



2019 BUDGET PRIORITIES

- Senior Nutrition Programs
- Long Term Care Ombudsman Program
- In-Home Supportive Services (IHSS)
- SSI/SSP
- Multi-Purpose Senior Services Program (MSSP)
- Adult Protective Services (APS) Training/Budget Request
- California Aging & Disability Alliance

SENIOR NUTRITION PROGRAMS

We seek your support to include an additional **\$17.5 million** in the 2019-2020 state budget to increase funding for senior nutrition programs. This funding would serve an additional 12,000 older Californians and provide an extra 1.2 million meals per year. As a reminder there has not been an increase in this funding for a decade, even as the cost of a meal has been increasing at an annual average of \$0.29. This budget proposal is an important step in reversing this trend and meeting the most basic food needs of older adults.

Over the last ten years, the percentage of the population age 60 and older that faces food insecurity has increased by 45% (Ziliak & Gunderson, 2015). Among California seniors, studies show that one out of six are dealing with the threat of hunger. California has the eleventh highest rate of senior food insecurity in the nation (United Health Foundation, 2015). California is home to some 7.8 million older adults (California State Plan on Aging 2017-2021). The percent of older Californians facing the threat of hunger is 16.33 %. That means that nearly 1.274 million Californians over the age of 60 are considered food insecure.

A budget augmentation to senior nutrition programs will send a clear message that California prioritizes promoting health and well-being for all ages.

For the above reasons, we respectfully urge your support for an additional \$17.5 million in the 2019-2020 state budget to increase funding for senior nutrition programs.

LONG TERM CARE OMBUDSMAN PROGRAM

The state and federally mandated purpose of the Long Term Care Ombudsman Program is to ensure the highest possible quality of life and care for residents of long term care facilities. Through a combination of paid staff and well-trained certified volunteers, the Ombudsman organizations provide regular, unannounced in-person visits and resident advocacy. They identify and resolve complaints, in addition to ensuring that facilities are free from health and safety issues. They are advocates that work to preserve personal and civil rights of residents, particularly the 60% of residents without family members visiting to observe care and resolve or report problems.

We support ASM Wood's request for an annual commitment of **\$5.2 million** to support the more than 300,000 Californians living in licensed long-term care (LTC) facilities. The request will provide \$3.7 million for an additional 150,000 hours of unannounced facility visits by paid staff and volunteers and another \$1.5 million to perform an additional 8,000 investigations of the thousands of complaints that come in to them each year.

IN-HOME SUPPORTIVE SERVICES (IHSS)

The In-Home Supportive Services (IHSS) program provides personal care services for approximately 560,000 qualified low-income individuals who are blind, aged (over 65) or who disabilities. Services include feeding, bathing, bowel and bladder care, meal preparation and clean-up, laundry and paramedical care.

The budget proposes **\$12.7 billion** for services and administration. The 2018-19 budget provided \$11.5 billion for the program. Overall, the increased costs for IHSS in 2019-20 are due to higher projected caseload, an increase in paid hours per case and the increase in the hourly minimum wage from \$12.00 to \$13.00, effective January 1, 2020. The average monthly cost of services per IHSS client is estimated to be approximately \$1,647 for 2019-20. This estimate averages 564,330 consumers will be authorized for an average of 110.1 hours per month.

We urge your support for \$12.7 billion for services and administration in the 2019-2020 state budget to increase funding for the program.

We also request your support of trailer bill language to permanently restore the 7% cut that the IHSS request include asking for adoption of the trailer bill language **to permanently restore the 7% IHSS cut.**

A legal settlement in Oster v. Lightbourne and Dominguez v. Schwarzenegger, resulted in an eight percent reduction to authorized IHSS hours, effective July 1, 2013.

Beginning in July 1, 2014, the reduction in authorized service hours was changed to 7 percent. The 2015 Budget Act approved one-time General Fund resources, and related budget bill language, to offset the 7 percent across-the-board reduction in service hours.

Starting in 2016, the 7 percent restoration was funded using a portion of the revenues from a restructuring of the existing Managed Care Organization (MCO) tax. The 2018-19 Governor's Budget used \$300 million General Fund to restore the 7 percent across-the-board reduction. Since 2016-17, the state has imposed this MCO tax that, when

combined with a package of associated tax changes, generates a net General Fund benefit of about \$1.5 billion by drawing additional federal funds for the state.

Under current law, as mentioned, the General Fund has supported the restoration of IHSS service hours, which were previously reduced by the 7 percent, so long as the MCO tax is in place.

While the Governor's budget does not assume the renewal of the MCO tax once it expires at the end of 2018-19, it does propose the continued use of General Fund for the 7 percent restoration in 2019-20. The cost of the 7 percent restoration is estimated to be \$342.3 million General Fund in 2019-20. While the Administration is not proposing to eliminate the current statutory language that ties the 7 percent restoration to the existence of the MCO tax, the understanding is that it intends for the restoration of IHSS service hours to be ongoing.

SSI/SSP

The Supplemental Security Income/State Supplemental Payment (SSI/SSP) programs provide cash assistance to around 1.3 million Californians, who are aged 65 or older (46 percent), are blind (one percent), or have disabilities (53 percent), and in each case meet federal income and resource limits. A qualified SSI recipient is automatically qualified for SSP. SSI grants are 100 percent federally funded. The state pays SSP, which augments the federal benefit.

The Governor's proposed 2019-20 budget does not propose any increase in the SSI/SSP grant amount. It keeps in place the \$77 a month in cuts made in 2009 and which have still not been restored. CA4SSI are asking for an increase of \$106 a month and a 2020 cost of living increase so that grants for individual SSI recipients are 100 percent of the federal poverty level.

We urge your support for this monthly increase as well as a 2020 cost of living increase.

MULTIPURPOSE SENIOR SERVICES PROGRAM (MSSP)

Local Multipurpose Senior Service Program (MSSP) sites provide social and health care management for frail elderly clients who are certifiable for placement in a nursing facility but who wish to remain in the community. The goal of the program is to arrange for and monitor the use of community services to prevent or delay premature institutional placement of these frail clients. The services must be provided at a cost lower than that for nursing facility care.

Clients eligible for the program must be 65 years of age or older, live within a site's service area, be able to be served within MSSP's cost limitations, be appropriate for care management services, currently eligible for Medi-Cal, and certified or certifiable for placement in a nursing facility. MSSP site staff make this certification determination based upon Medi-Cal criteria for placement.

The state's Multipurpose Senior Services Program (MSSP) serves almost 12,000 frail seniors who wish to remain in their homes. The majority of MSSP clients live alone, subsist on approximately \$1,000 per month, and have complex needs that require

medical and social services support. This program provides assistance such as home-delivered meals, Paratransit services, assistance with hygiene and daily activities, counseling and adult day care.

We support Senator Wood's request for a one time funding request of **\$25 million** for this program. Significant cuts were made to this critical program during the recession years and those cuts have yet to be restored. This one time funding will save people from having to go into a nursing home and save money because data shows that MSSP client costs are half that of patients in nursing homes.

ADULT PROTECTIVE SERVICES (APS) TRAINING/BUDGET

Each of California's 58 counties has an Adult Protective Services (APS) agency to aid adults aged 65 years and older and dependent adults who are unable to meet their needs, or are victims of abuse, neglect, or exploitation. The APS Program provides 24/7 emergency response to reports of abuse and neglect of elders and dependent adults who live in private homes, apartments, hotels or hospitals and health clinics when the alleged abuser is not a staff member.

AS reports have risen significantly since 2000-01. Between 2014 and 2018, APS received 710,898 reports. During that same time, 623,127 cases were opened and 551,461 cases were resolved.

In 2016 \$3 million in funding was approved for APS training. This funding expires at the end of the fiscal year.

We support the request for **\$5.75 million** over three years to provide additional resources for APS social worker training.

LONG-TERM SERVICES AND SUPPORT

California confronts many challenges in how to finance, develop, and organize long-term services and support (LTSS) services. For individuals and families, the unanticipated costs can lead to impoverishment, lack of care options, and intense psychological stress. When informal networks of care are not available, individuals and families pay out-of-pocket for LTSS, such as home care aides, assisted living communities, and nursing homes, to help fill the gap. But these services bring high costs, not only to the individuals directly involved, but also to taxpayers and the government with more individuals being forced to spend down to qualify for an already overburdened Medi-Cal LTSS system.

California currently has almost 8 million persons who are either older adults or persons with mobility, sensory, intellectual/developmental, and mental health disabilities. This population will grow significantly over the next decade, primarily due to the aging of the baby boomers and longer life expectancies made possible by medical advances. By 2030, more than one million older adults in California will require some assistance with self-care.

Despite this, LTSS are not covered adequately by Medicare, and most Californians cannot afford to purchase private long-term care insurance. Paying out-of-pocket for LTSS is highly expensive, creates a significant financial and social burden for families, and is simply impossible for many Californians.

Most caregiving is provided by family members, primarily women, without compensation. This impacts their ability to participate in the workforce and save for retirement and ultimately contributes to the feminization of poverty. Nearly two-thirds of individuals age 65 and over living in poverty are women.

We support the appropriation of **\$1 million** for the purposes of contracting with a qualified entity for a feasibility study and actuarial analysis of long-term services and supports financing and services options to help Californians meet needs for long-term services and supports (LTSS).