

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 10/20)

Fiscal Year 2022-23	Business Unit 4140	Department Health Care Access and Information	Priority No. 006
Budget Request Name 4140-064-BCP-2022-GB		Program Health Care Workforce	Subprogram

Budget Request Description
Workforce for a Healthy California for All

Budget Request Summary

The Department of Health Care Access and Information (HCAI) requests \$296.5 million (\$281.7 million in local assistance; \$14.8 million in state operations) in FY 2022-23, \$370.5 million (\$352.0 million in local assistance; \$18.5 in state operations) in FY 2023-24, and in FY 2024-25 from the General Fund and the Opioid Settlement Fund in order to administer and support the Workforce for a Healthy California for All Program. HCAI requests provisional language to make the funds available for encumbrance and expenditures through June 30, 2028.

Requires Legislation <input type="checkbox"/> Yes <input type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed Click or tap here to enter text.	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO Click or tap here to enter text.	Date Click or tap to enter a date.

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), and the approval date.

Project No. Click or tap here to enter text. **Project Approval Document:** Click or tap here to enter text.

Approval Date: Click or tap to enter a date.

If proposal affects another department, does other department concur with proposal? Yes No

Attach comments of affected department, signed and dated by the department director or designee.

Prepared By James Regan	Date 12/21/2021	Reviewed By Caryn Rizell	Date 12/21/2021
Department Director Elizabeth Landsberg	Date 12/21/2021	Agency Secretary Vishaal Pegany for Mark Ghaly, MD, MPH	Date Click or tap to enter a date.

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE Dept. of Technology

PPBA Jack Zwald	Date submitted to the Legislature 1/10/2021
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A. Budget Request Summary

The Department of Health Care Access and Information (HCAI) requests \$296.5 million (\$281.7 million in local assistance; \$14.8 million in state operations) in FY 2022-23, \$370.5 million (\$352.0 million in local assistance; \$18.5 million in state operations) in FY 2023-24, and in FY 2024-25 from the General Fund and the Opioid Settlement Fund in order to administer and support the Workforce for a Healthy California for All Program. HCAI requests provisional language to make the funds available for encumbrance and expenditures through June 30, 2028.

B. Background/History

California continues to face substantial workforce shortages across many health professions. Investment to train and diversify the health workforce is critical to provide the care Californians need and can serve as an economic driver for low income communities and increase equitable outcomes. Through the Workforce for a Healthy California for All Program, HCAI will increase investments in key areas of the workforce.

HCAI conducts health care workforce research to identify areas of unmet need, educates decision makers on the health care workforce, and administers programs that provide financial incentives to individuals and organizations to encourage underrepresented groups to pursue health care careers and provide services in areas of unmet need. HCAI administers several scholarship and loan forgiveness programs that provide financial assistance to qualified health care professionals in exchange for working in underserved areas of California and provides funds to institutions that train health professionals to provide health care in California's medically underserved areas.

C. State Level Consideration

HCAI's health care workforce programs aim to address the health professional shortage in underserved areas, diversify the workforce, increase access to care, and improve the lives of California's most vulnerable. This proposal supports the California Health and Human Services Agency strategic priority to help all Californians have meaningful access to care by increasing the number and diversity of health professionals.

Click or tap here to enter text.

D. Justification

The funding requested in this proposal would allow for additional loan repayment, scholarship, stipend, and organizational grant awards for eligible applicants and institutions and align with the following goals: (1) increase providers serving medically underserved areas, (2) increase the racial diversity and languages spoken by the health workforce, and (3) increase the providers serving Medi-Cal members.

The 2022 Governor's Budget provides approximately \$1.0 billion one-time General Fund over three years to strengthen and expand the state's health and human services workforce. This investment will augment and build upon existing California Health and Human Services Agency workforce programs to create innovative and accessible opportunities to recruit, train, hire and advance an ethnically and culturally inclusive health and human services workforce, with improved diversity and higher wages.

The components of this proposal are as follows:

- **Community Health Workers** to recruit, train and certify 25,000 new community health workers by 2025, with specialized training to work with varying populations, such as justice-involved, people who are unhoused, older adults or people with disabilities. Training would align with requirements for the Medi-Cal Community Health Worker benefit.

- **Comprehensive Nursing Initiative** to increase the number of registered nurses, licensed vocational nurses, certified nursing assistants, certified nurse midwives, certified medical assistants, family nurse practitioners, and other health professions.
- **Expanding Social Workers** to increase the number of social workers trained in the state by supporting social work training programs and providing stipends and scholarships for working people to create a new pipeline for diverse social workers who cannot otherwise afford the financial or time investment required to complete full-time training programs.
- **Psychiatric Resident Program** to increase the number of behavioral health providers, such as psychiatrists, psychiatric nurse practitioners, and psychologists.
- **Multilingual Health Initiatives** to increase the linguistic and cultural competencies in the workforce by expanding scholarships and loan repayment for multilingual applicants.
- **Workforce Council for Health Care Training** to leverage HCAI's Health Workforce Education and Training Council to research healthcare shortages and support research on best practices and strategies to build a diverse, culturally competent workforce to build the health care workforce.

Opioid Response

Additionally, two new workforce development, training, and supportive employment efforts are proposed for substance use disorders (SUD) related to opioid use with the one time total special funding of \$26 million.

Opioid Provider Training

As prescription opioid-related overdoses have decreased over time due to successful interventions addressing prescribing patterns, deaths related to synthetic opioids and psychostimulants with abuse potential have increased. Illicit synthetic opioids (primarily fentanyl and fentanyl analogs) and psychostimulants with abuse potential (such as methamphetamine and cocaine) have become increasingly available in the drug supply. Illicit fentanyl, stimulant, and polydrug-related overdoses require new and varied intervention approaches.

With one-time funding of \$22 million for Opioid Provider Training, HCAI would work with DHCS to develop a request for application for three-year grant funding for community-based SUD providers to increase the number of licensed clinicians and non-licensed SUD workforce. The funds would be used for the SUD workforce with a focus on opioid treatment (in particular fentanyl and fentanyl analogs). Funding would be utilized for start-up and implementation costs for the following:

- Increasing the number of waived prescribers at community-based SUD provider settings through recruitment, retention, and engagement strategies.
- Increasing the number of non-licensed SUD workforce at community-based SUD provider settings through recruitment, retention, and engagement strategies.
- Building out apprenticeship programs which will include an in-reach program that specifically engages high school youth, including alternative school youth, in learning more about SUD services as a career pathway.
- Recruiting individuals transitioning from incarceration, transition age youth (18-25 years of age), low Socioeconomic Status, and/or those who are bilingual (particularly Spanish/English) to bolster the SUD services workforce.

Vocational Rehabilitation Services for Consumers with Substance Use Disorders

Housing for those with SUD behavioral health issues is hard to maintain without employment, and meaningful work in recovery is a protection against relapse. As a social determinant of health, employment is important for both mental and physical wellbeing, including the ability to live outside of poverty and to have access to health care. However, consumers in recovery from SUD often need coaching and supports to prepare for, find, and retain employment. With one-time funding of \$4 million, the Department of Rehabilitation, with support from HCAI, will establish a pilot project to provide vocational rehabilitation services for consumers with SUD related to opioid use.

The pilot will train the provider workforce on how to include employment services as part of participation in treatment. In collaboration with HCAI, DOR will form a team to provide training on evidence-based practices to serve those with behavioral health disabilities, including SUD, as a part of recovery. The training will focus on incorporating vocational services into treatment delivery as part of a whole-person approach to recovery and developing supports for individuals transitioning into work during and following treatment. Content will include the beneficial impacts of employment on whole person care, incorporating disability awareness and sensitivity into an SUD recovery framework, effectively connecting to vocational rehabilitation (VR) and other workforce partners for job placement services, and the need for long-term employment supports.

E. Outcomes and Accountability

HCAI plans to leverage existing program infrastructure to implement the proposed funding for most of the workforce categories, including existing arrangements used to provide scholarship, stipend, loan repayment, and grant opportunities. To increase the number of social workers trained in the state, HCAI will work with colleges and universities to support expedited training programs for BSW and MSW degrees. For community health workers, stipends will be used to recruit and support a diverse workforce. Lastly, additional support for HCAI's new Health Workforce Education and Training Council will help expand its focus on these additional job classifications and research best practices to diversify the workforce. The projected outcomes below reflect the number of expected loan repayment, scholarship, stipend, and organization grant awards utilizing the proposed funding. HCAI plans to implement multiple financial assistance opportunities for each program in an effort to maximize use of the funding. Additionally, projected outcomes are shown for the efforts that will be implemented in coordination with the Departments of Health Care Services and Rehabilitation.

Projected Outcomes

Workload Measure	2021-22	2022-23	2023-24	2024-25
<i>Department of Health Care Access and Information</i>				
Psychiatric Residency Program Grants	0	8	10	12
CA Social Work Initiative (Training Program Grants)	0	5	5	5
CA Social Work Initiative (Loan Repayments)	0	250	250	250
CA Social Work Initiative (Stipends)	0	620	620	620
21 st Century Nursing (Loan Repayments)	0	4,509	4,509	4,509
21 st Century Nursing (Scholarships)	0	1,666	1,666	1,666
21 st Century Nursing (Training Program Grants)	0	20	20	20
Multilingual Health Initiatives (Loan Repayments)	0	389	389	389
Multilingual Health Initiatives (Scholarships)	0	459	459	459
California 25x25 Initiative (Training Program Grants)	0	98	98	98
<i>Department of Health Care Services</i>				
<i>Department of Rehabilitation</i>				
Vocational Rehabilitation Services - SUD (individuals served)	100	100	100	100

F. Analysis of All Feasible Alternatives

Alternative 1: Approve the \$296.5 million in FY 2022-23, \$370.5 million in FY 2023-24, and \$370.5 million in FY 2024-25 from the General Fund and the Opioid Settlement Fund in order to administer and support the Workforce for a Healthy California for All Program, as well as provisional language to make the funds available for encumbrance and expenditures through June 30, 2028.

Pros:

- Leverages existing health workforce programs to more quickly meet workforce needs.
- Builds a stable workforce to improve health care outcomes and access for patients and communities.
- Proactively address identified shortages in healthcare workforce in California.
- Expands the SUD provider workforce focused on treating opioid use, and tests an SUD pilot for providing supportive employment services for those with behavioral health disabilities.

Cons:

- One-time increased General Fund state expenditures.
- Labor shortages are projected to grow even more dire in the future, putting our economic advantage and pandemic recovery at risk.
- Under-resourced communities, urban and rural, will continue to have limitations in stable and well-paying health care and human service jobs as a community stabilizing and economic development strategy.

Alternative 2: Deny the request to augment General Fund expenditure authority.

Pros:

- No increase to General Fund expenditures.

Cons:

- State will be limited in its ability to recruit, train, hire and advance culturally and linguistically competent healthcare providers.
- No additional grant awards for programs that currently exist and support health professionals and training programs covered by this initiative.
- Health and human service provision within multiple areas of need will not have a sufficient workforce. The crisis of this shortage will lead to poor health outcomes across multiple populations.
- No additional resources to expand providers treating opioid use and missed opportunity to pilot test effective models for providing supportive employment services for those with behavioral health disabilities.

G. Implementation Plan

HCAI would increase the number of annual loan repayment, scholarship, stipend, and other organizational grant awards resulting in more grant agreements issued, monitored, and tracked for service obligation compliance. HCAI will also determine what new programs, if any, would be needed to effectively implement the funding and will develop new programs as needed.

DOR proposes to pilot employment services in treatment centers across the state. Services would include the full range of VR services, including employment skill development, job placement, and long-term supports that people with SUD related to opioid use may require. Since long-term funding for employment supports is not compensable under the VR grant, this pilot would pave the way for demonstration of the need for other funding, such as through the Medicaid or the Mental Health Services Act. Employment services would be provided by DOR staff or coordinated by DOR staff through partnerships with behavioral health entities and other community-based organizations providing employment service and would be embedded alongside traditional treatment delivery.

H. Supplemental Information

Attachment A: Provisional Language

Attachment B: BCP Fiscal Details Sheet

I. Recommendation

Approval Alternative 1 to provide the necessary resources administer and support the Workforce for a Healthy California for All Program.

Attachment A

Provisional Language

Amend Item 4140-001-0001

- x. Of the funds appropriated in Schedule (2) of this item, \$ 10,820,000 and \$ 2,705,000 in Schedule (5) are available for encumbrance or expenditure until June 30, 2028, to administer the Workforce for a Healthy California for All Program.

Amend Item 4140-101-0001

- x. Of the funds appropriated in Schedule (1), \$ 256,975,000 is available for encumbrance or expenditure until June 30, 2028, to administer the Workforce for a Healthy California for All Program.

New Item 4140-001-3397

- x. Of the funds appropriated in Schedule (2) of this item, \$1,040,000 and \$260,000 in Schedule (5) are available for encumbrance or expenditure until June 30, 2028 to administer the Opioid Treatment.

New Item 4140-101-3397

- x. Of the funds appropriated in Schedule (1) \$24,700,000 is available for encumbrance or expenditure until June 30, 2028, to administer the Opioid Treatment.

BCP Fiscal Detail Sheet

BCP Title: Health and Home Care Workforce

BR Name: 4140-064-BCP-2022-GB

Budget Request Summary

Personal Services

Personal Services	FY22 Current Year	FY22 Budget Year	FY22 BY+1	FY22 BY+2	FY22 BY+3	FY22 BY+4
Salaries and Wages Earnings - Temporary Help	0	14,825	18,525	18,525	0	0
Total Salaries and Wages	\$0	\$14,825	\$18,525	\$18,525	\$0	\$0
Total Personal Services	\$0	\$14,825	\$18,525	\$18,525	\$0	\$0

Operating Expenses and Equipment

Operating Expenses and Equipment	FY22 Current Year	FY22 Budget Year	FY22 BY+1	FY22 BY+2	FY22 BY+3	FY22 BY+4
54XX - Special Items of Expense	0	281,675	351,975	351,975	0	0
Total Operating Expenses and Equipment	\$0	\$281,675	\$351,975	\$351,975	\$0	\$0

Total Budget Request

Total Budget Request	FY22 Current Year	FY22 Budget Year	FY22 BY+1	FY22 BY+2	FY22 BY+3	FY22 BY+4
Total Budget Request	\$0	\$296,500	\$370,500	\$370,500	\$0	\$0

Fund Summary

Fund Source

Fund Source	FY22 Current Year	FY22 Budget Year	FY22 BY+1	FY22 BY+2	FY22 BY+3	FY22 BY+4
State Operations - 0001 - General Fund	0	13,525	18,525	18,525	0	0
State Operations - 3397 - Opioid Settlement Fund	0	1,300	0	0	0	0
Total State Operations Expenditures	\$0	\$14,825	\$18,525	\$18,525	\$0	\$0
Local Assistance - 0001 - General Fund	0	256,975	351,975	351,975	0	0
Local Assistance - 3397 - Opioid Settlement Fund	0	24,700	0	0	0	0

Fund Source	FY22 Current Year	FY22 Budget Year	FY22 BY+1	FY22 BY+2	FY22 BY+3	FY22 BY+4
Total Local Assistance Expenditures	\$0	\$281,675	\$351,975	\$351,975	\$0	\$0
Total All Funds	\$0	\$296,500	\$370,500	\$370,500	\$0	\$0

Program Summary

Program Funding

Program Funding	FY22 Current Year	FY22 Budget Year	FY22 BY+1	FY22 BY+2	FY22 BY+3	FY22 BY+4
3835 - Health Care Workforce	0	293,535	366,795	366,795	0	0
3860 - Administration	0	2,965	3,705	3,705	0	0
Total All Programs	\$0	\$296,500	\$370,500	\$370,500	\$0	\$0

Personal Services Details

Salaries and Wages

Salaries and Wages	FY22 Current Year	FY22 Budget Year	FY22 BY+1	FY22 BY+2	FY22 BY+3	FY22 BY+4
-	0	14,825	18,525	18,525	0	0
Total Salaries and Wages	\$0	\$14,825	\$18,525	\$18,525	\$0	\$0

Total Personal Services

Total Personal Services	FY22 Current Year	FY22 Budget Year	FY22 BY+1	FY22 BY+2	FY22 BY+3	FY22 BY+4
Total Personal Services	\$0	\$14,825	\$18,525	\$18,525	\$0	\$0