



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. Just 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](#).

June 9, 2023

Sometimes No News is ... News

The Legislature's primary public focus this week was the kickoff of policy committee hearings for bills that made it to the second house. Recall that of the measures that made it to the floors in the house of origin only three failed to advance, meaning that the Assembly and Senate have their work cut out for them in the weeks ahead. Policy hearings will continue through July 14 – the date the Legislature will adjourn for its four-week summer break as well as the policy committee deadline for all second-house bills.

As for the no news *is* news part, state budget deliberations have gone quiet. What little we have heard leads us to believe that the two houses of the Legislature are working behind the scenes to reconcile their respective approaches and are close to landing an agreement, but that the Legislature and the Administration appear to be far from finding consensus on an overall plan. In the meantime, the clock is ticking. The Legislature is bound by a constitutional requirement to present a balanced budget to the Governor by June 15. And, given the 72-hour in-print rule, budget and trailer bill language must be drafted and publicly posted by Monday, June 12 in order for the Legislature to take votes on Thursday. We are hoping some details will trickle out over the weekend. More to come as we learn it!

Icy Reception in Policy Committees for Governor's Infrastructure Bills

Policy committees in the Assembly and Senate met this week for informational hearings on the **ten-bill infrastructure package** Governor Newsom released late last month. The proposals are designed to expedite the permitting and construction process for a wide variety of infrastructure projects through changes to CEQA, public

works procurement requirements, and fully protected species classifications, among other changes.

While committee members mostly criticized the Administration on the quick process and questioned the need for urgent action, they also expressed policy concerns, especially regarding the proposed changes to CEQA, fully protected species requirements, and the Delta Reform Act. While many business, labor, and infrastructure-focused groups supported the package and requested that it be approved through the budget process, conservation and environmental justice groups raised significant concerns over both policy and process.

With the rapidly approaching June 15 deadline for the Legislature to approve a budget and the numerous questions and concerns raised this week, it's unclear whether there will be any appetite for quick action on the Governor's infrastructure package.

Background documents agendas from this week's hearings on specified components of the package are available on the following committee websites:

Assembly Transportation

- Accelerating Environmental Mitigation
- National Environmental Policy Act Delegation Authority for Transit Projects
- Direct Contracting (Public-Private Partnership Authority I-15 Wildlife Crossings)
- Caltrans Job Order Contracting
- Progressive Design-Build Authority for Caltrans and Department of Water Resources

Assembly Water, Parks and Wildlife

- Delta Reform Act Streamlining
- Accelerating Environmental Mitigation
- Progressive Design-Build Authority for Department of Water Resources
- Fully Protected Species Reclassification

Assembly Judiciary and Natural Resources Joint Hearing

- CEQA Administrative Records Review
- CEQA Judicial Streamlining

Senate Natural Resources and Water

- All Proposals

BH-CONNECT Updates

California will be submitting a new Medicaid Section 1115 Demonstration to increase access to and improve mental health services for Medi-Cal members statewide. The demonstration, now known as the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Demonstration (formerly the CalBH-CBC Demonstration), is still in development. At a CalAIM Behavioral Health workgroup meeting on June 8, the Department of Health Care Services (DHCS) provided additional updates about the proposed BH-CONNECT waiver.

In response to feedback, DHCS has made three key updates to the BH-CONNECT waiver: (1) addition of a workforce initiative, (2) addition of optional clubhouse services, and (3) a revised implementation timeline.

Workforce Initiative

The Administration's workforce initiative would – subject to voter approval – divert a portion of Mental Health Services Act (MHSA) local funds (\$36 million) per year to draw down \$444 million – for a \$480 million workforce initiative (\$2.4 billion total funds over the life of the BH-CONNECT waiver). The funds would be used to create a new state administered Behavioral Health Workforce Initiative, in addition to the MHSA Workforce Expansion and Training (WET). Because various components of the proposed waiver are opt-in, it is unclear under what parameters the workforce funding would be available to counties and whether counties must opt-in to all the new optional behavioral health services in order to fully access all of the workforce funds.

Clubhouse Services

Clubhouses are part psychosocial rehabilitation center, part intentional community, wherein members and staff work side-by-side. Clubhouses are voluntary programs that offer a physical location for people living with serious mental illness to build relationships, engage in work and education activities, and receive supportive services. DHCS proposes to cover Clubhouse services as an optional benefit for counties. Counties that opt-in to receive federal financial participation for IMDs will **not** be required to implement Clubhouse services.

Revised Implementation Timeline

DHCS is proposing to stagger implementation of the new benefits and services over three years. HBE has previously shared the details of the revised implementation timeline.

As for next steps, DHCS intends to release the BH-CONNECT waiver application for public comment in July 2023. DHCS will review all comments and make application revisions in advance of submission to CMS. DHCS intends to submit the BH-CONNECT waiver to CMS in October 2023.

California Submits Reproductive Health Access Waiver to Feds

On June 8, 2023, California submitted a new **demonstration project** under Section 1115 of the Social Security Act, entitled California's Reproductive Health Access Demonstration (CalRHAD), to the Centers for Medicare and Medicaid Services (CMS). The purpose of this application is to seek federal approval of a new three-year demonstration agreement to bolster California's sexual and reproductive health delivery system, with the goal of ensuring equitable access to a broad range of sexual and reproductive health services.

Through the CalRHAD demonstration, California seeks authority to provide grants to reproductive health providers to enhance capacity and access to sexual and reproductive health services, while also promoting the sustainability of California's reproductive health provider safety net for the benefit of individuals enrolled in Medi-Cal and other individuals who currently face barriers to access.

Care Economy Payments for Home and Community-Based Services (HCBS) Coming Soon

On June 12, DHCS will open the application process for HCBS organizations to apply for a \$500 one-time incentive payment on behalf of their employees; the application will close on July 10. The incentive payment is specifically for non-In-Home Supportive Services (IHSS) HCBS direct care workers who provided HCBS to vulnerable populations in a community setting for at least two months between March 2020 and March 2022 during the COVID-19 public health emergency. More information on this project, including eligibility requirements and the application link, is available on the Care Economy Payments for HCBS Direct Care Workers [webpage](#) and the Home and Community-Based Services Spending Plan [webpage](#).