



May 17, 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: MEDI-CAL AND HEALTH PROGRAMS – CWDA MAY  
REVISION MEMO #2**

The County Welfare Directors Association (CWDA) appreciates the collaboration and hard work of the Legislature and Administration throughout the budget process this year. Overall, the Administration's proposed May Revision contains important investments in California's low-income and vulnerable children and families. We made additional requests and recommendations in our May Revision Memo #1 dated May 16, 2021, regarding key investments that we believe are vital to ensuring the safety and well-being of those whom county human services agencies serve and to enable those agencies to continue their extraordinary work.

We have further reactions and comments on other May Revision proposals as well, and will provide those comments in a series of memos. This memo summarizes those issues within the Medi-Cal and Health programs.

**Public Health Emergency (PHE) Lift Workload**

The May Revision included one-time funding of \$73 million (\$36.5 million General Fund [GF]) each year in 2021-22 and 2022-23 for counties to address the workload associated with resuming eligibility redetermination activities after the PHE ends. This workload is greater than would be required under pre-pandemic circumstances due, for example, 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, there will be a significant manual cleanup effort for counties, on top of the tidal wave of work resulting from the ban on discontinuances and negative changes, once normal case processing resumes. This funding will go to address this workload. The proposed level of funding is consistent with our assumption that the process to redetermine eligibility for the deferred cases will occur over a 12-month period.

### **Medi-Cal Providing Access and Transforming Health (PATH)**

The May Revision includes \$200 million (\$100 million GF) to facilitate proposed justice-involved initiatives included in the CalAIM initiative, including a statewide jail pre-release application mandate and implementation of coordinated pre-release services beginning 30 days before an individual is released. These requirements are proposed to take effect for State prisons, county jails, and youth correction facilities effective January 1, 2023. We support these initiatives and believe it is important to ensure coverage can begin as quickly as possible when someone is due for release, especially when behavioral health needs or other chronic conditions are in existence. In our CalAIM Public Comment submitted on May 5, 2021 to DHCS, we highlighted several issues that need to be addressed for these initiatives to be successfully implemented. In addition to the below, we also note that changes may be needed to the proposal and accompanying trailer bill language in order to accommodate the juvenile justice system, which is run by County Probation agencies, not the Sheriffs. Below are key comments and concerns from our CalAIM Public Comment on which we seek to continue to engage with DHCS and other key stakeholders:

- **Data sharing requirements needed.** Due to a current lack of timely data sharing between jails/sheriffs and human services agencies, county eligibility workers do not always know when an individual has been incarcerated or when they will be released with sufficient time to suspend and unsuspend eligibility. Further, many detainees are released relatively quickly, within weeks if not days of initial incarceration in a county facility. For these reasons, we recommend DHCS work with CWDA and representatives of county sheriffs and county probation agencies to develop a structure under which county human services agencies would receive regular data reports. This includes information on those who will be incarcerated for longer than 60 days so their eligibility can be suspended; as well as information on release date scheduling with sufficient time for the county eligibility staff to either unsuspend or newly determine eligibility. We believe this could require at least 75 days notice prior to release in order to ensure eligibility can be determined for someone who is not yet enrolled. A required data-sharing process would also facilitate a more effective and consistent suspension process and reduce the need for applications when individuals would otherwise only require a suspension of existing eligibility to

be lifted in order for Medi-Cal services to be provided pre-release.

- **Interplay of suspension requirement and 30 day pre-release proposal.** We have questions on how the Medi-Cal coverage 30-days pre-release proposal would be operationalized. DHCS estimates that approximately 250,000 individuals annually will receive Medi-Cal services under the proposal, and we would like to further discuss how this interacts with the suspending and unsuspending of benefits; it may be the case that the most effective way to implement the proposal would be to forgo the suspending and unsuspending of benefits – either altogether or for beneficiaries who meet certain characteristics. The interaction between the two proposals is complex and needs further discussion.
- **Lead time for automation changes.** Updates to SAWS, CalHEERS, and MEDS to support a simplified and streamlined process will be critical for both proposals. Currently, the suspension and unsuspending processes are manual and labor intensive. For example, we note that the CalHEERS system is programmed in such a way that coverage may be discontinued for someone who is reported as incarcerated, which is counter to the Medi-Cal rules (though consistent with the rules for APTC coverage, which differ) and also is inconsistent with the suspension process. Therefore, changes to functionality in all three systems will need to be addressed so counties can effectively support eligibility for inmates. It is important to note that this set of changes to multiple systems must be coordinated and has the potential to result in a need to delay implementation past the date set forth in the proposed statute, making it even more important to discuss and develop a plan upfront with representatives of the automation systems.
- **Ensure timelines are clear and leave time for local coordination.** Counties must be given adequate lead time to develop their local processes to comply with the proposals. For instance, human services agencies in counties that do not have a pre-release application process in place will need time to engage and coordinate with their Boards of Supervisors and potentially establish local MOUs with sheriffs and probation departments, given that different methods may be used from one county to the next. While the changes are proposed to be effective January 1, 2023, it is currently unknown when DHCS would gain approval from CMS. Consequently, we ask that counties be given at least one year to determine their local processes. Again, this should be discussed further with other affected county agencies.

### **Medi-Cal Coverage Expansion to Undocumented Older Adults**

The May Revision proposes to expand Medi-Cal coverage to undocumented adults aged 60 and older no earlier than May 1, 2022. We strongly support this expansion to ensure that all

low-income California senior residents can access health care, regardless of where they were born. However, we note that the SAWS' ability to meet this timeframe will be dependent on receiving complete policy from DHCS by July 30, 2021; the ability to coordinate the commensurate changes needed in the CalHEERS system; and an assessment of the overall automation impacts of the full budget package. We urge policymakers to consult with CWDA and SAWS to coordinate implementation timing. We noted in our earlier memo that it is unclear whether the proposed funding includes approximately \$860,000 GF in needed funding for the SAWS changes required to implement the expansion. We have not yet been able to confirm whether this funding is contained in the May Revision. If it is not, we request that the funds be included when the Legislature adopts the proposal, if it chooses to do so.

### **Eligibility Extension for Postpartum Individuals**

The May Revision adopts a new federal option under the American Rescue Plan Act of 2021 to extend Medi-Cal postpartum eligibility to 12 months, effective April 1, 2022, for up to five years. We strongly support this eligibility extension. We note that the SAWS' ability to meet this timeframe will be dependent on receiving complete policy from DHCS by July 1, 2021; the ability to coordinate the commensurate changes needed in the CalHEERS system; and an assessment of the overall automation impacts of the full budget package.

### **Accelerated Enrollment for Adults**

The May Revision proposes to expand accelerated enrollment to adults, ages 19 through 64, using the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) at the time of application, effective July 1, 2021. This proposal provides immediate and temporary benefits for adults applying through CalHEERS while income verifications are pending. We are supportive of the proposal and note that this policy and process should be incorporated into CalSAWS post-migration to allow the county/CalSAWS access channel to be in parity with CalHEERS.

### **Community Health Workers**

The May Revision proposes to include Community Health Workers (CHWs) in the class of skilled and trained individuals authorized to provide clinically appropriate Medi-Cal covered benefits and services for both the Fee-for-Service and managed care delivery systems. We strongly support the proposal as the CHWs can help guide and support hard-to-reach vulnerable communities in accessing health care services, increasing health knowledge, and encouraging enrollment in Medi-Cal of those eligible. Such outreach may also result in more individuals and families learning of their eligibility for other safety net programs that counties administer, which we believe would be an additional positive outcome.

**CalSAWS Migration Impacts on SAWS Automation Capacity**

Counties are in the midst of a federally mandated migration to a single eligibility automation system, known as CalSAWS, that must be completed by the end of 2023 to avoid the loss of significant federal funding. While many proposals (including from the Administration, the Legislature and advocates) have already received input from the SAWS regarding automation capacity and timing, these assessments may be impacted by various factors, including changes to the proposals and the other policy changes included in the final budget. Because of this, we urge policy makers to consult with CWDA and SAWS to coordinate implementation timing and procedures as the final package comes together.

While some policies might be able to be automated during the migration period, and some could potentially be 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. Manual workarounds would result in additional costs in the short term to implement; however, even with additional administrative, short-term funding, the workload associated with certain activities may be difficult if not impossible for counties to undertake prior to automation. CWDA appreciates opportunities to engage with legislative budget staff and stakeholders to address the automation and workload impacts of proposals under consideration by the Legislature.

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