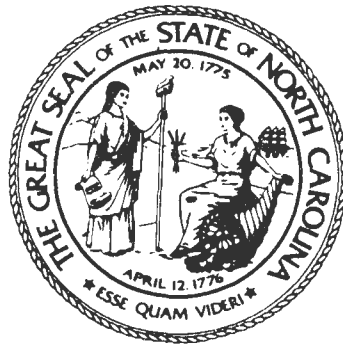


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# LEGISLATIVE RESEARCH COMMISSION

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## AGING



OFFICE OF THE  
LEGISLATIVE RESEARCH COMMISSION  
OF THE GENERAL ASSEMBLY  
OF NORTH CAROLINA

## REPORT TO THE 1985 GENERAL ASSEMBLY OF NORTH CAROLINA 1986 SESSION

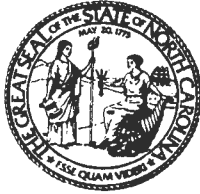
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May 28, 1986

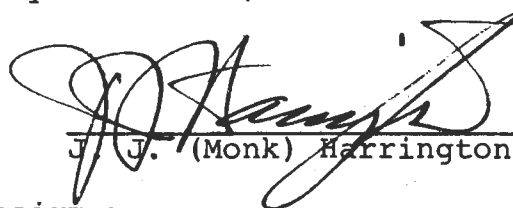
TO THE MEMBERS OF THE 1985 GENERAL ASSEMBLY (1986 Session):

The Legislative Research Commission herewith reports to the 1985 General Assembly (1986 Session) on the matter of the problems of aging. The report is made pursuant to Chapter 790 of the 1985 General Assembly (1985 Session).

This report was prepared by the Legislative Research Commission's Committee on Aging and is transmitted by the Legislative Research Commission for your consideration.

Respectfully submitted,

  
Liston B. Ramsey

  
J. J. (Monk) Harrington

Cochairmen  
Legislative Research Commission

S-035

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I N T R O D U C T I O N





The Legislative Research Commission, created by Article 6B of the General Assembly Statutes Chapter 120, is authorized pursuant to the direction of the General Assembly "to make or cause to be made such studies of and investigations into governmental agencies and institutions and matters of public policy as will aid the General Assembly in performing its duties in the most efficient and effective manner" and "to report to the General Assembly the results of the studies made," which reports "may be accompanied by the recommendations of the Commission and bills suggested to effectuate the recommendations," G.S. 120-30.17. The Commission is chaired by the Speaker of the House and the President Pro Tempore of the Senate, and consists of five representatives and five senators, who are appointed respectively by the Cochairmen, G.S. 120-30.10(a). (See Appendix A for a list of the Commission members.)

Pursuant to G.S. 120-30.10(b) and (c), the Commission Cochairmen appointed study committees consisting of legislators and public members to conduct the studies. Each member of the Legislative Research Commission was delegated the responsibility of overseeing one group of studies and causing the findings and recommendations of the various committees to be reported to the Commission. In addition, one senator and one representative from each study committee were designated Cochair.

By Senate Bill 636 (1985 Session Laws, Chapter 790), the Legislative Research Commission was authorized to continue its study of the problems of aging. In order to accomplish these tasks, Senator Ollie Harris as a member of the Legislative Research Commission was appointed to coordinate the Study of the Problems of Aging. (Senator Harris also serves as an appointed member of the Committee.) Senator Wanda H. Hunt and Representative Sidney A. Locks were appointed to cochair the Committee. The other members appointed were Senators Russell G. Walker and Marvin Ward; and Representatives Barney P. Woodard and Betty H. Wiser; and public members Mr. Daniel Mosca, Mr. Ernest Messer, and Mr. Joseph Pell. The Legislative Services Office provided staff assistance to the Committee for this study.

The minutes of the Committee meetings reflect the statements and discussions of each meeting. All of this information is included in the Committee files.

COMMITTEE HISTORY  
AND  
CURRENT PROCEEDINGS



Between 1970 and 1984, the proportion of the U.S. population 65 or older increased from 9.8 to 11.9 percent. By the year 2000, it is projected that the elderly will account for approximately 13 percent of the total U.S. population. Continuation of this trend is expected into the next century and within 45 years, approximately 1 of every 5 persons in the United States is likely to be 65 or older. Changing mortality rates are especially evident in that the fastest growing population subgroup in the United States in recent years has been that consisting of persons 85 or older. The number of individuals in this group is expected to more than double by 2000. This expansion is likely to result in an increase in the number of people requiring some type of institutionalized or special care.

Currently the fraction of North Carolina's population 65 or more years old is slightly less than the proportion for the entire United States. In 1984, approximately 11.2 percent of the State's population was 65 or older. This compares to 6.8 and 8.1 percent in 1960 and 1970. North Carolina's elderly population, however, has been increasing more rapidly than the national average. Between 1970 and 1984, the 65-plus age group in North Carolina increased by approximately 65 percent -- more than three times the rate of increase for the state's total population. If current growth rates continue, it is projected that within fifteen years, the elderly component of North

Carolina's total population will be a larger proportion than the national average.

Recent increases in the elderly population within North Carolina have been occurring throughout the state. Every county reported an increase in the 65-plus population between 1970 and 1980. These increases ranged from 15.7 percent in Madison County to 89.1 percent in Brunswick County. A slightly more rapid rate of increase occurred in the Mountain and Tidewater regions of the state. The increase in the elderly component resulted in a larger share of the population being 65 or more years old in 1980 compared to 1970 in all North Carolina counties except Dare and Currituck. The latter two counties were the only ones in which the increase in elderly population did not exceed the increase in the number of younger individuals.

The fact is that the elderly represent the fastest-growing segment of the population - a segment that is about to explode. This rapidly growing segment of the population should be provided with a range of service alternatives to meet varied needs to assure a high quality of life. That services to older adults must be reassessed is clearly evident from population data on current and projected numbers of citizens sixty-five years of age and over in each county of the State. With older adults increasing in substantial numbers, the provision of

appropriate services in adequate amounts becomes critical. There is a need for an effective and efficient continuum of services. Because of the situations of older persons change, they should be able to enter the continuum of services wherever necessary for whatever service or services are needed for whatever period of time.

Many persons have begun to consider the Legislative Research Commission's Committee on the Problems of Aging as a major forum for those concerned with aging in North Carolina. This Committee has been devoted entirely to aging, its problems, goals and aspirations. This process began in 1977 with the establishment of a House Aging Committee on Aging. Out of this came the Legislative Research Commission's Committee on the Problems of Aging which began to meet between the two sessions of the 1977 General Assembly and will continue to the 1987 session of the General Assembly.

Therefore, much initial work and background has already been reported. For those interested, this information can be found in The Legislative Research Commission Report to the 1977 General Assembly, Second Session 1978 on Aging; The Legislative Research Commission Report to the 1979 General Assembly on Aging; The Legislative Research Commission Report to the 1979 General Assembly, Second Session 1980 on Aging; The Legislative Research Commission Report to the 1981 General Assembly on Aging; The Legislative Research Commission Report to the 1981 General Assembly, 1982 Session on Aging; The

Legislative Research Commission Report to the 1983 General Assembly on Aging; The Legislative Research Commission Report to the 1983 General Assembly, Second Session 1984 on Aging; and The Legislative Research Commission Report to the 1985 General Assembly on Aging. This report will detail only the information gathered by the Committee since the report to the 1985 General Assembly.

The legislative Research Commission's Committee on the Problems of Aging held four meetings during the course of its deliberations. These meetings were held on January 28, February 17, March 17 and April 10, 1986. Again many groups and persons were heard and many issues were brought to the attention of the Committee. The following Section is a compilation of those problems which need attention by the 1985 General Assembly (Second Session).



FINDINGS  
AND  
RECOMMENDATIONS



RECOMMENDATION 1. EXEMPT FROM INCOME TAXATION THE  
AMOUNT RECEIVED FROM PRIVATE EMPLOYER RETIREMENT PENSIONS  
NOT TO EXCEED \$3000 ANNUALLY FOR PERSONS 65 YEARS AND OLDER

(See Appendix B).

The Committee believes as a matter of State policy, there should be tax equity for recipients of private pensions. There are some discrepancies in the amount of State income taxes paid on pensions according to the source of the pension. For instance, if a recipient draws a pension based on service to a state or local governmental unit such as the Retirement System for Teachers and State Employees, the North Carolina Local Government Employees' Retirement Fund or the Law Enforcement Officers' Benefit and Retirement Fund, then he pays no State income tax on these benefits. If a recipient draws a pension based on service to the federal government, then he receives an exemption of \$3000, on State income taxes. But if a retiree draws a pension based on service to a non-governmental employer, then he must pay income tax.

Therefore, recipients of private plans should receive at least the same treatment as recipients of federal pensions. The needs of the private sector retirees are no less than those of public sector retirees.

This recommendation was introduced in the 1985 General Assembly as House Bill 289 and is pending before the House Finance Committee and therefore eligible for consideration in the 1986 Session. The Aging Committee feels strongly that this bill should be passed by the 1986 Session.

RECOMMENDATION 2. THE NORTH CAROLINA GENERAL ASSEMBLY,  
1986 SESSION SHOULD PASS AND FUND HOUSE BILL 824 WHICH WOULD  
PROVIDE STATE FUNDING FOR MEDICALLY NECESSARY TRANSPORTATION.

(See Appendix C)

In June 1978 the United States District Court of the Middle District of North Carolina (Durham) in the case of Blue vs Craig, issued a Consent Judgment ordering that the State of North Carolina comply with the federal requirement to provide medical transportation for Medicaid recipients in North Carolina as prescribed by Title XIX of the Social Security Act. No funding was authorized. Therefore, counties were instructed to utilize local resources to arrange transportation.

The Division of Medical Assistance has submitted budget requests for transportation service funding for each biennium since 1981. However, the requests were not approved by the State Budget Office.

Since all non-federal costs for Medicaid transportation are funded by county governments, county officials are particularly sensitive to this heavy fiscal load because the State entered into a consent decree which obligated the counties to provide the service.

Therefore, the Committee on Aging believes that now is the time for the State to assume its responsibility by passing House Bill 824 in the 1986 Session. This would allow the counties to again use monies diverted to transportation for direct client services.

If state funding is approved, the State's share will be approximately 26% of total costs. Counties will continue to administer the transportation service and pay approximately 5% of the cost. The State's cost for the 1985-86 fiscal year would be \$1,362,400. Since House Bill 824 does not reflect these costs, the bill should be amended to reflect the need for this appropriation.

RECOMMENDATION 3. THE GENERAL ASSEMBLY SHOULD GIVE SERIOUS CONSIDERATION TO PASSING LEGISLATION WHICH WOULD ALLOW PROPERTY TAX DEFERRAL FOR THE ELDERLY, BUT SHOULD NOT PASS IN THE 1986 GENERAL ASSEMBLY THE TAX DEFERRAL LEGISLATION PRESENTLY BEFORE IT AS SENATE BILL 731.

The sharp rise in recent years in property tax liability as well as inflation in mortgage costs, food, home heating fuel, and motor fuel has reduced the percentage of available family income that can be devoted to the property tax. The homestead exemption has provided some relief in this area to the elderly. However, the tight fiscal condition of State and local government has prevented this form of relief from keeping up with inflation.

Another option available that should be considered to remedy the situation with low-income elderly taxpayers where most of the family's assets are tied up in the homestead and they have a little cash is some form of property tax deferral system. Under a deferral system certain homeowners are allowed to postpone payment of all or part of their property taxes. A lien is placed on the property and deferred taxes must be paid when the property is sold, given away, or transferred at the time of death.

The Committee on Aging has supported this kind of legislation since 1982 but believes Senate Bill 731 is not in the form that would be most beneficial to the elderly or county tax administration. In its present form, Senate Bill 731 would cause severe administrative burdens on counties and cause potential hardships on the elderly.

The Committee believes that a number of policy decisions must be made in adopting a deferral system such as:

- (1) Is the program to be restricted to the elderly?
- (2) Should the program be limited by income? If so, should the program be restricted to low-income elderly homeowners?
- (3) Should the deferred taxes be subject to interest payments and if so, how high should the rate be?
- (4) Should the program be local-option or not?
- (5) Should the State finance the program?

Therefore for these reasons it may be more beneficial for all parties concerned to delay any decision until 1987.

RECOMMENDATION 4. THE NORTH CAROLINA GENERAL ASSEMBLY SHOULD APPROPRIATE \$375,000 FOR THE FISCAL YEAR 1986-87 TO THE DIVISION OF HEALTH SERVICES FOR HOME HEALTH SERVICE GRANTS.

(See Appendix D.)

At the urging of the Legislative Research Commission's Committee on Aging, beginning in 1979 the North Carolina General Assembly appropriated \$1.5 million dollars annually to the Division of Health Services for home health service grants. The grants originally intended to help public agencies expand their services and provide care for the indigent. Today, the

grants are designed solely to offset some of the cost of indigent care for patients who do not qualify for Medicare, Medicaid or other third party payment. The funds provide skilled nursing, therapy, home health aide, medical social services, durable medical equipment and supplies to indigent patients who are homebound.

Last year, the General Assembly allocated an additional \$275,000 to the program but only for the 1985-86 fiscal year. Additional funds are desperately needed for the 1986-87 fiscal year to maintain the level of care and to serve the increasing number of eligible indigent patients. The need for more Home Health Services Reimbursement funds for the 1986-87 fiscal year is readily apparent:

- (1) During the first quarter of the 1985-86 fiscal year, participating home health agencies spent almost \$760,000 for the care of indigent patients. Thus, in just four months, agencies expended 40% of the total available State funds for the care of indigent patients at home.
- (2) By the end of the second quarter of 1985-86 fiscal year, agencies had spent almost \$1.4 million for the care of indigent patients. Thus, almost 75% of the total allocation was spent just halfway through the year.
- (3) If the same level of care for indigent patients continues through the 1985-86 fiscal year, home health agencies will spend approximately \$3 million in indigent care during the year. The entire State

Reimbursement Program provides only \$2 million in funds this year. Even fewer funds will be available next year unless the General Assembly again appropriates additional money.

For these reasons, the Committee on Aging believes that the 1986 General Assembly should appropriate an additional \$375,000 for Fiscal Year 1986-87 for home health service grants.

RECOMMENDATION 5. THE 1986 GENERAL ASSEMBLY SHOULD ENACT HOUSE BILL 1377 WHICH WOULD APPROPRIATE \$750,000 TO INCREASE THE PERSONAL NEED ALLOWANCE \$5 FOR PATIENTS AT FAMILY CARE HOMES AND HOMES FOR THE AGED. (see Appendix E)

State/County Special Assistance to Adults is a financial assistance program to supplement the income of disabled and aged adults who reside in domiciliary care facilities. In February 1986, the statewide caseload was 12,725; the average payment was \$265. The State and counties share the cost of the program. There is no federal participation for the payments themselves.

Prior to January 1974, states administered the financial assistance program to the aged, blind, and disabled. As a part of that program, North Carolina opted to provide financial assistance to eligible clients in rest homes.

In January 1974, the federal government took over the administration of financial assistance to the aged, blind, and disabled through the creation of the Supplemental Security Income (SSI) Program. However, the State was required to



provide a supplement to those in rest homes, because SSI did not cover the full cost of care. At the time of this conversion or "grandfathering" of cases, the personal needs allowance was \$10.

Currently, the personal needs allowance which became effective July 1983 is \$20. Because each recipient receives a \$9.00 exemption from his income, he actually has in-hand \$29 a month. In addition to using this money for purchasing clothing, paying for toiletries, haircuts, social and recreational outings, the money must be used to pay for medical expenses not covered by Medicaid. It is important to note that there has been eleven increases in the cost of care allowances since 1975 while there has been only three increases in the residents' personal allowance. The residents should have the same careful consideration given the operators.

RECOMMENDATION 6. THE CONGRESS OF THE UNITED STATES SHOULD PASS LEGISLATION CURRENTLY BEFORE IT THAT WOULD ESTABLISH AN INDEPENDENT SOCIAL SECURITY ADMINISTRATION. (See Appendix F)

More than 94 percent of America's aged receive a monthly Social Security retirement check. Therefore no single function of government affects as many Americans as profoundly as Social Security.

The problems and complaints which people have with the Social Security Administration are common - long waiting in offices, busy signals on the telephone, delays in claims and recomputations of benefits, delays in getting an answer to mail,

late checks, computer problems, etc. Most members of Congress keep one, two or more staff just to deal with such problems for their constituents. It was not always so.

There are bills pending before Congress that would reestablish the Social Security Administration as an independent agency. This was the way the Social Security Administration started.

Therefore, the Committee on Aging has, by Resolution, requested that Congress reinvigorate and restore soundness to the Social Security System. The people of North Carolina want and demand a consistent approach to Social Security which will protect all of Social Security. The best way to accomplish these goals is by reestablishing Social Security as an independent agency under a bipartisan board as it was in the early days of the program.

RECOMMENDATION 7. THE 1986 SESSION OF THE NORTH CAROLINA GENERAL ASSEMBLY SHOULD CONTINUE ITS SUPPORT OF IN-HOME SERVICES BY APPROPRIATING \$1,500,000 TO ESTABLISH RESPITE SERVICES TO CAREGIVERS OF DEPENDENT OLDER ADULTS.

The Committee on Aging has had a high interest and has aggressively supported the development and initiation of in-home services for the elderly as an alternative to institutionalization. Through continuing support from the General Assembly, North Carolina now has many of the services that support the impaired elderly person who wishes to remain at home.

The part of this continuum of care that has not been adequately developed or supported by the State is respite care.

Respite care is aimed at relieving the people who ordinarily provide care for the elderly patient which to a large extent is the family of the elderly person.

It is family members, not government, who provide the most care for the elderly. The Health Care Financing Administration, of the Department of Health and Human Services, has estimated that 60-80% of the care received by impaired elders is provided by family members or friends who are not compensated for their services.

All too frequently these caregivers bear the total burden of providing care, with little help from other family members or from the community. This leads to potential caregiver burnout and premature institutionalization of the disabled person. If a person is institutionalized, the caregivers' opportunity for contributing to the care can be totally supplanted by the very nature of the institutional setting. Therefore the maintenance of the disabled person in the community, and the support of the caregiver, is thought to defer much of the cost of care. From a cost effectiveness perspective the caregiver's persistence in providing care is an important substitute for institutionalization particularly if funded by Medicaid.

Most unpaid caregivers are older women. Because of the traditional role which society expects of women, and their greater life expectancy than men, the primary caregiver for a disabled elder is usually a wife or daughter. There is a heavy burden laid on women who are caring for their disabled spouse or parent. Housebound, physically exhausted, often depressed,

experiencing social, familial and personal isolation, as well as financial depletion, these women are likely themselves to suffer a breakdown, or to abuse the person dependent on them for total care. Without community support for the caregiver, the result may well be two dependent adults instead of one, and reluctant institutionalization, with both persons eventually dependent on public assistance for their survival.

Thus while the primary focus may remain on the care needed by the frail elder, we cannot ignore the needs of the caregiver. Government-supported services are needed to supplement, not supplant, spousal or family care. Respite care is one small step in relieving the burdens of full time caregivers.

The National Council on Aging recently conducted a survey of all states to determine how many were offering respite care. Survey respondents from 16 states reported enacting legislation that explicitly authorizes state support of respite care. These states include Arizona, Colorado, Connecticut, Florida, Georgia, Illinois, Louisiana, Maine, Missouri, Montana, New Jersey, New Mexico, New York, North Dakota, Washington and West Virginia. The content of the legislation ranges from appropriations for respite demonstration projects to the inclusion of respite in a list of allowable services within a comprehensive community-based care system. Some of the state laws are tied explicitly or implicitly to pending or approved Medicaid Section 2176 waivers.

House Bill 1158, presently before the General Assembly would initiate respite care as a state service in North Carolina

and the Committee on Aging strongly endorses this concept for North Carolina. The bill presently before the General Assembly may need some revisions that have been suggested by various interested parties since its introduction in 1985.

The Committee believes that there should be at least the following principles incorporated in any bill that is passed by the General Assembly:

1. The bill should be statewide. There is no question that a need has been demonstrated for this service and that this need is statewide.
2. There should be a clear and concise definition of respite care.
3. The services to be offered should be clearly defined.
4. The program should be administered by the Council of Government in each region of the State.
5. There should be oversight by the General Assembly.
6. There should be a position established in the Division of Aging to give technical assistance and consultation to the various respite care programs.
7. There should be sufficient monies appropriated to make the program statewide and these monies should be targeted to the elderly population most in need of the services.

RECOMMENDATION 8. THE 1986 SESSION OF THE NORTH CAROLINA GENERAL ASSEMBLY SHOULD CONTINUE ITS SUPPORT OF IN-HOME SERVICES BY PROVIDING AN ADDITIONAL \$1,174,316 TO THE DIVISION OF SOCIAL SERVICES FOR THE ADULT DAY CARE FUND. (See Appendices G and H)

Adult Day Care is one of the in-home services in the long-term care continuum which prevents or delays placement of the elderly or disabled in institutions. The service is directed toward individuals who are physically and/or mentally impaired to the extent of interfering significantly with their capability for self-care, who live in their own homes or the homes of relatives, and are ambulatory (although they may use walkers, canes, wheelchairs, or other aids to get around). The programs serve aging or disabled adults who need supervision or assistance with daily living activities.

This service enables family members to remain employed while carrying the responsibility for an impaired relative, usually an elderly parent. It also provides respite for family members to relieve the stress of caring for a physically or mentally impaired adult. Thus, it can prevent or at least delay expensive institutional care. Within the long-term care continuum adult day care offers a unique combination of advantages: a means for an impaired adult to get out of his house during the day into a safe and supervised environment, an opportunity for group involvement and individually planned services, and activities directed toward stabilization or improvement of self-care.

Adult day care programs operate for a minimum of six hours a day, five days a week. Currently the programs range in size from 8 participants to 71. The majority serve between 16 to 24 individuals.

At the beginning of FY 86-87, there will be a total of 857 adult day care slots available in the state for private pay and low income citizens to use. The Division of Social Services will have enough funds to purchase only 277 of those slots for low income citizens. Based on requests from county departments of social services for funding for adult day care for FY 86-87, approximately 1,660 slots are needed to

serve just low income citizens in FY 86-87. The service is needed by approximately the same number of people who are able to pay for it on a private basis. This means a total of 3,320 slots are needed in the state next year, 2,463 more slots than will be available.

Although Adult Day Care slots have nearly doubled in the last two years, it is clear that the need is not being met in terms of individuals who need the service, nor is it being met in terms of the service being available statewide. There are only 40 certified programs in only 28 counties.

A cost study done in 1984 showed that the average cost of daily care per slot per month was \$298 and transportation per slot per month was \$50. The current maximum rate for purchase of the service by county departments of social services is \$230 per month per slot for daily care and \$45 per month for transportation.

Although the need for Adult Day Care is increasing, the amount of funds for purchase is decreasing. In both FY 84-85 and FY 85-86, \$911,570 was allocated to counties where there were certified adult day care programs. Since \$111,222 of that amount was carry forward Social Services Block Grant funds and are not available for FY 86-87 only \$800,348 comes from \$738,720 in the State Adult Day Care Fund and \$16,629 in regular Social Services Block Grant Funds.

Another issue regarding funding has the impact of further reducing the amount of service. In prior years it has been the practice to reimburse counties from the Adult Day Care Fund on a month of service basis. That is, reimbursing in July for July expenditures. In FY 85-86, this practice was changed to bring reimbursement of the Adult Day Care Fund into the normal fiscal procedure of reimbursement to counties on a reporting month basis, as opposed to a month of service basis. That is, reimbursing in August for July expenditures. This adjustment had the effect of making FY 85-86 an eleven month year. We were therefore able to take advantage of a one-time adjustment in fiscal procedure to stretch the available

funds. However, since counties are purchasing at a rate of 344 slots, \$83,000 (344 slots times \$241 state share per slot per month) plus the \$111,222 will be needed to maintain the FY 85-86 level of service next year.

Now is the time to expand the service in order to meet the needs of the growing elderly population. Adequate expansion will require an appropriation of \$1,174,316 and should be allocated in the following ways:

1. Additional funds to be made available to at least enable counties to continue purchasing the service at the same level (344 slots) as in FY 85-86. Otherwise, there will be only enough money to purchase 27 slots, a loss of 67 slots. This means that \$111,222 in SSBG funds need to be replaced to increase the \$800,348 available for allocation to counties and an additional \$83,000 to offset the fiscal reporting adjustment.

\$194,222

2. Funds are needed to enable counties to purchase half of the 857 slots that will be available at the beginning of FY 86-87. If only Step 1 is funded, that will provide adequate funding to continue purchasing 344 slots. In order to purchase a total of 429 slots (half of the 857 slots to be available), additional funding in the amount of \$245,480 is needed to purchase them.

\$245,480

3. The maximum rate for purchase of adult day care should be increased to more closely reflect the actual cost of the service in order to prevent centers from closing due to lack of funds. A rate of \$275 per month per slot for daily care and \$50 per month per slot for transportation is recommended. A total of \$225,225 is needed to purchase 429 slots for a year at a rate of \$325 per month ( $\$275 + \$50 = \$325$ ). A rate of \$325 per month represents an increase of \$50 per month per client.

\$220,774



4. Start up grants sufficient to encourage the development of centers and adult day care homes in areas where the service is not available is recommended. With staff limitations, it is estimated that consultation could be provided for the development of 15 new programs in FY 86-87. Adding 15 new programs to the ones currently operating in 28 counties would make the service available in nearly half the counties in the state.

Previous start-up grant experience has shown that \$25,000 is a sufficient amount to attract new providers and additional local funds required for match. In small, rural counties an adult day care home would be more appropriate than a center and a \$5,000 grant would likely be enough to encourage the development of a home that could serve up to 8 individuals at a time. Funds for start-up of 10 centers and 5 homes is being requested. A total of \$275,000 is needed for that many start up grants.

\$275,000

It is estimated that a total of 280 additional slots would become available through the development of these 15 new programs. Additional funds would be needed to purchase care from these new programs. In order to purchase  $\frac{1}{2}$  of the 280 slots, additional funds in the amount of \$238,840 will be needed.

\$238,840



A P P E N D I C E S



APPENDIX A

LEGISLATIVE RESEARCH COMMISSION

Senator J. J. Harrington, Cochairman  
Senator Henson P. Barnes  
Senator A. D. Guy  
Senator Ollie Harris  
Senator Lura Tally  
Senator Robert D. Warren

Representative Liston B. Ramsey, Cochairman  
Representative Christopher S. Barker, Jr.  
Representative John T. Church  
Representative Bruce Ethridge  
Representative Aaron Fussell  
Representative Barney Paul Woodard



APPENDIX B  
GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1985



HOUSE BILL 289

Short Title: Private Ret. Tax Exclusion..

(Public)

Sponsors: Representatives Edwards; Bowman, Brown, Buchanan,\*

Referred to: Aging.

March 27, 1985

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE A PARTIAL EXCLUSION FROM INCOME FOR RETIREMENT  
3 PAY RECEIVED BY AN ELDERLY TAXPAYER FROM A PRIVATE EMPLOYER  
4 RETIREMENT PROGRAM..

5 The General Assembly of North Carolina enacts:

6 Section 1.. G.S. 105-141(b) is amended by adding a new  
7 subdivision to read:

8 "(30) The amount, not to exceed three thousand dollars  
9 (\$3,000), received by an individual, who is aged 65 or  
10 over as of the last day of the taxable year, from one or  
11 more private employer retirement programs to which the  
12 individual made contributions during his working years."

13 Sec. 2.. This act is effective for taxable years  
14 beginning on or after January 1, 1985..

15

16 \*Additional Sponsors: Decker, Fitch, Greenwood, Hauser, Jeralds,  
17 Locks, Michaux, Miller, Stamey, Tyndall, Wood, B.P. Woodard.

18

19

20

21





APPENDIX C  
GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1985

H

I

HOUSE BILL 824

Short Title: Medicaid Transportation Costs.

(Public)

Sponsors: Representatatives DeVane; C. Woodard, Hasty,\*

Referred to: Appropriations.

May 3, 1985

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE STATE FUNDING FOR MEDICALLY NECESSARY  
3 TRANSPORTATION FOR MEDICAID RECIPIENTS.

4 Whereas, on June 19, 1978, the State of North Carolina  
5 entered into a consent judgment agreeing to provide medically  
6 necessary transportation to Medicaid recipients; and

7 Whereas, the State of North Carolina has since that time  
8 required the counties to pay the entire nonfederal share of the  
9 cost of providing transportation to Medicaid recipients; Now,  
10 therefore,

11 The General Assembly of North Carolina enacts:

12 Section 1. From funds appropriated to the Department of  
13 Human Resources, Division of Medical Assistance, the State shall  
14 pay its full share of the nonfederal costs of providing medically  
15 necessary transportation for Medicaid recipients.

16 Sec. 2. This act is effective upon ratification.

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18 \*Additional Sponsors: B. P. Woodard, James, Fitch, Gist.

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INTRODUCED BY:

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A BILL TO BE ENTITLED  
AN ACT TO APPROPRIATE FUNDS FOR HOME HEALTH CARE FOR INDIGENTS  
OF NORTH CAROLINA.  
The General Assembly of North Carolina enacts:  
Whereas, the State has established a fund to provide  
home health care to the indigent who are not eligible for  
Medicare or Medicaid; and  
Whereas, there is a steadily increasing number of  
indigent patients requiring home health care; and  
Whereas, the current State funds are being expended  
long before the end of the fiscal year; and  
Whereas, home health care is a cost effective  
alternative to institutional health care; Now, therefore,  
The General Assembly of North Carolina enacts:  
Section 1. There is appropriated from the General  
Fund to the Department of Human Resources, Division of Health  
Services, the sum of three hundred seventy five thousand  
dollars (\$375,000) for fiscal year 1986-1987 to provide home  
health care to the indigent.  
Sec. 2. This act shall become effective July 1,  
1986.



GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1985



HOUSE BILL 1377

Short Title: Rest Home Personal Needs Allowance. (Public)

Sponsors: Representative Wiser.

Referred to: Appropriations.

June 13, 1985

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A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO INCREASE THE PERSONAL NEEDS ALLOWANCE OF PATIENTS AT FAMILY CARE HOMES AND HOMES FOR THE AGED.

The General Assembly of North Carolina enacts:

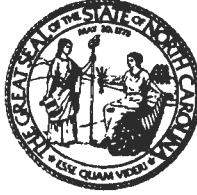
Section 1. There is appropriated from the General Fund to the Department of Human Resources, Division of Social Services, the sum of seven hundred fifty thousand dollars (\$750,000) for fiscal year 1985-86 to increase from twenty-nine dollars (\$29.00) to thirty-four dollars (\$34.00) the monthly personal needs allowance of patients in family care homes and homes for the aged whose care is subsidized under the State-County Special Assistance for Adults Program.

Sec. 2. This act shall become effective July 1, 1985.



APPENDIX F

STATE OF NORTH CAROLINA  
LEGISLATIVE RESEARCH COMMISSION  
STATE LEGISLATIVE BUILDING  
RALEIGH 27611



A RESOLUTION CONCERNING LEGISLATION FOR AN INDEPENDENT SOCIAL SECURITY.

WHEREAS, more than 94 percent of America's aged receive a monthly Social Security retirement check; and

WHEREAS, no single function of government affects as many Americans as profoundly as Social Security does; and

WHEREAS, between its inception in 1935 and now, Social Security has transformed the economic well-being of virtually every man, woman, and child in America; and

WHEREAS, prior to the mid-seventies the Social Security Administration was considered one of the premier Federal administrative agencies for operating efficiency and quality of public service; and

WHEREAS, since then for a number of reasons, the Social Security Administration has lost its public reputation for administrative excellence; and

WHEREAS, Social Security must be reinvigorated and restored to soundness and excellence; and

WHEREAS, the American people and the people of North Carolina want and demand a consistent approach to Social Security which will protect all of Social Security; and

WHEREAS, the North Carolina General Assembly's Legislative Research Commission's Committee on Aging believes that the best way to accomplish these goals is by reestablishing Social Security as an independent agency under a bipartisan board as it was in the early days of the program;

Now, therefore, be it resolved by the Legislative Research Commission's Committee on Aging that:

Section 1. The Congress is urged to take immediate action on one of several bills before it that would provide that the Social Security Administration would be an independent agency, directed and overseen by a bi-partisan board and a chief

executive to manage the daily operations and an independent Inspector General to monitor the management.

Sec. 2. The North Carolina Congressional Delegation is urged to support those measures before Congress that would accomplish the creation of an independent agency to administer Social Security.

Sec. 3. This Resolution shall be sent to each of the eleven members of the United States House of Representatives and the two United States Senators from North Carolina, The Speaker of the United States House of Representatives, the Chairman of the United States House of Representatives Select Committee on Aging, and the United States Senate Special Committee on Aging.

For the Legislative Research Commission's Committee on Aging.

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Senator Wanda H. Hunt  
Cochair

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Representative Sidney A. Locks  
Cochair

Y-023



APPENDIX G

86W23-LF-4

Public

S.T.: Adult Day Care Funds

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FUNDS FOR THE STATE ADULT DAY CARE PROGRAM.

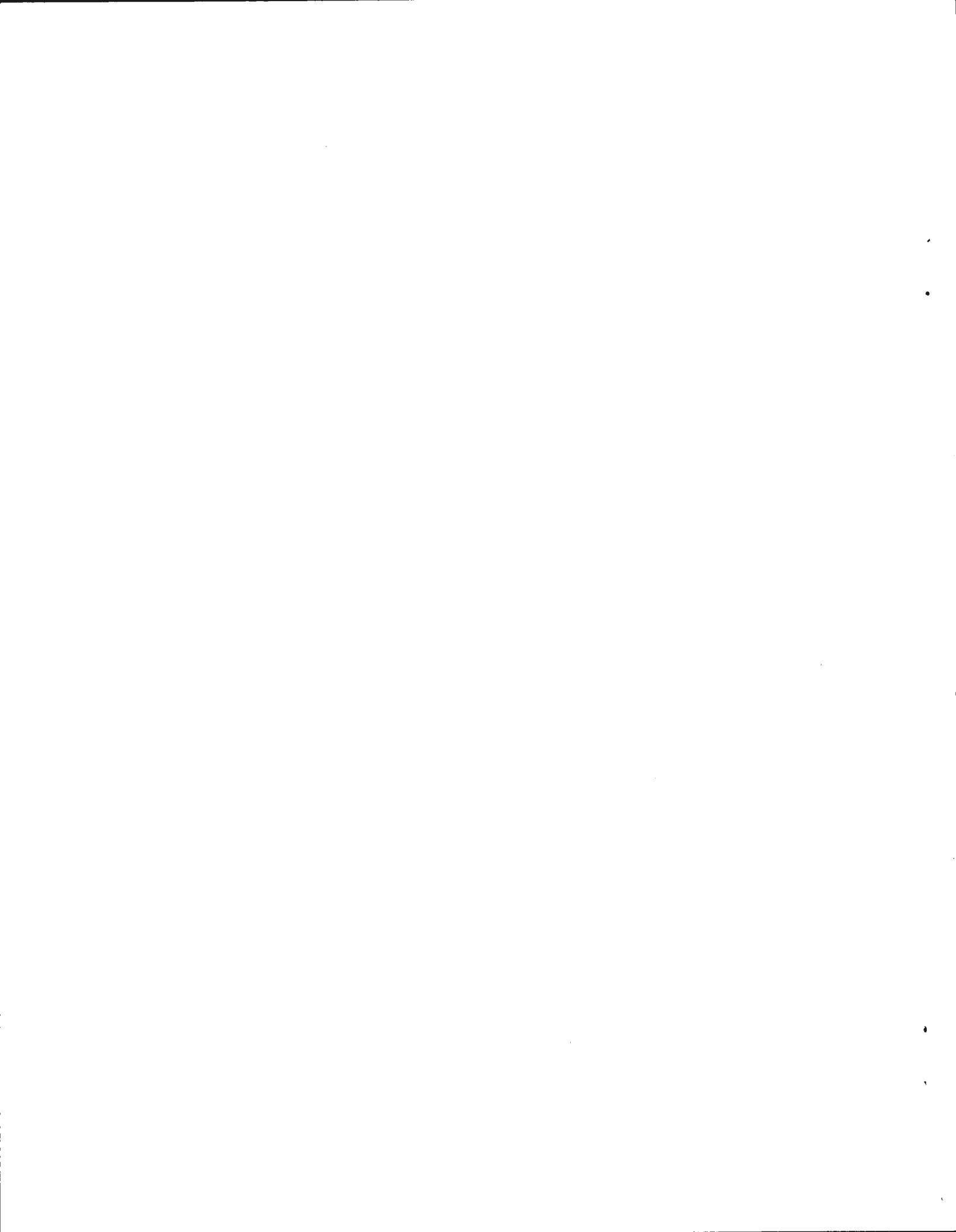
The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Human Resources, Division of Social Services, the sum of one million one hundred seventy-four thousand three hundred sixteen dollars (\$1,174,316) for fiscal year 1986-87 to provide funds for the State Adult Day Care Program.

These funds shall be allocated for the following purposes:

- (1) To continue the purchasing of the same number of slots that existed prior to July 1, 1986;
- (2) To fund an increase in the rate of purchase of adult day care to reflect more closely the actual cost of the service;
- (3) To fund an increase in the number of adult day care slots purchased; and
- (4) To fund start-up grants sufficient to encourage the development of adult day care centers and homes in areas where service is not available.

Sec. 2. This act shall become effective July 1, 1986.



APPENDIX H

STATE ADULT DAY CARE FUND

CALCULATIONS FOR

RECOMMENDATION 8

Calculations: 429 slots minus 344 slots = 85. 85 slots x \$2,888 = \$245,480. The annual cost per slot of \$2,888 is calculated as follows: \$230 (monthly rate for daily care) + \$45 (monthly rate for transportation) = \$275. \$275 x 12 months = \$3,300. \$3,300 x 87½% (State share of cost) = \$2,888 per slot per year).

Calculations: 429 slots x \$525 = \$225,225. The annual increase in cost of \$525 is calculated as follows: \$325 proposed rate (\$275 + \$50) less \$275 current rate (\$230 + \$45) = \$50. \$50 x 12 months = \$600. \$600 x 87½% (State share of cost) = \$525 per slot per year.

Calculations: 10 centers x \$25,000 per center = \$250,000; 5 homes x \$5,000 per home = \$25,000; \$250,000 + \$25,000 = \$275,000.

Calculations: 140 slots x \$1,706 per client per ½ year (programs need 6 months to gear up before providing care) = \$238,840. The semi-annual cost per slot is calculated as follows: \$325 (projected rate increase for FY 86-87) x 6 months = \$1,950 x 87½% (State share of cost) = \$1,706.

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North Carolina