

SAWS

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

| | FY 2009-10 | | FY 2010-11 | |
|-------------------|--------------|----------|--------------|----------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | \$83,708,000 | \$0 | \$74,577,000 | \$0 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$83,708,000 | \$0 | \$74,577,000 | \$0 |
| STATE FUNDS | \$9,253,000 | \$0 | \$8,799,000 | \$0 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | \$83,708,000 | \$0 | \$74,577,000 | \$0 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$83,708,000 | \$0 | \$74,577,000 | \$0 |
| STATE FUNDS | \$9,253,000 | \$0 | \$8,799,000 | \$0 |

DESCRIPTION

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

The DHCS budgets only the Federal Financial Participation (FFP) that is paid from DHCS to the California Department of Social Services (CDSS) via an interagency agreement, and the CDSS budgets the General Fund portion of these projects: Statewide Project Management (SPM), Interim Statewide Automated Welfare Systems (ISAWS), Welfare Client Data Systems (WCDS)-CalWIN, Statewide Client Index, Consortia IV (C-IV), TANF Re-authorization/Medi-Cal Citizenship, and the Statewide Fingerprint Imaging System (SFIS). This policy change also reflects the Medi-Cal, Federal and General Fund, share for the maintenance and operation (M&O) expenses of the Los Angeles Eligibility Automated Determination Evaluation and Reporting System (LEADER).

The migration from ISAWS to C-IV began in November 2009 with the first seven counties moving at that time. An additional thirteen counties migrated in March 2010. This leaves twenty counties currently using the ISAWS system to determine eligibility. These counties are expected to migrate to the C-IV system by June 2010. This system is newer and has many features not available in ISAWS. The system costs associated with this change are budgeted through the California Department of Technology Services and the Department of Social Services. The federal funding for the Medi-Cal share of the system costs is included in the DHCS budget as ISAWS Migration.

SAWS

COUNTY ADMIN. POLICY CHANGE NUMBER: 1

| (In Thousands) | <u>FY 2009-10</u> | <u>FY 2010-11</u> |
|--|---------------------------|---------------------------|
| LA County LEADER M&O | \$18,506,000 (\$9,253 GF) | \$17,598,000 (\$8,799 GF) |
| LEADER Replacement | \$390,000 | \$12,955,000 |
| SPM | \$1,713,000 | \$1,766,000 |
| ISAWS | \$5,743,000 | \$1,543,000 |
| ISAWS Migration | \$25,879,000 | \$7,346,000 |
| WCDS-CalWIN | \$19,735,000 | \$19,989,000 |
| Consortia IV | \$11,496,000 | \$10,613,000 |
| State Client Index | \$84,000 | \$84,000 |
| SAWS/CCSAS Interface | \$0 | \$0 |
| SFIS-Statewide Fingerprint Imaging System | \$0 | \$2,683,000 |
| TANF Re-authorization/Medi-Cal Citizenship | \$162,000 | \$0 |
| TOTAL | \$83,708,000 | \$74,577,000 |

ELIGIBLE GROWTH

COUNTY ADMIN. POLICY CHANGE NUMBER: 2
 IMPLEMENTATION DATE: 7/1992
 ANALYST: Christine Marion
 FISCAL REFERENCE NUMBER: 216

| | FY 2009-10 | | FY 2010-11 | |
|-------------------|------------|--------------|------------|--------------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | \$0 | \$0 | \$0 | \$0 |
| CASELOAD - TOT. | \$0 | \$74,760,000 | \$0 | \$54,941,000 |
| TOTAL FUNDS | \$0 | \$74,760,000 | \$0 | \$54,941,000 |
| STATE FUNDS | \$0 | \$37,380,000 | \$0 | \$27,470,500 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | \$0 | \$0 | \$0 | \$0 |
| CASELOAD - TOT. | \$0 | \$74,760,000 | \$0 | \$54,941,000 |
| TOTAL FUNDS | \$0 | \$74,760,000 | \$0 | \$54,941,000 |
| STATE FUNDS | \$0 | \$37,380,000 | \$0 | \$27,470,500 |

DESCRIPTION

This policy change budgets the cost in expected growth for certified Medi-Cal Only eligibles.

The county administration base estimate for the budget year is updated every May based on additional actual data. Beginning with the May 2010 Estimate for FY 2010-11, the methodology for determining the eligible growth to be added to the county administration base estimate has been refined, as it has been determined that the prior methodology included overlap in the eligible growth adjustments to the budget. An adjustment was made based upon caseload growth projections from the Medi-Cal Estimate in this policy change, and eligible growth was also included by the counties in their annual budget requests. To adjust for the overlap, the caseload growth methodology used in this policy change has been modified to add one year of growth to the budget year base, instead of two years as had been done historically.

Eligible Growth Calculation:

1. There were 4,103,100 average monthly certified eligibles in FY 2007-08. Costs for these eligibles were included in the county administration base for FY 2009-10.
2. In FY 2008-09 there were 4,170,970 average monthly certified eligibles. Costs for these eligibles were included in the county administration base for FY 2010-11.
3. In FY 2009-10 there were an estimated 4,441,182 average monthly certified eligibles (before adding the impact of policy changes) based on the May 2010 Estimate. Costs for these eligibles were included in the county administration base for FY 2010-11.

ELIGIBLE GROWTH**COUNTY ADMIN. POLICY CHANGE NUMBER: 2**

4. For FY 2010-11 assume there will be an estimated 4,628,694 average monthly eligibles (before adding the impact of policy changes) based on the May 2010 Estimate.
5. The county administrative budgeted base for FY 2009-10 is \$1,379,034,070.
6. The county administrative budgeted base for FY 2010-11 is \$1,302,681,270.

FY 2009-10 Growth Cost

$\$1,379,034,070 / 4,103,100 = \336 average cost per eligible
 $4,325,600 - 4,103,100 = 222,500$ eligibles not funded in the base
 $222,500 \times \$336 = \mathbf{\$74,760,000}$

FY 2010-11 Growth Cost

$\$1,302,681,270 / 4,441,182 = \293 average cost per eligible
 $4,628,694 - 4,441,182 = 187,512$ eligibles not funded in the base
 $187,512 \times \$293 = \mathbf{\$54,941,000}$

CalWORKs APPLICATIONS

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

| | FY 2009-10 | | FY 2010-11 | |
|-------------------|------------|--------------|------------|--------------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | \$0 | \$72,250,000 | \$0 | \$72,580,000 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | \$72,250,000 | \$0 | \$72,580,000 |
| STATE FUNDS | \$0 | \$36,125,000 | \$0 | \$36,290,000 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | \$0 | \$72,250,000 | \$0 | \$72,580,000 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | \$72,250,000 | \$0 | \$72,580,000 |
| STATE FUNDS | \$0 | \$36,125,000 | \$0 | \$36,290,000 |

DESCRIPTION

The Legislature in 1998 directed the Department to share in the costs for CalWORKS applications with the California Department of Social Services (CDSS). CDSS has amended the claim forms and time study documents completed by the counties to allow CalWORKS application costs that are also necessary for Medi-Cal and Food Stamps eligibility to be shared between the three programs. CDSS has estimated current year costs of \$72,250,000 TF (\$36,125,000 GF) that can be considered Medi-Cal costs. The TANF (federal) funds in the CDSS budget will be reduced by this amount. The costs for FY 2010-11 are projected to be \$72,580,000 TF (\$36,290,000 GF).

MEDI-CAL DATA PRIVACY AND SECURITY AGREEMENTS

COUNTY ADMIN. POLICY CHANGE NUMBER: 4
 IMPLEMENTATION DATE: 7/2008
 ANALYST: Rocky Evans
 FISCAL REFERENCE NUMBER: 1290

| | FY 2009-10 | | FY 2010-11 | |
|------------------------|---------------------|--------------------|---------------------|--------------------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | \$21,482,000 | \$6,058,000 | \$22,792,000 | \$6,429,000 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$21,482,000 | \$6,058,000 | \$22,792,000 | \$6,429,000 |
| STATE FUNDS | \$10,741,000 | \$3,029,000 | \$11,396,000 | \$3,214,500 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | \$21,482,000 | \$6,058,000 | \$22,792,000 | \$6,429,000 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$21,482,000 | \$6,058,000 | \$22,792,000 | \$6,429,000 |
| STATE FUNDS | \$10,741,000 | \$3,029,000 | \$11,396,000 | \$3,214,500 |

DESCRIPTION

As required by Section 1137 of the Social Security Act, the Department has entered into a Data Sharing agreement with the Social Security Administration (SSA). As part of this agreement, the Department was required to develop a Remediation Plan to address security and safeguarding of SSA data contained in the Medi-Cal Eligibility Data System (MEDS). The Remediation Plan, as approved by SSA, specified that the Department would enter into agreements with each of the counties to ensure the counties complied with security and safeguard measures required by the 1137 agreement.

The Department has entered into agreements with each county social/human services department. The purpose of these agreements is to ensure the privacy and security of Medi-Cal personally identifiable information, and to fulfill the requirements of the remediation plan approved by SSA. The agreements would require counties to perform various activities, including protecting computer systems, employing physical security controls, safeguarding paper documents, and notifying the Department of any security breaches. The counties will need to be in substantial compliance with their agreement by no later than July 1, 2010.

Assumptions:

1. In FY 2009-10, the Department had planned to allocate \$55,484,000, but based on a survey of the counties in January 2010, the counties requested \$27,944,000 of the allocated costs for FY 2009-10 be paid in FY 2010-11. Therefore, only \$27,540,000 was paid in FY 2009-10.

MEDI-CAL DATA PRIVACY AND SECURITY AGREEMENTS**COUNTY ADMIN. POLICY CHANGE NUMBER: 4**

2. The Department will pay \$29,221,000 in FY 2010-11 based upon the information received from the counties. Of this amount, \$27,944,000 is unspent funding from FY 2009-10 that will be paid in FY 2010-11.

FY 2009-10

| | |
|--------------------------------|----------------------|
| Allocation for FY 2009-10 | \$55,484,000 |
| Costs to be paid in FY 2010-11 | <u>-\$27,944,000</u> |
| Total Cost | \$27,540,000 |

FY 2010-11

| | |
|--------------------------|---------------------|
| Expenses from FY 2009-10 | \$27,944,000 |
| Additional Allocation | <u>\$1,277,000</u> |
| Total Cost | \$29,221,000 |

FY 2009-10 COST OF DOING BUSINESS

COUNTY ADMIN. POLICY CHANGE NUMBER: 5
 IMPLEMENTATION DATE: 7/2009
 ANALYST: Rocky Evans
 FISCAL REFERENCE NUMBER: 1343

| | FY 2009-10 | | FY 2010-11 | |
|-------------------|------------|--------------|------------|--------------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | \$0 | \$49,360,000 | \$0 | \$49,360,000 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | \$49,360,000 | \$0 | \$49,360,000 |
| STATE FUNDS | \$0 | \$24,680,000 | \$0 | \$24,680,000 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | \$0 | \$49,360,000 | \$0 | \$49,360,000 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | \$49,360,000 | \$0 | \$49,360,000 |
| STATE FUNDS | \$0 | \$24,680,000 | \$0 | \$24,680,000 |

DESCRIPTION

The Medi-Cal county cost control plan capped the allowable allocations for FY 2009-10 county salaries at the California Necessities Index (CNI) or state employee salary increases, whichever was greater. State employee contracts did not allow for increases in FY 2009-10. Therefore, the Department of Finance projection for the CNI in FY 2009-10 was used to calculate salary increases for county salaries for FY 2009-10.

The cost of doing business increase was determined by multiplying the base for FY 2008-09 (\$1,227,861,595) by the CNI of 4.02%.

FY 2009-10 Cost of Doing Business

$\$1,227,861,595 \times 4.02\% = \$49,360,000$ (\$24,680,000 GF)

DRA CITIZENSHIP VERIFICATION REQUIREMENTS

COUNTY ADMIN. POLICY CHANGE NUMBER: 6
 IMPLEMENTATION DATE: 8/2007
 ANALYST: Rob Leonard
 FISCAL REFERENCE NUMBER: 1193

| | FY 2009-10 | | FY 2010-11 | |
|-------------------|------------|--------------|------------|--------------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | \$0 | \$27,470,000 | \$0 | \$27,470,000 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | \$27,470,000 | \$0 | \$27,470,000 |
| STATE FUNDS | \$0 | \$13,735,000 | \$0 | \$13,735,000 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 100.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | \$0 | \$27,470,000 | \$0 | \$0 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | \$27,470,000 | \$0 | \$0 |
| STATE FUNDS | \$0 | \$13,735,000 | \$0 | \$0 |

DESCRIPTION

Assembly Bill (AB) 1807 (Chapter 74, Statutes of 2006) implements a provision of the federal Deficit Reduction Act of 2005 (DRA) that requires evidence of citizenship and identity as a condition of Medicaid eligibility for individuals who are applying for or currently receiving Medi-Cal benefits and who declare that they are citizens of the United States (U.S.).

Under current federal law, if applicants meet all other eligibility requirements, they receive full-scope Medicaid benefits during their Reasonable Opportunity Period (ROP) to provide citizenship/identity documents. Current beneficiaries who have not already met the DRA requirements are required to provide documentation at the time of their next annual redetermination. Beneficiaries remain eligible for full-scope services as long as they are cooperative in obtaining the documentation. This provision does not apply to, or otherwise affect, people who are applying for or receiving Medi-Cal as non-citizen immigrants, or those who are exempt from the new requirement, including but not limited to, Supplemental Security Income recipients, Medicare beneficiaries, some Social Security Disability beneficiaries, and foster children.

Assumptions:

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

| | |
|-----------|------------------------------------|
| 1,157,585 | Matched Beneficiaries |
| 1,603,975 | Unmatched Beneficiaries |
| 2,761,560 | Total beneficiaries to be verified |

DRA CITIZENSHIP VERIFICATION REQUIREMENTS

COUNTY ADMIN. POLICY CHANGE NUMBER: 6

4. Based on information from 7 counties with 63% of the caseload, assume 3% of the current impacted caseload will be redetermined each month: $2,761,560 \times 3\% = 82,847$ per month: 34,728 matched ($1,157,585 \times 3\%$) and 48,119 unmatched ($1,603,975 \times 3\%$).
5. Based on historical data, assume that 3% of the current caseload will be new each month. There will be an average monthly 34,728 matched new cases and 48,119 unmatched new cases, totaling 82,847 new cases.
6. The average cost per hour for an Eligibility Worker (EW) is \$65.03 and for a clerk is \$26.73.
7. Assume that it will take an EW and Clerk 10 minutes each per matched beneficiary to verify information in the eligibility system, copy, and file the information in the case file: $\$15.29 = (\$65.03 + \$26.73) / 60 \times 10$.
8. Assume that some unmatched cases need assistance in obtaining original documentation to establish citizenship/national status. It is expected that 20% of the unmatched cases ($9,624 = 48,119 \times 20\%$) would involve a significant amount of time. Assume that it will take an EW and Clerk an average of 23.5 minutes each per unmatched beneficiary needing significant help to assist them in obtaining original documents that establish U.S. citizenship/national status or assist in completing the request to obtain documents, verify information in the eligibility system, file, copy, and return original documents that establish U.S. citizenship/national status via mail or in person: $\$35.94 = (\$65.03 + \$26.73) / 60 \times 23.5$. Assume the remaining 80% of the unmatched cases ($38,495 = 48,119 \times 80\%$) would require 10 minutes for both the EW and Clerk: $\$15.29 = (\$65.03 + \$26.73) / 60 \times 10$.
9. It is assumed that an EW and Clerk will take 12.5 minutes each to verify identification for adults, since the children will be certified by their parents; copy; and return original documents that verify identification via mail or in person: $\$19.12 = (\$65.03 + \$26.73) / 60 \times 12.5$.
10. Based on MEDS data for calendar year 2006, 52% of the total eligibles are adults and 48% of the eligibles are children.
11. It is assumed that the EW and Clerk would need to verify identification for 43,080 ($(34,728 + 48,119) \times 52\%$) adults.
12. It is assumed that statewide implementation will be completed before July 1, 2009.

ONGOING COUNTY ADMINISTRATIVE COSTS - INTAKES

| | | |
|---|--|-----------------------|
| Document Citizenship for Matched Beneficiaries | $34,728 \times \$15.29 \times 12 \text{ mos.}$ | = \$6,372,000 |
| Verify Citizenship for Unmatched Beneficiaries needing assistance | $9,624 \times \$35.94 \times 12 \text{ mos.}$ | = \$4,151,000 |
| Verify Citizenship for Unmatched Beneficiaries with no assistance | $38,495 \times \$15.29 \times 12 \text{ mos.}$ | = \$7,063,000 |
| Verify Identification for Beneficiaries | $43,080 \times \$19.12 \times 12 \text{ mos.}$ | = <u>\$9,884,000</u> |
| FY 2009-10 & FY 2010-11 Costs | | = \$27,470,000 |

LOS ANGELES COUNTY HOSPITAL INTAKES

COUNTY ADMIN. POLICY CHANGE NUMBER: 7
 IMPLEMENTATION DATE: 7/1994
 ANALYST: Christine Marion
 FISCAL REFERENCE NUMBER: 213

| | FY 2009-10 | | FY 2010-11 | |
|-------------------|------------|--------------|------------|--------------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | \$0 | \$0 | \$0 | \$0 |
| CASELOAD - TOT. | \$0 | \$18,132,000 | \$0 | \$18,601,000 |
| TOTAL FUNDS | \$0 | \$18,132,000 | \$0 | \$18,601,000 |
| STATE FUNDS | \$0 | \$3,816,000 | \$0 | \$4,050,500 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | \$0 | \$0 | \$0 | \$0 |
| CASELOAD - TOT. | \$0 | \$18,132,000 | \$0 | \$18,601,000 |
| TOTAL FUNDS | \$0 | \$18,132,000 | \$0 | \$18,601,000 |
| STATE FUNDS | \$0 | \$3,816,000 | \$0 | \$4,050,500 |

DESCRIPTION

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

PFSWs have been processing an average of 2,373 intakes per month in current year and are projected to process 2,519 intakes per month in budget year. These intakes are reported separately to the Department and are not included in the base estimate. The average reimbursement rate is \$268 for both current year and budget year.

FY 2009-10: $2,373 \times \$268 \times 12 = \$7,632,000$ (\$3,816,000 GF)

FY 2010-11: $2,519 \times \$268 \times 12 = \$8,101,000$ (\$4,050,500 GF)

This policy change also reflects an estimated four calendar quarters of additional federal fund pass-through for each fiscal year in the amount of \$10,500,000.

Total cost for **FY 2009-10**: $\$7,632,000 + \$10,500,000 = \$18,132,000$

Total cost for **FY 2010-11**: $\$8,101,000 + \$10,500,000 = \$18,601,000$

LOW-INCOME SUBSIDY APPS. TREATED AS M/C APPS.

COUNTY ADMIN. POLICY CHANGE NUMBER: 8
 IMPLEMENTATION DATE: 1/2010
 ANALYST: Rob Leonard
 FISCAL REFERENCE NUMBER: 1386

| | FY 2009-10 | | FY 2010-11 | |
|-------------------|------------|-------------|------------|-------------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | \$0 | \$3,320,000 | \$0 | \$6,639,000 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | \$3,320,000 | \$0 | \$6,639,000 |
| STATE FUNDS | \$0 | \$1,660,000 | \$0 | \$3,319,500 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | \$0 | \$3,320,000 | \$0 | \$6,639,000 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | \$3,320,000 | \$0 | \$6,639,000 |
| STATE FUNDS | \$0 | \$1,660,000 | \$0 | \$3,319,500 |

DESCRIPTION

Beginning January 1, 2010, the Medicare Improvement for Patients and Providers Act (MIPPA) of 2008 will require all states to process SSA Low-Income Subsidy (LIS) applications (Part D) as an application for the Medicare Savings Program. The date the SSA receives a LIS application will also be considered the date of the state Medi-Cal application, thus starting the 45-day clock for determining Medi-Cal eligibility. Since the LIS applications do not contain enough information to determine Medi-Cal eligibility, the counties will have to establish files in MEDS and request additional information from all LIS applicants on the SSA lists. This federal requirement will result in increased county eligibility worker costs. Based on SSA data, there will be an average of 5,800 LIS applications received per month.

Assumptions:

1. Implementation began January 1, 2010.
2. Assume there will be 5,800 LIS applications received by SSA each month.
3. Assume 50% of the LIS applicants each month will opt to not apply for Medi-Cal.

5,800 LIS applications x 50% = 2,900 Medi-Cal eligibility determination reviews
 2,900 x 6 months = 17,400 Medi-Cal eligibility determination reviews in FY 2009-10
 2,900 x 12 months = 34,800 Medi-Cal eligibility determination reviews annually

4. The average cost to conduct a Medi-Cal eligibility review is \$190.78.

LOW-INCOME SUBSIDY APPS. TREATED AS M/C APPS.

COUNTY ADMIN. POLICY CHANGE NUMBER: 8

Total FY 2009-10 Cost:17,400 MC applications x \$190.78 = **\$3,320,000 TF (\$1,660,000 GF) FY 2009-10****FY 2010-11 & Annual Cost:**34,800 MC applications x \$190.78 = **\$6,639,000 TF (\$3,319,500 GF) annually**

COUNTY COSTS FOR SSI/SSP REDUCTION

COUNTY ADMIN. POLICY CHANGE NUMBER: 9
 IMPLEMENTATION DATE: 7/2009
 ANALYST: Rob Leonard
 FISCAL REFERENCE NUMBER: 1389

| | FY 2009-10 | | FY 2010-11 | |
|-------------------|-------------|----------|------------|----------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | \$3,052,000 | \$0 | \$0 | \$0 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$3,052,000 | \$0 | \$0 | \$0 |
| STATE FUNDS | \$1,526,000 | \$0 | \$0 | \$0 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | \$3,052,000 | \$0 | \$0 | \$0 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$3,052,000 | \$0 | \$0 | \$0 |
| STATE FUNDS | \$1,526,000 | \$0 | \$0 | \$0 |

DESCRIPTION

SBX3 6 (Chapter 13, Statutes of 2009) reduced State Supplementary Program (SSP) payments to 2008 levels effective May 1, 2009. It is estimated that 20,000 beneficiaries will lose SSI/SSP-based Medi-Cal eligibility. Medi-Cal beneficiaries losing SSI/SSP-based Medi-Cal on or after June 30, 2002, cannot have their Medi-Cal benefits automatically discontinued until an SB 87 eligibility review has been completed, as a result of the *Craig v. Bontá* litigation. Each of these individuals will temporarily be placed in a *Craig* aid code and continue to receive no-cost, full-scope Medi-Cal until an SB 87 eligibility review is conducted.

Effective July 1, 2009, the SSI/SSP income levels were reduced by 2.3% and it is estimated this will impact an additional 12,000 Medi-Cal beneficiaries. To comply with ARRA Maintenance of Eligibility (MOE) provisions, these beneficiaries will continue to receive no-cost, full-scope Medi-Cal through a temporary *Craig* aid code until SB 87 eligibility determination is made and the beneficiary can be assigned to a new Medi-Cal aid category that will allow continued eligibility at the level prior to the reduction. Approval of a SPA is required in order to create the new eligibility category.

ASSUMPTIONS:

1. Assume there will be 20,000 SSI/SSP-based Medi-Cal eligible beneficiaries who will lose their cash grant-based eligibility due to the May 1, 2009 SSP reduction.
2. Assume there will be an additional 12,000 SSI/SSP-based Medi-Cal eligible beneficiaries who will no longer be eligible for cash grant-based Medi-Cal due to the July 1, 2009 SSI/SSP reduction.
3. Assume each of these beneficiaries will receive an SB 87 eligibility review.

COUNTY COSTS FOR SSI/SSP REDUCTION

COUNTY ADMIN. POLICY CHANGE NUMBER: 9

4. It is assumed that the cost of an SB 87 eligibility review is \$95.39, one-half of the average cost of an intake, which is \$190.78.

FY 2009-10 Cost:

20,000 SB 87 Reviews + 12,000 SB 87 Reviews x \$95.39 = **\$3,052,000 TF (\$1,526,000 GF)**

COUNTY COSTS FOR REDUCTION OF SSI/SSP GRANTS

COUNTY ADMIN. POLICY CHANGE NUMBER: 10
 IMPLEMENTATION DATE: 12/2009
 ANALYST: Rob Leonard
 FISCAL REFERENCE NUMBER: 1408

| | FY 2009-10 | | FY 2010-11 | |
|-------------------|------------|----------|------------|----------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | \$859,000 | \$0 | \$0 | \$0 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$859,000 | \$0 | \$0 | \$0 |
| STATE FUNDS | \$429,500 | \$0 | \$0 | \$0 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | \$859,000 | \$0 | \$0 | \$0 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$859,000 | \$0 | \$0 | \$0 |
| STATE FUNDS | \$429,500 | \$0 | \$0 | \$0 |

DESCRIPTION

The amendments to the Budget Act of 2009 include a reduction of SSI/SSP maximum monthly grants to the minimum federally allowed levels for couples and a reduction of \$5 in the grant amount for individuals, effective November 1, 2009. An estimated 9,000 beneficiaries will lose SSI/SSP-based Medi-Cal eligibility. Individuals who are living in non-medical out-of-home care or in a skilled nursing facility as well as restaurant meal allowances are exempt from the reductions.

Medi-Cal beneficiaries losing SSI/SSP-based Medi-Cal on or after June 30, 2002 cannot have their Medi-Cal benefits automatically discontinued until an SB 87 eligibility review has been completed as a result of the *Craig v. Bontá* lawsuit. Each of these individuals will temporarily be placed in a *Craig v. Bontá* aid code while they continue to receive no-cost, full-scope Medi-Cal until an SB 87 review is completed. There will be increased county expenditures related to the SB 87 eligibility review process for these beneficiaries.

ASSUMPTIONS:

1. Assume there will be 9,000 SSI/SSP-based Medi-Cal eligible beneficiaries who will no longer be eligible for SSI/SSP-based Medi-Cal due to the grant reduction.
2. Assume each of these beneficiaries will receive an SB 87 eligibility review.
3. It is assumed that the cost of an SB 87 eligibility review is \$95.39, one-half of the average cost of an intake, which is \$190.78.

FY 2009-10 Cost:

9,000 SB 87 reviews x \$95.39 = **\$859,000 TF (\$429,500 GF)**

CALWORKS 4% MAP REDUCTION

COUNTY ADMIN. POLICY CHANGE NUMBER: 11
 IMPLEMENTATION DATE: 7/2009
 ANALYST: Christine Marion
 FISCAL REFERENCE NUMBER: 1415

| | FY 2009-10 | | FY 2010-11 | |
|-------------------|------------|----------|------------|----------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | \$524,000 | \$0 | \$0 | \$0 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$524,000 | \$0 | \$0 | \$0 |
| STATE FUNDS | \$262,000 | \$0 | \$0 | \$0 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | \$524,000 | \$0 | \$0 | \$0 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$524,000 | \$0 | \$0 | \$0 |
| STATE FUNDS | \$262,000 | \$0 | \$0 | \$0 |

DESCRIPTION

The Budget Act of 2009 included a 4% reduction in the Maximum Aid Payment (MAP) for the California Work Opportunity and Responsibility to Kids (CalWORKs) program, which results in a reduction of families that qualify for Medi-Cal through enrollment in CalWORKs. It is assumed that those families will remain eligible for Medi-Cal benefits in other Medi-Cal aid codes, and will require a one-time re-enrollment into those aid codes by county eligibility workers.

ASSUMPTIONS:

1. Reductions were implemented July 1, 2009.
2. Based on CDSS data, assume 40,255 beneficiaries will lose their CalWORKs eligibility by June 2010.
3. Assume there are 2.5 beneficiaries per CalWORKs case.
4. Assume 16,102 CalWORKs cases will lose their CalWORKs eligibility by June 2010.

$$40,255 \text{ beneficiaries} \div 2.5 \text{ beneficiaries per case} = 16,102 \text{ CalWORKs cases}$$
5. Assume it will take an eligibility worker (EW) 30 minutes to process each Medi-Cal case.
6. Assume the average cost per hour for an EW is \$65.03

FY 2009-10 costs:

16,102 cases x \$65.03 x .5 hour = **\$524,000 TF (\$262,000 GF)**

CRAIG V. BONTA LAWSUIT

COUNTY ADMIN. POLICY CHANGE NUMBER: 12
 IMPLEMENTATION DATE: 7/2009
 ANALYST: Christine Marion
 FISCAL REFERENCE NUMBER: 1364

| | FY 2009-10 | | FY 2010-11 | |
|------------------------|------------------|------------|------------|------------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | \$120,000 | \$0 | \$0 | \$0 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$120,000 | \$0 | \$0 | \$0 |
| STATE FUNDS | \$60,000 | \$0 | \$0 | \$0 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | \$120,000 | \$0 | \$0 | \$0 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$120,000 | \$0 | \$0 | \$0 |
| STATE FUNDS | \$60,000 | \$0 | \$0 | \$0 |

DESCRIPTION

As a result of a writ issued in the *Craig v. Bontá* litigation, counties were instructed that Medi-Cal beneficiaries losing Supplemental Security Income/State Supplementary Payment (SSI/SSP)-based Medi-Cal on or after June 30, 2002, cannot have their Medi-Cal benefits automatically discontinued until an SB 87 eligibility review has been completed. The Department determined some beneficiaries were discontinued in error and will issue additional instructions to clarify *Craig* procedures. To the extent that *Craig* beneficiaries were discontinued in error, the Department will incur costs to restore eligibility and benefits. It is anticipated there will be increased county expenditures related to the SB 87 eligibility review process for *Craig* beneficiaries.

ASSUMPTIONS:

1. Assume there are 3,500 Medi-Cal beneficiaries who were potentially terminated in error due to losing SSI/SSP-based Medi-Cal on or after June 30, 2002.
2. Of the 3,500 terminated beneficiaries, it has been determined 1,263 did not receive an SB 87 review at the time of termination and had their full-scope, no-cost Medi-Cal temporarily restored as of July 1, 2009 until an SB 87 review is conducted.
3. It is assumed that the cost of an SB 87 review is \$95.39, one-half of the average cost of an intake, which is \$190.78.

FY 2009-10 Cost:

1,263 SB 87 reviews x \$95.39 = **\$120,000 TF (\$60,000 GF)**

FY 2010-11 COST OF DOING BUSINESS

COUNTY ADMIN. POLICY CHANGE NUMBER: 13
 IMPLEMENTATION DATE: 7/2010
 ANALYST: Rocky Evans
 FISCAL REFERENCE NUMBER: 1456

| | FY 2009-10 | | FY 2010-11 | |
|-------------------|------------|----------|------------|--------------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | \$0 | \$0 | \$0 | \$21,651,000 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | \$0 | \$0 | \$21,651,000 |
| STATE FUNDS | \$0 | \$0 | \$0 | \$10,825,500 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | \$0 | \$0 | \$0 | \$21,651,000 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | \$0 | \$0 | \$21,651,000 |
| STATE FUNDS | \$0 | \$0 | \$0 | \$10,825,500 |

DESCRIPTION

The Medi-Cal county cost-control plan will cap the allowable allocations for FY 2010-11 county salaries at the California Necessities Index (CNI) or state employee salary increases, whichever is greater.

State employee contracts did not allow for increases in FY 2009-10, and it is assumed that no increases will be granted in FY 2010-11. Therefore, the Department of Finance projection for the CNI in FY 2010-11 is used to calculate salary increases for county salaries for FY 2010-11.

The cost of doing business increase is determined by multiplying the base for FY 2009-10 (\$1,379,034,070) by the CNI (calculated to be 1.57% as of January 2010).

FY 2010-11 Cost of Doing Business

\$1,379,034,070 x 1.57% = \$21,651,000 (\$10,825,500 GF)

PRIOR YEAR RECONCILIATIONS

COUNTY ADMIN. POLICY CHANGE NUMBER: 14
 IMPLEMENTATION DATE: 7/2008
 ANALYST: Rob Leonard
 FISCAL REFERENCE NUMBER: 1191

| | FY 2009-10 | | FY 2010-11 | |
|-------------------|--------------|----------|------------|----------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | -\$1,409,000 | \$0 | \$0 | \$0 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | -\$1,409,000 | \$0 | \$0 | \$0 |
| STATE FUNDS | -\$704,500 | \$0 | \$0 | \$0 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | -\$1,409,000 | \$0 | \$0 | \$0 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | -\$1,409,000 | \$0 | \$0 | \$0 |
| STATE FUNDS | -\$704,500 | \$0 | \$0 | \$0 |

DESCRIPTION

Two years following the end of the fiscal year, county administration expenditures are reconciled to the county administration allocation for the applicable fiscal year. Counties have one year from the end of a quarter to amend their quarterly administrative claim, which is used by the Department for the county administration reconciliation process. In FY 2008-09 the Department reconciled two prior fiscal years, the final reconciliation of FY 2006-07 and the preliminary reconciliation of FY 2007-08.

The final reconciliation of FY 2007-08 has been completed. The final reconciliation of FY 2007-08 included all final amendments and adjustments to the quarterly administrative claim. The final reconciliation of expenditures and allocated payments resulted in identification of an additional \$1,409,000 TF (\$704,500 GF) in unexpended county funds that will be returned to State.

SAVE

COUNTY ADMIN. POLICY CHANGE NUMBER: 15
 IMPLEMENTATION DATE: 10/1988
 ANALYST: Christine Marion
 FISCAL REFERENCE NUMBER: 215

| | FY 2009-10 | | FY 2010-11 | |
|-------------------|--------------|----------|--------------|----------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | \$0 | \$0 | \$0 | \$0 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | \$0 | \$0 | \$0 |
| STATE FUNDS | -\$8,561,000 | \$0 | -\$8,561,000 | \$0 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | \$0 | \$0 | \$0 | \$0 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | \$0 | \$0 | \$0 |
| STATE FUNDS | -\$8,561,000 | \$0 | -\$8,561,000 | \$0 |

DESCRIPTION

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

PROCEDURAL:

Ongoing:

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

| | |
|--------------|-------------|
| FY 2004-05* | \$7,487,742 |
| FY 2005-06* | \$6,599,438 |
| FY 2006-07* | \$7,345,502 |
| FY 2007-08* | \$7,350,704 |
| FY 2008-09** | \$8,244,000 |

- Over the 20 quarters ending June 2009, an average of 16 county welfare departments have not claimed any costs. Based on claims through June 2009, and assuming that the same level of reporting will continue, it is estimated that the costs that can be charged as 100% federal funds will be:

| | |
|-------------------|--------------------|
| FY 2009-10 | \$8,561,000 |
| FY 2010-11 | \$8,561,000 |

* Actual

** Estimated

REDUCTION TO COLA TO COUNTIES FOR FY 2010-11

COUNTY ADMIN. POLICY CHANGE NUMBER: 16
 IMPLEMENTATION DATE: 7/2010
 ANALYST: Rocky Evans
 FISCAL REFERENCE NUMBER: 1462

| | FY 2009-10 | | FY 2010-11 | |
|-------------------|------------|----------|------------|---------------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | \$0 | \$0 | \$0 | -\$21,651,000 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | \$0 | \$0 | -\$21,651,000 |
| STATE FUNDS | \$0 | \$0 | \$0 | -\$10,825,500 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | \$0 | \$0 | \$0 | -\$21,651,000 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | \$0 | \$0 | -\$21,651,000 |
| STATE FUNDS | \$0 | \$0 | \$0 | -\$10,825,500 |

DESCRIPTION

The July 1, 2010 Cost of Living Adjustment (COLA) for county staff who perform tasks as part of the Medi-Cal eligibility process will be eliminated. The COLA for FY 2010-11 is projected to be \$21,651,000 (\$10,825,500 GF) based on the California Necessities Index (CNI) increase which is 1.57 percent.

FY 2010-11 Cost of Doing Business

\$1,379,034,070 x 1.57% = \$21,651,000 (\$10,825,500 GF) Savings

CHIPRA - DRA CITIZENSHIP OPTION

COUNTY ADMIN. POLICY CHANGE NUMBER: 17
 IMPLEMENTATION DATE: 1/2010
 ANALYST: Rob Leonard
 FISCAL REFERENCE NUMBER: 1374

| | FY 2009-10 | | FY 2010-11 | |
|-------------------|------------|---------------|------------|---------------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | \$0 | -\$13,252,000 | \$0 | -\$26,504,000 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | -\$13,252,000 | \$0 | -\$26,504,000 |
| STATE FUNDS | \$0 | -\$6,626,000 | \$0 | -\$13,252,000 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | \$0 | -\$13,252,000 | \$0 | -\$26,504,000 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | -\$13,252,000 | \$0 | -\$26,504,000 |
| STATE FUNDS | \$0 | -\$6,626,000 | \$0 | -\$13,252,000 |

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 U.S. citizenship/identity from Medi-Cal applicants and beneficiaries as required by federal law. During the data match process for citizenship/identity verification the applicant or beneficiary will receive full-scope Medi-Cal benefits for up to 90 days. If citizenship/identity is not verified within the 90 days, the Department will have 30 days to reduce full-scope Medi-Cal benefits to restricted scope. States who choose this option could be subject to a penalty for the 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. However, the Department expects to meet this standard and believes county administration workloads will decrease because counties will not need to verify citizenship/identity if there is an SSA data match.

Assumptions:

1. Implementation of the SSN citizenship and identity verification began January 1, 2010.
2. It is assumed the SSN match will meet the requirements of the DRA for both citizenship and identity verification.
3. Based on the February 2007 data match between MEDS and California State Birth Records, assume 2,761,560 beneficiaries were subject to the DRA verification requirements.
4. Based on historical data, assume 3% of the current caseload will be new each month.
 $2,761,560 \text{ Beneficiaries} \times 3\% = 82,847 \text{ Applicants}$

CHIPRA - DRA CITIZENSHIP OPTION**COUNTY ADMIN. POLICY CHANGE NUMBER: 17**

5. Assume 5% of applicants will not be matched through the SSA validation process and 95% will be matched and citizenship and identity will be verified.
 $82,847 \text{ Applicants} \times 5\% = 4,142 \text{ Unmatched Applicants}$
 $82,847 \text{ Applicants} \times 95\% = 78,704 \text{ Matched Applicants}$
6. It is assumed that the error rate will be below the 3% threshold, and no penalty will be assessed.
7. There will be no costs associated with verifying citizenship and identity for matched beneficiaries as required by the DRA.
8. Assume 80% of unmatched applicants will not need assistance in obtaining original documentation to establish citizenship and 20% of unmatched applicants will need assistance from the county workers.
 $4,142 \text{ Unmatched Applicants} \times 80\% = 3,314 \text{ Not Needing Assistance}$
 $4,142 \text{ Unmatched Applicants} \times 20\% = 828 \text{ Needing Assistance}$
9. The average cost per hour is \$65.03 for an Eligibility Worker (EW) and \$26.73 for a clerk.
10. It will take an EW and clerk 10 minutes each per applicant to verify citizenship/identity information in the eligibility system, copy and file the information in the case file for the 80% of the unmatched applicants not needing assistance.
 $(\$65.03 + \$26.73) \div 60 \text{ minutes} \times 10 \text{ Minutes} = \$15.29 \text{ per Unmatched Applicant (No Assistance)}$
11. It will take an EW and clerk 23.5 minutes each per applicant to assist the applicant, as well as verify citizenship/identity information in the eligibility system, copy and file the information in the case file for the 20% of the unmatched applicants needing assistance.
 $(\$65.03 + \$26.73) \div 60 \text{ minutes} \times 23.5 \text{ Minutes} = \$35.94 \text{ per Unmatched Applicant (Needing Assistance)}$
12. Total ongoing county administrative costs for FY 2009-10 will be \$483,000 TF (\$241,500 GF) and \$966,000 TF (\$483,000 GF) for FY 2010-11 and annually.
 $828 \text{ Verification for Unmatched Applicants Needing Assistance} \times \$35.94 \times 12 \text{ Months} = \$358,000$
 $3,314 \text{ Verification for Unmatched Applicants w/ No Assistance} \times \$15.29 \times 12 \text{ Months} = \$608,000$
 $\$358,000 + \$608,000 = \$966,000 \text{ TF } (\$483,000 \text{ GF}) \text{ Annual Cost}$
 $\$358,000 + \$608,000 \div 12 \times 6 \text{ Months} = \$483,000 \text{ TF } (\$241,500 \text{ GF}) \text{ FY 2009-10 Cost}$
13. The verification/citizenship activities for applicants will decrease the workload for current DRA activities, creating a savings in county administrative costs. Currently, \$27,470,000 is budgeted for DRA activities.
FY 2009-10 Savings:
 $\$27,470,000 \text{ Current DRA Activities} \div 12 \times 6 \text{ Months} = \$13,735,000$
 $\$13,735,000 - \$483,000 \text{ New Citizenship Match Costs} = \mathbf{\$13,252,000 \text{ TF } (\$6,626,000 \text{ GF})}$
FY 2010-11 & Annual Savings:
 $\$27,470,000 \text{ Current DRA Activities} - \$966,000 = \mathbf{\$26,504,000 \text{ TF } (\$13,252,000 \text{ GF})}$

REDUCTION TO COLA TO COUNTIES FOR FY 2009-10

COUNTY ADMIN. POLICY CHANGE NUMBER: 18
 IMPLEMENTATION DATE: 7/2009
 ANALYST: Rocky Evans
 FISCAL REFERENCE NUMBER: 1355

| | FY 2009-10 | | FY 2010-11 | |
|-------------------|------------|---------------|------------|---------------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | \$0 | -\$49,360,000 | \$0 | -\$49,360,000 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | -\$49,360,000 | \$0 | -\$49,360,000 |
| STATE FUNDS | \$0 | -\$24,680,000 | \$0 | -\$24,680,000 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | \$0 | -\$49,360,000 | \$0 | -\$49,360,000 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | -\$49,360,000 | \$0 | -\$49,360,000 |
| STATE FUNDS | \$0 | -\$24,680,000 | \$0 | -\$24,680,000 |

DESCRIPTION

Effective July 1, 2009, the Department eliminated the Cost of Living Adjustment (COLA) for county staff to perform tasks as part of the Medi-Cal eligibility process. The COLA for FY 2009-10 was \$49,360,000 (\$24,680,000 GF) based on the California Necessities Index (CNI) increase of 4.02%.

$\$1,227,861,595 \times 4.02\% = \$49,360,000$ (\$24,680,000 GF) Savings

REDUCTION TO COUNTY ADMINISTRATION

COUNTY ADMIN. POLICY CHANGE NUMBER: 19
 IMPLEMENTATION DATE: 7/2009
 ANALYST: Rocky Evans
 FISCAL REFERENCE NUMBER: 1428

| | FY 2009-10 | | FY 2010-11 | |
|-------------------|------------|----------------|------------|----------------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | \$0 | -\$121,138,000 | \$0 | -\$121,138,000 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | -\$121,138,000 | \$0 | -\$121,138,000 |
| STATE FUNDS | \$0 | -\$60,569,000 | \$0 | -\$60,569,000 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | \$0 | -\$121,138,000 | \$0 | -\$121,138,000 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | -\$121,138,000 | \$0 | -\$121,138,000 |
| STATE FUNDS | \$0 | -\$60,569,000 | \$0 | -\$60,569,000 |

DESCRIPTION

The amendments to the Budget Act of 2009 include a reduction of \$121,138,000 TF (\$60,569,000 GF) to county administration. The FY 2010-11 County Administration budget will also be reduced by the same amount.

CALWORKS 15.7% MAP REDUCTION

COUNTY ADMIN. POLICY CHANGE NUMBER: 20
 IMPLEMENTATION DATE: 10/2010
 ANALYST: Christine Marion
 FISCAL REFERENCE NUMBER: 1495

| | FY 2009-10 | | FY 2010-11 | |
|-------------------|------------|----------|------------|----------|
| | ONE-TIME | ON-GOING | ONE-TIME | ON-GOING |
| PROCEDURAL - TOT. | \$0 | \$0 | \$355,000 | \$0 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | \$0 | \$355,000 | \$0 |
| STATE FUNDS | \$0 | \$0 | \$177,500 | \$0 |
| % IN BASE | | | | |
| PROCEDURAL | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| CASELOAD | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| APPLIED TO BASE | | | | |
| PROCEDURAL - TOT. | \$0 | \$0 | \$355,000 | \$0 |
| CASELOAD - TOT. | \$0 | \$0 | \$0 | \$0 |
| TOTAL FUNDS | \$0 | \$0 | \$355,000 | \$0 |
| STATE FUNDS | \$0 | \$0 | \$177,500 | \$0 |

DESCRIPTION

CDSS is proposing legislation to reduce the Maximum Aid Payment (MAP) for the California Work Opportunity and Responsibility to Kids (CalWORKs) program by 15.7%, which results in a reduction in the number of families that qualify for Medi-Cal through enrollment in CalWORKs. It is assumed that those families will remain eligible for Medi-Cal benefits in other Medi-Cal aid codes, and will require a one-time re-enrollment into those aid codes by county eligibility workers.

ASSUMPTIONS:

1. Assume implementation will begin October 1, 2010.
2. Based on CDSS data, assume 10,921 cases will lose their CalWORKs eligibility in FY 2010-11.
3. Assume it will take an eligibility worker (EW) 30 minutes to process each Medi-Cal case.
4. Assume the average cost per hour for an EW is \$65.03

FY 2010-11 costs:

10,921 cases x \$65.03 x .5 hour = **\$355,000 TF (\$177,500 GF)**