

AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER DR. JOAQUIN ARAMBULA, CHAIR

WEDNESDAY, MARCH 21, 2018
2:30 P.M. - STATE CAPITOL, ROOM 444

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LIST OF PANELISTS IN ORDER OF PRESENTATION**4170 CALIFORNIA DEPARTMENT OF AGING**

ISSUE 1: BUDGET AND PROGRAM REVIEW

- Lora Connolly, Director, California Department of Aging (CDA)
- Jeannine Fenton, Chief Deputy Director, CDA
- Dean Fujimoto, Deputy Director of Long-Term Care, CDA
- Luis Bourgeois, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

ISSUE 2: SENIOR NUTRITION ADVOCACY PROPOSAL

- Clay Kempf, Executive Director of Santa Cruz/San Benito Area Agency on Aging
- David Morikawa, Director of the Sacramento Meals on Wheels Program
- Lora Connolly, Director, CDA
- Dean Fujimoto, Deputy Director of Long-Term Care, CDA
- Luis Bourgeois, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

ISSUE 3: LONG-TERM CARE OMBUDSMAN PROGRAM ADVOCACY PROPOSAL

- Leza Coleman, Executive Director California Long-Term Care Ombudsman Association (CLTCOA)
- Karen Jones, Ombudsman Program Coordinator, San Luis Obispo
- Assemblymember Eloise Gómez Reyes
- Joe Rodrigues, State Long-Term Care Ombudsman, CDA
- Luis Bourgeois, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

ISSUE 4: MULTIPURPOSE SENIOR SERVICES PROGRAM ADVOCACY PROPOSAL

- Dustin Harper, President, MSSP Site Association and Vice President, Community Living Services, Institute on Aging
- Denise Likar, MSW, Vice President, Independence at Home, a community service of SCAN
- Lora Connolly, Director, CDA
- Dean Fujimoto, Deputy Director of Long-Term Care, CDA
- Sarah Brooks, Deputy Director, Health Care Delivery Systems and/or Jacey Cooper, Asst. Deputy Director, Health Care Delivery Systems, Department of Health Care Services
- Luis Bourgeois, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

ISSUE 5: ALZHEIMER'S ASSOCIATION ADVOCACY PROPOSAL

- Susan DeMarois, State Policy Director, Alzheimer's Association of California
- Stella De La Pena, Regional Director, Alzheimer's Association, Fresno
- Lora Connolly, Director, CDA
- Luis Bourgeois, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

4185 CALIFORNIA SENIOR LEGISLATURE

ISSUE 1: BUDGET AND PROGRAM REVIEW AND ADVOCACY PROPOSAL

- John Pointer, Joint Rules Committee Chair, California Senior Legislature
- Luis Bourgeois, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

ITEMS TO BE HEARD

4170 CALIFORNIA DEPARTMENT OF AGING

ISSUE 1: BUDGET AND PROGRAM REVIEW

PANEL

- Lora Connolly, Director, California Department of Aging (CDA)
- Jeannine Fenton, Chief Deputy Director, CDA
- Dean Fujimoto, Deputy Director of Long-Term Care, CDA
- Luis Bourgeois, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

BACKGROUND

The 2018-19 Governor's Budget includes \$201.5 million (\$34 million General Fund for the California Department of Aging (CDA)). As the federally designated State Unit on Aging, the Department administers federal Older Americans Act (OAA) programs that provide a wide variety of community-based supportive services, and administers the Health Insurance Counseling and Advocacy Program.

The Department also administers two Medi-Cal programs: it contracts directly with agencies that operate the Multipurpose Senior Services Program (MSSP), provides oversight for the MSSP waiver, and certifies Community-Based Adult Services (CBAS) centers for participation in Medi-Cal.

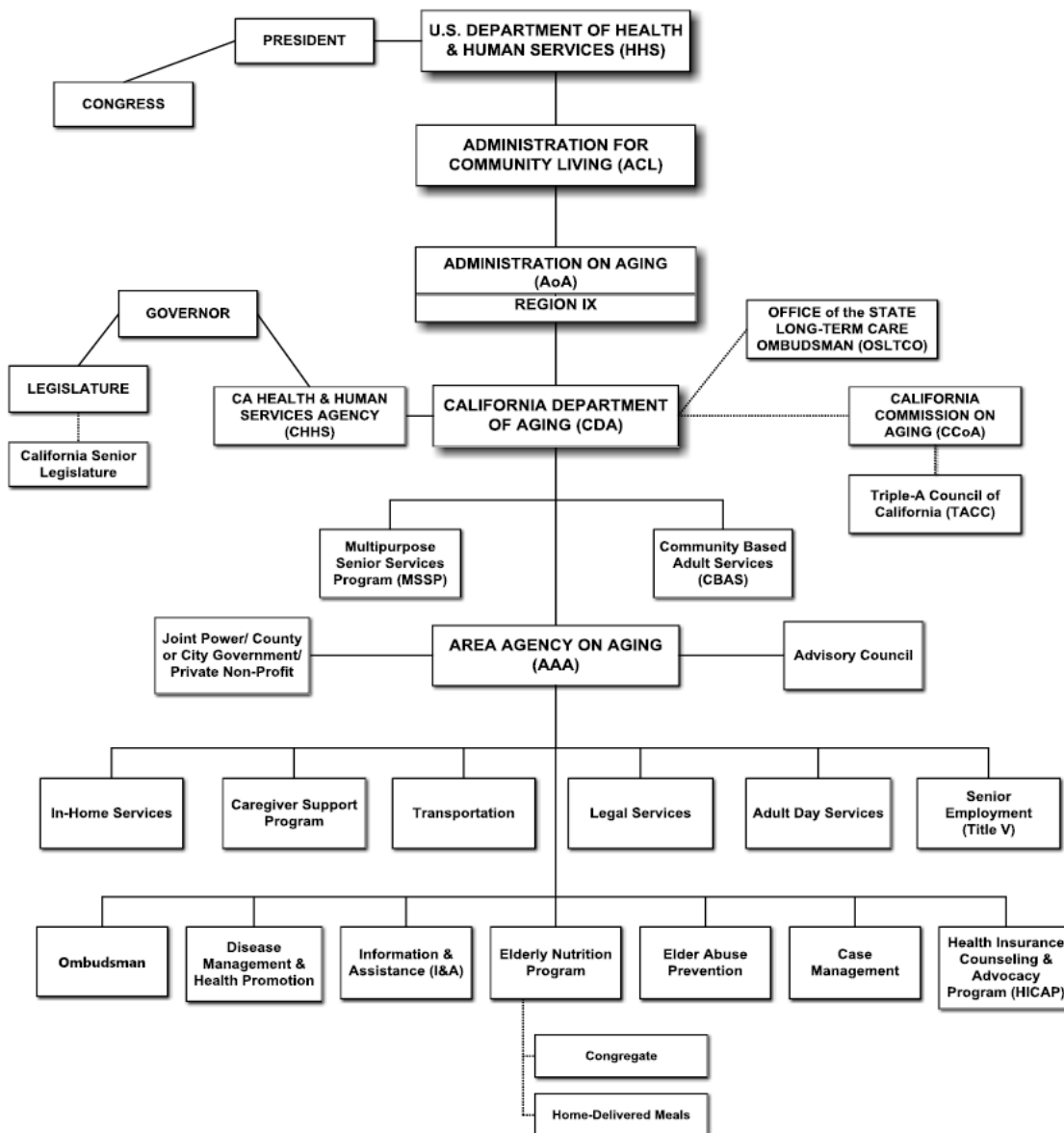
Approximately 75% of CDA's total funding comes from the federal government, including OAA funding and grant funds. In the absence of a federal budget, at this time, CDA's federal funding has continued through Continuing Resolutions at the 2015/16 2017/18 level. The current Continuing Resolution expires on March 23, 2018.

President's Proposed Budget. On February 12, 2018, President Trump released his proposed budget for the upcoming fiscal year. These recommendations cover Federal Fiscal Year 2019 (October 1, 2018 – September 30, 2019). This budget largely proposes level funding in many Older Americans Act programs. However, it would eliminate the State Health Insurance Assistance Program, known as the Health Insurance Counseling and Advocacy Program (HICAP) in California, and the Senior Community Services Employment Program (SCSEP).

California's Aging Services Network. The schematic below illustrates the aging services network and can be found in the *California State Plan on Aging 2017-2021*, an

extensive report released last year by the Administration and available at the CDA website.

CALIFORNIA AGING NETWORK



Department Description. The California Department of Aging’s (CDA’s) mission is to promote the independence and well-being of older adults, adults with disabilities, and families through:

- Access to information and services to improve the quality of their lives;
- Opportunities for community involvement;
- Support to family members providing care; and
- Collaboration with other state and local agencies.

As the designated State Unit on Aging, the Department administers Older Americans Act programs that provide a wide variety of community-based supportive services as well as congregate and home-delivered meals. It also administers the Health Insurance Counseling and Advocacy Program. The Department also contracts directly with agencies that operate the Multipurpose Senior Services Program.

The Department administers most of these programs through contracts with the state's 33 local Area Agencies on Aging (AAAs). At the local level, AAAs contract for and coordinate this array of community-based services to older adults, adults with disabilities, family caregivers and residents of long-term care facilities.

Overview of Department's Major Areas

- **Nutrition.** The Nutrition Program provides nutritionally-balanced meals, nutrition education and nutrition counseling to individuals 60 years of age or older. In addition to promoting better health through improved nutrition, the program focuses on reducing the isolation of the elderly and providing a link to other social and supportive services such as transportation, information and assistance, escort, employment, and education.
- **Senior Community Employment Services.** The federal Senior Community Service Employment Program, Title V of the Older Americans Act, provides part-time subsidized training and employment in community service agencies for low-income persons, 55 years of age and older. The program also promotes transition to unsubsidized employment.
- **Supportive Services.** This program provides supportive services including information and assistance, legal and transportation services, senior centers, the Long-Term Care Ombudsman and elder abuse prevention, and in-home services for frail older Californians as authorized by Titles III and VII of the Older Americans Act. The services provided are designed to assist older individuals to live as independently as possible and access the programs and services available to them.
- **Community-Based Programs and Projects.** This program includes the community-based Health Insurance Counseling and Advocacy Program (HICAP). HICAP provides personalized counseling, community education and outreach events for Medicare beneficiaries. Volunteer counselors assist individuals understanding their rights and health care options. HICAP is the primary local source for accurate and objective information and assistance with Medicare benefits, prescription drug plans and health plans.
- **Medi-Cal Programs.** These programs include oversight of the Multipurpose Senior Services Program (MSSP) and Community-Based Adult Services (CBAS) program. Both of these programs are administered by CDA through interagency agreements with the Department of Health Care Services (DHCS). CBAS is a community-based day health program that provides services to adults 18 years of age or over who are

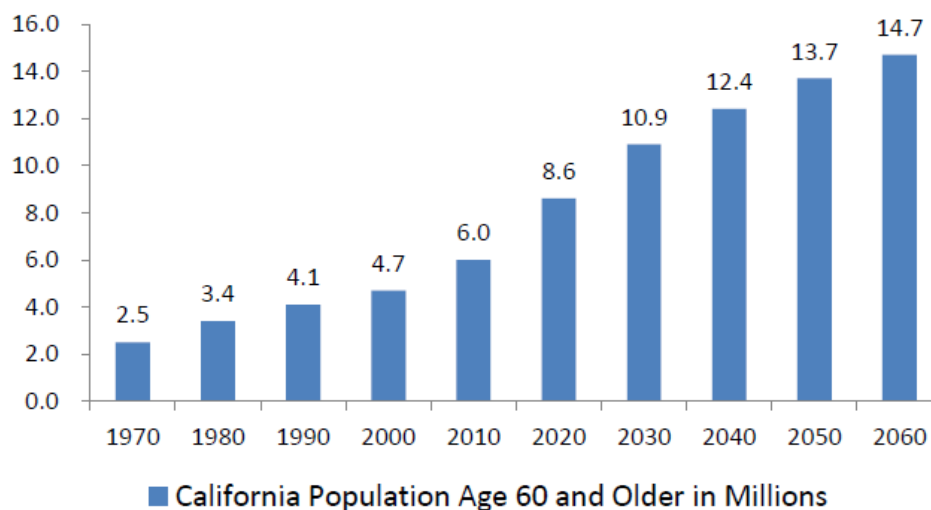
at risk of needing institutional care due to chronic medical, cognitive, or mental health conditions and/or disabilities. CDA certifies CBAS centers for participation in the Medi-Cal Program. Under a 1915 Medicaid home and community-based services waiver, MSSP provides health and social care management to prevent premature and unnecessary long-term care institutionalization of frail adults aged 65 or older who otherwise would be placed in a nursing facility. (MSSP issues in the Coordinated Care Initiative are discussed in another Issue in this agenda.)

AGING IN CALIFORNIA

The following information is also from the *California State Plan on Aging 2017-2021*:

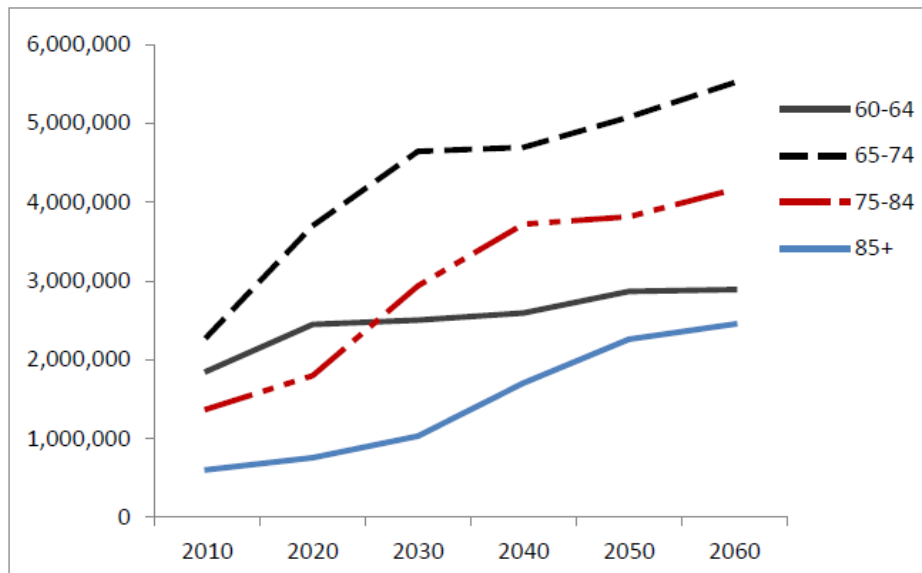
Since 2010, California's population age 60 and over has grown rapidly. Between 1970 and 2016, the number of older adults in this State increased from 2.5 million to 7.8 million, an increase of 212 percent. This trend is estimated to continue as the cohort age 60 and over is estimated to grow to 14.7 million by 2060, an increase of 88 percent from 2016.

California Population Age 60+ Growth Trends²
(in millions, rounded)



While the overall population age 60 and over is growing rapidly, increases within this age group are occurring at different rates. The largest growth will occur during the next 30 years as the Baby Boomers, those born between 1946 and 1964, reach age 60. Between 2010 and 2030, California's 85+ population is estimated to increase by over 70 percent. An estimated 1.86 million Californians are currently between age 60 and 64. By 2050, this age group is projected to grow to 2.87 million, a 54 percent increase. While 604,139 Californians were age 85 and over in 2010, by 2050, an estimated 2.26 million individuals will be in this age group, a dramatic 274 percent increase.

Age 60+ Population Growth Projections³



The current size of the population age 85 and over, and the projected increase in this age group, is notable. Those 85 and older have a significantly higher rate of severe chronic health conditions and functional limitations that result in the need for more health and supportive services. The rapid growth of this age group has many implications for individuals, families, communities, and government.

The impact of an aging population, described by some as an “age wave” and others as an “aging tsunami,” will be felt in every aspect of society. The economic, housing, transportation, health, and social support implications of this phenomenon must also be viewed in the context of the State’s tremendous population growth, which continues to challenge the State’s overall infrastructure planning. Demographers project that California’s population, at 38.2 million in January 2016, could reach 51.7 million by 2060.

While [the table below] presents an overview of older Californians today, older adults have never been a heterogeneous group in terms of educational achievement, income level, and health and disability status. In the coming decades, the gap between the “haves” and the “have-nots” among older Californians will grow even wider. Educational and employment opportunities throughout life impact access to health care, retirement savings, and pension benefits in later life. The cumulative effect of all these factors shapes older Californians’ prospects for a healthy and secure retirement. Important differences among the State’s older adults are tied to racial, ethnic, and cultural factors; gender and marital status; geographic location; and socio-economic resources.

A Snapshot of Older Californians Age 60+

Characteristic	2009-2016
Living in a nursing home ⁵	2%
Below poverty level ⁵	16.3%
Medi-Cal Eligible ⁷	19.1%
Limited English proficiency ⁸	23.1%
Poor or near poor (0-149% of poverty) ⁹	20.7%
Living alone ¹⁰	25%
Women age 60+ living alone ¹¹	72%
Percent with any disability ¹²	36.2%
Proportion of Californians age 75 and older with a driver's license ¹³	61%
Homeowners ¹⁴	77%
With high school diploma or higher ¹⁵	81.8%
Number of grandparents responsible for basic needs of grandchildren ¹⁶	300,000

GOVERNOR'S BUDGET PROPOSAL

The Governor's budget includes no increased General Fund support for the programs operated under CDA. The changes in the overall budget for CDA are mostly due to federal funding decreases. These changes are detailed by program type in the table on the following page, provided by CDA.

Proposals to augment several of the programs, detailed in the table, compose the majority of this agenda and hearing of the Subcommittee.

**California Department of Aging
Authority by Program**

* Dollars in thousands

Local Assistance Authority Program	Fiscal Year	
	2017/18*	2018/19*
Senior Nutrition		
General Fund	8,306	8,306
Federal Fund	78,736	69,498
Reimbursements	883	883
Subtotal	87,925	78,687
Supportive Services		
General Fund	0	0
Federal Fund	53,581	56,741
Reimbursements	66	66
Subtotal	53,647	56,807
Ombudsman		
General Fund	1,000	1,000
Federal Fund	3,016	2,875
State Health Facility Citations Penalty Account ¹	2,094	1,094
State Department of Public Health Licensing and Certification Program Fund	400	400
Skilled Nursing Quality & Accountability Fund	1,900	1,900
Subtotal	8,410	7,269
Elder Abuse		
General Fund	0	0
Federal Fund	503	503
Other State Funds	0	0
Subtotal	503	503
Senior Community Employment		
General Fund	0	0
Federal Fund	7,339	7,339
Subtotal	7,339	7,339
Community-Based Program and Projects		
Federal Fund ²	879	761
Subtotal	879	761
Health Insurance Counseling and Advocacy		
HICAP	2,246	2,246
Federal Fund	4,565	4,683
Reimbursements	4,493	4,493
Subtotal	11,304	11,422
MIPPA		
General Fund	0	0
Federal Fund ³	1,763	366
Subtotal	1,763	366
Multipurpose Senior Services		
General Fund	20,232	20,232
Reimbursements		
Subtotal	20,232	20,232
Grand Total By Fund		
General Fund	29,538	29,538
State HICAP Fund	2,246	2,246
Federal Fund	150,382	142,766
State Health Facility Citations Penalty Account	2,094	1,094
State Department of Public Health Licensing and Certification Program Fund	400	400
Skilled Nursing Quality & Accountability Fund	1,900	1,900
Reimbursements	5,442	5,442
Total All Funds	192,002	183,386

¹ FY2017-18 includes an additional \$1.0 million in one-time funding

² Includes funding for HICAP grant for CCI Financial Alignment 12/22/17-12/21/19 and the Expanding Capacity to Serve Persons with Dementia grant 09/01/16-02/28/18

³ FY2017-18 includes funding for Medicare Improvements for Patients and Providers Act grant 9/30/17-9/29/18

STAFF COMMENT

This is an informational item that sets context for the series of proposals in the Aging area that make up the balance of this public hearing and agenda.

Staff Recommendation:

Hold open these budget issues pending action at the May Revision hearings.

ISSUE 2: SENIOR NUTRITION ADVOCACY PROPOSAL**PANEL**

- Clay Kempf, Executive Director of Santa Cruz/San Benito Area Agency on Aging
- David Morikawa, Director of the Sacramento Meals on Wheels Program
- Lora Connolly, Director, CDA
- Dean Fujimoto, Deputy Director of Long-Term Care, CDA
- Luis Bourgeois, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

ADVOCACY PROPOSAL

The Subcommittee is in receipt of the following budget advocacy proposal that is co-sponsored by the California Association of Area Agencies on Aging, California Commission on Aging, and the Congress of California Seniors. It is supported by numerous aging organizations, including Meals on Wheels California and the California Collaborative for Long-Term Supports and Services.

These advocates are asking for \$17 million in on-going General Fund support to increase funding for senior nutrition programs. The advocates estimate that the average cost of a meal is about \$8.50 (Home Delivered Meals cost less, Congregate Nutrition costs more). The added dollars would provide for an extra 2 million meals per year and serve over 12,500 older Californians. About 1.55 million of the 2 million would be new meals. About 450,000 of these meals would be the meals that will be lost if flat funding occurs, based on the average price of a current meal increasing by 25 cents per meal. The cost each current meal rising by 25 cents is about \$4 million per year.

The total of 12,500 additional people being served with the \$17 million is based on each person receiving 3 meals per week. That assumes some will be Home Delivered Meals (HDM) recipients, and some Congregate. HDM recipients tend to use the services more frequently than Congregate, on average, but it varies from individual to individual. If funding is flat, there will be 1,200 fewer senior meals every day due to the 25 cent increase in cost. The advocates state that it is impossible to estimate if fewer people will be served, or if the same people will just receive fewer meals, but we know that every day, there will be 1,200 seniors that currently receive a meal that won't next year in the absence of additional funding.

Senior Hunger. Over the last ten years, the percentage of the senior population age 60 and older that faces food insecurity has increased by 45 percent. Studies show that the percent of older adults in California facing the threat of hunger is 16.33 percent. California is home to some 7.8 million older adults. Subsequently, nearly 1.274 million adults over the age of 60 are considered food insecure. California has the eleventh

highest rate of senior food insecurity in the nation according to the United Health Foundation.

Food insecurity is linked to poor health status and malnutrition. Malnutrition can lead to loss of weight and strength, greater susceptibility to disease, confusion, diabetes, osteoporosis, stroke, and cancer. Malnutrition also leads to increased visits to emergency rooms, increased lengths of hospital days, and discharges to higher levels of care.

PROGRAM BACKGROUND

Nutrition programs serve numerous seniors through home delivered meals and congregate sites. Congregate sites reach out to low-income persons, those seeking social programs as well as the hidden homeless in the streets or in cars. Home delivered meal programs focuses on the home-bound, socially isolated, and most needy.

Home Delivered Meals are provided to older adults who are shut in and unable to get out of the house to go to a meal site. These seniors tend to be older, poorer and have multiple chronic conditions and suffer from isolation and loneliness. Nearly 11 million home-delivered meals are served annually, providing life-sustaining nutrition for some 55,000 older, frail Californians. On average, a recipient of home delivered meals receives four meals a week.

Congregate meals provide an opportunity for socialization, critical to health and well-being, and connection to community resources and social programs for those who attend. Congregate meals are provided in communal settings at various community-based sites. The positive impact of congregate meal programs is especially evident among the low-income respondents and those living alone. Approximately 7 million congregate meals are served every year to some 168,000 recipients.

CDA has provided the following chart on the current funding for these programs:

Older Americans Act Title III- Senior Nutrition Program

Program Title	Federal OAA 10/1/16-9/30/17	State GF 7/1/17-6/30/18	TOTAL
Congregate Meals	\$35,139,281	\$3,686,000	\$38,825,281
Home-Delivered Meals	\$31,226,611	\$4,620,000	\$35,846,611
TOTAL Title III Senior Nutrition	\$66,365,892	\$8,306,000	\$74,671,892

Federal OAA Funding is based on the FFY 17 Notice of Award dated, 9/12/17 and includes transfers.

STAFF COMMENT

Staff recommends that the Subcommittee ask the Administration for its reaction and feedback on the advocacy proposal, particularly on how it relates to recommendations in the *State Plan on Aging*, released in the fall of 2017.

Staff Recommendation:

Hold open.

ISSUE 3: LONG-TERM CARE OMBUDSMAN PROGRAM ADVOCACY PROPOSAL**PANEL**

- Leza Coleman, Executive Director California Long-Term Care Ombudsman Association (CLTCOA)
- Karen Jones, Ombudsman Program Coordinator, San Luis Obispo
- Assemblymember Eloise Gómez Reyes
- Joe Rodrigues, State Long-Term Care Ombudsman, CDA
- Luis Bourgeois, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

ADVOCACY PROPOSAL

The Subcommittee is in receipt of an advocacy proposal from the California Long-Term Care Ombudsman Association (CLTCOA). The proposal is supported by the California Collaborative for Long-Term Supports and Services and the California Commission on Aging, among other supporters who have written. In addition, Assemblymember Eloise Gomez Reyes has written in support of this proposal.

The proposal is for \$7.3 million in on-going General Fund support for the following components:

- \$3,451,680 to require an additional 153,000 hours of both volunteer and staff time to meet minimum recommended announced facility visits to all 8,842 long term care facilities in California. Currently only 46% of all facilities receive these recommended visits.
- \$420,000 will enable the program to focus on volunteer recruitment, with a combination of staff hours, for community outreach and the remaining funds to be used to facilitate the promotion of upcoming volunteer trainings.
- \$1,128,000 will provide staff hours and volunteer costs associated with complaint investigation activities, enabling the programs to investigate and resolve an estimated 6,000 additional complaints per year.
- \$2,300,000 for program rebasing, the Department of Aging Funding Formula (Welfare & Institutions Code Section 9719.5) for local Long-Term Care Ombudsman Programs from the 1989 allocation is currently \$35,000, but as low as \$21,000 for the local program base. This unrealistically low base and necessitates the use of funds designated for program activities for support of the program office. The proposal is to increase the base administrative funding uniformly to \$100,000 for all local programs.

CLTCOA states that over the past three decades, the role of the LTC Ombudsman Program has greatly increased from the original intent of the Older Americans Act. In 1986, AB 3988 (Papan, Chapter 769, Statutes of 1986) made California Ombudsmen legally responsible for receiving and investigating reports of suspected abuse and neglect in long-term care facilities. California is one of only five states that require its Ombudsmen to investigate complaints of abuse and neglect.

Prevention is the hallmark of Ombudsman Programs. Regular visitation and observation of conditions in facilities is vital to identifying problems, which left unresolved, can result in serious quality of care and life concerns. For example, through their regular presence in facilities, Ombudsmen are able to detect issues such as overmedication/sedation of residents, insufficient staffing, negligent care, insufficient food supply, and unhygienic living conditions. Ombudsman can take steps to resolve these issues before residents are injured or suffer harmful consequences. Ombudsman services of advocacy and intervention help ensure the best possible opportunity for improving quality of care and quality of life for residents.

The modest investments made in 2015-16 produced an increase in program activities in both complaint investigations, and unannounced facility visits. However, after three years of flat funding the programs cannot keep up with the growing demand for services. In 2017 local Ombudsman representatives provided 63,661 consultations on topics relating to long-term care to individuals, an increase of 11,390 consultations from the prior year.

With a decrease of 6,200 donated volunteer hours last year, local programs made 3,900 fewer unannounced facility visits than in 2016. As the program takes longer to respond to requests for assistance residents suffer needlessly and complaints grow in complexity. The requested funding will allow the LTC Ombudsman Program to once again meet their federal and state mandates, will be an important step to rebuilding the State's commitment to protecting vulnerable residents of long term care facilities and begin the critical process of ramping up Ombudsman services considering the rapidly growing California senior population.

OVERSIGHT ISSUES

The Administration is proposing Budget Bill Language changes for 2018-19 and on-going that affect the timing and whether the Ombudsman program receives additional funding on an annual basis from the State Health Facilities Citations Penalties Account operated through the Department of Public Health. During last year's budget cycle the Subcommittee requested the assistance of the LAO and Administration with crafting a potential option of Budget Bill Language that allows for the on-going transfer of \$1 million from the Penalties Account every year in which the balance in the account reaches a certain level.

As the Subcommittee reviews these changes, it and CLTCOA pose the following questions to the Administration and asks them to respond to these in the course of the hearing:

1. Timing of balance review. Does the current suggested language; “at the time of the annual May Revision” allow sufficient time for both CDA to enter into amended contracts with the AAAs, and then for the AAA’s to enter into amended contracts with the local LTC Ombudsman Programs?
2. Amount of distribution. Does the current suggested language; “may reflect an augmentation to Budget Bill Item 4170-102-0942 by the excess amount not to exceed \$1,000,000” reflect the intent for an allocation for any funds from \$1 up to but not exceeding \$1,000,000 over the specified fund minimum balance? What would be the rationale for not allowing funds under \$1 million that are available to be transferred?
3. Actual fund balance. Will the review of the fund balance also take into consideration the past year's actual revenues for a true fund condition assessment?

PROGRAM BACKGROUND

The following has been provided by the California Department of Aging, Office of the State Long-Term Care Ombudsman.

Authority for the Office of the State Long-Term Care Ombudsman (OSLTCO) comes from the federal Older Americans Act and Older Californians Act. The OSLTCO develops policy and provides oversight to 35 local Long-Term Care Ombudsman programs statewide. As advocates for residents of long-term care facilities, Ombudsman representatives promote residents’ rights and provide assurances that State and federal law protects these rights.

The State Long-Term Care Ombudsman analyzes, comments on, and monitors the development and implementation of federal, State, and local laws, regulations, and other governmental policies and actions, that pertain to the health, safety, welfare, and rights of the residents, with respect to the adequacy of long-term care facilities and services in the State. The State Long-Term Care Ombudsman also recommends any changes in such laws, regulations, policies, and actions as the Office determines to be appropriate.

Approximately 730 State-certified Ombudsman volunteers and 180 part-time and full-time paid staff in the local programs identify, investigate, and resolve complaints and concerns on behalf of approximately 300,000 residents in about 1,250 Skilled Nursing Facilities (SNFs), including Distinct Part SNFs and Intermediate Care Facilities (ICFs), and about 7,500 Residential Care Facilities for the Elderly (RCFEs). Last year, local Ombudsman programs investigated more than 41,800 complaints.

In 2015-16, 2016-17, and 2017-18, \$2.4 million in additional funds were allocated to provide increased support for the Long-Term Care (LTC) Ombudsman Program. Beginning in 2015-16, local Ombudsman programs received \$1 million from the General Fund for the first time since 2007-08. They also received an additional \$400,000 from the California Department of Public Health, Licensing and Certification Program Fund, as a direct result of an increase in the Skilled Nursing Facility Bed Fee. On a year-to-year, one-time basis, local Ombudsman programs also received an additional \$1 million from the State Health Facilities Citation Penalties Account within the Special Deposit Fund.

This additional funding has directly led to increased LTC Ombudsman visits to facilities and assistance to residents. Comparing FY 2015-16 to FY 2016-17, the following occurred:

- 21% increase in the number of information and consultation sessions with individuals – during these sessions, Ombudsman representatives provide information about long-term care and answer questions about residents' rights and other issues that residents, family members, and friends may be concerned about, often empowering residents, families, and friends to resolve issues on their own.
- 11% increase in the number of consultations to facilities – these consultations can resolve issues before they even become complaints.
- 18% increase in participation of Ombudsman representatives in facility surveys conducted by the licensing agencies.
- 22% increase in Ombudsman work educating and empowering family councils in facilities.
- 7% increase in Ombudsman work educating and empowering resident councils in facilities.
- 6% increase in the number of training hours for representatives of the Office.
- 6% decrease in the number of volunteer hours donated to the program.

In 2016-17, by far, the most common use of the one-time funding was for temporarily increased staffing hours and/or limited term appointments. The funding supported office staff (to allow Ombudsman representatives to be out in the field), and paid Ombudsman representatives who respond to complaints in facilities.

A second common use of one-time funding was to support volunteers through additional training and mileage reimbursement. Several programs purchased needed computers and office equipment.

Below is a display provided by the Administration on the current funding situation for this program:

Older Americans Act Title III/VII- Ombudsman Program

Funding Title	Federal OAA 10/1/16-9/30/17	State Funds 7/1/17-6/30/18	TOTAL
Title IIIB Ombudsman	\$1,182,414		\$1,182,414
Title VII Ombudsman	\$1,658,799		\$1,658,799
General Fund		\$1,000,000	\$1,000,000
Skilled Nursing Quality & Accountability Fund		\$1,900,000	\$1,900,000
Special Deposit Fund		\$2,094,000	\$2,094,000
Public Health Licensing & Certification Program Fund		\$400,000	\$400,000
TOTAL Ombudsman Program	\$2,841,213	\$5,394,000	\$8,235,213

Federal OAA Funding is based on the FFY 17 Notice of Award dated, 9/12/17 and includes transfers. Title IIIB Ombudsman funding is included in the Title IIIB Supportive Services Notice of Award.

The Special Deposit Fund in 2017-18 included an additional \$1.0 million in one-time funding.

STAFF COMMENT

Staff recommends that the Subcommittee ask the Administration for its reaction and feedback on the advocacy proposal, particularly on how it relates to recommendations in the *State Plan on Aging*, released in the fall of 2017.

Staff Recommendation:

Hold open.

ISSUE 4: MULTIPURPOSE SENIOR SERVICES PROGRAM ADVOCACY PROPOSAL**PANEL**

- Dustin Harper, President, Multipurpose Senior Services Program (MSSP) Site Association and Vice President, Community Living Services, Institute on Aging
- Denise Likar, MSW, Vice President, Independence at Home, a community service of SCAN
- Lora Connolly, Director, CDA
- Dean Fujimoto, Deputy Director of Long-Term Care, CDA
- Sarah Brooks, Deputy Director, Health Care Delivery Systems and/or Jacey Cooper, Asst. Deputy Director, Health Care Delivery Systems, Department of Health Care Services
- Luis Bourgeois, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

ADVOCACY PROPOSAL

The Subcommittee is in receipt of an advocacy proposal from the Multipurpose Senior Services Program (MSSP) Site Association (also called MSA) with a request for an on-going rate increase totaling \$4.7 million General Fund. The MSA states that an alternative source for this fund could be the Healthcare Treatment fund.

The MSA has provided the following information for their proposal:

A rate adjustment for the Multipurpose Senior Services Program (MSSP) is urgently needed to prevent further erosion of individual site budgets and the resulting negative impact upon services and supports provided to the frail elderly age 65 and older. The proposal would adjust the per client rate to \$5,356 beginning July 1, 2018 (9,283 slots x \$5,356 = \$4,627,874 GF). This will create a sustainable operation by making up for deficits currently being covered by host agencies, make it possible to retain and hire staff, and to increase the amount of funds available for services to assist beneficiaries remain in the community.

The proposed rate increase is based on a 25% increase. Since cost of living has gone up 3% each of the 12 years, the proposal is conservative in only asking for 25% rather than 36%. Also, the total of \$4,627,874 is based on 9,283 slots. The waiver states that we have 9,443 slots, but with San Mateo's transition, the slot count was reduced. The MSA is also asking for the Administration to conduct an annual review of cost of living indicators such as Consumer Price Index, Skilled Nursing Home rate adjustments, or other commensurate long-term care programs, and to recommend an annual rate increase, which would support clinically sound operations for MSSP.

In its almost 40 year history, MSSP has received just two small cost of living adjustments in 2000 and 2006, followed by a total of 22.5% in funding cuts in 2008 and again in 2011 due to state budget deficits. While funding has been flat and budget reductions have occurred on two occasions, the costs of doing business continues to increase each year. Rising costs are attributed to increases in: worker's compensation premiums, health, life, dental, vision and other employee benefits; rent, utilities, and other operating costs; and staff development and training. All of these operational costs increases have placed MSSP's future in peril.

Unfunded mandates, such as the purchase of HIPAA compliant software licenses (ranging in costs from \$2100 to \$30,000 per annum, per site), prioritizing the most ill beneficiaries from wait lists, and administrative costs for start-up initiatives such as the Coordinated Care Initiative, have significant financial impact on MSSP sites. At the same time that MSSP has not seen a budget increase since 2006, nursing homes are receiving an annual automatic cost-based increase; the exception being when the State was experiencing a recession. Compared to the median cost of \$97,367 annually for a semi private room in a nursing home, MSSP continues to be a significant cost saving option to institutional care for the state.

MSSP providers do not have the ability to make up for program deficits by increasing or decreasing the number of people they serve, reducing program services, or serving private pay consumers due to requirements established by the federal waiver. MSSP has a cap on the number of persons served statewide and per provider and has a fixed allocation per beneficiary slot. In addition, federal regulations require highly skilled and educated staff that is extremely expensive, and these regulatory requirements which are essential to program success, are also part of what causes costs to exceed the current rate structure.

PROGRAM BACKGROUND

MSSP provides social and health case management services for frail, elderly clients who wish to remain in their own homes and communities. Clients must be aged 65 or older, eligible for Medi-Cal, and certified (or certifiable) as eligible to enter into a nursing home. Teams of health and social service professionals assess each client to determine needed services, and work with the clients, their physicians, families, and others to develop an individualized care plan. Services provided with MSSP funds include: care management; adult social day care; housing assistance; in-home chore and personal care services; respite services; transportation services; protective services; meal services; and, special communication assistance.

CDA currently oversees operation of the MSSP program statewide and contracts with local entities that directly provide MSSP services to around 12,000 individuals. The program operates under a federal Medicaid Home and Community-Based, Long-Term Care Services waiver. The current 2017-18 MSSP budget is approximately \$39.8 million and the proposed 2018-19 MSSP budget remains unchanged.

For 2015-16, 10,829 MSSP clients were served and for 2016-17, the estimated number of MSSP clients served is 10,066. DHCS will verify and submit this data to CMS in December, 2018.

MSSP as Part of the Coordinated Care Initiative. Under California's Coordinated Care Initiative (CCI), most Medi-Cal beneficiaries in CCI counties were to be enrolled in a participating Medi-Cal managed care health plan to receive their Medi-Cal benefits, including MSSP. MSSP sites in a CCI county had entered into contracts with the participating managed care health plans to deliver MSSP waiver services to eligible plan members and were reimbursed by the health plans. In six of the seven CCI counties (Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Santa Clara; excluding San Mateo, which fully transitioned to a managed care benefit), MSSP continued to be a 1915(c) Home- and Community-Based Services waiver benefit until it transitioned to being a fully integrated managed care health plan benefit that is administered and authorized by the plan. However, the 2017-18 Governor's Budget found that the CCI was no longer cost-effective and did not meet the statutory savings requirements, and the CCI was discontinued.

In the remaining six counties, the MSSP sites will continue to contract with the managed care health plans participating in the Cal MediConnect program, which continues mandatory enrollment of dual eligibles, and integrates long-term services and supports (LTSS) (except In-Home Supportive Services) into managed care. MSSP will continue to operate as a waiver program in CCI counties until no sooner than January 2020. In addition, all current MSSP Waiver policies and program standards remain in effect during the transition period. After December 2019, services formerly available under the MSSP waiver will transition from a federal 1915(c) waiver to a fully integrated Medi-Cal managed care LTSS benefit in the CCI counties.

Until the MSSP transition is complete in the remaining six CCI counties, Medicare/Medicaid plans (MMPs) and managed care plans (MCPs) pay the 12 MSSP sites in these six counties a monthly all-inclusive rate of \$357.08 for each MSSP Waiver participant who is enrolled with the MMP or MCP. MSSP Waiver participants in these six counties who are not enrolled with a MCP or MMP currently are receiving MSSP Waiver services from MSSP sites that are reimbursed through the Fee for Service (FFS) model.

Supplemental Reporting Language Update. Pursuant to the Supplemental Report of the 2017-18 Budget Act, the Department of Health Care Services (DHCS) and CDA provided its first biannual update to the Legislature in February. Per the MSSP SRL, items to be discussed with the Legislature include:

- A list and brief summaries of stakeholder and transition meetings to date;
- Status updates on the transition work that has been completed or is in the process of being completed by each CMC demonstration county;

- List of future tasks and activities that need to take place to effectively transition MSSP into managed care plans in all and each of the CMC demonstration counties by January 1, 2020, with estimated start and end dates and list of necessary stakeholders;
- Discussion of how the coordination and management of care will be conducted for various populations, including but not limited to individuals enrolled in a CMC plan, dual eligible beneficiaries that have opted out of CMC, Medi-Cal only seniors and persons with disabilities, and dual eligible that are ineligible for CMC, following the transition of MSSP into managed care;
- Any foreseen or potential issues or risks that may jeopardize the transition of MSSP into managed care or result in delays; and
- A discussion of the Administration's long-term vision of MSSP in the CMC demonstration counties if the pilot is discontinued, and how integration achieved thus far would be unwound without an adverse effect on the MSSP participants, as of December 31, 2019 and if the pilot continues on a more permanent basis.

DHCS has committed to hold quarterly CCI Stakeholder calls with stakeholders, advocates, health plans, MSSP sites, and other interested parties. The next call is scheduled for March 2018. On October 6, 2017, DHCS publically released two transition documents to the California Collaborative for Long-Term Services and Supports for public comment:

1. The *Archive Document for the Multipurpose Senior Services Program Transition: Target Updated from 2018 to 2020* is an archive document that was meant to memorialize the activities conducted and policy guidance developed during 2015 and 2016.
2. The *Transition Plan Framework and Major Milestones* document is more of a living document intended to document the activities and policy guidance developed in 2018-19, in preparation for the 2020 transition

The Administration provided the following funding display for MSSP:

MSSP Expenditures
Department of Health Care Services & Department of Aging

Dollars in thousands

2017-18			
	General Fund	Federal Funds (Title XIX)	Total Funds
State Operations	\$1,360	\$1,572	\$2,932
Local Assistance	\$20,232	\$20,232	\$40,464
Total	\$21,592	\$21,804	\$43,396

2018-19			
	General Fund	Federal Funds (Title XIX)	Total Funds
State Operations	\$1,361	\$1,573	\$2,934
Local Assistance	\$20,232	\$20,232	\$40,464
Total	\$21,593	\$21,805	\$43,398

The chart below, provided by the Administration, shows the breakdown in the MSSP caseload across the counties:

MSSP Participants Served by CalMediConnect (CMC) Counties and Non- CMC Counties

CMC COUNTIES	
	Participant Slots
Los Angeles	2,952
Orange	455
Riverside	248
San Bernardino	276
San Diego	550
San Mateo*	160
Santa Clara County	375
Subtotal CCI County Participant Slots	5,016
NON CMC COUNTIES	
Alameda	377
Amador, Calaveras, Mariposa and Tuolumne	80
Butte, Glenn and Tehama	160
Contra Costa	160
El Dorado	60
Fresno and Madera	251
Humboldt	104
Imperial	160
Kern	167
Kings and Tulare	163
Lake and Mendocino	240
Lassen, Modoc, Shasta, Siskiyou and Trinity	160
Marin	80
Merced	160
Monterey	160
Napa and Solano	160
Placer, Sacramento and Yolo	276
San Francisco	446
San Joaquin	160
Santa Barbara	160
Santa Cruz	160
Sonoma	160
Stanislaus	160
Ventura	160
Yuba	52
Subtotal Non-CMC County Participant Slots	4,376
Unallocated Slots	51
TOTAL	9,443

**San Mateo MSSP transitioned on 10/31/15*

STAFF COMMENT

Staff recommends that the Subcommittee ask the Administration for its reaction and feedback on the advocacy proposal, particularly on how it relates to recommendations in the *State Plan on Aging*, released in the fall of 2017.

Staff Recommendation:

Hold open.

ISSUE 5: ALZHEIMER'S ASSOCIATION ADVOCACY PROPOSAL**PANEL**

- Susan DeMarois, State Policy Director, Alzheimer's Association of California
- Stella De La Pena, Regional Director, Alzheimer's Association, Fresno
- Lora Connolly, Director, CDA
- Luis Bourgeois, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

ADVOCACY PROPOSAL

The Subcommittee is in receipt of an advocacy proposal from the Alzheimer's Association, in partnership with the California Association of Area Agencies on Aging. The proposal is supported by the California Collaborative for Long-Term Supports and Services. Assemblymember Ken Cooley has written in support of this proposal.

The proposal is for \$2.2 million in one-time General Fund to build local capacity to promote early detection and diagnosis of Alzheimer's disease through an evidence-informed, bi-lingual, community-based public outreach initiative. The Alzheimer's Association has provided the following information regarding their proposal:

Currently 2.2 million Californians are directly impacted by Alzheimer's disease and related dementias. The purpose of this one-time budget request is to make statewide progress in closing the unacceptable gap in Alzheimer's diagnosis. Currently, just 45 percent of all persons affected have been formally diagnosed by a clinician. This disparity disproportionately impacts communities of color, where prevalence rates of Alzheimer's are significantly higher yet diagnosis of the disease lags behind that of white Americans.

Early detection matters. As with other chronic conditions, there are numerous benefits to early detection of Alzheimer's disease and related dementias, including:

- Patients have a right to their own health care information, even when a diagnosis is frightening or fatal
- According to California's most recent Behavioral Risk Factor Surveillance System (BRFSS) survey on cognitive decline, 71% of respondents have at least one co-occurring chronic condition (e.g. arthritis, diabetes, heart disease), requiring full knowledge of co-morbidities to self-manage or control
- Advance care planning for future health, legal and financial decisions empowers individuals and families to address their unique needs without delay
- Treatment options exist, including lifestyle interventions and medication management

- Care planning/care coordination deploy resources in support of the individual and caregiver
- Participation in clinical trials gives purpose to patients and help accelerate research into the cause, cure and prevention of Alzheimer's disease for future generations

In a recent "Guide to Quality Care from the Perspectives of People Living with Dementia," participants reported on the value of early detection:

- *"It validated there was something wrong, and I wasn't going crazy."*
- *"You are able to help plan your future and make tough decisions so your family doesn't have to."*
- *"It was confirming. Helpful in that way as I wrestled with what the hell was going on."*
- *"There is life after diagnosis and I have learned to live life to the fullest."*

Data indicates one in 10 adults aged 65 and older and one in three by age 85 are affected by Alzheimer's disease. The most recent Centers for Disease Control (CDC) statistics show Alzheimer's has climbed to the number three cause of death in California, up from number six just a few years ago. State Medi-Cal spending is on track to exceed \$5 billion annually by 2025.

To reach the population at greatest risk of dementia, the Alzheimer's Association proposes a partnership with the 33 Area Agencies on Aging (AAAs), a trusted local resource in California communities. AAAs are highly skilled at information, assistance and referral, but many lack the training and resources to proactively inform the public of the common warning signs of Alzheimer's disease. While the California Legislature and the Brown Administration have invested in clinician training to prepare health care providers (primary care doctors, nurse practitioners, physician assistants), there has not been a systematic, statewide effort to inform the public of the value of early detection and diagnosis.

The proposed funding of \$2.2 million in one-time General Fund (GF) breaks down in the proposal as follows:

Administration (project management, oversight, coordination) – CDA	\$240,000
Statewide AAA Participation (33 x \$45,000 each)	\$1,485,000
<ul style="list-style-type: none"> • Commitment to two regional Train the Trainer (TtT) trainings (pre and post) • Collect and report data • Develop site-specific referral protocol • Procure, produce and actively disseminate materials in multiple languages • Update and provide online resources • Integrate into community outreach activities • Coordinate with county public health department 	

Technical assistance and TtT training (nonprofit Alzheimer’s organization) \$220,000

- Translation services

Evaluation & replication (academic partner)

\$255,000

Total: \$2,200,000

STAFF COMMENT

Staff recommends that the Subcommittee ask the Administration for its reaction and feedback on the advocacy proposal, particularly on how it relates to recommendations in the *State Plan on Aging*, released in the fall of 2017.

Staff Recommendation:

Hold open.

4185 CALIFORNIA SENIOR LEGISLATURE**ISSUE 1: BUDGET AND PROGRAM REVIEW AND ADVOCACY PROPOSAL****PANEL**

- John Pointer, Joint Rules Committee Chair, California Senior Legislature
- Luis Bourgeois, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

ADVOCACY PROPOSAL

Three-Year Financing Plan. The Budget Act of 2017 called for the California Senior Legislature (CSL) to work with the Department of Finance on a longer-term financing plan (please see program background below for more information). This plan was released at the beginning of March 2018. The financing is meant to discuss ways to reduce the Department of General Services' (DGS) state contracting costs, identify ways in which organizational and program activities can be streamlined, and develop additional funding sources.

The report identified that fixed costs of Consolidated and Professional Services (C&PS) (accounting, administration, legal, etc.) Pro Rata fees, and salary and benefits make up a large and increasing portion of the CSL's budget. If current trends continue, CP&S is projected to double within the next five years, and when these are combined with salary and benefits, will consume the CSL budget in out-years.

The report makes the following requests:

1. With Tax Check Off donations averaging approximately \$65,000 for 2015 and 2016, the CSL requested during the 2017 Legislative Session, the reappropriation of unencumbered funds from the 2016-17 temporary funding of \$500,000 (approximately \$265,000 carried over and will be expended by June 30, 2018). The CSL also requested \$375,000 in temporary funding for the 2017-18 budget year. Both requests were included in the 2017-18 Budget approved by the Governor in June 2017. The total funds available to the CSL in 2017-18 budget year exceed \$600,000. The 2017-18 unencumbered funds of approximately \$300,000 will be used to continue CSL operation in 2018-19. In February 2018 CSL requested all unencumbered funds of the 2017-18 temporary funding of \$375,000 General Fund would be reappropriated to the 2018-19 budget year to fund CSL operations. CSL requests the reappropriated funds be available for encumbrance or expenditure until June 30, 2019.

2. CSL has submitted a BCP in February 2018 requesting \$235,000 for state operations. The BCP proposes a two-tiered funding structure. The intent is to provide relief from fixed, nondiscretionary costs/expenses that are increasing diminishing discretionary costs/expenses used to accomplish the CSL mission, and provide an opportunity for CSL to rebuild its revenue base through the Tax Check Off. These costs involve C&PCS fees as well as salary and benefits. These fees have steadily increased over the past decade to the point that they now represent 69% of the CSL budget. The BCP proposes that these two funding sources would be designed to cover nondiscretionary (General Fund) and discretionary cost/expenses (8815 Fund) using both the state General Fund and California Senior Citizen Advocacy Voluntary Contribution Fund (8815) that involve the tax check off and other fundraising involving CSL webpage and crowd funding efforts. CSL is requesting these non-discretionary costs/expenses be funded indefinitely beginning with the 2018-19 budget year using General Fund (0001).

PROGRAM BACKGROUND

SCR 44 (Mello), Chapter 87, Statutes of 1982, established the CSL. The CSL is a nonpartisan, volunteer organization comprised of 40 senior senators and 80 senior assemblymembers, who are elected by their peers in elections supervised by the Advisory Councils in 33 Planning and Services Areas. The CSL's mission is to gather ideas for state and federal legislation and to present these proposals to members of the Legislature and/or Congress. Each October, the CSL convenes a model legislative session in Sacramento, participating in hearing up to 120 legislative proposals.

Since 1983, the CSL has been funded through voluntary contributions received with state income tax returns, appearing as the California Fund for Senior Citizens. State law allows taxpayers to contribute money to voluntary contribution funds (VCFs) by checking a box on their state income tax returns. With a few exceptions, VCFs remain on the tax form until they are repealed by a sunset date or fail to generate a minimum contribution amount. For most VCFs, the minimum contribution amount is \$250,000, beginning in the fund's second year. In 2013 the CSL did not meet the minimum contribution amount, and it fell off the tax check-off for the 2014 tax return. The CSL managed to maintain their funding status through VCF by establishing the new California Senior Legislature Fund through SB 997 (Morrell), Chapter 248, Statutes of 2014, and repealing the California Fund for Senior Citizens. But in 2015, the new VCF revenue was only \$60,000. In 2016, the California Senior Legislature Fund was removed from the tax check-off list once again for not meeting the minimum requirement.

The Legislature included a one-time \$500,000 General Fund appropriation in the Budget Act of 2016 to keep the CSL operative. CSL spent \$235,000 of this in the past year, and the remaining \$265,000 were reappropriated and carried into 2017-18. Combined with the 2017-18 General Fund appropriation of \$375,000, CSL has approximately \$640,000 to spend in the current year. Additionally, as of January 1,

2018, CSL has approximately \$71,000 from the tax check off fund. CSL has estimated their current year expenditures to be \$324,000.

STAFF COMMENT

Staff recommends that the Subcommittee ask the Administration for its reaction and feedback on the advocacy proposal. The Administration's response to the requests in the financing plan for the short and long-term viability of the CSL are important questions for the Subcommittee, as the Legislature has chosen in the past to provide modest support to maintain the stability and operation of the CSL. This has been pursued in the past in the interest of forwarding many of the principles articulated in the *State Plan on Aging*, released in the fall of 2017.

Staff Recommendation:

Hold open.