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This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ MARCH 26, 2021

This Week's Vaccine News and Developments

Governor Newsom announced this week that in the week ahead California will greatly expand eligibility for COVID-19 vaccines. On April 1, all adults age 50 and older will be eligible for vaccines. On April 15, the vaccine tiers will be eliminated, clearing the way for anyone over age 16 to receive a vaccine. This news comes a few weeks after President Biden announced that he is directing states to make vaccines available to all adults starting May 1. The state anticipates a significant increase in vaccine supply over the coming months, allowing eligibility to be expanded. Additional information is [available here](#).

Worth Noting: Governor Appoints Assembly Member Bonta as Attorney General

As had been widely rumored this week, Governor Newsom appointed Assembly Member Rob Bonta – whose Assembly District 18 seat represents portions of Alameda County – to replace Xavier Becerra as the state's Attorney General. Mr. Bonta, who is the first Filipino American to serve as Attorney General in our state's history – will serve to fill the remainder of now-Secretary Becerra's term through 2022. Of course, a special election will be required to fill the now-vacant AD 18 seat.

California has administered nearly 16 million COVID-19 vaccine doses to date. As of this week 50, counties have moved out of the purple tier of the Blueprint for a Safer Economy. The Governor indicated we are “well on our way to a green tier in a foreseeable future.” Specifics as to how a so-called green tier would be achieved or defined remain unknown at this time.

Third and Final CalAIM Hearing Held This Week

Assembly Health Committee and Assembly Budget Subcommittee No. 1 held its final joint hearing on CalAIM this week. The agenda and materials can be viewed [here](#). The hearing was structured around nine panels covering the following CalAIM components:

- Requirement for Medi-Cal Managed Care (MCMC) Plans to be Accredited by the National Committee for Quality Assurance (NCQA)
- Authority for DHCS to Establish MCMC Rates on a Regional Basis
- Sunset of Cal MediConnect and Requirement for “Aligned” Dual Eligible Special Needs Plans (D-SNPs)
- Mandatory Medi-Cal Application Process upon Release from Jail and County Juvenile Facilities
- Increasing Oversight and Monitoring of the County Medi-Cal Eligibility Determination Process
- Increasing DHCS Oversight and Monitoring of Local California Children's Services and Child Health Disability Prevention Program

- Improving Medi-Cal Beneficiary Contact and Demographic Information
- New Denti-Cal Dental Benefits and Pay for Performance
- Extension of Hospital Quality Improvement Program to District Hospitals, and Extension of Global Payment Program

February Revenue Bolsters State Budget Surplus

The Department of Finance (DOF) released its monthly [Finance Bulletin](#) this week, showing a \$3.8 billion revenue boost over January budget estimates. Some of this revenue is attributable to lower refunds caused by a later enactment date for the Golden State Stimulus than was expected at the Governor's Budget, as well as a delayed opening date of the tax filing season by the Internal Revenue Service. Still, state revenues continue to perform well for the first eight months of the fiscal year.

Personal income tax receipts for February were \$2.973 billion above the month's forecast of \$2.078 billion, largely due to lower refunds associated with the factors noted above. Refunds issued in February were \$2.196 billion below the expected \$4.651 billion. Sales and use tax revenues for February were \$592 million above the month's forecast of \$2.612 billion. Corporation tax revenues for February were \$227 million above the month's forecast of \$165 million.

California Supreme Court Issues Long-Awaited Bail Decision

The California Supreme Court released this week a long-awaited [decision](#) in the *Humphrey* case, a matter out of the City and County in San Francisco that settles the question of whether persons may held in custody pre-trial based solely on financial considerations. The court unanimously and unequivocally concluded that individuals may not be detained only due to an inability to pay; further, courts must favor pre-trial release over detention unless there is "clear and convincing" evidence that a less restrictive alternative would present a risk to public safety. The court does not provide a road map to answer the question: What's next? Presumably, the bail reform bills now before the Legislature will establish the framework for how courts and counties will respond to pre-trial release decisions in the months and years ahead. (Both AB 329 by now-Attorney General Rob Bonta and SB 262 by Senator Bob Hertzberg moved out of their house's respective Public Safety Committee and now await hearing in the Appropriations Committee. Other observers think that additional litigation in this area will necessarily follow, which will provide greater clarity (as discussed [here](#)). More to come as this important policy discussion develops in Sacramento.

State Auditor Releases 2011 Realignment Report

In March 2020, the Bureau of State Audits (BSA) initiated a review of three counties' (Alameda, Fresno, and Los Angeles) Communities Corrections (i.e., AB 109) expenditures; its report and findings were released this week. The audit report offers a series of recommendations for the Legislature directed toward counties and the Board of State and Community Corrections. Regrettably, the BSA's review and report are built on fundamentally erroneous interpretations of the structure, purpose, and design of 2011 Realignment (both the underlying statutory construct and the constitutional protections that followed in Proposition 30 (2012)), making it difficult to understand the practical applications of its recommendations. HBE is continuing its analysis of the audit, which can be reviewed [here](#).

1915(b) Waiver Update

On March 23, the Centers for Medicare & Medicaid Services (CMS) [approved](#) DHCS' request for a temporary extension of the Medi-Cal Specialty Mental Health Services (SMHS) 1915(b) waiver program through December 31, 2021. This nine-month extension allows DHCS time to develop and obtain approval for the CalAIM initiative, and to align with the proposed one-year extension of the 1115 waiver. The CalAIM initiative includes transitioning the 1915(b) and 1115 waivers into a single comprehensive section 1915(b) waiver, with a proposed effective date of January 1, 2022.

Homeless Coordinating and Financing Council Adopts Action Plan

The Homeless Coordinating and Financing Council met this week to adopt the Council's first [action plan](#), intended to guide the Council's actions over the next two years to help align homelessness efforts across state agencies.

The Action Plan details five action areas for a multi-pronged, multi-year effort across sectors and systems, including:

- Strengthening systems to better prevent and end homelessness in California.
- Equitably addressing the health, safety and services needs of Californians experiencing unsheltered homelessness.
- Expanding communities' capacity to provide safe and effective sheltering and interim housing.
- Expanding and ensuring equitable access to permanent housing in our communities.
- Preventing Californians from experiencing the crisis of homelessness.

The plan will set tangible and measurable goals and benchmarks for progress and require regular reporting to document progress. This approach emphasizes the effective use of coordinated, data-informed analyses, performance measures, and metrics to assess, refine, and revise the state's policy and decision-making strategies.

Additionally, the Action Plan outlines a framework for establishing five working groups to address high priority topics already identified by the Council and its stakeholders. These working groups include maximizing state funding and program coordination, racial equity, youth and young adults, employment opportunities, and re-entry from corrections settings. The Working Groups will be staffed by state agency leadership and are expected to be set up and begin their assigned activities on a rolling basis starting later this year.

Please feel free to contact any one of us at Hurst Brooks Espinosa with questions ...

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