

California's FY 2016-17 Budget: Impact on Alameda County Seniors and Services

On June 27, 2016 Governor Jerry Brown signed the Budget for 2016-17, the fiscal year that began July 1, 2016. The final Budget reflects the Governor's conservative forecast of the state's still-improving economy and his concern about future budget cuts if voters fail to pass an extension of Prop 30 taxes.

Advocacy works, and this budget year made the importance of coordinated advocacy especially evident. Three organized advocacy efforts that have been persistent for the last few years won some if not all of the policy changes that they championed. These milestones include the repeal of the CalWORKS Maximum Family Grant,ⁱ modest SSI/SSP grant increases, and significant policy and funding improvements for housing services and affordable housing. For details, see California Budget & Policy Center's summary at www.calbudgetcenter.org.

Still, while this budget makes a few modest increases to supportive and health care services for seniors, it ultimately ignores the growing number of seniors, their deepening poverty, and the urgent need to reverse the deep cuts made over the last eight years.

The following summarizes the items in California's 2016-17 Budget that will directly impact seniors and senior services in Alameda County.

AULT DAY SERVICES

The final FY 16/17 Budget maintains the 2011 cut to Medi-Cal's CBAS rate, a rate level that is unsustainable and continues to force Adult Day Health Care providers across the state to close their doors or turn away from serving Medi-Cal beneficiaries. The budget does not include any increases in Older Californians Act funding for Adult Day Care, nor does it restore the funding for the Alzheimer's Day Care Resource Centers that was eliminated in 2009.ⁱⁱ

In Alameda County, Adult Day programs provide care for over 1,700 frail older adults and people with disabilities each year.

AULT PROTECTIVE SERVICES

The final Budget includes a one-time increase of \$3 million to expand Adult Protective Services training for county social workers.

In Alameda County, Adult Protective Services is housed in Alameda County Adult & Aging Services Department along with the Public Guardian and Public Administrator, and serves over 4,800 elderly and dependent adults a year.

EARLY DETECTION & DIAGNOSIS OF ALZHEIMER'S DISEASE PROGRAM

The FY 16/17 Budget includes a one-time augmentation of \$2.5 million to the Alzheimer's Disease Program in the California Department of Public Health. This money will be invested across the 10 university-affiliated California Alzheimer's Disease Centers to bring

evidence-based practices in early and provide accurate diagnosis to health professionals (primary care doctors, nurses and social workers) working in communities throughout California. Two of the CADCs are at UC Davis-East Bay and UC San Francisco.

HOUSING & MENTAL HEALTH SERVICES

The final 16/17 Budget takes steps toward addressing California's affordable housing crisis, although state policymakers have yet to put in place key pieces of the grand plan that aims to reduce homelessness and speed up local affordable housing development projects.

The Budget's housing plan hinges on the new No Place Like Home (NPLH) legislation that was signed by the Governor last week. NPLH will use \$2 billion in bond funds to build, rehabilitate, or preserve permanent supportive housing for people with a mental illness who are homeless or at risk of chronic homelessness. The bonds would be repaid with revenues generated by Proposition 63 (the Mental Health Services Act).ⁱⁱⁱ However, authorization of the \$2 billion bond will require separate legislation, which has not yet been introduced. The NPLH program – including first-year funding of \$267 million – is contingent upon enactment of such legislation.

The Budget also sets aside \$400 million from the General Fund for affordable housing programs – but the funding will be allocated only if lawmakers modify the local review process for certain housing developments. This contingent funding is the Governor's way of incentivizing the legislature to adopt his "by-right" proposal. The Governor introduced the proposal in May to streamline the local approval process for multifamily infill developments that include affordable housing,^{iv} stating that the current process "slows down approvals in areas already vetted and zoned for housing, which only delays development and increases costs."

The FY 16/17 Budget also provides \$45 million for the Housing and Disability Income Advocacy Program to help people with disabilities who are homeless or at risk of homelessness gain access to disability benefit programs like SSI/SSP and Social Security Disability Insurance (SSDI). Counties that participate in this new program would provide outreach, case management, and advocacy services and would be required to match the amount of state funding that they receive.

The Budget provides an additional \$45 million to fund activities eligible under the Federal Emergency Solutions Grant Program^v, including rapidly rehousing individuals and families, preventing families and individuals from becoming homeless, engaging individuals and families living on the street, and operating homeless shelters and providing services to shelter residents.

HOME SUPPORTIVE SERVICES

The final FY 16/17 Budget continues the full restoration of the 7% cut to IHSS consumers' hours of care to July 1, 2019.^{vi} The Budget also continues to use general fund dollars to cover the cost of overtime pay for home care workers, which started February 1, 2016.^{vii}

In Alameda County, over 19,000 seniors, children and adults with disabilities rely on nearly 18,000 IHSS workers to help them live safely in the community.

MEDI-CAL

The FY 16/17 Budget does not restore the 10% Medi-Cal provider rate cuts that went into effect in 2011. Low rates continue to discourage many health care providers from contracting with Medi-Cal, thus limiting access to care for many beneficiaries.

The Budget did not address the need to fully restore Medi-Cal's adult dental services so that beneficiaries have access to important interventions such as gum treatment and partial dentures.^{viii}

However, the 16/17 Budget makes some notable inroads to improving services for seniors, including:

- ✓ Allocating \$3 million in General Funds for a pilot study related to medical interpreter services in the Medi-Cal program. The augmentation is contingent on future legislation.
- ✓ Providing \$5.7 million General Fund in FY 16/17 and \$28.9 million ongoing to limit asset recovery from the estates of deceased Medi-Cal recipients to long-term care costs only. This aligns the state's policy with federal limits, and removes a barrier that has stopped many seniors from enrolling in Medi-Cal.^{ix}
- ✓ Restoring Medi-Cal's acupuncture benefit with \$3.7 million in 16/17 and \$4.4 million thereafter.

Other than acupuncture, no other "optional" benefits were restored. In 2009 the state budget eliminated services such as audiology, podiatry, incontinence creams and washes and speech therapy – all interventions that are essential for many people living with chronic conditions.

In Alameda County, over 40,000 older adults age 65+ have full scope Medi-Cal. In spite of having coverage over 9% of these seniors do not have a regular health care provider to turn to when sick. Since the Medi-Cal optional benefits were eliminated, community-based organizations in Alameda County have been hard-pressed to find alternatives, and many people go without.

MULTI-PURPOSE SENIOR SERVICES PROGRAM

The final 16/17 Budget does not include the \$5.1 million restoration for MSSP that advocates sought for this Medi-Cal waivered program.^x With a rapidly growing population of older adults who are eligible for Medi-Cal covered nursing home care, funding for expanded capacity is desperately needed so that these individuals can remain safely at home.

In Alameda County we face a critical shortage of MSSP slots – only 380 between the two MSSP providers in Oakland and Fremont. Hundreds of eligible seniors wait, and often die or enter nursing homes while on the wait list.

OLDER CALIFORNIANS ACT PROGRAMS

The FY 16/17 Budget maintained small funding increases that were won last year for a few of the critical services organized under the Older Californians Act, as follows:

Caregiver Resource Centers received a \$2 million funding augmentation for a second year. CRCs serve more than 15,000 families and unpaid caregivers of adults affected by chronic health conditions such as Alzheimer's, Parkinson's, and brain injury. Through eleven locations across the state, the program provides information and referral, consultation, respite care, counseling and other services to family caregivers. Advocates had urged an increase of \$7.1 million so that the CRCs can adequately serve the 6 million family caregivers in California.

LTC Ombudsman receives a \$1 million augmentation for an additional year (a total of \$2.4 million including the federal match). Concerned that inadequate funding is compromising resident's health, safety, welfare and rights, advocates urged a funding increase of \$3.5 million. Long-Term Care Ombudsman is the state mandated receiver and investigator of complaints made by or on behalf of long-term care facility residents. The Ombudsman makes unannounced monitoring visits to long-term care facilities, often detecting and resolving problems before they escalate into severe cases of abuse or neglect. In addition, Ombudsman witness advance health care directives in nursing facilities.

Senior Nutrition received an increase of \$5.4 million specifically for home-delivered meals, the full increase that advocates urged to address the growing problem of senior poverty and food insecurity. The administration indicated that the increase will provide an additional 730,000 meals in FY 2016/17. Since 2009 when state funding was reduced to the lowest federal match possible, the cost of food has risen by 18% and the number of seniors needing help with their meals has increased 24%.

Ignored yet again are Older Californians Act programs that have not seen restoration since a series of devastating state cuts starting in 2008: Alzheimer's Day Care Resource Centers, Brown Bag, Respite Services, Linkages, Foster Grandparents, Senior Companions, and Senior Employment Program.^{xi}

In Alameda County the impact of the elimination of state funding for Older Californians Act programs has meant the loss of over 200 case management slots for seniors and people with disabilities (when the Linkages Program was cut), cuts to multiple remaining programs and the loss of over \$549,000 in funding per year for each of the last eight years.

SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY PAYMENT

The Governor's budget includes a small increase to the state's share of Supplemental Security Income/State Supplementary Payment (SSI/SSP) grants for over 1.3 million low-income seniors and people with disabilities. The 2.76 percent increase to the state's SSP portion will be effective January 1, 2017, and will provide an additional \$4.32 per month for individuals and \$10.94 per month for couples.

During the Great Recession, state support for SSI/SSP grants – which are funded with both federal (SSI) and state (SSP) dollars – was reduced substantially. Policymakers eliminated the annual state COLA and cut the SSP portion of the monthly grant to the minimum allowed by federal law (grant levels went from \$233 to \$156 for individuals and from \$568 to \$396 for couples).

When combined with the anticipated COLA for the federal portion of SSI, the increase translates into a maximum increase of \$17 a month for an individual and \$31 a month for a couple. The CAPI grant levels (Cash Assistance Program for Immigrants) will increase similarly.^{xii}

The one-time increase does not reinstate the state's annual Cost Of Living Adjustment, nor does it meaningfully address the reality of basic living costs in California.^{xiii}

This continued disparity may be why Assemblywoman Cheryl Brown's bill, AB 1584, is continuing through the legislative process in spite of the fact that the state budget process has concluded. The bill would reinstate the cost-of-living adjustment for the State Supplementary Program (SSP) and index the maximum Supplemental Security Income/State Supplementary Payment (SSI/SSP) benefit to the federal poverty level (FPL). This bill has a couple hurdles, including a 2/3 vote (as opposed to majority vote for the budget bill).

In Alameda County about 54,000 seniors and adults with disabilities rely on SSI/SSP. The 2016 maximum grant level for individuals is \$899 a month (\$1,483/month for a couple), putting recipients' incomes at between 9% and 16% lower than the federal poverty level and far below the Elder Economic Security Standard for Alameda County Seniors. Translation: many SSI recipients struggle to meet their most basic needs.

The Senior Services Coalition of Alameda County is a coalition of nonprofit and public organizations that provide health care and supportive services to seniors. We are committed to establishing an easily accessible, coordinated system of social, medical and supportive care for seniors in Alameda County.

ⁱ The Governor agreed to the repeal of a law that unfairly limited the number of children in a family who could receive public assistance.

ⁱⁱ Elimination of ADCRC funding in 2009 combined with cuts in prior years resulted in a total loss of \$120,000 in annual funding for services in Alameda County.

ⁱⁱⁱ Passed by voters in 2004, the MHSA levies a state personal income tax surcharge of 1 percent on the portion of a taxpayer's taxable income that exceeds \$1 million and dedicates the proceeds to mental health services

^{iv} Infill housing units are additional units introduced into an already developed urban neighborhood.

^v <https://www.hudexchange.info/programs/esg/>

^{vi} The cut was the result of a settlement of two lawsuits – one filed in 2011 that blocked the state from implementing a 20% across-the-board reduction in IHSS hours, the other filed in 2009 that blocked the termination or reduction of IHSS for many recipients based on their functional index score. Under the settlement, the state instituted a temporary 8% cut starting in July 2013. The settlement included plans to adjust to a 7% cut in July 2014, and to restore the total cut hours as early as the spring of 2015 if the State obtains federal approval of a provider fee which could bring significant new federal revenue to California.

^{vii} New federal regulations mandate overtime pay for home care workers, and require that workers be paid for time spent in transit between multiple consumers and for medical appointments. IHSS providers will be paid overtime for working more than 40 hours per week, but are limited to a 66-hour work week. Exemptions will be available for live-in family care providers who, as of January 31, 2016, reside in the home of two or more minor or adult children or grandchildren with disabilities for whom they provide services. A second type of exemption will be considered for recipients with extraordinary circumstances and granted on a case-by-case basis. Under either exemption the maximum number of hours a provider may work cannot exceed 360 hours per month.

^{viii} Adult dental was partially restored in the 2013-14 budget, giving Medi-Cal beneficiaries access to preventative care, restorations, and full dentures.

^{ix} <https://www.medicaid.gov/medicaid-chip-program-information/by-topics/eligibility/estate-recovery.html>

^x Restoration would add 100 case management slots in Alameda County and over 2,700 slots statewide.

^{xi} Partial annual loss to Alameda County calculated based on local impact of elimination of Respite (\$10,000), Brown Bag (\$40,000), Alzheimer's Day Care Resource Center (\$120,000), Linkages (\$228,000), Senior Companion Program (\$21,000) and Ombudsman (\$130,000).

^{xii} CAPI grants are set lower than SSI/SSP grant levels: \$10/month lower for individuals and \$20/month lower for couples.

^{xiii} 2015 Federal Poverty Guidelines are \$972/month for an individual, \$1,310/ month for a couple. The Elder Economic Security Standard Index for Alameda County seniors is \$2,170/month for a single renter, \$2,888/month for a couple who rent rather than own their home.