



February 20, 2018

The Honorable Joaquin Arambula
Chair, Assembly Health and Human Services Budget Subcommittee 1
State Capitol, Room 5155
Sacramento, CA 95814

The Honorable Richard Pan
Chair, Senate Health and Human Services Budget Subcommittee 3
State Capitol, Room 5114
Sacramento, CA 95814

RE: Proposed FY 18-19 IHSS Budget

Dear Dr. Arambula and Dr. Pan,

UDW/AFSCME Local 3930 represents over 100,000 In-Home Supportive Services (IHSS) providers in 21 counties throughout California. The IHSS program provides vital in-home care services to eligible low-income seniors and people with disabilities.

We respectfully request the budget subcommittee adopt the following actions:

➤ **Rescind the 7 percent across the board cut to IHSS service hours**

Because of a legal settlement between UDW and other plaintiffs with the state of California, IHSS service hours were reduced by 8% for all recipients starting July 2013 - for a period of one year - with a 7% cut annually thereafter. Currently, the 7% cut is restored using proceeds from the state's Managed Care Organization (MCO) tax, which is set to expire on July 1, 2019. Per WIC Section 12301.02 (e), the 7% cut is suspended only if the MCO tax remains operative. The cut will be reinstated if the MCO tax becomes inoperative for any reason.

According to the LAO's 2018-2019 Fiscal Outlook, it is highly uncertain whether the federal government will provide the necessary approval for the MCO tax to be continued beyond July 1, 2019. If the 7% cut is reinstated, over 1,000,000 IHSS clients and their providers would be harmed by the loss of essential hours of service.

Multiple years of revenue growth have allowed the Legislature to significantly build our state's budget reserves. Now is time to make the IHSS program whole once and for all. We respectfully urge the Legislature to rescind the 7% cut. The state should continue to rely on MCO tax revenue to restore services, however in the event the tax expires we must ensure that cuts are not reinstated.

➤ **Oppose Electronic Visit Verification (EVV)**

The 21st century CURES Act requires every state that receives Medicaid funding for personal care services programs like IHSS to implement EVV beginning January 2019 or lose federal funding for these programs.

These new requirements are inherently burdensome. It is unclear how EVV would work in IHSS, which is already very complicated for providers and consumers to navigate. EVV almost certainly will make receiving services in the home more restrictive for seniors and people with disabilities. Imposing new reporting requirements on providers will make an already difficult job even more difficult.

➤ **Fund LTSS Data Collection and Analysis**

UDW requests a General Fund allocation of \$3 million to fund the collection and analysis of data on long-term services and supports (LTSS) in California. We request the state use these funds to contract with the University of California, Los Angeles to incorporate specific questions on access to and need for LTSS in the California Health Interview Survey (CHIS) in the 2019-20 and 2023-24 survey cycles. A portion of the costs of developing and analyzing the data can be matched with federal funds as an allowable Medicaid administrative cost.

The Department of Finance estimates there are 8 million older adults and people with disabilities in California. This population is expected to grow significantly over the next decade. However, our state does not collect data to accurately track and plan for this growth. While national surveys collect data on the prevalence of disabilities and cognitive and functional impairments, these surveys do not provide state and county level estimates of the population needs and uses of LTSS. Additionally, the surveys do not assess the needs for LTSS by income level, age, type of disability, geographic region, or racial or ethnic group.

➤ **Expedite IHSS Provider Enrollment**

Currently, it can take anywhere from a few weeks to months before new IHSS providers are enrolled into the program and mailed their first timesheet. This delay is unacceptable. It has severely impacted the ability of IHSS consumers to recruit and retain new workers, who must wait weeks or months to get their first paycheck.

We are requesting a modest appropriation to expedite the provider enrollment process at the county level. We are currently in discussion with county representatives to determine

the amount of additional funding that would be needed to accomplish the following changes: 1) ensure prospective IHSS providers receive enrollment packets within three business days of applying for employment and 2) ensure prospective providers have access to the mandatory IHSS provider orientation within two weeks of submitting their application.

➤ **Fund Health Care Benefits and establish an Employer of Record (EOR) for Waiver Personal Care Services (WPCS) Providers**

UDW requests an appropriation to establish an employer of record and provide healthcare benefits for roughly 700 WPCS providers in California. Currently, WPCS providers are unable to receive health benefits because their hours are not covered by existing collective bargaining agreements. WPCS providers deserve the same right to health care benefits and labor protections as IHSS providers.

➤ **Paid Sick Leave Implementation**

The Governor's budget allocates \$29 million to implement eight hours of paid sick leave for IHSS providers. While UDW is supportive of this allocation, we are very concerned that a provider back-up system for consumers has not yet been established. We request that the Legislature urge the Administration to develop a comprehensive provider back-up system as soon as possible. This is essential for the successful implementation of paid sick leave in IHSS.

We thank you in advance for your consideration of our budget recommendations.

Sincerely,



Doug Moore
Executive Director

cc: Members of Assembly Budget Sub Committee No. 1 on Health & Human Services
Members of the Senate Budget Sub Committee No. 3 on Health & Human Services