



## Western Center 2021 Health Budget Comparison (Legislature vs Governor) June 8, 2021 (to be updated)

Despite high unemployment for the past year and increased state costs in responding to the pandemic, the Governor’s 2021-22 May Revision has \$41 billion more in state revenue than anticipated in the January budget. When combined with federal funds, the total surplus is more than \$75 billion, and could change since the April tax deadline was pushed back by one month. The Legislature uses slightly higher revenue forecasts of the Legislative Analyst’s Office and more recent data projections, which allows for additional investments. Notably this includes a Medi-Cal expansion to undocumented adults ages 50 to 59 (in addition to the Governor’s 60+ proposal), elimination of the Medi-Cal asset test, and other critical health equity investments. The Legislature has until June 15 to pass budget bill so expect budget deal details to be released by June 12 to account for rule that requires legislation to be in print for 72 hours before the Legislature can vote on it. However, we expect the budget, including trailer bill language (TBL), to continue to be worked on past June 15 through budget bill junior bills or omnibus trailer bills, which will contain much of the implementing details.

Medi-Cal Eligibility Proposals	Legislature Budget	Governor Budget	Final Budget
<b>Health4AllElders:</b> Expansion of full-scope Medi-Cal for all income-eligible adults, regardless of immigration status. Legislature proposes age 50 + and Governor proposes age 60+.	Approve for age 50+ with TBL	Funding for age 60+ with TBL	
<b>Eliminate Assets Test:</b> \$105.7M GF annually beginning in 2022-23 to eliminate the assets test in Medi-Cal, ensuring seniors or persons with disabilities, with assets of more than \$2,000 do not lose, or are not denied, Medi-Cal coverage.	Approve with TBL	Not included	
<b>Post-pregnancy eligibility extension:</b> Medi-Cal eligibility extension from 60 days to 12 months for all post-pregnancy individuals for 5 years. For individuals with mental health condition, this is extended permanently.	Approve with TBL	Approve with TBL	
<b>Continuous Medi-Cal Coverage Up to Age 5:</b> Approve \$1.8M GF annually, and adopt TBL, to provide continuous coverage of children up to age 5.	Approve	Not included	
<b>Medi-Medi Navigator Funds:</b> Approve \$12M GF in 2021-22 and \$12M in 2022-23 to expand the Medi-Medi project, ensuring seniors have support and guidance when transitioning from Medi-Cal to Medicare.	Approve	Not included	

<b>Expands accelerated enrollment to adults:</b> Provides immediate and temporary benefits to adults ages 19 through 64, while income verifications are pending at a cost of \$14.3M (\$7.2M GF) in FY 2021-22	Approve	Approve	
<b>Medi-Cal Benefit Proposals</b>	<b>Legislature Budget</b>	<b>Governor Budget</b>	<b>Final Budget</b>
<b>Doula Benefit:</b> Adds doula services as a Medi-Cal benefit to be implemented 1/1/2022 and includes \$402,584 (\$152,043 GF) in FY 2021-22 and approximately \$4.4M (\$1.7M GF) annually at full implementation.	Approve	Approve	
<b>Community Health Workers (CHW):</b> Adds CHW to the class of individuals who can provide Medi-Cal covered services to be implemented 1/1/2022 at a cost of \$16.3M (\$6.2M GF) in FY 2021-22 and increasing to \$201M (\$76M GF) by 2026-27.	Approve	Approve	
<b>Children and youth behavioral health investments:</b> \$4B investment in behavioral health services for children and youth. Legislature approves but with following modification: reject \$73M funding for the platform in 2021-22 until the project has met milestones; adopt TBL requiring plans to enter into a three-party partnership between the plan, the county mental health plan, and local school districts as incentive condition; and modify incentive payments.	Approve with modifications	Approve	
<b>CalAIM:</b> Funding CalAIM including PHM funding contingent on TBL clarifying the parameters, milestones, and requirements for the project, one-time \$200M (\$100M GF) to build capacity for effective pre-release care for justice-involved populations, one-time budget allocation of \$9.3M to expand current pilot that provides medically tailored meal intervention services. Legislature approves with modifications and TBL still being worked through.	Approve with modifications	Approve	
<b>Permanently ends the suspension of Medi-Cal benefits and provider rate:</b> Specifically, the following will no longer sunset: <ul style="list-style-type: none"> <li>• <b>Optional benefits</b> restored in 2019 Budget (audiology and speech therapy services, incontinence cream and washes, eyeglasses and contacts, and podiatric services) and</li> <li>• <b>Supplemental provider payments</b> and elimination of the AB 97 rate freeze.</li> </ul>	Approve with TBL	Approve with TBL	
<b>Other Medi-Cal Actions</b>	<b>Legislature Budget</b>	<b>Governor Budget</b>	<b>Final Budget</b>
<b>Field testing:</b> Approves \$1M GF one-time, \$30,000 ongoing, and language to support field testing of translated Medi-Cal materials to ensure they are understood by the intended audience.	Approve with TBL	Not included	

<b>Telehealth:</b> Adopts TBL to make permanent certain flexibilities for Medi-Cal providers to utilize telehealth and set rates for audio-only telehealth at 65% of the Medi-Cal rate for the service rendered in fee-for-service, and comparable alternative to prospective payment system (PPS) rates for clinics.	Use AB 32 instead of Gov TBL	Approve with TBL	
<b>Eliminates dental managed care and restoring dental fee-for-service in Sacramento and Los Angeles</b> to be implemented 1/1/2022 for a savings of \$20M (\$8M GF) with TBL. The Legislature rejected and instead requires DHCS by 1/1/2022 to develop a transition plan prior to elimination proposal, to include continuity of care plans, transition of key dental care programs (such as Early Smiles), and analysis on how a transition to fee-for-service would improve utilization.	Rejects and instead requires advance transition plan	Approve with TBL	
<b>Other Health Care Proposals</b>	<b>Legislature Budget</b>	<b>Governor Budget</b>	<b>Final Budget</b>
<b>Zero out \$1 premium:</b> \$20M ongoing to zero out \$1 premium (due to federal policy concerning abortion services) for health plans.	Approve	Approve	
<b>Health Care Affordability Reserve Fund:</b> Sets aside \$333.4M in Fund to deposit individual mandate penalty revenue to allow for future investment in Covered California subsidies, but returns \$732 million to the General Fund in unspent state subsidies.	Approve	Approve	
<b>Equity Proposals:</b> \$100M for community-based organizations to address health disparities; \$15M for the Transgender Wellness and Equity Fund; \$63.1M one-time for the California Reducing Disparities Project; and \$7.5M to compensate survivors of state sponsored forced sterilizations (AB 1007).	Approve	Not included	
<b>Language access services:</b> Builds upon January proposal to develop and implement an HHS-wide policy framework to improve language access standards across Health and Human Services (HHS) programs and services, including \$20 million one-time GF. Legislature approves modified BBL to require the completion of the language access framework prior to additional funding and report along with January proposal (a post-pandemic equity analysis, language access resources, an equity dashboard, and workforce training).	Approve with modified BBL	Approve	
<b>Department of State Hospital (DSH):</b> Adopt TBL to remove family members of former DSH patients from financial responsibility for patients' involuntary stay in a state hospital and adopt supplemental reporting language that would require DSH, by 10/1/21, to develop recommendations regarding patient relief from financial impacts.	Approve	Not included	