

The Impact of Changing SCSEP Participant Eligibility Criteria on the National Pool of Eligible Program Participants

1. There are several proposals for amending the existing eligibility criteria for SCSEP participation by:
 - a. Raising the income threshold to 200% of the poverty line. It is a modest income even at that level. A family of 2 with a head 65+ in 2009 would have needed an income only of \$26,700 to avoid being low income (under 200% of poverty).
 - b. Lowering the age of eligibility to 52 years.
2. How would the revision of existing income eligibility criterion to incorporate these two new participant eligibility rules affect the pool of eligibles, especially relative to the number of existing SCSEP participant enrollment slots?
 - Under existing eligibility criteria, which allows for the exclusion of public transfer income in determining eligibility and separate income standards for those who are disabled, we estimated that in March 2009 there were 9.720 million individuals 55-74 years old who were eligible for participation. The size of this eligible group had increased sharply from 9.158 million in March 2007, an increase of 562,000 or 6% in two years due to a rising older population and an increased incidence of low income problems. In the most recent program year, there were 86,000 SCSEP enrollees. Thus, the pool of potential program eligibles in early 2009 was 113* as high as the number of participants.
3. The impact of raising the income cutoff to 2* the poverty line and lowering the minimum age of eligibility to 52 would be a massive increase in the eligible pool to more than twice its current level.
 - a. On the basis of existing adjusted income criterion (excluding the separate income cutoffs for the disabled), there were 7.687 million persons 55-74 years old with an adjusted family income under 125% of the poverty line. If we raise the adjusted income cutoff point to 200% of the poverty line, we would raise the pool of 55-74 year old eligibles to 14.447 million, an increase of nearly 6.8 million or 88%.

- b. If we lowered the minimum age for eligibility to 52, we would add about an additional 2.25 million more 52-54 year olds with an adjusted income under 200% of the poverty line. The national pool of eligible 52-74 years old (excluding those with higher incomes who could meet eligibility by being disabled) would rise to 16.7 million, or 2.2 times as high as the currently eligible pool.

The pool of eligibles relative to existing SCSEP participant slots would be 246 times under existing funding levels and closer to 300 times if we include the disabled with adjusted personal incomes.

Table 1:
Estimating the National Pool of SCSEP Eligibles
Under Alternative Income Eligibility and Age Criterion
(March 2009 Estimates)

Criterion	Estimated Number
55-74 years old, adjusted income under 125% of poverty line	7.687 million
55-74 years old, adjusted income under 200% of poverty line	14.448 million (This group represents 26 of every 100 persons 55-74 years old).
52-54 years old, adjusted income under 200% of poverty line	2.257 million
Total 52-74 years old with adjusted income under 200% of poverty	16.705 million