



**Testimony for Sarah S. Steenhausen**  
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**Little Hoover Commission**  
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## **Californians' Preference for Home and Community-Based Care**

Most individuals needing Long-Term Care (LTC) prefer to receive services in the home and community and to avoid institutionalization whenever possible, which is a principle of the United States Supreme Court ruling in the 1999 case of *Olmstead v L.C.*<sup>1</sup> California's Home and Community-Based Services (HCBS) system was established out of a movement in the 1970s to provide critical services designed to help individuals remain at home and avoid institutional placement. As a result, a number of innovative HCBS programs were spearheaded in California and later expanded to other states that have allowed more people to remain at home and avoid institutionalization. Such programs include the Program for All Inclusive Care for the Elderly (PACE), Adult Day Health Care (ADHC), In Home Supportive Services (IHSS), and the Alzheimer Day Care Resource Centers. California was once seen as a leader in providing services to support the full integration of persons with disabilities and seniors in community life. Despite these initial advancements, the HCBS system has been negatively impacted by system fragmentation, lack of system-wide data or planning, capacity issues, and fiscal pressures that threaten the system's infrastructure.

### **Challenge #1: System Fragmentation**

California's HCBS system provides important services that serve as alternatives to institutionalization. Yet program development and expansion has occurred in silos and without an overall system strategy, thereby leading to significant fragmentation across programs and services. Not only is there fragmentation among individual HCBS programs; there is also fragmentation among programs across the health and social service continuum.

The Consumer Impact: A disconnect between the medical and supportive service systems creates enormous burdens for consumers. For example, an older person who experiences a sudden fall and hospitalization may not have the necessary services lined up for a safe return home. Physicians and hospital discharge planners do not have the time, resources, or often the knowledge of the array of community-based services available to arrange the supports that would provide for a successful transition home. The individual and his/her family are left to organize the appropriate range of

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<sup>1</sup> In *Olmstead vs. L.C.*, the Court found that unjustified institutionalization is a violation of the Americans with Disabilities Act. Specifically, the Court ruled that states are required to provide community-based services for persons with disabilities otherwise entitled to institutional services when: 1) the state's treatment professionals reasonably determine that community placement is appropriate; 2) the person does not oppose such placement; and 3) the placement can be reasonably accommodated, taking into account resources available to the state and the needs of others receiving services.

services, steering through a complicated set of programs, eligibility criteria, and assessments. Most likely, the individual is unaware of available services and does not know how to access them. Moreover, most HCBS programs cannot provide immediate assessments and access to services – as is required in most hospital discharges. If the individual returns home without the proper services and supports in place, there is greater risk for repeat hospitalization or nursing home placement.

State Efforts to Address Fragmentation: Over the past several years, the Legislature and Administration have initiated several efforts to address system fragmentation and better coordinated care for consumers (see appendix A). The proposals have focused on coordinating care by integrating the acute and long-term care delivery systems. The general concept underlying these proposals has been to integrate and coordinate the health and LTC systems (HCBS and institutional), which would then provide the consumer with seamless services across the care continuum. For various reasons, the efforts have been unproductive. Part of the challenge comes from blending funding systems, administrative structures, and assessment processes that would be required as part of an integrated service delivery system. Issues include how to integrate the range of health and LTC services that have different assessment procedures, program requirements, and funding streams. With each proposal there are questions about what entity would be responsible for oversight of the integrated system, how would it impact the current assessment system, and how would it alter the current funding breakdown among programs as well as county/state fiscal arrangements. The various complications associated with integrating funding and service delivery have prevented these efforts from gaining system-wide stakeholder support at both the state and county level.

Other efforts to address system fragmentation included proposals to reorganize the state structure and consolidate programs serving seniors and persons with disabilities into a single department structure (see Appendix A). These proposals called for consolidation of the state administrative structure to allow for more coordinated programming, data collection, and policy development. The proposals were not adopted for a number of reasons, including the fiscal costs as well as questions as to whether consolidating administrative structures at the state level would translate into improved care and coordination for the consumer at the local level.

An effort likely to impact service delivery is the renewal of the Medicaid 1115 waiver<sup>2</sup> for hospital financing and the uninsured coverage, which expires in August of this year. The Budget Act of 2009-10 requires that the Administration renew the 1115 waiver to restructure the organization and delivery of health care for high cost Medi-Cal beneficiaries. The waiver will include four broad initiatives, one of which will seek to promote an organized delivery system for seniors and persons with disabilities (SPDs), including those who are dually-eligible (Medicare and Medi-Cal), by building off existing managed care models and developing new models. It is not clear the extent to which

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<sup>2</sup> Medicaid 1115 waivers provide the federal Secretary of Health and Human Services broad authority to authorize experimental, pilot, or demonstration projects likely to assist in promoting the objectives of the Medicaid statute. Flexibility under Section 1115 is sufficiently broad to allow states to test substantially new ideas of policy merit. These projects are intended to demonstrate and evaluate a policy or approach has not been demonstrated on a widespread basis.

the waiver will impact or incorporate HCBS, but it could present opportunities to better coordinate care for seniors and persons with disabilities – that is, only if the HCBS programs are restored to current or previous funding levels.

## **Challenge #2: Lack of Capacity and the Federal Entitlement**

Not all HCBS programs are available on a statewide basis, nor are they funded at a level that could adequately serve every community in California. Therefore, the system is fragmented and difficult to navigate and there is also no assurance that consumers can access the programs. They are often placed on long waiting lists before receiving services. This access issue is a result of the system being under-funded and therefore lacking capacity to meet population need.

Much of the lack of HCBS system capacity can be attributed to the federal Medicaid “institutional bias.” To this end, Medicaid law provides an entitlement to institutional care and therefore requires states to cover the costs of nursing home care for Medicaid beneficiaries. However, there is no similar guarantee for HCBS since these services are optional and permissible but not mandatory. As a result, California’s HCBS include a patchwork of Medi-Cal “optional” State Plan services<sup>3</sup> and Medi-Cal waiver programs that provide community-based alternatives for individuals who would otherwise require care in a nursing facility or hospital. The waiver programs serve a limited number of individuals and often have long waiting lists. A number of HCBS programs operate outside of the Medi-Cal program using either state General Fund or other federal funds, but these programs often lack the capacity and funding to meet the community’s need.

California’s HCBS Entitlement System: The developmental disabilities service system is California’s only service system that guarantees access to HCBS. This service system is unique in that it provides an entitlement to HCBS for all eligible individuals with developmental disabilities as outlined in the Lanterman Developmental Disabilities Act of 1969.<sup>4</sup> The Lanterman Act expresses a commitment to serving persons with developmental disabilities in the community through regional center services. The regional center delivery system provides access to comprehensive services in the community by coordinating outreach, intake and assessment, preventive services, and case management/service coordination. In addition, regional centers develop, maintain, monitor, and fund a wide range of services and supports. This system serves as a model for the broader population that, for many reasons, has difficulty accessing the necessary services to remain in the community and avoid institutionalization.

## **Challenge #3: State/Local Fiscal Incentives**

Another issue that complicates HCBS service provision is the state/local/county program funding requirements. For IHSS services, counties pay 17.5%, the state pays

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<sup>3</sup> California’s optional State Plan services include In Home Supportive Services, Adult Day Health Care, Home Health Agency services and Targeted Case Management

<sup>4</sup> Regional center services became an entitlement for individuals with developmental disabilities following a California Supreme Court decision in 1985.

32.5%, and the federal government pays 50% share-of-cost.<sup>5</sup> For nursing facility services, the state pays 50% and the federal government pays 50% of the bill, relinquishing the counties' share-of-cost. Therefore, counties have no fiscal incentive to enroll individuals in the IHSS program. If these individuals are instead placed in an institution, the counties bear no fiscal responsibility for their care.

#### **Challenge #4: Lack of Data and System-Wide Planning**

In addition to its fragmented funding and service delivery system, California lacks comprehensive data to evaluate program effectiveness and identify needs and gaps in service delivery. No single department or agency uniformly collects and reports all long-term care data. Without comprehensive data, it is difficult to evaluate the cost-effectiveness of HCBS and to determine how to best meet the needs of the population.

The aging of the state's population and growth of the working-age population of adults with disabilities makes it all the more important for California to adequately prepare for an increased demand in LTC services. Data and planning are essential components to preparation. In 2003, the state released the California Olmstead Plan, which included a number of recommendations on how to build upon California's HCBS to meet the intent of the *Olmstead* decision. However, the plan did not set timeframes or specific deliverable action items. And while some individual departments have developed strategic plans, there is no system-wide, long-range strategic plan that would set priorities and maximize the use of limited resources.

Current Efforts: The state Department of Health Care Services (DHCS) is currently engaged in an effort to analyze and review all HCBS data in the state. Funded by The SCAN Foundation and DHCS, researchers with the California Medicaid Research Institute located at the University of California, San Francisco will conduct three tasks:

- (1) A review and summary of the published research on the cost-effectiveness of home and community-based services.
- (2) A comprehensive analysis of the utilization and cost information for Medi-Cal beneficiaries receiving home and community-based services in California.
- (3) An analysis of the costs and utility of home and community-based service benefits provided under Medi-Cal via federal waivers and the State Plan.

The research will inform HCBS-related policy by providing information on how HCBS can prevent or delay institutionalization, reduce the use of emergency room services and hospital admissions, and improve or maintain a person's quality of life.

#### **Challenge #5: Fiscal Pressure**

As the demographics have changed and people have sought to remain in their homes and communities, HCBS caseload has increased. This fact, coupled with a difficult fiscal

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<sup>5</sup> As part of the American Recovery and Reinvestment Act, the state is receiving an enhanced federal matching rate with the federal government paying 61.59%, and the remaining 38.41% is split in the same proportion between the state and counties. This will be in effect through December 2010.

climate, and the Medicaid institutional bias, has made most HCBS programs the target of significant budget reductions. These reductions continue to threaten the progress the state has made in providing community-based alternatives to institutionalization.

IHSS: The IHSS program was established in 1979 as an innovative consumer-directed service delivery model that became a national model for care. Increasing IHSS caseload has made the program a target for reductions in recent budget cycles - including the proposed elimination of services for 87% of current clients as part of the governor's proposed 2010-11 budget.<sup>6</sup> The governor's 2010-11 proposed budget would reduce support for home care in the state to levels not seen for almost 30 years.<sup>7</sup> Specifically, data from nine counties in the state show that 92.4% of IHSS recipients aged 65 and over would face a total loss of IHSS. Further, 86.5% of IHSS recipients aged 65 and over with a cognitive impairment would also lose all of their IHSS hours.<sup>8</sup> The service reductions would likely impact the ability of these IHSS recipients to live safely in their homes. These factors are commonly found to predict increased rates of institutionalization.<sup>9</sup>

Adult Day Health Care (ADHC): The ADHC Program – which began in 1977 as a demonstration program and today is part of the Medi-Cal State Plan – has grown into a critical component of the HCBS continuum. It provides a variety of health, therapeutic, and social services to individuals at risk of placement in a nursing home. In 2004, a moratorium was implemented on the opening of new centers. Since that time, 11% of centers have closed, leading to a corresponding decrease in caseload, which remains flat at 37,000 beneficiaries. Today, the governor is calling for program elimination as part of the 2010-11 proposed budget. In 2002, it was estimated that approximately half of the ADHC recipients also receive some assistance through IHSS.<sup>10</sup> If the IHSS and ADHC cuts were implemented, many service recipients would lose both IHSS and ADHC services; this would leave this population with little to no support in the community, thereby increasing the likelihood of institutionalization.

The Older Californians Act (OCA): The OCA established a range of community-based services and supports designed to help seniors remain at home and avoid institutionalization. The 2009-2010 budget cuts decimated state funding for the OCA programs, including the Linkages case management program and other community-based services programs such as the Alzheimer's Day Care Resource Centers and respite assistance for caregivers.

Caregiver Support: Created to assist families of persons afflicted with brain impairments, Caregiver Resource Centers experienced a 72% reduction as part of the 2009-10 budget. These centers are the only respite resource for low-income families not eligible for Medicaid.

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<sup>6</sup> The governor also proposes totally ending the IHSS program if the state does not receive \$6.9 billion of new federal assistance (trigger cuts).

<sup>7</sup> The UCLA Center for Health Policy Research recently published a Policy Note summarizing the impacts of the proposed budget cuts, which illustrates how deeply these cuts will impact seniors and people with disabilities ([http://www.healthpolicy.ucla.edu/pubs/files/BudgetProposals\\_2010\\_PB\\_021610.pdf](http://www.healthpolicy.ucla.edu/pubs/files/BudgetProposals_2010_PB_021610.pdf)).

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

Taken together, the budget reductions – both those implemented as part of the 2009-10 budget, as well as those proposed as part of the Governor’s 2010-11 budget – are likely to have a drastic impact on the state’s population of seniors and persons with disabilities, as well as family caregivers. The deep budget cuts will make it harder for this population to access services and live safely at home.

### **Challenge #6: Demographic Challenges**

In 2007, Californians aged 65 and over comprised 11% of the population, equivalent to four million persons. By 2030, the number of Californians aged 65 and over is expected to increase to 8.3 million or 17.8% of the population. But while California has a higher total number of persons age 65 and older compared to other states, the state is still fairly young, relative to states like Pennsylvania or Florida. California is only at the beginning of what will be a substantial growth curve for its senior population in the next 20 years. There is already a great deal of pressure on the service delivery system in the state and the aging of the population will only put more pressure on the system. Ultimately, this points to the importance of planning, infrastructure development and capacity building to meet the needs of an aging population now and into the future.

### **Improving the System Despite System Challenges**

California cannot afford to abandon its commitment to providing HCBS as an alternative to institutionalization. First, for many frail seniors and persons with disabilities who rely on HCBS to keep them at home, the erosion of HCBS programs increases the likelihood of institutionalization. Second, while some HCBS programs may still be in operation today, the cuts may cause the providers to close their doors because of the cumulative loss in revenue. Taken together, the cuts threaten an infrastructure that has taken more than 30 years to build.

The current LTC system is broken- it operates in silos and it is not person-centered. The system needs reforming, not reversing. The state is presented with a critical moment to design a more stable, integrated, efficient, and person-centered system.

## **Appendix A: Examples of Reform Efforts**

### **Efforts to Coordinate/Integrate Care**

- AB 1040 (Bates, Chapter 875, Statutes of 1995) required the Department of Health Care Services to establish up to five LTC pilot projects to integrate the delivery and funding of institutional and HCBS services. No pilots were established under this program.
- AB 1339 (Shelley, 1999) would have created a single assessment tool for evaluating the needs of older persons and persons with disabilities, and would have established the Area Agencies on Aging as the single point of entry to LTC services for older persons. This legislation failed passage in the Legislature.
- AB 3019 (Daucher, 2006) would have required the Health and Human Services Agency, in consultation with specified entities, to develop and evaluate a single assessment protocol in order to minimize duplication and redundancy of multiple HCBS assessments. This legislation failed passage in the Legislature.
- Acute and LTC Integration: A number of proposals to coordinate and integrate the medical and HCBS service systems were introduced either legislatively (AB 43, Daucher, 2003; SB 1671, Vasconcellos, 2004) or through the Governor's proposed budget (Acute and LTC Integration of 2005; Access Plus/Community Choices of 2006), but all have failed passage in the Legislature.

### **Efforts to Consolidate Programs and Services:**

- AB 784 (Daucher, 2003): This bill would have moved provisions governing IHSS, Adult Protective Services, Caregiver Resource Centers, and the Independent Living Center program to a new California Department of Adult and Aging Services. This legislation failed passage in the Legislature.
- AB 2014 (Berg and Daucher, 2006): This bill would have established a new California Department of Adult and Aging Services with a mission to coordinate programs that support adults with disabilities in seniors in their homes and communities. The new department would have included all programs and services funded through the federal Older Americans Act, the Older Californians Act, the Caregiver Resource Centers, the IHSS program, the Independent Living Centers program, and Adult Day Health Care. This legislation failed passage in the Legislature.



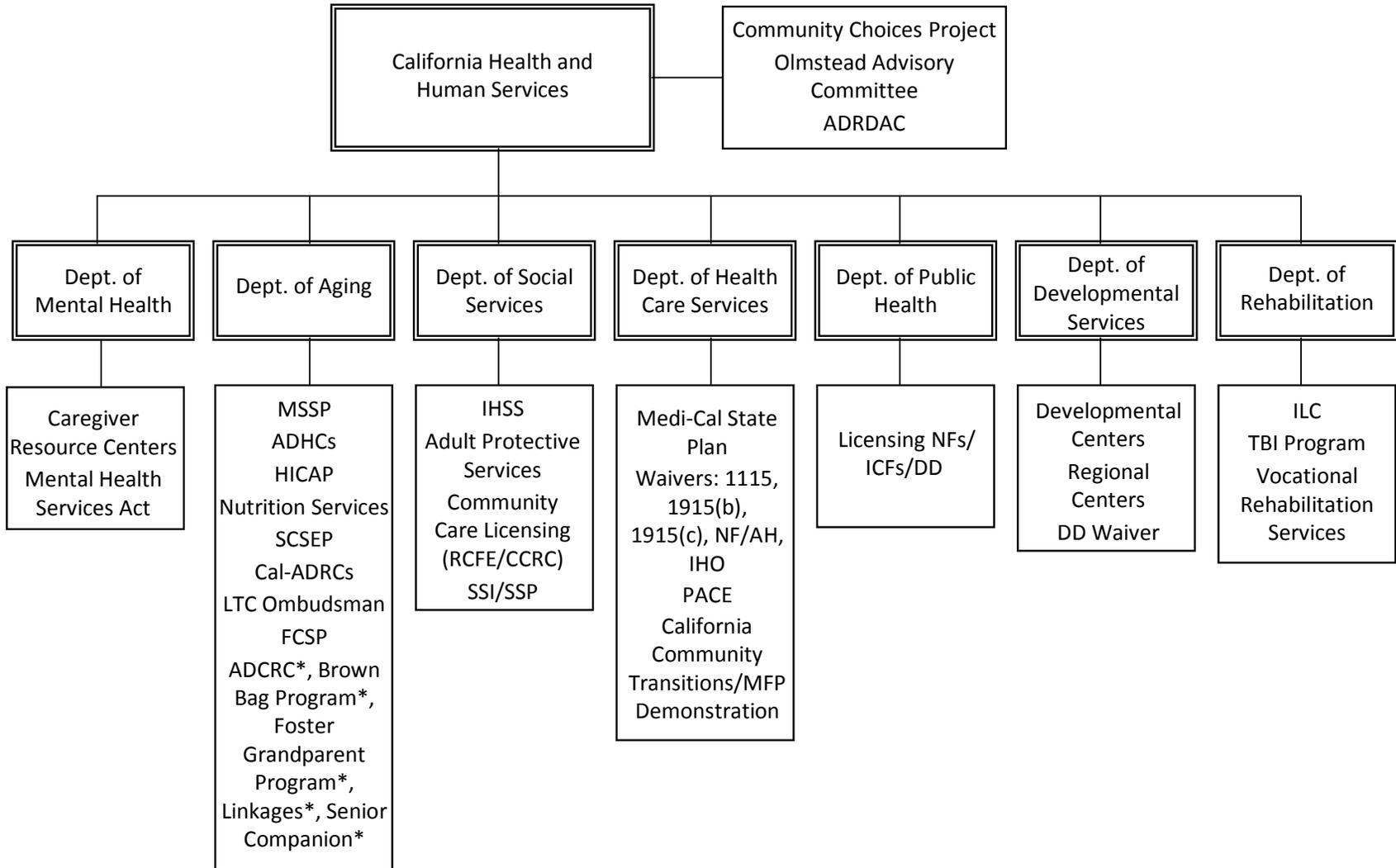
**PROGRAM COMPENDIUM: The Organization of Long-Term Care in California**  
**Submitted to support the testimony of Lisa R. Shugarman, Ph.D., Director of Policy and Sarah S. Steenhausen, Senior Policy Fellow, The SCAN Foundation**  
**Little Hoover Commission, March 25, 2010**

<b>Federal Agencies and Departments Supporting California’s Long-Term Care System</b>	
<b><i>U.S. Department of Health and Human Services (DHHS)</i></b>	DHHS is the primary federal agency responsible for health and human services, including long-term care services. Within DHHS are the Centers for Medicare and Medicaid Services and the Administration on Aging, the two primary agencies that have direct responsibilities related to long-term care. Several other agencies and departments are involved in long-term care including the Health Resources and Services Administration, the Department of Labor, and the Department of Housing and Urban Development.
<b><i>Centers for Medicare and Medicaid Services (CMS)</i></b>	CMS administers the Medicare program and the federal portion of the Medicaid program. In addition, CMS coordinates state licensing and certification of health facilities, including long-term care facilities.
<b><i>Administration on Aging (AoA)</i></b>	The AoA administers the federal Older Americans Act (OAA), which provides funding for an array of community services including congregate and home-delivered meal programs for persons 60 and over through mandatory state units on aging that, in turn, allocate the funds to local Area Agencies on Aging.
<b>California State Agency/Departments Supporting California’s Long-Term Care System</b>	
<b><i>California Health and Human Services Agency (CHHS)</i></b>	CHHS oversees twelve departments and one board <sup>1</sup> that provide a range of health care services, long-term care services, social services, mental health services, alcohol and drug treatment services, income assistance and public health services. The departments that have a direct role in funding or providing long-term care services are: the Department for Health Care Services (DHCS), the Department of Aging (CDA), the Department of Rehabilitation (DOR), the Department of Mental Health (DMH), the Department of Social Services (DSS), the Department of Public Health (DPH), and the Department of Developmental Services (DDS).
<b><i>Department of Health Care Services (DHCS)</i></b>	DHCS is responsible for administering Medi-Cal, California's Medicaid program that provides health care services for low-income individuals including families with children, seniors, persons with disabilities, foster care, pregnant women, and low income people with specific diseases such as tuberculosis, breast cancer or HIV/AIDS. Medi-Cal is financed by the state and federal government and is the largest funding source for long-term care services in the state. Medi-Cal covers institutional long-term care as well as home and community-based services (HCBS) through Medi-Cal “Optional” State Plan services, and Medi-Cal waivers.

<sup>1</sup> Departments include: Dept. of Health Care Services; Dept. of Social Services; Dept. of Aging; Dept. of Rehabilitation; Dept. of Public Health; Dept. of Alcohol and Drug Programs; Dept. of Mental Health; Dept. of Child Support Services; Dept. of Community Services and Development; Office of Statewide Health Planning and Development; Emergency Medical Services Authority; Dept. of Developmental Services; and the Managed Risk Medical Insurance Board.

<b>California Department of Aging (CDA)</b>	CDA administers programs that serve older adults, adults with disabilities, and family caregivers. CDA contracts with a network of 33 Area Agencies on Aging, which directly manage a wide array of federal and state-funded services that help older adults find employment; support older adults and adults with disabilities in the community; promote healthy aging and community involvement; and provide caregiver support. CDA also administers the Multipurpose Senior Services Program and certifies Adult Day Health Care centers, under an interagency agreement with DHCS.
<b>California Department of Rehabilitation (DOR)</b>	DOR works in partnership with consumers and other stakeholders to provide services and advocacy resulting in employment, independent living, and equality for individuals with disabilities.
<b>California Department of Mental Health (DMH)</b>	DMH is responsible for providing leadership for local county mental health departments; evaluating and monitoring of public mental health programs; administering federal funds for mental health programs and services; treating people with mental illness at the five state mental hospitals and at Acute Psychiatric Programs; and overseeing implementation of the Mental Health Services Act (Proposition 63), which provides state tax dollars for specific county mental health programs and services.
<b>California Department of Social Services (CDSS)</b>	CDSS provides oversight, policy, and systems functions for programs providing services to the aged, blind and disabled for programs including In-Home Supportive Services (IHSS – see Medi-Cal state plan description) and Adult Protective Services (APS). In addition, CDSS’ Community Care Licensing Division provides oversight and enforcement for more than 85,000 licensed residential facilities statewide serving such clients as children, parents and the elderly.
<b>California Department of Public Health (CDPH)</b>	CDPH is responsible for licensing and certification of health care facilities and nursing homes, as well as a variety of other public health programs, including the Alzheimer’s Disease Program that provides services to persons with Alzheimer’s disease and related disorders and their families through the Alzheimer’s Disease Research Centers of California and research funding to scientists engaged in the study of Alzheimer’s disease and related disorders through the Alzheimer’s Disease Research Fund.
<b>California Department of Developmental Services (DDS)</b>	DDS provides services and supports to individuals with developmental disabilities including mental retardation, cerebral palsy, epilepsy, autism and related conditions. Services are provided through state-operated developmental centers and community facilities, and contracts with 21 nonprofit regional centers. The regional centers serve as a local resource to help find and access the services and supports available to individuals with developmental disabilities and their families.
<b>California Business, Transportation and Housing Agency</b>	The Business, Transportation and Housing Agency oversees several departments that impact the long-term care service system, including the California Housing Finance Agency, the California Department of Transportation, the Department of Housing and Community Development, the Department of Managed Health Care, and the Office of the Patient Advocate.

## Overview of the Organization of Long-Term Care Services in CHHS



\* These programs are not currently funded with General Funds. Local Area Agencies on Aging determine whether and to what extent these programs will be funded.

### CHHS LTC Program Initiatives

<b>Olmstead Advisory Committee</b>	<p>The Olmstead Advisory Committee was established in 2005 pursuant to Executive Order S-18-04, in order to inform the Administration's understanding of the current system and future opportunities and insure the involvement of persons with disabilities and other system stakeholders. In <i>Olmstead vs. L.C.</i>, the Court found that unjustified institutionalization is a violation of the Americans with Disabilities Act. The Court ruled that states are required to provide community-based services for persons with disabilities otherwise entitled to institutional services, under specified circumstances.</p>
<b>California Community Choices</b>	<p>California Community Choices was formed in partnership with the California Institute on Human Services, the California Olmstead Advisory Committee, and other stakeholders. The project is funded through a CMS Real Choice Systems Change Grant. California Community Choices is focused on developing California's long-term care infrastructure to increase access to home and community-based services and to help divert persons with disabilities and older adults from unnecessary institutionalization.</p>
<b>Alzheimer's Disease and Related Disorders Advisory Committee (ADRDAC)</b>	<p>The ADRDAC was established through statute in 1988 to provide ongoing advice and assistance to the Administration and the Legislature on the program needs and priorities of individuals affected by Alzheimer's disease or related disorders.</p>

### California Department of Health Care Services (DHCS) Programs/Services

<b>Medi-Cal State Plan</b>	<p>The Medi-Cal State Plan describes the nature and scope of California's Medi-Cal program. As required under Section 1902 of the Social Security Act (Act), the Plan is developed by California and approved by the federal Center for Medicare and Medicaid Services (CMS). The Plan is California's agreement that it will conform to the requirements of the Act and the official issuances of CMS. The State Plan includes the many provisions required by the Act, such as:</p> <ul style="list-style-type: none"> <li>• Methods of Administration</li> <li>• Eligibility</li> <li>• Services Covered</li> <li>• Quality Control</li> <li>• Fiscal Reimbursements.</li> </ul>
<b>Medi-Cal "Optional" HCBS State Plan Services</b>	<p>Optional benefits and services are those that the state chooses to provide under the Medi-Cal Program. In most cases, these optional benefits are not required by federal law. Each state offers a different set of</p>

	<p>optional benefits to its recipients. California’s optional State Plan services include the In Home Supportive Services program (IHSS), Adult Day Health Care (ADHC), Home Health Agency services<sup>2</sup>, and Targeted Case Management<sup>3</sup>.</p>
<p><b>Medi-Cal Waivers</b></p>	<p>Medi-Cal waivers are programs under Medi-Cal that provide additional services to specific groups of individuals, limit services to specific geographic areas of the state, as well as medical coverage to individuals who may not otherwise be eligible under Medicaid rules. DHCS must obtain approval from the federal government to administer Medi-Cal waivers. Requests for new waivers usually require prior State Legislative authorization. The proposed changes must not cost the federal government more than the expected Medicaid costs for the traditional Medicaid population under the same time period. The following page lists the three types of waivers that California currently operates, including the Research and Demonstration 1115 Waiver, 1915 (b) Waiver and the 1915 (c) Home and Community-Based Services Waiver.</p> <p><b>Research and Demonstration 1115 Waiver:</b> 1115 waivers are intended to demonstrate and evaluate a policy or approach that has not been demonstrated on a widespread basis.</p> <p><b>1915 (b) Waiver:</b> 1915 (b) waivers give allow states to mandatorily enroll beneficiaries into managed care programs, or creating a "carveout" delivery system for specialty care. 1915(b) waivers do not have to be operated statewide.</p> <p><b>1915 (c) Home and Community-Based Services Waiver:</b> HCBS waivers allow states to offer a variety of services to consumers, including a combination of both traditional medical services as well as non-medical services. States can choose the number of consumers to serve. California’s 1915 (c) HCBS waivers include the following:</p> <ul style="list-style-type: none"> <li>• <b>Assisted Living Waiver (ALW):</b> The ALW provides home and community-based services in two settings: Residential Care Facilities for the Elderly or in publicly subsidized housing, with services provided by a Home Health Agency. Eligibility is limited to Medi-Cal beneficiaries over the age of 21. Services include, but are not limited to: assistance with activities of daily living; health related services including skilled nursing; transportation; recreational activities; and housekeeping.</li> <li>• <b>The Home and Community-Based Services Waiver for the Developmentally Disabled</b></li> </ul>

<sup>2</sup> HHA services are covered benefits under both the Medi-Cal State Plan and various 1915(c) HCBS waiver programs. Under the state plan, intermittent HHA services can cover short-term assistance with wound care, therapies, and medication monitoring, for example. Under HCBS waivers, HHA and independent nurse provider services can cover shift nursing for long-term, chronic conditions.

<sup>3</sup> Medi-Cal provides funding for case management services to help individuals obtain services covered under the Medi-Cal State Plan, such as home health, IHSS, and durable medical equipment, as well as through other public and private providers, such as emergency food and housing. Covered TCM activities also include assessment, services/support planning, and monitoring services and supports. In California, TCM is offered through local governmental agencies that provide services directly or by contracting with non-governmental entities or the University of California.

	<p><b>(HCBS-DD):</b> The HCBS-DD Waiver provides home- and community-based services to persons with developmental disabilities who are Regional Center consumers and reside in the community as an alternative to institutionalization. This waiver is administered by the California Department of Developmental Services.</p> <ul style="list-style-type: none"> <li>• <b>Multipurpose Senior Services Program Waiver (MSSP):</b> MSSP provides care management, adult day care, housing assistance, chore and personal care services (if the individual has used the allocated IHSS service hours), protective supervision, respite, transportation, meal services, social services and communication services for Medi-Cal eligible individuals over the age of 65 who meet clinical qualifications for nursing facility admissions. This waiver is administered by the California Department of Aging.</li> <li>• <b>Nursing Facility/Acute Hospital (NF/AH) Waiver<sup>4</sup>:</b> The NF/AH waiver provides community-based alternatives to Medi-Cal eligible individuals who would otherwise be receiving care in either an acute hospital, adult or pediatric subacute facility, nursing facility, or distinct-part nursing facility. There is no age limit for waiver services. The waiver is available to individuals who are currently residing in an institution but wish to transition to his/her home and community, as well as to individuals who reside in the community, but are at-risk for being institutionalized within the next 30 days.</li> <li>• <b>In-Home Operations (IHO) Waiver:</b> The IHO waiver offers services only to Medi-Cal beneficiaries who were enrolled in an IHO HCBS waiver prior to January 1, 2002, and have physician-ordered direct care services in excess of that available through the NF/AH waiver.</li> </ul>
<p><b>Adult Day Health Care (ADHC)</b></p>	<p>ADHC programs are licensed community-based day care programs providing a variety of health, therapeutic, and social services to persons at risk of being placed in a nursing home. While ADHC centers are licensed by the California Department of Public Health (CDPH), the California Department of Aging (CDA) is responsible for certification of each center for Medi-Cal reimbursement. ADHCs seek to restore or maintain optimal capacity for self-care to frail elderly persons and other adults with physical or mental disabilities and to delay or prevent institutionalization. Established by the Legislature in 1978, ADHCs represent one of the early community-based programs aimed at providing support to caregivers and delaying nursing home placement for seniors and adults with disabilities.</p>
<p><b>Program for All-Inclusive Care for the Elderly (PACE)</b></p>	<p>Modeled off the On Lok program in San Francisco, PACE is a model integrated service delivery program. PACE provides medical and supportive services to individuals who are age 55 or older, and who are certified to need nursing home care, but who are able to live safely in the community at the time of enrollment. The program</p>

<sup>4</sup> The NF/AH waiver was previously known as the “NF A/B Waiver” and was renamed the NF/AH Waiver effective January 1, 2007. The NF/AH waiver combines the following three prior Home and Community-Based Waivers: (1) NF A/B waiver; (2) Nursing Facility Subacute (NF SA) waiver; and the In-Home Medical Care (IHMC) waiver.

	<p>is available in limited areas of the state, with services including:</p> <ul style="list-style-type: none"> <li>• Medical care provided by a PACE physician familiar with the history, needs and preferences of each participant;</li> <li>• Adult day care that offers nursing; physical, occupational and recreational therapies; meals; nutritional counseling; social work and personal care;</li> <li>• Home health care and personal care in the home</li> <li>• Prescription drugs</li> <li>• Social services</li> <li>• Medical specialty services such as ophthalmology and cardiology as well as other healthcare services such as audiology, dentistry, optometry, podiatry, and speech therapy</li> <li>• Hospital and nursing home care, when necessary</li> </ul> <p>An interdisciplinary team, consisting of professional and paraprofessional staff, assesses participants' needs, develops care plans, and delivers all services (including acute care services and when necessary, nursing facility services) which are integrated for a seamless provision of total care. PACE programs provide social and medical services primarily in an adult day health center, supplemented by in-home and referral services in accordance with the participant's needs. The PACE service package must include all Medicare and Medi-Cal covered services, and other services determined necessary by the interdisciplinary team for the care of the PACE participant.</p>
<p><b>California Community Transitions</b></p>	<p>In January 2007, DHCS was awarded funding by CMS to implement a Money Follows the Person Rebalancing Demonstration called "California Community Transitions" (CCT). The demonstration is authorized through September 30, 2011. CCT allows eligible Medi-Cal beneficiaries who have been receiving services in nursing or other inpatient health care facilities for six months or longer to transition to a community setting, if that is their preference.</p>
<p><b>California Department of Aging (CDA) Programs/Services</b></p>	
<p><b>Adult Day Health Care (ADHC)</b></p>	<p>ADHC centers are certified for participation in the Medi-Cal Program by the Department of Aging.</p>
<p><b>Multipurpose Senior Services Program (MSSP)</b></p>	<p>CDA is responsible for program administration of the MSSP waiver.</p>

<b>Health Insurance Counseling and Advocacy Program (HICAP)</b>	<p>HICAP offers consumer counseling on Medicare, Medicare supplement policies, Health Maintenance Organizations (HMOs) and long-term care insurance. Local HICAP offices provide free community education and confidential individual counseling statewide.</p>
<b>Nutrition Services</b>	<p>CDA administers nutrition services funded by the federal Older Americans Act and state General Fund dollars through the network of Area Agencies on Aging and their service providers. The programs serve a broad population, with preference given to those in greatest economic or social need. Nutrition services are offered in two settings: congregate and home delivered meals, as follows:</p> <ul style="list-style-type: none"> <li>• <u>Title III C-1: Congregate Nutrition Services</u> provide meals in a group setting. Services also include nutrition and health promotion education, and opportunities for socialization. People eligible for Title III C-1 nutrition services are 60 years of age or older, individuals with a handicap or disability who meet specific criteria, spouses of eligible participants regardless of age, and volunteers who provide needed services during meal hours.</li> <li>• <u>Title III C-2: Home Delivered Meal Services</u> are available to people, age 60 or older, who are homebound by reason of illness, incapacity, or disability, or who are otherwise isolated. Most home-delivered meal programs provide clients with a hot meal five days a week delivered by staff or volunteer drivers.</li> </ul>
<b>Senior Community Service Employment Program (SCSEP)</b>	<p>The SCSEP provides part-time work-based training opportunities at local community service agencies for older workers who have poor employment prospects and assists with the transition of individuals to private or other employment opportunities in the community. The program provides a variety of supportive services to the individual such as personal and job-related counseling, job training, and job referral. Individuals who participate in the program must be residents of California, be at least 55 years of age, and have an income that does not exceed 125 percent of the federal poverty level.</p>
<b>California Aging and Disability Resource Connections (Cal-ADRCs)</b>	<p>The Cal-ADRC model assists individuals with disabilities and/or chronic conditions in accessing health care, medical care, social supports, and other long-term services and supports. Through formal and informal agreements among several community organizations, ADRCs offer enhanced information and referral, long-term care options counseling (one-on-one decision support across all networks), short-term service coordination (when there is an urgent need for multiple applications for support until a longer term arrangement can be made), expedited on-the-spot applications for In-Home Supportive Services (IHSS), Adult Protective Services (APS), Multi-Purpose Senior Services Program (MSSP), Medi-Cal Eligibility, and access to a much broader array of information that leads to an individual's informed decision making. The ADRC model is currently available in Riverside, Orange, San Francisco, and San Diego counties, with funding supported through federal grants received by the California Health and Human Services Agency.</p>

<b>The Long-Term Care Ombudsman Program</b>	The Long-Term Care Ombudsman Program investigates and endeavors to resolve complaints made by, or on behalf of, residents in long-term care facilities including nursing homes, residential care facilities for the elderly, and assisted living facilities. The goal of the Long-Term Care Ombudsman Program is to advocate for the rights of all residents of long-term care facilities.
<b>Family Caregiver Support Program (FCSP)</b>	The FSCP was established under Title III E of the federal Older Americans Act Amendments of 2000. Provided through contract with the 33 Area Agencies on Aging, services include caregiving information, access to services and supports, temporary respite care <sup>5</sup> and other support.
<b>Alzheimer's Day Care Resource Centers (ADCRC)<sup>6</sup></b>	The Alzheimer's Day Care Resource Centers (ADCRC) is authorized under the Older Californians Act; however, there are no longer any General Fund dollars supporting this program. To this end, the local Area Agencies on Aging determine whether and to what extent to fund the program. ADCRCs provide care for persons with Alzheimer's disease and other dementia. The centers provide services that support the physical and psychosocial needs of persons with Alzheimer's disease or related dementia. Individual care plans are developed for each program participant with activities scheduled in accordance with these plans to maintain the highest level of functioning.
<b>Brown Bag Program<sup>6</sup></b>	The Brown Bag Program is authorized under the Older Californians Act; however, there are no longer any General Fund dollars supporting this program. The local Area Agencies on Aging determine whether and to what extent to fund the program. The Brown Bag Program provides surplus and donated fruits, vegetables and other food products to low income individuals 60 years of age and older.
<b>Foster Grandparent Program<sup>6</sup></b>	The Foster Grandparent Program is an intergenerational volunteer program that provides aid to children and youth with special and exceptional needs.
<b>Linkages<sup>6</sup></b>	To this end, the local Area Agencies on Aging determine whether and to what extent to fund the program. Linkages serves frail elderly adults and adults with disabilities, age 18 years and older, providing comprehensive care management for individuals who are not eligible for other care management programs.
<b>Senior Companion<sup>6</sup></b>	The Senior Companion program was established as part of the Older Californians Act; however, there are no longer any General Fund dollars supporting this program. To this end, the local Area Agencies on Aging determine whether and to what extent to fund the program. Under this program, volunteers serve frail older adults and adults with disabilities by providing respite for caregivers, companionship, assistance with simple

<sup>5</sup> Temporary respite care and support services are offered to a grandparent/older relative caregiver of a child, or to a family caregiver of an older care receiver (60 years of age or older) that has been determined to be functionally impaired due to having two or more limitations in activities of daily living or a cognitive impairment requiring substantial supervision.

<sup>6</sup> These programs no longer receive any General Fund support, but remain authorized in statute as part of the Older Californians Act. The local Area Agencies on Aging determine whether and to what extent to fund the programs.

	chores, assistance with grocery shopping and meal preparation, transportation and other services.
<b>California Department of Rehabilitation (DOR) LTC Programs/Services<sup>7</sup></b>	
<b>Independent Living Centers (ILC)</b>	ILCs are consumer controlled, community based, cross disability, nonresidential private nonprofit agencies designed and operated within local communities by individuals with disabilities. ILCs provide independent living services that seek to maximize a person's ability to live independently in the environment of their own choosing. All ILCs provide six core services: housing referrals; information and referral; peer counseling; personal assistant services; independent living skills training; and, individual and systems change advocacy. DOR oversees the state's network of 29 ILCs, providing technical assistance and financial support. ILCs serve any individuals with disabilities, regardless of age.
<b>Traumatic Brain Injury (TBI) Program</b>	The TBI program provides community reintegration, service coordination, family and community education, vocational supportive services and service coordination services to persons suffering from TBI at seven sites in California. Funding for the TBI program is provided through the California Traumatic Brain Injury (TBI) Fund, established by Section 1464 of the Penal Code. Fines collected for violation of California's seat belt law also support the TBI Program.
<b>Vocational Rehabilitation Services</b>	DOR contracts with providers for a range of vocational rehabilitation services including employment services, rehabilitation technology, independence development, and personal support services.
<b>California Department of Mental Health (DMH) LTC Programs/Services<sup>7</sup></b>	
<b>Mental Health Services Act (MHSA)</b>	The MHSA provides increased funding, personnel, and other resources to support county mental health programs and monitor progress toward statewide goals for children, transition age youth, adults, older adults, and families. The Act addresses a broad continuum of prevention, early intervention and service needs, and the necessary infrastructure, technology, and training elements that will effectively support this system.
<b>Caregiver Resource Centers (CRC)</b>	CRCs provide information and referral, short-term counseling, respite care, education, training and support to families and caregivers of persons with Alzheimer's disease, stroke, Parkinson's disease, and other disorders at eleven centers throughout the state.
<b>California Department of Social Services (CDSS) Programs/Services<sup>7</sup></b>	
<b>In-Home Supportive Services (IHSS)</b>	IHSS is a federal, state, and locally-funded program that provides in-home assistance to low-income adults who are over 65 years of age, blind, or disabled, and to children who are blind or disabled. Through IHSS,

<sup>7</sup> The programs highlighted reflect only those provided by the department with direct relevance to HCBS LTC services. The Department operates a number of other programs and services in addition to those highlighted.

	<p>qualified recipients receive assistance with daily tasks, including bathing, dressing, cooking, cleaning, grooming, and feeding. The IHSS program plays a significant role in helping people remain at home and avoid institutionalization, and serves as a model of self-directed services. County social workers assess individuals using a standardized assessment to determine the need and then authorize service hours per month, based on a functional index score (FIS) of 1 to 5 (1=lowest need; 5=highest need). While IHSS regulations determine the range of services provided, the consumer directs his/her services by deciding how, when, and in what manner IHSS services will be provided. <u>IHSS Administration:</u> Through CMS, the federal government reimburses the state at 50% (equivalent to the state's Federal Medical Assistance Percentage rate for expenditures), while the state pays 65% of the remaining nonfederal share of costs through state General Funds, and counties pay the remaining 35% of the nonfederal share<sup>8</sup>. IHSS is administered at the state level by the state Department of Social Services (through an interagency agreement with the Department of Health Care Services), and at the local level through each of California's 58 county human services offices.</p>
<p><b>Adult Protective Services (APS)</b></p>	<p>APS assists seniors (65 years and older) and dependent adults (disabled 18-64 year-olds) who are unable to meet their own needs, or are victims of abuse, neglect, or exploitation. County APS agencies investigate reports of physical, emotional, or financial abuse or neglect of seniors and dependent adults who live in multiple settings by family members or other known associates. APS staff evaluate abuse cases and arrange for services such as advocacy, counseling, money management, out-of-home placement, or conservatorship. Reports of abuse that occur in a nursing home, a board and care home, a residential facility for the elderly, or at a long term care facility by provider staff are the responsibility of the Ombudsman's office, under the California Department of Aging's Ombudsman program.</p>
<p><b>Community Care Licensing (CCL)</b></p>	<p>The CCL program provides oversight and enforcement of the licensed facilities including Residential Care Facilities for the Elderly (RCFE) and Continuing Care Retirement Communities (CCRC). RCFEs provide care, supervision, and assistance with activities of daily living to persons 60 years of age and over, as well as persons under 60 with compatible needs. RCFEs include assisted living facilities, retirement homes, and board and care homes. These facilities range from very small (six beds or less) to very large (over 100 beds). CCRCs are licensed RCFEs that provide a long-term continuing care contract for housing, residential services, and nursing care, usually in one location, and usually for a resident's lifetime.</p>

<sup>8</sup> The American Recovery and Reinvestment Act increased California's FMAP from 50% to 61.59% through December 31, 2010, which temporarily reduces the state and county shares.

<b>California Department of Public Health (CDPH) LTC Programs/Services<sup>9</sup></b>	
<b>Licensing and Certification of Nursing Facilities</b>	CDPH is responsible for licensing and certification of health care facilities and nursing homes.
<b>Alzheimer’s Disease Program</b>	The Alzheimer’s Disease Program provides services to persons and families afflicted with Alzheimer's disease and related disorders through the Alzheimer’s Disease Research Centers of California.
<b>California Department of Developmental Services (DSS) Programs/Services</b>	
<b>HCBS-DD Waiver</b>	DDS administers the Home and Community-Based Services Waiver for the Developmentally Disabled (HCBS-DD), which provides home- and community-based services to persons with developmental disabilities who are Regional Center consumers and reside in the community as an alternative to institutionalization.
<b>Developmental Centers</b>	The Department of Developmental Services operates developmental centers that are licensed and certified as Nursing Facility (NF), Intermediate Care Facility/Mentally Retarded (ICF/MR), and acute care hospitals. These facilities provide services and supports for individuals in need of a secure environment or who have special medical and/or behavioral program needs. Admission to one of these facilities requires either a formal determination that the individual meets stringent admission criteria or a court order.
<b>Regional Centers</b>	The regional center delivery system provides access to comprehensive services in the community by coordinating outreach, intake and assessment, preventive services, and case management/service coordination. In addition, regional centers develop, maintain, monitor, and fund a wide range of services and supports.

<sup>9</sup> The programs highlighted reflect only those provided by the department with direct relevance to HCBS LTC services. The Department operates a number of other programs and services in addition to those highlighted.