

Senate Bill No. 101

Passed the Senate September 10, 2013

Secretary of the Senate

Passed the Assembly September 6, 2013

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2013, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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

SB 101, Committee on Budget and Fiscal Review. 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 any 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.

Appropriation: yes.

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

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

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

(b) Any reference in statute, regulation, or contract to the State Department of Alcohol and Drug Programs or the State Department of Alcohol and Drug Abuse shall refer to the State Department of Health Care Services to the extent that they relate to the transfer of duties, powers, purposes, functions, responsibilities, and jurisdiction made pursuant to this section.

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

(d) (1) All unexpended balances of appropriations and other funds available for use by the State Department of Alcohol and

Drug Programs in connection with any function or the administration of any law transferred to the State Department of Health Care Services pursuant to the act that enacted this section shall be available for use by the State Department of Health Care Services for the purpose for which the appropriation was originally made or the funds were originally available.

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

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

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

(e) All books, documents, forms, records, data systems, and property of the State Department of Alcohol and Drug Programs with respect to the transfer of duties, powers, purposes, functions, responsibilities, and jurisdiction made pursuant to this section shall be transferred to the State Department of Health Care Services.

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

(g) All employees serving in state civil service, other than temporary employees, who are engaged in the performance of functions transferred pursuant to this section, are transferred to the State Department of Health Care Services pursuant to the provisions of Section 19050.9 of the Government Code. The status,

position, and rights of those persons shall not be affected by their transfer and shall continue to be retained by them pursuant to the State Civil Service Act (Part 2 (commencing with Section 18500) of Division 5 of Title 2 of the Government Code), except as to positions the duties of which are vested in a position exempt from civil service. The personnel records of all employees transferred pursuant to this section shall be transferred to the State Department of Health Care Services.

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

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

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

131055.2. (a) Commencing July 1, 2013, the State Department of Public Health shall succeed to and be vested with all 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 (Chapter 8 (commencing with Section 4369) of Part 3 of Division 4 of the Welfare and Institutions Code).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) Notwithstanding any other law, and in a manner that the Director of Health Care Services shall provide, the department may make allocations to fund Medi-Cal outreach and enrollment activities as described in this section.

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

(2) Selected counties, counties acting jointly, and the County Medical Services Program Governing Board may partner with community-based organizations as applicable to conduct outreach

and enrollment to the target population as contained in subdivision (d).

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

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

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

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

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

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

- (1) Persons with mental health disorder needs.
- (2) Persons with substance use disorder needs.
- (3) Persons who are homeless.
- (4) Young men of color.
- (5) Persons who are in county jail, in state prison, on state parole, on county probation, or under postrelease community supervision.

(6) Families of mixed-immigration status.

(7) Persons with limited English proficiency.

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

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

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

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

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

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

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

SEC. 5. (a) The Healthcare Outreach and Medi-Cal Enrollment Account is hereby created in the Special Deposit Fund within the State Treasury in order to collect and allocate non-General Fund public or private grant funds, to be expended upon appropriation by the Legislature, for the purposes of outreach to and enrollment of targeted Medi-Cal populations and to compensate Medi-Cal in-person assisters, as specified in Sections 70 and 71 of Chapter 23 of the Statutes of 2013.

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

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

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

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

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

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

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

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

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

Approved _____, 2013

Governor