AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 1

ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER ELOISE GÓMEZ REYES, CHAIR

MONDAY, MAY 6, 2019

2:30 P.M. - STATE CAPITOL ROOM 4202

(PLEASE NOTE ROOM CHANGE)

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LIST OF PANELISTS IN ORDER OF PRESENTATION

4560 MENTAL HEALTH SERVICES OVERSIGHT & ACCOUNTABILITY COMMISSION

ISSUE 7: COMMISSION PROPOSALS

PANELISTS

- **Toby Ewing**, Executive Director, Mental Health Oversight and Accountability Commission
- **Kris Cook,** Principal Program Budget Analyst, Department of Finance
- **Ben Johnson**, Senior Fiscal and Policy Analyst, Legislative Analyst's Office
- ***Public Comment***

0977 CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

ISSUE 8: AUTHORITY PROPOSALS

PANELISTS

- **Frank Moore**, Executive Director, California Health Facilities Financing Authority
- **Carolyn Aboubechara**, Deputy Executive Director, California Health Facilities Financing Authority
- **Lorine Cheung,** Finance Budget Analyst, Department of Finance
- **Ben Johnson**, Senior Fiscal and Policy Analyst, Legislative Analyst's Office
- ***Public Comment***

4260 DEPARTMENT OF HEALTH CARE SERVICES

ISSUE 13: VALUE BASED PAYMENT INITIATIVE TRAILER BILL

PANELISTS

- **Jennifer Kent**, Director, Department of Health Care Services
- **Guadalupe Manriquez**, Principal Program Budget Analyst, Department of Finance
- **Ben Johnson**, Senior Fiscal and Policy Analyst, Legislative Analyst's Office
- ***Public Comment***

ITEMS TO BE HEARD

4440 DEPARTMENT OF STATE HOSPITALS

ISSUE 1: DSH MEMBER PROPOSALS

Member/ Stakeholder	Proposal	Cost
Ramos	***Crisis Stabilization Unit at Patton State Hospital (PSH).*** This would establish a crisis stabilization unit on PSH grounds to serve members of the community.	$7.5 million GF one-time
	PUBLIC COMMENT	

0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

ISSUE 2: CHHS MEMBER PROPOSALS

Member/ Stakeholder	Proposal	Cost
Garcia E./ Coalition*	***Office of Healthy and Safe Communities***. This proposes funding to establish this Office under the direction of the California Surgeon General, and to develop a vision, strategy, and implementation plan in its first year, leading to a "bold paradigm shift in violence prevention." This Office will consolidate and administer various violence prevention grant programs, promote alternatives to incarceration, and outline a vision of thriving, healthy communities.	$6 million GF one-time
Nazarian/ CalQualityCare.org	***CalQualityCare.org Website***. This website, originally foundation-funded and operated by UCSF, provides a one-stop way to assess the quality of long-term care opportunities when care recipients and caregivers must make difficult choices about care facilities for themselves or loved ones. This website provides free non-biased information on the location, type of services, and quality of the 20,000 licensed LTSS providers in the state, including nursing homes, residential care, home health, hospice, adult day care, and adult day health services. The website rates LTSS based on public information from three federal, two state websites, and other government and accreditation sources.	$1 million GF ongoing
	PUBLIC COMMENT	

*Coalition:
The Alliance for Boys and Men of Color (ABMoC)
California Black Health Network (CBHN)
COPE
Faith in Action-LIVEFREE
Fathers & Families San Joaquin
Flourish Agenda
Latino Coalition for a Healthy California (LCHC)
MILPA
PolicyLink
Prevention Institute
Public Health Advocates
RYSE Youth Center
Urban Peace Institute
Young Women's Freedom Center

4560 MENTAL HEALTH SERVICES OVERSIGHT AND ACCOUNTABILITY COMMISSION

ISSUE 3: COMMISSION MEMBER PROPOSALS

Member/ Stakeholder	Proposal	Cost
Gipson	***Youth Mental Health Drop-In Centers***. This proposal is modeled after an approach in Santa Clara County, called "allcove," that integrates health, mental health, substance use services, reproductive health, and related needs, including education, social, employment and housing support. This is a youth-driven approach to delivering integrated care and eliminating the stigma of mental illness. The proposal would support the Commission to provide technical assistance and training to counties, facilitate a multi-county learning collaborative, data gathering, analysis and evaluation.	$25 million GF one-time
O'Donnell/ Mental Health Services Oversight and Accountability Commission	***Education-Based Mental Health Services***. This proposal is to support the Commission on student-mental-health-focused work, including: establishment of an innovation incubator, technical assistance centers to support counties, and development of a fiscal transparency and accountability strategy.	$13 million Prop 63 on-going
Ting/ California Pan Ethnic Health Network	***Mental Health Disparities Reduction Efforts***. This proposal is to support various strategies for disparities reduction in mental health services, including: increasing access to disparities data, technical assistance to counties, investments in innovation such as non-traditional mental health providers, and incentive payments for counties.	$15 million Prop 63 ongoing
	PUBLIC COMMENT	

4140 OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT

ISSUE 4: OSHPD MEMBER PROPOSALS

Member/ Stakeholder	Proposal	Cost
Flora	***Primary Care Student Loan Repayment Program***. This proposal seeks to address the primary care workforce shortage in California by funding the Primary Care Student Loan Repayment Program to provide loan repayment awards up to $50,000 to physicians, surgeons and registered nurses who practice for 2 years in either a federally designated health professional shortage area or primary care shortage area in California.	$25 million GF one-time
Stone/ Journey House	***Mental Health Practitioner Education Fund Grants for Former Foster Youth***. This proposal is to appropriate General Fund to the Mental Health Practitioner Education Fund, to be earmarked for loan repayment grants for mental health providers who are former foster youth. The proposal includes outreach efforts to ensure awareness of the loans by former foster youth mental health professionals, and will fund 50 loan repayments. The goal of this proposal is to expand the ability of the child welfare system to recruit dedicated, qualified, and culturally competent service providers.	$750,000 GF one-time
	PUBLIC COMMENT	

4265 DEPARTMENT OF PUBLIC HEALTH

ISSUE 5: DPH MEMBER PROPOSALS

Member/ Stakeholder	Proposal	Cost
Chu	***Offices of Youth Development and Diversion Pilot Program***. This proposal is for a pilot program to create youth development and diversion systems by establishing Offices in 3-5 counties (required to provide matching funds) with high youth arrest rates and high rates of disparities in arrests. These Offices would be operated by county health departments and would provide community-based health and mental health, education, mentoring, pro-social, and child welfare services. These Offices would act as a central point of coordination for community-based organizations, law enforcement and county agencies. This proposal is modeled after the Los Angeles Office of Youth Diversion and Development which uses public and mental health approaches to effectively address children and families' unmet health needs, avoiding unnecessary and harmful youth incarceration.	$10 million GF one-time (for 3 years)
Chui/ California HIV Alliance	***End the Epidemics Task Force***. This proposes to establish an, End the Epidemics task force, charged with setting targets for ending the HIV, HCV, and STD epidemics and identifying recommended programs, policies, strategies, and funding to achieve these targets.	$2 million GF one-time
Gipson	***Sickle Cell Disease (SCD) Clinics***. This proposal is to establish 5 new centers of excellence to provide coordinated and comprehensive care to adults with SCD. Children with SCD in California receive high quality care through the California Children's Services (CCS) program, however many adults lack access to high quality care, thereby leading to significantly shorter life-span for Californian's with SCD, compared to national and international rates. These funds would be used for start-up costs to provide training to providers, establish IT systems and provide education and awareness services to impacted communities.	$15 million GF one-time

Limon/ Alzheimer's Association	***Healthy Brain Initiative***. This request is to fund adoption of the Federal Centers for Disease Control and Prevention Healthy Brain Initiative in California, including: Integration of the Initiative into DPH's work-plan, creation of a statewide public awareness campaign, and piloting of the Initiative in eight counties through competitive grants (up to $750,000) to test and evaluate community-clinical linkages related to older adult diagnoses rates, preventable hospitalizations in older adults with Alzheimer's, and outreach, education and training. According to DPH, Alzheimer's is the second leading cause of death in California.	$10 million GF one-time
Nazarian	***Parkinson's Disease Registry***. This funding is to support the establishment and operation of the California Parkinson's Disease Registry, to provide scientists with data to identify patterns in Parkinson's disease throughout the state, to develop a better understanding of the causes of this disease.	$10 million GF ongoing
Salas	***Valley Fever Institute (VFI) at Kern Medical***. This requested funding is for ongoing treatment research and outreach at the VFI. The goal is to help the VFI improve treatment and access by allowing the VFI to grow its research and patient care team, increase laboratory and research capabilities and technology, including patient stipends, seed grants, securing and transporting samples, x-ray machine, monitoring equipment, and a bronchoscope. The funding also would be used to expand awareness and education for the public and providers, to expand clinic space, and to establish of a mobile clinic for outlying areas.	$2 million GF one-time
Santiago	***Prevention of Disease Outbreaks Among Homeless***. This proposal is to establish a grant for local governments to aid them in mitigating the widespread health threat of disease outbreaks among homeless populations. The funds will be used to provide free vaccinations, to identify and monitor the causes of disease outbreaks, cleaning and monitoring of vacant warehouses, outreach and awareness efforts, and free preventive veterinary care for pets of homeless individuals.	$5 million GF one-time
	PUBLIC COMMENT	

4260 DEPARTMENT OF HEALTH CARE SERVICES

ISSUE 6: DHCS MEMBER PROPOSALS

Member/ Stakeholder	Proposal	Cost
Arambula/ California Council of Community Behavioral Health Agencies, County Behavioral Health Directors Association, Born This Way Foundation, Children Now	***Mental Health First Aid***. Youth Mental Health First Aid (YMHFA) is an 8 hour course specifically designed to teach adults who regularly interact with young people how to help an adolescent (age 12-18) who is experiencing a mental health or addiction challenge or crisis. Supporters of this proposal state that through the work of mental health service providers and non-profits, YMHFA has grown to statewide network of 1,000 instructors and 124,000 certified Mental Health First Aiders. In order to expand YMHFA, this funding would support a pilot program to provide YMHFA training to high school personnel (teachers and other school staff) in the southern, central, and northern regions of California. The participating areas include: Madera county, Santa Barbara county, and Tri-Cities (Claremont, Pomona, and La Verne).	$1.68 million GF one-time
Arambula/ Californians for Safety and Justice, County Welfare Directors Association	***ACEs Screening-Training, Data Collection and Reimbursement Codes***. This proposal is to fund training for primary care providers and others who will administer the PEARLS trauma screening in Medi-Cal. This proposal also requires and supports data collection and the creation of new screen codes by DHCS in order to allow for monitoring the progress of trauma screening and the impact on children's health.	$15 million GF one-time
Eggman/ American College of Obstetricians and Gynecologists	***Medi-Cal Benefits for Postpartum Women***. This proposal is to extend Medi-Cal (and Medi-Cal Access Program, MCAP) benefits for a postpartum woman from 60 days to one year if that woman is diagnosed with a maternal mental health disorder. Currently, MCAP benefits end 60 days after the birth of the child unless the new mother enrolls in coverage through Covered California, which requires premium payments. The goal of this proposal is to extend Medi-Cal benefits for pregnant women to ensure that they continue to receive pregnancy-related and postpartum health care, including mental health care.	Unknown

Gallagher	***Peg Taylor ADHC Camp Fire Damage***. This proposal is to support this ADHC in order to enable it to serve the unusually high need and demand for its services, given the recent Camp fire. This ADHC currently serves 54 vulnerable, at-risk adults, and could serve more with additional resources. This proposal aims to support the population whose health will be affected by the Camp fire for many years to come, and many of whom have lost homes and established care arrangements and are experiencing increased health issues because of poor air quality and trauma. The ADHC has seen a 45% increase in referrals since the fire, and this funding would allow it to serve 50 more individuals.	$500,000 GF one-time
Kalra	***Assisted Living Waiver (ALW) Expansion***. This proposed funding is for the purpose of expanding the number of ALW slots from 5,744 to 18,500 by March 1, 2023. The ALW offers a variety of supportive services to eligible older adults and persons with disabilities who meet skilled nursing facility eligibility yet prefer to reside in the community. The ALW has a waiting list of 4,491 individuals in 15 counties. The savings to the state results from individuals being able to live safely in the community rather than in high-cost institutional care.	$36 million GF one-time, for net state savings of $44 million
Maienschein	***Proposition 56 Physician Loan Repayment Program***. This seeks to address the mental health workforce shortage by proposing to add General Fund to the physician/dentist loan repayment program, created through the 2018 Budget Act with Proposition 56 funds, and to earmark these General Fund dollars for psychiatrists. This funding would fund loan repayments for approximately 50 psychiatric trainees or psychiatrists.	$15 million GF one-time
Mathis	***Friday Night Live Partnership (FNLP).*** The FNLP was established in 1984 as a high school program to reduce underage drinking and driving, and to discourage the use of alcohol and drugs generally. Now, its mission is to build partnerships for positive and healthy youth development that engage youth as active leaders and resources in their communities. At its peak, the FNLP operated just over 1,000 chapters in 55 counties. The FNLP has since experienced significant funding reductions, and operates just over 500 chapters in 50 counties.	$6 million GF one-time

Quirk-Silva	***Homeless Mental Health Crisis Services***. This proposal is to support Orange County's plan to establish a front-end navigation center focused on prevention, diversion and early intervention. This center would include: a 24/7 behavioral health crisis line support and dispatch services, 2-1-1 social services information and referral service and case management, 24/7 peer support warm line, data collection on housing and services to individuals and families who are homeless or at risk of homelessness, and eligibility determinations for Medi-Cal Specialty Mental Health Care.	$16 million GF one-time
Rivas	***Proposition 64 Annual Surveys***. This funding is to provide tools and resources needed to administer annual surveys to pupils, parents, and teachers on the use of marijuana, tobacco and alcohol, the full range of academic, behavioral, and social support available to pupils, and school climate and student engagement. The goal of this proposal is to generate reliable data to accurately monitor trends, especially at the regional and local levels, and reduce substance use by youth.	$10 million Prop 64 Youth Education, Prevention, Early Intervention and Treatment Account (YEPEITA) ongoing
Santiago/ County Public Administrator, Guardian, Conservator, California State Association of Counties, County Behavioral Health Directors Association, SEIU	***County Public Administrator, Guardian, Conservator (PA/PG/PC) Funding***. This proposal creates new, ongoing state funding for County PA/PG/PC programs, in order to support a statewide strategy for increasing outreach and crisis services for homeless individuals and other at-risk adults who are impaired due to psychiatric and/or cognitive disorders. Supporters state that all California counties are operating PA/PG/PC programs at full capacity and are struggling to meet the increased demand for services. PA/PG/PC programs are understaffed by 20 percent on average, and operate with no state or federal funding. Supporters state that improved care and services will lead to the successful recovery of homeless individuals under a conservatorship and decrease their chances of living on the streets.	$68 million GF ongoing

Wood	***Medi-Cal E Consult Services***. This proposal is to fund a pilot program to expand access to specialty care through the adoption of E Consult technology by Medi-Cal providers. E Consults are a form of telehealth in which a primary care provider and specialty medicine provider can consult on patient care through a shared electronic health record system or web-based program. The funding would support technical assistance for 25 Medi-Cal provider to establish an E Consult program, including broadband, virtual care equipment and software, and training and education for staff and patients. The goal of this proposal is to increase patient access to specialty care, in specialty care shortage areas of the state.	$4.5 million ($1.5 million per year for 3 years) GF
	PUBLIC COMMENT	

4560 MENTAL HEALTH SERVICES OVERSIGHT & ACCOUNTABILITY COMMISSION

ISSUE 7: COMMISSION PROPOSALS

PANELISTS

- **Toby Ewing**, Executive Director, Mental Health Oversight and Accountability Commission
- **Kris Cook,** Principal Program Budget Analyst, Department of Finance
- **Ben Johnson**, Senior Fiscal and Policy Analyst, Legislative Analyst's Office
- ***Public Comment***

PROPOSALS

The Mental Health Services Oversight and Accountability Commission (Commission) has submitted several proposals to the Legislature for consideration as follows:

1. Comprehensive Proposal
   a) Data and Outcome Reporting – Transparency
   b) Fiscal Incentive – Focused on High Priority Statewide Needs
   c) Innovation Incubator – Supporting County Investments in Innovation
   d) Technical Assistance Strategy

2. Additional Proposals
   a) Stakeholder Advocacy Funding for Immigrants and Refugees
   b) Early Psychosis Funding Redirection
   c) SB 1004 Prevention and Early Intervention Priorities Staffing Needs

BACKGROUND

Comprehensive Proposal

Data and Outcome Reporting – Transparency

Proposal:
The Commission is requesting five additional research/technology staff, as well as $2 million (Proposition 63 State Admin Funds) for website development and maintenance, and information technology and consulting costs to support the more complicated data linking and data displays required.

Background:
In response to critical comments from the Little Hoover Commission, in 2017 the Commission began an effort to make publicly available information on MHSA funding, the programs supported with those funds and the outcomes achieved. Using internal one-time funds, the Commission launched a fiscal transparency tool that reports on MHSA revenues, spending and unspent funds. That tool can be accessed at www.mhsoac.ca.gov/fiscal-reporting. The

work to launch that tool, and the process of making the information available, resulted in dramatic improvements in reporting and fundamental changes in how the Department of Health Care Services oversees county spending. That effort will allow the public to see how those funds are spent in their counties and allow searchable reviews of county spending priorities. Over time, the Commission will add information on who is served by those programs – to the extent the data are available – including information on race, ethnicity, age, sexual orientation, gender identity, language spoken, disability status, and veteran status. The goal is to support community awareness of how counties are responding to community needs.

The third component of their transparency work is to report on outcomes. The MHSA identifies a range of outcomes, including: improving educational outcomes, reducing criminal justice involvement, supporting employment, preventing child welfare involvement and homelessness, among others. The Commission has done preliminary work to link mental health data and criminal justice data to better understand criminal justice involvement rates and to identify strategies to improve those outcomes. They also have analyzed data on people served by Full Service Partnerships, which are typically the most expensive and highest level of care for people outside of a locked program.

In order to extend this work to improve transparency on all mental health funding, all publicly funded mental health programs and expand reporting on a larger set of outcomes, the Commission would need the authority to access additional information and additional research and IT staffing. The Commission is requesting five additional research/technology staff, as well as $2 million (Proposition 63 State Admin Funds) for website development and maintenance, and information technology and consulting costs to support the more complicated data linking and data displays required.

Fiscal Incentive – Focused on High Priority Statewide Needs

Proposal:
The Commission requests $15 million ongoing (Prop 63 State Admin Funds) for SB 82 (Committee on Budget and Fiscal Review, Chapter 34, Statutes of 2013) purposes, and trailer bill language to enable more flexibility with these funds.

Background:
Under the terms of SB 82, the Mental Health Wellness Act of 2013, the Commission receives $20 million each year in MHSA state administrative funds to support county programs focused on crisis services. The Commission initially received $32 million ongoing for this program but $12 million was cut from the program last year because the Department of Finance argued that the counties were not using the funds and thus they were not needed. In contrast, the Commission views these monies as incentive funds that help shape how counties spend their mental health funding. The current structure of the SB 82 program limits who can receive these funds and how they can be used. The funds can only be made available to county behavioral health departments through a competitive process, can only be used to fund staffing and they can only be used for programs that focus on crisis. Additionally, the Commission cannot require any local match as a condition of receiving these funds.

The Commission recommends restoring the funds cut from the program, modifying the SB 82 program to allow the funds to be made available for a broader range of local agencies, for

purposes other than staffing – such as program development or training – and for needs other than crisis services, such as prevention-oriented services. The Commission has dedicated its current allocation of funds to counties through fiscal year 2020-21.

Innovation Incubator – Supporting County Investments in Innovation

Proposal:
The Commission requests transitioning $2.5 million per year for two years to ongoing funding, two positions at a cost of $250,000, and more flexibility associated with their Innovation Incubator work, as described below.

The MHSA generates roughly $100 million each year for innovations in community mental health programs. These funds are controlled by county mental health departments but funding must be approved by the Commission prior to spending. Typically, counties prepare a proposal to use those funds for an innovation or adaptation of an existing practice as a strategy to improve their community mental health system. To support the counties in the best utilization of Innovation funding, the Commission last year received $5 million (over two years) to support counties in developing innovative proposals. The Commission refers to this work as incubating innovation or an innovation incubator. In short, the Commission provides technical assistance to the counties so they can make more effective use of these funds.

The Commission has focused this work on supporting the development of multi-county collaborative approaches to innovation that allow the counties to learn together on how to address a challenge or launch an innovative approach to improving access to care, the quality of that care, the outcomes achieved, or all three.

For example, the Commission recently supported a multi-county project to strengthen early psychosis programs in four counties. Through this effort, four counties are partnering with UC Davis to build a research, evaluation and technical assistance strategy that will help participating counties better understand the effectiveness of their early psychosis programs. Additional counties are considering participating in the effort with MHSA Innovation or other funds. The goal of the program is to establish a statewide strategy to promote best practices in response to early psychoses. The Commission contributed $100,000 to the planning work, participating counties have dedicated $8.5 million in local MHSA funds, and the project has raised $1.5 million from philanthropy.

The Commission is currently establishing similar multi-county collaboratives on school-mental health, improving Full Service Partnership programs, supporting integrated mental health and physical health care for transition-age youth, and on other issues of concern with our community mental health system.

The Commission would like to modify its existing funding for innovation support from one-time funding to on-going funding. We received $2.5 million in 2018-19 and $2.5 million in 2019-20 with a restriction to use the funds to reduce pressure on the California State Hospitals by reducing the number of persons referred to the hospitals as Incompetent to Stand Trial. The Commission has begun that work, and is requesting to make that level of funding ongoing and to eliminate the restriction that limits our work to reducing criminal justice involvement so that the funds can be dedicated to support innovations on school mental health and other needs.

The Commission also requests approximately $250,000 and two positions to make this work ongoing.

Technical Assistance Strategy

Proposal:
The Commission requests $5-10 million ongoing to establish technical assistance centers to support the work of counties to deliver mental health services. The Commission proposes a sunset and evaluation after five years to determine if the effort has resulted in improved outcomes.

As part of the Commission's discussions with county behavioral health directors over how best to support their innovation work, county leaders indicated that the most significant need they face is technical assistance. Whether focused on how to maximize draw down of federal Medi-Cal funding, or best practices in meeting the needs of young children, the counties indicate they struggle to find reliable guidance on how best to design and deliver mental health care. While many counties have developed successful strategies in response to a range of mental health needs, individual counties may not be aware of what others are doing, what approaches are in place in other states or countries, or how they might improve their local programs.

Consistent with the comments above on the early psychosis strategy, California has subject matter experts working for counties, in our universities, among research partners and private providers. The Commission is seeking support to establish technical assistance centers that can respond to county needs. A number of models can be used to expand technical assistance. The federal government often makes funding available on a competitive basis to provide training and technical assistance through one or more Centers of Excellence. California, in the past, has funded technical assistance through the University of California. The Commission envisions funding one or more technical assistance centers in response to high-priority needs identified by the state and the counties. It is important to identify those priorities with the counties to encourage county investment in improving their operations.

Overall Proposal:
The four components of this comprehensive proposal are intended to work together. For example, the Commission recently reviewed data provided by the Department of Health Care Services on people served by Full Service Partnerships. Those data indicate that approximately 50 percent of people leaving a Full Service Partnership are not meeting goals, with ten percent of those ending up in a high-cost locked institution, such as a jail or prison. In response, the Commission is working with the counties to facilitate a multi-county innovation project that would involve better understanding county data on Full Service Partnerships and exploring options to restructure those programs to improve outcomes. The Commission envisions the opportunity to make available incentive funding, with technical assistance, to support more counties adopting more effective practices.

As outlined in the example above, the strategy of using data analysis and public presentation of those data, paired with innovation facilitation, incentive funding and technical assistance is intended to support transformational change that can be applied to a range of statewide concerns. The Commission has identified reducing criminal justice involvement and improving school mental health as key priorities. Other priorities outlined in the MHSA that have state-

level implications, include improving employment outcomes, supporting college mental health, reducing the number of children and youth in out-of-home placements, and lowering suicide rates, among others.

Additional Commission Proposals

Stakeholder Advocacy Funding for Immigrants and Refugees

Proposal:
The Commission requests $670,000 per year, ongoing, to double its support for the mental health needs of immigrants and refugees.

Background:
Last year the Commission's budget included $670,000 (ongoing) to support stakeholder advocacy funding for meeting the mental health needs of immigrants and refugees. In response to receiving these funds, the Commission engaged organizations that work with immigrants and refugees to better understand their needs, and whether the Commission's traditional approach to releasing advocacy funds would be appropriate to meet the needs of these populations. In short, the Commission heard compelling testimony from organizations that serve immigrants and refugees from across that state that the expansive diversity of refugee and immigrant communities, along with the significant trauma experienced by these communities, calls for a more focused approach by community organizations that are primarily focused on improving access to care through community mental health programs. These organizations called for multiple, small contracts that focus on the needs of a particular group of community members. In contrast, the Commission's other stakeholder advocacy work is done by a single organization charged with statewide, and state-level, outreach, education and training, and advocacy. In response, the Commission is seeking to increase annual funding to support mental health advocacy for immigrants and refugees by an additional $670,000 per year to support additional advocacy work that can include state-level advocacy.

Early Psychosis Funding

Proposal:
In response to the Governor's funding proposal, the Commission requests that any state investment in early psychosis grants be used to support the program established under AB 1315 (Mullin, Chapter 414, Statutes of 2017). If there is no support for shifting those funds from the Department of Health Care Services to the Commission, the Commission recommends moving the AB 1315 program to the Department to avoid duplication.

Background:
The Governor's proposed budget includes $25 million one-time (General Fund) to support grants to enhance early psychosis programs across the state. In 2017, Governor Brown signed AB 1315 to establish the Early Psychosis and Mood Disorder Detection and Intervention Program. The bill directs the Commission to establish a program to enhance California's ability to respond early and effectively to people with first onset psychoses and mood disorders. The bill directed the Commission to raise private funds to support the program.

In response to AB 1315, the Commission has formed an advisory body, as directed by the bill, and has engaged with county mental health leaders, research and technical assistance experts and others to lay the foundation for a statewide initiative to improve how county mental health programs respond to first episode psychoses and related mental health needs. The Commission has been able to leverage limited operational funds to build a technical assistance and research strategy in partnership with counties and three University of California campuses. The Commission also is partnering with UC Davis to participate in a national data exchange and learning network sponsored by the federal government. In response to the Governor's funding proposal, the Commission is recommending that any state investment in early psychosis grants be used to support the program established under AB 1315. If there is no support for shifting those funds from the Department of Health Care Services to the Commission, the Commission recommends moving the AB 1315 program to the Department to avoid duplication. AB 1315 is intended to be an ongoing program, while the Governor's budget proposes one-time funding for early psychosis grants. Also, while AB 1315 prohibited the use of General Fund revenues to support the program, the Commission is supporting AB 713 (Mullin), which would remove that prohibition.

SB 1004 Statewide Priorities for Prevention and Early Intervention Funds

Proposal:
To meet the requirements of SB 1004 (Wiener, Moorlach, Chapter 843, Statutes of 2018), the Commission requests $598,000 ongoing for the following positions:

- One manager at the Staff Services Manager (SSM) II or Health Program Manager (HPM) II level
- Two Research Data Specialist (RDS) II's
- One Associate Governmental Program Analyst (AGPA)

Background:
SB 1004 directs the Commission to do the following by January 1, 2020:

1. Establish statewide priorities for the use of PEI funds
2. Develop a statewide strategy for monitoring implementation of PEI services, including enhancing public understanding of PEI
3. Create metrics for assessing the effectiveness of how PEI funds are used and the outcomes that are achieved
4. Establish a strategy for technical assistance, support, and evaluation to support the successful implementation o the objectives, metrics, data collection, and reporting strategy.

For the initial phase of this work, the Commission has redirected administrative, program, and legal staff. Absorbing this workload is only possible by delaying other work and reducing in the short term the Commission's commitments in contract monitoring, evaluation, and plan review. Existing Commission staff has already absorbed additional duties related to the creation of a PEI Program Search Tool that allows members of the public to search for and view descriptive information about MHSA-funded programs statewide by county, program type, population

served, and other attributes. This involved entering nearly 900 PEI programs into the tool through manual inspection and data extraction from unstructured narrative-based data submitted by the counties. This data will have to be updated manually as annual county reports are received. Further workload, such as the development of technical assistance materials and facilitation of regular "learning collaborative" meetings with clusters of counties and providers to develop shared understandings of best practices for implementation has been supported by temporarily redirecting staff from other areas.

The Commission states that if it does not get additional positions, there will be a delay in the implementation of the strategies requires in SB 1004 to monitor county mental health progress, including PEI, in providing on-going strategic guidance and technical assistance, and in enhancing public understanding of PEI progress. The Commission would continue to have limited ability to monitor and promote collective learning in PEI in California's mental health system.

STAFF COMMENTS/QUESTIONS

The Subcommittee requests the Commission present these proposals.

Staff Recommendation: Subcommittee staff recommends no action at this time to allow for additional debate and discussion.

0977 CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

ISSUE 8: AUTHORITY PROPOSALS

PANELISTS

- **Frank Moore**, Executive Director, California Health Facilities Financing Authority
- **Carolyn Aboubechara**, Deputy Executive Director, California Health Facilities Financing Authority
- **Lorine Cheung,** Finance Budget Analyst, Department of Finance
- **Ben Johnson**, Senior Fiscal and Policy Analyst, Legislative Analyst's Office
- ***Public Comment***

PROPOSAL

On March 18, 2019, the California Health Facilities Financing Authority (CHFFA) provided this Subcommittee with an overview of the implementation of their children's mental health crisis grant program. At that time, CHFFA indicated that they were working on a proposal to extend the funding timeframes in order to address recent challenges in the program. This is their proposal.

CHFFA requests the following provisional language be included in the 2019 Budget Act in order to extend the timelines on the children's mental health crisis grants:

0977-492 – Reappropriation, California Health Facilities Financing Authority. Notwithstanding any other provisions of law, the balances of the appropriations provided in the following citations are reappropriated to fund crisis residential treatment, crisis stabilization, mobile crisis support teams, and/or family respite care approved by the California Health Facilities Financing Authority and shall be available for encumbrance or expenditure until June 30, 2024.

0001 – General Fund

(1) Item 0977-101-0001, Budget Act of 2013 (Chs. 20 and 354, Stats. Of 2013), as reappropriated by Item 0977-490, Budget Act of 2016 (Ch. 23, Stats. Of 2016).
  (1) 50 – Mental Health Wellness Grants

3085 – Mental Health Services Fund

(1) $10,815,000 in Item 0977-101-3085, Budget Act of 2016 (Ch. 23, Stats. Of 2016) appropriated in Program 0890 – Mental Health Wellness Grants.
(2) $16,452,000 in Item 0977-101-3085, Budget Act of 2017 (Chs. 14 and 22, Stats. Of 2017) appropriated in Program 0890 – Mental Health Wellness Grants.

BACKGROUND

SB 833 (Committee on Budget and Fiscal Review, Chapter 30, Statutes of 2016) established a competitive grant program to provide a continuum of crisis services to children under 21 years of age with the following objectives:

1. Provide for early intervention and treatment services to improve the client experience, achieve recovery and wellness, and reduce costs.
2. Expand community-based services to address crisis intervention, crisis stabilization, and crisis residential treatment needs that are wellness-, resiliency, and recovery-oriented.
3. Add at least 200 mobile crisis support teams.
4. Add at least 120 crisis stabilization and crisis residential treatment beds.
5. Add triage personnel to provide intensive case management and linkage to services for individuals with mental health disorders in community-based service points, such as homeless shelters, schools, and clinics.
6. Expand family respite care.
7. Expand family supportive training.
8. Reduce unnecessary hospitalizations and inpatient days.
9. Reduce recidivism and unnecessary local law enforcement expenditures.
10. Provide local communities with increased financial resources to leverage public and private funding sources to improve networks of care for children and youth with mental health disorders.

The total investment in children's crisis services was $31 million ($17 million General Fund and $14 million MHSA funds). The General Fund was composed of approximately $7 million reappropriated from unspent funds previously allocated to the Investment in Mental Health Wellness Grant Program and $10 million of new General Fund resources.

In January 2017, CHFFA was notified that the Governor's proposed 2017-18 budget recommended reverting the $16 million allocated from the General Fund in the 2016-17 budget. As a result of the possible funding reversion, CHFFA postponed development of the program pending resolution of the funding mechanism. In June of 2017, AB 97, the enacted 2017-18 state budget, reverted the previous General Fund allocation and replaced it with $16,717,000 from the MHSA Fund.

CHFFA explains that the unintended consequence of funding this grant program over two different budgets with multiple deadlines and provisions created administrative challenges for CHFFA to develop and administer a robust program that aligns with county partners' needs.

CHFFA closed its grant application process on February 28, 2019 and reported that the response and interest from counties was quite minimal – CHFFA received only 6 applications (from Santa Cruz, Sacramento, Marin, San Francisco, Monterey, and Butte Counties) for $1.3

million of the total available $27.7 million in capital funds and for $2.9 million out of a total of $4 million, in personnel funding.

Since the Subcommittee's hearing on March 11, CHFFA surveyed counties to learn more about the lack of interest and response; counties provided the following reactions:

Most counties reported that the grant timelines were too short, particularly for construction projects, and that the funding was too inflexible to be able to meet their needs.

The proposed budget bill language provides a significantly longer time-frame, and allows counties the flexibility with the funds based on individual county priorities within the four main program areas identified in SB 833.

STAFF COMMENTS/QUESTIONS

The Subcommittee requests CHFFA present this proposal.

Staff Recommendation: Subcommittee staff recommends no action at this time to allow for additional debate and discussion.

ISSUE 9: AUTHORITY STAKEHOLDER PROPOSALS

Stakeholder	Proposal	Cost
California Optometric Association	***Community Clinic Vision Integration Project***. This proposal seeks to create a grant program to assist in establishing optometric services at community health centers that do not currently offer these services. This proposal is in response to: California's aging population, the diversity, and diabetes epidemic. By 2050, there is projected to be a three-fold increase in diabetic retinopathy, a 12-fold increase in glaucoma, and a doubling in cataracts. This proposal would establish a competitive grant program for community health centers.	$26 million GF one-time
	PUBLIC COMMENT	

4800 CALIFORNIA HEALTH BENEFIT EXCHANGE (COVERED CALIFORNIA)

ISSUE 10: COVERED CALIFORNIA STAKEHOLDER PROPOSALS

Stakeholder	Proposal	Cost
Health Access	***Single Premium Invoices***. The California Constitution requires coverage of the full range of medically necessary services. A pending federal rule would make it difficult for health plans and insurers to comply with both the California Constitutional requirement and the federal rule. The proposed trailer bill language is a clarification so that health plans and insurers can comply with both federal requirements and the California Constitution. This language needs to be in effect by July 1, 2019 so that plans and insurers are able to submit products for review in July 2019 for the 2020 rate year, which commences January 1, 2020 (with open enrollment beginning October 15, 2019).	$0
Health Access	***High Deductible Health Plans Actuarial Value***. This trailer bill proposal would revise California law, specifically the actuarial value (AV) of plans to allow for the bronze high deductible health plans (HDHP) to continue in 2020. The IRS sets the out of pocket (OOP) for these products and the proposed 2020 OOP increase will result in California's bronze product to be outside of existing law. According to Covered California, there are more than 235,000 enrollees in the bronze HDHP products, on and off the Exchange, and in the individual and small group markets.	$0
	PUBLIC COMMENT	

4140 OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT

ISSUE 11: OSHPD STAKEHOLDER PROPOSALS

Stakeholder	Proposal	Cost
California Children's Hospital Association	***Song Brown Funding for Pediatric Residency Programs***. This proposal is for a $2 million add-on to the Governor's proposal to make $33.3 million per year ongoing for the Song Brown Program. This proposal also would set aside $3.2 million of the total funding specifically for pediatric residency programs, thereby providing pediatric residency programs with 10 percent of the total funding. Supporters state that the federal government substantially underfunds pediatric residencies, especially within children's hospitals. They also point out that children make up 23% of the population, but only 10 pediatric, of approximately 300 residency slots, received Song Brown funding in 2018.	$2 million GF ongoing
California Consortium of Addiction Programs and Professionals	***Substance Use Disorder Workforce Funding***. This proposal seeks to address the statewide workforce shortage of substance disorder counselors. Supporters state that there is currently zero funding in California's budget for preparing new workers or replacing retiring workers in the SUD workforce.	Unspecified
California Psychiatric Association	***Primary Care Psychiatric Fellowship Program Scholarships***. This proposal builds on the 2018 Budget Act investment of $1 million (Prop 63) to provide scholarships to primary care providers in medical shortage areas to enroll in this U.C. Primary Care Psychiatric Fellowship, which provides enhanced education for primary care providers on caring for patients with mental illness. This larger proposal seeks to: expand to an additional 100 scholarships, fund targeted marketing to reach providers in communities most in need, fund tuition for the Essentials of Primary Care Psychiatry conference, and fund an evaluation of program outcomes.	$2.65 million one-time

California Behavioral Health Planning Council, California Association of Marriage and Family Therapists	***Workforce Education and Training (WET) Trust Fund***. This proposal seeks to provide funding for the recently developed, new WET plan, which OSHPD is statutorily mandated to develop every five years to address mental health workforce shortages and diversity. The Governor's budget does not fund the implementation of the plan. The plan includes funding for loan repayment programs/stipends for behavioral health clinicians, increasing capacity at universities to train and supervise behavioral health professionals, and regional partnerships for counties to pursue strategies to address community needs.	$70 million GF one-time
SEIU-UHW	***OSHPD Public Use Files Trailer Bill***. SEIU-UHW obtained annual OSHPD hospital Public Use Files (PUFs) from 1999-2014 to do substantial research on health care utilization and disparities. Since then, OSHPD has restricted access to the PUFs due to patient privacy concerns. This loss of access to this data represents a significant loss in transparency of health care data in California. SEIU-UHW proposes trailer bill language to regain access to PUFs.	$0
	PUBLIC COMMENT	

4265 DEPARTMENT OF PUBLIC HEALTH

ISSUE 12: DPH STAKEHOLDER PROPOSALS

Stakeholder	Proposal	Cost
AIDS Healthcare Foundation, Essential Access Health	***STD Prevention***. This proposed funding is to support a comprehensive, evidence-informed approach to STD prevention needed to curb rising STD rates and reduce the public health impacts and costs associated with STD transmission. In California, $1 billion is spent annually on STD-related health care costs. This funding is to be dispersed statewide with priority on communities disproportionately impacted by STDs. The funding maybe used for: STD screening, testing and treatment for populations lacking access to health care; surveillance activities to track and share data; outreach and health promotion; and innovative STD prevention projects. According to DPH, after influenza, chlamydia and gonorrhea are the second and third leading causes of new infectious disease cases. The number of infants born with congenital syphilis increased for five years in a row (2012-2017), and 71 of those infants were still births.	$20 million GF ongoing
Alzheimer's Association	***Behavioral Risk Factor Survey Funding***. This proposal is to adopt either trailer bill or provisional language that allows the local assistance funding in the Alzheimer's Research Program to be used to add cognitive-health questions to the Behavioral Risk Factor Surveillance Survey. According to DPH, Alzheimer's is the second leading cause of death in California.	$0
American Heart Association	***Hypertension Control Pilot Program***. This proposal seeks to reduce the prevalence of hypertension, a risk factor for heart disease and stroke. Seven in ten people having their first heart attack and eight in ten having their first stroke have high blood pressure. Hypertension disproportionately impacts the African-American and Native American communities. According to DPH, heart disease is the leading cause of death and premature death in California.	$10 million GF one-time (for 3 years)

Breast Cancer Prevention Partners, Black Women for Wellness	***Safe Cosmetics Program***. SB 484 (Migden, Chapter 729, Statutes of 2005) created the Safe Cosmetics Program which requires companies to report any cosmetic or personal care product sold in the state that contains one or more Prop. 65 chemical. According to the program's public database, 552 companies reported to the sale of 65,506 cosmetic products in the state of California containing 88 unique Prop. 65 carcinogens and reproductive toxicants. However, the program lacks funding for enforcement and other requirements of the law. This proposed funding would support one-time infrastructure upgrades to the electronic reporting system and database, additional enforcement, and research and outreach staff.	$1.5 million GF one-time and $0.5 million GF ongoing
California Hepatitis Alliance	***Hepatitis C (HCV) Prevention***. This proposal includes: (1) $15 million for HCV prevention, testing, linkage to and retention in care, and treatment for people who inject drugs; and, (2) $5 million for the micro-elimination of HCV in HIV/HCV co-infected persons. This funding would support 25-30 programs to provide innovative, evidence-based HCV outreach, screening, and linkage/retention to medical care, building on demonstration projects funded in the 2015 Budget Act. HIV/HCV co-infected people have more severe HCV consequences, including accelerated progression of liver disease leading to advanced cirrhosis, liver failure and death. This goal of this funding is to eliminate HIV/HCV co-infection in California. According to DPH, there were 120,921 people living with HIV in California at the end of 2011, of whom about 14% were co-infected with HCV. DPH also reports 33,748 new cases of HCV.	$20 million GF ongoing
California HIV Alliance	***HIV Prevention***. This proposal is for funding to support comprehensive HIV prevention services, including testing, linkage to care, increased access to PrEP, and services for people who use drugs. Between 2012 and 2016, HIV diagnoses in California declined by less than 3 percent as compared to 22 percent in New York; HIV diagnoses declined 23 percent among white gay and bisexual men, but there was no similar decline among black gay and bisexual men. This proposal seeks to support new highly effective prevention tools, in targeted communities, that can significantly reduce new transmissions and lower overall healthcare costs.	$20 million GF ongoing

California Rural Legal Assistance Foundation	***Farmworker Health Study***. This proposal is to fund a comprehensive study to improve farmworker health. Supporters state that very little is known about the current health status and access to care for California's agricultural workers. The last study in 1999 found that nearly one in five male California agricultural workers had at least two or three risk factors for chronic disease: high serum cholesterol, high blood pressure and/or obesity; it also found that nearly 70 percent lacked any form of health insurance. No new research informs how things have changed over the past 20 years.	$1.5 million GF one-time (over 3 years)
County Health Executives Association of California, Health Officers Association of California	***Public Health Local Infrastructure***. This proposal seeks to improve local health department infrastructure to prevent and control the spread of infectious diseases. In order to prevent and/or reduce the spread of infectious disease, local health departments employ a variety of intensive strategies, including, but not limited to: targeted education and outreach to at-risk communities and health care providers, disease investigation and contact tracing, public health laboratory testing, and epidemiological surveillance. According to counties, public funding for communicable disease control has declined substantially over time, making it difficult for counties to respond effectively to outbreaks, and rising rates of diseases such as STDs, tuberculosis, hepatitis A, Zika, food-borne illnesses, and measles. According to CDPH, in 2016 in California, approximately 20 million cases of illness due to communicable diseases, causing more than 10 million chronic infections and approximately 10,000 deaths.	$50 million GF ongoing
Drug Policy Alliance, Harm Reduction Coalition	***Harm Reduction Care Navigators***. This proposal seeks to provide grants to harm reduction programs, including syringe access programs, to add staff to reach people who use drugs who are not in treatment and link them to health care services, increasing the number of people who are able to benefit from medication assisted treatment such as methadone and buprenorphine. This proposal also requires a report on the number of people linked to care and insurance coverage, staff training, program technical assistance, and an evaluation. Accidental drug overdose is the leading cause of death for Americans under 50, and the leading cause of accidental death in California, which has the highest number of deaths from drug overdose in the U.S.	$15.2 million GF one-time (over 4 years)

Drug Policy Alliance, Harm Reduction Coalition	***Harm Reduction Supplies Clearinghouse***. This proposal seeks to reduce the rate of overdose, as well as rates of HIV and hepatitis C & B among people who inject drugs. Currently, the budget for the DPH Office of AIDS Syringe Exchange Supply Clearinghouse is $3 million annually, and this proposal would double the budget to $6 million annually. This proposal seeks to address the rapid growth in the number of programs, and the number of program participants seeking materials to prevent fatal overdose and the spread of potentially deadly infections. A survey conducted by the State Office of AIDS found a 49.8% increase in the number of program participants in just two years, from 2015 to 2017. There are now more programs than ever before, and the average amount of syringes distributed by programs increased by 53.2% from 2015 to 2017. There are several new programs, particularly in rural areas with high rates of overdose and hepatitis C, that are poised to start in 2019.	$3 million GF ongoing
Heluna Health	***Little By Little (LBL) Literacy Program Expansion***. LBL is an evidence-based program currently serving 60,000 low-income children through the Women, Infants, and Children ("WIC") Centers in Los Angeles County. LBL helps children and families forge essential home literacy habits, improve language skills and prepare children for success. During their visit to WIC sites, program participants receive age-appropriate developmental handouts, free high-quality books, safety items and referrals to community resources (in Spanish and English). This proposal is to expand the program; the funding range reflects various options based on a phased-in vs. statewide expansion approach.	$1.7 - 36.4 million GF ongoing

LBQ Coalition*	***Lesbian, Bisexual, Queer (LBQ) Women's Health***. This proposal includes: (1) $15.5 million for the creation of an LBQ Women's Health Equity Fund within DPH, to be used to create a grant program to address LBQ women's health disparities across California; and, (2) $2 million to address the significant gaps in research targeting LBQ women's health needs and to inventory existing programs. LBQ women experience significant barriers to accessing health care, including experiences of anti-LGBTQ bias and lack of access to culturally responsive health care, including preventive services such as mammography and other cancer screenings. Medical research shows that LBQ women have increased childhood physical abuse in the home, increased childhood sexual abuse, decreased rates of human papillomavirus (HPV) immunization, increased substance use including alcohol and tobacco use, increased risk of chlamydial infection as teens and young adults, increased risk of sexual assault, increased prevalence of depression, increased rate of disabilities, increased body mass index (BMI), increased threats and violence outside the home, increased risk of asthma, and increased risk of cardiovascular disease. Nearly 46% of lesbian and bisexual women report experiencing discrimination in healthcare and 34% of LGBT physicians reported observing discriminatory care of an LGBT patient.	$17.5 million GF one-time
Public Health Advocates	***Liquid Sugar Research Grants***. This proposal is for DPH to issue an RFP to solicit proposals to conduct a randomized clinical trial to determine whether sugar in liquid form causes more detrimental health effects than sugar in solid food by examining immediate changes in established biomarkers known to increase the risk for cardiovascular disease and diabetes. According to supporters, despite the fact that approximately 60% of added sugar is consumed from solid foods, there are no published dietary intervention studies lasting more than one day that have directly compared the effects of solid versus liquid sugar on risk factors for cardiovascular disease or type 2 diabetes.	$6.91 million GF one-time

Public Health Advocates	***Sugar-Sweetened Beverage (SSB) Awareness Campaign***. This proposal provides funding for an awareness campaign conducted by DPH with 3 key aims: 1) Increase consumer awareness of the health implications of sugar sweetened beverages; 2) Increase consumer ability to identify drinks with added sugar 3) Inform consumers how to interpret sugar content on product labels. According to supporters of this proposal, consumption of SSB is associated with obesity and central obesity, cardiovascular disease, type 2 diabetes, hypertension, nonalcoholic fatty liver disease, gout, and risk factors associated with chronic diseases. Evidence from dietary intervention studies demonstrate that risk factors for metabolic disease increase when SSBs are added to the diet, and decrease when SSBs are removed from the diet. Consuming just one sugary drink per day increases one's risk of cavities twofold, diabetes by 26%, and obesity by 55%.	$10 million GF one-time (over 3 years)
	PUBLIC COMMENT	

*LBQ Coalition:
ACLU SoCal Asian Americans Advancing Justice - California
API Equality-LA
APLA Health
California Latinas for Reproductive Justice
California Partnership to End Domestic Violence
CenterLink: The Community of LGBT Centers
COLORS LGBTQ Youth Counseling Service
Desert AIDS Project
Equality California
Health Access' California
Hollywood NOW
Human Services Network
Imperial Valley LGBT Resource Center
JWCH Institute, Inc.
Kheir Clinic
LGBT Center OC
LGBTQ Health and Harm Reduction Coalition
Los Angeles LGBT Center
Los Angeles LGBT Center
National Organization for Women/Hollywood Chapter
North County LGBTQ Resource Center
Oakland LGBTQ Community Center
Orange County Equality Coalition
Pacific Center for Human Growth
Pacific Pride Foundation
Sacramento LGBT Community Center
Sacramento LGBT Community Center
San Bernardino LGBTQ Center
San Francisco Community Health Center
San Joaquin Pride Center
SF LGBT Center
Solano Pride Center
Special Services for Groups/APAIT
Tarzana Treatment Centers, Inc.
THE SOURCE LGBT+ CENTER
The Spahr Center
Women For: Orange County

4260 DEPARTMENT OF HEALTH CARE SERVICES

ISSUE 13: VALUE BASED PAYMENT INITIATIVE TRAILER BILL

PANELISTS

- **Jennifer Kent**, Director, Department of Health Care Services
- **Guadalupe Manriquez**, Principal Program Budget Analyst, Department of Finance
- **Ben Johnson**, Senior Fiscal and Policy Analyst, Legislative Analyst's Office
- ***Public Comment***

PROPOSAL

On February 25, 2019, this Subcommittee heard the Governor's proposals contained in the January budget on Proposition 56 expenditures in Medi-Cal, including the Value Based Payment (VBP) Initiative. However, at that time, the Administration had not yet released the proposed trailer bill for implementation of this proposed new program, and therefore the proposed trailer bill language is provided in Attachment 1, and is described here.

The Governor's budget proposes to allocate $180 million in Proposition 56 funding, and associated federal funding, to provide incentive payments to providers for meeting specific measures aimed at improving care for high-cost, high-need, vulnerable populations. While managed care plans (MCPs) today operate various VBP and related programs, this proposal would allow DHCS to specifically require all plans to pay incentives that meet the requirements of the VBP programs.

Specifically this proposal would:

- Require DHCS to implement VBP programs, contingent on federal approval, no earlier than July 1, 2019, and for a period no shorter than three fiscal years.
- Require designated MCPs to make the VBP payments to providers that meet the requirements as determined by DHCS.
- Specify that payments made under the VBP programs would be in addition to other payments made by the MCPs to providers.
- Create targeted VBP programs aimed at:
  - Improving behavioral health integration
  - Improving prenatal and postpartum care
  - Improving chronic disease management
  - Improving the outcomes and quality of care for children enrolled in Medi-Cal managed care

- Provide authority to the Department to determine the methodologies of the VBP programs and flexibility to modify the newly established VBP programs.

Stakeholder-Proposed Amendments:

The *California Pan-Ethnic Health Network (CPEHN)* requests the following amendments to this trailer bill:

- Require providers to collect adequate demographic information on their patients as a condition of participation in the Value-Based Payment program.
- Require performance targets that improve quality and reduce disparities in health outcomes for behavioral health, chronic health conditions, and pre-and post-natal care as a condition of payment. Specifically, providers should be rewarded for achieving higher quality for populations that face disparities in specific metrics, like treatment of chronic conditions or pre- and post-natal care. As part of meeting these goals, the Department should require providers to achieve an established benchmark for patient self-identification of race, ethnicity, language and other sociodemographic factors and provide technical assistance and other support tools as necessary to achieve those goals.
- Include a requirement that DHCS consult with a diverse set of stakeholders, including consumers, on the design of the Value Based Payment strategy, the selection of disparities-centric metrics, and the financial incentive plan.

The *California Health Plus Advocates* request amendments to this trailer bill that ensure that all Medi-Cal providers, and therefore all Medi-Cal patients, be eligible to participate in the VBP program. DHCS has indicated that these incentive payments will not be available to providers of services through Federally Qualified Health Centers (FQHCs) and points out that FQHC providers already are paid higher rates than other providers.

STAFF COMMENTS/QUESTIONS

The Subcommittee requests DHCS present this proposed trailer bill, and respond to the requested amendments by stakeholders.

Staff Recommendation: Subcommittee staff recommends no action at this time to allow for additional debate and discussion.

ISSUE 14: DHCS STAKEHOLDER PROPOSALS

Stakeholder	Proposal	Cost
AFSCME	***Medi-Cal Medical Interpreters Pilot Program***. This proposal provides funding for a pilot program detailed in AB 635 (Atkins, Chapter 600, Statutes of 2016). AB 635 called for both a study and pilot program on medical interpretation, however, according to AFSCME, DHCS has expended all of the available funding on just the study, leaving no resources for the pilot program.	$5 million GF one-time
Alkermes, Inc.	***Medication Assisted Treatment (MAT) in Narcotic Treatment Programs (NTPs) Reimbursement Codes***. This proposal is asking the Legislature to authorize DHCS to undertake, and complete, setting reimbursement codes and rates for ancillary services (e.g., psychosocial support, counseling and urinalysis), for all FDA-approved medications for MAT in California NTPs. AB 395 (Bocanegra, Chapter 223, Statutes of 2017) allows all forms of MAT to be provided in NTP settings for the treatment of SUDs. There are a number of FDA-approved medications for the treatment of substance use disorders (SUDs) that are not controlled substances, including long-acting injectable naltrexone (VIVITROL@). VIVITROL is approved for the prevention of relapse to opioid dependence following opioid detoxification, as well as for the treatment of alcohol dependence in patients who can abstain in an out-patient setting. There are existing rate codes set for the all other FDA-approved treatment-associated services. Alkermes states that this authorization should result in no appreciable new costs, however DHCS disagrees.	Undetermined
Association of California Caregiver Resource Centers	***Caregiver Resource Centers (CRCs).*** CRCs support overlooked middle-income families who struggle to stay in the workforce and provide care to a family member. CRCs state the need to shift service delivery to reflect changing demographics of caregivers and bring services directly to caregivers. They propose a hybrid model of in-person services and smart use of agile technology to scale and deliver data-informed services to family caregivers in their homes and workplaces. Hence, CPC's propose to take statewide an existing technology platform and consumer education system already in use in the Bay Area and Los Angeles. The platform provides a HIPAA-compliant electronic client record system, service tracking, consumer educational print and video materials in multiple languages, a teaching platform, telehealth capabilities, and a family caregiver client information and service dashboard with a secure messaging system.	$30 million GF one-time ($10 million per year for 3 years)

California Academy of Audiology	***California Children's Services (CCS) Program Audiology Position***. This proposal is to fund a new position in the CCS program to serve as the liaison between the audiologists and CCS program staff. Supporters state that audiologists have been forced to withdraw from the CCS program due to: 1) Insufficient reimbursement allowances and rates, resulting in audiologists subsidizing the costs of care for children. 2) Delays in reimbursement when providers pay out of pocket and take care to provide all the documentation required; often the same documents must be submitted multiple times to CCS before a resolution is reached. 3) Significant delays in CCS authorization for cochlear implants, which can be used for early intervention for children with hearing loss, putting these children at risk of language delay or aberrant language development.	Undetermined
California Air Ambulance Medical Society	***Medi-Cal Air Ambulance Rate Increase***. Air ambulance providers request a Medi-Cal rate increase commensurate with the rural Medicare rates for the 4 air ambulance billing codes. Providers state that the 25-year-old Medi-Cal fee schedule currently reimburses providers less than 25% of the raw cost of providing the service, not including the unreimbursed cost of providing service to indigent patients; the requested rural Medicare fee schedule still will not cover the costs of providing the service, but will reimburse providers approximately 2/3rds of their costs. Providers also explain that Medi-Cal payment rates for air ambulance services have not increased in more than twenty-five years, and without this rebasing, given the loss of the EMATA Program, the Medi-Cal payments will revert back to 1993 levels of payment, less the 10% reduction applied in 2011.	$25-30 million GF ongoing

California Association of Alcohol and Drug Program Executives, Inc.	***County of Residence Process***. This proposal seeks to settle an ongoing dispute between counties and the state that has resulted in a reduction of access to care. The dispute is centered on barriers created by the realignment rules. For example, even if a county establishes a contractual relationship with a provider outside the county borders, those who seek care for SUD in another county still cannot get their mental health, primary care or medication needs met. This proposal recommends that DHCS settle these disputes by: 1) Withholding funds from counties and conducting a settlement process and/or settle at the end of each fiscal year. 2) Requiring counties to recognize and pay for out of county services.	$0
California Association of Alcohol and Drug Program Executives, Inc.	***Hospital Detox Services Rate Increase***. This proposal is to expand funding for hospital ASAM level 3.7 detoxification services under DMC-ODS for free-standing Acute Psychiatric and Chemical Dependency Hospitals as outlined in the 1115 waiver terms and conditions. DHCS issued a bulletin clarifying only state general acute hospitals or psychiatric hospitals within general acute hospitals can claim reimbursement directly through the state Medi-Cal fee for service system. All other detoxification services, including free-standing acute psychiatric and chemical dependency facilities are to seek funding for ASAM 3.7 or 4.0 detoxification services through their county DMC-ODS allocation. Supporters state that this has been only minimally successful.	$45 million GF ongoing
California Association of Alcohol and Drug Program Executives, Inc.	***Recovery Bridge Housing Funding***. This proposal is to fund recovery housing for homeless individuals, including individuals who need supportive housing as they transition from prison, residential treatment facilities, and those who are present in the community. Supporters state that there is not enough recovery bridge housing to support individuals in their recovery and in many cases re-entry efforts; stable housing is a major factor in preventing recidivism.	Undetermined

California Association of Alcohol and Drug Program Executives, Inc.	***Substance Use Disorder (SUD) Workforce Efforts***. This proposal seeks to fund: tuition support for certified SUD counselors; expanded training for current workforce; and startup funds to create additional organizations to provide SUD counselor education towards certification. Supporters state that DHCS delegated the SUD certification authority to 10 private non-governmental certifying entities and now there are only three. The three remaining organizations struggle to review and certify counselors in a timely manner. The lack of a certified workforce to meet treatment and care demands, in addition to other restrictions imposed on providers, limit the ability of SUD treatment agencies to expand access and, more importantly, to maintain current access to treatment services.	$13.7 million GF
California Children's Hospital Association	***High Cost Drug DRG Carve-Out***. This proposal is to reimburse hospitals for newly-approved high-cost inpatient-administered drugs based on the acquisition cost of the drug rather than as part of a DRG payment. When a Medi-Cal patient is administered a prescription drug on an inpatient basis, the hospital is reimbursed with a bundled payment called a DRG (diagnosis related group), which is meant to cover all the costs associated with treating someone with that condition, including the cost of any necessary medications. If a hospital's actual costs to treat a particular patient exceed the allowable DRG reimbursement by more than $57,000, the hospital can bill the state for an outlier payment. However, outlier payments only cover 60% of a hospital's costs above that threshold amount, and hospitals must bear 100% of the loss up to $57,000. When a very high-cost prescription drug is administered to a patient on an inpatient basis, and particularly when a high-cost drug first hits the market, the DRG payment does not adequately incorporate the cost of the medication. As such, hospitals experience significant financial losses if they administer these drugs, and have a disincentive to provide these treatments to patients.	Undetermined

California Dental Association	***Medi-Cal Coverage of Silver Diamine Fluoride (SDF)***. This proposal would make SDF a covered benefit for Medi-Cal beneficiaries, outside of the Dental Transformation Initiative pilot, and specifically for: • Children six years of age and under • Persons with disabilities or other underlying conditions such that nonrestorative caries treatment may be optimal • Adults who live in a licensed skilled nursing facility or licensed intermediate care facility According to the CDA, SDF is a topical medication used to slow down or stop dental decay in both baby and permanent teeth. A colorless liquid containing both silver and fluoride, SDF applies quickly and painlessly. The silver kills the bacteria and stops new bacteria from growing. The fluoride re-mineralizes or hardens tooth structure. Additionally, surrounding teeth may receive anti-cavity protection. No adverse events from using silver compounds have been reported in more than 80 years of use in dentistry. SDF is a very safe product and adverse effects are rare. However, SDF does leave a dark stain on the cavity in a tooth and can stain soft tissue like gums temporarily.	Undetermined
CalPACE	***PACE Modernization Act Trailer Bill***. This proposal seeks to make changes to the Medi-Cal rate methodology for PACE. These changes are needed to recognize higher capital costs and higher risk associated with the PACE model versus other managed care models, and to require that rates be no lower than 90 percent of the amount the state would otherwise pay for existing programs and 95 percent for new organizations. The proposed changes will better align the rate methodology with the capital intensive nature of PACE, a factor that is limiting more rapid PACE expansion.	Undetermined

California Pan-Ethnic Health Network, Children Now, Regional Asthma Management & Prevention	***Asthma Prevention in Medi-Cal***. This proposal combines Medi-Cal in-home asthma education services with environmental trigger remediation to address the burden of asthma in vulnerable communities. Specific to individuals with poorly controlled asthma, this proposal would offer asthma patients home-based education on the basic facts of asthma such as self-management techniques, ways to reduce exposure to environmental triggers, and self-monitoring skills. Effective asthma education can be provided by qualified non-licensed professionals under the supervision of a licensed practitioner; non-licensed professionals can include community health workers. This proposal also includes providing resources to support minor-to-moderate remediation of environmental asthma triggers, which includes low-cost but high impact approaches such as: providing mattress and pillow allergen-impermeable covers, using trigger-capturing vacuums, and utilizing Integrated Pest Management. In 2016, almost 90% of all pediatric asthma emergency department visits in California were children covered by Medi-Cal, up from less than 50% in 2012.	$15 million GF ongoing
Advocating for Access Specialty Pharmacy Coalition	***Blood Factor Reimbursement Methodology***. This request is for the Subcommittee to review DHCS's proposed State Plan Amendment (SPA), which supporters state represents a drastic cuts to blood clotting factor reimbursements to specialty pharmacies. DHCS states that this SPA does nto require legislative approval because state statute provides that reimbursement for blood factor "shall not exceed 120 percent of the average sales price" and the reimbursement changes proposed by DHCS will not exceed 120 percent of average sales price. Supporters state that approximately 80% of Medi-Cal Bleeding Disorder patients receive life-saving blood clotting factor from local specialty pharmacies. The proposed cuts to reimbursement contained in SPA 19-0015 will likely result in patients losing access to their current specialty pharmacy provider. They further explain that specialty pharmacies provide a team-based care approach to managing the patient's care by working closely with the patient, their physician and caregivers. "Specialty pharmacies are key drivers in ensuring quality and cost-effective care by optimizing pharmacy management and ensuring patient involvement."	Undetermined

College Health Enterprises	***Rate Increase for Psychologists in Nursing Homes***. This proposal seeks a rate increase for psychologists, psychiatrists, nurse practitioners and related mental health professionals with expertise in psychological assessment, neuropsychological testing, group therapy, and other behavioral health services. These professionals treat such major problems as anxiety, depression, adjustment disorders, psychosis, and behavioral disturbances. In addition, they provide behavioral interventions for such medical problems as non-compliance, hypertension, chronic pain, diabetes, cancer, and obesity. Patients with behavioral health conditions in nursing facilities often have challenges finding access to services and can suffer with lack of evaluation and care.	$6 million GF ongoing
County Behavioral Health Directors Association	***Screening, Brief Intervention and Referral to Treatment (SBIRT) Expansion***. This proposal seeks to expand the Medi-Cal benefit for adult Alcohol Misuse, Screening and Counseling (AMSC) to include screening for misuse of opioids and other illicit drugs. SBIRT for illicit drug use has received less attention than SBIRT for alcohol but, where implemented, has been linked to reductions in the use of marijuana, cocaine, amphetamine-type stimulants, and opioids. The intent of this proposal is to strengthen linkages and referral pathways between primary care and specialty substance use disorder (SUD) treatment.	$2.58 million GF ongoing
County Behavioral Health Directors Association	***Mental Health Services Act (MHSA) Innovations Grants Timelines***. This proposal requests a technical amendment to the MHSA approval process of county innovation projects by the MHSA Oversight and Accountability Commission (MHSOAC) so that the project timeline aligns to the full term of the project plan. According to CBHDA, an arbitrary 3-year timeline was included in the Act which does not reflect the actual time it takes for a county program to produce a successful project or program. Often contracting, hiring staff or simply receiving approval from the MHSOAC Commission will significantly delay any progress.	$0
MEDNAX	***Medi-Cal Rate Increase for Hospital-Based Pediatric Physician Services***. This proposal provides a rate increase for hospital-based pediatric physician services. According to MEDNAX, Medi-Cal pays its primary care providers at the 2nd lowest payment level of all states, 49th ranked out of 51; low Medi-Cal payment rates place an unfair burden on Medi-Cal providers, resulting in reduced access to care for low-income Californians.	$15 million state funds ongoing

Mental Health Association of San Francisco	***Mental Health Warm Line***. The California Peer Run Warm Line is a phone and instant messaging-based service that provides information, referrals, and emotional support to callers. Their goal is to offer accessible, relevant, nonjudgmental peer support to anyone in the state of California who reaches out to them. Having readily-available access to support and human connection helps people avoid getting to a crisis point later on. They state that the Warm Line saves lives and money and provides meaningful employment for those who were previously incapacitated by their mental health issues and are returning or joining the workforce. It is a preventative service for clients to turn to before accessing more expensive and costly services like Emergency Departments, Urgent Care, or 9-1-1. They would like to expand their service to individuals throughout California by becoming a statewide Warm Line. The proposed funding will support full operations and staff to operate the Warm Line statewide on a 24/7/365 basis.	$3.6 million state funds annually (for 3 years)
SEIU California	***AB 1629 Reauthorization Stakeholder Process***. SEIU requests reauthorization of the AB 1629 skilled nursing facilities (SNFs) quality assurance fee (The Medi-Cal Long Term Care Act of 2004) through the 2020 Budget Act, and requests that DHCS convene a stakeholder workgroup in the budget year (2019-20) to solicit stakeholder input into the proposed new AB 1629 extension in order to address concerns regarding the safety and quality of care in SNFs. AB 1629 will sunset on July 31, 2020.	$0
Teachers for Healthy Kids	***Seed Funding for Office of School Based Health***. This proposal is to establish an Office of School Based Health in the California Department of Education (CDE), using a one-time augmentation of $250,000, and long-term funding from Local Education Agencies that participate in the LEA Billing Option Program (LEA BOP). These are funds invoiced and approved by CMS to reimburse LEAs for direct health services that have been provided. There are 536 claiming units that participate in LEA BOP in California so the amount of the transfer per claiming unit would be $933 to total $500,000. LEAs support this small amount of funding to support an Office of School Based Health. This proposal does not utilize state funds, but instead transfers a capped amount of funds owed to LEAs directly to CDE.	$250,000 GF one-time to the California Department of Education

The Children's Partnership, West Health	***Virtual Dental Home Clarifying Trailer Bill***. This proposal seeks a clarification to the virtual dental home law to ensure that FQHCs/RHCs can "establish a patient relationship" through store-and-forward teledentistry, and clarifying that a face-to-face visit is not required for this purpose. This means that the patient can be established as a patient of the FQHC/RHC when a non-billing provider employed by the FQHC/RHC is in-person with the patient at a licensed or intermittent site of the FQHC/RHC and a billing provider employed by the FQHC/RHC provides or supervises dental services for that patient via asynchronous (store-and-forward) teledentistry. The goal of this proposal is to increase access to dental care for hard-to-reach populations by ensuring full implementation of teledentistry, including by FQHC/RHCs.	$0
Tripe P America	***Positive Parenting Support***. This proposal is to fund and require DHCS to provide online positive parenting support for at-risk families seen within community health centers and their non-clinic counterparts in the general community. The proposal requires an evaluation of the impact of this activity. Recently a large-scale randomized controlled trial involving 18 counties, the US Triple P System Population Trial demonstrated that offering positive parenting broadly at the community level resulted in large decreases in child abuse rates, foster care placements, and injuries sustained through child maltreatment as reported by hospital EDs – clear indications that positive parenting can mitigate the harmful effect of ACEs and can prevent them from occurring. The American Academy of Pediatrics (AAP) passed a resolution which reads, "…all children benefit from positive parenting methods, therefore be it RESOLVED, that the Academy promote and support development and availability of evidence-based parent management training programs."	$8 million GF
	PUBLIC COMMENT	

NON-DISCUSSION ITEMS

The Subcommittee does not plan to have a presentation of the items in this section of the agenda, unless a Member of the Subcommittee requests that an item be heard. Nevertheless, the Subcommittee will ask for ***public comment*** on these items.

0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

ISSUE 15: HEALTH TECHNICAL BUDGET CHANGE PROPOSAL

PROPOSAL

This proposal includes requests for various technical baseline appropriation adjustments to continue implementation of previously authorized programs and support the implementation of new legislation.

Various Heath Technical Adjustments

(Dollars in Thousands)

Department Name	Title	Positions	General Fund	Other Funds	Total Funds	Type	Proposition/Fund	Reason
Emergency Medical Services Authority	Conversion of Blanket Positions to Permanent	4.0	$ -	$ -	$ -	State Operations	Federal Trust Fund	The Emergency Medical Services Authority requests the conversion of 4 blanket positions to permanent positions to address Emergency Medical Services Division workload. The Authority has sufficient funding authority to support these positions.
Emergency Medical Services Authority	Continued Appropriation for Paramedic Discipline Case Workload	0.0	$ -	$ 309	$ 309	State Operations	Emergency Medical Services Personnel Fund	The Emergency Medical Services Authority requests permanent funding for 2 positions previously authorized in 2017-18 with limited-term funding. The positions will continue to address the workload associated with the prosecution of Emergency Medical Technician Paramedic licensee violations.

Various Heath Technical Adjustments

(Dollars in Thousands)

Department Name	Title	Positions	General Fund	Other Funds	Total Funds	Type	Proposition/Fund	Reason
Office of Statewide Health Planning and Development	Increased Expenditure Authority for the Mental Health Practitioner Education Fund	0.0	$ -	$ 425	$ 425	Local Assistance	Mental Health Practitioner Education Fund	The Office of Statewide Health Planning and Development requests approval of increased expenditure authority to increase the number of grants awarded through the Licensed Mental Health Service Provider Education Program. This increase is requested pursuant to the increased licensure fee surcharge authorized by Chapter 557, Statutes of 2017 (AB 1188).
Department of Managed Health Care	Conversion of Blanket Positions to Authorized Per Budget Position Transparency	16.0	$ -	$ -	$ -	Local Assistance	Managed Care Fund	The Department of Managed Health Care requests approval of a technical adjustment to increase positions based on budget transparency to accurately reflect the Department's staffing needs.
Department of Health Care Services	Electronic Health Record Incentive Program Audits	0.0	$ 29	$ 265	$ 294	State Operations	General Fund Federal Trust Fund	The Department of Health Care Services requests a three-year extension of limited-term resources, the equivalent of two limited-term positions, to continue the audit workload for the Medi-Cal Electronic Health Record Incentive Program.
Department of Health Care Services	Every Woman Counts Program Staffing	1.0	$ -	$ 175	$ 175	State Operations	Breast Cancer Control Account	The Department of Health Care Services requests the conversion of limited-term resource to 1 permanent position within the Benefits Division to address state and federally-mandated requirements for the Every Woman Counts Program.

Various Heath Technical Adjustments

(Dollars in Thousands)

Department Name	Title	Positions	General Fund	Other Funds	Total Funds	Type	Proposition/Fund	Reason
Department of Health Care Services	Statewide Transition Plan Extension	0.0	$ 288	$ 287	$ 575	State Operations	General Fund Federal Trust Fund	The Department of Health Care Services requests a three-year extension of limited-term resources to support the implementation of the Statewide Transition Plan to come into compliance with the Federal Regulations on Home and Community-Based Services Settings Final Rule.
Department of Health Care Services	Office of Legislative and Governmental Affairs Staffing	2.0	$ 124	$ 123	$ 247	State Operations	General Fund Federal Trust Fund	The Department of Health Care Services requests the conversion of limited-term resources to 2 permanent positions in the Office of Legislative and Governmental Affairs.
Department of Health Care Services	Whole Child Model Evaluation Contract Funding	0.0	$ 800	$ 800	$ 1,600	State Operations	General Fund Federal Trust Fund	The Department of Health Care Services requests $1,600,000 to secure a contractor to perform an independent evaluation of the Whole Child Model implementation. The funds will he used over two fiscal years (FY 2019-20 and FY 2020-21) for the duration of the evaluation.
Department of Public Health	Gambling Disorder Training and Education Services	3.0	$ -	$ -	$ -	State Operations	Indian Gaming Special Distribution Fund	The Department of Public Health requests 3 permanent positions to conduct public outreach for gambling disorder prevention. The positions will be funded by redirecting Indian Gaming Special Distribution Fund resources from an expiring contract.

Various Heath Technical Adjustments

(Dollars in Thousands)

Department Name	Title	Positions	General Fund	Other Funds	Total Funds	Type	Proposition/Fund	Reason
Department of Public Health	Infant Botulism Treatment and Prevention Program Compliance Costs for BabyBIG Orphan Drug	0.0	$ -	$ 7,833	$ 7,833	State Operations	Infant Botulism Treatment and Prevention Fund	The Department of Public Health requests three-year, limited-term resources to support contract costs for the statutorily-required production of the BabyBIG drug (Lot 7), and increased administrative costs.
Department of Public Health	Oral Health Program Additional Positions	7.0	$ -	$ -	$ -	State Operations	State Dental Program Account	The Department of Public Health requests 7 permanent positions supported by existing funding to continue implementation of the California Oral Health Plan.
Department of Public Health	Newborn Screening Program Implementation of Spinal Muscular Atrophy Screening	8.0	$ -	$ 4,307	$ 4,307	State Operations and Local Assistance	Genetic Disease Testing Fund	The Department of Public Health requests resources to conduct newborn screenings for Spinal Muscular Atrophy, as required by Chapter 393, Statutes of 2016 (SB 1095).
Mental Health Services Oversight and Accountability Commission	Transition Staff from Temporary to Permanent	1.0	$ -	$ -	$ -	State Operations	Mental Health Services Fun	The Mental Health Services Oversight and Accountability Commission requests conversion of one temporary position to permanent utilizing redirected funds.
	Total	**42.0**	**$ 1,241**	**$ 14,524**	**$15,765**			

BACKGROUND

Each year, the departments within HHS Agency submit a number of Budget Change Proposals (BCPs) requesting various technical adjustments, largely related to workload adjustments and resources needed to implement new legislation. The Department of Finance reviews each of these requests and confirms departmental resource needs and fund availability. Given their technical nature, if the availability of funding supports these requests. Finance generally recommends approval of the requests to support efficient administration of these funds. Each of these types of adjustments either reallocate or extend funding available for existing projects and program delivery as intended within previous budget acts, or further the intent of the respective new or newly amended statutes and support efficient administration of existing programs as previously authorized. None of these adjustments result in program expansions, except as specified in new legislation.

STAFF COMMENTS/QUESTIONS

The Subcommittee staff has no concerns with this request at this time.

Staff Recommendation: Subcommittee staff recommends no action at this time to allow for additional discussion and debate.

4440 DEPARTMENT OF STATE HOSPITALS

ISSUE 16: PHARMACY MODERNIZATION - SPRING FINANCE LETTER (SFL) (ISSUE 079)

PROPOSAL

The Department of State Hospitals (DSH) requests a General Fund appropriation of $2.2 million in fiscal year (FY) 2019-20 to plan the implementation of Pharmacy Modernization. The request will fund staffing and other resources required to support the completion of activities required by the State's Project Approval Lifecycle (PAL) Stage Gates. Continuing support for DSH's Pharmacy Modernization plan will allow DSH to continue developing a modern solution, which will prepare DSH for an Electronic Health Records system. Pharmacy Modernization will consist of planning activities that will include inventory control, unit dose repackaging, automated dispensing, standardized patient specific medication data improvements, and pharmacy data integration. In addition, the project will redesign the existing pharmacy application environment to accommodate the new pharmacy system.

BACKGROUND

DSH oversees five state hospitals and employs nearly 11,000 staff. Additionally, DSH provides services in jail-based competency treatment (JBCT) programs and conditional release (CONREP) programs throughout the 58 counties. In FY 2017-18, DSH served 11,961 patients within state hospitals and jail-based facilities, with average daily censuses of 5,897 and 227 respectively. The CONREP program maintains an average daily census of approximately 654. DSH's five state hospitals are Atascadero, Coalinga, Metropolitan — Los Angeles, Napa and Patton. Pursuant to the Budget Act of FY 2017-18, the psychiatric programs operating at state prisons in Vacaville, Salinas Valley, and Stockton, where DSH treated mentally-ill prisoners, have been transferred to the responsibility of the California Department of Corrections and Rehabilitation (CDCR) as of July 1, 2017. In accordance with Coleman v Brown, a federal class action lawsuit, DSH continues to designate 336 beds at three of its state hospitals, Atascadero, Coalinga, and Patton for the treatment of mentally-ill prisoners for patients referred by CDCR.

Daily, the nursing staff within DSH encounter an ever changing and challenging environment while tending to patient needs in a unique forensic environment. Due to the complex nature of the patients' needs, it is not uncommon for prescribed medication to be changed for PRN (Pro re nata - As Needed) or off-cycle throughout the day based on the medical or psychiatric concerns and/or needs of the patients. The nursing staff must remain vigilant so that orders written by the physician are processed in a timely manner. In DSH's current environment, a hardcopy of the prescription is obtained and then either faxed or hand delivered to the pharmacist for fulfillment before being dispensed to the patient. On average, DSH nursing staff

complete medication distribution for the patients in two administration cycles and any additional as needed off-cycle drug passes. The allotted timeframe for medication administration (also known as the med pass) is within two hours per Title 22. Fitting the medication pass within two hours can be challenging with larger units and in forensic settings. For some patients, this task is more time consuming based on the amount of medication that they must receive on top of various administration possibilities; some require crushed medication, mixing with pudding/thickeners and through gastrostomy tubes. The medication pass is time-consuming because the nursing staff utilize manual processes and their own good judgment to dispense the medications. Nursing staff must take extra time and precaution to manually double-check medication, dosage and reporting.

Currently, DSH does not have automated tools to streamline the process. In addition to the lengthy medication pass violating Title 22, patients also become agitated, which can contribute to the patient becoming aggressive towards other patients in the medication line or towards the nursing staff. Lastly, within some DSH units the patients must have their medication administered to them in their rooms rather than in line. In some locations, the processes nursing staff use is a manual work-around utilizing antiquated equipment. This process is done by hand and leaves much room to error—not only for inventory, but also for patient safety should the wrong drug be pulled and administered to a patient.

Current processes for pharmacy vary from site to site. At four of the five hospitals, a medication order is written in paper format and hand-delivered to the pharmacy or received through fax. Upon receiving the document, a pharmacy technician enters the order and then a pharmacist confirms the order is correct, that the dosage is appropriate, and evaluates for drug interactions. After the pharmacist has evaluated and validated the order, the pharmacy technician fills the order. Once filled, the pharmacist reviews the medication fill and the unit is notified the medication is ready for pick up. The nursing unit picks up the medications after signing for all doses, and medications not administered to the patient are documented on a paper form. Unused medications are then credited by the pharmacy technician back to the patient. The pharmacist then reviews the credit form to ensure accuracy and files it in the pharmacy. For controlled medications (for example, opiates), additional paper documentation is required with accountability sheets that require nursing staff count the medication at each change of shift, review of documentation by pharmacy, and periodic inventory checks by pharmacy.

DSH states that Pharmacy Modernization will address a dire need for standardization across the DSH system, meeting the requirements of not only the pharmacists and nursing staff, but ultimately the patients whom DSH serves. The five key areas of opportunity are: (1) inventory control; (2) unit dose repackaging machines; (3) automated dispensing cabinets; (4) patient specific medication billing; and, (5) data integration. The high-level overview below depicts some of the many issues that the Pharmacy, Nursing and Billing teams face day-to-day.

Inventory Control:
While each hospital has taken labor intensive measures to safeguard controlled drugs, there is no standardized process for the rest of the pharmaceutical supply. Beyond controlled drugs, there is minimal true inventory control of pharmaceuticals since pharmacists do not have mechanisms to record incoming inventory and debit what is going out from that stock. Current workarounds for inventory control vary at each hospital. For example, DSH-Atascadero does a monthly tracking of 20 medications, which is often significantly off, at least in part because their hospital's as-needed medications use is not captured towards inventory. DSH-Patton has a workaround of their automated dispensing cabinets by making the pharmacy a virtual cabinet, but this is an imperfect system without software designed for the purpose and cannot be used by the hospitals without automated dispensing cabinets.

Currently, when drugs are received, before placing them into inventory, pharmacy personnel manually perform appropriate receipt procedures, such as reconciling drugs received to drugs ordered, to ensure that discrepancies between quantity and drug type do not exist. Once the drugs received have been verified, then they are physically maintained in secure storage areas or active dispensing areas of the pharmacy. At DSH-Coalinga and DSH-Patton, drug storage includes the use of automated dispensing devices where drugs are directly scanned and input into the pharmacy management system according to the type of substance, allowing for automatic tracking and inventory counts.

Repackaging:
All DSH hospitals have repackaging equipment but would benefit from updating to equipment that can communicate with inventory control software for better accountability and efficiency. DSH-Coalinga's repackaging equipment is old and requires a critical upgrade. The other hospitals are utilizing repackaging equipment with limited functionality. Because of this, inventories are currently conducted once per year for all medication and by law, at least quarterly for controlled substances. A repackaging machine takes bulk packaged medications and puts them into unit dose packaging. Unit packaging is required because pharmaceutical suppliers fill inventory orders in bulk because it is cheaper than ordering medication in unit dose packaging. Unit dose packaging must be done to provide a patient specific dosage. This process, when done incorrectly, causes medication to be billed incorrectly. The proposed solution will include a transition plan to update manual processes and link re-packing to real time inventory for accurate billing and will increase efficient use of staff resources.

Dispensing:
The current drug dispensing system is unable to update counts based on the supply it received from the warehouse, generate a list of medication orders based on current supplies, or review the balance on hand and must rely on filling out a refill form. Additionally, the staff must visually inspect the physical inventory for every medication each time they place an order. Nursing staff retrieve patient-specific medications and must fill out a form (paper tracking); handwriting and keying information from a paper form creates risk of transcription errors. The current drug

dispensing system is limited in its abilities to generate meaningful reports, is unable to process multiple National Drug Codes (NDC), and customization of reports is minimal. An automated system will improve nurses' ability to dispense with accuracy the correct medication and dosage located in the appropriate automatic dispensing drawer to the correct patient. The nurse will have the ability to quickly fill the prescription instead of going back and forth to the main pharmacy for the correct medication order. The system will be able to record the correct NDC dispensed so the patient's medication can be billed and paid for correctly.

Patient Specific Medication Billing:
Under a Memorandum of Understanding (MOU), the Department of Developmental Services (DDS) has provided billing services for DSH. An increasing DSH patient population and low reimbursement rates prompted DSH to develop its own billing unit, the Patient Cost Recovery Section (PCRS). PCRS is working to improve billing practices in DSH to maximize the recovery of cost of care, mitigate risks associated with incorrect billing practices, and improve patient care. Billing practices and resources for billing have evolved differently at each of the DSH facilities. None of the DSH hospitals meets the standard of practice to scan a barcoded patient identifier and each medication at the time of administration for recording. This barcode scanning practice enhances patient safety by assuring an active order and the right medication for the right patient. This also accurately captures medication use in real time for billing.

Data Integration:
The current systems are not fully integrated and require manual processes with legacy systems. The lack of systems and interfaces result in the inability to share business processes, support evidence-based decisions, foster self-service access to information and integrate service delivery.

In FY 2018-19, DSH initiated the Pharmacy Modernization Planning effort with the detailed business analysis of existing pharmacy and medication dispensing processes. The major accomplishments achieved to date for the planning phases of the Pharmacy Modernization project are:

- Obtained California Health & Human Services Agency approval of PAL Stage 1 Business Analysis (S1BA)
- Completed initial drafts of PAL Stage 2 Alternatives Analysis (S2AA) and submitted for review

During the PAL Stage 2 Alternative Analysis, consideration was given to combine the Pharmacy Modernization effort with the current EHR project, however it was determined that separating the two efforts increases the opportunity for the success of both projects.

STAFF COMMENTS/QUESTIONS

The Subcommittee staff has no concerns with this request at this time.

Staff Recommendation: Subcommittee staff recommends no action at this time to allow for additional discussion and debate.

ISSUE 17: TECHNICAL ADJUSTMENTS - SFL (ISSUES 076, 080, 081)

PROPOSALS

The Department of State Hospitals Spring Finance Letter includes the following three technical adjustments to the DSH budget:

1. Technical Cleanup Adjustment to Various Programs (Issue 076)-It is requested that Item 4440-011-0001 be adjusted to reflect a net-zero funding shift between programs to accurately display expenditures and to simplify administrative processes, as part of the continued refinement of the new program structure that was implemented in fiscal year 2018-19.

2. Technical Adjustment-Vocational Services and Patient Minimum Wages (Issue 080)-It is requested that Item 4440-011-0001 be decreased by $151,000 to reflect a correction to the Governor's Budget proposal for Vocational Services and Patient Minimum Wage due to a calculation error. The Governor's Budget request is for $3,344,000 and 1 position to implement a new and uniform wage structure for the Department of State Hospitals' Vocational Rehabilitation Program for patients. This change would revise the proposal total to $3,193,000.

3. Technical Adjustment-Workforce Development (Issue 081)-It is requested that Item 4440-011-0001 be decreased by $370,000 and reimbursements be increased by $370,000 to update the Workforce Development Budget Change Proposal included in the Governor's Budget, as the Department has identified an opportunity to offset the proposed nurse instructors' General Fund costs by receiving reimbursements from Cuesta Community College.

BACKGROUND

The Subcommittee heard the Governor's January budget proposals for DSH on March 4, 2019. Technical adjustments 2 and 3 (above) are corrections to proposals included in the January budget, for which there are detailed write-ups included in the March 4, 2019 agenda.

STAFF COMMENTS/QUESTIONS

The Subcommittee staff has no concerns with these technical adjustments at this time.

Staff Recommendation: Subcommittee staff recommends no action at this time to allow for additional discussion and debate.

ISSUE 18: CAPITAL OUTLAY – SFL

PROPOSAL

The DSH Spring Finance Letter includes the following capital outlay proposals:

Patton: Fire Alarm System Upgrade-Reappropriation of funds for construction of this project is necessary because of delays in receiving the regulatory approvals to bid the project. Working drawings are estimated to be completed in July 2019 and construction is estimated to be completed in September 2022. The following provisional language is requested:

4440-490—Reappropriation, Department of State Hospitals. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2020:
0001—General Fund
(1) Item 4440-301-0001, Budget Act of 2018 (Chs. 29 and 30, Stats. 2018)
(1) 0000718-Patton: Fire Alarm System Upgrade
(a) Construction
(2) 0001416-Metropolitan: Consolidation of Police Operations
(a) Working Drawings

Metropolitan: Consolidation of Police Operations-Reappropriation of funds for working drawings of this project is necessary because of delays in the preliminary plan phase due to omissions in the original design. Preliminary plans are estimated to be completed in October 2019 and working drawings are estimated to be completed in December 2020. It is requested that Item 4440-493 be added to address the following:

4440-493—Reappropriation, Department of State Hospitals. Notwithstanding any other provision of law, the period to liquidate encumbrances for the following citation is extended to June 30, 2020
0660—Public Buildings Construction Fund
(1) Item 4440-301-0660, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), as reappropriated by Item 4440-491, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012)
(1) 55.35.295-Metropolitan: Construct New Main Kitchen and Remodel Satellite Serving Kitchens—Construction
(2) Item 4440-301-0660, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008), as reappropriated by Item 4440-490, Budget Act of 2010 (Ch. 712, Stats. 2010) and Budget Act of 2018 (Chs. 29 and 30, Stats. 2018), and Item 4440-491, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012)
(1) 55.40.280-Napa: Construct New Main Kitchen—Construction

Metropolitan: Construct New Main Kitchen and Remodel Satellite Serving Kitchens - Extension of the liquidation period is necessary to pay final invoices after a dispute with the contractor is resolved. The project was completed in March 2018 and is currently in construction closeout.

Napa: Construct New Main Kitchen - Extension of the liquidation period is necessary to pay final invoices after a dispute with the contractor is resolved. The project was completed in July 2018 and is currently in construction closeout.

STAFF COMMENTS/QUESTIONS

The Subcommittee staff has no concerns with these requests at this time.

Staff Recommendation: Subcommittee staff recommends no action at this time to allow for additional discussion and debate.

4560 MENTAL HEALTH SERVICES OVERSIGHT & ACCOUNTABILITY COMMISSION

ISSUE 19: INNOVATION INCUBATOR IMPLEMENTATION SFL (ISSUE 300)

PROPOSAL

The Commission Spring Finance Letter includes the following request:

lt is requested that Item 4560-001-3085 be increased by $285,000 on a two-year limited term basis to support the Mental Health Services Oversight and Accountability Commission's administrative workload associated with the implementation of the innovation strategies targeted toward criminal justice-involved persons deemed incompetent to stand trial.

BACKGROUND

The 2018 Budget Act includes $5 million ($2.5 million per year for 2018-19 and 2019-20) for the Commission to perform innovation incubation work with the counties, with a focus on developing innovative strategies to reduce the Incompetent to Stand Trial population served by the Department of State Hospitals. The 2018 Budget Act did not include any state operations resources (i.e., staffing resources) for the Commission to complete this work; hence this proposal.

STAFF COMMENTS/QUESTIONS

The Subcommittee staff has no concerns with this request at this time.

Staff Recommendation: Subcommittee staff recommends no action at this time to allow for additional discussion and debate.

ATTACHMENT 1: VALUE BASED PAYMENT TRAILER BILL LANGUAGE

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An act to add Article 5.8 (commencing with Section 14188) to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, relating to Medi-Cal.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Article 5.8 (commencing with Section 14188) is added to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, to read:

Article 5.8. Value-Based Incentives in Medi-Cal Managed Care

14188. (a) The Legislature finds and declares both of the following:

(1) Value-based payment (VBP) strategies offer financial incentives to health care providers that improve their performance on predetermined measures or meet specified targets that focus on quality and efficiency of care.

(2) Funding pursuant to the California Healthcare, Research and Prevention Tobacco Tax Act of 2016, or Proposition 56, which was approved by voters at the November 8, 2016, statewide general election, is intended, in part, to supplement payments to Medi-Cal providers to ensure quality care in the Medi-Cal program.

(b) In accordance with Proposition 56 and subject to an appropriation by the Legislature, Proposition 56 funding may be used, pursuant to Section 14188.2, for directed payment programs in Medi-Cal managed care, including VBPs required of Medi-Cal managed care plans as designated by the department and as described in this article. The purpose of the VBPs shall be to help improve care for some of the most vulnerable or at-risk populations in the Medi-Cal managed care delivery system.

(c) Effective no earlier than July 1, 2019, and for a period no shorter than three fiscal years, the department shall implement the VBP programs described in Section 14188.1, only to the extent that federal financial participation is available and that any necessary federal approvals have been obtained. The department shall develop the structure and parameters of the VBP programs, including designation of those Medi-Cal managed care plans that are required to participate in VBP programs. The department may modify the VBP programs to the extent it deems necessary to obtain or maintain federal approval, if needed to target spending in a manner that furthers the purpose of the programs, or based on evaluation of the programs.

(d) (1) The department shall require the designated Medi-Cal managed care plans to make VBPs to network providers that meet the requirements of the VBP programs implemented pursuant to Section 14188.1, in the amounts, form, and manner as directed by the department.

(2) The department shall not require a county mental health plan contracted with the department pursuant to Chapter 8.9 (commencing with Section 14700), or a county Drug Medi-Cal organized delivery system authorized in the California Medi-Cal 2020 Demonstration pursuant to Article 5.5 (commencing with Section 14184) or a successor demonstration or waiver as applicable, to participate in any VBP program described in Section 14188.1.

(3) VBPs made pursuant to this article shall be in addition to any other payments made by the designated Medi-Cal managed care plans to applicable network providers for services or other performance-based incentives.

(e) For purposes of this article, "VBP" means value-based payment.

14188.1. Subject to Section 14188, the department shall develop all of the following VBP programs:

(a) A VBP program that is aimed at improving behavioral health integration in Medi-Cal managed care.

(1) Designated Medi-Cal managed care plans shall make incentive payments to qualified network providers that adopt a team-based care approach for individuals with serious mental health conditions or other chronic health conditions.

(2) Qualified network providers may be eligible for different levels of incentive payments, depending on the level of integration, using either a coordination or colocation approach. The qualified network providers may be eligible for partial incentive payments for meeting above-minimum standards.

(3) The requirements for receiving an incentive payment and the methodology for determining the value of the payment shall be determined by the department, in accordance with this article.

(b) A VBP program that is aimed at improving prenatal and postpartum care in Medi-Cal managed care.

(1) Designated Medi-Cal managed care plans shall make incentive payments to qualified network primary care or appropriate specialist providers that meet achievement levels on selected prenatal and postpartum care measures, as determined by the department.

(2) Qualified network primary care or appropriate specialist providers may be eligible for maximum incentive payments if they meet the designated high-performance standards, and partial incentive payments for meeting above-minimum standards.

(3) The requirements for receiving an incentive payment and the methodology for determining the value of the payment shall be determined by the department, in accordance with this article.

(c) A VBP program that is aimed at improving chronic disease management in Medi-Cal managed care.

(1) Designated Medi-Cal managed care plans shall make incentive payments to qualified network providers that meet achievement levels on selected chronic disease care measures, as determined by the department. The measures shall be in chronic disease care areas, including, but not limited to, diabetes care and control of hypertension, using measures currently recognized for those areas in the Healthcare Effectiveness Data and Information Set (HEDIS) or other nationally recognized measures that the department deems appropriate.

(2) Qualified network providers may be eligible for maximum incentive payments if they meet the designated high-performance standards, and partial incentive payments for meeting above-minimum standards.

(3) The requirements for receiving an incentive payment and the methodology for determining the value of the payment shall be determined by the department, in accordance with this article.

(d) A VBP program that is aimed at improving quality and outcomes for children in Medi-Cal managed care.

(1) Designated Medi-Cal managed care plans shall make incentive payments to qualified network providers that meet achievement levels on selected childhood health care quality measures, as determined by the department. The measures shall be developed using measures currently recognized for those areas in HEDIS or other nationally recognized measures that the department deems appropriate.

(2) Qualified network providers may be eligible for maximum incentive payments if they meet the designated high-performance standards, and partial incentive payments for meeting above-minimum standards.

(3) The requirements for receiving an incentive payment and the methodology for determining the value of the payment shall be determined by the department, in accordance with this article.

14188.2. (a) The VBP programs described in Section 14188.1 shall be funded using moneys appropriated to the department for purposes of those programs in the Budget Act of 2019, or a Budget Act in a subsequent fiscal year, from the Healthcare Treatment Fund established pursuant to subdivision (a) of Section 30130.55 of the Revenue and Taxation Code.

(b) The Legislature finds and declares that the expenditures authorized by this article are all of the following:

(1) Made in accordance with the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Article 2.5 (commencing with Section 30130.50) of Chapter 2 of Part 13 of Division 2 of the Revenue and Taxation Code).

(2) Based on criteria developed and periodically updated as part of the annual state budget process, in accordance with subdivision (a) of Section 30130.55 of the Revenue and Taxation Code.

(3) Consistent with the purposes and conditions of expenditures described in subdivision (a) of Section 30130.55 of the Revenue and Taxation Code.

14188.3. (a) To implement this article, the department may enter into exclusive or nonexclusive contracts, or amend existing contracts, on a bid or negotiated basis. Contracts entered into or amended pursuant to this subdivision shall be exempt from Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code, Section 19130 of the Government Code, and Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code, and shall be exempt from the review or approval of any division of the Department of General Services.

(b) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, interpret, or make specific this article, in whole or in part, by means of plan letters or other similar instructions, without taking regulatory action.

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LEGISLATIVE COUNSEL'S DIGEST

Bill No.
as introduced, _____.
General Subject: Medi-Cal managed care: value-based payments.

Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions.

Existing law, the California Healthcare, Research, and Prevention Tobacco Tax Act of 2016, or Proposition 56, which was approved by voters at the November 8, 2016, statewide general election, increases taxes imposed on distributors of cigarettes and tobacco products and allocates a specified percentage of those revenues to the department to increase funding for the Medi-Cal program, in a manner that, among other things, ensures timely access, limits specific geographic shortages of services, or ensures quality care. Existing law establishes the Healthcare Treatment Fund for this purpose.

This bill would require the department to develop value-based payment (VBP) programs that would require designated Medi-Cal managed care plans to make incentive payments to qualified network providers, aimed at improving behavioral health integration, prenatal and postpartum care, chronic disease management, and quality and outcomes for children, for the purpose of improving care for some of the most vulnerable or at-risk populations in the Medi-Cal managed care delivery system. The bill would require the department to implement the VBP programs for a period no shorter than 3 fiscal years, effective no earlier than July 1, 2019.

The bill would condition program implementation on receipt of any necessary federal approvals, availability of federal financial participation, and an appropriation of moneys to the department in the annual Budget Act from the Healthcare Treatment Fund in accordance with Proposition 56.

The bill would authorize the department to implement these provisions by means of plan letters or other similar instructions, and by entering into exclusive or nonexclusive contracts, or amending existing contracts, on a bid or negotiated basis.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

ATTACHMENT 2: LIST OF ALL MEMBER AND STAKEHOLDER HEALTH PROPOSALS TO SUB 1

Proposal:	Proposed By:
DHCS	
Behavioral Health	
Mental Health Warm Line	Mental Health Association of S.F.
Mental Health First Aid	Arambula, CBHA, CBHDA, Born This Way
Friday Night Live Funding	Mathis, FNLP
Early Psychosis Funding Redirection	Eggman
ER Behavioral Health Counselors	Arambula, ER Docs
County Public Administrator, Guardian, Conservator Programs Funding	Santiago, CSAC, CSAPAPGPC, CBHDA, SEIU
Hospital Detox Services Rate Increase	CAADPE
County of Residence Process Trailer Bill	CAADPE
SUD Workforce Efforts	CAADPE
Recovery Bridge Housing Funding	CAADPE
Positive Parenting Support	Triple P America
SBIRT Expansion	CBHDA
MAP in NTPs Reimbursement Codes	Alkermes, Inc.
Prop 64 Annual Surveys	Rivas
Homeless Mental Health Crisis Services	Quirk-Silva
ACEs Screening Training, Data Collection, Codes	Arambula, Californians for Safety and Justice, CWDA
MHSA Innovations Grants Timelines	CBHDA
Medi-Cal Rate Increases	
Various Prop 56	CA Medical Association
Breast Pump Medi-Cal Rate Increase	WIC Association
Non-Emergency Medical Trans Rate Increase	CA Medical Trans Assoc.
Subacute Pediatric Services Rate Increase	Sun Valley Specialty Healthcare
ICF DD Rate Freeze	Developmental Services Network
Clinical Labs Reimbursement Methodology	CA Clinical Laboratory Association (Kristi Foy, Mike Arnold), Quest Diagnostics
Durable Medical Equipment Rate Increase	CA Association of Medical Product Suppliers
DME AB 97 Rate Cut Removal	CAMP, NCART, COPA, CRS, CCLA, CSP
Specialty DME Rate Increase	National Coalition for Assistive & Rehab Technology
Blood Factor Reimbursement Methodology	Coalition of Specialty Pharmacies

Proposal:	Proposed By:
CBAS Rate Increase	Waldron, CAADS
Air Ambulance Rate Increase	California AAMS
Rate Increase for Psychologists in Nursing Homes	College Health Enterprises (CHE) Behavioral Health Services
Rate Increase for Hospital-Based Pediatric Physician Services	MEDNAX
Medi-Cal Benefits	
Asthma Home Health and Trigger Remediation	CPEHN, RAMP, Children Now
California Community Transitions Funding	East Bay Innovations
Silver Diamine Flouride Benefit	CDA
Additional Position for CCS Audiology	CA Academy of Audiology, Mullin
Optional Medi-Cal Benefits	WCLP
Optional Medi-Cal Benefits (Opotmetric)	California Optometric Association
Optional Medi-Cal Benefits (Podiatry)	Flora, CA Podiatric Medical Association
Medi-Cal Benefits for Postpartum Women	Eggman, ACOG
Medical Interpreters Pilot Program	AFSCME
Assisted Living Waiver Expansion	Kalra, Nazarian
Peg Taylor ADHC Camp Fire Damage	Gallagher
Coverage Expansion/Eligibility	
Health Navigators/Enrollers	CPEHN, MCHA, CHC
Health Navigators/Enrollers	CCHI
Aged and Disabled Eligibility	Arambula, Wood, Western Center on Law and Poverty
WIC Express Lane Eligibility	Children's Advocates
Health4All	Arambula, Bonta, Latino Leg Caucus, Health Access, CIPC
AB 85 Yolo County Amendment	Aguiar Curry
Eliminate Medi-Cal Assets Tests	Ting
Other	
PACE Modernization Act	CalPACE
AB 1629 Reauthorization Delay & Stakeholder Process	SEIU
Caregiver Resource Centers	Association of California Caregiver Resource Centers
High Cost Drug DRG Carve-Out TBL	CA Children's Hospital Association
Hospital Improvements with Prop 55 Funds	CHA & Other Hospital Groups

Proposal:	Proposed By:
Seed Funding for Office of School Based Health at CDE	Teachers for Healthy Kids, CTA, others
Virtual Dental Home Language	The Children's Partnership & West Health
Medi-Cal E Consult Services	Wood (Marissa Kraynak)
Covered CA	
Affordability Proposal	Health Access
Single Premium Invoices	Health Access
High Deductible Health Plans Actuarial Value	Health Access
DPH	
California Safe Cosmetics Program	Breast Cancer Prevention Partners
Healthy Brain Initiative	Limon, Alzheimer's Association
TBL that allows funding for alzheimer's question on BRFS	Alzheimer's Association
Public Health Local Infrastructure Funding	CHEAC, HOAC
Hypertension	American Heart Association
STD Prevention Funding and Trailer Bill	AIDS Healthcare Foundation, Essential Access Health
Hepatitis C Prevention Funding	California Hepatitis Alliance
HIV Prevention Funding	California HIV Alliance
LBQ Women's Health	LA LGBT Center-led Coalition
End the Epidemics Task Force	Coalition, Chiu
Peer Navigators in Harm Reduction Programs	Drug Policy Alliance
Ongoing Funding for Harm Reduction Supplies Clearning House	Drug Policy Alliance
Little By Little Literacy Program	Heluna Health
Farmworker Health Study	California Rural Legal Assistance Foundation
Funding for Disease Outbreaks Among Homeless	Santiago
Sickle Cell Disease Clinics Budget Request	Gipson
Parkinson's Disease Registry	Nazarian
Research RFP on Liquid Sugar	Public Health Advocates
Sugar Sweetened Beverage Awareness Campaign	Public Health Advocates
Valley Fever Institute at Kern Medical	Salas
Offices of Youth Development and Diversion Pilot Program	Chu

Proposal:	Proposed By:
OSHPD	
WET Funding for Next 5-Year Plan	CBHA, BHPC,MFTs,
Mental Health Practitioner Education Fund grants for former foster youth	Stone, Journey House
UCI Primary Care Psych Fellowship Funding	CA Psych Association
Song Brown Funding for Pediatric Residency Programs	Children's Hospitals Association
OSHPD Public Use Data TBL	SEIU
Funding for Health Care Workforce	Salas, Latino Leg Caucus
Primary Care Student Loan Repayment Program	Flora
SUD Workforce Funding	California Consortium of Addiction Programs and Professionals
Psychiatric Student Loan Repayment Program	Maienschein
MHSOAC	
MHSA Funds for Commission Work	O'Donnell, OAC
Youth Drop-In Centers	Gipson
Mental Health Disparities Reduction Efforts	Ting, CPEHN Coalition
CHHS	
CalQualityCare.org Website Support	Nazarian, Charlene Harrington
Office of Healthy and Safe Communities	Garcia, E., RYSE Center
CHFFA	
Community Clinic Vision Integration Project	California Optometric Association
DSH	
Patton State Hospital Crisis Stabilization Unit	Ramos

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