May 2015 Medi-Cal Estimate

OTHER ADMINISTRATION FUNDING SUMMARY

Other Administration Tab contains funding for items under both the County Administration and the Fiscal Intermediary components of the Medi-Cal Estimate (located in the Management Summary Tab). The DHCS - Health Care Option (Health Care Opt) and DHCS-Dental FI portions of the Other Admin were formerly budgeted in the Fiscal Intermediary Tab of the Medi-Cal Estimate. Although it has been moved to the Other Administration Tab, Health Care Options and the Dental FI continue to be budgeted in the Fiscal Intermediary component of Medi-Cal.

FY 2014-2015 ESTIMATE:	Total Funds	Federal Funds	State Funds
OTHER ADMINISTRATION			
County Administration	$1,660,891,000	$1,490,001,900	$170,889,100
Fiscal Intermediary	$278,842,000	$157,686,000	$121,156,000
Total Other Administration Tab	**$1,939,733,000**	**$1,647,687,900**	**$292,045,100**
Management Summary:			
COUNTY ADMINISTRATION	**$3,809,253,000**	**$3,035,176,000**	**$774,077,000**
Shown in Other Adminitration Tab	$1,660,891,000	$1,490,001,900	$170,889,100
Shown in County Administration Tab	$2,148,362,000	$1,545,174,100	$603,187,900
FISCAL INTERMEDIARY	**$518,692,000**	**$337,487,000**	**$181,205,000**
Shown in Other Adminitration Tab	$278,842,000	$157,686,000	$121,156,000
Shown in Fiscal Intermediary Tab	$239,850,000	$179,801,000	$60,049,000

FY 2015-2016 ESTIMATE:	Total Funds	Federal Funds	State Funds
OTHER ADMINISTRATION			
County Administration	$1,788,759,000	$1,589,559,900	$199,199,100
Fiscal Intermediary	$226,707,000	$132,051,000	$94,656,000
Total Other Administration Tab	**$2,015,466,000**	**$1,721,610,900**	**$293,855,100**
Management Summary:			
COUNTY ADMINISTRATION	**$3,789,565,000**	**$2,988,952,000**	**$800,613,000**
Shown in Other Adminitration Tab	$1,788,759,000	$1,589,559,900	$199,199,100
Shown in County Administration Tab	$2,000,806,000	$1,399,392,100	$601,413,900
FISCAL INTERMEDIARY	**$475,322,000**	**$317,264,000**	**$158,058,000**
Shown in Other Adminitration Tab	$226,707,000	$132,051,000	$94,656,000
Shown in Fiscal Intermediary Tab	$248,615,000	$185,213,000	$63,402,000

OTHER ADMINISTRATION
POLICY CHANGE SUMMARY

NO.	POLICY CHANGE TITLE	FISCAL YEAR 2014-15 TOTAL FUNDS	FISCAL YEAR 2014-15 STATE FUNDS	FISCAL YEAR 2015-16 TOTAL FUNDS	FISCAL YEAR 2015-16 STATE FUNDS
	DHCS-OTHER				
1	MEDI-CAL ADMINISTRATIVE ACTIVITIES	$276,360,000	$72,000	$295,361,000	$0
2	CCS CASE MANAGEMENT	$175,916,000	$61,839,300	$183,247,000	$64,425,800
4	COUNTY SPECIALTY MENTAL HEALTH ADMIN	$100,518,000	$0	$103,275,000	$0
5	BTR - LIHP - ADMINISTRATIVE COSTS	$75,493,000	$0	$50,685,000	$0
6	EPSDT CASE MANAGEMENT	$33,718,000	$11,871,300	$33,718,000	$11,871,300
8	OTLICP AND MEDI-CAL ACCESS PROGRAM	$25,836,000	$9,488,100	$36,559,000	$13,466,900
9	ARRA HITECH INCENTIVE PROGRAM	$23,104,000	$1,924,000	$13,517,000	$1,154,000
10	POSTAGE & PRINTING	$20,382,000	$10,394,500	$26,032,000	$13,219,500
11	SMHS COUNTY UR & QA ADMIN	$15,656,000	$0	$17,294,000	$600,000
12	SMH MAA	$15,441,000	$0	$16,183,000	$0
13	DRUG MEDI-CAL COUNTY ADMINISTRATION	$15,082,000	$1,617,000	$17,742,000	$2,113,000
14	MIS/DSS CONTRACT	$14,000,000	$3,710,000	$12,476,000	$3,317,000
15	LITIGATION RELATED SERVICES	$9,980,000	$4,990,000	$9,980,000	$4,990,000
16	DMC COUNTY UR & QA ADMIN	$0	$0	$18,537,000	$0
17	CA-MMIS REPLACEMENT & OTHER STATE TRANSITION	$7,254,000	$1,493,100	$3,820,000	$563,500
18	CCI-ADMINISTRATIVE COSTS	$8,202,000	$3,112,000	$10,705,000	$5,226,500
19	MEDI-CAL RECOVERY CONTRACTS	$6,144,000	$1,536,000	$5,869,000	$1,467,300
20	MEDS MODERNIZATION	$4,916,000	$995,800	$3,995,000	$485,000
21	PASRR	$6,650,000	$1,662,500	$9,072,000	$2,268,000
22	MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)	$4,670,000	$1,537,000	$4,902,000	$1,613,500
23	CA-MMIS REPLACEMENT OVERSIGHT	$5,447,000	$652,800	$8,286,000	$992,800
24	HIPAA CAPITATION PAYMENT REPORTING SYSTEM	$5,144,000	$1,286,000	$4,865,000	$1,216,300
25	NEWBORN HEARING SCREENING PROGRAM	$4,598,000	$2,299,000	$7,700,000	$3,850,000
26	SDMC SYSTEM M&O SUPPORT	$3,000,000	$1,500,000	$2,325,000	$1,162,500
27	FAMILY PACT EVALUATION	$2,861,000	$1,430,500	$2,861,000	$1,430,500

OTHER ADMINISTRATION
POLICY CHANGE SUMMARY

NO.	POLICY CHANGE TITLE	FISCAL YEAR 2014-15 TOTAL FUNDS	FISCAL YEAR 2014-15 STATE FUNDS	FISCAL YEAR 2015-16 TOTAL FUNDS	FISCAL YEAR 2015-16 STATE FUNDS
	DHCS-OTHER				
28	BUSINESS RULES EXTRACTION	$860,000	$215,000	$1,720,000	$430,000
29	PREVENTION OF CHRONIC DISEASE GRANT PROJECT	$2,326,000	$0	$1,375,000	$0
30	SSA COSTS FOR HEALTH COVERAGE INFO.	$2,207,000	$1,103,500	$2,207,000	$1,103,500
31	FAMILY PACT PROGRAM ADMIN.	$1,207,000	$603,500	$1,207,000	$603,500
32	ETL DATA SOLUTION	$446,000	$104,600	$1,420,000	$367,500
33	RATE STUDIES FOR MAIC AND AAC VENDOR	$0	$0	$1,000,000	$500,000
34	ENCRYPTION OF PHI DATA	$995,000	$497,500	$750,000	$375,000
35	MITA	$985,000	$98,500	$2,565,000	$256,500
36	SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES	$950,000	$950,000	$950,000	$950,000
37	COORDINATED CARE MANAGEMENT PILOT	$884,000	$442,000	$23,000	$11,500
38	MMA - DSH ANNUAL INDEPENDENT AUDIT	$856,000	$428,000	$856,000	$428,000
39	ACA EXPANSION ADMIN COSTS	$1,078,000	$539,000	$847,000	$423,500
40	POSTAGE AND PRINTING - THIRD PARTY LIAB.	$530,000	$265,000	$555,000	$277,500
42	CCT OUTREACH - ADMINISTRATIVE COSTS	$166,000	$0	$360,000	$0
43	THIRD PARTY VALIDATION OF CERTIFIED PROVIDERS	$250,000	$125,000	$0	$0
44	DENTAL PAPD PROJECT MANAGER	$247,000	$61,800	$247,000	$61,800
45	MEDICARE BUY-IN QUALITY REVIEW PROJECT	$240,000	$120,000	$0	$0
47	ANNUAL EDP AUDIT CONTRACTOR	$162,000	$81,000	$0	$0
49	MAGI-CHIP QUALITY CONTROL TEST CERTIFICATION	$125,000	$62,500	$125,000	$62,500
50	EPOCRATES	$107,000	$53,500	$107,000	$53,500
51	MIS/DSS CONTRACT REPROCUREMENT SERVICES	$104,000	$26,000	$0	$0
52	CCS CASE MANAGEMENT SUPPLEMENTAL PAYMENT	$100,000	$0	$100,000	$0
53	TAR POSTAGE	$56,000	$28,000	$56,000	$28,000
54	Q5i AUTOMATED DATA SYSTEM ACQUISTION	$59,000	$29,500	$59,000	$29,500
55	KATIE A. V. DIANA BONTA SPECIAL MASTER	$50,000	$25,000	$0	$0

OTHER ADMINISTRATION
POLICY CHANGE SUMMARY

NO.	POLICY CHANGE TITLE	FISCAL YEAR 2014-15 TOTAL FUNDS	FISCAL YEAR 2014-15 STATE FUNDS	FISCAL YEAR 2015-16 TOTAL FUNDS	FISCAL YEAR 2015-16 STATE FUNDS
	DHCS-OTHER				
56	PEDIATRIC PALLIATIVE CARE WAIVER EVALUATION	$39,000	$19,500	$0	$0
57	INTERIM AND FINAL COST SETTLEMENTS-SMHS	$0	$0	$9,558,000	$0
95	CALIFORNIA HEALTH INTERVIEW SURVEY	$0	$0	$1,000,000	$0
96	HEALTH HOMES PROGRAM - CONTRACTOR COSTS	$0	$0	$1,380,000	$690,000
	DHCS-OTHER SUBTOTAL	**$875,401,000**	**$129,289,100**	**$927,473,000**	**$142,084,900**
	DHCS-HEALTH CARE OPT				
58	HCO OPERATIONS	$51,561,000	$25,394,600	$38,371,000	$18,898,300
59	HCO CCI - CAL MEDICONNECT AND MLTSS	$42,175,000	$21,087,500	$16,135,000	$8,067,500
60	HCO COST REIMBURSEMENT	$36,814,000	$18,130,900	$40,681,000	$20,035,300
61	HCO ACA EXPRESS LANE ENROLLMENT CONTRACTOR CC	$16,153,000	$8,076,500	$0	$0
62	HCO ESR HOURLY REIMBURSEMENT	$13,373,000	$6,586,200	$13,716,000	$6,755,100
63	HCO - ACA ENROLLMENT CONTRACTOR COSTS	$12,730,000	$6,269,600	$10,275,000	$5,060,400
64	HCO- SPD TRANSITION TO MANAGED CARE RURAL COUNT	$3,773,000	$1,886,500	$727,000	$363,500
65	HCO LIHP ENROLLMENT	$1,426,000	$713,000	$0	$0
66	HCO PPDs - COST SAVINGS	-$2,083,000	-$1,025,900	-$2,996,000	-$1,475,500
86	HCO ANNUAL HEALTH PLAN OPEN ENROLLMENT COSTS	$0	$0	$3,930,000	$1,965,000
	DHCS-HEALTH CARE OPT SUBTOTAL	**$175,922,000**	**$87,118,800**	**$120,839,000**	**$59,669,500**
	DHCS-DENTAL FI				
87	DENTAL FI OPERATIONS	$81,117,000	$26,422,500	$83,761,000	$27,295,500
88	DENTAL FI HOURLY REIMBURSEMENT	$12,116,000	$3,029,000	$12,334,000	$3,083,500
89	DENTAL FI COST REIMBURSEMENT	$7,369,000	$3,504,300	$7,369,000	$3,504,300
90	DENTAL FI CD-MMIS COSTS	$0	$0	$75,000	$18,800
91	DENTAL FI CONLAN, SCHWARZMER, STEVENS V. BONTA	$195,000	$97,500	$195,000	$97,500
92	DENTAL FI HIPAA ADDENDUM SECURITY RISK ASSESSME	$310,000	$77,500	$320,000	$80,000
93	DENTAL FI FEDERAL RULE - REVALIDATION	$1,438,000	$719,000	$1,438,000	$719,000

OTHER ADMINISTRATION
POLICY CHANGE SUMMARY

NO.	POLICY CHANGE TITLE	FISCAL YEAR 2014-15 TOTAL FUNDS	FISCAL YEAR 2014-15 STATE FUNDS	FISCAL YEAR 2015-16 TOTAL FUNDS	FISCAL YEAR 2015-16 STATE FUNDS
	DHCS-DENTAL FI				
94	DENTAL FI FEDERAL RULE - DATABASE CHECKS	$375,000	$187,500	$375,000	$187,500
	DHCS-DENTAL FI SUBTOTAL	**$102,920,000**	**$34,037,300**	**$105,867,000**	**$34,986,000**
	OTHER DEPARTMENTS				
3	CALHEERS DEVELOPMENT	$128,618,000	$25,689,000	$144,728,000	$35,660,300
7	ACA OUTREACH AND ENROLLMENT COUNSELORS	$24,864,000	$12,432,000	$35,536,000	$17,768,000
41	VITAL RECORDS DATA	$385,000	$0	$883,000	$0
46	DMHC INTER-AGENCY AGREEMENT - ADMIN	$189,000	$0	$0	$0
67	PERSONAL CARE SERVICES	$243,785,000	$0	$265,178,000	$0
68	HEALTH-RELATED ACTIVITIES - CDSS	$239,852,000	$0	$260,425,000	$0
69	CDDS ADMINISTRATIVE COSTS	$44,744,000	$0	$40,652,000	$0
70	DEPARTMENT OF SOCIAL SERVICES ADMIN COST	$23,501,000	$0	$26,467,000	$0
71	MATERNAL AND CHILD HEALTH	$24,829,000	$0	$34,824,000	$0
72	HEALTH CARE PROGRAM FOR CHILDREN IN FOSTER CARE	$25,143,000	$0	$25,143,000	$0
73	FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT COS	$12,214,000	$3,122,000	$11,843,000	$3,358,000
74	CLPP CASE MANAGEMENT SERVICES	$7,400,000	$0	$5,200,000	$0
75	DEPARTMENT OF AGING ADMINISTRATIVE COSTS	$3,442,000	$0	$3,538,000	$0
76	CHHS AGENCY HIPAA FUNDING	$1,206,000	$0	$1,215,000	$0
77	TOBACCO QUITLINE ADMINISTRATIVE SERVICES	$1,000,000	$0	$1,000,000	$0
78	VETERANS BENEFITS	$956,000	$0	$956,000	$0
79	CDPH I&E PROGRAM AND EVALUATION	$1,038,000	$0	$946,000	$0
80	KIT FOR NEW PARENTS	$1,090,000	$0	$1,119,000	$0
81	MEDI-CAL INPATIENT SERVICES FOR INMATES	$560,000	$0	$1,017,000	$0
82	MERIT SYSTEM SERVICES FOR COUNTIES	$196,000	$98,000	$195,000	$97,500
83	CDDS DENTAL SERVICES	$40,000	$40,000	$40,000	$40,000
84	PIA EYEWEAR COURIER SERVICE	$438,000	$219,000	$382,000	$191,000

OTHER ADMINISTRATION
POLICY CHANGE SUMMARY

NO.	POLICY CHANGE TITLE	FISCAL YEAR 2014-15 TOTAL FUNDS	FISCAL YEAR 2014-15 STATE FUNDS	FISCAL YEAR 2015-16 TOTAL FUNDS	FISCAL YEAR 2015-16 STATE FUNDS
	OTHER DEPARTMENTS				
	OTHER DEPARTMENTS SUBTOTAL	**$785,490,000**	**$41,600,000**	**$861,287,000**	**$57,114,800**
	GRAND TOTAL	**$1,939,733,000**	**$292,045,100**	**$2,015,466,000**	**$293,855,100**

COMPARISON OF FISCAL IMPACTS OF OTHER ADMINISTRATION POLICY CHANGES
MAY 2015 ESTIMATE COMPARED TO APPROPRIATION AND NOVEMBER 2014 ESTIMATE
FISCAL YEAR 2014-15

NOV.	MAY		2014-15 APPROPRIATION		NOV. 2014 EST. FOR 2014-15		MAY 2015 EST. FOR 2014-15		DIFFERENCE MAY TO APPROPRIATION		DIFFERENCE MAY TO NOVEMBER	
PC #	PC #	POLICY CHANGE TITLE	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
		DHCS-OTHER										
1	1	MEDI-CAL ADMINISTRATIVE ACTIVITIES	$475,650,000	$0	$418,611,000	$72,000	$276,360,000	$72,000	-$199,290,000	$72,000	-$142,251,000	$0
2	2	CCS CASE MANAGEMENT	$182,238,000	$71,288,450	$181,791,000	$71,078,600	$175,916,000	$61,839,250	-$6,322,000	-$9,449,200	-$5,875,000	-$9,239,350
4	4	COUNTY SPECIALTY MENTAL HEALTH ADMIN	$151,347,000	$0	$100,518,000	$0	$100,518,000	$0	-$50,829,000	$0	$0	$0
5	5	BTR - LIHP - ADMINISTRATIVE COSTS	$115,177,000	$0	$54,670,000	$0	$75,493,000	$0	-$39,684,000	$0	$20,823,000	$0
6	6	EPSDT CASE MANAGEMENT	$33,718,000	$11,871,250	$33,718,000	$11,871,250	$33,718,000	$11,871,250	$0	$0	$0	$0
8	8	OTLICP AND MEDI-CAL ACCESS PROGRAM	$6,130,000	$2,421,350	$25,836,000	$9,488,100	$25,836,000	$9,488,100	$19,706,000	$7,066,750	$0	$0
9	9	ARRA HITECH INCENTIVE PROGRAM	$37,475,000	$6,904,000	$21,864,000	$1,924,000	$23,104,000	$1,924,000	-$14,371,000	-$4,980,000	$1,240,000	$0
10	10	POSTAGE & PRINTING	$18,832,000	$9,519,500	$20,382,000	$10,394,500	$20,382,000	$10,394,500	$1,550,000	$875,000	$0	$0
11	11	SMHS COUNTY UR & QA ADMIN	$18,272,000	$600,000	$16,856,000	$600,000	$15,656,000	$0	-$2,616,000	-$600,000	-$1,200,000	-$600,000
12	12	SMH MAA	$24,086,000	$0	$15,817,000	$0	$15,441,000	$0	-$8,645,000	$0	-$376,000	$0
13	13	DRUG MEDI-CAL COUNTY ADMINISTRATION	$23,029,000	$6,620,000	$15,082,000	$1,617,000	$15,082,000	$1,617,000	-$7,947,000	-$5,003,000	$0	$0
14	14	MIS/DSS CONTRACT	$12,476,000	$3,317,000	$14,000,000	$3,710,000	$14,000,000	$3,710,000	$1,524,000	$393,000	$0	$0
15	15	LITIGATION RELATED SERVICES	$9,980,000	$4,990,000	$9,980,000	$4,990,000	$9,980,000	$4,990,000	$0	$0	$0	$0
16		DMC COUNTY UR & QA ADMIN	$0	$0	$9,268,000	$0	$0	$0	$0	$0	-$9,268,000	$0
17	17	CA-MMIS REPLACEMENT & OTHER STATE TRANSIT	$4,816,000	$679,850	$8,433,000	$1,634,600	$7,254,000	$1,493,100	$2,438,000	$813,250	-$1,179,000	-$141,500
18	18	CCI-ADMINISTRATIVE COSTS	$8,086,000	$2,551,000	$8,202,000	$3,112,000	$8,202,000	$3,112,000	$116,000	$561,000	$0	$0
19	19	MEDI-CAL RECOVERY CONTRACTS	$5,721,000	$1,430,250	$7,004,000	$1,751,000	$6,144,000	$1,536,000	$423,000	$105,750	-$860,000	-$215,000
20	20	MEDS MODERNIZATION	$4,533,000	$453,300	$6,696,000	$669,600	$4,916,000	$995,750	$383,000	$542,450	-$1,780,000	$326,150
21	21	PASRR	$8,590,000	$2,147,500	$6,583,000	$1,645,750	$6,650,000	$1,662,500	-$1,940,000	-$485,000	$67,000	$16,750
22	22	MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)	$5,447,000	$1,800,500	$5,558,000	$1,850,500	$4,670,000	$1,537,000	-$777,000	-$263,500	-$888,000	-$313,500
23	23	CA-MMIS REPLACEMENT OVERSIGHT	$8,076,000	$1,184,100	$5,252,000	$629,300	$5,447,000	$652,800	-$2,629,000	-$531,300	$195,000	$23,500
24	24	HIPAA CAPITATION PAYMENT REPORTING SYSTEM	$4,815,000	$1,203,750	$5,144,000	$1,286,000	$5,144,000	$1,286,000	$329,000	$82,250	$0	$0
25	25	NEWBORN HEARING SCREENING PROGRAM	$4,136,000	$2,068,000	$4,190,000	$2,095,000	$4,598,000	$2,299,000	$462,000	$231,000	$408,000	$204,000
26	26	SDMC SYSTEM M&O SUPPORT	$3,000,000	$1,500,000	$3,000,000	$1,500,000	$3,000,000	$1,500,000	$0	$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	$0	$0	$0
28	28	BUSINESS RULES EXTRACTION	$2,750,000	$1,375,000	$2,475,000	$247,500	$860,000	$215,000	-$1,890,000	-$1,160,000	-$1,615,000	-$32,500
29	29	PREVENTION OF CHRONIC DISEASE GRANT PROJE	$2,660,000	$0	$2,326,000	$0	$2,326,000	$0	-$334,000	$0	$0	$0
30	30	SSA COSTS FOR HEALTH COVERAGE INFO.	$2,662,000	$1,331,000	$2,207,000	$1,103,500	$2,207,000	$1,103,500	-$455,000	-$227,500	$0	$0
31	31	FAMILY PACT PROGRAM ADMIN.	$1,207,000	$603,500	$1,207,000	$603,500	$1,207,000	$603,500	$0	$0	$0	$0
32	32	ETL DATA SOLUTION	$325,000	$48,000	$1,108,000	$250,800	$446,000	$104,600	$121,000	$56,600	-$662,000	-$146,200

COMPARISON OF FISCAL IMPACTS OF OTHER ADMINISTRATION POLICY CHANGES
MAY 2015 ESTIMATE COMPARED TO APPROPRIATION AND NOVEMBER 2014 ESTIMATE
FISCAL YEAR 2014-15

NOV.	MAY		2014-15 APPROPRIATION		NOV. 2014 EST. FOR 2014-15		MAY 2015 EST. FOR 2014-15		DIFFERENCE MAY TO APPROPRIATION		DIFFERENCE MAY TO NOVEMBER	
PC #	PC #	POLICY CHANGE TITLE	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
		DHCS-OTHER										
33		RATE STUDIES FOR MAIC AND AAC VENDOR	$1,000,000	$500,000	$1,000,000	$500,000	$0	$0	-$1,000,000	-$500,000	-$1,000,000	-$500,000
34	34	ENCRYPTION OF PHI DATA	$750,000	$375,000	$995,000	$497,500	$995,000	$497,500	$245,000	$122,500	$0	$0
35	35	MITA	$985,000	$98,500	$985,000	$98,500	$985,000	$98,500	$0	$0	$0	$0
36	36	SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES	$950,000	$950,000	$950,000	$950,000	$950,000	$950,000	$0	$0	$0	$0
37	37	COORDINATED CARE MANAGEMENT PILOT	$118,000	$59,000	$884,000	$442,000	$884,000	$442,000	$766,000	$383,000	$0	$0
38	38	MMA - DSH ANNUAL INDEPENDENT AUDIT	$856,000	$428,000	$856,000	$428,000	$856,000	$428,000	$0	$0	$0	$0
39	39	ACA EXPANSION ADMIN COSTS	$1,155,000	$577,500	$828,000	$414,000	$1,078,000	$539,000	-$77,000	-$38,500	$250,000	$125,000
40	40	POSTAGE AND PRINTING - THIRD PARTY LIAB.	$644,000	$322,000	$658,000	$329,000	$530,000	$265,000	-$114,000	-$57,000	-$128,000	-$64,000
42	42	CCT OUTREACH - ADMINISTRATIVE COSTS	$242,000	$0	$581,000	$0	$166,000	$0	-$76,000	$0	-$415,000	$0
43	43	THIRD PARTY VALIDATION OF CERTIFIED PROVIDE	$0	$0	$250,000	$125,000	$250,000	$125,000	$250,000	$125,000	$0	$0
44	44	DENTAL PAPD PROJECT MANAGER	$239,000	$119,500	$247,000	$61,750	$247,000	$61,750	$8,000	-$57,750	$0	$0
45	45	MEDICARE BUY-IN QUALITY REVIEW PROJECT	$240,000	$120,000	$240,000	$120,000	$240,000	$120,000	$0	$0	$0	$0
47	47	ANNUAL EDP AUDIT CONTRACTOR	$162,000	$81,000	$162,000	$81,000	$162,000	$81,000	$0	$0	$0	$0
48		CCS PROGRAM PILOTS EVALUATION	$0	$0	$150,000	$75,000	$0	$0	$0	$0	-$150,000	-$75,000
49	49	MAGI-CHIP QUALITY CONTROL TEST CERTIFICATIC	$0	$0	$125,000	$62,500	$125,000	$62,500	$125,000	$62,500	$0	$0
50	50	EPOCRATES	$107,000	$53,500	$107,000	$53,500	$107,000	$53,500	$0	$0	$0	$0
51	51	MIS/DSS CONTRACT REPROCUREMENT SERVICES	$180,000	$45,000	$104,000	$26,000	$104,000	$26,000	-$76,000	-$19,000	$0	$0
52	52	CCS CASE MANAGEMENT SUPPLEMENTAL PAYMEI	$100,000	$0	$100,000	$0	$100,000	$0	$0	$0	$0	$0
53	53	TAR POSTAGE	$115,000	$57,500	$71,000	$35,500	$56,000	$28,000	-$59,000	-$29,500	-$15,000	-$7,500
54	54	Q5i AUTOMATED DATA SYSTEM ACQUISTION	$59,000	$29,500	$59,000	$29,500	$59,000	$29,500	$0	$0	$0	$0
55	55	KATIE A. V. DIANA BONTA SPECIAL MASTER	$62,000	$31,000	$50,000	$25,000	$50,000	$25,000	-$12,000	-$6,000	$0	$0
56	56	PEDIATRIC PALLIATIVE CARE WAIVER EVALUATION	$0	$0	$39,000	$19,500	$39,000	$19,500	$39,000	$19,500	$0	$0
		DENTAL FI RE-PROCUREMENT IV&V	$282,000	$70,500	$0	$0	$0	$0	-$282,000	-$70,500	$0	$0
		INTERIM AND FINAL COST SETTLEMENTS-SMHS	-$82,730,000	$0	$0	$0	$0	$0	$82,730,000	$0	$0	$0
		RECOVERY AUDIT CONTRACTOR COSTS	$12,000	$6,000	$0	$0	$0	$0	-$12,000	-$6,000	$0	$0
		TRANSITION OF HFP TO MEDI-CAL	$15,937,000	$5,577,950	$0	$0	$0	$0	-$15,937,000	-$5,577,950	$0	$0
		DHCS-OTHER SUBTOTAL	**$1,119,560,000**	**$146,839,250**	**$1,020,080,000**	**$139,928,250**	**$875,401,000**	**$129,289,100**	**-$244,159,000**	**-$17,550,150**	**-$144,679,000**	**-$10,639,150**
		DHCS-HEALTH CARE OPT										
58	58	HCO OPERATIONS	$0	$0	$51,560,000	$25,394,050	$51,561,000	$25,394,550	$51,561,000	$25,394,550	$1,000	$500
59	59	HCO CCI - CAL MEDICONNECT AND MLTSS	$0	$0	$42,175,000	$21,087,500	$42,175,000	$21,087,500	$42,175,000	$21,087,500	$0	$0

COMPARISON OF FISCAL IMPACTS OF OTHER ADMINISTRATION POLICY CHANGES
MAY 2015 ESTIMATE COMPARED TO APPROPRIATION AND NOVEMBER 2014 ESTIMATE
FISCAL YEAR 2014-15

NOV.	MAY		2014-15 APPROPRIATION		NOV. 2014 EST. FOR 2014-15		MAY 2015 EST. FOR 2014-15		DIFFERENCE MAY TO APPROPRIATION		DIFFERENCE MAY TO NOVEMBER	
PC #	PC #	POLICY CHANGE TITLE	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
		DHCS-HEALTH CARE OPT										
60	60	HCO COST REIMBURSEMENT	$0	$0	$34,883,000	$17,179,300	$36,814,000	$18,130,850	$36,814,000	$18,130,850	$1,931,000	$951,550
61	61	HCO ACA EXPRESS LANE ENROLLMENT CONTRAC	$0	$0	$16,153,000	$8,076,500	$16,153,000	$8,076,500	$16,153,000	$8,076,500	$0	$0
62	62	HCO ESR HOURLY REIMBURSEMENT	$0	$0	$13,373,000	$6,586,150	$13,373,000	$6,586,150	$13,373,000	$6,586,150	$0	$0
63	63	HCO - ACA ENROLLMENT CONTRACTOR COSTS	$0	$0	$12,633,000	$6,221,700	$12,730,000	$6,269,600	$12,730,000	$6,269,600	$97,000	$47,900
64	64	HCO- SPD TRANSITION TO MANAGED CARE RURAL	$0	$0	$3,772,000	$1,886,000	$3,773,000	$1,886,500	$3,773,000	$1,886,500	$1,000	$500
65	65	HCO LIHP ENROLLMENT	$0	$0	$1,426,000	$713,000	$1,426,000	$713,000	$1,426,000	$713,000	$0	$0
66	66	HCO PPDs - COST SAVINGS	$0	$0	-$2,083,000	-$1,025,900	-$2,083,000	-$1,025,900	-$2,083,000	-$1,025,900	$0	$0
		DHCS-HEALTH CARE OPT SUBTOTAL	**$0**	**$0**	**$173,892,000**	**$86,118,300**	**$175,922,000**	**$87,118,750**	**$175,922,000**	**$87,118,750**	**$2,030,000**	**$1,000,450**
		DHCS-DENTAL FI										
	87	DENTAL FI OPERATIONS	$0	$0	$0	$0	$81,117,000	$26,422,500	$81,117,000	$26,422,500	$81,117,000	$26,422,500
	88	DENTAL FI HOURLY REIMBURSEMENT	$0	$0	$0	$0	$12,116,000	$3,029,000	$12,116,000	$3,029,000	$12,116,000	$3,029,000
	89	DENTAL FI COST REIMBURSEMENT	$0	$0	$0	$0	$7,369,000	$3,504,250	$7,369,000	$3,504,250	$7,369,000	$3,504,250
	91	DENTAL FI CONLAN, SCHWARZMER, STEVENS V. B	$0	$0	$0	$0	$195,000	$97,500	$195,000	$97,500	$195,000	$97,500
	92	DENTAL FI HIPAA ADDENDUM SECURITY RISK ASS	$0	$0	$0	$0	$310,000	$77,500	$310,000	$77,500	$310,000	$77,500
	93	DENTAL FI FEDERAL RULE - REVALIDATION	$0	$0	$0	$0	$1,438,000	$719,000	$1,438,000	$719,000	$1,438,000	$719,000
	94	DENTAL FI FEDERAL RULE - DATABASE CHECKS	$0	$0	$0	$0	$375,000	$187,500	$375,000	$187,500	$375,000	$187,500
		DHCS-DENTAL FI SUBTOTAL	**$0**	**$0**	**$0**	**$0**	**$102,920,000**	**$34,037,250**	**$102,920,000**	**$34,037,250**	**$102,920,000**	**$34,037,250**
		OTHER DEPARTMENTS										
3	3	CALHEERS DEVELOPMENT	$128,618,000	$25,689,000	$128,618,000	$25,689,000	$128,618,000	$25,689,000	$0	$0	$0	$0
7	7	ACA OUTREACH AND ENROLLMENT COUNSELORS	$26,500,000	$13,250,000	$26,000,000	$13,000,000	$24,864,000	$12,432,000	-$1,636,000	-$818,000	-$1,136,000	-$568,000
41	41	VITAL RECORDS DATA	$836,000	$0	$605,000	$0	$385,000	$0	-$451,000	$0	-$220,000	$0
46	46	DMHC INTER-AGENCY AGREEMENT - ADMIN	$189,000	$0	$189,000	$0	$189,000	$0	$0	$0	$0	$0
67	67	PERSONAL CARE SERVICES	$264,886,000	$0	$223,024,000	$0	$243,785,000	$0	-$21,101,000	$0	$20,761,000	$0
68	68	HEALTH-RELATED ACTIVITIES - CDSS	$223,024,000	$0	$295,794,000	$0	$239,852,000	$0	$16,828,000	$0	-$55,942,000	$0
69	69	CDDS ADMINISTRATIVE COSTS	$32,240,000	$0	$41,517,000	$0	$44,744,000	$0	$12,504,000	$0	$3,227,000	$0
70	70	DEPARTMENT OF SOCIAL SERVICES ADMIN COST	$30,928,000	$0	$24,796,000	$0	$23,501,000	$0	-$7,427,000	$0	-$1,295,000	$0
71	71	MATERNAL AND CHILD HEALTH	$27,503,000	$0	$27,503,000	$0	$24,829,000	$0	-$2,674,000	$0	-$2,674,000	$0
72	72	HEALTH CARE PROGRAM FOR CHILDREN IN FOSTE	$25,143,000	$0	$25,143,000	$0	$25,143,000	$0	$0	$0	$0	$0
73	73	FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPC	$17,534,000	$2,533,000	$10,701,000	$2,533,000	$12,214,000	$3,122,000	-$5,320,000	$589,000	$1,513,000	$589,000
74	74	CLPP CASE MANAGEMENT SERVICES	$5,200,000	$0	$7,400,000	$0	$7,400,000	$0	$2,200,000	$0	$0	$0

COMPARISON OF FISCAL IMPACTS OF OTHER ADMINISTRATION POLICY CHANGES
MAY 2015 ESTIMATE COMPARED TO APPROPRIATION AND NOVEMBER 2014 ESTIMATE
FISCAL YEAR 2014-15

NOV.	MAY		2014-15 APPROPRIATION		NOV. 2014 EST. FOR 2014-15		MAY 2015 EST. FOR 2014-15		DIFFERENCE MAY TO APPROPRIATION		DIFFERENCE MAY TO NOVEMBER	
PC #	PC #	POLICY CHANGE TITLE	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
		OTHER DEPARTMENTS										
75	75	DEPARTMENT OF AGING ADMINISTRATIVE COSTS	$3,523,000	$0	$3,463,000	$0	$3,442,000	$0	-$81,000	$0	-$21,000	$0
76	76	CHHS AGENCY HIPAA FUNDING	$651,000	$0	$1,206,000	$0	$1,206,000	$0	$555,000	$0	$0	$0
77	77	TOBACCO QUITLINE ADMINISTRATIVE SERVICES	$1,000,000	$0	$1,000,000	$0	$1,000,000	$0	$0	$0	$0	$0
78	78	VETERANS BENEFITS	$956,000	$0	$956,000	$0	$956,000	$0	$0	$0	$0	$0
79	79	CDPH I&E PROGRAM AND EVALUATION	$946,000	$0	$946,000	$0	$1,038,000	$0	$92,000	$0	$92,000	$0
80	80	KIT FOR NEW PARENTS	$1,017,000	$0	$935,000	$0	$1,090,000	$0	$73,000	$0	$155,000	$0
81	81	MEDI-CAL INPATIENT SERVICES FOR INMATES	$560,000	$0	$560,000	$0	$560,000	$0	$0	$0	$0	$0
82	82	MERIT SYSTEM SERVICES FOR COUNTIES	$195,000	$97,500	$195,000	$97,500	$196,000	$98,000	$1,000	$500	$1,000	$500
83	83	CDDS DENTAL SERVICES	$1,197,000	$1,197,000	$84,000	$84,000	$40,000	$40,000	-$1,157,000	-$1,157,000	-$44,000	-$44,000
84	84	PIA EYEWEAR COURIER SERVICE	$440,000	$220,000	$438,000	$219,000	$438,000	$219,000	-$2,000	-$1,000	$0	$0
		OTHER DEPARTMENTS SUBTOTAL	**$793,086,000**	**$42,986,500**	**$821,073,000**	**$41,622,500**	**$785,490,000**	**$41,600,000**	**-$7,596,000**	**-$1,386,500**	**-$35,583,000**	**-$22,500**
		OTHER ADMINISTRATION SUBTOTAL	**$1,912,646,000**	**$189,825,750**	**$2,015,045,000**	**$267,669,050**	**$1,939,733,000**	**$292,045,100**	**$27,087,000**	**$102,219,350**	**-$75,312,000**	**$24,376,050**
		GRAND TOTAL ALL ADMIN. ADJUSTMENTS	**$3,728,180,000**	**$761,089,550**	**$4,155,424,000**	**$860,529,850**	**$4,088,094,000**	**$895,232,900**	**$359,914,000**	**$134,143,350**	**-$67,330,000**	**$34,703,050**

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

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

NOV.	MAY		NOV. 2014 EST. FOR 2015-16		MAY 2015 EST. FOR 2015-16		DIFFERENCE	
PC #	PC #	POLICY CHANGE TITLE	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
		DHCS-OTHER						
1	1	MEDI-CAL ADMINISTRATIVE ACTIVITIES	$266,440,000	$0	$295,361,000	$0	$28,921,000	$0
2	2	CCS CASE MANAGEMENT	$186,387,000	$72,608,350	$183,247,000	$64,425,750	-$3,140,000	-$8,182,600
4	4	COUNTY SPECIALTY MENTAL HEALTH ADMIN	$103,275,000	$0	$103,275,000	$0	$0	$0
5	5	BTR - LIHP - ADMINISTRATIVE COSTS	$162,889,000	$0	$50,685,000	$0	-$112,204,000	$0
6	6	EPSDT CASE MANAGEMENT	$33,718,000	$11,871,250	$33,718,000	$11,871,250	$0	$0
8	8	OTLICP AND MEDI-CAL ACCESS PROGRAM	$36,559,000	$13,466,850	$36,559,000	$13,466,850	$0	$0
9	9	ARRA HITECH INCENTIVE PROGRAM	$13,399,000	$1,154,000	$13,517,000	$1,154,000	$118,000	$0
10	10	POSTAGE & PRINTING	$21,032,000	$10,719,500	$26,032,000	$13,219,500	$5,000,000	$2,500,000
11	11	SMHS COUNTY UR & QA ADMIN	$16,093,000	$0	$17,294,000	$600,000	$1,201,000	$600,000
12	12	SMH MAA	$16,867,000	$0	$16,183,000	$0	-$684,000	$0
13	13	DRUG MEDI-CAL COUNTY ADMINISTRATION	$17,742,000	$2,113,000	$17,742,000	$2,113,000	$0	$0
14	14	MIS/DSS CONTRACT	$12,476,000	$3,317,000	$12,476,000	$3,317,000	$0	$0
15	15	LITIGATION RELATED SERVICES	$9,980,000	$4,990,000	$9,980,000	$4,990,000	$0	$0
16	16	DMC COUNTY UR & QA ADMIN	$21,626,000	$0	$18,537,000	$0	-$3,089,000	$0
17	17	CA-MMIS REPLACEMENT & OTHER STATE TRANSIT	$4,450,000	$639,000	$3,820,000	$563,500	-$630,000	-$75,500
18	18	CCI-ADMINISTRATIVE COSTS	$6,268,000	$3,134,000	$10,705,000	$5,226,500	$4,437,000	$2,092,500
19	19	MEDI-CAL RECOVERY CONTRACTS	$5,858,000	$1,464,500	$5,869,000	$1,467,250	$11,000	$2,750
20	20	MEDS MODERNIZATION	$2,779,000	$660,900	$3,995,000	$485,000	$1,216,000	-$175,900
21	21	PASRR	$8,150,000	$2,037,500	$9,072,000	$2,268,000	$922,000	$230,500
22	22	MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)	$5,836,000	$1,943,250	$4,902,000	$1,613,500	-$934,000	-$329,750
23	23	CA-MMIS REPLACEMENT OVERSIGHT	$8,113,000	$971,900	$8,286,000	$992,800	$173,000	$20,900
24	24	HIPAA CAPITATION PAYMENT REPORTING SYSTEM	$4,865,000	$1,216,250	$4,865,000	$1,216,250	$0	$0
25	25	NEWBORN HEARING SCREENING PROGRAM	$4,190,000	$2,095,000	$7,700,000	$3,850,000	$3,510,000	$1,755,000
26	26	SDMC SYSTEM M&O SUPPORT	$2,325,000	$1,162,500	$2,325,000	$1,162,500	$0	$0
27	27	FAMILY PACT EVALUATION	$2,861,000	$1,430,500	$2,861,000	$1,430,500	$0	$0
28	28	BUSINESS RULES EXTRACTION	$835,000	$83,500	$1,720,000	$430,000	$885,000	$346,500
29	29	PREVENTION OF CHRONIC DISEASE GRANT PROJE	$1,375,000	$0	$1,375,000	$0	$0	$0
30	30	SSA COSTS FOR HEALTH COVERAGE INFO.	$2,207,000	$1,103,500	$2,207,000	$1,103,500	$0	$0
31	31	FAMILY PACT PROGRAM ADMIN.	$1,207,000	$603,500	$1,207,000	$603,500	$0	$0
32	32	ETL DATA SOLUTION	$616,000	$125,800	$1,420,000	$367,450	$804,000	$241,650

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

NOV.	MAY		NOV. 2014 EST. FOR 2015-16		MAY 2015 EST. FOR 2015-16		DIFFERENCE	
PC #	PC #	POLICY CHANGE TITLE	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
		DHCS-OTHER						
33	33	RATE STUDIES FOR MAIC AND AAC VENDOR	$1,000,000	$500,000	$1,000,000	$500,000	$0	$0
34	34	ENCRYPTION OF PHI DATA	$750,000	$375,000	$750,000	$375,000	$0	$0
35	35	MITA	$152,000	$15,200	$2,565,000	$256,500	$2,413,000	$241,300
36	36	SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES	$950,000	$950,000	$950,000	$950,000	$0	$0
38	38	MMA - DSH ANNUAL INDEPENDENT AUDIT	$856,000	$428,000	$856,000	$428,000	$0	$0
39	39	ACA EXPANSION ADMIN COSTS	$517,000	$258,500	$847,000	$423,500	$330,000	$165,000
40	40	POSTAGE AND PRINTING - THIRD PARTY LIAB.	$682,000	$341,000	$555,000	$277,500	-$127,000	-$63,500
42	42	CCT OUTREACH - ADMINISTRATIVE COSTS	$200,000	$0	$360,000	$0	$160,000	$0
44	44	DENTAL PAPD PROJECT MANAGER	$247,000	$61,750	$247,000	$61,750	$0	$0
47		ANNUAL EDP AUDIT CONTRACTOR	$162,000	$81,000	$0	$0	-$162,000	-$81,000
48		CCS PROGRAM PILOTS EVALUATION	$150,000	$75,000	$0	$0	-$150,000	-$75,000
49	49	MAGI-CHIP QUALITY CONTROL TEST CERTIFICATIC	$125,000	$62,500	$125,000	$62,500	$0	$0
50	50	EPOCRATES	$107,000	$53,500	$107,000	$53,500	$0	$0
52	52	CCS CASE MANAGEMENT SUPPLEMENTAL PAYMEI	$100,000	$0	$100,000	$0	$0	$0
53	53	TAR POSTAGE	$66,000	$33,000	$56,000	$28,000	-$10,000	-$5,000
54	54	Q5i AUTOMATED DATA SYSTEM ACQUISTION	$59,000	$29,500	$59,000	$29,500	$0	$0
57	57	INTERIM AND FINAL COST SETTLEMENTS-SMHS	$9,370,000	$0	$9,558,000	$0	$188,000	$0
	37	COORDINATED CARE MANAGEMENT PILOT	$0	$0	$23,000	$11,500	$23,000	$11,500
	95	CALIFORNIA HEALTH INTERVIEW SURVEY	$0	$0	$1,000,000	$0	$1,000,000	$0
	96	HEALTH HOMES PROGRAM - CONTRACTOR COSTS	$0	$0	$1,380,000	$690,000	$1,380,000	$690,000
		DHCS-OTHER SUBTOTAL	**$995,911,000**	**$142,175,500**	**$927,473,000**	**$142,084,850**	**-$68,438,000**	**-$90,650**
		DHCS-HEALTH CARE OPT						
58	58	HCO OPERATIONS	$38,370,000	$18,897,750	$38,371,000	$18,898,250	$1,000	$500
59	59	HCO CCI - CAL MEDICONNECT AND MLTSS	$16,136,000	$8,068,000	$16,135,000	$8,067,500	-$1,000	-$500
60	60	HCO COST REIMBURSEMENT	$37,646,000	$18,540,850	$40,681,000	$20,035,250	$3,035,000	$1,494,400
62	62	HCO ESR HOURLY REIMBURSEMENT	$13,715,000	$6,754,600	$13,716,000	$6,755,100	$1,000	$500
63	63	HCO - ACA ENROLLMENT CONTRACTOR COSTS	$10,275,000	$5,060,400	$10,275,000	$5,060,400	$0	$0
64	64	HCO- SPD TRANSITION TO MANAGED CARE RURAL	$727,000	$363,500	$727,000	$363,500	$0	$0
66	66	HCO PPDs - COST SAVINGS	-$2,996,000	-$1,475,500	-$2,996,000	-$1,475,500	$0	$0

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

NOV. PC #	MAY PC #	POLICY CHANGE TITLE	NOV. 2014 EST. FOR 2015-16 TOTAL FUNDS	NOV. 2014 EST. FOR 2015-16 STATE FUNDS	MAY 2015 EST. FOR 2015-16 TOTAL FUNDS	MAY 2015 EST. FOR 2015-16 STATE FUNDS	DIFFERENCE TOTAL FUNDS	DIFFERENCE STATE FUNDS
		DHCS-HEALTH CARE OPT						
86	86	HCO ANNUAL HEALTH PLAN OPEN ENROLLMENT C	$3,930,000	$1,965,000	$3,930,000	$1,965,000	$0	$0
		DHCS-HEALTH CARE OPT SUBTOTAL	**$117,803,000**	**$58,174,600**	**$120,839,000**	**$59,669,500**	**$3,036,000**	**$1,494,900**
		DHCS-DENTAL FI						
	87	DENTAL FI OPERATIONS	$0	$0	$83,761,000	$27,295,500	$83,761,000	$27,295,500
	88	DENTAL FI HOURLY REIMBURSEMENT	$0	$0	$12,334,000	$3,083,500	$12,334,000	$3,083,500
	89	DENTAL FI COST REIMBURSEMENT	$0	$0	$7,369,000	$3,504,250	$7,369,000	$3,504,250
	90	DENTAL FI CD-MMIS COSTS	$0	$0	$75,000	$18,750	$75,000	$18,750
	91	DENTAL FI CONLAN, SCHWARZMER, STEVENS V. B	$0	$0	$195,000	$97,500	$195,000	$97,500
	92	DENTAL FI HIPAA ADDENDUM SECURITY RISK ASS	$0	$0	$320,000	$80,000	$320,000	$80,000
	93	DENTAL FI FEDERAL RULE - REVALIDATION	$0	$0	$1,438,000	$719,000	$1,438,000	$719,000
	94	DENTAL FI FEDERAL RULE - DATABASE CHECKS	$0	$0	$375,000	$187,500	$375,000	$187,500
		DHCS-DENTAL FI SUBTOTAL	**$0**	**$0**	**$105,867,000**	**$34,986,000**	**$105,867,000**	**$34,986,000**
		OTHER DEPARTMENTS						
3	3	CALHEERS DEVELOPMENT	$128,618,000	$25,689,000	$144,728,000	$35,660,250	$16,110,000	$9,971,250
7	7	ACA OUTREACH AND ENROLLMENT COUNSELORS	$38,000,000	$19,000,000	$35,536,000	$17,768,000	-$2,464,000	-$1,232,000
41	41	VITAL RECORDS DATA	$883,000	$0	$883,000	$0	$0	$0
67	67	PERSONAL CARE SERVICES	$230,866,000	$0	$265,178,000	$0	$34,312,000	$0
68	68	HEALTH-RELATED ACTIVITIES - CDSS	$251,727,000	$0	$260,425,000	$0	$8,698,000	$0
69	69	CDDS ADMINISTRATIVE COSTS	$38,505,000	$0	$40,652,000	$0	$2,147,000	$0
70	70	DEPARTMENT OF SOCIAL SERVICES ADMIN COST	$26,467,000	$0	$26,467,000	$0	$0	$0
71	71	MATERNAL AND CHILD HEALTH	$27,503,000	$0	$34,824,000	$0	$7,321,000	$0
72	72	HEALTH CARE PROGRAM FOR CHILDREN IN FOSTE	$25,143,000	$0	$25,143,000	$0	$0	$0
73	73	FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPC	$10,718,000	$2,533,000	$11,843,000	$3,358,000	$1,125,000	$825,000
74	74	CLPP CASE MANAGEMENT SERVICES	$5,200,000	$0	$5,200,000	$0	$0	$0
75	75	DEPARTMENT OF AGING ADMINISTRATIVE COSTS	$3,297,000	$0	$3,538,000	$0	$241,000	$0
76	76	CHHS AGENCY HIPAA FUNDING	$1,215,000	$0	$1,215,000	$0	$0	$0
77	77	TOBACCO QUITLINE ADMINISTRATIVE SERVICES	$1,000,000	$0	$1,000,000	$0	$0	$0
78	78	VETERANS BENEFITS	$956,000	$0	$956,000	$0	$0	$0

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

NOV.	MAY		NOV. 2014 EST. FOR 2015-16		MAY 2015 EST. FOR 2015-16		DIFFERENCE	
PC #	PC #	POLICY CHANGE TITLE	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
		OTHER DEPARTMENTS						
79	79	CDPH I&E PROGRAM AND EVALUATION	$946,000	$0	$946,000	$0	$0	$0
80	80	KIT FOR NEW PARENTS	$913,000	$0	$1,119,000	$0	$206,000	$0
81	81	MEDI-CAL INPATIENT SERVICES FOR INMATES	$983,000	$0	$1,017,000	$0	$34,000	$0
82	82	MERIT SYSTEM SERVICES FOR COUNTIES	$195,000	$97,500	$195,000	$97,500	$0	$0
83	83	CDDS DENTAL SERVICES	$84,000	$84,000	$40,000	$40,000	-$44,000	-$44,000
84	84	PIA EYEWEAR COURIER SERVICE	$382,000	$191,000	$382,000	$191,000	$0	$0
		OTHER DEPARTMENTS SUBTOTAL	**$793,601,000**	**$47,594,500**	**$861,287,000**	**$57,114,750**	**$67,686,000**	**$9,520,250**
		OTHER ADMINISTRATION SUBTOTAL	**$1,907,315,000**	**$247,944,600**	**$2,015,466,000**	**$293,855,100**	**$108,151,000**	**$45,910,500**
		GRAND TOTAL ALL ADMIN. ADJUSTMENTS	**$3,735,140,000**	**$805,830,900**	**$4,016,271,000**	**$895,268,250**	**$281,131,000**	**$89,437,350**

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

MAY PC#	POLICY CHANGE TITLE	MAY 2015 EST. FOR 2014-15		MAY 2015 EST. FOR 2015-16		DIFFERENCE	
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
	DHCS-OTHER						
1	MEDI-CAL ADMINISTRATIVE ACTIVITIES	$276,360,000	$72,000	$295,361,000	$0	$19,001,000	-$72,000
2	CCS CASE MANAGEMENT	$175,916,000	$61,839,250	$183,247,000	$64,425,750	$7,331,000	$2,586,500
4	COUNTY SPECIALTY MENTAL HEALTH ADMIN	$100,518,000	$0	$103,275,000	$0	$2,757,000	$0
5	BTR - LIHP - ADMINISTRATIVE COSTS	$75,493,000	$0	$50,685,000	$0	-$24,808,000	$0
6	EPSDT CASE MANAGEMENT	$33,718,000	$11,871,250	$33,718,000	$11,871,250	$0	$0
8	OTLICP AND MEDI-CAL ACCESS PROGRAM	$25,836,000	$9,488,100	$36,559,000	$13,466,850	$10,723,000	$3,978,750
9	ARRA HITECH INCENTIVE PROGRAM	$23,104,000	$1,924,000	$13,517,000	$1,154,000	-$9,587,000	-$770,000
10	POSTAGE & PRINTING	$20,382,000	$10,394,500	$26,032,000	$13,219,500	$5,650,000	$2,825,000
11	SMHS COUNTY UR & QA ADMIN	$15,656,000	$0	$17,294,000	$600,000	$1,638,000	$600,000
12	SMH MAA	$15,441,000	$0	$16,183,000	$0	$742,000	$0
13	DRUG MEDI-CAL COUNTY ADMINISTRATION	$15,082,000	$1,617,000	$17,742,000	$2,113,000	$2,660,000	$496,000
14	MIS/DSS CONTRACT	$14,000,000	$3,710,000	$12,476,000	$3,317,000	-$1,524,000	-$393,000
15	LITIGATION RELATED SERVICES	$9,980,000	$4,990,000	$9,980,000	$4,990,000	$0	$0
16	DMC COUNTY UR & QA ADMIN	$0	$0	$18,537,000	$0	$18,537,000	$0
17	CA-MMIS REPLACEMENT & OTHER STATE TRANSITION	$7,254,000	$1,493,100	$3,820,000	$563,500	-$3,434,000	-$929,600
18	CCI-ADMINISTRATIVE COSTS	$8,202,000	$3,112,000	$10,705,000	$5,226,500	$2,503,000	$2,114,500
19	MEDI-CAL RECOVERY CONTRACTS	$6,144,000	$1,536,000	$5,869,000	$1,467,250	-$275,000	-$68,750
20	MEDS MODERNIZATION	$4,916,000	$995,750	$3,995,000	$485,000	-$921,000	-$510,750
21	PASRR	$6,650,000	$1,662,500	$9,072,000	$2,268,000	$2,422,000	$605,500
22	MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)	$4,670,000	$1,537,000	$4,902,000	$1,613,500	$232,000	$76,500
23	CA-MMIS REPLACEMENT OVERSIGHT	$5,447,000	$652,800	$8,286,000	$992,800	$2,839,000	$340,000
24	HIPAA CAPITATION PAYMENT REPORTING SYSTEM	$5,144,000	$1,286,000	$4,865,000	$1,216,250	-$279,000	-$69,750
25	NEWBORN HEARING SCREENING PROGRAM	$4,598,000	$2,299,000	$7,700,000	$3,850,000	$3,102,000	$1,551,000
26	SDMC SYSTEM M&O SUPPORT	$3,000,000	$1,500,000	$2,325,000	$1,162,500	-$675,000	-$337,500
27	FAMILY PACT EVALUATION	$2,861,000	$1,430,500	$2,861,000	$1,430,500	$0	$0
28	BUSINESS RULES EXTRACTION	$860,000	$215,000	$1,720,000	$430,000	$860,000	$215,000
29	PREVENTION OF CHRONIC DISEASE GRANT PROJECT	$2,326,000	$0	$1,375,000	$0	-$951,000	$0

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

MAY PC#	POLICY CHANGE TITLE	MAY 2015 EST. FOR 2014-15		MAY 2015 EST. FOR 2015-16		DIFFERENCE	
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
	DHCS-OTHER						
30	SSA COSTS FOR HEALTH COVERAGE INFO.	$2,207,000	$1,103,500	$2,207,000	$1,103,500	$0	$0
31	FAMILY PACT PROGRAM ADMIN.	$1,207,000	$603,500	$1,207,000	$603,500	$0	$0
32	ETL DATA SOLUTION	$446,000	$104,600	$1,420,000	$367,450	$974,000	$262,850
33	RATE STUDIES FOR MAIC AND AAC VENDOR	$0	$0	$1,000,000	$500,000	$1,000,000	$500,000
34	ENCRYPTION OF PHI DATA	$995,000	$497,500	$750,000	$375,000	-$245,000	-$122,500
35	MITA	$985,000	$98,500	$2,565,000	$256,500	$1,580,000	$158,000
36	SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES	$950,000	$950,000	$950,000	$950,000	$0	$0
37	COORDINATED CARE MANAGEMENT PILOT	$884,000	$442,000	$23,000	$11,500	-$861,000	-$430,500
38	MMA - DSH ANNUAL INDEPENDENT AUDIT	$856,000	$428,000	$856,000	$428,000	$0	$0
39	ACA EXPANSION ADMIN COSTS	$1,078,000	$539,000	$847,000	$423,500	-$231,000	-$115,500
40	POSTAGE AND PRINTING - THIRD PARTY LIAB.	$530,000	$265,000	$555,000	$277,500	$25,000	$12,500
42	CCT OUTREACH - ADMINISTRATIVE COSTS	$166,000	$0	$360,000	$0	$194,000	$0
43	THIRD PARTY VALIDATION OF CERTIFIED PROVIDERS	$250,000	$125,000	$0	$0	-$250,000	-$125,000
44	DENTAL PAPD PROJECT MANAGER	$247,000	$61,750	$247,000	$61,750	$0	$0
45	MEDICARE BUY-IN QUALITY REVIEW PROJECT	$240,000	$120,000	$0	$0	-$240,000	-$120,000
47	ANNUAL EDP AUDIT CONTRACTOR	$162,000	$81,000	$0	$0	-$162,000	-$81,000
49	MAGI-CHIP QUALITY CONTROL TEST CERTIFICATION	$125,000	$62,500	$125,000	$62,500	$0	$0
50	EPOCRATES	$107,000	$53,500	$107,000	$53,500	$0	$0
51	MIS/DSS CONTRACT REPROCUREMENT SERVICES	$104,000	$26,000	$0	$0	-$104,000	-$26,000
52	CCS CASE MANAGEMENT SUPPLEMENTAL PAYMENT	$100,000	$0	$100,000	$0	$0	$0
53	TAR POSTAGE	$56,000	$28,000	$56,000	$28,000	$0	$0
54	Q5i AUTOMATED DATA SYSTEM ACQUISTION	$59,000	$29,500	$59,000	$29,500	$0	$0
55	KATIE A. V. DIANA BONTA SPECIAL MASTER	$50,000	$25,000	$0	$0	-$50,000	-$25,000
56	PEDIATRIC PALLIATIVE CARE WAIVER EVALUATION	$39,000	$19,500	$0	$0	-$39,000	-$19,500
57	INTERIM AND FINAL COST SETTLEMENTS-SMHS	$0	$0	$9,558,000	$0	$9,558,000	$0
95	CALIFORNIA HEALTH INTERVIEW SURVEY	$0	$0	$1,000,000	$0	$1,000,000	$0
96	HEALTH HOMES PROGRAM - CONTRACTOR COSTS	$0	$0	$1,380,000	$690,000	$1,380,000	$690,000

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

MAY PC#	POLICY CHANGE TITLE	MAY 2015 EST. FOR 2014-15 TOTAL FUNDS	MAY 2015 EST. FOR 2014-15 STATE FUNDS	MAY 2015 EST. FOR 2015-16 TOTAL FUNDS	MAY 2015 EST. FOR 2015-16 STATE FUNDS	DIFFERENCE TOTAL FUNDS	DIFFERENCE STATE FUNDS
	DHCS-OTHER						
	DHCS-OTHER SUBTOTAL	**$875,401,000**	**$129,289,100**	**$927,473,000**	**$142,084,850**	**$52,072,000**	**$12,795,750**
	DHCS-HEALTH CARE OPT						
58	HCO OPERATIONS	$51,561,000	$25,394,550	$38,371,000	$18,898,250	-$13,190,000	-$6,496,300
59	HCO CCI - CAL MEDICONNECT AND MLTSS	$42,175,000	$21,087,500	$16,135,000	$8,067,500	-$26,040,000	-$13,020,000
60	HCO COST REIMBURSEMENT	$36,814,000	$18,130,850	$40,681,000	$20,035,250	$3,867,000	$1,904,400
61	HCO ACA EXPRESS LANE ENROLLMENT CONTRACTOF	$16,153,000	$8,076,500	$0	$0	-$16,153,000	-$8,076,500
62	HCO ESR HOURLY REIMBURSEMENT	$13,373,000	$6,586,150	$13,716,000	$6,755,100	$343,000	$168,950
63	HCO - ACA ENROLLMENT CONTRACTOR COSTS	$12,730,000	$6,269,600	$10,275,000	$5,060,400	-$2,455,000	-$1,209,200
64	HCO- SPD TRANSITION TO MANAGED CARE RURAL CC	$3,773,000	$1,886,500	$727,000	$363,500	-$3,046,000	-$1,523,000
65	HCO LIHP ENROLLMENT	$1,426,000	$713,000	$0	$0	-$1,426,000	-$713,000
66	HCO PPDs - COST SAVINGS	-$2,083,000	-$1,025,900	-$2,996,000	-$1,475,500	-$913,000	-$449,600
86	HCO ANNUAL HEALTH PLAN OPEN ENROLLMENT COS	$0	$0	$3,930,000	$1,965,000	$3,930,000	$1,965,000
	DHCS-HEALTH CARE OPT SUBTOTAL	**$175,922,000**	**$87,118,750**	**$120,839,000**	**$59,669,500**	**-$55,083,000**	**-$27,449,250**
	DHCS-DENTAL FI						
87	DENTAL FI OPERATIONS	$81,117,000	$26,422,500	$83,761,000	$27,295,500	$2,644,000	$873,000
88	DENTAL FI HOURLY REIMBURSEMENT	$12,116,000	$3,029,000	$12,334,000	$3,083,500	$218,000	$54,500
89	DENTAL FI COST REIMBURSEMENT	$7,369,000	$3,504,250	$7,369,000	$3,504,250	$0	$0
90	DENTAL FI CD-MMIS COSTS	$0	$0	$75,000	$18,750	$75,000	$18,750
91	DENTAL FI CONLAN, SCHWARZMER, STEVENS V. BONT	$195,000	$97,500	$195,000	$97,500	$0	$0
92	DENTAL FI HIPAA ADDENDUM SECURITY RISK ASSES	$310,000	$77,500	$320,000	$80,000	$10,000	$2,500
93	DENTAL FI FEDERAL RULE - REVALIDATION	$1,438,000	$719,000	$1,438,000	$719,000	$0	$0
94	DENTAL FI FEDERAL RULE - DATABASE CHECKS	$375,000	$187,500	$375,000	$187,500	$0	$0
	DHCS-DENTAL FI SUBTOTAL	**$102,920,000**	**$34,037,250**	**$105,867,000**	**$34,986,000**	**$2,947,000**	**$948,750**
	OTHER DEPARTMENTS						
3	CALHEERS DEVELOPMENT	$128,618,000	$25,689,000	$144,728,000	$35,660,250	$16,110,000	$9,971,250

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

MAY PC#	POLICY CHANGE TITLE	MAY 2015 EST. FOR 2014-15 TOTAL FUNDS	MAY 2015 EST. FOR 2014-15 STATE FUNDS	MAY 2015 EST. FOR 2015-16 TOTAL FUNDS	MAY 2015 EST. FOR 2015-16 STATE FUNDS	DIFFERENCE TOTAL FUNDS	DIFFERENCE STATE FUNDS
	OTHER DEPARTMENTS						
7	ACA OUTREACH AND ENROLLMENT COUNSELORS	$24,864,000	$12,432,000	$35,536,000	$17,768,000	$10,672,000	$5,336,000
41	VITAL RECORDS DATA	$385,000	$0	$883,000	$0	$498,000	$0
46	DMHC INTER-AGENCY AGREEMENT - ADMIN	$189,000	$0	$0	$0	-$189,000	$0
67	PERSONAL CARE SERVICES	$243,785,000	$0	$265,178,000	$0	$21,393,000	$0
68	HEALTH-RELATED ACTIVITIES - CDSS	$239,852,000	$0	$260,425,000	$0	$20,573,000	$0
69	CDDS ADMINISTRATIVE COSTS	$44,744,000	$0	$40,652,000	$0	-$4,092,000	$0
70	DEPARTMENT OF SOCIAL SERVICES ADMIN COST	$23,501,000	$0	$26,467,000	$0	$2,966,000	$0
71	MATERNAL AND CHILD HEALTH	$24,829,000	$0	$34,824,000	$0	$9,995,000	$0
72	HEALTH CARE PROGRAM FOR CHILDREN IN FOSTER C	$25,143,000	$0	$25,143,000	$0	$0	$0
73	FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT	$12,214,000	$3,122,000	$11,843,000	$3,358,000	-$371,000	$236,000
74	CLPP CASE MANAGEMENT SERVICES	$7,400,000	$0	$5,200,000	$0	-$2,200,000	$0
75	DEPARTMENT OF AGING ADMINISTRATIVE COSTS	$3,442,000	$0	$3,538,000	$0	$96,000	$0
76	CHHS AGENCY HIPAA FUNDING	$1,206,000	$0	$1,215,000	$0	$9,000	$0
77	TOBACCO QUITLINE ADMINISTRATIVE SERVICES	$1,000,000	$0	$1,000,000	$0	$0	$0
78	VETERANS BENEFITS	$956,000	$0	$956,000	$0	$0	$0
79	CDPH I&E PROGRAM AND EVALUATION	$1,038,000	$0	$946,000	$0	-$92,000	$0
80	KIT FOR NEW PARENTS	$1,090,000	$0	$1,119,000	$0	$29,000	$0
81	MEDI-CAL INPATIENT SERVICES FOR INMATES	$560,000	$0	$1,017,000	$0	$457,000	$0
82	MERIT SYSTEM SERVICES FOR COUNTIES	$196,000	$98,000	$195,000	$97,500	-$1,000	-$500
83	CDDS DENTAL SERVICES	$40,000	$40,000	$40,000	$40,000	$0	$0
84	PIA EYEWEAR COURIER SERVICE	$438,000	$219,000	$382,000	$191,000	-$56,000	-$28,000
	OTHER DEPARTMENTS SUBTOTAL	**$785,490,000**	**$41,600,000**	**$861,287,000**	**$57,114,750**	**$75,797,000**	**$15,514,750**
	OTHER ADMINISTRATION SUBTOTAL	**$1,939,733,000**	**$292,045,100**	**$2,015,466,000**	**$293,855,100**	**$75,733,000**	**$1,810,000**
	GRAND TOTAL COUNTY AND OTHER ADMIN.	**$4,088,094,000**	**$895,232,900**	**$4,016,271,000**	**$895,268,250**	**-$71,823,000**	**$35,350**

MEDI-CAL OTHER ADMINISTRATION
POLICY CHANGE INDEX

POLICY CHANGE NUMBER	POLICY CHANGE TITLE
	DHCS-OTHER
1	MEDI-CAL ADMINISTRATIVE ACTIVITIES
2	CCS CASE MANAGEMENT
4	COUNTY SPECIALTY MENTAL HEALTH ADMIN
5	BTR - LIHP - ADMINISTRATIVE COSTS
6	EPSDT CASE MANAGEMENT
8	OTLICP AND MEDI-CAL ACCESS PROGRAM
9	ARRA HITECH INCENTIVE PROGRAM
10	POSTAGE & PRINTING
11	SMHS COUNTY UR & QA ADMIN
12	SMH MAA
13	DRUG MEDI-CAL COUNTY ADMINISTRATION
14	MIS/DSS CONTRACT
15	LITIGATION RELATED SERVICES
16	DMC COUNTY UR & QA ADMIN
17	CA-MMIS REPLACEMENT & OTHER STATE TRANSITION
18	CCI-ADMINISTRATIVE COSTS
19	MEDI-CAL RECOVERY CONTRACTS
20	MEDS MODERNIZATION
21	PASRR
22	MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)
23	CA-MMIS REPLACEMENT OVERSIGHT
24	HIPAA CAPITATION PAYMENT REPORTING SYSTEM
25	NEWBORN HEARING SCREENING PROGRAM
26	SDMC SYSTEM M&O SUPPORT
27	FAMILY PACT EVALUATION
28	BUSINESS RULES EXTRACTION
29	PREVENTION OF CHRONIC DISEASE GRANT PROJECT
30	SSA COSTS FOR HEALTH COVERAGE INFO.
31	FAMILY PACT PROGRAM ADMIN.
32	ETL DATA SOLUTION
33	RATE STUDIES FOR MAIC AND AAC VENDOR
34	ENCRYPTION OF PHI DATA
35	MITA
36	SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES
37	COORDINATED CARE MANAGEMENT PILOT
38	MMA - DSH ANNUAL INDEPENDENT AUDIT

MEDI-CAL OTHER ADMINISTRATION
POLICY CHANGE INDEX

POLICY CHANGE NUMBER	POLICY CHANGE TITLE
	DHCS-OTHER
39	ACA EXPANSION ADMIN COSTS
40	POSTAGE AND PRINTING - THIRD PARTY LIAB.
42	CCT OUTREACH - ADMINISTRATIVE COSTS
43	THIRD PARTY VALIDATION OF CERTIFIED PROVIDERS
44	DENTAL PAPD PROJECT MANAGER
45	MEDICARE BUY-IN QUALITY REVIEW PROJECT
47	ANNUAL EDP AUDIT CONTRACTOR
49	MAGI-CHIP QUALITY CONTROL TEST CERTIFICATION
50	EPOCRATES
51	MIS/DSS CONTRACT REPROCUREMENT SERVICES
52	CCS CASE MANAGEMENT SUPPLEMENTAL PAYMENT
53	TAR POSTAGE
54	Q5i AUTOMATED DATA SYSTEM ACQUISTION
55	KATIE A. V. DIANA BONTA SPECIAL MASTER
56	PEDIATRIC PALLIATIVE CARE WAIVER EVALUATION
57	INTERIM AND FINAL COST SETTLEMENTS-SMHS
95	CALIFORNIA HEALTH INTERVIEW SURVEY
96	HEALTH HOMES PROGRAM - CONTRACTOR COSTS
	DHCS-HEALTH CARE OPT
58	HCO OPERATIONS
59	HCO CCI - CAL MEDICONNECT AND MLTSS
60	HCO COST REIMBURSEMENT
61	HCO ACA EXPRESS LANE ENROLLMENT CONTRACTOR COSTS
62	HCO ESR HOURLY REIMBURSEMENT
63	HCO - ACA ENROLLMENT CONTRACTOR COSTS
64	HCO- SPD TRANSITION TO MANAGED CARE RURAL COUNTIES
65	HCO LIHP ENROLLMENT
66	HCO PPDs - COST SAVINGS
86	HCO ANNUAL HEALTH PLAN OPEN ENROLLMENT COSTS
	DHCS-DENTAL FI
87	DENTAL FI OPERATIONS
88	DENTAL FI HOURLY REIMBURSEMENT
89	DENTAL FI COST REIMBURSEMENT

MEDI-CAL OTHER ADMINISTRATION
POLICY CHANGE INDEX

POLICY CHANGE NUMBER	POLICY CHANGE TITLE
	DHCS-DENTAL FI
90	DENTAL FI CD-MMIS COSTS
91	DENTAL FI CONLAN, SCHWARZMER, STEVENS V. BONTA
92	DENTAL FI HIPAA ADDENDUM SECURITY RISK ASSESSMENT
93	DENTAL FI FEDERAL RULE - REVALIDATION
94	DENTAL FI FEDERAL RULE - DATABASE CHECKS
	OTHER DEPARTMENTS
3	CALHEERS DEVELOPMENT
7	ACA OUTREACH AND ENROLLMENT COUNSELORS
41	VITAL RECORDS DATA
46	DMHC INTER-AGENCY AGREEMENT - ADMIN
67	PERSONAL CARE SERVICES
68	HEALTH-RELATED ACTIVITIES - CDSS
69	CDDS ADMINISTRATIVE COSTS
70	DEPARTMENT OF SOCIAL SERVICES ADMIN COST MATERNAL
71	AND CHILD HEALTH
72	HEALTH CARE PROGRAM FOR CHILDREN IN FOSTER CARE
73	FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT COSTS
74	CLPP CASE MANAGEMENT SERVICES
75	DEPARTMENT OF AGING ADMINISTRATIVE COSTS
76	CHHS AGENCY HIPAA FUNDING
77	TOBACCO QUITLINE ADMINISTRATIVE SERVICES
78	VETERANS BENEFITS
79	CDPH I&E PROGRAM AND EVALUATION
80	KIT FOR NEW PARENTS
81	MEDI-CAL INPATIENT SERVICES FOR INMATES
82	MERIT SYSTEM SERVICES FOR COUNTIES
83	CDDS DENTAL SERVICES
84	PIA EYEWEAR COURIER SERVICE

MEDI-CAL ADMINISTRATIVE ACTIVITIES

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

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$276,360,000	$295,361,000
STATE FUNDS	$72,000	$0
FEDERAL FUNDS	$276,288,000	$295,361,000

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 continued to submit invoices which will be processed as an "Early Claim" in order to meet the two-year retrospective federal claiming limitation. In October 2014, the Department and CMS came to a settlement agreement to pay deferred invoices on a tiered basis and backcast the remaining balance once the Random Moment Time Study (RMTS) process had been in place for four quarters. The RMTS was implemented effective January 2015.

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.

MEDI-CAL ADMINISTRATIVE ACTIVITIES

OTHER ADMIN. POLICY CHANGE NUMBER: 1

Reason for Change from Prior Estimate:
The change is due to:

- A shift in County Medi-Cal Administrative Activities (CMAA) early claims placeholder payments from FY 2014-15 to FY 2015-16,
- A lower FY 2014-15 School Medi-Cal Administrative Activities (SMAA) deferred invoice balance, based on the October 7, 2014 CMS settlement, and
- A higher FY 2015-16 SMAA amount due to the inclusion of FY 2014-15 payments, based on the October 7, 2014 CMS settlement.

Methodology:
County Medi-Cal Administrative Activities

1. For CMAA cash estimate, the FY 2013-14 inflation adjusted baseline of $73,160,000 was used as the FY 2014-15 cash estimate calculation. A 5% rate increase was added to this amount to account for inflation.

   $73,160,000 x (1+5% increase) = $76,817,000

   In addition, one invoice totaling $54,000 will be paid from the General Fund since the two year Federal claiming limit expired.

   FY 2014-15: $76,817,000 + $54,000 = $76,871,000

2. The CMAA FY 2015-16 cash estimate is based on the inflation adjusted baseline of FY 2014-15, plus an additional 5% inflation factor.

   In addition, the Early Claim Placeholder of $10,729,000, will be paid out during FY 2015-16 to account for backcasting of claims.

   FY 2015-16: $76,817,000 x (1+5% increase) = $80,658,000 + $10,729,000 = $91,387,000

Tribal Medi-Cal Administrative Activities (TMAA)

3. For TMAA cash estimate, the FY 2014-15 reimbursement of $1,500,000 is based on amended contract amounts approved during FY 2013-14. The FY 2015-16 amount of $1,575,000 is based on the FY 2014-15 estimate plus a 5% inflation increase.

FY 2014-15	$1,500,000
FY 2015-16	$1,575,000

MEDI-CAL ADMINISTRATIVE ACTIVITIES

OTHER ADMIN. POLICY CHANGE NUMBER: 1

School Medi-Cal Administrative Activities

4. For SMAA, the FY 2014-15 cash estimate is based on the CMS settlement percentage of all unpaid deferred invoices currently on placeholder, plus an estimate of claims from the first three quarters of FY 2012-13.

   In addition, one invoice totaling $18,000 will be paid from the General Fund since the two year Federal claiming limit expired.

SMAA (Based on CMS settlement)	FY 2014-15
Unpaid Deferred Invoice Balance	$114,794,000
FY 2012-13 (Q1-Q3) Estimated Claims	$83,177,000
GF Payment	$18,000
SMAA Total	$197,989,000

5. The FY 2015-16 SMAA cash estimate includes the last quarter of FY 2012-13, plus an estimate of the CMS settlement amount for FY 2013-14, plus an estimate of the first two quarters of FY 2014-15. According to the CMS settlement agreement, interim payments of FY 2014-15 Quarters 1 and 2 will be equal to 100% of the interim payment for the same quarters in FY 2013-14.

SMAA (Based on CMS settlement)	FY 2015-16
FY 2012-13 (Q4) Estimated Claims	$27,726,000
FY 2013-14 (Q1-Q4) Estimated Claims	$116,448,000
FY 2014-15 (Q1-Q2) Estimated Claims	$58,224,000
SMAA Total	$202,398,000

6. Total MAA reimbursements FY 2014-15 and FY 2015-16 on a cash basis are:

FY 2014-15	**TF**	**FF**	**GF**
County MAA	$76,871,000	$76,817,000	$54,000
Tribal MAA	$1,500,000	$1,500,000	
School MAA	$197,989,000	$197,971,000	$18,000
Total	**$276,360,000**	**$276,288,000**	**$72,000**
FY 2015-16	**TF**	**FF**	**GF**
County MAA	$91,387,000	$91,387,000	
Tribal MAA	$1,575,000	$1,575,000	
School MAA	$202,398,000	$202,398,000	
Total *	**$295,361,000**	**$295,361,000**	**$0**

*Difference due to rounding.

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

CCS CASE MANAGEMENT

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

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$175,916,000	$183,247,000
STATE FUNDS	$61,839,250	$64,425,750
FEDERAL FUNDS	$114,076,750	$118,821,250

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:
PC 202 Pediatric Palliative Care Expansion And Savings

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.

CCS Case Management for Pediatric Palliative Care involves enrolling new CCS clients into the Palliative Care program including indirect services, administrative support, overhead, and program training.

Effective January 1, 2013, the Healthy Family Program (HFP) ceased to enroll new subscribers and began transitioning HFP subscribers into the Medi-Cal Optional Targeted Low Income Children's Program (OTLICP). The transition of HFP subscribers to OTLICP completed in November 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:
This policy change has been updated to properly exclude the county share of cost as General Fund reimbursement. Caseload, CMS Net amounts and Nurse Liaison costs have been updated.

Methodology:
1. The county administrative estimate for the budget year is updated every May based on additional data collected.

2. For FY 2014-15, the CCS case management costs are based on budgeted county expenditures of

CCS CASE MANAGEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 2

$149,194,000 in the November 2014 Estimate.

For FY 2015-16, caseload is expected to increase 1.86% from FY 2014-15 to FY 2015-16.

$149,194,000 x (1 + 1.86%) = $151,969,000

3. For FY 2014-15, Pediatric Palliative Care (PPC) Nurse Liaison costs are $751,000.

4. For FY 2015-16, PPC Nurse Liaison costs are estimated as follows:
   - Each county will have one medical professional (nurse) and one support staff (clerk) for every 25 palliative care participants.
   - The annual cost is $200,000 per one nurse and one clerk pair.
   - Of the nine original counties, eight have 25 or less palliative care participants and one county has between 50 and 75 palliative care participants.
   - PPC caseload is expanding to seven additional counties, one every two months, through FY 2015-16. Each county will have 17-18 members enrolled.

     $200,000 x 8 (counties) = $1,600,000
     $200,000 x 1 (county) x 3 (pairs of nurse/clerk) = $600,000
     $1,600,000 + $600,000 = $2,200,000 PPC Nurse Liaison costs for original counties.
     $2,200,000 + $717,000 (expansion Nurse Liaison costs) = $2,917,000

5. County data processing costs associated with CMS Net for CCS Medi-Cal are estimated to be $1,848,000 in FY 2014-15 and $1,838,000 in FY 2015-16.

6. Medi-Cal OTLICP costs are separate from other Medi-Cal costs. The following Medi-Cal OTLICP costs include the county share of cost:

	FY 2014-15	FY 2015-16
County Administration:	$31,517,000	$31,656,000

7. County data processing costs associated with CMS Net for OTLICP are estimated to be $281,000 in FY 2014-15 and $277,000 in FY 2015-16.

8. 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. Both CY and BY payments include a net 12 months of cost.

FY 2014-15:	($2,160,000) TF
FY 2015-16:	($2,160,000) TF

9. 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.

10. Enhanced, Title XIX (75% FFP), funding is available for Skilled Professional Medical Personnel (SPMP) for the Medi-Cal population in FY 2014-15 and for both, Medi-Cal and OTLICP, populations in FY 2015-16.

CCS CASE MANAGEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 2

FY 2014-15				
CCS Medi-Cal	**TF**	**GF**	**FF**	**CF***
CCS Case Management	$149,194,000	$56,194,000	$93,000,000	
Pediatric Palliative Care	$751,000	$188,000	$563,000	
CMS Net	$1,848,000	$924,000	$924,000	
Subtotal	$151,793,000	$57,306,000	$94,487,000	
CCS Medi-Cal/OTLICP				
CCS Case Management	$26,002,000	$5,515,000	$20,487,000	$5,515,000
CMS Net	$281,000	$98,000	$183,000	
Subtotal	$26,283,000	$5,613,000	$20,670,000	$5,515,000
Health Plan of San Mateo	($2,160,000)	($1,080,000)	($1,080,000)	
Total	**$175,916,000**	**$61,839,000**	**$114,077,000**	$5,515,000

FY 2015-16				
CCS Medi-Cal	**TF**	**GF**	**FF**	**CF***
CCS Case Management	$151,969,000	$57,239,000	$94,730,000	
Pediatric Palliative Care	$2,917,000	$729,000	$2,188,000	
CMS Net	$1,838,000	$919,000	$919,000	
Subtotal	$156,724,000	$58,887,000	$97,837,000	
CCS Medi-Cal/OTLICP				
CCS Case Management	$28,406,000	$6,521,000	$21,884,000	$3,251,000
CMS Net	$277,000	$97,000	$180,000	
Subtotal	$28,683,000	$6,618,000	$22,065,000	$3,251,000
Health Plan of San Mateo	($2,160,000)	($1,080,000)	($1,080,000)	
Total	**$183,247,000**	**$64,426,000**	**$118,821,000**	$3,251,000

* County Funds are not included in the Total Fund

Funding:

CCS CASE MANAGEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 2

FY 2014-15	TF	GF	FF	CF*
50% Title XIX / 50% GF (4260-101-0001/0890)	$75,270,000	$37,635,000	$37,635,000	
75% Title XIX / 25% GF (4260-101-0001/0890)	$74,363,000	$18,591,000	$55,772,000	
65% Title XXI / 35% GF (4260-101-0001/0890)	$281,000	$98,000	$183,000	
65% Title XXI 17.5% GF / 17.5% CF (4260-113-0001/0890)	$26,002,000	$5,515,000	$20,487,000	$5,515,000
Total	**$175,916,000**	**$61,839,000**	**$114,077,000**	$5,515,000

FY 2015-16	TF	GF	FF	CF*
50% Title XIX / 50% GF (4260-101-0001/0890)	$76,666,000	$38,333,000	$38,333,000	
75% Title XIX / 25% GF (4260-101-0001/0890)	$90,979,000	$22,745,000	$68,234,000	
65% Title XXI / 35% GF (4260-101-0001/0890)	$277,000	$97,000	$180,000	
65% Title XXI 17.5% GF / 17.5% CF (4260-113-0001/0890)	$15,325,000	$3,251,000	$12,074,000	$3,251,000
Total	**$183,247,000**	**$64,426,000**	**$118,821,000**	$3,251,000

* County Funds are not included in the Total Fund

CALHEERS DEVELOPMENT

OTHER ADMIN. POLICY CHANGE NUMBER:	3
IMPLEMENTATION DATE:	6/2012
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1679

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$128,618,000	$144,728,000
STATE FUNDS	$25,689,000	$35,660,250
FEDERAL FUNDS	$102,929,000	$109,067,750

DESCRIPTION

Purpose:
This policy change estimates the cost for the development, implementation, 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
AB 1602, Statute of 2010, Chapter 655
SB 900, Statute of 2010, Chapter 659
Interagency Agreement #12-89551
Contract # 73031236

Interdependent Policy Changes:
Not Applicable

Background:
California established Covered California to provide competitive health care coverage for individuals and small employers. CalHEERS determines 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 purchasing easier and more understandable.

The department is responsible for the coordination, clarification and implementation of Medi-Cal regulations, policies and procedures to ensure accurate and timely determination of Medi-Cal eligibility for applicants and beneficiaries. The Department also works with the county welfare department consortiums to develop the business rules necessary to implement eligibility policy and maintain the records of beneficiaries in the county systems and the Medi-Cal Eligibility Data System (MEDS).

CalHEERS was 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 designed the implemented technology solutions for ongoing maintenance of MEDS changes and integration with CalHEERS.

CALHEERS DEVELOPMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 3

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 10/90 FFP, 50/50 FFP, and 35/65 FFP. CalHEERS ongoing Operations and Maintenance (O&M) cost is 25/75 FFP and 35/65 FFP. CalHEERS' costs are shared between Covered California and Medi-Cal. Covered California will reimburse the Department for their share.

Reason for Change from Prior Estimate:
Costs in FY 2014-15 and FY 2015-16 have been updated due to changes in the shared costs percentages.

Methodology:

1. Contractors began D&I work in July 2012 with payments beginning in August 2012. O&M started in January 2015.

2. FY 2014-15, costs will be shared based on estimated enrollment for shared costs at a rate of 18% Covered California and 82% to the Department. Costs directly attributable to the Department will be 100%. In FY 2015-16, costs will be shared based on estimated enrollment for shared costs at a rate of 13.5% Covered California and 86.5% to the Department. Costs directly attributable to the Department will be 100%.

3. In FY 2014-15 and 2015-16, costs incurred are for CalHEERS' D&I and M&O.
   The design, development, and implementation period is eligible for:
   - 86% at 90% federal reimbursement
   - 14% at 65% federal reimbursement

   The maintenance and operations period is eligible for:
   - 86% at 75% federal reimbursement
   - 14% at 65% federal reimbursement

FY 2014-15:	TF	GF	FF	Reimbursements
Title XXI (65% FF / 35% GF)	$17,510,000	$6,134,000	$11,376,000	$0
Title XIX (75% FF / 25% GF)	$49,984,000	$11,654,000	$37,312,000	$1,018,000
Title XIX (90% FF / 10% GF)	$61,124,000	$4,538,000	$54,242,000	$2,344,000
Total	**$128,618,000**	**$22,326,000**	**$102,930,000**	**$3,362,000**

FY 2015-16:	TF	GF	FF	Reimbursements
Title XIX (50% FF / 50% GF)	$3,684,000	$1,842,000	$1,842,000	$0
Title XXI (65% FF / 35% GF)	$19,101,000	$6,685,000	$12,416,000	$0
Title XIX (75% FF / 25% GF)	$85,578,000	$21,395,000	$64,183,000	$1,952,000
Title XIX (90% FF / 10% GF)	$30,754,000	$3,075,000	$27,679,000	$710,428
Title XIX (100% FF)	$2,948,000	$0	$2,948,000	$0
Total	**$144,728,000**	**$32,997,000**	**$109,068,000**	**$2,663,000**

CALHEERS DEVELOPMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 3

Funding:
50% Title XIX / 50% GF (4260-101-0001/0890)
65% Title XXI / 35% GF (4260-113-0001/0890)
75% Title XIX / 25 % GF (4260-101-0001/0890)
90% Title XIX / 10 % GF (4260-101-0001/0890)
100% Title XIX (4260-101-0890)

COUNTY SPECIALTY MENTAL HEALTH ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER: 4
IMPLEMENTATION DATE: 7/2012
ANALYST: Julie Chan
FISCAL REFERENCE NUMBER: 1721

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$100,518,000	$103,275,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$100,518,000	$103,275,000

DESCRIPTION

(Dollars In Thousands)

Fiscal Year	MC	HFP	CHIP	Total
FY 2012-13	$190,160	$2,009	$2,440	$194,609
FY 2013-14	$194,286	$1,026	$3,520	$198,832
FY 2014-15	$199,629	$0	$4,671	$204,300
FY 2015-16	$205,538	$0	$4,809	$210,347

COUNTY SPECIALTY MENTAL HEALTH ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER: 4

(Dollars In Thousands)

Fiscal Year	Total	FF	County
FY 2012-13	$194,609	$97,972	$96,637
FY 2013-14	$198,832	$100,098	$98,734
FY 2014-15	$204,300	$102,851	$101,449
FY 2015-16	$210,347	$105,895	$104,452

2. Based on historical claims received, assume 23% of each fiscal year claims will be paid in the year the services occur. Assume 67% is paid in the following year and an additional 10% in the third year.

(Dollars In Thousands)

Fiscal Year	Accrual	FY 2013-14	FY 2014-15	FY 2015-16
MC	$190,160	$127,407	$19,016	$0
HFP	$2,009	$1,346	$201	$0
CHIP	$2,440	$1,635	$244	$0
FY 2012-13	$194,609	$130,388	$19,461	$0
MC	$194,286	$44,686	$130,172	$19,429
HFP	$1,026	$236	$687	$103
CHIP	$3,519	$809	$2,358	$352
FY 2013-14	$198,831	$45,731	$133,217	$19,884
MC	$199,629	$0	$45,915	$133,751
CHIP	$4,671	$0	$1,074	$3,130
FY 2014-15	$204,300	$0	$46,989	$136,881
MC	$205,538	$0	$0	$47,274
CHIP	$4,809	$0	$0	$1,106
FY 2015-16	$210,347	$0	$0	$48,380

3. Mental Health administration costs are shared between federal funds (FF) and county funds. HFP and CHIP claims are eligible for federal reimbursement of 65%. MC claims are eligible for 50% federal reimbursement.

(Dollars In Thousands)

	FY 2014-15			FY 2015-16		
Claims	**TF**	**FF**	**County**	**TF**	**FF**	**County**
MC	$195,103	$97,551	$97,551	$200,454	$100,227	$100,227
HFP*	$889	$578	$311	$103	$67	$36
CHIP*	$3,676	$2,389	$1,287	$4,587	$2,981	$1,606
Total	$199,667	**$100,518**	$99,149	$205,144	**$103,275**	$101,869

Funding:
100% Title XIX FFP (4260-101-0890)
100% Title XXI FFP (4260-113-0890)*

BTR - LIHP - ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	5
IMPLEMENTATION DATE:	7/2012
ANALYST:	Andrew Yoo
FISCAL REFERENCE NUMBER:	1589

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$75,493,000	$50,685,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$75,493,000	$50,685,000

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 Coverage Initiative (CI) 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:
The change is due to an update in the administrative claiming calculation, and a delay of DY 2011-12 and DY 2012-13 administrative claiming.

BTR - LIHP - ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 5

Methodology:

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

2. Administrative claiming is comprised of three payment categories. The Department prioritizes these payments in the following order:

    1. Start-up costs
    2. Regular program costs
    3. Close-out costs

3. Invoices for DY 2013-14 administrative payments will be processed in FY 2014-15.

4. Estimates for start-up costs are based on historical data and invoices for DY 2010-11 will be processed in FY 2015-16.

5. Invoices for DY 2011-12 for administrative payments will be processed in FY 2015-16.

6. Estimated administrative costs are expected to be as follows:

(Dollars in Thousands)		
FY 2014-15	**LIHP-MCE**	**Total FFP**
DY 2013-14	$75,493	$75,493
Total FY 2014-15	**$75,493**	**$75,493**

FY 2015-16	**LIHP-MCE**	**Total FFP**
DY 2010-11 (Start-up costs)	$7,650	$7,650
DY 2011-12	$43,036	$43,036
Total FY 2015--16*	**$50,685**	**$50,685**

*Total may differ due to rounding.

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

EPSDT CASE MANAGEMENT

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

	FY 2014-15	FY 2015-16
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

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)

ACA OUTREACH AND ENROLLMENT COUNSELORS

OTHER ADMIN. POLICY CHANGE NUMBER:	7
IMPLEMENTATION DATE:	7/2014
ANALYST:	Kim Elliott
FISCAL REFERENCE NUMBER:	1820

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$24,864,000	$35,536,000
STATE FUNDS	$12,432,000	$17,768,000
FEDERAL FUNDS	$12,432,000	$17,768,000

DESCRIPTION

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

Authority:
SB 101 (Chapter 361, Statutes of 2013)
SB 18 (Chapter 551, Statutes of 2014)
AB 82, Sections 70 and 71 (Chapter 23, Statutes of 2013)

Interdependent Policy Changes:
Not Applicable

Background:
Effective January 1, 2014, the ACA expands Medicaid coverage to previously ineligible persons, primarily childless adults at or below 138 percent of the federal poverty level (FPL). The 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. Currently eligible but not enrolled beneficiaries who enroll in Medi-Cal as result of enrollment simplification efforts are considered part of the ACA mandatory expansion. Since January 2014, the Department has experienced significant growth in Medi-Cal enrollment as result of both the ACA optional and ACA mandatory expansions.

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

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.

ACA OUTREACH AND ENROLLMENT COUNSELORS

OTHER ADMIN. POLICY CHANGE NUMBER: 7

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.

Reason for Change from Prior Estimate:

- FY 2014-15 funding was adjusted based on actual expenditures.
- $1.2 million for renewal assistance was added to FY 2014-15.
- $4.6 million in outreach and enrollment funding was shifted from FY 2014-15 to FY 2015-16.
- $3.6 million balance remaining for SB 18 renewal assistance will be spent on these activities in FY 2016-17.

Methodology:

1) The Department estimates $61,400,000 will be spent on these activities in FY 2014-15 and FY 2015-16. The remaining $3,600,000 is for SB 18 renewal assistance and is available through December 2016. It is assumed the remaining balance will be spent on these renewal assistance activities in FY 2016-17.

2) Per SB 101 (Chapter 361, Statutes of 2013) Section 5(d), the Department has authority to expend in aggregate up to $500,000 to administer the activities budgeted in this policy change. The Department has included the administrative funding in the Department's support budget (4260-501-0942 (285)).

3) The funds will be spent as follows:

(Dollars in Thousands)

FY 2014-15	TF	Special Fund	FF
Enrollment Counselors	$16,382	$8,191	$8,191
Outreach and Enrollment	$7,782	$3,891	$3,891
Renewal Assistance	$1,200	$600	$600
Support Adjustment (4260-501-0942)	($500)	($250)	($250)
Total	**$24,864**	**$12,432**	**$12,432**

(Dollars in thousands)

FY 2015-16	TF	Special Fund	FF
Enrollment Counselors	$11,618	$5,809	$5,809
Outreach and Enrollment	$17,218	$8,609	$8,609
Renewal Assistance	$7,200	$3,600	$3,600
Support Adjustment (4260-501-0942)	($500)	($250)	($250)
Total	**$35,536**	**$17,768**	**$17,768**

Funding:

50% Title XIX FFP (4260-101-0890)
50% Healthcare Outreach Fund (4260-601-0942285)

OTLICP AND MEDI-CAL ACCESS PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER:	8
IMPLEMENTATION DATE:	1/2013
ANALYST:	Kim Elliott
FISCAL REFERENCE NUMBER:	1748

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$25,836,000	$36,559,000
STATE FUNDS	$9,488,100	$13,466,850
FEDERAL FUNDS	$16,347,900	$23,092,150

DESCRIPTION

OTLICP AND MEDI-CAL ACCESS PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 8

Administrative vendor services include costs for the following services; applications processing, call center rate per minute, transaction forwarding fee, processing letters and notices and printing and courier fees. FY 2014-15 and FY 2015-16 costs also includes implementation costs to automate system interfaces between MAXIMUS and the Department.

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

Methodology:

1. This estimate is based on an average of actual usage and processing of the applications, postage, and vendor contract rates and services.

2. Contract costs for two Medi-Cal programs are eligible for Title XXI 65/35 FMAP, Title XIX 50/50 FMAP and Title XIX 75/25 FMAP.

3. Administrative vendor services costs for the two Medi-Cal programs are eligible for Title XIX 50/50 FMAP and Title XXI 65/35 FMAP.

FY 2014-15	TF	GF	FF
Contract Costs	$15,937,000	$5,577,000	$10,360,000
Applications Processing	$1,810,000	$715,000	$1,095,000
Letters and Notices	$1,294,000	$511,000	$783,000
Printing and Courier Fees	$134,000	$53,000	$81,000
Call Minute Rate per Minute	$1,643,000	$649,000	$994,000
Transaction Forwarding Fee	$789,000	$312,000	$477,000
Implementation Costs	$4,229,000	$1,671,000	$2,558,000
Total	**$25,836,000**	**$9,488,000**	**$16,348,000**

FY 2015-16	TF	GF	FF
Contract Costs	$22,200,000	$7,793,000	$14,407,000
Applications Processing	$2,865,000	$1,132,000	$1,733,000
Letters and Notices	$696,000	$275,000	$421,000
Printing and Courier Fees	$111,000	$44,000	$67,000
Call Minute Rate per Minute	$3,852,000	$1,522,000	$2,330,000
Transaction Forwarding Fee	$875,000	$346,000	$529,000
Implementation Costs	$5,960,000	$2,355,000	$3,605,000
Total	**$36,559,000**	**$13,467,000**	**$23,092,000**

Funding:

FY 2014-15	TF	GF	FF
50% Title XIX / 50% GF (4260-101-0890/0001)	$2,970,000	$1,485,000	$1,485,000
65% Title XXI / 35% GF (4260-113-0890/0001)	$22,866,000	$8,003,000	$14,863,000
Total	**$25,836,000**	**$9,488,000**	**$16,348,000**

FY 2015-16	TF	GF	FF
50% Title XIX / 50% GF (4260-101-0890/0001)	$4,808,000	$2,404,000	$2,404,000
65% Title XXI / 35% GF (4260-113-0890/0001)	$31,251,000	$10,938,000	$20,313,000
75% Title XIX FMAP/ 25% GF (4260-101-0890/0001)	$500,000	$125,000	$375,000
Total	**$36,559,000**	**$13,467,000**	**$23,092,000**

ARRA HITECH INCENTIVE PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER:	9
IMPLEMENTATION DATE:	7/2010
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1370

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$23,104,000	$13,517,000
STATE FUNDS	$1,924,000	$1,154,000
FEDERAL FUNDS	$21,180,000	$12,363,000

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)
SB 870 (Chapter 40, SEC 15, Budget Act of 2014)
Welfare & Institutions Code, Sections 14046.1 and 14046.7

Interdependent Policy Changes:
FI Estimate
PC 173 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 funds (FF).

In 2011, SB 945 authorized the Department to establish and administer the ARRA HITECH Incentive Program only to the extent that FF 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.

SB 870 appropriates $3,750,000 from the Major Risk Medical Insurance Fund (MRMIF) to the Department for purposes of an EHR provider technical assistance program in accordance with the State Medicaid Health Information Technology Plan (SMHP) as specified in Section 14046.1 of the Welfare and Institutions Code. The appropriated sum amounts to a ten percent match for the $37,500,000 allocation from CMS to procure vendors for the statewide EHR provider technical assistance program for eligible providers.

ARRA HITECH INCENTIVE PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 9

The Department received CMS approval of the 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 (IAPDU) on October 2, 2014. The IAPDU requests additional funds for meaningful use (MU) measures including immunization registries, electronic lab reporting, and provider technical assistance.

The Department is required by CMS to assess the current usage of and barriers to EHR adoption by providers and continued 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 EHRs, 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 Applications 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 has contracted with UCSF to conduct periodic surveys over the course of the EHR Incentive Program which were 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 were completed in March 2014 and will be used to facilitate Health Information Exchange and EHR adoption for Medi-Cal.

- The Department will collaborate with the California Health and Human Services (CHHS) and the California Office of Health Information Integrity to facilitate the California Health

ARRA HITECH INCENTIVE PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 9

Information Technology (HIT)/Health Information Exchange (HIE) Stakeholder Summit (Summit) in November 2015. The Summit will help stakeholders understand how individuals and organizations fit into HIE in California; enable stakeholders to learn about available resources for planning clinical and administrative integration; and provide a forum for stakeholders to have a voice in shaping the future of HIE in California.

Reason for Change from Prior Estimate:
For FY 2014-15, CAIR 2.0 project costs have increased due to initial infrastructure costs and the procurement of licenses. Due to changes in project schedules, CalREDIE project costs have shifted from FY 2014-15 to FY 2015-16.

Methodology:

1. The ARRA HITECH Incentive Program is eligible for Title XIX 90% FF.

2. 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% FF that will be provided to CDPH for the CAIR 2.0 and CalREDIE contracts through an interagency agreement.

3. The Provider Technical Assistance project is eligible for Title XIX 90% FF. In FY 2014-15 and FY 2015-16, the 10% non-federal share will be provided by the MRMIF.

4. In FY 2014-15, the 10% non-federal share for the Ambulatory Care Study will be funded by UCSF.

5. For the California HIT/HIE Stakeholder Summit, the 10% non-federal share is budgeted by CHHS. This policy change budgets the Title XIX 90% FF that will be provided to CHHS for the California HIT/HIE Stakeholder Summit contract through an interagency agreement.

6. In FY 2014-15 and FY 2015-16, the 10% non-federal share for the other projects will be provided by outside entities.

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

FY 2014-15	**TF**	**Reimbursement**	**SF**	**FF**
CAIR 2.0 (90% FF/10% GF)	$3,037,000	$0	$0	$3,037,000
CalREDIE (90% FF/10% GF)	$511,000	$0	$0	$511,000
Provider Technical Assist. (90% FF/10% SF)*	$17,500,000	$0	$1,750,000	$15,750,000
Ambulatory Care Study (90% FF/10% GF)	$204,000	$20,000	$0	$184,000
California HIT/HIE Summit (90% FF/10% GF)	$317,000	$0	$0	$317,000
Other projects (90% FF/10% GF)	$1,535,000	$154,000	$0	$1,381,000
Total	**$23,104,000**	**$174,000**	**$1,750,000**	**$21,180,000**
	TF	**GF**	**SF**	**FF**
Xerox projects (In FI Estimate)	$800,000	$80,000	$0	$720,000
Total FY 2014-15	$23,904,000	$254,000	$1,750,000	$21,900,000

ARRA HITECH INCENTIVE PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 9

FY 2015-16	TF	Reimbursement	SF	FF
CAIR 2.0 (90% FF/10% GF)	$1,071,000	$0	$0	$1,071,000
CalREDIE (90% FF/10% GF)	$911,000	$0	$0	$911,000
Provider Technical Assist. (90% FF/10% SF)*	$10,000,000	$0	$1,000,000	$9,000,000
Other projects (90% FF/10% GF)	$1,535,000	$154,000	$0	$1,381,000
Total	**$13,517,000**	**$154,000**	**$1,000,000**	**$12,363,000**
	TF	**GF**	**SF**	**FF**
Xerox projects (In FI Estimate)	$800,000	$800,000	$0	$720,000
Total FY 2015-16	$14,317,000	$954,000	$1,000,000	$13,083,000

Funding:
100% Title XIX (4260-101-0890)
100% Reimbursement (4260-601-0995)
100% Reimbursement (4260-602-0313)*

POSTAGE & PRINTING

OTHER ADMIN. POLICY CHANGE NUMBER:	10
IMPLEMENTATION DATE:	7/1993
ANALYST:	Joanne Peschko
FISCAL REFERENCE NUMBER:	231

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$20,382,000	$26,032,000
STATE FUNDS	$10,394,500	$13,219,500
FEDERAL FUNDS	$9,987,500	$12,812,500

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 since 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).

Reason for Changes from Prior Estimate:
The increase in FY 2015-16 mass distribution mailings expenditures is needed to cover the costs associated with the additional number of Medi-Cal beneficiaries resulting from expanded eligibility under the Affordable Care Act (ACA).

Methodology:

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

POSTAGE & PRINTING

OTHER ADMIN. POLICY CHANGE NUMBER: 10

(Dollars in Thousands)						
FY 2014-15		**Printing**	**Mailing**	**TF**	**GF**	**FF**
Mass Mailings		$0	$9,950	$9,950	$4,975	$4,975
Eligibility	Distribution	$0	$520	$520	$260	$260
	Routine	$2,400	$1,000	$3,400	$1,700	$1,700
	EITC Annual insert*	$400	$0	$400	$400	$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 - BCCTP		$30	$10	$40	$20	$20
TOTAL (Rounded)		$5,828	$14,554	**$20,382**	**$10,395**	**$9,987**
FY 2015-16		**Printing**	**Mailing**	**TF**	**GF**	**FF**
Mass Mailings		$0	$15,000	$15,000	$7,500	$7,500
Eligibility	Distribution	$0	$520	$520	$260	$260
	Routine	$2,400	$1,600	$4,000	$2,000	$2,000
	EITC Annual insert*	$400	$0	$400	$400	$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)		$5,828	$20,204	**$26,032**	**$13,220**	**$12,812**

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

SMHS COUNTY UR & QA ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER:	11
IMPLEMENTATION DATE:	7/2012
ANALYST:	Julie Chan
FISCAL REFERENCE NUMBER:	1729

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$15,656,000	$17,294,000
STATE FUNDS	$0	$600,000
FEDERAL FUNDS	$15,656,000	$16,694,000

DESCRIPTION

Purpose:
This policy change estimates the county utilization review (UR) and quality assurance (QA) administrative costs for Specialty Mental Health Services (SMHS).

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 professional medical personnel (SPMP) and 50% for all other personnel claims.

Reason for Change from Prior Estimate:
The Other personnel GF costs shifted to FY 2015-16 to allow counties sufficient time for processing claims and necessary certifications. This information will be included in the semi-annual reports.

Methodology:
1. UR and QA expenditures are shared between federal funds (FF) 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	$23,409	$15,789	$7,620
FY 2013-14	$23,917	$16,132	$7,785
FY 2014-15	$24,575	$16,575	$8,000
FY 2015-16	$25,302	$17,066	$8,236

SMHS COUNTY UR & QA ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER: 11

3. Based on historical claims received, assume 28% of the each fiscal year claims will be paid in the year the services occur. Assume 69% is paid in the following year and 3% is paid in the third year.

(Dollars in Thousands)

Fiscal Year	Accrual	FY 2014-15	FY 2015-16
FY 2012-13	$23,409	$702	$0
FY 2013-14	$23,917	$16,503	$718
FY 2014-15	$24,575	$6,881	$16,957
FY 2015-16	$25,302	$0	$7,085
Total		$24,086	$24,760

4. 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 60% are SPMP and the remaining 40% of the total claims are other personnel costs.

6. An additional $1,200,000 has been added to Other personnel costs in FY 2015-16 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% FF and 50% General Fund (GF).

(Dollars in Thousands)

FY 2014-15			
Personnel	**TF**	**FF**	**CF**
SPMP	$14,452	$10,839	$3,613
Other	$9,634	$4,817	$4,817
Total	$24,086	**$15,656**	$8,430

FY 2015-16				
Personnel	**TF**	**FF**	**CF**	**GF**
SPMP	$14,856	$11,142	$3,714	$0
Other	$11,104	$5,552	$4,952	$600
Total	$25,960	**$16,694**	$8,666	**$600**

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

SMH MAA

OTHER ADMIN. POLICY CHANGE NUMBER:	12
IMPLEMENTATION DATE:	7/2012
ANALYST:	Julie Chan
FISCAL REFERENCE NUMBER:	1722

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$15,441,000	$16,183,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$15,441,000	$16,183,000

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 (MAA).

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 include claims data for FY 2013-14 instead of FY 2012-13. Also, the average annual increase in MH MAA claims decreased from 6.63% to 4.81%.

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 2007-08 through FY 2013-14, the average annual increase in mental health (MH) MAA claims was 4.81%.

3. Assume claims will continue to increase by 4.81% each year for FY 2014-15 and FY 2015-16.

SMH MAA

OTHER ADMIN. POLICY CHANGE NUMBER: 12

4. For FY 2013-14, the Department received $25,662,000 in MH MAA claims on an accrual basis.

(Dollars in Thousands)			
Fiscal Years	**Expenditures**	**Growth**	**Increase**
FY 2013-14	$25,662	4.81%	$1,234
FY 2014-15	$26,896	4.81%	$1,294
FY 2015-16	$28,190	4.81%	$1,356

5. Based on historical claims received, assume 16.24% of fiscal year claims will be paid in the year the services occur. The remaining 83.76% is paid in the following year.

(Dollars in Thousands)			
Fiscal Years	**Accrual**	**FY 2014-15**	**FY 2015-16**
FY 2013-14	$25,662	$21,494	$0
FY 2014-15	$26,896	$4,368	$22,528
FY 2015-16	$28,190	$0	$4,578
Total	$80,748	$25,862	$27,106

6. MH MAA total expenditures are shared between FFP and county funds. Skilled professional medical personnel (SPMP) are eligible for enhanced federal reimbursement of 75%. All other personnel are eligible for 50% federal reimbursement. Based on actual claims submitted for costs incurred in FY 2013-14, assume that 38.81% of costs are eligible for 75% reimbursement and the remaining 61.19% are eligible for 50% reimbursement.

(Dollars in Thousands)						
	FY 2014-15			**FY 2015-16**		
Fiscal Year	**TF**	**FFP**	**County**	**TF**	**FFP**	**County**
Medical	$10,037	$7,528	$2,509	$10,520	$7,890	$2,630
Other	$15,825	$7,913	$7,912	$16,586	$8,293	$8,293
Total	$25,862	**$15,441**	$10,421	$27,106	**$16,183**	$10,923

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

DRUG MEDI-CAL COUNTY ADMINISTRATION

OTHER ADMIN. POLICY CHANGE NUMBER:	13
IMPLEMENTATION DATE:	7/2014
ANALYST:	Julie Chan
FISCAL REFERENCE NUMBER:	1813

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$15,082,000	$17,742,000
STATE FUNDS	$1,617,000	$2,113,000
FEDERAL FUNDS	$13,465,000	$15,629,000

DESCRIPTION

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

Authority:
State Plan Amendment #09-022

Interdependent Policy Changes:
Not Applicable

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

Prior to July 1, 2014, counties certified DMC claims submitted for reimbursement for direct treatment services and county administration services combined. For approved claims, the Department drew down federal Medicaid reimbursement funds based on the total certified expense and paid counties the federal share of the total certified expense, based on the DMC reimbursement rate. Counties reported the county administrative expenses in the annual cost report.

Starting FY 2014-15, the following changes were made:

- DMC reimbursement rate-setting methodologies excluded county administration expenses.
- The Department reimburses 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 expenditure projections.

Methodology:
1. Based on the FY 2011-12 annual cost reports, the county administration costs was $16,222,000 for Regular DMC services and $371,000 for Perinatal DMC services.

DRUG MEDI-CAL COUNTY ADMINISTRATION

OTHER ADMIN. POLICY CHANGE NUMBER: 13

2. Based on the growth in county administrative expenses from FY 2012-13 cost-report data compared to the final FY 2011-12 cost-report data, the Department assumes a 10.2% annual increase (from FY 2011-12 to FY 2012-13, FY 2012-13 to FY 2013-14, FY 2013-14 to FY 2014-15, and FY 2014-15 to FY 2015-16) for Regular DMC services. For Perinatal DMC services, the Department assumes a 14.9% annual increase (from FY 2011-12 to FY 2012-13, FY 2012-13 to FY 2013-14, FY 2013-14 to FY 2014-15, and FY 2014-15 to FY 2015-16).

Regular DMC

Service	FY 2011-12 County Admin Cost	10.2% Increase from FY 2011-12 to FY 2012-13	10.2% Increase from FY 2012-13 to FY 2013-14	10.2% Increase from FY 2013-14 to FY 2014-15	10.2% Increase from FY 2014-15 to FY 2015-16
Narcotic Treatment Program	$7,781,000	$8,559,100	$9,415,010	$10,357,000	$11,393,000
Intensive Outpatient Treatment	$2,368,000	$2,605,000	$2,866,000	$3,153,000	$3,468,000
Outpatient Drug Free	$6,073,000	$6,680,000	$7,348,000	$8,083,000	$8,891,000
Total	$16,222,000	$17,844,100	$19,629,010	**$21,593,000**	**$23,752,000**

Perinatal DMC

Service	FY 2011-12 County Admin Cost	14.9% Increase from FY 2011-12 to FY 2012-13	14.9% Increase from FY 2012-13 to FY 2013-14	14.9% Increase from FY 2013-14 to FY 2014-15	14.9% Increase from FY 2014-15 to FY 2015-16
Narcotic Treatment Program	$25,000	$28,000	$31,000	$34,000	$37,000
Intensive Outpatient Treatment	$118,000	$130,000	$143,000	$157,000	$173,000
Residential Treatment	$152,000	$167,000	$184,000	$202,000	$222,000
Outpatient Drug Free (ODF)	$76,000	$84,000	$92,000	$101,000	$111,000
Total	$371,000	$409,000	$450,000	**$494,000**	**$543,000**
				Total FY 2014-15	**Total FY 2015-16**
				$22,087,000	**$24,295,000**

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

DRUG MEDI-CAL COUNTY ADMINISTRATION

OTHER ADMIN. POLICY CHANGE NUMBER: 13

	Estimated County Admin	County Funds	Title XIX	Title XXI	GF
Regular DMC	$21,593,000	$6,855,000	$13,025,000	$96,000	$1,617,000
Perinatal DMC	$494,000	$150,000	$168,000	$176,000	$0
Total FY 2014-15	$22,087,000	$7,005,000	**$13,193,000**	**$272,000**	**$1,617,000**

	Estimated County Admin	County Funds	Title XIX	Title XXI	GF
Regular DMC	$23,752,000	$6,409,000	$15,130,000	$100,000	$2,113,000
Perinatal DMC	$543,000	$144,000	$141,000	$258,000	$0
Total FY 2015-16	$24,295,000	$6,553,000	**$15,271,000**	**$358,000**	**$2,113,000**

Funding:
Title XIX 100% FF (4260-101-0890)
Title XXI 100% FF (4260-113-0890)
Title XIX 65% FF/35% General Fund (4260-101-0001)
Title XXI 65% FF/35% General Fund (4260-113-0001)

MIS/DSS CONTRACT

OTHER ADMIN. POLICY CHANGE NUMBER:	14
IMPLEMENTATION DATE:	7/2002
ANALYST:	Jason Moody
FISCAL REFERENCE NUMBER:	252

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$14,000,000	$12,476,000
STATE FUNDS	$3,710,000	$3,317,000
FEDERAL FUNDS	$10,290,000	$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 has awarded a new nine year contract for the ongoing maintenance and operation of the MIS/DSS that began March 1, 2015.

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

Methodology:
1. It is estimated that the contractor will be paid the following amounts in FY 2014-15 and FY 2015-16:

FY 2014-15:	TF	GF	FF
Fixed Costs (75% FF / 25% GF)	$9,848,000	$2,462,000	$7,386,000
Additional Fixed Costs (50% FF / 50% GF)	$840,000	$420,000	$420,000
Variable Costs (75% FF / 25% GF)	$3,312,000	$828,000	$2,484,000
Total	**$14,000,000**	**$3,710,000**	**$10,290,000**

MIS/DSS CONTRACT

OTHER ADMIN. POLICY CHANGE NUMBER: 14

FY 2015-16:	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:	15
IMPLEMENTATION DATE:	7/2009
ANALYST:	Candace Epstein
FISCAL REFERENCE NUMBER:	1381

	FY 2014-15	FY 2015-16
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 2014-15, and $7,880,000 for FY 2015-16.

2. Based on prior actuary costs and the Department's projected workload, costs will be $2,100,000 in FY 2014-15 and $2,100,000 in FY 2015-16.

LITIGATION RELATED SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 15

	FY 2014-15		FY 2015-16	
(Dollars in Thousands)	**TF**	**GF**	**TF**	**GF**
Litigation Representation	$7,880	$3,940	$7,880	$3,940
Consulting Actuaries	$2,100	$1,050	$2,100	$1,050
Total	**$9,980**	**$4,990**	**$9,980**	**$4,990**

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

DMC COUNTY UR & QA ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER:	16
IMPLEMENTATION DATE:	7/2015
ANALYST:	Julie Chan
FISCAL REFERENCE NUMBER:	1871

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$0	$18,537,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$0	$18,537,000

DESCRIPTION

Purpose:
This policy change estimates the Drug Medi-Cal (DMC) Utilization Review (UR) and Quality Assurance (QA) administrative costs.

Authority:
Welfare & Institutions Code, Section 14711

Interdependent Policy Changes:
Not Applicable

Background:
UR/QA activities safeguard against unnecessary and inappropriate medical care and expenses. Federal Funds (FF) reimbursement for these costs is available at 75% for skilled professional medical personnel (SPMP) and 50% for all other personnel.

Beginning July 1, 2015, counties are expected to begin claiming FF reimbursement for DMC UR/QA administrative activities.

Reason for Change from Prior Estimate:
There are no anticipated reimbursements for FY 2014-15 due to a delay in implementing the reimbursement process with the counties.

Methodology:
1. Assume the UR and QA reimbursements begin July 1, 2015.

2. UR and QA expenditures are shared between FF and county funds (CF).

3. Assume the DMC cost of performing UR/QA activities is the same as the mental health cost of performing the same activities based on the similarity of duties.

4. The UR and QA estimated cost on an accrual basis is:

(Dollars in Thousands)

	TF	FF	CF
FY 2015-16	$38,022	$25,237	12,785

DMC COUNTY UR & QA ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER: 16

5. Assume 75% of each fiscal year claims will be paid in the year that the services occur and 25% is paid in the following year. The UR and QA estimated cost on a cash basis is:

(Dollars in Thousands)

	Accrual	FY 2015-16
Total	$38,022	$28,517

6. SPMP are eligible for enhanced federal reimbursement of 75%. All other personnel are eligible for 50% federal reimbursement.

7. Assume 60% of the total claims are for SPMP costs and the remaining 40% are for other personnel costs.

(Dollars in Thousands)

FY 2015-16			
Personnel	**TF**	**FFP**	**CF**
SPMP	$17,110	$12,833	$4,277
Other	$11,407	$5,704	$5,703
Total	$28,517	**$18,537**	$9,980

Funding:
100% Title XIX FF (4260-101-0890)

CA-MMIS REPLACEMENT & OTHER STATE TRANSITION

OTHER ADMIN. POLICY CHANGE NUMBER:	17
IMPLEMENTATION DATE:	5/2010
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1322

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$7,254,000	$3,820,000
STATE FUNDS	$1,493,100	$563,500
FEDERAL FUNDS	$5,760,900	$3,256,500

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:
FY 2014-15 contract costs decreased due to the expiration of several contracts as well as the delay in the procurement of others. FY 2015-16 contract costs decreased due to contracts not procured as planned. Expenditures have been updated based on actuals received, resulting in a decrease in cost in both FYs.

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

CA-MMIS REPLACEMENT & OTHER STATE TRANSITION

OTHER ADMIN. POLICY CHANGE NUMBER: 17

FY 2014-15	TF	GF	FF
50% Title XXI / 50% GF	$33,000	$16,000	$17,000
75% Title XIX / 25% GF	$4,160,000	$1,040,000	$3,120,000
90% Title XIX / 10% GF	$2,916,000	$292,000	$2,624,000
100% GF	$145,000	$145,000	$0
Total	**$7,254,000**	**$1,493,000**	**$5,761,000**

FY 2015-16	TF	GF	FF
50% Title XXI / 50% GF	$18,000	$9,000	$9,000
75% Title XIX / 25% GF	$706,000	$177,000	$529,000
90% Title XIX / 10% GF	$3,020,000	$302,000	$2,718,000
100% GF	$76,000	$76,000	$0
Total	**$3,820,000**	**$564,000**	**$3,256,000**

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)

CCI-ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	18
IMPLEMENTATION DATE:	7/2012
ANALYST:	Cang Ly
FISCAL REFERENCE NUMBER:	1677

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$8,202,000	$10,705,000
STATE FUNDS	$3,112,000	$5,226,500
FEDERAL FUNDS	$5,090,000	$5,478,500

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)

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,
- Quality assurance and monitoring by an External Quality Review Organization (EQRO),
- Evaluation,
- System Design – Infrastructure Support (IT),
- Project Management,
- IT Project Management, and
- Data Outcomes and Evaluation Development (Encounter Data Quality and Performance Measures).

Reason for Change from Prior Estimate:
In FY 2015-16, the changes are due to:
- Updates to the total cost and funding for Encounter Data Quality and Performance Measures,
- Addition of new Evaluation costs, and
- Addition of existing activities: System Design - Infrastructure Support (IT), Project Management, and EQRO monitoring costs.

CCI-ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 18

Methodology:

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

2. The Affordable Care Act (ACA) authorizes funding for the CCI and provides 75% federal financial participation (FFP) in FY 2014-15 to carry out the deliverables between the Department and the Centers for Medicare and Medicaid Services (CMS).

3. The ACA funding expires August 31, 2015. In FY 2015-16, for those activities subject to ACA funding, two months of costs will be funded at the ACA 75/25 Federal Medical Assistance Percentage (FMAP). Any remaining costs will be funded at 50/50 FMAP.

FY 2014-15	TF	GF	FF	ACA FF
Stakeholder and Advocate Outreach	$4,248,000	$2,124,000	$2,124,000	$0
Rate Setting	$800,000	$200,000	$0	$600,000
IT Costs	$9,000	$2,250	$0	$6,750
Encounter Data Quality & Perform. Measures	$1,158,000	$289,500	$0	$868,500
EQRO Monitoring	$1,987,000	$496,750	$0	$1,490,250
Total	**$8,202,000**	**$3,112,500**	**$2,124,000**	**$2,965,500**

FY 2015-16	TF	GF	FF	ACA FF
Stakeholder and Advocate Outreach	$4,248,000	$2,124,000	$2,124,000	$0
Rate Setting	$1,010,000	$505,000	$505,000	$0
Encounter Data Quality & Perform. Measures	$2,322,000	$1,119,000	$1,077,000	$126,000
Evaluation	$288,000	$144,000	$144,000	$0
System Design - Infrastructure Support (IT)	$319,000	$152,250	$145,000	$21,750
Technical Project Manager (IT)	$1,034,000	$493,500	$470,000	$70,500
Project Management	$484,000	$231,000	$220,000	$33,000
EQRO Monitoring	$1,000,000	$458,250	$416,500	$125,250
Total	**$10,705,000**	**$5,227,000**	**$5,101,500**	**$376,500**

Funding:

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

MEDI-CAL RECOVERY CONTRACTS

OTHER ADMIN. POLICY CHANGE NUMBER:	19
IMPLEMENTATION DATE:	2/2008
ANALYST:	Cang Ly
FISCAL REFERENCE NUMBER:	1551

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$6,144,000	$5,869,000
STATE FUNDS	$1,536,000	$1,467,250
FEDERAL FUNDS	$4,608,000	$4,401,750

DESCRIPTION

Purpose:
This policy change estimates the cost of third party liability contracts to identify and recover Medi-Cal expenditures from responsible health insurance (HI) or 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:

Department of Industrial Relations – Electronic Adjudication Management System (EAMS)	14-90130
Department of Industrial Relations – Worker's Compensation Information System (WCIS)	14-90133
Department of Social Services	10-87009 A01
Department of Social Services (pending)	15-92000
Health Management Systems Inc. (HI)	13-90283
Health Management Systems Inc. (WC)	03-75807 A03
Health Management Systems Inc. (WC)	03-75060 A03
Health Management Systems Inc. (WC)	07-65000 A06
Health Management Systems Inc. (WC)	07-65001 A06
Health Management Systems Inc. (WC)	12-89100
Health Management Systems Inc. (WC)	12-89101
Lexis-Nexis	14-90131
Boehm & Associates	97-10689 A02
Boehm & Associates	97-10690 A02
Department of Public Health	13-90373
Department of Public Health	14-90132

Interdependent Policy Changes:
Not Applicable

Background:
Since Medi-Cal is the payer of last resort, all legally responsible third parties must first be billed before the Medi-Cal program. The above contracts provide:

1. Data matches between the Department's Medi-Cal recipient eligibility file and the contractor's policy holder/subscriber file;

MEDI-CAL RECOVERY CONTRACTS

OTHER ADMIN. POLICY CHANGE NUMBER: 19

2. Identification and recovery of Medi-Cal expenditures in WC actions;

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 third party liability vendor activities are incorporated into the Base Recoveries policy change.

Reason for Change from Prior Estimate:
FY 2014-15 estimates have decreased for the following reasons:

- HI Contract costs decreased due to the suspension of data transmissions,
- WC Contract costs decreased due to contractor staff turnover and workload process changes, and
- Online Database Contract costs decreased due to underutilization of a few contracts before term expiration.

In FY 2015-16, the Online Database Contract amount increased due to anticipated higher utilization and contract costs.

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

FY 2014-15	TF	GF	FF
Health Insurance	$4,916,000	$1,229,000	$3,687,000
WC	$1,139,000	$284,750	$854,250
Online Database Contracts	$89,000	$22,250	$66,750
Total	**$6,144,000**	**$1,536,000**	**$4,608,000**

FY 2015-16	TF	GF	FF
Health Insurance	$5,100,000	$1,275,000	$3,825,000
WC	$675,000	$168,750	$506,250
Online Database Contracts	$94,000	$23,500	$70,500
Total	**$5,869,000**	**$1,467,250**	**$4,401,750**

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

MEDS MODERNIZATION

OTHER ADMIN. POLICY CHANGE NUMBER:	20
IMPLEMENTATION DATE:	2/2013
ANALYST:	Jason Moody
FISCAL REFERENCE NUMBER:	1731

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$4,916,000	$3,995,000
STATE FUNDS	$995,750	$485,000
FEDERAL FUNDS	$3,920,250	$3,510,000

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:
Title 42, Code of Federal Regulations, Sections 95.611 and 433.110

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.

The Department's Planning APD (PAPD), for the planning phase of the MEDS Modernization Project, was approved by the Centers for Medicare and Medicaid Services (CMS) in September 2014. Project planning phase activities are anticipated to continue through June 2016. In FY 2014-15, additional contractors are being hired to provide project planning, support, enterprise architecture, and other technical consulting services. Computer software tools and supporting hardware are also being purchased to partially automate the project's Business Rules Extraction (BRE) activities.

Reason for Change from Prior Estimate:
For FY 2014-15, costs decreased due to delayed approval of the PAPD shifting costs to FY 2015-16.

Methodology:
1. The FY 2014-15 and FY 2015-16 costs are based on estimated costs for payments on the project planning, support, enterprise architecture, technical consulting, and BRE software/hardware contracts supported by the project's PAPD.

FY 2014-15:	TF	GF	FF
Project Planning (90% FF / 10% GF)	$253,000	$25,000	$228,000
Technical Consulting Services (90% FF / 10% GF)	$337,000	$34,000	$303,000
Project Support (90% FF / 10% GF)	$135,000	$14,000	$121,000
Enterprise Architects (90% FF / 10% GF)	$270,000	$27,000	$243,000

MEDS MODERNIZATION

OTHER ADMIN. POLICY CHANGE NUMBER: 20

FY 2014-15:	TF	GF	FF
Other Contractor Costs			
(90% FF / 10% GF)	$560,000	$56,000	$504,000
(75% FF / 25% GF)	$161,000	$40,000	$121,000
Business Rules Extraction (75% FF / 25% GF)	$3,200,000	$800,000	$2,400,000
Total	**$4,916,000**	**$996,000**	**$3,920,000**

FY 2015-16:	TF	GF	FF
Project Planning (90% FF / 10% GF)	$1,014,000	$101,000	$913,000
Technical Consulting Services (90% FF / 10% GF)	$1,012,000	$101,000	$911,000
Project Support (90% FF / 10% GF)	$540,000	$54,000	$486,000
Enterprise Architects (90% FF / 10% GF)	$540,000	$54,000	$486,000
Other Contractor Costs (90% FF / 10% GF)	$319,000	$32,000	$287,000
Business Rules Extraction (75% FF / 25% GF)	$570,000	$143,000	$427,000
Total	**$3,995,000**	**$485,000**	**$3,510,000**

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

PASRR

OTHER ADMIN. POLICY CHANGE NUMBER:	21
IMPLEMENTATION DATE:	7/2013
ANALYST:	Jason Moody
FISCAL REFERENCE NUMBER:	1720

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$6,650,000	$9,072,000
STATE FUNDS	$1,662,500	$2,268,000
FEDERAL FUNDS	$4,987,500	$6,804,000

DESCRIPTION

Purpose:
This policy change estimates the contract cost for the Preadmission Screening and Resident Review (PASRR) Level II evaluations. The policy change also estimates the costs of designing, testing, and implementing a web based automation system to bring 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. The current contractor 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. The contractor's licensed clinical evaluators conduct the Level II evaluations on behalf of the State and enter their findings into the PASRR database.

A contract was awarded to provide Level II evaluations from January 2, 2015 through December 31, 2017 with two one-year options to renew.

The Department's PASRR program 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 a 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 nursing facilities, hospitals, and evaluators to submit electronic Level I and II screening forms and evaluations,
- Significantly reduce processing time for submissions,
- Eliminate paper submissions,

PASRR

OTHER ADMIN. POLICY CHANGE NUMBER: 21

- Reduce the time a contractor takes to return completed evaluations, and
- Increase efficiencies for PASRR clinicians by reducing processing time for determinations.

In October 2014, the Department started working on the additional IT system enhancements identified to be in compliance with federally mandated regulations. These enhancements include:

- Developing an off-line tablet application that the Level II evaluators can use in the nursing facilities (NFs) to expedite the evaluation process.
- Developing a Reconsideration Letter feature for the NFs to request a reconsideration if they disagree with the Department's determination and care plan for the patient.
- Providing the Department with the ability to activate, deactivate, and reset user accounts directly from the new application instead of using the Web Admin tool.
- Developing a Bed-Hold feature so the NFs can inform the Department that the patient has been temporarily sent back to the hospital but they need to hold the bed for at least 10 days.
- Developing the new system to look up ICD 9/10 codes for the Program Clinicians and the Level II evaluators.

The PASRR program will also provide electronic trainings to NFs and general acute care hospitals in efforts to integrate the new automated PASRR system. Electronic trainings begin July 1, 2015 and continue to June 30, 2016.

Reason for Change from Prior Estimate:
For FY 2014-15, electronic training costs and M&O costs for the new PASRR system were not included in the prior estimate. For FY 2015-16, costs have been updated for the increased evaluations and ongoing M&O, as well as the addition of electronic training and extension of IT project costs.

Methodology:

1. It is projected that the volume of Level II evaluations will rise significantly in the future as the number of Level I evaluations received by the Department continues to increase. The IT project will allow preadmission screening to be conducted as mandated and may significantly increase the number of Level II evaluations needed.

2. A new Level II evaluations contractor was hired in January 2015 and payments begin in February 2015.

3. Electronic training costs for the NFs and general acute care hospitals are based on an industry-wide survey.

4. For FY 2014-15, the IT project requires maintenance and operations (M&O) costs of $150,000. For FY 2015-16, M&O costs will increase by 25% due to increases in hardware and software costs, specifically to compensate for the increase to the database and storage.

5. Additional funding is needed for the IT project to complete the integration work into CA-MMIS' Health Enterprise (HE) Portal Identity Access Management (IDAM) tool. The IT project end date is June 30, 2016.

PASRR

OTHER ADMIN. POLICY CHANGE NUMBER: 21

FY 2014-15	TF	GF	FF
Evaluations	$5,622,000	$1,405,000	$4,217,000
IT Project	$878,000	$220,000	$658,000
Ongoing M&O Costs	$150,000	$37,000	$113,000
Total	**$6,650,000**	**$1,662,000**	**$4,988,000**

FY 2015-16	TF	GF	FF
Evaluations	$8,597,000	$2,150,000	$6,447,000
Electronic Training	$53,000	$13,000	$40,000
IT Project	$234,000	$58,000	$176,000
Ongoing M&O Costs	$188,000	$47,000	$141,000
Total	**$9,072,000**	**$2,268,000**	**$6,804,000**

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

MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)

OTHER ADMIN. POLICY CHANGE NUMBER:	22
IMPLEMENTATION DATE:	7/2009
ANALYST:	Jason Moody
FISCAL REFERENCE NUMBER:	1441

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$4,670,000	$4,902,000
STATE FUNDS	$1,537,000	$1,613,500
FEDERAL FUNDS	$3,133,000	$3,288,500

DESCRIPTION

Purpose:
This policy change estimates the system development and the maintenance and operations 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.

These system development and maintenance and operations costs are offset by reimbursements made from other departments.

In addition, maintenance and operations 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 supports the Advance Premium Tax Credit and Cost Share Reduction programs with Covered California and respective interfaces with CalHEERS, and County consortia. The MEDS Statewide Client Index generates unique Client Index Numbers for all populations.

MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)

OTHER ADMIN. POLICY CHANGE NUMBER: 22

Reason for Change from Prior Estimate:
FY 2014-15 costs decreased as six months of actual costs are available and the estimate was adjusted accordingly. FY 2015-16 costs decreased based on the current expenditure trend seen in FY 2014-15.

Methodology:

1. The following are the projected costs for FY 2014-15 and FY 2015-16.

FY 2014-15	TF	GF	FF	Reimbursement
System Development (50% FF / 50% GF)	$452,000	$226,000	$226,000	$0
Maintenance & Operations (75% FF / 25% GF)	$3,876,000	$969,000	$2,907,000	$0
Other Department Reimbursement (100% Reimbursement)	$342,000	$0	$0	$342,000
Total	**$4,670,000**	**$1,195,000**	**$3,133,000**	**$342,000**

FY 2015-16	TF	GF	FF	Reimbursement
System Development (50% FF / 50% GF)	$472,000	$236,000	$236,000	$0
Maintenance & Operations (75% FF / 25% GF)	$4,070,000	$1,018,000	$3,052,000	$0
Other Department Reimbursement (100% Reimbursement)	$360,000	$0	$0	$360,000
Total	**$4,902,000**	**$1,254,000**	**$3,288,000**	**$360,000**

Funding:
50% Title XIX / 50% GF (4260-101-0001/0890)
75% Title XIX / 25% GF (4260-101-0001/0890)
100% Reimbursement (4260-601-0995)

CA-MMIS REPLACEMENT OVERSIGHT

OTHER ADMIN. POLICY CHANGE NUMBER: 23
IMPLEMENTATION DATE: 10/2007
ANALYST: Sandra Bannerman
FISCAL REFERENCE NUMBER: 1278

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$5,447,000	$8,286,000
STATE FUNDS	$652,800	$992,800
FEDERAL FUNDS	$4,794,200	$7,293,200

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:
For FY 2014-15 and FY 2015-16, costs increased due to the adjustment of costs for contracts that were in the process of being procured. Expenditures have been updated based on actuals received.

Methodology:
1. The estimated costs are based upon the contract provisions.

	FY 2014-15			FY 2015-16		
	TF	GF	FF	TF	GF	FF
50% Title XXI / 50% GF	$25,000	$12,000	$13,000	$37,000	$18,000	$19,000
90% Title XIX / 10% GF	$5,313,000	$532,000	$4,781,000	$8,083,000	$809,000	$7,274,000
100% GF	$109,000	$109,000	$0	$166,000	$166,000	$0
Total	**$5,447,000**	**$653,000**	**$4,794,000**	**$8,286,000**	**$993,000**	**$7,293,000**

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

HIPAA CAPITATION PAYMENT REPORTING SYSTEM

OTHER ADMIN. POLICY CHANGE NUMBER:	24
IMPLEMENTATION DATE:	10/2012
ANALYST:	Sharisse DeLeon
FISCAL REFERENCE NUMBER:	1318

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$5,144,000	$4,865,000
STATE FUNDS	$1,286,000	$1,216,250
FEDERAL FUNDS	$3,858,000	$3,648,750

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 (ACA) and the expansion of Medi-Cal Managed Care, the Department must implement additional functionalities in CAPMAN to accommodate the influx of new beneficiaries. Modifications are being made to further enhance the system to incorporate a paperless accounting interface and accommodate the Coordinated Care Initiative (CCI) Duals Demonstration project. The system will have to be maintained on an ongoing basis, as new functionality is required. A two-year contract was executed in July 2013, and a one-year extension was exercised in April 2014 to address these issues. The contract has an end date of April 30, 2016.

In January 2015, the Functional/Architect/Manager and a Technical/Lead were replaced using a different vendor. No additional costs were incurred.

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

Methodology:
1. The contract costs will be $12,969,000 due to a contract amendment. Payments started at the beginning of August 2013.

2. The remaining balance of $10,009,000 will be paid out over FY 2014-15 and FY 2015-16.

HIPAA CAPITATION PAYMENT REPORTING SYSTEM

OTHER ADMIN. POLICY CHANGE NUMBER: 24

3. Contract costs:

	TF	GF	FF
FY 2014-15:	**$5,144,000**	**$1,286,000**	**$3,858,000**
FY 2015-16:	**$4,865,000**	**$1,216,000**	**$3,649,000**

Funding:
75% HIPAA FFP / 25% HIPPA Fund (4260-117-0001/0890)

NEWBORN HEARING SCREENING PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER:	25
IMPLEMENTATION DATE:	7/2014
ANALYST:	Jason Moody
FISCAL REFERENCE NUMBER:	1824

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$4,598,000	$7,700,000
STATE FUNDS	$2,299,000	$3,850,000
FEDERAL FUNDS	$2,299,000	$3,850,000

DESCRIPTION

Purpose:
This policy change estimates the Newborn Hearing Screening Program's (NHSP) contract service costs.

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

Interdependent Policy Changes:
Not Applicable

Background:
The NHSP contracts with both 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.

The DMS and HCC contract breakdowns are as follows:

- DMS & IDMS (Infant Data Management Service) contracts
  - DMS contract #09-86059 A03 terminated on December 18, 2014.
  - IDMS contract #14-90182 began on December 19, 2014 and has a two-year term. The IDMS contract replaces the DMS contract and provides the same services for the NHSP.

- HCC Contracts
  - Active contracts
    - HCC contract #10-87040 A02, Loma Linda, expires on June 30, 2015.
    - HCC contract #10-87041 A02, Miller Children's Hospital, expires on June 30, 2015.
    - HCC contract #13-90151 A01, Natus Medical Incorporated, expires on September 30, 2015.

NEWBORN HEARING SCREENING PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 25

- HCC contract renewal
  - A single, statewide HCC Request for Proposal (RFP) will be awarded and start on July 1, 2015 to replace the three separate HCC contracts. The new contract will have a five-year term.
  - The new contract will not overlap the existing contracts as the existing contracts will end on June 30, 2015.

Reason for Change from Prior Estimate:
The change for FY 2014-15 and FY 2015-16 is due to the award of the new IDMS contract which extends through FY 2015-16. The HCC contract will be increased in FY 2015-16 to accommodate for cost of living increases.

Methodology:
1. The estimated DMS/IDMS and HCC contract costs for FY 2014-15 and FY 2015-16 are as follows:

FY 2014-15	TF	GF	FF
HCC contracts	$3,690,000	$1,845,000	$1,845,000
DMS contract (terminates 12/18/14)	$208,000	$104,000	$104,000
IDMS contract (12/19/14 - 06/30/15)	$700,000	$350,000	$350,000
Total	**$4,598,000**	**$2,299,000**	**$2,299,000**

FY 2015-16	TF	GF	FF
HCC contract	$6,500,000	$3,250,000	$3,250,000
IDMS contract	$1,200,000	$600,000	$600,000
Total	**$7,700,000**	**$3,850,000**	**$3,850,000**

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

SDMC SYSTEM M&O SUPPORT

OTHER ADMIN. POLICY CHANGE NUMBER: 26
IMPLEMENTATION DATE: 7/2013
ANALYST: Jason Moody
FISCAL REFERENCE NUMBER: 1732

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$3,000,000	$2,325,000
STATE FUNDS	$1,500,000	$1,162,500
FEDERAL FUNDS	$1,500,000	$1,162,500

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. The previous one-year maintenance and operations contract began June 30, 2013. The Department signed a two-year contract beginning July 1, 2014, with two one-year optional extensions. Due to the Affordable Care Act, Medi-Cal is expecting an increase in the volume of claims which has created a need for system upgrades, including application servers, reporting servers, middleware, database, and storage.

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

Methodology:
1. The estimated contractor cost for the new four-year contract is $8,000,000.
2. The new contractor was hired in July 2014, and payments began in September 2014.
3. The estimated one-time infrastructure cost is $1,000,000 in FY 2014-15.
4. FY 2015-16 projections include the cost of ongoing maintenance and operation (M&O) for the accounting system that processes Mental Health and Substance Use Disorder Services claims payments for Short-Doyle.

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**

SDMC SYSTEM M&O SUPPORT

OTHER ADMIN. POLICY CHANGE NUMBER: 26

FY 2015-16:	TF	GF	FF
Contractor cost	$2,000,000	$1,000,000	$1,000,000
M&O	$325,000	$162,000	$163,000
Total	**$2,325,000**	**$1,162,000**	**$1,163,000**

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

FAMILY PACT EVALUATION

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

	FY 2014-15	FY 2015-16
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 reproductive health services under the Family Planning, Access, Care, and Treatment (Family PACT) and Medi-Cal programs.

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 reproductive health services for the Family PACT and Medi-Cal programs. 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 from prior estimate.

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

(Dollars in Thousands)

	TF	GF	FFP
FY 2014-15	$2,861	$1,430	$1,431
FY 2015-16	$2,861	$1,430	$1,431

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

BUSINESS RULES EXTRACTION

OTHER ADMIN. POLICY CHANGE NUMBER:	28
IMPLEMENTATION DATE:	3/2015
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1814

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$860,000	$1,720,000
STATE FUNDS	$215,000	$430,000
FEDERAL FUNDS	$645,000	$1,290,000

DESCRIPTION

Purpose:
This policy change estimates the cost of procuring a Business Rules Extraction (BRE) 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 BRE enhancement in the 2010 request for proposal (RFP) for the California Dental Medicaid Management Information System (CD-MMIS). The RFP was subsequently awarded, but it was not approved by CMS. The Department plans to procure a new dental MMIS contract that meets CMS requirements. In addition, the Department has solicited a new BRE enhancement contract which is currently pending CMS approval.

In order to provide an equal advantage to all participating bidders, the Department plans to purchase a BRE 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 total estimated costs have decreased from $3.31 million to $2.58 million based on actual quote data received from the contractor.
- Federal funding has been adjusted to 75/25 federal funds (FF) to reflect the proper funding percentage per federal qualifications of the project.

BUSINESS RULES EXTRACTION

OTHER ADMIN. POLICY CHANGE NUMBER: 28

- The procurement of the BRE suite of tools and services has been delayed from August 2014 to March 2015 resulting in a shift of projected expenditures from FY 2014-15 to FY 2015-16.

Methodology:

1. The BRE was initially its own project funded at 50/50 FF, but is now included in the CD-MMIS re-procurement Advance Planning Document and therefore, qualifies for 75/25 FF.

2. Assume the BRE suite of tools and services will be procured in March 2015 and the services will be completed by March 2016.

3. Total estimated costs are $2.58 million.

4. In FY 2014-15, $860,000 is expected to be paid. The remainder will be paid in FY 2015-16.

5. Payments will be payable in monthly installments over a 12 month period. The first payment is expected to be made in March 2015.

	TF	GF	FF
FY 2014-15	**$860,000**	**$215,000**	**$645,000**

	TF	GF	FF
FY 2015-16	**$1,720,000**	**$430,000**	**$1,290,000**

Funding:

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

PREVENTION OF CHRONIC DISEASE GRANT PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER:	29
IMPLEMENTATION DATE:	2/2012
ANALYST:	Joel Singh
FISCAL REFERENCE NUMBER:	1635

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$2,326,000	$1,375,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$2,326,000	$1,375,000

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 authorized the five-year MIPCD grant project. California's MIPCD proposal created the Medi-Cal Incentives to Quit Smoking Project to use outreach and incentives to encourage access to smoking cessation services.

The Department contracted with the University of California San Francisco (UCSF) to implement, administer and evaluate the MIPCD program. The UCSF- California Medicaid Research Institute provides administrative support, coordination with key University of California (UC) partners, and contracts directly with the University of California San Diego (UCSD) to operate the California Smokers Helpline.

The California Smokers Helpline offers various incentives such as free counseling and nicotine replacement therapy to Medi-Cal beneficiaries. The MIPCD project also provides outreach services to Medi-Cal beneficiaries and Medi-Cal providers via the California Diabetes Program, which is administered by the Department of Public Health and UCSF.

The Department was awarded the MIPCD grant on September 13, 2011 by CMS and a contract with UCSF was secured on January 27, 2012. The MIPCD grant sunsets on September 12, 2016.

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

Methodology:
1. Projected costs are based on proposed contract amounts with UCSF for administration, implementation and evaluations associated with the MIPCD grant project.

2. On September 11, 2014, CMS approved the Department's request for the following:

PREVENTION OF CHRONIC DISEASE GRANT PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER: 29

- A $296,620 carryover request of unspent funds from Project Year 2013-14 (September 13, 2013 – September 12, 2014)
- A $2,705,199 continuation request for Project Year 2014-15 (September 13, 2014 – September 12, 2015).

3. A $931,912 continuation request for Project Year 2015-16 (September 13, 2015 – September 12, 2016) is expected to be submitted to CMS by June 30, 2015.

Cash Basis

FY 2014-15	TF	FF
Project Year 2013-14	$297,000	$297,000
Project Year 2014-15	$2,029,000	$2,029,000
	$2,326,000	**$2,326,000**
FY 2015-16		
Project Year 2014-15	$676,000	$676,000
Project Year 2015-16	$699,000	$699,000
	$1,375,000	**$1,375,000**

Funding:
MIPCD Federal Grant (4260-107-0890)

SSA COSTS FOR HEALTH COVERAGE INFO.

OTHER ADMIN. POLICY CHANGE NUMBER: 30
IMPLEMENTATION DATE: 1/1989
ANALYST: Cang Ly
FISCAL REFERENCE NUMBER: 237

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$2,207,000	$2,207,000
STATE FUNDS	$1,103,500	$1,103,500
FEDERAL FUNDS	$1,103,500	$1,103,500

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 change.

Methodology:
1. The following projections are based upon recent actual billings from SSA.

(Dollars in Thousands)	TF	GF	FF
FY 2014-15	**$2,207**	**$1,104**	**$1,104**
FY 2015-16	**$2,207**	**$1,104**	**$1,104**

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

FAMILY PACT PROGRAM ADMIN.

OTHER ADMIN. POLICY CHANGE NUMBER:	31
IMPLEMENTATION DATE:	7/2012
ANALYST:	Joel Singh
FISCAL REFERENCE NUMBER:	1675

	FY 2014-15	FY 2015-16
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 from prior estimate.

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

	TF	GF	FF
FY 2014-15	$1,207,000	$603,500	$603,500
FY 2015-16	$1,207,000	$603,500	$603,500

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

ETL DATA SOLUTION

OTHER ADMIN. POLICY CHANGE NUMBER:	32
IMPLEMENTATION DATE:	9/2013
ANALYST:	Jason Moody
FISCAL REFERENCE NUMBER:	1768

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$446,000	$1,420,000
STATE FUNDS	$104,600	$367,450
FEDERAL FUNDS	$341,400	$1,052,550

DESCRIPTION

Purpose:
This policy change estimates the cost for the design, development and implementation (DD&I) of the Extract, Transform and Load (ETL) data solution.

Authority:
Affordable Care Act (ACA)

Interdependent Policy Changes:
Not Applicable

Background:
CMS requires data in a standardized format from the states to review system projects related to the ACA. The Department implemented 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 of the ETL data solution.

Reason for Change from Prior Estimate:
Software procurement is shifting from FY 2014-15 to FY 2015-16. FY 2014-15 maintenance and operations (M&O) costs from the prior estimate were misidentified and costs have been redirected as DD&I.

Methodology:

1. The contractor began DD&I work in August 2013 and payments to the contractor began in September 2013.

2. The DD&I contract duration for consulting services was extended through December 2014 to meet the original requirement changes. The project will begin production in June 2015 and DD&I consulting services will continue through December 2016. Consultant fees will be $188,000 in FY 2014-15 and $167,000 in FY 2015-16.

3. In FY 2014-15, assume $108,000 will be included in DD&I for existing license reinstatement fees.

4. The software will be procured in July 2015.

5. The Department has developed an Advance Planning Document Update that extended the

ETL DATA SOLUTION

OTHER ADMIN. POLICY CHANGE NUMBER: 32

project to meet the additional CMS requirements. The anticipated completion date of the DD&I phase is December 2016. M&O will start in FY 2016-17, when DD&I is complete.

FY 2014-15	TF	GF	FF
DD&I (90% FF / 10% GF)	$296,000	$30,000	$266,000
Hardware (50% FF / 50% GF)	$150,000	$75,000	$75,000
Total FY 2014-15	**$446,000**	**$105,000**	**$341,000**

FY 2015-16	TF	GF	FF
DD&I (90% FF / 10% GF)	$167,000	$17,000	$150,000
Software (75% FF / 25% GF)	$1,103,000	$275,000	$828,000
Hardware (50% FF / 50% GF)	$150,000	$75,000	$75,000
Total FY 2015-16	**$1,420,000**	**$367,000**	**$1,053,000**

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)

RATE STUDIES FOR MAIC AND AAC VENDOR

OTHER ADMIN. POLICY CHANGE NUMBER:	33
IMPLEMENTATION DATE:	7/2015
ANALYST:	Erickson Chow
FISCAL REFERENCE NUMBER:	1483

	FY 2014-15	FY 2015-16
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. Additionally, on February 2, 2012 the Centers for Medicare & Medicaid Services (CMS) issued a notice of proposed rulemaking (NPRM) on Medicaid covered outpatient drugs in the Federal Register. This proposed rule will revise requirements pertaining to Medicaid reimbursement for covered outpatient drugs. CMS expects to release the final rule in FY 2015-16.

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.

MAIC litigation remains unresolved and the CMS Medicaid covered outpatient drugs proposed rule is still pending. The Department will be conducting a preliminary study to examine and evaluate the CMS national pricing benchmark, National Average Drug Acquisition Cost (NADAC).

Reason for Change from Prior Estimate:
The implementation date changed to July 1, 2015.

Methodology:
1. Assume the contractors costs will be $1,000,000 TF ($500,000 GF) annually, beginning July 1, 2015.

RATE STUDIES FOR MAIC AND AAC VENDOR

OTHER ADMIN. POLICY CHANGE NUMBER: 33

2. Estimated contractors' costs are:

	FY 2015-16
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)

ENCRYPTION OF PHI DATA

OTHER ADMIN. POLICY CHANGE NUMBER:	34
IMPLEMENTATION DATE:	5/2010
ANALYST:	Jason Moody
FISCAL REFERENCE NUMBER:	1452

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$995,000	$750,000
STATE FUNDS	$497,500	$375,000
FEDERAL FUNDS	$497,500	$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: 34

Methodology:

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

	TF	GF	FF
FY 2014-15:	$995,000	$497,000	$498,000

	TF	GF	FF
FY 2015-16:	$750,000	$375,000	$375,000

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

MITA

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

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$985,000	$2,565,000
STATE FUNDS	$98,500	$256,500
FEDERAL FUNDS	$886,500	$2,308,500

DESCRIPTION

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

Authority:
MITA Initiative sponsored by Centers for Medicare and Medicaid Services (CMS)

Interdependent Policy Changes:
Not Applicable

Background:
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 perform activities for information architecture standardization and identify business architects to perform business process re-engineering activities as each business champion is identified. A technical management strategy and data management standards will be created to complete the MITA framework and support existing MITA efforts moving forward.

The Department recently completed its annual CMS required MITA State Self-Assessment (SS-A), which included a State MITA roadmap.

Reason for Change from Prior Estimate:
The MITA project will employ contracted positions to enter the implementation phase in FY 2015-16. Therefore, FY 2015-16 amounts include the costs associated with the new contracts, in addition to the existing contract that ends August 31, 2015.

MITA

OTHER ADMIN. POLICY CHANGE NUMBER: 35

Methodology:

1. Projected costs:

	TF	GF	FF
FY 2014-15			
Current contract costs	$985,000	$99,000	$886,000
Total	**$985,000**	**$99,000**	**$886,000**
FY 2015-16			
Current contract costs	$152,000	$15,200	$136,800
Implementation costs	$2,413,000	$241,300	$2,171,700
Total	**$2,565,000**	**$256,500**	**$2,308,500**

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

	FY 2014-15	FY 2015-16
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, 2015. The Department anticipates continuing this agreement with San Diego County.

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 2014-15 and FY 2015-16.

Funding:
100% State GF (4260-101-0001)

COORDINATED CARE MANAGEMENT PILOT

OTHER ADMIN. POLICY CHANGE NUMBER:	37
IMPLEMENTATION DATE:	2/2010
ANALYST:	Jason Moody
FISCAL REFERENCE NUMBER:	1125

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$884,000	$23,000
STATE FUNDS	$442,000	$11,500
FEDERAL FUNDS	$442,000	$11,500

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 intended to test the ability to provide more efficient care coordination in a FFS environment.

Key elements of the CCM Pilot Project included 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 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 months earlier on July 31, 2013. The contract term for the University of California, Los Angeles (UCLA) independent evaluation (IE) is from July 1, 2012 through June 30, 2015.

COORDINATED CARE MANAGEMENT PILOT

OTHER ADMIN. POLICY CHANGE NUMBER: 37

Reason for Change from Prior Estimate:
For FY 2014-15, there is no change. For FY 2015-16, carryover costs are included for FY 2014-15 IE final invoices.

Methodology:
1. The following chart shows FY 2014-15 and FY 2015-16 costs:

FY 2014-15	TF	GF	FF
CCM1	$448,000	$224,000	$224,000
CCM2	$318,000	$159,000	$159,000
UCLA IE	$118,000	$59,000	$59,000
Total	**$884,000**	**$442,000**	**$442,000**

FY 2015-16	TF	GF	FF
UCLA IE	**$23,000**	**$11,500**	**$11,500**

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

MMA - DSH ANNUAL INDEPENDENT AUDIT

OTHER ADMIN. POLICY CHANGE NUMBER:	38
IMPLEMENTATION DATE:	7/2009
ANALYST:	Andrew Yoo
FISCAL REFERENCE NUMBER:	266

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$856,000	$856,000
STATE FUNDS	$428,000	$428,000
FEDERAL FUNDS	$428,000	$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:
There is no change.

Methodology:
1. Each fiscal year, all auditing activity will cost $856,000 ($428,000 GF).

2. In FY 2014-15, the Department will make final payment for the FY 2010-11 audit and partial payment for the FY 2011-12 audit.

3. In FY 2015-16, the Department will make final payment for the FY 2011-12 audit and partial payment for the FY 2012-13 audit.

MMA - DSH ANNUAL INDEPENDENT AUDIT

OTHER ADMIN. POLICY CHANGE NUMBER: 38

	TF	GF	FF
FY 2014-15	$856,000	$428,000	$428,000
FY 2015-16	$856,000	$428,000	$428,000

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

ACA EXPANSION ADMIN COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	39
IMPLEMENTATION DATE:	9/2013
ANALYST:	Kim Elliott
FISCAL REFERENCE NUMBER:	1795

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$1,078,000	$847,000
STATE FUNDS	$539,000	$423,500
FEDERAL FUNDS	$539,000	$423,500

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, the ACA expands Medicaid coverage to previously ineligible persons, primarily childless adults at or below 138 percent of the federal poverty level (FPL). 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. Currently eligible but not enrolled beneficiaries who enroll in Medi-Cal as result of enrollment simplification efforts are considered part of the ACA mandatory expansion. Since January 2014, the Department has experienced significant growth in Medi-Cal enrollment as result of both the ACA optional and mandatory expansions. As result of the significant Medi-Cal growth, additional testing resources are required to keep pace with the many enhancements to the Medi-Cal Eligibility Data Base mandated by eligibility changes.

This policy change estimates the contract costs associated with IT consultant services and actuarial work related to rate development.

IT consultant services include:

- Providing technical expertise in preparing test cases, scenarios, data, and documentation,
- Ensuring quality controls are adhered to prior to implementing system changes,
- Coordinating quality assurance activities, enterprise testing, release management, and other levels of system testing,
- Providing technical assistance for the Department.

Reason for Change from Prior Estimate:

- Actuarial costs updated for FY 2014-15 based on Department estimates.
- Additional IT consultant services costs are added to FY 2015-16.

ACA EXPANSION ADMIN COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 39

Methodology:

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

(Dollars in Thousands)	FY 2014-15		
	TF	**GF**	**FF**
Rate Development	$828,000	$414,000	$414,000
IT Consultant Services	$250,000	$125,000	$125,000
TOTAL	**$1,078,000**	**$539,000**	**$539,000**

	FY 2015-16		
	TF	**GF**	**FF**
Rate Development	$517,000	$258,500	$258,500
IT Consultant Services	$330,000	$165,000	$165,000
TOTAL	**$847,000**	**$423,500**	**$423,500**

Funding:

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

POSTAGE AND PRINTING - THIRD PARTY LIAB.

OTHER ADMIN. POLICY CHANGE NUMBER: 40
IMPLEMENTATION DATE: 7/1996
ANALYST: Cang Ly
FISCAL REFERENCE NUMBER: 240

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$530,000	$555,000
STATE FUNDS	$265,000	$277,500
FEDERAL FUNDS	$265,000	$277,500

DESCRIPTION

Purpose:
This policy change 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/inserter machine in FY 2012-13 to automate the mailings done in-house.

Reason for Change from Prior Estimate:
Postage decreased as a result of continuous paperless efforts. Printing increased slightly to account for slight rate change for envelope costs to print.

Methodology:
1. The cost breakdown is shown below:

FY 2014-15	Postage	Printing	Total
Personal Injury	$116,000	$39,000	$155,000
Estate Recovery	$114,000	$243,000	$357,000
Overpayments	$7,000	$1,000	$8,000
Cost Avoidance	$5,000	$1,000	$6,000
*AB 155 Invoices	$2,000	$0	$2,000
**Document Folder Inserter	$0	$0	$2,000
Total	**$244,000**	**$284,000**	**$530,000**

POSTAGE AND PRINTING - THIRD PARTY LIAB.

OTHER ADMIN. POLICY CHANGE NUMBER: 40

FY 2015-16	Postage	Printing	Total
Personal Injury	$124,000	$41,000	$165,000
Estate Recovery	$120,000	$252,000	$372,000
Overpayments	$7,000	$1,000	$8,000
Cost Avoidance	$5,000	$1,000	$6,000
*AB 155 Invoices	$2,000	$0	$2,000
**Document Folder Inserter	$0	$0	$2,000
Total	**$258,000**	**$295,000**	**$555,000**

*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 2014-15:	**$530,000**	**$265,000**	**$265,000**
FY 2015-16:	**$555,000**	**$277,500**	**$277,500**

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

VITAL RECORDS DATA

OTHER ADMIN. POLICY CHANGE NUMBER:	41
IMPLEMENTATION DATE:	3/2015
ANALYST:	Erickson Chow
FISCAL REFERENCE NUMBER:	1774

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$385,000	$883,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$385,000	$883,000

DESCRIPTION

Purpose:
This policy change estimates the federal financial participation (FFP) for 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 has received CMS approval for enhanced 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 of the contract, the start date changed from October 2014 to March 2015 with first records being exchanged in March 2015.

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 in FY 2014-15.

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: 41

5. Assume that ongoing cost for each record will be $1.51 to reimburse the cost associated with preparing the record for transfer and transferring the record to the Department.

   FY 2014-15
   $1.51 per record x (20,000 death records + 45,000 birth records) x 4 months (March 2015 - June 2015) = $393,000 TF ($295,000 FFP)

   FY 2015-16
   $1.51 per record x (20,000 death records + 45,000 birth records) x 12 months = $1,178,000 TF ($883,000 FFP)

FY 2014-15	**TF**	**HSSF**	**FFP**
Data Interchange Development	$100,000	$10,000	$90,000
Data Provision	$393,000	$98,000	$295,000
Total	$493,000	$108,000	**$385,000**

FY 2015-16	**TF**	**HSSF**	**FFP**
Total	$1,178,000	$295,000	**$883,000**

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

CCT OUTREACH - ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	42
IMPLEMENTATION DATE:	4/2011
ANALYST:	Randolph Alarcio
FISCAL REFERENCE NUMBER:	1556

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$166,000	$360,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$166,000	$360,000

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 (MFP) 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) authorized the Department to draw down $750,000 in MFP Rebalancing Demonstration supplemental grant funding. The Department allocated the supplemental 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 were 100% federally funded.

CMS granted the Department an extension of the supplemental grant through December 2015 to complete the objectives set forth in the grant.

Beginning January 1, 2016, the Department will allocate MFP grant funding to continue efforts that were initiated under the supplemental grant to increase CCT enrollment. These activities qualify as administrative marketing and outreach activities, which are 100% federally funded through the MFP grant.

Reason for Change from Prior Estimate:
Supplemental grant funding was extended through December 31, 2015 for administrative support activities to increase CCT enrollment. Approval to continue at 100% federal funding for administrative, marketing, and outreach activities under the general MFP grant, effective January 1, 2016. Some costs for marketing and outreach were shifted from FY 2014-15 to FY 2015-16.

CCT OUTREACH - ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 42

Methodology:

1. Costs began in April 2011 totaling approximately $11,000 during FY 2010-11; approximately $11,000 in FY 2012-13; and approximately $202,000 paid in FY 2013-14.

2. The Department paid $76,000 under the supplemental grant in September 2014. The remaining $449,000 continues to be available under the supplemental grant.

3. Assume $90,000 will be paid between April 2015 and June 2015 for marketing/outreach and summits. An additional $359,000 is expected to be paid in FY 2015-16 for marketing/outreach and summits.

4. 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,
   - Long-term Services and Supports MFP advisory group,
   - Marketing and outreach mail campaign, and
   - MFP quarterly summits.

FY 2014-15	**TF**	**GF**	**FF**
CCT Costs (PC 40):			
Total Non-DD costs and DD FFP	$21,809,000	$1,530,000	$20,279,000
CCT Savings (PC 51):			
Total Non-DD savings and DD FFP	($12,319,000)	($6,160,000)	($6,159,000)
QoL CCT Costs (PC 47)	$138,000	$0	$138,000
CCT Fund Transfer to CDSS & CDDS (PC 44)	$3,956,000	$0	$3,956,000
CCT Outreach - Admin costs (OA 42)	**$166,000**	**$0**	**$166,000**
Total of CCT PCs including pass through	$13,750,000	($4,630,000)	$18,380,000

CCT OUTREACH - ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 42

FY 2015-16	TF	GF	FF
CCT Costs (PC 40):			
Total Non-DD costs and DD FFP	$32,253,000	$2,731,000	$29,522,000
CCT Savings (PC 51):			
Total Non-DD savings and DD FFP	($16,764,000)	($8,382,000)	($8,382,000)
QoL CCT Costs (PC 47)	$138,000	$0	$138,000
CCT Fund Transfer to CDSS & CDDS (PC 44)	$4,909,000	$0	$4,909,000
CCT Outreach - Admin costs (OA 42)	**$360,000**	**$0**	**$360,000**
Total of CCT PCs including pass through	$20,896,000	($5,651,000)	$26,547,000

Funding:
MFP Federal Grant (4260-106-0890)

THIRD PARTY VALIDATION OF CERTIFIED PROVIDERS

OTHER ADMIN. POLICY CHANGE NUMBER:	43
IMPLEMENTATION DATE:	12/2013
ANALYST:	Julie Chan
FISCAL REFERENCE NUMBER:	1830

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$250,000	$0
STATE FUNDS	$125,000	$0
FEDERAL FUNDS	$125,000	$0

DESCRIPTION

Purpose:
This policy change estimates vendor costs 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 allocated $250,000 in FY 2013-14 and $250,000 in FY 2014-15 for provider validation.

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

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 2014-15.

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

DENTAL PAPD PROJECT MANAGER

OTHER ADMIN. POLICY CHANGE NUMBER:	44
IMPLEMENTATION DATE:	6/2013
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1739

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$247,000	$247,000
STATE FUNDS	$61,750	$61,750
FEDERAL FUNDS	$185,250	$185,250

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) and managing the project to procure a new Medi-Cal Dental Fiscal Intermediary contract.

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 Department staff, CMS, and key stakeholders. The Department and CPM have developed a PAPD to ensure the CD-MMIS is in compliance with federal regulations and eligible for enhanced federal funding. The PAPD was approved by CMS in July of 2014.

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, and
- Assisting Department staff in responding to CMS inquiries and provide additional documentation if required.

DENTAL PAPD PROJECT MANAGER

OTHER ADMIN. POLICY CHANGE NUMBER: 44

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 June 2016.

2. Total estimated costs are $629,000.

3. Payments began in June 2013.

	TF	GF	FF
FY 2014-15	$247,000	$62,000	$185,000

	TF	GF	FF
FY 2015-16	$247,000	$62,000	$185,000

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

MEDICARE BUY-IN QUALITY REVIEW PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER:	45
IMPLEMENTATION DATE:	10/2012
ANALYST:	Cang Ly
FISCAL REFERENCE NUMBER:	1590

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$240,000	$0
STATE FUNDS	$120,000	$0
FEDERAL FUNDS	$120,000	$0

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:
Not Applicable

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 Department does not plan to extend this contract for FY 2015-16.

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

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 $2,400,000 for FY 2014-15.

4. Assume the cost of the contractor will be $240,000 in FY 2014-15.

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

MEDICARE BUY-IN QUALITY REVIEW PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER: 45

	TF	GF	FF
FY 2014-15	$240,000	$120,000	$120,000

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

DMHC INTER-AGENCY AGREEMENT - ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER: 46
IMPLEMENTATION DATE: 11/2013
ANALYST: Sandra Bannerman
FISCAL REFERENCE NUMBER: 1815

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$189,000	$0
STATE FUNDS	$0	$0
FEDERAL FUNDS	$189,000	$0

DESCRIPTION

Purpose:
This policy change estimates the cost of an inter-agency agreement (IAA) 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, Statues 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 no change.

Methodology:
1. Assume the federal share of personnel costs are $97,000 in FY 2014-15.
2. Assume the federal share of operating expenses (travel, subcontracts, and training) costs are $92,000 in FY 2014-15.
3. The FFP portion of the cost is reimbursable to DMHC per the IAA.
4. The costs for this contract will be included in the State Support budget beginning in FY 2015-16.

	Personnel Costs (FF)	Operating Expenses (FF)	FF Total
FY 2014-15	$97,000	$92,000	$189,000

Funding:
Title XIX 100% FF (4260-101-0890)

ANNUAL EDP AUDIT CONTRACTOR

OTHER ADMIN. POLICY CHANGE NUMBER: 47
IMPLEMENTATION DATE: 8/2013
ANALYST: Sandra Bannerman
FISCAL REFERENCE NUMBER: 1734

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$162,000	$0
STATE FUNDS	$81,000	$0
FEDERAL FUNDS	$81,000	$0

DESCRIPTION

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

Authority:
Title 45, Code of Federal Regulations 95.621
Contract 09-86210

Interdependent Policy Changes:
Not Applicable

Background:
Title 45, 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:
The change is due to the termination of this contract. The cancellation of this contract is effective as of January 18, 2015. Costs for the new audit services that will be procured under a new contract/vendor will be budgeted in the FI tab under cost reimbursement.

Methodology:
1. The estimate is based on actual bid amounts.

	TF	GF	FF
FY 2014-15	$162,000	$81,000	$81,000

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

MAGI-CHIP QUALITY CONTROL TEST CERTIFICATION

OTHER ADMIN. POLICY CHANGE NUMBER:	49
IMPLEMENTATION DATE:	3/2015
ANALYST:	Joanne Peschko
FISCAL REFERENCE NUMBER:	1868

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$125,000	$125,000
STATE FUNDS	$62,500	$62,500
FEDERAL FUNDS	$62,500	$62,500

DESCRIPTION

Purpose:
This policy change estimates the cost for an independent vendor to perform the Medicaid and Children's Health Insurance Program (CHIP) Eligibility Review Pilots test certifications required by the Centers for Medicare and Medicaid (CMS) for the new CalHEERS eligibility determination system.

Authority:
State Health Official (SHO) letter # 13-005

Interdependent Policy Changes:
Not Applicable

Background:
The Affordable Care Act (ACA) brought significant changes to the way the states adjudicated eligibility for applicants for Medicaid and CHIP. Changes included the use of the Modified Adjusted Gross Income (MAGI) methodology for income determinations and household compositions, the use of a single streamlined application, availability of multiple channels for submitting application information, and the need for data sharing and account transfers between the Marketplace, Medicaid and CHIP. To assess these changes, CMS implemented an interim change in methodology for conducting eligibility reviews. The SHO Letter 13-005, issued on August 15, 2013, directs states to implement four Medicaid and CHIP Eligibility Review Pilots in place of the Payment Error Rate Measurement (PERM) and Medicaid Eligibility Quality Control (MEQC) eligibility review requirements for fiscal years (FY) 2014-2016. These pilots will provide more targeted, detailed information on the accuracy of eligibility determinations using the new ACA rules, and provide states and CMS with critical feedback. CMS has not given specific guidance regarding the process for certifying the test cases for the second pilot but has stated that an independent vendor must certify the pilot test results prior to its submission. If this is not implemented the Department would be non-compliant with CMS program requirements and could be subject to monetary fines or sanctions.

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

Methodology:
1) Based upon current California Multiple Award Schedule (CMAS) pricing for consultant contracts, the estimated contract costs are $125,000 TF ($62,500 GF) for FY 2014-15 and FY 2015-16.

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

EPOCRATES

OTHER ADMIN. POLICY CHANGE NUMBER:	50
IMPLEMENTATION DATE:	4/2007
ANALYST:	Erickson Chow
FISCAL REFERENCE NUMBER:	1157

	FY 2014-15	FY 2015-16
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 TF.

Fiscal Year	TF	GF	FFP
FY 2014-15	$107,000	$53,500	$53,500
FY 2015-16	$107,000	$53,500	$53,500

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

MIS/DSS CONTRACT REPROCUREMENT SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 51
IMPLEMENTATION DATE: 7/2013
ANALYST: Jason Moody
FISCAL REFERENCE NUMBER: 1615

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$104,000	$0
STATE FUNDS	$26,000	$0
FEDERAL FUNDS	$78,000	$0

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 May 2015.

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

Methodology:
1. The estimated costs for FY 2014-15 are:

	TF	GF	FF
FY 2014-15:	$104,000	$26,000	$78,000

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

CCS CASE MANAGEMENT SUPPLEMENTAL PAYMENT

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

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$100,000	$100,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$100,000	$100,000

DESCRIPTION

Purpose:
This policy change estimates the federal match for county funds expended above the CCS Case Management 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. 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).

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

Methodology:
1. It is assumed that $100,000 will be drawn down with counties' CPE in FY 2014-15 and FY 2015-16.

	FFP
FY 2014-15	**$100,000**
FY 2015-16	**$100,000**

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

Q5i AUTOMATED DATA SYSTEM ACQUISTION

OTHER ADMIN. POLICY CHANGE NUMBER: 54
IMPLEMENTATION DATE: 8/2011
ANALYST: Joanne Peschko
FISCAL REFERENCE NUMBER: 1440

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$59,000	$59,000
STATE FUNDS	$29,500	$29,500
FEDERAL FUNDS	$29,500	$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 (ACA), the Centers for Medicare and Medicaid Services (CMS) issued guidance to states that ended previous quality control programs and implements a series of four new pilot programs that will replace the Medicaid Eligibility Quality Control (MEQC) and Payment Error Rate Measurement (PERM) 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:
There is no change.

Methodology:
1. Ongoing costs began in March 2012.

2. These estimates are provided by the vendor:

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

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 2014-15	FY 2015-16
TOTAL FUNDS	$50,000	$0
STATE FUNDS	$25,000	$0
FEDERAL FUNDS	$25,000	$0

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 and the services of the special master ended December 1, 2014.

Reason for Change from Prior Estimate:
There are no changes.

Methodology:
1. Assume the new Special Master costs are $100,000 for FY 2014-15.

2. The Special Master costs will be split with CDSS and each department will pay 50% of the costs.

	TF	CDSS TF	DHCS TF
FY 2014-15	$100,000	$50,000	$50,000

KATIE A. V. DIANA BONTA SPECIAL MASTER

OTHER ADMIN. POLICY CHANGE NUMBER: 55

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

	DHCS TF	GF	FFP
FY 2014-15	$50,000	$25,000	$25,000

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

PEDIATRIC PALLIATIVE CARE WAIVER EVALUATION

OTHER ADMIN. POLICY CHANGE NUMBER:	56
IMPLEMENTATION DATE:	7/2010
ANALYST:	Jason Moody
FISCAL REFERENCE NUMBER:	1335

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$39,000	$0
STATE FUNDS	$19,500	$0
FEDERAL FUNDS	$19,500	$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. An evaluation conducted by the University of California, Los Angeles, Center for Policy Research (UCLA) was completed and approved on November 28, 2014.

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

Methodology:
Final payment to the independent evaluator was issued on January 19, 2015.

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

INTERIM AND FINAL COST SETTLEMENTS-SMHS

OTHER ADMIN. POLICY CHANGE NUMBER:	57
IMPLEMENTATION DATE:	7/2015
ANALYST:	Julie Chan
FISCAL REFERENCE NUMBER:	1757

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$0	$9,558,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$0	$9,558,000

DESCRIPTION

Purpose:
This policy change estimates the federal funds (FF) 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 settlements are 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 has completed interim settlements for additional cost reports affecting FYs 2009-10 and 2010-11.

Methodology:
1. Interim cost settlements are based on the difference between each county MHP's filed cost report and the payments they received from the Department.
2. Final cost settlements are based on the difference between each county MHP's final audited cost report and the payments they received from the Department.
3. Cost settlements for administration, UR/QA, and MH MAA are each determined separately.

INTERIM AND FINAL COST SETTLEMENTS-SMHS

OTHER ADMIN. POLICY CHANGE NUMBER: 57

Interim Settlements			
FY 2009-10	**Underpaid**	**Overpaid**	**Net FF**
SMH Admin	$8,182,000	($2,263,000)	$5,919,000
MCHIP*	$346,000	$0	$346,000
UR/QA	$1,855,000	($299,000)	$1,556,000
MH MAA	$956,000	$0	$956,000
HFP Admin*	$790,000	$0	$790,000
Total FY 2009-10	$12,129,000	($2,562,000)	$9,567,000
FY 2010-11	**Underpaid**	**Overpaid**	**Net FF**
SMH Admin	$11,368	($20,994)	($9,626)
MCHIP*	$47	($248)	($201)
UR/QA	$3,836	($4,186)	($350)
MH MAA	$798	($223)	$575
HFP Admin*	$189	($30)	$159
Total FY 2010-11	$16,238	($25,681)	($9,443)
Total FY 2015-16	$12,145,238	($2,587,681)	**$9,557,557**

4. The net FFP to be paid in FY 2015-16 is $9,558,000.

(Dollars in Thousands)	
	FY 2015-16
100% Title XIX FF (4260-101-0890)	$8,422
100% Title XXI FF (4260-113-0890)*	$1,136
Total	**$9,558**

Funding:
100% Title XIX FF (4260-101-0890)
100% Title XXI FF (4260-113-0890)*

HCO OPERATIONS

OTHER ADMIN. POLICY CHANGE NUMBER:	58
IMPLEMENTATION DATE:	7/2014
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1856

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$51,561,000	$38,371,000
STATE FUNDS	$25,394,550	$18,898,250
FEDERAL FUNDS	$26,166,450	$19,472,750

DESCRIPTION

Purpose:
This policy change estimates the operational costs of the Health Care Options (HCO) program.

Authority:
HCO contract # 07-65829

Interdependent Policy Changes:
Not Applicable

Background:
MAXIMUS, Inc. has been the enrollment contractor for the HCO program since October 1, 1996. MAXIMUS, Inc. is responsible for enrolling Medi-Cal beneficiaries into managed care health plans within five Medi-Cal managed care health plan models including Two-Plan, Regional, Geographic Managed Care, San Benito and Imperial. MAXIMUS, Inc. also enrolls beneficiaries into dental care plans in Sacramento County, where enrollment is mandatory, and Los Angeles County, where enrollment is voluntary.

Operations for the current HCO contract with MAXIMUS began on January 1, 2009, for three years and nine months with three one-year optional extension years, plus an Extended Operations Period. Funds paid on the contract use a mixture of federal funds and general funds (50/50 for Administration; 75/25 for Children's Health Insurance Program Reauthorization Act; and 65/35 for Medicaid Expansion Children's Health Insurance Program).

Operational costs are the routine expenses incurred by HCO's operations such as:

- Transactions – Enrollment or disenrollment processing activities and transactions with the Department.
- Mailings – Mailings include initial informing, re-informing, monthly reconciliation, and annual re-notification mailings.
- Beneficiary Dental Exception (BDE) Mailings – Mailings to dental beneficiaries in Sacramento County for exception to plan enrollment.
- Beneficiary Direct Assistance/Call Center – Telephone Call Center (TCC) agent informing and enrollment assistance to Medi-Cal applicants/beneficiaries and/or their authorized representatives in understanding, selecting, and using managed care medical and dental plans. In addition, the TCC assists providers, health plans, and counties or other interested parties who request information regarding the HCO program and/or Medi-Cal managed care.

HCO OPERATIONS

OTHER ADMIN. POLICY CHANGE NUMBER: 58

- Personalized Provider Directory (PPD) Project– Fixed price costs for the PPD Project.
- Seniors and Persons with Disabilities (SPD) County Inserts – Incremental Costs – Special inserts for SPD informing packets.
- Medi-Cal Publications Management Services – Publication management services for the development, revision, reproduction, and distribution of Medi-Cal publications that do not pertain to HCO informing materials.
- Initial Health Screen Questionnaire - Health Information Form (HIF) - The purpose of the HIF is to ensure applicants/beneficiaries with existing disabilities or with chronic conditions identify themselves to assure timely access to care. The HIFs are distributed and processed to be mailed with the HCO informing packet and are also available at Enrollment Service Representatives presentation sites.
- Base Volume Increase Projection - The estimated cost for the entire infrastructure necessary for HCO Operations for occurrences when current base contract volumes are exceeded from additional and new projects.
- Prior Year Unpaid Invoices - Prior year unpaid invoices will be accrued and paid in the following fiscal year.

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

Methodology:
1. Operations costs are fixed price rates based on volumes within minimum and maximum ranges under the HCO contract.

2. Prior year unpaid invoices for May and June of FY 2013-14 will be paid in FY 2014-15 for a total of $13,746,000.

FY 2014-15	TF	GF	GF	FF	FF
		Title XIX	Title XXI	Title XIX	Title XXI
		50%	35%	50%	65%
Transactions	$10,435,000	$4,956,000	$183,000	$4,957,000	$339,000
Packet Mailings	$7,562,000	$3,592,000	$132,000	$3,592,000	$246,000
BDE Packet Mailings	$345,000	$164,000	$6,000	$164,000	$11,000
BDA/Call Center	$4,662,000	$2,214,000	$82,000	$2,215,000	$151,000
PPD	$444,000	$211,000	$8,000	$211,000	$14,000
SPD Inserts	$64,000	$32,000	$0	$32,000	$0
Medi-Cal Publications	$385,000	$183,000	$7,000	$183,000	$12,000
HIF	$169,000	$80,000	$3,000	$81,000	$5,000
Base Volume Increase	$13,749,000	$6,531,000	$240,000	$6,531,000	$447,000
Prior Year Unpaid Invoices	$13,746,000	$6,529,000	$240,000	$6,530,000	$447,000
Total	**$51,561,000**	**$24,492,000**	**$901,000**	**$24,496,000**	**$1,672,000**

HCO OPERATIONS

OTHER ADMIN. POLICY CHANGE NUMBER: 58

FY 2015-16	TF	GF	GF	FF	FF
		Title XIX	Title XXI	Title XIX	Title XXI
		50%	35%	50%	65%
Transactions	$10,665,000	$5,066,000	$187,000	$5,066,000	$346,000
Packet Mailings	$7,857,000	$3,732,000	$138,000	$3,732,000	$255,000
BDE Packet Mailings	$183,000	$87,000	$3,000	$87,000	$6,000
BDA/Call Center	$4,824,000	$2,291,000	$84,000	$2,292,000	$157,000
PPD	$458,000	$217,000	$8,000	$218,000	$15,000
SPD Inserts	$67,000	$33,000	$0	$34,000	$0
Medi-Cal Publications	$394,000	$187,000	$7,000	$187,000	$13,000
HIF	$174,000	$82,000	$3,000	$83,000	$6,000
Base Volume Increase	$13,749,000	$6,531,000	$240,000	$6,531,000	$447,000
Prior Year Unpaid Invoices	$0	$0	$0	$0	$0
Total	**$38,371,000**	**$18,226,000**	**$670,000**	**$18,230,000**	**$1,245,000**

Funding:
FI 50% Title XIX / 50% GF (4260-101-0001/0890)
FI 65% Title XXI / 35% GF (4260-113-0001/0890)
***This policy change is appropriated in the Fiscal Intermediary appropriation of the Management Summary.

HCO CCI - CAL MEDICONNECT AND MLTSS

OTHER ADMIN. POLICY CHANGE NUMBER:	59
IMPLEMENTATION DATE:	7/2014
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1860

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$42,175,000	$16,135,000
STATE FUNDS	$21,087,500	$8,067,500
FEDERAL FUNDS	$21,087,500	$8,067,500

DESCRIPTION

Purpose:
This policy change estimates the costs for the specialized call center and informing materials to transition dually eligible and Medi-Cal only beneficiaries into managed care health plans under the Coordinated Care Initiative (CCI).

Authority:
HCO contract # 07-65829

Interdependent Policy Changes:
Not Applicable

Background:
MAXIMUS, Inc. has been the enrollment contractor for the Health Care Options (HCO) program since October 1, 1996. MAXIMUS, Inc. is responsible for enrolling Medi-Cal beneficiaries into managed care health plans within five Medi-Cal managed care health plan models including Two Plan, Regional, Geographic Managed Care, San Benito and Imperial. MAXIMUS, Inc. also enrolls beneficiaries into dental care plans in Sacramento County, where enrollment is mandatory, and Los Angeles County, where enrollment is voluntary.

The Department will achieve savings from transitioning dually eligible and Medi-Cal only beneficiaries who receive Medi-Cal Long Term Care institutional services, In-Home Supportive Services, Community-Based Adult Services, Multi-Purpose Senior Services Program, and other Home and Community-Based Services from fee-for-service into managed care health plans. Notices and packets have been mailed to beneficiaries.

In addition, to ensure a seamless enrollment selection process for beneficiaries impacted by the upcoming CCI programs, costs have been included for a beneficiary-centric specialized call center and specialized informing materials. The beneficiaries covered under this project will have a dedicated toll free number, which directs them to their own specialized team of CCI experts who will guide them through the enrollment process and be able to answer all the Medi-Cal and Medicare questions.

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

Methodology:
1. Costs are negotiated through a contract amendment with a term through December 31, 2016. Costs include informing materials development and mailing, CCI telephone call center staffing and equipment, and translations of informing materials into Braille and audio formats.

HCO CCI - CAL MEDICONNECT AND MLTSS

OTHER ADMIN. POLICY CHANGE NUMBER: 59

2. The FY 2014-15 and FY 2015-16 costs are below:

	FY 2014-15	FY 2015-16
Printing/Postage	$32,204,000	$8,103,000
Equipment/Non-Equipment	$2,435,000	$925,000
Staffing	$7,536,000	$7,107,000
Total	**$42,175,000**	**$16,135,000**

3. Costs are shared between federal funds (FF) and General Fund (GF).

	TF	GF	FF
FY 2014-15	**$42,175,000**	**$21,087,000**	**$21,088,000**

	TF	GF	FF
FY 2015-16	**$16,136,000**	**$8,068,000**	**$8,068,000**

Funding:
FI 50% Title XIX / 50% GF (4260-101-0001/0890)
***This policy change is appropriated in the Fiscal Intermediary appropriation of the Management Summary.

HCO COST REIMBURSEMENT

OTHER ADMIN. POLICY CHANGE NUMBER:	60
IMPLEMENTATION DATE:	7/2014
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1858

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$36,814,000	$40,681,000
STATE FUNDS	$18,130,850	$20,035,250
FEDERAL FUNDS	$18,683,150	$20,645,750

DESCRIPTION

Purpose:
This policy change estimates the total cost reimbursement of the Health Care Options (HCO) program.

Authority:
HCO contract # 07-65829

Interdependent Policy Changes:
Not Applicable

Background:
MAXIMUS, Inc. has been the enrollment contractor for the HCO program since October 1, 1996. MAXIMUS, Inc. is responsible for enrolling Medi-Cal beneficiaries into managed care health plans within five Medi-Cal managed care health plan models including Two-Plan, Regional, Geographic Managed Care, San Benito and Imperial. MAXIMUS, Inc. also enrolls beneficiaries into dental care plans in Sacramento County, where enrollment is mandatory, and Los Angeles County, where enrollment is voluntary.

Cost reimbursements are direct costs incurred by the enrollment contractor while performing responsibilities under the contract that are in addition to fixed operations costs.

Reason for change from Prior Estimate:
For both fiscal years, costs have increased in the following:

- Postage and printing costs,
- Rent and utilities at the contact center,
- Telephone agents and the associated increases in telephone usage rates at the additional contact centers,
- Translation services of informing materials in alternative formats in Braille and audio due to an increased demand,
- Data access for the purchase of software licenses and maintenance fees for existing licenses, and
- Temporary staffing for additional quality assurance audits and for revising informing materials.

Methodology:

1. Cost reimbursement categories in FY 2015-16 include a 10% contingency cost adjustment to accommodate unforeseen project increases including those resulting from legislative mandates.

2. Contract costs are shared between federal funds (FF) and General Fund (GF).

HCO COST REIMBURSEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 60

FY 2014-15	TF	GF	GF	FF	FF
		Title XIX	Title XXI	Title XIX	Title XXI
		(50%)	(35%)	(50%)	(65%)
Postage	$16,116,000	$7,655,000	$282,000	$7,655,000	$524,000
Printing	$5,010,000	$2,380,000	$88,000	$2,380,000	$162,000
Other HCO Informing Materials	$4,161,000	$1,976,000	$73,000	$1,977,000	$135,000
Customer Assistance Telephone	$1,092,000	$518,000	$19,000	$519,000	$36,000
Development of New Informing Materials	$151,000	$71,000	$3,000	$72,000	$5,000
Translation Services	$433,000	$205,000	$8,000	$206,000	$14,000
Data Access	$474,000	$225,000	$8,000	$225,000	$16,000
Miscellaneous	$1,006,000	$478,000	$18,000	$478,000	$32,000
Special Training Sessions	$132,000	$62,000	$2,000	$63,000	$5,000
Personal Computers, Printers, Copy Machines	$94,000	$44,000	$2,000	$45,000	$3,000
Additional Systems Group Staff	$330,000	$157,000	$6,000	$157,000	$10,000
Travel and Per Diem	$115,000	$54,000	$2,000	$55,000	$4,000
Temporary Staff	$530,000	$252,000	$10,000	$252,000	$16,000
Medi-Cal Publications Mailings	$7,170,000	$3,406,000	$125,000	$3,406,000	$233,000
Total	**$36,814,000**	**$17,483,000**	**$646,000**	**$17,490,000**	**$1,195,000**

FY 2015-16	TF	GF	GF	FF	FF
		Title XIX	Title XXI	Title XIX	Title XXI
		(50%)	(35%)	(50%)	(65%)
Postage	$18,728,000	$8,896,000	$328,000	$8,896,000	$608,000
Printing	$5,511,000	$2,617,000	$97,000	$2,618,000	$179,000
Other HCO Informing Materials	$4,577,000	$2,174,000	$80,000	$2,174,000	$149,000
Customer Assistance Telephone	$1,451,000	$689,000	$25,000	$689,000	$48,000
Development of New Informing Materials	$166,000	$79,000	$3,000	$79,000	$5,000
Translation Services	$476,000	$225,000	$9,000	$226,000	$16,000
Data Access	$396,000	$188,000	$7,000	$188,000	$13,000
Miscellaneous	$1,106,000	$525,000	$19,000	$526,000	$36,000
Special Training Sessions	$145,000	$69,000	$3,000	$69,000	$4,000
Personal Computers, Printers, Copy Machines	$103,000	$49,000	$2,000	$49,000	$3,000
Additional Systems Group Staff	$363,000	$172,000	$6,000	$173,000	$12,000
Travel and Per Diem	$126,000	$59,000	$2,000	$60,000	$5,000
Temporary Staff	$583,000	$277,000	$10,000	$277,000	$19,000
Medi-Cal Publications Mailings	$6,950,000	$3,301,000	$122,000	$3,302,000	$225,000
Total	**$40,681,000**	**$19,320,000**	**$713,000**	**$19,326,000**	**$1,322,000**

Funding:
FI 50% Title XIX / 50% GF (4260-101-0001/0890)
FI 65% Title XXI / 35% GF (4260-113-0001/0890)
***This policy change is appropriated in the Fiscal Intermediary appropriation of the Management Summary.

HCO ACA EXPRESS LANE ENROLLMENT CONTRACTOR COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	61
IMPLEMENTATION DATE:	7/2014
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1863

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$16,153,000	$0
STATE FUNDS	$8,076,500	$0
FEDERAL FUNDS	$8,076,500	$0

DESCRIPTION

Purpose:
This policy change estimates the costs for additional resources for the Health Care Options (HCO) program to provide information and enrollment assistance to beneficiaries for Express Lane Medi-Cal enrollment.

Authority:
SBx1 1 (Chapter 4, Statutes of 2013)
HCO contract # 07-65829

Interdependent Policy Changes:
Not Applicable

Background:
MAXIMUS, Inc. has been the enrollment contractor for the HCO program since October 1, 1996. MAXIMUS, Inc. is responsible for enrolling Medi-Cal beneficiaries into managed care health plans within five Medi-Cal managed care health plan models including Two-Plan, Regional, Geographic Managed Care, San Benito and Imperial. MAXIMUS, Inc. also enrolls beneficiaries into dental care plans in Sacramento County, where enrollment is mandatory, and Los Angeles County, where enrollment is voluntary.

The Centers for Medicare and Medicaid Services (CMS) has provided several options to facilitate enrollment into the Medicaid programs. These options are designed to alleviate the influx of applications under the Affordable Care Act by providing Medicaid eligibility to certain groups without conducting a separate Medicaid eligibility determination. SBx1 1 requires the Department to seek the necessary federal waivers to implement two of these options. In December 2013, CMS approved the Department's waiver to provide Express Lane Enrollment into Medi-Cal. On February 2, 2014, the Department began mailing special informing notices to over 600,000 CalFresh eligible adults and children in County Organized Health Care System (COHS) and non-COHS managed care counties. In October of 2014, the Department began a second CalFresh Express Lane II mailing of special informing notices to beneficiaries to re-inform them of their health care options.

MAXIMUS, Inc. will continue to provide special telephone call center enrollment assistance to Express Lane beneficiaries through March 30, 2015.

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

HCO ACA EXPRESS LANE ENROLLMENT CONTRACTOR COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 61

Methodology:

1. Costs are negotiated per agent costs and special informing material rates through a contract amendment with a term through March 30, 2015.

	FY 2014-15
Express Lane	$9,889,000
Express Lane II	$6,264,000
Total	**$16,153,000**

2. Contract costs are shared between federal funds (FF) and General Fund (GF).

	TF	GF	FF
FY 2014-15	**$16,153,000**	**$8,076,000**	**$8,077,000**

Funding:

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

***This policy change is appropriated in the Fiscal Intermediary appropriation of the Management Summary.

HCO ESR HOURLY REIMBURSEMENT

OTHER ADMIN. POLICY CHANGE NUMBER:	62
IMPLEMENTATION DATE:	7/2014
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1857

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$13,373,000	$13,716,000
STATE FUNDS	$6,586,150	$6,755,100
FEDERAL FUNDS	$6,786,850	$6,960,900

DESCRIPTION

Purpose:
This policy change estimates the hourly reimbursement costs of the Health Care Options (HCO) program for the contractor's Enrollment Services Representatives (ESRs).

Authority:
HCO contract # 07-65829

Interdependent Policy Changes:
Not Applicable

Background:
MAXIMUS, Inc. has been the enrollment contractor for HCO since October 1, 1996. MAXIMUS, Inc. is responsible for enrolling Medi-Cal beneficiaries into managed care health plans within five Medi-Cal managed care health plan models including Two-Plan, Regional, Geographic Managed Care, San Benito and Imperial. MAXIMUS, Inc. also enrolls beneficiaries into dental care plans in Sacramento County, where enrollment is mandatory, and Los Angeles County, where enrollment is voluntary.

An important goal of the HCO program is to provide every Medi-Cal applicant/ beneficiary, who shall be required or is eligible to enroll in a medical and/or dental plan under the Medi-Cal Managed Care program, with the opportunity to receive a face-to-face presentation describing that individual's rights and enrollment choices as well as a fundamental introduction to the managed health care delivery system. The primary objective of the HCO presentation is to educate applicants/beneficiaries to make an informed plan choice. An effective educational program ultimately increases the number of potential eligible enrollees who choose a plan prior to or during the informing process, thereby avoiding auto-assignment (default assignment) to a plan. This program is conducted by the enrollment contractor with the use of ESRs in county offices statewide.

AB 1467 (Chapter 23, Statutes of 2012) authorizes the expansion of managed care into rural areas that were fee-for-service and provides beneficiaries care through an organized delivery system. The expansion requires an increase from 130 to 155 in enrollment contractor ESRs and requires additional funds to be added to the contract authority for initial transition and on-going mailings and enrollment services assistance.

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

HCO ESR HOURLY REIMBURSEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 62

Methodology:

1. The hourly reimbursement costs are fixed price hourly rates for full-time equivalent ESR staff at ESR sites statewide.

2. Costs are shared between federal funds (FF) and General Fund (GF).
   - 50/50 for Administration, and
   - 65/35 for Medicaid Expansion Children's Health Insurance Program (MCHIP)

3. The estimated costs for FY 2014-15 are based on 155 ESRs for a total cost of $13,373,000.

4. The estimated costs for FY 2015-16 are based on 155 ESRs for a total cost of $13,716,000.

FY 2014-15	TF	GF	FF
Title XIX (50% FF / 50% GF)	$12,704,000	$6,352,000	$6,352,000
Title XXI (65% FF / 35% GF)	$669,000	$234,000	$435,000
Total	**$13,373,000**	**$6,586,000**	**$6,787,000**

FY 2015-16	TF	GF	FF
Title XIX (50% FF / 50% GF)	$13,030,000	$6,515,000	$6,515,000
Title XXI (65% FF / 35% GF)	$686,000	$240,000	$446,000
Total	**$13,716,000**	**$6,755,000**	**$6,961,000**

Funding:

FI 50% Title XIX / 50% GF (4260-101-0001/0890)
FI 65% Title XXI / 35% GF (4260-113-0001/0890)
***This policy change is appropriated in the Fiscal Intermediary appropriation of the Management Summary.

HCO - ACA ENROLLMENT CONTRACTOR COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	63
IMPLEMENTATION DATE:	7/2014
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1864

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$12,730,000	$10,275,000
STATE FUNDS	$6,269,600	$5,060,400
FEDERAL FUNDS	$6,460,400	$5,214,600

DESCRIPTION

Purpose:
This policy change estimates the costs for additional resources for the Health Care Options (HCO) program to provide informing and enrollment assistance to beneficiaries eligible for Medi-Cal from the implementation of the Affordable Care Act (ACA).

Authority:
HCO contract # 07-65829

Interdependent Policy Changes:
Not Applicable

Background:
MAXIMUS, Inc. has been the enrollment contractor for the HCO program since October 1, 1996. MAXIMUS, Inc. is responsible for enrolling Medi-Cal beneficiaries into managed care health plans within five Medi-Cal managed care health plan models including Two-Plan, Regional, Geographic Managed Care, San Benito and Imperial. MAXIMUS, Inc. also enrolls beneficiaries into dental care plans in Sacramento County, where enrollment is mandatory, and Los Angeles County, where enrollment is voluntary.

Effective January 1, 2014, the ACA establishes a new income eligibility standard for Medi-Cal based upon a Modified Adjusted Gross Income of 133% of the federal poverty level for adults. The enrollment contractor will require additional resources in its telephone call center to adequately and effectively provide informing and enrollment assistance functions to the increasing numbers of Medi-Cal beneficiaries resulting from the ACA.

Reason for change from Prior Estimate:
For FY 2014-2015 costs were added for the purchase of digital signature pads for the enrollment service representatives at statewide sites to assist beneficiaries with direct health plan enrollment into the contractor's health plan enrollment system. Additional systems group staff are also needed for the configuration of equipment.

Methodology:
1. Costs are negotiated per agent/person costs through a contract amendment.

2. Contract costs are shared between federal funds (FF) and General Fund (GF).

HCO - ACA ENROLLMENT CONTRACTOR COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 63

	FY 2014-15	FY 2015-16
Telephone Call Center Enrollment Operations	$10,950,000	$7,871,000
Training	$227,000	$0
System Group Staff	$1,553,000	$2,404,000
Total	**$12,730,000**	**$10,275,000**

FY 2014-15	TF	GF	FF
Title XIX (50% FF / 50% GF)	$12,094,000	$6,047,000	$6,047,000
Title XXI (65% FF / 35% GF)	$636,000	$223,000	$413,000
Total	**$12,730,000**	**$6,270,000**	**$6,460,000**

FY 2015-16	TF	GF	FF
Title XIX (50% FF / 50% GF)	$9,761,000	$4,881,000	$4,880,000
Title XXI (65% FF / 35% GF)	$514,000	$180,000	$334,000
Total	**$10,275,000**	**$5,061,000**	**$5,214,000**

Funding:
FI 50% Title XIX / 50% GF (4260-101-0001/0890)
FI 65% Title XXI / 35% GF (4260-113-0001/0890)
***This policy change is appropriated in the Fiscal Intermediary appropriation of the Management Summary.

HCO- SPD TRANSITION TO MANAGED CARE RURAL COUNTIES

OTHER ADMIN. POLICY CHANGE NUMBER:	64
IMPLEMENTATION DATE:	7/2014
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1862

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$3,773,000	$727,000
STATE FUNDS	$1,886,500	$363,500
FEDERAL FUNDS	$1,886,500	$363,500

DESCRIPTION

Purpose:
This policy change estimates the informing and enrollment costs for Seniors and Persons with Disabilities (SPD) transitioning into managed care rural counties.

Authority:
AB 1467 (Chapter 23, Statutes of 2012)
HCO contract # 07-65829

Interdependent Policy Changes:
Not Applicable

Background:
MAXIMUS, Inc. has been the enrollment contractor for the Health Care Options program since October 1, 1996. MAXIMUS, Inc. is responsible for enrolling Medi-Cal beneficiaries into managed care health plans within five Medi-Cal managed care health plan models including Two-Plan, Regional, Geographic Managed Care (GMC), San Benito and Imperial. MAXIMUS, Inc. also enrolls beneficiaries into dental care plans in Sacramento County, where enrollment is mandatory, and Los Angeles County, where enrollment is voluntary.

Managed care is currently in 30 counties. AB 1467 expands managed care into the remaining 28 counties across the State. Expanding managed care into rural counties ensures that beneficiaries throughout the state receive health care through an organized delivery system that coordinates their care and leads to better health outcomes and lower costs.

The first phase of expansion was implemented on September 1, 2013, in the eight County Organized Health System (COHS) counties, and was followed by the remaining 20 counties (Two-Plan, GMC-Plan and Single-Plan models) on November 1, 2013. Informing material mailings to beneficiaries (special notices, frequently asked questions, and special packets) started for COHS counties in July 2013. The 20 Two-Plan, GMC-Plan, and Single-Plan model counties will require newly established enrollment presentation sites and the hiring, training and equipment costs associated with staffing these county enrollment sites. County site staffing started in 2013.

SPDs will transition from fee-for-service to managed care in the rural counties on December 1, 2014. The enrollment contractor will incur additional costs to provide call center support and special informing and enrollment assistance to this SPD transition population through December 31, 2015.

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

HCO- SPD TRANSITION TO MANAGED CARE RURAL COUNTIES

OTHER ADMIN. POLICY CHANGE NUMBER: 64

Methodology:

1. Costs are negotiated per agent costs through a contract amendment.

2. Costs are shared between federal funds (FF) and General Fund (GF).

	FY 2014-15	FY 2015-16
Packets	$364,000	$0
FAQ Booklets	$156,000	$0
Notices	$97,000	$0
COHS Mailings	$53,000	$0
Translation	$10,000	$0
Systems Group Staff	$37,000	$0
QA Analyst Staff	$81,000	$21,000
Customer Service Representatives	$2,825,000	$706,000
Service Costs	$150,000	$0
Total	**$3,773,000**	**$727,000**

	TF	GF	FF
FY 2014-15	**$3,773,000**	**$1,886,000**	**$1,887,000**

	TF	GF	FF
FY 2015-16	**$727,000**	**$363,000**	**$364,000**

Funding:

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

***This policy change is appropriated in the Fiscal Intermediary appropriation of the Management Summary.

HCO LIHP ENROLLMENT

OTHER ADMIN. POLICY CHANGE NUMBER:	65
IMPLEMENTATION DATE:	7/2014
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1861

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$1,426,000	$0
STATE FUNDS	$713,000	$0
FEDERAL FUNDS	$713,000	$0

DESCRIPTION

Purpose:
This policy change estimates the Low Income Health Program (LIHP) project costs for the Health Care Options (HCO) program.

Authority:
HCO contract # 07-65829

Interdependent Policy Changes:
Not Applicable

Background:
MAXIMUS, Inc. has been the enrollment contractor for the HCO program since October 1, 1996. MAXIMUS, Inc. is responsible for enrolling Medi-Cal beneficiaries into managed care health plans within five Medi-Cal managed care health plan models including Two-Plan, Regional, Geographic Managed Care, San Benito and Imperial. MAXIMUS, Inc. also enrolls beneficiaries into dental care plans in Sacramento County, where enrollment is mandatory, and Los Angeles County, where enrollment is voluntary.

California's Bridge to Reform Demonstration expands coverage to eligible low income adults through LIHP. The LIHP consists of the Medicaid Coverage Expansion, effective July 1, 2011, through December 31, 2013, at which time the majority of enrollees will become Medi-Cal eligible under Affordable Care Act. These individuals will transition into Medi-Cal managed care beginning January 1, 2014.

The Department has developed beneficiary notices informing beneficiaries of the transition process. Beginning November 1, 2013, approximately 500,000 notices were mailed to beneficiaries. Due to the expanded scope of the project, there will be associated costs for the enrollment contractor to continue to provide telephone call center assistance through December 31, 2014.

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

Methodology:
1. Costs are negotiated per agent costs through a contract amendment with a term through December 31, 2014.

2. Costs are shared between federal funds (FF) and General Fund (GF).

HCO LIHP ENROLLMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 65

	TF	GF	FF
FY 2014-15	$1,426,000	$713,000	$713,000

Funding:
FI 50% Title XIX / 50% GF (4260-101-0001/0890)
***This policy change is appropriated in the Fiscal Intermediary appropriation of the Management Summary.

HCO PPDs - COST SAVINGS

OTHER ADMIN. POLICY CHANGE NUMBER:	66
IMPLEMENTATION DATE:	7/2014
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1859

	FY 2014-15	FY 2015-16
TOTAL FUNDS	-$2,083,000	-$2,996,000
STATE FUNDS	-$1,025,900	-$1,475,500
FEDERAL FUNDS	-$1,057,100	-$1,520,500

DESCRIPTION

Purpose:
This policy change estimates the cost savings for the Health Care Options (HCO) program from the Personalized Provider Directories (PPD) project.

Authority:
AB 203 (Chapter 188, Statutes of 2007)
HCO contract # 07-65829

Interdependent Policy Changes:
Not Applicable

Background:
MAXIMUS, Inc. has been the enrollment contractor for the HCO program since October 1, 1996. MAXIMUS, Inc. is responsible for enrolling Medi-Cal beneficiaries into managed care health plans within five Medi-Cal managed care health plan models including Two-Plan, Regional, Geographic Managed Care (GMC), San Benito and Imperial. MAXIMUS, Inc. also enrolls beneficiaries into dental care plans in Sacramento County, where enrollment is mandatory, and Los Angeles County, where enrollment is voluntary.

HCO currently prints and mails health plan provider directories that provide information for every Medi-Cal managed care provider in the beneficiary's county of residence. AB 203 authorized the implementation of a PPD as a pilot project in one Two-Plan Model county (Los Angeles) and one GMC county (Sacramento). The content and format of the PPDs were determined in consultation with health plans and stakeholders and resulted in smaller and more standardized user-friendly formats with up-to-date provider information. With the PPD's smaller directory, information to beneficiaries is streamlined and more easily understood. This has increased the numbers of beneficiaries who make a proactive health plan choice, in lieu of being defaulted into a health plan. The cost effective pilot project, which began in Los Angeles and Sacramento on February 27, 2009, is expected to be implemented statewide in June 2015.

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

Methodology:
1. The current annual savings for Los Angeles and Sacramento is $2,000,000. The expected savings

HCO PPDs - COST SAVINGS

OTHER ADMIN. POLICY CHANGE NUMBER: 66

per month of statewide implementation is $83,000. Estimated savings for FY 2014-15 and FY 2015- 16 are shown below:

FY 2014-15: $2,000,000 + ($83,000 x 1 month) = **$2,083,000**

FY 2015-16: $2,000,000 + ($83,000 x 12 months) = **$2,996,000**

FY 2014-15	TF	GF	FF
Title XIX (50% FF / 50% GF)	($1,979,000)	($989,000)	($990,000)
Title XXI (65% FF / 35% GF)	($104,000)	($36,000)	($68,000)
Total	**($2,083,000)**	**($1,025,000)**	**($1,058,000)**

FY 2015-16	TF	GF	FF
Title XIX (50% FF / 50% GF)	($2,846,000)	($1,423,000)	($1,423,000)
Title XXI (65% FF / 35% GF)	($150,000)	($53,000)	($97,000)
Total	**($2,996,000)**	**($1,476,000)**	**($1,520,000)**

Funding:
FI 50% Title XIX / 50% GF (4260-101-0001/0890)
FI 65% Title XXI / 35% GF (4260-113-0001/0890)
***This policy change is appropriated in the Fiscal Intermediary appropriation of the Management Summary.

PERSONAL CARE SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER:	67
IMPLEMENTATION DATE:	4/1993
ANALYST:	Randolph Alarcio
FISCAL REFERENCE NUMBER:	236

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$243,785,000	$265,178,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$243,785,000	$265,178,000

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 (IA) 03-75676
IA 14-90483

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.

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

PERSONAL CARE SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 67

FY 2014-15	TF	DHCS FFP	CDSS GF/ County Match
EW Time & Health Related	$388,370,000	$194,185,000	$194,185,000
CMIPS II	$99,200,000	$49,600,000	$49,600,000
Total	$487,570,000	**$243,785,000**	$243,785,000

FY 2015-16	TF	DHCS FFP	CDSS GF/ County Match
EW Time & Health Related	$431,356,000	$215,678,000	$215,678,000
CMIPS II	$99,000,000	$49,500,000	$49,500,000
Total	$530,356,000	**$265,178,000**	$265,178,000

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

HEALTH-RELATED ACTIVITIES - CDSS

OTHER ADMIN. POLICY CHANGE NUMBER:	68
IMPLEMENTATION DATE:	7/1992
ANALYST:	Randolph Alarcio
FISCAL REFERENCE NUMBER:	233

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$239,852,000	$260,425,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$239,852,000	$260,425,000

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: 68

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

FY 2014-15	TF	DHCS FFP	CDSS GF/ County Match
CWS	$249,153,000	$124,577,000	$124,577,000
CWS/CMS	$9,350,000	$4,675,000	$4,675,000
CSBG/APS	$221,201,000	$110,600,000	$120,600,000
TOTAL	$479,704,000	**$239,852,000**	$239,852,000

FY 2015-16	TF	DHCS FFP	CDSS GF/ County Match
CWS	$289,208,000	$144,604,000	$144,604,000
CWS/CMS	$11,130,000	$5,565,000	$5,565,000
CSBG/APS	$220,512,000	$110,256,000	$110,256,000
TOTAL	$520,850,000	**$260,425,000**	$260,425,000

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

CDDS ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	69
IMPLEMENTATION DATE:	7/1997
ANALYST:	Jason Moody
FISCAL REFERENCE NUMBER:	243

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$44,744,000	$40,652,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$44,744,000	$40,652,000

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: 69

FY 2014-15		DHCS FFP	CDDS GF	IA #
1	DC/SOSF Medi-Cal Admin.	$11,868,000	$11,868,000	03-75282/83
	DC/SOSF HIPAA*	$163,000	$0	03-75282/83
2	DC/SOSF MC Elig	$513,000	$513,000	01-15378
3	HCBS Waiver Admin.	$14,393,000	$14,393,000	01-15834
4	RC Medicaid Admin.	$11,010,000	$3,670,000	03-75734
5	NHR Admin.	$436,000	$436,000	03-75285
6	TCM HQ Admin.	$408,000	$408,000	03-75284
	TCM RC Admin.	$5,315,000	$5,315,000	03-75284
	TCM HIPAA*	$638,000	$0	03-75284
	Total	**$44,744,000**	$36,603,000	

FY 2015-16		DHCS FFP	CDDS GF	IA #
1	DC/SOSF Medi-Cal Admin.	$6,116,000	$6,116,000	03-75282/83
	DC/SOSF HIPAA*	$163,000	$0	03-75282/83
2	DC/SOSF MC Elig	$547,000	$547,000	01-15378
3	HCBS Waiver Admin.	$15,732,000	$15,732,000	01-15834
4	RC Medicaid Admin.	$11,192,000	$3,731,000	03-75734
5	NHR Admin.	$591,000	$591,000	03-75285
6	TCM HQ Admin.	$330,000	$330,000	03-75284
	TCM RC Admin.	$5,343,000	$5,343,000	03-75284
	TCM HIPAA*	$638,000	$0	03-75284
	Total	**$40,652,000**	$32,390,000	

Funding:
100% Title XIX (4260-101-0890)
100% HIPAA FFP (4260-117-0890)*

DEPARTMENT OF SOCIAL SERVICES ADMIN COST

OTHER ADMIN. POLICY CHANGE NUMBER:	70
IMPLEMENTATION DATE:	7/2002
ANALYST:	Randolph Alarcio
FISCAL REFERENCE NUMBER:	256

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$23,501,000	$26,467,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$23,501,000	$26,467,000

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 (IA):

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 and 13-90113
Medicaid Disability Evaluation Services	10-87027 and 13-90112
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), Community First Choice Option Program (CFCO), Coordinated Care Initiative (CCI) IA, 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: 70

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

FY 2014-15	TF	DHCS FFP	CDSS GF
IHSS PCSP	$10,414,000	$5,207,000	$5,207,000
IHSS Health Related	$30,000	$15,000	$15,000
CWS/CMS for Medi-Cal	$722,000	$361,000	$361,000
IHSS Plus Option Sec. 1915(j)	$6,772,000	$3,386,000	$3,386,000
SAWS	$474,000	$237,000	$237,000
Medi-Cal State Hearings	$14,250,000	$7,125,000	$7,125,000
Public Inquiry and Response	$300,000	$149,000	$149,000
Medicaid Disability Evaluation Services	$14,040,000	$7,020,000	$7,020,000
TOTAL	$47,002,000	**$23,501,000**	$23,501,000

FY 2015-16	TF	DHCS FFP	CDSS GF
IHSS PCSP	$14,026,000	$7,013,000	$7,013,000
IHSS Health Related	$24,000	$12,000	$12,000
CWS/CMS for Medi-Cal	$360,000	$180,000	$180,000
IHSS Plus Option Sec. 1915(j)	$3,968,000	$1,984,000	$1,984,000
SAWS	$430,000	$215,000	$215,000
Medi-Cal State Hearings	$11,704,000	$5,852,000	$5,852,000
Public Inquiry and Response	$298,000	$149,000	$149,000
Medicaid Disability Evaluation Services	$22,124,000	$11,062,000	$11,062,000
TOTAL	$52,934,000	**$26,467,000**	$26,467,000

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

MATERNAL AND CHILD HEALTH

OTHER ADMIN. POLICY CHANGE NUMBER:	71
IMPLEMENTATION DATE:	7/1992
ANALYST:	Joel Singh
FISCAL REFERENCE NUMBER:	234

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$24,829,000	$34,824,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$24,829,000	$34,824,000

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 expenditures.

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 $22,563,000. Cash basis expenditures vary from year-to-year based on when claims are actually paid.

MATERNAL AND CHILD HEALTH

OTHER ADMIN. POLICY CHANGE NUMBER: 71

3. The FY 2014-15 budgeted amounts include $5,244,000 for FY 2012-13, $12,816,000 for FY 2013-14, and $6,769,000 for FY 2014-15.
   -
4. The FY 2015-16 budgeted amounts include $5,493,000 for FY 2013-14, $15,794,000 for FY 2014-15, and $13,537,000 for FY 2015-16.

5. The following estimates have been provided on a cash basis by CDPH.

(Dollars in Thousands)

FY 2014-15	DHCS FFP	CDPH GF	County Match
BIH	$3,890	$1,152	$2,300
CPSP, PCG & SOW	$19,832		$13,146
AFLP	$1,107		$1,018
Total	**$24,829**	$1,152	$16,464

FY 2015-16	DHCS FFP	CDPH GF	County Match
BIH	$8,970	$4,991	$3,494
CPSP, PCG & SOW	$24,593		$16,970
AFLP	$1,261		$1,177
Total	**$34,824**	$4,991	$21,641

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

HEALTH CARE PROGRAM FOR CHILDREN IN FOSTER CARE

OTHER ADMIN. POLICY CHANGE NUMBER:	72
IMPLEMENTATION DATE:	7/1999
ANALYST:	Jason Moody
FISCAL REFERENCE NUMBER:	246

	FY 2014-15	FY 2015-16
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) 14-2002

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 by 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 revenues, which fund the state share of the program, will be transferred to the counties. To enable this

HEALTH CARE PROGRAM FOR CHILDREN IN FOSTER CARE

OTHER ADMIN. POLICY CHANGE NUMBER: 72

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, 2016. CDSS will redirect funds for this purpose from the newly established Local Revenue Fund of 2011. CDSS proposes the transition of the HCPCFC to full local control under the county welfare departments, effective July 1, 2016, contingent upon an appropriate mechanism to match enhanced FFP.

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

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

(Dollars in Thousands)

	TF	CDSS GF	DHCS FFP
FY 2014-15	$33,524	$8,381	**$25,143**

	TF	CDSS GF	DHCS FFP
FY 2015-16	$33,524	$8,381	**$25,143**

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

FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	73
IMPLEMENTATION DATE:	7/2007
ANALYST:	Joel Singh
FISCAL REFERENCE NUMBER:	1192

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$12,214,000	$11,843,000
STATE FUNDS	$3,122,000	$3,358,000
FEDERAL FUNDS	$9,092,000	$8,485,000

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 (MCAH)
- Office of AIDS
- Childhood Lead Prevention Program (CLPP)
- Center for Health Statistics and Informatics (CHSI)
- Licensing and Certification
- Skilled Nursing Facilities (SNF)

SB 853 (Chapter 717, Statutes of 2010) implemented a quality and accountability supplemental payment program (QASP) for nursing facilities (NF-Bs). The Department will reimburse CDPH's Skilled Nursing Facilities administrative costs from this Special Fund. On July 31, 2015, in the absence of legislation, the QASP is scheduled to sunset. The Department is assuming continuation of the program beyond the July 31, 2015 sunset date.

On May 7, 2014, CMS instructed CDPH to submit Licensing and Certification Title XIX expenditure reports for Non-Long Term Care (NLTC) support costs. Effective January 2014, CMS will reimburse CDPH directly for NLTC support costs in the form of grant awards.

The Center for Health Statistics and Informatics cost estimates the California Health Interview Survey (CHIS) contract services costs. CHIS is conducted by the University of California, Los Angeles (UCLA) Center for Health Policy Research in collaboration with the California Department of Public Health (CDPH) and the Department. The Department currently has a shared contract with CDPH to provide federal funding for CHIS. The Department's contract with CDPH will sunset June 30, 2015.

FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 73

Effective July 1, 2015, the Department will contract directly with UCLA to utilize CHIS for program needs and performance. FY 2015-16 Federal Financial Participation (FFP) costs for the new contract will be budgeted in Other Administrative policy change titled California Health Interview Survey; the non-federal share will be paid through certified public expenditures (CPEs).

Reason for Change from Prior Estimate:
The changes are due to the following:

- SNF and Licensing and Certification costs reflect updated actual expenditures.
- For CLPP, FY 2014-15 and FY 2015-16 changes are due to updated expenditures and to realign with appropriation authority.
- For CHSI, FY 2015-16 costs reflect remaining expenditures for FY 2014-15. FY 2015-16 contract cost is now budgeted in Other Administrative policy change titled California Health Interview Survey.

Methodology:

1. CDPH provides the General Fund match.

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 2014-15 (Cash Basis)	**DHCS FFP***	**DHCS SP****	**GF**	**Other Match**
MCAH	$2,180,000		$1,902,000	
Office of AIDS	$373,000		$373,000	
CLPP	$1,770,000			$1,770,000
CHSI	$718,000			$718,000
Licensing and Certification	$929,000			$929,000
Skilled Nursing Facilities	$3,122,000	$3,122,000		
Total	**$9,092,000**	**$3,122,000**	$2,275,000	$3,417,000

FY 2015-16 (Cash Basis)	**DHCS FFP***	**DHCS SP****	**GF**	**Other Match**
MCAH	$2,180,000		$1,902,000	
Office of AIDS	$390,000		$390,000	
CLPP	$1,570,000			$1,570,000
CHSI	$135,000			$135,000
Licensing and Certification	$852,000			$852,000
Skilled Nursing Facilities	$3,358,000	$3,358,000		
Total	**$8,485,000**	**$3,358,000**	$2,292,000	$2,557,000

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:	74
IMPLEMENTATION DATE:	7/1997
ANALYST:	Joel Singh
FISCAL REFERENCE NUMBER:	239

	FY 2014-15	FY 2015-16
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 have administrative costs associated with case management services to Medi-Cal eligibles, federal matching funds can be claimed. The federal match is provided to CDPH through an Interagency Agreement.

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.

(Dollars in Thousands)

FY 2014-15	DHCS FFP	CDPH CLPP Fee Funds
Administrative Costs	**$7,400**	$7,400

FY 2015-16	DHCS FFP	CDPH CLPP Fee Funds
Administrative Costs	**$5,200**	$5,200

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

DEPARTMENT OF AGING ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	75
IMPLEMENTATION DATE:	7/1984
ANALYST:	Randolph Alarcio
FISCAL REFERENCE NUMBER:	253

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$3,442,000	$3,538,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$3,442,000	$3,538,000

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 Agreements:
CBAS 03-76137
MSSP 01-15976

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: 75

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

(Dollars in Thousands)

	FY 2014-15		FY 2015-16	
CBAS Support	**CDA GF**	**FFP**	**CDA GF**	**FFP**
FY 2013-14 DOS	$4	$4		
FY 2014-15 DOS	$1,527	$1,769	$47	$55
FY 2015-16 DOS			$1,527	$1,769
Total CBAS	$1,531	$1,773	$1,574	$1,824
MSSP Support				
FY 2013-14 DOS	$2	$2		
FY 2014-15 DOS	$1,229	$1,421	$38	$44
FY 2015-16 DOS			$1,232	$1,421
Total MSSP	$1,231	$1,423	$1,270	$1,465
ADRC Support*				
FY 2014-15 DOS		$245		$8
FY 2015-16 DOS				
Grand Total	$2,762	**$3,441**	$2,844	**$3,297**

Funding:
100% Title XIX (4260-101-0890)
100% MFP Federal Grant (4260-106-0890)*

CHHS AGENCY HIPAA FUNDING

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

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$1,206,000	$1,215,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$1,206,000	$1,215,000

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 (IA) 14-90234

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:
1. The CHHS Agency prioritizes HIPAA projects so that the most critical projects are implemented first.

Cash Basis	DHCS FF	CHHS GF
FY 2014-15	**$1,206,000**	$1,206,000
FY 2015-16	**$1,215,000**	$1,215,000

Funding:
100% HIPAA (4260-117-0890)

TOBACCO QUITLINE ADMINISTRATIVE SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER:	77
IMPLEMENTATION DATE:	1/2014
ANALYST:	Joel Singh
FISCAL REFERENCE NUMBER:	1680

	FY 2014-15	FY 2015-16
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 Tobacco Quitline Services provided to Medi-Cal beneficiaries.

Authority:
Interagency Agreement (IA) 13-90417

Interdependent Policy Change:
Not Applicable

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

The Department executed an IA with CDPH to enable the State to receive 50% FFP for Tobacco Quitline Services administrative costs beginning July 1, 2013.

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

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.

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

VETERANS BENEFITS

OTHER ADMIN. POLICY CHANGE NUMBER:	78
IMPLEMENTATION DATE:	12/1988
ANALYST:	Joanne Peschko
FISCAL REFERENCE NUMBER:	232

	FY 2014-15	FY 2015-16
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:
AB 1807(Chapter 1424, Statutes of 1987)
California Military & Veterans Code 972.5
Interagency Agreement 14-90187

Interdependent Policy Changes:
Not Applicable

Background:
Assembly Bill (AB) 1807 permits the Department to make available federal Medicaid funds in order to obtain additional veterans benefits for Medi-Cal beneficiaries, thereby reducing costs to Medi-Cal. An interagency agreement exists with the CDVA. CVSO's 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.

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

Methodology:
1. The contract amounts for FY 2014-15 and FY 2015-16 is estimated to be $956,000. The non-federal match is budgeted at CDVA.

(Dollars in Thousands)	FY 2014-15			FY 2015-16		
Cash Basis	**TF**	**CDVA GF**	**DHCS FF**	**TF**	**CDVA GF**	**DHCS FF**
Administrative	$436	$218	$218	$436	$218	$218
Workload Units	$1,476	$738	$738	$1,476	$738	$738
Total	$1,912	$956	**$956**	$1,912	$956	**$956**

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

CDPH I&E PROGRAM AND EVALUATION

OTHER ADMIN. POLICY CHANGE NUMBER:	79
IMPLEMENTATION DATE:	7/2003
ANALYST:	Joel Singh
FISCAL REFERENCE NUMBER:	261

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$1,038,000	$946,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$1,038,000	$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 (IA) 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.

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

Reason for Change from Prior Estimate:
The changes are due to updated actual claims data.

Methodology:
1. CDPH budgets the non-federal matching funds.

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

CDPH I&E PROGRAM AND EVALUATION

OTHER ADMIN. POLICY CHANGE NUMBER: 79

FY 2014-15	TF	CDPH GF	DHCS FF
FY 2013-14	$751,000	$375,000	$376,000
FY 2014-15	$1,324,000	$662,000	$662,000
Total	$2,075,000	$1,037,000	**$1,038,000**

FY 2015-16	TF	CDPH GF	DHCS FF
FY 2014-15	$568,000	$284,000	$284,000
FY 2015-16	$1,324,000	$662,000	$662,000
Total	$1,892,000	$946,000	**$946,000**

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

KIT FOR NEW PARENTS

OTHER ADMIN. POLICY CHANGE NUMBER:	80
IMPLEMENTATION DATE:	7/2001
ANALYST:	Erickson Chow
FISCAL REFERENCE NUMBER:	249

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$1,090,000	$1,119,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$1,090,000	$1,119,000

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:
The printing costs for the “Welcome Kits” has increased.

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 kits x 46% = 170,200 Medi-Cal kits

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

   170,200 Medi-Cal kits x 51% = 86,802 basic kits
   170,200 Medi-Cal kits x 49% = 83,398 custom kits

3. As of July 1, 2014, the basic kit costs $13.10 and the customized kit, which contains an additional item specific to the county of birth, costs $13.19.

4. For the FY 2014-15 expenditures, $501,000 of the costs are from the last quarter of FY 2013-14 and $1,678,000 of the costs are from the first three quarters of FY 2014-15.

5. For the FY 2015-16 expenditures, $559,000 of the costs are from the last quarter of FY 2014-15 and $1,678,000 of the costs are from the first three quarters of FY 2015-16.

KIT FOR NEW PARENTS

OTHER ADMIN. POLICY CHANGE NUMBER: 80

Annual Cost (Accrual Basis)	
86,802 basic kits x $13.10	$ 1,137,000
83,398 custom kits x $13.19	$ 1,100,000
Total	$ 2,237,000

Cash Basis	FY 2014-15	FY 2015-16
FY 2013-14	$ 501,000	$ 0
FY 2014-15	$ 1,678,000	$ 559,000
FY 2015-16	$ 0	$ 1,678,000
Total	$ 2,179,000	$ 2,237,000
FFP Total	**$ 1,090,000**	**$ 1,119,000**

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

MEDI-CAL INPATIENT SERVICES FOR INMATES

OTHER ADMIN. POLICY CHANGE NUMBER:	81
IMPLEMENTATION DATE:	3/2011
ANALYST:	Joanne Peschko
FISCAL REFERENCE NUMBER:	1665

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$560,000	$1,017,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$560,000	$1,017,000

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)
SB 1399 (Chapter 405, Statutes of 2010)
AB 396 (Chapter 394, Statutes of 2011)
SB 1462 (Chapter 837, Statutes of 2012)
AB 720 (Chapter 646, Statutes of 2013)
Interagency Agreement #10-87275

Interdependent Policy Changes:
Not Applicable

Background:
AB 1628 (Chapter 729, Statutes of 2010) 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 are included in the Medi-Cal inpatient hospital costs for inmates and LIHP inpatient hospital costs for CDCR inmates policy changes respectively.

SB 1399 (Chapter 405, Statutes of 2010) authorizes the Board of Parole Hearings to:

- Grant medical parole to permanently medically incapacitated State inmates. State inmates granted medical parole are potentially eligible for Medi-Cal. When a state inmate is granted medical parole, CDCR submits a Medi-Cal application to the Department to determine eligibility. Previously these services were funded through CDCR with 100% GF.

AB 396 (Chapter 394, Statutes of 2011) authorizes the Department, counties, and the CDCR to:

- Claim FFP for inpatient hospital services provided to Medi-Cal eligible juvenile inmates in State and county correctional facilities when these services are provided off the grounds of the facility. Previously, these services were paid 100 percent by CDCR or the county. Policy Change CA 1 County Administration Base covers the county FFP for county inmates.

MEDI-CAL INPATIENT SERVICES FOR INMATES

OTHER ADMIN. POLICY CHANGE NUMBER: 81

SB 1462 (Chapter 837, Statutes of 2012) authorizes a county sheriff, or his/her designee:

- To release certain prisoners (compassionate release) from a county correctional facility and request that a court grant medical probation, or resentencing in lieu of jail time, to certain county inmates. Counties are responsible for paying the non-federal share of costs associated with providing care to inmates compassionately released or granted medical probation. Counties are responsible for determining Medi-Cal eligibility for county inmates seeking medical probation or compassionate release.

AB 720 (Chapter 646, Statutes of 2013) authorizes the board of supervisors in each county, in consultation with the county sheriff, to:

- Designate an entity or entities to assist county jail inmates to apply for a health insurance affordability program. This bill authorizes the entity to act on behalf of a county jail inmate for the purpose of applying for, or determinations of, Medi-Cal eligibility for acute inpatient hospital services as specified.

Reason for Change from Prior Estimate:
CDCR is establishing a new administrative contract and the estimated FY 2015-16 contract costs were updated. The new FY 2015-16 contract costs are 3.5% higher than previously estimated.

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 in FY 2014-15 and $1,017,000 in FY 2015-16.

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

MERIT SYSTEM SERVICES FOR COUNTIES

OTHER ADMIN. POLICY CHANGE NUMBER:	82
IMPLEMENTATION DATE:	7/2003
ANALYST:	Joanne Peschko
FISCAL REFERENCE NUMBER:	263

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$196,000	$195,000
STATE FUNDS	$98,000	$97,500
FEDERAL FUNDS	$98,000	$97,500

DESCRIPTION

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

Authority:
IA #12-89476

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. 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:
FY 2014-15 has been updated to include the actual amount invoiced through February 2015.

Methodology:
1) CalHR provided the estimates on a cash basis.

2) The estimated reimbursement is $196,000 TF ($98,000 GF) in FY 2014-15 and $195,000 TF ($97,500 GF) in FY 2015-16.

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

CDDS DENTAL SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER:	83
IMPLEMENTATION DATE:	11/2011
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1631

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$40,000	$40,000
STATE FUNDS	$40,000	$40,000
FEDERAL FUNDS	$0	$0

DESCRIPTION

Purpose:
This policy change estimates the cost related to processing the California Department of Developmental 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 were 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:
Expenditures have been updated based on actual invoices.

Methodology:
1. Assume the cost of processing claims is $40,000 annually.

2. All costs are reimbursed by CDDS.

Funding:
Reimbursement GF (4260-610-0995)

PIA EYEWEAR COURIER SERVICE

OTHER ADMIN. POLICY CHANGE NUMBER:	84
IMPLEMENTATION DATE:	7/2003
ANALYST:	Erickson Chow
FISCAL REFERENCE NUMBER:	1114

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$438,000	$382,000
STATE FUNDS	$219,000	$191,000
FEDERAL FUNDS	$219,000	$191,000

DESCRIPTION

Purpose:
This policy change estimates courier services costs 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:
There is no change.

Methodology:

1. The new contract is with State Delivery Service Inc. The cost per package rate is $1.375 plus a three percent fuel surcharge. There is a one quarter lag for the payment of these services.

2. The estimated shipped packages is 260,000 for FY 2014-15 and 273,000 for FY 2015-16.

FY 2014-15	$1.375 x 1.03 x 260,000 = $368,000 TF
FY 2015-16	$1.375 x 1.03 x 273,000 = $387,000 TF

3. The new PIA contract in FY 2013-14 resulted in a late submission for the third quarter invoice. The payment for this quarter was not made until July 2014.

Cash Basis	FY 2014-15	FY 2015-16
FY 2013-14 Services	$162,000	$0
FY 2014-15 Services	$276,000	$ 92,000
FY 2015-16 Services	$0	$290,000
Total	**$438,000**	**$382,000**

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

HCO ANNUAL HEALTH PLAN OPEN ENROLLMENT COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	86
IMPLEMENTATION DATE:	7/2015
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1886

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$0	$3,930,000
STATE FUNDS	$0	$1,965,000
FEDERAL FUNDS	$0	$1,965,000

DESCRIPTION

Purpose:
This policy change estimates the total costs for the Health Care Options (HCO) program for the Annual Health Plan Open Enrollment mailings.

Authority:
Proposed Legislation

Interdependent Policy Changes:
PC 196 Annual Health Plan Open Enrollment

Background:
MAXIMUS, Inc. has been the enrollment contractor for the HCO program since October 1, 1996. MAXIMUS, Inc. is responsible for enrolling Medi-Cal beneficiaries into managed care health plans within five Medi-Cal managed care health plan models including Two-Plan, Regional, Geographic Managed Care, San Benito and Imperial. MAXIMUS, Inc. also enrolls beneficiaries into dental care plans in Sacramento County, where enrollment is mandatory, and Los Angeles County, where enrollment is voluntary.

Currently, managed care enrollees may change plans on a monthly basis. This policy fosters frequent changes throughout the year which adversely affect continuity of care. The Department is proposing legislation to change the managed care enrollment policy to allow enrollees not mentioned above in Two-Plan and Geographic Managed Care counties to change plans on an annual basis. This change is consistent with the policy in most large group health plans such as CalPERS. New beneficiaries will have 90 days from their initial enrollment date to select or change their managed care plan. On an annual basis, existing members will be provided a 90-day period to change plans.

Maximus, Inc. will mail special notices each year to inform beneficiaries of the upcoming open enrollment period. These special notices will be mailed within a timeframe to ensure that beneficiaries receive the notices within thirty (30) days prior to the open enrollment period. Beneficiaries who wish to change plans may do so over the telephone or may request an HCO informing packet and complete and mail in the appropriate forms. The first open enrollment period is expected to begin on November 15, 2015 and continue through February 15, 2016.

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

HCO ANNUAL HEALTH PLAN OPEN ENROLLMENT COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 86

Methodology:

1. Costs are not fixed price operations costs but will be reimbursed to Maximus, Inc. through a contract amendment.

2. Maximus, Inc. currently mails Annual Re-notification notices to beneficiaries each year to advise them of their right to make other health care choices. Costs reflect a savings with the discontinuance of these mailings which will offset the total costs for Annual Health Plan Open Enrollment mailings.

(Dollars in Thousands)

FY 2015-16	TF	GF	FF
Printing and postage costs	$5,978	$2,989	$2,989
Printing and postage savings	($2,048)	($1,024)	($1,024)
Total	**$3,930**	**$1,965**	**$1,965**

Funding:
FI 50% Title XIX / 50% GF (4260-101-0001/0890)
***This policy change is appropriated in the Fiscal Intermediary appropriation of the Management Summary.

DENTAL FI OPERATIONS

OTHER ADMIN. POLICY CHANGE NUMBER:	87
IMPLEMENTATION DATE:	7/2014
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1887

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$81,117,000	$83,761,000
STATE FUNDS	$26,422,500	$27,295,500
FEDERAL FUNDS	$54,694,500	$56,465,500

DESCRIPTION

Purpose:
This policy change estimates the operational costs of the Dental Fiscal Intermediary (FI) contract.

Authority:
Contract # 04-35745

Interdependent Policy Changes:
Not Applicable

Background:
Delta Dental of California (Delta) was awarded a multi-year contract in 2004. Delta is responsible for all the FI services, including claims processing, provider enrollment, outreach, and the underwriting of the Medi-Cal Dental Program. The Department is currently seeking approval for a second two-year extension of the current contract with Delta for the period July 1, 2015 through June 30, 2017.

The terms of the contract require Delta to process and pay claims submitted by Medi-Cal providers for services rendered to Medi-Cal eligibles. There are numerous enhancements to the claims processing system which have been made under the terms of the contract.

Operations constitute all contractual responsibilities required for the Contractor to administer and operate the California Dental Medicaid Management Information System (CD-MMIS). These cost categories consist of:

- General Adjudicated Claim Service Lines (ACSLs) – Lines of service associated with a Medi-Cal dental claim. Payments to FI are based on the number of ACSL's processed.
- Treatment Authorization Requests (TARS) - Prior authorization for treatment in accordance with Medi-Cal dental policy and procedures when prior authorization is required.
- Telephone Service Center (TSC) - Telephone activities to support effective provider and beneficiary service operations and meet all applicable performance standards.

Delta has bid on State-specified volume ranges for each of the above categories. The Department estimates Operations costs by applying these bid rates to the projected volumes for the current and budget year.

Reason for change from Prior Estimate:
In FY 2014-15 and FY 2015-16, the increase in costs is due to the increase in TSC costs.

DENTAL FI OPERATIONS

OTHER ADMIN. POLICY CHANGE NUMBER: 87

Methodology:

1. Operations costs are fixed price rates based on volumes within minimum and maximum ranges under the Dental FI contract.

2. Dental Administration/Operations costs are based on 85% of the total ACSL/TAR costs. Provider Enrollment accounts for 15% of the total ACSL/TAR costs.

3. For ACSL and TAR projections

   a. Full, ongoing costs will be incurred for all contract pricing components;
   b. Postage, printing, Knox-Keene and Dental Outreach are funded at 50% federal funds (FF).
   c. Expenditures for all remaining administrative cost categories will be funded at 75% FF.

4. Dental Administration/Operations costs are funded at 75 % FF and 25% General Fund (GF).

5. Assume 69% of Provider Enrollment costs are funded at 50% GF and 31% of Provider Enrollment is funded at 25% GF.

6. Assume 69% of the TSC costs are funded at 50% GF and 31% of TSC costs are funded at 25% GF.

FY 2014-15	TF	GF	GF	FF	FF
		Title XIX (25%)	Title XIX (50%)	Title XIX (75%)	Title XIX (50%)
Administration/Operations	$45,503,000	$11,376,000	$0	$34,127,000	$0
Provider Enrollment	$8,030,000	$622,000	$2,770,000	$1,868,000	$2,770,000
Total ACSL/TAR	$53,533,000	$11,998,000	$2,770,000	$35,995,000	$2,770,000
TSC - Provider	$17,743,000	$1,375,000	$6,121,000	$4,125,000	$6,122,000
TSC - Beneficiary	$9,841,000	$763,000	$3,395,000	$2,288,000	$3,395,000
Total TSC	$27,584,000	$2,138,000	$9,516,000	$6,413,000	$9,517,000
Total Operations Costs	**$81,117,000**	**$14,136,000**	**$12,286,000**	**$42,408,000**	**$12,287,000**

FY 2015-16	TF	GF	GF	FF	FF
		Title XIX (25%)	Title XIX (50%)	Title XIX (75%)	Title XIX (50%)
Administration/Operations	$46,919,000	$11,730,000	$0	$35,189,000	$0
Provider Enrollment	$8,280,000	$642,000	$2,856,000	$1,925,000	$2,857,000
Total ACSL/TAR	$55,199,000	$12,372,000	$2,856,000	$37,114,000	$2,857,000
TSC - Provider	$18,381,000	$1,424,000	$6,341,000	$4,274,000	$6,342,000
TSC - Beneficiary	$10,181,000	$789,000	$3,513,000	$2,367,000	$3,512,000
Total TSC	$28,562,000	$2,213,000	$9,854,000	$6,641,000	$9,854,000
Total Operations Costs	**$83,761,000**	**$14,585,000**	**$12,710,000**	**$43,755,000**	**$12,711,000**

DENTAL FI OPERATIONS

OTHER ADMIN. POLICY CHANGE NUMBER: 87

Funding:
FI 50% Title XIX / 50% GF (4260-101-0001/0890)
FI 75% Title XIX / 25% GF (4260-101-0001/0890)
***This policy change is appropriated in the Fiscal Intermediary appropriation of the Management Summary.

DENTAL FI HOURLY REIMBURSEMENT

OTHER ADMIN. POLICY CHANGE NUMBER:	88
IMPLEMENTATION DATE:	7/2014
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1888

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$12,116,000	$12,334,000
STATE FUNDS	$3,029,000	$3,083,500
FEDERAL FUNDS	$9,087,000	$9,250,500

DESCRIPTION

Purpose:
This policy change estimates the hourly reimbursement costs of the Dental Fiscal Intermediary (FI) contract.

Authority:
Contract # 04-35745

Interdependent Policy Changes:
Not Applicable

Background:
Delta Dental of California (Delta) was awarded a multi-year contract in 2004. Delta is responsible for all the FI services, including claims processing, provider enrollment, outreach, and the underwriting of the Medi-Cal Dental Program. The Department is currently seeking approval for a second two-year extension of the current contract with Delta for the period July 1, 2015 through June 30, 2017.

The terms of the contract require Delta to process and pay claims submitted by Medi-Cal providers for services rendered to Medi-Cal eligibles. There are numerous enhancements to the claims processing system which have been made under the terms of the contract.

Certain activities are reimbursed on an hourly basis by the State. The rate paid to the Contractor consists of all direct and indirect costs required to support these activities. Hourly reimbursed areas consist of the Systems Group (SG), Surveillance and Utilization Review (SURS) unit, and computer support. The SG staff consists of technical and supervisory staff that design, develop, and implement Department required modifications and/or provide technical support to the California Dental Medicaid Management Information Systems. The SURS staff consists of dental consultants, manager/supervisors, liaisons, and analysts that monitor the provider and beneficiary claims to prevent potential fraud and abuse.

Reason for change from Prior Estimate:
SG and SURS costs were adjusted per the current California Consumer Price Index resulting in an increase in costs in FY 2015-16.

Methodology:
1. SG costs are based on the Contract Bid Price for SG Hourly Reimbursements.

2. SURS costs are based on the Contract Bid Price for SURS Hourly Reimbursements.

DENTAL FI HOURLY REIMBURSEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 88

3. Costs are shared between federal funds (FF) and General Fund (GF).

FY 201415	TF	GF	FF
Systems Group	$7,520,000	$1,880,000	$5,640,000
SURS	$4,596,000	$1,149,000	$3,447,000
Total	**$12,116,000**	**$3,029,000**	**$9,087,000**

FY 201516	TF	GF	FF
Systems Group	$7,336,000	$1,834,000	$5,502,000
HIPAA Operating Rules	$320,000	$80,000	$240,000
SURS	$4,678,000	$1,170,000	$3,508,000
Total	**$12,334,000**	**$3,084,000**	**$9,250,000**

Funding:
FI 75% Title XIX / 25% GF (4260-101-0001/0890)
***This policy change is appropriated in the Fiscal Intermediary appropriation of the Management Summary.

DENTAL FI COST REIMBURSEMENT

OTHER ADMIN. POLICY CHANGE NUMBER:	89
IMPLEMENTATION DATE:	7/2014
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1889

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$7,369,000	$7,369,000
STATE FUNDS	$3,504,250	$3,504,250
FEDERAL FUNDS	$3,864,750	$3,864,750

DESCRIPTION

Purpose:
This policy change estimates the total cost reimbursement of the Dental Fiscal Intermediary (FI) contract.

Authority:
Contract # 04-35745

Interdependent Policy Changes:
Not Applicable

Background:
Delta Dental of California (Delta) was awarded a multi-year contract in 2004. Delta is responsible for all the FI services, including claims processing, provider enrollment, outreach, and the underwriting of the Medi-Cal Dental Program. The Department is currently seeking approval for a second two-year extension of the current contract with Delta for the period July 1, 2015 through June 30, 2017.

The terms of the contract require Delta to process and pay claims submitted by Medi-Cal providers for services rendered to Medi-Cal eligibles. There are numerous enhancements to the claims processing system which have been made under the terms of the contract.

Cost reimbursements are direct costs incurred by the enrollment contractor while performing responsibilities under the contract that are in addition to fixed operations costs. Various costs incurred by the Contractor while performing responsibilities under the contract will be reimbursed by the State. These costs are not a part of the bid price of the contract. Any of the following costs may be cost reimbursed under the contract:

1. Printing,
2. Data center access,
3. Postage, parcel services, and common carriers,
4. Special training sessions, convention, and travel,
5. Audits and research,
6. Facilities improvement,
7. Telephone toll charges,
8. Knox Keene License Annual Assessment, and
9. Miscellaneous.

Costs under these categories consist of direct costs, or a subset thereof, which can be specifically identifiable with the particular cost objective.

DENTAL FI COST REIMBURSEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 89

Reason for change from Prior Estimate:
The Health Insurance Providers Fee, which was formerly included in the Dental FI cost reimbursement category, is now budgeted in PC 120 Dental Managed Care and PC 171 Dental Services.

Methodology:
1. Costs are shared between federal funds (FF) and General Fund (GF).

FY 2014-15	TF	GF	GF	FF	FF
		Title XIX (25%)	Title XIX (50%)	Title XIX (75%)	Title XIX (50%)
Printing	$1,300,000	$0	$650,000	$0	$650,000
Data Center Access	$1,000	$0	$0	$1,000	$0
Postage/Parcel Service	$1,500,000	$0	$750,000	$0	$750,000
Special Training, Conf., Travel	$130,000	$0	$65,000	$0	$65,000
Audits	$170,000	$0	$85,000	$0	$85,000
Facilities Improvement	$110,000	$28,000	$0	$82,000	$0
Toll Free Phone Charges	$610,000	$152,000	$0	$458,000	$0
Knox-Keene Annual Assess.	$2,898,000	$0	$1,449,000	$0	$1,449,000
Misc.	$650,000	$0	$325,000	$0	$325,000
Total	**$7,369,000**	**$180,000**	**$3,324,000**	**$541,000**	**$3,324,000**

FY 2015-16	TF	GF	GF	FF	FF
		Title XIX (25%)	Title XIX (50%)	Title XIX (75%)	Title XIX (50%)
Printing	$1,300,000	$0	$650,000	$0	$650,000
Data Center Access	$1,000	$0	$0	$1,000	$0
Postage/Parcel Service	$1,500,000	$0	$750,000	$0	$750,000
Special Training, Conf., Travel	$130,000	$0	$65,000	$0	$65,000
Audits	$170,000	$0	$85,000	$0	$85,000
Facilities Improvement	$110,000	$28,000	$0	$82,000	$0
Toll Free Phone Charges	$610,000	$152,000	$0	$458,000	$0
Knox-Keene Annual Assess.	$2,898,000	$0	$1,449,000	$0	$1,449,000
Misc.	$650,000	$0	$325,000	$0	$325,000
Total	**$7,369,000**	**$180,000**	**$3,324,000**	**$541,000**	**$3,324,000**

Funding:
FI 50% Title XIX / 50% GF (4260-101-0001/0890)
FI 75% Title XIX / 25% GF (4260-101-0001/0890)
***This policy change is appropriated in the Fiscal Intermediary appropriation of the Management Summary.

DENTAL FI CD-MMIS COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	90
IMPLEMENTATION DATE:	7/2015
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1890

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$0	$75,000
STATE FUNDS	$0	$18,750
FEDERAL FUNDS	$0	$56,250

DESCRIPTION

Purpose:
This policy change estimates the cost of the base California Dental Medicaid Management Information System's (CD-MMIS) additional contractual services of the Dental Fiscal Intermediary (FI) contract.

Authority:
Contract # 04-35745

Interdependent Policy Changes:
Not Applicable

Background:
Delta Dental of California (Delta) was awarded a multi-year contract in 2004. Delta is responsible for all the fiscal intermediary (FI) services, including claims processing, provider enrollment, outreach, and the underwriting of the Medi-Cal Dental Program. The Department is currently seeking approval for a second two-year extension of the current contract with Delta for the period July 1, 2015 through June 30, 2017.

The dental FI operates CD-MMIS, which is the Medi-Cal dental claims processing system. It is a mission-critical system that must ensure timely and accurate claims processing for Medi-Cal dental providers.

In February 2012, the new dental FI began takeover activities. However, CMS determined the new Medi-Cal Dental FI contract failed to meet the regulatory criteria and conditions as a MMIS. The Department received approval for a two-year Non Competitive Bid Sole Source extension of the 2004 contract, extending operations of the current Dental FI contract for the period of July 1, 2013 through June 30, 2015. The Department instructed the FI contractor to stop all Takeover activities. The FI contractor filed a Notification of Claim to recoup costs already expended for Takeover activities. The Department has determined that the FI contractor should be reimbursed and is currently working with CMS to determine if Federal Financial Participation will be available for these costs.

The Department has instructed the FI contractor to resume turnover support services and all activities in accordance with the contract requirements. Due to contracting issues with CMS in executing the new contract, turnover activities will need to commence again. The Turnover period ensures an orderly transfer of the Medi-Cal Dental FI contract from the current contractor to the successor contractor, in addition to supporting the Department's procurement effort by ensuring that all required data and documentation was included in the Office of Medi-Cal Procurement's data library. As a result, the Turnover bid price has been renegotiated. An amendment is in process to implement this change.

DENTAL FI CD-MMIS COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 90

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

Methodology:
1. Costs are estimated based on actual expenses for the turnover services already performed.

2. Costs are shared between federal funds (FF) and general funds (GF).

	TF	GF	FF
FY 2015-16	$75,000	$19,000	$56,000

Funding:
FI 75% Title XIX / 25% GF (4260-101-0001/0890)
***This policy change is appropriated in the Fiscal Intermediary appropriation of the Management Summary.

DENTAL FI CONLAN, SCHWARZMER, STEVENS V. BONTA

OTHER ADMIN. POLICY CHANGE NUMBER:	91
IMPLEMENTATION DATE:	7/2014
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1891

	FY 2014-15	FY 2015-16
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 of additional workload of the Dental Fiscal Intermediary (FI) contract as a result of the *Conlan, Schwarzmer, Stevens v. Bontá* case ruling.

Authority:
Contract # 04-35745

Interdependent Policy Changes:
Not Applicable

Background:
Delta Dental of California (Delta) was awarded a multi-year contract in 2004. Delta is responsible for all the fiscal intermediary (FI) services, including claims processing, provider enrollment, outreach, and the underwriting of the Medi-Cal Dental Program. The Department is currently seeking approval for a second two-year extension of the current contract with Delta for the period July 1, 2015 through June 30, 2017.

In the case of *Conlan, Schwarzmer, Stevens v. Bontá,* the Court of Appeals found that the Department failed to provide a procedure whereby Medi-Cal beneficiaries can be reimbursed for their out-of-pocket expenses for health care received during their period of retroactive eligibility and during the period between their application for Medi-Cal and their determination of eligibility. The Court held that the Department's system of relying upon the beneficiaries to obtain reimbursement from the providers for these expenses is insufficient, because it violates the comparability provisions of the Medicaid law.

The Department has developed and implemented new processes through the Dental FI to ensure prompt reimbursement to beneficiaries. The Dental FI is required to hire, train, and oversee appropriate staff to address this new workload. Costs have been updated based on the current workload volume the Dental FI is receiving.

Reason for change from Prior Estimate:
As a result of adult dental restoration on May 1, 2014, the number of eligibles and the scope of services available to adults has increased. With more beneficiaries accessing care, there is an increase in the number of incidents in which a beneficiary is inappropriately charged for covered services and need to apply for reimbursement in accordance with the court mandate. The increase in costs is due to the resulting increase in the number of average monthly Correspondence Counts.

Methodology:

1. Costs are estimated based on the number of Correspondence Counts which include the Conlan

DENTAL FI CONLAN, SCHWARZMER, STEVENS V. BONTA

OTHER ADMIN. POLICY CHANGE NUMBER: 91

Mailed Beneficiary Claim Packets and related documents. These include the initial paperwork that beneficiaries complete and Dental FI's status letters that are sent to beneficiaries and providers.

2. The average monthly number of Correspondence Counts is 120 and the rate per Correspondence Counts is $135.14. The annual cost impact based on the number of Correspondence Counts is estimated at $195,000.

FY 2014-15: 120 counts x $135.14 per count x 12 months = **$195,000**

FY 2015-16: 120 counts x $135.14 per count x 12 months = **$195,000**

3. Costs are shared between federal funds (FF) and General Fund (GF).

	TF	GF	FF
FY 2014-15	**$195,000**	**$97,000**	**$98,000**

	TF	GF	FF
FY 2015-16	**$195,000**	**$97,000**	**$98,000**

Funding:
FI 50% Title XIX / 50% GF (4260-101-0001/0890)
***This policy change is appropriated in the Fiscal Intermediary appropriation of the Management Summary.

DENTAL FI HIPAA ADDENDUM SECURITY RISK ASSESSMENT

OTHER ADMIN. POLICY CHANGE NUMBER:	92
IMPLEMENTATION DATE:	7/2014
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1892

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$310,000	$320,000
STATE FUNDS	$77,500	$80,000
FEDERAL FUNDS	$232,500	$240,000

DESCRIPTION

Purpose:
This policy change budgets the cost of establishing the Department's implementation plan designed to comply with the controls required by the National Institute of Standards and Technology (NIST). The Department implements the Health Insurance Portability and Accountability Act's (HIPAA) Security Rule based on the latest NIST guidelines.

Authority:
Contract # 04-35745

Interdependent Policy Changes:
Not Applicable

Background:
Delta Dental of California (Delta) was awarded a multi-year contract in 2004. Delta is responsible for all the fiscal intermediary services, including claims processing, provider enrollment, outreach, and the underwriting of the Medi-Cal Dental Program. The Department is currently seeking approval for a second two-year extension of the current contract with Delta for the period July 1, 2015 through June 30, 2017.

HIPAA's Security Rule covers the steps in the Risk Management Framework that address security control selection for federal information systems in accordance with the security requirements in Federal Information Processing Standard 200. Compliance with the NIST controls will result in increased requirements to the Security and Privacy Laws and regulations required by Contract 04-35745, Exhibit H, the HIPAA Business Associate Addendum. This policy change establishes the Department's implementation plan to comply with NIST to continue the security risk assessment process for all current and future projects.

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

Methodology:
1. The security risk assessment process costs are based upon the hours required to ensure compliance with the controls required by NIST.

2. For FY 2014-15, the cost break down for billable hours for the security risk assessment process is

DENTAL FI HIPAA ADDENDUM SECURITY RISK ASSESSMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 92

projected at 112 hours per month billed at $231 per hour for a monthly estimated total of $25,872, resulting in estimated yearly costs of $310,000.

112 hours/month x $231/hour x 12 months = $310,000

3. For FY 2015-16, the cost break down for billable hours is projected at 114 hours per month billed at $234 per hour for a monthly estimated total of $26,676, resulting in estimated yearly costs of $320,000.

114 hours/month x $234/hour x 12 months = $320,000

4. Costs are shared between federal funds (FF) and General Fund (GF).

	TF	GF	FF
FY 2014-15	**$310,000**	**$78,000**	**$232,000**

	TF	GF	FF
FY 2015-16	**$320,000**	**$80,000**	**$240,000**

Funding:
FI 75% Title XIX / 25% GF (4260-101-0001/0890)
***This policy change is appropriated in the Fiscal Intermediary appropriation of the Management Summary.

DENTAL FI FEDERAL RULE - REVALIDATION

OTHER ADMIN. POLICY CHANGE NUMBER:	93
IMPLEMENTATION DATE:	7/2014
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1893

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$1,438,000	$1,438,000
STATE FUNDS	$719,000	$719,000
FEDERAL FUNDS	$719,000	$719,000

DESCRIPTION

Purpose:
This policy change estimates the cost of additional workload of the Dental Fiscal Intermediary (FI) contract as a result of the CMS mandated new federal rules that apply to the Medi-Cal Dental Program. The additional workload includes the revalidation of the enrollment of all providers at least once every five years.

Authority:
Contract # 04-35745

Interdependent Policy Changes:
Not Applicable

Background:
Delta Dental of California (Delta) was awarded a multi-year contract in 2004. Delta is responsible for all the fiscal intermediary (FI) services, including claims processing, provider enrollment, outreach, and the underwriting of the Medi-Cal Dental Program. The Department is currently seeking approval for a second two-year extension of the current contract with Delta for the period July 1, 2015 through June 30, 2017.

Effective March 2011, CMS mandated new federal rules that apply to the Medi-Cal Dental Program. The new rules establish requirements for the enrollment and screening of Medicare, Medicaid, and Children's Health Insurance Program providers at the federal and state levels.

The Department must revalidate the enrollment all providers regardless of provider type at least once every 5 years. The Department is allowed to use the results of the provider screening performed by Medicare contractors and has delegated this to the FI. To work towards compliance, Delta hired additional staff to complete the increased workload.

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

Methodology:
1. Costs are estimated based on the number of completed packets received from current providers revalidating their enrollment information.

2. The average monthly number of revalidations is 258.25 and the rate per revalidation is $464. The annual cost impact based on the number of completed revalidation packets received is estimated at $1,438,000.

DENTAL FI FEDERAL RULE - REVALIDATION

OTHER ADMIN. POLICY CHANGE NUMBER: 93

FY 2014-15: 258.25 revalidations x $464 per revalidation x 12 months = **$1,438,000**

FY 2015-16: 258.25 revalidations x $464 per revalidation x 12 months = **$1,438,000**

3. Costs are shared between federal funds (FF) and General Fund (GF).

	TF	GF	FF
FY 2014-15	**$1,438,000**	**$719,000**	**$719,000**

	TF	GF	FF
FY 2015-16	**$1,438,000**	**$719,000**	**$719,000**

Funding:
FI 50% Title XIX / 50% GF (4260-101-0001/0890)
***This policy change is appropriated in the Fiscal Intermediary appropriation of the Management Summary.

DENTAL FI FEDERAL RULE - DATABASE CHECKS

OTHER ADMIN. POLICY CHANGE NUMBER:	94
IMPLEMENTATION DATE:	7/2014
ANALYST:	Sandra Bannerman
FISCAL REFERENCE NUMBER:	1894

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$375,000	$375,000
STATE FUNDS	$187,500	$187,500
FEDERAL FUNDS	$187,500	$187,500

DESCRIPTION

Purpose:
This policy change estimates the cost of additional workload of the Dental Fiscal Intermediary (FI) contract as a result of the CMS mandated new federal rules that apply to the Medi-Cal Dental Program. This additional workload is due to the Department checking specified federal databases for enrollment and reenrollment to confirm the identity and exclusion status of providers and any person with a controlling interest.

Authority:
Contract # 04-35745

Interdependent Policy Changes:
Not Applicable

Background:
Delta Dental of California (Delta) was awarded a multi-year contract in 2004. Delta is responsible for all the fiscal intermediary (FI) services, including claims processing, provider enrollment, outreach, and the underwriting of the Medi-Cal Dental Program. The Department is currently seeking approval for a second two-year extension of the current contract with Delta for the period July 1, 2015 through June 30, 2017.

Effective March 2011, CMS mandated new federal rules that apply to the Medi-Cal Dental Program. The new rules establish requirements for the enrollment and screening of Medicare, Medicaid, and Children's Health Insurance Program providers at the federal and state levels.

The Department must confirm the identity upon enrollment and reenrollment and determine the exclusion status of providers, and any person with an ownership or controlling interest, or who is an agent or managing employee of the provider through routine database checks. This includes checking specific federal databases including the Social Security Death Master File, the National Plan and Provider Enumeration System, and checking at least the List of Excluded individuals/Entities (LEIE) and the Excluded Parties List System (EPLS) monthly. To work towards compliance, Delta hired additional staff to complete the increased workload.

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

Methodology:
1. Costs are estimated based on Federal Database Checks which are required monthly from the LEIE and EPLS databases.

DENTAL FI FEDERAL RULE - DATABASE CHECKS

OTHER ADMIN. POLICY CHANGE NUMBER: 94

2. The average monthly number of Federal Database Checks performed is 20,292 and the rate per Database Check is $1.54. The annual cost impact based on the number of Federal Database Checks performed is estimated at $375,000.

FY 2014-15: 20,292 checks x $1.54 per check x 12 months = **$375,000**

FY 2015-16: 20,292 checks x $1.54 per check x 12 months = **$375,000**

3. Costs are shared between federal funds (FF) and General Fund (GF).

	TF	GF	FF
FY 2014-15	$375,000	$187,000	$188,000

	TF	GF	FF
FY 2015-16	$375,000	$187,000	$188,000

Funding:
FI 50% Title XIX / 50% GF (4260-101-0001/0890)
***This policy change is appropriated in the Fiscal Intermediary appropriation of the Management Summary.

CALIFORNIA HEALTH INTERVIEW SURVEY

OTHER ADMIN. POLICY CHANGE NUMBER:	95
IMPLEMENTATION DATE:	7/2015
ANALYST:	Joel Singh
FISCAL REFERENCE NUMBER:	1902

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$0	$1,000,000
STATE FUNDS	$0	$0
FEDERAL FUNDS	$0	$1,000,000

DESCRIPTION

Purpose:
This policy change estimates the California Health Interview Survey (CHIS) contract services costs.

Authority:
Interagency Agreement (IA)

Interdependent Policy Changes:
Not Applicable

Background:
CHIS is a random-dial telephone survey that asks question on a wide range of health topics. CHIS is conducted on a continuous basis allowing it to provide a detailed picture of the health and health care needs of California's large and diverse population. The survey provides statewide information on the overall population including many racial and ethnic groups, and county-level information for most counties to aid with health planning, priority setting, and to compare health outcomes in numerous ways.

CHIS is conducted by the University of California, Los Angeles (UCLA) Center for Health Policy Research in collaboration with the California Department of Public Health (CDPH) and the Department. The Department currently has a shared contract with CDPH to provide federal funding for CHIS, which is budgeted in Other Administrative policy change titled FFP for Department of Public Health Support Costs. The Department's contract with CDPH will sunset June 30, 2015.

Effective July 1, 2015, the Department will contract directly with UCLA to utilize CHIS for program needs and performance. The contract with CDPH has limited the Department's ability to increase survey contents necessary for program administration; the new contract will address this issue. The new contract will be funded by Federal Financial Participation (FFP); the non-federal share will be paid through certified public expenditures (CPEs). The effective date of the new contract will be July 1, 2015.

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

- FY 2015-16 cost for the CHIS contract, which was previously included in Other Administrative policy change FFP for Department of Public Health Support Costs, is now included in this policy change.
- FFP funding for the CHIS contract will increase from $718,000 to $1,000,000 due to an increase in survey content.

CALIFORNIA HEALTH INTERVIEW SURVEY

OTHER ADMIN. POLICY CHANGE NUMBER: 95

Methodology:

1. Assume UCLA will submit documentation of CPEs on the CHIS survey. Expenditures will consist of funds received by UCLA from non-federal sources.

2. FY 2015-16 estimated expenditure is $1,000,000 FFP.

Funding:

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

HEALTH HOMES PROGRAM - CONTRACTOR COSTS

OTHER ADMIN. POLICY CHANGE NUMBER:	96
IMPLEMENTATION DATE:	7/2015
ANALYST:	Jerrold Anub
FISCAL REFERENCE NUMBER:	1911

	FY 2014-15	FY 2015-16
TOTAL FUNDS	$0	$1,380,000
STATE FUNDS	$0	$690,000
FEDERAL FUNDS	$0	$690,000

DESCRIPTION

Purpose:
This policy change estimates contractor costs for the Health Home Program (HHP).

Authority:
Assembly Bill (AB) 361 (Chapter 642, Statutes of 2013)

Interdependent Policy Changes:
PC 213 - Health Homes for Patients with Complex Needs

Background:
The Medicaid Health Home State Plan Option is afforded to states under the Affordable Care Act (ACA). The ACA allows states to create Medicaid Health Homes to coordinate the full range of physical health, behavioral health, community-based Long Term Services and Supports (LTSS), and other community-based services needed by beneficiaries with chronic conditions.

AB 361 authorizes the Department to create a HHP for beneficiaries with chronic conditions. The HHP will serve eligible Medi-Cal beneficiaries with multiple chronic conditions who are frequent utilizers and may benefit from enhanced care management and coordination. Health Homes provide six core services: comprehensive care management, care coordination, health promotion, comprehensive transitional care, individual and family support, and referral to community and social support services.

Proposed trailer bill language establishes the Health Home Program Fund. The HHP Fund will be used to pay for the non-federal share of HHP contractor costs.

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

Methodology:
1. Assume establishment of contracts with outside vendors beginning July 1, 2015.

2. These vendors will be contracted for the following administrative activities: project management, actuarial services, provider and beneficiary outreach, and program evaluation.

3. For these contracted administrative costs the Department will receive 50% federal reimbursement for FY 2015-16. The remaining 50% will be funded by non-GF sources.

HEALTH HOMES PROGRAM - CONTRACTOR COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 96

4. These contracted administrative costs for FY 2015-16 are expected to be:

(Dollars in Thousands)	TF	FF	HHP Fund*
FY 2015-16	**$1,380**	$690	$690

Funding:
50% Title XIX (4260-101-0890)
50% HHP Fund (4260-601-0942)*