

# Center for Health Care Quality

2021-22

May Revision Estimate



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## California Department of Public Health

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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 11,000 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, and 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 2020-21

CDPH/CHCQ projects a revised 2020-21 expenditure authority of \$344.9 million, which is a \$3.8 million increase from the 2021-22 Governor's Budget. This increase is due to \$3.8 million in supplemental awards related to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

### Budget Year 2021-22

For 2021-22, CDPH estimates expenditures will total \$394.0 million, which is an increase of \$2.5 million from the 2021-22 Governor's Budget. This increase includes \$2.5 million in supplemental awards related to the CARES Act.

Table 1 compares the 2021-22 Governor's Budget with the 2021-22 May Revision Estimate for the current year and budget year.

**Table 1**  
**Comparison of 2021-22 Governor's Budget with 2021-22 May Revision Estimate**

Funding Source (\$ in thousands)	2021-22 Governor's Budget	CY 2020-21 2021-22 May Revision Estimate	CY 2020-21 Change from 2021-22 Governor's Budget to 2021-22 May Revision Estimate	CY 2020-21 Percent Change from 2021-22 Budget to 2021-22 May Revision Estimate	BY 2021-22 2021-22 Governor's Budget	BY 2021-22 2021-22 May Revision Estimate	BY 2021-22 Change from 2021-22 Governor's Budget to 2021-22 May Revision Estimate	BY 2021-22 Percent Change from 2021-22 Governor's Budget 2021-22 May Revision Estimate
State Operations Appropriations Summary:								
0001 - General Fund transfer to fund 3098	\$596	\$596	\$0	0.0%	\$596	\$596	\$0	0.0%
<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	\$96,643	\$100,430	\$3,787	3.9%	\$101,522	\$103,995	\$2,473	2.4%
0942 - Special Deposit Fund								
Internal Departmental Quality Improvement Account	\$3,600	\$3,600	\$0	0.0%	\$3,600	\$3,600	\$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	\$547	\$547	\$0	0.0%	\$547	\$547	\$0	0.0%
0995 - Reimbursements	\$12,134	\$12,134	\$0	0.0%	\$12,914	\$12,914	\$0	0.0%
3098 - Licensing and Certification Program Fund	\$216,113	\$216,113	\$0	0.0%	\$260,833	\$260,833	\$0	0.0%
<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%
<b>Total State Operations Appropriations</b>	<b>\$331,777</b>	<b>\$335,564</b>	<b>\$3,787</b>	<b>1.1%</b>	<b>\$382,156</b>	<b>\$384,629</b>	<b>\$2,473</b>	<b>0.6%</b>
Local Assistance Appropriations Summary:								
0942 - Special Deposit Fund								
Federal Health Facilities Citation Penalty Account	\$9,326	\$9,326	\$0	0.0%	\$9,326	\$9,326	\$0	0.0%
3098 - Licensing and Certification Program Fund	\$45	\$45	\$0	0.0%	\$45	\$45	\$0	0.0%
<b>Total Local State Appropriations</b>	<b>\$9,371</b>	<b>\$9,371</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$9,371</b>	<b>\$9,371</b>	<b>\$0</b>	<b>0.0%</b>
<b>Total Appropriations</b>	<b>\$341,148</b>	<b>\$344,935</b>	<b>\$3,787</b>	<b>1.1%</b>	<b>\$391,527</b>	<b>\$394,000</b>	<b>\$2,473</b>	<b>0.6%</b>
Headquarters	443.8	443.8	0.0	0.0%	447.8	447.8	0.0	0.0%
Field Operations								
Supervisors	160.0	160.0	0.0	0.0%	164.0	164.0	0.0	0.0%
Surveyors*	676.0	676.0	0.0	0.0%	698.0	698.0	0.0	0.0%
Support	138.0	138.0	0.0	0.0%	142.0	142.0	0.0	0.0%
<b>Center Positions</b>	<b>1417.8</b>	<b>1417.8</b>	<b>0.0</b>	<b>0.0%</b>	<b>1451.8</b>	<b>1451.8</b>	<b>0.0</b>	<b>0.0%</b>
Public Health Staff**	7.5	7.5	0.0	0.0%	13.5	13.5	0.0	0.0%
<b>Grand Total Positions</b>	<b>1425.3</b>	<b>1425.3</b>	<b>0.0</b>	<b>0.0%</b>	<b>1465.3</b>	<b>1465.3</b>	<b>0.0</b>	<b>0.0%</b>

\*Surveyors include (HEFN, AGPA, SI, Consultants)

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

The 2020-21 Budget Act, authorized CHCQ an additional 115.6 positions 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 effort to meet federal survey requirements. CHCQ is in the process of phasing in these 115.6 positions over a three-year period, with 20 positions started on July 1, 2020, 40 positions starting July 1, 2021, and the remaining 55.6 positions starting July 1, 2022. As of February 2021, the vacancy rate is 10.4% for HFENs, which is an increase of 4.7 percentage points since 2019-20. This increase is due in part to these new authorized positions, but also because of increased retirements and separations since the start of the Coronavirus disease 2019 (COVID-19). CHCQ surveyors play an essential role in the COVID-19 response, and the Performance Improvement Management Unit within CHCQ is prioritizing efforts to reevaluate our recruitment efforts to address this urgent need. For these reasons, CHCQ does not request additional positions at this time

In 2019-20 CHCQ executed a new three-year contract with LAC that moves toward a pay-for-performance model. The contract costs include a total of 491 positions comprising of 317 HFEN positions and 174 support and supervisor positions. This is an increase of 172 HFEN positions, or 118 percent, to enable LAC to accomplish 100 percent of the mandated workload in Los Angeles County. CHCQ and LAC are phasing-in these positions over the course of three years by hiring approximately 14 new Health Facility Evaluator positions per quarter. The total amount of the contract is \$65.5 million in 2019-20, \$86.5 million in 2020-21, and \$105.6 million in 2021-22.

### **Complaint Completion Timelines**

Amendments to Health and Safety Code sections 1420 (3), (4), and (5) of subdivision (a) mandate 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.

In 2019-20, CHCQ completed 65 percent of long-term health care facility complaints within 60 days of receipt. Currently, there are approximately 5,000 open complaints. CHCQ had redirected resources to address these open complaints with the goal of having them completed by the end of calendar year 2021. However, since COVID-19, workload priorities have shifted and backlog has climbed, but still remains lower than the peak.

CHCQ will continue to make every effort to improve compliance with mandated completion timelines for long-term health care facility complaints. 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.

### **Medical Breach Enforcement Section**

In December 2015, using existing position authority, CHCQ initiated a pilot program to use Associate Governmental Program Analysts (AGPA) and Special Investigators (SI) spread across six regions of the state to investigate medical information breaches. Previously, HFENs were the primary investigators of reported medical information breaches. Because medical breach investigations do not require the clinical knowledge of a Registered Nurse, transferring these investigations to AGPAs and SIs enables HFENs to focus on surveys, complaints and facility-reported incident investigations that require clinical expertise.

The Budget Change Proposal (BCP) for Medical Breach Enforcement Section Expansion (MBES) requests 17 positions in order to expand the MBES' ability to investigate and administer penalties against individuals persons and/or health care providers. Please refer to the Unchanged Assumptions for more details.

### **Los Angeles County Monitoring and Performance**

LAC and CHCQ negotiated a three-year contract, effective July 1, 2019, 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 completing 100 percent of the workload and complete mandated workload timely. Completion of workload will occur over time as LAC hires, on-boards, and trains new 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**

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

<b>Fiscal Year</b>	<b>Budget Change Proposal (BCP) Description</b>
<b>2010-11</b>	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.
<b>2012-13</b>	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.
<b>2013-14</b>	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 8 contractor positions in the Healthcare Associated Infections (HAI) Program's Infection Preventionist (IP) Liaison Unit.
<b>2014-15</b>	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.  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 Senate Bill (SB) 543 (Chapter 722, Statutes of 2013).
<b>2015-16</b>	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.

Fiscal Year	Budget Change Proposal (BCP) Description
<b>2016-17</b>	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.
<b>2017-18 – 2019-20</b>	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 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.
<b>2020-21 – 2022-23</b>	4265-202-BCP-2020-MR: \$3.6 million to execute quality improvement projects and contracts (\$3.6 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. The consulting firm will provide skilled resources to aid with solution development and platform operations. Additional funds have been used to purchase computer equipment for teleworking staff.



**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 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 ensure 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 to the state until the state has submitted an acceptable plan to comply with this section.

Per Item 4265-115-0942 of the 2020 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 this year. 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 over 700 grant applications for this initiative. In September of 2020 CMS announced that CMP funds could be used for facilities to purchase materials such as tents and Plexiglas dividers, in order to promote outdoor visitation for SNF residents. CHCQ has received 494 applications for that grant opportunity.

Approved CMP grants include:

<b>Fiscal Year</b>	<b>Approved CMP Grants</b>
<b>2013-14</b>	CHCQ executed a three-year contract with the California Culture Change Coalition to reduce antipsychotic medication in SNFs in California.
<b>2015-16</b>	CHCQ executed a three-year contract with the California Association of Health Facilities (CAHF) for the Music and Memory program for improving dementia care.
<b>2017-18</b>	CHCQ executed a four-year contract with CAHF for a project to improve dietary services in California nursing homes.

<b>Fiscal Year</b>	<b>Approved CMP Grants</b>
<b>2018-19</b>	<p>CHCQ executed a three-year contract with CAHF for the Volunteer Engagement project.</p> <p>CHCQ executed a two-year contract with Quality Care Health Foundation for the Certified Nursing Assistant (CNA) Training Kickstarter Project.</p>
<b>2019-20</b>	<p>CHCQ has executed contracts for following proposals:</p> <ul style="list-style-type: none"> <li>• Using AI-Enabled Cameras to Reduce Falls for Residents with Dementia</li> <li>• Nurse Leadership</li> <li>• California Wound Care Excellence Program for SNFs</li> <li>• iNSPIRE</li> <li>• A Person-Centered Approach to Reducing Transfer, Discharge, and Eviction</li> </ul> <p>CHCQ has received applications from 780 facilities for Communicative Technology grants and approved over \$2.1 million in funding.</p>
<b>2020-21</b>	<p>CHCQ is developing contracts for the following three proposals:</p> <ul style="list-style-type: none"> <li>• LITA Memory Care Buddies</li> <li>• LifeBio</li> </ul> <p>CHCQ has executed contracts for the following proposal:</p> <ul style="list-style-type: none"> <li>• University of California Irvine Infection Prevention Training</li> <li>• SNF Clinic</li> <li>• Pilgrim Place's Make It Home</li> </ul> <p>CHCQ has received applications from 494 facilities for the In-Person Visitation grants and approved over \$1.0 million in funding.</p> <p>CHCQ is currently reviewing an additional six project applications</p>

### 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 investigations CHCQ will conduct in 2021-22. 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 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

### **Future Fiscal Issues**

CHCQ has no future fiscal issues.

### **New Assumptions/Premises**

#### **Budget Change Proposal – Creation of the Office of Patient Representative within California Department of Aging (CDA)**

**Background:** H&S Code § 1418.8 sets forth procedures to be followed for nursing home residents who lack capacity to make their own health care decisions. This statute is a remedy for facilities, as an alternative to the judicial system, when making medical decisions for skilled nursing and intermediate care facility residents who both lack capacity and do not have a decision maker with legal consent. The statute authorizes an interdisciplinary team (IDT) – which includes the resident physician, a registered nurse responsible for the resident, other appropriate staff, and a patient representative to review and authorize medical treatment (H&S Code § 1418.8).

A patient representative is now mandatory member of the IDT team regardless of one's availability. A patient representative is an individual that provides a patient perspective of the recommended treatment plan, whether it be to provide the patient's background, or just serve as someone unaffiliated with the nursing home. The only instance in which there does not have to be a patient representative is when there is an "urgent medical emergency" on the part of the patient, not on the part of the patient representative. It is incumbent on this process to be with the state because it affects the patient's due process rights when determining the type of care residents will receive.

The residents in skilled nursing and intermediate care facilities are overwhelmingly the consumers of whom California Department of Aging provide services, and advocate on behalf of, therefore it is a natural fit to house a separate Office of Patient Representative within the Department of Aging to ensure that residents are represented on their IDT.

**Description of Change:** CDA requests \$982,000 and six positions in Fiscal Year 2021-22 and \$946,000 ongoing from Fund 3098 to establish the Office of Patient Representative at CDA and \$1.5 million in 2021-22 and \$3 million in 2022-23 from Fund 3098 for CDA to enter into contracts with providers to administer the Patient Representative program at the local level.

**Discretionary:** Yes

**Reason for Adjustment/Change:** If the patient representative role is not facilitated by a state office in instances where there is no viable private alternative, the facilities will be required to go through the court, which creates additional costs. Further, if there is not an IDT option among facilities, CDA anticipates an increase in complaints in and open investigations which would be handled by our Long-Term Care Ombudsman Office. To reduce these foreseen costs of increased complaints, increased court cases, and

increased confusion in medical interventions, it is necessary to open an Office of Patient Representative.

Due to the unknown volume of workload, CDPH will work with CDA to establish an estimate process to ensure adequate licensing and certification fees are being assessed in order to fund the Office and local long-term care facilities in need of the services. The Office of Patient Representative will be funded exclusively from the State Department of Public Health Licensing and Certification Program fund.

**Fiscal Impact (Range) and Fund Source(s)**: CDA requests \$982,000 and six positions in Fiscal Year 2021-22 and \$946,000 ongoing from Fund 3098 to establish the Office of Patient Representative at CDA and \$1.5 million in 2021-22 and \$3 million in 2022-23 from Fund 3098 for CDA to enter into contracts with providers to administer the Patient Representative program at the local level. This proposal will be funded by fees assessed upon skilled nursing facilities and intermediate care facilities, per the following Trailer Bill Language:

Health and Safety Code 1266.8: Commencing in the 2021-22 fiscal year, the fees for skilled nursing facilities and intermediate care facilities shall be increased so as to generate the funding necessary for the California Department of Aging's Patient Representative Program to implement Health and Safety Code section 1418.8.

**Existing (Significantly Changed) Assumptions/Premises**

CHCQ has no existing (significantly changed) assumptions/premises.

**Unchanged Assumptions/Premises****Budget Change Proposal – Timely Investigations of Caregivers**

**Background:** The Professional Certification Branch (PCB) administers the certification of certified nurse assistants, home health aides, hemodialysis technicians, and the licensing of nursing home administrators. The branch receives complaints alleging unprofessional conduct against these four health care professional types and conducts investigations.

**Description of Change:** CDPH/CHCQ requests seven positions and \$1 million from Fund 3098 in 2021-22 and annually thereafter, to improve the timeliness of investigations of complaints against caregivers.

**Discretionary:** Yes

**Reason for Adjustment/Change:** CDPH continues to make significant improvements with the timeliness of investigations of complaints against caregivers and to address the increase of severe and complex complaints. The PCB received 18 positions in 2016-17 based on the anticipated receipt of 1,465 complaints alleging wrong-doing by caregivers in that year, with a projected increase of three percent thereafter. In 2017-18, PCB received 1,531 complaints (a 27.6 percent increase over 2016-17). In 2018-19, PCB received 1,601 complaints (a 4.5 percent increase over 2017-18) and in 2019-20, PCB received 1,202 complaints (a 24.9 percent decrease from 2018-19). The decrease in 2019-20 is considered an anomaly that aligns with the significant impacts experienced due to the COVID-19 pandemic.

As the state adjusts to the new “normal”, the number of received complaints is expected to return to the established pattern of increasing annually. The highest severity levels (levels A & 1) of the received complaints increased from 369 in 2016-17 to 626 in 2019-20 (a 69 percent increase even with the decrease in the total number of complaints received overall). Despite applying Lean concepts to each process, PCB cannot keep current with the increase of incoming high severity complaints. At the end of 2019-20, 782 complaints still remained. Without an increase to the current staffing levels, projections show a continued growth in the amount of backlog complaints each fiscal year due to projected complaint increases and the large increase of complaints assessed at the highest levels of severity and complexity.

The types of complaints received typically involve a level of physical, sexual, mental, or verbal abuse or misconduct; neglect; misappropriation of property; or other form of unprofessional conduct. Regulated staff (nurse assistants, home health aides, and

hemodialysis technicians) are required to submit proof of continuing education with their renewal application every two years. This ensures they stay current with necessary knowledge and skills; however, this has not reduced the number of complaints. Prior to COVID-19, the Investigation Section was increasing its presence in facilities during investigations to encourage compliance and accountability.

**Fiscal Impact (Range) and Fund Source(s):** CDPH/CHCQ requests seven positions, one Supervising Special Investigator I and six Special Investigators (SIs), and \$1 million from Fund 3098 in 2021-22 and annually thereafter, to improve the timeliness of investigations of complaints against caregivers.

### **Budget Change Proposal – Medical Breach Enforcement Section Expansion (SB 541)**

**Background:** SB 541 (Chapter 605, Statutes of 2008) established section 1280.15 of the Health and Safety Code (HSC), which authorizes CDPH to investigate and assess fines to any licensed medical facility for any reported breach of their patient’s confidential medical information. AB 211 (Chapter 602, Statutes of 2008) established the California Office of Health Information Integrity (CalOHII) under the California Health and Human Services Agency (CHHS) to ensure the enforcement of state confidentiality laws against individuals and Non-Public Health licensed entities.

SB 857 (Chapter 31, Statutes of 2014) transferred from CalOHII to CDPH, the duty to impose administrative fines on providers of health care for the unauthorized use of medical information. CHHS transferred three investigative staff to CDPH to enforce any violations of HSC § 1280.15 - 1280.17. Since the advent of HSC, § 1280.15 in 2009, over 1,600 licensed health facilities have reported nearly 42,000 medical breach incidents involving the illegal access to, use of, or disclosure of patient medical information.

In 2016-17, CDPH expanded MBES from three investigative staff to 17. The primary goal of this expansion was to use non-clinical staff assigned to field offices to take over the investigation workload of all pending medical breach privacy complaints and facility reported incidents. CDPH uses SIs and AGPAs to conduct MBES investigations.

By expanding MBES and centralizing the investigation workload, CHCQ will free up clinical staff in the field offices from investigating any privacy breach intakes, thus allowing them to redirect their time to workload of a more clinical nature. Currently, the MBES has taken over the breach workload for 12 out of the 19 field offices. The seven remaining field offices are currently using HFENS to investigate any non-clinical breach incidents, and CHCQ needs to redirect this workload to the MBES to improve efficiency and standardization of MBES investigations.

**Description of Change:** CDPH/CHCQ requests 17 positions and \$2.6 million from Fund 3098 in 2021-22 and ongoing, to expand the MBES, and to comply with existing regulations that require CDPH to investigate, and if necessary, administer penalties against individual persons and/or health care providers.

**Discretionary:** Yes

**Reason for Adjustment/Change:** Presently, MBES investigates approximately 4,000 intentional and unintentional cases annually. CHCQ receives an average of 3,950 intentional and unintentional cases annually. The projected backlog for 2020-21 consists of 7,036 intentional and unintentional breaches. With the current level of personnel dedicated to investigations, CHCQ is unable to address the annual cases and address the backlog. Intentional breach cases are incidents where a person knowingly accesses, uses or discloses a patient's medical information. Examples of intentional breach cases are hacking, theft, data breaches, etc. Unintentional breach cases are accidental in nature such as mis-mailings, faxing to an incorrect number, or discharge paperwork given to another patient. The projected backlog for 2020-21 consists of 7,036 intentional and unintentional breaches.

The breaches that SIs handle are more involved and severe in nature. These facility based investigations require collaboration with the Public Health Office of Legal Services (OLS) in pursuit of administrative penalties involving the gathering of documents, reviewing electronic medical records systems and safeguards, interviewing staff, reviewing hospital policy, requesting plans of corrections and preparing a report to justify the outcome. Investigations against individuals require a completely separate investigation and use a higher criminal standard to determine a violation. These investigations require CDPH to prove the intent of the individual and often requires CHCQ to track down individuals who worked with the perpetrator who may have left the facility or persons who are familiar with the individual. The age of these cases also poses a major hurdle to the MBES in substantiating breach allegations. It is much easier to gather important information on a breach that happened recently versus one that is aged. The speed and efficiency at which MBES conducts these investigations improves our ability to enforce the law, prevent violations, levy administrative penalties, request corrective action plans and ultimately curtail unauthorized access, use, or disclosures of patient medical information.

**Fiscal Impact (Range) and Fund Source(s):** CDPH/CHCQ requests 17 positions and \$2.6 million in 2021-22 and ongoing from Fund 3098 to expand the MBES, and to comply with existing regulations that require CDPH to investigate, and if necessary, administer penalties against individual persons and/or health care providers.

### **Budget Change Proposal – Skilled Nursing Facility Staffing Requirements Compliance (AB 81)**

**Background:** CDPH contracts with DHCS through an interagency agreement to audit SNFs staffing hour compliance for purposes of determining the Quality and Accountability Supplemental Payment System (QASP) payments or penalties. Current law authorizes CDPH to assess administrative penalties upon the determination that a SNF has not met statutorily mandated direct care service hours per patient per day. CDPH currently audits all freestanding SNFs annually. During the annual audits, CDPH audits 24 days of staffing data to ensure compliance with the direct care services hours



per patient day. Under current law a facility would not be issued a penalty for non-compliance but would lose eligibility for the QASP. QASP payment amounts change annually. For 2018-19, the total payout was \$75.6 million.

AB 81 makes changes to the SNF QASP administered by DHCS and CDPH. This bill grants appeal rights to SNFs that are non-compliant with staffing requirements for one day. This bill also increases the fines for SNFs that fail to meet staffing requirements. For SNF noncompliance of five to 49 percent of the audited days the fine increases from \$15,000 to \$25,000 and from \$30,000 to \$50,000 for facilities that fail to meet staffing requirements for over 49 percent of the audited days.

**Description of Change:** CDPH/CHCQ requests six positions and \$939,000 from Fund 3098 in 2021-22 and ongoing, to implement the provisions of Chapter 13, Statutes of 2020 AB 81, which affects the QASP for SNFs in California.

**Discretionary:** Yes

**Reason for Adjustment/Change:** Current statute does not include a right of appeal for facilities that are cited for one-day non-compliance. This bill extends the right to submit a request for appeal to a SNF whose determination of non-compliance did not result in a monetary penalty. This change will result in an increase of appeals from SNFs receiving “one day non-compliant” determinations since these facilities, although not fined, would be ineligible for QASP. As a result of this legislation’s authorization for SNFs receiving one day non-compliant staffing audits to appeal CDPH’s determination, CDPH anticipates that all such facilities will pursue appeal. This increase in appeals will require additional staff resources for CDPH’S Program and OLS to review, prepare, and provide the defense of CDPH’s determinations during DHCS-adjudicated hearings.

Existing law allows a SNF disputing a fine imposed for staffing audit determination or assessment to submit a request for appeal. In 2017-18, 92 percent of facilities were in compliance with staffing requirements. Only 44 SNFs were non-compliant for one day, 43 SNFs for two through 11 days, and two SNFs for 12 or more days.

CDPH’s OLS is responsible for reviewing the Statement of Disputed Issues (SODI) containing all arguments, witnesses and supporting documentation that the facility intends to introduce as evidence in the hearing. OLS also drafts the position statement (POS) including all Public Health arguments and evidence to refute the statement of disputed issues with 10 days of receipt of the SODI. OLS prepares and copies evidentiary documents, provides the appellate with the POS support documents and prepares any exhibits. OLS also drafts questions for witnesses and conducts face-to-face witness preparation. Appeals generally take an Attorney III an average of 60 hours to prep.

The Staffing Audits Section (SAS) is responsible for conducting on-site staffing audits as well as quality assurance review and ensuring all necessary documentation is collected and correct. To complete the anticipated increase in workload SAS will need two AGPAs and one Office Technician (OT). AGPAs will work as Quality Assurance

Auditors reviewing files, and verifying all documentation is included, complete and correct. The OTs are responsible for audit tracking, monitoring for returned plans of correction, recording incoming inquiries, assisting in document preparation and updating tracking logs.

Based on data trends, CDPH anticipates 106 one-day non-compliant findings to be issued on an ongoing basis. To complete the work associated with the one-day noncompliant appeals, OLS will need two Attorney IIIs, and one Senior Legal Analyst and SAS will need two AGPAs and one OT.

**Fiscal Impact (Range) and Fund Source(s)**: CDPH/CHCQ requests six positions and \$939,000 from Fund 3098 in 2021-22 and annually thereafter, to implement AB 81, which affects the QASP for SNFs in California.

### **Budget Change Proposal – Health Care and Essential Workers: Personal Protective Equipment (SB 275)**

**Background**: SB 275 requires CDPH and the Office of Emergency Services, in coordination with other state agencies, to, upon appropriation and as necessary, establish a Personal Protective Equipment (PPE) stockpile for healthcare workers and essential workers so they are protected during the next public health emergency. In addition, the Department of Industrial Relations (DIR) shall assess a civil penalty for health care employers that fail to maintain the specified stockpile requirements for 90-day health emergencies. The bill specifies instances where DIR may exempt a health care employer from civil penalties. This bill also creates the Personal Protective Equipment Advisory Committee which consists of individuals who represent multiple types of hospitals and health systems, SNFs, primary care clinics, physicians, health care workers, essential workers; a representative from the PPE manufacturing industry, consumer representative, a representative from an association who represents counties, and a representative from CDPH, Office of Emergency Services (OES), Emergency Medical Services Authority (EMSA), and California Department of Social Services (CDSS).

**Description of Change**: CDPH/CHCQ requests 0.5 Research Scientist Supervisor I and 0.5 Associate Governmental Program Analyst and \$164,000 in 2021-22 and ongoing thereafter from Fund 3098 for establishing regulations for a PPE stockpile to build an adequate future supply of PPE, as specified in the language of the bill, for all health care and essential workers in the state as mandated by SB 275.

**Discretionary**: Yes.

**Reason for Adjustment/Change**: With input and guidance from the Personal Protective Equipment Advisory Committee, CDPH will determine and continuously evaluate the various types of PPE that may be required during a pandemic or other disaster, the shelf life of each type of PPE, the quantity, geographical distribution, and guidance for the procurement, distribution, and management of the PPE.

Additionally, CDPH licenses and regulates health care facilities including hospitals, SNFs and intermediate care facilities. Each CDPH licensed facility has a greater need for PPE during a pandemic to protect vulnerable patients and healthcare workers. CDPH will need to work with DIR to determine the types and amount of PPE to be maintained by the provider based on the type and size of each provider, as well as the composition of health care workers in its workforce. CDPH will provide staff from the HAI program, as well as the Emergency Preparedness, or Policy and Enforcement Branch to consult, research and advise DIR, as it develops the regulations for PPE stockpiles. Guidance to determine the 90-day surge capacity for health care employers will be based on likelihood of infection, methods of spread and best practices for contagion mitigations.

**Fiscal Impact (Range) and Fund Source(s)**: CDPH/CHCQ requests 0.5 Research Scientist Supervisor I and 0.5 Associate Governmental Program Analyst and \$164,000 in 2021-22 ongoing thereafter from Fund 3098 for establishing regulations for a PPE stockpile to build an adequate future supply of PPE, as specified in the language of the bill, for all health care and essential workers in the state as mandated by SB 275.

**Discontinued Assumptions/Premises**

CHCQ has no discontinued assumptions/premises.

**V. Appendix A: Fiscal Summary****Fiscal Summary**Comparison of 2021-22 Governor's Budget to 2021-22 May Revision Estimate  
(\$ in thousands)

	2021-22 Governor's Budget	2021-22 May Revision Estimate	Request
<b>I. BUDGET ITEMS</b>			
<b>A. Headquarters</b>			
1. Headquarters	75,812	75,812	
<b>Headquarters Sub-total</b>	<b>\$75,812</b>	<b>\$75,812</b>	<b>\$0</b>
<b>B. Field Operations</b>			
1. Licensing & Certification (L&C)	155,866	155,866	
2. Los Angeles County (LAC)	105,643	105,643	
3. State Facilities Unit (SFU)	5,670	5,670	
<b>Field Operations Sub-total</b>	<b>\$267,179</b>	<b>\$267,179</b>	<b>\$0</b>
<b>C. Partial Year Adjustment</b>	39,832	42,305	2,473
<b>D. State Wide Cost Allocation Plan</b>	8,704	8,704	
<b>E. Grand Total</b>	<b>\$391,527</b>	<b>\$394,000</b>	<b>\$2,473</b>
<b>II. FUND SOURCES</b>			
<b>State Operations</b>			
<b>A. General Fund (0001)</b>	596	596	
<i>General Fund Transfer to State Department of Public Health Licensing and Certification Program Fund (Fund 3098)</i>	3,700	3,700	
<b>B. Federal Trust Fund (0890)</b>	101,522	103,995	2,473
<b>C. Special Deposit Fund (0942)</b>			
1. Internal Departmental Quality Improvement Account (IDQIA)	3,600	3,600	
2. State Citation Penalty Account	2,144	2,144	
3. Federal Citation Penalty Account	547	547	
<b>D. Reimbursement (0995)</b>	12,914	12,914	
<b>E. Internal Information Integrity Quality Improvement Account (3151)</b>			
<b>F. State Department of Public Health Licensing and Certification Program Fund (Fund 3098)</b>	260,833	260,833	
<i>Less transfer from the General Fund (0001)</i>	(3,700)	(3,700)	
<b>Local Assistance</b>			
<b>G. Special Deposit Fund (0942)</b>			
1. Federal Citation Penalty Account	9,326	9,326	
<b>H. State Department of Public Health Licensing and Certification Program Fund</b>	45	45	
<b>I. Grand Total</b>	<b>391,527</b>	<b>394,000</b>	<b>2,473</b>
<b>III. TOTAL CENTER POSITIONS</b>			
A. Headquarters	443.8	447.8	
B. Field Operations			
1. Supervisors	160.0	164.0	
2. Surveyors*	676.0	698.0	
3. Support	138.0	142.0	

California Department of Public Health

Center for Health Care Quality  
2021-22 May Revision Estimate

C. Public Health\*\*

7.5

13.5

D. Grand Total

1,425.3

1,465.3

**GRAND TOTAL POSITIONS**

1,425.3

1465.3\*\*\*

\*Surveyors include (HEFN, AGPA, SI, Consultants)

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

\*\*\* 40 positions were previously authorized from the 2020-21 licensing and certification workload BCP.

**VI. Appendix B: Position Summary**

Comparison of 2021-22 Governor's Budget to 2021-22 May Revision Estimate

	2021-22 Governor's Budget	2021-22 May Revision Estimate Workload Analysis	2021-22 Budget Change Proposals	Total 2021-22 May Revision Estimate	2021-22 May Revision Request
<b>TOTAL CENTER POSITIONS</b>	<b>1,425.3</b>	<b>1,465.3</b>		<b>1,465.3</b>	
<b>Headquarters</b>					
Center Office	20.0	20.0		20.0	
Healthcare Associated Infections Section (HAI)	17.0	17.0		17.0	
Policy & Enforcement Branch (PEB)	53.0	53.0		53.0	
Resource & Operations Management Branch (ROMB)	37.8	40.3		40.3	
Staffing Audit and Research Branch (STAAR)	58.0	59.5		59.5	
Professional Certification Branch (PCB)	120.0	120.0		120.0	
Centralized Applications Branch (CAB)	77.0	77.0		77.0	
Medical Breach Enforcement Section (MBES)	17.0	17.0		17.0	
Emergency Preparedness & Disaster Response (EPD)	11.0	11.0		11.0	
Staff Education and Quality Improvement Section (SEQIS)	33.0	33.0		33.0	
<b>Headquarters Total</b>	<b>443.8</b>	<b>447.8</b>		<b>447.8</b>	
<b>Field Operations</b>					
State Facilities Section					
Supervisor	11.0	11.0		11.0	
Surveyor	48.0	48.0		48.0	
Support	10.0	10.0		10.0	
Life Safety Code					
Supervisor	5.0	5.0		5.0	
Surveyor	20.0	20.0		20.0	
Support	5.0	5.0		5.0	
Field Office					
Supervisor	144.0	148.0		148.0	
Surveyor	608.0	630.0		630.0	
Support	123.0	127.0		127.0	
<b>Field Operations Total</b>	<b>974.0</b>	<b>1004.0</b>		<b>1004.0</b>	
<b>Public Health Staff</b>					
Administration	3.0	6.0		6.0	
Information Technology Services Division	4.5	7.5		7.5	
Office of Legal Services	0.0	0.0		0.0	
<b>Public Health Total</b>	<b>7.5</b>	<b>13.5</b>		<b>13.5</b>	
<b>Total Field Operations Surveyors*</b>	<b>676.0</b>	<b>698.0</b>		<b>698.0</b>	

\*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 =  $([\text{standard average hour} \times \text{activity count}] / \text{non-survey factor}) / 1,800 \text{ hours}$ .

Surveyor positions (for surveys):

- Surveyor =  $([\text{standard average hour} \times \text{facility count} \times \text{mandated frequency rate}] / \text{non-survey factor}) / 1,800 \text{ hours}$ .

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 July 2020 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 July 2020.

**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
  - Including outstanding pending initial licensure applications.
- Initial Licensure – Follow-up
- Complaint Investigations Facility-Reported Incident Investigations – State
- Field Visits
  - 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 Medi-Cal 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 surveys counts and the total hours spent for each survey activity to determine the standard average hours that it takes to accomplish specific workload. CHCQ is implementing Tempo, which is a new, upgraded timekeeping system that will aid in capturing this data.

**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, 2017, through June 30, 2020, 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, 2017, and June 30, 2020, 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, 2020.

**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, 2020.

**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, AGPAs, SIs, 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 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 CDPH Administration positions using a (1:10) ratio: one CDPH Administration position for every ten of the combined requested positions for field-based staff.
- CHCQ computes the allocation of the CDPH IT positions using a (1:10) ratio: one CDPH IT for every ten of the combined requested positions for field-based staff.
- 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 2020 grant.

### 15. Fund Sources:

- General Fund (0001)
- Federal Trust Fund (0890):
  - Title XVIII Long Term Care
  - Title XVIII Non-Long Term Care
  - Title XVIII Hospice Care
  - Title XIX Long Term Care
  - Title XIX Non-Long Term Care
- Special Deposit Fund (0942)
  - Internal Departmental Quality Improvement Account
  - SNF Minimum Staffing Penalty Account
  - State Health Facilities Citation Penalties Account
  - 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 2020-21 May Revision Estimate

There are no changes to Detailed Assumptions from the 2020-21 May Revision Estimate.

**VIII. Appendix D: Revenue and Transfer Summaries**

**2020-21 Revenue and Transfer Summaries**

FY 2020-21 \$ in thousands	FiSICAL Account Code	L&C Program Fund 3098	Special Deposit Fund 0942	Federal Fund 0890	Reimbursement 0995	General Fund 0001	Total	
<b>State Department of Public Health Licensing and Certification Program Fund 3098</b>								
Other Regulatory Licenses and Permits	4129400	\$200,611					\$200,611	
Other Regulatory Licenses and Permits (Los Angeles County Supplemental)	4129400	\$21,238					\$21,238	
Miscellaneous Services to the Public	4143500	\$6					\$6	
Income from Surplus Money Investments	4163000	\$712					\$712	
<b>Special Deposit Fund 0942</b>								
<b>Internal Departmental Quality Improvement Account</b>								
Fines & Penalties - External - Private Sector	4172220		\$4,489				\$4,489	
Income from Surplus Money Investments	4163000		\$471				\$471	
<b>Federal Health Facilities Citation Penalties Account</b>								
Fines & Penalties - External - Other	4172240		\$3,775				\$3,775	
Income from Surplus Money Investments	4163000		\$369				\$369	
<b>State Health Facilities Citation Penalties Account</b>								
Fines & Penalties - External - Private Sector	4172220		\$4,386				\$4,386	
Income from Surplus Money Investments	4163000		\$218				\$218	
<b>Skilled Nursing Facility Quality and Accountability</b>								
Fines & Penalties - External - Private Sector	4172220		\$549				\$549	
<b>Federal Fund 0890</b>								
Title 18 Long Term Care (LTC), Project No. 93777S	4400000			\$37,573			\$37,573	
Title 18 Non-long Term Care (NLTC), Project No. 31006S	4400000			\$8,273			\$8,273	
Title 18 Non-long Term Care (NLTC)-Hospice, Project No. 31070S	4400000			\$613			\$613	
Title 19 Long Term Care (LTC) Project No. 93779S	4400000			\$34,189			\$34,189	
Title 19 Non-Long term Care (NLTC), Project No. 93780S	4400000			\$6,654			\$6,654	
Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	4400000			\$3,787			\$3,787	
Unscheduled	4400000			\$12,906			\$12,906	
<b>Reimbursements 0995</b>								
Reimbursements 0995	4810000				\$9,510		\$9,510	
Unscheduled	4810000				\$2,624		\$2,624	
<b>General Fund 0001</b>								
General Fund Transfer State Facilities Section Allocation	6210000					\$3,700	\$3,700	
<b>Revenue Projection by Fund Totals</b>			<b>\$222,567</b>	<b>\$14,257</b>	<b>\$103,995</b>	<b>\$12,134</b>	<b>\$3,700</b>	<b>\$356,653</b>

**2021-22 Revenue and Transfer Summaries**

FY 2021-22 \$ in thousands	Fi\$CAL Account Code	L&C Program Fund 3098	Special Deposit Fund 0942	Federal Fund 0890	Reimbursement 0995	General Fund 0001	Total
<b>State Department of Public Health Licensing and Certification Program Fund 3098</b>							
Other Regulatory Licenses and Permits	4129400	\$215,663					\$215,663
Other Regulatory Licenses and Permits (Los Angeles County Supplemental)	4129400	\$41,879					\$41,879
Miscellaneous Services to the Public	4143500	\$6					\$6
Income from Surplus Money Investments	4163000	\$278					\$278
<b>Special Deposit Fund 0942</b>							
<b>Internal Departmental Quality Improvement Account</b>							
Fines & Penalties - External - Private Sector	4172220		\$3,367				\$3,367
Income from Surplus Money Investments	4163000		\$276				\$276
<b>Federal Health Facilities Citation Penalties Account</b>							
Fines & Penalties - External - Other	4172240		\$3,775				\$3,775
Income from Surplus Money Investments	4163000		\$228				\$228
<b>State Health Facilities Citation Penalties Account</b>							
Fines & Penalties - External - Private Sector	4172220		\$3,622				\$3,622
Income from Surplus Money Investments	4163000		\$140				\$140
<b>Skilled Nursing Facility Quality and Accountability</b>							
Fines & Penalties - External - Private Sector	4172220		\$549				\$549
<b>Federal Fund 0890</b>							
Title 18 Long Term Care (LTC), Project No. 93777S	4400000			\$39,452			\$39,452
Title 18 Non-long Term Care (NLTC), Project No. 31006S	4400000			\$8,687			\$8,687
Title 18 Non-long Term Care (NLTC)-Hospice, Project No. 31070S	4400000			\$644			\$644
Title 19 Long Term Care (LTC) Project No. 93779S	4400000			\$35,898			\$35,898
Title 19 Non-Long term Care (NLTC), Project No. 93780S	4400000			\$6,987			\$6,987
Unscheduled	4400000			\$12,328			\$12,328
<b>Reimbursements 0995</b>							
Reimbursements 0995	4810000				\$10,290		\$10,290
Unscheduled	4810000				\$2,624		\$2,624
<b>General Fund 0001</b>							
General Fund Transfer State Facilities Section Allocation	6210000					\$3,700	\$3,700
<b>Revenue Projection by Fund Totals</b>			<b>\$257,826</b>	<b>\$11,957</b>	<b>\$103,995</b>	<b>\$12,914</b>	<b>\$3,700</b>
							<b>\$390,392</b>

**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**

	2019-20	2020-21	2021-22
BEGINNING BALANCE	\$24,043,000	\$21,209,000	\$20,569,000
Prior year adjustments	-\$1,106,000	\$0	\$0
Adjusted Beginning Balance	\$22,937,000	\$21,209,000	\$20,569,000
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4129400 - Other Regulatory Licenses and Permits (125700)	\$199,182,000	\$221,849,000	\$263,332,000
4143500 - Miscellaneous Services to the Public (142500)	\$8,000	\$6,000	\$6,000
4163000 - Investment Income - Surplus Investments (150300)	\$839,000	\$278,000	\$278,000
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:	\$0	\$0	\$0
Total Revenues, Transfers, and Other Adjustments	\$200,029,000	\$222,133,000	\$263,616,000
Total Resources	\$222,966,000	\$243,342,000	\$284,185,000
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	\$1,924,000
4265 Department of Public Health (State Operations)	\$194,634,000	\$216,113,000	\$261,808,000
4265 Department of Public Health (Local Assistance)	\$43,000	\$45,000	\$45,000
8880 Financial Information System for CA (State Operations)	-\$13,000	\$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)	\$7,214,000	\$6,736,000	\$6,975,000
Total Expenditures and Expenditure Adjustments	\$205,457,000	\$226,473,000	\$273,931,000
Less Funding Provided by the General Fund	-\$3,700,000	-\$3,700,000	-\$3,700,000
Total Expenditures	\$201,757,000	\$222,773,000	\$270,231,000
FUND BALANCE	\$21,209,000	\$20,569,000	\$13,954,000

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

	2019-20	2020-21	2021-22
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**

	2019-20	2020-21	2021-22
BEGINNING BALANCE	\$21,282,000	\$23,642,000	\$23,685,000
Prior year adjustments	\$0	\$0	\$0
Adjusted Beginning Balance	\$21,282,000	\$23,642,000	\$23,685,000
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4172220 Fines and Penalties - External - Private Sector	4,489,000	3,367,000	3,367,000
4163000 Investment Income - Surplus Money Investment	471,000	276,000	276,000
Transfers and Other Adjustments:			
Total Revenues, Transfers, and Other Adjustments	\$4,960,000	\$3,643,000	\$3,643,000
Total Resources	\$26,242,000	\$27,285,000	\$27,328,000
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
4265 Department of Public Health (State Operations)	\$2,600,000	\$3,600,000	3,600,000
Total Expenditures and Expenditure Adjustments	\$2,600,000	\$3,600,000	\$3,600,000
FUND BALANCE	\$23,642,000	\$23,685,000	\$23,728,000



**4265 DEPARTMENT OF PUBLIC HEALTH  
FUND CONDITION STATEMENT****0942-248 Special Deposit Fund - Skilled Nursing Facility Minimum Staffing Penalty Account**

	2019-20	2020-21	2021-22
BEGINNING BALANCE	\$0	\$0	\$0
Prior year adjustments	\$0	\$0	\$0
Adjusted Beginning Balance	\$0	\$0	\$0
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4172220 Fines and Penalties - External - Private Sector	\$549,000	\$659,000	\$659,000
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)	-\$549,000	-\$659,000	-\$659,000
Total Revenues, Transfers, and Other Adjustments	\$0	\$0	\$0
Total Resources	\$0	\$0	\$0
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	\$0	\$0	\$0

**4265 DEPARTMENT OF PUBLIC HEALTH  
FUND CONDITION STATEMENT  
0942-601 Special Deposit Fund - State Health Facilities Citation Penalties Account**

	2019-20	2020-21	2021-22
BEGINNING BALANCE	\$10,657,000	\$9,932,000	\$9,342,000
Prior year adjustments	\$0	\$0	\$0
Adjusted Beginning Balance	\$10,657,000	\$9,932,000	\$9,342,000
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4172220 Fines and Penalties - External - Private Sector	4,386,000	3,622,000	3,622,000
4163000 Investment Income - Surplus Money Investment	218,000	140,000	140,000
Transfers and Other Adjustments:			
Total Revenues, Transfers, and Other Adjustments	\$4,604,000	\$3,762,000	\$3,762,000
Total Resources	\$15,261,000	\$13,694,000	\$13,104,000
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
4170 Department of Aging			
State Operations	\$111,000	\$114,000	\$122,000
Local Assistance	\$2,094,000	\$2,094,000	\$2,094,000
4265 Department of Public Health			
State Operations	\$3,124,000	\$2,144,000	\$2,144,000
Total Expenditures and Expenditure Adjustments	\$5,329,000	\$4,352,000	\$4,360,000
FUND BALANCE	\$9,932,000	\$9,342,000	\$8,744,000

**4265 DEPARTMENT OF PUBLIC HEALTH  
FUND CONDITION STATEMENT  
0942-605 Special Deposit Fund - Federal Health Facilities Citation Penalties Account**

	2019-20	2020-21	2021-22
BEGINNING BALANCE	\$17,282,000	\$16,091,000	\$10,221,000
Prior year adjustments	\$0	\$0	\$0
Adjusted Beginning Balance	\$17,282,000	\$16,091,000	\$10,221,000
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4172240 Fines and Penalties - External - Federal	3,775,000	3,775,000	3,775,000
4163000 Investment Income - Surplus Money Investment	369,000	228,000	228,000
Transfers and Other Adjustments:			
Total Revenues, Transfers, and Other Adjustments	\$4,144,000	\$4,003,000	\$4,003,000
Total Resources	\$21,426,000	\$20,094,000	\$14,224,000
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
4170 Department of Aging			
4265 Department of Public Health			
State Operations	\$547,000	\$547,000	\$547,000
Local Assistance	\$4,788,000	\$9,326,000	\$9,326,000
Total Expenditures and Expenditure Adjustments	\$5,335,000	\$9,873,000	\$9,873,000
FUND BALANCE	\$16,091,000	\$10,221,000	\$4,351,000