

Summary of Key 2009-2010 Budget Items for Community Mental Health

November 2009

Medi-Cal Specialty Mental Health Managed Care

- The February state budget provided \$226.65 million for Medi-Cal Specialty Mental Health Care. The 2009-2010 budget reduces that amount by half, providing only \$113.27 million for the fiscal year.
- The budget did not include a cost-of-living adjustment to the Statewide Maximum Allowance rates.

Early and Periodic Screening, Diagnosis and Treatment (EPSDT)

- The February state budget provided \$824.5 million for EPSDT.
- The 2009-2010 budget defers \$15.79 million SGF in EPSDT payments to counties until the 2010-11 fiscal year. This defers the funds for the 2006-07 cost settlement payment due to counties.
- The budget did not include a cost-of-living adjustment to the Statewide Maximum Allowance rates.

AB 3632 – Mental Health Services for Special Education Pupils

- The February budget provided \$104 million for AB 3632 services. The 2009-2010 budget reduces that amount by half, providing to Department of Mental Health (DMH) only \$52 million. The budget states that these funds shall be used to offset the mandate reimbursement claims for services provided in the 2006-07 fiscal year. Remaining funds may be used to offset the mandate reimbursement claims for subsequent years.
- The Budget did not include the \$500 million currently owed to counties for services that have already been provided under this program by providers under contract with counties. According to the LAO, this violates Prop 1A, which requires the State to either fully fund a mandate or suspend it.

Restructuring of Medi-Cal Managed Care through Federal Waiver

- The 2009-2010 budget requires the Department of Health Care Services to submit a Medi-Cal Waiver to the federal government in order to “strengthen California’s health care safety net,” reduce the number of uninsured residents, increase federal financial participation, improve health care quality and outcomes, promote home and community based care, slow growth of the Medi-Cal program, improve coordination between Medi-Cal and Medicare, and improve integration of physical and behavioral health care.
- The waiver must be submitted in time to be approved by the federal government no later than September 1, 2010, or the conclusion of the current Medi-Cal Hospital (1115) waiver.

Medi-Cal

- Saves the state budget \$14 million by eliminating the state-only payment for ancillary health services provided in Institutes of Mental Disease (IMDs). The state assumes that counties will pick up the costs of these medical ancillary services.
- Suspends cost-of-living increases effective August 1, 2009, for Skilled Nursing Facilities and other long-term care for state budget savings of \$75.8 million in 2009-10.
- Reduces payments to hospitals by sweeping the Distressed Hospital Fund for state budget savings of \$23 million, and reduces payments to private hospitals by \$23.9 million to reflect a 10% reduction in disproportionate share hospital funding.

Alcohol and Drug Programs

- Eliminates \$90 million in funding for Proposition 36 programs.
- Reduces Drug Medi-Cal provider rates by 10%, for GF savings of \$8.8 million.

Community Clinics

- Rural Health Services are reduced by \$2.2 million, Seasonal Migratory Worker services are reduced by \$1.9 million, and Expanded Access to Primary Care Clinics funding is reduced by \$8.4 million.