



# CWDA

January 23, 2008

To: Honorable Patty Berg, Chair  
Members, Assembly Budget Subcommittee No. 1

From: Frank J. Mecca, Executive Director

RE: **Proposed Changes to In-Home Supportive Services—  
CONCERNS [Item 5180: BBR Pages 602-606]**

The County Welfare Directors Association of California (CWDA) has concerns with the Administration's proposed reductions to the In-Home Supportive Services (IHSS) program. Specifically, the Administration proposes an 18 percent reduction in non-medical domestic and related services for recipients, extending annual reassessments from 12-months to 18-months as well as a 10 percent cut to funding for county program administration. We question whether these proposals will achieve the savings sought by the Administration and are concerned that these changes will put recipients at greater risk of institutional placement.

### **Service Reduction**

The IHSS program is designed to provide services to enable elderly and disabled individuals to live safely at home and avoid placement into institutional care at higher cost to the State. The Administration's proposal to reduce non-medical domestic and related service hours will impact 96 percent of all IHSS recipients and will on average reduce hours by 6.6 hours, from 37 hours to just over 30 hours per month. All of these individuals will have the opportunity to have their benefits restored via a process outlined in the proposed budget trailer bill.

We have several concerns with this proposal. First, the change would be automatically applied effective July 1, 2008, at which time county agencies would likely receive an overwhelming amount of requests for benefits restoration. Counties could be inundated with as many as 391,580 requests for benefits restoration all at once, which would divert our resources away from intakes, reassessments, and other mandated services. Given that not every request can be addressed immediately, many recipients will be entitled to continued services pending the outcome of the grievance. The Administration's proposal does not account for the increased county costs associated with resolving these requests for benefits restoration, for both local and state costs of fair hearings, or the payments that will continue pending resolution of each

request. In addition, we believe that a majority of appeals will be won by IHSS recipients, as the social workers' original assessment will constitute proof that clients are in need of these services to avoid placement into a long-term care facility.

County experience from the 1992-93 fiscal year supports our expectation that the desired savings will not be achieved. In that year, when IHSS services were reduced by 12 percent across-the-board, many clients appealed their "A through E" cuts. This resulted in additional review of cases to determine if the clients met the criteria for benefits restoration, additional time in fair hearings, and added cost to process changes in paid hours. Moreover, some clients who appealed their cut received an increase in hours above their original assessment.

### **Program Administration Cuts**

IHSS program administration is already seriously under-funded, and we are concerned the Administration's proposed 10 percent cut (\$28.7 million total funds, \$10.2 million State General Funds) would reduce already scarce resources to the IHSS program. Counties are allotted only 11.5 hours per client per year to provide a number of services to administer the program, including recipient enrollment into the program, individualized in-home assessments of the recipient's level of functioning and need for services, coordination with other service providers, processing provider timesheets and assistance with identifying and enrolling providers as needed. The number of hours did not reflect the actual hours needed to serve clients when it was established in 1993 and has remained relatively static since that time. The Administration's proposed cut would exacerbate the problem and jeopardize counties' ability to administer the program by reducing IHSS social worker hours by 5 hours per client—from 11.5 to 6.5 hours per year per client for 75 percent of IHSS clients.

In addition, counties have not received any funding to cover increases in the cost of administering the IHSS program for the past seven years. This failure to fund actual county costs to administer the program has resulted in under-funding of IHSS by \$68.3 million (\$22.3 million GF) through 2006-07, which negatively impacts services to clients. Factoring in this lost "cost of doing business," the actual hours per client supported by the budget, before the Administration's proposed cut, drops dramatically—from 11.5 hours to just 8.05 hours per client per year.

The IHSS program has grown at an astounding rate—more than 60 percent between 2000-01 and 2007-08, and is projected to grow by another 4.6 percent in 2008-09. This continued growth is a reflection of a growing population of seniors and people with disabilities who wish to remain in their own home rather than be institutionalized. However, this puts added pressure on an already strained IHSS program. With the additional funding cuts proposed by the Administration, IHSS will be unable to meet other program mandates such timely intakes or frequent requests from the Administration to conduct welfare checks of IHSS recipients during State-declared times of emergency, which also comes absent funding reimbursement.

### **Annual Reassessments**

While we appreciate the attempt to provide some workload relief, CWDA questions whether the Administration's proposal to change from 12-month to 18-month annual reassessments would achieve meaningful savings. Under current law, counties must assess every 12 months, which may be extended up to 18 months if certain conditions exist and are documented by the county. This extension to 18 months is also at county option and is to be done on a case-by-case basis.

The Administration's proposal requires that all recipients be reassessed every 18 months but retains the requirement that certain conditions exist before the extension may be granted. We question the Administration's estimate that 75 percent of PSCP and Residual clients will be reassessed at 18 months, since counties' experience shows that far fewer currently meet the criteria.

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In addition, the Administration's proposal does not take into consideration reassessments that counties are obligated to perform prior to 18 months when recipients request additional services due to failing health, accidents and changes in health condition which are typical for this population.

Since the Administration's projected savings are unlikely to materialize and the IHSS program is critically under-funded, the additional 10 percent cut to county administration will result in a severe degradation of services to clients.

We welcome an opportunity to work with you to further discuss these proposals. Thank you for your consideration of these concerns.

Cc: Nicole Vasquez, Consultant, Assembly Budget Committee  
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