

## CDCAN DISABILITY RIGHTS REPORT CALIFORNIA DISABILITY COMMUNITY ACTION NETWORK



**#128-2010 – JUNE 28, 2010 – MONDAY**

*Advocacy Without Borders: One Community – Accountability With Action - California Disability Community Action Network Disability Rights News goes out to over 55,000 people with disabilities, mental health needs, seniors, traumatic brain & other injuries, veterans with disabilities and mental health needs, their families, workers, community organizations, including those in Asian/Pacific Islander, Latino, African American communities, policy makers and others across California.*

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### **Section 1115 Medicaid Waiver:**

## **Sweeping Changes to Medi-Cal Program Contained in Schwarzenegger Administration Proposal Submitted to Federal Government Focus of SB 208 & AB 342**

***Bill's Focus Are Critical Issues Impacting Hundreds of Thousands of People With Disabilities, Mental Health Needs, Seniors & Uninsured Population In the "Section 1115 Medicaid Waiver" Proposal Sent to Federal Government – SB 208 Will Be Heard In Assembly Health Committee June 29<sup>th</sup> – AB 342 In Senate Health Committee on June 30<sup>th</sup> -***

SACRAMENTO, CALIF (CDCAN) [Updated 06/28/2010 09:43 PM (Pacific Time)] - Sweeping changes to the State's Medicaid program – called "Medi-Cal" contained in the Schwarzenegger Administration proposal submitted to the federal government earlier this month that will have major impact to hundreds of thousands of children and adults with disabilities, mental health needs, the blind, seniors, and persons without health insurance, is the focus of two identical bills to be heard Tuesday (June 29) at 1:30 PM before the Assembly Health Committee (SB 208) at the State Capitol in Room 4202 and Wednesday (June 30) at 1:30 PM before the Senate Health Committee (AB 342) at the State Capitol in Room 3191 (note room change). Both hearings will be televised on CalChannel (see their website at [www.calchannel.com](http://www.calchannel.com)) and people can still write letters to the committee regarding the issues in the two identical bills (see below for committee members and addresses).

The proposal by the Schwarzenegger Administration submitted to federal Centers on Medicare and Medicaid Services (CMS) under the US Department of Health and Human Services, is known as the "Section 1115 Medicaid Waiver Demonstration Project" including proposed mandatory enrollment for hundreds of thousands of people with disabilities, mental health needs, the blind and seniors into Medi-Cal managed health care plans (see below for details). [Note: copy of waiver proposal sent to the federal government can be viewed and downloaded from the CDCAN website at [www.cdcan.us](http://www.cdcan.us) ]

During the budget subcommittee hearings in May, both houses agreed that further detailed review by the Legislative policy committees – and not the budget subcommittees on several major pieces of the proposal was needed. The two bills – SB 208 and AB 342

– were amended June 22<sup>nd</sup> and are in response to the budget subcommittee actions. A 26 page pdf copy of SB 208, which is identical to AB 342, is attached to this CDCAN Report – and can also be viewed and downloaded from the CDCAN website at [www.cdcan.us](http://www.cdcan.us) (including AB 342).

### **Both Bills Identical To Speed Up Process Due to Urgency of Issue**

- The two bills – SB 208 by Senate President Pro Tem Darrell Steinberg (Democrat – Sacramento, 6<sup>th</sup> State Senate District) and AB 342 by Assembly Speaker John Perez (Democrat – Los Angeles, 46<sup>th</sup> Assembly District) are identical except for the bill number – and the addition of Assemblymember Bill Monning (Democrat – Santa Cruz, 27<sup>th</sup> Assembly District) as a co-author for AB 342.
- The reason for the two identical bills that will be heard the same week is due to the urgency of the issue.
- The Schwarzenegger Administration, as authorized last July by the Legislature as part of the 2009-2010 State Budget as revised last July, has already developed and submitted the proposal to the federal government earlier this month.

### **Advocates Concerned About Impact of Proposal**

- The proposal has raised controversy among advocates for people with disabilities, mental health needs, seniors and others who have raised major concerns about certain aspects of the proposal submitted to the federal government, including proposed required enrollment of persons with disabilities and seniors who are eligible for both Medicare and Medicaid (Medi-Cal) – sometimes referred to as “dual eligibles” or “Medi-Medis” – and also proposed mandatory enrollment in certain parts of the State of other people with disabilities, mental health needs, the blind and seniors currently in Medi-Cal in managed care health plans.
- Some advocates say major concerns remain regarding whether existing or new models of managed health care plans are ready to serve persons with disabilities and seniors and others, including issues relating to access and accessible health care equipment. Other issues raised concern quality of care.
- The Schwarzenegger Administration however says there are existing Medi-Cal managed health care plans that already serve people with disabilities and seniors who they claim have a demonstrated record of good quality of care and accessibility.

### **Proposal Seeks to Renew and Dramatically Expand Existing Waiver – Legislature Already Gave Okay Last July For Schwarzenegger Administration To Proceed**

- As mentioned, the Legislature, as part of the 2009-2010 State Budget as revised last July, gave the Schwarzenegger Administration approval to develop and submit a proposal to the federal government to renew and dramatically expand an existing Medicaid funded demonstration pilot project – referred to as the “Section 1115 Medicaid Waiver”
- [CDCAN Note: Section 1115 refers to a part of the federal Social Security Act that allows the federal government to waive existing federal Medicaid laws to allow a state to do a pilot project to try out different ideas]

- California’s existing Section 1115 Medicaid Waiver demonstration project is set to expire in August this year and deals primarily with funding for hospitals that serve persons not insured or covered by Medi-Cal.
- The Governor last year proposed renewing and expanding that waiver to cover hundreds of thousands of people with disabilities, mental health needs, and seniors in the Medi-Cal program and persons not insured or currently eligible for Medi-Cal who would be enrolled into various “organized delivery systems of care” including existing Medi-Cal managed health care plans.
- The objective policymakers hope for would be to significantly control the rising health care costs in the Medi-Cal program while maintaining and increasing quality of care. The inclusion of persons not insured with health insurance or eligible for Medi-Cal is in response to the requirements of the federal health care reform act.

## **SUMMARY OF HEARING DATES FOR BOTH BILLS**

### JUNE 29, 2010 - TUESDAY

#### ASSEMBLY HEALTH COMMITTEE

1:30 PM – State Capitol – Room 4202

Televised: Yes (CalChannel – [www.calchannel.com](http://www.calchannel.com))

- SB 208 (Steinberg) - Medi-Cal Program : Demonstration Project Waiver (Section 1115 Medicaid Waiver) Note: this bill is an “urgency” bill

#### CDCAN COMMENT:

- *There is a “Special Order of Business” at 1:30 PM for SB 810 (Leno) – Single Payer Health Care Coverage, meaning that bill will be heard first.*
- *Several other bills to be heard in this committee having impact on people with disabilities, mental health needs, the blind and/or seniors and low income families including SB 1283 also by Steinberg dealing with health insurance plans and grievances that has been of special interest to families with children with autism spectrum disorders and other developmental disabilities. See separate CDCAN Report later tonight for full report on other bills set for hearing Tuesday and Wednesday.*

### JUNE 30, 2010 - WEDNESDAY

#### SENATE HEALTH COMMITTEE

1:30 PM – State Capitol – Room 3191

Note room change

Televised: Yes (CalChannel – [www.calchannel.com](http://www.calchannel.com))

- AB 342 (John Perez) - Medi-Cal Program : Demonstration Project Waiver (Section 1115 Medicaid Waiver) Note: this bill is an “urgency” bill

#### CDCAN COMMENT:

- *AB 342 is a “Special Order of Business” at 1:30 PM, meaning that bill will be heard first (unlike in the Assembly, where the single payer bill will be heard first)*

## **CDCAN SUMMARY OF BOTH BILLS**

As mentioned, both SB 208 and AB 342 are currently identical (though that could change after the hearings Tuesday and Wednesday for each bill):

#### “DUAL ELIGIBLES” PILOT PROJECT IN UP TO 4 COUNTIES

- *Requires the Department of Health Care Services to establish pilot projects in up to 4 counties, to the extent federal funding is available and under the demonstration project or waiver, to develop effective health care models to provide services to persons who are dually eligible under both the Medi-Cal and Medicare programs.*
- *Would require the Department of Health Care Services to, no later than January 1, 2012, identify health care models that may be included in a pilot project and to develop a timeline and process for selecting, financing, monitoring, and evaluating the pilot projects.*

#### MANAGED CARE PILOT – MANADATORY ENROLLMENT

- *Permits the Department of Health Care Services, as part of the Section 1115 demonstration project (and to the extent that federal funding is available) to develop a pilot project that would require seniors and persons with disabilities to be assigned as mandatory enrollees into new and existing managed care health plans or county alternative models of care.*
- *Would provide that enrollment of seniors and persons with disabilities shall be accomplished using a phased-in process and shall not commence until necessary federal approvals have been acquired, or until February 1, 2011, whichever is later.*
- *Would impose various requirements upon managed care health plans and county alternative models of care participating in the demonstration program.*
- *Would, beginning January 1, 2011, require all Medi-Cal managed care health plans and other managed care arrangements, to submit data, including encounter data and financial data, for the development of rates, monitoring performance, and ensuring quality.*
- *Would require the Department of Health Care Services, in conjunction with the implementation of the pilot project, to work with counties to develop a method to be used in determining the appropriate contribution to cover the nonfederal share of inpatient hospital expenses for seniors and persons with disabilities in the Medi-Cal program.*

#### CHILDREN ELIGIBLE FOR CALIFORNIA CHILDREN SERVICES

- *Requires the director of the Department of Health Care Services as part of the Section 1115 demonstration project (and to the extent that federal funding is available) to establish, by January 1, 2012, models of organized health care delivery systems for children eligible for services under the existing California Children Services (CCS) program.*
- *Would provide that, to the extent permitted by federal law, the Department of Health Care Services may require eligible individuals to enroll in these models.*
- *Would also permit the Managed Risk Medical Insurance Board to have the option, with the consent of the director, to permit children enrolled in the Healthy Families Program who are eligible for California Children Services to enroll in these organized health care delivery models.*

#### CONTINUING THE EXISTING HEALTH CARE COVERAGE INITIATIVE

- *Would authorize the director of the Department of Health Care Services to execute a declaration continuing the Health Care Coverage Initiative demonstration project to the extent authorized by a successor federal waiver or demonstration project.*

## EXPANSION OF MEDI-CAL FOR UNINSURED POPULATION

- *Would, in this regard, to the extent that federal financial participation is available, require the Department of Health Care Services to, on or after September 1, 2010, but no later than January 1, 2011, or 180 days after federal approval is obtained, seek a successor demonstration project or federal waiver of Medicaid law to establish Coverage Expansion and Enrollment Demonstration (CEED) project to provide scheduled health care benefits for uninsured adults 19 to 64, inclusive, years of age with incomes up to 200% of the federal poverty level who are not otherwise eligible for the Medi-Cal or Medicare programs.*
- *Would require the Coverage Expansion and Enrollment Demonstration projects to be designed and implemented with the systems and program elements necessary to facilitate the transition of those eligible individuals to the Medi-Cal program, or alternatively, to coverage through the state health insurance exchange, by 2014, pursuant to the provisions of federal and state law, and the terms and conditions of specified successor federal waivers or demonstrations projects.*

## **ASSEMBLY HEALTH COMMITTEE MEMBERS**

There are a total of 19 members on the Assembly Health Committee, chaired by Assemblymember Bill Monning (Democrat – Santa Cruz, 27<sup>th</sup> Assembly District):  
Democrats (13 members): *Tom Ammiano, Wilmer Amina Carter, Hector De La Torre, Kevin De Leon, Mike Eng, Mary Hayashi, Ed Hernandez, Dave Jones, Bonnie Lowenthal, Bill Monning (Chair), Pedro Nava, V. Manuel Perez, and Mary Salas*  
Republicans (5 members): *Connie Conway, Nathan Fletcher (Vice Chair), Ted Gaines, Cameron Smyth, and Audra Strickland*  
Vacancy (1 member): *one Republican committee member seat vacancy*  
Assembly Health Committee Office Phone: 916-319-2097 Fax: 916-319-2197  
Address to Send Letters (always mention bill number you are writing about):  
*Assembly Health Committee*  
*Assemblymember Bill Monning, Chair*  
*State Capitol – Room 6005*  
*Sacramento, CA 95814*

## **SENATE HEALTH COMMITTEE MEMBERS**

There are 9 members of the Senate Health Committee, chaired by State Sen. Elaine Kontominas Alquist (Democrat – Santa Clara, 13<sup>th</sup> State Senate District):  
Democrats (6 members): *Alquist (Chair), Gil Cedillo, Mark Leno, Gloria Negrete-McLeod, Fran Pavley, and Gloria Romero*  
Republicans (3 members): *Sam Aanestad, Dave Cox, and Tony Strickland (Vice Chair)*  
Senate Health Committee Capitol Office Phone: 916-651-4111  
Address to Send Letters (always mention bill number you are writing about):  
*Senate Health Committee*  
*Sen. Elaine Kontominas Alquist, Chair*  
*State Capitol – Room 2191*  
*Sacramento, CA 95814*

## **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.