

CLPP CASE MANAGEMENT SERVICES (Misc. Svcs.)

BASE POLICY CHANGE NUMBER: 20
IMPLEMENTATION DATE: 7/1997
ANALYST: Cheri Johnson
FISCAL REFERENCE NUMBER: 1083

	<u>FY 2005-06</u>	<u>FY 2006-07</u>
FULL YEAR COST - TOTAL FUNDS	\$1,000,000	\$1,000,000
- STATE FUNDS	\$0	\$0
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$1,000,000	\$1,000,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$1,000,000	\$1,000,000

DESCRIPTION

The Childhood Lead Poisoning Prevention (CLPP) Program provides case management services utilizing revenues collected from fees. The revenues are distributed to county governments which provide the case management services. Some of these services are provided to Medi-Cal eligibles. To the extent that local governments provide case management services to Medi-Cal eligibles, federal matching funds can be claimed.

This policy change reflects the Title XIX federal matching funds for Benefits costs involving case management activities under the State Plan.

TWO PLAN MODEL

BASE POLICY CHANGE NUMBER: 29
IMPLEMENTATION DATE: 7/2000
ANALYST: Shelley Stankeivicz
FISCAL REFERENCE NUMBER: 56

	FY 2005-06	FY 2006-07
FULL YEAR COST - TOTAL FUNDS	\$3,254,039,000	\$3,315,170,000
- STATE FUNDS	\$1,634,737,000	\$1,665,348,000
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$3,254,039,000	\$3,315,170,000
STATE FUNDS	\$1,634,737,000	\$1,665,348,000
FEDERAL FUNDS	\$1,619,302,000	\$1,649,822,000

DESCRIPTION

This policy change (PC) reflects the impact of the Two-Plan Model. Each designated county has two competing managed care plans which provide medically necessary services to Medi-Cal beneficiaries residing within the county.

	FY 2005-06		FY 2006-07	
	Eligible Months	Costs	Eligible Months	Costs
Alameda	1,297,131	\$181,977,000	1,302,966	\$186,240,000
Contra Costa	655,042	\$82,314,000	661,441	\$84,305,000
Fresno	2,015,216	\$231,603,000	2,029,583	\$235,361,000
Kern	1,371,936	\$157,823,000	1,414,117	\$164,661,000
Los Angeles	14,489,935	\$1,597,422,000	14,600,239	\$1,618,257,000
Riverside	1,818,797	\$193,019,000	1,838,063	\$197,131,000
San Bernardino	2,273,102	\$251,683,000	2,263,037	\$252,755,000
San Francisco	545,438	\$72,517,000	551,970	\$74,051,000
San Joaquin	988,208	\$112,845,000	1,009,152	\$116,311,000
Santa Clara	1,246,266	\$162,705,000	1,263,588	\$167,163,000
Stanislaus*	664,232	\$85,677,000	715,330	\$91,928,000
Tulare	1,033,856	\$117,227,000	1,046,888	\$120,007,000
Total Eligible Months	28,399,159	\$3,246,812,000	28,696,370	\$3,308,170,000

TWO PLAN MODEL
BASE POLICY CHANGE NUMBER: 29

	FY 2005-06	FY 2006-07
Two-Plan Model Costs	\$3,246,812,000	\$3,308,170,000
AIDS Reconciliation	<u>\$6,752,000</u>	<u>\$7,000,000</u>
Total Costs*	\$3,254,039,000	\$3,315,170,000

This policy change (PC) reflects ongoing and retroactive funding for Ortho IV, BCCTP, Nurse-to-Patient Ratio I & II, ICF/DD fee and the 3% COHS increases. Previously, those adjustments were shown in other PCs.

* Excludes eligibles and costs estimated for the Stanislaus commercial plan that began operations in August 2005.

COUNTY ORGANIZED HEALTH SYSTEMS

BASE POLICY CHANGE NUMBER: 30
IMPLEMENTATION DATE: 12/1987
ANALYST: Shelley Stankeivicz
FISCAL REFERENCE NUMBER: 57

	FY 2005-06	FY 2006-07
FULL YEAR COST - TOTAL FUNDS	\$1,562,533,000	\$1,567,297,000
- STATE FUNDS	\$782,768,000	\$785,065,500
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$1,562,533,000	\$1,567,297,000
STATE FUNDS	\$782,768,000	\$785,065,500
FEDERAL FUNDS	\$779,765,000	\$782,231,500

DESCRIPTION

This policy change reflects the impact of the County Organized Health Systems in eight counties.

This policy change ongoing and retroactive funding for Ortho IV, BCCTP, Nurse-to-Patient Ratio I & II, ICF/DD fee and the 3% COHS increases. Previously, those adjustments were shown in other policy changes.

FY 2005-06	CY Costs	CY Eligible Months
CalOPTIMA (Orange)	\$784,178,000	3,528,089
Monterey	\$137,034,000	646,047
Napa	\$40,491,000	125,314
San Mateo	\$130,229,000	582,886
Santa Barbara	\$154,617,000	646,125
Santa Cruz	\$84,546,000	354,931
Solano	\$142,982,000	613,934
Yolo	\$71,086,000	287,897
AIDS Payments (HPSM/SBHRA)	\$3,530,000	
Retroactive Adjustment	\$13,840,000	
Total	\$1,562,533,000	6,785,223

COUNTY ORGANIZED HEALTH SYSTEMS

BASE POLICY CHANGE NUMBER: 30

FY 2006-07	BY Costs	BY Eligible Months
CalOPTIMA (Orange)	\$793,947,000	3,549,372
Monterey	\$137,820,000	646,915
Napa	\$41,698,000	129,483
San Mateo	\$132,391,000	590,303
Santa Barbara	\$155,618,000	646,050
Santa Cruz	\$84,745,000	357,400
Solano	\$146,499,000	626,700
Yolo	\$70,819,000	288,825
AIDS Payments (HPSM/SBHRA)	\$3,760,000	
Total	\$1,567,297,000	6,835,048

This policy change (PC) reflects ongoing and retroactive funding for Ortho IV, BCCTP, Nurse-to-Patient Ratio I & II, ICF/DD fee and the 3% COHS increases. Previously, those adjustments were shown in other PCs.

GEOGRAPHIC MANAGED CARE

BASE POLICY CHANGE NUMBER: 31
IMPLEMENTATION DATE: 4/1994
ANALYST: Shelley Stankeivicz
FISCAL REFERENCE NUMBER: 58

	FY 2005-06	FY 2006-07
FULL YEAR COST - TOTAL FUNDS	\$470,567,000	\$478,342,000
- STATE FUNDS	\$236,230,500	\$240,123,500
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$470,567,000	\$478,342,000
STATE FUNDS	\$236,230,500	\$240,123,500
FEDERAL FUNDS	\$234,336,500	\$238,218,500

DESCRIPTION

Geographic Managed Care (GMC), as authorized by AB 336 (Chapter 95, Statutes of 1991), was implemented in Sacramento County on April 1, 1994. Enrollment will average 170,528 in FY 2005-06 and 174,481 in FY 2006-07.

A second GMC program was implemented in San Diego beginning in July 1998. Enrollment for this GMC will average 168,865 in FY 2005-06 and 168,570 in FY 2006-07.

Both GMCs require mandatory enrollments of AFDC PA/MN, MIC, Refugee, and Poverty Aid codes 47, 72, 7A, 8P, and 8R. Aid Codes that can voluntarily enroll are Family codes 03, 04, 40, 42, 45, 4A, 4C, 4F, 4G, 4K, 4M, 5K, 7J, Disabled codes 20, 24, 26, 28, 2E, 36, 60, 64, 66, 68, 6A, 6C, 6E, 6H, 6J, 6N, 6P, 6V, Aged codes 10, 14, 16, 18, 1E, 1H, Adult code 86, and BCCTP codes ON and OP.

	FY 2005-06	FY 2006-07
San Diego GMC Costs	\$231,488,000	\$236,289,000
Sacramento GMC Costs	\$239,079,000	\$242,053,000
Total	\$470,567,000	\$478,342,000

PACE (Other M/C)

BASE POLICY CHANGE NUMBER: 33
IMPLEMENTATION DATE: 7/1992
ANALYST: Shelley Stankeivicz
FISCAL REFERENCE NUMBER: 62

	FY 2005-06	FY 2006-07
FULL YEAR COST - TOTAL FUNDS	\$82,768,000	\$103,483,000
- STATE FUNDS	\$41,384,000	\$51,741,500
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$82,768,000	\$103,483,000
STATE FUNDS	\$41,384,000	\$51,741,500
FEDERAL FUNDS	\$41,384,000	\$51,741,500

DESCRIPTION

The Department has four contracts under the Program of All-Inclusive Care for the Elderly (PACE) for risk-based capitated life-time care for the frail elderly. The PACE program provides all medical, home and community-based and long-term care services (including adult day health care) to Medi-Cal and Medi-Cal/Medicare crossover beneficiaries who are certified by CDHS for skilled nursing facility or intermediate care facility level of care. A one-time retroactive payment is budgeted for FY 2005-06 for the *Orthopaedic Hospital Settlement* (Ortho). Another one-time retroactive payment is budgeted for FY 2005-06 for long term care (LTC) rate increases.

The rates used to calculate program costs reflect a reduction in drug costs due to implementation of the Medicare Part D program, beginning January 1, 2006.

(Dollars in Thousands)

	Annual Costs	
	FY 2005-06	FY 2006-07
On Lok Senior Health	\$41,569	\$48,803
Centers for Elders Independence	\$19,220	\$26,610
Sutter Senior Care	\$5,996	\$10,261
Alta Med Senior Buena Care	\$15,274	\$17,809
Ortho Retro Payment (7/01-6/04)	\$85	
LTC Retro Payment (7/01-6/04)	\$623	
Total	\$82,768	\$103,483

	Average Monthly Enrollment	
	FY 2005-06	FY 2006-07
On Lok Senior Health	847	950
Centers for Elders Independence	367	448
Sutter Senior Care	155	266
Alta Med Senior Buena Care	292	329
Total	1,661	1,993

SENIOR CARE ACTION NETWORK (Other M/C)

BASE POLICY CHANGE NUMBER: 34
IMPLEMENTATION DATE: 2/1985
ANALYST: Shelley Stankeivicz
FISCAL REFERENCE NUMBER: 61

	FY 2005-06	FY 2006-07
FULL YEAR COST - TOTAL FUNDS	\$80,412,000	\$154,648,000
- STATE FUNDS	\$40,206,000	\$77,324,000
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$80,412,000	\$154,648,000
STATE FUNDS	\$40,206,000	\$77,324,000
FEDERAL FUNDS	\$40,206,000	\$77,324,000

DESCRIPTION

The Senior Care Action Network (SCAN) project in Los Angeles, San Bernardino, and Riverside Counties provides limited term services on a capitated basis for Medicare/Medi-Cal crossovers who become certified for SNF and ICF level of care. This project provides medical, social, and case management services. Total enrollment is projected to be 5,325 in June 2006 and increase to 10,026 by June 2007.

These budgeted amounts reflect current rates, as well as a one-time retroactive payment for the *Orthopaedic Hospital* settlement and a one-time retroactive payment for annual rate changes not paid during the first three months of prior fiscal years. The current rates used to calculate program costs reflect a reduction in drug costs due to implementation of the Medicare Part D program, beginning on January 1, 2006.

Program costs show a substantial increase between FY 2005-06 and FY 2006-07. The increase can be directly attributed to anticipated increased numbers of enrollees due to various outreach programs instituted by the plans beginning in January 2006.

	FY 2005-06	FY 2006-07
Ongoing SCAN Cost	\$80,314,000	\$154,648,000
Ortho Retroactive Payment FYs 2001-02 through 2004-05	\$85,000	\$0
LTC Retroactive Payment FYs 2001-02 through 2004-05	\$13,000	\$0
Total	\$80,412,000	\$154,648,000

DENTAL MANAGED CARE (Other M/C)

BASE POLICY CHANGE NUMBER: 35
 IMPLEMENTATION DATE: 7/2004
 ANALYST: Beverly Yokoi
 FISCAL REFERENCE NUMBER: 1029

	FY 2005-06	FY 2006-07
FULL YEAR COST - TOTAL FUNDS	\$41,200,000	\$43,138,000
- STATE FUNDS	\$20,600,000	\$21,569,000
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$41,200,000	\$43,138,000
STATE FUNDS	\$20,600,000	\$21,569,000
FEDERAL FUNDS	\$20,600,000	\$21,569,000

DESCRIPTION

This policy change reflects the expenditures for Dental Managed Care. Dental managed care is comprised of dental costs related to Sacramento Geographic Managed Care, dental prepaid health plans in southern California, and the capitation rates for PACE and SCAN.

Assumptions:

1. GMC and PHP rates effective January 2006 were not available. The rates for the period January 2005 through December 2005 have been used for this estimate.
2. PACE/SCAN rates effective October 2005 were not available. The rates for the period October 2004 through September 2005 have been used for this estimate. The rates used are weighted based on the aggregate cost per plan and eligibles.

	Capitation Rate	Average Monthly Eligibles	Total Funds
FY 05-06			
GMC	\$9.07	168,865	\$18,379,000
PHP	\$9.07	203,369	\$23,135,000
PACE/SCAN	\$9.40	6,086	\$686,000
			\$41,200,000
FY 06-07			
GMC	\$9.07	168,570	\$18,347,000
PHP	\$9.07	215,086	\$23,410,000
PACE/SCAN	\$9.40	12,239	\$1,381,000
			\$43,138,000

PCCM-AIDS HEALTHCARE FOUNDATION (Other M/C)

BASE POLICY CHANGE NUMBER: 37
IMPLEMENTATION DATE: 5/1985
ANALYST: Shelley Stankeivicz
FISCAL REFERENCE NUMBER: 63

	FY 2005-06	FY 2006-07
FULL YEAR COST - TOTAL FUNDS	\$21,425,000	\$22,073,000
- STATE FUNDS	\$10,712,500	\$11,036,500
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$21,425,000	\$22,073,000
STATE FUNDS	\$10,712,500	\$11,036,500
FEDERAL FUNDS	\$10,712,500	\$11,036,500

DESCRIPTION

Primary care case management (PCCM) plan contractors participate in a program savings sharing agreement with the Department. Shared savings are expected to be produced by the PCCMs' effective case management of services for which the PCCM is not at risk. Sharing of these savings with the contractors in FY 2005-06 will be based on FY 2004-05 savings. FY 2006-07 sharing with contractors is based on savings realized in FY 2005-06, etc. Savings sharing is the State's terminology for what the Federal government refers to as incentive agreements. However, the methodology for calculating Savings Sharing/Incentive Distributions is the same.

The HIV/AIDS capitated case management project in Los Angeles became operational in April 1995 and is currently the only remaining traditional PCCM program. Enrollment is expected to reach 850 by June 2006 and 875 by June 2007.

	FY 2005-06	FY 2006-07
PCCM Capitation-HIV/AIDS	\$20,075,000	\$20,673,000
Savings Sharing-HIV/AIDS	1,350,000	1,400,000
Total	\$21,425,000	\$22,073,000

PHP

BASE POLICY CHANGE NUMBER: 41
IMPLEMENTATION DATE: 7/2002
ANALYST: Richard Hargraves
FISCAL REFERENCE NUMBER: 140

	<u>FY 2005-06</u>	<u>FY 2006-07</u>
FULL YEAR COST - TOTAL FUNDS	\$6,092,000	\$6,514,000
- STATE FUNDS	\$3,050,000	\$3,261,000
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$6,092,000	\$6,514,000
STATE FUNDS	\$3,050,000	\$3,261,000
FEDERAL FUNDS	\$3,042,000	\$3,253,000

DESCRIPTION

This Base Policy Change includes the PHP Base Estimate. Kaiser is the only remaining PHP and has contracts in Marin and Sonoma Counties. For FY 2005-06, the average monthly combined enrollment in Kaiser is estimated to be 1,767. For FY 2006-07, the average monthly combined enrollment is estimated to be 1,874. The costs below include adjustments for AIDS and retroactive changes.

	FY 2005-06	FY 2006-07
081- Kaiser Foundation Health Plan	\$ 1,870,000	\$ 1,911,000
087- Kaiser Foundation Health Plan	\$ 4,221,000	\$ 4,603,000
Total	\$ 6,092,000	\$ 6,514,000

FAMILY MOSAIC CAPITATED CASE MGMT. (Oth. M/C)

BASE POLICY CHANGE NUMBER: 42
IMPLEMENTATION DATE: 3/1993
ANALYST: Shelley Stankeivicz
FISCAL REFERENCE NUMBER: 66

	<u>FY 2005-06</u>	<u>FY 2006-07</u>
FULL YEAR COST - TOTAL FUNDS	\$3,093,000	\$3,445,000
- STATE FUNDS	\$1,546,500	\$1,722,500
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$3,093,000	\$3,445,000
STATE FUNDS	\$1,546,500	\$1,722,500
FEDERAL FUNDS	\$1,546,500	\$1,722,500

DESCRIPTION

The Family Mosaic Project, located in San Francisco, case manages emotionally disturbed children at risk for out of home placement. Implemented in June 1993, Family Mosaic has a projected enrollment of 144 in June 2006 and 165 in June 2007. The current rate for Family Mosaic is \$1,848.75 per member per month.

	<u>FY 2005-06</u>	<u>FY 2006-07</u>
Family Mosaic Project	\$3,093,000	\$3,445,000

PERSONAL CARE SERVICES (Misc. Svcs.)

BASE POLICY CHANGE NUMBER: 48
IMPLEMENTATION DATE: 4/1993
ANALYST: Julie Chan
FISCAL REFERENCE NUMBER: 22

	<u>FY 2005-06</u>	<u>FY 2006-07</u>
FULL YEAR COST - TOTAL FUNDS	\$1,846,055,000	\$1,860,455,000
- STATE FUNDS	\$0	\$0
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$1,846,055,000	\$1,860,455,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$1,846,055,000	\$1,860,455,000

DESCRIPTION

The California Department of Health Services provides Title XIX federal financial participation (FFP) to the California Department of Social Services (CDSS), via an Interagency Agreement (IA), for the In-Home Supportive Services Personal Care Services Program (IHSS PCSP) administered by CDSS.

AB 2779 (Chapter 329/1998) amended Welfare & Institutions Code Section 14132.95; and a state plan amendment (SPA) effective April 1, 1999, expanded IHSS PCSP benefits to medically needy aged, blind and disabled, and IHSS income eligibles. The Medi-Cal program includes PCS in its benefits.

Effective August 1, 2004, CMS revised its interpretation of PCSP to include protective supervision and domestic services.

Necessary CMIPS programming is still underway. Thus, the IHSS Plus Waiver and SPA services cannot be calculated separately at this time.

The estimates below were provided by CDSS. The FY 2005-06 cash estimate includes the restoration of \$302,192,000 FFP by the Legislature. FFP for the county cost of administering the PCSP is in the Other Administration section of the Estimate.

ACCRUAL BASIS	FY 2005-06 CDHS FFP	FY 2006-07 CDHS FFP	IA#
IHSS PCSP	\$1,570,101,000	\$1,654,044,000	03-75676
IHSS+ and SPA	\$108,273,000	\$113,601,000	04-35840
TOTAL	\$1,678,374,000	\$1,767,645,000	

PERSONAL CARE SERVICES (Misc. Svcs.)

BASE POLICY CHANGE NUMBER: 48

FY 2005-06 CASH BASIS	CDHS FFP	CDSS GF Match	County Match	IA#
IHSS PCSP	\$1,713,735,000	\$1,113,928,000	\$599,807,000	03-75676
IHSS+ and SPA	\$132,320,000	\$86,008,000	\$46,312,000	04-35840
TOTAL	\$1,846,055,000	\$1,199,936,000	\$646,119,000	

FY 2006-07 CASH BASIS	CDHS FFP	CDSS GF Match	County Match	IA#
IHSS PCSP	\$1,728,455,000	\$1,123,496,000	\$604,959,000	03-75676
IHSS+ and SPA	\$132,000,000	\$85,800,000	\$46,200,000	04-35840
TOTAL	\$1,860,455,000	\$1,209,296,000	\$651,159,000	

MEDICARE PMNTS.- BUY-IN PART A & B PREMIUMS

BASE POLICY CHANGE NUMBER: 49
IMPLEMENTATION DATE: 7/1988
ANALYST: Richard Hargraves
FISCAL REFERENCE NUMBER: 76

	FY 2005-06	FY 2006-07
FULL YEAR COST - TOTAL FUNDS	\$1,766,670,000	\$2,041,529,000
- STATE FUNDS	\$972,342,000	\$1,124,414,500
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$1,766,670,000	\$2,041,529,000
STATE FUNDS	\$972,342,000	\$1,124,414,500
FEDERAL FUNDS	\$794,328,000	\$917,114,500

DESCRIPTION

The Buy-In Base Estimate reflects expenditures for Part A and Part B premiums for Medi-Cal eligibles that are also eligible for Medicare coverage.

This policy change also includes adjustments due to reconciliations of state and federal data.

	Part A	Part B
FY 2005-06		
Eligibles	141,796	1,040,896
Rate 07/2005-12/2005	\$375.00	\$78.20
Rate 01/2006-06/2006	\$410.00	\$88.50
FY 2006-07		
Eligibles	147,532	1,093,780
Rate 07/2006-12/2006	\$410.00	\$88.50
Rate 01/2007-06/2007(est.)	\$448.00	\$100.20

MENTAL HEALTH SERVICES-CDMH

BASE POLICY CHANGE NUMBER: 50
IMPLEMENTATION DATE: 7/1997
ANALYST: Jenn Brooks
FISCAL REFERENCE NUMBER: 75

	FY 2005-06	FY 2006-07
FULL YEAR COST - TOTAL FUNDS	\$1,476,145,000	\$1,363,770,000
- STATE FUNDS	\$410,526,000	\$0
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$1,476,145,000	\$1,363,770,000
STATE FUNDS	\$410,526,000	\$0
FEDERAL FUNDS	\$1,065,619,000	\$1,363,770,000

DESCRIPTION

This policy change includes the estimated cost of specialty mental health services administered by the California Department of Mental Health (CDMH). The dollars in both the detail table below and the budgeted amounts are the cash amounts. This policy change budgets the FFP and CDHS-GF only.

(Dollars in Thousands)

CASH BASIS	2005-06		2006-07	
	TF	CDHS GF	TF	CDHS GF
EPSDT (1)	\$810,919	\$405,442	\$701,528	\$0
Outpatient	\$508,121	\$0	\$495,464	\$0
Inpatient-EDS	\$146,972	\$0	\$157,695	\$0
San Mateo Pharm/Lab	\$10,133	\$5,084	\$9,083	\$0
TOTAL:	\$1,476,145	\$410,526	\$1,363,770	\$0

1. County Funds (shown here in accrual) not included in the TF totals above: \$513,797,000 for CY, and \$511,914,000 for BY.
2. CDMH General Funds not included in the TF totals above: \$227,167,000 for CY, and \$581,969,000 for BY.
3. CY and BY estimates include savings from the EPSDT oversight and audit plan.
4. The 2005-06 EPSDT estimate includes \$71,685,000 FFP and \$67,672,000 CDHS GF for 2002-03 services that will be paid in 2005-06.
5. The outpatient estimate has been reduced by \$105,000,000. This amount is now budgeted in the CDMH Admin. Costs policy change under the quality assurance and county admin. line items.
6. Beginning in FY 2006-07, the GF for EPSDT and San Mateo Pharmacy/Lab will be reflected in the CDMH budget.

HOME & COMMUNITY BASED SVCS.-CDDS (Misc.)

BASE POLICY CHANGE NUMBER: 53
IMPLEMENTATION DATE: 7/1990
ANALYST: Betty Lai
FISCAL REFERENCE NUMBER: 23

	<u>FY 2005-06</u>	<u>FY 2006-07</u>
FULL YEAR COST - TOTAL FUNDS	\$670,396,000	\$713,149,000
- STATE FUNDS	\$0	\$0
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$670,396,000	\$713,149,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$670,396,000	\$713,149,000

DESCRIPTION

The California Department of Developmental Services (CDDS), under a federal Home and Community Based Services (HCBS) waiver, offers and arranges for non-State Plan Medicaid services via the Regional Center system. The HCBS waiver allows the State to offer these services as "medical assistance" to individuals who would otherwise require the level of care provided in a hospital, nursing facility (NF), or in an intermediate care facility for the developmentally disabled (ICF/DD).

The CDDS budget is on an accrual basis while the CDHS budget is on a cash basis. The following estimates have been provided by CDDS.

This policy change reflects FMAP changes.

<i>(Dollars in Thousands)</i>	2005-06 FFP	2006-07 FFP	Contract Number
ACCRUAL BASIS:			
Local Assistance	\$654,662	\$726,880	01-15834
CASH BASIS			
Local Assistance	\$670,396	\$713,149	01-15834

DENTAL SERVICES

BASE POLICY CHANGE NUMBER: 54
IMPLEMENTATION DATE: 7/1988
ANALYST: Beverly Yokoi
FISCAL REFERENCE NUMBER: 135

	FY 2005-06	FY 2006-07
FULL YEAR COST - TOTAL FUNDS	\$654,326,000	\$565,234,000
- STATE FUNDS	\$327,163,000	\$282,617,000
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$654,326,000	\$565,234,000
STATE FUNDS	\$327,163,000	\$282,617,000
FEDERAL FUNDS	\$327,163,000	\$282,617,000

DESCRIPTION

This policy change reflects expenditures for the Delta Dental base estimate. Delta Dental has an at risk contract to provide dental services to Medi-Cal beneficiaries at a prepaid capitated rate per eligible. These dental costs are for Fee-for-Service Medi-Cal beneficiaries and for Medi-Cal managed care enrollees whose medical health care plan does not include dental coverage. Dental costs for Managed Care beneficiaries whose health plan covers dental are shown in a separate base policy change.

		Average Monthly Eligibles	Total Funds		
FY 2005-06	Rate				
Regular	\$9.22*	5,749,460	\$636,120,000		
Refugees	\$51.24*	1,950	\$1,199,000		
Other FFS	Non-Capitated	449,096	\$17,007,000		
Total FFS			\$654,326,000		
				FY 05-06 Retro Rate Savings Adjustment*	With Retro Adjustment Total Funds
FY 2006-07					
Regular	\$8.52	5,789,098	\$591,877,000	(\$44,156,000)	\$547,721,000
Refugee	\$34.99	2,092	\$878,000	(\$349,000)	\$529,000
Other FFS	Non-Capitated	457,817	\$16,984,000		\$16,984,000
Total FFS			\$609,739,000	(\$44,505,000)	\$565,234,000

DENTAL SERVICES**BASE POLICY CHANGE NUMBER: 54**

*The new FY 2005-06 rates of \$8.52 for regular eligibles and \$34.99 for refugees are effective August 1, 2005. However, the retroactive change order will not be implemented until August 2006. Therefore, FY 2005-06 has been budgeted using the current contract rates for FY 2004-05. The retroactive FY 2005-06 savings will be repaid in FY 2006-07 and will reduce costs by \$44,505,000.

MEDICARE PAYMENTS - PART D PHASE-DOWN

BASE POLICY CHANGE NUMBER: 57
IMPLEMENTATION DATE: 1/2006
ANALYST: Karen Fairgrievies
FISCAL REFERENCE NUMBER: 1019

	FY 2005-06	FY 2006-07
FULL YEAR COST - TOTAL FUNDS	\$232,113,000	\$1,232,856,000
- STATE FUNDS	\$232,113,000	\$1,232,856,000
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$232,113,000	\$1,232,856,000
STATE FUNDS	\$232,113,000	\$1,232,856,000
FEDERAL FUNDS	\$0	\$0

DESCRIPTION

On January 1, 2006, Medicare's Part D benefit began. Part D provides a prescription drug benefit to all dual eligibles and other Medicare eligibles who enroll in Part D. Dual eligibles had received drug benefits through Medi-Cal.

To help pay for this benefit, the federal government requires the states to contribute part of their savings for no longer providing the drug benefit to dual eligibles. This is called the phased-down contribution or "clawback". Beginning in 2006, states are required to pay 90% of their savings. This percentage decreases by 1 2/3 % each year until it reaches 75%. The Medicare Modernization Act of 2003 (MMA) sets forth a formula to determine a state's "savings". The formula uses 2003 as a base year for states' dual eligible population drug expenditures and increases the average dual eligible drug costs by a growth factor to reach an average monthly clawback cost per dual eligible.

Assumptions:

1. Based on the per member per month (PMPM) calculation provided by CMS in February 2006 of \$89.02, the estimated average monthly clawback for 2006 for 1,006,000 average monthly dual eligibles is \$89,554,000.
2. The estimated cost increase in California's PMPM cost for calendar year 2007 is 7.08% for an estimated \$93.56 PMPM.
3. The estimated average monthly clawback for 2007 for 1,043,000 monthly average dual eligible count is \$97,580,000 for 2007.
4. The first clawback payment (January 2006) was to be due in February 2006. Due to CMS data complications with Part D, CMS was not able to provide an invoice and no payment was made.

MEDICARE PAYMENTS - PART D PHASE-DOWN

BASE POLICY CHANGE NUMBER: 57

5. The Department received invoices for January, February, and March in April 2006. The January and February invoices allow an 8-month payment option without incurring interest, with the first installment due May 25, 2006. The Department is planning on utilizing the 8-month payment option.

January 2006 =	\$83,105,500	
February 2006 =	\$85,032,700	
Total	<u>\$168,138,200</u>	/ 8 months = \$21,017,300
		Monthly payment May 2006 through December 2006

6. The March (accrual) invoice is due no later than May 25, 2006. Therefore, cash payments for the monthly invoices will have a two-month lag. The beneficiaries from March 2006 will be billed in April 2006 and payment is due May 2006. Future months will experience the same lag.
7. CMS can make adjustments for previous months for new Part D eligibles being identified. The Department is estimating that future adjustments will be made for January and February 2006. These adjustments are expected to occur in the April 2006 invoice.
8. The clawback is funded 100% by State General Fund.

FY 2005-06:

March & April 2006 payments	\$89,554,000 x 2 months =	\$179,108,000 GF
January & February 2006 Installments	\$21,017,300 x 2 months =	\$42,035,000 GF
January & February 2006 Retroactive Adjustment	\$5,485,000 x 2 months =	<u>\$10,970,000 GF</u>
		\$232,113,000 GF

FY 2006-07:

May - December 2006	\$89,554,000 x 8 months =	\$716,432,000 GF
January & February 2006 Installments	\$21,017,300 x 6 months =	\$126,104,000 GF
January - April 2007	\$97,580,000 x 4 months =	<u>\$390,320,000 GF</u>
		\$1,232,856,000 GF

DEVELOPMENTAL CENTERS/STATE OP SMALL FAC

BASE POLICY CHANGE NUMBER: 60
IMPLEMENTATION DATE: 7/1997
ANALYST: Betty Lai
FISCAL REFERENCE NUMBER: 77

	FY 2005-06	FY 2006-07
FULL YEAR COST - TOTAL FUNDS	\$353,182,000	\$303,869,000
- STATE FUNDS	\$0	\$0
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$353,182,000	\$303,869,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$353,182,000	\$303,869,000

DESCRIPTION

This Policy Change includes the estimated cost of the California Department of Developmental Services' (CDDS) Developmental Centers (DCs) and State Operated Small Facilities (SOSFs). There are 5 Developmental Centers and 2 SOSF.

The Budget Act of 2003 included the implementation of a quality assurance (QA) fee on the entire gross receipts of any intermediate care facility. This policy change also includes reimbursement for the federal share of the QA fee.

The CDDS budget is on an accrual basis, while the CDHS budget is on a cash basis. The following estimates have been provided by CDDS.

This policy change reflects FMAP changes.

<i>(Dollars in Thousands)</i>	2005-06	2006-07	Contract
	FFP	FFP	Number
ACCRUAL BASIS:			
Local Assistance (SOSF)	\$12,797	\$12,101	03-75282
Local Assistance (DC)	288,983	276,804	03-75283
Quality Assurance (QA) Fees	14,863	14,863	-
Total Accrual Basis	<u>\$316,643</u>	<u>\$303,768</u>	
CASH BASIS:			
Local Assistance	\$353,182	\$303,869	03-75282/83

TARGETED CASE MGMT. SVCS. - CDDS (Misc. Svcs.)

BASE POLICY CHANGE NUMBER: 63
 IMPLEMENTATION DATE: 7/1991
 ANALYST: Betty Lai
 FISCAL REFERENCE NUMBER: 26

	FY 2005-06	FY 2006-07
FULL YEAR COST - TOTAL FUNDS	\$127,530,000	\$125,507,000
- STATE FUNDS	\$0	\$0
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$127,530,000	\$125,507,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$127,530,000	\$125,507,000

DESCRIPTION

Federal financial participation (FFP) is paid to the California Department of Developmental Services (CDDS) for targeted case management services for Medi-Cal eligible clients served by the 21 CDDS Regional Centers.

The CDDS budget is on an accrual basis, while the CDHS budget is on a cash basis. The following estimates have been provided by CDDS.

This policy change reflects FMAP changes.

<i>(Dollars in Thousands)</i>	2005-06	2006-07	Contract
	FFP	FFP	Number
ACCRUAL BASIS:			
Local Assistance	\$125,504	\$125,508	03-75284
CASH BASIS:			
Local Assistance	\$127,530	\$125,507	03-75284

MEDI-CAL TCM PROGRAM (Misc. Svcs.)

BASE POLICY CHANGE NUMBER: 67
IMPLEMENTATION DATE: 6/1995
ANALYST: Jenn Brooks
FISCAL REFERENCE NUMBER: 27

	FY 2005-06	FY 2006-07
FULL YEAR COST - TOTAL FUNDS	\$85,000,000	\$56,000,000
- STATE FUNDS	\$0	\$0
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$85,000,000	\$56,000,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$85,000,000	\$56,000,000

DESCRIPTION

The Targeted Case Management (TCM) program assists Medi-Cal beneficiaries in accessing needed medical, social, educational, and other services. TCM services include needs assessment, individualized service plans, linkage and consultation, assistance with accessing services, crisis assistance planning, and periodic review. Through rates established in the annual cost reports, local governments claim FFP for these case management services. The existing target populations of Medi-Cal beneficiaries that can receive TCM services are public health, public guardian, linkages, outpatient, probation, and community.

SB 308 (Chapter 253, Statutes of 2003) redefines local governmental agencies to include Native American tribes, which will allow them to participate in TCM and MAA programs. With the augmentation of staff in July 2005, CDHS is in the process of implementing the provisions of this bill.

This policy change reflects FMAP changes.

Cash Basis	2005-06	2006-07
2004-05 Invoices	\$45,000,000	\$0
2005-06 Invoices	\$40,000,000	\$10,000,000
2006-07 Invoices	\$0	\$46,000,000
Total	\$85,000,000	\$56,000,000

MENTAL HEALTH-SHORT-DOYLE DRUG-CDADP

BASE POLICY CHANGE NUMBER: 68
IMPLEMENTATION DATE: 7/1997
ANALYST: Julie Chan
FISCAL REFERENCE NUMBER: 84

	<u>FY 2005-06</u>	<u>FY 2006-07</u>
FULL YEAR COST - TOTAL FUNDS	\$83,056,000	\$64,684,000
- STATE FUNDS	\$0	\$0
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$83,056,000	\$64,684,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$83,056,000	\$64,684,000

DESCRIPTION

This policy change includes the estimated cost of the federal Title XIX share of the Short-Doyle Drug/Medi-Cal Program.

The amounts below, provided by the California Department of Alcohol and Drug Programs, are the accrual budget estimates for FY 2005-06 and FY 2006-07:

(Dollars in Thousands)

	FY 2005-06	FY 2006-07	
FFP	\$56,967	\$63,789	Contract #
GF DADP	\$62,623	\$69,905	01-15938

Following is the cash budget estimate provided by the California Department of Alcohol and Drug Programs:

	FY 2005-06	FY 2006-07	
FFP	\$83,056	\$64,684	Contract #
GF DADP	\$49,045	\$74,387	01-15938

This policy change reflects the current FMAP.

EPSDT SCREENS

BASE POLICY CHANGE NUMBER: 69
IMPLEMENTATION DATE: 7/2001
ANALYST: Jeanne Rickelton
FISCAL REFERENCE NUMBER: 136

	FY 2005-06	FY 2006-07
FULL YEAR COST - TOTAL FUNDS	\$68,035,000	\$70,238,000
- STATE FUNDS	\$34,017,500	\$35,119,000
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$68,035,000	\$70,238,000
STATE FUNDS	\$34,017,500	\$35,119,000
FEDERAL FUNDS	\$34,017,500	\$35,119,000

DESCRIPTION

The CHDP program is responsible for the screening component of the Early Periodic Screening and Diagnostic Treatment (EPSDT) benefit of the Medi-Cal program. The health assessments, immunizations, and laboratory screening procedures for Medi-Cal children are funded 50 percent GF and 50 percent FFP. This policy change reflects screening costs for the EPSDT program.

Costs are based on the estimated number of screens and their average cost.

FY 2005-06

Screens 1,071,255 x \$63.51 = **\$68,035,000**

FY 2006-07

Screens 1,030,486 x \$68.16 = **\$70,238,000**

AUDIT SETTLEMENTS

BASE POLICY CHANGE NUMBER: 75
IMPLEMENTATION DATE: 7/2003
ANALYST: Jenn Brooks
FISCAL REFERENCE NUMBER: 110

	<u>FY 2005-06</u>	<u>FY 2006-07</u>
FULL YEAR COST - TOTAL FUNDS	\$23,853,000	\$0
- STATE FUNDS	\$23,853,000	\$0
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$23,853,000	\$0
STATE FUNDS	\$23,853,000	\$0
FEDERAL FUNDS	\$0	\$0

DESCRIPTION

This policy change includes funds for audit settlements with the federal government.

1. Federal audits A-09-02-00083 (private psychiatric hospitals) and A-09-02-00084 (state-operated psychiatric hospitals) concluded that FFP was incorrectly claimed for acute care services for Institutions for Mental Disease patients under 21 during the period of July 1, 1997 through January 31, 2001. FFP repayments for both audit are identified below.

Federal audit A-09-02-00083 (private psychiatric hospitals)
 TOTAL TO BE REPAID in CY: \$155,000

Federal audit A-09-02-00084 (state-operated psychiatric hospitals)
 TOTAL TO BE REPAID in CY: \$191,000

2. Deferral of FFP for costs incurred by the State for individuals that had been determined ineligible by LA County for the period of January through April 2004, but continued to show as Medi-Cal eligible by the State's eligibility system. Total of \$23,444,000 to be repaid. The deferral numbers are CA/2004/2/E/09/MAP and CA/2004/3/E/13/MAP.
 TOTAL TO BE REPAID IN CY: \$23,444,000
3. Disallowance of the Refugee Medical Assistance/Entrant Medical Assistance Case Monitoring (RMA/EMA) funds expended for refugees beyond their time eligibility.
 TOTAL TO BE REPAID IN CY: \$63,000

AUDIT SETTLEMENTS
BASE POLICY CHANGE NUMBER: 75

FFP to be Repaid in FY 2005-06

IMD Acute Care (Private Facility)	\$155,000
IMD Acute Care (State Facility)	\$191,000
LA County Eligibility	\$23,444,000
Refugees	\$63,000
Total	\$23,853,000

STATE HOSPITALS - CDMH

BASE POLICY CHANGE NUMBER: 76
 IMPLEMENTATION DATE: 7/2002
 ANALYST: Jenn Brooks
 FISCAL REFERENCE NUMBER: 87

	<u>FY 2005-06</u>	<u>FY 2006-07</u>
FULL YEAR COST - TOTAL FUNDS	\$19,000,000	\$9,500,000
- STATE FUNDS	\$9,500,000	\$0
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$19,000,000	\$9,500,000
STATE FUNDS	\$9,500,000	\$0
FEDERAL FUNDS	\$9,500,000	\$9,500,000

DESCRIPTION

This policy change includes the estimated Medi-Cal cost of the California Department of Mental Health's (CDMH) state hospitals. The following estimate has been provided by CDMH. As of FY 2006-07, CDHS will no longer budget GF for CDMH. It will be shown in the CDMH budget.

Contract #02-25868.

This policy change reflects FMAP changes.

	<u>FY 2005-06</u>		<u>FY 2006-07</u>	
	TF	GF	TF	GF
Accrual Basis	\$19,000,000	\$9,500,000	\$9,500,000	\$0
Cash Basis	\$19,000,000	\$9,500,000	\$9,500,000	\$0

L.A. COUNTY MEDICAID DEMO. PROJ. (Misc. Svcs.)

BASE POLICY CHANGE NUMBER: 77
 IMPLEMENTATION DATE: 5/1996
 ANALYST: Betty Lai
 FISCAL REFERENCE NUMBER: 79

	FY 2005-06	FY 2006-07
FULL YEAR COST - TOTAL FUNDS	\$18,607,000	\$0
- STATE FUNDS	\$0	\$0
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$18,607,000	\$0
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$18,607,000	\$0

DESCRIPTION

The Los Angeles County Medicaid Demonstration Project was a Medi-Cal waiver designed to address the fiscal crisis at the county level by helping to stabilize county health care systems and to foster a unique restructuring process that is responsive to the needs of local communities within the evolving health care environment. The waiver expired on June 30, 2005.

<i>(Dollars in Thousands)</i>	Indigent Care and Restructuring Pool	Los Angeles County Matching Funds
2001-02:	\$246,600,000	\$246,600,000
2002-03:	\$185,000,000	\$185,000,000
2003-04:	\$135,500,000	\$135,500,000
2004-05:	\$ 86,300,000	\$ 86,300,000

Federal funds will be needed in FY 2005-06. Since the Medi-Cal program is funded on a cash basis and Los Angeles County submits its payment after the end of the quarter, actual payments vary from the scheduled payments as listed below:

2005-06: scheduled 2005-06 amount	\$0
2005-06: 2004-05 costs claimed in 2005-06	\$18,607,000

WAIVER PERSONAL CARE SERVICES (Misc. Svcs.)

BASE POLICY CHANGE NUMBER: 82
 IMPLEMENTATION DATE: 4/2000
 ANALYST: Julie Chan
 FISCAL REFERENCE NUMBER: 32

	FY 2005-06	FY 2006-07
FULL YEAR COST - TOTAL FUNDS	\$11,223,000	\$12,702,000
- STATE FUNDS	\$5,611,500	\$6,351,000
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$11,223,000	\$12,702,000
STATE FUNDS	\$5,611,500	\$6,351,000
FEDERAL FUNDS	\$5,611,500	\$6,351,000

DESCRIPTION

AB 668 (Ch.896/1998) required Medi-Cal to add personal care services (PCS) to the Nursing Facility (NF) Waivers. This policy change reflects Waiver PCS provided through county In-Home Supportive Services programs to waiver beneficiaries, paid by interagency agreement with the California Department of Social Services (CDSS).

Assumptions:

1. NF A/B Waiver beneficiaries using Waiver PCS increased by an average of 10/mo. during FY 2004-05 and 6/mo. during Jul-Feb in FY 2005-06. The estimated increase/mo. is 7 in FY 2005-06 & FY 2006-07.
2. NF Subacute (SA) beneficiaries using Waiver PCS increased by an average of 4/mo. during FY 2004-05. The estimated increase/mo. is 4 in FY 2005-06 & FY 2006-07.
3. Hours/mo. per NF A/B and SA beneficiary fell thru FY 2003-04 & FY 2004-05. Based on a 1% drop in Jan-Jun 2005 vs. Jul-Dec 2004, hours/mo. are estimated to trend down by 1% every 6 mos. through FY 2006-07.

Average Number of Beneficiaries

NF A/B: 2005-06 avg/mo.: 372 2006-07 avg/mo.: 450
 NF SA: 2005-06 avg/mo.: 171 2006-07 avg/mo.: 219

Average Hours/Month Per Beneficiary

NF A/B: 2005-06 avg/mo.: 171 2006-07 avg/mo.: 168
 NF SA: 2005-06 avg/mo.: 306 2006-07 avg/mo.: 301

4. The average cost/hour is \$9.34.

WAIVER PERSONAL CARE SERVICES (Misc. Svcs.)

BASE POLICY CHANGE NUMBER: 82

ACCRUAL BASIS	FY 2005-06	Total	GF	FFP
NF A/B Waiver		\$7,115,000	\$3,558,000	\$3,558,000
NF SA Waiver		5,857,000	2,929,000	2,929,000
Total (Rounded)		<u>\$12,973,000</u>	<u>\$6,486,000</u>	<u>\$6,486,000</u>
	FY 2006-07			
NF A/B Waiver		\$8,437,000	\$4,219,000	\$4,219,000
NF SA Waiver		7,374,000	3,687,000	3,687,000
Total		<u>\$15,811,000</u>	<u>\$7,906,000</u>	<u>\$7,906,000</u>
CASH BASIS	FY 2005-06	\$11,223,000	\$5,611,500	\$5,611,500
	FY 2006-07	\$12,702,000	\$6,351,000	\$6,351,000

MEDICARE HMO PREMIUMS (Misc. Svcs.)

BASE POLICY CHANGE NUMBER: 87
IMPLEMENTATION DATE: 1/2001
ANALYST: Jenn Brooks
FISCAL REFERENCE NUMBER: 85

	<u>FY 2005-06</u>	<u>FY 2006-07</u>
FULL YEAR COST - TOTAL FUNDS	\$8,896,000	\$0
- STATE FUNDS	\$4,448,000	\$0
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$8,896,000	\$0
STATE FUNDS	\$4,448,000	\$0
FEDERAL FUNDS	\$4,448,000	\$0

DESCRIPTION

On January 1, 2001, the Medi-Cal program began paying a monthly premium to certain Health Maintenance Organizations that enrolled beneficiaries eligible for both the Medi-Cal and Medicare programs (dual eligibles). Premium payments are made to ensure beneficiaries will remain enrolled and that Medi-Cal will avoid paying the pharmacy costs for these individuals. The last month for these payments will be for December 2005 coverage, as the Medicare Part D drug coverage will go into effect in January 2006.

Assumption:

1. FY 2005-06 averaged 34,763 enrollees at \$51.18 per month.

34,763 eligs x \$51.18 premiums x 5 months = **\$8,895,852**
 (Payments in 7/05-11/05, coverage through 12/05)

HIPP PREMIUM PAYOUTS (Misc. Svcs.)

BASE POLICY CHANGE NUMBER: 91
IMPLEMENTATION DATE: 1/1993
ANALYST: Jenn Brooks
FISCAL REFERENCE NUMBER: 91

	<u>FY 2005-06</u>	<u>FY 2006-07</u>
FULL YEAR COST - TOTAL FUNDS	\$5,298,000	\$5,722,000
- STATE FUNDS	\$2,649,000	\$2,861,000
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$5,298,000	\$5,722,000
STATE FUNDS	\$2,649,000	\$2,861,000
FEDERAL FUNDS	\$2,649,000	\$2,861,000

DESCRIPTION

This policy change estimates the cost of the premium payouts for the Department's Health Insurance Premium Payment (HIPP) program. Savings for this program are in the base. Since premiums are paid outside of the regular Medi-Cal claims payment procedure, premium costs must be separately budgeted. Calculations are based on FY 2004-05 actual paid premiums plus an 8% yearly increase, which is the average growth of actual paid premiums.

Assumptions:

1. FY 2004-05 average monthly premium cost was \$408.
2. FY 2004-05 average monthly HIPP enrollment was 1,002.
3. FY 2004-05 actual expenditures were \$4,906,000.
4. Assume an 8% growth each year.

FY 2005-06: \$4,906,000 x 1.08 = **\$5,298,000**

FY 2006-07: \$5,298,000 x 1.08 = **\$5,722,000**

LAWSUITS/CLAIMS

BASE POLICY CHANGE NUMBER: 95
IMPLEMENTATION DATE: 7/1989
ANALYST: Betty Lai
FISCAL REFERENCE NUMBER: 93

	FY 2005-06	FY 2006-07
FULL YEAR COST - TOTAL FUNDS	\$5,165,000	\$1,865,000
- STATE FUNDS	\$2,582,500	\$932,500
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$5,165,000	\$1,865,000
STATE FUNDS	\$2,582,500	\$932,500
FEDERAL FUNDS	\$2,582,500	\$932,500

DESCRIPTION

This policy change reflects the cost of Medi-Cal lawsuit judgments, settlements, and attorney fees that are not shown in other policy changes.

	Committed 2005-06	Balance 2005-06	Budgeted 2005-06	Budgeted 2006-07
Attorney Fees <\$5,000	\$7,718	\$42,282	\$50,000 *	\$50,000 *
Provider Settlements <\$75,000	\$716,283	\$833,717	\$1,600,000 *	\$1,600,000 *
Beneficiary Settlements <\$ 2,000	\$0	\$15,000	\$15,000 *	\$15,000 *
Small Claims Court	\$592	\$199,408	\$200,000 *	\$200,000 *
Other Attorney Fees	\$1,252,654	N/A	\$1,253,000	\$0
Other Provider Settlements	\$2,046,706	N/A	\$2,047,000	\$0
Other Beneficiary Settlements	\$0	N/A	\$0	\$0
TOTALS			\$5,165,000 *	\$1,865,000 *

* Represents potential totals.

BASE RECOVERIES

BASE POLICY CHANGE NUMBER: 127
IMPLEMENTATION DATE: 7/1987
ANALYST: Beverly Yokoi
FISCAL REFERENCE NUMBER: 127

	FY 2005-06	FY 2006-07
FULL YEAR COST - TOTAL FUNDS	-\$253,066,000	-\$254,582,000
- STATE FUNDS	-\$128,077,000	-\$128,844,500
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	-\$253,066,000	-\$254,582,000
STATE FUNDS	-\$128,077,000	-\$128,844,500
FEDERAL FUNDS	-\$124,989,000	-\$125,737,500

DESCRIPTION

Budget Act Language allows all recoveries to be credited to the Health Care Deposit Fund and to be used to finance current obligations of the Medi-Cal program. Medi-Cal recoveries result from collections from estates, lawsuit settlements, providers, and other insurance to offset the cost of services provided to Medi-Cal beneficiaries in specified circumstances.

The General Fund ratio for collections is estimated to be 50.61% based on prior year actual collections.

	FY 2005-06	FY 2006-07
Estimated Base Recoveries:		
Personal Injury Collections	\$43,023,000	42,677,000
Workers' Comp. Contract	2,800,000	2,800,000
Health Insurance	26,268,000	25,308,000
H.I. Contingency Contract	35,000,000	35,000,000
General Collections	145,975,000	148,797,000
TOTAL	\$253,066,000	\$254,582,000