

# AGENDA PART A – HEALTH

## ASSEMBLY BUDGET SUBCOMMITTEE NO. 1

### HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER TONY THURMOND, CHAIR

THURSDAY, MAY 21, 2015

10:00 A.M. - STATE CAPITOL ROOM 4202

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## VOTE-ONLY CALENDAR

### 0530 CALIFORNIA HEALTH & HUMAN SERVICES AGENCY

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|---------------------------------------------------|
| <b>ISSUE 1: OFFICE OF LAW ENFORCEMENT SUPPORT</b> |
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The Subcommittee heard this proposal on May 11, 2015. Please see that agenda for more information and detail on this proposal.

**Staff Recommendation:** Staff recommends approval of the Legislative Analyst's (LAO) alternative proposal. The LAO alternative includes:

**Approve Vertical Advocate Positions.** LAO recommends the Legislature approve the requested \$600,000 to support four Attorney III positions in the Vertical Advocate Unit.

**Redirect Proposed Staffing Resources to OIG to Provide Independent Oversight.** LAO recommends redirecting the resources proposed for the Special Investigations Unit, the Investigations Analysis Unit, the Investigations Support Unit, and the proposed Supervising Special Investigator II position to the state's existing OIG. LAO further recommends that the Legislature direct OIG to use these resources to establish a division to provide oversight of DSH and DDS facilities, similar to the oversight functions proposed for these units. This new division within OIG would have authority to conduct a formal review of complaints, monitor possible wrongdoing against patients and consumers, oversee investigations conducted by OPS, and work with the Vertical Advocate Unit within OLES and local law enforcement to prosecute misconduct. LAO recommends requiring the OIG to be responsible for submitting biannual reports to the Governor, the Legislature, and the public to convey its findings, as well as a status report specifically on abuse and the handling of abuse cases in the DSH and DDS facilities.

**Reject Proposed Reimbursement Authority.** LAO recommends rejecting the \$600,000 in proposed reimbursement authority for OLES.

**4140 OFFICE OF STATEWIDE HEALTH PLANNING & DEVELOPMENT**

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**ISSUE 1: ELECTIVE PERCUTANEOUS CORONARY INTERVENTION (SB 906) BUDGET CHANGE PROPOSAL**

The Subcommittee heard this proposal on March 23, 2015. Please see that agenda for more information and detail on this proposal.

**Staff Recommendation:** Approve of this proposal.

**4150 DEPARTMENT OF MANAGED HEALTH CARE**

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The Subcommittee heard the following DMHC proposals on March 23, 2015. Please see that agenda for more information and detail on these proposals.

| Issue | Proposal                                               | Hearing Date | Staff Recommendation |
|-------|--------------------------------------------------------|--------------|----------------------|
| 1     | Federal Mental Health Parity Budget Change Proposal    | 3-23-15      | Approve as proposed  |
| 2     | Individual Market Reforms Budget Change Proposal       | 3-23-15      | Approve as proposed  |
| 3     | Large Group Claims Data Budget Change Proposal         | 3-23-15      | Approve as proposed  |
| 4     | Dental Plans Medical Loss Ratio Budget Change Proposal | 3-23-15      | Approve as proposed  |

## 4260 DEPARTMENT OF HEALTH CARE SERVICES

### ISSUE 1: FAMILY HEALTH ESTIMATE MAY REVISE ADJUSTMENTS

The May Revision requests adjustments to the California Children's Services (CCS), Child Health and Disability Prevention Program (CHDP), the Genetically Handicapped Person's Program (GHPP), and the Every Woman Counts (EWC) program. See tables below for details.

|              | <b>Budget Act<br/>2014-15</b> | <b>Projected<br/>2014-15</b> | <b>January Budget<br/>Proposed<br/>2015-16</b> | <b>May Revision<br/>Proposed<br/>2015-16</b> |
|--------------|-------------------------------|------------------------------|------------------------------------------------|----------------------------------------------|
| <b>CCS</b>   | \$95,781,000                  | \$92,995,000                 | \$91,291,000                                   | \$87,182,000                                 |
| <b>CHDP</b>  | 1,713,000                     | 1,662,000                    | 1,677,000                                      | 1,359,000                                    |
| <b>GHPP</b>  | 128,739,000                   | 130,915,000                  | 136,337,000                                    | 121,519,000                                  |
| <b>EWC</b>   | 58,583,000                    | 54,311,000                   | 42,356,000                                     | 53,312,000                                   |
| <b>TOTAL</b> | <b>\$284,816,000</b>          | <b>\$279,883,000</b>         | <b>\$271,661,000</b>                           | <b>\$264,055,000</b>                         |

Additionally, the May Revision indicates that the Administration finds that the CCS, CHDP, GHPP, and EWC program caseloads will experience a decline due to the implementation of the federal Affordable Care Act, which allowed individuals to qualify for Medi-Cal or subsidized coverage through the Exchange.

**Staff Recommendation:** Approve of the Family Health Estimate, reflecting all May Revise adjustments.

### ISSUE 2: BEHAVIORAL HEALTH TREATMENT BUDGET BILL LANGUAGE

DHCS requests the following language to transfer funds from the Department of Developmental Services to DHCS as children transition from receiving Behavioral Health Treatment through Regional Centers to receiving these services through Medi-Cal. The Senate approved of adding the underlined language in order to require the departments to provide more information about the transfer amount.

Add the following provision to Item 4260-101-0001:

X. The Department of Finance may authorize the transfer of expenditure authority from Item 4300-101-0001 Schedule (2) 4140019 Purchase of Services to this item to support the transition of current Medi-Cal eligible regional center clients receiving Behavioral Health Treatment services upon completion of the statewide transition plan.

The Director of Finance shall provide notification to the Joint Legislative Budget Committee of any transfer of expenditure authority approved under this provision not less than 30 days prior to the effective date of the approval. The 30-day notification shall include a description of the transfer, including the number of children per regional center affected, the cost difference per regional center client compared to the cost

per Medi-Cal enrollee, and assumptions used in calculating the amount of expenditure authority to be transferred.

Item 4300-101-0001

X. The Department of Finance may authorize the transfer of expenditure authority from Schedule (2) 4140019-Purchase of Services to Item 4260-101-0001 to support the transition of current Medi-Cal eligible regional center clients receiving Behavioral Health Treatment services upon completion of the statewide transition plan.

The Director of Finance shall provide notification to the Joint Legislative Budget Committee of any transfer of expenditure authority approved under this provision not less than 30 days prior to the effective date of the approval. The 30-day notification shall include a description of the transfer, including the number of children per regional center affected, the cost difference per regional center client compared to the cost per Medi-Cal enrollee, and assumptions used in calculating the amount of expenditure authority to be transferred.

**Staff Recommendation:** Approve of the proposed budget bill language as modified above.

### ISSUE 3: DOCTOR'S MEDICAL CENTER CLOSURE

West Contra Costa Health Care District closed its Doctor's Medical Center (DMC) hospital on April 20<sup>th</sup> of this year due to unsustainable operating losses. DMC was the only "public" hospital serving the low-income population in West Contra Costa which includes Richmond, San Pablo and other low-income communities. The only other hospital in this area is a small Kaiser facility. The Contra Costa County Medical Center is located over 20 miles away and therefore is not an adequate alternative for residents of West Contra Costa.

The community asked LifeLong Medical Care, a Federally Qualified Health Center in the area, to open an urgent care program at its health center site across the street from DMC. Stakeholder partners from Kaiser and John Muir committed start-up costs for build out of the facility, equipment, and start-up subsidy. Contra Costa County and the West Contra Costa Health District provided in-kind support and planning assistance. LifeLong was able to open a smaller version of the planned urgent care on April 19, 2015, the day before DMC closed its doors. The Urgent Care Center has been opened on a schedule of Noon to 8 p.m. 7 days per week.

The Urgent Care in West Contra Costa can provide access to walk-in services for most of the former DMC Emergency Department users. Services are being coordinated closely with the Kaiser ER in the area and with County Emergency Medical Services. LifeLong budget projections project the need for a \$2 million per year subsidy to keep the Urgent Care open 12 hours per day which would capture up to 80% of former DMC users.



**Staff Recommendation:** Staff recommends approving of a one-time appropriation of \$2 million to the Department of Health Care Services to be allocated to Lifelong Community Clinic for the purpose of supporting extended hours for urgent care services at LifeLong.

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| <b>ISSUE 4: SUPPLEMENTAL REPORTING LANGUAGE ON SUICIDE HOTLINES</b> |
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The Subcommittee heard a proposal from advocates to provide state funding for suicide hotlines on April 20, 2015 under the Mental Health Services Oversight & Accountability Commission. Please see that agenda for more information and detail.

**Staff Recommendation:** Staff recommends requesting Supplemental Reporting Language from DHCS by January 10, 2016 on suicide hotlines in the state. The report shall cover the accessibility of suicide hotlines throughout the state, deficiencies in accessibility or quality of the hotlines, an overview of the funding history of the hotlines, and information on potential future funding strategies. In the development of this report, DHCS shall confer with the Mental Health Services Oversight & Accountability Commission, CalMHSA, the Office of Emergency Services, and County Behavioral Health Directors.

The Subcommittee heard the following DHCS issues in prior hearings, as noted in the following chart. Please see those agendas for more information and detail on these proposals.

| Issue | Proposal                                                      | Hearing Date           | Staff Recommendation                                                                                                                                                                                                                             |
|-------|---------------------------------------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5     | Medi-Cal Estimate                                             | 2/23/15<br>5/18/15     | Approve Estimate, including May Revise adjustments                                                                                                                                                                                               |
| 6     | County Eligibility Administration Annual COLA Trailer Bill    | 2/23/15                | Deny proposed trailer bill to eliminate COLA and adopt trailer bill to suspend COLA for 1 year                                                                                                                                                   |
| 7     | Hepatitis C Treatment Funding May Revise Proposal             | 2/23/2015<br>5/18/2015 | Approve May Revise cost estimate                                                                                                                                                                                                                 |
| 8     | Pediatric Palliative Care Pilot Program Expansion             | 2/23/2015              | Approve                                                                                                                                                                                                                                          |
| 9     | CHDP Dental Referral Trailer Bill                             | 2/23/15                | Approve                                                                                                                                                                                                                                          |
| 10    | Annual Open Enrollment Proposal                               | 2/23/15                | Deny proposed trailer bill                                                                                                                                                                                                                       |
| 11    | Limited-Scope Programs Trailer Bill                           | 2/23/15                | Approve of placeholder trailer bill, removing provisions on the Genetically Handicapped Persons Program                                                                                                                                          |
| 12    | Managed Risk Medical Insurance Program Trailer bill           | 2/23/15                | Deny proposed trailer bill                                                                                                                                                                                                                       |
| 13    | Skilled Nursing Facilities Quality Assurance Fee Trailer Bill | 3/9/15                 | Approve proposed trailer bill and add provisions to require DHCS to: 1) include direct care staff retention in quality and accountability measures; and 2) require DHCS to report to the Legislature on the quality and accountability payments. |
| 14    | Health Home Program Trailer Bill                              | 5/18/15                | Approve placeholder trailer bill                                                                                                                                                                                                                 |
| 15    | Ground Emergency Medical Transportation Trailer Bill          | 5/18/15                | Approve placeholder trailer bill                                                                                                                                                                                                                 |
| 16    | Application Assistance Payments Trailer Bill                  | 5/18/15                | Approve placeholder trailer bill                                                                                                                                                                                                                 |
| 17    | Health Care Reform Budget Change Proposal                     | 2/23/15                | Approve                                                                                                                                                                                                                                          |
| 18    | Health Care Reform Financial Budget Change Proposal           | 2/23/15                | Approve                                                                                                                                                                                                                                          |
| 19    | Palliative Care Managed Care Budget                           | 2/23/15                | Approve                                                                                                                                                                                                                                          |

|                      |                                                                 |         |                                                                                                                                                                           |
|----------------------|-----------------------------------------------------------------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                      | Change Proposal                                                 |         |                                                                                                                                                                           |
| 20                   | Performance Outcome System Budget Change Proposal               | 4/20/15 | Approve                                                                                                                                                                   |
| 21                   | Drug Medi-Cal Workload Budget Change Proposal                   | 4/20/15 | Approve                                                                                                                                                                   |
| 22                   | AB 2374 Substance Use Disorder Treatment Budget Change Proposal | 4/20/15 | Approve                                                                                                                                                                   |
| 23                   | Medi-Cal Eligibility Data System (MEDS) Budget Change Proposal  | 5/11/15 | Approve                                                                                                                                                                   |
| 24                   | Financial Audits Workload Budget Change Proposal                | 5/11/15 | Approve                                                                                                                                                                   |
| 25                   | Drug Medi-Cal Waiver Budget Change Proposal                     | 5/18/15 | Approve and modify by reducing the number of positions from 13 to 6                                                                                                       |
| <b>AUGMENTATIONS</b> |                                                                 |         |                                                                                                                                                                           |
| 26                   | Medi-Cal Provider Rates                                         | 4/20/15 | Repeal AB 97 at 5% on April 1, 2016, and another 5% on April 1, 2017, for \$32.75 million General Fund in 2015-16                                                         |
| 27                   | Optional Benefits Restoration                                   | 5/11/15 | Restore the following optional benefits: acupuncture, audiology, incontinence creams/washes, optician/optical lab, podiatry, speech therapy for \$15 million General Fund |
| 28                   | Caregiver Resource Centers                                      | 5/11/15 | Approve of \$3.8 million General Fund for Caregiver Resource Centers                                                                                                      |
| 29                   | Naloxone Grant Program                                          | 4/20/15 | Approve of \$2 million General Fund for Naloxone Grant Program                                                                                                            |
| 30                   | RFK Health Plan                                                 | 5/11/15 | Approve of \$2.5 million one-time General Fund for the RFK Health Plan                                                                                                    |
| 31                   | Drug Billing for 340b Clinics                                   | 5/11/15 | Approve of placeholder trailer bill to streamline billing for drugs for 340b clinics.                                                                                     |

**4265 DEPARTMENT OF PUBLIC HEALTH**

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**ISSUE 1: PROPOSITION 99 ADJUSTMENTS**

The May Revision proposes a decrease of \$3.6 million in the Health Education Account and decrease of \$675,000 in the Research Account in local assistance; and a \$2.3 million decrease in the Health Education Account in state operations reflecting a decrease in Proposition 99 revenue.

**Staff Recommendation:** Approve these May Revision Adjustments

**ISSUE 2: CALIFORNIA CLINICAL LAB TESTING**

Stakeholders have raised a concern that changes to the federal Clinical Laboratory Improvement Amendments (CLIA) will no longer allow medical laboratories in California to use the federal quality control option known as the Equivalent Quality Control (EQC). Stakeholders have requested state law be amended to allow for EQC to be used until December 31, 2015. CLIA will prohibit EQC after January 1, 2016.

The Centers for Medicare and Medicaid Services (CMS) regulates all laboratory testing (except research) performed on humans in the U.S. through the Clinical Laboratory Improvement Amendments (CLIA). In total, CLIA covers approximately 251,000 laboratory entities. The objective of the CLIA program is to ensure quality laboratory testing. Although all clinical laboratories must be properly certified to receive Medicare or Medicaid payments, CLIA has no direct Medicare or Medicaid program responsibilities.

DPH's Laboratory Field Services ensures compliance with state and federal clinical laboratory laws and regulations by performing biannual onsite inspections to ensure accuracy and reliability of laboratory test results and conducting review of laboratory performed proficiency testing results. Both federal and state laws require laboratories to meet certain quality standards when performing laboratory tests. Among them are standards to ensure the accuracy and reliability of the testing no matter where the testing is performed or what type of testing instrument is used. Quality control consists of the procedures used to detect errors that occur due to test system failure, adverse environmental conditions and variance in operator performance, as well as the monitoring of the accuracy and precision of the test performance over time.

**Staff Recommendation:** Adopt placeholder trailer bill language to authorize laboratories to use the federally approved quality control testing approach until December 31, 2015.

The Subcommittee heard the following DPH issues in prior hearings, as noted in the following chart. Please see those agendas for more information and detail on these proposals.

| Issue                | Proposal                                                                                       | Hearing Date      | Staff Recommendation                                                                                                                                                                |
|----------------------|------------------------------------------------------------------------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3                    | AIDS Drug Assistance Program Estimate                                                          | 3/2/15            | Approve of ADAP Estimate including May Revise adjustments                                                                                                                           |
| 4                    | Licensing & Certification Program Estimate                                                     | 3/9/15            | Approve of L&C Estimate including May Revise adjustments                                                                                                                            |
| 5                    | WIC Program Estimate                                                                           | 3/2/15            | Approve of WIC Estimate including May Revise adjustments                                                                                                                            |
| 6                    | Genetic Disease Screening Program Estimate                                                     | 3/2/15            | Approve of GDSP Estimate including May Revise adjustments                                                                                                                           |
| 7                    | AB 1559 Newborn Screening Budget Change Proposal                                               | 3/2/15            | Approve                                                                                                                                                                             |
| 8                    | Licensing & Certification Workload Budget Change Proposal                                      | 3/9/15            | Approve and modify by making temporary positions permanent and adopt placeholder trailer bill proposed by stakeholders to impose 45 day time-limit on investigations of complaints. |
| 9                    | Licensing & Certification Quality Improvement Projects Budget Change Proposal                  | 3/9/15            | Approve                                                                                                                                                                             |
| 10                   | Licensing & Certification L.A. County Contract Budget Change Proposal & May Revise Adjustment  | 3/9/15<br>5/18/15 | Approve of proposal with May Revise adjustments                                                                                                                                     |
| 11                   | Licensing & Certification L.A. County Contract Monitoring Budget Change Proposal               | 3/9/15            | Approve                                                                                                                                                                             |
| 12                   | Ebola Emergency Preparedness Budget Change Proposal                                            | 4/13/15           | Approve                                                                                                                                                                             |
| 13                   | Hepatitis C Treatment Funding                                                                  | 5/18/15           | Approve                                                                                                                                                                             |
| 14                   | Prenatal Screening Program Trailer Bill                                                        | 5/18/15           | Approve placeholder trailer bill                                                                                                                                                    |
| <b>AUGMENTATIONS</b> |                                                                                                |                   |                                                                                                                                                                                     |
| 15                   | Restoration of the Dental Disease Prevention Program for \$3.2 million General Fund            | 4/13/15           | Approve of \$3.2 million General Fund to restore the Dental Disease Prevention Program                                                                                              |
| 16                   | Restore the Lab Aspire Program and add 1.0 State Microbiologist for \$1.1 million General Fund | 4/13/15           | Approve of \$1 million General Fund for the Lab Aspire Program and \$0.1 million General                                                                                            |

|    |                                                                                                 |         |                                                                                                                                                     |
|----|-------------------------------------------------------------------------------------------------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                                                                                                 |         | Fund for a State Microbiologist                                                                                                                     |
| 17 | State Syringe Exchange Clearinghouse for \$3 million General Fund                               | 4/13/15 | Approve of \$3 million General Fund for the Office of AIDS to purchase supplies for syringe exchange programs                                       |
| 18 | Pre-Exposure Prophylaxis Access & Affordability Program for \$3 million General Fund            | 4/13/15 | Approve \$3 million General Fund for the Office of AIDS to operate the proposed Pre-Exposure Prophylaxis program                                    |
| 19 | ADAP Eligibility Modernization                                                                  | 4/13/15 | Approve this proposal to modernize eligibility in ADAP using federal funds and ADAP Rebate Fund.                                                    |
| 20 | ADAP Stability Funding for Eligibility Workers for \$3 million federal funds & ADAP Rebate Fund | 4/13/15 | Approve of \$2 million for local health jurisdictions and \$1 million (federal funds and ADAP Rebate Fund) for the Office of AIDS for this purpose. |

**4440 DEPARTMENT OF STATE HOSPITALS**

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**ISSUE 1: INCOMPETENT TO STAND TRIAL BED EXPANSION PROPOSAL MAY REVISE ADJUSTMENTS**

The January Budget includes a request for \$17.3 million to activate 105 new beds for the Incompetent to Stand Trial (IST) population to address the IST waitlist. The Subcommittee heard this proposal on March 16, 2015.

The May Revise includes a technical correction (correcting an error in calculations) resulting in a reduction of 2 positions and \$304,000 to implement this proposal.

**Staff Recommendation:** Approval of this proposal, reflecting the May Revise technical correction.

**ISSUE 2: INVOLUNTARY MEDICATION BUDGET CHANGE PROPOSAL MAY REVISE ADJUSTMENTS**

The January BCP on this issue requested 14.4 positions and \$3.2 million General fund to implement an Involuntary Medication authorization process for the Not Guilty by Reason of Insanity population. The Subcommittee heard this proposal on March 16, 2015.

The May Revise reduced this request by 5.4 positions and \$1,162,000, based on a more detailed estimate of workload associated with the proposal. The LAO recommends approving of the requested resources, but limiting these resources to just one year in order to reassess the workload after the first year.

**Staff Recommendation:** Approve of the LOA recommendation on this proposal, reflecting the resources requested in the May Revise to be approved for just one year.

The Subcommittee heard the following DPH issues in prior hearings, as noted in the following chart. Please see those agendas for more information and detail on these proposals.

| Issue | Proposal                                                           | Date Heard         | Staff Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------|--------------------------------------------------------------------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3     | Metropolitan Security Fence Capital Outlay & May Revise Adjustment | 3/16/15<br>5/11/15 | Approve of original BCP and approve of the May Revise adjustment                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 4     | Enhanced Treatment Units Capital Outlay                            | 3/16/16            | Approve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 5     | Metropolitan Capital Outlay                                        | 3/16/15            | Approve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 6     | Patton Capital Outlay                                              | 3/16/15            | Approve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 7     | Napa Capital Outlay                                                | 3/16/15            | Approve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 8     | Atascadero Capital Outlay                                          | 3/16/15            | Approve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 9     | Coalinga Capital Outlay                                            | 3/16/15            | Approve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 10    | Restoration of Competency Expansion                                | 5/18/15            | Approve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 11    | Coleman Bed Expansion                                              | 5/18/15            | Approve with Supplemental Report Language: Require DSH to provide Supplemental Report Language to the Legislature on January 10, 2016, detailing the steps they have taken to provide Coleman patients with treatment consistent with constitutional mandates. In addition, the report shall include an update on the Administrations discussions regarding shifting responsibility for the care and treatment of Coleman patients back to the California Department of Corrections and Rehabilitation. |
| 12    | LPS Bed Expansion                                                  | 5/18/15            | Approve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 13    | Earthquake Repairs Napa                                            | 5/18/15            | Approve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 14    | Seismic Upgrade Napa                                               | 5/18/15            | Approve with Budget Bill Language: Adopt supplemental reporting language requiring DSH to report to the Legislature by January 10, 2016 on the seismic safety of State Hospitals. This report shall include any information that is                                                                                                                                                                                                                                                                     |



|    |                               |         |                                                                                                                                                                                                                                                                  |
|----|-------------------------------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                               |         | known about the level of seismic safety of all State Hospital buildings and structures, detail the need for further assessment of the level of safety of the structures, and a plan for addressing deficiencies in seismic safety at all of the state hospitals. |
| 15 | Hepatitis C Treatment Funding | 5/18/15 | Approve                                                                                                                                                                                                                                                          |

**4560 MENTAL HEALTH SERVICES OVERSIGHT & ACCOUNTABILITY COMMISSION**

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**ISSUE 1: COMPETITIVE BID CONTRACTS FOR MENTAL HEALTH ADVOCACY**

Multiple stakeholders have requested contract augmentations for mental health advocacy using Proposition 63 state administration funds. The May Revision indicates that there could be about \$2 million in available Proposition 63 state administration funds in 2015-16. The Subcommittee heard these requests on April 20, 2015.

**Staff Recommendation.** Augment the OAC's budget by \$1 million in state administration funds for competitive bid contracts to support mental health advocacy on behalf of youth, veterans, and racial and ethnic minorities and adopt placeholder budget bill language to allow these funds to be made available provided that there is availability in the state administration cap.

**4800 CALIFORNIA HEALTH BENEFIT EXCHANGE**

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**ISSUE 1: EMERGENCY REGULATIONS**

Covered California is requesting trailer bill to extend their current emergency regulations and its Board's rulemaking authority until January 2017, and to provide limited statutory exemptions from the Administrative Procedure Act's rulemaking requirements. The Subcommittee heard this proposal on May 18, 2015. Please see that agenda for additional information and detail.

**Staff Recommendation:** Approve of placeholder trailer bill language for this purpose.