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March 27, 2017

Honorable Jim Wood
Chair, Assembly Health Committee
State Capitol, Room 6005
Sacramento, California 95814

RE: AB 286 (GIPSON) – SUPPORT

Dear Assembly Member Wood:

Disability Rights California, a non-profit advocacy organization mandated to advance the human and legal rights of people with disabilities, is proud to sponsor and enthusiastically supports AB 286. This bill will help people who are in nursing homes return to the community if that is their preference.

People trying to leave nursing homes face daunting challenges, and none is more daunting than the lack of affordable accessible housing. Around a dozen times, over a dozen years, state officials and stakeholders have hashed over ways to address this problem, usually concluding that new housing units are needed. And it's true – new accessible housing is needed.

Yet, while California is working on developing new housing, current policies also force people to lose the homes they already have when they enter nursing homes - policy which hasn't changed since the 1970's. This means that people who are able to return home are trapped in facilities, despite their ability and desire to live in the community. Many of the individuals with significant shares of cost are persons who would not require Medi-Cal once back in the community. Not providing nursing facility residents an option to use their share of cost (SOC) to enable them to return to the community means, the state pays ever-rising Medi-Cal nursing home costs, in

contradiction of the residents' wishes and civil rights, fiscal responsibility and common sense.

Medi-Cal eligible individuals who enter into nursing homes have to use some of their income as a SOC if their income exceeds certain levels, and depending on whether there is a spouse living in the family home. Federal Medicaid law allows an alternative—people who intend to return home can use that SOC money to maintain their home so that they may be able to return to that home. Federal law allows states to establish a Home Upkeep Allowance program. In California's program persons must: 1) intend to return home within six months of the date they began living in the nursing home; 2) get a written medical statement from a doctor certifying they are likely to return home within six months; 3) have no spouse or family living in the home; and 4) have a home being maintained for the person's return.

The problem: the Home Upkeep Allowance doesn't always work, because:

- 1) It's only \$209 a month, an amount unchanged since the 1970's;
- 2) The availability of the allowance is widely unknown; and
- 3) The allowance does not help people who have lost their homes while in a facility but want to find a new home and leave the facility.

AB 286 makes the Home Upkeep Allowance a more effective tool by:

- 1) Tying the allowance to the minimum amount actually needed to maintain the particular home, although the amount is limited to a monthly amount of 100 percent of the federal poverty level for one person;
- 2) A Transitional Needs Fund should be created for people who have lost their homes, thereby extending the allowance so they can save income for up to six months to secure a home and allowing them to accumulate up to 100 percent of the federal poverty level for one person for a total of six months;
- 3) Requiring the state to widely publicize the allowance to nursing home residents, prospective residents, discharge planners, and Medi-Cal offices, among others.

The state would make up the share of cost so the nursing home would be made whole. This short-term cost will be far outweighed by the cost savings as people are able to leave facilities and use community-based services, which are almost always less costly. The demand for long term services and supports grows daily. The preference to receive those services at home is

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unlikely to change. AB 286 is one piece of a sensible Medi-Cal long term services and supports policy and is long overdue.

For these reasons, we have chosen to sponsor and support this bill. Please contact me if you have any questions about our position.

Very truly yours,

A handwritten signature in black ink, appearing to read "Curtis Child". The signature is fluid and cursive, with the first name "Curtis" and last name "Child" clearly distinguishable.

Curtis Child
Legislative Director
Disability Rights California

cc: Honorable Chair and Members, Assembly Health Committee
Rosielyn Pulmano, Chief Consultant, Assembly Health Committee
Gabriela Ortega, Caucus Consultant, Office of Assembly Member
Gipson