

Impact Report: Governor's May Revise Budget

Much has happened since the Governor released his May Revise Budget on May 14. No economic turnaround materialized to help the Governor close California's budget gap, and he did not vary much from his extreme January proposals to eliminate critical health and human services programs. In fact, the Governor proposes extreme actions that would dismantle core safety net programs. Deep cuts and program eliminations would have serious and immediate consequences for Alameda County seniors and for our local economy.

The following summarizes the Governor's proposals that will impact programs and funding for seniors in Alameda County.

In-Home Supportive Services - The Governor proposes a \$750 million cut to IHSS, resulting in a loss of federal dollars and a 43% cut to the program's budget. Specific cuts would be developed with "stakeholder consultation" and implemented by July 1. Over 73,000 Bay Area elders, children and adults with disabilities rely on IHSS – over 480,000 Californians. In Alameda County, over 17,600 people receive the in-home care; 17,000 workers are employed; and \$183 million a year flow into the local economy.

Supplemental Security Income - Proposal to cut \$15/month from individual SSI/SSP grant levels would mean 38,740 Alameda County residents lose essential income. SSI recipients already live below the federal poverty level, with individual grant levels at \$845/month. As grant levels fall, many become ineligible for SSI and are temporarily disenrolled from Medi-Cal, a situation that can lead to medical crisis.

Cash Assistance Program for Immigrants - The Governor proposes to eliminate this program that provides subsistence grants to legal immigrants who are not eligible for SSI. CAPI supports 10,000 aged, blind and disabled legal immigrants statewide. If CAPI were eliminated, over 1,620 vulnerable Alameda County residents would lose their monthly assistance, and the local economy would lose over \$21 million a year.

Cuts to SSI/SSP and CAPI over the last three budget cycles have affected 54,000 Alameda County residents, resulting in a \$94 million annual loss to the local economy.

Adult Day Health Care - The Governor proposes eliminate Medi-Cal funded ADHC, which allows over 37,000 very frail elders and disabled adults to receive daytime health and supportive care. Adult Day Health Care programs employ 7,000 workers statewide. In Alameda County, Adult Day Health Care programs help about 1,600 people live in the community and avoid nursing home admission.

Medi-Cal - The Governor proposes the following changes that would affect the over 34,000 Alameda County seniors who rely on Medi-Cal:

- Limit doctor's visits to ten per year, "no exceptions" – a policy that makes no sense for patients with multiple chronic conditions that require regular monitoring to remain stable and avoid costly acute care.
- Limit prescriptions to six per month – a cap that could endanger elders without Medicare prescription coverage who have chronic conditions that typically require 7 to 10 prescriptions.

- No longer pay Medicare Part B premiums for aged/blind/disabled Medi-Cal “Share-of-Cost” beneficiaries, a cost of almost \$100/month that very low-income seniors cannot afford. (This benefit was eliminated for some Medi-Cal beneficiaries 18 months ago, and some lost their Medicare coverage as a result.) In Alameda County there are approximately 5,000 elders with Medi-Cal Share-of-Cost.
- Enroll seniors and people with disabilities in managed care. This mandatory enrollment is part of the Medi-Cal 1115 Waiver plan scheduled for completion in the Fall. Implementation would follow Federal approval, and could start at the end of the 2010-11 budget year, so it is unclear how the Governor proposes to gain immediate savings from this proposal.
- Eliminate coverage for many over-the-counter drugs (i.e. acetaminophen).
- Cap per patient/per year spending for remaining Medi-Cal optional benefits (durable medical equipment such as wheelchairs, feeding tubes, prosthetics, hearing aids).

Mental Health Services - the May Revise withdraws the proposal to shift Prop 63 dollars, but proposes to suspend mandates and defer funding to Counties for most mandated services. This would include shifting 60% of funding for Mental Health Services to cover other services, a move that would dismantle the essential behavioral health care component of our local safety net.

Current Status of Local Safety Net for Seniors

The last three State budget cycles have eliminated cost-effective supports that helped hundreds of thousands of Californians avoid the nursing home and emergency room and live safely in the community. The cumulative losses in Alameda County include:

- Medi-Cal Optional Benefits eliminated for over 34,000 Alameda County seniors (podiatry, dental benefits, acupuncture, audiology, optometry, optical, chiropractic, podiatry, psychology, speech therapy, and incontinence supplies).
- Medi-Cal assistance with paying Medicare monthly premiums eliminated for several thousand Alameda County “share-of-cost” seniors.
- State subsidy eliminated for those IHSS recipients who are required to pay a monthly share of cost for services.
- Multi-purpose Senior Services Program lost over 40 case management “slots.”
- Adult Protective Services lost 10% of funding.
- Ombudsman lost 46% of total funding (including federal match), a \$130,000 cut to Alameda County in the first year.
- Brown Bag State funding eliminated, a \$20,000 annual loss to Alameda County.
- Linkages funding eliminated, a loss of over 200 case management “slots” and \$228,000 annually.
- Alzheimer’s Day Care Resource Center funding eliminated, a \$75,000 annual loss.
- Respite services eliminated, a \$10,000 annual loss.
- Senior Companion Program funding eliminated, over \$21,000 annual loss.
- Senior Homeowners and Renters Tax Credit programs eliminated.

Some cuts enacted in the state budget have been blocked, at least temporarily, by court injunction. These include the reduction of Medi-Cal coverage for Adult Day Health Care to a maximum of three days per week, the elimination of In-Home Supportive Services for program participants with a functional index score less than 2, and the elimination of IHSS domestic services for program participants with an FI score less than 4.