

SAWS

COUNTY ADMIN. POLICY CHANGE NUMBER: 1
 IMPLEMENTATION DATE: 7/1987
 ANALYST: Rocky Evans
 FISCAL REFERENCE NUMBER: 214

	FY 2007-08		FY 2008-09	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$67,399,000	\$0	\$69,108,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$67,399,000	\$0	\$69,108,000	\$0
STATE FUNDS	\$9,207,000	\$0	\$9,346,000	\$0
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$67,399,000	\$0	\$69,108,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$67,399,000	\$0	\$69,108,000	\$0
STATE FUNDS	\$9,207,000	\$0	\$9,346,000	\$0

DESCRIPTION

The Statewide Automated Welfare System (SAWS) is expected to improve the eligibility determination functions and reduce error rates. These functions include Automated Eligibility Determination (Intake and Continuing), Automated Benefit Computation (share of cost), Case Management and Management Information System (MIS).

This policy change reflects the Medi-Cal Federal and General Fund share of expenses for the Los Angeles Eligibility Automated Determination Evaluation and Reporting System (LEADER). The California Department of Social Services (CDSS) budgets the General Fund portion of Statewide Project Management (SPM), Interim Statewide Automated Welfare Systems (ISAWS), Welfare Client Data Systems (WCDS), California Child Support Automated System (CCSAS), Statewide Client Index, Consortia IV, and Temporary Aid to Needy Families (TANF) Re-authorization in their budget, so only the Federal Fund Portion (FFP) is reflected in this policy change.

The thirty-five counties currently using the ISAWS system to determine eligibility will migrate to the C-IV system. This system is newer and has many features not available in ISAWS. The system costs associated with this migration are budgeted through the California Department of Technology Services and the Department of Social Services. Only the federal funding for the Medi-Cal share of the system costs is included in the DHCS budget. The General Fund portion of the ISAWS Migration Project was eliminated by CDSS as part of the Governor's Budget proposal for FY 2008-09. Therefore, the matching federal fund portion in the DHCS budget has been eliminated for FY 2008-09 as well.

SAWS

COUNTY ADMIN. POLICY CHANGE NUMBER: 1

	FY 2007-08	FY 2008-09
LA County LEADER M&O	\$18,414,000 (\$9,207,000 GF)	\$18,691,000 (\$9,346,000 GF)
LEADER Replacement	\$632,000	\$476,000
SPM	\$1,887,000	\$1,994,000
ISAWS	\$9,567,000	\$9,989,000
ISAWS Migration	\$1,509,000	\$2,282,000
WCDS	\$20,921,000	\$21,109,000
CCSAS	\$432,000	\$269,000
Statewide Client Index	\$89,000	\$94,000
Consortia IV	\$12,733,000	\$13,777,000
TANF Re-authorization	\$1,215,000	\$427,000
TOTAL	\$67,399,000	\$69,108,000

DRA CITIZENSHIP VERIFICATION REQUIREMENTS

COUNTY ADMIN. POLICY CHANGE NUMBER: 2
 IMPLEMENTATION DATE: 8/2007
 ANALYST: Rocky Evans
 FISCAL REFERENCE NUMBER: 1193

	FY 2007-08		FY 2008-09	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$25,181,000	\$25,181,000	\$0	\$27,470,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$25,181,000	\$25,181,000	\$0	\$27,470,000
STATE FUNDS	\$12,590,500	\$12,590,500	\$0	\$13,735,000
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$25,181,000	\$25,181,000	\$0	\$27,470,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$25,181,000	\$25,181,000	\$0	\$27,470,000
STATE FUNDS	\$12,590,500	\$12,590,500	\$0	\$13,735,000

DESCRIPTION

Assembly Bill (AB) 1807 (Chapter 74, Statutes of 2006) implements a provision of the federal Deficit Reduction Act of 2005 (DRA) that requires evidence of citizenship and identity as a condition of Medicaid eligibility for individuals who are applying for or currently receiving Medi-Cal benefits and who declare that they are citizens of the United States (U.S.). Under this new provision, applicants are required to show proof of identity and citizenship at the time of application and are not to be determined eligible until the documentation is provided. Current beneficiaries are required to provide documentation at the time of their next annual redetermination. Parents can certify the identity of their children. Beneficiaries remain eligible for full-scope services as long as they are cooperative in obtaining the documentation. This provision does not apply to, or otherwise affect, people who are applying for or receiving Medi-Cal as immigrants, SSI/SSP recipients, foster children, Medicare beneficiaries, presumptive eligibles, or CalWORKs applicants or recipients.

Assumptions:

- It is assumed that counties implemented this requirement during FY 2007-08.
- BCCTP beneficiaries are included in the data match. Counties will verify citizenship and identity for BCCTP beneficiaries and forward the information to the Department.
- The outcome of a February 2007 automated data match between MEDS and State Birth Records provided the following information regarding those beneficiaries for whom verification is required:

1,157,585	Matched Beneficiaries
1,603,975	Unmatched Beneficiaries
2,761,560	Total beneficiaries to be verified
- Based on information from 7 counties with 63% of the caseload, assume 3% of the current impacted caseload will be redetermined each month: $2,761,560 \times 3\% = 82,847$ per month: 34,728 matched ($1,157,585 \times 3\%$) and 48,119 unmatched ($1,603,975 \times 3\%$).

DRA CITIZENSHIP VERIFICATION REQUIREMENTS**COUNTY ADMIN. POLICY CHANGE NUMBER: 2**

5. Based on historical data, assume that 3% of the current caseload will be new each month. There will be an average monthly 34,728 matched new cases and 48,119 unmatched new cases, totaling 82,847 new cases.
6. The average cost per hour for an Eligibility Worker (EW) is \$65.03 and for a clerk is \$26.73.
7. Assume that it will take an EW and Clerk 10 minutes each per matched beneficiary to verify information in the eligibility system, copy, and file the information in the case file: $\$15.29 = (\$65.03 + \$26.73) / 60 \times 10$.
8. Assume that some unmatched cases need assistance in obtaining original documentation to establish citizenship/national status. It is expected that 20% of the unmatched cases ($9,624 = 48,119 \times 20\%$) would involve a significant amount of time. Assume that it will take an EW and Clerk an average of 23.5 minutes each per unmatched beneficiary needing significant help to assist them in obtaining original documents that establish U.S. citizenship/national status or assist in completing the request to obtain documents, verify information in the eligibility system, file, copy, and return original documents that establish U.S. citizenship/national status via mail or in person: $\$35.94 = (\$65.03 + \$26.73) / 60 \times 23.5$. Assume the remaining 80% of the unmatched cases ($38,495 = 48,119 \times 80\%$) would require 10 minutes for both the EW and Clerk: $\$15.29 = (\$65.03 + \$26.73) / 60 \times 10$.
9. It is assumed that an EW and Clerk will take 12.5 minutes each to verify identification for adults, since the children will be certified by their parents; copy; and return original documents that verify identification via mail or in person: $\$19.12 = (\$65.03 + \$26.73) / 60 \times 12.5$.
10. Based on MEDS data for calendar year 2006, 52% of the total eligibles are adults and 48% of the eligibles are children.
11. It is assumed that the EW and Clerk would need to verify identification for 43,080 ($(34,728 + 48,119) \times 52\%$) adults.

ONE-TIME COUNTY ADMINISTRATIVE COSTS - REDETERMINATIONS

Document Citizenship for Matched Beneficiaries	34,728 X \$15.29 X 11 mos.	= \$5,841,000
Verify Citizenship for Unmatched Beneficiaries needing assistance	9,624 X \$35.94 X 11 mos.	= \$3,805,000
Verify Citizenship for Unmatched Beneficiaries with no assistance	38,495 X \$15.29 X 11 mos.	= \$6,474,000
Verify Identification for Beneficiaries	43,080 X \$19.12 X 11 mos.	= <u>\$9,061,000</u>
FY 2007-08 Costs		= \$25,181,000

ONGOING COUNTY ADMINISTRATIVE COSTS - INTAKES

FY 2007-08 Costs = \$25,181,000

ONGOING COUNTY ADMINISTRATIVE COSTS - INTAKES

Document Citizenship for Matched Beneficiaries	34,728 X \$15.29 X 12 mos.	= \$6,372,000
Verify Citizenship for Unmatched Beneficiaries needing assistance	9,624 X \$35.94 X 12 mos.	= \$4,151,000
Verify Citizenship for Unmatched Beneficiaries with no assistance	38,495 X \$15.29 X 12 mos.	= \$7,063,000
Verify Identification for Beneficiaries	43,080 X \$19.12 X 12 mos.	= <u>\$9,884,000</u>
FY 2008-09 Costs		= \$27,470,000

CalWORKs APPLICATIONS

COUNTY ADMIN. POLICY CHANGE NUMBER: 3
 IMPLEMENTATION DATE: 7/1998
 ANALYST: Rocky Evans
 FISCAL REFERENCE NUMBER: 217

	FY 2007-08		FY 2008-09	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$49,335,000	\$0	\$56,374,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$49,335,000	\$0	\$56,374,000
STATE FUNDS	\$0	\$24,667,500	\$0	\$28,187,000
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$49,335,000	\$0	\$56,374,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$49,335,000	\$0	\$56,374,000
STATE FUNDS	\$0	\$24,667,500	\$0	\$28,187,000

DESCRIPTION

The Legislature in 1998 directed the Department to share in the costs for CalWORKS applications with the California Department of Social Services (CDSS). CDSS has amended the claim forms and time study documents completed by the counties to allow CalWORKS application costs that are also necessary for Medi-Cal and Food Stamps eligibility to be shared between the three programs. Based on the claims of FY 2006-07, CDSS has identified current year costs of \$49,335,000 that can be considered Medi-Cal costs. Costs for FY 2008-09 are projected to be \$56,374,000. The TANF (federal) funds in the CDSS budget will be reduced by this amount.

ELIGIBLE GROWTH

COUNTY ADMIN. POLICY CHANGE NUMBER: 4
 IMPLEMENTATION DATE: 7/1992
 ANALYST: Rocky Evans
 FISCAL REFERENCE NUMBER: 216

	FY 2007-08		FY 2008-09	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$0	\$43,054,000	\$0	\$41,270,000
TOTAL FUNDS	\$0	\$43,054,000	\$0	\$41,270,000
STATE FUNDS	\$0	\$21,527,000	\$0	\$20,635,000
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$0	\$43,054,000	\$0	\$41,270,000
TOTAL FUNDS	\$0	\$43,054,000	\$0	\$41,270,000
STATE FUNDS	\$0	\$21,527,000	\$0	\$20,635,000

DESCRIPTION

The county administration base estimate does not include costs anticipated due to the growth in Medi-Cal eligibles. This item shows the cost impact of expected growth in the average number of monthly certified Medi-Cal Only eligibles. It presumes that counties will hire staff to process the new application and maintain the cases.

Eligible Growth Calculation:

1. There were 3,607,074 average monthly certified eligibles in FY 2005-06. Costs for these eligibles were included in the county administration base for FY 2007-08.
2. In FY 2006-07 there were an estimated 4,036,005 average monthly Med-Cal Only certified eligibles. Costs for these eligibles are included in the county administration base for FY 2008-09.
3. In FY 2007-08 there will be an estimated 4,105,957 average monthly eligibles (before adding the impact of policy changes).
4. In FY 2008-09 there will be an estimated 4,167,020 average monthly base eligibles (before adding the impact of policy changes).
5. The county administrative budgeted base for FY 2007-08 is \$1,228,097,635.
6. The county administrative budgeted base for FY 2008-09 is \$1,269,997,595.

ELIGIBLE GROWTH

COUNTY ADMIN. POLICY CHANGE NUMBER: 4

FY 2007-08 Growth Cost $\$1,228,097,635 / 3,967,074$ eligibles = \$310 average cost per eligible $4,105,957 - 3,967,074 = 138,883$ eligibles not funded in the base $138,883 \times \$310 = \mathbf{\$43,054,000}$ **FY 2008-09 Growth Cost** $\$1,269,997,595 / 4,036,005 = \315 average cost per eligible $4,167,020 - 4,036,005 = 131,015$ eligibles not funded in the base $131,015 \times \$315 = \mathbf{\$41,270,000}$

LOS ANGELES COUNTY HOSPITAL INTAKES

COUNTY ADMIN. POLICY CHANGE NUMBER: 5
 IMPLEMENTATION DATE: 7/1994
 ANALYST: Linette Kleinsasser
 FISCAL REFERENCE NUMBER: 213

	FY 2007-08		FY 2008-09	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$0	\$19,984,000	\$0	\$20,062,000
TOTAL FUNDS	\$0	\$19,984,000	\$0	\$20,062,000
STATE FUNDS	\$0	\$3,992,000	\$0	\$4,031,000
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$0	\$19,984,000	\$0	\$20,062,000
TOTAL FUNDS	\$0	\$19,984,000	\$0	\$20,062,000
STATE FUNDS	\$0	\$3,992,000	\$0	\$4,031,000

DESCRIPTION

Los Angeles County uses patient financial services workers (PFSWs) to process Medi-Cal applications taken in Los Angeles County hospitals. Welfare and Institutions Code Section 14154 limits the reimbursement amount for PFSW intakes to the amount paid to Los Angeles County Department of Social Services eligibility workers for regular Medi-Cal intakes.

PFSWs have been processing 2,579 intakes per month in current year and are projected to process 2,507 intakes per month in budget year. These intakes are reported separately to the Department and are not included in the base estimate. The average reimbursement rate for current year is \$258 and \$268 for budget year.

FY 2007-08: $2,579 \times \$258 \times 12 = \$7,984,000$ (\$3,992,000 GF)

FY 2008-09: $2,507 \times \$268 \times 12 = \$8,062,000$ (\$4,031,000 GF)

This policy change also reflects an estimated four calendar quarters of additional federal fund pass-through for each fiscal year in the amount of \$12,000,000.

Total cost for **FY 2007-08**: $\$7,984,000 + \$12,000,000 = \$19,984,000$

Total cost for **FY 2008-09**: $\$8,062,000 + \$12,000,000 = \$20,062,000$

SAVE

COUNTY ADMIN. POLICY CHANGE NUMBER: 6
 IMPLEMENTATION DATE: 10/1988
 ANALYST: Rocky Evans
 FISCAL REFERENCE NUMBER: 215

	FY 2007-08		FY 2008-09	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$8,244,000	\$0	\$8,244,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$8,244,000	\$0	\$8,244,000
STATE FUNDS	\$0	\$0	\$0	\$0
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$8,244,000	\$0	\$8,244,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$8,244,000	\$0	\$8,244,000
STATE FUNDS	\$0	\$0	\$0	\$0

DESCRIPTION

The Immigration Reform and Control Act (IRCA) of 1986 required states to use the Systematic Alien Verification for Entitlements (SAVE) system to verify alien status for Medi-Cal applicants beginning in October 1988. Costs associated with this system are funded with 100% federal funds. The counties time study eligibility worker and supervisor time spent on SAVE verifications.

PROCEDURAL:

Ongoing:

- The actual Medi-Cal costs for SAVE reported over the last five years by the counties were:

FY 2002-03	\$7,993,410
FY 2003-04	\$8,105,351
FY 2004-05	\$7,487,742
FY 2005-06	\$6,599,438
FY 2006-07	\$7,345,502

- Over the 20 quarters ending December 2007, an average of 17 county welfare departments have not claimed any costs. Based on claims through December 2007, and assuming that the same level of reporting will continue, it is estimated that the costs that can be charged as 100% federal funds will be:

FY 2007-08	\$8,244,000
FY 2008-09	\$8,244,000

REDETERMINATION FORM SIMPLIFICATION

COUNTY ADMIN. POLICY CHANGE NUMBER: 7
 IMPLEMENTATION DATE: 5/2006
 ANALYST: Rocky Evans
 FISCAL REFERENCE NUMBER: 1063

	FY 2007-08		FY 2008-09	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$0	\$4,518,000	\$0	\$4,518,000
TOTAL FUNDS	\$0	\$4,518,000	\$0	\$4,518,000
STATE FUNDS	\$0	\$2,259,000	\$0	\$2,259,000
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$0	\$4,518,000	\$0	\$4,518,000
TOTAL FUNDS	\$0	\$4,518,000	\$0	\$4,518,000
STATE FUNDS	\$0	\$2,259,000	\$0	\$2,259,000

DESCRIPTION

The Medi-Cal annual redetermination form (MC 210 RV) has been revised to make it more user friendly, shorter, and easier for beneficiaries to complete. As a result of the changes, more cases will remain eligible because more beneficiaries, who would have otherwise not completed the form and therefore would no longer be eligible, will now complete the annual redetermination process (RV) and maintain coverage.

CASELOAD:

Ongoing Costs:

- Using data input from 7 CWDs, with a combined statewide Medi-Cal caseload of 65.2%, assume that the percentage of RVs approved per month is 3% of the number of beneficiaries.
- Assume that the average Medi-Cal only monthly beneficiaries is 3,625,441, excluding those in long-term care aid codes. The monthly beneficiaries subject to RVs is:
 $3,625,441 \times 3\% = 108,769$
- Assume that 2% more of the beneficiaries will complete the RV.
 $108,769 \times 2\% = 2,175$
- Assuming that there is an average of 2.5 beneficiaries per case, the additional cases per month in the current year will number:
 $2,175 / 2.5 = 870$
- Assume that the average monthly cost of a continuing case is \$30.91.

REDETERMINATION FORM SIMPLIFICATION**COUNTY ADMIN. POLICY CHANGE NUMBER: 7**

6. The monthly cost of a continuing case will be:

$$870 \times \$30.91 = \$26,892$$

7. Assume that the use of the revised form will have its first impact on the number of cases in the month of May 2006.

2007-08 cost of benefits (rounded)

$$\$26,892 \times 14 \text{ months of growth} \times 12 = \quad \quad \quad \mathbf{\$4,518,000} \quad \mathbf{(\$2,259,000 \text{ GF})}$$

2008-09 cost of benefits (rounded)

$$\$26,892 \times 14 \text{ months of growth} \times 12 \text{ months} = \quad \quad \quad \mathbf{\$4,518,000} \quad \mathbf{(\$2,259,000 \text{ GF})}$$

FY 2008-09 COST OF DOING BUSINESS

COUNTY ADMIN. POLICY CHANGE NUMBER: 8
 IMPLEMENTATION DATE: 7/2008
 ANALYST: Rocky Evans
 FISCAL REFERENCE NUMBER: 1155

	FY 2007-08		FY 2008-09	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	\$0	\$64,598,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$0	\$0	\$64,598,000
STATE FUNDS	\$0	\$0	\$0	\$32,299,000
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$0	\$0	\$64,598,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$0	\$0	\$64,598,000
STATE FUNDS	\$0	\$0	\$0	\$32,299,000

DESCRIPTION

The Medi-Cal county cost control plan will be utilized in FY 2008-09 to cap allowable allocations for county salaries at the California Necessities Index (CNI) or state employee salary increases, whichever is greater. State employee contracts do not currently allow for increases in 2008-09. The January 2008 Department of Finance projection for the CNI in FY 2008-09 is 5.26%. The CNI percentage is applied to the FY 2007-08 base to estimate the budget year cost of doing business.

The Cost of Doing Business is determined by taking the identified base for FY 2007-08 (\$1,228,097,635) and multiplying that number by the CNI (5.26%) to determine the impact of the FY 2008-09 cost of doing business.

FY 2008-09 Cost of Doing Business

$\$1,228,097,635 \times 5.26\% = \$64,598,000$ (\$32,299,000 GF)

REDUCTION TO CNI-BASED COLA TO COUNTIES

COUNTY ADMIN. POLICY CHANGE NUMBER: 11
 IMPLEMENTATION DATE: 7/2008
 ANALYST: Rocky Evans
 FISCAL REFERENCE NUMBER: 1238

	FY 2007-08		FY 2008-09	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	-\$64,598,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$0	-\$64,598,000	\$0
STATE FUNDS	\$0	\$0	-\$32,299,000	\$0
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$0	-\$64,598,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$0	-\$64,598,000	\$0
STATE FUNDS	\$0	\$0	-\$32,299,000	\$0

DESCRIPTION

Effective July 1, 2008, the Department will eliminate the Cost of Living Allowance (COLA) for county staff to perform tasks as part of the Medi-Cal eligibility process. The COLA for FY 2008-09 is projected to be \$32,299,000 GF based on the January 2008 California Necessities Index (CNI) increase of 5.26%. For more information, see Appendix A, issue #25.

$\$1,228,097,000 \times 5.26\% = \$64,598,000$ (\$32,299,000 GF) Savings

REDUCTION TO COUNTY ADMIN. CASELOAD GROWTH

COUNTY ADMIN. POLICY CHANGE NUMBER: 12
 IMPLEMENTATION DATE: 7/2008
 ANALYST: Rocky Evans
 FISCAL REFERENCE NUMBER: 1239

	FY 2007-08		FY 2008-09	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	\$0	-\$41,270,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$0	\$0	-\$41,270,000
STATE FUNDS	\$0	\$0	\$0	-\$20,635,000
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$0	\$0	-\$41,270,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$0	\$0	-\$41,270,000
STATE FUNDS	\$0	\$0	\$0	-\$20,635,000

DESCRIPTION

Effective July 1, 2008, the Caseload/Eligible Growth for County Administration of the Medi-Cal program will not be funded in FY 2008-09. The savings is \$20,635,000 GF. The savings are based on expected statewide growth of 131,015 eligibles at a cost of \$315 per eligible. For more information, see Appendix A, issue #26.

FY 2008-09 Growth Costs:

131,015 x \$315 = **\$41,270,000 TF Savings**

\$42,055,815 / 2 = **\$20,635,000 GF Savings**

REDUCTION TO COUNTY ADMIN. BASE BY 3.67%

COUNTY ADMIN. POLICY CHANGE NUMBER: 13
 IMPLEMENTATION DATE: 7/2008
 ANALYST: Rocky Evans
 FISCAL REFERENCE NUMBER: 1240

	FY 2007-08		FY 2008-09	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	-\$46,608,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$0	-\$46,608,000	\$0
STATE FUNDS	\$0	\$0	-\$23,304,000	\$0
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$0	-\$46,608,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$0	-\$46,608,000	\$0
STATE FUNDS	\$0	\$0	-\$23,304,000	\$0

DESCRIPTION

Effective July 1, 2008, the Department will reduce the County Administration Base for FY 2008-09 by 3.67% for a savings of \$46.6 million TF (\$23.3 million in GF). For more information, see Appendix A, issue #27.

$\$1,269,998,000 \times 3.67\% = \$46,608,000$ TF ($\$23,304,000$ GF) Savings

MEDI-CAL DATA PRIVACY AND SECURITY AGREEMENTS

COUNTY ADMIN. POLICY CHANGE NUMBER: 15
 IMPLEMENTATION DATE: 7/2008
 ANALYST: Rocky Evans
 FISCAL REFERENCE NUMBER: 1290

	FY 2007-08		FY 2008-09	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	\$25,280,000	\$7,200,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$0	\$25,280,000	\$7,200,000
STATE FUNDS	\$0	\$0	\$12,640,000	\$3,600,000
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$0	\$25,280,000	\$7,200,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$0	\$25,280,000	\$7,200,000
STATE FUNDS	\$0	\$0	\$12,640,000	\$3,600,000

DESCRIPTION

As required by Section 1137 of the Social Security Act, the Department has entered into a Data Sharing agreement with the Social Security Administration (SSA). As part of this agreement, the Department was required to develop a Remediation Plan to address security and safeguarding of SSA data contained in the Medi-Cal Eligibility Data System (MEDS). The Remediation Plan, as approved by SSA, specified that the Department would enter into agreements with each of the counties to ensure the counties complied with security and safeguard measures required by the 1137 agreement. The Department is entering into agreements with each county social/human services department. The purpose of these agreements is to ensure the privacy and security of Medi-Cal personally identifiable information, and to fulfill the requirements of the remediation plan approved by SSA. The agreements would require counties to perform various activities, including protecting computer systems, employing physical security controls, safeguarding paper documents, and notifying the Department of any security breaches. The counties will need to be in substantial compliance with their agreement by no later than July 1, 2010. The Department is currently working to complete a final summary of the necessary activities to bring each county into compliance with the requirements. Counties were asked to project costs for implementation activities and purchases needed for FY 2008-09. Nineteen counties responded to the request for information. The assumptions used in the calculations for this policy change were based on these responses.

Assumptions:

1. It is assumed that counties will begin implementation activities in FY 2008-09.

MEDI-CAL DATA PRIVACY AND SECURITY AGREEMENTS

COUNTY ADMIN. POLICY CHANGE NUMBER: 15

2. Based on information from nineteen counties the Department determined projected costs for FY 2008-09, including one-time costs for purchase and installation of equipment, and ongoing costs for maintenance and operation of systems.
3. Counties were divided into two groups, the smallest counties in one group and the remaining counties in the second group, in order to determine an average cost for each group.
4. From the information submitted, an average cost of \$831,000 was developed for the medium and large-sized counties.
5. There are 38 medium and large-sized counties.
6. An average cost of \$45,100 was developed for the small counties.
7. There are 20 small counties.

Costs for Medium and Large Counties Statewide	$\$831,000 \times 38 = \$31,578,000$
Costs for Small Counties Statewide	$\$45,100 \times 20 = \$902,000$
Total Costs for all Counties Statewide	$\$31,578,000 + 902,000 = \mathbf{\$32,480,000}$

FY 2005-06 RECONCILIATION

COUNTY ADMIN. POLICY CHANGE NUMBER: 16
 IMPLEMENTATION DATE: 4/2008
 ANALYST: Linette Kleinsasser
 FISCAL REFERENCE NUMBER: 1191

	FY 2007-08		FY 2008-09	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	-\$16,354,000	\$0	\$0	\$0
TOTAL FUNDS	-\$16,354,000	\$0	\$0	\$0
STATE FUNDS	-\$8,177,000	\$0	\$0	\$0
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	-\$16,354,000	\$0	\$0	\$0
TOTAL FUNDS	-\$16,354,000	\$0	\$0	\$0
STATE FUNDS	-\$8,177,000	\$0	\$0	\$0

DESCRIPTION

Two years following the end of the fiscal year, county administration expenditures are reconciled to the county administration allocation for the applicable fiscal year. The county administration budget in FY 2005-06 was reconciled and resulted in the identification of \$16,354,000 (\$8,177,000 GF) in 2005-06 unspent county administration funds to be returned to the state during the current fiscal year.

FY 2005-06 Payments	\$1,190,346,000
FY 2005-06 Expenditures	<u>\$1,173,992,000</u>
Net Due to the State	\$16,354,000