AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER ELOISE GÓMEZ REYES, ACTING CHAIR

WEDNESDAY, MARCH 27, 2019
2:30 P.M. - STATE CAPITOL, ROOM 444

(PLEASE CONSULT THE DAILY FILE FOR ANY POSSIBLE CHANGES.)

ITEMS TO BE HEARD

LIST OF PANELISTS IN ORDER OF PRESENTATION

4170 CALIFORNIA DEPARTMENT OF AGING

ISSUE 1: BUDGET AND PROGRAM REVIEW

- Fran Mueller, Acting Director, Joe Rodrigues, State Long-Term Care Ombudsman, and Ed Long, Acting Deputy Director of Long-Term Care and Aging Programs, California Department of Aging
- Luis Bourgeois, Department of Finance (DOF)
- Jackie Barocio, Legislative Analyst's Office (LAO)
- Clay Kempf, Executive Director of Santa Cruz/San Benito Area Agency on Aging
- Public Comment

ISSUE 2: BUDGET CHANGE PROPOSAL FOR COMMUNITY-BASED ADULT SERVICES (CBAS)

- Fran Mueller, Acting Director, Joe Rodrigues, State Long-Term Care Ombudsman, and Ed Long, Acting Deputy Director of Long-Term Care and Aging Programs, California Department of Aging
- Luis Bourgeois, Department of Finance (DOF)
- Jackie Barocio, Legislative Analyst's Office (LAO)
- Public Comment

ISSUE 3: LONG-TERM CARE OMBUDSMAN PROGRAM ADVOCACY PROPOSAL

- Assemblymember Jim Wood
- Leza Coleman, Executive Director California Long-Term Care Ombudsman Association (CLTCOA)
- Fran Mueller, Acting Director, Joe Rodrigues, State Long-Term Care Ombudsman, and Ed Long, Acting Deputy Director of Long-Term Care and Aging Programs, California Department of Aging
- Luis Bourgeois, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

ISSUE 4: SENIOR NUTRITION ADVOCACY PROPOSAL

- Clay Kempf, Executive Director of Santa Cruz/San Benito Area Agency on Aging
- Fran Mueller, Acting Director, Joe Rodrigues, State Long-Term Care Ombudsman, and Ed Long, Acting Deputy Director of Long-Term Care and Aging Programs, California Department of Aging
- Luis Bourgeois, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

ISSUE 5: MULTIPURPOSE SENIOR SERVICES PROGRAM (MSSP) ADVOCACY PROPOSAL

- Assemblymember Jim Wood
- Janet Heath, Executive Director, MSSP Site Association
- Fran Mueller, Acting Director, Joe Rodrigues, State Long-Term Care Ombudsman, and Ed Long, Acting Deputy Director of Long-Term Care and Aging Programs, California Department of Aging
- Luis Bourgeois, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

4185 CALIFORNIA SENIOR LEGISLATURE

ISSUE 6: BUDGET/PROGRAM REVIEW AND ADVOCACY PROPOSAL

- Assemblymember Blanca Rubio
- John Pointer, 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

- Fran Mueller, Acting Director, Joe Rodrigues, State Long-Term Care Ombudsman, and Ed Long, Acting Deputy Director of Long-Term Care and Aging Programs, California Department of Aging
- Luis Bourgeois, Department of Finance (DOF)
- Jackie Barocio, Legislative Analyst's Office (LAO)
- Clay Kempf, Executive Director of Santa Cruz/San Benito Area Agency on Aging
- Public Comment

BACKGROUND

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.

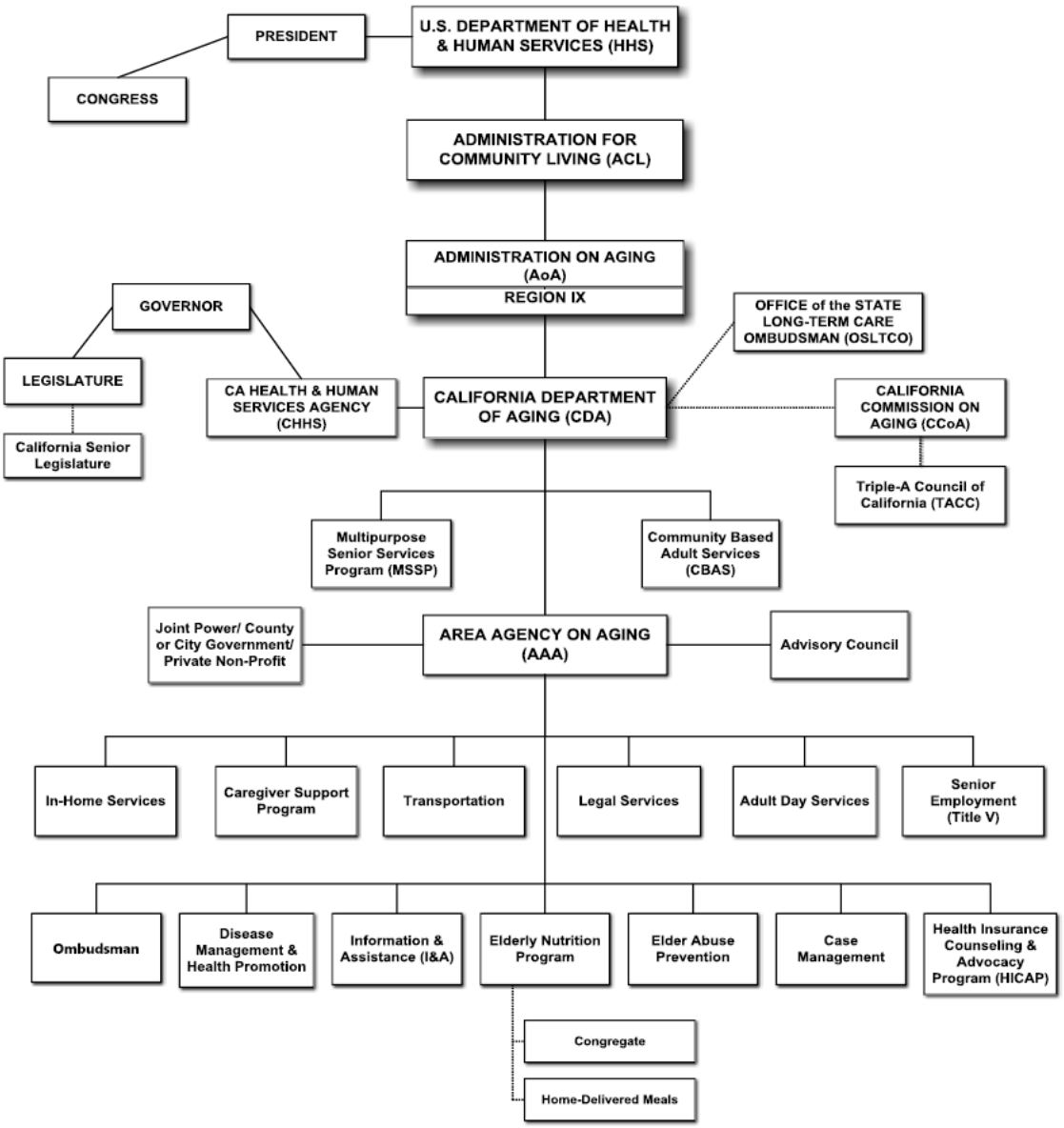
The 2019-20 Governor's Budget includes $206.2 million ($36.7 million General Fund) for the California Department of Aging (CDA). As the federally designated State Unit on Aging, the Department administers federal Older Americans Act (OAA) programs that provide a wide variety of community-based supportive services, and administers the Health Insurance Counseling and Advocacy Program. Approximately three-fourths of CDA's total funding comes from the federal government, including OAA funding and grant funds.

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.

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. Both of these programs are addressed separately in this agenda.

California's Aging Services Network. The schematic on the next page 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 at: https://www.aging.ca.gov/Resources/California_State_Plan_on_Aging_2017-2021/.

CALIFORNIA AGING NETWORK



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.

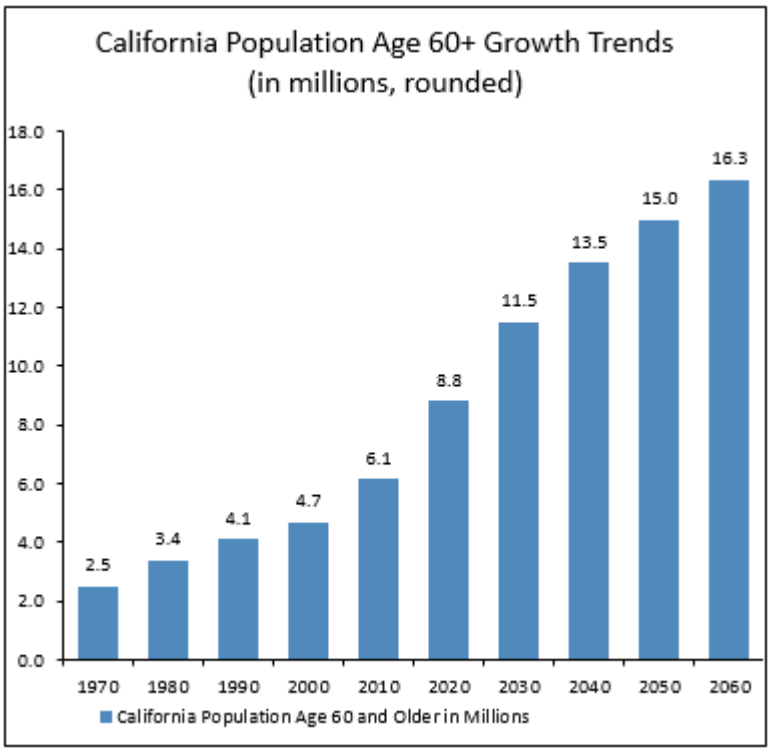
- **Community-Based Programs and Projects.** This program includes the community-based Health Insurance Counseling and Advocacy Program (HICAP). HICAP provides personalized counseling, community education and outreach events for Medicare beneficiaries. Volunteer counselors assist individuals with understanding 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

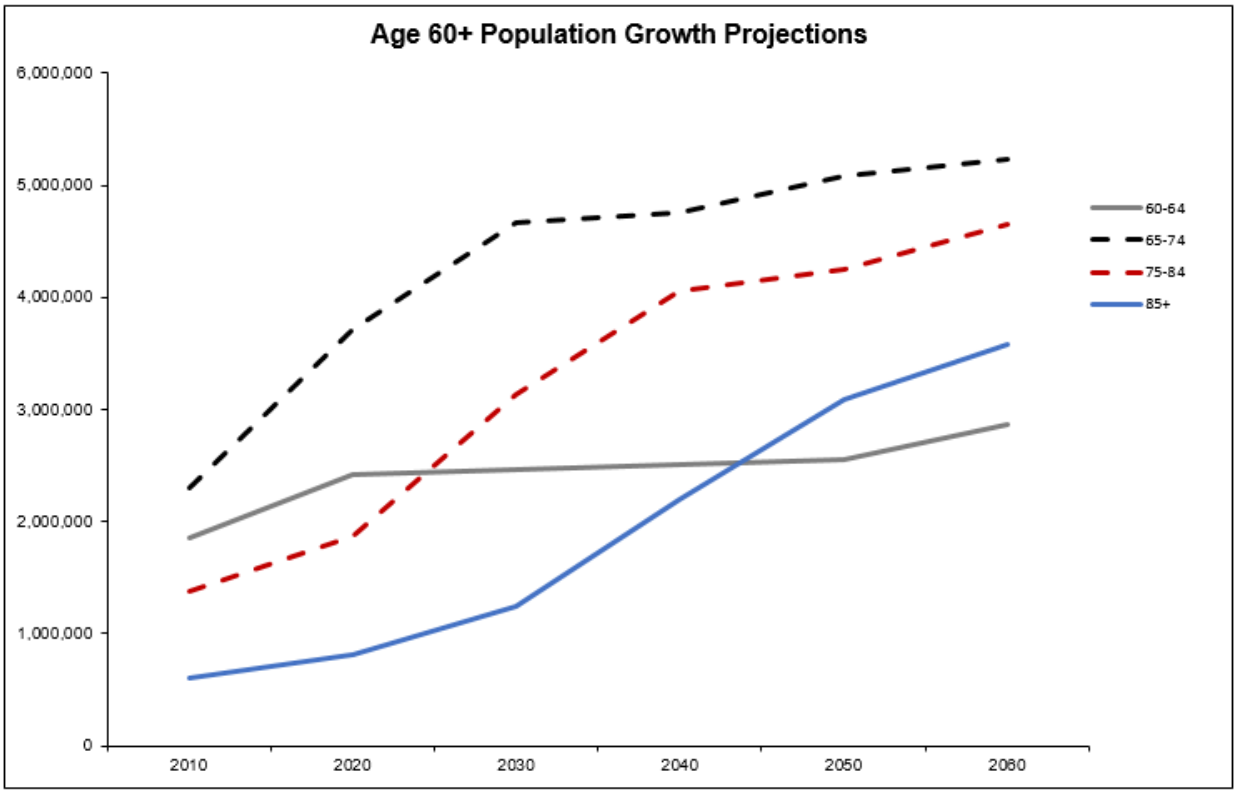
The following information is also from the *California State Plan on Aging 2017-2021.*

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 16.3 million by 2060.



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.

Population	Estimates & Projections					
	2010	2020	2030	2040	2050	2060
60-64	1,856,402	2,415,144	2,466,860	2,513,465	2,546,480	2,862,404
65-74	2,298,602	3,715,087	4,662,532	4,750,433	5,087,922	5,230,631
75-84	1,375,053	1,872,500	3,139,686	4,058,517	4,250,729	4,651,685
85+	607,481	819,026	1,242,175	2,194,287	3,095,685	3,574,997



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 or silver 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 on the following page 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[6]	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 additional General Fund support for the programs operated under CDA, above what was adopted in the 2018 Budget. The changes in the overall budget for CDA are mostly due to federal funding changes over the past few years. These changes are detailed in the tables included on the following pages, provided by CDA:

California Department of Aging
Authority by Fund Source
Dollars in Thousands

Current Year: 2018-19			
Fund Source	State Operations	Local Assistance	TOTAL
General Fund	$4,591	$32,516	$37,107
Federal Funds	$8,634	$178,652	$187,286
State HICAP Fund	$255	$2,246	$2,501
State Health Facility Citations Penalty Account, Special Deposit Fund	$113	$1,094	$1,207
State Department of Public Health Licensing and Certification Program Fund	$0	$400	$400
Skilled Nursing Quality and Accountability Fund	$0	$1,900	$1,900
Reimbursements	$5,520	$6,722	$12,242
TOTAL, ALL FUNDS	$19,113	$223,530	$242,643

Budget Year: 2019-20			
Fund Source	State Operations	Local Assistance	TOTAL
General Fund	$4,911	$31,838	$36,749
Federal Funds	$8,435	$142,400	$150,835
State HICAP Fund	$255	$2,246	$2,501
State Health Facility Citations Penalty Account, Special Deposit Fund	$114	$1,094	$1,208
State Department of Public Health Licensing and Certification Program Fund	$0	$400	$400
Skilled Nursing Quality and Accountability Fund	$0	$1,900	$1,900
Reimbursements	$5,939	$6,722	$12,661
TOTAL, ALL FUNDS	$19,654	$186,600	$206,254

California Department of Aging
Expenditures by Program
* Dollars in thousands

Local Assistance Expenditures	Fiscal Year		
Program	*2017/18**	*2018/19**	*2019/20**
Nutrition			
General Fund	8,306	8,984	8,306
Federal Fund: Title IIIC1, C2 and NSIP	77,077	93,690	69,498
Reimbursements	877	2,163	2,163
Subtotal	**86,260**	**104,837**	**79,967**
Supportive Services			
General Fund	0	0	0
Federal Fund: Title IIIB	51,612	66,690	56,741
Reimbursements	0	66	66
Subtotal	**51,612**	**66,756**	**56,807**
Ombudsman			
General Fund	1,000	3,300	3,300
Federal Fund: Title IIIB, Title VII Ombudsman	2,859	3,108	2,907
State Health Facility Citations Penalty Account	2,094	1,094	1,094
State Department of Public Health Licensing and Certification Program Fund	400	400	400
Skilled Nursing Quality & Accountability Fund	1,900	1,900	1,900
Subtotal	**8,253**	**9,802**	**9,601**
Elder Abuse Prevention			
Federal Fund: Title VII Elder Abuse Prevention	502	471	471
Other State Funds		0	0
Subtotal	**502**	**471**	**471**
Senior Community Employment			
Federal Fund: Title V	6,387	7,339	7,339
Subtotal	**6,387**	**7,339**	**7,339**
Community-Based Program and Projects			
Federal Fund: Financial Alignment/Alzheimer's Grants	637	797	797
Subtotal	**637**	**797**	**797**
Health Insurance Counseling and Advocacy			
HICAP	2,243	2,246	2,246
Federal Fund: State Health Insurance Assistance Program	3,643	4,647	4,647
Reimbursements	4,407	4,493	4,493
Subtotal	**10,293**	**11,386**	**11,386**
MIPPA			
General Fund	0	0	0
Federal Fund[1]	1,586	1,910	0
Subtotal	**1,586**	**1,910**	**0**
Multipurpose Senior Services			
General Fund	20,232	20,232	20,232
Reimbursements			
Subtotal	**20,232**	**20,232**	**20,232**
Grand Total By Fund			
General Fund	29,538	32,516	31,838
State HICAP Fund	2,243	2,246	2,246
Federal Fund	144,303	178,652	142,400
State Health Facility Citations Penalty Account	2,094	1,094	1,094
State Department of Public Health Licensing and Certification Program Fund	400	400	400
Skilled Nursing Quality & Accountability Fund	1,900	1,900	1,900
Reimbursements	5,284	6,722	6,722
Total All Funds	**185,762**	**223,530**	**186,600**

Note: FY2017-18 shows actual expenditures; FY2018-19 and FY2019-20 show budgeted expenditure authority

[1]FY2018-19 includes funding for Medicare Improvements for Patients and Providers Act grant 9/30/18-9/29/19

The following charts from CDA explain the recent changes in federal funds:

California Department of Aging
2019-20 Governor's Budget
Local Assistance: Authority by Fund Source
Dollars in Thousands

Fund Type	Actual Expenditures	Estimated Expenditures	
	2017-18	2018-19 [2]	2019-20 [3]
General Fund [1]	$29,538	$32,516	$31,838
Federal Funds	$144,303	$178,652	$142,400
Title III/VII/NSIP Federal Funds	*$132,050*	*$163,959*	*$129,617*
Other Funds [4]	$11,921	$12,362	$12,362
TOTAL, All Funds	**$185,762**	**$223,530**	**$186,600**

[1] General Fund for 2018-19 includes the following increases:
$678,000 one-time increase from Item 9840-001-0001
$2.3 million increase in Ombudsman to increase the base allocation to the local Ombudsman programs.

[2] Federal Funds for 2018-19 include the increase due to Title III/VII/NSIP increased grant funds, carryover and supplemental Title III/VII/NSIP grant funds.

[3] Federal Funds for SFY 2019-20 does not include the estimated Title III/VII/NSIP grant increase (approx. $16,583,000).

[4] Includes Reimbursements, State HICAP Fund, Special Deposit Fund, CDPH Licensing & Certification Fund & Skilled Nursing Facility Quality & Accountability Fund.

2018-19 Compared to 2019-20		Comments
Increase in FFY 18 Grant Funding	$17,450	Reflects Year 1 (FFY 18) of the $17M Title III increase. CDA was not aware of the Title III increase until May 2018, therefore, the increase of $17M was placed into FY 18-19 contracts.
Increase in FFY 19 Grant Funding	$7,608	This represents a portion of Year 2 (FFY 19) ongoing Title III increase. CDA opted to grant only a portion of the FFY 19 Title III increase into the FY 18-19 contract. The remainder of the $17M will be included in FY 19-20's contract.
FFY 18 Carryover (one-time)	$3,697	Reflects unspent funds from 2017-18 Area Plan contract.
Budget Revision to increase authority from initial grant funding (one-time)	$5,587	This increase reflects the difference between CDA's authority levels and the actual funding award amounts. A Budget Revision was approved to incraese federal fund authority which allowed for full expenditure of awarded grant funds.
Total Title III FY 18-19 Increases	**$34,342**	

PENDING GOVERNOR'S INITIATIVES

Governor Gavin Newsom's State of the State address indicated interest in pursuing both a Master Plan for Aging and an Alzheimer's disease initiative. No further information has yet been received by the Legislature; the understanding is that this is forthcoming. Below is some background information on each issue for the edification of the Subcommittee in preparation for coming conversations on these issues.

Master Plan for Aging. The SCAN Foundation, an independent public charity devoted to transforming care for older adults in ways that preserve dignity and encourage independence, published an open letter to the Governor on this concept, stating:

"It has been a truly historic year already. Your commitment to develop 'a master plan for aging with dignity,' first-stated during your primary election acceptance speech, set you apart from the governors that have come before you. Developing long-term solutions for aging with independence in California is long overdue, and now we offer our support in the next phase.

The state has previously created master plans for critical issues in California, such as higher education and transportation. These master plans have proven durable, useful, and ultimately successful. We now need a master plan for aging.

Master plans are vital for important core topics spanning decades, administrations, and political parties. They lay out a clear vision and comprehensive approach to solving problems. Other states [e.g. Colorado, Connecticut, and Minnesota] have master plans (or similar blueprints) for aging, which greatly improved their services for older adults and their families. As the fifth largest economy in the world, California should be leading on this critical issue, rather than falling behind.

This plan cannot be written overnight, nor should it be written in isolation. Master plans include the input of many experts, advocates, and key stakeholders across the state. Writing a master plan takes thoughtful consideration, and we know you are committed to putting forth an inclusive, transparent process to capture input and consolidate a range of good ideas and strategies.

To be successful, California's Master Plan for Aging must:

- Incorporate strategies that allow older adults to live and age in the place they call home.
- Provide pathways for older Californians – those with Medi-Cal, as well as those with only Medicare but living on fixed means – to have access to affordable health care and a range of services that will help them thrive in their communities as long as possible.
- Improve communication and coordination of care among providers and/or between health and supportive services when circumstances change.
- Recognize that caregivers, both paid and unpaid, are the backbone of our system. We must value them and do a better job supporting them.
- Help Californians understand their care choices and make the most of their health care coverage.
- And finally, aging impacts all public policy in this state. Transportation, Education, Public Safety, Veterans Affairs, and all the other agencies and departments will need to think about aging as they plan for the future and should help inform our state's master plan."

Alzheimer's Initiative. Alzheimer's disease is defined as an irreversible, progressive brain disorder that slowly destroys memory and thinking skills and, eventually, the ability to carry out the simplest tasks. Symptoms usually develop slowly and get worse over time, becoming severe enough to interfere with daily tasks.

Currently 2.2 million Californians are directly impacted by Alzheimer's disease and related dementias. According to the Alzheimer's Association 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. 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.

The CDC and the Alzheimer's Association have together created the Healthy Brain Initiative, and have released a report titled *State and Local Public Health Partnerships to Address Dementia: The 2018-2023 Road Map*. The action steps from this Road Map are included below:

ACTION AGENDA

EDUCATE & EMPOWER

E-1 Educate the public about brain health and cognitive aging, changes that should be discussed with a health professional, and benefits of early detection and diagnosis.

E-2 Integrate the best available evidence about brain health and cognitive decline risk factors into existing health communications that promote health and chronic condition management for people across the life span.

E-3 Increase messaging that emphasizes both the important role of caregivers in supporting people with dementia and the importance of maintaining caregivers' health and well-being.

E-4 Promote prevention of abuse, neglect, and exploitation of people with dementia.

E-5 Provide information and tools to help people with dementia and caregivers anticipate, avert, and respond to challenges that typically arise during the course of dementia.

E-6 Strengthen knowledge about, and greater use of, care planning and related tools for people in all stages of dementia.

E-7 Improve access to and use of evidence-informed interventions, services, and supports for people with dementia and their caregivers to enhance their health, well-being, and independence.

DEVELOP POLICIES & MOBILIZE PARTNERSHIPS

P-1 Promote the use of effective interventions and best practices to protect brain health, address cognitive impairment, and help meet the needs of caregivers for people with dementia.

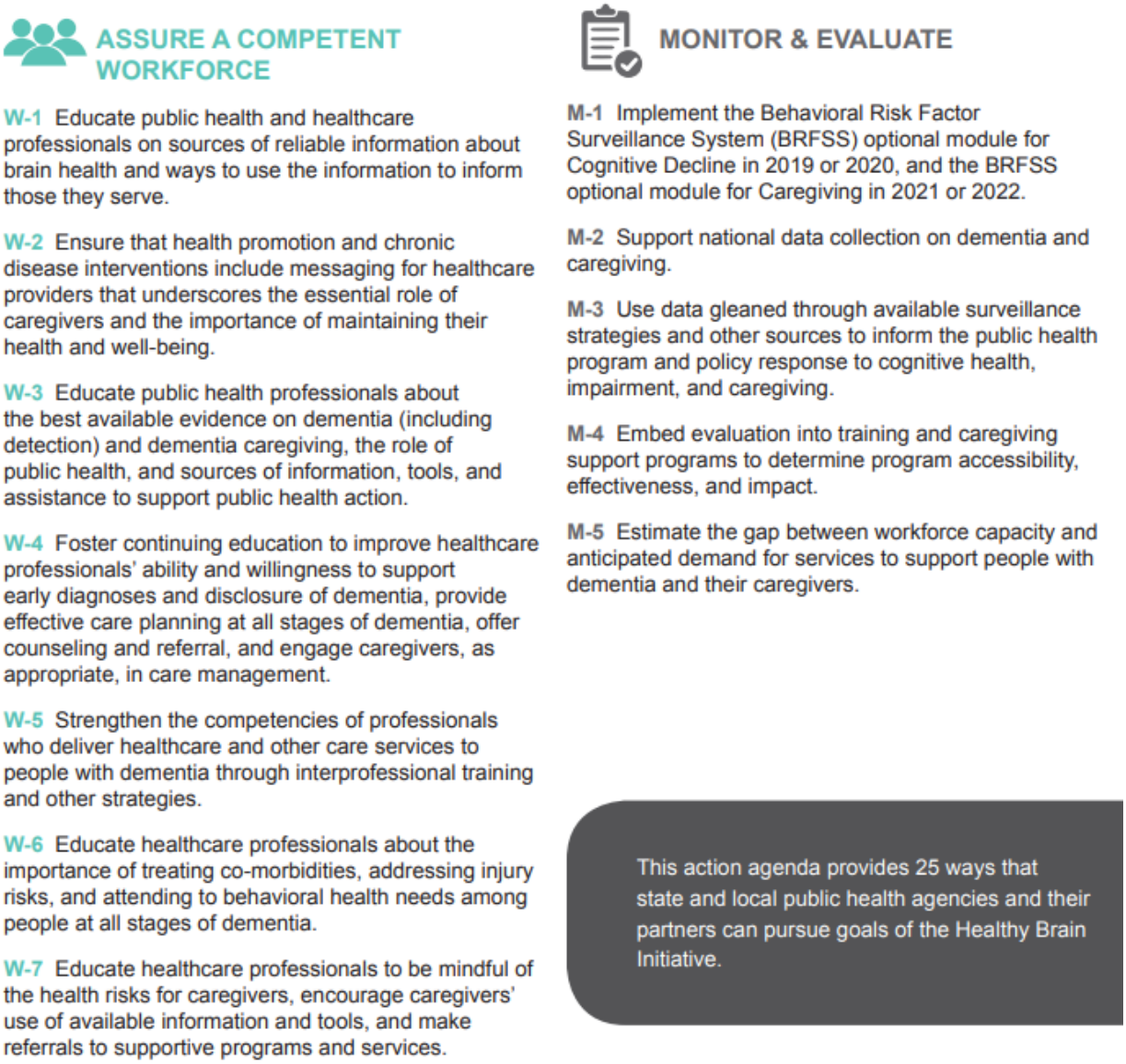
P-2 Assure academic programs, professional associations, and accreditation and certification entities incorporate the best available science about brain health, cognitive impairment, and dementia caregiving into training for the current and future public health workforces.

P-3 Support better informed decisions by educating policymakers on the basics of cognitive health and impairment, the impact of dementia on caregivers and communities, and the role of public health in addressing this priority problem.

P-4 Improve inclusion of healthcare quality measures that address cognitive assessments, the delivery of care planning to people with diagnosed dementia, and improved outcomes.

P-5 Engage public and private partners in ongoing planning efforts to establish services and policies that promote supportive communities and workplaces for people with dementia and their caregivers.

P-6 Assure public health plans that guide emergency preparedness and emergency response address the special needs of people with dementia and their caregivers, support access to critical health information during crises, and prepare emergency professionals for situations involving people with dementia.



STAFF COMMENT/QUESTIONS

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.

The Subcommittee may wish to ask the following questions of the Department of Aging, Department of Finance, and the representative from the Area Agencies on Aging.

1. What are the priority areas of unmet need for aging Californians? Where do we need to focus attention and improve services most?

2. Can the state track older adult needs by program? If not, what do we need to do to start doing this?

3. How are additional federal dollars allocated to the Area Agencies on Aging (AAA)?

4. Please explain the flexibility that AAAs have for spending additional federal monies. What are the upsides and downsides of this flexibility?

5. What are the current conditions for the AAAs? What is the overall fiscal health and where are we hearing about AAAs potentially facing financial hardship and insolvency?

6. Why did the General Fund we use, to match federal funds, not increase to correspond to the additional recent federal allocation?

7. Please explain the prospect for additional federal funds for the 2019-20 year and how the state will react to these additional dollars if they are received.

8. Can CDA or Finance share anything more broadly about plans regarding the Master Plan for Aging and the Alzheimer's Initiative? What is the timeline, and to what extent, can stakeholders and the Legislature be involved in formulating these initiatives?

Staff Recommendation:

Hold open.

ISSUE 2: BUDGET CHANGE PROPOSAL FOR COMMUNITY-BASED ADULT SERVICES (CBAS)

PANEL

- Fran Mueller, Acting Director, Joe Rodrigues, State Long-Term Care Ombudsman, and Ed Long, Acting Deputy Director of Long-Term Care and Aging Programs, California Department of Aging
- Luis Bourgeois, Department of Finance (DOF)
- Jackie Barocio, Legislative Analyst's Office (LAO)
- Public Comment

BACKGROUND

The Community-Based Adult Services (CBAS) program is one of two Medi-Cal programs administered by the CDA. CBAS is a community-based day health program that provides services to older persons and other adults with chronic medical, cognitive, or behavioral health conditions and/or disabilities and are at risk of needing institutional care. The purpose is to delay or prevent institutionalization and maintain individuals in their homes for as long as possible. The CBAS program provides skilled nursing care, social services, therapies, personal care, meals, and transportation at outpatient facilities that are licensed as CBAS centers. As of December 2018, there are 250 approved providers and 36,995 clients served in the CBAS program.

The program is administered under an interagency agreement among the Department of Health Care Services (DHCS), the California Department of Public Health (CDPH), and the CDA. By statute, CDA is responsible for initial certification of new CBAS centers as Medi-Cal providers and must monitor and recertify each CBAS provider at least once every two years. The recertification process consists of analyzing and processing CBAS provider renewal paperwork and fingerprinting, onsite monitoring and interviews, follow-up surveys, written reports, and additional related activities.

The CBAS budget detail for the licensing functions administered by CDA is included on the following page.

TOTAL PROGRAM EXPENDITURES (000s)

TOTAL PROGRAM	FISCAL YR 15/16 [1]	FISCAL YR 16/17 [2]	FISCAL YR 17/18 [3]	FISCAL YR 18/19 [3] ESTIMATED
State Operations	$3,427	$3,510	$4,229	$4,578
Total Program Expenditures	$3,427	$3,510	$4,229	$4,578
General Fund	$2,006	$1,493	$1,884	$2,114
Reimbursements (Federal Title XIX)	$1,421	$2,017	$2,345	$2,464
Total Funds	$3,427	$3,510	$4,229	$4,578

GOVERNOR'S BUDGET CHANGE PROPOSAL (BCP)

The Administration requests $751,000 ($427,000 federal funds and $324,000 General Fund) and four positions to ensure that CBAS provider recertification is occurring within the statutorily required timeframe, and that those providers are complying with new federal rules.

At current staff levels, the thoroughness of the certification renewals has been a challenge and the Department has employed five retired annuitants to address the workload. In the past five years, the days between the onsite provider survey and issuance of a report has increased from 49 to 121, and the percentage of quarterly monitoring calls completed has decreased from 70 percent to 25 percent. The budget proposal includes a request for three Associate Governmental Program Analyst (AGPA) positions and one Nurse Evaluator position to help address the workload.

Below are displays on the resource and workload history from the BCP:

Resource History- State Operations
(Dollars in thousands)

Program Budget	2013-14	2014-15	2015-16	2016-17	2017-18
Authorized Expenditures	3,297	3,398	3,470	4,210	4,392
Actual Expenditures	2,972	2,791	3,427	3,510	4,229
Authorized Positions	16.0	16.0	16.0	20.0	20.0
Filled Positions	15.4	15.2	14.9	17.5	18.7
Vacancies	0.6	0.8	1.1	2.5	1.3

Workload History

Workload Measure	2013-14	2014-15	2015-16	2016-17	2017-18
Percentage of Quarterly Monitoring Calls Completed	70%	53%	45%	57%	25%
Average hours onsite for surveys	18	14	15	21	19
Number of Center Surveys Conducted	122	138	108	95	133
Number of deficiencies issued	891	849	640	691	792
Average deficiencies per center	7	6	6	6	6
Days between survey and issuance of report	49	57	75	102	121
Percentage of certification extensions	69%	82%	95%	99%	100%
Follow-up visits conducted	7	1	6	4	2

The projected outcomes enabled by the BCP resources, if approved, are included below:

Projected Outcomes

Workload Measure	CY 2018-19	BY 2019-20	BY +1 2020-21	BY +2 2021-22	BY +3 2022-23
Number of certification renewals required	121	133	145	157	169
Certification renewals not processed from previous year	93	97	71	42	15
Total to be re-certified	214	230	226	199	184
Anticipated certification renewals with staffing resources*	117	159	184	184	184
Certification renewals not processed in the FY	97	71	42	15	0
New CBAS centers certified**	12	12	12	12	12

*To maintain flexibility in workload staffing this includes two Retired Annuitants, equivalent to one PY.

**These numbers are based on current trends of new applications received annually and a projection of future new applications submitted.

New federal requirements, including the California Medi-Cal 2020 waiver, the Affordable Care Act, and Home and Community Based (HCB) Settings regulations, have contributed to this increased workload and subsequent delays. Now that CBAS is a Medi-Cal managed care benefit, additional standards and processes must be met. The Affordable Care Act also established new requirements that requires ongoing provider review. New HCB regulations that the program must meet by March 2022 will also place an additional workload on the Department.

STAFF COMMENT/QUESTIONS

No issues have yet been raised with this proposal.

Staff Recommendation:

Hold open.

ISSUE 3: LONG-TERM CARE OMBUDSMAN PROGRAM ADVOCACY PROPOSAL

PANEL

- Assemblymember Jim Wood
- Leza Coleman, Executive Director California Long-Term Care Ombudsman Association (CLTCOA)
- Fran Mueller, Acting Director, Joe Rodrigues, State Long-Term Care Ombudsman, and Ed Long, Acting Deputy Director of Long-Term Care and Aging Programs, California Department of Aging
- 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)**. **Assemblymember Jim Wood** has written in support of this proposal. The proposal is for $5.2 million (on-going) General Fund to support regular, timely unannounced facility visits and to cover the cost of investigating an additional 8,000 complaints. The following information was provided by the advocates.

The state and federally mandated purpose of the Long-Term Care Ombudsman Program is to ensure the highest possible quality of life and care for residents of long-term care facilities. Through a combination of paid staff and well-trained certified volunteers, the Ombudsman organizations provide regular, unannounced in-person visits and resident advocacy. They identify and resolve complaints, in addition to ensuring that facilities are free from health and safety issues. They are advocates that work to preserve personal and civil rights of residents, particularly the 60% of residents without family members visiting to observe care and resolve or report problems.

In 2018 Ombudsman representatives provided 66,428 consultations to residents and their responsible parties. Each consultation provided was an opportunity for residents and family members to learn and better advocate for themselves. Ombudsman services strive to empower the older adult, validating that their preferences still matter even if they grow frail or infirm.

Situated in the community, the 35 local LTC Ombudsman Programs are nimble and can respond quickly to emerging situations. Ombudsman representatives from counties that have moved Medi-Cal beneficiaries to managed care have created new advocacy challenges for residents and new opportunities for advocates to improve care. Additionally, Ombudsman representatives tend to be well connected to local fire and law enforcement jurisdictions and have created opportunities in some communities to

improve quality care through systemic training efforts with such departments, albeit on a limited scale due to funding limitations.

Among the LTC Ombudsman Program's roles are to respond to state mandates, many enacted in the 1980s and 1990s, that CLTCOA contends were unfunded when enacted and continue to be severely underfunded, including:

- The LTC Ombudsman Program must witness the Advance Health Care Directive whenever it is executed in a skilled nursing facility.

- The LTC Ombudsman Program must witness transfers of property in excess of $100 when the transfer takes place in a long-term health care facility.

- The LTC Ombudsman Program must report abuse cases to the local district attorney with the consent of the resident or the resident's legal representative.

- The LTC Ombudsman Program must maintain and staff a 24-hour, 7-day per week crisis line.

In response to the years of flat funding, and the increased costs to operate a business, the local programs have reduced staff hours, and transitioned volunteer supervisory positions into field complaint investigators. In July 2017, the Office of the State Long-Term Care Ombudsman reported that local programs had 723 volunteers, the lowest number in the program's history. There were 1,300 volunteers in 2004. While the advocates acknowledge the $2.3 million dollar cost of living adjustment to local program base funding provided in the 2018 Budget, the programs continue to struggle to meet the needs of those that they are charged with serving.

Detail on the two components of the request follow:

- **Unannounced facility visits to the 8,638 licensed LTC facilities:** $3,704,064, the cost for paid staff and volunteers to add an additional 154,336 hours, for unannounced facility visits. In addition to the quarterly visits, these staff and volunteers will respond to recent increases in complaints in facilities that local programs have identified as their hot spot facilities. These facilities will need monthly or weekly visits to reverse the trend of poor quality care and the mistreatment of residents.

- **Complaint Investigations:** $1,504,000 to cover the costs of investigating an additional 8,000 complaints, in addition to the 39,346 complaints that Ombudsmen investigated in 2018. While the goal of the program is to assist residents with self-advocacy there is a growing number of residents that require assistance with complaint investigations. As more Ombudsman representatives are in facilities due to the increase in unannounced facility visits there will be a period of increased identification of complaints.

2018 Ombudsman Program Data	# of Facilities currently not receiving quarterly visits	**Average Hours per quarter** (including travel & documentation)	Additional hours required, per year, to visit once a quarter, the 4,437 facilities not currently being visited
Quarterly Monitoring Visits of Skilled Nursing Facilities	386	16 hrs	24,704 hrs
Quarterly Monitoring Visits of RCFE Facilities	4,051	8 hrs	129,632 hrs
Total Hours Needed to Meet Quarterly Monitoring Visits			**154,336 hrs**

Additional hours needed to meet Quarterly Unannounced Facility Visit AOA recommendation	
Average volunteer to staff ratio per advocacy activity	20.00%
Volunteer Hours	31,018 hrs
Staff Hours	123,469 hrs
Average Hourly Wage and Benefits	$30
Additional staff salary needed to achieve quarterly visits to all 8,471 LTC licensed facilities	**$3,704,064**
Investigate resident and Ombudsman reported complaints	8,000
Cost to investigate single complaint	$188
Cost to investigate additional complaints identified	**$1,504,000**
Cost to conduct quarterly unannounced facility visits, support volunteers, investigate additional complaints and other State and Federally Mandated Ombudsman activities.	**$5,208,064**

An adequately funded Ombudsman Program is a vital part of the long-term care safety net. When Ombudsman Programs can fulfill the State and federal service mandates, not only do care facility residents benefit with higher quality of life and care, but the State reduces costs for new complaints that would otherwise be referred directly to the licensing agencies. The advocates state that this proposal is truly an "ounce of prevention is worth a pound of cure" situation.

Additionally, CLTCOA is asking for consideration of the following:

- Update the Budget Bill Language associated with the possible transfer of funds from the State Health Facilities Citation Penalties Account within the Department of Public Health to allow for a September 30 assessment of the "actual" balance of the account, versus the projection made at the May Revision. This could facilitate the transfer of available $1 million in otherwise unused account balance in said fund. The current language resides in Item 4265-002-0942 of the introduced 2019-20 Budget Bill, AB 190 (Assemblymember Ting).

- As raised in a May 2018 Bureau of State Audits report on California's skilled nursing facilities entitled *Skilled Nursing Facilities: Absent Effective State Oversight, Substandard Quality of Care Has Continued*, consider modifying the use of the Skilled Nursing Facilities Quality Assurance Fee (QAF). The LTC Ombudsman Program is an allowable use of these funds and receives $1.9 million annually, which began in 2011. CLTCOA urges consideration of an increase in these funds. Welfare and Institutions Code 14126.02 (C) (d) (1), which originally authorized this transfer, states. "It is further the intent of the Legislature to increase this level of appropriation in subsequent years to provide support sufficient to carry out the mandate and activities pursuant to Chapter 11 (commencing with Section 9700) of Division 8.5."

Historical transfers from both sources are detailed in the funding chart on the next page.

FUNDING BACKGROUND

Historical Funding for CA Local LTC Ombudsman Programs 2002-2019 & Proposed 19-20

TIME PERIOD	GENERAL FUND	TOTAL FEDERAL FUND	FEDERAL HEALTH FACILITIES CITATION PENALTIES ACCOUNT	STATE HEALTH FACILITIES CITATION PENALTIES ACCOUNT	SNF QAF	L&C PROGRAM FUND	CUMULATIVE FEDERAL & STATE LOCAL PROGRAM FUNDING
2002-2003	3,802,000	2,325,800	0	0	0	0	6,127,800
2003-2004	3,802,000	2,502,000	2,340,000	0	0	0	8,644,000
2004-2005	3,801,521	2,520,627	1,442,000	0	0	0	7,764,148
2005-2006	3,801,521	2,520,627	1,442,000	0	0	0	7,764,148
2006-2007	3,801,521	2,566,313	1,442,000	0	0	0	7,809,834
2007-2008	3,869,521	2,572,157	1,442,000	0	0	0	7,883,678
2008-2009	0	2,584,298	1,442,000	0	0	0	4,026,298
2009-2010	0	2,630,461	3,042,000	0	0	0	5,672,461
2010-2011	680,000	2,749,851	462,000	0	1,900,000	0	5,791,851
2011-2012	0	2,763,110	0	1,142,000	1,900,000	0	5,805,110
2012-2013	0	2,750,648	0	1,142,000	1,900,000	0	5,792,648
2013-2014	0	2,580,219	0	1,142,000	1,900,000	0	5,622,219
2014-2015	0	2,661,831	0	1,094,000	1,900,000	0	5,655,831
2015-2016	1,000,000	2,836,423	0	2,094,000	1,900,000	400,000	8,230,423
2016-2017	1,000,000	2,671,391	0	2,094,000	1,900,000	400,000	8,065,391
2017-2018	1,000,000	2,678,282	0	2,094,000	1,900,000	400,000	8,072,282
2018-2019	3,300,000	2,949,638	0	1,094,000	1,900,000	400,000	9,643,638
Proposed 2019-2020	3,300,000	2,868,078	0	1,094,000	1,900,000	400,000	9,562,078

General Fund: monies collected from state personal and business taxes to finances the activities of the state.
Federal Funds: a combination of Title III-B and Title VII monies to support the LTCOP and Elder Abuse Advocacy Activities.
Federal Health Citation Penalties Account: Citation revenue collected by the Department of Public Health from skilled nursing facilities for violations of federal facilities regulations. After 2010 CMS would no longer permit the use of these monies for any ongoing or mandated activities of the local program.
State Health Facilities Citation Penalties Account: Citations revenue derived from the violation of state facilities regulations. Ongoing allocation of $1,094,000 and up to an additional $1,000,000 award if the fund account balance exceeds $6,000,000 at the time of the Governors May revise.
SNF QAF: Skilled Nursing Facility Quality and Accountability Special Fund: federal matched money awarded to participating SNF's money for having successfully achieved benchmarks for quality of care. In 2010 the legislature included an on-going allocation from this fund to support the activities of the Ombudsman Program; as the work of the program leads to improved quality of life and quality of care for residents living in SNFs.
L & C Program Fund: Skilled Nursing Facility Bed fee: an annual per bed fee collected through the Department of Licensing and Certification to provide funding assistance for the activities of the local program.

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.

The 2018 Budget included $2.3 million 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 of a maximum of $35,000 per site to $100,000 per site uniformly for all local programs. This unrealistically low base necessitated the use of funds designated for program activities for support of the program office.

PROGRAM BACKGROUND

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).

ADMINISTRATIVE DATA

ADMINISTRATIVE DATA [10]	FISCAL YR 15/16	FISCAL YR 16/17	FISCAL YR 17/18	FISCAL YR 18/19 [11] ESTIMATED
Local Ombudsman Programs	35	35	35	
Paid Staff	174	198	175	
Volunteers	749	738	646	
Total LTC Beds	299,210	304,640	302,295	
Skilled Nursing Facilities	1,252	1,244	1,234	
Residential Care Facilities	7,386	7,406	7,237	

PERFORMANCE DATA

PERFORMANCE DATA [10] Complaints by Category	FISCAL YR 15/16	FISCAL YR 16/17	FISCAL YR 17/18	FISCAL YR 18/19 [11] ESTIMATED
Residents' Rights				
A: Abuse, Gross Neglect, Exploitation	8,414	9,222	9,209	
B: Access to Information	813	728	637	
C: Admission, Transfer Discharge, Eviction	2,582	2,570	2,365	
D: Autonomy, Choice, Exercise of Rights, Privacy	2,829	2,816	2,539	
E: Financial, Property (except for financial exploitation)	1,923	1,940	1,948	
Resident Care				
F: Care	8,845	9,049	8,675	
G: Rehabilitation or Maintenance of Function	790	824	738	
H: Restraints-Chemical and Physical	190	173	159	
Quality of Life				
I: Activities and Social Services	5,232	5,337	4,983	
J: Dietary	1,577	1,558	1,304	
K: Environment	3,416	3,083	2,634	

Administration				
L: Policies, Procedures, Attitudes, Resources	564	480	412	
M: Staffing	1,068	1,014	904	
Complaints Not Against Facility				
N: Certification/ Licensing Agency	94	69	86	
O: State Medicaid Agency	60	65	29	
P: System/Others	1,771	1,601	1,299	
Q: Complaints in other than a Nursing Home/ Residential Care Facility	1,620	1,305	1,425	
Total Complaints	41,788	41,834	39,346	
Total Cases Closed	33,448	33,559	31,519	
Total Complaints Verified	25,120	26,092	23,331	
a) Partially Resolved	6,625	6,548	6,362	
b) Resolved to the Satisfaction of the Resident	21,350	21,550	20,047	
c) Total of Resolved and Partially Resolved Complaints	27,975	28,098	26,409	
d) Percentage of Total Complaints Resolved and Partially Resolved	67%	67%	67%	

COMPLIANCE WITH FEDERAL LAW

In their evaluation of the Long-Term Care Ombudsman Program, the Institute of Medicine recommended that there should be one, full-time equivalent Ombudsman for every 2,000 long-term care (nursing home & assisted living/board and care) beds.

According to the Department of Aging, as of September 30, 2018, California has 1,234 nursing homes and 7,237 assisted living/board and care homes, for a combined total of 302,295 long-term care beds. Using the Institute of Medicine's recommended ratio, as do other states, California would need 151 full-time equivalent positions. As of September 30, 2018, local Long-Term Care Ombudsman programs had 127.11 full-time equivalent positions.

Federal law requires that residents have regular, timely, private, and unimpeded access to the LTC Ombudsman services. Federal instructions to states further specifies that "regular" basis means no less frequently than quarterly. These citations, provided by the Department at the request of the Subcommittee, are copied below for reference.

The Ombudsman shall be responsible for the management, including the fiscal management, of the Office.

(3) FUNCTIONS.—The Ombudsman shall serve on a full-time basis, and shall, personally or through representatives of the Office—

(A) identify, investigate, and resolve complaints that—

(i) are made by, or on behalf of, residents, including residents with limited or no decisionmaking capacity and who have no known legal representative, and if such a resident is unable to communicate consent for an Ombudsman to work on a complaint directly involving the resident, the Ombudsman shall seek evidence to indicate what outcome the resident would have communicated (and, in the absence of evidence to the contrary, shall assume that the resident wishes to have the resident's health, safety, welfare, and rights protected) and shall work to accomplish that outcome; and

(ii) relate to action, inaction, or decisions, that may adversely affect the health, safety, welfare, or rights of the residents (including the welfare and rights of the residents with respect to the appointment and activities of guardians and representative payees), of—

(I) providers, or representatives of providers, of long-term care services;

(II) public agencies; or

(III) health and social service agencies;

(B) provide services to assist the residents in protecting the health, safety, welfare, and rights of the residents;

(C) inform the residents about means of obtaining services provided by providers or agencies described in subparagraph (A)(ii) or services described in subparagraph (B);

(D) ensure that the residents have regular, timely, private, and unimpeded access to the services provided through the Office and that the residents and complainants receive timely responses from representatives of the Office to complaints;

(E) represent the interests of the residents before governmental agencies and seek administrative, legal, and other remedies to protect the health, safety, welfare, and rights of the residents;

The following excerpt is from the federal Office of Management and Budget policy directive to states, OMB NO: 0985-0005, expiration date of 02/29/2020:

6. ***Facility Coverage***

Document the number of facilities (unduplicated count) covered on a *regular basis*, not in response to a complaint, by paid and volunteer Ombudsmen. ***Regular basis*** **means no less frequently than quarterly.** Note that the information requested is the unduplicated number of facilities visited, not the number of visits. If there is no visitation program, type N.A.

STAFF COMMENT/QUESTIONS

Staff recommends that the Subcommittee ask the Administration for its reaction and feedback on the advocacy proposals, particularly on how they relate to recommendations in the *State Plan on Aging* and the pending work from the Governor and Administration on the Master Plan for Aging.

Staff also suggests that the Subcommittee consider posing the following questions to the Administration:

1. What is needed to respond to the federal standard on facility visits and why is California not meeting this standard?

2. Has the Administration considered a change to the amount of funding going to the LTC Ombudsman Program from the Quality Assurance Fee?

3. Has the Administration considered a change to the timing and construction of the Budget Bill Language related to the State Health Facilities Citation Penalties Account?

Staff additionally suggests that if an investment is made to augment the LTC Ombudsman Program to fund the ability for the program to visit all facilities on at least a quarterly basis, that trailer bill language be considered to codify this practice.

Staff Recommendation:

Hold open.

ISSUE 4: SENIOR NUTRITION ADVOCACY PROPOSAL

PANEL

- Clay Kempf, Executive Director of Santa Cruz/San Benito Area Agency on Aging
- Fran Mueller, Acting Director, Joe Rodrigues, State Long-Term Care Ombudsman, and Ed Long, Acting Deputy Director of Long-Term Care and Aging Programs, California Department of Aging
- 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** and **Meals on Wheels California**. The advocates are requesting $17.5 million in on-going General Fund support to increase funding for senior nutrition programs. They state that the added dollars will provide for an additional 1.2 million meals per year and serve an additional 12,000 older Californians. Without additional funding, 10,000 fewer meals per week will be provided in the coming year due to the escalating cost of food and service delivery. The following information was provided by the advocates.

The imperative for increasing senior nutritional funding this year is especially serious given the absence of an increase in this funding for a decade, even as the cost of a meal has been increasing at an annual average of $0.29. California has fallen dangerously behind in addressing hunger issues among its senior population, and this budget proposal is a vital step in reversing that course and meeting the most basic food needs of older adults.

Over the last ten years, the percentage of the population age 60 and older that faces food insecurity has increased by 45% (Ziliak & Gunderson, 2015). Among California seniors, studies show that one out of six are dealing with the threat of hunger. California has the eleventh highest rate of senior food insecurity in the nation (United Heath Foundation, 2015).

Food insecurity is linked to poor health status (Stuff et al, 2004) and malnutrition. Malnutrition can lead to loss of weight and strength, greater susceptibility to disease, confusion, diabetes, osteoporosis, stroke, and cancer (World Health Organization, 2015). Malnutrition also leads to increased visits to emergency rooms, increased lengths of hospital days, and discharges to higher levels of care (Charlton et al, 2012).

California is home to some 7.8 million older adults (California State Plan on Aging 2017-2021). The percent of older Californians facing the threat of hunger is 16.33 %. That

means that nearly 1.274 million Californians over the age of 60 are considered food insecure. About 50% of older persons suffer from malnutrition. Over one million are threatened by hunger each day.

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.

CDA has provided the following information for the Home Delivered Meals program:

TOTAL PROGRAM	FISCAL YR 15/16 [1, 2]	FISCAL YR 16/17 [3, 4]	FISCAL YR 17/18 [5, 6]	FISCAL YR 18/19 [7] ESTIMATED
Local Assistance	$42,253	$43,237	$42,221	$49,825
State Operations	$1,007	$972	$1,314	$1,381
Total Program Expenditures	$43,260	$44,209	$43,535	$51,206
General Fund	$4,615	$6,668	$4,688	$4,703
Federal Fund (Title IIIC-2)	$30,617	$29,654	$30,811	$38,195
Federal Fund (NSIP)	$8,028	$7,887	$8,036	$8,308
Total Funds	$43,260	$44,209	$43,535	$51,206

DEMOGRAPHICS [11]	FISCAL YR 15/16	FISCAL YR 16/17	FISCAL YR 17/18	FISCAL YR 18/19 [9] ESTIMATED
Total Unduplicated Participants	55,266	55,464	53,809	
Race:				
White	37,301	31,221	29,946	
Black or African American	7,264	7,430	7,215	
Asian	3,158	3,448	3,607	
Asian Indian	82	92	97	
Cambodian	9	10	11	
Chinese	888	970	1,055	
Filipino	809	914	945	
Japanese	584	571	570	
Korean	142	181	180	
Laotian	13	37	50	
Vietnamese	134	159	175	
Other Asian	497	514	524	
American Indian or Alaska Native	596	564	587	
Native Hawaiian or Other Pacific Islander	272	255	224	
Guamanian	6	7	5	
Hawaiian	24	23	20	
Samoan	22	23	19	
Other Pacific Islander	220	202	180	
Other Race	3,403	3,742	3,956	
Multiple Race	585	1,022	1,316	
Ethnicity:				
Hispanic/Latino	8,280	9,442	9,191	
Gender:				
Female	33,769	33,509	31,051	
Male	21,187	21,528	21,643	
60-74	19,757	20,260	19,932	
75-84	16,328	16,528	16,096	
85+	18,129	17,900	17,037	
High Nutritional Risk	37,712	42,110	40,923	
Rural	9,180	9,136	8,897	
Lives Alone	28,133	28,672	27,927	
Poverty	28,591	28,642	28,643	

The **Congregate Nutrition** program provides 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 seven million congregate meals are served every year to some 168,000 recipients.

CDA has provided the following information for the Congregate Nutrition program:

TOTAL PROGRAM	FISCAL YR 15/16 [1, 2]	FISCAL YR 16/17 [3, 4]	FISCAL YR 17/18 [5, 6]	FISCAL YR 18/19 [7] ESTIMATED
Local Assistance	$40,980	$38,761	$41,174	$52,171
State Operations	$1,361	$1,325	$1,410	$1,851
Total Program Expenditures	$42,341	$40,086	$42,584	$54,022
General Fund	$3,836	$3,725	$3,741	$3,761
Federal Fund (Title IIIC-1)	$33,187	$31,330	$33,746	$45,053
Federal Fund (NSIP)	$5,318	$5,031	$5,097	$5,208
Total Funds	$42,341	$40,086	$42,584	$54,022

PERFORMANCE DATA [8]	FISCAL YR 15/16	FISCAL YR 16/17	FISCAL YR 17/18	FISCAL YR 18/19 [9] ESTIMATED
Total Meals Served	6,944,381	7,173,588	6,965,268	
Average Meals per Day [10]	27,778	28,694	27,861	

DEMOGRAPHICS [11]	FISCAL YR 15/16	FISCAL YR 16/17	FISCAL YR 17/18	FISCAL YR 18/19 [9] ESTIMATED
Total Unduplicated Participants	168,086	164,974	161,299	
Race:				
White	64,401	58,883	55,832	
Black or African American	11,338	10,932	10,961	
Asian	35,408	37,707	38,002	
Asian Indian	1,246	1,254	1,213	
Cambodian	157	160	147	
Chinese	17,269	18,735	19,427	
Filipino	4,812	4,868	5,118	
Japanese	2,551	2,450	2,474	
Korean	2,222	2,893	2,733	
Laotian	348	359	325	
Vietnamese	1,607	1,765	2,086	
Other Asian	5,196	5,223	4,479	
American Indian or Alaska Native	1,558	1,538	1,462	
Native Hawaiian or Other Pacific Islander	1,748	1,608	1,451	
Guamanian	180	171	152	
Hawaiian	114	106	108	
Samoan	83	85	95	
Other Pacific Islander	1,371	1,246	1,096	
Other Race	10,477	12,063	12,963	
Multiple Race	1,815	3,763	5,094	
Ethnicity:				
Hispanic/Latino	36,274	38,953	38,961	
Gender:				
Female	101,377	99,588	95,099	
Male	63,900	62,673	62,293	
60-74	83,793	82,587	80,741	
75-84	51,331	50,592	50,045	
85+	27,228	26,524	25,886	
High Nutritional Risk	41,620	44,301	43,667	
Rural	20,093	19,333	18,580	
Lives Alone	58,346	58,561	58,147	
Poverty	70,281	70,291	68,590	

STAFF COMMENT/QUESTIONS

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* and the pending work from the Governor and Administration on the Master Plan for Aging.

Staff additionally suggests asking the Administration how it might assess unmet need in this program given the startling and persistent statistics about senior poverty and hungry seniors in California going without food.

This request has come before the Subcommittee year after year since the General Fund reductions were made in the midst of the Great Recession, ten years ago.

Staff Recommendation:

Hold open.

ISSUE 5: MULTIPURPOSE SENIOR SERVICES PROGRAM (MSSP) ADVOCACY PROPOSAL

PANEL

- Assemblymember Jim Wood
- Janet Heath, Executive Director, MSSP Site Association
- Fran Mueller, Acting Director, Joe Rodrigues, State Long-Term Care Ombudsman, and Ed Long, Acting Deputy Director of Long-Term Care and Aging Programs, California Department of Aging
- 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 a one-time $25 million General Fund augmentation over three years to provide supplemental increases for MSSP sites. **Assemblymember Jim Wood** has written in support of this proposal. The MSA has provided the following information for their proposal.

Medi-Cal funding for MSSP had been flat and was subsequently reduced twice (FY 2008 and 2011) during the recession years. No additional funding has been secured since. However, the cost of professional staff and operations has increased considerably, including salaries, worker's compensation, staff training and development, rent and utilities. Additionally, MSSP sites spend up to 28 percent of their overall program allocation purchasing critical services and equipment (waiver services) needed by our clients when other public or private resources are not available to meet their need. The chart on the next page provides additional detail on this aspect.

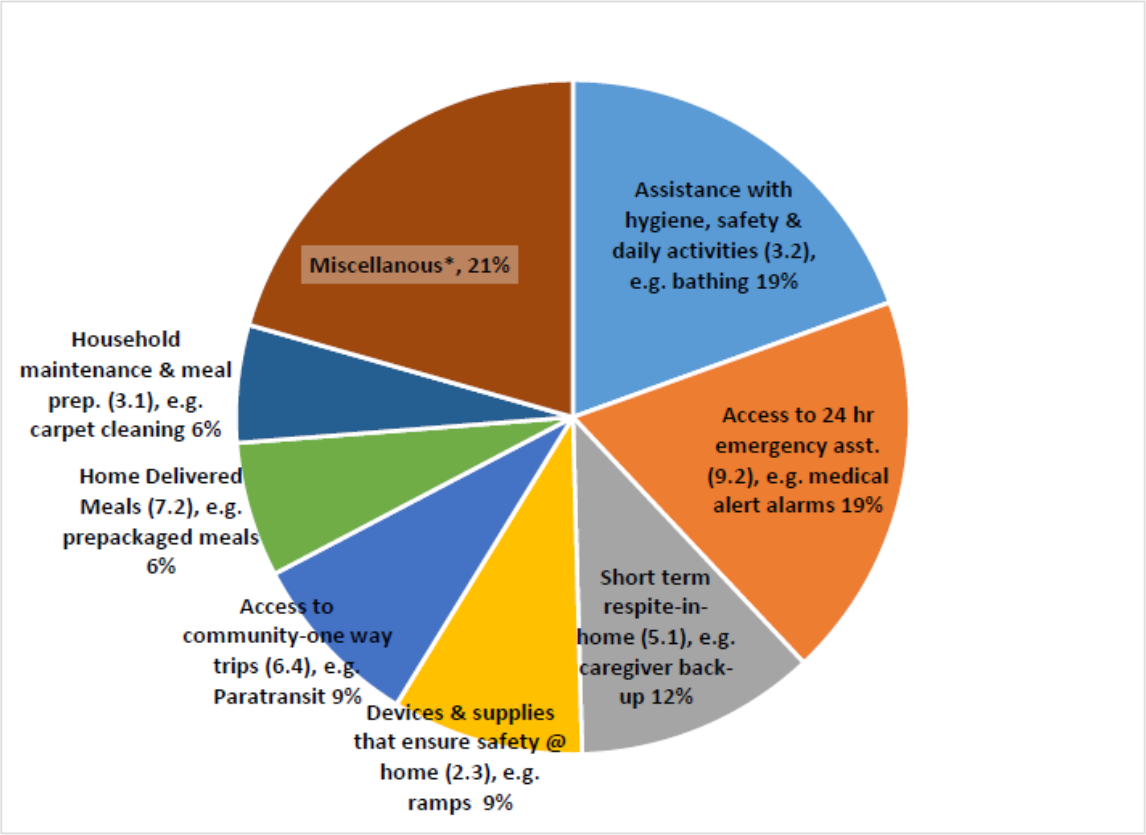
The MSSP Site Association suggests the funding formula presented below as to how funds will be distributed through a one-time-only $24.9 million allotment spread over a three-year period. A first year 25 percent rate increase based on California's inflationary rate between 2006-2017, will allow MSSP sites to rebuild and stabilize existing programs that have not seen a rate increase in 13 years, compounded with two budget cuts totaling 22.5 percent during the 13 years. The budget cuts necessitated a reduction in client slots statewide by 2,497.

This funding proposal will begin fully funding the lost slots over a two-year period. Half of the slots will be restored in both years 2 and 3, bringing California back to the maximum slots allotted by the waiver, which will significantly reduce the current waitlist for those who are in need of this service.

	Annual Per Client Rate	Change	Slots	Change	Total Cost (GF & Federal dollars)	Total Increase	GF Increase
Base currently	$4284.96		9232		$39,558,750.72		
Year 1	$5356.20	25% increase	9232		$49,448,438.40	$9,889,687.68	$4,944,843.84
Year 2	$5356.20	0	10,481	+1249	$56,138,332.20	$16,579,581.48	$8,289,790.74
Year 3	$5356.20	0	11,729	+1248	$62,822,869.80	$23,264,119.08	$11,632,059.54
Total:							$24,866,694.12

Purchased Services Provided by MSSP Sites with Medi-Cal Waiver Funds

(March 2016 – April 2017)



*The Miscellaneous category includes:

Protective supervision
Minor home repair/Adaptive equipment
Staples for after hospitalization
Professional services (e.g. pharmacist, nutritionist)
Therapeutic counseling
Emergency utility service
Translation/Interpretation
Adult day care
Emergency move
Money management
Socialization & monitoring
Purchased care management

The advocates state that MSSP is tremendously cost-beneficial to the Medi-Cal Program, and strongly desires to continue to serve frail clients as it has done so for over 40 years. Additional funding will:

- Significantly reduce the number of potential beneficiaries waiting for MSSP services, currently 1,500 statewide.
- Stop the attrition of current staff by offering competitive salaries and benefits.
- Add additional experienced and specialty care management staff (i.e. mental health expertise, graduate level social workers).

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 individuals. The program operates under a federal Medicaid Home and Community-Based, Long-Term Care Services waiver. The current 2018-19 MSSP Local Assistance budget is approximately $39.8 million and the proposed 2019-20 MSSP budget remains unchanged.

For 2016-17, 10,066 MSSP clients were served and for 2017-18, the estimated number of MSSP clients served is 10,464. Additional demographic detail for the MSSP client population is included on the following page.

DEMOGRAPHICS	FISCAL YR 15/16	FISCAL YR 16/17	FISCAL YR 17/18 [5]	FISCAL YR 18/19 [5] ESTIMATED
Total Clients	10,829	10,066		
Race/Ethnicity:				
Black/African American	1,186	1,078		
Hispanic/Latino	3,240	2,894		
American Indian/Alaska Native	60	75		
Asian/Pacific Islander	1,722	1,062		
Total Minority	6,208	5,109		
Non-Minority	4,219	4,957		
Gender:				
Female	8,186	7,529		
Male	2,643	2,537		
Age:				
65-74	2,689	2,660		
75-84	4,308	3,946		
85+	3,832	3,460		

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 Governor's 2017-18 Budget found that the CCI was no longer cost-effective and did not meet the statutory savings requirements; 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, and will continue to integrate 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 2023. In addition, all current MSSP Waiver policies and program standards remain in effect during the transition period. After December 2022, 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) will 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.

DHCS continues to hold quarterly CCI Stakeholder calls with advocates, health plans, MSSP sites and other interested parties. DHCS and CDA are working together to revise the Transition Plan Framework and Major Milestones document originally released in January 2018 to reflect the extension of the timeline for transition until January 2023. A Model of Care workgroup convened over the course of the last year to engage representatives from MSSP sites, managed care health plans and their respective associations to discuss what the MSSP benefit will look like following the transition of the wavier to a managed health care plan benefit.

The Administration provided the following funding display for MSSP:

MSSP Expenditures
Department of Health Care Services & Department of Aging

Dollars in Thousands

2018-19			
	General Fund	Federal Funds (Title XIX)	Total Funds
State Operations	$1,413	$1,634	$3,047
Local Assistance	$19,889	$19,889	$39,778
Total	$21,302	$21,523	$42,825

2019-20			
	General Fund	Federal Funds (Title XIX)	Total Funds
State Operations	$1,411	$1,632	$3,043
Local Assistance	$19,889	$19,889	$39,778
Total	$21,300	$21,521	$42,821

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*

DEMOGRAPHICS	FISCAL YR 15/16	FISCAL YR 16/17
Total Clients	10,829	10,066
Race/Ethnicity:		
Black/African American	1,186	1,078
Hispanic/Latino	3,240	2,894
American Indian/Alaska Native	60	75
Asian/Pacific Islander	1,722	1,062
Total Minority	6,208	5,109
Non-Minority	4,219	4,957
Gender:		
Female	8,186	7,529
Male	2,643	2,537
Age:		
65-74	2,689	2,660
75-84	4,308	3,946
85+	3,832	3,460

STAFF COMMENT/QUESTIONS

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* and the pending work from the Governor and Administration on the Master Plan for Aging.

Staff Recommendation:

Hold open.

4185 CALIFORNIA SENIOR LEGISLATURE

ISSUE 6: BUDGET/PROGRAM REVIEW AND ADVOCACY PROPOSAL

PANEL

- Assemblymember Blanca Rubio
- John Pointer, California Senior Legislature
- Luis Bourgeois, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

ADVOCACY PROPOSAL

Assemblymember Blanca Rubio and has written a letter co-signed by 12 additional Members from both the State Assembly and the State Senate, from both sides of the aisle, requesting $425,000 General Fund on-going to support the continued operations and programmatic work of the California Senior Legislature (CSL). Information from the letter is included below:

"For 38 years, the CSL has fought successfully for California seniors, and because of their actions, millions of seniors are living better lives. For almost four decades, the CSL has helped our state's seniors have a stronger voice in determining their future. Now, the organization is in desperate need of our help to continue their legacy of preserving and enhancing the quality of life for older Californians and their families.

The CSL was founded through the efforts of former State Senator Henry J Mello, who in 1980 lead a popular effort through ACR 129 calling the initial session of the 'Silver-Haired Legislature', a forum used by California Seniors to develop legislative priorities to present to State Legislative Members.

The CSL has relied upon the income tax check-off program as its primary source of operating revenue. However, in recent years the CSL has experienced a severe drop-off in donations. This resulted in CSL's removal from the tax check-off program due to not meeting the minimum requirement of $250,000.

Due to the instability of the tax check-off, we are requesting a continuous appropriation of $425,000 annually to keep the CSL operative. This continuous appropriation will permit the agency to maintain the level of service necessary to provide support to CSL's 120 volunteers.

The California Senior Legislature is in a dire fiscal situation and has drastically reduced expenditures over the years. Given the effectiveness of the CSL, and the organization's unique ability to accurately inform Members of the Legislature on key issues of our

state's growing senior population, we believe this small appropriation is necessary, worthy and justified."

PROGRAM BACKGROUND

As noted in the letter from Assemblymember Rubio, 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 assembly members, who are elected by their peers in elections supervised by the Advisory Councils in 33 Planning and Services Areas (PSAs). 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, hearing up to 120 legislative proposals.

For the 2019-20 Legislative session, CSL is sponsoring nine bills. In 2018, CSL sponsored six bills but none were signed into law. In 2017, CSL sponsored six bills, four of which were signed into law.

Funding. 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. 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. However, in 2015, the new VCF revenue was only $60,000, and the California Senior Legislature Fund was removed from the tax check-off list once again. 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 2016-17 budget year, and the remaining $265,000 were reappropriated and carried into 2017-18.

AB 519 (Levine), Chapter 443, Statutes of 2017, established the California Senior Citizen Advocacy Voluntary Contribution Fund. The bill also required the CSL to spend ten percent of the fund balance to market and promote the fund, and removed the inflation factor on the $250,000 minimum contribution.

The 2019-20 Governor's budget includes $315,000 (California Senior Citizen Advocacy Voluntary Tax Contribution Fund) for the CSL. CSL has estimated their expenditures for 2019-20 to be $425,000. The voluntary contribution fund received $91,625 in donations in 2018.

Three-Year Financing Plan. The Budget Act of 2017 called for the CSL to work with the Department of Finance on a longer-term financing plan. This plan was released at the beginning of March 2018. The financing plan 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.

STAFF COMMENT/QUESTIONS

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* and the pending work from the Governor and Administration on the Master Plan for Aging.

Staff Recommendation:

Hold open.

This agenda and other publications are available on the Assembly Budget Committee's website at: https://abgt.assembly.ca.gov/sub1hearingagendas. You may contact the Committee at (916) 319-2099. This agenda was prepared by Nicole Vazquez.