

COUNTY ADMINISTRATION BASE

COUNTY ADMIN. POLICY CHANGE NUMBER: 1
 IMPLEMENTATION DATE: 7/2012
 ANALYST: Taryn Gerald
 FISCAL REFERENCE NUMBER: 1704

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$1,264,965,000	\$0	\$1,302,683,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$1,264,965,000	\$0	\$1,302,683,000
STATE FUNDS	\$0	\$632,482,500	\$0	\$651,341,500
% 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	\$1,264,965,000	\$0	\$1,302,683,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$1,264,965,000	\$0	\$1,302,683,000
STATE FUNDS	\$0	\$632,482,500	\$0	\$651,341,500

DESCRIPTION

Purpose:

This policy change reflects the base allocation funded to counties for costs associated with Medi-Cal eligibility determination activities.

Authority:

Welfare & Institutions Code 14154

Interdependent Policy Changes:

Not Applicable

Background:

The Department is responsible for determining the appropriate allocation for funding county welfare department costs associated with Medi-Cal eligibility determinations. The Department establishes and maintains a cost control plan. The plan provides for the administrative costs that the counties incur for Medi-Cal eligibility determination activities. The base estimate reflects the allocation to the counties utilizing recent workload data, county expenditure data, and other county-submitted information.

The base estimate consists of the costs identified for three sub-categories: (1) staff costs (2) staff development, and (3) support costs.

1. Staff Costs

This amount includes the estimated costs for staff in three staff categories: eligibility workers and supervisors, clerical support staff, and administrative staff. The staff costs for each of the three categories will be allocated to individual counties to fund all Medi-Cal eligibility determination activities.

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2. Support Costs

Support costs are a combination of two types of expenditures: operating support costs and electronic data processing costs. These two types of expenditures are further divided into allocated costs and direct costs.

- a. Allocated costs are those that are shared across all programs and distributed to individual programs based on a ratio developed from the total expenditures for each program.
- b. Direct costs are specific to the Medi-Cal program only.

3. Staff Development

Staff development costs are the costs of training Medi-Cal eligibility workers. The amount in this item includes:

- a. Trainers' salaries and benefits.
- b. Operating costs related to training.
- c. Trainees' salaries and benefits.
- d. Travel, per diem, supplies and tuition.
- e. Purchase of contracted training services.

The base allocation for county administration of the Medi-Cal program for FY 2013-14 includes the FY 2012-13 eligible growth.

Reason for Change from Prior Estimate:

There is no change.

Methodology:

Base Allocation	In Thousands		
	<u>TF</u>	<u>GF</u>	<u>FFP</u>
FY 2012-13	\$1,264,965	\$632,482	\$632,483
FY 2013-14	\$1,302,683	\$651,341	\$651,342

Funding:

Title XIX 50/50 FFP (4260-101-0001/0890)

SAWS

COUNTY ADMIN. POLICY CHANGE NUMBER: 2
 IMPLEMENTATION DATE: 7/1987
 ANALYST: Taryn Gerald
 FISCAL REFERENCE NUMBER: 214

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$66,418,000	\$0	\$74,603,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$66,418,000	\$0	\$74,603,000	\$0
STATE FUNDS	\$7,955,500	\$0	\$7,955,500	\$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.	\$66,418,000	\$0	\$74,603,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$66,418,000	\$0	\$74,603,000	\$0
STATE FUNDS	\$7,955,500	\$0	\$7,955,500	\$0

DESCRIPTION

Purpose:

This policy change estimates and reimburses the California Department of Social Services (CDSS) 100% Federal Financial Participation (FFP) for automated Eligibility Determination and Automated Benefit Computation. This policy change also estimates the funds for the Los Angeles Eligibility Automated Determination Evaluation and Reposting System (LEADER) that is paid by the Department.

Authority:

Welfare & Institutions Code 14154
 Interagency Agreement #04-35639

Interdependent Policy Changes:

Not Applicable

Background:

The Statewide Automated Welfare Systems (SAWS) consists of three county consortium systems: LEADER, the Consortium-IV (C-IV), and the CalWORKs Information Network (CalWIN).

The SAWS project management is now the responsibility of the Office of Systems Integration (OSI) within the Health and Human Services Agency. The Department provides expertise to OSI on program and technical system requirements for the Medi-Cal program and the Medi-Cal Eligibility Data System (MEDS) interfaces.

LEADER is the automated system for Los Angeles County and is currently in the maintenance and operation phase. The County began the process to replace the LEADER system and has completed

SAWS**COUNTY ADMIN. POLICY CHANGE NUMBER: 2**

contract negotiations with the successful bidder (Accenture). OSI and the County have submitted the LEADER Replacement System (LRS) development contract to the federal oversight agencies for their review and approval. While the replacement system is being developed, the County received state and federal approval to extend the existing LEADER maintenance and operations contract for an additional two years, through April 2013, with up to two optional one-year extensions beyond that date. The two one-year extensions are subject to state and federal approvals.

The CalWIN consortium is fully implemented in all 18 counties and is currently in the maintenance and operation phase.

The C-IV system is fully implemented in 39 counties and is currently in the maintenance and operation phase.

The State Strategy for Eligibility Systems and ABX1 16 (Chapter 13, Statutes of 2011) dictate the migration of the 39 C-IV counties into a system jointly designed by the C-IV counties and Los Angeles County under the LRS contract. The C-IV Migration will result in a new consortium to replace the LEADER and C-IV consortia.

Reason for Change from Prior estimate:

CDSS updated estimated expenditures for FY 2012-13 and FY 2013-14.

Methodology:

1. The cash basis estimate was provided by CDSS.

(In Thousands)	FY 2012-13	FY 2013-14
LA County LEADER M&O*	\$15,911 (\$7,955.5 GF)	\$15,911 (\$7,955.5 GF)
LEADER Replacement	\$12,155	\$19,423
SPM	\$1,510	\$1,535
WCDS-CalWIN	\$18,169	\$19,355
Consortia IV	\$15,018	\$15,840
State Client Index	\$68	\$68
CalHEERS Development	\$3,587	\$1,693
CAIHEERS Interface M&O	\$0	\$182
Consortium-IV Migration	\$0	\$596
Total	\$66,418	\$74,603

Funding:

Title XIX 50/50 FFP (4260-101-0001/0890)*

Title XIX FFP (4260-101-0890)

CalWORKs APPLICATIONS

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

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$67,028,000	\$0	\$67,028,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$67,028,000	\$0	\$67,028,000
STATE FUNDS	\$0	\$33,514,000	\$0	\$33,514,000
% 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	\$67,028,000	\$0	\$67,028,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$67,028,000	\$0	\$67,028,000
STATE FUNDS	\$0	\$33,514,000	\$0	\$33,514,000

DESCRIPTION

Purpose:

This policy change estimates the Medi-Cal portion of the shared costs for processing applications which are submitted through CalWORKS and/or CalFresh programs. These costs include staff and support costs.

Authority:

Welfare & Institutions Code 14154

Interdependent Policy Changes:

Not Applicable

Background:

Since 1998, the Department shares in the costs for CalWORKS applications with the California Department of Social Services (CDSS). CDSS 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 CalFresh eligibility to be shared between the three programs.

Reason for Change from Prior Estimate:

CDSS updated estimated expenditures.

CalWORKs APPLICATIONS

COUNTY ADMIN. POLICY CHANGE NUMBER: 3

Methodology:

	<u>TF</u>	<u>GF</u>	<u>FFP</u>
FY 2012-13	\$67,028,000	\$33,514,000	\$33,514,000
FY 2013-14	\$67,028,000	\$33,514,000	\$33,514,000

Funding:

Title XIX 50/50 FFP (4260-101-0001/0890)

ELIGIBLE GROWTH

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

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$0	\$37,718,000	\$0	\$0
TOTAL FUNDS	\$0	\$37,718,000	\$0	\$0
STATE FUNDS	\$0	\$18,859,000	\$0	\$0
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$0	\$37,718,000	\$0	\$0
TOTAL FUNDS	\$0	\$37,718,000	\$0	\$0
STATE FUNDS	\$0	\$18,859,000	\$0	\$0

DESCRIPTION

Purpose:

The policy change estimates the cost in expected growth for certified Medi-Cal-only eligibles.

Authority:

Welfare & Institution Code 14154

Interdependent Policy Changes:

Not Applicable

Background:

The county administration base estimate does not include costs anticipated due to recent changes in growth in Medi-Cal eligibles. Medi-Cal Only in this policy change is defined as those individuals who are eligible through a Medi-Cal eligibility determination completed by the county, rather than through eligibility for a cash-grant program such as CalWORKS or SSI/SSP.

Reason for Change from Prior Estimate:

There is no change in FY 2012-13. In FY 2013-14, the county administration funding will be held to the FY 2012-13 funding (base and eligible growth) and no additional eligible growth is included in FY 2013-14.

Methodology:

- In FY 2012-13, it was estimated there would be 4,870,730 average monthly certified eligibles (before adding the impact of policy changes) based on the May 2012 Estimate. Eligible Growth costs were estimated to be \$37,718,000 TF.

ELIGIBLE GROWTH

COUNTY ADMIN. POLICY CHANGE NUMBER: 4

Funding:

Title XIX 50/50 FFP (4260-101-0001/0890)

LOS ANGELES COUNTY HOSPITAL INTAKES

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

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$24,994,000	\$7,123,000	\$0	\$7,123,000
TOTAL FUNDS	\$24,994,000	\$7,123,000	\$0	\$7,123,000
STATE FUNDS	\$3,162,280	\$901,220	\$0	\$3,561,500
% 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.	\$24,994,000	\$7,123,000	\$0	\$7,123,000
TOTAL FUNDS	\$24,994,000	\$7,123,000	\$0	\$7,123,000
STATE FUNDS	\$3,162,280	\$901,220	\$0	\$3,561,500

DESCRIPTION

Purpose:

The policy change estimates the costs for Patient Financial Services Workers (PFSWs) to process Medi-Cal applications taken in Los Angeles County hospitals.

Authority:

Welfare & Institutions Code 14154

Interdependent Policy Changes:

Not Applicable

Background:

Los Angeles County uses PFSWs to collect and process Medi-Cal applications taken in Los Angeles County hospitals. The applications processed by the PFSWs are sent to the Los Angeles County Human Services Agency for final eligibility determination. Welfare & 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.

Reason for Change from Prior Estimate:

The change is due to additional data.

Methodology:

1. PFSWs processed an average of 2,585 intakes per month in calendar year 2010 and are projected to process 2,215 intakes per month in calendar year 2011. 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. Assume in FY 2012-13 and FY 2013-14, PFSW will

LOS ANGELES COUNTY HOSPITAL INTAKES**COUNTY ADMIN. POLICY CHANGE NUMBER: 5**

continue processing at 2,215 per month.

FY 2012-13: $2,215 \times \$268 \times 12 = \$7,123,000$ (\$3,561,500 GF)

FY 2013-14: $2,215 \times \$268 \times 12 = \$7,123,000$ (\$3,561,500 GF)

2. In FY 2011-12, the Department completed the FY 2009-10 Los Angeles County Hospital Intakes reconciliation. The reconciliation resulted in a refund to Los Angeles of \$11,780,000. The Department paid \$16,884 in FY 2011-12 and will pay \$11,763,217 in FY 2012-13.
3. The final FY 2010-11 Los Angeles County Hospital Intakes reconciliation identified \$13,231,000 in federal fund pass-through due to the county. Assume the same amount of federal fund pass-through is needed in FY 2012-13 for the reconciliation of FY 2010-11.

Total cost for FY 2012-13: $\$7,123,000 + \$13,231,000 = \mathbf{\$20,354,000}$

Total cost for FY 2013-14: $\$7,123,000 = \mathbf{\$7,123,000}$

	In Thousands					
	FY 2012-13			FY 2013-14		
	TF	GF	FFP	TF	GF	FFP
FY 2009-10 Reconciliation	\$11,763	\$502	\$11,261	\$0	\$0	\$0
PFSW Base	\$7,123	\$3,561	\$3,562	\$7,123	\$3,561	\$3,562
FY 2010-11 Reconciliation	\$13,231	\$0	\$13,231	\$0	\$0	\$0
Total	\$32,117	\$4,063	\$28,054	\$7,123	\$3,561	\$3,562

Funding:

Title XIX 50/50 FFP (4260-101-0001/0890)

Title XIX FFP (4260-101-0890)

FY 2012-13 COST OF DOING BUSINESS

COUNTY ADMIN. POLICY CHANGE NUMBER: 6
 IMPLEMENTATION DATE: 7/2012
 ANALYST: Taryn Gerald
 FISCAL REFERENCE NUMBER: 1619

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$26,310,000	\$0	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$26,310,000	\$0	\$0
STATE FUNDS	\$0	\$13,155,000	\$0	\$0
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$26,310,000	\$0	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$26,310,000	\$0	\$0
STATE FUNDS	\$0	\$13,155,000	\$0	\$0

DESCRIPTION

Purpose:

This policy change estimates the Cost of Living Adjustment (COLA) for county staff who perform tasks as part of the Medi-Cal eligibility process.

Authority:

Welfare & Institutions Code 14154

Interdependent Policy Changes:

CA 12 Reduction To COLA To Counties For FY 2012-13

Background:

The COLA is determined by the allowable county salaries at the California Necessities Index (CNI) or state employee salary increases, whichever is greater. The current State employee contracts do not allow for increase in FY 2012-13. Therefore, the Department of Finance (DOF) calculation of 2.98% for the CNI for FY 2012-13 will be used.

Reason for Change from Prior Estimate:

There is no change.

Methodology:

1. Assume the CNI for FY 2012-13 is 2.98%.
2. The FY 2011-12 staff salary cost is \$882,891,225.

FY 2012-13 COST OF DOING BUSINESS

COUNTY ADMIN. POLICY CHANGE NUMBER: 6

FY 2012-13 Cost of Doing Business:

$\$882,891,225 \times 2.98\% = \mathbf{\$26,310,000 \text{ TF } (\$13,155,000 \text{ GF})}$

Funding:

Title XIX 50/50 FFP (4260-101-0001/0890)

TRANSITION OF HEALTHY FAMILIES CHILDREN TO MC

COUNTY ADMIN. POLICY CHANGE NUMBER: 7
 IMPLEMENTATION DATE: 12/2012
 ANALYST: Taryn Gerald
 FISCAL REFERENCE NUMBER: 1598

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$0	\$33,602,000	\$0	\$59,856,000
TOTAL FUNDS	\$0	\$33,602,000	\$0	\$59,856,000
STATE FUNDS	\$0	\$11,760,700	\$0	\$20,949,600
% 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	\$33,602,000	\$0	\$59,856,000
TOTAL FUNDS	\$0	\$33,602,000	\$0	\$59,856,000
STATE FUNDS	\$0	\$11,760,700	\$0	\$20,949,600

DESCRIPTION

Purpose:

This policy change budgets the county administration costs associated with transitioning of the Healthy Families Program (HFP) subscribers into the Medi-Cal program.

Authority:

AB 1494 (Chapter 28, Statutes of 2012)

Interdependent Policy Changes:

PC 2 Transition of HFP to Medi-Cal

Background:

AB 1494 transitions all HFP subscribers into the Medi-Cal program. Beginning January 2013, a nine-month transition of subscribers will take place. HFP will send to the counties the current subscribers' applications and information. The counties will process the applications. Administrative savings will be reflected in the Managed Risk Medical Insurance Board budget.

Reason for Change from Prior Estimate:

Revisions based on the updates to HFP caseload and phase-in.

Methodology:

- As of January 1, 2013, 871,027 subscribers with HFP will be transferred to Medi-Cal over a nine-month period. A State Plan amendment will be submitted to allow these subscribers to be determined presumptively eligible for Medi-Cal.

TRANSITION OF HEALTHY FAMILIES CHILDREN TO MC

COUNTY ADMIN. POLICY CHANGE NUMBER: 7

2. The shift of HFP subscribers into the Medi-Cal program will occur in four separate phases. The first phase will be split into three phases transitioning January 1, 2013, March 1, 2013 and April 1, 2013, for all HFP subscribers currently enrolled in a managed care plan that also contracts directly with the Department. The second phase will transition on April 1, 2013, for all HFP subscribers currently enrolled in a managed care plan that subcontracts with a Medi-Cal managed care plan. The third phase will transition over 3-months (August 1, 2013 to October 31, 2013) for all HFP subscribers in a managed care county that were not transitioned in Phase 1 or Phase 2. The fourth phase will transition on September 1, 2013, for all remaining HFP subscribers.
3. Costs for CCS-HFP eligibles that will be shifted to CCS-Medi-Cal, are currently budgeted in the Family Health Estimate. The cost for these eligibles is currently budgeted in the Family Health Estimate. CCS-HFP is funded with 65% FFP, 17.5% GF, and 17.5% county funds. It is assumed that the county share will continue under Medi-Cal.
4. Estimated costs:

	<u>TF</u>	<u>GF</u>	<u>County Reimbursement*</u>
FY 2012-13	\$33,602,000	\$11,105,000	\$655,000
FY 2013-14	\$59,856,000	\$16,138,000	\$4,812,000

Funding:

Title XXI 35/65 FFP (4260-113-0001/0890)

Reimbursement GF (4260-610-0995)*

MCHA VS. DHCS AND MRMIB

COUNTY ADMIN. POLICY CHANGE NUMBER: 8
 IMPLEMENTATION DATE: 1/2013
 ANALYST: Taryn Gerald
 FISCAL REFERENCE NUMBER: 1737

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$765,000	\$0	\$0	\$0
TOTAL FUNDS	\$765,000	\$0	\$0	\$0
STATE FUNDS	\$382,500	\$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.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$765,000	\$0	\$0	\$0
TOTAL FUNDS	\$765,000	\$0	\$0	\$0
STATE FUNDS	\$382,500	\$0	\$0	\$0

DESCRIPTION**Purpose:**

This policy change estimates the benefits cost of enrolling children into Medi-Cal that were not previously identified as eligible when they were screened through the Single Point of Entry (SPE).

Authority:

Not Applicable

Interdependent Policy Changes:

PC 9 MCHA vs. DHCS and MRMIB

Background:

The Department uses the SPE to process joint applications that serve as an application for the Healthy Families Program (HFP) and a screening device for the Federal Poverty Level (FPL) Medi-Cal program. Maternal and Child Health Access (MCHA) contended in a lawsuit that the Department and the Managed Risk Medical Insurance Board (MRMIB) are legally required to use the joint application as an application for all Medi-Cal programs, not just the FPL program.

On December 6, 2010, the court issued its decision ruling in favor of the Department on all issues except that the State must screen for section 1931(b) Medi-Cal eligibility before enrolling children ages 6 to 18 in the HFP. On July 10, 2012, the San Francisco Superior Court issued an order enforcing writ concerning the 1931(b) screening. The Department had previously agreed to implement a screen at SPE to identify "deemed eligible" infants.

MCHA VS. DHCS AND MRMIB

COUNTY ADMIN. POLICY CHANGE NUMBER: 8

Beginning January 1, 2013, the HFP will cease to enroll new applicants and all applications submitted to the SPE will be sent to county eligibility workers for a Medi-Cal determination. Therefore, the court decision only will impact applicants who were screened by SPE prior to January 1, 2013.

Reason for Change from Prior Estimate:

This is a new policy change.

Methodology:

1. Assume that MRMIB will notify approximately 275,000 prior SPE applicants that they may be eligible for 1931(b) Medi-Cal coverage.
2. Assume that the responses to the MRMIB notifications will be received and processed during January, February and March 2013.
3. Assume a 7.3% response rate will result in 20,000 responses.
4. Assume that the average number of children per case is 1.7, requiring 11,800 cases to be reviewed by the counties.
5. Assume that the cost per case will be \$65.

FY 2012-13 20,000 responses ÷ 1.7 children per case x \$65 per case = **\$765,000 TF**

Funding:

Title XIX 50/50 GF (4260-101-0001/0890)

FY 2013-14 COST OF DOING BUSINESS

COUNTY ADMIN. POLICY CHANGE NUMBER: 9
 IMPLEMENTATION DATE: 7/2013
 ANALYST: Taryn Gerald
 FISCAL REFERENCE NUMBER: 1705

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	\$0	\$30,813,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$0	\$0	\$30,813,000
STATE FUNDS	\$0	\$0	\$0	\$15,406,500
% 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	\$30,813,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$0	\$0	\$30,813,000
STATE FUNDS	\$0	\$0	\$0	\$15,406,500

DESCRIPTION

Purpose:

This policy change estimates the Cost of Living Adjustment (COLA) for county staff who perform tasks as part of the Medi-Cal eligibility process.

Authority:

Welfare & Institutions Code 14154

Interdependent Policy Changes:

CA 11 Reduction to COLA to Counties for FY 2013-14

Background:

The COLA is determined by the allowable county salaries at the California Necessities Index (CNI) or state employee salary increases, whichever is greater. The current State employee contracts do not allow for increase in FY 2013-14. Therefore, the Department of Finance (DOF) calculation of 3.49% for the CNI for FY 2013-14 will be used.

Reason for Change from Prior Estimate:

Updated CNI for FY 2013-14.

Methodology:

1. Assume the CNI for FY 2013-14 is 3.49%.
2. The FY 2012-13 staff salary cost is \$882,891,225.

FY 2013-14 COST OF DOING BUSINESS

COUNTY ADMIN. POLICY CHANGE NUMBER: 9

FY 2013-14 Cost of Doing Business:

\$882,891,225 x 3.49% = **\$30,813,000 TF (\$15,406,500 GF)**

Funding:

Title XIX 50/50 FFP (4260-101-0001/0890)

SAVE

COUNTY ADMIN. POLICY CHANGE NUMBER: 10
 IMPLEMENTATION DATE: 10/1988
 ANALYST: Taryn Gerald
 FISCAL REFERENCE NUMBER: 215

	FY 2012-13		FY 2013-14	
	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	-\$3,500,000	\$0	-\$3,500,000	\$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	-\$3,500,000	\$0	-\$3,500,000	\$0

DESCRIPTION**Purpose:**

The policy change estimates the technical adjustment in funding from Title XIX 50% federal financial participation (FFP) to Title XIX 100% FFP for the Systematic Alien Verification for Entitlements (SAVE) system.

Authority:

Welfare & Institutions Code 14154

Interdependent Policy Changes:

Not Applicable

Background:

The Immigration Reform and Control Act (IRCA) of 1986 required states to use the SAVE system to verify alien status for Medi-Cal applicants beginning in October 1988. The counties time study eligibility worker and supervisor time spent on SAVE verifications.

Reason for Change from Prior Estimate:

There is no change.

Methodology:

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

FY 2007-08*	\$ 7,350,704
FY 2008-09*	\$17,430,750

SAVE**COUNTY ADMIN. POLICY CHANGE NUMBER: 10**

FY 2009-10*	\$ 6,881,956
FY 2010-11**	\$ 6,431,214
FY 2011-12**	\$ 6,378,615

2. The Department conducted a SAVE review in May 2008 to determine if counties were consistently following SAVE program requirements. The Department found that eligibility workers were not consistently maintaining required copies of SAVE documents in the beneficiary case files. Counties were required to reconcile the beneficiary case files and make sure all documentation was included. This review caused a one-time increase in SAVE costs in FY 2008-09 on an accrual basis. On a cash basis, the impact occurred in FY 2010-11.

Based on claims through June 2012, Federal funds will be:

	<u>Total Fund</u>	<u>FFP Shift</u>
FY 2012-13	\$7,000,000	\$3,500,000
FY 2013-14	\$7,000,000	\$3,500,000

* Actual

** Preliminary

Funding:

State Only GF (4260-101-0001)

Title XIX FFP (4260-101-0890)

REDUCTION TO COLA TO COUNTIES FOR FY 2012-13

COUNTY ADMIN. POLICY CHANGE NUMBER: 12
 IMPLEMENTATION DATE: 7/2012
 ANALYST: Taryn Gerald
 FISCAL REFERENCE NUMBER: 1630

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	-\$26,310,000	\$0	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	-\$26,310,000	\$0	\$0
STATE FUNDS	\$0	-\$13,155,000	\$0	\$0
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	-\$26,310,000	\$0	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	-\$26,310,000	\$0	\$0
STATE FUNDS	\$0	-\$13,155,000	\$0	\$0

DESCRIPTION

Purpose:

This policy change estimates the savings for eliminating the Cost of Living Adjustment (COLA) for county staff who perform tasks as part of the Medi-Cal eligibility process.

Authority:

Welfare & Institutions Code 14154

Interdependent Policy Changes:

CA 6 FY 2012-13 Cost of Doing Business

Background:

The COLA is determined by the allowable county salaries at the California Necessities Index (CNI) or state employee salary increases, whichever is greater. The COLA for FY 2012-13 is projected to be \$26,310,000 TF (\$13,155,000 GF) based on the CNI increase of 2.98%. As of July 1, 2012 the COLA for county staff who performs tasks as part of the Medi-Cal eligibility process was eliminated.

Reason for Change from Prior Estimate:

There is no change.

Methodology:

1. Assume the CNI for FY 2012-13 is 2.98%.
2. The FY 2011-12 staff salary cost is \$882,891,225.

REDUCTION TO COLA TO COUNTIES FOR FY 2012-13

COUNTY ADMIN. POLICY CHANGE NUMBER: 12

FY 2012-13:

\$882,891,225 x 2.98% = **\$26,310,000 TF (\$13,155,000 GF)**

Funding:

Title XIX 50/50 FFP (4260-101-0001/0890)

PRIOR YEAR RECONCILIATIONS

COUNTY ADMIN. POLICY CHANGE NUMBER: 13
 IMPLEMENTATION DATE: 12/2011
 ANALYST: Taryn Gerald
 FISCAL REFERENCE NUMBER: 1191

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	-\$150,000,000	\$0	-\$70,000,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	-\$150,000,000	\$0	-\$70,000,000	\$0
STATE FUNDS	-\$75,000,000	\$0	-\$35,000,000	\$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.	-\$150,000,000	\$0	-\$70,000,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	-\$150,000,000	\$0	-\$70,000,000	\$0
STATE FUNDS	-\$75,000,000	\$0	-\$35,000,000	\$0

DESCRIPTION

Purpose:

This policy change estimates the reconciliation of county administration expenditures to the county administration allocation.

Authority:

Welfare & Institutions Code 14154

Interdependent Policy Changes:

Not Applicable

Background:

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.

The final reconciliation of FY 2010-11 and interim reconciliation for FY 2011-12 will be completed in FY 2012-13. The final reconciliation of FY 2010-11 includes all final amendments and adjustments to the quarterly administrative claim.

In FY 2013-14, an interim reconciliation for FY 2012-13 will be completed.

Reason for Change from Prior Estimate:

The FY 2010-11 reconciliation has been finalized. The FY 2011-12 interim reconciliation has been finalized.

PRIOR YEAR RECONCILIATIONS

COUNTY ADMIN. POLICY CHANGE NUMBER: 13

Methodology:

	FY 2012-13			FY 2013-14		
(In Thousands)	TF	GF	FFP	TF	GF	FFP
Reconciliation	(\$150,000)	(\$75,000)	(\$75,000)	(\$70,000)	(\$35,000)	(\$35,000)

Funding:

Title XIX 50/50 FFP (4260-101-0001/0890)