



*Established in 1991, UCC serves as the representative voice for state legislative advocacy for high-population counties in California. Initially composed of seven counties, the association has grown to 14 today. Over 80 percent of the state's population reside in UCC counties. Consequently, urban counties carry out critical programs and services to the state's most vulnerable populations. For more information, including details on our Board of*

*Directors, please visit [our website](#).*

## UCC News: April 9 2021

### **Early Budget Action: Wildfire Package**

Governor Gavin Newsom and legislative leaders announced agreement on a \$536 million current year budget package that would allow the state to conduct prescribed burns, remove brush, and clear defensible space around buildings prior to what is anticipated to be a particularly active fire season. The proposals are contained in two identical budget bills: [AB 79](#) and [SB 85](#). A combination of General Fund (\$411 million) and cap-and-trade funding (\$125 million) will be utilized to and at least some funds will be dedicated to conservancies across the state.

These measures, as well as [AB 213/SB 86](#) (social services clean-up), [AB 84/SB 93](#) (rehiring and retention: displaced workers), and [SB 92](#) (see below), will be considered by the Assembly and Senate Budget Committees on Monday.

### **SB 823 Trailer Bill Legislation in Print**

[SB 92](#), as amended yesterday, contains language to carry out technical clean-up to SB 823 (2020), the measure that enacted DJJ Realignment, as well as provisions establishing a new section on Secure Youth Treatment Facilities. The latter provisions, contained in proposed new Welfare and Institutions Code (WIC) 875, are intended to provide juvenile courts – and all other involved agencies – with a framework and process for placing youth who previously would have been eligible for DJJ into an appropriate and responsive dispositional track that adequately addresses their programming and treatment needs. In addition to outlining specialized considerations for the court, the framework also is meant to guard against an increase in referrals of youth to the adult court system.

Among the corrective/technical provisions of note, SB 92 would:

- Clarify which county agencies are eligible for SB 823 programmatic funding that accompanies the shift of responsibility;
- Restore a previous code section describing who was eligible for placement in DJJ to ensure that – if ever necessary, as specified under WIC 733.1 – provisions to revert responsibility back to the state could be executed if funding is not provided to counties;
- Specify that county payments to accompany the shift in responsibility are to be paid annually rather than monthly; and
- Set a hard closure date for all DJJ facilities on June 30, 2023, and require the state’s DJJ director to develop a plan by January 1, 2022 for managing the transfer of the youth who remain at DJJ at the final closure date.

### **SB 823 Infrastructure Grant Application Opens; Other Notable BSCC Action**

The Board of State and Community Corrections met yesterday and, among other actions (see full agenda [here](#)), approved a Request for Applications (RFA) associated with the Youth Programs and Facilities Grant Program.

Among the other provisions in SB 823, including annual programmatic funding that accompanies the transfer of responsibility for DJJ eligible youth, the measure appropriates \$9.6 million in one-time grant to counties “for the purpose of providing resources for infrastructure-related needs and improvements to assist counties in the development of a local continuum of care.” The BSCC is the administering agency of the grant.

The [RFA](#) approved yesterday incorporates the input solicited through written public comment and a listening session and is structured as follows:

- \$5 million to fund up to five projects (of up to \$1 million each) to develop regional hubs to serve youth from other counties. These treatment hubs would focus on three high-need programming and treatment areas: females, youthful sex offenders, and youth with serious mental health issues. Funding will be prioritized to support at least one program in each of the high-need areas;
- \$4.12 million available to all counties (distributed based on juvenile population) for local infrastructure and other improvements to support capacity for in-county services and treatment for realigned youth.

The RFA also anticipates a mechanism to distribute any funds that may remain unspent out of the two spending priorities outlined above. A scoring panel will be convened to review applications and make funding recommendations to the Board at its June 2021 meeting. **Grant applications are due by May 12**, and funds are eligible for expenditure from June 10, 2021 to June 1, 2024.

Other action items of note include the following:

- The BSCC is releasing a [juvenile justice fee survey](#) at the request of Senator Maria Elena Durazo, author of SB 1290 (2020), which clarified that counties were barred from collecting past debt on juvenile justice administrative fees previously eliminated in SB 190 (Mitchell, 2017). The information gathering effort by the BSCC will focus on other local practices involving imposing fees on youth in the juvenile justice system and their families. The Board's action also directs staff to host a public session to accept comments into the formulation of the survey. Survey results will be reported to the BSCC no later than at its September meeting.
  - A second round of Prop 64 grants was [approved](#) yesterday. As outlined in the initiative that legalized recreational use of cannabis for adults, these local government grants, broadly speaking, are intended to “assist with law enforcement, fire protection, or other local programs addressing public health and safety associated with the implementation of the [Act].”
  - The BSCC also redirected \$6.9 million in unexpended Coronavirus Emergency Supplemental Funding (CESF) to CDCR's Specialized Treatment for Optimized Programming (STOP) network of community-based providers. These funds – which will supplement a \$15 million pass-through of CESF funds to the STOP programs

last fall – will be leveraged to address reentry services and the emergency temporary housing needs of individuals released from state prison due to the coronavirus. For more details on this topic, see the BSCC staff report [here](#).

### **State Plans to Lift Blueprint Restrictions Mid-June If COVID-19 Conditions Show Continued Improvement**

The Governor announced this week that – contingent on vaccination supply as well as stable and low hospitalization rates – the state will reopen the economy June 15, lifting the restrictions in the Blueprint for a Safer Economy statewide. California has administered 20 million doses statewide, which includes four million doses among the lowest Healthy Places Index (HPI) quartile. In the weeks ahead, the state will continue to monitor hospitalization rates, vaccine access and vaccine efficacy against variants, with the option to revisit the June 15 date if needed. Post re-opening, the face covering mandate, testing and contact tracing will continue.

In related news, California is expecting a 90% decrease in Johnson and Johnson doses next week as the state opens up vaccinations to all Californians ages 16 and over. Overall, California's vaccine doses are expected to decline by 15%. The allocation this week was 2.4 million doses, but next week it is expected to drop to 2 million doses and 1.9 million the following week, another 5% decline.

In federal vaccine news, U.S. Department of Health and Human Services Secretary Xavier Becerra announced that all HRSA-funded health centers and health center program look-alikes nationwide will be able to participate in the Health Center COVID-19 Vaccine Program. Health centers will have the opportunity to join the program as soon as they are ready, increasing the total number of invited health centers to 1,470 nationwide. Additional information is available [here](#).

### **Surplus Land Act Guidelines Released**

The California Department of Housing and Community Development (HCD) has released [guidelines](#) for the Surplus Land Act. The Surplus Land Act, amended in 2019 by [AB 1486](#) (Ting), includes provisions that local agencies must adhere to when disposing of surplus public land to encourage more affordable housing production. Beginning January 1, 2021, local agencies are required to send, and HCD is required to review, negotiation summaries for each surplus land transaction in the state. HCD is also required to notify local agencies of violations and may notify the Attorney General and assess fines, as necessary. The guidelines are intended to provide guidance to local agencies considering disposing of surplus lands; however, we also strongly

recommend consulting with counsel, given that the complexity of this particular set of statutes. HBE is also available for questions if needed.

### **Early Election Results: Dr. Weber to Fill Remainder of Mother's Term**

Akilah Weber, daughter of Dr. Shirley Weber who now is the state's chief elections official, appears to have secured a majority of votes (52.1 percent) in the special election held Tuesday to fill the remainder of her mother's term in Assembly District 79 (representing portions of San Diego County). Assembly Member-elect Weber is a physician and has been serving on the La Mesa City Council. Although results have not been certified, Dr. Weber looks to have bested four other candidates and will avoid a runoff. Another vacancy will occur in the Assembly once Assembly Member Bonta is confirmed to the AG post; a special election in Assembly District 18 (representing portions of Alameda County) will likely be announced after he confirms and then resigns.

### **No Initiatives on Recall Ballot**

Secretary of State Dr. Shirley Weber indicated this week that pending ballot initiatives will not appear on the gubernatorial recall ballot. Multiple ballot measures either have qualified or are pending final signature verification, including a referendum on the flavored tobacco ban, an overhaul of plastics recycling, revisiting the cap on medical malpractice awards, and online gambling. The Secretary confirmed that these measures will be slated for the November 2022 ballot.

### **Bills to Watch: A Focus on Health**

#### **[AB 240](#) (Rodriguez) – Local Health Department Workforce Assessment**

AB 240 would require an evaluation of the adequacy of the local health department infrastructure, including an examination of future staffing, workforce, and resource needs. The bill passed out of Assembly Health Committee this week on consent and heads to Assembly Appropriations Committee next.

#### **[AB 1130](#) (Wood) – Office of Health Care Affordability**

AB 1130 would establish the Office of Health Care Affordability within the Office of Statewide Health Planning and Development (OSHPD) and requires the office to analyze the health care market for cost trends and drivers of spending, create a state strategy for controlling the cost of health care and ensuring affordability for consumers and purchasers, and enforce cost targets. The bill also creates the Health Care Affordability Advisory Board under the Office.

This measure will be one of the most discussed health care bills of 2021. AB 1130 was heard in Assembly Health Committee this week. Health Access and

the Purchaser Business Group on Health were the main witnesses in support. The California Hospital Association (CHA) and the California Medical Association (CMA) testified in opposition.

CHA has an oppose unless amended position and outlined several concerns. First, they raised questions about what problem the bill is trying to solve: Cost? Price? Spending on health care – by consumers or employers? Second, the bill does not distinguish from good/appropriate health care spending bad/inappropriate spending. Third, health care spending is not correct today; spending caps imposed by AB 1130 could lock in inequities in health care spending and access. For example, spending on behavioral health is likely low because not everyone who needs services accesses them. The structure in the bill does not reflect technology advances or the next pandemic. Future federal decisions can affect health care spending. As an alternative, CHA suggests creating a commission to determine key cost drivers and to identify ways to make health care more affordable. CHA argues that the bill should not include target determined in advance without data. CMA requested amendments to focus on cost drivers in the marketplace.

Several committee members asked questions and made comments on the measure. Questions included the author's response to alternatives and to locking spending in for a moment in time. Members voiced concerns about the impacts to children's hospitals and raised concerns that the bill does not include labor costs or seismic costs. The bill passed out of committee 12-0 with Assembly Members Bigelow, Flora and Waldron abstaining. The bill will be heard next in Assembly Appropriations Committee.

#### **AB 1131 (Wood) – Health Information Exchange**

AB 1131 would establish the statewide health information network (HIN) governing board, an independent public entity not affiliated with an agency or department with specified membership, to provide the data infrastructure needed to meet California's health care access, equity, affordability, public health, and quality goals. The bill would require HIN the governing board to issue a request for proposals to select an operating entity. Additionally, the HIN would convene a health technology advisory committee with specified membership to advise the statewide HIN and set agendas, hold public meetings with stakeholders, and solicit external input on behalf of the statewide HIN. AB 1131 would require a health care entity, including a hospital, health system, skilled nursing facility, laboratory, physician practice, health care service plan, health insurer, and the Department of Health Care Services (DHCS), to submit specified data to the operating entity.

The bill is supported by Anthem Blue Cross, Blue Shield of California, California Black Health Network, Health Management Solutions, Hazel Health, Inland Empire Health Plan (IEHP), Manifest Medex, Purchaser Business Group on Health, and SEIU California. The California Hospital Association has an oppose unless amended position. They argued that the federal data exchange standards are working well and California does not need a centralized infrastructure, which would come with increased cyber security risks.

Members of the committee asked how about ensuring a competitive bid process, where funding would come from, and how ongoing costs would be funded. The bill passed out of Health Committee 13-1.

### **DHCS Releases 1115 Waiver for Comment**

The Department of Health Care Services (DHCS) released its CalAIM Medicaid Section 1115 waiver renewal [proposal](#) for public comment on April 6. The CalAIM Section 1115 demonstration proposal amends and renews the Medi-Cal 2020 Section 1115 demonstration, which was approved by the Centers for Medicare & Medicaid Services (CMS) in December 2015 and ends on December 31, 2021. [As part of CalAIM, DHCS also plans to seek an amendment and renewal to expand the existing Specialty Mental Health Services \(SMHS\) Section 1915\(b\) waiver and consolidate Medi-Cal managed care, dental managed care, SMHS, and the Drug Medi-Cal Organized Delivery System \(DMC-ODS\) under a single 1915\(b\) waiver.](#)

The document provides details on which proposals from the existing Section 1115 waiver are being extended for an additional five years, details on new proposals, proposals that are no longer being authorized under the 1115 waiver authority, and programs that are sunsetting. In some cases, programs are moving to the State Plan or to the 1915(b) waiver authority.

The public comment period for the CalAIM Section 1115 demonstration waiver ends May 6. All public comment materials can be found on the [CalAIM 1115 Demonstration & 1915\(b\) Waiver webpage](#). Stakeholders may submit public comments via mail, electronic mail, and/or during two upcoming public hearing webinars (scheduled for April 26 and May 3).

[Monday, April 26](#) – Register for Zoom conference [here](#)

[Monday, May 3](#) – Register for Zoom conference: [here](#)

DHCS is planning to submit the waiver proposal to CMS by early July. The following is an overview of the proposal components.

### ***Existing Programs Being Proposed for a Five-Year Extension***

- Global Payment Program (GPP). DHCS is proposing to make GPP a stronger tool for addressing health inequities by expanding SNCP funding to establish an equity sub-pool through which eligible designated public hospital systems earn points (and thereby receive payments) for services and activities designed to address health inequities and social determinants of health.
- Drug Medi-Cal-Organized Delivery System (DMC-ODS) – Institutions for Mental Disease (IMD). Authority DHCS is seeking a renewal of Section 1115 expenditure authority allowing federal reimbursement for Medicaid services provided to short-term residents of IMDs receiving DMC-ODS services.
- Low-Income Pregnant Women (109–138% of the Federal Poverty Level (FPL)).
- Out-of-State Former Foster Care Youth. DHCS is requesting a renewal of this coverage authority pending further guidance from CMS regarding implementation of the SUPPORT Act requirement that states extend State Plan coverage to this population.
- Community-Based Adult Services (CBAS).
- Certified Public Expenditure (CPE) Protocols – extend through at least July 2022.
- Designated State Health Care Programs (DSHP).

### ***New Programs***

- Peer Support Specialists (Drug Medi-Cal) Waivers of statewideness and comparability for new Medi-Cal State Plan services in Drug Medi-Cal (DMC) counties that opt in; similar waivers for peer support specialist services for SMHS and the DMC-ODS will be included in the 1915(b) waiver.
- Services for Justice-Involved Populations 30-Days Pre-Release. To ensure continuity of health coverage and care for justice involved populations, DHCS is requesting authority to provide targeted Medi-Cal services to eligible justice-involved populations 30 days pre-release. Proposed Medi-Cal services include enhanced care management (ECM) and limited community-based clinical consultation services provided via telehealth or e-consultation and a 30-day supply of medication for use post-release into the community.
- Providing Access and Transforming Health (PATH) Supports. The State is requesting expenditure authority to support services and capacity building, including payments for supports, infrastructure, interventions, and services to complement the array of care that will be authorized in the consolidated 1915(b) waiver delivery



system. DHCS states: “it is important that plans, counties, public hospital systems and community-based organizations have the tools and resources needed to work together, including ability to exchange data, establish payment relationships, measure value and outcomes, and ensure that beneficiaries remain at the center of care. Although some plans, counties, public hospital systems and community-based organizations (CBOs) already have such experience, California is seeking federal support to broaden and scale such arrangements.” California also is requesting federal funding of Designated State Health Programs (DSHPs) to support CalAIM implementation, including efforts to strengthen the effectiveness of Medi-Cal in addressing the significant gaps in health outcomes across beneficiaries based on race and ethnicity.

- DMC-ODS Traditional Healers and Natural Helpers.

#### ***Programs Moving to Other Authorities***

- Medi-Cal Managed Care and Dental Managed Care.
- DMC-ODS. Note: DHCS is seeking a renewal of its expenditure authority allowing federal reimbursement for Medicaid services provided to short-term residents of IMDs receiving DMC-ODS services and other programmatic changes described in the 1115 renewal application. The remainder of the DMC-ODS will be transitioned from the 1115 demonstration to the 1915(b) waiver authority and corresponding State Plan Amendments (SPAs).

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#### ***Programs to Sunset***

- Tribal Uncompensated Care (UCC). DHCS implemented Tribal Federally Qualified Health Centers (FQHCs), obviating the need for these UCC payments.
- Whole Person Care (WPC) Pilots and Health Home Program (HHP). DHCS seeks to continue the majority of WPC and HHP services under the managed care delivery system via ECM and in lieu of services (ILOS).
- Dental Transformation Initiative (DTI). DHCS is establishing a new, statewide dental benefit for children and certain adults and expanded pay-for-performance initiatives under the State Plan.
- Rady California Children’s Services (CCS) Pilot.
- Public Hospital Redesign and Incentives in Medi-Cal (PRIME). Applicable performance measures were transitioned to, and public hospitals may now qualify to receive managed care directed payments through, the Quality Incentive Program (QIP).



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