

KEY HEALTH ITEMS IN GOVERNOR'S PROPOSED 2023-2024 BUDGET

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January 19, 2023

CONTEXT FOR FISCAL YEAR 2023-2024

- Estimated deficit of **\$22.5 billion**
 - Compared to the budget adopted last year for FY 2023-2024 (July 1- June 30)
 - Due to changed economy and lower expected tax revenue
 - Might the economic outlook improve in the next few months?
- Even with proposed reductions, most major gains of last year's budget have been retained (see below)

LINKS

Governor's Budget Proposal Summary: [Summary Link](#)

- Health and Human Services, starts on **page 57**
- DHCS specific starts on **page 59**

Western Center on Law and Poverty [budget summary](#)
across different issue areas, including health.

MEDI-CAL ELIGIBILITY

- No change to **Adult Expansion** for undocumented persons age 27 through 49.
 - Implementation date remains January 2024.
- No change to Continuous Eligibility for children ages 0 through 4.
 - Effective date remains January 2025, with funding contingencies.
- No change to **making Medi-Cal Share of Cost affordable** for seniors and people with disabilities.
 - Effective date remains January 2025, with funding contingencies.

MEDI-CAL & BEHAVIORAL HEALTH

California's Behavioral Health Community-Based Continuum (CalBH-CBC)

- Gov seeks federal approval of the CalBH-CBC Demonstration to **expand behavioral health crisis, inpatient, and residential services** for implementation in phases starting January 1, 2024.
- **\$6.1 billion** (\$314 million General Fund) for the Department of Health Care Services and Department of Social Services over the five years of the waiver.

NEW: MEDI-CAL TRANSITIONAL RENT PROPOSAL FOR CERTAIN HIGH RISK POPULATIONS

Request for federal approval to fund up to 6 months of rent or temporary housing through Medi-Cal for individuals:

- experiencing or at risk of homelessness; and
- transitioning out of institutional levels of care, a correctional facility, or the foster care system; and
- who are at risk of hospitalization.

This would not be a statewide Medi-Cal benefit.

Counties could opt in through CalBH-CBC. In addition, Medi-Cal plans could include this new Transitional Rent benefit among CalAIM's optional Community Support Services.

Cost: \$17.9 million (\$6.3 million General Fund) in 2025-26 and up to **\$116.6 million** (\$40.8 million General Fund) at full implementation.

FEDERAL FUNDING FOR “PATH” INFRASTRUCTURE

The Providing Access and Transforming Health Initiative (PATH) is part of Medi-Cal’s CalAIM waiver for certain very high needs populations.

- The state describes PATH as “a five-year, \$1.85 billion initiative to build up the capacity and infrastructure of on-the-ground partners, such as community-based organizations (CBOs), public hospitals, county agencies, tribes, and others, to successfully participate in the Medi-Cal delivery system as California widely implements Enhanced Care Management and Community Supports and Justice Involved services under CalAIM.”
- **The Governor** seeks federal approval to claim \$646.4 million in federal funding over four years to support PATH.

DELAYED FUNDING FOR SOME INITIATIVES ADOPTED LAST YEAR

Healthcare workforce investments:

- The Governor's proposal defers \$68 million from the current fiscal year and \$329.4 million from the next one for certain Health Care Access and Information (HCAI) workforce programs.
- These include workforce investments for community health workers, nurses, behavioral health, primary care and reproductive health.
- The investments remain fully funded but won't happen in the timeframe originally adopted.

DELAYS (CONT'D)

Delays in Behavioral Health Bridge Housing and Behavioral Health Continuum Infrastructure Program (BHCIP) Funding:

- The Governor's proposal delays until 2024-25:
 - half (\$250 million) of 2023-24 Bridge House funding; and
 - the last round of the BHCIP capacity funding

COVERED CALIFORNIA

- **Sweeps Covered California reserve fund to General Fund:**
 - Money in the Cov CA reserve fund is for making Cov CA more affordable.
 - Examples: Deeper subsidies for **out-of-pocket costs** like co-payments and deductibles that consumers must pay for services.
 - Gov's budget proposes sweeping **\$333.4 million** into the General Fund, to be returned to Cov CA after current federal subsidies that currently reduce the cost of **premiums** to consumers end, scheduled for 2025-26.

THANK YOU!

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