

Governor's Proposed FY 2014-15 Budget: Impact on Alameda County Seniors and Services

On January 9, 2014, Governor Brown released his proposed budget for the 2014-15 fiscal year. Thanks to an improving economy and additional revenues approved by voters last year, the state is in a better fiscal position than it has been in years. The Governor proposes a budget focused on improving that status further, paying down debt faster, depositing \$1.6 billion into the Budget Stabilization Account, and ending the year with a reserve of \$1 billion. (For details, see California Budget Project's summary at www.cbp.org)

While the Governor proposes several large infrastructure investments and some targeted investments in education and health and human services, his budget does not address the urgent need to reverse the terribly deep cuts made to senior services over the last several years.

The following summarizes the proposals in the Governor's FY 2014-15 budget plan that would directly impact seniors and senior services in Alameda County.

A DULT DAY SERVICES

The Governor proposes to maintain the 2011 rate cut to Medi-Cal reimbursement for Adult Day Health Care services, a rate level that is unsustainable and continues to force ADHC providers across the state to close their doors. ADHC was not included in the list of providers who the Governor proposes to exempt from retroactive Medi-Cal rate cuts (see "Medi-Cal" below). The proposed budget makes no mention of the need to reinstate Older Californians' Act funding for Adult Day Care or Alzheimer's Day Care Resource Centers that was eliminated in 2009.¹

C ORDINATED CARE INITIATIVE

The Governor's budget proposal projects a state General Fund savings for the CCI of \$159.4 million in 2014-15, but this savings is purely from the sales tax on managed care organizations.² The Governor's budget reflects the new launch dates that Department of Health Care Services just released, including Alameda County's July 1 start of enrollment into CCI for most Dual Eligibles and other seniors and people with disabilities who have Medi-Cal.³ This new enrollment date is likely to remain firm, and it

¹ Elimination of ADCRC funding resulted in a loss \$75,000 in annual funding for services in Alameda County.

² Without the tax, the state's projected savings would turn into a cost of \$172.9 million in 2014-15.

³ The other seven counties are Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, and Santa

means that the first of Alameda County's Medi-Cal beneficiaries to be enrolled will begin to receive notices about the transition in April.

In Alameda County, over 60,000 seniors and people with disabilities will be affected in some way by the Coordinated Care Initiative, and over 31,000 will be eligible for Cal MediConnect. (Go to seniorservicescoalition.org for more information on the Coordinated Care Initiative.) The CCI and Cal MediConnect will not address the needs of an estimated 26,000 more seniors who are not poor enough to be eligible for Medi-Cal, but lack adequate resources to meet basic needs or to bounce back from a medical or financial crisis.⁴

CCOMMUNITY CARE LICENSING

The Governor proposes to add 71 positions, a training initiative and a complaint hotline to the state's Community Care Licensing agency that licenses and oversees both day care and residential facilities for children and adults in California. The proposal is a response to several highly publicized failures by the agency to pursue noncompliant providers and ensure the safety of residents during facility closures. The \$7.5 million investment is intended to improve timely response and strengthen enforcement, and will be partly funded through a 10% increase in licensing fees.⁵

N-HOME SUPPORTIVE SERVICES

In his budget proposal, the Governor addresses the new federal rules that require overtime pay for domestic workers with a ban on overtime. Such a ban would have serious consequences for both consumers and workers. Workers who work more than 40 hours a week would lose significant income. Consumers who need more than 40 hours of assistance a week would be forced to find other, unfamiliar workers to fill in the gap. Consumers who rely on workers who work for more than one client could suddenly find themselves without care because their worker "used up" their 40 hours caring for another client. The Governor proposes implementing a "Provider Backup System" to fill in the gaps in consumer care.

Disability Rights California estimates that there are 58,000 workers statewide who provide more than 160 hours of service a month, and that the Governor's plan would mean those workers would lose up

Clara. These counties are all on separate schedules to launch all or part of their CCI programs.

⁴ The Elder Economic Security Standard Index, developed by UCLA Center on Health Policy Research and the Insight Center, estimates that over 71,000 seniors in Alameda County don't have enough income to cover basic needs. Only about 44,000 of those seniors are covered by Medi-Cal and will have access to coordinated care and LTSS services in the Coordinated Care Initiative.

⁵ Of the \$7.5 million in new funding proposed for Community Care Licensing, \$5.8 million is General Fund money.

to 43% of their incomes, “income they need to keep roofs over their heads...in many cases, that roof also shelters the IHSS consumer.” DRC asks “where will the consumers find tens of thousands of new IHSS workers needed to keep these Californians at home and out of institutions?”⁶

In addition, the Governor’s proposed budget maintains the current 8% cut to hours for IHSS recipients through June 2014, then adjusts that down to a 7% cut through FY 2014-15.⁷

In Alameda County, almost 18,000 seniors, children and adults with disabilities rely on more than 18,000 IHSS workers to help them live safely in the community. While we don’t have current data, we estimate that several thousand IHSS consumers receive more than 160 service hours a month.⁸

MEDI-CAL

The Governor proposes to continue the 10% provider rate cut that went into effect last year, but plans to abandon the state’s attempt to recoup those cuts retroactively back to 2011 for some providers (physicians, clinics, medical transportation, and intermediate care facilities for people with developmental disabilities).

In addition, the Governor’s proposed budget maintains the May 2014 restoration of some of the Medi-Cal adult dental services that were cut in 2010 (including basic exams, fluoride treatments, crowns, root canal therapy, and complete dentures). He does not address the need to restore other “optional benefits” that were cut – services such as audiology, podiatry, incontinence creams and washes and speech therapy – all interventions that are essential for many people living with chronic conditions.

SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY PROGRAM

The Governor’s proposed 2014-15 budget does not restore the state’s Cost Of Living Adjustment to SSI/SSP, but it does allow the federal COLA to flow through to increase grant levels in January 2015.

⁶ See DRC’s press release at <http://www.disabilityrightsca.org/news/releases.htm>

⁷ The cuts are 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 (this was an additional 4.4% cut on top of the 3.6% current cut that was scheduled to expire in June). 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.

⁸ A County report from 2010 indicated that 6,269 individuals were authorized for between 100 and 280 hours per month, and that 504 people were authorized for 280 or more hours per month.

Currently, 2014 maximum grant levels for SSI/SSP are \$877 a month for individuals and \$1,478 a month for couples, far below the Elder Economic Security Standard for Alameda County seniors, leaving many SSI recipients struggling to meet their most basic needs.⁹

⁹ 2014 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.