	\$5,472,900	\$51,979,015
Indiana	\$14,328,293	\$7,226,962	\$2,849,523	\$24,404,778
Iowa	\$9,196,298	\$4,416,667	\$1,577,341	\$15,190,306
Kansas	\$7,898,130	\$3,562,701	\$1,295,632	\$12,756,463
Kentucky	\$10,569,686	\$4,946,302	\$1,935,102	\$17,451,090
Louisiana	\$11,821,486	\$5,003,291	\$1,874,587	\$18,699,364
Maine	\$3,850,205	\$1,819,671	\$720,651	\$6,390,527
Maryland	\$12,495,669	\$6,110,736	\$2,396,329	\$21,002,734
Massachusetts	\$18,742,884	\$8,526,067	\$3,099,001	\$30,367,952
Michigan	\$27,825,351	\$11,742,455	\$4,618,195	\$44,186,001
Minnesota	\$12,248,676	\$5,737,494	\$2,374,116	\$20,360,286
Mississippi	\$7,433,613	\$3,409,064	\$1,281,036	\$12,123,713
Missouri	\$16,637,277	\$7,411,632	\$2,850,250	\$26,899,159
Montana	\$4,210,140	\$1,819,482	\$720,651	\$6,750,273
Nebraska	\$5,260,064	\$2,378,668	\$855,735	\$8,494,467
Nevada	\$6,214,774	\$2,567,827	\$1,087,045	\$9,869,646
New Hampshire	\$4,371,543	\$1,819,482	\$720,651	\$6,911,676
New Jersey	\$21,715,583	\$10,695,718	\$4,044,765	\$36,456,066
New Mexico	\$6,203,872	\$2,155,538	\$908,751	\$9,268,161
New York	\$57,758,561	\$25,220,795	\$8,956,618	\$91,935,974
North Carolina	\$22,400,132	\$9,774,075	\$4,195,336	\$36,369,543
North Dakota	\$4,041,476	\$1,819,482	\$720,651	\$6,581,609
Ohio	\$30,040,498	\$14,399,326	\$5,551,309	\$49,991,133
Oklahoma	\$9,728,307	\$4,457,354	\$1,703,328	\$15,888,989
Oregon	\$10,155,918	\$4,313,156	\$1,820,805	\$16,289,879
Pennsylvania	\$36,656,122	\$18,574,792	\$6,751,748	\$61,982,662

Title III State Allocation Table (continued)

State	Meals and Nutrition Services ^a	Supportive Services and Preventive Health ^b	National Family Caregiver Support Program ^c	Total Title III
Rhode Island	\$3,662,269	\$1,819,482	\$720,651	\$6,202,402
South Carolina	\$11,252,602	\$4,998,748	\$2,125,724	\$18,377,074
South Dakota	\$4,126,637	\$1,819,482	\$720,651	\$6,666,770
Tennessee	\$14,561,171	\$7,052,556	\$2,863,391	\$24,477,118
Texas	\$52,529,468	\$21,205,051	\$8,842,879	\$82,577,398
Utah	\$5,225,331	\$1,947,499	\$853,564	\$8,026,394
Vermont	\$4,028,206	\$1,819,482	\$720,651	\$6,568,339
Virginia	\$17,249,495	\$8,205,071	\$3,301,214	\$28,755,780
Washington	\$15,239,347	\$6,728,977	\$2,808,735	\$24,777,059
West Virginia	\$6,468,089	\$2,876,775	\$997,669	\$10,342,533
Wisconsin	\$14,315,962	\$6,664,338	\$2,688,849	\$23,669,149
Wyoming	\$4,081,459	\$1,819,482	\$720,651	\$6,621,592
American Samoa	\$731,341	\$477,808	\$90,081	\$1,299,230
Guam	\$1,949,559	\$909,741	\$360,325	\$3,219,625
Northern Mariana Islands	\$462,875	\$227,436	\$90,081	\$780,392
Puerto Rico	\$10,904,262	\$4,564,140	\$1,856,555	\$17,324,957
Virgin Islands	\$1,804,730	\$909,741	\$360,325	\$3,074,796
TOTAL	\$796,983,967	\$363,896,280	\$144,130,140	\$1,305,010,387

Notes:

^a Meals and Nutritional Services includes funding allocations to states for OAA Title III Congregate Nutrition Services, Home-Delivered Nutrition Services, and Nutrition Services Incentive Program (NSIP).

^b Supportive Services and Preventive Health includes funding allocations to states for OAA Title III Home- & Community-Based Supportive Services and Preventive Health Services.

^c National Family Support Services is an OAA Title III program.

Data Sources:

Title III State Allocation Table, "Grants for State and Community Programs on Aging: FY 2014 Annual Allocation," accessed March 12, 2014.

Title III State Allocation Table, "Nutrition Services Incentive Program for the States/Territories: FY 2014 Financial Cash Allocation," accessed April 17, 2014. http://www.aoa.gov/AoARoot/AoA_Programs/OAA/Aging_Network/State_Allocations/index.aspx.

Endnotes

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⁸ Administration on Aging, <http://www.agid.acl.gov/>. Aging Integrated Database, “State Program Report 2011,” accessed November 20, 2013.

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¹¹ In 2011, Congress passed a law stating that if they could not agree on a plan to reduce the deficit, automatic across-the-board budget cuts would take effect in 2013. Accessed at www.whitehouse.gov/issues/sequester.

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¹⁴ AARP Public Policy Institute calculations using data from Bureau of Labor Statistics, U.S. Department of Labor, Databases, CPI Inflation Calculator (http://www.bls.gov/data/inflation_calculator.htm), accessed March 12, 2014.

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¹⁵ U.S. Government Accountability Office. *Older Americans Act: More Should Be Done to Measure the Extent of Unmet Need for Services*. GAO-11-237, February 2011.

¹⁶ Ibid.

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