

HEALTH AND HUMAN SERVICES

The Health and Human Services Agency oversees departments and other state entities such as boards, commissions, councils, and offices that provide health and social services to California's vulnerable and at-risk residents.

The Budget includes total funding of \$136.7 billion (\$29.6 billion General Fund and \$107.1 billion other funds) for all programs overseen by this Agency.

DEPARTMENT OF HEALTH CARE SERVICES

The Department of Health Care Services (DHCS) administers Medi-Cal, California's Medicaid program, which is a public health insurance program that provides comprehensive health care services at no or low cost for low-income individuals including families with children, seniors, persons with disabilities, children in foster care, and pregnant women. DHCS also administers California Children's Services, Primary and Rural Health program, Family PACT, Every Woman Counts, and Drug Medi-Cal as well as county-operated community mental health programs.

Significant Adjustments:

- Health Care Reform Implementation—The Budget assumes additional Medi-Cal caseload of 2.5 million individuals and costs of \$14.2 billion related to the implementation of the Affordable Care Act. Approximately 825,000 additional people will receive Medi-Cal benefits under the current 50-50 state-federal cost sharing

arrangement, which results in costs of \$1.7 billion (\$766 million General Fund). The federal government is paying nearly 100 percent of the costs of the remaining 1.6 million new individuals in the Medi-Cal program. Total Medi-Cal enrollment is expected to rise from 7.9 million before implementation of the Affordable Care Act to 11.5 million in 2014-15, covering about 30 percent of the state's population.

- **Pregnancy Wrap**—The Budget expands full-scope Medi-Cal services to pregnant women with incomes at or below 138 percent of the federal poverty level and creates an affordability and benefit program for pregnant women with incomes above 138 percent and up to 208 percent of the federal poverty level who enroll in a qualified health plan through Covered California. These changes result in General Fund savings of \$16.6 million in 2014-15.
- **Specialty Drug Supplemental Rebates**—The Budget authorizes DHCS to collect supplemental rebates on certain specialty drugs. These prescriptions will be reimbursed through supplemental payments, specifically high-cost drugs such as Hepatitis C treatments. Collection of the rebates results in General Fund savings of \$6 million in 2014-15 growing to \$31 million annually.
- **Pediatric Vision Services**—The Budget includes \$2 million (\$1 million General Fund) for a pilot program to increase utilization of pediatric vision services. The pilot will utilize qualified mobile vision providers to expand vision screenings and services. Participating mobile vision service providers will work with school districts to provide vision exams and eyeglasses to children enrolled in Medi-Cal managed care plans.
- **Programs for All-Inclusive Care for the Elderly**—The Budget changes the reimbursement methodology for Programs for All-Inclusive Care for the Elderly, resulting in General Fund costs of \$1.8 million in 2014-15 that grow to approximately \$8 million annually. These sites provide comprehensive medical and social services to older adults who would otherwise reside in nursing facilities.
- **Managed Risk Medical Insurance Board Transfer**—Effective July 1, 2014, the Budget transfers the Board and its remaining programs to DHCS.

DEPARTMENT OF SOCIAL SERVICES

The Department of Social Services administers programs that provide services and assistance payments to needy and vulnerable children and adults in ways that strengthen and preserve families, encourage personal responsibility, and foster independence.

Significant Adjustments:

- In-Home Supportive Services Overtime—Pursuant to new United States Department of Labor regulations, the Budget contains \$172.2 million General Fund in 2014-15 and \$354.4 million General Fund ongoing to pay overtime to providers who work in excess of 40 hours per week and for compensation for providers traveling between multiple recipients, wait time associated with medical accompaniment, and time spent on mandatory training. The Budget also includes a statutory framework to maintain quality of care while containing overtime costs.
- CalWORKs Grant Increase—The Budget includes \$46.6 million General Fund for a 5-percent grant increase, effective April 1, 2015. Similar to the 5-percent increase that took effect March 1, 2014, the General Fund will support these costs until sufficient revenues in the Child Poverty and Supplemental Support Subaccount of the Local Revenue Fund are available.
- CalWORKs Homeless Support—The Budget contains \$20 million General Fund to provide funding for families for whom homelessness and housing instability is a barrier to self-sufficiency.
- CalWORKs/CalFresh Drug Felon Eligibility—The Budget includes \$10.6 million General Fund to allow an individual convicted of a drug felony to be eligible to receive CalWORKs and CalFresh benefits effective April 1, 2015 as long as they do not violate the conditions of their parole or probation. Ongoing General Fund costs are \$32.5 million.
- Commercially Sexually Exploited Children Program—The Budget establishes a Commercially Sexually Exploited Children Program, which will include statewide training, the development of local protocols for addressing victims of exploitation, and specialized services. The Budget includes \$5 million General Fund and \$14 million General Fund ongoing for this program.
- Foster Care Payments for Relative Caregivers—Beginning January 1, 2015, the Budget increases payments to relative caregivers of federally ineligible youth in foster care for counties choosing to participate, with a General Fund cost of \$15 million in 2014-15 and \$30 million annually thereafter.
- Community Care Licensing—The Budget includes \$7.5 million (\$5.8 million General Fund) and 71.5 positions for a significant effort to enhance the quality of the Community Care Licensing Program. It provides the Department with new authority to take over a facility and assign a temporary manager in situations of licensee

non-compliance. The Budget also increases facility licensing and renewal fees by 10 percent.

- State Utility Assistance Subsidy—The Budget includes an increase of \$10.5 million General Fund to provide a state-funded energy assistance subsidy for CalFresh recipients. This change was necessary to comply with recent federal changes regarding the minimum energy assistance benefit that must be received by a household in order to access the standard utility allowance. This program increases household monthly food budgets by an average of \$62 for over 320,000 families.

DEPARTMENT OF PUBLIC HEALTH

The Department of Public Health is charged with protecting and promoting the health and well-being of the people in California.

Significant Adjustments:

- AIDS Drug Assistance Program (ADAP)-New Hepatitis C Virus Medications—The Budget includes \$26.1 million federal funds to add two new Hepatitis C virus drugs to the ADAP drug formulary. These drugs provide a significant improvement in treatment, have a better cure rate, and require a shorter treatment duration.
- Black Infant Health—The Budget contains \$4 million General Fund ongoing for the Black Infant Health Program, which addresses disproportionately high rates of preterm births and infant mortalities for black infants in California.
- HIV Demonstration Projects—The Budget includes \$3 million General Fund ongoing for HIV demonstration projects that will address outreach, screening, and care for Californians living with and at risk for HIV.

DEPARTMENT OF DEVELOPMENTAL SERVICES

The Department of Developmental Services provides consumers with developmental disabilities a variety of services and supports that allow them to live and work independently or in supported environments.

Significant Adjustments:

- Community Homes—The Budget includes \$9.3 million General Fund to develop a pilot program for new enhanced behavioral support homes and establish a crisis home model in the community.
- Crisis Centers—The Budget contains \$3.2 million (\$2 million General Fund) and 43.1 positions to improve crisis services at Fairview Developmental Center and establish new crisis services at Sonoma Developmental Center.
- Early Start—Beginning January 1, 2015, the Budget includes \$7.9 million General Fund for the Early Start Program to provide intervention services to more infants and toddlers based on an expanded eligibility criteria.

DEPARTMENT OF STATE HOSPITALS

The Department of State Hospitals administers the state mental health hospital system, the Forensic Conditional Release Program, the Sex Offender Commitment Program, and the evaluation and treatment of judicially and civilly committed and voluntary patients.

Significant Adjustments:

- Restoration of Competency Expansion—The Budget expands the Restoration of Competency Program by up to 55 beds. The program provides for treatment of certain Incompetent to Stand Trial (IST) patients in county jails or community residential treatment facilities rather than inpatient treatment at a state hospital. The Budget includes \$3.9 million General Fund to fund this expansion.
- IST Beds—The Budget contains \$27.8 million General Fund to increase IST bed capacity in the state hospital system by 105 beds to help reduce the number of defendants waiting to be transferred to a state hospital.
- *Coleman* Beds—The Budget includes \$26.3 million General Fund to keep 137 beds active in the psychiatric programs at Salinas Valley and Vacaville to maintain sufficient capacity for the Department to serve *Coleman* patients during the activation of the California Health Care Facility in Stockton.
- Enhanced Treatment Program—The Budget contains \$2.1 million General Fund to design and plan for specialized short-term housing units, totaling approximately 44 beds. These units will house and treat the Department’s most dangerous and violent patients.

HEALTH AND HUMAN SERVICES AGENCY

Significant Adjustment:

- Office of Law Enforcement Support—The Budget contains \$1.4 million (\$787,000 General Fund) and 6 positions to establish the Office of Law Enforcement Support within the Health and Human Services Agency. The Office will develop standardized policies and procedures, improve recruitment and training, and provide centralized oversight and accountability to the law enforcement programs at the Departments of Developmental Services and State Hospitals.