

## HEALTH AND HUMAN SERVICES

The Health and Human Services Agency oversees departments and other state entities that provide health and social services to California’s vulnerable and at-risk residents.

The Budget includes total funding of \$161 billion (\$35 billion General Fund and \$126 billion other funds) for all programs overseen by this Agency.

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### DEPARTMENT OF HEALTH CARE SERVICES

Medi-Cal, California’s Medicaid program, is administered by the Department of Health Care Services. Medi-Cal is a public health care coverage program that provides comprehensive health care services at no or low cost for low-income individuals. The federal government mandates basic services, including: physician services; family nurse practitioner services; nursing facility services; hospital inpatient and outpatient services; laboratory and radiology services; family planning; and early and periodic screening, diagnosis, and treatment services for children. In addition to these mandatory services, the state provides optional benefits such as outpatient drugs, dental, home and community-based services, and medical equipment. The Department also operates the California Children’s Services and the Primary and Rural Health programs, and oversees county-operated community mental health and substance use disorder programs.

### Significant Adjustments:

- Proposition 56—The Budget includes \$711.2 million to support new growth in Medi-Cal for expenditures as compared to the 2016 Budget Act and \$546 million for supplemental provider payments for physician services, dental services, women’s health, Intermediate Care Facilities for the Developmentally Disabled, and HIV/AIDS waiver providers. The \$546 million in supplemental provider payments are subject to federal approval, and contingent on continued stability in federal Medicaid funding.
- Restoration of Medi-Cal Dental Benefit—The Budget includes \$34.7 million in 2017-18 and \$72.9 million General Fund annually thereafter to restore full dental services for adult beneficiaries in the Medi-Cal program, effective January 1, 2018.
- Restoration of Medi-Cal Vision Benefit—The Budget includes statutory changes to restore optometric and optical services for adult beneficiaries in the Medi-Cal program, effective January 1, 2020, contingent on the Legislature including funding for these services in the state budget process. This results in estimated costs of approximately \$12.5 million General Fund in the Medi-Cal program beginning January 1, 2020, growing to \$26.3 million in 2020-21.
- Skilled Nursing Facility Staffing Ratios—The Budget includes an increase in the minimum number of direct care services hours in skilled nursing facilities from 3.2 to 3.5 hours per patient day, effective July 1, 2018. It also specifies that a minimum of 2.4 hours per patient day must be provided by certified nurse assistants. This change allows for waivers of the direct care service hour requirements when there is a shortage of available and appropriate health care professionals. This results in estimated costs of approximately \$10.4 million General Fund in the Medi-Cal program starting in 2018-19.
- California Children’s Services Medical Therapy Program—The Budget includes \$1.6 million General Fund for nonmedically necessary occupational therapy and physical therapy services. Recent court decisions have required the provision of these services if included in a child’s written Individualized Education Program, even when they are not deemed medically necessary. These services are not eligible for federal financial participation. The Administration will continue to work with the Legislature to resolve this issue.
- Mental Health Services Act Reversions—The Budget includes statutory changes to hold counties harmless for the reversion of unspent Mental Health Services Act funds prior to July 1, 2017. Going forward, statute also specifies the reversion

timeline begins when a county's innovation program plan is approved and requires the Department of Health Care Services to annually report on the amount of unspent county Mental Health Service Act funds to be reverted.

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## DEPARTMENT OF SOCIAL SERVICES

The Department of Social Services serves, aids, and protects needy and vulnerable children and adults in ways that strengthen and preserve families, encourage personal responsibility, and foster independence.

Significant Adjustments:

- **In-Home Supportive Services County Mitigation**—The Budget includes \$400 million General Fund in 2017-18 to mitigate the increase in counties' costs for the In-Home Supportive Services (IHSS) program associated with the end of the Coordinated Care Initiative. The amount of General Fund relief provided to counties will be phased down over time, decreasing to \$330 million in 2018-19, \$200 million in 2019-20, and \$150 million annually thereafter.
- **IHSS Administration**—The Budget includes a one-time increase of \$37 million General Fund for county IHSS administrative costs in 2017-18. The Administration will work with representatives of counties and the County Welfare Directors Association of California to examine the workload and budget assumptions related to IHSS administration.
- **CalWORKs Single Allocation**—The Budget provides a one-time augmentation of \$108.9 million in 2017-18 to the single allocation for counties. The Administration will work with representatives of counties and the County Welfare Directors Association of California to develop recommendations for revising the single allocation budgeting methodology to address the cyclical nature of caseload changes and impacts to county services.
- **Housing and Disability Advocacy Program**—The Budget includes one-time funding of \$45 million General Fund for a county matching grant program designed to provide outreach to homeless persons with disabilities who may be eligible for disability benefits.
- **Immigration Services**—The Budget includes \$45 million General Fund in 2017-18 to expand the availability of legal services for people seeking naturalization

services, deportation defense, or assistance in securing other immigration services and remedies. Funding will be evaluated on an annual basis.

- Child Care Bridge for Youth in Foster Care—The Budget includes \$15.5 million General Fund in 2017-18 and \$31 million General Fund annually thereafter to assist foster care providers in securing short-term child care services.
- CalFood Program—The Budget provides \$8 million General Fund in 2017-18 and \$6 million General Fund annually thereafter for the CalFood program, which provides emergency food and funding to food banks. Funding will be evaluated on an annual basis.
- Safe Drinking Water Pilot Program—The Budget includes one-time funding of \$5 million General Fund, available through July 1, 2020, for a Safe Drinking Water Supplemental Benefit pilot program to provide time-limited benefits to residents served by public water systems that fail to meet safe drinking water standards.

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## DEPARTMENT OF DEVELOPMENTAL SERVICES

The Department of Developmental Services provides individuals with developmental disabilities a variety of services that allow them to live and work independently or in supported environments. California is the only state that provides developmental services as an individual entitlement. The state is in the process of closing all of the state-operated developmental centers, except for the secure treatment area at the Porterville Developmental Center.

Significant Adjustments:

- Community Resources for Individuals with Developmental Disabilities—The Budget includes one-time funding of \$7.5 million General Fund in 2017-18 for expanded services for individuals with developmental disabilities, including the expansion of mobile acute crisis teams, intensive support services, and the development of transition support services and acute crisis homes.
- Community Disparities Resources—The Budget provides \$5.6 million General Fund in 2017-18 to remove the limit, currently 90 hours per quarter, for home respite services effective January 1, 2018. The Budget also includes statutory changes to allow the Department to allocate grant funding directly to community-based organizations to address disparities in community services.

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**OTHER HEALTH AND HUMAN SERVICES**

- Clinic Lifeline Grants—The Budget includes \$20 million one-time funding from the California Health Facilities Financing Authority Fund to establish a grant program for working capital and operating support to licensed, non-profit small or rural health facilities in medically underserved areas. Grants will be awarded by the California Health Facilities Financing Authority.
- Health Care Workforce Investment—The Budget includes \$33.3 million General Fund to support health care workforce initiatives at the Office of Statewide Health Planning and Development. This funding will primarily pay for new and existing residency slots for primary care physicians.
- Community Infrastructure Grants—The Budget includes \$67.5 million General Fund for one-time community infrastructure grants to promote public safety diversion programs and services by increasing the number of mental health, substance use disorder, and trauma-related services facilities. Grants will be awarded by the California Health Facilities Financing Authority on a competitive basis to cities and/or counties. The grants will aim to expand local resources for facility acquisition or renovation, equipment purchases, and applicable program startup or expansion costs to increase the availability of these programs.
- Children’s Mental Health Crisis Services—The Budget includes one-time funding of \$16.7 million Mental Health Services Fund for the Children’s Mental Health Crisis Services grant program. The grants are intended to increase children’s crisis capacity services and programs. Grants provided by the California Health Facilities Financing Authority will go to local government programs that serve children and youth under the age of 21.

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