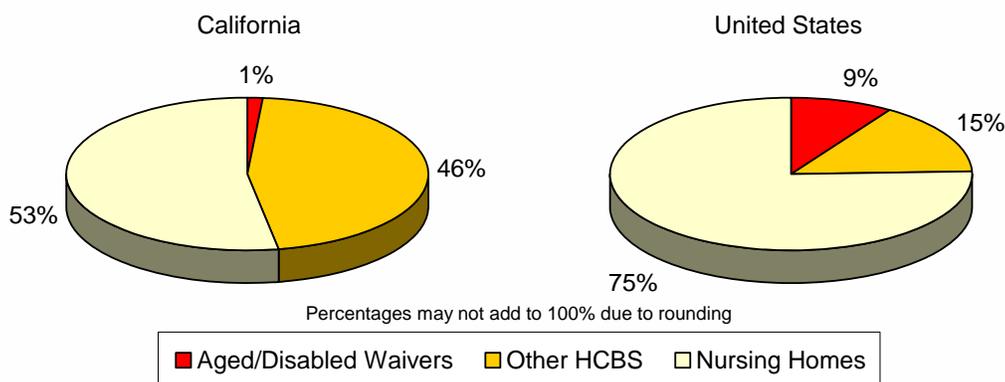


State Long-Term Care Reform in  
**CALIFORNIA**

**Medicaid Long-Term Care Spending for Older People and Adults with Physical Disabilities in California and the U.S., 2006**



Compared to the U.S. average, California allocates a greater percentage (47 percent) of its Medicaid long-term care (LTC) spending for older people and adults with physical disabilities to home and community-based services (HCBS). In FY 2006, California spent 1 percent on waiver services and 46 percent on the In-Home Supportive Services (IHSS) personal care services program (described on the next page).

Type of Service	Medicaid Participants <sup>1</sup>			Expenditures (millions)		
	1999	2004	Change	2001	2006	Change
HCBS*	185,493	327,160	+141,667	\$1,923	\$3,348	+\$1,425
Nursing Homes	117,843	119,252	+1,409	\$2,598	\$3,761	+\$1,163

California has one of the most balanced LTC systems for older people and adults with physical disabilities in the nation, and the state is continuing to make even more progress toward balancing. Many more Medicaid participants receive HCBS than receive nursing home services. In addition, the number of participants receiving HCBS increased by almost 50 percent, while the number of participants in nursing homes remained relatively constant from 1999 to 2004. From FY 2001 to FY 2006, the increase in Medicaid spending on HCBS was slightly more than the increase in spending on nursing homes. The effect of these trends

<sup>1</sup> This analysis separates Medicaid participation and spending data for older people and adults with physical disabilities from the population with mental retardation/development disabilities (MR/DD) and other LTC populations. Participants and expenditures for HCBS include all 1915(c) waivers for older people and adults with physical disabilities, and the personal care services option, if the state offers it. All participants and expenditures for nursing homes are included, regardless of the participants' type of disability or reason for admission. Excluded are participants and expenditures for intermediate care facilities for mental retardation (ICF/MR), HCBS waivers for other populations such as MR/DD, home health, and individuals receiving LTC services through managed care programs. Participant numbers include all persons receiving services during the year, not the average number on a given day; the number of nursing home participants is greater than the number of nursing home beds in each state. The average number of Medicaid nursing home residents on any given day for each state appears in the *Tables* tab at the end of the full report *A Balancing Act: State Long-Term Care Reform (#2008-10)*.

\* Adult day health is a Medicaid state plan service and is not included in HCBS expenditures.

shows that the state was able to serve many more additional people in their homes and communities than in nursing homes. Expenditure increases were fairly comparable because a dollar spent on HCBS can serve more people than a dollar spent on nursing homes. Although California appears to have a strong HCBS system because of the IHSS program and other smaller community LTC services, consumer advocates and policy makers contend that a Californian in need of LTC still faces a “bewildering maze of policies, bureaucracies, and programs...”<sup>2</sup> Another report noted that the state’s administration of LTC programs “reflect[s] a piecemeal approach in program development and funding.” Thirty-eight programs are housed in five different departments.<sup>3</sup>

***“In-Home Supportive Services”***  
*California has the largest personal care program in the country, called the In-Home Supportive Services program.*

## Major Initiative

**In-Home Supportive Services (IHSS).** The largest publicly funded HCBS program in the state is the IHSS program, which provided personal care services to about 375,000 individuals in 2006. About 40 percent of the IHSS caseload consists of individuals age 65 or older. Counties administer the IHSS program under the direction of the California Department of Social Services. Funding, which comes from Medicaid, state funds, and a county match, totaled about \$3.2 billion in FY 2006, up from \$1.8 billion in 2001. A key program feature is the self-direction component: participants may select an agency to provide their worker, or they can hire an independent provider, which is the choice of the majority of the participants.

## Other Developments

**System Transformation.** The state received a \$3 million, five-year federal Systems Transformation grant in fall 2006 for “California Community Choices.” The project’s 18-member Community Choices Advisory Commission—composed of advocates, consumers, and providers—held its first meeting in January 2007. A draft strategic plan was submitted to the federal Centers for Medicare & Medicaid Services in June 2007. The project’s goals include:

- establishing one-stop information and resource centers in two counties/regions to provide a coordinated system of information and access for older persons and persons with disabilities seeking LTC services and supports;
- developing a website to provide up-to-date information on HCBS; and
- completing a study to improve the state’s understanding of financial and structural barriers to increasing access to HCBS.

**Single Point of Entry.** Two new one-stop LTC centers (to be called CommunityLink Resource Centers) and two existing Aging and Disability Resource Centers will pilot and field-test California’s aging and LTC Web portal CalCareNet by establishing community connections and collaboration through community kiosks and outreach and training for local health and service providers. The centers will also focus on increasing public awareness of one-stop services and available HCBS and will encourage consumer referral to these centers.

<sup>2</sup> California HealthCare Foundation. (2006, December). *Long-Term Care Reform: Ten Years after Little Hoover*. Oakland, CA.

<sup>3</sup> California Assembly Committee on Aging and Long-Term Care. (2006, September). *Building an Aging Agenda for the 21st Century*. Sacramento, CA.