



California Pan-Ethnic
HEALTH NETWORK

2023 Budget Summary

Health Priorities for Our Communities

Updated: July 11, 2023

Health Systems				
Policy Issue	Governors' January Budget Proposal	Governor's May Revision	Joint Legislative Budget Proposal	Final June Budget Agreement
<p>Health4All Expansion of full-scope Medi-Cal to all low-income eligible adults, regardless of immigration status</p>	Maintains expanded Medi-Cal to over 700,000 income eligible adults ages 26-49 regardless of immigration status	Maintains expanded Medi-Cal to over 700,000 income eligible adults ages 26-49 regardless of immigration status	Maintains expanded Medi-Cal to over 700,000 income eligible adults ages 26-49 regardless of immigration status	Maintains expanded Medi-Cal to over 700,000 income eligible adults ages 26-49 regardless of immigration status
<p>Community Health Workers, Promotoras, and Representatives Maintain \$133M allocated for FY 23-24 to recruit, train, and grow the CHWPR workforce to implement the new Medi-Cal Benefit.</p>	Delays \$133M allocation for FY 23-24 to recruit train and certify 25,000 new community health workers by 2025	Delays \$133M allocation for FY 23-24 to recruit train and certify 25,000 new community health workers by 2025	Allocates \$15M for FY 23-24 to recruit, train and certify CHWPRs; rejects Governor's proposal to delay full implementation to FY 24-25 and 25-26.	Adopts Joint Legislative Proposal Allocates \$15M for FY 23-24 to recruit, train and certify CHWPRs with specialized training to work with populations such as justice involved, unhoused, older adults, or people with

				<p>disabilities; Provides \$57.5 M in FY 24-25 and 25-26 respectively for CHWPR Initiative Grants.</p> <p>The budget also includes an additional \$10M allocation for the Promotoras de Salud Program.</p>
<p>MCO Tax The Managed Care Organization (MCO) Tax is a tax on managed care plans which can be used to fund Medi-Cal, and also helps backfill the general fund.</p>	<p>Proposed in January Budget</p>	<p>Maintained in May Revise, and additional details added to specify MCO tax revenue would be used to increase provider rates in Medi-Cal for primary care, maternity care, and non-specialty mental health services up to 87.5% of Medicare</p>	<p>Adopts modified placeholder trailer bill language to implement rate increases and other improvements to Medi-Cal. Includes rate increases for CHW's.</p>	<p>Included in final budget package to implement rate increases and other improvements, CHWs not included for rate increases.</p>
<p>Covered CA Affordability Advocates are proposing to use revenue from the individual mandate penalty to improve health care affordability including through the elimination of deductibles, reduced cost sharing and a cap on out-of-pocket costs.</p>	<p>Transfers \$333.4M from the individual mandate penalty to the General Fund to pay for other budget priorities</p>	<p>Transfers \$333.4M from the individual mandate penalty to the General Fund to pay for other budget priorities</p>	<p>Rejects Gov plan to transfer individual mandate penalty revenue and use funds to increase subsidies in Covered CA for co-pays and deductibles</p>	<p>Includes \$82.5M for affordability subsidies in Covered CA available starting 2024. Additionally, it is the intent of the Legislature to invest up to \$165M starting in FY 2024-25 for additional subsidy assistance for each coverage year of the program after coverage year 2024.</p>

				<p>The final agreement permits the Administration to transfer \$600M in fiscal year 2023-24 as a loan from the Health Care Affordability Reserve, which will be repaid in 2025-26. The agreement removes the Department of Finance’s ability to approve statewide plans developed in consultation with stakeholders and Covered California regarding further development of affordability assistance.</p>
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Mental Health/Oral Health

Policy Issue	Governor’s January Budget Proposal	Governor’s May Revision	Joint Legislative Budget Proposal	Final June Budget Agreement
<p>988 Update 988 has been designated as the three-digit dialing code that will route callers to the National Suicide Prevention & Mental Health Crisis Lifeline</p>	<p>\$24.7M in one-time spending to oversee county behavioral health plans and to support eligible 988 call center behavioral health crisis services</p>	<p>Includes an addition \$15M for California’s 988 centers to support workforce expansion to handle the increased number of calls, extend call center service hours, and ensure the</p>	<p>Approves of \$15 million one-time (988 State Suicide and Behavioral Health Crisis Services Fund) to provide additional support to 988</p>	<p>Approves \$13,243,000 (\$10,273,000 988 State Suicide and Behavioral Health Crisis Services Fund [988 Fund], \$2,197,000 Managed Care Fund, and \$773,000 federal funds) in 2023-24, \$16,041,000. Adopts trailer bill to amend AB 988 (2022) to: 1) protect the fund set up for 988 activities</p>

		availability of chat and text options for those utilizing the service	Suicide and Crisis Lifeline centers	which prioritizes the call centers and mobile crisis teams; 2) align the behavioral health coverage for commercial and Medi-Cal plans; 3) clarify the reporting requirements laid out in AB 988; 4) delays the implementation of various reporting requirements to July 1, 2025 and January 1, 2030; and 5) conform the AB 988 language with existing federal 988 regulations and requirements.
<p>Community Assistance, Recovery, and Empowerment (CARE) Act</p> <p>Implements CARE Court which seeks to target interventions for individuals with untreated schizophrenia or other psychotic disorders.</p>	<p>\$16.5M GF in 23-24, \$66.5M GF in 24-25, \$108.5M 25-26 and thereafter for county costs. The budget also includes funding for public defenders and legal services organizations to provide legal counsel to CARE participants</p>	<p>As proposed in January, and includes additional resources for implementation such as changes in the hourly rate for activities performed by counties, updates to the length of time in hearings, and funding for LA to implement CARE Court earlier</p>	<p>Provides \$55.5 million to implement the CARE Act, which includes costs for LA County’s early implementation and doubling the hours of legal services for participants from 20 hours to 40 hours, growing to \$133 million ongoing beginning in 2025-26, and requires quarterly reporting from the first cohort of counties that are</p>	<p>Approves \$15 million one-time General Fund to Los Angeles County to plan and prepare to implement the CARE Act, for a total of \$22.8 million between fiscal year 2022- 23 and fiscal year 2023-24.</p> <p>Additionally, the Department of Health Care Services is mandated to compile a report on early implementation data for each trial court. The report will cover October 1, 2023 through June 20, 2024 and must be submitted to the Joint Legislative Budget Committee and legislative budget committees no later than December 1, 2024.</p>

			funded. Reappropriates \$1.75 million from the 2022 Budget Act for information technology improvements related to the implementation of the CARE Act.	
<p>Behavioral Health Community-Based Continuum Demonstration</p> <p>California proposes to seek federal Medicaid approval to expand access and strengthen the continuum of mental health services for Medi-Cal members living with serious mental illness or emotional disturbance.</p>	Includes \$314M GF, \$175M Mental Health Services Fund, \$2.1B Medi-Cal County Behavioral Health Fund	As proposed in January	Approves of an increase of \$4.4M General Funds, a decrease of \$87.5 million Mental Health Services Fund and an increase of \$104,062,000 federal funds, over five years, to reflect updated Behavioral Health CONNECT costs, formerly known as the California Behavioral Health CommunityBased Continuum Demonstration	Approves of an increase of \$4,497,000 General Fund, a decrease of \$87.5 million Mental Health Services Fund and an increase of \$104,062,000 federal funds, over five years, to reflect updated Behavioral Health CONNECT costs, formerly known as the California Behavioral Health Community-Based Continuum Demonstration

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Public Health and Prevention				
Policy Issue	Governor's January Budget Proposal	Governor's May Revision	Joint Legislative Budget Proposal	Final June Budget Agreement
<p><i>California Health Equity and Racial Justice Fund</i></p> <p>A program proposed within the Department of Public Health's Office of Health Equity that would provide grants to community based organizations working on health equity projects to reduce impacts of social determinants of health and projects focused on racial justice innovations.</p>	Not Included	Not Included	Placeholder for the framework	<p>The Assembly has adopted placeholder trailer bill language to establish the Health Equity and Racial Justice Fund. The final budget does not include trailer bill language to establish the program.</p>

<p>Local and State Public Health Funding</p> <p>Resources to fund our local and state public health workforce and infrastructure</p>	<p>Maintains \$300 million ongoing General Fund to strengthen governmental public health workforce, data system improvements, and other priorities. However, proposes to reduce funding by \$49.8M for state public health workforce development</p>	<p>Maintains \$300M and eliminates proposal to reduce funding by \$49.8M for state public health workforce development</p>	<p>Included</p>	<p>Included</p>
<p>COVID-19 Response</p>	<p>Reduced COVID-19 expenditures of \$614M through the California Emergency Relief Fund</p>	<p>Further reduces funding for COVID-19 response by \$50M</p>	<p>Approves funding reduction</p>	<p>Approves funding reduction</p>
<p>Racial Equity Commission</p> <p>The administration proposed a Racial Equity Commission within the Office of Planning and Research to coordinate equity efforts across state agencies and departments</p>	<p>\$3.8M GF in 23-24, and \$3.1M GF through 28-29, which includes \$1.5M authorized in the 22-23 budget</p>	<p>As Proposed in January</p>	<p>Approved as proposed</p>	<p>Approved as proposed</p>

Resources:

- **CPEHN’s January & May Revise Analysis:** <https://cpehn.org/reports/state-budget-update-archive/>
- **Senate Budget Subcommittee 3 on Health and Human Services:** https://sbud.senate.ca.gov/sites/sbud.senate.ca.gov/files/05252023%20-%20MAY%20REVISION%20-%20Updated_Final.pdf
- **Assembly Budget Subcommittee 1 on Health and Human Services:** [https://abgt.assembly.ca.gov/sites/abgt.assembly.ca.gov/files/Subcommittee%20No.%201%20%28Health%20and%20Human%20Service%29%20-%20Actions%20Taken%202023-24.pdf](https://abgt.assembly.ca.gov/sites/abgt.assembly.ca.gov/files/Subcommittee%20No.%201%20%28Health%20and%20Human%20Services%29%20-%20Actions%20Taken%202023-24.pdf)

- **The 2023-2024 Joint Legislative Budget, June 14 2023:**
<https://abgt.assembly.ca.gov/sites/abgt.assembly.ca.gov/files/Floor%20Report%20of%20the%202023-24%20Budget.pdf>
- **The 2023-2024 State Budget June 26 Legislative Budget Package, which reflected discussions between the legislative and executive branch:** <https://abgt.assembly.ca.gov/sites/abgt.assembly.ca.gov/files/Floor%20Report%20of%20the%202023-24%20Budget%20%2006.26.23%20version.pdf>
- **The 2023-2024 Final State Budget Package (signed by Gov)**
- **Final Budget & Trailer Bills**
 - SB 101 - Budget Bill: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB101
 - AB 102 - Budget Bill Jr:
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB102&utm_source=substack&utm_medium=email
 - AB 118 - Health Omnibus TBL: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB118
 - AB 119 - MCO Tax:
<https://leginfo.legislature.ca.gov/faces/billSearchClient.xhtml?quickSearchBoolean=true&quicksrchSelect=billNumber&quickSearchParam=119>