



Western Center 2021 Health Budget Actions (August 2, 2021) with citations

Following negotiations between the Legislature and Governor, a budget deal was announced at the end of June and largely follows the Legislature’s Budget passed June 14 with some adjustments. The budget improves the health of low-income Californians and notably includes a Medi-Cal expansion to undocumented adults ages 50 and older, elimination of the Medi-Cal asset test, and other critical health equity investments. Details are available in budget bill junior ([SB 129](#)) which was signed by the Governor on July 12 with line item veto on wildfire prevention and health trailer bill ([AB 133](#)), which contains much of the implementing details and was signed by the Governor on July 27. Negotiations will continue past the beginning of the new budget year starting on July 1, 2021, so expect additional details, in the form of additional trailer bill language (TBL), to be released in August.

Medi-Cal Eligibility Proposals	Legislature Budget	Governor Budget	Final Budget
Health4AllSeniors: 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	Approve for age 50+ with TBL ¹
Eliminate Assets Test: \$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	Phased-in elimination with TBL ²
Post-pregnancy eligibility extension: 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	Approve with TBL ³
Continuous Medi-Cal Coverage Up to Age 5: Approve \$1.8M GF annually, and adopt TBL, to provide continuous coverage of children up to age 5.	Approve	Not included	Not included
Medi-Medi Navigator Funds: 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 with BBL	Not included	Approve with BBL

¹ Cal. Welf. & Inst. Code § 14007.8 with implementation date no sooner than May 1, 2022 (AB 133).

² Cal. Welf. & Inst. Code § 14005.62 with asset disregard of \$130,000 no sooner than July 1, 2022 and full repeal no sooner than January 1, 2024 (AB 133).

³ Cal. Welf. & Inst. Code § 15840 (AB 133).

Expands accelerated enrollment to adults: 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	Approve
Medi-Cal Benefit Proposals	Legislature Budget	Governor Budget	Final Budget
Doula Benefit: 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	Approve
Community Health Workers (CHW): 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	Approve
Children and youth behavioral health (BH) investments: \$4B+ investment in BH services for children and youth. Negotiated agreement includes BH service virtual platform, school-linked services, develop and expand age-appropriate evidence-based BH programs, building continuum of care infrastructure, plan offered BH services, school BH counselor and coach, and other workforce development.	Approve with modifications	Approve	Negotiated approval with TBL ⁴
CalAIM: Funding CalAIM including TBL related to mandatory managed care, population health management, enhanced care management, in lieu of services, behavioral health, dual eligible proposals, application assistance for inmates, Global Payment Program, and county reporting. In addition, one-time \$200M to build capacity for effective pre-release care for justice-involved populations and one-time budget allocation of \$9.3M to expand current pilot that provides medically tailored meal intervention services.	Approve with modifications	Approve	Negotiated approval with TBL ⁵
Permanently ends the suspension of Medi-Cal benefits and provider rate: Specifically, the following will no longer sunset: <ul style="list-style-type: none"> • Optional benefits restored in 2019 Budget (audiology and speech therapy services, incontinence cream and washes, eyeglasses and contacts, and podiatric services) and • Supplemental provider payments and elimination of the AB 97 rate freeze. 	Approve with TBL	Approve with TBL	Approve with TBL ⁶
Continuous Glucose Monitoring (CGM): \$10.9M (\$3.8M GF) to add CGM systems as a Medi-Cal benefit for beneficiaries with Type 1 diabetes who demonstrate medical necessity, beginning January 1, 2022.	Approve	Approve	Approve

⁴ Calif. Health and Safety Code § 1374.722 and § 127825; Cal. Welf. & Inst. Code § 5886, § 5960- 5960.45, §5961- 5961.5 (AB 133).

⁵ Cal. Welf. & Inst. Code § 14184.100- 14184.800 (AB 133).

⁶ Cal. Welf. & Inst. Code § 14131.10 and § 14188.4 (AB 133).

Other Medi-Cal Actions	Legislature Budget	Governor Budget	Final Budget
Field testing: 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 BBL	Not included	Approve with BBL
Telehealth: Adopts TBL to make permanent certain flexibilities for Medi-Cal providers to utilize telehealth. Negotiated agreement extends payment for audio-only visits at same rate as an in-person visit through 12/2022 and creates advisory group that will work with DHCS on utilization management protocols to be implemented 1/2023.	Use AB 32 instead of Gov TBL	Approve with TBL	Negotiated agreement with TBL ⁷
Eliminates dental managed care (DMC) and restoring dental fee-for-service in Sacramento and Los Angeles to be implemented 1/1/2022 for a savings of \$20M (\$8M GF) with TBL. The Legislature rejected and initially sought to require DHCS to develop a transition plan prior to elimination proposal and negotiated language includes extension of DMC contract until 12/2022.	Reject and require advance transition plan	Approve with TBL	Reject and extends DMC contract 12/2022 ⁸
Other Health Care Proposals	Legislature Budget	Governor Budget	Final Budget
Zero out \$1 premium: \$20M ongoing to zero out \$1 premium (due to federal policy concerning abortion services) for the most subsidized health plans on Covered California.	Approve	Approve	Approve
Health Care Affordability Reserve Fund: 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	Approve with TBL ⁹
Equity Proposals: <ul style="list-style-type: none"> • \$300M to public health and CBOs beginning 7/2022 to address health disparities and workforce development (original request was to begin 7/2021); • \$13 million one-time in 2021-22 to support the Transgender Wellness and Equity Fund (original request was \$15M annually); • \$63.1M one-time for the California Reducing Disparities Project; and \$7.5M to compensate survivors of state sponsored forced sterilizations (AB 1007 with original request being \$7.5M annually). 	Approve	Not included	Approve with delay and other changes

⁷ Cal. Welf. & Inst. Code § 14124.12 (AB 133).

⁸ Cal. Welf. & Inst. Code § 14087.46 (AB 133).

⁹ Cal. Government Code § 100520.5 (AB 133).

<p>Language access services: 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. Approve modified BBL to require the completion of the language access framework prior to additional funding and report along with January proposal.</p>	<p>Approve with modified BBL</p>	<p>Approve</p>	<p>Approve with modified BBL</p>
<p>Department of State Hospital (DSH): 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 1/1/22, to develop recommendations regarding patient relief from financial impacts.</p>	<p>Approve with TBL</p>	<p>Not included</p>	<p>Approve with TBL¹⁰</p>

¹⁰ Cal. Health and Safety Code §7275, §7276, §7277.1, §7278, §7282 (AB 133)