

May 27, 2009

# Health and Human Services Overview

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L E G I S L A T I V E   A N A L Y S T ' S   O F F I C E

Presented to:  
Budget Conference Committee



## Health and Human Services Spending Trends Over the Past Decade

May 27, 2009

- Health and Human Services (HHS) Spending as a Percent of All General Fund Spending.** The September 2008-09 Budget Act authorized General Fund spending on HHS of about \$31 billion out of a total of \$103 billion or about 30 percent of total state spending. Five years ago, in the 2003-04 fiscal year, HHS General Fund spending was also about 30 percent of total spending, and ten years ago, in the 1998-99 fiscal year, it was 28 percent.
- Spending on Health and Social Services.** Of the total of about \$31 billion General Fund budgeted for HHS in the current year, about \$21 billion, or 67 percent, is for health, and about \$10 billion, or 33 percent, is for social services. In comparison, in 1998-99, of the total of about \$16 billion General Fund budgeted for HHS, about 59 percent of spending was for health and about 41 percent was for social services.
- Ten-Year Spending Trends.** Between 1998-99 and 2008-09, General Fund spending has increased from about \$16 billion to about \$31 billion, at an average annual growth rate of almost 7 percent. Over the same time period, spending on health has increased from about \$9.5 billion to almost \$21 billion, at an average annual growth rate of almost 8 percent. Spending for social services increased from about \$6.5 billion to almost \$10.5 billion, at an average annual growth rate of almost 5 percent.



# Health and Social Services Governor's Combined May Revision Proposals Impact on General Fund Reserve

May 27, 2009

*(In Millions)*

Program Area/Description	2009-10
<b>Medi-Cal</b>	
Medi-Cal—Reduce services for newly qualified legal immigrants and for the Permanently Residing Under Color of Law (PRUCOL)	\$125.0
Medi-Cal—Pharmacy reforms	75.0
Medi-Cal—Anti-Fraud Initiative	47.9
Medi-Cal—Reduce payments to private hospitals by 10 percent	20.0
Medi-Cal—Modify Adult Day Health Care Program by capping hours of service	25.5
Medi-Cal—Federal Maintenance-of-Effort Relief Options	750.0
Medi-Cal—Eliminating state only programs	34.4
Medi-Cal—Assume additional savings from federal flexibility	250.0
Medi-Cal—Suspend 5 percent skilled nursing facility cost-of-living adjustment	67.1
Medi-Cal—Expand revenue base for skilled nursing facility rates	18.3
Rollback recent family planning rate increase	36.8
MRMIB—Eliminate certified application assistance	2.7
Rollback Healthy Families Eligibility to 200 percent of FPL	54.5
Eliminate Healthy Families Program	247.8
<b>Public Health, Drug Medi-Cal, Mental Health, and EMSA</b>	
EMSA—Eliminate the state's participation in the California Poison Control System (CPCS)	\$5.9
Suspend children's dental disease prevention	2.9
Eliminate funding for HIV Education and Prevention	24.6
Reduce funding for Maternal, Child, and Adolescent Health Grants	10.0
Eliminate remaining General Fund in Maternal, Child, and Adolescent Health	10.2
Reduce or eliminate General Fund for domestic violence	20.4
Eliminate funding for various community clinic programs	34.2
Shift Proposition 99 funds to orthopedic hospitals	60.0
Reduce General Fund for AIDS Drug Assistance Program (ADAP) and other Office of AIDS programs	55.5
Drug Medi-Cal—10 percent reduction for all modalities	8.8
Eliminate funding for the Substance Abuse and Crime Prevention Act (Proposition 36)	108.0
Reduce Mental Health Managed Care Services and Early and Periodic Screening, Diagnosis, and Treatment Services	92.0

*Continued*



# Health and Social Services Governor's Combined May Revision Proposals Impact on General Fund Reserve

(Continued)

May 27, 2009

(In Millions)

Program Area/Description	2009-10
<b>Developmental Services</b>	
Reduce program expenditures by \$234 million	\$234.0
<b>In-Home Supportive Services (IHSS)</b>	
Limit IHSS domestic and related services to most functionally impaired individuals	\$40.8
Limit IHSS share-of-cost buyout to most functionally impaired individuals	38.2
IHSS Fraud Initiative	15.8
Reduce state participation in wages to the state minimum wage	114.1
IHSS cost containment—target services to most vulnerable beneficiaries	301.5
<b>CalWORKs, SSI/SSP, CFAP/CAPI</b>	
CalWORKs—Special session proposals including time limits for children, self-sufficiency reviews, and a 6 percent grant reduction	\$156.7
Eliminate CalWORKs	1,309.1
Reduce SSI/SSP grants to the federal minimum	248.5
CAPI/CFAP—Eliminate state-only Cash Assistance Program for Immigrants and California Food Assistance Program	120.2
<b>Child Welfare Services (CWS), Foster Care</b>	
CWS—new federally subsidized Kinship Guardianship Assistance Payment (KinGAP) Program	\$31.0
10 percent rate reduction to Group Home, Foster Family Agency, Specialized Care, and Clothing Allowance rates	13.9
Reduce funding for CWS by 10 percent	70.0
<b>Other: Aging and Community Care Licensing</b>	
Aging Special Projects—Eliminate Multipurpose Senior Services Program and Community-Based Services programs. Funding for Adult Day Health Care state operations will continue.	\$24.2
Eliminate state funding for Community Care Licensing	19.5
<b>Total</b>	<b>\$4,925.0</b>
<small>MRMIB = Managed Risk Medical Insurance Board; FPL = federal poverty level; EMSA = Emergency Medical Services Authority;            SSI/SSP = Supplemental Security Income/State Supplementary Program; CFAP = California Food Assistance Program;            CAPI = Cash Assistance Program for Immigrants.</small>	