

## The Senior Services Coalition of Alameda County is requesting \$45.092 million in General Funds to build local assistance capacity in Older Californians Act programs administered in the California Department of Aging

The Senior Services Coalition of Alameda County (SSC), a coalition of 40 nonprofit and public organizations that provide community-based health care and supportive services to over 65,000 seniors and their families, is asking the Senate and Assembly Budget Subcommittees on Health & Human Services to agendaize this request for \$45.092 million in General Funds to build local assistance capacity in Older Californians Act programs administered in the California Department of Aging (CDA).

### The services administered through CDA are highly valued in counties throughout California.

These services often represent lifelines for older people who are economically insecure, isolated, or at risk for poor health outcomes or acute crises. As California’s older adult population has grown, the need for home and community-based services has exploded.

Since 2008 the population of older Californians age 65+ has grown by over 40%, to 5.5 million.<sup>i</sup> By 2030 this cohort will represent more than 9 million people – more than 20% of the population in California.<sup>ii</sup> As the aging population has grown, it has also become poorer, with 54% of Californians over 65 living below 200% of federal supplemental poverty level.<sup>iii</sup> The fastest growing cohort are people over age 85, a group most likely to have complex needs requiring comprehensive and coordinated home and community-based services.

California’s funding for aging services has been virtually flat for over a decade while the state’s over-65 population has grown by over two million. Since 2008, California’s investment of General Fund dollars has remained at the minimum match required to draw down federal Older American Act funding. Under Governor Schwarzenegger, the state’s General Fund spending for CDA went from \$62.2 million in FY 07/08 to \$33.4 million in 09/10, and has remained at that level. The need for adequate capacity is now urgent.

Fiscal Year	2007/08	2008/09	2009/10	2017/18	2018/19
General Fund Allocation for CDA	\$62.2 million	\$45.1 million	\$33.4 million	\$34 million	\$36.3 million

From LAO’s *Budget Package 2009-10 California Spending Plan*, October 2009, and *Budget Package 2018/19 California Spending Plan*, November 2018.

**This budget request is modest.** The requested \$45.092 in new General Fund investments, when added to the Governor’s proposed General Fund expenditures for FY 2019/20, will bring the total state investment in programs administered through the CDA to \$81.832 million, or the equivalent of 2008 General Fund expenditures adjusted for inflation, plus a minor adjustment for the growth in population of Californians age 65+ since 2008.<sup>iv</sup> The requested appropriation would be ongoing, but would grow to \$48.43 million in FY 2020/21 and \$51.77 million in FY 2021/22.

**Older Californians Act programs are the tools that communities – and health systems – need to improve life and health outcomes for aging Californians.** Current and future health systems rely on the existence of high-touch supportive services to address the needs of “high utilizers” and other at-risk populations. Efforts such as Cal MediConnect and Health Homes for Patients with Complex Needs will be ineffective for a significant portion of high-utilizers without the local community-based services that seniors need to stay connected, comply with care plans, and successfully navigate the challenges of aging.

The services administered through the Department of Aging include Case Management, Information & Assistance, Visiting, Respite, Adult Day Care, Senior Center Activities, LTC Ombudsman, Home-delivered and Congregate Meals, Multipurpose Senior Services Program (MSSP) and CBAS/Adult Day Health Care. These services are powerfully effective at improving health outcomes and preventing acute crises. They often represent lifelines for older people who are isolated, economically insecure, and/or at risk of losing their housing. All but MSSP and CBAS are available to the growing number of “not-poor-enough” older adults who are not eligible for Medi-Cal but nonetheless need supportive and long term care services that they cannot pay for.

**The impact of California’s flat funding has hurt local communities.** Not only has it constrained local efforts to grow capacity to meet the needs of our growing aging population, but it amounts to annual reductions as the costs of doing business rise. Community-based organizations have been asked every year to do more with less. This decade of neglect has resulted in inadequate capacity and closures of Older Californians Act programs in communities across the state, thus limiting access to community-based services and supports, and creating health disparities especially in impoverished communities. While local governments have stepped up to augment growing funding gaps, local funding is not enough to increase capacity to meet the need.

**Legislative action is needed to adequately fund aging services so that Californians will have the support they need to live healthier lives and navigate the challenges of aging.** As detailed in the accompanying chart, a modest investment would return funding levels to where they were a decade ago; an adequate investment must take into account population growth and inflation.

**The Request for \$45.092 million General Fund Investment Includes the Following:**

- Invest \$17.5 million in new, ongoing funding for Senior Nutrition to provide nutritious meals to an additional 12,000 older Californians. More than 1.2 million older Californians are food-insecure because they are impoverished, isolated, mobility-challenged, unable to prepare meals, and/or frail and home-bound.
- Invest \$3.5 million in new, ongoing funding to increase the number of low-income older Californians served in the Senior Employment Program. The community service and work-based job training program serves as a bridge to stable employment for older adults who need to work but encounter barriers. The program has positions for 3,126 participants, down from 3,417 in 2016. Estimates are that over 900,000 people statewide are eligible.<sup>v</sup>

# Senior Services Coalition of Alameda County

AGING IS SOMETHING WE ALL HAVE IN COMMON

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- Invest \$13.94 million in new, ongoing funding to increase capacity of Supportive Services statewide to provide Case Management, Information & Assistance, Visiting, Adult Day Care, Family Caregiver Support and Respite, and Senior Center Activities to older Californians needing assistance to maintain health and economic stability and navigate the challenges of aging. Current funding serves approximately 347,000 Californians.
- Invest \$5.2 million in new, ongoing funding for Local LTC Ombudsman Programs to increase capacity at 35 local LTC Ombudsman programs across California to increase unannounced facility visits and complaint investigations to serve the over 370,000 Californians who are cared for annually in long term care facilities.
- Invest \$24.866 million in one-time funding over 3 years for Multi-Purpose Senior Services Program (MSSP), starting with an investment of \$4.94 million in FY 19/20, to build capacity and increase the number of people served at 38 sites throughout California (adding 2,497 slots by year 3). Currently 9,232 MSSP program slots serve frail older Californian's age 65+ in their homes rather than in institutions, saving California \$110 million or more annually.
- Transportation services are included in this budget request. While there is not a separate line-item in the CDA budget for transportation, these services are woven throughout the programs. Access to transportation is a major challenge for older adults, and is key to supporting their health and well-being. Current funding provided 671,931 transportation service units and 37,086 assisted transportation service units in California in 2016.<sup>vi</sup>

Together, these increased investments in Older Californians Act programs will enable communities to improve life and health outcomes for aging Californians – from preventive interventions that keep seniors connected and help them navigate the challenges of aging, to high-touch supportive services that help “high utilizers” comply with care plans and avoid institutionalization.<sup>vii</sup>

The requested \$45.092 million investment will protect vital services from further erosion, begin to build capacity to adequately serve older Californians, and prepare a foundation to consider future solutions, such as the Master Plan for Aging, that will further leverage the powerful impact of community-based services. The state made a commitment to older adults with the Older Californian's Act – to provide supports that help people remain living in their communities and avoid institutionalization – that commitment remains today.

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<sup>i</sup> California Department of Finance, Population Projections by Age 2010-2060

<sup>ii</sup> *ibid*

<sup>iii</sup> Federal Supplemental Poverty Level. Kaiser Family Foundation “Poverty Among Seniors”, June 2015.

<sup>iv</sup> According to Bureau of Labor Statistics, cumulative annual inflation rate from 2008 to 2019 is 16.63%, thus 2008's \$62.2 million, adjusted for inflation, is \$72.54 million today. That total is adjusted by 12% -- much less than the 40% growth in population – to arrive at the total of \$81.832 million.

<sup>v</sup> CDA, California SCSEP State Plan Modification PY 2016-19 Draft, April 2018.

<sup>vi</sup> U.S. Administration for Community Living, AGID Aging Integrated Database report, 2016.

<sup>vii</sup> This request does not include funding for CBAS – the Medi-Cal Adult Day Health Care benefit for frail elders and other adults with disabling conditions who would otherwise be at risk of nursing home placement. We affirm CBAS's critical role in the continuum of care and urge budget committees to support an increase to the Medi-Cal Reimbursement Rate for CBAS in the 2019/20 budget.