

**MEDI-CAL
MAY 2009
LOCAL ASSISTANCE ESTIMATE
for
FISCAL YEARS
2008-09 and 2009-10**

MANAGEMENT SUMMARY

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May 2009 Medi-Cal Estimate

Current Year (FY 2008-09) Projected Expenditures Compared to the November 2008 Estimate

(Dollars in Millions)

Total Medi-Cal local assistance expenditures in the Department of Health Care Services (DHCS) budget in the Current Year as compared to the November 2008 Estimate are as follows:

| Medical Care Services | Nov 2008 Estimate | May 2009 Estimate | Change | |
|----------------------------------|------------------------------|------------------------------|--------------------|----------------|
| | | | Amount | Percent |
| Total Funds | \$35,912.0 | \$37,299.6 | \$1,387.6 | 3.9% |
| Federal Funds | \$21,539.9 | \$24,486.6 | \$2,946.7 | 13.7% |
| General Fund | \$13,523.6 | \$12,002.4 | (\$1,521.2) | -11.2% |
| Other Non-Federal Funds | \$848.5 | \$810.6 | (\$37.9) | -4.5% |

| County Administration | Nov 2008 Estimate | May 2009 Estimate | Change | |
|----------------------------------|------------------------------|------------------------------|---------------|----------------|
| | | | Amount | Percent |
| Total Funds | \$2,825.7 | \$2,679.7 | (\$146.0) | -5.2% |
| Federal Funds | \$2,043.6 | \$1,896.4 | (\$147.2) | -7.2% |
| General Fund | \$782.1 | \$783.3 | \$1.2 | 0.2% |
| Other Non-Federal Funds | \$0.0 | \$0.0 | \$0.0 | - |

| Fiscal Intermediary | Nov 2008 Estimate | May 2009 Estimate | Change | |
|--------------------------------|------------------------------|------------------------------|----------------|----------------|
| | | | Amount | Percent |
| Total Funds | \$310.3 | \$293.2 | (\$17.1) | -5.5% |
| Federal Funds | \$202.2 | \$191.2 | (\$11.0) | -5.4% |
| General Fund | \$108.0 | \$101.9 | (\$6.1) | -5.6% |
| Other Non-Federal Funds | \$0.1 | \$0.1 | (\$0.0) | - |

| Total Expenditures | Nov 2008 Estimate | May 2009 Estimate | Change | |
|-------------------------------|------------------------------|------------------------------|--------------------|----------------|
| | | | Amount | Percent |
| Total Funds | \$39,047.9 | \$40,272.5 | \$1,224.6 | 3.1% |
| Federal Funds | \$23,785.6 | \$26,574.2 | \$2,788.6 | 11.7% |
| General Fund | \$14,413.7 | \$12,887.6 | (\$1,526.1) | -10.6% |
| Other Non-Federal Funds | \$848.6 | \$810.7 | (\$37.9) | -4.5% |

Note: Totals may not add due to rounding.

5/22/2009

May 2009 Medi-Cal Estimate

Current Year (FY 2008-09) Projected Expenditures Compared to the Revised Appropriation

(Dollars in Millions)

Total Medi-Cal local assistance expenditures in the Department of Health Care Services (DHCS) budget in the Current Year as compared to the revised 2008-09 Appropriation are as follows:

| Medical Care Services | Rev. 2008-09 Appropriation | May 2009 Estimate | Change | |
|----------------------------------|---------------------------------------|------------------------------|--------------------|----------------|
| | | | Amount | Percent |
| Total Funds | \$38,681.1 | \$37,299.6 | (\$1,381.5) | -3.6% |
| Federal Funds | \$24,368.5 | \$24,486.6 | \$118.1 | 0.5% |
| General Fund | \$13,542.5 | \$12,002.4 | (\$1,540.1) | -11.4% |
| Other Non-Federal Funds | \$770.1 | \$810.6 | \$40.5 | 5.3% |

| County Administration | Rev. 2008-09 Appropriation | May 2009 Estimate | Change | |
|----------------------------------|---------------------------------------|------------------------------|---------------|----------------|
| | | | Amount | Percent |
| Total Funds | \$2,702.5 | \$2,679.7 | (\$22.8) | -0.8% |
| Federal Funds | \$1,934.2 | \$1,896.4 | (\$37.8) | -2.0% |
| General Fund | \$768.3 | \$783.3 | \$15.0 | 2.0% |
| Other Non-Federal Funds | \$0.0 | \$0.0 | \$0.0 | - |

| Fiscal Intermediary | Rev. 2008-09 Appropriation | May 2009 Estimate | Change | |
|--------------------------------|---------------------------------------|------------------------------|----------------|----------------|
| | | | Amount | Percent |
| Total Funds | \$301.7 | \$293.2 | (\$8.5) | -2.8% |
| Federal Funds | \$198.6 | \$191.2 | (\$7.4) | -3.7% |
| General Fund | \$103.0 | \$101.9 | (\$1.1) | -1.1% |
| Other Non-Federal Funds | \$0.2 | \$0.1 | (\$0.1) | - |

| Total Expenditures | Rev. 2008-09 Appropriation | May 2009 Estimate | Change | |
|-------------------------------|---------------------------------------|------------------------------|--------------------|----------------|
| | | | Amount | Percent |
| Total Funds | \$41,685.3 | \$40,272.5 | (\$1,412.8) | -3.4% |
| Federal Funds | \$26,501.3 | \$26,574.2 | \$72.9 | 0.3% |
| General Fund | \$14,413.7 | \$12,887.6 | (\$1,526.1) | -10.6% |
| Other Non-Federal Funds | \$770.3 | \$810.7 | \$40.4 | 5.2% |

The 2008-09 Appropriation for Benefits includes an increase to Federal Funds of \$3,150,832,000 due to ARRA of 2009.

The November 2008 Estimate projected that 2008-09 Medi-Cal program General Fund (GF) expenditures would equal the 2008-09 Appropriation. The May 2009 Estimate identifies a surplus of \$1,526.1 million GF as compared to the Appropriation. This is a \$1,526.1 million GF decrease from the November 2008 Estimate.

| | |
|-----------------------------|-------------------|
| November 2008 General Fund | \$14,413.7 |
| May 2009 General Fund: | <u>\$12,887.6</u> |
| General Fund Change: | -\$1,526.1 |

The change from the November 2008 Estimate is explained as follows (dollars in millions):

| | |
|---|------------|
| Medical Care Services: | -\$1,521.2 |
| County/Other Administration Changes: | \$1.2 |
| Fiscal Intermediary: | -\$6.1 |

The following paragraphs briefly describe the major changes: (All comparisons are based on 50% GF. The ARRA impact is discussed separately.)

1. PC 14 Reduce CEC and Implement MSR: Continuous Eligibility for Children (CEC) was implemented January 1, 2001 and was authorized by AB 2900 (Chapter 945, Statutes of 2000). Children eligible for no cost Medi-Cal received continuous coverage until their annual re-determination. Based on the Health Trailer Bill of 2008, the November Estimate assumed that CEC would be discontinued and mid-year status reports would be implemented as of December 2008. However, to meet the requirements of the American Recovery and Reinvestment Act (ARRA) of 2009 Maintenance of Eligibility (MOE) provisions, the Department will not reduce CEC and implement mid-year status reports for children. As a result, the May Estimate no longer includes the savings estimated at \$9.3 million GF in FY 2008-09 and \$91.9 million GF in FY 2009-10.
2. PC 15 Provider Payments Reduction Litigation; PC 86 Provider Payment Reduction; PC 84 LTC Provider Payment Reductions; PC 83 Non-Contract Hospitals; PC 82 Non-SPCP Hospitals and PC 181 Cal Pharmacy Injunction: ABX3 5 (Chapter 3, Statutes of 2008) reduced payments to fee-for-service (FFS) Medi-Cal providers by 10% with specified exemptions. Managed care capitation payments have been reduced by the actuarial equivalent of the 10% provider payment reduction for the impacted providers. Effective March 1, 2009, as required by the Health Trailer Bill of 2008, long-term care (LTC) and pharmacy payments were reduced by 5% and all other providers were reduced by 1%. The Health Trailer Bill specified that Non-Selective Provider Contracting Program (Non-SPCP) hospitals (non-contract hospitals in open health facility planning areas with three or

more general acute care hospitals and in closed areas) be paid the average regional rate established by the California Medical Assistance Commission minus 5% or the hospital's interim rate minus 10%, whichever is lower. Small and rural hospitals were exempted from the 10% reduction effective November 2008.

On August 18, 2008 and November 17, 2008, in the case of *Independent Living Center v. Shewry*, the U.S. District Court issued preliminary injunctions on the payment reductions and ordered the Department to restore the payment reduction for prescription drugs, adult day health care (ADHC), dental, physicians, optometry, clinics, certain home health services and nonemergency transportation. These injunctions reduced the savings for the provider reductions. The November 2008 Estimate assumed the injunctions would be ongoing. In the May Estimate, the Department assumes the injunctions only apply through February 28, 2009, the time period for which ABX3 5 is effective.

On April 6, 2009, in the case of *Cal Pharmacy, et al. v. Maxwell-Jolly*, the U.S. Court of Appeals issued an injunction and ordered the Department to restore the payment reductions for ADHC services, pharmacy services, DP/NF and DP Subacute facilities, hospital outpatient services and inpatient services for non-contract hospitals.

In the May 2009 Estimate, the overall savings due to provider payment reductions in FY 2008-09 is \$362.5 million GF. The cost due to the injunctions in FY 2008-09 is \$187.9 million GF. The net savings in FY 2008-09 is \$174.6 million GF. This net savings is \$8.1 million GF higher than the November 2008 Estimate.

For 2009-10, the overall savings in the May Estimate due to provider payment reductions is \$209 million GF. The cost due to the injunctions in FY 2009-10 is \$150.3 million GF. The net savings in FY 2009-10 is \$58.7 million GF. This net savings is \$6.5 million GF less than estimated in the 2009-10 Appropriation.

3. PC 35 Unspecified Budget Reduction: The 2008-09 and 2009-10 Appropriations both included an unspecified reduction in the Medi-Cal budget of \$323.3 million GF. There were no specific changes in policy associated with these budget reductions. The May 2009 Estimate is the final estimate for 2008-09 based on the latest available data, and indications are that the unspecified reduction will not be achieved for 2008-09. Therefore, in the May 2009 Estimate the unspecified budget adjustment has not been included. This results in an increase in cost of \$323.3 million GF for this policy change in 2008-09 relative to the Appropriation and the November Estimate. The May 2009 Estimate continues to include an unspecified budget reduction of \$323.3 million GF for 2009-10, so there is no change from the 2009-10 Appropriation.

4. Base PC 50 Two Plan Model; Base PC 51 County Organized Health Systems (COHS); Base PC 52 Geographic Managed Care (GMC); Base PC 54 Senior Care Action Network (SCAN) and Base PC 55 Program of All-Inclusive Care for the Elderly (PACE): The 2008-09 managed care base costs for the five models noted here are estimated to be \$2.6 million GF higher than in the 2008-09 November Estimate. Costs for Two Plan Model, GMC, COHS and PACE increased by \$24.8 million GF in 2008-09, mainly due to increased eligibles in the program. Beginning January 1, 2009, SCAN's rates are redetermined on a calendar year basis and are based on a new methodology. This methodology uses a FFS population more comparable to SCAN participants who are SNF or ICF eligible rather than the Medi-Cal nursing home resident population used historically for setting rates. The result is a savings of \$22.2 million GF in 2008-09.

In 2009-10, overall costs are estimated to increase by \$77.8 million GF from the 2009-10 Appropriation. Costs for Two Plan Model, GMC, COHS and PACE are estimated to increase by \$125.1 million GF in 2009-10. Savings due to the new rate setting methodology for SCAN are estimated to be \$47.3 million GF above the 2009-10 Appropriation. The May Estimate is based on preliminary capitation rates for 2009-10 which include the impact of the QIF sunset.

In the May 2009 Estimate, the overall increase between the current year and the budget year due to increased eligibles is estimated to be \$159.9 million GF. The overall increase due to rate changes is estimated to be \$27.8 million GF.

5. PC 87 and 88 Hospital Financing – DSH Payment and Private DSH Replacement: Title XIX federal funding and GF are budgeted to provide private hospitals with replacement funding for the funding previously provided through the Disproportionate Share Hospital (DSH) Program. The federal DSH allotment and GF are budgeted to provide Non-Designated Public Hospitals (NDPHs) with funding through the DSH program. California's annual allotment of federal funds for the DSH program increased in 2008-09 because the annual Consumer Price Index (CPI) increase has caught up with the one time increase of 16% that was approved by the federal government in 2004. Also, the American Recovery and Reinvestment Act (ARRA) of 2009 provided a temporary increase of \$26.9 million in 2008-09 and an additional \$27.5 million in 2009-10. Because the federal DSH allotment increased due to the CPI and ARRA, the NDPHs and the Private DSH Replacement amount also increased. The 2008-09 costs are expected to increase by \$56.2 million GF over the November 2008 Estimate. The 2009-10 costs are expected to increase by an additional \$37.6 million GF as compared to the 2009-10 Appropriation.
6. PC 104 Capital Project Debt Reimbursement: The Medi-Cal program provides reimbursement to qualifying hospitals for revenue and general obligation bond debt for principal and interest costs incurred for facility construction, renovation and

replacement. In addition, recent legislation has authorized Medi-Cal reimbursement to qualifying distinct part skilled nursing facilities for debt service incurred for the financing of eligible capital construction projects. In the May 2009 Estimate, the 2008-09 costs of the capital project debt reimbursement are estimated to be \$29.6 million GF less than in the November Estimate due to the implementation of a revised methodology to more accurately estimate the reimbursement costs on a cash basis. 2009-10 costs are estimated to be \$2.6 million GF higher than in the November Estimate.

7. PC 160 Additional Caseload Increase: The original May 2009 Medi-Cal base caseload estimate was based on data through February 2009. Later actual data through April 2009 shows the Medi-Cal caseload increasing at a steeper level than anticipated for some aid categories most directly affected by the high unemployment rate. Based on these additional months of data, the caseload estimates for the Public Assistance-AFDC (CalWORKs), Medically Needy-AFDC and Medically Indigent Child aid categories were revised, resulting in an additional 31,800 average monthly eligibles in 2008-09 above the base estimate, and 125,900 in 2009-10. The revised average monthly caseload of 6,884,500 for 2008-09 is 1.28% higher than the November 2008 Estimate. The 2009-10 estimate of 7,185,700 is 4.73% higher than the 2009-10 Appropriation. The overall year-to-year caseload change is an increase of 3.52% from 2007-08 to 2008-09, and 4.38% from 2008-09 to 2009-10. The estimated costs above the November Estimate associated with the additional caseload increase are \$24.8 million GF for 2008-09, and \$121.2 million GF for 2009-10.
8. PC 169 Reduction To Hospital Financing – DPH SNCP By 10%: Under the Medi-Cal Hospital/Uninsured Care Demonstration, the Safety Net Care Pool (SNCP) was established for distribution through the certified public expenditures (CPEs) of designated public hospitals (DPHs) for uncompensated care to the uninsured, and for the federalizing of four state-only funded health care programs (the Genetically Handicapped Persons Program, California Children's Services, Medically Indigent Adult Long-Term Care, and Breast and Cervical Cancer Treatment). For the 2008-09 SNCP Demonstration Year, payments to DPHs will be reduced by 10%. The amount of CPEs of the four state-only funded programs will be increased to utilize any remaining federal funds in the SNCP. Savings will begin in 2009-10. In the May 2009 Estimate, \$5.1 million of the GF savings will be in the Medi-Cal Estimate and \$49.1 million will be in the Family Health Estimate. The 2009-10 Medi-Cal savings decreased by \$1.8 million GF from the 2009-10 Appropriation due to a shift of the amount of CPE from the Medi-Cal Estimate to the Family Health Estimate.
9. PC 182 ARRA-Additional FFP for DHCS and PC 203 ARRA-Additional FFP for Local Match: On February 17, 2009, the President signed the American Recovery and Reinvestment Act of 2009. Under ARRA, states are provided a temporary Federal Medical Assistance Percentage (FMAP) increase for a 27-month period beginning October 1, 2008 through December 31, 2010. California will receive an 11.59% FMAP increase for most Medi-Cal Title XIX-funded benefits, for an

estimated total of \$3,125.2 million in 2008-09, and \$4,161.5 million in 2009-10. DHCS will receive an estimated \$2,340.2 million in additional FMAP in 2008-09 and \$2,972.3 million in 2009-10. Of the \$2,340.2 million in 2008-09, the DHCS GF estimated savings will be \$2,085.7 million, the Distressed Hospital Fund savings will be \$4.0 million, and the savings to local governments who provide CPEs and Intergovernmental Transfers (IGTs) through the Department will be \$250.5 million. For 2009-10, of the \$2,972.3 million, the DHCS GF savings will be \$2,525.9 million, the Distressed Hospital Fund savings will be \$3.5 million, and the savings to local governments who do CPEs and IGTs through the Department will be \$442.9 million. From the total additional FMAP received by California, other departments' GF savings are estimated to be \$549.2 million in 2008-09 and \$858.1 million in 2009-10. Local government savings related to the other departments will be \$235.8 million in 2008-09 and \$331.1 million in 2009-10.

10. PC N/A Delay Checkwrite June 2009 to July 2009: Since 2004-05, the last checkwrite in June of each fiscal year has been delayed until the start of the next fiscal year. The November 2008 Estimate also included the delay of the second-to-last checkwrite in June 2009 to the next fiscal year. However, due to the prompt payment requirements of ARRA, the May Estimate does not include delay of the second-to-last checkwrite. This results in an increased cost of \$184.0 million GF in 2008-09 as compared to the November Estimate.
11. County Administration: County administrative costs are expected to be substantially the same in 2008-09 as estimated in November 2008 (\$1.2 million GF higher), and \$105.7 million GF higher in 2009-10 than estimated in the 2009-10 Appropriation. The increase in GF in 2009-10 is due mainly to the updating of the 2009-10 county administration base costs to include an additional year of data, which is done in the May Estimate each year (\$75.6 million increase above the Appropriation); continued eligible growth (CA PC 2 CalWORKs Applications, \$5.3 million GF increase and CA PC 3 Eligible Growth, \$8.6 million GF increase); and increases in costs for the Data Privacy and Security Agreements to safeguard personally identifiable information as required by Section 1137 of the Social Security Act, as the counties continue to work toward being in substantial compliance with their Agreements by July 1, 2010 (CA PC 4 Medi-Cal Data Privacy and Security Agreements, \$7.4 million GF increase).
12. Fiscal Intermediary: Fiscal Intermediary costs for 2008-09 are expected to be \$6.1 million GF less than anticipated in the November 2008 Estimate, due mainly to lower projected adjudicated claim lines and lower change order costs. In 2009-10, costs are expected to be \$6.6 million GF higher than projected in the 2009-10 Appropriation, mainly due to the addition of Takeover costs for the new fiscal intermediary contractor.

May 2009 Medi-Cal Estimate

Budget Year (FY 2009-10) Projected Expenditures Compared to the 2009-10 Appropriation (Dollars in Millions)

Total Medi-Cal local assistance expenditures in the Department of Health Care Services (DHCS) budget in the Budget Year as compared to the revised 2009-10 appropriation are as follows:

| Medical Care Services | 2009-10 Appropriation | May 2009 Estimate | Change | |
|----------------------------------|----------------------------------|------------------------------|--------------------|----------------|
| | | | Amount | Percent |
| Total Funds | \$37,335.2 | \$37,073.8 | (\$261.4) | -0.7% |
| Federal Funds | \$22,011.6 | \$25,345.4 | \$3,333.8 | 15.1% |
| General Fund | \$14,461.3 | \$10,736.3 | (\$3,725.1) | -25.8% |
| Other Non-Federal Funds | \$862.3 | \$992.1 | \$129.8 | 15.1% |

| County Administration | 2009-10 Appropriation | May 2009 Estimate | Change | |
|----------------------------------|----------------------------------|------------------------------|----------------|----------------|
| | | | Amount | Percent |
| Total Funds | \$2,901.7 | \$3,234.1 | \$332.4 | 11.5% |
| Federal Funds | \$2,095.7 | \$2,321.4 | \$225.7 | 10.8% |
| General Fund | \$806.0 | \$911.7 | \$105.7 | 13.1% |
| Other Non-Federal Funds | \$0.0 | \$1.0 | \$1.0 | - |

| Fiscal Intermediary | 2009-10 Appropriation | May 2009 Estimate | Change | |
|--------------------------------|----------------------------------|------------------------------|---------------|----------------|
| | | | Amount | Percent |
| Total Funds | \$295.1 | \$320.0 | \$24.9 | 8.4% |
| Federal Funds | \$192.7 | \$210.9 | \$18.2 | 9.4% |
| General Fund | \$102.3 | \$108.9 | \$6.6 | 6.5% |
| Other Non-Federal Funds | \$0.1 | \$0.1 | (\$0.0) | - |

| Total Expenditures | 2009-10 Appropriation | May 2009 Estimate | Change | |
|-------------------------------|----------------------------------|------------------------------|--------------------|----------------|
| | | | Amount | Percent |
| Total Funds | \$40,532.1 | \$40,627.9 | \$95.8 | 0.2% |
| Federal Funds | \$24,300.0 | \$27,877.7 | \$3,577.6 | 14.7% |
| General Fund | \$15,369.6 | \$11,756.9 | (\$3,612.6) | -23.5% |
| Other Non-Federal Funds | \$862.4 | \$993.2 | \$130.8 | 15.2% |

Note: Totals may not add due to rounding.

5/22/2009

May 2009 Medi-Cal Estimate

Budget Year (FY 2009-10) Projected Expenditures Compared to Current Year (FY 2008-09)

(Dollars in Millions)

Total Medi-Cal local assistance expenditures in the Department of Health Care Services (DHCS) budget in the Budget Year as compared to the Current Year are as follows:

| Medical Care Services | FY 2008-09 Estimate | FY 2009-10 Estimate | Change | |
|----------------------------------|--------------------------------|--------------------------------|--------------------|----------------|
| | | | Amount | Percent |
| Total Funds | \$37,299.6 | \$37,073.8 | (\$225.8) | -0.6% |
| Federal Funds | \$24,486.6 | \$25,345.4 | \$858.8 | 3.5% |
| General Fund | \$12,002.4 | \$10,736.3 | (\$1,266.1) | -10.5% |
| Other Non-Federal Funds | \$810.6 | \$992.1 | \$181.5 | 22.4% |

| County Administration | FY 2008-09 Estimate | FY 2009-10 Estimate | Change | |
|----------------------------------|--------------------------------|--------------------------------|----------------|----------------|
| | | | Amount | Percent |
| Total Funds | \$2,679.7 | \$3,234.1 | \$554.4 | 20.7% |
| Federal Funds | \$1,896.4 | \$2,321.4 | \$425.0 | 22.4% |
| General Fund | \$783.3 | \$911.7 | \$128.4 | 16.4% |
| Other Non-Federal Funds | \$0.0 | \$1.0 | \$1.0 | - |

| Fiscal Intermediary | FY 2008-09 Estimate | FY 2009-10 Estimate | Change | |
|--------------------------------|--------------------------------|--------------------------------|---------------|----------------|
| | | | Amount | Percent |
| Total Funds | \$293.2 | \$320.0 | \$26.8 | 9.1% |
| Federal Funds | \$191.2 | \$210.9 | \$19.7 | 10.3% |
| General Fund | \$101.9 | \$108.9 | \$7.0 | 6.9% |
| Other Non-Federal Funds | \$0.1 | \$0.1 | (\$0.0) | - |

| Total Expenditures | FY 2008-09 Estimate | FY 2009-10 Estimate | Change | |
|-------------------------------|--------------------------------|--------------------------------|--------------------|----------------|
| | | | Amount | Percent |
| Total Funds | \$40,272.5 | \$40,627.9 | \$355.4 | 0.9% |
| Federal Funds | \$26,574.2 | \$27,877.7 | \$1,303.4 | 4.9% |
| General Fund | \$12,887.6 | \$11,756.9 | (\$1,130.7) | -8.8% |
| Other Non-Federal Funds | \$810.7 | \$993.2 | \$182.5 | 22.5% |

Note: Totals may not add due to rounding.

5/22/2009

The General Fund decrease in the 2009-10 Budget Year of \$3,612.6 million GF, as compared to the 2009-10 Appropriation, is explained as follows (dollars in millions):

| | |
|--|-------------------|
| 2009-10 Appropriation General Fund: | \$15,369.6 |
| May 2009 General Fund: | <u>\$11,756.9</u> |
| General Fund Change: | -\$3,612.6 |
| | |
| <i>Medical Care Services:</i> | -\$3,725.1 |
| | |
| <i>County Administration Changes:</i> | \$105.7 |
| | |
| <i>Fiscal Intermediary:</i> | \$6.6 |

The following paragraphs briefly describe the major reasons that were not described under the 2008-09 Current Year:

1. PC 163 New Qualified Aliens—PRUCOL Rollback: The federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 redefined which immigrants were eligible for full-scope Medi-Cal with FFP but did not change the requirement to provide emergency services with FFP to eligible immigrants regardless of immigration status. California has not updated its State law to specifically limit full scope coverage for immigrants as defined in PRWORA. As a result, California has continued to provide full scope Medi-Cal to some PRUCOL Immigrants and some Amnesty Aliens with 100% state funding for the nonemergency services provided.

Under current federal law, an immigrant must be a “Qualified Alien” to be eligible for full-scope Medi-Cal. Federal law also requires some Qualified Aliens to be in the United States for five years before they can get federally funded full-scope Medi-Cal. Currently, these New Qualified Aliens (NQAs--Qualified Aliens who have been in the country for less than five years who are subject to the five-year bar) receive full-scope Medi-Cal with 100% state funding.

The Department will eliminate full-scope Medi-Cal for NQAs who are 20 years of age and older, except for pregnant women, and for PRUCOL immigrants and Amnesty Aliens who are not defined as eligible Qualified Aliens under federal law. These NQAs and PRUCOL immigrants will be eligible for emergency, prenatal, postpartum, tuberculosis and long-term care, as well as for the time-limited Breast and Cervical Cancer Treatment Program. Full-scope benefits for NQA children and pregnant women are eligible for federal sharing beginning April 1, 2009 under the provisions of the Children’s Health Insurance Program Reauthorization Act of 2009

and are excluded from this reduction. The May 2009 Estimate includes savings \$125.1 million GF in 2009-10 due to this change.

2. PC 184 Rollback of Family Planning Rate Increase: SB 94 (Chapter 636, Statutes of 2007) increased the reimbursement rates for eight specified family planning office visit codes for the Family Planning, Access, Care and Treatment program and for Medi-Cal family planning expenditures. For budget reduction purposes, the rate increase for the eight office visit codes will be rolled back beginning October 1, 2009. This rollback is expected to save \$14.1 million GF in 2009-10 as compared to the 2009-10 Appropriation.
3. PC 185 Federal Medi-Cal Flexibility and Stabilization: The Governor will petition the Obama Administration to work with California to secure essential program flexibilities to slow the rate of program growth and manage Medi-Cal within available resources; support the state's authority to determine eligibility, the adequacy of provider rates and scope of benefits; and recognize the state's long-standing record of cost-containment. In addition, the Administration will work with Congress and other states to resolve longstanding, unreimbursed Medicaid claims owed to states associated with the delayed federal classification of certain permanent disability cases. Taken together, this federal support will help stabilize the Medi-Cal program and its ability to preserve essential health services to low-income Californians. These flexibilities are expected to result in reductions in cost to the Medi-Cal program of \$750 million GF in 2009-10.
4. PC 186 Anti-Fraud Initiative: Effective July 1, 2009, the Department will expand its anti-fraud activities, with a focus on ADHC, pharmacy and physician services. The Department will conduct onsite field audit reviews and compliance sweeps of all ADHC providers in 2009-10 and will use data mining tools to perform fraud risk assessment of ADHC providers. For pharmacy services, the Department will use data mining techniques to identify providers and beneficiaries involved in suspicious activities related to abuse of prescriptions, institute a beneficiary lock-in program and address fraud related to medically unnecessary incontinence supplies. For physician services, the Department will conduct rapid response and compliance-focused sweeps of suspicious associations of providers and organized groups, targeting clinics involved in networks of fraud; institute a provider report card; provide statewide group training classes for providers and identify providers with billing irregularities. The Department estimates that savings of \$66.8 million GF will result in 2009-10 from these activities.
5. PC 187 Reduce ADHC Program: As part of the budget reduction proposals, beginning August 1, 2009 the Department will limit participation in the Adult Day Health Care program to three days per week. Savings from the 2009-10 Appropriation due to this reduction are estimated to be \$18.3 million GF
6. PC 188 Medi-Cal Pharmacy Reforms: As part of the budget reduction proposals, the Department will implement four pharmacy reforms beginning October 2009.

These reforms include conducting therapeutic category reviews on atypical antipsychotic drugs; changing and expanding the rebate program for HIV/AIDS and cancer drugs; implementing an upper billing limitation requirement on pharmacies and requiring that all 340B entities dispense only 340B-purchased drugs to Medi-Cal beneficiaries. The May Estimate includes savings of \$29 million GF in 2009-10 as a result of these changes.

7. PC 190 Expansion of Revenue Base for AB 1629 QA Fee: AB 1629 (Chapter 875, Statutes of 2004) requires the Department to collect a quality assurance (QA) fee from freestanding skilled nursing facilities (NF-Bs). Currently, these facilities pay the fee based on their Medi-Cal and private pay revenues. Beginning August 1, 2009, the Department will expand the amount of revenue upon which the QA fee is assessed to include Medicare revenues. This expansion is expected to increase revenue to the State General Fund by an estimated \$17 million in FY 2009-10. (This revenue increase is not budgeted in the Medi-Cal Estimate.)

A portion of the fee is used to draw down FFP and is returned to the facilities through increased rates. The Medi-Cal rate increase payments to the AB 1629 facilities are included in the May 2009 Estimate, at a cost of \$6.4 million GF in FY 2009-10.

8. PC 191 Additional Cigarette and Tobacco Surtax Fund: Additional Proposition 99 Cigarette and Tobacco Products Surtax (CTPS) funds of \$60 million have been allocated from the CTPS Hospital Services Account to aid in the funding of Medi-Cal hospital outpatient services for 2009-10. This results in a GF savings of \$60 million in 2009-10.
9. PC 201 Reduction to Hospital Financing – DSH Replacement by 10%: Under the Medi-Cal Hospital/Uninsured Care Demonstration, Disproportionate Share Hospital (DSH) replacement funding provides private hospitals with Title XIX federal funds and GF for the funding previously provided to them through the DSH Program. The Medi-Cal DSH replacement payments to private hospitals will be reduced by 10% beginning October 1, 2009. The 2009-10 savings as reflected in the May Estimate are expected to be \$23.9 million GF.
10. PC 202 Estimated Acquisition Cost Savings: The Department reimburses pharmacies for drugs at the Estimated Acquisition Cost (EAC), plus a dispensing fee. The EAC is the lowest of the Maximum Allowable Ingredient Cost (MAIC), the Federal Upper Limit (FUL) price, or the Average Wholesale Price (AWP). The MAIC, which was included as a stand-alone policy change in the November Estimate, has been incorporated into this policy change, because it is one of the options under EAC. The estimated savings in both the November and May Estimates for implementation of the MAIC is \$1 million GF in 2009-10. Including savings from the MAIC, the Federal Upper Limit, and the approximately 4% decrease in the AWP due to the First Data Bank lawsuit, the 2009-10 savings for reimbursing pharmacies at the EAC is estimated to be \$37 million GF.

11. Other Savings Options: Other budget reduction options are listed in Appendix A. The impacts of these options have not been included in the May 2009 Estimate.

IV. General Information

This estimate is based on actual payment data through February 2009. Estimates for both fiscal years are on a cash basis.

The Medi-Cal Program has many funding sources. These funding sources are shown by budget item number on the State Funds and Federal Funds pages of the Management Summary. The budget items which are made up of State General Fund are identified with an asterisk and are shown in separate totals. Healthy Families (Title XXI) costs incurred by the Department are included in the Estimate and are separately identified under item number 4260-113. Reimbursements include Refugees (CDPH), MSSP (CDA), Share of Cost for IHSS (CDSS), Managed Care IGTs, and IGTs for Non-SB 1100 Hospitals.

The Miscellaneous Non-Fee-For-Service Category includes expenditures for Home and Community Based Services -- DDS, Case Management Services -- DDS, Personal Care Services, HIPP premiums, Targeted Case Management, and Hospital Financing—Health Care Coverage Initiative.

The estimate aggregates expenditures for four sub-categories under a single Managed Care heading. These sub-categories are Two Plan Model, County Organized Health Systems, Geographic Managed Care and PHP/Other Managed Care. The latter includes PCCMs, PACE, SCAN, Prepaid Health Plans, Family Mosaic and Dental Managed Care.

Should a projected deficiency exist, Section 14157.6 of the Welfare and Institutions Codes authorizes appropriation, subject to 30-day notification to the Legislature, of any federal or county funds received for expenditures in prior years. At this time, no prior year General Funds have been identified to be included in the above estimates as abatements against current year costs.

Range Estimate

There is considerable uncertainty associated with projecting Medi-Cal expenditures, which vary according to the number of persons eligible for Medi-Cal, the number and type of services these people receive, and the cost of providing these services. Additional uncertainty is created by monthly fluctuations in claims processing, federal audit exceptions, and uncertainties in the implementation dates for policy changes which often require approval of federal waivers, changes in regulations, and in some cases, changes in the adjudication process at the fiscal intermediary. The changes in the Medi-Cal program due to the budget reduction proposals, the impact of Medicare Part D drug benefits on drug costs and rebates, and the timing of payments to hospitals under the Medi-Cal Hospital/Uninsured Care Demonstration Waiver are major sources of uncertainty.

It is assumed that expenditures may vary normally by four percent from the mid-range projection. It is believed this is consistent with the accuracy observed in most large economic regression models. The Estimate includes eight months of current year data; hence, a 1.3% variation is assumed for the current year and 4.0% for the budget year.

Total Uncertainty
(Dollars in Thousands)

| | <u>FY 2008-2009</u> | | <u>FY 2009-2010</u> | |
|------------------|---------------------|---------------|---------------------|---------------|
| | Total | G/F | Total | G/F |
| Normal Variation | +/- \$484,895 | +/- \$166,569 | +/- \$1,482,953 | +/- \$469,138 |

The May Estimate for FY 2009-10 was constructed assuming expenditures will be near the low end of the normal variation, as reflected in Policy Change 35.

Medi-Cal Funding Summary
May 2009 Estimate Compared to November 2008 Estimate
Fiscal Year 2008-2009

TOTAL FUNDS

| | Nov 2008 Estimate | May 2009 Estimate | Difference Incr./!(Decr.) |
|---|------------------------------|------------------------------|--------------------------------------|
| <u>MEDI-CAL Benefits:</u> | | | |
| 4260-101-0001/0890(3) | \$32,557,444,000 | \$34,281,700,000 | \$1,724,256,000 |
| 4260-101-0080 (CLPP Funds) | \$160,000 | \$115,000 | (\$45,000) |
| 4260-101-0232 Prop. 99 Hospital Svcs. Acct. | \$18,000,000 | \$18,000,000 | \$0 |
| 4260-101-0236 Prop. 99 Unallocated Account | \$18,784,000 | \$18,784,000 | \$0 |
| 4260-102-0001/0890 Capital Debt | \$167,611,000 | \$108,396,000 | (\$59,215,000) |
| 4260-113-0001/0890 (Healthy Families) | \$598,051,000 | \$554,644,000 | (\$43,407,000) |
| 4260-601-0942142 Local Trauma Centers | \$26,165,000 | \$26,165,000 | \$0 |
| 4260-601-3096 NDPH Supplemental Fund | \$1,900,000 | \$1,900,000 | \$0 |
| 4260-601-3097 Private Hospital Supp. Fund | \$122,668,000 | \$132,888,000 | \$10,220,000 |
| 4260-601-7502 Demonstration DSH Fund | \$605,883,000 | \$582,482,000 | (\$23,401,000) |
| 4260-601-7503 Health Care Support Fund | \$847,244,000 | \$716,598,000 | (\$130,646,000) |
| 4260-601-7504 South LA Med Svcs Preservation Fund | \$179,371,000 | \$137,705,000 | (\$41,666,000) |
| 4260-601-8033 Distressed Hospital Fund | \$23,345,000 | \$19,286,000 | (\$4,059,000) |
| 4260-606-0834 MIPA Fund | \$474,617,000 | \$523,252,000 | \$48,635,000 |
| 4260-610-0995 Reimbursements | \$269,502,000 | \$176,867,000 | (\$92,635,000) |
| 4260-106-0890 Money Follow Person Federal Grant | \$1,209,000 | \$810,000 | (\$399,000) |
| | ===== | ===== | ===== |
| TOTAL MEDI-CAL Benefits | \$35,911,954,000 | \$37,299,592,000 | \$1,387,638,000 |
| | ===== | ===== | ===== |
| <u>COUNTY ADMINISTRATION:</u> | | | |
| 4260-101-0001/0890(1) | \$2,816,668,000 | \$2,670,601,000 | (\$146,067,000) |
| 4260-113-0001/0890 (Healthy Families) | \$4,263,000 | \$4,363,000 | \$100,000 |
| 4260-117-0001/0890 (HIPAA) | \$4,736,000 | \$4,736,000 | \$0 |
| | ===== | ===== | ===== |
| TOTAL COUNTY ADMIN. | \$2,825,667,000 | \$2,679,700,000 | (\$145,967,000) |
| | ===== | ===== | ===== |
| <u>FISCAL INTERMEDIARY:</u> | | | |
| 4260-101-0001/0890 (2) | \$275,581,000 | \$258,976,000 | (\$16,605,000) |
| 4260-113-0001/0890 (Healthy Families) | \$588,000 | \$368,000 | (\$220,000) |
| 4260-117-0001/0890 (HIPAA) | \$34,007,000 | \$33,762,000 | (\$245,000) |
| 4260-610-0995 (Reimbursements) | \$127,000 | \$121,000 | (\$6,000) |
| | ===== | ===== | ===== |
| TOTAL FISCAL INTERMEDIARY | \$310,303,000 | \$293,227,000 | (\$17,076,000) |
| | ===== | ===== | ===== |
| GRAND TOTAL - ALL FUNDS | \$39,047,924,000 | \$40,272,519,000 | \$1,224,595,000 |
| | ===== | ===== | ===== |

Note: Proposition 99 funding is from the Cigarette and Tobacco Products Surtax Fund accounts as shown above.

Medi-Cal Funding Summary
May 2009 Estimate Compared to November 2008 Estimate
Fiscal Year 2008-2009

STATE FUNDS

| | <u>Nov 2008</u> <u>Estimate</u> | <u>May 2009</u> <u>Estimate</u> | <u>Difference</u> <u>Incr./(Decr.)</u> |
|---|------------------------------------|------------------------------------|---|
| <u>MEDI-CAL Benefits:</u> | | | |
| 4260-101-0001(3) * | \$13,126,469,000 | \$11,642,616,000 | (\$1,483,853,000) |
| 4260-101-0080 (CLPP Funds) | \$160,000 | \$115,000 | (\$45,000) |
| 4260-101-0232 Prop. 99 Hospital Srvcs. Acct. | \$18,000,000 | \$18,000,000 | \$0 |
| 4260-101-0236 Prop. 99 Unallocated Account | \$18,784,000 | \$18,784,000 | \$0 |
| 4260-102-0001 Capital Debt * | \$83,805,000 | \$54,198,000 | (\$29,607,000) |
| 4260-113-0001 (Healthy Families) * | \$206,633,000 | \$198,915,000 | (\$7,718,000) |
| 4260-601-0942142 Local Trauma Centers | \$26,165,000 | \$26,165,000 | \$0 |
| 4260-601-3096 Non-Desig. Public Hosp. Supp. Fund(GF) * | \$1,900,000 | \$1,900,000 | \$0 |
| 4260-601-3096 Non-Desig. Public Hosp. Supp. Fund (Non-GF) | \$0 | \$0 | \$0 |
| 4260-601-3097 Private Hosp. Supplemental Fund (GF) * | \$104,800,000 | \$104,800,000 | \$0 |
| 4260-601-3097 Private Hosp. Supplemental Fund (Non GF) | \$17,868,000 | \$28,088,000 | \$10,220,000 |
| 4260-601-8033 Distressed Hospital Fund | \$23,345,000 | \$19,286,000 | (\$4,059,000) |
| 4260-606-0834 MIPA Fund | \$474,617,000 | \$523,252,000 | \$48,635,000 |
| 4260-610-0995 Reimbursements | \$269,502,000 | \$176,867,000 | (\$92,635,000) |
| | ----- | ----- | ----- |
| TOTAL MEDI-CAL Benefits | \$14,372,048,000 | \$12,812,986,000 | (\$1,559,062,000) |
| Total Benefits General Fund * | \$13,523,607,000 | \$12,002,429,000 | (\$1,521,178,000) |
| | ===== | ===== | ===== |
| <u>COUNTY ADMINISTRATION:</u> | | | |
| 4260-101-0001(1) * | \$781,292,000 | \$782,489,000 | \$1,197,000 |
| 4260-113-0001 (Healthy Families) * | \$603,000 | \$603,000 | \$0 |
| 4260-117-0001 (HIPAA) * | \$215,000 | \$215,000 | \$0 |
| | ----- | ----- | ----- |
| TOTAL COUNTY ADMIN. | \$782,110,000 | \$783,307,000 | \$1,197,000 |
| Total Co. Admin. General Fund * | \$782,110,000 | \$783,307,000 | \$1,197,000 |
| | ===== | ===== | ===== |
| <u>FISCAL INTERMEDIARY:</u> | | | |
| 4260-101-0001(2) * | \$101,668,000 | \$95,660,000 | (\$6,008,000) |
| 4260-113-0001 (Healthy Families) * | \$253,000 | \$184,000 | (\$69,000) |
| 4260-117-0001 (HIPAA) * | \$6,088,000 | \$6,042,000 | (\$46,000) |
| 4260-610-0995 (Reimbursements) | \$127,000 | \$121,000 | (\$6,000) |
| | ----- | ----- | ----- |
| TOTAL FISCAL INTERMEDIARY | \$108,136,000 | \$102,007,000 | (\$6,129,000) |
| Total FI General Fund * | \$108,009,000 | \$101,886,000 | (\$6,123,000) |
| | ===== | ===== | ===== |
| GRAND TOTAL - STATE FUNDS | \$15,262,294,000 | \$13,698,300,000 | (\$1,563,994,000) |
| Grand Total - General Fund* | \$14,413,726,000 | \$12,887,622,000 | (\$1,526,104,000) |
| | ===== | ===== | ===== |

Note: Proposition 99 funding is from the Cigarette and Tobacco Products Surtax Fund accounts as shown above.

Medi-Cal Funding Summary
May 2009 Estimate Compared to November 2008 Estimate
Fiscal Year 2008-2009

FEDERAL FUNDS

| | <u>Nov 2008</u> <u>Estimate</u> | <u>May 2009</u> <u>Estimate</u> | <u>Difference</u> <u>Incr./.(Decr.)</u> |
|---|------------------------------------|------------------------------------|--|
| <u>MEDI-CAL Benefits:</u> | | | |
| 4260-101-0890(3) | \$19,430,975,000 | \$22,639,084,000 | \$3,208,109,000 |
| 4260-102-0890 Capital Debt | \$83,806,000 | \$54,198,000 | (\$29,608,000) |
| 4260-113-0890 (Healthy Families) | \$391,418,000 | \$355,729,000 | (\$35,689,000) |
| 4260-601-7502 Demonstration DSH Fund | \$605,883,000 | \$582,482,000 | (\$23,401,000) |
| 4260-601-7503 Health Care Support Fund | \$847,244,000 | \$716,598,000 | (\$130,646,000) |
| 4260-601-7504 South LA Med Svcs Preservation Fund | \$179,371,000 | \$137,705,000 | (\$41,666,000) |
| 4260-106-0890 Money Follow Person Federal Grant | \$1,209,000 | \$810,000 | (\$399,000) |
| | ----- | ----- | ----- |
| TOTAL MEDI-CAL Benefits | \$21,539,906,000 | \$24,486,606,000 | \$2,946,700,000 |
| | ===== | ===== | ===== |
| <u>COUNTY ADMINISTRATION:</u> | | | |
| 4260-101-0890(1) | \$2,035,376,000 | \$1,888,112,000 | (\$147,264,000) |
| 4260-113-0890 (Healthy Families) | \$3,660,000 | \$3,760,000 | \$100,000 |
| 4260-117-0890 (HIPAA) | \$4,521,000 | \$4,521,000 | \$0 |
| | ----- | ----- | ----- |
| TOTAL COUNTY ADMIN. | \$2,043,557,000 | \$1,896,393,000 | (\$147,164,000) |
| | ===== | ===== | ===== |
| <u>FISCAL INTERMEDIARY:</u> | | | |
| 4260-101-0890(2) | \$173,913,000 | \$163,316,000 | (\$10,597,000) |
| 4260-113-0890 (Healthy Families) | \$335,000 | \$184,000 | (\$151,000) |
| 4260-117-0890 (HIPAA) | \$27,919,000 | \$27,720,000 | (\$199,000) |
| | ----- | ----- | ----- |
| TOTAL FISCAL INTERMEDIARY | \$202,167,000 | \$191,220,000 | (\$10,947,000) |
| | ===== | ===== | ===== |
| GRAND TOTAL - FEDERAL FUNDS | \$23,785,630,000 | \$26,574,219,000 | \$2,788,589,000 |
| | ===== | ===== | ===== |

Medi-Cal Funding Summary
May 2009 Estimate Compared to Revised Appropriation
Fiscal Year 2008-2009

TOTAL FUNDS

| | <u>Rev. 2008-09</u> <u>Appropriation</u> | <u>May 2009</u> <u>Estimate</u> | <u>Difference</u> <u>Incr./.(Decr.)</u> |
|---|---|------------------------------------|--|
| <u>MEDI-CAL Benefits:</u> | | | |
| 4260-101-0001/0890(3) | \$35,668,977,000 | \$34,281,700,000 | (\$1,387,277,000) |
| 4260-101-0080 (CLPP Funds) | \$160,000 | \$115,000 | (\$45,000) |
| 4260-101-0232 Prop. 99 Hospital Svcs. Acct. | \$18,000,000 | \$18,000,000 | \$0 |
| 4260-101-0236 Prop. 99 Unallocated Account | \$18,784,000 | \$18,784,000 | \$0 |
| 4260-102-0001/0890 Capital Debt | \$109,163,000 | \$108,396,000 | (\$767,000) |
| 4260-113-0001/0890 (Healthy Families) | \$563,226,000 | \$554,644,000 | (\$8,582,000) |
| 4260-601-0942142 Local Trauma Centers | \$22,265,000 | \$26,165,000 | \$3,900,000 |
| 4260-601-3096 NDPH Supplemental Fund | \$1,900,000 | \$1,900,000 | \$0 |
| 4260-601-3097 Private Hospital Supp. Fund | \$123,593,000 | \$132,888,000 | \$9,295,000 |
| 4260-601-7502 Demonstration DSH Fund | \$558,385,000 | \$582,482,000 | \$24,097,000 |
| 4260-601-7503 Health Care Support Fund | \$723,188,000 | \$716,598,000 | (\$6,590,000) |
| 4260-601-7504 South LA Med Svcs Preservation Fund | \$179,371,000 | \$137,705,000 | (\$41,666,000) |
| 4260-601-8033 Distressed Hospital Fund | \$14,812,000 | \$19,286,000 | \$4,474,000 |
| 4260-606-0834 MIPA Fund | \$474,194,000 | \$523,252,000 | \$49,058,000 |
| 4260-610-0995 Reimbursements | \$203,094,000 | \$176,867,000 | (\$26,227,000) |
| 4260-106-0890 Money Follow Person Federal Grant | \$2,004,000 | \$810,000 | (\$1,194,000) |
| TOTAL MEDI-CAL Benefits | \$38,681,116,000 | \$37,299,592,000 | (\$1,381,524,000) |
| <u>COUNTY ADMINISTRATION:</u> | | | |
| 4260-101-0001/0890(1) | \$2,689,743,000 | \$2,670,601,000 | (\$19,142,000) |
| 4260-113-0001/0890 (Healthy Families) | \$4,321,000 | \$4,363,000 | \$42,000 |
| 4260-117-0001/0890 (HIPAA) | \$8,401,000 | \$4,736,000 | (\$3,665,000) |
| 4260-610-0995 (Reimbursements) | \$0 | \$0 | \$0 |
| TOTAL COUNTY ADMIN. | \$2,702,465,000 | \$2,679,700,000 | (\$22,765,000) |
| <u>FISCAL INTERMEDIARY:</u> | | | |
| 4260-101-0001/0890 (2) | \$268,647,000 | \$258,976,000 | (\$9,671,000) |
| 4260-113-0001/0890 (Healthy Families) | \$441,000 | \$368,000 | (\$73,000) |
| 4260-117-0001/0890 (HIPAA) | \$32,479,000 | \$33,762,000 | \$1,283,000 |
| 4260-610-0995 (Reimbursements) | \$122,000 | \$121,000 | (\$1,000) |
| TOTAL FISCAL INTERMEDIARY | \$301,689,000 | \$293,227,000 | (\$8,462,000) |
| GRAND TOTAL - ALL FUNDS | \$41,685,270,000 | \$40,272,519,000 | (\$1,412,751,000) |

Note: Proposition 99 funding is from the Cigarette and Tobacco Products Surtax Fund accounts as shown above.
Note: The 2008-09 Appropriation for Benefits item 4260-101-0890(3) has been revised to include an increase of \$3,143,547,000 FFP, and item 4260-102-0890 has been revised to include an increase of \$7,285,000 FFP, in accordance with the Section 28 letter related to ARRA.

Medi-Cal Funding Summary
May 2009 Estimate Compared to Revised Appropriation
Fiscal Year 2008-2009

STATE FUNDS

| | <u>2008-09 Appropriation</u> | <u>May 2009 Estimate</u> | <u>Difference Incr./(Decr.)</u> |
|---|----------------------------------|------------------------------|-------------------------------------|
| <u>MEDI-CAL Benefits:</u> | | | |
| 4260-101-0001(3) * | \$13,179,049,000 | \$11,642,616,000 | (\$1,536,433,000) |
| 4260-101-0080 (CLPP Funds) | \$160,000 | \$115,000 | (\$45,000) |
| 4260-101-0232 Prop. 99 Hospital Svcs. Acct. | \$18,000,000 | \$18,000,000 | \$0 |
| 4260-101-0236 Prop. 99 Unallocated Account | \$18,784,000 | \$18,784,000 | \$0 |
| 4260-102-0001 Capital Debt * | \$50,939,000 | \$54,198,000 | \$3,259,000 |
| 4260-113-0001 (Healthy Families) * | \$205,818,000 | \$198,915,000 | (\$6,903,000) |
| 4260-601-0942142 Local Trauma Centers | \$22,265,000 | \$26,165,000 | \$3,900,000 |
| 4260-601-3096 Non-Desig. Public Hosp. Supp. Fund (GF) * | \$1,900,000 | \$1,900,000 | \$0 |
| 4260-601-3096 Non-Desig. Public Hosp. Supp. Fund (Non-GF) | \$0 | \$0 | \$0 |
| 4260-601-3097 Private Hosp. Supplemental Fund (GF) * | \$104,800,000 | \$104,800,000 | \$0 |
| 4260-601-3097 Private Hosp. Supplemental Fund (Non-GF) | \$18,793,000 | \$28,088,000 | \$9,295,000 |
| 4260-601-8033 Distressed Hospital Fund | \$14,812,000 | \$19,286,000 | \$4,474,000 |
| 4260-606-0834 MIPA Fund | \$474,194,000 | \$523,252,000 | \$49,058,000 |
| 4260-610-0995 Reimbursements | \$203,094,000 | \$176,867,000 | (\$26,227,000) |
| | ===== | ===== | ===== |
| TOTAL MEDI-CAL Benefits | \$14,312,608,000 | \$12,812,986,000 | (\$1,499,622,000) |
| Total Benefits General Fund * | \$13,542,506,000 | \$12,002,429,000 | (\$1,540,077,000) |
| | ===== | ===== | ===== |
| <u>COUNTY ADMINISTRATION:</u> | | | |
| 4260-101-0001(1) * | \$765,179,000 | \$782,489,000 | \$17,310,000 |
| 4260-113-0001 (Healthy Families) * | \$740,000 | \$603,000 | (\$137,000) |
| 4260-117-0001 (HIPAA) * | \$2,345,000 | \$215,000 | (\$2,130,000) |
| 4260-610-0995 (Reimbursements) | \$0 | \$0 | \$0 |
| | ===== | ===== | ===== |
| TOTAL COUNTY ADMIN. | \$768,264,000 | \$783,307,000 | \$15,043,000 |
| Total Co. Admin. General Fund * | \$768,264,000 | \$783,307,000 | \$15,043,000 |
| | ===== | ===== | ===== |
| <u>FISCAL INTERMEDIARY:</u> | | | |
| 4260-101-0001(2) * | \$97,975,000 | \$95,660,000 | (\$2,315,000) |
| 4260-113-0001 (Healthy Families) * | \$186,000 | \$184,000 | (\$2,000) |
| 4260-117-0001 (HIPAA) * | \$4,795,000 | \$6,042,000 | \$1,247,000 |
| 4260-610-0995 (Reimbursements) | \$122,000 | \$121,000 | (\$1,000) |
| | ===== | ===== | ===== |
| TOTAL FISCAL INTERMEDIARY | \$103,078,000 | \$102,007,000 | (\$1,071,000) |
| Total FI General Fund * | \$102,956,000 | \$101,886,000 | (\$1,070,000) |
| | ===== | ===== | ===== |
| GRAND TOTAL - STATE FUNDS | \$15,183,950,000 | \$13,698,300,000 | (\$1,485,650,000) |
| Grand Total - General Fund * | \$14,413,726,000 | \$12,887,622,000 | (\$1,526,104,000) |
| | ===== | ===== | ===== |

Note: Proposition 99 funding is from the Cigarette and Tobacco Products Surtax Fund accounts as shown above.

Medi-Cal Funding Summary
May 2009 Estimate Compared to Revised Appropriation
Fiscal Year 2008-2009

FEDERAL FUNDS

| | <u>Rev. 2008-09</u> <u>Appropriation</u> | <u>May 2009</u> <u>Estimate</u> | <u>Difference</u> <u>Incr./.(Decr.)</u> |
|---|---|------------------------------------|--|
| <u>MEDI-CAL Benefits:</u> | | | |
| 4260-101-0890(3) | \$22,489,928,000 | \$22,639,084,000 | \$149,156,000 |
| 4260-102-0890 Capital Debt | \$58,224,000 | \$54,198,000 | (\$4,026,000) |
| 4260-113-0890 (Healthy Families) | \$357,408,000 | \$355,729,000 | (\$1,679,000) |
| 4260-601-7502 Demonstration DSH Fund | \$558,385,000 | \$582,482,000 | \$24,097,000 |
| 4260-601-7503 Health Care Support Fund | \$723,188,000 | \$716,598,000 | (\$6,590,000) |
| 4260-601-7504 South LA Med Svcs Preservation Fund | \$179,371,000 | \$137,705,000 | (\$41,666,000) |
| 4260-106-0890 Money Follow Person Federal Grant | \$2,004,000 | \$810,000 | (\$1,194,000) |
| | ----- | ----- | ----- |
| TOTAL MEDI-CAL Benefits | \$24,368,508,000 | \$24,486,606,000 | \$118,098,000 |
| | ===== | ===== | ===== |
| <u>COUNTY ADMINISTRATION:</u> | | | |
| 4260-101-0890(1) | \$1,924,564,000 | \$1,888,112,000 | (\$36,452,000) |
| 4260-113-0890 (Healthy Families) | \$3,581,000 | \$3,760,000 | \$179,000 |
| 4260-117-0890 (HIPAA) | \$6,056,000 | \$4,521,000 | (\$1,535,000) |
| | ----- | ----- | ----- |
| TOTAL COUNTY ADMIN. | \$1,934,201,000 | \$1,896,393,000 | (\$37,808,000) |
| | ===== | ===== | ===== |
| <u>FISCAL INTERMEDIARY:</u> | | | |
| 4260-101-0890(2) | \$170,672,000 | \$163,316,000 | (\$7,356,000) |
| 4260-113-0890 (Healthy Families) | \$255,000 | \$184,000 | (\$71,000) |
| 4260-117-0890 (HIPAA) | \$27,684,000 | \$27,720,000 | \$36,000 |
| | ----- | ----- | ----- |
| TOTAL FISCAL INTERMEDIARY | \$198,611,000 | \$191,220,000 | (\$7,391,000) |
| | ===== | ===== | ===== |
| GRAND TOTAL - FEDERAL FUNDS | \$26,501,320,000 | \$26,574,219,000 | \$72,899,000 |
| | ===== | ===== | ===== |

Note: The 2008-09 Appropriation for Benefits item 4260-101-0890(3) has been revised to include an increase of \$3,143,547,000 FFP, and item 4260-102-0890 has been revised to include an increase of \$7,285,000 FFP, in accordance with the Section 28 letter related to ARRA.

Medi-Cal Funding Summary
May 2009 Estimate Compared to Appropriation
Fiscal Year 2009-2010

TOTAL FUNDS

| | 2009-10 Appropriation | May 2009 Estimate | Difference Incr./(Decr.) |
|---|----------------------------------|------------------------------|-------------------------------------|
| <u>MEDI-CAL Benefits:</u> | | | |
| 4260-101-0001/0890(3) | \$34,257,585,000 | \$33,893,981,000 | (\$363,604,000) |
| 4260-101-0080 (CLPP Funds) | \$160,000 | \$115,000 | (\$45,000) |
| 4260-101-0232 Prop. 99 Hospital Srvcs. Acct. | \$23,559,000 | \$97,860,000 | \$74,301,000 |
| 4260-101-0236 Prop. 99 Unallocated Account | \$21,519,000 | \$7,218,000 | (\$14,301,000) |
| 4260-102-0001/0890 Capital Debt | \$103,208,000 | \$108,396,000 | \$5,188,000 |
| 4260-113-0001/0890 (Healthy Families) | \$588,829,000 | \$476,704,000 | (\$112,125,000) |
| 4260-601-0942142 Local Trauma Centers | \$29,865,000 | \$29,865,000 | \$0 |
| 4260-601-3096 NDPH Supplemental Fund | \$1,900,000 | \$1,900,000 | \$0 |
| 4260-601-3097 Private Hospital Supp. Fund | \$122,668,000 | \$132,888,000 | \$10,220,000 |
| 4260-601-7502 Demonstration DSH Fund | \$614,875,000 | \$606,908,000 | (\$7,967,000) |
| 4260-601-7503 Health Care Support Fund | \$675,696,000 | \$760,984,000 | \$85,288,000 |
| 4260-601-7504 South LA Med Svcs Preservation Fund | \$100,000,000 | \$99,674,000 | (\$326,000) |
| 4260-601-8033 Distressed Hospital Fund | \$15,013,000 | \$11,536,000 | (\$3,477,000) |
| 4260-606-0834 MIPA Fund | \$498,385,000 | \$533,813,000 | \$35,428,000 |
| 4260-610-0995 Reimbursements | \$269,594,000 | \$297,274,000 | \$27,680,000 |
| 4260-106-0890 Money Follow Person Federal Grant | \$12,365,000 | \$14,708,000 | \$2,343,000 |
| TOTAL MEDI-CAL Benefits | \$37,335,221,000 | \$37,073,824,000 | (\$261,397,000) |
| <u>COUNTY ADMINISTRATION:</u> | | | |
| 4260-101-0001/0890(1) | \$2,893,363,000 | \$3,224,569,000 | \$331,206,000 |
| 4260-113-0001/0890 (Healthy Families) | \$3,607,000 | \$3,793,000 | \$186,000 |
| 4260-117-0001/0890 (HIPAA) | \$4,732,000 | \$4,732,000 | \$0 |
| 4260-610-0995 (Reimbursements) | \$0 | \$1,000,000 | \$1,000,000 |
| TOTAL COUNTY ADMIN. | \$2,901,702,000 | \$3,234,094,000 | \$332,392,000 |
| <u>FISCAL INTERMEDIARY:</u> | | | |
| 4260-101-0001/0890(2) | \$280,253,000 | \$303,361,000 | \$23,108,000 |
| 4260-113-0001/0890 (Healthy Families) | \$548,000 | \$407,000 | (\$141,000) |
| 4260-117-0001/0890 (HIPAA) | \$14,207,000 | \$16,076,000 | \$1,869,000 |
| 4260-610-0995 (Reimbursements) | \$128,000 | \$138,000 | \$10,000 |
| TOTAL FISCAL INTERMEDIARY | \$295,136,000 | \$319,982,000 | \$24,846,000 |
| GRAND TOTAL - ALL FUNDS | \$40,532,059,000 | \$40,627,900,000 | \$95,841,000 |

Note: Proposition 99 funding is from the Cigarette and Tobacco Products Surtax Fund accounts as shown above.

Medi-Cal Funding Summary
May 2009 Estimate Compared to Appropriation
Fiscal Year 2009-2010

STATE FUNDS

| | <u>2009-10 Appropriation</u> | <u>May 2009 Estimate</u> | <u>Difference Incr./(Decr.)</u> |
|---|----------------------------------|------------------------------|-------------------------------------|
| <u>MEDI-CAL Benefits:</u> | | | |
| 4260-101-0001(3) * | \$14,086,420,000 | \$10,406,074,000 | (\$3,680,346,000) |
| 4260-101-0080 CLPP Funds | \$160,000 | \$115,000 | (\$45,000) |
| 4260-101-0232 Prop. 99 Hospital Srvc. Acct. | \$23,559,000 | \$97,860,000 | \$74,301,000 |
| 4260-101-0236 Prop. 99 Unallocated Account | \$21,519,000 | \$7,218,000 | (\$14,301,000) |
| 4260-102-0001 Capital Debt * | \$51,604,000 | \$54,198,000 | \$2,594,000 |
| 4260-113-0001 Healthy Families * | \$202,935,000 | \$155,719,000 | (\$47,216,000) |
| 4260-601-0942142 Local Trauma Centers | \$29,865,000 | \$29,865,000 | \$0 |
| 4260-601-3096 Non-Desig. Public Hosp. Supp. Fund (GF) * | \$1,900,000 | \$1,900,000 | \$0 |
| 4260-601-3096 Non-Desig. Public Hosp. Supp. Fund (Non-GF) | \$0 | \$0 | \$0 |
| 4260-601-3097 Private Hosp. Supplemental Fund (GF) * | \$118,400,000 | \$118,400,000 | \$0 |
| 4260-601-3097 Private Hosp. Supplemental Fund (Non GF) | \$4,268,000 | \$14,488,000 | \$10,220,000 |
| 4260-601-8033 Distressed Hospital Fund | \$15,013,000 | \$11,536,000 | (\$3,477,000) |
| 4260-606-0834 MIPA Fund | \$498,385,000 | \$533,813,000 | \$35,428,000 |
| 4260-610-0995 Reimbursements | \$269,594,000 | \$297,274,000 | \$27,680,000 |
| | ===== | ===== | ===== |
| TOTAL MEDI-CAL Benefits | \$15,323,622,000 | \$11,728,460,000 | (\$3,595,162,000) |
| Total Benefits General Fund * | \$14,461,259,000 | \$10,736,291,000 | (\$3,724,968,000) |
| | ===== | ===== | ===== |
| <u>COUNTY ADMINISTRATION:</u> | | | |
| 4260-101-0001(1) * | \$805,423,000 | \$911,147,000 | \$105,724,000 |
| 4260-113-0001 (Healthy Families) * | \$267,000 | \$288,000 | \$21,000 |
| 4260-117-0001 (HIPAA) * | \$285,000 | \$285,000 | \$0 |
| 4260-610-0995 (Reimbursements) | \$0 | \$1,000,000 | \$1,000,000 |
| | ===== | ===== | ===== |
| TOTAL COUNTY ADMIN. | \$805,975,000 | \$912,720,000 | \$106,745,000 |
| Total Co. Admin. General Fund * | \$805,975,000 | \$911,720,000 | \$105,745,000 |
| | ===== | ===== | ===== |
| <u>FISCAL INTERMEDIARY:</u> | | | |
| 4260-101-0001(2) * | \$98,705,000 | \$104,855,000 | \$6,150,000 |
| 4260-113-0001 (Healthy Families) * | \$241,000 | \$171,000 | (\$70,000) |
| 4260-117-0001 (HIPAA) * | \$3,382,000 | \$3,902,000 | \$520,000 |
| 4260-610-0995 (Reimbursements) | \$128,000 | \$138,000 | \$10,000 |
| | ===== | ===== | ===== |
| TOTAL FISCAL INTERMEDIARY | \$102,456,000 | \$109,066,000 | \$6,610,000 |
| Total FI General Fund * | \$102,328,000 | \$108,928,000 | \$6,600,000 |
| | ===== | ===== | ===== |
| GRAND TOTAL - STATE FUNDS | \$16,232,053,000 | \$12,750,246,000 | (\$3,481,807,000) |
| Grand Total General Fund* | \$15,369,562,000 | \$11,756,939,000 | (\$3,612,623,000) |
| | ===== | ===== | ===== |

Note: Proposition 99 funding is from the Cigarette and Tobacco Products Surtax Fund accounts as shown above.

Medi-Cal Funding Summary
May 2009 Estimate Compared to Appropriation
Fiscal Year 2009-2010

FEDERAL FUNDS

| | <u>2009-10 Appropriation</u> | <u>May 2009 Estimate</u> | <u>Difference Incr./(Decr.)</u> |
|---|----------------------------------|------------------------------|-------------------------------------|
| <u>MEDI-CAL Benefits:</u> | | | |
| 4260-101-0890(3) | \$20,171,165,000 | \$23,487,907,000 | \$3,316,742,000 |
| 4260-102-0890 Capital Debt | \$51,604,000 | \$54,198,000 | \$2,594,000 |
| 4260-113-0890 (Healthy Families) | \$385,894,000 | \$320,985,000 | (\$64,909,000) |
| 4260-601-7502 Demonstration DSH Fund | \$614,875,000 | \$606,908,000 | (\$7,967,000) |
| 4260-601-7503 Health Care Support Fund | \$675,696,000 | \$760,984,000 | \$85,288,000 |
| 4260-601-7504 South LA Med Svcs Preservation Fund | \$100,000,000 | \$99,674,000 | (\$326,000) |
| 4260-106-0890 Money Follow Person Federal Grant | \$12,365,000 | \$14,708,000 | \$2,343,000 |
| | ----- | ----- | ----- |
| TOTAL MEDI-CAL Benefits | \$22,011,599,000 | \$25,345,364,000 | \$3,333,765,000 |
| | ===== | ===== | ===== |
| <u>COUNTY ADMINISTRATION:</u> | | | |
| 4260-101-0890(1) | \$2,087,940,000 | \$2,313,422,000 | \$225,482,000 |
| 4260-113-0890 (Healthy Families) | \$3,340,000 | \$3,505,000 | \$165,000 |
| 4260-117-0890 (HIPAA) | \$4,447,000 | \$4,447,000 | \$0 |
| | ----- | ----- | ----- |
| TOTAL COUNTY ADMIN. | \$2,095,727,000 | \$2,321,374,000 | \$225,647,000 |
| | ===== | ===== | ===== |
| <u>FISCAL INTERMEDIARY:</u> | | | |
| 4260-101-0890(2) | \$181,548,000 | \$198,506,000 | \$16,958,000 |
| 4260-113-0890 (Healthy Families) | \$307,000 | \$236,000 | (\$71,000) |
| 4260-117-0890 (HIPAA) | \$10,825,000 | \$12,174,000 | \$1,349,000 |
| | ----- | ----- | ----- |
| TOTAL FISCAL INTERMEDIARY | \$192,680,000 | \$210,916,000 | \$18,236,000 |
| | ===== | ===== | ===== |
| GRAND TOTAL - FEDERAL FUNDS | \$24,300,006,000 | \$27,877,654,000 | \$3,577,648,000 |
| | ===== | ===== | ===== |

Medi-Cal Funding Summary
May 2009 Estimate Comparison of FY 2008-09 to FY 2009-10

TOTAL FUNDS

| | <u>FY 2008-09</u> <u>Estimate</u> | <u>FY 2009-10</u> <u>Estimate</u> | <u>Difference</u> <u>Incr./(Decr.)</u> |
|---|--------------------------------------|--------------------------------------|---|
| <u>MEDI-CAL Benefits:</u> | | | |
| 4260-101-0001/0890(3) | \$34,281,700,000 | \$33,893,981,000 | (\$387,719,000) |
| 4260-101-0080 (CLPP Funds) | \$115,000 | \$115,000 | \$0 |
| 4260-101-0232 Prop. 99 Hospital Svcs. Acct. | \$18,000,000 | \$97,860,000 | \$79,860,000 |
| 4260-101-0236 Prop. 99 Unallocated Account | \$18,784,000 | \$7,218,000 | (\$11,566,000) |
| 4260-102-0001/0890 Capital Debt | \$108,396,000 | \$108,396,000 | \$0 |
| 4260-113-0001/0890 (Healthy Families) | \$554,644,000 | \$476,704,000 | (\$77,940,000) |
| 4260-601-0942142 Local Trauma Centers | \$26,165,000 | \$29,865,000 | \$3,700,000 |
| 4260-601-3096 NDPH Supplemental Fund | \$1,900,000 | \$1,900,000 | \$0 |
| 4260-601-3097 Private Hospital Supp. Fund | \$132,888,000 | \$132,888,000 | \$0 |
| 4260-601-7502 Demonstration DSH Fund | \$582,482,000 | \$606,908,000 | \$24,426,000 |
| 4260-601-7503 Health Care Support Fund | \$716,598,000 | \$760,984,000 | \$44,386,000 |
| 4260-601-7504 South LA Med Svcs Preservation Fund | \$137,705,000 | \$99,674,000 | (\$38,031,000) |
| 4260-601-8033 Distressed Hospital Fund | \$19,286,000 | \$11,536,000 | (\$7,750,000) |
| 4260-606-0834 MIPA Fund | \$523,252,000 | \$533,813,000 | \$10,561,000 |
| 4260-610-0995 Reimbursements | \$176,867,000 | \$297,274,000 | \$120,407,000 |
| 4260-106-0890 Money Follows Person Federal Grant | \$810,000 | \$14,708,000 | \$13,898,000 |
| TOTAL MEDI-CAL Benefits | \$37,299,592,000 | \$37,073,824,000 | (\$225,768,000) |
| <u>COUNTY ADMINISTRATION:</u> | | | |
| 4260-101-0001/0890(1) | \$2,670,601,000 | \$3,224,569,000 | \$553,968,000 |
| 4260-113-0001/0890 (Healthy Families) | \$4,363,000 | \$3,793,000 | (\$570,000) |
| 4260-117-0001/0890 (HIPAA) | \$4,736,000 | \$4,732,000 | (\$4,000) |
| 4260-610-0995 (Reimbursements) | \$0 | \$1,000,000 | \$1,000,000 |
| TOTAL COUNTY ADMIN. | \$2,679,700,000 | \$3,234,094,000 | \$554,394,000 |
| <u>FISCAL INTERMEDIARY:</u> | | | |
| 4260-101-0001/0890(2) | \$258,976,000 | \$303,361,000 | \$44,385,000 |
| 4260-113-0001/0890 (Healthy Families) | \$368,000 | \$407,000 | \$39,000 |
| 4260-117-0001/0890 (HIPAA) | \$33,762,000 | \$16,076,000 | (\$17,686,000) |
| 4260-610-0995 (Reimbursements) | \$121,000 | \$138,000 | \$17,000 |
| TOTAL FISCAL INTERMEDIARY | \$293,227,000 | \$319,982,000 | \$26,755,000 |
| GRAND TOTAL - ALL FUNDS | \$40,272,519,000 | \$40,627,900,000 | \$355,381,000 |

Notes: Proposition 99 funding is from the Cigarette and Tobacco Products Surtax Fund accounts as shown above.

Medi-Cal Funding Summary
May 2009 Estimate Comparison of FY 2008-09 to FY 2009-10

STATE FUNDS

| | FY 2008-09 Estimate | FY 2009-10 Estimate | Difference Incr./Decr.) |
|---|--------------------------------|--------------------------------|------------------------------------|
| <u>MEDI-CAL Benefits:</u> | | | |
| 4260-101-0001(3) * | \$11,642,616,000 | \$10,406,074,000 | (\$1,236,542,000) |
| 4260-101-0080 CLPP Funds | \$115,000 | \$115,000 | \$0 |
| 4260-101-0232 Prop. 99 Hospital Svcs. Acct. | \$18,000,000 | \$97,860,000 | \$79,860,000 |
| 4260-101-0236 Prop. 99 Unallocated Account | \$18,784,000 | \$7,218,000 | (\$11,566,000) |
| 4260-102-0001 Capital Debt * | \$54,198,000 | \$54,198,000 | \$0 |
| 4260-113-0001 Healthy Families * | \$198,915,000 | \$155,719,000 | (\$43,196,000) |
| 4260-601-0942142 Local Trauma Centers | \$26,165,000 | \$29,865,000 | \$3,700,000 |
| 4260-601-3096 Non-Desig. Public Hosp. Supp. Fund (GF) * | \$1,900,000 | \$1,900,000 | \$0 |
| 4260-601-3096 Non-Desig. Public Hosp. Supp. Fund (Non-GF) | \$0 | \$0 | \$0 |
| 4260-601-3097 Private Hosp. Supplemental Fund (GF) * | \$104,800,000 | \$118,400,000 | \$13,600,000 |
| 4260-601-3097 Private Hosp. Supplemental Fund (Non-GF) | \$28,088,000 | \$14,488,000 | (\$13,600,000) |
| 4260-601-8033 Distressed Hospital Fund | \$19,286,000 | \$11,536,000 | (\$7,750,000) |
| 4260-606-0834 MIPA Fund | \$523,252,000 | \$533,813,000 | \$10,561,000 |
| 4260-610-0995 Reimbursements | \$176,867,000 | \$297,274,000 | \$120,407,000 |
| | ===== | ----- | ----- |
| TOTAL MEDI-CAL Benefits | \$12,812,986,000 | \$11,728,460,000 | (\$1,084,526,000) |
| Total Benefits General Fund * | \$12,002,429,000 | \$10,736,291,000 | (\$1,266,138,000) |
| | ===== | ===== | ===== |
| <u>COUNTY ADMINISTRATION:</u> | | | |
| 4260-101-0001(1) * | \$782,489,000 | \$911,147,000 | \$128,658,000 |
| 4260-113-0001 (Healthy Families) * | \$603,000 | \$288,000 | (\$315,000) |
| 4260-117-0001 (HIPAA) * | \$215,000 | \$285,000 | \$70,000 |
| 4260-610-0995 (Reimbursements) | \$0 | \$1,000,000 | \$1,000,000 |
| | ----- | ----- | ----- |
| TOTAL COUNTY ADMIN. | \$783,307,000 | \$912,720,000 | \$129,413,000 |
| Total Co. Admin. General Fund * | \$783,307,000 | \$911,720,000 | \$128,413,000 |
| | ===== | ===== | ===== |
| <u>FISCAL INTERMEDIARY:</u> | | | |
| 4260-101-0001(2) * | \$95,660,000 | \$104,855,000 | \$9,195,000 |
| 4260-113-0001 (Healthy Families) * | \$184,000 | \$171,000 | (\$13,000) |
| 4260-117-0001 (HIPAA) * | \$6,042,000 | \$3,902,000 | (\$2,140,000) |
| 4260-610-0995 (Reimbursements) | \$121,000 | \$138,000 | \$17,000 |
| | ----- | ----- | ----- |
| TOTAL FISCAL INTERMEDIARY | \$102,007,000 | \$109,066,000 | \$7,059,000 |
| Total FI General Fund * | \$101,886,000 | \$108,928,000 | \$7,042,000 |
| | ===== | ===== | ===== |
| GRAND TOTAL - STATE FUNDS | \$13,698,300,000 | \$12,750,246,000 | (\$948,054,000) |
| Grand Total General Fund * | \$12,887,622,000 | \$11,756,939,000 | (\$1,130,683,000) |
| | ===== | ===== | ===== |

Notes: Proposition 99 funding is from the Cigarette and Tobacco Products Surtax Fund accounts as shown above.

Medi-Cal Funding Summary
May 2009 Estimate Comparison of FY 2008-09 to FY 2009-10

FEDERAL FUNDS

| | <u>FY 2008-09</u> <u>Estimate</u> | <u>FY 2009-10</u> <u>Estimate</u> | <u>Difference</u> <u>Incr./Decr.)</u> |
|---|--------------------------------------|--------------------------------------|--|
| <u>MEDI-CAL Benefits:</u> | | | |
| 4260-101-0890(3) | \$22,639,084,000 | \$23,487,907,000 | \$848,823,000 |
| 4260-102-0890 Capital Debt | \$54,198,000 | \$54,198,000 | \$0 |
| 4260-113-0890 (Healthy Families) | \$355,729,000 | \$320,985,000 | (\$34,744,000) |
| 4260-601-7502 Demonstration DSH Fund | \$582,482,000 | \$606,908,000 | \$24,426,000 |
| 4260-601-7503 Health Care Support Fund | \$716,598,000 | \$760,984,000 | \$44,386,000 |
| 4260-601-7504 South LA Med Svcs Preservation Fund | \$137,705,000 | \$99,674,000 | (\$38,031,000) |
| 4260-106-0890 Money Follow Person Federal Grant | \$810,000 | \$14,708,000 | \$13,898,000 |
| | ----- | ----- | ----- |
| TOTAL MEDI-CAL Benefits | \$24,486,606,000 | \$25,345,364,000 | \$858,758,000 |
| | ===== | ===== | ===== |
| <u>COUNTY ADMINISTRATION:</u> | | | |
| 4260-101-0890(1) | \$1,888,112,000 | \$2,313,422,000 | \$425,310,000 |
| 4260-113-0890 (Healthy Families) | \$3,760,000 | \$3,505,000 | (\$255,000) |
| 4260-117-0890 (HIPAA) | \$4,521,000 | \$4,447,000 | (\$74,000) |
| | ----- | ----- | ----- |
| TOTAL COUNTY ADMIN. | \$1,896,393,000 | \$2,321,374,000 | \$424,981,000 |
| | ===== | ===== | ===== |
| <u>FISCAL INTERMEDIARY:</u> | | | |
| 4260-101-0890(2) | \$163,316,000 | \$198,506,000 | \$35,190,000 |
| 4260-113-0890 (Healthy Families) | \$184,000 | \$236,000 | \$52,000 |
| 4260-117-0890 (HIPAA) | \$27,720,000 | \$12,174,000 | (\$15,546,000) |
| | ----- | ----- | ----- |
| TOTAL FISCAL INTERMEDIARY | \$191,220,000 | \$210,916,000 | \$19,696,000 |
| | ===== | ===== | ===== |
| GRAND TOTAL - FEDERAL FUNDS | \$26,574,219,000 | \$27,877,654,000 | \$1,303,435,000 |
| | ===== | ===== | ===== |