March 12, 2026

Tyler Sadwith
Department of Health Care Services
Director's Office
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Sacramento, California 95899-7413
Delivered via email to: 1115waiver@dhcs.ca.gov

Re: *Medicaid Section 1115 Demonstration Five-Year Renewal Request: Continuing CalAIM Demonstration*

Dear Director Sadwith,

The SCAN Foundation (TSF) appreciates the opportunity to comment on the Department of Health Care Services' (DHCS) *Medicaid Section 1115 Demonstration Five-Year Renewal Request: Continuing CalAIM Demonstration*. Medi-Cal is a critical lifeline for many, and we appreciate DHCS' commitment to ensuring the program is person-centered, equitable, coordinated, and responsive to the needs of its members, especially older adults and people with disabilities. TSF envisions a society where all of us can age well with purpose. We pursue this vision by igniting bold and equitable changes in how older adults age in both home and community. Our grants and impact investments prioritize communities that have been historically marginalized with an emphasis on: older people of color, older adults with lower incomes, and older residents in rural communities.

TSF has long supported the state's efforts to increase access to home and community-based services (HCBS), strengthen integrated care options for people dually eligible for Medicare and Medi-Cal, and advance the state's Master Plan on Aging. We've worked closely with the DHCS Office of Medicare Innovation and Integration (OMII), supporting research and data analysis in recent years to better understand the state's Medicare-only population and levers to improve care. We are pleased to see DHCS draw from this work, as well as the state-funded LTSS Financing Initiative begun through the MPA to elevate innovative strategies, particularly the proposed BridgeCare Pilot, which comes at a pivotal moment for California's aging population. The following comments acknowledge the state's efforts while offering recommendations to strengthen HCBS proposals within the 1115 waiver renewal application.

Section 3.13 – BridgeCare Pilots

Many older Californians lack sufficient resources to afford HCBS, a form of LTSS that enables older adults and people with disabilities to stay in their homes and communities and receive the care that they need. Research we supported on California's middle-income older adult population revealed that by 2033, 89% of Californians age 75 and older will not be able to afford HCBS, a population known as the Forgotten, or Overlooked, Middle. This is especially true for older adults in that group who are "near duals" – those who fall just above income eligibility for Medi-Cal. The research we supported with OMII on California's Medicare-only population showed that 1 in 8 California Medicare beneficiaries, most people of color, are near dual. Near duals often have similar health and care needs to those who are Medi-Cal eligible but are unable to afford HCBS to support those needs. We are pleased to see DHCS propose a solution to address this critical gap in HCBS access through its Bridge Care Pilots proposal, especially as it aligns with MPA initiative #75, focused on building a draft model for a Medicare HCBS demonstration. As the pilot details are further defined, we hope the state uses available data (e.g., clinical, functional, service-use) to identify target populations that will most benefit, shape the service package based on what is most impactful, and quantify potential fiscal impacts for Medi-Cal and Medicare to develop a business case.

Caregiver Supports as Discretionary Services

We appreciate that DHCS has designated a core set of services to guide local program design of the BridgeCare pilots and that local entities will have flexibility in creating their programs via additional discretionary services. Research supported by TSF on California's near dual population revealed that they are more likely to live alone than their higher income counterparts, meaning they are less likely to have family support in the home. However, this does not account for support from loved ones outside the home, such as friends and neighbors. Programs similar to the BridgeCare pilot, such as Vermont's Choices for Care – Moderate Needs Group program or Washington state's Tailored Supports for Older Adults program, include caregiver support services like respite and training and education. We recommend including these types of caregiver support services as an option among the discretionary services.

County Fiscal Responsibility

While TSF supports the goals of the pilot, we are concerned that requiring participating counties to finance the non-federal share could limit uptake. Counties are already facing significant fiscal pressures related to recent state and federal policy changes.

We recognize DHCS proposes the concept of reinvesting a portion of future Medicare savings into local entities, but near-term cash-flow and match requirements may still deter county participation. Additionally, counties use local funds to provide safety-net services to targeted populations. A couple of counties provide contract mode personal care services to people who are unhoused, representing an important link to HCBS for individuals unable to access In-Home Supportive Services. Counties could face a zero-sum choice between maintaining these programs and participating in the BridgeCare pilot, a result that would pit one vulnerable population against another, which must be avoided. We urge DHCS to work with counties to mitigate near-term fiscal barriers until shared savings are available.

Pilot Evaluation

Lessons learned from the pilots will be critical to informing future policy efforts focused on improving HCBS affordability and access. Given the customizable nature of the pilots, outcomes may vary between local entities, and it would be helpful to illustrate any such variations, especially between rural and urban communities. We recommend inclusion of an evaluation approach for the pilots that measures participant outcomes, rates of access among demographic groups, any disparities in waitlist data, and other items as noted in Justice in Aging's Equity Framework for Evaluating California's Medi-Cal Home and Community-Based Services for Older Adults & People with Disabilities.

Ongoing Exploration of LTSS Financing Solutions

Expanding HCBS access to near duals is a critical step toward an LTSS system that serves all Californians. The BridgeCare pilots concept represents an innovative policy lever amid the broader array of options to achieve LTSS for all and signals California's commitment to building a better system. We encourage the state to continue considering additional mechanisms that increase access to HCBS for near duals and the Forgotten/Overlooked Middle, such as Medi-Cal Share of Cost reform and a financing solution for a state LTSS/HCBS benefit.

Section 4 – Initiatives Being Discontinued or Transitioned Under CalAIM Section 1115 Authority – Community-Based Adult Services

TSF supports DHCS' plan to transition the Community-Based Adult Services (CBAS) program from the 1115 waiver to a 1915(i) state plan benefit. The CBAS program provides valuable services to older adults and family caregivers that support aging at home.

Transitioning CBAS to a state plan benefit provides permanency and establishes the program as a standard. However, more is needed to ensure older adults and people with disabilities have access to this program statewide, as CBAS is only available in 28 counties currently. In fact, DHCS Medi-Cal HCBS Gap Analysis identified this as a significant gap, noting CBAS services are most available in larger, more populated counties, with less access in rural areas. We recommend DHCS establish an advisory committee for the CBAS program to inform program implementation and efforts to increase access to CBAS.

Thank you again for the opportunity to provide comments on the *Medicaid Section 1115 Demonstration Five-Year Renewal Request: Continuing CalAIM Demonstration*. We are encouraged by DHCS' ongoing commitment to advancing initiatives that strengthen care and access for older adults and people with disabilities, including those in the Forgotten/Overlooked Middle. Please feel free to reach out to Megan Burke, mburke@thescanfoundation.org, or Olivia Burns, oburns@thescanfoundation.org, with questions or additional information.

Sincerely,

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President and CEO
The SCAN Foundation

CC: Lauren Gavin Solis, Chief, Office of Medicare Innovation and Integration, Department of Health Care Services; Susan DeMarois, Director, California Department of Aging