

## Deep Cuts Proposed to Essential Programs for Seniors

This week the Legislature is hearing proposals to address the State's growing budget deficit. When the Governor signed the FY 2008-09 budget on September 23, he made \$510 million in last-minute line item veto cuts to safety-net services for seniors, children, families and people with disabilities – cuts that are already devastating programs and lives. Now, proposals for additional and deeper cuts target the foundations of supportive services for the vulnerable people who live in our community.

The following summarizes the impact of the proposals on seniors and people with disabilities in Alameda County.

### Supplemental Security Income (SSI/SSP)

The Governor proposes to cut SSI/SSP to the "maintenance of effort" levels of 1983. Payments to individual recipients would drop by around \$77 a month.

California's Supplemental Security Income/ State Supplementary Program recipients are 69% disabled, 2% blind and 29% aged. More than 53,000 seniors and people with disabilities in Alameda County survive on SSI/SSP income.

### Cash Assistance Program for Immigrants (CAPI)

The Governor proposes to eliminate the Cash Assistance Program for Immigrants (CAPI). 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.

### Medi-Cal Optional Benefits

The Governor proposes to eliminate Medi-Cal Optional Benefits. 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.

### Medi-Cal Coverage for Aged, Blind and Disabled

The Governor proposes to eliminate full-scope Medi-Cal for recipients in the "Aged, Blind and Disabled" category whose incomes are above SSI/SSP level. This category was originally called "133% Medi-Cal" when it was implemented in 2001, because it enables a categorically eligible person<sup>1</sup> whose asset level qualifies for Medi-Cal,<sup>2</sup> but whose income is "too high",<sup>3</sup> to receive full-scope Medi-Cal. Without full-scope Medi-Cal, these individuals will have a monthly deductible, or "Share-Of-Cost". That is, they will have to incur medical expenses in an amount that exceeds their share-of-cost before Medi-Cal will cover their healthcare in any given month.

<sup>1</sup> One who is aged, blind or a person with disabilities.

<sup>2</sup> \$2,000 for an individual, \$3,000 for a couple.

<sup>3</sup> For ABD, total countable income (minus a maintenance needs allowance and health, dental or vision insurance premiums) must be less than 133% of federal poverty level: less than \$1,081 (through 3/31/2009) for an individual, less than \$1,502 for a couple (through 9/30/2008).

A significant number of Alameda County's approximately 39,000 seniors who rely on Medi-Cal coverage would be affected by this change. Without coverage for their health care or alternative resources, these seniors would be unable to afford preventive healthcare and treatment for chronic conditions.

### **In-Home Supportive Services (IHSS)**

The Governor proposes three cuts to this program that serves over 15,000 vulnerable children, adults and seniors in Alameda County. He proposes to:

- Reduce the State's contribution to IHSS worker wages, effectively reducing hourly pay to an average of about \$9/hr plus \$0.60 in benefits.<sup>4</sup> This would affect 11,000 dedicated IHSS workers in Alameda County.
- Eliminate the IHSS buy out of the share of cost for IHSS recipients with a functional index of less than 4. There are currently 8,600 in this buy out program statewide. Approximately 1,500 recipients would continue. Approximately 7,100 would have to pay an average of \$427.00 per month.
- Eliminate domestic and related services for recipients with functional indexes below 4. More than 90% of IHSS recipients receive domestic services. This cut would affect 83,123 people statewide. Their services would be reduced by an average of 21.6 hours per month.

IHSS recipients, by definition, cannot just "get by" without help. Reducing services, cutting worker wages and increasing out of pocket costs will put them at increased risk of hospitalization or institutionalization at tremendous cost to taxpayers.

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Programs such as Medi-Cal, ABD Medi-Cal, IHSS and SSI work in combination to help vulnerable seniors live at home, where they can be contributing members of their families and a part of the life of their community. While each one of these proposed cuts is horrific on it's own, the interactions between these proposals and the severe cuts that the Governor has already enacted in his September budget will cause a systemic breakdown. September cuts have hobbled oversight and protection for vulnerable elderly (Adult Protective Services, Ombudsman) while crippling programs that manage chronic care and enable people with few resources to remain stable (Multi-Purpose Senior Support Services, Medicare Part B premium coverage, Adult Day Health Care, Nutrition programs, Senior Employment, and Senior Citizens' Tax Assistance). If new proposals go through, thousands of elderly will lose essential services. This all has the potential of a "perfect storm" that will transform our safety net from one that manages vulnerable populations to one that can only inadequately respond to an increasing wave of acute care emergencies. The irony is that, even in the short run, we will not save money.

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<sup>4</sup> The state currently contributes 35% of IHSS worker wages based on a wage of \$11.50/hr. Under the Governor's proposal, the state contribution would be based on a wage of \$8/hr.