

# Congress of the United States

Washington, DC 20515

June 13, 2025

The Honorable Gavin Newsom  
Governor, State of California  
State Capitol, Sacramento, CA 95814

Assemblymember Robert Rivas  
Assembly Speaker  
State Capitol, Sacramento, CA 95814

Assemblymember Jesse Gabriel  
Chair, Assembly Budget Committee  
State Capitol, Sacramento, CA 95814

Senator Mike McGuire  
Senate President Pro Tempore  
State Capitol, Sacramento, CA 95814

Senator Scott Wiener  
Chair, Senate Budget Committee  
State Capitol, Sacramento, CA 95814

Dear Governor Newsom, Speaker Rivas, Pro Tem McGuire, Assemblymember Gabriel and Senator Wiener:

As California Congressmembers in the U.S. House of Representatives, we write to you regarding Medi-Cal provisions in the Governor's May Revision of the proposed 2025-26 California state budget.<sup>1</sup>

Specifically, we are strongly concerned that the May Revision proposes to:

1. Reinstate a Medi-Cal asset limit for seniors and disabled adults.
2. Cap overtime and travel hours for In-Home Supportive Services (IHSS) providers, who care for seniors and people with disabilities in their homes.

Improved and expanded Medi-Cal – including IHSS, a type of state and federally Medicaid-funded<sup>2</sup> Home and Community-Based Services (HCBS) that provides in-home assistance to eligible aged, blind, and disabled individuals as an alternative to out-of-home care and enables recipients to remain safely in their homes<sup>3</sup> – is a priority for the undersigned Members.

As you negotiate the final budget, we respectfully recommend you reconsider these proposals that threaten to reverse recent progress that increased access to home-based care and put vulnerable Californians at risk.

## **1. Medi-Cal Asset Test Limits**

The May Revision proposes reinstating an asset limit of \$2,000 for individuals and \$3,000 for couples for seniors and adults with disabilities to qualify for Medi-Cal, beginning in January 2026. The asset limit would include savings accounts and property other than a home and a car.

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<sup>1</sup> <https://ebudget.ca.gov/2025-26/pdf/Revised/BudgetSummary/FullBudgetSummary.pdf>

<sup>2</sup> Section 1915(c) of the Social Security Act (42 U.S.C. § 1396n(c)) allows the federal government to waive certain provisions of Federal Medicaid law to allow states to provide home and community-based services in lieu of institutional care to qualifying individuals.

<sup>3</sup> <https://www.cdss.ca.gov/in-home-supportive-services>

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California began phasing out the Medi-Cal asset limit in 2022 and completely eliminated the limit in January 2024, which allowed 112,000 to 115,000 low-income seniors and adults with disabilities to enroll in Medi-Cal.<sup>4</sup> Eliminating the asset limit has expanded access to essential healthcare for these individuals, helping them maintain both their health and financial independence.

The proposed asset test would reverse this progress and weaken financial stability. It discourages people from saving in order to qualify for Medi-Cal.<sup>5</sup> Research shows that families who are able to save are less likely to face eviction, make a late housing or utility payment, or rely on public benefits when facing hardship.<sup>6</sup> Californians have shared that if faced with an asset limit, they would either have to forego crucial health care services or quickly “spend down” all of their money to \$2,000.<sup>7</sup>

This financial insecurity would harm families and the government. Families without savings are 14 times more likely to be evicted and 3 times more likely to miss a housing or utility payment.<sup>8</sup> In addition, the \$2,000 limit is an outdated amount originally set in 1989 and not representative of a sufficient safety net in today’s economy. Reinstating the asset limit will not address the common myth that wealthy individuals are able to access Medi-Cal. Medi-Cal also has income limits for eligibility, and research shows that people with limited incomes are not able to accrue significant assets.<sup>9</sup>

## **2. In-Home Supportive Services (IHSS) Provider Overtime and Travel Hours**

The May Revision proposes capping In-Home Supportive Services (IHSS) provider overtime and travel hours at 50 hours per week, beginning in January 2026.

IHSS helps Californians on Medi-Cal who are over the age of 65, blind, and/or disabled live with dignity in their own homes and communities. Tens of thousands of individuals receive the maximum number of hours, 283 per month, and capping hours at 50 per week will mean that these individuals will go without authorized care. This will be particularly harmful to seniors with dementia, individuals who are medically fragile, and children with significant developmental disabilities who require 24-hour care.

Californians who are paid family caregivers (and provide long-term care to, for example, their spouses or disabled children) have shared that capping IHSS hours would force them to seek other employment—leaving their family member without the care they need.<sup>10</sup> This will push

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<sup>4</sup> <https://lao.ca.gov/Publications/Report/5010>

<sup>5</sup> <https://www.urban.org/sites/default/files/publication/51686/311223-Do-Asset-Limits-in-Social-Programs-Affect-the-Accumulation-of-Wealth-.PDF>

<sup>6</sup> <https://www.urban.org/research/publication/thriving-residents-thriving-cities-family-financial-security-matters-cities>

<sup>7</sup> <https://calmatters.org/health/2025/05/medi-cal-assets-newsom-health-insurance/>

<sup>8</sup> <https://www.urban.org/policy-centers/cross-center-initiatives/opportunity-ownership/projects/cost-eviction-and-unpaid-bills-financially-insecure-families-city-budgets>

<sup>9</sup> <https://justiceinaging.org/medi-cal-asset-limit-elimination-increases-economic-security-for-low-income-older-adults-and-people-with-disabilities/#post-52249-endnote-4>

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people into homelessness or institutional care settings,<sup>11</sup> both of which are more expensive to the government.<sup>12,13</sup>

As of April 2025, 750,956 individuals in California are enrolled as IHSS providers to help people continue to live safely and independently in their homes, and 72.5% of IHSS workers were a relative. IHSS workers providing long-term care to their spouses or disabled children are predominantly women.<sup>14</sup>

If their hours are capped, 30% of IHSS providers would see their income reduced—some by as much as 52%.<sup>15</sup> IHSS workers are already severely underpaid for the critical care they provide, with an hourly wage ranging from \$16.50 to \$22.00 depending on the county.<sup>16</sup> Capping hours would significantly reduce hours for the workforce at a time when there is already a shortage of care workers.<sup>17</sup> It would exacerbate inequities as women, people of color, and immigrants make up a disproportionate share of California’s direct care workforce, including home care workers.<sup>18</sup>

### 3. Recommendation

We note that several stakeholders, including those working in legal services,<sup>19</sup> patient advocacy,<sup>20</sup> and labor rights<sup>21</sup> are opposed to both reinstating a Medi-Cal asset limit and capping IHSS hours, stating these proposals would result in more harm to low-income and vulnerable communities.

We also believe the proposals in the May Revision to cut Medi-Cal and IHSS will threaten the health and financial stability of seniors, children and adults with disabilities, and home care workers.

We appreciate that the State Legislature has taken meaningful steps to protect access to Medi-Cal and IHSS in the Legislature’s Version of the Budget.<sup>22</sup>

**We believe that any proposals to reinstate a Medi-Cal asset limit or cap In-Home Supportive Services (IHSS) provider hours in California’s 2025-26 budget should be rejected.**

<sup>10</sup> <https://www.capradio.org/articles/2025/05/23/local-in-home-support-workers-at-risk-due-to-proposed-state-budget-cuts/>

<sup>11</sup> <https://californiahealthline.org/news/article/in-home-supportive-services-california-medicaid-medi-cal-budget-congress-cuts/>

<sup>12</sup> <https://calmatters.org/commentary/2023/07/something-clearly-off-homelessness-spending/>

<sup>13</sup> <https://calmatters.org/health/2022/01/california-nursing-homes-transition/>

<sup>14</sup> <https://calmatters.org/commentary/2020/09/parent-and-spouse-caregivers-for-in-home-supportive-services-program-deserve-job-rights/>

<sup>15</sup> <https://www.galtadvocacy.com/special-needs-advocacy/how-californias-2025-26-budget-cuts-may-affect-ihss-medi-cal/>

<sup>16</sup> <https://ihssadvocate.com/ihss-wages-by-county/>

<sup>17</sup> <https://www.ppic.org/publication/californias-care-workforce/>

<sup>18</sup> <https://www.chcf.org/wp-content/uploads/2022/12/CaliforniaDirectCareWorkforce.pdf>

<sup>19</sup> <https://wclp.org/wclp-statement-analysis-of-governor-newsoms-may-revision-of-californias-2025-2026-budget/>

<sup>20</sup> <https://www.disabilityrightsca.org/latest-news/disability-rights-california-responds-to-governor-newsoms-may-revision-with-grave>

<sup>21</sup> <https://www.seiu2015.org/no-state-budget-cuts-to-long-term-care/>

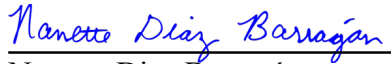
<sup>22</sup> <https://abgt.assembly.ca.gov/system/files/2025-06/subcommittee-report-of-the-2025-26-budget.pdf>

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Thank you for your consideration of our recommendation.

Sincerely,



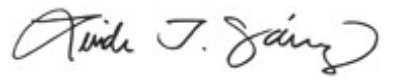
Nanette Diaz Barragán  
Member of Congress



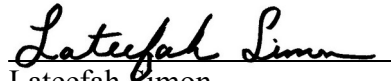
Zoe Lofgren  
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Mike Thompson  
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Linda T. Sánchez  
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Lateefah Simon  
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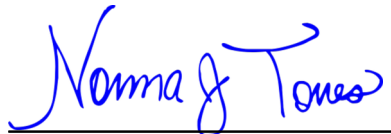
Maxine Waters  
Member of Congress



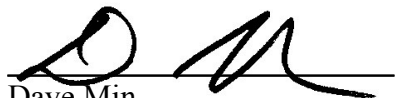
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Raul Ruiz, M.D.  
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Norma J. Torres  
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Dave Min  
Member of Congress



Doris Matsui  
Member of Congress



Ro Khanna  
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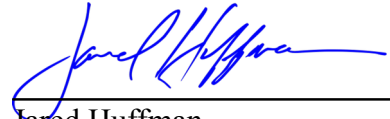
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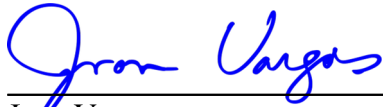
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MARK TAKANO  
Member of Congress



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Jared Huffman  
Member of Congress



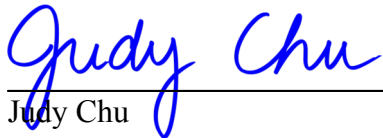
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Juan Vargas  
Member of Congress



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Ted W. Lieu  
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Judy Chu  
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