



**CWDA**

Advancing Human Services  
for the Welfare of *All* Californians

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February 6, 2023

To: The Honorable Caroline Menjivar  
Chair, Senate Budget Subcommittee No. 3

Honorable Members  
Senate Budget Subcommittee No. 3

The Honorable Dr. Joaquin Arambula  
Chair, Assembly Budget Subcommittee No. 1

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Assembly Budget Subcommittee No. 1

From: Cathy Senderling-McDonald, CWDA Executive Director

**RE: IN HOME SUPPORTIVE SERVICES: INCREASE  
COUNTY ADMINISTRATIVE FUNDING**

The County Welfare Directors Association of California (CWDA) respectfully requests an additional \$240.2 million General Fund (GF) for county administration of the In-Home Supportive Services (IHSS) Program to address critical and longstanding underfunding of IHSS program operations. This funding is needed to ensure IHSS social workers have manageable caseloads to perform essential functions of the IHSS program that enable older adults and persons with disabilities to remain in their homes and avoid costly institutionalization.

**IHSS is Essential to the Master Plan for Aging (MPA):** IHSS is a key strategy in meeting the goals of the MPA. As of October 2022, over 691,000 older adults and adults and children with disabilities receive in-home care from 600,514 trusted IHSS caregivers in California. The recent expansion of IHSS to include undocumented older adults in the Medi-Cal program, as well as the phased-in elimination of the Medi-Cal asset test, will enable more Californians to access home-based care through the IHSS program to live safely in their homes and communities. By allowing qualified IHSS recipients to remain in their own homes and receive care, this ultimately reduces hospitalization, nursing home care, and premature death. Increasing administrative funding will allow county agencies to retain staff, reduce intake times, and increase availability of services for a population that is expected to grow significantly in the coming decade.

**County IHSS Administration State Budgeting Methodology is Flawed:** In 2017-18, the California Department of Social Services (CDSS), in consultation with county human services agencies and CWDA, updated the methodology to fund county administrative activities associated with the IHSS program. Although the updated budgeting methodology resulted in a much-needed funding increase, the revised methodology is fundamentally flawed in two major ways, leading to continued significant gaps in county funding:

- **Methodology underfunds the cost of IHSS workers.** The updated methodology never fully funded actual IHSS worker costs from the beginning, due to decisions made by the state to exclude some costs. The resulting funding shortfall has grown ever since. This is because the methodology continues to use the same artificially low wage rate for social work staff set in 2017-18, despite increases since that time in the cost of social work staff and operations. This result is a significant funding gap –about 40 percent of actual worker costs is not accounted for.
- **Methodology does not count all workload.** The workload associated with processing an application is not included if that application does not lead to someone receiving services. Some individuals are approved for services, but are unable to secure a provider. For example, December 2022 CMIPS data show that 88 percent of “authorized” cases (those completing the application process) actually received services. The remaining 12 percent is cases that are authorized but not paid, for which counties receive no administrative funding despite county workload occurring for those cases. This equates to a funding cut of another 12 percent.

**Funding increases are not sufficiently keeping up with existing and rising caseloads:** Further compounding the underfunding problem is the implementation of new laws that expand eligibility to the IHSS program. Recent expansion of the Medi-Cal program to undocumented persons over age 50, the phase-in of the repeal of the Medi-Cal asset test, and in January 1, 2024, further expansion of the Medi-Cal to undocumented persons age 26-49, are all welcome policy changes to expand eligibility to the IHSS program. Although funding is provided for estimated IHSS caseload increases, that funding is provided at the artificially low and now five-year-old rate and only for cases that are estimated to be paid. Meanwhile, the increased demand for IHSS resulting from the Medi-Cal expansions strains the IHSS social workers in meeting this new demand for services.

**Higher per-worker caseloads, which will continue to grow without more funding for additional staff, are likely to impede access to IHSS:** Administrative underfunding is contributing to higher worker caseloads in many counties, which in turn contributes to counties’ inability to recruit and retain staff. Caseloads of 300 and 400 consumers per social worker are not uncommon in some counties. This hampers counties’ ability to ensure IHSS applications are processed on a timely basis and that reassessments occur every 12 months, as required under federal and state law, and it can result in fiscal sanctions to the state.

Current IHSS consumers may face longer wait times to reach their social worker between assessments when they have changes in their health or other needs that may warrant more IHSS services. This can also put their IHSS provider in a difficult situation of needing to provide additional care but not yet having the authorization from the county social worker to do so, so they get paid for those added hours.

**Proposed Solution – Update Worker Costs and CDSS Funding Methodology:** CWDA requests a total of \$240.2 million GF on an ongoing basis to rectify the underfunding of worker costs (\$185 million GF) and to include the application processing and ongoing case management workload associated with authorized but unpaid cases (\$55 million GF) in the state budgeting methodology. This will enable county IHSS social workers to respond to the growing demand for IHSS services as envisioned in the Master Plan for Aging and California's commitment to caring for its older adults and persons with disabilities.

For these reasons, we urge your support for this request.

Cc: Chris Woods, Office of the Senate President Pro Tempore  
Mareva Brown, Office of the Senate President Pro Tempore  
Jason Sisney, Office of the Speaker of the Assembly  
Kelsy Castillo, Office of the Speaker of the Assembly  
Elizabeth Schmitt, Senate Budget and Fiscal Review Subcommittee No. 3  
Nicole Vazquez, Assembly Committee on Budget Subcommittee No. 1  
Kirk Feely, Senate Republican Fiscal Office  
Joe Shinstock, Assembly Republican Fiscal Office  
Jessica Bartholow, Office of Senator Skinner  
Ginni Bella Navarre, Legislative Analyst's Office  
Richard Figueroa, Office of the Governor  
Angela Pontes, Office of the Governor  
Marko Mijic, Health and Human Services Agency  
Kim Johnson, California Department of Social Services  
Adam Dorsey, HHS, Department of Finance  
Justin Garrett, California State Association of Counties  
County Caucus