

# SUBCOMMITTEE NO. 3

# Agenda

Senator Holly J. Mitchell, Chair  
Senator William W. Monning  
Senator Jeff Stone



Wednesday, May 18, 2016  
9:30 a.m.  
State Capitol - Room 4203

Consultant: Michelle Baass

## OUTCOMES

### VOTE ONLY

### MULTIPLE DEPARTMENTS

#### Issue 1: Health-Related General Fund Investments

As discussed at the May 12<sup>th</sup> hearing, the Subcommittee has received multiple requests for General Fund augmentations for health-related programs.

**Subcommittee Staff Recommendation—Approve.** Given the state’s fiscal situation, it is recommended to approve the following General Fund augmentations and to adopt any needed placeholder trailer bill language to effectuate these proposals:

Proposal	Description	Annual General Fund Amount (unless otherwise noted)
<b>Department of Health Care Services</b>		
1. Medi-Cal Estate Recovery	Multiple stakeholders, including Western Center on Law and Poverty, Health Access, CPEN, and Consumers Union, request to limit estate recovery in the Medi-Cal program by requiring collection for only those health care services required to be collected under federal law, to make it easier for individuals to pass on their assets by using a narrower definition of “estate” in	\$26 million

	<p>federal Medicaid law, and to allow a hardship exemption from estate recovery for a home of modest value.</p> <ul style="list-style-type: none"> <li>• <b>Motion – Approve</b></li> <li>• <b>Vote – 2-1 (Stone)</b></li> </ul>	
2. Interpreters for Medi-Cal	<p>Various stakeholders, including the California Latino Legislative Caucus and AFSCME, requests \$15 million for interpreters in the Medi-Cal program.</p> <ul style="list-style-type: none"> <li>• <b>Motion – Approve</b></li> <li>• <b>Vote – 3-0</b></li> </ul>	\$15 million
3. AIDS Medi-Cal Waiver Program Rates	<p>The California HIV Alliance proposes a rate increase for the AIDS Medi-Cal Waiver program. It notes that provider reimbursement rates for this program are lower than Medi-Cal rates for the same services. This increase would equalize case management and case management administrative expenses for the AIDS Medi-Cal waiver to other Home and Community-Based Waiver Services programs.</p> <ul style="list-style-type: none"> <li>• <b>Motion – Approve</b></li> <li>• <b>Vote – 3-0</b></li> </ul>	\$4.9 million
<b>Department of Public Health</b>		
4. Drug Overdose Prevention (Naloxone)	<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. DPA estimates this investment would save an estimated 1,200 lives. Furthermore, hospitalization rates for treatment of effects of non-fatal but debilitating overdoses would also be reduced.</p> <ul style="list-style-type: none"> <li>• <b>Motion – Approve</b></li> <li>• <b>Vote – 3-0</b></li> </ul>	\$3 million
5. Hepatitis Initiatives	<p>Stakeholders, such as CalHEP and Project Inform, request:</p> <ol style="list-style-type: none"> <li>1) \$100,000 for DPH to purchase and distribute hepatitis B (HBV) vaccine to local health jurisdictions to vaccinate high risk adults;</li> <li>2) \$600,000 for DPH to purchase hepatitis C (HCV) rapid test kits to distribute to community-based testing programs;</li> <li>3) \$500,000 for DPH to certify non-medical personnel to perform rapid HCV and HIV testing in community-based settings; and</li> <li>4) \$200,000 to the DPH Office of AIDS for technical assistance to local governments and to increase the number of syringe exchange and disposal programs throughout California and the number of jurisdictions in which syringe exchange and disposal programs are authorized.</li> </ol> <ul style="list-style-type: none"> <li>• <b>Motion – Approve</b></li> <li>• <b>Vote – 3-0</b></li> </ul>	\$1.4 million

6. Children's Dental Disease Prevention Program (DDPP)	<p>Advocates propose to restore funding for DDPP. 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. Participating sites provided fluoride supplementation, dental sealants, plaque control, and oral health education.</p> <ul style="list-style-type: none"> <li>• <b>Motion – Approve</b></li> <li>• <b>Vote – 3-0</b></li> </ul>	\$3.2 million
7. Early Detection and Diagnosis of Alzheimer Disease	<p>Various stakeholders, including the Alzheimer's Association, request funds for the California Alzheimer Disease Centers for early detection and diagnosis of Alzheimer disease. Funds would be used to determine the standard of care in early and accurate diagnosis, provide professional outreach and education, and evaluate the educational effectiveness of these efforts.</p> <ul style="list-style-type: none"> <li>• <b>Motion – Approve</b></li> <li>• <b>Vote – 3-0</b></li> </ul>	\$2.5 million (one-time)
8. Biomonitoring Program	<p>Various advocates, including the Natural Resources Defense Council and the Breast Cancer Fund, request an augmentation for the biomonitoring program to increase and support the scientific work of this program. This funding would be split between DPH, the Department of Toxic Control, and the Office of Environmental Health Hazard Assessment.</p> <ul style="list-style-type: none"> <li>• <b>Motion – Approve</b></li> <li>• <b>Vote – 3-0</b></li> </ul>	\$1 million
9. End of Life Option Act - Telephone Line (SB 1002)	<p>Senator Monning requests funds (\$150,000) to establish a telephone line for answering End of Life Option Act inquiries and require that the individuals answering be bilingual. SB 1002 (Monning) would implement this request.</p> <ul style="list-style-type: none"> <li>• <b>Motion – Approve</b></li> <li>• <b>Vote – 2-1 (Stone)</b></li> </ul>	\$150,000
<b>Office of Statewide Health Planning and Development</b>		
10. Primary Care Workforce Development	<p>Various stakeholders request funding (\$82.5 million) for Song Brown Program to increase residency programs for primary care physicians and funding (\$17.5 million) to establish new teaching health center sites offering additional primary care residencies, and other efforts related to graduate medical education.</p> <ul style="list-style-type: none"> <li>• <b>Motion – Approve</b></li> <li>• <b>Vote – 3-0</b></li> </ul>	\$100 million over three years (\$33 million/year)

## 0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

**Issue 1: Interagency Task Force on HIV, Hepatitis C, Sexually Transmitted Diseases, and Drug User Health**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**0530 CALIFORNIA OFFICE OF HEALTH INFORMATION INTEGRITY (CALOHII)**

**Issue 1: Restructure the California Office of Health Information Integrity**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

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

It is recommended to modify this advocate proposal and only adopt placeholder trailer bill language to establish this task force (i.e., not include a General Fund augmentation for this purpose, as these activities are consistent with the role of the agency).

**0530 OFFICE OF SYSTEMS INTEGRATION (OSI)**

**Issue 1: MEDS Modernization Multi-Departmental Planning Team**

- **Motion – Approve staff recommendation**
- **Vote – 2-1 (Stone)**

**Subcommittee Staff Comment and Recommendation—Approve.** It is recommended to approve the request from OSI and the corresponding budget request from the Department of Health Care Services to support this effort.

**Issue 2: eWIC Management Information System Project**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.**

**Issue 3: CalHEERS**

- **Motion – Approve staff recommendation**
- **Vote – 2-1 (Stone)**

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

**4140 OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT****Issue 1: Expansion of State Loan and Allied Health Repayment Programs for CMSP Counties**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment—Approve and Adopt Budget Bill Language.** It is recommend to increase OSHPD’s reimbursement authority and adopt placeholder budget bill language to implement this proposal.

**4150 DEPARTMENT OF MANAGED HEALTH CARE****Issue 1: Infrastructure and Support Services**

- **Motion – Approve staff recommendation**
- **Vote – 2-1 (Stone)**

**Subcommittee Staff Comment and Recommendation—Approve.**

**Issue 2: End of Life Option Act (AB 15 X2, 2015)**

- **Motion – Approve staff recommendation**
- **Vote – 2-1 (Stone)**

**Subcommittee Staff Comment and Recommendation—Approve.**

**Issue 3: Federal Mental Health Parity Ongoing Compliance Review**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.**

**Issue 4: Large Group Rate Review (SB 546, 2015)**

- **Motion – Approve staff recommendation**
- **Vote – 2-1 (Stone)**

**Subcommittee Staff Comment and Recommendation—Approve.**

**Issue 5: Limitations on Cost-Sharing: Family Coverage (AB 1305, 2015)**

- **Motion – Approve staff recommendation**

- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.**

**Issue 6: Outpatient Prescription Drug Formularies (AB 339, 2015)**

- **Motion – Approve staff recommendation**
- **Vote – 2-1 (Stone)**

**Subcommittee Staff Comment and Recommendation—Approve.**

**Issue 7: Provider Directories (SB 137, 2015)**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.**

**Issue 8: Vision Services (AB 684, 2015)**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.**

**4260 DEPARTMENT OF HEALTH CARE SERVICES**

**Issue 1: County Eligibility Administration Funding and Trailer Bill**

- **Motion – Approve staff recommendation**
- **Vote – 2-1 (Stone)**

**Subcommittee Staff Comment and Recommendation—Approve and adopt Administration’s proposed placeholder trailer bill language.**

**Issue 2: Health Insurance Portability and Accountability Act Compliance and Monitoring**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.**

**Issue 3: Specialty Mental Health Services Oversight and Monitoring**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.**

**Issue 4: Performance Outcomes System for Medi-Cal Specialty Mental Health Services**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Recommendation—Approve.**

**Issue 5: Mental Health Services Act (Proposition 63) Reappropriation**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.**

**Issue 6: Drug Medi-Cal Waiver Program Resources**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.**

**Issue 7: Drug Medi-Cal – Residential Treatment Services**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.**

**Issue 8: Home and Community-Based Services (HCBS) Federal Requirements**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.**

**Issue 9: Office of Family Planning Contract Conversion**

- **Motion – Approve staff recommendation**
- **Vote – 2-1 (Stone)**

**Subcommittee Staff Comment and Recommendation—Approve.**

**Issue 10: Medi-Cal Estimate May Revision Adjustments**

- **Motion – Approve staff recommendation**
- **Vote – 2-1 (Stone)**

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

**Issue 11: Medi-Cal May Revision Adjustments to January Budget**

- **Motion – Approve staff recommendation**
- **Vote – 2-1 (Stone)**

**Subcommittee Staff Recommendation—Approve**

**Issue 12: Hospital Quality Assurance Fee Extension**

- **Motion – Approve staff recommendation**
- **Vote – 2-0 (Stone not voting)**

**Subcommittee Staff Recommendation—Adopt Placeholder Trailer Bill Language.** It is recommended to adopt placeholder trailer bill language to extend the hospital QAF until January 1, 2018. It is also recommended to account for the approximately \$950 General Fund savings as a result of the extension of this QAF. According to the Legislative Analyst’s Office, depending on the timing of federal approval, \$700 million General Fund savings could be scored in 2017-18 and \$250 million General Fund savings could be scored in 2018-19.

**Issue 13: Medi-Cal Electronic Health Records Staffing**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Recommendation—Approve**

**Issue 14: Family Health May Revision Estimate**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**



**Subcommittee Staff Recommendation—Approve.****4265 DEPARTMENT OF PUBLIC HEALTH****Issue 1: Licensing and Certification (L&C): Program Quality Improvement Projects**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.****Issue 2: L&C: Timely Investigations of Caregivers**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.****Issue 3: L&C: State Citation Penalty Account and Long-Term Care Ombudsman**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Augment Funding for LTC Ombudsman Program.** It is recommended to augment the LTC Ombudsman Program with \$1 million in ongoing funds from the State Health Facilities Citation Account. As previously discussed, it is reasonable to assume that the ombudsman program’s presence and advocacy on behalf of skilled nursing facility (SNF) residents improves quality of life for these residents and improves a SNF’s compliance with state and federal laws.

**Issue 4: Women, Infants, and Children Program**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.****Issue 5: Office of AIDS – Advocate Proposals**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve and Adopt Placeholder Trailer Bill Language.** It is recommended to approve these proposals and adopt placeholder trailer bill language to implement these changes.

**Issue 6: Protecting Children from the Effects of Lead Exposure – May Revision Adjustment**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Recommendation—Approve May Revision Adjustment.**

**Issue 7: May Revision Technical Adjustments**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Recommendation—Approve.**

**4300 DEPARTMENT OF DEVELOPMENTAL SERVICES**

**Issue 1: Porterville Developmental Center – Upgrade Fire Alarm System**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.**

**Issue 2: Fiscal and Program Research Unit**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Recommendation—Approve and Adopt Placeholder Trailer Bill Language.** It is recommended to approve this proposal. Also, given the Subcommittee discussion on improving transparency and oversight of the community-based developmental services system, it is also recommended:

1. To adopt placeholder trailer bill language to:
  - a. Require DDS to annually report and post on its website supplemental budget information. This information would be reported by February 1 and includes:
    - i. Budget estimates for each developmental center, including a break out of funding for Porterville Development Center’s general treatment area and secured treatment area
    - ii. For each regional center: Current year estimates for operations funding, purchase of service (POS) funding, caseload, per capita for operations, per capita for POS

- iii. By regional center, information on staff (number of various classifications, e.g., number of case managers)
  - iv. For Community Placement Program (CPP) funding: For each regional center, past year and current year information by component of CPP.
- b. Specify analysis and deliverables for the new research unit. These would include an:
    - i. Assessment of disparities data reported by regional centers.
    - ii. Assessment of caseload ratio requirements by regional center.
    - iii. Assessment of performance dashboard (see below) data as it becomes available.
  - c. Establish a performance dashboard, require DDS to work with stakeholders on the development of this dashboard, and require this dashboard to be published annually. Metrics included in this dashboard would include, but not be limited to:
    - i. Recognized quality and access measures
    - ii. Measures to indicate compliance with and movement toward compliance with new federal Home and Community Based Services waiver rules
    - iii. Measures to evaluate the changes in the number of consumers who work in competitive integrated employment
    - iv. Consumer complaints, timeliness of responses to complaints, number of administrative hearings
2. Augment DDS state operations budget by \$300,000 General Fund (available over three years) for contracting services to assist in the development of this performance dashboard.

### **Issue 3: Four-bed Alternative Residential Model Homes**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.**

### **Issue 4: Consumer Program Coordinators Funding**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Modify.** It is recommended to approve the funding and to modify the budget bill language to require regional centers not only report the number of staff hired with the additional funds and the effectiveness of these funds in reducing average caseload ratios, but also information justifying why a regional center, if it chooses, uses this funding for non-HCBS coordinators.

### **Issue 5: Increased Vendor Audit Coverage**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.****Issue 6: Repeal Prevention Resources and Referral Services Program Statute**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Adopt Administration’s proposed placeholder trailer bill language.**

**Issue 7: Standards Authorizing Medical Services by Regional Centers**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Adopt Placeholder Trailer Bill Language.** It is recommended to adopt placeholder trailer bill language to eliminate the requirement to pursue a Medi-Cal appeal. The costs to implement this change are negligible, as the savings estimated in 2009-10 were a result of requiring consumers to use generic services.

**Issue 8: May Revision Technical Adjustments**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

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

**Issue 9: Home and Community-Based Services (HCBS) Federal Requirements**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Recommendation—Approve Funding Proposals, Adopt Placeholder Budget Bill Language, Reject Proposed Placeholder Trailer Bill Language.** It is recommended to approve all items listed above except the proposed trailer bill language as it only expresses the Legislature’s intent to enact legislation, it is recommended to reject this language.

**4560 MENTAL HEALTH SERVICES OVERSIGHT AND ACCOUNTABILITY COMMISSION****Issue 1: Investment in Mental Health Wellness Act of 2013 – Triage Personnel Grants**

- **Motion – Approve staff recommendation**

- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.**

**Issue 2: Innovation Plan Reviews**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.**

**Issue 3: Advocacy Contracts**

- **Motion – Approve staff recommendation**
- **Vote – 2-1 (Stone)**

**Subcommittee Staff Comment and Recommendation—Modify.** As discussed at the April 21, 2016 Subcommittee hearing, it has been requested that all consumer advocacy contracts be supported at the same level. Consequently, it is recommended to augment this request by \$1.536 million MHSA State Administration funds. (With this action, all consumer advocacy contracts will be funded at approximately \$670,000.)

**Issue 4: Reappropriation of Mental Health Services Fund**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.**

**0877 CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY  
4560 MENTAL HEALTH SERVICES OVERSIGHT AND ACCOUNTABILITY COMMISSION**

**Issue 1: Children’s Crisis Services Capacity Development Grant Program**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendations.** It is recommended to adopt placeholder trailer bill language to establish a one-time grant program for the development of children’s crisis services capacity. It is also recommended to allocate \$18 million from the MHSA state administrative funding for this purpose to the OAC and the California Health Facilities Financing Authority (CHFFA).

Additionally, CHFFA anticipates that approximately \$6 million General Fund related to the SB 82 (Committee on Budget and Fiscal Review), Chapter 34, Statutes of 2013 will go unspent. It is recommended to reappropriate these funds to CHFFA for grants to develop children's crisis services capacity.

## ITEMS FOR DISCUSSION

### 0530 CALIFORNIA OFFICE OF HEALTH INFORMATION INTEGRITY (CALOHH)

#### Issue 1: Use, Disclosure, and Protection of Specially Protected Health Information

- **Motion – Approve staff recommendation**
- **Vote – 2-1 (Stone)**

**Subcommittee Staff Recommendation—Approve and Adopt Placeholder Budget Bill Language.**

### 4300 DEPARTMENT OF DEVELOPMENTAL SERVICES

#### Issue 1: Sonoma Developmental Center – Decertification of ICF/IDD

- **Motion – Approve staff recommendation noted below**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Adopt Placeholder Trailer Bill.** It is recommended to adopt placeholder trailer bill language requiring DSS to report the monthly General Fund backfill costs as a result of the loss of FFP.

#### Issue 2: Developmental Centers Closures

- **Motion – Approve all Governor's Budget and May Revision proposals except the May Revision proposal for Retention Stipends for Developmental Center Staff (Item 1 below)**
- **Vote – 3-0**
- **Motion – Approve May Revision Retention Stipends for Developmental Center Staff**
- **Vote – 2-1 (Stone)**
- **Motion – Approve staff recommended placeholder trailer bill language regarding closure of the developmental centers (Item 2 below)**
- **Vote – 2-0 (Stone not voting)**
- **Motion – Approve staff recommended for an augmentation related to Community State Staff Program funding (Item 3 below)**
- **Vote – 2-1 (Stone)**

**Subcommittee Staff Recommendation.** The following is recommended:

1. Approve, with the modifications noted below, the January budget and May Revision proposals discussed above and adopt placeholder trailer bill and budget bill language to implement these proposals. The following modifications are recommended:
  - a. Modify the request for funding for an independent monitoring contract for Fairview and Porterville Developmental Centers by adding provisional budget bill language authorizing this expenditure only if CMS approves settlement agreements for these DCs through the budget year.
  - b. Specify a timeline by which the transition plan regarding special managed care provisions related to individuals transitioning out the DCs, developed by DDS and the Department of Health Care Services, should be developed regarding the processes for individuals assigned to a Medi-Cal managed care plan which promote coordination of care during and following the transition, identification of providers prior to a transition occurring; and the continuation of medically necessary covered services.
2. Additionally, as part of the Legislature's approval of these DC closure plans, it is recommended to adopt the following placeholder trailer bill language to:
  - a. Require the department to develop a plan to be submitted to the Legislature no later than January 10, 2017 regarding how the department will ensure access to crisis services post developmental closure and how the state will maintain its role in providing residential services to those whom private sector vendors cannot or will not serve. As part of this plan, the department should assess the option of expanding the Community State Staff Program to assign state staff to serve as regional crisis management teams to provide assessment, consultation and resolution for persons with DD in crisis in the community.
  - b. Require that reports of injuries, death, restraint usage, and incidents of seclusion, for example, at community facilities be reported to the federally mandated protection and advocacy agency.
  - c. Limit the use of seclusion and restraints in community facilities licensed by the Department of Social Services.
  - d. Require that crisis services and specialized health care/clinic services at these DCs through the transition process and until closure.
  - e. Require the closure of the DC upon the successful transition of all residents into the community.
  - f. Require regular public posting (on the department's website) of progress being made to develop residential capacity by regional center. Including information on monthly targets for movers based on transition activities and community resource development

activities) by regional center. This monthly reporting would also include information on why targets are not met.

3. It is also recommended to augment DDS's budget by \$5 million General Fund in the budget year and \$10 million in future years for the Community State Staff Program. As has noted by multiple stakeholders, advocates, and DC resident family members, to ensure a successful transition of DC residents into the community, it is critical to retain the experience and expertise of the DC employees and the services they provide. It is recommended to adopt placeholder trailer bill language to implement this change.

### **Issue 3: Deferred Maintenance Projects**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Recommendation—Modify.** It is recommended to reject the proposal to replace the PDC boiler in order to continue discussions on this topic. It is recommended to approve all other projects.

### **Issue 4: Special Session Resources and Technical Clean-up Trailer Bill Language**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

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

### **Issue 5: Provider Rate Adjustments to Address State Minimum Wage Increase Trailer Bill Language**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

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

## **4265 DEPARTMENT OF PUBLIC HEALTH**

### **Issue 1: L&C: Los Angeles County Contract**

- **Motion – Approve staff recommendation**
- **Vote – 2-1 (Stone)**

**Subcommittee Staff Recommendation—Approve.**



**Issue 2: Marijuana Study**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Recommendation—Approve.**

**Issue 3: Medical Cannabis Trailer Bill Language**

- **Motion – Approve staff recommendation**
- **Vote – 2-1 (Stone)**

**Subcommittee Staff Recommendation—Adopt Placeholder Trailer Bill Language.** It is recommended to adopt the Administration’s placeholder trailer bill language.

**Issue 4: Genetic Disease Screening Program**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Recommendation—Approve.**

**Issue 5: Special Session Legislation Related to e-Cigarettes and Tobacco**

- **Held open**

**4260 DEPARTMENT OF HEALTH CARE SERVICES****Issue 1: Medi-Cal Caseload and Estimate**

- **Motion – Approve staff recommendation**
- **Vote – 2-1 (Stone)**

**Subcommittee Recommendation—Approve.**

**Issue 2: Medi-Cal: Federal Managed Care Regulations Staffing Resources**

- **Motion – Approve staff recommendation**
- **Vote – 2-1 (Stone)**

**Subcommittee Staff Comment and Recommendation—Approve and Adopt Placeholder Trailer Bill Language.** Given that the final rule was just issued on May 6, 2016, it is difficult at this point to assess the impact these regulations have on DHCS’s workload and the state budget. It is recommended

to approve this proposal to allow DHCS the flexibility to recruit and hire the needed staff to implement these new regulations.

It is also recommended to adopt placeholder trailer bill language to implement the following:

- a. A transition of care policy that ensures continued access to services during a transition from FFS to managed care or from one MCO to another for all populations to ensure the enrollees do not suffer serious detriment to their health or be at risk of hospitalization or institutionalization.
- b. A beneficiary support system that performs outreach and assistance in understanding managed care.

### **Issue 3: Medi-Cal: Managed Care Enrollment Tax Workload**

- **Motion – Approve staff recommendation**
- **Vote – 2-1 (Stone)**

### **Issue 4: Electronic Health Records Incentive Program**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Recommendation—Adopt placeholder trailer bill language.**

### **Issue 5: Covered Outpatient Drugs Final Federal Rule**

- **Motion – Approve staff recommendation noted below**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve and Adopt Placeholder Trailer Bill Language.** Augment DHCS’s budget by \$1 million General Fund for a dispensing fee supplemental payment.

### **Issue 6: Managed Care Fine and Penalty Revenue to Medi-Cal**

- **Motion – Approve staff recommendation noted below**
- **Vote – 2-0 (Stone not voting)**

**Subcommittee Staff Comment and Recommendation.** It is recommended to reject the proposed trailer bill language and redirect \$2 million from the Major Risk Medical Insurance Fund balance to the Medi-Cal program.

<b>Issue 7: Long-Term Care Quality Assurance Fund</b>
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- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Recommendation—Adopt placeholder trailer bill language.** This fund, similar to the managed care organization tax and hospital quality assurance fee (which are continuously appropriated), is used to offset General Fund expenditures; consequently, it is recommended to approve this proposal.

<b>Issue 8: Institutionally Deemed Behavioral Health Treatment Population Case Management</b>
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- **Motion – Approve staff recommendation**
- **Vote – 3-0**

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

<b>Issue 9: New Qualified Immigrant Affordability and Benefit Program</b>
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- **Motion – Approve staff recommendation**
- **Vote – 2-1 (Stone)**

**Subcommittee Staff Comment and Recommendation.** It is recommended to approve the May Revision proposal to delay the NQI wrap program. It is also recommended to reject the proposed trailer biller bill language. Concerns have been raised by stakeholders that this proposal presents significant policy questions that should be addressed in a policy bill.

<b>Issue 10: Emergency Medical Air Transportation Act Cleanup</b>
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- **Motion – Approve staff recommendation noted below**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Modify.** It is recommended to modify this language to be:

The department shall, by March 1, 2017, in coordination with the Department of Finance, develop a funding plan that ensures adequate reimbursement to *notify to the Legislature on the fiscal impact to Medi-Cal of, and the planned reimbursement methodology for emergency medical air transportation services after,* to emergency medical air transportation providers following the termination of penalty assessments pursuant to subdivision (f) of Section 76000.10 of the Government Code on January 1, 2018.

This change reflects discussions with the Assembly Appropriations Committee to ensure the intent of its amendment to the bill.

**Issue 11: Drug Medi-Cal Rate Setting Process**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Reject.** This May Revision proposal has no budget implications; consequently, it is recommended to reject this proposal.

**Issue 12: Continuum of Care Reform: Short-Term Residential Treatment Center Licensing (AB 403, 2015)**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

**Subcommittee Staff Comment and Recommendation—Approve.** The County Behavioral Health Directors Association raises concerns with the May Revision estimates and finds that the Administration underestimates the new costs to the counties.

**Issue 13: Medi-Cal: PACE Modernization**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

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

**Issue 14: Budget Control Section 4.13**

- **Motion – Approve staff recommendation**
- **Vote – 3-0**

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