

Assembly Budget Subcommittee No. 1 on Health and Human Services
Assemblymember Patty Berg, Chair
January 31, 2008
State Capitol, Room 4202

Overview of Governor's Budget-Balancing Reduction (BBR) Proposals

BBR's available on DOF website at www.dof.ca.gov/budget/historical/2008-09/documents/BBR_0809.pdf

General FunThousands)

DOF Unique Identifier	BBR page #	Department	Title	2007-08 Savings	2008-09 Savings	ed Legislative Action	Comments
Local Assistance--Medi-Cal Eligibility and County							
93	None	4260-Health Care Services	Delay First Quarterly Payment to Counties for Medi-Cal Administration	(0)	(164,300)	None	Cash-flow only. One-time delay of August 2008 payment to September 2008.
117	308	4260-Health Care Services	Reinstate Quarterly Status Reports for parents	(0)	8,620	SSTBL	Equal loss of federal match. Imposing quarterly reporting increases savings from current mid-year reporting by 4.9%. Some of the savings in managed care payments from disenrollment of low-use

118	310	4260-Health Care Services	Eliminate Continuous Eligibility for Children and Restore Quarterly Status Reports	(0)	83,532	SSTBL/SP A	Equal loss of federal match. Savings based on 157,000 average monthly reduction in children enrolled in Medi-Cal because their families do not return the child's quarterly status report. The affected children are in child-only eligibility categories that do not now have a mid-year reporting requirement. No funding is provided for county administration.
119	312	4260-Health Care Services	Reduce CCS Case Management by 10%	(0)	3,600	SSTBL	Loss of \$5.4 million federal match. Reduces funding that supports 1,700 county positions that provide case management for CCS Medi-Cal children.

120	314	4260-Health Care Services	Reduce EPSDT Case Management by 10% in Local Child Health and Disability Prevention (CHDP) Programs	(0)	1,100	08-09 Budget	Loss of \$1.9 million federal funds. Reduces counties' ability to ensure that children receive followup treatment for conditions identified in CHDP screening exams.
121	318	4260-Health Care Services	Elimination of CNI-Based COLA to Counties	(0)	22,400	SSTBL	Equal loss of federal funds. Correct savings is \$22.474 million per Medi-Cal Estimate. Counties would have to absorb increased employee and operating costs or reduce services, which could reduce the timeliness and accuracy of eligibility determinations and possibly expose the state to federal penalties. SSTBL suspends COLAs until DOF determines that sufficient funds are available.

122	320	4260-Health Care Services	Reduce Funding provided to Support Staffing for Caseload Growth Workload	(0)	33,400	SSTBL	Equal loss of federal funds. Correct savings is \$33.489 million per Medi-Cal Estimate. Counties would have to absorb increased employee and operating costs or reduce services, which
123	322	4260-Health Care Services	Reduce County Administration Base Funding by 2.5%	(0)	15,300	SSTBL	Equal loss of federal funds. Counties would have to absorb increased employee and operating costs or reduce services, which could reduce the timeliness and
	336	4260-Health Care Services	Children's Medical Services (CMS) Branch Support Reduction	(0)	1,270	08-09 Budget	Equal loss of federal funds. Eliminates 23 positions (out of 137.5) and closes San Francisco Regional Office. 10% reduction in Newborn Hearing
	346	4260-Health Care Services	Primary and Rural Health Division-- Program Staff Reduction	(0)	108	08-09 Budget	10% cut eliminates 1.5 positions. General Fund only.
State Operations							
	351	4260-Health Care Services	Summary-- Administration and Executive Support	(0)	182	--	Summary of reductions below. Equal loss of federal funds. 5.9% reduction to workload budget.

	352	4260-Health Care Services	Information Technology Services	(0)	(54)	08-09 Budget	Eliminates 1 of 11 positions.
	353	4260-Health Care Services	Information Technology Services--Standup Website Contractor	(0)	(23)	08-09 Budget	Reduction in contract for IT intranet site for DHCS project authorization and initiation.
	356	4260-Health Care Services	Information Technology Services--Governance Study Contractor	(0)	(47)	08-09 Budget	Eliminates follow-up contract to assist in improving IT governance at DHCS.
	358	4260-Health Care Services	Out-of-State Travel	(0)	(27)	08-09 Budget	Audits and Investigations Division will consolidate some travel.
	359	4260-Health Care Services	Payroll and Benefits Services Unit	(0)	(31)	08-09 Budget	Elimination of 1 position reflects reduced workload from other proposed staffing reductions totaling 245.
	182	4260-Health Care Services	Summary--Medi-Cal State Operations	(0)	#####	08-09 Budget	Summary of reductions below. \$7.7 million loss of federal funds. 113.3 positions eliminated. 5.3% General Fund reduction. Third-Party Liability
	184	4260-Health Care Services	Pharmacy Benefits Division--clerical support	(0)	(35)	08-09 Budget	Cut 1 position.
	186	4260-Health Care Services	Pharmacy Benefits Division--Data Unit Staff	(0)	(104)	08-09 Budget	Cut 2 positions.

	188	4260-Health Care Services	Pharmacy Benefits Division--Policy Staff	(0)	(46)	08-09 Budget	Cut 1 position. Enhanced federal match.
	190	4260-Health Care Services	Pharmacy Benefits Division--Enteral/Medical Supply Benefit Staff	(0)	(46)	08-09 Budget	Cut 1 position. Enhanced federal match.
	192	4260-Health Care Services	Utilization Management Division--Program Support	(0)	(134)	08-09 Budget	Cut 2 positions and contract funds for student assistants.
	194	4260-Health Care Services	Utilization Management Division--Treatment Authorization and Quality Assurance Unit	(0)	(395)	08-09 Budget	Loss of \$719,000 federal match. Deletes 5 Nurse Evaluators, 1 Medical Consultant, and 2 additional positions who review provider
	196	4260-Health Care Services	Safety Net Financing Division--Hospital Audits	(0)	(46)	08-09 Budget	Cut 1 auditor position.
	198	4260-Health Care Services	Safety Net Financing Division--DSH Eligibility and Payment Processing Staff	(0)	(90)	08-09 Budget	Cut 2 positions
	200	4260-Health Care Services	Safety Net Financing Division--Hospital Payment Processing Staff	(0)	(45)	08-09 Budget	Cut 1 accounting position related to payments to hospitals for capital project debt costs.
	202	4260-Health Care Services	Eligibility Division--Policy Unit C	(0)	(37)	08-09 Budget	Cut 1 position that provides policy guidance to counties.
	204	4260-Health Care Services	Eligibility Division--Policy Unit C	(0)	(264)	08-09 Budget	Cut 4 positions related to eligibility determination for the Breast and Cervical Cancer Treatment Program.

	206	4260-Health Care Services	Eligibility Division--County Performance Reviews	(0)	(263)	08-09 Budget	Cut 6 (of 16) positions. Reduces DHCS ability to enforce and oversee county Corrective Action Plans and eligibility
	208	4260-Health Care Services	Eligibility Division--Policy Section B	(0)	(99)	08-09 Budget	Cut 2 staff related to implementation of federal Deficit Reduction Act of 2005
	210		Benefits, Waiver Analysis, and Rates Division--Navigant and Myers & Stauffer Contracts	(0)	(360)	08-09 Budget	Cuts funding by 50% for consultant work on rate studies
	212		Systems of Care Division--Disease Management Pilot Projects	(0)	(194)	08-09 Budget	Cut 2 positions. Projects focus on Atherosclerosis, Asthma, Diabetes, Coronary Artery Disease, Heart
	214		Benefits, Waiver Analysis, and Rates Division--Provider Rate Branch Staff	(0)	(161)	08-09 Budget	Cut 3.3 (of 6) positions in the Rate Analysis Unit.
	216		Benefits, Waiver Analysis, and Rates Division--Waiver Analysis Section Staff	(0)	(90)	08-09 Budget	Cut 2 positions that perform administrative oversight regarding Home and Community Based Services waivers.

	218		Long-Term Care Division-- Developmental Services Waiver Oversight Staff	(0)	(130)	08-09 Budget	Cut 3 positions. Receives enhanced federal match. Reduces DD waiver oversight and technical support and may put federal funding at risk according to the BBR.
	220		Long-Term Care Division--Community Options Monitoring and Assessment Unit Staff	(0)	(99)	08-09 Budget	Cut 3 positions and reduce coordination, review and technical assistance for the Multipurpose Senior Services Program with
	222		Long-Term Care Division--California Partnership for Long-Term Care Unit	(0)	(50)	08-09 Budget	Cut 1 position (of 6).
	224		Long-Term Care Division--In-Home Operations Quality Assurance Unit	(0)	(81)	08-09 Budget	Cut 2 staff related to administration of the In-Home Operations and the Nursing Facility/Acute Hospital home and community-based services waivers.
	226		Long-Term Care Division--In-Home Operations Northern Case Management Unit	(0)	(34)	08-09 Budget	Cut 1 position (of 16). Loss of \$85,000 federal funds. Reduces case management resources for HCBS waivers.

	228		Long-Term Care Division-EPSDT TAR Processing Staff	(0)	(33)	08-09 Budget	Cut 1 position (of 6). May slow processing of requests for reauthorization of private duty nursing or pediatric day health care services to Medi-Cal beneficiaries under age 21. Loss of \$82,000 federal funds.
	230		Long-Term Care Division-Headquarters Clerical Staff	(0)	(62)	08-09 Budget	Cut 2 positions (of 6).
	232		Long-Term Care Division-In-Home Operations Southern Regional Office	(0)	(32)	08-09 Budget	Cut 1 clerical position.
	234		Long-Term Care Division-In-Home Operations Southern Regional Office	(0)	(99)	08-09 Budget	Cut 3 positions (13% staff reduction) for case management.
	236		Health Insurance Portability and Accountability Act (HIPAA) Security Measures	(0)	(482)	08-09 Budget	10% cut in consultant contract funding to assist DHCS in improving compliance with HIPAA security efforts. All General Fund.

	238		Managed Care Division--Support Contract Budget	(0)	(687)	08-09 Budget	12% cut to contract budget. \$600,000 unallocated, \$50,000 to UC Davis translation services contract, and \$37,000 for CSU Sacramento student assistants. May reduce ability to develop and refine managed care rates and reduced access to translation services for the department's programs.
	240		Managed Care Division--UC Berkeley Seniors and Persons with Disabilities Outreach Contract	(0)	(250)	08-09 Budget	50% reduction. Contract expires in 09-10. BBR indicates that a 25% increase in SPD voluntary managed care enrollment that was forecast from this project will not occur with the cut, but does not identify any loss of savings or explain what will be accomplished with the remaining funds.

	242		Managed Care Division--Managed Care Expansion Section Staffing	(0)	(59)	08-09 Budget	Cut 1 of 8 positions working on expanding Medi-Cal managed care to 13 additional counties.
	244		Managed Care Division--Operations Support Staff	(0)	(36)	08-09 Budget	Cut 1 of 15 positions.
	246		Managed Care Division--Policy and Financial Management Branch Staff	(0)	(30)	08-09 Budget	Cut 1 of 83 positions.
	248		Managed Care Division--Plan Monitoring and Program Integrity Branch Staff	(0)	(49)	08-09 Budget	Cut 1 of 8 positions.
	250		Managed Care Division--Plan Monitoring and Program Integrity Branch Staff	(0)	29	08-09 Budget	Cut 1 position--reduces clerical support for the branch by 50%.
	252		Managed Care Division--Member Rights Monitoring Unit Staff	(0)	(89)	08-09 Budget	Cut 3 of 10 positions.
	254		Fiscal Intermediary and Contract Oversight Division--Headquarters Management Branch Contracts	(0)	(48)	08-09 Budget	Cut contract funds by about 2/3. Loss of enhanced federal match.
	256		Fiscal Intermediary and Contract Oversight Division--Information Technology Branch Staff	(0)	(415)	08-09 Budget	Cut 14 of 53 positions to reflect oversight workload reduction from reduction in the Fiscal Intermediary Systems Group contract staffing BBR p. 324). Loss of 3-to-1 federal match.

	258		Fiscal Intermediary and Contract Oversight Division-- Project Management Branch Staff	(0)	(188)	08-09 Budget	Cut 4 of 17 positions developing the request for proposals for the replacement and enhancement of the California Medicaid Management Information System (CA-MMIS).
	260		Fiscal Intermediary and Contract Oversight Division-- Headquarters Management Branch Staff	(0)	(79)	08-09 Budget	Cut 2 (of 23) contract administration positions.
	262		Fiscal Intermediary and Contract Oversight Division-- Healthcare Options Section Staff	(0)	(187)	08-09 Budget	Cut 5 (of 18) positions overseeing the Health Care Options contractor's operation of the Medi-Cal managed care enrollment and disenrollment processes.
	264		Fiscal Intermediary and Contract Oversight Division-- Dental Services Branch Staff	(0)	(133)	08-09 Budget	Cut 3 (of 21) positions. Loss of enhanced federal match. BBR does not state whether this reduction is related to the elimination of adult dental benefits.
	266		Fiscal Intermediary and Contract Oversight Division-- Operations Management Branch Staff	(0)	(76)	08-09 Budget	Cut 2 (of 34.5) positions that monitor provider payment systems.

	268		Fiscal Intermediary and Contract Oversight Division-- Payment Systems Office Staff	(0)	(59)	08-09 Budget	Cut 2 (of 7) applications development staff. Loss of 3-to-1 federal match.
	270		Systems of Care Division--Medical Case Management Staff	(0)	(548)	08-09 Budget	Cut 10 of 102 positions. Positions eliminated are support. Nurse case managers would have to absorb support functions.
	272		Fiscal Intermediary and Contract Oversight Division-- California Discount Prescription Drug Program Staff	(0)	(117)	08-09 Budget	Cut 1 (of 2) information systems analysts overseeing contractor. General Fund only.
	274		Pharmacy Benefits Division-- California Discount Prescription Drug Program Staff	(0)	(73)	08-09 Budget	Cut 1 administrative support position for the Branch Chief. General Fund only.