

Justice in Aging's Response to the January 2021–22 Budget

(January 22, 2021)

Introduction

On January 8, 2021, Governor Newsom released his [January 2021–22 budget proposal](#). The proposal represents a good first step towards ensuring the health, safety, and well-being of older Californians. The proposal would make significant one-time investments in this year's budget. This one-time spending is largely driven by a \$26 billion windfall due to improvements in [California's economic outlook](#) since last year's budget. A portion of these funds are being allocated to kicking off implementation of California's recently released Master Plan for Aging, as well as making investments in housing and homelessness, health and long-term services and supports, and economic and food security. While we laud these steps, Justice in Aging will continue to advocate for more long-term investment to ensure older Californians have the supports they need to live in dignity and safety.

Below is a detailed analysis of the budget provisions impacting low-income older adults.

Master Plan for Aging and the Budget

Just two days before the Governor announced the January budget proposal, he released [California's Master Plan for Aging](#). The Master Plan includes five bold goals for 2030 related to housing, health, inclusion and equity, caregiving, and affording aging. We are encouraged to see the Governor set big, transformative goals to improve life in California for low-income older Californians. The Governor's 2021–22 budget proposal includes funding to help move us forward on these goals and to help achieve the specific short-term initiatives laid out in the Master Plan. Specifically, the Governor proposes the following investments tied to the Master Plan for Aging (the remaining proposals are discussed under their issue area):

- **Appointment of a Senior Advisor on Aging, Disability, and Alzheimer's** to advance cross-Cabinet initiatives and partnerships. This type of cabinet-level position was a recommendation of the Master Plan for Aging's Long-Term Services and Supports (LTSS) subcommittee and we are pleased to see the Governor immediately pursuing this appointment, which will help provide leadership across agencies and departments.
- **\$5 million General Fund Master Plan for Aging implementation funds.** These funds are earmarked for implementation of proposals that will be released in the spring. The Master Plan includes over 100 initiatives to carry out over the next two years. We are encouraged to see real dollars put aside for implementation, but we must continue to advocate for more sustained and significant investments to carry out these initiatives and to support older adults.

Health and Long-Term Services and Supports (LTSS)

We are pleased to see several additional January budget proposals are linked to health and the LTSS system in California. However, two critical proposals—expanding Medi-Cal to undocumented adults 65 and over, and increasing the Medi-Cal asset limit—are not included. Both of these changes are vital if we want to ensure equitable access to Medi-Cal for older adults of color.

The budget contains the following proposals:

- **Creates an Office of Medicare Innovation and Integration** to be housed within the Department of Health Care Services. The Administration plans to submit a proposal to the federal government in the spring to form this new Office. There are still outstanding questions about what topics the new Office will focus on, but we believe this Office creates an opportunity for the Department to expand its expertise and deepen its attention to the unique and complex issues that affect the 1.4 million Californians dually eligible for Medicare and Medi-Cal.
- **Continues restoration of the 7% In-Home Supportive Services (IHSS) cuts until December 31, 2022.** The budget proposal provides an extra year of funding for IHSS. The budget also promises to continue the restoration beyond the end of 2022 if the Administration “determines through the 2022 Budget Act that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.” The budget includes \$449.8 million General Fund in 2021–22 and \$242.6 million General Fund in 2022–23 to restore these hours. While we appreciate this extension and recognize the substantial funds needed to restore the 7% cut, we will continue to advocate for permanent restoration through a statutory repeal. IHSS enrollees need all the hours they are allotted, and it is stress-inducing and destabilizing to have this possible cut hanging over people’s heads.
- **Increases the minimum wage** to \$14 per hour on January 1, 2021, and \$15 per hour on January 1, 2022. This will directly benefit IHSS workers who live in counties where the current negotiated wage rate is below the new minimum wage. The budget includes \$1.2 billion (\$557.6 million General Fund) to fund this increase.
- **Continues funding for IHSS COVID-19 Back-Up Provider Systems.** These systems were created to respond to emergency situations during the pandemic and are still necessary to ensure IHSS recipients do not go without care. The budget proposes \$5.3 million to fund these back-up systems in 2021–22 and continues the \$2 wage differential for back-up providers through the end of 2021. We believe this is a good first step, but we think that IHSS back-up systems should be made permanent.
- **Continues funding for CBAS and MSSP.** The budget proposal continues funding for the Community Based Adult Services (CBAS) and the Multi-Purpose Senior Services Program (MSSP). The proposal also extends supplemental payments to CBAS providers to December 21, 2022, to align with the Medi-Cal managed care calendar rate year.
- **Moves forward with the CalAIM (California Advancing and Innovating Medi-Cal) proposal.** This proposal represents a major shift in how the Department of Health Care Services delivers services in the Medi-Cal program. This change is not limited to programs serving older adults, but will affect older adults and people with disabilities through a transition to an aligned D-SNP and Medi-Cal plan system, statewide managed LTSS, mandatory enrollment of dual eligible enrollees in managed care, and more. CalAIM will be rolled out over multiple years and Justice in Aging will continue advocating to ensure the proposed changes actually improve access, affordability, equity, and quality for older adults and people with disabilities. The budget proposes spending 1.1 billion (\$531.9 million General Fund) in 2021–22.

- **Expands and makes permanent certain telehealth flexibilities.** The State requested and received permission from the federal government to provide numerous health services using telehealth during the pandemic. The budget proposes \$94.8 million (\$34 million General Fund) to continue and make permanent some of these telehealth flexibilities. We believe this is important to ensure safety during the pandemic, but also to improve access to care for underserved counties beyond the pandemic.
- **Extends funding for certain Medi-Cal optional benefits through December 31, 2022.** The budget specifically extends funding for audiology and speech therapy services, incontinence creams and washes, optician and optical lab services, and podiatric services that had been restored in the 2019 budget. The budget proposes spending \$47 million (\$15.6 million General Fund). The budget also continues supplemental provider payments by 12 months through June 30, 2022, including supplemental payments to dental providers.
- **Expands Aging and Disability Resources Connections (ADRCs)** to serve as a “No Wrong Door” network throughout the state. The budget proposes \$7.5 million this year and another \$5 million for the first half of the 2022-23 budget to build out ADRCs to provide assistance to older adults and people with disabilities and their families to make sure they are informed and referred to the appropriate services.
- **Expands geriatric medicine workforce** through a one-time \$3 million grant to grow and diversify the workforce pipeline.
- **Invests in several Alzheimer’s initiatives**, including the following one-time funds:
 - \$5 million for a public education campaign on brain health;
 - \$4 million for new training and certification for caregivers;
 - \$2 million for expanded training in standards for care for health care providers;
 - \$2 million for grants to communities to become dementia-friendly; and
 - \$4 million for research on disparities and equity related to Alzheimer’s disease.

Housing and Homelessness Prevention for Older Californians

The Budget proposes using \$1 billion of this year’s \$26 billion budget windfall to respond to the housing crisis.

- **Provides \$750 million in one-time funds to purchase permanent housing** for the growing number of unhoused individuals. These funds are appropriately directed to housing options for unsheltered people of all ages, and we will advocate for distribution rules that ensure older adults are equitably served.
- **Provides \$250 million in one-time funds to purchase and rehabilitate Adult Residential Facilities and Residential Care Facilities for the Elderly** to increase housing options for older adults and persons with disabilities. We look forward to working with the administration and Legislature to ensure an appropriate focus on low-income Californians, and on pairing housing with services so that older adults are better able to live in the community as they age.

Additionally, the Governor has called for an extension of the eviction moratorium until the end of 2021. The current moratorium is set to expire on January 31, 2021. The Governor will need to work with the legislature this month to pass the extension.

Economic and Food Security

The budget contains several proposals to increase economic and food security for low-income older adults.

- **Funds stimulus payments through the CalEITC.** The budget proposes an additional \$600 payment for everyone who receives the CalEITC, as part of a new Golden State Stimulus program for COVID-19 relief.

The proposed stimulus will offer much needed relief to communities hardest hit by COVID-19, including undocumented workers. Yet, as currently constructed, SSI recipients—who are disproportionately women and people of color—would be excluded from the stimulus.

California must make this a stimulus for all and include SSI seniors and people with disabilities, many of whom still live below the federal poverty level due to more than a decade of cuts to the SSP and who have faced unanticipated costs during the pandemic. We will be advocating alongside community partners for additional investments in undocumented workers and families, seniors and people with disabilities receiving SSI, and other low-income Californians who are struggling financially right now.

- **No increase to the State Supplementary Payment (SSP).** The proposed budget does not restore the recession-era cuts made to the SSP, the state-funded supplement to the federal SSI benefit. In order to meet the Master Plan for Aging’s “Affording Aging” goal of ensuring economic security as long as we live, we must raise the SSI/SSP grant to a level that matches the cost of living in California. Restoring the value of the SSP and lifting all seniors out of poverty must remain a priority.
- **Funds to ensure food security.** The budget includes \$22.3 million for the Supplemental Nutrition Benefit (SNB) and Transitional Nutrition Benefit (TNB) programs that were created to hold harmless households that lost CalFresh benefits when the SSI cash-out policy ended, with the funding being used to increase the benefit amounts to more accurately reflect the CalFresh benefits that were lost.

Two additional changes would help to clean up the original budget deal on SSI cash-out: (1) replace benefits for SNB and TNB during disasters just as is done for CalFresh, and (2) temporarily pause TNB recertifications for the duration of the public health emergency. We support these changes, along with the simplified application proposed in SB 107 (Wiener), to further improve access to the CalFresh program.

The budget also includes a \$30 million one-time investment for emergency food, and \$11.4 million for the California Food Assistance Program to provide households with the maximum allowable allotment based on household size.

Conclusion

Overall, Justice in Aging is pleased to see that the Governor’s January 2021–22 budget proposal includes some initial investments in the Master Plan for Aging and maintains a number of critical programs for older adults. We look forward to working with the Governor and the Legislature to ensure our budget actively improves the lives of low-income Californians, now and in the future.