

# Justice in Aging's Analysis of the Final California 2022-23 State Budget

July 7, 2022

## Introduction

On June 30, 2022, Governor Newsom signed the [final 2022-23 state budget](#) and accompanying budget trailer bills. This year's budget includes spending of over \$300 billion, including almost \$100 billion in surplus. This robust state budget 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. While many one-time investments were made in this state budget, we must continue to advocate for more robust, equitable, and long-term investments in programs that will improve the lives of low-income older adults.

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 final budget builds on investments for housing instability and homelessness that were initiated last year. Still, additional housing funding and efforts are needed. For example, the Master Plan for Aging goal of preventing and ending older adult homelessness would have been 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.

- **Investment in Community Living Fund:** The budget approves \$10 million for a Community Living Fund to assist older adults and persons with disabilities in transitioning from nursing homes to independent living.
- **Reentry Housing:** The budget includes \$31.8 million over three years to support reentry housing through the Returning Home Well program for transitional housing for parolees at risk of housing insecurity or homelessness. About 25% of the reentry population is age 50 or older.
- **Veterans Housing and Homelessness Prevention Program:** \$31.8 million over two years is included in the budget to support veterans' housing needs.

- **Healthier Homes – Aging in Place:** The budget approves \$12.5 million to establish the Healthier Home – Age in Place Nursing Program in eight counties across the state to provide grant funds to hire registered nurses and community health workers to deliver health education, navigation, and coaching to residents at senior affordable housing sites in each of the pilot counties.
- **Modernizing the Older Californians Act:** The budget approves \$59.3 million to modernize the Older Californians Act and create pilot programs supporting Community Based Services Programs, Family and Caregiver Supports, Senior Volunteer Development, and/or Aging in Place.
- **Continuing Care Expansion Program:** The budget includes \$55 million one-time funding for operating subsidy reserves for existing adult and senior residential care facilities as part of the Community Care Expansion program to avoid the closure of facilities and to increase the acceptance of newly qualified residents. The budget also extends the period of time to expend Community Care Expansion Program funds to June 30, 2027.

## Goal 2: Health Reimagined

The Governor’s final budget includes several health-related investments, which would benefit older adults and people with disabilities. Importantly, the budget proposes to reform the Medi-Cal Share of Cost program in 2025 so aging adults do not have to spend 60% of their income on health care. Additional long-term investments are needed to bolster and improve the Home and Community Based Services in California, in order to facilitate older adults aging in their own communities.

- **Medi-Cal Share of Cost Reform:** The final budget approves reforming the Medi-Cal Share of Cost program’s maintenance need income level to 138% of the federal poverty level, beginning January 1, 2025 subject to a budget appropriation. Justice in Aging will continue to monitor funding and advocate to accelerate the implementation timeline.
- **Expansion of Medi-Cal to Undocumented Adults:** The budget approves 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.
- **In-Home Supportive Services (IHSS):** The budget includes \$34.4 million in 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 approves 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 14,000 people, or three percent of the total, are individuals with disabilities of all ages enrolled in Medi-Cal’s Working Disabled Program.

- **CalAIM Implementation:** The budget includes ongoing funding for the implementation of CalAIM, a broad-based delivery system, program, and payment reform across the Medi-Cal program, including significant reforms impacting older adults, people with disabilities, and individuals dually eligible for Medicare and Medi-Cal.
- **Alzheimer’s Healthy Brain Initiative:** The budget approves \$10 million in one-time funding to continue support for the Alzheimer’s Healthy Brain Initiative.
- **Medi-Cal Dental:** The budget includes 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.
- **Specialty Dental Clinics:** The budget approves \$50 million in funding over two years to establish a specialty dental clinic grant program to better serve individuals with complex oral health needs.
- **Presumptive Eligibility in Medi-Cal:** The budget proposes to make permanent a hospital’s ability to use presumptive eligibility for Medi-Cal for adults age 65 and older. This was a change made temporarily during the COVID-19 public health emergency that will now be standard practice.
- **New Medi-Cal Benefit— Medi-Cal Community-Based Mobile Crisis Services:** The budget approves the creation of a new Medi-Cal benefit, adding multi-disciplinary statewide, 24/7 mobile response services for crises related to mental health and substance use disorders starting January 1, 2023. 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 and law enforcement engagement.
- **Evaluation of Home and Community-Based Services (HCBS) Programs:** The budget approves \$4 million for the California Department of Aging to do an evaluation of California’s HCBS programs beyond HCBS offered through Medi-Cal. The new evaluation will supplement the Medi-Cal HCBS gap analysis currently being undertaken by the Department of Health Care Services.
- **LTSS Feasibility Study:** The budget includes \$5 million for the California Department of Aging to conduct a long-term services and supports feasibility and actuarial study to assess financing and services options for the aging population and people with disabilities. This study augments the actuarial study funded in 2019 and conducted and completed by Milliman in 2021.
- **Medi-Cal Suspension for Incarcerated Individuals:** Beginning January 1, 2023, the budget allows individuals who are on Medi-Cal prior to incarceration to have their Medi-Cal coverage indefinitely suspended rather than terminated. This allows for an easier transition back onto health coverage after release. This is extremely important for racial and health equity, as California’s incarcerated population is increasingly aging and people of color who will benefit from gaining more immediate access to health services after incarceration.
- **Nursing Facility Medi-Cal Rates:** The budget includes an average four percent rate increase, with an allocation of \$340.2 million for the 2022-23 fiscal year. A new Workforce and Quality incentive Program will be devised by the State in consultation with stakeholders, for the purpose of paying performance-based supplements to nursing facilities that meet quality benchmarks.

## Goal 3: Inclusion & Equity, not Isolation

The final budget includes proposals that invest in strategies under Goal 3, including providing new funding to Community Based Adult Service providers who provide key resources for older adults to stay in the community. There is also funding for 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 ongoing implementation of the Master Plan for Aging as well as the data dashboard, which would ensure tracking the implementation and progress of realizing the Master Plan for Aging's goals.

- **Ongoing Master Plan for Aging Implementation:** The budget includes \$36 million for ongoing implementation of the Master Plan for Aging, including bolstering the MPA's Data Dashboard to drive outcomes and sustain public engagement for statewide initiatives through the California Department of Aging and strengthening civic engagement policies and programs in the California Commission on Aging. This investment highlights the 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.
- **Funding for Community Based Adult Service Providers:** The budget includes \$61 million for competitive grants to licensed adult day health care centers, licensed adult day programs, or Program of All Inclusive Care for the Elderly sites to improve the health, safety, and well-being of vulnerable at-risk older adults and people with disabilities through safe access to in-center congregate services.
- **Training for Adult Protective Services Workers:** The budget continues and increases support for the Adult Protective Services (APS) training program and infrastructure to ensure that the APS workforce remains prepared to meet the needs of California's growing aging and disabled populations.
- **Funding for Foster Grandparents and Senior Companion Program:** The budget includes \$10 million to fund a demonstration project which awards stipends to individuals 55 years and older who volunteer to mentor and tutor children with exceptional needs or who are in circumstances that limit their academic, social, or emotional development, or who volunteer to provide transportation, companionship, and support to older adults who are at risk of nursing home placement.
- **Community Assistance, Recovery, and Empowerment (CARE) Court:** The budget includes \$64.7 million for 2022-23 and \$49 million in ongoing funding for the Department of Health Care Services, the Judicial Branch, and the Department of Aging to establish and administer CARE Courts. [Justice in Aging opposes the CARE Court framework](#) on the basis that it will harm older adults, people with disabilities, perpetuate institutional racism, and worsen health disparities, while failing to provide housing to those experiencing homelessness.

## Goal 4: Caregiving that Works

The final budget includes investments in the state's workforce, including some funding that supports providers who care for older adults and people with disabilities. However, the proposal falls short of providing the direct support to caregivers of older adults and people with disabilities – especially family caregivers.

- **Health Care Workforce:** The budget includes funding for workforce development in behavioral health, public health, and primary care. The budget also includes retention payments for health care workers who were most impacted by the pandemic. It is not clear how or whether the initiatives outlined in this section of the Budget will generate or support caregiving jobs that specifically serve older adults and people disabilities.
- **Provider Rates:** The budget includes making the 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.
- **California Holocaust Survivors Program:** The budget includes \$36 million in one-time funding for grants for specialized services to holocaust survivors and their caregivers to help them remain independent and safe in their communities.

## Goal 5: Affording Aging

Given California's unprecedented surplus this year, the budget includes direct cash relief to low-income Californians. Importantly, the budget sets in motion the steps to fully restore the Supplemental Security Income (SSI)/State Supplementary Payment (SSP) grant to pre-recession grant levels. For the tax rebate relief Californians are getting, we are disappointed that the program leaves out low-income older adults and people with disabilities who rely on Social Security as their only source of income. These people do not file state income taxes and thus are ineligible to receive fiscal relief under the plan, even though they are struggling to afford the cost of living in the state. The average Social Security benefit is just under \$18,500 per year.

- **SSI/SSP Grant Increase:** The budget rescinds the remainder of the recession-era cuts to the SSI/SSP grant by providing \$300 million for an SSP increase effective January 2023, and assuming an additional \$296 million in the 2023-24 budget and \$593 million ongoing for an additional increase in 2024. These grant increases will provide ongoing assistance to some of the lowest income seniors and people with disabilities in California.
- **Better for Families Tax Refund:** The budget includes funding to provide low- and middle-income California taxpayers with a one-time payment between \$350 and \$1,050, with the amount of the payment depending on their income and number of dependents.
- **California Food Assistance Program:** The budget includes funding of \$35.2 million, increasing to \$113.4 million annually in 2025-2026, to expand the California Food Assistance Program (CFAP)/CalFresh to Californians 55 and older regardless of immigration status. This will make California the first state in the nation to provide food assistance benefits to undocumented adults.
- **Food Bank Support:** The budget includes \$112 million one-time funds in 2022-23 and \$52 million one-time funds in 2023-24 to support food banks to purchase, store, and transport food grown or produced in California.

## Conclusion

While many one-time investments were made in this year's budget to advance the goals of the state's Master Plan for Aging, Justice in Aging will continue to advocate for more robust, equitable, and long-term investments in programs that will improve the lives of low-income older adults.