

Impact of the Section 202 Program on Elderly Health

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Introduction

In 2009, the Administration on Aging (AoA) reported 39.6 million elderly – persons 65 years or older – living in the United States; this figure represents 12.9% of the total population. Researchers project an estimated 72.1 million older persons by 2030, thus having implications on health policies that cater to the elderly population.¹ In considering non-health policies that yield health effects, many studies show that residential environment has direct, indirect, and psychological effects on an individual's health. The National Housing Act of 1959 established Section 202 Supportive Housing for the Elderly Population; this federal program provides subsidies for rental housing and capital advances to build and renovate buildings that serve the low-income elderly population.² Since the enactment of this program, there has been no research on the relationship between Section 202 and health outcomes on elderly. The following policy brief focuses on the role of affordable housing on elderly health and urges policymakers to increase funding of the Section 202 program to improve living conditions and health outcomes.

Background and Research Findings

This section describes the Section 202 program, the importance of place and health, the effects of place on mental health, the concept of “ageing in place,” and programs that seek to manage care for the elderly.

Section 202 Supportive Housing for the Elderly

Created under the Housing Act of 1959, Section 202 currently allocates funding to nonprofit organizations to build and manage housing units and to provide support services for low-income seniors.

One component of Section 202 provides capital advances that account for building construction costs, while the other component offers rental subsidies that require tenants to pay only 30% of their adjusted income. Tenants must have at most 50% of the area median income and must be at least 62 years old in order to qualify for Section 202 housing benefits. Furthermore, the U.S. Department of Housing and Urban Development runs three additional programs in conjunction with Section 202, two of which directly link tenants to various resources via service coordinators and offer affordable assisted living options.² Specifically, the Service Coordinator Program employs social service staff persons in the Section 202 building who can assess tenants' needs and connect them to public services.³ The Section 202 program has been an effective policy that allows vulnerable elderly populations to live independently and to have access to many kinds of resources.

Place and Health

Public health researchers and epidemiologists have studied how neighborhoods affect the health of elderly populations, and an article in the American Journal of Preventive Medicine compiles recent studies on objective and perceived factors of neighborhood and its influence on health and functioning. Due to mental decline and limited physical mobility in older populations, environmental determinants play a significant role in health outcomes. In addition to the increased fragility experienced by the elderly, the decreasing social support and diminishing size of social networks compounds the situation, ultimately forcing individuals to become more dependent on available resources in the neighborhood. In the studies

that Yen et al. found, researchers measured six different factors that analyze the interaction between place and health: neighborhood exposure, socioeconomic composition, demographics, racial composition, physical environment, perceived resources and challenges, and social environment. The results illustrate that having a low income and living in a high status neighborhood leads to more functional limitations, poorer self-rated health, worse physical functioning, and worse cognitive ability, possibly due to the lack of social support and stress. Additionally, researchers found that better allocation of services for elders improves mental health.⁴

Effects on Mental Health

Living environments can have negative effects on mental health as related to social networks, especially among elderly populations. In a study examining how social relationships influence residents' perception of loneliness among senior housing apartments, researchers found a strong overlap between loneliness and the onset of depression. By analyzing various social relationships, such as a spouse, children, grandchildren, siblings, and neighbors and considering subjective measures of loneliness, researchers concluded that the quality of those relationships and frequency of contact determine the level of loneliness experienced.⁵ Consequently, these results have implications on independent living facilities for the elderly.

“Ageing in Place”

The term “ageing in place” has currently emerged in the literature as a shift towards staying in a community, as opposed to living in a residential care facility. Essentially, it allows older people to live independently, while still being within the

bounds of a social support network. Some of the literature on ageing in place focuses on housing policies that foster the idea of community care through health care support and services. A recent study published in *The Gerontologist* defines how much older people value “ageing in place.” Researchers in New Zealand interviewed older adults on their reflections about “ageing in place,” and found that older adults value having agency over their living arrangements. Furthermore, ageing in place was often linked to stronger social networks, availability of more resources in the community, and a more complete sense of autonomy.⁶ Taking these health and social benefits into account, research on ageing in place can guide housing policies to best vulnerable elderly populations.

Managed Care

To bridge the gap between consumer demands and resources, many programs seek to provide managed care in elderly housing establishments. For instance, in Illinois, Massachusetts, Pennsylvania, Indiana, Washington, and Wisconsin, one of the programs provides the individual with a case manager in the residential home to coordinate care and provide various services. Assisted living is another long-term senior care program that offers support to elderly who need help with managing medications, transportation, meals, and bathing. Several states allow the use of Medicaid waivers to cover the costs of in-home care or assisted living services. Thus, low-income elders can benefit from this program because it is oftentimes more affordable than living in a nursing home.⁷ The ultimate goal of these programs is to connect housing and assisted-living programs to the health care system, in the hopes of providing the best possible care for elderly, an often marginalized population in the community. Moreover, since the health

care needs of older people tend to be more complex and require long-term management, it is important to consider how housing policies can support the needs of elders in residential facilities.

Policy Implications and Recommendations

We recommend that state and national governments continue to support and increase funding for the Section 202 program. According to a 2014 report by the National Low Income Housing Coalition, 400,000 households avail of subsidies provided by the Section 202 program.² However, the number of low-income households that would benefit from these programs and who are eligible to apply for them far outnumbers the number of households that actually receive assistance. The increased budget allocated towards the Section 202 program will go towards the following:

1. Construction and maintenance of more Section 202 units, especially in states that are currently moving seniors away from expensive nursing homes and towards the community
2. Additional service coordination grants that support full-time service coordinators in every senior housing facility
3. Continued building maintenance of existing Section 202 units and provision of supportive services

Analyzing this proposal from a cost perspective, policymakers must realize that funding Section 202 will essentially divert costs away from health care services in the long run. Nursing home occupancy is a significant driver of overall health care costs. In fact, living in a nursing home for one year cost about \$70,000 in 2005.⁸ On the other hand, HUD only pays \$7,500 per year for one Section 202 recipient, a ten-fold decrease in costs that ultimately contributes

to the health and wellbeing of low-income elderly.⁹ Continued financial support of the Section 202 program is essential to addressing the rising health care costs in the United States.

Additionally, considering the wide variety of research that supports better living conditions for elderly populations, housing policies have the potential to improve health outcomes and enhance the quality of life for millions of elderly in the United States. Many reports suggest that home and community-based services (HCBS) are providing more and more resources for the elderly.⁷ For instance, in addressing the effect of place and mental health, Section 202 Housing programs can incorporate social aspects to foster connections among the residents to reduce perceptions of loneliness. Furthermore, enhancing social connections would positively contribute to the mental health of the elderly living in these homes.⁵ Moreover, with the growing importance of ageing in place, states must consider the most appropriate and cost-effective ways to design housing and health care policies serving the most vulnerable of the elderly population. Drawing on previous studies about having more resources within reach, housing policies in low-income elderly communities can intervene in this context and work through different social networks to make health care support and other resources readily available.

In synthesizing existing research and policies on housing and health in elderly populations, this policy brief highlights importance of working in collaboration with various sectors to best serve the community needs. While additional research and cost-benefit analyses must be done in order to find the most appropriate housing policies, the current literature presents a solid foundation for supporting increased funding in Section 202 programs in response to the increasingly ageing population that will

need sustainable and resource-filled places to live in the coming decades.

Additional Resources

1. Section 202 Supportive Housing for the Elderly Population, http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/progdsc/eld202
2. Home & Community Based Services, <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Long-Term-Services-and-Supports/Home-and-Community-Based-Services/Home-and-Community-Based-Services.html>
3. The National Aging in Place Council: Age in Place, <http://www.ageinplace.org/>

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