

California's In-Home Support Program

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➤ **In-home support helps senior and disabled Californians remain in their homes.**

California's In-Home Supportive Services (IHSS) program serves people who need some support in order to live independently—at a lower cost than the services provided in nursing homes or residential care. IHSS is overseen by the California Department of Social Services and financed largely by the Medi-Cal program; it is funded with a combination of federal, state, and local resources. Total program costs are estimated to be \$8.2 billion in the 2015–16 budget year; \$2.7 billion are covered by the state General Fund. The program provides funds for recipients to hire workers to assist them with a variety of activities, including personal care and paramedical services, household chores, and errands such as grocery shopping or going to medical appointments.

➤ **IHSS recipients are Medi-Cal beneficiaries.**

California residents with Medi-Cal eligibility who demonstrate the need for support services due to age, disability, or blindness are eligible for IHSS. The average monthly number of recipients is estimated to be 467,000, an increase of 4.6% over last year. IHSS recipients are eligible for up to 283 hours of monthly assistance, although the average is around 99 hours. Recipients are responsible for hiring and discharging their service providers.

➤ **In-home service providers are often family members.**

California is one of a few states that allow IHSS recipients to hire family members as providers, although they can choose to employ anyone from the community. This allows the program to provide direct income support to households with a disabled resident. Around 70% of IHSS recipients employ a family member. In order to become a service provider, an individual must complete an application, go through an orientation, undergo a criminal background check, and complete an enrollment agreement.

➤ **California's IHSS program is moving toward managed care.**

Each state has the discretion to customize home-care services as long as they comply with federal Medicaid guidelines. California's IHSS program is moving toward managed care, as part of a larger overall effort to improve outcomes and control costs in the state's health system. The Coordinated Care Initiative (CCI), now in place in eight counties, is a demonstration program that coordinates the health care and support services, including IHSS and other programs, between county and managed care administrators, for people who are eligible for both Medicare and Medi-Cal. Several other states, including Arizona and New Mexico, have also moved toward a managed care model.

➤ **Counties are responsible for administering IHSS.**

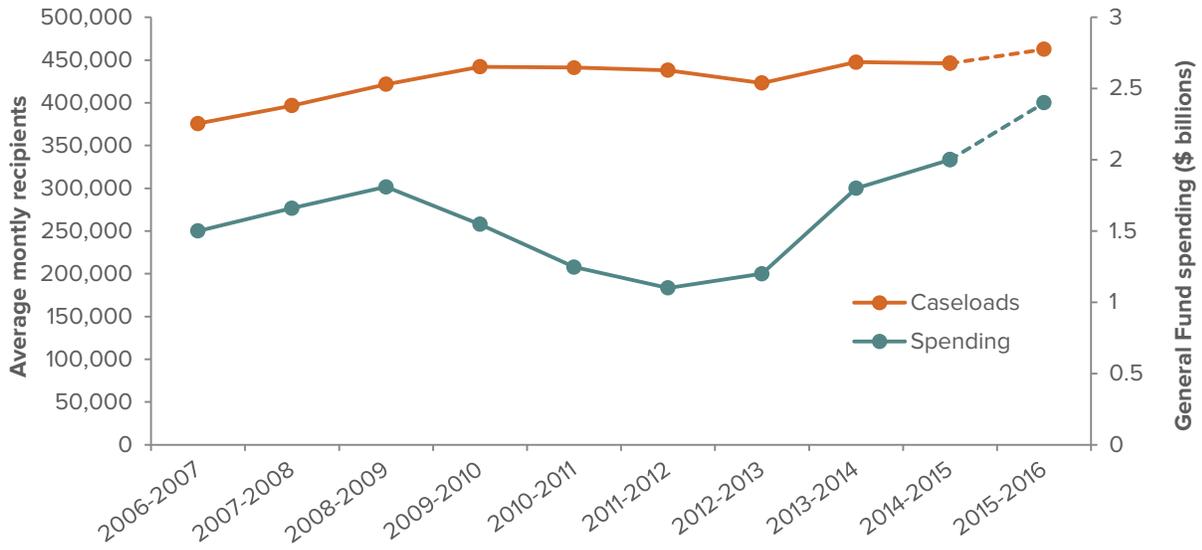
Although most funding comes from the federal and state governments, the program is administered by county officials who are responsible for assessing the needs of individual recipients, verifying the eligibility of recipients and providers, and providing orientation and training for eligible providers. While all counties must pay the state's \$9 minimum hourly wage, many counties contribute additional funds to offer a higher rate of compensation. As a result, wages for IHSS workers vary across counties, from a high of \$13 in Marin to a low of \$9 in most northern Sierra counties.

➤ **Significant budgetary issues loom for the IHSS program.**

Efforts to serve IHSS recipients while controlling program costs will continue in Sacramento this year. The current budget restores a 7% cut in service hours, which is funded by a tax on Medi-Cal managed-care organizations. This funding restoration will not continue beyond this year unless state lawmakers can find a way to restructure the existing tax so that it complies with federal law or find an alternative revenue source. Also, a pending court decision on whether IHSS service providers are eligible for overtime pay may have a significant impact on program costs.



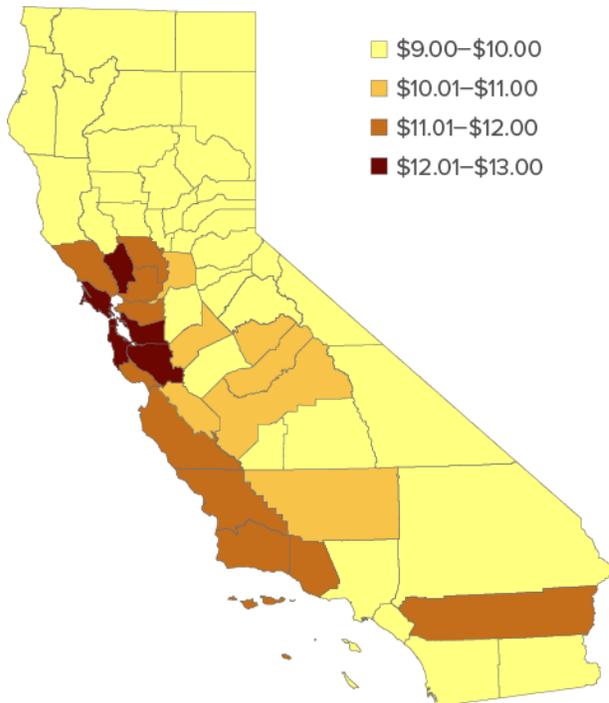
The number of IHSS recipients has grown over the last decade



Sources: California Department of Social Services; Legislative Analyst’s Office; California Department of Finance: California Budget.

Note: Monthly IHSS caseloads through FY 2011–12 are calculated from DSS IHSS summary data monthly reports. Estimates for subsequent years are drawn from LAO budget analysis. Spending represents expenditures from the state’s General Fund, not total spending on the program.

IHSS provider wages vary by county



Source: California Department of Social Services.

Sources: Legislative Analyst’s Office (LAO), *Analysis of the Human Services Budget* (February 2014 and 2015); LAO, “Overview of MCO Tax, Selected Other Tax Increase Options, and IHSS Issues” (July 2, 2015); California Dept. of Social Services, “Coordinated Care Initiative” (webpage).

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