

IMPACT Committee Report: Master Plan for Aging's Year 3 In Review

April 2024

After the release of California's Master Plan for Aging ("MPA" or "Plan") in January 2021, the California Department of Aging (CDA) appointed and convened the *Implementing the Master Plan for Aging in California Together (IMPACT) Stakeholder Committee* to provide guidance on implementation of the Plan. With diverse representation and expertise, the IMPACT Committee focuses on accountability, outcomes, and continued improvement toward the realization of the five bold goals of the MPA:

- **Goal 1:** Housing for All Ages and Stages
- **Goal 2:** Health Reimagined
- **Goal 3:** Inclusion & Equity, Not Isolation
- **Goal 4:** Caregiving that Works
- **Goal 5:** Affording Aging

Now three years into the implementation of the Plan, the IMPACT Committee has prepared this report to provide feedback on MPA implementation and recommendations for the considerable work ahead. The report is divided into two sections. The first section highlights the importance of maintaining the MPA investments thus far, despite the state's fiscal uncertainty. The second section identifies the large investments that should be prioritized for the next two years of the MPA. Those investments are:

1. Building a home care system that works for all Californians
2. Preventing and ending older adult homelessness in California

The third and final section of the report summarizes the key recommendations of the IMPACT Committee for the Administration and Legislature. In addition to these specific recommendations, the Committee recognizes that equity must be a North Star throughout the work to implement the MPA. The need to focus on our home care system and older adult homelessness is due in large part because the deficiencies in our current system disproportionately impact older Californians who face structural discrimination. Therefore, by prioritizing investments in our home care system and ending older adult homelessness, progress on these issues will significantly advance equity in the state for older Californians, building systems for all ages. The following seven recommendations are the key requests of the IMPACT Committee, which are further detailed within the report:

1. Develop a plan by January 2025 identifying revenue sources for a statewide long term services and supports (LTSS) benefit
2. Extend availability of all LTSS services statewide by removing policy barriers and building statewide infrastructure and provider capacity
3. Prioritize the development and production of the supply of affordable, accessible, and stable housing

4. By the end of 2024, analyze successful rental subsidy proposals, and plan for investments to expand rental subsidy programs in 2025 and 2026
5. Develop a plan on raising the SSI/SSP level to the Federal Poverty Level in the next 3-5 years
6. While continuing to prioritize advancing equity for older Californians, focus the CA for All Day of Action on the two big structural reforms needed in MPA implementation: a home care system for all Californians and ending older adult homelessness
7. In CDA's annual report on the MPA, we recommend the state provide a summary of completed initiatives and an update on ongoing initiatives where progress has not been completed

While investments in aging and disability services have been made since the release of the MPA, the state now faces a difficult situation: a severe budget deficit compounded by a growing aging and disability population in need of vital services that need to be strengthened. This is a critical juncture in the MPA implementation, and the state should be focused on identifying the path forward, including revenue streams, to meet the home care needs of Californians, as well as end older adult homelessness in California. Importantly, advancing equity for older adults and people with disabilities continues to be a fundamental tenet of MPA implementation, and must remain a priority for the Administration. California must strive to be a state where we can all age well in, where through government policy and coordination, the harmful effects of structural discrimination are erased for older adults. The MPA is and continues to be a key vehicle for making this vision a reality.

Section 1: Maintaining and Protecting Existing Investments

The IMPACT Committee understands the difficult fiscal condition that the State is currently experiencing, and appreciates the proposed budget maintaining past investments in the MPA to remedy longstanding inequities in the systems of care for older adults and people with disabilities. The MPA was created as a roadmap to guide state investments during surplus and fiscal downturns.

We urge the Governor and the Legislature to maintain their commitment to services for older adults and people with disabilities, renew their support for recent expansions of programs and services under the MPA, and refuse to look to older adults, people with disabilities, and their families to bear the brunt of any budget shortfall the state is facing. We recognize that by 2030 30% of our state will be age 60 or older, and with the aging of the state will come a pressing need for improved home and community-based support. Notably, older Californians of color are projected to make up more than 50% of the older adult population in 2030¹, with Latino older adults comprising 26% of the population. It is the IMPACT Committee's recommendation that the state deepen – and certainly not pull back from – its commitment to the key structural reforms in the MPA in order to support California's growing population of older and disabled adults.

Delaying critical investments in California's aging and disability services will ultimately cost the state more, as our aging population will have no choice but to get support through more expensive institutional care rather than at home or in the community. California's MPA serves as a model for the nation and other states

1 <https://www.ppic.org/publication/planning-for-californias-growing-senior-population/>

on how to plan for an aging population, invest in, and advance the programs that serve an increasingly diverse population of older adults and people with disabilities.

Section 2: Crucial Transition Point—Key Areas of Focus for MPA Implementation

Equity has been a guiding force for the MPA since its development and early years of implementation, and it must continue to be a cornerstone of implementation in the next five years. Specifically, the IMPACT Committee suggests that implementation shift to a distinct focus on the big issues that older adults and people with disabilities in California face, and ones in which we know pose some of the biggest barriers to equitable aging for older Californians. As we approach the halfway point in implementing the Plan, this is a natural opportunity to reflect on the progress and recommit to ensuring that California is a state where everyone can grow old. Both advocates and the government must all strategically prepare for where we want to be as a state by 2030. We need to ask whether we are on track to get there, and determine what additional steps are needed to take us from where we are now, to where we need to be.

The IMPACT Committee recommends that CDA as well as partner agencies and departments focus on making the structural reforms needed in the key areas previously identified by the committee: building a home care system that works for all Californians and preventing and ending older homelessness. As we detail below, we continue to recommend these areas especially because of their impact on older Californians of color and others who face structural discrimination. By tackling home care and housing for low-income older adults, the state is creating a system where all can age equitably, regardless of race, ethnicity, sexual orientation and gender identity, language, income, disability, immigration status, and more. Additionally, we recommend that the October 8th CA for All Day of Action be focused on the broad goals of creating a home care system for all and ending older adult homelessness. The framework of our collective efforts going forward should be centered on these large structural investments that the state urgently needs.

These two issues are the most prominent facing older Californians, and they tend to disproportionately hurt older Californians of color. Our current system of care for older and disabled Californians is inequitable. The ultra-wealthy are able to pay out of pocket for care. Very low-income individuals have coverage, but struggle to access services. The IMPACT Committee also recognizes that those in the middle – an increasingly racially diverse group of older adults, often referred to as the “forgotten middle” – struggle to both afford and access services. By 2033, 89% of Californians aged 75 and older will not have enough financial resources to pay privately for care². A subset of the forgotten middle population, – Medicare beneficiaries just over income eligibility for Medi-Cal, known as “near-duals” – are feeling the impact now. This subset, most of them disproportionately people of color, have similar health and care needs as those eligible for both Medicare and Medi-Cal, but do not qualify for assistance and have no way to pay out of pocket for LTSS³. Older adults of color face more barriers in accessing, navigating, and affording the care they need. Finally, the housing crisis in California disproportionately harms older adult of color, who are more severely rent-burdened, and also experience homelessness at a high rate. According to a recent Justice in Aging analysis, Black older Californians face a substantially higher risk of homelessness, and 36% of

2 [https://www.norc.org/content/dam/norc-org/documents/standard-projects-pdf/NORC%20Forgotten%20Middle%20CA%20-%20Findings%20\(1\).pdf](https://www.norc.org/content/dam/norc-org/documents/standard-projects-pdf/NORC%20Forgotten%20Middle%20CA%20-%20Findings%20(1).pdf)

3 <https://www.dhcs.ca.gov/services/Documents/OMII-Chartbook-3-Near-Medi-Cal-Income-Eligible.pdf>

people experiencing homelessness of all ages report disabling conditions, and that percentage is much higher for older adults experiencing homelessness:⁴

Through implementing the MPA, the Administration and Legislature have done a very good job of elevating the concerns and needs of older adults and people with disabilities. There is now a much wider recognition of the gaps in our systems, and the challenges that remain to meet the needs of the growing population. In the last three years, there have been critical expansions in health care access, increasing of the SSI/SSP grant, elimination of the asset test, and implementation of numerous new programs with one-time funds. With respect to equity, the Department's work around an equity index for the MPA is novel and may continue to identify inequities throughout the many initiatives. However, more must be done. Specifically, we have not yet seen the kind of structural reforms needed to prepare California for its aging population.

The Committee urges the Administration and the Legislature to focus on developing the structural reforms and large-scale investments that will make a difference in people's lives. This shift to a focus on structural reform does not negate the work done by CDA so far, or the initiatives and goals of the MPA, but instead creates a new structure to ensure we are making meaningful improvements to meet the needs of California's aging and disability communities. Many of the MPA's original goals and initiatives in fact fit into the structural reform of creating a home care system for all Californians and ending older adult homelessness – but the Committee urges the Administration to be focused on this work in a new way. This includes specifically working on identifying sustainable revenue sources to make these transformational investments into home and community-based supports and ending older adult homelessness.

We were fortunate that at the beginning of MPA implementation, the state was experiencing unprecedented surpluses, so a number of important and impactful one-time investments could be made into aging and disability services. However, we have not tackled the issue of developing an ongoing and sustainable revenue source to meet the needs of California's aging population. The lack of a sustainable revenue source poses a significant barrier to creating an equitable California for all older adults and people with disabilities. Indeed there will never be enough revenue using our current funding sources to meet the needs of older and disabled Californians and their families. We must develop a plan for generating the revenue needed to make these urgently needed system changes.

BUILDING A HOME CARE SYSTEM THAT WORKS FOR ALL CALIFORNIANS

The majority of older adults and people with disabilities want to live at home, even as their needs for care change – but California lacks an affordable, inclusive, and equitable system to support them. Aging in place, or in one's home can be of great benefit to one's mental health, connection to social support networks, and supporting the role of older adults and people with disabilities within their communities. Right now, too many Californians cannot afford in-home care. Many people – especially those with complex needs and people of color, due to structural discrimination and systemic health inequities – are forced to ultimately receive their care in institutional settings, like nursing facilities. The COVID-19 pandemic reinforced many people's fears about being isolated in institutional settings. With adequate funding, California can build a system that everyone can afford, is easy to navigate, and whose culturally competent services are accessible at the time and in the settings people prefer.

4 <https://justiceinaging.org/california-older-renters-unaffordability-homelessness/>

The Governor’s Executive Order on the MPA was explicit about a need to focus on LTSS. The MPA SAC LTSS subcommittee compiled a comprehensive report of recommendations that would improve the home and community-based care system that so many people in California want. Since the development of the subcommittee’s recommendations, and the release of the MPA initiatives, progress has been made on strengthening our LTSS system, including: implementation of CalAIM, creation of the LTSS dashboard, and modest increases in the Assisted Living Waiver slots. In addition, there are a number of projects currently underway, including the HCBS roadmap and gap analysis which will be important tools in the development of LTSS policies. There also continues to be efforts on the ‘no wrong door’ initiative. But we are disappointed that more progress has not been made in the area of LTSS.

There is still substantial work to be done to build a robust, comprehensive, accessible, and integrated system for providing care to older adults and people with disabilities at home and in their communities. We appreciate that the 2023-2024 initiatives include specific investments in building on our LTSS system, and while these initiatives are important steps to build on our LTSS system, we need more firm commitment to move forward a universal LTSS proposal. Additionally, many of the initiatives are focused on analyzing or studying proposals; the question the Committee would like addressed is: will these proposals turn into real and new programs or benefits for older adult and people with disabilities?

We also recommend that the LTSS initiatives build in more of an intersection with and focus on equity, especially given the disproportionate impact on caregiving and homecare responsibilities on women, particularly women of color. Finally, any investments in our LTSS system must have a focus on supporting, training, and building the workforce needed – both for unpaid family caregivers and the paid workforce.

Sustainable funding is critical for reform of home and community-based services

It is critical that any structural reforms to our LTSS system are sustainable for the state budget. Families and communities want and need to access an affordable system of care, and they should be able to rely on it existing long-term. The Committee requests that the Administration focus on identifying the revenue streams that will fund such a system. Without developing a plan for the funding stream, we will never see the scale of investment that is needed for an equitable California. **The IMPACT Committee requests that by January 2025, the California Health and Human Services Agency, in partnership with other relevant agencies and departments, identify a list of viable funding mechanisms for a statewide LTSS benefit and present it to the IMPACT Committee in the first meeting of 2025.**

With strong investments in at-home care and support, California can lead the nation to ensure everyone can get the help they need to live with dignity as they age and prevent aging into poverty. Maintaining economic security is a critical piece of this work. Many older Californians and their families are severely burdened by the cost of long-term care. In order to maintain older adults’ economic security, and also not threaten their families’ financial circumstances, the state needs to be focused on addressing the affordability of care crisis in California.

PREVENT AND END OLDER ADULT HOMELESSNESS IN CALIFORNIA

Older adults are the fastest growing age group within California's homeless population. Older adults (age 50+) now make up almost half (48%) of homeless individuals and of those older adults, almost half (41%) had their first incident of homelessness after age 50. Since 2017, the number of unhoused older adults over the age of 65 has increased by more than 166%. The primary drivers of the surge in older adult homelessness in California are unsustainable rent burdens and an inadequate supply of affordable, accessible, and stable housing.

While we appreciate that there have been significant budget investments in addressing homelessness over the last several years, very little of this money has been specifically targeted to older adults and the unique issue of older adult homelessness. By proposing delays in funding to the two investments that are targeted to older adults, HomeSafe and the Housing and Disability Advocacy Program, we are putting at risk the progress that has been made. The consistently rising trend of older adult homelessness indicates that the state is not doing enough to prevent older adult homelessness, and every year more older adults find themselves in a position where they are unable to afford rising rents. Now is not time for delay. We need dedicated attention, dedicated strategies, dedicated funding for older adults experiencing homelessness as well as to help older adults who are at risk of imminent homelessness remain housed. Once older adults become homeless, it is much more difficult and expensive to rehouse and stabilize them. The Committee continues to urge CDA and the Administration to focus on homeless prevention as a key strategy to meeting the goal of ending older adult homelessness.

We continue to recommend the creation of a targeted rental subsidy program that will provide very low-income older adults and people with disabilities with the support they need to attain and maintain housing. We appreciate that of the 2023-2024 MPA initiatives, initiatives 1 and 2 are specific to addressing the crisis of older adult homelessness. However, we seek a stronger commitment to ensure that these initiatives are implemented. In last year's IMPACT Committee report, we formally requested that CDA and the California Business, Consumer Services and Housing (BCSH) Agency provide specific timelines and deliverables for research on a rental subsidy program. We are disappointed that there has not been any progress made to follow through on the research. Rental subsidy programs are already a proven model to stabilize housing for older adults and preventing homelessness. The longer we wait to implement a statewide program, the deeper we will fall into the crisis of older adult homelessness. Analysis of current programs and proposed expansions should be prioritized for the current year. Expansion of successful programs to additional counties should be planned for 2025 and 2026. Adoption of a statewide program should be scheduled for full implementation no later than the end of the Plan in 2030.

Additionally, part of the crisis of older adult homelessness has been fueled by inadequate income benefits for older adults. During the recession, the SSP grant was dramatically cut, which pushed older adults and individuals with disabilities who rely on SSI/SSP into poverty. In the ten years after that, rents dramatically increased, and other costs of living continued to rise due to inflation. The state did make significant investments in 2021-2023 to start bringing the SSP grants to their pre-recession level. However, older adults receiving SSI/SSP still have less income relative to the poverty line than they had pre-recession. While we recognize that the state is in a very serious fiscal deficit, it is critical that plans be made on how and when to

increase the grant amounts to the targets identified by stakeholders throughout the MPA planning process. We are asking for a specific plan to raise the SSI/SSP level to the FPL in the next three to five years and then to the Elder Index level after that. We implore CDA and the Administration to take this investment seriously, as it is a critical piece for improving the economic stability of low-income older adults and individuals with disabilities in the state, and is a key piece to preventing and ending the inequitable crisis of older adult homelessness.

The number of homeless older adults in California is a tragedy – a preventable tragedy. We know we can fix this problem, but we must be serious about investing the resources and attention needed.

Section 3: Recommendations and Conclusion

The IMPACT Committee is grateful for the Governor’s leadership to date and for the work of CDA and other agencies and departments to implement the MPA over the past three years. We appreciate the opportunity to provide feedback and recommendations via this report and our continued meetings. As detailed throughout this report, equity must remain the priority for MPA implementation. Our current fragmented home care system and the complete crisis of older adult homelessness has a disproportionate impact on older adults of color. Therefore, our recommendations prioritize investments in fixing these broken systems in order to advance equity in the state. The IMPACT Committee requests the following from the Administration:

- Develop a plan by January 2025 identifying revenue sources for a statewide LTSS benefit
- Extend availability of all LTSS services statewide by removing policy barriers and building statewide infrastructure and provider capacity
- Prioritize the development and production of the supply of affordable, accessible, and stable housing
- By the end of 2024, analyze successful rental subsidy proposals and plan for investments to expand rental subsidy programs in 2025 and 2026
- Develop a plan on raising the SSI/SSP level to the Federal Poverty Level in the next 3-5 years
- While continuing to prioritize advancing equity for older Californians, focus the CA for All Day of Action on the two big structural reforms needed in MPA implementation: a home care system for all Californians and ending older adult homelessness
- In CDA’s annual report on the MPA, we recommend the state provide a summary of completed initiatives and an update on ongoing initiatives where progress has not been completed

Much has been accomplished over the first three years, and considerable work remains to meet the growing and evolving needs of California’s aging population. California’s work on the MPA continues to be the gold standard nationwide, and it is a testament to the collective work of stakeholders and government that many other states are working to replicate California’s model. California’s commitment to advancing equity for older Californians and Californians with disabilities has been a key part of its success. However, we risk sacrificing this progress without tangible results in these two key issue areas in the near future. We look forward to encouraging accountable execution of the Plan; leveraging opportunities; and partnering with the Legislature, Administration, and others to build a California for all ages during this fourth year of implementation and beyond.