



## **The Arc of California Raises Concerns Over Federal Government Withholding of \$1.3 Billion for In-Home Support Services Based on False Claims of Waste, Fraud and Abuse**

Every few years, a familiar narrative emerges.

Someone points to a small number of bad actors, isolated incidents, or high-profile fraud cases and uses them to suggest that an entire public program is fundamentally corrupt. The names and talking points may change, but the strategy remains the same: focus public attention on stories of fraud, waste, and abuse to build support for cuts to programs that millions of people rely upon.

Today, that narrative is being directed at the California Medi-Cal and In-Home Services and Supports for people with disabilities.

The Arc of California believes fraud should be identified, investigated, and prosecuted wherever it occurs. Fraud harms taxpayers. It harms public trust. Most importantly, it harms older adults, people with disabilities and their families who rely on these services to allow their loved ones to live safely and independently.

But there is a significant difference between addressing fraud and using fraud as a justification for reducing healthcare and long-term services and supports for hundreds of thousands of people.

Recently the federal government withheld [\\$1.3 billion in Medicaid funding from California](#), on the basis that programs, such as In-Home Supportive Services (IHSS) and other Medicaid-funded supports, are particularly vulnerable to fraud. Out of the \$1.3 billion withheld, the majority ([\\$1.133 billion](#)) was withheld from the IHSS program. Withholding reimbursements in the billions only serves to destabilize the essential programs that many people with disabilities rely on in California.

While program integrity is important and oversight should be prioritized, isolated cases of misconduct should not be used to paint an inaccurate picture of IHSS, which serves [900,000](#) older adults, people with disabilities, and children every day.

For people with developmental disabilities, Medi-Cal and IHSS are lifelines. They provide access to therapies, lifesaving medications, durable medical equipment such as breathing apparatus and colostomy supplies, and the long-term supports that make it possible to work, attend school, and participate in their communities. IHSS also funds caregivers who assist with essential daily activities such as getting out of bed, bathing, dressing, preparing meals, and taking medications. These are basic survival needs, and people with disabilities cannot simply go without them.

Unfortunately, discussions about fraud often lose sight of the people whose lives depend on these services. The public is encouraged to focus on isolated cases of abuse rather than the millions of individuals who rely on Medi-Cal and the thousands of providers and caregivers who deliver these services every day.

The overwhelming majority of Medi-Cal spending supports legitimate healthcare and services. When policymakers talk about reducing Medi-Cal and IHSS funding, imposing additional barriers to eligibility, or threatening funding streams in the name of combating fraud, the consequences are not felt by fraudsters. They are felt by people who need healthcare, personal care services, therapies, medications, and support to remain independent.

The Arc of California will continue to support strong oversight and accountability while opposing efforts that use isolated cases of fraud as a justification to weaken the healthcare and support systems that millions of Californians depend on every day.

In solidarity,

**Jordan Lindsey**

A handwritten signature in black ink, appearing to read "Jordan Lindsey", written in a cursive style.

Executive Director  
The Arc of California