CALIFORNIA COLLABORATIVE FOR LONG TERM SERVICES & SUPPORTS

2017 Legislative Briefing

SUMMARY

Handouts for the 2017 Legislative Briefing are available here and are referenced by page number throughout the Summary document.

I. Welcome & Introductory Remarks

Amber Christ, Justice in Aging

- Amber Christ provided an overview of the Collaborative's membership (*pg. 2-3*) and reviewed the Legislative Briefing agenda (*pg. 1*)
- Collaborative members and Legislative staff introduced themselves

II. Coordinated Care Initiative and Consumer Impacts

Gary Passmore, Congress of California Seniors

- The Coordinated Care Initiative (CCI) was created at the hands of the federal government as one of the optional demonstrations under the Affordable Care Act (ACA)
    - California, along with 14 other states, opted to participate
    - The immediate task was to blend Medicare and Medicaid services to reduce costs over time
        - Skyrocketing costs are largely attributed to population growth
- California articulated several goals for the CCI:
    - Lower costs over time
    - Improve quality of care
    - Focus on and promote the of development of Home-and-Community-Based Services (HCBS)
        - Moving people away from institutional settings
        - Expanding and connecting existing services

- In some cases, the state of California made progress (or were on the way to making progress), and in other cases we adopted policies that undermined some of those key goals
    - e.g. Nursing homes received a substantial rate increase for institutional care that none of the HCBS received; complexity of uniform assessment development
- CCI authorization legislation included poison pill language that gave the Governor and the Department of Finance the ability to halt the demonstration based on budget realities – we are now facing that decision
- This will have an impact no only on the 115,000 people who signed-up for the program, but on all consumers of long term services and supports (LTSS) in California
- Things to recognize:
    - After it was approved, Medicare was the recipient of most of the savings (because of the focus on reducing hospital stays)
    - Rate increases were not balanced (institutional care received increase, HCBS did not)
    - A significant number of services that support CCI goals were carved out of the demonstration
- The Administrative decision to abandon the CCI has created a lost opportunity for consumers and some providers to realize some program goals, such as care coordination and expansion of access to LTSS

Amber Christ, Justice in Aging

- While the poison pill halted the CCI, the Governor has said that he is still committed to delivery system reforms
    - Cal MediConnect demonstration, keeping people in managed LTSS, getting Dual Eligibles into managed care, etc.
- The uncertainty comes in that all of this must be re-authorized via the budget process
    - The California Department of Health Care Services (DHCS) is drafting language, but it hasn't been made public yet

- Another point of halting the CCI had to do with In-Home Supportive Services (IHSS) costs - there were budget consequences in taking on the IHSS maintenance of effort (MOE) that the state underestimated
    - Because of overtime, the number of people enrolled in the program, etc.
- Halting the CCI shifts IHSS costs down to counties
    - How will counties take on the increased cost?
    - What will this look like if it's re-authorized?
        - The carve-out of IHSS will is not likely to have impact on beneficiaries, but it does take it out of the CCI

III. Comments from California Collaborative Members

Peter Hansel, CalPACE

- CalPACE has adapted with the CCI and supports the concept of coordinated care – we will be looking to ensure that people can continue to access PACE
    - There are provisions that require PACE to be included as an enrollment choice and we are looking to preserve that

Gary Passmore, Congress of California Seniors

- The decision is based on the financial contribution that the state would have to make to support IHSS MOE, and other concepts that are not directly related to care coordination

Amber Christ, Justice in Aging

- Justice in Aging will monitor the process to make sure that consumer protections are not being rolled back – that we have continuity of care protections, that there aren't new efforts for passive enrollment that are disruptive to beneficiaries, etc.
- We are also committed to tracking the impact on counties and IHSS
    - How much will be allocated to counties?
    - Will IHSS assessments be delayed?
    - Will hours be cut?

IV. Consumer Impacts of Health System Churn, Including the Repeal of the Affordable Care Act (ACA) and Potential Medicaid Block Granting

Amber Christ, Justice in Aging

Reference Justice in Aging Blog Summary (Pg. 17-19) on the impact of ACA repeal

- 4.9 million Californians would lose health insurance
- 1 million older adults ages 55-64 would lose health insurance coverage or access to affordable coverage
    - When this population becomes eligible for MediCal at age 65, they will come into the program in poorer health and will need more support, including more costly services
- The loss of the ACA will also have significant impacts to California's budget ($13.6 billion loss in federal funds for 2019)
    - Undoubtedly this will mean cuts to services and supports, reduction or elimination of optional benefits like dental, caps on benefits, cost-sharing, rising premiums – all of which California seniors and people with disabilities cannot afford
- Through the ACA's Community First-Choice Option (CFCO), California received an additional 6% in funding for IHSS – without the ACA, California will need to find a way to recoup those dollars
    - Potential to see a reduction in hours, increased hospitalization rates, increased risk for institutionalization, etc.
- California opted to participate in, not just the CCI, but many of the innovative programs made possible by the ACA – Health Homes, Whole Person Care, etc. – all of which become threatened or entirely at-risk with the repeal

Reference Medicaid in California Kaiser Fact Sheet (Pg. 7-8)

- The Trump Administration is also signaling that they want to change Medicaid funding to a block grant or per capita allotment
    - Rather than California being paid by percentage, the state would be given a fixed amount
    - The federal government will reduce the amount of what it pays for Medicaid and will shift that burden to the state
    - According to Kaiser, the loss of funding from this totals $2.1 billion over 10 years (or 25% of all Medicaid dollars)
- A block grant does not account for growth in enrollment or change in the need for services

    - If California goes into a recession, more people become eligible for MediCal – except California won't get additional dollars from the federal government
    - The state must make due, with a small adjustment for inflation
- This is particularly problematic for older adults because the population is set to double in the next 20 years – from 5 million to 10 million by 2050
    - As people age they will need more health care and access to LTSS or Long Term Care (LTC)
        - Increased number, compounded by an increase in the need for services
- Under the current structure, California is required to provide coverage for certain populations (children, pregnant women, seniors, etc.) and a certain level of benefits – but with a capped amount, those requirements go away

Gary Passmore, Congress of California Seniors

- California's population is changing, which warrants some attention as well – While the percentage of seniors will double through 2050, we have a flat school-age population growth
    - The cost of providing seniors with health care coverage is greater than providing coverage for children
- Seniors and people with disabilities will be hugely affected in a negative way if we adopt a funding policy that doesn't factor in population growth, change in the needs of services, and differences in costs between demographics (children vs. seniors)

Amber Christ, Justice in Aging

- The block grant is being marketed as "providing states with a lot of flexibility" – however, with a 25% cut it's hard to imagine what kind flexibility California will have
- ACA repeal and cap funding will ultimately impact everyone – but seniors and people with disabilities will be at a much higher risk

Derrell Kelch, California Association of Area Agencies on Aging

- When most people think about the ACA, they think about the loss of coverage – it's important to keep sending the message that it's much broader than that

V. Critical Issues in Housing

Meghan Rose, LeadingAge California

Reference Overview of California Affordable Housing (Pg. 20-34)

- It's estimated that California is short 1.5 million affordable rental homes (for all populations)
    - Of that 1.5 million, about 35% are seniors or people with disabilities
- Seniors and persons with disabilities that fall into this category are currently spending about 50% of their income on housing (on average)
    - "Affordable" is defined as the tenant spending no more than 30% of their income on housing
- Housing is health care – a person cannot be adequately cared for if they do not have safe housing to come back to
- California's affordable housing shortage can be attributed to the elimination or depletion of 3 out of 4 funding mechanisms: re-development, HUD 202, and bond financing
    - Governor eliminated the re-development program, Proposition funding begins to run out, sequestration at federal level resulted in cuts to the HUD program
- These cuts have reduced California's investment in the development and rehabilitation of affordable homes by $1.7 billion annually
- The state has enacted two programs aimed at increasing the number of affordable housing units, however neither benefit seniors
    - The Affordable Housing and Sustainable Communities Program (AHSCP) does not fund senior programs
    - No Place Like Home is exclusively for people with severe mental illness that are chronically homeless – but it doesn't apply to people with cognitive impairment like Alzheimer's or dementia

VI. Summary of LTSS Budget Requests

Amber Christ, Justice in Aging

Reference LTSS Budget Items (Pg. 43-55)

- California Association of Area Agencies on Aging has a $12.5 million request for nutrition services
- Long Term Care Ombudsman program is requesting a continuation of their annual allocation at an increase of $1 million
- MSSP has asked for $4.46 for program stability

- California Medical Association is asking the Legislature to honor the voter's intent by allocating $1.2 billion from the tobacco tax to improve payment to MediCal providers
- Common theme among budget requests is focused on the growing population and demand for services