SCDD Report to SSDAC

Aaron Carruthers, Executive Director

State Council on Developmental Disabilities

May 5, 2026

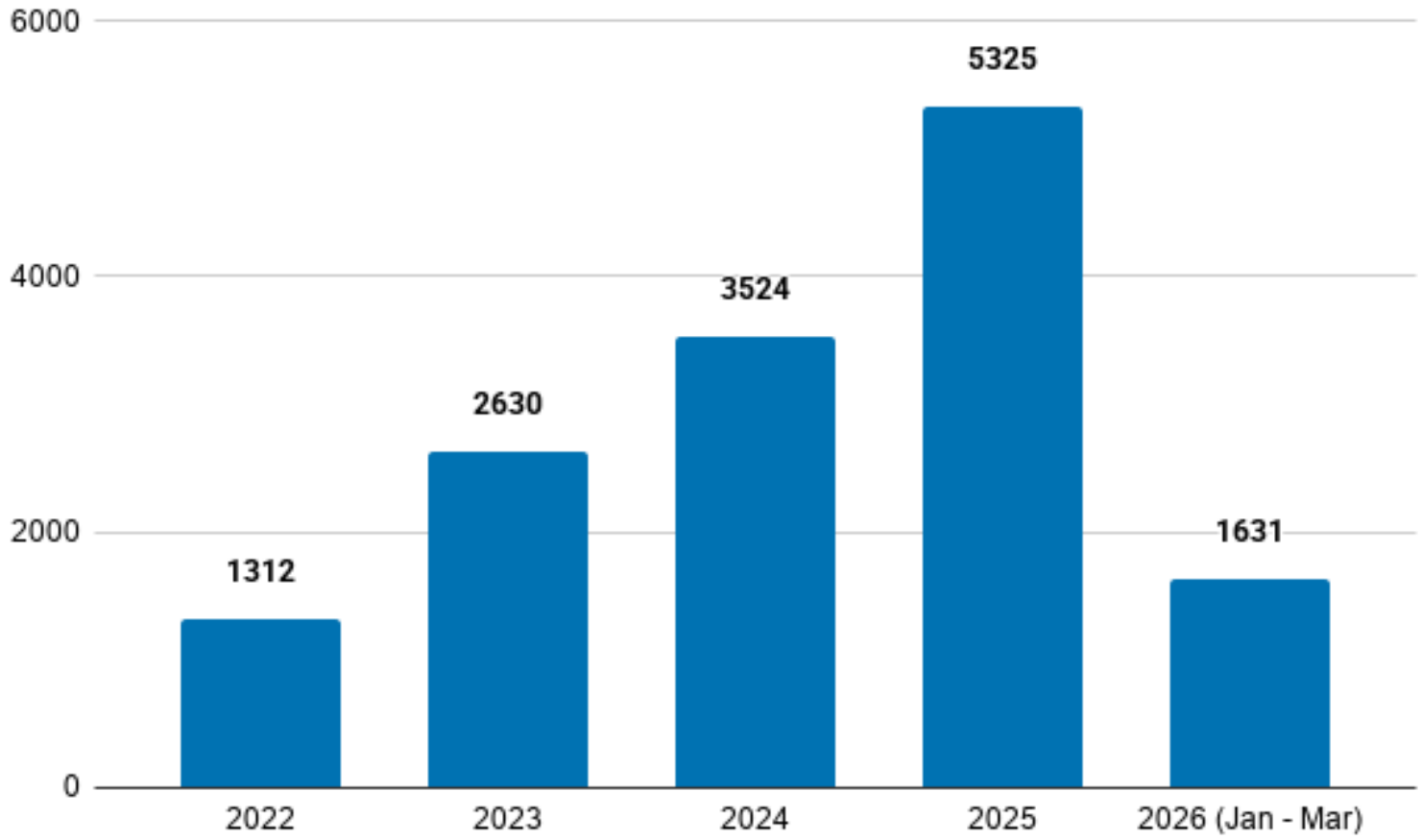
CALIFORNIA SCDD
State Council on Developmental Disabilities

Overview

- Self-Determination Orientation Training Update
- Medicaid Town Hall – One Year Later Update
- SCDD Sponsored Legislation – SB 1052: Authorized Representative

SCDD SDP Orientation Participants

Project total through March 2026: 14,422 participants!



SDP Redesign Notable Timelines

- **1/28/26** – DDS hosted SDP Orientation Updates seeking community engagement on the proposed two-part structure and curriculum content.
- **3/24/26** - DDS SDP Orientation Directive
- **4/1/26** – SCDD launched NEW SDP Orientation curriculum
- **4/29/26** – DDS SDP Orientation Updates Webinar

April 2026: Sole-Source

- SCDD is now the only statewide provider of the SDP Orientation
- All participants across California attend SCDD-delivered sessions, ensuring consistent, standardized information statewide
- Complete statewide data picture can be used to support needs analysis
- Certificates of completion continue to be accepted by all 21 RCs

April 2026: New Two-Part Format

- Part A: CA Developmental Disabilities System, SDP, Person-Centered Plan, Individual Program Plan, Individual Budget, Next Steps & Resources

Part A must be completed before attending Part B

- Part B: Spending Plan, Independent Facilitators, Financial Management Services (FMS) Vendors and Models, Getting Ready, Next Steps & Resources
- A Certificate of Completion is issued for each part.
- Required information includes full session attendance, Consumer name, UCI#, Regional Center

SCDD Sponsored Legislation
Senate Bill 1052 (Gonzalez) Authorized Representative

- If passed, this bill answers the question “What happens if I’m suddenly not here?”
- The bill would allow SCDD to authorize a contingent or “backup” representative (an “authorized representative”) to help get services. It’s advocacy support at regional centers.
- The bill also explain how SCDD decides when someone needs this help, and how long the representative can stay in that role (so it’s not permanent).

SCDD Views on Budget Language About LVAC Funds

- The Situation: the administration propose using SDP implementation funds for statewide administration, this would not leave funding or LVAC projects

- SCDD: “Too much is lost when eliminating federal financial participation funds for local use. SSDAC captures how these funds have been used creatively to meet local needs on training and education, independent facilitators, and person-centered planning.”

- Thursday May 7 Senate Subcommittee #3 Health and Human Services holding a hearing on DDS budget proposals, including this one

Medicaid Town Hall
One Year Later: Where we are now!

- Over the past two days, I hosted Town Halls focused on Medicaid changes taking effect this year.
- A third Town Hall will be held tomorrow. Details are provided below.

  Wednesday, May 6, 2026, 9:00 – 10:30 AM
  Join Zoom Meeting Link:
  https://us02web.zoom.us/j/83887181832?pwd=rbieVxi3X8nkh78mGXJxmapxDawQS3.1

  - Meeting ID: 838 8718 1832
  - Passcode: 204897
- The following slides offer a high-level overview of the topics discussed.

Town Hall Topics Discussed

- The situation, what's going on
- What is Medicaid? What does Medicaid mean to me?
- HR 1: What are the changes? Why did they do it? When do changes happen?
- What's the impact on people with disabilities?
- What are they saying now in Washington DC?
- What are some options they are talking about in Sacramento?
- What can you be doing now?

Situation Overview

July 2025, President Trump signed legislation to:

- $4.5 trillion tax cut
- $1.5 trillion cut in spending across the federal budget
  - Of that, $1.2 trillion cut from health care and food supports:
    - **Medicaid** and other health care – $1 trillion
      - 17 million people in American lose health insurance, 3.4 million in California
    - **SNAP** (Cal-Fresh) – $200 billion
      - 3 million could lose food supports,
- This is the biggest cut to Medicaid and SNAP spending

July 2026, CA will start a budget that begins those cuts

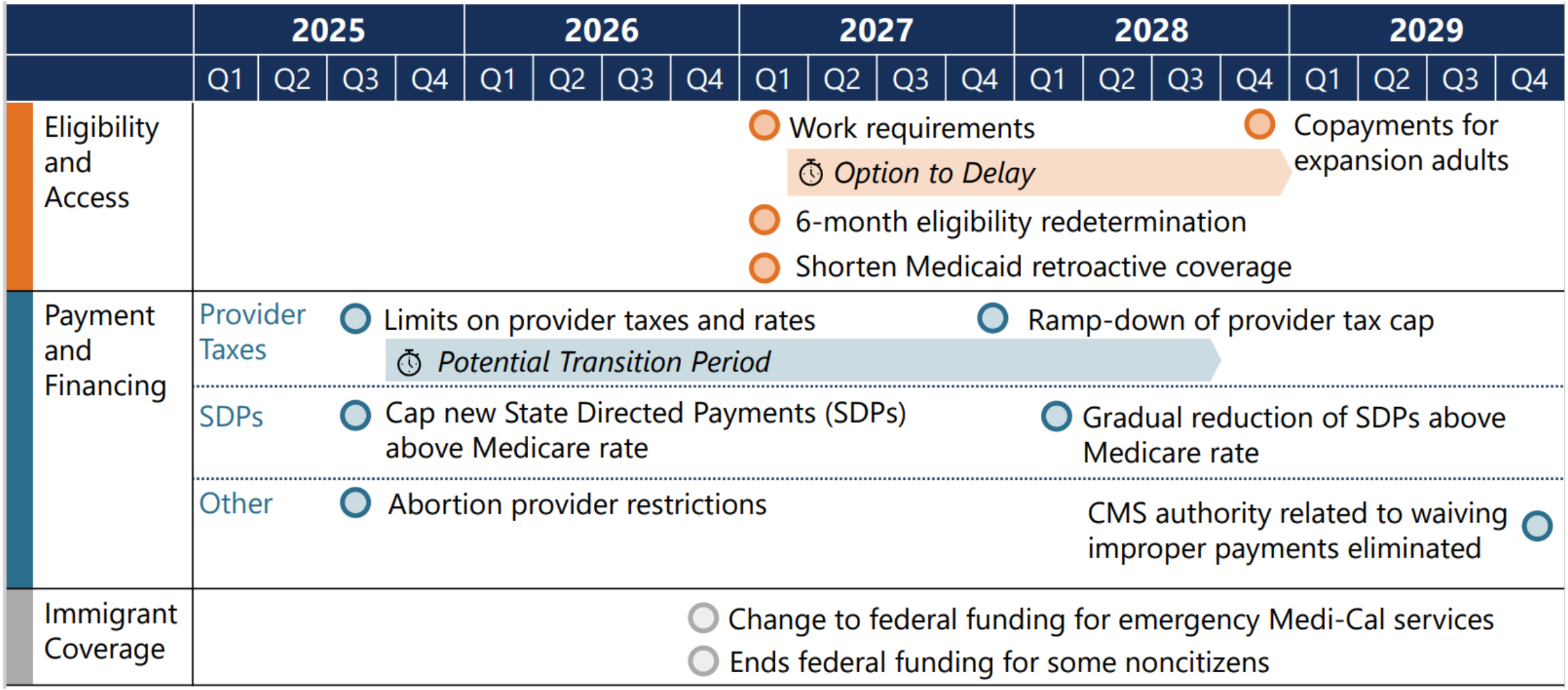
Source: What's in Trump's Big Policy Bill? - The New York Times; About 17 Million More People Could be Uninsured due to the Big Beautiful Bill and other Policy Changes | KFF; Here's what's in the big bill that just passed the Senate | PBS News

HR 1: Overview of Changes

Eligibility/Access Requirements	State Financing Restrictions	Immigrant Coverage Limitations	Abortion Providers Ban
» Work requirements » 6-month eligibility checks » Retroactive coverage restrictions » Cost sharing	» Managed Care Organization (MCO) and Provider Tax limitations » State Directed Payment (SDP) restrictions » Federal funding repayment penalties for eligibility-related improper payments	» Reduction in FMAP* for emergency UIS** » Restrictions on lawful immigrant eligibility (increases UIS) ** Federal Medical Assistance Percentage* ***Unsatisfactory immigration status*	» One-year ban on federal Medicaid funding for "prohibited entities" that provide abortion services

Source: Updates on HR 1 Impacts on Medi-Cal and CalFresh, CA Health and Human Services Agency, January 2026

HR 1: When do changes happen?



Source: Updates on HR 1 Impacts on Medi-Cal and CalFresh, CA Health and Human Services Agency, January 2026

HR 1: How is CA implementing changes?

Guiding Principles

- **Automate to Protect Coverage**. Maximize the use of data sources to confirm eligibility without burdening members. Reduce paperwork, streamline verifications, and safeguard coverage stability. Use Medi-Cal Eligibility codes as data to automate verification.
- **Simplify the Renewal Experience**. Modernize and streamline the Medi-Cal renewal process with a clearer, member-friendly form and six-month renewal steps that are easier to navigate.
- **Educate and Train Those Who Serve Medi-Cal Members**. Deliver comprehensive training on all HR 1provisions for county eligibility workers. Provide clear policy guidance, practical tools, and ongoing technical assistance so counties can support members.
- **Share information** on changes early on so members can build awareness, anticipate changes to their coverage, and have preparation time to meet new requirements.

Source: Updates on HR 1 Impacts on Medi-Cal and CalFresh, CA Health and Human Services Agency, January 2026

HR 1 Impacts on People with Disabilities

- **Regional Center services rely heavily on federal Medicaid funding**
  - California's developmental services system budget totals about **$18.7 billion**
  - About **37% comes from federal Medicaid** funding (Home and Community Based Services – HCBS)
- **Reduced federal funding could lead to:**
  - Fewer services, reduced hours
  - Providers closing
  - Longer waits to get services from providers
- **Worst case** is that reduced supports for community services could increase hospitalizations and institutional care

***I have not seen proposals, these are possibilities**

HR 1 Impacts on People with Disabilities

- **Broader impacts on people with disabilities**
  - California's developmental services system budget totals about **$18.7 billion**
    - **32%** of the state's total spending
  - 1.6 million have both Medicare and Medi-Cal
    - Need Medi-Cal for services Medicare doesn't cover
      - Long-term services and supports, dental, hearing, and vision
  - **83 hospitals** are at high risk of reducing services or closing

- **Likely outcomes for people with disabilities**
  - More strain on caregivers
  - Reduced access to care and community supports
  - Longer waits for supports and services
  - Growing inequities in rural and underserved communities

HR 1 Impacts on People with Disabilities

Exempt from work requirements

"…person who is medically frail or otherwise has special medical needs, including an individual: who is blind or disabled…with a substance use disorder; with a disabling mental disorder; with a physical, intellectual or developmental disability that significantly impairs their ability to perform 1 or more activities of daily living; or with a serious or complex medical condition"

"…person who is the parent, guardian, caretaker relative, or family caregiver of a dependent child 13 years of age and under or a disabled individual"

Source: beginning on page 681 H.R. 1

What are they saying now in Washington DC?

“The U.S. can’t take care of daycare. That has to be up to the state. We’re fighting wars. Medicaid, Medicare---they can do it on a state basis. We have to take care of one thing. Military protection. But all these little scams that have taken place, you have to let the states take care of them.”

- President Trump, April 2026

Source: Trump says it's 'not possible' for the U.S. to pay for Medicaid, Medicare and day care: 'We’re fighting wars'

What are they saying now in Washington DC?

Secretary Kennedy said consumer-directed personal assistance programs contribute to Medicaid fraud and higher Medicaid costs.

“The waivers allow people, family members, who are taking care of an elderly parent, to get paid for balancing the checkbook, for picking up the groceries, for driving somebody to a doctor’s appointment…These are family members who are getting paid to do things that they used to do as family members for free. And this is rife with fraud, because we have no way at CMS to determine if they actually performed that duty or not.”
-Secretary Kennedy, April 2026

Politicians found their health care message: fraud

Source: RFK Jr. Takes Issue With Medicaid Paying Family Caregivers - Disability Scoop

What are they saying now in Washington DC?

January 2026, the federal Centers for Medicare and Medicaid Services (CMS) sent a letter to California, giving the state 3 weeks to respond with a “Program Integrity Action Plan.”

CMS said rising spending in programs like In-Home Supportive Services (IHSS) may be because of fraud, waste, abuse, improper payments, weak oversight

- IHSS increased from **$8.2 billion** in 2016 to **$28.5 billion** in 2026

CMS questioned whether California’s program integrity controls were strong enough to protect federal dollars.

Source: California's-Response-to-CMS'-Program-Integrity-Request

What are they saying now in Washington DC?

Last week the federal government told all 50 states they had 10 days to commit to a **“swift revalidation of high-risk providers”** because of a rapid rise in fraud

- Described “high-risk” providers as those without National Provider Identifiers (NPIs)
- Some providers without NPIs:
  - Personal care attendants / direct support professionals
  - IHSS workers
  - Self-Determination Program providers
  - Respite providers
  - Supported living staff / independent living providers
  - Transportation providers

Source: Governors and State Medicaid Directors Get a New Assignment from Dr. Oz: Quickly Recertify “High-Risk” Providers – Center For Children and Families

What are they saying now in Washington DC?

Why many HCBS providers do not have NPIs

- The federal government doesn't require NPIs for them
  - They may not bill Medicare or private insurance
  - Some are considered non-medical service providers
  - Self-directed / self-determined programs use consumer-employed workers rather than clinical providers

Source: Governors and State Medicaid Directors Get a New Assignment from Dr. Oz: Quickly Recertify "High-Risk" Providers – Center For Children and Families

What are they saying now in Washington DC?

CMS says providers without NPIs may make higher program “integrity risks” because NPI is a standardized national identifier. Without it, it is harder to track and screen providers, so it may make it harder to detect fraud.

"Corrupt individuals and organizations masquerading as health care providers are defrauding Medicaid”

-CMS Administrator Dr. Oz

Politicians found their health care message: fraud

Source: Governors and State Medicaid Directors Get a New Assignment from Dr. Oz: Quickly Recertify “High-Risk” Providers – Center For Children and Families

What are they saying now in Washington DC?

In April 2026, the **President's Budget Director Vought** describes the $1 trillion in cuts made to Medicaid as a response to fraud.

Director Vought described the $1 trillion in Medicaid cuts passed in July 2025 in HR 1 would not lead to eligible people losing benefits. Instead savings would happen because ineligible people would be removed and able-bodied people would get jobs and health care through their jobs."

Confusing because they cut $1 trillion first, then looked for fraud after

Source: Trump has no plan to cut the $39 trillion national debt, but he does want to cut childcare | Fortune

Summary of talk in Washington DC

- Politicians found their health care message: fraud
- First, cut $1 trillion in Medicaid funding, then look for fraud
- Core HCBS philosophy is being suggested as evidence of frau
  - That is, parents getting paid for what they should do as fam
- Growth in services is being suggest as evidence of fraud
  - IHSS and autism services growth

Advocates fear all this is building to more Medicaid cuts

Let’s back up. Where are we now? Today?

One federal bill: HR 1

One state budget: developed now

We are here

Let’s focus on what is in front of us now

What are some options they are talking about in Sacramento?

Senate Democrats propose a new “fair share” tax

Their point of view:

- *What*: a new tax on the states’ 1%-2% largest corporations
- *How much*: $5 to $8 billion a year
- *How* will that be used: to help pay for Medi-Cal
- *Why*: 42% of Medi-Cal enrollees are fulltime workers because they’re not getting health insurance from their employer
- *Bottom line*: when public dollars pay for public health benefits like Medi-Cal for3.6 million workers, then taxpayers are paying for healthcare instead of employers

If passed by the Legislature, it would be up to the Governor to sign or veto

Source: Senate Democrats 2026-27 State Budget Plan

What are some options they are talking about in Sacramento?

Service Employees International Union (SEIU) collecting signature to put a “2026 Billionaire Tax Act” on the ballot

Their point of view:

- *What*: a new one-time 5% tax on personal assets over $1 billion
- *How much*: $100 billion, one-time
- *How* will that be used: 90% for health care, 10% for food supports and education
- *Why*: the federal healthcare cuts = $100 billion over five years, so this backfills that

Supporters say they have enough signatures to qualify it for the ballot

Would go to voters November 2026

Source: 2026 Billionaire Tax Act

What are some options they are talking about in Sacramento?

On May 14, Governor Newsom will release “May Revise”

- Part of the budget process
- January, Governor proposes a draft budget
- After tax returns come in April, the Governor revises the January proposal = “May Revise”

- Looking into my crystal ball to predict the future, I expect:
  - Governor will propose a budget that incorporates the reality of less federal money for health care
  - Estimate change from “tens of billions” to a clearer amount
  - There will be cuts across almost all health care programs, like Medi-Cal, IHSS and regional center services. *I do not know which programs or how much

[May Revise posted on Thursday May 14 between 10:00 – 11:00]

Questions?