

AGENDA

**ASSEMBLY BUDGET SUBCOMMITTEE NO. 1
ON HEALTH AND HUMAN SERVICES**

PART II

ASSEMBLYMEMBER MERVYN DYMALLY, CHAIR

**THURSDAY, MAY 20, 2004
STATE CAPITOL, ROOM 4202**

**STAFF:
CHRISTIAN GRIFFITH
CONSULTANT**

VOTE ONLY ITEMS

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ITEMS TO BE HEARD

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VOTE-ONLY ITEMS

5180 DEPARTMENT OF SOCIAL SERVICES

VOTE-ONLY ISSUES

Issue Number	Proposal	Description	Vote-Only Action
1	CalWORKs Cost of Living Increases	The Governor's budget proposes to suspend the 2004-2005 CalWORKs cost of living adjustment.	Restore the CalWORKs COLA
2	SSI-SSP Cost of Living Increases	The Governor's budget proposes to suspend the federal and State 2004-2005 SSI/SSP cost of living adjustments.	Restore the SSI/SSP COLA
3	SSI Advocacy	The Senate is considering adopting language to require counties with large CAPI populations to implement a SSI Advocacy.	Adopt placeholder Trailer Bill Language to require large counties to implement an SSI Advocacy program and recognize \$3.1 million in General Fund Savings.
4	Criminal Background Check reporting language	The Senate is considering language that would require the Health and Human Services Agency to report on criminal background checks.	Adopt the following Trailer Bill Language: The Health and Human Services Agency, to the extent feasible, shall examine the criminal background check requirements for programs within its purview, the processes to administer and enforce these requirements, and report to the Legislature at budget hearings. The Agency shall report: (1) the health and human service programs that require the state to conduct criminal background checks, (2) the standards that govern the background checks, including evidentiary standards, (4) the major activities necessary to complete investigations, (5) the departments or contracting agencies that complete the activities, and (6) the costs associated with providing background checks. The Agency

			<p>shall report on strategies to streamline and standardize criminal background check requirements and their processing to create administrative efficiencies. The analysis should include a review of programmatic and safety issues associated with streamlining the background check process</p>
5	<p>Case Management Information and Payrolling System (CMIPS)</p>	<p>The Senate is considering language that would codify the CMIPS project. Currently the project is not in statute.</p>	<p>Adopt the following Trailer Bill Language: The State shall be responsible for procuring and implementing a new Case Management Information and Payrolling System (CMIPS) for the In-Home Supportive Services/Personal Care Services program (IHSS/PCSP). The addition of this section shall not be interpreted as transferring any of the IHSS/PCSP policy responsibilities from the State Department of Social Services or the State Department of Health Services.</p> <p>At a minimum, the new system shall provide case management, payrolling, and management information in order to support the IHSS/PCSP. At a minimum, the new system shall: (1) provide current and accurate information in order to manage the IHSS/PCSP caseload, (2) calculate accurate wage and benefit deductions, (3) provide management information to monitor and evaluate the IHSS/PCSP, and (4) coordinate benefits information and processing with the California Medicaid Management Information System, if feasible.</p> <p>The new system shall: (1) be consistent with current state and federal laws, (2) incorporate technology that can be readily enhanced and modernized for the expected life of the system, and (3) employ, to the extent possible,</p>

			<p>open architectures and standards.</p> <p>By August 2004, the State shall begin a fair and open competitive procurement for the new CMIPS. All state agencies shall cooperate with the Department of Social Services and the Health and Human Services Agency Data Center expedite the procurement, design, development, implementation, and operation of the new CMIPS.</p> <p>The State Department of Social Services, with any necessary assistance from the Department of Health Services, shall seek all federal approvals and waivers necessary to secure federal financial participation and system design approval of the new system.</p>
7	CalWORKs Employment Services	The Senate is considering appropriating \$100 million to address a shortfall in CalWORKs Employment Services.	Appropriate \$100 million
8	CalWORKs Reform	The Administration proposes a CalWORKs reform effort that would change program requirements and increase sanction levels.	Reject CalWORKs reform proposals
9	CalWORKs TANF Transfers	The Senate is considering eliminating \$180 million in TANF transfers and backfilling the amount with General Fund.	Backfill \$180 million TANF transfers with General Fund
10	Child Care Reform	Assembly Sub 2 has requested the Sub 1 conform on the following actions: Reject Proposed Family Fee Increase Reject Proposed Tiered Reimbursement Proposal Reject proposed tiered eligibility proposal Reject Limit ation 11 and 12 year olds	Conform to Sub 2's Actions

11	Child Care Fiscal Integrity	<p>Assembly Sub 2 has requested the Sub 1 conform on the following action: Adopt budget bill with the following modifications: 1.exempt small contracts from the proposed audit requirements, 2.replace the one-time funding for CDE's compliance unit with ongoing fundng 3.increase CDE staffing for compliance unit to 12 PY's to fully implement the proposal. Adopt the language contained in AB 2099 as Trailer Bill Language</p>	Conform to Sub 2's Actions
12	CWS/CMS "Go Forward" Plan and Expanded Adoptions Subsystem	<p>The May Revision proposes to change the direction of the CWS/CMS system that would involve delaying adding additional SACWIS components until structural and procurement issues are addressed.</p>	Adopt Spring Fiscal Letters
13	Transitional Food Stamps, AB 231 Implementation and Immigrant Programs	<p>The Subcommittee has taken action to restore these program, but caseload changes in the May Revision require that the amount be adjusted. To fully fund these programs, the Subcommittee could adopt the May Revision Fiscal Letters in lieu of its prior actions.</p>	Rescind previous actions on these issues. Adopt May Revision Fiscal Letters
14	IHSS Quality Assurance	<p>The Subcommittee accepted the May Revision's proposes savings for QA, but did not approve Trailer Bill Language.</p>	<p>Adopt placeholder Trailer Bill Language that states Legislative intent to assure the appropriate statutory framework for the IHSS program is in place to prevent fraud, protect consumer access to services, and achieve program integrity through quality control activities that assure that the level of IHSS services approved is based on the consumers' level of need.</p>
15	IHSS Residual Trailer Bill Language	<p>The Subcommittee accepted the Governor's May Revision savings from the IHSS</p>	Adopt Placeholder Trailer Bill Language to retain the existing components of the Residual

		Waiver, but did not adopt Trailer Bill Language. Committee web site.	program and expresses Legislative intent to implement the IHSS waiver and facilitate the transition of consumers from the Residual Program to the waiver.
16	Human Services Trailer Bill	The Subcommittee could consider a reporting requirement that would improve the public's access to Trailer Bill Language. The Assembly could include a copy of the Trailer Bill on the Committee web site.	Adopt Trailer Bill Language to require the Department of Social Services to provide fiscal committees electronic copies of January Budget and May Revision proposed Trailer Bill Language. It is the intent of the Legislature that Trailer Bill Language be made available to the public.

4260 DEPARTMENT OF HEALTH SERVICES

VOTE-ONLY ISSUES

Issue Number	Proposal	Description	Vote-Only Action
17	IHSS Residual Waiver	The May Revision requests an increase of \$225,000 and 5.0 additional positions in the DHS to implement and manage the Independence Plus Waiver Demonstration Project for the IHSS program.	Adopt the May Fiscal Letter

ITEMS TO BE HEARD

ITEM 4440 DEPARTMENT OF MENTAL HEALTH

ISSUE 1: PURSUIT OF ADDITIONAL FEDERAL FUNDING

BACKGROUND:

The DMH requested an augmentation of \$472,000 (\$236,000 from SGF and \$236,000 in FFP) from the DHS) that was initially intended to implement the Department's portion of a collaborative effort with the DHS to explore options to increase state flexibility regarding federal requirements for EPSDT specialty mental health benefit.

Thus far, the administration has not indicated specifically how it would use this more narrow definition of medical necessity to modify the existing EPSDT services to achieve state savings. The administration has proposed that the effort to reform EPSDT be part of a larger federal waiver request to achieve savings in the Medi-Cal Program.

The Administration also proposes to seek an amendment to the state's Medicaid plan to obtain additional federal support for community mental health programs. Specifically, the Administration proposes to redefine counties as "sole legal entities" in order to qualify additional county expenditures for a federal Medicaid match.

The LAO Analysis. The LAO believes that a broader effort is needed to evaluate this and alternative approaches that would allow the state to draw down additional federal funding. Accordingly, the LAO proposes that the Legislature provide DMH with \$250,000 in additional General Fund resources (on a one-time basis) to contract with outside consultants for an evaluation of alternative approaches to drawing down additional federal funding, including: (1) establishing counties as sole legal entities, (2) a home-based care waiver program, and (3) quality assurance fees, and (4) other approaches identified during the department's Medi-Cal Reform working group

discussions. If you were to adopt our recommendation regarding Coalinga Hospital, you could consider utilizing a portion of the savings for this proposal.

Recently, the Department of Developmental Services used a similar approach to examine its alternatives for obtaining additional federal funding which resulted in millions of dollars in additional federal support and major state savings. Accordingly, we propose the following Budget Bill language for Item 4440-001-0001:

Provision X. Of the amount appropriated in this item, up to \$250,000 shall be used, on a one-time basis, only to fund contract services to identify and evaluate approaches for increasing federal funding and reducing state costs for community mental health services and the state hospital system such as establishing counties as sole legal entities, a home-based care waiver program, and quality assurance fees. By January 10, 2005, the Department of Mental Health shall provide to the chairpersons of the budget committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee a status report on the consultant's work and findings and recommendations and a proposed timeline for implementation of any such actions deemed feasible and advisable by the department.

SUGGESTED RECOMMENDATIONS

Approve 2 two-year limited term positions the contractual resources to develop a Medi-Cal state plan amendment waiver to increase federal funds under the county as the sole legal entity option and adopt LAO BBL to assess other ways to draw down additional federal funds.