

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

**COUNTY
ADMINISTRATION**

Fiscal Forecasting and Data Management Branch
State Department of Health Care Services
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EDMUND G. BROWN JR.
Governor
State of California

Diana Dooley
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California Health and Human Services Agency

Toby Douglas
Director
Department of Health Care Services

May 2013 Medi-Cal Estimate

**COUNTY ADMINISTRATION
FUNDING SUMMARY
(Includes Other Administration)**

FY 2012-2013 ESTIMATE:	Total Funds	Federal Funds	State Funds
BASE	\$1,264,965,000	\$632,482,500	\$632,482,500
POLICY CHANGES	\$123,214,000	\$116,589,150	\$6,624,850
SubTotal County Admin.	\$1,388,179,000	\$749,071,650	\$639,107,350
OTHER ADMINISTRATION	\$1,242,913,000	\$1,112,222,250	\$130,690,750
TOTAL CURRENT YEAR	\$2,631,092,000	\$1,861,293,900	\$769,798,100

FY 2013-2014 ESTIMATE:	Total Funds	Federal Funds	State Funds
BASE	\$1,302,683,000	\$651,341,500	\$651,341,500
POLICY CHANGES	\$391,002,000	\$286,796,900	\$104,205,100
SubTotal County Admin.	\$1,693,685,000	\$938,138,400	\$755,546,600
OTHER ADMINISTRATION	\$2,283,264,000	\$2,130,618,250	\$152,645,750
TOTAL BUDGET YEAR	\$3,976,949,000	\$3,068,756,650	\$908,192,350

Note:			
C/Y Title XXI (Item 113) activities	\$54,810,000	\$36,694,000	\$18,116,000
B/Y Title XXI (Item 113) activities	\$92,556,000	\$64,818,000	\$27,738,000
C/Y HIPAA (Item 117) activities	\$1,785,000	\$1,702,000	\$83,000
B/Y HIPAA (Item 117) activities	\$3,452,000	\$2,952,000	\$500,000

**MEDI-CAL COUNTY ADMINISTRATION
POLICY CHANGE SUMMARY
FISCAL YEAR 2012-13**

NO.	POLICY CHANGE TITLE	ONE-TIME CHANGES		ON-GOING CHANGES		TOTAL POLICY CHANGE	TOTAL STATE FUNDS
		PROCEDURAL	CASELOAD	PROCEDURAL	CASELOAD		
OTHER							
1	COUNTY ADMINISTRATION BASE	\$0	\$0	\$1,264,965,000	\$0	\$1,264,965,000	\$632,482,500
2	SAWS	\$86,389,000	\$0	\$0	\$0	\$86,389,000	\$7,955,500
3	CalWORKs APPLICATIONS	\$0	\$0	\$65,462,000	\$0	\$65,462,000	\$32,731,000
4	ELIGIBLE GROWTH	\$0	\$0	\$0	\$37,718,000	\$37,718,000	\$18,859,000
5	LOS ANGELES COUNTY HOSPITAL INTAKES	\$0	\$0	\$0	\$32,117,000	\$32,117,000	\$4,063,500
6	FY 2012-13 COST OF DOING BUSINESS	\$0	\$0	\$26,310,000	\$0	\$26,310,000	\$13,155,000
7	TRANSITION OF HFP TO MEDI-CAL	\$0	\$28,321,000	\$0	\$0	\$28,321,000	\$9,912,350
8	MCHA VS. DHCS AND MRMIB	\$0	\$765,000	\$0	\$0	\$765,000	\$382,500
10	SAVE	\$0	\$0	\$0	\$0	\$0	-\$3,500,000
12	REDUCTION TO COLA TO COUNTIES FOR FY 2012-13	\$0	\$0	-\$26,310,000	\$0	-\$26,310,000	-\$13,155,000
13	PRIOR YEAR RECONCILIATIONS	-\$127,558,000	\$0	\$0	\$0	-\$127,558,000	-\$63,779,000
	OTHER SUBTOTAL	-\$41,169,000	\$29,086,000	\$1,330,427,000	\$69,835,000	\$1,388,179,000	\$639,107,350
	GRAND TOTAL	-\$41,169,000	\$29,086,000	\$1,330,427,000	\$69,835,000	\$1,388,179,000	\$639,107,350

**MEDI-CAL COUNTY ADMINISTRATION
POLICY CHANGE SUMMARY
FISCAL YEAR 2013-14**

NO.	POLICY CHANGE TITLE	ONE-TIME CHANGES		ON-GOING CHANGES		TOTAL POLICY CHANGE	TOTAL STATE FUNDS	
		PROCEDURAL	CASELOAD	PROCEDURAL	CASELOAD			
OTHER								
1	COUNTY ADMINISTRATION BASE		\$0	\$0	\$1,302,683,000	\$0	\$1,302,683,000	\$651,341,500
2	SAWS	\$167,378,000		\$0		\$0	\$167,378,000	\$7,566,000
3	CalWORKs APPLICATIONS		\$0	\$0	\$64,896,000	\$0	\$64,896,000	\$32,448,000
5	LOS ANGELES COUNTY HOSPITAL INTAKES		\$0	\$0	\$0	\$20,354,000	\$20,354,000	\$3,561,500
7	TRANSITION OF HFP TO MEDI-CAL		\$0	\$0	\$0	\$33,716,000	\$33,716,000	\$11,800,600
9	FY 2013-14 COST OF DOING BUSINESS		\$0	\$0	\$30,813,000	\$0	\$30,813,000	\$15,406,500
10	SAVE		\$0	\$0	\$0	\$0	\$0	-\$3,500,000
13	PRIOR YEAR RECONCILIATIONS	-\$70,000,000		\$0	\$0	\$0	-\$70,000,000	-\$35,000,000
14	IMPLEMENTATION OF ACA	\$143,845,000		\$0	\$0	\$0	\$143,845,000	\$71,922,500
	OTHER SUBTOTAL	\$241,223,000	\$0	\$0	\$1,398,392,000	\$54,070,000	\$1,693,685,000	\$755,546,600
	GRAND TOTAL	\$241,223,000	\$0	\$0	\$1,398,392,000	\$54,070,000	\$1,693,685,000	\$755,546,600

**COMPARISON OF FISCAL IMPACTS OF COUNTY ADMINISTRATION POLICY CHANGES
MAY 2013 ESTIMATE COMPARED TO APPROPRIATION AND NOVEMBER 2012 ESTIMATE
FISCAL YEAR 2012-13**

NOV. PC #	MAY PC #	POLICY CHANGE TITLE	2012-13 APPROPRIATION		NOV. 2012 EST. FOR 2012-13		MAY 2013 EST. FOR 2012-13		DIFFERENCE MAY TO APPROPRIATION		DIFFERENCE MAY TO NOVEMBER	
			TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
OTHER												
1	1	COUNTY ADMINISTRATION BASE	\$0	\$0	\$1,264,965,000	\$632,482,500	\$1,264,965,000	\$632,482,500	\$1,264,965,000	\$632,482,500	\$0	\$0
2	2	SAWS	\$68,644,000	\$7,955,500	\$66,418,000	\$7,955,500	\$86,389,000	\$7,955,500	\$17,745,000	\$0	\$19,971,000	\$0
3	3	CalWORKs APPLICATIONS	\$68,208,000	\$34,104,000	\$67,028,000	\$33,514,000	\$65,462,000	\$32,731,000	-\$2,746,000	-\$1,373,000	-\$1,566,000	-\$783,000
4	4	ELIGIBLE GROWTH	\$37,718,000	\$18,859,000	\$37,718,000	\$18,859,000	\$37,718,000	\$18,859,000	\$0	\$0	\$0	\$0
5	5	LOS ANGELES COUNTY HOSPITAL INTAKES	\$17,881,000	\$3,561,500	\$32,117,000	\$4,063,500	\$32,117,000	\$4,063,500	\$14,236,000	\$502,000	\$0	\$0
6	6	FY 2012-13 COST OF DOING BUSINESS	\$26,310,000	\$13,155,000	\$26,310,000	\$13,155,000	\$26,310,000	\$13,155,000	\$0	\$0	\$0	\$0
7	7	TRANSITION OF HFP TO MEDI-CAL	\$3,213,000	\$1,124,550	\$33,602,000	\$11,760,700	\$28,321,000	\$9,912,350	\$25,108,000	\$8,787,800	-\$5,281,000	-\$1,848,350
8	8	MCHA VS. DHCS AND MRMIB	\$0	\$0	\$765,000	\$382,500	\$765,000	\$382,500	\$765,000	\$382,500	\$0	\$0
10	10	SAVE	\$0	-\$3,500,000	\$0	-\$3,500,000	\$0	-\$3,500,000	\$0	\$0	\$0	\$0
12	12	REDUCTION TO COLA TO COUNTIES FOR FY 2012-13	-\$26,310,000	-\$13,155,000	-\$26,310,000	-\$13,155,000	-\$26,310,000	-\$13,155,000	\$0	\$0	\$0	\$0
13	13	PRIOR YEAR RECONCILIATIONS	-\$60,000,000	-\$30,000,000	-\$150,000,000	-\$75,000,000	-\$127,558,000	-\$63,779,000	-\$67,558,000	-\$33,779,000	\$22,442,000	\$11,221,000
--	--	FY 2011-12 COST OF DOING BUSINESS	\$16,952,000	\$8,476,000	\$0	\$0	\$0	\$0	-\$16,952,000	-\$8,476,000	\$0	\$0
--	--	LOW-INCOME SUBSIDY APPS. TREATED AS M/C APP:	\$4,647,000	\$2,323,500	\$0	\$0	\$0	\$0	-\$4,647,000	-\$2,323,500	\$0	\$0
--	--	REDUCTION TO COLA TO COUNTIES FOR FY 2011-12	-\$16,952,000	-\$8,476,000	\$0	\$0	\$0	\$0	\$16,952,000	\$8,476,000	\$0	\$0
		OTHER SUBTOTAL	\$140,311,000	\$34,428,050	\$1,352,613,000	\$630,517,700	\$1,388,179,000	\$639,107,350	\$1,247,868,000	\$604,679,300	\$35,566,000	\$8,589,650
		COUNTY ADMINISTRATION GRAND TOTAL	\$140,311,000	\$34,428,050	\$1,352,613,000	\$630,517,700	\$1,388,179,000	\$639,107,350	\$1,247,868,000	\$604,679,300	\$35,566,000	\$8,589,650

**COMPARISON OF FISCAL IMPACTS OF COUNTY ADMINISTRATION POLICY CHANGES
MAY 2013 ESTIMATE COMPARED TO NOVEMBER 2012 ESTIMATE
FISCAL YEAR 2013-14**

NOV. PC#	MAY PC#	POLICY CHANGE TITLE	NOV. 2012 EST. FOR 2013-14		MAY 2013 EST. FOR 2013-14		DIFFERENCE	
			TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
		OTHER						
1	1	COUNTY ADMINISTRATION BASE	\$1,302,683,000	\$651,341,500	\$1,302,683,000	\$651,341,500	\$0	\$0
2	2	SAWS	\$74,603,000	\$7,955,500	\$167,378,000	\$7,566,000	\$92,775,000	-\$389,500
3	3	CalWORKs APPLICATIONS	\$67,028,000	\$33,514,000	\$64,896,000	\$32,448,000	-\$2,132,000	-\$1,066,000
5	5	LOS ANGELES COUNTY HOSPITAL INTAKES	\$7,123,000	\$3,561,500	\$20,354,000	\$3,561,500	\$13,231,000	\$0
7	7	TRANSITION OF HFP TO MEDI-CAL	\$59,856,000	\$20,949,600	\$33,716,000	\$11,800,600	-\$26,140,000	-\$9,149,000
9	9	FY 2013-14 COST OF DOING BUSINESS	\$30,813,000	\$15,406,500	\$30,813,000	\$15,406,500	\$0	\$0
10	10	SAVE	\$0	-\$3,500,000	\$0	-\$3,500,000	\$0	\$0
13	13	PRIOR YEAR RECONCILIATIONS	-\$70,000,000	-\$35,000,000	-\$70,000,000	-\$35,000,000	\$0	\$0
--	14	IMPLEMENTATION OF ACA	\$0	\$0	\$143,845,000	\$71,922,500	\$143,845,000	\$71,922,500
		OTHER SUBTOTAL	\$1,472,106,000	\$694,228,600	\$1,693,685,000	\$755,546,600	\$221,579,000	\$61,318,000
		COUNTY ADMINISTRATION GRAND TOTAL	\$1,472,106,000	\$694,228,600	\$1,693,685,000	\$755,546,600	\$221,579,000	\$61,318,000

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

MAY PC#	POLICY CHANGE TITLE	MAY 2013 EST. FOR 2012-13		MAY 2013 EST. FOR 2013-14		DIFFERENCE	
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
	OTHER						
1	COUNTY ADMINISTRATION BASE	\$1,264,965,000	\$632,482,500	\$1,302,683,000	\$651,341,500	\$37,718,000	\$18,859,000
2	SAWS	\$86,389,000	\$7,955,500	\$167,378,000	\$7,566,000	\$80,989,000	-\$389,500
3	CalWORKs APPLICATIONS	\$65,462,000	\$32,731,000	\$64,896,000	\$32,448,000	-\$566,000	-\$283,000
4	ELIGIBLE GROWTH	\$37,718,000	\$18,859,000	\$0	\$0	-\$37,718,000	-\$18,859,000
5	LOS ANGELES COUNTY HOSPITAL INTAKES	\$32,117,000	\$4,063,500	\$20,354,000	\$3,561,500	-\$11,763,000	-\$502,000
6	FY 2012-13 COST OF DOING BUSINESS	\$26,310,000	\$13,155,000	\$0	\$0	-\$26,310,000	-\$13,155,000
7	TRANSITION OF HFP TO MEDI-CAL	\$28,321,000	\$9,912,350	\$33,716,000	\$11,800,600	\$5,395,000	\$1,888,250
8	MCHA VS. DHCS AND MRMB	\$765,000	\$382,500	\$0	\$0	-\$765,000	-\$382,500
9	FY 2013-14 COST OF DOING BUSINESS	\$0	\$0	\$30,813,000	\$15,406,500	\$30,813,000	\$15,406,500
10	SAVE	\$0	-\$3,500,000	\$0	-\$3,500,000	\$0	\$0
12	REDUCTION TO COLA TO COUNTIES FOR FY 2012-13	-\$26,310,000	-\$13,155,000	\$0	\$0	\$26,310,000	\$13,155,000
13	PRIOR YEAR RECONCILIATIONS	-\$127,558,000	-\$63,779,000	-\$70,000,000	-\$35,000,000	\$57,558,000	\$28,779,000
14	IMPLEMENTATION OF ACA	\$0	\$0	\$143,845,000	\$71,922,500	\$143,845,000	\$71,922,500
	OTHER SUBTOTAL	\$1,388,179,000	\$639,107,350	\$1,693,685,000	\$755,546,600	\$305,506,000	\$116,439,250
	COUNTY ADMINISTRATION GRAND TOTAL	\$1,388,179,000	\$639,107,350	\$1,693,685,000	\$755,546,600	\$305,506,000	\$116,439,250

Costs shown do not include percent reflected in base calculation.

**MEDI-CAL COUNTY ADMINISTRATION
POLICY CHANGE INDEX**

POLICY CHANGE NUMBER	POLICY CHANGE TITLE
	<u>OTHER</u>
1	COUNTY ADMINISTRATION BASE
2	SAWS
3	CalWORKs APPLICATIONS
4	ELIGIBLE GROWTH
5	LOS ANGELES COUNTY HOSPITAL INTAKES
6	FY 2012-13 COST OF DOING BUSINESS
7	TRANSITION OF HFP TO MEDI-CAL
8	MCHA VS. DHCS AND MRMIB
9	FY 2013-14 COST OF DOING BUSINESS
10	SAVE
12	REDUCTION TO COLA TO COUNTIES FOR FY 2012-13
13	PRIOR YEAR RECONCILIATIONS
14	IMPLEMENTATION OF ACA

COUNTY ADMINISTRATION BASE

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

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$1,264,965,000	\$0	\$1,302,683,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$1,264,965,000	\$0	\$1,302,683,000
STATE FUNDS	\$0	\$632,482,500	\$0	\$651,341,500
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$1,264,965,000	\$0	\$1,302,683,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$1,264,965,000	\$0	\$1,302,683,000
STATE FUNDS	\$0	\$632,482,500	\$0	\$651,341,500

DESCRIPTION

Purpose:

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

Authority:

Welfare & Institutions Code 14154

Interdependent Policy Changes:

Not Applicable

Background:

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

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

1. Staff Costs

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

COUNTY ADMINISTRATION BASE

COUNTY ADMIN. POLICY CHANGE NUMBER: 1

2. Support Costs

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

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

3. Staff Development

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

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

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

Reason for Change from Prior Estimate:

There is no change.

Methodology:

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

Funding:

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

SAWS

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

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$86,389,000	\$0	\$167,378,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$86,389,000	\$0	\$167,378,000	\$0
STATE FUNDS	\$7,955,500	\$0	\$7,566,000	\$0
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$86,389,000	\$0	\$167,378,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$86,389,000	\$0	\$167,378,000	\$0
STATE FUNDS	\$7,955,500	\$0	\$7,566,000	\$0

DESCRIPTION

Purpose:

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

Authority:

Welfare & Institutions Code 14154
 Interagency Agreement #04-35639
 Affordable Care Act (ACA)

Interdependent Policy Changes:

Not Applicable

Background:

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

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

LEADER is the automated system for Los Angeles County and is currently in the maintenance and

SAWS

COUNTY ADMIN. POLICY CHANGE NUMBER: 2

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

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

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

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

The Department plans to upgrade and expand the current county call center infrastructure to interface with Covered California's Service Center and Healthcare Eligibility, Enrollment, and Retention System (CalHEERS). Expansion of SAWS is required to meet the increase in call volume and the increase in services provided to beneficiaries.

Reason for Change from Prior estimate:

CDSS updated estimated expenditures for FY 2012-13 and FY 2013-14. In addition, costs increased for LEADER Replacement and new costs for the SAWS Customer Service Center are included.

Methodology:

1. The cash basis estimate was provided by CDSS.

(In Thousands)	<u>FY 2012-13</u>	<u>FY 2013-14</u>
LA County LEADER M&O*	\$15,911 (\$7,955.5 GF)	\$15,132 (\$7,566 GF)
LEADER Replacement	\$31,815	\$71,917
SAWS Customer Service Center	\$4,505	\$33,833
SPM	\$1,433	\$1,480
WCDS-CalWIN	\$17,245	\$19,455
Consortia IV	\$14,253	\$17,539
State Client Index	\$65	\$68
CalHEERS Development	\$1,162	\$6,945
CAIHEERS Interface M&O	\$0	\$419
Consortium-IV Migration	\$0	\$590
Total	<u>\$86,389</u>	<u>\$167,378</u>

Funding:

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

Title XIX FFP (4260-101-0890)

CalWORKs APPLICATIONS

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

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$65,462,000	\$0	\$64,896,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$65,462,000	\$0	\$64,896,000
STATE FUNDS	\$0	\$32,731,000	\$0	\$32,448,000
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$65,462,000	\$0	\$64,896,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$65,462,000	\$0	\$64,896,000
STATE FUNDS	\$0	\$32,731,000	\$0	\$32,448,000

DESCRIPTION

Purpose:

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

Authority:

Welfare & Institutions Code 14154

Interdependent Policy Changes:

Not Applicable

Background:

Since 1998, the Department shares in the costs for CalWORKS applications with the California Department of Social Services (CDSS). CDSS amended the claim forms and time study documents completed by the counties to allow CalWORKS application costs that are also necessary for Medi-Cal and CalFresh eligibility to be shared between the three programs.

Reason for Change from Prior Estimate:

CDSS updated estimated expenditures.

CalWORKs APPLICATIONS

COUNTY ADMIN. POLICY CHANGE NUMBER: 3

Methodology:

	<u>TF</u>	<u>GF</u>	<u>FFP</u>
FY 2012-13	\$65,462,000	\$32,731,000	\$32,731,000
FY 2013-14	\$64,896,000	\$32,448,000	\$32,448,000

Funding:

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

ELIGIBLE GROWTH

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

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

DESCRIPTION

Purpose:

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

Authority:

Welfare & Institution Code 14154

Interdependent Policy Changes:

Not Applicable

Background:

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

Reason for Change from Prior Estimate:

There is no change.

Methodology:

- In FY 2012-13, it was estimated there would be 4,870,730 average monthly certified eligibles (before adding the impact of policy changes) based on the May 2012 Estimate. Eligible Growth costs were estimated to be **\$37,718,000 TF (\$18,859,000 GF)**.

ELIGIBLE GROWTH

COUNTY ADMIN. POLICY CHANGE NUMBER: 4

Funding:

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

LOS ANGELES COUNTY HOSPITAL INTAKES

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

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$0	\$32,117,000	\$0	\$20,354,000
TOTAL FUNDS	\$0	\$32,117,000	\$0	\$20,354,000
STATE FUNDS	\$0	\$4,063,500	\$0	\$3,561,500
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$0	\$32,117,000	\$0	\$20,354,000
TOTAL FUNDS	\$0	\$32,117,000	\$0	\$20,354,000
STATE FUNDS	\$0	\$4,063,500	\$0	\$3,561,500

DESCRIPTION

Purpose:

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

Authority:

Welfare & Institutions Code 14154

Interdependent Policy Changes:

Not Applicable

Background:

Los Angeles County uses PFSWs to collect and process Medi-Cal applications taken in Los Angeles County hospitals. The applications processed by the PFSWs are sent to the Los Angeles County Human Services Agency for final eligibility determination. Welfare & Institutions Code Section 14154 limits the reimbursement amount for PFSW intakes to the amount paid to Los Angeles County Department of Social Services eligibility workers for regular Medi-Cal intakes.

Reason for Change from Prior Estimate:

The change is due to additional data.

Methodology:

1. PFSWs processed an average of 1,452 intakes per month in calendar year 2012. Since the calendar year 2012 intake numbers are not finalized, the Department anticipates Los Angeles to process 2,215 intakes per month in calendar years 2012 and 2013. These intakes are reported separately to the Department and are not included in the base estimate. The average

LOS ANGELES COUNTY HOSPITAL INTAKES

COUNTY ADMIN. POLICY CHANGE NUMBER: 5

reimbursement rate is \$268 for both current year and budget year. Assume in FY 2012-13 and FY 2013-14, PFSW will continue processing at 2,215 per month.

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

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

- In FY 2011-12, the Department completed the FY 2009-10 Los Angeles County Hospital Intakes reconciliation. The reconciliation resulted in a refund to Los Angeles of \$11,780,000. The Department paid \$16,884 in FY 2011-12 and will pay \$11,763,217 in FY 2012-13.
- The final FY 2010-11 Los Angeles County Hospital Intakes reconciliation identified \$13,231,000 in federal fund pass-through due to the county. Assume the same amount of federal fund pass-through is needed in FY 2013-14 for the reconciliation of FY 2011-12.

Total cost for FY 2012-13: $\$7,123,000 + \$13,231,000 + \$11,763,000 = \mathbf{\$32,117,000}$

Total cost for FY 2013-14: $\$7,123,000 + \$13,231,000 = \mathbf{\$20,354,000}$

	In Thousands					
	FY 2012-13			FY 2013-14		
	TF	GF	FFP	TF	GF	FFP
FY 2009-10 Reconciliation	\$11,763	\$502	\$11,261	\$0	\$0	\$0
PFSW Base	\$7,123	\$3,561	\$3,562	\$7,123	\$3,561	\$3,562
FY 2010-11 Reconciliation	\$13,231	\$0	\$13,231	\$0	\$0	\$0
FY 2011-12 Reconciliation	\$0	\$0	\$0	\$13,231	\$0	\$13,231
Total	\$32,117	\$4,063	\$28,054	\$20,354	\$3,561	\$16,793

Funding:

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

Title XIX FFP (4260-101-0890)

FY 2012-13 COST OF DOING BUSINESS

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

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

DESCRIPTION

Purpose:

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

Authority:

Welfare & Institutions Code 14154

Interdependent Policy Changes:

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

Background:

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

Reason for Change from Prior Estimate:

There is no change.

Methodology:

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

FY 2012-13 COST OF DOING BUSINESS

COUNTY ADMIN. POLICY CHANGE NUMBER: 6

FY 2012-13 Cost of Doing Business:

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

Funding:

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

TRANSITION OF HFP TO MEDI-CAL

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

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$28,321,000	\$0	\$0	\$33,716,000
TOTAL FUNDS	\$28,321,000	\$0	\$0	\$33,716,000
STATE FUNDS	\$9,912,350	\$0	\$0	\$11,800,600
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$28,321,000	\$0	\$0	\$33,716,000
TOTAL FUNDS	\$28,321,000	\$0	\$0	\$33,716,000
STATE FUNDS	\$9,912,350	\$0	\$0	\$11,800,600

DESCRIPTION

Purpose:

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

Authority:

AB 1494 (Chapter 28, Statutes of 2012)

Interdependent Policy Changes:

Not Applicable

Background:

Effective January 1, 2013, HFP subscribers began a transition into Medi-Cal through a phase-in methodology. HFP will send to the counties the current subscribers' applications and information. The counties will process the applications. Administrative savings will be reflected in the Managed Risk Medical Insurance Board budget.

Reason for Change from Prior Estimate:

In the November Estimate, Los Angeles and San Diego were scheduled to participate in Phase 1C transitioning in April. Now due to delays, they are scheduled to transition in May. Additionally, CCS-HFP county administrative costs were shifted into the CCS Case Management Other Administrative policy change.

TRANSITION OF HFP TO MEDI-CAL**COUNTY ADMIN. POLICY CHANGE NUMBER: 7****Methodology:**

1. Effective January 1, 2013, 871,027 HFP subscribers began transitioning to Medi-Cal through a phase-in methodology. This does not include 3,997 AIM infants with incomes between 250-300% FPL, which will not transition to Medi-Cal. It is assumed the HFP caseload will experience 0.30% of annual growth in FY 2013-14.
2. The Transition of HFP subscribers into the Medi-Cal program will occur in four separate phases. The first phase will be split into four phases transitioning January 1, 2013, March 1, 2013, April 1, 2013, and May 1, 2013 for all HFP subscribers currently enrolled in a managed care plan that also contracts directly with the Department. The second phase will transition on April 1, 2013, for all HFP subscribers currently enrolled in a managed care plan that subcontracts with a Medi-Cal managed care plan. The third phase will transition on August 1, 2013 for all HFP subscribers in a managed care county that were not transitioned in Phase 1 or Phase 2. The fourth phase will transition on September 1, 2013, for all remaining HFP subscribers.
3. Estimated costs:

(In Thousands)

FY 2012-13

	<u>TF</u>	<u>GF</u>
Start-Up	\$18,321	\$6,412
Ongoing	\$0	\$0
Intake	\$10,000	\$3,500
Total	\$28,321	\$9,912

FY 2013-14

	<u>TF</u>	<u>GF</u>
Start-Up	\$0	\$0
Ongoing	\$33,716	\$11,801
Intake	\$0	\$0
Total	\$33,716	\$11,801

Funding:

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

MCHA VS. DHCS AND MRMIB

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

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$765,000	\$0	\$0	\$0
TOTAL FUNDS	\$765,000	\$0	\$0	\$0
STATE FUNDS	\$382,500	\$0	\$0	\$0
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$765,000	\$0	\$0	\$0
TOTAL FUNDS	\$765,000	\$0	\$0	\$0
STATE FUNDS	\$382,500	\$0	\$0	\$0

DESCRIPTION**Purpose:**

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

Authority:

Not Applicable

Interdependent Policy Changes:

PC 9 MCHA vs. DHCS and MRMIB

Background:

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

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

MCHA VS. DHCS AND MRMIB

COUNTY ADMIN. POLICY CHANGE NUMBER: 8

Effective January 1, 2013, HFP subscribers began transitioning into Medi-Cal through a phase-in methodology. All applications submitted to the SPE will be sent to county eligibility workers for a Medi-Cal determination. Therefore, the court decision only will impact applicants who were screened by SPE prior to January 1, 2013.

Reason for Change from Prior Estimate:

There is no change.

Methodology:

1. Assume that MRMIB will notify approximately 268,192 prior SPE applicants that they may be eligible for 1931(b) Medi-Cal coverage.
2. Assume that the responses to the MRMIB notifications will be received and processed during January, February and March 2013.
3. Assume a 7.3% response rate will result in 20,000 responses (rounded).
4. Assume that the average number of children per case is 1.7, requiring 11,800 cases to be reviewed by the counties.
5. Assume that the cost per case will be \$65.

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

Funding:

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

FY 2013-14 COST OF DOING BUSINESS

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

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	\$0	\$30,813,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$0	\$0	\$30,813,000
STATE FUNDS	\$0	\$0	\$0	\$15,406,500
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$0	\$0	\$30,813,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$0	\$0	\$30,813,000
STATE FUNDS	\$0	\$0	\$0	\$15,406,500

DESCRIPTION

Purpose:

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

Authority:

Welfare & Institutions Code 14154

Interdependent Policy Changes:

Not Applicable

Background:

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

Reason for Change from Prior Estimate:

There is no change.

Methodology:

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

FY 2013-14 COST OF DOING BUSINESS

COUNTY ADMIN. POLICY CHANGE NUMBER: 9

FY 2013-14 Cost of Doing Business:

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

Funding:

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

SAVE

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

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$0	\$0	\$0
STATE FUNDS	-\$3,500,000	\$0	-\$3,500,000	\$0
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$0	\$0	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$0	\$0	\$0
STATE FUNDS	-\$3,500,000	\$0	-\$3,500,000	\$0

DESCRIPTION**Purpose:**

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

Authority:

Welfare & Institutions Code 14154

Interdependent Policy Changes:

Not Applicable

Background:

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

Reason for Change from Prior Estimate:

There is no change.

Methodology:

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

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

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

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

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

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

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

* Actual

** Preliminary

Funding:

State Only GF (4260-101-0001)

Title XIX FFP (4260-101-0890)

REDUCTION TO COLA TO COUNTIES FOR FY 2012-13

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

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

DESCRIPTION

Purpose:

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

Authority:

Welfare & Institutions Code 14154

Interdependent Policy Changes:

CA 6 FY 2012-13 Cost of Doing Business

Background:

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

Reason for Change from Prior Estimate:

There is no change.

Methodology:

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

REDUCTION TO COLA TO COUNTIES FOR FY 2012-13

COUNTY ADMIN. POLICY CHANGE NUMBER: 12

FY 2012-13:

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

Funding:

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

PRIOR YEAR RECONCILIATIONS

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

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	-\$127,558,000	\$0	-\$70,000,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	-\$127,558,000	\$0	-\$70,000,000	\$0
STATE FUNDS	-\$63,779,000	\$0	-\$35,000,000	\$0
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	-\$127,558,000	\$0	-\$70,000,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	-\$127,558,000	\$0	-\$70,000,000	\$0
STATE FUNDS	-\$63,779,000	\$0	-\$35,000,000	\$0

DESCRIPTION

Purpose:

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

Authority:

Welfare & Institutions Code 14154

Interdependent Policy Changes:

Not Applicable

Background:

Two years following the end of the fiscal year, county administration expenditures are reconciled to the county administration allocation for the applicable fiscal year. Counties have one year from the end of a quarter to amend their quarterly administrative claim, which is used by the Department for the county administration reconciliation process.

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

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

Reason for Change from Prior Estimate:

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

PRIOR YEAR RECONCILIATIONS
COUNTY ADMIN. POLICY CHANGE NUMBER: 13

Methodology:

(In Thousands)	FY 2012-13			FY 2013-14		
	TF	GF	FFP	TF	GF	FFP
Reconciliation	(\$127,558)	(\$63,779)	(\$63,779)	(\$70,000)	(\$35,000)	(\$35,000)

Funding:

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

IMPLEMENTATION OF ACA

COUNTY ADMIN. POLICY CHANGE NUMBER: 14
 IMPLEMENTATION DATE: 7/2013
 ANALYST: Ryan Witz
 FISCAL REFERENCE NUMBER: 1796

	FY 2012-13		FY 2013-14	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	\$0	\$0	\$143,845,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$0	\$143,845,000	\$0
STATE FUNDS	\$0	\$0	\$71,922,500	\$0
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	\$0	\$0	\$143,845,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$0	\$143,845,000	\$0
STATE FUNDS	\$0	\$0	\$71,922,500	\$0

DESCRIPTION

Purpose:

This policy change estimates the county administrative costs for implementing required provisions of the Affordable Care Act (ACA).

Authority:

Not Applicable

Interdependent Policy Changes:

Not Applicable

Background:

Effective January 1, 2014, the ACA provides states the option to expand Medicaid coverage to previously ineligible persons, primarily childless adults at or below 138 percent of the federal poverty level (FPL). The Department expects this optional expansion population to result in a significant number of new Medi-Cal beneficiaries. In addition, the ACA requires enrollment simplification for several current coverage groups and imposes a penalty upon the uninsured. The Department anticipates that the mandatory requirements will encourage many eligible individuals to enroll in the Medi-Cal program. Combining both ACA expansions, the Department estimates Medi-Cal enrollment to increase by approximately 1,240,000 beneficiaries in FY 2013-14.

Additionally, the ACA mandates the establishment of online health insurance exchanges. Covered California, California's online health insurance exchange provides competitive health care coverage for individuals and small employers. As required by ACA, Covered California determines an applicant's eligibility for subsidized coverage. The ACA also requires states to use a single, streamlined application for the applicants to apply for all applicable health subsidy programs.

IMPLEMENTATION OF ACA

COUNTY ADMIN. POLICY CHANGE NUMBER: 14

Covered California offers applicants the option to file online, in person, by mail, by telephone with the exchange, or with the county welfare departments (CWD). To meet this requirement, the Department and Covered California formed a partnership to develop the CalHEERS system. CalHEERS allows for the one-stop-shopping, making health insurance eligibility and purchasing easier and more understandable.

This policy change estimates the administrative costs for processing new applications and redeterminations, training costs, statewide/county level planning and implementation, and also curriculum development for county staff.

Reason for Change from Prior Estimate:

This is a new policy change.

Methodology:

- 1) Effective January 1, 2014, the ACA simplifies eligibility for several coverage groups (Children, Pregnant Women, and 1931b). Open enrollment for Covered California begins October 1, 2013.
- 2) The Department expects the eligibility simplification and ACA outreach efforts to result in a significant number of currently eligible but not enrolled Medi-Cal beneficiaries. The Department estimates Medi-Cal enrollment to increase by approximately 1,240,000 beneficiaries.
- 3) In FY 2013-14, the Department estimates the cost of processing new applications will be \$78,715,000 TF (\$39,357,500 GF) and \$51,371,000 TF (\$25,685,500 GF) for redeterminations.
- 4) In FY 2013-14, the Department estimates the cost for developing the training curriculum and providing training to county eligibility workers will be \$8,059,000 TF (\$4,029,500 GF).
- 5) In FY 2013-14, the Department estimates the County/Statewide planning and implementation support will be \$5,700,000 TF (\$2,850,000 GF).

- 6) In FY 2013-14, the total estimated county administrative costs are:

(In Thousands)

FY 2013-14

	<u>TF</u>	<u>GF</u>
New Applications	\$78,715	\$39,358
Redeterminations	\$51,371	\$25,686
Training costs	\$8,059	\$4,030
County/Statewide Planning and Implementation support costs	\$5,700	\$2,850
Total	\$143,845	\$71,923

Funding:

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