



Agenda Pages 14-17, Item 5180-111-0001 IHSS—Comparison of Governor’s And LAO May Revision Reductions

June 9, 2009

(General Fund)

	Governor	LAO IHSS Package
SOC Buyout Reductions	Eliminate SOC buyout for IHSS recipients with a FI score below 4.	Reduce SOC buyout by 75 percent for all recipients.
Service Hour Reductions		
FI Score 4+	Maintain all IHSS services.	10 percent reduction in hours.
FI Score 3-3.99	Eliminate all IHSS services.	15 percent reduction in hours.
FI Score under 2.99	Eliminate all IHSS services.	20 percent reduction in hours.
Provider Wage Reductions	Reduce state participation in IHSS provider wages to the minimum wage (\$8.00) plus benefits (\$0.60).	Same as Governor (LAO will monitor hour utilization).
Fraud Prevention Strategy	Adopt IHSS antifraud initiative.	Adopt trailer bill language creating an IHSS antifraud workgroup.
Total Net Savings 2009-10	\$801 Million	\$269 Million

IHSS = In-Home Supportive Services; LAO = Legislative Analyst’s Office; SOC = share of cost; FI = Functional Index.

- **Governor’s Proposal.** The Governor’s May Revision proposal eliminates all services for about 87.5 percent of the IHSS caseload (or about 404,000 out of a projected total of 462,000 recipients).
- **LAO Alternative.** The LAO alternative proposal does not eliminate all IHSS services for any recipient. Instead, all recipients will receive a reduction in total service hours. The amount of the reduction depends on the level of recipient impairment—the most impaired recipients will receive a smaller reduction than the less impaired recipients.
- **LAO Rationale.** The LAO alternative strikes a balance between budgetary savings in a fast growing program and minimizing costs in long-term care.