

CAPA's RESPONSE TO THE MAY 2009 IHSS BUDGET CUT PROPOSALS

More than 400,000 low-income seniors and people with disabilities throughout California will suffer under the deep cuts proposed to the In-home Supportive Services program. Almost \$500 million in cuts have been proposed that reduce hours of service, reduce provider wages to substandard levels, and force many Californians into institutionalized living.

The budget proposal contradicts the state's expressed support for Olmstead implementation.

The Olmstead Decision declared that unjustified institutional isolation of people with disabilities is a violation of the Americans with Disabilities Act. California has worked hard to develop cost-effective community-based services to prevent or delay institutionalization.

The Governor's proposal to eliminate the IHSS Share-of-Cost buy out in order to save \$38.2 million means that ability-to-pay rather than consumer choice becomes the criteria for accessing community-based services over institutional care.

Some very low-income individuals would lose their care due to lack of affordability, thus threatening their ability to remain safe and independent in their homes.

Better wages and health benefits have meant less turnover and better quality in-home care services.

Reducing the State participation in the wages of IHSS providers to the State minimum wage of \$8.00 per hour, plus \$0.60 per hour for health benefits would save the State \$114.1 million in IHSS provider wages. However, consumers will be faced with a more limited supply of home care workers, making it difficult for consumers to remain safely in their homes and possibly forcing them into institutions such as nursing homes. IHSS providers will have a disincentive to work when paid less than a living wage in most counties.

IHSS Recipients needing minimal physical assistance or only supervision are often equally at risk of those who need much more assistance.

The Governor's proposal to save \$301.5 million through eliminating services to consumers assumes that elimination of seemingly minimal services will not seriously threaten the health and safety of those consumers. In truth, many consumers are unable to fix meals for themselves, including operating a microwave. They will skip meals as it is too hard or confusing for them to prepare or even reheat meals themselves. The likely result is poor nutrition that can lead to other complications, including mental health problems, fainting, weakness, falling, etc. Diabetics and heart patients are at increased risk of poor health as a result of poor or inadequate diet and nutrition.

Additionally, due to memory and problem-solving inabilities, many consumers would fail to obtain prescription and basic non-prescription health care products or items that maintain their health and assist the consumer to live independently in the home.

The end result is likely to be increased referrals to Adult Protective Services, emergency room visits, hospital stays and premature institutionalization. Also, the reduction or elimination of IHSS services will increase the likelihood of isolation and depression.

Cuts to the IHSS Program service hours represent a cost shift, not a cost savings.

Limiting the provision of domestic and related services to individuals with the highest levels of need would save the State \$40.8 million but would mean many IHSS providers will lose their health benefits because the cut in hours would put the workers below the eligibility limits set by the Public Authorities. The cost of health care for those workers without health insurance would shift to safety net hospitals and clinics who serve the uninsured, thus constituting a cost shift, not a cost savings to the State.

The Legislative Analyst's Office has estimated that annual spending on each IHSS recipient is \$13,000 – as compared to nursing home costs of approximately \$55,000 a year. Without needed services, more IHSS recipients will be institutionalized in nursing homes.

Even if a consumer is not institutionalized, higher medical costs and worsened health would result from (1) the reduction in errand and shopping time, because people with disabilities need adequate and fresh food, as well as regularly filled prescriptions; (2) decreased cleanliness in the home and higher risks from environmental hazards such as clutter, mold, and pests.

The Administration's proposal to reduce the State's wage participation would shift added burden to the counties. However, most counties do not have the financial resources to backfill the state's share of wages, which if set at \$8 would amount to a wage cut of up to 36 percent. The provider workforce itself is largely low-income, and the wage reduction will simply mean that more providers will turn to public services themselves.

Cuts in IHSS service hours are based on false assumptions about the precision of the functional index score, and, therefore, puts many consumers at risk of institutionalization.

The Governor's proposed elimination of Domestic and Related Services for consumers with a functional index score below four will result in poorer health and poorer quality of life for thousands of California. A consumer with a functional index score of 3 can accomplish a task with "some" human assistance. However, the score does not take into account factors such as the consumer's geographic or social isolation. Additionally, a consumer with a rank of 3 may have been assigned that score if they can perform the task on their own on some days but not at all on other days, typically owing to fluctuations in health conditions.

The cumulative effect of these IHSS Program cuts and other social service cuts that effect the same population will vastly compromise the dignity, quality of life, and well-being of many of our IHSS consumers.