

HEALTH AND HUMAN SERVICES

The Health and Human Services Agency oversees departments and other state entities that provide health and social services to California's vulnerable and at-risk residents.

The Budget includes \$179.6 billion (\$44.8 billion General Fund and \$134.8 billion other funds) for all health and human services programs.

The Budget utilizes \$450 million of the Safety Net Reserve in 2020-21 to prevent reductions that otherwise would occur in California Work Opportunity and Responsibility to Kids (CalWORKs) and Medi-Cal services and benefits.

DEPARTMENT OF HEALTH CARE SERVICES

Medi-Cal, California's Medicaid program, is administered by the Department of Health Care Services. Medi-Cal is a public health care program that provides comprehensive health care services at no or low cost for low-income individuals. The federal government mandates basic services be included in the program, including: physician services; family nurse practitioner services; hospital inpatient and outpatient services; laboratory and radiology services; family planning; and early and periodic screening, diagnosis, and treatment services for children. In addition to these mandatory services the state provides optional benefits, such as outpatient drugs, dental, home and community-based services, and medical equipment. The Department also operates the California Children's Services and the Primary and Rural Health programs, and

oversees county-operated community mental health and substance use disorder programs.

The Medi-Cal budget is \$99.5 billion (\$22.7 billion General Fund) in 2019-20 and \$115.4 billion (\$23.6 billion General Fund) in 2020-21. The 16-percent increase in total fund cost in 2020-21 compared with 2019-20 is generally attributable to the COVID-19 pandemic, including a projected increase in caseload. This increase is associated with higher projected unemployment as well as the temporary suspension of program disenrollment as a condition of receiving the temporary increase in the Federal Medical Assistance Percentage (FMAP). The Budget assumes caseload will peak at 14.5 million in July 2020, or about 2 million above what caseload would have been absent the COVID-19 pandemic. The Budget includes \$898.6 million (\$319.0 million General Fund) in 2019-20 and \$6.9 billion (\$2.4 billion General Fund) in 2020-21 for increased caseload.

Other Significant Adjustments

- **Enhanced Federal Funding**—A decrease of \$5.1 billion General Fund—and corresponding increase in federal funds—associated with the assumed receipt of an enhanced FMAP through June 30, 2021. This includes impacts reflected in the Department of Social Services and Department of Developmental Services budgets for Medicaid-covered services.
- **Nursing Facility Financing**—\$185.6 million (\$92.8 million General Fund) in 2020-21 to extend through December 1, 2022 the financing system for skilled nursing facilities (SNFs), originally established pursuant to Chapter 875, Statutes of 2004 (AB 1629). In addition, the Budget includes a 10-percent rate increase for SNFs assumed to be in effect for four months during the COVID-19 pandemic, at a General Fund cost of \$72.4 million in 2019-20 and \$41.6 million in 2020-21.
- **340B Supplemental Payment Pool**—\$52.5 million (\$26.3 million General Fund) in 2020-21 to provide supplemental payments to specified non-hospital clinics who participated in the federal 340B pharmacy program. These payments grow to \$105 million (\$52.5 million General Fund) in 2021-22 and annually thereafter.
- **Managed Care Efficiencies**—The Budget implements changes to the way that managed care capitation rates are determined. These changes include various acuity, efficiency, and cost containment adjustments. These adjustments would be effective for the managed care rate year starting January 1, 2021, and would yield savings of \$193.6 million (\$63 million General Fund) in 2020-21. The Budget includes a 1.5 percent rate reduction for the July 1, 2019, through December 31, 2020 period, resulting in savings of \$586 million (\$182 million General Fund) in 2020-21. The Budget

also includes a risk corridor for the period of July 1, 2019 to December 31, 2020. The Budget does not implement a maximum fee schedule for inpatient services in the managed care program.

- **Hearing Aids**—\$352,000 General Fund in 2020-21 to administer and establish a program to assist with the cost of hearing aids and related services for children without health insurance coverage in households with incomes up to 600 percent of the federal poverty level, no sooner than July 1, 2021. The Budget assumes ongoing costs of approximately \$15 million General Fund to provide and administer this benefit.
- **Proposition 56 Medi-Cal Investments**—\$1.1 billion Proposition 56 funding for supplemental payments, rate increases, and value-based payments. The Budget also maintains funding for the Physicians' and Dentists' Loan Repayment Program allocated in the 2018 and 2019 Budget Acts. All Proposition 56 programs other than women's health, family planning, and the Loan Repayment Program are subject to suspension on July 1, 2021. The suspension will be lifted if the Administration determines through the 2021 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.
- **Optional Benefits**—The Budget maintains funding for the Community Based Adult Services (CBAS) and Multipurpose Senior Services Program (MSSP). Additionally, the Budget continues ongoing funding for full adult dental services, acupuncture, optometry, nurse anesthetists services, occupational and physical therapy, pharmacist services, and the Diabetes Prevention program.
- **Suspended Programs**—The Budget maintains the suspension framework in the 2019 Budget Act for audiology and speech therapy, incontinence creams and washes, optician and optical lab services, podiatry, screening, brief intervention and referral to treatments for opioids and other illicit drugs in Medi-Cal. The funding will be suspended on December 31, 2021. The suspension will be lifted if the Administration determines through the 2021 Budget process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.
- **Medi-Cal Aged, Blind, and Disabled**—\$135.5 million (\$67.7 million General Fund) to expand Medi-Cal to aged, blind, and disabled individuals with incomes between 123 percent and 138 percent of the federal poverty level and the Medi-Cal Aged, Blind, and Disabled Medicare Part B disregard.
- **Postpartum Mental Health Expansion**—\$34.3 million General Fund to implement the 2019 Budget Act expansion of Medi-Cal to post-partum individuals who are receiving health care coverage and who are diagnosed with a maternal mental

health condition. The increased funding for postpartum care will be suspended on December 31, 2021. The suspension will be lifted if the Administration determines through the 2021 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.

- **County Administration**—An increase of \$67.7 million (\$23.7 General Fund) in 2020-21 relative to the 2019 Budget Act for county eligibility determination activities based on growth in the California Consumer Price Index. The Budget also reflects an increase of \$12.7 General Fund in 2019-20 and matching federal funds approved through the Control Section 36.00 process.
- **Behavioral Health Counselors in Emergency Departments**—The Budget maintains one-time \$20 million General Fund to hire behavioral health providers and peer navigators in emergency departments to screen patients and offer intervention and referral to mental health or substance use disorder programs.
- **Medical Interpreters Pilot Project**—The Budget maintains one-time \$5 million General Fund for the Medi-Cal Interpreters Pilot Project.
- **Medi-Cal Enrollment Navigators**—The Budget maintains one-time \$15 million General Fund for the Medi-Cal Health Enrollment Navigators program.
- **Caregiver Resource Centers**—The Budget maintains \$10 million General Fund in both 2020-21 and 2021-22 for caregiver resource center information technology improvements.
- **Martin Luther King, Jr. Hospital**—The Budget maintains \$8.2 million General Fund for a supplemental payment to this hospital.
- **Dental Managed Care**—The Budget maintains dental managed care in Los Angeles and Sacramento Counties for calendar year 2021.

DEPARTMENT OF SOCIAL SERVICES

The Department of Social Services (DSS) serves, aids, and protects needy and vulnerable children and adults in ways that strengthen and preserve families, encourage personal responsibility, and foster independence. The Department's major programs include CalWORKS, CalFresh, In-Home Supportive Services (IHSS), Supplemental Security Income/State Supplementary Payment, Child Welfare Services, Community Care Licensing, and Disability Determination. The Budget includes \$37.1 billion (\$11.6 billion General Fund) in 2020-21 for the Department.

Other Significant Adjustments

- **CalWORKs Time Clocks**—Statutory changes to establish a single 60-month CalWORKs time limit and allow clients to participate in a greater array of welfare-to-work activities for the entire 60 months, effective May 1, 2022 or when automation is possible. The Budget includes \$2.6 million General Fund/Temporary Assistance for Needy Families (TANF) block grant funding in 2020-21, growing to \$66.2 million General Fund in 2023-24.
- **CalWORKs Single Allocation**—\$2.4 billion General Fund/TANF for counties' CalWORKs Single Allocation which funds employment services, county administration, Stage One child care, and Cal-Learn.
- **CalWORKs Expanded Subsidized Employment**—The Budget maintains \$134.1 million General Fund/TANF for CalWORKs Expanded Subsidized Employment.
- **CalWORKs Outcomes and Accountability Review (Cal-OAR)**—Statutory changes making components of Cal-OAR optional for counties in 2020-21, resulting in a one-time reduction of \$21 million General Fund/TANF.
- **CalWORKs Home Visiting Program**—The Budget includes a one-time reduction of \$30 million General Fund/TANF and continues to serve clients already enrolled in the CalWORKs Home Visiting program.
- **CalFresh Simplifications**—The Budget includes statutory changes that: (1) require state CalFresh verification rules be no more restrictive than federal rules, (2) clarify counties must use the most up-to-date information to determine eligibility, (3) require counties to contact clients electronically and telephonically to collect information for reporting changes, (4) require counties to implement flexible interview scheduling techniques, (5) require DSS create a workgroup to consider reporting structure and submit recommendations to the Legislature, (6) require counties to maximize integrated application for Medi-Cal and CalFresh, including the development and automation of a pre-populated CalFresh application for Medi-Cal recipients, and (7) require the development and automation of a pre-populated semi-annual reporting form. The Budget includes \$27.5 million General Fund in 2020-21 and \$8.4 million annually thereafter for these purposes.
- **IHSS Hours Restoration**—The Budget includes \$410 million General Fund in 2020-21 to avoid 7-percent across-the-board reduction to IHSS service hours. The increased funding for IHSS service hours will be suspended on December 31, 2021. The suspension will not occur if the Administration determines through the 2021

Budget process that there is sufficient General Fund revenue to support all suspended programs.

- **Conform IHSS Residual Program to Timing of Medi-Cal Coverage**—Savings of \$72.6 million General Fund ongoing by conforming use of the IHSS Residual Program to the timing of Medi-Cal coverage.
- **IHSS County Administration**—The Budget includes ongoing savings of \$12.2 million ongoing to freeze IHSS county administration funding at the 2019-20 level.
- **Extended Foster Care**—\$32 million one-time General Fund in 2020-21 to temporarily extend foster care support for youth who turn 21 while in the extended foster care program, thus allowing them to continue to remain in the program and receive assistance.
- **Emergency Assistance for Pending Resource Families**—\$13.4 million one-time General Fund in 2020-21 to provide caregivers with up to four months of emergency assistance payments pending resource family approval and up to twelve months for cases that meet good cause criteria. Beginning in 2021-22 and annually thereafter, the state will fund up to three months of emergency assistance payments for caregivers pending approval, as local child welfare agencies and probation departments are anticipated to complete the resource family approval process on a timelier basis.
- **Transitional Housing Supplement for Older Foster Youth**—\$4 million ongoing General Fund ongoing to provide transitional housing supplement for foster youth over 18 years of age.
- **Continuum of Care Reform Reconciliation for Fiscal Years 2016-17 and 2017-18**—\$2.6 million one-time General Fund in 2020-21 to reflect Continuum of Care Reform true-up related to county Child and Family Teams actual expenditures for fiscal years 2016-17 and 2017-18 and \$80 million one-time General Fund in 2020-21 to support county child welfare departments.
- **California Newcomer Education and Well-Being Project**—\$15 million one-time Proposition 98 General Fund for the California Newcomer Education and Well-Being Project to assist school districts in supporting refugee and unaccompanied undocumented minor students' well-being and academic performance. The funding, which is available over three years, also will provide school-based supports to immigrant families for access to safety net and wellness programs including through guidance about federal immigration policies like the public charge, that contribute to a chilling effect on government assistance and deeper inequities.

- **Food Banks**—A one-time increase of \$50 million General Fund for existing Emergency Food Assistance Program providers, food banks, tribes, and tribal organizations to mitigate increases in food needs among low-income and food-insecure populations.
- **Transition of Child Care Programs**—\$2.3 million General Fund in 2020-21 to transition existing early learning and child care programs from the Department of Education to the Department of Social Services, effective July 1, 2021. This transition will promote a high-quality, affordable, and unified early childhood system; and maximize the integration of early learning and care programs with other social safety net programs that support children and families.

DEPARTMENT OF AGING

The California Department of Aging administers programs that serve older adults, adults with disabilities, family caregivers, and residents in long-term care facilities throughout the state to increase choices, equity, and well-being for all Californians as we age. The Budget includes \$406.5 million (\$84.3 million General Fund) in 2019-20 and \$258.9 million (\$68.0 million General Fund) in 2020-21 for the Department.

Other Significant investments

- **Community-Based Adult Services**—The Budget maintains the CBAS program and includes \$3.2 million General Fund in 2020-21 and \$2.7 million ongoing. These figures reflect impacts to CBAS state operations; CBAS local assistance is in the DHCS budget.
- **Multipurpose Senior Services Program**—The Budget maintains MSSP and includes \$22.2 million General Fund in 2020-21 and \$21.8 million ongoing

DEPARTMENT OF DEVELOPMENTAL SERVICES

The Department of Developmental Services (DDS) provides individuals with developmental disabilities a variety of services that allow them to live and work independently or in supported environments. California provides services to individuals with developmental disabilities as an entitlement. The Budget includes \$8.5 billion (\$5 billion General Fund) in 2019-20 and \$9.8 billion (\$5.9 billion General Fund) in 2020-21 for the Department.

Other Significant Adjustments

- **Supplemental Rate Increases for Additional Service Codes**—\$18 million (\$10.8 million General Fund) in 2020-21 and 2021-22 to provide supplemental rate increases for Early Start Specialized Therapeutic Services, Infant Development and Independent Living Services. This approach is consistent with the supplemental rate increases included in the 2019 Budget Act. The increased funding for the three services will be suspended on December 31, 2021. The suspension will be lifted if the Administration determines through the 2021 Budget process that there is sufficient General Fund revenue to support all suspended programs.
- **Uniform Holiday Schedule**—\$31.3 million General Fund in 2020-21 to suspend implementation of the Uniform Holiday Schedule. The funding will be suspended on December 31, 2021. The suspension will be lifted if the Administration determines through the 2021 Budget process that there is sufficient General Fund revenue to support all suspended programs.
- **COVID-19 Impacts**—\$336.7 million (\$237.5 million General Fund) in 2020-21 to reflect impacts of the COVID-19 pandemic on the developmental services system. These changes reflect increased costs associated with increased utilization in purchase of services specific to residential settings, respite, and personal attendants. These costs also reflect surge development at the developmental centers and in the community.
- **Incompetent to Stand Trial (IST) Capacity**—\$16.4 million General Fund in 2020-21 to activate a 20-bed unit at Porterville Developmental Center (PDC) and develop five enhanced behavioral support homes to increase capacity for IST placements and secure community resources for individuals at PDC. The increased capacity at PDC will sunset on June 30, 2023.
- **Fairview Developmental Center Warm-Shutdown**—\$11.9 million General Fund to extend the warm-shutdown period at Fairview Developmental Center through 2020-21 until a site assessment is completed to inform the disposition of the property.

DEPARTMENT OF PUBLIC HEALTH

The Department of Public Health is charged with protecting and promoting the health and well-being of the people of California. The Budget includes \$3.2 billion (\$214.1 million General Fund) in 2020-21 for the Department.

The Department of Public Health is at the forefront of the state's response to the COVID-19 pandemic—extensively planning, preparing, and responding to the pandemic since mid-January. The Department's efforts have included issuing a stay-at-home order to save lives, increasing testing capacity, increasing hospital surge capacity, issuing statewide public health guidance, and providing guidance to local governments as the state works to reopen.

Other Significant Adjustments

- **COVID-19 Testing and Resources**—\$5.9 million General Fund (\$4.8 million ongoing) to support laboratory staff to increase the state laboratories' testing capacity, and to purchase equipment and laboratory supplies used specifically for COVID-19 testing. Additionally, resources will support emergency coordination, communication, and response, and provide ongoing support for public health laboratory capacity and disease surveillance.
- **Licensing and Certification**—\$3.1 million State Licensing and Certification Program Fund and 75 positions to increase staff capacity to support health facility evaluations, provider technical support services, and healthcare-associated infection monitoring workload needs. The Department's budget and position authority will increase over the following two fiscal years in order to perform 100 percent of estimated workload in 2020, depending on the future fiscal outlook of the state.
- **Ongoing Infectious Disease Prevention**—\$5 million ongoing General Fund each for STD, human immunodeficiency virus (HIV), and hepatitis C virus prevention and control that otherwise would have been suspended on January 1, 2022.
- **Cannabis Surveillance and Education**—\$20.8 million (\$20.3 million Cannabis Control Fund and \$527,000 in reimbursements) in 2020-21 and \$20.6 million (\$20 million Cannabis Control Fund and \$527,000 in reimbursements) in 2021-22 and ongoing to support 87 existing permanent positions and mandated activities of the Medicinal and Adult-Use Cannabis Regulation and Safety Act and to continue the Medical Marijuana Identification Card Program.
- **Other Public Health Programs**—The Budget maintains funding for the Black Infant Health Program, the Safe Cosmetics Program, mental health disparities reduction grants, a farmworker health study, and sickle cell anemia monitoring activities.

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 patients. The Budget includes \$2.1 billion (\$1.9 billion General Fund) in 2020-21 for the Department.

Other Significant Adjustments

- **Mission-Based Review**—\$5 million General Fund and 12.5 positions in 2020-21 and \$10 million General Fund and 30 positions in 2021-22 and ongoing to support critical needs identified as part of the treatment team and protective services staffing studies.
- **State Hospital System Infrastructure**—\$26.7 million General Fund in 2020-21 for three critical roof repair and replacement projects at three state hospitals. The Budget also includes \$5.3 million General Fund in 2020-21 to mitigate ligature risks at four hospitals. This funding is for the first year of a seven-year project totaling \$73.6 million General Fund.

Other Health and Human Services Adjustments

- **Behavioral Health Focused Investigations**—\$2.8 million in 2020-21 and \$4.7 million in 2020-21 and annually thereafter from the Managed Care Fund to further enforce full service commercial health plan's compliance with laws requiring parity of the behavioral health service delivery system with that of the medical and surgical service delivery system.
- **Child Support Disregard**—The Budget increases the child support disregard and pass-through up to the federal share limit, \$100 for a family with one child and \$200 for a family with two or more children.
- **CBAS and MSSP**—\$3.2 million General Fund in 2020-21 and \$2.7 million ongoing for CBAS and \$22.2 million General Fund in 2020-21 and \$21.8 million ongoing for MSSP. These programs are also discussed in detail under the Department of Health Care Services section. The figures in this section only reflect impacts to the Department of Aging budget.
- **Health Care Workforce Investment**—\$33.3 million ongoing General Fund to support the Song-Brown Healthcare Workforce Training Program at the Office of Statewide

Health Planning and Development. This funding will primarily pay for new and existing residency slots for primary care physicians.

- **Independent Living Centers**—The Budget maintains funding for the Independent Living Centers funded by the Department of Rehabilitation
- **Realignment Backfill for Counties**—\$750 million to provide support for counties experiencing revenue losses for realigned programs, and to the extent the federal government provides sufficient eligible funding by October 15, 2020, an additional \$250 million may be provided. For additional information, see the Homelessness and Local Government chapter.