SUMMARY OF BASE POLICY CHANGES
FISCAL YEAR 2015-16

POLICY CHG. NO.	CATEGORY & TITLE	TOTAL FUNDS	FEDERAL FUNDS	STATE FUNDS
	ELIGIBILITY			
3	MEDI-CAL ACCESS PROGRAM MOTHERS 213-322% F	$93,271,000	$54,465,000	$38,806,000
5	MEDI-CAL ACCESS PROGRAM INFANTS 266-322% FF	$16,482,000	$10,713,300	$5,768,700
	ELIGIBILITY SUBTOTAL	**$109,753,000**	**$65,178,300**	**$44,574,700**
	DRUG MEDI-CAL			
62	INTENSIVE OUTPATIENT TREATMENT SERVICES	$40,057,000	$27,633,000	$12,424,000
63	NARCOTIC TREATMENT PROGRAM	$85,534,000	$85,534,000	$0
64	OUTPATIENT DRUG FREE TREATMENT SERVICES	$20,779,000	$20,779,000	$0
65	RESIDENTIAL TREATMENT SERVICES	$33,618,000	$23,786,000	$9,832,000
	DRUG MEDI-CAL SUBTOTAL	**$179,988,000**	**$157,732,000**	**$22,256,000**
	MENTAL HEALTH			
69	SMHS FOR ADULTS	$1,149,581,000	$1,080,696,000	$68,885,000
70	SMHS FOR CHILDREN	$992,419,000	$949,324,000	$43,095,000
	MENTAL HEALTH SUBTOTAL	**$2,142,000,000**	**$2,030,020,000**	**$111,980,000**
	MANAGED CARE			
109	TWO PLAN MODEL	$10,518,318,000	$5,399,004,000	$5,119,314,000
111	COUNTY ORGANIZED HEALTH SYSTEMS	$4,589,386,000	$2,367,680,700	$2,221,705,300
112	GEOGRAPHIC MANAGED CARE	$2,050,257,000	$1,055,369,100	$994,887,900
116	REGIONAL MODEL	$750,730,000	$385,558,450	$365,171,550
119	PACE (Other M/C)	$295,935,000	$147,967,500	$147,967,500
120	DENTAL MANAGED CARE (Other M/C)	$146,820,000	$86,040,300	$60,779,700
121	SENIOR CARE ACTION NETWORK (Other M/C)	$47,202,000	$23,601,000	$23,601,000
125	AIDS HEALTHCARE CENTERS (Other M/C)	$7,003,000	$3,501,500	$3,501,500
127	FAMILY MOSAIC CAPITATED CASE MGMT. (Oth. M/C)	$976,000	$488,000	$488,000
	MANAGED CARE SUBTOTAL	**$18,406,627,000**	**$9,469,210,550**	**$8,937,416,450**
	OTHER			
167	PERSONAL CARE SERVICES (Misc. Svcs.)	$845,295,000	$845,295,000	$0
168	MEDICARE PMNTS.- BUY-IN PART A & B PREMIUMS	$2,618,021,000	$1,209,256,500	$1,408,764,500
169	MEDICARE PAYMENTS - PART D PHASED-DOWN	$1,636,699,000	$0	$1,636,699,000
170	HOME & COMMUNITY-BASED SVCS.-CDDS (Misc.)	$1,541,478,000	$1,541,478,000	$0
171	DENTAL SERVICES	$1,101,822,000	$673,676,500	$428,145,500
172	DEVELOPMENTAL CENTERS/STATE OP SMALL FAC	$206,500,000	$206,500,000	$0
174	TARGETED CASE MGMT. SVCS. - CDDS (Misc. Svcs.)	$162,286,000	$162,286,000	$0
177	MEDI-CAL TCM PROGRAM	$47,090,000	$47,090,000	$0
178	EPSDT SCREENS	$38,736,000	$19,834,500	$18,901,500
179	WAIVER PERSONAL CARE SERVICES (Misc. Svcs.)	$44,659,000	$22,329,500	$22,329,500
183	LAWSUITS/CLAIMS	$3,690,000	$1,845,000	$1,845,000
185	HIPP PREMIUM PAYOUTS (Misc. Svcs.)	$2,152,000	$1,076,000	$1,076,000

SUMMARY OF BASE POLICY CHANGES
FISCAL YEAR 2015-16

POLICY CHG. NO.	CATEGORY & TITLE	TOTAL FUNDS	FEDERAL FUNDS	STATE FUNDS
	OTHER			
187	CLPP CASE MANAGEMENT SERVICES (Misc. Svcs.)	$1,285,000	$1,285,000	$0
195	BASE RECOVERIES	-$277,433,000	-$137,789,000	-$139,644,000
	OTHER SUBTOTAL	**$7,972,280,000**	**$4,594,163,000**	**$3,378,117,000**
	GRAND TOTAL	**$28,810,648,000**	**$16,316,303,850**	**$12,494,344,150**

COMPARISON OF FISCAL IMPACTS OF BASE POLICY CHANGES
MAY 2015 ESTIMATE COMPARED TO NOVEMBER 2014 ESTIMATE
FISCAL YEAR 2015-16

		NOV. 2014 EST. FOR 2015-16		MAY 2015 EST. FOR 2015-16		DIFFERENCE	
NO.	POLICY CHANGE TITLE	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
	ELIGIBILITY						
3	MEDI-CAL ACCESS PROGRAM MOTHERS 213-322% FPI			$93,271,000	$38,806,000	$93,271,000	$38,806,000
5	MEDI-CAL ACCESS PROGRAM INFANTS 266-322% FPL			$16,482,000	$5,768,700	$16,482,000	$5,768,700
	ELIGIBILITY SUBTOTAL	**$0**	**$0**	**$109,753,000**	**$44,574,700**	**$109,753,000**	**$44,574,700**
	DRUG MEDI-CAL						
62	INTENSIVE OUTPATIENT TREATMENT SERVICES	$105,657,000	$32,811,000	$40,057,000	$12,424,000	-$65,600,000	-$20,387,000
63	NARCOTIC TREATMENT PROGRAM	$77,949,000	$0	$85,534,000	$0	$7,585,000	$0
64	OUTPATIENT DRUG FREE TREATMENT SERVICES	$36,657,000	$0	$20,779,000	$0	-$15,878,000	$0
65	RESIDENTIAL TREATMENT SERVICES	$63,887,000	$19,610,000	$33,618,000	$9,832,000	-$30,269,000	-$9,778,000
68	PROVIDER FRAUD IMPACT TO DMC PROGRAM	-$27,850,000	$0			$27,850,000	$0
	DRUG MEDI-CAL SUBTOTAL	**$256,300,000**	**$52,421,000**	**$179,988,000**	**$22,256,000**	**-$76,312,000**	**-$30,165,000**
	MENTAL HEALTH						
69	SMHS FOR ADULTS	$1,145,028,000	$71,820,000	$1,149,581,000	$68,885,000	$4,553,000	-$2,935,000
70	SMHS FOR CHILDREN	$990,486,000	$39,354,000	$992,419,000	$43,095,000	$1,933,000	$3,741,000
	MENTAL HEALTH SUBTOTAL	**$2,135,514,000**	**$111,174,000**	**$2,142,000,000**	**$111,980,000**	**$6,486,000**	**$806,000**
	MANAGED CARE						
109	TWO PLAN MODEL	$9,425,937,000	$4,547,770,800	$10,518,318,000	$5,119,314,000	$1,092,381,000	$571,543,200
111	COUNTY ORGANIZED HEALTH SYSTEMS	$4,652,444,000	$2,260,055,300	$4,589,386,000	$2,221,705,300	-$63,058,000	-$38,350,000
112	GEOGRAPHIC MANAGED CARE	$1,819,186,000	$881,375,500	$2,050,257,000	$994,887,900	$231,071,000	$113,512,400
116	REGIONAL MODEL	$388,228,000	$184,337,950	$750,730,000	$365,171,550	$362,502,000	$180,833,600
119	PACE (Other M/C)	$315,767,000	$157,883,500	$295,935,000	$147,967,500	-$19,832,000	-$9,916,000
120	DENTAL MANAGED CARE (Other M/C)	$103,902,000	$51,951,000	$146,820,000	$60,779,700	$42,918,000	$8,828,700
121	SENIOR CARE ACTION NETWORK (Other M/C)	$43,997,000	$21,998,500	$47,202,000	$23,601,000	$3,205,000	$1,602,500
125	AIDS HEALTHCARE CENTERS (Other M/C)	$7,003,000	$3,501,500	$7,003,000	$3,501,500	$0	$0
127	FAMILY MOSAIC CAPITATED CASE MGMT. (Oth. M/C)	$1,065,000	$532,500	$976,000	$488,000	-$89,000	-$44,500
	MANAGED CARE SUBTOTAL	**$16,757,529,000**	**$8,109,406,550**	**$18,406,627,000**	**$8,937,416,450**	**$1,649,098,000**	**$828,009,900**
	OTHER						
167	PERSONAL CARE SERVICES (Misc. Svcs.)	$3,417,045,000	$0	$845,295,000	$0	-$2,571,750,000	$0
168	MEDICARE PMNTS.- BUY-IN PART A & B PREMIUMS	$2,637,307,000	$1,415,148,000	$2,618,021,000	$1,408,764,500	-$19,286,000	-$6,383,500
169	MEDICARE PAYMENTS - PART D PHASED-DOWN	$1,641,475,000	$1,641,475,000	$1,636,699,000	$1,636,699,000	-$4,776,000	-$4,776,000

COMPARISON OF FISCAL IMPACTS OF BASE POLICY CHANGES
MAY 2015 ESTIMATE COMPARED TO NOVEMBER 2014 ESTIMATE
FISCAL YEAR 2015-16

		NOV. 2014 EST. FOR 2015-16		MAY 2015 EST. FOR 2015-16		DIFFERENCE	
NO.	POLICY CHANGE TITLE	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
	HOME & COMMUNITY-BASED SVCS.-CDDS (Misc.)	$1,514,429,000	$0	$1,541,478,000	$0	$27,049,000	$0
	DENTAL SERVICES	$823,747,000	$392,984,950	$1,101,822,000	$428,145,500	$278,075,000	$35,160,550
	DEVELOPMENTAL CENTERS/STATE OP SMALL FAC	$265,000,000	$0	$206,500,000	$0	-$58,500,000	$0
	TARGETED CASE MGMT. SVCS. - CDDS (Misc. Svcs.)	$153,558,000	$0	$162,286,000	$0	$8,728,000	$0
	MEDI-CAL TCM PROGRAM	$44,292,000	$0	$47,090,000	$0	$2,798,000	$0
	EPSDT SCREENS	$39,065,000	$19,070,350	$38,736,000	$18,901,500	-$329,000	-$168,850
	WAIVER PERSONAL CARE SERVICES (Misc. Svcs.)	$40,858,000	$20,429,000	$44,659,000	$22,329,500	$3,801,000	$1,900,500
	LAWSUITS/CLAIMS	$1,865,000	$932,500	$3,690,000	$1,845,000	$1,825,000	$912,500
	HIPP PREMIUM PAYOUTS (Misc. Svcs.)	$2,356,000	$1,178,000	$2,152,000	$1,076,000	-$204,000	-$102,000
	CLPP CASE MANAGEMENT SERVICES (Misc. Svcs.)	$1,285,000	$0	$1,285,000	$0	$0	$0
	BASE RECOVERIES	-$265,697,000	-$133,736,000	-$277,433,000	-$139,644,000	-$11,736,000	-$5,908,000
		$10,316,585,000	**$3,357,481,800**	**$7,972,280,000**	**$3,378,117,000**	**-$2,344,305,000**	**$20,635,200**

COMPARISON OF FISCAL IMPACTS OF BASE POLICY CHANGES
CURRENT YEAR COMPARED TO BUDGET YEAR
FISCAL YEARS 2014-15 AND 2015-16

		MAY 2015 EST. FOR 2014-15		MAY 2015 EST. FOR 2015-16		DIFFERENCE	
NO.	POLICY CHANGE TITLE	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
	ELIGIBILITY						
3	MEDI-CAL ACCESS PROGRAM MOTHERS 213-322% F	$59,181,000	$24,603,000	$93,271,000	$38,806,000	$34,090,000	$14,203,000
5	MEDI-CAL ACCESS PROGRAM INFANTS 266-322% FP	$15,844,000	$5,545,400	$16,482,000	$5,768,700	$638,000	$223,300
	ELIGIBILITY SUBTOTAL	**$75,025,000**	**$30,148,400**	**$109,753,000**	**$44,574,700**	**$34,728,000**	**$14,426,300**
	DRUG MEDI-CAL						
62	INTENSIVE OUTPATIENT TREATMENT SERVICES	$31,955,000	$9,159,000	$40,057,000	$12,424,000	$8,102,000	$3,265,000
63	NARCOTIC TREATMENT PROGRAM	$78,650,000	$0	$85,534,000	$0	$6,884,000	$0
64	OUTPATIENT DRUG FREE TREATMENT SERVICES	$21,243,000	$0	$20,779,000	$0	-$464,000	$0
65	RESIDENTIAL TREATMENT SERVICES	$3,956,000	$0	$33,618,000	$9,832,000	$29,662,000	$9,832,000
	DRUG MEDI-CAL SUBTOTAL	**$135,804,000**	**$9,159,000**	**$179,988,000**	**$22,256,000**	**$44,184,000**	**$13,097,000**
	MENTAL HEALTH						
69	SMHS FOR ADULTS	$1,025,597,000	$67,264,000	$1,149,581,000	$68,885,000	$123,984,000	$1,621,000
70	SMHS FOR CHILDREN	$939,189,000	$39,209,000	$992,419,000	$43,095,000	$53,230,000	$3,886,000
	MENTAL HEALTH SUBTOTAL	**$1,964,786,000**	**$106,473,000**	**$2,142,000,000**	**$111,980,000**	**$177,214,000**	**$5,507,000**
	MANAGED CARE						
109	TWO PLAN MODEL	$9,744,574,000	$4,738,584,350	$10,518,318,000	$5,119,314,000	$773,744,000	$380,729,650
111	COUNTY ORGANIZED HEALTH SYSTEMS	$4,567,587,000	$2,210,206,450	$4,589,386,000	$2,221,705,300	$21,799,000	$11,498,850
112	GEOGRAPHIC MANAGED CARE	$1,862,393,000	$902,681,150	$2,050,257,000	$994,887,900	$187,864,000	$92,206,750
116	REGIONAL MODEL	$579,530,000	$279,653,050	$750,730,000	$365,171,550	$171,200,000	$85,518,500
119	PACE (Other M/C)	$228,353,000	$114,176,500	$295,935,000	$147,967,500	$67,582,000	$33,791,000
120	DENTAL MANAGED CARE (Other M/C)	$140,401,000	$57,873,550	$146,820,000	$60,779,700	$6,419,000	$2,906,150
121	SENIOR CARE ACTION NETWORK (Other M/C)	$45,628,000	$22,814,000	$47,202,000	$23,601,000	$1,574,000	$787,000
125	AIDS HEALTHCARE CENTERS (Other M/C)	$9,338,000	$4,669,000	$7,003,000	$3,501,500	-$2,335,000	-$1,167,500
127	FAMILY MOSAIC CAPITATED CASE MGMT. (Oth. M/C)	$989,000	$494,500	$976,000	$488,000	-$13,000	-$6,500
	MANAGED CARE SUBTOTAL	**$17,178,793,000**	**$8,331,152,550**	**$18,406,627,000**	**$8,937,416,450**	**$1,227,834,000**	**$606,263,900**
	OTHER						
167	PERSONAL CARE SERVICES (Misc. Svcs.)	$2,332,570,000	$0	$845,295,000	$0	-$1,487,275,000	$0

Costs shown include application of payment lag factor, but not percent reflected in base calculation.

COMPARISON OF FISCAL IMPACTS OF BASE POLICY CHANGES
CURRENT YEAR COMPARED TO BUDGET YEAR
FISCAL YEARS 2014-15 AND 2015-16

		MAY 2015 EST. FOR 2014-15		MAY 2015 EST. FOR 2015-16		DIFFERENCE	
NO.	POLICY CHANGE TITLE	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
	OTHER						
168	MEDICARE PMNTS.- BUY-IN PART A & B PREMIUMS	$2,583,363,000	$1,388,999,500	$2,618,021,000	$1,408,764,500	$34,658,000	$19,765,000
169	MEDICARE PAYMENTS - PART D PHASED-DOWN	$1,516,618,000	$1,516,618,000	$1,636,699,000	$1,636,699,000	$120,081,000	$120,081,000
170	HOME & COMMUNITY-BASED SVCS.-CDDS (Misc.)	$1,362,595,000	$0	$1,541,478,000	$0	$178,883,000	$0
171	DENTAL SERVICES	$1,050,674,000	$406,538,200	$1,101,822,000	$428,145,500	$51,148,000	$21,607,300
172	DEVELOPMENTAL CENTERS/STATE OP SMALL FAC	$245,500,000	$0	$206,500,000	$0	-$39,000,000	$0
174	TARGETED CASE MGMT. SVCS. - CDDS (Misc. Svcs.)	$195,908,000	$0	$162,286,000	$0	-$33,622,000	$0
177	MEDI-CAL TCM PROGRAM	$41,535,000	$0	$47,090,000	$0	$5,555,000	$0
178	EPSDT SCREENS	$37,638,000	$18,365,700	$38,736,000	$18,901,500	$1,098,000	$535,800
179	WAIVER PERSONAL CARE SERVICES (Misc. Svcs.)	$39,350,000	$19,675,000	$44,659,000	$22,329,500	$5,309,000	$2,654,500
183	LAWSUITS/CLAIMS	$7,921,000	$3,960,500	$3,690,000	$1,845,000	-$4,231,000	-$2,115,500
185	HIPP PREMIUM PAYOUTS (Misc. Svcs.)	$2,042,000	$1,021,000	$2,152,000	$1,076,000	$110,000	$55,000
187	CLPP CASE MANAGEMENT SERVICES (Misc. Svcs.)	$1,799,000	$0	$1,285,000	$0	-$514,000	$0
195	BASE RECOVERIES	-$297,905,000	-$149,948,000	-$277,433,000	-$139,644,000	$20,472,000	$10,304,000
	OTHER SUBTOTAL	**$9,119,608,000**	**$3,205,229,900**	**$7,972,280,000**	**$3,378,117,000**	**-$1,147,328,000**	**$172,887,100**
	GRAND TOTAL	**$28,474,016,000**	**$11,682,162,850**	**$28,810,648,000**	**$12,494,344,150**	**$336,632,000**	**$812,181,300**

Costs shown include application of payment lag factor, but not percent reflected in base calculation.

MEDI-CAL PROGRAM BASE
POLICY CHANGE INDEX

POLICY CHANGE NUMBER	POLICY CHANGE TITLE
	ELIGIBILITY
3	MEDI-CAL ACCESS PROGRAM MOTHERS 213-322% FPL
5	MEDI-CAL ACCESS PROGRAM INFANTS 266-322% FPL
	DRUG MEDI-CAL
62	INTENSIVE OUTPATIENT TREATMENT SERVICES
63	NARCOTIC TREATMENT PROGRAM
64	OUTPATIENT DRUG FREE TREATMENT SERVICES
65	RESIDENTIAL TREATMENT SERVICES
	MENTAL HEALTH
69	SMHS FOR ADULTS
70	SMHS FOR CHILDREN
	MANAGED CARE
109	TWO PLAN MODEL
111	COUNTY ORGANIZED HEALTH SYSTEMS
112	GEOGRAPHIC MANAGED CARE
116	REGIONAL MODEL
119	PACE (Other M/C)
120	DENTAL MANAGED CARE (Other M/C)
121	SENIOR CARE ACTION NETWORK (Other M/C) AIDS
125	HEALTHCARE CENTERS (Other M/C)
127	FAMILY MOSAIC CAPITATED CASE MGMT. (Oth. M/C)
	OTHER
167	PERSONAL CARE SERVICES (Misc. Svcs.)
168	MEDICARE PMNTS.- BUY-IN PART A & B PREMIUMS
169	MEDICARE PAYMENTS - PART D PHASED-DOWN
170	HOME & COMMUNITY-BASED SVCS.-CDDS (Misc.)
171	DENTAL SERVICES
172	DEVELOPMENTAL CENTERS/STATE OP SMALL FAC
174	TARGETED CASE MGMT. SVCS. - CDDS (Misc. Svcs.)
177	MEDI-CAL TCM PROGRAM

MEDI-CAL PROGRAM BASE
POLICY CHANGE INDEX

POLICY CHANGE NUMBER	POLICY CHANGE TITLE
	OTHER
178	EPSDT SCREENS
179	WAIVER PERSONAL CARE SERVICES (Misc. Svcs.)
183	LAWSUITS/CLAIMS
185	HIPP PREMIUM PAYOUTS (Misc. Svcs.)
187	CLPP CASE MANAGEMENT SERVICES (Misc. Svcs.)
195	BASE RECOVERIES

RESIDENTIAL TREATMENT SERVICES

BASE POLICY CHANGE NUMBER:	65
IMPLEMENTATION DATE:	7/2012
ANALYST:	Julie Chan
FISCAL REFERENCE NUMBER:	1725

	FY 2014-15	FY 2015-16
FULL YEAR COST - TOTAL FUNDS	$3,956,000	$33,618,000
- STATE FUNDS	$0	$9,832,000
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	$3,956,000	$33,618,000
STATE FUNDS	$0	$9,832,000
FEDERAL FUNDS	$3,956,000	$23,786,000

DESCRIPTION

Purpose:
This policy change estimates the reimbursement for the Drug Medi-Cal (DMC) Residential Treatment services.

Authority:
Title 22, California Code of Regulations 51341.1 (b)(20); 51341.1 (d)(4); 51516.1 (a)

Interdependent Policy Changes:
Not Applicable

Background:
The Residential Treatment Service (RTS) provides rehabilitation services to beneficiaries with substance use disorder diagnosis in a non-institutional, non-medical, residential setting. Each beneficiary lives on the premises and is supported in effort to restore, maintain, and apply interpersonal and independent living skills and access community support systems.

Supervision and treatment services are available day and night, seven days a week. The service provides a range of activities:

- Mother/Child habilitative and rehabilitative services,
- Service access (i.e. transportation to treatment),
- Education to reduce harmful effects of alcohol and drug on the mother and fetus or infant, and/or
- Coordination of ancillary services.

The DMC program provides certain medically necessary substance use treatment services. These services are provided by certified providers under contract with the counties or with the State. Perinatal services are reimbursed through the Medi-Cal program only when provided in a facility with a treatment capacity of 16 beds or less, not including beds occupied by children of residents. Room and board is not reimbursable through the Medi-Cal program.

RESIDENTIAL TREATMENT SERVICES

BASE POLICY CHANGE NUMBER: 65

Effective July 1, 2011, the funds to cover the non-federal share of cost were realigned to counties as County Funds (CF). Funding for the services is 50% CF and 50% Title XIX Federal Funds (FF). Certain aid codes are eligible for Title XXI federal reimbursement at 65%.

With the provisions of the Affordable Care Act (ACA) starting January 1, 2014, the expansion of Medicaid coverage to previously ineligible persons is referred to as the ACA optional expansion. In addition, the ACA requires enrollment simplification for several current coverage groups and imposes a penalty upon the uninsured and are considered part of the ACA mandatory expansion. The populations are described below:

ACA Population	Description	Funding
Expanded	Medi-Cal eligible and enrolled, but not receiving services: non-perinatal beginning September 1, 2015.	50% GF/50% FF Title XIX; Certain aid codes 65% FF Title XXI
Mandatory	Medi-Cal eligible, but not enrolled	50% GF/50% FFP Title XIX; Certain aid codes 65% FF Title XXI
Optional	Previously ineligible for Medi-Cal before ACA	100% FFP Title XIX

A waiver has been requested to permit provision of Residential Treatment Services to non-perinatal beneficiaries in facilities with no bed capacity limit. The waiver is expected to be approved by September 1, 2015. In FY 2015-16, the Department expects to expand this service to the expanded, mandatory, and optional non-perinatal populations.

Starting FY 2014-15, the DMC reimbursement rate was adjusted to eliminate the county administration cost component. The adjusted reimbursement rate will fund the direct service costs only. The county administration costs can be found in the policy change titled DMC County Admin.

Reason for Change from Prior Estimate:
The Department revised the ACA caseload projections based on enrollment data updated for September 2014 through January 2015. Also, fourteen additional counties are expected to participate in the waiver. The start date for counties participating in providing services to the non-perinatal population has changed.

Methodology:

1. For FY 2014-15, the DMC eligible clients are categorized as Perinatal. In FY 2015-16, the eligible clients are categorized as both Perinatal and Regular.

2. The caseload projections are based on 57 months of the most recent complete caseload data, January 2010 through September 2014.

3. The Units of Service (UOS) is based on the most recent complete data, July 2013-June 2014 to calculate an average UOS for existing caseload.

4. The proposed DMC rates are based on the developed rates or the FY 2009-10 Budget Act rates adjusted for the cumulative growth in the Implicit Price (CIP) Deflator for the Cost of Goods and Services to Governmental Agencies reported by the Department of Finance, whichever is lower. FY 2014-15 and FY 2015-16 budgeted amounts are based on the FY 2014-15 rates. For more information about the FY 2015-16 rates, see the Annual Rate Adjustment policy change.

5. The cost estimate is developed by the following, Caseload x UOS x Rates.

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6. Amounts may differ due to rounding.

FY 2014-15	Caseload	UOS	Rates	Total
Current				
Perinatal	301	60.0	$99.43	$1,796,000
Mandatory				
Perinatal	1,382	60.0	$99.43	$8,242,000
Total	1,683			$10,038,000

FY 2015-16	Caseload	UOS	Rates	Total
Current				
Perinatal	286	60.0	$99.43	$1,706,000
Mandatory				
Perinatal	1,612	60.0	$99.43	$9,618,000
Total	1,898			$11,324,000

7. Based on historical claims received, assume 75% of each fiscal year claims will be paid in the year the services occurred. The remaining 25% will be paid in the following year.

Fiscal Year	Accrual	FY 2014-15	FY 2015-16
Perinatal	$1,388,000	$347,000	
FY 2013-14	$1,388,000	$347,000	$0
Current			
Perinatal	$1,796,000	$1,347,000	$449,000
Mandatory			
Perinatal	$8,242,000	$6,181,500	$2,060,500
FY 2014-15	$10,038,000	$7,528,500	$2,509,500
Current			
Perinatal	$1,706,000	$0	$1,279,500
Mandatory			
Perinatal	$9,618,000	$0	$7,213,500
FY 2015-16	$11,324,000	$0	$8,493,000
Total		$7,875,500	$11,002,500

8. Assume the non-perinatal population will be able to access RTS effective September 1, 2015.

9. Assume the total number of beds available to the non-perinatal DMC beneficiaries seeking the RTS is 3,306.

10. Assume 260 bed days are available at a service rate of $99.43. The bed days have been adjusted for holidays and weekends. Amounts may differ due to rounding.

    3,306 x 260 x $99.43 = $85,477,000 Annual expenditures for the non-perinatal population seeking RTS

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11. In FY 2015-16, twenty-two counties are expected to participate in providing the RTS to the non-perinatal population. Assume the 22 opt-in counties will begin to provide services effective September 1, 2015 and there will be a three month lag of costs from the start date for each county. The counties will need time to build up a network and inform beneficiaries of the new service. The estimated lagged cost for FY 2015-16 is $28,091,000 on a cash basis. Amounts may differ due to rounding.

12. Assume 60% of expenditures are for the expanded population receiving RTS. Funding for this population is 50% GF and 50% Title XIX FFP.

    $28,091,000 x 60% = $16,354,000 TF

13. Assume 10% of expenditures are for the ACA Mandatory Expansion non-perinatal population receiving RTS. Funding for this population is 50% GF and 50% Title XIX FFP.

    $28,091,000 x 10% = $1,809,000 TF

14. Assume 30% of expenditures are for the ACA Optional Expansion non-perinatal population receiving RTS. Funding is 100% FF.

    $28,091,000 x 30% = $9,928,000 FF

15. Funding for existing perinatal beneficiaries is 50% FF and 50% CF for both the current and mandatory population. Certain aid codes are eligible for Title XXI federal reimbursement at 65%. Newly eligible non-perinatal beneficiaries in the expanded and mandatory category are funded 50% FF and 50% GF. Beneficiaries in the optional category are funded 100% FFP.

FY 2014-15	TF	FF Title XIX	FF Title XXI	CF
Current				
Perinatal 50/50	$1,666,000	$833,000	$0	$833,000
Perinatal 65/35	$27,000	$0	$18,000	$9,000
Mandatory				
Perinatal 50/50	$6,082,000	$3,041,000	$0	$3,041,000
Perinatal 65/35	$99,000	$0	$64,000	$35,000
Total	$7,874,000	**$3,874,000**	**$82,000**	$3,918,000

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FY 2015-16	TF	FF Title XIX	FF Title XXI	CF	GF
Current					
Perinatal 50/50	$1,700,000	$850,000	$0	$850,000	$0
Perinatal 65/35	$28,000	$0	$18,000	$10,000	$0
Expanded					
Regular	$16,354,000	$7,141,000	$0	$0	$9,213,000
Mandatory					
Regular	$1,809,000	$1,190,000	$0	$0	$619,000
Perinatal 50/50	$9,126,000	$4,563,000	$0	$4,563,000	$0
Perinatal 65/35	$148,000	$0	$96,000	$52,000	$0
Optional					
Regular	$9,928,000	$9,928,000	$0	$0	$0
Total	$39,093,000	**$23,672,000**	**$114,000**	$5,475,000	**$9,832,000**

Funding:
100% Title XIX (4260-101-0890)
100% Title XXI (4260-113-0890)
50% Title XIX / 50% GF (4260-101-0001/0890)