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## IN-HOME SUPPORTIVE SERVICES

The IHSS program provides domestic and related services such as housework, meal preparation, and personal care services to eligible low-income individuals with disabilities, including children and adults, as well as low-income individuals who are ages 65 and over. These services are provided to assist individuals to remain safely in their homes and prevent more costly care in advanced care settings. The Budget includes \$33.4 billion (\$12.5 billion General Fund) for the IHSS program in 2026-27. Average monthly caseload in this program is estimated to be 875,344 recipients in 2026-27.

### MAJOR ACCOMPLISHMENTS

Since 2019, California has invested over \$8.2 billion General Fund to restore and support service hours, improve administration, and support provider career pathways and systems. The IHSS program has continued to expand and serve a growing number of individuals, with over 800,000 recipients and over 800,000 providers statewide.

### SIGNIFICANT BUDGET ADJUSTMENTS

- **Administrative Efficiency: Streamlining Eligibility to Align with Medi-Cal**—A reduction of \$86 million General Fund to conform the IHSS Residual Program with the timing of Medi-Cal coverage, beginning in 2026-27.
- **IHSS Backup Provider System**—A reduction of \$3.5 million General Fund to eliminate the IHSS Backup Provider System, beginning in 2026-27.
- **IHSS Growth in Assessed Hours**—A reduction of \$233.6 million General Fund to remove the state's share of cost for IHSS hours per case growth, beginning in 2027-28.

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## DEPARTMENT OF DEVELOPMENTAL SERVICES

The Department of Developmental Services (DDS) provides individuals with intellectual and developmental disabilities a variety of services that allow them to achieve their goals. The state's developmental services are designed to meet the needs and choices of individuals at each stage of their lives, and support them in their home communities, providing choices that are reflective of lifestyle, cultural, and linguistic preferences. The Budget includes \$21.1 billion (\$13.5 billion General Fund) and estimates that over

- **Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Initiative**—The BH-CONNECT Initiative aims to expand the continuum of community-based services and evidence-based practices available for children, youth, and adults living with behavioral health conditions through an investment of nearly \$8 billion total funds over five years.
- **Health Care Workforce**—The state has invested approximately \$1.9 billion (\$1.7 billion General Fund and \$174.2 million other funds) for various initiatives within the Department of Health Care Access and Information, Department of Public Health, and Department of Health Care Services, to support health workforce development with a focus on nursing, primary care, public health, and behavioral health workforce. In addition, there is a \$1.9 billion investment for the BH-CONNECT Behavioral Health Workforce Initiative administered by the Department of Health Care Access and Information.
- **Incompetent to Stand Trial Waitlist**—The state has invested approximately \$2 billion General Fund since the 2021 Budget Act to reduce the waitlist of Incompetent to Stand Trial patients awaiting placement in Department of State Hospitals' facilities from almost 2,000 individuals to less than 300 and to expand the number of state and community-based treatment beds from approximately 1,400 to over 2,300.
- **Master Plan for Aging**—The state developed and continues to make progress on its 10-year blueprint to advance the longevity, well-being, and inclusion of people of all ages and abilities and build age-friendly communities statewide, backed up with historic investments, groundbreaking new initiatives, and collaborative public-private partnerships.
- **Master Plan for Developmental Services**—This March 2025 Master Plan is a community-driven blueprint for a more consumer-friendly and effective experience for individuals and families receiving developmental services. It specifically focused on making recommendations that support person-centered, equitable, data-driven, and coordinated lifelong services from a stable workforce that emphasize quality, equity, and outcomes, while improving regional center accountability, performance, and service provider quality.
- **Office of Health Care Affordability**—The Office of Health Care Affordability addresses the rising cost of health care by analyzing the health care market for cost trends and drivers of spending and setting and enforcing spending cost targets.
- **CalRx**—The state developed a generic drug program, making California the first state with its own generic drug label, to make medications more affordable. Since its inception, CalRx has developed low-cost biosimilar insulin and naloxone nasal

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## MAJOR ACCOMPLISHMENTS

- **Behavioral Health Services Act (Proposition 1)**—The state is improving and increasing transparency, and expanding the capacity of behavioral health facilities. Proposition 1 authorized \$6.4 billion in General Obligation bonds administered by the Department of Health Care Services for behavioral health treatment sites and \$2 billion administered by the California Department of Veterans Affairs in collaboration with the California Department of Veterans Affairs for permanent supportive housing. In addition, in 2026 are estimated to receive over \$4 billion Behavioral Health Services Fund for behavioral health treatment and supports.
- **California Advancing and Innovating Medi-Cal (CalAIM)**—CalAIM improves health care delivery system by providing whole person care for those with acute needs, including transitional housing assistance to prevent homelessness. CalAIM prioritizes prevention and health-related social needs.

## SIGNIFICANT BUDGET ADJUSTMENTS

- **2025-26 Budget**—The Budget includes increased Medi-Cal expenditures of approximately \$2 billion General Fund in 2025-26 compared to the 2024-25. This increase is driven primarily by federal fund claiming changes, including one-time retroactive state-only claiming repayment and federal fund deferrals, as well as increased Medicare costs.
- **Year-Over-Year Comparison**—The Budget projects Medi-Cal expenditures of \$48.8 billion General Fund in 2026-27, an increase of \$2.4 billion General Fund compared to the revised 2025-26 expenditures. This increase is driven primarily by the Medical Provider Interim Payment loan ending in 2025-26 and a decrease in Managed Care Organization (MCO) Tax revenue available for Medi-Cal.
- **House of Representatives (H.R.) 1 of 2025**—The Budget reflects the following significant adjustments related to the implementation of federal requirements included in H.R. 1:
  - **Work and Community Engagement Requirement**—An estimated requirement of \$373 million (\$102 million General Fund) in 2026-27 and \$13.1 billion (\$3.1 billion General Fund) by 2029-30, resulting from the new work and community engagement requirements for the Affordable Care Act adult expansion.