



Special Legislative Update ■ June 25, 2020

Senate Passes Most of 2020-21 State Budget Package; Assembly Returns Tomorrow to Take Action

Following a lengthy floor session, the Senate – after a brief dinner break – took up eligible budget and trailer bills this evening. For its part, the Assembly – who left Sacramento one week ago for a more lengthy summer recess – will return to town tomorrow for budget votes. This [list](#), prepared by Sacramento lobbyist Chris Micheli, details when each of the 20 measures in the state budget package are eligible for a vote under the 72-hour in-print rule. Given the late afternoon amendments made to the education finance bill (AB 77/SB 98) on Tuesday, it was not eligible to be voted on by the Senate this evening; Senate action on this measure is expected next week. (Note that the list at the immediately preceding link list is not exhaustive. There are additional measures – notably, AB 105 and SB 1383 – being considered as “part of” the budget agreement even though they are not considered budget trailer bills.) Additional trailer bills will require action when both houses return from their truncated summer breaks in mid-July to address various issues – DJJ realignment among them – that are not part of this week’s round of budget trailer bills.

HBE will put out an update tomorrow – possibly early Saturday morning, depending on how long the Assembly’s deliberations go – once the budget votes are final.

Governor Declares Budget Emergency

This morning, Governor Gavin Newsom [proclaimed](#) a budget emergency that will authorize the Legislature to pass a bill that allows them to suspend the required deposit of General Fund revenues to the Budget Stabilization Account (the state’s rainy day fund) and allows for a transfer of funds from the Budget Stabilization Account to the General Fund for appropriation. The proclamation essentially allows for the transfers necessary for the budget structure agreed to by the Governor and legislative leaders.

Governor Holds Press Conferences on Wednesday and Thursday

The Governor appears to be shifting to more frequent press conferences this week as the state’s COVID-19 indicators are starting to tick upward. The Governor shared the following information:

- **Positivity Rate.** The state's positivity rate over the last 14 days is 5.1%; over the last 7 days the positivity rate is 5.6%. By way of comparison, the positivity rate was 4.6% a few weeks ago and 4.8% on Monday.
- **Positive Cases.** Positive tests were 4,230 on June 21; 5,109 on June 22; 7,149 on June 23; and 5,349 on June 24. California is averaging 88,000 COVID tests per day over the last seven days.
- **Hospitalization Rate.** On Monday, hospitalizations increased 16% over the prior 14-day period; on Wednesday, hospitalization had increased 29% over a 14-day period. Today, hospitalizations increased 32% over the last 14 days.
- **Intensive Care Units (ICU).** Patients in ICUs continue to trend upward, as well. As of today, there has been a 19% increase in patients in ICU beds over the last 14 days due to COVID-19. Thirty-four percent of ICU bed capacity in California is occupied by COVID-19 patients.

The Governor announced today that the state is launching an open source data portal to grant residents, researchers, and programmers access to COVID-19 data. The new portal – calcat.COVID19.ca.gov – shares the modeling information that California is using to assess the pandemic. Making this information publicly accessible is intended to spur collaboration with other states and researchers. The information also is intended to assist local health officers and elected officials make decisions during the pandemic. Please note that the data portal includes hospital-specific data for the first time.

At yesterday's press conference, the Governor talked extensively about local accountability. He noted that nearly \$2.5 billion in state budget funding – \$1.3 billion in CARES Act funding and up to \$1 billion in Realignment backfill – intended for counties is conditioned upon local governments' compliance with the COVID-19 emergency declaration. He also suggested that in order to ensure counties are meeting emergency declaration criteria, county-directed appropriations may go out on a monthly intervals rather than in a single payment.

More Information on Medi-Cal Long-Term Care at Home Benefit

The Department of Health Care Services released a [concept paper](#) yesterday providing more information about the Long-Term Care at Home Medi-Cal benefit that the state first proposed on May 22.

Long-Term Care at Home is intended to support home care for qualifying Medi-Cal beneficiaries by allowing them to transfer from a hospital or skilled nursing facility (SNF) to their home, or by preventing SNF stays altogether. Newly created Long-Term Care at Home agencies will be responsible for delivering or coordinating all applicable services for qualifying Medi-Cal beneficiaries. DHCS intends to implement Long-Term Care at Home to the extent the state determines it is cost-effective and otherwise consistent with the quality and efficiency goals of the Medi-Cal program.

DHCS intends to seek federal approval of this proposal from the Centers for Medicare and Medicaid Services (CMS) through Section 1915(i) of the federal Social Security Act. This benefit

would be available statewide to qualifying beneficiaries in Medi-Cal's fee-for-service (FFS) and managed care delivery systems.

DHCS envisions a Long-Term Care at Home benefit that integrates four primary components: individual, person-centered assessment; transition service; care coordination; and medical and Home and Community Based Services (HCBS). The new Long-Term Care at Home agency will be responsible for providing and coordinating all components of the benefit through interdisciplinary care teams that will work directly with qualifying Medi-Cal beneficiaries, and their families, caregivers, and PCPs.

DHCS will develop this benefit with input from California Department of Public Health (CDPH), Department of Social Services (DSS), Department of Developmental Services (DDS), the California Department of Aging (CDA), the Master Plan for Aging Long-Term Services and Supports Subcommittee, and other stakeholders. At this time, DHCS anticipates completing the policy development stage of this effort in the third quarter of 2020 to allow for an implementation date in early 2021, subject to CMS approval.

As previously announced, public stakeholder meetings will occur via telephone and webinar on the following dates:

- **June 25, 2020 – 2 to 3 p.m.**
- **July 17, 2020 – 3:30 to 5 p.m.**
- **July 31, 2020 – 1 to 2:30 p.m.**

DHCS is asking stakeholders to submit questions and comments on the concept paper via [email](#).