

# Justice in Aging's Summary of the Final California 2021-22 Budget

(July 2021)

## Introduction

Governor Newsom and the Legislature have passed a [historic 2021-22 budget](#), which invests in all five goals of the Master Plan for Aging and reverses long-term, harmful cuts from the Great Recession. The final budget, which rolled out over the course of several weeks at the end of June and the beginning of July, uses some of the State's massive surplus to enact some of the best investments from the Governor's January budget proposal and his May Revision as well as the Legislature's budget proposals. This includes phased-in reversal of the SSI state supplement grant cuts and elimination of the Medi-Cal asset test, expansion of both Medi-Cal to undocumented older adults 50 and older and the HomeSafe program, as well as bold investments in housing and homelessness.

Below is an overview of the more than 40 budget provisions impacting low-income older adults and people with disabilities organized by the goal areas of the Master Plan for Aging.

## Goal 1: Housing and Homelessness Prevention for Older Californians

The budget includes an unprecedented \$12 billion multi-year investment to address California's affordable housing and homelessness crisis via affordable housing, homeless prevention, and multiple forms of housing for people who are currently unhoused or at imminent risk of homelessness, including older adults and people with disabilities. Because many of these large housing allocations are not targeted to meet the specific needs of older adults, it will be crucial to ensure that we create deeply affordable, accessible housing linked with needed health care and supportive services so that all older Californians can age in place.

Goal 1 of the Master Plan for Aging contained five major strategies, including increased housing options, transportation, outdoor and community spaces, emergency preparedness, and climate readiness. The major budget investments related to Goal 1 are in the housing and homelessness strategy. As such, it will be important in the coming years to advance policies and funding for the other areas.

The following are the major investments in housing and homelessness either targeted at older adults or that will substantially benefit them.

- **Project Roomkey:** The budget includes \$150 million of one-time funding to allow additional time to transition and rehouse formerly homeless individuals from temporary motels to interim or permanent housing.
- **Project Homekey:** The budget provides \$2.75 billion in a combination of state and federal funds over two years to expand Project Homekey. The new monies will be used to purchase, convert, and rehabilitate

unused motels, residences, and commercial spaces to house formerly homeless individuals and those at risk of homelessness, and for operations. This provides opportunities for individuals housed through Project Roomkey to maintain permanent housing.

- **Continuing Care Expansion:** The budget provides \$805 million in one-time funding for the construction, acquisition, and/or rehabilitation of licensed adult and senior care facilities, including Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly (RCFEs), to be able to serve more people experiencing homelessness or who are at risk of becoming homeless. The grants, which will be administered by the Department of Social Services will allow counties and tribal entities to fund capital improvements and physical upgrades to support additional supportive housing for older adults and people with disabilities.
- **HomeSafe Expansion:** The budget includes \$92.5 million annually through 2022-23 to expand the Home Safe program statewide. Participating counties provide access to health, safety, and housing supports for individuals, including older adults involved in or at risk of involvement in Adult Protective Services (APS). The program has also expanded the definition of eligible individuals to include those who are in the process of intake with APS or who may be served through a tribal social services agency who appear to be eligible for APS services.
- **Eviction Moratorium and Emergency Rental Assistance:** The current tenant eviction moratorium, set to expire on July 31, 2021, has been extended to September 30, 2021. This will allow time for local agencies to process applications and distribute \$5.2 billion in federal Emergency Rental Assistance funds, paying 100% of back rent and utilities, as well as future rent, to eligible households.
- **Supportive Services for Formerly Homeless Veterans:** The budget includes \$25 million to provide higher level on-site supportive services in HUD-VASH programs, which serve older veterans and veterans with disabilities.
- **Accessory Dwelling Unit (ADU) Financing:** The budget provides \$81 million in one-time federal funds to expand available financing for ADU's with the goal of expediting production of lower cost housing.

## Goal 2: Health Reimagined: Health and Long-Term Services and Supports (LTSS)

The final budget includes significant investment in both health care and LTSS for older adults. Many of these investments were recommended in the Master Plan for Aging Stakeholder Advisory Committee and [LTSS Subcommittee Reports](#) or in the [Alzheimer's Disease Prevention Taskforce](#) report.

These budget items are likely to be further bolstered and expanded by the investments proposed in California's [Home and Community-Based Services \(HCBS\) Spending Plan](#). This plan contains \$4.6 billion in Medi-Cal spending and 30 proposals. Some of the proposals listed in the HCBS Spending Plan are already included in the final budget while some are not. Only the proposals that are actually included in the budget are listed below.

### Health Care

- **Medi-Cal for Undocumented Adults 50 and over:** No sooner than May 1, 2022, California will expand access to full-scope Medi-Cal for adults 50 and over regardless of immigration status. Coverage will include access to In-Home Supportive Services (IHSS), if the person has need for the services. An additional 235,000 Californians will have access to health care at a cost of \$67.3 million in FY2021-22 and \$1.5 billion annually ongoing.

- **Phased-in Elimination of the Medi-Cal Asset Test:** Over the next two and a half years, California will phase-in elimination of the Medi-Cal asset test. First, no sooner than July 1, 2022, the state will raise the asset limit in the programs serving older adults and people with disabilities to \$130,000 for an individual and \$65,000 for each additional family member. This significant increase should allow many people to get on or stay on Medi-Cal without having to impoverish themselves. Then, no sooner than January 1, 2024, the state will eliminate the asset test completely. These changes will expand access to Medi-Cal for approximately 18,000 new beneficiaries and improve access to benefits for almost 2 million Californians currently on Medi-Cal. The budget provides \$394 million in FY2022-23 for this change.
- **Alzheimer’s Disease Investments:** The budget commits \$32.5 million to Alzheimer’s Disease including to improve care, raise public awareness, provide training, and perform research (\$24 million) and to increase geriatric workforce development (\$8 million).
- **Creation of Office of Medicare Innovation and Integration:** The budget includes \$602,000 to create the office within the Department of Health Care Services and hire additional staff. This new office is tasked with ensuring the state serves both dual eligible and Medicare-only beneficiaries effectively and equitably.
- **Telehealth Flexibilities:** The budget includes an extension of telehealth flexibilities allowed during the public health emergency through December 2022. The state will provide payment parity for audio-only appointments (\$151.1 million) and will provide for remote patient monitoring (\$106.4 million).
- **Medically-Tailored Meals:** The budget provides \$9.3 million in one-time funding to continue the provision of medically-tailored meals in the period between the conclusion of the existing pilot program in 2021 and when medically-tailored meals become available as an option for In-Lieu of Service (ILOS) under CalAIM.
- **Medi-Medi Navigators:** The budget includes \$12 million in FY2021-22 and 2022-23 to support navigators for dual-eligible Medi-Cal beneficiaries at additional sites or in additional counties.
- **Geriatric Workforce Training Program:** The budget provides \$8 million in one-time funding to provide grants to expand the workforce serving older adults.
- **Field Testing Medi-Cal Translation Materials:** The budget provides \$2 million in FY 2021-22 and \$60,000 ongoing to field test translated Medi-Cal materials to ensure monolingual and limited English proficient communities have access to accurate and understandable notices.
- **Alameda Wellness Respite Center:** The Budget includes \$15 million in one-time funding for the Alameda Wellness Respite Center, which will include recuperative care, a senior housing facility with medical services, and a resource center for Alameda County residents who are at risk for homelessness or newly homeless.

### Long-Term Services and Supports (LTSS)

- **Permanent Restoration of 7% IHSS Cut:** The budget includes \$248 million in FY 2021-22 and \$496 million ongoing to fund permanent restoration of the 7% IHSS hours cut. Additionally, the budget trailer bill strikes Welfare and Institutions Code sections 12301.01 and 12301.02, which authorized the reduction. This is a major change from the January Budget proposal that only proposed a temporary funding extension. This permanent restoration will help ensure older Californians can age safely at home without fear of an arbitrary reduction in services.
- **IHSS Back-Up Provider System:** The budget authorizes \$12.8 million to create a permanent IHSS back-up provider system in California. The trailer bill, however, expressly requires the Department of Social Services to work with stakeholders to create and propose a back-up system to the legislature and pass legislation

before the funding can be allocated. During the COVID-19 pandemic, every county was required to set-up an emergency IHSS provider back-up system, which will operate through the end of 2021.

- **IHSS Electronic Forms:** The budget includes \$5 million to support development and statewide implementation of electronic forms and signatures, including translation of forms into all Medi-Cal threshold languages. This represents a significant expansion of languages for IHSS forms, which are currently only translated into Spanish, Chinese, and Armenian.
- **MSSP Rate Permanency and Slot Increase:** The budget includes \$6.3 million in FY 2021-22 and \$11.7 million General Fund ongoing to make the temporary MSSP Rate Increase permanent and increase MSSP slots by 2,497. These changes will help increase access to MSSP programs, which help keep frail elders living at home and out of institutions.
- **Community-Based Adult Services (CBAS) Backlog:** The budget includes \$1.9 million in FY 2021-22 and \$2.4 million ongoing to support increased resources to address certification back-log workload at the Department of Aging.

### Goal 3: Equity and Inclusion, Not Isolation

The budget includes several new initiatives and more funding for existing agencies to support the elder justice goals of preventing elder abuse and exploitation while also preserving the autonomy of older adults as they age. It also makes substantial investments in equity initiatives that will improve access to technology, data, and language services.

- **APS Investments:** APS will receive \$70 million for a statewide expansion of its client base. Beginning January 2022, APS will define an “elder” as an adult 60 and older, a shift from previously serving adults 65 and older. Currently, half of all homeless adults are over the age of 50, and this population is expected to triple in the next decade. By decreasing the minimum age for APS services, APS workers will be able to address issues that lead to homelessness before an older adult loses their housing. In addition, a workgroup will be created to develop recommendations for establishment of a statewide APS case management or data warehouse, in line with Master Plan on Aging recommendations from elder justice advocates.
- **Access to Technology for Older Adults and People with Disabilities:** The budget apportions \$50 million to the Access to Technology Program for Older Adults and Adults with Disabilities Pilot Program. From growing use of telehealth and the known racial and rural disparities that exist among older adults with respect to access to technology, these investments will assist low-income older Californians in accessing technology to support their well-being and connection to the community.
- **Older Adult Recovery and Resiliency:** The budget includes \$106 million over three years to strengthen older adult recovery and resilience from isolation and health impacts caused by the pandemic. This money will be allocated to increase service levels of existing programs based on local need including: Senior Nutrition (\$20.7M), Senior Legal Aid (\$20M), Home Modifications and Fall Prevention (\$10M), Elder Abuse Prevention Council (\$1M), Digital Connections (\$17M), Senior Employment Opportunities (\$17M), ADRCs (\$9.4M), Behavioral Health Line (\$2.1M), Family Caregiving Support (\$2.8M), and State Operations Resource (\$6.0M). These existing programs are proven supports that assist older adults in aging in place, preserving their autonomy, and improving their overall quality of life. Implementation will be key, but this initiative is a good step in acknowledging the outsized impact the pandemic has had on older adults.

- **Area Agencies on Aging (AAA):** The budget includes \$3.3 million ongoing for baseline funding increases for AAAs through the Department of Aging. AAAs offer community-based services that help older adults age safely at home. By investing in AAAs, California is supporting older adults at the community level, which is particularly important for older adults in rural communities as AAA is the only resource for caregiver supports, transportation, and nutrition.
- **Aging and Disability Resource Connections (ADRCs):** The budget includes an additional \$2 million ongoing for state operations resources to support and expand ADRCs for a statewide No Wrong Door system.
- **Elimination of Suspension Cuts:** The budget eliminates suspensions for ADRCs, with \$13.8 million in FY 2022-23 and \$27.5 million ongoing for Senior Nutrition.
- **Master Plan for Aging Implementation:** The budget includes \$3.3 million in ongoing funds to the Department of Aging to provide project management and information technology leadership to implement the Master Plan on Aging. These funds will provide the support needed to fully implement goals like the statewide Elder Justice Council and provide the necessary staffing and leadership to implement the Master Plan over the next few years.
- **Office of Long-Term Care Patient Representative:** The budget includes \$2.5 million in FY 2021-22 and \$4 million ongoing to provide public patient representatives to skilled nursing facility residents who no longer have legal capacity to make decisions. The new office will be established in the Department of Aging.
- **HICAP Modernization:** The budget provides \$2 million in FY 2021-22 and FY 2022-23 to modernize the HICAP program, which provides health insurance counseling and advocacy to Medicare beneficiaries.
- **Improving Language Access Services:** The budget provides \$20 million to the California Health and Human Services Agency (CHHS) to improve and deliver language access services, including to older adults and people with disabilities, contingent upon the completion of a framework and a report to the legislature. The Agency includes important departments that interface regularly with low-income older Californians, like Health Care Services, Social Services, Public Health, and Aging. The money must be encumbered or spent by June 30, 2024. Some [studies](#) have indicated that limited English proficient older Californians struggle with access to interpreters in healthcare, so this measure is a much-needed investment to improve the language access services for LEP older adults in California.
- **Creating an Equity Dashboard and Fighting Health Disparities:** The budget allocates over \$3.1 million to create an equity dashboard informed by the Department of Public Health's reporting on health disparities and \$1.6 million for an analysis from CHHS of the intersection of the COVID-19 pandemic, health disparities, and equity. This will include data about older adults. An initial analysis is due to the Legislature by May 1, 2022 and recommendations on how to address those inequities are due by January 10, 2023. Whether looking at COVID-19 infection rates in the [state's nursing facilities](#) or at California's [COVID-19 vaccination rates](#), racial disparities have been persistent throughout the pandemic and sometimes exacerbated by age. These additional investments offer the state solutions that will monitor and address the intersectional nature of these health disparities in our public health infrastructure.

## Goal 4: Caregiving that Works

The budget contains two proposals to enhance caregiving in California in addition to the proposal contained in the larger Older Adult Recovery and Resiliency package discussed above in Goal 3. The HCBS Spending Plan proposal also contains several additional proposals to strengthen the workforce including providing direct \$500 payments to all IHSS and non-IHSS HCBS providers who worked at least two months between March 2020 and March 2021.

- **Long-Term Care Career Pathways Program:** The budget includes \$200 million in one-time funding to incentivize, support, and fund career pathways for IHSS providers. This funding is available contingent upon the passage of additional legislation providing additional detail about the program design, timelines, data, and outcomes. Additionally, the HCBS Spending Plan proposes an additional allocation to further expand this initiative, although it is still unclear whether the funding proposed in the HCBS Spending Plan includes the \$200 million from the budget.
- **Caregiver Resource Centers:** The budget includes \$10 million in FY 2022-23 and ongoing to support Caregiver Resource Centers.

## Goal 5: Affording Aging: Economic and Food Security

The budget contains significant provisions to support the economic security goals of protection from poverty and hunger, preventing older adult homelessness, and ultimately ensuring economic security as long as we live. Many of the investments were recommended in the Master Plan for Aging.

- **Rescinding SSI/SSP Legacy Cuts** The budget provides \$291 million to rescind half of the cuts made to the SSI state supplement during the recession, with the intention of rescinding the remainder of the cuts in the 2023-2024 budget year. This will increase SSI/SSP grants by approximately \$36 per month for individuals and \$92 per month for couples beginning in January 2022. SSI seniors and people with disabilities have faced cost increases in housing, food, and other essentials in the past decade, as well as more recent costs due to COVID-19. Finally undoing the cuts that pushed seniors and people with disabilities into poverty, hunger, and hardship is an important step toward meeting the “Affording Aging” goal of ensuring economic security as long as we live. As a part of the [Californians for SSI](#) coalition, Justice in Aging will continue pushing for an SSI/SSP grant that lifts all seniors out of poverty.
- **Protection of CalFresh Expansion:** The budget makes policy changes to prevent dramatic caseload loss in the CalFresh Expansion Transitional Nutrition Benefit program for certain SSI recipients who became newly eligible for CalFresh in 2019. The changes, which increase the recertification period to 12 months, extend the time period to restore discontinued benefits to 90 days, and pause discontinuances for two years, will ensure that families do not face a permanent loss of food benefits just from missed paperwork.
- **CalFresh Application and Outreach Improvements:** The budget provides funding to support a simpler CalFresh application for seniors and people with disabilities and to improve phone access as well as \$2 million ongoing for the Department of Aging to continue CalFresh Expansion outreach efforts to older adults.
- **The Housing and Disability Advocacy Program (HDAP):** The budget provides \$300 million over two years for HDAP, in addition to the ongoing annual funding of \$25 million, to help disabled individuals experiencing homelessness with benefits advocacy to apply for SSI and housing assistance.
- **Future expansion of California Food Assistance Program (CFAP):** The budget provides funding to update the California Food Assistance Program in order to expand to low-income Californians regardless of

citizenship or immigration status, with the programmatic expansion dependent on budget appropriations in future years.

- **Senior Nutrition:** The budget establishes a \$35 million annual baseline for senior nutrition funding including Meals-on-Wheels and congregate dining programs, and provides \$40 million one-time funding for capacity building for Senior Nutrition programs.
- **Senior Farmer's Market Nutrition Program:** The budget includes \$500,000 in one-time funding to provide low-income seniors with access to fruits and vegetables at farmers markets, roadside stands, and community supported agriculture programs.

## Conclusion

With a historic budget surplus and significant amounts of federal funding, California seized the opportunity to truly invest in the needs of low-income older adults, particularly prioritizing spending that improves equity and reduces disparities. With a mix of on-going spending and one-time funding, California committed to advancing many of its Master Plan for Aging goals and providing a strong foundation as we move forward in future years.