

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

<b>Fiscal Year</b> 2022-23	<b>Business Unit</b> 5225	<b>Department</b> California Department of Corrections and Rehabilitation/California Correctional Health Care Services	<b>Priority No.</b> Click or tap here to enter text.
<b>Budget Request Name</b> 5525-235-BCP-2022-GB		<b>Program</b> VARIOUS	<b>Subprogram</b> Click or tap here to enter text.

**Budget Request Description**  
 CalAIM Justice-Involved Initiative

**Budget Request Summary**

The California Department of Corrections and Rehabilitation (CDCR)/California Correctional Health Care Services (CCHCS) request \$10.4 million (\$5.2 million General Fund and \$5.2 million in reimbursement authority) in fiscal year 2022-23 and ongoing for 81.2 positions to support the implementation of the California Advancing and Innovating Medi-Cal (CalAIM) initiative. Additionally, CDCR/CCHCS request to shift \$5.5 million in 2022-23, growing to \$25.6 million in fiscal year 2026-27 and ongoing, from the General Fund to reimbursements to reflect increased federal funding that is anticipated to become available to the state for covered services under CalAIM.

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Code Section(s) to be Added/Amended/Repealed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

<b>Prepared By</b> Daniel Budding	<b>Date</b> 12/27/2021	<b>Reviewed By</b> Theresa Biby	<b>Date</b> 12/27/2021
<b>Department Director</b> Lara Saich, Madelynn McClain	<b>Date</b> 12/27/2021	<b>Agency Secretary</b> Richard Kirkland, Kathleen Allison	<b>Date</b> 12/27/2021

**Department of Finance Use Only**

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

<b>PPBA</b> Allison Hewitt	<b>Date submitted to the Legislature</b> 1/10/2022
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## **A. Budget Request Summary**

The California Department of Corrections and Rehabilitation (CDCR)/California Correctional Health Care Services (CCHCS) request \$10.4 million (\$5.2 million General Fund and \$5.2 million in reimbursement authority) in fiscal year 2022-23 and ongoing for 81.2 administrative positions to support the implementation of the California Advancing and Innovating Medi-Cal (CalAIM) initiative. Additionally, CDCR/CCHCS request to shift \$5.5 million in 2022-23, growing to \$25.6 million in fiscal year 2026-27 and ongoing, from the General Fund to reimbursements to reflect increased federal funding that is anticipated to become available to the state for covered services under CalAIM.

## **B. Background/History**

The CalAIM initiative is a framework that encompasses a broad-based delivery system, program, and payment reform across the Medi-Cal program. CalAIM recognizes the opportunity to move California's whole-person care approach – first included in the Medi-Cal 2020 Section 1115 demonstration – to a statewide level, with a clear focus on improving health and reducing health disparities and inequities. Collectively, the Section 1115 CalAIM demonstration and Section 1915(b) waiver, along with related contractual and Medi-Cal State Plan changes, will enable California to fully execute the CalAIM initiative, providing benefits to certain high-need, hard-to-reach populations, with the goal of improving health outcomes for Medi-Cal beneficiaries and other low-income people in the state.

CalAIM strives to align all elements of Medi-Cal into a system that is standardized, simplified, focused on helping enrollees live healthier lives, and transforms health care for Californians through population health management, enhanced care management (ECM), community support, dental benefits, behavioral health delivery system transformation, services and support for justice-involved adults and youth, transition to statewide dual eligible special needs plans, managed long-term services and support, standard enrollment with consistent managed care benefits, and delivery system transformation. Since 2018, the Department of Health Care Services (DHCS) has worked closely with stakeholders to design a transformation of key aspects of the Medi-Cal delivery system in order to accomplish the following three primary goals:

- 1) Identify and manage member risk and need through whole-person care approaches and addressing social determinants of health;
- 2) Move Medi-Cal to a more consistent and seamless system by increasing alignment across delivery systems, reducing complexity and increase flexibility; and
- 3) Improve quality outcomes, reduce health disparities, and drive delivery system transformation and innovation through value-based initiatives, modernization of systems, and payment reform.

Implementation of CalAIM was scheduled to begin in January 2021, but was delayed due to the impact of the COVID-19 public health emergency. On December 29, 2020, DHCS received approval from the Centers for Medicare & Medicaid Services (CMS) for a 12-month extension (through December 31, 2021) of the existing Medi-Cal 2020 Section 1115 demonstration. DHCS then submitted two requests to CMS: (1) the CalAIM Section 1115 demonstration (formerly entitled Medi-Cal 2020 Section 1115 demonstration) for a five-year renewal, with amendments; and (2) the CalAIM Section 1915(b) waiver for a five-year renewal, with amendment.

Included within this five-year renewal, is a request for Section 1115 demonstration authority to provide targeted Medi-Cal services to eligible justice-involved populations 90-days pre-release from incarceration for the continuity of health coverage and care for justice-involved populations who experience disproportionately higher rates of physical and behavioral health diagnoses. These pre-release Medi-Cal services may include intensive care management/care coordination, as appropriate; labs and X-rays; medication for addiction treatment (also known as medication-assisted treatment, or MAT); psychotropic medications; and community-based physical and behavioral health clinical consultation services provided via telehealth or, optionally, in-person as needed. Services will also include a 30-day supply of medication, including MAT and durable medical equipment (DME) for use post-release into the community. As a result of the passage of Assembly Bill 133, California Penal Code Section 4011.11(h) has mandated that all counties implement an incarcerated person pre-release Medi-Cal

application process by January 1, 2023 to ensure all eligible incarcerated persons in county jails and juvenile facilities, including those who are not in suspended status, receive assistance with submitting applications for health insurance affordability programs; and receive timely access to Medi-Cal services upon release from incarceration.

California is seeking to implement Medi-Cal coverage 90 days pre-release, no sooner than January 1, 2023, with the assumption that there will be a ramp-up of individuals receiving services over the course of the demonstration. While it is assumed there will be a ramp-up of individuals receiving services, the types of services included and percentage identified for reimbursement are not yet known. DHCS is still determining various components within CalAIM through working groups as it relates to reimbursement categories and in-service programs. Therefore, the total positions, funding, and reimbursement costs may be subject to refinements as CalAIM is rolled out.

### **C. State Level Consideration**

CalAIM aligns with and advances several key priorities of the Administration, by recognizing the impact of Medi-Cal on the lives of its beneficiaries beyond accessing health services in traditional delivery settings. CalAIM establishes a foundation where investments and programs within Medicaid can easily integrate, complement, and catalyze the Administration's plan to impact the state's homelessness crisis, support reforms of justice systems for youth and adults who have significant health issues, build a platform for more integrated systems of care, and move towards a level of standardization and streamlined administration. Furthermore, CalAIM seeks to advance various existing Medi-Cal efforts, such as Whole Person Care, the Health Homes Program, the prescription drug Executive Order, improved screenings for kids, and proliferating the use of value-based payments across systems, including behavioral health and long-term care. Additionally, CalAIM supports the ongoing need to increase oversight and monitoring county-based services, including specialty mental health and substance use disorder services, Medi-Cal eligibility, and other county administered programs.

### **D. Justification**

CDCR/CCHCS is responsible for verifying that its patient population receives comprehensive integrated care for successful health care outcomes and effective community re-entry. This interdisciplinary approach bridges existing gaps between care partners through comprehensive care management and care coordination. Greater care coordination enables safety net providers to more efficiently and effectively utilize resources to improve patient health outcomes and help more people in the community.

Patients leaving correctional facilities are at extremely high risks of poor outcomes due to high rates of mental illness, substance use disorders, complex medical conditions, and unmet social needs such as housing insecurity, unemployment, and inadequate social connections. CDCR/CCHCS will provide integrated care to address the full spectrum of patient population needs beyond incarceration by incorporating the following:

- Pre-release planning (collaborate and share data with community partners, family members, probation, parole and other healthcare agencies).
- Facilitated referral and linkage ("warm hand-off") to behavioral health services to providers in Medi-Cal managed care plan networks and Medi-Cal behavioral health delivery system networks (county behavioral health departments).
- "In Reach" services up to 90 days prior to release for justice-involved populations (targeted Medi-Cal services, such as MAT, laboratory/radiology services, Durable Medical Equipment, 30 day supply of medication for post release, etc.).
- Activation of Medi-Cal benefits & other resources.

In response to CalAIM's proposal for DHCS to increase focus on expanding patient access to unsuspended Medi-Cal coverage and covered "in reach" services prior to release, CCHCS is requesting 39.6 Licensed Vocational Nurse (LVN) positions. These positions will allow CCHCS' Nursing Services the ability to communicate with DHCS and coordinate patient access to in-reach services and provide intensive care management prior to release. Duties for these LVNs may include, but are not limited to the following:

- Reviewing care managed plans and benefits.
- Identifying and communicating care needs to the Medi-Cal managed care plan appropriate care coordination service including, when appropriate Enhanced Care Management team with a warm hand off.
- Assisting patients in enrolling in Medi-Cal managed care plans.
- Assisting in developing patient education on Medi-Cal benefits.
- Disseminating training and informational materials to patients.
- Coordinating with Primary Care Teams, Transition Services Resource team, and Utilization Review Management on needs of high-risk complex care patients post incarceration.
- Supporting and facilitating video/teleconferences with patients, in-reach consultation providers and community-based providers.
- Attending and participating in pre-release weekly meetings.
- Coordinating with Transitional Case Management Program benefit workers on completion of Medi-Cal applications.
- Coordinating with case records and parole on changes in releases including accelerated releases and community transition program related releases.
- Obtaining signed Releases of Information.
- Identifying assistance with Activities of Daily Living and other disabilities in order to facilitate access to relevant benefits.

Additionally, in order to support the workload associated with fulfilling data requests and data sharing, CCHCS requests 2.0 Research Data Manager positions. These positions will be used to assess and implement solutions to mitigate challenges associated with limited access to timely and reliable information sharing across multiple state departments, program areas, and stakeholders. CCHCS projects a substantial workload associated with developing and sharing businesses knowledge with staff and developing a method for sharing information across multiple state and program areas. Duties performed by these positions may include, but are not limited to:

- Obtaining, learning about, testing, and evaluating new data sources within CCHCS' Integrated Substance Use Disorder Treatment Program to link with the CalAIM initiative.
- Structuring new data sources and building stored procedures to store the data in the Data Warehouse.
- Developing, testing, and refining performance measures.
- Developing, testing, and refining operational tools.
- Reviewing for quality assurance, revising, and editing code of other staff.
- Performing ad hoc data analyses.
- Performing maintenance and fixes on performance measures and operational tools.
- Investigating and responding to data-related questions.
- Enhancing existing tools with new features.

CCHCS will continue to engage stakeholders to ensure that appropriate information and data sets are being identified and provided to the necessary parties to meet expected service levels, and that federal funding reimbursements are maximized.

Finally, CDCR requests 39.6 Correctional Officer positions required to escort patients for medical screenings or pre-release appointments. Duties performed by these positions may include, but are not limited to:

- Provide security for staff and incarcerated persons in the identified program locations.
- Escort incarcerated persons from their housing units to pre-release program areas.
- Check incarcerated persons' identification cards to ensure appropriate attendance.
- Provide alarm response as needed during emergency conduct count, medical emergencies, etc.
- Inventory all tools and equipment for accountability at the beginning and end of each shift.
- Prepare reports (e.g., Chronos and disciplinary reports), as necessary.
- Maintain daily correctional logs, as required.
- Perform security checks and random searching of the area rooms to ensure safety and security.
- Search incarcerated persons entering the program areas and conduct counts of incarcerated persons.

It is expected that the state will be eligible to receive federal reimbursement for approximately 50 percent of the cost of these positions. Accordingly, CDCR/CCHCS request \$5.2 million General Fund and \$5.2 million in reimbursement authority.

Additionally, it is anticipated that additional federal reimbursement could become available to the state for covered services provided to incarcerated individuals within the 90 day pre-release period. Accordingly, this request also includes a shift of \$5.5 million in 2022-23, growing to \$25.6 million in 2026-27 and ongoing, from the General Fund to reimbursement authority given the anticipated increase in federal reimbursement for covered services under CalAIM.

For Medicaid administrative claiming to be claimed for CDCR/CCHCS administrative activities, DHCS and CDCR/CCHCS anticipate completion of an interagency agreement and an update to the DHCS Cost Allocation Plan.

## **E. Outcomes and Accountability**

The expected outcomes for CalAIM generally are as follows:

- No sooner than January 1, 2023, implement Medi-Cal coverage 90 days prior to an incarcerated person's release.
- No sooner than January 1, 2023, verify that incarcerated persons receive timely access to Medi-Cal services upon their release, including a process by which CDCR/CCHCS coordinates with Medi-Cal managed care plans and Medi-Cal behavioral health delivery systems to facilitate continued behavioral health treatment in the community for incarcerated persons that were receiving behavioral health services before their release.

## **F. Analysis of All Feasible Alternatives**

### **Alternative 1**

Approve \$10.4 million (\$5.2 million General Fund and \$5.2 million in reimbursement authority) in fiscal year 2022-23 and ongoing for 81.2 positions to support implementation of the CalAIM initiative. Approving this request will allow CDCR/CCHCS to shift \$5.5 million in 2022-23, growing to \$25.6 million in 2026-27 and ongoing, from the General Fund to reimbursements to reflect increased federal funding that is anticipated to become available to the state under CalAIM.

Pros:

- Enables CDCR to support implementation of CalAIM.
- More accurately reflects the impact of CalAIM by shifting estimated expenditures from the General Fund to reimbursements.

Cons:

- Requires some level of additional General Fund resources to effectuate, which will be offset by anticipated reimbursements.

### **Alternative 2**

Do not approve additional resources for CDCR associated with CalAIM or the requested shift from the General Fund to reimbursements.

Pros:

- None.

Cons:

- Will not allow CDCR/CCHCS to fully implement processes and procedures consistent with CalAIM.
- Will not accurately reflect the potential budgetary impact of CalAIM.

## **G. Implementation Plan**

Upon approval of the 2022 Budget Act, recruitment for permanent staff will begin in March of 2022. Establishment of the positions will be effective July 1, 2022.

## **H. Supplemental Information**

Not applicable.

## **I. Recommendation**

Alternative 1: Approve \$10.4 million (\$5.2 million General Fund and \$5.2 million in reimbursement authority) in fiscal year 2022-23 and ongoing for 81.2 positions to support implementation of the CalAIM initiative. Approving this request will allow CDCR/CCHCS to shift \$5.5 million in fiscal year 2022-23, growing to \$25.6 million in 2026-27 and ongoing, from the General Fund to reimbursements to reflect increased federal funding that is anticipated to become available to the state under CalAIM.

# BCP Fiscal Detail Sheet

BCP Title: CalAIM Justice-Involved Initiative

BR Name: 5225-235-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
Positions - Permanent	0.0	81.2	81.2	81.2	81.2	81.2
<b>Total Positions</b>	<b>0.0</b>	<b>81.2</b>	<b>81.2</b>	<b>81.2</b>	<b>81.2</b>	<b>81.2</b>
Salaries and Wages Earnings - Permanent	0	6,622	6,622	6,622	6,622	6,622
<b>Total Salaries and Wages</b>	<b>\$0</b>	<b>\$6,622</b>	<b>\$6,622</b>	<b>\$6,622</b>	<b>\$6,622</b>	<b>\$6,622</b>
Total Staff Benefits	0	3,560	3,560	3,560	3,560	3,560
<b>Total Personal Services</b>	<b>\$0</b>	<b>\$10,182</b>	<b>\$10,182</b>	<b>\$10,182</b>	<b>\$10,182</b>	<b>\$10,182</b>

## 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
5301 - General Expense	0	106	106	106	106	106
5302 - Printing	0	12	12	12	12	12
5304 - Communications	0	18	18	18	18	18
5306 - Postage	0	4	4	4	4	4
5320 - Travel: In-State	0	26	26	26	26	26
5322 - Training	0	9	9	9	9	9
5324 - Facilities Operation	0	14	14	14	14	14
5340 - Consulting and Professional Services - External	0	2	2	2	2	2
5340 - Consulting and Professional Services - Interdepartmental	0	4	4	4	4	4
<b>Total Operating Expenses and Equipment</b>	<b>\$0</b>	<b>\$195</b>	<b>\$195</b>	<b>\$195</b>	<b>\$195</b>	<b>\$195</b>

## Total Budget Request

Total Budget Request	FY22 Current Year	FY22 Budget Year	FY22 BY+1	FY22 BY+2	FY22 BY+3	FY22 BY+4
<b>Total Budget Request</b>	<b>\$0</b>	<b>\$10,377</b>	<b>\$10,377</b>	<b>\$10,377</b>	<b>\$10,377</b>	<b>\$10,377</b>

## 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	-347	-9,059	-14,497	-18,580	-20,402
0995 - Reimbursements	0	10,724	19,436	24,874	28,957	30,779
<b>Total State Operations Expenditures</b>	<b>\$0</b>	<b>\$10,377</b>	<b>\$10,377</b>	<b>\$10,377</b>	<b>\$10,377</b>	<b>\$10,377</b>
<b>Total All Funds</b>	<b>\$0</b>	<b>\$10,377</b>	<b>\$10,377</b>	<b>\$10,377</b>	<b>\$10,377</b>	<b>\$10,377</b>

## Program Summary

### Program Funding

Program Funding	FY22 Current Year	FY22 Budget Year	FY22 BY+1	FY22 BY+2	FY22 BY+3	FY22 BY+4
4530010 - General Security	0	5,710	5,710	5,710	5,710	5,710
4650012 - Medical Administration-Adult	0	355	355	355	355	355
4650014 - Medical Other-Adult	0	4,312	4,312	4,312	4,312	4,312
<b>Total All Programs</b>	<b>\$0</b>	<b>\$10,377</b>	<b>\$10,377</b>	<b>\$10,377</b>	<b>\$10,377</b>	<b>\$10,377</b>

## Personal Services Details

### Positions

Positions	FY22 Current Year	FY22 Budget Year	FY22 BY+1	FY22 BY+2	FY22 BY+3	FY22 BY+4
5740 - Research Data Mgr (Eff. 07-01-2022)	0.0	2.0	2.0	2.0	2.0	2.0
8274 - Licensed Vocational Nurse (Safety) (Eff. 07-01-2022)	0.0	39.6	39.6	39.6	39.6	39.6
9662 - Corr Officer (Eff. 07-01-2022)	0.0	39.6	39.6	39.6	39.6	39.6
<b>Total Positions</b>	<b>0.0</b>	<b>81.2</b>	<b>81.2</b>	<b>81.2</b>	<b>81.2</b>	<b>81.2</b>

### Salaries and Wages

Salaries and Wages	FY22 Current Year	FY22 Budget Year	FY22 BY+1	FY22 BY+2	FY22 BY+3	FY22 BY+4
5740 - Research Data Mgr (Eff. 07-01-2022)	0	221	221	221	221	221
8274 - Licensed Vocational Nurse (Safety) (Eff. 07-01-2022)	0	2,886	2,886	2,886	2,886	2,886



Salaries and Wages	FY22 Current Year	FY22 Budget Year	FY22 BY+1	FY22 BY+2	FY22 BY+3	FY22 BY+4
9662 - Corr Officer (Eff. 07-01-2022)	0	3,515	3,515	3,515	3,515	3,515
<b>Total Salaries and Wages</b>	<b>\$0</b>	<b>\$6,622</b>	<b>\$6,622</b>	<b>\$6,622</b>	<b>\$6,622</b>	<b>\$6,622</b>

### Staff Benefits

Staff Benefits	FY22 Current Year	FY22 Budget Year	FY22 BY+1	FY22 BY+2	FY22 BY+3	FY22 BY+4
5150450 - Medicare Taxation	0	96	96	96	96	96
5150500 - OASDI	0	14	14	14	14	14
5150600 - Retirement - General	0	1,759	1,759	1,759	1,759	1,759
5150800 - Workers' Compensation	0	278	278	278	278	278
5150820 - Other Post-Employment Benefits (OPEB) Employer Contributions	0	214	214	214	214	214
5150900 - Staff Benefits - Other	0	1,199	1,199	1,199	1,199	1,199
<b>Total Staff Benefits</b>	<b>\$0</b>	<b>\$3,560</b>	<b>\$3,560</b>	<b>\$3,560</b>	<b>\$3,560</b>	<b>\$3,560</b>

### Total Personal Services

Total Personal Services	FY22 Current Year	FY22 Budget Year	FY22 BY+1	FY22 BY+2	FY22 BY+3	FY22 BY+4
<b>Total Personal Services</b>	<b>\$0</b>	<b>\$10,182</b>	<b>\$10,182</b>	<b>\$10,182</b>	<b>\$10,182</b>	<b>\$10,182</b>