
Status Report: Recent California Budget Cuts and their Impact on Alameda County Seniors

From September of 2008 to today, a series of three State Budget bills have addressed an accumulated shortfall of about \$60 billion with borrowing, fund shifts, revenue accelerations and huge cuts. Among the consequences: a fullscale dismantling of the safety net for seniors. No program has been left untouched by significant cuts. Many programs have been eliminated or lost all their state funding. Those that remain are at risk as the state faces yet another \$21 billion deficit through the current fiscal year and into the next.

Court decisions have blocked some of the cuts. In addition, legislative leaders are questioning the legality of the Governor's use of line item veto power for budget revisions (when that power is normally applied to appropriations). Those challenges continue and we won't know the outcomes for some time.

We do know that many of the cuts and program eliminations are putting vulnerable elders and people with disabilities at great risk. **The following summarizes the cumulative impact of recent budget decisions on seniors:**

Adult Day Health Care

The current FY 2009-10 Budget caps ADHC program participation to 3 days per week. In September, **a U.S. District Court Judge blocked this cut**, ruling that the cut violated participants' rights under the Americans with Disabilities Act. The Judge stated that the injunction would remain unless and until appropriate alternative Medi-Cal services are provided to prevent consequent institutionalization. If implemented, this cap would mean that Medi-Cal recipients who attend an ADHC four or five days a week will have their days cut.

The combination of therapeutic care in a safe setting and respite for caregivers makes ADHC programs a viable alternative to nursing home care, especially for those suffering from Alzheimer's and other dementias. Over 1,600 frail seniors and adults with disabilities currently participate in ADHC programs in Alameda County.

In-Home Supportive Services (IHSS)

The current FY 2009-10 Budget eliminated domestic services for IHSS recipients with a functional index score less than 4 for each domestic service.¹ This cut would affect approximately 2,270 IHSS recipients in Alameda County.

The FY 2009-10 Budget also eliminated IHSS for recipients with a functional index below 2. In Alameda County, this cut will mean that approximately 1,800 people will lose their in-home care, and will restrict access for future applicants.

¹ That is, an individual who has a score of 4 for grocery shopping will continue to receive this service. If that same individual has a score of 3 for meal preparation, then he or she will lose that service.

Both of the above cuts to IHSS have been halted by a preliminary injunction issued in October by the U.S. District Court. The Governor is appealing that ruling.

The current Budget also eliminated the state subsidy for IHSS recipients who are required to pay a monthly share of cost. We don't yet have information about how many people have lost their IHSS because they are unable to pay the approximately \$400 cost.

The current Budget also implements fingerprinting of IHSS workers and recipients, and background checks of workers to "reduce fraud." In Alameda County, an IHSS center has been established at the Eastmont Town Center to help workers and recipients comply with the new requirements.

Public Authority for IHSS

The FY 2009-10 Budget cut funding for the Public Authority by about 60% – the legislature passed a \$4.6 million cut and the Governor used his line item veto to cut an additional \$8.7 million. In Alameda County, the Public Authority provides consumer support services, training for providers and consumers, a registry of screened workers, and administers the health care plans for IHSS workers.

Supplemental Security Income (SSI/SSP)

The February 2009 Budget and the July 2009 imposed three cuts to SSI in 2009, adding up to a \$77/month cut for individual recipients and a reduction for couples down to the minimum level allowed. Monthly incomes for individuals on SSI are now \$845/month; for couples, \$1,407 a month.² The Budget also permanently eliminates the state Cost of Living Adjustment (COLA).

California's SSI Program recipients are disabled, blind and/or aged. More than 54,000 seniors and people with disabilities in Alameda County survive on SSI/SSP income. Cuts to SSI/SSP recipients are particularly cruel, as recipients have few options to mitigate a loss of income.

Cash Assistance Program for Immigrants (CAPI)

The 2009 Budgets cut the Cash Assistance Program for Immigrants, in step with the cuts to SSI.³ CAPI is the state-funded assistance to elderly and disabled legal immigrants who are not eligible for SSI/SSP. Over 930 Alameda County seniors depend on CAPI.

Linkages

In July 2009, the Governor used his line item veto to eliminate all state funding for this program. Linkages provides care management for frail adults with disabilities and frail elderly who need assistance to live independently in the community and avoid hospitalization and nursing home placement. In Alameda County, the Linkages

² Current federal poverty level for an individual is \$902.50. Before the reductions in March and again in July, the income level for an individual SSI recipient in California was \$907 a month.

³ Individual CAPI recipients have their grants capped at \$10 per month less than SSI grant levels, and couples receiving CAPI receive \$15 per month less than couples on SSI.

program is run by City of Oakland, and the city's Department of Human Services staff are working to find alternative funding to preserve the program.

Senior Companion Program

The Current 2009-10 Budget eliminates all state funding for the Senior Companion Program. Senior Companions make a difference by being a friend to other older adults, visiting and helping with grocery shopping and other daily tasks. Volunteers who are income-eligible receive small stipends and community recognition for their dedication and service. In Alameda County, the City of Oakland supports a Senior Companion Program and a Foster Grandparent Program using a number of funding sources. While the program will lose "slots" it may remain open.

Respite Purchase of Services

The current 2009-10 State Budget eliminated funding for the Respite Purchase of Services program.

Alzheimer's Day Care Resource Centers (ADCRCs)

In July the Governor used his line item veto to eliminate funding for California's 36 Alzheimer's Day Care Resource Centers. ADCRC's provide care and assistance to keep people in middle to late stage Alzheimer's out of nursing homes. Currently less than 6% of people with Alzheimer's live in a nursing home—more than 70% live at home, cared for by family. In Alameda County, the state funding has allowed Alzheimer's Services of the East Bay to provide extended hours at their Berkeley and Hayward sites.

Alzheimer's Research Centers

The current 2009-10 State Budget cut state funding by 50% for Alzheimer's Research Centers (ARCCs), requiring that remaining funding focus on clinical and family services. The Centers provide services and education to families, particularly minorities, to veterans and to health professionals—these services are not provided by others. Federal matching dollars have been lost with this cut.

Brown Bag

In July the Governor used his veto power to eliminate state funding for this life-line program that provides groceries and fresh produce to very low income seniors. This cut comes at a time when many more seniors find themselves without enough money to make it through the month. In Alameda County, the Mercy Brown Bag program will lose about \$20,000 from the state cut.⁴ The program is working to secure donations and other funding to continue to meet the need in the community.

Multi-Purpose Senior Services Program (MSSP)

In September 2008, the state budget cut 10% from the Multi-Purpose Senior Services Program. MSSP saves money through case management. In Alameda County, two MSSP programs now coordinate care for over 440 frail elderly Medi-Cal clients who would otherwise be in nursing homes.

⁴ In addition, Mercy Brown Bag lost \$25,000 when City of Oakland cut Set-Aside senior service funds.

Alzheimer's Resource Centers

In July 2009, the Governor used his line item veto to cut 70% of state funding for Family Caregiver Alliance and the other ten Alzheimer's Resource Centers in California. This cut is significantly larger than the 30% cut that the legislature proposed, and will have a significant impact on the organizations that provide information, education, respite, care planning and support for families and friends who are caring for adults with chronic disabling health conditions.

Medi-Cal

The State Budgets signed in February and July 2009 reduced state funding for Medi-Cal by \$323.3 million in an unallocated cut (it's impact still difficult to track). The Budgets also implemented two separate 10% cuts in payments to public safety-net hospitals, a total reduction of \$78.1 million. The budgets suspended the COLA to Counties that administer Medi-Cal, and cut those operations by \$60.6 million statewide. Over 34,000 seniors in Alameda County who rely on full-scope Medi-Cal for much of their health coverage.

At the same time, a "Medi-Cal reform" effort has been underway to "improve care coordination for vulnerable Medi-Cal populations," including seniors and people with disabilities. The reform requires an application for a new federal waiver (replacing the current waiver that will expire this year). The new waiver could incorporate systems of care delivery such as mandatory managed care, "medical homes" and "enhanced primary care case management." The target date for waiver approval is September 2010.

In December, the judicial ruling that blocked state cuts to Medi-Cal provider rates (including ADHCs) in 2008 was upheld by the 9th Circuit Court of Appeals.

Medi-Cal Dental and other "Optional" Benefits

The February 2009 State Budget eliminated Medi-Cal Optional Benefits as of July 1 2009. A lawsuit by the California Primary Care Association was unsuccessful in blocking this cut. Optional benefits include dental benefits, acupuncture, audiology, optometry, optical, chiropractic, podiatry, psychology, speech therapy, and incontinence creams/washes – essential services for people managing chronic diseases. Statewide, over 3 million people rely on one or more optional benefits. In Alameda County, many of the approximately 34,000 Medi-Cal-covered elderly have lost the benefits.

Community Health Centers

In July the Governor used his line item veto to eliminate all state funding for community clinics, a \$35.1 million cut that includes Rural Health Services, the Indian Health Program and the Expanded Access to Primary Care program.

Adult Protective Services

In September 2008 the Governor used his line-item veto to cut a total of \$11.4 million in funding for Adult Protective Services (\$6.1 million in state General Fund, the rest is lost federal dollars). APS is a vital safety net for thousands of Alameda County's seniors and dependent adults who are financially or physically abused or neglected.

Reports of abuse have risen 34 percent since 2000. Meanwhile, state funding for APS has remained static over the past decade – the Governor has shot down attempts to augment funding – and programs are forced to serve only the most critical cases.

Long Term Care Ombudsman

In September 2008 the Governor used his line item veto to cut over \$5 million in funding for the Ombudsman program. The cut represented 46% of the total funding for this federally mandated program that trains and deploys volunteers to advocate for the dignity, quality of life, and quality of care of residents in long-term care facilities. The cut, hitting a full three months into the fiscal year, forced programs state-wide to absorb the reduction over a short nine months, magnifying the impact. Several programs have closed and handed the program back to the state.

In Alameda County, the Ombudsman program has oversight over 400 facilities and 13,000 residents inn long-term care. It is now operated by the Area Agency on Aging.

Skilled Nursing Facilities

The current FY 2009-10 Budget suspended the 5% cost of living increase scheduled for August 2009 for skilled nursing facilities.

Local Property Tax Revenues

The current 2009-10 Budget shifts \$1.935 billion in property tax and \$2.05 billion in redevelopment dollars away from cities and counties – a move that will undermine local governments’ ability to address local needs.

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