

Justice in Aging's Analysis of the Governor's January 2022-23 Budget Proposal

(January 28, 2022)

Introduction

On January 10, 2022, Governor Newsom released his [2022-23 Budget proposal](#). The proposal projects an incredible positive financial outlook for the state, with a nine percent increase in proposed spending compared to last year and with a \$45 billion surplus. This robust state Budget and surplus provides an opportunity to make transformative investments in California's [Master Plan for Aging](#)—especially in light of the ongoing pandemic, which continues to disproportionately impact older adults. It is crucial that the state leverage these historic resources now to meaningfully advance the state's vision for an equitable California, especially for older Californians who have faced longstanding barriers to health and economic security.

The Governor's proposal includes some investments across the five goals of the Master Plan for Aging: Housing for All Ages & Stages; Health Reimagined; Inclusion & Equity, not Isolation; Caregiving that Works; and Affording Aging. While we appreciate these proposed investments, Justice in Aging will continue to advocate over the coming months with the Legislature and the Governor for more robust, equitable, and long-term investments to ensure that the Master Plan for Aging is successfully implemented.

Below is a summary of the Budget proposals impacting low-income older adults organized by the Master Plan for Aging's five goals.

Goal 1: Housing for All Ages and Stages

The Governor's proposed Budget builds on investments for housing instability and homelessness that were initiated last year. While none of these proposals for 2022-23 are specifically targeted to older adults and people with disabilities, several of them could be used to meet the growing housing needs in these communities. Still, additional housing funding and efforts are needed. For example, the Master Plan for Aging goal of preventing and ending older adult homelessness would be furthered by substantial investment in a rent stabilization program targeted to adults age 50 and older and persons with disabilities who are at imminent risk of or experiencing homelessness.

- **Reducing Homelessness:** Building on last year's \$12 billion allocation over three years, the Budget proposes an additional \$2 billion over two years targeted at reducing homelessness. This includes a \$1.5 billion proposed investment in bridge housing to address immediate housing and treatment needs of people experiencing unsheltered homelessness with serious behavioral health conditions as well as \$500 million for encampment "cleanup" grants. These encampment funds are to move the large number of currently

unsheltered Californians out of their current living spaces. The proposal does not provide a plan for long-term, affordable, and accessible housing to meet the needs of older adults living in those encampments. The Governor also alluded to “leaning into conservatorships” to address substance abuse and encampments, but specific proposed policy changes are not yet available.

- **Protecting and Empowering At-Risk Aging and Disabled Populations:** The Budget includes \$10.6 million in funding annually for three years for transitional housing for parolees at risk of housing insecurity or homelessness through the Returning Home Well Program. About 25% of the parolee populations is age 50 or older (see Goal 3 for more).

Goal 2: Health Reimagined

The Governor’s proposed Budget includes several health-related investments, some of which would benefit older adults and people with disabilities. Justice in Aging will continue to advocate for additional investments in health care that target older adults and people with disabilities for inclusion in the Governor’s May Revision, such as additional [Medi-Cal funding for Home- and Community-Based Services \(HCBS\)](#). We will also pursue both legislative and budget advocacy in coalition to update [Medi-Cal’s share of cost program](#) so that aging adults do not have to spend 60% of their monthly income on health care, even when they’re just \$1 over the income limit to be eligible for free Medi-Cal.

- **Reforming Nursing Facility Financing:** The Budget proposes to reform the funding framework for nursing facility Medi-Cal reimbursement to move from a primarily cost-based methodology to one that incentivizes value and quality. The intent of these reforms is to further enable nursing facilities to invest in quality and patient care while assuring the long-term financial viability of nursing facilities. Justice in Aging looks forward to additional information on the state’s proposed funding framework and to ensuring that this reform advances equity for older adults and people with disabilities receiving care in facilities.
- **Alzheimer’s Healthy Brain Initiative:** The Budget includes \$10 million in one-time funding to continue support for the existing Alzheimer’s Healthy Brain Initiative grantees in six local health jurisdictions and to expand the initiative in up to six additional local health jurisdictions.
- **In-Home Supportive Services (IHSS):** The Budget includes \$24.8 million (\$11.2 million General Fund (GF)) ongoing funding to establish a permanent back-up provider system for IHSS recipients to avoid disruptions to caregiving due to an immediate need or an emergency.
- **Health Care Access for Working Disabled People:** The Budget includes \$1.5 million in ongoing funding to reduce Medi-Cal premiums to zero for 500,000 women, children, and working adults with disabilities to continue progress on California’s goals to expand access to health care and increase the affordability of home care. Of the 500,000 individuals who would benefit from this proposal, approximately 15,000 people, or three percent of the total, are individuals with disabilities of all ages enrolled in Medi-Cal’s Working Disabled Program.
- **Medi-Cal Dental:** The Budget includes \$37 million (\$13 million GF) in one-time funding to implement coverage for laboratory-processed crowns for posterior teeth for adult, including older adult, Medi-Cal beneficiaries in place of stainless-steel crowns in accordance with evidence-based practices. The Budget also maintains Medi-Cal dental managed care in Los Angeles and Sacramento counties.

- **New Medi-Cal Benefit: Medi-Cal Community-Based Mobile Crisis Services:** Under the Budget, California’s Department of Health Care Services would add multi-disciplinary statewide, 24/7 mobile response services for crises related to mental health and substance use disorders as a new Medi-Cal benefit starting January 1, 2023 (\$1.4 billion estimated total cost, with \$335 million funded through the Budget). These services would be available to all Medi-Cal recipients regardless of age, which would help to connect older adults and especially aging adults experiencing homelessness to care to prevent unnecessary hospitalizations as well as law enforcement engagement. As such, this proposal would also advance the Master Plan for Aging’s elder justice initiatives within Goal 3.
- **Expansion of Medi-Cal to Undocumented Adults:** The Budget includes \$819.3 million in 2023-24 and \$2.7 billion annually ongoing in funding to expand full-scope Medi-Cal to all income-eligible Californians, regardless of age or immigration status, starting January 1, 2024. Under the proposal, undocumented adults age 26-49 are eligible for full-scope Medi-Cal, including IHSS, beginning January 1, 2024. Last year’s Budget expanded full-scope Medi-Cal coverage to older adults age 50 or older, regardless of immigration status, beginning May 1, 2022. And in 2020, full-scope coverage was expanded to undocumented children and young adults up to age 26. This expansion of coverage would ensure undocumented adults are able to access comprehensive medical, behavioral, and oral health care, and promote healthy aging.

Goal 3: Inclusion & Equity, not Isolation

The Governor’s Budget also includes proposals that invest in strategies under Goal 3, particularly opportunities to work and volunteer as well as protection from abuse and exploitation. Justice in Aging is pleased to see investments that promote and advance equity and elder justice and that support the Data Dashboard, which would ensure tracking the implementation of and progress of realizing the Master Plan for Aging’s goals. We look forward to additional details of these investments.

- **Data Dashboard:** The Budget includes \$2.1 million (\$1.8 million GF) to bolster [the Master Plan for Aging’s Data Dashboard](#) to drive outcomes and sustain public engagement for statewide initiatives through the California Department of Aging (CDA) and strengthen civic engagement policies and programs in the California Commission on Aging. This investment highlights the Governor’s commitment to furthering the goals of the Master Plan for Aging and the need for data to further the Plan’s goals, including aggregate demographic data to advance equity for older adults.
- **Probate Conservatorship Report:** The Budget includes \$1.3 million one-time for the Judicial Council to complete a comprehensive study of probate conservatorships and develop recommendations pursuant to Chapter 417, Statutes of 2021 (AB 1194). This study has the potential to identify groups that are most impacted by conservatorships and lead to meaningful reforms to the conservatorship system.
- **Protecting and Empowering At-Risk Aging and Disabled Populations:** California is increasing investments aimed at serving the growing number of older and disabled adults with more complex needs, across a range of specialized services.
 - As noted above, the Budget includes \$10.6 million GF annually for three years to continue funding of the Returning Home Well Program for transitional housing to parolees at risk of housing insecurity or homelessness. About 25% of the parolee populations are age 50 or older.
 - The Budget proposes funding to create a new position to coordinate best practices with county

Public Conservator agencies serving people with probate conservatorships at CDA. A state-based coordinator for public conservators could provide a state-based hub for issues and challenges facing the conservatorship system and serve to facilitate reforms.

- The Budget proposes funding to create a new position focused on supporting aging individuals with developmental disabilities and their families at the California Department of Developmental Services.
- **Intergenerational Volunteering and Community Engagement:** The Budget includes funding for various volunteer programs across the state including one-time \$10 million GF for programs to engage older adults in volunteer service.
- **Inclusive and Equitable Employment:** The Budget includes \$7.6 million for an expanded California Leads as an Employer initiative through the California Department of Human Resources to continuously recruit and support a state workforce that reflects all of California, which includes renewed efforts to employ Californians with disabilities.

Goal 4: Caregiving that Works

The Governor's proposed Budget includes investments in the state's workforce, including some funding that supports providers who care for older adults and people with disabilities. Justice in Aging looks forward to additional details of these investments that support our caregiving workforce and respond to the shortage of direct care providers to meet the needs of older adults and people with disabilities. Additional investments would also be needed to support family caregivers and Caregiver Resource Centers.

- **Care Economy Workforce:** The Budget includes funding for the care economy workforce totaling \$1.7 billion over three years. The stated goals of the funding are to advance an ethnically and culturally inclusive health and human services workforce, with improved diversity and higher wages through the creation of more innovative and accessible opportunities to recruit, train, and hire. The funding aims to recruit and train new community health workers, certified nurse assistants, and other health professionals as well social workers. The funding would also support training collaborations and programs across community-based organizations, labor unions, and employers to build pathways for healthcare jobs. It is not clear how or whether the initiatives outlined in this section of the Budget proposal will generate or support caregiving jobs that specifically serve older adults and people disabilities. There is no mention, for example, of direct care jobs in this section of the proposal.
- **Provider Rates:** The Budget includes a proposal to make certain Proposition 56 Medi-Cal provider rate increases permanent, including the AIDS Waiver, Community-Based Adult Services, home health services, and Intermediate Care Facilities for the Developmentally Disabled. Starting in 2022, these rate increases will be ongoing and supported by the General Fund.

Goal 5: Affording Aging

While there are some investments that align with the Affording Aging goal, the Governor's proposed Budget does not include new increases in the Supplemental Security Income (SSI)/State Supplementary Payment (SSP). Last year's Budget set up a two-step increase to fully rescind the cuts made to the SSI/SSP during the recession, with the first step going into effect this month and the second step scheduled to go into effect in January 2024. Additional

support for SSI/SSP recipients is needed to advance the Master Plan for Aging’s goal of Affording Aging, especially in the context of the COVID-19 pandemic. The Budget also does not include additional stimulus payments, which previously helped low-income seniors and people with disabilities to pay for needs related to the pandemic such as personal hygiene products, increased food costs, and delivery costs as they sheltered in place. Another round of stimulus payments, including the Golden State Grant, would help low-income seniors and people with disabilities to meet the costs of the ongoing pandemic. As part of the [Californians for SSI coalition](#), Justice in Aging will also continue pushing for an SSI/SSP grant that lifts all seniors out of poverty.

- **California Food Assistance Program (CFAP):** The proposed Budget includes \$35.2 million GF for planning purposes, increasing to \$113.4 million GF annually starting in 2025-26 for the expansion of CFAP to undocumented Californians age 55 or older who are excluded from the federal SNAP program. Last year’s Budget had provided funding to update CFAP to expand it to low-income Californians regardless of immigration status, with the programmatic expansion dependent on budget appropriations in future years.
- **Food Bank Resources:** The proposed Budget includes \$50 million one-time for the CalFood program to mitigate increases in food needs among low-income and food-insecure populations, including older adults.

Conclusion

While Justice in Aging appreciates the investments that are included in the Governor’s January 2022–23 Budget proposal that align with the Master Plan for Aging and advance equity, we believe now is the time for more transformative investment. We will continue advocating for additional investments in housing and homelessness that are targeted to older adults and people with disabilities, for Medi-Cal beneficiaries who pay an unaffordable and unfair share-of-cost, for the HCBS system, for our direct care workforce, and more. Additional investments in these areas are necessary to promote the health, economic security, safety, and dignity of older adults and people with disabilities and advance California’s Master Plan for Aging.