MEDI-CAL ADMINISTRATIVE ACTIVITIES

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

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$328,000,000	$380,000,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$328,000,000	$380,000,000

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. Many LGAs then subcontract with other organizations to perform MAA. 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 LEAs has increased.

The recent rulemaking (CMS-2287-F) from the federal Centers for Medicare and Medicaid Services (CMS) eliminates the School-Based MAA program. As a result of ARRA, this regulation is under moratorium until July 2009. If the program is eliminated, schools can 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. Funds for the claiming of Tribal MAA have been included in the estimate.

Cash Basis	FY 2008-09	FY 2009-10
Claims	$328,000,000	$380,000,000

HEALTH CARE COVERAGE INITIATIVE - ADMIN COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	2
IMPLEMENTATION DATE:	7/2009
ANALYST:	Karen Fairgrieves
FISCAL REFERENCE NUMBER:	1180

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$0	$116,250,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$0	$116,250,000

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. On October 1, 2008, CMS approved the "Administrative Cost Claiming Protocol". This encompassed 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 to draw down Federal Funds and will distribute these Federal Funds to the CI counties.

		TF	FFP
FY 2009-10			
	DY 2007-08	$ 46,000,000	$ 46,000,000
	DY 2008-09	$ 44,000,000	$ 44,000,000
	DY 2009-10	$ 26,250,000	$ 26,250,000
Total		**$ 116,250,000**	**$ 116,250,000**

CCS CASE MANAGEMENT

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

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$120,224,000	$137,597,000
STATE FUNDS	$49,081,750	$55,749,250
FEDERAL FUNDS	$71,142,250	$81,847,750

DESCRIPTION

The CCS case management budget is allocated to individual counties. The county administrative estimate for the budget year is updated every May based on additional data collected.

Assumption:

1. For FY 2008-09, the CCS case management costs are based on actual county expenditures in FY 2006-07 of $115,229,000. Caseload increased 0.52% from FY 2006-07 to FY 2007-08, and is expected to increase 2.93% from FY 2007-08 to FY 2008-09 based on the November 2008 Estimate.

   $115,229,000 x (1+0.52%) = $115,828,000
   $115,828,000 x (1+2.93%) = $118,596,000

2. For FY 2009-10, the CCS case management costs are based on actual county expenditures in FY 2007-08 of $126,718,000. Caseload is expected to increase 3.82% from FY 2007-08 to FY 2008-09, and increase 2.57% from FY 2008-09 to FY 2009-10 based on the May 2009 Estimate.

   $126,718,000 x (1+3.82%) = $131,559,000
   $131,559,000 x (1+2.57%) = $134,940,000

3. County data processing costs associated with CMS Net are estimated to be $1,628,000 in FY 2008-09 and $1,921,000 in FY 2009-10.

4. The Pediatric Palliative Care CCS Nurse Liaisons cost is estimated to be $736,000 in FY 2009-10.

	FY 2008-09	**FY 2009-10**
CCS Case Management	$118,596,000	$134,940,000
CCS Nurse Liaisons	$0	$736,000
CMS Net	$1,628,000	$1,921,000
Total	**$120,224,000**	**$137,597,000**

EPSDT CASE MANAGEMENT

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

	FY 2008-09	FY 2009-10
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:	Devon Dyer
FISCAL REFERENCE NUMBER:	231

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$16,392,000	$12,935,000
STATE FUNDS	$7,940,050	$6,346,700
FEDERAL FUNDS	$8,451,950	$6,588,300

DESCRIPTION

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

FY 2008-09	Printing	Mailing	Total	
Mass Mailings	$0	$6,300,000	$6,300,000	
Eligibility:Appl.Design/Dev./Trans.	$1,000,000	$0	$1,000,000	
Distribution	$0	$500,000	$500,000	
Optional Benefits Notice	$0	$1,580,000	$1,580,000	
Routine Forms	$2,000,000	$430,000	$2,430,000	
HF/MCC App.Revision	$600,000	$0	$600,000	*
HF/MCC App.Distr.	$0	$875,000	$875,000	*
Toll-Free Postage	$13,000	$1,162,100	$1,175,100	*
Benefits	$27,100	$0	$27,100	
BCCTP (35% State-Only Eligs)	$5,000	$10,000	$15,000	**
HIPAA NPP – M/C	$400,000	$1,200,000	$1,600,000	
HIPAA NPP – FPACT	$150,000	$100,000	$250,000	
HIPAA NPP - BCCTP	$30,000	$10,000	$40,000	
TOTAL	$4,225,000	$12,167,000	**$16,392,000**	

FY 2009-10	Printing	Mailing	Total	
Mass Mailings	$0	$6,600,000	$6,600,000	
Eligibility:Appl.Design/Dev./Trans.	$0	$0	$0	
Distribution	$0	$512,500	$512,500	
Optional Benefits Notice	$0	$0	$0	
Routine Forms	$2,000,000	$525,000	$2,525,000	
Toll-Free Postage	$13,000	$1,252,000	$1,265,000	*
PARIS	$77,000	$23,000	$100,000	
Benefits	$27,100	$0	$27,100	
BCCTP (35% State-Only Eligs)	$5,000	$10,000	$15,000	**
HIPAA NPP – M/C	$400,000	$1,200,000	$1,600,000	
HIPAA NPP – FPACT	$150,000	$100,000	$250,000	
HIPAA NPP - BCCTP	$30,000	$10,000	$40,000	
TOTAL	$2,702,000	$10,233,000	**$12,935,000**	

POSTAGE & PRINTING

OTHER ADMIN. POLICY CHANGE NUMBER: 5

*65% budgeted in Title XXI.
FY 2008-09: 4260-113-0001 ($137,000) + ($199,000) + ($267,000) = $603,000
FY 2009-10: 4260-113-0001 = $288,000

**100% budgeted in Title XIX for State-Only BCCTP eligibles.
FY 2008-09: $15,000 X .35 = $5,250
FY 2009-10: $15,000 X .35 = $5,250

MIS/DSS CONTRACT

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

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$9,498,000	$8,219,000
STATE FUNDS	$2,374,500	$2,054,750
FEDERAL FUNDS	$7,123,500	$6,164,250

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 Department units, including the Medi-Cal Managed Care Division in its monitoring of Health Plan performance and Audits and Investigations Division in its anti-fraud efforts.

A new contract with the option to extend the contract for an additional three years for development, maintenance, operation, and updating of the Next Generation MIS/DSS data warehouse was executed with Ingenix in February 2007. FY 2007-08 expenditures represented one-time and ongoing operations costs associated with system design, development, and implementation. FY 2008-09 and FY 2009-10 expenditures represent ongoing operation and maintenance costs.

		FY 2008-09	
New MIS/DSS Contract	**Total**	**GF**	**FFP**
Ongoing operations	$8,557,000	$2,139,250	$6,417,750
FY 2007-08 Costs	$941,000	$235,250	$705,750
Total	**$9,498,000**	**$2,374,500**	**$7,123,500**

		FY 2009-10	
New MIS/DSS Contract	**Total**	**GF**	**FFP**
Ongoing operations	**$8,219,000**	**$2,054,750**	**$6,164,250**

POSTAGE AND PRINTING - THIRD PARTY LIAB.

OTHER ADMIN. POLICY CHANGE NUMBER:	7
IMPLEMENTATION DATE:	7/1996
ANALYST:	Irene Gen
FISCAL REFERENCE NUMBER:	240

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$2,425,000	$2,510,000
STATE FUNDS	$1,212,500	$1,255,000
FEDERAL FUNDS	$1,212,500	$1,255,000

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.

FY 2008-09	Postage	Printing	Total
Other Heath Coverage	$376,200	$141,600	$517,800
Personal Injury	$351,400	$53,600	$405,000
Estate Recovery	$737,800	$220,000	$957,800
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
Total	$1,784,800	$640,200	**$2,425,000**

FY 2009-10	Postage	Printing	Total	
Other Heath Coverage	$385,200	$141,600	$526,800	
Personal Injury	$359,500	$59,900	$419,400	
Estate Recovery	$754,900	$242,000	$996,900	
Medicare Operations	$220,100	$63,000	$283,100	
Cost Avoidance	$95,000	$165,000	$260,000	
*AB 155 Invoices	$18,800	$4,500	$23,300	
Total	$1,833,500	$676,000	**$2,510,000**	**(rounded)**

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

MEDS REPLACEMENT CONTRACTOR

OTHER ADMIN. POLICY CHANGE NUMBER:	8
IMPLEMENTATION DATE:	1/2010
ANALYST:	Irene Gen
FISCAL REFERENCE NUMBER:	1179

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$0	$500,000
STATE FUNDS	$0	$125,000
FEDERAL FUNDS	$0	$375,000

DESCRIPTION

Medi-Cal Eligibility Data System (MEDS) is the system used for tracking and maintaining eligibility for the various programs within Medi-Cal. This system has changed considerably over the past 27 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. 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, an assessment was completed by a specialty vendor that recommends modernization of MEDS.

The Department will need to contract with vendors to assist in conducting a feasibility study that defines the framework and solution to a modernized MEDS and in the development of the Request for Proposal (RFP). The vendors will be specialists who have the expertise in developing frameworks for modernizing legacy applications. The specialists will analyze existing functionality of the system, develop high level business requirements that are deliverables for future RFP development efforts, identify alternative approaches to modernize MEDS, and recommend a solution that will enable Service Oriented Architecture (SOA) opportunities and be compliant with the Medicaid Information Technology Architecture (MITA). The vendors will provide product and service expertise in high level business rule extraction to capture the requirements necessary to delineate the business needs within the feasibility study. The contract is expected to begin in December 2009, with payments beginning in January 2010.

	FY 2009-10	FY 2010-11	FY 2011-12
FFP	$375,000	$1,012,500	$1,012,500
GF	$125,000	$ 337,500	$ 337,500
Total	**$500,000**	$1,350,000	$1,350,000

CA-MMIS REPLACEMENT AND OVERSIGHT CONTRACTORS

OTHER ADMIN. POLICY CHANGE NUMBER:	9
IMPLEMENTATION DATE:	10/2007
ANALYST:	Irene Gen
FISCAL REFERENCE NUMBER:	1278

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$1,693,000	$6,998,000
STATE FUNDS	$423,250	$1,749,500
FEDERAL FUNDS	$1,269,750	$5,248,500

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.

COORDINATED CARE MANAGEMENT PILOT

OTHER ADMIN. POLICY CHANGE NUMBER:	10
IMPLEMENTATION DATE:	10/2009
ANALYST:	Devon Dyer
FISCAL REFERENCE NUMBER:	1125

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$0	$5,063,000
STATE FUNDS	$0	$2,531,500
FEDERAL FUNDS	$0	$2,531,500

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 (SPDs) 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 (SMIs).

The Department will enter into two contracts to implement the CCM Demonstration Project. CCM I, relating to SPDs with Chronic Conditions, began implementation in March 2009, with payments for services expected to begin in October 2009. CCM II, relating to SMIs with chronic conditions, is scheduled to begin implementation in July 2009, and payments for services are expected to begin in January 2010.

	TF	GF
FY 2009-10	**$ 5,063,000**	**$ 2,531,500**
FY 2010-11	$ 8,100,000	$ 4,050,000
FY 2011-12	$ 8,100,000	$ 4,050,000
FY 2012-13	$ 3,037,000	$ 1,518,500
	$24,300,000	$12,150,000

SSA COSTS FOR HEALTH COVERAGE INFO.

OTHER ADMIN. POLICY CHANGE NUMBER:	11
IMPLEMENTATION DATE:	1/1989
ANALYST:	Irene Gen
FISCAL REFERENCE NUMBER:	237

	FY 2008-09	FY 2009-10
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.

Cash Basis	**FY 2008-09**	**FY 2009-10**
SSA Total Funds	**$1,000,000**	**$1,000,000**
General Funds	**$500,000**	**$500,000**

SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES

OTHER ADMIN. POLICY CHANGE NUMBER:	12
IMPLEMENTATION DATE:	7/2002
ANALYST:	Connie Florez
FISCAL REFERENCE NUMBER:	258

	FY 2008-09	FY 2009-10
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 term is July 1, 2007 through June 30, 2012. The projected annual cost is $950,000 GF for FY 2008-09 and FY 2009-10.

	FY 2008-09	FY 2009-10
Administrative Activities	**$950,000**	**$950,000**

HIPAA CAPITATION PAYMENT PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER:	13
IMPLEMENTATION DATE:	1/2009
ANALYST:	Irene Gen
FISCAL REFERENCE NUMBER:	1318

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$860,000	$1,140,000
STATE FUNDS	$215,000	$285,000
FEDERAL FUNDS	$645,000	$855,000

DESCRIPTION

The Department currently pays contracted managed care health plans through a manual process which is only capable of reporting capitation amounts at the aid code level or above. HIPAA mandates that these types of payments be reported using a standard HIPAA transaction (820 Premium Payments transaction). The currently implemented version of the 820 transaction is compliant; however, business processing requires that more detail be included on the transaction.

This project will make significant improvements to the existing capitation calculation process, allowing capitation reporting to be detailed at the beneficiary level and implementing automation of aspects of the calculation process. The resulting 820 HIPAA transaction will be able to report data at the same level enabling monthly reconciliation between Medi-Cal and the contracted managed care plans to be much more effective. The electronic storage of the data will also support research efforts to perform recoveries from the estates of deceased Medi-Cal beneficiaries.

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

SPD EDUCATION AND OUTREACH

OTHER ADMIN. POLICY CHANGE NUMBER:	14
IMPLEMENTATION DATE:	6/2007
ANALYST:	Connie Florez
FISCAL REFERENCE NUMBER:	1081

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$371,000	$723,000
STATE FUNDS	$185,500	$361,500
FEDERAL FUNDS	$185,500	$361,500

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 local assistance funds. The total cost of the local assistance funding of the interagency agreement is estimated to be $2,201,000 ($1,100,500 GF), to be paid over the course of FY 2007-08 through FY 2010-11 as follows:

	Expenditures
FY 2007-08	$1,040,000
FY 2008-09	**$371,000**
FY 2009-10	**$723,000**
FY 2010-11	$67,000
Total	$2,201,000

MIS/DSS INTERIM OPERATIONS

OTHER ADMIN. POLICY CHANGE NUMBER:	15
IMPLEMENTATION DATE:	7/2006
ANALYST:	Irene Gen
FISCAL REFERENCE NUMBER:	1128

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$412,000	$0
STATE FUNDS	$103,000	$0
FEDERAL FUNDS	$309,000	$0

DESCRIPTION

The MIS/DSS contract with Medstat expired on January 17, 2007. To ensure the availability of the critical data in the MIS/DSS database while the new system is developed, implemented, and accepted, 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 was completed by CMAS contractors until the new MIS/DSS database was available and tested with complete documentation, including review, comparison, and validation of data sources from the interim system to the new data warehouse. This was completed in July 2008. Any remaining costs to this contract will be paid in FY 2008-09.

	FY 2008-09		
	Total	**GF**	**FFP**
Interim Operations (CMAS)	**$412,000**	**$103,000**	**$309,000**

MITA ASSESSMENT

OTHER ADMIN. POLICY CHANGE NUMBER:	16
IMPLEMENTATION DATE:	7/2009
ANALYST:	Devon Dyer
FISCAL REFERENCE NUMBER:	1137

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$0	$500,000
STATE FUNDS	$0	$50,000
FEDERAL FUNDS	$0	$450,000

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 toward 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 adherence to MITA.

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 who used the MITA Maturity Model to document current business process, workflow, operational procedures, cross-functional integrations, performance measurement based on the Department's current business and IT strategies. The MITA SS-A was implemented in June 2007.

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 second phase, State Medicaid Enterprise Architecture (EA), is awaiting the results of a Department wide EA effort and therefore, resulted in no additional cost to the Department. The third phase, developing a State Transition and Implementation Plan, is scheduled to begin in April 2009. As a condition of approving enhanced federal funding for the MITA SS-A, CMS required the Department to complete the State Transition and Implementation Plan no later than June 14, 2010. It is anticipated that the State Transition and Implementation Plan will take 15 months to complete, including all required approvals.

	FY 2009-10
Phase 1	$0
Phase 2	$0
Phase 3	$500,000
Total	**$500,000**

MIS/DSS OVERSIGHT CONTRACT

OTHER ADMIN. POLICY CHANGE NUMBER:	17
IMPLEMENTATION DATE:	6/2005
ANALYST:	Irene Gen
FISCAL REFERENCE NUMBER:	1050

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$245,000	$0
STATE FUNDS	$61,250	$0
FEDERAL FUNDS	$183,750	$0

DESCRIPTION

The new Next Generation MIS/DSS contract was executed with Ingenix in February 2007. The contract execution closes out the procurement effort; however, as required by the Department of Finance's (DOF) Oversight Framework for this highly critical project, the Independent Verification and Validation (IV&V) contractor will remain throughout the project implementation phases and production acceptance period 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.) On January 10, 2007 DOF approved the Next Generation MIS/DSS IAPD in lieu of Special Project Report. The contract will end June 30, 2009.

	FY 2008-09		
	Total	**GF**	**FFP**
IV&V Contractor	**$245,000**	**$61,250**	**$183,750**

TAR POSTAGE

OTHER ADMIN. POLICY CHANGE NUMBER:	18
IMPLEMENTATION DATE:	7/2003
ANALYST:	Randolph Alarcio
FISCAL REFERENCE NUMBER:	267

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$210,000	$210,000
STATE FUNDS	$105,000	$105,000
FEDERAL FUNDS	$105,000	$105,000

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. Starting in FY 2006-07, an electronic TAR submission process (eTAR), was made available to Medi-Cal providers and services resulting in changes to TAR postage expenditures. The TAR postage expenditures are expected to stabilize over the next fiscal year.

Assumptions:

1. TAR postage expenditures in FY 2007-08 for Medi-Cal were $203,000. It is assumed that costs will be $210,000 for FY 2008-09.

2. For FY 2009-10, the costs for TAR postage are expected to be the same as FY 2008-09.

EPOCRATES

OTHER ADMIN. POLICY CHANGE NUMBER:	19
IMPLEMENTATION DATE:	4/2007
ANALYST:	Randolph Alarcio
FISCAL REFERENCE NUMBER:	1157

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$171,000	$158,000
STATE FUNDS	$85,500	$79,000
FEDERAL FUNDS	$85,500	$79,000

DESCRIPTION

The Department entered 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. The June payment is made in the following fiscal year.

Fiscal Year	Expenditures
FY 2008-09	$ 158,000
Retroactive Payment For FY 2007-08	$13,000
FY 2008-09 Total	**$171,000**
FY 2009-10 Total	**$ 158,000**

CA-MMIS TAKEOVER OTHER STATE TRANSITION COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	21
IMPLEMENTATION DATE:	7/2009
ANALYST:	Irene Gen
FISCAL REFERENCE NUMBER:	1322

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$0	$7,716,000
STATE FUNDS	$0	$1,929,000
FEDERAL FUNDS	$0	$5,787,000

DESCRIPTION

CA-MMIS is the claims processing system used for Medi-Cal. The current FI contract is ending on June 30, 2010 and a RFP is currently in progress to establish a new FI contract. In the event the incumbent loses and the contract is awarded to a new FI contractor, additional costs will be incurred to support two vendors during Takeover of the existing system. This transition would occur during FY 2009-10. The Department will be required to obtain additional consultative contractor resources for setup, testing activities and management of new environments in support of transition activities from the incumbent FI contractor to a new FI contractor. CA-MMIS Takeover activities include mission critical systems such as MEDS, EMBER, and PCES applications. CA-MMIS is a mission critical system that must ensure timely and accurate claims processing for Medi-Cal providers, without interruption during Takeover. In the event the contract is awarded to the incumbent, these costs will be significantly less.

MMA - DSH ANNUAL INDEPENDENT AUDIT

OTHER ADMIN. POLICY CHANGE NUMBER:	22
IMPLEMENTATION DATE:	7/2009
ANALYST:	Karen Fairgrieves
FISCAL REFERENCE NUMBER:	266

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$0	$2,400,000
STATE FUNDS	$0	$1,200,000
FEDERAL FUNDS	$0	$1,200,000

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. CMS has release the final criteria and guidelines. The Department's methodology and audits are due to CMS by December 31, 2009.

Assumptions:

1. In FY 2009-10, the Department will audit 2003-04 and 2004-05.

2. The audits will be completed and paid in FY 2009-10.

3. It is estimated that each year's audit will cost $1,200,000 with 50% FFP and 50% GF.

DME CONTRACTING PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER:	23
IMPLEMENTATION DATE:	7/2009
ANALYST:	Irene Gen
FISCAL REFERENCE NUMBER:	1299

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$0	$990,000
STATE FUNDS	$0	$495,000
FEDERAL FUNDS	$0	$495,000

DESCRIPTION

The Department will enter into a competitive bid procurement process to contract with an organization on a pay-for-performance basis to reduce durable medical equipment (DME) costs. The scope of work would be developed in two phases. Phase two builds on phase one and each phase 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 if it chooses.

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 acquired this service contract through a competitive bid process. The maximum payable to the contractor is $990,000. The first $360,000 in savings will go to the contractor. Savings above $360,000 will be split 50/50 up to the maximum of $990,000 paid to the contractor. The contractor began work on the project in October 2008. Contracting costs and services savings would not begin until FY 2009-10.

PEDIATRIC PALLIATIVE CARE WAIVER EVALUATION

OTHER ADMIN. POLICY CHANGE NUMBER:	24
IMPLEMENTATION DATE:	7/2009
ANALYST:	Shelley Stankeivicz
FISCAL REFERENCE NUMBER:	1335

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$0	$200,000
STATE FUNDS	$0	$100,000
FEDERAL FUNDS	$0	$100,000

DESCRIPTION

AB 1745 (Chapter 33, Statutes of 2006) required the Department to submit an application for a federal waiver for a Pediatric Palliative Care Pilot Project to CMS. The waiver was submitted in May 2008, with an estimated start date of April 1, 2009.

The waiver makes available services comparable to those available through hospice that can be provided at the same time the child would receive curative services.

The legislation mandates that the Department evaluate the pilot project, and an evaluation of the waiver is also required to meet federal assurances. The evaluation will begin July 2009.

Waiver Evaluation Project Scheduled Costs:

FY 2009-10: $200,000
FY 2010-11: $200,000
FY 2011-12: $200,000
FY 2012-13: $200,000

COHS REBATE RECONCILIATION

OTHER ADMIN. POLICY CHANGE NUMBER:	25
IMPLEMENTATION DATE:	7/2006
ANALYST:	Randolph Alarcio
FISCAL REFERENCE NUMBER:	1101

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$56,000	$0
STATE FUNDS	$14,000	$0
FEDERAL FUNDS	$42,000	$0

DESCRIPTION

Due to drug claims errors in the County Organized Health System (COHS) drug records, the Department is unable to receive all available drug rebates for COHS expenditures. To increase drug rebate collections for the eight COHS counties, 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 COHS' drug data and, thereby, improve COHS drug rebate collections.

The State Personnel Board made a final determination to cancel the COHS rebate reconciliation contract effective September 18, 2008. Outstanding claims for FY 2007-08 and FY 2008-09 are $56,000.

DISEASE MANAGEMENT PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER:	26
IMPLEMENTATION DATE:	10/2007
ANALYST:	Devon Dyer
FISCAL REFERENCE NUMBER:	1002

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$5,300,000	$8,300,000
STATE FUNDS	$2,650,000	$4,150,000
FEDERAL FUNDS	$2,650,000	$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 Foundation (AHC) will focus on HIV/AIDS separately (DM2) and began providing DM services in March 2009. Preliminary work for the evaluation of DM1 and DM2 began in September 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 in October 2007.

2. HIV/AIDS (DM2) beneficiary services began in March 2009, and payments began in April 2009.

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 September 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	$0	$1,000,000	$4,000,000	$4,000,000	$3,000,000
Assessment	$500,000	$300,000	$300,000	$300,000	$100,000
Total	$3,500,000	**$5,300,000**	**$8,300,000**	$5,300,000	$3,100,000

DATA CENTER COST REDUCTION

OTHER ADMIN. POLICY CHANGE NUMBER:	27
IMPLEMENTATION DATE:	7/2007
ANALYST:	Devon Dyer
FISCAL REFERENCE NUMBER:	1235

	FY 2008-09	FY 2009-10
TOTAL FUNDS	-$218,000	-$218,000
STATE FUNDS	-$109,000	-$109,000
FEDERAL FUNDS	-$109,000	-$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 2008-09 and FY 2009-10 is $218,000 TF ($109,000 GF).

REDUCTION TO EPSDT CASE MANAGEMENT BY 10%

OTHER ADMIN. POLICY CHANGE NUMBER:	28
IMPLEMENTATION DATE:	10/2008
ANALYST:	Devon Dyer
FISCAL REFERENCE NUMBER:	1255

	FY 2008-09	FY 2009-10
TOTAL FUNDS	-$1,686,000	-$3,746,000
STATE FUNDS	-$590,250	-$1,318,750
FEDERAL FUNDS	-$1,095,750	-$2,427,250

DESCRIPTION

Effective July 1, 2008, EPSDT Case Management expenditures were reduced by 10%. Savings began October 1, 2008.

Assumptions:

1. EPSDT Case Management expenditures are expected to be $37,464,000 in FY 2008-09 and FY 2009-10.

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, and are not subject to reduction. Assume all claims paid in FY 2009-10 are for services in FY 2008-09 and FY 2009-10, and are all subject to reduction.

   FY 2008-09:
   $37,464,000 x 10% = $3,746,400
   $3,746,400 x 60% = $2,247,840
   $2,247,840 / 12 months x 9 months = **$1,686,000 ($590,250 GF)**

   FY 2009-10:
   $37,464,000 x 10% = **$3,746,000 ($1,318,750 GF)**

REDUCTION TO MIS/DSS CONTRACT BY 25%

OTHER ADMIN. POLICY CHANGE NUMBER:	29
IMPLEMENTATION DATE:	7/2008
ANALYST:	Irene Gen
FISCAL REFERENCE NUMBER:	1244

	FY 2008-09	FY 2009-10
TOTAL FUNDS	-$2,139,000	-$2,055,000
STATE FUNDS	-$534,750	-$513,750
FEDERAL FUNDS	-$1,604,250	-$1,541,250

DESCRIPTION

Effective July 1, 2008, the operations costs for the MIS/DSS Contract will be reduced by 25%. Operation costs may vary from year to year resulting in fluctuations in the savings. The contract costs are budgeted in the MIS/DSS Contract policy change.

Assumptions:

1. The MIS/DSS Contract cost is $8,557,000 in FY 2008-09 and $8,219,000 in FY 2009-10.

FY 2008-09: $8,557,000 x 25% = **$2,139,000 ($534,750 GF) Savings**

FY 2009-10: $8,219,000 x 25% = **$2,055,000 ($513,750 GF) Savings**

PERSONAL CARE SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER:	30
IMPLEMENTATION DATE:	4/1993
ANALYST:	Julie Chan
FISCAL REFERENCE NUMBER:	236

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$208,392,000	$257,422,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$208,392,000	$257,422,000

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) and IHSS Case Management & Information Payrolling System (CMIPS II). The Medi-Cal program includes PCS in its schedule of benefits.

The estimates below were provided by CDSS.

CASH BASIS

FY 2008-09	DHCS FFP	CDSS GF	County Match	IA #
EW Time & Health Related	$187,837,000	$131,486,000	$56,351,000	03-75676
CMIPS II	$20,555,000	$11,562,000	$0	03-75676
	$208,392,000	$143,048,000	$56,351,000	

FY 2009-10	DHCS FFP	CDSS GF	County Match	IA #
EW Time & Health Related	$188,569,000	$131,998,000	$56,571,000	03-75676
CMIPS II	$68,853,000	$38,730,000	$0	03-75676
	$257,422,000	$170,728,000	$56,571,000	

DEPARTMENT OF MENTAL HEALTH ADMIN. COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	31
IMPLEMENTATION DATE:	7/1997
ANALYST:	Irene Gen
FISCAL REFERENCE NUMBER:	255

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$161,936,000	$162,654,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$161,936,000	$162,654,000

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. The GF is included in the CDMH budget.

CASH BASIS

	FY 2008-09	FY 2009-10
EPSDT-TBS Admin.	$106,000	$106,000
Admin. Costs	$21,279,000	$21,813,000
MC Admin. Activ.	$25,479,000	$25,479,000
HIPAA (1)	$1,139,000	$1,172,000
Healthy Families(2)	$2,640,000	$2,971,000
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	$180,000	$0
Total	**$161,936,000**	**$162,654,000**

	DHCS FFP	CDMH GF	County Match	IA #
FY 2008-09	**$161,936,000**	$22,831,000	$138,320,000	02-25271
FY 2009-10	**$162,654,000**	$22,985,000	$138,298,000	

*(1) HIPAA FFP costs of $1,139,000 for FY 2008-09 and $1,172,000 for FY 2009-10 are budgeted in Item 4260-117-0890.

*(2) Healthy Families FFP costs of $2,640,000 for FY 2008-09 and $2,971,000 for FY 2009-10 are budgeted in Item 4260-113-0890.

HEALTH RELATED ACTIVITIES/TITLE XIX

OTHER ADMIN. POLICY CHANGE NUMBER:	32
IMPLEMENTATION DATE:	7/1992
ANALYST:	Julie Chan
FISCAL REFERENCE NUMBER:	233

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$170,426,000	$174,727,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$170,426,000	$174,727,000

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.

CASH BASIS

FY 2008-09	DHCS FFP	CDSS GF	County Match	IA #
CWS	$95,659,000	$66,961,000	$28,698,000	01-15931
CWS/CMS	$4,943,000	$4,210,000	$0	06-55834
CSBG	$20,323,000	$12,401,000	$12,419,000	01-15931
APS	$49,501,000	$50,846,000	$0	01-15931
TOTAL	**$170,426,000**	$134,418,000	$41,117,000	

FY 2009-10	DHCS FFP	CDSS GF	County Match	IA #
CWS	$100,540,000	$70,378,000	$30,162,000	01-15931
CWS/CMS	$4,317,000	$3,677,000	$0	06-55834
CSBG	$20,350,000	$12,417,000	$12,435,000	01-15931
APS	$49,520,000	$50,865,000	$0	01-15931
TOTAL	**$174,727,000**	$137,337,000	$42,597,000	

MATERNAL AND CHILD HEALTH

OTHER ADMIN. POLICY CHANGE NUMBER:	33
IMPLEMENTATION DATE:	7/1992
ANALYST:	Devon Dyer
FISCAL REFERENCE NUMBER:	234

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$29,496,000	$53,906,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$29,496,000	$53,906,000

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.
6. The FY 2008-09 budgeted amounts reflect remaining FY 2007-08 payments, and the FY 2009-10 budgeted amounts reflect remaining FY 2008-09 payments. The following estimates have been provided by CDPH and include the impact of CDPH's budget reductions.

FY 2008-09	DHCS FFP	CDPH GF	County Match	IA #
BIH	$3,734,000	$2,212,835	$808,562	07-65592
CPSP, PCG & SOW	$20,399,000	$1,532,558	$12,198,340	
AFLP	$5,363,000	$4,336,628	$662,071	
Total	**$29,496,000**	$8,082,021	$13,668,973	

FY 2009-10	DHCS FFP	CDPH GF	County Match	IA #
BIH	$ 6,159,000	$2,366,316	$1,544,980	07-65592
CPSP, PCG & SOW	$38,123,000	$3,718,572	$18,805,761	
AFLP	$9,624,000	$4,213,648	$2,501,000	
Total	**$53,906,000**	$10,298,536	$22,851,741	

CDDS ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	34
IMPLEMENTATION DATE:	7/1997
ANALYST:	Connie Florez
FISCAL REFERENCE NUMBER:	243

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$38,561,000	$36,880,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$38,561,000	$36,880,000

DESCRIPTION

The California 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)

CASH BASIS

(Dollars in Thousands)

FY 2008-09		CDHS FFP	CDDS GF	IA #
1.	DC/SOSF Medi-Cal Admin.	$6,101	$6,101	03-75282/83
	DC/SOSF HIPAA*	$162	$162	03-75282/83
2.	DC/SOSF MC Elig. Contract	$615	$615	01-15378
3.	HCBS Waiver Admin.	$11,782	$11,782	01-15834
4.	RC Medicaid Admin.	$13,897	$4,645	03-75734
5.	RC Nursing Home Reform	$68	$68	03-75285
6.	TCM HQ Admin.	$346	$0	03-75284
	TCM RC Admin.	$4,530	$4,530	03-75284
	TCM HIPAA*	$708	$708	03-75284
7.	IPSDSWA	$352	$352	03-75284
	Total	**$38,561**	$28,963	

CDDS ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 34

FY 2009-10		CDHS FFP	CDDS GF	IA #
1.	DC/SOSF Medi-Cal Admin.	$6,256	$6,256	03-75282/83
	DC/SOSF HIPAA*	$162	$162	03-75282/83
2.	DC/SOSF MC Elig. Contract	$612	$612	01-15378
3.	HCBS Waiver Admin.	$7,829	$7,829	01-15834
4.	RC Medicaid Admin.	$16,145	$5,392	03-75734
5.	RC Nursing Home Reform	$72	$72	03-75285
6.	TCM HQ Admin.	$354	$0	03-75284
	TCM RC Admin.	$4,217	$4,217	03-75284
	TCM HIPAA*	$638	$638	03-75284
7.	IPSDSWA	$595	$595	03-75284
	Total	**$36,880**	$25,773	

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

PUBLIC HEALTH NURSES FOR FOSTER CARE

OTHER ADMIN. POLICY CHANGE NUMBER:	35
IMPLEMENTATION DATE:	7/1999
ANALYST:	Julie Chan
FISCAL REFERENCE NUMBER:	246

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$17,058,000	$23,033,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$17,058,000	$23,033,000

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.

On October 7, 2008, Public Law (P.L.) 110-351, the Fostering Connections to Success and Increasing Adoptions Act of 2008, was signed into law. P.L. 110-351 is an amendment to the Social Security Act to connect and support relative caregivers, improve outcomes for children in foster care, provide for tribal foster care and adoption access, and improve incentives for adoption. Beginning January 1, 2010, the Department, through CDSS, will implement the new requirements of P.L. 110-351 and provide for Health Oversight and Coordination.

The estimates below were provided by CDSS.

CASH BASIS

FY 2008-09	**DHCS FFP**	**CDSS GF**	**IA#**
Public Health Nurses	**$17,058,000**	$5,686,000	04-35913

FY 2009-10	**DHCS FFP**	**CDSS GF**	**IA#**
Public Health Nurses	$14,039,000	$4,680,000	04-35913
P.L. 110-351	$8,994,000	$2,998,000	
TOTAL	**$23,033,000**	$7,678,000	

DEPT OF PUBLIC HEALTH (CDPH) ADMIN COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	36
IMPLEMENTATION DATE:	7/2007
ANALYST:	Karen del Gallego
FISCAL REFERENCE NUMBER:	1192

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$9,064,000	$9,139,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$9,064,000	$9,139,000

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. The estimate includes the impact of CDPH's budget reductions.

The estimates below were provided by the CDPH.

CASH BASIS (Dollars in Thousands)	**FY 2008-09**			**FY 2009-10**		
	DHCS FFP	**CDPH GF**	**Other Match**	**DHCS FFP**	**CDPH GF**	**Other Match**
Office of Family Planning	$1,274	$1,255		$1,070	$1,054	
Maternal and Child Health	$1,355	$1,335		$1,486	$1,464	
Laboratory Field Services	$346	$260		$346	$260	
Office of AIDS	$518	$518		$518	$518	
Childhood Lead Prevention Program (CLPP)	$1,105		$887	$1,105		$887
Center for Health Statistics	$1,032	$1,032		$1,032	$1,032	
Licensing and Certification	$3,434		$3,434	$3,582		$3,582
Total	**$9,064**	$4,400	$4,321	**$9,139**	$4,328	$4,469

DEPARTMENT OF SOCIAL SERVICES ADMIN COST

OTHER ADMIN. POLICY CHANGE NUMBER:	37
IMPLEMENTATION DATE:	7/2002
ANALYST:	Julie Chan
FISCAL REFERENCE NUMBER:	256

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$4,339,000	$4,861,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$4,339,000	$4,861,000

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), the Child Welfare Services/Case Management System (CWS/CMS), and the Statewide Automated Welfare System (SAWS). CDSS budgets the matching GF.

The estimates below were provided by CDSS.

CASH BASIS

FY 2008-09	DHCS FFP	CDSS GF	IA #
IHSS PCSP	$2,152,000	$2,152,000	03-75676
IHSS Health Related	$16,000	$16,000	01-15931
CWS/CMS for Medi-Cal	$117,000	$117,000	06-55834
IHSS Plus Waiver	$1,720,000	$1,720,000	04-35840
SAWS	$334,000	$334,000	04-35639
TOTAL	**$4,339,000**	$4,339,000	

FY 2009-10	DHCS FFP	CDSS GF	IA #
IHSS PCSP	$2,384,000	$2,384,000	03-75676
IHSS Health Related	$20,000	$20,000	01-15931
CWS/CMS for Medi-Cal	$91,000	$91,000	06-55834
IHSS Plus Waiver	$1,992,000	$1,992,000	04-35840
SAWS	$374,000	$374,000	04-35639
TOTAL	**$4,861,000**	$4,861,000	

DEPT. OF ALCOHOL AND DRUG ADMIN. COSTS

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

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$5,304,000	$4,463,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$5,304,000	$4,463,000

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. This estimate includes the impact of CDADP's budget reductions.

Following is the cash estimate provided by the CDADP:

CASH BASIS

FY 2008-09	DHCS FFP	CDADP GF	IA #
Support	$4,137,000	$3,139,000	04-35640
HIPAA*	$1,167,000	$1,077,000	04-35640
Total	**$5,304,000**	$4,216,000	

FY 2009-10	DHCS FFP	CDADP GF	IA #
Support	$3,543,000	$3,543,000	04-35640
HIPAA*	$920,000	$787,000	04-35640
Total	**$4,463,000**	$4,330,000	

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

CLPP CASE MANAGEMENT SERVICES

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

	FY 2008-09	FY 2009-10
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.

The estimates below were provided by CDPH.

FY 2008-09	DHCS FFP	CDPH GF	IA #
Administrative Costs	**$4,200,000**	$4,200,000	07-65689

FY 2009-10	DHCS FFP	CDPH GF	IA #
Administrative Costs	**$4,200,000**	$4,200,000	07-65689

DEPARTMENT OF AGING ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	40
IMPLEMENTATION DATE:	7/1984
ANALYST:	Randolph Alarcio
FISCAL REFERENCE NUMBER:	253

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$3,301,000	$3,730,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$3,301,000	$3,730,000

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. This estimate includes the impact of CDA's administrative budget reductions.

The estimates below were provided by CDA.

(Dollars in Thousands)	FY 2008-09		FY 2009-10	
	FFP	CDA GF	FFP	CDA GF
ADHC Support				
FY 2007-08 DOS	$10	$10		
FY 2008-09 DOS	$2,030	$1,723	$229	$195
FY 2009-10 DOS			$2,074	$1,737
Total ADHC	**$2,040**	$1,733	**$2,303**	$1,932
MSSP Support				
FY 2007-08 DOS	$5	$5		
FY 2008-09 DOS	$1,256	$1,075	$141	$121
FY 2009-10 DOS			$1,286	$1,085
Total MSSP	**$1,261**	$1,080	**$1,427**	$1,206
Grand Total	**$3,301**	$2,813	**$3,730**	$3,138

PERINATAL HIV TESTING PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER:	41
IMPLEMENTATION DATE:	7/2008
ANALYST:	Devon Dyer
FISCAL REFERENCE NUMBER:	241

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$1,339,000	$1,339,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$1,339,000	$1,339,000

DESCRIPTION

The Perinatal HIV Testing Project, administered by the California Department of Public Health's (CDPH) 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 (FFP). This will be done via an Interagency Agreement (IA) between the Department and CDPH. The Office of AIDS provides the 50% General Fund match in Item 4265-111-0001 in the CDPH budget and, once the IA is executed, the Department will be able to claim the FFP. The cost of the Department's federal match is estimated to be $1,339,000 per year, paid quarterly.

The estimates below were provided by CDPH.

	DHCS FFP	CDPH GF	IA#
FY 2008-09	**$1,339,000**	$1,339,000	08-85634

	DHCS FFP	CDPH GF	IA#
FY 2009-10	**$1,339,000**	$1,339,000	08-85634

FAMILY PACT MIP AND I&E PROGRAMS

OTHER ADMIN. POLICY CHANGE NUMBER:	42
IMPLEMENTATION DATE:	7/2003
ANALYST:	Devon Dyer
FISCAL REFERENCE NUMBER:	261

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$1,889,000	$1,834,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$1,889,000	$1,834,000

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 FPACT 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.

The FY 2008-09 budgeted amounts reflect $1,426,000 in payments for FY 2007-08 for MIP, I&E, and Evaluation. Effective July 1, 2008, MIP was eliminated due to budget constraints. FY 2009-10 includes MIP costs incurred in FY 2008-09.

The estimates below were provided by CDPH.

FY 2008-09	DHCS FFP	CDPH GF	IA #
MIP	$311,000	$311,000	07-65592
I&E	$1,198,000	$1,198,000	
Evaluation	$380,000	$380,000	
Total FFP	**$1,889,000**	$1,889,000	

FY 2009-10	DHCS FFP	CDPH GF	IA #
MIP	$69,000	$69,000	07-65592
I&E	$1,421,000	$1,421,000	
Evaluation	$344,000	$344,000	
Total FFP	**$1,834,000**	$1,834,000	

FPACT SUPPORT,PROVIDER EDUC.&CLIENT OUTREACH

OTHER ADMIN. POLICY CHANGE NUMBER:	43
IMPLEMENTATION DATE:	12/1999
ANALYST:	Devon Dyer
FISCAL REFERENCE NUMBER:	248

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$1,516,000	$714,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$1,516,000	$714,000

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.

Effective July 1, 2008, the TSO program was eliminated due to budget constraints. The FY 2008-09 budget reflects $781,000 in payments for FY 2007-08 for Client Outreach/TSO.

The estimates below were provided by CDPH.

FY 2008-09	**DHCS FFP**	**CDPH GF**	**IA #**
Support/Provider Education	$735,000	$735,000	08-85180
Client Outreach/TSO	$781,000	$781,000	
Total	**$1,516,000**	$1,516,000	

FY 2009-10	**DHCS FFP**	**CDPH GF**	**IA #**
Support/Provider Education	$714,000	$714,000	08-85180
Client Outreach/TSO	$0	$0	
Total	**$714,000**	$714,000	

BABY WELCOME KITS

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

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$1,792,000	$1,867,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$1,792,000	$1,867,000

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).

Assumptions:

1. CCFC will distribute an estimated 360,000 kits in FY 2008-09 and 375,000 in FY 2009-10.
2. As of July 1, 2007 the basic kit costs $21.50 and the customized kit, which contains an additional item specific to the county of birth, costs $21.79.
3. Approximately 51% of the kits distributed will be basic kits and 49% will be custom kits.
4. Approximately 46% of the kits are expected to be distributed to Medi-Cal eligible newborns.

FY 2008-09
360,000 basic kits x .51 x .46 x $21.50 = $1,816,000
360,000 custom kits x .49 x .46 x $21.79 = $1,768,000
$3,584,000 Annual Cost

FY 2009-10
375,000 basic kits x .51 x .46 x $21.50 = $1,891,000
375,000 custom kits x .49 x .46 x $21.79 = $1,842,000
$3,733,000 Annual Cost

	DHCS FFP	CCFC GF	Total Costs	IA #
FY 2008-09	**$1,792,000**	$1,792,000	$3,584,000	03-76097
FY 2009-10	**$1,867,000**	$1,867,000	$3,733,000	03-76097

FAMILY PACT WAIVER DEMO EVALUATION

OTHER ADMIN. POLICY CHANGE NUMBER:	45
IMPLEMENTATION DATE:	12/1999
ANALYST:	Devon Dyer
FISCAL REFERENCE NUMBER:	247

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$680,000	$2,092,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$680,000	$2,092,000

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 for the evaluation 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.

The FY 2008-09 budgeted amount reflects $291,000 of payments for FY 2007-08. This Estimate includes the impact of CDPH's budget reductions.

The estimates below were provided by CDPH.

CASH BASIS

	DHCS FFP	CDPH GF	IA #
FY 2008-09	**$680,000**	$680,000	07-65668

	DHCS FFP	CDPH GF	IA #
FY 2009-10	$**2,092,000**	$2,092,000	07-65668

SINGLE POINT OF ENTRY - MEDI-CAL/HFP

OTHER ADMIN. POLICY CHANGE NUMBER:	46
IMPLEMENTATION DATE:	4/1999
ANALYST:	Devon Dyer
FISCAL REFERENCE NUMBER:	245

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$2,446,000	$2,502,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$2,446,000	$2,502,000

DESCRIPTION

The Department and Managed Risk Medical Insurance Board (MRMIB) use a joint Medi-Cal and Healthy Families Program (HFP) online 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 HFP which is administered by MRMIB. 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 preenrolled (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 for FY 2008-09 are based on the average actual ratio of 31.2% Medi-Cal to 68.8% HFP applications in SPE Report #MM-029 as of March 4, 2008 and FY 2009-10 are based on the average actual ratio of 30.8% Medi-Cal to 69.2% HFP applications in SPE Report #MM-029 as of September 4, 2008.

4. MRMIB estimates that an additional 35,400 children discontinued from HFP in FY 2008-09 and 39,003 in FY 2009-10 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.

SINGLE POINT OF ENTRY - MEDI-CAL/HFP

OTHER ADMIN. POLICY CHANGE NUMBER: 46

FY 2008-09	DHCS FFP	MRMIB GF
Applications for M/C processing: 158,138		
SPE Application Processing/Mailing	$1,468,000	$1,468,000
SPE Telephone Services	$689,000	$689,000
Pre-Printed Applications	$10,000	$10,000
Elimination of HFP to Medi-Cal Bridge	$279,000	$279,000
Total	**$2,446,000**	$2,446,000

FY 2009-10	DHCS FFP	MRMIB GF
Applications for M/C processing: 160,592		
Application Processing/Mailing	$1,492,000	$1,492,000
Telephone Services	$714,000	$714,000
Pre-Printed Applications	$10,000	$10,000
Elimination of HFP to Medi-Cal Bridge	$286,000	$286,000
Total	**$2,502,000**	$2,502,000

OUTREACH - CHILDREN

OTHER ADMIN. POLICY CHANGE NUMBER:	47
IMPLEMENTATION DATE:	7/1997
ANALYST:	Devon Dyer
FISCAL REFERENCE NUMBER:	242

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$2,001,000	$2,083,000
STATE FUNDS	$650,000	$650,000
FEDERAL FUNDS	$1,351,000	$1,433,000

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:

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

   FY 2008-09: $1,300,000 ($650,000 GF)
   FY 2009-10: $1,300,000 ($650,000 GF)

2. 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.

3. 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 2008-09: 837 average mail-in apps/month x $50 x 12 months = $502,000 ($251,000 FFP)
1,250 average HeA/month x $60 x 12 months = $900,000 ($450,000 FFP)

FY 2009-10: 994 average mail-in apps/month x $50 x 12 months = $596,000 ($298,000 FFP)
1,346 average HeA/month x $60 x 12 months = $969,000 ($485,000 FFP)

OUTREACH - CHILDREN

OTHER ADMIN. POLICY CHANGE NUMBER: 47

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

FY 2008-09	FFP	DHCS GF	MRMIB GF*	IA#
Toll-Free Line	$650	$650	$0	07-65615
CAA Fees				
Mail-In Apps	$251	$0	$251	
Health-e Apps	$450	$0	$450	
Total	**$1,351**	**$650**	$701	

FY 2009-10	FFP	DHCS GF	MRMIB GF*	IA#
Toll-Free Line	$650	$650	$0	07-65615
CAA Fees				
Mail-In Apps	$298	$0	$298	
Health-e Apps	$485	$0	$485	
Total	**$1,433**	**$650**	$783	

*Budgeted by MRMIB

IMMUNIZATION REGISTRY

OTHER ADMIN. POLICY CHANGE NUMBER:	48
IMPLEMENTATION DATE:	7/2005
ANALYST:	Shelley Stankeivicz
FISCAL REFERENCE NUMBER:	1077

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$1,166,000	$1,134,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$1,166,000	$1,134,000

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 $3,150,000 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 $3,150,000 can be matched by Title XIX FFP.
   $3,150,000 x .72 = $2,268,000 / 2 = $1,134,000 annual FFP match.

CASH BASIS

FY 2008-09	DHCS FFP	CDPH GF	IA #
FY 2007-08 Services	$315,000	$315,000	08-85492
FY 2008-09 Services	$851,000	$851,000	08-85492
TOTAL	**$1,166,000**	$1,166,000	

FY 2009-10	DHCS FFP	CDPH GF	IA #
FY 2008-09 Services	$283,500	$283,500	08-85492
FY 2009-10 Services	$850,500	$850,500	08-85492
TOTAL	**$1,134,000**	$1,134,000	

VETERANS BENEFITS

OTHER ADMIN. POLICY CHANGE NUMBER:	49
IMPLEMENTATION DATE:	12/1988
ANALYST:	Irene Gen
FISCAL REFERENCE NUMBER:	232

	FY 2008-09	FY 2009-10
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.

Quarterly payments through the interagency agreement will be for the federal funds.

The contract amount for FY 2008-09 and FY 2009-10 is $956,000.

CASH BASIS

FY 2008-09	DHCS FFP	CDVA GF	IA #
Administrative	$118,000	$118,000	08-85104
Workload Units	$838,000	$838,000	
Total	**$956,000**	**$956,000**	

FY 2009-10	DHCS FFP	CDVA GF	IA #
Administrative	$118,000	$118,000	09-86009
Workload Units	$838,000	$838,000	
Total	**$956,000**	**$956,000**	

CHHS AGENCY HIPAA FUNDING

OTHER ADMIN. POLICY CHANGE NUMBER:	50
IMPLEMENTATION DATE:	7/2001
ANALYST:	Irene Gen
FISCAL REFERENCE NUMBER:	257

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$700,000	$700,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$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.

CASH BASIS	DHCS FFP	CHHS GF
FY 2008-09	**$700,000**	$2,555,000
FY 2009-10	**$700,000**	$2,555,000

MERIT SYSTEM SERVICES FOR COUNTIES

OTHER ADMIN. POLICY CHANGE NUMBER:	51
IMPLEMENTATION DATE:	7/2003
ANALYST:	Connie Florez
FISCAL REFERENCE NUMBER:	263

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$295,000	$215,000
STATE FUNDS	$147,500	$107,500
FEDERAL FUNDS	$147,500	$107,500

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 2008-09	FY 2009-10
Contract # 03-75683	**$295,000 ($147,500 GF)**	**$215,000 ($107,500 GF)**

STATE HOSPITAL ELIGIBILITY ACTIVITIES

OTHER ADMIN. POLICY CHANGE NUMBER:	52
IMPLEMENTATION DATE:	7/2000
ANALYST:	Irene Gen
FISCAL REFERENCE NUMBER:	250

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$180,000	$0
STATE FUNDS	$0	$0
FEDERAL FUNDS	$180,000	$0

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.

The Budget Act of 2008 (Chapter 269, Statutes of 2008) eliminated the GF authorized to match Medi-Cal FFP from the CDMH state hospital appropriation, retroactive to July 1, 2008. This action impacts all levels of care and associated administrative services provided on behalf of Medi-Cal eligible patients residing within state hospitals. The amounts budgeted below are for services provided in FY 2007-08 that will be paid in FY 2008-09.

CASH BASIS

FY 2008-09	DHCS FFP	CDMH GF	IA #
Napa State Hospital	$147,000	$147,000	03-75690
Metropolitan State Hospital	$33,000	$33,000	02-25275
Total	**$180,000**	$180,000	

HEALTH-E APP

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

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$152,000	$68,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$152,000	$68,000

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. Families must obtain assistance through an enrollment entity to apply through the electronic web-based application. MRMIB plans to modify Health-E-App to enable the general public to apply for Medi-Cal/HFP without the assistance of enrollment entities. The Health-E-App modifications involved development costs during FY 2007-08 which will continue through FY 2009-10.

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.

The estimates below were provided by MRMIB.

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
FY 2008-09	$506,000	**$152,000**	$658,000	$1,316,000
FY 2009-10	$227,000	**$68,000**	$295,000	$590,000

PIA EYEWEAR COURIER SERVICE

OTHER ADMIN. POLICY CHANGE NUMBER:	54
IMPLEMENTATION DATE:	7/2003
ANALYST:	Randolph Alarcio
FISCAL REFERENCE NUMBER:	1114

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$1,425,000	$309,000
STATE FUNDS	$712,500	$154,500
FEDERAL FUNDS	$712,500	$154,500

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 2008-09, the Department will be paying for services for FY 2006-07, FY 2007-08 and FY 2008-09. 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 contract with Sacramento Overnight, Incorporated (SOI) expires June 2009.

Assumptions:

1. An estimated 260,000 packages will be shipped between Medi-Cal optical providers and PIA for each fiscal year.

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 IA with DHL. The increased cost of shipping is due to a significant rise in fuel costs and DHL's charge of nine percent fuel surcharge per package.

3. Beginning October 1, 2008, PIA began transitioning from DHL to SOI for courier delivery. SOI charges $1.75 plus a six percent fuel surcharge per package.

4. Effective July 1, 2009, the Department will no longer provide optometry/optometrist services to adults 21 years of age or older who are not in nursing facilities, except for pregnant women. As a result, the packages shipped are expected to decrease by 48% in FY 2009-10.

FY 2006-07:	136,000 packages x $1.25	= $170,000
FY 2007-08:	260,000 packages x $2.86 x 1.09	= $811,000
FY 2008-09:	65,000 packages x $2.86 x 1.09	= $203,000
FY 2008-09:	195,000 packages x $1.75 x 1.06	= $362,000
FY 2009-10:	260,000 pkgs. x 52% x $1.75 x 1.06	= $251,000

Cash Basis	FY 2008-09	FY 2009-10	IA #
FY 2006-07 Services	$170,000	$0	06-55363
FY 2007-08 Services	$811,000	$0	06-55363
FY 2008-09 Services	$444,000	$121,000	06-55363
FY 2009-10 Services	$0	$188,000	09-86033
	$1,425,000	**$309,000**	

HCO TAKEOVER CONSULTANT CONTRACT

OTHER ADMIN. POLICY CHANGE NUMBER:	59
IMPLEMENTATION DATE:	7/2008
ANALYST:	Devon Dyer
FISCAL REFERENCE NUMBER:	1345

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$150,000	$0
STATE FUNDS	$75,000	$0
FEDERAL FUNDS	$75,000	$0

DESCRIPTION

The Department is processing the Takeover functions under the new Health Care Options contract through a consultant contract in FY 2008-09. The consultant is responsible for providing project management services (e.g., risk management, issue management, quality assurance, change management, resources management, and configuration management) as the new enrollment broker assumes the operation of the Health Plan Enrollment System. This contract expired at the end of March 2009.

ARRA HITECH INCENTIVE PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER:	65
IMPLEMENTATION DATE:	9/2009
ANALYST:	Devon Dyer
FISCAL REFERENCE NUMBER:	1370

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$0	$10,000,000
STATE FUNDS	$0	$1,000,000
FEDERAL FUNDS	$0	$9,000,000

DESCRIPTION

The Health Information Technology for Economic and Clinical Health (HITECH) Act, a component of the American Recovery and Reinvestment Act (ARRA), authorizes the outlay of federal money estimated to be $36 billion over six years between 2011 and 2016 for Medicare and Medicaid incentives to qualified health care providers who adopt and use Electronic Health Records (EHR) in accordance with the Act's requirements. Due to the complex nature of the policy and technical aspects of ARRA, the Department will contract with an outside vendor to perform these activities. HITECH establishes a 90% FFP match for the administration of the program. The 10% General Fund match will be reimbursed by the California Healthcare Foundation (CHCF). Therefore, there will be no impact to the General Fund.

Assumptions:

1. The Department expects to award a consultant contract by July 1, 2009.
2. Payments will begin in September 2009.
3. Costs for FY 2009-10 are estimated to be:

	DHCS FFP	CHCF Reimbursement*
FY 2009-10	**$9,000,000**	$1,000,000

* Reimbursements are budgeted in Item 4260-610-0995.

CHIPRA - DRA CITIZENSHIP OPTION

OTHER ADMIN. POLICY CHANGE NUMBER:	66
IMPLEMENTATION DATE:	7/2009
ANALYST:	Connie Florez
FISCAL REFERENCE NUMBER:	1372

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$0	$780,000
STATE FUNDS	$0	$78,000
FEDERAL FUNDS	$0	$702,000

DESCRIPTION

The Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) (Public Law 111-3) includes a provision which gives states the option to use a Social Security Administration (SSA) data match in lieu of obtaining evidence of identity and U.S. citizenship from Medi-Cal applicants and beneficiaries as required by federal law. During the data match process for citizenship verification the applicant or beneficiary will receive full-scope Medi-Cal benefits for up to 90 days. If citizenship is not verified within the 90 days, the Department will have 30 days to terminate full-scope Medi-Cal benefits. States who choose this option could be subject to penalty for cost of services provided to citizens whose status cannot be verified if the percentage of unverified cases exceeds three percent of the cases included in the matching process. County administration workload will decrease because counties would not need to verify identity and citizenship if there is an SSA data match.

The electronic daily verification system required to complete the data match process is expected to begin in mid 2009 and be fully implemented by late 2010. Funding will be required for an updated Social Security Number (SSN) verification process and a Feasibility Study Report (FSR) for implementation of a real-time verification system. CHIPRA provides a 90% federal match for development of this system.

Assumptions:

1. Assume there will be a one-time system development cost for the automated SSN validation process for verification of citizenship of $580,000 TF ($58,000 GF).

2. Assume the cost of the FSR for the real-time data match process will be $200,000 TF ($20,000 GF) in FY 2009-10.

Total FY 2009-10 Cost: $580,000 + $200,000 = **$780,000 TF ($78,000 GF)**

ELECTRONIC VERIFICATION OF ASSETS

OTHER ADMIN. POLICY CHANGE NUMBER:	67
IMPLEMENTATION DATE:	3/2010
ANALYST:	Devon Dyer
FISCAL REFERENCE NUMBER:	1376

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$0	$350,000
STATE FUNDS	$0	$175,000
FEDERAL FUNDS	$0	$175,000

DESCRIPTION

Due to the requirements imposed by House Resolution (H.R.) 2642, the State is required to implement electronic verification of assets for all aged, blind or disabled (ABD) applicants/beneficiaries through electronic requests to financial institutions by October 1, 2009. The third party verification of assets entails counties receiving asset information from financial institutions through a third party vendor to supplement verification for Medi-Cal applicants and beneficiaries whose Medi-Cal eligibility is based on being ABD.

The Department will purchase a subscription from a financial vendor that will enable the counties to receive asset information for the ABD population. The third party verification vendor will provide counties with data from financial institutions that could indicate assets and property not reported by the applicant or beneficiary. The counties will have the responsibility to require the applicant or beneficiary to provide additional supporting documentation before an eligibility determination is made. Savings/cost avoidance will be achieved to the extent that the supplemental data increases the accuracy of eligibility determinations for the ABD population. The subscription for asset verification services is expected to cost $1,200,000 per year.

Assumption:

FY 2009-10 costs are expected to be $350,000 TF ($175,000 GF).

LITIGATION RELATED SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER:	70
IMPLEMENTATION DATE:	7/2008
ANALYST:	Karen del Gallego
FISCAL REFERENCE NUMBER:	1381

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$11,763,000	$16,763,000
STATE FUNDS	$4,469,000	$6,641,000
FEDERAL FUNDS	$7,294,000	$10,122,000

DESCRIPTION

The Department continues to experience significant and increasing litigation costs in defense of the Medi-Cal program. The number of open cases has risen from 757 in FY 2006-07 to 1,000 in FY 2008-09. In addition to the increase in cases, the Department of Justice rates have increased and other costs are incurred in support of litigating the open cases.

Ven-A-Care is a drug pricing case involving a whistleblower pharmacy known as Ven-A-Care which alleges price misrepresentations in drug price reporting. The federal judge overseeing this case has ordered a litigation hold concerning all discoverable material relevant to the Ven-A-Care litigation. The Department is legally enjoined from purging data or documents that may be the subject of a discovery request. The Court can impose monetary, evidentiary, issue or terminating sanctions against the Department for failure to preserve evidence. This requires the Department to retain files well beyond the normal retention and continues to cause data storage costs to increase.

Ongoing litigation filed by managed care plans against the Department regarding their capitation rates has resulted in significant time expended by actuarial staff in evaluating the cases and developing defense strategies. Recent rulings required the Department to re-calculate capitation rates from a prior period. As a result, additional work will be performed by the Department's consulting actuaries to comply with the requirements of the court rulings.

	FY 2008-09		FY 2009-10	
	TF	GF	TF	GF
Dept. of Justice	$6,714,000	$3,357,000	$8,042,000	$4,021,000
Ven-A-Care	$5,049,000	$1,112,000	$7,721,000	$2,120,000
Mercer	$0	$0	$1,000,000	$500,000
Total	**$11,763,000**	**$4,469,000**	**$16,763,000**	**$6,641,000**

CCS CASE MANAGEMENT SUPPLEMENTAL PAYMENT

OTHER ADMIN. POLICY CHANGE NUMBER:	74
IMPLEMENTATION DATE:	7/2009
ANALYST:	Jade Li
FISCAL REFERENCE NUMBER:	1388

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$0	$21,498,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$0	$21,498,000

DESCRIPTION

County costs for determination of CCS Medi-Cal eligibility, care coordination, utilization management and prior authorization of services are reimbursed by Medi-Cal. For FY 2008-09 the Medi-Cal CCS County Administration allocation which funds these reimbursements is $118,596,000 TF. For FY 2009-10 the allocation is $135,676,000 TF. County funds expended above the allocations on administrative activities in support of a county's CCS/Medi-Cal caseload may be used as certified public expenditures to draw down Title XIX federal financial participation.

FY 2009-10	
CPE FY 2008-09	$10,749,000 FFP
CPE FY 2009-10	$10,749,000 FFP
Total	**$21,498,000 FFP**

ELIMINATE CERTIFIED APPLICATION ASSISTANCE

OTHER ADMIN. POLICY CHANGE NUMBER: 75
IMPLEMENTATION DATE: 10/2009
ANALYST: Devon Dyer
FISCAL REFERENCE NUMBER: 1394

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$0	-$344,000
STATE FUNDS	$0	$122,000
FEDERAL FUNDS	$0	-$466,000

DESCRIPTION

The interagency agreement with MRMIB includes 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. Effective October 1, 2009, the certified application assistance payments will be eliminated.

Assumptions:

1. Implementation will begin October 1, 2009.

2. It is assumed that, due to the elimination of CAA, activity on the toll-free line will increase.

3. For the toll-free line, the Department budgets both Title XIX FFP and GF. Effective October 1, 2009, the toll-free line will increase by 25% due to the elimination of CAA.

   FY 2009-10: $1,300,000 x 25% ÷ 12 months x 9 months = $244,000 TF ($122,000 GF)

4. CAA fees are $50 for a Medi-Cal application plus a $10 premium for applications completed through the Health-e-Applications (HeA) process. Based on estimates provided by MRMIB, savings are expected to be:

   FY 2009-10: 994 average mail-in apps/month x $50 x 9 months = $448,000 TF ($224,000 FFP)
   1,346 average HeA/month x $60 x 9 months = $728,000 TF ($364,000 FFP)

5. Net DHCS budgeted savings (*In Thousands*):

FY 2009-10	**FFP**	**DHCS GF**	**MRMIB GF***	**TF**
Toll-Free Line	$122	$122	$0	$244
CAA Fees				
Mail-In Apps	($224)	$0	($224)	($448)
Health-e Apps	($364)	$0	($364)	($728)
Total Savings	**($466)**	**$122**	($588)	($932)

*Budgeted by MRMIB

REDUCTION TO MCAH GRANTS

OTHER ADMIN. POLICY CHANGE NUMBER:	78
IMPLEMENTATION DATE:	10/2009
ANALYST:	Devon Dyer
FISCAL REFERENCE NUMBER:	1416

	FY 2008-09	FY 2009-10
TOTAL FUNDS	$0	-$3,960,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$0	-$3,960,000

DESCRIPTION

The California Department of Public Health (CDPH) administers the Maternal, Child, and Adolescent Health (MCAH) programs. Included in the MCAH programs is the Adolescent Family Life Program (AFLP), which provides case management for pregnant teens, education, and prevention of subsequent pregnancies. CDPH receives federal matching funds for Medi-Cal related expenses through an interagency agreement with the Department of Health Care Services.

Effective October 1, 2009, the funding for the AFLP will be reduced. This policy change reflects the reduction to the Title XIX matching funds for the costs of the AFLP.

The reduction to program costs and the related reduction of FFP are provided by CDPH.

	DHCS FFP	CDPH GF	County Match	IA #
FY 2009-10	**$3,960,000**	$1,733,795	$1,029,090	07-65592