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Senate Budget & Fiscal Review

**OUTCOMES: Senate Subcommittee #3 on Health & Human Services
Thursday, May 21 (Room 4203)
Agenda Part 1**

VOTE ONLY

0530 Office of Systems Integration

1. CalHEERS Adjustment (DOF Issue 444)

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

4140 Office of Statewide Health Planning and Development

1. Mental Health Reappropriation (DOF Issue 304 and 306)

- Motion – Approve request to appropriate previously approved funds that were reverted.
- Vote – 2-0 (Senator Emmerson absent.)

4150 Department of Managed Health Care (DMHC)

1. Medi-Cal Dental Managed Care Program Oversight

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

3. Medi-Cal Managed Care Rural Expansion

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

4. Medi-Cal Managed Care Rural Expansion Supplemental – May Revision (DOF Issue 501)

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

4260 Department of Health Care Services

1. Medi-Cal Estimate Update – Technical Adjustments (DOF Issue 200)

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

2. Continuation of 1115 Waiver Activities - Position Request

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

3. Continuation of LIHP & DSRIP Activities - Position Request

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

4. Assisted Living Waiver – Position Request

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

5. Security Oversight of MEDS – Position Request

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

6. HIPPA – Position Request

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

7. Public Assistance Reporting Information System (PARIS) Interstate – Position Request

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

8. Medi-Cal Electronic Health Records – Position Request

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

9. Lock-In at Annual Open Enrollment for Medi-Cal Managed Care

- Motion – Reject proposal.
- Vote – 2-0 (Senator Emmerson absent.)

10. Diagnosis Related Groups Payment System – Position Request

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

11. Breast and Cervical Cancer Treatment Program Resources – Position Request (DOF Issue 006)

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

12. Federal Authority for Mental Health Services Technical Adjustment (DOF Issue 008 and 108)

- Motion – Approve proposal.

- Vote – 2-0 (Senator Emmerson absent.)

13. Family Health Programs Adjustments (DOF Issue 211)

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

14. Drug Medi-Cal Legal Representation – Position Request

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

15. Long Term Care Quality Assurance Fund – Borrowable for Cash Flow

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

4265 Department of Public Health

1. Genetic Disease Screening Program (DOF Issue 504)

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

2. Nursing Home Administrator’s State License Examining Fund (DOF Issue 502)

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

4280 Managed Risk Medical Insurance Board

1. Caseload Updates (Technical Adjustments)

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

4560 Mental Health Services Oversight and Accountability Commission

1. Proposition 63 Evaluation Master Plan (DOF Issue 001)

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

ISSUES FOR DISCUSSION

4280 Managed Risk Medical Insurance Board (MRMIB)

1. Pre-Existing Condition Insurance Plan (PCIP) Update

- Informational Item.

4140 Office of Statewide Health Planning and Development

1. Grant for Workforce Development (DOF Issue 303 and 305)

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

4265 Department of Public Health

1. AIDS Drug Assistance Program (ADAP) Caseload and Estimate Update (DOF Issue 506)

- Motion – Approve staff recommendation:

Subcommittee Staff Comment and Recommendation—Adjust expenditures and adopt placeholder trailer bill language. It is recommended to adjust ADAP expenditures to reflect that only 70 percent of ADAP clients (instead of 85 percent) would transition to Medi-Cal or Covered California in the budget year.

As discussed in previous Subcommittee hearings, there is much uncertainty regarding the rate at which individuals would transition to Medi-Cal or Covered California. Given the state's experience with take-up into new health care coverage programs (it took five-years for the Healthy Families Program to achieve its enrollment), it is prudent to ensure that ADAP has expenditure authority to continue to provide assistance.

Additionally, because of this and the uncertainty with OA-PCIP related-costs, it is recommended to adopt placeholder trailer language to keep the Legislature informed of any potential risk of the ADAP program's inability to provide services within its appropriation:

Given the uncertainty within which persons diagnosed with HIV/AIDS from federal Ryan White HIV/AIDS Treatment Extension Act of 2009 funded programs may transition to Medi-Cal or other health insurance coverage, the State Department of Public Health shall report to the Joint Legislative Budget Committee by October 1, 2013, on whether any of the projections or assumptions used to develop the AIDS Drug Assistance Program (ADAP) estimated budget for the Budget Act of 2013 may result in an inability of ADAP to provide services to eligible ADAP clients. If this occurs before October 1, 2013, and ADAP is unable to provide services to eligible ADAP clients, the State Department of Public Health shall provide notification to the Joint Legislative Budget Committee within 15 calendar days of this determination.

- Vote – 2-0 (Senator Emmerson absent.)

2. Licensing and Certification – Position Request (DOF Issue 502)

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

3. Infant Botulism Program / BabyBIG Program

- Motion – staff recommendation:

Subcommittee Staff Comment and Recommendation—Adopt placeholder trailer bill language. It is apparent that the ZBB efforts regarding the BabyBIG program have identified areas for improvement that could facilitate better policies, improve service delivery, and improve public health outcomes. It is important that these preliminary findings and recommendations be acted upon and not “sit on a shelf.”

Consequently, it is recommended to adopt placeholder trailer bill language requiring DPH to submit a plan to the Legislature on how it will address these findings and implement changes, as it is important to ensure that an adequate supply of the vaccine is available to meet demand.

- Vote – 2-0 (Senator Emmerson absent.)

4. Women, Infants, and Children (WIC) Program (DOF Issue 505)

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

4260 Department of Health Care Services

1. ACA Implementation Activities Related to Medi-Cal – Position Request (DOF Issue 010)

- Motion – Approve proposal.
- Vote – 2-0 (Senator Emmerson absent.)

2. Withdraw Managed Care Efficiencies Proposal (DOF Issue 216)

- Motion – Approve proposal to withdraw the managed care efficiency proposal.
- Vote – 2-0 (Senator Emmerson absent.)

3. ACA - Medi-Cal Enhanced Federal Funding for Prevention Services & Adult Vaccines

- Motion – Approve staff recommendation:

Subcommittee Staff Comment and Recommendation—Adjust savings and approve placeholder trailer bill language. The May Revision does not account for the savings in Medi-Cal managed care associated with this increase in federal funding percentage. DHCS acknowledges that these savings are not included and indicates that it is working on developing this estimate.

It is recommended to score an additional \$10 million in General Fund savings attributable to the increase in federal funds for these services for Medi-Cal managed care plans. Given that about 80 percent of the Medi-Cal caseload is under managed care, these savings generally reflect a corresponding proportion of savings that should be recognized in the budget.

It is also recommended to adopt the placeholder trailer bill language necessary to exempt these services from cost-sharing in order to be eligible for this enhanced federal funding percentage.

- Vote – 2-0 (Senator Emmerson absent.)

4. Eliminate Sunset Date for Specialty Provider Contracting

- Motion – Approve proposal to withdraw the managed care efficiency proposal.
- Vote – 2-0 (Senator Emmerson absent.)

5. Laboratory Rate Methodology Stakeholder Process Extension

- Motion – Approve staff recommendation:

Subcommittee Staff Comment and Recommendation—Adopt placeholder trailer bill language. It is recommended to adopt placeholder trailer bill language to extend the time period for which laboratory service providers have to submit data reports specifying their lowest amounts other payers are paying. This is necessary as the process to develop the new rate methodology has taken longer than anticipated. This proposal has no impact on the General Fund savings anticipated with the change in methodology.

DHCS has indicated that it has no concerns with this proposed trailer bill language.

- Vote – 2-0 (Senator Emmerson absent.)

6. Dense Breast Notification – Medi-Cal and Every Woman Counts Program (DOF Issue 211)

- Motion – Approve staff recommendation:

Subcommittee Staff Comment and Recommendation—Adjust expenditures. DHCS's assumptions regarding the number of women who would request a supplementary screening test and require EWC case management services are high. For example, Connecticut is the only other state that requires similar dense breast notification. In its first year of implementation, according to a study by the Yale Cancer Center, only 20 percent of women who received the notification requested a supplementary screening.

Additionally, EWC case management services would only be necessary for women who receive a positive screen on their supplementary screening test and not for all women who receive a supplementary screening, as projected by DHCS. Data suggests that only 10 to 15 percent of women who obtain a supplementary screening test receive a positive screen.

Consequently, it is recommended to adjust these program budgets to reflect that only 30 percent of women who receive a dense breast notification obtain a secondary screening and only 10 percent of this population (for the EWC program) requires case management services. This results in about a \$5 million General Fund savings.

- Vote – 2-0 (Senator Emmerson absent.)

7. Integration of Medi-Cal Managed Care Screenings and Referrals into EPSDT Performance Outcome System

- Motion – Approve staff recommendation:

Subcommittee Staff Comment and Recommendation—Adopt placeholder trailer bill language. It is recommended to adopt placeholder trailer bill language to incorporate the measuring and evaluating of Medi-Cal managed care plans screenings for mental health needs and their referrals for these services (to both Medi-Cal fee-for-service providers and county mental health plans) into the EPSDT performance outcome system. This effort would be informed by stakeholders and a plan for the incorporation of these factors into the outcome system would be due to the Legislature by October 1, 2014.

Understanding how children are screened and access mental health care is fundamental to understanding how well EPSDT benefits are provided.

- Vote – 2-0 (Senator Emmerson absent.)

8. Behavioral Health Services Needs Assessment and Services Plan

- Motion – Approve staff recommendation:

Subcommittee Staff Comment—Adopt placeholder trailer bill language. It is recommended to adopt the following placeholder trailer bill language to require the Administration to consult with stakeholders prior to the submittal of the Behavioral Health Services Plan to the federal CMS:

Commencing no later than August 1, 2013, the State Department of Health Care Services shall convene a series of stakeholder meetings to receive input from clients, family members, providers, counties, and representatives of the Legislature concerning the development of the Behavioral Health Services Plan, as required by the Section 1115 Bridge to Reform Demonstration Special Terms and Conditions paragraph 25.d.

- Vote – 2-0 (Senator Emmerson absent.)