

## Budget Cuts to Programs for Low-Income Older Adults Must be Rejected

### Cuts Would Disproportionately Hurt Older Adults of Color

On May 14, 2020, Governor Newsom released the [May Revision](#) of the 2020-21 budget. The disproportionate impact of the COVID-19 health crisis has been on older adults and communities of color. Yet, instead of targeting resources to these populations, the proposed budget cuts nearly every program on which these populations rely. From eliminating programs that provide care to older adults in their homes to cutting health care, economic supports, and nutrition programs, the proposed budget strips away programs and services at a time when we should be investing in them to ensure that more lives are not lost.

“The proposed budget makes **cuts to nearly all programs** on which **low-income seniors** rely.

## COVID-19's Ravaging Impact on California's Low-Income Older Adults

*Older Adults, Particularly Older Adults of Color, Are at the Most Risk of Becoming Infected with and Dying From COVID-19*

**76%** of COVID-19 deaths in California are **individuals 65+**.

Older adults of color are dying at rates up to **3x their share of the population**.

Residents and staff of **nursing facilities and residential care facilities** account for **46% of COVID-19 deaths in California**.

Instead of using these sobering facts to inform a state response to the pandemic grounded in equity, California's budget instead proposes cuts that would only widen already unacceptable and pervasive disparities in access to care and health outcomes, leaving older adults more vulnerable to hunger, homelessness, social isolation, illness, and death during this crisis.

Below we provide a detailed summary of the cuts to programs and the significant harm they would have on low-income older adults, their families, and California's communities.

# Cuts to Home and Community-Based Services and Supports (HCBS)

The Governor's budget proposes to eliminate and/or 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 lives of older adults at real risk during this pandemic as individuals in congregate settings are more likely to get infected and die from COVID-19.

“The **majority** of older adults and people with disabilities who receive care through **home and community-based programs** are **people of color**.”

## Community Based Adult Services (CBAS)

The budget would eliminate funding for 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 services, social services, and meals. CBAS participants either need a nursing facility level of care or have severe cognitive impairment(s), so elimination of the program brings an increased risk of institutionalization for participants. Over half of CBAS participants are from communities of color and 41 percent are limited English proficient.\*

## Multipurpose Senior Services Program (MSSP)

The budget would eliminate funding for 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 are nursing facility level of care, so elimination of the program increases their risk of institutionalization.\*

“**46,000** seniors and people with disabilities will **lose necessary care** that help them remain living in their homes and communities.”

## In-Home Supportive Services (IHSS)

The budget reinstates 7% across-the-board cuts to hours for all 625,000 IHSS recipients effective January 1, 2021. Sixty-five percent of IHSS recipients are individuals 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.\*

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.

“Most seniors will **lose between seven to twenty hours of care each month**—this will mean **choosing between** getting groceries and getting out of bed, between getting a meal and being able to shower.”

\*If federal funding is received, the cut or program change will not go into effect.

- 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.\*

## Cuts to Medi-Cal

Nearly a third of all Latinx, Black, Asian Pacific Islander Native Hawaiians, and Native American adults in the state rely on Medi-Cal for coverage—these are also the populations at most risk of dying from COVID-19. Nonetheless, the proposed budget includes deep cuts to the program.

### Senior Penalty

The budget puts back in place the senior penalty by eliminating 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. Now these individuals will have to remain on the Medi-Cal share of cost program and will be unable to access services because of the unaffordable \$750 a month they would have to pay before Medi-Cal would begin paying for any services, placing them at risk for hospitalization or institutionalization.

### Coverage for Immigrants

The budget eliminates 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.

“**55,000** low-income seniors and people with disabilities will **not have access to Medi-Cal.**”

### Coverage Continuity

The proposed budget eliminates a Medi-Cal eligibility fix that 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. Flipping on and off Medi-Cal coverage creates huge disruptions in care and is particularly harmful during a health care crisis.

### Dental Cuts

The proposed budget will reduce the adult dental benefits back to 2014 levels, eliminating coverage for vital dental services including gum treatment, root canals on back teeth, and partial dentures—services that are particularly necessary to maintain the health of older adults and people with disabilities. These services had been restored as of January 1, 2018. Communities of color are most impacted by the loss of these services because of higher rates of dental decay, tooth loss, and gum disease due to lack of access to dental care throughout their lifetimes.\*

### Estate Recovery

The budget reinstates 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

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required by the federal government, which include institutional long-term care and home and community-based services. The return of estate recovery exacerbates existing race and class disparities in intergenerational wealth by targeting people with low incomes and preventing any wealth from being passed down to their families.\*

## Additional Medi-Cal Benefit Cuts

The budget proposes elimination of other Medi-Cal services that older adults and people with disabilities need, 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.\*

## Economic Supports

### 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. Taking income used for basic needs like housing from these individuals who are already living far below the poverty line would simply put more older adults and people with disabilities at risk and disproportionately impact people of color.\*

### 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 that provide meals, provide caregivers the much-needed resources to care for their loved ones, and administer adult protective services.

### Senior Nutrition

The budget would reduce funding for senior nutrition programs by \$8.45 million, despite the fact that the need for nutrition assistance and meal delivery has increased because seniors and people with disabilities must shelter in place to avoid contracting the virus. These cuts would defund 600,000 meals to seniors and people with disabilities and limit the availability of meals in congregate settings that are culturally competent and help small businesses in communities of color.

“Proposed budget cuts would **defund 600,000 meals** to seniors and people with disabilities.

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## Long-Term Care Ombudsman

The budget would reduce funding for the Long-Term Care Ombudsman program by \$2 million. The long-term care ombudsman assists residents in nursing facilities to protect their health and safety—a particularly high need during this crisis in which over one third of deaths have been in facilities.

## Caregiver Resource Centers (CRCs)

The budget would 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. These centers provide caregivers with respite, education, support groups, and more to individuals caring for adults with chronic and disabling conditions.

## Aging and Disability Resource Centers (ADRCs)

The proposed budget would cut funding for ADRCs by \$3 million. These centers serve as trusted sources of information to access long-term services and supports—a particularly crucial resource as individuals try to avoid institutional care during this crisis.

We must reject these budget cuts to programs older adults rely on and most critically need during this health crisis. The state budget should strive to protect the interests of those most susceptible during an international pandemic, not target and place them at higher 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.

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