

September 15, 1970

Dear Mr. Ellis:

I am pleased to respond to your recent request for additional information on the impact of the family assistance plan in South Carolina. As you note in your letter of August 19, our estimates indicate that the adult caseload will be increased to 6,800 as a result of changes in the adult categories under the proposed Family Assistance Plan.

The first factor underlying projected caseload increase is the raising of the payment level in the adult programs to \$110 per month. The percentage increase in caseload which this would cause in Old-Age Assistance has been calculated from national average increases in caseload due to payment increase, and, in the absence of more reliable data, applied to the other adult categories. The result for your State is an estimated caseload increase of 5,700. This same estimated 5,700 caseload increase would be categorically eligible for the Medicaid program.

The second factor causing the caseload increase is the proposed liberalization of the definition of disability under the program of Aid to the Permanently and Totally Disabled. Since South Carolina has a relatively strict definition of disability, we assumed a 10 percent increase as a reasonable order-of-magnitude estimate. This implied an increase of 1,100.

The impact of the two factors combined is the 6,800 found in the Senate Committee print.

I have enclosed a sheet showing a more detailed break-out of costs and caseloads for both adult and AFDC programs.

If you want additional details on this question, feel free to contact Mr. James Storey of the Department of Health, Education and Welfare,

- 2 -
area code 202, 962-1596. Please do not hesitate to call on us for
whatever additional information you need.

Sincerely,

Daniel P. Moynihan
Counsellor to the President

Enclosure

Mr. R. Archie Ellis
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WR/DPM/mtb