



CHILDNET PHYSICIAN AND PRACTICE MANAGERS MEETING

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Valley Children's Advocacy Update

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STATE BUDGET 2019 - 2020

On May 9, California Governor Gavin Newsom released his updated budget proposal for the new state fiscal year that begins July 1.

With respect to support for child health and wellness, the Governor's May proposal includes funding for the same mix of programs and initiatives that he proposed in his January budget including the following.

- Enhanced Medi-Cal provider payments pursuant to Proposition 56
- Home visitation for high risk pregnant mothers and newborns
- Graduate medical education
- Mental health work force training

His May proposal also included funding for two programs not included in his January budget proposal. They include a competitive grants initiative to develop and implement new youth programs in the areas of education, prevention, and early intervention of substance use disorders and a statewide peer-run mental health crisis line.

Unfortunately, the Governor's May proposal did not include additional funding being requested by California's children's hospitals specifically for **pediatric** physician residency training. Over the next few weeks, we will be working with the legislature and the Governor's office to secure that additional funding and to support those budget items important to child health and wellness.

PROPOSITION 56 SUPPLEMENT MEDI-CAL PHYSICIAN PAYMENTS

Governor Newsom's May budget proposal included funding to continue the additional Medi-Cal physician payments made possible through Proposition 56. As has been the case the last two years, California will need to submit a state plan amendment to the federal government seeking formal approval to continue the rate increases for the new year beginning July 1.

STATE LEGISLATION

There are a large number of bills that have been introduced this year that address a range of child issues including mental health, school health, child care, early child development, and insurance coverage. Legislation being supported by Valley Children's include the following.

- Assembly Bill 526 would implement expedited enrollment into Medi-Cal for women and children being served through the Women, Infants and Children (WIC) program.
- Assembly Bill 577 would extend Medi-Cal postpartum care from 60 days to one year for women diagnosed with a maternal mental health disorder.
- Assembly Bill 763 by Assembly Member Adam Gray (Merced) would require the state to convene a workgroup to standardize forms currently used by Medi-Cal managed care plans to determine eligibility and reimbursement for specialty mental health services.
- Senate Bill 207 would include asthma prevention as a benefit under the Medi-Cal program.
- Senate Bill 276 by Senator Richard Pan (Sacramento) would require the state develop a standardized medical exemption request form and approve or deny medical exemption requests.

Additionally, there are number of bills that deal with hospital operational and reporting issues that would interfere with or impede a hospital's ability to provide the best care possible and that Valley Children's is opposing, including those listed below.

- Assembly Bill 1014 by Assembly Member Patrick O'Donnell (Long Beach) would require a hospital to provide at least 180 days' notice before reducing or eliminating the level of emergency services, closing the facility, or closing or relocating a supplemental service.
- Senate Bill 227 by Senator Connie Leyva (Fontana – Ontario) would increase penalties for hospitals that do not meet nurse staff ratios. Additionally, the bill would require periodic inspections of specified health facilities to include an assessment of compliance with the nurse-to-patient ratios and staff assignment regulations.

CHILDREN'S HOSPITAL GRADUATE MEDICAL EDUCATION FUNDING

Valley Children's is working with Congress to increase annual spending on the Children's Hospital Graduate Medical Education program from the current level of \$325 million annually to \$400 million annually beginning in October 2019 and up to \$625 million annually beginning in 2023.

CHGME currently funds pediatric training slots at 51% of the rate funded under the Medicare Graduate Medical Education program, with the current year federal CHGME appropriation of \$325 million representing a funding shortfall of \$300 million compared to Medicare GME funding levels. These shortfalls are absorbed in the operating finances of CHGME teaching hospitals like Valley Children's.