



APR 1 2013

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to and Addition of Various Budget Bill Items, Support and Local Assistance,
Office of Statewide Health Planning and Development**

Healthcare Workforce Development (Issue 001)—It is requested that Item 4140-001-0143 be increased by \$286,000 and that Item 4140-001-0121 be amended to reflect this change to provide a one-year extension of 4.0 limited-term positions to complete the process of proactive designation of Medically Underserved Areas and Populations. The designations are necessary for local entities to be eligible to apply for new federal funding opportunities under the Affordable Care Act. Additionally, these positions will continue to implement the Office of Statewide Health Planning and Development's (OSHPD's) healthcare reform work plan and report on its progress at the end of fiscal year 2013-14.

Budget Bill Language: Mental Health Workforce, Education, and Training (Issue 002)—It is requested that provisional language be added to Item 4140-001-3085 and language for Item 4140-101-3085 be amended to allow funds appropriated in these items to be available through 2017-18 (Attachment 1). The purpose of this amendment is to conform to the intent of the original authorizing statute, Welfare and Institutions Code section 5892, which allows funds for education and training to be retained for up to 10 years.

Reappropriation: Mental Health Workforce, Education, and Training (Issue 003)—It is requested that Item 4140-491 be added to reappropriate funds in Items 4140-001-3085 and 4140-101-3085 from 2009-10 through 2012-13 (Attachment 2). The funds are to be used for the Mental Health Loan Assumption Program and Mental Health Workforce, Education, and Training programs. The appropriations will be available through June 30, 2018.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call John Silva, Principal Program Budget Analyst, at (916) 445-6423.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

Attachment

cc: Honorable Kevin de León, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Bill Emmerson, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mike Gatto, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Bill Monning, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
Honorable Holly Mitchell, Chair, Assembly Budget Subcommittee No. 1
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Karen Miskanis, Deputy Director, Administrative Services Division, Office of Statewide Health Planning and Development
Ms. Pattye Nelson, Budget Manager, Office of Statewide Health Planning and Development
Mr. James Cortes, Budget Officer, Office of Statewide Health Planning and Development

“4140-001-3085—For support of Office of Statewide Health Planning and Development, for payment to Item 4140-001-0121, payable from the Mental Health Services Fund.....11,471,000

Provisions:

1. Notwithstanding subdivision (a) of Section 1.80 or any other provision of law, the funds appropriated in this item for the purposes provided for in Welfare and Institutions Code sections 5820, 5821 and 5822, shall continue to be available for expenditure and encumbrance until June 30, 2018.”

“4140-101-3085—For local assistance, Office of Statewide Health Planning and Development, for payment to Item 4140-101-0001, payable from the Mental Health Services Fund..... 12,650,000

Provisions:

1. Notwithstanding subdivision (a) of Section 1.80 or any other provision of law, the funds appropriated in this item for contracts with accredited physician assistant programs, as well as contracts with hospitals or other health care delivery systems located in California, in support of the Mental Health Services Act that meet the standards of the California Healthcare Workforce Policy Commission, established pursuant to Article 1 (commencing with Section 128200) of Chapter 4 of Part 3 of Division 107 of the Health and Safety Code, shall continue to be available for the ~~2014-15, 2015-16, and 2016-17 fiscal years~~ until June 30, 2018.

2. The funds appropriated in this item for the purposes provided for in Welfare and Institutions Code sections 5820, 5821 and 5822, shall continue to be available for expenditure and encumbrance until June 30, 2018.”

Attachment 2—Add Item

4140-491—Reappropriation, Office of Statewide Health Planning and Development.

The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in Welfare and Institutions Code sections 5820, 5821 and 5822 and shall be available for encumbrance or expenditure until June 30, 2018:

3085—Mental Health Services Fund

- (1) Item 4140-001-3085, Budget Act of 2009, (Ch. 1, 2009-10 3rd Ex. Sess.), as reappropriated by Item 4140-490, Budget Act of 2010 (Ch. 712, Stats. 2010)
- (2) Item 4140-001-3085, Budget Act of 2010 (Ch. 712, Stats. 2010), as reappropriated by Item 4140-490, Budget Act of 2011 (Ch. 33, Stats. 2011)
- (3) Item 4140-001-3085, Budget Act of 2011 (Ch. 33, Stats. 2011), as reappropriated by Item 4140-490, Budget Act of 2012 (Ch. 21, Stats. 2012)
- (4) Item 4140-001-3085, Budget Act of 2012 (Ch. 21, Stats. 2012)
- (5) Item 4140-101-3085, Budget Act of 2012 (Ch. 21, Stats. 2012)



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Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Various Budget Bill Items, Support, Department of Managed Health Care

Implementation of Patient Protection and Affordable Care Act (Issue 401)—It is requested that Item 4150-001-0933 be increased by \$1,841,000 to continue to implement the requirements of the Patient Protection and Affordable Care Act (Act). This request would convert 13.0 limited-term positions that were established in the 2011 Budget Act to permanent status. In addition, it would add 1.0 new permanent position. All positions are necessary to process the on-going workload created by the Act.

Network Adequacy for Healthy Families Program Transition to Medi-Cal (Issue 402)—It is requested that Item 4150-001-0933 be increased by \$191,000 and reimbursements be increased by \$355,000 to support 4.0 (18-month limited-term) positions that will perform required network adequacy assessments and ongoing monitoring of managed care plans that are part of the Healthy Families Program transition to Medi-Cal. The assessment and monitoring are requirements of Chapter 28, Statutes of 2012, and the Bridge to Reform 1115 Demonstration Waiver.

Reappropriation: Federal Consumer Assistance Program Grant (Issue 403)—It is requested that Item 4150-490 be added to reappropriate, through June 30, 2014, unspent federal funds awarded in August 2012 under the federal Consumer Assistance Program Grant. The Department of Managed Health Care proposes to reappropriate \$1,058,000 federal funds from 2012-13 to 2013-14 and requests 4.0 one-year limited-term positions. The grant requires establishment or expansion of consumer assistance programs to help uninsured individuals obtain health care coverage, as well as periodic progress reports. Reappropriation authority is needed in order for the department to fulfill the terms of the grant. (See Attachment I for proposed language.)

Workload Associated with Implementation of the Health Benefit Exchange (Issue 404)—It is requested that Item 4150-001-0933 be amended by increasing reimbursements by \$622,000 to support 8.0 limited-term positions to perform the workload created by the implementation of the Health Benefit Exchange (Exchange). These positions are responsible for, but not limited to: (1) reviewing new license application and current licensing filings, (2) enrolling health plans into the Exchange, and (3) assisting new consumers with enrollment into managed care plans. The Exchange will be funding these positions through a federal grant which was awarded in January 2013.

If you have any questions or need additional information regarding this matter, please call Yang Lee, Principal Program Budget Analyst, at (916) 445-6423.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

Attachment

cc: Honorable Kevin de León, Chair, Senate Appropriations Committee -
Attention: Mr. Mark McKenzie, Staff Director
Honorable Bill Emmerson, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mike Gatto, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Bill Monning, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
Honorable Holly Mitchell, Chair, Assembly Budget Subcommittee No. 1
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Michael Wilkening, Undersecretary, Health and Human Services Agency
Ms. Katie Johnson, Assistant Secretary, Health and Human Services Agency
Ms. Debbie McKinney, Deputy Director, Department of Managed Health Care

Attachment I

Proposed Budget Bill Language

Reappropriation Authority for the Federal Consumer Assistance Program Grant

Add Item 4150-490:

4150-490—Reappropriation, Department of Managed Health Care. The amount specified in the following citation is reappropriated for the purposes of continuing operation of consumer assistance programs to help uninsured individuals obtain health care coverage pursuant to the terms of the federal Consumer Assistance Program Grant. These funds shall be available for encumbrance or expenditure until June 30, 2014:

0890—Federal Trust Fund

(1) \$1,058,000 in Item 4150-001-0890, Budget Act of 2012 (Ch. 21, Stats. 2012)



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Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Items 4260-001-0001 and 4260-001-0890, Support, and
Items 4260-101-0001 and 4260-101-0890, Local Assistance, Department of Health Care
Services**

It is requested that Item 4260-001-0890 be increased by \$937,000 and that Item 4260-001-0001 be amended to reflect this change to expend the Adult Medicaid Quality grant, which was made available by the U.S. Centers for Medicaid Services as part of the Affordable Care Act (ACA). The funding will support 6.0 limited-term positions (expiring December 31, 2014) and three consultant contracts that will enable the Department of Health Care Services to conduct quality improvement projects and improve the quality of care to adults covered by Medi-Cal.

It is requested that Item 4260-101-0001 be decreased by \$161,269,000 million and Item 4260-101-0890 be decreased by \$133,123,000 million to reflect revised estimates related to implementing the mandatory Medicaid expansion under the federal ACA.

The ACA requires a Medicaid expansion to currently eligible populations through eligibility and enrollment simplifications. These simplifications are expected to increase retention of the current Medi-Cal population (California's Medicaid program) and increase enrollment of individuals who are currently eligible, but unenrolled. The Governor's Budget included \$350.0 million General Fund as a placeholder for the cost of the mandatory expansion, which has since been refined by the Administration. The revised projection estimates the mandatory expansion will result in costs of approximately \$188,731,000 General Fund and \$216,877,000 federal funds in fiscal year 2013-14.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Adam Dorsey, Principal Program Budget Analyst, at (916) 445-6423.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

Attachment

cc: Honorable Kevin de León, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Bill Emmerson, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mike Gatto, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Bill Monning, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
Honorable Holly Mitchell, Chair, Assembly Budget Subcommittee No. 1
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Michael Wilkening, Undersecretary, California Health and Human Services Agency
Mr. Robert Ducay, Assistant Secretary, California Health and Human Services Agency
Ms. Katie Johnson, Assistant Secretary, California Health and Human Services Agency
Mr. Bob Sands, Chief, Fiscal Forecasting & Data Management Branch, Department of Health Care Services
Ms. Lindy Harrington, Chief, Financial Management Branch, Department of Health Care Services
Ms. Kathleen Dong, Budget Officer, Department of Health Care Services



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Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Various Budget Bill Items, Support and Local Assistance,
Department of Public Health**

Technical Assistance for Small Water Systems (Issue 401)—It is requested that expenditures be increased from the Small System Technical Assistance Account by \$2,750,000 and from the Public Water System, Safe Drinking Water State Revolving Fund by \$991,000 and 7.0 positions. These funds would be used to provide technical assistance for small water systems to address systems not currently in compliance with primary drinking water quality standards.

Since many small water systems lack the technical, managerial, and/or financial capacity to become compliant with drinking water standards, it is necessary for the Department to provide additional technical assistance to help small water systems navigate the Department's loan and grants applications process. Securing these loans and/or grants would in turn lead to small water systems becoming compliant with primary drinking water quality standards.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Brandon Nunes, Principal Program Budget Analyst, at (916) 445-6423.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Kevin de León, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Bill Emmerson, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mike Gatto, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
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Honorable Bill Monning, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
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Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Michael Wilkening, Undersecretary, Health and Human Services Agency
Ms. Kiyomi Burchill, Assistant Secretary, Health and Human Services Agency
Ms. Kathleen Billingsley, Chief Deputy Director, Policy and Programs, Department of Public Health
Mr. Daniel Kim, Chief Deputy Director, Operations, Department of Public Health
Mr. Alan Lum, Deputy Director, Administration Division, Department of Public Health



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Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Item 4440-011-0001, Support, Department of State Hospitals

Office of Audits (Issue 001)—It is requested that Schedule (1) of Item 4440-011-0001 be increased by \$529,000 and 6.0 positions (3.0 positions effective mid-year), to establish an Office of Audits (Office) within the Department of State Hospitals (DHS). The DSH currently has no internal auditors. A 2007 Internal Control Review conducted by the Department of Finance's Office of State Audits and Evaluations (OSAE) found weaknesses in the department's oversight and management of its fixed assets, employee pay management, as well as multiple accounting deficiencies. A 2008 audit conducted by the Bureau of State Audits also identified general lack of control over the department's spending on employee overtime. The 2012 Budget Act required an OSAE review of the implementation status of recommendations related to hospital operations. This review will assist the new Office in its implementation efforts as they develop a risk assessment, audit plan, and workload analysis prior to performing internal audits.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Carla Castañeda, Principal Program Budget Analyst, at (916) 445-6423.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

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Honorable Mike Gatto, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
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Honorable Bill Monning, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
Honorable Holly Mitchell, Chair, Assembly Budget Subcommittee No. 1
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Michael Wilkening, Undersecretary, Health and Human Services Agency
Mr. Kristopher Kent, Assistant Secretary, Health and Human Services Agency
Mr. Cliff Allenby, Interim Director, Department of State Hospitals
Ms. Kathryn Radtkey-Gaither, Chief Deputy Director, Department of State Hospitals
Mr. Mark Beckley, Deputy Director, Administration, Department of State Hospitals
Ms. Irene Briggs, Chief Financial Officer, Financial Services, Department of State Hospitals
Ms. Christina Edens, Chief, Fiscal Planning, Department of State Hospitals
Mr. Michael Boyer, Budget Officer, Administration, Department of State Hospitals



APR 1 2013

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to and Addition of Various Budget Bill Items and Reimbursements, Support,
Department of Social Services**

Community First Choice Option: Quality Assurance (Issue 081)—It is requested that Item 5180-001-0001 be increased by \$190,000 and reimbursements be increased by \$191,000 to support 3.0 permanent positions that will address increased federal quality assurance requirements associated with the federal Community First Choice Option (CFCO) program. As existing In-Home Supportive Services recipients transition from the Personal Care Services Program and the Plus Option Program to the recently authorized CFCO program, additional Department of Social Services staff are required to provide on-site monitoring to ensure compliance with additional federal requirements.

Foster Family Home and Small Family Home Insurance Fund Adjustment and Transfer (Issues 202)—It is requested that Item 5180-011-0001 be reduced by \$140,000, Item 5180-001-0131 be reduced by \$140,000, and that Item 5180-001-0001 be amended to reflect this change, to align authority with actual expenditures from the Foster Family Home and Small Family Home Insurance Fund (FSH Fund). It is also requested that Item 5180-011-0131 be created (see Attachment 1) to effect a one-time transfer of \$2.3 million from the FSH Fund to the General Fund. This transfer will remove excessive surplus funds that have accumulated in the FSH Fund because actual expenditures have been lower than budgeted.

The effect of my requested action is reflected on the attachment.

APR 1 2013

If you have any questions or need additional information regarding this matter, please call Teresa Calvert, Principal Program Budget Analyst, at (916) 445-6423.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

Attachment

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Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Michael Wilkening, Undersecretary, Health and Human Services Agency
Ms. Ginni Bella, Assistant Secretary, Health and Human Services Agency
Ms. Fran Mueller, Deputy Director, Administration Division, Department of Social Services
Mr. Brian Dougherty, Chief, Financial Management and Contracts Branch, Department of Social Services

APR 1 2013

Attachment 1

5180-011-0131—For transfer by the Controller, upon order of the Director of Finance, from the Foster Family Home and Small Family Home Insurance Fund to the General Fund..... (2,300,000)