

The HHS Innovation Accelerator Initiative Proposal

Proposes \$10 Million One-Time for Innovation Accelerator Initiative. In addition to \$1 million one-time General Fund included as a placeholder in the Governor’s January budget, the May Revision includes \$9 million one-time General Fund for an Innovation Accelerator Initiative that would be housed within the Health and Human Services Agency. According to the May Revision budget summary, the initiative would “create the environment for researchers and developers to create solutions to the greatest health challenges facing Californians...” The budget summary lists diabetes, maternal and infant mortality, and infectious disease as examples of areas of focus. Based on conversations with the Department of Finance, we understand that the administration does not plan to submit a BCP to the Legislature supporting this proposal.

Proposal Raises Many Questions. The proposal raises many questions that the Legislature may wish to ask the administration during next week’s budget subcommittee hearings.

- What would the funding be used for? Does the administration anticipate requesting position authority? Would the funding be used for contracts?
- Would \$10 million be sufficient to accomplish such ambitious goals? Can the administration demonstrate that no further funding would be needed in the future?
- To what extent would the initiative duplicate existing programs and efforts, including:
 - Programs within the Department of Public Health’s (DPH) Center for Infectious Disease.
 - Funding provided in recent years for various advocate budget requests, such as for End the Epidemics.

- Programs focused on improving maternal and infant mortality outcomes, such as DPH’s Black Infant Health program and the Medi-Cal doula services benefit.
- Likely various other existing programs, to the extent the proposal includes areas of focus beyond those listed in the budget summary.
- Why are these challenges better tackled through a new effort at the HHS Agency rather than through the existing departmental programs and efforts listed above?
- Can the HHS Agency effectively implement this initiative given the already vast portfolio of other efforts currently underway?
- Can the administration describe outcomes that can be expected from this initiative?
- In what ways do the private sector or academia currently lack the tools or incentives to solve these challenges?
- What makes the proposal a public-private partnership? Does the administration expect that private sector funding would accompany the requested General Fund amount? What potential benefits might the state gain from such a partnership?
- Can the administration point to health innovations that have been developed through similar efforts in other states, at the national level, or in other countries?

Recommend Legislature Reject Proposal. While the health challenges the administration raises in the budget summary deserve attention, the administration has provided essentially no justification for this proposal. In particular, it is not clear why this proposal is needed in light of existing efforts addressing the referenced health challenges. Such a justification is especially crucial during tight budgetary times. We recommend that the Legislature reject this proposal.