



November 25, 2024

Honorable Gavin Newsom
Governor of California
California Capitol
Sacramento, CA 95814

RE: 2025-26 Governor's Budget – Proposal to Protect Immigrant Families, Participant Health, and Working Caregivers via Community Based Adult Services (CBAS) Stabilization

Dear Governor Newsom:

The California Association for Adult Day Services represents 300 Community Based Adult Services (CBAS) providers that offer person-centered care to 41,000 older and disabled Medi-Cal adults—with the vast majority being first- or second-generation immigrants and People of Color. We respectfully submit the following requests for the Governor's Budget:

- **CURRENT YEAR – Preserve existing base Medi-Cal published CBAS rate.** If Proposition 35-related technical adjustments reduce the 2024-25 CBAS rate, cashflow-related operating issues and potential closures will negatively impact immigrant families.
- **MULTI YEAR – Increase rate to “Durable Access Level” over three budgets.** Building up and sustaining family protections over three years would require:
 - **\$74.8 million General Fund in 2025-26** = 50% Durable Access Level
 - **\$125.9 million General Fund in 2026-27** = 75% Durable Access Level
 - **\$187.8 million General Fund in 2027-28** = 100% Durable Access Level

The Durable Access Level is an inflation-linked rate that we base on historical and operational cost analysis. Achieving it is necessary to prevent closures in marginalized communities; stabilize providers statewide; and ensure families, the State, and managed care plans can protect health outcomes, caregiver jobs, and cost controls.

- **OUT YEARS – Provide annual inflation adjustments to keep Durable Access Level.** Providing long-term family protections will require Trailer Bill Language tying the CBAS rate to inflation, using the fully achieved Durable Access Level as a base.

GROUND-LEVEL NEEDS:

- **CBAS participants are among the most vulnerable in low-income immigrant families.**
 - 79% speak a language other than English at home – and 2 in 3 are Persons of Color, with the percentage growing fast ([UCLA Report, August 2022](#)).
 - 49% have a Mental Disorder diagnosis – 21%, Dementia; and 5%, Intellectual/ Developmental Disability ([CDA website](#)).
- **CBAS providers not only manage complex chronic conditions but serve as local navigation hubs that connect communities to timely info and critical resources.**
 - “Multicultural hubs for older people of color” – that is how Associated Press recently described them. Providers conduct homelessness prevention, public charge awareness, emergency preparedness, and other high-stakes efforts.
- **Immigrant communities will be negatively impacted if the CBAS rate remains flat.**
 - Less than half of counties now have CBAS – A Great Recession-driven rate freeze at \$76.27 created a prolonged and now unsustainable level of declining revenue. The number of centers is down 19% from 366 in 2004 to [298 in 2024](#). 6 closures in the two last years have left Marin and San Joaquin Counties without access.
 - 54% face medium or high closure risks – More than 90% operate with regular losses and only stay open by relying on pay freezes, cross-program subsidies, one-time grants, fundraising, and other unsustainable tactics (CAADS survey May 2023).
- **Protecting immigrant families, participant health, and working caregivers will require increasing the CBAS rate to the Durable Access Level.**
 - Durable Access Level grows as provider costs grow – We developed it to capture the level of state support that CBAS providers need to dependably operate amidst the pressures of inflation-driven revenue decreases and policy-driven expenditure increases (CalAIM implementation, compliance changes, minimum wage, etc.).
 - It is an annually updated rate need and General Fund need – which this year is:
 - **CBAS Rate Need = \$131.08 in 2025-26**, \$134.62 in 26-27, and \$138.26 in 27-28 – these rates would fully achieve the Durable Access Level.
 - **CBAS General Fund Need = \$149.6 million in 2025-26** – this would fully achieve the Durable Access Level. But due to fiscal pressures and Prop 35 uncertainties, our request is only for half of that and to build up to 100% over three years.

STATE-LEVEL JUSTIFICATIONS:

- **IMMIGRANT FAMILY AGENDA – Achieving the Durable Access Level would directly protect the health and finances of some of California’s most at-risk immigrant families.**
 - Emerging Goals – Immigrant families face a rising swell of political, legal, and economic uncertainties and policymakers are considering how to protect them.
 - CBAS’ Role – CBAS is the State’s most direct LTSS policy tool for supporting low-income immigrant communities caring for adults with cognitive, physical, and/or developmental needs. Stabilizing CBAS should thus be part of any new agenda.
- **HEALTH AND HUMAN SERVICES AGENDA – Achieving the Durable Access Level would bolster state goals for integrating services, controlling costs, and improving outcomes.**
 - CalAIM IMPLEMENTATION – CBAS is key for Community Supports and Enhanced Care Management (ECM), making CBAS’ stability critical to CalAIM’s success.
 - HOUSING INSECURITY – CBAS centers help address the State’s homelessness crisis by routinely connecting housing insecure individuals with housing resources.
 - MANAGED CARE COSTS – As the only mandated non-institutional LTSS benefit for Medi-Cal Managed Care, CBAS’ stability is key for controlling LTSS costs.
- **AGING AND DISABILITY AGENDA – Achieving the Durable Access Level would bolster the State’s goals for making LTSS more accessible, affordable, and high-quality.**
 - MASTER PLAN FOR AGING – CBAS is key for ensuring the elderly can age in place (Goal 2), have well-supported caregivers (Goal 4), and do so affordably (Goal 5).
 - NATIONAL LEADERSHIP – Other states have aligned provider costs with participant access; e.g., Massachusetts has a rate of \$136.72 for complex CBAS-type care—almost 80% higher than California’s historical freeze rate. Stabilizing CBAS is thus a chance to step up and demonstrate national leadership on LTSS access.

We therefore urge you to preserve the Current Year CBAS rate; increase the Budget Year CBAS rate to the equivalent of \$74.8 million General Fund and thus achieve 50% of the Durable Access Level; and commit to Trailer Bill Language and future investments to achieve and keep 100% of the Durable Access Level. Thank you for your consideration.

Sincerely,



Brian Rutledge, PhD
Executive Director