COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-165430

OCTOBER 15, 1979

To the Chairman and the
Ranking Minority Member
Special Committee on Aging SEN06500
United States Senate

Subject: The [P]otential Need for and Cost of Congregate Housing for Older People] (HRD-80-8)

In the Committee's August 21, 1978, letter and subsequent meetings with your office, we were asked to provide information concerning two main items: (1) the well-being of older people, their need for services, and the cost of providing those services for older people living in various settings, including public housing, congregate housing, and institutions and (2) the well-being of older people living in urban and rural areas. We are presenting the information on the first item in question and answer format, as agreed with your office. Our analysis of the well-being of older people living in urban and rural areas is currently in process and we plan to brief the Committee on the results of our analysis when it is completed.

The information contained in this report is based on our study of the personal conditions of older people in Cleveland, Ohio. A description of the data gathering and analytical methodology used in our study is contained in enclosure II. On the basis of this study, we issued three other reports: (1) "The Well-Being of Older People in Cleveland, Ohio" (HRD-77-70, Apr. 19, 1977), (2) "Conditions of Older People: National Information System Needed" (HRD-79-95, Sept. 20, 1979), and (3) "Home Health--The Need for a National Policy to Better Provide for the Elderly" (HRD-78-19, Dec. 30, 1977).

In summary, our review shows:

--Overall, older people living in public housing were defined as having worse personal conditions than those living in private housing.

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--Older people living in public housing have a significantly greater need for social-recreational, medical, and personal or nursing care services than people living in private housing. (2)

--About 18 percent of the older noninstitutionalized people could use congregate housing. For purposes of this report, congregate housing is defined as housing where eight main services are provided, namely: meals, social-recreational, education, transportation, medical care, homemaker, counseling, and security. It differs from institutions in that it does not provide such services as full-time nursing care and continuous supervision. (3)

--About 11 percent of the older people in institutions could use congregate housing. (4)

--The average daily cost of maintaining an institutionalized older person, based on fiscal year 1977 cost levels, is $15.27 compared to $13.95 in private housing or $11.32 in congregate housing. (5)

Additional details are contained in enclosure I.

As requested by your office, we did not obtain comments from the Department of Health, Education, and Welfare. As arranged with your office, we will send copies of this report to the Secretary of Health, Education, and Welfare and to the Commissioner of the Administration on Aging and make copies available to others upon request.

Comptroller General
of the United States

Enclosures - 2

QUESTIONS AND ANSWERS ON CONGREGATE HOUSING

1. Question: What is the well-being (personal conditions) and related need for services for older people living in public housing compared to older people living in private housing?

   Answer: In 1976, we defined and measured four personal conditions--health, security, loneliness, and outlook on life--of 1,311 older people in Cleveland. Of these, 96 people (7 percent) lived in low-income public housing and 1,215 people (93 percent) lived in private housing. About one-fourth (23 percent) of those in public housing were defined as being in the best overall condition, compared to one-third (32 percent) of those living in private housing. At the other end of the spectrum, about one-third (34 percent) of the people living in public housing were in the worst condition, compared to one-fifth (20 percent) of the people living in private housing as shown in the following table.

Conditions (note a)	Level of conditions			
	Best	Marginal	Worst	Total
	(percent)			
Health:				
Public housing residents	35	29	36	100
Private housing residents	52	28	20	100
Security:				
Public housing residents	47	27	26	100
Private housing residents	54	25	21	100
Loneliness:				
Public housing residents	53	24	23	100
Private housing residents	60	29	11	100
Outlook on life:				
Public housing residents	24	48	28	100
Private housing residents	25	51	24	100
Overall:				
Public housing residents	23	43	34	100
Private housing residents	32	48	20	100

a/For a description of conditions and level of conditions, see enclosure II.

ENCLOSURE I

In the previous table, a greater percentage of people in public housing were in the worst overall, health, and loneliness conditions than those who were in private housing. In the remaining conditions, both groups were similar. Although slight differences were observed, they are not statistically significant.

Nearly all the people in public housing had one or more illnesses. However, for many, the illnesses did not greatly interfere with their activities. For our analyses, we focused on those illnesses which interfered a great deal with a person's activities. One of every two older people (50 percent) in public housing had such illnesses compared to about one of three older people (37 percent) who were in private housing, as shown in the following table.

Number of illnesses greatly interfering with activities	Percent of people sampled living in Public housing		Private housing	
None	50		63	
1	22	50	19	37
2 or more	28		18	
Total	100		100	

The most common illnesses that greatly interfered with activities of older people in public housing were arthritis, mental impairment, circulation trouble, and heart trouble. Arthritis interfered a great deal with the activities of 30 percent of the older people in public housing; mental impairment greatly interfered for 17 percent; circulation trouble, for 16 percent; and heart trouble, for 14 percent.

These illnesses, along with the "wearing out" process of aging, lead to many older people having trouble performing one or more of a selected group of routine daily tasks. Fifty-one percent of older people living in public housing have trouble doing daily tasks compared to 40 percent of older people living in private housing. Of those in public housing, 33 percent needed help in performing one or more tasks and 18 percent could not do at least one task even if helped. For those living in private housing, 26 percent needed help in performing one or more tasks and 14 percent could not do at least one task even if helped.

ENCLOSURE I

Older people living in public housing most frequently needed medical care (50 percent), homemaker service (37 percent), and escort service-help with shopping (34 percent) as compared with 37, 33, and 26 percent, respectively, for people living in private housing. We analyzed the personal conditions of these older people to determine if they needed services. If an older person's personal conditions indicated they needed services, we described them as being in need regardless of whether they were receiving services or not. The following table shows the service needs of the older people living in public housing compared to the older people living in private housing.

Services	Percent of older people needing services living in Public housing	Private housing	Total sample
Meals	14	13	13
Social-recreational	22	12	12
Educational	28	24	25
Transportation	30	23	24
Medical care	50	37	38
Homemaker	37	33	33
Counseling	26	23	23
Checking (periodic monitoring)	13	11	11
Overall evaluation	26	23	23
Personal or nursing care	23	13	14
Escort (help with shopping)	34	26	26
Number in sample	(96)	(1,215)	(1,311)
Percent of sample	(7)	(93)	(100)

Older people living in public housing have a significantly greater need for social-recreational, medical, and personal or nursing care services than people living in private housing. Although slight differences do occur in the need for other services, they are not statistically significant.

2. Question: If congregate housing was available in Cleveland, what portion of the older people (not in institutions) could benefit from congregate housing?

ENCLOSURE I

Answer: About 18 percent of our sample (242 of 1,311) could use congregate housing. We defined people who could use congregate housing as needing some help with one or more of the activities of daily living and having no more than one illness that interfered a great deal with their activities. People not included in this definition either (1) would not need the services provided in congregate housing or (2) would require more services, such as continuous supervision or full-time nursing care, than are provided in congregate housing.

Congregate housing for older people has been defined in a number of ways by researchers, housing sponsors, and service providers. Common to all definitions is the concept of shared services, common spaces, and dining facilities. A Department of Housing and Urban Development study of 27 congregate housing sites and our analysis of five other congregate housing sites showed that the eight main services usually offered in congregate housing are meals, social-recreational, education, transportation, medical care, homemaker, counseling, and security. Our analyses and answers are based on all these main services except security service which was not included because we did not have sufficient elements in our data base to measure the need for security services.

Nearly all (93 percent) of the sample who could use congregate housing needed one or more of these seven services. These older people have a greater need for homemaker services (72 percent) and transportation (38 percent) than older people in the rest of our sample (24 percent and 21 percent, respectively), as shown in the following table.

ENCLOSURE I

Services usually provided in congregate housing	Percent of sample who need service		
	People who could use congregate housing	People in rest of sample	Total sample
Meals	11	13	13
Social-recreational	11	13	12
Education	25	24	25
Transportation	38	21	24
Medical care	36	39	38
Homemaker	72	24	33
Counseling, information, and referral	22	23	23
Number in sample	(242)	(1,069)	(1,311)
Percent of sample	(18)	(82)	(100)

For the other services, the needs of the two groups are similar.

3. Question: What portion of the older people in institutions could use congregate housing? What are the costs of maintaining these people in the community, congregate housing, and institutions?

   Answer: We estimate about 11 percent of the older people in institutions in Cleveland could use congregate housing. About $0.5 million less would be required annually to maintain these people in congregate housing than in institutions. Eighty-seven percent of the institutionalized people are greatly or extremely impaired. 1/ Of the 13 percent who were not greatly or extremely impaired, 2 percent had impairments which might require services other than those usually provided in congregate housing. The remaining 11 percent were mildly or moderately impaired in activities of daily living and were no worse than moderately impaired in physical condition. These people could use congregate housing. Based on this 11 percent, we estimate that 356 of 3,295 older people in nursing homes in Cleveland could use congregate housing.

1/Based on our report entitled "Home Health--The Need for a National Policy to Better Provide for the Elderly" (HRD-78-19, Dec. 30, 1977).

ENCLOSURE I

The average annual cost of maintaining these 356 people in Cleveland in institutions, based on fiscal year 1977 cost levels, was $2.0 million compared to $1.5 million in congregate housing, and $1.8 million in the community. About $0.5 million less would be required annually to maintain these people in congregate housing than in institutions, as shown in the following table.

Location	Average cost per person		Annual cost for 356 people	
	Daily	Annually	Total	Difference from institution
			(millions)	
Institution	$15.27	$5,574	$2.0	$ -
Congregate housing	11.32	4,132	1.5	0.5
Community	13.95	5,023	1.8	0.2

In the previous table, we determined the average cost of services provided to people in the community and compared this cost to the cost of similar services in congregate housing and institutions. Community costs were based on average agency and family and friend service costs in Cleveland in the period October 1976 to March 1977 for older people who could use congregate housing. Congregate housing costs were 1974-75 costs adjusted for inflation to 1977 costs and were obtained from a Department of Housing and Urban Development study of 27 congregate housing sites. Institutional costs were based on January to February 1977 Medicaid costs for skilled nursing and intermediate care in Ohio facilities.

ENCLOSURE II

METHODOLOGY

The information contained in this report is based on our study of the personal conditions of older people in Cleveland, Ohio. Three other reports have been issued on this study entitled (1) "The Well-Being of Older People in Cleveland, Ohio" (HRD-77-70, Apr. 19, 1977), (2) "Conditions of Older People: National Information System Needed" (HRD-79-95, Sept. 20, 1979), and (3) "Home Health--The Need for a National Policy to Better Provide for the Elderly" (HRD-78-19, Dec. 30, 1977). Following are the details of the data gathering and analytical methodology from the two-phase study.

WELL-BEING STATUS AND SERVICES DATA BASES

We took a sample from over 80,000 people in Cleveland, Ohio, who were 65 years old and older and were not in institutions, such as nursing homes. We insured that our sample was demographically representative by comparing the characteristics of our sample to statistics for the city of Cleveland.

In our study, 1,609 older people were interviewed by Case Western Reserve University personnel from June through November 1975. A year later, 1,311 of these older people were reinterviewed.

In interviewing, we used a questionnaire containing 101 questions developed by a multidisciplinary team at the Duke University Center, in collaboration with HEW's Administration on Aging, former Social and Rehabilitation Service, and Health Resources Administration. The questionnaire contains questions about an older person's well-being status in five areas of functioning--social, economic, mental, physical, and activities of daily living.

To identify factors that could affect the well-being of older people, we

--developed specific definitions of services being provided to older people and dimensions for quantifying the services;

--identified the providers of the services--families and friends, health care providers, and over 100 social service agencies;

--obtained information about the services provided to each person in our sample and the source and intensity of these services; and

--developed an average unit cost for each of the 28 services.

In defining and quantifying the services, we used a format developed by the Duke University Center to define 28 different services. These services are defined in appendix V of our prior report. 1/ Services are defined according to four elements: purpose, activity, relevant personnel, and unit of measure. For example, meal preparation was defined as follows:

Purpose:	To regularly prepare meals for an individual.
Activity:	Meal planning, food preparation, and cooking.
Relevant personnel:	Cook, homemaker, family member.
Unit of measure:	Meals.
Examples:	Meals provided under 42 U.S.C. 3045 (supp. V, 1975), the Older Americans Act, and meals-on-wheels programs.

To quantify the service, we used the unit of measure along with the duration, or number of months, during which the service was received.

We also developed an average unit cost for each service based on the experience of 27 Federal, State, local, and private agencies in Cleveland between October 1976 and March 1977. We compared these costs to similar costs in Chicago, Illinois, and Durham, North Carolina. As discussed in our prior report, the family and friends are also important sources of services. In their absence, any services received would have to be from an agency. Therefore, we assigned the same cost to family and friend services that we found for agencies.

1/"The Well-Being of Older People in Cleveland, Ohio," Apr. 19, 1977, HRD-77-70.

ENCLOSURE II

Each piece of data was collected so that it could be related to an individual in our sample. This included the questionnaire data, data on the 28 services provided by social service agencies, and data on the services provided by health care providers. By relating these data to the individual, we were able to do comparative analyses of sampled older people for over 500 different variables.

ANALYTICAL TECHNIQUES

In our prior report, we combined the five areas of functioning--(1) social, (2) economic, (3) mental, (4) physical, and (5) activities of daily living--into a well-being status because we wanted to consider the entire person. We described well-being status as (1) unimpaired, (2) slightly impaired, (3) mildly impaired, (4) moderately impaired, (5) generally impaired, (6) greatly impaired, (7) very greatly impaired, or (8) extremely impaired.

The Duke University Center's questionnaire is unique in that data from the questionnaire can be aggregated into a number of useful measures, each with a specific purpose. As previously discussed, the questionnaire can provide a five-dimensional functional assessment or be combined into a well-being status that we used in our first report. This assessment was not designed, however, for determining the benefits of help for older people. Through our analyses, we were able to develop useful measures of personal conditions of, problems of, and help available to older people. The conditions of older people used in this report--health, security, loneliness, and outlook on life--are described on the following page.

Health condition

An older person's health condition is the ability to do daily tasks. In categorizing a person's ability to do daily tasks, we considered his or her responses to questions on 13 different tasks. For example, regarding meal preparation, each person was asked "Can you prepare your own meals * * * without help, with some help, or are you completely unable to prepare any meals?" We then categorized each person based on the number of the 13 tasks they needed some help with or were completely unable to do. For most of this report we used three categories--(1) can do all 13 tasks without help, (2) need help with one or more but can do all with help, and (3) cannot do any even with help.

Level of condition	CONDITIONS						
	Health						
	Illness	Ability to do daily tasks (note a)	Overall	Security	Loneliness	Outlook on life	Overall personal condition
Best	No illness that interferes a great deal with activities	Can do all 13 daily tasks without help	In best category for both illness condition and ability to do daily tasks	Worries hardly ever	Feels lonely almost never	Does not feel useless and finds life exciting	(1) In best category for all 4 conditions or (2) Best for 3 and marginal for the other
Marginal	One illness that interferes a great deal with activities	Can do all 13 daily tasks but only with help in one or more	(1) In best category for illness condition or ability to do daily tasks and marginal in other or (2) in marginal category for both	Worries fairly often	Feels lonely sometimes	(1) Finds life exciting but feels useless or (2) Does not feel useless but finds life dull or routine	(1) In marginal category for 2 or more conditions and best for other(s) or (2) In worst category for only one condition
Worst	Two or more illnesses that interfere a great deal with activities	Can't do at least one task even with help	In worst category for either illness condition or ability to do daily tasks	Worries very often	Feels lonely quite often	Feels useless and finds life routine or dull	In worst category for 2 or more conditions

a/Daily tasks include preparing meals, bathing, walking, shopping, eating, etc. Details on these daily tasks are described on pages 57 to 59 of appendix IV of our Apr. 19, 1977, report, "Well-Being of Older People in Cleveland, Ohio" (HRD-77-70).

ENCLOSURE II

ENCLOSURE II

If an older person is not in the best health condition, illnesses were used in defining the person's problems. In categorizing an older person's illness situation, we considered whether an older person had any of 27 different illnesses, including mental illnesses, and how much the illness interfered with his or her activities. For example, each person was asked if he or she had heart trouble. If the person said "yes," he or she was then asked "how much does it interfere with your activities--not at all, a little (some), or a great deal?" We then categorized each person based on the number of illnesses that interfered with his or her activities a great deal. For most of this report we used three categories--(1) those with no illnesses bothering them a great deal, (2) those with one, and (3) those with two or more.

Security condition

A person's security condition can be described by how often a person worries. How often a person worries can be related to the amount of income and caregiving help a person receives. In developing a person's security condition, we used the following question in the questionnaire:

--"How often would you say you worry about things--very often, fairly often, or hardly ever?"

In defining security problems, we used the following three questions. To define a money problem, we asked:

--"How well does the amount of money you have take care of your needs--very well, fairly well, or poorly?"

And these questions were used in defining caregiving problems:

--"Is there someone who would give you any help at all if you were sick or disabled? If 'yes,'* * *"

--"Is there someone who would take care of you as long as needed, or only a short time, or only someone who would help you now and then * * *?"

Loneliness condition

A person's loneliness condition was identified using the following question:

--"Do you find yourself feeling lonely quite often, sometimes, or almost never?"

The information for identifying loneliness problems was obtained from the following questions:

--"About how many times did you talk to someone--friends, relatives, or others--on the telephone in the past week?"

--"How many times during the past week did you spend some time with someone who does not live with you * * * not at all, once, two to six times, once a day or more?"

Using these questions, the following table shows information combined to establish a loneliness problem variable called social contacts.

	How often a week visits with someone			
How often a week talks on telephone	Once a day or more	Two to six times	Once	Not at all
Once a day or more	High	High	Medium	Medium
Two to six times	High	Medium	Medium	Low
Once	Medium	Medium	Low	Low
Not at all	Medium	Low	Low	Low

Using high, medium, and low activity as a measure of intensity of social contacts, this variable was related to loneliness condition.

Outlook on life condition

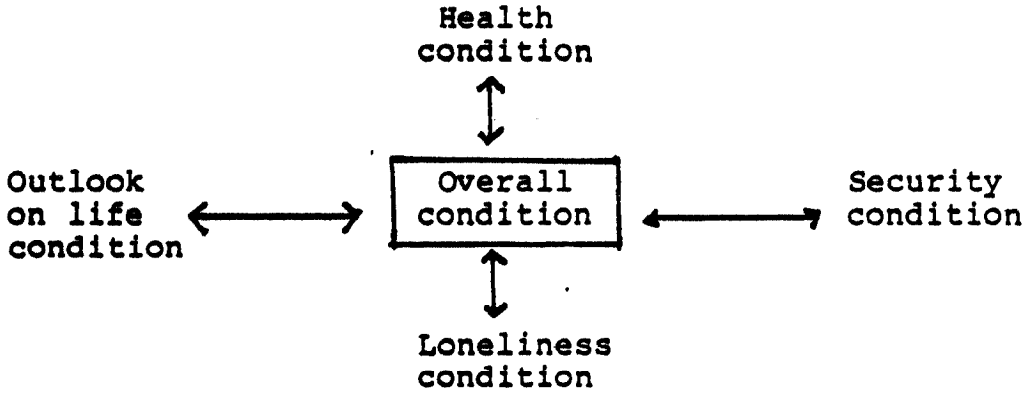
The outlook on life condition is obtained by defining life view using information from the questions shown in the following table.

	Feel useless at times	
Life is generally	Yes	No
Exciting	Fair	Good
Pretty routine	Poor	Fair
Dull	Poor	Fair

Using this information, we were able to define three levels of outlook on life condition--good, fair, and poor.

Overall condition

Because a person is at all times in some overall condition which results from the integration of each of the four conditions, we constructed a composite condition of a person illustrated as follows.



Our methodology and analytical results show that a useful measure of the conditions of a person can be developed. In some instances, such as the outlook on life condition, the amount of data for constructing this variable is minimal. Nevertheless, methodological concepts and analytical results show the existence of this condition. Further, our measures are logically equivalent to the five-dimensional functional assessment used in our prior report based on the Duke University Center's questionnaire. The health condition is equivalent to the mental, physical, and activities of daily living dimensions; the security condition is related to the economic dimension; and the loneliness condition is related to the social dimension.