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4260**Department of Health Care Services (DHCS)**

Issue	Description	Difference (dollars in thousands)	Conference Action
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4260-101-0001 Medi-Cal Program, Department of Health Care Services

211	Modify Governor’s Physician Services “Hard Cap” to be a “Soft Cap” at 7 visits.	-\$44,866 TBL	
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Both Houses rejected Governor’s proposal to institute “hard cap” of 10 office visits per year for certain Medi-Cal enrollees for reduction of \$392.9 million (\$196.5 million GF). Due to fiscal crisis, an alternative of a “soft cap” at 7 visits is proposed for a reduction of \$89.7 million (\$44.9 million GF).

This “soft cap” would apply to Adults. Children (21 years and under), pregnant women, and residents in Long-Term Care facilities are exempt. “Soft cap” would apply to both Medi-Cal Fee-for-Service and Managed Care plans. It affects outpatient primary care and specialty care provided under the direction of a Physician in the following settings:

- Hospital Outpatient Department;
- Outpatient Clinic;
- Federally qualified Health Centers (FQHCs);
- Rural Health Centers; and
- Physician Offices.

All visits above 7 would be subject to Physician “self-certification” that they are medically required. The savings level assumes that 15 percent of the visits above 7 would *not* be certified. An October 1, 2011 implementation date is assumed.

Issue	Description	Difference (dollars in thousands)	Conference Action
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4260-101-0001 Medi-Cal Program, Department of Health Care Services

New	Technical Adjustment to 10% Provider Rate Reduction Regarding Long-Term Care Adjustment.	-\$39,100	
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Both Houses adopted the Governor’s 10 percent reduction in Medi-Cal Provider Payments, including Long-Term Care services.

The Administration has identified a technical adjustment related to the Governor’s 10 percent Medi-Cal Provider Payment reduction. This technical adjustment would provide an additional \$39.1 million (GF) in savings pertaining to Distinct-Part Nursing Facilities, Rural Swing Beds, Distinct Part Subacute and Pediatric Subacutes.

Without this technical adjustment, these specific facilities would be receiving an average reimbursement increase of 4.31 percent for 2010-11 and 4.76 percent for 2011-12, while other Medi-Cal providers would be experiencing a 10 percent reduction.

The intent of the Administration was to also reduce these facilities.

4260**Department of Health Care Services**

Issue	Description	Difference (dollars in thousands)	Conference Action
4260-101-0001	Medi-Cal Program, Department of Health Care Services		
New	Maximize Federal Funds Through Use of Emergency Medical Services Fund.	-\$55,000	
	Existing law authorizes collection of assessments on certain traffic and criminal violations, and revenue from traffic school fees. These funds are deposited in the Emergency Medical Services Fund (known as the “Maddy Fund”). These funds are used to compensate physicians and hospitals that provide emergency medical services to the uninsured and cannot pay for their medical care. This fund does <i>not</i> presently obtain a federal match.	\$55,000 Special Fund	
	To maximize federal funds, and offset \$55 million in General Fund support in Medi-Cal, the State could direct the use of the Emergency Medical Services Fund for expenditure in the Medi-Cal Program, where the State would obtain a federal match of \$55 million (federal funds).		
	Under the State’s recently approved 1115 Medicaid Waiver, uncompensated care provided by physicians and hospitals will be less since Counties are able to obtain a federal match for their low-income, uninsured adult programs.		
	Therefore, federal funds are being maximized to a full extent.		

Issue	Description	Difference (dollars in thousands)	Conference Action
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4265-001-0236 State Support, Department of Public Health (DPH)

New	Conforming Action: Delete State Support and Shift Special Fund to Backfill for GF Support in Medi-Cal.	-\$1,202 Prop 99	Unallocated
	Both houses deleted 5 positions and \$965,000 (GF) from the County Health Services Branch within the DPH since the programs administered by this Branch no longer exist.		Shift to DHCS as GF reduction
	Additional information has revealed that 7.3 positions and \$1.2 million (Proposition 99 Funds, Unallocated Account) are remaining in the County Health Services Branch which could be deleted as a conforming action. These positions are no longer necessary for the purpose in which they were established. Further, other federal fund positions are being established within the DPH for which existing employees may apply for transition.		
	The available \$1.2 million (Proposition 99 Funds, Unallocated Account) can then be appropriated in the Medi-Cal Program, administered by DHCS, and serve as General Fund backfill for a savings of \$1.2 million (GF).		

4300**Department of Developmental Services****Issue****Description****Difference**
(dollars in thousands)**Conference Action****4300-Various Department of Developmental Services**

New	Additional System-Wide Adjustment to Developmental Services.	-\$50,000 Across items
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Both Houses adopted a system-wide reduction of \$527.2 million (GF) to Developmental Services through a series of reductions and adjustments to community-based services as well as the State Developmental Centers.

The Governor proposed a system-wide reduction of \$750 million (GF).

Due to the fiscal crisis, an additional reduction of \$50 million (GF) from the Conference Budget Bill (SB 69) is proposed as follows:

- Delete \$2.7 million (GF) for capital outlay project at Sonoma Developmental Center for medical gases;
- Reduce by \$15 million (GF) from State Developmental Centers by further adjusting for population decreases, program consolidations, and related factors;
- Reduce by \$8 million (GF) the Prevention Program; and
- Reduce by \$24 million (GF) by increasing the Purchase of Services adjustment (for a total of \$174 million GF).

Issue	Description	Difference (dollars in thousands)	Conference Action
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1920-011-0001 California State Teachers' Retirement System (CalSTRS)

2011-12 State Contribution.

Governor proposed an estimated 2011-12 state contribution to CalSTRS of \$1.35 billion GF. Included in that total is \$141.9 million for Education Code Section 22955(b) payment obligations.

Senate
\$1,350,000
GF

Senate approved as budgeted.

Assembly
\$1,350,000
GF

Assembly approved as budgeted.

Difference
\$0

On March 1, 2011, the LAO reported that CalSTRS informed the LAO that CalSTRS' interprets the timing requirements of Education Code Section 22955(b) in a manner that reduces the state's 2011-12 payment obligation to CalSTRS by \$35.5 million, as compared to the amount included in the Governor's budget.

The Governor's budget assumes a July 1, 2011, start date for the state's Section 22955(b) payment obligation, followed by three additional quarterly payments in 2011-12. CalSTRS' interpretation of Section 22955(b) is that the payments are not required to start until October 1, 2011.

1100	California Science Center	Difference (dollars in thousands)	Conference Action
Issue	Description		

1100-001-0001 California Science Center

000	Office of Exposition Park Management	Senate	
	Governor had no proposed trailer bill language.	TBL	
	Senate adopted trailer bill language to eliminate the Office of Exposition Park Management.	Assembly	
		TBL	
		Difference	
	Assembly adopted trailer bill language to eliminate the Office of Exposition Park Management.		