

# HEALTH & HUMAN SERVICES

## California's Comeback Plan

### ONCE-IN-A-GENERATION OPPORTUNITY

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As more Californians get vaccinated and COVID-19 case rates and hospitalizations decrease, the May Revision presents a once-in-a-generation opportunity to begin to address the **health, economic, and racial inequities that were exacerbated by the pandemic**. The May Revision builds on the Governor's Budget proposal that makes structural changes to our safety net that help many Californians toward self-sufficiency and success.

As we begin to turn toward recovery, we have the opportunity to redefine normal. For California, the goal is for all individuals to have the opportunity to thrive and be part of healthy, equitable communities. The May Revision charts a path to a **system where social services—such as housing supports, food and childcare—are linked to health and behavioral health services**. Most importantly, these services are person-centered and address the social, cultural and linguistic needs of the individuals they serve.

The May Revision begins to lay the foundation to make this vision a reality, **changing the life trajectory of children** so they grow up to be healthier—both physically and mentally—and better educated with higher paying jobs and lower rates of justice involvement. The May Revision **empowers older adults and people with disabilities to thrive** in homes and communities of choice, and it includes proposals that **lift homeless and formerly-incarcerated Californians** to build back stronger and more resilient.

These proposals independently **help bolster critical safety net programs that support and empower Californians**. Taken together, these investments advance the health and well-being of all Californians, as well as their social and economic mobility.

#### Total HHS Budget: \$207.7 Billion

(\$54.2 Billion General Fund & \$153.5 Billion Other Funds)

1. Transforming the Behavioral Health System for Children and Youth

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2. Supporting Vulnerable and Homeless Families

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3. Building an Age-Friendly State for Older Individuals

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4. Advancing and Innovating the Medi-Cal Program

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5. Envisioning a 21<sup>st</sup> Century Public Health System

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6. Providing Care to the Most Marginalized

## **TRANSFORMING BEHAVIORAL HEALTH SYSTEM FOR CHILDREN AND YOUTH**

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The pandemic has exacerbated behavioral health conditions for children and youth. Without action, these conditions will grow and intensify with more young people emerging with untreated anxiety, depression, psychosis, and new substance use disorders.

Half of all lifetime cases of diagnosable mental illnesses begin by age 14 and three fourths of all lifetime cases of diagnosable mental illness begin by age 25. Historically, the adolescent substance use disorder system in California has been under-scaled. The need has never been greater and addressing these needs is vital to California's recovery.

The children's behavioral health system needs more focus on prevention and early intervention services and supports, increasing the number of behavioral health professionals, providing more crisis services, and adding acute care services and beds. Coordination among systems must also be improved to avoid delays or barriers to services. The most glaring behavioral challenges are borne inequitably by communities of color, low-income communities, LGBTQ+ communities, and in places where adverse childhood experiences are widespread and prominent.

California has the opportunity now to take a statewide, comprehensive approach to provide more and better services. This opportunity to build a better system of care for all children and youth age 25 and younger could change the lives of the next generation of Californians, having the potential to alter the drivers of homelessness, incarceration, and poverty.

The May Revision makes investments to transform California's behavioral health system for children and youth into a world-class, innovative, up-stream focused system where all children and youth are routinely screened, supported, and served for emerging and existing behavioral health needs.

## **SUPPORTING VULNERABLE AND HOMELESS FAMILIES**

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The pandemic has exacerbated inequities in unprecedented ways. As we look beyond the pandemic, the May Revision is prioritizing investments that will promote a recovery for all Californians.

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The cycle of poverty can continue for generations and often leads to the destabilization of entire neighborhoods and communities. Intergenerational poverty is associated with prolonged exposure to poor nutrition and inadequate access to critical resources, such as quality healthcare and education.

The trajectory of intergenerational poverty spans throughout one's life, from prenatal to adolescence, through adulthood, and parenthood if these adults have children. At its core are adverse experiences that perpetuate and exacerbate poverty, such as the impacts of institutional racism, exposure to interpersonal and community violence, abuse and neglect, enrollment in low performing schools, low earnings, poor health, and homelessness and/or incarceration. Creating new opportunities for upward mobility for our most vulnerable Californians not only builds a more just and inclusive society but also builds a stronger and more resilient economy.

The May Revision makes investments in California's safety net programs that have been designed to collectively work to lift families out of poverty with cash assistance and targeted food and health benefits. These investments will help provide a foundation to advance the health and well-being of all Californians and improve social and economic mobility.

## **BUILDING AN AGE-FRIENDLY STATE FOR OLDER INDIVIDUALS**

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The pandemic disproportionately harmed older and other at-risk adults and strained aging and disability services. Older adults have experienced unprecedented death rates— particularly among Latino, Black, and Asian Pacific Islander communities and those living in nursing homes.

Intensified social isolation and ageism have been especially burdensome. The suffering experienced by, and pressures placed on, older adults, people with disabilities, caregivers and service providers during this time have made implementing parts of California's Master Plan for Aging even more urgent.

The Master Plan for Aging applies the hard lessons learned during the COVID-19 pandemic, which has highlighted the urgent need to embrace new ways to support older adults, people with disabilities, and communities of color. The Master Plan for Aging calls on all California communities to build a California for All Ages: for older Californians currently living through the many different stages of the second half of life;

for younger generations who can expect to live longer lives than their elders; for communities of all ages—family, friends, neighbors, coworkers, and caregivers—surrounding older adults.

As Californians, we can create communities where people of all ages and abilities are engaged, valued and afforded equitable opportunities to thrive as we age, how and where we choose. Consistent with the Master Plan for Aging, the May Revision makes investments in order to realize the promise of an age-friendly state.

## **ADVANCING AND INNOVATING THE MEDI-CAL PROGRAM**

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Medicaid, or Medi-Cal in California, is among the most effective antipoverty programs. Research has demonstrated the impact on low-income individuals and families both in terms of better health outcomes but also in terms of economic security and self-sufficiency. The COVID-19 pandemic has worsened health outcomes for many low-income Californians, yet Medi-Cal has remained a safety-net providing vital health services.

Over the course of the last decade, Medi-Cal has significantly expanded and changed, most predominantly because of changes brought by the federal Patient Protection and Affordable Care Act and various federal regulations, as well as state-level statutory and policy changes. During this time, the state has also undertaken many initiatives and embarked on innovative demonstration projects to improve the beneficiary experience. In particular, California has increased the number of beneficiaries receiving the majority of their physical health care through Medi-Cal managed care plans. These plans are able to offer more complete care coordination and care management than is possible through a fee-for-service system. They can also provide a broader array of services aimed at stabilizing and supporting the lives of Medi-Cal beneficiaries.

As we look to further the Medi-Cal program to address some of the most complex challenges facing Californians most vulnerable neighbors, the May Revision builds on the California Advancing and Innovating Medi-Cal proposal. This proposal recognizes the opportunity to provide for non-clinical interventions focused on a whole-person care approach that targets social determinants of health and reduces health disparities and inequities.

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The broader system, program, and payment reforms included in CalAIM allow the state to take a population health, person-centered approach to providing services with the goal of improving outcomes for all Californians. Attaining such goals will have significant impact on an individuals' health and quality of life and, through iterative system transformation, will ultimately reduce the per-capita costs over time.

Currently, beneficiaries, depending on their needs, may access six or more separate delivery systems (managed care, fee-for-service, mental health, substance use disorder, dental, developmental, In Home Supportive Services, etc.) in order to get their needs addressed. As one would expect, the need for care coordination increases with greater system fragmentation, greater clinical complexity, and/or decreased patient capacity for coordinating their own care. Therefore, in order to meet the behavioral, developmental, physical, and oral health needs of all members in an integrated, patient centered, whole person fashion, the state is seeking to integrate our delivery systems and align funding, data reporting, quality and infrastructure to mobilize and incentivize towards common goals. The May Revision makes additional investments to lift and support the promise of the CalAIM proposal.

## **ENVISIONING A 21<sup>ST</sup> CENTURY PUBLIC HEALTH SYSTEM**

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The pandemic is the largest and most pervasive public health emergency in recent history. During recent decades, California has addressed smaller-scale outbreaks and threats, such as H1N1 influenza, Zika, Ebola, West Nile Virus, Measles, and Valley Fever. While each of those has led the California Department of Public Health to modify and refine its preparedness planning, the magnitude of the COVID-19 pandemic has been unprecedented and overwhelming. No segment of the state—whether by geography, ethnicity, or age—has been untouched.

The pandemic has exposed the vast disparities within California's public health system and its lack of essential infrastructure to prevent disease, promote health, and prepare for and respond to both immediate threats and chronic challenges to the health and well-being of those who call California home. Federal and state investments in core public health functions (laboratory, epidemiology, and surveillance) have remained stagnant or decreased over the last decade. At the same time, the incidence and prevalence of both chronic and infectious diseases has risen. The number of reported infectious diseases rose nearly 45 percent over the past decade.

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During the pandemic, federal support—including FEMA public assistance, Coronavirus Relief Funds, and various federal grants—have increased spending on public health response efforts by billions of dollars. Although the state continues to respond to the pandemic, the next few months present an opportunity to look at the lessons learned and begin to build a vision for the future public health system. A system that is able to monitor and detect new and emerging infectious and communicable diseases; that is able to quickly respond and mitigate their impacts on individuals, communities and the economy; and that is able to integrate with the healthcare delivery system to create a seamless continuum that includes surveillance, prevention and treatment.

California has the opportunity to catapult forward into a first-in-class public health system that is able to lead the most populous state in the nation around critical issues that have direct population and personal health impacts, in addition to state security and economic impacts. The May Revision proposes investments to assess the lessons learned, identify programmatic gaps, and develop a proposal as part of the 2022 Governor's Budget.

### **PROVIDING CARE TO THE MOST MARGINALIZED**

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The California state hospital system cares for patients with the most serious mental illness, many of whom are justice involved and who have committed serious crimes. Patients admitted to the Department of State Hospitals are committed for treatment by a criminal or civil court judge. Approximately 90 percent of patients are forensic commitments. These patients are sent to a state hospital through the criminal court system and have committed crimes linked to their mental illness.

The pandemic has placed a significant strain on the state hospital system further exacerbating the waitlist of felony Incompetent to Stand Trial (IST) patients that are pending placement in a state hospital facility due to necessary changes to hospital operations and health precautions.

The May Revision makes investments designed to support individuals prior to admission into a state hospital. Moreover, these investments will help build the community infrastructure to support the restoration of the individuals served by the state hospital system.

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