

The Role of the Older Americans Act in Providing Long-Term Care

The Older Americans Act (OAA) plays an important role in the delivery of long-term services and supports to older adults. The total federal appropriation for the OAA in fiscal year 2008 is \$1.9 billion, of which 67 percent (\$1.2 billion) is allocated to funding nutrition services, family caregiver support, disease prevention, health promotion, and other supportive services.

Introduction

The Older Americans Act (OAA) was enacted in 1965 to promote the well-being of older adults and help them remain independent in their homes and communities. The OAA distributes federal funds to states using a formula based on the state's share of the U.S. population age 60 or older. In fiscal year 2008, the total federal appropriation for the OAA is \$1.9 billion¹. Funding generally has increased slightly each year, but has not kept pace with inflation and the growth of the older population.

The 2006 Reauthorization of OAA

In 2006, the OAA was reauthorized and included major provisions to strengthen the coordination and delivery of long-term services and supports (LTSS). These provisions also mandated that the Administration on Aging (AoA) play a lead role in helping to reform the nation's LTSS system by promoting consumer choice, control, and independence.

The amendments also incorporated the Administration on Aging's Choices for Independence initiative. This initiative is based on empowering consumers to make informed decisions about their LTSS needs by providing them with information and support. To achieve this objective, the

AoA created the Aging and Disability Resources Centers (ADRC) to help consumers navigate the LTSS system and access services in their communities.

There are currently 140 pilot programs in 43 states responsible for assisting consumers.² Another component of the Choices initiative is the Nursing Home Diversion Program. This program helps consumers who are at high risk for nursing home placement, but are not eligible for Medicaid, remain in their homes and communities. To support diversion efforts, the AoA provided grants to 12 states in 2007 and 14 states in 2008.

Role in Providing Long-Term Services and Supports

Title III of the OAA provides funds to help states organize and pay for nutrition services and a broad range of social services, including family caregiver support, information and referral assistance, disease prevention, and health promotion. All persons age 60 or older are eligible to participate, but states are required to target services to persons with the "greatest social or economic need," since funding levels restrict the number of persons who can be served.

Sixty-seven percent of the 2008 OAA funding was allocated to Title III. Nutrition services are designated by the OAA as a priority service for states to provide. In fiscal year 2008, about 40 percent of Title III funds are allocated to provide congregate and home-delivered meals. Eighteen percent of Title III funds pay for a range of services that include personal care, homemaker services, chore services, adult day services, and case management. Eight percent of Title III funds support the family caregiver support program.³

Figure 1 illustrates the number of persons receiving selected OAA services in fiscal year 2006 (most recent data available).

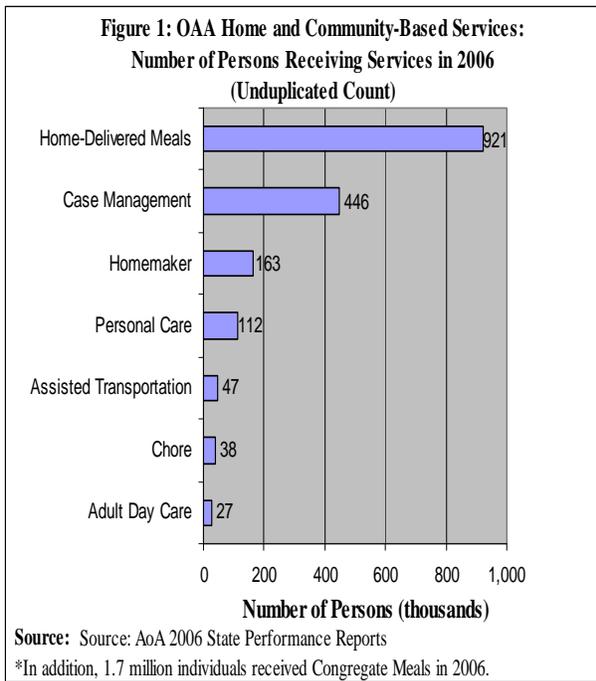
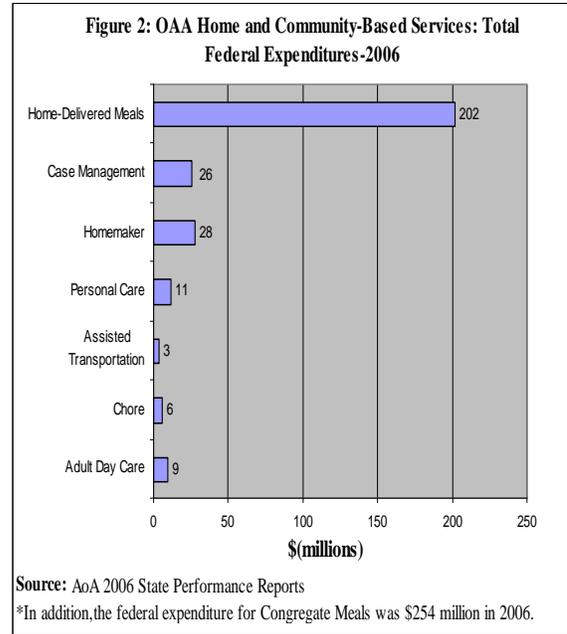


Figure 2 illustrates the federal expenditure on these same services in fiscal year 2006. However, total expenditures on these services were augmented by state funds and contributions (both corporate and individual).



Supporting Caregivers

The OAA also provides support to informal caregivers. The National Family Caregiver Support Program (NFCSP) funds each state to provide information to caregivers about available services, assistance in gaining access to services, caregiver training, counseling, respite care, and limited supplemental services. While most of the funding for caregiver support will help people who care for older relatives, states may spend up to 10 percent of these funds to support older people caring for grandchildren.

In addition to family caregiving, the OAA plays a small but critical role in long-term care (LTC) in institutional settings through its ombudsman program. Each state operates an LTC ombudsman program that monitors the quality of care provided in nursing homes. State ombudsmen also investigate and resolve complaints. Of the \$21 million Congress appropriated for elder rights in fiscal year 2008, \$16 million is earmarked for the ombudsman program.

Policy Issues

The continued growth of the older adult population will have important implications for the delivery of social services. Medicaid, the major funder of long-term services and supports, serves people with low incomes and minimal assets. Many people are ineligible for Medicaid but cannot afford the cost of long-term services on their own. The OAA serves some of those who might otherwise “fall through the cracks.”

Many people with disabilities need primarily nonmedical services such as personal care or help with chores. These are precisely the type of services that the OAA can fund. Appropriations for the OAA are miniscule, however, compared to the approximately \$39 billion provided through Medicaid for home and community-based LTSS in 2006.⁴

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¹ O’Shaughnessy, Carol. *The Aging Services Network: Accomplishments and Challenges in Serving a Growing Elderly Population*. Washington, DC: National Health Policy Forum, 2008

² Aging and Disability Resource Center-Technical Assistance Web site. <http://www.adrc-tae.org/tiki-index.php?page=PublicHomePage>.

³ O’Shaughnessy, op. cit.

⁴ Burwell, Brian, Kate Sredl, and Steve Eiken. *Medicaid Long-Term Care Expenditures FY 2006*. Thomson Reuters, 2007.