



**Children
Now®**



January 22, 2024

The Honorable Nancy Skinner
Chair, Senate Budget and Fiscal Review Committee
1021 O Street, Room 8630
Sacramento, CA 95814

The Honorable Jesse Gabriel
Chair, Assembly Budget Committee
1021 O Street, Room 8230
Sacramento, CA 95814

RE: FY24-25 Budget Proposal - CHDP Transition - County Budget Redistribution - CONCERNS

Dear Chairs Skinner and Gabriel,

We the undersigned organizations write today on behalf of California's local health departments, county social services agencies, their workforce, and the children and families we serve to express our ongoing concerns with the Children's Health and Disability Prevention Program (CHDP) transition and the Administration's proposal in the January budget to shift the CHDP county allocation to the California Children's Services (CCS) Oversight and Monitoring Initiative (CCS M&O) and Health Care Program for Children in Foster Care (HPCFC). Specifically, we are concerned that the proposal is not sufficient to meet two of the transition requirements: 1. Support the retention of local health department staff and 2. Establish HPCFC as a standalone program.

Pursuant to SB 184 (Chapter 47, Statutes of 2022), CHDP will become inoperative as of July 1, 2024, or on the date that the Department of Health Care Services (DHCS) certifies that all steps have been taken pursuant to a transition plan. SB 184 required DHCS to engage stakeholders to inform and implement a transition plan with defined milestones to guide the transition of CHDP activities to other existing Medi-Cal delivery systems or services. Our organizations have participated in all DHCS stakeholder meetings and provided comments in October 2023 on the draft transition plan. In late November, DHCS announced that the required transition plan will not be released until the end of March 2024.

The Governor's State Budget proposes to cease funding for the CHDP effective FY 2024-25 and redirects \$33,962,000 (\$10,575,000 GF) to support the administration of the Health Care Program for Children in Foster Care (HPCFC) as a standalone program, and the remaining funding to DHCS' California Children's Services (CCS) Monitoring and Oversight Initiative, as a strategy to support the retention of local health department staff. Of the \$10.6 million GF from CHDP, the budget proposes to allocate \$6,556,500 GF to the HPCFC and the remaining \$4,018,500 GF to CCS M&O. Our organizations have contacted DHCS to obtain the methodology for distributing the CHDP funds to HPCFC and CCS M&O.

Our organizations are concerned that the transition plan will not provide adequate time and funding to implement the following statutorily required elements of the transition plan:

- A post-transition oversight and monitoring plan for Medi-Cal children currently served through CHDP, including fee-for-service and foster youth populations
- A plan for how managed care plans will monitor providers serving children for adherence to the AAP Bright Futures Guidelines and EPSDT Program standards, including, but not limited to, requirements for site reviews, provider training audits, and coordination of care to needed services.
- A plan to fund the administrative and services costs of the Health Care Program for Children in Foster Care (HCPCFC) that were previously provided through CHDP to meet the program's statutory requirements.
- An analysis and plan for retaining existing local CHDP positions through the exploration of new partnership or roles, or through bolstering existing programs that leverage CHDP expertise, or both.

While the Administration proposed, and stakeholders and legislature agreed to, a sunset of the CHDP program effective July 1, 2024 in the FY 22-23 Budget, it was with a requirement of robust stakeholder engagement and certification of a transition plan for ensuring children do not experience gaps in services or reductions in the quality of care, especially for children and youth in fee-for-service, the foster care system and their caregivers, and minimizing the loss of crucial local health department workforce.

With no recent CHDP stakeholder meetings, and no prior stakeholder engagement on specific budgetary needs of HCPCFC, advocates do not have enough information to fully evaluate if \$6.5 million GF will be sufficient to maintain HCPCFC as a stand-alone program. We are further concerned with potential gaps in services until HCPCFC can hire the necessary staffing, which will take several months. Currently, CHDP supports HCPCFC program management, public health nurse supervision, and other administrative functions. HCPCFC must also enter into local memorandums of understanding (MOU) between county public health departments and county child welfare departments for supervision and administration, and these MOUs may also require updating. We must better understand the staffing assumptions that led to the department's estimates and analysis for retaining local health department staff. It is important to remember that creating HCPCFC as a standalone program and retaining staff may cost more than the original CHDP allocation and the Administration previously acknowledged that this may not be a cost-savings or budget neutral transition.

While we do want to see the full county CHDP budget allocation redirected back to local health department services that advance the health of our communities, we are also concerned with the redirection of all remaining funds to CCS M&O. Despite repeated requests to explore strategies to retain and leverage CHDP staff expertise, DHCS has only considered the CCS M&O. The CCS Program remains severely underfunded; layering additional monitoring and oversight responsibilities to CCS is concerning and DHCS has not released the methodology for how they determined the redirected funding from CHDP would be sufficient.

The undersigned organizations are committed to finding a path forward that preserves the HCPCFC as a new standalone program and retains CHDP staff to support the health of children and families in their region. With DHCS not expected to release their final CHDP Transition Plan until March of 2024, we request your attention to guarantee that the elimination of the CHDP program will not create gaps in care and reduce the quality of care for California's most complex children and families. For these reasons, we respectfully urge the Legislature's leadership in prioritizing this matter in budget hearings this Spring.

Sincerely,

Michelle Gibbons
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County Health Executives Association of California

Eileen Cubanski
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cc:

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