



# CBHDA Legislative & Policy Priorities 2018

Presentation for CalQIC Conference - March 16, 2018



# Presentation Outline

- CBHDA Key Issues 2018
- Behavioral Health 2020 Initiative
- State Budget Process Overview
- Governor's FY 2018-2019 Proposed Budget
- Legislative Process Overview
- CBHDA-Sponsored Legislation
- Other Priority Legislation
- Federal and State Audits

# CBHDA Key Issues 2018

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- **Mental health and MHSA**
  - Delivery system: crisis services, care integration
  - Finance: IHSS growth sweep, MHSA reversion dollars
  - Compliance: Final Rule implementation, state and federal audit findings
- **Substance Use Disorder**
  - Delivery system: ODS implementation, youth system of care
  - Finance: DMC funding, County of Responsibility, youth SUD
  - Prop 64 and prevention issues
- **Housing**
  - NPLH implementation
  - Other housing measures impacting SUD, SMI and re-entry populations

# CBHDA Key Issues 2018, continued

- **Criminal Justice**
    - Stepping Up Initiative
    - IST state budget proposal
    - Access to care for justice-involved populations
  - **Children's issues**
    - Implementation of Pathways/Katie A.
    - Implementation of Continuum of Care Reform (AB 403)
    - Implementation of AB 1299 (presumptive transfer)
    - Implementation of CANS and PSC-35 for EPSDT Performance Outcome System
- ... + **cross-cutting issues like BH workforce.**

# CBHDA Behavioral Health 2020 Initiative

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- Current 1915(b) and 1115 waivers expire 2020
- CBHDA initiative with members and allies to develop a proposal and prepare for the future
- Look at entire behavioral health delivery system for mental health and SUDs
- What is working well with our current system? What would we change?
- How might we modernize the payment for Medi-Cal behavioral health services?

# State Budget Process Overview

# State Budget Process

- The **Governor's Proposed Budget** shows three years of spending, past year, current year and the next budget year.
- The Governor must propose a budget **on or before January 10th**.
- The **Governor's May Revision, released by mid-May**, updates the Governor's economic and revenue outlook, revises, supplements, or withdraws the policy initiatives included in the Governor's proposed budget, and adjusts proposed state expenditures.

# Key Constitutional Deadlines

- The Governor must propose a budget for the upcoming fiscal year on or before **January 10th**.
- The Legislature must pass a budget bill for the upcoming fiscal year by midnight on **June 15th**.
- The new Fiscal Year starts **July 1st**.

# CBHDA Is Engaged Throughout the Year

- CBHDA leverages numerous opportunities for input during the budget process.
- Advocacy includes:
  - Analyzing proposals and county fiscal and policy impacts
  - Writing letters of support or opposition
  - Testifying at legislative subcommittee hearings
  - Meeting with the Governor's administration
  - Meeting with legislators and their staff

# Governor's FY 2018-2019 Proposed Budget

# Felony IST Diversion Program

- Proposed \$100 million investment over three years in county diversion programs for individuals who have the potential to be found incompetent to stand trial (IST) on felony charges.
  - Aimed at addressing the growing wait list for beds at the Department of State Hospitals (DSH), which is over 900 people as of February 2018.
- Authorizes the DSH to contract with the top 15 referring counties to expand or develop diversion programs.
- Goal to strengthen existing local mental health treatment efforts, develop or enhance robust diversion programs, and reduce IST referrals by up to 30 percent.

# 340B Drug Pricing Program

- Proposed elimination of California's participation in the federal 340B drug pricing program
- The program allows “covered entities,” including public hospitals, FQHCs, and others, to obtain prescription drugs at a discounted rate
- The discounted rate allows providers to deliver high-cost pharmaceuticals to low-income patients and invest the savings in services

# Final Rule & Parity Workload for MHPs

- Pursuant to Proposition 30, the state shall provide fifty percent of the non-federal share for new federal requirements that increase local costs
- Governor's budget includes \$7.6 million in state general funds (\$30.3 million total funds) for MHP Final Rule implementation activities in the following areas:
  - State monitoring
  - Network adequacy
  - Quality measurement and improvement; and EQR
  - Grievance and appeals systems
  - Program integrity

# Final Rule & Parity Workload for MHPs (Continued)

- Governor's budget includes \$3 million in state general funds (\$24.3 million total funds) for MHP parity implementation activities resulting from the DHCS parity compliance plan:
  - New requirements related to prior authorization of SMHS
  - New requirements for concurrent inpatient review of treatment authorizations and completion of reviews within five business days of receipt of the request
- Forthcoming DHCS Information Notice on SMHS authorization policies will provide further guidance
- DHCS Information Notice 18-012 provides MHPs with claiming instructions for Final Rule and Parity activities

# Performance Outcome Systems Implementation

- Governor's budget includes \$6.9 million General Funds (\$16.1 million total funds) for MHP implementation of the functional assessment tools, the Pediatric Symptom Checklist (PSC 35) and the Child and Adolescents Needs and Strengths (CANS)
- Estimate includes funding for:
  - Training costs
  - IT costs
  - Staffing costs (clinical staff, data entry staff, IT support staff)

# MHP Costs for Continuum of Care Reform

- Governor's budget includes \$8.6 million General Funds (\$15.6 million total funds) for MHP costs for CCR implementation
- Estimate includes funding for:
  - Participation in the Child and Family Team (CFT)
  - Mental health assessments prior to placements in STRTPs
  - Training

# State General Funds for DMC-ODS Services

- Governor's budget proposes \$134 million SGF for residential and intensive outpatient treatment for counties participating in the DMC-ODS waiver (to match \$667 million in FFP)
- \$50 million expended of previous FY 17-18 allocation of \$141 million
- Assumes 20 counties will implement ODS by end of current fiscal year, with 20 more beginning services in 2018-19

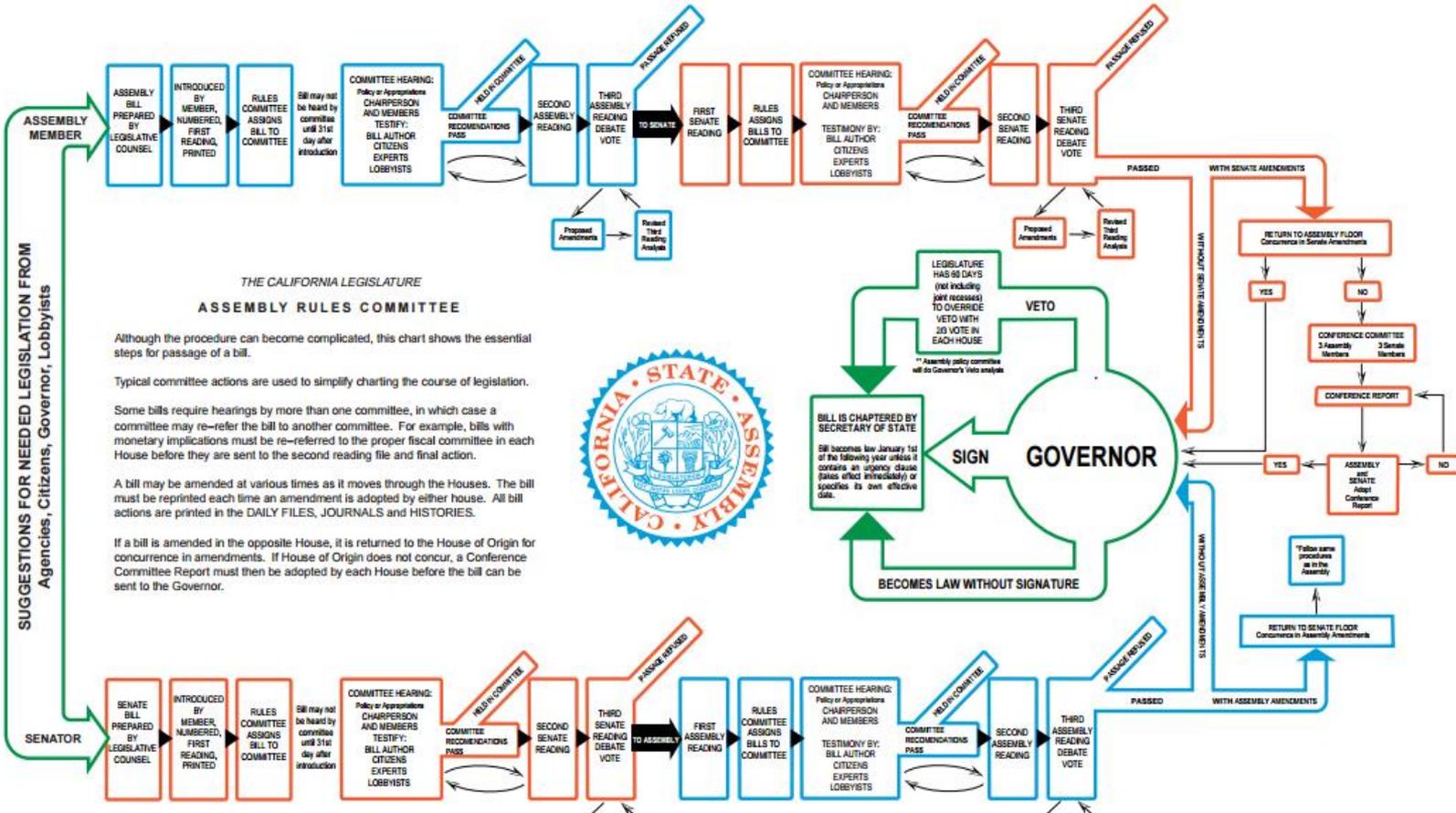
# CA Proposition 64 Revenues

- New statewide excise taxes on cultivation and sale of cannabis began January 1, 2018
  - Projecting revenues is challenging - budget estimates \$175 million in 2017-18 and \$643 million in 2018-19
- Proposition 64 includes allocations for these dollars, which are not subject to legislative appropriation
  - After set-asides, 60% designated to fund Youth SUD Education, Prevention and Treatment programs, beginning FY 2019-20
- Administration will hold any cannabis-related budget proposals until May revise

# State Legislative Process Overview

# THE LIFE CYCLE OF LEGISLATION

From Idea into Law



THE CALIFORNIA LEGISLATURE

## ASSEMBLY RULES COMMITTEE

Although the procedure can become complicated, this chart shows the essential steps for passage of a bill.

Typical committee actions are used to simplify charting the course of legislation.

Some bills require hearings by more than one committee, in which case a committee may re-refer the bill to another committee. For example, bills with monetary implications must be re-referred to the proper fiscal committee in each House before they are sent to the second reading file and final action.

A bill may be amended at various times as it moves through the Houses. The bill must be reprinted each time an amendment is adopted by either house. All bill actions are printed in the DAILY FILES, JOURNALS and HISTORIES.

If a bill is amended in the opposite House, it is returned to the House of Origin for concurrence in amendments. If House of Origin does not concur, a Conference Committee Report must then be adopted by each House before the bill can be sent to the Governor.



# California Bill Process

- 2018 is the second year of a two-year legislative session
- February 16th deadline for introduction of new bills
  - 30 days in print
- Policy Committee Hearings
  - Health, Human Services or Business & Professions
  - Bill moves, moves as amended or fails passage in the Policy Committee
- Appropriations Committee Hearings
  - If a bill has substantial costs it is moved to the “Suspense File”
  - If a bill is not costly it moves to the Senate or Assembly Floor
  - The Suspense Files are taken up in late May

# Bill Volume

- In 2017, the first half of legislative session:
  - More than 2,980 bills were introduced.
  - The Governor signed 859 bills and vetoed 118 bills that made it to his desk.
- The Assembly recently increased the per member bill limit from 40 bills for the two-year session to 50 bills per member. Therefore there may be up to 800 additional bills in the 2017-2018 session.

# The Legislative Calendar Drives Different Activities Throughout the Year

## 2018 TENTATIVE LEGISLATIVE CALENDAR COMPILED BY THE OFFICE OF THE ASSEMBLY CHIEF CLERK Revised 9-20-17

JANUARY							
	S	M	T	W	TH	F	S
Wk. 1		1	2	3	4	5	6
Wk. 2	7	8	9	10	11	12	13
Wk. 3	14	15	16	17	18	19	20
Wk. 4	21	22	23	24	25	26	27
Wk. 1	28	29	30	31			

FEBRUARY							
	S	M	T	W	TH	F	S
Wk. 1					1	2	3
Wk. 2	4	5	6	7	8	9	10
Wk. 3	11	12	13	14	15	16	17
Wk. 4	18	19	20	21	22	23	24
Wk. 1	25	26	27	28			

MARCH							
	S	M	T	W	TH	F	S
Wk. 1					1	2	3
Wk. 2	4	5	6	7	8	9	10
Wk. 3	11	12	13	14	15	16	17
Wk. 4	18	19	20	21	22	23	24
Spring Recess	25	26	27	28	29	30	31

APRIL							
	S	M	T	W	TH	F	S
Wk. 1	1	2	3	4	5	6	7
Wk. 2	8	9	10	11	12	13	14
Wk. 3	15	16	17	18	19	20	21
Wk. 4	22	23	24	25	26	27	28
Wk. 1	29	30					

### DEADLINES

- Jan. 1** Statutes take effect (Art. IV, Sec. 8(c)).
- Jan. 3** Legislature reconvenes (J.R. 51(a)(4)).
- Jan. 10** Budget must be submitted by Governor (Art. IV, Sec. 12(a)).
- Jan. 12** Last day for **policy committees** to hear and report to **fiscal committees** fiscal bills introduced in their house in the odd-numbered year (J.R. 61(b)(1)).
- Jan. 15** Martin Luther King, Jr. Day.
- Jan. 19** Last day for any committee to hear and report to the **Floor** bills introduced in that house in the odd-numbered year. (J.R. 61(b)(2)). Last day to submit **bill requests** to the Office of Legislative Counsel.
- Jan. 31** Last day for each house to pass bills introduced in that house in the odd-numbered year (J.R. 61(b)(3)) (Art. IV, Sec. 10(c)).

- Feb. 16** Last day for bills to be introduced (J.R. 61(b)(4), J.R. 54(a)).
- Feb. 19** Presidents' Day.

- Mar. 22** Spring Recess begins upon adjournment (J.R. 51(b)(1)).
- Mar. 30** Cesar Chavez Day observed.

- Apr. 2** Legislature reconvenes from Spring Recess (J.R. 51 (b)(1)).

- Apr. 27** Last day for **policy committees** to hear and report to **fiscal committees** fiscal bills introduced in their house (J.R. 61(b)(5)).

MAY							
	S	M	T	W	TH	F	S
Wk. 1			1	2	3	4	5
Wk. 2	6	7	8	9	10	11	12
Wk. 3	13	14	15	16	17	18	19
Wk. 4	20	21	22	23	24	25	26
No Hrgs.	27	28	29	30	31		

**May 11** Last day for **policy committees** to hear and report to the Floor **nonfiscal** bills introduced in their house (J.R. 61(b)(6)).

**May 18** Last day for **policy committees** to meet prior to June 4 (J.R. 61(b)(7)).

**May 25** Last day for **fiscal committees** to hear and report to the **Floor** bills introduced in their house (J.R. 61 (b)(8)). Last day for **fiscal committees** to meet prior to June 4 (J.R. 61 (b)(9)).

**May 28** Memorial Day.

**May 29 – June 1** **Floor session only.** No committee may meet for any purpose except for Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees (J.R. 61(b)(10)).

- April is when the vast majority of bills are heard in the respective Policy Committees in the House of Origin.
- Most then pass onto the Appropriations Committees where the financial impacts of the bills are determined.

- May is one of the most impactful months of the year when bills live or die in their respective Appropriations Committees.
- Significant General Fund impacts may cause trouble like being “held” (i.e.: killed) in Appropriations or later being vetoed.

JUNE							
	S	M	T	W	TH	F	S
No Hrgs.						1	2
Wk. 1	3	4	5	6	7	8	9
Wk. 2	10	11	12	13	14	15	16
Wk. 3	17	18	19	20	21	22	23
Wk. 4	24	25	26	27	28	29	30

JULY							
	S	M	T	W	TH	F	S
Wk. 1	1	2	3	4	5	6	7
Summer Recess	8	9	10	11	12	13	14
Summer Recess	15	16	17	18	19	20	21
Summer Recess	22	23	24	25	26	27	28
Summer Recess	29	30	31				

AUGUST							
	S	M	T	W	TH	F	S
Summer Recess				1	2	3	4
Wk. 2	5	6	7	8	9	10	11
Wk. 3	12	13	14	15	16	17	18
No Hrgs.	19	20	21	22	23	24	25
No Hrgs.	26	27	28	29	30	31	

**June 1** Last day for each house to pass bills introduced in that house (J.R. 61(b)(11)).

**June 4** Committee meetings may resume (J.R. 61(b)(12)).

**June 15** Budget Bill must be passed by midnight (Art. IV, Sec. 12(c)).

**June 28** Last day for a legislative measure to qualify for the Nov. 6 General Election ballot. (Elec. Code Sec. 9040)

**June 29** Last day for **policy committees** to hear and report **fiscal bills** to fiscal committees (J.R. 61(b)(13)).

**July 4** Independence Day.

**July 6** Last day for **policy committees** to meet and report bills (J.R. 61(b)(14)). **Summer Recess** begins on adjournment, provided Budget Bill has been passed (J.R. 51(b)(2)).

**Aug. 6** Legislature reconvenes from Summer Recess (J.R. 51(b)(2)).

**Aug. 17** Last day for **fiscal committees** to meet and report bills (J.R. 61(b)(15)).

**Aug. 20 – 31 Floor session only.** No committee may meet for any purpose except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees (J.R. 61(b)(16)).

**Aug. 24** Last day to **amend** on Floor (J.R. 61(b)(17)).

**Aug. 31** Last day for each house to pass bills (Art. IV, Sec 10(c), J.R. 61(b)(18)). **Final Recess** begins on adjournment (J.R. 51(b)(3)).

# CBHDA is Engaged at Every Step of the Process

- Work with legislators, staff and other stakeholders prior to introduction
- The CBHDA Legislative Committee and county subject matter experts shape views on supporting, opposing or watching bills.
- CBHDA Legislative Team reviewed over 200 bills, tracked 150, and 60 were enacted
- CBHDA took positions on over 30 bills:
  - Write support, oppose and letters of concern to Policy and Appropriations Committees and the Brown Administration
  - Testify at all relevant Policy Committees
  - Provide financial impacts to the Appropriations Committees

# CBHDA-Sponsored Legislation

# AB 2043 (Arambula): Foster Youth Crisis Response System

- CBHDA sponsoring bill with CWDA and Children Now
- Builds on Continuum of Care Reform
- Aimed at preventing placement disruption and unnecessary contacts with law enforcement
- Creates a statewide foster youth and caregiver hotline for youth or caregivers in crisis
- Builds upon existing local infrastructure for in-person joint mobile response by child welfare and county behavioral health

# SB 1010 (Beall): Supportive Housing Pilot Program for Parolees

- Make changes to the Integrated Services for Mentally Ill Parolees (ISMIP) Program, an existing CDCR program for parolees with serious mental illness who are at risk of homelessness
  - Existing program budget is \$13 million statewide
  - Operates in eight counties
- Authorizes a pilot program under which one or two counties may enter into an MOU with CDCR to receive funding for and administer the ISMIP program, specifically:
  - Deliver and claim Medi-Cal reimbursement for SMHS
  - Provide rental assistance to program participants

# AB 2328 (Nazarian): Youth SUD Treatment & Recovery

- Co-sponsored with the CA Psychiatric Association
- Would implement a statewide system of care for youth under age 21 with SUDs
  - Directs DHCS to develop regulations
  - Identifies Prop 64 revenues as key source of funding to build out continuum of care
- Some similarities to 1998 pilot program (AB 1784 - Baca)
- Accompanied by budget advocacy and participation in Prop 64 stakeholder process

# SB 688 (Moorlach): MHSA Revenue and Expenditure Reports

- Requires counties to prepare MHSA Annual Revenue and Expenditure Reports (ARERs) in accordance with generally accepted accounting principles.
- Increases the transparency and consistency of financial reporting for MHSA and ensures ARER forms can be fully analyzed and referenced.

# Other Priority Legislation

# Substance Use Disorder Bills

- AB 2214 (Rodriguez/Melendez): **SUD recovery residences**
  - Creates voluntary certification for recovery residences, administered by DHCS-approved certifying body
  - Allows counties flexibility to continue using their own quality standards/processes
- SB 1268 (Bradford): **Addiction Tx referrals – payment**
  - Prohibits SUD Tx programs from paying for client referrals
- AB 2861 (Salas): **Telehealth for DMC services**
  - Permits Medi-Cal reimbursement for DMC services delivered by telehealth (LPHA or certified SUD counselor)
  - telehealth currently an option under the ODS waiver but has not been explicitly permitted in statute for state plan svcs.

# Workforce Bills

- SB 906 (Beall): **Peer certification**
  - Establishes a statewide peer, parent, transition-age and family support specialist certification through DHCS
  - Would allow Medi-Cal billing for svcs. delivered by peers
- AB 2018 (Maienschein): **MH workforce planning**
  - Requires OSHPD to include expansion of loan forgiveness and scholarship programs in 5-yr. MHSA WET plans
- AB 2804 (Waldron): **SUD workforce expansion**
  - Requires DHCS to conduct SUD workforce needs assessment and create 5 year strategic plan

# Housing Bills

- Numerous bills addressing affordable housing and/or homelessness
- Some address funding for housing needs:
  - SB 912 (Beall/Skinner): Homeless & affordable housing programs
- Others address legal/regulatory issues:
  - SB 1152 (Hernandez): Hospital discharge for homeless clients
  - AB 2161 (Chiu): Homeless integrated data warehouse
  - AB 1921 (Maienschein): CalWORKS Housing Assistance

# LPS-Related Bills

- A number of bills have been introduced that propose changes to the definition of “gravely disabled” in Welfare & Institutions Code Section 5008
- AB 1971 (Santiago/Friedman)
  - Sponsored by Los Angeles County
- AB 2156 (Chen)
- SB 1045 (Wiener and Stern)

# Medi-Cal Legislation

- SB 974 (Lara)
  - Expands full-scope Medi-Cal to undocumented adults
  - Builds on SB 74 (2016) which expanded Medi-Cal enrollment to undocumented children
  - Fully supported by state General Funds
- SB 1108 (Hernandez)
  - Prohibits DHCS from seeking a Medicaid waiver to require work activities as a condition of Medi-Cal eligibility or coverage

# AB 1250 (Jones-Sawyer)

- Two-year bill, sponsored by SEIU
- Imposes barriers for counties when contracting for specific services, including behavioral health
- Significant coalition in opposition last year, including county affiliate associations, and hundreds of organizations across health and human services, public safety, children and youth services, senior services, homeless services
- CBHDA will continue to closely follow and oppose this bill

# Federal and State Audits

# Federal OIG Audit

- The U.S. Health & Human Services' Office of Inspector General (OIG) issued its draft report and findings from the FFY 2014 audit of California's Medi-Cal Specialty Mental Health Service claims
- Since obtaining the draft report, CBHDA has worked closely with county directors, the California State Association of Counties, and the County Counsels' Association of California on its response to the draft report to DHCS
- DHCS submitted comments to the OIG on March 2, 2018
- The final OIG report will be issued within the next few months, though exact timing is unknown

# State Auditor's MHSA Report

- CA state auditor report completed at request of legislature
  - Included in-depth reviews of three county MHSA programs
- Emphasized need for strong oversight, clear guidance and direction to counties from DHCS and the MHSOAC
- Noted that participating counties “allocated funds appropriately”
- Counties moving forward with process for planning and spending dollars otherwise subject to reversion, per AB 114

# Questions?

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