

Talking Points: ADAP Governor's Budget 2010-2011

Summary

The Governor's Budget proposal adds a total of \$87.5 million in new General Fund (GF) to the \$70.8 million GF authorized for FY 2009-10. The proposal includes a policy decision to eliminate ADAP services in county Jails.

Program Growth

- *Expenditures* are estimated to increase by \$59.3 million between FY 2009-10 appropriation and FY 2010-11.
 - 2009 Budget Act \$414.0 million
 - FY 2010-11 unadjusted estimate \$473.3 million
 - \$ 59.3 million

- The *gross ADAP GF augmentation* is \$97.0 million.
 - \$59.3 million to fund increases in caseload and the cost of prescription drugs.
 - \$37.7 million to backfill the projected shortfall in the ADAP Rebate Fund while maintaining a 5% prudent reserve.
 - \$59.3 million
 - \$37.7 million
 - \$97.0 million

- ADAP estimated *expenditures* were *adjusted* for FY 2010-11 to account for discontinuation of ADAP services in county jails. This results in a GF savings of \$9.5 million (\$11.2 million in reduced expenditures plus \$1.7 million in reduced rebate revenue).
 - \$97.0 million
 - \$9.5 million
 - \$87.5 million

- *Thus, the net General Fund augmentation to ADAP is \$87.5 million.*

- Note: *Rebate Fund* expenditures for FY 2010-2011 are projected to be \$39.4 million less than the FY 2009-2010 appropriation due to the projected shortfall of \$37.7 million in the Rebate Fund plus the loss of revenue associated with elimination of jail expenditures of \$1.7 million.

Proposed Elimination of ADAP in Jails

- ADAP began serving inmates in county jails in 1994 due to the increasing fiscal impact on local health jurisdictions in meeting their mandate to provide medical services to their incarcerated populations.
- Thirty-six local jails participated in ADAP in FY 2008-09, servicing 1,862 clients. In FY 2010-11, it is projected that 2,027 incarcerated individuals would have been served by ADAP should this reduction have not occurred.
- The impact of this change in ADAP coverage will increase the fiscal burden at the county level. Both the Government Code (Section 29602) and the Penal Code (Sections 4011et seq. and 4015[a]) address the issue of providing medical care to inmates in local jails. These codes specifically provide that local health jurisdictions (LHJs) are liable for inmate care in the jails.