

AGENDA**PART 2****ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 HEALTH AND HUMAN SERVICES**

ASSEMBLYMEMBER HOLLY MITCHELL, CHAIR

THURSDAY, MAY 31, 2012

UPON CALL OF THE CHAIR - STATE CAPITOL ROOM 437

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VOTE-ONLY**4260 DEPARTMENT OF HEALTH CARE SERVICES**

VOTE-ONLY ISSUE 1: MANAGED CARE DEFAULT PLAN ASSIGNMENT

The Subcommittee heard this proposal on April 30, 2012 and took no action at that time.

In order to achieve General Fund savings of \$2.4 million in 2012-13 and \$5.8 million in 2013-14, the Administration proposes to change how it selects a default managed care plan when a Medi-Cal enrollee does not make a health plan selection. The Administration proposes to consider health plan cost in addition to quality of care and safety net population factors as part of the default algorithm. Specifically, the default algorithm would be adjusted to increase defaults to low cost plans by 5 percent. Savings would be recognized based on the shift of beneficiaries that would have been defaulted to the higher cost plans under the existing default ratios to lower cost plans.

STAFF COMMENT

Significant questions and concerns have been raised related to how this proposal will affect both beneficiaries and plans. It is possible that this system will favor plans that utilize safety net providers the least, thereby creating a disincentive to utilize safety net providers.

Staff Recommendation: Staff recommends that the Subcommittee deny this proposal.

VOTE-ONLY ISSUE 2: CCS MEDICAL THERAPY MEANS TEST

The Subcommittee heard this proposal on April 30, 2012 and took no action at that time.

The DHCS proposes trailer bill language to apply the existing CCS financial eligibility requirements to the Medical Therapy Program (MTP), which is currently not means-tested. The CCS financial eligibility requirements that would be applied to the MTP are:

- A family income ceiling of \$40,000 per year adjusted gross income (AGI); or,
- An estimated annual CCS related medical expenses in excess of 20 percent of family AGI.

The proposal would result in annual savings of \$21.9 million (\$9.1 million General Fund in 2012-13, and \$10.9 million General Fund, and \$11 million county funds on-going) as a result of 4,779 of 24,433 children, currently receiving CCS MTP, no longer qualifying under the proposed financial eligibility requirements.

STAFF COMMENT

The Subcommittee heard testimony from families who utilize these services who stated that: 1) this is an exceptionally well-run program; 2) there are few if any alternative equivalent services available; 3) private therapy services are generally cost-prohibitive; and, 4) many children in the program are either younger than school-age and/or do not have an Individualized Education Plan (IEP), and therefore cannot be covered by education-related funding.

Staff Recommendation: Staff recommends that the Subcommittee deny this proposal.

VOTE-ONLY ISSUE 3: SKILLED NURSING FACILITIES QUALITY ASSURANCE FEE SUNSET

The Subcommittee heard this proposal on April 30, 2012 and took no action at that time.

The DHCS proposes to eliminate the sunset date for the nursing home quality assurance fee (QAF) program and the rate-setting methodology established under AB 1629 (Statutes of 2004) and thereby, make this program permanent. The QAF program sunsets on July 31, 2013.

STAFF COMMENT

Maintaining a sunset in this program creates critical opportunities for changes and details of the program to be discussed and negotiated. These opportunities are important to both the nursing home industry as well as the Legislature.

Staff Recommendation:

Staff recommends that the Subcommittee take the following two actions:

1. Reject the Administration's trailer bill language to eliminate the sunset date for the nursing home quality assurance fee.
 2. Adopt placeholder trailer bill language that extends the nursing home quality assurance fee sunset date for two years (until July 31, 3015) and creates a special fund to deposit the QAF revenues.
-

VOTE-ONLY ISSUE 4: HOSPITAL STABILIZATION FUNDING

The Subcommittee heard this proposal on April 30, 2012 and took no action at that time.

The DHCS proposes to redirect \$42.8 million in unpaid private and nondesignated public hospitals' stabilization funding for fiscal years 2005-06 through 2009-10 (including the extension period of the Medi-Cal Hospital/Uninsured Demonstration through October 31, 2010) for purposes of General Fund savings.

Staff Recommendation: Staff recommends that the Subcommittee approve this proposal.

VOTE-ONLY ISSUE 5: VALUE BASED PURCHASING

The Subcommittee heard this proposal on April 30, 2012 and took no action at that time.

The DHCS is proposing trailer bill to establish a process for Value-Based Purchasing in the Medi-Cal fee-for-service (FFS) system. This proposal is estimated to save \$75 million General Fund in 2012-13 and annually thereafter. Of the \$75 million, \$26.6 million is attributable to the savings as a result of Medi-Cal no longer paying for services directly related to potentially preventable hospital admissions (for Medi-Cal managed care), as required by the Affordable Care Act (ACA) (effective July 1, 2012).

STAFF COMMENT

The Administration's proposed trailer bill for this proposal is exceptionally broad and lacks sufficient clarity on stakeholder participation, legislative authority, and scope of authority being broadened for the Administration.

Staff Recommendation: Staff recommends the Subcommittee take the following actions:

- 1. Reject the Administration's proposed trailer bill language.**
 - 2. Approve the \$30 million in General Fund savings that will be realized as a result of Medi-Cal no longer paying for services directly related to potentially preventable hospital admissions. Changes to statute or regulations are not necessary to implement these savings.**
-

VOTE-ONLY ISSUE 6: GROSS PREMIUMS TAX SUNSET

The Subcommittee heard this proposal on April 30, 2012 and took no action at that time.

The Administration proposes trailer bill language that eliminates the sunset date for the existing gross premiums tax (GPT) imposed on Medi-Cal managed care plans. The Administration estimates that this will generate \$161.8 million in General Fund savings in 2012-13 and \$259.1 million in General Funds savings in 2013-14. The GPT is expected to generate \$352 million in overall revenue, half of which, or about \$176 million, will be matched with federal funds to provide for an increase in capitation payments to Medi-Cal managed care plans.

Staff Recommendation: Staff recommends the Subcommittee take the following actions:

- 1. Reject the Administration's trailer bill language to eliminate the sunset date for the GPT.**
 - 2. Adopt placeholder trailer bill language that extends the GPT sunset date for two years.**
-

VOTE-ONLY ISSUE 7: COUNTY MEDICAL SERVICES PROGRAM LOAN

The Subcommittee heard this proposal on May 23, 2012 and took no action at that time.

This trailer bill language would permit the Director of Finance to approve no more than \$100 million General Fund in cash flow loans in fiscal years 2012-13 and 2013-14 for County Medical Services Program (CMSP) Governing Board expenditures associated with a Low-Income Health Program operated by the CMSP Governing Board. Any cash flow loans made would be considered short term and would not constitute General Fund expenditures. The loans and their repayment would not affect the General Fund reserve.

STAFF COMMENT

No concerns have been raised by this proposal as it simply addresses cash flow challenges of Low-Income Health Programs.

Staff Recommendation: Staff recommends the Subcommittee approve of this proposal and placeholder trailer bill.

VOTE-ONLY ISSUE 8: RADIOLOGY RATE REDUCTION IMPLEMENTATION

SB 853 (Statutes of 2010) mandates that rates for radiology services may not exceed 80 percent of Medicare rates, effective October 1, 2010. In the Governor's January budget, DHCS estimated that it would begin implementation of the law in February 2012.

In the May Revision, DHCS estimates that it will not begin implementation of this law until September 2012 because of inadequate staffing and other workload priorities.

STAFF COMMENT

General Fund savings can be achieved simply by beginning implementation of this reduction sooner.

Staff Recommendation: Staff recommends that the Subcommittee direct DHCS to begin implementation of this law in July 2012 for \$6.6 million (\$3.3 million General Fund) savings.

VOTE-ONLY ISSUE 9: CALHEERS

Within the May Revision, the Administration proposed a package of requests related to the implementation of the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) that collectively will allow the state to implement CalHEERS, thereby meeting federal Affordable Care Act requirements. These implementation-related requests affect the Office of Systems Integration and the Departments of Health Care Services (DHCS) and Social Services. The following describes the requests specific to DHCS:

- BCP for positions to develop MEDS interfaces with CalHEERS.
- Local Assistance funding included in the Medi-Cal Estimate for the state's share of CalHEERS costs (17 percent of the 10 percent). CalHEERS will be funded 90 percent federal funds and 10 percent General Fund.
- BBL that would delay any expenditures for CalHEERS until 60 days after a plan for CalHEERS has been submitted to the Legislature.
- BBL that would allow an increase in expenditure authority for CalHEERS expenditures (state's matching share).

BACKGROUND

Beginning in 2014, approximately 3 million of the current Medi-Cal cases in the three SAWS systems will have their Medi-Cal eligibility determination based on Modified Adjusted Gross Income, or MAGI. In addition, it is estimated that another 1 - 1.5 million individuals will become newly eligible for Medi-Cal through the MAGI determination. This population consists primarily of childless adults with incomes below 133 percent of the federal poverty level. The MAGI eligibility determinations are anticipated to be greatly simplified over the current process, largely attributable to the elimination of an asset test. There are an additional 1.5 million current Medi-Cal beneficiaries in SAWS, primarily the aged, blind and disabled, who will continue to have Medi-Cal eligibility determined under the current process. Individuals with incomes between 133 and 400 percent of the federal poverty level will be eligible for federally subsidized health care through the Exchange.

Two Options for MAGI Medi-Cal Cases

The Exchange's Request for Solicitation for the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) outlined two approaches for case data storage that will impact the SAWS systems. Under both scenarios, CalHEERS would build an eligibility rules engine that would be responsible for making eligibility determinations for both Modified Adjusted Gross Income (MAGI) Medi-Cal and individuals eligible for subsidized coverage in the Exchange. Under both scenarios, it is expected that county case workers would continue to manage Medi-Cal cases. The scenarios are:

- A. Case data for both MAGI Medi-Cal and subsidized cases would be stored in CalHEERS.
- B. Case data for all Medi-Cal cases, including MAGI, would continue to be stored in the SAWS systems, while case data for the subsidized population would be stored in CalHEERS.

Regardless of which approach is pursued, changes to SAWS will be needed. Interfaces will need to be created between the CalHEERS eligibility determination rules engine and the three SAWS systems. Additionally, modifications to the SAWS systems will be needed to recognize these new MAGI eligibility factors.

Staff Recommendation: Staff recommends that the Subcommittee approve of the DHCS portion of this proposal with modification as described below:

- Approve May Revise BCP for positions to develop MEDS interface with CalHEERS
- Approve May Revise proposal for local assistance funding for the state's share of CalHEERS costs
- Adopt BBL:

Add Budget Bill Language to Item 4260-001-0001

Provisions:

X. Of the funds appropriated in this Item, \$224,000 is to support the system changes necessary to implement federal health care reform. Notwithstanding Provision 2 of this item, these funds are not authorized for expenditure until approved by the Director of Finance. The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any expenditure approved under this provision not less than 30 days prior to the effective date of the approval. This 30-day notification shall include a plan for the system changes necessary to implement the requirements of the federal Affordable Care Act.

Add Budget Bill Language to Item 4260-101-0001

Provisions:

X Of the funds appropriated in this Item, up to \$1,206,000 is provided to support the system changes necessary to implement federal health care reform. The Director of Finance is authorized to approve current year increases in this item for additional expenditures necessary for implementation of the California Healthcare Eligibility, Enrollment and Retention System project. The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any increased expenditure approved under this provision not less than 30 days prior to the effective date of the approval. This 30-day notification shall include a plan for the system changes necessary to implement the requirements of the federal Affordable Care Act.

4265 DEPARTMENT OF PUBLIC HEALTH

VOTE-ONLY ISSUE 1: OFFICE OF HEALTH EQUITY

The Subcommittee heard this proposal on March 26, 2012 and took no action at that time.

The Governor's budget proposes trailer bill to create a new "Office of Health Equity" (OHE) within the Department of Public Health (DPH) to focus on health disparities between various populations. This OHE would integrate various offices and projects that currently are spread across three different departments. As proposed, it would comprise the Office of Women's Health (currently in the DHCS), the Office of Multicultural Health, the Health in All Policies Task Force, the Health Places Team, and the Office of Multicultural Services (currently in the DMH). Currently, three different departments have three separate offices addressing different aspects of health disparities.

STAFF COMMENT

Senate staff has worked extensively with stakeholders on language to create the OHE, in order to address concerns raised by stakeholders and advocates, most of whom are now supportive of this revised language.

This placeholder trailer bill language describes the duties of the office as:

1. Conducting policy analysis and developing strategic policies and plans on specific issues affecting vulnerable communities and vulnerable places to increase access to services and supports, quality of care, and positive health and mental health outcomes for the communities described in subdivision (b) and decrease health and mental health disparities and inequities. The policies and plans should also include strategies to address social and environmental inequities and improve health and mental health.
2. Establishing a comprehensive, cross-sectoral strategic plan to eliminate health and mental health disparities and inequities. The strategies and recommendations developed shall take into account the needs of the communities described in subdivisions (b) of this chapter and other defining characteristics to ensure strategies are developed throughout the state to eliminate health and mental health disparities and inequities. This plan should be developed in collaboration with the Health in All Policies Taskforce. This plan shall establish goals and benchmarks for specific strategies in order to measure and track disparities and the effectiveness of these strategies. This plan shall be updated periodically, but not less than every three years, to keep abreast of data trends, best practices, promising practices, and to more effectively focus and direct necessary resources to mitigate and eliminate disparities and inequities. The Office of Health Equity shall seek input from the public on the plan through an inclusive public stakeholder process.

3. Working with state agencies and departments to consider health impacts of policies. The Office of Health Equity shall mirror and support the work of the Health in All Policies Taskforce and Strategic Growth Council in working with state agencies and departments to consider health in appropriate and relevant aspects of public policy development. The Office of Health Equity shall work collaboratively with the Health in All Policies Taskforce and Strategic Growth Council to assist state agencies and departments in developing policies, systems, and environmental change strategies that have population health impacts in the following ways:
 - a) Develop intervention programs with universal and targeted approaches to address health and mental health inequities and disparities.
 - b) Prioritize building cross-sectoral partnerships within and across departments and agencies to changes policies and practices to advance health equity.
 - c) Provide a forum to identify and address the complexities of health and mental health inequities and disparities and the need for multiple, inter-related, and multi-sectoral strategies.
 - d) Provide technical assistance to state and local agencies and departments on building organizational capacity, staff training, and facilitating communication to implement strategies to reduce health and mental health disparities.
 - e) Highlight and share evidence-based, evidence-informed, and community based promising practices on reducing health and mental health disparities and inequities.
 - f) Work with local public health departments, county mental health or behavioral health departments, local social services, and mental health agencies and other local agencies that address key health determinants including but not limited to housing, transportation, planning, education, parks, and economic development. The Office of Health Equity will seek to link local efforts with statewide efforts.
4. Consulting with community based organizations and local government agencies to ensure community perspectives and input are included in policies and any strategic plans, recommendations, and implementation activities.
5. Assisting in coordinating projects funded by the state that pertain to increasing the health and mental health status of communities.
6. Identifying future service needs, trends, and unnecessary duplication of services, and providing information to impacted departments and state agencies.
7. Providing consultation and technical assistance to state departments and other state and local agencies charged with providing or purchasing state-funded health and mental health care, in their respective missions to identify, analyze and report disparities and to identify strategies to address health and mental health disparities.
8. Providing information and assistance to state and local departments in coordinating projects within and across state departments that improve the effectiveness of public health and mental health services to communities, and that address community environments to promote health.

9. Communicating and disseminating information within the department and with other state departments to assist in developing strategies to improve the health and mental health status of persons in communities and to share strategies that address the social and environmental determinants of health.
10. Encouraging innovative responses by public and private entities that are attempting to improve the health and mental health status of communities.
11. Seeking additional resources, including in-kind assistance, federal funding, and foundation support.

Staff Recommendation: Staff recommends that the Subcommittee approve the proposal to create an Office of Health Equity, reject the Administration’s proposed trailer bill, and approve of revised placeholder trailer bill as described above.

VOTE-ONLY ISSUE 2: TRANSFER DIRECT SERVICES TO DHCS

The Subcommittee heard this proposal on March 26, 2012 and took no action at that time.

In order to maintain the focus of DPH on prevention and population health, the Governor's budget proposes trailer bill to move the following three direct-service programs from DPH to the Department of Health Care Services (DHCS): 1) Every Woman Counts Program; 2) Prostate Cancer Treatment Program; and, 3) Family Planning Access Care and Treatment Program. This proposal shifts 33.6 positions, \$16.5 million General Fund, \$7.2 million Federal Funds, and \$33.3 million in Special Funds from the DPH to the DHCS.

STAFF COMMENT

No significant concerns or opposition has been raised to this proposal.

Staff Recommendation: Staff recommends the Subcommittee approve this proposal with placeholder trailer bill.

VOTE-ONLY ISSUE 3: WATER DEVICE CERTIFICATION

The Subcommittee heard this proposal on May 7, 2012 and approved the proposal.

Currently California is one of only six states that require certain water purification devices to have State certifications, in addition to a "third-party" certification. These devices are residential, consumer-acquired devices such as refrigerator or counter top water filters. The devices must be certified by the National Sanitation Foundation and the Water Quality Association, and possibly other non-profit organizations that certify these products based on national standards. These organizations are accredited by the American National Standards Institute.

Although on May 7, 2012 the Subcommittee approved this proposal, since then concerns have been raised that removing the state's role in certifying these water devices could have a negative impact on public health by eliminating an important consumer protection.

STAFF COMMENT

It is unclear at this time if the "third-party" entities that certify these water devices have the ability to provide this service in an unbiased, consumer-focused way. This proposal should be reviewed by the Legislature's policy committees.

Staff Recommendation: Staff recommends that the Subcommittee deny this proposed efficiency and recommend that the proposal be handled through a policy bill.

VOTE-ONLY ISSUE 4: MILITARY EXPERIENCE & PROFESSIONAL LICENSURE

Several bills currently moving through the Legislature seek to assist returning veterans to use the skills they have acquired in the military, rather than be forced to duplicate their education in order to find employment.

To support this effort, a report from the DPH would assist in breaking down barriers facing returning veterans by assessing which Department of Public Health programs that license or provide certification of healthcare professionals currently accept military training towards licensure and certification requirements, those programs that do not and the rationale for those programs on why they have chosen not to enact rules or regulations.

Staff Recommendation: Staff recommends the Subcommittee adopt budget bill language to require the DPH to produce a report to the Subcommittee as described below.

The Department of Public Health shall prepare a report describing how professional licensure programs under the jurisdiction of the Department of Public Health address military experience. No later than October 1, 2012, the Department shall report to the Subcommittee the following:

1. A list of the professional licensure programs that have enacted rules or regulations allowing military experience to be used to meet professional licensure or certification requirements and a description of the rules or regulations, or copies of the rules or regulations.
2. A list of the professional licensure programs that have not enacted rules or regulations allowing military experience to be used to meet professional licensure or certification requirements with an explanation from the professional licensure programs on why they have not enacted rules and regulations.
3. If the professional licensure program has decided not to accept military experience, an explanation from the professional licensure program about why they do not accept military experience.
4. A description of the Department's actions to direct the professional licensure programs to address military experience, including any memoranda to boards or other evidence of the department's actions.
5. A description of how the Department has interacted with the Department of Veterans Affairs and the Military Department regarding this issue.
6. A description of any other departments or agencies the Department has worked with on this issue, including but not limited to the Department of Consumer Affairs.

4440 DEPARTMENT OF MENTAL HEALTH

VOTE-ONLY ISSUE 1: STATE HOSPITALS

State hospital issues were discussed at the Subcommittee hearing on April 9, 2012.

As described in detail in the Subcommittee's April 9, 2012 agenda, the State Mental Hospitals are in a state of transition in many policy and fiscal respects: 1) The hospital population has evolved into an almost entirely forensic population which has vastly increased safety and security challenges for both patients and staff in the hospitals; 2) Many aspects of state hospitals' operations are dictated or directed by federal court orders; 3) For many years the state hospitals have generated funding shortfalls that the state has just begun addressing; and, 4) In response to these issues, the Governor has proposed elimination of the Department of Mental Health and creation of a Department of State Hospitals to focus exclusively on the challenges and deficiencies of the state's system of mental hospitals.

Staff Recommendation: Staff recommends the Subcommittee take the following actions:

1. Adopt placeholder trailer bill language to approve of the proposed elimination of the Department of Mental Health and establishment of the Department of State Hospitals.
2. Approve the proposed State Hospitals' budget and caseload estimate, with any conforming modifications based on the following actions.
3. Adopt placeholder trailer bill language to establish the Legislature's intent that:
 - a) Any changes in staffing ratios at the state's mental hospitals address adequate staff and patient safety standards. Further, it is the intent of the Legislature that staffing ratios may vary based on patient acuity.
 - b) Adult education in the state hospitals is not to be eliminated or substantially reduced.
4. To reflect the Legislature's intent that adult education continue to be offered in the State Hospitals, adopt placeholder budget bill language that identifies \$3.6 million for adult education purposes. Furthermore, the Subcommittee directs the Department to reduce the operating expenses of the State Hospitals' budget by \$3.6 million, resulting in no net change to the overall proposed State Hospitals budget.
5. Restore authority for 37.6 positions for adult education for the Department of Mental Health.
6. Adopt the following placeholder language as *budget bill* language, in place of *trailer bill* language that the Subcommittee approved on April 9, 2012:

The Department of State Hospitals (DSH) shall reimburse the Office of Statewide Audits and Evaluations (OSAE) within the Department of Finance to conduct a review and analysis of the budget methodology, including, but not limited to, relevant data, formulas, and cost assumptions, used in developing the annual state budget for the state hospitals.

Additionally, the audit should provide a status update on the level of, and current issues with, vacancies, patient aggression, and security at the DSH. Prior to contracting with the OSAE, the DSH shall further define the scope of the audit in consultation with the Legislature. The DSH shall provide information to the OSAE as necessary for it to complete its analysis and provide recommendations. It is the Legislature's intent for the DSH to notify the OSAE to proceed with this analysis during the fall of 2012. The OSAE's report should be submitted to the Legislature by April 1, 2013 to ensure hospitals are making progress and to enable the Legislature to consider what further actions may need to be taken for the following fiscal year.

7. Adopt placeholder budget bill language to require the Department of State Hospitals to report to the Legislature as follows:

Not later than 75 days following enactment of this act, and subsequently on March 1, and two weeks after the release of the May Revision, the Director of the Department of State Hospitals shall submit a report to the Director of Finance and the chairpersons and vice chairpersons of the committees in both houses of the Legislature that consider the State Budget detailing how each institution's expenditures are tracking compared to its approved allotments. If any institution's expenditures are trending above the allotments provided to it, the Director of the Department of State Hospitals shall detail the reasons why the institution is spending at a level above its allotments and list the actions the department is undertaking in order to align expenditures with approved allotments.

Not later than February 17, 2013, the Director of the Department of State Hospitals shall submit to the chairpersons and vice chairpersons of the committees in both houses of the Legislature that consider the State Budget, the Director of the Department of Finance, and to the Legislative Analyst's Office an operating budget for each of the facilities under the control of the department. Specifically, the report shall include:

1. *Year-end expenditures by program for each institution in the 2011–12 fiscal year;*
2. *Allotments and projected expenditures by program for each institution in the 2012–13 fiscal year;*
3. *The number of authorized and vacant positions, estimated overtime budget, estimated benefits budget, and operating expense and equipment budget for each institution in the 2012-13 fiscal year;*
4. *A list of all capital outlay projects occurring or projected to occur during the 2012–13 fiscal year; and,*
5. *The clinical and ancillary clinical staffing ratios being implemented in the 2012-13 fiscal year.*

ITEMS TO BE HEARD

0977 CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

ISSUE 1: CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY GRANT PROGRAM

The California Health Facilities Financing Authority (CHFFA) Fund has over \$6.5 million available in its reserve that could be used to fund a competitive grant program for one or more projects to demonstrate new or enhanced methods of delivery health care services to improve access and health outcomes for vulnerable populations or communities, or both that are effective at enhancing health outcomes and improving access to quality health care and preventive services. Those funds not awarded as a competitive grant would revert back to the fund balance on January 1, 2020.

BACKGROUND

CHFFA was established in 1979 to be the state's vehicle for providing financial assistance to public and nonprofit health care providers through loans funded by the issuance of tax-exempt bonds. CHFFA also administers the Healthcare Expansion Loan Program II (HELP II), which provides direct loans to small and rural health facilities, and several grant programs that have provided funding for community clinics and 13 of the state's children's hospitals.

By borrowing through CHFFA, health facilities can obtain lower interest rates than they would through conventional bonds. Generally, nonprofit, licensed health facilities in California, including community clinics, skilled nursing facilities, hospitals, and drug and alcohol rehabilitation centers are eligible for CHFFA financing.

Fees paid by CHFFA borrowers are deposited into the CHFFA Fund. These fees are competitively set and take into account the fees charged by competing lenders.

STAFF COMMENT / QUESTIONS

Given the reductions in services and funding for California's underserved and vulnerable populations in the past few years, this available fund balance provides an opportunity to fund innovative and cost-effective ways of delivering high quality care to vulnerable populations.

PANEL

- Administration
- Legislative Analyst's Office

Staff Recommendation: Staff recommends the Subcommittee approve of creation of a competitive grant program funded with up to \$6.5 million from the CHFFA Fund reserve.

4140 OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT**ISSUE 1: SHIFTING THE WORKFORCE EDUCATION & TRAINING PROGRAM FROM DMH TO OSHPD**

In the May Revision, the Administration is requesting a technical adjustment to the Governor's Budget as it relates to implementing the proposed transfer of the Mental Health Services Act (MHSA) Workforce Education and Training (WET) program from the Department of Mental Health (DMH) to the Office of Statewide Health Planning and Development (OSHPD), a component to the overall proposal to eliminate the DMH.

A one-time budget year appropriation of \$15.0 million (MHSA funds) is required to support the WET program appropriated to OSHPD in accordance with AB 100. The following budget bill language is proposed to provide OSHPD with the authority to expend these funds:

Provisional Language for 4140-101-3085

X. The funds appropriated in this item are for the purposes of the Workforce, Education and Training (WET) programs established pursuant to Welfare and Institutions Code Sections 5820, 5821, and 5822. It is the intent of the Legislature that a total of \$6,000,000 in WET funds be appropriated for purposes of Welfare and Institutions Code Sections 5820, 5821, and 5822 in a manner subject to the requirements set forth in Welfare and Institutions Code Sections 5820(a), 5820(e), and 5848 (a). It is further the intent of the Legislature that \$9,000,000 be appropriated, for implementation of the Regional Partnerships component of the WET programs in equal amounts over a three-year period beginning in 2014-15. The funds appropriated in this item are available for expenditure without regard to fiscal year.

BACKGROUND

The Governor's January budget proposes to eliminate the Department of Mental Health. As part of this reorganization, coordination of the WET program is proposed to move to OSHPD. DMH recently conducted an audit of the Mental Health Services Act (MHSA) WET funds and found that \$444.5 million of MHSA revenues were available for the WET program. Of this amount, \$15 million has not been appropriated and must be set-aside in the MHSF for WET programs.

STAFF COMMENT / QUESTIONS

This proposal is consistent with the MHSA and ensures that unexpended funds for the WET program are available in out years for this purpose.

PANEL

- Office of Statewide Health Planning & Development
- Department of Finance
- Legislative Analyst's Office

Staff Recommendation: Staff recommends the Subcommittee approve of this proposal and budget bill language.

4265 DEPARTMENT OF PUBLIC HEALTH

ISSUE 1: CALIFORNIA REDUCING DISPARITIES PROJECT FUNDING

In the May Revision, the Administration requests an augmentation of \$15 million from the Mental Health Services Fund (MHSF) per year for four years (\$60 million total) for DPH to support the California Reducing Disparities Project (CRDP). These funds are to be augmented though the 3.5 percent state administrative cap of the MHSF and a new appropriation whereby funds may be spent without regard to fiscal year until the balance of funds are fully expended.

BACKGROUND

The Governor's January budget proposes to eliminate the Department of Mental Health. As part of this reorganization, coordination of the CRDP is proposed to move to DPH. The CRDP is a project under the Prevention and Early Intervention component of the Mental Health Services Act. The initiative is focused on five populations: African Americans; Asian/Pacific Islanders; Latinos; Lesbian, Gay, Bi-sexual, Transgender, Questioning; and Native Americans. The project will develop population-specific reports that will form the basis of a statewide comprehensive strategic plan to identify new approaches to reduce disparities.

STAFF COMMENT / QUESTIONS

The Subcommittee has requested the DPH present this proposal.

PANEL

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

Staff Recommendation: Staff recommends the Subcommittee approve of this adjustment including the proposed budget bill language below.

Item 4265-001-3085 (DPH state support, Mental Health Services Act Fund)

Provisions:

It is the intent of the Legislature that a total of \$60,000,000 for the California Reducing Disparities Project which seeks to improve timely access to mental health services for unserved and underserved populations in California by bringing forward community-defined solutions and recommendations developed by diverse workgroups comprised of community representatives shall be available over the course of four years beginning in fiscal year 2012-13. Contracts with entities representing focused populations to develop strategic planning workgroups are presently in effect to identify population-focused, culturally competent recommendations for reducing disparities in mental health services and

to improve outcomes by identifying community-defined, strength-based solutions and strategies to eliminate barriers in the mental health service system. Results from these strategic planning workgroups are to be used to effectuate changes in the mental health system to reduce and mitigate multi-ethnic, sexual orientation, and cultural disparities.

Of the amount appropriated in this item, \$15,000,000 is to fund the California Reducing Disparities Project beginning in 2012-13, and shall be available without regard to fiscal years.

4440 DEPARTMENT OF MENTAL HEALTH**ISSUE 1: TRANSFER NON-MEDI-CAL PROGRAMS FROM DMH TO OTHER DEPARTMENTS**

The Governor's budget proposes to eliminate the Department of Mental Health (DMH), establish the Department of State Hospitals to provide long-term care and services to individuals with mental illness at state hospitals, and redirect funding and positions for all remaining mental health services to other departments.

Through a Spring Finance Letter, the Department of Mental Health (DMH) is requesting a technical adjustment on the transfer of resources not identified in prior budget change proposals supporting the transition of community mental health functions from DMH to other state entities. This request proposes to:

- Add two positions and \$189,000 (\$94,500 General Fund) to the Department of Health Care Services (DHCS) (and the corresponding reduction to DMH) to reflect a transfer of resources from DMH to DHCS to support account receivable activities.
- Increase \$865,000 General Fund to DMH (and the corresponding reduction to DHCS) to reflect a correction on the share of federal financial participation previously identified.

BACKGROUND

The reorganization of behavioral health began in 2011-12. The Administration intends that this proposal completes these efforts by transferring the remaining mental health programs to various state departments that perform related or similar functions. The Administration believes the consolidation of mental health, substance use disorder, and physical health at DHCS will provide for a continuum of care for consumers in preparation for health care reform in 2014.

Department of Health Care Services. The majority of existing community mental health programs and functions are proposed to be transferred to a new Division of Mental Health and Substance Use Disorders Services within DHCS. In addition to the transfer of these programs, the Administration proposes to create a new Deputy Director, Mental Health and Substance Use Disorder Services, who would lead this new division. The new Deputy Director would be a Governor's Appointee and would require Senate confirmation. The following functions would be transferred to DHCS:

- **Oversight of Certain MHSA Components.** DHCS would be responsible for the collection of data relating to certain Mental Health Service Act (MHSA) programs (Full Service Partnerships). In addition, DHCS would be responsible for MHSA state-level issue resolution which is a process by which consumers and stakeholders have a mechanism to resolve issues related to MHSA. And finally, DHCS would be responsible for MHSA Statewide Prevention and Early Intervention Projects (Suicide Prevention, Student Mental Health Initiative, and Stigma and Discrimination Reduction Programs).
- **Certification of Mental Health Programs at Facilities.** DHCS would assume responsibilities for the certification of mental health treatment programs at Skilled Nursing Facilities with Special Treatment Programs, Community Residential Treatment Systems (also known as Social Rehabilitation Programs), and Community Treatment Facilities.

- **Oversight of Federal Grants.** In addition, DHCS would be responsible for the oversight and administration of federal mental health funds including the Substance Abuse and Mental Health Services Administration (SAMHSA) Block Grant and the Projects for Assistance in Transition from Homelessness (PATH). The SAMHSA block grant can be used to establish or expand an organized community-based system of care for providing non-Medi-Cal mental health services to children with serious emotional disturbances and adults with serious mental illness. The state administers this block grant and allocates the funds each year to 58 local county mental health agencies. The county mental health departments and contracted providers deliver a broad array of treatment and support services that include over 150 individual programs supported by the block grant. PATH funds community-based outreach, mental health and substance abuse services, case management, and limited housing services for people experiencing serious mental illness who are experiencing homelessness or are at risk of becoming homeless.
- **Oversight of Contracts and Other Mental Health Programs.** Finally, DHCS would be responsible for the oversight of certain administrative and training contracts related to the above-mentioned programs and the coordination of efforts related to veteran's mental health and co-occurring disorders.

Department of Public Health (DPH) - Office of Multicultural Services and Disaster Services.

The Administration proposes to transfer the Office of Multicultural Services (OMS) to DPH's new Office of Health Equity. Additionally, the \$60 million in MHSA funds for the California Reducing Disparities Project (CRDP) would be transferred to DPH (with \$15 million being appropriated each year for four years as a state administrative item).

The CRDP is a project under the Prevention and Early Intervention component of the Mental Health Services Act. The initiative is focused on five populations: African Americans; Asian/Pacific Islanders; Latinos; Lesbian, Gay, Bi-sexual, Transgender, Questioning; and Native Americans. The project will develop population-specific reports that will form the basis of a statewide comprehensive strategic plan to identify new approaches to reduce disparities.

This proposal also transfers DMH's Disaster Services Unit to DPH. The Disaster Services Unit is responsible for the statewide coordination of disaster mental health responses to major disasters in support of local mental health agencies. This includes the development and maintenance of the mental health section of the State Emergency Plan and training and technical assistance to local mental health agencies on planning, preparedness, and mitigation for a disaster.

The DPH is the designated lead state agency for public health emergency preparedness and response.

Department of Social Services (DSS) – Licensing of MHRCs and PHFs. The Administration proposes to transfer DMH's facility licensing and quality improvement efforts to the Department of Social Services (DSS). DMH currently licenses mental health rehabilitation centers (MHRCs) and psychiatric health facilities (PHFs). The Administration finds that these facilities are similar to other residential facilities that are licensed by DSS.

Mental Health Rehabilitation Centers (MHRCs). MHRCs provide community-based intensive support and rehabilitation services designed to assist persons, 18 years or older, with mental disorders who would have been placed in a state hospital or another mental health facility to develop

the skills to become self-sufficient and capable of increasing levels of independent functioning. There are currently 20 MHRCs with a total of 1,363 beds.

The Legislature's intent with creating MHRCs was to create innovative programs that were alternatives to hospital care.

Psychiatric Health Facilities (PHFs). PHFs offer acute inpatient psychiatric treatment to individuals with major mental disorders in a nonhospital setting. PHFs mainly provide acute psychiatric treatment services to individuals subject to involuntary commitment under the Lanterman-Petris-Short Act. There are 25 PHFs in California with 432 beds. These facilities are locked facilities. PHFs employ a multidisciplinary model (consistent with its enabling legislation) which called for an innovative approach to acute psychiatric care.

PHFs were conceptualized and designed to be an alternative to acute psychiatric hospitals, which are traditionally based on a medical model.

Approval of Involuntary Hold Facilities. Additionally, the Administration proposes to transfer DMH's roles and responsibilities related to Lanterman-Petris-Short Act involuntary holds (pursuant to Welfare and Institutions Code Section 5150) to DSS. These responsibilities include the approval of facilities designated by counties for 72-hour treatment.

Department of Education – Early Mental Health Initiative. The proposal transfers the Early Mental Health Initiative (EMHI) program to the Department of Education. The EMHI is a school-based program funded with Proposition 98 funds.

STAFF COMMENT / QUESTIONS

The Subcommittee has requested the DMH present this proposal.

PANEL

- Department of Mental Health
- Department of Finance
- Legislative Analyst's Office

Staff Recommendation:

Staff recommends that the Subcommittee adopt placeholder trailer bill language to reorganize the non-Medi-Cal community mental health programs to reflect agreements with the Administration on licensing and certification, technical changes regarding the elimination of DMH, and transferring programs to DHCS and DPH. It is also recommended that the Subcommittee approve of relocating the oversight of Caregiver Resource Centers and Community Treatment Facilities to the Department of Health Care Services, based on the Subcommittee's actions to reject the Governor's proposals to eliminate these programs.

ISSUE 2: MENTAL HEALTH SERVICES ACT ADMINISTRATION CHANGES

In addition to the reorganization of non-Medi-Cal community mental health, the Administration's proposed trailer bill language makes changes to the Mental Health Services Act (MHSA), including:

- Changes approval of the MHSA innovation programs from the Mental Health Services Oversight and Accountability Commission (MHSOAC) to the county board of supervisors.
- Removes MHSOAC's authority to issue guidelines for MHSA innovation programs.
- Requires each county mental health program to prepare and submit a three-year plan adopted by its county board of supervisors to MHSOAC.
- Eliminates performance contracts between the state and counties

BACKGROUND

AB 100 (Statutes of 2011) made several changes to the Mental Health Services Act (MHSA). These changes include:

- Deleted the requirement that the Department of Mental Health (DMH) and the Mental Health Services Oversight and Accountability Commission (MHSOAC) annually review and approve county plans and updates.
- Deleted the requirement that a county annually update the 3-year plan but still required that there be updates.
- The "state," instead of DMH, would administer the Mental Health Services Fund (MHSF).
- Starting July 1, 2012, the State Controller shall distribute, on a monthly basis, to counties all unexpended and unreserved funds on deposit in the MHSF as of the last day of the prior month.
- Reduced the administrative funds for state departments from 5 percent to 3.5 percent.

AB 100 also contained language specifying that it was the Legislature's intent to ensure continued state oversight and accountability of the MHSA and that in eliminating state approval of county mental health programs, the Legislature expects the state to establish a more effective means of ensuring that county performance complies with the MHSA.

AB 100 Workgroup. Because several changes made by AB 100 needed clarification before they could be implemented, a workgroup was convened in an effort to try to develop consensus recommendations. This workgroup included representatives from DMH; the California Mental Health Planning Council; MHSOAC; the California Mental Health Directors; the National Alliance on Mental Illness; the California Network of Mental Health Clients; the Mental Health Association, California; and United Advocates for Children and Families.

Recommendations from the AB 100 workgroup include, but are not limited to:

- Implement the MHSA state level issue resolution process as a mechanism to assure county level compliance with the MHSA values.
- Charge MHSOAC with MHSA performance outcome evaluation.
- Continue MHSA programs through a performance contract.

Performance Contracts. Performance contracts were developed during the 1991 realignment as a way to ensure county accountability. These contracts provide for county assurance and reports and provide a mechanism to address noncompliance.

Senate Bill 1136 (Steinberg). Senator Steinberg introduced SB 1136 this year to address issues regarding the restructuring of the public mental health system at both the local and State levels. Specifically, SB 1136 serves to address the changes occurring in the public mental health system as they pertain to the Mental Health Services Act. Key aspects of SB 1136 include the following:

Innovative Programs. SB 1136 clarifies the content of projects by reflecting guidelines adopted by the MHSOAC. The author finds that articulating these requirements in statute provides for transparency and accountability for all involved, including local constituencies, the counties, and the State.

Prevention & Early Intervention (PEI) Programs. It provides for the Department of Health Care Services, in coordination with counties, to establish PEI Programs, and requires any revisions to these programs to be consistent with MHSOAC guidelines. These changes would assist in facilitating a stronger partnership at both the State and local levels.

Integrated Three-Year Plans and Updates. SB 1136 modifies the Integrated Plan approval process to ensure community participation, provide for Board of Supervisor approval, and oversight by the MHSOAC. It streamlines the expenditure of funds to ensure dollars are directed to needed services and supports. It requires both the Mental Health Director and County Auditor Controller to certify compliance with key cornerstones of the Act, including stakeholder participation, and non-supplantation requirements.

Mental Health Services Oversight Commission. This bill illuminates the ongoing role of the MHSOAC by:

- Continuing their oversight of the Innovative Programs and PEI projects;
- Requiring counties to provide their Integrated three-year plans and annual updates to the MHSOAC;
- Adding the MHSOAC as a joint partner in the establishment of performance outcomes and in the design of an evaluation plan;
- Continuing their authority to refer critical issues related to performance of a county mental health program to the DHCS; and

- Including the MHSOAC in the DHCS regulatory process by requiring coordination in these endeavors.

Expands Role of the California Mental Health Directors Association (CMHDA). This bill recognizes the integral role of counties in the implementation and success of the Mental Health Services Act and actively engages the CMHDA in key decisions including the establishment of performance measures, design of a comprehensive joint plan, the methodology used for revenue allocations to the counties, and provisions of technical assistance.

Provides for Local Accountability. This bill provides for local accountability through the following key changes:

- Provides authority to Board of Supervisors to approve Integrated three-year plans and annual updates;
- Clarifies that Integrated three-year plans and annual updates are to follow designated local stakeholder processes; and
- Requires certification of compliance with key cornerstones of the Act.

Workforce Development and Five-Year Plan. This bill identifies that the next five-year plan is due April 1, 2014 and designates the Office of Statewide Health Planning and Development (OSHDP) to lead this effort. It recognizes the role of the California Mental Health Planning Council in this endeavor and links the county needs assessment to this process.

Deputy Director Position. SB 1136 also requires the Governor or Director of Health Care Services to appoint a Deputy Director of Mental Health and Substance Use Disorder and requires this new position to be subject to Senate Rules confirmation. Funding for this position is in the Governor's proposed Budget for 2012-13.

Section 18 of Proposition 63. The changes proposed in SB 1136 are clarifying procedures and terms within the meaning of Section 18 of Proposition 63. Legislative Counsel has keyed SB 1136 as a majority vote measure to reflect their concurrence.

Mental Health Services Act Background. Approved by voters on November 2, 2004, Proposition 63, the Mental Health Services Act (MHSA), applies a 1 percent tax on personal income in excess of \$1 million. About \$1 billion in revenues is generated annually. These annual revenues are devoted to reducing the long-term adverse impact of untreated mental illness by expanding mental health services and supports and monitoring progress towards statewide goals of serving children, transition age youth, adults, older adults, and families with mental health needs.

The Mental Health Services Act addresses a broad continuum of prevention, early intervention and treatment service needs through systems of care and provides funding for necessary infrastructure.

California's community-based public mental health system is undergoing significant evolution due to transformative changes resulting from the Mental Health Services Act, pending implementation of 2011 Realignment of Medi-Cal Specialty Mental Health Services, and the restructuring of State administration which commenced through the enactment of AB 100, Statutes of 2011 and AB 102, Statutes of 2011.

STAFF COMMENT / QUESTIONS

The Subcommittee has requested the DMH present this proposal.

PANEL

- Department of Mental Health
- Department of Finance
- Legislative Analyst's Office

Staff Recommendation: Staff recommends the Subcommittee reject the administration's proposed trailer regarding MHSAs issues, adopt SB 1136 as placeholder trailer bill language, and approve of positions for DHCS as described below.

Add DHCS Positions for MHSAs Activities. In order to maintain the integrity of Proposition 63 as intended by the voters, the State needs to oversee revenues and allocations made to the counties, and to ensure that these funds are expended for the purposes of the Mental Health Services Act.

To provide this oversight, it is recommended to provide the following 13 positions to the DHCS and \$250,000 for technical assistance, for total expenditures of \$1.650 million (Mental Health Services Act Funds).

Outcome and Evaluation Functions (Four positions). The DHCS, Mental Health Services Oversight and Accountability Commission (MHS OAC), as well as the Mental Health Planning Council and the CA Mental Health Directors Association are to work collaboratively in establishing performance outcomes for all MHSAs services programs and components.

Core functions that are currently unfunded or underfunded include:

1. Design evaluation plan elements; evaluation goals; data to be used, collection of data, and timelines for data collection and evaluation partners;
2. Data analysis;
3. Reporting of data; and
4. Working with interested partners.

The positions include: one Health Program Specialist I; two Associate Governmental Program Analysts; and one Research Analyst II.

Performance Contract (Four positions). The DHCS needs to address county perform through the performance contracting process established in Proposition 63. The DMH had not been performing this function in a comprehensive manner. Performance contracting for Proposition 63 coupled with

the Medi-Cal Program realignment, will enable the DHCS to more comprehensive monitor, and measure the public community mental health system.

The positions include: one Staff Services Manager I; one Associate Governmental Program Analyst; one Health Program Auditor III; and one Office Technician.

Methodology and Track and Review County MHSA Reports (Three positions). Core functions to be addressed here include:

1. Obtaining and analyzing data for the methodology, including population data, rating factors, CPI data and other aspects;
2. Coordinating with the State Controller's Office as to the distribution methodology;
3. Maintain data and records documenting changes in population, service provisions, county expenditures, level of need and other methodology criteria;
4. Analyzing county MHSA Reports on revenues and expenditures;
5. Verify county attestations and communicate with counties; and
6. Disseminating information.

The positions include: two Health Program Auditor IIIs and one Health Program Specialist I. *Regulations.* Regulations will continue to be necessary and it is recommended to provide one Senior Staff Counsel and one Legal Analyst for this purpose.

Consultant Funds. It is further recommended to provide \$250,000 (MHSA Funds) for the DHCS to utilize for the purpose of providing technical assistance with stakeholder groups during this transition, development of outcome measures and performance metrics, improvement of data sources to strength data validity and reliability and related aspects.

MHSA State Administrative Cap. State administrative expenses related to MHSA would still be under administrative cap of 3.5 percent (as discussed earlier, this cap was reduced from 5 percent to 3.5 percent under AB 100). The MHSA 3.5 percent administrative cap reserve would be \$7.8 million, which would be allocated to the counties if unexpended.

ISSUE 3: OFFICE OF PATIENTS' RIGHTS CONTRACT

Included in the Administration's trailer bill language for the reorganization of non-Medi-Cal community mental health is the proposal to have the Department of Health Care Services be responsible for the contract with a nonprofit entity for independent advocacy services for individuals in licensed health and community care facilities and to have the new Department of State Hospitals be responsible for the contract with a nonprofit entity for independent advocacy services for individuals in state hospitals.

Currently, the Department of Mental Health is the single state entity responsible for contracting out these services for both individuals in licensed health and community care facilities and individuals in state hospitals.

BACKGROUND

The Patients' Rights Advocates (PRA) in the state hospitals are employees of Disability Rights California. The California Office of Patients' Rights is contracted by the Department of Mental Health to ensure that the treatment and legal rights of people receiving mental health treatment are maintained. Disability Rights California is a nonprofit agency that provides legal and other advocacy assistance to people with disabilities.

Under the contract with California's Department of Mental Health, Disability Rights California operates the California Office of Patients' Rights (C.O.P.R.) to provide support to Patients' Rights Advocates in the counties and employs a Patients' Rights Advocate at each State Hospital to directly advocate for the rights of people with psychiatric disabilities.

STAFF COMMENT / QUESTIONS

The Subcommittee has requested the DMH present this issue.

PANEL

- Department of Mental Health
- Department of Finance
- Legislative Analyst's Office

Staff Recommendation:

Staff recommends the Subcommittee approve of a modification to the Administration's trailer bill language regarding the Patients' Rights Office to allow the Department of Health Care Services and the Department of State Hospitals the ability to jointly contract with a nonprofit entity, rather than requiring both state departments to enter into a contract.

ISSUE 4: DEPARTMENT OF MENTAL HEALTH STATUTES

The Administration proposes trailer bill language to eliminate statute referencing the Department of Mental Health (DMH) (i.e., the programs and statute remaining that are not proposed to be moved to another department).

BACKGROUND

These changes include, but are not limited, the elimination of statute referencing the:

Early Intervention Mental Health Program - DMH does not implement this program and it is not proposed to be moved to another department.

Suicide Prevention Programs – DMH created an Office of Suicide Prevention under an Executive Order and is funded through Mental Health Services Act funds.

Administration of State Institutions – Families of Persons with Serious Mental Disorders - DMH indicates that this program has never been implemented. (It was intended to provide a self-help program for families who have family members in mental facilities at a statewide level.)

Primary Intervention Program – The Early Mental Health Initiative program is proposed to be eliminated in the budget.

STAFF COMMENT / QUESTIONS

The Subcommittee has requested the DMH to present this proposal.

PANEL

- Department of Mental Health
- Department of Finance
- Legislative Analyst's Office

Staff Recommendation:

Staff recommends the Subcommittee adopt placeholder trailer bill language to eliminate statutes that are no longer valid, such as statute referencing a report completed in 2001 regarding the Department of Youth Authority and the use of psychotropic medication; however, it is recommended to not eliminate statute referencing programs created by the Legislature and the intention in which these programs were created.