



IHSS Coalition

QUALITY CARE BEGINS AT HOME

February 29, 2016

The Honorable Tony Thurmond, Chair
Assembly Budget Subcommittee #1
State Capitol
Sacramento, CA 95814

The Honorable Holly Mitchell, Chair
Senate Budget Subcommittee #3
State Capitol
Sacramento, CA 95814

RE: Request to Restore the IHSS Share-of-Cost Buy-Out

Dear Assembly Member Thurmond and Senator Mitchell;

The IHSS Coalition is composed of forty-eight organizationsⁱ representing IHSS consumers, providers and advocates. Our goals are (1) to ensure sufficient funding for In-Home Supportive Services and its interrelated aspects (2) to develop potential improvements for the program, (3) to disseminate information on homecare issues through public events and our website, and (4) to preserve and enhance consumer-directed services.

We write to request the restoration of the IHSS Share of Cost Buy-out.

The 2009 repeal of the IHSS share of cost buy-out left some IHSS consumers, who have income **above** the SSI amount (currently \$889.40 for an individual) with substantially **less** than the inadequate SSI level income to live on. To receive IHSS, they must spend down to **\$600** the Medically Needy amount.

Having only \$600 to live on leaves these consumers at more risk for

institutionalization, and makes it more difficult if not impossible for some people to leave nursing homes, faced with the prospect of living on \$600 a month.

Background:

What is a Share of Cost (SOC)

Share of cost is like an insurance premium deduction. An IHSS consumer with a SOC is responsible for paying the provider the share of cost first. Once the SOC is met, IHSS will pay the provider for the remaining services.

Most IHSS consumers qualify financially for Medi-Cal and IHSS because they are on SSI. Those consumers do not have to pay a SOC. Some consumers with income higher than SSI may qualify for Medi-Cal and IHSS through other programs, without a share of cost or with a share of cost which brings their income to the SSI level. However, an individual IHSS consumer with a countable income above \$1,211, who does not qualify for one of the other programs, must pay a \$612 share of cost which leaves the consumer with only \$600 a month to live on – the Medically Needy Income Level. This means that some seniors and people with disabilities with a modest Social Security or private retirement benefit end up with less than someone who depends on SSI.

Example: If an IHSS consumer has SSI of \$889.40, no share of cost is required. If an IHSS consumer has countable monthly income of \$1,300, that consumer must pay \$700 towards IHSS services and other medical needs, leaving \$600 to meet all housing and food and other expenses.

What was the Share of Cost buy-out?

Before the late 1990's, IHSS was not part of the federal Medicaid program. People who paid a share of cost to get IHSS paid down to the SSI level. In 1998, the disability community supported drawing down federal Medicaid dollars into the IHSS program in part because the state government promised that IHSS recipients would not be penalized by the result. That is, IHSS consumers would still pay a share of cost down to the SSI level rather than having to pay a much larger share of cost to qualify for IHSS because it became a Medi-Cal program.

To keep the promise and hold consumers harmless, the state paid – or “bought out” – the difference between the higher Medi-Cal share of cost and the lower IHSS SOC so that the transfer to federal funding – which now pays around half of

the cost of IHSS - would not penalize recipients who prior to Medi-Cal covering IHSS spent down to the SSI grant level. The advantage of an enormous influx of federal money was well worth the relatively insignificant cost of the Buy-out.

Example: For example, for a recipient with an IHSS SOC of \$200 and a Medi-Cal SOC of \$500 per month, the state would pay the difference between the IHSS SOC and the Medi-Cal SOC (\$300) while the recipient would be obligated to meet the lower IHSS SOC (\$200).

What happened to the SOC Buy-out?

As part of the 2009–10 budget, the IHSS SOC Buy-Out program was eliminated. The bills that eliminated the SOC buy-out were SBX3 6 and ABX4 4 from 2009.

IHSS recipients with a share of cost now have to meet the higher Medi-Cal SOC before the IHSS program pays for the remaining costs of their services.

How much did the state save by eliminating the SOC buy-out?

Estimates vary widely; we don't know. We don't know how many people would qualify now for it.

What happened to the buy-out money?

The buy-out money went into the Health Care Deposit Fund.

The reports show the Health Care Deposit Fund had the following end-of-year balances:

- 2007 = 15,179,000
- 2008 = 13,725,000
- 2009 = 13,616,000
- 2010 = 11,805,000
- 2011 = 1,166,000

There isn't any description of the purpose of the account in these reports.

We urge you to ask:

1. Why was there any money in the fund in 2011 and what happened to it?

2. Why was there so much left in 2010 when the buy-out ended in 2009?
3. What happened to that \$11,805,000 after 7/1/2010?
4. What were the expenditures from the fund every year?

Conclusion: Some low-income IHSS consumers, who have incomes above SSI, are being forced to live on \$600 a month, which is less than the SSI level. It is time to reinstate the IHSS Share of Cost Buy-out so IHSS consumers can retain the SSI level income of \$889.40, meet their share of cost, receive IHSS services and remain safely in their homes.

Sincerely,

AARP-California

Access to Independence

ACLU of Southern California

Alzheimer's Association, California Council

Bet Tzedek Legal Services

California Alliance for Retired Americans (CARA)

California Association of Public Authorities (CAPA)

California Church IMPACT

California Council of Churches

California Council of the Alzheimer's Association

California Council of the Blind

California Disability Community Action network (CDCAN)

California Foundation for Independent Living (CFILC)

California IHSS Consumer Alliance (CICA)

California Senior Legislature

Californians for Disability Rights, Inc. (CDR)

Communities Actively Living Independent & Free (CALIF)

Congress of California Seniors (CCS)
Dayle McIntosh Center for the Disabled
Disability Rights California (DRC)
East Bay Community Law Center
Educate.Advocate
FREED Center for Independent Living
Friends Committee on Legislation
Gray Panthers
IN SPIRIT
Independent Living Resource Center Inc.
Independent Living Services of Northern California (ILSNC)
Justice in Aging (formerly the National Senior Citizens Law Center)
Marin IHSS Public Authority
Nevada-Sierra-Plumas Public Authority
Northern California ADAPT
Older Women's League
Personal Assistance Services Council of Los Angeles
Resources for Independent Living
San Francisco IHSS Task Force
San Francisco Public Authority
SEIU Local 2015
Senior & Disability Action (SDA)
Service Employees International Union – State Council
Silicon Valley Independent Living Center (SVILC)
Southeast Asia Resource Action Center | California Office
The Arc and United Cerebral Palsy in California

The San Diego IHSS Coalition
Tri-County Independent Living Center, Inc.
UDW /AFSCME Local 3930
Westside Center For Independent Living (WCIL)

cc: Members, Assembly Budget Subcommittee #1
Members, Senate Budget Subcommittee #3
Jennifer Troia, Office of the Senate President Pro Tem
Gail Gronert, Office of the Assembly Speaker
Nicole Vasquez, Deputy Chief Consultant, Assembly Budget
Theresa Pena, Consultant, Senate Budget Committee
Chantelle Denny, Senate Republican Fiscal Office
Cindy Hillery, Assembly Republican Caucus
Matt Paulin, Program Budget Manager, HHS, Department of Finance
Will Lightbourne, Director, California Department of Social Services
Michael Wilkening, Health and Human Services Agency
Ginni Bella, Legislative Analyst's Office
Callie Freitag, Legislative Analyst's Office

¹ One organization was unable to sign on to this letter: California State Council on Developmental Disabilities requires approval from the SCDD Legislative Public Policy Committee (LPPC). Their committee meeting that is not scheduled to until after the deadline of the letter.