



October 29, 2012

Capitol Update

September's Monthly Numbers: The Department of Finance has released its monthly Bulletin updating the State's fiscal picture. While job growth and home sales continue on the up-tick, the pace of employment gains have slowed just slightly since a few months ago. The revenue picture is less rosy, with over-all totals down 2.1 percent from the forecast. Personal Income Tax receipts however were 2.5 percent ahead of estimates. Unfortunately, the other major revenue sources fell behind predictions, bringing down the overall bottom line. The total monthly shortage is \$147 million. This puts the year-to-date totals in the red as well, by the same amount: 2.1 percent. The State has collected \$379 million less revenues than expected so far in the budget forecast.

New CSAC Executive Director: Matt Cate, Secretary of the California Department of Corrections and Rehabilitation will take over as the Executive Director of the California State Association of Counties on November 12th. Appointed by Governor Schwarzenegger, Cate has worked as the Secretary of CDCR since 2008, overseeing public safety realignment. Prior to his appointment, he worked as the Inspector General of public oversight over CDCR, Deputy Attorney General, and a state and local prosecutor.

Healthy Families Transition: Last week, the California Health and Human Services Agency (CHHS) hosted another in its series of webinars to update stakeholders on the transition of the Healthy Families Program to Medi-Cal. The webinar focused on the efforts of the Department of Health Care Services' (DHCS) efforts to respond to suggestions and criticism and to keep the public informed. For example, in a recent Senate Budget Committee hearing on the transition it was disclosed that a potential problem could arise for physicians who are not currently participants in the federal Vaccines for Children (VFC) Program when their Healthy Families patients transition into the Medi-Cal Program. Since Medi-Cal docs get their vaccines from the VFC program, physicians will have to enroll in the program to secure vaccines for their former Healthy Families patients who become Medi-Cal patients. DHCS is now working with the VFC program to help ensure that all providers can be certified as quickly as possible.

A DHCS spokesperson assured the webinar participants that the Department is working with the federal government on the necessary waivers and State Plan Amendments and expects them to be granted in sufficient time for the first cohort of children to transition on January 1, 2013. Therefore, the Administration is proceeding with the necessary steps to implement the transition, and MRMIB is getting ready to mail notices to the families of children in the first

phase of the transition on November 1. This notice will go to both part a and part b children in Phase 1. A second notice will be sent out on December 1 advising families whether their children are transitioning in January or March. (Part a or b)

The Administration has determined that based on its network adequacy assessments which health plans are ready to make the transition and will be included in parts a and b of Phase 1. Part “a” counties, those where the transition will occur on January 1, are Alameda, Riverside, San Bernardino, San Francisco, Santa Clara, Orange, San Mateo, and San Diego. The Part “b” counties where the switch will occur two months later, are Contra Costa, Fresno, Kern, Kings, Los Angeles, Madera, Tulare, Sacramento, Napa, Solano, Sonoma, Yolo, Monterey, Santa Cruz, Santa Barbara, and San Luis Obispo. Counties where plans will be open to new enrollment are Ventura, Merced, Marin, Mendocino, San Joaquin, Stanislaus, and Care First in San Diego.

DHCS officials emphasized that they have been having weekly meetings with the health plans to ensure that they will be ready for the transition. All County Welfare Directors Letters are in the works and will be sent out soon to provide guidance to counties on how to handle the transition. The Administration is working on a “welcome packet” for the families of transitioning children, as well as a script for call centers. They do not plan to make any changes to the Medi-Cal application and children who make the switch from one program to another will not be reassessed for eligibility until their annual reassessment date.

The next webinar is planned for December 7 from 1:00 to 3:00 p.m. The Administration has posted several transition-related items at the following website:

<http://www.dhcs.ca.gov/services/Pages/HealthyFamiliesTransition.aspx>

Adult Day Health Care: The Department of Health Care Services is saying that the appeals of 2,500 former ADHC recipients who were denied Community Based Adult Services (CBAS) will be heard by the end of November. The administrative judges will rule and the Director of the Department of Health Care Services (DHCS), Toby Douglas, will then make the final decision.

In other ADHC news, 5,000 current CBAS recipients lost eligibility for the program by opting out of Medi-Cal Managed Care – perhaps without understanding the consequences of that decision. DHCS is giving those recipients the opportunity to opt-in to managed care until the end of December in order to have CBAS services reinstated. Critics of the transition say it has been extremely chaotic, with neither recipients nor doctors understanding the process.

Americans for Responsible Leadership: On Thursday, Ann Ravel, Director of the Fair Political Practices Commission (FPPC) and Attorney General Kamala Harris filed a lawsuit in Sacramento to force the disclosure of the source of funds coming from the Phoenix, Arizona organization, called Americans for Responsible Leadership. The group donated \$11 million a couple of weeks ago to support Proposition 32 and oppose 30. As a non-profit, the group is not required to disclose donors under federal law. However, California law requires that if the donors knew or should have known that their donated funds were going for political purposes in California, the organization must legally reveal those donors. The Court will rule tomorrow whether those

donors must be identified. Americans for Responsible Leadership has stated that the contributions were not earmarked for political purposes and therefore the donors should not be disclosed.

Design-Build Legislation: The design-build statutes authorizing all counties to use design-build procurement sunset on July 1, 2014, which means legislation must be introduced next year to eliminate or extend that authority. San Diego County has already stepped forward to pursue legislation eliminating the sunset date and making other tweaks to the statute, and is seeking the support of all interested counties.

The primary changes proposed for the county design-build statute include eliminating the minimum cost thresholds for a project, allowing for the aggregation of similar projects, and providing a little more flexibility in the scoring process.

Interim Hearings

Friday, November 09, 2012

1:30 p.m. ASSEMBLY SELECT COMMITTEE ON HIGH QUALITY EARLY CHILDHOOD EDUCATION

BONILLA, Chair

LOCATION: State Capitol, Room 444

SUBJECT: Improving Efficiency in Our Childcare Delivery System

2 p.m. ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

MITCHELL, Chair

LOCATION: City Hall, 9770 Culver Blvd., Culver City

OVERSIGHT HEARING SUBJECT: An Examination of Dental Care for Children Enrolled in Medi-Cal and Healthy Families in Los Angeles County

Wednesday, November 14, 2012

1:30 p.m. to 4 p.m. ASSEMBLY ENVIRONMENTAL SAFETY AND TOXIC MATERIALS

ALEJO, Chair

LOCATION: State Capitol, Room 126

OVERSIGHT COMMITTEE HEARING: CONTAMINATED DRINKING WATER IN CALIFORNIA'S DISADVANTAGED COMMUNITIES

Tuesday, November 27, 2012

10 a.m. SENATE TRANSPORTATION AND HOUSING

DESAULNIER, Chairman

LOCATION: Supervisors Hearing Room, Hall of Administration, 800 South Victoria Avenue, Ventura

INFORMATIONAL HEARING SUBJECT: Implementation Transportation Development Act in Ventura County

2 p.m. to 5 p.m. ASSEMBLY WATER, PARKS AND WILDLIFE

HUESO, Chair

LOCATION: North Shore Beach and Yacht Club Community Center, 99155 Sea View Drive, Mecca

OVERSIGHT HEARING SUBJECT: Salton Sea Restoration

Wednesday, November 28, 2012

10 a.m. SENATE TRANSPORTATION AND HOUSING

DESAULNIER, Chairman

LOCATION: John L. Burton Hearing Room (4203)

INFORMATIONAL HEARING SUBJECT: Caltrans Peer Review Process
