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PRESS RELEASE

California Commission on Aging

FOR IMMEDIATE RELEASE

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California Commission on Aging Urges Reinvestment in Critical Services Following May Revision of the 2025-26 State Budget

SACRAMENTO, Calif. – The California Commission on Aging (CCoA) expresses deep concern over the Governor’s May Revision of the proposed fiscal year 2025–26 State Budget, citing a lack of investment in affordable housing and proposed cuts to essential health care services for older adults and people with disabilities. The Commission urges the Governor and Legislature to restore funding for programs that are vital to the health, safety, and dignity of California’s aging population, individuals with disabilities, and the families who support them.

Medi-Cal Asset Limit Reinstatement

The Commission strongly opposes the proposal to reinstate the Medi-Cal asset limit for older adults and people with disabilities. This proposal is punitive and unfairly targets older adults and people with disabilities on Medi-Cal. Of greater concern, this action will likely be a first step in destroying the family structure. For those families whose assets are just above the allowable levels and cannot afford to pay additional charges and premiums, divorce may be the only option to continue receiving medical care at no cost. Moreover, no other Medi-Cal population has an asset limit means test. The limit was rightly phased out in legislation passed in 2022 and fully eliminated in 2024, recognizing that it placed vulnerable Californians at risk of financial instability.

A \$2,000 asset limit will force older adults and people with disabilities to live in deep poverty to access essential care and terminate coverage for 112,000 current Medi-Cal members who have been able to accrue minimal resources.

Affordable Housing

California has nearly 45,000 shovel-ready affordable housing units that cannot move forward without state investment. Programs such as the Low-Income Housing Tax Credit, the Multifamily Housing Program, and the Joe Serna Jr. Farmworker Housing Grant Program are essential for unlocking billions in private financing. Without funding, these projects will stall, leaving hundreds of thousands of older adults, families, workers, and people with disabilities without housing options.



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Additionally, the proposed budget eliminates continued funding for Home Safe, the Housing and Disability Advocacy Program (HDAP), and the Community Care Expansion (CCE)—the state’s only targeted homelessness prevention programs for older adults and people with disabilities. **Cutting these programs will lead to more homelessness and greater strain on emergency services.**

Rate Cut to Program for All-Inclusive Care for the Elderly (PACE)

The May Revision proposes capping PACE rates at the midpoint of the actuarial range starting January 1, 2026—a move that effectively cuts funding and disregards the real costs of delivering high-quality, integrated care to medically complex older adults. This change would cost PACE organizations \$26 million in fiscal year 2025-26 and \$70 million in fiscal year 2026-27.

PACE providers serve older adults who qualify for a nursing facility level of care, offering comprehensive services—from medical care to transportation and therapy—to keep them safely at home. Reducing rates will limit providers’ ability to serve this vulnerable population.

Adding to the burden is the Department of Health Care’s January 2026 proposal of an annual fee of up to 1% of capitation payments to fund state staffing—another \$20 million cut, or \$700 per enrollee. These compounded reductions threaten the sustainability of care for California’s most at-risk older adults.

The Commission acknowledges the seriousness of California’s budget shortfall. However, cutting essential health and housing services will lead to even more costly and complex challenges in the future.

California’s population is aging rapidly—by 2030, one in four residents will be over the age of 60.

Additionally, Adults over 50 are the fastest-growing segment of the homeless population in

California. **Rather than weakening the safety net that serves older adults and people with disabilities, CCoA urges the Legislature and Administration to continue to advance the vision of the California Master Plan for Aging: a future where all Californians can age with dignity and safety in the setting of their choice.**

As the state’s principal advocacy body for older adults, the CCoA advises state leaders, legislators, and governmental agencies on policies and programs that promote fairness, autonomy, choice, and dignity for all older Californians.

For more information about the CCoA and its initiatives, please visit <http://ccoa.ca.gov>.

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