



JUSTICE IN AGING
FIGHTING SENIOR POVERTY THROUGH LAW



March 12, 2026

Senator Caroline Menjivar, Chair, Senate Budget Subcommittee #3
Assemblymember Dawn Addis, Chair, Assembly Budget Subcommittee # 1
Assemblymember Dr. Corey Jackson, Chair, Assembly Budget Subcommittee #2

Delivered electronically via email

RE: OPPOSITION to Trailer Bill Language Creating IHSS Hours-Per-Case Baseline and Unfunded County Mandate

Dear Chair Menjivar, Chair Addis, and Chair Jackson:

The undersigned organizations write to oppose the proposed trailer bill language that would establish a baseline statewide average for In-Home Supportive Services (IHSS) hours and shift responsibility for hours-per-case growth to counties without providing corresponding funding.¹ IHSS is a Medi-Cal program, and as the single state Medicaid Agency, the Department of Health Care Services is ultimately responsible for ensuring services are provided in accordance with state and federal laws. This proposal shifts state obligations to counties in violation of state and federal laws and will result in increasing costs rather than saving money. The proposal is a deep cut to a program that serves as both essential care for older adults, children, and people with disabilities and an economic lifeline for California families.

I. Background

¹ <https://trailerbill.dof.ca.gov/public/trailerBill/pdf/1390>.

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The IHSS program is part of California’s Medi-Cal program, which provides medical services to eligible beneficiaries and is funded through a combination of state, federal and county dollars. IHSS provides supportive services to “aged, blind, or disabled persons.... who are unable to perform the services themselves and who cannot safely remain in their homes or abodes of their own choosing unless these services are provided.”² Services include bathing, dressing, bowel and bladder care, assistance with walking, paramedical services, taking necessary medications, and protective supervision to ensure that older adults, children, and persons with disabilities can avoid unnecessary and costly institutionalization.³

The statutory maximum number of hours per month an individual can receive is 283, and determining eligibility for hours requires an extensive and individualized assessment process that includes an in person evaluation by the county social worker, and a certification from a licensed health care professional that the individual applying is unable to perform some activity of daily living independently and without IHSS they would be at risk of placement in out-of-home care.⁴ If an individual disagrees with the number of hours they have been awarded by the county, they can file for an administrative hearing.⁵ If they are unhappy with the results of that hearing, they have a statutory entitlement to file a writ of administrative mandate in Superior Court against both the California Department of Social Services and the California Department of Health Care Services, who are ultimately responsible for administration of the program.⁶

IHSS serves 897,224 Californians with disabilities and seniors, including 339,749 severely impaired individuals who require 20 or more hours of essential services monthly to remain safely in their homes.⁷ Over half of recipients (55%) are seniors aged 65 and older. Almost 105,000 children receive IHSS services. More than half of all IHSS recipients participate in the Community First Choice Option (CFCO) program, meaning they meet institutional level of care criteria—without IHSS, these individuals

² Cal. Welf. & Inst.Code § 12300(a).

³ Cal. Welf. & Inst.Code § 12300(c).

⁴ Cal. Welf. & Inst.Code § 12300(j)(3); Manual of Policies and Procedures 30-700 et seq.; MPP 30-701(l)(2), <https://www.cdss.ca.gov/cdssweb/entres/forms/english/soc873.pdf>.

⁵ Cal. Welf. & Inst.Code § 10950.

⁶ Cal. Civ. Proc. Code § 1094.5; Cal. Welf. & Inst.Code § 10962.

⁷ IHSS Program Data, January 2026, <https://www.cdss.ca.gov/inforesources/ihss/program-data>.

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would require nursing facility or other institutional placement.⁸ According to a February 2026 estimate from the Department of Developmental Services there are 150,000 Regional Center consumers who are receiving IHSS.

Approximately 72% of IHSS providers are family members—parents, spouses, or relatives—with 60% living in the same household as the person they serve.⁹

II. Proposed Cost Shift to Counties

The proposed trailer bill language (TBL) would establish a statewide hours-per-case baseline and eliminate state funding for growth above that baseline beginning in FY 2027-28, creating a \$233.6 million cost shift to counties whose average hours-per-case is above the baseline without providing additional resources. Currently the federal share of the program is 55% with the state and counties covering the remaining costs.¹⁰ The proposed trailer bill language implementing this proposal will allow the Department of Social Services to set the baseline annually. Because the TBL does not mandate a criteria that the Department must use in calculating the state share, it allows the Department to lower the baseline annually irrespective of actual statewide average IHSS needs. In effect, this proposal attempts to circumvent the state's obligation to provide up to 283 hours per month of IHSS services for the hundreds of thousands of children and adults receiving hours above an arbitrary statewide average. Counties will face difficult choices and be forced to deny or reduce medically necessary hours, cut other essential county services, or raise local taxes.

This cost shift may violate California's constitutional and statutory prohibitions against unfunded mandates and will also result in cuts to necessary Medi-Cal services for the most vulnerable populations, as counties likely cannot absorb a quarter-billion-dollar obligation without significant programmatic impacts. This is essentially a cut that will result in hundreds of thousands of medically fragile children, older adults, and people with disabilities losing the services counties *and the state* have already determined they need to avoid institutionalization. Moreover, for children with disabilities, the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit under Medicaid requires

⁸ *Id.*; <https://www.dhcs.ca.gov/SPA/Documents/Attachment-3-1-K.pdf> (CFCO state plan).

⁹ Cal. Dep't Soc. Svcs., *In-Home Supportive Services Statewide Collective Bargaining Report to the Legislature*, (April 2025), <https://www.capaihss.org/wp-content/uploads/2025/04/IHSS-Statewide-Bargaining-Report-CDSS-041125.pdf>.

¹⁰ *Id.* at 12.

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coverage of all medically necessary services. Neither state nor county budget limitations can override federal EPSDT requirements or impose hard caps on children's services.

III. Economic Harm to Caregiving Families

IHSS serves a dual function that is often overlooked in budget discussions: it is both an attendant care program and an income support program for families whose caregiving responsibilities prevent outside employment. Many IHSS recipients require such intensive care that family members cannot maintain traditional employment. A parent caring for a medically fragile child who requires repositioning every two hours, assistance with a ventilator, or management of seizures cannot work a standard job. A spouse providing round-the-clock care to a partner with advanced dementia cannot leave home for an eight-hour shift.

For these families, IHSS provider payments represent essential household income that prevents poverty and allows them to continue providing care. When provider payments are reduced or eliminated, families face impossible choices: impoverish themselves to continue caregiving, seek institutional placement for their loved one, or attempt to work while leaving their family member in unsafe conditions.

This economic function is particularly critical given California's high cost of living, and the impacts are felt both in the short and long-term. IHSS enables families to meet basic needs while providing care that would otherwise cost the state far more through institutional services. A family member forced to leave the workforce to care for a loved one without pay loses not just wages but also significant retirement savings and income, perpetuating generational cycles of poverty.¹¹

¹¹ Kimberly Goad, AARP, *The Huge Financial Toll of Family Caregiving* (2025) <https://www.aarp.org/caregiving/financial-legal/financial-impact-caregiving/>; Jocelyn Frye and Areeba Haider, National Partnership for Women & Families, *Black Women and the Care Agenda Investing in Care Priorities Advances Gender and Racial Justice* (2024), <https://nationalpartnership.org/report/black-women-and-the-care-agenda/>; Fawn A. Cothran and Patrice A. Heinz, TIAA Institute, *The Economic Effects of Family Caregiving on Women*, (2022), <https://www.tiaa.org/content/dam/tiaa/institute/pdf/insights-report/2022-07/tiaa-institute-nac-the-economic-effects-of-family-caregiving-on-women-wvoee-cothran-july-2022-0.pdf>; Nasreen Lalani, Evans Appiah Osei, Siqi Yang, Bhagyashree Katare, Sampada Wagle, BMC Geriatr. *Financial health and well-being of rural female caregivers of older adults with chronic illnesses*, (2025), <https://pmc.ncbi.nlm.nih.gov/articles/PMC11984026/>.

IV. IHSS is far less expensive than institutional alternatives that the cost shifting proposal will cause

The fiscal argument for this proposal is fundamentally flawed. IHSS is significantly less expensive than institutional alternatives. According to the California Health Care Foundation's analysis of Medi-Cal home and community-based services, nursing facility care costs substantially more than home-based services, with the state paying higher rates for institutional care.¹² Moreover, the vast majority of adults over 50 prefer to remain at home as they age, rather than in institutions.¹³

This cost differential is particularly important for the more than 480,000 IHSS recipients in CFCO who meet institutional level of care. When IHSS hours are reduced below medically necessary levels for these individuals, they will require nursing facility or other institutional placement at costs of \$100,000 to \$300,000 annually.¹⁴ The costs of caring for an IHSS recipient in a nursing facility are more than three times as high as the cost of IHSS.¹⁵

The shift to counties will not save the state money; rather there will be vastly increased costs for institutional settings to meet the needs of individuals who are not getting the IHSS services they need to remain in the community.

The people affected by this proposal include:

¹² California Health Care Foundation *Cuts to Medi-Cal Home and Community-Based Services Could Have a Broad Impact on Californians* (2025), <https://www.chcf.org/resource/cuts-medi-cal-home-community-based-services-impact-california/>.

¹³ *Id.* at 3: 77% of adults age 50 and older prefer to remain in their homes as they age <https://www.chcf.org/wp-content/uploads/2025/10/HowCutsMediCalHomeCommunityBasedServicesImpactCA.pdf> at 3.

¹⁴The cost of long-term care averages \$137,000 per year. See, California Health Care Foundation Policy at a Glance, *Medi-Cal and Seniors How Medi-Cal Provides Services Older Californians Need — That Aren't Covered by Medicare* (April 2025), https://www.chcf.org/wp-content/uploads/2025/04/MediCalSeniors_PolicyAtAGlance.pdf.

¹⁵ California Health Care Foundation *Cuts to Medi-Cal Home and Community-Based Services Could Have a Broad Impact on Californians, Technical Appendix* (2025), https://www.chcf.org/wp-content/uploads/2025/10/MediCalHBCS_TechnicalAppendix.pdf at 2, 5.

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- An older adult with dementia who is receiving the maximum number of hours. Their family cares for them at home and cannot work outside the home because of their care needs.
- A person with quadriplegia whose partner provides IHSS and thus prevents their placement in a far more expensive institution.
- A medically fragile child with nursing, personal care, and paramedical needs whose parents provide their care, preventing their placement in a far more expensive institution.
- A family where two or more children receive Protective Supervision due to their intellectual or developmental disabilities and the only suitable caregivers are the parents because of the children's needs. As a result of the children's high needs, one or both parents cannot work outside the home.
- A frail older adult who is able to keep living in their home and avoid institutionalization only because they have a neighbor caregiver who can assist them while their care needs stay constant.

V. Conclusion

It is undeniable that California's aging population is growing, and the need for home and community-based care will only increase.¹⁶ Cutting services in response to increased need is shortsighted and ineffective, and will simply cost more, not less money. The proposed trailer bill language creates false savings that will be offset by increased institutional care costs and backfill obligations. It also eliminates essential economic support for caregiving families. Cutting HCBS generates higher costs in other parts of the healthcare system while reducing quality of life for vulnerable Californians.

We urge you to reject this proposal and maintain California's commitment to community-based care and responsible fiscal policy.

Respectfully,

¹⁶ Hans Johnson, Eric McGhee, Paulette Cha, and Shannon McConville, with research support from Shalini Mustala, Public Policy Institute of California, *California's Aging Population Anticipating Dramatic Growth in the Number of Older Californians*, (Jan. 2025), <https://www.ppic.org/publication/californias-aging-population/>.

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Hagar Dickman
Director, CA LTSS Advocacy
Justice in Aging



Maura Gibney
Executive Director
California Advocates for Nursing Home Reform



Anuja Kumaria
Senior Attorney
Disability Rights California



Kim Selfon
Senior Policy & Advocacy Specialist –Medi-Cal & IHSS
Bet Tzedek



Silvia Yee
Public Policy Director
Disability Rights Education and Defense Fund



Elizabeth Zirker
Senior Attorney
National Health Law Program

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cc:

Secretary Kim Johnson, California Health and Human Services Agency
Michelle Baass, Director, California Department of Health Care Services
Jennifer Troia, Director, California Department of Social Services
Susan DeMarois, Director, California Department of Aging
Paula Villescaz, Deputy Legislative Affairs Secretary, Office of Governor Gavin Newsom
Richard Figueroa, Deputy Cabinet Secretary, Office of Governor Gavin Newsom
Joe Stephenshaw, Director California Department of Finance
Kris Cook, California Department of Finance
Erika Li, California Department of Finance
Mareva Brown, Policy Consultant, Senate President pro Tempore Mike McGuire
Elizabeth Freeman, Committee Consultant, Senate Budget Committee
Kelsy Castillo, Policy Consultant, Speaker Robert Rivas
Nicole Vasquez, Deputy Chief Consultant, Assembly Budget Committee
Elizabeth Fuller, Chief Consultant, Assembly Aging and Long-Term Care Committee