

Date of Hearing: August 3, 2022

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Chris Holden, Chair

SB 281 (Dodd) – As Amended June 23, 2022

Policy Committee: Health

Vote: 15 - 0

Urgency: Yes

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill extends, to January 1, 2028, the sunset of the Money Follows the Person Rebalancing Demonstration (MFP; the MFP facilitates the transition of an individual who has resided in an inpatient facility for fewer than 60 days), as specified. This bill also requires the Department of Health Care Services (DHCS) to implement the California Community Transitions (CCT) program to help an eligible Medi-Cal beneficiary who has resided in a health facility for at least 60 days move to a qualified residence.

Specifically, this bill:

- 1) Extends the sunset date of the temporary state-only MFP to facilitate the transition of an individual who has resided in an inpatient facility for fewer than 60 days by requiring DHCS to cease enrollment January 1, 2026, instead of January 1, 2023 as under existing law, and to cease providing services January 1, 2027, instead of January 1, 2024 as under existing law. Repeals the MFP on January 1, 2028.
- 2) Requires DHCS to implement and administer the CCT program to help an eligible Medi-Cal beneficiary move to a qualified residence after the beneficiary has resided in an institutional health facility for at least 60 days. Requires DHCS to administer this program consistent with the federal MFP, as authorized under federal Medicaid law.
- 3) Requires the CCT program to be made available to an eligible individual on a voluntary basis. Defines an eligible individual as a Medi-Cal beneficiary who has resided continuously in an inpatient nursing facility for at least 60 days, would continue to require the level of care provided by an inpatient facility if not for the provision of home- and community-based services after transferring to a qualified residence, and wishes to return to the community.
- 4) Requires CCT program services to be provided by a lead organization, as defined, which coordinates and ensures the delivery of all services necessary to implement this bill. Requires a lead organization to ascertain eligibility and interest of a CCT-eligible beneficiary to return to a qualified residence by reviewing the beneficiary's medical records and assessing family support, interviewing the beneficiary, assessing the beneficiary's functional ability, developing a person-centered initial CCT transition and care plan, as defined, following up with the CCT program beneficiary to ensure home- and community-based long-term services and supports that are provided pursuant to the final CCT transition and care plan continue to meet the needs and preferences of the beneficiary in the community for 365 days after transition.

- 5) Enumerates requirements of the CCT program, including the services to be provided related to transition coordination, habilitation (including life skills development), family and informal caregiver training, home setup and modification, vehicle adaptation, and assistive devices.
- 6) Requires DHCS to use federal funds authorized under federal Medicaid law and provided through the MFP to implement the CCT program, and to seek enhanced and complementary funding to increase participation in the CCT program.
- 7) If the MFP is not reauthorized, or if sufficient funds are not appropriated through the MFP, requires DHCS to fund the CCT program and to administer the program in a manner that maximizes federal financial participation.
- 8) Includes an urgency clause to ensure that the provisions of this bill go into effect immediately upon enactment.

FISCAL EFFECT:

The DHCS 2022 May Medi-Cal Estimate projects savings of \$34.4 million in fiscal year (FY) 2022-23 (\$19.4 million General Fund [GF], \$15 million federal funds) from MFP alone. The savings result from individuals moving from year-round nursing facility services to MFP, with the cost of a year of nursing facility services at approximately \$90,000 (\$45,000 GF) in 2022-23, to the lower annual cost of \$18,000 (\$4,500 GF) to return to the community with MFP.

Implementation of the CCT will likely result in further cost savings.

COMMENTS:

- 1) **Purpose.** According to the author, the CCT is part of the MFP federal demonstration project. Established in 2007, CCT made funding available to help low-income seniors and people with disabilities transition from skilled nursing facilities (SNFs) back into homes of their own. The author notes surveys of nursing residents reveal most residents do not want to remain in a nursing facility, but thousands of Californians with disabilities do so, simply because they lack the appropriate services and resources necessary to transition back to the community. The lack of services and support for this population results in individuals languishing in institutionalized care at great public cost, when that level of care is neither necessary nor desired. The author concludes CCT empowers those trapped in institutionalized settings to return to a life of dignity and choice.
- 2) **MFP and CCT.** In 2005, the federal Deficit Reduction Act (DRA) established the MFP, which authorized competitive grants to states for demonstration projects that increased the use of home and community-based services (HCBS), rather than institutional care, for Medicaid beneficiaries. DHCS obtained an MFP grant and created the CCT to develop and implement strategies for transitioning Medi-Cal members who have resided continuously in health care facilities for at least 90 days back to the community. The federal Patient Protection and Affordable Care Act extended the funding for MFP projects.

Under the federal Consolidated Appropriations Act of 2021, the 90-day minimum stay requirement was reduced to 60 days, effective January 26, 2021. In 2020, SB 214 (Dodd), Chapter 300, Statutes of 2020, established a state-only CCT program to provide services

consistent with the MFP Program to transition eligible individuals who do not meet the federal MFP Program requirement of having resided for at least 90 consecutive days in an inpatient facility. SB 214 sunsets January 1, 2025. AB 133 (Committee on Budget), Chapter 143, Statutes of 2021, a health budget trailer bill, aligned state law with the federal law by reducing the required period of residence in an inpatient facility from 90 days to 60 days. The authority to enroll new beneficiaries in the state-only CCT program ends January 1, 2023, and the authority to provide CCT services to enrolled beneficiaries expires January 1, 2024 with a state law sunset date of January 1, 2025.

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