

AGENDA, PART 1 ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER GILBERT CEDILLO, CHAIR

**TUESDAY, MAY 18, 1999
STATE CAPITOL, ROOM 447
2:00 P.M.**

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CONSENT CALENDAR

4260 DEPARTMENT OF HEALTH SERVICES

ISSUE 1: CHLAMYDIA PREVENTION

This letter requests \$1.3 million General fund to contract with local health departments to provide messages about Chlamydia screening and prevention to the community, and to conduct community outreach designed to bring screening and treatment to groups not currently accessing these services.

ISSUE 2: FOSTER CARE IMPROVEMENTS TO ACCESSING HEALTH CARE

This letter requests \$234,000 (\$117,000 General Fund) and three positions to conduct a comprehensive review of Medi-Cal services for children in foster care, to develop proposals, and to make recommendations for healthcare delivery for foster children.

4300 DEPARTMENT OF DEVELOPMENTAL SERVICES

ISSUE 3: DEVELOPMENTAL CENTER POPULATION ADJUSTMENTS

The May Revise includes an increase of \$21.1 million General Fund, a decrease of \$8.6 million in reimbursements, and an increase of 204 personnel years to reflect a higher than anticipated DC population in the budget year. The department estimates there will be 192 DC clients over the January estimate.

ISSUE 4: DEVELOPMENTAL CENTER STAFFING AUGMENTATION

This finance letter requests an increase of \$447,000 General Fund, and a decrease of \$481,000 in reimbursements. This amount is needed to adjust the second year staffing augmentations to reflect changes in the DC population estimate.

ISSUE 5: DEVELOPMENTAL CENTER CERTIFICATION

All of the state developmental centers have been found by HCFA to have significant compliance issues. The Agnews Developmental Center was decertified in March. The May Revise requests \$27.6 million to implement a plan to re-certify Agnews and maintain certification in the other DCs. The plan includes the following components.

May Revise DC Certification Initiative		
	GF	Total
Consultant Contracts. Funding to contract for consultants to assist with certification issues.	\$76	\$1,000
Acceleration of Staffing Augmentation. Provides funding to fund the third year of the four-year staffing augmentation plan.	1,005	10,400
Recruitment and Retention Bonuses. Provides \$6.2 million for recruitment and retention bonuses at Agnews, and \$10 million for employee bonuses in the remaining DCs.	1,210	16,200
Total	\$2,291	\$27,600

ISSUE 6: NAPA STATE HOSPITAL FORENSIC PROGRAM CLOSURE

This finance letter proposes a reduction of \$0.923 million (\$40,000 General Fund) to adjust for a delay in the timeline for transferring clients out of Napa State Hospital. The delay results in reduced costs associated with relocation of client's belongings, staff training and per diem, and other related costs.

ISSUE 7: EXPANSION OF FORENSIC BED CAPACITY AT PORTERVILLE

The May Revise includes \$4.8 million General Fund to add up to 120 additional secured licensed beds at the Porterville Developmental Center. The request includes funding to 1) reconfigure the perimeter fence to enclose four additional buildings, 2) increase guard towers, fire access roads, and electronic surveillance, and 3) upgrade the existing Day Training Activity Center building, and increase the personal alarm system.

ITEMS TO BE HEARD

4260 DEPARTMENT OF HEALTH SERVICES

ISSUE 8: LONG TERM CARE

The subcommittee has been asked to consider providing a set-aside for nursing home issues.

BACKGROUND:

The overall objective is to provide better quality nursing home care. One key issue that must be addressed as part of any nursing reform package is staffing, and staff wages. In the nursing homes, staff are generally paid low wages to perform difficult work. This leads to high turnover, which in turn negatively impacts the quality of care. Other issues that have been raised relate to staffing standards, and the method for calculating the number of hours per patient day for aides, nursing assistants, orderlies and licensed nurses. With regard to these two issues it has been proposed that the subcommittee 1) provide a rate increase for long term care and require that it be used for wage increases, and 2) require all skilled nursing facilities to meet a staffing standard of 3.2 hours per patient day.

COMMENTS:

- The Governor's budget includes a 1 percent Medi-Cal rate increase (\$14 million) for long term care services.

ISSUE 9: BREAST CANCER EARLY DETECTION PROGRAM CASELOAD

This finance letter requests an increase of \$1.9 million (\$1.4 million Prop 99, \$0.5 million Breast Cancer Control Account) to fund caseload growth and increased costs in the Breast Cancer Early Detection Program (BCEDP).

BACKGROUND:

The BCEDP provides breast cancer screening services to low income (under 200 percent of the federal poverty level) at-risk women 40 years of age and older.

Last year, the subcommittee rejected the former Governor Wilson's proposal to use Proposition 99 funds. However, it has been forwarded again by Governor Davis. On April 5th, this subcommittee once again shifted funding for BCEDP from Prop 99 back to the General Fund.

COMMENTS:

- A General Fund augmentation of \$1.4 million is required to be consistent with the previous action by this subcommittee to support BCEDP using General Fund monies.

ISSUE 10: PROPOSITION 99

The May Revise proposal for Proposition 99 is discussed below.

BACKGROUND:

Overall, the May Revision makes only minor changes to the Proposition 99 allocations presented in the Governor's January budget. The BCEDP was augmented by \$500,000 from the Breast Cancer Control Account. Also proposed is budget bill language requiring the department to pursue federal waivers to seek matching funds for breast cancer screening services and for the Access for Infants and Mothers Program.

The table below compares Assembly actions taken to date to the proposed May Revise.

Assembly Budget Compared to the May Revise			
	Assembly	Governor	Difference
Breast Cancer Early Detection Program	0	\$14,941	-\$14,941
Clinic Grants	13,653	7,653	6,000
CHIP	89,933	83,483	6,500
Rural Health Services/CMSP	3,456	2,456	1,000

Restricted Reserves. The budget maintains a restricted reserve of \$32.5 million for potential liability related to outstanding lawsuits. Should the subcommittee allocate these reserves within the Proposition 99 Health Education Account?

COMMENTS:

- Stakeholders feel that CHIP/RHS has taken a disproportionate share of the Proposition 99 reductions throughout the years and that this should be taken into consideration when taking actions on Proposition 99.

ISSUE 12: AFFORDABLE MEDICATIONS FOR SENIORS

The subcommittee has been asked to provide \$4.5 million (General Fund) to establish a program to subsidize the cost of medications for seniors without pharmacy benefits.

BACKGROUND:

A recent report found that, on average, seniors without pharmacy coverage pay twice as much, and in some cases 15 times more, than HMOs and other major buyers. The study also noted that California seniors suffered the highest price differential in the country at 123 percent.

Under the proposal, the Department of Health Services would establish, publicize, and implement a state-run purchasing pool to secure for low income seniors without pharmacy benefits the same steep drug discounts that are currently available to HMOs and government agencies.

COMMENTS:

- Assembly member Gallegos has introduced a bill (AB 757) to establish the Pharmaceutical Assistance Cooperative for the Elderly (PACE) program.

ISSUE 13: SANTA SUSANA TO CALEPA

This finance letter proposes a technical adjustment to shift funding (\$150,000 General Fund) for the Santa Susana Field Lab Study from the Department of Health Services to the CalEPA.

BACKGROUND:

In 1959, a serious nuclear accident involving a reactor occurred at the Santa Susana Field Lab. Thirty years later, environmental reports began identifying radioactive and chemical contamination of the soils. In 1990, the Legislature commissioned a study of workers at the lab found that workers with higher lifetime exposure to radiation had increased risks of cancer. In 1997, the Santa Susana Advisory Panel, recommended a follow-up study to examine the health effects of the nuclear accident on the neighboring community. The Governor's budget includes funding for this budget, but it has been determined that oversight of the study best resides with the CalEPA.

COMMENTS:

- This is a technical adjustment.

ISSUE 14: CLINIC GRANTS FOR DENTAL CAPITAL

The subcommittee has been asked to provide funding for dental capital grants to community health clinics.

BACKGROUND:

The community health clinics provide services to many of the state low income and uninsured patients. Unfortunately, they often do not have the capacity to meet the full demand for services in their area. Dental care is an area where there is a tremendous demand in the clinics, but for which the infrastructure is lacking. As a result, dental health services must be rationed out to children and adults with the most severe problems.

COMMENTS:

- The subcommittee held open this issue in a previous hearing.

4300 DEPARTMENT OF DEVELOPMENTAL SERVICES

ISSUE 15: RC CCF RATE INCREASE AND SSI/SSP PASS THROUGH

This finance letter requests \$16.96 million (\$3.56 million General Fund) to provide a three percent across the board rate increase for community care facilities (CCFs) effective July 1, 1999, as well as a pass through of any SSI/SSP increase for calendar year 2000.

BACKGROUND:

According to the department, approximately 25,000 people with developmental disabilities reside in over 4,500 CCFs statewide. The rate increases are needed to keep up with increases in the cost of providing services. Without rate increases, CCFs may be forced to reduce costs in areas that directly impact patient care.

COMMENTS:

- The Legislature provided a similar rate increase last year.

ISSUE 16: NORTHERN CALIFORNIA SEVERE BEHAVIOR BEDS

This finance letter requests \$6.9 million (\$8.4 million General Fund, and a reduction of \$1.49 million in reimbursements).

BACKGROUND:

This funding will allow the department to negotiate and execute a long-term lease for approximately 80 intermediate care facility beds for persons with severe behavioral issues in Northern California. This would be a state-operated facility that would be leased for a fifteen-year term.

COMMENTS:

- According to the department, this request is needed due to a serious shortage of beds for this population in the Northern part of the state.

ISSUE 17: REGIONAL CENTER MAY REVISION ESTIMATE

The May Revise includes a net increase of \$8.37 million (reimbursements, and special funds) for the regional centers in the budget year.

BACKGROUND:

- The regional center population is projected to be 153,600 by June 2000, an increase of .3 percent over the 1999-00 Governor's budget.
- The estimate includes an update of the number of regional centers, which are projected to be certified to receive federal funding under the Home and Community Based Services Waiver,
- Provides for a rate increase for Early and Periodic Screening, Diagnosis and Treatment nursing staff, and
- Includes \$1.5 million for one-time Wellness Projects.

COMMENTS:

- The subcommittee previously provided \$1.5 million (Program Development Fund) for Wellness Projects.

ISSUE 18: CLIENT'S RIGHTS ADVOCACY

The budget includes \$550,000 to implement an interagency agreement with the Organization of Area Boards for the provision of Client's Rights Advocacy Services.

BACKGROUND:

The subcommittee has been asked to augment the budget for Client's Rights Advocacy Services, as the amount budgeted is not sufficient to meet the cost associated with the program in the budget year.

COMMENTS:

- An increase of \$340,000 has been requested.