



**Weathering the Storm: The Impact of the Great
Recession on Long-Term Services and Supports**
State Profile: CALIFORNIA

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INTRODUCTION

Weathering the Storm: The Impact of the Great Recession on Long-Term Services and Supports is the most comprehensive analysis to date on the budget cuts to both Medicaid and non-Medicaid funded long-term services and supports (LTSS) in each state. It also illustrates state-by-state how LTSS are financed. In addition, this study provides a very early snapshot of the likelihood of states pursuing some of the LTSS provisions within the Affordable Care Act (ACA).

Weathering the Storm contains several components:

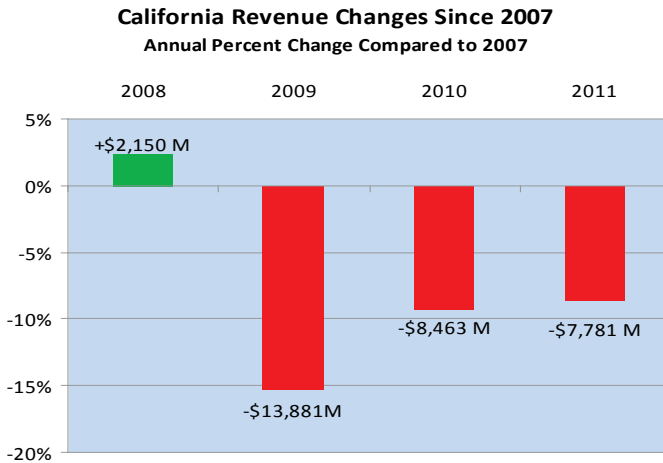
- The full report with an overview of findings and state-by-state tables;
- State profiles, which are 4 to 5 pages in length, for each state that participated in the study;
- An In Brief, which is a short synopsis; and
- A videotaped interview about the key findings.

Hard copies of *Weathering the Storm* are available free of charge. To order, please call the AARP Public Policy Institute at (202) 434-3890 or email jgasaway@aarp.org.

All of the components of *Weathering the Storm* are also available on the web and can be found at www.aarp.org/ppi, www.nasuad.org, and www.healthmanagement.com.

CALIFORNIA

TAX COLLECTIONS



Source: HMA analysis of state tax collection data from the National Association of State Budget Officers (NASBO), Spring Fiscal Survey of States, 2008 (for baseline 2007 data); Spring Fiscal Survey of States, 2009 (for 2008 data) and Spring Fiscal Survey of States, 2010 (for 2009 actual, 2010 estimated, and 2011 projected). Revenue represents the following taxes if collected by the state: **Personal Income, Corporate, and Sales**. Percent change and change in amount collected (in millions) represents the divergence between the state fiscal year noted and baseline SFY 2007.

ARRA FUNDING

IMPACT OF ARRA ENHANCED MEDICAID FMAP EXPIRATION

- Long-term services and supports (LTSS) were preserved.
- Unknown impact when enhanced FMAP ends.

PREDICTED IMPACT OF THE EXPIRATION OF THE ARRA NUTRITION FUNDING

- Programs and services will be reduced.
- Waiting lists will increase.
- Programs will be eliminated.

STATE UNIT ON AGING AND DISABILITY (NON-MEDICAID) SERVICES

STATE UNIT ON AGING NUMBER SERVED (UNDUPLICATED)

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (projected)	% Change SFY 2009–2011
None Listed	None Listed	None Listed	NA

STATE UNIT ON AGING TOTAL EXPENDITURE REDUCTIONS – ACTION TAKEN

SFY 2009-2010	SFY 2010-2011
5% or less	5% or less

CALIFORNIA

STATE UNIT ON AGING SERVICE DEMAND AND EXPENDITURE CHANGES

Program	Change in Expenditures		Change in Service Requests SFY 2009–2010
	SFY 2009–2010	SFY 2010–2011	
Adult Foster Care	NA		
Adult Day Care			+
Adult Protective Services	NA		
Assisted Living	NA		
Behavioral Supports	DK		
Case Management			+
Chore			+
Community Transition			+
Congregate Meals		-	
Day Habilitation	DK		
Disease Prevention/Health Promotion			
Elder Abuse Prevention			+
Environmental Modifications			+
Equipment and Supplies			+
Family Caregiver Support	+	+	+
Food Stamps/Supplemental Nutrition Assistance Program			
Foreclosure Counseling	NA		
Homemaker			+
Home-Delivered Meals		-	+
Housing Assistance	NA		
Information and Referral			+
Legal Assistance Development			
LIHEAP			
Long-Term Care Ombudsman			+
Nutritional Supplements	DK		
Occupational Therapy	NA		
Personal Care/Assistance			+
Physical Therapy			
Recreational Therapy	DK		
Residential Habilitation			
Respite			+
Senior Community Service Employment Program			+
Senior Centers	DK		
Speech Therapy	NA		
State Adult Guardianship Program	NA		
State Pharmaceutical Assistance	DK		
Supported Employment			+
Supported Living			+
Transportation			+
+ Expenditure/demand increase	0	No change in expenditure/demand	DK Don't know
- Expenditure/demand decrease	NA	Program not administered by SUA	

STATE UNIT ON AGING NON-MEDICAID HCBS EXPENDITURES

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (appropriation)	% Change SFY 2009–2010
\$182,119,000	None Listed	None Listed	NA

MEDICAID LONG-TERM SERVICES & SUPPORTS

NUMBER OF BENEFICIARIES: WAIVERS & NURSING FACILITIES

Waiver Name	Avg. Daily Caseload			% Change SFY 2009–2010
	SFY 2009	SFY 2010	SFY 2011 (planned)	
Multipurpose Senior Services Program (MSSP) Waiver	10,302	9,926	10,250	-4%
Nursing Facility/Acute Hospital (NF/AH) Waiver	1,465	1,694	1,960	15.63%
Assisted Living Waiver	1,050	1,250	1,650	19.05%
AIDS Waiver	2,463	2,284	2,350	-7.27%
In-Home Operations (IHO) Waiver	168	156	145	-7.14%
Nursing Facility Services	Avg. Daily Census 2010		Expected Change 2011	
NF Average Daily Census	63,360		No change	

LTSS EXPENDITURES (FEDERAL AND STATE)

Service	SFY 2009	SFY 2010 (Estimate)	SFY 2011 (Appropriation)	% Change SFY 2009–2010
HCBS Waivers (For Older People and Adults with Physical Disabilities) *	\$131,662,564	\$139,003,456	\$145,879,295	5.58%
Medicaid LTSS State Plan	None Listed	None Listed	None Listed	
Nursing Facility	\$3,933,451,000	\$4,005,810,000	\$4,090,214,000	1.84%

- Waiver expenditures are for the five waivers listed above.

LTSS PROVIDER PAYMENT RATE CHANGES

Provider Type	SFY 2009–2010 % change	SFY 2010–2011 % change
Nursing Home	-	+4.5%
Home Health		
Personal Care Services	+0.46%	
HCBS Waiver Services		
+ Provider rate increase - Provider rate decrease 0 No change in provider rate		NA Not applicable

- All efforts to decrease rates were enjoined by the courts.
- Rate changes indicated represent the overall impact, but actual rate changes are county specific.

OPTIONS, OUTLOOK, AND PROMISING PRACTICES

The Medicaid agency and State Unit on Aging were asked about their intent to pursue options under health care reform, to provide their thoughts on the outlook for LTSS, and to share promising practices in their state. This section combines information from both agencies if both agencies responded.

See the Overview for descriptions of these provisions.

State's Intent to Pursue LTSS Provisions in the Affordable Care Act	Very Likely	Somewhat Likely	Not Likely	Don't Know
State Balancing Incentive Program			X	
Community First Choice Option				X
Money Follows the Person Demonstration				
1. Apply for new program				
2. Apply for extension of existing program	X			
Medical/Health Home Initiative				
1. Agency applying for planning grant	X			
2. State plan amendment to establish medical/health home services		X		
3. Apply to establish community health teams		X		

STATE PRIORITIES: 18–24 MONTHS

- Expanding assisted living waiver in five counties.
- Working on mobility management services to increase accessible transportation.
- Expanding evidence-based health and wellness programs.
- Promoting civic engagement and volunteerism.

STATE ISSUES

- Adequacy of funding for services.
- Maintaining capacity for home and community-based services (HCBS).
- Implementing the Minimum Data Set (MDS) 3.0 to improve data reporting and quality in nursing facilities.

STATE PROMISING PRACTICES

- Creating local-level infrastructure through the Money Follows the Person grant; developing partnerships at the local level has been the key to success in having people work with residents to achieve transitions to the community.
- Actively collaborating with other state departments to enhance services.

The information in this profile represents information available to state officials at a point in time. Surveys were conducted from June through September 2010. California's fiscal year begins July 1 and ends June 30.