

Date of Hearing: March 24, 2026

ASSEMBLY COMMITTEE ON HUMAN SERVICES
Alex Lee, Chair
AB 2278 (Ávila Fariás) – As Introduced February 19, 2026

SUBJECT: In-home supportive services: County of Contra Costa: innovative technologies

SUMMARY: Establishes a five-year pilot project for the County of Contra Costa to improve In-Home Supportive Services (IHSS) eligibility and processing times using innovative technologies within the county. Allows the county to opt into the pilot program. Specifically, **this bill:**

- 1) Requires the California Department of Social Services (CDSS) to develop a five-year pilot project for the County of Contra Costa, to be implemented at the election of the County, for the purpose of improving IHSS eligibility and processing times through the use of innovative technologies within the county.
- 2) Requires the pilot project to be available for implementation between the 2027 and 2031 calendar years, inclusive.
- 3) If implemented,
 - a) Requires the county to test innovative technologies that facilitate documentation and summarization of IHSS in-home eligibility interviews, with informed consent of the individual; and,
 - b) Requires the pilot project to be designed with a focus on decreasing IHSS application processing times for recipients participating in the Community First Choice Option (CFCO) program.
- 4) Requires, during the implementation period, the county to post on its website annual reports on progress and outcomes of the pilot project.
- 5) Requires, notwithstanding the sunset provisions contained in existing law, moneys to be continuously appropriated from the General Fund to the County of Contra Costa, in accordance with 6) below, for the purpose of implementation of the pilot project described in these provisions and without regard to fiscal years, as long as the pilot project is in operation.
- 6) Requires the amount of moneys appropriated to be equivalent to the amount of moneys that the County of Contra Costa pays pursuant to 2) in existing law.
- 7) Specifies that 6) above shall not be construed as changing or otherwise affecting the requirement on the County of Contra Costa to pay its share pursuant to 2) in existing law.
- 8) Requires, upon completion or termination of the pilot project, any unused funds appropriated to be reverted to the General Fund.

EXISTING LAW:

- 1) Establishes the County IHSS Maintenance of Effort. (Welfare & Institutions Code [WIC] § 12306.16)

- 2) Requires, beginning July 2026, if the state ceases to receive enhanced federal financial participation due to noncompliance of timely case reassessment for the CFCO program within IHSS, 100% of the federal penalty to be paid by counties. For the 2025-26 fiscal year only, establishes that the state and county shall each pay 50% of the federal penalty. (WIC § 12306.16 (d)(7))

FISCAL EFFECT: Unknown, this bill has not been analyzed by a fiscal committee.

COMMENTS: This analysis only discusses policy issues germane to the jurisdiction of the Assembly Committee on Human Services.

Background: *In-Home Supportive Services.* The IHSS program offers in-home personal and domestic care to low-income individuals who are aged, blind, or disabled, helping them live safely in their communities. Most recipients have incomes low enough to fall below SSI/SSP limits (about \$1,234 per month for an individual in 2025–26). Because it is an entitlement program, anyone who meets eligibility requirements can receive services.

Recipients may receive up to 283 hours of monthly assistance with tasks like bathing, dressing, and meal preparation. County social workers assess each person's needs to determine service levels. Recipients typically hire and manage their own caregivers, often family members. On average, about 875,344 recipients are projected to receive 127 hours of care per month in 2026–27, slightly higher than 125.1 hours in 2025–26.

Within the IHSS program, four subprograms provide services to different populations:

- Personal Care Services Program. Recipients qualified for Medi-Cal on the basis of age, blindness, or disability.
- IHSS Plus Option. Recipients who have qualified for Medi-Cal and are also part of one of the following groups: parent provider for a minor child, spouse providers, advance pay cases, or meal allowance cases.
- IHSS-Residual. Recipients do not meet the requirements for the two above categories and are typically people with Satisfactory Immigration Status, which denies them federal reimbursement.
- Community First Choice Option (CFCO). Recipients qualified for Medi-Cal and would otherwise need a nursing home level of care.

Community First Choice Option. CFCO is an option available to states within their Medicaid programs to provide home- and community-based attendant services and supports to seniors and persons with disabilities.

The IHSS cases eligible for the CFCO program receive the regular base Federal Medical Assistance Percentage (FMAP) of 50%, plus an additional enhanced FMAP of 6% (for a total FMAP of 56%). However, if counties do not conduct timely, federally required reassessments of CFCO recipients, those particular cases are no longer eligible to receive the additional 6% FMAP. Counties must complete a reassessment every 12 months.

The cost of this lost 6% FMAP must then be reimbursed to the federal government. Prior to 2025-26, the state picked up 100% of the loss of the 6%, also known as the CFCO late penalty. The 2025-26 Budget required a 50/50 cost split between the counties and the state. Beginning July 2026, counties will be 100% responsible if CFCO reassessment requirements are not met. A coalition including the County Welfare Directors Association, California State Association of Counties, California State Council of SEIU, UDW/AFSCME Local 3930, California Association of Public Authorities for IHSS, Disability Rights California, National Health Law Program, and Justice in Aging has submitted a letter to the budget committee and the corresponding subcommittees in each house to request, among other requests, to maintain the 50/50 cost share to “Minimize Harm from the IHSS CFCO Penalties”. According to the Legislative Analyst’s Office (LAO), counties report that the processing time has decreased, but it may be at the cost of shifting staff time to CFCO reassessment to avoid these penalties. According to LAO’s, *The 2026-27 Budget: In-Home Supportive Services*, “the number of [IHSS] applications that take over 90 days to be processed has grown from 1,600 to 4,600 in the first six months of the CFCO penalty policy being in effect.”¹ CFCO penalties are an issue all 58 counties are grappling with and attempting to find solutions.

This bill aims to improve processing times only for the County of Contra Costa by creating a pilot program that will utilize innovative technology to ultimately reduce the amount of the CFCO late penalties.

Author’s Statement: According to the Author, “Contra Costa, like many other counties, is faced with significant financial pressures as a result of H.R. 1, the state budget, and recession signals in the broader economy. County revenues are declining as a result of decreasing sales tax revenue and slowing property tax revenue growth. Increasing unfunded spending requirements for social services administration and health care are exacerbating these challenges of the County’s already-underfunded IHSS administration. The new CFCO penalties will amount to nearly \$2.5 million in the first full year of implementation and are expected to climb to almost \$5 million. Faced with these challenges, the County is seeking ways to improve services for IHSS enrollees and decrease application processing times without significantly increasing administrative costs.

“[This bill] would authorize Contra Costa County to pilot innovative technologies to help accelerate eligibility and enrollment processing times for In Home Supportive Services (IHSS), resulting in an improved customer experience while reducing administrative burden on social services employees and avoid federal penalties. Through this pilot, the County aims to significantly decrease IHSS application processing for the CFCO recipients - and ultimately save money in the long run.”

Equity Implications: IHSS is a program that makes living independently possible for many individuals who need assistance with daily tasks, and who are low-income. This program is a backbone in the disabled community and is imperative to figure out ways to maintain access to anyone who needs it. While *this bill* aims to address the burden of CFCO penalties, *this bill* only makes the pilot available to one county and may create inequities between counties.

Policy Considerations: This bill requires CDSS to create a pilot program specifically for the County of Contra Costa and only makes it optional for the County of Contra Costa to implement

¹ https://lao.ca.gov/reports/2026/5166/2026-27_IHSS_031826.pdf

the pilot program. If CDSS is mandated to create a pilot for only the County of Contra Costa, then the County should be required to implement the pilot program in an effort to prevent waste of staff time, resources, and expertise expended by CDSS.

Should this bill move forward, the Author may wish to ensure the County of Contra Costa implements the pilot program.

This bill requires that this pilot be paid for by the County of Contra Costa's CFCO penalties by requiring California's General Fund to reimburse the County of Contra Costa an amount equal to the penalties paid. Ultimately, this creates a carve-out for one county while the remaining 57 counties are subject to different rules.

Should this bill move forward, the Author may wish to remove provisions related to CFCO penalty reimbursement.

Proposed Committee Amendments: In order to address the above policy considerations, the Committee proposes the Author take the following amendments:

WIC 12306.165.

(a) (1) The department shall develop and make available a five-year pilot project for the County of Contra Costa, ~~to be implemented at the election of the county,~~ for the purpose of improving IHSS eligibility and processing times through the use of innovative technologies within the county.

(2) The pilot project shall be available for implementation between the 2027 and 2031 calendar years, inclusive.

(b) (1) ~~If the County of Contra Costa elects to implement the pilot project,~~ the county shall test innovative technologies that facilitate documentation and summarization of IHSS in-home eligibility interviews, with informed consent of the individual.

(2) ~~If implemented,~~ the pilot project shall be designed with a focus on decreasing IHSS application processing times for recipients participating in the Community First Choice Option (CFCO) program, as established pursuant to Section 14132.956.

(c) During the implementation period, the county shall post on its internet website annual reports on progress and outcomes of the pilot project.

~~(d) Notwithstanding Section 13340 of the Government Code, moneys are continuously appropriated from the General Fund to the County of Contra Costa, in accordance with subdivision (e), for the purpose of implementation of the pilot project described in this section and without regard to fiscal years, as long as the pilot project is in operation.~~

~~(e) (1) The amount of moneys appropriated pursuant to subdivision (d) shall be equivalent to the amount of moneys that the County of Contra Costa pays pursuant to paragraph (7) of subdivision (d) of Section 12306.16, which is the amount of the 100 percent share of the enhanced federal financial participation that would have been received pursuant to Section 1915(k) of the federal Social Security Act (42 U.S.C. Sec. 1396n(k)) for the months in which~~

~~the state did not receive the enhanced federal financial participation due to noncompliance of timely case reassessment for the CFCO program.~~

~~(2) Paragraph (1) shall not be construed as changing or otherwise affecting the requirement on the County of Contra Costa to pay its share pursuant to paragraph (7) of subdivision (d) of Section 12306.16.~~

~~(f) Upon completion or termination of the pilot project, any unused funds appropriated pursuant to this section shall revert to the General Fund.~~

Double referral: Should this bill pass out of this committee, it will be referred to the Assembly Committee on Privacy and Consumer Protection.

Arguments in Support: Contra Costa County writes, “By streamlining aspects of the assessment and documentation process, this pilot aims to significantly reduce IHSS application processing times, improve the customer experience for some of our most vulnerable residents, and alleviate administrative burden for frontline staff—without compromising program integrity or client protections.”

Arguments in Opposition: None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

Contra Costa County (Sponsor)
LeadingAge California

Opposition

None on file.

Analysis Prepared by: Alexandria Smith / HUM. S. / (916) 319-2089