

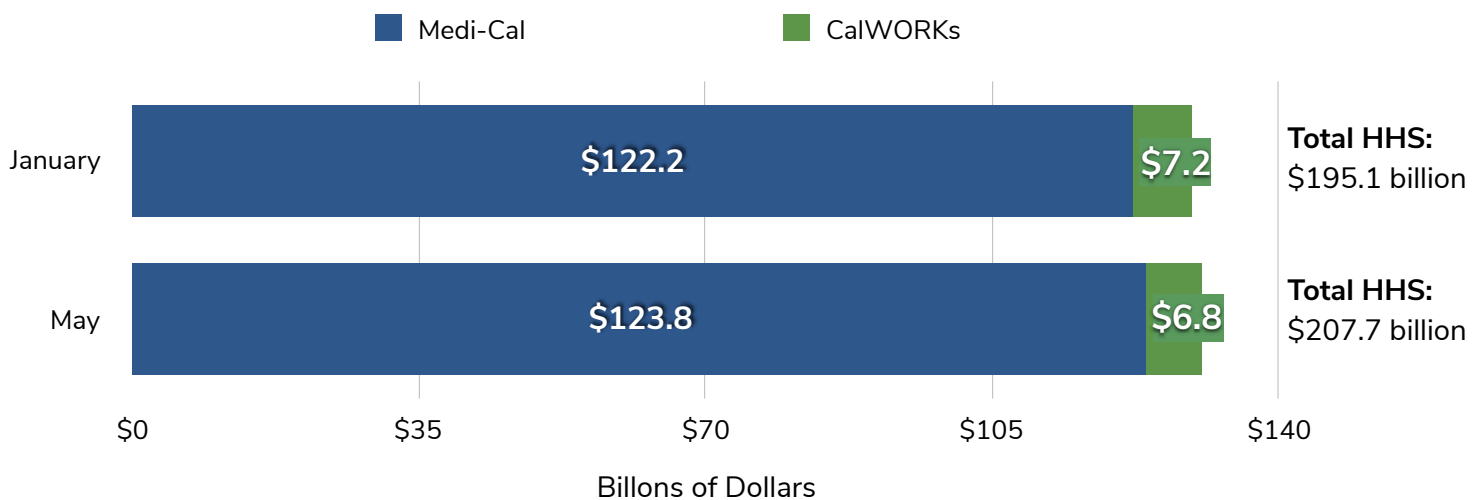


Health & Human Services

Health & Human Services (HHS) programs in California include traditional safety net programs, such as **CalWORKs**, and the state public healthcare system, **Medi-Cal**, which are funded through a mix of state and federal funds. The CalWORKs program is the state’s version of the federal Temporary Assistance for Needy Families (TANF), which provides temporary cash assistance to low-income families with children to meet basic needs. There are also other programs that fall under HHS, including In-Home Supportive Services (IHSS), Supplemental Security Income/State Supplementary Payment (SSI/SSP), the Department of Developmental Services, child welfare programs, and the State Department of Public Health.

Medi-Cal, California’s version of Medicaid, is a public health program that provides comprehensive health care services at no or low cost to low-income individuals. The CalHealthCares Program administers loan repayment on educational debt for California physicians and dentists who provide care to Medi-Cal patients.

Health & Human Services Total Funding Under January Budget & May Revision in 2021-22



Data from the California Department of Finance

The 2021-22 budget following the May Revision includes \$207.7 billion (\$54.2 billion General Fund and \$153.5 billion other funds) for all health and human services programs. This is an increase of \$12.6 billion total over the proposed January funding level of \$195.1 billion total (\$64.3 billion General Fund and \$130.8 billion other funds). Federal funds make up approximately two-thirds of Medi-Cal funding and a significant portion of CalWORKs funding. Medi-Cal is the state’s version of the federal Medicaid program and CalWORKs is the state’s version of the federal program Temporary Assistance for Needy Families (TANF).

WHAT'S IN THE 2021-22 MAY REVISION & FINAL BUDGET

Medi-Cal: The Governor's May Revision budget would allocate \$673 million to begin implementation of the California Advancing and Innovating Medi-Cal (CalAIM) proposal, a far-reaching set of reforms to expand, transform, and streamline Medi-Cal service delivery and financing. The Governor initially proposed the CalAIM reforms as part of the January 2020 budget, but withdrew it in the May 2020 Revision as a result of the COVID-19 pandemic and subsequent economic impacts. Ongoing costs would be \$432 million General Fund beginning in 2024-25. Additionally, the Governor is proposing expanding full-scope Medi-Cal (including in-home supportive services) to low-income seniors aged 60 and older regardless of immigration status beginning May 1, 2022. The 2021-22 General Fund cost would be \$50 million (since only May and June included in this fiscal year), and the ongoing cost would be \$859 million General Fund ongoing. An additional approximately 80,000 low-income Californians would gain coverage under this proposal. The final budget expanded Medi-Cal access to those 50 and older beginning May 1, 2022 at a cost of \$48 million General Fund (\$67 million total) and \$1.3 billion General Fund (\$1.5 billion total) ongoing annually once fully implemented.

The Legislature has proposed spending \$200 million ongoing to boost funding for the state's public health departments, which was made all the more crucial during the COVID-19 pandemic. The Legislature has also proposed \$115 million ongoing for community health organizations, nonprofit organizations that contract with the state to administer Medi-Cal benefits, with a focus on ensuring health equity.

CalWORKs: The Governor's May Revision proposes a 5.3% increase in the CalWORKs grant, up from the 1.5% increase proposed in January. The amount of aid a family receives depends on family size and income levels, but the average grant amount in 2020-21 is \$583 per month. The increase would be funded by revenue growth in the Child Poverty and Family Supplemental Subaccount instead of the General Fund.

RECENT FEDERAL ACTIONS

The American Rescue Plan passed in March 2021 included \$34.2 billion total (\$3 billion for California) to increase premium subsidies for those enrolled in Covered California and other ACA plans to ensure that no one will pay more than 8.5% of their income for health care coverage. It also included a total of \$8.5 billion in relief funding for rural hospitals, with an estimated \$300 million going to California.

HHS KEY FACTS

- ➔ **Medi-Cal:** Total 2021-22 caseload is expected to be 14.5 million Californians, over a third of the state's population and a 6.6% over the 2020-21 level
 - ▶ Since the implementation of the ACA, the uninsured rate in California has dropped by more than half to about 7% (or 3 million people), compared to a national average of 13.7%
 - ▶ The state has expanded Medi-Cal eligibility to children and young adults under the age of 26 regardless of immigration status in recent years
- ➔ **CalWORKs:** Average monthly caseload is expected to be 385,110 families in 2021-22, a decrease from the projected 482,436 families in the January budget, which accounts for the decrease in spending in the May Revision compared to the January budget
 - ▶ CalWORKs recipients are required to work or participate in work-related activities for 20-35 hours per week
 - ▶ The current maximum grant amount is \$888/month, or about 50% of the federal poverty level (FPL) —if indexed to inflation in 2007-08, it would be \$983
- ➔ **Income Eligibility:** The income cut-offs for eligibility vary by program and depend on household size:
 - ▶ Medi-Cal: 138% of FPL, following Medi-Cal expansion under the ACA
 - ▶ CalWORKs: Ranges from \$391/month for a 1-person household to \$1,431/month for 8-person household

*Data from the 2021-22 May Revision & final budget, and LAO unless otherwise specified.

Learn more & try your hand at the California Budget Challenge @ www.budgetchallenge.org