



CALIFORNIA COLLABORATIVE FOR LONG-TERM SERVICES & SUPPORTS

January 27, 2017

Hon. Philip Y. Ting
Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

Hon. Holly J. Mitchell
Senate Budget Committee
State Capitol, Room 5019
Sacramento, CA 95814

Re: 2017-18 Budget Requests for Aging and Disability Issues

Dear Assembly Member Ting and Senator Mitchell:

The California Collaborative for Long Term Services and Supports (CCLTSS) is a coalition of 31 aging and disability statewide organizations that promote dignity and independence in long-term living. We meet regularly to discuss policy and budget issues.

As we have communicated with the Legislature in the past, the Collaborative is concerned with the growing demographic of California seniors and people with disabilities and the lack of readiness of the systems and supports that enable them to live with dignity and independence in community-based settings, rather than in inappropriate and expensive institutional settings.

The looming changes in federal health care policy exacerbate these concerns, with aged, blind and disabled populations at high risk. The rapidly growing demographic of people with greater needs, combined with uncertainty around federal policy and a fragmented and unprepared state delivery system for long-term services and supports (LTSS), represents a perfect storm for some of our most vulnerable citizens.

These are some of the demographic trends:

- In the next 15 years the number of Californians over 65 years will increase by 4 million, comprising one-fifth of the state population by 2030.
- Californians at least 85 years of age will increase by over 85%, to about 400,000. More and more, this population will be living alone.
- An increasingly aged population will include many more people with disabilities, some of whom will need supports and services to continue to live independently.
- This population notably includes persons at least 65 years old who are living with Alzheimer's. Medi-Cal costs for this population are expected to grow by nearly 60% in the next ten years. Appropriate home and community-based services are essential to manage these costs.
- The number of younger persons living with significant disabilities is also increasing. For example, the Department of Developmental Services caseload of adults with autism is projected to double in the next five years and triple in the next ten.
- Advances in medical care have increased the lifespan for persons with many disabilities, meaning these persons will require services for a longer period of time.

We believe that despite the uncertainties of the moment, we should not defer progress in improving and stabilizing our LTSS system. Kicking the can down the road isn't going to prepare us for the massive challenges ahead. As such, we are recommending several investments to strengthen and stabilize the LTSS system of care in the current year's budget.

Nutrition Services

There has been 57% growth in seniors who qualify for Medi-Cal since 2011, but California's nutrition services for elderly, isolated and homebound adults are not able to keep pace with needs, serving only 1.8% of seniors who are at risk of hunger. \$12.5 million is needed to keep pace; this will provide services to approximately 6% of the burgeoning new senior population in Medi-Cal. A Brown University Study has estimated that every \$25 spent by a state per person over the age of 65 on home-delivered meals, reduces the low-care nursing home population by 1%, so investments in nutrition are a cost-effective LTSS.

Multi-Purpose Senior Services Program (MSSP) Services

MSSP programs have over 30 years of experience serving frail, nursing-home eligible elders in their home instead of skilled-nursing facilities. This option is a significant cost-savings for taxpayers, avoiding high institutional costs. However, cuts have made the program increasingly precarious, with closure or turnover of 9 MSSP sites statewide since 2008. \$4,046 million is needed to stabilize the program, backfill growing costs of doing business, close funding gaps and provide direct client services such as medical transportation, adaptive equipment, respite care and other supplemental services.

Ombudsman Services

The Long-term Care Ombudsman program coordinates volunteer advocates for residents of nursing homes, board and care homes and assisted living facilities, resolving problems, and providing information about finding quality care and facilities. There are two budget-related proposals this year that will strengthen

critical Ombudsman services; the first is a budget request to continue the annual allocation of \$1 million from the Health Facility Citation Penalties account overseen by the California Department of Public Health.

The second proposal is to revise the 1989 Long-Term Care Ombudsman Funding Formula (Welfare and Institutions Code Section 9719.5) from the current allocation of \$35k local program base to \$100K local program base through an increase of \$2.25 million in general funds. This change would ensure adequate management, staffing and volunteer staffing are available to handle an estimated 130% growth in the residential care population.

Medi-Cal Rate

When voters approved Proposition 56, they overwhelmingly agreed that funding the Medi-Cal rate should be the focus of spending for the funds. We urge that the \$1.2 billion in revenue generated by the California Health care, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56) should be directed for use for improving payments to providers in the Medi-Cal program. California health providers are still struggling with the 10 percent decrease in Medi-Cal payments implemented in 2013. Even prior to these cuts, California ranked among the lowest in the nation in payments to health providers. As a result, Medi-Cal patients are more likely to have difficulty accessing appropriate care, which can lead to unnecessary, costly emergency room visits, hospital re-admissions and inappropriate placement in skilled nursing facilities.

Ultimately, if the state does not provide the services and supports that enable people to continue to live in the community as they age or experience serious disability, they are likely to end up in expensive skilled nursing facilities, developmental centers or other institutions sooner and for a longer period. Investing in the infrastructure that will keep them in the community as long as possible will prove to be fiscally prudent.

The Collaborative stands ready to assist the Legislature in the critical policy conversations we anticipate are ahead. And in the current year's budget process, we call your attention to the need to support these investments in long-term services and supports that will continue to build capacity, meet the growing needs in the current year, and continue to prepare California's inadequate system of LTSS to respond to these challenges.

We respectfully ask for your support for these priorities.

Sincerely Yours,



Laurel Mildred, MSW

For the California Collaborative

Laurel.Mildred@mildredconsulting.com

cc: Hon. Richard Pan, Chair, Senate Budget Subcommittee 3
Hon. Joaquin Arambula, Chair, Assembly Budget Subcommittee 1
Diana Dooley, Secretary, Health and Human Services Agency
Michael Cohen, Director, Department of Finance
Lora Connolly, Director, Department of Aging
Jennifer Kent, Director, Department of Health Care Services
Will Lightbourne, Director, Department of Social Services
Hon. Kevin de León, President pro Tempore, California State Senate
Hon. Anthony Rendon, Speaker, California State Assembly
Hon. Members of the California State Senate and Assembly