

<b>4260 Department of Health Services</b>		<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>
<b>Issue</b>	<b>Description</b>				

<b>4260-001-0001</b>	<b>Department of Health Services</b>				
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<b>008</b>	<b>Trailer Bill Language; Dental Managed Care Placeholder language</b>	0	0	0	
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Assembly adopted language requiring a study of the access to dental care provided through the fee-for-service system compared to managed care. The study is to include a comparison of outcomes of care over time to measure improved dental health. The study is to be conducted within current means.

Senate did not adopt trailer bill language.

<b>4260 Department of Health Services</b>		<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>
<b>Issue</b>	<b>Description</b>				

<b>009</b>	<b>Trailer Bill Language: Medi-Cal Managed Care</b>	0	0	0	
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Assembly adopted trailer bill language to require the Department of Health Services to conduct a baseline study on outcomes of care, what happens with children and the aged blind and disabled over time, and how the care they are receiving is improving their health, month-to-month and year to year. The Department was directed to perform the study within the current budget.

Senate did not require a study.

<b>4260</b>		<b>Department of Health Services</b>			
<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>

<b>064</b>	<b>Reduction in Positions to</b>	-250,000	-520,000	270,000	
<b>054</b>	<b>Implement AB 1075</b>				

Assembly adopted the Administration proposal to increase by \$4.8 million (\$2.5 million General Fund) to fund 49 additional staff to develop a new staffing model and reimbursement system for long-term care. (\$249,000 payable from 4260-001-0890)

The Senate reduced the Administration's proposal by 7 positions. (\$518,000 payable from 4260-001-0890)

<b>4260 Department of Health Services</b>		<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>
<b>Issue</b>	<b>Description</b>				

<b>202</b>	<b>Pilot Projects expand community options for Long-term care</b>	0	578,000	578,000	
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Assembly denied funding.

Senate adopted pilot projects that are a component of the Governor's Aging With Dignity Initiative and intended to address Olmsted issues.

(\$578,000 payable from 4260-001-0890)

**4260 Department of Health Services**

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<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>
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<b>409</b>	<b>Postage Rate Increase</b>	116,000	0	116,000	
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Assembly funded postage rate increase effective June 30, 2002

(\$3,000 payable from 4260-001-0075; \$1,000 payable from 4260-001-0099; \$74,000 payable from 4260-001-0203; \$1,000 payable from 4260-001-0272; \$6,000 payable from 4260-001-306; \$38,000 payable from 4260-001-0890)

Senate denied funding.

**4260 Department of Health Services**

<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>
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<b>472</b>	<b>Proposed Information Technology Project Management Office</b>	0	-790,000	790,000	
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Assembly adopted the Administration's proposal to provide \$1.2 million (\$790,000 General Fund) for an Information Technology Project Management Office

Senate denied the funding.

(\$16,000 payable from 4260-001-0009; \$72,000 payable from 4260-001-0075; \$18,000 payable from 4260-001-0080; \$28,000 payable from 4260-001-0098; \$67,000 payable from 4260-001-0099; \$24,000 payable from 4260-001-0177; \$20,000 payable from 4260-001-0179; \$74,000 payable from 4260-001-0203; \$41,000 payable from 4260-001-0306; \$790,000 payable from 4260-001-0890)

<b>4260 Department of Health Services</b>		<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>
<b>Issue</b>	<b>Description</b>				

<b>475</b>	<b>Budget Bill Language: Genetic Disease Remediation Plan</b>	0	0	0	
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Assembly did not adopt Budget Bill Language

Senate adopted Budget Bill language that requires the Department of Health Services, with the approval of the Department of Finance, to develop a comprehensive plan to address the deficiency in the Genetic Disease Testing Fund and maintain the integrity of the Newborn Screening and Perinatal Screening Programs.

**4260 Department of Health Services**

<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>
<b>477</b>	<b>Trailer Bill Language: Toxic Mold Fund</b>	0	0	0	
	Assembly did not establish a special fund.				
	Senate adopted trailer bill language to establish a special fund to collect private donations to fund the Department of Health Services' efforts to develop guidelines as contained in the Toxic Mold Protection Act of 2001.				
<b>480</b>	<b>Budget Bill Language: Children's Treatment Program Shall be Fully Funded</b>	0	0	0	
	Assembly adopted Budget Bill Language to require the Department of Health Services to fully fund the Children's Treatment Program component of the Rural Health Services Program funded by Proposition 99 funds.				

**4260 Department of Health Services**

Issue	Description	Assembly	Senate	Difference	Conference Action
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481	<b>Richmond Laboratory Information Technology Support</b>	0	-993,000	993,000	
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Assembly funded the Administration's proposed Richmond Laboratory Information Technology Support.

Senate rejected the proposal

486	<b>Trailer Bill Language: Placeholder Trailer Bill for Public Health Preparedness Response</b>	0	0	0	
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Assembly did not adopt language.

Senate adopted placeholder trailer bill language pertaining to the training of laboratory scientists and allocation of funds to local health jurisdictions.

**4260 Department of Health Services**

<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>
<b>497</b>	<b>Trailer Bill Language: CHDP Gateway</b>	0	0	0	
	Assembly adopted placeholder trailer bill language to require the Department of Health Services to conduct an evaluation of the Gateway two years after its date of implementation.				
	Senate did not adopt language.				
<b>498</b>	<b>Trailer Bill Language: Domestic Violence Advisory Council</b>	0	0	0	
	Assembly adopted trailer bill to extend the sunset date of the Council until January 1, 2006.				
	Senate did not adopt language.				

<b>4260</b>		<b>Department of Health Services</b>				
<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>	

<b>4260-017-0001</b>	<b>Department of Health Services</b>				
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<b>055</b>	<b>HIPAA Positions</b>	0	0	0	
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(Will conform to Item 9909-017-0001)

**4260 Department of Health Services**

<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>
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**4260-101-0001 Department of Health Services**

<b>002</b>	<b>Trailer Bill Language:</b>		0	-31,000,000	31,000,000
<b>207</b>	<b>Disproportionate Share Hospital (DSH) Admin Fee increased</b>				

Assembly denied the Administration's proposal to increase DSH Administrative Fee by \$31 million over the \$55 million increase proposed in the January Budget.

Senate: (1) adopted Administration's proposal to increase the DSH Admin Fee by \$31 million; (2) adopted language to repeal Disproportionate Share Hospital Administration Fee as of June 30, 2004; and (3) adopted uncodified trailer bill language that requires an adjustment of disproportionate hospital payments to classifications of hospitals as necessary to ensure the distribution of payments is consistent with the pattern that existed in 2001-2002.

<b>4260 Department of Health Services</b>		<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>
<b>Issue</b>	<b>Description</b>				

<b>012</b>	<b>Trailer Bill Language: AIDS and Cancer Rebate Language</b>	0	0	0	
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Assembly adopted savings of \$14 million (\$7.1 General Fund) as proposed by the Administration and rejected trailer bill language for AIDS and Cancer drugs rebate

Senate adopted the savings and modified the Administration's language by requiring: (1) pharmaceutical manufacturers provide DHS with a state rebate, in addition to other applicable rebates, for any drug products added to the Medi-Cal List pursuant to Sections 14105.43 or 14133.2 of Welfare and Institutions Code and reimbursed through Medi-Cal.

<b>4260 Department of Health Services</b>		<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>
<b>Issue</b>	<b>Description</b>				

(2) provide for beneficiary continuing care; (3) a three year sunset, June 30, 2005; (4) and in lieu of DHS proposed language the contracts must be in place no later than February 1, 2003, or the DHS can take other utilization controls.

<b>017</b>	<b>TBL: Pharmacy Reimbursement Reduction Sunset</b>	0	0	0	
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Assembly adopted a one year sunset on pharmacy reimbursement reduction.

Senate adopted a two year sunset.

<b>4260 Department of Health Services</b>		<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>
<b>Issue</b>	<b>Description</b>				

<b>022</b>	<b>TBL: Drug Program Savings - Enteral Contracting and Rate Reduction</b>	0	0	0	
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Assembly adopted placeholder trailer bill language for alternative reimbursement calculation of pharmacists which deliver nutritional substitutes and supplements.

Senate adopted the Administration's proposal.

<b>4260</b>		<b>Department of Health Services</b>				
<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>	

<b>024</b>	<b>TBL: Medical Supply Savings - Maximum Allowable Product Costs</b>	0	0	0		
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Assembly adopted an amendment to the Administration's trailer bill language on Maximum Allowable Product Cost to utilize the relevant market segments when calculating mean wholesale selling price.

Senate did not adopt an amendment to the Administration's trailer bill language.

<b>4260</b>		<b>Department of Health Services</b>			
<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>

<b>025</b>	<b>TBL: Drug Program Savings - Over-the- Counter Drug Reimbursement</b>	0	0	0	
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Assembly adopted savings but rejected trailer bill language. Requires the DHS to report at Conference Committee on negotiations with companies.

Senate adopted the Administration's savings and trailer bill language.

<b>4260</b>		<b>Department of Health Services</b>			
<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>

<b>026</b>	<b>TBL: Medical Supply Savings - Incontinence Supplies Reimbursement</b>	0	0	0	
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Assembly adopted savings but rejected trailer bill language. Requires the DHS to report at Conference Committee on negotiations with companies.

Senate adopted the Administration's savings and trailer bill language.

<b>4260 Department of Health Services</b>					
<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>

<b>027</b>	<b>TBL: Medi-Cal Savings - Durable Medical Equipment and Lab Services</b>	0	0	0	
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Assembly adopted savings but rejected trailer bill language. Requires the DHS to report at Conference Committee on negotiations with companies.

Senate adopted the Administration's savings and trailer bill language.

<b>4260</b>		<b>Department of Health Services</b>			
<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>

<b>028</b>	<b>Trailer Bill Language: San Diego</b>	150,000	0	150,000	
<b>079</b>	<b>Children's Hospital Pediatric Long-Term Care Supplemental Rate</b>				

Assembly adopted trailer bill language to establish a supplemental payment rate for the pediatric long-term care unit of Children's Hospital of San Diego. Supplemental rate would expire in August, 2004 when new rates for all of long term care become effective. (\$150,000 payable from 4260-101-0890)

Senate did not adopt language.

<b>4260</b>		<b>Department of Health Services</b>			
<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>

<b>046 108</b>	TBL: Express Lane Eligibility	-8,766,000	-12,107,000	3,341,000	
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Assembly adopted Administration's trailer bill language but opted to implement an Express Lane Eligibility pilot project to begin in seven school districts effective September, 2003.(\$8,764,000 payable from 4260-101-0890)

Senate adopted Administration's trailer bill language but defers implementation until July, 2003. In lieu of the Administration's July 2005 date. (\$12,106,000 payable from 4260-101-0890)

<b>4260</b>		<b>Department of Health Services</b>			
<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>

<b>057</b>	<b>Adult Day Health Care Alternative Shifts</b>	500,000	0	500,000	
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Assembly modified the Administration's proposal to provide \$4.8 million (\$2.4 million General Fund) to establish ten new pilot projects by providing funds for Jewish Family Services ADHC in San Francisco to offer alternative shift services to allow more beneficiaries to be served.(\$500,000 payable from 4260-101-0890)

Senate rejected the Administration's proposal.

<b>4260</b>		<b>Department of Health Services</b>			
<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>

<b>059</b>	<b>Additional Provider Rate</b>	-32,550,000	-47,000,000	14,450,000	
<b>004</b>	<b>Reductions</b>				

Assembly accepted Governor's May Revision Letter to reduce provider reimbursements except for reimbursement provided under California Children Services, Home Health and Non-Emergency Medical Transportation (\$32,550,000 payable from 4260-101-0890)

Senate accepted Governor's May Revision Letter but adopted trailer bill language to rescind the rate reduction as of July 1, 2004. (\$47,000,000 payable from 4260-001-0890).

<b>4260</b>		<b>Department of Health Services</b>			
<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>

<b>061</b>	<b>Frequency of Dental Services</b>	0	7,900,000	7,900,000	
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Assembly did not adopt the Administration's proposal to limit cleanings and exams to one per year without prior authorization.

Senate adopted the Administration's proposal. Senate, however, retained Adult Dental services as an optional benefit and the savings are, as a result, higher.

(\$8,000,000 payable from 4260-101-0890)

**4260 Department of Health Services**

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<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>
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<b>066</b>	<b>Savings from Expanded Medical Case Management Program</b>	-4,5000,000	-9,000,000	4,500,000	
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Assembly adopted the Administration's proposal to expand medical case management expected to be operational 4/1/03.(\$4,500,000 payable from 4260-101-0890)

Senate adopted the Administration's medical case management proposal effective 1/1/03. (\$9,000,000 payable from 4260-101-0890).

<b>4260</b>		<b>Department of Health Services</b>			
<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>

<b>068</b>	<b>Savings from Contracting for Durable Medical Equipment and Lab Services</b>	-3,303,000	-6,606,000	3,303,000	
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Assembly adopted the Administration's proposal to contract for Durable Medical Equipment and Lab Services expected to be operational 4/1/03. (\$3,303,000 payable from 4260-1010-0890)

Senate adopted Administration's proposal and projects contracting to provide savings by 1/1/03. (\$6,606,000 payable from 4260-101-0890).

<b>4260 Department of Health Services</b>		<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>
<b>Issue</b>	<b>Description</b>				

<b>076</b>	<b>Maximum Costs for Medical Supplies Savings</b>	0	-1,500,000	1,500,000	
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Assembly adopted the Administration's proposal to save \$6 million (\$3 million, General Fund) by modifying the method methodology for establishing "maximum allowable costs". The Assembly, however, retained the medical supplies as an optional benefit.

Senate adopted the Administration's proposal. The Senate, as did the Assembly, retained medical supplies as an optional benefit, the savings associated with the Administration's proposal increases. (\$1,500,000 payable from 4260-101-0890)

<b>4260 Department of Health Services</b>						
<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>	

<b>011</b>	<b>Additional Drug Rebates Related to Aggressive Pharmaceutical Contracting</b>	0	0	0		
<b>078</b>						
<b>077</b>						

Assembly adopted the Administration's proposal to create a list of drugs within the Medi-Cal formulary which will be exempt from co-payments when drug rebates are available, for savings of \$20 million (General Fund).

Senate in lieu of the Administration's proposal, Adopted trailer bill language which provides the Department of Health Services authority to aggressively negotiate pharmaceutical rebates and contracts savings of \$20 million (\$10 million General Fund).

<b>4260</b>		<b>Department of Health Services</b>			
<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>

<b>102</b>	<b>Medi-Cal Co-payment Proposal</b>	0	30,613,000	30,613,000	
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Assembly adopted the Administration's proposal to increase co-payments for some Medi-Cal services and, thereby, reducing provider reimbursements by the same amount.

Senate rejected the Administration's proposal. (\$30,613,000 payable from 4260-101-0890)

<b>4260 Department of Health Services</b>					
<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>

<b>109</b>	<b>Medi-Cal/Healthy Families Program Outreach for Children</b>	2,969,000	-3,031,000	6,000,000	
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Assembly restored funding for Community Based Organizations and School Based Organizations for outreach to people eligible for Medi-Cal and Healthy Families. (\$2,969,000 payable form 4260-10i1-0890)

Senate adopted the Administration's proposal to reduce by \$6.1 million (\$3 million) General Fund.

**4260 Department of Health Services**

<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>
<b>210</b>	<b>Medi-Cal Caseload Adjustment</b>	-46,600,000	-46,000,000	300,000	
	Assembly adopted reduced Medi-Cal Caseload as recommended by the LAO but assumed a higher cost per beneficiary. (\$23,300,000 payable from 4260-101-0890)				
	Senate adopted reduced Medi-Cal Caseload as recommended by LAO. (\$23,000,000 payable from 4260-101-0890)				
<b>211</b>	<b>Medi-Cal and Healthy Families Application Tracking</b>	-4,000,000	0	4,000,000	
	Assembly assumed savings by deleting funds for the co-ordination of application tracking between Healthy Families and Medi-Cal. (\$4,000,000 payable from 4260-101-0890)				
	Senate adopted Governor's budget.				

**4260 Department of Health Services**

<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>
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<b>420</b>	<b>Administration's Proposal to Charge CMSP for Support</b>	0	-4,193,000	4,193,000	
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Assembly adopted the Administration's proposal to charge the County Medical Services Program (CMSP) for administrative support it receives from the Department of Health Service.

Senate rejected the Administration's proposal.

<b>488</b>	<b>Proposition 10 Funding for Children's Health Care</b>	0	0	0	
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Assembly assumes Commission on Children and Families will provide funding for health care for children under 5 years of age as a backfill to the General Fund. (\$30 million payable from 4250-T00585)

Senate did not take this action.

**4260 Department of Health Services**

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<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>
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**4260-111-0001 Department of Health Services**

<b>482</b>	Child Health and Disability Prevention Program Periodicity (CHDP).	0	2,000,000	2,000,000	
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Assembly did not adopt an increase in the number of comprehensive health assessments under the CHDP Program.

Senate provided an increase in the number of comprehensive health assessments under the CHDP Program to make it consistent with Healthy Families and Medi-Cal, effective April, 2003. (\$2,000,000 payable from 4260-111-0890)

**4260 Department of Health Services**

<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>
<b>483</b>	Genetically Handicapped Persons Program Program Efficiencies	0	-2,000,000	2,000,000	
	Assembly did not adopt programmatic changes.				
	Senate adopted savings from various program efficiencies.				

**4260 Department of Health Services**

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<b>Issue</b>	<b>Description</b>	<b>Assembly</b>	<b>Senate</b>	<b>Difference</b>	<b>Conference Action</b>
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**4260-113-0001 Department of Health Services**

<b>103</b>	Medi-Cal to Healthy Families Program Two-month Bridge	9,632,000	0	9,632,000	
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Assembly adopted parental expansion of the Healthy Families beginning July 1, 2002. Conforms to Item 4280-101-0001, Issue 101. (\$18,087,000 payable from 4260-113-0890)

Senate adopted the Governor's budget which postpones the parental expansion until the next 2003-2004 budget year.

Conforms to ITEM 4280-101-001, Issue 100