



## IHSS Final Actions – State Budget FY 11/12

Issue	Summary	Estimated Savings
Eliminate services for IHSS consumers without Medical Certificate <sup>i</sup>	<p>As a condition of receiving services, all consumer applicants and existing consumers must obtain a certification from a licensed health care professional declaring that the applicant or recipient is unable to perform some activities of daily living (ADLs) independently, and that without services to assist him or her with ADLs, the applicant or recipient is at risk of placement in out-of-home care.</p> <p>A licensed health care professional includes, but is not limited to, a physician, physician's assistant, regional center clinician or clinician supervisor, occupational therapist, physical therapist, psychiatrist, psychologist, optometrist, ophthalmologist, or public health nurse.</p> <p>Consumer and applicants have 45 days from the initial assessment or reassessment to submit the medical certificate. Counties have authority to extend the deadline on a case-by-case basis for good cause.</p>	-\$67.4 million state General Fund
Implement Community First Choice Option <sup>ii</sup>	<p>The budget assumes the state will apply for and implement the new federal Community First Choice Saves to leverage an additional six percent in federal financial participation for IHSS. The budget assumes implementation starting in October 2011 (the earliest date allowed under federal law), with nine months of savings in 2011-12, and full implementation in 2012-13 and that 100% of the IHSS cases will qualify for enhanced federal funding.</p>	-\$128 million state General Fund
Medication Dispensing Machines Pilot Project <sup>iii</sup>	<p>The budget authorizes the establishment of the Home and Community Based Medication Dispensing Machine Pilot Project. The pilot aims to assist Medi-Cal recipients with taking prescribed medications through the use of an automated medication dispensing machine that includes remote monitoring and telephonic reporting services.</p> <p>The Department of Health Care Services (DHCS) is required to establish the pilot project for Medi-Cal recipients that are at high risk of medication non-adherence. Participation by Medi-Cal recipients is completely voluntary. The bill also requires the Department of Finance to evaluate savings to the state General Fund as a result of the pilot project. If the pilot project does not reach an annualized savings target of \$140 million by July 2012, (1) the pilot project will be terminated, and (2) CDSS is authorized to implement unspecified across-the-board reductions to hours of IHSS consumers starting October 2012.</p> <ul style="list-style-type: none"> <li>• Any across-the-board reduction shall be applied first to unmet need before being applied to the authorized hours.</li> <li>• If the consumer believes he or she will be at serious risk of</li> </ul>	-\$140 million state General Fund

	<p>out-of-home placement as a consequence of the cut, the recipient may apply to have the hours restored.</p> <ul style="list-style-type: none"> <li>• CDSS must develop a process to allow counties to preapprove IHSS Care Supplements for consumers who would be at serious risk of out-of-home placement due to the cut in hours.</li> </ul>	
Budget Forecast Trigger cuts <sup>iv</sup>	<p>The budget package includes up to \$2.5 billion in “trigger” reductions that would be implemented if General Fund revenues assumed in the budget fall short. By December 15, 2011, the Department of Finance (DOF) will compare budgeted revenues to the higher of (1) its own revenue forecast and (2) the November 2011 forecast prepared by the Legislative Analyst. If the higher of these forecasts falls short of the budgeted amount by between \$1 billion and \$2 billion, the DOF would implement \$601 million in reductions<sup>v</sup>. There are two IHSS cuts that would be “triggered”:</p> <ul style="list-style-type: none"> <li>• \$100 million reduction of state General Fund by implementing a 20% across-the-board cut in consumer hours, to take effect on January 1, 2012. The same conditions apply as outlined under the trigger mechanism for the Medication Dispensing Pilot Project.</li> <li>• \$10 million reduction of state General Fund by eliminating the “County Plan/County District Attorney” allocation for IHSS Anti-Fraud activities.</li> </ul>	-\$110 million state General Fund in cuts authorized
Caseload Savings	The legislature had more current data to estimate the statewide IHSS caseload than was available to the administration when the budget proposal was prepared. The adopted budget rebenchmarked caseload estimates for both FY 10/11 and FY 11/12.	-\$83.2 million state General Fund
IHSS Advisory Committees	Cut \$1.4 million from IHSS Advisory Committees and eliminated the county mandate, while retaining \$3,000 for each of the Public Authorities (PAs) to support the continued operation of Advisory Committees within the budget for PAs.	-\$1.4 million state General Fund
Public Authority Operations	Due to slower estimated caseload growth and lower projected service hours in IHSS, the May Revision proposed to cut Public Authority funding by \$2.2 million. This new cut would have been layered on multiple cuts that have already reduced Public Authority funding statewide from the highest level of \$57.919 million in FY 08/09 to \$27.163 million in the FY 10/11. The legislature restored the \$2.2 million; setting the Public Authority allocation at \$24.687 million (total funds) for FY 11/12.	-\$889k state General Fund

<sup>i</sup>SB 72 (Chapter 8, Statutes of 2011) and AB 106 (Chapter 32, Statutes of 2011): Welfare & Institutions Code 12309.1

<sup>ii</sup>SB 72 (Chapter 8, Statutes of 2011): Welfare & Institutions Code 14132.956

<sup>iii</sup>SB 72 (Chapter 8, Statutes of 2011): Welfare & Institutions Code 14132.957

<sup>iv</sup> SB 73 (Chapter 34, Statutes of 2011 and SB 93 (enrolled as of July 18, 2011): Welfare & Institutions Code 12301.07

<sup>v</sup> There are additional trigger cuts that don’t apply to IHSS if revenues fall short of the budgeted amount by more than \$2 billion.