

Governor's Budget Proposes Deep Cuts to Essential Programs for Seniors

Last week the Governor released his proposed State Budget for Fiscal Year 2009-10, along with an emergency proposal to address the current fiscal year's growing budget deficit. Altogether, the Governor's proposals address a \$40 billion deficit over the next 18 months. With his declaration of a fiscal emergency, the Governor asks the Legislature to act by mid-February to find solutions before the state literally runs out of money.

Already, current fiscal year budget cuts to safety net services for seniors, children, families and people with disabilities are 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. Monthly incomes for individual recipients would be cut by \$40 a month, married couples by \$117 a month.¹ In addition, the Governor would suspend the Cost of Living Adjustment due in June 2010.

Over a year, the proposed cuts would total over half a month's income for individuals, nearly a month's income for a couple. The proposed cuts represent a loss to Alameda County's local economy of over \$25.5 million a year.

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.

California Food Assistance Program (CFAP)

The Governor proposes to eliminate the California Food Assistance Program effective July 1, 2009. This proposal would eliminate food assistance for 27,665 aged, blind, and disabled immigrants in California who are not eligible for Food Stamps.

Medi-Cal Dental and other "Optional" Benefits

The Governor proposes to eliminate Medi-Cal Optional Benefits. Optional benefits include dental benefits, acupuncture, audiology, optometry, optical, chiropractic,

¹ SSI/SSP recipients receive cash grants that bring their incomes up to an amount that is close to the Federal Poverty Level. Currently individual recipients have incomes of \$870, couples \$1,524.

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 person² whose asset level qualifies for Medi-Cal,³ but whose income is “too high”,⁴ 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.

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.

Full-Scope Medi-Cal for Legal Immigrants

The Governor proposes to deny access to full-scope Medi-Cal for Legal Immigrants – including those who are Aged, Blind and Disabled – requiring them to re-apply monthly for limited “emergency” Medi-Cal. This change would deny access to Medi-Cal coverage for Adult Day Health Care for over 400 elderly in Alameda County.

In-Home Supportive Services (IHSS)

The Governor proposes three cuts to this program that serves over 16,000 vulnerable children, adults and seniors in Alameda County. He proposes to:

- 1) Reduce the State’s contribution to IHSS worker wages, which will almost certainly result in reducing hourly pay to an average of about \$9/hr plus \$0.60 in benefits.⁵ This would affect 17,000 dedicated IHSS workers in Alameda County. The proposal would result in a direct cost shift to counties. While there is no proposal to remove the statutory requirement for counties to collectively bargain for wages and benefits, it is unlikely that counties could shoulder the new costs.
- 2) 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.

² One who is aged, blind or a person with disabilities.

³ \$2,000 for an individual, \$3,000 for a couple.

⁴ 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).

⁵ 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.

3) Eliminate domestic and related services for recipients whose functional indexes are below 4.⁶ 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.

Adult Day Health Care

The Governor’s proposal changes the payment method for Federally Qualified Health Centers that operate Adult Day Health Care programs. This would reduce the reimbursement for FQHC/ADHC centers to the statewide rate, making it difficult for these Community Health Center-based programs to serve a very vulnerable population.

Adult Protective Services

The Governor’s budget continues the 10% cut to APS that was implemented in the FY 2008-09 budget signed in September. That cut resulted in the loss of 75 social workers statewide who would have investigated 18,775 reports of abuse or neglect.⁷

Senior Citizen’s Property Tax Deferral Program

The Governor proposes to cut \$34 million from the Senior Citizens Property Tax Deferral Program that allows qualified homeowners to defer property tax payment until their home is sold or transferred. This, after \$25 million in funding had just been allocated to the program in the FY 2008-09 Budget signed in September. The September budget also eliminated the Senior Citizen’s Property Tax Assistance Program and the Renter’s Assistance Program.

County Services

The Governor’s proposed budget does not fund cost increases to counties to deliver mandated human services programs, even as caseloads increase. Through 2008-09, California counties are funded about \$1 billion (\$576 million General Fund) below what is needed to cover the actual cost to deliver human services.

Proposition 63 Mental Health Act Funds

The Governor proposes to divert a portion of Proposition 63 funds – about \$227 million in 2009-10 – to pay for the state Mental Health Managed Care program. It is unclear what the impact of this diversion would be on Prop 63 services in Alameda County. Because Prop 63 funding is designated for new programs (not to supplant existing program funding), this diversion would have to be approved by the voters.

⁶ On a functional scale from 1 to 5.

⁷ County Welfare Directors Budget Update # 1, 2009