

Major Cuts to the Programs that Serve Older Adults Must Be Rejected

On May 14, 2020, Governor Newsom released the [May Revision](#) of the 2020-21 budget. Despite the increased need for services and supports for older adults during the COVID-19 crisis, the May Revision contains numerous and devastating cuts to the programs that older adults need and use to stay safe and healthy in their communities. Older Californians of color are at most risk of serious disease and death due to COVID-19 and these cuts will only act to widen already unacceptable disparities in access to care and health outcomes.

Below is a detailed analysis of the budget provisions impacting low-income older adults. In sum, the proposed budget would have catastrophic consequences for low-income older adults, leaving them more vulnerable to hunger, homelessness, social isolation, illness, and death during this crisis.

Home and Community-Based Services and Supports (HCBS)

The Governor's budget proposes to eliminate and reduce three of California's main HCBS programs that support older adults in their homes and communities so that they do not have to receive this care in nursing facility settings. These cuts are dangerous and put the health and life of older adults at real risk during this pandemic. The May Revision proposes the following:

- Elimination of the **Community-Based Adult Services (CBAS)** effective no sooner than July 1, 2020. This cut will mean that 36,000 older adults and people with disabilities will lose the benefits of CBAS, which include health and social services. Many of the CBAS participants need a nursing facility level of care so elimination of the program brings an increased risk of institutionalization for participants. If federal funding is approved, this cut will not happen.
- Elimination of the **Multipurpose Senior Services Program (MSSP)** no sooner than July 1, 2020. This cut will mean approximately 10,000 frail older adults 65 and over will lose access to the benefits of MSSP. Seventy-five percent of MSSP participants are over the age of seventy-five and half of participants are older adults of color and at the very highest risk of dying from COVID-19. All MSSP participants need a nursing facility level of care so elimination of the program brings an increased risk of institutionalization for participants. If federal funding is approved, this cut will not happen.
- Reinstatement of the 7% across the board **In-Home Supportive Services (IHSS)** hours cut to all 625,000 recipients in the program effective January 1, 2021. Sixty-five percent of IHSS recipients are populations of color and all recipients qualify for the program based on age or disability and need for IHSS services. Reduction in hours means recipients will have to make hard choices between what care they must give up, like being bathed or getting groceries, leading to increased risk for hospitalization and institutionalization. If federal funding is approved, this cut will not happen.
- The budget also makes additional changes and reductions to IHSS, including:

- Conforming coverage of the **IHSS-Residual** program to align with Medi-Cal program eligibility. This means that individuals who lose Medi-Cal eligibility will contemporaneously lose access to IHSS. Currently, the IHSS-Residual program can provide a month or two of IHSS coverage after Medi-Cal eligibility is terminated.
- The budget will also **freeze county and public authority administration** funding at 2019-20 levels to administer the IHSS program, despite growth in the program, unless federal funding is received.

Medi-Cal

The May Revision reverses gains made to expand eligibility to Medi-Cal for older adults and people with disabilities as well as cutting numerous Medi-Cal benefits. The May Revision proposes the following:

- Elimination of the **expansion of Medi-Cal income eligibility** for the Aged and Disabled FPL program to 138% of the federal poverty level. This change was set to be implemented on August 1, 2020. This change would have provided free Medi-Cal to approximately 30,000 seniors and people with disabilities who will now have to remain on the Medi-Cal share of cost program.
- Elimination of the proposed **expansion of Medi-Cal to undocumented older adults 65 and over**. This expansion was proposed in the Governor's January budget and would have resulted in Medi-Cal coverage for 25,000 older immigrants who typically lack access to any other health insurance coverage.
- Elimination of the **Part B disregard**, which would have stopped individuals from moving between free and share of cost Medi-Cal month-to-month because of an income counting rule. This change was set to be implemented on August 1, 2020.
- Delaying the **implementation of the CalAIM** initiative, which would have made significant changes to the state's Medi-Cal waiver. Instead of advancing the CalAIM proposal, the state will seek an extension of its current 1115 waiver from the federal Center for Medicare and Medicaid Services (CMS).
- Reduction of **adult dental benefits** back to 2014 levels, which provided partial dental coverage, but did not include coverage of several vital dental services including gum treatments, root canals on back teeth, and partial dentures. These services had been restored as of January 1, 2018. If federal funding is approved, this cut will not happen.
- Reinstatement of more expansive **Medi-Cal estate recovery** rules which were in place in California before January 1, 2017. This reinstatement will mean the state can seek recovery from beneficiaries' estates for most Medi-Cal services provided. The revised rule, which has been in effect since January 1, 2017, restricts estate recovery only to the minimum required by the federal government, which include institutional long-term care and home and community-based services. If federal funding is approved, estate recovery rules will not change.
- Elimination of **optional Medi-Cal** services including audiology, incontinence creams and washes, speech therapy, optician/optical lab, podiatry, acupuncture, optometry, nurse anesthetist services, occupational and physical therapy, pharmacist services, screening,

brief intervention and referral to treatments for opioids and other illicit drugs in Medi-Cal, and diabetes prevention program services. If federal funding is approved, this cut will not happen.

Supplemental Security Income/State Supplementary Payment (SSI/SSP)

The budget would reduce the state supplement to the SSI grant in January 2021 by the same amount as the federal cost of living allowance. Like a number of other cuts in the budget, this cut would be triggered if the state does not receive additional federal funding. Taking income used for basic needs like housing from this vulnerable population that is already living below the poverty line would simply put more older adults and people with disabilities at risk. Instead, the state should ensure the well-being of low-income seniors and people with disabilities across the state and finally address the cuts made to the state supplement (SSP) during the recession. As part of the [Californians for SSI](#) coalition, Justice in Aging will continue advocating to increase the SSP grant to an amount that reflects the real cost of living in California.

Earned Income Tax Credit

The budget fails to make the state's Earned Income Tax Credit more inclusive by extending the credit to immigrant workers who use an ITIN for tax filing. Extending the credit would help low-wage working families across the state make ends meet, regardless of immigration status.

Senior Programs

The May Revision also includes cuts to programs run through the Department of Aging. Some of these cuts would be offset by other appropriated dollars from the federal funding response to COVID-19, but it is not clear from the budget the extent that these cuts will be entirely offset.

- Eliminate the augmentation for **Caregiver Resource Centers (CRCs)** that was approved in the 2019-20 budget, which results in losses of \$20 million over two fiscal years.
- Reduce funding for **senior nutrition programs** by \$8.45 million with partial offset.
- Reduce funding for the **Long-Term Care Ombudsman** program by \$2 million.
- Reduce funding for the **Aging and Disability Resource Centers (ADRCs)** by \$3 million with partial offset.

We must reject these budget cuts to programs older adults rely on and most critically need during this health crisis. The state budget should protect those most at risk. This includes protecting the health and economic security programs that low-income older adults rely on and ensuring that older adults can age with justice.

[Read our statement](#)