

## MEDI-CAL ADMINISTRATIVE ACTIVITIES

OTHER ADMIN. POLICY CHANGE NUMBER: 1  
 IMPLEMENTATION DATE: 7/1992  
 ANALYST: Michael Yokeley  
 FISCAL REFERENCE NUMBER: 235

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$304,250,000	\$290,703,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$304,250,000	\$290,703,000

### DESCRIPTION

AB 2377 (Chapter 147, Statutes of 1994) authorized the State to implement the Medi-Cal Administrative Activities (MAA) claiming process. The Medi-Cal program will submit claims on behalf of local government agencies (LGA), which include counties and chartered cities, to obtain FFP for Medicaid administrative activities. These activities assist Medi-Cal eligible persons to learn about, enroll in, and access services of the Medi-Cal program

Section 105 of AB 2780 (Chapter 310, Statutes of 1998), allows local educational agencies (LEA), school districts and county offices of education, the option of claiming MAA through either their local education consortium (LEC), one of the State's eleven administrative districts, or through the LGA. Each year, the number of participating LGAs and LECs has increased.

The recent rulemaking (CMS-2287-F) from the federal Centers for Medicare and Medicaid Services (CMS) eliminates the School-Based MAA program. However, Congress placed a moratorium on this rule that prohibits CMS from enforcing the rulemaking until July 1, 2008 with a 60 day implementation period extending through to September 1, 2008. Schools will continue to submit MAA invoices for up to two years following the end of the moratorium for prior years' services.

SB 308 (Chapter 253, Statutes of 2003) redefined LGAs to include Native American Indian tribes. This allows these tribes to participate in MAA and Targeted Case Management programs. With the augmentation of staff in July 2005, the Department has requested Federal approval to implement this program. Once CMS approves this program, the Department will be able to retroactively reimburse the tribes and tribal organizations for the claimable MAA they have been conducting over the past two years. Funds for the potential claiming of Tribal MAA have been included in the estimate.

	FY 2007-08	FY 2008-09
Cash Basis		
Claims	\$304,250,000	\$290,703,000

## HEALTH CARE COVERAGE INITIATIVE - ADMIN COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 2  
 IMPLEMENTATION DATE: 3/2007  
 ANALYST: Karen Fairgrievies  
 FISCAL REFERENCE NUMBER: 1180

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$75,000,000	\$150,000,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$75,000,000	\$150,000,000

### DESCRIPTION

Under the Special Terms and Conditions of the Medi-Cal Hospital/Uninsured Care Demonstration, \$180 million per Demonstration Year 3 – 5 is available for implementing the Health Care Coverage Initiative (CI). SB 1448 requires that these funds be used for only health care services provided through the approved health care coverage programs.

In addition, CMS will provide uncapped federal funds to the CI counties at an amount equal to the regular FMAP (50%) for their administrative costs associated with the start-up, implementation, and closeout administration of their approved health care coverage programs incurred March 29, 2007 through August 31, 2010. While CMS approved the federal funding for the administrative activities, the Department is waiting for approval of the "Administrative Cost Claiming Protocol" submitted to CMS for approval of the administrative cost categories and claiming methodology for administrative costs related to the health care coverage programs. The Department will use the counties' CPEs of their CI administrative costs as the match for Federal Funds and will distribute these Federal Funds to the CI counties.

	<u>FFP</u>
<b>FY 2007-08</b>	<b>\$ 75,000,000</b>
<b>FY 2008-09</b>	<b>\$ 150,000,000</b>

## CCS CASE MANAGEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 3  
 IMPLEMENTATION DATE: 7/1999  
 ANALYST: Terry Childress  
 FISCAL REFERENCE NUMBER: 230

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$117,340,000	\$120,361,000
STATE FUNDS	\$48,244,500	\$49,505,500
FEDERAL FUNDS	\$69,095,500	\$70,855,500

### DESCRIPTION

The CCS case management budget is allocated to individual counties. Actual county administrative expenditures for FY 2006-07 were used as a base for estimating the current and budget years. Projected expenditures are based on estimated changes in the Medi-Cal caseload.

FY 2006-07 Actual Costs	\$115,242,000
FY 2007-08 Estimated Costs	\$115,841,000
FY 2008-09 Estimated Costs	\$118,610,000

County data processing costs associated with CMS Net are estimated to be \$1,499,000 in FY 2007-08 and \$1,751,000 FY 2008-09.

	FY 2007-08	FY 2008-09
CCS Case Management	\$115,841,000	\$118,610,000
CMS Net	\$1,499,000	\$1,751,000
<b>Total</b>	<b>\$117,340,000</b>	<b>\$120,361,000</b>

## EPSDT CASE MANAGEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 4  
 IMPLEMENTATION DATE: 7/1996  
 ANALYST: Jeanne Rickelton  
 FISCAL REFERENCE NUMBER: 229

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$37,464,000	\$37,464,000
STATE FUNDS	\$13,190,000	\$13,190,000
FEDERAL FUNDS	\$24,274,000	\$24,274,000

### DESCRIPTION

The EPSDT case management budget is allocated to individual counties and controlled on an accrual basis. The set allocation amount is \$37,464,000 (\$13,190,000 GF) and is based on a formula that was calculated by the CHDP program.

These funds match General Funds which are budgeted in Item 4260-111-001.

**POSTAGE & PRINTING**

OTHER ADMIN. POLICY CHANGE NUMBER: 5  
 IMPLEMENTATION DATE: 7/1993  
 ANALYST: Cheri Johnson  
 FISCAL REFERENCE NUMBER: 231

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$24,404,000	\$19,207,000
STATE FUNDS	\$11,682,850	\$9,286,550
FEDERAL FUNDS	\$12,721,150	\$9,920,450

**DESCRIPTION**

Postage and printing costs may be charged to local assistance for items sent to or used by Medi-Cal beneficiaries.

<b>FY 2007-08</b>	<u>Printing</u>	<u>Mailing</u>	<u>Total</u>
Mass Mailings	\$0	\$6,700,000	\$6,700,000
Eligibility:Appl.Design/Dev./Trans.	\$6,000,000	\$0	\$6,000,000
Distribution	\$0	\$2,000,000	\$2,000,000
Routine Forms	\$2,000,000	\$430,000	\$2,430,000
HF/MCC App.Revision	\$2,400,000	\$0	\$2,400,000 *
HF/MCC App.Distr.	\$0	\$1,750,000	\$1,750,000 *
Toll-Free Postage	\$13,000	\$1,162,000	\$1,175,000 *
Benefits	\$27,000	\$0	\$27,000
BCCTP	\$20,000	\$12,000	\$32,000
HIPAA:Privacy Notices-Medi-Cal	\$400,000	\$1,200,000	\$1,600,000 #
FPACT	\$150,000	\$100,000	\$250,000 #
BCCTP	\$30,000	\$10,000	\$40,000 #
<b>TOTAL</b>	<u>\$11,040,000</u>	<u>\$13,364,000</u>	<u>\$24,404,000</u>

<b>FY 2008-09</b>			
Mass Mailings	\$0	\$6,300,000	\$6,300,000
Eligibility:Appl.Design/Dev./Trans.	\$2,000,000	\$0	\$2,000,000
Distribution	\$0	\$500,000	\$500,000
Routine Forms	\$2,000,000	\$430,000	\$2,430,000
HF/MCC App.Revision	\$1,200,000	\$0	\$1,200,000 *
HF/MCC App.Distr.	\$0	\$875,000	\$875,000 *
Toll-Free Postage	\$13,000	\$1,162,000	\$1,175,000 *
Benefits	\$27,000	\$0	\$27,000
BCCTP	\$3,000	\$7,000	\$10,000
HIPAA:Privacy Notices-Medi-Cal	\$400,000	\$1,200,000	\$1,600,000 #
FPACT	\$150,000	\$100,000	\$250,000 #
Language Change	\$1,100,000	\$1,700,000	\$2,800,000 #
BCCTP	\$30,000	\$10,000	\$40,000 #
<b>TOTAL</b>	<u>\$6,923,000</u>	<u>\$12,284,000</u>	<u>\$19,207,000</u>

**POSTAGE & PRINTING****OTHER ADMIN. POLICY CHANGE NUMBER: 5**

\*65% budgeted in Title XXI.

FY07-08: 4260-113-0001 (\$1,211,350) + 4260-113-0890 (\$2,249,650) = \$3,461,000.

FY08-09: 4260-113-0001 (\$739,550) + 4260-113-0890 (\$1,373,450) = \$2,113,000.

#HIPAA costs.

FY07-08: 4260-117-0001 (\$945,000) + 4260-117-0890 (\$945,000) = \$1,890,000.

FY08-09: 4260-117-0001 (\$2,345,000) + 4260-117-0890 (\$2,345,000) = \$4,690,000.

**MIS/DSS CONTRACT**

OTHER ADMIN. POLICY CHANGE NUMBER: 6  
 IMPLEMENTATION DATE: 7/2002  
 ANALYST: Michael Yokeley  
 FISCAL REFERENCE NUMBER: 252

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$19,277,000	\$8,557,000
STATE FUNDS	\$3,319,850	\$2,139,250
FEDERAL FUNDS	\$15,957,150	\$6,417,750

**DESCRIPTION**

The Management Information System/Decision Support System (MIS/DSS) gathers data from provider, financial, eligibility and managed care/fee-for-service encounters and claims data into an integrated, knowledge-based system that is used by staff in various CDHS units, including the Medi-Cal Managed Care Division in its monitoring of Health Plan performance and Audits and Investigations in its anti-fraud efforts.

The MIS/DSS contract with Medstat expired on January 17, 2007. The new contractor, Bull Services, Inc., was expected to start work on the Next Generation MIS/DIS in June 2006. Because of a protest by Medstat, the new MIS/DSS contract was not executed until February 15, 2007. Bull Services, Inc. will have six months from April 1, 2007 to design, develop, and install a new system. This six month period is Phase 1 of the system development.

The new contract term is for four years, with three one-year extensions. The winning bid for the seven year contract was for \$79,613,600. Bull Services, Inc. elected not to receive progress payments in FY 2006-07. FY 2007-08 expenditures represent one-time and ongoing operations costs associated with system design, development, and implementation.

On December 19, 2006 CMS approved the Next Generation MIS/DSS Implementation Advanced planning Document, including the enhanced funding for this project at 90% FFP for new development and 75% FFP for all other system costs.

	<b>Total</b>	<b>FY 2007-08 GF</b>	<b>FFP</b>
New MIS/DSS Contract			
One-time development	\$9,996,000	\$999,600	\$8,996,400
Ongoing operations	\$9,281,000	\$2,320,250	\$6,960,750
<b>Total</b>	<b>\$19,277,000</b>	<b>\$3,319,850</b>	<b>\$15,957,150</b>

**MIS/DSS CONTRACT**

OTHER ADMIN. POLICY CHANGE NUMBER: 6

	<u>Total</u>	<u>FY 2008-09 GF</u>	<u>FFP</u>
New MIS/DSS Contract			
Ongoing operations	\$8,557,000	\$2,139,250	\$6,417,750
<b>Total</b>	<b>\$8,557,000</b>	<b>\$2,139,250</b>	<b>\$6,417,750</b>

## CHILDREN'S OUTREACH INITIATIVE

OTHER ADMIN. POLICY CHANGE NUMBER: 7  
 IMPLEMENTATION DATE: 7/2007  
 ANALYST: Cheri Johnson  
 FISCAL REFERENCE NUMBER: 1061

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$7,188,000	\$0
STATE FUNDS	\$3,102,450	\$0
FEDERAL FUNDS	\$4,085,550	\$0

### DESCRIPTION

The Budget Act of 2007, as signed, eliminated funding for the Children's Outreach Initiative for FY 2007-08. However, claims for services provided by the counties in FY 2006-07 are allowed to be paid in FY 2007-08. Those costs are included below.

#### Outreach Expenditures (cash basis):

	FY 2007-08
FY 2006-07 Medi-Cal	\$3,911,000 (\$1,956,000 GF)
FY 2006-07 HFP*	\$3,277,000 (\$1,147,000 GF)
<b>Total</b>	<b>\$7,188,000 (\$3,103,000 GF)</b>

\*HFP is a Title XXI program with enhanced FFP of 65.00%.  
 These costs are budgeted in 4260-113-0001/0890.

**POSTAGE AND PRINTING - THIRD PARTY LIAB.**

OTHER ADMIN. POLICY CHANGE NUMBER: 8  
 IMPLEMENTATION DATE: 7/1996  
 ANALYST: Michael Yokeley  
 FISCAL REFERENCE NUMBER: 240

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$2,300,000	\$2,380,000
STATE FUNDS	\$1,150,000	\$1,190,000
FEDERAL FUNDS	\$1,150,000	\$1,190,000

**DESCRIPTION**

The Third Party Liability Branch uses direct mail and specialized reports to identify Medi-Cal beneficiaries with private health insurance, determine the legal liabilities of third parties to pay for services furnished by Medi-Cal, and insure that Medi-Cal is the payor of last resort. The number of forms/questionnaires printed and mailed and report information received correlates to the Medi-Cal caseload.

	<u>FY 2007-08</u>	<u>Postage</u>	<u>Printing</u>	<u>Total</u>
Other Health Coverage		\$332,300	\$121,000	\$453,300
Personal Injury		\$336,400	\$54,000	\$390,400
Estate Recovery		\$706,400	\$200,000	\$906,400
Medicare Operations		\$211,000	\$63,000	\$274,000
Analysis and Implementation		\$3,100	\$8,400	\$11,500
Cost Avoidance		\$84,300	\$157,500	\$241,800
*AB 155 Invoices		\$18,100	\$4,500	\$22,600
<b>Total</b>		<b>\$1,691,600</b>	<b>\$608,400</b>	<b>\$2,300,000</b>
	<u>FY 2008-09</u>	<u>Postage</u>	<u>Printing</u>	<u>Total</u>
Other Health Coverage		\$376,200	\$141,600	\$517,800
Personal Injury		\$343,200	\$54,000	\$397,200
Estate Recovery		\$720,600	\$200,000	\$920,600
Medicare Operations		\$215,000	\$63,000	\$278,000
Cost Avoidance		\$86,000	\$157,500	\$243,500
*AB 155 Invoices		\$18,400	\$4,500	\$22,900
<b>Total</b>		<b>\$1,759,400</b>	<b>\$620,600</b>	<b>\$2,380,000</b>

\*AB 155 (Chapter 820/1999) invoices for premiums for the 250% Working Disabled Program.

## MEDS REPLACEMENT CONTRACTOR

**OTHER ADMIN. POLICY CHANGE NUMBER:** 9  
**IMPLEMENTATION DATE:** 10/2008  
**ANALYST:** Michael Yokeley  
**FISCAL REFERENCE NUMBER:** 1179

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$0	\$2,200,000
STATE FUNDS	\$0	\$550,000
FEDERAL FUNDS	\$0	\$1,650,000

### DESCRIPTION

MEDS is the eligibility system used for tracking and maintaining eligibility for the various programs within Medi-Cal. This system has changed considerably over the past 30 years to incorporate new business and legislative requirements and, as a result, MEDS is extremely complex, difficult to maintain, and nearing the end of its useful life cycle. MEDS is a mission critical system that must assure timely and accurate eligibility information for Medi-Cal beneficiaries. Given the business critical nature of MEDS, a detailed assessment was completed by a specialty vendor that recommends modernization of MEDS.

The Department will now contract with vendors to help analyze the existing functionality of the system and help develop detailed business requirements as deliverables to be provided as input for future RFP and FSR development efforts. The contract is expected to be for 24 months, beginning in June 2008, and payments are expected to begin in October 2008.

## SSA COSTS FOR HEALTH COVERAGE INFO.

OTHER ADMIN. POLICY CHANGE NUMBER: 10  
 IMPLEMENTATION DATE: 1/1989  
 ANALYST: Michael Yokeley  
 FISCAL REFERENCE NUMBER: 237

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$1,000,000	\$1,000,000
STATE FUNDS	\$500,000	\$500,000
FEDERAL FUNDS	\$500,000	\$500,000

### DESCRIPTION

The Social Security Administration (SSA) obtains information about health coverage and assignment of rights to medical coverage from SSI/SSP recipients. The Department uses the information to defer medical costs to other payors. SSA bills the Department quarterly for this activity.

<b>Cash Basis</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>
SSA Total Funds	<b>\$1,000,000</b>	<b>\$1,000,000</b>
General Funds	<b>\$500,000</b>	<b>\$500,000</b>

## MIS/DSS INTERIM OPERATIONS

OTHER ADMIN. POLICY CHANGE NUMBER: 11  
 IMPLEMENTATION DATE: 7/2006  
 ANALYST: Michael Yokeley  
 FISCAL REFERENCE NUMBER: 1128

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$1,103,000	\$237,000
STATE FUNDS	\$275,750	\$59,250
FEDERAL FUNDS	\$827,250	\$177,750

### DESCRIPTION

The MIS/DSS contract with Medstat expired on January 17, 2007. The new contractor, Bull Services, Inc., was expected to start work on the Next Generation MIS/DSS in June 2006. Because of a protest by Medstat, the new MIS/DSS contract was not executed until February 15, 2007. Bull Services, Inc. will have six months from April 1, 2007 to design, develop, and install a new system. This six month period is Phase I of system development.

To ensure the availability of the critical data in the MIS/DSS database in the interim, the Department hired California Multiple Award Schedule (CMAS) contractors to provide limited access to MIS/DSS data and reports. The temporary updating of the existing database will be completed by CMAS contractors until the new MIS/DSS database is fully available. The interim database will stay in place and be used for Phase I and Phase II User Acceptance Testing benchmarks and comparisons. Completion of Phase II UAT is scheduled for March 2008. This interim operation will only provide status quo operations, and will not implement any of the improvements identified in the DOF-required Independent Assessment of the MIS/DSS (August 2004); nor will this interim operation provide training, Episode Grouping software, Help Desk, or analytical consulting functions.

CASH BASIS	FY 2007-08		
	Total	GF	FFP
Interim Operations (CMAS)	\$1,103,000	\$275,750	\$827,250

  

	FY 2008-09		
	Total	GF	FFP
Interim Operations (CMAS)	\$237,000	\$59,250	\$177,750

**PART D – BENEFICIARY OUTREACH**

OTHER ADMIN. POLICY CHANGE NUMBER: 12  
 IMPLEMENTATION DATE: 7/2005  
 ANALYST: Connie Florez  
 FISCAL REFERENCE NUMBER: 1041

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$477,000	\$700,000
STATE FUNDS	\$238,500	\$350,000
FEDERAL FUNDS	\$238,500	\$350,000

**DESCRIPTION**

The Department distributed two flyers to applicable individuals in FY 2006-07 related to Medicare Part D drug coverage. One flyer notified full-benefit dual eligibles that their Medicare Part D drugs may be covered by the Emergency Drug Benefit if all the appropriate steps have been taken to bill Medicare and Medicare does not pay. The second flyer notified individuals who were automatically eligible for the Part D Low-Income Subsidy (LIS) in 2006 that they would not be automatically eligible for the LIS in 2007, and to remind them to contact the Social Security Administration to apply for the LIS individually.

The Department expects to distribute three flyers in FY 2007-08 and FY 2008-09 to full-scope dual eligibles to notify them of CMS changes to Part D and the LIS.

	<u>TF</u>	<u>GF</u>
<b>FY 2007-08</b>	<b>\$ 477,158</b>	<b>\$ 238,500</b>
<b>FY 2008-09</b>	<b>\$ 700,000</b>	<b>\$ 350,500</b>

## SPD EDUCATION AND OUTREACH

OTHER ADMIN. POLICY CHANGE NUMBER: 13  
 IMPLEMENTATION DATE: 6/2007  
 ANALYST: Shelley Stankeivicz  
 FISCAL REFERENCE NUMBER: 1081

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$1,040,000	\$500,000
STATE FUNDS	\$520,000	\$250,000
FEDERAL FUNDS	\$520,000	\$250,000

### DESCRIPTION

The Budget Act of 2006 includes funding to target barriers to enrollment of seniors and persons with disabilities (SPDs) into managed care. The budget includes funding for the Department to enter into an interagency agreement for education and outreach activities to increase the voluntary enrollment of Medi-Cal SPDs in all managed care counties.

Focused resources, a variety of information in alternative and more effective formats, and an increase in application assistors, with an emphasis on outreach efforts within the community, are expected to increase awareness and voluntary enrollments into managed care.

These activities will be performed through an IA with UC Berkeley using both state support and local assistance funds. The total cost of the local assistance funding of the interagency agreement is estimated to be \$2,040,000 (\$1,020,000 GF), to be paid over the course of FY 2007-08 through FY 2009-10 as follows:

	<u>Expenditures</u>
FY 2007-08	\$1,040,000
FY 2008-09	\$500,000
FY 2009-10	\$500,000
Total	\$2,040,000

**L.A. COUNTY MEDICAID DEMONSTRATION PROJ.**

OTHER ADMIN. POLICY CHANGE NUMBER: 14  
 IMPLEMENTATION DATE: 7/2008  
 ANALYST: Connie Florez  
 FISCAL REFERENCE NUMBER: 238

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$0	\$161,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$0	\$161,000

**DESCRIPTION**

The Los Angeles County Medicaid Demonstration Project was 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. This policy change provides federal funds for eligible county administrative activities specific to the waiver.

The waiver, which originally was approved for the period of July 1995 through June 2000, was extended by the federal government (Centers for Medicare and Medicaid Services (CMS)) for five years and expired on June 30, 2005. The Medi-Cal program is funded on a cash basis and Los Angeles County has submitted its quarterly administration expense claims after the end of the quarters. Close-out activities, including payment of administrative claims and audits, that are required at the end of the project will be finalized in FY 2008-09.

	<u>Federal Funds</u>	<u>Los Angeles County Matching Funds</u>
FY 2007-08:	\$0	\$0
FY 2008-09:	\$161,000	\$161,000

## SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES

OTHER ADMIN. POLICY CHANGE NUMBER: 15  
 IMPLEMENTATION DATE: 7/2002  
 ANALYST: Shelley Stankeivicz  
 FISCAL REFERENCE NUMBER: 258

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$950,000	\$950,000
STATE FUNDS	\$950,000	\$950,000
FEDERAL FUNDS	\$0	\$0

### DESCRIPTION

The County of San Diego provides administrative services for the San Diego Geographic Managed Care program. These administrative activities include the health care options presentations, explaining the enrollment and disenrollment process, customer assistance and problem resolution. For these services, the county bills Medi-Cal for staff and other reimbursable items including postage, printing, data center access, travel, etc.

The contract with San Diego was renewed effective July 1, 2005. The projected annual cost is \$950,000 GF.

San Diego Contract #99-86026, FY 2007-08 and FY 2008-09.

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
Administrative Activities	\$950,000	\$950,000

## PART D - ELIGIBILITY SYSTEMS CHANGE

OTHER ADMIN. POLICY CHANGE NUMBER: 16  
 IMPLEMENTATION DATE: 7/2004  
 ANALYST: Karen Fairgrievies  
 FISCAL REFERENCE NUMBER: 264

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$631,000	\$0
STATE FUNDS	\$91,750	\$0
FEDERAL FUNDS	\$539,250	\$0

### DESCRIPTION

The Department entered into contracts for eligibility systems changes, Medicare Part D required data files, paid claims files, and phase-down validation necessary to implement Medicare Part D, as required by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. Medi-Cal processing needed to be modified to ensure proper identification, tracking, and reporting of the recipient population to be covered by Medicare Part D. Due to additional CMS requirement changes, the Department entered into additional contracts for enhanced documentation and procedures for MEDS and its subsystems.

System modifications continue to be made to several systems including the Medi-Cal Eligibility Data System (MEDS), Fiscal Intermediary Access to Medi-Cal Eligibility (FAME), claims and data files. CMS requires the State to submit a monthly file of dual eligibles for verification processing and a monthly file of beneficiaries who are likely to become Medicare eligible in the following two months. A new process was developed to capture Medicare Part D eligibility data from MEDS and create the verification file for CMS processing. CMS provides a return file with Part D eligibility and enrollment data.

The above system changes are estimated to cost \$3,754,000 (\$3,563,000 at 10% GF/90% FFP and \$191,000 at 25% GF/75% FFP). The federal government has agreed to fund these costs at 90%. In FY 2005-06, \$1,332,000 was paid for these system changes and \$1,791,000 in FY 2006-07. The remaining \$631,000 will be paid in FY 2007-08.

	<u>Expenditures</u>
FY 2005-06	\$1,332,000
FY 2006-07	\$1,791,000
<b>FY 2007-08</b>	<b>\$631,000</b>
<b>Total</b>	<b>\$3,754,000</b>

## MITA ASSESSMENT

**OTHER ADMIN. POLICY CHANGE NUMBER:** 17  
**IMPLEMENTATION DATE:** 6/2007  
**ANALYST:** Michael Yokeley  
**FISCAL REFERENCE NUMBER:** 1137

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
<b>TOTAL FUNDS</b>	\$485,000	\$240,000
<b>STATE FUNDS</b>	\$48,500	\$24,000
<b>FEDERAL FUNDS</b>	\$436,500	\$216,000

### DESCRIPTION

The Centers for Medicare and Medicaid Services (CMS) is requiring the Department to create a plan to implement framework and technical specifications for the Medicaid Management Information Systems (MMIS) of the future. Through the Medicaid Information Technology Architecture (MITA), the Department will develop the ability to streamline the process to access information from various systems, which will result in cost effectiveness. CMS is requiring the Department to move towards creating flexible systems, which support interactions between the federal government and their state partners. CMS will not approve Advanced Planning Documents (APD) or provide federal funding to the Department without demonstrating the existing and future capabilities planned using the MITA Framework.

The Department is required to complete the MITA State Self-Assessment (SS-A) of business processes to determine the current and long-term business requirements. The Department hired a contractor in June 2007, who is using the MITA Maturity Model to document current business process, workflow, operational procedures, cross-functional integrations, and performance measurement based on the Department's current business and IT strategies.

The MITA SS-A is the first of a three-phased transition plan that CMS expects the Department to use to guide the future upgrades and replacements of the entire MMIS or individual components. Each phase may be completed by a different contractor. The MITA SS-A will be completed by May 2008. The second phase, State Medicaid Enterprise Architecture (EA), will begin in August 2008. The EA phase will be out for bid in the Spring of 2008. The third phase, the transition and implementation plan, will not be scheduled until completion of the SS-A phase.

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
Phase 1	\$485,000	\$0
Phase 2	\$0	\$240,000
<b>Total</b>	<b>\$485,000</b>	<b>\$240,000</b>

## COORDINATED CARE MANAGEMENT PILOT

OTHER ADMIN. POLICY CHANGE NUMBER: 18  
 IMPLEMENTATION DATE: 11/2008  
 ANALYST: Cheri Johnson  
 FISCAL REFERENCE NUMBER: 1125

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$0	\$5,055,000
STATE FUNDS	\$0	\$2,527,500
FEDERAL FUNDS	\$0	\$2,527,500

### DESCRIPTION

The Budget Act of 2006 provided authority and funding for staff for the Department to establish and implement a Coordinated Care Management (CCM) Demonstration Project. The key elements of the CCM Project include maintaining access to medically necessary and appropriate services, improving outcomes, and providing care in a more cost-effective manner for two populations enrolled in the Fee for Service Medi-Cal Program who are not on Medicare:

- Seniors and persons with disabilities who have chronic conditions, or who may be seriously ill and near the end of life; and
- Persons with chronic health condition(s) and serious mental illnesses.

The Department will enter into one or more contracts to implement the CCM Demonstration Project. CCM is scheduled to begin implementation in June 2008, and payments for services are expected to begin in November 2008.

	TF	GF
<b>FY 2008-09</b>	<b>\$ 5,055,000</b>	<b>\$ 2,527,500</b>
FY 2009-10	\$ 8,088,000	\$ 4,044,000
FY 2010-11	\$ 8,088,000	\$ 4,044,000
FY 2011-12	\$ 3,033,000	\$ 1,516,500
FY 2012-13	\$ 36,000	\$ 18,000
	\$24,300,000	\$12,150,000

## CHDP GATEWAY ELECTRONIC APPLICATION FSR

OTHER ADMIN. POLICY CHANGE NUMBER: 19  
 IMPLEMENTATION DATE: 7/2007  
 ANALYST: Cheri Johnson  
 FISCAL REFERENCE NUMBER: 1142

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$249,000	\$190,000
STATE FUNDS	\$124,500	\$95,000
FEDERAL FUNDS	\$124,500	\$95,000

### DESCRIPTION

AB 1948 (Chapter 332, Statutes of 2006) requires the Department to conduct or contract for a feasibility study report (FSR) of technological requirements for modifying the CHDP Gateway electronic application to allow simultaneous preenrollment and application for Medi-Cal or the Healthy Families Program over the Internet, without submitting a follow-up paper application. The Department is required to consult with representatives of consumers, counties and medical providers in the development of policies and procedures prior to development of the FSR. The results of the FSR will be provided to the fiscal and health policy committees of the Legislature in Spring 2008.

#### Assumptions:

1. It is estimated that the FSR will take six months to complete.
2. Funding is assumed to be 50% GF / 50% FFP.
3. Assume a one-time cost of \$249,000 (\$124,500 GF) in FY 2007-08 for a contractor to prepare the FSR.
4. Assume a one-time cost of \$190,000 (\$95,000 GF) in FY 2008-09 for two contract staff to provide support to efforts such as policy discussions, requirements, and technical expertise. The contract staff will be needed for 6 months.

FY 2008-09: 176 hours/month x \$90/hour x 6 months x 2 staff = \$190,000 (\$95,000 GF)

**Total costs in FY 2007-08: \$249,000 (\$124,500 GF)**

**Total costs in FY 2008-09: \$190,000 (\$ 95,000 GF)**

## TAR POSTAGE

**OTHER ADMIN. POLICY CHANGE NUMBER:** 20  
**IMPLEMENTATION DATE:** 7/2003  
**ANALYST:** Julie Chan  
**FISCAL REFERENCE NUMBER:** 267

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$300,000	\$300,000
STATE FUNDS	\$150,000	\$150,000
FEDERAL FUNDS	\$150,000	\$150,000

### DESCRIPTION

Postage and printing costs may be charged to local assistance for items sent to or used by Medi-Cal beneficiaries. Postage costs related to mailing treatment authorization request (TAR)-related documents to providers and beneficiaries are budgeted in this policy change. Effective in FY 2006-07, an electronic TAR submission process (eTAR), was made available to some Medi-Cal providers and services. The eTAR process has gradually expanded to more Medi-Cal providers and services. As more providers choose to use the eTAR process, expenditures for TAR postage will decrease.

#### Assumptions:

1. TAR postage expenditures in FY 2006-07 for Medi-Cal were \$386,000. It is assumed that costs will be \$300,000 for FY 2007-08.
2. For FY 2008-09, the costs for TAR postage are expected to be the same as FY 2007-08.

## MIS/DSS OVERSIGHT CONTRACT

OTHER ADMIN. POLICY CHANGE NUMBER: 21  
 IMPLEMENTATION DATE: 6/2005  
 ANALYST: Michael Yokeley  
 FISCAL REFERENCE NUMBER: 1050

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$245,000	\$245,000
STATE FUNDS	\$29,750	\$24,500
FEDERAL FUNDS	\$215,250	\$220,500

### DESCRIPTION

The contract with Medstat expired on January 17, 2007. The Department of General Services (DGS), on behalf of DHCS conducted a competitively bid procurement for a new, competitively bid contract to transfer, enhance, operate and maintain the MIS/DSS. The new Next Generation MIS/DSS contract was executed with Bull Services, Inc. in February 2007. The contract execution closes out the procurement effort; however, as required by the Department of Finance (DOF) Oversight Framework for this highly critical project, the Independent Procurement Oversight Consultant (IPOC) will remain with the project through phase II implementation and the Independent Verification and Validation (IV&V) contractor will remain throughout the project implementation phases and production acceptance periods to provide oversight of the project management and systems implementation and acceptance process.

On December 19, 2006, CMS approved the Next Generation MIS/DSS Implementation Advanced Planning Document (IAPD), including enhanced funding for this project at 90% FFP for the IV&V contract and 75% FFP for the IPOC. On January 10, 2007 DOF approved the Next Generation MIS/DSS IAPD in lieu of Special Project Report.

	FY 2007-08		
	Total	GF	FFP
Indep.Proc. Consultant	\$35,000	\$8,750	\$26,250
IV&V Contractor	\$210,000	\$21,000	\$189,000
<b>Total</b>	<b>\$245,000</b>	<b>\$29,750</b>	<b>\$215,250</b>

  

	FY 2008-09		
	Total	GF	FFP
IV&V Contractor	\$245,000	\$24,500	\$220,500
<b>Total</b>	<b>\$245,000</b>	<b>\$24,500</b>	<b>\$220,500</b>

## CONTINUOUS NURSING CARE PILOT PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER: 22  
 IMPLEMENTATION DATE: 7/2007  
 ANALYST: Julie Chan  
 FISCAL REFERENCE NUMBER: 268

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$87,000	\$0
STATE FUNDS	\$43,500	\$0
FEDERAL FUNDS	\$43,500	\$0

### DESCRIPTION

AB 359 (Chapter 845, Statutes of 1999) requires the Department to establish a Section 1915 (b) waiver pilot program to provide continuous 24-hour nursing care to developmentally disabled individuals in the least restrictive setting. In July 2005, as part of the waiver renewal package, the Department submitted to CMS an independent assessment performed by the California Department of Finance. On September 20, 2007, CMS granted approval to extend the pilot project from October 1, 2007 to September 30, 2009.

The Department has budgeted \$87,000 (\$43,500 GF) in FY 2007-08 for a final independent assessment to determine the feasibility and cost effectiveness of establishing the Intermediate Care Facility for the Developmentally Disabled-Continuous Nursing as a permanent new provider type.

Cash Basis	FY 2007-08	IA #
FY 2006-07 Services	\$75,000	06-55651
FY 2007-08 Services	\$12,000	06-55651
	<b>\$87,000</b>	

## EPOCRATES

OTHER ADMIN. POLICY CHANGE NUMBER: 23  
 IMPLEMENTATION DATE: 4/2007  
 ANALYST: Karen Fairgrievies  
 FISCAL REFERENCE NUMBER: 1157

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$185,000	\$158,000
STATE FUNDS	\$92,500	\$79,000
FEDERAL FUNDS	\$92,500	\$79,000

### DESCRIPTION

The Department will enter into a contract with Epocrates to place Medi-Cal's Contract Drug List (CDL) and up to 3 other departmental "formularies", for example, Family PACT or AIDS Drug Assistance Program (ADAP), in the Epocrates system for access by subscribers.

Epocrates Rx™ contains important drug list and clinical information for commercial health plans and Medicaid programs throughout the country. More than 20 commercial health plans (including all of the County Organized Health System plans) in California, plus all of the Medicare Part D formularies are available through Epocrates Rx™. It includes over 3,300 monographs with adult and pediatric dosing, drug interactions, contraindications and cautions, and adverse reactions, as well as regional prescription drug list / formulary / information for over 100 health organizations representing 30 million beneficiaries.

Due to the number of inquiries from provider networks, health plans that service Medi-Cal beneficiaries, the California Medical Association (CMA) and the California Healthcare Foundation as to the possibility of making the Medi-Cal Contract Drug List (CDL) available via Epocrates, Medi-Cal met with Epocrates to review product offering, value proposition, and logistics to support the deployment of the Medi-Cal CDL and communication with providers in California.

Epocrates provides the Department with an opportunity to reach a large network of health professionals via a unique point-of-care clinical reference solution for physicians and other health professionals accessible on both handheld devices and Internet based desktop computers. Epocrates supports the CMA in their awareness of the formularies and will assist the Department in announcing and educating health professionals on drug coverage issues. The information is maintained directly by departmental staff through a password secured Internet webpage.

Providing the Medi-Cal CDL through Epocrates is estimated to cost \$158,000 TF annually. The contract began in April 2007.

<b>Fiscal Year</b>	<b>Expenditures</b>
<b>FY 2007-08</b>	
April – May 2007	\$ 27,000
June 2007 – May 2008	\$ 158,000
<b>FY 2007-08 Total</b>	<b>\$ 185,000</b>
 <b>FY 2008-09</b>	
June 2008 – May 2009	\$ 158,000
<b>FY 2008-09 Total</b>	<b>\$ 158,000</b>

## MMA - DSH ANNUAL INDEPENDENT AUDIT

OTHER ADMIN. POLICY CHANGE NUMBER: 24  
 IMPLEMENTATION DATE: 7/2008  
 ANALYST: Karen Fairgrievies  
 FISCAL REFERENCE NUMBER: 266

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$0	\$1,200,000
STATE FUNDS	\$0	\$600,000
FEDERAL FUNDS	\$0	\$600,000

### DESCRIPTION

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) required an annual independent certified audit that primarily certifies:

1. The extent to which DSH hospitals (approximately 150+ hospitals) have reduced their uncompensated care costs to reflect the total amount of claimed expenditures.
2. That DSH payment calculations of hospital-specific limits include all payments to DSH hospitals, including supplemental payments.

The audits will be funded with 50% FFP and 50% GF. The audit guideline is being developed by CMS. The Department reviewed the draft criteria and guidance provided by CMS in August 2005, provided comments to CMS in October 2005, and is waiting for the final criteria and guidelines from CMS. CMS has not provided a completion date for the audit guidelines. The first annual audit will be for FY 2003-04.

### Assumptions:

1. The audit guideline will be finalized during FY 2007-08.
2. Each year, the Department will audit one fiscal year.
3. The FY 2003-04 audit will be completed and paid in FY 2008-09.
4. Each fiscal year audit will cost \$1,200,000 with 50% FFP and 50% GF.

**HOME TOCOLYTIC THERAPY**

OTHER ADMIN. POLICY CHANGE NUMBER: 27  
 IMPLEMENTATION DATE: 10/2008  
 ANALYST: Julie Chan  
 FISCAL REFERENCE NUMBER: 1207

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$0	\$214,000
STATE FUNDS	\$0	\$107,000
FEDERAL FUNDS	\$0	\$107,000

**DESCRIPTION**

SB 1528 (Chapter 666, Statutes of 2006) mandates Medi-Cal coverage of home infusion treatment with tocolytic agents for pregnant women. Tocolytic agents, such as terbutaline, which is used for home infusion treatment, are used to arrest and control preterm labor. A select group of women are stable for discharge, but have failed a trial of oral medication. For these women, one option is home infusion of terbutaline via a subcutaneous pump as used for some diabetic patients. While at home, these women also use a home uterine activity monitor to detect any uterine contractions. This information is transmitted telephonically each day to a service center staffed by trained registered nurses. Telephonic nursing and pharmacy support is available to the beneficiary around the clock. Finally, home visits are performed as needed, the tocolytic medication, educational and other supplies are provided, and the patient's physician is routinely updated. The statute sunsets January 1, 2010.

The Department has budgeted \$750,000 to evaluate the effectiveness of the home infusion treatments and these costs are estimated to begin in October 2008. The evaluation of the medical and cost effectiveness of the treatments is due to the Legislature on October 1, 2009.

	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>
<b>Total</b>	<b>\$0</b>	<b>\$214,000</b>	<b>\$429,000</b>	<b>\$107,000</b>

## COHS REBATE RECONCILIATION

OTHER ADMIN. POLICY CHANGE NUMBER: 28  
 IMPLEMENTATION DATE: 7/2006  
 ANALYST: Karen Fairgrievies  
 FISCAL REFERENCE NUMBER: 1101

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$271,000	\$271,000
STATE FUNDS	\$67,750	\$67,750
FEDERAL FUNDS	\$203,250	\$203,250

### DESCRIPTION

To increase drug rebate collections for the seven County Organized Health System (COHS) counties (Health Plan of San Mateo is excluded), the Department will reconcile the counties' Paid Claims files with drug records obtained from the Pharmacy Benefits Manager (PBM) contractors who adjudicate the drug claims for COHS. This reconciliation will improve the COHS' drug data and, thereby, improve the Department's COHS drug rebate collections.

The Department has entered into contracts to analyze edit reports, research cause and correction for critical data errors, develop corrective action plans, track error rates, and monitor improvement efforts.

This effort is considered Maintenance and Operation (M&O) for systems that are required for interfaces with each of the seven existing COHS counties. These systems were last updated via the Managed Care Initiative Project, Project # 1500-122, approved by the Department of Finance on September 7, 1993. Phase III of the project completed in 1994 addressed County Health Initiative (HI) plans now known as COHS. Feasibility Study Report (FSR) requirements are met for M&O and enhancements for approved systems when costs are less than 10% of the original approved project.

In FY 2006-07, the cost for the COHS contracts were \$127,000. FY 2007-08 and FY 2008-09 expenditures are estimated to be \$271,000 in each year and qualify for 75% FFP. Increased rebates due to these system improvements are estimated to be \$7.7 million TF annually and started April 2008 with the collection of CY 2007's Quarter 4 rebate invoices, for an estimated \$1.27 million to be collected in FY 2007-08. These increased rebates have been incorporated into the Federal Rebate Program and State Supplemental Program Policy Changes.

Fiscal Year	Expenditures
FY 2007-08	\$271,000
FY 2008-09	\$271,000

## PART D - SYSTEM-GENERATED NOTICE OF ACTION

OTHER ADMIN. POLICY CHANGE NUMBER: 29  
 IMPLEMENTATION DATE: 4/2006  
 ANALYST: Connie Florez  
 FISCAL REFERENCE NUMBER: 1111

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$659,000	\$659,000
STATE FUNDS	\$329,500	\$329,500
FEDERAL FUNDS	\$329,500	\$329,500

### DESCRIPTION

Beginning January 1, 2006, Medi-Cal beneficiaries who are newly entitled to the Medicare Part D prescription drug benefit are notified of the reduction in their Medi-Cal benefits. Medi-Cal expects to pay for prescription drugs until the individual has received a 10-day Notice of Action (NOA.) Due to a lag in the Medicare eligibility determination, it can take up to two months for the dual eligible to be identified and a notice sent.

The Department has a system-generated NOA that was completed by the July 2006 mailing.

### Assumptions

1. Based on data from July 2007 through January 2008 mailings, the average monthly number of NOAs sent is 11,030.
2. The average cost per NOA is \$4.98.

New dual eligibles per month	11,030
# of Months	x 12
<b>Estimated new dual eligibles to receive NOAs</b>	<b>132,360</b>
Estimated cost per NOA	x \$4.98
<b>Annual Cost (rounded)</b>	<b>\$659,000</b>

## DISEASE MANAGEMENT PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 30  
 IMPLEMENTATION DATE: 10/2007  
 ANALYST: Cheri Johnson  
 FISCAL REFERENCE NUMBER: 1002

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$3,833,000	\$8,300,000
STATE FUNDS	\$1,916,500	\$4,150,000
FEDERAL FUNDS	\$1,916,500	\$4,150,000

### DESCRIPTION

W & I Code Section 14132.27 requires the Department to apply for a federal waiver to test the efficacy of providing a disease management benefit to fee-for-service Medi-Cal beneficiaries. Due to the concerns expressed during the development of the program, the Department opted to base the pilot on the administrative model, as opposed to a model that requires a waiver. The effectiveness of this benefit includes demonstration of the cost neutrality of the program. The Department has entered into a contract with McKesson Health Solutions to serve as the Disease Management Organization (DMO) for DM1. The provision of DM services began August 1, 2007. This contract will cover the following conditions: advanced atherosclerotic disease syndrome, asthma, coronary artery disease, congestive heart failure, diabetes and chronic obstructive pulmonary disease (DM1). A second contract with AIDS Healthcare Centers (AHC) will focus on HIV/AIDS separately (DM2) and will begin providing DM services in May 2008. Preliminary work for the evaluation of DM1 and DM2 began in March 2007.

#### Assumptions:

1. The DM contract (DM1) for advanced atherosclerotic disease syndrome, asthma, coronary artery disease, congestive heart failure, diabetes and chronic obstructive pulmonary disease was awarded in February 2007. Payments began on October 1, 2007.
2. Payments for HIV/AIDS (DM2) beneficiary services are expected to begin June 1, 2008.
3. Each contract is capped at \$4,000,000 per year for 3 years of beneficiary services (total of \$12,000,000 per contract).
4. The assessment is capped at \$1,500,000 over the life of project.
5. The assessment start-up costs began in March 2007 for the evaluation of both pilots.

Contract	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
DM1	\$3,000,000	\$4,000,000	\$4,000,000	\$1,000,000	\$0
DM2	\$333,000	\$4,000,000	\$4,000,000	\$3,667,000	\$0
Assessment	\$500,000	\$300,000	\$300,000	\$300,000	\$100,000
<b>Total</b>	<b>\$3,833,000</b>	<b>\$8,300,000</b>	\$8,300,000	\$4,967,000	\$100,000

## PERSONAL CARE SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 31  
 IMPLEMENTATION DATE: 4/1993  
 ANALYST: Julie Chan  
 FISCAL REFERENCE NUMBER: 236

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$176,653,000	\$182,499,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$176,653,000	\$182,499,000

### DESCRIPTION

The Department of Health Care Services provides Title XIX federal financial participation (FFP) to the California Department of Social Services (CDSS), via interagency agreements (IAs), for the county cost of administering the In-Home Supportive Services Personal Care Services Program (PCSP). The Medi-Cal program includes PCS in its schedule of benefits.

The estimates below were provided by CDSS.  
 This policy change reflects FMAP updates.

### CASH BASIS

	DHCS FFP	CDSS GF	County Match	IA #
<b>FY 2007-08</b>				
EW Time & Health Related	<b>\$176,653,000</b>	\$123,657,000	\$52,996,000	03-75676
<b>FY 2008-09</b>				
EW Time & Health Related	<b>\$182,499,000</b>	\$127,749,000	\$54,750,000	03-75676

## DEPARTMENT OF MENTAL HEALTH ADMIN. COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 32  
 IMPLEMENTATION DATE: 7/1997  
 ANALYST: Michael Yokeley  
 FISCAL REFERENCE NUMBER: 255

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$158,642,000	\$161,469,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$158,642,000	\$161,469,000

### DESCRIPTION

This policy change includes the administrative costs for the California Department of Mental Health (CDMH) for specialty mental health services provided to Medi-Cal eligibles. This policy change budgets the FFP only. As of FY 2006-07, DHCS no longer budgets the GF for CDMH Medi-Cal related costs. The GF is included in the CDMH budget. As of the May 2008 Estimate, the administrative costs for State Hospitals – CDMH are budgeted in this policy change.

Contract # 02-25271

### CASH BASIS

	FY 2007-08	FY 2008-09
EPSDT-TBS Admin.	\$106,000	\$106,000
Admin. Costs	\$21,158,000	\$21,271,000
MC Admin. Activ.	\$22,882,000	\$25,479,000
HIPAA (1)	\$1,128,000	\$1,128,000
Healthy Families(2)	\$2,001,000	\$2,208,000
Quality Assurance	\$11,000,000	\$11,000,000
County Admin.	\$94,000,000	\$94,000,000
PASRR Lvl II Screens	\$6,113,000	\$6,113,000
State Hospitals Admin.	\$254,000	\$164,000
Total	<b>\$158,642,000</b>	<b>\$161,469,000</b>

	DHCS FFP	CDMH GF	County Match
<b>FY 2007-08</b>	<b>\$158,642,000</b>	\$25,731,000	\$128,176,000
<b>FY 2008-09</b>	<b>\$161,469,000</b>	\$26,190,000	\$130,460,000

\*(1) HIPAA FFP costs of \$1,128,000 for FY 2007-08 and FY 2008-09 are budgeted in Item 4260-117-0890.

\*(2) Healthy Families FFP costs of \$2,001,000 for FY 2007-08 and \$2,208,000 for FY 2008-09 are budgeted in Item 4260-113-0890.

**HEALTH RELATED ACTIVITIES/TITLE XIX**

OTHER ADMIN. POLICY CHANGE NUMBER: 33  
 IMPLEMENTATION DATE: 7/1992  
 ANALYST: Julie Chan  
 FISCAL REFERENCE NUMBER: 233

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$137,051,000	\$143,703,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$137,051,000	\$143,703,000

**DESCRIPTION**

The Department of Health Care Services provides Title XIX federal financial participation (FFP) to the California Department of Social Services (CDSS), via interagency agreements (IAs), for certain health-related activities provided by county social workers. The services involve helping Medi-Cal eligible adults to access covered medical services or maintain current treatment levels in these program areas: 1) Child Welfare Services (CWS); 2) County Services Block Grant (CSBG); & 3) Adult Protective Services (APS).

The estimates below were provided by CDSS.  
 This policy change reflects FMAP updates.

**CASH BASIS**

<b>FY 2007-08</b>	<b>DHCS FFP</b>	<b>CDSS GF</b>	<b>County Match</b>	<b>IA #</b>
CWS	\$84,972,000	\$59,480,000	\$25,491,000	01-15931
CSBG	\$13,705,000	\$13,891,000	\$13,759,000	01-15931
APS	\$38,374,000	\$57,561,000	\$0	01-15931
<b>TOTAL</b>	<b>\$137,051,000</b>	\$130,932,000	\$39,250,000	

<b>FY 2008-09</b>	<b>DHCS FFP</b>	<b>CDSS GF</b>	<b>County Match</b>	<b>IA #</b>
CWS	\$89,096,000	\$62,368,000	\$26,729,000	01-15931
CSBG	\$14,370,000	\$14,566,000	\$14,427,000	01-15931
APS	\$40,237,000	\$60,356,000	\$0	01-15931
<b>TOTAL</b>	<b>\$143,703,000</b>	\$137,290,000	\$41,156,000	

## MATERNAL AND CHILD HEALTH

OTHER ADMIN. POLICY CHANGE NUMBER: 34  
 IMPLEMENTATION DATE: 7/1992  
 ANALYST: Cheri Johnson  
 FISCAL REFERENCE NUMBER: 234

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$22,251,000	\$36,600,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$22,251,000	\$36,600,000

### DESCRIPTION

This policy change reflects the Title XIX federal matching funds for costs of the Maternal, Child and Adolescent Health (MCAH) programs described below.

1. Black Infant Health (BIH): Reduction of high death rate for African American infants.
2. Comprehensive Perinatal Services Program (CPSP): Recruitment and technical assistance for providers of Medi-Cal eligible women.
3. Prenatal Care Guidance (PCG): Case management and follow-up for improved access to early obstetrical care for Medi-Cal eligible pregnant women.
4. Scope of Work (SOW) Local Program Activities: Perinatal education, services, and referral provided to Medi-Cal eligible women.
5. Adolescent Family Life Program (AFLP): Case management for pregnant teens, education and prevention of subsequent pregnancies.

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
BIH	\$2,721,000	\$ 4,800,000
CPSP, PCG & SOW	16,000,000	24,000,000
AFLP	3,530,000	7,800,000
<b>Total</b>	<b>\$22,251,000</b>	<b>\$36,600,000</b>

Beginning July 1, 2007, the MCAH programs are administered by the California Department of Public Health (CDPH). The FFP is provided to CDPH through interagency agreement # 07-65592. The General Fund match is budgeted in Item 4265-111-0001 in the CDPH budget.

## CDDS ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 35  
 IMPLEMENTATION DATE: 7/1997  
 ANALYST: Connie Florez  
 FISCAL REFERENCE NUMBER: 243

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$32,848,000	\$35,176,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$32,848,000	\$35,176,000

### DESCRIPTION

The Calif. Department of Developmental Services provides the following estimates of its administrative cost components:

1. Developmental Centers' (DC) Medi-Cal Administration
2. Developmental Centers' Medi-Cal Eligibility Contract
3. Home & Community-Based Services (HCBS) Waiver Administration
4. Regional Centers' (RC) Medicaid Administration
5. Regional Centers' Nursing Home Reform
6. Targeted Case Management (TCM)
7. These estimates include the impact of budget reductions enacted by ABX3 3.

### CASH BASIS

(Dollars in Thousands)

FY 2007-08	CDHS FFP	CDDS GF	IA #
1. DC/SOSF Medi-Cal Admin.	\$6,408	\$6,408	03-75282/83
DC/SOSF HIPAA	\$188	\$188	03-75282/83
2. DC/SOSF MC Elig. Contract	\$538	\$538	01-15378
3. HCBS Waiver Admin.	\$8,824	\$8,824	01-15834
4. RC Medicaid Admin.	\$10,540	\$3,689	03-75734
5. RC Nursing Home Reform	\$102	\$102	03-75285
6. TCM HQ Admin.	\$344	\$0	03-75284
TCM RC Admin.	\$4,301	\$4,301	03-75284
TCM HIPAA	\$1,416	\$1,416	03-75284
7. IPSDSWA	\$187	\$187	03-75284
<b>Total</b>	<b>\$32,848</b>	<b>\$25,653</b>	

## CDDS ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 35

FY 2008-09	CDHS FFP	CDDS GF	IA #
1. DC/SOSF Medi-Cal Admin.	\$6,281	\$6,281	03-75282/83
DC/SOSF HIPAA	\$161	\$161	
2. DC/SOSF MC Elig. Contract	\$541	\$541	01-15378
3. HCBS Waiver Admin.	\$8,232	\$8,232	01-15834
4. RC Medicaid Admin.	\$13,869	\$4,854	03-75734
5. RC Nursing Home Reform	\$78	\$78	03-75285
6. TCM HQ Admin.	\$351	\$0	03-75284
TCM RC Admin.	\$3,730	\$3,730	03-75284
TCM HIPAA	\$685	\$685	03-75284
7. IPSDSWA	\$1,248	\$1,248	Pending
<b>Total</b>	<b>\$35,176</b>	<b>\$25,810</b>	

HIPAA is budgeted in the Medi-Cal budget item 4260-117-0890.

## PUBLIC HEALTH NURSES FOR FOSTER CARE

OTHER ADMIN. POLICY CHANGE NUMBER: 36  
 IMPLEMENTATION DATE: 7/1999  
 ANALYST: Julie Chan  
 FISCAL REFERENCE NUMBER: 246

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$17,499,000	\$17,058,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$17,499,000	\$17,058,000

### DESCRIPTION

The Budget Act of 1999 authorized the California Department of Social Services (CDSS) to establish a program whereby foster care public health nurses would help foster care children access health-related services. This program is administered by the DHCS Children's Medical Services Branch. The public health nurses are employed by the counties. The General Fund is budgeted in the CDSS budget.

The Department provides Title XIX federal financial participation to CDSS via interagency agreement (IA) #04-35913.

## DEPT OF PUBLIC HEALTH (CDPH) ADMIN COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 37  
 IMPLEMENTATION DATE: 7/2007  
 ANALYST: Jenn Brooks  
 FISCAL REFERENCE NUMBER: 1192

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$9,997,000	\$9,997,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$9,997,000	\$9,997,000

### DESCRIPTION

SB 162 (Chapter 241, Statutes of 2006) required the reorganization of the Department into two departments, the Department of Health Care Services (DHCS) and the California Department of Public Health (CDPH). This policy change includes the Title XIX federal funding for the CDPH administrative costs related to services provided to Medi-Cal beneficiaries. Because the CDPH is a separate state department from the Medi-Cal program, an interagency agreement between the two departments is required to allow for the provision of federal funds as a reimbursement to the CDPH. The non-federal matching funds will be budgeted by the CDPH.

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
Office of Family Planning	\$1,846,000	\$1,846,000
Maternal and Child Health	\$ 418,000	\$ 418,000
Laboratory Field Services	\$ 346,000	\$ 346,000
Office of AIDS	\$ 443,000	\$ 443,000
County Health Services	\$ 232,000	\$ 232,000
Statewide Cost Allocation Plan (SWCAP)	\$ 136,000	\$ 136,000
Childhood Lead Prevention Program (CLPP)	\$ 905,000	\$ 905,000
Center for Health Statistics	\$1,112,000	\$1,112,000
Licensing and Certification	\$4,559,000	\$4,559,000
<b>Total Federal Funds</b>	<b>\$9,997,000</b>	<b>\$9,997,000</b>

## DEPT. OF ALCOHOL AND DRUG ADMIN. COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 38  
 IMPLEMENTATION DATE: 7/1997  
 ANALYST: Jamie Carroll  
 FISCAL REFERENCE NUMBER: 254

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$4,958,000	\$4,918,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$4,958,000	\$4,918,000

### DESCRIPTION

This policy change includes the Title XIX funding for the California Department of Alcohol and Drug Programs' (CDADP) administrative costs related to services provided to Medi-Cal beneficiaries.

Following is the cash estimate provided by the CDADP:

### CASH BASIS

	FY 2007-08	DHCS FFP	CDADP GF	IA #
Support		\$3,730,000	\$3,730,000	01-15938
HIPAA*		\$1,228,000	\$1,042,000	01-15938
<b>Total</b>		<b>\$4,958,000</b>	<b>\$4,772,000</b>	
	<b>FY 2008-09</b>	<b>DHCS FFP</b>	<b>CDADP GF</b>	<b>IA #</b>
Support		\$3,908,000	\$3,908,000	01-15938
HIPAA*		\$1,010,000	\$888,000	01-15938
<b>Total</b>		<b>\$4,918,000</b>	<b>\$4,796,000</b>	

\*HIPAA costs are budgeted in Item 4260-117-0890.

## CLPP CASE MANAGEMENT SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 39  
 IMPLEMENTATION DATE: 7/1997  
 ANALYST: Cheri Johnson  
 FISCAL REFERENCE NUMBER: 239

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$4,200,000	\$4,200,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$4,200,000	\$4,200,000

### 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 Administrative costs. Benefits costs are in the Base Policy Change, CLPP Case Management Services.

Beginning July 1, 2007, the CLPP Program is administered by the California Department of Public Health (CDPH). The FFP is provided to CDPH through interagency agreement # 07-65689.

## DEPARTMENT OF SOCIAL SERVICES ADMIN COST

OTHER ADMIN. POLICY CHANGE NUMBER: 40  
 IMPLEMENTATION DATE: 7/2002  
 ANALYST: Julie Chan  
 FISCAL REFERENCE NUMBER: 256

	<b>FY 2007-08</b>	<b>FY 2008-09</b>
TOTAL FUNDS	\$6,642,000	\$6,968,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$6,642,000	\$6,968,000

### DESCRIPTION

The Department provides Title XIX federal financial participation (FFP) to the California Department of Social Services (CDSS), via interagency agreements (IAs), for the administrative costs related to services provided to Medi-Cal beneficiaries under the In-Home Supportive Services Personal Care Services Program (IHSS PCSP), including costs for the IHSS Case Management & Information Payrolling System (CMIPS) and the Child Welfare Services/Case Management System (CWS/CMS). CDSS budgets the matching GF.

The estimates below were provided by CDSS.  
 This policy change reflects FMAP updates.

### CASH BASIS

<b>FY 2007-08</b>	<b>DHCS FFP</b>	<b>CDSS GF</b>	<b>IA #</b>
IHSS PCSP	\$2,104,000	\$2,104,000	03-75676
IHSS Health Related	\$22,000	\$22,000	01-15931
CWS/CMS for Medi-Cal	\$2,830,000	\$2,830,000	06-55834
IHSS Plus Waiver	\$1,686,000	\$1,686,000	04-35840
<b>TOTAL</b>	<b>\$6,642,000</b>	<b>\$6,642,000</b>	

  

<b>FY 2008-09</b>	<b>DHCS FFP</b>	<b>CDSS GF</b>	<b>IA #</b>
IHSS PCSP	\$2,117,000	\$2,117,000	03-75676
IHSS Health Related	\$21,000	\$21,000	01-15931
CWS/CMS for Medi-Cal	\$3,129,000	\$3,129,000	06-55834
IHSS Plus Waiver	\$1,701,000	\$1,701,000	04-35840
<b>TOTAL</b>	<b>\$6,968,000</b>	<b>\$6,968,000</b>	

## SINGLE POINT OF ENTRY - MEDI-CAL/HFP

OTHER ADMIN. POLICY CHANGE NUMBER: 41  
 IMPLEMENTATION DATE: 4/1999  
 ANALYST: Cheri Johnson  
 FISCAL REFERENCE NUMBER: 245

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$2,446,000	\$2,569,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$2,446,000	\$2,569,000

### DESCRIPTION

The Department and Managed Risk Medical Insurance Board (MRMIB) use a joint Medi-Cal and Healthy Families Program (HFP) mail-in application for health coverage. Completed applications are sent to MAXIMUS which, by contract with MRMIB, is the Single Point of Entry (SPE), to screen the applications and send them to county welfare departments for Medi-Cal, or to MRMIB for HFP. MRMIB carries the General Fund cost in its budget. The Department carries the Title XIX federal funds for the Medi-Cal applications, which MRMIB is reimbursed through an interagency agreement with the Department.

This policy change includes CHDP Gateway application processing. To help ensure that all children have access to medical care, the Child Health & Disability Prevention (CHDP) Gateway program was implemented July 1, 2003. Through this program, children who receive a CHDP screen are pre-enrolled (PE) in Medi-Cal or HFP. Each PE child's family that indicates a desire for ongoing Medi-Cal/HFP coverage is sent an application. The application is returned to the SPE, then forwarded to the CWD or MRMIB for final eligibility determination.

#### Assumptions:

1. This estimate is based on actual usage of the Medi-Cal/HFP application; and actual processing, postage, and vendor contract rates and services.
2. MRMIB estimates the number of applications forwarded to CWDs for Medi-Cal only processing, and the federal funding of ongoing SPE costs for those applications.
3. Telephone and pre-printed application costs in FY 2007-08 are based on the average actual ratio of Medi-Cal to HFP applications in SPE Report #MM-029 as of September 5, 2007 (34% to 66%). The costs in FY 2008-09 are based on the average actual ratio of Medi-Cal to HFP applications in Report #MM-029 as of March 4, 2008 (31.2% to 68.8%).
4. MRMIB estimates an additional 32,765 children discontinued from HFP in FY 2007-08 and 37,446 in FY 2008-09 will be pre-enrolled in Medi-Cal and have their applications forwarded to CWDs due to the elimination of the HFP to Medi-Cal Bridge effective July 1, 2007. These application costs are included in the estimates below.

	FY 2007-08	FY 2008-09
Cash Basis:		
Applications for M/C processing:	149,241	159,726
FFP	\$2,446,000	\$2,569,000

## DEPARTMENT OF AGING ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 42  
 IMPLEMENTATION DATE: 7/1984  
 ANALYST: Shelley Stankeivicz  
 FISCAL REFERENCE NUMBER: 253

	<b>FY 2007-08</b>	<b>FY 2008-09</b>
TOTAL FUNDS	\$3,344,000	\$3,696,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$3,344,000	\$3,696,000

### DESCRIPTION

This policy change includes the Title XIX funding for the California Department of Aging's (CDA's) administrative costs related to services provided to Medi-Cal eligibles by the Adult Day Health Care Program and the Multipurpose Senior Services Program.

The estimates below were provided by CDA.

<i>(Dollars in Thousands)</i>	FY 2007-08		FY 2008-09	
	FFP	CDA GF	FFP	CDA GF
<b>ADHC Support</b>				
FY 2006-07 DOS	\$18	\$18		
FY 2007-08 DOS	\$2,054	\$1,744	\$228	\$194
FY 2008-09 DOS			\$2,060	\$1,756
<b>Total ADHC</b>	<b>\$2,072</b>	\$1,762	<b>\$2,288</b>	\$1,950
<b>MSSP Support</b>				
FY 2006-07 DOS	\$18	\$18		
FY 2007-08 DOS	\$1,254	\$1,081	\$140	\$120
FY 2008-09 DOS			\$1,268	\$1,090
<b>Total MSSP</b>	<b>\$1,272</b>	\$1,099	<b>\$1,408</b>	\$1,210
<b>Grand Total</b>	<b>\$3,344</b>	\$2,861	<b>\$3,696</b>	\$3,160

## BABY WELCOME KITS

OTHER ADMIN. POLICY CHANGE NUMBER: 44  
 IMPLEMENTATION DATE: 7/2001  
 ANALYST: Michael Yokeley  
 FISCAL REFERENCE NUMBER: 249

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$2,405,000	\$2,440,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$2,405,000	\$2,440,000

### DESCRIPTION

Beginning in November 2001, Title XIX federal financial participation has been claimed for the "Welcome Kits" distributed to parents of Medi-Cal eligible newborns by the California Children and Families Commission (CCFC) (Proposition 10).

The Department has an interagency agreement with CCFC to provide federal matching funds. The contract number is 03-76097.

#### Assumptions:

1. CCFC will distribute 483,000 kits for FY 2007-08 and 490,000 for FY 2008-09.
2. As of July 1, 2007 the basic kit will cost \$21.50 and the customized kit, which contains an additional item specific to the county of birth, will cost \$21.75.
3. Approximately 42% of the kits distributed will be basic kits and 58% will be custom kits.
4. Approximately 46% of the kits are expected to be distributed to Medi-Cal eligible newborns.

#### **FY 2007-08 Calculation**

483,000 basic kits x .42 x .46 x \$21.50=	\$2,007,000
483,000 custom kits x .58 x .46 x \$21.75=	\$2,803,000
Total Costs	\$4,810,000
FFP Costs	\$2,405,000

#### **FY 2008-09 Calculation**

490,000 basic kits x .42 x .46 x \$21.50=	\$2,036,000
490,000 custom kits x .58 x .46 x \$21.75=	\$2,844,000
Total Costs	\$4,880,000
FFP Costs	\$2,440,000

## FPACT SUPPORT, PROVIDER EDUC. & CLIENT OUTREACH

OTHER ADMIN. POLICY CHANGE NUMBER: 45  
 IMPLEMENTATION DATE: 12/1999  
 ANALYST: Cheri Johnson  
 FISCAL REFERENCE NUMBER: 248

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$1,943,000	\$2,016,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$1,943,000	\$2,016,000

### DESCRIPTION

The Family PACT Medicaid Waiver Demonstration Project has two main objectives. One is to increase access to services in targeted populations of adolescents, males, and medically underserved women. The other is to increase the number of providers who serve these clients. A formal plan for provider recruitment, education, and support is a requirement under the terms and conditions of the waiver. CDHS education and support services are provided to the Family PACT providers and potential providers, as well as clients and potential clients. Services include, but are not limited to: public education, awareness, and direct client outreach (TeenSmart Outreach (TSO)); provider enrollment, recruitment and training; training and technical assistance for medical and non-medical staff; education and counseling services; preventive clinical services; sexually transmitted infection/HIV training and technical assistance services; and the toll-free referral number. The Office of Family Planning (OFP) in the California Department of Public Health (CDPH) contracts with a variety of entities to provide these services.

The TSO program which was formerly included in the Family Pact MIP and I&E Programs policy change is now included in this policy change.

This policy change provides the Title XIX federal Medicaid funds for these activities. The FFP is provided to the OFP through interagency agreement # 07-65668. The OFP provides the General Fund match in Item 4265-111-0001 in the CDPH budget.

	FY 2007-08	FY 2008-09
Support/Provider Education	\$1,059,000	\$1,103,000
Client Outreach/TSO	\$884,000	\$913,000
FFP	\$1,943,000	\$2,016,000

## OUTREACH - CHILDREN

OTHER ADMIN. POLICY CHANGE NUMBER: 46  
 IMPLEMENTATION DATE: 7/1997  
 ANALYST: Cheri Johnson  
 FISCAL REFERENCE NUMBER: 242

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$1,828,000	\$1,973,000
STATE FUNDS	\$650,000	\$650,000
FEDERAL FUNDS	\$1,178,000	\$1,323,000

### DESCRIPTION

The Budget Act of 1997 established funding for children's outreach. Activities include advertising, community and school-based outreach, application assistance, materials, toll-free line, etc.

The Budget Act of 2003 limited outreach funding to a toll-free line. MAXIMUS, a contract vendor for MRMIB, began carrying out the toll-free line activity starting in January 2004.

The Budget Act of 2005 included funding for the reinstatement of certified application assistance (CAA) fees. Effective July 1, 2005, the interagency agreement with MRMIB has been amended to include the Title XIX federal financial participation (FFP) for Medi-Cal costs for CAA fees for children placed on Medi-Cal accelerated enrollment, and for the Medi-Cal related costs of processing the application assistance payments. The General Fund (GF) is budgeted by MRMIB.

#### Assumptions:

- For the toll-free line, the Department budgets both Title XIX FFP and GF.

FY 2007-08: \$1,300,000 (\$650,000 GF)

FY 2008-09: \$1,300,000 (\$650,000 GF)

- MRMIB budgets the GF for the CAA fees and processing costs for Medi-Cal applications. Only Title XIX FFP is reflected in the Medi-Cal budget.
- CAA fees are \$50 for Medi-Cal applications plus a \$10 premium for applications done using the Health-e-Applications (HeA) process. The additional HeA assistance began July 1, 2006. Based on estimates provided by MRMIB, costs are expected to be:

FY 2007-08: 870 average mail-in apps/month x \$50 x 12 months = \$522,000 (\$261,000 FFP)  
 741 average HeA/month x \$60 x 12 months = \$534,000 (\$267,000 FFP)

FY 2008-09: 1,060 average mail-in apps/month x \$50 x 12 months = \$636,000 (\$318,000 FFP)  
 987 average HeA/month x \$60 x 12 months = \$711,000 (\$355,000 FFP)

**OUTREACH - CHILDREN**

OTHER ADMIN. POLICY CHANGE NUMBER: 46

4. Total CDHS budget (*in thousands*):

	FY 2007-08			FY 2008-09		
	TF	GF	FFP	TF	GF	FFP
Toll-Free Line	\$1,300	\$650	\$650	\$1,300	\$650	\$650
CAA Fees						
Mail-In Apps	\$261	\$0	\$261	\$318	\$0	\$318
Health-e	\$267	\$0	\$267	\$355	\$0	\$355
Apps						
<b>Total</b>	<b>\$1,828</b>	<b>\$650</b>	<b>\$1,178</b>	<b>\$1,973</b>	<b>\$650</b>	<b>\$1,323</b>

## IMMUNIZATION REGISTRY

OTHER ADMIN. POLICY CHANGE NUMBER: 47  
 IMPLEMENTATION DATE: 7/2005  
 ANALYST: Julie Chan  
 FISCAL REFERENCE NUMBER: 1077

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$1,733,000	\$1,260,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$1,733,000	\$1,260,000

### DESCRIPTION

Immunization services are required for Medi-Cal eligibles based on the Title XIX Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) provisions. California Health and Safety Code Section 120440 governs the operation of immunization registries, secure databases of childhood vaccination records that allow medical providers to identify and vaccinate all under-immunized children, including those assisted by Medi-Cal and CHDP. CMS has determined that funds to operate immunization registries are eligible for a 50% match for Medi-Cal related activities under Title XIX, Section 1903(a) (7). Therefore, beginning in FY 2005-06, the Department has been claiming Title XIX FFP for the Medi-Cal related costs of operating an immunization registry.

### Assumptions:

1. The California Department of Public Health allocates \$3,500,000 in Local Assistance GF in the 4265-111 Item for the operation of the nine regional registries run by local health departments. This policy change budgets the matching Title XIX FFP for costs related to Medi-Cal beneficiaries.
2. 72% of children currently in the registry received their vaccinations from public providers. Nearly all of them are Medi-Cal eligible. Therefore, assume that 72% of the \$3,500,000 can be matched by Title XIX FFP.  
 $\$3,500,000 \times .72 = \$2,520,000 / 2 = \$1,260,000$  annual FFP match.

Cash Basis:	FY 2007-08	FY 2008-09
FY 2005-06 Services	\$473,000	\$0
FY 2006-07 Services	\$531,000	\$0
FY 2007-08 Services	\$729,000	\$531,000
FY 2008-09 Services	\$0	\$729,000
<b>TOTAL</b>	<b>\$1,733,000</b>	<b>\$1,260,000</b>

## FAMILY PACT WAIVER DEMO EVALUATION

OTHER ADMIN. POLICY CHANGE NUMBER: 48  
 IMPLEMENTATION DATE: 12/1999  
 ANALYST: Cheri Johnson  
 FISCAL REFERENCE NUMBER: 247

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$1,400,000	\$1,686,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$1,400,000	\$1,686,000

### DESCRIPTION

Terms and conditions of the Family PACT Medicaid Waiver Demonstration Project require an evaluation of program effectiveness. The University of California, San Francisco (UCSF) is conducting the program evaluation, which includes analyzing: changes in birth rates; access by target populations; changes in the provider base for target geographical areas; provider compliance; claims analysis; and cost-effectiveness of services.

This policy change provides the Title XIX federal Medicaid funds for a contract to provide data and evaluate the Family PACT waiver. Beginning July 1, 2007, the Family PACT Medicaid Waiver Demonstration Project is administered by the California Department of Public Health (CDPH). The FFP is provided to CDPH through interagency agreement # 07-65668. The OFP provides the General Fund match in Item 4265-111-0001 in the CDPH budget.

## PERINATAL HIV TESTING PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER: 49  
 IMPLEMENTATION DATE: 7/1996  
 ANALYST: Cheri Johnson  
 FISCAL REFERENCE NUMBER: 241

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$0	\$3,228,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$0	\$3,228,000

### DESCRIPTION

The Perinatal HIV Testing Project, administered by the Office of AIDS, develops and disseminates HIV educational materials for pregnant women. The Project also provides prenatal HIV testing information (educational material, technical assistance, training, etc.) to perinatal care providers and clinics, local health jurisdictions, health maintenance organizations, and other organizations that require assistance in preventing perinatal transmission. Technical assistance and training is offered only to prenatal providers who currently treat Medi-Cal patients.

This policy change provides the Title XIX 50% federal Medicaid funds. The Office of AIDS provides the 50% General Fund match in Item 4265-111-0001 in the California Department of Public Health budget. The cost of the Department's federal match is estimated to be \$1,614,000 in FY 2007-08 and FY 2008-09, to be paid during FY 2008-09.

### CASH BASIS

	<u>Expenditures</u>
FY 2007-08	\$1,614,000
FY 2008-09	\$1,614,000
<b>Total</b>	<b>\$3,228,000</b>

## VETERANS BENEFITS

OTHER ADMIN. POLICY CHANGE NUMBER: 50  
 IMPLEMENTATION DATE: 12/1988  
 ANALYST: Michael Yokeley  
 FISCAL REFERENCE NUMBER: 232

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$956,000	\$956,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$956,000	\$956,000

### DESCRIPTION

The Department of Health Care Services has an interagency agreement which provides federal matching funds to the California Department of Veterans Affairs (CDVA), subsequently to be distributed to County Veteran Services Offices (CVSO), for identifying veterans with VA benefits. This is a process of avoiding costs for the Medi-Cal program by identifying available VA benefits and referring the veterans to utilize those benefits instead of Medi-Cal.

Payments through the interagency agreement will be for the federal funds. Starting in FY 2004-05, billings and payments occur quarterly.

The actual contract amount for FY 2007-08 is \$956,000 and the estimated contract amount for FY 2008-09 is \$956,000.

The CDVA contract number for FY 2007-08 is 07-65100.

The CDVA contract number for FY 2008-09 is 08-85104.

	FY 2007-08	FY 2008-09
CASH BASIS		
Administrative	\$118,000	\$118,000
Workload Units	\$838,000	\$838,000
<b>Total</b>	<b>\$956,000</b>	<b>\$956,000</b>

## FAMILY PACT MIP AND I&E PROGRAMS

OTHER ADMIN. POLICY CHANGE NUMBER: 51  
 IMPLEMENTATION DATE: 7/2003  
 ANALYST: Cheri Johnson  
 FISCAL REFERENCE NUMBER: 261

	<b>FY 2007-08</b>	<b>FY 2008-09</b>
TOTAL FUNDS	\$1,855,000	\$1,882,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$1,855,000	\$1,882,000

### DESCRIPTION

AB 1762, the Health Trailer Bill of 2003, authorized the Department to require contractors and grantees under the Office of Family Planning (OFP), Male Involvement Program (MIP) and Information and Education (I&E) Program to establish and implement clinical linkages to the Family PACT program effective in the 2003-04 fiscal year. These linkages include planning and development of a referral process for program participants to ensure access to family planning and other reproductive health care services, including a technical assistance and training and evaluation component for grantees. The MIP and I&E Programs expect to utilize approximately 75%-80% of their funding for the linkage of ensuring access to Family PACT and Medi-Cal services.

Title XIX funding for the Teen Smart Outreach Program which was formerly included in this policy change is now included in the FFACT Provider Support, Provider Educ. & Client Outreach policy change.

Beginning July 1, 2007, these programs are administered by the California Department of Public Health (CDPH). The Title XIX FFP for the contracts is provided to CDPH through interagency agreement # 07-65592. The OFP provides the General Fund match in Item 4265-111-0001 in the CDPH budget.

	<b>FY 2007-08</b>	<b>FY 2008-09</b>
MIP	\$728,000	\$743,000
I&E	\$998,000	\$999,000
Evaluation	\$129,000	\$140,000
<b>Total FFP</b>	<b>\$1,855,000</b>	<b>\$1,882,000</b>

## CHHS AGENCY HIPAA FUNDING

**OTHER ADMIN. POLICY CHANGE NUMBER:** 52  
**IMPLEMENTATION DATE:** 7/2001  
**ANALYST:** Michael Yokeley  
**FISCAL REFERENCE NUMBER:** 257

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
<b>TOTAL FUNDS</b>	\$700,000	\$700,000
<b>STATE FUNDS</b>	\$0	\$0
<b>FEDERAL FUNDS</b>	\$700,000	\$700,000

### DESCRIPTION

In order to meet the requirements of the Health Insurance Portability and Accountability Act (HIPAA) and ensure that its provisions are applied uniformly in the impacted programs, a HIPAA office has been established at the California Health and Human Services (CHHS) Agency. Title XIX federal financial participation is available for HIPAA activities related to Medi-Cal. This policy change is 100% FFP.

The federal funds are budgeted in Item 4260-117-0890.

<b>CASH BASIS</b>	<u>FY 2007-08</u>	<u>FY 2008-09</u>
CHHS Agency HIPAA Funding	\$700,000	\$700,000

## HEALTH-E APP

OTHER ADMIN. POLICY CHANGE NUMBER: 53  
 IMPLEMENTATION DATE: 7/2007  
 ANALYST: Cheri Johnson  
 FISCAL REFERENCE NUMBER: 1119

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$278,000	\$278,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$278,000	\$278,000

### DESCRIPTION

Health-e App is an electronic, web-based alternative to the traditional paper Medi-Cal/HFP joint application available to enrollment entities in all California counties. MRMIB plans to make system changes to enable the general public to also use the Health-e App. The system changes involve development costs during FY 2007-08 and FY 2008-09.

The Department will pay for the federal Title XIX share of this cost via an interagency agreement with MRMIB. MRMIB will budget the federal Title XXI share of the cost. The California Health Care Foundation (CHCF) will grant the matching funds for the federal Title XIX and Title XXI funding.

#### Assumptions:

1. MRMIB estimates the development cost for system changes, and the federal funding for this cost. Only the Title XIX FFP is included in the Medi-Cal budget.

	CHCF	XIX FFP	XXI FFP	TOTAL
<b>FY 2007-08</b>	\$696,000	<b>\$278,000</b>	\$776,000	\$1,750,000
<b>FY 2008-09</b>	\$696,000	<b>\$278,000</b>	\$776,000	\$1,750,000

## STATE HOSPITAL ELIGIBILITY ACTIVITIES

OTHER ADMIN. POLICY CHANGE NUMBER: 54  
 IMPLEMENTATION DATE: 7/2000  
 ANALYST: Michael Yokeley  
 FISCAL REFERENCE NUMBER: 250

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$254,000	\$164,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$254,000	\$164,000

### DESCRIPTION

The Medi-Cal Program is funding administrative activities at Napa State Hospital and Metropolitan State Hospital in order to ensure that patients in the hospital receive any assistance necessary to gather data needed for the determination of Medi-Cal eligibility, and to insure compliance with Medi-Cal requirements.

As of FY 2006-07, DHCS no longer budgets GF for this policy change. The GF is included in the CDMH budget.

Contract #03-75690 with CDMH-Napa State Hospital: The term of this Agreement began July 1, 2003 and is in effect until cancelled or terminated per W&I Code 14000.03.

Contract #02-25275 with CDMH-Metropolitan State Hospital: The term of this Agreement began July 1, 2002 and is in effect until cancelled or terminated per W&I Code 14000.03.

	FY 2007-08	FY 2008-09
<b>CASH BASIS</b>		
Napa State Hospital	\$113,000	\$64,000
Metropolitan State Hospital	\$141,000	\$100,000
<b>Total FFP</b>	<b>\$254,000</b>	<b>\$164,000</b>

## MERIT SYSTEM SERVICES FOR COUNTIES

OTHER ADMIN. POLICY CHANGE NUMBER: 55  
 IMPLEMENTATION DATE: 7/2003  
 ANALYST: Connie Florez  
 FISCAL REFERENCE NUMBER: 263

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$225,000	\$279,000
STATE FUNDS	\$112,500	\$139,500
FEDERAL FUNDS	\$112,500	\$139,500

### DESCRIPTION

Federal regulations require that any government agency that receives federal funds have a civil service exam, classification, and pay process. Many counties do not have a civil service system, so the State established Merit System Services, under the State Personnel Board, to perform as a personnel board for the 30 counties that do not have one. In addition, the State Personnel Board reviews the merit systems in the remaining 28 counties to ensure that they meet federal civil service requirements.

The State Personnel Board is reimbursed by the Department via a contract/interagency agreement for Merit System Services. The terms of the contract are that it continues indefinitely, until terminated, or until there is a change in scope of work affecting the cost.

	FY 2007-08	FY 2008-09
Contract # 03-75683	\$225,000 (\$112,500 GF)	\$279,000 (\$139,500 GF)

## CA-MMIS REPLACEMENT--CDPH STAFF

OTHER ADMIN. POLICY CHANGE NUMBER: 56  
 IMPLEMENTATION DATE: 7/2007  
 ANALYST: Jenn Brooks  
 FISCAL REFERENCE NUMBER: 1171

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$147,000	\$162,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$147,000	\$162,000

### DESCRIPTION

The current Fiscal Intermediary (FI) contract with Electronic Data Systems expires June 30, 2010. The next contract will run from July 1, 2010 to July 1, 2015. The Medi-Cal program received a total of 17 three-year limited term positions that began July 1, 2007: 15 for the Department of Health Care Services (DHCS) and two for the Maternal Child Adolescent Health/Office of Family Planning (MCH/OFP) in the California Department of Public Health (CDPH).

Title XIX federal Medicaid matching funds are available for the MCH/OFP positions, as well as the others. Since this program is now in CDPH, a separate state department from the Medi-Cal program, an interagency agreement between the two departments has been executed to allow for the provision of federal funds as a reimbursement. The matching General Fund will be budgeted in the MCH/OFP program by CDPH.

#### Assumptions:

1. The 2 three-year limited term positions (one Associate Governmental Program Analyst and one Health Program Specialist I) will cost \$196,000 in FY 2007-08 and \$216,000 in FY 2008-09. The federal share will be \$147,000 in FY 2007-08 and \$162,000 in FY 2008-09.
2. The funding for these positions began in July 2007.

**FY 2007-08: \$147,000 FFP**

**FY 2008-09: \$162,000 FFP**

## COMM LIVING SUPPORT BENEFIT (AB 2968)--CDPH STAFF

OTHER ADMIN. POLICY CHANGE NUMBER: 57  
 IMPLEMENTATION DATE: 7/2007  
 ANALYST: Jenn Brooks  
 FISCAL REFERENCE NUMBER: 1173

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$58,000	\$31,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$58,000	\$31,000

### DESCRIPTION

The Department has received four limited term (18-month) full-time positions to perform and support the new workload associated with the implementation of AB 2968 (Chapter 830, Statutes of 2006). AB 2968 requires the Department to develop and implement a program to provide a community-living support benefit to Medi-Cal beneficiaries residing in the City and County of San Francisco who would otherwise be homeless, living in shelters, or institutionalized. One of these four positions is needed for Licensing and Certification.

Title XIX federal Medicaid matching funds are available for these positions. Since Licensing and Certification is now in the California Department of Public Health (CDPH), a separate state department from the Medi-Cal program, an interagency agreement between the two departments is required to allow for the provision of federal funds as a reimbursement. The matching special fund will be budgeted in Licensing and Certification by the CDPH.

#### Assumptions:

1. The one 18-month limited term position (Health Facilities Evaluator Nurse) will cost \$115,000 in FY 2007-08 and \$61,000 in FY 2008-09. The federal share will be \$58,000 in FY 2007-08 and \$31,000 in FY 2008-09.
2. The funding for this position began in July 2007.

**FY 2007-08: \$58,000 FFP**  
**FY 2008-09: \$31,000 FFP**

## ADHC PROGRAM RESTRUCTURING (SB 1755)--CDPH STAFF

OTHER ADMIN. POLICY CHANGE NUMBER: 58  
 IMPLEMENTATION DATE: 7/2007  
 ANALYST: Jenn Brooks  
 FISCAL REFERENCE NUMBER: 1175

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$50,000	\$49,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$50,000	\$49,000

### DESCRIPTION

The Department has received the staffing resources (20 positions) and funding to implement SB 1755 (Chapter 691, Statutes of 2006) and to provide follow-up to the Medi-Cal Payment Error Study (MPES). SB 1755 authorizes the Department to make significant reforms to the Adult Day Health Care (ADHC) program under Medi-Cal. One of these positions is needed for Licensing and Certification.

Title XIX federal Medicaid matching funds are available for these positions. Since Licensing and Certification is now in the California Department of Public Health (CDPH), a separate state department from the Medi-Cal program, an interagency agreement between the two departments is required to allow for the provision of federal funds as a reimbursement. The matching special fund will be budgeted in Licensing and Certification by the CDPH.

#### Assumptions:

1. The one permanent position (Associate Governmental Program Analyst) will cost \$99,000 in FY 2007-08 and \$97,000 in FY 2008-09 and beyond. The federal share will be \$50,000 in FY 2007-08 and \$49,000 in FY 2008-09 and beyond.
2. The funding for this position began in July 2007.

**FY 2007-08: \$50,000 FFP**

**FY 2008-09: \$49,000 FFP**

## ICF/DD CONTINUOUS CARE NURSING PILOT--CDPH STAFF

OTHER ADMIN. POLICY CHANGE NUMBER: 59  
 IMPLEMENTATION DATE: 1/2008  
 ANALYST: Jenn Brooks  
 FISCAL REFERENCE NUMBER: 1174

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$49,000	\$86,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$49,000	\$86,000

### DESCRIPTION

The Department has received approval for the extension of four limited term ICF/DD-CN positions for an additional two years, with one of the positions needed for Licensing and Certification.

Title XIX federal Medicaid matching funds are available for these positions. Since Licensing and Certification is now in the California Department of Public Health (CDPH), a separate state department from the Medi-Cal program, an interagency agreement between the two departments has been executed to allow for the provision of federal funds as a reimbursement. The matching special fund will be budgeted in Licensing and Certification by CDPH.

#### Assumptions:

1. The one 2-year limited term position (Health Facilities Evaluator Nurse) will cost \$69,000 in FY 2007-08, \$121,000 in FY 2008-09 and \$59,500 in FY 2009-10. The federal share will be \$49,000 in FY 2007-08, \$86,000 in FY 2008-09 and \$43,000 in FY 2009-10.
2. The funding for this position began in January 2008.

**FY 2007-08: \$49,000 FFP**

**FY 2008-09: \$86,000 FFP**

## PIA EYEWEAR COURIER SERVICE

OTHER ADMIN. POLICY CHANGE NUMBER: 61  
 IMPLEMENTATION DATE: 7/2003  
 ANALYST: Julie Chan  
 FISCAL REFERENCE NUMBER: 1114

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$872,000	\$744,000
STATE FUNDS	\$436,000	\$372,000
FEDERAL FUNDS	\$436,000	\$372,000

### DESCRIPTION

Prison Industries Authority (PIA) fabricates the eyeglasses for Medi-Cal beneficiaries. Since July 2003, the Department has had an interagency agreement (IA) with PIA to reimburse them for one-half of the costs of the courier service that delivers orders between the optical providers and PIA. The two-way courier service ensures that beneficiaries have continued access to and no disruption of optical services. For FY 2007-08, the Department will be paying for services for FY 2006-07 and FY 2007-08. On an ongoing basis, payments are expected to be paid at the end of each quarter. The last quarter of each fiscal year will be paid the following fiscal year. The current PIA courier contract with DHL Express, Incorporated, expires August 2008.

### Assumptions:

1. An estimated 260,000 packages will be shipped between Medi-Cal optical providers and PIA for FY 2007-08 and 2008-09.
2. The Department's cost of shipping each package was \$1.25 in FY 2006-07, and \$2.86 beginning in FY 2007-08 and FY 2008-09 under the new IA with DHL. The increased cost of shipping is due to changes in fuel costs.

FY 2007-08: 260,000 x \$2.86 = \$744,000

FY 2008-09: 260,000 x \$2.86 = \$744,000

	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>IA #</u>
Cash Basis			
FY 2006-07 Services	\$314,000	\$0	06-55363
FY 2007-08 Services	\$558,000	\$186,000	06-55363
FY 2008-09 Services	\$0	\$558,000	06-55363
	<b>\$872,000</b>	<b>\$744,000</b>	

## DATA CENTER COST REDUCTION

OTHER ADMIN. POLICY CHANGE NUMBER: 66  
 IMPLEMENTATION DATE: 7/2007  
 ANALYST: Cheri Johnson  
 FISCAL REFERENCE NUMBER: 1235

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	-\$16,000	-\$218,000
STATE FUNDS	-\$8,000	-\$109,000
FEDERAL FUNDS	-\$8,000	-\$109,000

### DESCRIPTION

Control Section 15.25, Budget Act of 2007 (Chapter 171, Statutes of 2007), provides that the Director of Finance may adjust amounts in any appropriation item resulting from changes in rates for data center services approved by the Technology Services Board in the 2007 or 2008 calendar year. The reduction for the Medi-Cal program in FY 2007-08 is \$16,000 TF (\$8,000 GF) and for FY 2008-09 is \$218,000 TF (\$109,000 GF).

## REDUCTION TO MIS/DSS CONTRACT BY 25%

OTHER ADMIN. POLICY CHANGE NUMBER: 67  
 IMPLEMENTATION DATE: 7/2008  
 ANALYST: Michael Yokeley  
 FISCAL REFERENCE NUMBER: 1244

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$0	-\$2,100,000
STATE FUNDS	\$0	-\$525,000
FEDERAL FUNDS	\$0	-\$1,575,000

### DESCRIPTION

Effective July 1, 2008, the operations costs for the MIS/DSS Contract will be reduced by 25%. For more information, see Appendix A, Issue #24.

#### Assumptions:

- The FY 2008-09 MIS/DSS Contract cost is \$8,557,000.

$$\$8,557,000 \times 25\% = \mathbf{\$2,100,000 (\$525,000 \text{ GF}) \text{ Savings}}$$

## REDUCTION TO CCS CASE MANAGEMENT BY 10%

OTHER ADMIN. POLICY CHANGE NUMBER: 69  
 IMPLEMENTATION DATE: 10/2008  
 ANALYST: Cheri Johnson  
 FISCAL REFERENCE NUMBER: 1253

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$0	-\$5,337,000
STATE FUNDS	\$0	-\$2,188,250
FEDERAL FUNDS	\$0	-\$3,148,750

### DESCRIPTION

Effective October 1, 2008, CCS Case Management expenditures will be reduced by 10%. For additional information, see Appendix A, Issue #22.

#### Assumptions:

1. CCS Case Management expenditures in FY 2008-09 are expected to be \$118,610,000.
2. Based on FY 2006-07 actuals, assume 60% of the claims paid in FY 2008-09 are for services that occur in FY 2008-09. Assume the remaining 40% are for services in prior years paid in FY 2008-09.

$$\$118,610,000 \times 10\% = \$11,861,000$$

$$\$11,861,000 \times 60\% = \$7,116,600$$

$$\text{FY 2008-09: } \$7,116,600 / 12 \times 9 \text{ months} = \mathbf{\$5,337,000 (\$3,149,000 GF)}$$

## REDUCTION TO EPSDT CASE MANAGEMENT BY 10%

OTHER ADMIN. POLICY CHANGE NUMBER: 70  
 IMPLEMENTATION DATE: 10/2008  
 ANALYST: Cheri Johnson  
 FISCAL REFERENCE NUMBER: 1255

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$0	-\$1,686,000
STATE FUNDS	\$0	-\$590,250
FEDERAL FUNDS	\$0	-\$1,095,750

### DESCRIPTION

Effective October 1, 2008, EPSDT Case Management expenditures will be reduced by 10%. For additional information, see Appendix A, Issue #23.

#### Assumptions:

1. EPSDT Case Management expenditures in FY 2008-09 are expected to be \$37,464,000.
2. Based on FY 2006-07 actuals, assume 60% of the claims paid in FY 2008-09 are for services that occur in FY 2008-09. Assume the remaining 40% are for services in prior years paid in FY 2008-09.

$$\$37,464,000 \times 10\% = \$3,746,400$$

$$\$3,746,400 \times 60\% = \$2,247,840$$

$$\text{FY 2008-09: } \$2,247,840 / 12 \times 9 \text{ months} = \mathbf{\$1,686,000 (\$590,000 GF)}$$

## REDUCTION TO PERSONAL CARE SERVICES ADMIN.

OTHER ADMIN. POLICY CHANGE NUMBER: 71  
 IMPLEMENTATION DATE: 7/2008  
 ANALYST: Julie Chan  
 FISCAL REFERENCE NUMBER: 1264

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$0	-\$10,840,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$0	-\$10,840,000

### DESCRIPTION

In FY 2008-09, the county cost of administering the In-Home Supportive Services Personal Care Services Program will be reduced by \$10,840,000 FFP.

Following is the cash estimate savings provided by CDSS.

<b>FY 2008-09</b>	<b>DHCS FFP</b>	<b>CDSS GF</b>	<b>County</b>	<b>IA #</b>
EW Time & Health Related	<b>-\$10,840,000</b>	-\$7,588,000	-\$3,252,000	03-75676

## REDUCTION TO CDADP ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 72  
 IMPLEMENTATION DATE: 7/2008  
 ANALYST: Jamie Carroll  
 FISCAL REFERENCE NUMBER: 1266

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$0	-\$443,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$0	-\$443,000

### DESCRIPTION

In FY 2008-09, expenditures for the California Department of Alcohol and Drug Programs' (CDADP) administrative costs related to services provided to Medi-Cal beneficiaries will be reduced by \$443,000 FFP.

Following is the cash estimate savings provided by the CDADP.

FY 2008-09	DHCS FFP Savings	IA #
Support	\$ 356,000	01-15938
HIPAA*	\$ 87,000	01-15938
<b>Total</b>	<b>\$ 443,000</b>	

\*HIPAA costs are budgeted in Item 4260-117-0890.

## REDUCTION TO CDA ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 74  
 IMPLEMENTATION DATE: 7/2008  
 ANALYST: Shelley Stankeivicz  
 FISCAL REFERENCE NUMBER: 1270

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$0	-\$63,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$0	-\$63,000

### DESCRIPTION

In FY 2008-09, the California Department of Aging's (CDA's) administrative costs related to services provided by the Adult Day Health Care Program and the Multipurpose Senior Services Program to Medi-Cal eligibles will be reduced by \$63,000 FFP. These estimates were provided by CDA.

	FY 2008-09	
	FFP	CDA GF
ADHC Support	\$49,000	\$50,000
MSSP Support	\$14,000	\$15,000
<b>Total Savings</b>	<b>\$63,000</b>	<b>\$65,000</b>

## REDUCTION TO CDPH ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 75  
 IMPLEMENTATION DATE: 7/2008  
 ANALYST: Jamie Carroll  
 FISCAL REFERENCE NUMBER: 1273

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$0	-\$377,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$0	-\$377,000

### DESCRIPTION

In FY 2008-09, the CDPH administrative costs related to services provided to Medi-Cal beneficiaries will be reduced by \$377,000 FFP. These estimates were provided by CDPH.

	FY 2008-09
Office of Family Planning Savings	\$ 192,000
Maternal and Child Health Savings	\$ 14,000
Center for Health Statistics Savings	\$ 80,000
TeenSmart Outreach Savings	\$ 91,000
<b>Total Federal Fund Savings</b>	<b>\$ 377,000</b>

## CA-MMIS REPLACEMENT CONTRACTORS

OTHER ADMIN. POLICY CHANGE NUMBER: 76  
 IMPLEMENTATION DATE: 10/2007  
 ANALYST: Michael Yokeley  
 FISCAL REFERENCE NUMBER: 1278

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
TOTAL FUNDS	\$654,000	\$3,023,000
STATE FUNDS	\$163,500	\$755,750
FEDERAL FUNDS	\$490,500	\$2,267,250

### DESCRIPTION

CA-MMIS is the claims processing system used for Medi-Cal. This system has changed considerably over the past 30 years to incorporate technological advances as well as address new business and legislative requirements and, as a result, is extremely complex, difficult to maintain, and nearing the end of its useful life cycle. CA-MMIS is a mission critical system that must assure timely and accurate claims processing for Medi-Cal providers. Given the business critical nature of CA-MMIS, a detailed assessment was recently completed by a specialty vendor which recommends that modernization of CA-MMIS begin immediately. Therefore, the Department will contract with various vendors to assist with development of Request for Proposal (RFP) language for current and replacement CA-MMIS maintenance and operations, documentation of business rules, IT evaluation assistance, project management assistance during transition and IV&V assistance for the replacement system.

The CA-MMIS Replacement Contractor costs were budgeted in the FI section in the November 2007 Medi-Cal Estimate.

## REDUCTION TO PIA EYEWEAR COURIER SERVICE

OTHER ADMIN. POLICY CHANGE NUMBER: 80  
 IMPLEMENTATION DATE: 10/2008  
 ANALYST: Jenn Brooks  
 FISCAL REFERENCE NUMBER: 1285

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$0	-\$175,000
STATE FUNDS	\$0	-\$87,500
FEDERAL FUNDS	\$0	-\$87,500

### DESCRIPTION

Effective October 1, 2008, the Department will no longer provide optician and optical lab services to adults 21 years of age or older who are not in nursing facilities.

The Prison Industry Authority (PIA) fabricates eyeglasses for Medi-Cal beneficiaries. Through an interagency agreement, the Department reimburses PIA for one-half of the costs of the courier service that delivers orders between the optical providers and PIA. Courier service expenditures are expected to be reduced by 47% and savings are estimated to be \$175,000 in FY 2008-09. For more information, see Appendix A, Issue #12.

## DME CONTRACTING PROJECT

**OTHER ADMIN. POLICY CHANGE NUMBER:** 83  
**IMPLEMENTATION DATE:** 7/2008  
**ANALYST:** Michael Yokeley  
**FISCAL REFERENCE NUMBER:** 1299

	FY 2007-08	FY 2008-09
TOTAL FUNDS	\$0	\$1,000,000
STATE FUNDS	\$0	\$500,000
FEDERAL FUNDS	\$0	\$500,000

### DESCRIPTION

The Durable Medical Equipment (DME) Contracting Project is a transaction-based project approach which outlines the scope of work through three phases. Each phase builds upon the previous one and provides a deliverable, which can be used by the Department as a stand alone product that enables the Department to integrate the product into its development plan in order to reduce DME costs.

In Phase 1, the contractor would establish baseline utilization data to develop usage profiles, evaluate from the assessment the DME procurement practices, develop a rate structure, benchmark California's pricing and DME procurement practices against other states, develop recommendations to reduce DME costs in California, and develop a plan to implement the recommendations.

In Phase 2, the contractor would develop and provide the Department with implementation guidelines, provide the Department technical assistance and the necessary tools for implementation, and provide data to support the projected savings and outcomes which would also be used to assess contractor performance.

In Phase 3, the contractor would provide the operational guidelines and technical assistance to negotiate the pricing with manufacturers. They will develop and utilize their tracking tools to enable the Department to monitor the results of implementation.

The Department will require a pay-for-performance option for the DME Contracting Project under which no payments would be made to the contractor until actual savings are realized and validated by the Department. The Department will acquire this service contract through a competitive bid process. The maximum payable to the contractor is \$1,000,000 for the first \$1,000,000 in savings. Savings above \$1,000,000 will be accrued to the State (see DME Contracting Project Savings policy change). The contractor would begin work on the project beginning in June 2008. Contracting costs and services savings would not begin until July 2008.