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## REVISITING OUR CONCERNS: *Is the Bronx “Meals on Wheels” Pilot Project Working?*

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*In the days leading up to its implementation in October 2004, United Neighborhood Houses voiced significant concerns about the City’s pilot project to restructure the Meals on Wheels program in the Bronx—a plan that focused on lowering the cost of meal delivery to homebound elderly and disabled people. The articulated rationale for this plan was that there is a growing need to serve additional clients, and savings must be achieved from the existing program in order to expand these services. This issue brief revisits our initial concerns to see what we have learned now that the project has completed its first year of operation.*

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### **INTRODUCTION**

The home delivered meals program, also known as Meals on Wheels (MOW), is a national program administered locally that provides meals for homebound seniors unable to prepare their own. To receive this service in New York City, individuals must be assessed by a case manager and meet the following criteria:

- age 60 or above;
- physically and/or mentally incapacitated (e.g. bed-bound or incapable of leaving their home without assistance);
- unable to prepare nutritious meals (e.g. lack of cooking facilities in the home, unable to obtain groceries for oneself, physically unable to cook);
- lack informal supports who could assist in providing meals (e.g. relatives or friends); and,
- lack formal support from other service agencies (e.g. ineligible for Medicaid services such as a home care attendant, unable to afford privately-paid home care assistance).

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The meals allow many frail, immobile, or otherwise disadvantaged older adults to remain living at home, reducing the need for more costly interventions such as hospitalization or nursing home placement. In fact, according to the Nutrition Screening Initiative led by the American Dietetic Association, every \$1 spent on home delivered meals saves \$3.25 in health care costs.

While the program is generally considered to be cost-effective, many localities are exploring new ways to defray costs associated with their programs. The rising prices of insurance, gasoline, and food have made many local programs expensive to manage and all but impossible to expand. Unfortunately, federal funding for the program has remained relatively flat for the past several years, limiting the program's ability to benefit additional people in need.

Local meal programs have traditionally received supplemental support from non-federal sources, such as private donors and state and local governments. Those sources, however, have dwindled in recent years. There are now more than 139,000 seniors on waiting lists for the program nationwide. This number is expected to rise as the Baby Boom generation ages. More and more, the need for this program is exceeding the resources available.

In order to stabilize financing and decrease costs in a stagnant funding environment, programs across the country have been forced to make tough decisions. Some have laid off workers and relied more heavily on unpaid volunteers. Others have scaled back services. Still others have begun to use frozen meals, which reduce costs because they can be purchased and delivered in bulk each week (unlike hot meals, which must be freshly prepared and delivered each day).

### A SNAPSHOT OF MOW PROGRAM PARTICIPANTS IN NYC (2005)

- Two-thirds are 80 years of age or older
- 73% live alone
- About half have difficulty walking most of the time (66% use a cane, 39% use a walker, 16% use a wheelchair)
- About 40% rarely or never leave their homes; another one-fourth leave 2 to 4 times per week
- Most have some component of an informal support system, mainly children who they see and with whom they talk, but 27% do not have any children and 8% (or 1300 recipients) have no one with whom to talk
- A majority has spoken to a social worker, but only one-third report having contact with any other community service (with the exception of Social Security and Medicare)
- Almost 90% of the clients physically see their meal deliverer most of the time; 47% chat with their deliverer most of the time

Figure 1. Source: Citymeals-on-Wheels and the Cornell Institute for Translational Research on Aging (preliminary key findings of citywide participant survey – presented January 2006)

The use of frozen meals has generated concern. Many service providers, policy analysts, and advocates contend that the daily contact between recipients of home delivered meals and the staff who deliver them are as essential as the meals themselves. It is, they argue, a critical link to the outside world for those seniors who are living alone and are socially isolated. On occasion, meal deliverers have arrived to discover that seniors had fallen or taken ill and were able to assist them. It is feared that decreasing the interaction between seniors and their meal deliverers will weaken this safety net.

### **RESTRUCTURING NEW YORK CITY'S PROGRAM**

Throughout the Fall of 2003, New York City's Department for the Aging (DFTA) began setting the stage for a major

restructuring of its Meals on Wheels program. DFTA released a report entitled “Home Delivered Meal Programs in NYC and Other Major U.S. Regions: Summary of Survey Findings,” which highlighted problems with the existing service system. At that time, DFTA contracted with 125 nonprofit service providers throughout the city to deliver nearly 15,000 meals per day; each of these contractors delivered anywhere from 1,200 to 177,500 meals annually. In its report, DFTA concluded that there was a need to improve efficiency, produce additional cost-savings, and provide increased flexibility for seniors. This was particularly important because of the growing need for the program.

Baby Boomers represented 25% of New York City’s population in 2000; projections indicate that in less than 10 years, by 2015, the population over age 60 will have increased by 20%. The subgroup of seniors over age 85—who are often most in need of support services such as home delivered meals—will increase by 25% in this time period, creating an urgent need to enhance the program’s capacity to serve more people. As such, DFTA’s report recommended that a

pilot program be conducted “to demonstrate that we can increase capacity without new dollars through economies of scale.” This pilot could then serve as the basis for restructuring meal programs citywide.

Even before specific details about this pilot program were released, UNH voiced concerns in private meetings with City officials and in testimony delivered before the New York City Council. UNH stressed the importance of maintaining the core components of the Meals on Wheels program throughout any restructuring process. These core components include:

- daily contact (and resulting safety net) between recipients of home delivered meals and the staff who deliver them;
- neighborhood-based service providers with whom seniors have bonds extending beyond the provision of meals; and,
- reliability and quality of food offered by providers.

In addition, UNH urged that cost savings derived from any programmatic restructuring be reinvested to expand the program and

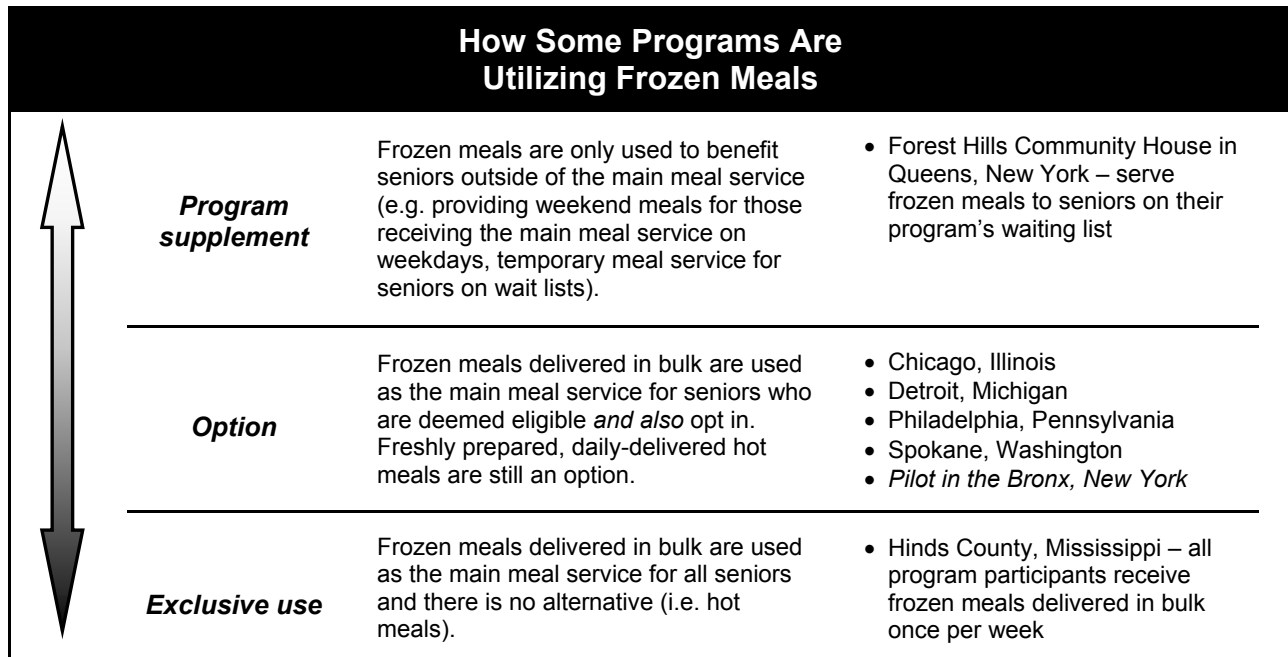


Figure 2. How Some Programs Are Utilizing Frozen Meals

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reduce the number of seniors on waiting lists for meal service.

In December 2003, details about the pilot program were officially released as part of the City's bidding process to select program contractors. Upon reviewing these details, new questions and concerns about the pilot project surfaced among advocates, seniors, and the service providers delivering meals at the time. The key elements initially proposed by DFTA for the pilot project, entitled the "Bronx Senior Options Program," included:

- ***Borough-wide involvement***

While a pilot project often serves as a small-scale testing ground for a new service model, DFTA designed this pilot program to take place throughout the borough of the Bronx. At any given time, there are between 2,200 and 3,260 homebound seniors receiving Meals on Wheels in the Bronx. Including such a large area in the pilot worried some service providers and advocates.

- ***Consolidating service areas (and provider contracts)***

The 17 existing service areas in the Bronx would be consolidated into three, larger sized regions of service delivery. The number of service providers would be reduced from 12 to three. Each would now serve no fewer than 100,000 meals each year to reach economies of scale. Advocates questioned whether this extensive consolidation would have a detrimental effect on clients.

- ***Offering frozen meals***

Several packages of flash frozen meals would be delivered to eligible seniors once or twice each week -- far fewer than the traditional five

**KEY ELEMENTS OF  
DFTA'S PILOT PROJECT**

- Borough-wide involvement
- Consolidates service areas (and provider contracts)
- Offers frozen meals
- Sets a target percentage of seniors to receive frozen meals
- Caps the cost per meal

deliveries per week of hot food. Case managers would determine client eligibility based on a senior's ability and willingness to reheat the frozen meals on their own. To compensate for fewer face-to-face deliveries, advocates and service providers asked that additional safeguards be put in place.

- ***Setting a target percentage of seniors to receive frozen meals***

DFTA's goal was to provide frozen meals to at least 60% of the clients in the Bronx. In light of the possible obstacles among these clients--such as functional impairment or lack of appliances to store and reheat frozen meals--advocates questioned whether this target was too high.

- ***Capping the cost per meal***

DFTA would reimburse service providers in the Bronx for four dollars per meal--including all costs associated with the service, such as food purchasing, meal preparation, and delivery. This new cap would pertain to both frozen and hot meals. At the time, DFTA officials indicated that the average cost per meal was six dollars and often ranged significantly higher. Many service providers were uncertain that a quality meal could be produced and delivered for four dollars.

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To raise awareness about these concerns, UNH joined with the Council of Senior Centers and Services, the Federation of Protestant Welfare Agencies, the Human Services Council, and UJA-Federation. They worked to remind policymakers how essential the meals program is to the well-being of many seniors and that far-reaching changes, such as those proposed by DFTA, required a more thoughtful and inclusive planning process.

In response to mounting concerns about the plan, DFTA issued an addendum to its proposal that lowered the target percentage of seniors to receive frozen meals from 60% to 30% and raised the maximum cost per meal from four dollars to five dollars. Despite these improvements, concerns about the overall pilot project remained.

In March 2004, the City Comptroller's Office conducted a fiscal analysis that also raised serious concerns about the pilot. This analysis questioned whether meaningful cost savings would be generated, estimating that the pilot's first year of operation might actually cost 5.6% more than the original program because of start-up costs. It also questioned whether the possibly inadequate five-dollar per meal cap would result in providers renegotiating their contracts in the middle of the pilot.

UNH and its advocacy partners called on the City to withdraw the plan for the pilot and conduct a more comprehensive analysis of possible efficiency and cost-saving measures (taking into consideration social, health, and safety needs) to meet the current and future demand for home delivered meals. Despite these objections, the bidding process for the pilot program concluded in February 2004 and the winning contractors were announced by DFTA the following June. The changeover to the pilot project began in the Bronx on October 1, 2004.

### **MOVING FORWARD**

The pilot is still underway in the Bronx and may eventually be implemented citywide. However, DFTA officials have pledged that this program will not expand beyond the Bronx unless and until it is deemed successful by an independent evaluator. As DFTA Commissioner Edwin Méndez-Santiago recently said in a press statement, "The results of the evaluation will determine the future course of the program." This evaluation, which will be carried out by consultant group KPMG, is expected to take place over the next several months.

As this process moves forward, it will be important for KPMG to obtain input from all stakeholders, especially in determining the criteria upon which the pilot program will ultimately be judged. This is vital because the Meals on Wheels program was not previously evaluated, making a comparison between the existing program and the pilot program difficult.

To that end, UNH suggests that the following issue areas be examined as DFTA and the independent evaluator assess the pilot program:

#### **ISSUE AREAS TO ASSESS IN PILOT EVALUATION**

- Program start-up and implementation
- Client response
- Maintenance of social safety-net
- Contract consolidation
- Employee displacement
- Cost containment
- Performance bonds
- Cost savings
- Program expansion
- Possible alternatives

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- ***Program Start-up / Implementation***

According to some of the Bronx case management agencies working directly with meals clients, many problems existed in the first weeks of the changeover to the pilot project. Some seniors did not receive correct meal deliveries. During this transitional period, several of the former Meals on Wheels providers took it upon themselves to prepare and deliver food to these seniors until the problems were remedied. While these implementation problems have been resolved, the issues experienced during this phase must be reviewed to provide lessons for future program changes.

- ***Client Response***

According to data released by the City, 42% of seniors enrolled in the Bronx meals program are now receiving frozen meals delivered in bulk—well above DFTA’s 30% target. DFTA has conducted client satisfaction surveys among these seniors, but has not yet released the results. Similar research is now being conducted by others, including a comprehensive study of programs citywide by Citymeals-on-Wheels and the Cornell Institute for Translational Research on Aging (CITRA). This information should be explored in full.

***How many seniors are now receiving frozen meals delivered in bulk?***

***What is the default type of meal, meaning do seniors have to opt in to receive frozen meals or opt out of frozen meals in order to receive hot meals?***

***What is the level of client satisfaction with the pilot?***

***Was there a noticeable decline in program participation as a result of the pilot project?***

***Are seniors easily able to receive kosher/halal meals if requested?***

- ***Maintenance of Social Safety-net***

Prior to the pilot’s implementation, DFTA officials questioned the role meal deliverers should play in safeguarding their elderly clients. In testimony delivered at several public hearings, DFTA Commissioner Edwin Méndez-Santiago wrote, “Momentary contact during meal delivery should not be regarded as a substitute for meaningful social interaction or safety monitoring.” Instead, he called for the enhancement of case management services in order to meet those needs. This raised concern since case managers are already overburdened. In the past, DFTA has stated that the average caseload ratio between client and case manager is 90 to 1.

Except in the case of an emergency, case managers visit and reassess the needs of their clients every six months. Under the previous program, meal deliverers served as the “eyes and ears” in between these scheduled visits, seeing clients each day and reporting back to case managers if there was a glaring problem.

***For those seniors who now receive fewer deliveries, is the benefit of seeing their deliverers diminished?***

***Because most meal deliverers now have longer routes (because of the pilot’s large catchment areas), do they spend less time with each client? And if so, what is the result and are there measures in place to compensate for this lost interaction?***

***What role has case management played in the pilot and how is this different from their previous role? Have case management services been enhanced?***

In collaboration with DFTA, Henry Street Settlement expanded its Senior Companions friendly visiting program for seniors in the pilot project in September 2005. In addition, DFTA is working with

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the City Department of Health and Mental Hygiene to pilot an initiative that screens for depression among Bronx seniors. If successful, this project may expand to other DFTA-affiliated programs throughout the city.

***Have other services that combat social isolation been added for Bronx seniors? Is this enough to offset fewer meal deliveries for some seniors?***

***Has the capacity of other support services been augmented to accommodate increased referrals from enhanced case management?***

- ***Contract Consolidation***

Two nonprofit organizations were ultimately awarded the three contracts for the entire pilot project: Regional Aid for Interim Needs (RAIN) and Mid Bronx Senior Citizens Council (Mid Bronx). These agencies were awarded contracts to deliver meals formerly provided by 17 contract programs in the Bronx. Mid Bronx is responsible for supplying meals to between 600 and 1,000 clients. RAIN, which won two of the pilot's three contracts, has a particularly large caseload supplying meals to between 1,500 and 2,300 clients.

***Did this dramatic increase in the number of clients served by each contractor make these contracts operationally unwieldy?***

***Have the longer delivery routes caused by larger regions of service resulted in a greater likelihood of food being delivered at improper temperatures (or led to other problems)?***

- ***Employee Displacement***

DFTA officials estimated that between 40 and 60 workers would be displaced as a result of the pilot project. However, as part

of the bidding process, service providers were encouraged to absorb these workers wherever feasible.

***To what extent did employee absorption occur during the changeover to the pilot?***

***How many employees lost their jobs as a result of the pilot?***

***Did the displacement of these workers have a deleterious effect on seniors or the organizations involved?***

- ***Cost Containment***

At a May 2005 hearing before the New York City Council—which was eight months into the pilot—DFTA Commissioner Méndez-Santiago said that both of the contracted providers carrying out the pilot project had stayed within the five dollar per meal reimbursement cap. This was somewhat surprising. Prior to the start of the pilot, the Executive Director of RAIN said the five-dollar cap was unrealistic, noting he thought the cost was “closer to \$6.88.”

***Has this five-dollar per meal cap diminished the quality of the meals or caused a reduction in worker benefits (e.g. moving from full-time workers to part-time workers in order to reduce health care costs)?***

***Have rising gas prices caused funds to be diverted from food in order to cover fuel? If so, has this affected meal quality?***

***Can the pilot's five-dollar limit be sustained over time?***

- ***Performance bonds***

DFTA required that the two service providers selected to carry out the pilot project in the Bronx obtain performance bonds to guarantee satisfactory completion of the project. If the contractors fail to meet their contract obligations, such as

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exceeding the five-dollar per meal cap without prior authorization, the insurance company would reimburse DFTA for its losses and then collect this debt from the nonprofit service providers. While performance bonds are common to the City's construction projects they are rare in the provision of human services.

***What was the effect of implementing performance bonds? Did this requirement place added pressure on the Bronx service providers to meet the five-dollar cap?***

***Does the City plan to expand its use of performance bonds in the provision of human services?***

- ***Cost savings***

At a public hearing in May 2005, DFTA Commissioner Edwin Méndez-Santiago said that efficiencies of scale were being achieved through the use of frozen meals and by consolidating the programs. He estimated that \$500,000 in cost savings would be achieved in the pilot program's first year, but this has not yet been publicly confirmed.

***How much money has been saved as a result of the pilot program thus far?***

***Are these cost-savings being used to serve additional clients?***

***How does the City plan to use any additional savings in the future?***

- ***Program Expansion***

Before the pilot can be expanded beyond the Bronx, the KPMG evaluation must be completed. Even if the pilot is considered successful and safe to expand, a new bidding process will be required. The new program would not be ready to begin at the start of the next fiscal year (and perhaps not until 2007). As such, City funding for the home delivered meals program must not be

reduced prematurely or prior to a full cost analysis. In addition, the differing needs of communities must be taken into account before important changes like these are implemented elsewhere.

***Under what circumstances (i.e. using what threshold for success) would the City move to expand the pilot program?***

***If the pilot is expanded to other boroughs, what is the projection of additional cost savings?***

- ***Possible Alternatives***

While the evaluation may determine that the Bronx pilot project is an acceptable approach toward reaching efficiencies in the Meals on Wheels program, observers of the pilot project offer the following possible alternatives:

- (1) ***Implementing a more limited plan for consolidating contracts***

While reducing the number of service providers in a specific area may be appropriate and reasonable, moving from 17 contracts to three places a burden on the remaining providers. A less drastic consolidation should be considered.

- (2) ***Continuing to offer the option of frozen meals***

Offering the option of frozen meals to those seniors who need and want them is acceptable, but this option should be monitored closely and seniors should always have the clear option of receiving hot meals delivered daily. In addition, seniors opting for frozen meals must have access to additional support services to combat possible social isolation.

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(3) Finding alternate ways to reach efficiencies

Instead of focusing on decreasing costs associated with meal delivery (i.e. frozen meals that require fewer deliveries and staff members), the focus could be on lowering the amount spent on food or increasing productivity in the preparation of these meals. This could be accomplished by helping programs buy raw food in bulk to cut down on costs and creating additional storage space; or developing more of the “big kitchen hubs” that prepare food for various collaborating programs each day.

community and expert input must be sought prior to moving forward with fundamental changes. Nothing less than the protection of the most vulnerable among us is on the line.

**IMPLICATIONS FOR FUTURE POLICY**

The implementation of this pilot project raises larger questions about how public policy reform should occur. While increasing efficiencies in City services is prudent and desirable, the quest for savings must not be permitted to undo the “glue that holds us together.”

Government-supported social services, such as those provided by New York City’s network of settlement houses and community centers, strengthen communities and the relationships within them. Programs like case management, senior centers, and Meals on Wheels provide vital support and protection to residents in their homes and neighborhoods. These locally based “personal” human services are central to the health and well-being of New York City and its residents; altering them requires deliberate and thoughtful planning. With so much at stake, the process used for creating change in human services is as important as the change itself. Care must be taken to assure that the emphasis on cutting costs does not undermine the quality or core aspects of these programs. In addition, extensive



*United Neighborhood Houses of New York (UNH) is the membership organization of New York City settlement houses and community centers. Founded in 1919, UNH's membership comprises one of the largest human service systems in New York City, with 35 agencies working at more than 300 sites to provide high quality services and activities to more than half a million New Yorkers each year. For over 85 years, UNH has worked with its members to strengthen families and improve neighborhoods through the City. UNH supports the work of its members through advocacy and public policy research and analysis, technical assistance and funding and by promoting program replication and collaboration among its members.*

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