Senate Budget and Fiscal Review—Nancy Skinner, Chair

SUBCOMMITTEE NO. 3 Agenda

Senator Susan Talamantes Eggman, Ph.D., Chair
Senator Melissa Melendez
Senator Richard Pan, M.D.

Thursday, May 20, 2021
10:00 a.m., or upon adjournment of session
State Capitol - Room 4203

PART B

Consultant: Scott Ogus

PUBLIC COMMENT

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0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

Issue 1: Language Access Services (Issue 045-MR)

Budget Change Proposal and Budget Bill Language - May Revision. CHHSA requests General Fund expenditure authority of $20 million in 2021-22. If approved, these resources would allow CHHSA to improve and deliver language access services across the spectrum of health and human services programs. CHHSA also requests provisional budget bill language to allow encumbrance or expenditure of this funding until June 30, 2024.

Program Funding Request Summary		
Fund Source	**2021-22**	**2022-23**
0001 – General Fund	$20,000,000	$-
Total Funding Request:	**$20,000,000**	**$-**
Total Positions Requested:	**0.0**	**0.0**

Background. According to CHHSA, more than a quarter of Californians are foreign born, and more than ten percent of the state's population speaks English "not well" or "not at all". Access to accurate, timely, and understandable information is critical for these communities, and existing laws, policies, and practices, including interpretation and translation services provided by state health and human services departments, have made progress in responding to this need. However, the pandemic and its disproportionate impact on already marginalized communities have highlighted the need for a comprehensive language access approach, which is a critical component of advancing health equity and improving outcomes for all Californians.

As part of the January budget, CHHSA requested two limited-term positions and General Fund expenditure authority of $307,000 in 2021-22 and 2022-23 to develop and implement an agency-wide language access policy and protocol framework that considers legal compliance; operational aspects of translation and interpretation; bilingual staff testing, classification, and related human resources requirements; and engagement with community stakeholders and partners.

In the May Revision, CHHSA requests General Fund expenditure authority of $20 million in 2021-22 to build on its January proposal to: 1) consolidate its existing contract work on language access; 2) provide dedicated staff to large, medium, and small health and human services departments to support language access efforts; and 3) provide resources for the provision of language access services. These resources would support the equivalent of 22 positions, primarily at the Department of Social Services, with one position each at the Department of Public Health and the Department of Health Care Services. These position equivalents would perform the following workload:

- Identification of vital documents and website content for translation, as well as points of public contact in need of oral and sign language interpretation services.
- Periodic language needs assessments to determine threshold languages for document translation.
- Coordination and streamlining of interpretation and translation services.
- Implementation of quality control measures to ensure the accuracy, readability, and cultural appropriateness of translations.

- Ongoing stakeholder engagement to ensure continuous improvement of language and communication access.

In addition, CHHSA requests budget bill language to allow encumbrance or expenditure of these funds until June 30, 2024.

Staff Comment and Recommendation – Hold Open.

Questions. The subcommittee has requested CHHSA to respond to the following:

1. Please provide a brief overview of this proposal.

2. Please describe how CHHSA would deploy language access services under this proposal.

Issue 2: Health Information Exchange Leadership (Issue 048-MR)

Budget Change Proposal and Budget Bill Language – May Revision. CHHSA requests General Fund expenditure authority of $2.5 million in 2021-22. If approved, these resources would allow CHHSA to lead efforts and stakeholder engagement in building out health information exchanges. CHHSA also requests provisional budget bill language to allow encumbrance or expenditure of this funding until June 30, 2023.

Program Funding Request Summary		
Fund Source	**2021-22**	**2022-23**
0001 – General Fund	$2,500,000	$-
Total Funding Request:	**$2,500,000**	**$-**
Total Positions Requested:	**0.0**	**0.0**

Background. The Health Information Technology for Economic and Clinical Health (HITECH) Act, a component of the American Recovery and Reinvestment Act (ARRA) of 2009, authorized approximately $4.5 billion for California for both the Medicare and Medi-Cal electronic health records (EHR) incentive programs. Of the $4.5 billion for California, it is estimated that approximately $2 billion in incentive payments will be made to qualified Medi-Cal health care providers who adopt, implement, or upgrade and meaningfully use electronic health records in accordance with federal requirements. In addition to efforts to encourage use of EHRs, the federal Centers for Medicare and Medicaid Services (CMS) has sought to promote and improve interoperability, allowing the exchange of health information between different systems.

According to the Office of the National Coordinator for Health Information Technology, health information exchanges (HIEs) allow doctors, nurses, pharmacists, other health care providers, and patients to appropriately access and share a patient's vital medical information electronically. CHHSA reports the ARRA HITECH funding allowed the state to make significant progress in adoption of EHRs, a necessary step to initiate large scale health information exchange. CHHSA, through its proposed Center for Data Insights and Innovation, proposes to accelerate the exchange of data among entities and providers in both the public and private sector to deliver person-centered, data-driven programs and services that improve outcomes. In addition, CHHSA intends to integrate social services data with the existing health data available through health information exchanges.

Resource Request. CHHSA requests General Fund expenditure authority of $2.5 million in 2021-22, available until June 30, 2023, to lead efforts and stakeholder engagement in building out health information exchanges. These resources would support the equivalent of three positions and contract resources, as follows:

- Resources equivalent to **one Career Executive Assignment (CEA)** would provide leadership on health and social services data among agency departments and offices, develop standards and identify best practices for information exchange, serve as a single point of contact for stakeholders for interoperability initiatives, and serve as the State Health Information Technology Coordinator to represent California with the federal Office of the National Coordinator for Health Information Technology and other federal partners.

- Resources equivalent to **one Attorney** would provide expertise in relevant state and federal laws and regulations, experience with health information exchanges, and experience with California privacy laws in public health and social services. The attorney would also develop standards, regulations, and policy guidance to agency and department staff.
- Resources equivalent to **one Staff Services Manager II** would provide oversight, management, planning and organizational activities for all stakeholder meetings and workgroups, support the Advisory Committee, and provide support to other projects including contract management and reporting.

- $1.4 million for contract resources would support the following subject matter experts consultants:

    - Project Management – The project manager would have experience with health information exchanges, as well as facilitation and collaboration with both public and private entities in the healthcare field.
    - Meetings, Events, and Logistics – Professional event and logistics services would set up workgroup, stakeholder, and Advisory committee meetings and logistics.
    - Subject Matter Experts – Subject matter experts would be provided in health information exchange standards, interoperability and information blocking, and data linkage and attribution.

Staff Comment and Recommendation – Hold Open.

Questions. The subcommittee has requested CHHSA to respond to the following:

1. Please provide a brief overview of this proposal.

4120 EMERGENCY MEDICAL SERVICES AUTHORITY

Issue 1: Increased Emergency Preparedness and Response Capacity (Issue 030-MR)

Budget Change Proposal – May Revision. EMSA requests 14 positions and General Fund expenditure authority of $8.5 million annually. If approved, these positions and resources would allow EMSA to maintain and store critical equipment and medical supplies acquired during the pandemic, and provide resources for the Operations Center, for exercises, and for training.

Program Funding Request Summary		
Fund Source	**2021-22**	**2022-23***
0001 – General Fund	$8,495,000	$8,495,000
Total Funding Request:	**$8,495,000**	**$8,495,000**
Total Requested Positions:	**14.0**	**14.0**

* Positions and resources ongoing after 2022-23.

Background. EMSA is the lead state agency responsible for coordinating medical response to disasters and provides medical resources at the request of local governments in accordance with the medical and health disaster response system. This role includes identifying, coordinating, acquiring, and deploying medical supplies, personnel, and equipment to ensure critical medical needs are met. EMSA also is responsible for statewide patient movement coordination activities.

According to EMSA, recent pandemic and wildfire response activities revealed critical gaps in its response capabilities. During the last year, EMSA was supporting 17 different missions simultaneously, including federal medical stations, alternate care sites, long-term care facilities, and support for multiple warehouses, the Departmental Operations Center, the Medical Health Coordination Center, and the State Operations Center.

Staffing and Resource Request. EMSA requests 14 positions and General Fund expenditure authority of $8.5 million annually to maintain and store critical equipment and medical supplies acquired during the pandemic, and provide resources for the Operations Center, for exercises, and for training. Specifically, these resources would be allocated as follows:

- Staffing Resources – 14 positions and $2.5 million in the Response Resource Unit, the Plans and Training Unit, and Bio-Medical Support Resource Unit would support the following critical duties:
    - Manage three warehouses
    - Support receiving, servicing, storing, and deploying millions of supply and equipment items, including 15,000 ventilators and other biomedical equipment
    - Provide leadership at multiple EMSA treatment sites simultaneously during a disaster response
    - Support local Emergency Operations Centers and field operations during disasters
    - Conduct training exercise for response partners
    - Support expanded Mobile Medical Assets Program
    - Statewide support for local disaster preparedness, response, mitigation, and recovery planning.

- Facilities - $3.1 million would support the continued use of three additional warehouses leased during the pandemic to store ventilators, oxygen concentrators, and other COVID-19 patient interface devices and supplies.

- Bio-medical Equipment Maintenance - $2 million would allow maintenance of all new medical equipment according to the unique service schedules and requirements of each device.

- Exercise and Training - $324,000 would support training and exercises for medical personnel.

- Departmental Operations Center - $250,000 would support a build-out of the center to meet current industry standards, including the purchase of multimedia equipment, projectors, screens, network equipment, computers, communications equipment, software, and furniture.

- Response Caches - $250,000 would support caches of equipment to allow simultaneous deployment of multiple medical teams.

- Emergency Response Vehicle Fleet - $101,000 would support lease of 10 additional response vehicles to aid in personnel deployment.

Subcommittee Staff Comment and Recommendation—Hold Open.

Questions. The subcommittee has requested EMSA to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 2: Medical Surge Staffing Program (Issue 031-MR)

Budget Change Proposal – May Revision. EMSA requests six positions and General Fund expenditure authority of $1.4 million annually. If approved, these positions and resources would support recruitment, on-boarding, and program management of the California Health Corps Program, California Medical Assistance Teams Program, and the Disaster Healthcare Volunteers/Medical Reserve Corps Program.

Program Funding Request Summary		
Fund Source	**2021-22**	**2022-23***
0001 – General Fund	$1,414,000	$1,414,000
Total Funding Request:	**$1,414,000**	**$1,414,000**
Total Requested Positions:	**6.0**	**6.0**

* Positions and resources ongoing after 2022-23.

Background. EMSA is the lead agency responsible for coordinating California's medical response to disasters, providing medical resources such as medical personnel to local governments in support of their disaster response. EMSA administers and deploys medical staffing through the following programs:

- California Medical Assistance Teams – state-coordinated, rapidly deployed teams of health care and support professionals for use in catastrophic and other local emergency or potential emergency events.
- Disaster Healthcare Volunteer Program – a statewide registry that registers and credentials health professionals who may wish to volunteer during a disaster including doctors, nurses, paramedics, dentists, or mental health practitioners.
- California Health Corps – a volunteer registry of health care professionals implemented through executive order in response to a need for surge capacity during the pandemic.

Staffing and Resource Request. EMSA requests six positions and General Fund expenditure authority of $1.4 million annually to support recruitment, on-boarding, and program management of the California Health Corps Program, California Medical Assistance Teams Program, and the Disaster Healthcare Volunteers/Medical Reserve Corps Program. According to EMSA, there has been a shortage of permanent personnel to implement and manage these programs during the COVID-19 response. The six positions would be allocated as follows:

- **One Program Manager I** position would provide oversight and management of the California Health Corps, provide guidance to program staff, assign and review staff work, oversee the development of procedures and desk manuals, facilitate implementation of new program procedures, research and resolve issues related to rules and requirements, analyze processes, assist in development and usage of databases, and make recommendations to improve the program.
- **Three Senior Emergency Service Coordinators** would each be assigned to one of the California Office of Emergency Services (CalOES) administrative regions to develop, implement, maintain and evaluate medical surge staffing mobilization processes and deployment procedures, and assist in Medical surge staffing Initiative response plans and exercise programs.

- **One Information Technology Specialist I** position would provide oversight and management of the Medical surge Staffing Deployment System, provide secondary support to the Disaster Healthcare Volunteers system, and develop and maintain system exercise programs and trainings for internal and external partners.
- **One Information Technology Specialist II** position would serve as a solution architect for the Medical Surge staffing deployment and tracking system.

Subcommittee Staff Comment and Recommendation—Hold Open.

Questions. The subcommittee has requested EMSA to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 3: Human Resources Workload Support (Issue 032-MR)

Budget Change Proposal – May Revision. EMSA requests 5 positions and General Fund expenditure authority of $851,000 annually. If approved, these positions and resources would support the Human Resources Unit to address workload associated with routine and emergency response personnel functions.

Program Funding Request Summary		
Fund Source	**2021-22**	**2022-23***
0001 – General Fund	$851,000	$851,000
Total Funding Request:	**$851,000**	**$851,000**
Total Requested Positions:	**5.0**	**5.0**

* Positions and resources ongoing after 2022-23.

Background. According to EMSA, its non-emergency staffing levels as of January 1, 2021, include 79 permanent positions, as well as 17 temporary blanket and retired annuitant positions for a total of 96 positions. EMSA's human resources unit currently consists of one Staff Services Manager (SSM) I Specialist, an Office Technician (OT), and two retired annuitants (RA) who currently support the department's workforce during normal operations and emergency response missions. EMSA also reports that its staffing levels generally increase dramatically during a state emergency, depending on the level of medical response needed.

Staffing and Resource Request. EMSA requests five positions and General Fund expenditure authority of $851,000 annually to provide administrative support services to the Human Resources Division to address mission critical workload associated with routine and emergency response personnel services functions. These additional resources would play a key strategic role in managing EMSA staff and workplace culture and environment and enhance EMSA's ability to ensure hiring is timely, personnel actions are completed, performance management goals are attained, legal mandates regarding employment laws are met, employee development is championed and sustained, and EMSA's management team is supported and able to ensure staff are productive and empowered to do their best. The specific positions requested are as follows:

- **One Staff Services Manager III** would develop, provide, and direct the uniform implementation of departmental policies and procedures impacting human resources operations and be responsible for planning, organizing, directing, and coordinating the operation of all human resources functions.
- **One Staff Services Manager I** would supervise and direct the daily activities of the division and serve as a subject matter expert in personnel services, classification and pay, workforce planning, succession planning, recruitment and selection, training, employee health and wellness, and worker's compensation.
- **Three Associate Governmental Program Analysts** would promote and be accountable for providing personnel support, customer satisfaction, and quality services and would provide recommendations and changes that promote innovative solutions to meet customer needs in accordance with established policies and procedures.

Subcommittee Staff Comment and Recommendation—Hold Open.

Questions. The subcommittee has requested EMSA to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 4: Statewide Emergency Medical Services Data Solution (Issue 045-MR)

Budget Change Proposal – May Revision. EMSA requests 2 positions and General Fund expenditure authority of $10 million in 2021-22. If approved, these positions and resources would support planning and readiness activities to establish a statewide emergency services data infrastructure that strengthens real-time information sharing and data analytics for state and local governments, emergency medical services providers, and health care providers.

Program Funding Request Summary		
Fund Source	**2021-22**	**2022-23***
0001 – General Fund	$10,000,000	$-
Total Funding Request:	**$10,000,000**	**$-**
Total Requested Positions:	**2.0**	**2.0**

* Positions ongoing after 2022-23.

Background. Data related to the provision of emergency medical services (EMS) in California is currently recorded in Prehospital Care Reporting (PCR) software by prehospital care personnel, such as paramedics and emergency medical technicians (EMTs). EMS providers transfer this data to one of the 33 local EMS agencies (LEMSAs). According to EMSA, wile this data can be used to plan and improve services by LEMSAs, it does not provide the ability to compare, benchmark, or integrate with like provider agencies or the statewide system for performance improvement.

EMSA provides funding to the Inland Counties EMS Agency to collect pre-hospital and trauma data in the California EMS Information System (CEMSIS), which collects voluntary data from 32 of 33 LEMSAs statewide. CEMSIS provides participating LEMSAs access to aggregate statewide data submitted to the CEMSIS data system and is a tool for local EMS system quality improvement, improved EMS system management, and a limited benchmarking against and compliance with existing EMS national standards. EMSA reports this data is not available in real-time for state policymakers and managers, leaving the state without complete or timely information on the EMS system.

Staffing and Resource Request. EMSA requests 2 positions and General Fund expenditure authority of $10 million in 2021-22 to support planning and readiness activities to establish a statewide emergency services data infrastructure that strengthens real-time information sharing and data analytics for state and local governments, emergency medical services providers, and health care providers. Specifically, EMSA is requesting the following:

- Changes to Existing Systems - $7.6 million would onboard additional LEMSAs to the existing systems and connect all health information exchanges and health information organizations to EMS data. EMSA would award up to nine grants to connect and onboard interoperable systems and prioritize awarding grants to counties that have not already implemented these systems.
- New Statewide Data Hub - $2.4 million would support a one-year planning period to begin the process of merging CEMSIS with its Health Information Technology for EMS system into a statewide data hub. Included in this request is support for the equivalent of **two Information Technology Specialist** positions to support the project as it progresses through the California Department of Technology's Project Approval Lifecycle (PAL) process.

Subcommittee Staff Comment and Recommendation—Hold Open.

Questions. The subcommittee has requested EMSA to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 5: COVID-19 Statewide Response Expenditures (Issue 038-MR)

Budget Change Proposal – May Revision Adjustment. EMSA requests General Fund expenditure authority of $17 million in 2021-22. If approved, these positions and resources would allow EMSA to continue its support for medical staffing, ambulance transportation services, and related support costs.

Program Funding Request Summary		
Fund Source	**2021-22**	**2022-23**
0001 – General Fund	$16,956,000	$-
Total Funding Request:	**$16,956,000**	**$-**
Total Requested Positions:	**0.0**	**0.0**

Background. During the COVID-19 pandemic, the Administration augmented expenditure authority for EMSA through a variety of Executive Orders, provisional language, budget control sections, and transfers from the Disaster Response-Emergency Operations Account (DREOA). In addition, a variety of federal funding streams have supported the pandemic response including reimbursements from the Federal Emergency Management Agency (FEMA) and direct categorical funding from Congressional relief packages.

SB 89 General Fund Allocation for 2019-20. SB 89 (Committee on Budget and Fiscal Review), Chapter 2, Statutes of 2020, appropriated up to $1 billion of General Fund expenditure authority to any item for any purpose related to the Governor's declaration of a state of emergency related to the coronavirus pandemic. SB 89 required the Department of Finance to notify the Joint Legislative Budget Committee (JLBC) 72 hours prior to any expenditures made pursuant to this authority. EMSA received the following augmentations under SB 89:

- Ventilator Supply - $8.6 million (Item 4120-001-0001) to support the purchase of new ventilators, the refurbishment of ventilators already possessed by the state, and the purchase of intravenous fusion pumps. JLBC was notified of this expenditure on March 20, 2020.
- Medical Transportation - $2 million (Item 4120-001-0001) for a contract with American Medical Response to provide patient transportation and stand-by services. JLBC was notified of this expenditure on March 20, 2020.

Disaster Response-Emergency Operations Account (DREOA). Government Code Section 8690.6 established the Disaster Response-Emergency Operations Account (DREOA) within the Special Fund for Economic Uncertainties (SFEU) and authorizes DREOA funds, upon allocation by the Director of Finance, to be transferred to state agencies for disaster response operation costs incurred as a result of a proclamation by the Governor of a state of emergency. EMSA received a total augmentation of General Fund expenditure authority of $30.9 million from two allocations of funds from DREOA in 2019-20, and $53.3 million from five allocations of funds from DREOA in 2020-21.

The EMSA response activities supported by SB 89 and DREOA funding in 2019-20 and 2020-21 are as follows:

- **Ambulance Transport** – $25.7 million for provision of patient transportation, medical staffing, and stand by services at various medical sites.
- **Ventilators** – $23.9 million for purchase of new ventilators, refurbishment of existing ventilators already possessed by the state, and ventilator certification.
- **Bio-Medical Equipment** – $3.4 million for purchase of medical equipment needed to assess patients with acute respiratory distress, cardiac monitors, and defibrillators.
- **California Medical Assistance Teams (CalMAT) Personnel** – $24.2 million to support staff costs for CalMAT personnel deployments at various locations and alternate care sites.
- **CalMAT Support** – $1.1 million for purchase of CalMAT equipment and supplies to support field medical and alternate care sites.
- **EMSA Infrastructure** – $9.1 million for staffing, equipment, supplies, and services to support the infrastructure needs of EMSA during the pandemic.
- **EMSA Overtime** – $936,000 for EMSA staff overtime expenses incurred while deploying to field medical sites and staffing various operational centers, including the State Operations Center (SOC), the Departmental Operations Center (DOC), and the Medical and Health Coordination Center (MHCC).
- **Health Corps Personnel** – $3.4 million for staff costs for Health Corps personnel deployments at various locations and alternate care sites.
- **Health Corps Support** – $50,000 for purchase of equipment, supplies, and services to support the infrastructure needs of the Health Corps.
- **Medical Supplies** – $1.1 million for purchase and replenishment of medical supplies required at alternate care sites.
- **Personal Protective Equipment** – $108,000 for purchase of equipment to minimize exposure to COVID-19.
- **Travel Expenses (EMSA and CalMAT Staff)** – $2 million for travel, airfare, per diem, hotel, and care rental expenses for deployed staff in the field and to meet DOC operational needs

Control Section 11.91 Provides COVID-19 Support to Multiple Departments. The January budget includes Control Section 11.91, which provides support to several different departments, including EMSA, for continued COVID-19 direct response expenditures. EMSA is requesting General Fund expenditure authority of $17 million in 2021-22 for continued medical staffing, ambulance transportation services, and related support costs.

Subcommittee Staff Comment and Recommendation—Hold Open.

Questions. The subcommittee has requested EMSA to respond to the following:

1. Please provide a brief overview of this proposal.

4260 DEPARTMENT OF HEALTH CARE SERVICES

Issue 1: Medi-Cal Local Assistance Estimate – May Revision Update

Medi-Cal Local Assistance Estimate - May Revision Update. The May 2021 Medi-Cal Local Assistance Estimate includes $115.6 billion ($21.5 billion General Fund, $79 billion federal funds, and $15.1 billion special funds and reimbursements) for expenditures in 2020-21, and $123.8 billion ($27.6 billion General Fund, $83.8 billion federal funds, and $12.4 billion special funds and reimbursements) for expenditures in 2021-22. These figures represent a decrease in estimated General Fund expenditures in the Medi-Cal program of $991.1 million in 2020-21 and $792.5 million in 2021-22 compared to the Governor's January budget.

Caseload. In 2020-21, the May Revision assumes annual Medi-Cal caseload of 13.6 million, a decrease of approximately 372,000 or 2.7 percent compared to assumptions in the Governor's January budget. In 2021-22, the May Revision assumes annual Medi-Cal caseload of 14.5 million, a decrease of approximately 1.1 million or 7.1 percent compared to assumptions in the Governor's January budget and an increase of 6.6 percent compared to the revised caseload estimate for 2020-21. The decrease in estimated caseload is primarily due to lower than expected enrollment impacts from the COVID-19 pandemic, offset by additional enrollment related to the federal continuous coverage requirement during the pandemic.

May Revision Local Assistance Adjustments. The Administration requests the following adjustments to reflect caseload and miscellaneous adjustments not attributable to other significant adjustments:

- Item 4260-101-0001 be increased by $642,395,000 and reimbursements be increased by $146,251,000
- Item 4260-101-0232 be increased by $20,692,000
- Item 4260-101-0233 be increased by $5,759,000
- Item 4260-101-0236 be increased by $16,693,000
- Item 4260-101-0890 be increased by $2,840,960,000
- Item 4260-101-3168 be increased by $905,000
- Item 4260-101-3305 be increased by $240,691,000
- Item 4260-101-3375 be decreased by $615,000
- Item 4260-102-0001 be decreased by $7,433,000
- Item 4260-102-0890 be decreased by $1,381,000
- Item 4260-103-3305 be decreased by $4,896,000
- Item 4260-106-0890 be increased by $5,556,000
- Item 4260-113-0001 be increased by $47,326,000
- Item 4260-113-0890 be increased by $96,858,000
- Item 4260-117-0001 be decreased by $5,000
- Item 4260-117-0890 be decreased by $59,000

Medi-Cal Local Assistance Funding Summary 2020-21 Comparison to January Budget			
Fiscal Year:	**2020-21**	**2020-21**	**Jan-May**
Benefits			
Fund Source	***January Budget***	***May Revision***	***Change***
General Fund	$21,334,400,000	$20,777,035,000	($567,365,000)
Federal Funds	$75,062,886,000	$74,665,303,000	($397,583,000)
Special Funds/Reimbursements	$16,346,719,000	$ 15,053,592,000	($1,293,127,000)
Total Expenditures	**$112,754,005,000**	**$110,495,930,000**	**($1,293,127,000)**
County Administration			
Fund Source	***January Budget***	***May Revision***	***Change***
General Fund	$1,002,510,000	$584,930,000	($417,580,000)
Federal Funds	$3,700,064,000	$4,096,862,000	$396,798,000)
Special Funds and Reimbursements	$9,698,000	$22,813,000	$13,115,000
Total Expenditures	**$4,712,272,000**	**$4,704,605,000**	**($7,667,000)**
Fiscal Intermediary			
Fund Source	***January Budget***	***May Revision***	***Change***
General Fund	$124,477,000	$118,290,000	($6,187,000)
Federal Funds	$260,491,000	$256,194,000	($4,297,000)
Special Funds and Reimbursements	$-	$-	$-
Total Expenditures	**$384,968,000**	**$374,484,000**	**($10,484,000)**
TOTAL MEDI-CAL EXPENDITURES			
Fund Source	***January Budget***	***May Revision***	***Change***
General Fund	$22,471,387,000	$21,480,255,000	($991,132,000)
Federal Funds	$79,023,441,000	$79,018,359,000	($5,082,000)
Special Funds and Reimbursements	$16,356,417,000	$15,076,405,000	($1,280,012,000)
Total Expenditures	**$117,851,245,000**	**$115,575,019,000**	**($2,276,226,000)**

Medi-Cal Local Assistance Funding Summary 2021-22 Comparison to January Budget			
Fiscal Year:	**2021-22**	**2021-22**	**Jan-May**
Benefits			
Fund Source	***January Budget***	***May Revision***	***Change***
General Fund	$27,622,057,000	$26,575,162,000	($1,046,895,000)
Federal Funds	$77,513,294,000	$79,195,085,000	$1,681,791,000
Special Funds/Reimbursements	$12,013,747,000	$12,368,260,000	$354,513,000
Total Expenditures	**$117,149,098,000**	**$118,138,507,000**	**$989,409,000**
County Administration			
Fund Source	***January Budget***	***May Revision***	***Change***
General Fund	$633,742,000	$879,710,000	$245,968,000
Federal Funds	$3,922,743,000	$4,303,412,000	$380,669,000
Special Funds and Reimbursements	$5,269,000	$18,186,000	$12,917,000
Total Expenditures	**$4,561,754,000**	**$5,201,308,000**	**$639,554,000**
Fiscal Intermediary			
Fund Source	***January Budget***	***May Revision***	***Change***
General Fund	$144,153,000	$152,628,000	$8,475,000
Federal Funds	$319,600,000	$274,039,000	($45,561,000)
Special Funds and Reimbursements	$-	$-	$-
Total Expenditures	**$463,753,000**	**$426,667,000**	**($37,086,000)**
TOTAL MEDI-CAL EXPENDITURES			
Fund Source	***January Budget***	***May Revision***	***Change***
General Fund	$28,399,952,000	$27,607,500,000	($792,452,000)
Federal Funds	$81,755,637,000	$83,772,536,000	$2,016,899,000
Special Funds and Reimbursements	$12,019,016,000	$12,386,446,000	$367,430,000
Total Expenditures	**$122,174,605,000**	**$123,766,482,000**	**$1,591,877,000**

Significant General Fund Changes. The May 2021 Medi-Cal Local Assistance Estimate includes the following significant General Fund changes:

Medi-Cal Unanticipated 2020-21 Savings — The May Revision estimates Medi‑Cal 2020-21 General Fund savings has increased by $991.1 million compared to the Governor's January budget, for a total of General Fund savings of $2.1 billion compared to the 2020 Budget Act. According to the Administration, this increase in savings is primarily attributable to the following factors: 1) Timing of Federal Deferrals ($541 million savings), 2) Adjustments to state-only claiming amounts ($520 million savings), 3) Lower than expected COVID-19 impacts ($435 million savings), 4) Accelerated designated

state health program claims ($112 million savings), 5) Delay in Medi-Cal Rx implementation ($47 million savings).

These savings are offset by the following costs in 2020-21: 1) Removal of caseload impacts due to minimum wage increases ($33 million cost), 2) Delay of pharmacy retroactive adjustments ($49 million cost), 3) Shift of audit settlement payment timing ($62 million cost), 4) Delay of federal Disproportionate Share Hospital (DSH) payment reduction ($79 million cost), 5) Reduced transfer of long-term care quality assurance fee to General Fund ($118 million cost), 6) Creation of a reserve in the Medi-Cal Drug Rebate Fund ($222 million cost), and 7) other factors ($101 million cost).

Children and Youth Behavioral Health Initiative — The May Revision includes $528 million from the federal Coronavirus Fiscal Recovery Fund (CFRF) in 2021-22 to support the Children and Youth Behavioral Health Initiative, a multi-departmental effort to improve behavioral health services for children and youth up to age 25. The Medi-Cal changes related to this initiative are as follows:

- Statewide Behavioral Health Services and Supports Virtual Platform - $83 million CFRF would support a business services bender to implement an all payer behavioral health direct service and supports virtual platform to be integrated with screening, community-based care, and app-based support services.
- Capacity and Infrastructure Grants for Behavioral Health Services in Schools - $100 million CFRF would support grants for increased capacity and infrastructure for behavioral health services in schools.
- Continuing CalHOPE Student Support - $45 million CFRF would support the CalHOPE Student Support program, which provides training to give teachers and staff the skills to prepare a healthy learning environment for children, to be able to easily identify signs of stress and poor functioning, provide support for children and youth, and refer to more intensive services where needed.
- Grants for Age-Appropriate and Evidence-Based Behavioral Health Programs for Children and Youth - $10 million CFRF would support evidence-based interventions proven to improve outcomes for children and youth.
- Additional Investment in Continuum of Care Infrastructure - $2.5 billion ($1.9 billion General Fund and $530 million CFRF) over multiple years would support competitive grants for qualified entities to construct, acquire, and rehabilitate real estate assets to expand the continuum of behavioral health services.
- Provider Training - $50 million CFRF would support pediatric, primary care, and other health care provider training in 2022-23.
- Dyadic Services - $200 million ($100 million General Fund) would support a new statewide benefit that provides integrated physical and behavioral health screening and service to the whole family.

Full-Scope Medi-Cal Expansion for Undocumented Seniors 60 and Over – The May Revision includes $68 million ($50 million General Fund) to expand full-scope Medi-Cal for undocumented seniors age 60 and over beginning May 1, 2022.

New Medi-Cal Benefits – Doulas and Community Health Workers. – The May Revision includes $402,584 ($152,043 General Fund) to add doula services as a benefit in Medi-Cal. The May Revision also includes $16 million ($6 million General Fund) to add community health workers services as a benefit in Medi-Cal.

California Advancing and Innovating in Medi-Cal (CalAIM) Changes – The May Revision includes $509 million ($139 million General Fund) for three changes to the Administration's CalAIM proposal:

- Medi-Cal Population Health Management – The May Revision includes $300 million ($30 million General Fund) for a business solution to bring together administrative and clinical data and other information from DHCS, Medi-Cal managed care plans, counties, providers, beneficiaries, and other partners to support the delivery of care for Medi-Cal beneficiaries.
- Providing Access and Transforming Health (PATH) – The May Revision includes $200 million ($100 million General Fund) for PATH, a multiyear effort to shift delivery systems and advance the coordination and delivery of quality care services, particularly for justice-involved individuals.
- Medically Tailored Meals Pilot Program Augmentation – The May Revision includes $9.3 million General Fund to expand the medically tailored meals pilot to a broader population.

Subcommittee Staff Comment and Recommendation—Hold Open.

Questions. The subcommittee has requested DHCS to respond to the following:

1. Please provide a brief overview of the significant caseload and expenditure changes in the May 2021 Medi-Cal Estimate.

Issue 2: Family Health Estimate – May Revision Update

Family Health Local Assistance Funding Summary 2020-21 Comparison to January Budget			
Fiscal Year:	**2020-21**	**2020-21**	**Jan-May**
California Children's Services (CCS)			
Fund Source	***January Budget***	***May Revision***	***Change***
General Fund	$96,679,000	$95,460,000	($1,219,000)
Federal Funds	$39,519,000	$-	($39,519,000)
Special Funds/Reimbursements	$12,664,000	$5,992,000	($6,672,000)
County Funds [non-add]	[$80,243,000]	[$78,450,000]	[($1,793,000)]
Total CCS Expenditures	**$148,862,000**	**$142,484,000**	**($6,378,000)**
Genetically Handicapped Persons Program (GHPP)			
Fund Source	***January Budget***	***May Revision***	***Change***
General Fund	$70,007,000	$56,224,000	($13,783,000)
Special Funds and Reimbursements	$70,390,000	$76,668,000	$77,000
Total GHPP Expenditures	**$140,397,000**	**$132,892,000**	**($7,505,000)**
Every Woman Counts Program (EWC)			
Fund Source	***January Budget***	***May Revision***	***Change***
General Fund	$15,182,000	$9,718,000	($5,464,000)
Federal Funds	$5,128,000	$5,128,000	$-
Special Funds and Reimbursements	$22,504,000	$22,504,000	$-
Total EWC Expenditures	**$42,814,000**	**$37,350,000**	**($5,464,000)**
TOTAL FAMILY HEALTH EXPENDITURES			
Fund Source	***January Budget***	***May Revision***	***Change***
General Fund	$181,868,000	$161,402,000	($20,466,000)
Federal Funds	$44,647,000	$5,128,000	($39,519,000)
Special Funds and Reimbursements	$105,558,000	$105,164,000	($394,000)
County Funds [non-add]	[$80,243,000]	[$78,450,000]	[($1,793,000)]
Total Family Health Expenditures	**$332,073,000**	**$312,726,000**	**($19,347,000)**

Family Health Local Assistance Funding Summary 2021-22 Comparison to January Budget			
Fiscal Year:	**2021-22**	**2021-22**	**Jan-May**
California Children's Services (CCS)			
Fund Source	***January Budget***	***May Revision***	***Change***
General Fund	$78,514,000	$80,366,000	$1,852,000
Special Funds/Reimbursements	$3,992,000	$3,992,000	$-

County Funds [non-add]	[$81,696,000]	[$83,493,000]	[$1,797,000]
Total CCS Expenditures	**$82,506,000**	**$84,358,000**	**$1,852,000**
Genetically Handicapped Persons Program (GHPP)			
Fund Source	***January Budget***	***May Revision***	***Change***
General Fund	$114,380,000	$119,636,000	$5,256,000
Special Funds and Reimbursements	$25,026,000	$17,951,000	($7,075,000)
Total GHPP Expenditures	**$139,406,000**	**$137,567,000**	**($1,819,000)**
Every Woman Counts Program (EWC)			
Fund Source	***January Budget***	***May Revision***	***Change***
General Fund	$19,387,000	$16,805,000	($3,582,000)
Federal Funds	$5,128,000	$5,128,000	$-
Special Funds and Reimbursements	$22,504,000	$22,504,000	$-
Total EWC Expenditures	**$47,019,000**	**$44,437,000**	**($2,582,000)**
TOTAL FAMILY HEALTH EXPENDITURES			
Fund Source	***January Budget***	***May Revision***	***Change***
General Fund	$212,281,000	$216,807,000	$4,526,000
Federal Funds	$5,128,000	$5,128,000	$-
Special Funds and Reimbursements	$51,522,000	$44,447,000	($7,075,000)
County Funds [non-add]	[$81,696,000]	[$83,493,000]	[$1,797,000]
Total Family Health Expenditures	**$268,931,000**	**$266,382,000**	**($2,549,000)**

Family Health Estimate – May Revision Update. The May 2021 Family Health Local Assistance Estimate includes $312.7 million ($161.4 million General Fund, $5.1 million federal funds, and $105.2 million special funds and reimbursements) for expenditures in 2020-21, and $266.4 million ($216.8 million General Fund, $5.1 million federal funds, and $44.4 million special funds and reimbursements) for expenditures in 2021-22. These figures represent a decrease in estimated General Fund expenditures of $20.5 million in 2020-21 and an increase of $4.5 million in 2021-22 compared to the January budget. These changes are primarily attributed to changes in caseload and other miscellaneous adjustments.
The May Revision caseload estimates for Family Health programs are as follows:

- **California Children's Services (CCS) Caseload Estimate**
  Medi-Cal: The May Revision estimates Medi-Cal CCS caseload of 171,061 in 2020-21, an increase of 2,615 or 1.6 percent, compared to the January budget. The May Revision estimates Medi-Cal CCS caseload of 168,980 in 2021-22, an increase of 440 or 0.3 percent, compared to the January budget, and a decrease of 2,081 or 1.2 percent, compared to the revised 2020-21 estimate.
  State-Only: The May Revision estimates state-only CCS caseload of 12,569 in 2020-21, a decrease of 2,002 or 13.7 percent, compared to the January budget. The May Revision estimates state-only CCS caseload of 14,601 in 2021-22, an increase of 30 or 0.2 percent, compared to the January budget, and an increase of 2,032 or 16.2 percent, compared to the revised 2020-21 estimate.

- **Genetically Handicapped Persons Program (GHPP) Caseload Estimate**
  The May Revision estimates state-only GHPP caseload of 598 in 2020-21, a decrease of 62 or 9.4 percent, compared to the January budget. The May Revision estimates state-only GHPP caseload of 670 in 2021-22, an increase of 2 or 0.3 percent, compared to the January budget, and an increase of 72 or 12.7 percent, compared to the revised 2020-21 estimate.

- **Every Woman Counts (EWC) Program Caseload Estimate**
  The May Revision estimates EWC caseload of 21,409 in 2020-21, a decrease of 3,510 or 14.1 percent compared to the January budget. The May Revision estimates EWC caseload of 24,602 in 2021-22, a decrease of 2,823 or 10.3 percent compared to the January budget, and an increase of 3,193 or 14.9 percent compared to the revised 2018-19 estimate.

May Revision Local Assistance Adjustments. The Administration requests the following adjustments to reflect caseload and miscellaneous adjustments:

- Item 4260-111-0001 be increased by $7,108,000 and reimbursements be increased by $77,000
- Item 4260-114-0001 be decreased by $2,582,000

Subcommittee Staff Comment and Recommendation—Hold Open.

Questions. The subcommittee has requested DHCS to respond to the following:

1. Please provide a brief overview of the caseload and expenditure changes in the May 2021 Family Health Estimate.

Issue 3: Maternal Health Investments – Postpartum Coverage Extension and Doula Benefit

Local Assistance - May Revision. DHCS requests expenditure authority of $90.5 million ($25.3 million General Fund and $25.3 million federal funds) to extend Medi-Cal eligibility from 60 days to 12 months for most postpartum individuals as part of the federal American Rescue Plan.

DHCS also requests expenditure authority of $402,000 ($152,000 General Fund and $251,000 federal funds) to provide doula services as a covered benefit in the Medi-Cal program.

Program Funding Request Summary – Postpartum Coverage Extension		
Fund Source	**2021-22**	**2022-23***
0001 – General Fund	$45,273,000	$45,273,000
0890 – Federal Trust Fund	$45,273,000	$45,273,000
Total Funding Request:	**$90,546,000**	**$90,546,000**

* Resources ongoing after 2022-23.

Program Funding Request Summary – Doula Benefit		
Fund Source	**2021-22**	**2022-23***
0001 – General Fund	$152,040	$208,850
0890 – Federal Trust Fund	$250,540	$344,150
Total Funding Request:	**$402,600**	**$553,000**

* Resources ongoing after 2022-23.

Background – Postpartum Coverage Extension. Medi-Cal offers coverage for pregnancy and pregnancy-related services to certain individuals up to 322 percent of the federal poverty level, without regard to immigration status. Previously, coverage for postpartum services for individuals not otherwise eligible for Medi-Cal services was only available for 60 days after delivery. The 2019 Budget Act authorized expansion of coverage for postpartum Medi-Cal coverage from 60 days to 12 months if the individual was diagnosed with a mental health condition. Because federal matching funds were not available for this extension, the program had been funded exclusively with state General Fund.

The federal American Rescue Plan authorizes states to receive federal matching funds for expansion of pregnancy-related services for 12 months after the last day of their pregnancy. DHCS requests expenditure authority of $90.5 million ($25.3 million General Fund and $25.3 million federal funds) to implement this provision of the American Rescue Plan.

Background – Doula Benefit. Doulas are trained professionals who provide continuous physical, emotional, and information support to a mother before, during, and shortly after childbirth to help her achieve the healthiest, most satisfying experience possible. According to DHCS, research suggests that doula services may result in avoidance of high-cost preterm births and cesarean deliveries, as well as other positive health outcomes.

DHCS requests expenditure authority of $402,000 ($152,000 General Fund and $251,000 federal funds) to provide doula services as a covered benefit in the Medi-Cal program. The standard doula benefit in Medi-Cal would include maternity and labor support visits, which could be at the beneficiary's home, or part of a beneficiary's office visit, and during delivery.

Subcommittee Staff Comment and Recommendation—Hold Open.

Questions. The subcommittee has requested DHCS to respond to the following:

1. Please provide a brief overview of these proposals.

Issue 4: Full-Scope Medi-Cal Coverage for Undocumented Seniors 60 and Over

Local Assistance and Trailer Bill Language Proposal – May Revision. DHCS requests expenditure authority of $68 million ($50 million General Fund and $18.5 million federal funds) to expand full-scope Medi-Cal benefits to adults 60 years of age or older, regardless of immigration status. DHCS also requests trailer bill language to implement the expansion of coverage, beginning May 1, 2022.

Program Funding Request Summary		
Fund Source	**2021-22**	**2022-23***
0001 – General Fund	$49,569,000	$-
0890 – Federal Trust Fund	$18,471,000	$-
Total Funding Request:	**$68,040,000**	**$-**

* No fiscal details provided for 2022-23 and beyond.

Background. California provides restricted-scope Medi-Cal coverage, such as emergency and pregnancy-related services, to income eligible adults who are 19 years or older without, or unable to verify, satisfactory immigration status. The 2015 Budget Act expanded full-scope Medi-Cal coverage to income-eligible children, and the 2019 Budget Act expanded coverage to young adults up to age 26.

DHCS requests expenditure authority of $68 million ($50 million General Fund and $18.5 million federal funds) to expand full-scope Medi-Cal benefits to adults 60 years of age or older, regardless of immigration status, beginning May 1, 2022. The full-scope of Medi-Cal benefits would include coverage for eligible in-home supportive services (IHSS). Funding for the non-federal share of IHSS benefits would be supported in the Department of Social Services budget. For 2021-22, no IHSS cost are assumed for this population.

DHCS also requests trailer bill language to implement this expansion of coverage, beginning May 1, 2022.

Subcommittee Staff Comment and Recommendation—Hold Open.

Questions. The subcommittee has requested DHCS to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 5: Children and Youth Behavioral Health Initiative

Budget Change Proposal – May Revision. DHCS requests 78 positions and expenditure authority from the Coronavirus Fiscal Recovery Fund (CFRF) of $250 million in 2021-22, expenditure authority of $1.5 billion ($125 million General Fund and $1.3 billion CFRF and $100 million federal funds) in 2022-23, with a total five-year expenditure authority of $3 billion ($890.2 million General Fund, $1.5 billion CFRF, and $529.5 million federal funds) . If approved, these resources would allow DHCS to implement a Behavioral Health Service Virtual Platform, school-linked behavioral health services, plan offered behavioral health services, and to expand the continuum of behavioral health treatment resources.

Program Funding Request Summary		
Fund Source	**2021-22**	**2022-23**
0001 – General Fund	$-	$125,000,000
0890 – Federal Trust Fund	$-	$100,000,000
8506 – Coronavirus Fiscal Recovery Fund	$250,000,000	$1,280,000,000
Total Funding Request:	**$250,000,000**	**$125,000,000**
Total Requested Positions:	**78.0**	**78.0**

Background. The California Health and Human Services Agency (CHHSA), the Office of the Surgeon General (OSG), the Office of Statewide Health Planning and Development (OSHPD), the Department of Managed Health Care (DMHC), the Department of Health Care Services (DHCS), and the Department of Public Health (DPH) are requesting positions, expenditure authority, and statutory changes to implement the California Children and Youth Behavioral Health Initiative. According to the Administration, this initiative would transform California's behavioral health system into an innovative ecosystem where all children and youth age 25 and younger, regardless of payer, would be screened, supported, and served for emerging and existing behavioral health needs. The components of the proposal are as follows:

- California Health and Human Services Agency (CHHSA) – CHHSA requests expenditure authority from the CFRF of $10 million in 2021-22, $20 million in 2022-23, and General Fund expenditure authority of $10 million annually beginning in 2024-25 to provide cross-department coordination, convene and engage with stakeholders, draft and run procurement for services including subject matter experts, and commission an initiative-wide independent evaluator for all program components.
- Office of the Surgeon General (OSG) - The Office of the Surgeon General within CHHSA requests one position and expenditure authority from the CFRF of $25.1 million in 2021-22, $100,000 in 2022-23, and General Fund expenditure authority of $100,000 annually thereafter to support a public awareness campaign to address adverse childhood experiences (ACEs) and toxic stress, as well as to provide trauma-informed training for educators.
- Office of Statewide Health Planning and Development (OSHPD) – OSHPD requests expenditure authority from the CFRF of $700 million in 2021-22, and General Fund expenditure authority of $125 million in 2022-23 and $75 million in 2023-24 to support workforce, education, and training efforts. Specifically, these funds would support: 1) expanding training capacity for psychiatry and social workers, 2) creating a school behavioral health coach and counselor workforce, 3) developing the substance use disorder workforce, 4) building the behavioral health workforce pipeline, 5)

establishing "earn and learn" apprenticeship models, 6) enhancing training to serve justice- and system-involved youth, 7) expanding behavioral health training for primary care providers, 8) expanding peer personnel training and placement programs, and 9) augmenting existing OSHPD workforce programs for behavioral health disciplines.

- Department of Managed Health Care (DMHC) – DMHC is requesting trailer bill language to require Knox-Keene licensed health care service plans to reimburse behavioral health services provided in school settings for plan members, regardless of whether the provider is part of the plan's contracted provider network. The Department of Health Care Services would establish a statewide reimbursement schedule that would govern payment for behavioral health services by health care service plans in the school setting, unless the provider was under contract with the plan.
- Department of Health Care Services (DHCS) – DHCS requests 78 positions and expenditure authority from the CFRF of $22 million in 2021-22, $24 million in 2022-23, and expenditure authority of $12 million ($6 million General Fund and $6 million federal funds) annually beginning in 2024-25 to implement a Behavioral Health Service Virtual Platform, school-linked behavioral health services, plan offered behavioral health services, and to expand the continuum of behavioral health treatment resources.
- Department of Public Health (DPH) – DPH requests ten positions and expenditure authority from the CFRF of $5 million in 2021-22, General Fund expenditure authority of $50 million in 2022-23, $40 million in 2024-25, and $5 million annually thereafter to implement and build an effective public education and change campaign around behavioral health to: 1) promote general public acceptance and awareness, 2) partner with community leaders for culturally specific campaigns, and 3) empower youth to co-design the campaign.

Department of Health Care Services – Behavioral Health Services and Supports Virtual Platform. Over five years, DHCS is requesting $634.7 million from General Fund, CFRF, and federal funds, to support implementation of a behavioral health service virtual platform to be integrated with screening, clinic-based care and app-based support services. The platform would support automated assessments and screenings, self-monitoring tools, and new tools to help families navigate how to access help regardless of payer source. The platform would be build out from the department's existing CalHOPE program, a crisis counseling program that included a media campaign, web-based resources and services, a 24 hour warm line and student support.

Department of Health Care Services – School-Linked Behavioral Health Services. Over five years, DHCS is requesting $550 million to support direct incentive payments to counties, tribal entities, schools, Local Education Agencies (LEAs), school districts, health care service plans, Medi-Cal managed care plans, community-based organizations, and behavioral health providers to build infrastructure for ongoing behavioral health prevention and treatment services on or around school campuses. These funds would also expand access to behavioral health school counselors, peer supports, behavioral health coaches, build a statewide community-based organization network, and connect plans, counties, community-based organizations, and schools via data sharing systems.

Department of Health Care Services – Investment in Age-Appropriate Evidence-Based Behavioral Health Programs. Over five years, DHCS is requesting $429 million to support statewide scaling and spread of evidence-based interventions proven to improve outcomes for children and youth with or at high risk for mental health conditions, with a particular focus on young people experiencing their first break or first episode of psychosis, or developing a substance use disorder.

Department of Health Care Services – Behavioral Health Continuum Infrastructure. Over five years, DHCS is requesting an additional $245 million for the behavioral health continuum infrastructure grant program, dedicated to adding child or adolescent beds to existing facilities, adding new facilities or new crisis mobile services.

Department of Health Care Services – Dyadic Services. Over five years, DHCS is requesting $800 million ($400 million General Fund and $400 million federal funds) to support dyadic services in Medi-Cal, beginning July 1, 2022. Dyadic services are based on the Healthy Steps model of care, an integrated behavioral health care model in which health care is delivered in the context of the caregiver and family, so that families are screened for behavioral health problems, interpersonal safety, tobacco and substance misuse and social determinants of health such as food insecurity and housing instability.

Department of Health Care Services – Pediatric, Primary Care and Other Healthcare Providers. Over five years, DHCS is requesting $165 million to provide opportunities for primary care and other health care providers to access culturally proficient education and training on behavioral health and suicide prevention.

Subcommittee Staff Comment and Recommendation—Hold Open.

Questions. The subcommittee has requested DHCS to respond to the following:

1. Please provide a brief overview of the DHCS proposals as part of the California Children and Youth Behavioral Health Initiative.

Issue 6: Behavioral Health Continuum Infrastructure Expansion

Local Assistance, Budget Change Proposal, and Trailer Bill Language. DHCS requests expenditure authority of $981 million ($681 million General Fund and $300 million Coronavirus Fiscal Recovery Fund) in 2021-22, with a total of $2.3 billion ($1.8 billion General Fund and $518.5 million Coronavirus Fiscal Recovery Fund) over multiple fiscal years. If approved, these resources would support competitive grants to qualified entities to construct, acquire, and rehabilitate real estate assets to expand the community continuum of behavioral health treatment resources.

DHCS also requests $22.5 million ($12.5 million General Fund and $10 million Coronavirus Fiscal Recovery Fund) in 2021-22 and $62.8 million ($61.3 million General Fund and $1.5 million Coronavirus Fiscal Recovery Fund) in 2022-23. If approved, these resources would support limited-term staff and contractors to administer the behavioral health continuum infrastructure program.

DHCS also requests trailer bill language to implement the program.

Program Funding Request Summary – Local Assistance		
Fund Source	**2021-22**	**Multi-year total**
0001 – General Fund	$680,999,000	$1,800,000,000
8506 – Coronavirus Fiscal Recovery Fund	$300,000,000	$518,500,000
Total Funding Request:	**$980,999,000**	**$2,318,500,000**

Program Funding Request Summary – Budget Change Proposal		
Fund Source	**2021-22**	**2022-23**
0001 – General Fund	$12,500,000	$61,250,000
8506 – Coronavirus Fiscal Recovery Fund	$10,000,000	$1,500,000
Total Funding Request:	**$22,500,000**	**$62,750,000**

Background. The Governor's January budget included $750 million in local assistance grants to qualified entities to efficiently and cost-effectively construct, acquire, and rehabilitate real estate assets. The May Revision would build upon the Governor's Budget proposal and would allow California to expand the community continuum of behavioral health treatment facilities, allowing individuals to live and be treated in a stable environment which leads to better health and behavioral health outcomes. This would include the addition of approximately 15,000 beds, units, or rooms to expand such capacity.

Funding could be used to expand capacity for the following types of facilities: crisis intervention, stabilization and crisis residential; residential treatment; day rehabilitation; day treatment intensive or partial hospitalization with housing supports; adult residential care facilities or board and care facilities; room and board with intensive outpatient services; peer respite and shared housing; locked and unlocked forensic facilities; community-based outpatient and behavioral health wellness services; and a full continuum of care focused on individuals 25 years and younger. According to DHCS, at least $242.3 million would be provided for individuals 25 years and younger, while at least $237.5 million would be targeted to address individuals found or at-risk of being found incompetent to stand trial.

Subcommittee Staff Comment and Recommendation—Hold Open.

Questions. The subcommittee has requested DHCS to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 7: Support for Public Hospital System

Local Assistance – May Revision. DHCS requests expenditure authority from the Coronavirus Fiscal Recovery Fund of $300 million in 2021-22. If approved, these resources would allow DHCS to support public hospitals and health care systems' unreimbursed costs associated with providing care to Medi-Cal beneficiaries during the pandemic.

Program Funding Request Summary – Local Assistance		
Fund Source	**2021-22**	**2022-23**
8506 – Coronavirus Fiscal Recovery Fund	$300,000,000	$-
Total Funding Request:	**$300,000,000**	**$-**

Background. According to DHCS, during the pandemic, designated public hospitals have been integral to the public health response effort, including efforts to increase surge capacity, rapidly expand and deploy testing, assist in development and distribution of vaccines, and serve vulnerable populations and communities of color.

DHCS requests expenditure authority from the Coronavirus Fiscal Recovery Fund of $300 million in 2021-22 to support direct grants to designated public hospitals in support of their health care expenditures.

Subcommittee Staff Comment and Recommendation—Hold Open.

Questions. The subcommittee has requested DHCS to respond to the following:

1. Please provide a brief overview of this proposal.

2. Why did DHCS utilize Coronavirus Fiscal Recovery Funds for this purpose, rather than General Fund, which could draw down federal matching funds in Medi-Cal?

Issue 8: California Advancing and Innovating in Medi-Cal (CalAIM) – May Revision Adjustments

Budget Change Proposal, Local Assistance, and Trailer Bill Language – May Revision. DHCS requests several changes related to its California Advancing and Innovating in Medi-Cal (CalAIM) initiative.

- Population Health Management Service – DHCS requests expenditure authority of $15 million ($1.5 million General Fund and $13.5 million federal funds) in 2021-22, 2022-23, and 2023-24 to administer a Population Health Management service, to utilize administrative and clinical data as part of CalAIM efforts proposed in the Governor's January budget.
- Medi-Cal Providing Access and Transforming Health (PATH) – DHCS requests expenditure authority of $200 million ($100 million General Fund and $100 million federal funds) to build capacity for effective pre-release care for justice-involved populations to enable coordination with justice agencies and Medi-Cal coverage of services 30 days prior to release.
- Medically Tailored Meal Pilot Extension – DHCS requests General Fund expenditure authority of $9.3 million in 2021-22 to support expansion of the medically tailored meal pilot to additional covered conditions and additional counties.
- Behavioral Health Quality Improvement Program – DHCS requests trailer bill language to implement the Behavioral Health Quality Improvement Program to replace budget bill language proposed in the January budget.

Subcommittee Staff Comment and Recommendation—Hold Open.

Questions. The subcommittee has requested DHCS to respond to the following:

1. Please provide a brief overview of these proposals.

Issue 9: Eliminate Rate Freeze for ICF-DD and Pediatric Subacute Facilities

Local Assistance – May Revision. DHCS requests expenditure authority of $24.4 million ($11.1 million General Fund and $13.3 million federal funds), and $26.7 million ($12.1 million General Fund and $14.5 million federal funds) annually thereafter to eliminate the rate freeze for intermediate care facilities-developmental disabilities (ICF-DDs) and free-standing pediatric subacute facilities.

Program Funding Request Summary – ICF-DDs		
Fund Source	**2021-22**	**2022-23***
0001 – General Fund	$8,778,000	$9,576,000
0890 – Federal Trust Fund	$10,464,000	$11,416,000
Total Funding Request:	**$19,242,000**	**$20,992,000**

***** Resources ongoing after 2022-23.

Program Funding Request Summary – Pediatric Subacute Facilities		
Fund Source	**2021-22**	**2022-23***
0001 – General Fund	$2,328,000	$2,540,000
0890 – Federal Trust Fund	$2,873,000	$3,133,000
Total Funding Request:	**$5,201,000**	**$5,673,000**

***** Resources ongoing after 2022-23.

Background. Prior to 2009, Medi-Cal rates for ICF-DDs and free-standing pediatric subacute facilities were adjusted after completion of an annual rate study for specified provider types. ABX4 5 (Evans) Chapter 5, Statutes of 2009, Fourth Extraordinary Session, froze rates for 2009-10 and every year thereafter at the 2008-09 levels. Effective June 1, 2011, AB 97 (Committee on Budget), Chapter 3, Statutes of 2011, required DHCS to freeze rates and reduce payments by up to 10 percent for the facilities enjoined from the original rate freeze, which was required by ABX4 5 and included ICF-DD and free-standing pediatric subacute facilities. The federal Centers for Medicare and Medicaid Services approved the implementation of the rate freeze and a reduction of payments by 10 percent.

DHCS requests expenditure authority of $24.4 million ($11.1 million General Fund and $13.3 million federal funds), and $26.7 million ($12.1 million General Fund and $14.5 million federal funds) annually thereafter to eliminate the rate freeze for intermediate care facilities-developmental disabilities (ICF-DDs) and free-standing pediatric subacute facilities.

Subcommittee Staff Comment and Recommendation—Hold Open.

Questions. The subcommittee has requested DHCS to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 10: Audio-Only Telehealth

Trailer Bill Language – May Revision. DHCS requests trailer bill language to establish a rate for audio-only telehealth services at 65 percent of the fee-for-service rate, and a comparable alternative to the prospective payment system (PPS) rates for clinics to maintain an incentive for in-person care.

Background. In response to the pandemic emergency, DHCS provided broad flexibilities for the delivery of Medi-Cal services through telehealth, telephonic/audio only, and other virtual communication modalities. According to DHCS, providing these telehealth flexibilities proved to be critically important during a time when in-person care put beneficiaries at risk of exposure to COVID-19. DHCS is proposing to allow additional Medi-Cal benefits and services to be provided via telehealth across all delivery systems when clinically appropriate.

Temporary Flexibilities During Pandemic Emergency. DHCS implemented the following temporary policy changes during the pandemic emergency, related to telehealth:

- Expanded ability for providers to render all applicable services that can be appropriately provided via telehealth modalities, including home- and community-based services, Local Education Agency, and Targeted Case Management services.
- Allowed most telehealth modalities to be provided for new and established patients.
- Allowed many covered services to be provided via telephone/audio-only for the first time.
- Allowed payment parity between services provided in-person face-to-face, by synchronous telehealth, and by telephonic/audio only when the services met the requirements of the billing code by various provider types, including federally qualified health centers (FQHCs) and rural health centers (RHCs).
- Waived site limitations for providers and patients of FQHCs and RHCs
- Allowed expanded access to telehealth through non-public technology platforms, based on a federal exemption to Health Insurance Portability and Accountability Act (HIPAA) requirements.

According to DHCS, the availability and need for telehealth has led to a significantly wider adoption of the use of these modalities for service delivery. Providers have become familiar with delivering services via telehealth and receiving reimbursement for telehealth services.

January Budget Proposed Extension of Certain Telehealth Flexibilities. In the Governor's January budget, DHCS proposed trailer bill language to allow the delivery of certain Medi-Cal benefits, under specified circumstances, via telehealth, telephonic/audio-only, remote patient monitoring, and other virtual communication modalities. Specifically, DHCS proposed the following permanent flexibilities, contingent on federal approval:

- Allow an FQHC or RHC to establish new patients, within its federally designated service area, through synchronous telehealth only.
- Permanently remove the site limitations on the provision of services by FQHCs and RHCs.
- Expand synchronous and asynchronous telehealth services to home- and community-based services waivers, the Targeted Case Management (TCM) Program, and the Local Education Agency Billing Option Program (LEA-BOP).
- Add synchronous telehealth and telephonic/audio-only services to State Plan Drug Medi-Cal.

- Require payment parity between in-person face-to-face visits and synchronous telehealth modalities only.
- Expand use of clinically appropriate telephonic/audio-only, other virtual communication, and remote patient monitoring for established patients, subject to a separate fee schedule and not billable by FQHCs or RHCs.
- Provides that the TCM Program and LEA BOP will follow traditional certified public expenditure reimbursement methodologies when rendering services via telehealth.

Trailer Bill Language Proposal – Audio-Only Visits. In its January budget proposal, DHCS did not propose to extend the following telehealth flexibilities implemented during the pandemic emergency:

- Telephonic/audio-only modalities as a billable visit for FQHCs or RHCs
- Telephonic/audio-only modalities to establish a new patient
- Payment parity for telephonic/audio-only modalities and virtual communications
- Various flexibilities for Tribal 638 clinics.

In the May Revision, DHCS requests trailer bill language to establish a rate for audio-only telehealth services at 65 percent of the fee-for-service rate, and a comparable alternative to the prospective payment system (PPS) rates for clinics to maintain an incentive for in-person care.

Subcommittee Staff Comment and Recommendation—Hold Open.

Questions. The subcommittee has requested DHCS to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 11: Medication Therapy Management Program

Local Assistance – May Revision. DHCS requests expenditure authority of $12.6 million ($4.4 million General Fund and $8.2 million federal funds) in 2021-22 and $13.5 million ($4.7 million General Fund and $8.8 million federal funds) annually thereafter to provide medication management payments to Medi-Cal enrolled pharmacies that provide specialized services to high-risk and medically complex populations.

Program Funding Request Summary		
Fund Source	**2021-22**	**2022-23***
0001 – General Fund	$4,418,830	$4,736,150
0890 – Federal Trust Fund	$8,176,670	$8,763,850
Total Funding Request:	**$12,595,500**	**$13,500,000**

***** Resources ongoing after 2022-23.

Background. According to DHCS, following implementation of the new Actual Acquisition Cost (AAC) pharmacy reimbursement methodology, independent pharmacy providers and the California Pharmacists Association (CPhA) notified the department that the new reimbursement methodology could cause certain pharmacies to cease providing specialized medication management services. These specialized services are designed to ensure at-risk populations remain adherent and compliant with their drug treatment regimens. Characteristics of the at-risk population receiving medication management services may include homelessness, mental illness, or history of non-compliance or non-adherence with medications.

DHCS authorized a survey to determine acquisition costs and identify specialized services provided by those pharmacies in the dispensing of specific drugs. The survey confirmed the AAC methodology resulted in a potential for beneficiary access issues with respect to certain drugs, while being an appropriate reimbursement methodology overall. The drug therapy categories surveyed were identified through direct communications from Medi-Cal providers to the Department, including reports from stakeholders and CPhA.

Medication Therapy Management Program. DHCS requests expenditure authority of $12.6 million ($4.4 million General Fund and $8.2 million federal funds) in 2021-22 and $13.5 million ($4.7 million General Fund and $8.8 million federal funds) annually thereafter to provide medication management payments to Medi-Cal enrolled pharmacies that provide specialized services to high-risk and medically complex populations. DHCS would implement a separate reimbursement methodology for fee-for-service pharmacy services provided in conjunction with certain complex chronic and medical conditions such as serious mental illness, human immunodeficiency virus, hepatitis C virus, cancer, cystic fibrosis and other genetic diseases, multiple sclerosis, hemophilia, cardiovascular diseases, lung and respiratory diseases, nervous system disorders, chronic kidney disease, Alzheimer's disease or other dementia, end-stage renal disease, osteoporosis, and diabetes. Medi-Cal providers would be required to enter into a contract with the department to provide these services, according to requirements and guidelines outlined in the contract. DHCS estimates each beneficiary would receive an average of six therapy sessions annually and each provider would be able to accommodate approximately 30 total beneficiaries at any point in time.

Subcommittee Staff Comment and Recommendation—Hold Open.

Questions. The subcommittee has requested DHCS to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 12: Community Health Workers Benefit

Local Assistance and Trailer Bill Language – May Revision. DHCS requests expenditure authority of $16.3 million ($6.2 million General Fund and $10.2 million federal funds) annually to support reimbursement for community health workers to provide clinically appropriate Medi-Cal covered benefits and services in both the fee-for-service and managed care delivery systems.

Program Funding Request Summary		
Fund Source	**2021-22**	**2022-23***
0001 – General Fund	$6,154,300	$6,154,300
0890 – Federal Trust Fund	$10,168,700	$10,168,700
Total Funding Request:	**$16,323,000**	**$16,323,000**

***** Resources ongoing after 2022-23.

Background. Community health workers (CHWs) are skilled and trained health educators who work directly with individuals who may have difficulty understanding or interacting with providers due to cultural or language barriers. CHWs can assist those individuals by helping them navigate the relationship with their health care providers, assist them in accessing health care services, and provide key linkages with other similar and related community-based resources.

Community Health Workers Benefit. DHCS requests expenditure authority of $16.3 million ($6.2 million General Fund and $10.2 million federal funds) annually to support reimbursement for community health workers to provide clinically appropriate Medi-Cal covered benefits and services in both the fee-for-service and managed care delivery systems, effective January 1, 2022. According to DHCS, CHWs would provide services under the supervision of a licensed, enrolled Medi-Cal provider

Subcommittee Staff Comment and Recommendation—Hold Open.

Questions. The subcommittee has requested DHCS to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 13: San Mateo County Dental Integration Pilot

Local Assistance – May Revision. DHCS requests expenditure authority of $697,000 ($280,950 General Fund and $416,050 federal funds) annually to implement a dental integration pilot program in San Mateo County.

Program Funding Request Summary		
Fund Source	**2021-22**	**2022-23***
0001 – General Fund	$280,950	$280,950
0890 – Federal Trust Fund	$416,050	$416,050
Total Funding Request:	**$697,000**	**$697,000**

***** Resources ongoing after 2022-23.

Background. The 2018 Budget Act authorized a pilot project to integrate dental services into managed care in San Mateo County. Health Plan of San Mateo (HPSM), which is a county organized health system, will establish a dental provider network and reimburse providers of dental services for Medi-Cal beneficiaries in the county. Under the budget authority, HPSM would receive an enhanced, at-risk capitation payment to account for the additional dental services provided.

DHCS requests expenditure authority of $697,000 ($280,950 General Fund and $416,050 federal funds) annually to transition dental benefits for enrollees in HPSM from the fee-for-service delivery system to the plan, effective January 1, 2022. The department would also contract for an evaluation of the pilot program, using funding provided by HPSM, to be completed and published no later than December 31 of the sixth fiscal year the pilot is in operation.

Subcommittee Staff Comment and Recommendation—Hold Open.

Questions. The subcommittee has requested DHCS to respond to the following:

1. Please provide a brief overview of this proposal.