



CALIFORNIA COLLABORATIVE FOR LONG-TERM SERVICES & SUPPORTS (CCLTSS)

Testimony in Support of AB 286 (Gipson)

Assembly Health Committee

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Good Afternoon, my name is Laurel Mildred with the California Collaborative for Long-Term Services and Supports. We are a coalition of 32 statewide organizations that promote dignity and independence in long-term living. Our members represent consumers, providers, advocates, labor and insurers, and ultimately we speak on behalf of millions of California seniors and people with disabilities as well as the people who serve them.

Because we represent all parts of the system, looking at systemic problems and solutions is one of our key concerns. We are here in support of AB 286 precisely because it fixes a longstanding problem that has bedeviled the system of long term care and trapped people in institutionalization, at a very high cost to the state budget.

We recommend AB 286 as an appropriate and responsive solution to this problem for three reasons:

1. This is the rare occasion when the cost-savings that result will accrue directly to Medi-Cal, providing same-year relief to the state budget;
2. Getting people out of institutionalization once they are trapped is very complex and expensive; and
3. This legislation is a cost-effective way to alleviate the state's affordable housing crisis, by helping people hang on to their existing housing solutions.

First, because the home upkeep allowance is so inadequate, it means that when a person has a life-changing health crisis – for example a stroke or an automobile accident that leaves them with quadriplegia – they are not only coping with that cataclysmic health crisis, but while they are in recovery in a skilled nursing facility, they lose their home. Their entire life is swept away. When they've recovered enough to leave, they have no home to return to. They are trapped in the nursing facility, essentially because they don't have housing. Their long-term care costs are paid for by Medi-Cal. They are your people, the state is responsible for them and these unnecessary costs are on the state budget.

So the savings from preventing this problem are not saving money for another system, like Medicare or a county system – in this case the savings accrue to the Medi-

Cal program itself, in the same budget year. So the minimal cost of increasing the home upkeep allowance and smoothing out this disastrous problem for people is also an effective way to prevent costs in the Medi-Cal column.

Our second point is that it is unbelievably complex to solve this problem once it occurs. This becomes clear when you understand the Money Follows the Person program, also called the California Community Transitions program, funded by the federal government to get people out of nursing homes when they don't want to be there and no longer belong there. This is a wonderful program but it is also incredibly complex to re-build people's lives, to set up a new household, all the way down to the sheets and towels and pots and pans. Before the crisis happened, people had pots and pans, they had a household. It was deconstructed and disappeared while they were learning to walk and talk again and recover in rehab. Helping people hang on to their pots and pans while they recover is much more effective than the complexity and expense of re-building their household from the ground up.

Finally, a related point is that once they lose their community housing, the chances of ever finding housing again are extremely difficult. Every provider, independent living center, or California Community Transitions program that helps people get out of nursing homes will tell you that the number one barrier to success is

finding affordable community housing for people. People are resilient and before the crisis, they had worked out a housing solution for themselves – maybe they’ve lived in the same place for years and the landlord hasn’t raise the rent because they are 80 and living on a fixed income; or they waited years for a spot in a low-income housing project; or they jumped thru all the hoops to get a HUD voucher and find a landlord who would accept it. There are many resourceful ways that people have found housing they could afford, but once it’s gone, it’s gone. Now it is a public problem in a state with an enormous affordable housing crisis, and the costs of the crisis are now being paid for by the Medi-Cal program. Because while the person could live in the community with appropriate long-term services and supports, there is no place for them to live. It is much more efficient and cost-effective to help them keep the housing that they have in place while they recover, so they have a place to return home.

Approximately 70% of the costs of the Medi-Cal program are spent on the needs of seniors and people with disabilities, and while these funds support many life-saving and essential services, there are also many inefficiencies that have nothing to do with personal responsibility. They are systems problems that trap people into living where they don’t want to live and incurring costs to the state budget that are not their own choice. The inadequacy of the home upkeep allowance is a prime example of being

penny-wise and pound-foolish, a policy that can devastate people's lives when they are most vulnerable, and results in unnecessary costs. The Collaborative urges the Legislature to adopt AB 286 to solve this pernicious, expensive and unnecessary problem.

Thank you for your attention to this important legislation.