

HEALTH AND HUMAN SERVICES

Health and Human Services programs provide medical, dental, mental health, and social services to many of California's most vulnerable and at-risk residents. These programs touch the lives of millions of Californians and provide access to critical services that promote their health, well-being, and ability to more effectively function in society. The Budget reflects the Administration's efforts to maintain a safety net for California's most vulnerable residents, to ensure that children are raised in safer, more stable, and permanent homes, and that seniors and persons with disabilities live in the most integrated and appropriate community setting.

Figure HHS-01 below displays the funding and estimates of the caseloads for California's various major Health and Human Services programs.

DEPARTMENT OF HEALTH CARE SERVICES

FUNDING PROVIDED TO COUNTIES FOR MEDI-CAL ELIGIBILITY ACTIVITIES

The Budget reflects savings of \$107.2 million (\$53.4 million General Fund) in funding for counties to determine eligibility for Medi-Cal services. County eligibility workers perform intake and re-determination work with beneficiaries applying for services.

HOSPITAL COST CONTAINMENT MEASURES

The Budget seeks to create incentives for hospitals to contract with the Medi-Cal program and with Medi-Cal managed care plans. To this end it limits fee-for-service

Figure HHS-1

**Major Health and Human Services Programs
General Fund Spending and Caseload**
(Dollars in millions)

	2007-08 Dollars	2007-08 Caseload	2008-09 Dollars	2008-09 Caseload
Medi-Cal	\$14,226.8	6,636,500	\$14,511.8	6,729,510
Supplemental Security Income/ State Supplementary Payment	3,645.4	1,247,580	3,751.9	1,274,000
Regional Centers	2,116.6	221,069	2,401.6	229,680
Developmental Centers	409.6	2,620	361.5	2,400
Mental Health-Long-Term Care Services, including State Hospitals	1,100.0	5,790	1,148.2	6,080
Mental Health-Community Mental Health Services	769.5	N/A	835.4	N/A
CalWORKs ^{1/}	1,476.0	460,120	2,032.7	475,340
In-Home Supportive Services	1,666.3	396,610	1,810.8	421,590
Children's Services	1,625.3 ^{2/}	71,400 ^{3/}	1,702.2 ^{2/}	70,850 ^{3/}
Healthy Families	395.8	880,999	397.5	935,482
Department of Public Health	394.9	N/A	349.0	N/A
Alcohol and Drug Programs	268.6	N/A	290.0 ^{4/}	N/A

^{1/} Majority of increase related to depletion of federal funding that has historically been carried over year-after-year. This requires a General Fund backfill in 2008-09 and did not affect eligibility, services, or otherwise impact recipients. Total funds for CalWORKs increased by approximately \$100 million from 2007-08 to 2008-09, primarily due to caseload growth.

^{2/} Includes Foster Care payments and administration, Adoptions Assistance Program, Child Welfare Services, Adoptions, and Child Abuse Prevention.

^{3/} Reflects caseload for Foster Care program only.

^{4/} Includes \$25 million pass-through to the California Department of Corrections and Rehabilitation for Parolee Substance

Medi-Cal payments for inpatient care at hospitals that do not contract with Medi-Cal through the California Medical Assistance Commission (CMAC). Similarly, it limits the amount that participating plans must pay hospitals that are out of the plan's network for emergency services and for post-stabilization services provided to Medi-Cal beneficiaries. The limit would not apply to rural hospitals and hospitals in areas historically excluded from contracting and that have fewer than three general acute care hospitals. This change will generate \$17.5 million in General Fund savings.

MEDI-CAL SPECIALTY PHARMACY AND REBATE

The Budget includes savings of \$250,000 by authorizing the Department of Health Care Services (DHCS) to contract for specialty pharmacy products, including blood factor products, blood derivatives, immunizations, and other specialized drugs. The DHCS would also establish a process to collect rebates from drug manufacturers for these specialty pharmacy products.

DEPARTMENT OF DEVELOPMENTAL SERVICES**PERMANENT EXTENSION OF COST CONTAINMENT MEASURES**

The Budget makes permanent current Regional Center cost containment measures which are expected to result in savings of \$366.6 million (\$249.3 million General Fund). These measures include the continuation of the current freeze on rates paid for targeted program categories. This rate freeze had previously been scheduled to end June 30, 2008.

EXPANSION OF THE FAMILY COST PARTICIPATION PROGRAM

The Budget includes savings of \$1.3 million General Fund resulting from the expansion of the Family Cost Participation Program, to include a share of the cost of respite, day care, and camping services for parents of Early Start consumers. The Early Start Program provides early intervention services to infants and toddlers with a developmental disability, developmental delay, or those at risk of developmental delay or disability, and their families. The share of cost scale will also be expanded to families with incomes at 400 percent of the Federal Poverty Level (FPL) and above who will pay 10 percent of the cost of respite, day care, and camping services. Families with incomes at 1,000 percent of the FPL or above will pay 100 percent of the cost of these services.

DEPARTMENT OF MENTAL HEALTH**MENTAL HEALTH SERVICES ACT (PROPOSITION 63) HOUSING PROGRAM**

The Budget includes \$1.49 billion in Mental Health Services Act (MHSA) funds for Proposition 63, of which \$100 million is committed by counties to the MHSA Housing Program. This funding is in addition to \$300 million identified by counties in 2007-08. This program makes funding available through the California Housing Finance Agency (CalHFA) to develop permanent supportive housing serving persons with serious mental illness who are homeless or at risk of homelessness.

NEW DIVISION OF CORRECTIONAL MENTAL HEALTH SERVICES

In response to the *Plata* Receiver's request for additional resources to improve mental healthcare for prison inmates, the Department of Mental Health (DMH) and the California Department of Corrections and Rehabilitation (CDCR) will undertake a joint project to provide 1,000 new mental health beds located in two of seven new healthcare facilities, the first of which is tentatively scheduled to open in January 2011. In 2008, through an inter-agency agreement with CDCR, the DMH will establish a new division within the department that will oversee the clinical and administrative operation of these facilities and will assume responsibility for providing acute and intermediate in-patient mental health treatment services to inmate-patients.

DEPARTMENT OF CHILD SUPPORT SERVICES

CHILD SUPPORT AUTOMATION

Chapter 479, Statutes of 1999 designated the Franchise Tax Board (FTB) as the agent of Department of Child Support Services (DCSS) for the procurement, development, statewide implementation, maintenance and operation of the California Child Support Automation System (CCSAS). When statewide implementation is complete, the child support system will manage the nation's largest child support caseload of more than 1.6 million child support cases covering approximately 1.8 million children.

The system has been fully developed with statewide implementation expected to be completed by November 2008. Upon statewide implementation, the federal government will lift the spending cap under which the state has been operating. Once federal notification is received formally accepting statewide implementation, responsibility for the CCSAS will transition from the FTB to the DCSS.

DEPARTMENT OF SOCIAL SERVICES

SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY PAYMENT PROGRAM

On January 1, 2009, the monthly grant payment levels will increase from \$870 for aged or disabled individuals and from \$1,524 for aged or disabled couples to \$887 and \$1,550, respectively, given a federal cost-of-living adjustment (COLA) for the Supplemental Security Income (SSI) program. The Budget permanently suspends provision of the June 2008 and June 2009 State Supplementary Payment (SSP) program COLAs. California's SSI/SSP payment levels for individuals and couples remain the highest among the nation's 10 most populous states and are projected to maintain national rankings of second and first, respectively.