



Elders Living on the Edge

When Meeting Basic Needs Exceeds
Available Income in Wisconsin



WISCONSIN
WOMEN'S
NETWORK

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Wider Opportunities for Women

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Prepared for the
Wisconsin Women's Network



Wisconsin Women's Network

Now 29 years old, the Wisconsin Women's Network, a coalition of organizations and individuals, advances the status of women and girls in Wisconsin through communication, education, and advocacy.

The Wisconsin Women's Network facilitates communication among its members to strengthen our voices while we work together on issues promoting equity and justice for women and their families.

The Wisconsin Women's Network agenda is based on the principles articulated in *Wisconsin Women and the National Plan of Action*, resolutions adopted in 1977 at the Wisconsin State Meeting and the first National Women's Conference in Houston.

The impetus for the formation of the Wisconsin Women's Network in 1979 was the dismantling of the Wisconsin Commission on the Status of Women. The Network founders made permanent what had been an informal ad hoc coalition working on a variety of issues. The result is a broad-based coalition of women's organizations, labor unions, religious and educational groups, providers of human services, and business associations furthering understanding of women's issues. For more information on the Wisconsin Women's Network visit www.wiwomensnetwork.org or call 608-255-9809.



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 the Elder Economic Security Initiative. For more information about WOW's programs go to www.wowonline.org or call WOW at 202-464-1596.

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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

When Meeting Basic Needs Exceeds Available Income in Wisconsin

The Wisconsin Elder Economic Security Initiative™

Wisconsin low-income elders face financial challenges that threaten their already fragile economic stability and the health of their communities. They are pressured by ever-increasing expenses – housing, health care, fuel and utilities. Yet, their fixed incomes are eroded by weaknesses within the economy, Social Security payments that are by themselves inadequate, underfunded public support programs, and asset limits that prevent those receiving public supports from saving for their retirements.

Measuring Economic Well-Being

How much income do Wisconsin's elders need to meet the rising costs of living? How much do public support programs such as Medical Assistance, utility assistance and housing assistance help elders meet their rising expenses? To accurately answer these questions, policy makers, advocates and social service providers need an accurate measure of elders' economic security. The national Elder Economic Security Initiative™ ("the Initiative") is a multi-year, research-driven initiative to raise awareness and improve public policies for older adults that offers such a benchmark – the Elder Economic Security Standard™ Index ("the Index").

Policy Recommendations

Promote equitable and rational policy by using the Elder Economic Security Standard Index in developing and evaluating policies.

SSI – Restore state-only eligibility adding to the monthly income of thousands of the lowest-income elders and enabling them to automatically qualify for Medicaid.

Medicaid – Raise the Medicaid medically-needy benefit so that the medical expense spend-down is not as difficult to meet.

Medicare Savings Programs – Increase income limits and remove asset tests to eliminate Medicare cost-shares and avoid the need for Medigap insurance for thousands of the lowest-income elders.

Family Care – Raise the asset level so that elders do not have to drain all savings before qualifying for long-term care assistance and commit to implementing the program statewide by 2011.

Alzheimer's Family Caregiver Support Program – Increase support for elders diagnosed with Alzheimer's disease and, for their families.

Housing Programs – Develop state-funded housing vouchers to subsidize rents and other supports to make housing more affordable.

Homestead Credit – Increase the annual benefit available to provide direct relief in housing costs.

Transportation – Increase funds available in the Elderly and Disabled Transportation Assistance Program.

The Index measures the income older adults require to make ends meet, live with dignity, and remain in their own homes. The Index strengthens evaluation of the impact of public policy and helps 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
- measure returns on public investment in support programs.

What Does It Take to Age in Place with Dignity?

To arrive at income adequacy, the Index sums the five major monthly expenses which constitute the

basic elder household budget. As a measure of basic needs, the Index includes only those goods and services essential to health and welfare:

- Housing: Rent or mortgage payments and all housing-related costs (heat, utilities, insurance, property taxes) as applicable
- Food: Costs of food prepared at home, based on the USDA Low-Cost Food Plan for older adults
- Health Care: Premiums for Medicare Parts B, C, and D, and out-of-pocket costs, including co-pays and deductibles
- Transportation: Costs of private auto ownership and use, and/or public transportation where widely available
- Miscellaneous: Essential household and personal items such as clothing, paper products, cleaning products, etc. Miscellaneous expense is estimated at 20% of all other expenses, based on the Consumer Expenditure Survey data

Table 1: The Elder Economic Security Standard Index for Milwaukee (City), WI, 2008

Monthly Expenses	Single Elder			Elder Couple		
	Owner without mortgage	Renter	Owner with mortgage	Owner without mortgage	Renter	Owner with mortgage
1. Housing	\$509	\$636	\$1,140	\$509	\$636	\$1,140
2. Food	\$226	\$226	\$226	\$416	\$416	\$416
3. Transportation	\$168	\$168	\$168	\$269	\$269	\$269
4. Health Care ("Good Health")	\$402	\$402	\$402	\$805	\$805	\$805
5. Miscellaneous	\$261	\$261	\$261	\$400	\$400	\$400
TOTAL: Index (Cost of Expenses) Per Month	\$1,567	\$1,694	\$2,198	\$2,399	\$2,526	\$3,030
Index (Cost of Expenses) Per Year	\$18,803	\$20,329	\$26,376	\$28,786	\$30,312	\$36,359

Source: Mutchler, Jan, Gottlieb, Alison, and Wider Opportunities for Women, *The Elder Economic Security Initiative™ Program: The Elder Economic Security Standard Index for Wisconsin*. (Washington, DC: Wider Opportunities for Women, 2008).

Table 2: Elder Economic Security Standard Index for Select Wisconsin Counties

Basic Annual Cost of Living for Retired Individuals and Couples (age 65+), by Housing Status, 2008				
County/City	Single Elder without Mortgage	Single Elder Renter	Single Elder with mortgage	Elder Couple without Mortgage
Ashland County (<i>Low, Single Renters</i>)	\$17,022	\$17,392	\$24,256	\$26,788
La Crosse County (<i>Median, Single Renters</i>)	\$17,518	\$17,978	\$24,063	\$27,285
Marathon County	\$17,639	\$18,323	\$25,525	\$27,405
Milwaukee City	\$18,803	\$20,329	\$26,376	\$28,786
Waukesha County (<i>High, Single Renters</i>)	\$19,947	\$22,872	\$28,961	\$29,930

Source: Mutchler, Jan, Gottlieb, Alison, and Wider Opportunities for Women, *The Elder Economic Security Initiative™ Program: The Elder Economic Security Standard Index for Wisconsin*. (Washington, DC: Wider Opportunities for Women, 2008).

For further explication of the Index methodology, see *The WOW-GI National Elder Economic Security Standard: A Methodology to Determine Economic Security for Elders*.

Table 1 displays the Index component expenses for a single elder and elder couple living in Milwaukee, Wisconsin.

Local differences among the Index's five expense components create a range of income requirements among Wisconsin elders. **Table 2** contains selected Indexes, including those of the state's least expensive county for renters, Ashland County, and the state's most expensive county for renters, Waukesha County. The difference between single elder renters' annual Index expenses in the two counties, \$5,489 – almost one-third of the median expense – demonstrates the variety of need throughout the state.

Housing And Medical Expenses Have The Greatest Impact On Economic Security

In recent years, inflation has magnified the impacts of each component of the Index. However, while food and fuel prices have soared in 2008, it is still typically medical and housing expenses that have the greatest impact on economic security. In many counties, the

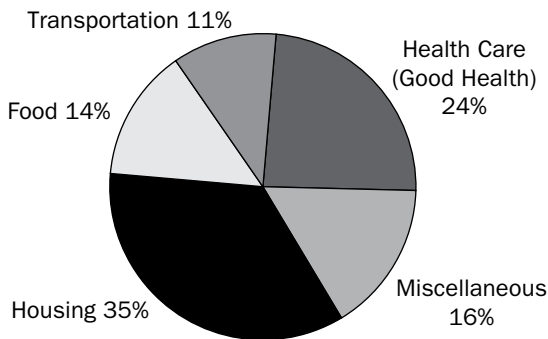
cost of health care, even for an elder in good health, approaches housing expense. Within any single county housing costs are the greatest determinants of elder economic security:

- Those 18% of Wisconsin seniors with mortgages – whether in low-cost counties such as Jackson, Pepin, Sawyer, and Burnett Counties, or in higher-cost counties such as Ozaukee, Washington, Dane, and St. Croix Counties – will pay almost three times more for housing than elders who have paid off their mortgages.
- Almost a fourth of all Wisconsin seniors are renters. Typical rents for Wisconsin's counties range greatly, from \$424 (Clark County) to \$832 (Waukesha County) per month. Most renters spend roughly one-third of their monthly expenses on rent. In those counties with the least expensive rents, an economically secure senior will allocate approximately 30% of her or his income to rent; however, in Wisconsin counties with the most expensive rents, an economically secure renter must devote approximately 43% of their spending to housing.

For a full 20% of Wisconsin elders, Social Security is the sole source of income. However, the average Social Security payment for a single

Figure 1: Wisconsin Statewide Average Elder Economic Security Standard Index Expenses for a Single Elder Renter, 2008

Housing and Health Care Account for the Greatest Proportion of Expenses



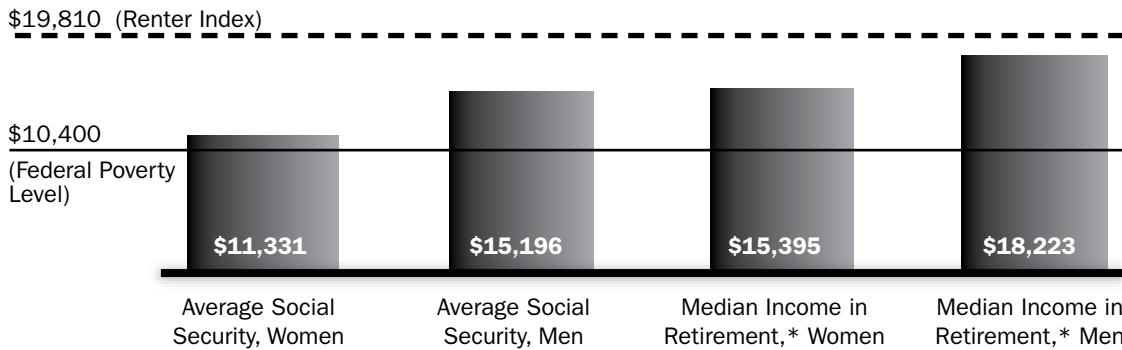
Wisconsin retiree does not meet expenses in any of the state's counties, regardless of whether the elder is a renter or a homeowner. Even for elder homeowners with paid off mortgages, their Social Security payments fall far short of economic security as defined by the Index. A single man in Wisconsin who rents and relies entirely on an

average Social Security payment is nearly \$3,000 short of economic security annually; a single woman in Wisconsin who rents and relies entirely on Social Security is \$6,500 short of economic security annually. Not only do average Social Security payments to both men and women fall short of economic security as defined by all three Indexes (renter, homeowner without a mortgage, homeowner with a mortgage), they leave many of the approximately one out of five Wisconsin elders who rely entirely on Social Security dollars short of qualifying for public assistance.

Those who live on median income do not fare much better than those who rely on Social Security alone; they also live below both the statewide and their respective county Indexes. This demonstrates that even those with retirement incomes that include personal retirement accounts, private savings and pensions may fall short of economic security. This problem is most severe for single elder women. Depending on the county, single women renters living on median retirement income fall short of economic security by more than \$5,000 annually in less expensive counties (Adams, Forest, Wood, Washburn, Sawyer,

Figure 2: Elder Economic Security Standard Index for Renters and Benchmark Annual Incomes for Single Elders in Wisconsin, 2008

Wisconsin Low-Income Elders Can't Make Ends Meet



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

Ashland Counties) and \$8,000 in more expensive counties (Waukesha, Dane, Milwaukee Counties). Even at incomes above \$19,000, some seniors who rent or pay mortgages in high-cost counties live below the local Index and lack the income and income supports required to make ends meet.

Bridging The Gap: Income Supports

Once gaps between income and economic security have been measured, and the source of the gaps has been identified, the questions arise: Can the gaps be bridged? Are there public support programs that provide economic security?

It is possible to answer these questions by modeling the impacts of widely available critical public support programs. Using the Index and Wider Opportunities for Women's Economic Security Simulator™, which calculates support levels by using the same eligibility and benefit calculations used by direct service providers, one can measure changes in economic security as elders obtain or lose public supports.

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

Housing Assistance

Eligible elders can receive direct or indirect housing subsidies from three 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.

Property Tax Relief – Wisconsin Homestead Credit

Wisconsin homeowners and renters of any age who live independently and complete Wisconsin Homestead Credit Claims with their annual taxes

can receive tax credits designed to ease tax burdens. Renters can participate by "claiming" that portion of their rent used by a landlord to pay taxes. However, qualifying claimants may receive no credit, as credit amounts are based on the relationship between household income and property taxes or rent.

Utility Assistance – WHEAP

The Low Income Home Energy Assistance Program (WHEAP) assists low-income households that spend a high proportion of their income on energy, primarily for cooling and heating.

Nutrition Assistance – FoodShare

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

Medical Assistance – Wisconsin Medicaid Program

Wisconsin's Medicaid program is a public health insurance program serving low-income families with elders and persons with disabilities. Elderly, Blind and Disabled Medicaid (EBD MA) pays for nearly all "medically necessary" health care for those with incomes approximately 80% of the federal poverty level for individuals and couples, respectively. Elders with higher incomes may be eligible to participate in Medicare Savings Programs or the EBD Medically Needy "spend-down" program, which covers medical costs after medical expenses have offset an elder's income to approximately \$591 per month.

Medical Assistance – Medicare Premium Assistance (MPA)/Medicare Savings Programs (QMB, SLMB, and QI)

The Medicare Savings Programs (MSPs) include the Qualified Medicare Beneficiary (QMB), Specified

Table 3: Public Support Income and Asset Eligibility Limits, 2008

Wisconsin Elders are Presented with an Extremely Varied Array of Eligibility Requirements		
Federal Poverty Level	100% FPL	Single: \$10,400 Couple: \$14,000
Eligibility		
Support Program	Income Limits	Asset Limits
EBD Medical Assistance (Medicaid)	80% FPL	Single: \$2,000 Couple: \$3,000
(Part D) Low Income Subsidy	100% FPL (full) 150% FPL (partial)	Single: \$11,990 Couple: \$23,970
SeniorCare Level 1	160% FPL	N/A
SeniorCare Level 3 (spend-down)	N/A	N/A
WHEAP	150% FPL	N/A
Housing Assistance	80% AMI 30% AMI (priority)	N/A
FoodShare	100% FPL	Single: \$3,000 Couple: \$3,000
SSI	Single: 74% FPL Couple: 82% FPL	Single: \$2,000 Couple: \$3,000
Medicare Savings Programs (MSPs)		
QMB	100% FPL	Single: \$4,000 Couple: \$6,000
SLMB	120% FPL	Single: \$4,000 Couple: \$6,000
QI	135% FPL	Single: \$4,000 Couple: \$6,000
<small>AMI = Area median income FPL = Federal poverty level Income limits may be gross income or net/countable income, and are elder-specific where possible.</small>		

Low-Income Medicare Beneficiary (SLMB/SLMB+), and Qualified Individual (QI) programs pay part (SLMB, QI) or all (QMB) of low-income elders' Medicare Parts A and B premiums, deductibles and co-payments. Elders must be eligible for Medicare, and financially ineligible for Medicaid.

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 subsidizes premiums to the participant's private Medicare Part D drug (insurance) plan. Recipients of full benefits pay no premiums, deductibles or co-pays; recipients of partial benefits pay low deductibles and co-payments.

State Prescription Assistance – SeniorCare

Like LIS, Wisconsin's SeniorCare helps low-income elders afford prescription drugs. Once in the program, participants pay only deductibles and low co-payments. Participants are also able to buy drugs at a special SeniorCare rate prior to meeting their deductibles.

Supplemental Security Income (SSI)

SSI provides monthly cash payments to individuals 65 or older, blind or disabled with very low incomes. Applicants' countable incomes must be well below \$8,000 annually.

Table 4 illustrates the impact of these supports on the economic security of a single elder woman renter in Marathon County. In this scenario, this elder lives alone and relies on a Social Security widow's benefit as her only source of income. Her annual income is \$11,168 (\$931/month), the average Social Security payment for a Marathon County senior. Her countable assets do not exceed the \$2,000 asset limit of programs such as SSI and Medical Assistance or the \$3,000 limit of the FoodShare program.

Table 4: The Impact of Supports on Monthly Costs and Economic Security for a Single Elder Renter Living on Average Social Security for Women (\$931/mn, \$11,168/yr) in Marathon County, WI, 2008

While Public Support Programs Reduce Expenses, Wisconsin Low-Income Elders Still Fall Short of Economic Security						
Income Plus . . .						
Average Monthly Social Security Income	\$931					
Elder Economic Security Index (Total Monthly Expenses)	\$1,527					
		FoodShare	FoodShare + Rx Assist.	Food Stamps + Rx Assist. + Medical Assist.	FoodShare + Rx Assist. + Medical Assist. + Energy Assist.	FoodShare + Rx Assist. + Medical Assist. + Housing Assist.
Monthly Shortfall	-\$596	-\$596	-\$544	-\$448	-\$391	-\$154
% Economic Security Attained	61%	61%	63%	68%	70%	86%

Source: Wider Opportunities for Women calculations
 *Utility expenses are included in housing expense. Utility assistance calculations are based on the 2007 WHEAP benefit standard.

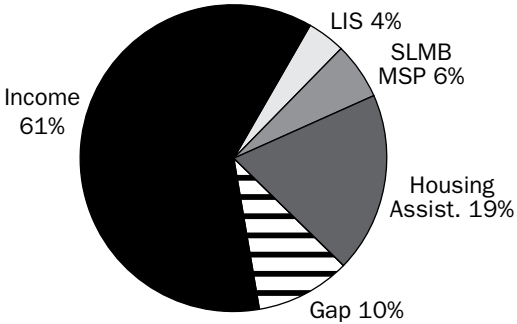
Table 4 measures the elder's shortfall using as income the average Social Security payment for elder women in Marathon County and as expenses the Index for a single elder renter in the county – \$1,527/month (\$18,323/year). Each column illustrates the decrease in monthly expenses (in bold) that accompanies the elder's receipt of the supports for which she is eligible.

The elder in this scenario is both income and asset eligible for FoodShare, LIS, SeniorCare, SLMB Medicare Premium Assistance, WHEAP and housing assistance. The programs' cumulative impact is expressed as improved economic security. Even receiving all of the supports moves the elder from 61% income security to still only 86% income security, with the largest increases coming from housing assistance (\$294) and medical assistance (\$96). Furthermore, the senior's potential \$15 monthly FoodShare benefit is reduced to zero dollars if she receives housing assistance.

Figure 3 and Figure 4 capture each individual support program's impacts as a proportion of total Index expenses for a Marathon County single

Figure 3: Income and Supports and the Remaining Economic Security Gap as a Percentage of the Elder Economic Security Standard Index for a Single Woman Renter Living on Average Annual Social Security in Marathon County, WI, 2008

Many Low Income Elder Renters Can Approach Economic Security with Housing Assistance

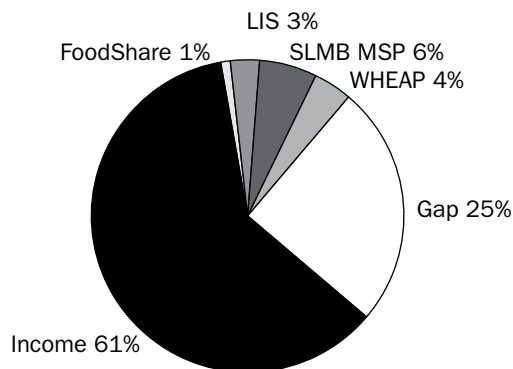


renter.¹ With housing assistance, the supports modeled collectively reduce expenses by 29%.

¹ Figures 3, 4 and 5 illustrate supports' marginal impacts. As a result, the marginal values in these figures may not accord with economic security values in Table 4 & 5, which illustrate supports' cumulative impact on economic security. Note that in Table 4 FoodShare and WHEAP benefits are received only until housing assistance is received. Figures 3 and 4 portray two separate scenarios – one in which FoodShare and WHEAP are never received because housing assistance is received, and another in which housing assistance is never received.

Figure 4: Income, Supports and the Remaining Economic Security Gap as a Percentage of the Elder Economic Security Standard Index for a Single Woman Renter Living on Average Annual Social Security in Marathon County, WI, 2008

Low-Income Renters are Unlikely to Achieve Economic Security without Housing Assistance



This still leaves the elder with a gap between needs and income. With a full array of supports including housing assistance, Wisconsin elders in low- and moderate-cost counties who live on modest fixed incomes such as Social Security can *approach* but not achieve economic security.

As **Figure 4** illustrates, without housing assistance, the supports modeled collectively reduce the renter's Index expenses by only 14%. This leaves the elder with a 25% gap between basic needs and income. Throughout Wisconsin there are many communities with long waiting lists of elderly waiting for housing assistance. Without housing assistance, renters across a spectrum of incomes fall well below economic security. In Wisconsin's more expensive counties, an elder woman living on Social Security may approach only 80% economic security even if she receives all federal and state supports for which she is eligible. Without housing assistance she will not approach even 65% economic security.

Table 5 takes another measure of economic security, this time using as income the average

Social Security benefit for elder men in Milwaukee County and as expenses the Index for a single elder homeowner with a mortgage in the county – \$2,198/month (\$26,376/year). As in the previous scenario, his low assets are under the relevant programs' limits.

The elder in this scenario is both income and asset eligible for FoodShare and SeniorCare. His income puts him just beyond the partial LIS and WHEAP income limits. As a homeowner who pays property taxes and has an income below \$24,500, the elder is also eligible for the Homestead Credit. Still, receiving these supports only moves the elder from 59% income security to 64% income security, with the largest increases coming from the FoodShare program (\$82) and Homestead Credit (\$52). The FoodShare benefit – larger than that received in the previous scenario by an elder with less income – is attributable to large housing expenses (including property taxes) and medical expenses which decrease, in FoodShare calculations, his ability to pay for food.

Without Housing Assistance, Low-Income Elders Fall 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 are almost as far from economic security as those living below the federal poverty level.² This effect is magnified when elders don't receive housing assistance.

Figure 6 exhibits gaps between income and economic security for Dane County elder renters at various incomes. At the lowest income

² Notable exceptions to modest income limits include programs such as housing assistance, Medicare Savings Programs and SeniorCare. "Insurance programs" such as SeniorCare 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 incomes slightly above the federal poverty level and pharmaceutical expenses similar to median or average expenses (such as those included in the Index) commonly find themselves with too much income to qualify for LIS and too little expense to derive significant benefit from SeniorCare.

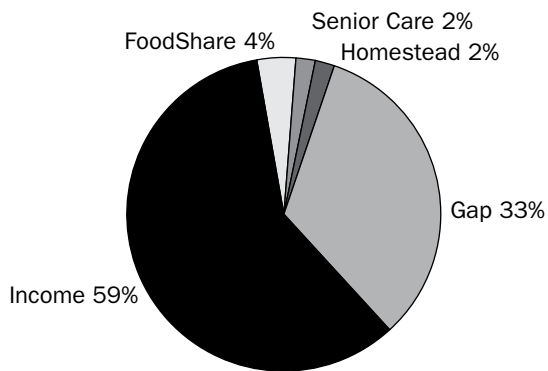
Table 5: The Impact of Supports on Monthly Costs and Economic Security for a Single Elder Homeowner without a Mortgage Living on Average Annual Social Security for Men (\$1,295/mn, \$15,545/yr) in Milwaukee County, WI, 2008

Wisconsin Elder Homeowners with Mortgages and Modest Incomes Receive Only Limited Public Support, and Fall Well Short of Economic Security						
Income Plus . . .						
Average Monthly Social Security Income	\$1,295					
Elder Economic Security Index (Total Monthly Expenses)	\$2,198	FoodShare	FoodShare + Rx Assist.	Food Stamps + Rx Assist. + Medical Assist	FoodShare + Rx Assist. + Medical Assist. + Energy Assist	FoodShare + Rx Assist. + Medical Assist. + Property Tax Assist.
Monthly Shortfall	-\$903	-\$821	-\$788	-\$788	-\$788	-\$735
% Economic Security Attained	59%	61%	62%	62%	62%	64%

Source: Wider Opportunities for Women calculations
 *Utility expenses are included in housing expense. Utility assistance calculations are based on the 2007 WHEAP benefit standard.

Figure 5: Income, Supports and Remaining Economic Security Gap as a Percentage of the Elder Economic Security Standard Index for a Single Homeowner with a Mortgage Living on Average Annual Social Security for Men in Milwaukee County, WI, 2008

Economic Security for Low-Income Elder without Housing Assistance is Impossible



modeled, \$8,000 per year, income supports (not including scarce housing assistance) reduce expenses by roughly \$6,800, 33% of the county's Elder Economic Security Standard Index for renters. However, the elder is still left with an annual gap between income and expenses of more than \$6,000.

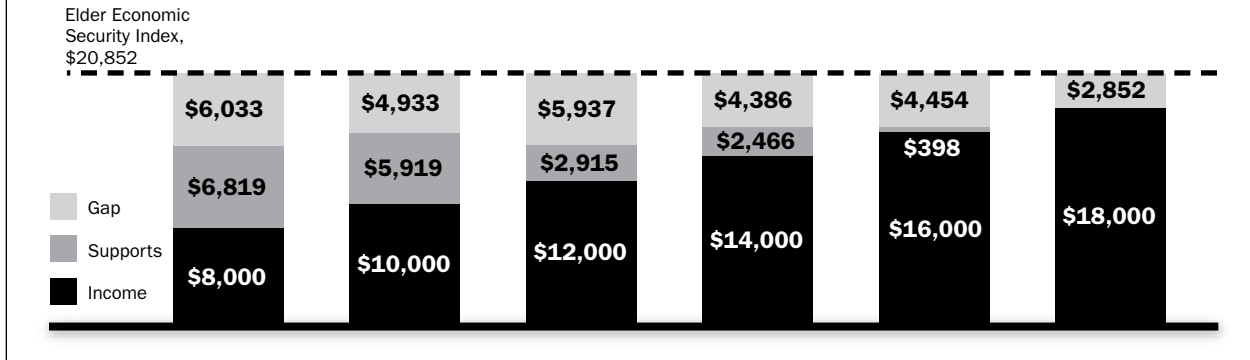
Due to benefit cliffs (incomes at which eligibility ends or the interplay of programs where receipt of one benefit lowers the value of another), a Dane County elder with a \$12,000 annual income is effectually no more secure than an elder with an \$8,000 annual income; \$4,000 additional income closes the economic security gap by less than \$100. Similarly, an elder with a \$14,000 annual income is less than \$600 closer to economic security than an elder with a \$10,000 income.

At incomes above \$14,500, most elders who don't receive housing assistance will benefit only from prescription and energy assistance. Above incomes of \$15,300 – still below any of Wisconsin's Indexes – most elders benefit only from prescription assistance.

At every income level, increases in income do not cause an equal or proportional increase in economic security. The gap between income and expenses is only fully eliminated when an elder is able to achieve economic security entirely through his or her own income. For example, for elders with income between \$14,000 and \$16,000, while income increases by 14%, public support declines by 84%.

Figure 6: Annual Income, Supports (without Housing Assistance) and Economic Security Gaps for Single Elder Renters in Dane County, WI, 2008

More Income Moves an Elder Toward Economic Security, But Gaps Persist



Policy Recommendations

Wisconsin has a strong and varied array of public support programs to assist low-income elders. The Wisconsin Elder Economic Security Standard Index Report, released in July 2008, is a realistic, geography-based measure of need that can determine whether income eligibility guidelines and funding levels for these programs adequately meet the needs of Wisconsin's elders. Findings from the report indicate that, given today's high and rising living costs, low-income elders are finding it difficult to be able to rely on a range of accessible, comprehensible, stable programs when their incomes fall short of the basic costs of living in Wisconsin communities.

The Wisconsin Index highlights the need for public support programs to be strengthened and expanded to meet the challenges to economic security that Wisconsin's low-income elders face. The following policy considerations could alleviate some of the challenges identified by the report. Leaders in Wisconsin should use the Index to evaluate current policies and consider developing and promoting equitable and rational public policies, such as the following:

1. Increase income support for lowest-income elders by restoring state-only eligibility for SSI.

Wisconsin should increase income for the poorest elders who are struggling to meet living expenses by increasing SSI, the safety net for the poorest. In 1996, when the state-only SSI supplement ended, the number of individuals eligible plummeted from 20,000 to 8,700. Restoring the state-only SSI supplement would add desperately-needed income and provide automatic Medicaid eligibility to thousands of lowest-income elders.

2. Assist with rising health care costs by expanding eligibility for health care benefit programs.

Seniors often find their Social Security income provides too little money for economic security, but too much money to meet various income eligibility guidelines for programs offering health care coverage.

- Raise the Medicaid "medically needy" income limit to equal the combined federal and state SSI payment standard and increase annually by the federal SSI cost-of-living adjustment so that the medical expense "spend-down" is not as difficult to meet.

- Increase the income limit for the Medicare Savings Programs. Raising the income limit will make more low-income elders eligible for this program, which pays Medicare cost-sharing obligations. As a result, low-income seniors won't need to buy expensive Medigap insurance and the program will offer a full subsidy for Medicare Part D (prescription) coverage. Wisconsin should follow the lead of other states, make full use of federal funds, and set the income limits of the Medicare Savings Programs at 150%-185% of the federal poverty level.
- Remove the asset limits. Elders are often excluded by asset limits, which are set as low as \$2,000. This discourages retirement saving and prevents all but the destitute from participating. Further, asset tests create administrative burdens for those determining eligibility. By removing asset limits, more elders could participate in the programs. Wisconsin and other states have good precedent for removing asset limits in programs such as SeniorCare.

3. Expand eligibility and support for home and community-based long-term care programs.

- The Family Care Program should be expanded statewide by 2011. Elders in Wisconsin in need of long-term care, with low-income and depleted assets, are entitled to home and community-based care under Family Care in fewer than half of Wisconsin's 72 counties. The system should use savings recognized from the pilot counties to continue to realign policy to support home and community-based options.
- The asset limit for Family Care must be raised significantly. While Family Care has helped end the institutional bias of Medicaid and made community-based care accessible to

more elders in pilot counties, it still requires impoverishment. Raising the asset level to \$10,000 would expand eligibility and permit elders to retain more assets in case of other home/family emergencies.

- Increase Support for the Alzheimer's Family Caregiver Support Program. This program is exceedingly important for low and modest income families with a loved one diagnosed with Alzheimer's disease or related dementia as it pays for services and goods related to caregiving. Up to \$4,000 per person may be available for in-home help, respite care, adult day care and transportation, as well as certain goods such as security systems and home-delivered meals. Many of these families will never qualify for Medicaid so this Alzheimer's-specific assistance is critical to being able to provide much-needed assistance for affected elders in the community. The program provides funding to only a small fraction of the Wisconsin families affected by Alzheimer's disease and must be increased.

4. Increase support for programs that reduce elders' housing costs.

Without affordable housing, attaining economic security is nearly impossible for the majority of older low-income Wisconsin renters and homeowners.

- 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. Wisconsin should provide a housing subsidy to Medicaid 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.

- 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, homeowner tax exemptions and state-funded housing vouchers all help elders stay in their homes and achieve economic security.
- Increase the Homestead Tax Credit Benefit. This program provides an annual cash benefit to low and modest-income homeowners and renters to help them meet the rising cost of property tax bills and rental payments. Both the maximum of property tax that can be claimed and the maximum amount of the Homestead Tax Credit must be increased to provide more assistance.

5. Expand support for elderly transportation assistance.

Elders often lack access to the transportation they need to visit medical professionals, grocery stores, family members and friends, all of which give them the ability to be independent, engaged in their communities, and secure. State and local funds under the Elderly and Disabled Transportation Assistance Program should be reapportioned to provide greater assistance for elderly and disabled transportation.

For more information, please visit Wisconsin Women's Network (www.wiwomensnetwork.org) and Wider Opportunities for Women (www.wowonline.org) online.

Appendix: Major Public Supports

Nutrition Assistance – FoodShare

Wisconsin's FoodShare program (formerly the Food Stamp Program) provides low-income households with electronic benefits that participants can use to purchase food. The US Department of Agriculture administers the Food Stamp program at the federal level through the Food and Nutrition Service, and state agencies administer the program at state and county levels, including determination of eligibility and distribution of benefits. In order to participate, 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 three 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; 80% AMI for a single person in Milwaukee County is \$37,900) 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 (\$14,200 for a single person in Milwaukee County), are granted priority; most housing assistance beneficiaries have income below 30% AMI, and housing assistance recipients very rarely have incomes above 50% AMI (\$23,700 for a single person in Milwaukee County).

Property Tax Relief – Wisconsin Homestead Credit

Wisconsin homeowners and renters of any age who complete the Wisconsin Department of Revenue Homestead Credit Claims with their annual taxes can receive tax credits designed to ease tax burdens. Renters can participate by "claiming" that portion of their rent used by a landlord to pay taxes. However, claimants may meet all qualifications but still not receive a credit, as credit amounts are indirectly based on the ratio of household income to allowable property taxes or rent. For 2007, filers must have had incomes of no more than \$24,500, and must have lived in their own houses or apartments, within the state, for the entire year. Claims may be filed for prior tax years for which no claim was filed as far back as 2004.

Utility Assistance – WHEAP

The Wisconsin Home Energy Assistance Program (WHEAP) assists low-income households that spend a high proportion of household income on energy, primarily for cooling and heating. Wisconsin's WHEAP is administered by the Wisconsin Division of Energy and local social service offices and nonprofit organizations. Assistance is based on income, household size and the cost of utilities. Federal funding that passes to the states is fixed annually and distributed on a first-come, first serve basis. For full eligibility, a single elder's gross monthly income must be no more than 150% FPL (\$15,315).

Federal Prescription Assistance – 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 Medicare Savings Programs,

automatically qualify for LIS. For full eligibility, a single elder's gross monthly income must be no more than 100% FPL (\$10,400); thereafter the program provides help on a sliding scale to those with incomes up to 150% FPL (\$15,600).

State Prescription Assistance – SeniorCare

Like LIS, state-funded SeniorCare helps low-income Wisconsin elders afford prescription drugs. Once in the program, participants pay no premiums, only deductibles and low co-payments. Participants are also able to buy drugs at a special SeniorCare rate prior to meeting their deductibles. Participants are often those with income or assets too high to qualify for the LIS program, although elders can be simultaneously eligible for and benefit from both.

SeniorCare provides four levels of assistance. To participate in Level 1 SeniorCare, elders' gross monthly income must be no more than 160% FPL (\$16,540 for single elders, \$22,400 for elder couples). No asset test applies. Level 3 SeniorCare, SeniorCare's most inclusive level, functions as a "buy-in" or spend-down" program, and applies no income or asset test.

Medical Assistance – Medicare Premium Assistance (MPA)/Medicare Savings Programs (QMB, SLMB, and QI)

The Qualified Medicare Beneficiary program (QMB), Specified Low-Income Medicare Beneficiary program (SLMB), and Qualified Individual program (QI) help low-income elders enrolled in Medicare Part A pay for all or part of Medicare Parts A and B premiums, deductibles and co-payments. (Premiums for Part C, which are largely obviated by the Parts A and B subsidies, are not covered.) In Wisconsin, the programs are administered jointly by the state and the federal Social Security Administration. 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; for QI, no more than 135% FPL. Single and married elders must also maintain no more than \$4,000 and \$6,000 in assets, respectively, for the QMB and SLMB programs.

Medical Assistance – Wisconsin Medicaid Program

Wisconsin's Medicaid program is a public health insurance program serving low-income families with elders and persons with disabilities. Elderly, Blind and Disabled Medicaid (EBD MA) pays for nearly all "medically necessary" health care for those with incomes approximately 83% and 93% of the federal poverty level for individuals and couples, respectively. Elders with higher incomes may be eligible to participate in Medicare Savings Programs or the EBD Medically Needy "spend-down" program, which covers medical costs after medical expenses have effectually reduced an elder's income to approximately \$591 per month. Single and married elders must 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 Wisconsin may supplement the federal payment for some recipients. To qualify, single elders must have countable income less than \$7,644; a couple must have less than \$11,472. 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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