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# Potential Outcomes of Certain Budget-Balancing Reductions Proposed in the Department of Aging

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LEGISLATIVE ANALYST'S OFFICE

Presented to:  
Hon. Patty Berg





## Program Overviews

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- ***Multipurpose Senior Services Program (MSSP).*** The MSSP provides case-management services that facilitate the delivery of social and health care services to frail, elderly clients who wish to remain in their own homes. The needs of each client are assessed by health and social service professionals, and an individualized care plan is developed. To be eligible for MSSP, clients must be currently eligible for Medi-Cal and nursing home certifiable. Due to the Governor's budget-balancing reductions, the Department of Aging (CDA) estimates that 1,380 clients (out of a total of about 13,800) will be reduced from the program statewide.
- ***Linkages.*** The Linkages program, like MSSP, is a case-management program, which assists frail, elderly, and functionally impaired adults who are at risk of being placed in an institutional setting. Linkages case managers link their clients to the services that will help them remain in their own homes. To be eligible for Linkages, a client must be a functionally impaired adult, and need assistance in at least two activities of daily living (such as, transportation, housework, dressing, bathing). There are no income limitations for Linkages. Due to the Governor's budget-balancing reductions, CDA estimates that 335 clients (out of a total of about 6,500) will be reduced from the program statewide.
- ***Alzheimer's Day Care Resource Center (ADCRC).*** The ADCRCs provide services to patients with Alzheimer's disease and their family caregivers. Persons in the program participate in day programs designed to meet their needs. To qualify for ADCRC, participants must have a medical diagnosis of dementia, but there are no age or financial restrictions on participation. Due to the Governor's budget-balancing reductions, we estimate that the maximum impact of the proposed reduction would be a decrease of about 330 clients (out of a total of about 3,320) from the program statewide.



## Case Management Versus Direct Services

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When evaluating the potential impacts of the Governor's proposed reductions to Linkages, MSSP, and ADCRC we made a distinction between case management programs and direct services programs.

- **Case Management.** The MSSP and Linkages programs are case-management programs. Caseworkers help connect their clients with available, existing services offered in the community (most commonly In-Home Supportive Services [IHSS]). Without case managers, many clients may still find services on their own.
- **Direct Services.** The ADCRC program directly provides day care services for individuals with Alzheimer's and related dementias.



## Costs: Community-Based Care vs. Institutional Care

As Figure 1 indicates, the cost per year of community-based care is less than the cost per year of institutional care. However, this single cost comparison understates the true cost of individuals in community-based care. This is because individuals receiving community based care are often receiving multiple services (such as IHSS, Adult Day Health Care, and Home Delivered Meals), while individuals in skilled nursing facilities generally receive most services within that facility. Additionally, the length of stay in community based care (about five years) is typically longer than the length of stay in a skilled nursing facility (about one year).

<b>Figure 1</b>				
<b>Community-Based and Institutional Care Comparison of Costs</b>				
<i>(Cost Per Participant Per Year)</i>				
	<b>State</b>	<b>Federal</b>	<b>Other<sup>a</sup></b>	<b>Totals</b>
<b>Case-Management Services</b>				
MSSP	\$1,570	\$1,570	—	\$3,140
Linkages	1,296	—	\$375	1,671
<b>Community-Based Care Services</b>				
ADCRC	1,257	—	3,466	4,723
In-Home Supportive Services	4,096	6,115	2,195	12,406
<b>Institutional Care</b>				
Skilled Nursing Facility (Medi-Cal)	28,571	28,571	—	57,142

<sup>a</sup> Other funds are typically a combination of county funds, local funds, fees, and program donations.



## Potential Impacts of Proposed Reductions on MSSP, Linkages, and ADCRC

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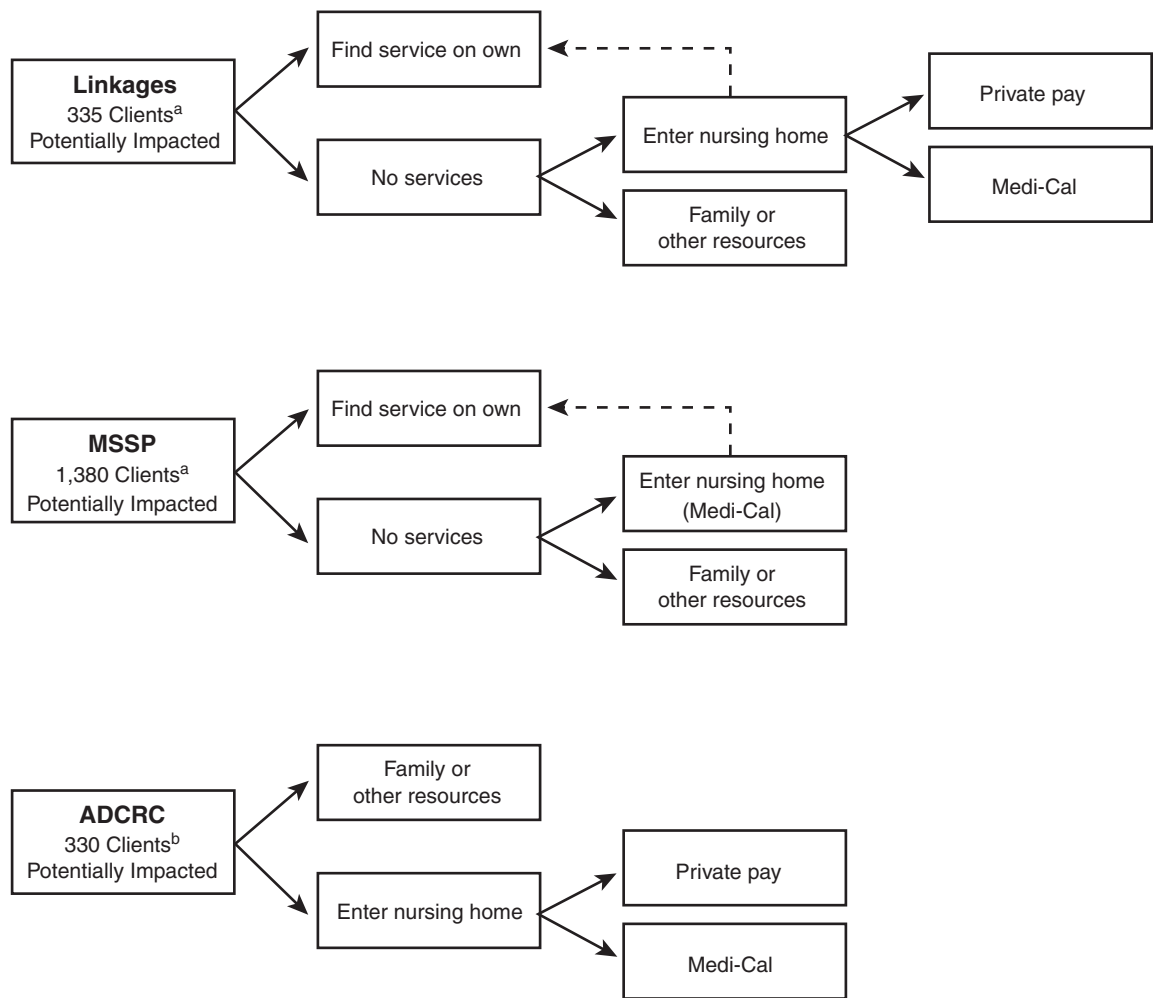
- A reduction in these services will not necessarily result in institutional care placement for all impacted clients. Whether an individual is placed in institutional care as a result of the proposed reductions depends on a number of factors, such as income, access to other resources, severity of disability, and family involvement.
- Additionally, although there are proposed reductions to Linkages and MSSP, the programs will still exist. As a result, program staff may still be able to point potential clients towards community-based care programs even though they will not have the resources to provide the entire case-management package.
- Figure 2 illustrates some of the potential outcomes the reductions may have on individuals receiving services. Although, due to data limitations, we are unable to estimate the number of individuals likely to experience each of the potential outcomes, the figure provides examples of the various scenarios that may occur.



# Potential Impacts of Proposed Reductions on MSSP, Linkages, and ADCRC

(Continued)

**Figure 2**  
**Potential Outcomes of Governor's Proposed Reductions**



- - - = Although some recipients may not at first find services on their own, once they enter a nursing home, they may be referred back to community based care.

<sup>a</sup> California Department of Aging's estimate of the number of clients impacted by the reduction.

<sup>b</sup> LAO estimate of the maximum number of clients impacted by the reduction.