FAMILY HEALTH INFORMATION ONLY
May 2016
FISCAL YEARS 2015-16 & 2016-17

INTRODUCTION

The Family Health Local Assistance Estimate provides information and State-Only costs for California Children's Services, the Child Health and Disability Prevention program, the Genetically Handicapped Persons Program, and the Every Woman Counts Program. The Estimate also includes estimated expenditures for the Healthy Families Program Title XXI portion of California Children's Services. From January 2013 to November 2013, the Healthy Families Program transitioned to Medi-Cal's Optional Targeted Low Income Children's Program (OTLICP). Costs for children eligible for Medi-Cal, including the new OTLICP are included in the Medi-Cal Local Assistance Estimate.

The Family Health Local Assistance Estimate can be segregated into two main components for each program:

(1) the base and
(2) policy changes

The base estimate is the anticipated level of program expenditures assuming no changes in program direction. The base estimates are derived from a historical trend analysis of actual expenditure patterns. The policy changes are the estimated fiscal impacts of any program changes which are either anticipated to occur at some point in the future, have occurred so recently that they are not yet fully reflected in the historical data base, or are estimates of expenditures not included in the base estimate.

California Children's Services

The California Children's Services (CCS) program provides diagnostic and treatment services, medical case management, and physical and occupational therapy health care services to children under 21 years of age with CCS-eligible conditions (e.g., severe genetic diseases, chronic medical conditions, infectious diseases producing major sequelae, and traumatic injuries) from families unable to afford catastrophic health care costs. A child eligible for CCS must be a resident of California, have a CCS-eligible condition, and be in a family with an adjusted gross income of

$40,000 or less in the most recent tax year. Children in families with higher incomes may still be eligible for CCS if the estimated cost of care to the family in one year is expected to exceed 20% of the family's adjusted gross income.

Base funding for the state only CCS program services and case management is composed of 50% county funds (CF) and 50% State General Fund (GF). Services and case management for Medi-Cal eligible children are funded by a combined 50% match of GF and Title XIX federal

financial participation (FFP). Services and case management authorized for children who are enrolled in

Medi-Cal's OTLICP are funded by 65% federal Title XXI FFP and a combined 17.5% CF and 17.5% GF. Starting October 2015, Title XXI FFP increased to 88%, reducing the CF/GF split to 6% apiece. In addition to the funding streams above, CCS is also supported by a fixed level of Federal Title V Maternal and Child Health (MCH) funding. GF expenditures were reduced by federal funding by the Safety Net Care Pool (SNCP) under the Bridge to Reform (BTR) Demonstration. The BTR ends on October 31, 2015. At this time, the Department is not assuming the continuation of the SNCP Designated State Health Programs. SNCP final reconciliations will continue to be budgeted.

On January 1, 2013, the HFP ceased to enroll new subscribers and HFP subscribers began the transition into Medi-Cal's OTLICP through a phase-in methodology.

CCS benefit costs and administrative costs are budgeted on a cash basis.

Child Health and Disability Prevention

The Child Health and Disability Prevention (CHDP) program provides health screens (i.e., well child health assessments) and immunizations to Medi-Cal children under 21 years of age and non-Medi- Cal eligible children at or under 18 years of age whose family income is at or below 200% of the Federal Poverty Level (FPL).

Currently, the CHDP program is funded with a combination of State GF and Childhood Lead Poisoning Prevention (CLPP) funds.

Children from families with incomes at or below 200% of the FPL can pre-enroll in fee-for-service Medi-Cal under the presumptive eligibility for children provisions of the Medicaid program. This pre- enrollment will take place electronically over the Internet at CHDP provider offices at the time children receive health assessments. This process, known as the CHDP Gateway to Medi-Cal, will shift most CHDP costs to the Medi-Cal program. CHDP program funding will continue at a reduced level to cover services for children who are eligible for limited-scope Medi-Cal benefits.

The CHDP program is responsible for the screening component of the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) benefit of the Medi-Cal program. The health assessments, immunizations, and laboratory screening procedures for full scope Medi-Cal children are funded

SF/FF and for limited scope Medi-Cal children are 100% SF. These screening costs funded through Medi-Cal are identified in the Medi-Cal estimate as EPSDT.

Additionally, Medi-Cal provides only emergency and pregnancy related services to beneficiaries with emergency Medi-Cal. CHDP provides 100% state funded health assessments for these beneficiaries.

CHDP benefit costs and administrative costs are budgeted on a cash basis.

Genetically Handicapped Persons Program

The Genetically Handicapped Persons Program (GHPP) provides comprehensive health care coverage for persons with specified genetic diseases including: cystic fibrosis; hemophilia; sickle cell disease and thalassemia; chronic degenerative neurological diseases including Huntington's Disease, Friedreich's Ataxia, and Joseph's Disease; and metabolic diseases including phenylketonuria. GHPP also provides access to social support services that may help ameliorate the physical and psychological problems resulting from the client's health condition. To meet eligibility requirements, applicants must reside in California; have a qualifying genetic disease; and pay the annually assessed enrollment fee. GHPP clients with an adjusted gross income between 200% and 299% of the federal income guidelines pay an enrollment fee that is 1.5% of their adjusted gross income; clients/families at an income level of 300% or greater of federal income guidelines pay an enrollment fee equal to 3% of their adjusted gross income.

GHPP benefit and administrative costs are budgeted on a cash basis beginning in FY 2005-06.

Every Woman Counts Program

The Every Woman Counts (EWC) program provides free breast and cervical cancer screening and diagnostic services to uninsured and underinsured women with income at or below 200% of federal poverty level. Breast Cancer screening is available for women age 40 and older. Cervical Cancer screening is available for women age 21 and older.

EWC covered benefits and categories of service include office visits, screening, diagnostic mammograms, and diagnostic breast procedures, such as ultrasound, fine needle and core biopsy, pap test and HPV co-testing, colposcopy and other cervical cancer diagnostic procedures and case management.

Currently, the EWC program is funded with a combination of Cigarette and Tobacco Products Surtax Unallocated Fund, Breast Cancer Fund, Centers for Disease Control and Prevention National Breast and Cervical Cancer Early Detection Program Grant, and General Fund.

EWC benefit and administrative costs are budgeted on an accrual basis.

BASE ESTIMATES

Historical cost data are used to make the base budget projections using regression equations. The general functional form of the regression equations is:

CASES	=	f(TND, S.DUM, O.DUM)
EXPENDITURES	=	f(TND, S.DUM, O.DUM)
TREATMENT $	=	f(TND, S.DUM, O.DUM)
MTU $	=	f(TND, S.DUM, O.DUM)

Where:

TREATMENT $	=	Total quarterly net treatment expenditures for each county group.
MTU $	=	Total quarterly medical therapy unit expenditures for each county group.
TND	=	Linear trend variable.
S.DUM	=	Seasonally adjusting dummy variable.
O.DUM	=	Other dummy variables (as appropriate) to reflect exogenous shifts in the expenditure function (e.g. rate increases, price indices, etc.).

California Children's Services

A nine year data base of summary claim information on CCS treatment services and medical therapy unit expenditures is used to make the base budget projections using regression equations. Independent regressions are run on net treatment services expenditures (TREATMENT $) and medical therapy unit expenditures (MTU $). These expenditure categories are estimated separately for Alameda, Contra Costa, Fresno, Los Angeles, Monterey, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, Santa Clara, other independent counties, and all other dependent counties as separate groups.

Following the estimation of coefficients for these variables during the base period, the independent variables are extended into the projection period and multiplied by the appropriate coefficients. The quarterly values for each expenditure category are then added together to arrive at quarterly expenditure estimates and summed to annual totals by county.

The net cost/savings for each Policy Change item is applied to the base estimate, after adjustment for the estimated percentage of each item reflected in the base.

Child Health and Disability Prevention

The estimate for CHDP screening consists of a base projection using the latest five years of monthly data to forecast average monthly screens and cost per screen. Separate forecasts utilizing multiple regression analysis are made for both screens and cost per screen for the CHDP program.

The net cost/savings for each Policy Change item is applied to the base estimate, after adjustment for the estimated percentage of each item reflected in the base.

Genetically Handicapped Persons Program

The most recent five years of actual GHPP caseload and expenditure data are used to make the budget projections using regression equations. The data system for GHPP includes only summary caseload and expenditure data for the base period. Independent regressions are run on each diagnosis category identified as follows: Cystic Fibrosis; Hemophilia; Sickle Cell; Huntington's disease (includes Friedreich's Ataxia, and Joseph's Disease); and Metabolic Conditions.

Estimates for expenditures are based on a history of payment data which is projected into the budget year and a future year.

The net cost/savings for each Policy Change item is applied to the base estimate, after adjustment for the estimated percentage of each item reflected in the base.

Every Woman Counts Program

Every Woman Counts (EWC) estimates are based on an accrual basis due to the claims adjudication process that allows for payment of claims up to two years after the date of service. This accounts for late claims, resubmission of denied claims and provider appeals through the manual claims review process that may result in up to 100% reimbursement. The program uses previous years actual paid clinical claims cost data for estimate projections.

The net cost/savings for each Policy Change item is applied to the base estimate, after adjustment for the estimated percentage of each item reflected in the base.

INFORMATION ONLY:

CALIFORNIA CHILDREN'S SERVICES

1. CCS Redesign

To improve access to health care for the Children and Youth with Special Health Care Needs (CYSHCN) and to eliminate the fragmentation that exists in the current CSS health care delivery system, the department initiated a CCS Redesign project with stakeholder input.

To move incrementally toward a better integrated and coordinated system of care for CCS, the Department has developed a multi-year framework for a "Whole Child" model that builds on existing successful models and delivery systems. This balanced approach will assure maintenance of core CCS provider standards and network of pediatric specialty and subspecialty care providers, by implementing a gradual change in CCS service delivery with an extended phase-in and stringent readiness and monitoring requirements that will ensure continuity of care and continued access to high-quality specialty care. The "Whole Child" model provides an organized delivery system of care for comprehensive, coordinated services through enhanced partnerships among Medi-Cal managed care plans, children's hospitals, specialty care providers, and counties.

Starting in January 2017, subject to successful readiness review by the department, the first phase will incorporate CCS into the integrated care systems of most County-Organized Health Systems (COHS). COHS are county developed and operated Medi-Cal managed care plans with strong community ties. CCS is already integrated into three COHS in six counties, through the CCS "carve-in," so three of the COHS plans already have experience with key elements of this model. In addition the Health Plan of San Mateo has already implemented most elements of this model. With the "Whole-Child" model, the COHS health plans will provide and coordinate all primary and specialty care, similar to the Health Plan of San Mateo model. These plans will be required to demonstrate support from various stakeholders that may include the respective county CCS program, local providers and hospitals, and local families of children with CCS eligible conditions or local advocacy groups representing those families.

The "Whole-Child" model may also be implemented in up to four counties in the Two-Plan Medi-Cal managed care model. The extension of the "Whole Child" model to these counties will begin no earlier than July 2017, and will be subject to a successful readiness review by the Department.

2. Adrenoleukodystrophy (ALD) as a CCS Eligible Condition

AB 1559, statutes of 2014, requires that statewide newborn screening be expanded to include Adrenoleukodystrophy (ALD), "as soon as ALD is adopted by the federal Recommended Uniform Screening Panel (RUSP)." The Genetic Disease Screening

Program anticipates initiation of universal screening of all newborns for ALD beginning in July of 2016. Newborn screening for ALD will identify all children with the genetic disorder. Adrenal insufficiency occurs in 90 percent of males, with onset as early as 6 months of age. Nearly all female carriers develop symptoms in adulthood, so would not typically be age eligible for CCS but may be covered by Medi-Cal.

With universal screening for ALD, the protocols for the medical management of the condition can be expected to evolve quickly as more individuals with the condition are identified. It is likely medical management protocols will place greater emphasis on early monitoring, prevention, and timely diagnosis and treatment in response to the emergence of signs of disease progression. A broad array of services are expected to be used ranging from laboratory, physician, and inpatient services to occupational and physical therapy, durable medical equipment, and bone marrow/stem cell transplant. More case by case research is required to estimate correctly.

CHILD HEALTH AND DISABILITY PREVENTION

GENETICALLY HANDICAPPED PERSONS PROGRAM

1. GHPP Caseload Adjustments

Caseload counts have been adjusted due to the January 24, 2011, system conversion of the GHPP case management system which added the functionality to sync eligibility status with MEDS and accurately calculate active cases from the State Only and Medi-Cal GHPP funding categories. Corrections to program eligibility segments in MEDS were also implemented to reflect accurate historical GHPP eligibility. The additional decline in caseload beginning in March 2011 is due to an ongoing effort of annual caseload review and then closes cases that are delinquent in responding with their current financial status.

EVERY WOMAN COUNTS PROGRAM

1. Breast Cancer Awareness License Plates

Assembly Bill 49 (Buchanan, Chapter 351, Statute of 2014) adds Section 5156.7 to the Vehicle Code, thereby requiring the Department to apply to the Department of Motor Vehicles (DMV), to sponsor a breast cancer awareness license plate program.

The Department will be collecting applications and fees in FY 2015-16 and reimbursing DMV for the administrative start-up fees for implementing this license plate program. A minimum of 7,500 license plate applications and associated fees must be collected in 12 months. If the minimum number of applications is not met, the fees will either be refunded

or the collection date

will be extended for another 12 months. The Department does not anticipate fiscal impact in FY 2015-16 and FY 2016-17.

Revenue generated from the sales of the plates shall be deposited into the Breast Cancer Control Account in the Breast Cancer Fund. This is expected to occur in FY 2016-17 after DMV has recovered all administrative start-up fees.

DISCONTINUED POLICY CHANGES

Fully Incorporated Into Base Data/Ongoing

CCS

CHDP

GHPP

EWC

DISCONTINUED POLICY CHANGES

Time-Limited/No Longer Applicable

CCS

CHDP

GHPP

EWC

DISCONTINUED POLICY CHANGES

Withdrawn

CCS

CHDP

GHPP

EWC