

Impact of California's FY 24/25 Budget on Older Adults in Alameda County

We are taking a moment to celebrate! The Legislature responded to the impassioned pleas of advocates and rejected most of the Governor's proposals to cut and eliminate programs and services that older adults in Alameda County rely on.

This year the state needed to address an estimated \$27.6 billion deficit for 2024/25 and ongoing deficits of about \$30 billion a year beginning in 2025/26. The Governor proposed to balance the budget with significant cuts in Human Services. Most concerning to us were proposals to reduce and eliminate funding in the Department of Aging, Adult Protective Services, and homeless prevention and housing services.

We are fortunate that champions in the Senate and Assembly Budget Committees were determined to protect vulnerable populations and preserve cost-effective programs. Displaying unprecedented alignment, the two houses agreed on a joint budget and entered negotiations with the Governor with a unified front and the result is a balanced budget that protects vulnerable populations and human services.

This report summarizes the impact of the new FY 2024/25 state budget on older adults in Alameda County and the community-based organizations that serve them. For a comprehensive analysis of the budget, go to <https://calbudgetcenter.org/issues/california-budget/>.

ADULT PROTECTIVE SERVICES

Home Safe Program - The FY 24/25 Budget protects the remaining \$65 million funding for the Home Safe Program, rejecting the May Revise proposal to claw back the funding. Home Safe was funded with a one-time, multi-year allocation in 2021/22. It is administered by the California Department of Social Services and provides housing stabilization for clients eligible for Adult Protective Services. The program fills a critical gap in Alameda County, deploying rapid response intensive case management and flexible funding to address the needs of older adults in crisis.

APS Expansion - The Budget maintains the annual ongoing funding for APS expansion, rejecting a May Revise proposal to reduce funding by almost 60%. Launched with the FY 2022/23 budget, the expansion changed the criteria for the population served by APS from age 65+ to age 60+, and enabled counties to increase social worker staffing to provide longer-term case management for individuals with more complex needs so they can remain safely in their communities.

CALIFORNIA DEPARTMENT OF AGING

Older Californian Act Modernization - The Budget maintains the \$111.6 million in Older Californians Act Modernization funding allocated for FY 24/25 and 25/26, rejecting the May Revise proposal to claw back the funding. The one-time, multi-year investment was allocated in the 2022/23 state budget to augment capacity and pilot impactful programs. In Alameda County, the funding is augmenting senior nutrition programs, and will soon be rolled out as grants to increase capacity in the Case Management program and to restart the Linkages program.

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Older Adult Behavioral Health - The Budget eliminates the remaining funding for Older Adult Behavioral Health by \$35.4 million. Allocated in FY 23/24 over three years, the one-time, \$50 million in funding was intended to continue Master Plan for Aging efforts to advance older adult behavioral health, including local grants for older adult behavioral health capacity building and the continued operation of the statewide Older Adult Friendship Line.

Long Term Care Ombudsman - The new Budget includes \$5.25 million in additional annual funding for local Long-Term Care Ombudsman Programs in 2024-2025, tapping into the CDPH Licensing & Certification Program Fund for this budget-neutral appropriation. In addition, the Budget allocates up to \$1 million in annual funding starting in 2025-2025 from CDPH State Health Facilities Citations Account, assuming its reserves hold steady as they have over the last few years.

CALIFORNIA FOOD ASSISTANCE PROGRAM EXPANSION

The FY 24/25 Budget adopts the Governor's proposal to delay the launch of the California Food Assistance Program Expansion to adults 55 and over regardless of immigration status, moving the start date from October 1, 2025 to October 1, 2027.

CBAS/ADULT DAY HEALTH CARE MEDI-CAL

The new Budget adds CBAS providers to the list of Medi-Cal providers eligible for enhanced Medi-Cal payment rates funded by the Managed Care Organization (MCO) Tax. CBAS is the Medi-Cal benefit that covers Adult Day Health Care, an outpatient day program for older persons and adults with chronic medical, cognitive, or mental health conditions and/or disabilities who are at risk of needing institutional care. The Medi-Cal payment rate for CBAS providers has been unchanged for over a decade, forcing many centers to close their doors and putting others at risk.

HOUSING AND DISABILITY ADVOCACY PROGRAM (HDAP)

The Budget cuts \$50 million in funding for HDAP, leaving only \$25 million per year in ongoing funding for this very effective program. HDAP provides counties with flexible funding to assist older adults and people with disabilities as they apply for SSI, keeping them stable through what can be a lengthy process, thereby increasing the success rate of disability claims and saving costs.

IN-HOME SUPPORTIVE SERVICES (IHSS)

In Alameda County, 18,529 people age 65 and older rely on IHSS.ⁱ The state's FY 24/25 Budget includes the following policy decisions that will impact some of them.

IHSS Expansion to Undocumented Individuals - The Budget maintains the funding for IHSS for undocumented older adults and people with disabilities in Medi-Cal, rejecting the Governor's proposal to rescind the expansion and reallocate the approximately \$94 million in annual ongoing funding. According to testimony by the California Department of Social Services at a March committee hearing, there are approximately 2,500 Californians being served under the expansion.

IHSS Permanent Backup Provider System - The Budget rejects the Governor's proposal to eliminate the Backup Provider System, but reduced funding in FY 24/25 by \$3 million (about 25%

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of the ongoing annual funding). Starting in October 2022, California requires all counties to maintain a Backup Provider registry for individuals using IHSS and Waiver Personal Care services.

MEDI-CAL

Over 64,000 Alameda County residents age 65 or older are covered by Medi-Cal; over 51,000 of them are Dually Eligible (with both Medi-Cal and Medicare).ⁱⁱ The FY 24/25 Budget includes the following policy decisions that will impact them.

Medi-Cal Asset Test Elimination - The new Budget includes \$113.6 million General Fund to maintain the elimination of the Medi-Cal asset test for older adults and people with disabilities. As of January 1, 2024, the financial eligibility criteria for Medi-Cal is based solely on income. The change alleviated much of the pressure to “spend down” that had been a barrier for low-income older adults who would benefit from Medi-Cal’s health and long term care services.

Medi-Cal Health Enrollment Navigators Programs - The new Budget eliminates the funding for the Health Enrollment Navigators Program, a \$18 million General Fund reduction that will result in a loss of federal matching funds. The program was launched with a one-time, multi-year appropriation in FY 21/22, and funds county and community-based organizations to work with hard-to-reach populations to assist with Medi-Cal enrollment. (\$8 million in remaining funding for the final year of the Health Enrollment Navigators at Clinics was preserved.)

In addition, the Medi-Cal Outreach and Enrollment for Older Adults Project ended on June 30, 2024, and did not receive new funding that was requested by Department of HealthCare Services.

Medi-Cal Share of Cost Reform - The state’s FY 22/23 Budget approved changing the Medi-Cal Share of Cost program’s maintenance need income level to 138% of Federal Poverty Level in January, 2025, subject to a budget appropriation. The new 24/25 Budget halts this reform.

NEXT STEPS: The budget deal represents a temporary reprieve, but the state still faces large deficits in coming years, and funding for these essential programs and services will be under threat again next year. SSC and other advocates will continue to lean in to engage policy makers in finding solutions that protect programs and provide sustainable funding streams.

The Senior Services Coalition of Alameda County is a coalition of nonprofit and public organizations that provide health care and supportive services to over 89,000 older adults. We are committed to improving access to services and strengthening the network of support for older people in Alameda County.

ⁱ IHSS Program Data May 2024, https://www.cdss.ca.gov/Portals/9/IHSS/Data/IHSS_Program_Data-May2024.xlsx, California Department of Social Services

ⁱⁱ Medi-Cal Certified Eligibles Tables by County from 2010 through May 2024, <https://data.chhs.ca.gov/dataset/medi-cal-certified-eligibles-tables-by-county-from-2010-to-most-recent-reportable-month/resource/35261707-8fae-4fe2-97a7-c4e9fc75681a?filters=County%3AAameda>, CalHHS