

Health Omnibus Trailer Bill – SB 78

Office of the Surgeon General

- Adds the office of the Surgeon General under the California Health and Human Services Agency. The office will be responsible for:
 - Raising public awareness on and coordinating policies governing scientific screening and treatment for toxic stress and adverse childhood events (ACEs).
 - Advising the Governor, the Secretary of the California Health and Human Services Agency, and policy makers on a comprehensive approach to address health issues and challenges including toxic stress and ACEs.
 - Marshalling the insights and energy of medical professionals, scientists, and other academic experts, public health experts, public servants, and residents to solve the most pressing health challenges including toxic stress and ACEs.
- The appointment of the surgeon General is appointed by the Governor, is subject to Senate confirmation and is the director of the Office of the Surgeon General.

Department of Youth and Community Restoration. Establishes the Department of Youth and Community Restoration under the California Health and Human Services Agency starting July 1, 2020. This agency was formerly the Division of Juvenile Justice under CDCR.

Sexually Transmitted Diseases (STDs). Requires STD funding provided in the Budget Act to be allocated as follows:

- Funding will be provided to local health departments (LHDs) prioritized based on population and incidence of STDs.
- Funds must be allocated in a way that balances the need to spread funding across as many LHDs and community-based organizations (CBOs) as possible and the need to provide meaningful activities to each recipient.
- Of the funding allocated to an LHD, LHDs are required to provide CBOs at least 50 percent provided there is a CBO in their jurisdiction to provide these services.
- LHDs are required to demonstrate CBOs have identified target populations, described outreach protocols, and included community resources for prevention and control measures.
- CDPH is required to develop measures that LHDs will be held accountable to in the use of this funding.
- CDPH must authorize innovative and impactful prevention and control activities.
- CDPH is required to monitor LHD activities based on developed measures.
- Funding shall not supplant existing activities.
- Funding is suspended on December 2021 unless estimates that accompany the 2021 May Revise determine projected General Fund (GF) exceed GF expenditures in FY 2021-22 and FY 2022-23 by the total of all programs marked for suspension in the FY 2019-20 Budget Act.

HIV. Requires HIV funding provided in the Budget Act to be allocated as follows:

- CDPH to award funding on a competitive basis to community-based organizations (CBOs) or local health departments (LHDs) to provide comprehensive HIV prevention and control activities for the most vulnerable and underserved individuals living with, or at risk for HIV infection.
- Activities may include but are not limited to testing (including the purchase of test kits), linkages to and retention in care for people living with HIV, PrEP and PEP-related activities, and syringe services programs.
- CDPH shall determine funding levels for each award based on scope and geographic area.
- CDPH shall give priority to applicants that demonstrate expertise, history, and credibility in working with the target population.

- Funds must be allocated in a way that balances the need to spread funding to as many LHDs and CBOs as possible and the need to provide meaningful activities.
- CDPH shall allocate at least 50 percent of the funds to CBOs.
- CDPH to determine the application process, selection criteria and any reporting requirements for the grant.
- CDPH shall develop measures for funded CBOs and LHDs to which to be held accountable.
- Funding is suspended on December 2021 unless estimates that accompany the 2021 May Revise determine projected General Fund (GF) exceed GF expenditures in FY 2021-22 and FY 2022-23 by the total of all programs marked for suspension in the FY 2019-20 Budget Act.

Hepatitis C virus (HCV). Requires HCV funding provided in the Budget Act to be allocated as follows:

- Funding will be provided to local health departments (LHDs) prioritized based on factors that indicate need for HCV monitoring, prevention, testing, and linkage to and retention in care activities.
- Funds must be allocated in a way that balances the need to spread funding across as many LHDs and community-based organizations (CBOs) as possible and the need to provide meaningful activities to each recipient.
- Of the funding allocated to an LHD, LHDs are required to provide CBOs at least 50 percent provided there is a CBO in their jurisdiction that provide these activities and demonstrate expertise, history, and credibility working with successfully in engaging the most vulnerable and underserved individuals living with, or at high risk for HCV infection.
- CDPH shall develop measures for LHDs to which to be held accountable.
- Funding is suspended on December 2021 unless estimates that accompany the 2021 May Revise determine projected General Fund (GF) exceed GF expenditures in FY 2021-22 and FY 2022-23 by the total of all programs marked for suspension in the FY 2019-20 Budget Act.

Individual Mandate

- Establishes a state-level individual mandate for California residents to maintain minimum essential coverage each month beginning January 1, 2020.
- Imposes an Individual Shared Responsibility Penalty for failure to maintain minimum essential coverage.
- Provides specified exemptions such as individuals who during a month have a certificate of exemption for hardship or religious conscience issued by the Exchange, among others.
- Requires the Exchange to grant hardship and religious conscience exemptions and establish a process for determining whether an individual is entitled to those exemptions.
- Requires the Exchange to conduct annual outreach and enrollment efforts to individuals who neither did not maintain minimum essential coverage throughout the prior year nor have an exemption.
- Allows the Exchange, in consultation with the Franchise Tax Board, to promulgate regulations to implement the individual mandate.

Premium Assistance Subsidy

- Requires the Exchange to administer a financial assistance program to help low-income and middle-income Californians access affordable health care coverage through the Exchange.
- The program would provide subsidies to California residents with incomes at or below 600 percent of the FPL.

- Requires the Exchange to adopt the program design each coverage year through a board resolution. Design may be modified each year. Resolutions may not take effect until the Director of Finance approves it after being notified 10 days in writing to the Joint Legislative Budget Committee.
- Program design shall be based on funds appropriated for that coverage year. Appropriations shall include provisional language directing the Exchange to provide a proportion of funds to the specified income ranges as determined by the Legislature and can include other guiding parameters.
- Exchange shall provide appropriate opportunities for stakeholder and public consultation in the design of the program.
- Subsidies must be provided in advance to participants and shall be remitted from the Exchange to a qualified health plan insurer based on program design factors, including household income and family size.
- Subsidy assistance shall only be provided to a California resident eligible for the federal premium tax credit but shall not be subject to the income requirements.
- If advanced subsidies allowed exceed those provided based on program factors, the Franchise Tax Board shall remit the refund to the program participant.
- If the subsidies provided exceed those allowed based on program factors, the participant will have a “reconciliation liability” up to a limit specified in the program design. The liability must be reported on the tax return.
- Allows the Exchange, in consultation with the Franchise Tax Board, to promulgate regulations to implement the individual mandate.
- Repeals provisions as of January 1, 2023, and specifies new financial assistance or other subsidies shall not be provided for periods after coverage year 2022.

Blood Lead Data. Allows the Department of Public Health (CDPH) to provide blood lead data to the Department of Health Care Services (DHCS) for purposes of determining whether children enrolled in Medi-Cal are being screened for lead poisoning and receiving appropriate services. DHCS may provide information to a managed care plan in which the beneficiary is enrolled, who may provide the information to the health care provider to proactively offer and coordinate care and treatment. Requires HIPPA compliance.

Optional Benefits

- Restores the following optional benefits in the Medi-Cal program no sooner than January 1, 2020:
 - Optometric and optician services
 - Audiology services and speech therapy
 - Podiatric services
 - Incontinence creams and washes
- Suspends these optional benefits on December 2021 unless estimates that accompany the 2021 May Revision determine projected General Fund (GF) exceed GF expenditures in FY 2021-22 and FY 2022-23 by the total of all programs marked for suspension in the FY 2019-20 Budget Act.

Value-Based Incentives in Medi-Cal Managed Care

- Requires DHCS, to the extent federal funding is available and approval federal approvals have been obtained, to implement value-based payment (VBP) programs for at least three years beginning no sooner than July 1, 2019.
- DHCS shall require designated Medi-Cal managed care plans to make VBPs to network providers that meet the requirements. This does not apply to a county mental health plan contracted with the department or a county Drug Medi-Cal organized delivery system to participate.

- DHCS shall develop VBP programs aimed at improving the following in Medi-Cal managed care:
 - Behavioral health integration
 - Prenatal and postpartum care
 - Chronic disease management
 - Quality and outcomes improvement for children
- VBPs shall be suspended on December 2021 unless estimates that accompany the 2021 May Revise determine projected General Fund (GF) exceed GF expenditures in FY 2021-22 and FY 2022-23 by the total of all programs marked for suspension in the FY 2019-20 Budget Act.

Medi-Cal Drug Rebate Fund. Establishes a new fund in the State Treasury called the Medi-Cal Drug Rebate Fund to deposit nonfederal money collected by DHCS as part of the state share of state and federal supplemental Medi-Cal drug rebates. Funds deposited are continuously appropriated to DHCS to fund the nonfederal share of health care services for children, adults, seniors, and persons with disabilities enrolled in Medi-Cal.

Pharmacy Benefits Advisory Group.

- DHCS shall convene an advisory group to receive feedback on changes, modifications, and operational timelines in implementing pharmacy benefits offered in Medi-Cal.
- The advisory group shall include organizations and entities such as hospitals, clinics, health plans, and consumer organizations.
- DHCS shall provide regular updates on the pharmacy transition that include:
 - A description of changes responsibilities between DHCS and managed care plans as a result of transitioning the outpatient pharmacy benefit to fee-for-service.
 - Description of anticipated changes to beneficiary access to prescription medications.
- Requires DHCS to include fiscal assumptions for the transition in the Governor's proposed budget.

Managed Care Organization Tax. States the intent of the Legislature to enact a managed care organization provider tax in California and that the collection of the tax and revenues are contingent upon federal approval.

Health Homes Program. Extends the sunset date for the health homes program to June 30, 2024.