

**California Aging & Disability Alliance (CADA)  
Budget Proposal**

**Bill Summary**

\$1 million shall be appropriated for the purposes of contracting with a qualified entity for a feasibility study and actuarial analysis of long-term services and supports financing and services options to help Californians meet needs for long-term services and supports (LTSS).

**Background**

California confronts many challenges in how to finance, develop, and organize LTSS services. For individuals and families, the unanticipated costs can lead to impoverishment, lack of care options, and intense psychological stress. When informal networks of care are not available, individuals and families pay out-of-pocket for LTSS, such as home care aides, assisted living communities, and nursing homes, to help fill the gap. But these services bring high costs, not only to the individuals directly involved, but also to taxpayers and the government with more individuals being forced to spend down to qualify for an already overburdened Medi-Cal LTSS system.

California currently has almost 8 million persons who are either older adults or persons with mobility, sensory, intellectual/developmental, and mental health disabilities. This population will grow significantly over the next decade, primarily due to the aging of the baby boomer cohort and longer life expectancies made possible by medical advances. By 2030, more than one million older adults in California will require some assistance with self-care.

Despite this, LTSS are not covered adequately by Medicare, and most Californians cannot afford to purchase private long-term care insurance. Paying out-of-pocket for LTSS is highly expensive, creates a significant financial and social burden for families, and is simply impossible for many Californians.

Most caregiving is provided by family members, primarily women, without compensation. This impacts their ability to participate in the workforce and save for retirement and ultimately contributes to the feminization of poverty. Nearly two-thirds of individuals age 65 and over living in poverty are women.

**Arguments in Support**

1. The state needs to find alternative ways to meet the growing needs for LTSS to reduce the significant budget pressures for the Medi-Cal program associated with people spending down to become eligible for LTSS.
2. The proposed budget request is a responsible first step to identifying the costs and benefits to the state of establishing LTSS financing options that can assist California families in meeting their needs for LTSS.

3. Identifying additional options to promote the ability of California’s older adults and persons with mobility, sensory, intellectual, developmental, and mental health disabilities to live independently in their homes and their communities is consistent with the United States Supreme Court’s Olmstead decision.

**Organizations in Support:**

1. AARP California
2. Alzheimer's Association
3. California Alliance for Retired Americans
4. California Association for Adult Day Services (CAADS)
5. California Commission on Aging
6. California Domestic Workers Coalition
7. California Foundation for Independent Living Centers
8. California Long Term Care Ombudsman Association
9. CalPACE
10. Caring Across Generations
11. Congress of California Seniors
12. Disability Rights California
13. Disability Rights Education and Defense Fund
14. Hand in Hand
15. Justice in Aging
16. Leading Age California
17. SEIU Local 2015
18. State Independent Living Council (SILC)
19. The Arc California
20. UDW/AFSCME Local 3930

**Proposed Budget Language:** \$1 million shall be appropriated to \_\_\_\_\_ for the purposes of contracting with a qualified entity for a feasibility study and actuarial analysis of long-term services and supports financing and services options that could provide Californians with assistance in meeting needs for long-term services and supports. The study and analysis shall provide projected cost estimates of alternative LTSS financing options as well as projected savings to state funded programs and services associated with each option, including but not limited to, Medi-Cal and the In Home Supportive Services program. The results of the study shall be provided to the fiscal and policy committees of the Legislature no later than \_\_\_\_\_.