

Justice in Aging's Analysis of the Final California 2023-24 State Budget

July 19, 2023

Introduction

The [final 2023-24 state budget](#) continues to make investments in California's Master Plan for Aging to remedy longstanding inequities in our systems of care for older adults and people with disabilities, despite this year's fiscal downturn.

The final budget maintains the commitment and investment in older adults and people with disabilities made in prior budgets, including: elimination of the asset test in Medi-Cal, expanding Medi-Cal coverage for all ages regardless of immigration status, reforming the Medi-Cal share of cost program, and increasing the grant level for SSI/SSP.

Unfortunately, there were few new investments in this year's budget, and many one-time investments from prior budgets were not renewed. As the demographics of California continue to shift to an older, more diverse and less economically secure population, 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 final budget proposals impacting low-income older adults:

Health and Human Services

- **HCBS Spending Plan Extension:** The final state budget extends the timeframe for spending the federal American Rescue Plan funding as a part of the State's HCBS Spending Plan. Funds will now be available until December 31, 2024, a one-year extension. The HCBS spending plan includes funding for legal services for older adults, senior nutrition, caregiver supports, Alzheimer's day programs, IHSS Career Pathways program, and more.
- **Older Adult Behavioral Health Investment:** \$50 million over three years to continue Master Plan for Aging efforts to advance older adult behavioral health, including local grants for older adult behavioral health capacity building and the continued operation of the statewide Older Adult Friendship Line.
- **Medi-Cal Asset Test Elimination:** Includes clean-up language implementing the full elimination of the Medi-Cal Asset Test beginning January 1, 2024.

- **21st Century Nursing Initiative:** \$70 million investment in the Department of Health Care Access and Information’s initiative to increase the clinical workforce of RNs, LVNs, CNAs, home health aides.
- **Renaming of Medi-Cal Share of Cost Program:** Includes trailer bill language renaming the Medi-Cal Share of Cost program to “spend-down of excess income” in the community and “post-eligibility treatment of income” for long-term care settings.
- **Managed Care Organization (MCO) Tax:** Includes rate increases for primary care, obstetric care, and non-specialty mental health services and other improvements to the Medi-Cal program between 2025-2029 to be funded by MCO Tax revenue. These increases should alleviate the effects of the “lesser-of policy” and lead to higher Medi-Cal crossover claim payments to Medicare providers serving dually eligible individuals.
- **Transitional Rent as CalAIM Community Support:** Includes approval to add transitional rent as a Community Support program in CalAIM that managed care plans may provide to their enrollees. At full implementation, the transitional rent benefit would allow up to six months of rent or temporary housing to eligible individuals experiencing homelessness or at risk of homelessness and transitioning out of institutional levels of care, a correctional facility, or the foster care system and who are at risk of inpatient hospitalization or emergency department visits.
- **CalAIM Justice Involved Initiative:** Includes approval of funds for the CalAIM program, providing Medi-Cal enrollment 90 days prior to release to ensure continuity of coverage as justice-involved individuals reenter the community. The Initiative also provides targeted Medi-Cal services 90 days prior to release, medication and durable medical equipment at release, and coordinated care and services post-release to ensure continuity of care and improved health outcomes upon reentry.
- **PACE Budget Investment:** Includes an increase in positions and funding within DHCS to support the administration, operation, monitoring, and oversight of the Program of All-Inclusive Care for the Elderly (PACE) Program.
- **Delay of Older Californians Act Modernization Spending:** The budget approves spending the previously allocated Mello-Granlund Older Californians Act Modernization Pilot Program funds over 5 years, rather than three years. This funding supports pilot programs for community-based services programs, senior nutrition support, family and caregiver supports, senior volunteer development, and/or aging in place.

Housing and Homelessness

- **Homeless, Housing, Assistance and Prevention Program (HHAPP) Spending:** HHAP provides flexible funding to counties and cities to reduce and prevent homelessness. The budget makes a \$1 billion investment in the HHAPP program for 2023-24, continuing previous funding levels for one more year. This year’s funding comes with accountability provisions, requiring regional homelessness plans to be reviewed by the Interagency Council on Homelessness. It also disburses \$100 million in 2023-24 from prior HHAP allocations, and \$260 million in 2024-25 to support local homelessness reduction efforts.

- **Home Safe Technical Changes:** The final state budget includes technical changes to the Home Safe Program administered by the California Department of Social Services (CDSS) to provide housing stabilization for clients eligible for Adult Protective Services. These changes include clarifying that tribal authorities are eligible for Home Safe funding, and extending the deadline to expend earlier budget allocations, and to waive the county match requirement, to June 30, 2025. The bill also expands the definition of ‘adult protective services’ to include activities performed on behalf of older and dependent adults in accordance with tribal law or custom.
- **Housing and Disability Advocacy Program Technical Changes:** The final state budget includes technical changes to the HDAP program administered by the California Department of Social Services, extending the moratorium on county matching fund requirements, and on seeking federal reimbursement of Interim Assistance through June 30, 2025.
- **Foreclosure Intervention Housing Prevention Program:** The prior allocation was reduced so that \$82.5 million is available this budget year for the Foreclosure Intervention Housing Prevention Program. The budget also states an intention to allocate \$85 million to this program in 2024-25.
- **Housing and Homelessness Programs Reporting:** CDSS required to report, by February 1 of each year, information on the dollar amounts and contracted entities, the number of requests for service, and the number of families or individuals approved to receive program services in various programs, including Home Safe, the Housing and Disability Income Advocacy Program, and the Continuing Care Expansion (CCE). CDSS must report trend information on housing and homelessness needs of communities served by these programs.

Economic Security

- **SSI/SSP Grant Increase:** Approves the \$146 million General Fund in 2023-24 and \$292 million ongoing for an additional, planned State Supplementary Program (SSP) increase of approximately 8.6 percent, effective January 1, 2024.
- **California Food Assistance Program Expansion:** The budget provides \$40 million to accelerate the expansion of the California Food Assistance Program (CFAP) to undocumented immigrants age 55+ to October 2025 (rather than 2027 as originally proposed).
- **CalFresh Minimum Benefit:** \$15 million General Fund to create the CalFresh Minimum Nutrition Benefit Pilot Program to raise the minimum monthly CalFresh benefit to \$50, up from the current minimum of \$23.