

SUBCOMMITTEE #3: Health & Human Services

Chair, Senator Ellen Corbett

Senator Bill Monning
Senator Mike Morrell



May 8, 2014

9:30 a.m. or Upon Adjournment of Session

Room 4203, State Capitol

Agenda – Part 1
(Michelle Baass)

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PLEASE NOTE:

Only those items contained in this agenda will be discussed at this hearing. *Please* see the Senate Daily File for dates and times of subsequent hearings.

Issues will be discussed in the order as noted in the Agenda unless otherwise directed by the Chair.

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VOTE ONLY

0530 California Health and Human Services Agency (CHHSA)

1. Office of the Agency Information Officer – CHHSA Governance

Budget Issue. The California Health and Human Services Agency (CHHSA) requests three permanent positions and \$431,000 in reimbursement authority to provide dedicated staffing for the establishment of formalized governance, project assessment, and strategic enterprise architecture functions within the Office of the Agency Information Officer (OAIO).

CHHSA is also requesting to add provisional budget bill language to Item 0530-001-9745 that is intended to enhance the Office of Systems Integration’s (OSI) ability to timely provide requested subject matter expertise on an as-needed basis to departments that have requested technical assistance for information technology projects or have been referred by the CHHSA or the California Department of Technology as having projects that are at-risk.

This issue was discussed at the March 6th Subcommittee No.3 hearing.

Subcommittee Staff Comment and Recommendation—Modify. It is recommended to:

- a. Approve the request for permanent positions and expenditure authority to establish formalized governance, project assessment, and strategic enterprise architecture functions within OAIO.
- b. Reject the proposed budget bill language, as this language does not appear to address the issues within the Administration’s internal review process.
- c. Adopt the following placeholder supplemental reporting language to require OAIO to report on how this proposal adds value and achieves the intended and worthy goals of better agency-wide planning and coordination of information technology (IT) projects. Proposed language:

Item 0530-001-0001—California Health and Human Services Agency.

Office of the Agency Information Officer (OAIO)—New Functions. In conjunction with the submission of the 2017-18 Governor’s Budget, the California Health and Human Services Agency shall submit to the chairs of the budget committees of the Legislature a report on (1) the status of establishing information technology (IT) governance, project assessment, and strategic enterprise architecture planning functions within OAIO, as provided for in the 2014-15 Budget Act, and (2) the value these functions have added to the development and deployment of technology systems across agency departments. The report shall include, but not be limited to:

(1) a description of the changes made to agency IT policies and processes (for example, changes in how the office and constituent departments interact) in order to implement the planning functions at OAIO;

(2) examples of identified opportunities for the development of flexible IT solutions that could eliminate silos and foster communication across systems and data sharing amongst multiple departments within agency;

(3) a description of the analytical framework used by OAIO to inform investment decisions in IT projects that reflect the highest programmatic goals of the agency;

(4) a description of common challenges identified during project assessments and the modifications made to projects as result of OAIO's early intervention, planning and oversight of IT projects, with the steps taken to integrate project management best practices and agency goals into project plans; and

(5) a description of OAIO's objectives for the IT governance, project assessment, and strategic enterprise architecture planning functions and the extent to which OAIO has met its objectives with the authorized level of resources.

2. Office of the Patient Advocate

Oversight Issue. HHSA has not fully implemented AB 922 (Monning), Chapter 522, Statutes of 2011, regarding the Office of Patient Advocate (OPA).

The intent of AB 922 was to develop a robust response system to address consumer questions and grievances about the health care system and to provide for much needed, clear and understandable consumer information and assistance by expanding and strengthening current programs operating at the local level. OPA has not used the authority provided in AB 922 to develop this robust system.

For example, in the fall of 2013, OPA released its planned activities for 2014. This plan did not include key components of AB 922 such as providing direct consumer assistance and subcontracting with community-based organizations to provide individualized assistance.

This issue was discussed at the April 24th Subcommittee No.3 hearing.

Subcommittee Staff Comment and Recommendation—Adopt Placeholder Trailer Bill Language. Senate legislative staff and HHSA have been working on placeholder trailer bill language to ensure a consumer assistance program. It is recommended to adopt this placeholder trailer bill language that:

1. Revises the responsibilities of the OPA to clarify that it is not the primary source of direct assistance to consumers
2. Clarifies OPA's responsibilities to track, analyze, and produce reports with data collected from calls, on problems and complaints by, and questions from, consumers about health care coverage received by health consumer call centers and helplines operated by other departments, regulators or governmental entities.
3. Requires OPA to make recommendations for the standardization of reporting on complaints, grievances, questions and requests for assistance.
4. Requires the OPA to develop model protocols, in consultation with each call center, consumer advocates and other stakeholders that may be used by call centers for responding to and referring calls that are outside the jurisdiction of the call center or regulator.
5. Shifts funding to the Department of Managed Health Care to supplement contracts with community-based organizations to provide direct consumer assistance.

3. CalOHII – HIPAA Compliance

Budget Issue. Through an April Finance Letter, the California Office of Health Information Integrity (CalOHII) requests \$750,000 (\$375,000 General Fund and \$375,000 reimbursements) for consulting services on a two-year limited-term basis. CalOHII indicates that this request would help ensure that state departments would meet data interoperability and expanded Health Insurance Portability and Accountability Act (HIPAA) requirements. (The reimbursements are federal Medicaid funds.)

This issue was discussed at the April 24th Subcommittee No.3 hearing.

Subcommittee Staff Comment and Recommendation—Approve. No issues have been raised regarding this request.

0530 CHSA & 4265 Department of Public Health

1. Transfer of Medical Privacy Breach Program to Department of Public Health

Budget Issue. The Administration proposes to combine the authority and resources of two existing programs charged with enforcing medical privacy violations in order to increase efficiency. To do this, the Administration requests to transfer three investigator positions and associated workload and responsibilities from the Health and Human Services Agency’s California Office of Health Information Integrity (CalOHII) to the Department of Public Health (DPH).

According to the Administration, this proposal would allow current DPH and CalOHII staff to conduct concurrent investigations of violations by health facilities and individuals and eliminate or reduce redundancy and inefficiencies.

This transfer requires statutory changes.

This proposal was discussed at the March 6th Subcommittee No.3 hearings.

Subcommittee Staff Comment and Recommendation—Approve. It is recommended to approve the request to transfer positions and to adopt the placeholder trailer bill language.

4140 Office of Statewide Health Planning and Development (OSHPD)

1. Song-Brown Primary Care Residency

Budget Issue. OSHPD requests the following:

- a. \$2.84 million per year for three years in California Health Data Planning Fund (CHDPF) expenditure authority to expand its Song-Brown Health Care Workforce Training Program to fund primary care residency programs via the Song-Brown Program. This expansion will increase the number of primary care residents specializing in internal medicine, pediatrics, as obstetrics and gynecology (OB/GYN).
- b. To expand eligibility for Song-Brown residency program funding to teaching health centers. Song-Brown's focus on areas of unmet need (AUN) results in residents' exposure to working with underserved communities, providing culturally competent care, and learning to practice in an inter-disciplinary team.
- c. One three-year limited-term staff services analyst position and \$106,000 in CHDPF spending authority to develop and implement the program. This position would, for example, draft regulations; seek stakeholder feedback; develop key program components such as eligibility criteria; work with OSHPD's e-application vendors to modify the grants management system to include the additional primary care residency programs; develop and implement an outreach and marketing campaign; administer the contract process; collect and maintain program data to prepare progress, final reports, and summaries; and evaluate the outcomes of the expansion program.

The funding source for this proposal will be the CHDPF which will receive a \$12 million repayment from a loan to the General Fund in 2014-15.

Statutory changes are needed to implement this proposal. For example, statutory language is necessary to expand the Song-Brown program criteria to include residencies in Teaching Health Centers as the Song-Brown program is currently limited to medical school-based residency programs. Teaching health centers are community-based ambulatory patient care settings (e.g., clinics) that operate a primary care medical residency program.

This issue was heard at the March 6th Subcommittee No. 3 hearing.

Subcommittee Staff Comment and Recommendation—Approve. It is recommended to approve this request and adopt the proposed placeholder trailer bill language.

2. Mental Health Services Act Workforce Education & Training Five-Year Plan Funding

Budget Issue. Through an April Finance Letter, OSHPD requests to align future statewide Mental Health Services Act (MHSA) Workforce Education and Training (WET) appropriations with the second MHSA WET Five-Year Plan, 2014-2019. See following tables for proposed funding allocations and program outcomes associated with the second MHSA WET Five-Year Plan.

As required by the Mental Health Services Act of 2004, the second WET plan was developed by OSHPD and approved by the California Mental Health Planning Council (CMHPC) in January 2014.

This request includes reducing the appropriation for local assistance by \$3,449,000 and increasing state operations by \$3,949,000 to fund recruitment, retention and evaluation activities and other programs identified in this plan. Further, OSHPD requests additional Mental Health Services Fund expenditure authority of \$330,000 in 2014-15, \$306,000 annually through 2018-19. This includes funding for three five-year limited-term positions: one health program specialist I, one staff services analyst, one office technician, and \$16,000 annually through 2018-19 for administrative overhead costs to administer the programs as a result of new responsibilities associated with the WET Five-Year Plan, 2014-2019.

Finally, this request proposes to make the following change to budget bill language because, based on a county needs assessment and stakeholder feedback, the New Five-Year Plan no longer funds Song-Brown physician assistant training in support of mental health as counties preferred to invest in other mental health professions. Thus, Item 4140-101-3085, Provision 1 language is no longer needed and is requested to be deleted since it pertains to the Song-Brown contracts with accredited physician assistant programs, hospitals or other health care delivery systems in support of the mental health. Proposed change:

4140-101-3085—For local assistance, Office of Statewide Health Planning and Development payment to item 4140-101-0001, payable from the Mental Health Services Fund

~~1. Notwithstanding subdivision (a) of Section 1.80 or any other provision of law, the funds appropriated in this item for contracts with accredited physician assistant programs, as well as contracts with hospitals or other health care delivery systems located in California, in support of the Mental Health Services that meet the standards of the California Act Healthcare Workforce Policy Commission, established pursuant to Article 1 (commencing with Section 128200) of Chapter 4 of Part 3 of Division 107 of the Health and Safety Code, shall continue to be available until June 30, 2018.~~

Table: WET Five-Year Plan, 2014-15 through 2017-18 Funding Allocations

Statewide WET Program	Welfare and Institutions Code Section	2014-2015	2015-2016	2016-2017	2017-2018	Total Four Year Funding
State Operations						
Mental Health Loan Assumption Program	5822(b)	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$40,000,000
Recruitment and Retention	5822(e) 5822(i)	\$750,000	\$750,000	\$750,000	\$750,000	\$3,000,000
Evaluation	5820(c)	\$686,023	\$686,023	\$686,022	\$686,022	\$2,744,090
Subtotal		\$11,436,023	\$11,436,023	\$11,436,022	\$11,436,022	\$45,744,090
Local Assistance						
Stipends	5822(c)	\$8,750,000	\$8,750,000	\$8,750,000	\$8,750,000	35,000,000
Education Capacity	5822(a) 5822(f)	\$3,750,000	\$3,750,000	\$3,750,000	\$3,750,000	15,000,000
Consumer and Family Member Employment	5822(g) 5822(h)	\$5,000,000	\$5,000,000	\$0	\$0	10,000,000
Regional Partnerships	5822(d)	\$3,000,000	\$3,000,000	\$3,000,000	\$0	9,000,000
Subtotal		\$20,500,000	\$20,500,000	\$15,500,000	\$12,500,000	\$69,000,000
Total		\$31,936,023	\$31,936,023	\$29,936,022	\$23,936,022	\$114,744,090

Table: WET Five-Year Plan Program Funding Allocations/Projected Outcomes (2014-19)

Program	WIC Section	Allocation (Millions)	Proposed Action	Projected Program Outcomes
Stipend Programs	5822(c)	\$8.75	Will contract with educational institutions to provide stipends for graduate students who plan to work in the public mental health system (PMHS): Social Work; Marriage and Family Therapist; Clinical Psychologist; and Psychiatric Mental Health Nurse Practitioner. Will require those educational institutions to incorporate MHSA principles into graduate level curriculum.	Will provide stipends to 1,500+ graduate students who plan to work in the PMHS for a minimum of one year.
Loan Assumption	5822(b)	\$10.0	Will offer loan repayment of up to \$10,000 to mental health workers in hard-to-fill and/or hard-to-retain positions in PMHS in exchange for a 12-month service obligation.	Will provide loan assumptions to a minimum of 4,000 mental health workers in hard-to-fill and/or hard-to-retain positions in the PMHS throughout California.
Education Capacity	5822(a) 5822(b) 5822(f)	\$3.75	Will fund residency and training slots in Psychiatric Residency and Psychiatric Mental Health Nurse Practitioner education programs to increase their capacity to train residents and trainees and provide clinical rotations in the PMHS.	Will partially fund training for a minimum of 41 psychiatrists and up to 250 Psychiatric Mental Health Nurse Practitioners who work or commit to working in the PMHS.
Consumer and Family Member Employment ^{1/}	5822(g) 5822(h)	\$5.0	Will fund training, education, placement, support, planning, and development activities that lead to increased consumer and family member employment in the PMHS.	Engage consumers and family members in training, education, placement, and support activities in PMHS.
Regional Partnerships ^{2/}	5822(d)	\$3.0	Will fund five Regional Partnerships to plan and implement programs that build and improve local workforce education and training resources.	Outcomes will be based on regional needs.
Recruitment and Retention	5822(a) 5822(b)	\$0.75	Will provide grants to organizations across three separate programs that: <ul style="list-style-type: none"> a) develop pathways programs to expose students to careers in mental health. b) provide clinical rotations in the PMHS. c) develop programs for retaining the incumbent workforce. 	<p>Recruitment: It is projected that over four years approximately 12,000 students will be exposed to PMHS careers that will provide approximately 312 clinical rotations in the PMHS.</p> <p>Retention: Will provide grants to organizations that engage in activities to increase the retention of public mental health system professionals through retraining and other evidenced based and/or community identified retention initiatives.</p>
Evaluation	5820(c)	\$0.69	Will fund internal and external evaluation of local, regional, and statewide WET programs, and mental health workforce needs assessments.	Will document outcomes from statewide WET programs and identify total statewide needs for each professional and other occupational category.
Total		\$31.94		

^{1/} \$5.0 million for Consumer and Family Member Employment will be awarded in FY 2014-2015 through FY 2015-2016.

^{2/} \$3.0 million for Regional Partnerships will be awarded in FY 2014-2015 through FY 2016-2017.

Subcommittee Staff Comment and Recommendation—Approve. It is recommended to approve the budget adjustments, requested limited-term positions, and proposed budget bill language changes. No issues have been raised with this proposal and it is consistent with the WET Five-Year Plan, which has undergone substantial stakeholder input.

3. Reallocation of California Endowment Grant Funding for Workforce Development

Budget Issue. Through an April Finance Letter, OSHPD proposes to redirect \$700,000 of its California Endowment (TCE) grant from the Song-Brown Program to invest in other programs that will increase the healthcare workforce supply and distribution. The TCE plans to invest \$52 million over four years into OSHPD’s health workforce development programs. Of that amount, \$7 million was authorized to be allocated to OSHPD’s Song-Brown program in 2014-15. In collaboration with the TCE, OSHPD specifically requests to redirect \$700,000 as follows: \$450,000 to California’s Student/Resident Experiences and Rotations in Community Health (Cal-SEARCH), \$100,000 to Mini-Grants, and \$150,000 via reimbursement contract to the California Department of Public Health’s (CDPH) Fellowship Program.

Background. On January 18, 2013, TCE announced its commitment of \$225 million to help California implement the Affordable Care Act (ACA). TCE is dedicating \$70 million to “fund efforts to expand the primary care health workforce”. Of that amount, TCE is investing \$52 million in OSHPD’s healthcare workforce development programs including \$21 million for the Song-Brown Program and \$31 million for health professional scholarships and loan repayments administered through OSHPD’s Health Professions Education Foundation. In the 2013-14 budget, OSHPD was approved to receive the \$52 million grant from the TCE. With this grant approval, OSHPD has authorized \$7 million each year for 2013-14, 2014-15, and 2015-16 for the Song-Brown Program.

OSHPD administers a number of health workforce development programs in addition to Song-Brown that are designed to increase access to healthcare in MUAs. Two of these programs include Cal-SEARCH and Mini-Grants. Cal-SEARCH, established as a partnership between OSHPD, the California Primary Care Association, and the California Area Health Education Center, provides advanced practice clinicians with exposure to underserved communities via clinical rotations in community health centers. The Mini-Grants Program provides grants to community organizations, educational entities (K-12 educational entities, post-secondary education) and industry/employers developing health career pathways.

The CDPH seeks to establish a Public Health Fellowship Program to institute a mechanism to train professionals to facilitate implementation of such systems. Thus OSHPD proposes to contract with CDPH to create and pilot a workforce development model that will train a cohort of public health professionals skilled in facilitating an integrated health system, using the accountable care communities model, that systematically addresses the root causes and social determinants of health in order to promote health, prevent disease, remedy gaps, and reverse disparities and improve the quality of health services in the clinical and community.

Subcommittee Staff Comment and Recommendation—Approve. It is recommended to approve this proposal. The California Endowment is supportive of this proposed adjustment as this change decreases allocation from a relatively under-subscribed training support category to other health workforce priorities that serve in the successful implementation of the Affordable Care Act.

4265 Department of Public Health

1. Licensing and Certification: Licensing Standards for Chronic Dialysis Clinics, Rehabilitation, & Surgical Clinics

Budget Issue. DPH requests one-time special fund (Internal Departmental Quality Improvement Account) expenditure authority of \$201,000 to contract with the University of California, Davis (UCD) for an independent research analysis and report that describes the extent to which the federal certification standards are, or are not, sufficient as a basis for state licensing standards, as required by SB 534 (Hernandez), Chapter 722, Statutes of 2013.

DPH has contacted the Institute for Population Health Improvement at UCD to perform independent research and analysis and produce the required report on the sufficiency of the federal regulations. The analysis and report will consist of: (1) a review of the various certification, accreditation, and other relevant performance standards currently used to evaluate chronic dialysis clinics, surgical clinics, and rehabilitation clinics in other states, comparing requirements of the federal standards with these alternate standards; and (2) a systematic literature review of the peer-reviewed and grey literature on experiences with the implementation of those standards, including identification of areas in need of additional regulatory oversight. The projected cost is \$200,000 for the required study.

This issue was heard at the March 6th Subcommittee No. 3 hearing.

Subcommittee Staff Comment and Recommendation—Approve. No issues have been raised with this proposal.

2. Office of AIDS: OA-HIPP – Wrap for Out-of-Pocket Medical Expenses

Issue. The Office of AIDS (OA) has a number of programs to help people move into and retain comprehensive health coverage, such as the OA-Health Insurance Premium Payment (OA-HIPP) program. However, it does not have a program to pay for the out-of-pocket medical expenses (copays, coinsurance, and deductibles) associated with comprehensive health coverage for eligible persons with HIV/AIDS.

A program to pay for these out-of-pocket medical expenses could ensure that persons with HIV/AIDS can enroll in and receive comprehensive health coverage and could result in AIDS Drug Assistance Program (ADAP) savings as HIV/AIDS-related medications would be paid for by the primary health coverage (e.g., coverage purchased privately or through Covered California). Fifteen other states have ADAP programs that pay for these out-of-pocket medical expenses.

This issue was heard at the March 6th Subcommittee No. 3 hearing.

Subcommittee Staff Comment and Recommendation—Adopt placeholder trailer bill language.

Creating a new ADAP program that covers out-of-pocket medical costs could reduce ADAP expenditures while providing more comprehensive health care coverage to people living with HIV/AIDS. It is recommended to adopt the following placeholder trailer bill language to create this wrap:

Health and Safety Code Section 120955 (i) The department may also subsidize certain cost-sharing requirements for persons otherwise eligible for the AIDS Drug Assistance Program (ADAP) with existing non-ADAP drug coverage by paying for prescription drugs included on the ADAP formulary within the existing ADAP operational structure up to, but not exceeding, the amount of that cost-sharing obligation. This cost sharing may only be applied in circumstances in which the other payer recognizes the ADAP payment as counting toward the individual's cost-sharing obligation. **Where the director determines that it would result in a cost savings to the state, the department may subsidize costs associated with a health insurance policy, including medical co-payments, deductibles, and premiums to purchase or maintain health insurance coverage.**

3. Infant Botulism Treatment and Prevention Program

Budget Issue. DPH requests:

- a. An increase in expenditure authority of \$3 million in 2014-15 and \$951,000 in 2015-16 in the Infant Botulism Prevention and Treatment Fund to use fee revenue accumulated in the BabyBIG[®]/Infant Botulism Special Fund, to sustain statutorily-mandated production, distribution, regulatory compliance, and other activities for DPH's public service orphan drug BabyBIG[®] program. (An orphan drug is a treatment for a rare medical condition, typically developed as a matter of public policy because of insufficient profit motive for drug manufacturers.)
- b. Authority to convert contract positions and establish two permanent state positions. The conversion of contract positions to state positions would reduce expenditure authority by \$46,000 Infant Botulism Treatment and Prevention Fund (IBTP). Positions will provide the full spectrum of administrative services necessary to the Infant Botulism Treatment and Prevention Program which will significantly reduce the burden on highly-skilled medical staff and/or executive management to perform routine administrative duties to ensure business needs of the program are met.

This issue was heard at the March 6th Subcommittee No. 3 hearing.

Subcommittee Staff Comment and Recommendation—Approve. No issues have been raised with these proposals.

4260 Department of Health Care Services

1. Re-Certification of Drug Medi-Cal Providers

Budget Issue. DHCS requests 21 one-year limited-term positions at a cost of \$2.2 million (\$1.1 million General Fund) to recertify all providers in the Drug Medi-Cal program (DMC). These positions would continue efforts commenced in the current year to improve DMC program integrity and recertify only providers meeting standards of participation in Medi-Cal. DHCS redirected 21 positions in 2013-14 to begin this work.

This proposal was discussed at the April 3rd Subcommittee No. 3 hearing.

Subcommittee Staff Comment and Recommendation—Approve. No issues have been raised with this proposal.

2. Substance Use Disorder Program Integrity – Counselor & Facility Complaints

Budget Issue. DHCS requests \$739,000 and six three-year limited-term positions to investigate complaints related to counselors and facilities that provide 24-hour, non-medical residential and outpatient alcohol and other drug (AOD) detoxification, treatment, or recovery services to adults. DHCS states that it is currently backlogged with investigating provider and counselor complaints and is not complying with the state mandate of investigating complaints regarding counselor misconduct within the ninety days of receipt.

This proposal was discussed at the April 3rd Subcommittee No. 3 hearing.

Subcommittee Staff Comment and Recommendation—Approve. No issues have been raised with this proposal.

3. Continuance of Driving Under the Influence (DUI) Program Evaluation

Budget Issue. DHCS requests \$96,000 (DUI Program Licensing Trust Fund) to renew a contract to continue its evaluation of DUI Programs licensed and monitored by the state.

The evaluation would run from 2014-15 through 2015-16, at an annual cost of \$96,000. According to DHCS, the continuation of this program evaluation will ensure that specific recommendations provided in the previous and existing evaluation will be acted upon. If approved, the next two years' scope of work will focus on establishing critically needed program benchmarks and performance measures, outcomes, and suggested recommendations for related regulations.

This proposal was discussed at the April 3rd Subcommittee No. 3 hearing.

Subcommittee Staff Comment and Recommendation—Approve. No issues have been raised with this proposal.

ISSUES FOR DISCUSSION

4260 Department of Health Care Services

1. ACA – Medi-Cal Renewal Assistance Grant from The California Endowment

Issue. The California Endowment (TCE) has committed to providing \$6 million in funding to DHCS, to be matched with federal funds for a total for \$12 million, for Medi-Cal application renewal assistance payments to Certified Enrollment Counselors.

Background. The 2013 budget required DHCS to accept a grant from the California Endowment for Medi-Cal Enrollment Assistance (\$14 million) and Medi-Cal Outreach and Enrollment Grants to community-based organizations (\$12.5 million) and obtain \$26.5 million in matching federal funds for these purposes. These funds, along with funds available through Covered California, have developed an outreach and enrollment infrastructure of Certified Enrollment Counselors. These counselors have assisted tens of thousands of Californians to enroll in Covered California and continue to help those who are eligible to enroll in Medi-Cal.

Several million Californians have enrolled in Covered California and Medi-Cal as part of the initial implementation of the Affordable Care Act. These Californians will need to renew their coverage in order to keep it.

Those Californians who used Certified Enrollment Counselors for initial enrollment in Covered California and Medi-Cal are likely to return to these trusted sources when faced with renewing their coverage. Covered California is paying Certified Enrollment Counselors \$25 per application for renewal assistance for those enrolled in Covered California but federal rules prohibit use of these dollars for Medi-Cal renewal assistance.

Subcommittee Staff Comment and Recommendation—Adopt Placeholder Trailer Bill Language. This generous offer by The California Endowment will help ensure that eligible Medi-Cal enrollees remain in coverage and have access to needed medical care. It is recommended to adopt the placeholder trailer bill language to require DHCS to accept these contributions and seek matching federal funds for these purposes. See below for the proposed placeholder trailer bill language:

(a) The State Department of Health Care Services shall accept contributions by private foundations in the amount of at least six million dollars (\$6,000,000) for the purpose of providing Medi-Cal in-person annual renewal enrollment assistance payments and shall immediately seek an equal amount of federal matching funds.

(b) Entities and persons that are eligible for Medi-Cal in-person annual renewal enrollment assistance payments shall be those trained and eligible for in-person enrollment assistance payments by the California Health Benefit Exchange. The amount of the renewal assistance payment shall be equal to the amount of the renewal assistance payment paid by the California Health Benefit Exchange for California Health Benefit Exchange enrollees. The payments may be made by the State Department of Health Care Services utilizing the California Health Benefit Exchange in-person assistance payment system.

(c) Annual renewal assistance payments shall be made only for Medi-Cal applicants that have completed the Medi-Cal annual renewal process for coverage dates on or after September 1, 2014.

(e) The State Department of Health Care Services or the California Health Benefit Exchange shall provide monthly and cumulative payment updates and number of Medi-Cal persons renewed through in-person assistance payments on its Internet Web site.

Questions.

1. Please provide an overview of this item.

2. Merge California Institute for Mental Health and Alcohol and Drug Policy Institute

Issue. The California Institute for Mental Health (CiMH) requests statutory changes to reflect its merger with the Alcohol and Drug Policy Institute (ADPI) on July 1, 2014. On March 21, 2014, the boards of CiMH and ADPI voted to merge organizations and become the California Institute for Behavioral Health Solutions. They took this action to take advantage of opportunities to better serve their customers and improve outcomes for individuals and their families. CiMH's responsibilities are specified in statute; consequently, this proposal requests changes to specify that this new entity can work on substance use disorder services programs.

Background. CiMH was established in 1993 to promote excellence in mental health services through training, technical assistance, research and policy development. Local mental health directors founded CiMH to work collaboratively with all mental health system stakeholders. CiMH is defined in statute (Welfare and Institutions Code Section 40619[a][5]).

ADPI works toward the advancement of the substance use disorder (SUD) field in California through the creation and dissemination of knowledge regarding alcohol and other drug problems and culturally competent approaches to their prevention and amelioration. ADPI was incorporated in August 2000 as a nonprofit public benefit corporation and is organized and operated exclusively for educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

CiMH and ADPI find the following benefits with the merger:

- a) For counties, a one-stop shop for consulting expertise related to the integration of services as well as the best practices in the provision of both mental health and SUD services.
- b) For health care organizations, a one-stop source for assistance in getting better health outcomes for patients with complex and chronic health conditions.
- c) For state departments who pay for health care services primarily through the Medi-Cal program, a one-stop shop for a training and TA interface with counties, service providers, and other stakeholders.
- d) For individuals and their families: Through consulting and technical assistance to counties, health care organization and state departments, expedite the adoption of evidence-based and community-based practices, resulting in improved health outcomes.

Subcommittee Staff Comment and Recommendation—Adopt placeholder trailer bill language. This proposal and merger reflect the growing momentum towards integrating mental health and substance use disorder services to improve an individual's overall health. It is recommended to adopt placeholder trailer bill language to reflect this merger.

Questions.

1. Please provide an overview of this item.
2. Does DHCS have any concerns with this proposal?

Multiple Departments

1. Health-Related Proposals for Restoration and Augmentation

Various stakeholders have submitted proposals for funding restoration or augmentation. The table below includes issues that have not been previously discussed in this subcommittee. Proposals that have been previously discussed in a subcommittee hearing can be found in Appendix A.

Program	Description	Amount Requested
Adolescent Family Life Program (AFLP)	Restoration - AFLP addresses the social, health, educational, and economic consequences of adolescent pregnancy by providing comprehensive case management services to pregnant and parenting teens and their children. AFLP emphasizes promotion of positive youth development, focusing on and building upon adolescents’ strengths and resources to work towards improving the health of the pregnant or parenting teen, improving graduation rates, and creating networks of support for these parents. Funding for AFLP was reduced substantially in 2009.	\$10.7 million General Fund
Adverse Childhood Experience (ACE) Survey Questions	Augmentation - A request to add ACE questions to the existing California Behavioral Risk Factor Surveillance System (BRFSS) to measure the impact of adverse childhood experiences on children over time. The Department of Public Health recently announced that it plans to use funds from an increase in the federal Preventive Health and Human Services Block Grant Award to fund the addition of ACE questions to BRFSS.¹	\$82,500 General Fund
AIDS Drug Assistance (ADAP) and Office of AIDS Health Insurance Premium Payment (OA-HIPP) Program	Expansion - A proposal to expand eligibility for ADAP and OA-HIPP to consider family size when evaluating income and to consider using the Modified Adjusted Gross Income standard used by Medi-Cal and Covered California.	Unknown special fund costs and potential General Fund pressure

¹ Please see the following link for more information on the proposed allocation of the increase in the federal Preventive Health and Human Services Block Grant Award:
http://www.cdph.ca.gov/programs/cdcb/Documents/CDPH%20Proposed%20Allocations%20for%20FFY%202014%20Increased%20PHHSBG%20Award_Revised.pdf

<p>Biomonitoring Program</p>	<p>Given a potential reduction in federal grant funds, advocates are requesting state funding to continue the work of the Biomonitoring Program. This program determines levels of environmental chemicals in a representative sample of Californians, establishes the trends in these levels over time, and helps assess the effectiveness of efforts to decrease exposure to specific chemicals.</p>	<p>Up to \$2.65 million General Fund</p>
<p>Black Infant Health Program (BIHP)</p>	<p>BIHP was created in 1989 to address a disproportionately high infant mortality rate for black infants. BIHP seeks to address the complex factors related to infant mortality and preterm births for the population at greatest risk. BIHP provides health education, social support, individualized case management, home visitation and referrals to other services. BIHP still operates in 15 local health jurisdictions in California. Funding for the BIHP was cut by \$3.9 million in 2009.</p> <p>The Department of Public Health recently announced that it plans to use funds (\$300,000) from an increase in the federal Preventive Health and Human Services Block Grant Award for BIHP.</p>	<p>\$3.9 million General Fund</p>
<p>Caregiver Resource Centers (CRCs)</p>	<p>CRCs are community-based centers that offer services to families designed to assist unpaid family caregivers of adults with chronic, disabling health conditions. Funding for CRCs was reduced by 74 percent in 2009.</p>	<p>\$2.9 million General Fund</p>
<p>Dental Disease Prevention Program (DDPP)</p>	<p>From 1980 to 2009, the DDPP provided school-based oral health prevention services to approximately 300,000 low-income school children in 32 counties in California. Approximately \$3.2 million General Fund was eliminated from this program. Participating sites provided fluoride supplementation, dental sealants, plaque control, and oral health education.</p>	<p>\$3.2 million General Fund</p>
<p>Drug Overdose Grant Program</p>	<p>The Drug Policy Alliance (DPA) requests to establish a grant program for local agencies and community-based organizations in order to reduce the rate of fatal drug overdose caused by prescription analgesics and other drugs.</p>	<p>\$2 million General Fund</p>

<p>Early Mental Health Initiative (EMHI)</p>	<p>Prior to 2012, the state provided \$15 million General Fund (Proposition 98) to EMHI, which sought to identify very young, school-aged, children who exhibited mental health risk signs, and provide those kids with various supportive services, provided by trained para-professionals, in order to stop or slow the progression of mental health challenges for these kids. The program had been operated through the former Department of Mental Health, until the elimination of that department, at which time the program transferred to the Department of Education (CDE). CDE has never actually operated the program, as all of the funding was eliminated the same year the program was transferred.</p>	<p>\$15 million General Fund</p>
<p>Expanded Access to Primary Care</p>	<p>Restore funding to this program which expanded access to preventative health care for the medically underserved by ensuring that safety net providers had resources to cover uncompensated care.</p>	<p>\$27 million General Fund</p>
<p>HIV/AIDS Initiatives in Mid-Size and Small Counties</p>	<p>A proposal to reinvest state funding for HIV/AIDS initiatives focused on outreach, screening outside the medical setting, linkage, and retention in mid-size and small counties.</p>	<p>\$7 million General Fund</p>
<p>HIV Prevention - Demonstration Projects</p>	<p>Advocates propose to support at least three public health demonstration projects to allow for innovative, evidence based approaches to outreach, screening, and linkage to, and retention in, care for the most vulnerable Californians living with and at risk for HIV disease. In light of the increasing rates of new HIV infections in particularly vulnerable communities, the National HIV/AIDS Strategy encourages outreach to the tens of thousands of individuals who are HIV infected yet do not know their status, to encourage testing and to help link people to quality health care. Advocates point out that while the ACA will help in this effort due to its emphasis on preventive services, including HIV screening, there remains a critical need to reach out to those with no ties to the established health care system. Advocates believe that the proposed demonstration projects have the potential to improve health outcomes and reduce disparities in vulnerable populations.</p>	<p>\$2 million General Fund</p>

<p>HIV Prevention - Pre-Exposure Prophylaxis (PrEP)</p>	<p>Advocates propose three demonstration projects exploring the cost, benefit and health outcomes of offering PrEP to residually uninsured individuals in high impact areas. PrEP is a new FDA-approved drug that prevents HIV infection in at-risk individuals. If used correctly, PrEP is 96 percent effective in preventing new infections. Advocates state that these demonstration programs would allow the state to explore the feasibility of delivering this effective new HIV prevention technology to at-risk individuals with no other source of coverage. They believe that a successful project could also dramatically lower HIV prevalence in these communities, thereby also reducing new infections.</p>	<p>\$3 million General Fund</p>
<p>HIV Prevention - Post-Exposure Prophylaxis (PEP) and PrEP education</p>	<p>Advocates propose funding for PEP and PrEP education. PEP and PrEP represent two proven and effective ways to reduce HIV infections, according to supporters of this proposal. However, there are many missed opportunities to use these technologies. National studies have documented a lack of knowledge among providers and low uptake among people at risk.</p>	<p>\$3 million General Fund</p>
<p>HIV Prevention - Syringe Access Programs</p>	<p>Advocates propose funding for clean syringe access programs, stating that they are the longest standing evidence-based intervention to prevent HIV and hepatitis C among injection drug users. Syringe programs have proven to dramatically reduce infection rates among active injection drug users. Advocates argue that, due to the long-standing ban on federal funding coupled with a lack of state funding, the effectiveness of this proven intervention has been diminished in California.</p>	<p>\$5 million General Fund</p>
<p>Medi-Cal Primary Care Rate Bump</p>	<p>The Affordable Care Act required Medi-Cal to increase primary care physician services rates to 100 percent of the Medicare rate for services provided from January 1, 2013 through December 31, 2014. The state received 100 percent federal funding for the incremental increase in Medi-Cal rates. Federal funding for this incremental rate increase expires December 31, 2014. It has been proposed to continue to fund this rate increase with state funds.</p>	<p>\$500-600 million General Fund</p>
<p>Mental Health Peer Respite Pilots</p>	<p>County mental health departments request funding to provide support through peer respite for people experiencing psychological distress.</p>	<p>\$20 million General Fund</p>

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Optional Medi-Cal Benefits	The 2009 budget eliminated several Medicaid optional benefits from the Medi-Cal program. These benefits were eliminated for budgetary, not policy, reasons in response to the fiscal crisis. There is considerable support for restoring these benefits to the Medi-Cal program.	\$77 million General Fund, see table below for details on this estimate
Primary Care Residency	Physician associations request an increase in funding for various primary care specialty residency programs.	\$25 million General Fund
Public Health Laboratory Training Program	The 2012 budget eliminated \$2.2 million General Fund for the Public Health Laboratory Training Program. This program provided local assistance grants to subsidize training, support, outreach and education, and provided funding for doctoral candidate stipends and post-doctoral fellowships for individuals training for public health laboratory directorships. The Health Officers Association of California (HOAC) proposes to restore funding, but with modifications to the program such that assistance be limited to assistant lab directors employed in local public health labs. These individuals would be eligible for a four-year commitment to funds, thereby allowing them to accrue the four years of lab experience necessary to become a public health lab director. HOAC estimates the need for funding at approximately \$1 million.	\$1 million General Fund
Safety-Net Services for Remaining Uninsured	Provide health coverage to remaining uninsured.	Unknown
School-Based Health Centers	Supporters of the Public School Health Center Support Program (an unfunded grant program already in statute) propose funding to start the existing program that has yet to receive any funding.	\$10 million General Fund
School-Based Mental Health	Funding for a new pilot program is requested to demonstrate that partnerships between county mental health and schools can provide additional support for students resulting in savings in special education.	\$2.5 million General Fund

<p>Sexually Transmitted Disease (STD) Prevention and Services</p>	<p>The California Family Health Council proposes funding to provide free STD screening, testing, and diagnosis, free Chlamydia and Gonorrhea treatment, and to support outreach and education. They propose the selection of three counties with high STD rates that lack sufficient resources and infrastructure to provide adequate STD services to the uninsured population. Funds would support outreach and education, evaluation, training, and program administration. These pilot programs would operate from July 1, 2014 through June 30, 2016.</p>	<p>\$2 million General Fund</p>
<p>Teen Pregnancy Prevention</p>	<p>Advocates propose to restore funding for teen pregnancy prevention efforts, by funding the Community Challenge Grant (CCG) program. CCG funds a variety of community-based teen pregnancy prevention programs to help adolescents avoid unintended pregnancy and sexually transmitted infections. In 2006-07, CCG programs served approximately 166,749 youth and families through direct, face-to-face interventions, and age-appropriate, culturally sensitive, comprehensive sex education.</p>	<p>\$10 million General Fund</p>
<p>Tuberculosis Trust Fund</p>	<p>HOAC requests funding to ensure tuberculosis (TB) expertise through an augmented or dedicated position in all 61 local health jurisdictions. According to HOAC, while TB has been declining in California since 1993, a Californian dies with TB every other day and a child under five is diagnosed with TB every week in California. Approximately 2.4 million persons are infected with TB, and finding and treating those individuals is critical to preventing TB transmission and to eventually eradicating TB in California.</p>	<p>\$8.8 million General Fund</p>

Table: Summary of Costs to Restore Optional Medi-Cal Benefits

	Annual Costs				
	Fee-For-Service	Managed Care	Total Funds	Federal Funds**	General Fund
Optional Benefits Restoration:	A	B	A+B		
Acupuncture	\$1,193,000	\$618,000	\$1,811,000	\$940,000	\$871,000
Audiology	\$1,379,000	\$714,000	\$2,093,000	\$1,087,000	\$1,006,000
Chiropractic	\$172,000	\$89,000	\$261,000	\$136,000	\$126,000
Incontinence Cream & Washes	\$2,538,000	\$3,550,000	\$6,088,000	\$3,357,000	\$2,730,000
Optician/Optical Lab	\$3,554,000	\$1,255,000	\$4,809,000	\$2,466,000	\$2,343,000
Podiatry	\$761,000	\$394,000	\$1,155,000	\$600,000	\$555,000
Speech Therapy	\$88,000	\$45,000	\$133,000	\$69,000	\$64,000
Dental*	\$228,490,000	\$0	\$228,490,000	\$158,911,000	\$69,579,000
Grand Total	\$238,175,000	\$6,665,000	\$244,840,000	\$167,566,000	\$77,274,000

* Dental: Additional costs to restore all adult dental benefits. Costs for partial restoration are already budgeted in the Governor’s budget.

** The Department receives 100 percent federal financial participation for services provided to Affordable Care Act optional Medi-Cal expansion population.

Subcommittee Staff Comment. At the May Revise, the Legislature will have a better understanding of the state’s fiscal situation and can better evaluate proposals for restoration and augmentation.

Subcommittee staff has requested LAO to provide a brief overview of these proposals.

Appendix A

Health-Related Proposals for Restoration and Augmentation that Have Previously Been Discussed in Subcommittee

Program	Description	Amount Requested
Applied Behavioral Analysis in Medi-Cal	<p>Add applied behavioral analysis (ABA) services to Medi-Cal managed care for children ineligible for regional center services. ABA is an intensive behavioral intervention therapy which is designed to promote positive social behaviors and reduce or ameliorate behaviors which interfere with learning and social interaction.</p> <p>Discussed at the April 24th Subcommittee hearing.</p>	\$125 million General Fund
Electronic Health Records State Match for Technical Assistance	<p>The federal government will provide a 90 percent match for activities related to health information technology, including efforts tied to electronic health record (EHR) adoption and support. Previously, these efforts were funded with federal grant funds. These grant funds have expired.</p> <p>A request for state funds to draw down \$37.5 million in additional federal funds to support the meaningful use of EHRs in the state.</p> <p>Discussed at the March 20th Subcommittee hearing.</p>	\$4 million General Fund
Medi-Cal Rates	<p>Consumer advocates, providers, provider associations, and other stakeholders are concerned that the existing Medi-Cal rates, payment reductions, and rate freezes directly impact an enrollee’s ability to access Medi-Cal services. These stakeholders find that the existing payments do not cover the costs to provide services to Medi-Cal enrollees and are not sufficient enough to sustain their operations. Multiple stakeholders have requested an increase in Medi-Cal rates.</p> <p>Discussed at the April 24th Subcommittee hearing.</p>	Up to \$245 million General Fund annually (for prospective)