

May 2014 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	\$520,527,000	\$424,593,950	\$95,933,050
SubTotal County Admin.	\$1,823,210,000	\$1,075,935,450	\$747,274,550
OTHER ADMINISTRATION	\$1,459,137,000	\$1,300,178,900	\$158,958,100
TOTAL CURRENT YEAR	\$3,282,347,000	\$2,376,114,350	\$906,232,650

FY 2014-2015 ESTIMATE:	Total Funds	Federal Funds	State Funds
BASE	\$1,302,683,000	\$651,341,500	\$651,341,500
POLICY CHANGES	\$512,851,000	\$592,928,700	(\$80,077,700)
SubTotal County Admin.	\$1,815,534,000	\$1,244,270,200	\$571,263,800
OTHER ADMINISTRATION	\$1,908,896,000	\$1,722,820,250	\$186,075,750
TOTAL BUDGET YEAR	\$3,724,430,000	\$2,967,090,450	\$757,339,550

Note:			
C/Y Title XXI (Item 113) activities	\$105,759,000	\$73,247,000	\$32,512,000
B/Y Title XXI (Item 113) activities	\$102,221,000	\$71,190,000	\$31,031,000
C/Y HIPAA (Item 117) activities	\$3,940,000	\$3,318,000	\$622,000
B/Y HIPAA (Item 117) activities	\$6,267,000	\$5,063,000	\$1,204,000

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

NO.	POLICY CHANGE TITLE	ONE-TIME CHANGES		ON-GOING CHANGES			
		PROCEDURAL	CASELOAD	PROCEDURAL	CASELOAD		
	OTHER						
1	COUNTY ADMINISTRATION BASE	\$0	\$0	\$1,302,683,000	\$0	\$1,302,683,000	
2	SAWS	\$175,602,000	\$0	\$0	\$0		
3	IMPLEMENTATION OF ACA	\$57,134,000	\$0	\$0	\$182,866,000		
4	CalWORKS APPLICATIONS	\$0	\$0	\$64,896,000	\$0		
5	TRANSITION OF HFP TO MEDI-CAL	\$0	\$0	\$0	\$52,083,000		
7	LOS ANGELES COUNTY HOSPITAL INTAKES	\$0	\$0	\$0	\$26,037,000		
8	STATE-ONLY FORMER FOSTER CARE PROGRAM	\$55,000	\$0	\$0	\$0		
11	SAVE	\$0	\$0	\$0	\$0		
13	PRIOR YEAR RECONCILIATIONS	-\$38,146,000	\$0	\$0	\$0		
14	ENHANCED FEDERAL FUNDING	\$0	\$0	\$0	\$0		
	OTHER SUBTOTAL	\$194,645,000	\$0	\$1,367,579,000	\$260,986,000	\$1,823,21	
	GRAND TOTAL	\$194,645,000	\$0	\$1,367,579,000	\$260,986,000	\$1,823,210,0	

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

NO.	POLICY CHANGE TITLE	ONE-TIME CHANGES		ON-GOING CHANGES			
		PROCEDURAL	CASELOAD	PROCEDURAL	CASELOAD		
OTHER							
1	COUNTY ADMINISTRATION BASE	\$0	\$0	\$1,302,683,000	\$0		
2	SAWS	\$148,953,000	\$0	\$0	\$0		
3	IMPLEMENTATION OF ACA	\$44,786,000	\$0	\$0	\$195,214,000		
4	CalWORKS APPLICATIONS	\$0	\$0	\$69,684,000	\$0		
5	TRANSITION OF HFP TO MEDI-CAL	\$0	\$0	\$0	\$40,198,000		
7	LOS ANGELES COUNTY HOSPITAL INTAKES	\$0	\$0	\$0	\$15,313,000		
11	SAVE	\$0	\$0	\$0	\$0		
13	PRIOR YEAR RECONCILIATIONS	-\$1,297,000	\$0	\$0	\$0		
14	ENHANCED FEDERAL FUNDING	\$0	\$0	\$0	\$0		
	OTHER SUBTOTAL	\$192,442,000	\$0	\$1,372,367,000	\$250,725,000		
	GRAND TOTAL	\$192,442,000	\$0	\$1,372,367,000	\$250,725,000		

**COMPARISON OF FISCAL IMPACTS OF COUNTY ADMINISTRATION POLICY CHANGES
MAY 2014 ESTIMATE COMPARED TO APPROPRIATION AND NOVEMBER 2013 ESTIMATE
FISCAL YEAR 2013-14**

NOV. PC #	MAY PC #	POLICY CHANGE TITLE	2013-14 APPROPRIATION		NOV. 2013 EST. FOR 2013-14		MAY 2014 EST. FOR 2013-14		DIFFERENCE
			TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	MAY TO APPROPRIATION
OTHER									
1	1	COUNTY ADMINISTRATION BASE	\$1,302,683,000	\$651,341,500	\$1,302,683,000	\$651,341,500	\$1,302,683,000	\$651,341,500	\$0
2	2	SAWS	\$167,378,000	\$7,566,000	\$175,602,000	\$7,566,000	\$175,602,000	\$7,566,000	\$8,224,000
3	3	IMPLEMENTATION OF ACA	\$143,845,000	\$71,922,500	\$143,845,000	\$71,922,500	\$240,000,000	\$120,000,000	\$96,155,000
4	4	CalWORKS APPLICATIONS	\$64,896,000	\$32,448,000	\$64,896,000	\$32,448,000	\$64,896,000	\$32,448,000	\$0
5	5	TRANSITION OF HFP TO MEDI-CAL	\$33,716,000	\$11,800,600	\$54,363,000	\$19,027,050	\$52,083,000	\$18,229,050	\$18,367,000
6	--	FY 2013-14 COST OF DOING BUSINESS	\$30,813,000	\$15,406,500	\$30,813,000	\$15,406,500	\$0	\$0	-\$30,813,000
7	7	LOS ANGELES COUNTY HOSPITAL INTAKES	\$20,354,000	\$3,561,500	\$26,037,000	\$2,308,000	\$26,037,000	\$2,308,000	\$5,683,000
8	8	STATE-ONLY FORMER FOSTER CARE PROGRAM	\$99,000	\$99,000	\$99,000	\$99,000	\$55,000	\$55,000	-\$44,000
11	11	SAVE	\$0	-\$3,500,000	\$0	-\$3,500,000	\$0	-\$3,500,000	\$0
13	13	PRIOR YEAR RECONCILIATIONS	-\$70,000,000	-\$35,000,000	-\$37,678,000	-\$18,839,000	-\$38,146,000	-\$19,073,000	\$31,854,000
14	14	ENHANCED FEDERAL FUNDING	\$0	\$0	\$0	-\$124,201,000	\$0	-\$62,100,000	\$0
OTHER SUBTOTAL			\$1,693,784,000	\$755,645,600	\$1,760,660,000	\$653,578,550	\$1,823,210,000	\$747,274,550	\$129,426,000
COUNTY ADMINISTRATION GRAND TOTAL			\$1,693,784,000	\$755,645,600	\$1,760,660,000	\$653,578,550	\$1,823,210,000	\$747,274,550	\$129,426,000

**COMPARISON OF FISCAL IMPACTS OF COUNTY ADMINISTRATION POLICY CHANGES
MAY 2014 ESTIMATE COMPARED TO NOVEMBER 2013 ESTIMATE
FISCAL YEAR 2014-15**

NOV. PC#	MAY PC#	POLICY CHANGE TITLE	NOV. 2013 EST. FOR 2014-15		MAY 2014 EST. FOR 2014-15			
			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		
2	2	SAWS	\$155,135,000	\$7,566,000	\$148,953,000	\$0		
3	3	IMPLEMENTATION OF ACA	\$130,086,000	\$65,043,000	\$240,000,000	\$120,000,000		
4	4	CalWORKS APPLICATIONS	\$67,503,000	\$33,751,500	\$69,684,000	\$34,842,000		
5	5	TRANSITION OF HFP TO MEDI-CAL	\$43,054,000	\$15,068,900	\$40,198,000	\$14,069,300		
7	7	LOS ANGELES COUNTY HOSPITAL INTAKES	\$15,313,000	\$3,561,500	\$15,313,000	\$3,561,500		
9	--	FY 2014-2015 COST OF DOING BUSINESS	\$20,218,000	\$10,109,000	\$0	\$0		
11	11	SAVE	\$0	-\$3,500,000	\$0	-\$3,500,000		
12	--	REDUCTION TO COLA TO COUNTIES FOR FY 2014-1	-\$20,218,000	-\$10,109,000	\$0	\$0		
13	13	PRIOR YEAR RECONCILIATIONS	-\$35,881,000	-\$17,940,500	-\$1,297,000	-\$648,500		
14	14	ENHANCED FEDERAL FUNDING	\$0	-\$248,402,000	\$0	-\$248,402,000		
		OTHER SUBTOTAL	\$1,677,893,000	\$506,489,900	\$1,815,534,000	\$571,263,800		
		COUNTY ADMINISTRATION GRAND TOTAL	\$1,677,893,000	\$506,489,900	\$1,815,534,000	\$571,263,800		

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

MAY PC#	POLICY CHANGE TITLE	MAY 2014 EST. FOR 2013-14		MAY 2014 EST. FOR 2014-15			
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS		
	OTHER						
1	COUNTY ADMINISTRATION BASE	\$1,302,683,000	\$651,341,500	\$1,302,683,000	\$651,341,500		
2	SAWS	\$175,602,000	\$7,566,000	\$148,953,000	\$0		
3	IMPLEMENTATION OF ACA	\$240,000,000	\$120,000,000	\$240,000,000	\$120,000,000		
4	CalWORKS APPLICATIONS	\$64,896,000	\$32,448,000	\$69,684,000	\$34,842,000		
5	TRANSITION OF HFP TO MEDI-CAL	\$52,083,000	\$18,229,050	\$40,198,000	\$14,069,300		
7	LOS ANGELES COUNTY HOSPITAL INTAKES	\$26,037,000	\$2,308,000	\$15,313,000	\$3,561,500		
8	STATE-ONLY FORMER FOSTER CARE PROGRAM	\$55,000	\$55,000	\$0	\$0		
11	SAVE	\$0	-\$3,500,000	\$0	-\$3,500,000		
13	PRIOR YEAR RECONCILIATIONS	-\$38,146,000	-\$19,073,000	-\$1,297,000	-\$648,500		
14	ENHANCED FEDERAL FUNDING	\$0	-\$62,100,000	\$0	-\$248,402,000		
	OTHER SUBTOTAL	\$1,823,210,000	\$747,274,550	\$1,815,534,000	\$571,263,800		
	COUNTY ADMINISTRATION GRAND TOTAL	\$1,823,210,000	\$747,274,550	\$1,815,534,000	\$571,263,800		

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	IMPLEMENTATION OF ACA
4	CalWORKS APPLICATIONS
5	TRANSITION OF HFP TO MEDI-CAL
7	LOS ANGELES COUNTY HOSPITAL INTAKES
8	STATE-ONLY FORMER FOSTER CARE PROGRAM
11	SAVE
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:

(Dollars in Thousands)

Base Allocation	<u>TF</u>	<u>GF</u>	<u>FF</u>
FY 2013-14	\$1,302,683	\$651,341	\$651,342
FY 2014-15	\$1,302,683	\$651,341	\$651,342

Funding:

50% Title XIX / 50% GF (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	\$148,953,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$175,602,000	\$0	\$148,953,000	\$0
STATE FUNDS	\$7,566,000	\$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.	\$175,602,000	\$0	\$148,953,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$175,602,000	\$0	\$148,953,000	\$0
STATE FUNDS	\$7,566,000	\$0	\$0	\$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, and Enrollment. 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:

Updated CDSS FY 2014-15 expenditures.

Methodology:

1. The cash basis estimate was provided by CDSS.

(Dollars In Thousands)	<u>FY 2013-14</u>	<u>FY 2014-15</u>
LA County LEADER M&O*	\$15,132 (\$7,566 GF)	\$0
LEADER Replacement	\$73,385	\$80,968
SAWS Customer Service Center	\$35,877	\$8,287
SPM	\$1,518	\$1,643
WCDS-CalWIN	\$19,984	\$30,577
Consortia IV	\$17,903	\$27,305
State Client Index	\$69	\$69
CalHEERS Development	\$11,132	\$0
CAIHEERS Interface M&O	\$419	\$0
Consortium-IV Migration	\$183	\$104
Total	\$175,602	\$148,953

Funding:

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

100% 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.	\$57,134,000	\$0	\$44,786,000	\$0
CASELOAD - TOT.	\$0	\$182,866,000	\$0	\$195,214,000
TOTAL FUNDS	\$57,134,000	\$182,866,000	\$44,786,000	\$195,214,000
STATE FUNDS	\$28,567,000	\$91,433,000	\$22,393,000	\$97,607,000
% 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.	\$57,134,000	\$0	\$44,786,000	\$0
CASELOAD - TOT.	\$0	\$182,866,000	\$0	\$195,214,000
TOTAL FUNDS	\$57,134,000	\$182,866,000	\$44,786,000	\$195,214,000
STATE FUNDS	\$28,567,000	\$91,433,000	\$22,393,000	\$97,607,000

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 expands 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 are several changes from the prior estimate. First, CA-6 from the November estimate was inactivated and moved into this policy change as a line item. Second, the Department revised the caseload projections based on actual enrollment data through February and pending caseload data. These changes increased the estimated number of new applications in FY 2013-14 and decreased in FY 2014-15. Third, the Department postponed annual redeterminations for 5-months which decreased the estimated number of redeterminations in FY 2013-14 and increased in FY 2014-15. Lastly, the Department added additional one-time ACA implementation funding in both FY 2013-14 and FY 2014-15.

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. Effective January 1, 2014, the Department will postpone redeterminations for 5-months for Medi-Cal beneficiaries who will be subject to the new MAGI standard and several non-MAGI groups. This 5-month delay provides counties with additional time to process the new incoming ACA expansion beneficiaries. Beginning in June, the Department assumes counties will process two-months of annual redeterminations through October to complete the backlog.
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).

IMPLEMENTATION OF ACA
COUNTY ADMIN. POLICY CHANGE NUMBER: 3

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

(Dollars in Thousands)

FY 2013-14	TF	GF
New Applications	\$165,743	\$82,871
Redeterminations	\$17,124	\$8,562
Training costs	\$8,059	\$4,030
County/Statewide Planning and Support	\$5,700	\$2,850
One-time FY 2013-14 Cost of Doing Business*	\$30,813	\$15,407
One-time ACA implementation funding	\$12,562	\$6,281
Total (rounded)	\$240,000	\$120,000

*FY 2013-14 Cost of Doing Business funding was previously a separate policy change (CA-6) in the November estimate. CA-6 has been inactivated and the one-time costs were added to this policy change as a line-item.

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

(Dollars in Thousands)

FY 2014-15	TF	GF
New Applications	\$58,225	\$29,112
Redeterminations	\$136,989	\$68,495
One-time ACA implementation funding	\$44,786	\$22,393
Total (rounded)	\$240,000	\$120,000

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	\$69,684,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$64,896,000	\$0	\$69,684,000
STATE FUNDS	\$0	\$32,448,000	\$0	\$34,842,000
% 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	\$64,896,000	\$0	\$69,684,000
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$64,896,000	\$0	\$69,684,000
STATE FUNDS	\$0	\$32,448,000	\$0	\$34,842,000

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

CaIWORKS APPLICATIONS

COUNTY ADMIN. POLICY CHANGE NUMBER: 4

Methodology:

(Rounded)

	<u>TF</u>	<u>GF</u>	<u>FF</u>
FY 2013-14	\$64,896,000	\$32,448,000	\$32,448,000
FY 2014-15	\$69,684,000	\$34,842,000	\$34,842,000

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: Randolph Alarcio
 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	\$52,083,000	\$0	\$40,198,000
TOTAL FUNDS	\$0	\$52,083,000	\$0	\$40,198,000
STATE FUNDS	\$0	\$18,229,050	\$0	\$14,069,300
% 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	\$52,083,000	\$0	\$40,198,000
TOTAL FUNDS	\$0	\$52,083,000	\$0	\$40,198,000
STATE FUNDS	\$0	\$18,229,050	\$0	\$14,069,300

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 2013 Estimate, it was estimated that an average of 969,026 HFP subscribers and 994,860 HFP subscribers would transition into Medi-Cal in FY 2013-14 and FY 2014-15, respectively. Based on new actual HFP data from September 2013 through February 2014, the projected average of HFP subscribers decreased for both fiscal years.

TRANSITION OF HFP TO MEDI-CAL**COUNTY ADMIN. POLICY CHANGE NUMBER: 5****Methodology:**

1. Based on actual HFP data through February 2014, an average of 894,756 HFP subscribers will transition in FY 2013-14 and 919,482 HFP subscribers in FY 2014-15. This does not include 4,009 AIM infants with incomes between 251-300% FPL.
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)	TF	GF
FY 2013-14		
Ongoing Costs	\$37,368	\$13,079
FY 2012-13 Rollover	\$14,715	\$5,150
Total	\$52,083	\$18,229
	TF	GF
FY 2014-15	\$40,198	\$14,069

Funding:

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

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 (DPSS) eligibility workers for regular Medi-Cal intakes. The federal share for any costs not covered by the DPSS rate is passed through to the county.

Reason for Change from Prior Estimate:

There is no change.

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

LOS ANGELES COUNTY HOSPITAL INTAKES

COUNTY ADMIN. POLICY CHANGE NUMBER: 7

Care Act; therefore, the Department plans to freeze the funding for FY 2013-14 at FY 2012-13 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: $2,215 \times \$268 \times 12 = \$7,123,000$ (\$3,561,500 GF)

FY 2014-15: $2,215 \times \$268 \times 12 = \$7,123,000$ (\$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	FF	TF	GF	FF
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.	\$55,000	\$0	\$0	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$55,000	\$0	\$0	\$0
STATE FUNDS	\$55,000	\$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.	\$55,000	\$0	\$0	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$55,000	\$0	\$0	\$0
STATE FUNDS	\$55,000	\$0	\$0	\$0

DESCRIPTION

Purpose:

This policy change estimates county administrative costs related to extending Medi-Cal benefits to former foster care youth who turned 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 changed 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 who turned 21 years old between July 1, 2013 and December 31, 2013 retained their Medi-Cal benefits. These costs are funded with 100% State General Fund.

Reason for Change from Prior Estimate:

Actual certified eligible caseloads between July and December 2013 were used to update the estimated costs.

STATE-ONLY FORMER FOSTER CARE PROGRAM

COUNTY ADMIN. POLICY CHANGE NUMBER: 8

Methodology:

1. The Department has extended Medi-Cal benefits to former foster youth who turned 21 years old between July 1, 2013 and December 31, 2013.
2. The Department estimates 549 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:

	<u>TF</u>	<u>GF</u>	<u>FF</u>
FY 2013-14	\$55,000	\$55,000	\$0

Funding:

100% State GF (4260-101-0001)

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 2008-09*	\$17,430,750
FY 2009-10*	\$6,881,956
FY 2010-11*	\$6,431,214
FY 2011-12*	\$6,418,702
FY 2012-13**	\$6,417,908

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>FF Shift</u>
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)

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.	-\$38,146,000	\$0	-\$1,297,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	-\$38,146,000	\$0	-\$1,297,000	\$0
STATE FUNDS	-\$19,073,000	\$0	-\$648,500	\$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.	-\$38,146,000	\$0	-\$1,297,000	\$0
CASELOAD - TOT.	\$0	\$0	\$0	\$0
TOTAL FUNDS	-\$38,146,000	\$0	-\$1,297,000	\$0
STATE FUNDS	-\$19,073,000	\$0	-\$648,500	\$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 adjusted the FY 2012-13 interim and final reconciliation amount based upon actual collections and historical trends, respectively. Due to the ACA, the Department is not anticipating any additional savings for the final FY 2012-13 reconciliation.

Methodology:

- 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 of the interim FY 2011-12 reconciliation in the first quarter of FY 2013-14. The total amount is \$1,765,000.

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 in FY 2013-14. 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. The Department plans to collect the third installment of the FY 2012-13 interim reconciliation and the final amount in FY 2014-15. Due to the ACA, the Department is not anticipating any additional savings for the final FY 2012-13 reconciliation.

(Dollars in Thousands)

	TF	GF	FF
FY 2013-14			
FY 2012-13 Interim Reconciliation	(\$34,584)	(\$17,292)	(\$17,292)
FY 2011-12 Interim Reconciliation			
Third Installment Payment	(\$1,765)	(\$882)	(\$883)
FY 2011-12 Final Reconciliation	(\$1,797)	(\$898)	(\$899)
Total FY 2013-14	(\$38,146)	(\$19,072)	(\$19,074)
FY 2014-15			
FY 2012-13 Interim Reconciliation			
Third Installment Payment	(\$1,297)	(\$648)	(\$649)

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	-\$62,100,000	\$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	-\$62,100,000	\$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 was submitted to CMS for approval.

Reason for Change from Prior Estimate:

Change in the effective date for approval of the Department's APD from January 1, 2014 to April 1, 2014.

Methodology:

1. Assume an April 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-rounded)

FY 2013-14	TF	GF	FF
Funding at 50% FFP	\$248,400	\$124,200	\$124,200
Funding at 75% FFP	<u>\$248,400</u>	<u>\$62,100</u>	<u>\$186,300</u>
Difference	\$0	(\$62,100)	\$62,100
FY 2014-15			
Funding at 50% FFP	\$993,608	\$496,804	\$496,804
Funding at 75% FFP	<u>\$993,608</u>	<u>\$248,402</u>	<u>\$745,206</u>
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:

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

75% Title XIX / 25% GF (4260-101-0001/0890)