

AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER SHIRLEY N. WEBER, PH.D., CHAIR

THURSDAY, MAY 22, 2014
1:00 P.M. - STATE CAPITOL ROOM 444

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ITEMS TO BE HEARD

0530 HEALTH AND HUMAN SERVICES AGENCY

ISSUE 1: OFFICE OF SYSTEMS INTEGRATION - CALIFORNIA HEALTHCARE ELIGIBILITY, ENROLLMENT, AND RETENTION SYSTEM (CALHEERS)

PANEL

- Office of Systems Integration
Please present on the May Revision request.
- Legislative Analyst's Office
- Department of Finance
- Public Comment

The May Revision includes a proposal for the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) (Issue 406). It is requested that Item 0530-001-9745 be increased by \$73,152,000 to provide project management services for the design, development, implementation, operation, and maintenance of the CalHEERS project. This adjustment reflects an extended development and implementation phase to build critical system functionality to meet federal and state requirements, and programmatic timelines with respect to the implementation of health care reform. Budget Bill Language (BBL) is also proposed as part of this as follows:

Amendment to Provision 3 of Item 0530-001-9745

3. (a) Of the funds appropriated in this item, ~~\$87,091,000~~ \$160,242,000 is for the support of activities related to the California Healthcare Eligibility, Enrollment, and Retention System project also known as CalHEERS. Expenditure of these funds is contingent upon review and approval of a plan submitted to the Director of Finance.

(b) The Director of Finance may augment this item above the amount specified in subdivision (a) contingent upon review and approval of a revised plan submitted to the Director of Finance.

Staff Recommendation:

Staff recommends approval of the CalHEERS May Revise requests, including the BBL.

ISSUE 2: OFFICE OF THE PATIENT ADVOCATE**PANEL**

- Office of the Patient Advocate
 1. Please provide an overview of the proposed placeholder trailer bill language.
 2. Please provide a brief update on AB 922 implementation activities.
- Legislative Analyst's Office
- Department of Finance
- Public Comment

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

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

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

Background. AB 922 designates OPA as a central resource to ensure that consumers get information on how to obtain health care coverage for which they are eligible or entitled and how to receive timely assistance in resolving problems when they have difficulty accessing care or have other programs with their health plans or providers.

AB 922 requires that OPA, by January 2013, expand its current audience of commercially covered consumers to serve all publicly and privately covered Californians as well as the uninsured. OPA is specifically mandated to provide the following services:

1. Publicly report and analyze aggregate data on consumer complaints regarding health coverage.
2. Render assistance to consumers regarding problems with their health care coverage or services, including assistance with procedures, rights, and responsibilities related to the filing of complaints, grievances, and appeals.

3. Develop protocols and procedures for assisting in the resolution of consumer complaints, including the referral of complaints to the appropriate regulator or health coverage program.
4. Develop, in consultation with specified health coverage programs, education and informational guides to be made available to the public online and through public outreach and education programs.
5. Provide outreach and education about health care coverage options and coordinate with other state and federal agencies engaged in outreach and education regarding the implementation of federal health care reform.
6. Operate a toll-free telephone number that can route callers to the proper regulating body or public program, their health plan, or local consumer assistance program.
7. Operate an Internet website, social media, and up-to-date communication systems to provide information regarding consumer assistance programs.

Complaint Data Reporting. The 2013-14 budget included an augmentation of \$184,000 (Office of Patient Advocate Trust Fund) and one two-year limited-term position to develop a Complaint Data Reporting System, as required by AB 922. This included \$67,000 for ongoing technical/statistical support from the National Committee for Quality Assurance and \$12,000 to cover expenses associated with the design, translation, printing, promotion, and dissemination of the annual complaint reports and annual stakeholder preview sessions. It is anticipated that by the summer of 2014, submission of complaint data by the Department of Managed Health Care (DMHC), Department of Insurance (CDI), Department of Health Care Services (DHCS), Managed Risk Medical Insurance Board (MRMIB), and the California Health Benefit Exchange (Exchange) will commence and that the first complaint report will be issued in the summer of 2015.

Staff Recommendation:

Staff recommends approval of the shift of resources from OPA to the Department of Managed Health Care, conforming with action taken in that department, and placeholder trailer bill language to ensure a consumer assistance program. It is also recommended to adjust OPA's budget to reflect the transfer of funding from OPA to DMHC for direct consumer assistance grants. This action intends to conform with action taken in the Senate and is detailed more specifically below:

1. Revises the responsibilities of the OPA to clarify that it is not the primary source of direct assistance to consumers
2. Clarifies OPA's responsibilities to track, analyze, and produce reports with data collected from calls, on problems and complaints by, and questions from, consumers about health care coverage received by health consumer call

- centers and helplines operated by other departments, regulators or governmental entities.
3. Requires OPA to make recommendations for the standardization of reporting on complaints, grievances, questions and requests for assistance.
 4. Requires the OPA to develop model protocols, in consultation with each call center, consumer advocates and other stakeholders that may be used by call centers for responding to and referring calls that are outside the jurisdiction of the call center or regulator.
 5. Shifts funding to the Department of Managed Health Care to supplement contracts with community-based organizations to provide direct consumer assistance.

5175 DEPARTMENT OF CHILD SUPPORT SERVICES**ISSUE 1: MAY REVISE PROPOSALS****PANEL**

- Department of Child Support Services

Please present on each of the May Revision topics as outlined in the agenda.

- Legislative Analyst's Office
- Department of Finance
- Public Comment

Revenue and Collections May Revise Update. The Governor's May Revision identifies adjustments from the Governor's proposed January budget, as outlined in the table below:

	Governor's Budget	May Revise	Adjustments
Child Support Assistance Collections	\$476,791,000	\$421,820,000	-\$54,971,000
Child Support Non-assistance Collections	\$1,889,478,000	\$1,881,262,000	-\$8,216,000,000
Revenues and Transfers*	-\$4,621,000	-\$3,114,000	\$1,507,000
Total	\$2,361,648,000	\$2,299,968,000	-\$61,680,000

* Reflects total funds from Title IV-E Child Support Collections Recovery Fund and Never Assisted Cases Fee Recovery.

Enrollment Caseload Population Estimate (Issue 500). The Governor's May Revision includes a request to decrease the amount of the department's GF support by \$112,000 and to offset the reduction with a \$112,000 increase in Federal Trust Funds to display a corresponding projected increase in Federal Performance Basic Incentive funds.

As discussed during the March 26, 2014 Subcommittee hearing, there are federal incentives tied to a list of performance measures that apply to the process of establishing parentage, the collection of child support, the overall cost of collecting child support, the establishments of cases with support orders, and collection on arrears.

Gains made in these areas have led to an increase in Federal Performance Basic Incentive funds. The table below represents the state's ranking as it compares to other states and territories.

Measure	2013 Rank	2012 Rank	2011 Rank
Paternity Establishment	10	7	2
Cases with Support Orders	12	14	20
Current Support Paid	23	28	37
Cases Payment on Arrears	19	22	25
Cost Effectiveness	49	49	49

Staff Recommendation:

Staff recommends approval of the May Revise adjustments and estimate changes for Child Support Services.

Staff also recommends approval of the BCP for staffing support for the California Child Support Automation System (CCSAS) Child Support Enforcement (CSE) System that was discussed at the March 26th Sub. 1 hearing.

VOTE-ONLY CALENDAR

0530 HEALTH AND HUMAN SERVICES AGENCY

The following issues have been considered previously by the Subcommittee.

Issue	Proposal Title	Hearing Date	Staff Recommendation
1	Office of Agency Information Officer (OAIO) BCP for 3 positions with BBL	12-March	Approve BCP, reject BBL as this language does not appear to address the issues within the Administration's internal review process, and adopt placeholder Supplemental Report Language to require the OAIO to report on how this proposal adds value and achieves the intended and worthy goals of better agency-wide planning and coordination of information technology (IT) projects (this placeholder language is included below). This action is intended to conform with the Senate.
2	Spring Finance Letter: Office of Health Information Integrity Expansion Needs Specific to Intrastate Data Interoperability and HIPAA	30-April	Approve As Budgeted

Supplemental Report Language (SRL) proposed for the OAIO for Issue 1:

Item 0530-001-0001—California Health and Human Services Agency.
Office of the Agency Information Officer (OAIO)—New Functions.

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

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

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

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

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

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

0530 OFFICE OF SYSTEMS INTEGRATION

The following issues have been considered previously by the Subcommittee.

Issue	Proposal Title	Hearing Date	Staff Recommendation
1	County Expense Claim Reporting Information System BCP request for 1 position	12-March	Approve As Budgeted
2	Case Management, Information, and Payrolling System (CMIPS) II request for 10 positions for M&O	12-March	Approve As Budgeted
3	California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) BCP changes in expenditure authority	12-March	Approve As Budgeted
4	Spring Finance Letter: CWS-New System Project Timeline Extension and Spending Authority Adjustments	30-April	Approve As Budgeted

4170 CALIFORNIA DEPARTMENT OF AGING

The following issues have been considered previously by the Subcommittee.

Issue	Proposal Title	Hearing Date	Staff Recommendation
1	Federal Grant Related to Alzheimer's BCP	26-March	Approve As Budgeted
2	Aging and Disability Resource Connection BCP	26-March	Approve As Budgeted
3	Model Approaches to Statewide Legal Assistance Systems Phase II BCP	26-March	Approve As Budgeted
4	Spring Finance Letter: Health Insurance Counseling and Advocacy Program Federal Funds Augmentation	30-April	Approve As Budgeted

ISSUE 5: SUPPORTS FOR AGING CALIFORNIANS

These issues and reinvestment proposals were previously heard and discussed at the March 26th hearing of the Subcommittee.

Staff Recommendation:

Staff recommends approval of the following funding amount for services for older Californians. Staff will work with CDA and DOF if there is a need for any provisional BBL that is necessitated by these appropriations.

- \$3.8 million General Fund for the Long-Term Care Ombudsman Program.
- \$600,000 General Fund for the Brown Bag Program.
- \$350,000 General Fund for Respite Purchase of Services.
- \$350,000 General Fund for the Senior Companion Program.

4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

The following issues have been considered previously by the Subcommittee.

Issue	Proposal Title	Hearing Date	Staff Recommendation
1	Weatherization and Solar Programs in Disadvantaged Communities BCP	26-March	Defer to action taken in Sub. 3 on the larger Cap and Trade Proposal. No action is necessary in Sub. 1.

5160 DEPARTMENT OF REHABILITATION

The following issues have been considered previously by the Subcommittee.

Issue	Proposal Title	Hearing Date	Staff Recommendation
5175	Traumatic Brain Injury Fund BCP	19-March	Approve As Budgeted
5175	CaPROMISE Federal Grant BCP	19-March	Approve As Budgeted with BBL to review the permanent positions upon the completion of the grant period or in the 2019-20 fiscal year, whichever is later.

5180 DEPARTMENT OF SOCIAL SERVICES

The following issues have been considered previously by the Subcommittee.

Issue	Proposal Title	Hearing Date	Staff Recommendation
1	Case Management, Information, and Payrolling System (CMIPS) II request for 6 positions for M&O	12-March	Approve As Budgeted
2	CalFresh Administrative Match Waiver Phase-Out	2-April	Approve placeholder Trailer Bill Language (TBL) that effective July 1, 2015, and for the following four fiscal years, the portion of the General Fund allocation that can be accessed after a county meets its Maintenance of Effort will phase-out incrementally. This action conforms to the Senate.
3	May Revision: CalFresh State Utility Assistance Subsidy (SUAS) Benefit with TBL	20-May	Approve As Budgeted with placeholder TBL
4	May Revision: ACA Caseload Impact	20-May	Approve As Budgeted
5	May Revision: Modified Categorical Eligibility (Cat-EI) with TBL	20-May	Approve As Budgeted with placeholder TBL with any modifications that need to be made to avoid unintended adverse consequences to clients
6	May Revision: Drought Food Assistance Program Funding and BBL	20-May	Approve As Budgeted with BBL

ISSUE 7: MAY REVISION: DISASTER SNAP BUDGET BILL LANGUAGE

This issue was previously discussed at the May 20th hearing of the Subcommittee. Advocates have weighed in on the language and suggested some changes to the BBL. These changes are incorporated below and the administration is agreeable to these adjustments.

Staff Recommendation:

Staff recommends approval of the revised BBL as follows:

Addition of Provisional Language to Budget Bill Item 5180-141-0001:

X. The Department of Finance may increase expenditure authority in this item for the State Department of Social Services in order to fund the administrative costs to prepare for and respond to a declaration of major disaster by the President of the United States and to maximize the amount of assistance requested and received through the federal Disaster Supplemental Nutrition Assistance Program and other federally funded nutrition assistance programs.

Amendment to Provision 1 of Item 5180-141-0890 as follows:

“1. Provisions 2, 3, 4, ~~and 6,~~ and X of Item 5180-141-0001 also apply to this item.”

ISSUE 8: SPRING FINANCE LETTER: CWS-NEW SYSTEM PROJECT TIMELINE EXTENSION AND NEW POSITIONS

This issue was previously discussed at the April 30th hearing of the Subcommittee.

Staff Recommendation:

Staff recommends approval of the Spring Finance Letter with (1) a change of the new positions requested (seven positions) from limited-term to permanent positions, (2) adoption of Budget Bill Language (BBL) that asks the Departments of Finance and Technology to review the appropriateness of maintaining these positions upon completion of system implementation activities, and (3) adoption of placeholder Supplemental Report Language (SRL) on monthly project updates to the Legislature and stakeholders. The proposed BBL and SRL are included in whole below:

Proposed Provisional Budget Bill Language.

Add provision to Item 5180-001-0001:

X. The Department of Finance and Department of Technology shall determine the appropriateness of maintaining funding for permanent positions included in this item and Item 5180-001-0890 for the Child Welfare Services-New System project during the development of the fiscal year 2019-20 Budget or after implementation of the project is completed, whichever is later.

Add provision to Item 0530-001-9745:

X. The Department of Finance and Department of Technology shall determine the appropriateness of maintaining funding for permanent positions included in this item for the Child Welfare Services-New System project during the development of the fiscal year 2019-20 Budget or after implementation of the project is completed, whichever is later.

Proposed Supplemental Reporting Language.

Commencing August 2014 the Department of Social Services and the Office of Systems Integration will provide monthly updates to the Legislature and to stakeholders, including the California Welfare Directors Association, regarding efforts to develop and implement the CWS-NS Project. The updates shall include, but not be limited to: (1) the vacancy rate, the duration of each vacant position and its classification, and the status of efforts to fill the position, (2) challenges with recruiting and retaining qualified staff and a description of efforts to resolve the issues, (3) challenges with procurement, including any delays, and a description of efforts to resolve the issues, (4) any issues or risks, including but not limited to pending state and federal approvals, that may jeopardize the

project's completion or result in delays relative to the approved project schedule, budget, and scope and (5) progress on and projected completion dates for any significant upcoming project milestones. This reporting requirement shall be reviewed and modified as necessary upon the completion of the procurement phase of the CWS-NS Project and the signing of the contract with the selected primary vendor.

ISSUE 9: ADULT PROTECTIVE SERVICES

This issue was previously discussed at the April 2nd hearing of the Subcommittee.

Staff Recommendation:

Staff recommends approval of:

- \$1.25 million General Fund to increase funding and support for statewide APS training, which may include increasing the number of training days for new workers, supporting curriculum development and training for supervisors, providing advanced training to APS workers, and increasing access to training for mandated reporters; and
- \$150,000 General Fund to create one permanent, full-time civil service CEA position within the California Department of Social Services dedicated to APS to serve as liaison with the federal government, provide leadership on statewide APS policy issues, and support to county APS programs.