

Date of Hearing: May 11, 2022

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Chris Holden, Chair

AB 2680 (Arambula) – As Amended April 7, 2022

Policy Committee: Health

Vote: 11 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires the Department of Health Care Services (DHCS) to create the Community Health Navigator (CHN) Program to make direct grants to qualified non-profit, community-based organizations (CBOs), with the purpose of conducting targeted outreach, enrollment, retention, utilization and access activities for individuals and families who are eligible for any Medi-Cal program. This bill requires DHCS to coordinate and partner with Covered California and counties that elect to participate in a seamless approach to the activities of this program and for marketing targeted to individuals eligible for health coverage in Medi-Cal and Covered California, and development of a joint application tracker system that enables tracking of applications and referrals between commercial and Medi-Cal coverage and enrollment progress in real time. This bill allows the funds appropriated under this bill to be encumbered starting January 1, 2023, and requires DHCS to seek any necessary federal approval for implementation of this bill.

FISCAL EFFECT:

- 1) Ongoing costs, likely around \$30 million dollars for DHCS to create the CHN Program, based on prior budget actions and advocacy requests (50% General Fund (GF) / 50% federal funds (FF)). The Budget Act of 2019 (AB 79 (Ting), Chapter 23, Statutes of 2019) allocated \$29.8 million to DHCS for the management and funding of Medi-Cal outreach and enrollment services; this funding expires July 1, 2022. Actual amounts for the CHN Program would be determined pursuant to funding in the annual budget act.
- 2) Total fund costs to DHCS, likely in the low hundreds of thousands every three years, to contract with an independent entity to conduct an evaluation of the CHN Program every three years (50% GF / 50% FF).
- 3) Unknown costs, potentially in excess of one million dollars, to develop a joint application tracker system that will allow individuals, county workers, those assisting applicants, CHN Program grantees, and Covered California customer services representatives to track applications and referrals between commercial and Medi-Cal coverage and enrollment progress in real time (50% GF / 50% FF).
- 4) Unknown increased Medi-Cal caseload costs to the extent outreach and assistance provided by CHNs result in increased Medi-Cal enrollment and greater retention of Medi-Cal coverage. If Medi-Cal enrollment increases by 1% as a result of increased enrollment and

retention efforts of CHNs, increased caseload would be an additional 14,000, at a total annual cost of approximately \$80 million (\$24 million GF and \$56 million FF).

COMMENTS:

- 1) **Purpose.** According to the author, obstacles to health care still remain for many low-income communities of color, immigrants, and other limited-English proficient groups. With the expected influx of people eligible for Medi-Cal, either due to the COVID-19 pandemic or efforts to expand benefits to undocumented Californians, the author argues that it is critical to make certain the state has the infrastructure to readily serve the needs of linguistically and culturally diverse communities. The author states the grant program in this bill will empower CBOs that are uniquely positioned, trained and experienced in the community to address the needs of low-income Californians by conducting targeted outreach, enrollment, retention, utilization and access activities for individuals and families eligible for Medi-Cal.
- 2) **Background.** The Budget Act of 2019 made available two separate \$14.9 million allocations (for a total of \$29.8 million) to DHCS for the management and funding of Medi-Cal outreach and enrollment services. This funding is available for encumbrance or expenditure until June 30, 2022. Under this item, outreach and enrollment may include assistance with retaining and using health coverage and gaining access to needed medical care. These funds must be made available to selected counties and counties acting jointly. The DHCS director is authorized, at the director's discretion, in consultation with stakeholders, to also give consideration to CBOs in an area or region if a county, or counties acting jointly, do not seek an allocation, with DHCS being required to determine the number of allocations, the application process and selection criteria to allocate funds for the Medi-Cal outreach and enrollment activities.
- 3) **Governor's Community Health Workers (CHW) Proposal.** In the May revision to the proposed 2021 budget, Governor Newsom proposed to add CHWs to the class of skilled and trained individuals who are able to provide clinically appropriate Medi-Cal covered benefits and services, effective January 1, 2022. The Budget Act of 2021 included \$16.3 million (\$6.2 million GF) in fiscal year 2021-22 for CHWs, but implementation was delayed until July 1, 2022, along with a similar proposal to add douglas as Medi-Cal benefit.

DHCS describes CHWs as skilled and trained health educators who work directly with individuals who may have difficulty understanding or interacting with providers due to cultural or language barriers. CHWs help such individuals by helping them to navigate the relationship with their health care providers, assist them in accessing health care services, and provide key linkages with other similar and related community-based resources. CHWs help to extend the reach of providers into underserved communities, reduce health disparities, enhance provider communication and improve health outcomes and overall quality measures.

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