

SUBCOMMITTEE NO. 3

Agenda

Senator Richard Pan, M.D., Chair
 Senator Melissa Hurtado
 Senator Melissa Melendez



Sunday, May 24, 2020
 9:00 am
 State Capitol - Room 4203

PART A – HEALTH – OUTCOMES *(in red)*

Consultant: Scott Ogus

0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY						
<i>(dollars in thousands) (AAB=approve as budgeted; DWOP=defer without prejudice)</i>						
GOVERNOR’S BUDGET ISSUES UNCHANGED AT MAY REVISION						
Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
1	Center for Data Insights and Innovation Trailer Bill Proposal	\$-	\$-	0.0	The Administration proposes trailer bill language to establish the Center for Data Insights and Innovation, which would merge functions of the current Office of Patient Advocate, Office of Health Information Integrity, and the California Committee for the Protection of Human Subjects, as well as other data analysis and management of privacy protection. Staff recommends deferring this proposal without prejudice to allow the Administration to address concerns with the elimination of consumer complaint reporting and changes to privacy protection. (This issue was heard on March 12 th , 2020).	DWOP <i>(3-0)</i>

GOVERNOR'S BUDGET ISSUES MODIFIED OR WITHDRAWN AT MAY REVISION						
Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
2	Electronic Visit Verification Phase 2 Planning - GB 0530-003-BCP-2020-GB 4260-069-BCP-2020-GB 4265-075-BCP-2020-GB 4265-100-BBA-2020-GB 4300-007-BCP-2020-GB	\$290	\$2,599	9.0	These resources support the multi-departmental planning effort for the second phase of implementation of Electronic Visit Verification (EVV) for personal care services and home health care services. These staffing and other resources would support completion of activities required by the Department of Technology's Project Approval Lifecycle (PAL) Stage Gate requirements and federal Advanced Planning Document (APD) requirements. (This issue was heard on March 12 th , 2020)	AAB (3-0)
3	Electronic Visit Verification Phase 2 Planning - MR 0530-035-BCP-2020-MR 4260-198-BCP-2020-MR 4300-062-BCP-2020-MR	\$705	\$3,046	12.0	These resources are in addition to the January budget request for resources to support the EVV project. The Administration asserts additional project resources are needed to implement the project and avoid reductions in federal financial participation. While these resources may be necessary, the Administration has not adequately justified in its budget documents why the January budget request is not sufficient to perform the required implementation activities. Given the risk to federal funding, staff recommends deferring this request without prejudice to allow the Administration to justify the additional resources.	DWOP (3-0)
4	Office of Surgeon General – Trauma-Informed Training Development and Public Awareness Campaign 0530-033-BCP-2020-GB 0530-046-BCP-2020-MR	\$-	\$-	0.0	WITHDRAWN - The Administration is withdrawing its January budget request for \$10 million General Fund expenditure authority to develop a cross-sector training program and public awareness campaign for Adverse Childhood Experiences. (This issue was heard on March 12 th , 2020).	AAB/ Withdrawn (3-0)

5	Office of Healthcare Affordability Trailer Bill Proposal	\$-	\$-	0.0	WITHDRAWN – The Administration is withdrawing its January budget request to establish the Office of Healthcare Affordability to analyze the health care market for cost trends and drivers of spending, enforce health care cost targets and create a state strategy for controlling the cost of health care and ensuring affordability for consumers. (This issue was heard on March 12 th , 2020).	AAB/ Withdrawn (3-0)
NEW MAY REVISION PROPOSALS						
Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
6	Administrative Resources for Prescription Drug Proposals 0530-039-BCP-2020-MR	\$197	\$-	0.0	CHHSA requests General Fund expenditure authority of \$197,000 in 2020-21, and \$184,000 in 2021-22 and 2022-23. If approved, these resources would support research and analytical tasks associated with the Governor’s prescription drug proposals, primarily the implementation of a state generic drug label. The Administration does not intend to propose trailer bill language to implement the state generic drug label. Given pending legislation on this topic, staff recommends deferring these proposed resources.	DWOP (3-0)

4120 EMERGENCY MEDICAL SERVICES AUTHORITY

(dollars in thousands) (AAB=approve as budgeted; DWOP=defer without prejudice)

GOVERNOR’S BUDGET ISSUES UNCHANGED AT MAY REVISION

Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
7	Emergency Medical Dispatch (SB 438) 4120-011-BCP-2020-GB	\$356	\$-	1.0	EMSA requests one position and General Fund expenditure authority of \$356,000 in 2020-21, \$342,000 in 2021-22, and \$171,000 annually thereafter to implement provisions of SB 438 (Hertzberg), Chapter 389, Statutes of 2019, which prohibits a public agency from delegating, assigning, or entering into a contract for “911” call processing services regarding the dispatch of emergency response resources with a non-public agency.	AAB (3-0)

GOVERNOR’S BUDGET ISSUES MODIFIED OR WITHDRAWN AT MAY REVISION

Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
8	Regional Disaster Medical Health Response (RDMHS) Local Assistance 4120-003-BCP-2020-GB 4120-025-BCP-2020-MR Budget Bill Language	\$365	\$-	0.0	EMSA requests General Fund expenditure authority of \$365,000 annually to improve regional medical and health mitigation, preparedness, response and recovery by funding three additional Regional Disaster Medical Health Specialists (RDMHS). At May Revision, EMSA requests provisional language to augment these General Fund resources by up to an additional \$365,000 to fund additional RDMHS positions. Given the ongoing pandemic emergency, staff recommends approval. (This issue was heard on March 12 th , 2020).	AAB/ Adopt Placeholder BBL (3-0)

9	Adjustment to Reflect Available Resources in the EMS Personnel Services Fund 4120-021-BBA-2020-GB 4120-028-BBA-2020-GB	\$-	\$-	12.0	WITHDRAWN - The Administration requests to withdraw a technical adjustment of \$200,000 in the EMS Personnel Services Fund to reflect available resources.	AAB/ Withdrawn (3-0)
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4140 OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT

(dollars in thousands) (AAB=approve as budgeted; DWOP=defer without prejudice)

GOVERNOR'S BUDGET ISSUES UNCHANGED AT MAY REVISION

Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
10	CMSP Loan Repayment Administration 4140-005-BCP-2020-GB	\$-	\$2,240	0.0	OSHPD requests reimbursement authority of \$2.2 million in 2020-21, \$180,000 in 2021-22, and \$60,000 in 2022-23 to continue to administer the County Medical Services Program Loan Repayment Program. (This issue was heard on March 12 th , 2020).	AAB (3-0)
11	Healthcare Data Disclosure (SB 343) 4140-020-BCP-2020-GB	\$-	\$119	1.0	OSHPD requests one position and expenditure authority from the California Health Data and Planning Fund of \$119,000 in 2020-21 and \$107,000 annually thereafter to implement new data reporting requirements for certain health facilities pursuant to the requirements of SB 343 (Pan), Chapter 247, Statutes of 2019. (This issue was heard on March 12 th , 2020).	AAB (2-1)

12	Hospital Community Benefits Plan Reporting (AB 204) 4140-021-BCP-2020-GB	\$-	\$519	2.0	OSHPD requests two positions and expenditure authority from the California Health Data and Planning Fund of \$519,000 in 2020-21, and \$245,000 annually thereafter to implement hospital community benefits plan data reporting requirements pursuant to AB 204 (Wood), Chapter 535, Statutes of 2019. (This issue was heard on March 12 th , 2020).	AAB (3-0)
13	Hospital Procurement Contracts Reporting (AB 962) 4140-028-BCP-2020-GB	\$-	\$790	2.0	OSHPD requests two positions and expenditure authority from the California Health Data and Planning Fund of \$790,000 in 2020-21, and \$290,000 annually thereafter to implement hospital procurement contract reporting requirements pursuant to AB 962 (Burke), Chapter 815, Statutes of 2019. (This issue was heard on March 12 th , 2020).	AAB (2-1)

GOVERNOR’S BUDGET ISSUES MODIFIED OR WITHDRAWN AT MAY REVISION

Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
14	Healthcare Payments Database Program Implementation Trailer Bill Proposal	\$-	\$-	0.0	OSHPD proposes trailer bill language to establish the Health Care Payments Data System, originally authorized by AB 1810 (Committee on Budget), Chapter 34, Statutes of 2018. The language would establish the system, establish a health care data advisory committee, authorize the types of data collected (e.g. utilization, claims, payments, etc.), require health care payers to submit health care data, authorize OSHPD to require health care providers and suppliers to submit data, authorize OSHPD to supplement information with public and private data sources, require publicly available reporting and data releases, require the protection of personal information, and allow OSHPD to assess a fee for access to non-public information in the system. The fee would be deposited in the Health Care Data Payments Fund, created by the language, and serve as the non-General Fund financing mechanism for the data system required by AB 1810. This language was the result of stakeholder engagement as part of the AB 1810 authority for the system. However, there is not yet consensus and a policy bill is pending.	Hold Open

NEW MAY REVISION PROPOSALS

Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
15	Elimination of Song-Brown Healthcare Workforce Training Program 4140-097-BCP-2020-MR	(\$33,333)	\$-	0.0	OSHPD requests elimination of ongoing General Fund expenditure authority of \$33.3 million approved in the 2019 Budget Act. Subject to budget control section “trigger” language, this reduction would be restored if the state received sufficient federal funds.	Hold Open

16	Loan from Hospital Building Fund (0121) to General Fund Budget Bill Language	\$-	\$-	0.0	Provides for a loan in the amount of \$40 million from the Hospital Building Fund to the General Fund.	AAB/ Adopt Placeholder BBL (2-1)
17	Mental Health Services Fund Reappropriation 4140-091-BBA-2020-MR 4140-092-BBA-2020-MR Budget Bill Language	\$-	\$-	0.0	Reappropriates Mental Health Services Fund expenditures to support the 2014-2019 Workforce Education and Training (WET) Program from prior budget years, as follows: 1) extend the period to liquidate encumbrances for funding approved in the 2017 Budget Act, and 2) reappropriate \$7.2 million approved in the 2018 Budget Act.	AAB/ Adopt Placeholder BBL (3-0)
18	Reversion of 2017 Administrative Savings for Song-Brown Program 4140-101-BCP-2020-MR	\$-	\$-	0.0	Reverts \$2 million General Fund approved in the 2017 Budget Act for state operations related to the Song-Brown program, but was not spent.	AAB (3-0)
19	Shift General Fund Support for WET 2020-2025 to Mental Health Services Fund 4140-102-BCP-2020-MR	(\$20,000)	\$20,000	0.0	Reverts \$20 million General Fund approved in the 2019 Budget Act for the 2020-2025 WET Program. Replaces the reverted General Fund with \$20 million Mental Health Services Fund from the State Administration account.	AAB (3-0)

4150 DEPARTMENT OF MANAGED HEALTH CARE						
<i>(dollars in thousands) (AAB=approve as budgeted; DWOP=defer without prejudice)</i>						
GOVERNOR’S BUDGET ISSUES UNCHANGED AT MAY REVISION						
Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
20	Health Care Coverage – Telehealth (AB 744) 4150-021-BCP-2020_GB	\$-	\$331	1.5	DMHC requests 1.5 positions and expenditure authority from the Managed Care Fund of \$331,000 in 2020-21, and \$379,000 annually thereafter to review health care service plan contracts, documents, and claims coverage of telehealth services, pursuant to AB 744 (Aguiar-Curry), Chapter 867, Statutes of 2019. (This issue was heard on March 12 th , 2020).	AAB (3-0)
21	Health Plans and Health Insurance – Third-Party Payments (AB 290) 4150-022-BCP-2020-GB	\$-	\$1,163	0.0	DMHC requests expenditure authority from the Managed Care Fund of \$1.2 million in 2020-21, and \$775,000 in 2021-22 to establish an Independent Dispute Resolution Process, promulgate regulations, receive health plan data regarding cost savings, and review Evidence of Coverage documents to verify health plan compliance with AB 290 (Wood), Chapter 862, Statutes of 2019. (This issue was heard on March 12 th , 2020).	AAB (2-1)
22	Information Security Resources 4150-005-BCP-2020-GB	\$-	\$384	2.0	DMHC requests two positions and expenditure authority from the Managed Care Fund of \$384,000 in 2020-21, \$368,000 in 2021-22 and 2022-23, and \$328,000 annually thereafter to address information security and cybersecurity vulnerabilities. (This issue was heard on March 12 th , 2020).	AAB (3-0)

23	Large Group Rate Review (AB 731) 4150-020-BCP-2020-GB	\$-	\$1,747	5.0	DMHC requests five positions and expenditure authority from the Managed Care Fund of \$1.7 million in 2020-21, and \$2.6 million annually thereafter to create a new process for review of rates in the large group market and modify existing reporting requirements in the individual and small group markets, pursuant to AB 731 (Kalra), Chapter 807, Statutes of 2019. (This issue was heard on March 12 th , 2020).	AAB <i>(2-1)</i>
NEW MAY REVISION PROPOSALS						
Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
24	Behavioral Health Focused Investigations 4150-028-BCP-2020-GB	\$-	\$2,757	14.5	DMHC requests 14.5 positions and expenditure authority from the Managed Care Fund of \$2.8 million in 2020-21, 18.5 positions and \$4.7 million in 2021-22, and 18.5 positions and \$4.7 million annually thereafter to conduct focused investigations and enforcement of health plan compliance with behavioral health parity requirements.	AAB <i>(2-0)</i>
25	Loan from Managed Care Fund (0933) to General Fund Budget Bill Language	\$-	\$-	0.0	Provides for a loan in the amount of \$2 million from the Managed Care Fund to the General Fund.	AAB/ Adopt Placeholder BBL <i>(2-1)</i>
26	Technical Adjustment to Reflect Lower Consulting Costs for AB 2674 4150-030-BBA-2020-GB	\$-	(\$472)	0.0	Technical adjustment to reflect funding not approved in the Project Approval Lifecycle process for information technology costs related to implementation of AB 2674 (Aguiar-Curry), Chapter 303, Statutes of 2018. The adjustment results in a reduction of \$472,000 Managed Care Fund.	AAB <i>(3-0)</i>

4260 DEPARTMENT OF HEALTH CARE SERVICES						
<i>(dollars in thousands) (AAB=approve as budgeted; DWOP=defer without prejudice)</i>						
GOVERNOR'S BUDGET ISSUES UNCHANGED AT MAY REVISION						
Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
27	Adult Use of Marijuana Act: Prop 64 Youth Education, Prevention, and Treatment Workload 4260-170-BBA-2020-GB	\$-	\$199,666	0.0	The Administration proposes to allocate \$199.7 million of Proposition 64 revenue in 2020-21 to support education, prevention, and treatment of youth substance use disorders and school retention. These allocations are unchanged from the level approved in 2019-20.	AAB <i>(3-0)</i>
28	Aligning Rate Review with Access Monitoring Plan Trailer Bill Proposal	\$-	\$-	0.0	DHCS proposes trailer bill language to eliminate obsolete requirements for rate reviews for physician and dentist services to align with federal access-to-care requirements. The language would allow review every three years, clarify the review refers to fee-for-service, specify consistency in rate review with DHCS' federally approved access monitoring plan, and remove obsolete references to data sources for the review.	AAB/ Adopt Placeholder TBL <i>(2-0)</i>
29	Behavioral Health Network Adequacy 4260-061-BCP-2020-GB	\$605	\$605	4.0	DHCS requests four positions and expenditure authority of \$1.2 million (\$605,000 General Fund and \$605,000 federal funds) in 2020-21, \$1.1 million (\$569,000 General Fund and \$569,000 federal funds) in 2021-22, and \$585,000 (\$293,000 General Fund and \$292,000 federal funds) annually thereafter to assist county mental health plans and Drug Medi-Cal Organized Delivery System programs comply with federal network adequacy requirements for the delivery of behavioral health services.	AAB <i>(3-0)</i>

30	California 1115 Waiver – Medi-Cal 2020 4260-064-BCP-2020-GB	\$142	\$141	0.0	DHCS requests expenditure authority of \$283,000 (\$142,000 General Fund and \$142,000 federal funds) in 2020-21 and 2021-22 to support reporting, monitoring, and evaluation of the Whole Person Care, Seniors and Persons with Disabilities, and California Children’s Services Programs. This request is a two-year extension of previously approved resources.	AAB (3-0)
31	County Eligibility Oversight and Monitoring 4260-062-BCP-2020-GB	\$140	\$139	0.0	DHCS requests expenditure authority of \$279,000 (\$140,000 General Fund and \$139,000 federal funds) in 2020-21 to continue oversight, monitoring, and analysis of county eligibility funding, pursuant to SB 28 (Hernandez), Chapter 442, Statutes of 2013.	AAB (3-0)
32	Dental Services Program Procurements Administrative Services Organization 4260-065-BCP-2020-GB	\$331	\$330	0.0	DHCS requests expenditure authority of \$661,000 (\$331,000 General Fund and \$330,000 federal funds) in 2020-21 and \$625,000 (\$313,000 General Fund and \$312,000 federal funds) in 2021-22 and 2022-23 to oversee the procurement, contract transition, and related activities for annual procurement of the Administrative Services Organization contract for the Denti-Cal program.	AAB (3-0)

33	Drug Medi-Cal Reimbursement for Medication Assisted Treatment for Opioid Use Disorders Trailer Bill Proposal	\$-	\$-	0.0	DHCS proposes trailer bill language to provide statewide reimbursement to all State Plan Drug Medi-Cal certified providers for the provision of Medication Assisted Treatment services to treat opioid use disorders. Currently, reimbursement is only allowed for methadone and naltrexone. This language would allow reimbursement for all FDA-approved medication for the treatment of opioid use disorders, as well as counseling services and behavioral therapy in pursuant to the requirements of the federal SUPPORT for Patients and Communities Act.	AAB/ Adopt Placeholder TBL (3-0)
34	Electronic Record Incentive Program Name Change and Extension Trailer Bill Proposal	\$-	\$-	0.0	DHCS proposes trailer bill language to change the name of the Electronic Health Record Incentive Program to the Medi-Cal Promoting Interoperability Program, to reflect a renewed focus on program and data interoperability, and to extend the sunset date for the program from July 1, 2021, to January 1, 2024.	AAB/ Adopt Placeholder TBL (3-0)
35	Family PACT Program Administration and Integrity 4260-067-BCP-2020-GB	\$186	\$1,668	0.0	DHCS requests expenditure authority of \$1.9 million (\$186,000 General Fund and \$1.7 million federal funds) annually to increase monitoring, oversight, and program integrity activities of the Family PACT program. Given the General Fund condition, staff recommends deferring this proposal to allow time to further evaluate the availability of funding.	DWOP (3-0)

36	Managed Care Alternative Access Standards (AB 1642)	\$500	\$949	0.0	DHCS requests expenditure authority of \$1.4 million (\$500,000 General Fund and \$949,000 federal funds) in 2020-21, and \$1.4 million (\$482,000 General Fund and \$931,000 federal funds) annually thereafter to support the External Quality Review Organization for monitoring of managed care provider network adequacy standards, pursuant to AB 1642 (Wood), Chapter 465, Statutes of 2019.	AAB (3-0)
37	Managed Care Organization Provider Tax (AB 115)	\$140	\$140	0.0	DHCS requests expenditure authority of \$280,000 (\$140,000 General Fund and \$140,000 federal funds) to support implementation and oversight of the managed care enrollment tax implemented by AB 115 (Committee on Budget), Chapter 348, Statutes of 2019.	AAB (2-1)
38	Medi-Cal Home- and Community-Based Services (SB 289) 4260-084-BCP-2020-GB	\$70	\$70	0.0	DHCS requests expenditure authority of \$140,000 (\$70,000 General Fund and \$70,000 federal funds) in 2020-21 and \$131,000 (\$66,000 General Fund and \$65,000 federal funds) annually thereafter to implement secondary waiting lists for home- and community-based services programs specific to military families on active duty, pursuant to SB 289 (Archuleta), Chapter 846, Statutes of 2019.	AAB (3-0)

39	Pharmacy Proposals Trailer Bill Proposal	\$-	\$-	0.0	DHCS proposes trailer bill language to implement several initiatives and other changes to reduce the cost of prescription drugs in the state, including: 1) allowing Medi-Cal to negotiate for rebates based on the international “best price”, 2) allow DHCS to seek federal approval to establish a prescription drug rebate program for non-Medi-Cal populations, and 3) eliminate copays and the six prescription limit in Medi-Cal fee-for-service.	AAB/ Adopt Placeholder TBL (2-0)
40	Program of All-Inclusive Care for the Elderly (AB 1128) 4260-086-BCP-2020-GB	\$549	\$460	0.0	DHCS requests expenditure authority of \$1 million (\$460,000 PACE Oversight Fund and \$549,000 federal funds) in 2020-21, and \$1.7 million (\$771,000 PACE Oversight Fund and \$917,000 federal funds) annually thereafter to support transfer of oversight and regulatory responsibilities for PACE licensure exemption process from the Department of Public Health to DHCS, pursuant to AB 1128 (Petrie-Norris), Chapter 821, Statutes of 2019. The non-federal share of these resources is funded from the PACE Oversight Fund, established by AB 1128 to collect revenue from PACE organizations that they would have otherwise spent on licensure.	AAB (3-0)

41	Restoration of Dental Fee-for-Service in Sacramento and Los Angeles Trailer Bill Proposal	(\$8,305)	(\$12,182)	0.0	DHCS proposes trailer bill language to eliminate dental managed care in Sacramento and Los Angeles Counties and transition beneficiaries into fee-for-service. DHCS estimates 773,524 beneficiaries will receive dental benefits from a dental managed care plan in these two counties. According to DHCS, this transition would allow implementation of more effective and uniform provider and beneficiary outreach plans and increase utilization. Given the significant turmoil in dental practices as a result of the pandemic, staff recommends deferring this proposal to allow for further assessment of the feasibility of disrupting the usual source of dental care for such a significant number of Medi-Cal beneficiaries at this time.	DWOP (3-0)
42	STRTP Mental Health Program Approval, Oversight, and Monitoring 4260-057-BCP-2020-GB	\$690	\$690	0.0	DHCS requests expenditure authority of \$1.4 million (\$690,000 General Fund and \$690,000 federal funds) in 2020-21 and 2021-22 to continue monitoring, oversight, and approvals of mental health services in Short-Term Residential Therapeutic Programs (STRTPs). These resources were previously approved in the 2018 Budget Act in the Department of Social Services through an interagency agreement with DHCS. This request would extend those resources for an additional two years and fund them in the DHCS budget.	AAB (3-0)

GOVERNOR'S BUDGET ISSUES MODIFIED OR WITHDRAWN AT MAY REVISION						
Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
43	340B Supplemental Payment Pool 4260-185-ECP-2020-MR 4260-276-ECP-2020-MR	\$-	\$-	0.0	WITHDRAWN – DHCS requests to withdraw its January budget proposal of \$52.5 million (\$26.3 million General Fund and \$26.3 million federal funds) to provide supplemental payments to non-hospital providers in the federal 340B program. These payments were intended to replace lost revenue from implementation of Medi-Cal Rx. While DHCS is withdrawing the supplemental payment proposal, it intends to proceed with Medi-Cal Rx.	Hold Open
44	Aged, Blind, and Disabled FPL Program (AB 1088) 4260-083-BCP-2020-GB 4260-264-BCP-2020-MR	\$-	\$-	0.0	WITHDRAWN – DHCS requests to withdraw its January budget request for resources to direct, plan, implement and monitor the implementation of AB 1088 (Wood), Chapter 450, Statutes of 2019, which allows individuals in the Aged and Disabled program to remain eligible for the program regardless of the state's payment of Medicare Part B premiums, which would otherwise be counted as income. DHCS is also proposing to not implement AB 1088.	Hold Open
45	Behavioral Health Quality Improvement Program 4260-182-BCP-2020-GB 4260-239-BCP-2020-MR	\$-	\$-	0.0	WITHDRAWN – DHCS requests to withdraw its January budget proposal to implement a Behavioral Health Quality Improvement Program to incentivize system changes and process improvements in county behavioral health programs. This funding was part of the Behavioral Health Payment Reform component of the California Advancing and Innovating in Medi-Cal (CalAIM) initiative, which DHCS is proposing to delay.	AAB/ Withdrawn (3-0)

46	<p>Conform Inmate Eligibility to Federal Law 4260-131-BCP-2020-GB 4260-209-BCP-2020-MR Trailer Bill Proposal</p>	\$1,244	\$2,504	0.0	<p>DHCS is requesting to modify its January proposal to implement the provisions of the federal SUPPORT for Patients and Communities Act, which prohibits states from terminating Medi-Cal eligibility for a juvenile under age 21 or foster care youth under age 26 while incarcerated. The modified request is for \$3.7 million (\$1.2 million General Fund and \$2.5 million federal funds) in 2020-21, and \$139,000 (\$70,000 General Fund and \$69,000 federal funds) annually thereafter. DHCS also proposes trailer bill language to align state law with the SUPPORT Act.</p>	<p>AAB/ Adopt Placeholder TBL (2-0)</p>
47	<p>Data Transparency Workload 4260-059-BCP-2020-GB 4260-236-BCP-2020-MR</p>	\$-	\$-	0.0	<p>WITHDRAWN – DHCS requests to withdraw its January budget proposal to address departmental data transparency efforts, including HIPAA-compliant data management and reporting, as well as data submissions to the Open Data Portal.</p>	<p>AAB/ Withdrawn (3-0)</p>
48	<p>Drug Medi-Cal Organized Delivery System Resources 4260-060-BCP-2020-GB 4260-235-BCP-2020-MR</p>	\$575	\$575	0.0	<p>DHCS requests to modify its January budget proposal for oversight of Drug Medi-Cal Organized Delivery System (DMC-ODS) programs. The modified request is for \$1.2 million (\$575,000 General Fund and \$575,000 federal funds) in 2020-21 to support the External Quality Review Organization contract, which conducts independent review of DMC_ODS counties for quality of care, timeliness of services, and access to services. This review is required by the terms of the state’s 1115 Waiver.</p>	<p>AAB (3-0)</p>

49	Drug Rebate Fund Reserve 4260-183-ECP-2020-GB 4260-290-ECP-2020-MR	\$-	\$-	0.0	WITHDRAWN – DHCS requests to withdraw its January budget allocation of \$181 million of prescription drug rebate funds to the Drug Rebate Fund. This fund was created to smooth volatility in prescription drug rebate revenue to the state. Instead, these rebate reserve funds will support the delivery of health care services in the Medi-Cal program.	AAB/ Withdrawn (3-0)
50	CalAIM Resources 4260-128-ECP-2020-GB 4260-301-ECP-2020-MR	\$-	\$-	0.0	WITHDRAWN – DHCS requests to withdraw its January budget proposal to provide \$347.5 million for enhanced care management benefits and incentives for the provision of in-lieu-of services as part of the CalAIM initiative. Due to the pandemic, DHCS is delaying CalAIM and these funds are no longer necessary.	AAB/ Withdrawn (3-0)
51	Hearing Aids Grant Program 4260-142-ECP-2020-GB 4260-267-ECP-2020-MR	\$-	\$0	0.0	WITHDRAWN – DHCS requests to withdraw its January budget proposal for \$5 million General Fund to provide hearing aids and associated services to uninsured non-Medi-Cal children up to 600 percent of the federal poverty level.	Hold Open

<p>52</p>	<p>Medi-Cal Local Assistance Estimate 4260-092-ECP-2020-GB 4260-230-ECP-2020-MR 4260-241-ECP-2020-MR</p>	<p>\$2,260,861</p>	<p>\$4,777,261</p>	<p>0.0</p>	<p>The May 2020 Medi-Cal Estimate includes \$99.5 billion (\$23 billion General Fund, \$65.3 billion federal funds, and \$12.8 billion special funds and reimbursements) for expenditures in 2019-20, and \$112.1 billion (\$23.2 billion General Fund, \$72.9 billion federal funds, and \$16.1 billion special funds and reimbursements) for expenditures in 2020-21. These figures represent a decrease in estimated General Fund expenditures in the Medi-Cal program of \$332.3 million in 2019-20 and \$2.8 billion in 2020-21 compared to the Governor’s January budget.</p> <p>In 2019-20, the May Estimate assumes average monthly Medi-Cal caseload of 13 million, an increase of 1.6 percent compared to the January budget. In 2020-21, the May Estimate assumes average monthly Medi-Cal caseload of 14.2 million, an increase of 10.6 percent compared to the January budget and an increase of 9.2 percent compared to the revised caseload estimate for 2019-20. This significant increase in caseload is driven by the decline in economic conditions due to the pandemic, which were not reflected in the January budget.</p>	<p>Approve the balance of Estimate, with any changes necessary to conform to other actions that have been, or will be, taken. (2-0)</p>
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53	Family Health Estimate 4260-093-ECP-2020-GB 4260-229-ECP-2020-MR	\$18,304	(\$26,633,000)	0.0	The May 2020 Family Health Estimate includes \$199.9 million (\$148.1 million General Fund, -\$38.5 million federal funds, and \$90.3 million special funds and reimbursements) for expenditures in 2019-20, and \$267.7 million (\$226.8 million General Fund, \$5.1 million federal funds, and \$35.7 million special funds and reimbursements) for expenditures in 2020-21. These figures represent a decrease in estimated General Fund expenditures of \$46.6 million in 2019-20 and an increase of \$32.3 million in 2020-21 compared to the January budget. The 2019-20 changes are primarily attributed to increased rebates in the California Children’s Services program and the 2020-21 changes are attributed to increased costs in the Genetically Handicapped Persons Program for base expenditures.	Approve the balance of Estimate, with any changes necessary to conform to other actions that have been, or will be, taken. (2-0)
54	Medi-Cal Dental Program Integrity 4260-053-BCP-2020-GB 4260-234-BCP-2020-MR	\$234	\$233	0.0	DHCS requests to modify its January budget request for resources to support oversight and auditing of the dental program. The modified request is for \$467,000 (\$234,000 General Fund and \$233,000 federal funds) annually. Due to the significant turmoil in dental practices as a result of the pandemic, staff recommends deferring this proposal to allow for further assessment of how to support dental providers and maintain the availability of dental services in the Medi-Cal program.	DWOP (3-0)

55	Medi-Cal Dental Program Workload 4260-066-BCP-2020-GB 4260-238-BCP-2020-MR	\$-	\$-	0.0	WITHDRAWN – DHCS requests to withdraw its January budget proposal to perform monitoring and oversight of contracted vendors, establish quality improvements in contracts, and address other workload increases.	AAB/ Withdrawn (3-0)
56	MEDS Modernization Reduction 0530-040-BCP-2020-MR 4260-210-BBA-2020-MR	(\$402)	(\$4,160)	0.0	The Administration requests to modify the resources allocated for the Medi-Cal Eligibility Data System (MEDS) Modernization project, currently overseen by the Office of Systems Integration at CHSA. The modified proposal is for a reduction in the DHCS budget of \$4.6 million (\$402,000 General Fund and \$4.2 million federal funds) to reflect a shift in focus to an enterprise-wide modernization approach, known as Medi-Cal Enterprise System (MES).	AAB (3-0)
57	Medi-Cal Enterprise System Modernization – Federal Draw and Reporting Project 4260-193-BCP-2020-MR Budget Bill Language	\$1,135	\$10,037	0.0	DHCS requests expenditure authority of \$11.2 million (\$1.1 million General Fund and \$10 million federal funds) in 2020-21 to continue the Federal Draw and Reporting (FDR) project, which was part of the California Medicaid Management Information System (CA-MMIS) project. CA-MMIS, MEDS, and the California Behavioral Health Data System Modernization projects are being combined into the new Medi-Cal Enterprise System (MES) enterprise-wide modernization effort. DHCS also requests budget bill language to allow an augmentation of up to \$1.1 million of General Fund, contingent upon satisfactory progress of milestones for the project.	AAB/ Adopt Placeholder BBL (3-0)

58	Medi-Cal Rx (Pharmacy Carve-Out) – State Operations and Local Assistance 4260-068-BCP-2020-GB 4260-184-ECP-2020-GB 4260-345-ECP-2020-MR	(\$67,312)	(\$104,957)	0.0	DHCS requests expenditure authority of \$1.9 million (\$765,000 General Fund and \$1.1 million federal funds) in 2020-21 to support Medi-Cal Rx, the carve-out and ongoing management of the Medi-Cal pharmacy benefit in the fee-for-service delivery system. DHCS assumes General Fund savings of \$54.6 million for the Medi-Cal Rx transition. This transition results in significant impacts to health care providers that participate in the federal 340B drug rebate program. The January budget included resources to support supplemental payments to offset the lost revenue to these providers. DHCS has requested to withdraw the supplemental payment request. Staff recommends holding this item open to evaluate the overall impact of this and other proposals on Medi-Cal providers.	Hold Open
59	Program and Policy Lead Support for Eligibility and Enrollment Projects 4260-063-BCP-2020-GB 4260-237-BCP-2020-MR	\$-	\$-	0.0	WITHDRAWN – DHCS requests to withdraw its January budget proposal for resources to oversee and manage automation projects related to eligibility and enrollment.	AAB/ Withdrawn (3-0)
60	Undocumented Seniors Medi-Cal Eligibility Expansion 4260-187-ECP-2020-GB 4260-278-ECP-2020-MR 4260-341-ECP-2020-MR	\$-	\$-		WITHDRAWN – DHCS requests to withdraw its January budget proposal to expand full-scope Medi-Cal coverage to income-eligible seniors regardless of immigration status.	Hold Open

NEW MAY REVISION PROPOSALS						
Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
61	Adjust Managed Care Capitation Payments July 2019-December 2020 4260-294-ECP-2020-MR Trailer Bill Proposal	(\$181,978)	(\$403,938)	0.0	DHCS requests a reduction of \$586 million (\$182 million General Fund and \$404 million federal funds) to adjust Medi-Cal managed care capitation payments for the period of July 2019 to December 2020. The adjustment lowers the gross medical expense portion of the capitation payments for this period due to anticipated lower costs and utilization related to the pandemic. DHCS also requests trailer bill language to implement this proposal.	Hold Open
62	CA-MMIS Reappropriation 4260-196-BCP-2020-MR Budget Bill Language	\$5,138	\$13,062	0.0	DHCS requests to reappropriate expenditure authority of \$18.2 million (\$5.1 million General Fund and \$13.1 million federal funds) for turnover and takeover efforts for the CA-MMIS project. According to DHCS, this reappropriation is necessary due to the timing of final contract payments.	AAB/ Adopt Placeholder BBL (3-0)
63	COVID-19 Estimate Impacts 4260-346-ECP-2020-MR Trailer Bill Proposal	\$203,274,000	\$8,681,165	0.0	DHCS requests \$8.9 billion (\$203.3 million General Fund and \$8.7 billion federal funds) to reflect several impacts on the Medi-Cal program related to the COVID-19 pandemic. These impacts include increased caseload, suspension of annual redeterminations, increased federal flexibilities, and the increase in federal matching percentage. Staff and LAO analysis of caseload estimates have raised concerns about the assumed distribution of caseload increases across various Medi-Cal eligibility categories. Staff recommends holding this item open to allow further time to evaluate whether these assumptions are reasonable.	Hold Open

64	Restore "Senior Penalty" in Aged and Disabled Program 4260-274-ECP-2020-MR	(\$67,734)	(\$67,734)	0.0	DHCS requests to restore the "senior penalty" in Medi-Cal by declining to implement the increase in income eligibility for the Aged and Disabled Program to 138 percent of the federal poverty level approved in the 2019 Budget Act. DHCS estimates this proposal would result in General Fund savings of \$67.7 million in 2020-21.	Hold Open
65	Eliminate Aged and Disabled Medicare Part B Disregard (AB 1088) 4260-277-ECP-2020-MR	(\$478)	(\$478)	0.0	DHCS requests to eliminate the Medicare Part B disregard to determine eligibility for the Aged and Disabled program, pursuant to AB 1088 (Wood), Chapter 450, Statutes of 2019. DHCS estimates this proposal would result in General Fund savings of \$478,000.	Hold Open
66	Eliminate Medi-Cal Extension for Post-Partum Mental Health 4260-310-ECP-2020-MR	(\$34,291)	\$-	0.0	DHCS requests to eliminate the extension of pregnancy-only Medi-Cal coverage for up to 12 months after delivery for patients diagnosed with a maternal mental health condition, adopted in the 2019 Budget Act. DHCS estimates this proposal would result in General Fund savings of \$34.3 million. Subject to budget control section "trigger" language, this reduction would be restored if the state received sufficient federal funds.	Hold Open
67	Eliminate Non-Medical Transportation Broker 4260-269-ECP-2020-MR	(\$8,750)	(\$8,750)	0.0	DHCS requests to eliminate funding for a broker to coordinate the delivery of the Medical non-medical transportation benefit. DHCS estimates this proposal would result in General Fund savings of \$8.8 million.	AAB (3-0)

68	Eliminate Screening, Brief Intervention, Referral to Treatment (SBIRT) for Opioids and Other Drugs 4260-309-ECP-2020-MR	(\$466)	(\$827)	0.0	DHCS requests to eliminate funding for screening, brief intervention, and referral to treatment (SBIRT) for opioids and other drugs, adopted in the 2019 Budget Act. DHCS estimates this proposal would result in General Fund savings of \$466,000. Subject to budget control section “trigger” language, this reduction would be restored if the state received sufficient federal funds.	Hold Open
69	Electronic Cigarette Products Tax 4260-303-ECP-2020-MR	(\$9,600)	\$9,600	0.0	The Administration is proposing an additional tax on electronic cigarettes to address the rapid increase in youth use of these products. The tax will begin on January 1, 2021, and will be used to increase enforcement and offset costs in the Medi-Cal program. DHCS estimates the tax will result in General Fund offsets for expenditures in the Medi-Cal program of \$9.6 million.	AAB (2-1)
70	Eliminate Caregiver Resource Centers Augmentation 4260-283-ECP-2020-MR	(\$10,000)	\$-	0.0	DHCS requests to eliminate funding approved in the 2019 Budget Act for caregiver resource centers, which provide support to family caregivers of adults needing assistance to allow them to remain in the community. DHCS estimates this proposal will result in General Fund savings of \$10 million. Given the concerns about COVID-19 outbreaks in skilled nursing facilities, and the need to support seniors remaining in the community, staff recommends rejecting this proposal.	Reject (3-0)

71	Eliminate Community-Based Adult Services 4260-273-ECP-2020-MR	(\$95,200)	(\$96,100)	0.0	DHCS proposes to eliminate Community-Based Adult Services (CBAS) as a Medi-Cal benefit. CBAS provides services to eligible older adults or persons with disabilities to restore or maintain their optimal capacity for self-care and delay or prevent inappropriate or personally undesirable institutionalization. DHCS estimates this proposal will result in General Fund savings of \$95.2 million. Subject to budget control section “trigger” language, this reduction would be restored if the state received sufficient federal funds.	Hold Open
72	Eliminate EPSDT Case Management Allocation to Counties 4260-271-ECP-2020-MR Trailer Bill Proposal	(\$6,576)	(\$12,100)	0.0	DHCS proposes to eliminate funding for case management for counties administering the Early and Periodic Screening Diagnosis and Treatment (EPSDT) benefit to Medi-Cal eligible children. DHCS estimates this proposal will result in General Fund savings of \$6.6 million. Subject to budget control section “trigger” language, this reduction would be restored if the state received sufficient federal funds.	Hold Open
73	Eliminate Family Mosaic Project 4260-320-ECP-2020-MR	(\$1,100)	\$-	0.0	DHCS proposes to eliminate funding for the Family Mosaic Project, which manages children diagnosed with emotional disturbance who are at risk for out-of-home placement. The program is state-funded and based in San Francisco. DHCS estimates this proposal will result in General Fund savings of \$1.1 million.	Hold Open

<p>74</p>	<p>Elimination of Optional Medi-Cal Benefits 4260-284-ECP-2020-MR 4260-285-ECP-2020-MR 4260-286-ECP-2020-MR 4260-287-ECP-2020-MR 4260-289-ECP-2020-MR 4260-307-ECP-2020-MR 4260-308-ECP-2020-MR 4260-314-ECP-2020-MR 4260-315-ECP-2020-MR 4260-316-ECP-2020-MR 4260-317-ECP-2020-MR 4260-318-ECP-2020-MR 4260-321-ECP-2020-MR Trailer Bill Proposal</p>	<p>(\$54,265)</p>	<p>(\$123,747)</p>	<p>0.0</p>	<p>DHCS proposes to eliminate optional benefits in the Medi-Cal program. Optional benefits refers to benefits that are not required by the federal government to be offered to Medicaid recipients. The benefits proposed for elimination include:</p> <ul style="list-style-type: none"> • Adult dental (partial reduction) • Optometry • Optician/optical lab • Audiology • Incontinence creams/washes • Pharmacist-delivered Services • Speech therapy • Podiatry • Acupuncture • Nurse anesthetists • Occupational therapy • Physical therapy • Diabetes prevention program <p>Many of these benefits were recently restored in the current fiscal year for the first time since 2009. DHCS estimates these proposals will result in General Fund savings of \$54.3 million. DHCS also proposes trailer bill language to implement these benefit reductions. Subject to budget control section “trigger” language, this reduction would be restored if the state received sufficient federal funds.</p>	<p>Hold Open</p>
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75	Eliminate Multipurpose Senior Services Program 4260-302-ECP-2020-MR Trailer Bill Proposal	\$-	(\$13,700)	0.0	DHCS proposes to eliminate the multipurpose senior services program, administered under a federal waiver by the California Department of Aging. DHCS also proposes trailer bill language to implement the elimination of this benefit. Subject to budget control section “trigger” language, this reduction would be restored if the state received sufficient federal funds.	Hold Open
76	Eliminate Rate Carve-Outs for Community Clinics 4260-339-ECP-2020-MR Trailer Bill Proposal	(\$50,000)	(\$50,000)	0.0	DHCS proposes to eliminate services carved out of a community clinic’s Prospective Payment System (PPS) rate. Currently, a clinic may carve out pharmacy or dental services, as well as specialty mental health and Drug Medi-Cal services, from its PPS rate. This proposal would still allow specialty mental health and Drug Medi-Cal services to be carved out. DHCS estimate this proposal will result in General Fund savings of \$50 million. Subject to budget control section “trigger” language, this reduction would be restored if the state received sufficient federal funds.	Hold Open

<p>77</p>	<p>Eliminate Proposition 56 Supplemental Payments, Value-Based Payments, Loan Repayment and Staffing 4260-186-ECP-2020-GB 4260-279-ECP-2020-MR 4260-280-ECP-2020-MR 4260-281-ECP-2020-MR 4260-282-ECP-2020-MR 4260-331-ECP-2020-MR 4260-332-BCP-2020-MR 4260-334-ECP-2020-MR 4260-335-ECP-2020-MR Budget Bill Language Trailer Bill Proposal</p>	<p>(\$1,176,585)</p>	<p>\$668,764</p>	<p>0.0</p>	<p>DHCS proposes to eliminate nearly all supplemental payments to Medi-Cal providers supported by Proposition 56 tobacco tax revenue, and instead use that revenue to support growth in the Medi-Cal program. The 2020-21 reductions of Proposition 56 expenditures are as follows:</p> <ul style="list-style-type: none"> • Physician services - \$389 million • Dental services - \$183.8 million • Women’s health services - \$18.7 million • Family planning - \$35.9 million • Developmental screenings - \$20.8 million • CBAS - \$6.7 million • Non-emergency medical transportation - \$2.7 million • Intermediate care facilities – developmental disabilities - \$12.4 million • Hospital-based pediatric physicians - \$2 million • Adverse childhood experiences (ACEs) screening - \$7.6 million • ACEs provider training - \$21 million <p>DHCS also proposes to revert \$177.8 million approved in the 2018 Budget Act and \$120 million approved in the 2019 Budget Act for physician and dentist loan repayment, as well as \$147 million allocated to the Value-Based Payment program. DHCS also proposes trailer bill language to implement these reductions. Subject to budget control section “trigger” language, these reductions would be restored if the state received sufficient federal funds.</p>	<p>Hold Open</p>
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78	Eliminate the California Health Information Exchange Onboarding Program (Cal-HOP) 4260-295-ECP-2020-MR	(\$2,131)	(\$19,179)	0.0	DHCS proposes to eliminate funding for the California Health Information Exchange Onboarding Program (Cal-HOP), which provides funding to assist Medi-Cal providers to access and use health information exchange technology. DHCS estimates this proposal will result in General Fund savings of \$2.1 million.	AAB (2-0)
79	Eliminate the Health Insurance Premium Program 4260-291-ECP-2020-MR	(\$336)	(\$336)	0.0	DHCS proposes to eliminate the Health Insurance Premium Program, which covers premiums and cost-sharing for Medi-Cal beneficiaries with a high-cost medical condition that voluntarily enroll in other health coverage. There are approximately 140 individuals enrolled in this program. DHCS estimates this proposal will result in General Fund savings of \$336,000. Staff recommends rejecting this proposal to avoid loss of insurance coverage for these individuals during the pandemic.	Reject (3-0)
80	Eliminate Martin Luther King Jr. Community Hospital Supplemental Payments 4260-293-ECP-2020-MR	(\$8,158)	(\$16,600)	0.0	DHCS proposes to eliminate funding for supplemental payments that support the Martin Luther King Jr. Community Hospital in Los Angeles. DHCS estimates this proposal will result in General Fund savings of \$8.2 million. Subject to budget control section “trigger” language, this reduction would be restored if the state received sufficient federal funds.	Hold Open
81	Fund 0009 Expenditure Adjustments 4260-219-BBA-2020-MR	\$-	\$1,600	0.0	DHCS requests a technical adjustment to expenditure authority in the Breast Cancer Fund to align expenditures with revenues in support for early breast cancer detection for uninsured and underinsured women in the Every Woman Counts program.	AAB (3-0)

82	Freeze on Medi-Cal County Administration Cost of Doing Business Increases 4260-323-ECP-2020-MR Trailer Bill Proposal	(\$11,000)	(\$20,400)	0.0	DHCS proposes to freeze cost-of-doing-business increases for county eligibility determination workload. Previously, county eligibility offices received a cost-of-doing business adjustment equivalent to the California Consumer Price Index. DHCS estimates this proposal will result in General Fund savings of \$11 million. Subject to budget control section “trigger” language, this reduction would be restored if the state received sufficient federal funds.	Hold Open
83	Managed Care Efficiencies 4260-327-ECP-2020-MR Trailer Bill Proposal	(\$87,806)	(\$184,079)	0.0	DHCS proposes to reduce costs for managed care capitation payments by implementing several managed care efficiency adjustments, including: 1) an inpatient maximum fee schedule for private and district/municipal public hospitals, 2) an adjustment based on the potential to avoid emergency room visits by low-acuity patients, 3) reduction in contracting levels through coding changes, and 4) a reduced managed care underwriting gain from 2 percent to 1.5 percent. DHCS estimates this proposal would result in General Fund savings of \$87.8 million.	Hold Open
84	Managed Care Organization Tax – General Fund Savings 4260-343-ECP-2020-MR	(\$1,686,645)	\$-	0.0	DHCS estimates net revenue from the Managed Care Organization tax of \$1.7 billion, which offsets the non-federal share of expenditures in the Medi-Cal program. The tax was recently approved by the federal government effective January 1, 2020.	AAB (2-0)

85	Miscellaneous Baseline Adjustments 4260-220-BBA-2020-MR 4260-240-BBA-2020-MR	\$-	\$143,165	0.0	DHCS requests increased federal fund expenditure authority of \$18.5 million in Item 4260-115-0890 and \$124.7 million in 4260-116-0890 to reflect the receipt of federal grant funds for mental health and substance use disorder treatment.	AAB (3-0)
86	Nursing Facility Financing Reform 4260-337-ECP-2020-MR Trailer Bill Proposal	\$92,802	\$92,802	0.0	DHCS requests trailer bill language to reauthorize a quality assurance fee on free-standing skilled nursing facilities that supports the non-federal share of reimbursement increases to these facilities. This fee was originally enacted by AB 1629 (Frommer), Chapter 875, Statutes of 2004, and the current authority for the fee expires on July 31, 2020. DHCS estimates the General Fund cost of implementation of its new fee proposal, along with the associated increased reimbursement rates, will be \$92.8 million in 2020-21. DHCS has been working with stakeholders to reach consensus on its trailer bill language proposal. However, the language was released publicly by the Administration on May 21, 2020. As a result, staff recommends approving the budget adjustments assumed for reauthorization of the fee, but deferring the trailer bill language proposal to allow sufficient time to evaluate its contents.	AAB/ Defer TBL (2-0)

87	Estate Recovery from Deceased Medi-Cal Beneficiaries 4260-272-ECP-2020-MR Trailer Bill Proposal	(\$16,900)	(\$16,900)	0.0	DHCS proposes to renew its estate recovery program that was eliminated in the 2016 Budget Act. Federal law currently requires the state to recover from the estates of deceased Medi-Cal beneficiaries 55 or older for the costs of providing nursing facility services, home- and community-based services, and related hospital and prescription drug services. Federal law gives states the option to recover for other health care services. Until the 2016 Budget Act, California recovered for all health care services from deceased Medi-Cal beneficiaries' estates. This proposal seeks to renew that practice. DHCS estimates this proposal will result in General Fund savings of \$16.9 million. Subject to budget control section "trigger" language, this reduction would be restored if the state received sufficient federal funds.	Hold Open
88	Reversions of Previously Funded Programs 4260-268-ECP-2020-MR 4260-275-ECP-2020-MR 4260-328-ECP-2020-MR 4260-349-BBA-2020-MR	(\$39,291)	\$-	0.0	DHCS proposes to revert funding for programs previously funded by the Legislature, including: <ul style="list-style-type: none"> • Medi-Cal Enrollment Navigators - \$15 million • Medi-Cal Interpreters Pilot - \$5 million • Behavioral Health Counselors in Emergency Departments - \$20 million 	Hold Open
89	Richmond Laboratory Lease Payment 4260-249-BBA-2020-MR Budget Bill Language	\$620	\$620	0.0	DHCS requests \$1.2 million (\$620,000 General Fund and \$620,000 federal funds) to reimburse the Department of Public Health for lease-revenue bond based rental payments at its Richmond Laboratory.	AAB/ Adopt Placeholder BBL (3-0)

<p>90</p>	<p>State-Only Claiming Adjustment (Behavioral Health) 4260-342-ECP-2020-MR</p>	<p>\$148,514</p>	<p>(\$148,514)</p>	<p>0.0</p>	<p>DHCS requests General Fund expenditure authority of \$148.5 million to repay the federal government for inappropriately claimed federal financial participation for non-emergency services provided to eligible, non-exempt, qualified immigrants. This request is for behavioral health services provided by county behavioral health programs. DHCS reports the General Fund will be used to repay the federal government and it expects counties to repay the state the portion for which they are responsible. Given the significant General Fund impacts of this proposed repayment, and relatively little detail provided by the department regarding how this error occurred, staff recommend deferring this proposal without prejudice to allow DHCS to provide additional information.</p>	<p>DWOP <i>(2-1)</i></p>
<p>91</p>	<p>State-Only Claiming Adjustment (Non-Behavioral Health) 4260-344-ECP-2020-MR</p>	<p>\$1,292,692</p>	<p>(\$1,590,425)</p>	<p>0.0</p>	<p>DHCS requests General Fund expenditure authority of \$1.3 billion to repay the federal government for inappropriately claimed federal financial participation for non-emergency services provided to eligible, non-exempt, qualified immigrants. This request is for the non-behavioral health components of the services subject to federal repayment. Given the significant General Fund impacts of this proposed repayment, and relatively little detail provided by the department regarding how this error occurred, staff recommend deferring this proposal without prejudice to allow DHCS to provide additional information.</p>	<p>DWOP <i>(2-1)</i></p>

92	Utilize Fund Balances to Support Medi-Cal 4260-304-ECP-2020-MR 4260-305-ECP-2020-MR	(\$136,552)	\$136,552	0.0	DHCS proposes to utilize balances from the following special funds to support the Medi-Cal program: 1) Fund 3156 - Children’s Health and Human Services Special Fund (\$100 million); and 2) Fund 3311 – Health Care Plan Fines and Penalties Fund (\$36.6 million).	AAB (3-0)
SENATE PROPOSALS						
93	Medically Tailored Meals Pilot Extension Legislative Proposal	\$-	\$-	0.0	The 2017 Budget Act included General Fund expenditure authority of \$2 million annually for three years and trailer bill language to implement a pilot project to deliver a medically tailored meal intervention to Medi-Cal beneficiaries with complex and high-cost health conditions. The program was initially scheduled to be completed in three years, but due to delayed implementation, the program will not be able to complete its full, three-year project before the sunset date in statute. Advocates are requesting an extension of program authority for an additional year. This proposal has no budgetary impact, as funding has already been allocated and encumbered.	Adopt Placeholder TBL (2-0)

4265 DEPARTMENT OF PUBLIC HEALTH

(dollars in thousands) (AAB=approve as budgeted; DWOP=defer without prejudice)

GOVERNOR’S BUDGET ISSUES UNCHANGED AT MAY REVISION

Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
94	ADAP MAGI Information Trailer Bill Proposal	\$-	\$-	0.0	DPH proposes trailer bill language to allow for electronic retrieval of AIDS Drug Assistance Program clients’ modified adjusted gross income data from the California Franchise Tax Board (FTB). According to DPH, state law only allows FTB to provide the adjusted gross income, which does not include household data necessary to calculate modified adjusted gross income (MAGI), which forms the basis of determinations of ADAP client eligibility. (This issue was heard on March 12 th , 2020).	AAB/ Adopt Placeholder TBL (3-0)
95	Immunization Medical Exemption Program 4265-059-BCP-2020-GB	\$3,400	\$-	15.0	DPH requests 15 positions and General Fund expenditure authority of \$3.4 million in 2020-21, and \$3.1 million annually thereafter to standardize processes for immunization medical exemption requests and build new capacity into the California Immunization Registry. (This issue was heard on March 12 th , 2020).	AAB (2-1)
96	Lead-Related Construction Fee APA Exemption Trailer Bill Proposal	\$-	\$-	0.0	DPH proposes trailer bill language to exempt from the Administrative Procedures Act the fee report mechanism implemented in the 2018 Budget Act to address funding issues in the Lead Related Construction Program. The 2018 Budget Act set a new fee of \$87 to provide a one-time increase to the program, under the assumption the fee report mechanism would address funding issues.	AAB/ Adopt Placeholder TBL (2-1)

97	Master Data Management Sustainability 4265-051-BCP-2020-GB	\$-	\$1,500	10.0	DPH requests ten positions and expenditure authority from the Health Statistics Special Fund of \$1.5 million annually to increase department-wide analytics for public health decision-making, to continue implementing master data management strategies, and implementation of data-driven community interventions. (This issue was heard on March 12 th , 2020).	AAB <i>(2-1)</i>
98	Pregnancy-Related Deaths and Severe Maternal Morbidity Data (SB 464) 4265-073-BCP-2020-GB	\$348	\$-	2.0	DPH requests two positions and General Fund expenditure authority of \$348,000 annually to track and publish data on pregnancy-related deaths and severe maternal morbidity, pursuant to the requirements of SB 464 (Mitchell), Chapter 533, Statutes of 2019.	AAB <i>(3-0)</i>
99	PrEP-AP – Initial 30-Day Supply of PrEP and PEP Trailer Bill Proposal	\$-	\$-	0.0	DPH proposes trailer bill language to allow the Pre-Exposure Prophylaxis Assistance Program to pay for an initial 30-day supply of pre-exposure prophylaxis (PrEP) and post-exposure prophylaxis (PEP) medication. The 2018 Budget Act authorized the ADAP program to furnish up to 14 days of PrEP or PEP to clients and up to 28 days of pep to clients who are victims of sexual assault. Currently these medications are only available from the manufacturer in packages comprising a 30 day supply. This proposal would allow ADAP to furnish an initial 30 day supply of medications to clients, consistent with current packaging practices of the manufacturer.	AAB/ Adopt Placeholder TBL <i>(3-0)</i>

100	Protecting Health Through Weatherization and Energy Efficiency Programs (AB 1232)	\$140	\$-	1.0	DPH requests one position and General Fund expenditure authority of \$140,000 annually to support the implementation of the Energy Efficiency Low-Income Weatherization Program, including development of a recommended action plan, providing health and financial benefits, and an assessment of the program. These activities are mandated pursuant to AB 1232 (Gloria), Chapter 754, Statutes of 2019.	AAB (2-1)
GOVERNOR’S BUDGET ISSUES MODIFIED OR WITHDRAWN AT MAY REVISION						
<i>Budget Change Proposals, Trailer Bill Language, or Technical Adjustments</i>						
Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
101	ADAP Enrollment System Maintenance and Operations Support 4265-057-BCP-2020-GB 4265-161-BBA-2020-MR	\$-	\$4,750	9.0	DPH requests nine positions and expenditure authority from the ADAP Rebate Fund of \$4.8 million annually to support ongoing maintenance and operations of the ADAP Enrollment System (AES), which manages eligibility determinations, enrollment, and medication access for clients of the ADAP program. At May Revision, DPH requests a net-zero shift between programs to accurately display expenditures. The AES is the system implemented by ADAP after its enrollment contractor failed to implement a secure enrollment system. (The January budget proposal was heard on March 12 th , 2020).	AAB (3-0)
102	California Cognitive Care Coordination Initiative 4265-122-BCP-2020-GB 4265-205-BCP-2020-MR	\$-	\$-	0.0	DPH requests to withdraw its January budget proposal for General Fund expenditure authority of \$3.6 million in 2020-21 for UC Davis to create a comprehensive coordinated statewide dementia care program.	AAB/ Withdrawn (3-0)

103	Center for Health Care Quality Operations Expansion 4265-124-BCP-2020-GB 4265-202-BCP-2020-MR	\$-	\$-	53.0	DPH requests to modify its January budget proposal to improve provider application processing times, and centralize provider support and regulatory assistance services in the Center for Health Care Quality. The modified request is for 53 positions and no additional funding to support existing licensing efforts.	AAB (2-0)
104	Cybersecurity Program Augmentation 4265-053-BCP-2020-GB 4265-171-BBA-2020-MR	\$-	\$1,900	9.0	DPH requests to modify its January budget proposal to address cybersecurity and privacy risks identified by security assessments conducted by the California Military Department, the California Department of Technology, and other assessments. The modified request is for nine positions and annual expenditure authority of \$1.9 million from federal funds, various special funds, and reimbursements.	AAB (3-0)
105	Public Health Electronic Tissue and Biologics (ETAB) Project 4265-056-BCP-2020-GB 4265-203-BCP-2020-MR	\$-	\$-	0.0	WITHDRAWN – DPH requests to withdraw its January budget proposal to implement the final stage of an electronic online licensing process for tissue bank and biologics and for annual maintenance and operations to support the system.	AAB/ Withdrawn (3-0)

Local Assistance Estimates

106	AIDS Drug Assistance Program (ADAP) – May Revision Estimate 4265-080-ECP-2020-GB 4265-235-ECP-2020-MR	\$-	(\$11,130)	0.0	The May 2020 ADAP Local Assistance Estimate reflects revised 2019-20 expenditures \$414.1 million, which is a decrease of \$17.2 million or four percent compared to the January budget. According to DPH, this decrease is primarily due to reduction in medication expenditures, private insurance premiums and out-of-pocket expenditures. For 2020-21, DPH estimates ADAP expenditures of \$438.3 million, a decrease of \$29.1 million or 6.2 percent compared to the January budget. According to DPH, this increase is similarly attributable to a reduction in medication costs, and lower insurance premium and out-of-pocket cost projections. Caseload is projected to be 33,884 in 2019-20, an increase of 1,261 or 3.9 percent compared to the January budget, and 36,523 in 2020-21, an increase of 2,604 or 7.7 percent compared to the January budget.	AAB (3-0)
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<p>107</p>	<p>Women, Infants, and Children (WIC) Program – May Revision Estimate 4265-078-ECP-2020-GB 4265-234-ECP-2020-MR</p>	<p>\$-</p>	<p>(\$67,747)</p>	<p>0.0</p>	<p>The May 2020 WIC Estimate includes total expenditure authority of \$1.1 billion (\$854.9 million federal funds and \$210.1 million WIC manufacturer rebate funds) in 2019-20, a decrease of \$23.2 million (\$25.1 million federal funds offset by an increase of \$1.9 million WIC manufacturer rebate funds) compared to the January budget. The Estimate includes \$1.1 billion (\$834.6 million federal funds and \$189 million WIC manufacturer rebate funds) in 2020-21, a decrease of \$5.3 million (\$1.2 million federal funds and \$4.1 million WIC manufacturer rebate funds) compared to the January budget. The federal fund amounts include state operations costs of \$62.3 million in 2019-20 and \$59.2 million in 2020-21. According to DPH, these declines in expenditures are due to decreased participation in the program. WIC caseload is estimated to be 869,627 in 2019-20 and 818,547 in 2020-21.</p>	<p>AAB (3-0)</p>
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<p>108</p>	<p>Genetic Disease Screening Program (GDSP) – May Revision Estimate 4265-079-ECP-2020-GB 4265-233-ECP-2020-MR</p>	<p>\$-</p>	<p>\$32</p>	<p>0.0</p>	<p>The May 2020 Genetic Disease Screening Program Estimate includes expenditure authority from the Genetic Disease Testing Fund of \$142.1 million (\$31.4 million state operations and \$110.7 million local assistance) in 2019-20, a decrease of \$893,000 or 0.6 percent compared to the January budget. The estimate also includes \$141.3 million (\$31.7 million state operations and \$109.7 million local assistance) in 2020-21, a decrease of \$1.2 million or 0.9 percent compared to the January budget, and a decrease of \$747,000 or 0.5 percent compared to the revised 2019-20 estimate. According to DPH, the decreased costs in both fiscal years are primarily attributable to reduced estimates of live births in California.</p>	<p>AAB <i>(3-0)</i></p>
<p>109</p>	<p>Center for Healthcare Quality (CHCQ) – May Revision Estimate</p>		<p>\$8,100</p>	<p>59.0</p>	<p>The May 2020 Estimate for the Center for Health Care Quality includes \$322.7 million (\$4.3 million General Fund, \$101 million federal funds, and \$217.4 million special funds and reimbursements) in 2019-20, an increase of \$980,000 special fund compared to the Governor’s January budget, and \$350.3 million (\$4.3 million General Fund, \$99.6 million federal funds, and \$246.5 million special funds and reimbursements) in 2020-21, an increase of \$2.7 million special funds compared to the Governor’s January budget. The center will employ 1,350.3 staff in 2019-20, unchanged from the January budget, and 1,425.3 in 2020-21, a decrease of 16.5 or 1.2 percent compared to the January budget. As of February 2020, DPH reports a vacancy rate of 3.7 percent in its Health Facilities Evaluator Nurse classification due to recruitment consultants and other recruiting efforts.</p>	<p>AAB <i>(2-0)</i></p>

NEW MAY REVISION PROPOSALS						
Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
110	Adjustment to Extend Suspended Programs 4265-257-BBA-2020-MR Budget Bill Language	\$-	\$-	0.0	DPH requests to remove provisional language in Items 4265-001-0001 and 4265-111-0001 that suspend funding for sexually transmitted disease, human immunodeficiency virus, and hepatitis C prevention programs adopted in the 2019 Budget Act. This action would maintain ongoing funding for these programs.	AAB/ Adopt Placeholder BBL (3-0)
111	Various Technical Adjustments 4265-232-BBA-2020-MR 4265-157-BBA-2020-MR	\$-	(\$27)	0.0	DPH requests technical adjustments, as follows: 1) a decrease of \$27,000 in the Breast Cancer Research Fund to reflect changes in cigarette tax revenue, and 2) a net-zero funding shift between programs to accurately display expenditures.	AAB (3-0)
112	Black Infant Health Program Adjustment 4265-208-BBA-2020-MR	(\$4,500)	\$-	0.0	DPH requests reduction of General Fund resources for the Black Infant Health Program of \$4.5 million annually. Subject to budget control section “trigger” language, this reduction would be restored if the state received sufficient federal funds.	Hold Open
113	Center for Laboratory Sciences – Protecting California from Infectious Diseases	\$5,893	\$-	3.0	DPH requests three positions and General Fund expenditure authority of \$5.9 million in 2020-21 and \$4.8 million annually thereafter to support emergency response, public health laboratory capacity, disease surveillance, and emergency response. These resources extend funding for previously approved positions in the Infectious Disease Laboratory, establish three new positions to assist with coronavirus and other testing workload for local jurisdictions, and increase whole genome sequencing methods for foodborne disease identification.	AAB (3-0)

114	Enhanced Health Care Quality Services 4265-206-BCP-2020-MR	\$-	\$424	2.0	DPH requests two positions and expenditure authority from the Licensing and Certification Fund of \$424,000 annually to support detection and containment of antimicrobial resistant and high concern pathogens in health care settings.	AAB <i>(3-0)</i>
115	Facilitating Projects to Benefit Nursing Home Residents 4265-254-BCP-2020-MR	\$-	\$6,000	0.0	DPH requests expenditure authority from the Federal Health Facilities Citation Penalties Account of \$6 million in 2020-21, 2021-22, and 2022-23, to support federally approved projects to benefit nursing home residents. The proceeds of federal citations of skilled nursing facilities are required to be used to improve the quality of life of residents. DPH solicits requests for projects and, upon federal approval, oversees implementation.	AAB <i>(3-0)</i>
116	Special Fund Loans to the General Fund Budget Bill Language	\$-	\$-	0.0	Provides for the following special fund loans to the General Fund: 1) \$100 million from the ADAP Rebate Fund (3080) 2) \$3 million from the Genetic Disease Testing Fund (0203) 3) \$3 million from the Health Statistics Special Fund (0099) 4) \$3 million from the Infant Botulism Treatment and Prevention Fund (0272) Staff recommends adopting modified budget bill language to better ensure the ADAP Rebate Fund loan does not impact ADAP clients' access to medication and other support in the program.	AAB/ Adopt Modified Placeholder BBL <i>(2-1)</i>

117	Manufactured Cannabis Safety 4265-177-BCP-2020-MR	\$-	\$21,856	0.0	DPH requests expenditure authority of \$15.2 million (\$14.7 million Cannabis Control Fund and \$527,000 reimbursements) in 2020-21, and \$15 million (\$14.5 million Cannabis Control Fund and \$527,000 reimbursements) annually thereafter to continue support for the Medicinal and Adult-Use Cannabis Regulations and Safety Act and to continue the Medical Marijuana Identification Card Program. DPH also requests expenditure authority from the Cannabis Control Fund of \$5.6 million in 2020-21, 2021-22, and 2022-23 to support administrative hearings, IT system maintenance and operations and the California Cannabis Track and Trace System contract and tags.	AAB (3-0)
118	Proposition 99 Expenditure Adjustments 4265-249-BBA-2020-MR	\$-	(\$3,419)	0.0	DPH requests a technical adjustment to Proposition 99 tobacco tax revenue amounts, as follows: 1) a reduction of \$3 million in the Health Education Account, 2) a reduction of \$289,000 in the Research Account, and 3) a reduction of \$139,000 in the Unallocated Account. These adjustments reflect changes in estimates of Proposition 99 revenue.	AAB (3-0)
119	Protecting Children from the Damaging Effects of Lead Exposure 4265-136-BCP-2020-MR	\$-	\$10,300	0.0	DPH requests expenditure authority from the Childhood Lead Poisoning Prevention Fund of \$10.3 million annually to increase interventions and other activities designed to reduce exposure of children to lead. This resource request is in response to a state audit that recommended responding to increased caseload, requiring additional environmental enforcement by local jurisdictions, and setting evaluation requirements for outreach.	AAB (3-0)

120	Reducing Lead Exposure in Housing and Public Buildings 4265-148-BCP-2020-MR	\$-	\$415	0.0	DPH requests expenditure authority from the Lead Related Construction Special Fund of \$415,000 annually to support the Lead Related Construction Program's new online certification and payment system, conduct required activities, and address the program's financial sustainability.	AAB (3-0)
121	Reversion of Prior Year Savings Budget Bill Language	\$-	\$-	0.0	DPH requests reversion of unexpended General Fund balances approved in the 2019 Budget Act. These unspent funds were originally appropriated for sickle cell disease centers (\$60,000 unspent of \$15 million), a farmworker health study (\$150,000 unspent of \$1.5 million), and mental health disparities reduction grants (\$8 million unspent of \$8 million).	Reject (2-0)
122	Safe Cosmetics Program Reduction 4265-239-BBA-2020-MR	(\$500)	\$-	0.0	DPH requests to reduce General Fund expenditure authority of \$500,000 annually for the Safe Cosmetics Program approved in the 2019 Budget Act. These resources were intended to support enforcement positions for the program, which requires cosmetics manufacturers to submit information regarding toxic ingredients in their products. Prior to this augmentation, there were no enforcement staff for this program.	Reject (2-1)

4440 DEPARTMENT OF STATE HOSPITALS						
<i>(dollars in thousands) (AAB=approve as budgeted; DWOP=defer without prejudice)</i>						
GOVERNOR'S BUDGET ISSUES UNCHANGED AT MAY REVISION						
Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
123	Mission-Based Review – Protective Services 4440-044-BCP-2020-GB	\$7,900	\$-	46.3	DSH requests 46.3 positions and General Fund expenditure authority of \$7.9 million in 2020-21, 47.8 positions and \$13.4 million in 2021-22, and \$12 million annually thereafter to implement the first phase of a staffing standard to support protective services functions at DSH. The staffing standard was developed in collaboration with the Department of Finance and identified particular challenges with use of overtime at DSH-Napa. However, given the significant ongoing General Fund costs related to this proposal, staff recommends deferring to evaluate available budget resources.	DWOP <i>(3-0)</i>
124	Post-Incident Debriefing and Support 4440-008-BCP-2020-GB	\$831	\$-	5.0	DSH requests five positions and General Fund expenditure authority of \$831,000 annually to establish a statewide Employee Post-Incident Debriefing and Support Services program. This program would provide resources and medical, physical, and emotional support to DSH employees involved in a violent incident or assault.	AAB <i>(3-0)</i>
125	Patton Over-Bedding Sunset Extension Trailer Bill Proposal	\$-	\$-	0.0	DSH proposes trailer bill language to extend the sunset date from September 2020 to September 2030 to continue to operate 1,530 beds at Patton State Hospital. According to DSH, allowing this authority to sunset would Patton's patient-occupied bed capacity by 194.	AAB/ Adopt Placeholder TBL <i>(3-0)</i>

126	Medical Director Exempt Positions Trailer Bill Proposal	\$-	\$-	0.0	DSH proposes trailer bill language to transfer appointment authority of state hospital medical directors from the DSH Director to the Governor, upon recommendation from the Director. The language would also allow the Director to designate additional employees as officers beyond the hospital administrator, hospital director, and chief of police services.	AAB/ Adopt Placeholder TBL <i>(3-0)</i>
127	Atascadero: Potable Water Booster Pump System – Working Drawings Phase 4440-046-COBCP-2020-GB	\$229	\$-	0.0	DSH requests General Fund expenditure authority of \$229,000 in 2020-21 for the working drawings phase of the project to install a potable water booster pump system at Atascadero State Hospital. According to DSH, the hospital has experienced significant issues with water pressure below the level necessary for normal facility operations.	AAB <i>(3-0)</i>
GOVERNOR’S BUDGET ISSUES MODIFIED OR WITHDRAWN AT MAY REVISION						
<i>Budget Change Proposals, Trailer Bill Language, or Technical Adjustments</i>						
Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
128	Cooperative Electronic Document Management System 4440-010-BCP-2020-GB 4440-101-BCP-2020-GB	\$-	\$-	0.0	WITHDRAWN – The Administration requests to withdraw its January budget request for four positions and General Fund expenditure authority of \$6.4 million in 2020-21, \$4.1 million in 2021-22, and \$700,000 annually thereafter to support a Cooperative Electronic Document Management System for the three entities, including DSH, scheduled to relocate to the Allenby building.	AAB/ Withdrawn <i>(3-0)</i>

129	<p>Electronic Health Records within Clinical Assessments, Reports, and Evaluation System – Phase 2 4440-002-BCP-2020-GB 4440-097-BCP-2020-MR</p>	\$2,425	\$-	4.0	<p>DSH requests to modify its January budget proposal to continue planning and procurement of the electronic health record (EHR) component of the “Continuum” patient care system. The request would support the completion of Stages 3 and 4 of the Project Lifecycle Approval process. The modified request is for four positions and General Fund expenditure authority of \$2.4 million in 2020-21 and eight positions and \$3.2 million annually thereafter. The January budget requested 18 positions and \$9.6 million in 2020-21 and \$3.4 million annually thereafter. DSH estimates the full project cost over a period of six years is \$200 million. As a result, staff recommends deferring this proposal for further evaluation of available budget resources.</p>	<p>DWOP (3-0)</p>
130	<p>Increased Resources for Regulation Promulgation 4440-011-BCP-2020-GB 4440-103-BCP-2020-GB</p>	\$-	\$-	0.0	<p>WITHDRAWN – DSH requests to withdraw its January budget proposal for General Fund expenditure authority of \$483,000 in 2020-21 and 2021-22 to manage workload related to the promulgation of regulations.</p>	<p>AAB/ Withdrawn (3-0)</p>
131	<p>Metropolitan – Fire Alarm Upgrade Reappropriation 4440-073-COBCP-2020-MR</p>	\$-	\$-	0.0	<p>DSH requests reappropriation language to extend the liquidation period for the construction phase of funding for the Metropolitan Fire Alarm System Upgrade project. An extension of the liquidation period is needed due to delays in the regulatory review process.</p>	<p>AAB (3-0)</p>

132	Patton- Fire Alarm System Upgrade Reappropriation 4440-071-COBCP-2020-MR	\$-	\$-	0.0	DSH requests reappropriation language for the construction phase of funding for the Patton Fire Alarm System Upgrade project. According to DSH, reappropriation of previously approved funding is needed due to delays in the regulatory review process and would allow DSH to complete the working drawings phase of the project and proceed to construction in 2020-21.	AAB <i>(3-0)</i>
133	Mission-Based Review – Treatment Team 4440-049-BCP-2020-GB 4440-109-BCP-2020-MR	\$9,400	\$-	36.3	DSH requests to modify its January budget proposal to modify clinical treatment staffing to support additional workload for providing psychiatric and medical care to DSH patients, as determined by a Clinical Staffing Study developed by DSH and the Department of Finance. The modified request is for 36.3 positions and General Fund expenditure authority of \$9.4 million in 2020-21, 149.9 positions and \$37.7 million in 2021-22, 198.6 positions and \$49.7 million in 2022-23, 228.6 positions and \$57.5 million in 2023-24, and 250.2 positions and \$64.2 million in 2024-25. The total General Fund cost across the five year budget horizon would be \$218.5 million. As a result, staff recommends deferring this proposal for further evaluation of available budget resources.	DWOP <i>(3-0)</i>

<p>134</p>	<p>Pharmacy Modernization – Phase 2 4440-003-BCP-2020-GB 4440-096-BCP-2020-GB</p>	<p>\$928</p>	<p>\$-</p>	<p>0.0</p>	<p>DSH requests to modify its January budget proposal to support the modernization of pharmacy management systems at its state hospitals. The modified request is for General Fund expenditure authority of \$928,000 in 2020-21, \$5.6 million in 2021-22, and \$823,000 annually thereafter. The 2019 Budget Act included \$2.2 million to fund complete Project Lifecycle Approval stages 2 through 4 by May 2020. The modification delays the timeline for Phase 2 of this project, with all five hospitals completed by 2022-23. While General Fund costs for this project in the next two years are significant, the project is near completion and ongoing costs are reasonable. As a result, staff recommends approval of the modified request.</p>	<p>AAB (3-0)</p>
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<p>135</p>	<p>Relocation to the Clifford L. Allenby Building- Phase 2 4440-009-BCP-2020-GB 4440-100-BCP-2020-MR Budget Bill Language</p>	<p>\$3,250</p>	<p>\$-</p>	<p>0.0</p>	<p>The Administration requests to modify its January budget request to support relocation of CHHSA, DSH and the Department of Developmental Services (DDS) to the Clifford L. Allenby Building. The modified request is for General Fund expenditure authority of \$3.3 million in 2020-21. The modified request eliminates funding for 2021-22 and beyond that was part of the January budget proposal, as the Administration is reevaluating space needs, the use of telework, and restacking opportunities in state-owned buildings. The Administration also proposes budget bill language to allow expenditure of these funds until June 30, 2023, and that they shall not be available until the State’s evaluation of telework and restacking is complete. Given the shift in working conditions due to the pandemic, this approach is reasonable and staff recommends approval of the modified request.</p>	<p>AAB (3-0)</p>
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<p>136</p>	<p>Statewide Integrated Health Care Provider Network 4440-006-BCP-2020-GB 4440-106-BCP-2020-MR</p>	<p>\$3,156</p>	<p>\$-</p>	<p>0.0</p>	<p>DSH requests to modify its January budget proposal to contract for a Statewide Integrated Health Care Provider Network, including prior authorization and third-party administration services. The modified request is for General Fund expenditure authority of \$3.2 million in 2020-21, \$2.2 million in 2021-22 and 2022-23, and \$1.4 million annually thereafter. DSH reports its five hospitals each independently contract with outside medical providers for patients requiring specialty care, with each experiencing unique challenges of provider availability, rate negotiation, geographic location, and an aging population. While the use of a vendor to manage a standardized provider network, prior authorization, and third party administration may alleviate some of these challenges, this request must be evaluated in the context of a significant General Fund shortfall. As a result, staff recommends deferring this proposal for further evaluation of available budget resources.</p>	<p>DWOP (3-0)</p>
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<p>137</p>	<p>Statewide Ligature Risk Special Repair Funding 4440-005-BCP-2020-GB 4440-102-BCP-2020-MR</p>	<p>\$5,257</p>	<p>\$-</p>	<p>0.0</p>	<p>DSH requests to modify its January budget proposal to mitigate ligature risk within four of its Joint Commission accredited hospitals. The modified request is for General Fund expenditure authority of \$5.3 million in 2020-21 and 2021-22, \$8.4 million in 2022-23 and 2023-24, and \$15.4 million in 2024-25, 2025-26, and 2026-27. The federal Centers for Medicare and Medicaid Services, as well as the Joint Commission have indicated an increased focus on ligature risks, which are defined as anything which could be used to attach a cord, rope, or other material for the purpose of hanging or strangulation. The modified request prioritizes the highest risk repairs for mitigation. Although the General Fund costs for this proposal remain significant, these expenditures protect patient safety and are subject to federal and accreditation requirements. Staff recommends approval.</p>	<p>AAB (3-0)</p>
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138	Statewide Roof Repairs and Replacement 4440-004-BCP-2020-GB 4440-099-BCP-2020-GB	\$26,700	\$-	1.0	DSH requests to modify its January budget proposal to replace roofs at its state hospitals. The modified request is for one position and \$26.7 million in 2020-21 and \$129,000 annually thereafter. Instead of replacing seven roofs, the modified request would replace three of the most extensively deteriorated roofs at Napa, Metropolitan, and Patton. According to DSH, each of these roofs is subject to water intrusion into the building, which may lead to mold, licensure violations, and negative impacts to bed capacity. Given the significant General Fund costs of this proposal, and the expectation that the timeline for these projects will extend over multiple fiscal years, staff recommends deferring this proposal to evaluate the timing and availability of budget resources for these projects.	DWOP (3-0)
<i>Local Assistance Estimate – Program Updates</i>						
139	Admission, Evaluation, and Stabilization (AES) Center 4440-032-ECP-2020-GB 4440-091-ECP-2020-MR	\$5,283	\$-	0.0	The May Estimate reflects General Fund costs of \$432,000 in 2019-20 and \$5.3 million in 2020-21, a reduction of \$3.1 million in 2019-20 and no change in 2020-21 compared to the Governor’s January budget for activation of beds at the Kern AES Center. These changes are the result of unforeseen delays in Kern County’s process for procuring service contracts to renovate treatment space. DSH expects to complete this 30-bed expansion in the fall of 2020.	AAB (3-0)

140	Community Care Collaborative Pilot Program 4440-059-ECP-2020-GB 4440-088-ECP-2020-GB Trailer Bill Proposal	\$-	\$-	0.0	WITHDRAWN – DSH requests to withdraw its January budget proposal for a six-year pilot program in three counties to provide incentives to treat and serve individuals deemed incompetent to stand trial on felony charges in the community. The total cost of the six-year program would have been \$364.2 million.	AAB/ Withdrawn (3-0)
141	Conditional Release Program (CONREP) Continuum of Care 4440-078-ECP-2020-MR	\$-	\$-	0.0	The May Estimate reflects a one-time reduction of \$3.4 million General Fund compared to the January budget for the establishment of a 78 bed step-down program for patients ready for the CONREP program in 18-24 months, as adopted in the 2019 Budget Act. According to DSH, this reduction is due to delays in regulatory approvals for building retrofits and DSH expects program activation to begin in July 2020.	AAB (3-0)
142	CONREP – Non-Sexually Violent Predators (Non-SVP) Provider Contract Funding 4440-028-ECP-2020-GB	\$2,200	\$-	0.0	The November Estimate reflects General Fund costs of \$2.2 million in 2020-21 and \$2.4 million in 2021-22 to increase support of placement evaluations for CONREP-Non-SVP patients through the use of contracted staff. According to DSH, these resources are needed to address increased caseload in this population. These costs are unchanged at May Revision.	AAB (3-0)
143	Enhanced Treatment Program (ETP) 4440-022-ECP-2020-GB 4440-030-ECP-2020-GB 4440-081-ECP-2020-MR	(\$994)	\$-	(9.9)	The May Estimate reflects reduced General Fund costs of \$8.4 million in 2019-20 and \$994,000 in 2020-21, as well as a reduction of 53.4 positions in 2019-20 and 9.9 positions in 2020-21, due to delayed activation of ETP units at Atascadero and Patton. ETP units accept patients who are at the highest risk of violence and cannot be safely treated in a standard treatment environment.	AAB (3-0)

144	Incompetent to Stand Trial (IST) “Off-Ramp” Services 4440-025-ECP-2020-GB 4440-090-ECP-2020-MR	\$1,000	\$-	0.0	The May Revision reflects General Fund costs of \$1 million in 2020-21 and \$2 million annually thereafter for the IST Off-Ramp team in Los Angeles County, which assesses potential IST patients for restoration of competency prior to admission to a DSH program. These costs represent a \$1 million reduction in 2020-21 compared to the January budget, due to a delay in activation. This program was approved in the 2019 Budget Act.	AAB (3-0)
145	Jail-Based Competency Treatment (JBCT) Program – Existing and Patient Rights 4440-031-ECP-2020-GB 4440-033-ECP-2020-GB 4440-082-ECP-2020-MR	(\$6,906)	\$-	0.0	The May Estimate reflects a reduction of General Fund costs of \$3.7 million in 2019-20 and \$6.9 million in 2020-21 due to delayed activation of existing JBCT programs, which are administered by counties to provide restoration of competency services to IST patients while in county jail facilities.	AAB (3-0)
146	Jail-Based Competency Treatment (JBCT) Program - Existing 4440-029-ECP-2020-GB 4440-084-ECP-2020-MR	\$6,130	\$-	0.0	The May Estimate reflects increased General Fund costs of \$76,000 in 2019-20 and \$6.1 million in 2020-21 for expansions of new JBCT programs in new counties. Bed capacity is expected to increase in three northern California counties, one central California county and one southern California county.	AAB (3-0)
147	Lanterman-Petris-Short Adjustment 4440-019-ECP-2020-GB 4440-083-ECP-2020-MR	\$-	\$5,757	0.0	The May Estimate reflects increased reimbursements from counties of \$5.8 million in 2020-21 and \$5.8 million in 2021-22 to reflect increased referrals of involuntary civil commitments under the Lanterman-Petris-Short Act.	AAB (3-0)

148	Metropolitan State Hospital Increased Secure Bed Capacity 4440-021-ECP-2020-GB 4440-027-ECP-2020-GB 4440-087-ECP-2020-MR	(\$6,464)	\$-	(41.7)	The May Estimate reflects decreased General Fund costs of \$34.4 million in 2019-20 and \$6.5 million in 2020-21, and increased General Fund costs of \$294,000 in 2021-22, related to delays in the activation of secure bed capacity at Metropolitan State Hospital due to construction and fire marshal delays. The Estimate also reflects reduction of 222.4 positions in 2019-20 and 41.7 positions in 2020-21.	AAB (3-0)
149	Mission-Based Review – Court Evaluations and Reports 4440-060-ECP-2020-GB 4440-085-ECP-2020-MR	(\$3,270)	\$-	(17.7)	The May Estimate reflects decreased General Fund costs of \$895,000 in 2019-20, \$3.3 million in 2020-21, and \$2 million in 2021-22 due to delays in recruiting and hiring for court evaluation and legal staff approved in the 2019 Budget Act. The Estimate also reflects reduction of 2.7 positions in 2019-20, 17.7 positions in 2020-21, and 7.7 positions in 2021-22.	AAB (3-0)
150	Mission-Based Review – Direct Care Nursing 4440-061-ECP-2020-GB 4440-086-ECP-2020-MR 4440-113-ECP-2020-MR	(\$20,969)	\$-	(162.1)	The May Estimate reflects decreased General Fund costs of \$11.1 million in 2019-20, \$21 million in 2020-21, and \$15.1 million in 2021-22 to reflect revised implementation timeline of direct care nursing staff approved in the 2019 Budget Act due to the COVID-19 pandemic. The May Estimate also reflects reduction of 83.5 positions in 2019-20, 162.1 positions in 2020-21, and 135.5 positions in 2021-22.	AAB (3-0)

NEW MAY REVISION PROPOSALS						
<i>Budget Change Proposals, Trailer Bill Language, or Technical Adjustments</i>						
Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
151	Disaster Preparedness, Response, and Recovery 4440-105-BCP-2020-MR	(\$535)	\$-	(5.0)	DSH requests to decrease five positions and General Fund expenditure authority of \$535,000 approved in the 2019 Budget Act for disaster preparedness, response, and recovery. This reduction reflects the Administration’s reevaluation of expenditures in the context of a workload budget. Subject to budget control section “trigger” language, this reduction would be restored if the state received sufficient federal funds.	Hold Open
152	Napa Earthquake Special Repair Loan Reappropriation 4440-111-BBA-2020-GB	\$-	\$-	0.0	DSH requests reappropriation of loan funding approved in the 2017 Budget Act for earthquake repairs at Napa State Hospital to allow additional time for receipt of Federal Emergency Management Agency (FEMA) funding.	AAB (3-0)
153	Vocational Services and Patient Wages Technical Adjustment 4440-089-ECP-2020-MR	\$-	\$-	0.0	DSH requests a technical adjustment to reflect a net-zero funding shift between programs to accurately display expenditures and simplify administrative processes for the augmentation in the 2019 Budget Act related to vocational services and patient wages in state hospitals.	AAB (3-0)

4560 MENTAL HEALTH SERVICES OVERSIGHT AND ACCOUNTABILITY COMMISSION

(dollars in thousands) (AAB=approve as budgeted; DWOP=defer without prejudice)

GOVERNOR’S BUDGET ISSUES UNCHANGED AT MAY REVISION

Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
154	Contract and Information Technology Workload 4560-006-BCP-2020-GB	\$-	\$144	1.0	MHSOAC requests one position and expenditure authority from the Mental Health Services Fund of \$144,000 annually to support one Information Technology Associate to mitigate the risks due to key-person dependence, mitigate IT security risks, address increased IT help desk assistance workload, and address recently implemented web-based technologies workload.	AAB (3-0)
155	Prevention and Early Intervention Statewide Prioritization and Oversight 4560-007-BCP-2020-GB	\$-	\$272	2.0	MHSOAC requests two positions and expenditure authority from the Mental Health Services Fund of \$272,000 annually to support administrative responsibilities under Chapter 843, Statutes of 2018 (SB 1004), including analyzing Prevention and Early Intervention program reports, providing logistical support, developing meeting materials, and providing technical assistance to counties.	AAB (3-0)

SENATE PROPOSALS						
Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
156	Authority and Flexibility for Contract Renegotiation to Reflect COVID-19 Budget Bill Language	\$-	\$-	0.0	Oversight of funding for school mental health, youth drop-in centers, and early psychosis prevention funding, has revealed the Administration may be improperly applying a freeze in state contracts to MHSOAC for implementation of these programs, which are not proposed for reduction or modification in the May Revision. In addition, many of these contracts, as well as county innovation plans were developed prior to the pandemic and may need to be redesigned to reflect current realities. The Senate proposes placeholder budget bill language to: 1) pause reversion of Mental Health Services Act funds for 12 months to allow counties to renegotiate plans with MHSOAC that reflect the pandemic, and 2) require the Administration to allow MHSOAC to enter into contracts for previously authorized expenditures including, but not limited to, for school mental health, youth drop-in centers, and early psychosis prevention.	Adopt Placeholder BBL (3-0)

4800 CALIFORNIA HEALTH BENEFIT EXCHANGE (COVERED CALIFORNIA)

(dollars in thousands) (AAB=approve as budgeted; DWOP=defer without prejudice)

GOVERNOR’S BUDGET ISSUES UNCHANGED AT MAY REVISION

Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
157	Clinical Volunteering for Covered California Board and Staff Trailer Bill Proposal	\$-	\$-	0.0	Covered California proposes trailer bill language to create an exception to conflict of interest requirements for board members and staff to authorize volunteer services or affiliations with a governmental entity, or a health facility, health clinic, or health care provider group that is associated with an educational institution, if the member or staff does not receive compensation or possess an ownership interest in the entity, facility, clinic, or provider group. Consumer advocates have raised concerns about relaxation of conflict of interest provisions for positions that negotiate health care plan offerings and premium costs for Californians in the individual marketplace. Staff recommends deferring this proposal without prejudice to address these issues.	DWOP <i>(3-0)</i>

NEW MAY REVISION PROPOSALS

Issue	Subject (BR Title)	GF	OF	Pos.	Staff Comments	Staff Reco
158	State Premium Subsidy Program 4800-012-ECP-2020-MR	(\$90,261)	\$-	0.0	Covered California requests reduction in General Fund expenditure authority of \$164.2 million in 2019-20 and \$90.3 million in 2020-21 to reflect lower than projected state subsidy program enrollment in the Covered California Health Benefit Exchange. According to the Administration, these resources are intended to be sufficient to maintain the 2020 state subsidy program design for the 2021 plan year.	AAB <i>(2-0)</i>

<p>159</p>	<p>Actuarial Value of Non-Grandfathered Health Plans and Insurance Policies Trailer Bill Proposal</p>	<p>\$-</p>	<p>\$-</p>	<p>0.0</p>	<p>Covered California proposes trailer bill language to allow exchange plans in the Bronze metal tier to vary from the 60 percent actuarial value requirement by plus five percent or minus two percent. The 2019 Budget Act included similar language to allow variance of plus four percent or minus two percent for Bronze tier high deductible health plans. Federal rules that govern benefit design in these plans has resulted in actuarial values that exceed the plus four percent variance limit in state law. This language would align with the federal upper limit variance of plus five percent. Without this language, Bronze plans approved for the 2021 plan year would not be allowed. No concerns have been raised with this proposal.</p>	<p>AAB/ Adopt Placeholder TBL (3-0)</p>
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