



May 1, 2019

Honorable Eloise Gomez Reyes, Acting Chair
Assembly Budget Subcommittee #1
Health and Human Services
State Capitol, Room 2175
Sacramento, CA 95814

RE: Budget Request for Assisted Living Waiver Program Expansion

Dear Assemblymember Reyes,

The California Collaborative for Long Term Services and Support (CCLTSS) is comprised of [37 statewide aging and disability organizations](#) that promote dignity and independence in long-term living. Our members include advocates, providers, labor, and health insurers and collectively we represent millions of California seniors and people with disabilities, their caregivers, and those who provide health, human services, and housing.

The CCLTSS supports the budget request by over Assemblymember Ash Kalra for a one-time allocation of \$36,118,614 to the Department of Health Care Services a four-year period for the Assisted Living Waiver program to expand 12,756 waiver slots statewide from 5,744 slots to 18,500, incrementally, by March 1, 2023. It is estimated that this statewide expansion will result in an estimated net savings of \$44,601,354 to the state.

The Assisted Living Waiver (ALW), referred to as a Medi-Cal Home and Community Based Waiver, allows counties to offer a variety of services to eligible individuals, including a combination of both traditional medical services as well as non-medical services. The ALW program serves older adults and persons with

disabilities who meet requirements for Medicaid coverage of nursing facility care, but who prefer to reside in a community-based setting.

As part of the 2018-19 State Budget and renewal application, the ALW added 2,000 more participant slots, among other program changes, but this addition is far less than current demand for the program. The ALW was renewed by the department and federally approved with an effective date of March 1, 2019 for another five years.

As of February, 2019, the ALW program operates with a significant waitlist of 4,491 individuals across 15 counties: Alameda, Contra Costa, Fresno, Kern, Los Angeles, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Joaquin, San Mateo, Santa Clara, and Sonoma. By expanding the program statewide and increasing the waiver slots to 18,500, the ALW program can keep pace with the state's growing aging population and provide access to an array of community-based services as an alternative to residing in a nursing facility.

It is important that the ALW program is able to expand to full capacity in incremental amounts prior to its 2024 waiver expiration date. To give the department time to ramp up services, we propose expanding the ALW in the following phases:

1. 5,000 slots (\$14,157,500) by March 1, 2020
2. 2,750 slots (\$7,786,625) by March 1, 2021
3. 2,750 slots (\$7,786,625) by March 1, 2022
4. 2,256 slots (\$6,387,864) by March 1, 2023.

Expanding the ALW program will create a significant cost-savings to the state because the average annual participant cost in a skilled nursing facility is assumed to be \$68,046 while the average cost of providing waiver services in community setting is \$16,477. This action is in line with the state's efforts to rebalance Medi-Cal spending by investing in consumer-preferred, lower-cost Home and Community Based Services (HCBS). Numerous studies show that when states invest in HCBS, they reduce overall long-term care spending. Expanding the ALW program is also in support of the state's commitment to the *Olmstead v. L.C.* decision, finding that the unnecessary institutionalization of people with disabilities is a violation of the Americans with Disabilities Act of 1990 (ADA),

thereby establishing the right of individuals with disabilities to receive services in the most integrated setting.

For these reasons, the CCLTSS respectfully requests funding for the ALW in the 2019-20 State Budget.

Sincerely,

A handwritten signature in black ink, appearing to read "Amber C. Christ". The signature is written in a cursive, flowing style.

Amber C. Christ, JD, *Vice Chair for Policy*
California Collaborative for Long Term Services and Supports
Directing Attorney, Justice in Aging