

SENATE THIRD READING
SB 281 (Dodd)
As Amended August 11, 2022
Majority vote

SUMMARY

Extends the duration of the temporary state-only Money Follows the Person (MFP) Rebalancing Demonstration by requiring the Department of Health Care Services (DHCS) to cease enrollment January 1, 2026, instead of January 1, 2023, under existing law and by extending the sunset date of this state-only program from January 1, 2025, to January 1, 2028, (the MFP facilitates the transition of individuals from an inpatient facility to a community setting for those individuals who have resided in an inpatient setting for fewer than 60 days).

Major Provisions

COMMENTS

- 1) In 2020, SB 214 (Dodd), Chapter 300, Statutes of 2020, establishes a state-only transition program to provide services consistent with the federal MFP Program for transitioning eligible individuals out of an inpatient facility into community-based services for those 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 in 2021, among other provisions, aligned state law with the a change to 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 program ends January 1, 2023, and the authority to provide services through the program to enrolled beneficiaries expires January 1, 2024 with a state law sunset date of January 1, 2025.

The table below shows enrollments and transitions for fiscal year (FY) 2019-2020, FY 2020-21, and FY 2021-2022 through June 8, 2022 for both the state-only program (SB 281) and the federally funded MFP. Starting in FY 2021-2022, the data identifies how many Medi-Cal beneficiaries were enrolled and transitioned through the state-funded program (resided fewer than 60 days in an inpatient facility) and federally-funded (resided 60 or more days in an inpatient facility). The below is a snapshot of data entered into the California Community Transitions (CCT) database, and the number of enrollments and transitions will increase significantly as data entry is completed.

CCT Enrollments by Fiscal Year:

Fiscal Year	State-Funded, SB 281 – CCT Effective 7/27/21	Federally- Funded, MFP/CCT	Total
2019-2020	0	448	448
2020-2021	0	818	818

2021-2022 (partial thru 6/8/22)	112	441	553
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CCT Transitions by Calendar Year:

Fiscal Year	State-Funded, AB 133 – CCT Effective 7/27/21	Federally- Funded, MFP/CCT	Total
2019-2020	0	202	202
2020-2021	0	422	422
2021-2022 (partial thru 6/8/22)	20	265	285

According to the Author

The CCT is part of the Federal demonstration project called MFP. Established in 2007, CCT made funding available to help low-income seniors and people with disabilities transition from skilled nursing facilities back into homes of their own. However, federal requirements for CCT include that an individual reside in a nursing facility for 60 consecutive days in order to be eligible to receive services under the federally funded CCT program. This bill would extend the flexibility provided by SB 214 (Dodd) of 2020 to use state funds to transitions individuals who have resided in a nursing facility for less than 60 days through 2028 as we continue to navigate the ongoing COVID-19 pandemic. Extending this flexibility provides DHCS with additional tools to serve this vulnerable population while also maximizing federal funding for eligible individuals. This bill empowers people with disabilities and low-income seniors with the tools and resources to transition out of nursing facilities and return to a life of dignity and choice in the community.

Arguments in Support

This bill is jointly sponsored by East Bay Innovations and Disability Rights California, which write in support that this bill would ensure continuation of the successful state-only MFP to assist individuals in moving out of a nursing home and into their own home or other community setting.

Arguments in Opposition

The Department of Finance writes that it is opposed to the prior version of this bill because it could result in unknown, but potentially significant General Fund cost pressure if the federal government does not reauthorize the MFP Rebalancing Demonstration.

FISCAL COMMENTS

According to the Assembly Appropriations Committee, 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.

VOTES

SENATE FLOOR: 37-0-3

YES: Allen, Archuleta, Atkins, Bates, Becker, Borgeas, Bradford, Cortese, Dahle, Dodd, Durazo, Eggman, Glazer, Gonzalez, Grove, Hertzberg, Hueso, Hurtado, Jones, Kamlager, Laird, Leyva, McGuire, Melendez, Min, Newman, Nielsen, Ochoa Bogh, Pan, Portantino, Roth, Rubio, Skinner, Umberg, Wieckowski, Wiener, Wilk

ABS, ABST OR NV: Caballero, Limón, Stern

ASM HEALTH: 15-0-0

YES: Wood, Waldron, Aguiar-Curry, Arambula, Bigelow, Carrillo, Flora, Maienschein, Mayes, McCarty, Nazarian, Luz Rivas, Rodriguez, Santiago, Akilah Weber

ASM APPROPRIATIONS: 15-0-1

YES: Holden, Bigelow, Bryan, Calderon, Carrillo, Megan Dahle, Davies, Mike Fong, Fong, Gabriel, Levine, Quirk, Robert Rivas, Akilah Weber, Wilson

ABS, ABST OR NV: Eduardo Garcia

UPDATED

VERSION: August 11, 2022

CONSULTANT: Scott Bain / HEALTH / (916) 319-2097

FN: 0003295