

## Health Network Alert

Governor Brown signed the state budget for fiscal year 2017-2018 earlier this week. Despite federal uncertainty, California chose to make some targeted investments in the health and well-being of older adults in the state. We applaud these increases, and we believe the state should more to help California's low-income seniors, who face the highest rates of poverty in the nation. Here's a summary of the bill's impact on adult dental and vision benefits, the CCI, IHSS, SSI/SSP, and the housing and disability advocacy program.

### **Full Restoration of Adult Dental and Vision Benefits**

The 2017-18 budget restores two optional Medi-Cal benefits—dental and vision. Beginning on January 1, 2018, adult Medi-Cal recipients will have access to full dental services. This restoration of benefits will increase access to oral health treatment and provide older adults with a broader range of options for ensuring dental health. Additionally, the budget will use a portion of the Proposition 56 Tobacco Tax funds to increase reimbursement rates to dental providers in the Medi-Cal program.

Beginning on January 1, 2020, adult vision services will be restored for adult Medi-Cal recipients. This restoration will require a two-step process, however. The 2017-18 budget made the statutory changes necessary to restore optometric and optical services, but the Legislature and the Governor will need to allocate funding for this purpose in the fiscal year 2019-2020 budget. Despite the delayed start date, we believe this signals a real commitment by the Legislature and the Governor to ensure Californians have broad access to needed services.

### **Coordinated Care Initiative**

As expected, the 2017-18 budget used the formal termination of the Coordinated Care Initiative (CCI) as a springboard to remove In-Home Supportive Services (IHSS) as a managed care benefit and to re-negotiate the IHSS program's financial structure (discussed below). Under the budget, all other major components of the CCI will continue with little to no impact expected in the way seniors and persons with disabilities in the seven CCI counties access services. The Cal MediConnect program will continue through December 31, 2019, pursuant to federal authority.

## **In-Home Supportive Services**

With the formal termination of the CCI, the financing structure that was in place prior to enactment of the CCI was reinstated, which, if left in place, would have had a profound negative fiscal impact on counties. This prompted the Legislature and the Governor to formulate a new financing system for the IHSS program. This change does not affect the provision of services for beneficiaries or providers. The new IHSS financing structure establishes an extremely complex cost sharing agreement between the counties and the state that will increase the overall responsibility of the counties to fund the IHSS program. The formula changes over time and it is not clear whether this new structure provides a sustainable shift between the state and the counties' funding obligations. We will continue to monitor these funding changes and work to ensure that recipient benefits are not negatively affected.

The 2017-18 budget also codifies overtime exemptions for IHSS and Waiver Personal Care Services providers. This action was in response to concerns that some in-home recipients were struggling to find an additional provider because their current provider was limited by the IHSS overtime work rules. Previously, the overtime exemptions only existed as departmental guidance. The new law also includes a notice provision to all potentially eligible providers and recipients, sets up a procedure for processing exemption requests, and a review process if a provider is denied. We believe this new law will increase recipient and provider knowledge of the exemptions and uptake of the exemptions.

## **The State Supplemental Payment (SSP) for SSI Recipients**

The budget provides nothing new for Supplemental Security Income (SSI) recipients, for whom grant levels remain at just 90% of the federal poverty level, as a result of recession-era cuts that have never been restored. Last year's budget included a small Cost of Living Adjustment (COLA) to the SSP, which went into effect in January 2017. This year's budget provides no increase to the SSP. It also fails to provide an SSP COLA in 2018, meaning that the purchasing power of the SSI grant will begin eroding in 2018. As a part of the Californians for SSI coalition, Justice in Aging will continue pushing for full restoration of the SSP and annual cost-of-living adjustments so that we can lift all seniors in California out of poverty.

## **Housing and Disability Advocacy Program**

The budget restores \$43 million in funding that had been previously earmarked to implement the Housing and Disability Advocacy Program, which the Governor's initial proposal had eliminated. The program is a component of the No Place Like Home Initiative in last year's budget, which provides resources for local governments to prevent and address homelessness. Restoration of the funding means that the new program can begin to provide matching funding for local governments to connect more homeless and at-risk individuals to Supplemental Security Income and other benefits to help them meet their basic needs.

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