

Agenda Item 6:

Director Remarks

Facilitator: Elizabeth Landsberg, Director, HCAI

Budget Timeline

- May 15th: May Revision
- May 29th: Joint proposal from Assembly and Senate
- Ongoing: discussion between Legislature and Administration
- July 1st: Beginning of new fiscal year

Workforce Budget Update (1 of 2)

Program	May Revision Reductions
Community Health Workers	\$246,400,000
Nursing Initiative	\$210,000,000
Social Work Initiative (MHSF)	\$122,000,000
Addiction Psychiatry and Medicine Fellowships (MHSF)	\$48,500,000
University and College Grants for Behavioral Health Professionals (MHSF)	\$52,000,000
Expansion of Masters in Social Work Slots at Public University and College (MHSF)	\$30,000,000
Psychiatry Local Behavioral Health Program (MHSF)	\$7,000,000
California Medicine Scholars Program	\$8,400,000

Workforce Budget Update (2 of 2)

Program	May Revision Reductions
Health Professions Careers Opportunity Program	\$61,100,000 (ongoing reduction)
Song-Brown Nursing	\$10,000,000
Song-Brown Residencies	\$15,000,000
Prior Year Workforce Funds	\$217,957,000 (breakdown next slide)
Total	\$1,028,357,000

Prior Year Workforce Funds

Program	May Revision Reductions
Song-Brown Residency	\$83,062,321
Wellness Coach Scholarship Program	\$59,999,679
Masters of Social Work (MHSF)	\$30,000,000
Song-Brown Registered Nursing Augmentation	\$20,000,000
State Operations and Misc. Funds	\$8,037,000
Psychiatry Local Behavioral Health Program	\$6,525,000
Song-Brown Clinic Workforce	\$5,000,000
Psych Graduate Medical Education (MHSF)	\$5,000,000
State Loan Repayment Program (Song-Brown portion)	\$333,000
Total	\$217,957,000

Joint Legislative Budget Package

- Some of the funding proposed for reduction in May Revision was already obligated or committed
- Legislative package would restore funding in the following programs to maintain current award commitments:
 - California Medicine Scholars Program
 - Health Professions Careers Opportunity Program
 - Song-Brown Nurses
 - Song-Brown Residences

HCAI Updates: Health Care Affordability Spending Target

The California Health Care Affordability Board established a base 3% spending target, based on the average annual rate of change in historical median household income from 2002-2022, for performance year 2029, and added 0.5% to the 3% base for performance year 2025 and 2026, and 0.2% to the 3% base in performance year 2027 and 2028.

Performance Year	Per Capita Spending Growth Target
2025	3.5%
2026	3.5%
2027	3.2%
2028	3.2%
2029	3.0%

HCAI Updates: Promoting High Value Care and Assessing Market Consolidation

- Workforce stability standards
- Primary care spending definitions, data collection, and investment benchmark
- Alternative Payment Model (APM) standards and goals
- Review of proposed mergers and acquisitions