

Center for Health Care Quality

2023-24

May Revision Estimate



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I. Center Overview

The California Department of Public Health (CDPH), Center for Health Care Quality (CHCQ), Licensing & Certification (L&C) Program is responsible for regulatory oversight of licensed health care facilities and health care professionals to assess the safety, effectiveness, and health care quality for all Californians. CHCQ fulfills this role by conducting periodic inspections and complaint investigations of health care facilities to determine compliance with federal and state laws and regulations. CHCQ licenses and certifies over 14,000 health care facilities and agencies in California in 30 different licensure and certification categories.

The U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services (CMS) awards federal grant monies to CHCQ to certify that facilities accepting Medicare and Medicaid (Medi-Cal) payments meet federal requirements. CHCQ evaluates health care facilities for compliance with state and federal laws and regulations, and contracts with the Los Angeles County Department of Public Health (LAC) to certify health care facilities located in Los Angeles County.

In addition, CHCQ oversees the certification of nurse assistants, home health aides, hemodialysis technicians, and the licensing of nursing home administrators. These activities are funded by the CDPH L&C Program (Fund 3098), federal funds (Title XVIII and Title XIX Grants), reimbursements associated with interagency agreements with the Department of Health Care Services (DHCS), and General Fund to support survey activities in state-owned facilities.

II. CHCQ Budget Projections

Current Year 2022-23

CDPH/CHCQ projects a revised expenditure authority of \$481.5 million, which is a \$32.3 million increase from the 2023-24 Governor's Budget. This increase is due to an increase in Federal Fund expenditure authority for potential Title XVIII and Title XIX supplemental awards, an increased Hospice IMPACT award, and potential supplemental CARES Act funding.

Budget Year 2023-24

For 2023-24, CDPH estimates expenditures will total \$462 million, which is an increase of \$29.3 million or 6.8 percent compared to the 2023 Governor's Budget. Adjustments include a \$4 million increase in General Fund authority, a \$25.3 million increase in Federal Trust Fund authority, a \$939,000 increase in Reimbursements authority, and a \$939,000 decrease in authority for the Licensing and Certification Program Fund.

Table 1 compares the 2023-24 Governor's Budget with the 2023-24 May Revision Estimate for the current year and budget year.

Table 1
Comparison of 2023 Budget Act with 2023-24 May Revision Estimate

Funding Source (\$ in thousands)	CY 2022-23 2023-24 Governor's Budget	CY 2022-23 2023-24 May Revision Estimate	CY 2022-23 Change from 2023-24 Governor's Budget to 2023-24 May Revision Estimate	CY 2022-23 Percent Change from 2023-24 Governor's Budget 2023-24 May Revision Estimate	BY 2023-24 2023-24 Governor's Budget	BY 2023-24 2023-24 May Revision Estimate	BY 2023-24 Change from 2023-24 Governor's Budget to 2023-24 May Revision Estimate	BY 2023-24 Percent Change from 2023 Governor's Budget to 2023-24 May Revision Estimate
State Operations Appropriations Summary:								
0001 - General Fund transfer	\$7,677	\$7,677	\$0	0.0%	\$1,169	\$5,169	\$4,000	342.2%
<i>General Fund transfer to fund 3098</i>	\$3,700	\$3,700	\$0	0.0%	\$3,700	\$3,700	\$0	0.0%
0890 - Federal Trust Fund	\$110,791	\$143,080	\$32,289	29.1%	\$107,286	\$132,554	\$25,268	23.6%
0942 - Special Deposit Fund								
Internal Departmental Quality Improvement Account	\$3,686	\$3,686	\$0	0.0%	\$687	\$687	\$0	0.0%
State Health Facilities Citation Penalty Account	\$2,144	\$2,144	\$0	0.0%	\$2,144	\$2,144	\$0	0.0%
Federal Health Facilities Citation Penalty Account	\$566	\$566	\$0	0.0%	\$565	\$565	\$0	0.0%
0995 - Reimbursements	\$13,862	\$13,862	\$0	0.0%	\$13,850	\$14,789	\$939	6.8%
3098 - Licensing and Certification Program Fund	\$303,819	\$303,819	\$0	0.0%	\$301,475	\$300,536	-\$939	-0.3%
<i>Less Transfer from General Fund 0001</i>	-\$3,700	-\$3,700	\$0	0.0%	-\$3,700	-\$3,700	\$0	0.0%
3151 - Internal Health Information Integrity Quality Improvement Account	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	0.0%
Total State Operations Appropriations	\$442,545	\$474,834	\$32,289	7.3%	\$427,176	\$456,444	\$29,268	6.9%
Local Assistance Appropriations Summary:								
0942 - Special Deposit Fund								
Federal Health Facilities Citation Penalty Account	\$6,575	\$6,575	\$0	0.0%	\$5,575	\$5,575	\$0	0.0%
3098 - Licensing and Certification Program Fund	\$45	\$45	\$0	0.0%	\$45	\$45	\$0	0.0%
Total Local State Appropriations	\$6,620	\$6,620	\$0	0.0%	\$5,620	\$5,620	\$0	0.0%
Total Appropriations	\$449,165	\$481,454	\$32,289	7.2%	\$432,796	\$462,064	\$29,268	6.8%
Headquarters	542.9	542.9	0.0	0.0%	542.9	542.9	0.0	0.0%
Field Operations								
Supervisors	158.0	158.0	0.0	0.0%	158.0	158.0	0.0	0.0%
Surveyors*	653.0	653.0	0.0	0.0%	656.0	656.0	3.0	0.5%
Support	175.0	175.0	0.0	0.0%	175.0	175.0	0.0	0.0%
Center Positions	1528.9	1528.9	0.0	0.0%	1531.9	1531.9	0.0	0.2%
Public Health Staff**	7.5	7.5	0.0	0.0%	7.5	7.5	0.0	0.0%
Grand Total Positions***	1536.4	1536.4	0.0	0.0%	1539.4	1539.4	0.0	0.2%

*Surveyors include (Health Facility Evaluator Nurses, Associate Governmental Program Analysts, Special Investigators, Consultants)

**Public Health Staff include Information Technology Services Division, Office of Legal Services, and Administration Support for Surveyors

***3.0 Positions were redirected outside of CHCQ to support Public Health

In 2020-21, CHCQ requested an additional 115.6 positions and \$16.2 million (\$2.7 million in 2020-21, \$8.1 million in 2021-22, and \$16.2 million in 2022-23 and annually thereafter) to complete mandated workload, including conducting initial licensing and change of service surveys to increase access to care, timely completion of complaints and facility-reported incidents to improve customer service and mitigate future backlogs, conducting periodic re-licensing surveys in facilities as required in statutes, and continuation of efforts to meet federal survey requirements. CHCQ phased in these 115.6 positions over a three-year period: 20 positions started on July 1, 2020, 40 positions started on July 1, 2021, and the remaining 55.6 positions started on July 1, 2022. As of February 2023, the vacancy rate is 15.9 percent for Health Facility Evaluator Nurses (HFENs), which is an increase of 13.0 percentage points since the beginning of the COVID-19 pandemic in February 2020. This increase is due in part to these newly authorized positions, but also because of increased retirements and separations. CHCQ surveyors play an essential role in the COVID-19 response, and the Recruitment Outreach & Onboarding Unit within CHCQ has implemented new recruitment efforts to address this urgent need.

Complaint Completion Timelines

Health and Safety Code sections 1420 (3), (4), and (5) of subdivision (a) mandates CHCQ to complete investigations of complaints within specified timeframes. CHCQ must complete all long-term health care facility complaints received on or after July 1, 2018, within 60 days of receipt of the complaint.

As of February 2023, CHCQ is completing 89 percent of long-term health care facility complaints within 60 days of receipt, a 16 percent increase in timeliness since July 2022. Through April of 2023, CHCQ has closed 14,322 long-term care complaints in this fiscal year. Furthermore, CHCQ has completed 92.1 percent of backlogged complaints that were submitted on or before April 1, 2021; over 12,000 complaints in total. As of May 2023, only 813 open long-term care complaints remain. CHCQ has redirected resources to address these open complaints with the goal of eliminating the remainder of the backlog by July 11, 2024.

CHCQ will continue to make every effort to improve compliance with mandated completion timelines for long-term health care facility complaints and remains focused on resolving existing complaint and entity reported backlog. However, regardless of staffing levels, there will always be unanticipated delays to complaint completion timeframes due to criminal investigation holds, obtaining death certificates, witness interview scheduling, and other extenuating circumstances.

Los Angeles County Monitoring and Performance

LAC and CHCQ negotiated a three-year contract, effective July 1, 2019, which was then extended for an additional year through June 30, 2023, which includes quantity metrics and penalties for failure to meet those metrics. The contract also contains quality and customer service metrics. The current contract will allow LAC to hire the staff necessary to move towards timely completion of 100 percent of the workload.

As an important new step in bridging the relationship between LAC and CHCQ, a new LAC Contract Manager position was created in 2018-19. This position serves as the official liaison for the State to partner with LAC so that high quality and quantity standards are mutually met. CHCQ will continue to enhance many of the oversight actions that it implemented in the prior contract period. These actions include, but are not limited to:

- Maintaining the Los Angeles County Monitoring Unit to provide oversight and monitoring of LAC's performance. This unit conducts on-site review, observation, data analysis, and audits.
- Performing concurrent on-site quality reviews of surveys with LAC staff using a state observation survey analysis process and providing targeted training to address identified issues.
- Performing audits of the quality, prioritization, and principles of documentation for complaint investigations.
- Providing written feedback to LAC's management regarding identified concerns and requiring corrective action plans when appropriate.
- Increase the frequency of direct meetings between CHCQ's LAC monitor and LAC Leadership and staff.

Los Angeles County Supplemental License Fee

Assembly Bill (AB) 1810 (Chapter 34, Statutes of 2018) adopted an amendment to Health and Safety Code section 1266(g): Commencing in 2018-19 fiscal year, the department may assess a supplemental license fee on facilities located in the County of Los Angeles for all facility types set forth in this section. This supplemental license fee shall be in addition to the license fees set forth in subdivision (d). The department shall calculate the supplemental license fee based upon the difference between the estimated costs of regulating facility types licensed in the County of Los Angeles, including, but not limited to, the costs associated with the department's contract for licensing and certification activities with the County of Los Angeles and the costs of the department conducting the licensing and certification activities for facilities located in the County of Los Angeles. The supplemental license fees shall be used to cover the costs to administer and enforce state licensure standards and other federal compliance activities for facilities located in the County of Los Angeles, as described in the annual report. The supplemental license fee shall be based upon the fee methodology published in the annual report described in subdivision (d).

Internal Departmental Quality Improvement Account (IDQIA) Project Update

Provisional language is proposed in the 2023 Budget that will allow DPH to request additional expenditure authority in the IDQIA once pending quality improvement projects are finalized. The proposed language is below, and was included in the Department of Finance’s April 1 Letter requesting adjustments to DPH’s Governor’s Budget:

“The Department of Finance may augment this item, after review of a request submitted by the State Department of Public Health that demonstrates a need for additional expenditure authority to support quality improvement activities. Any augmentation shall be authorized not sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or the chairperson’s designee, may determine.”

Since 2010-11, the Legislature has appropriated moneys in the IDQIA to be expended for internal CHCQ improvement activities as follows:

Fiscal Year	BCP Description
2010-11	BCP 002/HQ-03: 2010-11 \$18,000; 2011-12 \$393,811 and 2012-13 \$299,677 for the partial costs of 1.5 positions for the Health Facility Self-Reporting Web Portal. BCP 058/HQ-05 for contracts for quality improvements within L&C.
2012-13	BCP 002/HQ-06: 2012-13 \$333,000; 2013-14 \$333,000; and 2014-15 \$334,000 for implementation of quality improvement activity in the L&C Program. This activity will initiate and support ongoing efforts aimed at reducing preventable medical and medication errors and their associated health care costs in licensed health care facilities.
2013-14	November Estimate: \$1.2 million; and 2014-15 \$1.2 million to prevent infections in California’s acute care hospitals, to improve the quality of data used by customers for making health care decisions, and to continue funding eight contractor positions in the Healthcare Associated Infections (HAI) Program’s Infection Preventionist (IP)Liaison Unit.

Fiscal Year	BCP Description
2014-15	<p>BCP 000/HQ-01: \$1.4 million to expand the work related to the L&C Program Evaluation project. In order to meet CMS benchmarks, CHCQ used a contractor, Hubbert Systems Consulting, to evaluate ways to improve internal business practices and quality improvement efforts to achieve timely fulfillment of the L&C Program's state licensing and federal certification workload.</p> <p>BCP 000/HQ-04: \$201,000 for a contract with UC Davis for an independent research analysis and report that describes the extent to which the federal certification standards are or are not sufficient as a basis for state licensing standards as required by SB 543 (Chapter 722, Statutes of 2013).</p>
2015-16	<p>BCP 004/HQ-03: \$2 million to implement projects recommended by Hubbert report. These funds were used to purchase hardware and software to develop internal and external performance dashboards, automate key business practices, and streamline data collection from regulated entities. Further, CHCQ executed contracts to improve hiring, onboarding, and retention practices. CHCQ also used the funds to contract with a project manager/change consultant.</p>
2016-17	<p>4265-015-BCP-DP-2016-GB: \$2 million to execute two contracts to implement recommendations from the Hubbert report. These funds were used to enhance the Centralized Applications Branch's Information Technology (IT) systems, replace the Health Facilities Consumer Information System with Cal Health Find, and complete contracted services for project and change management, recruitment, and onboarding and retention.</p>

Fiscal Year	BCP Description
<p>2017-18 – 2019-20</p>	<p>4265-007-BCP-2017-GB: \$2 million to execute quality improvement projects and contracts (\$2 million in 2017-18, \$2 million in 2018-19, and \$2 million in 2019-20). These funds were used for contracted services for leadership training programs, facilitation of stakeholder forums, project and change management, recruitment, and onboarding and retention. Further, CHCQ executed several multi-year purchase orders for IT service contracts, such as Adobe Experience Manager maintenance and enhancements, and data architecture consulting services. Additionally, CHCQ is using these funds to complete an automated licensing application system as required by Assembly Bill (AB) 2798 (Chapter 922, Statutes of 2018), as well as a Program Flex online application portal. CHCQ will continue to use these funds to contract for innovative recruitment and retention services and technological enhancements in the coming years.</p>
<p>2020-21 – 2022-23</p>	<p>4265-202-BCP-2020-MR: \$3 million to execute quality improvement projects and contracts (\$3 million in 2020-21, 2021-22, and 2022-23). These funds have been used to obtain expert level IT consulting assistance in support of business services and technical operations, including the development of the Risk and Safety Solutions mobile survey app for COVID mitigation surveys, Complaint and FRI investigations, and state licensing surveys. The consulting firm will provide skilled resources to aid with solution development and platform operations.</p>

Federal Civil Monetary Penalties Account Projects

CMS may impose monetary penalties against skilled nursing facilities (SNFs), nursing facilities (NFs), and dually certified SNF/NF for either the number of days or for each instance a facility is not in substantial compliance with one or more Medicare and Medicaid participation requirements for Long-Term Care Facilities (Code of Federal Regulations (CFR) 42 Part 488.430). Portions of these Civil Money Penalty (CMP) Funds collected from nursing homes are returned to the states in which CMPs are imposed. State CMP funds may be reinvested in SNFs to support CMS-approved activities that benefit nursing home residents plan that protect or improve their quality of life.

All states must submit to CMS an acceptable plan for the use of CMP funds for the upcoming calendar year. The plan must include available fund balances, current obligations, and plans for solicitation and review of future projects. CMS uses data from the California CMP state plan to verify that federal CMPs are being properly distributed. If states are unable to adequately plan for the use of their CMP funds,

then CMS may withhold future disbursements of CMP funds until the state has submitted an acceptable plan to comply with this section.

Per Item 4265-115-0942 of the 2022 Budget Act, the Department of Finance (Finance) may augment the budget authority for the Federal Health Facilities Citation Penalties Account upon request from CHCQ when a project is approved by CMS. Additionally, the 2020 Budget Act authorized an additional \$6 million a year for three years to fund existing projects and provide funding for new projects in fiscal years 2020-21, 2021-22, and 2022-23.

In April of 2020, CMS announced that CMP funds could be used for facilities to purchase communicative technology for SNF residents to attend telehealth appointments and communicate with friends and family. CHCQ received approximately 484 grant applications for this initiative from April 2020 to July 2021. CHCQ has approved approximately \$2.1 million of these grants for facilities in need of these resources.

In September of 2020, CMS announced that CMP funds could be used for facilities to purchase materials such as tents and Plexiglas dividers, to promote outdoor visitation for SNF residents. CHCQ received approximately 307 grant applications for this initiative from September 2020 to present. CHCQ has approved approximately \$1.2 million of these grants for facilities in need of these resources.

Approved CMP grants include:

Fiscal Year	Approved CMP Grants
2013-14	CHCQ executed a three-year contract with the California Culture Change Coalition to reduce antipsychotic medication in SNFs in California.
2015-16	CHCQ executed a three-year contract with the California Association of Health Facilities (CAHF) for the Music and Memory program for improving dementia care.
2017-18	CHCQ executed a four-year contract with CAHF for a project to improve dietary services in California nursing homes.
2018-19	CHCQ executed a three-year contract with CAHF for the Volunteer Engagement project. CHCQ executed a two-year contract with Quality Care Health Foundation for the Certified Nursing Assistant (CNA) Training Kickstarter Project.

Fiscal Year	Approved CMP Grants
2019-20	<p>CHCQ has executed contracts for following proposals:</p> <ul style="list-style-type: none"> • Using AI-Enabled Cameras to Reduce Falls for Residents with Dementia • Nurse Leadership • California Wound Care Excellence Program for SNFs • iNSPIRE • A Person-Centered Approach to Reducing Transfer, Discharge, and Eviction <p>CHCQ has approved 317 applications from Skilled Nursing Facilities and over \$1.7 million in grant funding for communicative technology.</p>
2020-21	<p>CHCQ has executed contracts for the following proposal:</p> <ul style="list-style-type: none"> • Tobin & Associates LifeBridge • University of California Irvine Infection Prevention • LTC SNF Clinic • LifeBio Improving P.C.C. through Engagement, Reminiscence Therapy, and Life Stories • Pilgrim Place – Make it Home • Memory Care Buddies • In-Person Visitation Grants • Communicative Technology Grants

Fiscal Year	Approved CMP Grants
2021-22 & 2022-23	<p>CHCQ has executed contracts for the following proposals:</p> <ul style="list-style-type: none"> • LeadingAge CA's The Java Project • LifeBridge • The Java Project: Addressing Social Isolation and Loneliness COVID-19 and Beyond (extension expanding to 97 homes and is a separate application) • CPRH Dementia Care Project • Height Street Memory Book Project • LeadingAge Enlightenment/Obie • Front Porch Communities Foundation Creativity Never Gets Old • LeadingAge GARDEN Project • SilverKite SPARKing Creativity, Joey, and Arts Engagement <p>CHCQ is currently reviewing the applications below:</p> <ul style="list-style-type: none"> • CAHF Connected & Engaged Project • Alzheimer's Association ALZPro • NOMI-Institute 2RelaxMe • LeadingAge Eversound • JHRC Electronic Medical Record System Replacement Project • Rockwell Healthcare Readmission Reduction through Smart Nurses Application

III. Resource Estimate Methodology/Key Drivers of Cost

The CHCQ Estimate projects the workload associated with all programmatic functions and the corresponding number of positions needed to perform these functions.

CHCQ determines workload based on the following cost drivers:

- **Facility Count** – The number of health care facilities to survey or investigate.
- **Activity Count** – The number of pending and projected activities for CHCQ staff to perform. CHCQ projects the number of new and renewal licensing and certification surveys and complaint/Facility Reported Incident (FRI) investigations CHCQ will conduct in 2023-24. Some activities must occur on a specified frequency. The Estimate includes the workload associated with the number of pending complaints and facility-reported incidents the program anticipates will remain from prior years that it will complete in the budget year.
- **Standard Average Hours** – The number of hours needed to complete an activity. CHCQ calculates this **number** for each activity by facility type based on the actual average time spent on the activity by facility type in the past three years.

To estimate the workload for each activity by facility type, CHCQ uses the following formulae:

- Complaint/FRI and other variable workload hours = Standard average hours x projected activity count.
- Survey workload hours = Standard average hours x facility count x required frequency.

CHCQ then calculates the amount of additional time associated with non-survey functions (e.g., federal and state training, meetings, etc.) to calculate the overall time required by surveyor staff. Finally, CHCQ uses the total number of surveyors to calculate the number of supervisors and administrative positions needed to support these staff.

IV. Assumptions

New Assumptions/Premises

Increased Federal Fund Expenditure Authority

Background: CHCQ is responsible for regulatory oversight of licensed health care facilities and health care professionals to assess the safety, effectiveness, and quality of health care for all Californians. CHCQ fulfills this role by conducting periodic inspections and complaint investigations of health care facilities to determine compliance with Federal and State laws and regulations. Public Health receives funds through Title XVIII and Title XIX grants from Center for Medicare and Medicaid Services and licensing fees paid by health care facilities. CHCQ licenses and certifies over 14,000 health care facilities and agencies in California in 30 different licensure and certification categories.

Description of Change: CHCQ is requesting to increase federal fund expenditure authority by the amount of \$25.3 million for fiscal year 2023-24. At the time of the 2023-24 November Estimate, CHCQ's projected expenditure authority for 2023-24 was \$107.7 million. Since then, CMS notified CHCQ of the possibility of increased Title 18 and 19 supplemental awards. These potential awards would be for federal fiscal year 2022-23, which runs through September 30, 2023, but would not be received until state fiscal year 2023-24. Additionally, the amount of CHCQ's Hospice IMPACT award has increased by \$1.1 million year over year between 2021-22 and 2022-23 and CHCQ projects that it will receive a similar amount of Hospice funding in 2023-24. Finally, CHCQ projects a need for \$10 million in unscheduled expenditure authority in case the supplemental awards are larger than expected, or if other grant opportunities arise. The table below details the projected expenditure authority need for 2023-24.

Awards	23-24 Projected Expenditure Authority
Baseline Title 18 Award	\$45,601,595
Possible Title 18 Supplemental Award	\$8,953,144
Baseline Title 19 Award	\$59,683,349
Possible Title 19 Supplemental Award	\$6,109,056
Hospice IMPACT Award	\$2,206,436
Unscheduled	\$10,000,000
Total	\$132,553,580

Discretionary: No

Reason for Adjustment/ Change: The possible additional grant funding for Title 18 and 19 will support survey activity in health facilities, particularly skilled nursing facilities. These activities would include re-certification surveys, focused infection control surveys, and complaint investigations. Also, the Hospice IMPACT funding will allow for more resources to support Hospice re-certification survey and complaint investigations. Finally, the potential funding may reduce budget pressures on the Licensing & Certification Program Fund (Fund 3098).

Fiscal Impact (Range) and Fund Source(s): CHCQ is requesting to increase federal fund (Fund 0890) expenditure authority by the amount of \$25.3 million for fiscal year 2023-24.

Budget Change Proposal: Technical Adjustment: Skilled Nursing Facility Staffing Requirements Compliance (AB 81)

Background: CHCQ is responsible for regulatory oversight of licensed health care facilities and health care professionals to assess the safety, effectiveness, and quality of health care for all Californians. CHCQ fulfills this role by conducting periodic inspections and complaint investigations of health care facilities to determine compliance with Federal and State laws and regulations. Public Health receives funds through Title XVIII and Title XIX grants from Center for Medicare and Medicaid Services and licensing fees paid by health care facilities. CHCQ licenses and certifies over 14,000 health care facilities and agencies in California in 30 different licensure and certification categories.

CDPH contracts with Department of Health Care Services (DHCS) through an interagency agreement to audit compliance of SNFs staffing hours. Current law authorizes CDPH to assess administrative penalties upon the determination that a skilled nursing facility has not met statutorily mandated direct care service hours per patient per day. CDPH currently audits all freestanding Skilled Nursing Facilities (SNFs) annually. During the annual audits, CDPH audits 24 days of staffing data to ensure compliance with the direct care services hours per patient per day.

Description of Change: CDPH requests to shift the appropriation of \$939,000 from the State Department of Public Health Licensing and Certification Program Fund (Fund 3098) to reimbursement authority in 2023-24 and ongoing, to implement the provisions of Chapter 13, Statutes of 2020, Assembly Bill (AB) 81.

Discretionary: No

Reason for Adjustment/ Change: In fiscal year 2021-22, BCP 4265-078-BCP-2021-GB was approved, providing CHCQ with six positions and \$939,000 funding authority from Fund 3098. Due to a clerical error, the increase in authority was applied to Fund 3098 and not as reimbursement authority. Since CDPH contracts with DHCS through an interagency agreement to audit compliance of SNF staffing hours, it is appropriate that the increased expenditure authority be reimbursements rather than Fund 3098.

Fiscal Impact (Range) and Fund Source(s): CDPH requests to shift the appropriation of \$939,000 from the Fund 3098 to reimbursement authority in 2023-24 and ongoing, to implement the provisions of AB 81.

Budget Change Proposal: Skilled Nursing Facilities Staffing Audits

Background: CHCQ is responsible for regulatory oversight of licensed health care facilities and health care professionals to assess the safety, effectiveness, and quality of health care for all Californians. CHCQ fulfills this role by conducting periodic inspections and complaint investigations of health care facilities to determine compliance with Federal and State laws and regulations. CHCQ receives funds through Title XVIII and Title XIX grants from Center for Medicare and Medicaid Services (CMS) and licensing fees paid by health care facilities. CHCQ licenses and certifies over 14,000 health care facilities and agencies in California in 30 different licensure and certification categories. Pursuant to H&SC Section 1276.66, Staffing Audits Section (SAS) audits SNF compliance with the minimum staffing requirements of H&SC Section 1276.65 or 1276.5 as applicable and assesses administrative penalties for non-compliance. Audits of all freestanding SNFs are conducted annually and include the review of 24 days of staffing data.

In 2021-22 and prior years, a DHCS interagency agreement for \$8 million reimbursed CHCQ staffing audit costs. Fifty percent of the reimbursement flowed through Federal Funds, and the remaining flowed through DHCS's SNF Quality and Accountability Special Fund. The SNF Quality and Accountability Fund was financed primarily by transfers from the General Fund.

Per Welfare and Institutions Code Section 14126.036, CDPH's minimum staffing audits responsibilities/administrative penalty authority and the Medi-Cal SNF QASP program, sunsetted on December 31st, 2022. DHCS proposed statutory changes at the time of the 2022-23 May Revision to extend CDPH's audit requirement/administrative penalty authority and to establish a successor to the Medi-Cal SNF QASP. The new Medi-Cal SNF Workforce and Quality Incentive Program (WQIP) was proposed to be financed directly by the General Fund and the SNF QASP Fund was proposed to be abolished.

The 2022 Budget Act provided \$4 million one-time from the General Fund to fund the activities of the Staffing Audits Section in 2022-23.

DHCS will continue to utilize the CDPH Staffing Audit data as a component of the annual Medi-Cal rate-setting process to assess compliance with Medi-Cal funding requirements pursuant to Welfare & Institutions Code Section 14126.033(g)(1)(A). DHCS will not utilize CDPH Staffing Audits data as a metric to score facilities' staffing hours for the WQIP, and instead will use Payroll-Based Journal (PBJ) data reported by facilities to CMS. The continued CDPH Staffing Audits will serve to validate the accuracy of data reported by facilities to CMS in PBJ.

Description of Change: CDPH requests \$4 million General Fund in 2023-24 and ongoing to support the workload of the SAS for SNF minimum staffing requirement audits.

Discretionary: No

Reason for Adjustment/ Change: CDPH requests \$4 million and ongoing from the General Fund to support the ongoing workload of the SAS for SNF minimum staffing requirement audits. This support will backfill the \$4 million that was previously provided from the SNF Quality and Accountability Special Fund, which ended on December 31, 2022. This proposal will not impact health facility licensing fees.

CDPH will continue to have an Interagency Agreement with DHCS in fiscal year 2023-24 that will provide an additional \$4 million in federal funding to match the state funding.

Fiscal Impact (Range) and Fund Source(s): CDPH requests \$4 million General Fund in 2023-24 and ongoing to support the workload of the SAS for SNF's minimum staffing requirement audits.

Existing (Significantly Changed) Assumptions/Premises

CHCQ has no existing or significantly changed assumptions/premises.

Unchanged Assumptions/Premises

Budget Change Proposal: Facilitating Projects to Benefit Nursing Home Residents

Background: CHCQ is responsible for regulatory oversight of licensed health care facilities and health care professionals to assess the safety, effectiveness, and quality of health care for all Californians. CDPH fulfills this role by conducting periodic inspections and complaint investigations of health care facilities to determine compliance with federal and state laws and regulations. CDPH receives funds through Title XVIII and Title XIX grants from CMS) and licensing fees paid by health

care facilities. CHCQ licenses and certifies over 14,000 health care facilities and agencies in California in 30 different licensure and certification categories.

The Code of Federal Regulations (CFR) 42 Part 488.430 allows CMS to impose monetary penalties against SNFs, NFs, and dually certified SNF/NF for either the number of days or for each instance a facility is not in substantial compliance with one or more Medicare and Medicaid participation requirements for Long-Term Care Facilities. A portion of these CMP Funds collected from nursing homes are returned to the states in which CMPs are imposed. State CMP funds may be reinvested to support CMS approved activities that protect or improve the quality of life of nursing home residents. Health and Safety Code Section 1417.2 (a) establishes the Federal Health Facilities Citation Penalties Account (Account) into which moneys derived from CMPs for violations of federal law shall be deposited.

To date, State CMP funds have supported projects to provide staff training, improve mental health, and build relationships to improve quality of life for residents of SNFs. For example, LifeBio's Improving Person Centered Care through Engagement, Reminiscence Therapy, and Life Stories produces personalized story books about nursing home residents to strengthen their connections with facility staff. Tobin's Life Bridge program applies concepts of person-centered care and introduces coping mechanisms to better approach residents with behavioral outbursts and other challenging behaviors. Vohra Wound Physicians Management, LLC's California Wound Care Excellence Program enables participating nurses to receive online training and obtain wound care certification.

In the winter of 2020-21, the State of California experienced a surge in the number of people infected by and hospitalized with COVID-19. As a result, facilities imposed limitations on all in-person activities. Not only were residents unable to participate in-person activities, but CMP grantees were also unable to enter to facilitate projects. As a result, grantees did not have costs to bill to CDPH and expenditures for fiscal years 2019-20, 2020-21, and 2021-22. As the COVID-19 pandemic begins to dissipate, CDPH projects that grantees will again be able to enter facilities and perform activities related to their projects.

All states must submit to CMS an acceptable plan for the use of CMP funds for the upcoming calendar year. This plan must include available fund balances, current obligations, and plans for solicitation and review of future projects. CMS uses the data from California's CMP state plan to verify that federal CMPs are being properly distributed. If states are unable to adequately plan for the use of their CMP funds, then CMS may withhold future disbursements.

CDPH provides contract management and oversight on behalf of CMS for all CMS approved projects. Since 2015-16, CHCQ has been actively soliciting CMP projects within the available resources. Additional authority for future CMS-approved projects can only be obtained upon appropriation by the Legislature. For any potential CMS-approved project that may exceed the existing Account expenditure authority, provisional language was included in the 2022 Budget Act that allows CDPH to

request the Department of Finance to increase the expenditure authority from the Account after review of a request submitted by CDPH that demonstrates a need for additional authority. Any augmentation shall be authorized not sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine.

The 2020-21 Budget Act included a three-year increase of \$6 million per fiscal year in local assistance expenditure authority from the Account. 2022-23 is the final year of that increased appropriation; in 2023-24 the local assistance appropriation decreases to \$575,000.

Description of Change: CDPH requests an increase in Local Assistance expenditure authority of \$5 million in 2023-24, \$5 million in 2024-25, and \$3 million in 2025-26 for the Account. CDPH also requests provisional language to extend expenditure and encumbrance authority through June 30, 2027.

Discretionary: Yes

Reason for Adjustment/Change: CDPH has a continued need for local assistance expenditure authority from the Account. CDPH has seen a marked increase in the solicitation and implementation of CMS approved projects since the beginning of 2018-19. CHCQ received and reviewed 10 projects in 2018-19, which is a 500 percent increase in the number of applications received as compared to the two applications received in 2017-18. The number of applications received has continued to increase, particularly in 2021-22 when 21 applications were received and seven were approved. CHCQ currently projects to receive 15 applications in 2022-23 based on an average of the previous two fiscal years, and projects that a similar number of applications will continue to be received in future years, especially as COVID-19 continues to stabilize. Currently there are 2 projects pending CDPH and CMS approval totaling \$2.2 million in 2023-24 and 2024-25, and \$1.9 million in 2025-26 that can potentially increase the Account budget in those fiscal years.

CDPH is requesting an appropriation of \$5 million a year for two years and \$3 million for one year, allowing CDPH to execute more multi-year contracts for current and future CMS-approved projects in a timely manner. As previously mentioned, the local assistance authority in the Account is scheduled to drop to \$575,000 in 2023-24. This amount results in CDPH without the ability to approve new contracts, as well as the inability to pay for the existing, approved multi-year agreements that stretch over those fiscal years.

CDPH also requests to maintain the existing provisional language which authorizes the Department of Finance to increase the expenditure authority from the Account for approved CMP projects, after review of a request submitted by CDPH that

demonstrates a need for additional authority. Based on current trends, CDPH anticipates a continued significant number of applications received, thus necessitating timely contract development and a continued need for expenditure authority to award funds to CMS approved projects to benefit nursing home residents. Furthermore, CHCQ requests provisional language that allows funding be available for expenditure or encumbrance for an additional three years. This will allow CHCQ more flexibility to fund and execute multi-year agreements.

Fiscal Impact (Range) and Fund Source(s): CDPH requests an increase in Local Assistance expenditure authority of \$5 million in 2023-24, \$5 million in 2024-25, and \$3 million in 2025-26 for the Account. CDPH also requests provisional language to extend expenditure and encumbrance authority through June 30, 2027.

Budget Change Proposal: Hospice Facility Licensure and Oversight (AB 2673)

Background: CHCQ is responsible for regulatory oversight of licensed health care facilities and health care professionals to assess the safety, effectiveness, and quality of health care for all Californians. CHCQ fulfills this role by conducting periodic inspections and complaint investigations of health care facilities to determine compliance with federal and state laws and regulations. Public Health receives funds through Title XVIII and Title XIX grants from CMS and licensing fees paid by health care facilities. CHCQ licenses and certifies over 14,000 health care facilities and agencies across California in 30 different licensure and certification categories. CHCQ evaluates health care facilities for compliance with state and federal laws and regulations, and CDPH contracts with LAC to license and certify health care facilities located in Los Angeles County.

The Centralized Applications Branch (CAB) processes health care facility licensure and certification applications for CHCQ. CAB processes all CDPH's applications for initial facility licenses, changes to existing licenses, licensure renewals, and conducts activities associated with license expiration and license revocation. CAB processes applications on a first-in, first-out basis and often works with applicants to address incomplete or inaccurate application materials.

Description of Change: CHCQ requests three positions in 2023-24 and ongoing, and \$926,000 in 2023-24, \$759,000 in 2024-25, \$698,000 in 2025-26, and \$615,000 in 2026-27 and ongoing from Fund 3098 to implement the provisions of AB 2673, which affects Hospice Facilities Licensing Requirements in California.

Discretionary: No

Reason for Adjustment/Change: Additional resources are necessary to implement the provisions of AB 2673.

AB 2673:

- Prohibits CDPH from approving Change of Ownership Applications (CHOW) of a licensed hospice agency within five years of license issuance, unless CDPH makes an exception for extenuating circumstances upon finding a transfer necessary to support continuity of care or that there is both a financial hardship and an unmet geographic need of hospice services.
- Requires a hospice agency to have specified management personnel and to submit information for them to CDPH for use in mandated and optional verification activities.
- Requires a hospice agency license applicant to demonstrate unmet need of hospice services in the proposed service area, and it permits exceptions for CHOW applicants if the license has been continually held by the previous licensee for five years and the hospice agency has either previously demonstrated unmet need or can demonstrate it is currently meeting a need for hospice services.
- Requires CDPH to annually survey a selective sample of five percent of hospice agencies whose initial licensure via accreditation occurred in the previous year.
- Requires CDPH to adopt emergency regulations with specified components to implement recommendations in the California State Auditor's (CSA) Report No. 2021-123 dated March 29, 2022, on hospice licensure and oversight by January 1, 2024, and to maintain the new hospice agency licensure moratorium until adoption, but no later than March 29, 2024. This bill exempts hospice facilities (HOFAs) from the moratorium.
- Establishes a complaint process for hospice agencies and requirements for CDPH's investigations.
- Expands the reasons why CDPH may deny, suspend, or revoke a hospice agency.
- Requires CDPH to verify the professional licensure status for management personnel, and it permits CDPH to verify their work history and association with the hospice agency by contacting the personnel or previous employers by telephone.
- Establishes moratorium exception criteria requiring the applicant to prove unmet need in their geographic area as a permanent requirement for hospice agency licensure, and it permits CDPH to make exceptions for CHOWs that will allow for continuing service provision by hospice agencies that have historically met a geographic need.

Although current law permits CDPH to survey licensed hospices to investigate complaints, it does not establish a complaint process. This bill's provisions parallel existing complaint processes for other licensed health care facilities, such as long-term care facilities.

Each hospice agency must have five specified management personnel positions. Hospice agencies would be required to submit information related to these individuals and their qualifications by March 31, 2023, for current licensees, or as part of the initial licensure application for new applicants. CDPH would be required to use this documentation to verify the status of these individuals' professional licensure. CDPH's ongoing workload for reviewing the qualifications of management staff for new hospice agencies seeking initial licensure will entail only minor and absorbable costs. Conducting a one-time review of the five management personnel, at an estimated average of 0.5 hours per individual, for 3,061 currently licensed hospice agencies would generate an additional 7,653 hours for work for CDPH. This is equivalent to the workload of 4.25 FTE Associate Governmental Program Analysts (AGPAs) for one year. However, CDPH estimates that the workload of 2.25 of these analysts could be absorbed by existing CDPH personnel given the anticipated overall decrease in new licensure applications that will qualify for review. Therefore, CDPH would need limited-term resources equivalent to 2.0 FTE AGPAs for one year beginning in 2023-24.

CDPH must conduct validation surveys of five percent of all hospices that attained licensure via accreditation in the prior calendar year. CDPH anticipates this cost to be minor and absorbable. According to the Annual Fee Report, CDPH spends 117 hours on average conducting validation surveys for deemed (accredited) facilities. If all ten facilities projected to qualify for licensure each year were accredited, this would result in one validation survey per year, or an additional workload of 117 hours. An unknown number of applicants will qualify for an exception to the unmet need requirement.

This bill requires CDPH to investigate complaints against hospice agencies alleging violations of state law or regulations. For calendar years 2016-2020, CDPH received an average of 229 complaints annually for hospice agencies. From Jan 1, 2021 through Dec 31, 2021, 313 complaints were filed against hospice agencies, reflecting an increase of 37 percent over the preceding 5-year average. Of those 313, 58 complaints were substantiated, 52 of which were for accredited hospices. Given the new statutory requirements, CDPH anticipates an increase in the number of complaints. Assuming that this increase is roughly similar to the magnitude of increase in 2021, this would result in approximately 420 hospice agency complaints a year, or an increase of 107 new hospice agency complaints. Applying the same proportions for substantiated complaints, 20 of the new complaints would be substantiated, with 18 new substantiated complaints for accredited hospices. CDPH projects that the workload associated with the increase in complaints will require an additional 3.0 FTE Health Facilities Evaluator Nurses (HFENs) beginning in 2023-24.

This bill requires CDPH to adopt emergency regulations to implement the recommendations in CSA report no later than March 29, 2024. CDPH will require limited-term resources equivalent to 1.0 FTE AGPA for 2.5 years beginning in 2023-24

to develop and promulgate the emergency regulations package and the subsequent supporting documents for the full regulation adoption.

Fiscal Impact (Range) and Fund Source(s): CHCQ requests three positions in 2023-24 and ongoing, and \$926,000 in 2023-24, \$759,000 in 2024-25, \$698,000 in 2025-26, and \$615,000 in 2026-27 and ongoing from Fund 3098 to implement the provisions of AB 2673, which affect Hospice Facilities Licensing Requirements in California.

Budget Change Proposal: Skilled Nursing Facilities Change of Ownership and Change of Management Application Requirements (AB 1502)

Background: CHCQ is responsible for regulatory oversight of licensed health care facilities and health care professionals to assess the safety, effectiveness, and quality of health care for all Californians. CHCQ fulfills this role by conducting periodic inspections and complaint investigations of health care facilities to determine compliance with federal and state laws and regulations. Public Health receives funds through Title XVIII and Title XIX grants from the CMS and licensing fees paid by health care facilities. CHCQ licenses and certifies over 14,000 health care facilities and agencies across California in 30 different licensure and certification categories. CHCQ evaluates health care facilities for compliance with state and federal laws and regulations, and CDPH contracts with LAC to license and certify health care facilities located in Los Angeles County.

CAB processes health care facility licensure and certification applications for CHCQ. CAB processes all CDPH's applications for initial facility licenses, changes to existing licenses, licensure renewals, and conducts activities associated with license expiration and license revocation. CAB processes applications on a first-in, first-out basis and often works with applicants to address incomplete or inaccurate application materials.

AB 1502 revises the license application, review, and approval process for SNFs, specifically the applications for CHOW and change of management (CHOM), which are processed by CAB.

Description of Change: CHCQ requests expenditure authority of \$286,000 in 2023-24, 2024-25, and 2025-26 from Fund 3098 to provide resources to implement the provisions of AB 1502, which affects Skilled Nursing Facilities licensing requirements in California.

Discretionary: No

Reason for Adjustment/Change: AB 1502 revises the license application, review, and approval process for SNFs improving CDPH's oversight when SNF's change management and/or ownership, among other things. Specifically, this bill:

- Requires CDPH approval before a CHOW or CHOM occurs and that the

applicant submit a complete application to CDPH at least 120 days before the transaction will occur.

- Expands the application contents to include all persons or entities acquiring a direct or indirect ownership interest in the SNF, including the applicant's parent corporation or corporate chain.
- Directs CDPH to determine whether the applicant is reputable and responsible, as evidenced by, among other things, the applicant's long-term care experience and compliance history for the prior five years and its financial resources.
- Requires CDPH to approve or deny the application within 120 days of receipt of the complete application, with expedited review allowed under limited circumstances.
- Provides grounds for application denial, applicant disqualification, and new civil penalties. The bill requires the current and prospective licensees to provide certain notices to CDPH.
- Applies to applications submitted to CDPH on or after July 1, 2023.

Current Sequence of SNF Licensing Events

Currently, when a SNF is sold or an ownership interest is transferred, the licensee must notify CDPH within 30 days after the event, with the new owner being required to apply to CDPH for a CHOW immediately thereafter. Until the CHOW is granted, the prior owner continues to be the licensee and is responsible for all SNF operations and the care of the residents. The current licensee remains responsible for resident care and any violations that take place until the CHOW application is approved. In those situations, the current licensee and the prospective licensee will enter into an interim management operations transfer agreement that allows the prospective licensee to operate the SNF until the CHOW is approved. Current law is silent on the length of time in which an "interim" owner or management company may operate a facility under a temporary management agreement. If CDPH finds the new owner is not reputable and responsible, it denies the new owner's CHOW application, meaning the current licensee continues to be responsible for the operation of a facility that is owned by another person or entity.

Likewise, when a licensee contracts with a management company for some aspect of the facility's operations, under current law, written notice is required to be given to CDPH not more than 10 days after the management company begins its duties. CDPH then reviews the qualifications of the management company and issues a corrected license reflecting the reported change.

Sequence of SNF Licensing Events Under AB 1502

AB 1502 will reverse that sequence of SNF licensing events by requiring CDPH approval *before* any change of ownership, operations, or management including, but not limited to, the following:

- A transaction by a person, firm, association, organization, partnership,

business trust, corporation, limited liability company, or company that enables them to operate, establish, manage, conduct, or maintain a SNF in California, for which a license is required by Health and Safety Code (HSC) §1253 or other state laws and regulations.

- The transfer, purchase, or sale of an ownership interest of 5 percent or more in the either the SNF or its licensee.
- The sale or transfer of the entity licensed by CDPH.
- The lease of all or part of a SNF.
- A transfer of any type of ownership interest, including an indirect one such as one a parent company acquires.
- A transaction described in HSC Section 1267.5 (e.g., contracting for the SNF to be operated, in whole or part under a management contract).
- Establishment of an interim or longer-term management agreement transferring operational control or management responsibilities from the SNF owner or licensee to a new entity.
- Establishment of any type of agreement with a management company hired, retained, or authorized to act on behalf of a licensee to make financial decisions for the SNF, direct or control aspects of patient care and quality within the SNF, or be involved in the hiring, firing, supervision, and direction of direct care staff.
- Any transaction, if a SNF licensee is part of a chain, that changes ownership interests or management responsibilities throughout all SNFs in the chain, with the bill not limiting those transactions to chain facilities located only within California.

Only those approved by CDPH may operate or manage a SNF. Any SNF transaction, including but not limited to the sale of the facility, involving a person or entity that does not receive CDPH approval cannot occur.

Application Contents

The contents of applications for SNF licensure, CHOWs and CHOMs under current law include basic identifying information (HSC § 1265 and § 1267.5) for the applicant and the facility (e.g., names of the applicant and the person in charge of the SNF, contact information, name and location of the SNF). Under AB 1502, the application will collect significantly more information about the owner(s), such as:

- Evidence satisfactory to CDPH that the applicant is reputable and responsible to assume the facility's license or management of its operations and meets the requirements of the HSC licensing chapter and other applicable laws, rules, and regulations.
- Evidence that the applicant has the financial capacity to operate the facility and to provide services required by state and federal laws and regulations for 90 days.
- Information, for the past five years, whether the applicant(s) have had any actions taken against them, such as revocations, penalties, injunctions, etc. whether from CMS, or Attorneys General, or any other law enforcement agency related to facilities they have owned or operated.

Applicants will also be required to submit all required fees with its application, instead of submitting them at the end of CDPH's application review process, as is currently required.

CAB has received an average of 56 SNF CHOWs and 13 SNF CHOMs per year. Each application takes approximately 190 hours for review, primarily done by an AGPA. The bill's requirement that CAB complete its CHOW/CHOM processing within 120 days after receipt of a complete application will shorten the time frame for completing the review of the application, which will necessitate additional staffing.

AB 1502 will require CAB to obtain and examine additional information about the applicant, including persons and entities having an indirect ownership interest, and complete its review within 120 days. The bill also requires CAB to examine the applicant's compliance history for two additional years. Although CAB has recently streamlined its SNF application process, CDPH anticipates that AB 1502 is likely to increase the current processing time commitment for either a CHOW or CHOM application by up to 40 or 50 hours.

Accommodating that additional review within the proposed review period for both CHOW and CHOM applications will require limited term resources equivalent to 2.0 AGPA FTE.

Fiscal Impact (Range) and Fund Source(s): CHCQ requests expenditure authority of \$286,000 in 2023-24, 2024-25, and 2025-26 from Fund 3098 to provide resources to implement the provisions of Assembly Bill 1502, which affects Skilled Nursing Facilities licensing requirements in California.

Budget Change Proposal: Gender Affirming Health Care (SB 107)

Background: CHCQ is responsible for regulatory oversight of licensed health care facilities and health care professionals to assess the safety, effectiveness, and health care quality for all Californians. CHCQ fulfills this role by conducting periodic inspections and complaint investigations of health care facilities to determine compliance with federal and state laws and regulations. CHCQ licenses and certifies over 14,000 health care facilities and agencies in 30 different licensure and certification categories. For fiscal year 2022-23, CHCQ has 1528.85 positions and a budget of \$437.5 million.

Description of Change: CHCQ requests expenditure authority of \$321,000 in 2023-24, 2024-25, and 2025-26 from Fund 3098 to provide resources to implement the provisions of SB 107.

Discretionary: No

Reason for Adjustment/Change: SB 107 expands the Confidentiality of Medical Information Act (CMIA) by adding additional protections for a child receiving gender-affirming health care, by modifying an exception to existing law permitting the release of medical information in response to a subpoena. A provider of health care, health care service plan, or contractor would be prohibited from releasing medical information related to minors receiving gender-affirming health care even in response to a subpoena or other legal request, if that request is based on another state's law authorizing civil or criminal actions for allowing a child to receive gender-affirming health care.

Under the CMIA, providers of health care, health care service plans, or contractors are prohibited from sharing medical information without the patient's written authorization, subject to certain exceptions.

Current law requires disclosures in certain circumstances when compelled to by court orders, subpoenas, search warrants, or other similar instruments. SB 107 would explicitly exempt compliance when gender-affirming health care records are involved. Similarly, SB 107 gives permission for, but does not require, disclosure in certain instances such as to medical review teams, licensing bodies, or medical examiners. This bill would prohibit a disclosure being made if it was related to a civil action against a person or entity who allows a child to receive gender-affirming health care.

Under current law, health care facilities licensed by CDPH are required to prevent unlawful or unauthorized access to, and use or disclosure of, patients' medical information. CDPH is responsible for enforcement of unlawful disclosure requirements

in health facilities and entities licensed by CDPH, in addition to any violations of the CMIA. CDPH investigates incidents both reported by facilities in compliance with current reporting requirements and received via complaint. If a breach is found to have occurred, these investigations may result in either a deficiency or administrative penalty being issued to a facility. Current law permits disclosure of medical information pursuant to a valid subpoena or with authorization from the patient or patient representative. An out-of-state subpoena for information regarding a minor's gender-affirming health care would not be considered a breach.

Releasing medical records in violation of SB 107's requirements, would constitute an unlawful disclosure of medical information. Therefore, the proposed Civil Code §56.109 and Penal Code §1326 would be enforceable as a breach of medical information. However, because CDPH's jurisdiction is limited to only health care facilities it licenses, a violation outside of the scope of those licensing statutes will be beyond CDPH's enforcement jurisdiction.

CHCQ currently receives approximately 1,509 complaints each fiscal year. For each complaint received, CDPH may need to conduct both a facility investigation and an individual investigation.

CHCQ estimates that SB 107 may increase the number of complaints received by CDPH by up to an estimated 5 percent. This would result in up to 75 new complaints being received annually. The average time estimated to complete a facility and individual investigation of a complaint is 88 hours. To accommodate the review of new complaints, CDPH will require limited-term resources equivalent to 2.0 Special Investigator (SI) FTE at a cost of \$321,000 in 2023-24, 2024-25, and 2025-26.

Fiscal Impact (Range) and Fund Source(s): CHCQ requests expenditure authority of \$321,000 in 2023-24, 2024-25, and 2025-26 from Fund 3098 to provide resources to implement the provisions of SB 107.

Discontinued Assumptions/Premises

CHCQ has no discontinued assumptions/premises.

V. Appendix A: Fiscal Summary

Fiscal Summary

Comparison of 2023-24 Governor's Budget to 2023-24 May Revision Estimate
(\$ in thousands)

	2023-24 Governor's Budget	2023-24 May Revision Estimate	Request
I. BUDGET ITEMS			
A. Headquarters			
1. Headquarters	82,345	82,345	-
2. Skilled Nursing Facility Staffing Requirements Compliance (AB 81)		939	939
3. Skilled Nursing Facilities Staffing Audits		4,000	4,000
Headquarters Sub-total	\$ 82,345	\$ 87,284	\$ 4,939
B. Field Operations			
1. Licensing & Certification (L&C)	155,866	155,866	
2. Los Angeles County (LAC)	124,043	124,043	
3. State Facilities Unit (SFU)	5,670	5,670	
Field Operations Sub-total	\$ 285,579	\$ 285,579	
C. Partial Year Adjustment	59,796	87,004	27,208
D. Statewide Cost Allocation Plan	5,076	2,197	(2,879)
E. Grand Total	\$ 432,796	\$ 462,064	\$ 29,268
II. FUND SOURCES			
State Operations			
A. General Fund (0001)			
General Fund Transfer to State Department of Public Health Licensing and Certification Program Fund (Fund 3098)	1,169	5,169	4,000
	3,700	3,700	
B. Federal Trust Fund (0890)	107,286	132,554	25,268
C. Special Deposit Fund (0942)			
1. Internal Departmental Quality Improvement Account (IDQIA)	687	687	
2. State Citation Penalty Account	2,144	2,144	
3. Federal Citation Penalty Account	565	565	
D. Reimbursement (0995)	13,850	14,789	939
E. Internal Information Integrity Quality Improvement Account (3151)	-	-	
F. State Department of Public Health Licensing and Certification Program Fund (Fund 3098)	301,475	300,536	(939)
Less transfer from the General Fund (0001)	(3,700)	(3,700)	
Local Assistance			
G. Special Deposit Fund (0942)			
1. Federal Citation Penalty Account	5,575	5,575	
H. State Department of Public Health Licensing and Certification Program Fund	45	45	
I. Grand Total	\$ 432,796	\$ 462,064	\$ 29,268

VI. Appendix B: Position Summary

Comparison of 2023-24 Governor's Budget to 2023-24 May Revision Estimate

	2023-24 Governor's Budget	2023-24 May Revision Estimate Workload Analysis	2023-24 Budget Change Proposals	Total 2023-24 May Revision Estimate	Request
TOTAL CENTER POSITIONS	1,536.4	1,539.4	-	1,539.4	3.0
Headquarters					
CHCQ Executive Management and Branch Chiefs	15.0	15.0	-	15.0	-
Performance Improvement Management Office	6.0	6.0	-	6.0	-
Centralized Applications Branch	92.0	92.0	-	92.0	-
Healthcare Workforce Branch	93.0	93.0	-	93.0	-
Investigations Branch	113.0	113.0	-	113.0	-
Emergency Preparedness Disaster Response Section	7.0	7.0	-	7.0	-
Fiscal Management Branch	28.6	28.6	-	28.6	-
Recruitment Resources Section	18.0	18.0	-	18.0	-
Training Section	30.0	30.0	-	30.0	-
Business Operations Branch	27.25	27.3	-	27.3	-
Healthcare Associated Infections Program	24.0	24.0	-	24.0	-
Standards Interpretation Branch	41.0	41.0	-	41.0	-
Public Policy & Legislative Branch	24.0	24.0	-	24.0	-
CHCQ Informatics Branch	20.0	20.0	-	20.0	-
Demographics and Epidemiological Research Branch	4.0	4.0	-	4.0	-
Headquarters Total	542.9	542.9	-	542.9	-
Field Operations					
State Facilities Section					
Supervisor	11.0	11.0	-	11.0	-
Surveyor	49.0	49.0	-	49.0	-
Support	12.0	12.0	-	12.0	-
Life Safety Code					
Supervisor	5.0	5.0	-	5.0	-
Surveyor	19.0	19.0	-	19.0	-
Support	6.0	6.0	-	6.0	-
Field Office					
Supervisor	142.0	142.0	-	142.0	-
Surveyor	585.0	585.0	3.0	588.0	3.0
Support	157.0	157.0	-	157.0	-
Field Operations Total	986.0	986.0	-	989.0	-
Public Health Staff					
Administration	3.0	3.0	-	3.0	-
Information Technology Services Division	4.5	4.5	-	4.5	-
Office of Legal Services	-	-	-	-	-
Public Health Total	7.5	7.5	-	7.5	-
Total Field Operations Surveyors*	653.0	653.0	-	656.0	3.0

*Surveyors (HFEN, AGPA, SI, Consultants)

VII. Appendix C: Detailed Assumptions

1. Methodology:

To estimate the workload for each facility type, CHCQ uses the following general formulae:

- Planned workload = Standard average hours x facility count x required frequency (if applicable).
- Unplanned workload = Historical data and applying linear regression to project unplanned workload with possible adjustments from subject matter experts knowledgeable of the specific workload.
- CHCQ continues to analyze ratios of survey to follow-up/revisits to accurately project workload demand.
- CHCQ then estimates the positions needed to accomplish the workload. Specifically, the formulae for estimating positions are:
- Surveyor positions (for complaints, facility-reported incidents, and other non-periodic workload):
- Surveyor = ([standard average hour x activity count]/non-survey factor)/1,800 hours.
- Surveyor positions (for surveys):
- Surveyor = ([standard average hour x facility count x mandated frequency rate]/non-survey factor)/1,800 hours.
- Supervisor and support staff positions:
- Supervisors = one supervisor to six Surveyors.
- Support staff for state and federal workload = one support staff to six Surveyors and supervisors.

2. Health Care Facility Counts:

A health care facility means any facility or building that is organized, maintained, and operated for the diagnosis, care, prevention, and treatment of human illness, physical or mental, including convalescence and rehabilitation and including care during and after pregnancy, or for any one or more of these purposes, for one or more persons, to which the persons are admitted for a 24-hour stay or longer.

- CHCQ counts health care facilities by facility type (e.g., SNFs, general acute care hospital, home health agency, etc.), and facilities opened as of a point-in-time of the current fiscal year as reported by the CMS' ASPEN for certified facilities, and facilities open as of June 2022 as reported in the Electronic Licensing Management System.
- CHCQ counts only active and open main facilities and skilled nursing distinct part facilities for purposes of this Estimate.
- For some facility types, there may be a difference in the number of licensed facilities versus the number of certified facilities. This is because some facilities are licensed only or certified only. Additionally, there may

be minor discrepancies due to the use of different data sources required by the CMS, and/or the timing of data reconciliation activities.

CHCQ updated facility counts as of June 2022.

3. Health Care Facility List:

- Adult Day Health Centers
- Alternative Birthing Centers
- Acute Psychiatric Hospitals
- Chronic Dialysis Clinics
- Chemical Dependency Recovery Hospitals
- Congregate Living Health Facilities
- Community Clinic/Free Clinic/Community Mental Health Center
- Correctional Treatment Centers
- General Acute Care Hospitals
- Home Health Agencies
- Hospice
- Hospice Facilities
- Intermediate Care Facilities
- Intermediate Care Facilities–Developmentally Disabled (DD):
DD–Habilitative; DD–Nursing
- Pediatric Day Health/Respite Care
- Psychology Clinics
- Referral Agencies
- Rehabilitation Clinics
- Skilled Nursing Facilities
- Surgical Clinics

4. Survey Activities:

CHCQ bases licensing survey activities on state mandated requirements. Surveyors perform the following state licensing activities:

- Re-licensure
- Re-licensure – Follow-up
- Initial Licensure
 - a. Including outstanding pending initial licensure applications.
- Initial Licensure – Follow-up
- Complaint Investigations Facility-Reported Incident Investigations – State
- Field Visits
 - a. Including Change of Ownership, Change of Location, Bed Change, Services Change.

- Review Medical Error Plan

CHCQ bases certification survey activities on the federal Centers for Medical tiered activity requirements. Surveyors perform the following federal certification activities:

- Re-certification

- Re-certification – Follow-up
- Initial Certification
- Initial Certification – Follow-up
- Life Safety Code
- Life Safety Code – Follow-up
- Complaint and Facility-Reported Investigations – Federal
- Complaint Validation
- Validation
- Validation – Follow-up
- Informal Dispute Resolution
- Federal Hearings
- Pre-Referral Hearings
- Monitoring Visits

5. Time Entry and Activity Management:

The provisions of Health and Safety Code section 1266(e) require CHCQ to capture and report workload data by category (survey activity and facility type). The Time Entry and Activity Management system captures data on the number of survey counts and the total hours spent for each survey activity to determine the standard average hours that it takes to accomplish specific workload.

6. Survey Workload:

Survey workload is either state mandated (licensing survey) or federally mandated by CMS (certification survey).

7. Standard Average Hours:

Standard average hours are the average hours each survey activity takes to complete. CHCQ used July 1, 2016, through June 30, 2019, and July 1, 2019, through June 30, 2022, closed complaints, and exited survey data to calculate standard average hours for this Estimate.

8. Complaint and Facility-Reported Incident Counts:

CHCQ bases complaint and facility-reported incident counts on the number of complaints and facility-reported incidents received between July 1, 2019, and June 30, 2022, as reported in the ASPEN database.

9. Open Complaints and Facility-Reported Incidents:

CHCQ bases the open complaints and facility-reported incidents count on all open complaints and facility-reported incidents as of June 30, 2022.

10. Received Complaints and Facility-Reported Incidents:

CHCQ bases the received complaints and facility-reported incidents count by excluding intakes with no event/time association as of June 30, 2022.

11. Annualized Workload Hours:

CHCQ determines annualized workload by the corresponding state or federal mandated survey requirements, multiplied by the standard average hours, adjusted to include non-survey administration hours.

12. Surveyor Positions:

Surveyor positions consist of HFENs, Associate Governmental Program Analysts, Special Investigators, medical, pharmacy, dietary consultants, and life safety code analysts. CHCQ uses 1,800 functional hours per position per year for state field operations staff. The LAC contract uses 1,744 functional hours per position per year for its equivalent staff.

13. Staffing Ratios:

State Ratios:

- CHCQ computes the allocation of the Health Facilities Evaluator II Supervisor positions using a (1:6) ratio: one Health Facilities Evaluator II Supervisor for every six surveyors.
- CHCQ computes the allocation of the Health Facilities Evaluator Manager I positions using a (1:6) ratio: one Health Facilities Evaluator Manager I for every six Health Facilities Evaluator II Supervisors.
- CHCQ computes the allocation of the Program Technician II positions using a (1:6) ratio: one Program Technician II for every six of the combined surveyors and supervisors.
- CHCQ computes the allocation of the CHCQ headquarters positions using a (1:10) ratio: one CHCQ headquarters position for every ten of the combined requested positions for field-based staff.

14. CHCQ updated federal grant workload to reflect the 2022 grant.

15. Fund Sources:

- General Fund (0001)
- Federal Trust Fund (0890):
 - a. Title XVIII Long Term Care
 - b. Title XVIII Non-Long-Term Care
 - c. Title XVIII Hospice Care
 - d. Title XIX Long Term Care
 - e. Title XIX Non-Long-Term Care
- Special Deposit Fund (0942)
 - a. Internal Departmental Quality Improvement Account
 - b. SNF Minimum Staffing Penalty Account
 - c. State Health Facilities Citation Penalties Account
 - d. Federal Health Facilities Citation Penalties Account
- Reimbursements (0995)
- CDPH L&C Program Fund (3098)

16. Contract costs are included for executed contracts only.

17. Miscellaneous:

- CHCQ has implemented a systematic method of securing the data within the Estimate workbook and documenting management review.

Changes to Detailed Assumptions from the 2023-24 November Estimate.

There are no changes to Detailed Assumptions from the 2023-24 November Estimate.

VIII. Appendix D: Revenue and Transfer Summaries
2022-23 Revenue and Transfer Summaries

FY 2022-23 \$ in thousands	Fi\$CAL Account Code	L&C Program Fund 3098	Special Deposit Fund 0942	Federal Fund 0890	Reimbursement 0995	General Fund 0001	Total
State Department of Public Health Licensing and Certification Program Fund 3098							
Other Regulatory Licenses and Permits	4129400	\$245,907					\$245,907
Other Regulatory Licenses and Permits (Los Angeles County Supplemental)	4129400	\$50,580					\$50,580
Miscellaneous Services to the Public	4143500	\$6					\$6
Income from Surplus Money Investments	4163000	\$90					\$90
Special Deposit Fund 0942							
Internal Departmental Quality Improvement Account							
Fines & Penalties - External - Private Sector	4172220		\$2,234				\$2,234
Income from Surplus Money Investments	4163000		\$128				\$128
Federal Health Facilities Citation Penalties Account							
Fines & Penalties - External - Other	4172240		\$3,021				\$3,021
Income from Surplus Money Investments	4163000		\$54				\$54
State Health Facilities Citation Penalties Account							
Fines & Penalties - External - Private Sector	4172220		\$3,676				\$3,676
Income from Surplus Money Investments	4163000		\$60				\$60
Skilled Nursing Facility Quality and Accountability							
Fines & Penalties - External - Private Sector	4172220		\$2,783				\$2,783
Federal Fund 0890							
Title 18 Long Term Care (LTC), Project No. 93777S	4400000			\$44,918			\$44,918
Title 18 Non-long Term Care (NLTC), Project No. 31006S	4400000			\$10,536			\$10,536
Title 18 Non-long Term Care (NLTC)-Hospice, Project No. 31070S	4400000			\$2,206			\$2,206
Title 19 Long Term Care (LTC) Project No. 93779S	4400000			\$56,581			\$56,581
Title 19 Non-Long term Care (NLTC), Project No. 93780S	4400000			\$9,211			\$9,211
Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	4400000			\$16,000			\$16,000
Reimbursements 0995*							
Reimbursements 0995	4810000				\$7,447		\$7,447
Unscheduled	4810000				\$6,415		\$6,415
General Fund 0001							
General Fund Transfer State Facilities Section Allocation	6210000					\$3,700	\$3,700
Extreme Heat Action Plan	4197025					\$1,500	\$1,500
Revenue Projection by Fund Totals			\$296,583	\$11,956	\$139,454	\$13,862	\$5,200
							\$467,055

2023-24 Revenue and Transfer Summaries

FY 2023-24 \$ in thousands	Fi\$CAL Account Code	L&C Program Fund 3098	Special Deposit Fund 0942	Federal Fund 0890	Reimbursement 0995	General Fund 0001	Total	
State Department of Public Health Licensing and Certification Program Fund 3098								
Other Regulatory Licenses and Permits	4129400	\$248,135					\$248,135	
Other Regulatory Licenses and Permits (Los Angeles County Supplemental)	4129400	\$53,487					\$53,487	
Miscellaneous Services to the Public	4143500	\$6					\$6	
Income from Surplus Money Investments	4163000	\$90					\$90	
Special Deposit Fund 0942								
Internal Departmental Quality Improvement Account								
Fines & Penalties - External - Private Sector	4172220		\$2,234				\$2,234	
Income from Surplus Money Investments	4163000		\$128				\$128	
Federal Health Facilities Citation Penalties Account								
Fines & Penalties - External - Other	4172240		\$3,021				\$3,021	
Income from Surplus Money Investments	4163000		\$54				\$54	
State Health Facilities Citation Penalties Account								
Fines & Penalties - External - Private Sector	4172220		\$3,676				\$3,676	
Income from Surplus Money Investments	4163000		\$60				\$60	
Skilled Nursing Facility Quality and Accountability								
Fines & Penalties - External - Private Sector	4172220		\$2,783				\$2,783	
Federal Fund 0890								
Title 18 Long Term Care (LTC), Project No. 93777S	4400000			\$49,138			\$49,138	
Title 18 Non-long Term Care (NLTC), Project No. 31006S	4400000			\$11,526			\$11,526	
Title 18 Non-long Term Care (NLTC)-Hospice, Project No. 31070S	4400000			\$2,206			\$2,206	
Title 19 Long Term Care (LTC) Project No. 93779S	4400000			\$51,328			\$51,328	
Title 19 Non-Long term Care (NLTC), Project No. 93780S	4400000			\$8,356			\$8,356	
Unscheduled	4400000			\$10,000			\$10,000	
Reimbursements 0995*								
Reimbursements 0995	4810000				\$7,447		\$7,447	
Unscheduled	4810000				\$7,342		\$7,342	
General Fund 0001								
General Fund Transfer State Facilities Section Allocation	6210000					\$3,700	\$3,700	
Skilled Nursing Facilities Staffing Audits	4197025					\$4,000	\$4,000	
Revenue Projection by Fund Totals			\$301,718	\$11,956	\$132,554	14,789	\$7,700	\$468,717

Descriptions:

General Fund – 0001. Government Code sections 16300-16315. The General Fund has existed since the beginning of the State as a political entity. It is the principal operating fund for the majority of governmental activities and consists of all money received in the Treasury that is not required by law to be credited to any other fund.

Reimbursements – 0995. This is a fund for budgetary purposes only. It is set up separately as a General Fund Special Account and is used in the schedule of appropriation for reimbursements. Reimbursement Fund 0995 is used in this purpose to capture the funding source.

General Fund for State Facilities Section – 0001. General Fund is the funding source to recoup fees for survey costs incurred in fee exempt state-owned facilities, including the state match cost of surveys performed in certified-only facilities. Funding is specifically appropriated from the General Fund in the annual Budget Act or other enacted legislation.

Federal Trust Fund – 0890. Chapter 1284, Statutes of 1978. Government Code sections 16360-16365. Section 16361 of the Government Code appropriates the fund, "...without regard to fiscal year, for expenditure for the purposes for which the money deposited therein is made available by the United States for expenditure by the state."

Title XVIII - Social Security Act, 1864(a). Medicare health insurance for the aged and disabled.

Title XIX - Social Security Act, 1902(a)(33)(B). Medicaid low-income program that pays for the medical assistance for individuals and families of low income and limited resources.

Special Deposit Fund – 0942. Government Code sections 16370-16375, and 16377 provide that the fund is appropriated to fulfill the purposes for which payments into it are made. The fund was created by Statute in 1880 and codified by the Statutes of 1907 as Section 453a of the Political Code.

State Department of Public Health Licensing and Certification Program Fund – 3098. Chapter 483, Statutes of 2007 (SB 1039), Health and Safety Code section 1266.9. This fund is created in Chapter 528, Statutes of 2006. Original Administrative Organization Code 4260 was changed to 4265 when the Department of Health Services split into two departments effective July 2007 in accordance with Chapter 241, Statutes of 2007 (SB 162). This fund, originally titled the State Department of Health Services Licensing and Certification Program Fund, was retitled to the State Department of Public Health Licensing and Certification Program Fund in Chapter 483, Statutes of 2006 (SB 1039). Its purpose is to support the Licensing and Certification Program's operation

IX. Appendix E: Fund Condition Statements**4265 DEPARTMENT OF PUBLIC HEALTH
FUND CONDITION STATEMENT****3098 State Department of Licensing and Certification Program Fund**

	2021-22	2022-23	2023-24
BEGINNING BALANCE	\$30,126,000	\$80,656,000	\$63,599,000
Prior year adjustments	\$23,007,000	\$0	\$0
Adjusted Beginning Balance	\$53,133,000	\$80,656,000	\$63,599,000
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4129400 - Other Regulatory Licenses and Permits (125700)	\$263,710,000	\$296,487,000	\$301,622,000
4143500 - Miscellaneous Services to the Public (142500)	\$1,000	\$6,000	\$6,000
4163000 - Investment Income - Surplus Investments (150300)	\$415,000	\$90,000	\$90,000
4171400 - Escheat of Unclaimed Checks and Warrant (161000)	\$0	\$0	\$0
4170700 - Civil and Criminal Violation Assessment (164400)	\$0	\$0	\$0
Transfers and Other Adjustments:			
Transfers from Licensing & Certification FD, CDPH (3098) to the General Fund (0001) per EO E21/22-276	-\$99,000	\$0	\$0
Total Revenues, Transfers, and Other Adjustments	\$264,027,000	\$296,583,000	\$301,718,000
Total Resources	\$317,160,000	\$377,239,000	\$365,317,000
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller's Office (State Operations)	\$0	\$0	\$0
4170 Department of Aging (Local Assistance)	\$400,000	\$400,000	\$400,000
4265 Department of Public Health (State Operations)	\$225,722,000	\$303,819,000	\$300,536,000
4265 Department of Public Health (Local Assistance)	\$0	\$45,000	\$45,000
8880 Financial Information System for CA (State Operations)	\$0	\$0	\$0
9670 Equity Claims of California Victim Compensation and Governmental Claims Board (State Operations)	\$0	\$0	\$0
9892 Supplemental Pension Payments (State Operations)	\$3,179,000	\$3,179,000	\$3,179,000
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	\$10,903,000	\$9,897,000	\$1,622,000
Total Expenditures and Expenditure Adjustments	\$240,204,000	\$317,340,000	\$305,782,000
Less Funding Provided by the General Fund	-\$3,700,000	-\$3,700,000	-\$3,700,000
Total Expenditures	\$236,504,000	\$313,640,000	\$302,082,000
FUND BALANCE	\$80,656,000	\$63,599,000	\$63,235,000

**4265 DEPARTMENT OF PUBLIC HEALTH
FUND CONDITION STATEMENT
3151 Internal Health Information Integrity Quality Improvement Account**

	2021-22	2022-23	2023-24
BEGINNING BALANCE	\$1,000	\$1,000	\$1,000
Prior year adjustments	\$0	\$0	\$0
Adjusted Beginning Balance	\$1,000	\$1,000	\$1,000
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
Transfers and Other Adjustments:			
Total Revenues, Transfers, and Other Adjustments	\$0	\$0	\$0
Total Resources	\$1,000	\$1,000	\$1,000
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
4265 Department of Public Health (State Operations)	\$0	\$0	\$0
Total Expenditures and Expenditure Adjustments	\$0	\$0	\$0
FUND BALANCE	\$1,000	\$1,000	\$1,000

**4265 DEPARTMENT OF PUBLIC HEALTH
FUND CONDITION STATEMENT**

0942-222 Special Deposit Fund - Internal Department Quality Improvement Account

	2021-22	2022-23	2023-24
BEGINNING BALANCE	\$21,850,000	\$19,908,000	\$18,584,000
Prior year adjustments	\$0	\$0	\$0
Adjusted Beginning Balance	\$21,850,000	\$19,908,000	\$18,584,000
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4172220 Fines and Penalties - External - Private Sector	\$1,591,000	\$2,234,000	\$2,234,000
4163000 Investment Income - Surplus Money Investment	\$75,000	\$128,000	\$128,000
Transfers and Other Adjustments:			
Total Revenues, Transfers, and Other Adjustments	\$1,666,000	\$2,362,000	\$2,362,000
Total Resources	\$23,516,000	\$22,270,000	\$20,946,000
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
4265 Department of Public Health (State Operations)	\$3,608,000	\$3,686,000	\$687,000
Total Expenditures and Expenditure Adjustments	\$3,608,000	\$3,686,000	\$687,000
FUND BALANCE	\$19,908,000	\$18,584,000	\$20,259,000

**4265 DEPARTMENT OF PUBLIC HEALTH
FUND CONDITION STATEMENT**

0942-248 Special Deposit Fund - Skilled Nursing Facility Minimum Staffing Penalty Account

	2021-22	2022-23	2023-24
BEGINNING BALANCE	\$15,000	\$15,000	\$1,406,000
Prior year adjustments	\$0	\$0	\$0
Adjusted Beginning Balance	\$15,000	\$15,000	\$1,406,000
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4172220 Fines and Penalties - External - Private Sector	\$3,385,000	\$2,783,000	\$2,783,000
Transfers and Other Adjustments:			
Revenue Transfer from Special Deposit Fund (0942) to Skilled Nursing Facility Quality and Accountability Special Fund (3167) per Welfare and Institutions Code 14126.022 (g)	-\$3,385,000	-\$1,392,000	\$0
Total Revenues, Transfers, and Other Adjustments	\$0	\$1,391,000	\$2,783,000
Total Resources	\$15,000	\$1,406,000	\$4,189,000
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
4265 Department of Public Health (State Operations)	\$0	\$0	\$0
State Operations (Operating Transfers-out)	\$0	\$0	\$0
Total Expenditures and Expenditure Adjustments	\$0	\$0	\$0
FUND BALANCE	\$15,000	\$1,406,000	\$4,189,000

**4265 DEPARTMENT OF PUBLIC HEALTH
FUND CONDITION STATEMENT**

0942-601 Special Deposit Fund - State Health Facilities Citation Penalties Account

	2021-22	2022-23	2023-24
BEGINNING BALANCE	\$10,200,000	\$11,025,000	\$11,399,000
Prior year adjustments	\$0	\$0	\$0
Adjusted Beginning Balance	\$10,200,000	\$11,025,000	\$11,399,000
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4172220 Fines and Penalties - External - Private Sector	\$3,289,000	\$3,676,000	\$3,676,000
4163000 Investment Income - Surplus Money Investment	\$41,000	\$60,000	\$60,000
Transfers and Other Adjustments:			
Total Revenues, Transfers, and Other Adjustments	\$3,330,000	\$3,736,000	\$3,736,000
Total Resources	\$13,530,000	\$14,761,000	\$15,135,000
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
4170 Department of Aging			
State Operations	\$124,000	\$124,000	\$124,000
Local Assistance	\$2,094,000	\$1,094,000	\$1,094,000
4265 Department of Public Health			
State Operations	\$287,000	\$2,144,000	\$2,144,000
Total Expenditures and Expenditure Adjustments	\$2,505,000	\$3,362,000	\$3,362,000
FUND BALANCE	\$11,025,000	\$11,399,000	\$11,773,000

**4265 DEPARTMENT OF PUBLIC HEALTH
FUND CONDITION STATEMENT**

0942-605 Special Deposit Fund - Federal Health Facilities Citation Penalties Account

	2021-22	2022-23	2023-24
BEGINNING BALANCE	\$14,829,000	\$13,940,000	\$9,874,000
Prior year adjustments	\$0	\$0	\$0
Adjusted Beginning Balance	\$14,829,000	\$13,940,000	\$9,874,000
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4172240 Fines and Penalties - External - Federal	\$1,205,000	\$3,021,000	\$3,021,000
4163000 Investment Income - Surplus Money Investment	\$52,000	\$54,000	\$54,000
Transfers and Other Adjustments:			
Total Revenues, Transfers, and Other Adjustments	\$1,257,000	\$3,075,000	\$3,075,000
Total Resources	\$16,086,000	\$17,015,000	\$12,949,000
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
4170 Department of Aging			
4265 Department of Public Health			
State Operations	\$0	\$566,000	\$565,000
Local Assistance	\$2,146,000	\$6,575,000	\$5,575,000
Total Expenditures and Expenditure Adjustments	\$2,146,000	\$7,141,000	\$6,140,000
FUND BALANCE	\$13,940,000	\$9,874,000	\$6,809,000