



April 21, 2021

To: The Honorable Susan Talamantes Eggman
Chair, Senate Budget Subcommittee No. 3

Honorable Members
Senate Budget Subcommittee No. 3

The Honorable Dr. Joaquin Arambula
Chair, Assembly Budget Subcommittee No. 1

Honorable Members
Assembly Budget Subcommittee No. 1

From: Cathy Senderling-McDonald, Executive Director

**RE: CWDA COMMENTS ON MEDI-CAL AND HEALTH
PROGRAMS BUDGET PROPOSALS**

As part of the annual budget process, the County Welfare Directors Association (CWDA) typically comments or takes positions on budget proposals from the Administration or advocates that are of policy interest to our members or that have an effect on county operations. Because of the unprecedented impacts of the COVID-19 pandemic on the annual state budget hearing process, we have been unable to provide our feedback through public testimony as we usually would. Therefore, we are providing feedback here on several Medi-Cal and health budget proposals that we have not already commented upon in writing elsewhere.

Medi-Cal Asset Test Elimination

CWDA supports completely eliminating the Medi-Cal asset test. As it stands, the asset test can be difficult to understand and requires extensive follow-up between counties and clients—the paperwork and documentation of individuals' assets, which varies in complexity, can be complicated to review and assess and as a result, deter individuals from applying to Medi-Cal and/or completing the Medi-Cal application process. Eliminating the asset test will allow more individuals to be eligible to Medi-Cal and help vulnerable Californians. Additionally, if eliminated, CWDA does not expect a huge amount of administration savings achieved, as counties have continuous workload and activities to address. From a timing perspective, increasing the asset limit will be quicker to implement than eliminating the asset test

altogether, although the latter is preferred from a policy perspective. We would be glad to engage in discussions regarding the options and potential automation considerations and workload requirements.

CalAIM Trailer Bill Language (TBL) on Jail Pre-Release Mandate

We strongly support policies linking inmates to health, behavioral health, and health plans upon their release and recommend a jail pre-release process that provides counties the flexibility for implementation, particularly as some counties have already instituted a jail pre-release process. We also recommend clarifying the language to clarify that the eligibility determination duties conducted by county human services agencies are different from the job of an application assister. We also note that a present challenge for counties is the lack of data sharing between jails and sheriffs and human services agencies and recommend establishing a data sharing protocol so counties can be notified when individuals will be incarcerated longer than a certain period of time, in addition to being notified of those who are being released. This would facilitate a more effective suspension process and reduce the need for applications when individuals would otherwise only require a suspension of existing eligibility to be lifted. Lastly, we are supportive of additional state funding to measure outcomes with this proposal, such as receipt of services and reduction of recidivism.

CalAIM County Monitoring and Performance Measures

We have no concerns with restarting the county monitoring and performance review process consistent with current statute, but have proposed amendments to the Administration's TBL that include: 1) reviewing the current corrective action processes and exploring the creation of a continuous quality improvement process rather than the current penalty base structure, 2) the Department of Health Care Services providing technical assistance to counties related to performance measures, 3) determining a method for sharing county performance data through a dashboard to extent a method does not already exist, 4) reviewing and updating guidance on processes related to current law in this area, and 5) recommending other actions that could improve performance, including reviewing guidance and regulations related to Medi-Cal eligibility, and updating guidance and regulations on changes to program rules and requirements.

Public Health Emergency (PHE) Lift Workload

CWDA anticipates that all Medi-Cal beneficiaries will need to have their eligibility redetermined when the PHE ends due to the length of the pandemic and the economic impacts that may have significantly changed beneficiaries' financial circumstances. Because of several factors, including navigating the complexity of variations in program guidance (e.g., processing changes for CalFresh or Advanced Premium Tax Credit [APTC] while not doing so for Medi-Cal) and changes in the effective date of the suspension of

discontinuances, we anticipate there will be a significant manual cleanup effort for counties, on top of the tidal wave of work resulting from lifting the moratorium on discontinuances and negative changes, once normal case processing resumes. We are in discussions with Department of Health Care Services (DHCS), SAWS, and the counties to understand the workload impacts and have begun the planning for the associated work post-PHE. As we continue this effort, we recommend: 1) focusing planning efforts on the workload impacts post-PHE and seeking federal flexibilities or waivers that addresses the needs of California, instead of being overly focused on meeting a timeline given by the prior federal administration; and 2) inclusion of one-time funding in the May Revision for counties to address workload and for SAWS to address automation needs after the PHE order is lifted.

Automation Impacts of Coverage Expansion Proposals

CWDA notes that two of the proposed Medi-Cal expansions, providing Medi-Cal for all income-eligible seniors regardless of immigration status and Health4All, will require automation support for implementation. Because counties are in the midst of the federally mandated migration to a single CalSAWS system that must be completed by the end of 2023 to avoid the loss of significant federal funding, we urge policy makers to consult with CWDA and SAWS to coordinate implementation timing should these proposals move to final adoption in the budget or legislative process. While some policies may be able to be automated during the migration period, or enacted manually until automation can be accomplished, many could not be implemented during this period without disrupting the CalSAWS migration schedule and/or already established policy commitments, and changes of this significance are not feasible to implement prior to automation.

cc: Chris Woods, Office of the Senate President Pro Tempore
Marjorie Swartz, Office of the Senate President Pro Tempore
Jason Sisney, Office of the Speaker of the Assembly
Agnes Lee, Office of the Speaker of the Assembly
Scott Ogus, Senate Budget and Fiscal Review Subcommittee No. 3
Andrea Margolis, Assembly Committee on Budget Subcommittee No. 1
Anthony Archie, Senate Republican Fiscal Office
Joe Shinstock, Assembly Republican Fiscal Office
Eric Dietz, Assembly Republican Fiscal Office
David Stammerjohan, Office of Senator Talamantes Eggman
Karen Jones, Office of Assembly Member Arambula
Jessica Bartholow, Office of Senator Skinner
Mark Newton, Legislative Analyst's Office
Richard Figueroa, Office of the Governor
Tam Ma, Office of the Governor
Marko Mijic, Health and Human Services Agency
Brendan McCarthy, Health and Human Services Agency
Will Lightbourne, Department of Health Care Services
Carol Gallegos, Department of Health Care Services
Adam Dorsey, HHS, Department of Finance
Ryan Miller, HHS, Department of Finance
Farrah McDaid-Ting, California Association of Counties
County Caucus