MEDI-CAL
NOVEMBER 2012
LOCAL ASSISTANCE ESTIMATE
for
FISCAL YEARS
2012-13 and 2013-14

OTHER ADMINISTRATION

Fiscal Forecasting and Data Management Branch
State Department of Health Care Services
1501 Capitol Avenue, Suite 6069
Sacramento, CA 95814
(916) 552-8550

EDMUND G. BROWN JR.
Governor
State of California

Diana Dooley
Secretary
California Health and Human Services Agency

Toby Douglas
Director
Department of Health Care Services

OTHER ADMINISTRATION
POLICY CHANGE SUMMARY

NO.	POLICY CHANGE TITLE	FISCAL YEAR 2012-13 TOTAL FUNDS	FISCAL YEAR 2012-13 STATE FUNDS	FISCAL YEAR 2013-14 TOTAL FUNDS	FISCAL YEAR 2013-14 STATE FUNDS
	CDHS				
1	MEDI-CAL ADMINISTRATIVE ACTIVITIES	$217,000,000	$0	$228,000,000	$0
2	CCS CASE MANAGEMENT	$146,489,000	$59,231,300	$148,982,000	$58,725,800
3	COUNTY SPECIALTY MENTAL HEALTH ADMIN	$126,625,000	$0	$141,726,000	$0
4	BTR—LIHP - ADMIN COSTS	$39,409,000	$0	$703,567,000	$0
5	EPSDT CASE MANAGEMENT	$33,718,000	$11,871,300	$33,718,000	$11,871,300
6	MH/UCD—HCCI - ADMIN COSTS	$25,427,000	$0	$1,500,000	$0
7	CALHEERS DEVELOPMENT	$23,685,000	$4,416,900	$24,085,000	$6,168,100
8	POSTAGE & PRINTING	$25,427,000	$12,579,600	$25,227,000	$12,553,700
9	SMH MAA	$23,282,000	$0	$24,912,000	$0
10	COUNTY UR & QA ADMIN	$16,333,000	$0	$16,798,000	$0
11	INTERIM AND FINAL COST SETTLEMENTS-SMHS	$15,821,000	$0	$26,641,000	$0
12	COORDINATED CARE MANAGEMENT PILOTS	$10,488,000	$5,244,000	$4,716,000	$2,358,000
13	TRANSITION OF HFP TO MEDI-CAL	$15,846,000	$5,546,100	$26,286,000	$9,200,100
14	MIS/DSS CONTRACT	$11,555,000	$3,056,500	$10,900,000	$2,892,800
15	LITIGATION RELATED SERVICES	$9,600,000	$4,800,000	$9,980,000	$4,990,000
16	MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)	$5,990,000	$1,970,100	$5,949,000	$1,971,600
17	MEDI-CAL RECOVERY CONTRACT	$5,290,000	$1,322,000	$5,290,000	$1,322,000
18	CA-MMIS TAKEOVER & REPLACEMENT OVERSIGHT	$5,122,000	$624,900	$5,513,000	$660,300
19	CCI - DUAL ELIGIBLE DEMONSTRATION PROJECT	$4,664,000	$950,000	$5,172,000	$2,542,500
20	CA-MMIS TAKEOVER/OTHER STATE TRANSITION COSTS	$3,127,000	$375,500	$2,284,000	$273,800
21	PREVENTION OF CHRONIC DISEASE GRANT PROJECT	$2,970,000	$0	$2,664,000	$0
22	FY 2012-13 FAMILY PACT EVALUATION	$2,861,000	$1,430,500	$2,861,000	$1,430,500
23	ARRA HITECH INCENTIVE PROGRAM	$1,818,000	$154,000	$2,626,000	$154,000
24	SSA COSTS FOR HEALTH COVERAGE INFO.	$1,760,000	$880,000	$2,000,000	$1,000,000
25	ADHC TRANSITION-ADMINISTRATION	$1,741,000	$870,500	$564,000	$282,000

OTHER ADMINISTRATION
POLICY CHANGE SUMMARY

NO.	POLICY CHANGE TITLE	FISCAL YEAR 2012-13 TOTAL FUNDS	FISCAL YEAR 2012-13 STATE FUNDS	FISCAL YEAR 2013-14 TOTAL FUNDS	FISCAL YEAR 2013-14 STATE FUNDS
	CDHS				
26	MEDS INTEGRATION INTO CALHEERS	$1,261,000	$1,068,400	$997,000	$849,000
27	FAMILY PACT PROGRAM ADMIN.	$1,207,000	$603,500	$1,207,000	$603,500
28	HIPAA CAPITATION PAYMENT REPORTING PROJECT	$967,000	$466,800	$2,000,000	$500,000
29	SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES	$950,000	$950,000	$950,000	$950,000
30	MMA - DSH ANNUAL INDEPENDENT AUDIT	$856,000	$428,000	$856,000	$428,000
31	RATE STUDIES FOR MAIC AND AAC VENDOR	$635,000	$317,500	$1,000,000	$500,000
32	MEDI-CAL INPATIENT SERVICES FOR INMATES	$560,000	$0	$560,000	$0
33	POSTAGE AND PRINTING - THIRD PARTY LIAB.	$534,000	$267,000	$507,000	$253,500
34	APD PROJECT MANAGER	$429,000	$214,500	$71,000	$35,500
35	MEDICARE BUY-IN QUALITY REVIEW PROJECT	$400,000	$200,000	$400,000	$200,000
36	CCT ENROLLMENT-ADMIN COSTS	$369,000	$0	$369,000	$0
37	ENCRYPTION OF PHI DATA	$350,000	$175,000	$500,000	$250,000
38	MIS/DSS CONTRACT REPROCUREMENT SERVICES	$250,000	$62,500	$350,000	$87,500
39	MEDS MODERNIZATION PROJECT CONTRACTOR	$200,000	$20,000	$0	$0
40	MITA	$189,000	$18,900	$0	$0
41	PEDIATRIC PALLIATIVE CARE WAIVER EVALUATION	$188,000	$94,000	$103,000	$51,500
42	HEALTH CARE OPTIONS CONSULTANT COSTS	$125,000	$62,500	$125,000	$62,500
43	EPOCRATES	$119,000	$59,500	$119,000	$59,500
44	KATIE A. V. DIANA BONTA SPECIAL MASTER	$103,000	$51,500	$100,000	$50,000
45	CCS CASE MANAGEMENT SUPPLEMENTAL PAYMENT	$100,000	$0	$100,000	$0
46	TAR POSTAGE	$95,000	$47,500	$93,000	$46,500
47	Q5i AUTOMATED DATA SYSTEM ACQUISTION	$87,000	$43,500	$87,000	$43,500
48	PASRR	$0	$0	$2,616,000	$654,000
49	SDMC SYSTEM M&O SUPPORT	$0	$0	$1,834,000	$917,000
50	ANNUAL EDP AUDIT CONTRACTOR	$0	$0	$400,000	$200,000

OTHER ADMINISTRATION
POLICY CHANGE SUMMARY

NO.	POLICY CHANGE TITLE	FISCAL YEAR 2012-13 TOTAL FUNDS	FISCAL YEAR 2012-13 STATE FUNDS	FISCAL YEAR 2013-14 TOTAL FUNDS	FISCAL YEAR 2013-14 STATE FUNDS
	CDHS				
51	RECOVERY AUDIT CONTRACTOR COSTS	$0	$0	$9,000	$4,500
	CDHS SUBTOTAL	**$786,022,000**	**$120,473,600**	**$1,477,314,000**	**$125,142,300**
	OTHER DEPARTMENTS				
52	PERSONAL CARE SERVICES	$260,406,000	$0	$252,906,000	$0
53	HEALTH RELATED ACTIVITIES	$212,850,000	$0	$209,849,000	$0
54	CDDS ADMINISTRATIVE COSTS	$36,082,000	$0	$33,394,000	$0
55	MATERNAL AND CHILD HEALTH	$34,792,000	$0	$31,954,000	$0
56	HEALTH CARE PROGRAM FOR CHILDREN IN FOSTER CARE	$24,445,000	$0	$24,445,000	$0
57	CLPP CASE MANAGEMENT SERVICES	$6,593,000	$0	$6,593,000	$0
58	DEPARTMENT OF SOCIAL SERVICES ADMIN COST	$25,317,000	$0	$24,171,000	$0
59	DEPARTMENT OF AGING ADMINISTRATIVE COSTS	$2,793,000	$0	$3,146,000	$0
60	VETERANS BENEFITS	$1,956,000	$0	$1,956,000	$0
61	CDPH I&E PROGRAM AND EVALUATION	$1,674,000	$0	$1,984,000	$0
62	OUTREACH - CHILDREN	$1,626,000	$569,100	$1,626,000	$569,100
63	SINGLE POINT OF ENTRY - MEDI-CAL/HFP	$1,521,000	$0	$1,164,000	$0
64	FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT COS	$14,881,000	$0	$14,416,000	$0
65	CDDS DENTAL SERVICES	$1,270,000	$1,270,000	$1,270,000	$1,270,000
66	KIT FOR NEW PARENTS	$1,017,000	$0	$1,017,000	$0
67	QUITLINE ADMINISTRATIVE SERVICES	$1,000,000	$0	$1,000,000	$0
68	CHHS AGENCY HIPAA FUNDING	$651,000	$0	$651,000	$0
69	FAMILY PACT EVALUATION	$376,000	$0	$100,000	$0
70	FPACT SUPPORT, PROVIDER EDUC. & CLIENT OUTREACH	$355,000	$0	$66,000	$0
71	CCI CDA ADMIN COST-HICAP	$272,000	$0	$0	$0
72	MERIT SYSTEM SERVICES FOR COUNTIES	$184,000	$92,000	$184,000	$92,000
73	SINGLE POINT OF ENTRY - MEDI-CAL ONLY	$0	$0	$2,842,000	$1,244,000

OTHER ADMINISTRATION
POLICY CHANGE SUMMARY

NO.	POLICY CHANGE TITLE	FISCAL YEAR 2012-13 TOTAL FUNDS	FISCAL YEAR 2012-13 STATE FUNDS	FISCAL YEAR 2013-14 TOTAL FUNDS	FISCAL YEAR 2013-14 STATE FUNDS
	OTHER DEPARTMENTS				
74	PIA EYEWEAR COURIER SERVICE	$354,000	$177,000	$279,000	$139,500
	OTHER DEPARTMENTS SUBTOTAL	**$630,415,000**	**$2,108,100**	**$615,013,000**	**$3,314,600**
	GRAND TOTAL	**$1,416,437,000**	**$122,581,700**	**$2,092,327,000**	**$128,456,900**

COMPARISON OF FISCAL IMPACTS OF OTHER ADMINISTRATION POLICY CHANGES
NOVEMBER 2012 ESTIMATE COMPARED TO APPROPRIATION
FISCAL YEAR 2012-13

MAY PC#	NOV. PC#	POLICY CHANGE TITLE	2012-13 APPROPRIATION TOTAL FUNDS	2012-13 APPROPRIATION STATE FUNDS	NOV. 2012 EST. FOR 2012-13 TOTAL FUNDS	NOV. 2012 EST. FOR 2012-13 STATE FUNDS	DIFFERENCE TOTAL FUNDS	DIFFERENCE STATE FUNDS
		CDHS						
1	1	MEDI-CAL ADMINISTRATIVE ACTIVITIES	$194,058,000	$0	$217,000,000	$0	$22,942,000	$0
2	4	BTR—LIHP - ADMIN COSTS	$387,998,000	$0	$39,409,000	$0	-$348,589,000	$0
3	2	CCS CASE MANAGEMENT	$145,579,000	$58,960,000	$146,489,000	$59,231,250	$910,000	$271,250
4	6	MH/UCD—HCCI - ADMIN COSTS	$15,906,000	$0	$25,427,000	$0	$9,521,000	$0
5	5	EPSDT CASE MANAGEMENT	$33,718,000	$11,871,250	$33,718,000	$11,871,250	$0	$0
6	8	POSTAGE & PRINTING	$17,633,000	$8,693,200	$25,427,000	$12,579,600	$7,794,000	$3,886,400
7	14	MIS/DSS CONTRACT	$11,555,000	$3,056,500	$11,555,000	$3,056,500	$0	$0
8	25	ADHC TRANSITION-ADMINISTRATION	$1,800,000	$900,000	$1,741,000	$870,500	-$59,000	-$29,500
9	15	LITIGATION RELATED SERVICES	$10,442,000	$5,221,000	$9,600,000	$4,800,000	-$842,000	-$421,000
10	23	ARRA HITECH INCENTIVE PROGRAM	$6,780,000	$653,000	$1,818,000	$154,000	-$4,962,000	-$499,000
11	17	MEDI-CAL RECOVERY CONTRACT	$5,812,000	$1,453,000	$5,290,000	$1,322,000	-$522,000	-$131,000
12	18	CA-MMIS TAKEOVER & REPLACEMENT OVERSIGHT	$5,143,000	$616,200	$5,122,000	$624,900	-$21,000	$8,700
13	12	COORDINATED CARE MANAGEMENT PILOTS	$3,600,000	$1,800,000	$10,488,000	$5,244,000	$6,888,000	$3,444,000
14	16	MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)	$6,566,000	$2,075,500	$5,990,000	$1,970,050	-$576,000	-$105,450
15	20	CA-MMIS TAKEOVER/OTHER STATE TRANSITION COS	$3,736,000	$447,900	$3,127,000	$375,450	-$609,000	-$72,450
16	24	SSA COSTS FOR HEALTH COVERAGE INFO.	$1,760,000	$880,000	$1,760,000	$880,000	$0	$0
17	30	MMA - DSH ANNUAL INDEPENDENT AUDIT	$1,200,000	$600,000	$856,000	$428,000	-$344,000	-$172,000
18	21	PREVENTION OF CHRONIC DISEASE GRANT PROJEC	$2,125,000	$0	$2,970,000	$0	$845,000	$0
19	29	SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES	$950,000	$950,000	$950,000	$950,000	$0	$0
20	35	MEDICARE BUY-IN QUALITY REVIEW PROJECT	$2,000,000	$1,000,000	$400,000	$200,000	-$1,600,000	-$800,000
21	33	POSTAGE AND PRINTING - THIRD PARTY LIAB.	$611,000	$305,500	$534,000	$267,000	-$77,000	-$38,500
22	36	CCT ENROLLMENT-ADMIN COSTS	$689,000	$0	$369,000	$0	-$320,000	$0
23	42	HEALTH CARE OPTIONS CONSULTANT COSTS	$360,000	$180,000	$125,000	$62,500	-$235,000	-$117,500
24	31	RATE STUDIES FOR MAIC AND AAC VENDOR	$1,000,000	$500,000	$635,000	$317,500	-$365,000	-$182,500
26	28	HIPAA CAPITATION PAYMENT REPORTING PROJECT	$1,000,000	$250,000	$967,000	$466,750	-$33,000	$216,750
27	37	ENCRYPTION OF PHI DATA	$250,000	$125,000	$350,000	$175,000	$100,000	$50,000
28	38	MIS/DSS CONTRACT REPROCUREMENT SERVICES	$250,000	$62,500	$250,000	$62,500	$0	$0
29	41	PEDIATRIC PALLIATIVE CARE WAIVER EVALUATION	$181,000	$90,500	$188,000	$94,000	$7,000	$3,500
31	47	Q5i AUTOMATED DATA SYSTEM ACQUISTION	$87,000	$43,500	$87,000	$43,500	$0	$0
32	40	MITA	$167,000	$16,700	$189,000	$18,900	$22,000	$2,200

COMPARISON OF FISCAL IMPACTS OF OTHER ADMINISTRATION POLICY CHANGES
NOVEMBER 2012 ESTIMATE COMPARED TO APPROPRIATION
FISCAL YEAR 2012-13

MAY PC#	NOV. PC#	POLICY CHANGE TITLE	2012-13 APPROPRIATION TOTAL FUNDS	2012-13 APPROPRIATION STATE FUNDS	NOV. 2012 EST. FOR 2012-13 TOTAL FUNDS	NOV. 2012 EST. FOR 2012-13 STATE FUNDS	DIFFERENCE TOTAL FUNDS	DIFFERENCE STATE FUNDS
		CDHS						
33	43	EPOCRATES	$119,000	$59,500	$119,000	$59,500	$0	$0
34	45	CCS CASE MANAGEMENT SUPPLEMENTAL PAYMENT	$100,000	$0	$100,000	$0	$0	$0
35	46	TAR POSTAGE	$90,000	$45,000	$95,000	$47,500	$5,000	$2,500
36	44	KATIE A. V. DIANA BONTA SPECIAL MASTER	$100,000	$50,000	$103,000	$51,500	$3,000	$1,500
63	13	TRANSITION OF HFP TO MEDI-CAL	$12,157,000	$4,254,950	$15,846,000	$5,546,100	$3,689,000	$1,291,150
65	32	MEDI-CAL INPATIENT SERVICES FOR INMATES	$560,000	$0	$560,000	$0	$0	$0
68	22	FY 2012-13 FAMILY PACT EVALUATION	$1,718,000	$859,000	$2,861,000	$1,430,500	$1,143,000	$571,500
69	27	FAMILY PACT PROGRAM ADMIN.	$724,000	$362,000	$1,207,000	$603,500	$483,000	$241,500
71	19	CCI - DUAL ELIGIBLE DEMONSTRATION PROJECT	$4,400,000	$731,500	$4,664,000	$950,000	$264,000	$218,500
72	26	MEDS INTEGRATION INTO CALHEERS	$1,607,000	$160,700	$1,261,000	$1,068,400	-$346,000	$907,700
73	7	CALHEERS DEVELOPMENT	$10,468,000	$1,046,800	$23,685,000	$4,416,900	$13,217,000	$3,370,100
77	--	RECONCILIATION WITH THE BUDGET ACT	$102,262,000	$45,931,850	$0	$0	-$102,262,000	-$45,931,850
--	3	COUNTY SPECIALTY MENTAL HEALTH ADMIN	$0	$0	$126,625,000	$0	$126,625,000	$0
--	9	SMH MAA	$0	$0	$23,282,000	$0	$23,282,000	$0
--	10	COUNTY UR & QA ADMIN	$0	$0	$16,333,000	$0	$16,333,000	$0
--	11	INTERIM AND FINAL COST SETTLEMENTS-SMHS	$0	$0	$15,821,000	$0	$15,821,000	$0
--	34	APD PROJECT MANAGER	$0	$0	$429,000	$214,500	$429,000	$214,500
--	39	MEDS MODERNIZATION PROJECT CONTRACTOR	$0	$0	$200,000	$20,000	$200,000	$20,000
		CDHS SUBTOTAL	**$997,261,000**	**$154,252,550**	**$786,022,000**	**$120,473,550**	**-$211,239,000**	**-$33,779,000**
		OTHER DEPARTMENTS						
39	52	PERSONAL CARE SERVICES	$258,376,000	$0	$260,406,000	$0	$2,030,000	$0
40	53	HEALTH RELATED ACTIVITIES	$198,581,000	$0	$212,850,000	$0	$14,269,000	$0
41	--	DEPARTMENT OF MENTAL HEALTH ADMIN. COSTS	$165,883,000	$0	$0	$0	-$165,883,000	$0
42	54	CDDS ADMINISTRATIVE COSTS	$41,388,000	$0	$36,082,000	$0	-$5,306,000	$0
43	55	MATERNAL AND CHILD HEALTH	$26,519,000	$0	$34,792,000	$0	$8,273,000	$0
44	56	HEALTH CARE PROGRAM FOR CHILDREN IN FOSTER	$18,150,000	$0	$24,445,000	$0	$6,295,000	$0
45	--	ADMINISTRATIVE COSTS FOR CCT	$3,537,000	$0	$0	$0	-$3,537,000	$0
46	64	FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT	$14,360,000	$0	$14,881,000	$0	$521,000	$0
47	57	CLPP CASE MANAGEMENT SERVICES	$4,200,000	$0	$6,593,000	$0	$2,393,000	$0

COMPARISON OF FISCAL IMPACTS OF OTHER ADMINISTRATION POLICY CHANGES
NOVEMBER 2012 ESTIMATE COMPARED TO APPROPRIATION
FISCAL YEAR 2012-13

MAY PC#	NOV. PC#	POLICY CHANGE TITLE	2012-13 APPROPRIATION TOTAL FUNDS	2012-13 APPROPRIATION STATE FUNDS	NOV. 2012 EST. FOR 2012-13 TOTAL FUNDS	NOV. 2012 EST. FOR 2012-13 STATE FUNDS	DIFFERENCE TOTAL FUNDS	DIFFERENCE STATE FUNDS
		OTHER DEPARTMENTS						
48	58	DEPARTMENT OF SOCIAL SERVICES ADMIN COST	$5,563,000	$0	$25,317,000	$0	$19,754,000	$0
50	59	DEPARTMENT OF AGING ADMINISTRATIVE COSTS	$3,140,000	$0	$2,793,000	$0	-$347,000	$0
51	63	SINGLE POINT OF ENTRY - MEDI-CAL/HFP	$1,796,000	$0	$1,521,000	$0	-$275,000	$0
52	60	VETERANS BENEFITS	$1,956,000	$0	$1,956,000	$0	$0	$0
53	62	OUTREACH - CHILDREN	$1,220,000	$0	$1,626,000	$569,100	$406,000	$569,100
54	61	CDPH I&E PROGRAM AND EVALUATION	$1,799,000	$0	$1,674,000	$0	-$125,000	$0
55	69	FAMILY PACT EVALUATION	$532,000	$0	$376,000	$0	-$156,000	$0
56	65	CDDS DENTAL SERVICES	$1,270,000	$1,270,000	$1,270,000	$1,270,000	$0	$0
57	66	KIT FOR NEW PARENTS	$1,017,000	$0	$1,017,000	$0	$0	$0
58	70	FPACT SUPPORT, PROVIDER EDUC. & CLIENT OUTRE	$206,000	$0	$355,000	$0	$149,000	$0
59	68	CHHS AGENCY HIPAA FUNDING	$651,000	$0	$651,000	$0	$0	$0
60	72	MERIT SYSTEM SERVICES FOR COUNTIES	$184,000	$92,000	$184,000	$92,000	$0	$0
62	74	PIA EYEWEAR COURIER SERVICE	$268,000	$134,000	$354,000	$177,000	$86,000	$43,000
66	--	COMMUNITY FIRST CHOICE OPTION-ADMIN	$1,907,000	$0	$0	$0	-$1,907,000	$0
70	71	CCI CDA ADMIN COST-HICAP	$150,000	$0	$272,000	$0	$122,000	$0
74	67	QUITLINE ADMINISTRATIVE SERVICES	$1,000,000	$0	$1,000,000	$0	$0	$0
76	--	DEPARTMENT OF STATE HOSPITALS ADMIN. COSTS	$1,147,000	$0	$0	$0	-$1,147,000	$0
		OTHER DEPARTMENTS SUBTOTAL	**$754,800,000**	**$1,496,000**	**$630,415,000**	**$2,108,100**	**-$124,385,000**	**$612,100**
		OTHER ADMINISTRATION SUBTOTAL	**$1,752,061,000**	**$155,748,550**	**$1,416,437,000**	**$122,581,650**	**-$335,624,000**	**-$33,166,900**
		GRAND TOTAL COUNTY AND OTHER ADMIN.	**$1,892,372,000**	**$190,176,600**	**$2,769,050,000**	**$753,099,350**	**$876,678,000**	**$562,922,750**

COMPARISON OF FISCAL IMPACTS OF OTHER ADMINISTRATION POLICY CHANGES
CURRENT YEAR COMPARED TO BUDGET YEAR
FISCAL YEARS 2012-13 AND 2013-14

NOV. PC#	POLICY CHANGE TITLE	NOV. 2012 EST. FOR 2012-13		NOV. 2012 EST. FOR 2013-14		DIFFERENCE	
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
	CDHS						
1	MEDI-CAL ADMINISTRATIVE ACTIVITIES	$217,000,000	$0	$228,000,000	$0	$11,000,000	$0
2	CCS CASE MANAGEMENT	$146,489,000	$59,231,250	$148,982,000	$58,725,750	$2,493,000	-$505,500
3	COUNTY SPECIALTY MENTAL HEALTH ADMIN	$126,625,000	$0	$141,726,000	$0	$15,101,000	$0
4	BTR—LIHP - ADMIN COSTS	$39,409,000	$0	$703,567,000	$0	$664,158,000	$0
5	EPSDT CASE MANAGEMENT	$33,718,000	$11,871,250	$33,718,000	$11,871,250	$0	$0
6	MH/UCD—HCCI - ADMIN COSTS	$25,427,000	$0	$1,500,000	$0	-$23,927,000	$0
7	CALHEERS DEVELOPMENT	$23,685,000	$4,416,900	$24,085,000	$6,168,100	$400,000	$1,751,200
8	POSTAGE & PRINTING	$25,427,000	$12,579,600	$25,227,000	$12,553,700	-$200,000	-$25,900
9	SMH MAA	$23,282,000	$0	$24,912,000	$0	$1,630,000	$0
10	COUNTY UR & QA ADMIN	$16,333,000	$0	$16,798,000	$0	$465,000	$0
11	INTERIM AND FINAL COST SETTLEMENTS-SMHS	$15,821,000	$0	$26,641,000	$0	$10,820,000	$0
12	COORDINATED CARE MANAGEMENT PILOTS	$10,488,000	$5,244,000	$4,716,000	$2,358,000	-$5,772,000	-$2,886,000
13	TRANSITION OF HFP TO MEDI-CAL	$15,846,000	$5,546,100	$26,286,000	$9,200,100	$10,440,000	$3,654,000
14	MIS/DSS CONTRACT	$11,555,000	$3,056,500	$10,900,000	$2,892,750	-$655,000	-$163,750
15	LITIGATION RELATED SERVICES	$9,600,000	$4,800,000	$9,980,000	$4,990,000	$380,000	$190,000
16	MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)	$5,990,000	$1,970,050	$5,949,000	$1,971,550	-$41,000	$1,500
17	MEDI-CAL RECOVERY CONTRACT	$5,290,000	$1,322,000	$5,290,000	$1,322,000	$0	$0
18	CA-MMIS TAKEOVER & REPLACEMENT OVERSIGHT	$5,122,000	$624,900	$5,513,000	$660,300	$391,000	$35,400
19	CCI - DUAL ELIGIBLE DEMONSTRATION PROJECT	$4,664,000	$950,000	$5,172,000	$2,542,500	$508,000	$1,592,500
20	CA-MMIS TAKEOVER/OTHER STATE TRANSITION COST	$3,127,000	$375,450	$2,284,000	$273,800	-$843,000	-$101,650
21	PREVENTION OF CHRONIC DISEASE GRANT PROJECT	$2,970,000	$0	$2,664,000	$0	-$306,000	$0
22	FY 2012-13 FAMILY PACT EVALUATION	$2,861,000	$1,430,500	$2,861,000	$1,430,500	$0	$0
23	ARRA HITECH INCENTIVE PROGRAM	$1,818,000	$154,000	$2,626,000	$154,000	$808,000	$0
24	SSA COSTS FOR HEALTH COVERAGE INFO.	$1,760,000	$880,000	$2,000,000	$1,000,000	$240,000	$120,000
25	ADHC TRANSITION-ADMINISTRATION	$1,741,000	$870,500	$564,000	$282,000	-$1,177,000	-$588,500
26	MEDS INTEGRATION INTO CALHEERS	$1,261,000	$1,068,400	$997,000	$848,950	-$264,000	-$219,450
27	FAMILY PACT PROGRAM ADMIN.	$1,207,000	$603,500	$1,207,000	$603,500	$0	$0

COMPARISON OF FISCAL IMPACTS OF OTHER ADMINISTRATION POLICY CHANGES
CURRENT YEAR COMPARED TO BUDGET YEAR
FISCAL YEARS 2012-13 AND 2013-14

NOV. PC#	POLICY CHANGE TITLE	NOV. 2012 EST. FOR 2012-13 TOTAL FUNDS	NOV. 2012 EST. FOR 2012-13 STATE FUNDS	NOV. 2012 EST. FOR 2013-14 TOTAL FUNDS	NOV. 2012 EST. FOR 2013-14 STATE FUNDS	DIFFERENCE TOTAL FUNDS	DIFFERENCE STATE FUNDS
	CDHS						
28	HIPAA CAPITATION PAYMENT REPORTING PROJECT	$967,000	$466,750	$2,000,000	$500,000	$1,033,000	$33,250
29	SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES	$950,000	$950,000	$950,000	$950,000	$0	$0
30	MMA - DSH ANNUAL INDEPENDENT AUDIT	$856,000	$428,000	$856,000	$428,000	$0	$0
31	RATE STUDIES FOR MAIC AND AAC VENDOR	$635,000	$317,500	$1,000,000	$500,000	$365,000	$182,500
32	MEDI-CAL INPATIENT SERVICES FOR INMATES	$560,000	$0	$560,000	$0	$0	$0
33	POSTAGE AND PRINTING - THIRD PARTY LIAB.	$534,000	$267,000	$507,000	$253,500	-$27,000	-$13,500
34	APD PROJECT MANAGER	$429,000	$214,500	$71,000	$35,500	-$358,000	-$179,000
35	MEDICARE BUY-IN QUALITY REVIEW PROJECT	$400,000	$200,000	$400,000	$200,000	$0	$0
36	CCT ENROLLMENT-ADMIN COSTS	$369,000	$0	$369,000	$0	$0	$0
37	ENCRYPTION OF PHI DATA	$350,000	$175,000	$500,000	$250,000	$150,000	$75,000
38	MIS/DSS CONTRACT REPROCUREMENT SERVICES	$250,000	$62,500	$350,000	$87,500	$100,000	$25,000
39	MEDS MODERNIZATION PROJECT CONTRACTOR	$200,000	$20,000	$0	$0	-$200,000	-$20,000
40	MITA	$189,000	$18,900	$0	$0	-$189,000	-$18,900
41	PEDIATRIC PALLIATIVE CARE WAIVER EVALUATION	$188,000	$94,000	$103,000	$51,500	-$85,000	-$42,500
42	HEALTH CARE OPTIONS CONSULTANT COSTS	$125,000	$62,500	$125,000	$62,500	$0	$0
43	EPOCRATES	$119,000	$59,500	$119,000	$59,500	$0	$0
44	KATIE A. V. DIANA BONTA SPECIAL MASTER	$103,000	$51,500	$100,000	$50,000	-$3,000	-$1,500
45	CCS CASE MANAGEMENT SUPPLEMENTAL PAYMENT	$100,000	$0	$100,000	$0	$0	$0
46	TAR POSTAGE	$95,000	$47,500	$93,000	$46,500	-$2,000	-$1,000
47	Q5i AUTOMATED DATA SYSTEM ACQUISTION	$87,000	$43,500	$87,000	$43,500	$0	$0
48	PASRR	$0	$0	$2,616,000	$654,000	$2,616,000	$654,000
49	SDMC SYSTEM M&O SUPPORT	$0	$0	$1,834,000	$917,000	$1,834,000	$917,000
50	ANNUAL EDP AUDIT CONTRACTOR	$0	$0	$400,000	$200,000	$400,000	$200,000
51	RECOVERY AUDIT CONTRACTOR COSTS	$0	$0	$9,000	$4,500	$9,000	$4,500
	CDHS SUBTOTAL	**$786,022,000**	**$120,473,550**	**$1,477,314,000**	**$125,142,250**	**$691,292,000**	**$4,668,700**
	OTHER DEPARTMENTS						

COMPARISON OF FISCAL IMPACTS OF OTHER ADMINISTRATION POLICY CHANGES
CURRENT YEAR COMPARED TO BUDGET YEAR
FISCAL YEARS 2012-13 AND 2013-14

NOV. PC#	POLICY CHANGE TITLE	NOV. 2012 EST. FOR 2012-13 TOTAL FUNDS	NOV. 2012 EST. FOR 2012-13 STATE FUNDS	NOV. 2012 EST. FOR 2013-14 TOTAL FUNDS	NOV. 2012 EST. FOR 2013-14 STATE FUNDS	DIFFERENCE TOTAL FUNDS	DIFFERENCE STATE FUNDS
	OTHER DEPARTMENTS						
52	PERSONAL CARE SERVICES	$260,406,000	$0	$252,906,000	$0	-$7,500,000	$0
53	HEALTH RELATED ACTIVITIES	$212,850,000	$0	$209,849,000	$0	-$3,001,000	$0
54	CDDS ADMINISTRATIVE COSTS	$36,082,000	$0	$33,394,000	$0	-$2,688,000	$0
55	MATERNAL AND CHILD HEALTH	$34,792,000	$0	$31,954,000	$0	-$2,838,000	$0
56	HEALTH CARE PROGRAM FOR CHILDREN IN FOSTER C	$24,445,000	$0	$24,445,000	$0	$0	$0
57	CLPP CASE MANAGEMENT SERVICES	$6,593,000	$0	$6,593,000	$0	$0	$0
58	DEPARTMENT OF SOCIAL SERVICES ADMIN COST	$25,317,000	$0	$24,171,000	$0	-$1,146,000	$0
59	DEPARTMENT OF AGING ADMINISTRATIVE COSTS	$2,793,000	$0	$3,146,000	$0	$353,000	$0
60	VETERANS BENEFITS	$1,956,000	$0	$1,956,000	$0	$0	$0
61	CDPH I&E PROGRAM AND EVALUATION	$1,674,000	$0	$1,984,000	$0	$310,000	$0
62	OUTREACH - CHILDREN	$1,626,000	$569,100	$1,626,000	$569,100	$0	$0
63	SINGLE POINT OF ENTRY - MEDI-CAL/HFP	$1,521,000	$0	$1,164,000	$0	-$357,000	$0
64	FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT	$14,881,000	$0	$14,416,000	$0	-$465,000	$0
65	CDDS DENTAL SERVICES	$1,270,000	$1,270,000	$1,270,000	$1,270,000	$0	$0
66	KIT FOR NEW PARENTS	$1,017,000	$0	$1,017,000	$0	$0	$0
67	QUITLINE ADMINISTRATIVE SERVICES	$1,000,000	$0	$1,000,000	$0	$0	$0
68	CHHS AGENCY HIPAA FUNDING	$651,000	$0	$651,000	$0	$0	$0
69	FAMILY PACT EVALUATION	$376,000	$0	$100,000	$0	-$276,000	$0
70	FPACT SUPPORT, PROVIDER EDUC. & CLIENT OUTREA	$355,000	$0	$66,000	$0	-$289,000	$0
71	CCI CDA ADMIN COST-HICAP	$272,000	$0	$0	$0	-$272,000	$0
72	MERIT SYSTEM SERVICES FOR COUNTIES	$184,000	$92,000	$184,000	$92,000	$0	$0
73	SINGLE POINT OF ENTRY - MEDI-CAL ONLY	$0	$0	$2,842,000	$1,244,000	$2,842,000	$1,244,000
74	PIA EYEWEAR COURIER SERVICE	$354,000	$177,000	$279,000	$139,500	-$75,000	-$37,500
	OTHER DEPARTMENTS SUBTOTAL	**$630,415,000**	**$2,108,100**	**$615,013,000**	**$3,314,600**	**-$15,402,000**	**$1,206,500**
	OTHER ADMINISTRATION SUBTOTAL	**$1,416,437,000**	**$122,581,650**	**$2,092,327,000**	**$128,456,850**	**$675,890,000**	**$5,875,200**

COMPARISON OF FISCAL IMPACTS OF OTHER ADMINISTRATION POLICY CHANGES
CURRENT YEAR COMPARED TO BUDGET YEAR
FISCAL YEARS 2012-13 AND 2013-14

NOV. PC#	POLICY CHANGE TITLE	NOV. 2012 EST. FOR 2012-13		NOV. 2012 EST. FOR 2013-14		DIFFERENCE	
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
	GRAND TOTAL COUNTY AND OTHER ADMIN.	$2,769,050,000	$753,099,350	$3,564,433,000	$822,685,450	$795,383,000	$69,586,100

MEDI-CAL OTHER ADMINISTRATION
POLICY CHANGE INDEX

POLICY CHANGE NUMBER	POLICY CHANGE TITLE
	CDHS
1	MEDI-CAL ADMINISTRATIVE ACTIVITIES
2	CCS CASE MANAGEMENT
3	COUNTY SPECIALTY MENTAL HEALTH ADMIN
4	BTR—LIHP - ADMIN COSTS
5	EPSDT CASE MANAGEMENT
6	MH/UCD—HCCI - ADMIN COSTS
7	CALHEERS DEVELOPMENT
8	POSTAGE & PRINTING
9	SMH MAA
10	COUNTY UR & QA ADMIN
11	INTERIM AND FINAL COST SETTLEMENTS-SMHS
12	COORDINATED CARE MANAGEMENT PILOTS
13	TRANSITION OF HFP TO MEDI-CAL
14	MIS/DSS CONTRACT
15	LITIGATION RELATED SERVICES
16	MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)
17	MEDI-CAL RECOVERY CONTRACT
18	CA-MMIS TAKEOVER & REPLACEMENT OVERSIGHT
19	CCI - DUAL ELIGIBLE DEMONSTRATION PROJECT
20	CA-MMIS TAKEOVER/OTHER STATE TRANSITION COSTS
21	PREVENTION OF CHRONIC DISEASE GRANT PROJECT
22	FY 2012-13 FAMILY PACT EVALUATION
23	ARRA HITECH INCENTIVE PROGRAM
24	SSA COSTS FOR HEALTH COVERAGE INFO.
25	ADHC TRANSITION-ADMINISTRATION
26	MEDS INTEGRATION INTO CALHEERS
27	FAMILY PACT PROGRAM ADMIN.
28	HIPAA CAPITATION PAYMENT REPORTING PROJECT
29	SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES
30	MMA - DSH ANNUAL INDEPENDENT AUDIT
31	RATE STUDIES FOR MAIC AND AAC VENDOR
32	MEDI-CAL INPATIENT SERVICES FOR INMATES
33	POSTAGE AND PRINTING - THIRD PARTY LIAB.
34	APD PROJECT MANAGER
35	MEDICARE BUY-IN QUALITY REVIEW PROJECT
36	CCT ENROLLMENT-ADMIN COSTS

MEDI-CAL OTHER ADMINISTRATION
POLICY CHANGE INDEX

POLICY CHANGE NUMBER	POLICY CHANGE TITLE
	CDHS
37	ENCRYPTION OF PHI DATA
38	MIS/DSS CONTRACT REPROCUREMENT SERVICES
39	MEDS MODERNIZATION PROJECT CONTRACTOR
40	MITA
41	PEDIATRIC PALLIATIVE CARE WAIVER EVALUATION
42	HEALTH CARE OPTIONS CONSULTANT COSTS
43	EPOCRATES
44	KATIE A. V. DIANA BONTA SPECIAL MASTER
45	CCS CASE MANAGEMENT SUPPLEMENTAL PAYMENT
46	TAR POSTAGE
47	Q5i AUTOMATED DATA SYSTEM ACQUISTION
48	PASRR
49	SDMC SYSTEM M&O SUPPORT
50	ANNUAL EDP AUDIT CONTRACTOR
51	RECOVERY AUDIT CONTRACTOR COSTS
	OTHER DEPARTMENTS
52	PERSONAL CARE SERVICES
53	HEALTH RELATED ACTIVITIES
54	CDDS ADMINISTRATIVE COSTS
55	MATERNAL AND CHILD HEALTH
56	HEALTH CARE PROGRAM FOR CHILDREN IN FOSTER CARE
57	CLPP CASE MANAGEMENT SERVICES
58	DEPARTMENT OF SOCIAL SERVICES ADMIN COST
59	DEPARTMENT OF AGING ADMINISTRATIVE COSTS
60	VETERANS BENEFITS
61	CDPH I&E PROGRAM AND EVALUATION
62	OUTREACH - CHILDREN
63	SINGLE POINT OF ENTRY - MEDI-CAL/HFP
64	FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT COSTS
65	CDDS DENTAL SERVICES
66	KIT FOR NEW PARENTS
67	QUITLINE ADMINISTRATIVE SERVICES
68	CHHS AGENCY HIPAA FUNDING
69	FAMILY PACT EVALUATION
70	FPACT SUPPORT, PROVIDER EDUC. & CLIENT OUTREACH

MEDI-CAL OTHER ADMINISTRATION
POLICY CHANGE INDEX

POLICY CHANGE NUMBER	POLICY CHANGE TITLE
	OTHER DEPARTMENTS
71	CCI CDA ADMIN COST-HICAP
72	MERIT SYSTEM SERVICES FOR COUNTIES
73	SINGLE POINT OF ENTRY - MEDI-CAL ONLY
74	PIA EYEWEAR COURIER SERVICE

MEDI-CAL ADMINISTRATIVE ACTIVITIES

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

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$217,000,000	$228,000,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$217,000,000	$228,000,000

DESCRIPTION

Purpose:
This policy change budgets the federal financial participation (FFP) for claims submitted on behalf of local government agencies (LGAs), local education agencies (LEA), and Native American Indian tribes for Medicaid administrative activities.

Authority:
AB 2377 (Chapter 147, Statutes of 1994)
AB 2780 (Chapter 310, Statutes of 1998)
SB 308 (Chapter 253, Statutes of 2003)

Interdependent Policy Changes:
Not Applicable

Background:
AB 2377 authorized the State to implement the Medi-Cal Administrative Activities (MAA) claiming process. The Department submits claims on behalf of LGAs, 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.

AB 2780 allowed LEAs (including 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 LGAs.

SB 308 redefined LGAs to include Native American Indian tribes. This allows tribes to participate in MAA and Targeted Case Management programs. Reimbursements for non-emergency and non-medical transportation expenditures are also available for Tribal entities.

Reason for Change from Prior Estimate:
Revisions based on actual expenditures.

Methodology:
1. MAA reimbursement for FY 2011-12 was $207,000,000.

2. Assume a 5% increase in FY 2012-13 and FY 2013-14.

Funding:
Title XIX FFP (4260-101-0890)

CCS CASE MANAGEMENT

OTHER ADMIN. POLICY CHANGE NUMBER:	2
IMPLEMENTATION DATE:	7/1999
ANALYST:	Andrew Yoo
FISCAL REFERENCE NUMBER:	230

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$146,489,000	$148,982,000
STATE FUNDS	$59,231,250	$58,725,750
FEDERAL FUNDS	$87,257,750	$90,256,250

DESCRIPTION

Purpose:
This policy change estimates the California Children's Services (CCS) case management cost.

Authority:
Health and Safety Code, sections 123800-123995

Interdependent Policy Changes:
Not Applicable

Background:
CCS county staff performs case management for clients who reside in counties with populations greater than 200,000 (independent counties). Case management includes performing all phases of program eligibility determination, evaluating the medical need for specific services, and determining appropriate providers. The state shares case management activities administered by CCS state regional office employees in Sacramento, San Francisco and Los Angeles for counties with populations less than 200,000 (dependent counties). The Children's Medical Services (CMS) Net automated system is utilized by the CCS Medi-Cal program to assure case management activities.

Reason for Change from Prior Year:
There is no material change.

Methodology:
1. The county administrative estimate for the budget year is updated every May based on additional data collected.

2. For FY 2012-13, the CCS case management costs are based on budgeted county expenditures of $143,078,000 and the Pediatric Palliative Care (PPC) Nurse Liaisons cost of $740,000 in the May 2012 Estimate.

   $143,078,000 + $740,000 = $143,818,000

3. For FY 2013-14, caseload is expected to increase 1.73% from FY 2012-13 to FY 2013-14 based on the Nov 2012 Estimate.

   $143,818,000 x (1 + 1.73%) = $146,306,000

4. County data processing costs associated with CMS Net for CCS Medi-Cal are estimated to be $1,935,000 in FY 2012-13 and $1,927,000 in FY 2013-14.

CCS CASE MANAGEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 2

5. AB 1745 requires the Department to conduct a waiver pilot project to determine whether PPC should be provided as a benefit under the Medi-Cal program. These expenditures have been rolled into the CCS case management costs.

	FY 2012-13	FY 2013-14
CCS Case Management	$144,554,000	$147,055,000
CMS Net	$1,935,000	$1,927,000
Total	**$146,489,000**	**$148,982,000**

Funding:
Title XIX GF/FFP (4260-101-0001/0890)

COUNTY SPECIALTY MENTAL HEALTH ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER:	3
IMPLEMENTATION DATE:	7/2012
ANALYST:	Betty Lai
FISCAL REFERENCE NUMBER:	1721

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$126,625,000	$141,726,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$126,625,000	$141,726,000

DESCRIPTION

Purpose:
This policy change estimates the county administrative costs for the Specialty Mental health Medi-Cal Waiver, Medi-Cal Children's Health Insurance Program, and Healthy Families Program administered by county mental health departments.

Authority:
Welfare & Institutions Code 14711(c)

Interdependent Policy Changes:
Not Applicable

Background:
Counties may obtain federal reimbursement for certain costs associated with administering a county's mental health program. Counties must report their administration costs and direct facility expenditures quarterly.

Reason for Change from Prior Estimate:
There is no material change.

Methodology:
1. Mental Health administration costs are based on historical trends. Below are the costs on an accrual basis for Medi-Cal (MC), Healthy Families Program (HFP), and M-CHIP:

(In Thousands)

Fiscal Year	MC	HFP	M-CHIP	Total
FY 2011-12	$228,641	$1,728	$844	$231,213
FY 2012-13	$255,988	$1,935	$844	$258,767
FY 2013-14	$287,592	$1,451	$844	$289,887

(In Thousands)

Fiscal Year	Total	FFP	County
FY 2011-12	$231,213	$115,992	$115,221
FY 2012-13	$258,767	$129,800	$128,967
FY 2013-14	$289,887	$145,288	$144,599

COUNTY SPECIALTY MENTAL HEALTH ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER: 3

2. Based on historical claims received, assume 77% of the each fiscal year claims will be paid in the year the services occur. The remaining 23% is paid in the following year.

(In Thousands)

Fiscal Year	Accrual	FY 2012-13	FY 2013-14
MC	$228,641	$52,587	$0
HFP	$1,728	$397	$0
M-CHIP	$844	$194	$0
FY 2011-12	$231,213	$53,178	$0
MC	$255,988	$197,111	$58,877
HFP	$1,935	$1,490	$445
M-CHIP	$844	$650	$194
FY 2012-13	$258,767	$199,251	$59,516
MC	$287,592	$0	$221,446
HFP	$1,451	$0	$1,117
M-CHIP	$844	$0	$650
FY 2013-14	$289,887	$0	$223,213

3. Mental Health administration costs are shared between federal funds (FFP) and county funds. Healthy Families (HF) claims are eligible for federal reimbursement of 65%. Medi-Cal (MC) claims are eligible for 50% federal reimbursement.

(In Thousands)

	FY 2012-13			FY 2013-14		
Claims	TF	FFP	County	TF	FFP	County
MC	$249,699	$124,849	$124,850	$280,323	$140,162	$140,161
HFP*	$1,887	$1,227	$660	$1,562	$1,015	$547
M-CHIP*	$844	$549	$295	$844	$549	$295
Total	$252,430	**$126,625**	$125,805	$282,729	**$141,726**	$141,003

Funding:
Title XIX 100% FFP (4260-101-0890)
Title XXI 100% FFP (4260-113-0890)*

BTR—LIHP - ADMIN COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	4
IMPLEMENTATION DATE:	7/2011
ANALYST:	Randolph Alarcio
FISCAL REFERENCE NUMBER:	1589

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$39,409,000	$703,567,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$39,409,000	$703,567,000

DESCRIPTION

Purpose:
This policy change estimates federal funds for the administrative costs associated with the Low Income Health Program (LIHP) under the California Bridge to Reform (BTR) Demonstration.

Authority:
AB 342 (Chapter 723, Statutes of 2010)
AB 1066 (Chapter 86, Statutes of 2011)
Section 1115(a) Medicaid Demonstration (Waiver 11-W-00193/9)

Interdependent Policy Changes:
Not Applicable

Background:
The LIHP, effective November 1, 2010 through December 31, 2013, consists of two components, the Medicaid Coverage Expansion (MCE) and the Health Care Coverage Initiative (HCCI). The MCE will cover eligibles with family incomes at or below 133% of the Federal Poverty Level (FPL). The HCCI will cover those with family incomes above 133% through 200% of the FPL. Both are statewide county elective programs. The LIHP HCCI replaced the HCCI under the Medi-Cal Hospital/Uninsured Care Section 1115(a) Medicaid Demonstration (CI) which was extended until October 31, 2010. AB 342 and AB 1066 authorize the local LIHPs to provide health care services to eligible individuals.

The Centers for Medicare and Medicaid Services (CMS) will provide uncapped federal funds to the local LIHPs at an amount equal to the regular Federal Medical Assistance Percentage (50%) for their administrative costs associated with the start-up, implementation, and close out administration of their approved LIHPs. The Department will use Certified Public Expenditures (CPEs) of the local government administrative costs to draw down federal funds and will distribute these funds to the local governments. The Department will submit a cost claiming protocol to CMS for approval of the administrative cost claiming for the BTR-LIHP.

Reason for Change from Prior Estimate:
Payments have been revised pending CMS approval of the claiming protocols.

Methodology:
1. Assume the Department will receive federal approval of the administrative cost claiming protocol in FY 2012-13.

2. The time study process will be implemented in FY 2013-14.

BTR—LIHP - ADMIN COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 4

3. Administrative payments are based on the results of the first quarter time study.

4. Invoices for administrative payments in FY 2011-12 and FY 2012-13 will be processed in FY 2013-14.

5. Invoices for start-up costs and adjustments to prior periods will be processed in FY 2012-13 and FY 2013-14.

6. Estimated administrative costs are expected to be as follows:

FY 2012-13	LIHP-HCCI	LIHP-MCE	Total FFP
2010-11	$9,852,000	$29,557,000	**$39,409,000**
FY 2013-14			
2010-11	$20,000,000	$30,000,000	$50,000,000
2011-12	$36,530,000	$109,589,000	$146,119,000
2012-13	$126,862,000	$380,586,000	$507,448,000
Total	$183,392,000	$520,175,000	**$703,567,000**

Funding:
Title XIX 100% FFP (4260-101-0890)

EPSDT CASE MANAGEMENT

OTHER ADMIN. POLICY CHANGE NUMBER:	5
IMPLEMENTATION DATE:	7/1996
ANALYST:	Yumie Park
FISCAL REFERENCE NUMBER:	229

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$33,718,000	$33,718,000
STATE FUNDS	$11,871,250	$11,871,250
FEDERAL FUNDS	$21,846,750	$21,846,750

DESCRIPTION

Purpose:
This policy change estimates Medi-Cal's Early and Periodic Screening Diagnosis and Treatment (EPSDT) Case Management allocation.

Authority:
Health & Safety Code 124075(a)
Welfare & Institutions Code 10507

Interdependent Policy Changes:
Not Applicable

Background:
The EPSDT Case Management budget is allocated to individual counties and controlled on an accrual basis.

Reason for Change from Prior Estimate:
There is no change.

Methodology:
1. The set allocation amount is $33,718,000 ($11,871,250 GF) annually and is based on a formula that was calculated by the Child Health and Disability Prevention program.

	TF	GF	FFP
Allocation	**$33,718,000**	**$11,871,000**	**$21,847,000**

Funding:
State General Fund (4260-101-0001)
Title XIX 100% FFP (4260-101-0890)

MH/UCD—HCCI - ADMIN COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	6
IMPLEMENTATION DATE:	7/2009
ANALYST:	Randolph Alarcio
FISCAL REFERENCE NUMBER:	1180

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$25,427,000	$1,500,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$25,427,000	$1,500,000

DESCRIPTION

Purpose:
This policy change estimates the administrative costs associated with the Health Care Coverage Initiative (HCCI) under the Medi-Cal Hospital/Uninsured Care Demonstration (MH/UCD).

Authority:
SB 1448 (Chapter 76, Statutes of 2006)
Section 1115(a) Medi-Cal Hospital/Uninsured Care Demonstration

Interdependent Policy Changes:
Not Applicable

Background:
Under the Special Terms and Conditions of the MH/UCD, $180 million per Demonstration Year 3 – 5 is available for implementing the HCCI. SB 1448 requires that these funds be used for only health care services provided through the approved health care coverage programs.

In addition, the Centers for Medicare and Medicaid Services (CMS) will provide uncapped federal funds to the HCCI counties at an amount equal to the regular Federal Medical Assistance Percentage (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. The Department will use the counties' Certified Public Expenditures of their HCCI administrative costs to draw down federal funds and will distribute these federal funds to the HCCI counties.

The MH/UCD expired on August 31, 2010 and was extended through October 31, 2010. The California Bridge to Reform section 1115(a) Medicaid Demonstration (BTR) was approved by CMS effective November 1, 2010. The new Demonstration modifies the existing Health Care Coverage Initiative. Administrative costs related to the BTR—Low Income Health Program are included in the policy change BTR—LIHP - Admin Costs.

Reason for Change from Prior Estimate:
Adjusted to reflect a reduction in the trend of actual payments for administrative costs.

Methodology:
1. The administrative activities costs consist of backcasting, start-up related to county personnel, previous claiming periods, and program year 1 and 2 revised costs.

2. The remaining actual start-up costs and projected backcasting costs for 2007-08 will be claimed in FY 2012-13.

MH/UCD—HCCI - ADMIN COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 6

3. The remaining actual administrative costs for 2008-09 will be claimed in FY 2012-13.

4. The remaining actual administrative costs for 2009-10 and estimated closeout cost resulting from closing out the MH/UCD HCCI program will be claimed in FY 2012-13 and FY 2013-14.

5. Estimated administrative costs are expected as follows:

FY 2012-13	**Total**	**FFP**	**CPE***
2007-08	$33,064,000	$16,532,000	$16,532,000
2008-09	$1,100,000	$550,000	$550,000
2009-10	$16,690,000	$8,345,000	$8,345,000
Total	$50,854,000	**$25,427,000**	$25,427,000

FY 2013-14	**Total**	**FFP**	**CPE***
2009-10	$3,000,000	**$1,500,000**	$1,500,000

Funding:
Title XIX 100% FFP (4260-101-0890)

CALHEERS DEVELOPMENT

OTHER ADMIN. POLICY CHANGE NUMBER:	7
IMPLEMENTATION DATE:	6/2012
ANALYST:	Taryn Gerald
FISCAL REFERENCE NUMBER:	1679

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$23,685,000	$24,085,000
STATE FUNDS	$4,416,900	$6,168,100
FEDERAL FUNDS	$19,268,100	$17,916,900

DESCRIPTION

Purpose:
This policy change estimates the cost for developing, implementing, ongoing maintenance, and operations of the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS).

Authority:
Affordable Care Act (ACA) of 2010
Interagency Agreement
Contract

Interdependent Policy Changes:
Not Applicable

Background:
The ACA mandates the establishment of health insurance exchanges, in California, known as the Health Benefit Exchange (HBEX) to provide competitive health care coverage for individuals and small employers. As required by ACA, States will use the HBEX to determine an applicant's eligibility for subsidized coverage. In creating this "one-stop-shop" experience, States are required to use a single, streamlined application for the applicants to apply for all applicable health subsidy programs. The application may be filed online, in person, by mail, by telephone with the HBEX, or with the Medicaid and Children's Health Insurance Program agency. To meet this requirement, the Department, the Healthy Families Program, and the HBEX have formed a partnership to acquire a Systems Integrator to design and implement the CalHEERS as the business solution that will allow the required one-stop-shopping, making health insurance eligibility and purchasing easier and more understandable.

ACA offers additional enhanced federal funding for developing/upgrading Medicaid eligibility systems and for interactions of such systems with the ACA-required HBEXs. Medi-Cal's associated cost for the development and implementation of CalHEERS is 17%.

Reason for Change from Prior Estimate:
Costs have been updated as new information is made available.

Methodology:
1. Contractors began development and implementation (D&I) work in July 2012. Assume contractors will begin maintenance and operations (M&O) in January 2014.

2. Assume a one-time cost of $294,365,443 for design, development, and implementation of CalHEERS beginning in FY 2012-13. Assume ongoing M&O costs totaling $296,522,434 beginning in FY 2013-14.

CALHEERS DEVELOPMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 7

3. CalHEERs costs are shared between HBEX (82%), Medi-Cal (17%), and Healthy Families Program (HFP) (1%). HBEX and HFP will reimburse the Department for their share.

4. In FY 2012-13, costs incurred are for CalHEER's development and implementation. In FY 2013-14, costs incurred are for CalHEER's development and implementation and maintenance and operations.

5. The design, development, and implementation period is eligible for 90% federal reimbursement. The maintenance and operation period is eligible for 75% federal reimbursement.

FY 2012-13		(In Thousands)		
Personnel	**TF**	**GF**	**FFP**	**Reimbursement**
CalHEERS	$770	$77	$693	
Department Contractors	$2,743	$47	$420	$2,276
MRMIB	$43	$4	$39	
CDSS	$38	$4	$34	
OSI	$137	$14	$123	
Systems Integration Services	$18,213	$1,821	$16,392	
Interface Development	$682	$68	$614	
IV & V Services	$78	$8	$70	
Project Mgmt & Tech Support	$654	$65	$589	
Otech Services	$327	$33	$294	
Total	$23,685	$2,141	$19,268	$2,276

CALHEERS DEVELOPMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 7

FY 2013-14		(In Thousands)	
Personnel	**Systems**	**Personnel**	**TF**
CalHEERS		$845	$845
Department Contractors		$3,890	$3,890
MRMIB		$52	$52
CDSS		$39	$39
OSI		$162	$162
Systems Integration Services			
D&I	$12,114		$12,114
M&O	$4,921		$4,921
Interface Development			
D&I	$413		$413
M&O	$228		$228
IV & V Services			
D&I	$74		$74
M&O	$22		$22
Project Mgmt & Tech Support			
D&I	$566		$566
M&O	$168		$168
Otech Services			
D&I	$591		$591
M&O	$0		$0
Total	$19,097	$4,988	$24,085

	TF	GF	FFP	Reimbursement
Total FY 2012-13:	**$23,685**	**$2,141**	**$19,268**	**$2,276**
Total FY 2013-14:	**$24,085**	**$2,940**	**$17,917**	**$3,228**

Funding:
Title XIX 10/90 FFP (4260-101-0001/0890)
Title XIX 25/75 FFP (4260-101-0001/0890)

POSTAGE & PRINTING

OTHER ADMIN. POLICY CHANGE NUMBER:	8
IMPLEMENTATION DATE:	7/1993
ANALYST:	Taryn Gerald
FISCAL REFERENCE NUMBER:	231

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$25,427,000	$25,227,000
STATE FUNDS	$12,579,600	$12,553,700
FEDERAL FUNDS	$12,847,400	$12,673,300

DESCRIPTION

Purpose:
This policy change budgets postage and printing costs for items sent to or used by Medi-Cal beneficiaries.

Authority:
Welfare & Institutions Code 14007.71

Interdependent Policy Changes:
Not Applicable

Background:
Costs for the mailing of various legal notices and the costs for forms used in determining eligibility and available third party resources are budgeted in the local assistance item as these costs are caseload driven. Under the federal Health Insurance Portability and Accountability Act (HIPAA), it is a legal obligation of the Medi-Cal program to send out a Notice of Privacy Practices (NPP) to each beneficiary household explaining the rights of beneficiaries regarding the protected health information created and maintained by the Medi-Cal program. The notice must be sent to all new Medi-Cal and Breast and Cervical Cancer Treatment Program (BCCTP) enrollees, and at least every 3 years to existing beneficiaries. Postage and printing costs for the HIPAA NPP, Transitional Medi-Cal (TMC), Earned Income Tax Credit (EITC), and Public Assistance Reporting Information System (PARIS) are included in this item.

Costs for the printing and postage of notices and letters for the State-funded component of the BCCTP are 100% GF and Healthy Families are 35% GF/65% FFP.

Reason for Changes from Prior Estimate:
Additional mailings due to HFP transition, physician visit limitation, and co-payment.

POSTAGE & PRINTING

OTHER ADMIN. POLICY CHANGE NUMBER: 8

Methodology:

FY 2012-13 (In Thousands)

		Printing	Mailing	Total
Mass Mailings		$0	$7,150	$7,150
Eligibility	Distribution	$0	$520	$520
	Routine	$2,328	$600	$2,928
	HFP Transition Routine**	$217	$205	$422
	TMC Flyer	$3,396	$3,762	$7,158
	EITC Annual insert*	$120	$0	$120
	Toll-Free Postage	$5	$438	$443
	Healthy Families Postage**	$8	$814	$822
	PARIS	$154	$46	$200
Incarceration Verification Program		$39	$12	$51
Benefits		$302	$800	$1,102
State Only BCCTP*		$2	$5	$7
BCCTP		$3	$11	$14
HIPAA NPP - M/C		$2,128	$2,000	$4,128
HIPAA NPP - FPACT		$150	$100	$250
HIPAA NPP - BCCTP		$30	$10	$40
HIPAA NPP - M/C HFP**		$72	$0	$72
TOTAL		$8,954	$16,473	$25,427

FY 2013-14 (In Thousands)

		Printing	Mailing	Total
Mass Mailings		$0	$7,300	$7,300
Eligibility	Distribution	$0	$520	$520
	Routine	$2,400	$600	$3,000
	TMC Flyer	$3,396	$3,762	$7,158
	EITC Annual insert*	$120	$0	$120
	Toll-Free Postage	$5	$438	$443
	Healthy Families Postage**	$8	$814	$822
	PARIS	$154	$46	$200
Incarceration Verification Program		$39	$12	$51
Benefits		$302	$800	$1,102
State Only BCCTP*		$2	$5	$7
BCCTP		$3	$11	$14
HIPAA NPP - M/C		$2,200	$2,000	$4,200
HIPAA NPP - FPACT		$150	$100	$250
HIPAA NPP - BCCTP		$30	$10	$40
TOTAL		$8,809	$16,418	$25,227

POSTAGE & PRINTING

OTHER ADMIN. POLICY CHANGE NUMBER: 8

	TF	GF	FFP
FY 2012-13	**$25,427**	**$12,580**	**$12,847**
FY 2013-14	**$25,227**	**$12,554**	**$12,673**

Funding:
Title XIX 50/50 FFP (4260-101-0001/0890)
State Only General Funds (4260-101-0001)*
Title XXI 35/65 FFP (4260-113-0001/0890)**

SMH MAA

OTHER ADMIN. POLICY CHANGE NUMBER:	9
IMPLEMENTATION DATE:	7/2012
ANALYST:	Betty Lai
FISCAL REFERENCE NUMBER:	1722

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$23,282,000	$24,912,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$23,282,000	$24,912,000

DESCRIPTION

Purpose:
This policy change budgets the federal financial participation (FFP) for claims submitted on behalf of specialty mental health plans for Medicaid administrative activities.

Authority:
Welfare & Institutions Code 14132.47

Interdependent Policy Changes:
Not Applicable

Background:
AB 2377 (Chapter 147, Statutes of 1994) authorized the State to implement the Medi-Cal Administrative Claiming Process. The Specialty Mental Health Waiver program submits claims on behalf of mental health plans (MHPs) to obtain FFP for Medicaid administrative activities necessary for the proper and efficient administration of the specialty mental health waiver program. These activities ensure that assistance is provided to Medi-Cal eligible individuals and their families for the receipt of specialty mental health services.

Reason for Change from Prior Estimate:
There is no material change.

Methodology:
1. County mental health plans submit claims for reimbursement on a quarterly basis. Claims may be submitted up to six months after the close of a fiscal year (FY).

2. Based on FY 2005-06 through FY 2010-11 claims, the average annual increase in mental health (MH) Medi-Cal administrative activities (MAA) claims was 7%.

3. Assume claims will continue to increase by 7% each year for FY 2011-12, FY 2012-13, and FY 2013-14.

SMH MAA

OTHER ADMIN. POLICY CHANGE NUMBER: 9

4. In FY 2010-11, the Department received $36,971,000 in MH MAA claims on an accrual basis.

In Thousands

Fiscal Years	Expenditures	Growth	Increase	Revised Expenditures
FY 2010-11	$36,971	7%	$2,588	$39,559
FY 2011-12	$39,559	7%	$2,769	$42,328
FY 2012-13	$42,328	7%	$2,963	$45,291

5. Based on historical claims received, assume 12% of the each fiscal year claims will be paid in the year the services occur. The remaining 88% is paid in the following year.

In Thousands

Fiscal Years	Accrual	FY 2012-13	FY 2013-14
FY 2011-12	$39,559	$34,812	$0
FY 2012-13	$42,328	$5,079	$37,249
FY 2013-14	$45,291	$0	$5,435
Total		$39,891	$42,684

6. MH MAA total expenditures are shared between federal funds (FFP) and county funds. Skilled professional medical personnel are eligible for enhanced federal reimbursement of 75%. All other personnel are eligible for 50% federal reimbursement.

In Thousands

	FY 2012-13			FY 2013-14		
Fiscal Year	TF	FFP	County	TF	FFP	County
FY 2011-12	$34,812	$20,318	$14,494	$0	$0	$0
FY 2012-13	$5,079	$2,964	$2,115	$37,249	$21,740	$15,509
FY 2013-14	$0	$0	$0	$5,435	$3,172	$2,263
Total	$39,891	**$23,282**	$16,609	$42,684	**$24,912**	$17,772

Funding:
Title XIX 100% FFP (4260-101-0890)

COUNTY UR & QA ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER:	10
IMPLEMENTATION DATE:	7/2012
ANALYST:	Betty Lai
FISCAL REFERENCE NUMBER:	1729

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$16,333,000	$16,798,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$16,333,000	$16,798,000

DESCRIPTION

Purpose:
This policy change estimates the county utilization review (UR) and quality assurance (QA) administrative costs.

Authority:
Welfare & Institutions Code 14711

Interdependent Policy Changes:
Not Applicable

Background:
UR and QA activities safeguard against unnecessary and inappropriate medical care. Federal reimbursement for these costs is available at 75% for skilled medical personnel and 50% for all other personnel claims.

Reason for Change from Prior Estimate:
There is no change.

Methodology:
1. UR and QA costs are based on historical trends. UR and QA costs on an accrual basis are:

(In Thousands)

Fiscal Year	TF	FF	County
FY 2011-12	$24,456	$15,924	$8,532
FY 2012-13	$25,271	$16,455	$8,816
FY 2013-14	$25,957	$16,901	$9,056

2. Based on historical claims received, assume 77% of the each fiscal year claims will be paid in the year the services occur. The remaining 23% is paid in the following year.

(In Thousands)

Fiscal Year	Accrual	FY 2012-13	FY 2013-14
FY 2011-12	$24,456	$5,626	$0
FY 2012-13	$25,271	$19,458	$5,812
FY 2013-14	$25,957	$0	$19,987
Total		$25,084	$25,799

COUNTY UR & QA ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER: 10

3. UR/QA expenditures are shared between federal funds (FFP) and county funds. Skilled professional medical personnel are eligible for enhanced federal reimbursement of 75%. All other personnel are eligible for 50% federal reimbursement.

(In Thousands)

	FY 2012-13			FY 2013-14		
Personnel	**TF**	**FFP**	**County**	**TF**	**FFP**	**County**
Other	$9,920	$4,960	$4,960	$10,204	$5,102	$5,102
Medical	$15,164	$11,373	$3,791	$15,595	$11,696	$3,899
Total	$25,084	**$16,333**	$8,751	$25,799	**$16,798**	$9,001

Funding:
Title XIX 100% FFP (4260-101-0890)

INTERIM AND FINAL COST SETTLEMENTS-SMHS

OTHER ADMIN. POLICY CHANGE NUMBER:	11
IMPLEMENTATION DATE:	7/2012
ANALYST:	Betty Lai
FISCAL REFERENCE NUMBER:	1757

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$15,821,000	$26,641,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$15,821,000	$26,641,000

DESCRIPTION

Purpose:
This policy change estimates the federal funds for the interim and final cost settlements on specialty mental health services administrative expenditures.

Authority:
Welfare & Institution Code 14705(c)

Interdependent Policy Changes:
Not Applicable

Background:
Within two years following the end of a fiscal year, the Department must reconcile interim settlements to MHPs for utilization review/quality assurance (UR/QA), mental health Medi-Cal administrative activities (MH MAA), and administration to county cost reports and process correcting payments or recoupments. Final settlement is to be completed within three years of the last amended cost report submitted by the county mental health plan.

The reconciliation process for each Fiscal Year may result in an overpayment or underpayment to the county and will be handled as follows:

- For counties that have been determined to be overpaid, the Department will recoup any overpayments.
- For counties that have been determined to be underpaid, the Department will reimburse the federal funds.

Reason for Change from Prior Estimate:
The fiscal was revised based on the Department completing additional settlements.

Methodology:
1. Interim cost settlement is based upon the difference between each county mental health plan's filed cost report and the payments they received from the Department.
2. Final cost settlement is based upon the difference between each county mental health plan's final audited cost report and the payments they received from the Department.

INTERIM AND FINAL COST SETTLEMENTS-SMHS

OTHER ADMIN. POLICY CHANGE NUMBER: 11

3. Cost settlements for services, administration, UR/QA, and MH MAA are each determined separately.

4. Cost settlements may result in an overpayment or underpayment to the county mental health plans. Cost settlements will be handled as follows:

   - For counties that have been determined to be overpaid, the Department will recoup the overpayments.
   - For counties that have been determined to be underpaid, the Department will pay the difference.

Interim Settlements FY 2008-09	Underpaid	(In Thousands) Overpaid	Net FFP
SMH Admin	$26,316	($18,480)	$7,836
UR/QA	$13,341	($1,103)	$12,238
MH MAA	$1,787	($1,728)	$59
Healthy Families*	$106	$0	$106
Final Settlement			
SMH Admin	$0	($3,400)	($3,400)
UR/QA	$6	($704)	($698)
MH MAA	$0	($302)	($302)
Healthy Families*	$21	($39)	($18)
Total FY 2012-13	$41,577	($25,756)	**$15,821**

Interim Settlements FY 2009-10	Underpaid	(In Thousands) Overpaid	Net FFP
SMH Admin	$22,970	($21,736)	$1,234
M-CHIP*	$489	$0	$489
UR/QA	$12,774	($1,241)	$11,533
MH MAA	$1,419	($2,689)	($1,270)
Healthy Families*	$1,335	$0	$1,335
FY 2010-11			
SMH Admin	$22,970	($21,736)	$1,234
M-CHIP*	$489	$0	$489
UR/QA	$12,774	($1,242)	$11,532
MH MAA	$1,419	($2,689)	($1,270)
Healthy Families*	$1,335	$0	$1,335
Total FY 2013-14	$77,974	($51,333)	**$26,641**

Funding:
Title XIX 100% FFP (4260-101-0890)
Title XXI 100% FFP (4260-113-0890)*

COORDINATED CARE MANAGEMENT PILOTS

OTHER ADMIN. POLICY CHANGE NUMBER:	12
IMPLEMENTATION DATE:	2/2010
ANALYST:	Andrew Yoo
FISCAL REFERENCE NUMBER:	1125

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$10,488,000	$4,716,000
STATE FUNDS	$5,244,000	$2,358,000
FEDERAL FUNDS	$5,244,000	$2,358,000

DESCRIPTION

Purpose:
This policy change estimates the costs for the Coordinated Care Management (CCM) Pilot Project.

Authority:
The Budget Act of 2006

Interdependent Policy Change:
Not Applicable

Background:
The CCM Pilot Project consist of two pilot programs designed to improve healthcare outcomes and achieve cost containment in the fee-for-service (FFS) Medi-Cal System. The CCM Pilot Project was authorized in FY 2005-2006. The CCM Pilot Project will provide care coordination for fee-for-service beneficiaries by a contracted provider but will be cost neutral.

Key elements of the CCM Pilot 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:

- CCM 1 - Seniors and persons with disabilities who have chronic conditions, or who may be seriously ill and near the end of life.
- CCM 2 - Persons with chronic health condition(s) and serious mental illnesses.

The CCM 2 contract was amended in October 2011 to include Adult Day Health Care (ADHC) services as the Department transitioned eligible ADHC beneficiaries into the new Community Based Adult Services (CBAS) Medi-Cal benefit.

The Department entered into two contracts with APS Healthcare to implement the CCM Pilot Project. CCM 1 began operations in January 2010, with payments for services beginning in February 2010. CCM 2 began operations in April 2010, with payments for services beginning in May 2010. The University of California, Los Angeles (UCLA) was contracted to conduct an independent evaluation (IE) of the CCM Pilot Project. The UCLA IE startup cost for both CCM Pilot Projects will begin in December 2012.

The contract term for CCM 1 is from March 1, 2009 to December 31, 2012. The contract term for CCM 2 is from August 20, 2009 to December 31, 2014, and the contract term for UCLA IE is from December 1, 2012 through January 30, 2015.

COORDINATED CARE MANAGEMENT PILOTS

OTHER ADMIN. POLICY CHANGE NUMBER: 12

Reason for Change from Prior Estimate:
The CCM-2 contract was amended to include CBAS services.

Methodology:

	TF	GF
CCM1	$1,687,000	$843,500
*CCM2	$8,648,000	$4,324,000
UCLA IE	$153,000	$76,500
FY 2012-13	**$10,488,000**	**$5,244,000**

	TF	GF
CCM1	$0	$0
*CCM2	$4,612,000	$2,306,000
UCLA IE	$104,000	$52,000
FY 2013-14	**$4,716,000**	**$2,358,000**

*ADHC FFS Assessment and Care Coordination costs are reflected in the ADHC Transition Administration policy change.

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

TRANSITION OF HFP TO MEDI-CAL

OTHER ADMIN. POLICY CHANGE NUMBER:	13
IMPLEMENTATION DATE:	1/2013
ANALYST:	Ryan Witz
FISCAL REFERENCE NUMBER:	1650

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$15,846,000	$26,286,000
STATE FUNDS	$5,546,100	$9,200,100
FEDERAL FUNDS	$10,299,900	$17,085,900

DESCRIPTION

Purpose:
This policy change estimates the contract cost for the single point of entry vendor assisting with transitioning the Healthy Families Program (HFP) subscribers into the Medi-Cal program.

Authority:
AB 1494 (Chapter 28, Statutes of 2012)

Interdependent Policy Changes:
Not applicable

Background:
AB 1494 shifts all HFP subscribers into the Medi-Cal program. Beginning January 2013, a nine-month transition of subscribers will take place. Children over 150% of the FPL will continue to be required to pay a premium for coverage; however, this does not include AIM infants with incomes between 250-300% FPL. This policy change estimates the single point of entry vendor costs related to customer services representatives, collections of monthly premiums, processing of initial and annual renewal applications, and mailing costs. All administrative savings related to the transition of HFP to Medi-Cal are reflected in the Managed Risk Medical Insurance Board (MRMIB) budget.

Reason for Change from Prior Estimate:
The HFP caseload and phase-in structure were updated. Additionally, the scheduled transition of HFP children to Medi-Cal was delayed from October 1, 2012 to January 1, 2013.

Methodology:

(In Thousands)	TF	GF	FFP
FY 2012-13	**$15,846**	$5,546	$10,300

	TF	GF	FFP
FY 2013-14	**$26,285**	$9,200	$17,085

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

MIS/DSS CONTRACT

OTHER ADMIN. POLICY CHANGE NUMBER:	14
IMPLEMENTATION DATE:	7/2002
ANALYST:	Taryn Gerald
FISCAL REFERENCE NUMBER:	252

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$11,555,000	$10,900,000
STATE FUNDS	$3,056,500	$2,892,750
FEDERAL FUNDS	$8,498,500	$8,007,250

DESCRIPTION

Purpose:
The policy change estimates the contract costs associated with the Management Information System/Decision Support System (MIS/DSS).

Authority:
Not Applicable

Interdependent Policy Changes:
Not Applicable

Background:
The MIS/DSS houses a variety of Medicaid-related data and incorporates it into an integrated, business intelligence system. It is used by the Department and other approved entities, including the Medi-Cal Managed Care Division in its monitoring of Health Plan performance, the Third Party Liability and Recovery Division in its collection efforts, and the Audits and Investigations Division in its anti-fraud efforts.

Ongoing enhancement, operation and maintenance of the MIS/DSS is accomplished through a multi-year contract, which is effective through February 14, 2014. The Department plans to seek approval from the Department of General Services to extend the current contract period through June 30, 2015. The services contracted are not available within civil service or are of a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the civil service system.

Reason for Change from Prior Estimate:
There is no material change.

Methodology:
1. The estimates are based on contracted amounts.

FY 2012-13	Total	GF	FFP
Fixed Costs	$7,546,000	$1,886,500	$5,659,500
Additional Fixed Costs	$671,000	$335,500	$335,500
Variable Costs	$3,338,000	$834,500	$2,503,500
Total Operating Costs	**$11,555,000**	**$3,056,500**	**$8,498,500**

MIS/DSS CONTRACT

OTHER ADMIN. POLICY CHANGE NUMBER: 14

FY 2013-14	Total	GF	FFP
Fixed Costs	$7,592,000	$1,898,000	$5,694,000
Additional Fixed Costs	$671,000	$335,500	$335,500
Variable Costs	$2,637,000	$659,250	$1,977,750
Total Operating Costs	**$10,900,000**	**$2,892,750**	**$8,007,250**

Funding:
Title XIX 75/25 FFP (4260-101-0001/0890)
Title XIX 50/50 FFP (4260-101-0001/0890)

LITIGATION RELATED SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER:	15
IMPLEMENTATION DATE:	7/2009
ANALYST:	Candace Epstein
FISCAL REFERENCE NUMBER:	1381

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$9,600,000	$9,980,000
STATE FUNDS	$4,800,000	$4,990,000
FEDERAL FUNDS	$4,800,000	$4,990,000

DESCRIPTION

Purpose:
This policy change estimates the costs of litigation and actuarial consulting.

Authority:
Not Applicable

Interdependent Policy Changes:
Not Applicable

Background:
The Department continues to experience an increase in the number and complexity of litigation cases challenging legislation implementing changes to the Medi-Cal program. As a result, the Department of Justice costs and other litigation support costs have increased.

Several significant cases, which had previously been inactive awaiting a precedential decision by the United States Supreme Court, continue to be active. Also, ongoing litigation filed by managed care plans relating to capitation rates has resulted in significant time expended by actuarial staff in evaluating the cases and developing defense strategies.

Reason for Change from Prior Estimate:
Costs were revised based on prior Department of Justice litigation costs and projected workload.

Methodology:
1. Based on prior Department of Justice litigation costs and projected workload, costs are projected to be $7,500,000 for FY 2012-13, and $7,880,000 for FY 2013-14.

2. Based on prior actuary costs and the Department's projected workload, costs will be $2,100,000 in FY 2011-12 and $2,100,000 in FY 2012-13.

LITIGATION RELATED SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 15

	FY 2011-12		FY 2012-13	
	TF	GF	TF	GF
Litigation Representation	$ 7,500,000	$ 3,750,000	$ 7,880,000	$ 3,940,000
Consulting Actuaries	$ 2,100,000	$ 1,050,000	$ 2,100,000	$ 1,050,000
Total	**$ 9,600,000**	**$ 4,800,000**	**$ 9,980,000**	**$ 4,990,000**

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

MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)

OTHER ADMIN. POLICY CHANGE NUMBER:	16
IMPLEMENTATION DATE:	7/2009
ANALYST:	Candace Epstein
FISCAL REFERENCE NUMBER:	1441

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$5,990,000	$5,949,000
STATE FUNDS	$1,970,050	$1,971,550
FEDERAL FUNDS	$4,019,950	$3,977,450

DESCRIPTION

Purpose:
This policy change estimates the maintenance expenditures and reimbursements for the Medi-Cal Eligibility Data System (MEDS), the statewide database containing eligibility information for public assistance programs administered by the Department and other departments.

Authority:
Not Applicable

Interdependent Policy Changes:
Not Applicable

Background:
MEDS provides users with the ability to perform multi-program application searches, verify program eligibility status, enroll beneficiaries in multiple programs, and validate information on application status. Funding is required for MEDS Master Client Index maintenance, data matches from various federal and state agencies, Supplemental Security Income termination process support, Medi-Cal application alerts, Medicare Modernization Act Part D buy-in process improvements, eligibility renewal process, and reconciling county eligibility data used to support the counties in Medi-Cal eligibility determination responsibilities.

In addition, maintenance funding is required for the Business Objects software application tool that enables the counties to perform On-Line Statistics and MEDS-alert reporting. Costs are offset by reimbursements made from other departments.

Reason for Change from Prior Estimate:
Projections were revised based on additional actual expenditures.

Methodology:
Not Applicable

MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)

OTHER ADMIN. POLICY CHANGE NUMBER: 16

Funding:

FY 2011-12:		**GF**	**FF**	**TF**
Title XIX 50/50 FFP	4260-101-0001/0890	$1,267,000	$1,267,000	$2,534,000
Title XIX 25/75 FFP	4260-101-0001/0890	$408,750	$1,226,250	$1,635,000
HIPAA 10/90 FFP	4260-117-0001/0890	$300	$2,700	$3,000
Federal Share	4260-101-0890	$0	$1,524,000	$1,524,000
Reimbursement	4260-610-0995	$294,000	$0	$294,000
Total		**$1,970,050**	**$4,019,950**	**$5,990,000**

FY 2012-13:		**GF**	**FF**	**TF**
Title XIX 50/50 FFP	4260-101-0001/0890	$1,233,000	$1,233,000	$2,466,000
Title XIX 25/75 FFP	4260-101-0001/0890	$429,250	$1,287,750	$1,717,000
HIPAA 10/90 FFP	4260-117-0001/0890	$300	$2,700	$3,000
Federal Share	4260-101-0890	$0	$1,454,000	$1,454,000
Reimbursement	4260-610-0995	$309,000	$0	$309,000
Total		**$1,971,550**	**$3,977,450**	**$5,949,000**

MEDI-CAL RECOVERY CONTRACT

OTHER ADMIN. POLICY CHANGE NUMBER:	17
IMPLEMENTATION DATE:	2/2008
ANALYST:	Taryn Gerald
FISCAL REFERENCE NUMBER:	1551

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$5,290,000	$5,290,000
STATE FUNDS	$1,322,000	$1,322,000
FEDERAL FUNDS	$3,968,000	$3,968,000

DESCRIPTION

Purpose:
This policy change estimates the cost of contracts to identify recipients with third party health insurance coverage and workers' compensation insurance.

Authority:
Not Applicable

Interdependent Policy Changes:
Not Applicable

Background:
Since Medi-Cal is the payer of last resort, other health plans must first be billed before the Medi-Cal program. The contracts provide:

1. Data matches between the Department's Medi-Cal Recipient Eligibility file and the contractor's policy holder/subscriber file;
2. Identification and recovery of Medi-Cal expenditures in workers' compensation actions;
3. Identification of private/group health coverage and the recovery of Medi-Cal expenditures when the private/group health coverage is the primary payer;
4. Online access to research database services for public records of Medi-Cal recipients; and
5. Cost avoidance activities.

When such insurance is identified, the vendor retroactively bills the third party to recover Medi-Cal paid claims. Payment to the vendor is contingent upon recoveries. Recoveries due to workers' compensation vendor activities are budgeted in the Base Recoveries policy change. Recoveries due to health insurance vendor activities are incorporated into the base estimate.

The current contract for health insurance began December 1, 2008 and ends November 30, 2012. The Department is in the process of extending the current contract through November 30, 2013. A Request for Proposal will be released to secure a new health insurance contract with an effective date of December 1, 2013.

The term of the workers' compensation (WC) contract was June 1, 2011 through January 31, 2012. This contract was extended to January 31, 2013. The Department is in the process of releasing a Request for Proposal to secure a new WC contract with an effective date of February 1, 2013.

MEDI-CAL RECOVERY CONTRACT

OTHER ADMIN. POLICY CHANGE NUMBER: 17

Reason for Change from Prior Estimate:
Health insurance recoveries are declining as the Department shifts more beneficiaries from fee-for-service into managed care programs.

Methodology:
Not Applicable

FY 2012-13	TF	GF	FFP
Health Insurance	$4,480,000	$1,120,000	$3,360,000
Workers' Compensation	$736,000	$184,000	$552,000
Online Database Contracts	$74,000	$18,000	$56,000
Total	**$5,290,000**	**$1,322,000**	**$3,968,000**

FY 2013-14	TF	GF	FFP
Health Insurance	$4,480,000	$1,120,000	$3,360,000
Workers' Compensation	$736,000	$184,000	$552,000
Online Database Contracts	$74,000	$18,000	$56,000
Total	**$5,290,000**	**$1,322,000**	**$3,968,000**

Funding:
Title XIX FFP (4260-101-0890)
State Only General Fund (4260-101-0001)

CA-MMIS TAKEOVER & REPLACEMENT OVERSIGHT

OTHER ADMIN. POLICY CHANGE NUMBER: 18
IMPLEMENTATION DATE: 10/2007
ANALYST: Taryn Gerald
FISCAL REFERENCE NUMBER: 1278

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$5,122,000	$5,513,000
STATE FUNDS	$624,900	$660,300
FEDERAL FUNDS	$4,497,100	$4,852,700

DESCRIPTION

Purpose:
This policy change estimates the cost of contractors and consultants who oversee the replacement of the California Medicaid Management Information System (CA-MMIS).

Authority:
Title XIX of the Federal Social Security Act

Interdependent Policy Changes:
Not Applicable

Background:
CA-MMIS is the claims processing system used for Medi-Cal. Given the business critical nature of CA-MMIS, a detailed assessment was completed by a specialty vendor which recommended that modernization of CA-MMIS begin immediately. The Department contracts with various vendors to assist with Fiscal Intermediary oversight activities, documentation of business rules, project management, change management, and Independent Verification and Validation (IVV) services during transition and replacement of the CA-MMIS.

Reason for Change from Prior Estimate:
There is no material change.

Methodology:

FY 2012-13	TF	GF	FFP
Title XXI	$23,000	$11,500	$11,500
Title XIX	$5,099,000	$613,400	$4,485,600
Total	**$5,122,000**	**$624,900**	**$4,497,100**

FY 2013-14	TF	GF	FFP
Title XXI	$25,000	$12,500	$12,500
Title XIX	$5,488,000	$647,800	$4,840,200
Total	**$5,513,000**	**$660,300**	**$4,852,700**

CA-MMIS TAKEOVER & REPLACEMENT OVERSIGHT

OTHER ADMIN. POLICY CHANGE NUMBER: 18

Funding:
Title XIX 10/90 FFP (4260-101-0001/0890)
Title XIX 25/75 FFP (4260-101-0001/0890)
Title XIX 50/50 FFP (4260-101-0001/0890)
Title XIX 100% GF (4260-101-0001)
Title XXI 50/50 FFP (4260-113-0001/0890)

CCI - DUAL ELIGIBLE DEMONSTRATION PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER:	19
IMPLEMENTATION DATE:	7/2012
ANALYST:	Julie Chan
FISCAL REFERENCE NUMBER:	1677

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$4,664,000	$5,172,000
STATE FUNDS	$950,000	$2,542,500
FEDERAL FUNDS	$3,714,000	$2,629,500

DESCRIPTION

Purpose:
This policy change estimates the administrative costs for the Coordinated Care Initiative (CCI).

Authority:
SB 1008 (Chapter 33, Statutes of 2012)
SB 1036 (Chapter 45, Statutes of 2012)

Interdependent Policy Changes:
Not Applicable

Background:
In coordination with Federal and State Government, the CCI will provide benefits of coordinated care models to persons eligible for both Medicare and Medi-Cal (dual eligibles). CCI aims to improve service delivery for people with dual eligibility and Medi-Cal only beneficiaries who rely on long-term services and supports (LTSS) to maintain residence in their communities. LTSS includes both home and community-based services and institutional long-term care services. Services will be provided through the managed care delivery system for all Medi-Cal beneficiaries who rely on such services. The Department will be hiring contractors to do the following:

- Stakeholder and advocate outreach,
- Rate setting,
- Medicare and Medi-Cal data analysis,
- Quality assurance and monitoring by an External Quality Review Organization (EQRO),
- Beneficiary and Provider Outreach,
- IT Project Management, and
- Data Outcomes and Evaluation Development.

Reason for Change from Prior Estimate:
This policy change has been updated with additional activities to be performed by contractors.

Methodology:
1. The CCI development, implementation and operation costs began July 2012 and will continue through FY 2015-16.

CCI - DUAL ELIGIBLE DEMONSTRATION PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER: 19

2. The Affordability Care Act (ACA) authorizes funding for the CCI and provides 100% federal financial participation (FFP) to carry out the deliverables between the Department and Centers for Medicare and Medicaid.

2012-13 Costs	**TF**	**GF**	**FFP**	**ACA FFP**
Stakeholder and Advocate Outreach	$1,900,000	$950,000	$950,000	$0
Rate Setting	$250,000	$0	$0	$250,000
Data Analysis	$250,000	$0	$0	$250,000
Beneficiary Outreach	$444,000	$0	$0	$444,000
Provider Outreach	$918,000	$0	$0	$918,000
IT Project Mgmt.	$302,000	$0	$0	$302,000
Data Outcomes & Eval. Development	$600,000	$0	$0	$600,000
Total	**$4,664,000**	**$950,000**	**$950,000**	**$2,764,000**

2013-14 Costs	**TF**	**GF**	**FFP**	**ACA FFP**
Stakeholder and Advocate Outreach	$950,000	$475,000	$475,000	$0
Rate Setting	$250,000	$125,000	$125,000	$0
Data Analysis	$250,000	$125,000	$125,000	$0
Beneficiary Outreach	$316,000	$158,000	$158,000	$0
Provider Outreach	$632,000	$316,000	$316,000	$0
IT Project Mgmt.	$174,000	$43,500	$130,500	$0
Data Outcomes & Eval. Development	$600,000	$300,000	$300,000	$0
EROQ Monitoring	$2,000,000	$1,000,000	$1,000,000	$0
Total	**$5,172,000**	**$2,542,500**	**$2,629,500**	**$0**

Funding:
Title XIX 100% FFP (4260-101-0890)
State General Fund (4260-101-0001)

CA-MMIS TAKEOVER/OTHER STATE TRANSITION COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	20
IMPLEMENTATION DATE:	5/2010
ANALYST:	Taryn Gerald
FISCAL REFERENCE NUMBER:	1322

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$3,127,000	$2,284,000
STATE FUNDS	$375,450	$273,800
FEDERAL FUNDS	$2,751,550	$2,010,200

DESCRIPTION

Purpose:
This policy change estimates the cost related to takeover, replacement, and transition of the California Medicaid Management Information System (CA-MMIS).

Authority:
Title XIX of the Federal Social Security Act

Interdependent Policy Changes:
Not Applicable

Background:
CA-MMIS is the claims processing system used for Medi-Cal. The previous Fiscal Intermediary contract was extended to June 30, 2013. Additional costs will be incurred for CA-MMIS Takeover and Replacement activities which include interfacing with other Departmental mission critical systems such as Medi-Cal Eligibility Data System, Enhanced Medi-Cal Budget Estimate Redesign, State Controller's Office, Management Information System and Decision Support System and Paid Claims and Encounters Standardization applications that will require coordination and resources with other Department Divisions and Agencies. The existing production and test regions will be needed to continue to support the current contract. Network configurations, testing environments (including system and parallel), support for expansion enhancements, and new communication interfaces will be needed to run a parallel system. This transition began in FY 2009-10. The Department will also be required to obtain additional consultative contractor resources for set-up, testing activities, and management of these new environments in support of transition activities during the Takeover and Replacement phases. The CA-MMIS system must ensure timely and accurate claims processing for Medi-Cal providers, without interruption during both phases. The Takeover activities are expected to be completed in FY 2012-13, and the Replacement activities are underway. Consultative contractors and other resources are required to continue the CA-MMIS replacement phase.

Reason for Change from Prior Estimate:
Actual costs have been lower than projected.

Methodology:

FY 2012-13	TF	GF	FF
Title XXI	$14,000	$7,000	$7,000
Title XIX	$3,113,000	$368,450	$2,744,550
Total	**$3,127,000**	**$375,450**	**$2,751,550**

CA-MMIS TAKEOVER/OTHER STATE TRANSITION COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 20

FY 2013-14	TF	GF	FF
Title XXI	$10,000	$5,000	$5,000
Title XIX	$2,274,000	$268,800	$2,005,200
Total	**$2,284,000**	**$273,800**	**$2,010,200**

Funding:
Title XIX 10/90 FFP (4260-101-0001/0890)
Title XIX 100% GF (4260-101-0001)
Title XXI 50/50 FFP (4260-113-0001/0890)
Title XIX 25/75 FFP (4260-101-0001/0890)

PREVENTION OF CHRONIC DISEASE GRANT PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER:	21
IMPLEMENTATION DATE:	2/2012
ANALYST:	Andrew Yoo
FISCAL REFERENCE NUMBER:	1635

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$2,970,000	$2,664,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$2,970,000	$2,664,000

DESCRIPTION

Purpose:
This policy change budgets the federal funds awarded to the Department by the Centers of Medicare and Medicaid Services (CMS) for the Medicaid Incentives for Prevention of Chronic Diseases (MIPCD) grant project.

Authority:
Affordable Care Act (ACA), Section 4108

Interdependent Policy Changes:
Not Applicable

Background:
Section 4108 of the ACA authorizes the five-year MIPCD grant project. California's MIPCD proposal, Increasing Quitting among Medi-Cal Smokers, will use outreach and incentives to encourage access to smoking cessation services.

The Department will contract with the University of California, San Francisco (UCSF) to implement, run and evaluate the MIPCD program. The UCSF-hosted California Medicaid Research Institute provides administrative support, coordination of the key UC partners, and contracts directly with the University of California, San Diego (UCSD). UCSD operates the California Smokers' Helpline, which will offer various incentives, such as free counseling and nicotine replacement therapy, to Medi-Cal beneficiaries. The MIPCD project will also provide outreach to Medi-Cal beneficiaries and Medi-Cal providers via the California Diabetes Program, which is administered by the Department of Public Health and UCSF.

Reason for Change from Prior Estimate:
FY 2012-13 and 2013-14 amounts were adjusted based on updated UC budgets as well as invoice receipt dates.

Methodology:
1. The Department was awarded the MIPCD grant on September 13, 2011 by CMS. A contract with UCSF was secured on January 27, 2012.

2. Projected costs are based on proposed contract amounts with UCSF for administration, implementation and evaluations associated with the MIPCD grant project.

3. CMS approved the carryover of $1,445,618 from unused FY 2011-12 funds.

PREVENTION OF CHRONIC DISEASE GRANT PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER: 21

Cash Basis

	TF	FFP
FY 2012-13	$2,970,000	$2,970,000
FY 2013-14	$2,664,000	$2,664,000

Funding:
MIPCD Federal Grant (4260-107-0890)

FY 2012-13 FAMILY PACT EVALUATION

OTHER ADMIN. POLICY CHANGE NUMBER:	22
IMPLEMENTATION DATE:	7/2012
ANALYST:	Randolph Alarcio
FISCAL REFERENCE NUMBER:	1674

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$2,861,000	$2,861,000
STATE FUNDS	$1,430,500	$1,430,500
FEDERAL FUNDS	$1,430,500	$1,430,500

DESCRIPTION

Purpose:
This policy change estimates the costs for data and evaluation of the Family Planning, Access, Care and Treatment (PACT) program beginning FY 2012-13.

Authority:
AB 1464 (Chapter 21, Statutes of 2012)

Interdependent Policy Changes:
Not Applicable

Background:
The University of California, San Francisco (UCSF) is conducting an evaluation of the Family PACT program. UCSF will evaluate the program's effectiveness, including the analysis of: 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.

Prior to FY 2012-13, the Family PACT program was part of the California Department of Public Health (CDPH). AB 1464 transferred the Family PACT program and its associated funding to the Department beginning July 1, 2012. For costs prior to FY 2012-13, see the Family PACT Evaluation policy change.

Reason for Change from Prior Estimate:
Revised estimates were due to updated data.

Methodology:
1. The estimated costs are provided by Family PACT on a cash basis.

	TF	GF	FFP
FY 2012-13	**$2,861,000**	$1,430,500	$1,431,500
FY 2013-14	**$2,861,000**	$1,430,500	$1,431,500

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

ARRA HITECH INCENTIVE PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER:	23
IMPLEMENTATION DATE:	7/2010
ANALYST:	Cang Ly
FISCAL REFERENCE NUMBER:	1370

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$1,818,000	$2,626,000
STATE FUNDS	$154,000	$154,000
FEDERAL FUNDS	$1,664,000	$2,472,000

DESCRIPTION

Purpose:
This policy change estimates the administrative costs associated with the advancement of the Health Information Technology for Economic and Clinical Health (HITECH) Incentive Act under the American Recovery and Reinvestment Act (ARRA) of 2009.

Authority:
ARRA of 2009
SB 945 (Chapter 433, Statutes of 2011)
AB 1467 (Chapter 23, Statutes of 2012), Welfare & Institutions Code 14046.7

Interdependent Policy Changes:
FI Estimate

Background:
The HITECH Incentive Program, a component of the ARRA, authorizes the outlay of federal money estimated to be $45 billion over ten years between 2011 and 2021 for Medicare and Medicaid incentives to qualified health care providers who adopt, implement, or upgrade and meaningfully use certified Electronic Health Records (EHR) technology in accordance with the HITECH Incentive Program requirements. The Centers for Medicare and Medicaid Services (CMS) approved the implementation of the provider incentive program which began October 3, 2011.

SB 945 authorized the Department to establish and administer the ARRA HITECH Incentive Program only to the extent that federal financial participation was available and there would be no General Fund (GF) impact. AB 1467 provides that no more than $200,000 from the GF may be used annually for state administrative costs associated with the implementation of the program.

The Department is required by CMS to assess the current usage of and barriers to the EHR adoption by providers and hospitals and continue implementation and operation of the ARRA HITECH Incentive Program. Multiple contractors are required in order to complete the assessments. The Department, in collaboration with a wide variety of stakeholder organizations, developed a Medi-Cal EHR Incentive Program Project Book that identifies a series of projects to help facilitate the ongoing development and evaluation of the program.

In addition to the assessments, the current Fiscal Intermediary (FI), Xerox State Healthcare, LLC (Xerox) will complete an enrollment and eligibility portal for Medi-Cal professionals and hospitals. SB 945 limitations on the use of GF dollars to implement the ARRA HITECH Incentive Program did not apply to the Xerox projects as the funding for the Xerox projects were approved as part of the FI budget prior to the passage of SB 945. The costs of the Xerox projects that are eligible for ARRA HITECH

ARRA HITECH INCENTIVE PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 23

Incentive Program funding are budgeted in the FI Estimate as an optional contractual service.

The Department and the California Department of Public Health (CDPH) have partnered on a project to upgrade the California Immunization Registry (CAIR). The CAIR 2.0 project will transform the existing CAIR infrastructure and software to fully support meaningful use data exchange among electronic health records, leveraging enhanced federal dollars.

The payments to the providers under the HITECH are budgeted in the ARRA HITECH – Provider Payments policy change.

Reason for Change from Prior Estimate:
The CAIR 2.0 project was increased $29,000 in FY 2012-13 due to updated expenditures. The Department previously received outside entity funding for the non-federal share of administrative costs, however, this funding ended in FY 2011-12. Without the outside entity funding, many of the pending projects identified in the previous estimate cannot be advanced. The estimate has been revised to advance only three projects funded by outside entities, the Xerox projects, and the CAIR 2.0 project.

Methodology:

1. The ARRA HITECH Incentive Program is eligible for 90% federal financial participation (FFP). Currently, 26 separate projects are in place to assess the implementation of HITECH. In FY 2012-13 and FY 2013-14, the 10% non-federal share for 3 projects will be provided by outside entities.

2. Xerox projects are eligible for ARRA HITECH funding under the FI contract.

3. For the CAIR 2.0 project, the 10% non-federal share is budgeted in by CDPH. This policy change budgets the Title XIX 90% FFP that will be provided to CDPH for the CAIR 2.0 contract through an interagency agreement.

4. Payments to the contractors began in July 2010.

FY 2012-13	**FFP**	**Reimbursement**	**Total**
CAIR 2.0 project	$283,000	$0	$283,000
Other projects	$1,381,000	$154,000	$1,535,000
Subtotal	**$1,664,000**	**$154,000**	**$1,818,000**

	FFP	**GF**	**Total**
Xerox projects (In FI Estimate)	$2,880,000	$320,000	$3,200,000
Total FY 2012-13	$4,544,000	$474,000	$5,018,000

ARRA HITECH INCENTIVE PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 23

FY 2013-14	FFP	Reimbursement	Total
CAIR 2.0 project	$1,091,000	$0	$1,091,000
Other projects	$1,381,000	$154,000	$1,535,000
Subtotal	**$2,472,000**	**$154,000**	**$2,626,000**

	FFP	GF	Total
Xerox projects (In FI Estimate)	$720,000	$80,000	$800,000
Total FY 2013-14	$3,192,000	$234,000	$3,426,000

Funding:
Reimbursement (4260-610-0995)
Title XIX 100% FFP (4260-101-0890)

SSA COSTS FOR HEALTH COVERAGE INFO.

OTHER ADMIN. POLICY CHANGE NUMBER:	24
IMPLEMENTATION DATE:	1/1989
ANALYST:	Taryn Gerald
FISCAL REFERENCE NUMBER:	237

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$1,760,000	$2,000,000
STATE FUNDS	$880,000	$1,000,000
FEDERAL FUNDS	$880,000	$1,000,000

DESCRIPTION

Purpose:
This policy change estimates the cost of obtaining Supplemental Security Income/State Supplementary Payment (SSI/SSP) recipient information from the Social Security Administration (SSA).

Authority:
Interagency Agreement

Interdependent Policy Changes:
Not Applicable

Background:
The Department uses SSI/SSP information from the SSA to defer medical costs to other payors. The SSA administers the SSI/SSP programs. The SSI Program is a federally funded program which provides income support for persons aged 65 or older and qualified blind or disabled children. The SSP is a state program which augments SSI. The Department receives SSI/SSP information about health coverage and assignment of rights to medical coverage from SSA. The SSA bills the Department quarterly for this activity.

Reason for Change from Prior Estimate:
Recent bills from the SSA suggest a growing number of California residents being entitled to SSI/SSP benefits.

Methodology:
Not Applicable

In Thousands

	FY 2012-13			FY 2013-14		
Cash Basis	**TF**	**GF**	**FFP**	**TF**	**GF**	**FFP**
SSA Total Funds	**$1,760**	**$880**	**$880**	**$2,000**	**$1,000**	**$1,000**

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

ADHC TRANSITION-ADMINISTRATION

OTHER ADMIN. POLICY CHANGE NUMBER:	25
IMPLEMENTATION DATE:	1/2012
ANALYST:	Davonna McClendon
FISCAL REFERENCE NUMBER:	1638

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$1,741,000	$564,000
STATE FUNDS	$870,500	$282,000
FEDERAL FUNDS	$870,500	$282,000

DESCRIPTION

Purpose:
This policy change estimates the other administrative costs associated with transitioning current Adult Day Health Care (ADHC) program participants into Community-Based Adult Services (CBAS) or other services appropriate to their needs in order to minimize the risks of institutionalization.

Authority:
AB 97 (Chapter 3, Statutes of 2011)
Esther Darling, et al. v. Toby Douglas, et al. settlement agreement

Interdependent Policy Changes:
Not Applicable

Background:
AB 97 eliminated ADHC services from the Medi-Cal program effective July 1, 2011. A class action lawsuit, *Esther Darling, et al. v. Toby Douglas, et al.*, sought to challenge the elimination of ADHC services. A settlement of the lawsuit was reached that establishes the new CBAS program.
The benefits costs of the transition are included in the ADHC Transition – Benefits policy change. The fiscal intermediary cost of the transition is included in the fiscal intermediary section of the Estimate.

Reason for Change from Prior Estimate:
The ongoing costs for Fee-for-Service (FFS) Assessment and Care Coordination have been revised based upon more recent information. Also, prior year services that were anticipated to be paid in FY 2011-12 are now expected to be paid in FY 2012-13.

Methodology:
FFS Assessment and Care Coordination—For those ADHC clients in counties without managed care or when the client chooses FFS rather than managed care, the Department has contracted with APS, Inc., to provide health risk assessment, care coordination, and case management.

ADHC TRANSITION-ADMINISTRATION

OTHER ADMIN. POLICY CHANGE NUMBER: 25

(In Thousands)	FY 2012-13		FY 2013-14	
	TF	GF	TF	GF
FFS CBAS Savings	($222,465)	($111,233)	($274,489)	($137,245)
Payment Lags	0.8145	0.8145	0.9992	0.9992
Lagged FFS CBAS Savings	($181,198)	($90,599)	($274,269)	($137,135)
Managed Care CBAS Costs	$222,465	$111,232	$274,489	$137,245
Managed Care Payment Deferral	($22,874)	($11,437)	$0	$0
CBAS Users Electing FFS	($40,338)	($20,169)	($60,506)	($30,253)
Net CBAS Benefits Cost	($21,945)	($10,973)	($60,286)	($30,143)
HCO (included in FI Estimate)	$432	$216	$0	$0
Other Administration Cost				
FFS Assessment & Care Coordination	**$1,741**	**$871**	**$564**	**$282**
Total All Costs	($19,772)	($9,886)	($59,722)	($29,861)

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

MEDS INTEGRATION INTO CALHEERS

OTHER ADMIN. POLICY CHANGE NUMBER:	26
IMPLEMENTATION DATE:	7/2012
ANALYST:	Taryn Gerald
FISCAL REFERENCE NUMBER:	1678

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$1,261,000	$997,000
STATE FUNDS	$1,068,400	$848,950
FEDERAL FUNDS	$192,600	$148,050

DESCRIPTION

Purpose:
This policy change estimates the cost for a consultant and staff to integrate the Medi-Cal Eligibility Data System (MEDS) into the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS).

Authority:
Affordable Care Act of 2010

Interdependent Policy Changes:
Not Applicable

Background:
CalHEERS will be programmed to provide Modified Adjusted Gross Income eligibility determinations for individuals seeking coverage through the Health Benefit Exchange, Medi-Cal, and the Healthy Families program. In order to provide seamless integration with the new CalHEERS system, the Department will establish and design the implementation of technology solutions for ongoing maintenance of MEDS changes and integration with CalHEERS.

The Department will receive the enhanced federal funding for the requirements validation, design, development, testing, and implementation of MEDS related systems changes needed to interface with the CalHEERS.

The Department is hiring eight contractors. The contractors' responsibilities are:

- Ensure that MEDS will directly interoperate with CalHEERS,
- Modify the MEDS system to meet technical and business requirements, and
- Enhance or replace existing interfaces to be customized to become real time.

Costs for the one-time CalHEERS development and implementation are eligible for 90% federal funds. CalHEERS ongoing maintenance costs are eligible for 75% federal funds.

Reason for Change from Prior Estimate:
The change is due to a delay in hiring the contractors.

Methodology:
1. Assume the consultants will begin development and implementation (D&I) work November 2012. Assume the consultants will begin ongoing maintenance (O&M) January 2014.

MEDS INTEGRATION INTO CALHEERS

OTHER ADMIN. POLICY CHANGE NUMBER: 26

2. One-time development and implementation payments are estimated to be made monthly, beginning in December 2012. Payments will be made one month in arrears.

3. Ongoing maintenance payments are estimated to be made monthly, beginning in February 2014. Payments will be made one month in arrears.

FY 2012-13	(In Thousands)			
	TF	**GF**	**FFP**	**Reimbursement**
D&I	**$1,261**	**$21**	**$193**	**$1,047**

FY 2013-14	(In Thousands)			
	TF	**GF**	**FFP**	**Reimbursement**
D&I	$802	$14	$123	$665
O&M*	$195	$8	$25	$162
Total	**$997**	**$22**	**$148**	**$827**

Funding:
Title XIX 10/90 FFP (4260-101-0001/0890)
Title XIX 25/75 FFP (4260-101-0001/0890)*

FAMILY PACT PROGRAM ADMIN.

OTHER ADMIN. POLICY CHANGE NUMBER:	27
IMPLEMENTATION DATE:	7/2012
ANALYST:	Randolph Alarcio
FISCAL REFERENCE NUMBER:	1675

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$1,207,000	$1,207,000
STATE FUNDS	$603,500	$603,500
FEDERAL FUNDS	$603,500	$603,500

DESCRIPTION

Purpose:
This policy change estimates the cost for provider recruitment, education, and support for the Family Planning, Access, Care and Treatment (Family PACT) program.

Authority:
AB 1464 (Chapter 21, Statutes of 2012)

Interdependent Policy Changes:
Not Applicable

Background:
The Family PACT program 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. 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,
- 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
- Toll-free referral number.

Prior to FY 2012-13, the Office of Family Planning in the California Department of Public Health (CDPH) contracted with a variety of entities to provide these services. AB 1464 transferred the Family PACT program and funding to the Department beginning July 1, 2012.

Reason for Change from Prior Estimate:
Revised estimates based on new contract.

Methodology:

	TF	GF	FFP
FY 2012-13	$1,207,000	$603,500	$603,500
FY 2013-14	$1,207,000	$603,500	$603,500

FAMILY PACT PROGRAM ADMIN.

OTHER ADMIN. POLICY CHANGE NUMBER: 27

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

HIPAA CAPITATION PAYMENT REPORTING PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER:	28
IMPLEMENTATION DATE:	10/2012
ANALYST:	Davonna McClendon
FISCAL REFERENCE NUMBER:	1318

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$967,000	$2,000,000
STATE FUNDS	$466,750	$500,000
FEDERAL FUNDS	$500,250	$1,500,000

DESCRIPTION

Purpose:
This policy change estimates the contract costs required to make improvements to the existing capitation calculation process in order to stay compliant with new Health Insurance Portability and Accountability Act (HIPAA) transaction requirements (5010).

Authority:
45 CFR Part 162

Interdependent Policy Changes:
Not Applicable

Background:
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 previously mandated that these types of payments be reported using a standard HIPAA transaction (820 Premium Payments transaction). New HIPAA transaction requirements were implemented on July 1, 2011.

The 5010 requirements will make significant improvements to the existing capitation calculation process while allowing detailed reporting at the beneficiary level, which will increase the effectiveness of monthly reconciliation between Medi-Cal and the contracted managed care plans. The electronic storage of the data will also support research efforts to perform recoveries from the estates of deceased Medi-Cal beneficiaries. Phase 1 of the new HIPAA Capitation Payment Reporting Project (CAPMAN) went into production in July 2011. The old manual system needs to be maintained to process net changes.

Since implementation of CAPMAN, additional functionality is required due to the expansion of Medi-Cal managed care, to support Community-Based Adult Services (CBAS), to support the beneficiaries impacted by the closure of the Lanterman facility, and automation of the accounting interface. It is anticipated that a five year contract is required to bring additional state and vendor staff to work with the Department on CAPMAN system changes. It is assumed that this contract will be effective February 1, 2013. Phase 2 will begin in FY 2012-13.

The HIPAA-1 Advanced Planning Document (APD) expired on June 30, 2010. That APD authorized the Department to request 90% federal match for HIPAA work. After June 30, 2010, the Department continued to receive invoices for HIPAA work. Those invoices were processed at the higher Federal Medical Assistance Percentage. Since the APD had expired, the Department is only eligible for 75% federal match and the Department must repay the federal government for the difference.

HIPAA CAPITATION PAYMENT REPORTING PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER: 28

Reason for Change from Prior Estimate:
Repayment to the federal government that was expected to be paid in FY 2011-12 for the additional funding received while using the expired APD will be paid in FY 2012-13. In addition, contractor costs were reduced due to a delay in securing a contractor for the expansion of CAPMAN system changes.

Methodology:
1. The contract costs will be $2,000,000 annually. The first year costs reflect four months of work.

FY 2012-13	TF	GF
CMS Repayment*	$300,000	$300,000
Contract Costs	$667,000	$166,750
	$967,000	**$466,750**

FY 2013-14	TF	GF
Contract Costs	**$2,000,000**	**$500,000**

Funding:
Title XIX 25/75 FFP (4260-117-0001/0890)
100% State GF (4260-101-0001)*

SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES

OTHER ADMIN. POLICY CHANGE NUMBER:	29
IMPLEMENTATION DATE:	7/2002
ANALYST:	Candace Epstein
FISCAL REFERENCE NUMBER:	258

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$950,000	$950,000
STATE FUNDS	$950,000	$950,000
FEDERAL FUNDS	$0	$0

DESCRIPTION

Purpose:
This policy change estimates the cost of the contract with the County of San Diego for administrative services.

Authority:
Welfare & Institutions Code, sections 14089(g) and 14089.05

Interdependent Policy Changes:
Not Applicable

Background:
The Department contracts with the County of San Diego to provide administrative services for the San Diego Geographic Managed Care program. The Department reimburses the County for staff, postage, printing, data center access, travel, health care options presentations to explain the enrollment and disenrollment process, customer assistance and problem resolution. Effective August 2003, these services are no longer eligible for federal match. The contract term is July 1, 2007 through June 30, 2014.

Reason for Change from Prior Estimate:
There is no change.

Methodology:
1. Based on contract provisions, the administrative activities costs will be $950,000 for FY 2012-13 and FY 2013-14.

Funding:
100% State GF (4260-101-0001)

MMA - DSH ANNUAL INDEPENDENT AUDIT

OTHER ADMIN. POLICY CHANGE NUMBER:	30
IMPLEMENTATION DATE:	7/2009
ANALYST:	Cang Ly
FISCAL REFERENCE NUMBER:	266

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$856,000	$856,000
STATE FUNDS	$428,000	$428,000
FEDERAL FUNDS	$428,000	$428,000

DESCRIPTION

Purpose:
This policy change estimates the administrative costs of contracting for annual independent audits of the Disproportionate Share Hospital (DSH) program.

Authority:
Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA)
Title 42, Code of Federal Regulations, section 455.300 et. seq.

Interdependent Policy Changes:
Not Applicable

Background:
The 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% Federal Financial Participation and 50% General Fund (GF). The Centers for Medicare and Medicaid Services (CMS) released the final regulation and criteria for the annual certified audit in 2008. Each fiscal year's annual audit and report is due to CMS by December 31.

Reason for Change from Prior Estimate:
The change in FY 2012-13 is due to no longer needing to audit private hospitals who return the nominal DSH payments they received. This change reduces the number of hospitals that will be audited from 143 to 54.

Methodology:
1. Each fiscal year, all auditing activity will cost $856,000 ($428,000 GF).

2. In FY 2012-13, the Department will make final payments for the FY 2008-09 audit and partial payment for the FY 2009-10 audit.

3. In FY 2013-14, the Department will make final payment for the FY 2009-10 audit and partial payment for the FY 2010-11 audit.

MMA - DSH ANNUAL INDEPENDENT AUDIT

OTHER ADMIN. POLICY CHANGE NUMBER: 30

(In Thousands)	GF	FF	TF
FY 2012-13	**$428**	**$428**	**$856**
FY 2013-14	**$428**	**$428**	**$856**

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

RATE STUDIES FOR MAIC AND AAC VENDOR

OTHER ADMIN. POLICY CHANGE NUMBER:	31
IMPLEMENTATION DATE:	3/2012
ANALYST:	Davonna McClendon
FISCAL REFERENCE NUMBER:	1483

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$635,000	$1,000,000
STATE FUNDS	$317,500	$500,000
FEDERAL FUNDS	$317,500	$500,000

DESCRIPTION

Purpose:
This policy change estimates the cost related to hiring a contractor to survey drug price information from pharmacies.

Authority:
AB 102 (Chapter 29, Statutes of 2011)
Welfare and Institutions (W&I) Code, sections 14105.45 and 14105.451

Interdependent Policy Changes:
Not Applicable

Background:
W&I Code section 14105.45, requires the Department to establish Maximum Allowable Ingredient Costs (MAIC) on certain generic drugs based on pharmacies' acquisition costs and to update the MAICs at least every three months. Currently, the Department is subject to a court injunction which precludes implementation of the MAIC methodology.

AB 102 authorized the Department to develop a reimbursement methodology for drugs based on a new benchmark, the Average Acquisition Cost (AAC), to replace the Average Wholesale Price. MAICs based on the new reimbursement benchmark, AACs, are not subject to the injunction.

To obtain information from providers necessary to establish the MAICs and AACs, the Department hired a contractor to survey drug price information from Medi-Cal pharmacy providers and update MAICs and AACs on an ongoing basis. A project management contractor was assigned to oversee the implementation of the AAC vendor program.

Reason for Change from Prior Estimate:
Due to a delay in the contractor procurement process, the vendor was hired in December 2012 instead of July 2012.

Methodology:
1. The project management contractor was hired in February 2012, payments began in March 2012.

2. Assume the AAC vendor contractor was hired in December 2012, payments will begin in January 2013.

3. Assume the contractors' costs will be $1,000,000 TF ($500,000 GF) annually.

RATE STUDIES FOR MAIC AND AAC VENDOR

OTHER ADMIN. POLICY CHANGE NUMBER: 31

4. Estimated contractors' costs are:

	FY 2012-13	FY 2013-14
Project Management Contractor	$270,000	$ 270,000
AAC Vendor Contractor	$365,000	$ 730,000
Total	**$635,000**	**$1,000,000**

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

MEDI-CAL INPATIENT SERVICES FOR INMATES

OTHER ADMIN. POLICY CHANGE NUMBER:	32
IMPLEMENTATION DATE:	3/2012
ANALYST:	Davonna McClendon
FISCAL REFERENCE NUMBER:	1665

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$560,000	$560,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$560,000	$560,000

DESCRIPTION

Purpose:
This policy change estimates the federal match provided to the California Department of Corrections and Rehabilitation (CDCR) for administrative costs related to the Inmate Eligibility Program.

Authority:
AB 1628 (Chapter 729, Statutes of 2010)
Interagency Agreement #10-87275

Interdependent Policy Changes:
Not Applicable

Background:
AB 1628 authorizes the Department and CDCR to claim federal reimbursement for inpatient hospital services for adult inmates in State correctional facilities when these services are provided off the grounds of the State correctional facility, and the inmates are determined eligible for either the Medi-Cal program or the Low Income Health Program (LIHP) run by counties. As part of these provisions, CDCR is claiming federal financial participation (FFP) for their administrative costs to operate the Inmate Eligibility Program.

The federal funds provided to CDCR for the cost of inpatient services for inmates deemed eligible for Medi-Cal or the Low Income Health Program are included in the Medi-Cal Inpatient Hosp. Costs for Inmates and BTR – LIHP Inpatient Hosp. Costs for CDCR Inmates policy changes respectively.

Reason for Change from Prior Estimate:
There is no change.

Methodology:
1. Implementation of the Inmate Eligibility Program began April 1, 2011.

2. Reimbursements for CDCR's administrative costs began in March 2012.

3. The federal share of ongoing administrative costs is $560,000 annually.

Funding:
Title XIX 100% FFP (4260-101-0890)

POSTAGE AND PRINTING - THIRD PARTY LIAB.

OTHER ADMIN. POLICY CHANGE NUMBER: 33
IMPLEMENTATION DATE: 7/1996
ANALYST: Taryn Gerald
FISCAL REFERENCE NUMBER: 240

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$534,000	$507,000
STATE FUNDS	$267,000	$253,500
FEDERAL FUNDS	$267,000	$253,500

DESCRIPTION

Purpose:
This policy changes estimates the Third Party Liability postage and printing costs.

Authority:
Not Applicable

Interdependent Policy Changes:
Not Applicable

Background:
The Department uses direct mails 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 payer of last resort. The number of forms/questionnaires printed and mailed and report information received correlates to the Medi-Cal caseload.

All forms related to Medicare Operations are available online. The Department plans to purchase a document folder/inserter machine in FY 2012-13 to process the majority of mailings in house.

Reason for Change from Prior Estimate:
A slight decrease due to streamlining efforts to reduce mailing.

Methodology:
Not Applicable

FY 2012-13	Postage	Printing	Total
Personal Injury	$194,000	$33,000	$227,000
Estate Recovery	$92,000	$161,000	$253,000
Overpayments	$11,000	$2,000	$12,000
Cost Avoidance	$5,000	$1,000	$6,000
*AB 155 Invoices	$25,000	$0	$25,000
Document Folder Inserter	$0	$0	$11,000
Total	$327,000	$196,000	$534,000

POSTAGE AND PRINTING - THIRD PARTY LIAB.

OTHER ADMIN. POLICY CHANGE NUMBER: 33

FY 2013-14	Postage	Printing	Total
Personal Injury	$204,000	$34,000	$238,000
Estate Recovery	$97,000	$147,000	$244,000
Overpayments	$11,000	$2,000	$12,000
Cost Avoidance	$5,000	$1,000	$6,000
*AB 155 Invoices	$5,000	$0	$5,000
Document Folder Inserter	$0	$0	$2,000
Total	$322,000	$183,000	$507,000

	TF	GF	FFP
FY 2012-13	**$534,000**	**$267,000**	**$267,000**
FY 2013-14	**$507,000**	**$253,500**	**$253,500**

*AB 155 (Chapter 820 Statutes of 1999) requires invoicing for premiums for the 250% Working Disabled Program.

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

APD PROJECT MANAGER

OTHER ADMIN. POLICY CHANGE NUMBER:	34
IMPLEMENTATION DATE:	7/2012
ANALYST:	Taryn Gerald
FISCAL REFERENCE NUMBER:	1739

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$429,000	$71,000
STATE FUNDS	$214,500	$35,500
FEDERAL FUNDS	$214,500	$35,500

DESCRIPTION

Purpose:
This policy change estimates the cost of procuring a Certified Project Manager (CPM) to develop an Advanced Planning Document (APD).

Authority:
Not Applicable

Interdependent Policy Changes:
Not Applicable

Background:
The Centers for Medicare & Medicaid Services (CMS) determined the new dental Fiscal Intermediary (FI) contract no longer meets the regulatory criteria and conditions as a MMIS acquisition. Therefore, the contract is not eligible for enhanced federal funding. The Department plans to procure a CPM. The CPM will work with CMS to develop an APD and to ensure CMS approval of the dental FI contract as an MMIS in order to continue enhanced federal funding.

Reason for Change from Prior Estimate:
This is a new policy change.

Methodology:
1. Assume the project manager will be hired in December 2012 and the contract will end June 2013.

2. Total estimated costs are $500,000.

3. Payments will begin in February 2013.

	TF	GF	FFP
FY 2012-13:	**$358,000**	**$179,000**	**$179,000**
FY 2013-14:	**$143,000**	**$71,500**	**$71,500**

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

MEDICARE BUY-IN QUALITY REVIEW PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER:	35
IMPLEMENTATION DATE:	3/2012
ANALYST:	Taryn Gerald
FISCAL REFERENCE NUMBER:	1590

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$400,000	$400,000
STATE FUNDS	$200,000	$200,000
FEDERAL FUNDS	$200,000	$200,000

DESCRIPTION

Purpose:
This policy change estimates the cost of a contract with the University of Massachusetts (UMASS) to identify potential overpayments to Centers for Medicare and Medicaid Services (CMS) or Medicare providers related to the Medicare Buy-In process for Medicare/Medi-Cal dual eligibles.

Authority:
Welfare & Institutions Code 14124.92
Contract 10-87134 A01

Interdependent Policy Changes:
PC 196 Medicare Buy-In Quality Review Project

Background:
The Department entered into a three-year contract with UMASS on October 1, 2010. UMASS will assist the Department in auditing the invoices received from CMS to pay the Medicare premiums. On May 17, 2012, the Department of General Services approved extending the agreement to June 30, 2015.

The payments to UMASS are contingent upon recovery of overpayments from CMS and Medicare providers. These payments are estimated to be 10% of the amounts recovered.

The savings to the Department due to the amounts recovered are budgeted in the Medicare Buy-In Quality Review Project policy change.

Reason for Change from Prior Estimate:
The change is due to a re-evaluation of the estimated overpayments.

Methodology:
1. It is assumed the cost of the contractor will be 10% of the amount recovered and payments will begin October 2012.

2. Assume the annual amount recovered will be $4,000,000.

3. It is assumed that the cost of the contractor will be $400,000 in FY 2012-13 and $400,000 in FY 2013-14.

   $4,000,000 x 10% = $400,000 annual contractor cost

MEDICARE BUY-IN QUALITY REVIEW PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER: 35

	TF	GF	FFP
FY 2012-13	**$400,000**	**$ 200,000**	**$200,000**
FY 2013-14	**$400,000**	**$ 200,000**	**$200,000**

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

CCT ENROLLMENT-ADMIN COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	36
IMPLEMENTATION DATE:	4/2011
ANALYST:	Julie Chan
FISCAL REFERENCE NUMBER:	1556

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$369,000	$369,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$369,000	$369,000

DESCRIPTION

Purpose:
This policy change budgets the federal funding to cover administrative costs to increase the California Community Transitions (CCT) enrollment.

Authority:
Deficit Reduction Act 6071
Patient Protection and Affordable Care Act (PPACA) 2403

Interdependent Policy Changes:
Not Applicable

Background:
Pursuant to the PPACA, the Department was approved on September 3, 2010 for $750,000 in Money Follows the Person (MFP) Rebalancing Demonstration supplemental grant funding over a three-year period. This grant funding will be used to implement an assessment tool to improve the ability of Skilled Nursing Facilities/Nursing Facilities, States, and other qualified entities to identify individuals who are interested in returning to the community. The Department will collaborate with the Aging and Disability Resources Connection (ADRC) programs, CCT lead organizations, and other community-based providers to increase CCT enrollment. This supplemental grant funding does not require matching funds. The costs will be 100% federally funded.

The Department has requested from the Centers for Medicare and Medicaid Services (CMS) an extension of this grant through September 2014 in order to complete the objectives set forth in the grant.

Reason for Change from Prior Estimate:
The estimated costs decreased due to a delay in startup of a new ADRC.

Methodology:
1. Costs began in April 2011 totaling approximately $11,000 Federal Financial Participation (FFP) during FY 2010-11.

CCT ENROLLMENT-ADMIN COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 36

2. Estimated costs are based on proposed expenditures for the following activities:

- Minimum Data Set (MDS) 3.0 Section Q options counseling,
- ADRC planning and start-up implementation,
- ADRC/MFP collaborative strategic planning,
- MDS 3.0 Section Q policy development, and
- MDS/Options counseling training sessions.

Funding:
MFP Federal Grant (4260-106-0890)

ENCRYPTION OF PHI DATA

OTHER ADMIN. POLICY CHANGE NUMBER:	37
IMPLEMENTATION DATE:	5/2010
ANALYST:	Taryn Gerald
FISCAL REFERENCE NUMBER:	1452

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$350,000	$500,000
STATE FUNDS	$175,000	$250,000
FEDERAL FUNDS	$175,000	$250,000

DESCRIPTION

Purpose:
This policy change estimates the upgrades to the infrastructure and ongoing costs of maintaining electronic Protected Health Information (PHI).

Authority:
Not Applicable

Interdependent Policy Changes:
Not Applicable

Background:
The Department has acquired hardware, supplies, associated maintenance and support services that are necessary to encrypt electronic data stored on backup tapes. The data on these tapes contain Medi-Cal beneficiary information that is considered confidential and/or PHI by federal and state mandates. The encryption of these tapes will secure and protect Department information assets from unauthorized disclosure; protect the privacy of Medi-Cal beneficiaries; prevent lawsuits from citizens for privacy violations; avoid costs to notify millions of people if a large breach does occur; and maintain its public image and integrity for protecting confidentiality and privacy of information that it maintains on its customers.

The Department is upgrading the backup and recovery methods for the current infrastructure by moving from tape backup to the Disk to Disk solution. The upgrade is necessary to take advantage of technologies such as backup to disk, data de-duplication, offsite data replication, and data encryption. The maintenance and increasing amount of data involved with the migration of the Department with these technologies allows the Department to continue to grow and support its virtualization infrastructure and to provide backup and recovery methods for this infrastructure.

Reason for Change from Prior Estimate:
The increase in costs is due to new and current litigation that requires the Department to hold all infrastructure data. In addition, additional storage is needed to keep information due to the programs from other departments migrating into the Department.

Methodology:
1. The estimated ongoing maintenance cost for FY 2012-13 is **$350,000** and FY 2013-14 is **$500,000**.

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

MIS/DSS CONTRACT REPROCUREMENT SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER:	38
IMPLEMENTATION DATE:	4/2012
ANALYST:	Taryn Gerald
FISCAL REFERENCE NUMBER:	1615

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$250,000	$350,000
STATE FUNDS	$62,500	$87,500
FEDERAL FUNDS	$187,500	$262,500

DESCRIPTION

Purpose:
This policy change estimates the cost related to hiring a contractor to assess the services to be included in the Management Information System and Decision Support System (MIS/DSS) contract.

Authority:
State Administrative Manual 4821
Title 45, Code of Federal Regulations 95.611

Interdependent Policy Changes:
Not Applicable

Background:
The contract for ongoing development, maintenance, and operation of the MIS/DSS is scheduled to end on February 14, 2014. The Department will contract with a vendor to provide assistance with the reassessment of the scope of services to be included in the reprocurement of the MIS/DSS contract beginning in FY 2012-13. Resources are needed to develop the required project approval documents to achieve required state and federal level approvals and assist in conducting the reprocurement project.

Reason for Change from Prior Estimate:
There was delay in the hiring of the contractor, in order for the Department to re-assess its long term needs due to federal and state health care reform.

Methodology:

	TF	GF	FFP
FY 2012-13	$250,000	$62,500	$187,500
FY 2013-14	$350,000	$87,500	$262,500

Funding:
Title XIX 25/75 FFP (4260-101-0001/0890)

MEDS MODERNIZATION PROJECT CONTRACTOR

OTHER ADMIN. POLICY CHANGE NUMBER:	39
IMPLEMENTATION DATE:	11/2012
ANALYST:	Taryn Gerald
FISCAL REFERENCE NUMBER:	1731

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$200,000	$0
STATE FUNDS	$20,000	$0
FEDERAL FUNDS	$180,000	$0

DESCRIPTION

Purpose:
This policy change estimates the cost to hire a contractor to conduct a feasibility study and develop an Advance Planning Document (APD) for the MEDS Modernization Project.

Authority:
Not Applicable

Interdependent Policy Changes:
Not Applicable

Background:
The modernization of the Medi-Cal Eligibility Data System (MEDS) is related to the implementation of the California Healthcare Eligibility and Retention System (CalHEERS).

The Department is seeking to transition MEDS from a stand-alone legacy system to a modernized, integrated solution that addresses the requirements of the federal Affordable Care Act, and increases the Department's alignment with the federal Medicaid Information Technology Architecture (MITA).

The Department anticipates that the MEDS Modernization Project will start in January 2014 and continue through November 2015.

Reason for Change from Prior Estimate:
This is a new policy change.

Methodology:

1. Assume that a team of consultants will be hired beginning October 2012 through April 2013 with payments beginning in November 2012.

2. Assume a one-time cost of $200,000.

	TF	GF	FFP
FY 2012-13:	**$200,000**	**$20,000**	**$180,000**

Funding:
Title XIX 10/90 FFP (4260-101-0001/0890)

MITA

OTHER ADMIN. POLICY CHANGE NUMBER:	40
IMPLEMENTATION DATE:	1/2011
ANALYST:	Taryn Gerald
FISCAL REFERENCE NUMBER:	1137

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$189,000	$0
STATE FUNDS	$18,900	$0
FEDERAL FUNDS	$170,100	$0

DESCRIPTION

Purpose:
This policy change estimates the costs associated with the Medicaid Information Technology Architecture (MITA).

Authority:
Not Applicable

Interdependent Policy Changes:
Not Applicable

Background:
The Centers for Medicare and Medicaid Services (CMS) is requiring the Department to move toward creating flexible systems, which support interactions between the federal government and their state partners. Through MITA, the Department will develop the ability to streamline the process to access information from various systems, which will result in cost effectiveness. CMS will not approve Advanced Planning Documents (APD) or provide federal funding to the Department without adherence to MITA.

The MITA consists of a three-phased transition plan that CMS expects the Department to use to guide the future upgrades and replacements of the entire Medicaid Management Information System (MMIS) or individual components. Each phase may be completed by a different contractor. The Department completed the first phase, the CMS-required MITA State Self-Assessment (SS-A) of business processes to determine the current and long-term business requirements, in June 2008. The second phase, State Medicaid Enterprise Architecture (EA), which is awaiting the results of a Department-wide EA, will result in no additional cost to the Department. The third phase, developing a State MITA roadmap, began in September 2009. As a condition of approving enhanced federal funding for the MITA SS-A, CMS required the Department to complete the State MITA roadmap. The Department is targeting May 31, 2013 to complete this work. The Department is currently developing EA at the Agency level to address MITA EA activities.

Reason for Change from Prior Estimate:
There is no material change.

Methodology:

	FY 2012-13		
	TF	**GF**	**FFP**
Phase 3	**$189,000**	**$18,900**	**$170,100**

MITA

OTHER ADMIN. POLICY CHANGE NUMBER: 40

Funding:
Title XIX 10/90 FFP (4260-101-0001/0890)

PEDIATRIC PALLIATIVE CARE WAIVER EVALUATION

OTHER ADMIN. POLICY CHANGE NUMBER:	41
IMPLEMENTATION DATE:	7/2010
ANALYST:	Andrew Yoo
FISCAL REFERENCE NUMBER:	1335

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$188,000	$103,000
STATE FUNDS	$94,000	$51,500
FEDERAL FUNDS	$94,000	$51,500

DESCRIPTION

Purpose:
This policy change estimates the costs associated with an evaluation of the Pediatric Palliative Care Waiver Pilot Project.

Authority:
AB 1745 (Chapter 330, Statutes of 2006)

Interdependent Policy Changes:
Not Applicable

Background:
AB 1745 required the Department to submit an application for a federal waiver for a Pediatric Palliative Care Pilot Project to Centers for Medicare and Medicaid Services (CMS). 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 waiver was approved beginning April 1, 2009 through March 31, 2012. The waiver was implemented and began enrollment on January 1, 2010. The Department has submitted a waiver renewal application to CMS for the period of April 1, 2012 through March 31, 2017.

AB 1745 mandated that the Department evaluate the pilot project. The evaluation began in July 2010.

Reason for Change from Prior Estimate:
The independent evaluation ends on December 31, 2013.

Methodology:
Not Applicable

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

HEALTH CARE OPTIONS CONSULTANT COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	42
IMPLEMENTATION DATE:	12/2012
ANALYST:	Taryn Gerald
FISCAL REFERENCE NUMBER:	1592

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$125,000	$125,000
STATE FUNDS	$62,500	$62,500
FEDERAL FUNDS	$62,500	$62,500

DESCRIPTION

Purpose:
This policy change estimates the contract cost for a Health Care Options (HCO) consultant.

Authority:
Not Applicable

Interdependent Policy Changes:
Not Applicable

Background:
The Department withdrew the Request For Proposal (RFP) originally released for an HCO consultant. The RFP no longer met the needs of Department of Health Care Services (DHCS). The project scope changed to focus on activities related to HCO Program operational alignment with CalHEERS and the current enrollment broker contract. The responsibilities of the HCO consultant are to develop recommendations, policies, and operational procedures to align the HCO Program with the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) solution.

The HCO consultant and the Department will work together to:

1. Develop policies and operational procedures to align and/or transition the HCO Program operations with CalHEERS; and
2. Develop any mandatory contract amendments or procurements that may be required to the enrollment broker contract to achieve HCO Program operational alignment.

Reason for Change from Prior Estimate:
Costs decreased due to a change in the scope of work and the length of the contract.

Methodology:
1. Assume the consultant will be hired in November 2012 through September 2013.
2. Total estimated consultant's costs are $250,000.
3. Payments will be made in arrears, beginning December 2012.

HEALTH CARE OPTIONS CONSULTANT COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 42

	TF	GF	FFP
FY 2012-13:	**$125,000**	**$62,500**	**$62,500**
FY 2013-14:	**$125,000**	**$62,500**	**$62,500**

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

EPOCRATES

OTHER ADMIN. POLICY CHANGE NUMBER:	43
IMPLEMENTATION DATE:	4/2007
ANALYST:	Davonna McClendon
FISCAL REFERENCE NUMBER:	1157

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$119,000	$119,000
STATE FUNDS	$59,500	$59,500
FEDERAL FUNDS	$59,500	$59,500

DESCRIPTION

Purpose:
This policy change estimates the cost of a contract with Epocrates Rx™.

Authority:
Not Applicable

Interdependent Policy Changes:
Not Applicable

Background:
Epocrates Rx™ contains important drug list and clinical information for commercial health plans and Medicaid programs throughout the country.

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

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.

Reason for Change from Prior Estimate:
There is no change.

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

KATIE A. V. DIANA BONTA SPECIAL MASTER

OTHER ADMIN. POLICY CHANGE NUMBER:	44
IMPLEMENTATION DATE:	7/2009
ANALYST:	Taryn Gerald
FISCAL REFERENCE NUMBER:	1453

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$103,000	$100,000
STATE FUNDS	$51,500	$50,000
FEDERAL FUNDS	$51,500	$50,000

DESCRIPTION

Purpose:
This policy changes estimates the special master costs for the *Katie A. v. Diana Bontá* lawsuit settlement.

Authority:
Not Applicable

Interdependent Policy Changes:
Not Applicable

Background:
On March 14, 2006, the U.S. Central District Court of California issued a preliminary injunction in *Katie A. v. Diana Bontá*. The preliminary injunction required the provision of EPSDT program "wraparound" and "therapeutic foster care" (TFC) mental health services under the Specialty Mental Health Services waiver to children in foster care or "at risk" of foster care placement. On appeal, the Ninth Circuit Court reversed the granting of the preliminary injunction and remanded the case to the District Court in order to review each component service to determine whether they are mandated Medicaid covered services, and if so, whether the Medi-Cal program provides each service effectively. The court ordered the parties to engage in further meetings with the court appointed Special Master. On July 15, 2011, the parties agreed to a proposed settlement that was subject to court approval. The court granted final approval of the proposed settlement on December 2, 2011. On October 13, 2011, the parties began a new series of Special Master meetings to develop a plan for, and begin, settlement implementation. The Department and the California Department of Social Services (CDSS) fund the Special Master. As a result of the lawsuit, beneficiaries meeting medical necessity criteria may receive an increase in existing services that will be provided in a more intensive and effective manner.

Reason for Change from Prior Estimate:
The fluctuation in costs is due to the change in the amount of time utilized for the Special Master meetings.

Methodology:
1. Assume the new Special Master costs are $205,000 for FY 2012-13 and $200,000 for FY 2013-14.

2. The Special Master costs will be split with CDSS and each department will pay 50% of the costs.

KATIE A. V. DIANA BONTA SPECIAL MASTER

OTHER ADMIN. POLICY CHANGE NUMBER: 44

	TF	CDSS TF	DHCS TF
FY 2012-13	$205,000	$102,500	$102,500
FY 2013-14	$200,000	$100,000	$100,000

	DHCS TF	GF	FFP
FY 2012-13	**$103,000**	**$51,500**	**$51,500**
FY 2013-14	**$100,000**	**$50,000**	**$50,000**

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

CCS CASE MANAGEMENT SUPPLEMENTAL PAYMENT

OTHER ADMIN. POLICY CHANGE NUMBER:	45
IMPLEMENTATION DATE:	7/2012
ANALYST:	Luna Woo
FISCAL REFERENCE NUMBER:	1388

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$100,000	$100,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$100,000	$100,000

DESCRIPTION

Purpose:
This policy change estimates the county funds expended above the allocations on administrative activities in support of a county's California Children's Services (CCS) Medi-Cal caseload using Certified Public Expenditures (CPE).

Authority:
California Health and Safety Code § 123955(f)
Code of Federal Regulations, Title 42, 433.51

Interdependent Policy Changes:
Not Applicable

Background:
County costs for determination of CCS Medi-Cal eligibility, care coordination, utilization management and prior authorization of services are reimbursed by Medi-Cal.

Reason for Change from Prior Estimate:
There is no material change.

Methodology:
1. County funds expended above the allocations on administrative activities in support of a county's CCS Medi-Cal caseload may be used as CPE to draw down Title XIX federal financial participation (FFP). It is assumed that $100,000 will be drawn down with counties' CPE in FY 2012-13 and FY 2013-14.

	FFP
FY 2012-13	**$100,000**
FY 2013-14	**$100,000**

Funding:
Title XIX FFP (4260-101-0890)

TAR POSTAGE

OTHER ADMIN. POLICY CHANGE NUMBER:	46
IMPLEMENTATION DATE:	7/2003
ANALYST:	Candace Epstein
FISCAL REFERENCE NUMBER:	267

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$95,000	$93,000
STATE FUNDS	$47,500	$46,500
FEDERAL FUNDS	$47,500	$46,500

DESCRIPTION

Purpose:
This policy change estimates postage costs for Medi-Cal Treatment Authorization Requests (TAR).

Authority:
Welfare and Institutions Code, section 14103.6

Interdependent Policy Changes:
Not Applicable

Background:
Not Applicable

Reason for Change from Prior Estimate:
There was a delay in transitioning to the e-TAR system due to the need to notice Community Based Adult Services beneficiaries.

Methodology:
1. TAR postage costs for Medi-Cal are assumed to be $95,000 for FY 2012-13 based on FY 2011-12 expenditures.

2. For FY 2013-14, the costs for TAR postage are expected to be $93,000.

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

Q5i AUTOMATED DATA SYSTEM ACQUISTION

OTHER ADMIN. POLICY CHANGE NUMBER:	47
IMPLEMENTATION DATE:	8/2011
ANALYST:	Taryn Gerald
FISCAL REFERENCE NUMBER:	1440

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$87,000	$87,000
STATE FUNDS	$43,500	$43,500
FEDERAL FUNDS	$43,500	$43,500

DESCRIPTION

Purpose:
This policy change estimates the cost of the Q5i system and the ongoing support costs.

Authority:
Not Applicable

Interdependent Policy Changes:
Not Applicable

Background:
The Department acquired the Q5i automated quality control data system on June 10, 2011. There will be ongoing costs for associated software, maintenance and support. The Q5i system is used to support quality control efforts for the following state and federally mandated programs: Medi-Cal Eligibility Quality Control (MEQC), County Performance Standards, Payment Error Rate Measurement (PERM), and Anti-Fraud/Program Integrity. A contract is required for maintenance and system support costs.

Reason for Change from Prior Estimate:
There is no change.

Methodology:
1. Ongoing costs began in March 2012.

	FY 2012-13			FY 2013-14		
	TF	GF	FFP	TF	GF	FFP
Ongoing Cost	$87,000	$43,500	$43,500	$87,000	$43,500	$43,500

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

PASRR

OTHER ADMIN. POLICY CHANGE NUMBER:	48
IMPLEMENTATION DATE:	7/2013
ANALYST:	Betty Lai
FISCAL REFERENCE NUMBER:	1720

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$0	$2,616,000
STATE FUNDS	$0	$654,000
FEDERAL FUNDS	$0	$1,962,000

DESCRIPTION

Purpose:
This policy change estimates the contract cost for QTC Medical Group.

Authority:
Title 42, Code of Federal Regulations 483.100-483.136, 483.200-483.206

Interdependent Policy Changes:
Not Applicable

Background:
QTC Medical Group, Inc. completes Level II evaluations for the federally mandated Preadmission Screening and Resident Review (PASRR) program. A Level II evaluation consists of a face to face mental status examination and psychosocial assessment for individuals identified with mental illness upon admission to a nursing facility. The findings of this evaluation result in a determination of need, determination of appropriate setting, and a set of recommendations for services to inform the individual's plan of care. QTC provides the licensed clinical evaluators who conduct the Level II evaluations on behalf of the State and enter their findings into the PASRR database.

The currently contract ends in June 2014. The FY 2012-13 budget is included in the Departments' support budget, but beginning with FY 2013-14 it will be part of the Department's local assistance estimate.

Reason for Change from Prior Estimate:
There is no change.

Methodology:
1. PASRR contract costs are eligible for enhanced federal reimbursement of 75%.

(In Thousands)

	TF	GF	FFP
FY 2013-14	**$2,616**	**$654**	**$1,962**

Funding:
Title XIX 25/75 FFP (4260-101-0001/0890)

SDMC SYSTEM M&O SUPPORT

OTHER ADMIN. POLICY CHANGE NUMBER:	49
IMPLEMENTATION DATE:	7/2013
ANALYST:	Taryn Gerald
FISCAL REFERENCE NUMBER:	1732

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$0	$1,834,000
STATE FUNDS	$0	$917,000
FEDERAL FUNDS	$0	$917,000

DESCRIPTION

Purpose:
This policy change estimates the contractor's costs to perform the ongoing maintenance and operations support for the Short-Doyle/Medi-Cal (SDMC) system.

Authority:
Contract OHC-11-077

Interdependent Policy Changes:
Not Applicable

Background:
The Short-Doyle/Medi-Cal (SDMC) system adjudicates Medi-Cal claims for specialty mental health and substance use disorder services. The current contract for ongoing maintenance and operation ends on June 29, 2013 and is paid out of the support budget.

The Department is procuring a contract for ongoing operation and maintenance of the Short-Doyle/Medi-Cal (SDMC) system. The term of the new contract is for two years beginning July 1, 2013, with three one-year optional extensions.

Reason for Change from Prior Estimate:
This is a new policy change.

Methodology:

1. The total estimated contract cost is $10,000,000.
2. Assume the contractor will be hired on July 1, 2013.
3. Payments will be made monthly beginning in August 2013.

	TF	GF	FFP
FY 2013-14:	**$1,834,000**	**$917,000**	**$917,000**

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

ANNUAL EDP AUDIT CONTRACTOR

OTHER ADMIN. POLICY CHANGE NUMBER:	50
IMPLEMENTATION DATE:	7/2013
ANALYST:	Taryn Gerald
FISCAL REFERENCE NUMBER:	1734

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$0	$400,000
STATE FUNDS	$0	$200,000
FEDERAL FUNDS	$0	$200,000

DESCRIPTION

Purpose:
This policy change estimates the cost related to procuring an annual Automated Data Processing (ADP) auditor of the Medi-Cal fiscal intermediary.

Authority:
Title 42, Code of Federal Regulations 95.621
Contract 09-86210

Interdependent Policy Changes:
Not Applicable

Background:
Title 42, Code of Federal Regulations 95.621 requires the Department to conduct periodic onsite surveys and reviews of ADP methods and practices. The survey determines the adequacy of ADP methods and practices. Federal regulations require the Department to develop a schedule between the Department and State or local agencies prior to conducting such surveys or reviews. In addition, the Medi-Cal Fiscal Intermediary contract requires the Department to procure an audit contractor to perform an annual Electronic Data Processing (EDP) audit. The Department currently provides this annual audit to the Bureau of State Audits to incorporate into the Single State Federal Compliance Audit for the Medicaid program.

Reason for Changes from Prior Estimate:
This is a new policy change.

Methodology:
The estimate is based on prior bid amounts to conduct annual EDP.

	TF	GF	FFP
FY 2013-14	$400,000	$200,000	$200,000

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

RECOVERY AUDIT CONTRACTOR COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	51
IMPLEMENTATION DATE:	1/2014
ANALYST:	Andrew Yoo
FISCAL REFERENCE NUMBER:	1740

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$0	$9,000
STATE FUNDS	$0	$4,500
FEDERAL FUNDS	$0	$4,500

DESCRIPTION

Purpose:
This policy change estimates the costs of a Recovery Audit Contractor (RAC) retained to identify savings.

Authority:
Affordable Care Act (ACA) section 6411(a)
SB 1529 (Chapter 797, Statutes of 2012)

Interdependent Policy Changes:
Not Applicable

Background:
Section 6411 (a) of the ACA requires states to contract with one or more RACs for the purpose of auditing Medicaid claims, identifying underpayments and overpayments, recouping overpayments, and educating providers. The Department awarded Health Management Systems, Inc. this contract in April 2012. This policy change budgets the recovery audit contractor costs. See the Recovery Audit Contractor Savings policy change for the identified and recovered savings.

Reason for Change from Prior Estimate:
This is a new policy change.

Methodology:
1. Assume $500,000 in overpayment savings is identified within the first year of program implementation.

2. The cost of identifying overpayments is 12.5% of the amount recovered. Underpayments are not anticipated for CY or BY.

3. Cost applies to the Department only when savings are identified and recovered.

4. Assume savings will be collected beginning January 2014. Costs of this program will be phased in over a 12 month period.

5. Budgeted amounts are preliminary until actual data becomes available.

	TF	GF	FF
FY 2013-14	$9,000	$4,500	$4,500

RECOVERY AUDIT CONTRACTOR COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 51

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

PERSONAL CARE SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER:	52
IMPLEMENTATION DATE:	4/1993
ANALYST:	Julie Chan
FISCAL REFERENCE NUMBER:	236

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$260,406,000	$252,906,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$260,406,000	$252,906,000

DESCRIPTION

Purpose:
This policy change provides Title XIX federal financial participation (FFP) to the California Department of Social Services (CDSS) for the county cost of administering the In-Home Supportive Services (IHSS) Personal Care Services Program (PCSP) Independence Plus Option (IPO) and IHSS Case Management & Information Payrolling System II (CMIPS II).

Authority:
Interagency Agreement 03-75676

Interdependent Policy Changes:
Not Applicable

Background:
The IHSS program enables eligible individuals to remain safely in their own homes as an alternative to out-of-home care. The IHSS program includes personal care services (PCS) and IPO services. PCS and IPO programs provide benefits that include domestic services, non-medical personal care services, and supportive services. The Medi-Cal program includes PCS in its schedule of benefits.

CMIPS II is used to authorize IHSS payments and provides CDSS and the counties with information such as wages, taxes, hours per case, cost per hour, caseload, and funding ratios.

Reason for Change from Prior Estimate:
Updated expenditure data was provided by CDSS.

Methodology:

PERSONAL CARE SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 52

The estimates below were provided by CDSS.

CASH BASIS

FY 2012-13	TF	DHCS FFP	CDSS GF/ County Match
EW Time & Health Related	$404,759,000	$202,379,500	$202,379,500
CMIPS II	$116,053,000	$58,026,500	$58,026,500
TOTAL	$520,812,000	**$260,406,000**	$260,406,000

FY 2013-14	TF	DHCS FFP	CDSS GF
EW Time & Health Related	$391,719,000	$195,859,500	$195,859,500
CMIPS II	$114,093,000	$57,046,500	$57,046,500
TOTAL	$505,812,000	**$252,906,000**	$252,906,000

Funding:
Title XIX 100% FFP (4260-101-0890)

HEALTH RELATED ACTIVITIES

OTHER ADMIN. POLICY CHANGE NUMBER:	53
IMPLEMENTATION DATE:	7/1992
ANALYST:	Julie Chan
FISCAL REFERENCE NUMBER:	233

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$212,850,000	$209,849,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$212,850,000	$209,849,000

DESCRIPTION

Purpose:
This policy change provides Title XIX federal financial participation (FFP) to the California Department of Social Services (CDSS) for certain health-related activities provided by county social workers.

This policy change reflects the 100% FFP provided to CDSS.

Authority:
Interagency Agreements:

CWS	01-15931
CWS/CMS	06-55834
CSBG/APS	01-15931

Interdependent Policy Changes:
Not Applicable

Background:
The health-related services involve helping Medi-Cal eligibles to access covered medical services or maintain current treatment levels in these program areas: 1) Child Welfare Services (CWS); 2) Child Welfare Services/Case Management System (CWS/CMS); 3) County Services Block Grant (CSBG); and 4) Adult Protective Services (APS).

Reason for Change from Prior Estimate:
Updated expenditure data received from CDSS.

Methodology:
The estimates below were provided by CDSS.

CASH BASIS

FY 2012-13	TF	DHCS FFP	CDSS GF/ County Match
CWS	$238,316,000	$119,158,000	$119,158,000
CWS/CMS	$8,532,000	$4,266,000	$4,266,000
CSBG/APS	$178,852,000	$89,426,000	$89,426,000
TOTAL	$425,700,000	**$212,850,000**	$212,850,000

HEALTH RELATED ACTIVITIES

OTHER ADMIN. POLICY CHANGE NUMBER: 53

FY 2013-14	TF	DHCS FFP	CDSS GF
CWS	$231,792,000	$115,896,000	$115,896,000
CWS/CMS	$9,112,000	$4,556,000	$4,556,000
CSBG/APS	$178,794,000	$89,397,000	$89,397,000
TOTAL	$419,698,000	**$209,849,000**	**$209,849,000**

Funding:
Title XIX 100% FFP (4260-101-0890)

CDDS ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	54
IMPLEMENTATION DATE:	7/1997
ANALYST:	Candace Epstein
FISCAL REFERENCE NUMBER:	243

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$36,082,000	$33,394,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$36,082,000	$33,394,000

DESCRIPTION

Purpose:
This policy change estimates the federal match for the California Department of Developmental Services (CDDS) administrative costs.

Authority:
Interagency Agreement (IA)

Interdependent Policy Changes:
Not Applicable.

Background:
CDDS administrative costs are comprised of Developmental Centers (DC) Medi-Cal Administration, Developmental Centers Medi-Cal Eligibility Contract, Home and Community Based Services (HCBS) Waiver Administration, Regional Centers (RC) Medicaid Administration, Regional Centers Nursing Home Reform (NHR), and Targeted Case Management (TCM).

The General Fund is in the CDDS budget on an accrual basis, the federal funds in the Department's budget are on a cash basis.

Reason for Change from Prior Estimate:
Updated expenditure data.

Methodology:
1. CDDS provides the following cash estimates of its administrative cost components:

(In Thousands) FY 2012-13		DHCS FFP	CDDS GF	IA #
1	DC/SOSF Medi-Cal Admin.	$11,653	$11,653	03-75282/83
	DC/SOSF HIPAA*	$156	$0	03-75282/83
2	DC/SOSF MC Elig. Contract	$526	$526	01-15378
3	HCBS Waiver Admin.	$6,357	$6,357	01-15834
4	RC Medicaid Admin.	$12,359	$4,120	03-75734
5	NHR Admin.	$137	$137	03-75285
6	TCM HQ Admin.	$339	$339	03-75284
	TCM RC Admin.	$3,917	$3,917	03-75284
	TCM HIPAA*	$638	$0	03-75284
	Total	**$36,082**	$27,049	

CDDS ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 54

(In Thousands) **FY 2013-14**		**DHCS FFP**	**CDDS GF**	**IA #**
1	DC/SOSF Medi-Cal Admin.	$6,371	$6,371	03-75282/83
	DC/SOSF HIPAA*	$156	$0	03-75282/83
2	DC/SOSF MC Elig. Contract	$504	$504	01-15378
3	HCBS Waiver Admin.	$9,986	$9,986	01-15834
4	RC Medicaid Admin.	$11,701	$3,900	03-75734
5	NHR Admin.	$175	$175	03-75285
6	TCM HQ Admin.	$318	$318	03-75284
	TCM RC Admin.	$3,545	$3,545	03-75284
	TCM HIPAA*	$638	$0	03-75284
	Total	**$33,394**	$24,799	

Funding:
Title XIX 100% FMAP (4260-101-0890)
HIPAA 100% Federal (4260-117-0890)*

MATERNAL AND CHILD HEALTH

OTHER ADMIN. POLICY CHANGE NUMBER:	55
IMPLEMENTATION DATE:	7/1992
ANALYST:	Andrew Yoo
FISCAL REFERENCE NUMBER:	234

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$34,792,000	$31,954,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$34,792,000	$31,954,000

DESCRIPTION

Purpose:
This policy change estimates the federal match provided to the California Department of Public Health (CDPH) for the Maternal, Child and Adolescent Health (MCAH) programs.

Authority:
Interagency agreement (IA)

Interdependent Policy Changes:
Not Applicable

Background:
The MCAH includes the following programs:

- Black Infant Health (BIH): Group intervention and case management services to pregnant and parenting African-American Medi-Cal eligible women in an effort to reduce the high death rate for African American infants.
- Comprehensive Perinatal Services Program (CPSP): Provides a wide range of services to Medi-Cal pregnant women, from conception through 60 days postpartum.
- Prenatal Care Guidance (PCG): Case management services for improved access to early obstetrical care for Medi-Cal eligible pregnant women.
- Scope of Work (SOW) Local Program Activities: Perinatal education, services, and referral provided to Medi-Cal eligible women.
- Adolescent Family Life Program (AFLP): Case management services for Medi-Cal eligible pregnant teens including education and prevention of subsequent pregnancies.

Reason for Change from Prior Estimate:
Expenditures expected to be paid in FYs 2010-11 and 2011-12 will actually be paid in FY 2012-13.

Methodology:
1. Local agencies match Title XIX federal funds with Certified Public Expenditures (CPE).
2. Annual expenditures on the accrual basis are $25,298,000. Cash basis expenditures vary from year-to-year based on when claims are actually paid.

MATERNAL AND CHILD HEALTH

OTHER ADMIN. POLICY CHANGE NUMBER: 55

3. The FY 2012-13 budgeted amounts include $4,082,000 for FY 2010-11 and $15,531,000 for FY 2011-12.

4. The FY 2013-14 budgeted amounts include $6,656,000 for FY 2011-12 and $10,119,000 for FY 2012-13 in remaining payments.

5. The following estimates have been provided on a cash basis by CDPH.

FY 2012-13	DHCS FFP	County Match	IA #
BIH	$4,223,000	$3,642,000	07-65592
CPSP, PCG & SOW	$28,830,000	$20,328,000	
AFLP	$1,739,000	$1,612,000	
Total	**$34,792,000**	$25,582,000	

FY 2013-14	DHCS FFP	County Match	IA #
BIH	$3,920,000	$3,326,000	07-65592
CPSP, PCG & SOW	$26,405,000	$18,744,000	
AFLP	$1,629,000	$1,521,000	
Total	**$31,954,000**	$23,591,000	

Funding:
Title XIX 100% FFP (4260-101-0890)

HEALTH CARE PROGRAM FOR CHILDREN IN FOSTER CARE

OTHER ADMIN. POLICY CHANGE NUMBER:	56
IMPLEMENTATION DATE:	7/1999
ANALYST:	Andrew Yoo
FISCAL REFERENCE NUMBER:	246

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$24,445,000	$24,445,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$24,445,000	$24,445,000

DESCRIPTION

Purpose:
This policy change budgets the Title XIX federal financial participation (FFP) for the Health Care Program for Children in Foster Care (HCPCFC). The Department of Social Services (CDSS) budgets the amounts for the non-federal share.

Authority:
AB 1111 (Chapter 147, Statutes of 1999), Welfare and Institutions Code, section 16501.3
SB 1013 (Chapter 35, Statutes of 2012)
Interagency Agreement (IA) 10-87071

Interdependent Policy Change:
Not Applicable

Background:
The federal Fostering Connections to Success and Increasing Adoptions Act of 2008 was signed into law on October 7, 2008 to help:

- Connect and support relative caregivers,
- Improve the outcome for children in foster care,
- Provide for tribal foster care and adoption access, and
- Improve incentives for adoption.

On January 1, 2010, the Department, collaborating with the CDSS, implemented the new requirements to provide Health Oversight and Coordination.

The Budget Act of 1999 appropriated state General Funds (GF) to CDSS for the purpose of increasing the use of public health nurses in meeting the health care needs of children in foster care. AB 1111 established the enabling legislation for the HCPCFC. CDSS and the Department subsequently agreed to implement the HCPCFC through the existing Child Health and Disability Prevention (CHDP) program so counties can employ public health nurses to help foster care children access health-related services. The Department used the GF budgeted in the CDSS and drew down FFP at the skilled professional medical staff enhanced rate of 75%. The aggregate funding passed through local CHDP programs to support the HCPCFC.

The 2011 State/Local Program Realignment Initiative (Realignment) shifted the responsibilities for California child welfare system to the counties. Vehicle License Fund and Sales Tax revenues supplant the GF as the non-federal share. Due to concerns from state, federal, and local stakeholders that Realignment would effectively eliminate the HCPCFC as a cohesive and effective statewide

HEALTH CARE PROGRAM FOR CHILDREN IN FOSTER CARE

OTHER ADMIN. POLICY CHANGE NUMBER: 56

system, SB 1013 provides continuing funding under the existing model to local CHDP programs. CDSS will redirect funds for this purpose from the newly established Local Revenue Fund of 2011. SB 1013 also requires the HCPCFC to be realigned to local control once the Department obtains the federal approval for child welfare agencies to claim FFP. CDSS anticipates that the transfer of the program to local control will occur by FY 2013-14.

Reason for Change from Prior Estimate:
The reason for change is due to caseload adjustment by CDSS.

Methodology:

CASH BASIS	DHCS FFP	Local Revenue Fund
FY 2012-13	**$24,445,000**	$8,148,000

	DHCS FFP	Local Revenue Fund
FY 2013-14	**$24,445,000**	$8,148,000

Funding:
Title XIX 100% FFP (4260-101-0890)

CLPP CASE MANAGEMENT SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER:	57
IMPLEMENTATION DATE:	7/1997
ANALYST:	Andrew Yoo
FISCAL REFERENCE NUMBER:	239

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$6,593,000	$6,593,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$6,593,000	$6,593,000

DESCRIPTION

Purpose:
The policy change estimates the federal match provided to the California Department of Public Health (CDPH) for administrative costs associated with Childhood Lead Poisoning Prevention (CLPP) Program case management services.

Authority:
Interagency Agreement (IA) #07-65689

Interdependent Policy Changes:
Not Applicable

Background:
The 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. The federal match is provided to CDPH through an IA.

Reason for Change from Prior Estimate:
The increase in cost is due to the execution of a new reimbursement contract with the Department.

Methodology:
1. Annual expenditures on the accrual basis are $4,200,000. Cash basis expenditures vary from year-to-year based on when claims are actually paid.

2. The estimates are provided by CDPH on a cash basis.

FY 2012-13	DHCS FFP	CDPH CLPP Fee Funds
Administrative Costs	**$6,593,000**	$6,593,000

FY 2013-14	DHCS FFP	CDPH CLPP Fee Funds
Administrative Costs	**$6,593,000**	$6,593,000

Funding:
Title XIX FFP (4260-101-0890)

DEPARTMENT OF SOCIAL SERVICES ADMIN COST

OTHER ADMIN. POLICY CHANGE NUMBER:	58
IMPLEMENTATION DATE:	7/2002
ANALYST:	Julie Chan
FISCAL REFERENCE NUMBER:	256

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$25,317,000	$24,171,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$25,317,000	$24,171,000

DESCRIPTION

Purpose:
This policy change provides Title XIX federal financial participation (FFP) to the California Department of Social Services (CDSS) for administering various programs to Medi-Cal beneficiaries.

Authority:
Interagency Agreements:

IHSS PCSP	03-75676
IHSS Health Related	01-15931
CWS/CMS for Medi-Cal	06-55834
IHSS Plus Option Sec. 1915(j)	09-86307
SAWS	04-35639
CA Community Transitions-Money Follows the Person	11-88127
Medi-Cal State Hearings	10-87031
Public Inquiry and Response	10-87023
Medicaid Disability Evaluation Services	10-87027
Licensing Related Activities for Mental Health Facilities	02-72210

Interdependent Policy Changes:
Not Applicable

Background:
These costs cover the administration of the In-Home Supportive Services Personal Care Services Program (IHSS PCSP), the Child Welfare Services/Case Management System (CWS/CMS), Independence Plus State Plan Option Section 1915(j) (IPO), Statewide Automated Welfare System (SAWS) and the California Community Transitions-Money Follows the Persons (CCT). The Department provides FFP to CDSS for services related to Medi-Cal beneficiaries. CDSS budgets the matching General Fund (GF).

Reason for Change from Prior Estimate:
This policy change adds the estimated costs for five additional contracts.

Methodology:
The estimates below were provided by CDSS.

DEPARTMENT OF SOCIAL SERVICES ADMIN COST

OTHER ADMIN. POLICY CHANGE NUMBER: 58

CASH BASIS

FY 2012-13	TF	DHCS FFP	CDSS GF
IHSS PCSP	$8,204,000	$4,102,000	$4,102,000
IHSS Health Related	$34,000	$17,000	$17,000
CWS/CMS for Medi-Cal	$278,000	$139,000	$139,000
IHSS Plus Option Sec. 1915(j)	$3,848,000	$1,924,000	$1,924,000
SAWS	$406,000	$203,000	$203,000
CA Community Transitions-Money Follows the Person	$116,000	$58,000	$58,000
Medi-Cal State Hearings	$11,666,000	$5,833,000	$5,833,000
Public Inquiry and Response	$468,000	$234,000	$234,000
Medicaid Disability Evaluation Services	$25,350,000	$12,675,000	$12,675,000
Licensing Related Activities for Mental Health Facilities	$264,000	$132,000	$132,000
TOTAL	$50,634,000	**$25,317,000**	$25,317,000

FY 2013-14	TF	DHCS FFP	CDSS GF
IHSS PCSP	$8,572,000	$4,286,000	$4,286,000
IHSS Health Related	$34,000	$17,000	$17,000
CWS/CMS for Medi-Cal	$278,000	$139,000	$139,000
IHSS Plus Option Sec. 1915(j)	$3,850,000	$1,925,000	$1,925,000
SAWS	$402,000	$201,000	$201,000
CA Community Transitions-Money Follows the Person	$140,000	$70,000	$70,000
Medi-Cal State Hearings	$7,962,000	$3,981,000	$3,981,000
Public Inquiry and Response	$614,000	$307,000	$307,000
Medicaid Disability Evaluation Services	$25,370,000	$12,685,000	$12,685,000
Licensing Related Activities for Mental Health Facilities	$1,120,000	$560,000	$560,000
TOTAL	$48,342,000	**$24,171,000**	$24,171,000

Funding:
Title XIX 100% FFP (4260-101-0890)

DEPARTMENT OF AGING ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	59
IMPLEMENTATION DATE:	7/1984
ANALYST:	Davonna McClendon
FISCAL REFERENCE NUMBER:	253

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$2,793,000	$3,146,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$2,793,000	$3,146,000

DESCRIPTION

Purpose:
This policy change estimates the Title XIX federal financial participation (FFP) provided to the California Department of Aging (CDA) for administrative costs related to services provided to Medi-Cal eligibles in Community-Based Adult Services (CBAS) and the Multipurpose Senior Services Program (MSSP).

Authority:
Interagency Agreement

Interdependent Policy Changes:
Not Applicable

Background:
The CDA coordinates with the Department to obtain FFP for the administrative costs for services related to Medi-Cal beneficiaries. CDA budgets the matching General Fund (GF).

Reason for Change from Prior Estimate:
Updated budget projections decreased the FY 2012-13 estimated costs.

DEPARTMENT OF AGING ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 59

Methodology:
The estimates below were provided by CDA.

CASH BASIS				
(In Thousands)	**FY 2012-13**		**FY 2013-14**	
CBAS Support	**FFP**	**CDA GF**	**FFP**	**CDA GF**
FY 2011-12 DOS	$30	$30		
FY 2012-13 DOS	$1,508	$1,305	$168	$145
FY 2013-14 DOS			$1,564	$1,354
Total CBAS	**$1,538**	$1,335	**$1,732**	$1,499
MSSP Support				
FY 2011-12 DOS	$18	$18		
FY 2012-13 DOS	$1,237	$1,069	$137	$119
FY 2013-14 DOS			$1,277	$1,103
Total MSSP	**$1,255**	$1,087	**$1,414**	$1,222
Grand Total	**$2,793**	$2,422	**$3,146**	$2,721

Funding:
Title XIX FFP (4260-101-0890)

VETERANS BENEFITS

OTHER ADMIN. POLICY CHANGE NUMBER:	60
IMPLEMENTATION DATE:	12/1988
ANALYST:	Taryn Gerald
FISCAL REFERENCE NUMBER:	232

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$1,956,000	$1,956,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$1,956,000	$1,956,000

DESCRIPTION

Purpose:
This policy change estimates the Title XIX federal funding provided to the California Department of Veterans Affairs (CDVA) for identifying veterans eligible for Veterans Affairs (VA) benefits.

Authority:
California Military & Veterans Code 972.5
Interagency Agreement 12-89138

Interdependent Policy Changes:
Not Applicable

Background:
County Veteran Services officers help identify additional veterans benefits and refers the veteran to utilize those services instead of Medi-Cal. This process avoids costs for the Medi-Cal program.

The contract amounts for FY 2012-13 and FY 2013-14 are estimated to be $1,956,000 each fiscal year. The non-federal match is budgeted at CDVA.

Reason for Change from Prior Estimate:
There is no change.

Methodology:

CASH BASIS

FY 2012-13	TF	**DHCS FFP**	CDVA GF
Administrative	$436,000	$218,000	$218,000
Workload Units	$1,476,000	$738,000	$738,000
Outreach	$2,000,000	$1,000,000	$1,000,000
Total	$3,912,000	**$1,956,000**	$1,956,000

FY 2013-14	TF	**DHCS FFP**	CDVA GF
Administrative	$436,000	$218,000	$218,000
Workload Units	$1,476,000	$738,000	$738,000
Outreach	$2,000,000	$1,000,000	$1,000,000
Total	$3,912,000	**$1,956,000**	$1,956,000

VETERANS BENEFITS

OTHER ADMIN. POLICY CHANGE NUMBER: 60

Funding:
Title XIX 100% FFP (4260-101-0890)

CDPH I&E PROGRAM AND EVALUATION

OTHER ADMIN. POLICY CHANGE NUMBER:	61
IMPLEMENTATION DATE:	7/2003
ANALYST:	Randolph Alarcio
FISCAL REFERENCE NUMBER:	261

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$1,674,000	$1,984,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$1,674,000	$1,984,000

DESCRIPTION

Purpose:
This policy change estimates the Information and Education (I&E) program to establish and implement clinical linkages to the Family Planning, Access, Care and Treatment (PACT) program.

Authority:
Interagency Agreement 07-65592
AB 1762 (Chapter 230, Statutes of 2003)

Interdependent Policy Changes:
Not Applicable

Background:
AB 1762 authorized the Department to require contractors and grantees under the Office of Family Planning (OFP), and the I&E Program to establish and implement clinical linkages to the Family PACT program. This linkage includes 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.

CDPH provides the matching federal funds.

Reason for Change from Prior Estimate:
Updated actual FFP reimbursement amounts.

Methodology:
1. The estimated costs are provided by CDPH on a cash basis.

	TF	DHCS FFP	CDPH GF
FY 2010-11	$172,000	$86,000	$86,000
FY 2011-12	$1,320,000	$660,000	$660,000
FY 2012-13	$1,856,000	$928,000	$928,000
Total FY 2012-13	$3,348,000	**$1,674,000**	$1,674,000

	TF	DHCS FFP	CDPH GF
FY 2011-12	$566,000	$283,000	$283,000
FY 2012-13	$1,236,000	$618,000	$618,000
FY 2013-14	$2,166,000	$1,083,000	$1,083,000
Total FY 2013-14	$3,968,000	**$1,984,000**	$1,984,000

CDPH I&E PROGRAM AND EVALUATION

OTHER ADMIN. POLICY CHANGE NUMBER: 61

Funding:
Title XIX 100% FFP (4260-101-0890)

OUTREACH - CHILDREN

OTHER ADMIN. POLICY CHANGE NUMBER:	62
IMPLEMENTATION DATE:	7/1997
ANALYST:	Yao-Hui Yu
FISCAL REFERENCE NUMBER:	242

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$1,626,000	$1,626,000
STATE FUNDS	$569,100	$569,100
FEDERAL FUNDS	$1,056,900	$1,056,900

DESCRIPTION

Purpose:
This policy change estimates the cost of an interagency agreement (IA) with Managed Risk Medical Insurance Board (MRMIB) to provide a toll-free line providing Medi-Cal and Healthy Families Program (HFP) information to the public.

Authority:
Welfare & Institutions Code, section 14067
Interagency Agreement 10-87063

Interdependent Policy Changes:
Not Applicable

Background:
The Department and MRMIB implemented an outreach and education campaign to help families learn about and apply for Medi-Cal and HFP. Activities included media, public relations, collateral, certified application assistance and a toll-free line.

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.

Reason for Changes from Prior Estimate:
The Department budgeted General Fund (GF) for this program.

Methodology:
1. The Department budgets both Title XXI federal financial participation (FFP) and General Fund (GF) for the toll-free line.

2. Children enrolled in the HFP will be transitioned to the Medi-Cal Program beginning no earlier than January 1, 2013. The Department will continue to fund the toll-free line, but the IA with MRMIB will be eliminated for FY 2013-14.

3. Since MRMIB operates on an accrual basis, it is assumed that claims for services rendered in prior years will be paid in FY 2012-13.

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

SINGLE POINT OF ENTRY - MEDI-CAL/HFP

OTHER ADMIN. POLICY CHANGE NUMBER:	63
IMPLEMENTATION DATE:	4/1999
ANALYST:	Ryan Witz
FISCAL REFERENCE NUMBER:	245

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$1,521,000	$1,164,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$1,521,000	$1,164,000

DESCRIPTION

Purpose:
This policy change estimates the costs and federal funding available for screening Single Point of Entry (SPE) and Child Health & Disability Prevention (CHDP) Gateway applications for either Medi-Cal or Healthy Families Program (HFP).

Authority:
Interagency Agreement (IA)

Interdependent Policy Changes:
PC 2 Transition of Healthy Families Children to Medi-Cal
OA 73 Single Point of Entry – Medi-Cal Only

Background:
The Department and Managed Risk Medical Insurance Board (MRMIB) developed an application form for the HFP, which is also used as a screening tool for the Medi-Cal children's percent programs. Completed applications are sent to the SPE to screen and forward to either the county welfare departments (CWD) for a Medi-Cal determination for the children's percent programs, or to the HFP. MRMIB has contracted with MAXIMUS as the SPE, and MRMIB is reimbursed through an IA with the Department.

The CHDP Gateway program was implemented July 1, 2003, to help ensure that all children have access to medical care. Through this program, children who receive a CHDP screen are pre-enrolled (PE) in Medi-Cal or HFP. Each PE child's family that indicates a desire for ongoing Medi-Cal/HFP coverage is sent a cover letter and Healthy Families application. The application is returned to the SPE and is screened for the Medi-Cal children's percent programs and forwarded to the CWD for a Medi-Cal determination or to HFP.

Effective January 1, 2013, the HFP will cease to enroll new applicants and HFP subscribers will transition into Medi-Cal through a phase-in methodology. HFP subscribers will be transitioned to the Medi-Cal Program as targeted low-income children.

Reason for Change from Prior Estimate:
Updated telephone services and application processing/mailing costs for SPE were provided by MRMIB. Additionally, the scheduled transition of HFP children to Medi-Cal was delayed from October 1, 2012 to January 1, 2013.

SINGLE POINT OF ENTRY - MEDI-CAL/HFP

OTHER ADMIN. POLICY CHANGE NUMBER: 63

Methodology:

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 2012-13 are based on the average actual ratio of 30% Medi-Cal to 70% HFP applications provided by MRMIB.

4. MRMIB estimates that an additional 32,195 children discontinued from HFP in FY 2012-13 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 estimate below.

5. Estimated costs for FY 2012-13 were provided by MRMIB on an accrual basis. Estimated costs for FY 2013-14 are budgeted in the OA-81 Single Point of Entry – Medi-Cal Only policy change.

ACCRUAL BASIS
FY 2012-13

Applications for M/C processing: 124,485	MRMIB GF	DHCS FFP
SPE Application Processing/Mailing	$1,208,000	$1,208,000
SPE 1931(b) Screening	$260,000	$260,000
SPE Telephone Services	$1,350,000	$513,000
Pre-Printed Applications	$12,000	$4,000
Elimination of HFP to Medi-Cal Bridge	$263,000	$263,000
Total	$3,093,000	**$2,248,000**

CASH BASIS	FY 2012-13	FY 2013-14
FY 2011-12	$437,000	$0
FY 2012-13	$1,084,000	$1,164,000
FY 2013-14	$0	$0
Total	**$1,521,000**	**$1,164,000**

Funding:
Title XIX Federal Share (4260-101-0890)

FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	64
IMPLEMENTATION DATE:	7/2007
ANALYST:	Andrew Yoo
FISCAL REFERENCE NUMBER:	1192

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$14,881,000	$14,416,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$14,881,000	$14,416,000

DESCRIPTION

Purpose:
This policy change estimates the Title XIX federal financial participation (FFP) provided to the California Department of Public Health (CDPH) for administrative costs related to services provided to Medi-Cal beneficiaries.

Authority:
Interagency Agreement (IA)

Interdependent Policy Changes:
Not Applicable

Background:
The Department entered into an IA with CDPH to allow for the provision of Title XIX federal funds as a reimbursement to CDPH. The non-federal matching funds will be budgeted by CDPH.

A majority of the Office of Family Planning's (OFP) function transferred shifted to the Department. The function of OFP that remains in CDPH is now budgeted under Maternal, Child and Adolescent Health.

Reason for Change from Prior Estimate:
There is no material change.

Methodology:
1. Assume the General Fund match is provided by CDPH.

2. The estimates were provided by CDPH.

FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 64

CASH BASIS (In Thousands)	FY 2012-13			FY 2013-14		
	DHCS FFP	CDPH GF	Other Match	DHCS FFP	CDPH GF	Other Match
Maternal, Child and Adolescent Health	$2,179	$2,179		$2,179	$2,179	
Office of AIDS	$554	$554		$487	$487	
Childhood Lead Prevention Program	$1,503	$0	$1,503	$1,105	$0	$1,105
Center for Health Statistics	$718	$0	$718	$718	$0	$718
Licensing and Certification	$9,927	$0	$9,927	$9,927	$0	$9,927
Total	**$14,881**	$2,733	$12,148	**$14,416**	$2,666	$11,750

Funding:
Title XIX 100% FFP (4260-101-0890)

CDDS DENTAL SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER:	65
IMPLEMENTATION DATE:	11/2011
ANALYST:	Randolph Alarcio
FISCAL REFERENCE NUMBER:	1631

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$1,270,000	$1,270,000
STATE FUNDS	$1,270,000	$1,270,000
FEDERAL FUNDS	$0	$0

DESCRIPTION

Purpose:
This policy change estimates the cost related to processing California Department of Development Services (CDDS) dental claims.

Authority:
Interagency Agreement 10-87244

Interdependent Policy Changes:
Not Applicable

Background:
The Lanterman Act requires the CDDS to provide dental services to its clients. Because Medi-Cal no longer covers most dental services for adults 21 years of age and older, CDDS has entered into an interagency agreement with the Department to have the Medi-Cal dental Fiscal Intermediary process and pay claims for those dental services no longer covered by Medi-Cal. The additional costs of processing claims and benefits will be reimbursed by CDDS.

This policy change estimates the reimbursement of administration costs. The reimbursement of benefit costs are budgeted in the CDDS Dental Services policy change.

Reason for Change from Prior Estimate:
There is no change.

Methodology:

1. An update to the CD-MMIS began in November 2011.

2. The processing of claims began in January 2012 and payments to providers began in February 2012.

3. Assume the cost of processing claims is $1,270,000 annually.

4. All costs are reimbursed by CDDS.

   FY 2012-13: $1,270,000

   FY 2013-14: $1,270,000

CDDS DENTAL SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 65

Funding:
Reimbursement GF (4260-610-0995)

KIT FOR NEW PARENTS

OTHER ADMIN. POLICY CHANGE NUMBER:	66
IMPLEMENTATION DATE:	7/2001
ANALYST:	Davonna McClendon
FISCAL REFERENCE NUMBER:	249

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$1,017,000	$1,017,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$1,017,000	$1,017,000

DESCRIPTION

Purpose:
This policy change estimates the federal match provided to the California Children and Families Commission (CCFC) for providing “Welcome Kits” to parents of Medi-Cal eligible newborns.

Authority:
Interagency Agreement (IA) #03-76097

Interdependent Policy Changes:
Not Applicable

Background:
In November 2001, CCFC and the Department entered into an IA to allow the Department to claim Title XIX federal financial participation (FFP) for the "Welcome Kits" distributed to parents of Medi-Cal eligible newborns by the CCFC (Proposition 10).

Reason for Change from Prior Estimate:
There is no change.

Methodology:

1. CCFC will distribute an estimated 370,000 kits in FY 2012-13 and FY 2013-14, of these 46% of the kits are expected to be distributed to Medi-Cal eligible newborns.

   370,000 kits x 46% = 170,200 Medi-Cal kits

2. Approximately 51% of the kits distributed will be basic kits and 49% will be custom kits.

   170,200 Medi-Cal kits x 51% = 86,802 basic kits
   170,200 Medi-Cal kits x 49% = 83,398 custom kits

3. As of November 1, 2010, the basic kit costs $11.89 and the customized kit, which contains an additional item specific to the county of birth, costs $12.01.

4. Costs of $501,000 for FY 2011-12 will be paid in FY 2012-13 and $501,000 for FY 2012-13 will be paid in FY 2013-14.

KIT FOR NEW PARENTS

OTHER ADMIN. POLICY CHANGE NUMBER: 66

Annual Cost (Accrual Basis)	
86,802 basic kits x $11.89	$1,032,000
83,398 custom kits x $12.01	$1,002,000
Total FY 2011-12 Cost	**$2,034,000**

Cash Basis	**FY 2012-13**	**FY 2013-14**
FY 2011-12	$501,000	$0
FY 2012-13	$1,533,000	$501,000
FY 2013-14	$0	$1,533,000
Total:	$2,034,000	$2,034,000
	($1,017,000 FFP)	**($1,017,000 FFP)**

Funding:
Title XIX 100% FFP (4260-101-0890)

QUITLINE ADMINISTRATIVE SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER:	67
IMPLEMENTATION DATE:	10/2012
ANALYST:	Andrew Yoo
FISCAL REFERENCE NUMBER:	1680

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$1,000,000	$1,000,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$1,000,000	$1,000,000

DESCRIPTION

Purpose:
This policy change estimates the Title XIX federal financial participation (FFP) provided to the California Department of Public Health (CDPH) for administrative costs related to Quitline services.

Authority:
Interagency Agreement (IA)

Interdependent Policy Change:
Not Applicable

Background:
Quitline is the California Smokers' Helpline, operated by the University of California, San Diego. Quitline provides a free telephone-based counseling program to provide advice, education, and support to callers who currently smoke or have recently quit smoking.

Currently, Quitline receives its funding through CDPH and other sources. The State receives 50% FFP for Quitline services administration costs related to services provided to Medicaid individuals. Beginning in FY 2012-13, the Department will claim FFP and reimburse CDPH through an IA.

Reason for Change from Prior Estimate:
There is no change.

Methodology:
1. The effective date is July 1, 2012.
2. Total Quitline services administration costs are $4 million.
3. Assume 50% of callers are Medi-Cal beneficiaries.
4. The state receives 50% FFP.
5. The estimated cost for FY 2012-13 and FY 2013-14 is $1,000,000.

Funding:
Title XIX 100% FFP (4260-101-0890)

CHHS AGENCY HIPAA FUNDING

OTHER ADMIN. POLICY CHANGE NUMBER:	68
IMPLEMENTATION DATE:	7/2001
ANALYST:	Davonna McClendon
FISCAL REFERENCE NUMBER:	257

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$651,000	$651,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$651,000	$651,000

DESCRIPTION

Purpose:
This policy change estimates federal financial participation (FFP) to be provided for the California Health and Human Services (CHHS) Agency for qualifying Health Insurance Portability and Accountability Act (HIPAA) activities related to Medi-Cal.

Authority:
Interagency Agreement

Interdependent Policy Changes:
Not Applicable

Background:
A HIPAA office has been established at the CHHS Agency to coordinate implementation and set policy requirements for departments utilizing Title XIX funding.

Reason for Change from Prior Estimate:
There is no change.

Methodology:
1. The budget for the CHHS Agency HIPAA activities has been frozen since FY 2008-09. The CHHS Agency prioritizes HIPAA projects so that the most critical projects are implemented first.

Cash Basis	DHCS FFP	CHHS GF
FY 2012-13	**$651,000**	$651,000
FY 2013-14	**$651,000**	$651,000

Funding:
HIPAA FFP (4260-117-0890)

FAMILY PACT EVALUATION

OTHER ADMIN. POLICY CHANGE NUMBER:	69
IMPLEMENTATION DATE:	12/1999
ANALYST:	Randolph Alarcio
FISCAL REFERENCE NUMBER:	247

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$376,000	$100,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$376,000	$100,000

DESCRIPTION

Purpose:
This policy change estimates the federal financial participation (FFP) provided to the California Department of Public Health (CDPH) to provide data and evaluation of the Family Planning, Access, Care and Treatment (PACT) program.

Authority:
Interagency Agreement 08-85180

Interdependent Policy Changes:
Not Applicable

Background:
The University of California, San Francisco (UCSF) is conducting an evaluation of the Family PACT program. UCSF will evaluate the program's effectiveness, including the analysis of: 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. CDPH provides the matching federal funds.

The Family PACT program and funding transferred to the Department, effective July 1, 2012. See the FY 2012-13 Family PACT Evaluation policy change for costs beginning July 1, 2012 and after.

Reason for Change from Prior Estimate:
The changes are due to updated actual FFP reimbursement amounts.

Methodology:

	TF	DHCS FFP	CDPH GF
FY 2010-11	$286,000	$143,000	$143,000
FY 2011-12	$466,000	$233,000	$233,000
Total FY 2012-13	$752,000	**$376,000**	$376,000

	TF	DHCS FFP	CDPH GF
FY 2011-12	$200,000	$100,000	$100,000
Total FY 2012-13	$200,000	**$100,000**	$100,000

Funding:
Title XIX 100% FFP (4260-101-0890)

FPACT SUPPORT, PROVIDER EDUC. & CLIENT OUTREACH

OTHER ADMIN. POLICY CHANGE NUMBER:	70
IMPLEMENTATION DATE:	12/1999
ANALYST:	Randolph Alarcio
FISCAL REFERENCE NUMBER:	248

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$355,000	$66,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$355,000	$66,000

DESCRIPTION

Purpose:
This policy change estimates the federal financial participation (FFP) provided to the California Department of Public Health (CDPH) for provider recruitment, education, and support for the Family Planning, Access, Care and Treatment (PACT) program.

Authority:
Interagency Agreement 08-85180

Interdependent Policy Changes:
Not Applicable

Background:
The Family PACT program 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. 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; 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 in the CDPH contracts with a variety of entities to provide these services.

The Family PACT program and funding transferred to the Department, effective July 1, 2012. See the Family PACT Program Admin. policy change for costs beginning July 1, 2012 and after.

Reason for Change from Prior Estimate:
Updated actual FFP reimbursement amounts for administrative services prior to July 1, 2012.

Methodology:

	TF	DHCS FFP	CDPH GF
FY 2010-11	$400,000	$200,000	$200,000
FY 2011-12	$310,000	$155,000	$155,000
Total FY 2012-13	$710,000	**$355,000**	$355,000

FPACT SUPPORT, PROVIDER EDUC. & CLIENT OUTREACH

OTHER ADMIN. POLICY CHANGE NUMBER: 70

	TF	DHCS FFP	CDPH GF
FY 2011-12	$132,000	$66,000	$66,000
Total FY 2012-13	$132,000	**$66,000**	$66,000

Funding:
Title XIX 100% FFP (4260-101-0890)

CCI CDA ADMIN COST-HICAP

OTHER ADMIN. POLICY CHANGE NUMBER:	71
IMPLEMENTATION DATE:	7/2012
ANALYST:	Julie Chan
FISCAL REFERENCE NUMBER:	1676

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$272,000	$0
STATE FUNDS	$0	$0
FEDERAL FUNDS	$272,000	$0

DESCRIPTION

Purpose:
This policy change estimates the costs of Title XIX federal financial participation (FFP) provided to the California Department of Aging (CDA) for administrative costs associated with the Health Insurance Counseling and Advocacy Program (HICAP).

Authority:
Interagency Agreement (pending)

Interdependent Policy Changes:
Not Applicable

Background:
In coordination with Federal and State Government, the Coordinated Care Initiative (CCI) will provide the benefits for coordinated care models to persons eligible for both Medicare and Medi-Cal. HICAP is a free, one-on-one Medicare counseling service. Trained volunteer counselors answer beneficiary questions and help beneficiaries understand Medicare rights and benefits. As a part of the Department's CCI, HICAP volunteers will be trained and educated on the Dual Eligible Integration Demonstration to assist and provide guidance on the beneficiary's rights and benefits for Medicare and Medi-Cal. The HICAP training and educational forums for CCI involve costs during FY 2012-13.

Reason for Change from Prior Estimate:
HICAP will be supported with 100% Affordability Care Act (ACA) funding.

Methodology:

1. ACA authorizes for the CCI and provides 100% FFP to carry out the deliverables between the Department and the Centers for Medicare and Medicaid.

Funding:
Title XIX 100% FFP (4260-101-0890)

MERIT SYSTEM SERVICES FOR COUNTIES

OTHER ADMIN. POLICY CHANGE NUMBER:	72
IMPLEMENTATION DATE:	7/2003
ANALYST:	Davonna McClendon
FISCAL REFERENCE NUMBER:	263

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$184,000	$184,000
STATE FUNDS	$92,000	$92,000
FEDERAL FUNDS	$92,000	$92,000

DESCRIPTION

Purpose:
This policy change estimates the cost for the interagency agreement (IA) with the California Department of Human Resources (CalHR).

Authority:
Interagency Agreement #03-75683

Interdependent Policy Changes:
Not Applicable

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

The Department reimburses the CalHR via an IA for Merit System Services. The agreement continues indefinitely, until terminated, or until there is a change in scope of work affecting the cost.

Reason for Change from Prior Estimate:
There is no change.

Methodology:
The estimates, on a cash basis, were provided by CalHR.

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

SINGLE POINT OF ENTRY - MEDI-CAL ONLY

OTHER ADMIN. POLICY CHANGE NUMBER:	73
IMPLEMENTATION DATE:	1/2014
ANALYST:	Ryan Witz
FISCAL REFERENCE NUMBER:	1748

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$0	$2,842,000
STATE FUNDS	$0	$1,244,000
FEDERAL FUNDS	$0	$1,598,000

DESCRIPTION

Purpose:
This policy change estimates the costs for screening Single Point of Entry (SPE) and Child Health & Disability Prevention (CHDP) Gateway applications for the Medi-Cal program.

Authority:
Not Applicable

Interdependent Policy Changes:
PC 2 Transition of Healthy Families Children to Medi-Cal
OA 63 Single Point of Entry – Medi-Cal/HFP

Background:
The Department and Managed Risk Medical Insurance Board (MRMIB) developed an application form for the Healthy Families Program (HFP), which is also used as a screening tool for the Medi-Cal children's percent programs. Completed applications are sent to the SPE to screen and forward to either the county welfare departments (CWD) for a Medi-Cal determination for the children's percent programs, or to the HFP. MRMIB has contracted with MAXIMUS as the SPE, and MRMIB is reimbursed through an IA with the Department for the applications forwarded to the CWD.

The CHDP Gateway program was implemented July 1, 2003, to help ensure that all children have access to medical care. Through this program, children who receive a CHDP screen are pre-enrolled (PE) in Medi-Cal or HFP. Each PE child's family that indicates a desire for ongoing Medi-Cal/HFP coverage is sent a cover letter and HFP application. The application is returned to the SPE and is screened for the Medi-Cal children's percent programs and forwarded to the CWD for a Medi-Cal determination or to HFP.

Effective January 1, 2013, the HFP will cease to enroll new applicants and HFP subscribers will transition into Medi-Cal through a phase-in methodology. HFP subscribers will be transitioned to the Medi-Cal Program as targeted low-income children. The Department plans on contracting with MAXMIUS as the SPE, following the transition of the HFP.

Reason for Change from Prior Estimate:
This is a new policy change.

Methodology:
1. This estimate is based on actual usage of the Medi-Cal/HFP application; and actual processing, postage, and vendor contract rates and services.

SINGLE POINT OF ENTRY - MEDI-CAL ONLY

OTHER ADMIN. POLICY CHANGE NUMBER: 73

2. Telephone and pre-printed application costs for FY 2013-14 are based on the average actual ratio of 30% Medi-Cal to 70% HFP applications.

3. Estimated costs for FY 2013-14 were provided by MRMIB on an accrual basis. FY 2012-13 estimated costs are budgeted in the OA-51 Single Point of Entry – Medi-Cal/HFP policy change.

ACCRUAL BASIS

FY 2013-14

Applications for M/C processing: 118,104	GF	FF	TF
SPE Application Processing/Mailing	$1,152,500	$1,152,500	$2,305,000
SPE Telephone Services	$1,324,000	$2,026,000	$3,350,000
Pre-Printed Applications	$11,000	$17,000	$28,000
Total	$2,487,500	$3,195,500	**$5,683,000**

4. MRMIB estimates approximately half of the accrual expenditures will be paid in FY 2013-14. Estimated costs for FY 2013-14 were provided by MRMIB on a cash basis.

CASH BASIS	FY 2013-14
FY 2012-13	$0
FY 2013-14	$2,842,000
Total	**$2,842,000**

Funding:	FY 2013-14
Title XIX Federal Share (4260-101-0890)	$829,000
Title XXI Federal Share (4260-113-0890)	$769,000
State Only General Fund (4260-111-0001)	$1,244,000
	$2,842,000

PIA EYEWEAR COURIER SERVICE

OTHER ADMIN. POLICY CHANGE NUMBER:	74
IMPLEMENTATION DATE:	7/2003
ANALYST:	Davonna McClendon
FISCAL REFERENCE NUMBER:	1114

	FY 2012-13	FY 2013-14
TOTAL FUNDS	$354,000	$279,000
STATE FUNDS	$177,000	$139,500
FEDERAL FUNDS	$177,000	$139,500

DESCRIPTION

Purpose:
This policy change estimates the costs related to courier services for Prison Industry Authority (PIA) eyewear.

Authority:
Interagency Agreement (IA) #10-87012

Interdependent Policy Changes:
Not Applicable

Background:
The California PIA fabricates eyeglasses for Medi-Cal beneficiaries. Since July 2003, the Department has had an IA with PIA to reimburse them for one-half of the courier costs for the pick up and delivery of orders to optical providers. The two-way courier service ensures that beneficiaries have continued access to and no disruption of optical services.

Reason for Change from Prior Estimate:
Projections revised based on an expected increase in packages due to the Healthy Families transition to Medi-Cal.

Methodology:

1. The current contract with West Coast Overnight, Incorporated began in April 2012 and expires in March 2014. The cost per package is $1.625 plus a four percent fuel surcharge.

2. The estimated amount of packages shipped is expected to be 165,000 annually.

   The annual cost is estimated to be: $1.625 x 1.04 x 165,000 = $279,000 TF

Cash Basis	FY 2012-13	FY 2013-14
FY 2011-12 Services	$145,000	$0
FY 2012-13 Services	$209,000	$ 70,000
FY 2013-14 Services	$0	$209,000
	$354,000	**$279,000**

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