

**MAKING PUBLIC DOLLARS MORE EFFECTIVE:**

---

**STRATEGIES FOR COMMUNITY-BASED  
SENIOR SERVICES IN NEW YORK CITY**

**Report to the New York City Department for the Aging**

---

Prema Mathai-Davis, Commissioner

UKELES ASSOCIATES INC.

Jacob B. Ukeles  
Nancy Rankin, Project Director  
John K. Bainbridge  
Sally Baker

June 1993

## PREFACE

---

This strategic planning effort was initiated by Prema Mathai-Davis, Commissioner of the New York City Department for the Aging. It is a testament to her determination to maintain the highest possible level of services to the City's older population, in difficult fiscal times. And it reflects her willingness to confront tough issues and seek better ways of delivering services to achieve that goal.

Many individuals contributed to this effort. We benefitted greatly by being able to build on the work of the Mayor's Commission on Aging Services for the Year 2001. We are indebted to Rose Dobrof, who chaired that effort, Elinor Guggenheimer, who led the Subcommittee on Continuum of Care, and the other members of the Commission.

In numerous interviews, leading figures in the aging field -- service providers, agency executives, advocates and academics -- generously shared their views with us. We are grateful for their help. The names of these "key informants" and the directors of programs we visited are listed in Appendix A to this report. Special thanks are due to Tom O'Brien and Harvey Levine, who spent many hours helping us test ideas, Martha Johns, of the Federation of Protestant Welfare Agencies, and Alexandra Garrison, of New York University.

We would also like to thank Marjorie Cantor, Professor and Brookdale Distinguished Scholar, Fordham University, and Penny Feldman, lecturer in Health Policy and Management, Harvard University School of Public Health for discussing preliminary findings of their research with us.

The staff of the New York City Department for the Aging were enormously helpful throughout the course of our work. In particular, we would like to thank Mary Mayer, Deputy Commissioner, and Monica Holmes, Director of Research, Planning and Policy Analysis, for their support and guidance. They and other members of DFTA's executive staff, Michael Rabin, Paul Dieterich, Ted Taberski, Peter Pinckney, Joseph Barnes, Joni Yoswein, and her predecessor Irwin Nesoff, challenged our thinking and provided useful insights, information and feedback on preliminary findings and recommendations. We are especially grateful for Jacquelin Berman's assistance in developing the computerized mapping capability, and for the efforts of Peggy Kelleher, Vincent Esposito and Helen Jenkins.

Officials at the New York State Office for the Aging were very helpful in providing advice and information about approaches used in upstate counties. We would like to express our thanks to John Wren, Deputy Director for Program Development and Evaluation, and Bob O'Connell, Deputy Director for Field Operations.

Finally, several county aging officials and service agencies provided us with useful information on their experience with shared aides and meals. We would like to thank Jerry Richardson, of Erie County's Office for the Aging, Walter McGrath, of Orange County's Office for the Aging, Ellen Amchim of Litson Home Services, and Erin Teichmann, of CASA, in Dutchess County.

## CONTENTS

---

	PAGE
LIST OF EXHIBITS	
EXECUTIVE SUMMARY .....	i
INTRODUCTION .....	1
WORK PROCESS .....	2
MAJOR FINDINGS .....	4
RECOMMENDATIONS .....	5
Restructuring Senior Centers .....	5
Congregate Meals .....	18
Home Care .....	29
Broadening the Resource Base .....	34
Technology .....	41
Capacity Building .....	44
Innovation .....	45
 APPENDICES	
A. KEY INFORMANTS AND ADDITIONAL IN-DEPTH INTERVIEWS	
B. AGING POPULATION AND SERVICES BY CD RANKED BY SERVICE INDEX	
C. ALTERNATIVE SCENARIOS FOR RESTRUCTURING SENIOR CENTERS	

## LIST OF EXHIBITS

---

	PAGE
1. Map of Relative Shares of Service by Community District .....	7
2. Location of Centers v. Indicators of Need .....	9
3. Map of Utilization Trends for Congregate Lunches from 1986-90 .....	11
4. Utilization Trends and Relative Service Levels .....	12
5. Map of Opportunity for Restructuring Senior Centers .....	16
6. Distribution of Unit Costs for Lunch-only Programs .....	19
7. Average Unit Cost by Volume for Congregate Lunch-only Programs .....	20
8. Experience of Other Providers of Cluster Care .....	26
9. Illustrative Area for Implementing Cluster Care .....	27
10. Comparison of Home Care Indirect Costs .....	31
11. Home Care Providers .....	32

## EXECUTIVE SUMMARY

---

Each weekday more than 30,000 older New Yorkers find a hot lunch and the warmth of companionship at nearly 350 Senior Centers. Many others are able to remain in their own homes thanks to a delivered meal or a hand with shopping, chores and getting to the doctor. Thousands manage to make ends meet with help applying for public benefits. The New York City Department for the Aging (DFTA) contracts with a large network of community agencies to provide these and other vital services to help seniors lead more independent and productive lives.

In recent years, budgetary constraints -- at Federal, State and City levels -- have meant fewer dollars to support aging services. DFTA's \$146 million budget<sup>1</sup> has been reduced by \$14.4 million over the past three years. Faced with the prospect of still further cutbacks, DFTA decided to undertake a systematic effort to find more efficient ways of organizing and delivering services. Ukeles Associates Inc. was engaged to assist DFTA in developing a strategy to maximize community-based services with declining resources.

This report makes 17 recommendations for improving performance at the neighborhood, program, and system-wide level. The recommendations are the product of extensive interviews with service providers, findings from site visits, and data analysis of costs, utilization and population trends. As part of this effort we assisted DFTA in developing a powerful computerized mapping capability.

**The aging services network funded by DFTA is a lean operation by all measures.** Most agencies pay little or no rent. Many operate out of cramped and modest quarters. Senior centers typically use space for multiple purposes. Salaries in the field tend to be low; programs from home care to meals rely heavily on low-paid and part-time workers receiving minimal benefits. Thinly stretched staffs already make use of volunteers, many themselves older persons. **The nature of this system makes achieving substantial savings without service cuts extremely difficult.**

Not only is this a lean system, but it is one in which the "conventional fixes" for achieving efficiency do not yield savings.

*It is possible to achieve moderate savings -- \$7 to \$10 million annually -- while maintaining or improving service delivery, but it will require tough actions and it will take several years to attain the full savings.*

The analysis focused on "targets of opportunity" -- areas with the greatest likelihood of achieving savings while maintaining or improving service. The most promising areas are: restructuring senior centers, congregate meals, home care, broadening the resource base, technology, capacity building, and innovation.

---

<sup>1</sup> The adopted budget for FY 94 is \$146 million. The figure of \$14.4 million represents net reductions after the transfer of new responsibilities to DFTA.

## **Restructuring Senior Centers**

The convergence of several factors suggests the time is right for rethinking how senior center resources can be deployed more effectively. The recent transfer of HRA centers to DFTA presents an opportunity to plan for the network as a whole. Availability of the 1990 Census data also makes it timely to look at shifts in the senior population that may suggest areas for service expansion (or contraction). In addition, the RFP process and budget pressures facing the City provide impetus and a vehicle for reshaping the system.

The geographic distribution of senior centers throughout the City is uneven, ranging from 1 center for every 400 lower and moderate income older persons to one center for over 4,000. Our analysis confirms that while DFTA is appropriately targeting its resources to areas with large minority or poverty populations, there are 5 community districts with high needs where services are less than the area's proportionate share of the City's low and moderate income older persons.

Changes in participation rates also differ markedly: at 18 centers, the average daily number of lunches fell by over 30%, while volume grew by more than 30% at 12 centers. Areas with clusters of sites with decreasing utilization might provide opportunities for consolidation, but a drop in use does not necessarily signal a lack of need.

Rather than proposing either a multitude of center-specific changes or simplistic, across-the-board solutions, the Report lays out a *method* for restructuring service delivery and illustrates how it can be applied. [See recommendations 1.1 through 1.3]

We estimate that restructuring senior centers can save \$1.5 to \$2.8 million annually, based on a preliminary identification of 10 to 14 target areas that present opportunities.

## **Congregate Meals**

Nearly one out of every three dollars spent on aging contracts goes to pay for congregate meals. Unit costs of lunches vary widely among providers. While the average cost per meal for lunch-only programs is \$4.43, costs range from \$0.48 to \$11.36. We found no simple, system-wide explanations for cost variations, aside from factors which DFTA can do little to control. Nevertheless, somehow, three quarters of the programs found ways to provide acceptable meals for \$5 or less. Comparisons with other large meal providers, such as the New York City Board of Education and Buffalo's centrally catered congregate meals for seniors, suggest it is feasible.

A cap on reimbursement for meals at \$5 to control the costs of high end providers could save an estimated \$1.6 million annually. In order to maintain quality in the face of cuts, DFTA should foster a consumer orientation at the program level and encourage providers to look for ways to improve services without raising costs. [See recommendations 2.1 through 2.3]

## **Home Care**

Home care accounts for 9% of all DFTA contract dollars, and is an area of potentially explosive growth. Lack of home care was cited by many key informants as a gap in service.

Cluster care promises to be a more efficient way of providing home care to a substantial fraction of clients under the New York State Expanded In-Home Services for the Elderly Program (EISEP). As the City struggles to keep Medicaid rates down, it is likely that more and more EISEP programs will exceed the New York State cap for EISEP reimbursement. Allowing each provider operating both EISEP and Medicaid-funded home care to consolidate administrative overhead (an accounting change) will substantially lower the unit costs for EISEP, bringing programs below the cap, and very slightly increase Medicaid hourly costs. [See recommendations 3.1 through 3.4].

Implementing cluster care wherever appropriate in the City, would generate estimated annual savings of \$1 million to \$1.6 million. Changing the treatment of overhead for home care programs would net over \$600,000.

## **Broadening the Resource Base**

The current public focus on budget deficits, health care and investment in young people means that little new public money can be anticipated for the elderly in the near future. As a complement to initiatives for saving money, DFTA ought to seek additional revenues.

Centers request a voluntary contribution for meals. While DFTA cannot mandate the level of suggested contributions, it can recommend an appropriate amount (e.g. \$1.00 per meal). Contributions of \$1.25 to \$1.50 are common in other parts of the State.

Even a small increase in the average amount actually collected would add significant additional revenues to DFTA's network -- around \$1 to \$2 million a year.

Citymeals-on-Wheels currently raises \$4 to \$4.5 million a year in supplementary funding to deliver weekend meals to the homebound. DFTA should initiate discussions with Citymeals to broaden their mandate.

In the area of housing, DFTA should stimulate expansion of programs that provide supportive services in federally-subsidized senior housing, state-subsidized housing and in naturally occurring retirement communities (NORCs).

Other promising strategies for broadening the resource base include incentives for fund-raising and agency entrepreneurship. [See recommendations 4.1 through 4.4].

## **Technology**

The elderly face an intimidating array of application forms, eligibility criteria and workers in trying to obtain benefits they are entitled to. Programs and their access points are so fragmented and confusing that they challenge even the professionals in the service delivery system. Time is wasted on duplicative paperwork and vulnerable elderly must do without while they wait for forms to be shuffled among offices and agencies.

We propose a simple, efficient automated system which screens for eligibility and prints applications. Substantial resources are now being spent developing parallel, competing electronic systems, each offering certain aspects of the ideal model. Resources should be pooled to avoid duplication of effort. DFTA is in a good position to take the lead in generating the necessary funds, expertise and coordination required to develop an extended on-line system for handling case assistance. [See recommendation 5.1]

## **Capacity Building**

New York City's minority elderly are increasing both in numbers and as a proportion of the total older population. DFTA has been sensitive to these changing demographics and the need to ensure that services are responsive to the needs of an increasingly diverse older population.

We recommend that DFTA expand its role in capacity building, particularly for newer, minority agencies, through technical assistance and other measures. [See recommendation 6.1]

## **Innovation**

Many key informants would like to see DFTA play a stronger role in stimulating innovative and creative approaches to meeting aging needs. DFTA should exploit the enormous potential offered by its large number of contracts with over 250 agencies as opportunities to evaluate different models. Many of the sites we visited offered exciting, innovative programs. DFTA can help share the richness of its network's experience by providing forums for agencies to exchange information and showcase successful models.

Beyond advocacy, DFTA should provide incentives for the development of better, more cost-effective strategies for service delivery as well as approaches for tackling emerging needs such as the growing burden of child-rearing responsibilities on grandparents, particularly within the minority community. Even a modest research and development budget could be significant. It would stimulate creative thinking, help launch pilot projects, and leverage outside funds. [See recommendation 7.1]

"New York City has long been a leader in recognizing and responding to the needs of older people." So begins the report of the Mayor's blue ribbon commission on Aging Services for the Year 2001. With DFTA's leadership, and the commitment of its agencies, New York will continue meeting this challenge.

## **Recommendations**

---

### **Restructuring Senior Centers**

- Reallocate funding to create a more rational network of senior centers. [1.1]
- Restructuring should be considered on a neighborhood by neighborhood basis. In communities where a number of centers are located in close proximity to each other, DFTA should pursue opportunities [1.2]
  - to move away from many under-resourced centers to somewhat fewer, more adequately funded programs,
  - to shift resources from underutilized centers to locations with relatively high need, and
  - to diversify programs to better meet the needs of different constituencies within the older population -- from younger, more active, retirees to the frail.
- A three-step approach to developing neighborhood-specific recommendations for restructuring is proposed. DFTA should [1.3]
  - identify potential areas for restructuring using indicators of service levels and population need,
  - develop one or more scenarios for organizing services more effectively based on analysis of site characteristics, program information, and local needs, and
  - base final recommendations on site visits and a review of actual operations and program quality.

### **Congregate Meals**

- Cap reimbursement for meals at \$5.00 -- the 75th percentile -- to control costs of high end providers. [2.1]
- Give providers who exceed the \$5.00 cap the option of purchasing centrally catered meals bid out competitively (applies to no and low rent centers). [2.2]
- Build in a stronger consumer orientation to improve the quality of meals without increasing costs. [2.3]

### **Home Care**

- Adopt the "cluster care" model for delivering home care services funded under the New York State Expanded In-Home Services for the Elderly Program (EISEP). [3.1]
- Change the treatment of overhead for programs providing home care and chore services to minimize City tax-levy contributions. [3.2]
- Eliminate the four hour minimum for homemaker-personal care services. [3.3]
- Reducing the number of agencies contracted with to provide home care should not be pursued as a cost savings measure. [3.4]

### **Broadening the Resource Base**

- Recommend to providers that requested contributions for meals be set at \$1.00 (minimum). [4.1] Consider sharing added revenues with sponsors.
- Initiate discussions with Citymeals-on-Wheels to encourage them to broaden their mandate to include breakfasts or other aspects of nutrition programs [4.2]
- Stimulate expansion of programs that provide supportive services to older people living in federally-subsidized senior housing, state-subsidized housing and in naturally occurring retirement communities (NORCs). [4.3]
- DFTA should pursue other strategies for broadening the resource base. [4.4]
  - Incentives for fund-raising (e.g., challenge grants)
  - Gearing up to develop potential positions that could be filled by National Service Corps
  - Encouraging agencies to be more entrepreneurial (e.g., provide home care to fee-for-service clients)
  - Promote intergenerational programs

**Technology**

- Expand and test the use of on-line computer systems for case assistance beyond DFTA's on-going project to automate Senior Citizen Rent Increase Exemption (SCRIE) and Home Energy Assistance Program (HEAP). [5.1]
  - The system should encompass a broad range of entitlement programs and produce computer-generated benefit application forms.
  - Resources should be pooled between SOFA, DFTA, and providers to avoid duplication of effort.

**Capacity Building**

- Expand DFTA's role in capacity building for minority agencies. [6.1]
  - Provide technical assistance and training
  - Facilitate contracting out some functions for small agencies
  - Facilitate pooling resources
  - Survey agencies to find out their needs

**Innovation**

- Expand DFTA's role as a catalyst for innovation and disseminator of best practices [7.1]
  - Sponsor workshops on state-of-the-art practices
  - Encourage collaboration and innovation
  - Establish a research and development budget to be used as seed money for pilot projects

**SUMMARY of RECOMMENDATIONS and PROJECTED SAVINGS  
(ONCE FULLY PHASED IN)**

RECOMMENDATIONS	LOW ESTIMATE:	HIGH ESTIMATE:
<b>ANNUAL SAVINGS</b>	<b>\$ 5.4 MILLION</b>	<b>\$ 7.9 MILLION</b>
Restructure Senior Centers	\$ 1.5	\$ 2.8
Congregate Meals - Cap Reimbursement	\$ 1.6	\$ 1.6
Home Care - Cluster care - Change treatment of overhead - Don't reduce # of agencies	\$ 1.0 \$ .7* 0	\$ 1.6 \$ .7* 0
Technology	\$ .6	\$ 1.2
<b>ADDED BENEFITS</b>	<b>\$ 1.6+ MILLION</b>	<b>\$ 1.6+ MILLION</b>
Broadening the Resource Base - \$ 1.00 meal contribution - Expand Citymeals - Housing-linked services - National Service Corps - Other	\$ 1.6	\$ 1.6
<b>TOTAL ANNUAL SAVINGS AND BENEFITS</b>	<b>\$ 7 MILLION</b>	<b>\$ 9.5 MILLION</b>

\* Impact on DFTA budget

## **INTRODUCTION AND PURPOSE**

---

Each weekday more than 30,000 older New Yorkers find a hot lunch and the warmth of companionship at nearly 350 Senior Centers. Many others are able to remain in their own homes thanks to a delivered meal or a hand with shopping, chores and getting to the doctor. Thousands manage to make ends meet with help applying for public benefits. The New York City Department for the Aging (DFTA) contracts with a large network of community agencies to provide these and other vital services to help seniors lead more independent and productive lives.

In recent years, budgetary constraints -- at Federal, State and City levels -- have meant fewer dollars to support aging services. DFTA's \$146 million budget<sup>2</sup> has been reduced by \$14.4 million over the past three years. Faced with the prospect of still further cutbacks, DFTA decided to undertake a systematic effort to find more efficient ways of organizing and delivering services. Ukeles Associates Inc. was engaged to assist DFTA in developing a strategy to maximize community-based services with declining resources.

---

<sup>2</sup> The adopted budget for FY 94 is \$146 million. The figure of \$14.4 million represents net reductions after the transfer of new responsibilities to DFTA.

## WORK PROCESS

---

In carrying out this project we conducted extensive interviews with service providers, visited programs, and analyzed data on costs, utilization and population needs. Interim findings and preliminary proposals were reviewed with DFTA staff. The recommendations are a product of this analysis and discussion.

Our work included four phases:

- First, we identified "targets of opportunity", that is, areas with the greatest likelihood for achieving savings while maintaining or improving services. Ten potential targets were identified. These were ranked -- in terms of payoff and feasibility. The most promising targets became the focus for the next phase of work.
- We then analyzed five areas in depth: restructuring senior centers, providing congregate meals, delivering home care, broadening the resource base and using technology more effectively.
- Recommendations were developed for strategies at the program, neighborhood and system levels, and finally
- We presented examples to illustrate how the proposals could be implemented and anticipated savings that would result.

Both qualitative and quantitative research methods were used. These included:

- Interviews with 41 key informants: 22 service providers; 10 umbrella agency executives; 3 outside experts; and 6 DFTA senior staff (a list of those interviewed is contained in Appendix A)
- Geographic analysis of the distribution of resources and service use in relation to indicators of need
- Unit cost analyses of community-based services including: congregate meals; home care; and home delivered meals
- Reviewing the experience from other human service arenas (e.g., the approach being taken by the *Agenda for Children Tomorrow Project* (ACT), aimed at developing an integrated neighborhood-based service system for families in New York City; comparisons with unit costs for similar services in other sectors), and
- Site visits by Project Team members to service providers in all five boroughs, delivering the full range of DFTA funded services.

### **Computerized Mapping: A New Planning Tool**

An important product of this strategic planning effort has been assisting DFTA in developing a computerized mapping capability. Computerized mapping offers a powerful tool for examining the distribution of resources in relation to community needs -- for this immediate project as well as for DFTA's on-going planning. Using this tool, DFTA can now produce maps that

- pinpoint locations of senior centers, showing their size and utilization trends,
- overlay senior center sites on base maps showing indicators of need derived from 1990 census data: e.g., areas with a large older population; areas of increasing, stable or declining older population; and concentrations of poor and minority elderly, and
- can instantly shift in scale from city-wide to street level, enabling us to use the broad picture to systematically flag areas where there appear to be opportunities for improvement and then zero in to examine identified areas in more detail.

As additional data bases are linked to this system, DFTA will be able to map client data. This has applications for developing more efficient models for geographic-based services, in particular, meals for the homebound, home care and transportation.

## MAJOR FINDINGS

---

**The aging services network funded by DFTA is a lean operation by all measures.** Most agencies pay little or no rent. Many operate out of cramped and modest quarters. Senior centers typically use space for multiple purposes. Salaries in the field tend to be low; programs from home care to meals rely heavily on low-paid and part-time workers receiving minimal benefits. Thinly stretched staffs already make use of volunteers, many themselves older persons. **The nature of this system makes achieving substantial savings without service cuts extremely difficult.**

Not only is this a lean system, but it is one in which the "conventional fixes" for achieving efficiency do not yield savings.

- We found little opportunity for achieving economies of scale. Decreasing unit costs for larger programs were not evident within relevant ranges. In fact, small agencies often manage to provide services more cheaply than their larger, more professionalized counterparts (though this does not take into account possible quality differences which we were not able to measure).
- Consolidating services such as home care or case management among fewer providers is more likely to shift overhead into remaining programs run by the same agencies than to produce real savings to the City.
- If the number of meal sites were to be reduced as some have advocated, not much can be saved in rent, since these costs are minimal to begin with. Gains would be partly offset by marginal costs of providing added meals at nearby sites, to the extent that seniors would go to remaining centers. Dollar benefits must be weighed against potential service loss, recognizing the deep local attachments to each site.

Despite these factors, *it is possible to achieve moderate savings* -- \$7 to \$10 million annually -- while maintaining or improving service delivery, but it will require tough actions and it will take time. While some recommendations can be implemented fairly quickly; most will take several years to accomplish.

This report proposes strategies for improving performance at three levels:

- **Neighborhood level strategies:** Recommendations for rationalizing senior center resources in relation to community needs.
- **Management improvement at the program level:** Recommendations for providing meals and home care more efficiently.
- **System-wide strategies:** Recommendations for broadening the resource base, using technology more effectively, reducing administrative impediments to productivity, stimulating innovation and strengthening agency capabilities.

RECOMMENDATIONS: *Restructuring Senior Centers*

---

- 1.1 Reallocate funding to create a more rational network of senior centers.
- 1.2 Restructuring should be considered on a neighborhood by neighborhood basis. In communities where a number of centers are located in close proximity to each other, DFTA should pursue opportunities
  - to move away from many under-resourced centers to somewhat fewer, more adequately funded programs
  - to shift resources from underutilized centers to locations with relatively high need, and
  - to diversify programs to better meet the needs of different constituencies within the older population -- from younger, more active, retirees to the more frail.
- 1.3 A three-step approach to developing neighborhood-specific recommendations for restructuring is proposed. DFTA should
  - (1) Identify potential areas for restructuring using indicators of service levels and population need,
  - (2) Develop one or more scenarios for organizing services more effectively based on an analysis of site characteristics, program information, and local needs, and
  - (3) Base final recommendations on site visits and a review of actual operations and program quality.

### **Projected Savings**

\$1.5 million to \$2.8 million annually, based on a preliminary identification of 10 to 14 target areas that present opportunities for restructuring, each generating a net savings of \$150,000 to \$200,000.

These savings anticipate virtually no loss of service, although some center users may be affected by less convenient access.

## Supporting Analysis

### Examining the Organization of Services in Relation to Needs

From its historic beginnings in 1943, when New York opened the first senior center in the nation, programs have expanded under three waves of funding. The original centers were directly operated by the City. A second network, run under contracts with voluntary agencies, was funded under Title XVI and later Title XX of the Social Security Act. Starting in the 1970's a third group was developed with federal funding provided under the Older Americans Act. In 1991, administrative responsibility for senior centers was consolidated under DFTA. This creates an opportunity to look at the system as a whole and ask: Are senior centers located where they are most needed? Are resources allocated equitably? Does the current configuration of centers make the best use of limited aging dollars?

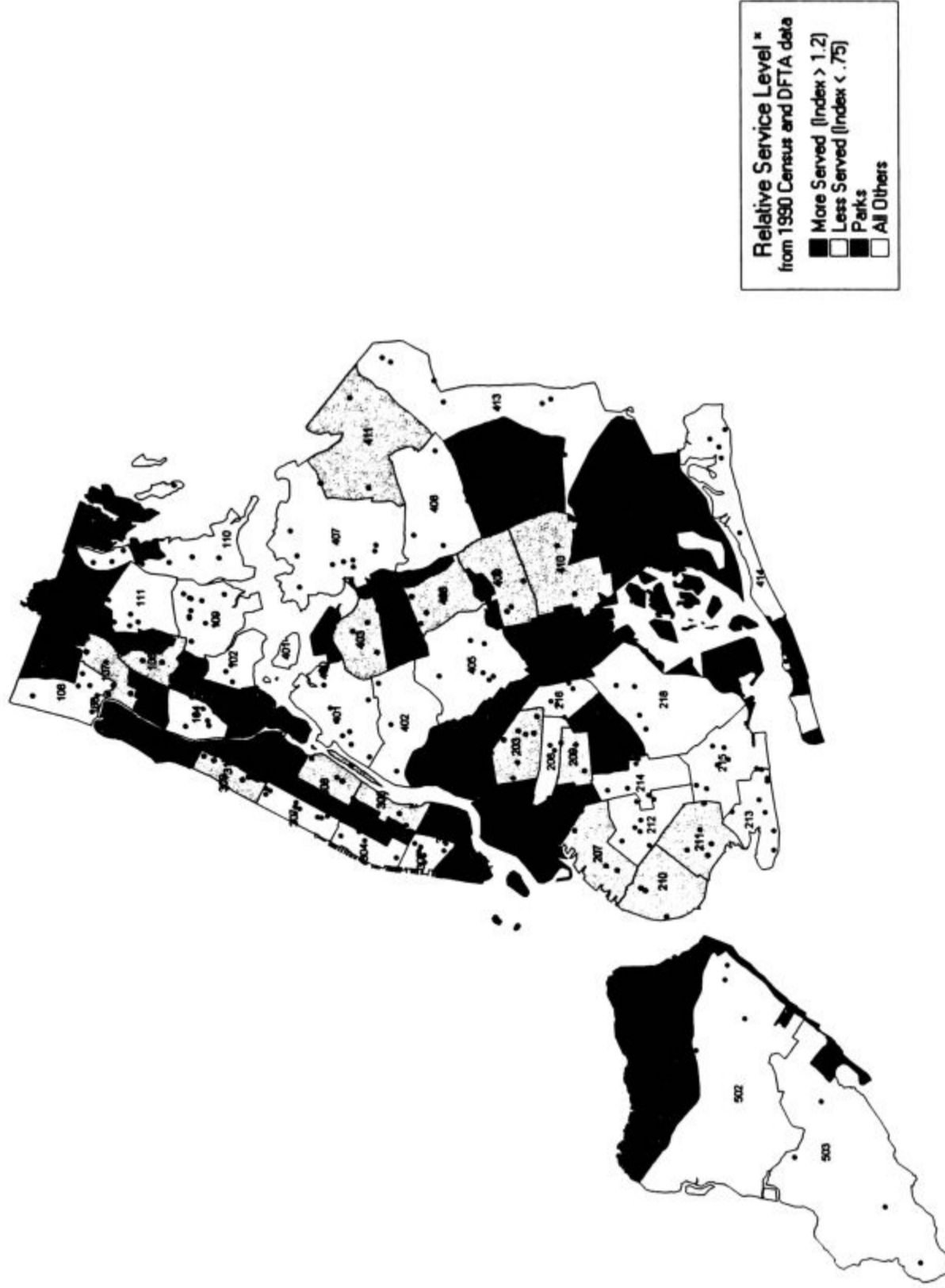
To do a comparative analysis across the city, we constructed and mapped an index of relative service level for the City's 59 community districts (CDs).

$$\text{Relative Service Level Index} = \frac{\text{CD's \% Share of Average Daily Lunches}}{\text{CD's \% Share of 65+ population < \$25,000}}$$

The volume of daily lunches served was chosen as a barometer of service. As an indicator of need, we used the primary market for senior centers, defined as the 1990 population aged 65 and older with incomes under \$25,000. Recent studies indicate that this income level encompasses the vast majority of center users in New York City. (Alternative measures of need can readily be substituted into this framework. For example, DFTA has already extended the model, using its "Persons in Need" formula that takes into account the number of aged, weighted for poverty and race/ethnicity.)

An index close to 1.0 indicates that a community district's share of lunches is proportional to its share of the segment of the older population likely to use centers. That is, if a CD has 1.7% of the older population, we would expect it to also have about 1.7% of the lunches served. Areas where the index exceeds 1.2 are relatively more served; CDs with an index under .75, are relatively less served. *We emphasize that these are relative, not absolute measures. Even a more served area may still have unmet needs.* A map showing the relative service levels for New York City's 59 community districts is shown in Exhibit 1.

**Exhibit 1: MAP OF RELATIVE SHARES OF SERVICE BY COMMUNITY DISTRICT**



\* Index=(% Share of Lunches)/(% Share of 65+ Pop. <\$25,000)

Black dots represent DFTA-funded senior centers; confirmation of location for some sites is in progress.

### Do Service Levels Vary By Neighborhood?

Using the same definition of the market group (persons 65+ with incomes under \$25,000), we have also calculated the number of seniors per center by CD. The geographic distribution of senior centers throughout the City is widely uneven, ranging from 1 center for every 400 lower and moderate income older persons in the South Bronx to one center for over 4,000 in the Bensonhurst section of Brooklyn. Generally, the South Bronx and parts of Manhattan have more centers per capita, while areas of Brooklyn and Queens tend to have fewer. Data on Community Districts ranked by the ratio of older population (< \$25,000) to centers is presented in Appendix B. The ratio of meals served to population is also shown; this rough proxy for "participation rate" adjusts for apparent imbalances between neighborhoods with many small satellites and areas with fewer, but larger centers.

Are Resources Targeted to Low Income and Minority Populations?

**Our analysis confirms that DFTA is, in fact, targeting its resources to areas with large minority or poverty populations.** However, the mapping also suggests some possibilities for moving further in this direction. In Exhibit 2, we looked at whether neighborhoods where poor and minority elderly are concentrated tend to be relatively more or less served. Of the 34 community districts with high needs, forty per cent were relatively more served, and an equal number had a share of congregate lunches proportional to their share of the older population. Only 5, or 15%, were less served. For the 25 CDs falling outside high poverty or minority areas, the reverse was true. The majority were either less served or had a share of meals in proportion to their share of population. Very few, 4 (16%), were relatively more served. In expansionary times, a case could certainly be made for bringing up the level of resources in "less served" districts. But faced with today's harsh budget realities, DFTA's choice is whether to redirect some resources from the handful of "more served" CDs with lower needs to areas of greater need that are relatively less served (highlighted cells in the table). This would represent a marginal shift of resources.

**Exhibit 2: LOCATION OF CENTERS V. INDICATORS OF NEED**

	"More Served"	Balanced	"Less Served"	Total
No. of CDs High Poverty and/or Minority*	14 (41%)	15 (44%)	5 (15%)	34 (100%)
No. of CDs Outside High Poverty and Minority* Areas	4 (16%)	12 (48%)	9 (36%)	25 (100%)

\* High poverty = > 2,500 persons 65+ below poverty level (1990 Census)  
 High minority = 50%+ minority (Black, Hispanic plus Asian)

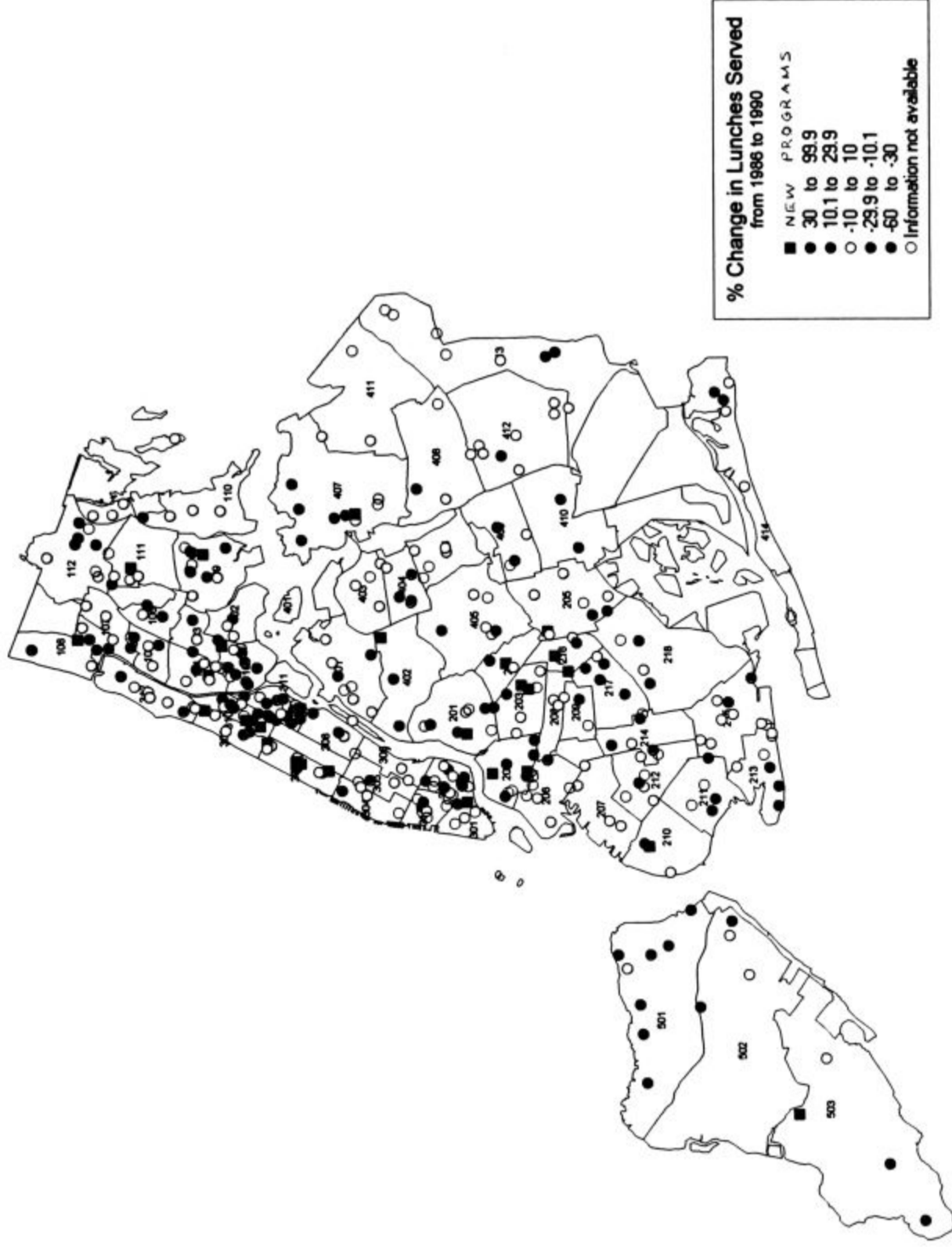
More Served = Relative Service Level Index > 1.2  
 Less Served = Relative Service Level Index < .75

### Are the Centers Where the Seniors Are?

We also examined trends in the volume of lunches served to assess whether there might be opportunities to shift resources from centers with declining participation to centers where use is growing. From FY 86 to FY 90, the most recent five year period for which data were available, the average daily number of lunches served remained relatively stable overall. However, many individual centers experienced marked changes in utilization. At 18 centers, the average daily number of lunches fell by over 30%; while volume grew by more than 30% at 12 centers. In addition, new programs were started at 31 sites.

We recognize that a drop in use does not necessarily signal a lack of need; it could reflect poor outreach, the wrong "fit" between a program and local needs, or a poorly run operation. Keeping this in mind, identifying centers where participation is falling is a useful starting point. We mapped senior centers, including satellite sites, using different colors to indicate whether a site's lunch volume was dropping (shown in red) or increasing (shown in green). Areas with clusters of red and orange centers, in Exhibit 3, suggest opportunities for consolidation that could achieve savings without cutting back services. Further investigation is needed to determine whether these potential opportunities should be realized.

**Exhibit 3: MAP OF UTILIZATION TRENDS FOR CONGREGATE LUNCHESES FROM 1986-90**



Black dots represent DFTA-funded senior centers or their satellites; confirmation of location for some sites is in progress.

Does there appear to be any excess capacity in the "more served" areas? Seven CDs, that are relatively more served, showed decreasing utilization. This suggests there may be some leeway to shift resources from these areas to the 2 or 3 CDs that are less served, and increasing in lunch volume (Exhibit 4). Our analysis has flagged these areas; a more detailed look should be taken, case by case, to determine what the response to declining utilization should be: shifting resources, increased outreach or improved management.

**Exhibit 4: UTILIZATION TRENDS and RELATIVE SERVICE LEVELS**

	"More Served"	"Less Served"
No. of CDs Lunch Volume Increasing	6	2 or 3
No. of CDs Lunch Volume Decreasing	7	10

More Served = Relative Service Level Index > 1.2  
 Less Served = Relative Service Level Index < .75

(The number of CDs in this table is less than 59 because CDs that had no significant change in lunch volume or with service level indices close to 1.0 were not included).

\* \* \* \* \*

The convergence of several factors suggests the time is right for rethinking how senior center resources can be deployed more effectively. The recent transfer of HRA centers to DFTA presents an opportunity to plan for the network as a whole. In addition, the RFP process provides a vehicle for reshaping the system. Availability of the 1990 Census data also makes it timely to look at shifts in the senior population that may suggest areas for service expansion (or contraction). Finally, the budget pressures facing the City may force consideration of new options.

## Detailed Discussion of Recommendation

We have chosen to lay out a *method* for restructuring service delivery and illustrate how it can be applied, rather than proposing either a multitude of center-specific changes or simplistic, across-the-board solutions. We believe our approach sensitively balances the pressures of budgetary constraints with the realities that a vast array of familiar services and dedicated providers are already in place. Centers function as a second home for many seniors. While the costs of any disruption are real, thoughtfully planned restructuring can offer a better alternative to more radical cost containment measures.

### Principles to Guide Restructuring

Restructuring should be considered on a neighborhood by neighborhood basis. In communities where a number of centers are located in close proximity to each other, DFTA should pursue opportunities

- to move away from many under-resourced centers to somewhat fewer, more adequately funded programs
- to shift resources from underutilized centers to locations with relatively high need, and
- to diversify programs to better meet the needs of different constituencies within the older population -- from younger, more active, retirees to the more frail. (Diversification can occur within one center, e.g., different programs at different times of the day, or by developing various types of centers.)

### Process for Guiding Restructuring

We are proposing a three-step approach to developing neighborhood-specific recommendations for restructuring.

<b>FIRST LEVEL OF ANALYSIS</b>	<b>Identification of Potential Areas</b>
--------------------------------	--

Potential areas for restructuring are identified using indicators of service levels and population need.

Using computerized mapping, we can identify

- communities with a high density of senior centers relative to need.
- communities where centers with declining levels of utilization are concentrated.

These areas become the focus of the next level of analysis.

<b>SECOND LEVEL OF ANALYSIS</b>	<b>Develop Options Based on Program and Site Analysis</b>
---------------------------------	---

Once a potential target area has been identified, the mapping tool gives us the ability to zoom in for a closer look at specific centers and their locations on a street map scale. Information on program, staffing, rent, unit costs and utilization trends is examined to suggest ways of structuring services more efficiently.

Factors that should be considered include:

**Need**

- Is the community more or less served relative to other CD's?
- Has the aging population been growing or declining?
- Do certain centers meet specialized population needs (e.g., very frail, kosher food, language groups)?
- Does the community have a large low-income or minority population?
- What proportion of the elderly live alone?

**Program Information**

- Are there physical or psychological barriers separating sites that initially appear to be in close proximity (e.g., a major highway)?
- If a site were eliminated or changed, would nearby sites have the capacity to expand?
- Do significant differences in rent and unit costs suggest opportunities for producing savings by shifting utilization to less costly programs?

**Number of Sites and Scope of Services**

The configuration of services at the neighborhood level should attempt to balance the demands for accessibility with the desire for comprehensiveness. Many senior centers run small programs; about 80 sites serve less than 50 lunches on an average day. In theory, larger centers should be able to support a much richer array of services beyond meals and minimal socialization. On the other hand, a network of many smaller centers or satellites offers greater accessibility, a significant factor in serving an older population with limited mobility. Issues that need to be considered in implementing restructuring include:

- What mix can better accommodate the needs of a diverse aging population?
- Should all centers offer a basic core of services?
- Should DFTA be shaping a system of "corner groceries", "supermarkets" or a combination within districts that captures the benefits of each?
- Is it practical to centralize certain functions while maintaining decentralized sites?

Further study (e.g., focus groups, surveys of Center participants and non-participants) would be helpful on these issues, particularly in learning more about the preferences of older consumers.

The product of this phase of work is one or more scenarios for structuring service delivery more efficiently.

Final recommendations should be based on site visits and a review of actual operations and program quality.

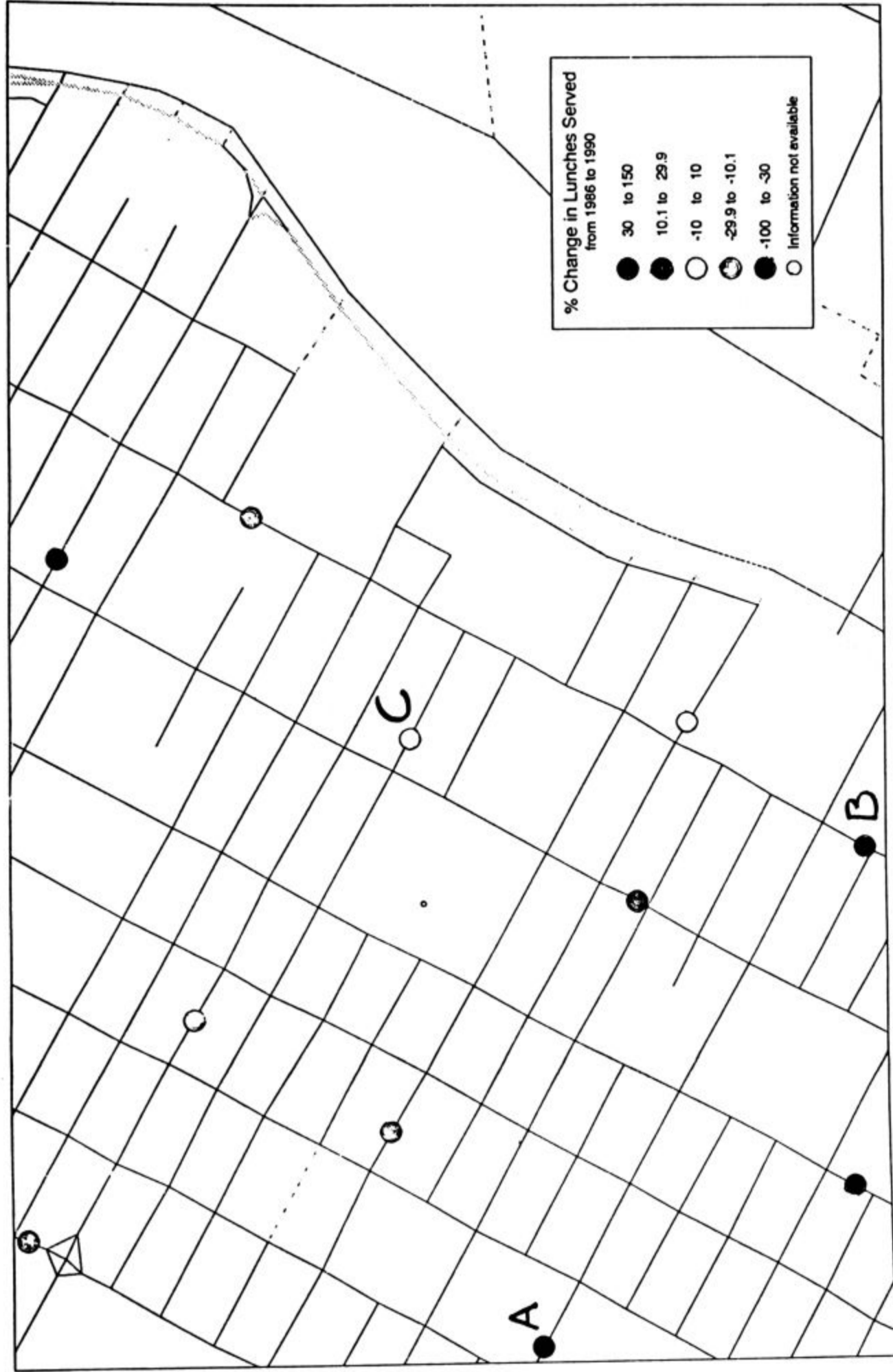
### **Example: Applying the Approach to a Community District**

Alternative Scenarios for Restructuring Centers in Community District "X"

**CD "X" was identified as a target area for several reasons:**

- It has 11 senior centers within a half-mile radius
- Four of its 11 lunch programs experienced significant drops in utilization (20% or more), during the five year period FY 86 - FY 90
- Although this is a predominantly poor and minority neighborhood, it has proportionately more services than similar areas
  - CD "X" ranks among the highest on the service level index (among the 59 community districts).
  - It has one of the lowest ratios of population to centers in the City, reflecting the concentration of many small satellite programs here.

Exhibit 5: MAP OF OPPORTUNITY FOR RESTRUCTURING SENIOR CENTERS



The following scenarios offer alternatives for deploying senior center resources more effectively. Each would yield significant annual savings, a portion of which could be reinvested back into the neighborhood. [Supporting back-up detail is contained in Appendix C.]

<b>SCENARIO ONE (Illustrative)</b>	
<b>Principle</b>	Create slightly fewer, better-resourced centers
<b>Actions</b>	<ol style="list-style-type: none"> <li>1. Defund 2 sites (A and B)</li> <li>2. Transfer \$100,500 in resources to nearby sites to cover additional lunches.</li> <li>3. Reinvest \$50,000 annually (approximately 20% of yearly gross savings) in upgrading remaining sites and programs</li> </ol>
<b>Projected Net Annual Savings</b>	<p>\$193,500</p> <p>Eliminates 2 full budgets totalling \$344,000. Offsetting increases of \$100,500 for marginal costs of added lunches absorbed at nearby sites and \$50,000 invested back into the community.</p>

<b>SCENARIO TWO (Illustrative)</b>	
<b>Principle</b>	Diversify centers to better serve spectrum of needs
<b>Actions</b>	<ol style="list-style-type: none"> <li>1. Convert 3 centers (A, B and C) to a model that is more empowering (as opposed to fostering dependency), i.e., a more clublike center run by seniors themselves, with back-up support as needed; retain lunches at 2 of the 3 sites.</li> <li>2. Use a portion of the annual savings to create programming for a frail population at a fourth site.</li> </ol>
<b>Projected Net Annual Savings</b>	<p>\$100,000</p> <p>Reduces personnel costs by \$103,620 annually and portion of variable costs associated with lunches by \$60,000. Allows \$64,000 annually for added personnel, transportation and retrofitting to serve frail.</p>

RECOMMENDATION: *Congregate Meals*

---

- |     |  |
|-----|--|
| 2.1 | Cap reimbursement for meals at \$5.00 -- the 75th percentile -- to control costs of high end providers   |
| 2.2 | Give providers who exceed the \$5.00 cap the option of purchasing centrally catered meals bid out competitively (applies to no and low rent centers) |
| 2.3 | Build in a stronger consumer orientation to improve the quality of meals without increasing costs  |
| 2.4 | Develop more consistent budgeting procedures so that cost controls can be based on more accurate, reliable data.                                     |

**PROJECTED SAVINGS**

\$1.6 million annually<sup>3</sup>

Implementation will require controls to insure that meal programs exceeding the cap do not simply shift dollars to other budget categories.

**SUPPORTING ANALYSIS**

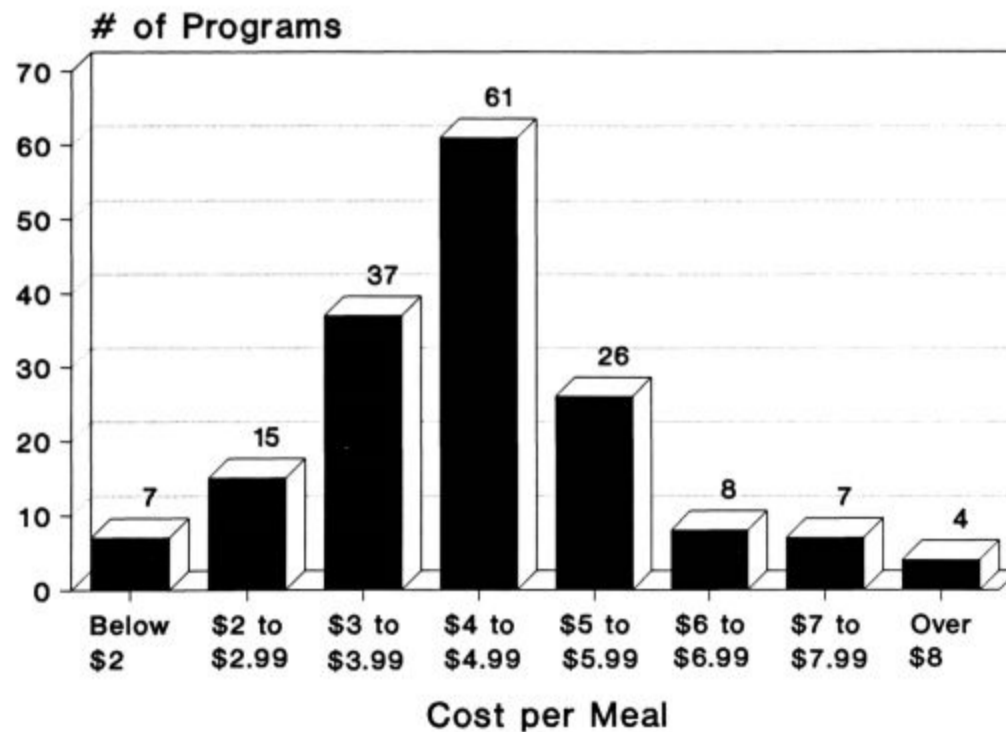
Nearly one out of every three dollars spent on aging contracts goes to pay for a single core service: congregate meals. Therefore, any effort to find savings must take a hard look at lunch programs. Our analysis focused on two main issues:

- Are there significant variations in the average cost per meal that suggest lunches can be provided more efficiently?
- Are there economies of scale to be gained by moving towards larger programs?

---

<sup>3</sup> Amount spent in FY 92 on meals by programs with unit costs >\$5 =	\$7,480,847
Cost of same meals @ \$5 cap (1,182,636 meals) =	5,813,180
Net savings =	\$1,567,667

**Exhibit 6: DISTRIBUTION OF UNIT COSTS FOR LUNCH-ONLY PROGRAMS**



Unit costs of lunches vary widely among providers. While the average cost per meal for lunch-only programs is \$4.43<sup>4</sup>, as shown in Exhibit 6, costs range from under \$2 to over \$8.

There are no simple, system-wide explanations for cost variations, aside from factors which DFTA can do little to control:

- Differences in staffing, the number of satellites, the number of other services offered at the senior center site, and whether or not a meal was Kosher did not significantly help to explain the variation in unit costs.
- DFTA already controls the cost of raw food by reimbursing \$1.55 for most meals served. Kosher meals receive a slight premium (\$.05 per meal). On a monthly basis, DFTA nutritionists closely monitor the costs of food along with their nutritional content.
- Catered meals are on average somewhat more expensive by about \$0.75, although if meals were competitively bid out on a large scale, they should be cheaper.

<sup>4</sup> Excludes programs which serve both breakfast and lunch because costs for breakfasts cannot be extracted. Since it is much cheaper to serve a breakfast than a lunch, programs which serve both have deceptively low unit costs.

- Programs that pay rent, as expected, tend to have higher unit costs; however, for programs with minimal rent -- nearly 40% of lunches are served at sites paying less than \$100 a month in rent -- unit costs still vary significantly, from \$.44 to \$7.48.
- Former HRA programs tend to be larger, pay significant rent, and have higher unit costs.
- Anecdotal evidence does not suggest that the cost differences are related to the quality of meals served.

A partial explanation for our lack of significant findings may be that the data used for unit cost analysis is drawn from inconsistent accounting methods.

- Agencies which provide many DFTA services have flexibility in assigning overhead to programs.
- Agencies do not always fully report to DFTA outside resources used to supplement services they provide to the elderly. Use of volunteers, for example, and receiving low cost food from city hunger groups are not accurately accounted for in DFTA's budget information.

Economies of scale seem to be realized only by the few largest programs. Exhibit 7 shows average unit costs for different sized congregate meal sites. For programs serving less than 125 meals a day, unit costs do not decrease as the number of meals served increases. Within every size category except the largest, unit costs vary over a wide range.

**Exhibit 7: AVERAGE UNIT COST BY VOLUME FOR CONGREGATE LUNCH-ONLY PROGRAMS PAYING MINIMAL RENT (FY 1992)**

Average Daily Meals Per Site	Average Unit Cost	Unit Cost Range	Total # of Lunch Units	# of Programs
< 25	\$3.78	\$.44 - 6.47	59,073	8
25 - 50	\$4.16	\$1.91 - 7.45	339,693	15
50 - 75	\$4.03	\$.82 - 7.48	493,216	20
75 - 100	\$4.13	\$2.57 - 5.25	307,431	11
100 - 125	\$4.40	\$1.61 - 5.65	226,991	8
> 125	<b>\$3.36</b>	<b>\$2.94 - 3.97</b>	<b>288,130</b>	<b>7</b>

## Detailed Discussion of Recommendations

We could not identify any single simple factor that explains the variation in unit costs. Yet, somehow, three quarters of the programs accounting for 83% of lunches have found ways to provide acceptable meals for \$5 or less. Comparisons with other large meal providers, such as the New York City Board of Education<sup>5</sup> and Buffalo's centrally catered congregate meals for seniors,<sup>6</sup> suggest it is feasible.

Therefore we recommend:

- Capping reimbursement for lunches at \$5 per meal
- Increasing formal and informal vehicles for sharing cost cutting and quality improvement ideas among providers, e.g., building on the successful example of existing resource groups, publishing vendor price lists, etc.
- Giving programs which cannot come in under the \$5 cap the option of purchasing catered meals (with choices of ethnic styles) contracted out centrally through competitive bidding.

Although this plan focuses on reducing costs, the intent is not to reduce the quality of meals. DFTA should press for efforts to enhance consumer satisfaction alongside its drive for greater efficiency. DFTA should:

- Foster a stronger consumer orientation among providers. Agencies should be encouraged to look for ways of improving services without raising costs. For example, more centers could hand out weekly menus, add salad bars or find dignified ways of allowing seniors to bring home personal leftovers, such as restaurants do that offer "doggie bags". Schools of culinary arts and nutrition could be asked to provide *pro bono* help in designing menus and recipes.
- Solicit improvement ideas from clients through focus groups or sample surveys. Seniors can be asked to rate meals on a regular basis and make menu suggestions.
- Look at sites with high satisfaction and low unit costs for replication of best practices.

---

<sup>5</sup> The budgeted average cost/lunch for NYC school programs was \$2.24 for 1992. This figure does not include rent, vehicles or fringe benefits. The Board of Education is requesting \$3.41/lunch for programs to serve new students at new schools (this includes personnel, fringe, food and OTPS, but no capital costs. Units are defined as the number of students times the number of school days).

<sup>6</sup> Unit costs for centrally prepared meals in Buffalo are \$2.70 - \$2.81/lunch. This figure includes preparation costs, equipment, supplies and transportation. Buffalo does not pay rent or utilities at sites. This figure does not include personnel costs for reheating and serving food at sites, which is performed by volunteers.

- Allow more flexibility in meeting nutritional requirements to accommodate tastes, such as vegetarian and special ethnic meals.
- Review the paperwork requirements for food inventories to decrease time spent by program staff on administration.

Our analysis is based on the best available cost data, which as indicated earlier has shortcomings. Better budget data would be helpful in applying cost controls equitably and realistically; consistent accounting procedures would also counter the risk that controls on one service would result in cost shifting to other programs. We recommend that DFTA, with input from providers, develop more consistent rules for allocating meals-related expenses. A sample, in-depth study of centers that provide both breakfast and lunch would also be useful in segregating these costs.

A preliminary analysis indicates that unit costs for providing home-delivered meals also vary widely throughout DFTA's network. Further study is needed to understand why some agencies are able to provide home-delivered meals at a lower cost. Possible strategies for achieving savings include: more centralized preparation, rationalizing routes and delivery zones, delivering meals for more days at once coupled with daily telephone checks, frozen v. hot meals, imposition of a cap, or other measures.

RECOMMENDATION: *Home care*

---

- |  |
|--|
| <p>3.1 DFTA should adopt the "cluster care" model for delivering home care services funded under the New York State Expanded In-Home Services for the Elderly Program (EISEP).</p> <p>3.2 The four hour minimum for homemaker-personal care services should be eliminated.</p> |
|--|

**PROJECTED SAVINGS**

\$1 to \$1.6 million annually system-wide.<sup>7</sup>

**SUPPORTING ANALYSIS**

Finding more efficient models for delivering home care is a major concern. Like meals, home care is a "big ticket" item; it accounts for 9% of all DFTA contract dollars. Home care is expensive and is an area of potentially explosive growth. Lack of home care was cited by many key informants as a gap. Demand will certainly increase as the oldest segments of the aging population continue to grow, as nursing homes become choices for only the most frail, and as the government seeks to hold down Medicaid costs.

In cluster care, a home care aide or team cares for a group of clients living near each other. Workers are scheduled based on tasks that need to be performed, rather than for set blocks of time, as in traditional one-on-one home care.

---

<sup>7</sup> Projected savings are based on assumptions derived from a review of actual current EISEP cases served by a large DFTA provider, the experience of the cluster care demonstration in New York City's Home Attendant program, and the experience of upstate counties that have implemented shared aides. Actual savings will depend on several variables: (1) the proportion of clients who can manage with reduced hours, (2) the expected number of hours by which service can be reduced for this group, and (3) the proportion for whom clustering will be geographically feasible. We have also built into our estimate an offsetting increase of \$.50/hour as a wage differential for more difficult work and \$.25/hour for higher supervisory costs. The range in projected savings reflects a range of assumptions used (high to low).

Cluster care is not the answer for all DFTA clients; it will not be feasible to reduce hours for some because of their specific needs and for others because of their location. However, cluster care promises to be a more efficient way of providing home care to a substantial fraction of clients, from 25% to 30% by our estimates.

- The feasibility of this approach has already been demonstrated for the EISEP caseload in 7 upstate counties and in a demonstration program for Medicaid Home Attendant services in New York City.
- Cluster care has been able to achieve savings without adverse impacts on either clients or workers. Penny Feldman, of the Harvard School of Public Health, has reported preliminary findings of a formal evaluation of New York City's cluster care demonstration. The follow-up study 12 to 18 months after cluster care implementation found no statistically significant differences between clients at the demonstration and control sites, although there were some complaints about the loss of hours. With respect to home care workers, the study has found no evidence that cluster care affects job satisfaction or turnover, when other factors are controlled for.
- EISEP clients are appropriate candidates for cluster care. According to The United Hospital Fund's guide to cluster care, based on experience from the Medicaid pilot, three main criteria determine whether clients can be successfully clustered: whether they can (1) be left alone safely for a period of time, (2) grant entry to the worker, and (3) communicate their needs. EISEP clients, who manage with only limited hours of help a week, are actually more likely to meet these criteria than the more impaired home attendant population, many of whom receive round-the-clock care.
- A decrease in hours of 20% to 50% for clustered clients appears feasible based on a preliminary assessment of cases by a large DFTA-funded EISEP provider as well as the experience of upstate counties. (See Exhibit 8) A savings in hours can be translated into actual dollar savings or it can enable agencies to serve more clients.
- Anecdotal evidence suggests there may be additional benefits to clients, workers, and housing managers. Some examples commonly mentioned are that workers see it as an advancement with higher pay, difficult clients can be shared by a team, clients living in small apartments are afforded greater privacy and help at the time of day they need it, and building managers dealing with a single agency are able to hold it more accountable.
- Much of the administrative apparatus for cluster care has already been developed and field-tested (e.g., assessment reports, standard task time charts, typical schedules, etc.). The United Hospital Fund of New York has issued a useful practical guide.
- Cluster care can also be an important means of expanding access to home care to moderate income individuals. People who could not afford to pay for a 4-hour minimum could find paying for fewer hours of a shared aide within their reach.

While, on balance, the arguments support cluster care, implementation carries certain risks:

- EISEP workers have less down time than Medicaid Home Attendants which limits the potential for savings
- The transition to cluster care can be stressful for clients; resistance to any decrease in hours can be expected.
- Cluster care will mean some loss in companionship to the client.
- Cluster care has higher administrative costs for scheduling, orienting clients, and training workers.

### **Detailed Discussion of Recommendation**

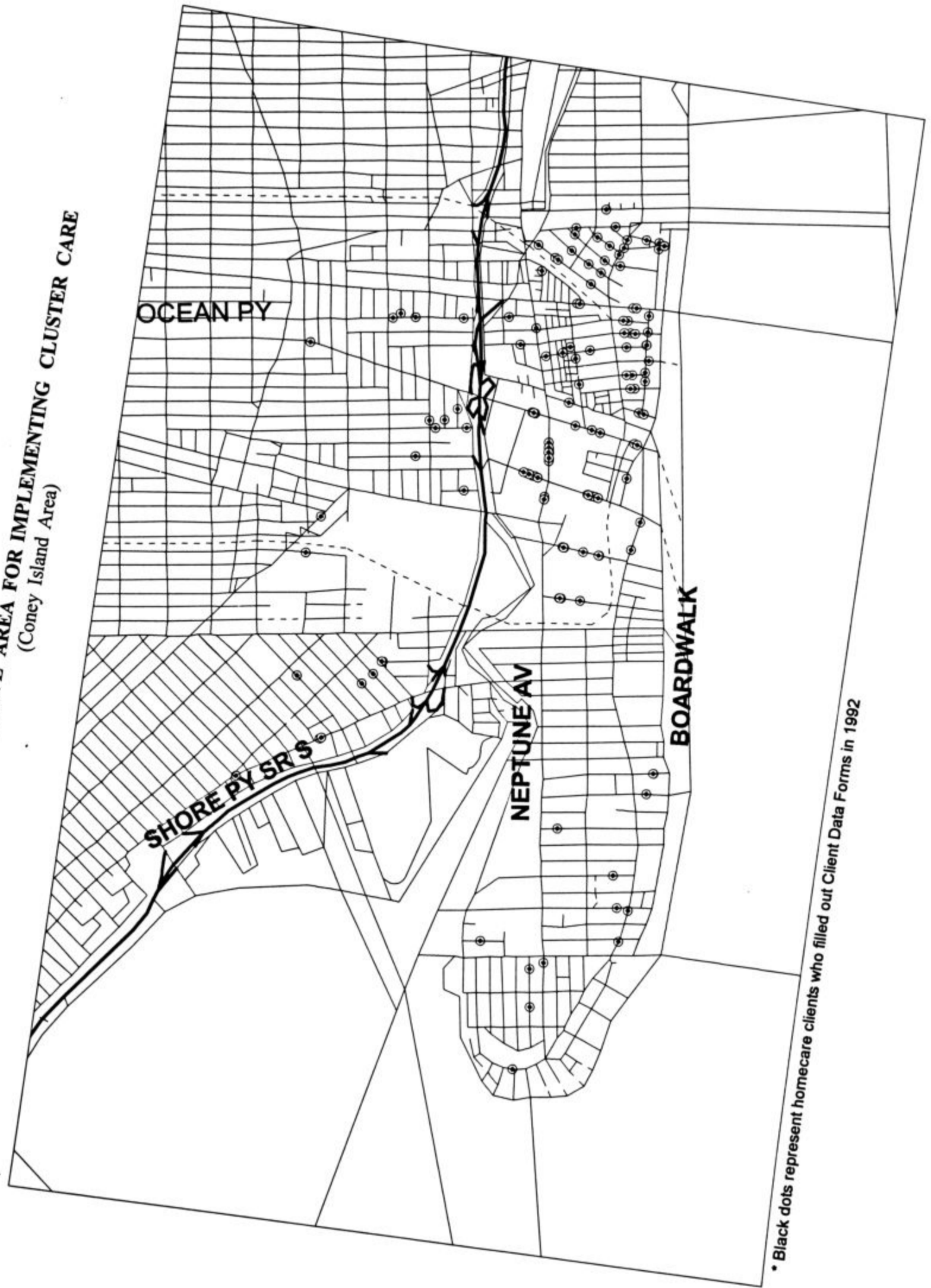
- Implementation of cluster care should begin
  - in the most feasible geographic areas: e.g., neighborhoods with a high density of seniors in high rise buildings (NORCs) and senior housing,
  - with agencies already participating in the Medicaid demonstration that have gained valuable practical experience, and
  - in neighborhoods where home care services are now delivered primarily by a single agency.
- Ideally, cluster care should be implemented across all payors: EISEP, Medicaid, other insurance and private paying clients. This provides a larger base for structuring workable groups and spreading overhead costs. Of the 7 upstate counties that use a "shared aides" model, 6 have combined EISEP clients with Medicaid clients. One Orange County agency successfully groups clients across programs and bills their respective payors, be it EISEP, Medicaid, self-pays or other third parties.
- DFTA should incorporate key lessons learned from the Medicaid cluster care demonstration and upstate experience:
  - Cluster care workers should be paid a higher hourly wage to compensate for the more demanding work of caring for several clients. In New York City, the wage differential is \$.50/hour.
  - More experienced, responsible workers should be selected for participation.
  - Good communication is essential. Clients should be carefully prepared for the transition to minimize disruption and misunderstandings.
  - Scheduling should permit 1/2 hour intervals.

Exhibit 8: EXPERIENCE OF OTHER PROVIDERS OF CLUSTER CARE

	Medicaid NYC Demonstration	Orange Co.	Dutchess Co.
Payors integrated in cluster	Medicaid only	Medicaid, EISEP, Private Pay, Insurance	Medicaid and EISEP
Reduction in hours achieved	20 - 25% (with a caseload with high needs and hours)	easily 20% acc. to local office for the aging  50% acc to Service Provider	about 20%
No. of clients	700 in 30 sites	97	less than 20
% of caseload that was able to be clustered within site		72% of County caseload	about 10%
Differential in hourly cost	Workers paid \$.50/ hour increment	\$1.65 to \$4.65 depending on agency  \$2 - \$3/hr according to service provider	\$1/hr rate differential
Impact on workers	Formal evaluation found no adverse impact on workers; no evidence of predicted benefits. More experienced, reliable, independent workers selected from those who volunteered to participate.	Workers see it as a chance to advance; higher pay, better benefits, select experienced workers	Select more experienced "self-starters" who view added responsibility as a plus. Given special training.
Acceptance by clients	Need to prepare clients for change and do "hand holding" to ease transition. Initial griping about loss of hours.	Initial resistance from clients switched from traditional model. Readily accepted by new cases.	OK once clients get used to it. Selling point is that aide is accessible every day if need extra help.
Impact on clients	Formal follow-up study showed no significant differences between clients at control and demonstration sites 12-18 months later.		
Program implemented	April 1990	Program in 3rd year	Program in 6th year
Site		Works best within high-rise or apartment complex. Some sites extend 2-3 mile radius.	Currently in 2 sites, each is a single building.
Organization of workers	Use team	Use 2-person teams.	

Sources: Ellen Amchim, Litson Home Services  
Walter McGrath, Orange County Office for the Aging  
New York City Human Resources Administration  
Erin Teichmann CASA, Dutchess County

**Exhibit 9: ILLUSTRATIVE AREA FOR IMPLEMENTING CLUSTER CARE**  
(Coney Island Area)



• Black dots represent homecare clients who filled out Client Data Forms in 1992

**EXAMPLE:** Illustrative Area

- EISEP clients living within target area are mapped in Exhibit 9
- Assumptions: [Based on a review of a sample of EISEP cases]
  - Hours of service could be reduced for 36.5% of clients
  - For this group, hours could be reduced 54%
  - Clustering will be geographically feasible for 80% of potential candidates for reduced hours
  - Hourly rates for cluster care will be higher to reflect \$.25/hour for administrative costs and \$.50/hour for wage

**PROJECTED SAVINGS:**

\$230,000 to \$287,000 annually

RECOMMENDATION: *Home Care*

---

- 3.3 Change the treatment of overhead for programs providing home care and chore services to minimize City tax-levy contributions.
- For agencies providing Personal Care under both the Expanded In-Home Services for the Elderly Program (EISEP) and the Medicaid-funded Home Attendant program, merge administrative overhead and allocate it to each program based on the number of units of service provided under each.
  - Remove insurance and contributions from DFTA's EISEP reimbursement rate to make it more comparable to the Medicaid rate.

**PROJECTED SAVINGS**

A maximum of \$700,000 annually, offset by \$70,000 in the City's share of increased Medicaid expenditures.

**SUPPORTING ANALYSIS**

This accounting change could result in substantial savings to the City.

- New York State caps EISEP reimbursement at the level of the maximum Medicaid rate paid for personal care services in that county, at \$11.12 in New York City's case. While the EISEP and Home Attendant programs provide essentially the same services, the number of hours provided under Medicaid -- in total and per client -- dwarves the EISEP program. A recent report calculated that home attendants provide an average of 50 hours of care a week per client, while EISEP averages just 7 to 8 hours. Because indirect costs for Medicaid are spread over its enormous volume, the overhead per hour is much lower than it is for EISEP.
- As the City struggles to keep Medicaid rates down, more and more EISEP programs are exceeding the cap. It is a serious problem. At one point during FY 92, DFTA projected that 14 of 20 EISEP providers would exceed the cap.

We are proposing that each provider's administrative overhead be combined and then allocated to EISEP or Medicaid Home Attendants based on the number of units of service provided and billed to the respective payors.

- Merging administrative overhead with Medicaid will substantially lower the unit costs for EISEP and very slightly increase Medicaid hourly costs. In the example shown in Exhibit 10, indirect costs/hour for Medicaid would go up by 13 to 16 cents, while EISEP indirect costs/hour would drop by \$1.20 to \$1.77. While potentially \$700,000 would be shifted to Medicaid, the City's share would be only 10% of this amount.
- Of the EISEP home care agencies that exceeded the cap during FY 92, at least 6 also had Home Attendant programs -- and these 6 accounted for 95% of the units above the cap.
- Precedents exist for this approach: some upstate programs with shared aides that are serving combined Medicaid and EISEP caseloads allocate overhead to the respective programs based on hours served.
- Moving in this direction is consistent with broader state efforts to rationalize access to long term care, viewing home attendant and EISEP services as parts of one larger care network.

**Example: Applying the Approach Two Agencies**

**Exhibit 10: COMPARISON OF HOME CARE INDIRECT COSTS**

	Agency A		Agency B	
	Home Attendant	EISEP	Home Attendant	EISEP
# hours of service/year	505,141	37,329	559,826	98,091
Total Indirect Costs	657,587	119,466	638,428	250,021
Indirect Costs/hr	1.30	3.20	1.19	2.55
Combined Indirect Costs	777,053		888,449	
Combined Service hours	542,470		657,917	
Revised Indirect Costs/hr	1.43		1.35	
Change in Indirect Costs/hr	+0.13	-1.77	+0.16	-1.20

RECOMMENDATION: *Home care*

3.4 Reducing the number of agencies contracted with to provide home care should not be pursued as a cost savings measure.

**PROJECTED SAVINGS**

None

**SUPPORTING ANALYSIS**

Since home care is, by definition, delivered to the client, access is less dependent on having many local providers than for other services. For this reason, we looked at whether system-wide fixed costs could be reduced by consolidating home care contracts among fewer agencies.

It is unlikely that such a move would produce real savings given the nature of the existing system.

- Agencies with large volumes tend to be more professional and more expensive.
- Most agencies provide other services besides EISEP home care, so fixed costs are likely to be largely shifted to other programs. (Some home care agencies which are set up as separate entities on paper are in practice part of a corporate family of programs.)

**EXAMPLE:**

Two agencies located, literally, around the corner from one another, both provide home care. The first runs a small, low cost program serving its immediate neighborhood, while the second has a much larger operation and higher rates. Their units and costs are shown in Exhibit 11 below.

**Exhibit 11: HOME CARE PROVIDERS**

	Agency 1	Agency 2
# Hours of Service/year	6,334	98,091
Unit Costs per Hour	\$ 7.26	\$ 11.54
Total Home Care Budget	\$ 39,988	\$ 1,136,725

Clearly, DFTA would not save money by shifting the small contract from Agency 1 to Agency 2, with its significantly higher unit costs. It would not even save the overhead associated with Agency 1's home care contract because there is virtually none to save. Agency 1 is able to survive on such a low reimbursement rate only because it has rent-free space, already allocates management costs, such as the executive director's salary, to other programs, and because unlike most home care providers, it also has a case management contract that picks up the cost of home care assessments. (When these functions are separated, quality home care providers generally feel they must do their own reassessment.) In addition, the small scale, neighborhood nature of the program, where clients are individually known, means it can be managed with less formal administrative apparatus. While these factors allow Agency 1 to deliver a low-cost service, they also make major expansion at this low rate unfeasible.

If Agency 2's contract were transferred to another provider in order to consolidate services among fewer agencies, that would not appreciatively remove overhead costs from the public sector either. Agency 2 would remain in business (with its fixed costs of rent, executive salaries, etc.) to provide services under its Home Attendant contract, which accounts for the lion's share of its cases. This is true of most of the large EISEP providers.

RECOMMENDATION: *Broadening the Resource Base*

---

4.1 DFTA should recommend to its contract agencies that requested contributions for meals be set at \$1.00 (minimum)

DFTA should consider sharing added revenues with sponsors

**PROJECTED ADDITIONAL REVENUE**

\$1.6 million annually [assuming, that if \$1 is uniformly requested, the average amount actually collected will go up from \$.52 per meal (FY 92 figure) to \$.75 per meal]<sup>8</sup>

**SUPPORTING ANALYSIS**

Centers request a voluntary contribution for meals. While DFTA cannot mandate the level of suggested contributions, it can recommend \$1.00 as an appropriate amount.

- Current requests range from \$.50 to \$1.25
- Contribution levels are not correlated with neighborhood income levels, according to the most recent study that looked at this issue.<sup>9</sup>

---

<sup>8</sup> Total congregate meals served in FY 92 =	7,153,598
Actual contributions for meals in FY 92 =	\$3,737,218
Average contribution per meal in FY 92 =	\$.52
If average contribution goes up to \$.75	
Expected gross receipts will =	\$5,365,200
And net extra receipts will =	\$1,626,981

In the past, when DFTA suggested a minimum of 50 cents per meal, average contributions were actually 51 cents per meal (since many centers requested contributions above the minimum). HRA was then suggesting a minimum contribution of 25 cents and collecting an average of 18 cents at its directly operated centers, for a ratio of .72. This suggests that actual contributions are directly related to the amount requested. Assuming that the ratio of .72 will hold, and that some centers will request contributions above the minimum suggested level, we have conservatively estimated average per meal contributions to be 75 cents. (Data from DFTA/HRA Senior Center Planning and Coordination Committee Second Report, May 1988.)

<sup>9</sup> See Appendix 2, "Average Participant Contribution Per Congregate Meal Related to Proportion of all Participants At or Below Poverty in HRA and DFTA Senior Centers, FY 87 by Regional Groupings" in DFTA/HRA Senior Center Planning and Coordination Committee, Second Report, May 1988.

- Outside NYC, contributions of \$1.25 to \$1.50 are common, as reported by the New York State Office for the Aging.
- Providers we asked said they would be willing to raise their suggested contributions, if similar amounts were requested by other centers.

RECOMMENDATION: *Broadening the Resource Base*

---

4.2 Initiate discussions with Citymeals-on-Wheels to encourage them to broaden their mandate to include breakfasts or other aspects of nutrition programs

**PROJECTED SAVINGS**

If Citymeals-on-Wheels were expanded to cover breakfasts that could add \$.6 million annually

**SUPPORTING ANALYSIS**

Citymeals has been successful in raising \$4 to \$4.5 million a year in supplementary funding for nutrition programs. The money is currently being used to deliver weekend meals to the homebound.

- Breakfast is another extension of nutrition programs
- Centers serving breakfast do not currently receive support from Citymeals

Citymeals should be urged to broaden its mandate to cover breakfasts or possibly other extensions of nutrition programs.

RECOMMENDATION: *Broadening the Resource Base*

---

4.3 Stimulate expansion of programs that provide supportive services in federally-subsidized senior housing, state-subsidized housing and in naturally occurring retirement communities (NORCs).

- DFTA should encourage New York State to participate in the Robert Wood Johnson "Supportive Services Program in Senior Housing" Demonstration Program
- DFTA should pursue new demonstration grants for supportive services in federally assisted housing ("Sec. 429A" in amended Older Americans Act)
- DFTA should encourage Section 202 Senior Housing sponsors to pursue HUD funding for services available under the Cranston-Gonzalez Affordable Housing Act of 1990 ("Sec. 802" Congregate Housing Services Program authorizes funds for service coordinators, retrofitting and services; the federal share is 40%, matched 50% by the housing sponsor, and 10% by user fees)
- DFTA should support the expansion of other New York State programs, such as Enriched Housing, that creatively channel entitlement resources into alternatives enabling the frail elderly to remain at home.

**PROJECTED ADDED BENEFITS**

Investment will leverage new Federal funds available under the OAA and HUD's Congregate Services Program, financial participation by housing owners, and cost-sharing by seniors.

Example: The Penn South Program for Seniors provides supportive services for seniors living in this large, moderate income co-operative complex. DFTA's \$15,000 grant leverages a \$350,000 program reaching almost 5,000 seniors.

**SUPPORTING ANALYSIS**

DFTA should take a lead in promoting the concept of investment in supportive services to housing owners and managers. Potential services cover a broad range: social activities to combat isolation, housekeeping, home care, shopping and escort to medical appointments, and emergency response systems.

From management's perspective the payoff is in:

- Lower turnover and associated costs
- Better maintained units with reduced safety and maintenance hazards
- Help for forgetful tenants so they pay their rent on time
- Support so the building manager is not "out there all alone" with problem tenants; social work staff can help arrange services, resolve problems and if necessary, help with the transition to other living arrangements
- Improved building ambiance and management-resident relationships; fewer resident complaints and minor requests due to loneliness
- Improved marketability

Financial participation can take several forms: donated space, subsidies from the building's operating budget, or voluntary rent check-offs or modest surcharges. Services are typically provided through contractual agreements with community agencies.

Based on the experience of existing programs, the keys to success are

- Programs should be consumer-driven, with older residents having a voice in suggesting what services they would like to see and would be willing to pay for
- Services should be packaged as "amenities" to avoid a social work stigma
- In general, a "pick and choose" menu of services is preferable to a fixed package.

In response to the problems of "aging in place" being experienced by HUD financed Section 202 senior housing throughout the country, HUD has enacted legislation that begins to address this issue. Limited funding is available for service coordinators and to partly fund services and retrofitting to enable elderly residents to continue living independently, in their own apartments. DFTA should work with appropriate housing agencies and sponsors to help secure available grants.

**RECOMMENDATION: *Broadening the Resource Base***

---

- 4.4 DFTA should pursue other strategies for broadening the resource base such as
- Incentives for fund-raising, e.g., challenge grants
  - Gearing up to develop potential positions that could be filled under President Clinton's proposed National Service Plan
  - Encourage agencies to become more entrepreneurial, e.g., home care agencies can expand to serve fee-for-service clients
  - Promote intergenerational programs. Examples: Jobs program for teens (Forest Hills NICE) and senior center-based child care for seniors providing regular care to grandchildren (Title IV Sec. 429 OAA Demonstration grants for multigenerational activities)

**PROJECTED ADDED BENEFITS**

Potential to add significant new resources.

**SUPPORTING ANALYSIS**

The current public focus on budget deficits, health care and investment in young people means that little new public money can be anticipated for the elderly in the near future. DFTA's most promising strategies are

- to link senior needs to other social objectives (e.g., job training for youth, services to high risk children being cared for by grandparents because their parents are unable to care for them),
- to provide incentives for agencies to seek private, foundation and corporate support (e.g., through challenge grants, technical assistance, and private-public partnerships such as the successful Citymeals-on-Wheels and Partnership for Eldercare models.) It is often difficult for relatively small non-profit agencies to gain entree to major corporations. DFTA or the Council of Senior Centers and Services of NYC may be able to play a greater role in obtaining corporate commitments (e.g., in-kind contributions of space for events, products, or sponsorship of activities) and making such support available to local service providers.

- to tap New York City's unique resources as a national center for finance, communications, the arts, restaurants, design and other industries. For example, DFTA could seek pro bono help from Madison Avenue to create an instantly recognizable symbol that enhances the visibility of senior centers in their communities. As another illustration, The International Furnishings and Design Association (IFDA) recently "adopted" the FIND-Hargrave Senior Center and completely refurbished the interior as a prototype for senior center design. The collaborative venture was spearheaded by Gale Steves, Board member of the Council of Senior Centers and Services of NYC.
- to encourage agencies to become more entrepreneurial, bringing additional private resources into the system (e.g., encouraging providers to serve private clients; promoting long term care insurance that will provide a future revenue stream for aging services such as home care, respite care and adult day care).
- to stimulate expansion of employer-based programs that assist caregivers in the work force in handling the pressures of caring for an older parent or other relative (e.g., access to professional help in finding services, setting up "flexible spending accounts" that allow employees to pay for certain dependent care expenses out of pre-tax dollars, leave policies for an employee who must take time off to care for an aging relative, etc.).

**RECOMMENDATION: *Technology***

---

- 5.1 Expand and test the use of on-line computer systems for case assistance beyond DFTA's on-going project to automate Senior Citizen Rent Increase Exemption (SCRIE) and Home Energy Assistance Program (HEAP).
- The system should encompass a broad range of entitlement programs and produce computer-generated benefit application forms.
  - Resources should be pooled between SOFA, DFTA, and providers to avoid duplication of effort.

**PROJECTED SAVINGS**

\$0.6 to \$1.2 million annually, once in place (beyond savings projected for automating SCRIE and HEAP). Computerization requires an initial investment in hardware, software and training. Significant annual savings would be realized after this transitional period which may take several years.<sup>10</sup>

**SUPPORTING ANALYSIS**

Seniors and service providers are both calling for a simpler way to help older persons access benefits they are entitled to.

- The elderly face an intimidating array of application forms, eligibility criteria and workers in trying to obtain benefits. Programs and their access points are so fragmented and confusing that they challenge even the professionals in the service delivery system.
- Those most in need often find it the most difficult to pursue entitlements: seniors with limited mobility and resources, minorities facing language or cultural barriers, or other forms of discrimination.

---

<sup>10</sup> Savings estimate assumes productivity gains of 10 to 20% for case assistance. At current expenditure levels, (\$5.8 million was budgeted for case assistance in FY 92), that would produce savings of \$0.6 to \$1.2 annually, after a transitional period of as long as 5 to 6 years.

- Outreach staff who want to provide comprehensive screening are frustrated by the complexity and volume of administrative requirements. Time is wasted on duplicative paperwork. And vulnerable elderly must do without while they wait for forms to be shuffled among offices and agencies. As a result, a great deal of time, money and effort is spent doing labor intensive case assistance.

Approaches to improving case assistance have taken on two forms:

- Co-location of eligibility workers (e.g., the One-Stop model), where everyone is physically brought together, or
- Electronic centralization of information with decentralized points of client contact.

Substantial resources are now being spent developing parallel, competing electronic systems, each offering certain aspects of the ideal model.

- Several New York City agencies currently use a privately sold package called BENE\*FITS (Benefits Eligibility Network for the Elderly \* Family Information and Technical Services), which screens for a wide array of entitlements and benefits, currently over 30 programs.
- The State Office for the Aging is seeking funds to expand its personal computer based UNI-FORM system, which both screens for eligibility and prints applications, but is now limited to three, small State programs (Elderly Pharmaceutical Insurance Coverage, HEAP, and the State Real Property Tax Credit Program).
- DFTA is developing a centralized mainframe system to automate administration and case assistance for two benefit programs, HEAP and SCRIE.

DFTA is in a good position to generate the necessary funds, expertise and coordination required to develop an on-line system.

- Federal grants may be available as seed money. The 1992 amendments to the Older Americans Act (OAA) authorize funding for outreach, counseling, and assistance programs under Chapter 5 of Title VII.
- Although DFTA lacks the resources needed to purchase and help maintain a network of personal computers for all its service providers, it can readily apply the mainframe expertise that the SCRIE and HEAP project will require to developing a more extensive on-line system.
- DFTA can most easily solicit input from the seniors and providers who will be the users to design a system that is easy to use at the outset, and evolves in response to changing rules and needs.

This approach promises to both improve services and save money.

- It is easier to keep one central system up-to-date than a large staff of case workers. Automating aspects of case assistance could increase productivity by an estimated 30% (fully realized after five to six years).
- These gains would be offset by on-going computer staff and maintenance costs, for an estimated annual net savings of 10 to 20% of case assistance costs.
- As a side benefit, a computerized system could be used to automatically generate management information reports for data that is now tracked manually.

With the advent of affordable portable computing, an on-line system would eventually enable providers to serve the homebound in ways which are currently not practical. We can envision case managers screening for eligibility and electronically transmitting program applications to appropriate offices during a home assessment or as part of hospital discharge planning.

RECOMMENDATION: *Capacity Building*

---

- |   |
|---|
| <p>6.1 Expand DFTA's role in capacity building, particularly for minority agencies</p> <ul style="list-style-type: none"><li>- Provide technical assistance and training</li><li>- Facilitate contracting out some functions for small agencies (e.g., payroll)</li><li>- Facilitate pooling resources (e.g., establishing a central pension plan that small agencies can buy into)</li><li>- Survey agencies to find out their needs</li></ul> |
|---|

**PROJECTED BENEFITS**

Investment for future payoff

**SUPPORTING ANALYSIS**

New York City's minority elderly are increasing both in numbers and as a proportion of the total older population. While minorities made up 24% of those over 60 in 1980, they account for 35% of this age group today.

DFTA has been sensitive to these changing demographics and the need to ensure that services are responsive to the needs of an increasingly diverse older population. One aspect of these efforts is strengthening the capacity of newer, minority agencies to enable them to compete for contracts in the RFP process.

Developing organizations often have less access to the expertise and resources of large, well-established social welfare agencies. DFTA can help build the organizational capacity of newer minority organizations by offering technical assistance and training. DFTA can also encourage joint ventures between established agencies and developing ones.

RECOMMENDATION: *Innovation*

---

- |   |
|---|
| <p>7.1 Expand DFTA's role as a catalyst for innovation and in disseminating best practices</p> <ul style="list-style-type: none"><li>- Sponsor workshops on state-of-the-art practices</li><li>- Encourage collaboration and innovation</li><li>- Establish a research and development budget to be used as seed money for pilot projects</li></ul> |
|---|

**PROJECTED SAVINGS**

Investment for future payoff in savings and improved services.

**SUPPORTING ANALYSIS**

Many key informants would like to see DFTA play a stronger role in stimulating innovative and creative approaches to meeting aging needs.

DFTA should tap the enormous potential offered by its large number of contracts with over 250 agencies. The network provides natural opportunities to evaluate different models. Many of the sites we visited offered exciting, innovative programs. The Lenox Hill Neighborhood Association is implementing the Homecare Enrichment Partnership, a pilot that combines traditional one-on-one home care with care in a group setting at Lenox Hill's Senior Center. When home attendants bring their clients to the Center, the workers will be trained to take on expanded roles assisting Center staff. DOROT uses volunteers extensively in intergenerational programs, and created University Without Walls, linking homebound elderly via telephone conference calls for "classes" in topics from current events to "Artists in their Golden Years". The Forest Hills Community House runs NICE, a Neighborhood Intergenerational Chore and Escort program that pays teens a minimum wage; it helps out local seniors while preparing disadvantaged youth for the labor force. Forest Hills is also opening a center targeted to new retirees by joining forces with a commercial developer that has agreed to donate the space. The New York Foundation for Senior Centers has been a leader in developing Enriched Housing for the frail elderly and Home Sharing which matches seniors who need a little help and extra income with college students willing to do light chores in return for low rent.

DFTA can help share the richness of its network's experience by providing forums for agencies to exchange information and showcase successful models. Agencies can learn from each other and collaborate to their mutual advantage.

Beyond advocacy, DFTA should provide incentives for the development of better, more cost-effective strategies for service delivery as well as approaches for tackling emerging needs. Examples include

- helping grandparents cope with responsibilities for raising their grandchildren, an issue of growing concern particularly within the minority community,
- addressing the needs of informal caregivers, especially spouses and adult children, and
- planning to respond to the changing composition of New York's older population, with its increasing proportions of very old and minorities.

Even a modest research and development budget could be significant. It would stimulate creative thinking, help launch pilot projects, and leverage outside funds.

\* \* \* \* \*

"New York City has long been a leader in recognizing and responding to the needs of older people." So begins the report of the Mayor's blue ribbon commission on Aging Services for the Year 2001. With DFTA's leadership, and the commitment of its agencies, New York will continue meeting this challenge.

**Appendix A:**

**KEY INFORMANTS AND ADDITIONAL IN-DEPTH INTERVIEWS POPULATION**

APPENDIX A: KEY INFORMANTS AND ADDITIONAL IN-DEPTH INTERVIEWS

Eric Brettschneider, <i>Coordinator</i>	Agenda for Children Tomorrow
David Chen, <i>Executive Director</i>	Chinese-American Planning Council, Inc.
Rabbi David Cohen, <i>Executive Vice President</i>	Metropolitan New York Coordinating Council on Jewish Poverty
Lorraine Cortes-Vazquez, <i>Executive Director</i>	Aspira of New York, Inc.
Rose Dobrof, <i>Director</i>	Brookdale Center on Aging, Hunter College
Kay Dundorf, <i>Executive Director</i>	One Stop
Vivian F. Ehrlich, <i>Executive Director</i>	DOROT
Warren Feierstein, <i>Associate Executive Director</i>	Metropolitan New York Coordinating Council on Jewish Poverty
Helene Finnegan, <i>Project Director</i>	Bayside Senior Service
Grace Harewood, <i>Executive Director</i>	Ft. Greene Senior Citizens Council, Inc.
Lewis Harris, <i>Executive Director</i>	Forest Hills Community House
Cheryl Heiberg, <i>Executive Director</i>	Bay Ridge Center for Older Adults
Linda Hoffman, <i>Executive Director</i>	New York Foundation for Senior Citizens
Carol Hunt, <i>Executive Director</i>	Jamaica Services Program for Older Adults
Igal Jellinek, <i>Executive Director</i>	Council of Senior Centers and Services
Martha Johns, <i>Director of Member Services</i>	Federation of Protestant Welfare Agencies
John Kaiteris, <i>Executive Director,</i> and <i>President</i>	Hellenic American Neighborhood Action Committee, Inc., and Council of Senior Centers and Services of New York City, Inc.
Yisook Kim, <i>Casework Supervisor</i>	Bensonhurst Senior Assistance Center
Ruth Leonard, <i>Program Specialist</i>	Catholic Charities
Harvey Levine, <i>Program Director</i>	Family Home Care Services of Brooklyn and Queens, Inc.
Emily Menlo Marks, <i>Executive Director</i>	United Neighborhood Houses of New York, Inc.
Larry McFarland, <i>Senior Vice President</i>	Aging in America
Edwin Mendez-Santiago, <i>Executive Director</i>	RAICES, Inc.
Thomas A. O'Brien, <i>Executive Director</i>	Family Home Care Services of Brooklyn and Queens, Inc.
Sara Peller, <i>Associate Director</i>	DOROT
Sr. Frances Picone, <i>Aging Specialist</i>	Catholic Charities
Stephanie Raneri, <i>Director of Office for the Aging</i>	Catholic Charities
William Rapfogel, <i>Executive Director</i>	Metropolitan New York Coordinating Council on Jewish Poverty
Richard Reetz, <i>President/CEO</i>	Community Agency for Senior Citizens
Barbara Rinehart, <i>Director of Older Adult Services</i>	Lenox Hill Neighborhood Association
Jeffrey Solomon, <i>Chief Operating Officer</i> <i>Program Services</i>	United Jewish Appeal-Federation of New York

Bobbie Sackman, *Coordinator of Member Services*

Karen Straus, *Program Director*

David Stern, *Executive Director*

Rick Surpin, *President*

Ted Sychok, *Executive Director*

Erica Teutsch, *Senior Center Director*

Claire Thomey, *Director*

Nancy Wackstein, *Executive Director*

Alan Weisberg, *Executive Director*

Bernard J. Wohl, *Executive Director*

Robert Wolf, *Director of Medical and Geriatrics*

Council of Senior Centers and Services

Penn South Program for Seniors

Jewish Association for Services for the Aged

Cooperative Home Care Associates

East Bronx Council on Aging

Goddard Riverside Community Center

Catherine Sheridan Senior Center

Lenox Hill Neighborhood Association

Canarsie Neighborhood Development Corporation

Goddard Riverside Community Center

United Jewish Appeal-Federation of New York

**Appendix B:**

**AGING POPULATION AND SERVICES BY CD  
RANKED BY SERVICE INDEX**

AGING POPULATION AND SERVICES BY CD RANKED BY SERVICE INDEX

CD*	OVER 65			NO. OF SR. CENTERS	NO. OF DAILY MEALS	POP per Sr. Center	Participation Rate	Share of Lunches	Share of 65+ pop <\$25,000	SERVICE INDEX
	TOTAL POP	POV. RATE	POOR							
301	2223	16.37	364	183	895	222	18.8%	0.62%	0.29%	2.11
101	5452	47.23	2,575	3,776	3,354	679	18.0%	1.90%	0.94%	2.02
103	4037	45.45	1,835	2,792	2,498	440	15.8%	1.23%	0.69%	1.77
305	5702	16.12	919	2,139	1,533	334	15.6%	1.23%	0.53%	1.76
404	12412	16.1	1,988	4,590	3,395	699	15.2%	1.95%	1.14%	1.71
303	20869	29.69	6,196	11,345	9,237	1,723	15.2%	4.82%	2.82%	1.61
310	14807	37.21	5,510	10,164	8,425	1,456	14.3%	4.07%	2.52%	1.61
202	8275	22.02	1,822	4,089	3,078	603	13.6%	2.24%	1.47%	1.53
205	11127	27.2	3,027	5,909	4,781	803	13.6%	3.35%	2.20%	1.52
201	16201	14.34	2,323	6,846	6,921	1,200	13.5%	1.14%	0.75%	1.52
204	5797	29.26	1,696	3,014	2,381	408	12.4%	1.14%	0.82%	1.39
105	5616	32	1,798	3,311	2,711	409	11.9%	2.79%	2.07%	1.34
412	22211	15.83	3,516	8,347	5,688	997	11.9%	2.46%	1.84%	1.34
311	11771	34.17	4,022	7,421	6,311	881	11.5%	3.40%	2.63%	1.29
312	21339	22.32	4,763	10,601	7,907	1,216	11.4%	2.13%	1.65%	1.29
501	15881	9.63	1,529	6,649	4,423	761	11.4%	1.19%	0.93%	1.29
217	10729	15.4	1,652	3,735	2,588	547	10.9%	1.34%	0.93%	1.23
206	9459	20.74	1,962	4,409	3,352	481	10.9%	2.05%	1.69%	1.23
112	15827	14.21	2,249	6,813	4,717	735	10.8%	1.33%	1.11%	1.20
104	7431	34.52	2,565	4,478	3,735	477	10.7%	1.35%	1.16%	1.15
208	8747	27.56	2,411	4,747	3,846	484	10.2%	1.08%	0.94%	1.14
216	6206	39.41	2,446	3,786	3,210	385	10.2%	1.27%	1.12%	1.14
302	11203	12.52	1,403	4,517	3,102	456	10.0%	2.22%	1.97%	1.12
214	18302	15.93	2,916	7,951	5,651	794	9.9%	1.96%	1.75%	1.12
414	13203	19.34	2,553	7,046	5,657	700	9.9%	1.65%	1.52%	1.08
413	22080	8.03	1,773	6,131	3,812	590	9.5%	0.48%	0.45%	1.07
102	2666	51.39	1,370	1,820	1,636	173	9.2%	3.00%	2.85%	1.05
307	28060	15.26	4,282	11,501	8,389	1,074	9.2%	1.72%	1.66%	1.04
108	17113	8.95	1,532	6,670	4,509	616	9.1%	3.11%	3.02%	1.03
213	22702	23.42	5,317	12,169	9,750	1,112	9.0%	2.30%	2.26%	1.02
110	19479	11.94	2,326	9,121	6,373	824	9.0%	2.02%	2.00%	1.01
111	16093	13.06	2,363	8,038	5,800	723	8.9%	2.16%	2.15%	1.00
109	16861	23.11	3,997	8,680	6,576	773	8.8%	3.15%	3.18%	0.99
215	30147	13.85	4,175	12,824	9,448	1,127	8.6%	1.50%	1.56%	0.97
304	11432	19.22	2,197	6,273	4,347	536	8.6%	1.50%	1.71%	0.88
408	20741	8.8	1,825	6,890	4,574	537	7.8%	0.80%	0.93%	0.87
503	10808	10.19	1,101	3,731	2,557	287	7.7%	1.95%	2.28%	0.86
218	24348	9.55	2,325	9,197	6,253	699	7.6%	2.46%	2.89%	0.85
401	23964	14.59	3,496	11,641	8,686	882	7.5%	2.22%	2.69%	0.82
212	24348	15.76	3,837	10,824	7,898	793	7.3%	2.46%	2.99%	0.82
407	33754	9.14	3,085	12,038	7,997	880	7.2%	1.50%	1.50%	0.81
402	12897	13.56	1,749	6,035	4,159	432	7.0%	0.84%	1.07%	0.79
502	12103	8.12	983	4,327	2,901	302	6.8%	2.17%	2.83%	0.72
405	24341	12.61	3,069	11,366	8,106	775	6.4%	1.10%	1.54%	0.72
403	16250	11.44	1,859	6,217	3,911	395	6.0%	0.57%	0.85%	0.67
106	5267	34.83	1,824	3,418	2,980	204	5.9%	1.04%	1.56%	0.67
107	12215	19.6	2,394	6,269	4,440	373	5.8%	1.14%	1.75%	0.65
203	12527	31.92	3,999	7,065	5,903	409	5.7%	1.03%	1.59%	0.65
309	11633	27.95	3,251	6,404	4,999	368	5.6%	1.45%	2.32%	0.63
406	23962	10.17	2,437	9,337	6,204	519	5.6%	1.01%	1.61%	0.63
306	21684	7.41	1,607	6,495	3,884	361	5.2%	0.58%	1.18%	0.58
410	14111	8.93	1,260	4,736	3,047	245	5.0%	0.72%	1.27%	0.56
207	10679	18.6	1,986	5,111	3,758	256	5.0%	1.26%	2.26%	0.56
308	30477	7.6	2,316	9,086	6,077	450	4.2%	0.40%	0.84%	0.47
209	8242	21.21	1,748	3,404	2,489	143	3.6%	0.99%	2.42%	0.41
210	21539	11.03	2,376	9,748	6,708	353	3.5%	0.61%	1.56%	0.39
409	15763	10.14	1,598	6,303	4,311	220	3.5%	1.26%	3.23%	0.39
211	27060	15.58	4,219	13,002	9,647	452	3.3%	0.49%	1.33%	0.37
411	18994	5.68	1,073	5,350	3,262	174	3.3%	100.00%	100.00%	1.00
TOTAL	911,089		148,700	402,899	295,087	338				

\* First digit in CD # stands for borough  
 1 = Bronx  
 2 = Brooklyn  
 3 = Manhattan  
 4 = Queens  
 5 = Staten Island

POPULATION 65+ < \$15,000 PER CENTER: 873  
 # POOR 65+ PER CENTER: 440  
 Participation Rate = avg. daily meals / 65+ pop < \$25,000

AVERAGE POPULATION SIZE PER CENTER 1,418  
 AVERAGE PARTICIPATION RATE PER CENTER 9%

**Appendix C:**

**ALTERNATIVE SCENARIOS FOR RESTRUCTURING SENIOR CENTERS  
(Detailed Back-up)**

<b>SCENARIO ONE (Illustrative)</b>	
<b>Principle</b>	Create slightly fewer, better-resourced centers
<b>Actions</b>	<ol style="list-style-type: none"> <li>1. Defund 2 sites (A and B)</li> <li>2. Reinvest \$50,000 annually (20% of yearly gross savings) in upgrading remaining sites and programs</li> </ol>
<b>Projected Net Annual Savings</b>	<p>\$193,500</p> <p>Eliminates 2 full budgets totalling \$344,000. Offsetting increases of \$100,500 for marginal costs of added lunches absorbed at nearby sites and \$50,000 invested back into the community.</p>

**Supporting Detail:**

■ Senior Center "A"

- Number of lunches served has fallen by 40%
- Five to six other centers are within 10 blocks
- Program pays rent (\$28,000) and salaries (\$119,000)
- The kitchen is not being used to prepare home-delivered meals that would need to be prepared elsewhere

Proposed action would eliminate \$263,191 (full budget), with an offsetting increase of \$63,250 (estimated marginal costs of 110 average daily lunches absorbed at 3 nearby sites), producing a net savings of \$200,000.

■ Senior Center "B"

- Site is open limited hours, 3 - 6:30 P.M.
- Three other centers are within 5 blocks
- Provides few services, primarily meals
- Unit cost of its catered meals @ \$5.10 is higher than unit costs of nearby programs that would most likely substitute
- It is a relatively small program (served 65 average daily meals in 1992)

Proposed action would eliminate \$80,687 (full budget), with an offsetting increase of \$37,225 (marginal costs of 65 average daily lunches absorbed at nearby sites), producing a net savings of \$43,460.

- Reinvest \$50,000 annually in upgrading remaining sites and programs (Solicit proposals and ideas from sponsors, e.g., computerization, modernizing kitchens, improving facilities, operating a community van, etc.)

<b>SCENARIO TWO (Illustrative)</b>	
<b>Principle</b>	Diversify centers to better serve spectrum of needs
<b>Actions</b>	<ol style="list-style-type: none"> <li>1. Convert 3 centers (A, B and C) to a model that is more empowering (as opposed to fostering dependency), i.e., a more clublike center run by seniors themselves, with back-up support as needed; retain lunches at 2 of the 3 sites.</li> <li>2. Use a portion of the annual savings to create programming for a frail population at a fourth site.</li> </ol>
<b>Projected Net Annual Savings</b>	<p>\$100,000</p> <p>Reduces personnel costs by \$103,620 annually and portion of variable costs associated with lunches by \$60,000. Allows \$64,000 annually for added personnel, transportation and retrofitting to serve frail.</p>

**Supporting Detail:**

- Senior Center "B"
  - Operate as a satellite Senior Club with meals provided by the parent facility instead of the current, more expensive caterer
  - Decreases unit cost of meals from \$5.10 to \$3.54; for \$25,000 annual savings
  - Reduce personnel costs by 25% by eliminating bookkeeper and deputy executive director; yields \$7,000 annual savings

Total projected annual savings = \$32,000
- Senior Center "C"
  - Operate as a satellite Senior Club
  - Retain on-site lunch preparation which has low unit costs (\$3.54)
  - Reduce personnel costs by 30% by eliminating executive director (\$33,790) and bookkeeper (\$6,530)

Total projected annual savings = \$40,300
- Senior Center "A"
  - Operate as a Senior Club, without lunch, but retain social, recreational and educational activities. (Possible light menu or brown bag lunches)
  - Reduce personnel costs by 38% by eliminating meals-related positions and one case worker (\$56,300)
  - Shift half of remaining direct meal costs (other than personnel and rent) to nearby centers that may pick up additional lunches (net savings of \$35,000)

Total projected annual savings = \$91,300

- Invest resources in selected remaining site to create program to serve frailer population
  - Add staffing (part-time personal care aides and group workers (Increase costs \$50,000/year)
  - Capital improvements, e.g., retrofitting to serve more frail population, (Increase \$10,000)
  - Additional hours for drivers of existing vans to transport frail population (\$4,000/year)

Total projected annual cost = \$64,000