

OTHER ADMINISTRATION POLICY CHANGE SUMMARY

NO.	POLICY CHANGE TITLE	FISCAL YEAR 2013-14		FISCAL YEAR 2014-15
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS
	CDHS			
1	MEDI-CAL ADMINISTRATIVE ACTIVITIES	\$92,000,000	\$0	\$475,650,000
2	CCS CASE MANAGEMENT	\$175,461,000	\$68,665,300	\$182,238,000
3	COUNTY SPECIALTY MENTAL HEALTH ADMIN	\$133,924,000	\$0	\$151,347,000
4	BTR - LIHP - ADMINISTRATIVE COSTS	\$102,861,000	\$0	\$115,177,000
5	INTERIM AND FINAL COST SETTLEMENTS-SMHS	\$43,877,000	\$0	-\$82,730,0
6	EPSDT CASE MANAGEMENT	\$33,718,000	\$11,871,300	\$33,718,000
7	SMH MAA	\$22,830,000	\$0	\$24,086,000
8	CALHEERS DEVELOPMENT	\$30,603,000	\$8,130,700	\$128,618,000
9	ACA OUTREACH AND ENROLLMENT COUNSELORS	\$26,500,000	\$13,250,000	\$26,500,000
10	TRANSITION OF HFP TO MEDI-CAL	\$25,272,000	\$8,845,200	\$15,937,00
11	ARRA HITECH INCENTIVE PROGRAM	\$11,206,000	\$984,000	\$33,725,000
12	POSTAGE & PRINTING	\$18,057,000	\$9,119,500	\$18,832,000
13	ACA EXPANSION ADMIN COSTS	\$905,000	\$452,500	\$1,155,000
14	COUNTY UR & QA ADMIN	\$16,440,000	\$0	\$18,272,000
15	MIS/DSS CONTRACT	\$10,900,000	\$2,892,800	\$12,476,000
16	LITIGATION RELATED SERVICES	\$9,980,000	\$4,990,000	\$9,980,000
17	CCI-ADMINISTRATIVE COSTS	\$9,217,000	\$2,758,500	\$8,086,000
18	CA-MMIS SYSTEM REPLACEMENT OTHER STATE TRANSITI	\$8,348,000	\$1,621,600	\$4,816,000
19	CA-MMIS SYSTEM AND REPLACEMENT OVERSIGHT	\$6,016,000	\$802,600	\$8,076,000
20	ADHC TRANSITION-ADMINISTRATION	\$6,172,000	\$3,086,000	
21	MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)	\$5,188,000	\$1,715,300	\$5,447,000
22	MEDI-CAL RECOVERY CONTRACTS	\$5,266,000	\$1,316,500	\$5,721,000
23	COORDINATED CARE MANAGEMENT PILOT	\$4,716,000	\$2,358,000	\$118,000
24	RESTORATION OF SELECT ADULT DENTAL BENEFITS	\$1,778,000	\$444,500	
25	PASRR	\$3,176,000	\$794,000	\$8,590,000

OTHER ADMINISTRATION POLICY CHANGE SUMMARY

NO.	POLICY CHANGE TITLE	FISCAL YEAR 2013-14		FISCAL YEAR 2014-15
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS
	CDHS			
27	FAMILY PACT EVALUATION	\$2,861,000	\$1,430,500	\$2,861,000
28	PREVENTION OF CHRONIC DISEASE GRANT PROJECT	\$2,835,000	\$0	\$2,660
29	SSA COSTS FOR HEALTH COVERAGE INFO.	\$2,400,000	\$1,200,000	\$2,662
30	HIPAA CAPITATION PAYMENT REPORTING SYSTEM	\$2,488,000	\$622,000	\$4,815,000
31	SDMC SYSTEM M&O SUPPORT	\$1,500,000	\$750,000	\$3,000,000
32	FAMILY PACT PROGRAM ADMIN.	\$1,207,000	\$603,500	\$1,207,000
33	BUSINESS RULES EXTRACTION	\$0	\$0	\$2,750,000
35	MITA	\$338,000	\$33,800	\$985,000
36	SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES	\$950,000	\$950,000	\$950,0
37	MMA - DSH ANNUAL INDEPENDENT AUDIT	\$1,284,000	\$642,000	\$856,000
38	ENCRYPTION OF PHI DATA	\$750,000	\$375,000	\$750,000
39	MEDI-CAL INPATIENT SERVICES FOR INMATES	\$560,000	\$0	\$560,000
40	MEDS MODERNIZATION	\$546,000	\$54,600	\$4,533,000
41	POSTAGE AND PRINTING - THIRD PARTY LIAB.	\$597,000	\$298,500	\$644,
42	VITAL RECORDS DATA	\$90,000	\$0	\$836,000
44	CCT OUTREACH - ADMINISTRATIVE COSTS	\$485,000	\$0	\$242,000
45	ETL DATA SOLUTION	\$469,000	\$77,900	\$325,000
46	MEDICARE BUY-IN QUALITY REVIEW PROJECT	\$400,000	\$200,000	\$240,00
47	MIS/DSS CONTRACT REPROCUREMENT SERVICES	\$216,000	\$54,000	\$180,00
48	DENTAL PAPD PROJECT MANAGER	\$240,000	\$120,000	\$239,000
49	PEDIATRIC PALLIATIVE CARE WAIVER EVALUATION	\$214,000	\$107,000	
50	ANNUAL EDP AUDIT CONTRACTOR	\$162,000	\$81,000	\$162,000
51	EPOCRATES	\$107,000	\$53,500	\$107,000
52	CCS CASE MANAGEMENT SUPPLEMENTAL PAYMENT	\$100,000	\$0	\$100,000
53	TAR POSTAGE	\$111,000	\$55,500	\$115,000

OTHER ADMINISTRATION POLICY CHANGE SUMMARY

NO.	POLICY CHANGE TITLE	FISCAL YEAR 2013-14		FISCAL YEAR 2014-15
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS
CDHS				
54	DMHC INTER-AGENCY AGREEMENT - ADMIN	\$158,000	\$0	\$189,000
55	KATIE A. V. DIANA BONTA SPECIAL MASTER	\$62,000	\$31,000	\$62,000
56	Q5i AUTOMATED DATA SYSTEM ACQUISTION	\$63,000	\$31,500	\$59,000
57	RECOVERY AUDIT CONTRACTOR COSTS	\$1,000	\$500	\$12,000
58	DRUG MEDI-CAL COUNTY ADMINISTRATION	\$0	\$0	\$23,029,000
59	NEWBORN HEARING SCREENING PROGRAM	\$0	\$0	\$4,136,000
60	RATE STUDIES FOR MAIC AND AAC VENDOR	\$0	\$0	\$1,000,000
80	THIRD PARTY VALIDATION OF CERTIFIED PROVIDERS	\$250,000	\$125,000	
82	DENTAL FI RE-PROCUREMENT IV&V	\$0	\$0	\$282,000
	CDHS SUBTOTAL	\$825,855,000	\$151,994,900	\$1,266,383,000
OTHER DEPARTMENTS				
61	PERSONAL CARE SERVICES	\$252,272,000	\$0	\$264,886,000
62	HEALTH-RELATED ACTIVITIES - CDSS	\$216,528,000	\$0	\$223,024,000
63	CDDS ADMINISTRATIVE COSTS	\$39,021,000	\$0	\$32,240,000
64	MATERNAL AND CHILD HEALTH	\$25,870,000	\$0	\$27,503,000
65	HEALTH CARE PROGRAM FOR CHILDREN IN FOSTER CARE	\$25,143,000	\$0	\$25,143,000
66	DEPARTMENT OF SOCIAL SERVICES ADMIN COST	\$31,598,000	\$0	\$30,928,
67	FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT COE	\$19,012,000	\$2,780,000	\$17,534,000
68	CLPP CASE MANAGEMENT SERVICES	\$7,400,000	\$0	\$5,200,000
69	SINGLE POINT OF ENTRY - MEDI-CAL ONLY	\$6,832,000	\$2,698,700	\$6,130,000
70	DEPARTMENT OF AGING ADMINISTRATIVE COSTS	\$3,129,000	\$0	\$3,523,00
71	CDPH I&E PROGRAM AND EVALUATION	\$1,028,000	\$0	\$946,000
72	CDDS DENTAL SERVICES	\$1,197,000	\$1,197,000	\$1,197,000
73	KIT FOR NEW PARENTS	\$1,017,000	\$0	\$1,017,000
74	QUITLINE ADMINISTRATIVE SERVICES	\$1,000,000	\$0	\$1,000,000

**OTHER ADMINISTRATION
POLICY CHANGE SUMMARY**

NO.	POLICY CHANGE TITLE	FISCAL YEAR 2013-14		FISCAL YEAR 2014-15
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS
OTHER DEPARTMENTS				
75	VETERANS BENEFITS	\$956,000	\$0	\$956,000
76	CHHS AGENCY HIPAA FUNDING	\$651,000	\$0	\$651,000
77	MERIT SYSTEM SERVICES FOR COUNTIES	\$195,000	\$97,500	\$195,000
78	FPACT SUPPORT, PROVIDER EDUC. & CLIENT OUTREACH	\$53,000	\$0	
79	PIA EYEWEAR COURIER SERVICE	\$380,000	\$190,000	\$440,000
	OTHER DEPARTMENTS SUBTOTAL	\$633,282,000	\$6,963,200	\$642,513,000
	GRAND TOTAL	\$1,459,137,000	\$158,958,100	\$1,908,896,000

**COMPARISON OF FISCAL IMPACTS OF OTHER 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 MAY TO APPROPRIATION	
			TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
CDHS										
1	1	MEDI-CAL ADMINISTRATIVE ACTIVITIES	\$303,000,000	\$0	\$431,815,000	\$0	\$92,000,000	\$0	-\$211,000,000	
2	2	CCS CASE MANAGEMENT	\$174,950,000	\$67,638,500	\$175,885,000	\$68,086,800	\$175,461,000	\$68,665,300	\$511,000	
3	3	COUNTY SPECIALTY MENTAL HEALTH ADMIN	\$141,726,000	\$0	\$137,795,000	\$0	\$133,924,000	\$0	-\$7,802,000	
4	4	BTR - LIHP - ADMINISTRATIVE COSTS	\$742,976,000	\$0	\$102,861,000	\$0	\$102,861,000	\$0	-\$640,115,000	
5	5	INTERIM AND FINAL COST SETTLEMENTS-SMHS	\$26,641,000	\$0	\$47,779,000	\$0	\$43,877,000	\$0	\$17,236,000	
6	6	EPSDT CASE MANAGEMENT	\$33,718,000	\$11,871,250	\$33,718,000	\$11,871,250	\$33,718,000	\$11,871,250	\$0	
7	7	SMH MAA	\$24,509,000	\$0	\$28,193,000	\$0	\$22,830,000	\$0	-\$1,679,000	
8	8	CALHEERS DEVELOPMENT	\$27,134,000	\$8,063,800	\$27,709,000	\$7,859,450	\$30,603,000	\$8,130,650	\$3,469,000	
9	9	ACA OUTREACH AND ENROLLMENT COUNSELORS	\$0	\$0	\$26,500,000	\$13,250,000	\$26,500,000	\$13,250,000	\$26,500,000	
10	10	TRANSITION OF HFP TO MEDI-CAL	\$24,134,000	\$8,446,900	\$26,104,000	\$9,136,400	\$25,272,000	\$8,845,200	\$1,138,000	
11	11	ARRA HITECH INCENTIVE PROGRAM	\$2,626,000	\$154,000	\$21,206,000	\$1,984,000	\$11,206,000	\$984,000	\$8,580,000	
12	12	POSTAGE & PRINTING	\$25,427,000	\$12,653,700	\$19,245,000	\$9,713,500	\$18,057,000	\$9,119,500	-\$7,370,000	
13	13	ACA EXPANSION ADMIN COSTS	\$19,085,000	\$9,542,500	\$16,825,000	\$8,412,500	\$905,000	\$452,500	-\$18,180,000	
14	14	COUNTY UR & QA ADMIN	\$16,798,000	\$0	\$16,558,000	\$0	\$16,440,000	\$0	-\$358,000	
15	15	MIS/DSS CONTRACT	\$10,900,000	\$2,892,750	\$10,900,000	\$2,892,750	\$10,900,000	\$2,892,750	\$0	
16	16	LITIGATION RELATED SERVICES	\$9,980,000	\$4,990,000	\$9,980,000	\$4,990,000	\$9,980,000	\$4,990,000	\$0	
17	17	CCI-ADMINISTRATIVE COSTS	\$5,172,000	\$2,542,500	\$8,786,000	\$2,543,000	\$9,217,000	\$2,758,500	\$4,045,000	
18	18	CA-MMIS SYSTEM REPLACEMENT OTHER STATE TI	\$3,315,000	\$396,900	\$7,837,000	\$1,560,300	\$8,348,000	\$1,621,600	\$5,033,000	
19	19	CA-MMIS SYSTEM AND REPLACEMENT OVERSIGHT	\$6,704,000	\$803,000	\$6,368,000	\$973,150	\$6,016,000	\$802,600	-\$688,000	
20	20	ADHC TRANSITION-ADMINISTRATION	\$656,000	\$328,000	\$6,172,000	\$3,086,000	\$6,172,000	\$3,086,000	\$5,516,000	
21	21	MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)	\$5,435,000	\$1,828,000	\$5,631,000	\$1,889,000	\$5,188,000	\$1,715,250	-\$247,000	
22	22	MEDI-CAL RECOVERY CONTRACTS	\$5,009,000	\$1,252,250	\$5,290,000	\$1,322,500	\$5,266,000	\$1,316,500	\$257,000	
23	23	COORDINATED CARE MANAGEMENT PILOT	\$4,716,000	\$2,358,000	\$4,716,000	\$2,358,000	\$4,716,000	\$2,358,000	\$0	
24	24	RESTORATION OF SELECT ADULT DENTAL BENEFIT	\$4,255,000	\$1,350,000	\$905,000	\$286,000	\$1,778,000	\$444,500	-\$2,477,000	
25	25	PASRR	\$3,616,000	\$904,000	\$3,366,000	\$841,500	\$3,176,000	\$794,000	-\$440,000	
26		ACA HOSPITAL PRESUMPTIVE ELIGIBILITY	\$0	\$0	\$2,992,000	\$1,022,000	\$0	\$0	\$0	
27	27	FAMILY PACT EVALUATION	\$2,861,000	\$1,430,500	\$2,861,000	\$1,430,500	\$2,861,000	\$1,430,500	\$0	
28	28	PREVENTION OF CHRONIC DISEASE GRANT PROJE	\$2,500,000	\$0	\$2,835,000	\$0	\$2,835,000	\$0	\$335,000	
29	29	SSA COSTS FOR HEALTH COVERAGE INFO.	\$2,530,000	\$1,265,000	\$2,420,000	\$1,210,000	\$2,400,000	\$1,200,000	-\$130,000	
30	30	HIPAA CAPITATION PAYMENT REPORTING SYSTEM	\$2,000,000	\$500,000	\$2,016,000	\$504,000	\$2,488,000	\$622,000	\$488,000	

**COMPARISON OF FISCAL IMPACTS OF OTHER 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 MAY TO APPROPRIATION	
			TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
CDHS										
31	31	SDMC SYSTEM M&O SUPPORT	\$1,834,000	\$917,000	\$1,500,000	\$750,000	\$1,500,000	\$750,000	-\$334,000	
32	32	FAMILY PACT PROGRAM ADMIN.	\$1,207,000	\$603,500	\$1,207,000	\$603,500	\$1,207,000	\$603,500	\$0	
33		BUSINESS RULES EXTRACTION	\$0	\$0	\$1,100,000	\$550,000	\$0	\$0	\$0	
34		MEDS INTERFACE WITH CALHEERS	\$1,008,000	\$852,800	\$1,008,000	\$852,800	\$0	\$0	-\$1,008,000	
35	35	MITA	\$0	\$0	\$1,000,000	\$100,000	\$338,000	\$33,800	\$338,000	
36	36	SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES	\$950,000	\$950,000	\$950,000	\$950,000	\$950,000	\$950,000	\$0	
37	37	MMA - DSH ANNUAL INDEPENDENT AUDIT	\$856,000	\$428,000	\$856,000	\$428,000	\$1,284,000	\$642,000	\$428,000	
38	38	ENCRYPTION OF PHI DATA	\$750,000	\$375,000	\$750,000	\$375,000	\$750,000	\$375,000	\$0	
39	39	MEDI-CAL INPATIENT SERVICES FOR INMATES	\$560,000	\$0	\$560,000	\$0	\$560,000	\$0	\$0	
40	40	MEDS MODERNIZATION	\$546,000	\$54,600	\$546,000	\$54,600	\$546,000	\$54,600	\$0	
41	41	POSTAGE AND PRINTING - THIRD PARTY LIAB.	\$572,000	\$286,000	\$539,000	\$269,500	\$597,000	\$298,500	\$25,000	
42	42	VITAL RECORDS DATA	\$926,000	\$0	\$508,000	\$0	\$90,000	\$0	-\$836,000	
44	44	CCT OUTREACH - ADMINISTRATIVE COSTS	\$727,000	\$0	\$485,000	\$0	\$485,000	\$0	-\$242,000	
45	45	ETL DATA SOLUTION	\$469,000	\$77,900	\$469,000	\$77,900	\$469,000	\$77,900	\$0	
46	46	MEDICARE BUY-IN QUALITY REVIEW PROJECT	\$400,000	\$200,000	\$400,000	\$200,000	\$400,000	\$200,000	\$0	
47	47	MIS/DSS CONTRACT REPROCUREMENT SERVICES	\$350,000	\$87,500	\$350,000	\$87,500	\$216,000	\$54,000	-\$134,000	
48	48	DENTAL PAPD PROJECT MANAGER	\$288,000	\$144,000	\$240,000	\$120,000	\$240,000	\$120,000	-\$48,000	
49	49	PEDIATRIC PALLIATIVE CARE WAIVER EVALUATION	\$102,000	\$51,000	\$214,000	\$107,000	\$214,000	\$107,000	\$112,000	
50	50	ANNUAL EDP AUDIT CONTRACTOR	\$400,000	\$200,000	\$162,000	\$81,000	\$162,000	\$81,000	-\$238,000	
51	51	EPOCRATES	\$107,000	\$53,500	\$107,000	\$53,500	\$107,000	\$53,500	\$0	
52	52	CCS CASE MANAGEMENT SUPPLEMENTAL PAYMEI	\$100,000	\$0	\$100,000	\$0	\$100,000	\$0	\$0	
53	53	TAR POSTAGE	\$106,000	\$53,000	\$99,000	\$49,500	\$111,000	\$55,500	\$5,000	
54	54	DMHC INTER-AGENCY AGREEMENT - ADMIN	\$0	\$0	\$79,000	\$0	\$158,000	\$0	\$158,000	
55	55	KATIE A. V. DIANA BONTA SPECIAL MASTER	\$100,000	\$50,000	\$70,000	\$35,000	\$62,000	\$31,000	-\$38,000	
56	56	Q5i AUTOMATED DATA SYSTEM ACQUISTION	\$87,000	\$43,500	\$42,000	\$21,000	\$63,000	\$31,500	-\$24,000	
57	57	RECOVERY AUDIT CONTRACTOR COSTS	\$9,000	\$4,500	\$2,000	\$1,000	\$1,000	\$500	-\$8,000	
80	80	THIRD PARTY VALIDATION OF CERTIFIED PROVIDE	\$0	\$0	\$250,000	\$125,000	\$250,000	\$125,000	\$250,000	
		HEALTH CARE OPTIONS CONSULTANT COSTS	\$222,000	\$111,000	\$0	\$0	\$0	\$0	-\$222,000	
CDHS SUBTOTAL			\$1,645,049,000	\$146,754,350	\$1,208,861,000	\$163,114,400	\$825,855,000	\$151,994,900	-\$819,194,000	
OTHER DEPARTMENTS										

**COMPARISON OF FISCAL IMPACTS OF OTHER 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 MAY TO APPROPRIATION	
			TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
OTHER DEPARTMENTS										
61	61	PERSONAL CARE SERVICES	\$262,751,000	\$0	\$262,937,000	\$0	\$252,272,000	\$0	-\$10,479,000	
62	62	HEALTH-RELATED ACTIVITIES - CDSS	\$218,951,000	\$0	\$219,207,000	\$0	\$216,528,000	\$0	-\$2,423,000	
63	63	CDSS ADMINISTRATIVE COSTS	\$33,875,000	\$0	\$40,187,000	\$0	\$39,021,000	\$0	\$5,146,000	
64	64	MATERNAL AND CHILD HEALTH	\$34,190,000	\$0	\$29,169,000	\$0	\$25,870,000	\$0	-\$8,320,000	
65	65	HEALTH CARE PROGRAM FOR CHILDREN IN FOSTE	\$25,143,000	\$0	\$25,143,000	\$0	\$25,143,000	\$0	\$0	
66	66	DEPARTMENT OF SOCIAL SERVICES ADMIN COST	\$24,111,000	\$0	\$33,229,000	\$0	\$31,598,000	\$0	\$7,487,000	
67	67	FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPC	\$19,005,000	\$2,433,000	\$18,730,000	\$2,780,000	\$19,012,000	\$2,780,000	\$7,000	
68	68	CLPP CASE MANAGEMENT SERVICES	\$5,200,000	\$0	\$7,400,000	\$0	\$7,400,000	\$0	\$2,200,000	
69	69	SINGLE POINT OF ENTRY - MEDI-CAL ONLY	\$7,049,000	\$2,784,400	\$7,049,000	\$2,784,400	\$6,832,000	\$2,698,700	-\$217,000	
70	70	DEPARTMENT OF AGING ADMINISTRATIVE COSTS	\$3,146,000	\$0	\$3,072,000	\$0	\$3,129,000	\$0	-\$17,000	
71	71	CDPH I&E PROGRAM AND EVALUATION	\$1,557,000	\$0	\$1,375,000	\$0	\$1,028,000	\$0	-\$529,000	
72	72	CDSS DENTAL SERVICES	\$1,270,000	\$1,270,000	\$1,270,000	\$1,270,000	\$1,197,000	\$1,197,000	-\$73,000	
73	73	KIT FOR NEW PARENTS	\$1,017,000	\$0	\$1,017,000	\$0	\$1,017,000	\$0	\$0	
74	74	QUITLINE ADMINISTRATIVE SERVICES	\$2,000,000	\$0	\$1,000,000	\$0	\$1,000,000	\$0	-\$1,000,000	
75	75	VETERANS BENEFITS	\$956,000	\$0	\$956,000	\$0	\$956,000	\$0	\$0	
76	76	CHHS AGENCY HIPAA FUNDING	\$651,000	\$0	\$651,000	\$0	\$651,000	\$0	\$0	
77	77	MERIT SYSTEM SERVICES FOR COUNTIES	\$184,000	\$92,000	\$195,000	\$97,500	\$195,000	\$97,500	\$11,000	
78	78	FPACT SUPPORT, PROVIDER EDUC. & CLIENT OUTI	\$27,000	\$0	\$53,000	\$0	\$53,000	\$0	\$26,000	
79	79	PIA EYEWEAR COURIER SERVICE	\$324,000	\$162,000	\$324,000	\$162,000	\$380,000	\$190,000	\$56,000	
		FAMILY PACT EVALUATION	\$63,000	\$0	\$0	\$0	\$0	\$0	-\$63,000	
		OTHER DEPARTMENTS SUBTOTAL	\$641,470,000	\$6,741,400	\$652,964,000	\$7,093,900	\$633,282,000	\$6,963,200	-\$8,188,000	
		OTHER ADMINISTRATION SUBTOTAL	\$2,286,519,000	\$153,495,750	\$1,861,825,000	\$170,208,300	\$1,459,137,000	\$158,958,100	-\$827,382,000	
		GRAND TOTAL ALL ADMIN. ADJUSTMENTS	\$3,980,303,000	\$909,141,350	\$3,622,485,000	\$823,786,850	\$3,282,347,000	\$906,232,650	-\$697,956,000	

(1) - If no PC # listed at all then dollars were in Appropriation only.

**COMPARISON OF FISCAL IMPACTS OF OTHER 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
CDHS						
1	1	MEDI-CAL ADMINISTRATIVE ACTIVITIES	\$253,823,000	\$0	\$475,650,000	\$0
2	2	CCS CASE MANAGEMENT	\$179,902,000	\$69,636,250	\$182,238,000	\$71,288,450
3	3	COUNTY SPECIALTY MENTAL HEALTH ADMIN	\$155,785,000	\$0	\$151,347,000	\$0
4	4	BTR - LIHP - ADMINISTRATIVE COSTS	\$115,177,000	\$0	\$115,177,000	\$0
5	5	INTERIM AND FINAL COST SETTLEMENTS-SMHS	\$13,321,000	\$0	-\$82,730,000	\$0
6	6	EPSDT CASE MANAGEMENT	\$33,718,000	\$11,871,250	\$33,718,000	\$11,871,250
7	7	SMH MAA	\$25,966,000	\$0	\$24,086,000	\$0
8	8	CALHEERS DEVELOPMENT	\$19,705,000	\$6,327,400	\$128,618,000	\$25,689,000
9	9	ACA OUTREACH AND ENROLLMENT COUNSELORS	\$26,500,000	\$13,250,000	\$26,500,000	\$13,250,000
10	10	TRANSITION OF HFP TO MEDI-CAL	\$18,426,000	\$6,449,100	\$15,937,000	\$5,577,950
11	11	ARRA HITECH INCENTIVE PROGRAM	\$36,225,000	\$3,404,000	\$33,725,000	\$3,154,000
12	12	POSTAGE & PRINTING	\$17,832,000	\$9,019,500	\$18,832,000	\$9,519,500
13	13	ACA EXPANSION ADMIN COSTS	\$8,325,000	\$4,162,500	\$1,155,000	\$577,500
14	14	COUNTY UR & QA ADMIN	\$17,203,000	\$0	\$18,272,000	\$600,000
15	15	MIS/DSS CONTRACT	\$10,900,000	\$2,897,000	\$12,476,000	\$3,317,000
16	16	LITIGATION RELATED SERVICES	\$9,980,000	\$4,990,000	\$9,980,000	\$4,990,000
17	17	CCI-ADMINISTRATIVE COSTS	\$8,070,000	\$2,543,000	\$8,086,000	\$2,551,000
18	18	CA-MMIS SYSTEM REPLACEMENT OTHER STATE TI	\$3,644,000	\$539,550	\$4,816,000	\$679,850
19	19	CA-MMIS SYSTEM AND REPLACEMENT OVERSIGHT	\$6,290,000	\$753,600	\$8,076,000	\$1,184,100
21	21	MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)	\$5,913,000	\$1,983,750	\$5,447,000	\$1,800,500
22	22	MEDI-CAL RECOVERY CONTRACTS	\$5,709,000	\$1,427,250	\$5,721,000	\$1,430,250
23	23	COORDINATED CARE MANAGEMENT PILOT	\$118,000	\$59,000	\$118,000	\$59,000
24		RESTORATION OF SELECT ADULT DENTAL BENEFIT	\$19,906,000	\$6,275,000	\$0	\$0
25	25	PASRR	\$6,400,000	\$1,600,000	\$8,590,000	\$2,147,500
26		ACA HOSPITAL PRESUMPTIVE ELIGIBILITY	\$2,015,000	\$1,003,750	\$0	\$0
27	27	FAMILY PACT EVALUATION	\$2,861,000	\$1,430,500	\$2,861,000	\$1,430,500
28	28	PREVENTION OF CHRONIC DISEASE GRANT PROJE	\$2,660,000	\$0	\$2,660,000	\$0
29	29	SSA COSTS FOR HEALTH COVERAGE INFO.	\$2,662,000	\$1,331,000	\$2,662,000	\$1,331,000
30	30	HIPAA CAPITATION PAYMENT REPORTING SYSTEM	\$2,487,000	\$621,750	\$4,815,000	\$1,203,750
31	31	SDMC SYSTEM M&O SUPPORT	\$1,959,000	\$979,500	\$3,000,000	\$1,500,000

**COMPARISON OF FISCAL IMPACTS OF OTHER 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
CDHS						
32	32	FAMILY PACT PROGRAM ADMIN.	\$1,207,000	\$603,500	\$1,207,000	\$603,500
33	33	BUSINESS RULES EXTRACTION	\$1,900,000	\$950,000	\$2,750,000	\$1,375,000
34		MEDS INTERFACE WITH CALHEERS	\$477,000	\$410,900	\$0	\$0
35	35	MITA	\$481,000	\$48,100	\$985,000	\$98,500
36	36	SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES	\$950,000	\$950,000	\$950,000	\$950,000
37	37	MMA - DSH ANNUAL INDEPENDENT AUDIT	\$856,000	\$428,000	\$856,000	\$428,000
38	38	ENCRYPTION OF PHI DATA	\$750,000	\$375,000	\$750,000	\$375,000
39	39	MEDI-CAL INPATIENT SERVICES FOR INMATES	\$560,000	\$0	\$560,000	\$0
40	40	MEDS MODERNIZATION	\$4,533,000	\$453,300	\$4,533,000	\$453,300
41	41	POSTAGE AND PRINTING - THIRD PARTY LIAB.	\$567,000	\$283,500	\$644,000	\$322,000
42	42	VITAL RECORDS DATA	\$836,000	\$0	\$836,000	\$0
44	44	CCT OUTREACH - ADMINISTRATIVE COSTS	\$242,000	\$0	\$242,000	\$0
46	46	MEDICARE BUY-IN QUALITY REVIEW PROJECT	\$240,000	\$120,000	\$240,000	\$120,000
48	48	DENTAL PAPD PROJECT MANAGER	\$239,000	\$119,500	\$239,000	\$119,500
50	50	ANNUAL EDP AUDIT CONTRACTOR	\$162,000	\$81,000	\$162,000	\$81,000
51	51	EPOCRATES	\$107,000	\$53,500	\$107,000	\$53,500
52	52	CCS CASE MANAGEMENT SUPPLEMENTAL PAYMEI	\$100,000	\$0	\$100,000	\$0
53	53	TAR POSTAGE	\$99,000	\$49,500	\$115,000	\$57,500
54	54	DMHC INTER-AGENCY AGREEMENT - ADMIN	\$95,000	\$0	\$189,000	\$0
55	55	KATIE A. V. DIANA BONTA SPECIAL MASTER	\$70,000	\$35,000	\$62,000	\$31,000
56	56	Q5i AUTOMATED DATA SYSTEM ACQUISTION	\$39,000	\$19,500	\$59,000	\$29,500
57	57	RECOVERY AUDIT CONTRACTOR COSTS	\$14,000	\$7,000	\$12,000	\$6,000
58	58	DRUG MEDI-CAL COUNTY ADMINISTRATION	\$14,726,000	\$4,197,000	\$23,029,000	\$6,620,000
59	59	NEWBORN HEARING SCREENING PROGRAM	\$4,136,000	\$2,068,000	\$4,136,000	\$2,068,000
60	60	RATE STUDIES FOR MAIC AND AAC VENDOR	\$1,000,000	\$500,000	\$1,000,000	\$500,000
80	80	THIRD PARTY VALIDATION OF CERTIFIED PROVIDE	\$250,000	\$125,000	\$0	\$0
	45	ETL DATA SOLUTION	\$0	\$0	\$325,000	\$48,000
	47	MIS/DSS CONTRACT REPROCUREMENT SERVICES	\$0	\$0	\$180,000	\$45,000
	82	DENTAL FI RE-PROCUREMENT IV&V	\$0	\$0	\$282,000	\$70,500
CDHS SUBTOTAL			\$1,048,118,000	\$164,431,950	\$1,266,383,000	\$179,606,900

**COMPARISON OF FISCAL IMPACTS OF OTHER 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
		CDHS				
		OTHER DEPARTMENTS				
61	61	PERSONAL CARE SERVICES	\$249,240,000	\$0	\$264,886,000	\$0
62	62	HEALTH-RELATED ACTIVITIES - CDSS	\$232,467,000	\$0	\$223,024,000	\$0
63	63	CDDS ADMINISTRATIVE COSTS	\$31,196,000	\$0	\$32,240,000	\$0
64	64	MATERNAL AND CHILD HEALTH	\$29,702,000	\$0	\$27,503,000	\$0
65	65	HEALTH CARE PROGRAM FOR CHILDREN IN FOSTE	\$25,143,000	\$0	\$25,143,000	\$0
66	66	DEPARTMENT OF SOCIAL SERVICES ADMIN COST	\$27,499,000	\$0	\$30,928,000	\$0
67	67	FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPC	\$17,156,000	\$2,533,000	\$17,534,000	\$2,533,000
68	68	CLPP CASE MANAGEMENT SERVICES	\$5,200,000	\$0	\$5,200,000	\$0
69	69	SINGLE POINT OF ENTRY - MEDI-CAL ONLY	\$7,049,000	\$2,784,400	\$6,130,000	\$2,421,350
70	70	DEPARTMENT OF AGING ADMINISTRATIVE COSTS	\$3,563,000	\$0	\$3,523,000	\$0
71	71	CDPH I&E PROGRAM AND EVALUATION	\$1,237,000	\$0	\$946,000	\$0
72	72	CDDS DENTAL SERVICES	\$1,270,000	\$1,270,000	\$1,197,000	\$1,197,000
73	73	KIT FOR NEW PARENTS	\$1,017,000	\$0	\$1,017,000	\$0
74	74	QUITLINE ADMINISTRATIVE SERVICES	\$2,000,000	\$0	\$1,000,000	\$0
75	75	VETERANS BENEFITS	\$956,000	\$0	\$956,000	\$0
76	76	CHHS AGENCY HIPAA FUNDING	\$651,000	\$0	\$651,000	\$0
77	77	MERIT SYSTEM SERVICES FOR COUNTIES	\$195,000	\$97,500	\$195,000	\$97,500
79	79	PIA EYEWEAR COURIER SERVICE	\$360,000	\$180,000	\$440,000	\$220,000
		OTHER DEPARTMENTS SUBTOTAL	\$635,901,000	\$6,864,900	\$642,513,000	\$6,468,850
		OTHER ADMINISTRATION SUBTOTAL	\$1,684,019,000	\$171,296,850	\$1,908,896,000	\$186,075,750
		GRAND TOTAL ALL ADMIN. ADJUSTMENTS	\$3,361,912,000	\$677,786,750	\$3,724,430,000	\$757,339,550

**COMPARISON OF FISCAL IMPACTS OF OTHER 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
	CDHS				
1	MEDI-CAL ADMINISTRATIVE ACTIVITIES	\$92,000,000	\$0	\$475,650,000	\$0
2	CCS CASE MANAGEMENT	\$175,461,000	\$68,665,300	\$182,238,000	\$71,288,450
3	COUNTY SPECIALTY MENTAL HEALTH ADMIN	\$133,924,000	\$0	\$151,347,000	\$0
4	BTR - LIHP - ADMINISTRATIVE COSTS	\$102,861,000	\$0	\$115,177,000	\$0
5	INTERIM AND FINAL COST SETTLEMENTS-SMHS	\$43,877,000	\$0	-\$82,730,000	\$0
6	EPSDT CASE MANAGEMENT	\$33,718,000	\$11,871,250	\$33,718,000	\$11,871,250
7	SMH MAA	\$22,830,000	\$0	\$24,086,000	\$0
8	CALHEERS DEVELOPMENT	\$30,603,000	\$8,130,650	\$128,618,000	\$25,689,000
9	ACA OUTREACH AND ENROLLMENT COUNSELORS	\$26,500,000	\$13,250,000	\$26,500,000	\$13,250,000
10	TRANSITION OF HFP TO MEDI-CAL	\$25,272,000	\$8,845,200	\$15,937,000	\$5,577,950
11	ARRA HITECH INCENTIVE PROGRAM	\$11,206,000	\$984,000	\$33,725,000	\$3,154,000
12	POSTAGE & PRINTING	\$18,057,000	\$9,119,500	\$18,832,000	\$9,519,500
13	ACA EXPANSION ADMIN COSTS	\$905,000	\$452,500	\$1,155,000	\$577,500
14	COUNTY UR & QA ADMIN	\$16,440,000	\$0	\$18,272,000	\$600,000
15	MIS/DSS CONTRACT	\$10,900,000	\$2,892,750	\$12,476,000	\$3,317,000
16	LITIGATION RELATED SERVICES	\$9,980,000	\$4,990,000	\$9,980,000	\$4,990,000
17	CCI-ADMINISTRATIVE COSTS	\$9,217,000	\$2,758,500	\$8,086,000	\$2,551,000
18	CA-MMIS SYSTEM REPLACEMENT OTHER STATE TRAN	\$8,348,000	\$1,621,600	\$4,816,000	\$679,850
19	CA-MMIS SYSTEM AND REPLACEMENT OVERSIGHT	\$6,016,000	\$802,600	\$8,076,000	\$1,184,100
20	ADHC TRANSITION-ADMINISTRATION	\$6,172,000	\$3,086,000	\$0	\$0
21	MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)	\$5,188,000	\$1,715,250	\$5,447,000	\$1,800,500
22	MEDI-CAL RECOVERY CONTRACTS	\$5,266,000	\$1,316,500	\$5,721,000	\$1,430,250
23	COORDINATED CARE MANAGEMENT PILOT	\$4,716,000	\$2,358,000	\$118,000	\$59,000
24	RESTORATION OF SELECT ADULT DENTAL BENEFITS	\$1,778,000	\$444,500	\$0	\$0
25	PASRR	\$3,176,000	\$794,000	\$8,590,000	\$2,147,500
27	FAMILY PACT EVALUATION	\$2,861,000	\$1,430,500	\$2,861,000	\$1,430,500
28	PREVENTION OF CHRONIC DISEASE GRANT PROJECT	\$2,835,000	\$0	\$2,660,000	\$0

**COMPARISON OF FISCAL IMPACTS OF OTHER 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
CDHS					
29	SSA COSTS FOR HEALTH COVERAGE INFO.	\$2,400,000	\$1,200,000	\$2,662,000	\$1,331,000
30	HIPAA CAPITATION PAYMENT REPORTING SYSTEM	\$2,488,000	\$622,000	\$4,815,000	\$1,203,750
31	SDMC SYSTEM M&O SUPPORT	\$1,500,000	\$750,000	\$3,000,000	\$1,500,000
32	FAMILY PACT PROGRAM ADMIN.	\$1,207,000	\$603,500	\$1,207,000	\$603,500
33	BUSINESS RULES EXTRACTION	\$0	\$0	\$2,750,000	\$1,375,000
35	MITA	\$338,000	\$33,800	\$985,000	\$98,500
36	SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES	\$950,000	\$950,000	\$950,000	\$950,000
37	MMA - DSH ANNUAL INDEPENDENT AUDIT	\$1,284,000	\$642,000	\$856,000	\$428,000
38	ENCRYPTION OF PHI DATA	\$750,000	\$375,000	\$750,000	\$375,000
39	MEDI-CAL INPATIENT SERVICES FOR INMATES	\$560,000	\$0	\$560,000	\$0
40	MEDS MODERNIZATION	\$546,000	\$54,600	\$4,533,000	\$453,300
41	POSTAGE AND PRINTING - THIRD PARTY LIAB.	\$597,000	\$298,500	\$644,000	\$322,000
42	VITAL RECORDS DATA	\$90,000	\$0	\$836,000	\$0
44	CCT OUTREACH - ADMINISTRATIVE COSTS	\$485,000	\$0	\$242,000	\$0
45	ETL DATA SOLUTION	\$469,000	\$77,900	\$325,000	\$48,000
46	MEDICARE BUY-IN QUALITY REVIEW PROJECT	\$400,000	\$200,000	\$240,000	\$120,000
47	MIS/DSS CONTRACT REPROCUREMENT SERVICES	\$216,000	\$54,000	\$180,000	\$45,000
48	DENTAL PAPD PROJECT MANAGER	\$240,000	\$120,000	\$239,000	\$119,500
49	PEDIATRIC PALLIATIVE CARE WAIVER EVALUATION	\$214,000	\$107,000	\$0	\$0
50	ANNUAL EDP AUDIT CONTRACTOR	\$162,000	\$81,000	\$162,000	\$81,000
51	EPOCRATES	\$107,000	\$53,500	\$107,000	\$53,500
52	CCS CASE MANAGEMENT SUPPLEMENTAL PAYMENT	\$100,000	\$0	\$100,000	\$0
53	TAR POSTAGE	\$111,000	\$55,500	\$115,000	\$57,500
54	DMHC INTER-AGENCY AGREEMENT - ADMIN	\$158,000	\$0	\$189,000	\$0
55	KATIE A. V. DIANA BONTA SPECIAL MASTER	\$62,000	\$31,000	\$62,000	\$31,000
56	Q5i AUTOMATED DATA SYSTEM ACQUISITION	\$63,000	\$31,500	\$59,000	\$29,500
57	RECOVERY AUDIT CONTRACTOR COSTS	\$1,000	\$500	\$12,000	\$6,000

**COMPARISON OF FISCAL IMPACTS OF OTHER 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		
CDHS							
58	DRUG MEDI-CAL COUNTY ADMINISTRATION	\$0	\$0	\$23,029,000	\$6,620,000		
59	NEWBORN HEARING SCREENING PROGRAM	\$0	\$0	\$4,136,000	\$2,068,000		
60	RATE STUDIES FOR MAIC AND AAC VENDOR	\$0	\$0	\$1,000,000	\$500,000		
80	THIRD PARTY VALIDATION OF CERTIFIED PROVIDERS	\$250,000	\$125,000	\$0	\$0		
82	DENTAL FIRE-PROCUREMENT IV&V	\$0	\$0	\$282,000	\$70,500		
	CDHS SUBTOTAL	\$825,855,000	\$151,994,900	\$1,266,383,000	\$179,606,900		
OTHER DEPARTMENTS							
61	PERSONAL CARE SERVICES	\$252,272,000	\$0	\$264,886,000	\$0		
62	HEALTH-RELATED ACTIVITIES - CDSS	\$216,528,000	\$0	\$223,024,000	\$0		
63	CDDS ADMINISTRATIVE COSTS	\$39,021,000	\$0	\$32,240,000	\$0		
64	MATERNAL AND CHILD HEALTH	\$25,870,000	\$0	\$27,503,000	\$0		
65	HEALTH CARE PROGRAM FOR CHILDREN IN FOSTER C	\$25,143,000	\$0	\$25,143,000	\$0		
66	DEPARTMENT OF SOCIAL SERVICES ADMIN COST	\$31,598,000	\$0	\$30,928,000	\$0		
67	FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT	\$19,012,000	\$2,780,000	\$17,534,000	\$2,533,000		
68	CLPP CASE MANAGEMENT SERVICES	\$7,400,000	\$0	\$5,200,000	\$0		
69	SINGLE POINT OF ENTRY - MEDI-CAL ONLY	\$6,832,000	\$2,698,700	\$6,130,000	\$2,421,350		
70	DEPARTMENT OF AGING ADMINISTRATIVE COSTS	\$3,129,000	\$0	\$3,523,000	\$0		
71	CDPH I&E PROGRAM AND EVALUATION	\$1,028,000	\$0	\$946,000	\$0		
72	CDDS DENTAL SERVICES	\$1,197,000	\$1,197,000	\$1,197,000	\$1,197,000		
73	KIT FOR NEW PARENTS	\$1,017,000	\$0	\$1,017,000	\$0		
74	QUITLINE ADMINISTRATIVE SERVICES	\$1,000,000	\$0	\$1,000,000	\$0		
75	VETERANS BENEFITS	\$956,000	\$0	\$956,000	\$0		
76	CHHS AGENCY HIPAA FUNDING	\$651,000	\$0	\$651,000	\$0		
77	MERIT SYSTEM SERVICES FOR COUNTIES	\$195,000	\$97,500	\$195,000	\$97,500		
78	FPACT SUPPORT, PROVIDER EDUC. & CLIENT OUTREA	\$53,000	\$0	\$0	\$0		
79	PIA EYEWEAR COURIER SERVICE	\$380,000	\$190,000	\$440,000	\$220,000		

**COMPARISON OF FISCAL IMPACTS OF OTHER 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 DEPARTMENTS						
	OTHER DEPARTMENTS SUBTOTAL	\$633,282,000	\$6,963,200	\$642,513,000	\$6,468,850		
	OTHER ADMINISTRATION SUBTOTAL	\$1,459,137,000	\$158,958,100	\$1,908,896,000	\$186,075,750		
	GRAND TOTAL COUNTY AND OTHER ADMIN.	<u>\$3,282,347,000</u>	<u>\$906,232,650</u>	<u>\$3,724,430,000</u>	<u>\$757,339,550</u>		

MEDI-CAL OTHER ADMINISTRATION POLICY CHANGE INDEX

POLICY CHANGE NUMBER	POLICY CHANGE TITLE
CDHS	
1	MEDI-CAL ADMINISTRATIVE ACTIVITIES
2	CCS CASE MANAGEMENT
3	COUNTY SPECIALTY MENTAL HEALTH ADMIN
4	BTR - LIHP - ADMINISTRATIVE COSTS
5	INTERIM AND FINAL COST SETTLEMENTS-SMHS
6	EPSDT CASE MANAGEMENT
7	SMH MAA
8	CALHEERS DEVELOPMENT
9	ACA OUTREACH AND ENROLLMENT COUNSELORS
10	TRANSITION OF HFP TO MEDI-CAL
11	ARRA HITECH INCENTIVE PROGRAM
12	POSTAGE & PRINTING
13	ACA EXPANSION ADMIN COSTS
14	COUNTY UR & QA ADMIN
15	MIS/DSS CONTRACT
16	LITIGATION RELATED SERVICES
17	CCI-ADMINISTRATIVE COSTS
18	CA-MMIS SYSTEM REPLACEMENT OTHER STATE TRANSITION
19	CA-MMIS SYSTEM AND REPLACEMENT OVERSIGHT
20	ADHC TRANSITION-ADMINISTRATION
21	MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)
22	MEDI-CAL RECOVERY CONTRACTS
23	COORDINATED CARE MANAGEMENT PILOT
24	RESTORATION OF SELECT ADULT DENTAL BENEFITS
25	PASRR
27	FAMILY PACT EVALUATION
28	PREVENTION OF CHRONIC DISEASE GRANT PROJECT
29	SSA COSTS FOR HEALTH COVERAGE INFO.
30	HIPAA CAPITATION PAYMENT REPORTING SYSTEM
31	SDMC SYSTEM M&O SUPPORT
32	FAMILY PACT PROGRAM ADMIN.
33	BUSINESS RULES EXTRACTION
35	MITA
36	SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES
37	MMA - DSH ANNUAL INDEPENDENT AUDIT
38	ENCRYPTION OF PHI DATA

MEDI-CAL OTHER ADMINISTRATION POLICY CHANGE INDEX

POLICY CHANGE NUMBER	POLICY CHANGE TITLE
<u>CDHS</u>	
39	MEDI-CAL INPATIENT SERVICES FOR INMATES
40	MEDS MODERNIZATION
41	POSTAGE AND PRINTING - THIRD PARTY LIAB.
42	VITAL RECORDS DATA
44	CCT OUTREACH - ADMINISTRATIVE COSTS
45	ETL DATA SOLUTION
46	MEDICARE BUY-IN QUALITY REVIEW PROJECT
47	MIS/DSS CONTRACT REPROCUREMENT SERVICES
48	DENTAL PAPD PROJECT MANAGER
49	PEDIATRIC PALLIATIVE CARE WAIVER EVALUATION
50	ANNUAL EDP AUDIT CONTRACTOR
51	EPOCRATES
52	CCS CASE MANAGEMENT SUPPLEMENTAL PAYMENT
53	TAR POSTAGE
54	DMHC INTER-AGENCY AGREEMENT - ADMIN
55	KATIE A. V. DIANA BONTA SPECIAL MASTER
56	Q5i AUTOMATED DATA SYSTEM ACQUISITION
57	RECOVERY AUDIT CONTRACTOR COSTS
58	DRUG MEDI-CAL COUNTY ADMINISTRATION
59	NEWBORN HEARING SCREENING PROGRAM
60	RATE STUDIES FOR MAIC AND AAC VENDOR
80	THIRD PARTY VALIDATION OF CERTIFIED PROVIDERS
82	DENTAL FI RE-PROCUREMENT IV&V
<u>OTHER DEPARTMENTS</u>	
61	PERSONAL CARE SERVICES
62	HEALTH-RELATED ACTIVITIES - CDSS
63	CDDS ADMINISTRATIVE COSTS
64	MATERNAL AND CHILD HEALTH
65	HEALTH CARE PROGRAM FOR CHILDREN IN FOSTER CARE
66	DEPARTMENT OF SOCIAL SERVICES ADMIN COST
67	FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT COSTS
68	CLPP CASE MANAGEMENT SERVICES
69	SINGLE POINT OF ENTRY - MEDI-CAL ONLY
70	DEPARTMENT OF AGING ADMINISTRATIVE COSTS
71	CDPH I&E PROGRAM AND EVALUATION

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

POLICY CHANGE NUMBER	POLICY CHANGE TITLE
	<u>OTHER DEPARTMENTS</u>
72	CDDS DENTAL SERVICES
73	KIT FOR NEW PARENTS
74	QUITLINE ADMINISTRATIVE SERVICES
75	VETERANS BENEFITS
76	CHHS AGENCY HIPAA FUNDING
77	MERIT SYSTEM SERVICES FOR COUNTIES
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MEDI-CAL ADMINISTRATIVE ACTIVITIES

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

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$92,000,000	\$475,650,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$92,000,000	\$475,650,000

DESCRIPTION

Purpose:

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

Authority:

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

Interdependent Policy Changes:

Not Applicable

Background:

AB 2377 authorized the State to implement the Medi-Cal Administrative Activities (MAA) claiming process. The Department submits claims on behalf of LGAs, which include counties and chartered cities, to obtain FFP for Medicaid administrative activities. Many LGAs then subcontract with other organizations to perform MAA. These activities assist Medi-Cal eligible persons to learn about, enroll in, and access services of the Medi-Cal program.

AB 2780 allowed LEAs (including school districts and county offices of education), the option of claiming MAA through either their local educational consortium (one of the State's eleven administrative districts) or through the LGAs. In June 2012, CMS deferred the school based MAA (SMAA) program retroactively to October 2011. During the deferral period, schools will continue to submit invoices which will be processed as an "Early Claim" in order to meet the two-year retrospective federal claiming limitation. CMS will release deferred invoices on a flow basis as certain criteria are met and a new SMAA manual is implemented.

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

Reason for Change from Prior Estimate:

The release of deferred School-based MAA claims were delayed, and are expected to be fully released in FY 2014-15.

MEDI-CAL ADMINISTRATIVE ACTIVITIES

OTHER ADMIN. POLICY CHANGE NUMBER: 1

Methodology:

1. Assume an annual growth rate of 5%.
2. Total MAA reimbursements FY 2013-14 and FY 2014-15 on a cash basis are:

(Dollars In Thousands)

FY 2013-14	TF	FF
County MAA	68,250	68,250
Tribal MAA	1,050	1,050
School MAA	22,700	22,700
Total	92,000	92,000
FY 2014-15	TF	FF
County MAA	103,950	103,950
Tribal MAA	1,050	1,050
School MAA	370,650	370,650
Total	475,650	475,650

Funding:

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

CCS CASE MANAGEMENT

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

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$175,461,000	\$182,238,000
STATE FUNDS	\$68,665,300	\$71,288,450
FEDERAL FUNDS	\$106,795,700	\$110,949,550

DESCRIPTION

Purpose:

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

Authority:

Health & Safety Code, sections 123800-123995

Interdependent Policy Changes:

Not Applicable

Background:

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

Effective January 1, 2013, the Healthy Family Program (HFP) ceased to enroll new subscribers and began transitioning HFP subscribers into Medi-Cal. HFP subscribers began transitioning May 2013.

A portion of CCS case management transitioned into the Health Plan of San Mateo (HPSM) beginning April 2013.

Reason for Change from Prior Year:

There is no material change.

Methodology:

1. The county administrative estimate for the budget year is updated every May based on additional data collected.
2. For FY 2013-14, the CCS case management costs are based on budgeted county expenditures of \$146,642,000 and the Pediatric Palliative Care (PPC) Nurse Liaisons cost of \$750,000 in the May 2013 Estimate.

$$\$146,642,000 + \$750,000 = \$147,392,000$$

CCS CASE MANAGEMENT**OTHER ADMIN. POLICY CHANGE NUMBER: 2**

3. For FY 2014-15, caseload is expected to increase 1.74% from FY 2013-14 to FY 2014-15 based on the November 2013 Estimate. PPC Nurse Liaisons cost is estimated to be \$751,000 in FY 2014-15.

$$\$146,642,000 \times (1 + 1.74\%) = \$149,194,000 + 751,000 = \$149,945,000$$

4. County data processing costs associated with CMS Net for CCS Medi-Cal are estimated to be \$2,744,000 in FY 2013-14 and \$2,747,000 in FY 2014-15.
5. The HFP transitioning into Medi-Cal consists of the following costs

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
County Administration:	\$27,493,000	\$31,517,000

6. County data processing costs associated with CMS Net for CCS HFP are estimated to be \$471,000 in FY 2013-14 and \$465,000 in FY 2014-15.
7. HPSM begins operation in April 2013 and receives monthly payments beginning May 2013. Payments to HPSM will be applied against CCS Case Management. All June payments will be made in July. The FY 2013-14 payment includes two months deferred payments from FY 2012-13 and the June 2014 payment will be deferred into FY 2014-15. The FY 2014-15 payment includes a net 12 months of cost.

FY 2013-14:	(\$2,639,000)
FY 2014-15:	(\$2,436,000)

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

FY 2013-14	<u>TF</u>	<u>GF</u>	<u>FF</u>	<u>Reimburse- ment*</u>
CCS Medi-Cal				
CCS Case Management	\$146,642,000	\$57,916,000	\$88,726,000	
Pediatric Palliative Care	\$750,000	\$188,000	\$563,000	
CMS Net	<u>\$2,744,000</u>	<u>\$1,372,000</u>	<u>\$1,372,000</u>	
	\$150,136,000	\$59,476,000	\$90,661,000	\$0
Healthy Families Transition				
CCS Case Management	\$27,493,000	\$4,811,000	\$17,870,000	\$4,811,000
CMS Net	<u>\$471,000</u>	<u>\$165,000</u>	<u>\$306,000</u>	
	\$27,964,000	\$4,976,000	\$18,176,000	\$4,811,000
Health Plan of San Mateo	<u>(\$2,639,000)</u>	<u>(\$1,320,000)</u>	<u>(\$1,320,000)</u>	
Total	\$175,461,000	\$63,132,000	\$107,517,000	\$4,811,000

CCS CASE MANAGEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 2

FY 2014-15	TF	GF	FF	Reimburse- ment*
CCS Medi-Cal				
CCS Case				
Management	\$149,194,000	\$58,924,000	\$90,270,000	
Pediatric Palliative				
Care	\$751,000	\$188,000	\$563,000	
CMS Net	\$2,747,000	\$1,374,000	\$1,374,000	
	<u>\$152,692,000</u>	<u>\$60,486,000</u>	<u>\$92,207,000</u>	<u>\$0</u>
Healthy Families				
Transition				
CCS Case				
Management	\$31,517,000	\$5,516,000	\$20,486,000	\$5,516,000
CMS Net	\$465,000	\$163,000	\$302,000	
	<u>\$31,982,000</u>	<u>\$5,679,000</u>	<u>\$20,788,000</u>	<u>\$5,516,000</u>
Health Plan of San				
Mateo	(\$2,436,000)	(\$1,218,000)	(\$1,218,000)	\$0
Total**	\$182,238,000	\$64,947,000	\$111,777,000	\$5,516,000

**Amounts differ due to rounding.

Funding:

(Dollars in Thousands)

FY 2013-14	TF	GF	FF	County
50% Title XIX / 50% GF (4260-101-0001/0890)	\$85,128	\$42,564	\$42,564	
75% Title XIX / 25% GF (4260-101-0001/0890)	\$62,369	\$15,592	\$46,777	
65% Title XXI / 35% GF (4260-113-0001/0890)	\$23,153	\$4,976	\$18,177	
100% Reimbursement GF (4260-610-0995)*	\$4,811	\$0	\$0	\$4,811
Total	<u>\$175,461</u>	<u>\$63,132</u>	<u>\$107,518</u>	<u>\$4,811</u>
FY 2014-15	TF	GF	FF	County
50% Title XIX / 50% GF (4260-101-0001/0890)	\$86,814	\$43,407	\$43,407	
75% Title XIX / 25% GF (4260-101-0001/0890)	\$63,442	\$15,861	\$47,582	
65% Title XXI / 35% GF (4260-113-0001/0890)	\$26,467	\$5,678	\$20,788	
100% Reimbursement GF (4260-610-0995)*	\$5,516	\$0	\$0	\$5,516
Total**	<u>\$182,239</u>	<u>\$64,946</u>	<u>\$111,777</u>	<u>\$5,516</u>

**Amounts differ due to rounding.

COUNTY SPECIALTY MENTAL HEALTH ADMIN

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

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$133,924,000	\$151,347,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$133,924,000	\$151,347,000

DESCRIPTION

Purpose:

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

Authority:

Welfare & Institutions Code 14711(c)

Interdependent Policy Changes:

Not Applicable

Background:

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

Reason for Change from Prior Estimate:

Medi-Cal administrative costs for specialty mental health services (SMHS) decreased slightly based on revised payment lag factors.

Methodology:

- Mental Health administration costs are based on historical trends. Below are the costs on an accrual basis for Medi-Cal (MC), Healthy Families Program (HFP), and Medicaid Children's Health Insurance Program (M-CHIP). Due to the transition of HFP to Medi-Cal, the HFP costs will entirely shift to M-CHIP in FY 2014-15.

(Dollars In Thousands)

Fiscal Year	MC	HFP	M-CHIP	Total
FY 2011-12	\$228,641	\$1,728	\$844	\$231,213
FY 2012-13	\$255,988	\$1,935	\$844	\$258,767
FY 2013-14	\$287,592	\$34	\$2,261	\$289,887
FY 2014-15	\$323,313	\$0	\$2,131	\$325,444

COUNTY SPECIALTY MENTAL HEALTH ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER: 3

(Dollars In Thousands)

<u>Fiscal Year</u>	<u>Total</u>	<u>FFP</u>	<u>County</u>
FY 2011-12	\$231,213	\$115,992	\$115,221
FY 2012-13	\$258,767	\$129,800	\$128,967
FY 2013-14	\$289,887	\$145,288	\$144,599
FY 2014-15	\$325,444	\$163,042	\$162,402

2. Based on historical claims received, assume 35% of each fiscal year claims will be paid in the year the services occur. Assume 64% is paid in the following year and an additional 1% in the third year.

(Dollars In Thousands)

<u>Fiscal Year</u>	<u>Accrual</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
MC	\$255,988	\$89,596	\$163,832	\$2,560
HFP	\$1,935	\$677	\$1,238	\$20
M-CHIP	\$844	\$295	\$541	\$8
FY 2012-13	\$258,767	\$90,568	\$165,611	\$2,588
MC	\$287,592	\$0	\$100,657	\$184,059
HFP	\$34	\$0	\$12	\$22
M-CHIP	\$2,261	\$0	\$791	\$1,447
FY 2013-14	\$289,887	\$0	\$101,460	\$185,528
MC	\$323,313	\$0	\$0	\$113,160
M-CHIP	\$2,131	\$0	\$0	\$746
FY 2014-15	\$325,444	\$0	\$0	\$113,906

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

(Dollars In Thousands)

<u>Claims</u>	<u>FY 2013-14</u>			<u>FY 2014-15</u>		
	<u>TF</u>	<u>FFP</u>	<u>County</u>	<u>TF</u>	<u>FFP</u>	<u>County</u>
MC	\$264,490	\$132,245	\$132,245	\$299,779	\$149,889	\$149,890
HFP*	\$1,250	\$813	\$437	\$42	\$27	\$15
M-CHIP*	\$1,332	\$866	\$466	\$2,201	\$1,431	\$770
Total	\$267,072	\$133,924	\$133,148	\$302,022	\$151,347	\$150,675

Funding:

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

100% Title XXI FFP (4260-113-0890)*

BTR - LIHP - ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 4
 IMPLEMENTATION DATE: 7/2012
 ANALYST: Joel Singh
 FISCAL REFERENCE NUMBER: 1589

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$102,861,000	\$115,177,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$102,861,000	\$115,177,000

DESCRIPTION**Purpose:**

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

Authority:

AB 342 (Chapter 723, Statutes of 2010)
 AB 1066 (Chapter 86, Statutes of 2011)
 California Bridge to Reform Section 1115(a) Medicaid Demonstration

Interdependent Policy Changes:

Not Applicable

Background:

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

The Centers for Medicare and Medicaid Services (CMS) provided uncapped federal funds to the local LIHPs at an amount equal to the regular Federal Medical Assistance Percentage (50%) for their administrative costs associated with the start-up, implementation, and close out administration of their approved LIHPs. The Department will use Certified Public Expenditures (CPEs) of the local government administrative costs to draw down federal funds and will distribute these funds to the local governments. The Department used the HCCI administrative activities cost claiming protocol for the HCCI under the MH/UCD, as the basis for providing reimbursement for the allowable administrative costs incurred from November 1, 2010 through September 30, 2011, as permitted by the Special Terms and Conditions for the section 1115(a) BTR Demonstration. The Department received CMS approval of the BTR-LIHP administrative cost claiming protocol and time study on December 12, 2013.

Reason for Change from Prior Estimate:

There is no change from prior estimate.

Methodology:

1. Administrative payments will be based on the CMS approved administrative cost claiming protocol and time study.

BTR - LIHP - ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 4

2. Invoices for administrative payments for FY 2011-12, FY 2012-13, and FY 2013-14 will be processed in FY 2013-14 and FY 2014-15.
3. Estimates for start-up costs are based on historical data and will be processed in FY 2013-14 and FY 2014-15.
4. Estimated administrative costs are expected to be as follows:

	<u>LIHP- HCCI</u>	<u>LIHP-MCE</u>	<u>Total FFP</u>
FY 2013-14			
FY 2011-12	\$2,416,000	\$34,414,000	\$36,830,000
FY 2012-13	\$1,486,000	\$35,678,000	\$37,164,000
FY 2013-14	<u>\$1,154,000</u>	<u>\$27,713,000</u>	<u>\$28,867,000</u>
Total	\$5,056,000	\$97,805,000	\$102,861,000
FY 2014-15			
FY 2011-12	\$957,000	\$22,969,000	\$23,926,000
FY 2012-13	\$2,495,000	\$59,889,000	\$62,384,000
FY 2013-14	<u>\$1,154,000</u>	<u>\$27,713,000</u>	<u>\$28,867,000</u>
Total	\$4,606,000	\$110,571,000	\$115,177,000

Funding:

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

INTERIM AND FINAL COST SETTLEMENTS-SMHS

OTHER ADMIN. POLICY CHANGE NUMBER: 5
 IMPLEMENTATION DATE: 7/2012
 ANALYST: Julie Chan
 FISCAL REFERENCE NUMBER: 1757

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$43,877,000	-\$82,730,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$43,877,000	-\$82,730,000

DESCRIPTION

Purpose:

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

Authority:

Welfare & Institution Code 14705(c)

Interdependent Policy Changes:

Not Applicable

Background:

The Department reconciles interim payments to county cost reports for mental health plans (MHPs) for utilization review/quality assurance (UR/QA), mental health Medi-Cal administrative activities (MH MAA), and administration. The Department completes these interim settlements within two years of the end of the fiscal year. Final settlement is completed within three years of the last amended cost report the county MHPs submit to the Department.

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

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

Reason for Change from Prior Estimate:

The Department does not anticipate completing interim settlement for FY 2010-11 in the current year and has moved the interim settlement to the budget year.

Methodology:

1. Interim cost settlements are based upon the difference between each county MHP's filed cost report and the payments they received from the Department.
2. Final cost settlement is based upon the difference between each county MHP's final audited cost report and the payments they received from the Department.

INTERIM AND FINAL COST SETTLEMENTS-SMHS

OTHER ADMIN. POLICY CHANGE NUMBER: 5

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

(Dollars In Thousands)

	<u>Underpaid</u>	<u>Overpaid</u>	<u>Net FFP</u>
Interim Settlements			
(FY 2008-09)			
SMH Admin	\$26,316	(\$14,481)	\$11,835
UR/QA	\$13,341	(\$1,103)	\$12,238
MH MAA	\$1,787	(\$1,728)	\$59
Interim Settlements			
(FY 2009-10)			
SMH Admin	\$31,215	(\$20,210)	\$11,005
M CHIP*	\$843	\$0	\$843
UR/QA	\$13,633	(\$3,031)	\$10,602
MH MAA	\$960	(\$5,077)	(\$4,117)
Healthy Families*	\$1,412	\$0	\$1,412
Total FY 2013-14	\$89,507	(\$45,630)	\$43,877

(Dollars in Thousands)

	<u>Underpaid</u>	<u>Overpaid</u>	<u>Net FFP</u>
Interim Settlements			
(FY 2010-11)			
SMH Admin	\$18,485	(\$61,190)	(\$42,705)
M-CHIP*	\$581	\$0	\$581
UR/QA	\$14,063	(\$8,780)	\$5,283
MHMAA	\$677	(\$28,612)	(\$27,935)
Healthy Families*	\$1,331	\$0	\$1,331
Interim Settlements			
(FY 2011-12)			
SMH Admin	\$54,065	(\$52,705)	\$1,360
M-CHIP*	\$46	(\$1,451)	(\$1,405)
UR/QA	\$13,356	(\$22,974)	(\$9,618)
MHMAA	\$579	(\$11,469)	(\$10,890)
Healthy Families*	\$1,268	\$0	\$1,268
Total FY 2014-15	\$104,451	(\$187,181)	(\$82,730)

Funding:

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

100% Title XXI FFP (4260-113-0890)*

EPSDT CASE MANAGEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 6
 IMPLEMENTATION DATE: 7/1996
 ANALYST: Stephanie Hockman
 FISCAL REFERENCE NUMBER: 229

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$33,718,000	\$33,718,000
STATE FUNDS	\$11,871,250	\$11,871,250
FEDERAL FUNDS	\$21,846,750	\$21,846,750

DESCRIPTION

Purpose:

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

Authority:

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

Interdependent Policy Changes:

Not Applicable

Background:

Medi-Cal provides funding for the county administration of the CHDP Program for those children that receive CHDP screening and immunization services that are Medi-Cal eligible. These services are required for Medi-Cal eligibles based on the Title XIX Early Periodic Screening, Diagnosis and Treatment (EPSDT) provisions.

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

Reason for Change from Prior Estimate:

There is no change.

Methodology:

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

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

Funding:

50% Title XIX / 50% GF (4260-101-0001/0890)
 75% Title XIX / 25% GF (4260-101-0001/0890)
 100% Title XIX (4260-101-0890)

SMH MAA

OTHER ADMIN. POLICY CHANGE NUMBER: 7
 IMPLEMENTATION DATE: 7/2012
 ANALYST: Julie Chan
 FISCAL REFERENCE NUMBER: 1722

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$22,830,000	\$24,086,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$22,830,000	\$24,086,000

DESCRIPTION

Purpose:

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

Authority:

Welfare & Institutions Code 14132.47
 AB 2377 (Chapter 147, Statutes of 1994)

Interdependent Policy Changes:

Not Applicable

Background:

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

Reason for Change from Prior Estimate:

The estimates are revised to account for the most recent claims data.

Methodology:

1. County mental health plans submit claims for reimbursement on a quarterly basis. Claims may be submitted up to six months after the close of a fiscal year (FY).
2. Based on claims from FY 2005-06 through FY 2012-13, the average annual increase in mental health (MH) Medi-Cal administrative activities (MAA) claims was 5.50%.
3. Assume claims will continue to increase by 5.50% each year for FY 2012-13, FY 2013-14, and FY 2014-15.

SMH MAA**OTHER ADMIN. POLICY CHANGE NUMBER: 7**

4. For FY 2012-13, the Department received \$38,271,000 in MH MAA claims on an accrual basis.

(Dollars in Thousands)

<u>Fiscal Years</u>	<u>Expenditures</u>	<u>Growth</u>	<u>Increase</u>
FY 2012-13	\$38,271	5.50%	\$2,105
FY 2013-14	\$40,376	5.50%	\$2,221
FY 2014-15	\$42,597	5.50%	\$2,343

5. Based on historical claims received, assume 40% of fiscal year claims will be paid in the year the services occur. The remaining 60% is paid in the following year.

(Dollars in Thousands)

<u>Fiscal Years</u>	<u>Accrual</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
FY 2012-13	\$38,271	\$22,963	\$0
FY 2013-14	\$40,376	\$16,150	\$24,226
FY 2014-15	\$42,597	\$0	\$17,039
Total	\$121,244	\$39,113	\$41,265

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

(Dollars in Thousands)

<u>Fiscal Year</u>	<u>TF</u>	<u>FY 2013-14</u>		<u>FY 2014-15</u>		
		<u>FFP</u>	<u>County</u>	<u>TF</u>	<u>FFP</u>	<u>County</u>
Medical	\$13,096	\$9,822	\$3,274	\$13,816	\$10,362	\$3,454
Other	\$26,017	\$13,008	\$13,009	\$27,448	\$13,724	\$13,724
Total	\$39,113	\$22,830	\$16,283	\$41,264	\$24,086	\$17,178

Funding:

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

CALHEERS DEVELOPMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 8
IMPLEMENTATION DATE: 6/2012
ANALYST: Sandra Bannerman
FISCAL REFERENCE NUMBER: 1679

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$30,603,000	\$128,618,000
STATE FUNDS	\$8,130,650	\$25,689,000
FEDERAL FUNDS	\$22,472,350	\$102,929,000

DESCRIPTION

Purpose:

This policy change estimates the cost for developing, implementing, ongoing maintenance, and operations of the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS). This policy change also includes the cost for contractors and staff to integrate the Medi-Cal Eligibility Data System (MEDS) into the CalHEERS.

Authority:

Affordable Care Act (ACA) of 2010
 Interagency Agreement
 Contract

Interdependent Policy Changes:

Not Applicable

Background:

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

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

ACA offers additional enhanced federal funding for developing/upgrading Medicaid eligibility systems and for interactions of such systems with the ACA-required health benefit exchanges. The Department will also receive the enhanced federal funding for the requirements validation, design, development, testing, and implementation of MEDS related system changes needed to interface with the CalHEERS. Medi-Cal's associated cost for the one-time development and implementation of CalHEERS is 18%; 17% is 10/90 FFP and 1% is 35/65 FFP. CalHEERS ongoing Operations and

CALHEERS DEVELOPMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 8

Maintenance (O&M) cost is 18%; 17% is 25/75 FFP and 1% is 35/65 FFP. CalHEERS' costs are shared between Covered California (82%) and Medi-Cal (18%). Covered California will reimburse the Department for their share.

The Department is hiring nine contractors to:

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

Reason for Change from Prior Estimate:

Costs have been updated due to changes in the scope of the project and the MEDS Interface with CalHEERS policy change has been incorporated into the CalHEERS Development policy change.

Methodology:

1. Contractors began development and implementation (D&I) work in July 2012. Assume contractors will begin maintenance and operations (M&O) in January 2015.
2. The consultants began D&I work on the MEDS Interface project in November 2012. Payments began in December 2012.
3. CalHEERS' costs are shared between Covered California (82%) and Medi-Cal (18%). Covered California will reimburse the Department for their share.
4. In FY 2012-13 and FY 2013-14, costs incurred are for CalHEERS' D&I. In DY 2014-15, costs incurred are for CalHEERS' D&I and M&O.

The design, development, and implementation period is eligible for:

- 17% at 90% federal reimbursement
- 1% at 65% federal reimbursement

The design, development, and implementation period is eligible for:

- 17% at 75% federal reimbursement
- 1% at 65% federal reimbursement

	TF	GF	FF	REIMBURSEMENTS
Total FY 2013-14:	\$30,603,000	\$3,709,000	\$22,472,000	\$4,422,000
Total FY 2014-15:	\$128,618,000	\$22,327,000	\$102,929,000	\$3,362,000

Funding:

90% Title XIX / 10 % GF (4260-101-0001/0890)
 75% Title XIX / 25 % GF (4260-101-0001/0890)
 65% Title XXI / 35% GF (4260-113-0001/0890)

ACA OUTREACH AND ENROLLMENT COUNSELORS

OTHER ADMIN. POLICY CHANGE NUMBER: 9
 IMPLEMENTATION DATE: 3/2014
 ANALYST: Ryan Witz
 FISCAL REFERENCE NUMBER: 1820

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$26,500,000	\$26,500,000
STATE FUNDS	\$13,250,000	\$13,250,000
FEDERAL FUNDS	\$13,250,000	\$13,250,000

DESCRIPTION

Purpose:

This policy change estimates the costs for outreach and enrollment activities related to targeted Medi-Cal populations who are eligible as result of the Affordable Care Act (ACA).

Authority:

SB 101 (Chapter 23, Statutes of 2013)

Interdependent Policy Changes:

Not Applicable

Background:

Effective January 1, 2014, Medicaid will be expanded to include individuals between the ages of 19 up to 65 (primarily childless adults) with incomes up to 138% of the federal poverty level based on modified adjusted gross income. 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. These mandatory requirements will encourage many individuals who are currently eligible but not enrolled to enroll in Medi-Cal.

The Department partnered with Covered California to certify enrollment counselors and provide outreach, enrollment, and marketing activities related to the ACA. This policy change estimates the costs for the outreach and enrollment of targeted Medi-Cal populations. Also included in this policy change are costs to compensate Medi-Cal enrollment counselors. There will be special emphasis on targeting of the following populations:

- 1) Persons with mental health disorder needs;
- 2) Persons with substance use disorder needs;
- 3) Persons who are homeless;
- 4) Young men of color;
- 5) Persons who are in county jail, in state prison, on state parole, on county probation, or under post release community supervision;
- 6) Families of mixed-immigration status; and,
- 7) Persons with limited English proficiency.

The Department established a special Healthcare Outreach and Medi-Cal Enrollment Account within a Special Deposit Fund to collect and allocate public or private grants to fund these activities.

ACA OUTREACH AND ENROLLMENT COUNSELORS

OTHER ADMIN. POLICY CHANGE NUMBER: 9

Reason for Change from Prior Estimate:

There is no change.

Methodology:

- 1) The Department estimates \$53,000,000 will be spent on these activities in FY 2013-14 and FY 2014-15. The funds will be spent as follows:

FY 2013-14	TF	Special Fund	FF
Enrollment Counselors	\$14,000,000	\$7,000,000	\$7,000,000
Outreach and Enrollment	\$12,500,000	\$6,250,000	\$6,250,000
Total	\$26,500,000	\$13,250,000	\$13,250,000

FY 2014-15	TF	Special Fund	FF
Enrollment Counselors	\$14,000,000	\$7,000,000	\$7,000,000
Outreach and Enrollment	\$12,500,000	\$6,250,000	\$6,250,000
Total	\$26,500,000	\$13,250,000	\$13,250,000

Funding:

50% Title XIX FFP (4260-101-0890)

50% Healthcare Outreach Fund (4260-601-0942285)

TRANSITION OF HFP TO MEDI-CAL

OTHER ADMIN. POLICY CHANGE NUMBER: 10
 IMPLEMENTATION DATE: 1/2013
 ANALYST: Randolph Alarcio
 FISCAL REFERENCE NUMBER: 1650

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$25,272,000	\$15,937,000
STATE FUNDS	\$8,845,200	\$5,577,950
FEDERAL FUNDS	\$16,426,800	\$10,359,050

DESCRIPTION

Purpose:

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

Authority:

AB 1494 (Chapter 28, Statutes of 2012)

Interdependent Policy Changes:

Not applicable

Background:

Effective January 1, 2013, HFP subscribers began a transition into Medi-Cal through a phase-in methodology. Children over 150% of the federal poverty level (FPL) will continue to be required to pay a premium for coverage. The Department will provide premium exemptions for children ages 0-1 years old, Alaska Natives, and American Indians regardless of income levels. In addition, the Department will offer 25% discounts for those subscribers who sign up for monthly electronic fund transfer (EFT), and those who pay three or more months in advance. This policy change estimates the single point of entry vendor costs related to customer services representatives, collections of monthly premiums, processing of initial and annual renewal applications, and mailing costs. All administrative savings related to the transition of HFP to Medi-Cal are reflected in the Managed Risk Medical Insurance Board (MRMIB) budget.

Beginning January 1, 2014, the Department instructed MAXIMUS to close out the Single Point of Entry (SPE) application services and to refer applicants to use the application portal and toll-free line at Covered California. The shutdown process will be completed in FY 2013-14.

Beginning November 1, 2013, the Access for Infants and Mothers (AIM) infants above the 250% of poverty level transitioned into the Medi-Cal program. The transition ended on February 1, 2014.

Beginning July 1, 2014, the AIM mothers will transition into the Medi-Cal program.

Reason for Change from Prior Estimate:

Actual certified eligible data (September 2013 through February 2014) was incorporated into the updated caseload projections which showed a decrease in caseload. The close out of the SPE in FY 2013-14. Two new AIM populations are being added to the estimate.

TRANSITION OF HFP TO MEDI-CAL

OTHER ADMIN. POLICY CHANGE NUMBER: 10

Methodology:

1. Estimated costs:

(In Thousands)	<u>TF</u>	<u>GF</u>	<u>FF</u>
FY 2013-14	\$25,272	\$8,845	\$16,427
	<u>TF</u>	<u>GF</u>	<u>FF</u>
FY 2014-15	\$15,937	\$5,578	\$10,359

Funding:

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

ARRA HITECH INCENTIVE PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 11
 IMPLEMENTATION DATE: 7/2010
 ANALYST: Sandra Bannerman
 FISCAL REFERENCE NUMBER: 1370

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$11,206,000	\$33,725,000
STATE FUNDS	\$984,000	\$3,154,000
FEDERAL FUNDS	\$10,222,000	\$30,571,000

DESCRIPTION

Purpose:

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

Authority:

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

Interdependent Policy Changes:

FI Estimate
 PC-177 ARRA HITECH Provider Payments

Background:

The HITECH Act, a component of the ARRA, authorizes federal funds for Medicare and Medicaid incentive programs from 2011 through 2021. To qualify, health care providers must adopt, implement, or upgrade (AIU) and meaningfully use certified Electronic Health Records (EHR) technology in accordance with the HITECH Act requirements. The Centers for Medicare and Medicaid Services (CMS) approved the implementation of the provider incentive program which began October 3, 2011. The payments to the providers under HITECH are budgeted in the ARRA HITECH – Provider Payments policy change. The HITECH Act pays provider incentive payments at 100% Federal Financial Participation (FFP).

In 2011, SB 945 authorized the Department to establish and administer the ARRA HITECH Incentive Program only to the extent that FFP was available and there would be no General Fund (GF) impact. In 2012, AB 1467 provided that no more than \$200,000 from the GF may be used annually for state administrative costs associated with the program.

The Department received approval of the State Medicaid Health Information Technology Plan (SMHP) and Implementation Advance Planning Document (IAPD) on September 30, 2011. The SMHP and IAPD authorized implementation of the EHR Incentive Program, which occurred on October 3, 2011. CMS approved an IAPD Update (IAPD-U) on September 9, 2013. The authorization provides additional funds for meaningful use (MU) measures including immunization registries and provider technical assistance.

The Department is required by CMS to assess the current usage of and barriers to EHR adoption by

ARRA HITECH INCENTIVE PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 11

providers and continue maintenance of the Incentive Program; multiple contractors are required in order to complete the assessments. Also, the Department, in collaboration with a wide variety of stakeholder organizations, developed a Medi-Cal EHR Incentive Program Project Book that identifies a series of projects to help facilitate the ongoing development and evaluation of the program.

The Medi-Cal Fiscal Intermediary (FI), Xerox State Healthcare, LLC completed the development of an enrollment and eligibility portal for Medi-Cal professionals and hospitals. SB 945 limitations did not apply to the Xerox projects as the funding for these projects were approved as part of the FI budget prior to the passage of SB 945. The costs of the Xerox projects, which are eligible for FFP, are budgeted in the FI Estimate as an optional contractual service. These costs include maintenance and operation and the development of additional functionalities.

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

In addition to CAIR 2.0, the Department will administer the following projects:

- The Department and CDPH will partner on the California Reportable Disease Information Exchange (CalREDIE) project to implement a computer application system for web-based disease reporting and surveillance. The CalREDIE project will improve the efficiency of surveillance activities and the early detection of public health events through the collection of more complete and timely surveillance information on a statewide basis.
- The Department will issue a Request for Proposal for services providing technical assistance to providers preparing to meet AIU and/or MU objectives. The need for assistance is related to the discontinuance of the Regional Extension Centers which currently provide technical support to providers participating in the Medi-Cal EHR Incentive Program.
- The Department will contract with the University of California, San Francisco (UCSF) under an Interagency Agreement to conduct a qualitative Ambulatory Care study which will build on prior work performed by the contract Investigators. The study will fill important gaps in information necessary for policymakers and providers using EHR in California.
- The Department will contract with UCSF to conduct periodic surveys over the course of the EHR Incentive Program which are required to refine the initial landscape assessment and to document activities currently underway or in the planning phase. The California Physicians' Use of EHR surveys will be used to facilitate Health Information Exchange and EHR adoption for Medi-Cal.

Reason for Change from Prior Estimate:

For FY 2013-14, the amount budgeted for providing technical assistance to providers was reduced.

Methodology:

1. For the CAIR 2.0 and CalREDIE projects, the 10% non-federal share is budgeted by CDPH. This policy change budgets the Title XIX 90% FFP that will be provided to CDPH for the CAIR 2.0 and CalREDIE contracts through an interagency agreement.
2. The ARRA HITECH Incentive Program is eligible for 90% FFP. Currently, 14 separate projects

ARRA HITECH INCENTIVE PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 11

are in place to assess the administration of HITECH. In FY 2013-14 and FY 2014-15, the 10% non-federal share for the Provider Technical Assistance, Ambulatory Care Study, California Physicians' Use of EHR and other projects will be provided by outside entities.

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

FY 2013-14:	TF	Reimbursement	FF
CAIR 2.0 (100% Reimbursement)	\$735,000	\$0	\$735,000
CalREDIE (100% Reimbursement)	\$636,000	\$0	\$636,000
Provider Technical Assistance (90% FF/10% GF)	\$7,500,000	\$750,000	\$6,750,000
Ambulatory Care Study (90% FF/10% GF)	\$500,000	\$50,000	\$450,000
CA Physicians' Use of EHR (90% FF/10% GF)	\$300,000	\$30,000	\$270,000
Other projects (90% FF/10% GF)	\$1,535,000	\$154,000	\$1,381,000
Total	\$11,206,000	\$984,000	\$10,222,000
	TF	GF	FF
Xerox projects (In FI Estimate)	\$3,200,000	\$320,000	\$2,880,000
Total FY 2013-14	\$14,406,000	\$1,304,000	\$13,102,000
	TF	Reimbursement	FF
FY 2014-15:			
CAIR 2.0 (100% Reimbursement)	\$1,554,000	\$0	\$1,554,000
CalREDIE (100% Reimbursement)	\$636,000	\$0	\$636,000
Provider Technical Assistance (90% FF/10% GF)	\$30,000,000	\$3,000,000	\$27,000,000
Other projects (90% FF/10% GF)	\$1,535,000	\$154,000	\$1,381,000
Total	\$33,725,000	\$3,154,000	\$30,571,000
	TF	GF	FF
Xerox projects (In FI Estimate)	\$800,000	\$80,000	\$720,000
Total FY 2014-15	\$34,525,000	\$3,234,000	\$31,291,000

Funding:

90% Title XIX / 10% GF (4260-101-0001/0890)

100% Reimbursement (4260-601-0995)

POSTAGE & PRINTING

OTHER ADMIN. POLICY CHANGE NUMBER: 12
 IMPLEMENTATION DATE: 7/1993
 ANALYST: Joanne Peschko
 FISCAL REFERENCE NUMBER: 231

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$18,057,000	\$18,832,000
STATE FUNDS	\$9,119,500	\$9,519,500
FEDERAL FUNDS	\$8,937,500	\$9,312,500

DESCRIPTION

Purpose:

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

Authority:

Welfare & Institutions Code 14007.71

Interdependent Policy Changes:

Not Applicable

Background:

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

Costs for the printing and postage of notices and letters for the State-funded component of the BCCTP are 100% general fund (GF) and Healthy Families are 35% GF/65% federal financial participation (FFP).

Reason for Changes from Prior Estimate:

Lowered FY 2013-14 costs were a result of the ACA Express Lane Enrollment mailing costs being incurred in the Fiscal Intermediary (FI) line item. The higher FY 14-15 expenses are due to the postage increase.

POSTAGE & PRINTING

OTHER ADMIN. POLICY CHANGE NUMBER: 12

Methodology:

- Estimated costs were provided by the Medi-Cal Eligibility Division (MCED).

(Dollars in Thousands)

FY 2013-14	Printing	Mailing	TF	GF	FF
Mass Mailings	\$0	\$8,000	\$8,000	\$4,000	\$4,000
Eligibility					
Distribution	\$0	\$520	\$520	\$260	\$260
Routine	\$2,400	\$600	\$3,000	\$1,500	\$1,500
EITC Annual insert*	\$175	\$0	\$175	\$175	\$0
PARIS	\$154	\$46	\$200	\$100	\$100
Incarceration Verification Program	\$39	\$12	\$51	\$26	\$25
Benefits	\$600	\$1,000	\$1,600	\$800	\$800
BCCTP (35% State-Only Eligs)	\$5	\$16	\$21		
*35% State-Only	\$0	\$0	\$0	\$7	\$0
65% 50/50 Split	\$0	\$0	\$0	\$7	\$7
HIPAA NPP - M/C	\$2,200	\$2,000	\$4,200	\$2,100	\$2,100
HIPAA NPP - FPACT	\$150	\$100	\$250	\$125	\$125
HIPAA NPP - BCCTP	\$30	\$10	\$40	\$20	\$20
TOTAL (Rounded)	\$5,753	\$12,304	\$18,057	\$9,120	\$8,937

(Dollars in Thousands)

FY 2014-15	Printing	Mailing	TF	GF	FF
Mass Mailings	\$0	\$9,000	\$9,000	\$4,500	\$4,500
Eligibility					
Distribution	\$0	\$520	\$520	\$260	\$260
Routine	\$2,400	\$600	\$3,000	\$1,500	\$1,500
EITC Annual insert*	\$200	\$0	\$200	\$200	\$0
PARIS	\$154	\$46	\$200	\$100	\$100
Incarceration Verification Program	\$39	\$12	\$51	\$26	\$25
Benefits	\$600	\$1,000	\$1,600	\$800	\$800
BCCTP (35% State-Only Eligs)	\$5	\$16	\$21		
*35% State-Only	\$0	\$0	\$0	\$7	\$0
65% 50/50 Split	\$0	\$0	\$0	\$7	\$7
HIPAA NPP - M/C	\$2,200	\$2,000	\$4,200	\$2,100	\$2,100
HIPAA NPP - FPACT	\$0	\$0	\$0	\$0	\$0
HIPAA NPP - BCCTP	\$30	\$10	\$40	\$20	\$20
TOTAL (Rounded)	\$5,628	\$13,204	\$18,832	\$9,520	\$9,312

Funding:

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

100 % GF (4260-101-0001)*

ACA EXPANSION ADMIN COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 13
 IMPLEMENTATION DATE: 9/2013
 ANALYST: Ryan Witz
 FISCAL REFERENCE NUMBER: 1795

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$905,000	\$1,155,000
STATE FUNDS	\$452,500	\$577,500
FEDERAL FUNDS	\$452,500	\$577,500

DESCRIPTION

Purpose:

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

Authority:

Not Applicable

Interdependent Policy Changes:

Not Applicable

Background:

Effective January 1, 2014, Medicaid will be expanded to include individuals between the ages of 19 up to 65 (primarily childless adults) with incomes up to 138% of the federal poverty level based on modified adjusted gross income. 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. These mandatory requirements will encourage many individuals who are currently eligible but not enrolled to enroll in Medi-Cal. This policy change estimates the contract costs associated with IT consultant services and actuarial work related to rate development.

Reason for Change from Prior Estimate:

Costs related to system modifications, postage and printing costs were moved into the Fiscal Intermediary (FI) tab of the estimate. Also, estimated costs for IT consultant services and actuarial work were updated.

Methodology:

- The Department estimates IT consultant services and actuarial costs for the new ACA expansion population are:

(Dollars in Thousands)	FY 2013-14			FY 2014-15		
	TF	GF	FF	TF	GF	FF
Consultant Services	\$905	\$452	\$453	\$1,155	\$577	\$578

Funding:

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

COUNTY UR & QA ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER: 14
 IMPLEMENTATION DATE: 7/2012
 ANALYST: Julie Chan
 FISCAL REFERENCE NUMBER: 1729

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$16,440,000	\$18,272,000
STATE FUNDS	\$0	\$600,000
FEDERAL FUNDS	\$16,440,000	\$17,672,000

DESCRIPTION

Purpose:

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

Authority:

Welfare & Institutions Code 14711

Interdependent Policy Changes:

Not Applicable

Background:

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

Reason for Change from Prior Estimate:

The percentage of payments made during each fiscal year has been updated based on historical paid claims data. The other administrative costs related to the Katie A. v. Bontá settlement agreement have been added in FY 2014-15.

Methodology:

1. UR and QA expenditures are shared between federal funds participation (FFP) and county funds (CF).
2. UR and QA costs are based on historical trends. UR and QA costs on an accrual basis are:

(Dollars in Thousands)

Fiscal Year	TF	FF	CF
FY 2012-13	\$25,271	\$16,426	\$8,845
FY 2013-14	\$25,957	\$16,872	\$9,085
FY 2014-15	\$26,740	\$17,381	\$9,359

3. Based on historical claims received, assume 40% of the each fiscal year claims will be paid in the year the services occur. Assume 59% is paid in the following year and 1% is paid in the third year.

COUNTY UR & QA ADMIN
OTHER ADMIN. POLICY CHANGE NUMBER: 14

(Dollars in Thousands)

<u>Fiscal Year</u>	<u>Accrual</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
FY 2012-13	\$25,271	\$14,910	\$253
FY 2013-14	\$25,957	\$10,383	\$15,315
FY 2014-15	\$26,740	\$0	\$10,696
Total		\$25,293	\$26,264

4. Skilled professional medical personnel (SPMP) are eligible for enhanced federal reimbursement of 75%. All other personnel are eligible for 50% federal reimbursement.
5. Based on historical claims received, assume 40% of the total claims are Other personnel costs and the remaining 60% are SPMP.
6. An additional \$1,200,000 has been added to Other personnel costs in FY 2014-15 to prepare semi-annual reports for the Katie A. v. Bontá settlement agreement. The Katie A. v. Bontá settlement agreement costs are eligible for 50% FFP and 50% General Fund (GF).

(Dollars in Thousands)

<u>Personnel</u>	<u>TF</u>	<u>FY 2013-14</u>		<u>FY 2014-15</u>			<u>GF</u>
		<u>FFP</u>	<u>CF</u>	<u>TF</u>	<u>FFP</u>	<u>CF</u>	
Other	\$10,117	\$5,058	\$5,059	\$11,706	\$5,853	\$5,253	\$600
Medical	\$15,176	\$11,382	\$3,794	\$15,758	\$11,819	\$3,939	\$0
Total	\$25,293	\$16,440	\$8,853	\$27,464	\$17,672	\$9,192	\$600

Funding:

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

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

MIS/DSS CONTRACT

OTHER ADMIN. POLICY CHANGE NUMBER: 15
IMPLEMENTATION DATE: 7/2002
ANALYST: Sandra Bannerman
FISCAL REFERENCE NUMBER: 252

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$10,900,000	\$12,476,000
STATE FUNDS	\$2,892,750	\$3,317,000
FEDERAL FUNDS	\$8,007,250	\$9,159,000

DESCRIPTION

Purpose:

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

Authority:

Not Applicable

Interdependent Policy Changes:

Not Applicable

Background:

The MIS/DSS houses a variety of Medicaid-related data and incorporates it into an integrated, business intelligence system. The system is used by the Department and other approved entities. The Department uses the system in various ways, including:

- The Medi-Cal Managed Care Division in its monitoring of Health Plan performance,
- The Third Party Liability and Recovery Division in its collection efforts, and
- The Audits and Investigations Division in its anti-fraud efforts.

Ongoing enhancement, operation and maintenance of the MIS/DSS are accomplished through a multi-year contract. The Department plans to award a new contract for the ongoing maintenance and operation of the MIS/DSS in January 2015. There will be an overlap period of about six months to allow the new contractor to takeover operations, and the existing contractor to phase out.

Reason for Change from Prior Estimate:

The estimate for FY 2014-15 has been updated to include MIS/DSS Data Warehouse maintenance and operation costs for an overlap period of six months where the new contractor will be phasing in.

Methodology:

1. It is estimated that the contractor will be paid the following amounts in FY 2013-14 and FY 2014-15:

	<u>TF</u>	<u>GF</u>	<u>FF</u>
FY 2013-14:			
Fixed Costs (75% FF / 25% GF)	\$7,592,000	\$1,898,000	\$5,694,000
Additional Fixed Costs (50% FF / 50% GF)	\$671,000	\$335,500	\$335,500
Variable Costs (75% FF / 25% GF)	\$2,637,000	\$659,500	\$1,977,500
Total	\$10,900,000	\$2,893,000	\$8,007,000

MIS/DSS CONTRACT

OTHER ADMIN. POLICY CHANGE NUMBER: 15

FY 2014-15:	TF	GF	FF
Fixed Costs (75% FF / 25% GF)	\$8,875,000	\$2,219,000	\$6,656,000
Additional Fixed Costs (50% FF / 50% GF)	\$792,000	\$396,000	\$396,000
Variable Costs (75% FF / 25% GF)	\$2,809,000	\$702,000	\$2,107,000
Total	\$12,476,000	\$3,317,000	\$9,159,000

Funding:

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

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

LITIGATION RELATED SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 16
 IMPLEMENTATION DATE: 7/2009
 ANALYST: Candace Epstein
 FISCAL REFERENCE NUMBER: 1381

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$9,980,000	\$9,980,000
STATE FUNDS	\$4,990,000	\$4,990,000
FEDERAL FUNDS	\$4,990,000	\$4,990,000

DESCRIPTION

Purpose:

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

Authority:

Not Applicable

Interdependent Policy Changes:

Not Applicable

Background:

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

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

Reason for Change from Prior Estimate:

There is no change.

Methodology:

1. Based on prior Department of Justice litigation costs and projected workload, costs are projected to be \$7,880,000 for FY 2013-14, and \$7,880,000 for FY 2014-15.
2. Based on prior actuary costs and the Department's projected workload, costs will be \$2,100,000 in FY 2013-14 and \$2,100,000 in FY 2014-15.

LITIGATION RELATED SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 16

	FY 2013-14		FY 2014-15	
	TF	GF	TF	GF
Litigation Representation	\$ 7,880,000	\$ 3,940,000	\$ 7,880,000	\$ 3,940,000
Consulting Actuaries	\$ 2,100,000	\$ 1,050,000	\$ 2,100,000	\$ 1,050,000
Total	\$ 9,980,000	\$ 4,990,000	\$ 9,980,000	\$ 4,990,000

Funding:

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

CCI-ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 17
 IMPLEMENTATION DATE: 7/2012
 ANALYST: Ryan Witz
 FISCAL REFERENCE NUMBER: 1677

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$9,217,000	\$8,086,000
STATE FUNDS	\$2,758,500	\$2,551,000
FEDERAL FUNDS	\$6,458,500	\$5,535,000

DESCRIPTION

Purpose:

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

Authority:

SB 1008 (Chapter 33, Statutes of 2012)
 SB 1036 (Chapter 45, Statutes of 2012)
 SB 94 (Chapter 37, Statutes of 2013)
 Interagency Agreement (IA) # 13-90037

Interdependent Policy Changes:

Not Applicable

Background:

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

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

Reason for Change from Prior Estimate:

Additional stakeholder outreach activities are being conducted in FY 2013-14 and FY 2014-15. Also, in FY 2013-14 there is a one-time administrative processing fee to California Department of Social Services (CDSS) that was not included in the November estimate.

Methodology:

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

CCI-ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 17

2. The Affordability Care Act (ACA) authorizes funding for the CCI and provides 100% federal financial participation (FFP) to carry out the deliverables between the Department and Centers for Medicare and Medicaid.
3. The Department has an interagency agreement (IA# 13-90037) with CDSS to design a system and distribute case management information containing IHSS recipient data to CCI plans. In FY 2013-14, the Department will pay CDSS a one-time administrative processing fee of \$420,000.

2013-14 Costs	TF	GF	FFP	ACA FFP
Stakeholder and Advocate Outreach	\$5,083,000	\$2,541,500	\$2,541,500	\$0
Rate Setting	\$510,000	\$0	\$0	\$510,000
Data Analysis	\$250,000	\$0	\$0	\$250,000
IT Costs	\$43,000	\$0	\$0	\$43,000
Encounter Data Quality & Perform. Measures	\$295,000	\$0	\$0	\$295,000
EQRO Monitoring	\$1,900,000	\$0	\$0	\$1,900,000
Ombudsman Activities	\$401,000	\$7,000	\$7,000	\$387,000
Data Translations	\$315,000	\$0	\$0	\$315,000
Administrative Fee (IA# 13-90037)	\$420,000	\$210,000	\$210,000	\$0
Total	\$9,217,000	\$2,758,500	\$2,758,500	\$3,700,000

2014-15 Costs	TF	GF	FFP	ACA FFP
Stakeholder and Advocate Outreach	\$3,832,000	\$1,916,000	\$1,916,000	\$0
Rate Setting	\$510,000	\$0	\$0	\$510,000
Data Analysis	\$250,000	\$0	\$0	\$250,000
IT Costs	\$9,000	\$0	\$0	\$9,000
Encounter Data Quality & Perform. Measures	\$0	\$0	\$0	\$0
EQRO Monitoring	\$1,900,000	\$0	\$0	\$1,900,000
Ombudsman Activities	\$1,270,000	\$635,000	\$635,000	\$0
Data Translations	\$315,000	\$0	\$0	\$315,000
Total	\$8,086,000	\$2,551,000	\$2,551,000	\$2,984,000

Funding:

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

100% Title XIX Federal Share (4260-101-0890)

CA-MMIS SYSTEM REPLACEMENT OTHER STATE TRANSITION

OTHER ADMIN. POLICY CHANGE NUMBER: 18
 IMPLEMENTATION DATE: 5/2010
 ANALYST: Sandra Bannerman
 FISCAL REFERENCE NUMBER: 1322

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$8,348,000	\$4,816,000
STATE FUNDS	\$1,621,600	\$679,850
FEDERAL FUNDS	\$6,726,400	\$4,136,150

DESCRIPTION

Purpose:

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

Authority:

Title XIX of the Federal Social Security Act 1903(a)(3)

Interdependent Policy Changes:

Not Applicable

Background:

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

Reason for Change from Prior Estimate:

In both fiscal years, contract costs increased due to newly executed contracts that were not in place in the prior estimate.

Methodology:

1. Advanced planning documents for these activities provide the basis for these estimates.

CA-MMIS SYSTEM REPLACEMENT OTHER STATE TRANSITION

OTHER ADMIN. POLICY CHANGE NUMBER: 18

FY 2013-14:	TF	GF	FF
50% Title XXI / 50% GF	\$38,000	\$19,000	\$19,000
75% Title XIX / 25% GF	\$4,142,000	\$1,035,000	\$3,107,000
90% Title XIX / 10% GF	\$4,001,000	\$400,000	\$3,601,000
100% GF	\$167,000	\$167,000	\$0
Total	\$8,348,000	\$1,621,000	\$6,727,000

FY 2014-15:	TF	GF	FF
50% Title XXI / 50% GF	\$22,000	\$11,000	\$11,000
75% Title XIX / 25% GF	\$687,000	\$172,000	\$515,000
90% Title XIX / 10% GF	\$4,011,000	\$401,000	\$3,610,000
100% GF	\$96,000	\$96,000	\$0
Total	\$4,816,000	\$680,000	\$4,136,000

Funding:

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

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

90% Title XIX / 10% GF (4260-101-0001/0890)

100% GF (4260-101-0001)

CA-MMIS SYSTEM AND REPLACEMENT OVERSIGHT

OTHER ADMIN. POLICY CHANGE NUMBER: 19
 IMPLEMENTATION DATE: 10/2007
 ANALYST: Sandra Bannerman
 FISCAL REFERENCE NUMBER: 1278

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$6,016,000	\$8,076,000
STATE FUNDS	\$802,600	\$1,184,100
FEDERAL FUNDS	\$5,213,400	\$6,891,900

DESCRIPTION

Purpose:

This policy change estimates the cost of contractors who assist with the oversight of the replacement of the California Medicaid Management Information System (CA-MMIS).

Authority:

Title XIX of the Federal Social Security Act 1903(a)(3)

Interdependent Policy Changes:

Not Applicable

Background:

CA-MMIS is the claims processing system used for Medi-Cal. Given the business critical nature of CA-MMIS, a detailed assessment was completed and the recommendation was to immediately modernize CA-MMIS. The Department contracts with various vendors to assist with highly specialized Fiscal Intermediary oversight activities, documentation of business rules, technical architecture, federal certification management, project management, transition management, and independent verification and validation services during transition and replacement of the CA-MMIS system.

Reason for Change from Prior Estimate:

In FY 2013-14, costs decreased due to the realignment of expected invoicing dates. For FY 2014-15, costs increased due to the revised expected costs for contracts that are in the process of being procured.

Methodology:

- The estimated costs are based upon the contract provisions.

FY 2013-14:	TF	GF	FF
50% Title XXI / 50% GF	\$27,000	\$13,000	\$14,000
75% Title XIX / 25% GF	\$548,000	\$137,000	\$411,000
90% Title XIX / 10% GF	\$5,321,000	\$532,000	\$4,789,000
100% GF	\$120,000	\$120,000	\$0
Total	\$6,016,000	\$802,000	\$5,214,000

CA-MMIS SYSTEM AND REPLACEMENT OVERSIGHT

OTHER ADMIN. POLICY CHANGE NUMBER: 19

FY 2014-15:	TF	GF	FF
50% Title XXI / 50% GF	\$36,000	\$18,000	\$18,000
75% Title XIX / 25% GF	\$1,448,000	\$362,000	\$1,086,000
90% Title XIX / 10% GF	\$6,431,000	\$643,000	\$5,788,000
100% GF	\$161,000	\$161,000	\$0
Total	\$8,076,000	\$1,184,000	\$6,892,000

Funding:

50% Title XIX / 50% GF (4260-101-0001/0890)
75% Title XIX / 25% GF (4260-101-0001/0890)
90% Title XIX / 10% GF (4260-101-0001/0890)
100% GF (4260-101-0001)

ADHC TRANSITION-ADMINISTRATION

OTHER ADMIN. POLICY CHANGE NUMBER: 20
 IMPLEMENTATION DATE: 1/2012
 ANALYST: Davonna McClendon
 FISCAL REFERENCE NUMBER: 1638

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$6,172,000	\$0
STATE FUNDS	\$3,086,000	\$0
FEDERAL FUNDS	\$3,086,000	\$0

DESCRIPTION

Purpose:

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

Authority:

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

Interdependent Policy Changes:

Not Applicable

Background:

AB 97 eliminated ADHC services from the Medi-Cal program effective July 1, 2011. A class action lawsuit, *Esther Darling, et al. v. Toby Douglas, et al.*, sought to challenge the elimination of ADHC services. A settlement of the lawsuit was reached that established the CBAS program.

Reason for Change from Prior Estimate:

There is no change.

Methodology:

FFS Assessment and Care Coordination—For those ADHC clients in counties without managed care or when the client was not eligible for CBAS, the Department contracted with APS, Inc., through July 31, 2013, to provide care coordination and case management for community-based services.

Fair Hearings—For beneficiaries found ineligible for CBAS during their assessment process, fair hearings were conducted. These costs are incurred by the Department for fair hearing outcomes and penalties. 2,376 fair hearings have been conducted as of July 2013, of which, 1,237 were found eligible for CBAS, 257 were found ineligible for CBAS and 865 withdrew from the fair hearing process.

Administrative Law Judges—Due to the unexpected volume of fair hearings, the Department agreed to pay for additional Administrative Law Judges to conduct the hearings for the period of December 2012 through June 2013.

ADHC TRANSITION-ADMINISTRATION

OTHER ADMIN. POLICY CHANGE NUMBER: 20

(Dollars in Thousands)

	FY 2013-14	
	<u>TF</u>	<u>GF</u>
FFS Assessment & Care Coordination	\$88	\$44
Fair Hearing Costs	\$2,082	\$1,041
Administrative Law Judge Costs	<u>\$4,002</u>	<u>\$2,001</u>
Total	\$6,172	\$3,086

Funding:

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

MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)

OTHER ADMIN. POLICY CHANGE NUMBER: 21
 IMPLEMENTATION DATE: 7/2009
 ANALYST: Sandra Bannerman
 FISCAL REFERENCE NUMBER: 1441

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$5,188,000	\$5,447,000
STATE FUNDS	\$1,715,250	\$1,800,500
FEDERAL FUNDS	\$3,472,750	\$3,646,500

DESCRIPTION

Purpose:

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

Authority:

Not Applicable

Interdependent Policy Changes:

Not Applicable

Background:

MEDS provides users with the ability to perform multi-program application searches, verify program eligibility status, enroll beneficiaries in multiple programs, and validate information on application status. Funding is required for the following:

- MEDS Master Client Index maintenance,
- Data matches from various federal and state agencies,
- Supplemental Security Income termination process support,
- Medi-Cal application alerts,
- Medicare Modernization Act Part D buy-in process improvements,
- Eligibility renewal process, and
- Reconciling county eligibility data used to support the counties in Medi-Cal eligibility determination responsibilities.

Costs are offset by reimbursements made from other departments.

In addition, maintenance funding is required for the Business Objects software application tool that enables the counties to perform On-Line Statistics and MEDS-alert reporting. The On-Line Statistics reporting system tracks and reports all county worker transactions for MEDS.

MEDS includes supporting the Advance Premium Tax Credit (APTC) and Cost Share Reduction (CSR) programs beginning January 2014. The MEDS system will develop unique identifiers for the new population.

Reason for Change from Prior Estimate:

Costs were revised based on actual expenditures and projections for FY 2014-15 were updated based on current actual expenditures.

MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)

OTHER ADMIN. POLICY CHANGE NUMBER: 21

Methodology:

- The following projections are based on actual data from July 2013 through February 2014.

FY 2013-14:	TF	GF	FF
(50% FF / 50% GF)	\$512,000	\$256,000	\$256,000
(75% FF / 25% GF)	\$4,289,000	\$1,072,000	\$3,217,000
(100% Reimbursement)	\$387,000	\$387,000	\$0
Total	\$5,188,000	\$1,715,000	\$3,473,000

FY 2014-15:	TF	GF	FF
(50% FF / 50% GF)	\$537,000	\$268,000	\$269,000
(75% FF / 25% GF)	\$4,504,000	\$1,126,000	\$3,378,000
(100% Reimbursement)	\$406,000	\$406,000	\$0
Total	\$5,447,000	\$1,800,000	\$3,647,000

Funding:

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

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

100% Reimbursement (4260-601-0995)

MEDI-CAL RECOVERY CONTRACTS

OTHER ADMIN. POLICY CHANGE NUMBER: 22
 IMPLEMENTATION DATE: 2/2008
 ANALYST: Sandra Bannerman
 FISCAL REFERENCE NUMBER: 1551

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$5,266,000	\$5,721,000
STATE FUNDS	\$1,316,500	\$1,430,250
FEDERAL FUNDS	\$3,949,500	\$4,290,750

DESCRIPTION

Purpose:

This policy change estimates the cost of the health insurance (HI) contracts to identify recipients with third party health insurance coverage and workers' compensation (WC) insurance. The policy change also includes online database contracts to access online activity and data matches in support of recovery.

Authority:

Contracts

Business Information Services, Inc.	12-89078
Department of Industrial Relations (EAMS)	09-86353 A01
Department of Social Services	10-87009 A01
Health Management Systems Inc. (HI)	08-85000 A02
Health Management Systems Inc. (HI)	13-90283
Health Management Systems Inc. (WC)	03-75807
Health Management Systems Inc. (WC)	03-75060
Health Management Systems Inc. (WC)	07-65000 A03
Health Management Systems Inc. (WC)	07-65001 A03
Health Management Systems Inc. (WC)	12-89100
Health Management Systems Inc. (WC)	12-89101
Lexis-Nexis	11-88003
Boehm & Associates	97-10689
Boehm & Associates	97-10690
Department of Public Health	10-87020 A01
Department of Public Health	13-90373

Interdependent Policy Changes:

Not Applicable

Background:

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

1. Data matches between the Department's Medi-Cal Recipient Eligibility file and the contractor's policy holder/subscriber file;
2. Identification and recovery of Medi-Cal expenditures in WC actions;

MEDI-CAL RECOVERY CONTRACTS

OTHER ADMIN. POLICY CHANGE NUMBER: 22

3. Identification of private/group health coverage and the recovery of Medi-Cal expenditures when the private/group health coverage is the primary payer;
4. Online access to research database services for public records of Medi-Cal recipients; and
5. Cost avoidance activities.

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

The current health insurance contract was awarded to Health Management Systems with an effective date of December 1, 2013 and ends on November 30, 2018.

The WC contract was awarded to Health Management Systems with an effective date of May 1, 2013 and ends on April 30, 2017.

Reason for Change from Prior Estimate:

The costs have been adjusted based on actual expenditures as well as the addition of two new Department of Public Health contracts.

Methodology:

1. The amounts paid to the contractors are based upon recoveries. The payments shown below include recent recovery activity.

FY 2013-14	TF	GF	FF
Health Insurance	\$4,757,000	\$1,189,000	\$3,568,000
WC	\$419,000	\$105,000	\$314,000
Online Database Contracts	\$90,000	\$23,000	\$67,000
Total	\$5,266,000	\$1,317,000	\$3,949,000

FY 2014-15	TF	GF	FF
Health Insurance	\$5,100,000	\$1,275,000	\$3,825,000
WC	\$529,000	\$132,000	\$397,000
Online Database Contracts	\$92,000	\$23,000	\$69,000
Total	\$5,721,000	\$1,430,000	\$4,291,000

Funding:

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

COORDINATED CARE MANAGEMENT PILOT

OTHER ADMIN. POLICY CHANGE NUMBER: 23
 IMPLEMENTATION DATE: 2/2010
 ANALYST: Randolph Alarcio
 FISCAL REFERENCE NUMBER: 1125

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$4,716,000	\$118,000
STATE FUNDS	\$2,358,000	\$59,000
FEDERAL FUNDS	\$2,358,000	\$59,000

DESCRIPTION

Purpose:

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

Authority:

The Budget Act of 2006

Interdependent Policy Change:

Not Applicable

Background:

The CCM Pilot Project consisted of two pilot programs designed to improve healthcare outcomes and achieve cost containment in the fee-for-service (FFS) Medi-Cal System. The CCM Pilot Project was cost neutral and provided care coordination for FFS beneficiaries by a contractor.

Key elements of the CCM Pilot Project include maintaining access to medically necessary and appropriate services, improving health, and providing care in a more cost-effective manner for two populations enrolled in the FFS Medi-Cal Program who were not on Medicare:

- CCM 1 - Seniors and persons with disabilities who had chronic conditions, or who may have been seriously ill and near the end of life. CCM-1 was completed with the transition of the Seniors and Persons with Disabilities population into Medi-Cal managed care health plans; and
- CCM 2 - Persons with chronic health condition(s) and serious mental illnesses (SMI). The SMI scope of work expired on July 31, 2013. This contract was amended to include Adult Day Health Care (ADHC) scope of work services to transition eligible ADHC beneficiaries into the new Community Based Adult Services (CBAS) Medi-Cal benefit. The CBAS scope of work was terminated in the contract on July 31, 2013 with the transition of services to the Department's Long Term Care Division.

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

The contract term for CCM 1 was from March 1, 2009 to December 31, 2012. The contract term for CCM 2 was from August 20, 2009 to August 31, 2014. However, the CCM 2 contract terminated 13

COORDINATED CARE MANAGEMENT PILOT

OTHER ADMIN. POLICY CHANGE NUMBER: 23

months earlier on July 31, 2013. The contract term for UCLA IE is from December 1, 2012 through January 30, 2015.

Reason for Change from Prior Estimate:

There is no change.

Methodology:

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

FY 2013-14	TF	GF	FF
CCM1	\$0	\$0	\$0
CCM2	\$4,612,000	\$2,306,000	\$2,306,000
UCLA IE	\$104,000	\$52,000	\$52,000
Total	\$4,716,000	\$2,358,000	\$2,358,000
FY 2014-15	TF	GF	FF
CCM1	\$0	\$0	\$0
CCM2	\$0	\$0	\$0
UCLA IE	\$118,000	\$59,000	\$59,000
Total	\$118,000	\$59,000	\$59,000

Funding:

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

RESTORATION OF SELECT ADULT DENTAL BENEFITS

OTHER ADMIN. POLICY CHANGE NUMBER: 24
 IMPLEMENTATION DATE: 5/2014
 ANALYST: Erickson Chow
 FISCAL REFERENCE NUMBER: 1800

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$1,778,000	\$0
STATE FUNDS	\$444,500	\$0
FEDERAL FUNDS	\$1,333,500	\$0

DESCRIPTION

Purpose:

This policy change estimates the administrative costs to restore partial adult optional dental benefits.

Authority:

AB 82 (Chapter 23, Statutes of 2013)
 Section 14131.10 of the Welfare & Institutions Code

Interdependent Policy Changes:

PC 38 Restoration of Select Adult Dental Benefits

Background:

ABX3 5 (Chapter 20, Statutes of 2009) discontinued Medi-Cal optional services for adults 21 years of age or older who are not in nursing facilities and excluding pregnant women. ABX3 5 eliminated the full scope of adult optional dental benefits, including full denture related procedures and "restore but not replace" procedures. Currently, Medi-Cal only covers the services that are Federally Required Adult Dental Services (FRADS). Additionally, effective September 26, 2011, per the United States Court of Appeals for the Ninth Circuit in the case of California Association of Rural Health Clinics, et al., v. Toby Douglas, Director of the California Department of Health Care Services, et al., Federally Qualified Health Clinics (FQHCs) and Rural Health Clinics (RHCs) may also provide services pursuant to the scope of covered adult dental benefits available on June 30, 2009.

AB 82 restores partial adult optional dental benefits, including full mouth dentures. Effective May 1, 2014, the scope of covered adult dental services that can be offered at any dental service-rendering location that serves Medi-Cal beneficiaries, including FQHCs and RHCs, will be limited to the adult optional benefits being restored May 1, 2014, in addition to the current scope of adult dental benefits which include pregnancy-related services, emergency services, FRADs, services provided at an Intermediate Care Facility/Skilled Nursing Facility, and services for Department of Developmental Services consumers.

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). The ACA expansion includes:

- ACA Mandatory Expansion: cover the currently Medi-Cal eligible but not enrolled beneficiaries.
- ACA Optional Expansion: expand coverage to newly eligibles.

The optional dental administrative cost for the expanded population due to the ACA is included in this policy change.

RESTORATION OF SELECT ADULT DENTAL BENEFITS

OTHER ADMIN. POLICY CHANGE NUMBER: 24

State Plan Amendment (SPA) 13-018 which makes the necessary changes to the State Plan to reflect the restoration of select adult dental benefits was submitted to the Centers for Medicare and Medicaid Services (CMS) on December 30, 2013.

Reason for Change from Prior Estimate:

The methodology changed from charging a rate per member to price based on volume of ACLs/TARs processed. The FY 2014-15 funds have been incorporated into the Dental FI policy.

Methodology:

1. Based on the volume level of ACLs/TARs Delta processed, the Department pays Delta Dental a fixed price.
2. The FY 2014-15 funds have been incorporated into the Dental FI policy.
3. Based on the estimated number of incidences, the estimated cost will be:

	TF	GF	FF
FY 2013-14	<u>\$ 1,778,000</u>	<u>\$ 444,500</u>	<u>\$ 1,333,500</u>

Funding:

75% Title XIX / 25% GF 100% FFP (4260-101-0890)

PASRR

OTHER ADMIN. POLICY CHANGE NUMBER: 25
IMPLEMENTATION DATE: 7/2013
ANALYST: Sandra Bannerman
FISCAL REFERENCE NUMBER: 1720

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$3,176,000	\$8,590,000
STATE FUNDS	\$794,000	\$2,147,500
FEDERAL FUNDS	\$2,382,000	\$6,442,500

DESCRIPTION

Purpose:

This policy change estimates the contract cost for QTC Medical Group and estimates the cost to fund an IT project to design, test, and implement a web based automated system to bring Preadmission Screening and Resident Review (PASRR) into compliance with federal mandates.

Authority:

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

Interdependent Policy Changes:

Not Applicable

Background:

Federal regulations mandate that the Department have an independent contractor complete all Level II PASRR Evaluations. QTC Medical Group, Inc. completes Level II evaluations for the federally mandated PASRR program. A Level II evaluation consists of a face to face mental status examination and psychosocial assessment for individuals identified with mental illness upon admission to a nursing facility. The findings of this evaluation result in a determination of need, determination of appropriate setting, and a set of recommendations for services to inform the individual's plan of care. QTC's licensed clinical evaluators conduct the Level II evaluations on behalf of the State and enter their findings into the PASRR database.

The new contract will begin in July 2014 for FY 2014-15 through FY 2017-18 (with an option to renew for two additional years) for the Level II evaluations.

PASRR received funding to design, test, and implement a web based automated system to bring the preadmission Level I Screening, Level II evaluation, and Level II determination processes into compliance with federally mandated regulations for PASRR. The IT project will replace an inefficient mainframe database with a database that meets the Department's architecture, infrastructure, and security requirements. The Department will save money by not contracting with a consultant to support the current mainframe and by hosting the new application in-house. The new IT system will:

- Be in compliance with federal mandates related to PASRR,
- Allow multiple agencies to submit electronic screening documents,
- Significantly reduce processing time for submissions,
- Eliminate paper submissions,
- Reduce the time a contractor takes to return completed evaluations, and
- Increase efficiencies for PASRR clinicians by reducing processing time for determinations.

PASRR**OTHER ADMIN. POLICY CHANGE NUMBER: 25****Reason for Change from Prior Estimate:**

Due to a delay in the project, 44% of the estimated IT project cost will carry over to FY 2014-15. In addition, there is a projected increase in the number of evaluations expected for FY 2014-15.

Methodology:

1. There was a 60% increase in the number of completed Level II evaluations returned by the Contractor in FY 2012-13. As of February 2014, there is an additional increase of 12% in the number of completed Level II evaluations returned by the contractor. It is projected that the volume of Level II evaluations will rise significantly in the future. The IT project will allow preadmission screening to be conducted as mandated and may significantly increase the number of Level II evaluations needed.
2. PASRR contract costs are eligible for enhanced federal reimbursement of 75% FF and 25% GF.
3. PASRR received \$1,000,000 for the IT project with 75% FF and 25% GF.
4. Assume 44% of the estimated IT project cost will carry over to FY 2014-15.
5. Assume the IT project requires maintenance and operations (M&O) costs of a \$150,000 annually. M&O costs are funded with 75% FF and 25% GF.

FY 2013-14	TF	GF	FF
Evaluations	\$2,616,000	\$654,000	\$1,962,000
IT Project	\$560,000	\$140,000	\$420,000
	\$3,176,000	\$794,000	\$2,382,000
FY 2014-15	TF	GF	FF
Evaluations	\$8,000,000	\$2,000,000	\$6,000,000
IT Project	\$440,000	\$110,000	\$330,000
Ongoing M&O Costs	\$150,000	\$38,000	\$113,000
	\$8,590,000	\$2,147,000	\$6,443,000

Funding:

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

FAMILY PACT EVALUATION

OTHER ADMIN. POLICY CHANGE NUMBER: 27
 IMPLEMENTATION DATE: 7/2012
 ANALYST: Randolph Alarcio
 FISCAL REFERENCE NUMBER: 1674

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$2,861,000	\$2,861,000
STATE FUNDS	\$1,430,500	\$1,430,500
FEDERAL FUNDS	\$1,430,500	\$1,430,500

DESCRIPTION

Purpose:

This policy change estimates the costs for data and evaluation of the Family Planning, Access, Care and Treatment (Family PACT) program.

Authority:

AB 1464 (Chapter 21, Statutes of 2012)

Interdependent Policy Changes:

Not Applicable

Background:

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

- Access by target populations,
- Changes in the provider base for target geographical areas,
- Provider compliance,
- Claims analysis, and
- Cost-effectiveness of services.

Reason for Change from Prior Estimate:

There is no change.

Methodology:

1. The data and evaluation costs for the Family PACT program are estimated in the table below:

	TF	GF	FFP
FY 2013-14	\$2,861,000	\$1,431,000	\$1,431,000
FY 2014-15	\$2,861,000	\$1,431,000	\$1,431,000

Funding:

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

PREVENTION OF CHRONIC DISEASE GRANT PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER: 28
 IMPLEMENTATION DATE: 2/2012
 ANALYST: Andrew Yoo
 FISCAL REFERENCE NUMBER: 1635

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$2,835,000	\$2,660,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$2,835,000	\$2,660,000

DESCRIPTION

Purpose:

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

Authority:

Affordable Care Act (ACA), Section 4108

Interdependent Policy Changes:

Not Applicable

Background:

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

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

Reason for Change from Prior Estimate:

There is no change.

Methodology:

1. The Department was awarded the MIPCD grant on September 13, 2011 by CMS. A contract with UCSF was secured on January 27, 2012.
2. Projected costs are based on proposed contract amounts with UCSF for administration, implementation and evaluations associated with the MIPCD grant project.
3. On June 28, 2013, the Department submitted to CMS:
 - A \$940,843 carryover request of unspent funds from Project Year 2012-13 (September 13, 2012 – September 12, 2013), and

PREVENTION OF CHRONIC DISEASE GRANT PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER: 28

- A \$2,524,740 continuation request for Project Year 2013-14 (September 13, 2013 – September 12, 2014).
4. A \$2,705,199 continuation request for Project Year 2014-15 (September 13, 2014 – September 12, 2015) is expected to be submitted to CMS in 2014.

Cash Basis

(Dollars in Thousands)

FY 2013-14

TF

\$2,835

FF

\$2,835

FY 2014-15

\$2,660

\$2,660

Funding:

MIPCD Federal Grant (4260-107-0890)

SSA COSTS FOR HEALTH COVERAGE INFO.

OTHER ADMIN. POLICY CHANGE NUMBER: 29
 IMPLEMENTATION DATE: 1/1989
 ANALYST: Sandra Bannerman
 FISCAL REFERENCE NUMBER: 237

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$2,400,000	\$2,662,000
STATE FUNDS	\$1,200,000	\$1,331,000
FEDERAL FUNDS	\$1,200,000	\$1,331,000

DESCRIPTION

Purpose:

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

Authority:

Social Security Act 1634 (a)

Interdependent Policy Changes:

Not Applicable

Background:

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

Reason for Change from Prior Estimate:

There is no material change.

Methodology:

- The following projections are based upon recent actual billings from SSA.

(Dollars in Thousands)

FY 2013-14			FY 2014-15		
TF	GF	FF	TF	GF	FF
\$2,400	\$1,200	\$1,200	\$2,662	\$1,331	\$1,331

Funding:

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

HIPAA CAPITATION PAYMENT REPORTING SYSTEM

OTHER ADMIN. POLICY CHANGE NUMBER: 30
 IMPLEMENTATION DATE: 10/2012
 ANALYST: Sandra Bannerman
 FISCAL REFERENCE NUMBER: 1318

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$2,488,000	\$4,815,000
STATE FUNDS	\$622,000	\$1,203,750
FEDERAL FUNDS	\$1,866,000	\$3,611,250

DESCRIPTION

Purpose:

This policy change estimates the contract costs to make improvements, maintain, and operate the existing Health Insurance Portability and Accountability Act (HIPAA) Capitation Payment Reporting system (CAPMAN). The HIPAA imposes new transaction requirements (5010).

Authority:

45 CFR Part 162

Interdependent Policy Changes:

Not Applicable

Background:

The CAPMAN system was implemented by the Department in July 2011. The HIPAA compliant transaction automated and improved the capitation calculation process. CAPMAN allows detailed reporting at the beneficiary level while increasing the effectiveness of monthly reconciliations and supports research efforts to perform recoveries.

Due to the Affordable Care Act and the expansion of Medi-Cal Managed Care, the Department must implement additional functionalities in CAPMAN to prepare for the influx of new beneficiaries. Modifications will be made to further enhance the system to incorporate a paperless accounting interface and accommodate the Coordinated Care Initiative Duals Demonstration project. The system will have to be maintained on an ongoing basis, as new functionality is required. A new two-year contract was executed in July 2013, with optional 3 one-year extensions, to address these issues.

Reason for Change from Prior Estimate:

Costs increased due to added staff required to continue updates on the CAPMAN system and incorporate CCI Duals mandated changes. An amendment has already been executed to increase funds for necessary staffing.

Methodology:

1. The contract costs will be \$6,304,000 due to a contract amendment. Payments started at the beginning of August 2013.
2. Costs for FY 2013-14 will total \$2,488,000 with the remaining balance of \$4,815,000 being paid in FY 2014-15.

HIPAA CAPITATION PAYMENT REPORTING SYSTEM

OTHER ADMIN. POLICY CHANGE NUMBER: 30

FY 2013-14:	TF	GF	FF
Contract Costs	<u>\$2,488,000</u>	<u>\$622,000</u>	<u>\$1,866,000</u>
FY 2014-15:	TF	GF	FF
Contract Costs	<u>\$4,815,000</u>	<u>\$1,204,000</u>	<u>\$3,611,000</u>

Funding:

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

SDMC SYSTEM M&O SUPPORT

OTHER ADMIN. POLICY CHANGE NUMBER: 31
 IMPLEMENTATION DATE: 7/2013
 ANALYST: Sandra Bannerman
 FISCAL REFERENCE NUMBER: 1732

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$1,500,000	\$3,000,000
STATE FUNDS	\$750,000	\$1,500,000
FEDERAL FUNDS	\$750,000	\$1,500,000

DESCRIPTION

Purpose:

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

Authority:

Contract OHC-11-077

Interdependent Policy Changes:

Not Applicable

Background:

The SDMC system adjudicates Medi-Cal claims for specialty mental health and substance use disorder services. On June 30, 2013, a contractor was hired for the ongoing maintenance and operation for this mission critical system. The term of the contract is one year. In FY 2014-15, the Department plans to enter into a two-year contract beginning July 1, 2014, with two one-year optional extensions. Additionally, due to an increase in claims volume and stricter reporting accountability, the Department plans to provide continuous support and system upgrades to the infrastructure components, which include reporting servers, back end hardware, software and support.

Reason for Change from Prior Estimate:

The change is due to infrastructure support costs in FY 2014-15.

Methodology:

1. The current one-year contract began in June 2013, and is for \$1,500,000. Payments began in July 2013.
2. The estimated contract cost for the new four-year contract is \$8,000,000.
3. The estimated one-time infrastructure cost is \$1,000,000 in FY 2014-15.
4. Assume the contractor will be hired in June 2014, and payments will begin August 2014.

SDMC SYSTEM M&O SUPPORT
OTHER ADMIN. POLICY CHANGE NUMBER: 31

FY 2013-14:	TF	GF	FF
Contractor cost	<u>\$1,500,000</u>	<u>\$750,000</u>	<u>\$750,000</u>
FY 2014-15:	TF	GF	FF
Contractor cost	\$2,000,000	\$1,000,000	\$1,000,000
Infrastructure cost	\$1,000,000	\$500,000	\$500,000
Total	\$3,000,000	\$1,500,000	\$1,500,000

Funding:

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

FAMILY PACT PROGRAM ADMIN.

OTHER ADMIN. POLICY CHANGE NUMBER: 32
IMPLEMENTATION DATE: 7/2012
ANALYST: Randolph Alarcio
FISCAL REFERENCE NUMBER: 1675

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$1,207,000	\$1,207,000
STATE FUNDS	\$603,500	\$603,500
FEDERAL FUNDS	\$603,500	\$603,500

DESCRIPTION**Purpose:**

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

Authority:

AB 1464 (Chapter 21, Statutes of 2012)

Interdependent Policy Changes:

Not Applicable

Background:

The Family PACT program has two main objectives. One is to increase access to services for low-income women and men, including adolescents. The other is to increase the number of providers who serve these clients. Education and support services are provided to the Family PACT providers and potential providers, as well as clients and potential clients. Services include, but are not limited to:

- Public education, awareness, and direct client outreach,
- Provider enrollment, recruitment, and training,
- Training and technical assistance for medical and non-medical staff,
- Education and counseling services,
- Preventive clinical services,
- Sexually transmitted infection/HIV training and technical assistance services, and
- Toll-free referral number.

Reason for Change from Prior Estimate:

There is no change.

Methodology:

1. The administrative costs for the Family PACT program are estimated in the table below:

	<u>TF</u>	<u>GF</u>	<u>FF</u>
FY 2013-14	\$1,207,000	\$603,500	\$603,500
FY 2014-15	\$1,207,000	\$603,500	\$603,500

FAMILY PACT PROGRAM ADMIN.

OTHER ADMIN. POLICY CHANGE NUMBER: 32

Funding:

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

BUSINESS RULES EXTRACTION

OTHER ADMIN. POLICY CHANGE NUMBER: 33
 IMPLEMENTATION DATE: 8/2014
 ANALYST: Erickson Chow
 FISCAL REFERENCE NUMBER: 1814

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$0	\$2,750,000
STATE FUNDS	\$0	\$1,375,000
FEDERAL FUNDS	\$0	\$1,375,000

DESCRIPTION

Purpose:

This policy change estimates the cost of procuring a Business Rules Extraction suite of tools and services, through the General Services Software License Program, for use in the creation and maintenance of a modernized automated comprehensive procurement library.

Authority:

Not Applicable

Interdependent Policy Changes:

Not Applicable

Background:

The Department included the Business Rule Extraction (BRE) enhancement in the 2011 request for proposal (RFP) for the California Dental Medicaid Management Information System. The contract was subsequently awarded but it was not approved by CMS. The Department plans to procure a new dental MMIS contract that meets CMS's requirements.

In order to provide an equal advantage to all participating bidders, the Department plans to purchase a Business Rules Extraction suite of tools and services for use in the creation and maintenance of a modernized automated comprehensive procurement library. Bidders will gain a better understanding of the functionality and complexity of the legacy system CD-MMIS enabling them to complete an informed, more competitive bid.

This modernized procurement library will provide the following:

- Full disclosure of graphic and logical views of the applications/programs.
- Update business rules periodically, allowing viewing of the latest versions of process diagrams, source code flow charts, and source code details.
- Ability to electronically store documentation.
- Utilize extracted business rules to support future system enhancements, replacement, or the migration to one enterprise-wide system.

Reason for Change from Prior Estimate:

The implementation date changed from March 2014 to August 2014.

BUSINESS RULES EXTRACTION

OTHER ADMIN. POLICY CHANGE NUMBER: 33

Methodology:

1. Assume the Business Rules Extraction suite of tools and services will be procured in February 2014 and the services will be completed by February 2015.
2. Total estimated costs are \$3.31 million.
3. In FY 2014-15, \$2.75 million is expected to be paid. The remaining will be paid in FY 2015-16.
4. Payments will be payable in installments over a 12 month period, beginning with the Department approved start date of this project. The first payment is expected to be made in August 2014.
5. Premier Support invoices from the Software License Program Reseller will be payable on a monthly basis, based on actual hours worked.

	TF	GF	FF
FY 2014-15	\$ 2,750,000	\$ 1,375,000	\$ 1,375,000

Funding:

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

MITA

OTHER ADMIN. POLICY CHANGE NUMBER: 35
 IMPLEMENTATION DATE: 1/2011
 ANALYST: Sandra Bannerman
 FISCAL REFERENCE NUMBER: 1137

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$338,000	\$985,000
STATE FUNDS	\$33,800	\$98,500
FEDERAL FUNDS	\$304,200	\$886,500

DESCRIPTION

Purpose:

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

Authority:

Not Applicable

Interdependent Policy Changes:

Not Applicable

Background:

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

The MITA information architecture includes three components; Conceptual Data Model (CDM), Logical Data Model (LDM) and data standards. The Department will build an enterprise CDM and LDM as well as incorporate national data standards into its information technology systems. The Department will also perform business process re-engineering around MITA defined business processes. The Department recently completed its CMS required MITA State Self-Assessment (SS-A), which included a State MITA roadmap. The Department is expecting to complete work by August 25, 2015.

Reason for Change from Prior Estimate:

There was a delay in finalizing the contract, the completion date has been changed, and funding has been adjusted.

Methodology:

- The following are the projected costs.

	TF	GF	FF
FY 2013-14:	\$338,000	\$34,000	\$304,000

MITA

OTHER ADMIN. POLICY CHANGE NUMBER: 35

	<u>TF</u>	<u>GF</u>	<u>FF</u>
FY 2014-15:	\$985,000	\$99,000	\$886,000

Funding:

90% Title XIX / 10% GF (4260-101-0001/0890)

SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES

OTHER ADMIN. POLICY CHANGE NUMBER: 36
IMPLEMENTATION DATE: 7/2002
ANALYST: Candace Epstein
FISCAL REFERENCE NUMBER: 258

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$950,000	\$950,000
STATE FUNDS	\$950,000	\$950,000
FEDERAL FUNDS	\$0	\$0

DESCRIPTION

Purpose:

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

Authority:

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

Interdependent Policy Changes:

Not Applicable

Background:

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

Reason for Change from Prior Estimate:

There is no change.

Methodology:

1. Based on contract provisions, the administrative activities costs will be \$950,000 for FY 2013-14 and FY 2014-15.

Funding:

100% State GF (4260-101-0001)

MMA - DSH ANNUAL INDEPENDENT AUDIT

OTHER ADMIN. POLICY CHANGE NUMBER: 37
 IMPLEMENTATION DATE: 7/2009
 ANALYST: Cang Ly
 FISCAL REFERENCE NUMBER: 266

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$1,284,000	\$856,000
STATE FUNDS	\$642,000	\$428,000
FEDERAL FUNDS	\$642,000	\$428,000

DESCRIPTION

Purpose:

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

Authority:

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

Interdependent Policy Changes:

Not Applicable

Background:

The MMA requires an annual independent certified audit that primarily certifies:

1. The extent to which DSH hospitals (approximately 150+ hospitals) have reduced their uncompensated care costs to reflect the total amount of claimed expenditures made under section 1923 of the MMA.
2. That DSH payment calculations of hospital-specific limits include all payments to DSH hospitals, including supplemental payments.

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

Reason for Change from Prior Estimate:

Costs have been updated to reflect the contractor completing 1.5 audits in FY 2013-14.

Methodology:

1. Each fiscal year, all auditing activity will cost \$856,000 (\$428,000 GF).
2. In FY 2013-14, the contractor will complete the FY 2009-10 audit and begin the FY 2010-11 audit. The FY 2009-10 audit was originally scheduled to start in January 2013, but was delayed due to implementing the contract. The Department will make payments for the FY 2009-10 audit and partial payment for the FY 2010-11 audit.
3. In FY 2014-15, the Department will make final payment for the FY 2010-11 audit and partial payment

MMA - DSH ANNUAL INDEPENDENT AUDIT

OTHER ADMIN. POLICY CHANGE NUMBER: 37

for the FY 2011-12 audit.

	<u>TF</u>	<u>GF</u>	<u>FF</u>
FY 2013-14	\$1,284,000	\$642,000	\$642,000
FY 2014-15	\$856,000	\$428,000	\$428,000

Funding:

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

ENCRYPTION OF PHI DATA

OTHER ADMIN. POLICY CHANGE NUMBER: 38
 IMPLEMENTATION DATE: 5/2010
 ANALYST: Sandra Bannerman
 FISCAL REFERENCE NUMBER: 1452

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$750,000	\$750,000
STATE FUNDS	\$375,000	\$375,000
FEDERAL FUNDS	\$375,000	\$375,000

DESCRIPTION

Purpose:

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

Authority:

Not Applicable

Interdependent Policy Changes:

Not Applicable

Background:

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

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

The upgrade allows the Department to:

- Effectively and efficiently manage Department growth,
- Provide backup and recovery methods for the business programs, and
- Ensure the data is secure and managed.

Reason for Change from Prior Estimate:

There is no change.

ENCRYPTION OF PHI DATA

OTHER ADMIN. POLICY CHANGE NUMBER: 38

Methodology:

1. The following amounts are based upon the latest projections of cost.

FY 2013-14:	<u>TF</u> \$750,000	<u>GF</u> \$375,000	<u>FF</u> \$375,000
FY 2014-15:	<u>TF</u> \$750,000	<u>GF</u> \$375,000	<u>FF</u> \$375,000

Funding:

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

MEDI-CAL INPATIENT SERVICES FOR INMATES

OTHER ADMIN. POLICY CHANGE NUMBER: 39
 IMPLEMENTATION DATE: 3/2011
 ANALYST: Joanne Peschko
 FISCAL REFERENCE NUMBER: 1665

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$560,000	\$560,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$560,000	\$560,000

DESCRIPTION

Purpose:

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

Authority:

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

Interdependent Policy Changes:

Not Applicable

Background:

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

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

Reason for Change from Prior Estimate:

There is no change.

Methodology:

1. Implementation of the Inmate Eligibility Program began April 1, 2011.
2. Reimbursements for CDCR's administrative costs began in March 2011.
3. The federal share of ongoing administrative costs is \$560,000 annually.

Funding:

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

MEDS MODERNIZATION

OTHER ADMIN. POLICY CHANGE NUMBER: 40
 IMPLEMENTATION DATE: 2/2013
 ANALYST: Sandra Bannerman
 FISCAL REFERENCE NUMBER: 1731

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$546,000	\$4,533,000
STATE FUNDS	\$54,600	\$453,300
FEDERAL FUNDS	\$491,400	\$4,079,700

DESCRIPTION

Purpose:

This policy change estimates the cost to hire contractors to conduct a feasibility study, develop an Advance Planning Document (APD), and participate in the project planning efforts.

Authority:

Not Applicable

Interdependent Policy Changes:

Not Applicable

Background:

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

In FY 2012-13, a contractor team conducted a feasibility study and developed a Feasibility Study Report (FSR)/APD. In FY 2013-14, the FSR/APD contractor will continue to participate in the project planning efforts.

The Department submitted a Planning APD (PAPD) for the planning phase of the MEDS Modernization Project in March 2014. Project planning phase activities will continue through June 2016. Business Rules Extraction (BRE) activities will begin in May 2014 and are expected to be completed in FY 2014-15. Beginning in FY 2014-15, additional contractors will be hired to provide project planning, support, enterprise architecture, and other technical consulting services.

Reason for Change from Prior Estimate:

The scope of the project planning activities has been expanded.

Methodology:

1. For the FSR/APD contractor, the FY 2013-14 costs are based on actual payments through January 2014.
2. BRE consulting costs are estimated to be \$425,000 and payments to the contractor are anticipated to begin in June 2014.
3. The FY 2014-15 costs are based on estimated costs for payments to the project planning, support, enterprise architecture, technical consulting, and BRE contractors contained in the

MEDS MODERNIZATION

OTHER ADMIN. POLICY CHANGE NUMBER: 40

project's PAPD. Payments are expected to begin in August 2014.

FY 2013-14:	TF	GF	FF
FSR/APD	\$121,000	\$12,000	\$109,000
Business Rules Extraction	\$425,000	\$42,000	\$383,000
Total	\$546,000	\$54,000	\$492,000
FY 2014-15:	TF	GF	FF
Project Planning	\$1,000,000	\$100,000	\$900,000
Technical Consulting Services	\$1,250,000	\$125,000	\$1,125,000
Independent Validation & Verification	\$172,000	\$17,000	\$155,000
Independent Project Oversight	\$143,000	\$14,000	\$129,000
Business Rules Extraction	\$1,968,000	\$197,000	\$1,771,000
Total	\$4,533,000	\$453,000	\$4,080,000

Funding:

90% Title XIX / 10% GF (4260-101-0001/0890)

POSTAGE AND PRINTING - THIRD PARTY LIAB.

OTHER ADMIN. POLICY CHANGE NUMBER: 41
 IMPLEMENTATION DATE: 7/1996
 ANALYST: Sandra Bannerman
 FISCAL REFERENCE NUMBER: 240

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$597,000	\$644,000
STATE FUNDS	\$298,500	\$322,000
FEDERAL FUNDS	\$298,500	\$322,000

DESCRIPTION**Purpose:**

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

Authority:

Government Code 7295.4
 AB 155 (Chapter 820 Statutes of 1999)

Interdependent Policy Changes:

Not Applicable

Background:

The Department uses direct mails and specialized reports to identify Medi-Cal beneficiaries with private health insurance, determine the legal liabilities of third parties to pay for services furnished by Medi-Cal, and ensure that Medi-Cal is the payer of last resort. The number of forms printed and mailed, as well as the number of reports received, correlates to the Medi-Cal caseload.

All forms related to Medicare Operations are available online. The Department purchased a document folder/insertor machine in FY 2012-13 to automate the mailings done in-house.

Reason for Change from Prior Estimate:

Standard postage increased from \$0.46 to \$0.49 in January 2014. In addition, the Medi-Cal population is expected to increase in Budget Year due to expanded Medi-Cal eligibility.

Methodology:

1. The cost breakdown is shown below:

<u>FY 2013-14</u>	<u>Postage</u>	<u>Printing</u>	<u>Total</u>
Personal Injury	\$180,000	\$34,000	\$214,000
Estate Recovery	\$113,000	\$249,000	\$362,000
Overpayments	\$5,000	\$1,000	\$6,000
Cost Avoidance	\$5,000	\$1,000	\$6,000
*AB 155 Invoices	\$7,000	\$0	\$7,000
**Document Folder Insertor	\$0	\$0	\$2,000
Total	\$310,000	\$285,000	\$597,000

POSTAGE AND PRINTING - THIRD PARTY LIAB.

OTHER ADMIN. POLICY CHANGE NUMBER: 41

FY 2014-15	Postage	Printing	Total
Personal Injury	\$194,000	\$36,000	\$230,000
Estate Recovery	\$121,000	\$272,000	\$393,000
Overpayments	\$5,000	\$1,000	\$6,000
Cost Avoidance	\$5,000	\$1,000	\$6,000
*AB 155 Invoices	\$7,000	\$0	\$7,000
**Document Folder Inserter	\$0	\$0	\$2,000
Total	\$332,000	\$310,000	\$644,000

*AB 155 requires invoicing for premiums for the 250% Working Disabled Program.

** Cost of maintenance agreement for the Document Folder Inserter used to process mailings in-house.

2. The estimated postage and printing costs are:

	TF	GF	FF
FY 2013-14:	\$597,000	\$298,000	\$299,000
FY 2014-15:	\$644,000	\$322,000	\$322,000

Funding:

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

VITAL RECORDS DATA

OTHER ADMIN. POLICY CHANGE NUMBER: 42
 IMPLEMENTATION DATE: 5/2014
 ANALYST: Erickson Chow
 FISCAL REFERENCE NUMBER: 1774

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$90,000	\$836,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$90,000	\$836,000

DESCRIPTION

Purpose:

This policy change estimates the payments to the California Department of Public Health (CDPH) to improve delivery of Vital Records data.

Authority:

Not Applicable

Interdependent Policy Changes:

Not Applicable

Background:

California birth, death, fetal death, still birth, marriage and divorce records are maintained by the CDPH Vital Records. Information collected in these records is necessary to support core functions of the Department as represented in the Medicaid Information Technology Architecture (MITA) business functions. The MITA—a Centers for Medicare and Medicaid Services (CMS) initiative—fosters an integrated business and information technology (IT) transformation across the Medicaid enterprise in an effort to improve the administration and operation of the Medicaid program.

Historically, the Department has received Vital Records data from CDPH in a case-by-case and manual manner. In order to improve efficiency and advance MITA maturity, the Department is requesting enhanced Federal Financial Participation (FFP) to establish automated and timely processes to receive Vital Record data from CDPH.

Reason for Change from Prior Estimate:

Due to delays in approvals and contract, the start date changed from December 2013 to May 2014 with first records being exchanged in July 2014.

Methodology:

1. Assume the Department and CDPH will receive MITA 90% FFP for Design, Development, and Installation activities and 75% FFP for ongoing costs to deliver data in an automated fashion.
2. Assume CDPH will provide the match for FFP from the Health Statistics Special Fund (HSSF).
3. Assume that establishing an automated data interchange will cost \$100,000 with 90% FFP.
4. Assume a data flow based on a monthly average of 20,000 death records and 45,000 birth records.

VITAL RECORDS DATA

OTHER ADMIN. POLICY CHANGE NUMBER: 42

5. Assume that ongoing cost for each record will be \$1.43 to reimburse the cost associated with preparing the record for transfer and transferring the record to the Department.

\$1.43 per record x (20,000 death records + 45,000 birth records) x 12 months = \$1,115,000

FY 2013-2014	HSSF	FFP	Total
Data Interchange Development	<u>\$10,000</u>	<u>\$90,000</u>	<u>\$100,000</u>
Total	\$10,000	\$90,000	\$100,000

FY 2014-2015	HSSF	FFP	Total
Data Provision	<u>\$279,000</u>	<u>\$836,000</u>	<u>\$1,115,000</u>
Total	\$279,000	\$836,000	\$1,115,000

Funding:

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

CCT OUTREACH - ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 44
IMPLEMENTATION DATE: 4/2011
ANALYST: Davonna McClendon
FISCAL REFERENCE NUMBER: 1556

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$485,000	\$242,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$485,000	\$242,000

DESCRIPTION

Purpose:

This policy change budgets the federal funding to cover administrative costs for increasing the California Community Transitions (CCT) enrollment.

Authority:

Money Follows the Person Rebalancing Demonstration (42 USC 1396a)
 Deficit Reduction Act of 2005 (P.L. 109-171), Section 6071
 Affordable Care Act (ACA) (P.L. 111-148), Section 2403

Interdependent Policy Changes:

Not Applicable

Background:

Pursuant to the ACA, on September 3, 2010 the Centers for Medicare and Medicaid Services (CMS) awarded the Department \$750,000 in Money Follows the Person (MFP) Rebalancing Demonstration supplemental grant funding. The Department allocated grant funding to implement an assessment tool to improve the ability of Skilled Nursing Facilities/Nursing Facilities, states, and other qualified entities to identify individuals who are interested in returning to the community. The Department is collaborating with the Aging and Disability Resources Connection (ADRC) programs, CCT lead organizations, and other community-based providers to increase CCT enrollment. This supplemental grant funding does not require matching funds. The costs will be 100% federally funded.

CMS granted the Department an extension of this grant through September 2014 in order to complete the objectives set forth in the grant.

Reason for Change from Prior Estimate:

There is no change.

Methodology:

1. Costs began in April 2011 totaling approximately \$11,000 Federal Financial Participation (FFP) during FY 2010-11. In FY 2012-13, additional FFP totaling approximately \$11,000 was paid.
2. Assume \$485,000 FFP will be paid in FY 2013-14, with the remaining \$242,000 FFP being paid in FY 2014-15.

CCT OUTREACH - ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 44

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

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

Funding:

100% MFP Federal Grant (4260-106-0890)

ETL DATA SOLUTION

OTHER ADMIN. POLICY CHANGE NUMBER: 45
IMPLEMENTATION DATE: 9/2013
ANALYST: Sandra Bannerman
FISCAL REFERENCE NUMBER: 1768

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$469,000	\$325,000
STATE FUNDS	\$77,900	\$48,000
FEDERAL FUNDS	\$391,100	\$277,000

DESCRIPTION

Purpose:

This policy change estimates the cost for 1) a contractor, 2) design, development and implementation (DD&I), and 3) ongoing maintenance and operations (M&O) of the Extract, Transform and Load (ETL) data solution.

Authority:

Required by the Centers for Medicare and Medicaid Services (CMS) to implement the Affordable Care Act (ACA)

Interdependent Policy Changes:

Not Applicable

Background:

CMS requests data in a standardized format from the states, which allows streamlining the review of system projects related to the ACA. The Department plans to implement an enterprise-wide ETL data solution to modernize and streamline the data transmission processes from the Department to the CMS's Transformed Statistical Information System. The project provides modern capabilities to improve business processes; by collecting comprehensive data regarding cost, quantity and quality of health care provided for Medi-Cal beneficiaries.

The Department procured a contractor to provide technical support for DD&I and M&O of the ETL data solution.

Reason for Change from Prior Estimate:

The contract is being extended due to requirement changes from CMS.

Methodology:

1. The contractor began DD&I work in August 2013, and payments started in September 2013.
2. The DD&I contract duration will be extended through December 2014 to meet requirement changes.
3. M&O costs began in September 2013.
4. The current M&O contract will end in May 2014, and final payment will be made in June 2014. Assume the M&O contract will be extended for the time period of June 2014 through December 2015.

ETL DATA SOLUTION
OTHER ADMIN. POLICY CHANGE NUMBER: 45

FY 2013-14:	<u>TF</u>	<u>GF</u>	<u>FF</u>
DD&I (90% FF / 10% GF)	\$289,000	\$29,000	\$260,000
<u>M&O</u>			
Software (75% FF / 25% GF)	\$164,000	\$41,000	\$123,000
Hardware (50% FF / 50% GF)	\$16,000	\$8,000	\$8,000
Total FY 2013-14	\$469,000	\$78,000	\$391,000
FY 2014-15:	<u>TF</u>	<u>GF</u>	<u>FF</u>
DD&I (90% FF / 10% GF)	\$235,000	\$23,000	\$212,000
<u>M&O</u>			
Software (75% FF / 25% GF)	\$82,000	\$20,000	\$62,000
Hardware (50% FF / 50% GF)	\$8,000	\$4,000	\$4,000
Total FY 2014-15	\$325,000	\$47,000	\$278,000

Funding:

90% Title XIX / 10% GF (4260-101-0001/0890)

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

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

MEDICARE BUY-IN QUALITY REVIEW PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER: 46
 IMPLEMENTATION DATE: 10/2012
 ANALYST: Sandra Bannerman
 FISCAL REFERENCE NUMBER: 1590

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$400,000	\$240,000
STATE FUNDS	\$200,000	\$120,000
FEDERAL FUNDS	\$200,000	\$120,000

DESCRIPTION

Purpose:

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

Authority:

Welfare & Institutions Code 14124.92
 Contract 10-87134 A01

Interdependent Policy Changes:

PC-200 Medicare Buy-In Quality Review Project

Background:

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

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

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

Reason for Change from Prior Estimate:

There is no change.

Methodology:

1. The cost of the contractor is 10% of the amount recovered.
2. For FY 2014-15, the case projections from UMASS assume fewer cases will be discovered for recovery.
3. Assume the annual amount recovered will be \$4,000,000 for FY 2013-14 and \$2,400,000 for FY 2014-15.

MEDICARE BUY-IN QUALITY REVIEW PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER: 46

4. Assume the cost of the contractor will be \$400,000 in FY 2013-14 and \$240,000 in FY 2014-15.

$\$4,000,000 \times 10\% = \$400,000$ annual contractor cost for FY 2013-14

$\$2,400,000 \times 10\% = \$240,000$ annual contractor cost for FY 2014-15

	<u>TF</u>	<u>GF</u>	<u>FF</u>
FY 2013-14	\$400,000	\$ 200,000	\$200,000
FY 2014-15	\$240,000	\$ 120,000	\$120,000

Funding:

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

MIS/DSS CONTRACT REPROCUREMENT SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 47
 IMPLEMENTATION DATE: 7/2013
 ANALYST: Sandra Bannerman
 FISCAL REFERENCE NUMBER: 1615

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$216,000	\$180,000
STATE FUNDS	\$54,000	\$45,000
FEDERAL FUNDS	\$162,000	\$135,000

DESCRIPTION

Purpose:

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

Authority:

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

Interdependent Policy Changes:

Not Applicable

Background:

The contract for ongoing development, maintenance, and operation of the MIS/DSS is scheduled to end on June 30, 2015. The Department hired a vendor to provide assistance with the reassessment of the scope of services to be included in the reprocurement of the MIS/DSS contract. The contractor began work on January 14, 2013. Resources are needed to develop the Invitation for Bid (IFB) and the Advance Planning Document (APD) to achieve required state and federal level approvals. The vendor will provide services through January 2015.

Reason for Change from Prior Estimate:

The change is due to delays in the project.

Methodology:

- The estimated costs for FY 2013-14 and FY 2014-15 are:

	TF	GF	FF
FY 2013-14:	\$216,000	\$54,000	\$162,000
	TF	GF	FF
FY 2014-15:	\$180,000	\$45,000	\$135,000

Funding:

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

DENTAL PAPD PROJECT MANAGER

OTHER ADMIN. POLICY CHANGE NUMBER: 48
IMPLEMENTATION DATE: 6/2013
ANALYST: Sandra Bannerman
FISCAL REFERENCE NUMBER: 1739

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$240,000	\$239,000
STATE FUNDS	\$120,000	\$119,500
FEDERAL FUNDS	\$120,000	\$119,500

DESCRIPTION

Purpose:

This policy change estimates the cost of a Certified Project Manager (CPM) assisting in the development of a Planning Advanced Planning Document (PAPD).

Authority:

Not Applicable

Interdependent Policy Changes:

Not Applicable

Background:

The Centers for Medicare & Medicaid Services (CMS) determined the new dental Fiscal Intermediary (FI) contract no longer meets the regulatory criteria and conditions as a Medicaid Management Information System (MMIS) acquisition. Therefore, the contract is not eligible for enhanced federal funding. The Department has procured a CPM. The CPM will work closely with the Medi-Cal Dental Services Division (MDSD) program management and staff, CMS, and key stakeholders. The Department and CPM will develop a PAPD to ensure the CD-MMIS is in compliance with federal regulations and eligible for enhanced federal funding.

The CPM consultant is responsible for performing the full range of project management functions for the duration of this project including:

- Resource planning,
- Contract development and management,
- Risk management,
- Project reporting,
- Fiscal monitoring and reporting,
- Issue management,
- Performing a marketplace analysis of the vendor community and identify procurement alternatives and recommendations for the procurement of a new dental FI contract,
- Developing a complete and thorough PAPD that meets the regulatory criteria and conditions as a MMIS and to ensure the PAPD is developed timely and approval by CMS is obtained,
- Assisting Department staff in responding to CMS inquiries and provide additional documentation if required, and
- Developing a Request for Offer for the Department to procure Independent Verification and Validation contractor resources that will be under the direction of MDSD management.

DENTAL PAPD PROJECT MANAGER

OTHER ADMIN. POLICY CHANGE NUMBER: 48

Reason for Change from Prior Estimate:

There is no change.

Methodology:

1. The project manager was hired in June 2013 and the contract will end April 2015.
2. Total estimated costs are \$498,000.
3. Payments began in June 2013.

	<u>TF</u>	<u>GF</u>	<u>FF</u>
FY 2013-14:	\$240,000	\$120,000	\$120,000
FY 2014-15:	\$239,000	\$119,500	\$119,500

Funding:

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

PEDIATRIC PALLIATIVE CARE WAIVER EVALUATION

OTHER ADMIN. POLICY CHANGE NUMBER: 49
 IMPLEMENTATION DATE: 7/2010
 ANALYST: Randolph Alarcio
 FISCAL REFERENCE NUMBER: 1335

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$214,000	\$0
STATE FUNDS	\$107,000	\$0
FEDERAL FUNDS	\$107,000	\$0

DESCRIPTION

Purpose:

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

Authority:

AB 1745 (Chapter 330, Statutes of 2006)

Interdependent Policy Changes:

Not Applicable

Background:

AB 1745 required the Department to submit an application to the Centers for Medicare and Medicaid Services (CMS) for a federal waiver for a Pediatric Palliative Care Pilot Project. The waiver makes available services comparable to those available through hospice that can be provided at the same time the child would receive curative services. The waiver was approved beginning April 1, 2009 through March 31, 2012. A waiver renewal was approved by CMS through March 31, 2017.

AB 1745 mandated the Department to evaluate the pilot project through an independent evaluator to meet federal assurances. The independent evaluation is in progress with final data collection on October 1, 2013. The report plans to be completed and submitted by June 30, 2014.

Reason for Change from Prior Estimate:

There is no change.

Methodology:

The payments to the evaluator are scheduled to continue monthly until June 30, 2014.

Funding:

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

ANNUAL EDP AUDIT CONTRACTOR

OTHER ADMIN. POLICY CHANGE NUMBER: 50
 IMPLEMENTATION DATE: 8/2013
 ANALYST: Sandra Bannerman
 FISCAL REFERENCE NUMBER: 1734

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$162,000	\$162,000
STATE FUNDS	\$81,000	\$81,000
FEDERAL FUNDS	\$81,000	\$81,000

DESCRIPTION

Purpose:

This policy change estimates the cost related to procuring an annual Electronic Data Processing (EDP) auditor of the Medi-Cal fiscal intermediary.

Authority:

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

Interdependent Policy Changes:

Not Applicable

Background:

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

Reason for Changes from Prior Estimate:

There is no change.

Methodology:

- The estimate is based on actual bid amounts.

	TF	GF	FF
FY 2013-14:	\$162,000	\$81,000	\$81,000
	TF	GF	FF
FY 2014-15:	\$162,000	\$81,000	\$81,000

Funding:

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

EPOCRATES

OTHER ADMIN. POLICY CHANGE NUMBER: 51
 IMPLEMENTATION DATE: 4/2007
 ANALYST: Erickson Chow
 FISCAL REFERENCE NUMBER: 1157

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$107,000	\$107,000
STATE FUNDS	\$53,500	\$53,500
FEDERAL FUNDS	\$53,500	\$53,500

DESCRIPTION

Purpose:

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

Authority:

Not Applicable

Interdependent Policy Changes:

Not Applicable

Background:

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

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

Epocrates provides the Department with an opportunity to reach a large network of health professionals via a unique point-of-care clinical reference solution for physicians and other health professionals accessible on both handheld devices and Internet based desktop computers.

Reason for Change from Prior Estimate:

There is no change.

Methodology:

1. According to the contract, the annual amount paid to Epocrates for their services is \$107,000.

<u>Fiscal Year</u>	<u>Expenditures</u>
FY 2013-14	\$107,000
FY 2014-15	\$107,000
FY 2015-16	\$107,000
FY 2016-17	\$ 9,000

Funding:

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

CCS CASE MANAGEMENT SUPPLEMENTAL PAYMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 52
 IMPLEMENTATION DATE: 7/2012
 ANALYST: Karen Fairgrievs
 FISCAL REFERENCE NUMBER: 1388

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$100,000	\$100,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$100,000	\$100,000

DESCRIPTION

Purpose:

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

Authority:

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

Interdependent Policy Changes:

Not Applicable

Background:

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

Reason for Change from Prior Estimate:

There is no change.

Methodology:

- County funds expended above the allocations on administrative activities in support of a county's CCS Medi-Cal caseload may be used as CPE to draw down Title XIX federal financial participation (FFP). It is assumed that \$100,000 will be drawn down with counties' CPE in FY 2013-14 and FY 2014-15.

	FFP
FY 2013-14	\$100,000
FY 2014-15	\$100,000

Funding:

100% Title XIX (4260-101-0890)

TAR POSTAGE

OTHER ADMIN. POLICY CHANGE NUMBER: 53
 IMPLEMENTATION DATE: 7/2003
 ANALYST: Davonna McClendon
 FISCAL REFERENCE NUMBER: 267

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$111,000	\$115,000
STATE FUNDS	\$55,500	\$57,500
FEDERAL FUNDS	\$55,500	\$57,500

DESCRIPTION

Purpose:

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

Authority:

Welfare & Institutions Code, section 14103.6

Interdependent Policy Changes:

Not Applicable

Background:

Not Applicable

Reason for Change from Prior Estimate:

Due to 2013 and 2014 postal rate increases, the estimated expenditures have increased.

Methodology:

1. TAR postage costs for Medi-Cal are assumed to be \$111,000 for FY 2013-14 based on actual expenditures (July 2013 through December 2013).
2. For FY 2014-15, the costs for TAR postage are expected to be \$115,000.

Funding:

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

DMHC INTER-AGENCY AGREEMENT - ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER: 54
 IMPLEMENTATION DATE: 11/2013
 ANALYST: Erickson Chow
 FISCAL REFERENCE NUMBER: 1815

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$158,000	\$189,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$158,000	\$189,000

DESCRIPTION

Purpose:

This policy change estimates the cost of an inter-agency agreement (IA) with the California Department of Managed Health Care (DMHC) to assist the Department in its monitoring of dental plans.

Authority:

Interagency Agreement 13-90172

Interdependent Policy Changes:

Not Applicable

Background:

SB 853 (Chapter 717, Statutes of 2010) authorized the Department to enter into an inter-agency agreement with DMHC to confirm compliance with the Medi-Cal contract by conducting financial audits, dental surveys, and a review of the provider networks of the managed care plans participating in its Medi-Cal line of business.

This policy change estimates the federal reimbursement for DMHC costs to perform the above functions.

Reason for Change from Prior Estimate:

There is a correction to the funding.

Methodology:

1. The DMHC IA was effective September 2013.
2. The reimbursement of DMHC costs began in September 2013.
3. Assume the federal share of personnel costs are \$81,000 in FY 2013-14 and \$97,000 in FY 2014-15.
4. Assume the federal share of operating expenses (travel, subcontracts, and training) costs are \$77,000 in FY 2013-14 and \$92,000 in FY 2014-15.

	Personnel Costs (FFP)	Operating Expenses (FFP)	FFP Total
FY 2013-14	\$ 81,000	\$ 77,000	\$ 158,000
FY 2014-15	\$ 97,000	\$ 92,000	\$ 189,000

DMHC INTER-AGENCY AGREEMENT - ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER: 54

5. The FFP portion of the cost is reimbursable to DMHC per the IA.

Funding:

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

KATIE A. V. DIANA BONTA SPECIAL MASTER

OTHER ADMIN. POLICY CHANGE NUMBER: 55
 IMPLEMENTATION DATE: 7/2009
 ANALYST: Julie Chan
 FISCAL REFERENCE NUMBER: 1453

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$62,000	\$62,000
STATE FUNDS	\$31,000	\$31,000
FEDERAL FUNDS	\$31,000	\$31,000

DESCRIPTION

Purpose:

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

Authority:

Katie A. v Diana Bontá lawsuit settlement

Interdependent Policy Changes:

Not Applicable

Background:

On March 14, 2006, the U.S. Central District Court of California issued a preliminary injunction in *Katie A. v. Diana Bontá*. The preliminary injunction required the provision of the Early and Periodic Screening, Diagnosis and Treatment program “wraparound” and “therapeutic foster care” (TFC) mental health services under the Specialty Mental Health Services waiver to children in foster care or “at risk” of foster care placement. On appeal, the Ninth Circuit Court reversed the granting of the preliminary injunction and remanded the case to the District Court in order to review each component service to determine whether they are mandated Medicaid covered services, and if so, whether the Medi-Cal program provides each service effectively. The court ordered the parties to engage in further meetings with the court appointed Special Master. On July 15, 2011, the parties agreed to a proposed settlement that was subject to court approval. On October 13, 2011, the parties began a new series of Special Master meetings to develop a plan for, and begin, settlement implementation. The court granted final approval of the proposed settlement on December 2, 2011. The Department and the California Department of Social Services (CDSS) fund the Special Master. As a result of the lawsuit, beneficiaries meeting medical necessity criteria may receive an increase in existing services that will be provided in a more intensive and effective manner. Court jurisdiction will end December 31, 2014. The services of the special master are expected to continue through June 2015.

Reason for Change from Prior Estimate:

Special master costs are anticipated to be lower.

Methodology:

1. Assume the new Special Master costs are \$124,000 for FY 2013-14 and FY 2014-15.
2. The Special Master costs will be split with CDSS and each department will pay 50% of the costs.

KATIE A. V. DIANA BONTA SPECIAL MASTER

OTHER ADMIN. POLICY CHANGE NUMBER: 55

	<u>TF</u>	<u>CDSS TF</u>	<u>DHCS TF</u>
FY 2013-14	\$124,000	\$62,000	\$62,000
FY 2014-15	\$124,000	\$62,000	\$62,000

3. The Department's estimated costs for FY 2013-14 and FY 2014-15 are:

	<u>DHCS TF</u>	<u>GF</u>	<u>FFP</u>
FY 2013-14	\$62,000	\$31,000	\$31,000
FY 2014-15	\$62,000	\$31,000	\$31,000

Funding:

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

Q5i AUTOMATED DATA SYSTEM ACQUISITION

OTHER ADMIN. POLICY CHANGE NUMBER: 56
 IMPLEMENTATION DATE: 8/2011
 ANALYST: Joanne Peschko
 FISCAL REFERENCE NUMBER: 1440

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$63,000	\$59,000
STATE FUNDS	\$31,500	\$29,500
FEDERAL FUNDS	\$31,500	\$29,500

DESCRIPTION

Purpose:

This policy change estimates the cost of the Q5i automated data system and the ongoing support costs.

Authority:

Not Applicable

Interdependent Policy Changes:

Not Applicable

Background:

The Department acquired the Q5i automated quality control data system on June 10, 2011. There will be ongoing costs for associated software, maintenance, and support. The Q5i system supports quality control efforts for federally mandated programs. As a result of implementation of the Affordable Care Act, the Centers for Medicare and Medicaid Services issued guidance to states that ended previous quality control programs and implements a series of four new pilot programs to be conducted over federal fiscal years 2014 – 2016. Q5i will need to be modified to accommodate the new federal requirements over this three year period. A contract is required for maintenance and system support costs.

Reason for Change from Prior Estimate:

Updated expenditures associated with the modifications necessary to accommodate new federal requirements.

Methodology:

1. Ongoing costs began in March 2012.
2. These estimates are provided by the vendor.

	FY 2013-14			FY 2014-15		
	TF	GF	FF	TF	GF	FF
Ongoing Cost	\$63,000	\$31,500	\$31,500	\$59,000*	\$29,500	\$29,500

*Rounded

Funding:

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

RECOVERY AUDIT CONTRACTOR COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 57
 IMPLEMENTATION DATE: 4/2014
 ANALYST: Andrew Yoo
 FISCAL REFERENCE NUMBER: 1740

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$1,000	\$12,000
STATE FUNDS	\$500	\$6,000
FEDERAL FUNDS	\$500	\$6,000

DESCRIPTION

Purpose:

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

Authority:

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

Interdependent Policy Changes:

Not Applicable

Background:

Section 6411 (a) of the ACA requires states to contract with one or more RACs for the purpose of auditing Medicaid claims, identifying underpayments and overpayments, recouping overpayments, and educating providers. The Department awarded Health Management Systems, Inc. (HMS) this contract in April 2012 and approved the contract in April 2013. This policy change budgets the recovery audit contractor costs. See the Recovery Audit Contractor Savings policy change for the identified and recovered savings.

The four provider types identified for RAC audit are Optometrists, Podiatrists, Non-Emergency Medical Transportation (NEMT) and Speech Therapists. The combined billing for these providers for the past three years is \$12,506,375. HMS estimates 1% is recoverable from their automated system (\$125,063).

Reason for Change from Prior Estimate:

The change is due to a delay in implementation.

Methodology:

1. Assume annual overpayment savings identified within the first year of program implementation are:

$$\$12,506,375 \times 1\% = \$125,064$$

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

$$\text{Annual costs: } \$125,064 \times 12.5\% = \$15,633$$

RECOVERY AUDIT CONTRACTOR COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 57

3. Cost applies to the Department only when savings are identified and recovered.
4. Assume savings will be collected beginning April 2014. Costs of this program will be phased in over a 12 month period. Until the phase in is complete, assume \$109 in monthly costs starting April 2014 and an additional \$109 each month thereafter.
5. Estimated payments based on a cash basis are:

	<u>TF</u>	<u>GF</u>	<u>FF</u>
FY 2013-14	\$1,000	\$500	\$500
FY 2014-15	\$12,000	\$6,000	\$6,000

Funding:

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

DRUG MEDI-CAL COUNTY ADMINISTRATION

OTHER ADMIN. POLICY CHANGE NUMBER: 58
 IMPLEMENTATION DATE: 7/2014
 ANALYST: Julie Chan
 FISCAL REFERENCE NUMBER: 1813

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$0	\$23,029,000
STATE FUNDS	\$0	\$6,620,000
FEDERAL FUNDS	\$0	\$16,409,000

DESCRIPTION

Purpose:

This policy change estimates the administrative costs for counties who provide Drug Medi-Cal (DMC) services.

Authority:

State Plan Amendment #09-022 (Pending)

Interdependent Policy Changes:

Not Applicable

Background:

Counties may obtain federal reimbursement for certain costs associated with administering DMC services. Starting July 1, 2014, DMC will require counties to report and bill for their county administration expenses separate from direct services expenses. This reporting will be required on a quarterly basis and the counties will continue annual reporting of county administration expenses in the annual cost report.

Currently counties certify DMC claims, submitted for reimbursement, for direct services and county administrative services combined. For approved claims, the Department draws down federal Medicaid reimbursement funds based on the total certified expense and pays counties the federal share of the total certified expense, based on the DMC reimbursement rate. Some counties pay their contracted service providers less than the DMC reimbursement rate and retain the difference to pay for DMC county administration expenses. Counties report the county administrative expenses in the annual cost report.

Starting FY 2014-15, the following changes will be made:

- DMC reimbursement rate-setting methodologies will exclude county administrative expenses.
- The Department will reimburse counties for DMC county administration expenses through a new invoicing process.
- The Department will implement a new process allowing counties to claim and be paid for county administrative expenses on a quarterly basis.

Reason for Change from the Prior Estimate:

This policy change has been updated with updated expenditures.

DRUG MEDI-CAL COUNTY ADMINISTRATION

OTHER ADMIN. POLICY CHANGE NUMBER: 58

Methodology:

1. Based on the FY 2011-12 annual cost reports, the county administration costs was \$16,143,000 for Regular DMC services and \$393,000 for Perinatal DMC services.
2. The Department assumes a 10% annual increase (from FY 2011-12 to FY 2012-13, FY 2012-13 to FY 2013-14, and FY 2013-14 to FY 2014-15).

Regular DMC	FY 2011-12 County Admin	Growth		Projected County Admin Costs for FY 2014-15
Narcotic Treatment Program	\$7,700,000	FY 2012-13	10%	\$8,470,000
		FY 2013-14	10%	\$9,317,000
		FY 2014-15	10%	\$10,249,000
Intensive Outpatient Treatment	\$2,368,000	FY 2012-13	10%	\$2,605,000
		FY 2013-14	10%	\$2,866,000
		FY 2014-15	10%	\$3,153,000
Outpatient Drug Free Treatment	\$6,075,000	FY 2012-13	10%	\$6,683,000
		FY 2013-14	10%	\$7,351,000
		FY 2014-15	10%	\$8,086,000
Residential Treatment		FY 2014-15	10%	\$4,332,000
Total for FY 2014-15 (Regular)	\$16,143,000	FY 2012-13	10%	\$17,758,000
		FY 2013-14	10%	\$19,534,000
		FY 2014-15	10%	\$25,820,000

Perinatal DMC	FY 2011-12 County Admin	Growth		Projected County Admin Costs for FY 2014-15
Narcotic Treatment Program	\$31,000	FY 2012-13	10%	\$34,000
		FY 2013-14	10%	\$37,000
		FY 2014-15	10%	\$41,000
Intensive Outpatient Treatment	\$118,000	FY 2012-13	10%	\$130,000
		FY 2013-14	10%	\$143,000
		FY 2014-15	10%	\$157,000
Residential Treatment Program	\$168,000	FY 2012-13	10%	\$185,000
		FY 2013-14	10%	\$204,000
		FY 2014-15	10%	\$224,000
Outpatient Drug Free	\$76,000	FY 2012-13	10%	\$84,000
		FY 2013-14	10%	\$92,000

DRUG MEDI-CAL COUNTY ADMINISTRATION

OTHER ADMIN. POLICY CHANGE NUMBER: 58

		FY 2014-15	10%	\$101,000
Total for		FY 2012-13	10%	\$433,000
FY 2014-15	\$393,000	FY 2013-14	10%	\$476,000
(Perinatal)		FY 2014-15	10%	\$523,000
Total for FY 2014-15				\$26,343,000

3. Aid codes for the Medicaid Children's Health Insurance Program (M-CHIP), for the Breast and Cervical Cancer Treatment (BCCTP) program, and for pregnancy-related services are eligible for Title XXI federal reimbursement of 65%. Minor consent costs are funded by the counties. All other Medi-Cal claims are eligible for 50% federal reimbursement.

	Estimated County Admin	County Funds	Title XIX	Title XXI	GF
Regular DMC	\$25,820,000	\$3,207,000	\$16,019,000	\$89,000	\$6,505,000
Perinatal DMC	\$523,000	\$107,000	\$289,000	\$12,000	\$115,000
Total FY 2014-15	\$26,343,000	\$3,314,000	\$13,308,000	\$101,000	\$6,620,000

Funding:

Title XIX 100% FFP (4260-101-0890)
 Title XXI 100% FFP (4260-113-0890)
 100% General Fund (4260-101-0001)
 100% General Fund (4260-113-0001)

NEWBORN HEARING SCREENING PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 59
 IMPLEMENTATION DATE: 7/2014
 ANALYST: Raman Pabla
 FISCAL REFERENCE NUMBER: 1824

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$0	\$4,136,000
STATE FUNDS	\$0	\$2,068,000
FEDERAL FUNDS	\$0	\$2,068,000

DESCRIPTION

Purpose:

This policy change estimates the Newborn Hearing Screening Program's (NHSP) transfer of cost from the Support Contract to the Local Assistance Budget.

Authority:

AB 2780 (Chapter 310, Statutes of 1998)
 Health & Safety Code Section 123975 and Sections 124115 - 124120.5

Interdependent Policy Changes:

Not Applicable

Background:

Currently, the funding for NHSP services is budgeted in the Medi-Cal Appropriation and the contract service is budgeted in the State Support Appropriation.

The costs for NHSP inpatient and outpatient hearing screens, the diagnostic hearing evaluations, and medical interventions are budgeted in the Local Assistance Medi-Cal Estimate.

In the December 1997 Budget Change Proposal, State Support costs were identified for the Hearing Coordination Centers (HCC) and the Data Management Service (DMS). The HCCs provide technical assistance and consultation to hospitals in the implementation and ongoing execution of facility hearing screening programs. The HCCs also track and monitor every infant who needs follow-up to assure they receive the needed services and referrals.

The DMS supports the reporting, tracking, monitoring and quality assurance activities of the NHSP. The DMS provides information and data to effectively plan, establish, monitor, and evaluate the NHSP. This includes screening, follow-up, and the comprehensive system of services of newborns and infants who are deaf or hard-of-hearing and their families.

Since the Support Contract is directly related to providing services to beneficiaries, the costs have been shifted to the Local Assistance Budget.

Reason for Change from Prior Estimate:

There is no change.

NEWBORN HEARING SCREENING PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 59

Methodology:

1. Currently, the HCC's contract totals \$3,043,515, the DMS contract totals \$500,000 and the Natus contract totals \$592,928. The total amount shifting from State Support to Local Assistance is \$4,136,443.

HCC contract	\$3,043,515
DMS contract	\$500,000
Natus contract	\$592,928
Total for FY 2014-15	\$4,136,000

2. Assume the shift from State Support to the Local Assistance Budget will begin in July 2014.

Funding:

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

RATE STUDIES FOR MAIC AND AAC VENDOR

OTHER ADMIN. POLICY CHANGE NUMBER: 60
 IMPLEMENTATION DATE: 9/2014
 ANALYST: Erickson Chow
 FISCAL REFERENCE NUMBER: 1483

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$0	\$1,000,000
STATE FUNDS	\$0	\$500,000
FEDERAL FUNDS	\$0	\$500,000

DESCRIPTION

Purpose:

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

Authority:

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

Interdependent Policy Changes:

Not Applicable

Background:

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

AB 102 authorized the Department to develop a reimbursement methodology for drugs based on a new benchmark, the Average Acquisition Cost (AAC), to replace the Average Wholesale Price.

To obtain information from providers necessary to establish the MAICs and AACs, the Department will hire a contractor to survey drug price information from Medi-Cal pharmacy providers and update MAICs and AACs on an ongoing basis.

Reason for Change from Prior Estimate:

The implementation date changed to September 2014.

Methodology:

1. Assume settlement of the current litigation enjoining the law is finalized prior to July 1, 2014.
2. Assume the contractors costs will be \$1,000,000 TF (\$500,000 GF) annually, beginning September 1, 2014.

RATE STUDIES FOR MAIC AND AAC VENDOR

OTHER ADMIN. POLICY CHANGE NUMBER: 60

3. Estimated contractors' costs are:

	FY 2014-15
Project Management Contractor	\$ 270,000
MAIC/AAC Vendor Contractor	\$ 730,000
Total	\$ 1,000,000

Funding:

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

PERSONAL CARE SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 61
 IMPLEMENTATION DATE: 4/1993
 ANALYST: Davonna McClendon
 FISCAL REFERENCE NUMBER: 236

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$252,272,000	\$264,886,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$252,272,000	\$264,886,000

DESCRIPTION

Purpose:

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

Authority:

Interagency Agreement 03-75676

Interdependent Policy Changes:

Not Applicable

Background:

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

Both the CMIPS Legacy and CMIPS II are currently used to authorize IHSS payments and provide CDSS and the counties with information such as wages, taxes, hours per case, cost per hour, caseload, and funding ratios.

Reason for Change from Prior Estimate:

Updated expenditure data was provided by CDSS.

PERSONAL CARE SERVICES
OTHER ADMIN. POLICY CHANGE NUMBER: 61

Methodology:

The estimates, on a cash basis, were provided by CDSS.

FY 2013-14	<u>TF</u>	<u>DHCS FFP</u>	<u>CDSS GF/ County Match</u>
EW Time & Health Related	\$408,680,000	\$204,340,000	\$204,340,000
CMIPS II	\$95,864,000	\$47,932,000	\$47,932,000
Total	\$504,544,000	\$252,272,000	\$252,272,000

FY 2014-15	<u>TF</u>	<u>DHCS FFP</u>	<u>CDSS GF/ County Match</u>
EW Time & Health Related	\$466,200,000	\$233,100,000	\$233,100,000
CMIPS II	\$63,572,000	\$31,786,000	\$31,786,000
Total	\$529,772,000	\$264,886,000	\$264,886,000

Funding:

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

HEALTH-RELATED ACTIVITIES - CDSS

OTHER ADMIN. POLICY CHANGE NUMBER: 62
IMPLEMENTATION DATE: 7/1992
ANALYST: Davonna McClendon
FISCAL REFERENCE NUMBER: 233

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$216,528,000	\$223,024,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$216,528,000	\$223,024,000

DESCRIPTION

Purpose:

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

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

Authority:

Interagency Agreements:

CWS 01-15931

CWS/CMS 06-55834

CSBG/APS 01-15931

Interdependent Policy Changes:

Not Applicable

Background:

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

Reason for Change from Prior Estimate:

Updated expenditure data received from CDSS.

HEALTH-RELATED ACTIVITIES - CDSS

OTHER ADMIN. POLICY CHANGE NUMBER: 62

Methodology:

The estimates, on a cash basis, were provided by CDSS.

FY 2013-14	TF	DHCS FFP	CDSS GF/ County Match
CWS	\$233,784,000	\$116,892,000	\$116,892,000
CWS/CMS	\$9,990,000	\$4,995,000	\$4,995,000
CSBG/APS	\$189,282,000	\$94,641,000	\$94,641,000
TOTAL	\$433,056,000	\$216,528,000	\$216,528,000

FY 2014-15	TF	DHCS FFP	CDSS GF/ County Match
CWS	\$240,798,000	\$120,399,000	\$120,399,000
CWS/CMS	\$10,290,000	\$5,145,000	\$5,145,000
CSBG/APS	\$194,960,000	\$97,480,000	\$97,480,000
TOTAL	\$446,048,000	\$223,024,000	\$223,024,000

Funding:

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

CDDS ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 63
IMPLEMENTATION DATE: 7/1997
ANALYST: Raman Pabla
FISCAL REFERENCE NUMBER: 243

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$39,021,000	\$32,240,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$39,021,000	\$32,240,000

DESCRIPTION

Purpose:

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

Authority:

Interagency Agreement (IA)

Interdependent Policy Changes:

Not Applicable

Background:

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

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

Reason for Change from Prior Estimate:

The changes are due to updated expenditures.

Methodology:

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

CDDS ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 63

FY 2013-14	DHCS FFP	CDDS GF	IA #
1 DC/SOSF Medi-Cal Admin.	\$12,517,000	\$12,517,000	03-75282/83
DC/SOSF HIPAA*	\$163,000	\$0	03-75282/83
2 DC/SOSF MC Elig	\$504,000	\$504,000	01-15378
3 HCBS Waiver Admin.	\$11,267,000	\$11,267,000	01-15834
4 RC Medicaid Admin.	\$8,581,000	\$2,860,000	03-75734
5 NHR Admin.	\$143,000	\$143,000	03-75285
6 TCM HQ Admin.	\$398,000	\$398,000	03-75284
TCM RC Admin.	\$4,810,000	\$4,810,000	03-75284
TCM HIPAA*	\$638,000	\$0	03-75284
Total	\$39,021,000	\$32,499,000	
FY 2014-15	DHCS FFP	CDDS GF	IA #
1 DC/SOSF Medi-Cal Admin.	\$6,686,000	\$6,686,000	03-75282/83
DC/SOSF HIPAA*	\$163,000	\$0	03-75282/83
2 DC/SOSF MC Elig	\$500,000	\$500,000	01-15378
3 HCBS Waiver Admin.	\$10,217,000	\$10,217,000	01-15834
4 RC Medicaid Admin.	\$8,750,000	\$2,917,000	03-75734
5 NHR Admin.	\$177,000	\$177,000	03-75285
6 TCM HQ Admin.	\$330,000	\$330,000	03-75284
TCM RC Admin.	\$4,779,000	\$4,779,000	03-75284
TCM HIPAA*	\$638,000	\$0	03-75284
Total	\$32,240,000	\$22,689,000	

Funding:

100% Title XIX (4260-101-0890)

100% HIPAA FFP (4260-117-0890)*

MATERNAL AND CHILD HEALTH

OTHER ADMIN. POLICY CHANGE NUMBER: 64
 IMPLEMENTATION DATE: 7/1992
 ANALYST: Joel Singh
 FISCAL REFERENCE NUMBER: 234

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$25,870,000	\$27,503,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$25,870,000	\$27,503,000

DESCRIPTION

Purpose:

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

Authority:

Interagency agreement (IA)

Interdependent Policy Changes:

Not Applicable

Background:

The MCAH includes the following programs:

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

Reason for Change from Prior Estimate:

The changes are due to updated actual data.

Methodology:

1. The Department claims Title XIX federal funds with Certified Public Expenditures (CPE) from local agencies.
2. Annual expenditures on the accrual basis are \$24,655,000. Cash basis expenditures vary from

MATERNAL AND CHILD HEALTH

OTHER ADMIN. POLICY CHANGE NUMBER: 64

year-to-year based on when claims are actually paid.

3. The FY 2013-14 budgeted amounts include \$6,805,300 for FY 2011-12, \$4,272,000 for FY 2012-13 and \$14,793,000 for FY 2013-14.
4. The FY 2014-15 budgeted amounts include \$2,848,000 for FY 2012-13 and \$9,862,000 for FY 2013-14, and \$14,793,000 for FY2014-15.
5. The following estimates have been provided on a cash basis by CDPH.

(Dollars in Thousands)

FY 2013-14	DHCS FFP	County Match	IA #
BIH	\$2,811	\$2,400	07-65592
CPSP, PCG & SOW	\$21,868	\$15,322	
AFLP	\$1,191	\$1,093	
Total	\$25,870	\$18,815	
FY 2014-15	DHCS FFP	County Match	IA #
BIH	\$3,227	\$2,752	07-65592
CPSP, PCG & SOW	\$22,853	\$16,298	
AFLP	\$1,423	\$1,316	
Total	\$27,503	\$20,366	

Funding:

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

HEALTH CARE PROGRAM FOR CHILDREN IN FOSTER CARE

OTHER ADMIN. POLICY CHANGE NUMBER: 65
 IMPLEMENTATION DATE: 7/1999
 ANALYST: Randolph Alarcio
 FISCAL REFERENCE NUMBER: 246

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$25,143,000	\$25,143,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$25,143,000	\$25,143,000

DESCRIPTION

Purpose:

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

Authority:

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

Interdependent Policy Change:

Not Applicable

Background:

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

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

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

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

The 2011 Public Safety Realignment Initiative (Realignment) provides for a shift of responsibilities for the HCPCFC to local control under county welfare departments. Vehicle License Fund and Sales Tax

**HEALTH CARE PROGRAM FOR CHILDREN IN FOSTER
CARE**
OTHER ADMIN. POLICY CHANGE NUMBER: 65

revenues, which fund the state share of the program, will be transferred to the counties. To enable this transition, SB 1013 provides continuing funding for the existing HCPCFC model for local CHDP programs to staff the HCPCFC with CHDP nursing staff through June 30, 2015. CDSS will redirect funds for this purpose from the newly established Local Revenue Fund of 2011. CDSS is developing a timeline that will result in the transition of the HCPCFC to full local control under the county welfare departments, effective July 1, 2015.

Reason for Change from Prior Estimate:

There is no change.

Methodology:

1. CDSS provides the annual Local Revenue Fund of \$8,381,000.

	DHCS FFP	Local Revenue Fund
FY 2013-14	<u>\$25,143,000</u>	<u>\$8,381,000</u>
	DHCS FFP	Local Revenue Fund
FY 2014-15	<u>\$25,143,000</u>	<u>\$8,381,000</u>

Funding:

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

DEPARTMENT OF SOCIAL SERVICES ADMIN COST

OTHER ADMIN. POLICY CHANGE NUMBER: 66
 IMPLEMENTATION DATE: 7/2002
 ANALYST: Davonna McClendon
 FISCAL REFERENCE NUMBER: 256

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$31,598,000	\$30,928,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$31,598,000	\$30,928,000

DESCRIPTION

Purpose:

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

Authority:

Interagency Agreements:

IHSS PCSP	03-75676
IHSS Health Related	01-15931
CWS/CMS for Medi-Cal	06-55834
IHSS Plus Option Sec. 1915(j)	09-86307
SAWS	04-35639
Medi-Cal State Hearings	10-87031 and 12-89543
Public Inquiry and Response	10-87023
Medicaid Disability Evaluation Services	10-87027
Licensing Related Activities for Mental Health Facilities	12-89443

Interdependent Policy Changes:

Not Applicable

Background:

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

Reason for Change from Prior Estimate:

The estimated costs have changed due to revised expenditure data provided by CDSS.

DEPARTMENT OF SOCIAL SERVICES ADMIN COST

OTHER ADMIN. POLICY CHANGE NUMBER: 66

Methodology:

The following estimates on a cash basis were provided by CDSS.

FY 2013-14	TF	DHCS FFP	CDSS GF
IHSS PCSP	\$11,906,000	\$5,953,000	\$5,953,000
IHSS Health Related	\$58,000	\$29,000	\$29,000
CWS/CMS for Medi-Cal	\$536,000	\$268,000	\$268,000
IHSS Plus Option Sec. 1915(j)	\$5,684,000	\$2,842,000	\$2,842,000
SAWS	\$406,000	\$203,000	\$203,000
Medi-Cal State Hearings	\$17,766,000	\$8,883,000	\$8,883,000
Public Inquiry and Response	\$274,000	\$137,000	\$137,000
Medicaid Disability Evaluation Services	\$26,272,000	\$13,136,000	\$13,136,000
Licensing Related Activities for Mental Health Facilities	\$294,000	\$147,000	\$147,000
TOTAL	\$63,196,000	\$31,598,000	\$31,598,000

FY 2014-15	TF	DHCS FFP	CDSS GF
IHSS PCSP	\$15,998,000	\$7,999,000	\$7,999,000
IHSS Health Related	\$68,000	\$34,000	\$34,000
CWS/CMS for Medi-Cal	\$490,000	\$245,000	\$245,000
IHSS Plus Option Sec. 1915(j)	\$6,060,000	\$3,030,000	\$3,030,000
SAWS	\$482,000	\$241,000	\$241,000
Medi-Cal State Hearings	\$11,672,000	\$5,836,000	\$5,836,000
Public Inquiry and Response	\$614,000	\$307,000	\$307,000
Medicaid Disability Evaluation Services	\$26,472,000	\$13,236,000	\$13,236,000
Licensing Related Activities for Mental Health Facilities	\$0	\$0	\$0
TOTAL	\$61,856,000	\$30,928,000	\$30,928,000

Funding:

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

FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 67
 IMPLEMENTATION DATE: 7/2007
 ANALYST: Joel Singh
 FISCAL REFERENCE NUMBER: 1192

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$19,012,000	\$17,534,000
STATE FUNDS	\$2,780,000	\$2,533,000
FEDERAL FUNDS	\$16,232,000	\$15,001,000

DESCRIPTION

Purpose:

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

Authority:

Interagency Agreement (IA)

Interdependent Policy Changes:

Not Applicable

Background:

The Department entered into an IA with CDPH to allow for the provision of Title XIX federal funds as a reimbursement to CDPH. The non-federal matching funds will be budgeted by CDPH. This policy change is for the following programs support costs:

- Maternal, Child and Adolescent Health
- Office of AIDS
- Childhood Lead Prevention Program
- Center for Health Statistics and Informatics
- Licensing and Certification
- Skilled Nursing Facilities

SB 853 (Chapter 717, Statutes of 2010) implemented a quality and accountability payment program for nursing facilities (NF-Bs). The Department will reimburse CDPH's Skilled Nursing Facilities administrative costs from this Special Fund.

The Skilled Professional Medical Personnel cost are budgeted under the Maternal, Child and Adolescent Health program, and has an enhanced FMAP of 75%.

Reason for Change from Prior Estimate:

The changes are due to updated actual expenditures for the Childhood Lead Prevention Program and Office of AIDS.

Methodology:

1. Assume CDPH provides the General Fund match.

**FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT
COSTS**
OTHER ADMIN. POLICY CHANGE NUMBER: 67

2. For Maternal, Child and Adolescent Health, the estimate includes an enhanced FMAP of 75% for Skilled Professional Medical Personnel costs.
3. CDPH provided the following estimates.

FY 2013-14 Cash Basis	DHCS FFP*	DHCS SP**	CDPH GF	Other Match
Maternal, Child and Adolescent Health	\$2,180,000	\$0	\$1,902,000	\$0
Office of AIDS	\$366,000	\$0	\$366,000	\$0
Childhood Lead Prevention Program	\$1,608,000	\$0	\$0	\$1,608,000
Center for Health Statistics and Informatics	\$718,000	\$0	\$0	\$718,000
Licensing and Certification	\$8,580,000	\$0	\$0	\$8,580,000
Skilled Nursing Facilities	\$2,780,000	\$2,780,000	\$0	\$0
Total	\$16,232,000	\$2,780,000	\$2,268,000	\$10,906,000

FY 2014-15 Cash Basis	DHCS FFP*	DHCS SP**	CDPH GF	Other Match
Maternal, Child and Adolescent Health	\$2,180,000	\$0	\$1,902,000	\$0
Office of AIDS	\$373,000	\$0	\$373,000	\$0
Childhood Lead Prevention Program	\$1,512,000	\$0	\$0	\$1,512,000
Center for Health Statistics and Informatics	\$718,000	\$0	\$0	\$718,000
Licensing and Certification	\$7,685,000	\$0	\$0	\$7,685,000
Skilled Nursing Facilities	\$2,533,000	\$2,533,000	\$0	\$0
Total	\$15,001,000	\$2,533,000	\$2,275,000	\$9,915,000

Funding:

100% Title XIX FFP (4260-101-0890)*

SNF Quality & Accountability (non-GF) (4260-605-3167)**

CLPP CASE MANAGEMENT SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 68
 IMPLEMENTATION DATE: 7/1997
 ANALYST: Joel Singh
 FISCAL REFERENCE NUMBER: 239

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$7,400,000	\$5,200,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$7,400,000	\$5,200,000

DESCRIPTION

Purpose:

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

Authority:

Interagency Agreement (IA) #07-65689

Interdependent Policy Changes:

Not Applicable

Background:

The CLPP Program provides case management services utilizing revenues collected from fees. The revenues are distributed to county governments which provide the case management services. Some of these services are provided to Medi-Cal eligibles. To the extent that local governments provide case management services to Medi-Cal eligibles, federal matching funds can be claimed. The federal match is provided to CDPH through an IA.

Reason for Change from Prior Estimate:

There is no change from prior estimate.

Methodology:

1. Annual expenditures on the accrual basis are \$8,400,000. Cash basis expenditures vary from year-to-year based on when claims are actually paid.
2. The estimates are provided by CDPH on a cash basis.

(In Thousands)

	<u>DHCS FFP</u>	<u>CDPH CLPP Fee Funds</u>
FY 2013-14		
Administrative Costs	\$7,400	\$7,400
FY 2014-15	<u>DHCS FFP</u>	<u>CDPH CLPP Fee Funds</u>
Administrative Costs	\$5,200	\$5,200

Funding:

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

SINGLE POINT OF ENTRY - MEDI-CAL ONLY

OTHER ADMIN. POLICY CHANGE NUMBER: 69
 IMPLEMENTATION DATE: 1/2013
 ANALYST: Randolph Alarcio
 FISCAL REFERENCE NUMBER: 1748

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$6,832,000	\$6,130,000
STATE FUNDS	\$2,698,700	\$2,421,350
FEDERAL FUNDS	\$4,133,300	\$3,708,650

DESCRIPTION

Purpose:

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

Authority:

Not Applicable

Interdependent Policy Changes:

Not Applicable

Background:

The Department and Managed Risk Medical Insurance Board (MRMIB) developed an application form for the Healthy Families Program (HFP), which was also used as a screening tool for the Medi-Cal children's percent programs. Effective January 1, 2013, HFP subscribers began transitioning into Medi-Cal through a phase-in methodology. HFP subscribers will transition to the Medi-Cal program as targeted low-income children. The Department has retained MAXIMUS as the SPE and has contracted with them through June 2017. Completed applications are sent to the SPE to screen and forward to the county welfare departments (CWD) for a Medi-Cal determination for the children's percent programs or to the new targeted low-income children's program (TLICP).

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

Beginning January 1, 2014, the Department instructed MAXIMUS to close out the Single Point of Entry (SPE) application services and to refer applicants to use the application portal and toll-free line at Covered California. The shutdown process will be completed in FY 2013-14.

Beginning November 1, 2013, the Access for Infants and Mothers (AIM) infants above the 250% of poverty level transitioned into the Medi-Cal program. The transition ended on February 1, 2014.

Beginning July 1, 2014, the AIM mothers will transition into the Medi-Cal program.

SINGLE POINT OF ENTRY - MEDI-CAL ONLY

OTHER ADMIN. POLICY CHANGE NUMBER: 69

Reason for Change from Prior Estimate:

Actual HFP data through February 2014 was incorporated into the caseload projections which showed a decrease. The close out of the SPE is occurring in FY 2013-14. Two new AIM populations are being added to the estimate.

Methodology:

1. This estimate is based on actual usage of the application; and actual processing, postage, and vendor contract rates and services. SPE services include: customer service representatives related to processing applications and premium related calls, telephony charges, help desk operation, call center support staff, and overnight federal express shipment of documentation to the counties.
2. Telephone and pre-printed application costs are eligible for Title XIX 50/50 and Title 65/35 FMAP. Based on FY 2012-13 actuals, the average cost ratio is 30% Title XIX 50/50 and 70% Title XXI 65/35.

FY 2013-14	GF	FF	TF
Call Minute Rate per Minute	\$2,122,000	\$3,250,000	\$5,372,000
Transaction Forwarding Fee	\$577,000	\$883,000	\$1,460,000
Total	\$2,699,000	\$4,133,000	\$6,832,000

FY 2014-15	GF	FF	TF
Call Minute Rate per Minute	\$1,896,000	\$2,903,000	\$4,799,000
Transaction Forwarding Fee	\$526,000	\$805,000	\$1,331,000
Total	\$2,422,000	\$3,708,000	\$6,130,000

*Amounts differ due to rounding

Funding:

FY 2013-14	GF	FF	TF
50% Title XIX / 50% GF (4260-101-0890/0001)	\$1,025,000	\$1,025,000	\$2,050,000
65% Title XXI / 35% GF (4260-113-0890/0001)	\$1,674,000	\$3,109,000	\$4,782,000

FY 2014-15	GF	FF	TF
50% Title XIX / 50% GF (4260-101-0890/0001)	\$920,000	\$920,000	\$1,839,000
65% Title XXI / 35% GF (4260-113-0890/0001)	\$1,502,000	\$2,789,000	\$4,291,000

*Amounts differ due to rounding

DEPARTMENT OF AGING ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 70
IMPLEMENTATION DATE: 7/1984
ANALYST: Davonna McClendon
FISCAL REFERENCE NUMBER: 253

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$3,129,000	\$3,523,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$3,129,000	\$3,523,000

DESCRIPTION

Purpose:

This policy change estimates the Title XIX federal financial participation (FFP) provided to the California Department of Aging (CDA) for administrative costs related to services provided to Medi-Cal eligibles in Community-Based Adult Services (CBAS) and the Multipurpose Senior Services Program (MSSP). Enhanced federal funding is also provided to CDA for administrative costs related to services provided to eligibles utilizing Aging and Disability Resource Centers (ADRC).

Authority:

Interagency Agreement

Interdependent Policy Changes:

Not Applicable

Background:

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

Reason for Change from Prior Estimate:

Estimated projections were updated by CDA.

DEPARTMENT OF AGING ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 70

Methodology:

The estimates below, on a cash basis, were provided by CDA.

(Dollars in Thousands)

	FY 2013-14		FY 2014-15	
	CDA GF	FFP	CDA GF	FFP
CBAS Support				
FY 2012-13 DOS	\$10	\$12		
FY 2013-14 DOS	\$1,483	\$1,715	\$46	\$53
FY 2014-15 DOS			\$1,484	\$1,770
Total CBAS	<u>\$1,493</u>	<u>\$1,727</u>	<u>\$1,530</u>	<u>\$1,823</u>
MSSP Support				
FY 2012-13 DOS	\$8	\$9		
FY 2013-14 DOS	\$1,203	\$1,393	\$37	\$43
FY 2014-15 DOS			\$1,195	\$1,382
Total MSSP	<u>\$1,211</u>	<u>\$1,402</u>	<u>\$1,232</u>	<u>\$1,425</u>
ADRC Support*				
FY 2014-15 DOS				\$275
Grand Total	\$2,705	\$3,129	\$2,762	\$3,523

Funding:

100% Title XIX (4260-101-0890)

100% MFP Federal Grant (4260-106-0890)*

CDPH I&E PROGRAM AND EVALUATION

OTHER ADMIN. POLICY CHANGE NUMBER: 71
IMPLEMENTATION DATE: 7/2003
ANALYST: Randolph Alarcio
FISCAL REFERENCE NUMBER: 261

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
TOTAL FUNDS	\$1,028,000	\$946,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$1,028,000	\$946,000

DESCRIPTION

Purpose:

This policy change estimates the federal financial participation (FFP) provided to the California Department of Public Health (CDPH) for the Information and Education (I&E) program to establish and implement clinical linkages to the Family Planning, Access, Care and Treatment (Family PACT) program.

Authority:

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

Interdependent Policy Changes:

Not Applicable

Background:

AB 1762 authorized the Department to require contractors and grantees under the Office of Family Planning (OFP) and the I&E program to establish and implement clinical linkages to the Family PACT program. This linkage includes planning and development of a referral process for program participants to ensure access to family planning and other reproductive health care services, including technical assistance, training, and an evaluation component for grantees.

The CDPH budgets the I&E program under the Maternal, Child and Adolescent Health Division.

Reason for Change from Prior Estimate:

Expenditures decrease due to budget reductions.

Methodology:

1. CDPH budgets the non-federal matching funds.

CDPH I&E PROGRAM AND EVALUATION

OTHER ADMIN. POLICY CHANGE NUMBER: 71

2. CDPH provides the estimated costs on a cash basis.

	<u>TF</u>	<u>CDPH GF</u>	<u>DHCS FF</u>
FY 2012-13	\$732,000	\$366,000	\$366,000
FY 2013-14	\$1,324,000	\$662,000	\$662,000
Total FY 2013-14	\$2,056,000	\$1,028,000	\$1,028,000

	<u>TF</u>	<u>CDPH GF</u>	<u>DHCS FF</u>
FY 2013-14	\$568,000	\$284,000	\$284,000
FY 2014-15	\$1,324,000	\$662,000	\$662,000
Total FY 2014-15	\$1,892,000	\$946,000	\$946,000

Funding:

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

CDDS DENTAL SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 72
 IMPLEMENTATION DATE: 11/2011
 ANALYST: Erickson Chow
 FISCAL REFERENCE NUMBER: 1631

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$1,197,000	\$1,197,000
STATE FUNDS	\$1,197,000	\$1,197,000
FEDERAL FUNDS	\$0	\$0

DESCRIPTION

Purpose:

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

Authority:

Interagency Agreement 10-87244

Interdependent Policy Changes:

Not Applicable

Background:

The Lanterman Act requires the CDDS to provide dental services to its clients. Because Medi-Cal no longer covered most dental services for adults 21 years of age and older, CDDS entered into an interagency agreement with the Department to have the Medi-Cal dental Fiscal Intermediary process and pay claims for those dental services no longer covered by Medi-Cal. The additional costs of processing claims and benefits will be reimbursed by CDDS. Select adult optional dental services will be reinstated May 1, 2014.

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

Reason for Change from Prior Estimate:

There is no change.

Methodology:

1. An update to the CD-MMIS began in November 2011.
2. The processing of claims began in January 2012 and payments to providers began in February 2012.
3. Assume the cost of processing claims is \$1,197,000 annually.
4. All costs are reimbursed by CDDS.

Funding:

Reimbursement GF (4260-610-0995)

KIT FOR NEW PARENTS

OTHER ADMIN. POLICY CHANGE NUMBER: 73
 IMPLEMENTATION DATE: 7/2001
 ANALYST: Erickson Chow
 FISCAL REFERENCE NUMBER: 249

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$1,017,000	\$1,017,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$1,017,000	\$1,017,000

DESCRIPTION

Purpose:

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

Authority:

Interagency Agreement (IA) #03-76097

Interdependent Policy Changes:

Not Applicable

Background:

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

Reason for Change from Prior Estimate:

There is no change.

Methodology:

1. CCFC will distribute an estimated 370,000 kits in FY 2014-15 and FY 2015-16, of these 46% of the kits are expected to be distributed to Medi-Cal eligible newborns.

$$370,000 \text{ kits} \times 46\% = 170,200 \text{ Medi-Cal kits}$$

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

$$170,200 \text{ Medi-Cal kits} \times 51\% = 86,802 \text{ basic kits}$$

$$170,200 \text{ Medi-Cal kits} \times 49\% = 83,398 \text{ custom kits}$$

3. As of November 1, 2010, the basic kit costs \$11.89 and the customized kit, which contains an additional item specific to the county of birth, costs \$12.01.
4. Costs of \$501,000 for FY 2013-14 will be paid in FY 2014-15 and \$501,000 for FY 2014-15 will be paid in FY 2015-16.

KIT FOR NEW PARENTS

OTHER ADMIN. POLICY CHANGE NUMBER: 73

Annual Cost (Accrual Basis)

86,802 basic kits x \$11.89	\$1,032,000
83,398 custom kits x \$12.01	\$1,002,000
Total FY 2012-13 Cost	\$2,034,000

Cash Basis	FY 2013-14	FY 2014-15
FY 2012-13	\$501,000	\$0
FY 2013-14	\$1,533,000	\$501,000
FY 2014-15	\$0	\$1,533,000
Total:	\$2,034,000	\$2,034,000
FFP Total:	\$1,017,000	\$1,017,000

Funding:

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

QUITLINE ADMINISTRATIVE SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 74
 IMPLEMENTATION DATE: 1/2014
 ANALYST: Andrew Yoo
 FISCAL REFERENCE NUMBER: 1680

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$1,000,000	\$1,000,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$1,000,000	\$1,000,000

DESCRIPTION

Purpose:

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

Authority:

Interagency Agreement (IA) 13-90417

Interdependent Policy Change:

Not Applicable

Background:

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

Currently, Quitline receives its funding through CDPH and other sources. The IA between the Department and CDPH would enable the State to receive 50% FFP for Quitline services administration costs related to services provided to Medicaid individuals. Beginning in FY 2013-14, the Department will claim FFP and reimburse CDPH through an IA.

Reason for Change from Prior Estimate:

The change is because the IA limits the annual amount to be \$1,000,000 provided to CDPH.

Methodology:

1. The program's effective date is July 1, 2013.
2. Total Quitline services administration costs are \$4 million annually.
3. Assume 50% of callers are Medi-Cal beneficiaries.
4. The State receives 50% FFP. The estimated annual FFP on an accrual basis is \$1,000,000.
5. The Department expects to reimburse CDPH a total amount of \$1,000,000 in FY 2013-14 beginning January 2014.

Funding:

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

VETERANS BENEFITS

OTHER ADMIN. POLICY CHANGE NUMBER: 75
 IMPLEMENTATION DATE: 12/1988
 ANALYST: Joanne Peschko
 FISCAL REFERENCE NUMBER: 232

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$956,000	\$956,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$956,000	\$956,000

DESCRIPTION

Purpose:

This policy change estimates the Title XIX federal funding provided to the California Department of Veterans Affairs (CDVA) for distribution to County Veteran Service Officers (CVSO) for identifying veterans eligible for Veterans Affairs (VA) benefits.

Authority:

California Military & Veterans Code 972.5
 Interagency Agreement 13-90149

Interdependent Policy Changes:

Not Applicable

Background:

County Veteran Services officers help identify additional veterans benefits and refers the veteran to utilize those services instead of Medi-Cal. This process avoids costs for the Medi-Cal program. The contract amounts for FY 2013-14 and FY 2014-15 is estimated to be \$956,000. The non-federal match is budgeted at CDVA.

Reason for Change from Prior Estimate:

There is no change.

Methodology:

Cash Basis

	TF	CDVA GF	DHCS FF
FY 2013-14			
Administrative	\$436,000	\$218,000	\$218,000
Workload Units	\$1,476,000	\$738,000	\$738,000
Total	\$1,912,000	\$956,000	\$956,000
FY 2014-15			
Administrative	\$436,000	\$218,000	\$218,000
Workload Units	\$1,476,000	\$738,000	\$738,000
Total	\$1,912,000	\$956,000	\$956,000

Funding:

100 %Title XIX (4260-101-0890)

CHHS AGENCY HIPAA FUNDING

OTHER ADMIN. POLICY CHANGE NUMBER: 76
 IMPLEMENTATION DATE: 7/2001
 ANALYST: Sandra Bannerman
 FISCAL REFERENCE NUMBER: 257

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$651,000	\$651,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$651,000	\$651,000

DESCRIPTION

Purpose:

This policy change estimates and reimburses the California Health and Human Services (CHHS) Agency the federal funds for qualifying Health Insurance Portability and Accountability Act (HIPAA) activities related to Medi-Cal.

Authority:

Interagency Agreement 11-88125

Interdependent Policy Changes:

Not Applicable

Background:

A HIPAA office has been established at the CHHS Agency to coordinate implementation and set policy requirements for departments utilizing Title XIX funding. This funding supports State positions and contracted staff to assist in the implementation of HIPAA rules at the Agency level. These staff provide oversight and subject matter expertise in HIPAA rules.

Reason for Change from Prior Estimate:

There is no change.

Methodology:

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

	DHCS FF	CHHS GF
Cash Basis		
FY 2013-14:	\$651,000	\$651,000
FY 2014-15:	\$651,000	\$651,000

Funding:

100% HIPAA (4260-117-0890)

MERIT SYSTEM SERVICES FOR COUNTIES

OTHER ADMIN. POLICY CHANGE NUMBER: 77
 IMPLEMENTATION DATE: 7/2003
 ANALYST: Joanne Peschko
 FISCAL REFERENCE NUMBER: 263

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$195,000	\$195,000
STATE FUNDS	\$97,500	\$97,500
FEDERAL FUNDS	\$97,500	\$97,500

DESCRIPTION

Purpose:

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

Authority:

Interagency Agreement #03-75683

Interdependent Policy Changes:

Not Applicable

Background:

Federal regulations require that any government agency receiving federal funds have a civil service exam, classification, and pay process. Many counties do not have a civil service system that meet current state regulations, so the Merit System Services Program was established under the State Personnel Board and is now administered by the CalHR to administer personnel services for the counties that do not have one. In addition, the CalHR reviews the merit systems in the remaining counties to ensure that they meet federal civil service requirements.

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

Reason for Change from Prior Estimate:

There is no change.

Methodology:

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

Funding:

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

FPACT SUPPORT, PROVIDER EDUC. & CLIENT OUTREACH

OTHER ADMIN. POLICY CHANGE NUMBER: 78
 IMPLEMENTATION DATE: 12/1999
 ANALYST: Randolph Alarcio
 FISCAL REFERENCE NUMBER: 248

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$53,000	\$0
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$53,000	\$0

DESCRIPTION

Purpose:

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

Authority:

Interagency Agreement 08-85180

Interdependent Policy Changes:

Not Applicable

Background:

The Family PACT program has two main objectives. One is to increase access to services for low-income women and men, including adolescents. The other is to increase the number of providers who serve these clients. The Department provides education and support services to the Family PACT providers and potential providers, as well as clients and potential clients. Services include, but are not limited to:

- Public education, awareness, and direct client outreach,
- Provider enrollment, recruitment, and training,
- Training and technical assistance for medical and non-medical staff,
- Education and counseling services,
- Preventive clinical services,
- Sexually transmitted infection/HIV training and technical assistance services, and
- Toll-free referral number.

The Office of Family Planning contracts with a variety of entities to provide these services.

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

Reason for Change from Prior Estimate:

There is no change.

Methodology:

1. CDPH provides the General Fund match on a cash basis.

FPACT SUPPORT, PROVIDER EDUC. & CLIENT OUTREACH

OTHER ADMIN. POLICY CHANGE NUMBER: 78

2. The previously authorized expenditures expected to be paid in FY 2013-14 are:

	<u>TF</u>	<u>CDPH GF</u>	<u>DHCS FF</u>
FY 2011-12 expenditures	\$106,000	\$53,000	\$53,000
Total FY 2013-14	\$106,000	\$53,000	\$53,000

Funding:

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

PIA EYEWEAR COURIER SERVICE

OTHER ADMIN. POLICY CHANGE NUMBER: 79
 IMPLEMENTATION DATE: 7/2003
 ANALYST: Erickson Chow
 FISCAL REFERENCE NUMBER: 1114

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$380,000	\$440,000
STATE FUNDS	\$190,000	\$220,000
FEDERAL FUNDS	\$190,000	\$220,000

DESCRIPTION

Purpose:

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

Authority:

Interagency Agreement (IA) #13-90175

Interdependent Policy Changes:

Not Applicable

Background:

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

Reason for Change from Prior Estimate:

Transition of Healthy Families and Low Income Health Plan populations as well as Medicaid expansion resulting from ACA.

Methodology:

1. The current contract with West Coast Overnight, Incorporated began in April 2012 and expires in March 2014. The cost per package is \$1.625 plus a four percent fuel surcharge.
2. The contract will be renewed in April 2014 with the same amount of vendors and rates.
3. Based on the transition of children from the Healthy Families Program to the Medi-Cal Program, PIA anticipates a total of 588,000 Medi-Cal jobs (RX orders). PIA shipments average 2.44 Medi-Cal jobs per package which equates to 241,000 shipments (588,000/2.44). Much of the increase was observed in the later part of calendar year 2013.

The cost for FY 2013-14 is estimated to be: $\$1.625 \times 1.04 \times 241,000 = \$407,000$ TF for FY 2013-14.

PIA EYEWEAR COURIER SERVICE

OTHER ADMIN. POLICY CHANGE NUMBER: 79

4. Expect a continued trend upward due to ACA expansion and increase in utilization in FY 2014-15. Estimated shipped packages are 260,000 in FY 2014-15.

The cost for FY 2014-15 is estimated to be: $\$1.625 \times 1.04 \times 260,500 = \$440,000$ TF.

5. There is a one quarter lag for the payment of these services.

Cash Basis	FY 2013-14	FY 2014-15
FY 2012-13 Services	\$83,000	\$0
FY 2013-14 Services	\$297,000	\$110,000
FY 2014-15 Services	\$0	\$330,000
Budget Year Total	\$380,000	\$440,000

Funding:

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

THIRD PARTY VALIDATION OF CERTIFIED PROVIDERS

OTHER ADMIN. POLICY CHANGE NUMBER: 80
 IMPLEMENTATION DATE: 12/2013
 ANALYST: Julie Chan
 FISCAL REFERENCE NUMBER: 1830

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$250,000	\$0
STATE FUNDS	\$125,000	\$0
FEDERAL FUNDS	\$125,000	\$0

DESCRIPTION

Purpose:

This policy change estimates the cost to procure a vendor, from the California Multiple Award Schedule, to conduct a third party validation of all Drug Medi-Cal (DMC) program service providers, pre and post certification.

Authority:

Not Applicable

Interdependent Policy Changes:

Not Applicable

Background:

The third party validation will enhance anti-fraud activities that will enable the Department to assess program providers, provider risk, demographic coverage, and generate alerts of changes in status by matching providers through various sources of information. Matching sources will include but are not limited to (a) Federal Exclusion Records; (b) State Exclusion Records; (c) Federal Death Records; (d) State Licensure Sanctions; and (e) National Provider Identification (NPI) Deactivations.

The Department was able to utilize an existing contract to conduct third party validation activities.

Reason for Change from Prior Estimate:

The Department does not anticipate any contract costs in FY 2014-15.

Methodology:

1. The contractor started providing services December 1, 2013.
2. The total contract cost is \$500,000.
3. Assume \$250,000 will be spent in FY 2013-14.

Funding:

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

DENTAL FI RE-PROCUREMENT IV&V

OTHER ADMIN. POLICY CHANGE NUMBER: 82
 IMPLEMENTATION DATE: 7/2014
 ANALYST: Sandra Bannerman
 FISCAL REFERENCE NUMBER: 1840

	FY 2013-14	FY 2014-15
TOTAL FUNDS	\$0	\$282,000
STATE FUNDS	\$0	\$70,500
FEDERAL FUNDS	\$0	\$211,500

DESCRIPTION

Purpose:

This policy change estimates the cost of an Independent Verification and Validation (IV&V) consultant to support the Dental Fiscal Intermediary Re-Procurement (DFIR) project.

Authority:

Not Applicable

Interdependent Policy Changes:

Not Applicable

Background:

In 2011, the Centers for Medicare & Medicaid Services (CMS) determined the new dental Fiscal Intermediary (FI) contract did not meet the regulatory criteria and conditions as a Medicaid Management Information System (MMIS) acquisition, and denied enhanced federal funding. The Department plans to re-procure a new FI contract that complies with federal regulations and is eligible for enhanced federal funding. The Department plans to procure an IV&V contractor to provide project oversight and governance.

The IV&V contractor will provide management with an independent perspective on project activities and promote early detection of project/product variances. This allows the project to implement corrective actions to bring the project back in-line with agreed-upon expectations. Objectives of performing IV&V include:

- Facilitate early detection and correction of cost and schedule variances,
- Enhance management insight into process and product risk,
- Support project lifecycle process to ensure compliance with regulatory, performance, budget, and schedule requirements, and
- Validate the project's product and processes to ensure compliance with defined requirements.

Reason for Change from Prior Estimate:

This is a new policy change.

Methodology:

1. The IV & V consultant will be hired in July 2014 and the contract will end in January 2016.
2. Total estimated costs are \$446,000.

DENTAL FI RE-PROCUREMENT IV&V

OTHER ADMIN. POLICY CHANGE NUMBER: 82

FY 2013-14:	<u>TF</u> \$0	<u>GF</u> \$0	<u>FF</u> \$0
FY 2014-15:	<u>TF</u> \$282,000	<u>GF</u> \$71,000	<u>FF</u> \$211,000

Funding:

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