Health and Human Services

Health and Human Services programs provide medical, dental, mental health, and social services to California's most needy citizens. For fiscal year 2000-01, expenditures for all Health and Human Services Agency budgets total $56.6 billion in combined state and federal funds. This includes expenditures for approximately 43,000 personnel years.

Figure HHS-1 displays the allocation of funding by major program area, and Figure HHS-2 displays caseloads.

Department of Health Services

Medi-Cal

Medi-Cal is California's health care entitlement program for low-income individuals and families who receive public assistance or lack health care coverage. The Medi-Cal program provides a broad range of optional health services. The benefit package compares favorably to most employer-funded health plans and to Medicaid benefit packages in other states. At the same time, overall Medi-Cal spending per beneficiary is significantly lower than Medicaid spending in all other large states.

1999-00 Expenditures—For 1999-00, Medi-Cal expenditures are expected to be $22.3 billion ($8.2 billion General Fund), a General Fund increase of 9.9 percent over the prior year. General Fund expenditures are $569.5 million above the 1999 Budget Act level, an increase of 7.5 percent (see Figures HHS-3 and HHS-4).

2000-01 Expenditures—For 2000-01, Medi-Cal spending is projected to be $23.0 billion ($8.7 billion General Fund), a General Fund increase of $540.6 million, or 6.6 percent above the revised 1999-00 Governor's Budget. Caseload is expected to decrease in 2000-01, and the Budget reflects a decline in monthly eligibles of more than 91,000, or 1.8 percent, to just over 5.0 million eligibles. Figure HHS-3 displays year-to-year comparisons of Medi-Cal caseload and costs.

Some programs, such as mental health services, in departments other than Department of Health Services (DHS), are also eligible for federal Medicaid reimbursement. The federal funding for these programs is included in Medi-Cal expenditure totals, but state and local matching funds typically appear in the budgets for the other state agencies or local governments. Consequently, nonfederal matching funds of over $1.7 billion for those programs are not included in Medi-Cal program costs.

Federal Medical Assistance Percentage—The Federal Medical Assistance Percentage (FMAP) is the percentage of Medi-Cal costs reimbursed by the federal government. It is calculated by a formula using federal estimates of population and personal income. Due to an increase in per capita personal income, California's FMAP decreases from 51.67 percent to 51.25 percent, effective October 1, 2000. This results in General Fund costs of $51.6 million in 2000-01.

Caseload—Currently, about 5.1 million people_just over one in seven Californians qualify for Medi-Cal in any given month (see Figure HHS-5). The number of people eligible for Medi-Cal in 1999-00 is now estimated to be about 0.74 percent above the 1998-99 level. A decline of 1.8 percent to 5.0 million eligibles, is expected to occur in 2000-01. This overall 1.1 percent decrease compares to an expected 3.3 percent increase in the state's population for the same two-year period.

The number of people made eligible for Medi-Cal through their eligibility for the California Work Opportunity and Responsibility to Kids program cash grants has been declining since 1995. The projected 2000-01 Medi-Cal public assistance caseload, which also includes aged, blind, and disabled SSI/SSP cash grant eligibles, is 6.6 percent, or 218,000 eligibles, less than the 1999-00 caseload anticipated in the 1999 Budget Act. These eligibles represent over 60 percent of the total caseload.

The expected multi-year decrease in the total number of those eligible for Medi-Cal was delayed in 1999-00 due to delays in county redetermination of eligibility of families pursuant to federal welfare reform law. Medically needy families, a category in which families pending redetermination of eligibility have been placed, is increasing by 54 percent between 1998-99 and 2000-01, offsetting most caseload reductions in other categories. These increases are visible in the "all others" portion of the bar chart in Figure HHS-6.

The 1999 Budget Act and Chapter 146, Statutes of 1999, expanded Medi-Cal eligibility to working poor, two-parent families with incomes up to 100 percent of the federal poverty level. This health care coverage increase is phasing in an estimated 250,000 eligibles, at a cost of $81.9 million ($41.0 million General Fund) in 1999-00 and $245.8 million ($122.9 million General Fund) in 2000-01.

Although overall caseload is decreasing, the portion comprised of aged, blind, and disabled beneficiaries is growing nominally each year and is expected to increase to over 1.37 million beneficiaries by 2000-01. These beneficiaries represent 27.3 percent of all Medi-Cal eligibles.

Figure HHS-7 shows caseloads and costs for the ten most populous states from federal fiscal year 1997, the most recent year data are available. By percentage of state population, California served the highest percentage of state residents, but had the lowest average cost-per-eligible—$2,543 versus a national average of $3,862 per unduplicated annual eligible.

Benefits—All states are federally required to provide specific, basic medical services including physician, nurse practitioner, and nurse-midwife services; hospital inpatient and outpatient services; specified nursing home care; laboratory and x-ray services; home health care; and early and periodic screening, diagnosis, and treatment services for children until age 21.

In addition, federal funding at the rate of about 51.5 percent is available for 34 optional services. These services include outpatient drugs, adult dental, optometry, hospice, chiropractic care, and occupational therapy. All states provide some optional services, with California providing 32 of the optional services. Many states (including California) provide these optional services both for the categorically needy (receiving public assistance) and medically needy beneficiaries (not receiving public assistance, but still qualifying for Medi-Cal based on income and other eligibility factors).

Medical costs vary considerably among the various categories of those eligible for Medi-Cal. For example, an individual receiving Medi-Cal as a result of CalWORKs eligibility will use services valued at about $110 per month in 2000-01, whereas a disabled person in long-term care will use about $5,050 in benefits per month.

Managed Care—Currently, slightly more than 2.6 million Medi-Cal beneficiaries are enrolled in managed care plans. Costs of managed care benefits may not exceed the projected costs of the same beneficiaries had they remained in the fee-for-service payment system. These costs are budgeted at $3.5 billion ($1.7 billion General Fund) in 2000-01. Additional funding for increased payment limits or rate increases is included. For example, increases of $70.4 million ($35.8 million General Fund) in 1999-00 and $75.9 million ($38.6 million General Fund) in 2000-01 are included for the 6.5 percent two-plan model rate increase effective October 1, 1999. The Budget continues $1.9 million for outreach to assist Medi-Cal eligibles in selecting managed care plans and providers.

Managed care includes three major health care delivery systems: the two-plan model, Geographic Managed Care (GMC), and County Organized Health Systems (COHS).

Just over 70 percent of Medi-Cal managed care beneficiaries are enrolled in the two-plan model, first implemented in January 1996. Twelve counties were initially selected to offer beneficiaries a choice between two managed care plans. Under the two-plan model, counties offer the choice between a commercial plan selected through a competitive bidding process or the county-sponsored "local initiative." The commercial plan consists mainly of providers serving privately insured individuals. The local initiatives consist largely of providers who have traditionally served the Medi-Cal population. The model assures continued participation by the "traditional" providers and maximizes the types of providers caring for beneficiaries. At full enrollment, approximately 1.8 million beneficiaries will be enrolled in the two-plan model.

The GMC model allows the State to contract with multiple managed care plans in a single county. The first GMC system was implemented in Sacramento in 1994. A second GMC system began operation in San Diego County in 1998-99.

The third model, the COHS, administers a prepaid, comprehensive case-managed health care delivery system. This system provides utilization controls, claims administration, and health care services to all Medi-Cal beneficiaries residing in the county. Five COHS serving seven counties are currently in operation.

Medi-Cal Program Changes

Expand Medi-Cal to the Working Disabled— The Governor's Budget includes a $4.8 million augmentation to implement a new program providing Medi-Cal eligibility for working disabled persons with incomes up to 250 percent of the federal poverty level, pursuant to Chapter 820, Statutes of 1999. This program will allow persons to continue employment who otherwise might quit work to become eligible for medical care.

Aging with Dignity Initiative—Approximately 100,000 Californians reside in long-term care facilities, including 68,000 Medi-Cal beneficiaries. Currently, individuals over age 85 represent the fastest growing segment of the state's population. As part of the Aging with Dignity Initiative, the Governor's Budget augments the Department of Health Services budget by $91.8 million ($48.7 million General Fund) to implement various quality improvement programs. The Budget funds additional enforcement measures and increased Medi-Cal rates of payment to California's nursing homes. The 1999 Budget Act included funds to increase the ratio of staff to patients and for a 5 percent increase in wages of nursing home caregivers. The Governor's Budget provides for an additional 5 percent wage increase which will help facilities recruit additional staff to maintain compliance with the enriched staffing requirement.

Expand No-Cost Medi-Cal to Low-Income Seniors and Disabled Individuals—As part of the Aging with Dignity Initiative, the Governor's Budget includes a $4.8 million ($2.4 million General Fund) augmentation to adopt a federal option establishing a program to provide no-cost Medi-Cal to approximately 13,000 medically needy, aged, and disabled beneficiaries who earn up to 100 percent of the federal poverty level, or $687 per month for a single person. Individuals with incomes above this level will continue to qualify for Medi-Cal with a share-of-cost. This will reduce the amount eligible seniors must pay toward the cost of health care, thereby helping them remain independent and at home.

Fraud Prevention Efforts—Beginning in 1999-00, the State implemented an initiative to identify and prevent fraud and abuse in the Medi-Cal and Family Planning, Access, Care, and Treatment programs. To discourage fraudulent providers from participating and to discourage abusive service and billing practices, the State tightened provider enrollment and information disclosure requirements and added 41.0 positions dedicated to fraud prevention and detection.

The 2000-01 Governor's Budget builds on that initial commitment by including an augmentation of $26.2 million ($10.0 million General Fund) and 255.0 additional positions. This expansion affects all divisions of the Department dealing with Medi-Cal, including the Fraud Control Bureau, Audits and Investigations Division, Payment Systems Division, the Office of Legal Services, Medi-Cal Benefits Branch, and the Managed Care Division, as well as the fiscal intermediary contractors for medical and dental care. As avoidance of benefit costs phase in from these fraud prevention efforts, savings of $26.3 million ($12.2 million General Fund) is assumed for 2000-01.

Disproportionate Share Hospital Program—A Disproportionate Share Hospital (DSH) serves at least 25 percent Medi-Cal or uncompensated care patients. The DSH program strengthens the safety net by making additional federal funds available to compensate hospitals for the cost of serving low-income patients. Public DSH hospitals (those operated by counties, hospital districts, or the University of California) make contributions that are matched with federal funds. The total amount, less a state "administrative fee," is then redistributed by formula to public and private DSH hospitals.

The state administrative fee was established in the early 1990s, as a result of restricted General Fund revenue. Under the law, the administrative fees are made available for general Medi-Cal program benefit costs. By 1995-96, these administrative fees reached $239.8 million. As General Fund resources have become more available, the administrative fees have been reduced annually by amounts ranging from $10.0 million to $75.0 million, reaching a level of $84.8 million in 1999-00. The Budget reduces these fees by up to $30.0 million, to $54.8 million in 2000-01. This potential reduction of payments from hospitals serving a disproportionate share of low-income patients will benefit both private and public DSH hospitals, increasing resources at the local level for health care costs. In the alternative, a portion of these funds could be used to provide for a rate increase for services provided by on-call specialists and emergency room physicians.

Prenatal and Long-Term Care Services for Undocumented Persons—Prenatal care is fully funded at an estimated $85.1 million in 2000-01, and long-term care is funded at $17.1 million.

Drugs—Drug costs have risen faster than other Medi-Cal costs for many years, but there now appears to be an acceleration of the already high rate of increase (see Figures HHS-8 and HHS-9). Part of the increase reflects industry-wide increases in wholesale prices. Also, DHS has shortened the time within which new drugs are added to the Medi-Cal list of contract drugs, for which prior authorization is not required for payment. Relaxation of the Food and Drug Administration restrictions on advertising has resulted in more "ask your doctor" full page ads and prime-time television commercials by manufacturers promoting the use of a variety of newer, effective, but much more costly drugs. The Budget for 2000-01 includes $2.4 billion ($1.1 billion General Fund) for fee-for-service drugs, $359.2 million, or 18.0 percent, more than the current

estimate for 1999-00 and $517.6 million, or 28.1 percent, more than the amount included in the 1999 Budget Act. These figures do not include drug expenditures in Medi-Cal managed care.

A task force to be headed by the Secretary for Health and Human Services, including industry and consumer representatives, will develop options for different or additional utilization and cost control mechanisms that may be considered as part of the May Revision of the Governor's Budget. Meanwhile, the Budget proposes legislation to eliminate the January 1, 2001, sunset date for the Drug Rebate Program. Failure to extend or eliminate the sunset date for this program would result in a loss of savings of approximately $72.5 million ($36.3 million General Fund) in 2000-01, and approximately twice that amount, annually thereafter.

Funding for Ancillary Services Provided in Institutions for Mental Disease—The Budget includes a one-time augmentation of $12.5 million General Fund to pay for ancillary medical services provided to individuals in institutions for mental disease. Federal Medicaid law prohibits federal funding for these services; thus, under state law, the services to these individuals are not a covered Medi-Cal benefit, and the responsibility for payment of these services rests with local government. Although the Budget provides this one-time funding to mitigate the impact on local government, the responsibility for funding these services was included in the realignment of mental health programs from the State to local governments in 1991-92. The Administration will continue to seek a change in federal law to secure federal financial participation in these costs.

Federally Qualified Health Centers—The federal "Boren Amendment" formerly required Medi-Cal payments to these safety net providers at rates higher than those paid to other Medi-Cal providers for the same services. The payments were based on 100 percent of reasonable costs. The Federal Balanced Budget Act of 1997 phases out this requirement, and H.R. 3426, recently signed by the President, modifies the phase-out. For federal fiscal years 2000, 2001, and 2002, the federal government allows states to pay 95 percent of reasonable cost, 90 percent in federal fiscal year 2003, and 85 percent in federal fiscal year 2004. No cost-based payments are required thereafter. As in the 1999 Budget Act, the Budget continues *not* to exercise this federal option and continues to pay a higher rate based on full costs for these clinics, which provide a significant amount of care to uninsured persons and constitute the major provider of health care in several rural areas of the state. The Governor's Budget includes an augmentation of $6.3 million General Fund for this purpose in 2000-01.

Managed Risk Medical Insurance Board

Healthy Families Program—The Healthy Families Program (HFP) is a subsidized health insurance program for children in families with low-to-moderate income, who are not eligible for Medi-Cal without a share-of-cost, due to income limitations. The HFP provides low-cost health, dental, and vision coverage to eligible children from birth to age 19.

The 1999-00 Budget includes a total of $224.5 million ($79.6 million General Fund) for HFP caseload. The 1999-00 Budget has been adjusted to reflect an estimated year-end caseload of 279,000 children, resulting in an increase of $6.8 million ($2.2 million General Fund) above the 1999 Budget Act level. Although 1999-00 revised year-end enrollment is 16,000 children less than the 1999 Budget Act level, costs per enrollee increase in 1999-00 because children are enrolling in HFP earlier in the year than was originally anticipated. The earlier enrollment increases overall costs as the children receive coverage and benefits for a longer period during the year.

In 1999-00, 129,000 additional children are eligible for HFP health care coverage due to (1) an expansion of income eligibility from 200 percent to 250 percent of the federal poverty level (FPL), (2) use of Medi-Cal income deductions in determining eligibility, and (3) expansion of the program to cover children from birth to age one, in families with incomes between 200 percent to

250 percent of the FPL. Since HFP began enrolling children on July 1, 1998, monthly enrollment has grown to over 200,000 children.

The 2000-01 Governor's Budget proposes a total of $336.0 million ($121.4 million General Fund) for an HFP caseload increase of 91,000 children.

Of the $336.0 million, $4.9 million General Fund is included to provide an additional 12 months of HFP eligibility for recent legal immigrant children who enrolled during 1999-00. The Budget provides for continued eligibility for legal immigrant children enrolling in 1999-00.

HFP enrollment is projected to grow to 370,000 children by June 30, 2000. Figure HHS-10 displays the program costs (Local Assistance and State Support) by department.

Access for Infants and Mothers—The Access for Infants and Mothers (AIM) program provides health insurance coverage to women during pregnancy and up to 60 days postpartum, and covers their infants up to two years of age. The 1999-00 Budget includes a total of $51.7 million ($2.0 million General Fund, $45.8 million Perinatal Insurance Fund, $3.9 million federal funds) to serve an average of 420 (compared to 360 estimated at 1999 Budget Act) new women per month through February 2000, and 315 new women per month from March through June 2000. This funding includes an expenditure increase of $7.7 million to serve additional women and children in the AIM program. AIM enrollment will decrease mid-year due to the application of Medi-Cal income deductions in the determination of AIM eligibility effective February 1, 2000. This eligibility change will eliminate the overlap in health care coverage between Medi-Cal and AIM for low-income pregnant women, shifting approximately 1,300 women per year to Medi-Cal, thus maximizing available federal funds.

The 2000-01 Budget includes $44.9 million ($2.0 million General Fund, $39.1 million Perinatal Insurance Fund, $3.9 million federal funds) to serve an average of 315 new women per month, after application of the Medi-Cal income deductions. This funding level is a reduction of $6.7 million below revised 1999-00 expenditures.

Department of Health Services

Public Health

HIV/AIDS Program Expansion—In response to the changing and emerging needs associated with the AIDS epidemic, the Budget provides $258.2 million ($115.9 million General Fund) in Department of Health Services (DHS) for HIV/AIDS prevention, education, care and treatment programs. The total includes an increase of $9.1 million ($2.2 million General Fund) for rising AIDS Drug Assistance Program demand and increased drug costs (see Figure HHS-11).

Proposition 99 Expenditure Plan—Californians continue to use fewer tobacco products each year, in part as a result of the effectiveness of the Tobacco Tax and Health Protection Act of 1988 (Proposition 99). Proposition 99 revenues continue to decline from year-to-year, but are slightly higher than previously estimated in the 1999 Budget Act. The Proposition 99 revenues shown do not include $9.7 million in transfers (in both 1999-00 and 2000-01) from Proposition 10 funds required by law. However, these resources are included in the Proposition 99 expenditure plan. (See Figure HHS-12). In addition, beginning balances are higher than anticipated. Moreover, the Budget proposes to release $32.5 million in remaining litigation reserves over three years ($12.0 million in 2000-01 for the anti-tobacco media campaign). As a result, additional resources are available for allocation in 2000-01.

For 1999-00, estimated revenues will decline from the prior year to $401.0 million. The Budget contains increased expenditures of $4.6 million for the Access for Infants and Mothers (AIM) program. The funding supports increased demand for services and reflects the impact of applying Medi-Cal income deductions to AIM (effective February 1, 2000), thereby enabling pregnant women currently eligible for AIM to access Medi-Cal benefits. In addition, the Budget contains savings of $3.8 million from caseload adjustments in the Child Health and Disability Prevention (CHDP) program ($500,000) and Breast Cancer Early Detection Program ($3.3 million). The Budget also includes statutorily authorized carryover of prior year funds for health education ($13.0 million) and research ($60.5 million) programs, and continues the base level of services for all remaining programs. Total expenditures of $481.2 million result.

For 2000-01, estimated revenues will continue to decline from 1999-00 to $394.0 million. The Budget funds anticipated demand for caseload-driven programs, including increased entitlement costs of $4.7 million for CHDP. The continued impact of the Medi-Cal income deductions and projected AIM enrollment generate a base reduction of $3.1 million. Also, the availability of Breast Cancer Control Account funds results in a reduced need (a reduction of $2.7 million from the revised 1999-00 Budget) for Proposition 99 funds to meet anticipated breast cancer screening demand.

The Budget also aligns expenditures with available resources for University of California (UC) tobacco-related disease research. After accounting for $7.0 million in one-time litigation reserves appropriated in 1999-00, a reduction of $2.3 million results. Nevertheless, the availability of $60.5 million in prior-year carryovers will allow UC to continue funding beneficial research projects.

Using the available surplus resources, the Budget proposes the following augmentations: $24.8 million from available health care funds for supplementing payments to emergency room physicians and specialists who care for uninusred individuals; $25.7 million from available health education funds for the anti-tobacco media campaign; $1.0 million research funds for the California Cancer Registry; and $1.0 million for administration. In accordance with the intended purposes of Proposition 99, the additional funds will assist all counties in meeting their required indigent health care responsibilities, help reduce the use of tobacco products, enhance effective tobacco-related disease research efforts, and restore administration to the level authorized in 1998-99 for providing adequate tobacco control oversight. Total expenditures of $444.6 million result. (See Figures HHS-13, HHS-14 and HHS-15 for Proposition 99 Revenue and Expenditure detail.)

Breast Cancer Early Detection Program—The Budget includes $27.4 million, an increase of $8.6 million above the revised 1999-00 Budget, to fund anticipated program demand for the Breast Cancer Early Detection Program. An estimated 209,400 women will seek the screening, mammography, clinical examination, and diagnostic services offered to low-income, uninsured women. These services will be supported through a combination of available Breast Cancer Control Account ($18.4 million) and Cigarette and Tobacco Products Surtax Fund (CTPSF) ($9.0 million) resources.

In addition, reduced demand for services in 1999-00 eliminates the need for $3.3 million in CTPSF resources appropriated for the program pursuant to Chapter 831, Statutes of 1999. Accordingly, the Budget reallocates these resources within the proposed Proposition 99 expenditure plan for 2000-01.

County Medical Services Program—The County Medical Services Program (CMSP) is a county-operated program that provides safety net health care to medically indigent adults in small rural counties. County funds primarily support the program, although for a number of years, the State contributed $20.2 million General Fund and an allocation from the CTPSF to assist counties in providing services. The 1999-00 Budget eliminated the General Fund contribution for CMSP for one year as estimated reserves of $55.0 million were projected to be available on June 30, 1999.

The 2000-01 Budget proposes permanent elimination of this allocation as substantial, increasing reserves ($97.0 million) are projected to be available on June 30, 2000, in the local CMSP Account. Furthermore, expanded health care coverage through the Medi-Cal and Healthy Families Programs have reduced demand for county-funded health care services for California's citizens. The State will continue to monitor the availability of resources in the local account to ensure maintenance of this program. Moreover, the Budget provides an increase of $24.8 million CTPSF specifically for emergency room physician services. These funds will assist counties in meeting their required indigent health care responsibilities.

Childhood Lead Poisoning Prevention Program—To protect California's children from the adverse effects of lead poisoning, the Budget provides $17.8 million, an increase of $1.2 million above the 1999 Budget Act, for enhanced preventive screening and case management services. The resources will be used to screen approximately 200,000 children, of whom approximately 4,000 children will be detected with severely elevated blood lead levels. Also, the Budget provides approximately $600,000 (fee-supported General Fund) to certify workers who identify and eradicate lead hazards.

Child Health Programs—The Child Health and Disability Prevention (CHDP) program provides preventive health assessments and immunizations to low-income children. For 2000-01, total CHDP caseload will increase 6.6 percent over revised 1999-00 figures. The Budget includes $25.2 million General Fund and $59.8 million from the CTPSF to support this caseload.

The California Children's Services (CCS) program provides medical services for children with serious medical conditions such as birth defects and chronic illnesses. The CCS caseload will increase 3.7 percent over revised 1999-00 figures, and the Budget provides a total of $53.7 million General Fund for this caseload.

The Genetically Handicapped Persons Program provides services similar to CCS for low-income adults. For 2000-01, caseload will decrease 4.2 percent below revised 1999-00 figures. The Budget includes $26.8 million General Fund to support this caseload.

Fatal Child Abuse and Neglect Surveillance_ The Budget provides an augmentation of $345,000 General Fund to design, test, and implement a statewide child abuse and neglect fatality tracking system. As required by Chapter 1012, Statutes of 1999, the system will compile information collected by local child death review teams, and ultimately assist state and local administrators in providing effective interventions.

Birth Defects Research—The Budget includes an augmentation of $400,000 (from voluntary tax contributions) to expand birth defects research efforts in California, as required by Chapter 398, Statutes of 1999. The funds will supplement existing activities performed by the Department of Health Services for improving birth outcomes and ensuring the delivery of quality health care.

Partnership for Responsible Parenting—The Budget provides an increase of $4.5 million (an increase of $5.0 million Proposition 98 offset by a decrease of $500,000 in federal and special funds) and total funding of $40.2 million ($37.9 million General Fund) for preventing out-of-wedlock and teenage pregnancy through the successful Partnership for Responsible Parenting. The following components comprise the partnership:

- $19.6 million ($17.3 million General Fund, including $15.0 million Proposition 98) for mentoring programs in various state departments which serve at-risk youths. A $4.5 million increase in funding will help serve approximately 10,000 more at-risk youths currently on a waiting list for mentors. These programs assist at-risk youths in becoming productive members of society while reducing juvenile crime, teenage pregnancy, gang association, and the school dropout rate.
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- $9.3 million General Fund for the media campaign, which educates Californians about the problems surrounding out-of-wedlock and teen pregnancy and promotes the benefits of responsible parenting.
- $2.9 million General Fund for local grants in the Male Responsibility Program. These intervention project grants provide information, education, and counseling services to local communities concerning the positive role adolescent and young men can have in preventing teenage pregnancy.
- $8.4 million General Fund for the Prosecution of Statutory Rape program, which provides financial support for county district attorneys for vertical prosecution of statutory rape. Vertical prosecution entails the assignment of a single deputy district attorney to handle all phases of a criminal case.

Community Challenge Grant Program—The Community Challenge Grant (CCG) program provides local grants for teen pregnancy prevention services. Under current law, the program sunsets on June 30, 2000. However, because California is one of the five most successful states in the nation for decreasing the number of out-of-wedlock births, the federal government has awarded the State a one-time $20.0 million federal Temporary Assistance for Needy Families bonus award. The Budget proposes using these funds to extend the CCG program in 2000-01.

Enhanced Drinking Water Protection—The Budget provides an augmentation of $923,000 (supported by regulatory fees) to certify water system operators and add a continuing education standard to enhance current public drinking water protection activities, as required by Chapter 755, Statutes of 1999. In addition, the Budget extends a $2.0 million General Fund subsidy provided to assist small water systems in funding state regulatory activities and meeting local infrastructure needs.

Radiation Protection—The Budget provides $17.0 million (supported by fees), including an increase of $3.6 million and 19.0 positions, to enhance regulatory activities to protect the public from exposure to radiation. The increase will support greater inspection and certification activities, and a management information system for tracking the registration of radioactive materials, x-ray producing machines, and licensed users of these materials.

Department of Mental Health

State Hospital Population—The 2000-01 Budget includes $541.9 million ($393.1 million General Fund), a net increase of $44.9 million ($59.4 million General Fund), or 9 percent over revised 1999-00 expenditures. This funding level will support a total caseload of 4,421 commitments.

The 2000-01 year-end population of sexually violent predator (SVP) commitments and other court commitments to the state hospitals are estimated to be 3,571, an increase of 255 above the 1999-00 revised population. The Budget includes $4.1 million General Fund (half-year funding) for this increase in population (see Figure HHS-16).

The Budget is based on the assumption that the SVP population will increase by 65 patients, to a total of 405 commitments by June 30, 2001. The 1999 Budget Act included funding for a projected level of 393 SVP commitments. Commitment proceedings continue at a slower than anticipated rate in the current year. Thus, SVP commitments will only reach 340 by June 30, 2000.

The 2000-01 Budget also reflects a $9.4 million decrease in reimbursements from the Department of Developmental Services due to the transfer of the 115 developmentally disabled forensic clients from Napa State Hospital to Porterville Developmental Center.