November 2013 Medi-Cal Estimate

COUNTY ADMINISTRATION FUNDING SUMMARY

(Includes Other Administration)

FY 2013-2014 ESTIMATE:	Total Funds	Federal Funds	State Funds
BASE	$1,302,683,000	$651,341,500	$651,341,500
POLICY CHANGES	$457,977,000	$455,739,950	$2,237,050
SubTotal County Admin.	***$1,760,660,000***	***$1,107,081,450***	***$653,578,550***
OTHER ADMINISTRATION	$1,861,825,000	$1,691,616,700	$170,208,300
TOTAL CURRENT YEAR	**$3,622,485,000**	**$2,798,698,150**	**$823,786,850**

FY 2014-2015 ESTIMATE:	Total Funds	Federal Funds	State Funds
BASE	$1,302,683,000	$651,341,500	$651,341,500
POLICY CHANGES	$375,210,000	$520,061,600	($144,851,600)
SubTotal County Admin.	***$1,677,893,000***	***$1,171,403,100***	***$506,489,900***
OTHER ADMINISTRATION	$1,684,019,000	$1,512,722,150	$171,296,850
TOTAL BUDGET YEAR	**$3,361,912,000**	**$2,684,125,250**	**$677,786,750**

Note:

C/Y Title XXI (Item 113) activities	**$26,500,000**	**$13,250,000**	**$13,250,000**
B/Y Title XXI (Item 113) activities	**$26,500,000**	**$13,250,000**	**$13,250,000**
C/Y HIPAA (Item 117) activities	**$116,617,000**	**$81,211,000**	**$35,406,000**
B/Y HIPAA (Item 117) activities	**$95,652,000**	**$66,553,000**	**$29,099,000**

Fiscal Forecasting and
Data Management Branch

12/27/2013

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

NO.	POLICY CHANGE TITLE	ONE-TIME CHANGES PROCEDURAL	ONE-TIME CHANGES CASELOAD	ON-GOING CHANGES PROCEDURAL	ON-GOING CHANGES CASELOAD	TOTAL POLICY CHANGE	TOTAL STATE FUNDS
	OTHER						
1	COUNTY ADMINISTRATION BASE	$0	$0	$1,302,683,000	$0	$1,302,683,000	$651,341,500
2	SAWS	$175,602,000	$0	$0	$0	$175,602,000	$7,566,000
3	IMPLEMENTATION OF ACA	$13,759,000	$0	$0	$130,086,000	$143,845,000	$71,922,500
4	CalWORKs APPLICATIONS	$0	$0	$64,896,000	$0	$64,896,000	$32,448,000
5	TRANSITION OF HFP TO MEDI-CAL	$0	$0	$0	$54,363,000	$54,363,000	$19,027,050
6	FY 2013-14 COST OF DOING BUSINESS	$0	$0	$30,813,000	$0	$30,813,000	$15,406,500
7	LOS ANGELES COUNTY HOSPITAL INTAKES	$0	$0	$0	$26,037,000	$26,037,000	$2,308,000
8	STATE-ONLY FORMER FOSTER CARE PROGRAM	$99,000	$0	$0	$0	$99,000	$99,000
11	SAVE	$0	$0	$0	$0	$0	-$3,500,000
13	PRIOR YEAR RECONCILIATIONS	-$37,678,000	$0	$0	$0	-$37,678,000	-$18,839,000
14	ENHANCED FEDERAL FUNDING	$0	$0	$0	$0	$0	-$124,201,000
	OTHER SUBTOTAL	**$151,782,000**	**$0**	**$1,398,392,000**	**$210,486,000**	**$1,760,660,000**	**$653,578,550**
	GRAND TOTAL	**$151,782,000**	**$0**	**$1,398,392,000**	**$210,486,000**	**$1,760,660,000**	**$653,578,550**

MEDI-CAL COUNTY ADMINISTRATION
POLICY CHANGE SUMMARY
FISCAL YEAR 2014-15

NO.	POLICY CHANGE TITLE	ONE-TIME CHANGES PROCEDURAL	ONE-TIME CHANGES CASELOAD	ON-GOING CHANGES PROCEDURAL	ON-GOING CHANGES CASELOAD	TOTAL POLICY CHANGE	TOTAL STATE FUNDS
	OTHER						
1	COUNTY ADMINISTRATION BASE	$0	$0	$1,302,683,000	$0	$1,302,683,000	$651,341,500
2	SAWS	$155,135,000	$0	$0	$0	$155,135,000	$7,566,000
3	IMPLEMENTATION OF ACA	$0	$0	$0	$130,086,000	$130,086,000	$65,043,000
4	CalWORKs APPLICATIONS	$0	$0	$67,503,000	$0	$67,503,000	$33,751,500
5	TRANSITION OF HFP TO MEDI-CAL	$0	$0	$0	$43,054,000	$43,054,000	$15,068,900
7	LOS ANGELES COUNTY HOSPITAL INTAKES	$0	$0	$0	$15,313,000	$15,313,000	$3,561,500
9	FY 2014-2015 COST OF DOING BUSINESS	$0	$0	$20,218,000	$0	$20,218,000	$10,109,000
11	SAVE	$0	$0	$0	$0	$0	-$3,500,000
12	REDUCTION TO COLA TO COUNTIES FOR FY 2014-15	$0	$0	-$20,218,000	$0	-$20,218,000	-$10,109,000
13	PRIOR YEAR RECONCILIATIONS	-$35,881,000	$0	$0	$0	-$35,881,000	-$17,940,500
14	ENHANCED FEDERAL FUNDING	$0	$0	$0	$0	$0	-$248,402,000
	OTHER SUBTOTAL	**$119,254,000**	**$0**	**$1,370,186,000**	**$188,453,000**	**$1,677,893,000**	**$506,489,900**
	GRAND TOTAL	**$119,254,000**	**$0**	**$1,370,186,000**	**$188,453,000**	**$1,677,893,000**	**$506,489,900**

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

MAY PC#	NOV. PC#	POLICY CHANGE TITLE	2013-14 APPROPRIATION TOTAL FUNDS	2013-14 APPROPRIATION STATE FUNDS	NOV. 2013 EST. FOR 2013-14 TOTAL FUNDS	NOV. 2013 EST. FOR 2013-14 STATE FUNDS	DIFFERENCE TOTAL FUNDS	DIFFERENCE 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	$167,378,000	$7,566,000	$175,602,000	$7,566,000	$8,224,000	$0
3	4	CalWORKs APPLICATIONS	$64,896,000	$32,448,000	$64,896,000	$32,448,000	$0	$0
5	7	LOS ANGELES COUNTY HOSPITAL INTAKES	$20,354,000	$3,561,500	$26,037,000	$2,308,000	$5,683,000	-$1,253,500
7	5	TRANSITION OF HFP TO MEDI-CAL	$33,716,000	$11,800,600	$54,363,000	$19,027,050	$20,647,000	$7,226,450
9	6	FY 2013-14 COST OF DOING BUSINESS	$30,813,000	$15,406,500	$30,813,000	$15,406,500	$0	$0
10	11	SAVE	$0	-$3,500,000	$0	-$3,500,000	$0	$0
13	13	PRIOR YEAR RECONCILIATIONS	-$70,000,000	-$35,000,000	-$37,678,000	-$18,839,000	$32,322,000	$16,161,000
14	3	IMPLEMENTATION OF ACA	$143,845,000	$71,922,500	$143,845,000	$71,922,500	$0	$0
16	8	STATE-ONLY FORMER FOSTER CARE PROGRAM	$99,000	$99,000	$99,000	$99,000	$0	$0
--	14	ENHANCED FEDERAL FUNDING	$0	$0	$0	-$124,201,000	$0	-$124,201,000
		OTHER SUBTOTAL	**$1,693,784,000**	**$755,645,600**	**$1,760,660,000**	**$653,578,550**	**$66,876,000**	**-$102,067,050**
		COUNTY ADMINISTRATION GRAND TOTAL	**$1,693,784,000**	**$755,645,600**	**$1,760,660,000**	**$653,578,550**	**$66,876,000**	**-$102,067,050**

Costs shown do not include percent reflected in base calculation.

COMPARISON OF FISCAL IMPACTS OF COUNTY ADMINISTRATION POLICY CHANGES
CURRENT YEAR COMPARED TO BUDGET YEAR
FISCAL YEARS 2013-14 AND 2014-15

NOV. PC#	POLICY CHANGE TITLE	NOV. 2013 EST. FOR 2013-14 TOTAL FUNDS	NOV. 2013 EST. FOR 2013-14 STATE FUNDS	NOV. 2013 EST. FOR 2014-15 TOTAL FUNDS	NOV. 2013 EST. FOR 2014-15 STATE FUNDS	DIFFERENCE TOTAL FUNDS	DIFFERENCE STATE FUNDS
	OTHER						
1	COUNTY ADMINISTRATION BASE	$1,302,683,000	$651,341,500	$1,302,683,000	$651,341,500	$0	$0
2	SAWS	$175,602,000	$7,566,000	$155,135,000	$7,566,000	-$20,467,000	$0
3	IMPLEMENTATION OF ACA	$143,845,000	$71,922,500	$130,086,000	$65,043,000	-$13,759,000	-$6,879,500
4	CalWORKs APPLICATIONS	$64,896,000	$32,448,000	$67,503,000	$33,751,500	$2,607,000	$1,303,500
5	TRANSITION OF HFP TO MEDI-CAL	$54,363,000	$19,027,050	$43,054,000	$15,068,900	-$11,309,000	-$3,958,150
6	FY 2013-14 COST OF DOING BUSINESS	$30,813,000	$15,406,500	$0	$0	-$30,813,000	-$15,406,500
7	LOS ANGELES COUNTY HOSPITAL INTAKES	$26,037,000	$2,308,000	$15,313,000	$3,561,500	-$10,724,000	$1,253,500
8	STATE-ONLY FORMER FOSTER CARE PROGRAM	$99,000	$99,000	$0	$0	-$99,000	-$99,000
9	FY 2014-2015 COST OF DOING BUSINESS	$0	$0	$20,218,000	$10,109,000	$20,218,000	$10,109,000
11	SAVE	$0	-$3,500,000	$0	-$3,500,000	$0	$0
12	REDUCTION TO COLA TO COUNTIES FOR FY 2014-15	$0	$0	-$20,218,000	-$10,109,000	-$20,218,000	-$10,109,000
13	PRIOR YEAR RECONCILIATIONS	-$37,678,000	-$18,839,000	-$35,881,000	-$17,940,500	$1,797,000	$898,500
14	ENHANCED FEDERAL FUNDING	$0	-$124,201,000	$0	-$248,402,000	$0	-$124,201,000
	OTHER SUBTOTAL	**$1,760,660,000**	**$653,578,550**	**$1,677,893,000**	**$506,489,900**	**-$82,767,000**	**-$147,088,650**
	COUNTY ADMINISTRATION GRAND TOTAL	**$1,760,660,000**	**$653,578,550**	**$1,677,893,000**	**$506,489,900**	**-$82,767,000**	**-$147,088,650**

Costs shown do not include percent reflected in base calculation.

MEDI-CAL COUNTY ADMINISTRATION
POLICY CHANGE INDEX

POLICY CHANGE NUMBER	POLICY CHANGE TITLE
	OTHER
1	COUNTY ADMINISTRATION BASE
2	SAWS
3	IMPLEMENTATION OF ACA
4	CalWORKs APPLICATIONS
5	TRANSITION OF HFP TO MEDI-CAL
6	FY 2013-14 COST OF DOING BUSINESS
7	LOS ANGELES COUNTY HOSPITAL INTAKES
8	STATE-ONLY FORMER FOSTER CARE PROGRAM
9	FY 2014-2015 COST OF DOING BUSINESS
11	SAVE
12	REDUCTION TO COLA TO COUNTIES FOR FY 2014-15
13	PRIOR YEAR RECONCILIATIONS
14	ENHANCED FEDERAL FUNDING

COUNTY ADMINISTRATION BASE

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

	FY 2013-14		FY 2014-15	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	$0	$1,302,683,000	$0	$1,302,683,000
CASELOAD - TOT.	$0	$0	$0	$0
TOTAL FUNDS	$0	$1,302,683,000	$0	$1,302,683,000
STATE FUNDS	$0	$651,341,500	$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	$1,302,683,000	$0	$1,302,683,000
CASELOAD - TOT.	$0	$0	$0	$0
TOTAL FUNDS	$0	$1,302,683,000	$0	$1,302,683,000
STATE FUNDS	$0	$651,341,500	$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:

	In Thousands		
Base Allocation	**TF**	**GF**	**FFP**
FY 2013-14	**$1,302,683**	**$651,341**	**$651,342**
FY 2014-15	**$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:	Joanne Peschko
FISCAL REFERENCE NUMBER:	214

	FY 2013-14		FY 2014-15	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	$175,602,000	$0	$155,135,000	$0
CASELOAD - TOT.	$0	$0	$0	$0
TOTAL FUNDS	$175,602,000	$0	$155,135,000	$0
STATE FUNDS	$7,566,000	$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.	$175,602,000	$0	$155,135,000	$0
CASELOAD - TOT.	$0	$0	$0	$0
TOTAL FUNDS	$175,602,000	$0	$155,135,000	$0
STATE FUNDS	$7,566,000	$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 operation phase. The County began the process to replace the LEADER system and has entered the

SAWS

COUNTY ADMIN. POLICY CHANGE NUMBER: 2

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 2015. The Department plans to seek optional extensions to the contract.

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 2013-14 and FY 2014-15. In addition, costs increased for LEADER Replacement and for the SAWS Customer Service Center.

Methodology:

1. The cash basis estimate was provided by CDSS.

(Dollars In Thousands)	FY 2013-14		FY 2014-15	
LA County LEADER M&O*	$15,132	($7,566 GF)	$15,132	($7,566 GF)
LEADER Replacement	$73,385		$80,883	
SAWS Customer Service Center	$35,877		$0	
SPM	$1,518		$1,518	
WCDS-CalWIN	$19,984		$27,566	
Consortia IV	$17,903		$25,708	
State Client Index	$69		$69	
CalHEERS Development	$11,132		$3,757	
CAlHEERS Interface M&O	$419		$419	
Consortium-IV Migration	$183		$83	
Total	**$175,602**		**$155,135**	

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

IMPLEMENTATION OF ACA

COUNTY ADMIN. POLICY CHANGE NUMBER:	3
IMPLEMENTATION DATE:	7/2013
ANALYST:	Ryan Witz
FISCAL REFERENCE NUMBER:	1796

	FY 2013-14		FY 2014-15	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	$13,759,000	$0	$0	$0
CASELOAD - TOT.	$0	$130,086,000	$0	$130,086,000
TOTAL FUNDS	$13,759,000	$130,086,000	$0	$130,086,000
STATE FUNDS	$6,879,500	$65,043,000	$0	$65,043,000
% 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.	$13,759,000	$0	$0	$0
CASELOAD - TOT.	$0	$130,086,000	$0	$130,086,000
TOTAL FUNDS	$13,759,000	$130,086,000	$0	$130,086,000
STATE FUNDS	$6,879,500	$65,043,000	$0	$65,043,000

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.

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: 3

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:
There is no 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.

3. In FY 2013-14 and FY 2014-15, 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:

(Dollars in Thousands)

FY 2013-14	**TF**	**GF**
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**

IMPLEMENTATION OF ACA

COUNTY ADMIN. POLICY CHANGE NUMBER: 3

7. In FY 2014-15 the total estimated county administrative costs are:

(Dollars in Thousands)

FY 2014-15	**TF**	**GF**
New Applications	$78,715	$39,358
Redeterminations	$51,371	$25,686
Total	**$130,086**	**$65,044**

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

CalWORKs APPLICATIONS

COUNTY ADMIN. POLICY CHANGE NUMBER:	4
IMPLEMENTATION DATE:	7/1998
ANALYST:	Joanne Peschko
FISCAL REFERENCE NUMBER:	217

	FY 2013-14		FY 2014-15	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	$0	$64,896,000	$0	$67,503,000
CASELOAD - TOT.	$0	$0	$0	$0
TOTAL FUNDS	$0	$64,896,000	$0	$67,503,000
STATE FUNDS	$0	$32,448,000	$0	$33,751,500
% 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	$64,896,000	$0	$67,503,000
CASELOAD - TOT.	$0	$0	$0	$0
TOTAL FUNDS	$0	$64,896,000	$0	$67,503,000
STATE FUNDS	$0	$32,448,000	$0	$33,751,500

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 for FY 2014-15. No change for FY 2013-14.

CalWORKs APPLICATIONS

COUNTY ADMIN. POLICY CHANGE NUMBER: 4

Methodology:

	TF	GF	FFP
FY 2013-14	**$64,896,000**	**$32,448,000**	**$32,448,000**
FY 2014-15	**$67,503,000**	**$33,751,500**	**$33,751,500**

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

TRANSITION OF HFP TO MEDI-CAL

COUNTY ADMIN. POLICY CHANGE NUMBER:	5
IMPLEMENTATION DATE:	12/2012
ANALYST:	Ryan Witz
FISCAL REFERENCE NUMBER:	1598

	FY 2013-14		FY 2014-15	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	$0	$0	$0	$0
CASELOAD - TOT.	$0	$54,363,000	$0	$43,054,000
TOTAL FUNDS	$0	$54,363,000	$0	$43,054,000
STATE FUNDS	$0	$19,027,050	$0	$15,068,900
% 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	$54,363,000	$0	$43,054,000
TOTAL FUNDS	$0	$54,363,000	$0	$43,054,000
STATE FUNDS	$0	$19,027,050	$0	$15,068,900

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 May Appropriation, Phase 4 counties were scheduled to transition in September. Now due to delays, some Phase 4 counties transitioned in November. Additionally, the Department is rolling over funding in FY 2013-14 for counties who did not spend all of their FY 2012-13 allocations.

TRANSITION OF HFP TO MEDI-CAL

COUNTY ADMIN. POLICY CHANGE NUMBER: 5

Methodology:

1. Effective January 1, 2013, 871,027 HFP subscribers began transitioning to Medi-Cal through a phase-in methodology. This does not include 1,789 AIM infants with incomes between 250-300% FPL. It is assumed the HFP caseload will experience 0.30% of annual growth in FY 2013-14 and FY 2014-15.

2. The Transition of HFP subscribers into the Medi-Cal program occurs in four separate phases. The first phase was split into four stages transitioning January 1, 2013, March 1, 2013, April 1, 2013, and May 1, 2013 for all HFP subscribers enrolled in a managed care plan that also contracts directly with the Department. The second phase transitioned on April 1, 2013, for all HFP subscribers enrolled in a managed care plan that subcontracts with a Medi-Cal managed care plan. The third phase transitioned 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 was split into two phases transitioning September 1, 2013, and November 1, 2013, for all remaining HFP subscribers.

3. Estimated costs:

(In Thousands)		
FY 2013-14	**TF**	**GF**
Ongoing Costs	$39,648	$13,877
FY 2012-13 Rollover	$14,715	$5,150
Total	**$54,363**	**$19,027**

	TF	**GF**
FY 2014-15	**$43,054**	**$15,069**

Funding:

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

FY 2013-14 COST OF DOING BUSINESS

COUNTY ADMIN. POLICY CHANGE NUMBER:	6
IMPLEMENTATION DATE:	7/2013
ANALYST:	Joanne Peschko
FISCAL REFERENCE NUMBER:	1705

	FY 2013-14		FY 2014-15	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	$0	$30,813,000	$0	$0
CASELOAD - TOT.	$0	$0	$0	$0
TOTAL FUNDS	$0	$30,813,000	$0	$0
STATE FUNDS	$0	$15,406,500	$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	$30,813,000	$0	$0
CASELOAD - TOT.	$0	$0	$0	$0
TOTAL FUNDS	$0	$30,813,000	$0	$0
STATE FUNDS	$0	$15,406,500	$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:
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 $882,891,000.

FY 2013-14 COST OF DOING BUSINESS

COUNTY ADMIN. POLICY CHANGE NUMBER: 6

FY 2013-14 Cost of Doing Business:
$882,891,000 x 3.49% = **$30,813,000 TF ($15,406,500 GF)**

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

LOS ANGELES COUNTY HOSPITAL INTAKES

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

	FY 2013-14		FY 2014-15	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	$0	$0	$0	$0
CASELOAD - TOT.	$0	$26,037,000	$0	$15,313,000
TOTAL FUNDS	$0	$26,037,000	$0	$15,313,000
STATE FUNDS	$0	$2,308,000	$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	$26,037,000	$0	$15,313,000
TOTAL FUNDS	$0	$26,037,000	$0	$15,313,000
STATE FUNDS	$0	$2,308,000	$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 and completion of the reconciliation.

Methodology:
1. PFSWs processed an average of 1,452 intakes per month in calendar year 2012. The Department anticipates Los Angeles to process 1,452 or more intakes per month in calendar years 2014 and 2015. The Department is anticipating an increase in the number of intakes due to the Affordable Care Act; therefore, the Department plans to freeze the funding for FY 2013-14 at FY 2012-13

LOS ANGELES COUNTY HOSPITAL INTAKES

COUNTY ADMIN. POLICY CHANGE NUMBER: 7

levels. These intakes are reported separately to the Department and are not included in the base estimate. The average reimbursement rate is $268 for both current year and budget year. Assume in FY 2013-2014 and FY 2014-2015, PFSWs will continue processing at 2,215 per month.

FY 2013-14: 2,215 x $268 x 12 = $7,123,000 ($3,561,500 GF)
FY 2014-15: 2,215 x $268 x 12 = $7,123,000 ($3,561,500 GF)

2. In FY 2012-13, the Department completed the FY 2010-11 Los Angeles County Hospital Intakes reconciliation. The reconciliation resulted in a refund to Los Angeles of $13,428,000. The Department plans to pay $13,428,000 in FY 2013-14, which includes a federal pass-through amount of $13,231,000.

3. In FY 2013-14, the Department completed the FY 2011-2012 Los Angeles County Hospital Intakes reconciliation. The reconciliation resulted in a refund to Los Angeles of $5,486,000, which includes a federal pass-through of $8,190,000 due to the county. The net result is lower due to $2,704,000 owed to the Department for processing a lower number of intakes. Assume the same amount of federal fund pass-through is needed in FY 2014-15 for the reconciliation of FY 2012-13.

(Dollars in Thousands)

	FY 2013-14			FY 2014-15		
	TF	**GF**	**FFP**	**TF**	**GF**	**FFP**
PFSW Base	$7,123	$3,561	$3,562	$7,123	$3,561	$3,562
FY 2010-11 Recon.	$197	$99	$98	$0	$0	$0
FY 2010-11 Pass.	$13,231	$0	$13,231	$0	$0	$0
FY 2011-12 Pass.	$8,190	$0	$8,190	$0	$0	$0
FY 2011-12 Recon.	($2,704)	($1,352)	($1,352)	$0	$0	$0
FY 2012-13 Pass.	$0	$0	$0	$8,190	$0	$8,190
Total	**$26,037**	**$2,308**	**$23,729**	**$15,313**	**$3,561**	**$11,752**

Funding:
50% GF / 50% Title XIX (4260-101-0001/0890)
100% Title XIX (4260-101-0890)

STATE-ONLY FORMER FOSTER CARE PROGRAM

COUNTY ADMIN. POLICY CHANGE NUMBER:	8
IMPLEMENTATION DATE:	7/2013
ANALYST:	Ryan Witz
FISCAL REFERENCE NUMBER:	1803

	FY 2013-14		FY 2014-15	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	$99,000	$0	$0	$0
CASELOAD - TOT.	$0	$0	$0	$0
TOTAL FUNDS	$99,000	$0	$0	$0
STATE FUNDS	$99,000	$0	$0	$0
% IN BASE				
PROCEDURAL	0.00 %	0.00 %	0.00 %	0.00 %
CASELOAD	0.00 %	0.00 %	0.00 %	0.00 %
APPLIED TO BASE				
PROCEDURAL - TOT.	$99,000	$0	$0	$0
CASELOAD - TOT.	$0	$0	$0	$0
TOTAL FUNDS	$99,000	$0	$0	$0
STATE FUNDS	$99,000	$0	$0	$0

DESCRIPTION

Purpose:
This policy change estimates county administrative costs related to extending Medi-Cal benefits to former foster care youth who will turn 21 years old between July 1, 2013 and December 31, 2013.

Authority:
AB 82 (Chapter 23, Statutes of 2013)

Interdependent Policy Changes:
Not Applicable

Background:
Effective January 1, 2014, the Affordable Care Act (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). Additionally, the ACA requires the expansion of Foster Care Medicaid coverage to age 26, beginning January 1, 2014.

Effective July 1, 2013, the Department is changing the age-out policy for former foster youth currently receiving Medi-Cal benefits. Prior to July 1, 2013, once a former foster youth turned 21 years old they would lose their Medi-Cal coverage. Instead under the new policy, those scheduled to lose their Medi-Cal coverage between July 1, 2013 and December 31, 2013 will remain eligible to receive Medi-Cal benefits. These costs will be funded at 100% State General Fund.

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

STATE-ONLY FORMER FOSTER CARE PROGRAM

COUNTY ADMIN. POLICY CHANGE NUMBER: 8

Methodology:

1. The Department is extending Medi-Cal benefits to former foster youth who will turn 21 years old between July 1, 2013 and December 31, 2013.

2. The Department estimates 993 former foster youth will turn 21 years old between July 1, 2013 and December 31, 2013.

3. In FY 2013-14, the total estimated county administrative costs are:

(Dollars in Thousands)	TF	GF	FF
FY 2013-14 costs	**$99**	**$99**	**$0**

Funding:

100% GF (4260-101-0001)

FY 2014-2015 COST OF DOING BUSINESS

COUNTY ADMIN. POLICY CHANGE NUMBER:	9
IMPLEMENTATION DATE:	7/2014
ANALYST:	Joanne Peschko
FISCAL REFERENCE NUMBER:	1827

	FY 2013-14		FY 2014-15	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	$0	$0	$0	$20,218,000
CASELOAD - TOT.	$0	$0	$0	$0
TOTAL FUNDS	$0	$0	$0	$20,218,000
STATE FUNDS	$0	$0	$0	$10,109,000
% 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	$0	$0	$20,218,000
CASELOAD - TOT.	$0	$0	$0	$0
TOTAL FUNDS	$0	$0	$0	$20,218,000
STATE FUNDS	$0	$0	$0	$10,109,000

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 2014-2015

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 2014-15. Therefore, the Department of Finance (DOF) calculation of 2.29% for the CNI for FY 2014-15 will be used.

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

Methodology:
1. Assume the CNI for FY 2014-15 is 2.29%.

2. The FY 2013-14 staff salary cost is $882,892,297.

FY 2014-2015 COST OF DOING BUSINESS

COUNTY ADMIN. POLICY CHANGE NUMBER: 9

FY 2014-15 Cost of Doing Business:
$882,892,297 x 2.29% = **$20,218,000 TF ($10,109,000 GF)**

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

SAVE

COUNTY ADMIN. POLICY CHANGE NUMBER:	11
IMPLEMENTATION DATE:	10/1988
ANALYST:	Joanne Peschko
FISCAL REFERENCE NUMBER:	215

	FY 2013-14		FY 2014-15	
	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.

SAVE

COUNTY ADMIN. POLICY CHANGE NUMBER: 11

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
FY 2009-10*	$6,881,956
FY 2010-11*	$6,431,214
FY 2011-12**	$6,413,123
FY 2012-13**	$6,418,755

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:

	Total Fund	FFP Shift
FY 2013-14	$7,000,000	**$3,500,000**
FY 2014-15	$7,000,000	**$3,500,000**

* Actual
** Preliminary

Funding:
100% GF (4260-101-0001)
100% Title XIX FFP (4260-101-0890)

REDUCTION TO COLA TO COUNTIES FOR FY 2014-15

COUNTY ADMIN. POLICY CHANGE NUMBER:	12
IMPLEMENTATION DATE:	7/2014
ANALYST:	Joanne Peschko
FISCAL REFERENCE NUMBER:	1825

	FY 2013-14		FY 2014-15	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	$0	$0	$0	-$20,218,000
CASELOAD - TOT.	$0	$0	$0	$0
TOTAL FUNDS	$0	$0	$0	-$20,218,000
STATE FUNDS	$0	$0	$0	-$10,109,000
% 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	$0	$0	-$20,218,000
CASELOAD - TOT.	$0	$0	$0	$0
TOTAL FUNDS	$0	$0	$0	-$20,218,000
STATE FUNDS	$0	$0	$0	-$10,109,000

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-9 FY 2014-15 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 2014-15 is projected to be $20,218,000 TF ($10,109,000 GF) based on the CNI increase which is 2.29%.

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

Methodology:
1. Assume the CNI for FY 2014-15 is 2.29%.

2. The FY 2013-14 staff salary cost is $882,892,000.

REDUCTION TO COLA TO COUNTIES FOR FY 2014-15

COUNTY ADMIN. POLICY CHANGE NUMBER: 12

FY 2014-15 Cost of Doing Business:
$882,892,297 x 2.29% = $20,218,000 TF ($10,109,000 GF)

The Reduction to COLA is **$20,218,000 TF ($10,109,000 GF)**.

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

PRIOR YEAR RECONCILIATIONS

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

	FY 2013-14		FY 2014-15	
	ONE-TIME	ON-GOING	ONE-TIME	ON-GOING
PROCEDURAL - TOT.	-$37,678,000	$0	-$35,881,000	$0
CASELOAD - TOT.	$0	$0	$0	$0
TOTAL FUNDS	-$37,678,000	$0	-$35,881,000	$0
STATE FUNDS	-$18,839,000	$0	-$17,940,500	$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.	-$37,678,000	$0	-$35,881,000	$0
CASELOAD - TOT.	$0	$0	$0	$0
TOTAL FUNDS	-$37,678,000	$0	-$35,881,000	$0
STATE FUNDS	-$18,839,000	$0	-$17,940,500	$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.

Reason for Change from Prior Estimate:
The Department completed the final reconciliation for FY 2011-12 and an interim reconciliation for FY 2012-13. Claimed expenditures for FY 2012-13 were higher than expected.

Methodology:
1. In FY 2012-13, the Department completed the final reconciliation for FY 2010-11 and interim reconciliation for FY 2011-12. The Department collected the third installment payment in the first quarter of FY 2013-14. The total amount is $1,797,000.

PRIOR YEAR RECONCILIATIONS

COUNTY ADMIN. POLICY CHANGE NUMBER: 13

2. The Department completed the final reconciliation of FY 2011-12 and an interim reconciliation for FY 2012-13. The final reconciliation of FY 2011-12 includes all final amendments and adjustments to the quarterly administrative claim.

3. In FY 2014-15, the final reconciliation for FY 2012-13 will be completed.

(Dollars in Thousands)

FY 2013-14	**TF**	**GF**	**FF**
FY 2012-13 Interim Reconciliation	($35,881)	($17,940)	($17,941)
FY 2011-12 Final Reconciliation	($1,797)	($898)	($899)
Total FY 2013-14	**($37,678)**	**($18,838)**	**($18,840)**
FY 2014-15			
FY 2012-13 Final Reconciliation	**($35,881)**	**($17,940)**	**($17,941)**

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

ENHANCED FEDERAL FUNDING

COUNTY ADMIN. POLICY CHANGE NUMBER:	14
IMPLEMENTATION DATE:	1/2014
ANALYST:	Joanne Peschko
FISCAL REFERENCE NUMBER:	1835

	FY 2013-14		FY 2014-15	
	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	-$124,201,000	$0	-$248,402,000	$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	-$124,201,000	$0	-$248,402,000	$0

DESCRIPTION

Purpose:
This policy change estimates the savings from enhanced federal funding for certain eligibility determination functions.

Authority:
Not applicable

Interdependent Policy Changes:
Not Applicable

Background:
Generally, payments to counties for making Medi-Cal eligibility determinations are budgeted at 50% federal funding. However, the Centers for Medicare and Medicaid Services (CMS) has published guidance that allows for federal funding at 75% for some of these functions. CMS considers certain eligibility determination-related costs to fall under Medicaid Management Information Systems (MMIS) rules for approval of enhanced funding. The enhanced 75% federal funding is available for costs of the application, on-going case maintenance and renewal functions. Funding remains at 50% for policy, outreach, and post-eligibility functions.

In order to secure the enhanced funding, there are various conditions required of a MMIS. Also, there are minimum critical success factors for accepting the new applications, making modified adjusted gross income (MAGI) determinations and coordination with Covered California. The Department must submit an advanced planning document (APD) and secure CMS approval.

ENHANCED FEDERAL FUNDING

COUNTY ADMIN. POLICY CHANGE NUMBER: 14

The Department has been in discussions with CMS to clarify the requirements for enhanced funding. The APD is being developed in order to submit it to CMS for approval.

Reason for Change from Prior Estimate:
New policy change

Methodology:

1. Assume a January 1, 2014, effective date for approval of the Department's APD.

2. Assume that 70% of county administration costs are eligible for the enhanced funding because they are application, on-going case maintenance and redetermination costs.

3. 70% of county administration costs are an estimated $993,608,000.

4. The savings are estimated to be:

(Dollars in thousands)

FY 2013-14	**TF**	**GF**	**FF**
Funding at 50% FFP	$496,804	$248,402	$248,402
Funding at 75% FFP	$496,804	$124,201	$372,603
Difference	**$0**	**($124,201)**	**$124,201**
FY 2014-15			
Funding at 50% FFP	$993,608	$496,804	$496,804
Funding at 75% FFP	$993,608	$248,402	$745,206
Difference	**$0**	**($248,402)**	**$248,402**

5. This funding adjustment is shown here as a one-time cost. The ongoing impact would be shown in the County Administration Base policy change.

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