

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 7, 2011
POSITION: Oppose

BILL NUMBER: AB 540
AUTHOR: J. Beall

BILL SUMMARY: Medi-Cal: Alcohol and Drug Screening

This bill would create the Medi-Cal Alcohol and Drug Screening and Brief Intervention Services Program. The program would provide alcohol and drug screening and related services to Medi-Cal beneficiaries who are pregnant or are women of childbearing age.

The bill would create the program within the Department of Health Care Services (DHCS), which would be responsible for administering the program. Services would be provided by local entities electing to participate.

FISCAL SUMMARY

Although no fiscal estimates have been provided, Finance believes this bill would create workload and General Fund costs for both DHCS and the Department of Alcohol and Drug Programs (ADP), which DHCS would consult with in developing the program.

The bill's stated intent is to provide this program without General Fund expenditures; however, by creating the program and ensuring it exists should a county choose to participate, ADP and DHCS would incur costs. The bill would provide for reimbursement of state costs by counties that receive federal financial participation for county expenditures. Thus, there is the possibility of the program being created, at a cost to the state, and no counties opting to participate. Furthermore, after providing for programmatic expenditures, it is unclear if sufficient funds would be received to reimburse the state for administrative expenses—both initial and ongoing. Lastly, Finance notes that DHCS would incur costs to seek all necessary federal approvals, as required in the bill.

COMMENTS

Finance is opposed to this measure due to the workload and General Fund cost pressure it would create. It is inappropriate to implement new programs during a time of limited General Fund resources and reductions to existing state and local programs. Furthermore, it is not clear that this approach would be consistent with realignment.

Although the intent of the bill is to avoid General Fund expenditures, the costs of start-up work required to create the program could be incurred without any reimbursement from counties to the extent counties choose not to participate. Also, it is not clear whether this bill's approach would be consistent with the *Sobky v. Smoley* court decision, which requires certain treatment programs to be available on a statewide basis.

Analyst/Principal (0510) T. Calvert	Date	Program Budget Manager Lisa Ann L. Mangat	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

AUTHOR

AMENDMENT DATE

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J. Beall

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AB 540

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013	
4200/Alcohol Drug	SO	No	-----	See Fiscal Summary	-----				0001
4260/Hlth Care	SO	No	-----	See Fiscal Summary	-----				0001