DATE: Wednesday, June 5, 2019

TIME: 3:00 – 4:30 P.M.

PLACE: In Santa Cruz County:
Board Room
Central California Alliance for Health
1600 Green Hills Road, Scotts Valley, CA

In Monterey County:
Board Room
Central California Alliance for Health
950 East Blanco Road, Salinas, CA

In Merced County:
Board Room
Central California Alliance for Health
530 West 16th Street, Merced, CA

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1. **Call to Order.** (3:00 p.m.)
   A. Roll call.

2. **Oral Communications.** (3:05 p.m.)
   A. Members of the public may address the Commission on items not listed on today's agenda that are within the jurisdiction of the Committee. Presentations must not exceed five minutes in length, and individuals may speak only once during Oral Communications.
   B. If any member of the public wishes to address the Commission on any item that is listed on today's agenda, they may do so when that item is called.

3. **Approve Minutes of April 11, 2019 meeting of Legislation Committee.** (3:05 – 3:10 p.m.)
   A. Reference Materials Minutes as above

   Pages 03-01 to 03-06

4. **FY 2019-20 State Budget.** (3:10 – 3:35 p.m.)
   A. Staff to provide update on May Revision to State FY 2019-20 Budget
   Reference Materials: May Revision 2019-20 Health and Human Services
   California Budget and Policy Center – First Look (Health)

   Pages 04-01 to 04-19

5. **2019 Legislative Session** (3:35 – 4:00 p.m.)
   A. Staff to provide update on 2019 priority legislations
   Reference materials: Letters of Support
   Bill List June 2019

   Pages 05-01 to 05-20
Members of the public interested in attending should call the Alliance at (831) 430-5949 to verify meeting dates and locations prior to the meetings.

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The complete agenda packet is available for review at the Alliance’s offices at 1600 Green Hills Road, Suite 101, Scotts Valley, CA, 950 East Blanco Road, Suite 101, Salinas, CA, 530 West 16th Street, Suite B, Merced, CA. The Commission complies with the Americans with Disabilities Act. Questions regarding accommodations under the ADA should be directed to the Clerk of the Board, at (831) 430-5523. Board meeting locations in Salinas and Merced are directly accessible by bus. As a courtesy to persons affected, please attend the meeting smoke and scent free.
Meeting Minutes

Thursday, April 11, 2019
3:00 – 4:30 p.m.

In Santa Cruz County:
Central California Alliance for Health
1600 Green Hills Road, Suite 101, Scotts Valley, California

In Monterey County:
Central California Alliance for Health
950 East Blanco Road, Suite 101, Salinas, California

In Merced County:
Central California Alliance for Health
530 West 16th Street, Suite B, Merced, California

Commissioners Present:
Ms. Dorothy Bizzini    Public Representative
Ms. Julie Edgcomb     Public Representative
Ms. Mimi Hall         County Health Director
Supervisor Jane Parker   County Board of Supervisors
Ms. Elsa Quezada     Public Representative

Commissioners Absent:
Supervisor Ryan Coonerty  County Board of Supervisors
Dr. Larry deGhetaldi     Provider Representative
Mr. Michael Molesky     Public Representative

Staff Present:
Ms. Stephanie Sonnenshine  Chief Executive Officer
Ms. Danita Carlson       Government Relations Director
Ms. Ilsa Branch          Compliance Manager
Ms. Nicole Krupp         Government Relations Specialist
Ms. Robin Sihler         Compliance Administrative Assistant

1. Call to Order by Commissioner Parker.

Commissioner Jane Parker called the meeting to order at 3:04 p.m.

Roll call was taken by Ms. Robin Sihler, Compliance Administrative Assistant; a quorum was present.
2. **Oral Communications. (3:05 p.m.)**

Commissioner Parker opened the floor for any members of the public to address the Commission on items not listed on the agenda.

No members of the public addressed the Committee at this time.

3. **Approve Minutes of February 14, 2018 and of February 13, 2019 meetings of Legislation Committee. (3:06 p.m.)**

Commissioner Parker presented the minutes from the February 14, 2018 and February 13, 2019 meetings of the Legislation Committee for approval.

**COMMITTEE ACTION:** Commissioner Bizzini motioned to approve the minutes of the February 14, 2018 and the February 13, 2019 meetings of the Legislation Committee, seconded by Commissioner Quezada. Motion carried with 4 votes affirmative, 1 vote abstained and no votes negative, and was so ordered.

4. **FY 2019 Legislative Session (3:08 – 4:54 p.m.)**

Ms. Sonnenshine, Chief Executive Officer (CEO) gave background on the 2019 Legislative Session which reconvened on January 7, 2019 noting that there are 17 new members with a Democratic super-majority in both houses. The deadline to introduce bills was February 22, 2019 wherein over 2,500 bills were introduced. Ms. Sonnenshine advised the committee that Alliance staff work with our trade associations Local Health Plans of California (LHPC) as well as the California Association of Health Plans (CAHP) and lobbyists to identify and track bills that are relevant to Alliance operations and then bring them forward to this committee.

Ms. Sonnenshine reviewed with the Committee the following specific areas of focus for the Alliance’s Legislation Committee:

- Health Care Coverage/Delivery System Reform
- Medi-Cal Benefits
- Medi-Cal Health Plan Revenue
- Medi-Cal Eligibility
- Medi-Cal Provider Payments
- Medi-Cal and/or Managed Care Policies and Initiatives

Ms. Sonnenshine referred those in attendance to the bill list provided in the April 11, 2019 Legislation Committee Meeting Packet noting that the bill list is broken down into two (2) tiers. Tier 1 bills are those in which Alliance staff are recommending that the Committee consider recommending an advocacy position to the board or to continue to watch closely and Tier 2 bills are those that Alliance staff are monitoring.

Ms. Sonnenshine first reviewed the Tier 1. Those bills are as follows:
• AB 4 (Bonta) and SB 29 (Lara): These companion bills would extend eligibility for full-scale Medi-Cal for individuals of all ages, regardless of their immigration status. There are an estimated 50,000 adults in the Alliance service area who could gain coverage if this were to move forward. Both of these bills passed committee indicating that there is support for the broader expansion for all adults. LHPC has indicated its support for these bills and staff recommends an Alliance support position as well.

• AB 715 and AB 1088 (Wood): These related bills would align income eligibility for the Medi-Cal aged and disabled program with the eligibility requirements for those under 65 in Medi-Cal and would prevent seniors and persons with disabilities who are dually enrolled in Medicare and Medi-Cal from losing medical coverage. This legislation would only be implemented if the Federal financial participation was available. LHPC supports these bills. Both have passed the Assembly Health Committee already. Alliance staff recommends support of these bills.

• AB 848 (Gray): This bill was put forward by Assembly Member Gray, who is the Assembly Member that represents Merced County. This bill would add continuous glucose monitors and related supplies as a benefit under the Medi-Cal program. This bill was presented and passed in 2018, but it was vetoed by then-Governor Brown. The Alliance supported this bill last year and staff recommends that the Committee continue its support. The Alliance already covers these supplies in medically necessary situations, and supports this being made a Medi-Cal benefit.

• SB 66 (Atkins): This bill would authorize Federally Qualified Health Centers (FQHC) reimbursement for mental or dental services occurring on the same day that a patient receives physical health services. Currently, FQHCs cannot receive reimbursement for same day billing for these services, which we have identified as a significant challenge for our clinic partners. LHPC has co-sponsored this bill and this too is a repeat bill from last year. It was passed and again it was vetoed by then-Governor Brown. Alliance staff strongly urges support of this bill. Commissioner Edgcomb stated that this bill is being supported by Monterey County as well as the FQHC professional association. Ms. Carlson indicated there is hope and anticipation among legislators and advocates for the successful enactment of bills that didn’t previously make it through or were vetoed in previous years to be successful this year.

Ms. Sonnenshine continued by reviewing additional Tier 1 bills which Alliance staff have identified as bills that should be watched closely. Those bills are as follows:

• AB 318 (Chu): This bill adds requirements for Medi-Cal managed care plans regarding readability of member materials. While the goals of this legislation are shared by the Alliance, there is some concern around feasibility of implementation and duplication of existing processes. Alliance staff will be watching this bill closely and will update the Committee on any significant issues at the June meeting.

• AB 527 (Wood): This bill establishes a quality assessment and quality improvement program, including a value based financial incentive program that targets a minimum performance level. We anticipate that this will address the recent audit on pediatric services and DHCS’s recent direction to move the HEDIS Minimum Performance Level on all measures from the 25th percentile to the 50th percentile of all Medicaid plans. CAHP is taking an oppose position. LHPC is currently on a watch position. Alliance
staff will be watching this bill closely and will continue to update the committee of any significant issues.

- SB 503 (Pan): This bill relates to health plans’ subcontracts (delegated contracts). The emphasis is to ensure that the Medi-Cal managed care plans bear ultimate responsibility for any delegated entities. This bill is particularly relevant given that the board recently considered the criteria to be used when the Alliance executes agreements with delegated entities. Commissioner Quezada asked for clarification as to what is a delegated entity. Ms. Sonnenshine replied with the example of the plan’s behavioral health vendor, wherein the plan has delegated to them the responsibility for network development and claims payment.

- AB 977 (Stone): This is a spot bill related to children’s preventive care and Early and Periodic Screening Diagnosis and Treatment (EPSDT) services. There was the recent report issued as a result of the audit of DHCS’s oversight of the delivery of preventive services to children. There are significant findings in the report. Alliance Staff are assessing the report and those findings to inform ongoing work to improve services for children. It is anticipated that this bill may be used to move related recommendations.

- AB 1642 (Wood): This was originally a spot bill which has been expanded to incorporate some of the actions that had been recommended through the audit of DHCS’s delivery of preventive services to children.

- SB 763 (Gray): This bill pertains to reporting on pediatric specialty mental health services, which are the purview of the counties. The Alliance already provides monthly reports relating to our members who are in the Whole Child Model. Shifting to use of those standardized monthly reports doesn't present an issue for the health plan. The plan does not report on the specialty mental health services because we don't administer or pay for those, the county does. There is a question as to whether the intent is to merge the reporting or impose the same requirements on counties. Staff will be watching this bill closely and will continue to update this committee of any significant issues or changes.

- AB 871 and AB 811 (Gray): These are spot bills related to exploring funding mechanisms to support a medical residency program in Merced County. Commissioner Bizzini inquired if the plan has any knowledge of any other state or federal funding programs for the education of medical students. Ms. Sonnenshine replied that there has been a lot of discussion between the state and the UCs about tuition and loan repayment including the development of a loan repayment program using Prop 56 funding. Commissioner Bizzini expressed a need for making it more affordable and economical for people to enter into the medical field. Commissioner Edgcomb stated that Monterey County has been working diligently to improve Health Profession Shortage Areas (HPSA) scores in Monterey County Health Department clinics, raising the rating from 1 to ~20, enabling the county to offer loan repayment to many more physicians, nurses and nurse practitioners. By investing in the federal loan repayment programs the county has improved their ability to recruit more physicians, nurses, etc. Ms. Sonnenshine commented that this is a multifaceted problem because, if everybody who was interested or willing to go into the medical profession wanted to get into a program, there are not enough programs.

Ms. Sonnenshine reported that in addition to the bills discussed, there are some bills relating to exchange plans and services that are relevant to one of our sister plans - LA Care. These bills
are not relevant to the Alliance specifically since we do not participate in Covered CA. There are also hearings taking place on whether California will implement its own individual mandate, which Committee members should be aware of.

Ms. Sonnenshine opened the discussion to committee members inquiring if there is any legislation or pertinent discussion they would like to share. Commissioner Edgcomb informed the committee that Monterey County Legislative Committee (MCLC) has been closely tracking the census as there is concern that there is currently no plan to have a census field office in Monterey County. The concern is that there will not be enough census staff presence in the county to be informed about county concerns and issues. Combined with the sensitivity to the current climate surrounding citizenship and immigration status, much of the county’s population may not be counted which would have an impact on how the county is funded. Lilia Chagolla, Alliance Regional Director Santa Cruz and Monterey Counties informed the committee that she has been following the outcomes of the census meetings for Santa Cruz and Monterey counties and advised that the census representatives for both counties are working together to partner with community organizations in both counties. The census employees are also Spanish speaking and they are available to share information and educate organizations as needed. Ms. Chagolla advised the committee that she will be continuing to monitor the census activity closely. Commissioner Hall stated that Santa Cruz County has made a great effort to provide outreach and awareness. Census staff have been meeting with different boards, commissions and community groups to encourage them to participate in public events and meetings where they can gain more information about the census.

Commissioner Hall informed the committee that Santa Cruz County, as well as the statewide Health Directors Association, is aligned with all of the Tier 1 bills that had been called out by this committee. Ms. Sonnenshine inquired if there are any bills that other statewide associations are considering that would be relevant to the health plan. Commissioner Hall advised the committee that Santa Cruz County Health Officer has asked the county to support SB 276 (Pan). This bill is the continuation of the immunization legislation and specifies that medical exemption requests have to be approved or denied only by the state Public Health Officer or their designee. Although some immunization bills have passed which eliminated personal belief exemptions, there remain issues with under immunization in California.

Ms. Sonnenshine reviewed with the committee key dates related to the Legislative Calendar, noting that September 13, 2019 is the final deadline for a bill to pass legislature. She informed the committee that the June 5, 2019 Legislation Committee Meeting will be the final opportunity to recommend support positions to the board.

COMMITTEE ACTION: Commissioner Bizzini moved to accept the 2019 bill list, propose to the board a support position for ABs 4, 175, 848, 1088 and SBs 29 and 66 and direct staff to continue to monitor legislation and inform the board of significant new issues or changes. Commissioner Hall seconded the motion. Motion carried with 5 votes affirmative, 3 absent and was so ordered.
Commissioner Parker adjourned the meeting at 4:54 p.m.

Respectfully submitted,

Ms. Robin Sihler
Compliance Administrative Assistant
The Health and Human Services Agency oversees departments and other state entities that provide health and social services to California's vulnerable and at-risk residents.

The May Revision includes $162.3 billion ($41.4 billion General Fund and $120.9 billion other funds) for all health and human services programs, an increase of $1.1 billion General Fund compared to the Governor's Budget.

**EXPANDED SUBSIDIES TO PROMOTE AFFORDABLE COVERAGE**

To improve affordability and access to health care, the Governor's Budget proposed subsidies to help more low and middle class Californians afford health coverage through Covered California.

The Governor's Budget proposed to make California the first state in the nation to offer financial assistance to qualified individuals with incomes between 400 percent and 600 percent of the federal poverty level, while also increasing subsidies for individuals with incomes between 250 percent and 400 percent of the federal poverty level. The May Revision expands upon this proposal by offering subsidies to individuals between 200 percent and 250 percent of the federal poverty level.

In addition to the direct assistance for consumers receiving the additional subsidies, these subsidies will benefit all individual market consumers by encouraging younger,
healthier consumers to enroll in coverage. Combined with the Governor's Budget proposal to create a state individual mandate to obtain comprehensive health care coverage, the subsidies will improve the overall risk pool in the individual market, reducing future premium increases.

The expanded subsidies and the individual mandate penalty are proposed to begin on January 1, 2020 to provide immediate relief to Californians and to prevent further destabilization of the insurance market. The increased subsidies will be funded by penalty revenues, and the program design will be adjusted in coverage years 2021 and 2022 to maintain a budget-neutral program.

The May Revision includes General Fund expenditures of $295.3 million in 2019-20, $330.4 million in 2020-21, and $379.9 million in 2021-22 to provide these subsidies. These proposed expenditures are aligned with individual mandate penalty revenue projections of $317.2 million in 2020-21, $335.9 million in 2021-22, and $352.8 million in 2022-23.

To improve affordability for middle-class Californians who are ineligible for federal assistance, approximately 75 percent of subsidy expenditures would be allocated to qualified individuals with incomes between 400 percent and 600 percent of the federal poverty level. Subsidies for these individuals would average around $100 per month. Similar to the federal subsidies currently offered through Covered California, individual subsidy amounts will vary significantly depending upon an individual’s income, family size, age, region, and health care premium costs. Individuals with incomes between 200 percent and 400 percent of the federal poverty level would receive average state subsidies of around $10 per month, in addition to federal subsidies of hundreds of dollars per month.

In addition to the expanded subsidies program, the May Revision also proposes $8.2 million ongoing General Fund for the Franchise Tax Board to implement the individual mandate and reconcile annual subsidy payments. Finally, the May Revision proposes statutory amendments.

The expanded subsidies are proposed to sunset in three years. They provide a bridge to the work of the Healthy California for All Commission.

Health Care Workforce Initiatives

To address the need for additional health care professionals throughout the state, the Governor's Budget invested in existing programs designed to bolster and expand
workforce capacity. The supply of and demand for physicians and other health professionals are affected by a number of factors including coverage expansions, practice patterns, an aging workforce, and the complex needs of the patient population. The combination of these factors has resulted in shortages of health professionals, with shortages more pronounced in rural parts of the state and among primary care and behavioral health providers.

In recognition of the increased demand for health care providers, the Governor's Budget included $122 million as follows:

- $50 million one-time General Fund to increase training opportunities in existing mental health workforce programs administered by the Office of Statewide Health Planning and Development;
- $38.7 million Proposition 56 funds to develop residency programs at hospitals throughout California as administered and operated by the University of California in partnership with Physicians for a Healthy California, and;
- $33.3 million ongoing General Fund to the Song-Brown Health Care Workforce program beginning in 2020-21.

**ADDITIONAL WORKFORCE INVESTMENTS IN THE MAY REVISION**

The May Revision allocates an additional $120 million Proposition 56 funds for the Medi-Cal loan repayment program. Combined with amounts allocated in the 2018 Budget Act, the May Revision makes $340 million available for the program over the next several years. Of this total, $290 million is for physicians and $50 million for dentists. All awardees are required to make a five-year commitment to maintain a patient caseload of 30 percent or more Medi-Cal beneficiaries. In the first round of loan repayment awards, Health Care Services expects to award loan repayments to approximately 125 physicians and 20 dentists. There will be a minimum of five rounds of funding.

The May Revision also invests $100 million from the Mental Health Services Fund (one-time funding available over five years) for the new 2020-25 Workforce Education and Training (WET) Five-Year Plan. The Plan provides a framework of strategies that the state, local governments, community partners, educational institutions, and other stakeholders can pursue to begin to address the shortage of qualified mental health professionals in the public mental health system.
Combined with other recent health workforce investments, the May Revision commits over $600 million in funding in the coming years to meet our future health care workforce needs.

DEPARTMENT OF HEALTH CARE SERVICES

Medi-Cal, California's Medicaid program, is administered by the Department of Health Care Services. Medi-Cal is a public health care coverage program that provides comprehensive health care services at no or low cost to low-income individuals. The federal government mandates basic services be included in the program, including: physician services; family nurse practitioner services; nursing facility services; hospital inpatient and outpatient services; laboratory and radiology services; family planning; and early and periodic screening, diagnosis, and treatment services for children. In addition to these mandatory services, the state provides optional benefits such as outpatient drugs, dental, home and community-based services, and medical equipment. The Department also operates the California Children’s Services and the Primary and Rural Health programs, and oversees county-operated community mental health and substance use disorder programs.

The Medi-Cal budget is $93.5 billion ($19.7 billion General Fund) in 2018-19 and $102.2 billion ($23.0 billion General Fund) in 2019-20. The May Revision assumes that caseload will decrease by approximately 2.4 percent from 2017-18 to 2018-19 and increase by 0.02 percent from 2018-19 to 2019-20. Medi-Cal is projected to cover approximately 13 million Californians in 2019-20, including 3.8 million in the optional expansion population.

In 2019-20, the May Revision reflects an 8.5-percent state share of cost for the optional expansion population. The May Revision includes $19.6 billion ($2.1 billion General Fund) in 2019-20 for this population.

PROPOSITION 56

In January, the Proposition 56 package totaled approximately $1 billion for 2019-20 for supplemental rate increases for physicians, dentists, and various other Medi-Cal providers, funds for Medi-Cal women's health, trauma and developmental screenings, and the Value-Based Payments program. The May Revision includes approximately $263 million in additional Proposition 56 revenues due to a one-time fund reconciliation.

The May Revision includes the following additional Proposition 56 investments:
• $120 million additional one-time funding for the loan repayment program for physicians and dentists who commit to serving Medi-Cal beneficiaries.

• $70 million additional one-time funding for the Value-Based Payments program, specifically for behavioral health integration. This brings the total allocation for Value-Based Payments to $250 million available for the program over the next several years.

• $25 million in 2019-20 ($60 million over three years) to train providers to conduct the trauma screenings that were proposed in the Governor's Budget.

• $11.3 million to restore optician and optical lab services for adult beneficiaries in the Medi-Cal program, effective no sooner than January 1, 2020.

Given lower projected General Fund revenues over the forecast period and ongoing efforts to transform the state's health care system and lower costs, the package of Proposition 56 investments sunsets December 31, 2021. These investments remain a priority, and provide a bridge to the work of the Healthy California for All Commission.

Other Significant Adjustments:

• Current Year—The May Revision assumes decreased expenditures in the Medi-Cal program of approximately $1 billion General Fund compared to the Governor's Budget. Unlike most programs, Medi-Cal operates on a cash, rather than an accrual, basis of accounting. This means that the timing of transactions can significantly disrupt fiscal year budgetary estimates.
  ◦ About 70 percent of the difference is due to shifts in timing for repayments to the federal government. These repayments are now assumed to be made in the budget year, resulting in relatively minor net changes across the two fiscal years.
  ◦ Another 12 percent is attributed to increased savings for drug rebates and retroactive managed care payments, offset by increased delinquent fees owed from skilled nursing facilities and other one-time adjustments.
  ◦ The remaining variance is primarily due to changes in fee-for-service caseload.

• Year-Over-Year—The May Revision projects General Fund expenditures of $23 billion in 2019-20, an increase of $3.3 billion compared with 2018-19. Approximately one-third of the increase is attributable to the expiration of the managed care organization tax. Another one-third is due to a higher average cost per eligible and
other factors. The remaining increase results from a shift in the timing of payments from current year to budget year and other factors.

- Full-Scope Medi-Cal Expansion for Undocumented Young Adults—The May Revision includes $98 million ($74.3 million General Fund) to expand full-scope Medi-Cal coverage to eligible young adults aged 19 through 25 regardless of immigration status, starting no sooner than January 1, 2020. The assumed implementation date is six months later than assumed in the Governor’s Budget. This expansion will provide full-scope coverage to approximately 90,000 undocumented young adults in the first year. Nearly 75 percent of these individuals are currently in the Medi-Cal system.

- Redirection of County Realignment Savings that Result from Medi-Cal Expansion—The May Revision maintains the Administration’s proposal to change the redirection amounts for certain counties’ indigent care realignment revenue with three modifications. First, the May Revision reflects Yolo County as a County Medical Services Program county. Second, the change in redirection amounts for certain counties is delayed six months to align with the assumed timing of the proposed Medi-Cal eligibility expansion. Third, the May Revision proposes to withhold realignment revenues from the County Medical Services Program Board until the Board’s total reserves reach two years of total annual expenditures. At that point, the Board revenues will be reflect a 75 percent redirection amount consistent with non-formula counties.

- Pharmacy Transition to Fee-for-Service—The transition of pharmacy services from Medi-Cal managed care to a fee-for-service benefit will help the state secure better prices by allowing California to negotiate with pharmaceutical manufacturers on behalf of a much larger population of Medi-Cal beneficiaries. Savings from the transition are estimated to reach $393 million General Fund by 2022-23. While the transition is scheduled for January 1, 2021, savings will not be realized immediately due to timing of drug rebates and the managed care rate setting process.

- Medi-Cal Drug Rebate Fund Reserve—Drug rebates are a major source of General Fund spending volatility in the Medi-Cal program. To reduce this volatility, the May Revision projects a $172 million reserve in the Medi-Cal Drug Rebate Fund. In the future, the reserve in this fund will be increased when savings exceed initial drug rebate estimates. When savings fall short of initial estimates, the reserve will be accessed to reduce the impact on the General Fund.

- Medi-Cal County Administration—The May Revision includes $2.1 billion ($729 million General Fund) in 2019-20 for county eligibility determination activities, an increase of
$15.3 million total funds compared with the Governor's Budget, based on higher projected growth in the California Consumer Price Index (3.39 percent compared with 2.63 percent at Governor's Budget).

- Whole Person Care Pilots—The May Revision includes one-time $20 million Mental Health Services Fund over five years for counties that currently do not operate Whole Person Care Pilots. This is in addition to the $100 million one-time General Fund proposed in the Governor's Budget for counties that currently operate pilots. With this funding, additional counties will be able to develop and implement essential programs focused on coordinating health, behavioral health (for individuals with a mental health and/or substance use disorder), and critical social services, such as housing. Priority will be given to individuals with mental illness who are also homeless, or at risk of becoming homeless.

- Peer-Run Mental Health Crisis Line—The May Revision allocates $3.6 million Mental Health Services Fund annually for three years to the Department of Health Care Services to provide support for a statewide peer-run mental health crisis line, a critical resource for those on the brink of a mental health crisis. This proposal maintains the Administration’s focus on prevention and early intervention by providing a resource offering information, referrals, emotional support, and non-judgmental peer support to those living with mental illness. This statewide crisis line would also increase employment opportunities to those who have recovered from mental health issues.

- Cannabis Allocation—The May Revision includes $21.5 million in Proposition 64 funds for competitive grants to develop and implement new youth programs in the areas of education, prevention, and early intervention of substance use disorders. These funds are continuously appropriated.

**DEPARTMENT OF SOCIAL SERVICES**

The Department of Social Services serves, aids, and protects needy and vulnerable children and adults in ways that strengthen and preserve families, encourage personal responsibility, and foster independence. The Department's major programs include CalWORKs, CalFresh, In-Home Supportive Services (IHSS), Supplemental Security Income/State Supplementary Payment (SSI/SSP), Child Welfare Services, Community Care Licensing, and Disability Determination.
HEALTH AND HUMAN SERVICES

Caseload-Related Adjustments:

- IHSS—The overall cost for IHSS increased by $60.5 million General Fund in 2018-19 and $151.6 million General Fund in 2019-20, due primarily to a projected increase in caseload growth, average hours per case, and average cost per case. These increases were offset partially by decreases in IHSS provider overtime and travel costs.

- CalWORKs—A decrease of $46.8 million General Fund and federal Temporary Assistance for Needy Families (TANF) block grant funds in 2018-19 and $49.1 million General Fund and federal TANF block grant funds in 2019-20 to reflect updated caseload and average cost per case projections.

- SSI/SSP—A decrease of $5.9 million General Fund in 2018-19 and $18 million General Fund in 2019-20 to reflect updated caseload and average cost per case projections.

Other Significant Adjustments:

- CalWORKs Single Allocation Budgeting Methodology—An ongoing increase of $41.4 million General Fund and federal TANF block grant funds in 2019-20 to reflect the adoption of a revised budgeting methodology for the employment services component of the CalWORKs Single Allocation to counties. This augmentation represents a $165.5 million increase compared to the traditional methodology. Because a budgeting methodology for the administration/eligibility and employment services components have been created, the May Revision proposes to separate the child care component from the Single Allocation.

- CalWORKs Outcomes and Accountability Review (Cal-OAR)—An increase of $13.2 million General Fund and federal TANF block grant funds in 2019-20 for counties to perform required Continuous Quality Improvement activities consistent with Cal-OAR implementation.

- CalWORKs Stage One Child Care 12-Month Eligibility—An increase of $40.7 million General Fund in 2019-20 ($54.2 million annually thereafter) to establish a 12-month eligibility period for CalWORKs Stage One Child Care services. See the Early Childhood Chapter for more information.

- CalWORKs Home Visiting Initiative—An increase of $10.7 million in General Fund and federal TANF block grant funds to reflect updated projections of CalWORKs cases...
eligible for home visiting services. See the Early Childhood Chapter for more information.

- Funding for County Administrative Costs for the Expanded CalFresh Population—A one-time increase of $15 million General Fund in 2019-20 for county administration efforts to process new CalFresh applicants as a result of eliminating the Supplemental Security Income Cash-Out policy.

- IHSS Restoration of the 7-percent Across-the-Board Reduction to IHSS Service Hours—An increase of $15.3 million General Fund to reflect the updated costs for the restoration of the 7-percent across-the-board reduction to IHSS service hours. The May Revision proposes to temporarily restore the 7-percent reduction through December 31, 2021, due to lower than expected revenues over the forecast period and ongoing efforts to contain costs.

- County IHSS Maintenance-of-Effort Adjustment—An increase of $55 million General Fund related to the rebenching of the County IHSS Maintenance-of-Effort to reflect revised 1991 Realignment revenue projections and revised IHSS caseload and cost projections.

- Resource Family Approval Administration and Application Backlog—A one-time increase of $14.4 million General Fund in 2019-20 to support county efforts in eliminating the backlog of foster care resource family applications that are pending review and approval.

- Foster Parent Recruitment, Retention, and Support—A one-time increase of $21.6 million General Fund in 2019-20 for activities and services to retain, recruit, and support foster parents, relative caregivers, and resource families.

- Foster Care Emergency Assistance—An increase of $21.7 million General Fund and federal TANF block grant funds in 2019-20 to provide caregivers with up to four months of emergency assistance payments pending resource family approval. Beginning in 2020-21 and annually thereafter, the state will fund emergency assistance payments for up to three months, as local child welfare agencies and probation departments are anticipated to complete the resource family approval process within three months of application receipt. The May Revision includes a TANF reserve of $31.2 million to fund emergency assistance costs through 2020-21.

- Federal Title IV-E Administrative Costs Dependency Counsel—An ongoing increase of $34 million federal funds to support court-appointed dependency counsel representing children and parents at every stage of the dependency proceeding.
Health and Human Services

- Funding for Special Olympics—A one-time increase of $2 million General Fund in 2019-20 to support the Special Olympics, which enriches the lives of children and adults with intellectual disabilities through sports and education.

- Immigration-Related Pilot Projects—The May Revision proposes to use up to $5 million of the $10 million General Fund proposed in 2019-20 for the provision of legal services to unaccompanied undocumented minors and Temporary Protected Status beneficiaries to: (1) establish a pilot to provide mental health evaluations related to legal defense, and (2) develop a family reunification navigator pilot to connect undocumented minors and their families with services in the community.

Department of Developmental Services

The Department of Developmental Services funds a variety of services for individuals with developmental disabilities that allow them to live and work independently or in supported environments. California is the only state that provides developmental services as an individual entitlement. The state is in the process of closing all state-operated developmental centers, but will continue to operate the secure treatment area at the Porterville Developmental Center and the Canyon Springs community facility.

By the end of 2018-19, the Department estimates it will be providing community services to approximately 333,000 individuals with developmental disabilities. In the developmental centers, the estimated population, as of July 1, 2019, is 326 residents. The population is expected to decrease to 297 residents by June 30, 2020, as the final residents transition to receiving services through the Regional Centers. The Budget includes $8.2 billion ($5 billion General Fund) for support of developmental services. Based on recent projections, base program costs are expected to grow by 10.2 percent annually.

Regional Center Reforms and Provider Rates

As required by Chapter 3, Statutes of 2016, Second Extraordinary Session (ABX2 1), the Department of Developmental Services submitted a rate study in March 2019, which has helped inform the Administration’s targeted rates proposal.

The May Revision includes $165 million ($100 million General Fund) beginning January 1, 2020, for supplemental provider rate increases for community developmental
services. Annual costs of these rate increases are $330 million ($200 million General Fund).

The rate structure for community-based developmental services is complex and contributes to making oversight of the system difficult. These funds will focus on three specific areas to address specific service delivery elements within the Regional Center system, including:

- Stabilizing residential capacity, with a focus on compliance with the March 2014 federal Home and Community-Based Services requirements;
- Addressing rate differences between Regional Centers and vendors; and
- Enhancing consumer safety through mandated fingerprint requirements.

In addition to the proposed rate increases, the May Revision proposes the following reform efforts as a first step:

- Establishing and enforcing comprehensive Regional Center performance goals and increased accountability measures;
- Developing a statewide oversight system that regularly reviews Regional Center and provider performance and disseminates best practices and standards; and
- More frequent monitoring of Regional Center budgets.

Additional recommendations and reforms are needed for Regional Center board governance, standardization of practices, rate methodologies and categories, as well as the establishment of process and outcome measures necessary to increase transparency and accountability in this program area. These reforms will promote the provision of quality services in an efficient manner to persons with developmental disabilities.

The May Revision also includes $7 million ($5 million General Fund) for the Department and Regional Centers to begin implementing broad reform efforts as well as implementing the supplemental rate increases.

Other Significant Adjustment:

- The May Revision includes $50 million ($30.1 million General Fund) to suspend the Uniform Holiday Schedule. This change allows additional days of services to be paid.
The supplemental rates and Uniform Holiday Schedule will sunset on December 31, 2021, due to lower-than-expected revenues over the forecast period and efforts to address the complexity of the current rate system as reviewed in the rate study released earlier this year and other efforts to improve transparency, accountability, and other issues in the Regional Center system.

**DEPARTMENT OF PUBLIC HEALTH**

The Department of Public Health is charged with protecting and promoting the health and well-being of the people of California. Public Health expenditures in 2019-20 are $3.3 billion ($224.3 million General Fund).

California has some of the highest preventable infectious disease rates in the nation, and these rates have increased in the last several years. The Department is currently implementing a "Getting to Zero" HIV and AIDS prevention and treatment plan. The May Revision includes $40 million one-time General Fund to slow infectious disease epidemics. The funds will be available over a four-year period through local public health departments and tribal communities to assist in providing prevention, testing, and treatment services.

**Significant Adjustments:**

- **California Home Visiting and Black Infant Health Programs**—The May Revision includes additional reimbursements from the Department of Health Care Services for Medicaid-eligible activities previously not reflected in the Governor's Budget. See the Early Childhood Chapter for more information.

- **Cannabis Surveillance and Education**—The May Revision includes $12 million in Proposition 64 funds for surveillance and education activities. These funds are continuously appropriated.

- **Emergency Preparedness, Response, and Recovery**—The May Revision includes $959,000 ($569,000 General Fund) to support health care facilities and mass care shelters during emergencies as well as disaster preparedness, response, and recovery efforts. See the Emergency Preparedness, Response, and Recovery Chapter for more information.
DEPARTMENT OF STATE HOSPITALS

The Department of State Hospitals administers the state mental health hospital system, the Forensic Conditional Release Program, the Sex Offender Commitment Program, and the evaluation and treatment of judicially and civilly committed patients. The patient population is expected to reach 6,530 across the state hospitals and contracted patient programs and 795 in the Conditional Release Program by the end of 2019-20.

Significant Adjustments:

- Conditional Release Step Down Program—An increase of $5.7 million General Fund in 2019-20 ($11.5 million General Fund annually thereafter) for the Department of State Hospitals to contract for a 78-bed community step-down program to serve Mentally Disordered Offenders and Not Guilty by Reason of Insanity commitments who are preparing for conditional release from state hospitals within 18 to 24 months. This funding also includes increasing an existing Department of State Hospitals' contract by 4 beds for a total of 24 beds.

- Telepsychiatry Resources—An increase of $2.2 million General Fund in 2019-20 ($3.75 million General Fund in 2020-21 and $3.5 million General Fund annually thereafter) for the Department of State Hospitals to expand the use of telepsychiatry to treat patients remotely via video-conferencing.
Governor’s Revised Budget Emphasizes Bold Proposals and Fiscal Resilience, Leaves Room for Other Investments

On May 9, Governor Gavin Newsom released the May Revision to his proposed 2019-20 state budget that continues to call for a series of bold investments in creating economic security and opportunities for Californians, while also fostering the state’s fiscal health.

The Governor forecasts revenues that are $3.2 billion higher (over a three-year “budget window” from 2017-18 to 2019-20) than projected in January, driven largely by continued economic growth.

The Governor’s proposal includes a mix of one-time and ongoing investments vital to low- and middle-income California’s economic prosperity, including: a significant expansion of the state’s Earned Income Tax Credit (EITC), investment in early childhood development, extending paid family leave, continuing to expand health coverage, increasing investment in K-12 and state higher education systems, and working toward greater access to mental health services. The Governor’s revised budget also provides additional support for housing and homelessness supports, recognizing that the high cost of housing continues to burden and destabilize many Californians. These proposals, individually and in combination, would significantly improve the health and well-being of millions of Californians, most notably low- and middle-income people of color, immigrants, and women and children.

The May Revision also continues to bolster the state’s fiscal resilience by building up reserves and paying down state debts and liabilities. While the Governor’s revised budget continues to call for a variety of program expansions, the May Revision sunsets some of those investments within a few years.

These proposals – a combination of one-time and ongoing investments, building up reserves, and paying down debts – represent a mostly balanced approach to managing the state’s fiscal health. But, there are opportunities to further enhance the state’s fiscal health and extend support to more Californians in need. By seeking an extension of California’s tax on health insurance plans – also known as MCOs – the state could move even closer to universal health coverage. The state also has room to further improve the economic and social well-being for all Californians, including older adults and people with disabilities, working immigrants who file their taxes and who are left out of the EITC expansion, and families with young children who are struggling to find affordable child care.

The following sections summarize key provisions of the Governor’s revised 2019-20 budget. Please check the Budget Center’s website (calbudgetcenter.org) for our latest commentary and analysis.
allocated in the Governor’s January budget proposal. The Administration noted in January that the 2018-19 budget allocated sufficient funding to sustain legal services through 2021-22.

The Governor remains adamant that the state “be a part of a multi-lateral solution” to address immigration issues nationally and in California. Still, the revised budget proposal omits key priorities advocates and legislators have pushed for in the recent months. Proposals not included in the May Revision include extending the CalEITC to immigrant workers who file taxes with an Individual Taxpayer Identification Number (ITIN) and expanding full scope Medi-Cal coverage to immigrants 26 years and older. While California continues to make strides to provide support and create safe communities for immigrants, ensuring that all Californians are protected and can access economic opportunity requires enacting policies that extend vital state supports to immigrants and their families.

Health

May Revision Maintains Proposals to Improve Health Insurance Affordability and Move Toward Universal Coverage

Building on the federal Affordable Care Act (ACA), California has substantially expanded access to health coverage in recent years. For example, more than 13 million Californians with modest incomes receive free or low-cost health care through Medi-Cal (California’s Medicaid program) – several million more than before the ACA took effect. Another 1.2 million Californians with incomes up to 400% of the federal poverty line – $48,560 for an individual in 2019 – receive federal premium subsidies to reduce the cost of coverage purchased through Covered California, our state’s health insurance marketplace.

Despite these gains, around 3 million Californians remain uninsured, health care costs continue to rise, and many people face both high monthly premiums and excessive out-of-pocket costs – such as copays and deductibles – when they use health care services.

The May Revision maintains, with some changes, key proposals that the Governor introduced in January to help move California toward universal health coverage. Specifically, the revised budget:

- **Maintains the Governor’s proposal to create state subsidies to reduce the cost of health insurance purchased on the individual market.** The Governor’s original proposal allowed Californians with incomes between 250% and 600% of the federal poverty line to receive these new subsidies. The May Revision would extend these subsidies to Californians with incomes between 200% and 250% of the poverty line as well. Overall, these new state subsidies would cost an estimated $295 million in 2019-20, rising to $380 million by 2021-22, and would be paid
for with revenues from a new state penalty on residents who do not obtain comprehensive health coverage (see next bullet). The May Revision assumes that about three-quarters of subsidy expenditures would benefit Californians with incomes between 400% and 600% of the poverty line, with an average subsidy of around $100 per month. Subsidies would average around $10 per month for residents with incomes between 200% and 400% of the poverty line. (Californians in this income range would continue to be eligible for federal ACA subsidies if they purchase health insurance through Covered California.) Finally, the May Revision assumes the subsidies would take effect on January 1, 2020, and expire in three years.

- **Continues to assume the state will impose a new requirement for Californians to carry health insurance or pay a penalty.** The ACA included an “individual mandate” to encourage young and healthy people to buy health insurance. The goal was to create healthier “risk pools” and keep premiums lower than they otherwise would be if only older and sicker people signed up for coverage. With limited exceptions, people who failed to comply with this requirement had to pay a penalty to the federal government. However, Congress and President Trump eliminated the individual mandate penalty effective January 1, 2019. The Governor proposes to establish an individual mandate at the state level, which would require Californians to obtain comprehensive health care coverage or pay a penalty. The May Revision assumes this penalty would take effect on January 1, 2020, and would raise an estimated $317 million in 2020-21, rising to $353 million in 2022-23. As described above, these revenues would be used to fund the proposed state subsidies.

- **Maintains the Governor’s proposal to expand eligibility for comprehensive Medi-Cal coverage to undocumented young adults who otherwise meet the program’s requirements, but changes the implementation date.** States are prohibited from using federal dollars to provide comprehensive, or “full-scope,” Medicaid coverage to undocumented immigrants. States, however, may use their own funds to provide such coverage. In 2016, California expanded full-scope Medi-Cal coverage to undocumented children and youth through age 18 who meet all other eligibility requirements, including income limits. In January, the Governor proposed to extend this policy to undocumented Californians ages 19 through 25, effective no sooner than July 1, 2019. At the time, it was estimated that 138,000 undocumented young adults would sign up for full-scope Medi-Cal under this policy. In contrast, the May Revision assumes that this change would take effect no sooner than January 1, 2020, with about 90,000 young adults signing up during the first year.
May Revision Allocates an Additional $263 Million in Proposition 56 Revenues to Support the Medi-Cal Program

Approved by California voters in 2016, Proposition 56 raised the state’s excise tax on cigarettes by $2 per pack and triggered an equivalent increase in the state excise tax on other tobacco products. These increases took effect on April 1, 2017. Prop. 56 requires most of the revenues raised by the measure to go to Medi-Cal, which provides health care services to more than 13 million Californians with low or moderate incomes.

In January, the Administration projected that Medi-Cal will receive around $1 billion in Prop. 56 revenues in 2019-20. The Governor proposed to use these funds to increase payments to doctors, dentists, and other providers as well as to support other services, including early developmental screenings for children, screenings for trauma for children and adults, and family planning services.

The May Revision indicates that Medi-Cal will receive an additional $263 million in Prop. 56 revenues “due to a one-time fund reallocation.” The revised budget allocates these funds to several purposes, including $120 million for a loan repayment program for doctors and dentists who commit to serve Medi-Cal beneficiaries and $60 million to train providers to conduct trauma screenings. In addition, the Governor proposes to use $11.3 million of these Prop. 56 funds to restore optician and optical lab services for adults enrolled in Medi-Cal, effective no sooner than January 1, 2020. This optional Medi-Cal benefit was cut during the Great Recession to help close a state budget shortfall. Finally, the May Revision assumes that “the package of Proposition 56 investments” will expire on December 31, 2021.

Revised Budget Increases Funding for Home Visiting and Black Infant Health Programs

A new home visiting initiative in the California Work Opportunity and Responsibility to Kids (CalWORKs) program was instituted in the 2018-19 budget and began on January 1, 2019. The program provides up to 24 months of evidence-based home visiting for CalWORKs parents who are either pregnant or parenting a child under age 2, with a priority for first-time parents. A total of $158.4 million in federal TANF and state General Fund dollars was set aside to fund home visiting through calendar year 2021, after which the initiative will be subject to annual appropriation. In January, Governor Newsom proposed allocating $78.9 million for the 2019-20 budget year. His revised budget includes an additional $10.7 million to reflect updated caseload projections for a total of $89.6 million in 2019-20. The home visiting program is expected to serve 18,500 CalWORKs cases.
The Governor’s January proposal also called for $30.5 million General Fund to the Department of Public Health to support the Black Infant Health program ($7.5 million) and to expand home visiting outside of CalWORKs ($23 million). The proposed $23 million represented the state’s first financial investment in home visiting for non-CalWORKs families. In the revised proposal, the Administration includes an additional $34.8 million in reimbursements from the Department of Health Care Services to support Medicaid-eligible activities. Of the $34.8 million, $12 million ($11.95 million unrounded) will support Black Infant Health and $22.9 million ($22.87 million unrounded) will support the California Home Visiting program. With these reimbursements, the total proposed investment to these programs is $65.3 million in 2019-20.

May Revision Builds on Investments in Mental Health Services

Mental health services in California are primarily provided by counties, with funding from the state and federal government. The mental health system confronts many challenges, such as rising homelessness (a substantial share of individuals who are homeless struggle with mental illness) and the need for crisis services. To help address these challenges, the revised budget includes additional funding and new proposals to improve mental health outcomes. Specifically, the May Revision:

- Includes a one-time investment of $20 million Mental Health Services Fund over five years for counties that currently do not operate Whole Person Care Pilot Programs – which provide additional supportive housing services for people who are homeless or at risk of becoming homeless, with a focus on mental health. This is in addition to the $100 million one-time General Fund proposed in the Governor’s budget for counties that currently operate pilots.
- Allocates $3.6 million Mental Health Services Fund annually for three years to the Department of Health Care Services to establish a Peer-Run Mental Health Crisis Line. This crisis line would be a resource for those “on the brink of a mental health crisis,” according to the Governor’s budget summary.

The Governor’s Revised Budget Includes Additional Funding for State Hospitals

The Governor’s revised budget proposes additional funding to the Department of State Hospitals (DSH), which manages the state mental health hospital system. Specifically, the May Revision:

- Provides $5.7 million General Fund for DSH to contract for a 78-bed community step-down program to serve individuals with a mental illness – both “Mentally Disordered Offenders and
Not Guilty by Reason of Insanity commitments” – who are preparing for conditional release from state hospitals within 18 to 24 months. This funding also includes increasing an existing contract by four beds for a total of 24 beds.

- Provides $2.2 million General Fund for DSH to expand the use of telepsychiatry to treat patients remotely via video-conferencing.

Revised Budget Includes Additional Investments in the Health Care Workforce

In order to address increasing demand for health care providers, the Governor’s revised budget:

- Maintains $50 million one-time General Fund to increase support for mental health workforce programs. This funding would be administered by the Office of Statewide Health Planning and Development.

- Includes $38.7 million Proposition 56 funds to develop residency programs at hospitals throughout the state. These programs would be administered and operated by the University of California in partnership with Physicians for a Healthy California. (see Prop. 56 section)

- Includes $33.3 million ongoing General Fund to the Song-Brown Health Care Workforce program, which provides grants to support primary care residency training programs in California.

- Invests $100 million from the Mental Health Services Fund in the new Workforce Education and Training (WET) 5-year plan. The program aims to address the shortage of mental health practitioners in the public mental health system.

Education

The May Revision Scales Back Early Learning Investments

State policymakers have taken steps in recent years to expand access to full-day early learning opportunities for preschool-age children. The Governor’s January budget proposal continued this trend by providing 30,000 full-day California State Preschool Program (CSPP) slots over a three-year period and investing $750 million one-time General Fund in grants for kindergarten facilities. The May Revision scales back on these proposals. Specifically, the Administration:
May 13, 2019

The Honorable Robert Bonta
State Capitol Room 2148
Sacramento, CA 95814

RE: AB 4 (Bonta) - SUPPORT

Dear Assembleymember Bonta:

As Chief Executive Officer of the Central California Alliance for Health (the Alliance), which is the regional, non-profit Medi-Cal managed care health plan serving over 340,000 residents of Santa Cruz, Monterey and Merced counties, I am writing to express the Alliance’s support for AB 4 which would extend eligibility for full-scope Medi-Cal benefits to individuals of all ages, if otherwise eligible for those benefits, regardless of immigration status.

AB 4 would ensure that all Californians have access to comprehensive, accessible, affordable health care coverage regardless of citizenship status allowing, individuals to live healthier lives. AB 4 will also provide opportunities for health care cost savings through access to medical care at the right time and in the right setting rather than forcing individuals to use costly emergency services as a last resort.

The Affordable Care Act (ACA) expanded coverage to millions of Californians through Covered California and expanded Medi-Cal coverage. Still, it is estimated that over one million Californians remain uninsured and ineligible for coverage due to immigration status. Providing coverage for all ensures that individuals have access to preventive and primary care when needed. Early access to primary and preventive care reduces emergency room use and prevents serious illness, which leads to increased costs to the health care system.

The Alliance’s tri-county population includes a high percentage of undocumented residents who are an important part of our regional economy. For these reasons, the Alliance is pleased to support AB 4.

Sincerely,

Stephanie Sommershine
Chief Executive Officer
May 13, 2019

The Honorable Jim Wood, Chair
Assembly Health Committee
State Capitol Room 6005
Sacramento, CA 95814

RE: AB 715 (Wood) – SUPPORT

Dear Assemblymember Wood:

As Chief Executive Officer of the Central California Alliance for Health (the Alliance), which is the regional, non-profit Medi-Cal managed care health plan serving over 340,000 residents of Santa Cruz, Monterey and Merced counties, I am writing to express the Alliance’s support for AB 715 which would raise the income eligibility level for seniors and persons with disabilities who eligible for Medi-Cal to 138% of the federal poverty level (“FPL”), making the eligibility consistent with Medi-Cal expansion eligibility under the Affordable Care Act.

The current income threshold for this population is 100% FPL plus an income disregard of $230 for an individual or $310 for a couple. Since the income disregards are static dollar amounts, each year the eligibility threshold is a declining percentage of the FPL. Today, the income eligibility level is approximately 123% FPL. Absent AB 715, this percentage will continue to decrease.

AB 715 modernizes the income eligibility level for these populations and, in doing so, increases access to care for low-income seniors and persons with disabilities. For these reasons, the Alliance is pleased to support AB 715.

Sincerely,

Stephanie Sonnenshine
Chief Executive Officer
May 13, 2019

The Honorable Adam Gray  
State Capitol, Room 3152  
Sacramento, CA 95814

RE: AB 848 - SUPPORT

Dear Assemblymember Gray:

As Chief Executive Officer of the Central California Alliance for Health (the Alliance), which is the regional, non-profit Medi-Cal managed care health plan serving over 340,000 residents of Santa Cruz, Monterey and Merced counties, I am writing to express the Alliance’s support for AB 848, which would add continuous glucose monitors (CGM) that are medically necessary for the management and treatment of diabetes to the schedule of benefits under the Medi-Cal program.

Evidence-based guidelines recommend CGM for Type 1 diabetes with the presence of other clinical factors. Use of CGMs offer improved blood sugar control, decreased complications of diabetes and improved quality of life for patients while also providing significant cost savings through decreased hospitalizations and emergency department visits.

For these reasons, the Alliance is pleased to offer its support for AB 848.

Sincerely,

Stephanie Sonnenshine  
Chief Executive Officer
May 13, 2019

The Honorable Jim Wood, Chair
Assembly Health Committee
State Capitol Room 6005
Sacramento, CA 95814

RE: AB 1088 (Wood) – SUPPORT

Dear Assemblymember Wood:

As Chief Executive Officer of the Central California Alliance for Health (the Alliance), which is the regional, non-profit Medi-Cal managed care health plan serving over 340,000 residents of Santa Cruz, Monterey and Merced counties, I am writing to express the Alliance’s support for AB 1088 which allows individuals who would otherwise be eligible for Medi-Cal benefits, but for the State’s contribution to their Medicare premium, to be eligible for Medi-Cal without a share of cost, if they otherwise meet eligibility requirements.

Eligibility rules allow Part B premium amounts to be deducted from an individual’s countable income for the purpose of Medi-Cal eligibility determination. However, once an individual is enrolled in Medi-Cal, the State assumes the cost of the Part B premium and enrollees are no longer able to deduct that amount from their income. The results in some enrollees losing the ability to deduct Part B premiums resulting in an income that exceeds the threshold for Medi-Cal without share-of-cost. Medi-Cal enrollees with a share of cost must pay a high amount out-of-pocket for their health care each month before Medi-Cal will cover any health care expenses. These individuals have limited income and often have significant health care needs and cannot afford to lose access to no-cost Medi-Cal.

AB 1088 provides a solution that will ensure this population does not unnecessarily lose eligibility for full-scope Medi-Cal without a share of cost. For this reason, the Alliance is pleased to support AB 1088.

Sincerely,

Stephanie Sommershine
Chief Executive Officer
May 13, 2019

The Honorable Maria Elena Durazo  
State Capitol, Room 5066  
Sacramento, CA 95814

RE: SB 29 (Durazo) – SUPPORT

Dear Senator Durazo:

As Chief Executive Officer of the Central California Alliance for Health (the Alliance), which is the regional, non-profit Medi-Cal managed care health plan serving over 340,000 residents of Santa Cruz, Monterey and Merced counties, I am writing to express the Alliance’s support for SB 29 which would extend eligibility for full-scope Medi-Cal benefits to individuals of all ages, if otherwise eligible for those benefits, regardless of immigration status.

SB 29 would ensure that all Californians have access to comprehensive, accessible, affordable health care coverage regardless of citizenship status allowing individuals to live healthier lives. SB 29 will also provide opportunities for health care cost savings by providing access to medical care at the right time and in the right setting rather than forcing individuals to use costly emergency services as a last resort.

The Affordable Care Act (ACA) expanded coverage to millions of Californians through Covered California and expanded Medi-Cal coverage. Still, it is estimated that over one million Californians remain uninsured and ineligible for coverage due to immigration status. Providing coverage for all ensures that individuals have access to preventive and primary care when needed. Early access to primary and preventive care reduces emergency room use and prevents serious illness, which leads to increased costs to the health care system.

The Alliance’s tri-county population includes a high percentage of undocumented residents who are an important part of our regional economy. For these reasons, the Alliance is pleased to support SB 29.

Sincerely,

Stephanie Bonnenshine  
Chief Executive Officer
May 13, 2019

The Honorable Toni G. Atkins  
State Capitol, Room 205  
Sacramento, CA 95814

RE: SB 66 (Atkins) – SUPPORT

Dear Senator Atkins:

As Chief Executive Officer of the Central California Alliance for Health (the Alliance), which is the regional, non-profit Medi-Cal managed care health plan serving over 340,000 residents of Santa Cruz, Monterey and Merced counties, I am writing to express the Alliance’s support for SB 66, which would allow reimbursement of Federally Qualified Health Centers (“FQHCs”) and Rural Health Clinics (“RHCs”) for two visits by a Medi-Cal beneficiary taking place on the same day, under certain circumstances.

FQHCs and RHCs are essential network providers for Medi-Cal managed care plans, like the Alliance. The Alliance works together with our safety-net providers to increase access to care and improve Medi-Cal beneficiaries’ overall care experience. This effort includes reducing barriers to treatment for individuals with mental health conditions.

Under the current law, Medi-Cal patients receiving services at FQHCs or RHCs for a physical health problem who also require a mental health service must return to the clinic another day to be seen for the second visit – even if an appointment is available the same day and at the same place as their medical visit. This results in many Medi-Cal beneficiaries not receiving needed care. Individuals with untreated mental illness may have problems managing their physical health conditions, exacerbating physical health problems for individuals and increasing health care costs. This is inefficient, costly, and creates the risk that members with mental health needs will go without care because of the built-in delay. Allowing same day reimbursement for mental health services may result in better outcomes and lower overall health care costs.

SB 66 will improve access and help health plans and clinics ensure that patients receive timely, efficient, and better integrated mental health services. For these reasons, the Alliance is pleased to support SB 66.

Sincerely,

Stephanie Somershine  
Chief Executive Officer
Central California Alliance for Health
Bill List
June 2019

Priority – Tier 1

**AB 4** (Bonta D) Medi-Cal: eligibility.
**Summary:** Federal law prohibits payment to a state for medical assistance furnished to an alien who is not lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law. Current law requires that individuals under 19 years of age enrolled in restricted scope Medi-Cal at the time the Director of Health Care Services makes a determination that systems have been programmed for implementation of these provisions to be enrolled in the full scope of Medi-Cal benefits, if otherwise eligible, pursuant to an eligibility and enrollment plan, which includes outreach strategies. This bill would extend eligibility for full-scope Medi-Cal benefits to individuals of all ages, if otherwise eligible for those benefits, but for their immigration status, and would delete provisions delaying eligibility and enrollment until the director makes the determination as specified.

**Position**
**Support**

**AB 318** (Chu D) Medi-Cal materials: readability.
**Summary:** Would, commencing January 1, 2020, require the field testing of all Medi-Cal beneficiary materials, and informing materials, as defined, that are translated into threshold languages and released by the department and managed care plans, respectively, except as specified. The bill would define “field testing” as a review of translations for accuracy, cultural appropriateness, and readability. The bill would also define a “managed care plan” for these purposes. This bill contains other related provisions and other existing laws.

**Position**
**Watch Closely**

**AB 537** (Wood D) Medi-Cal managed care: quality improvement and value-based financial incentive program.
**Summary:** Would require, commencing January 1, 2022, a Medi-Cal managed care plan to meet a minimum performance level (MPL) that improves the quality of health care and reduces health disparities for enrollees, as specified. The bill would require the State Department of Health Care Services to establish both a quality assessment and performance improvement program and a value-based financial incentive program to ensure that a Med-Cal managed care plan achieves an MPL. The bill would, among other things, require the department to establish a public stakeholder process in the planning, development, and ongoing oversight of the programs.

**Position**
**Watch Closely**

**AB 715** (Wood D) Medi-Cal: program for aged and disabled persons.
**Summary:** Current law requires the State Department of Health Care Services to exercise its option under federal law to implement a program for aged and disabled persons. Current law requires an individual under these provisions to satisfy certain financial eligibility requirements. Current law requires the department to implement this program by means of all-county letters or similar instructions without
taking regulatory action and thereafter requires the department to adopt regulations. This bill would instead require, upon receipt of federal approval, all countable income over 100% of the federal poverty level, up to 138% of the federal poverty level, to be disregarded, after taking all other disregards, deductions, and exclusions into account for those persons eligible under the program for aged and disabled persons.

**Position**

**Support**

**AB 763** (Gray D) Children's services.

**Summary:** Would require, on or before March 31, 2020, the State Department of Health Care Services to convene a stakeholder workgroup, including representatives from the County Behavioral Health Directors Association of California, to identify all forms currently used by mental health plan contractors for purposes of determining eligibility and reimbursement for specialty mental health services that are provided under Early and Periodic Screening, Diagnosis, and Treatment Program, and to develop standard forms. The bill would also authorize the department and the workgroup to develop a list of department-approved nonstandard forms. The bill would require the standard forms to be completed by January 1, 2021. The bill would require representatives from the department and the workgroup to provide, on or before July 1, 2021, regional trainings for mental health plans and their provider networks on the standard forms. The bill would require mental health plan contractors to distribute the training material and standard forms to their provider networks, and, to commence, by July 1, 2021, exclusively using the standard forms, unless they use department-approved nonstandard forms.

**Position**

**Watch Closely**

**AB 811** (Gray D) Clinics.

**Summary:** Current law regulates the licensing of various entities engaged in delivering healthcare services, including a clinic, defined as an organized outpatient health facility that provides direct medical, surgical, dental, optometric, or podiatric advice, services, or treatment to patients who remain less than 24 hours, and that may also provide diagnostic or therapeutic services to patients in the home as an incident to care provided at the clinic facility. Existing law defines a license for that purpose as a basic permit to operate a clinic. This bill would make a technical, non-substantive change to that provision.

**Position**

**Watch Closely**

**AB 848** (Gray D) Medi-Cal: covered benefits: continuous glucose monitors.

**Summary:** Would, to the extent that federal financial participation is available and any necessary federal approvals have been obtained, add continuous glucose monitors and related supplies required for use with those monitors to the schedule of benefits under the Medi-Cal program for the treatment of diabetes mellitus when medically necessary, subject to utilization controls. The bill would also authorize the department to require the manufacturer of a continuous glucose monitor to enter into a rebate agreement with the department.

**Position**

**Support**
AB 871 (Gray D) Graduate medical education: funding.

**Summary:** The California Healthcare, Research and Prevention Tobacco Tax Act of 2016 allocates a specified amount of revenues to provide funding to, among other entities and purposes, the University of California in the amount of $40,000,000 annually for the purpose and goal of increasing the number of primary care and emergency physicians trained in California, as specified. The act authorizes the Legislature to amend the provision relating to the allocation of these revenues to further the purposes of the act with a 2/3 vote of the membership of each house of the Legislature. This bill would instead provide that funding to the University of California to be administered by a California nonprofit public benefit corporation for that purpose and goal.

- **Position**
  - Watch Closely


**Summary:** Would require the State Department of Health Care Services to conduct a review of a report published by the California State Auditor concerning EPSDT services, to develop and publish a report on the department’s findings and response, and to solicit comments from the public regarding the department’s report.

- **Position**
  - Watch Closely

AB 1088 (Wood D) Medi-Cal: eligibility.

**Summary:** Would provide that an individual who would otherwise be eligible for Medi-Cal benefits, but for the state’s contribution to their Medicare premium, would be eligible for Medi-Cal without a share of cost if they otherwise meet eligibility requirements. The bill would authorize the State Department of Health Care Services to implement this provision by provider bulletins or similar instructions until regulations are adopted. The bill would require the department to adopt regulations by July 1, 2021, and to provide a status report to the Legislature on a semiannual basis until regulations have been adopted.

- **Position**
  - Support

SB 29 (Lara D) Medi-Cal: eligibility.

**Summary:** The federal Medicaid program provisions prohibit payment to a state for medical assistance furnished to an alien who is not lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law. Current law requires individuals under 19 years of age enrolled in restricted-scope Medi-Cal at the time the Director of Health Care Services makes a determination that systems have been programmed for implementation of these provisions to be enrolled in the full scope of Medi-Cal benefits, if otherwise eligible, pursuant to an eligibility and enrollment plan, which includes outreach strategies. This bill would extend eligibility for full-scope Medi-Cal benefits to individuals of all ages who are otherwise eligible for those benefits but for their immigration status, and would delete provisions delaying implementation until the director makes the determination as specified.

- **Position**
  - Support
SB 66  (Atkins D) Medi-Cal: federally qualified health center and rural health clinic services.

**Summary:** Current law provides that federally qualified health center (FQHC) services and rural health clinic (RHC) services, as defined, are covered benefits under the Medi-Cal program, to be reimbursed, to the extent that federal financial participation is obtained, to providers on a per-visit basis. "Visit" is defined as a face-to-face encounter between a patient of an FQHC or RHC and specified health care professionals, including a physician. Under current law, "physician," for these purposes, includes, but is not limited to, a physician and surgeon, an osteopath, and a podiatrist. This bill would authorize reimbursement for a maximum of 2 visits taking place on the same day at a single location if after the first visit the patient suffers illness or injury requiring additional diagnosis or treatment, or if the patient has a medical visit and a mental health visit or a dental visit, as defined.

**Position**
Support

SB 503  (Pan D) Medi-Cal: managed care plan: subcontracts.

**Summary:** Current law authorizes the State Department of Health Care Services to enter into various types of contracts for the provision of services to beneficiaries, including contracts with prepaid health plans. Current law requires the Director of Health Care Services, in accordance with specified procedures, to either terminate a contract with or impose one or more specified sanctions, including civil penalties pursuant to federal law, on a prepaid health plan or Medi-Cal managed care plan if the department makes a finding of noncompliance or for other good cause. Current law defines “good cause” to include 3 repeated and uncorrected findings of serious deficiencies, which potentially endanger patient care and are identified in medical audits conducted by the department. This bill would instead authorize “good cause” to be based on findings of serious deficiencies that have the potential to endanger patient care and are identified in the specified medical audits, and would conform the civil penalties to federal law.

**Position**
Watch Closely

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**Priority Tier 2**

**Healthcare Coverage/Delivery System Reform**

AB 174  (Wood D) Health care coverage: financial assistance.

**Summary:** Would require the board, contingent on an appropriation in the 2019–20 Budget Act, to administer enhanced premium assistance to individuals with household incomes below 400% of the federal poverty level, reduce premiums to zero for individuals with household incomes at or below 138% of the federal poverty level, reduce premiums for individuals with household incomes at or between 401% and 800% of the federal poverty level and who are ineligible for federal advanced premium tax credits so their premiums do not exceed a specified percentage of their household incomes, and administer specified additional cost-sharing financial assistance for individuals with household incomes below 400% of the federal poverty level and who are eligible for premium tax credits. The bill would authorize the board to proportionally reduce enhanced premium assistance if the projected cost for a fiscal year exceeds the amount appropriated in the Budget Act for that fiscal
If the federal government reduces or eliminates funding for the advanced premium tax credit, the bill would end the administration of enhanced premium assistance 6 months after that change in federal funding.

**Position**

**Support**

**AB 788** (Mayes R) Health care coverage.

**Summary:** Current law states the intent of the Legislature to create a process by which the options for achieving universal health care coverage can be thoroughly examined. Current law requires the Secretary of California Health and Human Services to report to the Legislature on the options for achieving health care coverage, including specified information. This bill would delete the December 1, 2001, report due date and would repeal the reporting requirement on January 1, 2023.

**Position**

**Watch**

**AB 1759** (Salas D) Health care workers: rural and underserved areas

**Summary:** Would appropriate the sum of $50,000,000 from the General Fund to the Office of Statewide Health Planning and Development for the purpose of increasing the health care workforce in rural and underserved areas. The bill would require the office to allocate those funds for the support of programs that effect that purpose, including programs to recruit and train students from areas with a large disparity in patient-to-doctor ratios to practice in community health centers in the area from which each student was recruited and to expand and strengthen programs to recruit and prepare students from underrepresented and low-income backgrounds for health careers.

**Position**

**Watch**

**SB 65** (Pan D) Health care coverage: financial assistance.

**Summary:** Would require the California Health Benefit Exchange, only to the extent that the Legislature appropriates funding for these purposes, to administer a program of financial assistance, to be known as the Affordable Care Access Plus Program, to help low-income and middle-income Californians access affordable health care coverage with respect to individual coverage that is made available through the Exchange. The bill would require the program to provide financial assistance to California residents with household incomes below 600% of the federal poverty level, and would authorize the program to provide other appropriate subsidies designed to make health care more accessible and affordable for individuals and households.

**Position**

**Watch**

**SB 175** (Pan D) Healthcare coverage: minimum essential coverage.

**Summary:** Would create the Minimum Essential Coverage Individual Mandate to require a California resident to ensure that the resident, and any dependent of the resident, is covered under minimum essential health coverage, as defined, for each month beginning on January 1, 2020, except as specified. The bill would require the Exchange to grant exemptions from the mandate for reason of hardship or religious conscience, and would require the Exchange to establish a process for
determining eligibility for an exemption.

Position
Watch

SB 525 (Stone R) Medi-Cal: reimbursement: blood factors.
Summary: Current law authorizes the State Department of Health Care Services to enter into contracts with manufacturers of drugs, to maintain a list of contract drugs, including blood factors, and to require pharmaceutical manufacturers to provide various rebates to the state. Current law requires the reimbursement for blood factors to be by national drug code number and to not exceed 120% of the average sales price of the last quarter reported. This bill would instead require the reimbursement for blood factors to be the lower of the wholesale acquisition cost, 120% of the average sales price of the last quarter reported, or the actual acquisition cost for the drug plus a professional dispensing fee of $0.14 per unit. The bill would define those costs and fees for these purposes.

Position
Watch

Medi-Cal: Benefits

AB 166 (Gabriel D) Medi-Cal: violence prevention counseling services.
Summary: Would, no later than July 1, 2020, make violence preventive services provided by a qualified violence prevention professional, as defined, a covered benefit within the Medi-Cal fee-for-service and managed care delivery systems, subject to utilization controls. The bill would make the benefit available to a Medi-Cal beneficiary who has received medical treatment for a violent injury and for whom a licensed health care provider has determined that the beneficiary is at elevated risk of violent reinjury or retaliation and has referred the beneficiary to participate in a violence preventive services program.

Position
Watch

AB 316 (Ramos D) Medi-Cal: benefits: beneficiaries with special dental care needs.
Summary: Would require the State Department of Health Care Services to implement a special needs treatment and management benefit that would be provided for 4 visits in a 12-month period for a Medi-Cal dental program beneficiary with special dental care needs, as defined. The bill would require a Medi-Cal dental program provider to document specified information, including the need for additional time to treat a Medi-Cal dental program beneficiary with special dental care needs, for purposes of reimbursement.

Position
Watch

AB 319 (Rubio, Blanca D) Narcotic treatment: medication-assisted treatment: Drug Medi-Cal.
Summary: Would require the State Department of Health Care Services to create reimbursement rates and rate billing codes for use by licensed narcotic treatment programs providing medication-assisted treatment using non-controlled medications approved by the United States Food and Drug Administration for patients with a substance use disorder.
**AB 389** (Santiago D) Substance use disorder treatment: peer navigators.

**Summary:** Would require the State Department of Health Care Services to either establish a pilot program or expand an existing pilot program for purposes of measuring the efficacy and cost avoidance of utilizing trained substance use disorder peer navigators and behavioral health peer navigators in the emergency department of an acute care hospital, as described, if Funds for this purpose are appropriated in the annual Budget Act. The bill would provide that an acute care hospital may be eligible to receive funding under the pilot program to fund peer navigator positions.

**Position**
**Watch**

**AB 577** (Eggman D) Medi-Cal: maternal mental health.

**Summary:** Would extend Medi-Cal eligibility for a pregnant individual who is receiving health care coverage under the Medi-Cal program, or another specified program, and who has been diagnosed with a maternal mental health condition, for a period of one year following the last day of the individual’s pregnancy if the individual complies with certain requirements. The bill would define “maternal mental health condition” for purposes of the bill.

**Position**
**Watch**

**AB 678** (Flora R) Medi-Cal: podiatric services.

**Summary:** Current law excludes certain optional Medi-Cal benefits, including, among others, podiatric services and chiropractic services, from coverage under the Medi-Cal program, except for specified beneficiaries. This bill would provide that the exclusion of podiatric services is effective only through December 31, 2019, and would restore podiatric services as a covered benefit of the Medi-Cal program as of January 1, 2020, or the effective date of federal approvals as specified.

**Position**
**Watch**

**AB 741** (Kalra D) Early and Periodic Screening, Diagnosis, and Treatment Program: universal trauma screening.

**Summary:** Current law requires the State Department of Health Care Services to convene an advisory working group to update, amend, or develop, if appropriate, tools and protocols for the screening of children for trauma, within the EPSDT benefit. Current law requires that the group be disbanded on December 31, 2019, and requires, on or before May 1, 2019, the department to identify an existing advisory working group to periodically review and consider the protocols for the screening of trauma in children at least once every 5 years, or upon the request of the department. This bill would require the department, in order to ensure the success and sustainability of trauma screenings for children as part of the EPSDT benefit, to provide trainings for certain personnel, including, among other things, instruction on how to identify and make appropriate referrals for patients who have tested positive in trauma screenings.

**Position**
**Watch**
AB 744 (Aguiar-Curry D) Healthcare coverage: telehealth.

**Summary:** Under current law, face-to-face contact between a health care provider and a patient is not required under the Medi-Cal program for teleophthalmology, teledermatology, and teledentistry by store and forward. Current law requires a Medi-Cal patient receiving teleophthalmology, teledermatology, or teledentistry by store and forward to be notified of the right to receive interactive communication with a distant specialist physician, optometrist, or dentist, and authorizes a patient to request that interactive communication provisions. This bill would delete those interactive communication provisions. This bill contains other related provisions and other existing laws.

**Position**

**Watch**

AB 781 (Maienschein D) Medi-Cal: family respite care.

**Summary:** Current law provides that pediatric day healthcare is a covered benefit under the Medi-Cal program and that pediatric day healthcare does not include inpatient long-term care or family respite care. This bill would specify that pediatric day healthcare services may be provided at any time of the day and on any day of the week, so long as the total number of authorized hours is not exceeded.

**Position**

**Watch**

AB 990 (Gallagher R) Medi-Cal: Medi-Cal managed care plans: financial incentives.

**Summary:** Would require a Medi-Cal managed care plan contract entered into, or amended, on or after January 1, 2021, to require the contracting Medi-Cal managed care plan to offer financial incentives to its existing enrollees for the purpose of promoting participation in preventive health or wellness activities, as specified, for a value of at least $100 annually per participating enrollee.

**Position**

**Watch**

AB 1004 (McCarty D) Developmental screening services.

**Summary:** Current federal law provides that EPSDT services include periodic screening services, vision services, dental services, hearing services, and other necessary services to correct or ameliorate defects and physical and mental illnesses and conditions discovered by the screening services, whether or not the services are covered under the state plan. This bill would require, consistent with federal law, that screening services provided as an EPSDT benefit include developmental screening services for individuals zero to 3 years of age, inclusive, and would require Medi-Cal managed care plans to ensure that providers who contract with these plans render those services in conformity with specified standards.

**Position**

**Watch**

AB 1494 (Aguiar-Curry D) Medi-Cal: telehealth: state of emergency.

**Summary:** Would provide, only to the extent that federal financial participation is available, that neither face-to-face contact nor a patient’s physical presence on the premises of an enrolled community clinic, is required for services provided by the clinic to a Medi-Cal beneficiary during or immediately following a
state of emergency. The bill would authorize the department to apply this provision to services provided by another enrolled fee-for-service Medi-Cal provider, clinic, or facility during or immediately following a state of emergency.

** Position Watch **

### AB 1676 (Maienschein D) Health care: mental health.

**Summary:** Would require health care service plans and health insurers, by January 1, 2021, to establish a telehealth consultation program that provides providers who treat children and pregnant and postpartum persons with access to a psychiatrist, as specified, in order to more quickly diagnose and treat children and pregnant and postpartum persons suffering from mental illness.

** Position Watch **

### SB 163 (Portantino D) Healthcare coverage: pervasive developmental disorder or autism.

**Summary:** Would revise the definition of behavioral health treatment to require the services and treatment programs provided to be based on behavioral, developmental, behavior-based, or other evidence-based models. The bill would remove the exception for health care service plans and health insurance policies in the Medi-Cal program, consistent with the MHPAEA.

** Position Watch **

### SB 361 (Mitchell D) Medi-Cal: Health Home Program.

**Summary:** Current law authorizes the State Department of Health Care Services to create the Health Home Program for enrollees with chronic conditions, as authorized under federal law. Current law conditions the implementation of the program on federal approval and the availability of federal financial participation. Existing law prohibits the implementation of the program if additional General Fund moneys are used to fund the administration and costs of services, unless the department projects that the implementation of the program would not result in any net increase in ongoing General Fund costs for the Medi-Cal program. This bill would remove the prohibition on the use of General Fund moneys for the implementation of the program.

** Position Watch **

### SB 382 (Nielsen R) Health care coverage: state of emergency.

**Summary:** Would prohibit a health care service plan or health insurer from denying payment of a claim for care provided to an enrollee or insured who remains in an acute care hospital due to a lack of access to postacute care services during a state of emergency if the enrollee or insured is displaced because of the emergency. The bill would require daily reimbursement of that claim to be at least the administrative day rate established by the State Department of Health Care Services, unless the plan or insurer has otherwise contracted for reimbursement.

** Position Watch **
SB 446 (Stone R) Medi-Cal: hypertension medication management services.

Summary: This bill would provide that hypertension medication management services are a covered pharmacist service under the Medi-Cal program, as specified.

Position
Watch

Medi-Cal: Eligibility

AB 683 (Carrillo D) Medi-Cal: eligibility.

Summary: Current law requires Medi-Cal benefits to be provided to individuals eligible for services pursuant to prescribed standards, including a modified adjusted gross income (MAGI) eligibility standard. Current law prohibits the use of an asset or resources test for individuals whose financial eligibility for Medi-Cal is determined based on the application of MAGI. This bill would require the State Department of Health Care Services to disregard, commencing July 1, 2020, specified assets and resources, such as motor vehicles and life insurance policies, in determining the Medi-Cal eligibility for an applicant or beneficiary whose eligibility is not determined using MAGI, subject to federal approval and federal financial participation.

Position
Watch

AB 914 (Holden D) Medi-Cal: inmates: eligibility.

Summary: Would, subject to federal approval, for individuals under 26 years of age, require the suspension of Medi-Cal eligibility to end either on the date that the individual is no longer an inmate of the public institution or is no longer otherwise eligible for benefits under the Medi-Cal program, whichever is sooner, and would require the department, in consultation with specified stakeholders, to develop and implement a simplified annual redetermination of eligibility for individuals under 26 years of age whose eligibility is suspended pursuant to these provisions.

Position
Watch

Medi-Cal: Provider Payments

AB 515 (Mathis R) Medi-Cal: unrecovered payments: interest rate.

Summary: Current law requires the Director of Health Care Services to establish administrative appeal processes to review grievances or complaints arising from the findings of an audit or examination. Under current law, if recovery of a disallowed payment has been made by the department, a provider who prevails in an appeal of that payment is entitled to interest at the rate equal to the monthly average received on investments in the Surplus Money Investment Fund, or simple interest at the rate of 7% per annum, whichever is higher. Under current law, with exceptions, interest at that same rate is assessed against any unrecovered overpayment due to the department. In the case of an assessment against any unrecovered overpayment due to the department, this bill would authorize the department to reduce the interest rate as part of a repayment agreement entered into with the provider, after taking into account specified factors, including the importance of the provider to the
health care safety net in the community and the impact of the repayment amounts on the fiscal solvency of the provider.

**Position**

**Watch**

**AB 769** (Smith D)  Federally qualified health centers and rural health clinics: licensed professional clinical counselor.

**Summary:** Would require an FQHC or RHC that currently includes the cost of the services of a licensed professional clinical counselor for the purposes of establishing its FQHC or RHC rate to apply to the State Department of Health Care Services for an adjustment to its per-visit rate, and, after the rate adjustment has been approved by the department, would require the FQHC or RHC to bill for these services as a separate visit, as specified. The bill would require an FQHC or RHC that does not provide the services of a licensed professional clinical counselor, and later elects to add this service and bill these services as a separate visit, to process the addition of these services as a change in scope of service.

**Position**

**Watch**

**AB 770** (Garcia, Eduardo D)  Medi-Cal: federally qualified health clinics: rural health clinics.

**Summary:** Current law provides that federally qualified health center (FQHC) services and rural health clinic (RHC) services, as defined, are covered benefits under the Medi-Cal program, to be reimbursed, in accordance with Medicare reasonable cost principles, and to the extent that federal financial participation is obtained, to providers on a per-visit basis that is unique to each facility. Current law prescribes the reimbursement rate methodology for both establishing and adjusting the per-visit rate. This bill would require the methodology of the adjusted per-visit rate to exclude, among other things, a per-visit payment limitation, and a provider productivity standard. The bill would authorize an FQHC or RHC to apply for a rate adjustment for the adoption, implementation, or upgrade of a certified electronic health record system as a change in the scope of service.

**Position**

**Watch**

**Medi-Cal and/or Managed Care Policies and Initiatives**

**AB 50**  (Kalra D) Medi-Cal: Assisted Living Waiver Program

**Summary:** Would require the State Department of Health Care Services to submit to the federal Centers for Medicare and Medicaid Services a request for amendment of the Assisted Living Waiver program with specified amendments. The bill would require, as part of the amendments, the department to increase the number of participants in the program from the currently authorized 5,744 participants to 18,500, to be phased in, as specified. The bill would require the department to increase its provider reimbursement tiers to compensate for mandatory minimum wage increases, as specified.

**Position**

**Watch**

**Summary:** Current law requires the State Department of Health Care Services, in collaboration with the California Health and Human Services Agency and in consultation with the Mental Health Services Oversight and Accountability Commission, to create a plan for a performance outcome system for EPSDT mental health services, as specified. This bill would require the department to develop a platform, update an existing platform, or integrate with an existing platform, capable of automating the collection of data from a functional assessment tool that is established pursuant to the department’s performance outcomes system plan.

**Position**

**Watch**

AB 719 (Diep R) Medi-Cal: reimbursement rates.

**Summary:** The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Current law requires, except as otherwise provided, payments for Medi-Cal fee-for-service benefits and payments for specified non-Medi-Cal programs to be reduced by 10% for dates of service on and after June 1, 2011, and requires payments to Medi-Cal managed health care plans to be reduced by the actuarial equivalent amount of the payment reductions for fee-for-service Medi-Cal benefits. This bill would express the intent of the Legislature to enact legislation to require the department, when funding allows, to discontinue reducing or limiting the above-specified provider payments.

**Position**

**Watch**

AB 1058 (Salas D) Medi-Cal: specialty mental health services and substance use disorder treatment.

**Summary:** Would require the State Department of Health Care Services to engage, commencing no later than January 15, 2020, in a stakeholder process to develop recommendations for addressing legal and administrative barriers to the delivery of integrated behavioral health services for Medi-Cal beneficiaries with co-occurring substance use disorders and mental health conditions who access services through the Drug Medi-Cal Treatment Program, the Drug Medi-Cal organized delivery system, and the Medi-Cal Specialty Mental Health Services Program.

**Position**

**Watch**

AB 1175 (Wood D) Medi-Cal: mental health services.

**Summary:** Would require the State Department of Health Care Services, as part of its consultation with stakeholders concerning updates to the performance outcomes reports for specialty mental health services, to include additional data in these reports, including the Healthcare Effectiveness Data and Information Set measures. The bill would require the department to require the EQRO to report, by specified dates, various information concerning the county mental health plan and the Medi-Cal managed care health plan, such as the average expenditure per individual provided mental health services and provider usage of electronic health record systems.

**Position**

**Watch**
**AB 1529 (Low D) Telephone medical advice services.**

*Summary:* Would specify that a telephone medical advice service is required to ensure that all health care professionals who provide telephone medical advice services from an out-of-state location are operating consistent with the laws governing their respective licenses. The bill would specify that a telephone medical advice service is required to comply with all directions and requests for information made by the respective healing arts licensing boards.

*Position*  
*Watch*

**AB 1642 (Wood D) Medi-Cal: managed care plans.**

*Summary:* Would require a Medi-Cal managed care plan to provide to the State Department of Health Care Services additional information in its request for the alternative access standards, including a description of the reasons justifying the alternative access standards, and to report to the department on how the Medi-Cal managed care plan arranged for the delivery of Medi-Cal covered services to Medi-Cal enrollees, such as through the use of Medi-Cal covered transportation.

*Position*  
*Watch*

**SB 10 (Beall D) Mental health services: peer, parent, transition-age, and family support specialist certification.**

*Summary:* Would require the State Department of Health Care Services to establish, no later than July 1, 2020, a statewide peer, parent, transition-age, and family support specialist certification program, as a part of the state's comprehensive mental health and substance use disorder delivery system and the Medi-Cal program. The bill would include 4 certification categories: adult peer support specialist, transition-age youth peer support specialist, family peer support specialist, and parent peer support specialist.

*Position*  
*Watch*

**SB 165 (Atkins D) Medical interpretation services.**

*Summary:* Current law, until July 1, 2020, requires the State Department of Health Care Services to work with stakeholders to conduct a study to identify current requirements for medical interpretation services and make recommendations on strategies that may be employed regarding the provision of medical interpretation services for Medi-Cal beneficiaries who are limited English proficient. Existing law requires that the department work with stakeholders to establish a pilot project based on the recommendations of the study, as specified. This bill would instead require the department to establish a pilot project concurrent with the study, as specified. The bill would extend the operation of these provisions to July 1, 2022.

*Position*  
*Watch*
AB 565 (Maienschein D) Mental health workforce planning: loan forgiveness, loan repayment, and scholarship programs.

Summary: Current law establishes the Steven M. Thompson Physician Corps Loan Repayment Program (program) in the California Physician Corps Program within the Health Professions Education Foundation, which provides financial incentives, including repayment of educational loans, to a physician and surgeon who practices in a medically underserved area, as defined. Existing law establishes the Medically Underserved Account for Physicians, a continuously appropriated account, within the Health Professions Education Fund, to primarily provide funding for the ongoing operations of the program. Current law defines "practice setting," for these purposes. This bill also would define "practice setting" to include a program or facility operated by, or contracted to, a county mental health plan.

Position
Watch

AB 667 (Muratsuchi D) Medi-Cal.

Summary: Current law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services, and under which qualified low-income individuals receive healthcare services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Under current law, healthcare, as administered under the Medi-Cal program, is considered a component of public social services. This bill would make technical, nonsubstantive changes to those provisions.

Position
Watch