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Overview of 2009-10 Aging, IHSS, and SSI/SSP Program Reductions

LEGISLATIVE ANALYST'S OFFICE

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Assembly Committee on Aging and Long-Term Care

Hon. Mariko Yamada, Chair





Overview of 2009-10 Department of Aging Reductions

Total Budget

- The 2009-10 budget includes about \$32.9 million from the General Fund for the Department of Aging. This is an overall General Fund decrease of about \$11.3 million (26 percent) in funding compared to the revised 2008-09 funding level. While General Fund spending decreased, total fund spending increased from \$194 million in 2008-09 to \$198 million in 2009-10. This is primarily due to the availability of increased federal funds pursuant to the American Recovery and Reinvestment Act.

Total Reduction

- The reduction in General Fund for the Department of Aging is primarily the result of the elimination of state support for community-based services programs effective October 1, 2010.

Major 2009-10 Program Eliminations for the Department of Aging

(General Fund, in Millions)

Program	Annual Cost of Program ^a	Recipients in 2008-09
Linkages	\$7.90	5,005
Alzheimer's Day Care Resource Centers	3.80	2,930
Brown Bag	0.54	35,190
Respite	0.32	732 families
Senior Companion	0.32	2,757

^a This figure reflects the 2009-10 local assistance funding for these programs prior to the reductions. To allow for the ramp down of programs, 75 percent of funding was eliminated in 2009-10. State and local *administrative* funding for these programs was also eliminated in 2009-10.

Response to Reduction

- The local responses to program eliminations vary by type of program and location.
- Programs that have continued may not be the same version of the program that existed prior to the reduction.
- The future availability of alternative sources of funding for these programs is unknown.



Overview of 2009-10 In-Home Supportive Services (IHSS) Reductions



Total Budget

- The 2009-10 budget includes about \$5.5 billion (about \$1.3 billion from the General Fund) for the support of IHSS. Although total funds for the program decreased by about 3.8 percent compared to the prior year, General Fund spending decreased by about 21 percent.



Total Reduction

- Relative to prior law requirements, the *2009-10 Budget Act* included reductions of about \$420 million from the General Fund under typical federal participation. Because the Federal Medical Assistance Percentage has temporarily been increased to about 62 percent, the net impact on the General Fund would actually be a reduction of about \$366 million.



Categories of Reductions

- ***Service Reductions and Eliminations.*** The budget includes several changes to IHSS services and eligibility. These reductions target services to the most impaired recipients.
- ***IHSS Anti-Fraud Initiatives.*** The budget includes various anti-fraud activities that are expected to result in program savings.
- ***Other Reductions.*** Included in the 2009-10 budget is a reduction to state participation in IHSS wages and benefits, a reduction to public authority administration, and the elimination of the Share-of-Cost Buyout program.



Federal Court Injunctions

- The service reductions and eliminations and the wage reduction have not been implemented because they have been enjoined by the federal courts. These cases remain pending.



Supplemental Security Income/State Supplementary Program (SSI/SSP) Maximum Monthly Grants



Total Budget

- The 2009-10 budget includes about \$2.9 billion General Fund for the support of SSI/SSP. This is an overall decrease of about \$700 million (19 percent) compared to the revised 2008-09 funding level. Although General Fund support declined, federal fund support for SSI/SSP remained at roughly \$6 billion between 2008-09 and 2009-10.



Total Reduction

- The reduction in General Fund support for SSI/SSP is primarily the result of a series of reductions to the state-only SSP portion of the grant.

	January 2009	May 2009	July 2009	October 2009
Individuals				
SSI	\$674	\$674	\$674	\$674
SSP	233	196	176	171
Totals	\$907	\$870	\$850	\$845
Percent of Poverty^a	100%	96%	94%	94%
Couples				
SSI	\$1,011	\$1,011	\$1,011	\$1,011
SSP	568	513	478	396
Totals	\$1,579	\$1,524	\$1,489	\$1,407
Percent of Poverty^a	130%	126%	123%	116%

^a Compares grant level to federal poverty guideline. Poverty guideline is from 2009 U.S. Department of Health and Human Services guidelines.

- States are required to maintain the SSP portion of the grant at or above the level in place in 1983. Failure to comply with this requirement would result in the loss of all federal Medicaid funds.
- Grants for couples are currently at the federal minimum, while grants for individuals are \$15 above the 1983 minimum level.