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Senate Budget & Fiscal Review

**OUTCOMES:**      **Senate Subcommittee #3 on Health & Human Services**  
**Thursday, May 18 (Room 113)**

## **ISSUES RECOMMENDED FOR VOTE ONLY**

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### **VOTE ONLY**

#### **0530 Office of Systems Integration**

<b>1. CalHEERS Adjustment</b>
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- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Recommendation—Approve adjustments and modified budget bill language.**

#### **0977 California Health Facilities Financing Authority (CHFFA)**

<b>1. Investment in Mental Health Wellness Act of 2013</b>
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- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Comment and Recommendation—Adopt Placeholder Trailer Bill Language.**  
It is recommended to adopt the placeholder trailer bill language below to allow CHFFA to use up to \$3 million in unencumbered Mental Health Wellness Grant funds for peer respite programs.

Current law requires that these remaining unencumbered funds be used for crisis residential and crisis stabilization services. This language would provide CHFFA with the flexibility to allow this grant funding to be used to support peer respite programs if CHFFA finds that peer respite programs meet the intent of the Investment in Mental Health Wellness Act's goal to improve access to and capacity for mental health crisis services in California.

#### **Proposed Placeholder Trailer Bill Language:**

For the 2015-16 fiscal year, the California Health Facilities and Financing Authority (CHFFA) may authorize up to \$3 million in unencumbered funds as appropriated in Item 0977-101-0001 for Mental Health Wellness Grants, Chapter 20 (AB 110), Statutes of 2013, to develop peer respite sites.

Any grant awards authorized by CHFFA for peer respite sites shall be used to expand local resources for the development, capital, equipment acquisition, and applicable program startup or expansion costs to increase bed capacity for peer respite support services. This may include, but not be limited to, the purchase of property, purchase of equipment, and the remodeling or construction of housing for the purpose of operating a peer respite site.

Any recipient of a grant to develop peer respite sites shall adhere to all applicable laws relating to scope of practice, licensure, certification, staffing, and building codes.

CHFFA may adopt emergency regulations relating to grants for peer respite sites, including emergency regulations that define eligible costs, and determine minimum and maximum grant amounts. The adoption of these regulations shall be in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) and shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare.

#### **4260 Department of Health Care Services**

##### **1. May 2015 Medi-Cal Estimate (DOF Issue 501 and 502)**

- Vote to approve staff recommendation: 2-0 (Senator Stone not voting.)

**Subcommittee Staff Recommendation— Approve.** It is recommended to approve the above adjustments, with any changes to conform as appropriate to other actions that have been, or will be, taken. This is a technical adjustment.

##### **2. Eliminate Cost-of-Living Adjustment for County Eligibility Administration**

- Held open.

##### **3. Child Health and Disability Prevention (CHDP) Program Dental Referral**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Recommendation—Adopt Placeholder Trailer Bill Language.**

##### **4. Health Care Reform – Workload Extension**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Recommendation—Approve.**

##### **5. Medi-Cal Annual Open Enrollment Period**

- Vote to approve staff recommendation: 2-1 (Senator Stone voting no.)

**Subcommittee Staff Recommendation—Reject.** The Legislature has denied similar proposals in the last few years because it found that it is important to ensure that Medi-Cal enrollees have the ability to

change health plans at any time to ensure that his or her health needs are met. Although this proposal includes the ability for someone to switch plans if they have “good cause,” having to demonstrate this and go through this process could be a barrier to ensuring timely treatment.

#### **6. CalHEERS Electronic MAGI Determination Trailer Bill Language**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Recommendation—Adopt Placeholder Trailer Bill Language.**

#### **7. Health Care Reform Financial Reporting Resources**

- Vote to approve staff recommendation: 2-1 (Senator Stone voting no.)

**Subcommittee Staff Recommendation—Approve.**

#### **8. Hospital Quality Assurance Fee Resources**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Recommendation—Approve.**

#### **9. Martin Luther King Jr. Hospital Resources**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Recommendation—Approve.**

#### **10. MEDS and Securing Medi-Cal Eligibility Information Resources**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Recommendation—Approve.**

#### **11. Intergovernmental Transfer Program Resources**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Recommendation—Approve.**

#### **12. Drug Medi-Cal Provider Enrollment**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Recommendation—Approve.**

#### **13. Drug Medi-Cal Provider Monitoring**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Recommendation—Approve.**

**14. Substance Abuse – Recovery and Treatment Services (AB 2374, 2014)**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Recommendation—Approve.**

**15. Performance Outcomes System for EPSDT Medi-Cal Specialty Mental Health Services**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Recommendation—Approve.**

**16. Family Health Programs Adjustments (DOF Issue 505, 505-MR, 506-MR )**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Recommendation—Approve.**

**17. Modify Major Risk Medical Insurance Program**

- Vote to approve staff recommendation: 2-1 (Senator Stone voting no.)

**Subcommittee Staff Comment and Recommendation--Reject proposed trailer bill language.** As previously discussed, the proposal gives DHCS broad authority to redesign MRMIP without any input from stakeholders and it eliminates a safety-net option whereby individuals could purchase health coverage throughout the year if they missed the open enrollment period for commercial coverage or do not qualify for Medi-Cal. For these reasons, it is recommended to reject this proposal.

**4265 Department of Public Health**

**1. Genetic Disease Screening Program Update & AB 1559 (2014) (DOF ISSUE 010-MR)**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Recommendation—Approve Genetic Disease Screening Program Estimate and Budget Change Proposal.**

**2. Office of AIDS: ADAP Client Eligibility Verification Resources**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Recommendation—Approve.**

**3. ADAP Modernization**

- Vote to approve staff recommendation: 2-1 (Senator Stone voting no.)

**Subcommittee Staff Recommendation—Adopt Placeholder Trailer Bill Language.** It is recommended to adopt placeholder trailer bill language to modernize ADAP as specified above.

**4. May Revision Estimate Updates (DOF ISSUE 400-MR, 009-MR, 010-MR, 400-MR)**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Recommendation—Approve.**

**ITEMS FOR DISCUSSION**

**4260 Department of Health Care Services**

**1. 2011 Realignment Behavioral Health Growth Account Allocation**

- Held open.

**2. Drug Medi-Cal Waiver Implementation (DOF ISSUE 001-MR)**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Comment and Recommendation—Modify.** It is recommended to only approve six of the 13 requested positions as the workload justification for these positions appears exaggerated. For example, DHCS proposes that it would take 25 days (200 hours) to prepare for each quarterly Waiver Advisory Group meetings. DHCS has also used the assumption that all 53 counties that have expressed interest will apply and fails to account for its own phased-in approach. Additionally, many of the proposed workload activities are one-time in nature, such as the review and approval of county implementation plans, which would only occur once. It is recommended to approve the proposed budget bill language.

**3. Drug Medi-Cal Residential Treatment Services**

- Held open.

**4. Medi-Cal: Caseload Update**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Comment and Recommendation—Approve.** It is recommended to approve the May Revision caseload estimate, with any changes to conform as appropriate to other actions taken by the Subcommittee.

**5. Medi-Cal: County Administration Augmentation (DOF ISSUE 515-MR)**

- Held open.

**6. Medi-Cal: Impact of President's Executive Order (DOF ISSUE 521-MR)**

- Held open.

**7. Coordinated Care Initiative: Multipurpose Senior Services Program Transition Timeline**

- Held open.

**8. Medi-Cal: Behavioral Health Treatment (DOF ISSUE 524-MR)**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Comment and Recommendation—Approve Placeholder Budget Bill Language (BBL).** It is recommended to approve the revised cost estimates related to providing BHT in Medi-Cal. Additionally, it is recommended to modify the proposed BBL to require the departments to provide more information about the transfer amount. The modified BBL is noted below:

Add the following provision to Item 4260-101-0001:

X. The Department of Finance may authorize the transfer of expenditure authority from Item 4300-101-0001 Schedule (2) 4140019 Purchase of Services to this item to support the transition of current Medi-Cal eligible regional center clients receiving Behavioral Health Treatment services upon completion of the statewide transition plan.

The Director of Finance shall provide notification to the Joint Legislative Budget Committee of any transfer of expenditure authority approved under this provision not less than 30 days prior to the effective date of the approval. The 30-day notification shall include a description of the transfer, including the number of children per regional center affected, the cost difference per regional center client compared to the cost per Medi-Cal enrollee, and assumptions used in calculating the amount of expenditure authority to be transferred.

Item 4300-101-0001

X. The Department of Finance may authorize the transfer of expenditure authority from Schedule (2) 4140019-Purchase of Services to Item 4260-101-0001 to support the transition of current Medi-Cal eligible regional center clients receiving Behavioral Health Treatment services upon completion of the statewide transition plan.

The Director of Finance shall provide notification to the Joint Legislative Budget Committee of any transfer of expenditure authority approved under this provision not less than 30 days prior to the effective date of the approval. The 30-day notification shall include a description of the transfer, including the number of children per regional center affected, the cost difference per regional center client compared to the cost per Medi-Cal enrollee, and assumptions used in calculating the amount of expenditure authority to be transferred.

**9. Medi-Cal: Enrollment Application Assistance Payments**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Comment and Recommendation—Adopt placeholder trailer bill language.** It is recommended to adopt the proposed placeholder trailer bill language.

**10. Medi-Cal: Ground Emergency Medical Transportation Supplemental Reimbursement Program – Trailer Bill Language**

- Held open.

**11. Major Risk Medical Insurance Program Reconciliation Process**

- Held open.

**12. Health Home Program (DOF ISSUE 522-MR)**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Comment and Recommendation—Adopt Placeholder Trailer Bill Language.**

It is recommended to adopt this placeholder trailer bill language to ensure DHCS has the ability to receive foundation funding to support this program.

**0530 California Health and Human Services Agency**

**4260 Department of Health Care Services**

**4265 Department of Public Health**

**1. High Cost Drug Proposal (DOF ISSUE 521-MR and 400)**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Recommendation--Approve.** It is recommended to approve the adjustments to the Department of Health Care Services and Department of Public Health's budgets reflected above and delete Budget Bill Control Section 8.75.

**4265 Department of Public Health**

**1. AIDS Drug Assistance Program (DOF ISSUE 007-MR)**

- See below for votes.

**Subcommittee Staff Comment and Recommendation.** It is recommended to do the following:

- **Approve** the revised ADAP May Revision estimate, including the proposal to reallocate \$1.5 million RW base funding to local health jurisdictions and/or community-based organizations to support targeted efforts to re-engage HIV-infected minority clients in medical care and treatment.
  - Vote to approve staff recommendation: 3-0

- **Augment** the allocation to the local health jurisdictions for ADAP enrollment by \$2 million (rebate fund) to be allocated according to the existing formula (the number of ADAP clients enrolled in the previous year).
  - Vote to approve staff recommendation: 2-1 (Senator Stone voting no.)
- **Augment** OA's budget by \$1 million (rebate fund) to support efforts to work with enrollment workers, provide technical assistance on improving the ADAP enrollment process, increase capacity due to the projected changes in the program, and develop quality metrics for the ADAP program.
  - Vote to approve staff recommendation: 2-1 (Senator Stone voting no.)

## 2. Licensing and Certification Program (DOF ISSUE 201-MR)

- See below for votes.

**Subcommittee Staff Comment and Recommendations.** The following actions are recommended:

- **A. Approve the budget change proposals and make the 64 limited-term positions proposed under “L&C Workload” permanent.** The state makes a significant investment in the training of health facility evaluator nurses (HFENs) and acknowledges that it takes 12 to 14 months for HFEN to complete the training necessary to become proficient and work independently. Consequently, these positions would only be available to actively complete workload for one year, since these positions are authorized for only two years. Given that L&C's problem is not just closing a backlog of complaints, but also timely investigation and completion of new complaints and surveys and monitoring for compliance with state health facility licensing requirements (which are generally more stringent than the federal requirements), these positions should be permanent. Once the backlog is addressed, these trained and skilled surveyors could be directed to address other workload activities that are not the focus of this Governor's proposal.
  - Vote to approve staff recommendation: 3-0
- **B. May Revision Proposal Regarding Los Angeles County Contract—Approve.**
  - Vote to approve staff recommendation: 2-1 (Senator Stone voting no.)
- **Adopt placeholder trailer bill language to establish timeframes to complete complaint investigations at long-term care facilities.** Specifically, this placeholder language would specify that department would be required to:



- For A<sup>1</sup> and AA<sup>2</sup> complaints received on or after July 1, 2016, the department shall complete the investigation within 90 days of receipt. This time period may be extended up to an additional 60 days if the investigation cannot be completed due to extenuating circumstances. If there is an extension, the department shall notify the facility of this extension and document the extenuating circumstances in its final determination. Any citation issued as a result of the complaint investigation shall be issued and served within thirty days of the completion of the complaint investigation.
  - For all other categories of complaints received on or after July 1, 2017, the department shall complete the investigation within 90 days of receipt. This time period may be extended up to an additional 90 days if the investigation cannot be completed due to extenuating circumstances. If there is an extension, the department shall notify the facility of this extension and document the extenuating circumstances in its final determination. Any citation issued as a result of the complaint investigation shall be issued and served within thirty days of the completion of the complaint investigation.
  - Report on an annual basis (in the Licensing and Certification Fee report) data on the department's compliance with these new timelines.
  - Vote to approve staff recommendation: 3-0
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- **Adopt placeholder trailer bill language requiring DPH to notify the facility and complainant if an investigation regarding hospital complaints is not completed in the required timeframe. This notification shall document the extenuating circumstances as to why the investigation has not been completed and provide notice to the parties on the basis for not meeting the timeframe and the anticipated completion date.**
  - Vote to approve staff recommendation: 3-0
  - **Increase funding (by \$1.4 million) to the Long Term Care (LTC) Ombudsman Program at the Department of Aging to facilitate an increase in skilled nursing facility (SNF) complaint investigations and quarterly visits by:**
    - **Directing \$1 million (one-time) from the State Health Facilities Citation Penalties Account to the LTC Ombudsman Program in 2015-16.**

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<sup>1</sup> Class "AA" violations are violations that meet the criteria for a class "A" violation and that the state department determines to have been a direct proximate cause of death of a patient or resident of a long-term health care facility.

<sup>2</sup> Class "A" violations are violations which the state department determines present either (1) imminent danger that death or serious harm to the patients or residents of the long-term health care facility would result therefrom, or (2) substantial probability that death or serious physical harm to patients or residents of the long-term health care facility would result therefrom.

- **Increasing the licensing and certification fee for skilled nursing facilities to generate \$400,000 to support the LTC Ombudsman Program on an ongoing-basis.**
- Vote to approve staff recommendation: 3-0

### **3. Genetic Disease Screening Program Prenatal Screening Trailer Bill Language**

- Vote to approve staff recommendation: 3-0

**Subcommittee Staff Comment and Recommendation—Adopt placeholder trailer bill language.** It is recommended to adopt this proposed trailer bill language to facilitate GDSP's collection of prenatal screening fees from private health plans.

### **4. California Clinical Laboratory Testing**

- Held open.

## **4800 California Health Benefit Exchange**

### **1. Emergency Regulations and Rulemaking Authority**

- Held open.