

## ***State Optional Supplementation of SSI Payments, 1974-95***

*by Elsa Orley Ponce\**

States are permitted to provide supplements to the Federal Supplemental Security Income (SSI) payments. These supplements are intended to help meet the needs of their residents that are not met by the Federal SSI payment. The States determine the categories of persons and the amount they will supplement. The types of SSI recipients States have chosen to supplement, as well as the changes in their choices and in their supplementation levels over the years, are examined in this article. Since 1982, the number of SSI recipients receiving State supplements has increased each year. This increase in the number of recipients has resulted in increased expenditures for States. To control rising costs, States have begun using a variety of methods. Since 1993, nearly one-third of the States have reduced their payment levels to persons living independently. In addition, some States have begun reducing their supplementation rolls. Other States have begun to administer their own programs, possibly to bypass the recently imposed Federal administration fees.

\* Office of Program Benefits Policy, Social Security Administration.

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The Supplemental Security Income (SSI) Program, implemented in 1974, replaced the previous State administered, Federal-State grant-in-aid programs of Old-Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled. Persons in these former programs were, for the most part, automatically transferred to the SSI program. Since the SSI program had uniform eligibility standards and a national base payment level, every aged, blind, and disabled person who qualified for this program, had no countable income or resources, and was living independently received the same Federal payment. In January 1974, the Federal benefit rate (FBR) for such a person was \$140. The FBR has been raised by cost-of-living adjustments through the years, and is \$470 in 1996. States were required to supplement the Federal payment for those persons who would otherwise have been adversely affected by the transition from the previous State programs. They were also permitted to augment the basic Federal benefit for other categories of recipients.

This article looks at the types of situations where States have chosen to provide supplementation, changes in those choices over the last 20 years, and changes in supplementation levels over the years.

### ***Background***

In addition to the Federal SSI payment, two types of State supplementation were authorized: mandatory and optional. This article focuses on optional supplementation. Relatively few persons are currently covered under mandatory supplementation: fewer than 5,000 persons receive mandatory supplementation compared with 3 million persons who receive optional supplementation.<sup>1</sup>

The optional supplement is intended to help meet the needs of State residents that are not met by the basic Federal SSI payment. Public Laws (P.L.) 92-603 and 93-66 authorized States to supplement basic Federal SSI payments. The State determines the categories of

persons and the amount it will supplement. Currently, 44<sup>2</sup> States provide some type of optional supplementation. Thirty-seven of these States began their optional supplementation programs in 1974.

States could select either Federal or State administration of their supplementary payments. If Federal administration was selected, a number of conditions had to be met. States were limited in the number of payment variations and had to adopt the same program and administrative rules that apply to Federal SSI payments. Originally, up to five payment variations were allowed on the basis of living arrangements. Some examples of these arrangements are: living alone, living with an ineligible spouse, living in a personal care or a congregate care facility, or other arrangements devised by the State. In each of these arrangements, up to three variations are allowed for geographical area and two are allowed for status (that is, individual or couple). The number of variations allowed for eligibility category are based on the assistance titles of the Social Security Act that the State's programs operated under in January 1972, that is, titles I, X, XIV, or XVI.<sup>3</sup>

Initially, Federal regulations prohibited Federal administration of State supplements to persons in Medicaid facilities (that is, public or private medical institutions where Medicaid is paying more than 50 percent of the cost of the person's care). However, in 1986, it became the sixth payment variation allowed on the basis of living arrangement. Unlike the other arrangements, no payment variations are allowed within this arrangement. If a State elects to vary payment amounts by six different living arrangements, one of the six must apply to persons in Medicaid facilities.

As an incentive for States to select Federal administration, the Federal Government initially assumed all administrative costs. Recently, however, the Federal Government began levying charges for administrative services. In Federal fiscal year (FFY)<sup>4</sup> 1994, the charge was \$1.67 per benefit payment. It increased in FFY 1995 to \$3.33 and in FFY 1996 to \$5.00.

In 1995, State optional supplementation programs were administered as follows: 25 with State administration, 13 with Federal administration, 5 with Federal/State administration,<sup>5</sup> and 1 with county administration (chart 1). Six States have completely changed their type of administration, two of them recently. Vermont (1975) and Utah (1989) both changed from State to Federal administration, while Illinois (1974), Minnesota (1974), Maine (1996), and Wisconsin (1996) changed from Federal to State administration.

To ensure that SSI payments would keep pace with rising costs, Congress enacted P. L. 93-368 in July 1975, requiring that SSI payments be adjusted annually to the Consumer Price Index (CPI). However, the purpose of this law was jeopardized when a number of States began reducing their supplements by the amount of the cost-of-living increase to the FBR, thereby denying any increase to their recipients. To prevent this from continuing, in October 1976, Congress required States under P.L. 94-585 to pass through increases in the FBR to SSI recipients.

To ensure compliance, Congress tied the pass-along to Medicaid reimbursement. To be eligible for Medicaid reimbursement, any State making supplementary payments (other than to residents of Medicaid facilities) on or after June 30, 1977, must continue making them and must pass-along the cost-of-living increase to the FBR.

Two methods of passing along this increase are available—the total expenditures method and the payment levels method. States selecting the total expenditures method are required to maintain the previous year's total supplementation expenditures. With this method, a State is free to increase or decrease its various payment levels as long as its total expenditures remain the same. States selecting the payment levels method were required to continue supplementing their recipients on the same payment standard that they had used in December 1976.

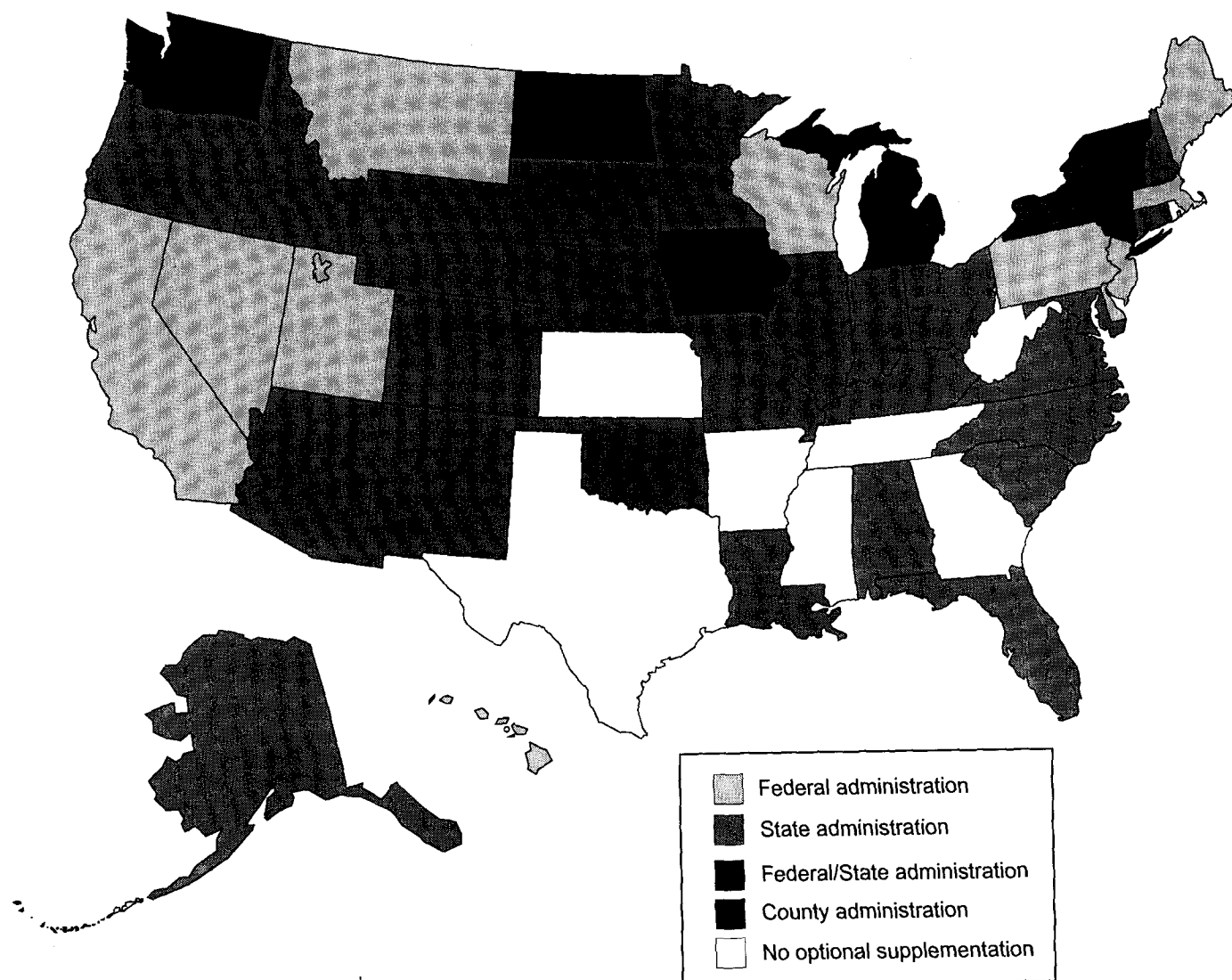
In the early years of the program, when the number of SSI recipients was increasing, many States found it economically advantageous to use the total expenditures method. From 1976 until 1981, most States used this method. However, in 1981, when the number of SSI recipients began to decline, States found it more difficult to maintain their total expenditures. Soon, more States began using the payment levels method. In 1982, the number of States using the payment levels method exceeded the number using the total expenditures method, and by 1983, almost twice as many States were using the payments level method as were using total expenditures.

In 1983, Congress modified the pass-along regulations enabling States using the payment levels method to reduce their pass-along costs (P.L. 98-21). In essence, the modified regulations prohibited States from decreasing their payment levels below their adjusted March 1983 levels. In July of that year, Congress had increased the FBR by \$20 for individuals and \$30 for couples. The amount of this increase, which was attributable to the 3.5 percent increase in the cost-of-living, was \$9.70 per individual and \$14.60 per couple. The remainder, \$10.30 per individual and \$15.40 per couple, was the amount by which the March 1983 supplemental payments could be reduced to obtain the adjusted level. In other words, States were only required to pass-along that portion of the increase related to the change in the cost-of-living; they could reduce their supplementary payments by that portion that was not related. States could revert to their adjusted March 1983 payment levels any time after this regulation went into effect.

States now had two ways of reducing their payment levels without endangering their eligibility for Medicaid reimbursement. First, if their recipients were increasing in number, a switch to the total expenditures method could result in a reduction to one or more payment levels. Second, if they had maintained or increased their payment levels since March 1983, they could reduce them by reverting to their adjusted March 1983 payment levels.

In 1995, of the States providing optional supplementation, 12 were using the total expenditures method and 32 were using the payment levels method.

Chart 1.—Administration of State optional supplementary payments, 1995



### Overview

In 1994, approximately 44 percent of the recipients of Federal SSI payments also received State supplementary payments. The average monthly State payment in December 1994 was \$107.

The total number of persons receiving State supplementation was relatively stable from the beginning of the program until 1981 (table 1). In 1981, a decline in the number of recipients began and continued into 1983. This decline coincided with a general decline in the number of SSI recipients during those years. Since 1982, the number of recipients receiving State supplements has increased each year.

A slightly different picture of growth emerges when program administration is examined. The federally administered programs show the greatest increases (chart 2). The State-administered programs gradually decreased in numbers from the inception of the program until 1983 when they began to increase slightly. A major reason for the decreasing number

of recipients in the State administered programs is that these programs were smaller and contained a higher proportion of mandatory cases. Since these mandatory cases consisted mainly of the aged, their ranks were continually being reduced because of death.

In terms of eligibility categories, the numbers of aged and blind recipients have remained relatively stable, showing a slight decline over time. However, a dramatic increase occurred in the number of disabled recipients beginning in 1984 and continuing to the present.<sup>6</sup> This increase is particularly pronounced in the federally administered programs.

States with federally administered supplementation programs most frequently have the highest number of recipients. The five States with the highest number of recipients in 1975 (California, New York, Pennsylvania, Massachusetts, and Michigan) continued to have the highest number in 1995 (table 2). Together, they contain about 73 percent of all persons receiving a State supplement in 1995.

In some States, the number of recipients has noticeably

Table 1.—Number of persons receiving State supplementation by type of administration and eligibility category, 1974-94<sup>1</sup>

Year <sup>2</sup>	Total	Federally administered				State administered			
		Total <sup>3</sup>	Aged	Blind	Disabled	Total <sup>3</sup>	Aged	Blind	Disabled
1974.....	1,838,602	<sup>3</sup> 1,480,309	770,318	37,326	672,575	358,293	251,926	8,502	96,926
1975.....	1,987,409	1,684,018	843,917	31,376	808,725	303,391	184,679	4,933	113,504
1976.....	1,912,550	1,638,173	774,226	33,484	830,463	274,377	160,360	4,731	109,248
1977.....	1,927,340	1,657,645	754,187	34,401	869,057	269,695	152,449	4,467	112,467
1978.....	1,946,921	<sup>3</sup> 1,681,403	739,028	35,022	907,037	265,518	146,854	4,188	107,524
1979.....	1,941,572	1,684,283	718,207	35,666	930,410	257,289	140,894	3,937	105,830
1980.....	1,934,239	1,684,765	702,763	36,214	945,788	249,474	134,555	3,649	104,367
1981.....	1,874,844	1,625,279	649,758	36,327	939,194	249,565	133,800	3,487	105,756
1982.....	1,798,400	1,550,405	597,080	35,584	917,741	247,995	130,582	3,419	107,198
1983.....	1,811,614	1,557,714	580,039	36,438	941,237	253,900	130,182	3,333	113,288
1984.....	1,875,187	1,607,234	585,015	37,259	984,960	267,953	131,257	3,215	125,546
1985.....	1,915,503	1,660,847	583,913	38,291	1,038,643	254,656	114,721	3,032	128,683
1986.....	2,002,746	1,723,401	583,155	38,949	1,101,297	279,345	123,323	3,129	143,991
1987.....	2,078,503	1,806,847	594,522	39,801	1,172,524	271,656	111,116	3,114	146,598
1988.....	2,154,759	1,884,675	608,023	40,025	1,236,627	270,084	112,742	3,094	152,915
1989.....	2,224,122	1,949,585	622,972	40,047	1,286,566	274,537	111,053	3,081	159,149
1990.....	2,343,803	2,058,273	649,530	40,334	1,368,409	285,530	115,890	3,042	166,598
1991.....	2,512,220	2,204,329	665,406	41,323	1,497,600	307,891	119,960	3,595	182,990
1992.....	2,684,371	2,371,564	674,463	41,682	1,655,419	312,807	117,826	3,552	190,045
1993.....	2,849,887	2,536,349	685,779	41,771	1,808,799	313,538	115,447	3,602	193,056
1994.....	2,896,629	2,574,590	673,660	39,070	1,861,860	322,039	115,545	3,506	201,245
Percent change 1975-94.....	57.5	73.9	-12.5	4.7	176.8	-10.1	-54.1	-58.8	107.6

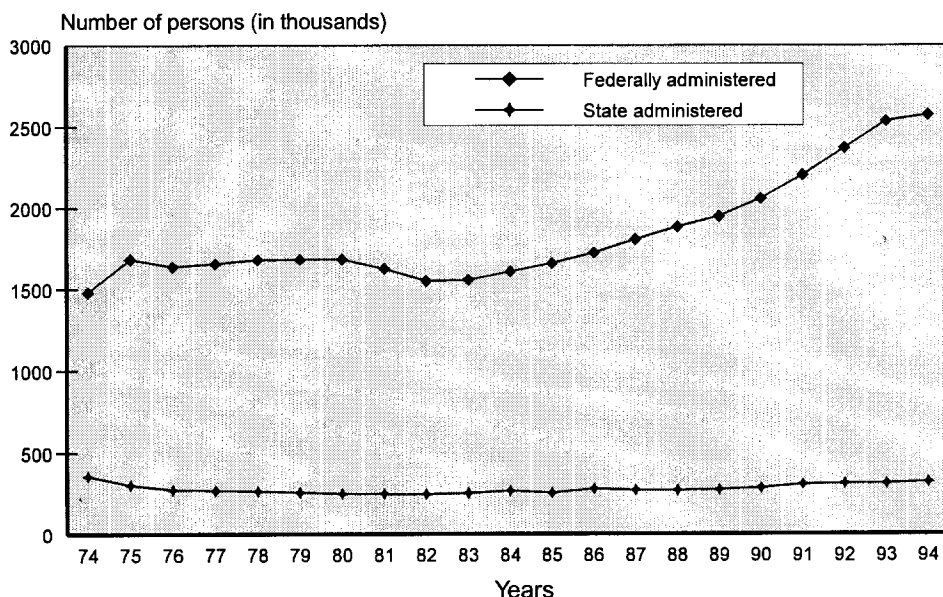
<sup>1</sup> Includes mandatory as well as optional supplementation.

<sup>2</sup> Data for 1974 are for January. Data for all other years are for December.

<sup>3</sup> Includes data not distributed by eligibility category.

Sources: *Annual Statistical Supplement to the Social Security Bulletin*, 1983 and 1984 editions, and the *SSI Annual Statistical Report, 1994*.

Chart 2.—Number of persons receiving State supplementation, by type of administration, 1974-94



decreased in the last 5 years. Decreases more frequently occurred in State-administered programs. From 1990-95, the largest decreases were in Alabama (from 11,601 to 2,266), Arizona (from 3,493 to 678), and Oregon (from 25,458 to 19,626). During this period, the only federally administered program where a reduction occurred was Utah, where recipient numbers declined from 10,340 to 1,670.

By contrast, expenditures for supplementary payments have increased over time in most States. Of the 37 States for which we have data, approximately two-thirds have continually increased their expenditures since 1980 (table 3).

However, a trend toward decreasing expenditures may be developing, which could affect large numbers of recipients. Five

Table 2.—Number of persons receiving State supplementation by type of administration and State, selected years 1975-95

State	December 1975	December 1980	December 1985	January 1990	January 1995
Federal administration					
California.....	646,059	700,241	668,255	809,190	1,004,540
Delaware.....	2,123	510	424	400	560
District of Columbia.....	1,979	14,601	15,087	15,920	20,010
Hawaii.....	9,356	9,679	9,677	11,810	16,250
Iowa <sup>1</sup> .....	3,161	1,742	1,966	7,241	7,665
Maine.....	23,518	20,513	21,043	22,790	29,390
Massachusetts.....	128,794	118,610	108,142	112,450	154,920
Michigan.....	112,697	106,581	117,004	133,860	200,963
Montana.....	552	701	881	910	1,030
Nevada.....	4,173	3,909	3,989	4,420	5,550
New Jersey.....	54,151	79,958	88,018	97,370	139,090
New York.....	381,423	345,110	335,988	383,370	559,110
Pennsylvania.....	137,847	153,513	154,873	171,690	242,610
Rhode Island.....	14,732	13,722	14,557	16,110	21,810
Utah.....	249	6,150	6,840	10,340	1,670
Vermont.....	8,848	8,337	8,941	10,284	13,137
Washington.....	46,755	41,483	44,643	55,020	84,282
Wisconsin.....	57,844	61,373	65,852	77,140	104,700
State administration					
Alabama.....	23,230	16,979	22,012	11,601	2,266
Alaska.....	3,328	928	4,726	6,423	9,384
Arizona.....	1,491	1,690	3,003	3,493	678
Colorado.....	31,128	31,813	12,389	26,480	28,566
Connecticut.....	9,741	12,674	14,339	22,323	28,985
Florida.....	5,972	3,253	9,719	14,519	14,327
Idaho.....	2,984	3,535	2,887	3,343	9,814
Illinois.....	45,188	30,960	44,262	31,912	71,857
Indiana.....	2,003	(2)	421	818	1,204
Kentucky.....	9,012	8,412	7,257	6,508	6,101
Louisiana.....	14,131	1,321	464	7,500	6,644
Maryland.....	2,617	1,024	1,372	1,109	1,167
Minnesota.....	5,860	10,439	10,683	14,656	26,843
Missouri.....	53,062	25,953	11,888	8,103	8,133
Nebraska.....	5,386	6,102	8,078	7,221	6,331
New Hampshire.....	3,307	4,482	4,618	4,821	7,244
New Mexico.....	17	301	240	124	246
North Carolina.....	10,274	10,676	12,740	15,372	18,976
North Dakota.....	457	126	24	331	389
Ohio.....	3,809	552	163	865	1,537
Oklahoma.....	72,615	56,407	55,538	57,481	72,443
Oregon.....	20,398	12,267	13,053	25,458	19,626
South Carolina.....	1,193	1,639	2,719	3,975	3,937
South Dakota <sup>1</sup> .....	763	505	412	2,490	3,153
Virginia.....	2,115	3,088	4,838	5,778	7,052
Wyoming.....	58	715	909	1,221	2,348

<sup>1</sup> Increase between 1985-90 is due to a change in data sources. Data in 1990 and 1995 include some living arrangements not previously included.

<sup>2</sup> Data not available.

Sources: Data for 1975-85 were from selected editions of the *Annual Statistical Supplement to the Social Security Bulletin*. Data for 1990 and 1995 editions were from the 1990 and 1995 editions of the *State Assistance Programs for SSI Recipients*.

Table 3.—Total amount of State supplementation by type of administration and State, selected years 1975-94

[In thousands]

State	1975	1980	1985	1990	1994
Federal administration					
California.....	\$743,906	\$1,225,633	\$1,326,433	\$3,342,519	\$1,985,048
Delaware.....	1,145	458	523	714	829
District of Columbia.....	1,140	3,951	4,111	4,338	5,167
Hawaii.....	4,945	4,250	3,642	10,207	11,337
Iowa.....	2,492	6,211	9,549	17,156	18,217
Maine.....	6,886	4,552	5,320	7,471	7,429
Massachusetts.....	153,407	122,181	109,788	118,055	154,744
Michigan.....	55,533	73,018	63,707	76,216	61,242
Montana.....	359	674	810	867	947
Nevada.....	2,462	2,514	2,431	2,996	3,769
New Jersey.....	23,709	26,648	46,886	54,495	74,882
New York.....	264,454	225,239	231,138	393,499	498,290
Pennsylvania.....	37,546	23,460	65,923	81,199	130,452
Rhode Island.....	6,552	6,066	8,919	12,058	17,728
Utah.....	121	729	832	838	144
Vermont.....	4,585	4,749	6,816	8,843	9,696
Washington.....	15,655	18,366	20,366	20,386	28,393
Wisconsin.....	50,490	62,218	74,012	101,829	122,910
State administration <sup>1</sup>					
Alabama.....	\$11,867	\$12,492	\$14,859	\$7,086	\$1,585
Arizona.....	1,550	1,273	2,333	2,848	409
Connecticut.....	8,672	19,853	32,824	88,421	99,464
Florida.....	3,352	2,351	8,586	15,555	18,343
Idaho.....	1,521	3,299	4,096	5,364	10,031
Illinois.....	33,693	26,319	46,830	58,583	72,984
Indiana.....	1,201	(2)	1,264	3,283	3,830
Kentucky.....	8,999	11,926	9,821	12,507	17,100
Maryland.....	(2)	799	4,614	6,274	6,230
Minnesota.....	5,083	10,275	17,719	45,805	<sup>2</sup> 53,469
Nebraska.....	2,848	4,689	5,341	5,695	5,884
New Hampshire.....	1,790	4,800	7,567	6,931	9,754
North Carolina.....	14,323	23,460	38,453	66,635	110,035
North Dakota.....	159	957	1,554	1,392	1,851
Oklahoma.....	21,640	42,166	30,202	34,408	36,311
Oregon.....	6,021	6,018	9,162	18,963	24,701
South Carolina.....	1,077	2,284	4,293	10,978	12,487
South Dakota.....	368	584	520	574	712
Virginia.....	1,243	6,420	11,533	15,436	18,290
Wyoming.....	31	181	205	314	630

<sup>1</sup> The following States with State administered programs are not included in this table because they did not consistently report their annual expenditures: Alaska, Colorado, Louisiana, Missouri, New Mexico, and Ohio.

<sup>2</sup> Data not available.

<sup>3</sup> Estimated.

Source: *Annual Statistical Supplement to the Social Security Bulletin*.

States that had been increasing their expenditures in the 1980's began decreasing them in the 1990's. Some of the decreases were rather sizeable. For example, between 1990-94, annual expenditures decreased by \$1.4 billion in California and by \$15 million in Michigan. While the other three decreases were less dramatic, they still may have had a size-

able impact on the recipients in those States; for example, Alabama declined by \$5.4 million, Arizona by \$2.4 million, and Utah by \$694,000.

One factor contributing to the decreasing expenditures may be the recent trend toward tightening welfare programs. For federally administered State programs, another factor may be

the shift of some administrative costs to the States, which began in FFY 1994. The administrative charge per benefit payment (\$5 in FFY 1996) might particularly affect States that have large numbers of recipients or very small supplements.

### Living Arrangements

States supplement a variety of living arrangements. The three most common types of arrangements are living independently, assisted living (includes all varieties of assisted care), and living in Medicaid facilities. Together these three arrangements account for approximately 85 percent of the recipients receiving State supplementation. The remaining 15 percent of the recipients are in such arrangements as living in the household of another, living with an essential person, or living with an ineligible spouse.

### Living Independently

Eligible persons who are living in their own household and are responsible for the household costs are covered by the living independently arrangement. Various States also include in this arrangement the following types of eligible persons: Those in medical facilities where Medicaid is not paying more than 50 percent of the cost of care, residents of adult care facilities who are not otherwise covered by State supplements, and those living in the household of another.

Few changes have occurred over time in the number of States providing supplementary payments to persons living independently. Currently, 28 States provide such payments; in 1974, 25 States did. Payments for this arrangement started after 1974 in Wyoming (1977), South Dakota (1978), Utah (1978), and the District of Columbia (1980). Since 1974, only one State, Alabama, completely stopped making payments for this arrangement.

States that administer their own programs are less likely to supplement persons living independently. Less than half of the States with State-administered programs supplement those in this arrangement. Of the States with Federal administration, only two (Delaware and Montana) do not provide supplements to persons in this living arrangement.

While most States do not differentiate payments for living independently by eligibility category, some exceptions exist. Six States either exclude some eligibility categories from payment or differentiate payments by eligibility category.<sup>7</sup> For example, Nevada excludes disabled recipients from these supplements and Iowa excludes both the aged and disabled. In States where payment levels differ according to eligibility category, the blind and disabled usually receive higher payment levels than do the aged.<sup>8</sup>

Although most States make payments to both individuals and couples living independently, four States exclude one or the other. On one hand, both Oregon and Washington provide payments to individuals, but both exclude some categories of couples. On the other hand, both Utah and Colorado provide

payments to couples, but Utah currently excludes all individuals and Colorado excludes some categories of individuals.

The number of persons receiving supplements in the living independently arrangement has increased in recent years (table 4). Since 1987, 22 of the 24 States for which we have data increased in number of recipients. Three States (Connecticut, Minnesota, and Wyoming) more than doubled their number of recipients. Only two States (Oregon and Utah) had decreased in number of recipients during this period.

*Supplement levels for individuals.*—Perhaps the best way to compare payment levels over time is to pick a common type of living arrangement and eligibility category. Most supplementing States make payments to aged persons living in their own households. Since 1974, payment levels for aged individuals living independently<sup>9</sup> have changed significantly in some States, but not in others (table 5). In the early years of the program, a great deal of variation existed in the yearly

Table 4.—Number of persons receiving State supplements for the living independently arrangement by State, selected years 1987-95

State <sup>1</sup>	1987	1990	1995	Percent change 1987-95
Alaska.....	(2)	5,665	8,498	(2)
California.....	571,740	666,290	802,260	40.3
Colorado.....	(2)	21,475	22,996	(2)
Connecticut.....	12,856	22,323	28,985	125.5
District of Columbia.....	13,290	13,520	16,980	27.8
Hawaii.....	8,320	9,890	14,220	70.9
Iowa.....	790	810	930	17.7
Maine.....	18,130	18,980	25,960	43.2
Massachusetts.....	62,070	61,650	79,070	27.4
Michigan.....	93,570	104,680	<sup>3</sup> 178,853	91.1
Minnesota.....	2,636	5,613	17,243	554.1
Nebraska.....	(2)	4,015	3,651	(2)
Nevada.....	3,600	3,800	4,770	32.5
New Hampshire....	4,476	3,507	5,687	27.1
New Jersey.....	64,000	68,080	103,900	62.3
New York.....	186,660	203,120	285,940	53.2
Oklahoma.....	<sup>3</sup> 54,989	57,481	72,443	31.7
Oregon.....	<sup>3</sup> 17,923	<sup>3</sup> 21,497	17,133	-4.4
Pennsylvania.....	139,640	152,650	222,470	59.3
Rhode Island.....	13,600	14,240	19,900	46.3
South Dakota.....	1,781	2,169	2,897	62.7
Utah.....	<sup>3</sup> 7,009	<sup>3</sup> 10,340	<sup>3</sup> 1,670	-76.2
Vermont.....	7,500	7,970	10,910	45.5
Washington.....	40,670	47,490	76,700	88.6
Wisconsin.....	57,840	61,680	79,860	38.1
Wyoming.....	<sup>3</sup> 877	<sup>3</sup> 1,221	<sup>3</sup> 2,348	167.7

<sup>1</sup> Data for Idaho and Illinois are not available.

<sup>2</sup> Data not available.

<sup>3</sup> Includes those in the State's arrangement of "in the household of another."

Source: State Assistance programs for SSI Recipients, 1987, 1990, and 1995 editions.

increases or decreases by States. Then, between 1976-80, supplements began to increase: approximately half the States increased their supplements yearly. A stabilization occurred between 1981-82, when more than half of the States maintained the same payment levels. In 1983, supplements decreased: more than one-third of the States lowered their payment levels. In the remainder of the eighties, payment levels tended to be maintained. The nineties ushered in a trend of decreasing payment levels. This trend has become particularly pronounced since 1993 when approximately one-third of the States began decreasing their payments (chart 3). In fact, one State, Utah, after reducing its supplements to individuals for a number of years, completely stopped them in 1995.

When State supplements to aged individuals living independently are viewed in terms of constant 1975 dollars, a decline in the value of the payments is readily apparent (table 6). The only States where the supplements increased in value since 1975 are Alaska, Connecticut, and Oklahoma. The decline in the California payment, while not as great as in some other States, is especially important because of the large number of persons affected.

As a welfare program, SSI has always had the goal of

maintaining the incomes of aged, blind, and disabled persons. As a result, SSI payments have traditionally been examined as a percentage of the poverty threshold. Examining the combined Federal and State payment levels in terms of the poverty threshold indicates that since 1980, the recipients in most States that supplement the living independently arrangement have been receiving a decreasing percentage of this threshold (table 7). Since the Federal benefit rate has remained a fairly steady percentage of the poverty threshold over the 1975-94 period, most of the slippage can be attributed to supplement levels. In 1975, the combined payment levels in four States exceeded the poverty threshold (Alaska, California, Massachusetts, and Wisconsin). By 1994, the number of States dropped to two (Alaska and California).

To gain a rough idea of how SSI recipients fared in terms of income compared with other residents of their States, the recipients' combined payments were compared with the per capita income in the States where they resided. The combined payments ranged from less than 20 percent to more than 40 percent of a State's per capita income. When viewed in terms of their State's per capita income, recipients in States paying higher supplements did not always fare better than those from States paying lower supplements. Combined payments in most

Table 5.—State SSI supplements for aged individuals without countable income living independently, 1974-95

State <sup>1</sup>	January 1974	January 1975	January 1976	July 1977	July 1978	July 1979	July 1980	July 1981	July 1982	July 1983	January 1984
Alaska.....	\$110.00	\$104.00	\$166.02	\$176.20	\$187.60	\$205.80	\$235.00	\$261.00	\$262.00	\$242.00	\$252.00
California <sup>2</sup> .....	95.00	89.00	108.20	118.20	132.60	147.80	182.00	174.30	166.70	156.70	163.00
Colorado.....	25.00	39.00	33.20	37.20	40.00	36.80	55.00	61.00	56.00	60.00	58.00
Connecticut.....	98.00	92.00	88.20	88.20	106.52	89.00	102.10	114.40	144.60	152.10	152.10
District of Columbia.....	...	...	...	...	...	...	15.00	15.00	15.00	15.00	15.00
Hawaii.....	25.00	27.00	15.20	15.20	15.20	15.20	15.20	15.20	15.20	4.90	4.90
Idaho.....	52.00	46.00	63.20	73.20	73.60	73.80	74.00	74.30	74.70	82.70	88.00
Maine.....	...	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Massachusetts.....	83.00	123.00	114.61	118.73	126.40	127.81	137.22	137.22	137.22	128.82	128.82
Michigan.....	20.00	24.00	24.30	24.30	27.25	34.09	24.30	24.30	24.30	24.30	24.30
Minnesota.....	38.00	43.00	28.20	33.20	21.60	33.80	34.00	34.00	34.70	34.70	35.00
Nebraska.....	67.00	67.00	65.20	90.20	88.60	86.80	75.00	93.30	92.20	72.20	74.50
Nevada.....	45.00	39.00	34.95	40.05	40.05	43.25	46.70	46.70	46.70	36.40	36.40
New Hampshire.....	30.00	24.00	2.20	2.20	39.60	41.80	46.00	37.30	36.70	27.00	27.00
New Jersey.....	42.00	36.00	22.20	22.20	17.60	17.80	23.00	35.80	25.00	27.10	29.17
New York.....	67.00	61.00	60.85	60.85	60.85	63.21	63.21	63.21	63.21	60.91	60.91
Oklahoma.....	15.00	20.00	21.90	37.00	42.00	79.00	79.00	79.00	79.00	69.00	69.00
Oregon.....	23.00	23.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	1.70	1.70
Pennsylvania.....	10.00	20.00	32.40	32.40	32.40	32.40	32.40	32.40	32.40	32.40	32.40
Rhode Island.....	31.00	37.00	31.44	31.44	33.48	36.79	42.05	46.76	50.22	50.22	51.98
South Dakota.....	...	...	...	...	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Utah.....	...	...	...	...	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Vermont.....	64.00	29.00	32.20	32.20	36.60	38.80	41.00	43.90	47.20	50.00	50.00
Washington.....	30.00	30.00	34.10	40.45	40.85	34.10	43.15	38.30	38.30	38.30	38.30
Wisconsin.....	76.00	82.00	66.20	76.20	86.20	86.20	99.70	73.00	99.70	99.70	99.70
Wyoming.....	...	...	...	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00

See footnotes at end of table.



Table 5.—State SSI supplements for aged individuals without countable income living independently, 1974-95—Continued

State <sup>1</sup>	January 1985	January 1986	January 1987	January 1988	January 1989	January 1990	January 1991	January 1992	January 1993	January 1994	January 1995
Alaska.....	\$261.00	\$269.00	\$292.00	\$305.00	\$317.00	\$331.00	\$349.00	\$362.00	\$374.00	\$362.00	\$362.00
California <sup>2</sup> .....	179.00	197.00	220.00	221.00	234.00	244.00	223.00	223.00	186.00	157.40	156.40
Colorado.....	58.00	58.00	58.00	58.00	58.00	54.00	45.00	56.00	56.00	56.00	56.00
Connecticut.....	140.70	145.63	145.63	403.00	384.00	366.00	359.00	325.10	313.10	301.10	289.00
District of Columbia.....	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	<sup>3</sup> 15.00
Hawaii.....	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90
Idaho.....	78.00	72.00	73.00	73.00	73.00	73.00	70.00	70.00	65.00	45.00	37.00
Maine.....	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Massachusetts.....	128.82	128.82	128.82	128.82	128.82	128.82	128.82	128.82	128.82	128.82	128.82
Michigan.....	26.70	27.80	29.20	30.10	30.20	30.20	30.80	14.00	14.00	14.00	14.00
Minnesota.....	35.00	35.00	35.00	35.00	35.00	75.00	81.00	81.00	81.00	81.00	81.00
Nebraska.....	68.50	62.50	51.00	43.00	38.00	37.50	24.00	30.00	28.00	21.00	19.00
Nevada.....	36.40	36.40	36.40	36.40	36.40	36.40	36.40	36.40	36.40	36.40	36.40
New Hampshire.....	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00
New Jersey.....	31.25	31.25	31.25	31.25	31.25	31.25	31.25	31.25	31.25	31.25	31.25
New York.....	60.91	71.91	71.91	71.91	86.00	86.00	86.00	86.00	86.00	86.00	86.00
Oklahoma.....	60.00	60.00	64.00	64.00	64.00	64.00	64.00	64.00	60.00	57.00	55.00
Oregon.....	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Pennsylvania.....	32.40	32.40	32.40	32.40	32.40	32.40	32.40	32.40	32.40	32.40	32.40
Rhode Island.....	53.80	55.50	56.20	58.35	61.45	64.35	64.35	66.79	64.35	64.35	64.35
South Dakota.....	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Utah.....	10.00	10.00	8.80	8.80	8.80	6.00	6.00	5.30	5.00	1.00	(4)
Vermont.....	53.00	55.70	57.40	58.50	60.10	63.10	64.99	64.99	56.55	54.87	59.41
Washington.....	38.30	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00
Wisconsin.....	99.70	101.70	101.70	102.82	102.72	102.72	102.72	92.72	92.72	84.70	83.78
Wyoming.....	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	9.70	9.70	9.70

<sup>1</sup> The following States are not included in this table for the reasons given: Illinois—uses a budget process to determine payments; Iowa—only supplements the blind in this arrangement; Alabama—only supplemented couples in this arrangement in 1974.

<sup>2</sup> Since January 1974, California has increased its State supplementary payment to include the value of the minimum Food Stamp allotment.

<sup>3</sup> Payment level for this arrangement reduced to \$4.70 in May 1995.

<sup>4</sup> In 1995, Utah only supplemented couples in this arrangement.

Sources: *Supplemental Security Income for the Aged, Blind, and Disabled: Summary of State Payment Levels, State Supplementation, and Medicaid Decisions*, 1974-1983 editions, and *State Assistance Programs for SSI Recipients*, 1984-95 editions.

States have become a decreasing percentage of their per capita income (table 8).

Looking at these payment levels in a variety of ways—as actual amounts, in constant dollars, in relation to poverty thresholds, or as a percentage of a State's per capita income—clearly indicates that the 1990's ushered in a period of diminishing payments. If States are required to pass-along increases to the FBR to maintain their eligibility for Medicaid funding, how can payment levels be reduced? For States selecting the total expenditures method of pass-along, payment levels may be lowered as long as the State does not decrease its total expenditures. For States using the payment level method of pass-along, payment levels may revert to their adjusted March 1983 level. For example, in 1995, Utah was able to discontinue its supplement to aged individuals by applying the March 1983 adjustment of -\$10.30 to its March 1983 supplement of \$10. Similarly, California was able to decrease its payment level from \$244 in 1990, to \$156.40 in 1995 by ap-

plying the -\$10.30 adjustment to its March 1983 payment level of \$166.70.

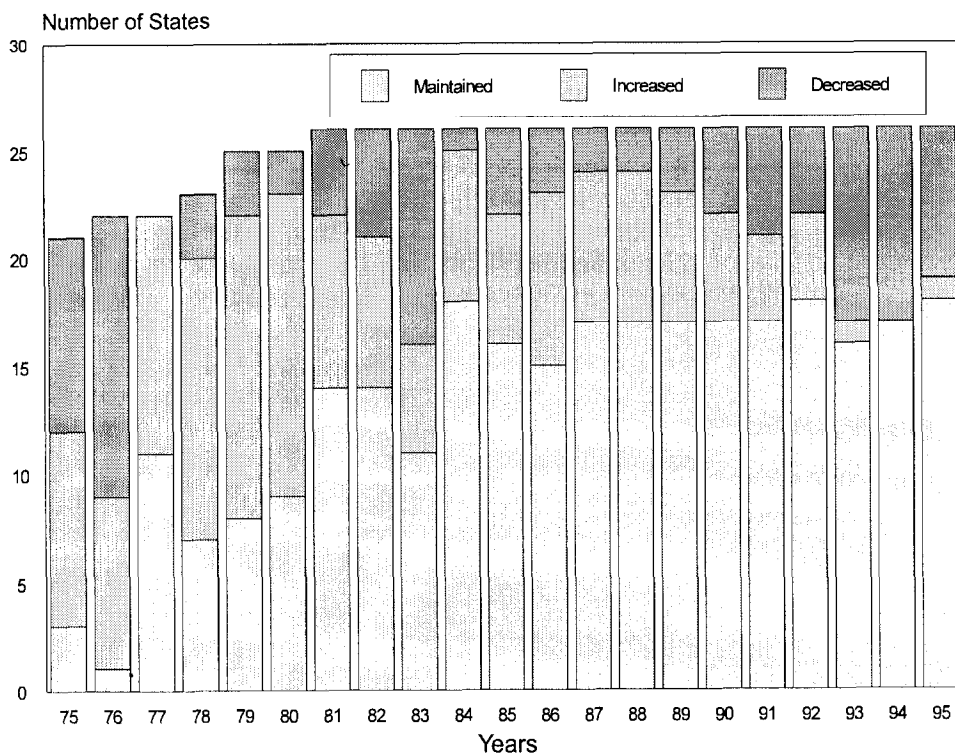
### Assisted Living

In this living arrangement, some type of service or care is provided, such as assistance in feeding, dressing, and/or other essential activities of daily living. In States that supplement both this arrangement and independent living, the payment level for this arrangement is always higher because of the added services.

A large number of States supplement this arrangement. Of the 44 States providing optional supplementation, 38 States provide assisted living payments. The number of States providing these payments has grown from 29 States in 1975 to 38 in 1995.

Since 1975, States have increased both the maximum payment level<sup>10</sup> for and the types of care covered in assisted living (table 9). Of the 35 States that have specific payment

Chart 3.—Number of States increasing, decreasing, or maintaining aged payment levels from previous years, 1974-95



levels for this arrangement, almost all have increased their maximum payment level. In addition, approximately two-thirds have either added payment levels for one or more additional types of care or begun to support this type of arrangement. While most of the federally administered States were supplementing persons in this arrangement in 1975, a definite change occurred in State-administered States. Since 1975, eight additional States with State administration began supplementing this arrangement.

The number of persons receiving payments for assisted living increased in most of the federally administered States between 1976-95. The only exceptions were Massachusetts and Maine.

For State-administered programs, data are not available until 1987. A comparison of the number of persons receiving assisted living payments in 1987 and 1995 indicates that while their numbers increased in some of these States, they decreased in others, and some of the decreases were sizeable. The number of recipients decreased in almost half of the States with State administered programs. Particularly sizeable decreases occurred in Alabama and Arizona.

### Medicaid Facilities

In 1974, the FBR for persons in Medicaid facilities was \$25. At that time, Federal regulations prohibited Federal administration of State supplements to persons in these facilities. By 1987, a number of States (including States with federally administered programs) were administering their own supplementary payments to persons in these facilities. Federal administration of this supplement was authorized in

April 1986 (P.L. 99-272) and implemented in July 1987. Only one payment level was permitted in this living arrangement. In July 1988, the FBR was increased to \$30. To insure that the increase would be passed along, all States paying a supplement to residents of Medicaid facilities in October 1987 were required to maintain the payment level in effect in that month. States making their first supplementary payments after October 1, 1987, but before July 1, 1988, were required to maintain the payment level of the first month they made such a payment.

Most States with federally administered programs immediately converted this supplement to Federal administration. A few States with Federal administration, such as Rhode Island and the District of Columbia, waited before converting. Currently, Washington is the only State with Federal administration that continues to administer the

supplement to persons in Medicaid facilities. New York uses a different approach. Since that State wanted some payment level variations, it selected Federal administration of payments to all eligibles and State administration of an additional supplement to a subgroup of eligibles.

A total of 16 States currently provide supplements to persons in Medicaid facilities. In most of these States, the number of recipients in this living arrangement has declined in recent years (table 10). Most States either have retained the payment level they had in 1987 or have increased it slightly. Only Massachusetts increased its payment level and later reduced it to the 1987 level.

### Summary

State supplementary payments were authorized to prevent an individual's income from being reduced as a result of the change from the State-run assistance programs to SSI, and to enable States to vary payments according to local and individual needs. By looking at three of the most common living arrangements—*independent living, assisted living, and living in Medicaid facilities*—it is possible to track the development of these State supplements over time.

Since the beginning of the SSI program, the number of recipients receiving State optional supplementation has increased in most States. This increase was predominantly due to the increase in the number of disabled recipients, a phenomenon mirroring overall SSI caseload growth. However, in some States with State-administered programs, a decrease in the number supplemented has occurred.

Recently, a number of States have begun reducing their supplementation levels. Since 1993, nearly one-third of the States have reduced their payments, and one (Utah) has stopped supplementing individuals altogether.

Also, some federally administered programs are now becoming partially or totally State administered. For example, in 1995 Michigan began to administer all supplementary payments to recipients living independently, and in 1996 Maine and Wisconsin plan to administer all of their payments. The Federal Government's recent charges for administering State supplementation may be one reason for these changes in administration.

With the growth in the numbers of SSI recipients, many States are faced with escalating supplementation costs. In some States, the increased numbers are partially a result of their own actions. To reduce State welfare costs, these States have made concerted efforts to move their welfare recipients

onto the SSI rolls.<sup>11</sup> But more SSI recipients means greater State supplementation expenditures. To reduce these expenditures, States are trying various means, such as reducing payment levels to their adjusted March 1983 levels, reducing supplementation rolls, or switching from Federal to State administration. More States can be expected to take these and other steps (such as changing their method of pass-along from payment levels to total expenditures) to reduce their supplementation costs.

Recent legislation (H.R. 4), vetoed by the President in 1996, addressed the problem of escalating supplementation costs by eliminating the pass-along requirements with regard to State supplementary payments after September 1995. Had this legislation become law, States would no longer have been required to pass-along, to the recipients they supplemented, the cost-of-living increases to the FBR. Optional supplements could be reduced by the amount of the cost-of-living adjust-

Table 6.—State SSI supplements in constant (1975) dollars for aged individuals without countable income living independently, selected years 1975-94

State <sup>1</sup>	1975	1980	1985	1990	1994	Percent change 1975-1994
Alaska.....	\$104.00	\$151.13	\$132.53	\$137.30	\$134.21	29.0
California.....	89.00	117.05	90.89	101.21	58.35	-34.4
Colorado.....	39.00	35.37	29.45	22.40	20.76	-46.8
Connecticut.....	92.00	65.66	71.44	151.82	111.63	21.3
Hawaii.....	27.00	9.78	2.49	2.03	1.82	-93.3
Idaho.....	46.00	47.59	39.61	30.28	16.68	-63.7
Maine.....	10.00	6.43	5.08	4.15	3.71	-62.9
Massachusetts.....	123.00	88.25	65.41	53.43	47.76	-61.2
Michigan.....	24.00	15.63	13.56	12.53	5.19	-78.4
Minnesota.....	43.00	21.87	17.77	31.11	30.03	-30.2
Nebraska.....	67.00	48.23	34.78	15.55	7.79	-88.4
Nevada.....	39.00	30.03	18.48	15.10	13.49	-65.4
New Hampshire..	24.00	29.58	13.71	11.20	10.01	-58.3
New Jersey.....	36.00	14.79	15.87	12.96	11.59	-67.8
New York.....	61.00	40.65	30.93	35.67	31.88	-47.7
Oklahoma.....	20.00	50.81	30.47	26.55	21.13	5.7
Oregon.....	23.00	7.72	.86	.71	.63	-97.3
Pennsylvania.....	20.00	20.84	16.45	13.44	12.01	-39.9
Rhode Island.....	37.00	27.04	27.32	26.69	23.86	-35.5
Vermont.....	29.00	26.37	26.91	26.17	20.34	-29.9
Washington.....	30.00	27.75	19.45	11.61	10.38	-65.4
Wisconsin.....	82.00	64.12	50.63	42.61	31.40	-61.7

<sup>1</sup>The District of Columbia, South Dakota, Utah, and Wyoming are not included in this table because they began payments for this arrangement after 1975. Illinois is not included because it uses a budget process to determine payments.

Table 7.—Federal benefit rate and combined payments (Federal benefit plus State Supplement) for aged individuals living independently, as a percent of the poverty threshold, by State, selected years 1975-94

State <sup>1</sup>	1975	1980	1985	1990	1994
Poverty threshold.....	\$2,581	\$3,949	\$5,156	\$6,268	\$7,107
Percent of poverty threshold:					
Federal benefit rate...	67.9	72.3	75.6	73.9	75.3
Alaska.....	116.2	143.7	136.4	137.3	136.4
California.....	109.3	127.6	117.3	120.6	101.9
Colorado.....	86.0	89.0	89.1	84.2	84.8
District of Columbia.....	(2)	76.9	79.1	76.8	77.8
Hawaii.....	80.4	76.9	76.8	74.8	76.1
Idaho.....	89.3	94.8	93.8	87.9	82.9
Maine.....	72.5	75.8	78.0	75.8	77.0
Massachusetts.....	125.1	114.0	105.6	98.6	97.1
Michigan.....	79.0	79.7	81.9	79.7	77.7
Minnesota.....	87.9	82.7	83.8	88.3	89.0
Nebraska.....	99.0	95.1	91.6	81.1	78.9
Nevada.....	86.0	86.5	84.1	80.9	81.5
New Hampshire.....	79.0	86.3	81.9	79.1	79.9
New Jersey.....	84.6	79.3	82.9	79.9	80.6
New York.....	96.2	91.5	89.8	90.4	89.8
Oklahoma.....	77.2	96.3	89.6	86.2	84.9
Oregon.....	78.6	76.0	76.0	74.2	75.6
Pennsylvania.....	77.2	82.2	83.2	80.1	80.8
Rhode Island.....	85.1	85.1	88.2	86.2	86.2
South Dakota.....	(2)	76.9	79.1	76.8	77.8
Utah.....	(2)	75.4	78.0	75.0	75.5
Vermont.....	81.4	84.8	88.0	86.0	84.6
Washington.....	81.8	85.4	84.6	79.3	80.0
Wisconsin.....	106.0	102.6	98.8	93.6	89.6
Wyoming.....	(2)	78.4	80.3	77.7	76.9

Table 8.—Combined payment (FBR plus State supplement) as a percent of State per capita personal income by State, selected years 1975-94

State <sup>1</sup>	1975	1980	1985	1990	1994
Percent of national per capita income:					
Federal benefit rate....	29.9	30.1	28.1	24.8	24.7
Percent of State per capita income:					
Alaska.....	31.1	43.9	37.4	41.2	41.4
California.....	42.9	46.2	37.7	36.6	32.4
Colorado.....	37.1	35.0	31.3	28.1	27.0
Connecticut.....	42.0	35.4	30.6	35.5	30.9
District of Columbia.....	(2)	23.8	22.9	19.5	18.1
Hawaii.....	30.9	29.7	28.5	22.4	22.5
Idaho.....	44.5	46.5	44.7	36.0	32.0
Maine.....	39.3	38.8	33.8	27.9	28.1
Massachusetts.....	53.1	44.6	33.4	27.8	26.9
Michigan.....	34.1	31.9	30.1	27.4	24.9
Minnesota.....	39.2	33.7	30.5	29.5	28.4
Nebraska.....	43.5	41.1	36.4	29.2	26.9
Nevada.....	33.5	31.8	29.5	25.0	24.3
New Hampshire.....	37.7	37.8	27.5	24.5	24.0
New Jersey.....	32.1	28.5	24.3	20.7	20.6
New York.....	38.1	35.2	29.4	25.4	24.8
Oklahoma.....	37.7	41.4	37.9	35.7	34.3
Oregon.....	35.2	32.1	31.0	27.0	26.2
Pennsylvania.....	34.1	34.6	31.6	26.6	25.9
Rhode Island.....	38.5	36.6	33.0	28.4	27.9
South Dakota.....	(2)	37.8	37.0	30.8	28.2
Utah.....	(2)	38.9	37.7	33.4	31.2
Vermont.....	42.6	42.7	36.6	30.9	29.9
Washington.....	33.5	33.1	31.0	25.8	25.2
Wisconsin.....	48.7	43.4	38.7	33.7	30.5
Wyoming.....	(2)	28.0	32.3	28.8	26.8

<sup>1</sup> Illinois is not included because it uses a budget process to determine payments.

<sup>2</sup> Supplements began after 1975.

<sup>1</sup> Illinois is not included because it uses a budget process to determine payments.

<sup>2</sup> Payment began after 1975.

Table 9.—Maximum payment level and number of persons receiving State supplementation for assisted living arrangements by type of administration and State, selected years 1975-95

State	Maximum payment level			Number receiving payments			Percent change 1987-95
	1975	1987	1995	1976	1987	1995	
Federal administration							
California.....	\$137	\$292	\$309	44,740	63,980	69,950	9.3
Delaware.....	63	140	140	412	370	560	51.4
District of Columbia.....	24	242	257	847	870	850	-2.3
Hawaii.....	214	192	472	1,365	1,840	2,030	10.3
Iowa.....	104	344	402	1,255	3,804	5,625	47.9
Maine.....	79	234	219	2,369	2,500	2,300	-8.0
Massachusetts.....	202	172	454	6,945	3,360	2,460	-26.8
Michigan.....	174	179	167	13,973	19,310	17,460	-9.6
Montana.....	49	94	94	413	810	1,030	27.2
Nevada.....	115	233	311	211	300	330	10.0
New Jersey.....	94	150	150	4,314	6,030	6,340	5.1
New York.....	493	493	483	25,512	31,050	39,870	28.4
Pennsylvania.....	<sup>1</sup> 20	147	334	(2)	7,190	10,620	47.7
Rhode Island.....	<sup>1</sup> 37	<sup>1</sup> 56	332	(2)	(2)	250	...
Utah.....	...	<sup>1</sup> 9	...	...	(2)	...	...
Vermont.....	84	214	253	1,424	1,520	1,550	2.0
Washington.....	56	<sup>1</sup> 28	<sup>1</sup> 28	298	(2)	(2)	...
Wisconsin.....	204	201	180	602	4,020	16,690	315.2
State administration							
Alabama.....	\$151	\$196	\$196	(3)	18,256	2,266	-705.6
Alaska.....	<sup>1</sup> 104	<sup>1</sup> 292	<sup>1</sup> 362	(3)	(2)	(2)	...
Arizona.....	...	70	70	(3)	3,356	<sup>4</sup> 686	-389.2
Colorado.....	226	377	356	(3)	(2)	5,570	...
Florida.....	79	210	171	(3)	9,184	9,303	1.3
Idaho.....	64	338	353	(3)	1,616	2,054	21.3
Indiana.....	...	418	331	(3)	541	1,204	55.1
Kentucky.....	101	177	334	(3)	7,140	6,101	-17.0
Maryland.....	104	634	678	(3)	1,198	1,083	-10.6
Minnesota.....	<sup>1</sup> 43	(2)	987	(3)	2,774	6,373	56.5
Missouri.....	150	259	276	(3)	(2)	7,376	...
Nebraska.....	74	67	202	(3)	(2)	1,365	...
New Hampshire.....	37	232	213	(3)	984	1,220	19.3
New Mexico.....	...	75	100	(3)	454	246	-84.6
North Carolina.....	144	339	590	(3)	13,104	18,976	30.9
Ohio.....	...	210	456	(3)	556	1,537	63.8
Oklahoma.....	<sup>1</sup> 19	<sup>1</sup> 64	<sup>1</sup> 55	(3)	(2)	(2)	...
Oregon.....	<sup>1</sup> 20	27	27	(3)	2,596	1,549	-67.6
South Carolina.....	69	141	274	(3)	2,933	3,937	25.5
South Dakota.....	...	187	250	(3)	380	235	-61.7
Virginia.....	47	220	347	(3)	5,060	7,052	28.2
Wyoming.....	...	<sup>1</sup> 20	<sup>1</sup> 10	(3)	(2)	(2)	...

<sup>1</sup> Payment level is for living independently. State has no payment levels for assisted living arrangement, but covers those in this arrangement under the living independently arrangement.

<sup>2</sup> Data not available.

<sup>3</sup> In 1976, information on assisted living arrangements was not collected from States with State administration.

<sup>4</sup> Figure is for December 1993.

Sources: Satya Kochhar, "SSI Recipients in Domiciliary Care Facilities: States with Federally Administered Optional Supplementation," *State Assistance Programs for SSI Recipients* (relevant years); March 1976, HEW Publication No. SSA 78-11854; and *Supplemental Security Income for the Aged, Blind, and Disabled: Summary of State Supplementation and Medicaid Decisions* (relevant years).

Table 10.—Number of persons in Medicaid institutions receiving State supplements, and payment level by type of administration and State, selected years 1987-95

State	Number of persons				Payment level		
	1987	1990	1995	Percent change 1990-95	1987	1990	1995
Federal administration							
California.....	15,810	13,700	13,310	-2.8	\$10.00	\$12.00	\$12.00
District of Columbia.....	940	840	1,030	22.6	<sup>1</sup> 15.00	30.00	40.00
Maine.....	890	680	460	-32.4	10.00	10.00	10.00
Massachusetts.....	4,610	4,260	3,410	-20.0	35.00	42.80	35.00
Michigan.....	(2)	4,290	4,640	8.2	...	7.00	7.00
New Jersey.....	...	4,350	4,730	8.7	...	10.00	10.00
New York.....	...	16,580	15,750	-5.0	...	5.00	5.00
Rhode Island.....	...	920	560	-39.1	<sup>1</sup> 5.00	<sup>1</sup> 10.00	10.00
Vermont.....	...	230	150	-34.8	...	15.00	15.00
State administration							
Alaska.....	(2)	165	138	-16.4	\$45.00	\$45.00	\$45.00
Florida.....	5,080	5,488	5,021	-8.5	5.00	5.00	5.00
Louisiana.....	...	7,500	6,644	-11.4	8.00	8.00	8.00
Minnesota.....	4,770	3,796	3,227	-15.0	15.00	19.00	29.00
Nebraska.....	(2)	1,047	793	-24.3	5.00	5.00	10.00
New Hampshire.....	410	218	323	48.2	5.00	10.00	10.00
New York <sup>3</sup> .....	6,764	6,961	8,172	17.4	15.00	20.00	20.00
Washington <sup>4</sup> .....	2,980	2,560	1,662	-35.1	11.62	11.62	11.62

<sup>1</sup> State administered payment. Federal administration of these payments occurred in 1988 for the District of Columbia and in 1992 for Rhode Island.

<sup>2</sup> Data not available.

<sup>3</sup> Those receiving State-administered payments are a subgroup of those receiving federally administered payments. They receive both State and federally administered payments.

<sup>4</sup> Payments for all other living arrangements are federally administered.

ment. Although such legislation might help States in controlling their supplementation expenditures, recipients would be disadvantaged—their total payments could remain constant even though increases in the cost-of-living had occurred.

## Notes

<sup>1</sup> The purpose of mandatory State supplementation was to prevent a recipient's income from being reduced as a result of the change from the State-run assistance programs to the Federal SSI program. To remain eligible for Federal Medicaid matching funds, States were required to implement mandatory supplementation programs. Under these mandatory programs, States are required to maintain recipients of previous State-run programs at their December 1973 income level. Legislation enacted in 1976 required that States pass-along the Federal cost-of-living adjustment to their recipients. Basically, this meant that a mandatory supplement was equal to the amount that the State had previously provided minus the FBR. For example, in 1974 when the FBR was \$140, a person who had previously received \$160 a month under a State assistance program, would receive a State mandatory supplement of \$20 (that is, \$160 - \$140 = \$20). Given no change in the person's circumstances, the pass-along requirement

meant that the mandatory supplement would continue at \$20 (subject only to a possible reduction resulting from the March 1983 adjustment). If the State began providing an optional supplement equal to or greater than the person's mandatory supplement, and the person qualified for that supplement, he/she would be reclassified to optional status. Of course, if the State at any time reduced the optional supplement to below the amount received under mandatory supplementation, the person would revert to mandatory status. In the past 20 years, the number of persons receiving mandatory supplementation has dwindled mainly because of death, but also because of the increases in optional supplementation.

<sup>2</sup> To improve the readability of this report, the District of Columbia is included in the count of States. Thus, the count is 51 rather than 50 States.

<sup>3</sup> If all titles were in effect, three variations are allowed for individuals—aged, blind, and disabled—and six variations are allowed for couples—aged, blind, and disabled couples plus aged person with blind spouse, aged person with disabled spouse, and blind person with disabled spouse. Conceivably, a State that supplemented five living arrangements and was eligible to vary payments in all the geographical, status, and eligibility categories could have as many as 135 payment variations under Federal administration for these ar-

rangements. In actuality, however, States have a far smaller number of payment variations.

<sup>4</sup> The FFY begins the preceding October and continues through the following September.

<sup>5</sup> Since States with dual administration have or have had the majority of their payments federally administered, their programs are classified as federally administered in the remainder of this report. Two of the States with dual administration, Iowa and Vermont, initially exceeded the number of allowable living arrangement variations for Federal administration and had dual administration since the beginning of the SSI program. Two other States, New York and Washington, have continued State administration for some or all of the persons they supplement in Medicaid facilities. Prior to July 1987, all supplements to persons in Medicaid facilities were State administered. In 1995, Michigan began administering all supplements to persons either living independently or in the household of another, while retaining Federal administration of all other living arrangements.

<sup>6</sup> For the most part, these trends mirror those occurring for Federal SSI recipients.

<sup>7</sup> California, Colorado, Iowa, Massachusetts, Nevada, and Oregon.

<sup>8</sup> Except for Colorado, where the payment level for the aged is higher than it is for the blind and disabled.

<sup>9</sup> Only the payment levels of aged individuals will be examined because of those States that do differentiate payments by eligibility category, more provide supplements to the aged than to other eligibility groups and more payments are made to individuals than to couples.

<sup>10</sup> When a State had only one assisted living arrangement, the maximum payment level refers to the payment level for that arrangement. However, when a State had more than one living arrangement classified under assisted living (for example, adult foster care, personal-care facility, group home), the highest payment level for these arrangements was selected as the maximum payment level.

<sup>11</sup> See David Stapleton, Gina Livermore, and Andrea Zeushner, "Lessons from Case Studies of Recent Program Growth in Five States," Lewin-VHI, Inc. and John Bound, Sherrie Kossoudji, and Gema Ricart-Moes, "The Ending of General Assistance and SSI Disability Growth in Michigan: A Case Study," University of Michigan, papers presented at SSA/Office of the Assistant Secretary for Planning and Evaluation conference on The Social Security Administration's Disability Programs: Explanations of Recent Growth and Implications for Disability Policy, July 1995. SSI programs in California, New York, Florida, Michigan, and Texas were examined and evidence was found of State policies or procedures that had the effect of shifting individuals from State and/or locally funded assistance programs to the federally funded SSI program.