

CCWRO State Budget Update - #2

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In Brief

- **January 22, 2010 (Volume 75, Number 14)** Federal Register notice advises that, pursuant to section 1012 of the Department of Defense Appropriations Act, 2010, the 2009 Department of Health and Human Services (HHS) poverty guidelines will remain in effect until updated 2010 poverty guidelines are published, which shall not take place before March 1, 2010.

- **According to Legal Momentum recent HHS caseload** report reveals that from 12/07 to 9/09 the TANF case load increased by 12% while the food stamp case load increased by 35%. The HHS data does not include Michigan for reasons unknown. <http://www.legalmomentum.org/>

- **American Public Health Services Association's (APHSA)** Director Jerry Friedman, has been replaced. The new director will be Cari DeSantis. Ms. DeSantis was President of the APHSA Board of Directors from 2007 through 2008 during her second term as Cabinet Secretary for the Delaware Department of Children, Youth and their Families. Most recently, she was the Executive Vice President for Public Affairs & Communications for Casey Family Programs, a private children's foundation based in Seattle.

- **On January 21, 2010 in a letter to stakeholders,** DSS revealed that they have issued several Electronic Bulletin Board Notices and two Board of Supervisors letters after the enactment of ABX4 4 and ABX4 19. None of this informa-

tion is publicly available. So far, the consultation process required by the Legislature has been done by mailing copies of draft ACLs and ACINs to stakeholders for comments. The 1/21/10 letter promises to have "...more inclusive stakeholder process..." regarding unannounced home visits, recipient fingerprinting, targeted mailings to persons who have not complied with program requirements, adding recipient fingerprints to the time sheets, ongoing information about technology and a legislative report. We'll see.

Legislative Analyst IHSS Report

ILLEGAL SOLUTIONS

On January 21, 2010 the Legislative Analyst office produced a 25-page report that suggested cutting the IHSS program by policies that are inconsistent with federal law.

Some of the data that the report is based upon is not publicly available, thus, many of the assumptions of the report cannot be verified by the public.

The analysis assumes that IHSS recipients who are elderly, receiving more than 80 hours of services a month and not living with family or receiving services from family members, will end up in a nursing home. IHSS costs about \$10,000 a year, however, placing the

same person in a nursing home will cost about \$50,000 a year.

The implied suggestion from the legislative analyst is to limit IHSS eligibility to those who are elderly, receiving over 80 hours a month and not receiving services from family members. The report also alerts the Legislature that these cuts would have a negative impact on the quality of life. There are also federal law impediments to implement this ill-conceived proposal.

The proposal assumes that family members would continue to provide free IHSS services. The report fails to produce evidence that support this conclusion. The report also reveals that if more than 32% of the IHSS recipients end up in nursing homes, there would be a net loss to the California State General Fund.

The report admits that this proposal can only be implemented if California can get a federal waiver from the Obama Administration to terminate IHSS services to thousands of disabled persons.

Now that Governor Schwarzenegger has opposed health care reform, it is unlikely that he will get a waiver from the Obama Administration.

The report fails to show what percentage of Medicaid recipients are placed in nursing homes in states without an IHSS program compared to the number of Medi-Cal recipients in nursing homes in California.

(cont'd. on page 2)

Welfare Fraud Investigators Dishonestly Allege Rampant IHSS Fraud

Last year, both California welfare fraud investigators and district attorney officials decided to target the In Home Supportive Services Program (IHSS). The effort was well coordinated. They engineered a number of grand jury reports that alleged IHSS fraud without any actual statistically valid evidence to confirm their findings. Most of the reports relied on hearsay. The fraud bureaucrats met with Governor Schwarzenegger to beat the drums of alleged IHSS fraud.

One of the examples of alleged fraud was the allegation that providers claim hours on their time-cards on a given day in which they did not work. The IHSS pro-

vider could have made up the hours in subsequent days. Moreover, is it fraud when the county approves 1 hour but the provider stays another hour to complete the job without getting paid for it?

Today there are mandatory orientations for the elderly and disabled which focus on IHSS fraud, frightening them with threats of fraud investigations. This has increased anxiety among the frail, elderly, disabled and blind, conceivably affecting their health and their very lives. Finally, counties use their dwindling money to do random house visits as if our elderly, disabled and blind Californians are criminals.

Lee Collins, Director of the San Luis Obispo County Department of Social Services stated:

“I have no doubt that there is some fraud in every program including the In Home Supportive services but there is nothing to suggest that this program compared to any other program is particularly ripe for fraudu-

lent intent. In the absence of data, it’s simply trumpeting at a ghost.”

Collins accused state officials of making cuts on dishonest grounds.

“But what they’ve tried to do is to have their cake and eat it too which is to say that we’re cutting the program because we think there’s a lot of fraud. I think it is its own brand of fraud and the worst most cynical ugly kind of politics because of whom they’re targeting. It is too easy a target to pick on folks who don’t have the ability to fight back.”

The requirement for current providers to complete fraud orientation is effective July 1, 2010. Unions are recommending their members wait to see how it all plays out before they go through the demeaning new IHSS orientation process crafted by the Schwarzenegger Administration which is due July 1, 2010.