

HCAI Budget Initiatives Fiscal Year 2022-23 / 2023-24 Proposed Changes

The 2022-23 California Budget appropriated funds to the Department of Health Care Access and Information (HCAI) for a variety of initiatives, ranging from securing reproductive health access, increasing the community health worker/promotor(a) workforce, establishing the Office of Health Care Affordability (OHCA), production of affordable biosimilar insulin (CalRx), and a continuation of historic levels of investments in the health profession workforce, including those working in behavioral health.

The Governor's Proposed January Budget maintains all of the funds allocated to HCAI in Fiscal Year (FY) 2022-23 and 2023-24. However, as outlined in the tables below, some workforce funds have been delayed to FY 2024-25 and 2025-26 because of the state's budget deficit.

Health Workforce Programs

HCAI's health workforce programs seek to increase workforce diversity, language congruence, and access to health care in underserved areas and for underserved populations including Medi-Cal members. The FY 2021-22 and 2022-23 budgets included historic investments in California's health workforce. The Legislature and the Newsom administration have appropriated approximately \$2 billion in workforce program investments starting in FY 2021-22.

The following section describes the funding delayed and retained for HCAI workforce programs and initiatives.

Nursing Initiative

- Funds delayed to FY 2024-25 and 2025-26 - \$15 million from FY 2022-23 budget, \$55 million from FY 2023-24 budget.
- \$10 million from the FY 2022-23 appropriation was not affected, and this funding will support acceleration of nurse licensing processing.

The initiative will receive \$220 million through FY 2025-26 to increase the number of registered nurses, licensed vocational nurses, certified nursing assistants, certified nurse midwives, certified medical assistants, family nurse practitioners, and other related health professions.

Community Health Workers/Promotor(a) (CHW/P) Initiative

- Funds delayed to FY 2024-25 and 2025-26 - \$130 million from FY 2023-24 budget.
- \$20 million appropriated in FY 2022-23 was not affected. The funds are being used to engage stakeholders to develop a process for CW/P certification and to engage a vendor to develop and implement a CHW/P certification process and platform.

HCAI will receive \$280 million over the next four years to recruit, train, and certify 15,000 new community health workers by 2028, with specialized training to work with varying populations, such as people who are justice-involved, people who are unhoused, older adults, and people with disabilities. Training would align with requirements for the Medi-Cal Community Health Worker benefit.

Social Work Initiative

- Funds delayed to FY 2024-25 and 2025-26 - \$3.5 million from FY 2022-23 budget and \$48.4 million from FY 2023-24 budget.
- \$4 million from the FY 2022-23 appropriation was not affected, and this funding will support social work stipends.

The initiative will receive \$126 million over four years to increase the number of social workers trained in the state. Funding will also support stipends and scholarships for working people to create a new pipeline for diverse social workers who cannot otherwise afford the financial or time investment required to complete full-time training programs.

Behavioral Health Workforce Development

Funds delayed to FY 2024-25 and 2025-26 include the following:

- \$23.5 million from FY 2022-23 budget, and \$25 million from FY 2024-25 budget for addiction psychiatry and addiction medicine fellowship expansion.
 - \$1.5 million appropriated for FY 2022-23 was not affected and will support new addiction psychiatry fellowships.
- \$26 million from FY 2022-23 and 2023-24 budget for university and college grants to behavioral health professionals.
- \$30 million from FY 2023-24 budget to expand Master of Social Work (MSW) slots at public MSW programs.
 - \$30 million appropriated for FY 2022-23 was not affected and will support expansion of social work training programs.

There were no changes proposed to the following behavioral health programs:

- \$5 million in FY 2022-23 and 2023-24 to expand psychiatric residency program slots.
- \$7 million in FY 2022-23 and 2023-24 for loan repayment for psychiatrists serving in the public behavioral health system.

- \$7 million in FY 2022-23 and 2023-24 for loan repayment for psychiatrists serving in the Department of State Hospitals.
- \$10 million in FY 2022-23 for the Golden State Social Opportunities Program, a grant program for students in postgraduate mental health programs within California.
- \$800 million over three years to implement the Children and Youth Behavioral Health Initiative (CYBHI) which increases behavioral health care access and quality for children and youth ages 0-25. CYBHI workforce components include creating a behavioral health wellness coach workforce, expanding the substance use disorder workforce, and creating a behavioral health workforce pipeline.

Song-Brown Healthcare Workforce Training Program (Song-Brown)

Funds delayed to FY 2024-25 and 2025-26 include the following:

- \$15 million from FY 2023-24 for the Song-Brown registered nurse program

There were no changes proposed to the following programs:

- \$1 million to support the Midwifery Workforce Training Act, allowing certified nurse-midwives and licensed midwives to participate in training opportunities through Song-Brown.
- \$30 million to expend over three years for grant awards for existing primary care residency slots, to fund new primary care residency slots at existing residency programs, to fund new primary care residency programs, and to fund primary care residency slots for existing teaching health centers.
- \$5 million to support family nurse practitioner and physician assistant fellowships through Song-Brown.

Other Health Workforce Programs

There were no changes proposed to the following programs:

- \$15 million in FY 2022-23 to develop and implement health IT training in community health centers.
- \$3.33 million in FY 2022-23, 2023-24, and 2024-25 to waive certification and recertification fees for public health nurses.

Reproductive Health Workforce Development

The reproductive health workforce funds remain as appropriated in the FY 2022-23 budget:

- \$20 million for clinical infrastructure to provide scholarship and loan repayment programs for reproductive healthcare providers, including physicians, nurse-midwives, physician assistants, and nurse practitioners, who commit to practice in reproductive health clinics for several years.
- \$20 million for the Reproductive Health Services Corp, to support targeted recruitment and retention resources and financial support for training programs, to ensure clinicians and other health workers can receive abortion training.

- \$40 million for the Uncompensated Care Fund to provide grants to healthcare providers who deliver abortion services to individuals with income below 400 percent of the federal poverty level.
- \$20 million for the Abortion Practical Support Fund to provide grants to healthcare providers to provide individuals seeking abortion care with the necessary supports including travel, lodging, childcare, food, and other ancillary supports.
- \$20 million for capital infrastructure to assist healthcare facilities to improve security and privacy protections for abortion providers, patients, volunteers, and staff, including funding towards facility security, cybersecurity, security personnel, and training staff.

2023-2024 Governor's Budget HCAI Workforce Delays in Millions

HEALTH CARE WORKFORCE INVESTMENTS (HCAI)	2022-23	Revised 2022-23	2023-24	Revised 2023-24	2024-25	Revised 2024-25	2025-26	Revised 2025-26	Total
Nursing Initiative	25	10	55	0	140	175	0	35	220
Community Health Workers	20	20	130	0	131.4	196.4	0	65	281
Social Work Initiative	7.5	4	48.4	0	70.1	96.05	0	25.95	126
BH Workforce: Addiction Psych/Medicine	25	1.5	25	0	0	24.25	0	24.25	50
BH Workforce: Univ/College Grants for BH Professionals	26	0	26	0	0	26	0	26	52
BH Workforce: Expand MSW Slots at Public Univ/College	30	30	30	0	0	15	0	15	60
BH Workforce: Psychiatry Graduate Medical Education	5	5	5	5	0	0	0	0	10
BH Workforce: Psychiatry Local BH Program	7	7	7	7	0	0	0	0	14
BH Workforce: Psychiatry at DSH	7	7	7	7					14
BH Workforce: Golden State Social Opportunities Program	10	10	0	0	0	0	0	0	10
Song-Brown: Nurse Workforce	20	20	15	0	15	22.5	0	7.5	50
Song-Brown : Nurse Midwives	1	1	0	0	0	0	0	0	1
Song-Brown: Primary Care Residencies	10	10	10	10	10	10	0	0	30
Song-Brown: FNP/PA Fellowships	5	5	0	0	0	0	0	0	5
Primary Care Workforce: Health IT Workforce	15	15	0	0	0	0	0	0	15
PH Workforce: Waive PH Nurse Cert Fees	3.33	3.33	3.33	3.33	3.33	3.33	0	0	10
Clinical Infrastructure: Reproductive Health	20	20	0	0	0	0	0	0	20
California Reproductive Health Service Corps	20	20	0	0	0	0	0	0	20
Total	256.83	188.83	361.73	32.33	369.83	568.53	0	198.7	988.4

WORKFORCE DELAYS AND REPAYMENTS	2022-23	2023-24	2024-25	2025-26
Nursing Initiative	-15	-55	35	35
Community Health Workers	0	-130	65	65
Social Work Initiative	-3.5	-48.4	25.95	25.95
BH Workforce: Addiction Psych/Medicine	-23.5	-25	24.25	24.25
BH Workforce: Univ/College Grants for BH	-26	-26	26	26
BH Workforce: Expand MSW Slots at Public	0	-30	15	15
Nurse Workforce: Song-Brown	0	-15	7.5	7.5
Total¹	-68	-329.4	198.7	198.7

¹Negative values reflect delays and positive values reflect repayments.

Other Significant 2022-23 Budget Act Appropriations to HCAI

The following are appropriations to HCAI that remain intact in the Governor's Proposed FY 2023-24 Budget:

CalRx

HCAI received one-time \$100 million General Fund, available until FY 2025-26, for the CalRx Biosimilar Insulin initiative. Through a contract partnership, the State is investing \$50 million toward the development of low-cost interchangeable biosimilar insulin products and an additional \$50 million toward a California-based insulin manufacturing facility.

OHCA

In 2022, the California Health Care Quality and Affordability Act (SB 184, Chapter 47, Statutes of 2022) established the Office of Health Care Affordability (OHCA) within HCAI. Recognizing that health care affordability has reached a crisis point as health care costs continue to grow, OHCA's enabling statute emphasizes that it is in the public interest that all Californians receive healthcare that is accessible, affordable, equitable, high-quality, and universal.

OHCA has three primary responsibilities: managing cost growth targets, monitoring system performance, and assessing market consolidation. OHCA will collect, analyze, and publicly report data on total health care expenditures, and enforce cost growth targets set by a new Health Care Affordability Board. To ensure a balanced approach to managing costs, OHCA will monitor system performance by measuring quality, equity, adoption of alternative payment models, investment in primary care and behavioral health, and workforce stability. Through cost and market impact reviews, OHCA will analyze transactions that are likely to significantly impact on market competition, the state's ability to meet cost targets, or affordability for consumers and purchasers. Based on results of the review, OHCA will then coordinate with other state agencies to address consolidation as appropriate.

More information regarding OHCA can be found [here](#), including an FAQ section.