



**FY 11/12 IHSS Budget Proposals – Status as of April 1, 2011**

| Proposal                                   |                                                                                                                                                                                                                                              | Original Savings Estimate                                | Estimated # of consumers impacted | Approved Savings Estimate        | Status                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <b>Governor's Proposals</b>                |                                                                                                                                                                                                                                              |                                                          |                                   |                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 12% across-the-board cut to service hours: | Make the 3.6% across-the-board cut to service hours permanent.                                                                                                                                                                               | \$198.376 million (\$65.391 million state General Fund)  | 100%                              | No change from original estimate | No change from current law which schedules the 3.6% cut to sunset on June 30, 2012.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                            | New 8.4% across-the-board cut to service hours. No proposed sunset date. Consumers who are at risk of institutionalization may submit a supplemental care application and the hours will be restored if the county approves the application. | \$389.736 million (\$127.497 million state General Fund) | 100%                              | No savings estimated in FY 11/12 | A trigger mechanism was adopted that is tied to the Medication Dispensing Pilot project (see below under "Legislative Proposals). If the Department of Finance determines that data reported regarding the pilot project does not demonstrate the ability to achieve annualized net savings of \$140 million GF (after offsetting administrative costs), the director shall notify the Legislature by April 10, 2012, and request the passage of legislation by July 1, 2012 that provides alternative options for achieving any additional savings needed to reach this target. If the pilot and any subsequent legislation requested by the Department of Finance are not anticipated to result in \$140 million annualized GF savings, requires the Department of Social Services to implement an across-the-board reduction in IHSS services beginning October 1, 2012, with specified exceptions. |

| Proposal                                       |                                                                                                                                                                                                                                                                                        | Original Savings Estimate                                | Estimated # of consumers impacted                                                               | Approved Savings Estimate          | Status                                                                                                                                                                                                                                           |
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| Eliminate Domestic & Related Services.         | Minors with able and available parents would no longer receive hours for Domestic and Related Services unless the parent could provide medical verification of his/her inability to provide those services. Exceptions would be allowed as per current regulations for shared housing. | \$4.774 million (\$ 1.571 million state General Fund)    | 7,100 consumers                                                                                 | None                               | Rejected.                                                                                                                                                                                                                                        |
|                                                | Eliminate Domestic & Related Services for all consumers who live with someone else (even if the consumer doesn't live with their IHSS provider). Exceptions would be allowed as per current regulations for shared housing.                                                            | \$713.507 million (\$235.036 million state General Fund) | According to March 2010 data, 70% of IHSS consumers live with someone else (314,241 consumers). | None                               | Rejected.                                                                                                                                                                                                                                        |
| Physician Certification required to get IHSS   | A medical evaluation would be required as part of the eligibility process to "ensure services are needed to avert out-of-home placement."                                                                                                                                              | \$366.052 million (\$120,367 million state General Fund) | 100%. The administration estimates loss of services for approximately 43,000 consumers.         | \$120.4 million state General Fund | Approved.                                                                                                                                                                                                                                        |
| Eliminate funding for IHSS Advisory Committees |                                                                                                                                                                                                                                                                                        | \$3.072 million (\$1.628 million state General Fund)     |                                                                                                 | \$1.4 million state General Fund   | Makes the law permissive rather than mandatory for counties to have IHSS Advisory Committees. Maintained current law that mandates each Public Authority to have an IHSS Advisory Committee or Independent Consumer Governing Board. Each Public |

| Proposal                                                                                    | Original Savings Estimate                           | Estimated # of consumers impacted | Approved Savings Estimate                                                                                                                                                                                                   | Status                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                             |                                                     |                                   |                                                                                                                                                                                                                             | Authority is slated to receive \$3,000 from the state General Fund with the associated federal match to support Public Authority Advisory Committee/Consumer Governing Board activities.                                                                                                                                                                                                                                                                                                                                                                                   |
| Public Authority administrative funding reduced (new cut based on lower caseload estimates) | \$2.476 million (\$889 thousand state General Fund) |                                   | \$2.476 million Savings are not reflected in the \$486 million target for IHSS savings because the reduction was attributed to the rate-based formula and not on a specific policy goal to reduce Public Authority funding. | Approved.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                                                             |                                                     |                                   |                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Legislative Proposals</b>                                                                |                                                     |                                   |                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                                             |                                                     |                                   |                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Medication Dispensing Pilot Project                                                         |                                                     |                                   | \$153.1 million                                                                                                                                                                                                             | Requires the Department of Health Care Services to identify individuals who receive Medi-Cal benefits on a fee-for-service basis and who are at high risk of not taking their prescribed medications. To the extent necessary, also requires the Department to procure automated medication dispensing machines to be installed in participants' homes and monitored as indicated. Further requires the Department to report on and evaluate the pilot project. Also allows the Department to terminate the pilot project under specified circumstances. These changes are |

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|                                       |                                  |                                   |                                  | anticipated to result in \$140 million ongoing, annual GF savings.                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Community First Choices Option (CFCO) |                                  |                                   | \$128 million                    | Requires the Department of Health Care Services to assess and determine whether it would be cost-efficient for the state to exercise the CFCO made available under section 1915(k) of the federal Social Security Act (42 U.S.C. Sec. 1396n(k)). This new state plan option becomes available October 1, 2011. States that take up the option receive a six percentage point increase in federal matching payments for costs associated with the covered home and community-based services programs. |
| Caseload Adjustment                   |                                  |                                   | \$83.2 million                   | The FY 10/11 average monthly caseload is estimated to be 434,752 (instead of 441,549 as predicted in the Governor's budget). The FY 11/12 average monthly caseload is estimated to be 441,549 (instead of 456,380 as predicted in the Governor's January budget proposal).                                                                                                                                                                                                                           |
| TOTAL SAVINGS                         | \$486 million state General Fund |                                   | \$486 million state General Fund | Implementing legislation: SB 72 (Chapter 8, Statutes of 2011).                                                                                                                                                                                                                                                                                                                                                                                                                                       |