

MEMORANDUM

To: PRAT Attendees
From: Evelyn Abouhassan, Legislative Advocate
Re: Legislative Update
Date: October 17, 2005

Outlined below is a brief summary as to some of our key legislative work this year. If you have questions regarding a specific budget action or piece of legislation, please feel free to contact me.

I. PAI Budget Advocacy

The Governor signed the 2005-06 Budget on July 11, 2005. While not an all inclusive list, the following are outcomes in key areas where PAI focused a significant amount of budget advocacy efforts.

- **SSI/SSP**

Despite advocate efforts, the governor's budget suspends the annual state COLA for two years for the Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program and delays the annual federal COLA by three months in each of 2005-06 and 2006-07. Thus, the general fund retains \$629.0 million over the two-year period.

- **IHSS**

Advocates succeeded in preventing the Governor's efforts to eliminate state funding for IHSS provider wages and benefits above the state's minimum wage of \$6.75 per hour. The state will contribute toward IHSS wages and benefits of up to \$11.10 per hour in 2005-06, an increase of \$1 per hour from the 2004-05 level.

- **Medi-Cal**

Because of the input and lobbying efforts of advocates, the Legislature rejected most of the Administration's original Medi-Cal redesign proposal. The final budget includes modified

versions of the Administration's proposals.

Modification of Medi-Cal's Adult Dental Care Package -The budget places a \$1,800 yearly limit on dental services for adults on Medi-Cal. The cap allows for exemptions to be made for certain dental services. The Dental Cap excludes emergency services, dentures, dental services provided in long term care settings, and complex oral and maxillofacial surgery. The Medi-Cal dental cap will begin in January 2006 and will sunset in January 2009.

Expansion of Medi-Cal Managed Care-The budget proposes to add 13 new counties to the existing 22 counties with mandatory managed care for families and children. The managed care expansion will phase in the additional counties beginning in 2007. The budget also provides for voluntary enrollment into managed care for the seniors and persons with disabilities in the counties that have a county organized health system (COHS).

- **Department of Mental Health**

Mental Health Services Act (Proposition 63)-The Budget includes \$16.6 million from the Mental Health Services Fund (MHSF) and 89.5 positions for the DMH's implementation of the Mental Health Services Act. Pursuant to the Act, the estimated revenue in the MHSF will be 683 million in 2005-06. The actual revenue will not be known, however, until spring 2007 when 2005 personal income tax return data are available.

AB 3632 Services -The Governor's budget included \$120,000,000 to fund counties for providing special education mental health services under the AB 3632 state mandate for students with disabilities. The Governor indicated that while he allowed funding for the AB 3632 programs this year, he has the intention of proceeding with moving the requirement from the counties back to the schools in the next year.

- **Department of Developmental Services**

Agnews Closure- the Budget reflects a net increase of \$33.7 million for the planned July 2007 closure of Agnews Developmental Center. The developmental center budget reflects a net increase of \$2.8 million for staffing needed to ensure the health and safety of Agnews residents during closure and the transition to community living. The regional center budget reflects an increase of \$30.9 million for the consumer placements and necessary services and supports in the community.

Self-Directed Services- The Budget reflects a phase-in of a statewide Self-Directed Services Program, subject to receipt of a federal waiver. This voluntary program will allow consumers and their families to purchase services through individual budget accounts based upon the individual's needs. The Budget includes \$1.7 million for regional centers to implement the program and reflects net General Fund savings of \$2.2 million in the regional centers' purchase of services budget.

II. Office of Patient Rights (OPR) Budget Advocacy

With the expertise of staff from PAI's Office of Patients Rights, we were able to successfully advocate during the budget process for the full restoration \$120,000 that the Administration cut in prior years.

III. PAI Sponsored Legislation

- **AB 468 (Yee)** - This bill would have provided the parent with an opportunity to consent to the assessment plan at the same time that the parent consents to referral for AB 3632 services. The bill did not move beyond the Assembly Appropriations Committee because the high estimated cost of implementation. Additionally, despite our advocacy efforts the governor was unwilling to adopt the same language in the budget bill when AB 468 failed passage in Assembly Appropriations Committee because of the uncertainty of the AB 3632 program next year (see summary of the outcome of AB 3632 program above)
- **AB 1535 (Bass)** -This bill requires the Department of Developmental Services to prepare or contract with an appropriate research facility to prepare, a report that set forth expenditures for the purchase of services and denials of eligibility for each regional center aggregated by race and ethnicity of the consumers. It also requires the department to post the information on its web site. The legislation is now a two year bill and PAI staff is working with the author's office and staff from the Department of Developmental Services to address the department's concerns with the legislation.
- **SB 643 (Chesbro)** -This bill is PAI's legislative effort to advance the implementation of Olmstead. Among other things, SB 643 requires DHS to seek 500 more slots in the home- and community-based Level A/B nursing facility waivers. It requires DHS to reserve 250 of these slots for residents residing in facilities and transitioning out of facilities. The legislation requires DHS to expedite waiver processing so that persons who are being discharged from hospitals can return to the community instead of going into a nursing home. Language in SB 643 relating to SNF residents plans of care, targeted case management, assessments for conservatees, modifications to the personal and incidental needs allowance for SMF residents, and waiver slot expansion for skilled nursing facilities have been removed. However, the Health and Human Services Agency has committed to working with us during the interim on these issues and Senator Chesbro is committed to introducing a new bill on these issues in the next year

III. PAI Advocacy on Other Key Legislation

- **Access Notification Legislation:** In May 2005, the Legislation Committee approved the recommendation that PAI staff coordinate with other disability rights organizations to provide technical assistance in drafting narrowly tailored legislation to address the problem of "unscrupulous attorneys" and fend off a potential ballot initiative by the business community. During the last few months, disability rights advocates, including staff from PAI participated in the process, along with members of the business community and staff from the senate and assembly judiciary committee. We are now near the end of the process and close to finalizing draft language that will be brought to PAI's Board Legislative Committee for review and support. The goal is to use this language in a bill that will go through the legislative committee process in the 2005-2006 legislative year.

IV. Positions on Propositions

On July 15, 2005, the Legislation Committee took oppose positions on Proposition 76, Proposition 78, and Proposition 79. Below are brief summaries for each of the propositions.

- **Proposition 76** - gives the Governor sweeping power to reduce spending, potentially including the ability to override state laws. Proposition 76 authorizes enables the Governor to unilaterally impose cuts to programs that serve persons with disabilities, including state dollars provided to counties that support county health, mental health, and human services programs.
- **Proposition 78** - creates a discount prescription drug program for individuals whose income does not exceed 300% of the federal poverty level, or \$28,710 a year for one individual. It requires the Department of Health Services to contract with pharmacies to sell prescription drugs at agreed-upon, discounts negotiated in advance, and to negotiate rebate agreements with drug manufacturers. Proposition 78 does not promote the accessibility and availability of prescription medication. Proposition 78 provides no guarantee of an adequate number of participating pharmacies to meet the needs of persons with disabilities.
- **Proposition 79** - provides for prescription drug discounts to Californians whose income does not exceed 400% of the federal poverty level, or \$38,280 a year for one individual, to be funded through rebates from participating drug manufacturers negotiated by California Department of Health Services. The initiative creates a drug discount program that requires participation by drug manufacturers, or the drug companies will lose the ability to sell drugs to the Medi-Cal program. Proposition 79 is particularly problematic because the provisions in the measure may deprive individuals of the medications their doctors want to proscribe for them.