CHCF FACT SHEET

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Chapman Consulting

In-Home Supportive Services (IHSS) 101: Opportunities and Challenges Under CalAIM

Through its CalAIM (California Advancing and Innovating Medi-Cal) initiative, the California Department of Health Care Services (DHCS) seeks to offer a more equitable, coordinated, and person-centered approach that prioritizes whole-person care. One component of CalAIM includes building the infrastructure over time to provide managed long-term services and supports (MLTSS) statewide by 2027. This shift is intended to increase coordination, reduce siloes, and improve access to LTSS. (More information is available in the California Health Care Foundation report *Medi-Cal Managed Care and Long-Term Services and Supports: Opportunities and Considerations Under CalAIM*.[1]) While a limited number of LTSS have been integrated into Medi-Cal managed care plan (MCP) contracts, In-Home Supportive Services (IHSS) — by far the largest Medi-Cal LTSS program and one that is expected to grow over time — remains outside of managed care.

With the implementation of CalAIM and shifts in the Medi-Cal LTSS delivery system, policymakers and other stakeholders will need to consider both opportunities and challenges for the IHSS program, given its outsized role in the LTSS landscape and its unique operating model.

In-Home Supportive Services Program Basics

California's IHSS program provides personal care services and other supports to Medi-Cal enrollees of all ages to enable them to remain safely in their own homes rather than living in a nursing home or other facility. It is the largest LTSS program in California, in terms of both numbers served and spending. In fiscal year (FY) 2021–22, the IHSS program had an average monthly caseload of over 586,000 care recipients statewide,[2] dwarfing other Medi-Cal LTSS programs. (See Table 1.)

Key Takeaways

- IHSS is the largest program in the complex Medi-Cal LTSS delivery system.
- CalAIM offers some limited opportunities to increase coordination of IHSS through the development of statewide MLTSS (including Enhanced Care Management and Community Supports) and Population Health Management strategies.
- The IHSS program's regulatory, operational, and financial structure operates independently of Medi-Cal MCP benefits.
- Policymakers and stakeholders can consider ways to encourage increased and improved data sharing, communication, and care coordination between different parts of the Medi-Cal delivery system, including Dual Eligible Special Needs Plans (D-SNPs), MCPs, IHSS providers, and IHSS care recipients.
- Additional options for coordination and support can be explored through pilots and targeted use of contract-mode IHSS, which could further inform future IHSS program and policy decisions.

Table 1. Enrollment/Caseload for Select California LTSS Programs

PROGRAM	ENROLLMENT	SOURCE(S)
AIDS Waiver	Maximum waiver capacity is 1,948.	George P. Failla Jr. (director, Division of HCBS Operations and Oversight, CMS) to Jacey Cooper (Medicaid director, DHCS), *Approval for a §1915(c) Home and Community-Based Services Waiver* [Program Title: Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome (HIV/AIDS)] (PDF), California Department of Health Care Services (DHCS), accessed April 17, 2023.
Assisted Living Waiver	Maximum waiver capacity is 12,744.	*Application for a §1915(c) Home and Community-Based Services Waiver* [Program Title: California Assisted Living Waiver] (PDF), DHCS, accessed April 3, 2023; and *Request for an Amendment to a 1915(c) Home and Community-Based Services Waiver* [Program Title: California Assisted Living Waiver] (PDF), DHCS, January 24, 2022.
California Community Transitions	592 Medi-Cal beneficiaries transitioned back into the community between January 1, 2022, and October 1, 2022.	Custom data request, DHCS, received March 6, 2023.
Community-Based Adult Services (CBAS)	36,374	*Community-Based Adult Services: Participants Characteristics Aggregate Data, Reporting Period: December 31, 2022* (Excel file), California Department of Aging, accessed April 3, 2023.
Home and Community-Based Alternatives (HCBA) Waiver	Maximum waiver capacity is 9,871.	George P. Failla Jr. (director, Division of HCBS Operations and Oversight, CMS) to Jacey Cooper (Medicaid director, DHCS), *Approval for a §1915(c) Home and Community-Based Services Waiver* [Program Title: Home and Community Based Alternatives Waiver] (PDF), DHCS, February 8, 2023.
Home and Community-Based Services for the Developmentally Disabled (HCBS-DD)	Approximately 150,000	Henrietta Sam-Louie (associate regional administrator, Division of Medicaid & Children's Health Operations, CMS) to Mari Cantwell (chief deputy director, Health Care Programs, DHCS), *Approval and Application for a §1915(c) Home and Community-Based Services Waiver* [Program Title: HCBS Waiver for Californians with Developmental Disabilities] (PDF), December 7, 2017.
In-Home Supportive Services	**586,627 (average monthly caseload in Fiscal Year 2021–22)**	*Caseload Projections* [from 2023-24 Governor's Budget] (PDF), California Department of Social Services, accessed April 3, 2023.
Multipurpose Senior Services Program	Maximum waiver capacity is 11,370.	"Multipurpose Senior Services Program," DHCS, last modified June 27, 2022.
Program of All-Inclusive Care for the Elderly (PACE)	17,483	"Medi-Cal Managed Care Enrollment Report" (January 1, 2023), CalHHS, last updated April 5, 2023.

Notes: *HCBS* is home and community-based services, *CMS* is Centers for Medicare & Medicaid Services, *CalHHS* is California Health and Human Services Agency.

IHSS is jointly funded by the federal, state, and county governments, and administration of the program includes a complex combination of roles as described below.

- As the state Medicaid agency, **DHCS** maintains the state-level contract/Medi-Cal State Plan authority to operate IHSS with the federal Centers for Medicare & Medicaid Services (CMS).
- The **California Department of Social Services (CDSS)** administers the program at the state level, providing fiscal and policy direction, oversight, and systems management through the Case Management Information and Payrolling System.
- **Counties/Public Authorities** provide day-to-day program administration, including eligibility assessments, enrollee needs assessments, and IHSS provider enrollment and administrative support.
- **IHSS providers** provide direct services to care recipients.
- **Care recipients** hire, fire, and direct the work of providers.

IHSS Program History and Design

IHSS allows care recipients to direct their own care, including selecting and hiring their own service providers, which can include family members or friends. In fact, 71.4% of IHSS providers are relatives, spouses, or parents of the person needing care.[3] These program features are deeply ingrained in IHSS history: While the program was officially established in California State Statute in 1973,[4] it stemmed from a community movement that started in the 1950s to support older adults and people with disabilities who needed assistance with personal care to remain in the community. The program originally provided grants to the care

A Brief History of In-Home Supportive Services

Since the inception of California's IHSS program, the state has developed various eligibility and service pathways, as summarized in the table below.

YEAR	PROGRAM NAME	COVERED POPULATIONS
1974	IHSS Residual Program (IHSS-R) — the original IHSS program	People who are not eligible for federally funded Medi-Cal but require IHSS care services
1993	Personal Care Services Program (PCSP)	Medi-Cal–eligible aged, blind, or disabled populations that require personal care assistance but do not need the level of care that is provided in a nursing home
2009	IHSS Plus Option (IPO) Program*	People eligible for Medi-Cal who require personal care assistance, do not need a nursing home level of care, and receive care assistance from a spouse or parent who is paid as an IHSS provider
2011	Community First Choice Option (CFCO)	People eligible for Medi-Cal who require a nursing home level of care

*Prior to becoming a Medi-Cal State Plan option, this program was previously called the IHSS Plus Waiver.

Sources: "In Home Supportive Services (IHSS) Program," California Department of Social Services (CDSS), accessed February 28, 2023; and *Program History* [from 2023-24 Governor's Budget] (PDF), CDSS, accessed April 3, 2023.

recipients to contract directly with providers of their choosing, with the right to both hire and fire their care attendants. While IHSS has evolved over the years, its distinct grassroots, consumer-directed history has shaped its evolution, and these strong self-direction principles remain core to the program design. In addition, the program's administrative history still influences it today: While recipients must be eligible for Medi-Cal to qualify for the benefit, IHSS is administered through CDSS and counties.

Today, to be eligible to apply for IHSS, one must physically reside in California and[5]:

- Be determined by the county to be eligible for Medi-Cal.
- Live at home or a residence of their own choosing, which can include shelters, recreational vehicles (RVs), or other temporary living situations (e.g., on someone's couch). Acute care hospitals, long-term care facilities, and licensed community care facilities, such as Residential Care Facilities for the Elderly, are not considered "own home," and therefore IHSS is not provided to people living in these settings.
- Submit a completed Health Care Certification form, which provides basic contact information and describes the cognitive and/or physical limitations of the applicant and recommended IHSS services for authorization.

County IHSS eligibility workers or caseworkers evaluate IHSS care recipients' needs and authorize specific services based on those needs. The IHSS program includes the following services[6]:

- Domestic services
- Meal preparation and cleanup
- Laundry
- Grocery shopping and other shopping/errands
- Nonmedical personal care services, such as bathing and grooming
- Accompaniment to medical appointments
- Protective supervision specifically for people with impairment in memory, orientation, or judgment
- Paramedical services[7]
- Heavy cleaning, yard hazard abatement, and teaching/demonstration (authorized under special circumstances and generally one-time or time-limited benefits)

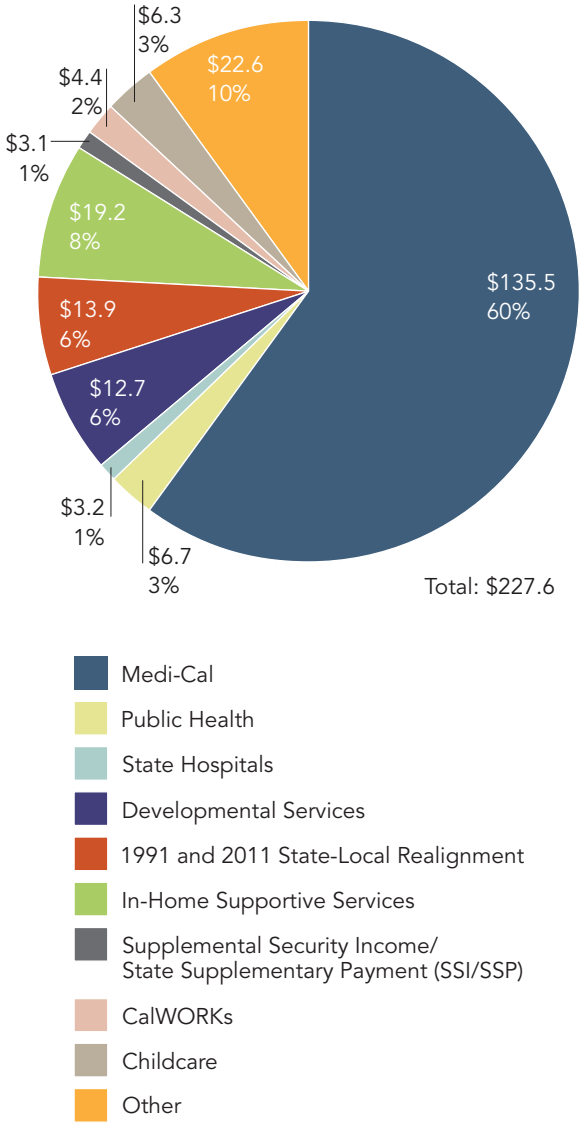
IHSS Funding and Costs

As shown in Figure 1, IHSS accounts for $19.2 billion (including $5.9 billion in state dollars) in California's 2022–23 state budget — that's 8% of the state's total health and human services spending and the second-largest component of the health and human services budget.[8] IHSS has what is known as a county maintenance-of-effort agreement whereby the county is required to cover a set amount of total nonfederal IHSS costs, and the state is responsible for the remainder of nonfederal funds.[9] This puts the state at risk for increasing costs of the IHSS program over time, while the county responsibility is capped at a defined cost; therefore, the increases in spending on IHSS over time have a larger impact on the state budget.

IHSS Care Recipients and Costs Are Both Increasing

From FY 2014–15 to FY 2021–22, the average monthly IHSS caseload increased 32%, from 443,734 to 586,627, an average increase of 4% per year.[10] Consistent with this trend, California's proposed 2023–24 state budget reflects estimates that IHSS average monthly caseload will increase by 4.3% from FY 2022–23 to FY 2023–24: from 615,607 to 642,289.[11] These program growth trends are accompanied by continued increases in program costs. (See Figure 2.)

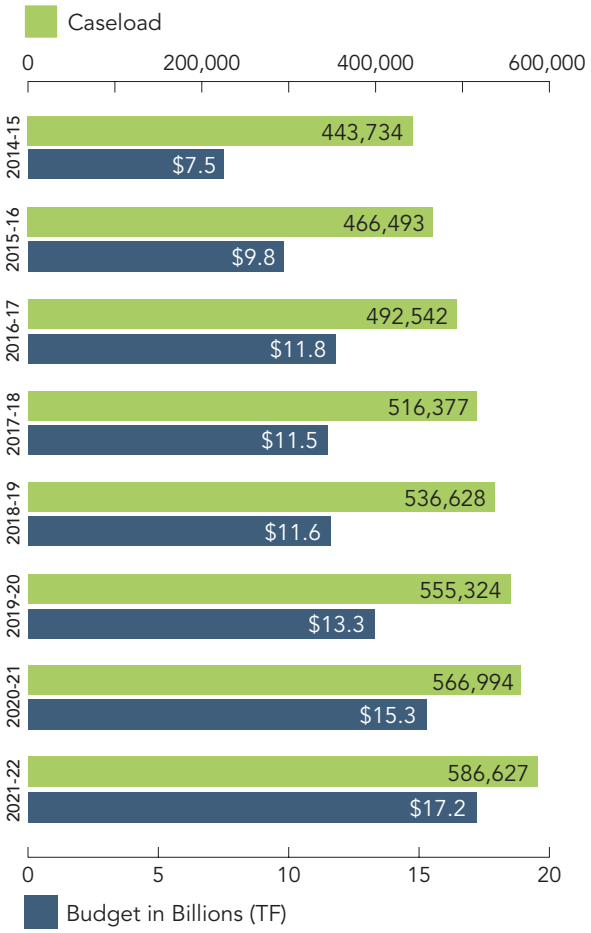
Figure 1. California Health and Human Services Proposed 2022–23 Funding, All Funds (Dollars in Billions)*



*Totals $227.6 billion for support, local assistance, and capital outlay. This figure includes reimbursements of $21 billion and excludes $2.5 million in Proposition 98 funding in the Department of Developmental Services and Department of Social Services budgets and county funds that do not flow through the state budget.

Source: *Health and Human Services* [Budget Summary, May Revision — 2022-23] (PDF), Department of Finance, accessed April 4, 2023.

Figure 2. In-Home Supportive Services Average Monthly Caseload and Annual Budget, Fiscal Years 2014–15 Through 2021–22



Note: *TF* is Total Funds (federal, state, county).

Sources: *Caseload Projections* [from 2023-24 Governor's Budget] (PDF), California Department of Social Services (CDSS), accessed April 3, 2023; and *In-Home Supportive Services (IHSS) Legislative Briefings* (PDF), CDSS, December 2022.

These historical enrollment and cost growth trends are expected to continue, due to population growth (particularly among older adults), Medi-Cal enrollment growth, wage growth for IHSS providers, and shifts in federal versus state funding.

- **Population growth.** The California Department of Aging estimates that by 2030, 10.8 million Californians will be age 60 or older, making up one-quarter of the state's population.[12]
- **Medi-Cal enrollment growth.** According to California's Legislative Analyst's Office, expanded Medi-Cal eligibility due to the elimination of the Medi-Cal Asset Limit will result in an estimated 6,000 additional people becoming eligible for

IHSS and an increase of $67 million in state costs for the program in 2022–23. In addition, the expansion of full-scope Medi-Cal coverage to income-eligible persons regardless of immigration status is expected to increase IHSS costs in future years, reaching an estimated state cost of $400 million by 2026–27.[13]

- **Wage growth.** The IHSS provider hourly wage has grown by 6% annually since 2014 to reflect increases in state minimum wage requirements and locally negotiated agreements in 50 counties to pay more than the state minimum wage to IHSS providers. Statewide, the average hourly rate for IHSS providers is $16.44.[14]
- **Shifts in federal versus state funding.** The temporary 6.2% federal funding increase provided in response to the COVID-19 public health emergency and the additional 10% federal match for home and community-based services (HCBS) under the American Rescue Plan Act offset IHSS spending by $940 million and $1 billion, respectively[15]; when these federal funding sources end, those costs will shift back to the state.

Looking Forward: IHSS and the Shifting LTSS Landscape

The changes to the LTSS delivery system under CalAIM offer both opportunities for and challenges to ensuring that IHSS is coordinated with other Medi-Cal benefits, and that recipients can access needed services in what continues to be a very complicated delivery system.

Opportunities

- MCPs can expand access to LTSS (including some IHSS-like services such as personal care and homemaker services) through the implementation of new benefits and programs under CalAIM, including Enhanced Care Management, Community Supports, and the Population Health Management initiative. These programs could support Medi-Cal enrollees prior to enrolling in IHSS and could increase supports for those already enrolled in IHSS.
- The implementation of the institutional long-term care benefit under the MCPs should create a financial incentive to refer and coordinate with IHSS to avoid unnecessary and more costly stays in a skilled nursing facility (SNF).
- Dual Eligible Special Needs Plans (D-SNPs) are responsible for care coordination of all Medicare and Medi-Cal benefits for their members and can expand access to LTSS through the Special Supplemental Benefits for the Chronically Ill (SSBCI).[16]
- Providers, MCPs, and community-based organizations can leverage dollars and services available through the HCBS Spending Plan to support workforce development for IHSS and related LTSS services, improving access and care for Medi-Cal enrollees.
- MCPs, D-SNPs, and counties can strengthen the coordination of IHSS with other Medi-Cal benefits and LTSS through implementation of the IHSS memorandum of understanding (MOU) requirements, which will be updated in 2024. Directives for all parties to actively accomplish the care coordination activities outlined in the MOU would help achieve this goal.
- The DHCS Population Health Management Service is intended to integrate medical, behavioral health, and social service information from multiple sources, including the IHSS program, MCPs, and D-SNPs, which should enable improved data access and sharing and better coordination for IHSS care recipients.[17]
- DHCS, CDSS, and counties could explore the potential for targeted expansion of contract-mode IHSS, which is a model wherein a payer (typically a county) contracts with an agency to employ IHSS providers for those IHSS care recipients who have difficulty self-directing their care.

Opportunities to Improve Coordination

The Master Plan for Aging LTSS Subcommittee identified opportunities to improve coordination between IHSS, health, and other LTSS providers by implementing the following strategies:

- Include formal authorization for secure information sharing with managed care providers of health and LTSS services.
- Require the state to collect data and report on beneficiary access to services, including referrals and receipt of services, transitions, and care coordination.
- Improve coordination between the IHSS program and institutional settings to ensure there are no gaps in services for those being discharged.
- Create a dedicated cross-department unit with the authority to align the administration of LTSS across departments, and to coordinate LTSS, including IHSS, in a way that promotes seamless access to services, integration, and coordination of care.

Source: *Master Plan for Aging Long Term Services and Supports Subcommittee Stakeholder Report* (PDF), California Health and Human Services Agency, May 26, 2020.

Challenges

- Workforce constraints are creating challenges across the health care sector, including personal care services. A 2020 California State Auditor report found that 32 of 58 counties indicated that they lacked enough caregivers to provide all authorized services to each IHSS participant. IHSS caregiver shortages were exacerbated during the COVID-19 public health emergency.[18]
- Even with the implementation of CalAIM, Medi-Cal's LTSS programs are administered by multiple departments, which can lead to siloed delivery. Additionally, several different waivers and MCP delivery systems are involved in the administration of LTSS. Developing collaboration across the continuum of care will require deliberate action in the context of competing priorities and limited resources.
- Coordination between counties, Medi-Cal LTSS waiver programs, and MCPs continues to be very limited, and there are no direct funding mechanisms or mandatory or contractual requirements creating incentives for such coordination around IHSS.
- Limited data-sharing capabilities between LTSS providers across the system may continue to cause confusion for Medi-Cal enrollees and their caregivers, because when MCPs, D-SNPs, and LTSS/IHSS providers are not effectively communicating, enrollees might be offered duplicate LTSS benefits or may not be offered LTSS benefits for which they are eligible. While the DHCS Population Health Management Service is intended to address coordination and communication for these partners, it is not currently operational, and the final scope of data exchange related to IHSS is not currently clear to MCPs and other stakeholders.
- The unique regulatory and financial structures of IHSS, such as the county maintenance-of-effort requirements, separate IHSS administratively and operationally from the rest of the Medi-Cal LTSS system.
- Many IHSS providers and consumers object to changing the IHSS program authority or operational components over concerns that this may impact the ability to maintain IHSS as a social model of care program with local authority and consumers' ability to direct their own care. This concern about changes in the IHSS program has hindered previous attempts at increased integration with Medi-Cal managed care, and these dynamics seem likely to continue.

Conclusion

IHSS is an integral part of the California LTSS delivery system and essential to allowing many Californians to age and live safely in their communities, which aligns with the broader goals of CalAIM. LTSS initiatives under CalAIM, and broader Medi-Cal reforms, have created several avenues for increased access to LTSS and an opportunity for policymakers and stakeholders to consider how IHSS recipients can be best supported across programs and benefits, and how the IHSS program, MLTSS, and other benefits under CalAIM can be effectively coordinated to more holistically serve people who need LTSS.

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About the Foundation

The California Health Care Foundation (CHCF) is an independent, nonprofit philanthropy that works to improve the health care system so that all Californians have the care they need. We focus especially on making sure the system works for Californians with low incomes and for communities who have traditionally faced the greatest barriers to care. We partner with leaders across the health care safety net to ensure they have the data and resources to make care more just and to drive improvement in a complex system. CHCF informs policymakers and industry leaders, invests in ideas and innovations, and connects with changemakers to create a more responsive, patient-centered health care system.

Endnotes

1. Athena Chapman and Elizabeth Evenson, *Medi-Cal Managed Care and Long-Term Services and Supports: Opportunities and Considerations Under CalAIM*, California Health Care Foundation (CHCF), March 16, 2023.
2. *Caseload Projections* [from 2023-24 Governor's Budget] (PDF), California Department of Social Services (CDSS), accessed April 3, 2023.
3. "IHSS Program Data" [January 2023], CDSS, accessed April 4, 2023.
4. *Welfare and Institutions Code - WIC: Article 7. In-Home Supportive Services [12300 - 12318]*, California Legislative Information, accessed April 4, 2023; and *In-Home Supportive Services (IHSS) Program Services* (PDF), CDSS, accessed April 4, 2023.
5. "In-Home Supportive Services (IHSS) Program," CDSS, accessed April 16, 2023.
6. *IHSS Program Services*, CDSS.
7. IHSS workers may be allowed to provide paramedical services in some cases, with appropriate training. Paramedical services are services ordered by a licensed health care professional, which a person could provide for themselves but for their functional limitations. See *Paramedical Services* (PDF), CDSS, accessed January 30, 2023.
8. *Health and Human Services* [Budget Summary, May Revision — 2022-23] (PDF), Department of Finance, accessed April 4, 2023.
9. *The 2023–24 Budget: In-Home Supportive Services*, Legislative Analyst's Office, March 2, 2023.
10. *Caseload Projections*, CDSS.
11. *2023-24 Governor's Budget Executive Summary* (PDF), CDSS, accessed April 4, 2023.
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16. Kathryn A. Coleman (director, Medicare Drug & Health Plan Contract Administration Group, CMS) to all organization types and stakeholders, *Final Contract Year 2023 Part C Benefits Review and Evaluation* (PDF), April 20, 2022.
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