

SUBCOMMITTEE #3: Health & Human Services

Chair, Senator Mark DeSaulnier

Senator Elaine K. Alquist
Senator Bill Emmerson



May 22 & 24, 2012

Human Services Issue Outcomes

Staff: Jennifer Troia, Brady Van Engelen (DCSS)
& Catherine Freeman (CSD)

May 22

4170 Department of Aging (CDA)

Staffing Changes Related to Adult Day Health Care (ADHC) & Community Based Adult Services (CBAS) Programs

Approved (3-0) the proposed staffing and resources.

4300 Department of Developmental Services (DDS)

Estimate Changes & Technical Adjustments

Adopted (3-0) the following technical changes, with any changes to conform as appropriate to other actions that have been or will be taken:

For Developmental Centers:

- **Workload Adjustments (Issues 201, 202, 203, and 206)**—It is requested that Schedule (1) of Item 4300-003-0001 be increased by \$1,197,000, reimbursements be increased by \$620,000, Item 4300-003-0890 be decreased by \$20,000, and Schedule (1)(a) of Item 4300-004-0001 be decreased by \$138,000, and Schedule (1)(b) be increased by \$138,000 to reflect adjustments in Level-of-Care and Non-Level-of-Care Staffing, operating expenses and equipment, and a fund shift in the Foster Grandparent Program.
- **Lanterman Developmental Center Closure Update (Issue 204)**—It is requested that Schedule (1) of Item 4300-003-0001 be decreased by \$1,091,000 and reimbursements be decreased by \$494,000 to reflect changes in staff support costs associated with leave buyout, unemployment insurance, and resident transition activities.

- **Federal Certification of Porterville Developmental Center (Issue 200)**—It is requested that reimbursements be decreased by \$13.0 million to reflect the federal Centers for Medicare and Medicaid Services' (CMS) denial of certification to expand Medi-Cal eligibility to a portion of the population in the Secure Treatment Program.
- **\$200.0 Million General Fund Trigger Reduction Adjustment (Issue 209)**—It is requested that Schedule (1) of Item 4300-003-0001 be decreased by \$9.1 million and reimbursements be increased by \$1.3 million to reflect a reallocation of the \$200.0 million General Fund trigger reductions proposed in the Governor's Budget from regional center Purchase of Services to developmental centers.

For Regional Centers:

- **Quality Assurance Fees (Issues 301 and 302)**—It is requested that Schedule (1) of Item 4300-101-0001 be increased by \$76,000, Schedule (2) be increased by \$411,000, and reimbursements be increased by \$139,000 to reflect updated day treatment and transportation costs for Intermediate Care Facility/Developmentally Disabled (ICF/DD) residents.
- **Money Follows the Person Grant Fund Shift (Issue 316)**—It is requested that reimbursements be decreased by \$2,134,000 to reflect new federal restrictions on the amount that Money Follows the Person grant expenditures can be reimbursed for administrative costs.
- **Targeted Case Management Administration Fund Shift (Issue 317)**—It is requested that reimbursements be decreased by \$328,000 to reflect a decrease in federal financial participation due to reduced eligible expenditures.
- **\$200.0 Million General Fund Trigger Reduction Adjustment (Issue 322)**—It is requested that Schedule (1) of Item 4300-101-0001 be decreased by \$7.0 million, Schedule (2) of Item 4300-101-0001 be decreased by \$3.4 million and reimbursements be decreased by \$20.8 million to reflect the reallocation of a portion of the \$200.0 million General Fund trigger from regional center Purchase of Services budget to the developmental center budget.
- **Race-to-the-Top Grant for the Early Intervention Program (Issue 321)**—It is requested that Schedule (3) of Item 4300-101-0001 and reimbursements be increased by \$286,000 to reflect the DDS share of federal Race-to-the-Top grant funds for the Early Intervention Program.
- **Extend Liquidation Period for Prior Year Appropriations (Issue 001 and 002)** —It is requested that Budget Bill language be approved for a one-year extension of the liquidation period for funds appropriated in the 2009 and 2010 Budget Acts in order to achieve approved General Fund savings targets (See Attachment 1). The DDS is in the process of retroactively rebilling the federal government for day treatment and transportation services provided to Medi-Cal beneficiaries residing in licensed ICF/DDs.

Proposed Funding Change for Early Start Services

Approved (3-0) the May Revision proposal to anticipate \$40 million in First 5 funding for Early Start services.

Proposals to Achieve \$200 million Trigger Reduction

See May 24 outcomes below.

Proposals for New Trigger Impacts

Held issue open with note that if the reduction proposal is ultimately adopted, staff would recommend that the final trailer bill language include provisions similar to those below that were included in 2011-12 trigger reduction language:

“A variety of strategies, including, but not limited to, savings attributable to caseload adjustments, changes in expenditure trends, unexpended contract funds, or other administrative savings or restructuring can be applied to this reduction with the intent of keeping reductions as far away as feasible from consumer’s direct needs, services, and supports, including health, safety, and quality of life.

The department may utilize input from workgroups comprised of consumers and family members, consumer-focused advocacy groups, service provider representatives, regional center representatives, developmental center representatives, other stakeholders, and staff of the Legislature, to develop General Fund savings proposals as necessary.”

4700 Department of Community Services & Development

Lead Hazard Control Program

Approved (3-0) the proposed augmentation. The LAO concurs in this recommendation.

5160 Department of Rehabilitation

Proposed Elimination of the Orientation Center for the Blind Trust Fund Committee

Rejected (2-1, Emmerson no) the proposed elimination at this time.

5180 Department of Social Services (DSS)

Estimate Changes & Technical Adjustments

Adopted (3-0) the following technical changes to budget bill items, totaling a net decrease of \$131,246,000 (decreases of \$181,322,000 General Fund, \$807,000 Child Support Collections Recovery Fund, and \$74,892,000 reimbursements, partially offset by an increase of \$125,775,000 Federal Trust Fund):

Program	Item	Change from Governor's Budget
CalWORKs / Kin-GAP	5180-101-0001	-\$320,934,000
	5180-101-0890	\$853,272,000
	5180-601-0995	-\$2,745,000
Supplemental Security Income/State Supplementary Payment (SSI/SSP)	5180-111-0001	-\$28,332,000
In-Home Supportive Services (IHSS)	5180-111-0001	\$25,275,000
	5180-611-0995	-\$67,645,000
Other Assistance Payments	5180-101-0001	\$106,719,000
	5180-101-0890	-\$802,289,000
County Administration and Automation Projects	5180-141-0001	\$37,271,000
	5180-141-0890	\$67,253,000
	5180-641-0995	\$6,220,000
Community Care Licensing	5180-151-0001	\$105,000
	5180-151-0890	\$46,000
Realigned Programs		
Adoption Assistance Program	5180-101-0890	-\$6,204,000
Foster Care	5180-101-0001	\$4,000
	5180-101-0890	\$9,325,000
	5180-101-8004	-\$807,000
	5180-141-0001	-\$6,000
	5180-141-0890	\$2,126,000
Child Welfare Services (CWS)	5180-151-0001	-\$1,424,000
	5180-151-0890	-\$218,000
	5180-651-0995	-\$11,227,000
Title IV-E Waiver	5180-153-0890	\$2,464,000
Adult Protective Services	5180-651-0995	\$505,000

Revised Estimates Related to Previously Adopted Solutions:

Program	Policy	Change from January
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IHSS	Requirement for Certification of Need by Health Care Provider (Issue 203)	Erosion of \$117.3 million GF savings due to revised estimating methodology based on initial implementation period
IHSS	Proposed Domestic & Related Services Reduction (Issue 205)	Erosion of \$38.5 million GF savings given revised implementation date (from July 1 to October 1, 2012)

Title IV-E Waiver Carryover (Issue 302)

The above actions are subject to any changes to conform as appropriate to other actions that have been or will be taken.

Also, the assumption related to erosions of savings tied to the sales tax on supportive services (Issue 202) was held open.

Other Conforming Issues: Child Care-Related Proposals, Transfers of Specified Alcohol & Drug Programs & Budget Bill Language Related to Health Care Reform

The May Revision proposes adjustments to the DSS budget that correspond to child care, alcohol & drug programs, and health care reform-related proposals that will be heard during other Subcommittee or full Committee hearings (Issues 010, 107, 110, 301, 302, 401). These items were held open.

In-Home Supportive Services (IHSS)

IHSS Public Authority Funding Methodology

Adopted (2-1, Emmerson no) trailer bill language extending the timeframe specified in statute for use of a newly developed ratesetting methodology for PA funding--to begin with the 2013-14 fiscal year, rather than 2012-13.

Sharing of Criminal Offender Record Information with the Department by the Public Authorities

Adopted (3-0) the proposed revision to WIC 12305.87, which is a technical change to the policies adopted in the 2010-11 budget.

Coordinated Care Initiative – Requested Positions

Held open.

New Proposal for Seven Percent Across-the-Board Reduction in Recipients’ Hours of Service

Held open.

CalWORKs

Changes to CalWORKs Reduction & Redesign Proposals

Held open.

Automation Issues

LEADER Replacement System (LRS)

Approved (2-1) the revised estimate for 2012-13 LRS development costs.

Case Management, Information, and Payrolling System (CMIPS) II

Approved (3-0) the staffing requests for DSS and OSI, as well as the shift of costs between fiscal years.

Child Welfare Services/Case Management System (CWS/CMS)

See outcomes for 5.24 below.

Unallocated Reduction to Statewide Automated Welfare System (SAWS)

Adopted the proposed unallocated reduction to the SAWS system for 2012-13, but rejected the proposal to make the reduction permanent.

5175 Department of Child Support Services DCSS

Enrollment Caseload Population Estimate

Adopted (2-1) May Revise request.

Child Support Automation

Approved (3-0) May Revise request.

Reversion of Remaining California Child Support Automation System Funds

Approved (3-0) May Revise request.

Reduced Funding for Local Child Support Agencies

Rejected (3-0) proposed trailer bill language and made a one-time, unallocated reduction to Local Child Support Agencies by \$14.7 million (\$5.0 million General Fund).

May 24

4300 Department of Developmental Services (DDS)

Requested Staffing for the Lanterman Developmental Center

Approved (2-1, Emmerson no) the requested retention of specified staff for Lanterman.

Proposals to Achieve \$200 million GF Reduction

Adopted (3-0, except as otherwise noted under Section B below) **the Administration's proposals and trailer bill language** in the following categories, **subject to** refinements in the trailer bill process and the changes and additions mentioned below:

A. Maximizing Federal Funds

B. Implementation of SB 946

- 1) \$69.4 million GF savings related to SB 946 (3-0)
- 2) \$10.4 million GF savings related to Healthy Families & CalPERS (2-1, Emmerson no)

C. Redesigning Services for Individuals with Challenging Needs

With the following changes and additions:

- 1) Limiting short-term acute crisis placements in developmental centers to six months, with the possibility of one six-month extension.
- 2) Authorizing the use of licensed delayed egress homes to also have secured perimeter fences, contingent on eligibility for federal funding and subject to program standards and a cap on the number of beds statewide in homes with secured perimeter fences, established by emergency regulations to be promulgated by the Department.
- 3) Prohibiting, effective July 1, 2012, Regional Centers from purchasing new residential services from Institutions for Mental Disease (IMD) for which federal financial participation is not available except in emergencies when alternative services eligible for federal funds are not available. In the case of emergency placements, requires a comprehensive assessment to be completed within 30 days of admission and an Individual Program Plan (IPP) meeting to be convened to plan for the transition of these consumers to the community within 6 months. Also requires comprehensive assessments of consumers currently placed in an IMD and the establishment of a transition plan and timelines for returning the consumer to the community.
- 4) Ensuring that the comprehensive assessments and reports for consumers residing in developmental centers on July 1, 2012 shall include input from the regional center, the consumer, and the consumer's family, legal guardian, or conservator, when appropriate, and identify the types of community based services and supports available to the consumer.
- 5) Requiring the Department to annually provide specified information to the policy and fiscal committees of the Legislature on the efforts to serve consumers with challenging needs, including but not limited to:
 - a) Data regarding developmental center admissions, including but not limited to those that occur in response to acute crises;
 - b) Outcome data related to the assessment process for consumers living in developmental centers on July 1, 2012;

- c) Progress on the development of needed statewide specialty services and supports, including regional community crisis options;
- d) Progress in reducing reliance on facilities ineligible for federal funding and those located outside of the state; and
- e) If applicable, any recommendations regarding additional rate exceptions or modifications beyond those allowed for under existing law that the Department identifies as necessary to ensure the success of these policies.

D. Redesigning Supported Living Assessments

With the specification that that regional centers be included, as stakeholders, in development of the assessment tool.

E. Regional Center & Provider Rate Reduction of 1.25 Percent

With a change to extend the 1.25 percent rate reduction for the 2012-13 budget year only.

F. Additional Cost Savings and Efficiencies As Described in the Previous Agenda

With the additional of trailer bill language to clearly establish that the use of technology in place of consumers' in-person court appearances or any direct services for consumers would only occur with the informed agreement of the consumer.

Oversight Related to Access to Developmental Services

Adopted (3-0) placeholder trailer bill language to require the annual compilation of existing purchase of service utilization and expenditure data by regional center with respect to race and ethnicity, age of consumer, and disability. The age of consumer shall be broken down by birth to two, three to twenty-one, and twenty-two and older. Disability detail shall include the five categories defined in statute. The data reported shall also include the number and percentage of individuals broken down by race and ethnicity, age and disability for those who have been determined to be eligible for regional center services but are not receiving any services using purchase of service funds. The data shall be reported in a consistent manner and the first annual reporting of the data shall be posted publicly no later than December 31, 2012. Within 3 months of the data becoming available and annually thereafter, each Regional Center shall meet with stakeholders regarding the data.

5180 Department of Social Services (DSS)

CalFresh Administration Costs and County Match Waiver

Adopted:

- a one-time reduction of \$45 million GF (3-0), and
- A one-year extension of the match-waiver (2-1, Emmerson no)

With as much of the reduction achieved through reversions of funding unexpended in prior years as possible. To the extent that the reduction is achieved through a reduction in 2012-13 funding, required the Department to consult with counties regarding how to allocate the

reduction and to report back to the Legislature during budget hearings regarding the resulting impacts on the program.

Additionally adopted budget bill or trailer bill language, as determined necessary by Subcommittee staff, to effectuate these actions.

Child Welfare Services/Case Management System (CWS/CMS)

Voted (2-1, Emmerson no) to approve budgeted amount of funding and adopted the trailer bill language below, subject to refinements in the trailer bill process:

Funding included in the 2012-13 budget related to replacement of the Child Welfare Services/Case Management System shall be used for the next steps necessary to move forward with the recommendation of the Child Welfare Automation Study Team (CAST) to proceed toward procuring a new system, consistent with a buy/build strategy as described in the CAST report submitted to the Legislature. These next steps shall include, but not be limited to, completing, in consultation with the counties and the County Welfare Directors Association, a Feasibility Study Report and Federal Advance Planning Document, as well as conducting other planning activities. OSI and the Department shall report the results of these activities, in addition to the key milestones and anticipated timelines for any resulting procurement process, to the Legislature by March 1, 2013 for review during budget hearings in 2013.

Child Welfare Services and Foster Care (CWS) Realignment: Programmatic Trailer Bill Language

Held open.

CWS Realignment: DSS Children's Program Staffing

Held open.