

CDCAN DISABILITY RIGHTS REPORT CALIFORNIA DISABILITY COMMUNITY ACTION NETWORK



#085-2010 – MAY 20, 2010 - THURSDAY

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REMEMBERING THE LIFE AND WORK OF CHRISTINA KEIFER

To reply to this report write: **MARTY OMOTO** at martyomoto@rcjp.com WEBSITE: www.cdcan.us TWITTER: www.twitter.com - "MartyOmoto"

California Budget Crisis:

May 20th Assembly Budget Subcommittee Agenda:

- **Mental Health Services Cuts to Counties & AB 3632**
- **\$750 Million Reduction to Medi-Cal Program**
- **Regional Center Reductions**
- **Healthy Families Program Premium Increase**

Medi-Cal Cuts Include Proposal for Yearly Caps on Hearing Aids, Durable Medical Equipment Including Wheelchairs - Proposed Closure of Lanterman Developmental Center Not On Agenda - Final Actions By Subcommittee On Most Issues Will Happen May 26th

SACRAMENTO, CALIF (CDCAN) [Updated 05/20/2010 06:15 AM (Pacific Time)] - Several of the Governor's major proposed reductions to mental health services, Medi-Cal, regional centers, Healthy Families and some other health services is the focus of the Assembly Budget Subcommittee #1 on Health and Human Services this morning (Thursday, May 20) at the State Capitol in Room 4202. The Senate Budget Subcommittee on Health and Human Services is holding a hearing tomorrow (Friday, May 21) at 09:30 AM covering developmental services (regional centers), and some other health issues (see below).

The exact time of the hearing today will depend on when the Assembly floor session ends, with the subcommittee hearing scheduled to begin immediately after that. The Assembly floor session is scheduled to begin at 09:00 AM today and last about two hours – with the budget subcommittee meeting right after that possibly at 11:00 AM but none of those times are definite or exact. People can call the Assembly Budget Committee office at 916-319-2099 to check on the exact meeting time.

The subcommittee will likely take action on most of the issues heard today next week when it holds its final subcommittee hearing on May 26th.

Persons unable to come to this hearing can also submit letters or comments to the Assembly Budget Subcommittee (see below for addresses)

A pdf copy of the 31 page hearing agenda is attached to this CDCAN Report and also can be viewed or downloaded from the CDCAN website at www.cdcan.us

Several Major Cuts Proposed May 14th By Governor Will Be Heard Today (May 20th):

Several key important budget issues, including proposed increase to Healthy Families program, are scheduled to be heard today

MENTAL HEALTH: AB 3632 SPECIAL EDUCATION MANDATE (REQUIREMENT) PROPOSED SUSPENSION

On May 14th the Governor proposed as part of his budget revisions to suspend the AB 3632 mental health special education mandate or requirement (passed in 1984) that requires the counties to provide mental health services to students who qualify for them under the federal Individuals with Disabilities Education Act (IDEA). Among other things that federal law requires the states to provide free and appropriate public education to students with special needs and disabilities, including mental health treatment regardless of parent's income level.

Proposed suspension of the AB 3632 would reduce State general funding for this purpose by about \$52 million and if approved by the Legislature, would impact public schools, access to mental health services for students who need them under the federal IDEA and impact county funding for other needed services.

MENTAL HEALTH: \$602 MILLION REDUCTION OF COUNTY MENTAL HEALTH SERVICES PROPOSED BY GOVERNOR

Also on May 14th, the Governor proposed a reduction of 60% or \$602 million in State general money that funds county mental health services in the 2010-2011 State Budget year that begins July 1st. This proposal, which requires approval of the Legislature, would leave about \$450 million of the State general fund money (called mental health realignment funds) for the counties to provide only those mental health services required under federal law including Early and Periodic Screening, Diagnosis and Treatment (EPSDT) and the Mental Health Managed Care Program.

The non-partisan Legislative Analyst Office (LAO) and mental health advocates say this proposal could violate the voter approved Mental Health Services Act's provision regarding "maintenance of effort" or the requirement for the state to maintain a certain specified level of service.

While the subcommittee will hear and take public testimony on this issue today (May 20th) it might not take action on this until next week at its final subcommittee hearing.

MEDI-CAL: \$750 MILLION REDUCTION "COST CONTAINMENT"

The Governor, as part of his proposed 2010-2011 State budget he proposed in January, called for a reduction of \$750 million in state general funds to the Medi-Cal program to be implemented by various "cost containment" measures with details to be proposed to the Legislature later.

On May 14th, as part of his budget revisions the Governor proposed to achieve the \$750 million "cost containment" reductions with the following proposals:

Utilization Controls (reduction of \$90.2 million in State general funding) which refers to the use of a Medi-Cal funded service.

1. Elimination of certain over-the-counter drugs and nutritional supplements, for reduction of \$13 million in State general funds as a result of this proposal
2. Establishment of a maximum annual benefit dollar cap, for reduction from this proposal of \$3.8 million in State general funds by imposing following caps:
 - Hearing aids – annual cap of \$1,510
 - Durable medical equipment (including wheelchairs) – annual cap of \$1,604
 - Incontinence supplies – annual cap of \$1,659
 - Urological supplies – annual cap of \$6,435
 - Wound care supplies – annual cap of \$391

Cost Sharing (reduction of \$218.8 million in State general funding) by establishing co-payments as follows:

- Physician, clinic, dental, and pharmacy visits - \$5 co-payment, lower cost preferred drugs - \$3 co-payment, and co-payment on other drugs - \$5 co-payment (proposal would total \$118.2 million reduction in State general funds for these three co-payments)
- Emergency room visits - \$50 co-payment (proposal would total \$41.5 million reduction in State general funds)
- Hospital stays - \$100 per day and \$200 maximum (proposal would total \$59.1 million reduction in State general funds)

Other Medi-Cal Program Changes (reduction of \$213.7 million in State general funds)

- Enrollment of seniors and people with disabilities in managed care (proposal would result in \$137.3 million reduction in State general funding).
- Reduction in radiologist rates to 80 percent of Medicare rates (proposal would result in \$10.5 million reduction in State general funding).
- Freezing of hospital rates at the current level (proposal would result in \$64.9 million reduction in State general funding).
- Medicare Part B Premiums: Discontinuance of payment of Medicare Part B premiums for Medi-Cal recipients whose income exceeds the Medi-Cal eligibility threshold by less than \$500 per month (proposal would result in \$1 million reduction in State general fund).

REGIONAL CENTERS 1.25% ADDITIONAL REDUCTION TO MOST REGIONAL CENTER PROVIDERS AND REGIONAL CENTER OPERATIONS

The Governor proposed in January as part of his 2010-2011 State Budget an additional reduction to regional centers, who coordinate community-based services to over 240,000 children and adults with developmental disabilities, of about \$50 million (about \$25 million of that State general funds) with details to be provided later.

This reduction would be in addition to the over \$400 million in State general fund reductions made as a result of the 2009-2010 State budget passed in February 2009 and revised in July 2009.

In late April the Governor proposed to achieve the \$50 million additional reduction by imposing an additional 1.25% reduction (on top of the existing 3% cut first imposed

February 2009) in payments to most regional center providers and to regional center operations.

The subcommittee will hear and take public testimony on this issue but is likely to take action on it next week at its final subcommittee hearing.

SUMMARY OF ASSEMBLY BUDGET SUBCOMMITTEE MAY 20th AGENDA

The May 20th agenda is divided into three main parts:

- Items on “Consent” means those budget issues that are not controversial or has no opposition from subcommittee members and will be voted on together with one vote.
- Items for “Vote Only” meaning this item was previously heard and only a vote will be taken – no further discussion or public testimony
- Items to be “Heard and Discussed” meaning those budget issues or proposals that will be heard by the committee with public testimony taken. On most of these items today, no action will likely be taken until next week when the subcommittee holds its final hearing .

ITEMS ON CONSENT

4300 DEPARTMENT OF DEVELOPMENTAL SERVICES

ISSUE 1 INCREASE IN MEDICAID STATE PLAN AMENDMENT- ERROR CORRECTION

ISSUE 2 ADDITIONAL FEDERAL FUNDS PARTICIPATION

4260 DEPARTMENT OF HEALTH CARE SERVICES

ISSUE 1 - CALIFORNIA CHILDREN’S SERVICES (CCS) PROGRAM

ISSUE 2 - COMMUNITY LIVING/MONEY FOLLOWS THE PERSON PROGRAM

4265 DEPARTMENT OF PUBLIC HEALTH

ISSUE 1 - RAPID HIV TESTING BY HIV COUNSELORS

ISSUE 2 - DPH VACANCY REPORT

4140 OFFICE OF STATEWIDE HEALTH PLANNING & DEVELOPMENT

ISSUE 1 - OSHPD LOAN REPAYMENT DEFERRAL PROPOSAL

4440 DEPARTMENT OF MENTAL HEALTH

ISSUE 1 - INSTITUTES OF MENTAL DISEASE (IMD) RATE FREEZE

ISSUE 2 - TBL [TRAILER BILL LANGUAGE] RELATED TO MHSA [MENTAL HEALTH SERVICES ACT] AND WAIVERS

VOTE ONLY ITEMS

4265 DEPARTMENT OF HEALTH CARE SERVICES

ISSUE 1 - FAMILY PLANNING RATE ROLLBACK

ITEMS TO BE HEARD

4300 DEPARTMENT OF DEVELOPMENTAL SERVICES

ISSUE 1 - ADDITIONAL 1.25% REDUCTION

ISSUE 2 - REGIONAL CENTER ECP ADJUSTMENTS

ISSUE 3 - PROP 10–FIRST 5 BACKFILL

ISSUE 4 - IMPACTS OF ADHC AND SSI REDUCTIONS TO THE DDS [DEPARTMENT OF DEVELOPMENTAL SERVICES]

ISSUE 5 - IMPACT FROM THE ELIMINATION OF CAL WORKS TO THE DDS

ISSUE 6 - FEDERAL STIMULUS FUNDS –OPERATIONS

ISSUE 7 - FEDERAL STIMULUS FUNDS –PURCHASE OF SERVICES

ISSUE 8 - SELF DIRECTED SERVICES IMPLEMENTATION DELAY

4440 DEPARTMENT OF MENTAL HEALTH

ISSUE 1 - SUSPEND AB 3632 MANDATE

ISSUE 2 - SHIFT OF COUNTY MENTAL HEALTH REALIGNMENT FUNDS

4280 MANAGED RISK MEDICAL INSURANCE BOARD

ISSUE 1 - INCREASE PREMIUMS IN THE HEALTHY FAMILIES PROGRAM

ISSUE 2 - EMERGENCY ROOM AND HOSPITAL IN-PATIENT CO-PAYMENTS IN THE HEALTHY FAMILIES PROGRAM

4260 DEPARTMENT OF HEALTH CARE SERVICES

ISSUE 1 - MEDICAL COST CONTAINMENT

ISSUE 2 - MEDICAID SECTION 1115 WAIVER

ISSUE 3 - MANAGED CARE RATE INCREASE

ISSUE 4 - MANAGED CARE RATES IN TWO-PLAN COUNTIES

SENATE HEARING SCHEDULED FRIDAY

SENATE BUDGET SUBCOMMITTEE #3 ON HEALTH AND HUMAN SERVICES

DATE: MAY 21, 2010 (FRIDAY)

TIME: 09:30 AM

WHERE: State Capitol – Room 4203

WHAT WILL BE HEARD

Governor's May Revised Budget proposals and "open" issues:

* Department of Health Care Services – Family Health (Budget Item 4260)

* Department of Developmental Services (Budget Item 4300)

* Department of Public Health – Selected Issues (Budget Item 4265)

* Other departments as necessary

PUBLIC TESTIMONY: Yes – though not likely on items "for vote only" or items previously heard

PRIORITY: **VERY HIGH**

SHOULD PEOPLE COME TO THIS HEARING: Yes – for those concerned about the proposal for additional cut 1.25% reduction in payments to most regional center providers and operations (on top of existing 3%) and other "open" issues not yet acted on. The Assembly Budget Subcommittee on Health and Human Services is hearing this issue today (May 20th)

CDCAN COMMENT: "Open" issues refers to issues this subcommittee has previously heard earlier this year but still needs to take action on.

ASSEMBLY BUDGET SUBCOMMITTEE MEMBERS

There are five Assembly Budget Subcommittees (and five Senate budget subcommittees) dealing with various parts of the State Budget/ This is the membership of the Assembly Budget Subcommittee on Health and Human Services:

ASSEMBLY BUDGET SUBCOMMITTEE #1 ON HEALTH AND HUMAN SERVICES

This subcommittee has a total of 6 members (4 Democrats and 2 Republicans) with 2 alternate members in the event a subcommittee member cannot attend and a vote is needed.

ASSEMBLY DEMOCRATIC MEMBERS:

- Dave Jones (Democrat – Sacramento, 9th Assembly District) Capitol Office Phone: 916-319-2009 Capitol Office Fax: 916-319-2109
- Jim Beall, Jr. (Democrat- San Jose, 24th Assembly District) Capitol Office Phone: 916-319-2024 Capitol Office Fax: 916-319-2124
- Wes Chesbro (Democrat – Eureka, 1st Assembly District) Capitol Office Phone: 916-319-2001 Capitol Office Fax: 916-319-2101
- Hector De La Torre (Democrat – South Gate, 50th Assembly District) Capitol Office Phone: 916-319-2050 Capitol Office Fax: 916-319-2150
- Alternate Member: Mike Blumenfield (Democrat – Van Nuys, 40th Assembly District) Capitol Office Phone: 916-319-2040 Capitol Office Fax: 916-319-2140

ASSEMBLY REPUBLICAN MEMBERS:

- Bill Emmerson (Republican – Hemet, 63rd Assembly District) Capitol Office Phone: 916-319-2063 Capitol Office Fax: 916-319-2163
- Brian Nestande (Republican – Palm Desert, 64th Assembly District) Capitol Office Phone: 916-319-2064 Capitol Office Fax: 916-319-2164
- Alternate Member: Jim Nielsen (Republican – Biggs, 2nd Assembly District) Capitol Office Phone: 916-319-2002 Capitol Office Fax: 916-319-2102

WHERE TO WRITE:

You can write to each individual subcommittee member with the same address:

State Capitol

Sacramento, CA 95814

or you can send letter addressed to subcommittee chair going to the Assembly budget office:

Assembly Budget Committee Office

State Capitol – Room 6026

Sacramento, CA 95814

Phone: 916-319-2099

VERY URGENT!!!!

PLEASE HELP CDCAN CONTINUE ITS WORK!!!



We need your help. CDCAN Townhall Telemeetings, reports and alerts and other activities cannot continue without your help.

To continue the CDCAN website, the CDCAN News Reports. sent out and read by over 50,000 people and organizations, policy makers and media across California and to continue the CDCAN Townhall Telemeetings which since December 2003 have connected thousands of people with disabilities, seniors, mental health needs, people with MS and other disorders, people with traumatic brain and other injuries to public policy makers, legislators, and issues.

Please send your contribution/donation (make payable to "CDCAN" or "California Disability Community Action Network):

CDCAN

1225 8th Street Suite 480 - Sacramento, CA 95814

paypal on the CDCAN site is not yet working – will be soon.

MANY, MANY THANKS TO the Pacific Homecare Services, Easter Seals, California Association of Adult Day Health Centers, Valley Mountain Regional Center, Toward Maximum Independence, Inc (TMI), Friends of Children with Special Needs, UCP of Los Angeles, Ventura and Santa Barbara Counties, Southside Arts Center, San Francisco Bay Area Autism Society of America, Hope Services in San Jose, FEAT of Sacramento (Families for Early Autism Treatment), RESCoalition, Sacramento Gray Panthers, Easter Seals of Southern California, Tri-Counties Regional Center, Westside Regional Center, Regional Center of the East Bay, UCP of Orange County, Alta California Regional Center, Life Steps, Parents Helping Parents, Work Training, Foothill Autism Alliance, Arc Contra Costa, Pause4Kids, Manteca CAPS, Training Toward Self Reliance, UCP, California NAELA, Californians for Disability Rights, Inc (CDR) including CDR chapters, CHANCE Inc, , Strategies To Empower People (STEP), Harbor Regional Center, Asian American parents groups, Resources for Independent Living and many other Independent Living Centers, several regional centers, People First chapters, IHSS workers, other self advocacy and family support groups, developmental center families, adoption assistance program families and children, and others across California.