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STATEMENT OF  
GREGORY J. AHART, DIRECTOR  
HUMAN RESOURCES DIVISION  
BEFORE THE  
SELECT COMMITTEE ON AGING  
UNITED STATES HOUSE OF REPRESENTATIVES  
ON  
[REGULATION OF BOARDING HOMES WHERE  
SUPPLEMENTAL SECURITY INCCME RECIPIENTS RESIDE]



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Testimony  
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Mr. Chairman and Members of the Committee, we are pleased to appear today to discuss our ongoing review of HEW's efforts to insure that Supplemental Security Income (SSI) recipients are residing in boarding homes and other settings that are safe and sanitary and are receiving necessary protective oversight.

As you know, boarding home problems have been recognized in numerous studies and investigations. Some of these are:

- Hearings held by this Committee -  
"The National Crisis in Adult Care Homes" (June 1977) and "Adult Boarding Homes" (February 1978),
- A report by a New Jersey Governor's Cabinet-level task force on boarding homes (May 1978),
- New Jersey State Committee of Investigation's "Report on Abuses and Irregularities in New Jersey's Boarding Home Industry" (November 1978),
- Presentments in 1976 by a Philadelphia, Pennsylvania, Grand Jury resulting from an investigation of nursing and boarding homes,

- The New Jersey State Nursing Home Study Commission's "Report on Long Term Care" (September 1978), which addressed the boarding home problem,
- A Temple University study of "Boarding Homes in Philadelphia" (January 1978),
- A State of Washington report, "Evaluation of the Deinstitutionalization Process in the U.S. Department of Health, Education, and Welfare - Region X" (February 1978),
- The HEW Secretary's current quick-assessment study on delivery of services to boarding homes, and
- Numerous newspaper articles, as early as 1975, describing tragedies and inadequate care for boarding home residents.

Before proceeding further, I would like to provide some background information on SSI recipients.

Title XVI of the Social Security Act established the SSI program to provide cash assistance to

needy aged, blind, and disabled persons. Effective January 1, 1974, the program provides a minimum income for eligible persons to help them live as independently as possible. As of July 1978, the guaranteed monthly income amounts were increased to \$189.40 for an individual and \$284.10 for a couple. In December 1978, there were 1,970,000 aged, 2,172,000 disabled, and 77,000 blind recipients of monthly payments.

The SSI program has provided income support for many mentally disabled persons who have returned to the community from institutions. While the concept of deinstitutionalizing the mentally disabled pre-dates the SSI program, the income from that program helps make it possible for them to be released from institutions. In essence, the SSI program probably aided and speeded the deinstitutionalizing of mentally disabled individuals.

In January 1977, we reported to the Congress that many mentally disabled persons had been released from institutions before sufficient community facilities and services were available

and without adequate planning and follow-up. As a result, there was little assurance that individuals were residing in safe and sanitary facilities and receiving necessary protective oversight.

A similar dilemma exists for many needy aged who receive SSI benefits. While this population may be less exploitable than the mentally disabled, there is likewise no orderly program to assure that they are residing in safe and sanitary facilities and are receiving necessary protective oversight.

ATTEMPTS TO PROVIDE PROTECTIVE  
OVERSIGHT TO SSI RECIPIENTS  
HAVE NOT BEEN EFFECTIVE

On October 20, 1976, Congress enacted section 505(d) (Keys Amendment) of P.L. 94-566 which became section 1616(e) of the Social Security Act. The Keys Amendment requires States to establish, maintain, and insure enforcement of standards for any category of institutions, foster homes, or group living arrangements in which a significant number of SSI recipients reside or are likely to reside. The standards must cover matters such as admission policies, safety, sanitation, and protection of

civil rights. The act also requires the Social Security Administration (SSA) to reduce the SSI payment in certain instances if a recipient resides in a facility which does not meet these standards.

The Keys Amendment requires that the standards be included in each States' annual publication of its Title XX plan beginning with fiscal year 1979. There are five broad national goals of Title XX of the Social Security Act. Two of these goals are:

--To protect children and adults who cannot protect themselves from abuse, neglect, and exploitation and to help families to stay together.

--To prevent and reduce inappropriate institutional care as much as possible by making home and community services available.

Our testimony today draws heavily on our review of HEW and local governments' efforts to implement the Keys Amendment. While our work is not yet completed, our interim results indicate that significant opportunity exists for recipients to be exploited with little or no effort being made by HEW to assist the States

in meeting their inspection, social services, and other program responsibilities. Moreover, no SSI benefits have been reduced because recipients have been found to be living in facilities which fail to meet State standards.

In our view, the Title XX goals are particularly appropriate for SSI recipients who reside in boarding homes. Although most States have published required standards, they do not have the information needed to identify the facilities in which significant numbers of SSI recipients reside or are likely to reside. SSA prohibits States from using SSI recipient names and addresses for locating recipients that may be eligible for Title XX services. As a result, a "Catch 22" situation exists wherein SSI recipient data cannot be used to identify recipients in boarding homes and thereby assure that the Title XX goals are met.

#### OUR REVIEW APPROACH

By the time we began our review, the problems associated with SSI recipients and others residing in boarding homes had been studied extensively and publicized nationally. Numerous boarding home tragedies and cases of residents being exploited

by unscrupulous proprietors had been identified, but usually on an after-the-fact basis. After consulting with staff members from your Committee and others, we opted to concentrate our efforts on seeking a solution to the problem.

One question was continually posed, but had not been answered--how can boarding homes housing significant numbers of SSI recipients be identified?

We developed a computerized data retrieval procedure which could identify from SSA records those addresses where three or more SSI checks were being sent each month to unrelated individuals who were not under institutional care and consequently may be living in boarding homes. To test the usefulness of our retrieval process, we selected addresses in Camden County, New Jersey, and Baltimore, Maryland, and made arrangements with local officials to visit the addresses.

#### Baltimore, Maryland

In Baltimore, Maryland, we identified 286 potential boarding homes. From these, we selected a random sample of 49 for review. After we visited these addresses and interviewed the



proprietors and selected residents, we determined that 24 (49 percent) were actually boarding homes, while the balance consisted of apartments or other living arrangements.

The 24 boarding homes visited housed 233 SSI recipients--74 aged, 5 blind, and 154 disabled. SSA records that were readily available for 94 of the 154 disabled recipients showed that 90 (96 percent) were mentally impaired.

Of the 24 boarding homes, 6 were licensed by the State and 7 others were licensed by the City of Baltimore. The remaining 11 were unlicensed--7 of which were unknown to State or local authorities.

None of the State licensed boarding homes were in violation of safety standards. The residents in these homes were receiving some protective oversight.

Five of the seven city licensed homes had potential safety violations and four housed recipients who, in our opinion, needed protective oversight.

As shown in the cases discussed in the attachment to our testimony, we found recipients living in unsafe and unsanitary facilities and in situations which indicate they needed protective oversight. For example:

--One home was dirty and disorganized and there was no heat source other than a gas cooking stove with its burners fully on. This home had a "rotted-out" wooden fire escape to the second and third floors.  
(See case 1.)

--One home housed a mentally disabled recipient who used a walker to get around. He lived on the third floor and complained that sometimes he did not get fed since he could not move fast enough to make it downstairs in time for meals. In case of fire he would probably perish. (See case 2.)

--Another home had been closed a few months earlier when the City Health Department found it filthy and unfit for human habitation. It has since been allowed to reopen even though conditions have not improved.  
(See case 3.)

Camden County, New Jersey

In Camden County, New Jersey, we identified 92 potential boarding homes. From these, we selected a random sample of 25 for review. After we visited these addresses and interviewed the proprietors and selected residents, we determined that 14 (56 percent) were actually boarding homes, while the balance consisted of apartments or other living arrangements.

The 14 boarding homes visited housed 220 SSI recipients-103 aged, 2 blind, and 115 disabled. SSA records that were readily available for 54 of the 115 disabled recipients showed that 39 (72 percent) were mentally impaired.

Of the 14 boarding homes, 6 were licensed by the State and 4 had State license applications pending. The remaining four were unlicensed, three of which were not known to State or local authorities.

As shown in the cases discussed in the attachment, we found recipients living in unsafe and unsanitary facilities and in situations which indicated they needed protective oversight. For example:

--A case of potential fraud involved one home to which several SSI checks were mailed even though the recipients had not lived there for up to 1 year. This case is being pursued by SSA. This home was also cited by the State Health Department for taking in disabled residents even though it did not have a license to house them. (See case 4.)

--Another case of potential fraud involved the SSI check for a reported missing person still being sent to the boarding home operator as representative payee. This case is being pursued by SSA. (See case 5.)

--A case of potential overpayments involved residents receiving full State supplemental payments which were mailed to a facility licensed for sheltered care. However, these residents were housed in a nearby building not licensed for such care. This case is being pursued by SSA. (See case 6.)

--In one unlicensed boarding home, we found an elderly and disoriented female resident locked in a second floor bedroom. This home was dirty and cluttered and had unemptied bedside commodes throughout. (See case 7.)

--One home was cited by the State nurse for housing residents who were not capable of self-care. This operator had previously been warned by the Department of Health to cease operating a boarding home for sheltered care without a license. (See case 8.)

POTENTIAL FOR STATES TO USE  
SOCIAL SECURITY ADMINISTRATION  
INFORMATION TO IDENTIFY  
BOARDING HOMES

During our review, the States of Maryland and New Jersey asked us if it would be possible to use SSA information to identify potential boarding homes. Officials of these States said that the availability of such information would enable them to identify boarding homes presently unknown to State and local licensing authorities. These

States had signed agreements with SSA whereby they agreed not to use SSA-State Data Exchange records except for "routine uses" which had been established under the Privacy Act of 1974 (5 U.S.C. 552a, et seq.). The use of such records to identify boarding homes has not been established as a "routine use."

We discussed the limitations placed on the use of social security records by the States and the adverse boarding home problems resulting therefrom with SSA officials. They suggested that the States could request to use the State Data Exchange information, on a one-time basis, under the Freedom of Information Act (5 U.S.C. 552). We conveyed this to Maryland and New Jersey officials. On February 5, 1979, the State of New Jersey requested approval under the provisions of the Freedom of Information Act to use the State Data Exchange file to identify potential boarding homes. In its request, New Jersey stated that it believed the only effective means for locating many of the unlicensed boarding houses was through the records in the

State Data Exchange file. On April 6, 1979, the SSA gave New Jersey permission, on a one-time only basis, to use the State Data Exchange records to locate unlicensed boarding homes for purposes of conducting a reform program of the boarding home industry. A similar request has been submitted to SSA by the State of Maryland.

We suggested to HEW officials that other States be notified so that they could initiate similar requests. However, these officials indicated that it was not clear within HEW which organization, SSA or the Office of Human Development Services, should notify States to initiate requests. They told us that these two organizations would soon be meeting to resolve the issue.

#### OBSERVATIONS

Since our review is not completed and all the evidence has not been analyzed, we are unable to draw firm conclusions. However, we would like to share these five preliminary observations.

--The SSA-State Data Exchange record can be used as a reasonably accurate means of identifying potential boarding homes.

--New Jersey has been given permission by SSA to use its State Data Exchange record on a one-time basis to conduct a reform program of the boarding home industry. Other States may want to request like authorizations from SSA.

--It may be difficult for some States to use existing resources to provide protective oversight and services to SSI recipients residing in boarding homes.

--If the boarding home "industry" is as large as some have indicated, there will be a range of problems which will eventually have to be confronted. There is a financial squeeze--many residents have less than \$200 monthly income. There is a fire safety squeeze--many boarding homes are converted private residences which could require costly alteration to meet fire protection regulations. There is a low income housing squeeze--vigorous



enforcement of standards by local authorities could close many existing homes. There is a training squeeze--aged and disabled SSI recipients are likely to deteriorate and need care which most boarding home operators are not trained to recognize. There is significant financial incentive for boarding home operators to reduce costs in order to maximize profits.

--HEW should clearly define the roles its agencies should assume in regulating and in assisting States to regulate boarding homes which house significant numbers of SSI recipients.

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This concludes my statement. We would be happy to respond to any questions you or other Members of the Committee may have.

SELECTED CASE DESCRIPTIONS

Case 1--Along with a City Health sanitarian and a State social worker, we visited an address which our computer program had identified as having received seven SSI checks. The facility was licensed by the local housing authority as a multi-family dwelling. We found no records indicating that the State or local health authorities were aware of its existence. We found 11 people residing there, 6 of which were SSI recipients.

The sanitarian noted that the home was dirty and disorganized and that there was no heat source other than a gas cooking stove whose burners were fully on. There was virtually no food in the refrigerator. The sanitarian also told us the wooden fire escape to the second and third floors was rotted-out. The proprietor would

not allow us access to the second and third floors. The proprietor told us there were no fire or smoke detectors or sprinklers.

We interviewed five of the SSI recipients, all of whom appeared mentally disturbed. To date, we have located SSI files on two of them which indicated mental disability.

Several recipients did not know the amount of their SSI check, how much they paid in room and board, and how much spending money, if any, they were receiving. Several of them were not coherent.

The conditions did not assure the well-being or safety of the individuals residing there. In case of fire, anyone housed on the second or third floors would likely perish.

The sanitarian notified responsible local and State authorities of the existing conditions.

Case 2--Along with a City Health sanitarian and a State social worker, we visited an address where our computer program indicated that four disabled and one blind individuals' checks were being sent. After arriving at the address, we were denied entry. It was not until 5 days later that the owner/operator of the rowhouse would let us in. There was no city or State license for this address, or any knowledge of the home's existence by State or local authorities.

According to the owner, only three SSI recipients were still residing there. Two of the recipients appeared to be mentally disabled. One also used a walker to get around. He informed us that he lived on the third floor and sometimes doesn't get fed since he couldn't move fast enough to make it downstairs in time for meals. This individual appeared sufficiently disabled to be in danger

in case of fire. We referred him to the local social services department, which is currently in the process of locating another residence for him. The individual also told us he was not receiving his SSI check, so a social worker referred his case to an SSA district office for investigation.

Case 3--Along with a City Health sanitarian and a State social worker, we went to an address where our computer program indicated 23 disabled and 2 aged SSI recipients' checks were being mailed. To date, we have located SSI files showing that 14 of these residents were diagnosed as having chronic alcoholism and 1 resident as sociopathic.

The address was licensed by the local housing authority as a multi-family dwelling and the local authorities were also aware that it was operated as an alcoholic halfway house.

We interviewed five of the SSI recipients residing there. We also spoke to several non-SSI recipients, one of whom told us that medicaid cards were being used by the operator and by the doctor that comes to the house to order unnecessary drugs. This allegation will be pursued.

This house, which was actually several connecting row homes, was filthy and, in fact, had been closed by the City Health Department a few months earlier as being unfit for human habitation. According to the City Health sanitarian who accompanied us, conditions did not appear to have improved. The sanitarian notified local authorities of the existing conditions.

Case 4--Accompanied by a registered nurse

from the State Department of Health and a State building inspector, we visited an address identified by our computer program as the residence of 14 disabled, 1 blind, and 7 aged SSI recipients. This address actually turned out to be three separate homes operated by three different individuals all using the same mailing address. At the time of our visit, two of the homes still housed SSI recipients. Both owners had previously been cited and fined by the State Department of Health for operating sheltered care homes without a license. The State nurse cited both owners again for the same violation.

Based on information from SSA records, several SSI checks were going to this address but the

owner claimed that the SSI recipients had not lived at her home for a year. These cases are being pursued with SSA.

Case 5--Our computer program identified an address as the residence of three SSI recipients. On the date of our visit, the operator of the boarding home told us that two of these individuals live at this address but were out for the day at an activities center. The operator said that the third individual has been a missing person since October 1978. The operator also said that the local police and SSA were notified and the SSI payments had been terminated. SSA records show, however, that the January 1979 SSI benefit payment was made to the operator of this boarding home as the representative payee of the missing individual. This potential fraud case will be referred to SSA for further investigation.



Case 6--We visited one address which our computer program identified as the residence of 47 disabled and 31 aged SSI recipients. The principal building at this address was licensed as a sheltered care facility, for which New Jersey pays a monthly supplement of \$125.60 to SSI recipients.

We found four residents living in a nearby building which was not licensed, but the residents were receiving the full State supplemental payment as of September 1978. State Department of Health reports of inspections and surveillance visits showed that these four individuals were previously identified as residents of the same building; one as early as October 1977 and the other three in December 1977. We interviewed three of the residents who said they lived in the same building for 5, 3, and 2 years, respectively.

We reviewed SSA records which showed that a potential overpayment was being investigated because the representative payee accepted and used the State supplemental payment even though the SSI recipient did not live in the licensed facility.

We plan to pursue these potential overpayments of State supplemental amounts with SSA and State authorities.

Case 7--Accompanied by a registered nurse from the State Department of Health and a State building inspector, we visited an address identified by our computer program as the residence of three SSI recipients. Only one of these SSI recipients was living at this address at the time of our visit, and the other two were deceased. However, three additional SSI recipients had moved to this address since the date we ran our computer program. This residence was not

licensed by State or local authorities and was previously unknown to State inspection authorities.

The registered nurse noted that (1) the home was disorderly, and in need of complete cleaning and repairs, (2) bedrooms were odorous because bedside commodes contained excreta, (3) the two fire extinguishers were last inspected in 1974, and (4) the building lacked fire and smoke detection devices.

The nurse also observed an elderly woman in a second floor bedroom which was secured from the outside by a hook and eye lock. In conversation with this resident, the nurse found her confused and disoriented. The operator's sister explained that this resident was locked in the room at all times to prevent wandering and a possible fall. The nurse instructed the operator to immediately relocate this resident to a first floor

room until transfer to a licensed facility could be arranged.

In addition, the nurse found that the operator was unqualified but was dispensing medication to four residents and supervising the personal hygiene of four residents. The nurse also found that 24-hour continual supervision appeared to be needed by five of the six current occupants. The nurse requested the operator to relocate her residents to other facilities with the assistance of the County Welfare Board and by contacting their families.

We interviewed two of the four SSI recipients currently living at this address. Neither appeared to be mentally disturbed, but one stated she had epilepsy and both were shabbily dressed.

This address was referred to the State Secretary of Health by the registered nurse for departmental action.

Case 8--Accompanied by a registered nurse

from the State Department of Health and a State building inspector, we visited an address which our computer program identified as the residence of three SSI recipients. Only one of these SSI recipients was at this address at the time of our visit, however, we identified three other SSI recipients currently living at this address. This address is licensed by the State as a multiple dwelling unit, however, the operator had previously been warned by the State Department of Health to cease operating a boarding home for sheltered care without a license. The State nurse again cited this operator for the same violations on the date of our visit. The nurse assessed two residents as dirty, and poorly or improperly clothed and in

need of supervision. The nurse found that one of these two residents was not oriented to place, did not know directions, or how to make change.

We interviewed this latter resident and, in our opinion, he was frequently unable to keep track of the topic and appeared to be confused and disoriented. For example, in response to our request to see his Social Security card, he showed us an elementary school report card which he apparently had found on the street and a garment tag which showed lot and size numbers.

The State nurse referred this facility for Departmental action as it was the operator's second offense.