

# Protecting Provider Finances

Key Updates on State Funding, Federal Changes & CAADS Advocacy

Wednesday | January 21, 2026 | 2:30 - 3:30 pm



caads

CA Association for Adult Day Services

# Housekeeping

Meeting is recorded



“Listen only” mode is on



Question feature allows questions



# Agenda

## **Blue Shield Update**

### **What We're Fighting For**

Governor's Budget  
Cost Relief Campaign

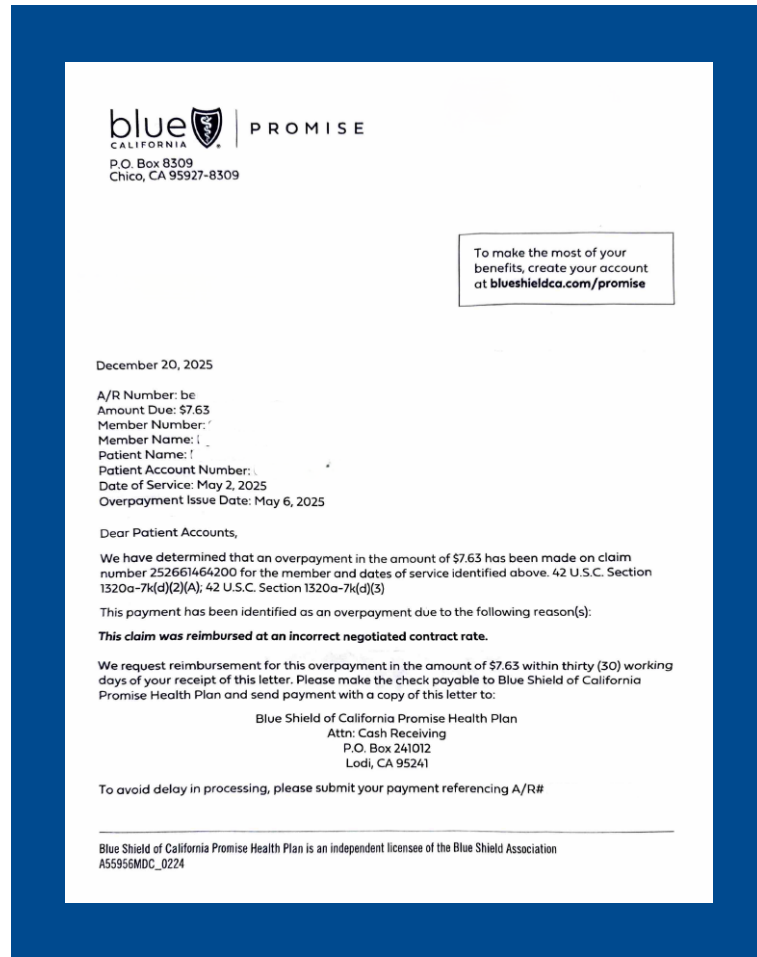
### **Where Things Stand**

State Legislature  
Federal Issues

### **How You Can Help**

CAADS Advocacy  
Member Actions

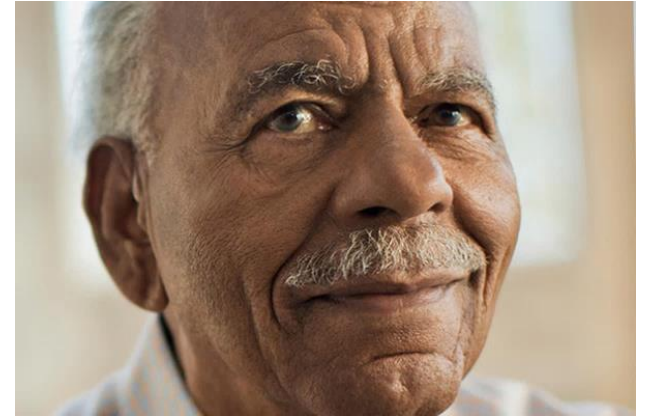
# Blue Shield Update



**Different Recoupment Issue: May 2025 focus**

**Bad News: Potentially unavoidable**

**Good News: Potentially very limited**



# What We're Fighting For



# ADP/ADVPs: Stronger Advocacy against Uncertainty



The Administration for Community Living

**What is community living?**  
Community living means that people—no matter their age or disability—can live in the setting of their choice while receiving necessary services and supports.

**Why does community living matter?\***

- Most people want to live at home
- It is a legal right
- Inclusive communities thrive

**Are ACL programs cost-effective?**  
Yes! ACL programs help save money for the government. They focus on:

- **Prevention**
- **Community-Based Care**
- **Self-Management** teaches people to manage their own health
- **Living at home** with support often costs less than skilled nursing care

**What is the future of the ACL?**  
**The Department of Health and Human Services has proposed dismantling the ACL, cutting its staff by 40% and discontinuing critical programs.** Supplemental budget materials indicate many ACL programs will move to a newly renamed Administration for Children, Families and Communities. Details are still forthcoming.

The Administration for Community Living (ACL) is the **only federal agency** helping older adults and people with disabilities to maximize independence and well being. It funds local organizations to make communities safer, more accessible, and inclusive to everyone.

ACL protects the rights of older adults and people with disabilities. It supports programs for community services, education, training, and research to help individuals remain independent and connected. ACL services are available to all, including middle income Americans.

**Today, there are over 77 million people in the U.S. who are 60 or older and 61 million people with disabilities. These numbers are growing fast. By 2040, more than 80 million Americans will be over 65 years old.**

Learn more at [acl.gov](https://acl.gov)

\*From *Centers for Independent Living Make Community Living Possible*

ADC advocacy flyer on ACL

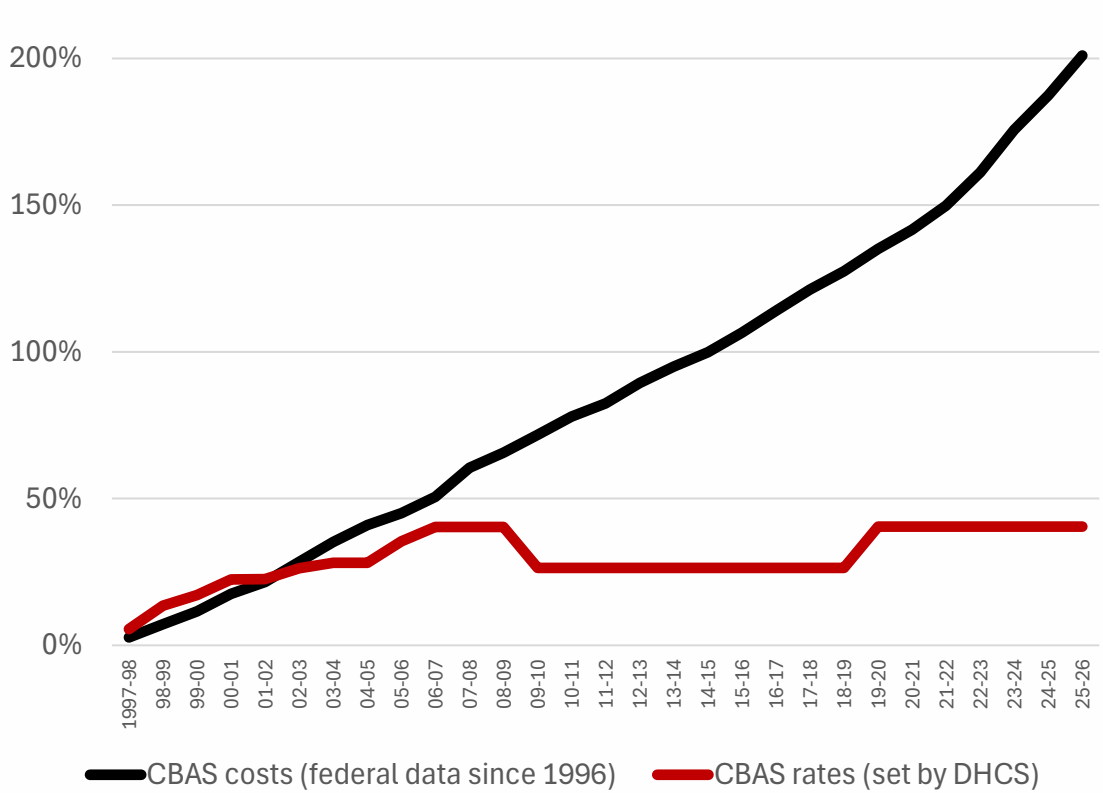
## 2026 Issue Tracking—

- State agencies (DSS, DOR, DDS)
- Budget & legislative changes
- Federal pressures (ACL re-org, OAA reauthorization, etc.)

## 2026 Direct Advocacy—

- Meetings with state & federal offices
- Stakeholder sign-on letters
- Co-lead Aging & Disability Coalition

# TOP PRIORITY: Stabilizing CBAS Finances



***WE'RE FIGHTING TO CLOSE  
THE RATES-COSTS GAP  
& PROTECT CBAS***

# TOP PRIORITY: Stabilizing CBAS Finances

***WE'RE SEEKING COST RELIEF***

***AS A PARTIAL SOLUTION***

***& CRITICAL BRIDGE***



# State Budget: Difficult Conditions

JANUARY 9, 2024  
CALIFORNIA

State of California  
Department of Finance

Revenue Volatility

State of California  
Department of Finance

CA DIRECTOR OF FINANCE JOE STEPHENSHAW UNVEILS PROPOSED 2026-2027 CALIFORNIA STATE BUDGET

Forbes  
BREAKING NEWS

The chart 'Revenue Volatility' shows percentage changes over time. Key data points include: 21%, 9%, -1%, -17%, -0.3%, 0%, 12%, 30%, -21%, and 4%. A 'FORECAST' arrow points to the right.

## Annual timeline –

- Jan 10 – Gov initial proposal
- May 14 – Gov updated proposal
- June 15 – Leg + Gov finalize budget

## Projected deficits –

- HR 1 is disrupting state finances
- \$3-18 billion in 2026-27
- \$20-35 billion in future years

# State Budget: Indirect Impacts

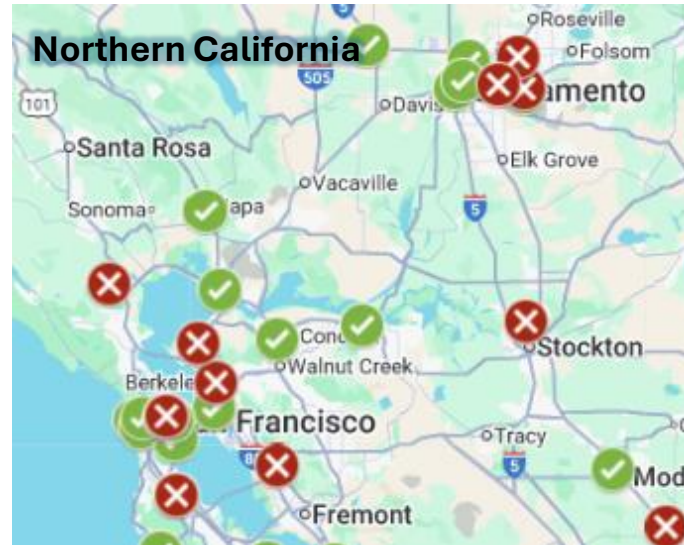
## HR Impacts –

- Medi-Cal eligibility reductions (ages 19-64)
- MCO tax uncertainty
- CalFresh disenrollments

## LTSS –

- IHSS admin reductions
- PACE rate cut & new program freeze
- No direct service cuts to I/DD

# Leg Framing: **Addressing CBAS Closure Crisis**



## ***47 state legislative districts hit by closure since 2020***

- State had 366 CBAS in George Bush era - now at 316 & struggling to rebuild

## ***Closures are pushing people into higher-cost nursing homes***

- Closures create bad options: 1) find another center (very difficult); 2) lean on relatives (disrupting caregiver careers); 3) get waitlisted for nursing homes

# PARTIAL SOLUTION: **Cost Relief In Lieu of Rate Increases**

***CAADS is temporarily suspending rate increase requests***

- Once HR 1 impacts are clearer, we'll seek much higher reimbursements

***We're launching collaborative effort on alternative pathways:***

Stabilization Pathway	Strategic Goal	Sample Proposal
<b>1) COST RELIEF</b>	Shrink rates-costs gap	Protect quality and increase efficiency by reducing unneeded staff ratios and therapy hours.
<b>2) ADMINISTRATIVE EFFICIENCIES</b>	Reduce duplications	Extend ERS streamlining by further reducing duplicative paperwork for MCOs and providers.
<b>3) REVENUE ALIGNMENT</b>	Cover unpaid work	Use existing funding streams like ERS to pay for unreimbursed staff time on absence checks etc.

# CAADS PROPOSAL: **Bill Committing State to Cost Relief**

## ***Closure crisis is fundamentally a state budget issue***

- Decades of state disinvestment are driving the issue

## ***CAADS seeks legislative partnership on bill to say:***

- The State recognizes we have long-building, statewide closure crisis
- The State is committed to making progress via cost relief
- State agencies must help CAADS find alternative solutions to rate increases

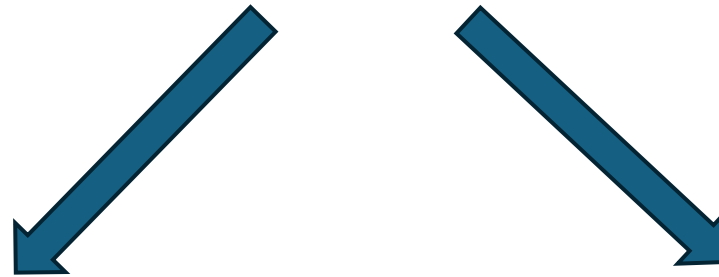
# **NEW DYNAMIC: Substantial Flexibility**

**Where Things  
Stand in Sac**

# **How You Can Help**

# How You Can Help

CAADS has two main ways of fighting for you:



**Member-funded Advocacy** (things we do by leveraging our expertise and your support)



**Member-driven Advocacy** (things we do to get you involved too)



# How You Can Help

**Member-funded Advocacy** extends in multiple directions:



## State-level advocacy –

- Administration – target 6+ agencies
- Legislature – key allies / broad support
- MCPs – problem-solving / overall change

## Federal-level advocacy –

- Monitor Medicaid and other issues that impact members
- Leverage ADC, NADSA, Justice in Aging, and other groups

# How You Can Help

**Member-driven Advocacy** lets you help move the needle:

## Use VOTER VOICE –

- Use CAADS website and messaging to motivate your reps

## Attend ADVOCACY DAY –

- Join our virtual event in Apr/May

## Connect with elected officials –

- Use CAADS guidance and/ or connections for visits or meetings



# Please donate at: [caads.org/donate.html](https://caads.org/donate.html)

## Together we can!

**Pledge Amount** \*REQUIRED

- \$500.00
- \$750.00
- \$1,000.00
- \$1,500.00
- \$3,000.00
- Surprise Us!

**Your Name** \*REQUIRED

First Name \* Last Name \*

**Organization/Company Name** \*REQUIRED

**Your Best Contact #**

\*REQUIRED

**Email** \*REQUIRED

\*REQUIRED

- Business Contribution
- Personal Contribution

Donate Now



# Your donations at work:

## Advocacy and Policy Expertise

- **Catbird Strategies** | Cathy Senderling-McDonald (lobbyist & policy consultant)
- **Stakeholder Allies** | California Collaborative for Long-Term Services & Supports
- **Industry Experts** | Lydia Missaelides (policy consulting)

## Communications and Education

- **Voter Voice 12-month contract** (Grassroots Communication Tool)
- **Voter Voice / Donation admin** Danielle Hanlon and Kathy Atkinson (CAADS team)

# Thank you for joining us! Stay engaged:



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