

AMENDED IN SENATE AUGUST 26, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 107**

---

**Introduced by Committee on Budget (~~Blumenfield~~Skinner (Chair), Bloom, ~~Bonilla~~, Campos, Chesbro, Daly, Dickinson, Gordon, Jones-Sawyer, Mitchell, Mullin, Muratsuchi, Nazarian, ~~Rendon~~, Stone, and Ting)**

January 10, 2013

---

*An act relating to the Budget Act of 2013. An act to amend Sections 11751 and 131055.2 of the Health and Safety Code, to add Section 5848.6 to the Welfare and Institutions Code, and to amend Section 71 of Chapter 23 of the Statutes of 2013, relating to health, and making an appropriation therefor, to take effect immediately, bill related to the budget.*

LEGISLATIVE COUNSEL'S DIGEST

AB 107, as amended, Committee on Budget. ~~Budget Act of 2013.~~  
*Health.*

*(1) Existing law transfers the duties, powers, purposes, functions, responsibilities, and jurisdiction of the former State Department of Alcohol and Drug Programs to the State Department of Health Care Services, except as specified.*

*This bill would, until July 1, 2017, authorize the State Department of Health Care Services to liquidate the prior years' encumbrances previously obligated by the former State Department of Alcohol and Drug Programs. The bill would require the Controller to transfer the balances of certain prior year appropriations from the former State Department of Alcohol and Drug Programs to the State Department of Health Care Services for these purposes.*

(2) Existing law transfers the duties, powers, purposes, functions, responsibilities, and jurisdiction of the former State Department of Alcohol and Drug Programs as they relate to the Office of Problem and Pathological Gambling to the State Department of Public Health.

This bill, until July 1, 2017, would authorize the State Department of Public Health to liquidate the prior years' encumbrances previously obligated by the Office of Problem and Pathological Gambling. The bill would require the Controller to transfer the balances of certain prior year appropriations from the Office of Problem and Pathological Gambling to the State Department of Public Health for these purposes.

(3) Existing law, the Investment in Mental Health Wellness Act of 2013, requires that funds appropriated by the Legislature to the California Health Facilities Financing Authority (authority) for the purposes of the act be made available to selected counties or counties acting jointly, except as otherwise provided, and used to increase capacity for client assistance and services in crisis intervention, crisis stabilization, crisis residential treatment, rehabilitative mental health services, and mobile crisis support teams. Among other things, the act authorizes the authority to adopt emergency regulations relating to the grants for the capital capacity and program expansion projects, including emergency regulations that define eligible costs and determine minimum and maximum grant amounts.

This bill would require that these emergency regulations be adopted in accordance with the Administrative Procedure Act, as specified.

(4) Existing law establishes the California Health Benefit Exchange (Exchange) within state government, specifies the powers and duties of the executive board governing the Exchange, and requires the board to facilitate the purchase of qualified health plans through the Exchange by qualified individuals and small employers by January 1, 2014. Existing law requires the board to undertake outreach and enrollment activities that seek to assist enrollees and potential enrollees with enrolling in the Exchange, and requires the board to inform individuals of eligibility requirements for the Medi-Cal program, the Healthy Families Program, or any applicable state or local public program and, if, through screening of the application by the Exchange, the Exchange determines that an individual is eligible for of those programs, to enroll that individual in the program. Existing law requires the State Department of Health Care Services to accept contributions by private foundations in specified amounts for purposes of making payments to entities and persons for Medi-Cal in-person enrollment assistance, as

specified, and to provide allocations for the management and funding of Medi-Cal outreach and enrollment plans, as specified.

This bill would establish the Healthcare Outreach and Medi-Cal Enrollment Account, consisting of non-General Fund public and private funds, in the Special Deposit Fund for purposes of outreach to and enrollment of targeted Medi-Cal populations and to compensate Medi-Cal in-person assisters. The bill would appropriate the sum of \$14,000,000 from this account and the sum of \$14,000,000 from the Federal Trust Fund, to the State Department of Health Care Services for purposes of compensating eligible Medi-Cal in-person assisters. The bill would appropriate the sum of \$12,500,000 from the account and the sum of \$12,500,000 from the Federal Trust Fund, to the State Department of Health Care Services to provide allocations for outreach and enrollment grants to eligible entities, as specified. The bill would authorize the department to use up to \$500,000 of these funds for administrative activities, as specified. The bill would make these provisions inoperative on June 30, 2018, and would repeal them as of January 1, 2019. The bill would also make conforming changes related to these provisions.

(5) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2013.~~

Vote: majority. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 11751 of the Health and Safety Code is  
2 amended to read:

3 11751. (a) Except as provided in Section 131055.2, the State  
4 Department of Health Care Services shall succeed to and be vested  
5 with all the duties, powers, purposes, functions, responsibilities,  
6 and jurisdiction of the former State Department of Alcohol and  
7 Drug Programs.

8 (b) Any reference in statute, regulation, or contract to the State  
9 Department of Alcohol and Drug Programs or the State Department  
10 of Alcohol and Drug Abuse shall refer to the State Department of  
11 Health Care Services to the extent that they relate to the transfer

1 of duties, powers, purposes, functions, responsibilities, and  
 2 jurisdiction made pursuant to this section.

3 (c) No contract, lease, license, or any other agreement to which  
 4 the State Department of Alcohol and Drug Programs is a party  
 5 shall be made void or voidable by reason of the act that enacted  
 6 this section, but shall continue in full force and effect with the  
 7 State Department of Health Care Services assuming all of the  
 8 rights, obligations, and duties of the State Department of Alcohol  
 9 and Drug Programs with respect to the transfer of duties, powers,  
 10 purposes, functions, responsibilities, and jurisdiction made pursuant  
 11 to this section.

12 (d) (1) All unexpended balances of appropriations and other  
 13 funds available for use by the State Department of Alcohol and  
 14 Drug Programs in connection with any function or the  
 15 administration of any law transferred to the State Department of  
 16 Health Care Services pursuant to the act that enacted this section  
 17 shall be available for use by the State Department of Health Care  
 18 Services for the purpose for which the appropriation was originally  
 19 made or the funds were originally available.

20 (2) *The State Department of Health Care Services may, until*  
 21 *July 1, 2017, liquidate the prior years' encumbrances previously*  
 22 *obligated by the former State Department of Alcohol and Drug*  
 23 *Programs. The Controller shall transfer the following Budget Act*  
 24 *appropriations from the former State Department of Alcohol and*  
 25 *Drug Programs to the State Department of Health Care Services*  
 26 *for use by the State Department of Health Care Services to*  
 27 *liquidate the prior years' encumbrances previously obligated by*  
 28 *the former State Department of Alcohol and Drug Programs:*

29 (A) *Items 4200-001-0001, 4200-001-0139, 4200-001-0243,*  
 30 *4200-001-0816, 4200-001-0890, 4200-001-3113, 4200-101-0001,*  
 31 *4200-101-0890, 4200-102-0001, 4200-103-0001, 4200-104-0001,*  
 32 *and 4200-104-0890 of Section 2.00 of the Budget Act of 2011*  
 33 *(Chapter 33 of the Statutes of 2011).*

34 (B) *Items 4200-001-0001, 4200-001-0139, 4200-001-0243,*  
 35 *4200-001-0816, 4200-001-0890, 4200-001-3113, 4200-101-0001,*  
 36 *4200-101-0890, 4200-104-0001, and 4200-104-0890 of Section*  
 37 *2.00 of the Budget Act of 2012 (Chapter 21 of the Statutes of 2012).*

38 (e) All books, documents, forms, records, data systems, and  
 39 property of the State Department of Alcohol and Drug Programs  
 40 with respect to the transfer of duties, powers, purposes, functions,

1 responsibilities, and jurisdiction made pursuant to this section shall  
2 be transferred to the State Department of Health Care Services.

3 (f) Positions filled by appointment by the Governor in the State  
4 Department of Alcohol and Drug Programs whose principal  
5 assignment was to perform functions transferred pursuant to this  
6 section shall be transferred to the State Department of Health Care  
7 Services.

8 (g) All employees serving in state civil service, other than  
9 temporary employees, who are engaged in the performance of  
10 functions transferred pursuant to this section, are transferred to the  
11 State Department of Health Care Services pursuant to the  
12 provisions of Section 19050.9 of the Government Code. The status,  
13 position, and rights of those persons shall not be affected by their  
14 transfer and shall continue to be retained by them pursuant to the  
15 State Civil Service Act (Part 2 (commencing with Section 18500)  
16 of Division 5 of Title 2 of the Government Code), except as to  
17 positions the duties of which are vested in a position exempt from  
18 civil service. The personnel records of all employees transferred  
19 pursuant to this section shall be transferred to the State Department  
20 of Health Care Services.

21 (h) Any regulation or other action adopted, prescribed, taken,  
22 or performed by an agency or officer in the administration of a  
23 program or the performance of a duty, power, purpose, function,  
24 or responsibility pursuant to this division or Division 10.6  
25 (commencing with Section 11998) in effect prior to July 1, 2013,  
26 shall remain in effect unless or until amended, and shall be deemed  
27 to be a regulation or action of the agency to which or officer to  
28 whom the program, duty, power, purpose, function, responsibility,  
29 or jurisdiction is assigned pursuant to this section.

30 (i) No suit, action, or other proceeding lawfully commenced by  
31 or against any agency or other officer of the state, in relation to  
32 the administration of any program or the discharge of any duty,  
33 power, purpose, function, or responsibility transferred pursuant to  
34 this section, shall abate by reason of the transfer of the program,  
35 duty, power, purpose, function, or responsibility under that section.

36 *SEC. 2. Section 131055.2 of the Health and Safety Code is*  
37 *amended to read:*

38 131055.2. (a) Commencing July 1, 2013, the State Department  
39 of Public Health shall succeed to and be vested with all the duties,  
40 powers, purposes, functions, responsibilities, and jurisdiction of

1 the former State Department of Alcohol and Drug Programs as  
2 they relate to the Office of Problem and Pathological Gambling  
3 (Chapter 8 (commencing with Section 4369) of Part 3 of Division  
4 4 of the Welfare and Institutions Code).

5 (b) For purposes of the Office of Problem and Pathological  
6 Gambling (Chapter 8 (commencing with Section 4369) of Part 3  
7 of Division 4 of the Welfare and Institutions Code) and the  
8 Gambling Addiction Program Fund (Article 12 (commencing with  
9 Section 19950) of Chapter 5 of Division 8 of the Business and  
10 Professions Code), references to the State Department of Alcohol  
11 and Drug Programs shall refer to the State Department of Public  
12 Health.

13 (c) All fees collected from licensees in accordance with Article  
14 12 (commencing with Section 19950) of Chapter 5 of Division 8  
15 of the Business and Professions Code and deposited into the  
16 Gambling Addiction Program Fund shall be available to the State  
17 Department of Public Health in accordance with the requirements  
18 of that section.

19 (d) Notwithstanding any other law, any reference in statute,  
20 regulation, or contract to the State Department of Alcohol and  
21 Drug Programs or the State Department of Alcohol and Drug Abuse  
22 shall be construed to refer to the State Department of Public Health  
23 when it relates to the transfer of duties, powers, purposes, functions,  
24 responsibilities, and jurisdiction made pursuant to this section.

25 (e) No contract, lease, license, or any other agreement to which  
26 the State Department of Alcohol and Drug Programs is a party  
27 shall be made void or voidable by reason of this section, but shall  
28 continue in full force and effect with the State Department of Public  
29 Health assuming all of the rights, obligations, and duties of the  
30 State Department of Alcohol and Drug Programs with respect to  
31 the transfer of duties, powers, purposes, functions, responsibilities,  
32 and jurisdiction made pursuant to this section.

33 (f) (1) All unexpended balances of appropriations and other  
34 funds available for use by the State Department of Alcohol and  
35 Drug Programs in connection with any function or the  
36 administration of any law transferred to the State Department of  
37 Public Health pursuant to the act that enacted this section shall be  
38 available for use by the State Department of Public Health for the  
39 purpose for which the appropriation was originally made or the  
40 funds were originally available.

1 (2) *The State Department of Public Health may, until July 1,*  
2 *2017, liquidate the prior years' encumbrances previously obligated*  
3 *by the Office of Problem and Pathological Gambling. The*  
4 *Controller shall transfer all balances of the following Budget Act*  
5 *appropriations from the Office of Problem and Pathological*  
6 *Gambling to the State Department of Public Health, for use by the*  
7 *State Department of Public Health to liquidate any prior years'*  
8 *encumbrances previously obligated by the Office of Problem and*  
9 *Pathological Gambling:*

10 (A) *Items 4200-001-0367, 4200-101-0367, and 4200-001-3110*  
11 *of Section 2.00 of the Budget Act of 2011 (Chapter 33 of the*  
12 *Statutes of 2011).*

13 (B) *Items 4200-001-0367, 4200-101-0367, and 4200-001-3110*  
14 *of Section 2.00 of the Budget Act of 2012 (Chapter 21 of the*  
15 *Statutes of 2012).*

16 (g) All books, documents, forms, records, data systems, and  
17 property of the State Department of Alcohol and Drug Programs  
18 with respect to the transfer of duties, powers, purposes, functions,  
19 responsibilities, and jurisdiction made pursuant to this section shall  
20 be transferred to the State Department of Public Health.

21 (h) Positions filled by appointment by the Governor in the State  
22 Department of Alcohol and Drug Programs whose principal  
23 assignment was to perform functions transferred pursuant to this  
24 section shall be transferred to the State Department of Public  
25 Health. All employees serving in state civil service, other than  
26 temporary employees, who are engaged in the performance of  
27 functions transferred pursuant to this section, are transferred to the  
28 State Department of Public Health pursuant to the provisions of  
29 Section 19050.9 of the Government Code. The status, positions,  
30 and rights of those persons shall not be affected by their transfer  
31 and shall continue to be retained by them pursuant to the State  
32 Civil Service Act (Part 2 (commencing with Section 18500) of  
33 Division 5 of Title 2 of the Government Code), except as to  
34 positions the duties of which are vested in a position exempt from  
35 civil service. The personnel records of all employees transferred  
36 pursuant to this section shall be transferred to the State Department  
37 of Public Health.

38 (i) Any regulation, order, or other action adopted, prescribed,  
39 taken, or performed by an agency or officer in the administration  
40 of a program or the performance of a duty, power, purpose,

1 function, or responsibility pursuant to the Office of Problem and  
 2 Pathological Gambling (Chapter 8 (commencing with Section  
 3 4369) of Part 3 of Division 4 of the Welfare and Institutions Code)  
 4 and the Gambling Addiction Program Fund (Article 12  
 5 (commencing with Section 19950) of Chapter 5 of Division 8 of  
 6 the Business and Professions Code) in effect prior to July 1, 2013,  
 7 shall remain in effect unless or until amended, readopted, or  
 8 repealed, or until they expire by their own terms, and shall be  
 9 deemed to be a regulation or action of the agency to which or  
 10 officer to whom the program, duty, power, purpose, function,  
 11 responsibility, or jurisdiction is assigned pursuant to this section.

12 (j) No suit, action, or other proceeding lawfully commenced by  
 13 or against any agency or other officer of the state, in relation to  
 14 the administration of any program or the discharge of any duty,  
 15 power, purpose, function, or responsibility transferred pursuant to  
 16 this section, shall abate by reason of the transfer of the program,  
 17 duty, power, purpose, function, or responsibility under this section.

18 *SEC. 3. Section 5848.6 is added to the Welfare and Institutions*  
 19 *Code, to read:*

20 *5848.6. Any emergency regulations that may be adopted by*  
 21 *the California Health Facilities Financing Authority, as described*  
 22 *in paragraph (8) of subdivision (d) of Section 5848.5, shall be*  
 23 *adopted in accordance with the Administrative Procedure Act*  
 24 *(Chapter 3.5 (commencing with Section 11340) of Part 1 of*  
 25 *Division 3 of Title 2 of the Government Code). The adoption of*  
 26 *these regulations shall be deemed to be an emergency and*  
 27 *necessary for the immediate preservation of the public peace,*  
 28 *health and safety, or general welfare.*

29 *SEC. 4. Section 71 of Chapter 23 of the Statutes of 2013 is*  
 30 *amended to read:*

31 SEC. 71. (a) (1) The State Department of Health Care Services  
 32 shall accept funding from private foundations in the amount of at  
 33 least \$12.5 million to provide allocations for the management and  
 34 funding of Medi-Cal outreach and enrollment plans specific to the  
 35 provisions contained in this section.

36 (2) The department shall seek necessary federal approval for  
 37 purposes of obtaining federal funding for activities conducted  
 38 under this section.

39 (3) Notwithstanding any other law, and in a manner that the  
 40 Director of Health Care Services shall provide, the department

1 may make allocations to fund Medi-Cal outreach and enrollment  
2 activities as described in this section.

3 (b) (1) Funds appropriated by the Legislature to the department  
4 for the purposes of this section shall be made available to selected  
5 counties, counties acting jointly, and the County Medical Services  
6 Program Governing Board pursuant to Section 16809 of the  
7 Welfare and Institutions Code.

8 (2) Selected counties, counties acting jointly, and the County  
9 Medical Services Program Governing Board may partner with  
10 community-based organizations as applicable to conduct outreach  
11 and enrollment to the target population as contained in subdivision  
12 (d).

13 (3) The director may, at his or her discretion, also give  
14 consideration to community-based organizations in an area or  
15 region of the state if a county, or counties acting jointly do not  
16 seek an allocation or funds are made available.

17 (4) For purposes of this section only, “county” shall be defined  
18 as county, city and county, a consortium of counties serving a  
19 region consisting of more than one county, the County Medical  
20 Services Program Governing Board, or a health authority.

21 (c) (1) The allocations shall be apportioned geographically, by  
22 the entities identified in subdivision (b), according to the estimated  
23 number of persons who are eligible but not enrolled in Medi-Cal  
24 and who will be newly Medi-Cal eligible as of January 1, 2014.

25 (2) The department may determine the number of allocations  
26 and the application process. The director may consult or obtain  
27 technical assistance from private foundations in implementation  
28 of the application and allocation process.

29 (3) The department shall coordinate and partner with the  
30 California Health Benefit Exchange on certified application assister  
31 and outreach, enrollment, and marketing activities related to the  
32 federal Patient Protection and Affordable Care Act.

33 (d) Notwithstanding any other law, the department shall develop  
34 selection criteria to allocate funds for the Medi-Cal outreach and  
35 enrollment activities with special emphasis targeting all of the  
36 following populations:

- 37 (1) Persons with mental health disorder needs.
- 38 (2) Persons with substance use disorder needs.
- 39 (3) Persons who are homeless.
- 40 (4) Young men of color.

1 (5) Persons who are in county jail, in state prison, on state  
2 parole, on county probation, or under postrelease community  
3 supervision.

4 (6) Families of mixed-immigration status.

5 (7) Persons with limited English proficiency.

6 (e) (1) The funds allocated under this section shall be used only  
7 for the Medi-Cal outreach and enrollment activities and may  
8 supplement, but shall not supplant, existing local, state, and  
9 foundation funding of county outreach and enrollment activities.

10 (2) Notwithstanding Section 10744 of the Welfare and  
11 Institutions Code, the department may recoup or withhold all or  
12 part of an allocation for failure to comply with any requirements  
13 or standards set forth by the department for the purposes of this  
14 section.

15 (f) The department shall begin the payment for the outreach and  
16 enrollment allocation program no later than February 1, 2014.

17 (g) Under the terms of the approved allocation for the outreach  
18 and enrollment program, funded entities under this section shall  
19 not receive payment for in-person assister payments for assisting  
20 potential Medi-Cal enrollees.

21 (h) The department shall require progress reports, in a manner  
22 as determined by the department, from those receiving allocations  
23 under this section.

24 (i) To the extent federal funding is received for the services  
25 specified in this section, reimbursements for costs incurred under  
26 the approved allocations shall be made in compliance with federal  
27 law.

28 (j) Notwithstanding Chapter 3.5 (commencing with Section  
29 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
30 the department may implement, interpret, or make specific this  
31 section by means of all-county letters, provider bulletins, or similar  
32 instructions.

33 ~~(k) The department may use a portion of the private foundation  
34 funding pursuant to paragraph (a) to carry out the activities under  
35 this section.~~

36 *SEC. 5. (a) The Healthcare Outreach and Medi-Cal*  
37 *Enrollment Account is hereby created in the Special Deposit Fund*  
38 *within the State Treasury in order to collect and allocate*  
39 *non-General Fund public or private grant funds, to be expended*  
40 *upon appropriation by the Legislature, for the purposes of outreach*

1 to and enrollment of targeted Medi-Cal populations and to  
2 compensate Medi-Cal in-person assisters, as specified in Sections  
3 70 and 71 of Chapter 23 of the Statutes of 2013.

4 (b) There is hereby appropriated to the State Department of  
5 Health Care Services the following sums to compensate eligible  
6 Medi-Cal in-person assisters as specified in Section 70 of Chapter  
7 23 of the Statutes of 2013:

8 (1) The sum of fourteen million dollars (\$14,000,000) from the  
9 Healthcare Outreach and Medi-Cal Enrollment Account, to be  
10 available for encumbrance or expenditure until June 30, 2016.

11 (2) The sum of fourteen million dollars (\$14,000,000) from the  
12 Federal Trust Fund, to be available for encumbrance or  
13 expenditure until June 30, 2016.

14 (c) There is hereby appropriated to the State Department of  
15 Healthcare Services the following sums to provide allocations for  
16 outreach and enrollment grants to eligible entities as specified in  
17 Section 71 of Chapter 23 of the Statutes of 2013:

18 (1) The sum of twelve million five hundred thousand dollars  
19 (\$12,500,000) from the Healthcare Outreach and Medi-Cal  
20 Enrollment Account, to be available for encumbrance or  
21 expenditure until June 30, 2016.

22 (2) The sum of twelve million five hundred thousand dollars  
23 (\$12,500,000) from the Federal Trust Fund, to be available for  
24 encumbrance or expenditure until June 30, 2016.

25 (d) Of the amounts appropriated in subdivisions (b) and (c), the  
26 State Department of Health Care Services may expend in aggregate  
27 up to five hundred thousand dollars (\$500,000) annually in fiscal  
28 years 2013–14, 2014–15, and 2015–16, inclusive, to administer  
29 the activities described in Sections 70 and 71 of Chapter 23 of the  
30 Statutes of 2013, including funding for four three-year limited-term  
31 positions, which are hereby authorized to be established. Any  
32 private foundation funding expended by the department to  
33 administer the activities under Sections 70 and 71 of Chapter 23  
34 of the Statutes of 2013 shall be expended only for filled positions  
35 and administrative expenses directly related to these sections.

36 (e) This section shall become inoperative on June 30, 2018,  
37 and, as of January 1, 2019, is repealed, unless a later enacted  
38 statute, that becomes operative on or before January 1, 2019,  
39 deletes or extends the dates on which it becomes inoperative and  
40 is repealed.

1     *SEC. 6. This act is a bill providing for appropriations related*  
2 *to the Budget Bill within the meaning of subdivision (e) of Section*  
3 *12 of Article IV of the California Constitution, has been identified*  
4 *as related to the budget in the Budget Bill, and shall take effect*  
5 *immediately.*

6     ~~SECTION 1. It is the intent of the Legislature to enact statutory~~  
7 ~~changes relating to the Budget Act of 2013.~~

O