

November 2015 Medi-Cal Estimate

Current Year (FY 2015-16) Projected Expenditures Compared to the Appropriation

(Dollars in Millions)

Total Medi-Cal local assistance expenditures in the Department of Health Care Services (DHCS) budget in the Current Year as compared to the Appropriation are as follows:

Medical Care Services	FY 2015-16 Appropriation	Nov 2015 Estimate	Change	
			Amount	Percent
Total Funds	\$86,671.2	\$87,917.9	\$1,246.7	1.4%
Federal Funds	\$55,567.1	\$57,560.5	\$1,993.4	3.6%
General Fund	\$17,078.2	\$16,680.2	(\$398.0)	-2.3%
Other Non-Federal Funds	\$14,025.9	\$13,677.2	(\$348.7)	-2.5%

County Administration	FY 2015-16 Appropriation	Nov 2015 Estimate	Change	
			Amount	Percent
Total Funds	\$3,885.0	\$3,973.9	\$88.9	2.3%
Federal Funds	\$3,053.3	\$3,156.2	\$102.9	3.4%
General Fund	\$805.6	\$799.9	(\$5.7)	-0.7%
Other Non-Federal Funds	\$26.1	\$17.8	(\$8.3)	-31.8%

Fiscal Intermediary	FY 2015-16 Appropriation	Nov 2015 Estimate	Change	
			Amount	Percent
Total Funds	\$471.4	\$485.5	\$14.1	3.0%
Federal Funds	\$315.3	\$319.7	\$4.4	1.4%
General Fund	\$156.1	\$165.8	\$9.7	6.2%
Other Non-Federal Funds	\$0.0	\$0.0	\$0.0	n/a

Total Expenditures	FY 2015-16 Appropriation	Nov 2015 Estimate	Change	
			Amount	Percent
Total Funds	\$91,027.5	\$92,377.3	\$1,349.8	1.5%
Federal Funds	\$58,935.7	\$61,036.4	\$2,100.7	3.6%
General Fund	\$18,039.9	\$17,645.9	(\$394.0)	-2.2%
Other Non-Federal Funds	\$14,052.0	\$13,695.0	(\$357.0)	-2.5%

Note: Totals may not add due to rounding.

November 2015 Medi-Cal Estimate

Budget Year (FY 2016-17) Projected Expenditures Compared to Current Year (FY 2015-16)

(Dollars in Millions)

Total Medi-Cal local assistance expenditures in the Department of Health Care Services (DHCS) budget in the Budget Year as compared to the Current Year are as follows:

Medical Care Services	FY 2015-16 Estimate	FY 2016-17 Estimate	Change	
			Amount	Percent
Total Funds	\$87,917.9	\$80,481.3	(\$7,436.6)	-8.5%
Federal Funds	\$57,560.5	\$50,504.3	(\$7,056.2)	-12.3%
General Fund	\$16,680.2	\$18,079.0	\$1,398.8	8.4%
Other Non-Federal Funds	\$13,677.2	\$11,898.0	(\$1,779.2)	-13.0%

County Administration	FY 2015-16 Estimate	FY 2016-17 Estimate	Change	
			Amount	Percent
Total Funds	\$3,973.9	\$4,100.4	\$126.5	3.2%
Federal Funds	\$3,156.2	\$3,239.6	\$83.4	2.6%
General Fund	\$799.9	\$851.1	\$51.2	6.4%
Other Non-Federal Funds	\$17.8	\$9.7	(\$8.1)	-45.5%

Fiscal Intermediary	FY 2015-16 Estimate	FY 2016-17 Estimate	Change	
			Amount	Percent
Total Funds	\$485.5	\$456.7	(\$28.8)	-5.9%
Federal Funds	\$319.7	\$302.7	(\$17.0)	-5.3%
General Fund	\$165.8	\$154.0	(\$11.8)	-7.1%
Other Non-Federal Funds	\$0.0	\$0.0	\$0.0	n/a

Total Expenditures	FY 2015-16 Estimate	FY 2016-17 Estimate	Change	
			Amount	Percent
Total Funds	\$92,377.3	\$85,038.5	(\$7,338.8)	-7.9%
Federal Funds	\$61,036.4	\$54,046.5	(\$6,989.9)	-11.5%
General Fund	\$17,645.9	\$19,084.1	\$1,438.2	8.2%
Other Non-Federal Funds	\$13,695.0	\$11,907.7	(\$1,787.3)	-13.1%

Note: Totals may not add due to rounding.

November 2015 Medi-Cal Estimate Management Summary

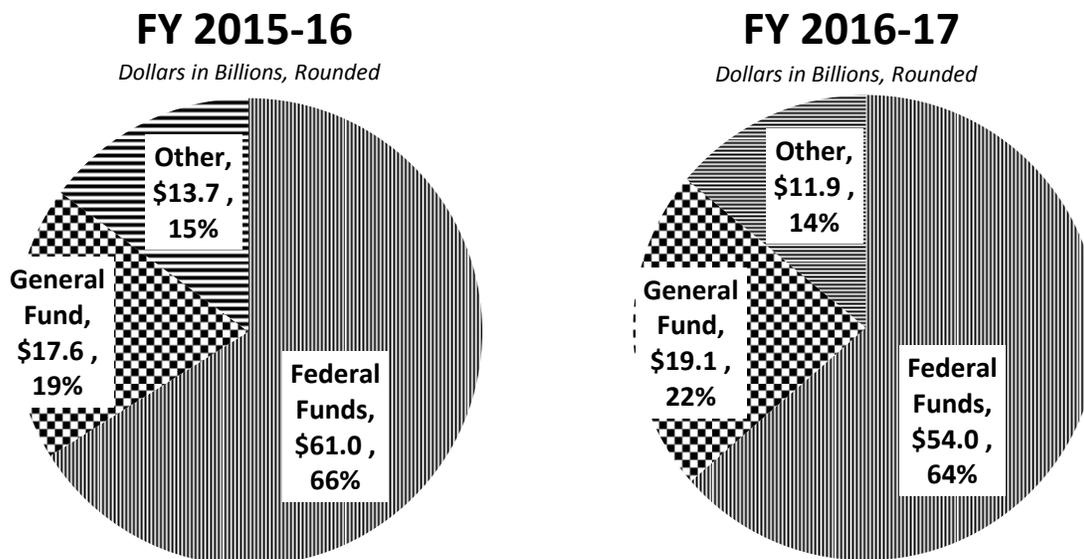
Medi-Cal, California's Medicaid program, provides health care to over 13 million Californians and utilizes Federal, State, and local government funding. Medi-Cal began in 1966 and celebrates 50 years in 2016. The Medi-Cal Local Assistance Estimate (Estimate) forecasts the current and budget year expenditures for the Medi-Cal program. Those expenditures are categorized as:

- **Benefits**: Expenditures for the care of Medi-Cal beneficiaries. These expenditures can be found in the following sections:
 - FFS Base
 - Base Policy Changes, and
 - Regular Policy Changes.

These estimated expenditures are summarized in the Current Year and Budget Year sections.

- **County Administration**: Expenditures for the counties to determine Medi-Cal eligibility, as well as, additional expenditures required to administer the Medi-Cal program. These estimated expenditures can be found in the following sections:
 - County Administration
 - Other Administration
- **Fiscal Intermediary**: Expenditures associated with the processing of medical claims. The expenditures can be found in the Other Administration section. Please see the Other Administration tab for a breakdown of the funding correlated to County Administration and Fiscal Intermediary components.

Medi-Cal spending is estimated to be \$92.4 billion in FY 2015-16 and \$85.0 billion in FY 2016-17. This does not include Certified Public Expenditures of local governments or General Fund of other state departments.



The November 2015 Estimate for FY 2015-16 is \$394 million General Fund less than the FY 2015-16 Budget Appropriation.

	FY 2015-16		
	Appropriation	November 2015	Change
Medical Care Services	\$ 17,078.2	\$ 16,680.2	\$ (398.0)
County Administration	\$ 805.6	\$ 799.9	\$ (5.7)
Fiscal Intermediary	<u>\$ 156.1</u>	<u>\$ 165.8</u>	<u>\$ 9.7</u>
Total	\$ 18,039.9	\$ 17,645.9	\$ (394.0)

(Dollars in Millions, Rounded)

The Medi-Cal General Fund costs in FY 2016-17, as compared to updated FY 2015-16 costs, are estimated to increase by \$1,438.3 million.

	November 2015		
	FY 2015-16	FY 2016-17	Change
Medical Care Services	\$ 16,680.2	\$ 18,079.0	\$ 1,398.8
County Administration	\$ 799.9	\$ 851.1	\$ 51.2
Fiscal Intermediary	<u>\$ 165.8</u>	<u>\$ 154.1</u>	<u>\$ (11.7)</u>
Total	\$ 17,645.9	\$ 19,084.2	\$ 1,438.3

(Dollars in Millions, Rounded)

The following paragraphs briefly describe the major changes in both FY 2015-16 and FY 2016-17.

NEW ITEMS*Dollars in Millions*

Name	PC	Change from Appropriation		Change from FY 2015-16	
		FY 2015-16		FY 2016-17	
		TF	GF	TF	GF
BASE PCs					
-no new items-					
REGULAR PCs					
Beneficiary Outreach and Education Program	46	\$0.2	\$0.1	\$0.6	\$0.2
End of Life Services	199	\$0.0	\$0.0	\$2.3	\$2.3
SRP Prior Auth. & Preventive Dental Services	203	-\$0.1	\$0.0	-\$0.1	\$0.0
Orkambi Benefit	52	\$18.1	\$8.6	\$38.7	\$18.3
ADAP Ryan White MEDS Data Match	53	\$2.4	\$1.2	-\$1.8	-\$0.9
Residential Treatment Services Expansion	65	\$14.6	\$5.1	\$76.3	\$27.4
MHP Costs for Children and Youth in Foster Care	211	\$0.0	\$0.0	\$0.4	\$0.2
Public Hospital Redesign & Incentives in Medi-Cal	205	\$800.0	\$0.0	\$800.0	\$0.0
Global Payment Program	206	\$2,603.1	\$0.0	-\$110.5	\$0.0
Waiver 2020 Designated State Health Program	207	\$0.0	-\$37.5	\$0.0	-\$37.5
Waiver 2020 Whole Person Care Pilots	208	\$0.0	\$0.0	\$900.0	\$0.0
Waiver 2020 Dental Transformation Initiative	209	\$75.0	\$37.5	\$75.0	\$37.5
Inland Empire Health Plan Settlement	119	\$36.7	\$18.4	-\$36.7	-\$18.4
Former Agnews' Beneficiaries Recoupment	131	-\$5.7	-\$2.8	\$5.7	\$2.8
Palliative Care Services Implementation	202	\$0.0	\$0.0	\$9.4	\$4.7
Capitated Rate Adjustment for FY 2016-17	204	\$0.0	\$0.0	\$327.5	\$154.7
Medicare Part B Premium Increase	134	\$152.2	\$85.3	\$204.7	\$114.7
GDSP Newborn Screening Program Fee Increase	143	\$0.0	\$0.0	\$1.9	\$1.0
DP-NF Capital Project Debt Repayment	200	\$57.2	\$57.2	-\$57.2	-\$57.2

Dollars in Millions

Name	PC	Change from Appropriation		Change from FY 2015-16	
		FY 2015-16		FY 2016-17	
		TF	GF	TF	GF
FFP Repayment for CDDS Costs	210	\$0.0	\$0.0	\$0.0	\$0.0
COUNTY ADMINISTRATION PCs					
-no new items-					
OTHER ADMINISTRATION PCs					
PAVE System	12	\$14.6	\$1.9	-\$0.6	\$0.3
Actuarial Costs for Rate Development	18	\$9.1	\$4.4	\$7.8	\$3.8
Performance Outcomes System	99	\$0.0	\$0.0	\$23.7	\$11.9
Dental FI-Beneficiary Outreach & Ed Program - Admin	100	\$1.0	\$0.4	\$2.0	\$0.9

BASE PCs**REGULAR PCs***BENEFITS***Beneficiary Outreach and Education Program (PC 46)**

This outreach and education program seeks to increase utilization of dental services, particularly in counties where utilization levels are lowest.

End of Life Services (PC 199)

The End of Life Option Act, ABX2 -15 (Chapter 1, Statutes of 2015), allows a terminally ill adult patient, who meets certain qualifications, the legal right to obtain a prescription for an aid-in-dying drug from his/her attending physician to be self-administered with the intent of hastening his/her own death. The Act sunsets on January 1, 2026.

SRP Prior Authorization and Preventive Dental Services (PC 203)

Prior Authorization requirements will be implemented for Registered Dental Hygienists in Alternative Practice for scaling and root planing (SRP) services. Additionally, there is an increase in the frequency of prophylaxis and fluoride treatments allowed for residents of Skilled Nursing Facilities or Intermediate Care Facilities.

*PHARMACY***Orkambi Benefit (PC 52)**

The FDA approved drug, Orkambi, helps people with cystic fibrosis ages 12 and older who have specific defective or missing proteins resulting from mutations in a specific gene.

ADAP Ryan White MEDS Data Match (PC 53)

The cross-match will identify CDPH's Ryan White clients who are enrolled in Medi-Cal. Once identified, the clients will be unenrolled from ADAP and Medi-Cal will pay the HIV medication costs.

DRUG MEDI-CAL**Residential Treatment Services Expansion (PC 65)**

The November Estimate anticipates 22 counties would participate in providing Residential Treatment Services to the non-perinatal population in FY 2015-16. In FY 2016-17, 31 additional counties are anticipated to opt-in. The implementation plan assumes counties will phase in based on provider network and readiness. In the Appropriation, both the base and expansion costs for the Residential Treatment Services were included in PC 65 Residential Treatment Services. In the November 2015 Estimate, the base costs are reflected in PC 67 Residential Treatment Services and the expansion costs are in PC 65 Residential Treatment Services Expansion.

MENTAL HEALTH**MHP Costs for Children and Youth in Foster Care (PC 211)**

AB 403 (Chapter 773, Statutes of 2015) established a new community care licensure category that is a short-term residential treatment center (STRTC), licensed and regulated by the California Department of Social Services (CDSS). This policy change budgets the reimbursement to counties for participating in a child and family team (CFT) and providing assessments for seriously emotionally disturbed (SED) foster children.

1115 WAIVER**Medi-Cal 2020 Waiver (PC 82, 83, 87, 205, 206, 207, 208, 209)**

On October 31, 2015, CMS announced a conceptual agreement with the Department on the major components of the Medi-Cal 2020 Section 1115 Waiver renewal. The Bridge to Reform (BTR) Section 1115 Waiver was temporarily extended to December 31, 2015 while the Medi-Cal 2020 Special Terms and Conditions (STCs) were finalized. The Medi-Cal 2020 Waiver renewal includes total initial federal funding of \$6.218 billion with the potential for additional federal funding in the Global Payment Program to be determined after the first year. The major components are:

- **Public Hospital Redesign & Incentives in Medi-Cal (PRIME) (PCs 83, 205)**
PRIME is a redesigned delivery system transformation and alignment incentive program for Designated Public Hospitals (DPHs) and District/Municipal Hospitals (DMPHs). Total federal funding for PRIME is \$3 billion for DPHs and \$466.5 million for DMPHs over five years. This Estimate shifts funding from the existing BTR- DPH Delivery System Reform Incentive Pool policy change to the new PRIME policy change.
- **Global Payment Program (GPP) (PCs 82, 87, 206)**
The GPP converts existing Disproportionate Share Hospital (DSH) and Safety Net Care Pool (SNCP) uncompensated care funding from a hospital-focused, cost-based system to one that is focused on value and improved care delivery. The funding includes five years of DSH funding that would have been allocated to DPHs along with \$236 million for one year of the SNCP component. SNCP component funding for years two through

five would be subject to an independent assessment of uncompensated care. This Estimate shifts funding from the existing MH/UCD & BTR – DSH Payments and BTR-Safety Net Care Pool policy changes to the new GPP policy change.

- **Waiver 2020 Dental Transformation Initiative (DTI) (PCs 207, 209)**
The DTI program consists of three domains: preventive services, Caries Risk Assessment and management, and continuity of care. Incentive payments will be made to participating fee-for-service (FFS) or Dental Managed Care (DMC) providers that qualify for the incentive payments. Federal claiming from the Waiver 2020 Designated State Health Program will provide for an offset to the GF costs for the DTI. Total federal funding is \$750 million over five years.
- **Waiver 2020 Whole Person Care (WPC) Pilots (PC 208)**
The WPC pilots will be country-based, voluntary programs that will allow a county or group of counties to integrate care for their high-risk vulnerable populations. Total federal funding is \$1.5 billion over five years.

MANAGED CARE

Inland Empire Health Plan Settlement (PC 119)

The Department reached a settlement agreement with Inland Empire Health Plan regarding managed care rates for the 2013-14 rate year.

Former Agnews' Beneficiaries Recoupment (PC 131)

This is a recoupment of supplemental payments made to health plans for the former Agnew beneficiaries who had transitioned into managed care plans.

Palliative Care Services Implementation (PC 202)

SB 1004 mandates the Department to provide guidance, training, and technical assistance on palliative care services for Medi-Cal managed care and fee-for-service delivery systems.

Capitated Rate Adjustment for FY 2016-17 (PC 204)

Managed care capitation rates will be rebased in FY 2016-17 as determined by the rate methodology based on more recent data. This policy change shows the increase in capitation rates from FY 2015-16 to FY 2016-17.

PROVIDER RATES

Medicare Part B Premium Increase (PC 134)

The Centers for Medicare and Medicaid increased the Medicare Part B premiums for 2016 by 16.1%. The Department is estimating premiums will increase again in 2017. Medi-Cal pays the Part B premiums for dual eligibles.

GDSP Newborn Screening Program Fee Increase (PC 143)

The California Department of Public Health's (CDPH) Genetic Disease Screening Program (GDSP) is expanding statewide screening of newborns to include screening for adrenoleukodystrophy (ALD) pursuant to the requirements of AB 1559 (Chapter 565, Statute of

2014). CDPH's GDSP will add ALD to the Newborn Screening Program (NSP) resulting in an estimated \$11 per patient fee increase to the NSP. Medi-Cal costs associated with the NSP fee increase are budgeted in FY 2016-17.

SUPPLEMENTAL PAYMENTS

DP-NF Capital Project Debt Repayment (PC 200)

SB 1128 (Chapter 757, Statutes of 1999) authorized Medi-Cal reimbursements to certain Distinct Part Skilled Nursing Facilities (DP-NF) for debt service incurred for the financing of eligible capital construction projects. The Department uses certified public expenditures to claim federal funds for this program. The Centers for Medicare and Medicaid Services (CMS) has deferred \$57.2 million in payments for ineligible costs for Laguna Honda Hospital and Rehabilitation Center and Edgemoor Geriatric Hospital. The Department will repay the deferred amounts to the federal government in FY 2015-16.

OTHER: REIMBURSEMENTS

FFP Repayment for CDDS Costs (PC 210)

Audit findings identified \$42.5 million (GF) are due to CMS in FY 2015-16. The overpayment is related to audit findings in FY 2008-09, 2009-10, and 2010-11 for Medi-Cal services provided in intermediate care facilities for the developmentally disabled. The Department has included \$3.8 million (GF) for FY 2016-17, to reflect the estimated costs for the 2011-12 audit. The Department expects to receive reimbursement from the Department of Developmental Services (DDS).

COUNTY ADMINISTRATION PCs

OTHER ADMINISTRATION PCs

PAVE System (OA 12)

The Provider Application and Validation for Enrollment (PAVE) system is an enterprise-wide enrollment portal to automate provider management activities to comply with provider integrity mandates under the Affordable Care Act (ACA). The Department is contracting with a new contractor for completing the design, development, and implementation (DDI) and ongoing maintenance and operations (M&O) of the PAVE system.

Actuarial Costs for Rate Development (OA 18)

The Department entered into a contract with an actuarial services consultant to meet our responsibility to develop actuarially sound capitation rates.

Performance Outcomes System (OA 99)

W&I Code, Section 14707.5 requires the Department to develop a Performance Outcomes System for Early, Periodic Screening, Diagnosis, and Treatment mental health services that will improve outcomes at the individual and system levels and to inform fiscal decision-making related to the purchase of services.

Dental FI – Beneficiary Outreach & Education Program – Admin (OA 100)

This outreach and education program seeks to increase utilization of dental services, particularly in counties where utilization levels are lowest. These costs are for implementation by the dental fiscal intermediary (FI).

SIGNIFICANT ITEMS

Dollars in Millions

Name	PC	Change from Appropriation		Change from FY 2015-16	
		FY 2015-16		FY 2016-17	
		TF	GF	TF	GF
BASE PCs					
Managed Care Base	105, 106, 107, 110	\$15,248.6	-\$78.7	-\$2,589.8	\$414.9
REGULAR PCs					
Undocumented Children Full Scope Expansion	7, OA 66	-\$6.4	-\$15.9	\$148.0	\$120.9
1% FMAP Increase for Preventive Services	24	\$0.0	\$33.2	\$0.0	\$15.4
Behavioral Health Treatment	35	-\$124.4	-\$67.3	\$101.9	\$43.4
Drug Rebates	32, 60, 61, 62	-\$482.2	-\$234.2	-\$188.7	-\$83.6
MH/UCD & BTR - DSH Payments	82	-\$1,525.8	\$5.7	-\$150.4	-\$3.3
BTR - DPH Delivery System Reform Incentive Pool	83	-\$607.4	\$0.0	-\$786.1	\$0.0
BTR - Safety Net Care Pool	87	-\$206.5	\$0.0	-\$19.7	\$0.0
BTR - Designated State Health Programs	94, 101, 103	-\$14.7	-\$19.0	-\$3.5	\$147.2
CCI	108,109, 132, 173, 193	-\$380.2	\$303.7	-\$393.1	-\$333.5
MCO Tax	111, 129, 130	\$682.7	\$155.1	-\$1,744.8	\$691.7
Mgd. Care Retro Mgd Care Adjustment	133	-\$1,094.5	-\$18.1	-\$2,415.9	-\$200.6
AB 1629 Facilities	137, 139	-\$16.3	-\$7.1	\$158.6	\$79.3
AB 97 Rate Reduction and Rate Freeze	145, 146, 148	\$63.1	\$31.5	-\$37.9	-\$19.0

Dollars in Millions

Name	PC	Change from Appropriation		Change from FY 2015-16	
		FY 2015-16		FY 2016-17	
		TF	GF	TF	GF
Laboratory Rate Methodology Change	147	\$27.4	\$13.7	-\$10.4	-\$5.2
Martin Luther King Jr. Community Hospital Payments	156	-\$25.7	\$2.0	\$1.6	-\$13.8
Extend Hospital QAF - Children's Health Care	194	\$0.0	\$0.0	\$0.0	\$140.0
COUNTY ADMINISTRATION PCs					
ACA Funding Augmentation	2	\$0.0	\$0.0	\$169.9	\$85.0
Enhanced Federal Funding	7	\$0.0	-\$3.3	\$0.0	-\$31.2
OTHER ADMINISTRATION PCs					
Postage and Printing	5, 39	\$12.3	\$6.2	-\$12.2	-\$6.2

BASE PCs**Managed Care Base (PC 105, 106, 107, 110)**

The Managed Care Base PCs estimate the managed care capitation costs of the four managed care models. These PCs, where appropriate, now include the ACA expansion population, Title XXI 88/12 funding, and the impact of CCI. Additionally, in BY, these PCs include the ACA 95/5 funding.

REGULAR PCs*ELIGIBILITY***Undocumented Children Full Scope Expansion (PC 7, OA 66)¹**

SB 75 (Chapter 18, Statutes of 2015) directs the Department to provide full-scope Medi-Cal coverage to eligible children under the age of 19, regardless of immigration status beginning May 1, 2016. Currently the Department provides limited-scope Medi-Cal coverage for emergency and pregnancy related issues only. The Department estimates a GF impact of \$20.4 million in FY 2015-16, and \$142.8 million in FY 2016-17.

*AFFORDABLE CARE ACT***1% FMAP Increase for Preventive Services (PC 24)**

The Affordable Care Act (ACA) provides states with the option to receive an additional 1% in FMAP for providing specified preventive services. In the November Estimate, the managed care

¹ In the Appropriation both benefits and administrative costs were included in one Policy Change.

estimate was revised using a more accurate methodology and updated capitation data; resulting in a savings decrease.

BENEFITS

Behavioral Health Treatment (PC 35)

SB 870 (Chapter 40, Statutes of 2014) directs the Department to implement Behavioral Health Treatment (BHT) services to the extent it is required by the federal government. The Department has implemented BHT for Early Periodic Screening, Diagnostic and Treatment (EPSDT) services for children under age 21, effective September 15, 2014. The Department is working with the Department of Developmental Services (DDS) and stakeholders on a plan to transition existing Medi-Cal eligibles who are currently receiving BHT services through Regional Centers. Medi-Cal costs are not included for these eligibles because the transition plan is not complete. The Department anticipates the transition of responsibility from DDS regional centers will begin February 1, 2016. The Estimate assumes a decrease of \$67.3 million GF in FY 2015-16 due to updated capitation rates (from \$3,750 to \$1,640). The member months increase from 4,650 to 9,979 will increase the FY 2016-17 estimate by \$43.4 million GF.

PHARMACY

Drug Rebates (PCs 32, 60, 61, 62)

More recent drug rebate reports reflect an increase in the estimated savings.

1115 WAIVER

MH/UCD & BTR – DSH Payments (PC 82)

Funding previously budgeted in the MH/UCD & BTR – DSH Payments policy change shifted to the new Global Payment Program (GPP) policy change 206. There was no impact to the GF from this shift. Refer to the new Medi-Cal 2020 Waiver policy changes for discussion on the GPP.

BTR – DPH Delivery System Reform Incentive Pool (PC 83)

Funding previously budgeted in the BTR- DPH Delivery System Reform Incentive Pool policy change shifted to the new Public Hospital Redesign & Incentives in Medi-Cal (PRIME) policy change 205. There was no impact to the GF from this shift. Refer to the new Medi-Cal 2020 Waiver policy changes for discussion on the PRIME program.

BTR – Safety Net Care Pool (PC 87)

Funding previously budgeted in the BTR- Safety Net Care Pool policy changes shifted to the new Global Payment Program (GPP) policy change 206. There was no impact to the GF from this shift. Refer to the new Medi-Cal 2020 Waiver policy changes for discussion on the GPP.

BTR –Designated State Health Programs (PCs 94, 101, 103)

The California Bridge to Reform (BTR) Section 1115(a) Medicaid Demonstration allows the Department to claim federal financial participation using the certified public expenditures (CPEs) of approved Designated State Health Programs (DSHP) and Designated Public Hospitals (DPHs) to achieve \$400 million in annual GF savings. The BTR was temporarily extended to December 31, 2015. The BTR DSHP savings are not assumed to continue in the Medi-Cal 2020

Waiver, however final reconciliations from the program will continue to be budgeted. In FY 2015-16, GF savings increased by \$19 million GF due to updated reimbursement to the California Department of Public Health, program expenditures, and final reconciliations. In FY 2016-17, costs are estimated to increase by \$147.2 million GF due to the end of the BTR DSHP.

MANAGED CARE

Coordinated Care Initiative (CCI) (PCs 108,109, 132, 173, 193)

These PCs estimate the impact from recasting blended managed care capitation payments to Medi-Cal managed care plans participating in the CCI. Rates were developed utilizing enrollment projections separated into four groupings representing differing levels of risk. Caseload projections were updated to include actual eligibles. Although rates are unchanged, the average weighted rate for all counties decreased due to shifts in the risk groupings.

MCO Tax (PCs 111, 129, 130)

In May, the estimated impact in FY 2015-16 from the MCO tax was calculated from the MCO Enrollee Tax model. While the 2015-16 proposal was not adopted in the 2015-16 budget, the proposal is still being considered in a special session; therefore, the Department is reverting back to the original revenue-based model for FY 2015-16. The cost impact has been revised to incorporate the revenue-based model and includes current revenue projections. Also, this estimate does not assume the MCO tax offsets to support the Medi-Cal programs in FY 2016-17. However, the tax continues as a major component of Medi-Cal program funding, so the Governor's Budget assumes an extension of the tax, and continues the restoration of the In-Home Supportive Services 7 percent reduction using tax proceeds. However, the remaining proceeds will be reserved in a special fund pending its passage.

Retro Managed Care Adjustment (PC 133)

This policy change includes rate adjustments for the FY 2015-16 base rates, the CCI IHSS reconciliation and CY 2014 recasting for full dual eligibles, the recoupment for the ACA Optional Expansion January-June 2015 rates, the MLK adjustment, and the primary care physician (PCP) retro adjustment.

PROVIDER RATES

AB 1629 Facilities (PCs 137, 139)

AB 119 (Chapter 17, Statutes of 2015) extends, for five years, the AB 1629 facility-specific rate methodology, Quality Assurance Fee (QAF), and Quality and Accountability Supplemental Payments Program (QASP) through July 31, 2020. Beginning rate year 2015-16, the annual weighted average rate increase is 3.62%, and the QASP will continue at FY 2014-15 levels, rather than setting aside a portion of the annual rate increase. This Estimate updates rate implementation dates, program expenditures, and add-on costs.

AB 97 Rate Reduction and Rate Freeze (PCs 145, 146, 148)

AB 97 (Chapter 3, Statutes of 2011) enacted provider rate reductions and rate freezes to certain long term care facilities. This Estimate updates the retroactive recoupment implementation dates and schedules for Pharmacy and Distinct Part Nursing Facilities – Level B (DP/NF-B)

providers. Additionally, the costs of the AB 97 exemption to Dental providers were adjusted from these policy changes and now included in the Dental policy changes.

Laboratory Rate Methodology Change (PC 147)

AB 1494 (Chapter 28, Statutes of 2012) required the Department to implement a new rate methodology for clinical laboratories and laboratory services. The Department received federal approval for the new rate methodology, effective July 2015. In addition to the 10% payment reductions pursuant to AB 97 (Chapter 3, Statutes of 2012), payments for clinical laboratories and laboratory services will also be reduced by 10% for dates of service on and after July 1, 2012 through June 30, 2015. This Estimate updates the savings estimate and implementation dates for the new rate methodology and retroactive recoupments.

Martin Luther King Jr. Community Hospital Payments (PC 156)

SB 857 (Chapter 31, Statutes of 2014) requires specific funding requirements to facilitate the financial viability of the new private nonprofit, Martin Luther King, Jr. Community Hospital (MLK Jr.). Pursuant to W&I Code 14165.50, the cost-based reimbursement methodology for Medi-Cal FFS and managed care payments to the new MLK Jr. Hospital will provide compensation at a minimum of 100% of the projected costs for each fiscal year (FY) as long as the county transfers the necessary public funds to the State for this purpose. The Department is seeking federal approval to enable MLK Jr. to receive Medi-Cal supplemental payments to the extent necessary to meet minimum funding requirements and additional reimbursement exceeding the 100% minimum funding requirement. This Estimate updates the hospital's projected costs, delays the implementation date, and adds funding for the ACA optional population. In addition, Managed care costs are now included the managed care capitation rates and removed from this policy change.

SUPPLEMENTAL PAYMENTS

Extend Hospital QAF – Children's Health Care (PC 194)

SB 239 (Chapter 657, Statutes of 2013) extended the Hospital Quality Assurance Fee (QAF) program for the period January 1, 2014 through December 31, 2016. Due to the sunset of the Hospital QAF, funding for children's health care coverage is assumed to end resulting in an increase of \$140 million GF in FY 2016-17.

COUNTY ADMINISTRATION PCs

Implementation of ACA (CA 2, CA 7)

Due to steady increases in enrollment in Medi-Cal, churn in the program's population, and the ongoing development of CalHEERS, the program and its administration have not reached a "steady state" by which the State can accurately assess and budget for this workload. Based on discussions with the counties and Finance, the Department is continuing to recommend a budget augmentation for FY 2016-17 until an agreed-upon methodology can be developed. The Centers for Medicare and Medicaid Services (CMS) does allow enhanced federal funding at 75% for certain eligibility determination costs including application, on-going case management and renewal functions. The enhanced funding is available to help fund the additional county administrations costs included in the Implementation of the ACA policy change.

OTHER ADMINISTRATION PCs**Postage and Printing (OA 5, 39)**

Under the Affordable Care Act, as a health coverage issuer, the Department is required to provide a Form 1095-B Proof of Minimum Essential Coverage (MEC) to Medi-Cal beneficiaries by January 31, 2016, for tax filing purposes. Pursuant to Federal Regulations, a reporting entity must furnish the 1095-B statement by sending it by first class mail to an individual's "last known permanent address, or if no permanent address is known, the temporary address." We have received first class mail cost estimates from the Department of General Services, Office of State Publishing for both the outreach notification letter and the Form 1095-B.

General Information

This estimate is based on actual payment data through July 2015. Estimates for both fiscal years are on a cash basis and include a two-week hold on weekly Fee-for-Service payments at the end of June and a one-month hold on Managed Care June payments. All held payments are anticipated to be paid in July of the following state fiscal year.

The Medi-Cal Program has many funding sources. These funding sources are shown by budget item number on the State Funds and Federal Funds pages of the Medi-Cal Funding Summary in the Management Summary tab. The budget items, which are made up of State General Fund, are identified with an asterisk and are shown in separate totals.

The Miscellaneous Non-Fee-For-Service Category includes expenditures for Home and Community Based Services -- DDS, Case Management Services -- DDS, Personal Care Services, HIPP premiums, Targeted Case Management, and Hospital Financing—Health Care Coverage Initiative.

The estimate aggregates expenditures for five sub-categories under a single Managed Care heading. These sub-categories are Two Plan Model, County Organized Health Systems, Geographic Managed Care, Regional Model, and PHP/Other Managed Care. The latter includes PCCMs, PACE, SCAN, Family Mosaic, Dental Managed Care, and the new Managed Care Expansion models –Imperial and San Benito.

Should a projected deficiency exist, Section 14157.6 of the Welfare and Institutions Codes authorizes appropriation, subject to 30-day notification to the Legislature, of any federal or county funds received for expenditures in prior years. At this time, no prior year General Funds have been identified to be included in the above estimates as abatements against current year costs.

There is considerable uncertainty associated with projecting Medi-Cal expenditures for medical care services, which vary according to the number of persons eligible for Medi-Cal, the number and type of services these people receive, and the cost of providing these services. Additional uncertainty is created by monthly fluctuations in claims processing, federal audit exceptions, and uncertainties in the implementation dates for policy changes which often require approval of federal waivers or state plan amendments, changes in regulations, and in some cases, changes in the adjudication process at the fiscal intermediary. Provider payment reductions, injunctions, and restorations add to this uncertainty as it affects the regular flow of the FI checkwrite payments.

A 1% variation in total Medi-Cal Benefits expenditures would result in an \$879 million TF (\$176 million General Funds) change in expenditures in FY 2015-16 and \$804 million TF (\$191 million General Funds) in FY 2016-17.

Medi-Cal Funding Summary
November 2015 Estimate Compared to Appropriation
Fiscal Year 2015 - 2016

TOTAL FUNDS

	Total Appropriation	Nov 2015 Estimate	Difference Incr./(Decr.)
<u>MEDI-CAL Benefits:</u>			
4260-101-0001/0890(3)	\$63,196,926,000	\$65,109,863,000	\$1,912,937,000
4260-101-0080 CLPP Funds	\$714,000	\$714,000	\$0
4260-101-0232 Prop 99 Hospital Srvc. Acct.	\$92,129,000	\$92,129,000	\$0
4260-101-0233 Prop 99 Physician Srvc. Acct	\$19,446,000	\$19,446,000	\$0
4260-101-0236 Prop 99 Unallocated Account	\$31,009,000	\$31,009,000	\$0
4260-101-3168 Emergency Air Transportation Fund	\$13,459,000	\$12,600,000	(\$859,000)
4260-101-3213 LTC QA Fund	\$457,767,000	\$457,767,000	\$0
4260-102-0001/0890 Capital Debt	\$77,508,000	\$80,906,000	\$3,398,000
4260-104-0001 NDPH Hosp Supp *	\$1,900,000	\$1,900,000	\$0
4260-601-3096 NDPH Suppl	\$2,357,000	\$2,356,000	(\$1,000)
4260-698-3096 NDPH Hosp Suppl (Less Funded by GF)	(\$1,900,000)	(\$1,900,000)	\$0
4260-105-0001 Private Hosp Supp Fund *	\$118,400,000	\$118,400,000	\$0
4260-601-3097 Private Hosp Suppl	\$129,155,000	\$140,352,000	\$11,197,000
4260-698-3097 Private Hosp Supp (Less Funded by GF)	(\$118,400,000)	(\$118,400,000)	\$0
4260-106-0890 Money Follows Person Federal Grant	\$26,187,000	\$16,090,000	(\$10,097,000)
4260-113-0001/0890 Healthy Families	\$3,153,367,000	\$3,091,455,000	(\$61,912,000)
4260-113-3055 County Health Initiative Match Fund	\$0	\$0	\$0
4260-601-0942142 Local Trauma Centers	\$39,350,000	\$50,897,000	\$11,547,000
4260-601-0942 Home Health Program Account	\$6,018,300	\$6,020,000	\$1,700
4260-601-3156 MCO Tax Fund	\$1,510,827,000	\$1,548,342,000	\$37,515,000
4260-601-3172 Public Hosp. Invest., Improve. & Incentive Fund	\$696,734,000	\$798,142,000	\$101,408,000
4260-601-7502 Demonstration DSH Fund	\$714,197,000	\$60,178,000	(\$654,019,000)
4260-601-7503 Health Care Support Fund	\$392,064,000	\$385,964,000	(\$6,100,000)
4260-602-0309 Perinatal Insurance Fund	\$40,650,000	\$19,621,000	(\$21,029,000)
4260-605-0001 SNF Quality & Accountability *	\$48,928,000	\$48,928,000	\$0
4260-605-3167 SNF Quality & Accountability	\$45,096,000	\$44,069,000	(\$1,027,000)
4260-698-3167 SNF Qual & Acct. (Less Funded by GF)	(\$48,928,000)	(\$48,928,000)	\$0
4260-606-0834 SB 1100 DSH	\$607,345,000	\$1,398,924,000	\$791,579,000
4260-607-8502 Low Income Health Program IGT	\$409,479,000	\$0	(\$409,479,000)
4260-610-0995 Reimbursements	\$5,238,720,000	\$4,573,776,000	(\$664,944,000)
4260-610-3158 Hospital Quality Assurance Revenue	\$0	\$0	\$0
4260-610-3201 LIHP MCE Out-of-Network ER Svcs.	\$101,583,000	\$93,664,000	(\$7,919,000)
4260-611-3158/0890 Hospital Quality Assurance	\$9,669,094,000	\$9,883,625,000	\$214,531,000
TOTAL MEDI-CAL Benefits	<u>\$86,671,181,300</u>	<u>\$87,917,909,000</u>	<u>\$1,246,727,700</u>
<u>COUNTY ADMINISTRATION:</u>			
4260-101-0001/0890(1)	\$3,733,885,000	\$3,822,765,000	\$88,880,000
4260-106-0890(1) Money Follow Person Fed. Grant	\$609,000	\$651,000	\$42,000
4260-107-0890 Prevention of Chronic Disease (MICPD)	\$1,375,000	\$4,539,000	\$3,164,000
4260-113-0001/0890 Healthy Families	\$116,167,000	\$121,247,000	\$5,080,000
4260-117-0001/0890 HIPAA	\$6,881,000	\$6,881,000	\$0
4260-601-0942285 Hlthcare Outreach & Medi-Cal Enroll. Acct.	\$17,768,000	\$7,989,000	(\$9,779,000)
4260-601-0942 Home Health Program Account	\$690,000	\$612,000	(\$78,000)
4260-602-0313 Major Risk Medical Ins Fund	\$1,000,000	\$2,593,000	\$1,593,000
4260-605-3167 SNF Quality & Accountability Admin.	\$3,358,000	\$3,560,000	\$202,000
4260-610-0995 Reimbursements	\$3,217,000	\$3,049,000	(\$168,000)
TOTAL COUNTY ADMIN.	<u>\$3,884,950,000</u>	<u>\$3,973,886,000</u>	<u>\$88,936,000</u>
<u>FISCAL INTERMEDIARY:</u>			
4260-101-0001/0890(2)	\$455,416,000	\$459,155,000	\$3,739,000
4260-113-0001/0890 Healthy Families	\$5,000,000	\$6,269,000	\$1,269,000
4260-117-0001/0890 HIPAA	\$10,976,000	\$20,108,000	\$9,132,000
4260-610-0995 Reimbursements	\$0	\$0	\$0
TOTAL FISCAL INTERMEDIARY	<u>\$471,392,000</u>	<u>\$485,532,000</u>	<u>\$14,140,000</u>
GRAND TOTAL - ALL FUNDS	<u>\$91,027,523,300</u>	<u>\$92,377,327,000</u>	<u>\$1,349,803,700</u>

Notes:

Proposition 99 funding is from the Cigarette and Tobacco Products Surtax Fund accounts as shown above.

Medi-Cal Funding Summary
November 2015 Estimate Compared to Appropriation
Fiscal Year 2015 - 2016

STATE FUNDS

MEDI-CAL Benefits:	State Funds Appropriation	Nov 2015 Estimate	Difference Incr./(Decr.)
4260-101-0001(3) *	\$16,295,096,000	\$15,890,035,000	(\$405,061,000)
4260-101-0080 CLPP Funds	\$714,000	\$714,000	\$0
4260-101-0232 Prop 99 Hospital Srv. Acct.	\$92,129,000	\$92,129,000	\$0
4260-101-0233 Prop 99 Physician Srv. Acct	\$19,446,000	\$19,446,000	\$0
4260-101-0236 Prop 99 Unallocated Account	\$31,009,000	\$31,009,000	\$0
4260-101-3168 Emergency Air Transportation Fund	\$13,459,000	\$12,600,000	(\$859,000)
4260-101-3213 LTC QA Fund	\$457,767,000	\$457,767,000	\$0
4260-102-0001 Capital Debt *	\$38,754,000	\$40,453,000	\$1,699,000
4260-104-0001 NDPH Hosp Supp *	\$1,900,000	\$1,900,000	\$0
4260-601-3096 NDPH Suppl	\$2,357,000	\$2,356,000	(\$1,000)
4260-698-3096 NDPH Hosp Suppl (Less Funded by GF)	(\$1,900,000)	(\$1,900,000)	\$0
4260-105-0001 Private Hosp Supp Fund *	\$118,400,000	\$118,400,000	\$0
4260-601-3097 Private Hosp Suppl	\$129,155,000	\$140,352,000	\$11,197,000
4260-698-3097 Private Hosp Supp (Less Funded by GF)	(\$118,400,000)	(\$118,400,000)	\$0
4260-113-0001 Healthy Families *	\$575,145,000	\$580,481,000	\$5,336,000
4260-113-3055 County Health Initiative Match Fund	\$0	\$0	\$0
4260-601-0942142 Local Trauma Centers	\$39,350,000	\$50,897,000	\$11,547,000
4260-601-0942 Home Health Program Account	\$6,018,300	\$6,020,000	\$1,700
4260-601-3156 MCO Tax Fund	\$1,510,827,000	\$1,548,342,000	\$37,515,000
4260-601-3172 Public Hosp. Invest., Improve. & Incentive Fund	\$696,734,000	\$798,142,000	\$101,408,000
4260-602-0309 Perinatal Insurance Fund	\$40,650,000	\$19,621,000	(\$21,029,000)
4260-605-0001 SNF Quality & Accountability *	\$48,928,000	\$48,928,000	\$0
4260-605-3167 SNF Quality & Accountability	\$45,096,000	\$44,069,000	(\$1,027,000)
4260-698-3167 SNF Qual & Acct. (Less Funded by GF)	(\$48,928,000)	(\$48,928,000)	\$0
4260-606-0834 SB 1100 DSH	\$607,345,000	\$1,398,924,000	\$791,579,000
4260-607-8502 Low Income Health Program IGT	\$409,479,000	\$0	(\$409,479,000)
4260-610-0995 Reimbursements	\$5,238,720,000	\$4,573,776,000	(\$664,944,000)
4260-610-3158 Hosp. Quality Assurance Revenue	\$0	\$0	\$0
4260-610-3201 LIHP MCE Out-of-Network ER Svcs.	\$101,583,000	\$93,664,000	(\$7,919,000)
4260-611-3158 Hospital Quality Assurance Revenue	\$4,753,273,000	\$4,556,637,000	(\$196,636,000)
TOTAL MEDI-CAL Benefits	\$31,104,106,300	\$30,357,434,000	(\$746,672,300)
Total Benefits General Fund *	\$17,078,223,000	\$16,680,197,000	(\$398,026,000)
COUNTY ADMINISTRATION:			
4260-101-0001(1) *	\$769,584,000	\$770,922,000	\$1,338,000
4260-113-0001 Healthy Families *	\$34,780,000	\$27,759,000	(\$7,021,000)
4260-117-0001 HIPAA *	\$1,216,000	\$1,216,000	\$0
4260-601-0942285 Hlthcare Outreach & Medi-Cal Enroll. Acct.	\$17,768,000	\$7,989,000	(\$9,779,000)
4260-601-0942 Home Health Program Account	\$690,000	\$612,000	(\$78,000)
4260-602-0313 Major Risk Medical Ins Fund	\$1,000,000	\$2,593,000	\$1,593,000
4260-605-3167 SNF Quality & Accountability Admin.	\$3,358,000	\$3,560,000	\$202,000
4260-610-0995 Reimbursements	\$3,217,000	\$3,049,000	(\$168,000)
TOTAL COUNTY ADMIN.	\$831,613,000	\$817,700,000	(\$13,913,000)
Total Co. Admin. General Fund *	\$805,580,000	\$799,897,000	(\$5,683,000)
FISCAL INTERMEDIARY:			
4260-101-0001(2) *	\$151,826,000	\$161,513,000	\$9,687,000
4260-113-0001 Healthy Families *	\$1,750,000	\$1,113,000	(\$637,000)
4260-117-0001 HIPAA *	\$2,517,000	\$3,162,000	\$645,000
4260-610-0995 Reimbursements	\$0	\$0	\$0
TOTAL FISCAL INTERMEDIARY	\$156,093,000	\$165,788,000	\$9,695,000
Total FI General Fund *	\$156,093,000	\$165,788,000	\$9,695,000
GRAND TOTAL - STATE FUNDS	\$32,091,812,300	\$31,340,922,000	(\$750,890,300)
Grand Total - General Fund *	\$18,039,896,000	\$17,645,882,000	(\$394,014,000)

Notes:

Proposition 99 funding is from the Cigarette and Tobacco Products Surtax Fund accounts as shown above.

Medi-Cal Funding Summary
November 2015 Estimate Compared to Appropriation
Fiscal Year 2015 - 2016

FEDERAL FUNDS

	Federal Funds Appropriation	Nov 2015 Estimate	Difference Incr./Decr.)
<u>MEDI-CAL Benefits:</u>			
4260-101-0890(3)	\$46,901,830,000	\$49,219,828,000	\$2,317,998,000
4260-102-0890 Capital Debt	\$38,754,000	\$40,453,000	\$1,699,000
4260-106-0890 Money Follows Person Federal Grant	\$26,187,000	\$16,090,000	(\$10,097,000)
4260-113-0890 Health Families	\$2,578,222,000	\$2,510,974,000	(\$67,248,000)
4260-601-7502 Demonstration DSH Fund	\$714,197,000	\$60,178,000	(\$654,019,000)
4260-601-7503 Health Care Support Fund	\$392,064,000	\$385,964,000	(\$6,100,000)
4260-611-0890 Hospital Quality Assurance	\$4,915,821,000	\$5,326,988,000	\$411,167,000
TOTAL MEDI-CAL Benefits	<u>\$55,567,075,000</u>	<u>\$57,560,475,000</u>	<u>\$1,993,400,000</u>
<u>COUNTY ADMINISTRATION:</u>			
4260-101-0890(1)	\$2,964,301,000	\$3,051,843,000	\$87,542,000
4260-106-0890(1) Money Follows Person Fed. Grant	\$609,000	\$651,000	\$42,000
4260-107-0890 Prevention of Chronic Disease (MIPCD)	\$1,375,000	\$4,539,000	\$3,164,000
4260-113-0890 Healthy Families	\$81,387,000	\$93,488,000	\$12,101,000
4260-117-0890 HIPAA	\$5,665,000	\$5,665,000	\$0
TOTAL COUNTY ADMIN.	<u>\$3,053,337,000</u>	<u>\$3,156,186,000</u>	<u>\$102,849,000</u>
<u>FISCAL INTERMEDIARY:</u>			
4260-101-0890(2)	\$303,590,000	\$297,642,000	(\$5,948,000)
4260-113-0890 Healthy Families	\$3,250,000	\$5,156,000	\$1,906,000
4260-117-0890 HIPAA	\$8,459,000	\$16,946,000	\$8,487,000
TOTAL FISCAL INTERMEDIARY	<u>\$315,299,000</u>	<u>\$319,744,000</u>	<u>\$4,445,000</u>
 GRAND TOTAL - FEDERAL FUNDS	 <u>\$58,935,711,000</u>	 <u>\$61,036,405,000</u>	 <u>\$2,100,694,000</u>

Medi-Cal Funding Summary
November 2015 Estimate Comparison of FY 2015-16 to FY 2016-17

TOTAL FUNDS

	FY 2015-16 Estimate	FY 2016-17 Estimate	Difference Incr./(Decr.)
MEDI-CAL Benefits:			
4260-101-0001/0890(3)	\$65,109,863,000	\$61,153,858,000	(\$3,956,005,000)
4260-101-0080 CLPP Funds	\$714,000	\$714,000	\$0
4260-101-0232 Prop 99 Hospital Srvc. Acct.	\$92,129,000	\$107,243,000	\$15,114,000
4260-101-0233 Prop 99 Physician Srvc. Acct	\$19,446,000	\$27,055,000	\$7,609,000
4260-101-0236 Prop 99 Unallocated Account	\$31,009,000	\$51,252,000	\$20,243,000
4260-101-3168 Emergency Air Transportation Fund	\$12,600,000	\$8,500,000	(\$4,100,000)
4260-101-3213 LTC QA Fund	\$457,767,000	\$449,673,000	(\$8,094,000)
4260-102-0001/0890 Capital Debt	\$80,906,000	\$82,282,000	\$1,376,000
4260-104-0001 NDPH Hosp Supp *	\$1,900,000	\$1,900,000	\$0
4260-601-3096 NDPH Suppl	\$2,356,000	\$1,900,000	(\$456,000)
4260-698-3096 NDPH Hosp Suppl (Less Funded by GF)	(\$1,900,000)	(\$1,900,000)	\$0
4260-105-0001 Private Hosp Supp Fund *	\$118,400,000	\$118,400,000	\$0
4260-601-3097 Private Hosp Suppl	\$140,352,000	\$129,101,000	(\$11,251,000)
4260-698-3097 Private Hosp Supp (Less Funded by GF)	(\$118,400,000)	(\$118,400,000)	\$0
4260-106-0890 Money Follows Person Federal Grant	\$16,090,000	\$20,949,000	\$4,859,000
4260-113-0001/0890 Healthy Families	\$3,091,455,000	\$2,712,508,000	(\$378,947,000)
4260-113-3055 County Health Initiative Match Fund	\$0	\$0	\$0
4260-601-0942142 Local Trauma Centers	\$50,897,000	\$40,052,000	(\$10,845,000)
4260-601-0942 Home Health Program Account	\$6,020,000	\$20,700,000	\$14,680,000
4260-601-3156 MCO Tax Fund	\$1,548,342,000	\$292,298,000	(\$1,256,044,000)
4260-601-3172 Public Hosp. Invest., Improve. & Incentive Fund	\$798,142,000	\$800,000,000	\$1,858,000
4260-601-7502 Demonstration DSH Fund	\$60,178,000	\$0	(\$60,178,000)
4260-601-7503 Health Care Support Fund	\$385,964,000	\$52,086,000	(\$333,878,000)
4260-602-0309 Perinatal Insurance Fund	\$19,621,000	\$12,597,000	(\$7,024,000)
4260-605-0001 SNF Quality & Accountability *	\$48,928,000	\$48,928,000	\$0
4260-605-3167 SNF Quality & Accountability	\$44,069,000	\$44,069,000	\$0
4260-698-3167 SNF Qual & Acct. (Less Funded by GF)	(\$48,928,000)	(\$48,928,000)	\$0
4260-606-0834 SB 1100 DSH	\$1,398,924,000	\$1,297,433,000	(\$101,491,000)
4260-607-8502 Low Income Health Program IGT	\$0	\$0	\$0
4260-610-0995 Reimbursements	\$4,573,776,000	\$5,142,655,000	\$568,879,000
4260-610-3158 Hospital Quality Assurance Revenue	\$0	\$0	\$0
4260-610-3201 LIHP MCE Out-of-Network ER Svcs.	\$93,664,000	\$35,246,000	(\$58,418,000)
4260-611-3158/0890 Hospital Quality Assurance	\$9,883,625,000	\$7,999,169,000	(\$1,884,456,000)
TOTAL MEDI-CAL Benefits	\$87,917,909,000	\$80,481,340,000	(\$7,436,569,000)
COUNTY ADMINISTRATION:			
4260-101-0001/0890(1)	\$3,822,765,000	\$3,963,007,000	\$140,242,000
4260-106-0890(1) Money Follow Person Fed. Grant	\$651,000	\$978,000	\$327,000
4260-107-0890 Prevention of Chronic Disease (MICPD)	\$4,539,000	\$80,000	(\$4,459,000)
4260-113-0001/0890 Healthy Families	\$121,247,000	\$120,446,000	(\$801,000)
4260-117-0001/0890 HIPAA	\$6,881,000	\$6,128,000	(\$753,000)
4260-601-0942285 Hlthcare Outreach & Medi-Cal Enroll. Acct.	\$7,989,000	\$4,975,000	(\$3,014,000)
4260-601-0942 Home Health Program Account	\$612,000	\$0	(\$612,000)
4260-602-0313 Major Risk Medical Ins Fund	\$2,593,000	\$578,000	(\$2,015,000)
4260-605-3167 SNF Quality & Accountability Admin.	\$3,560,000	\$3,560,000	\$0
4260-610-0995 Reimbursements	\$3,049,000	\$660,000	(\$2,389,000)
TOTAL COUNTY ADMIN.	\$3,973,886,000	\$4,100,412,000	\$126,526,000
FISCAL INTERMEDIARY:			
4260-101-0001/0890(2)	\$459,155,000	\$439,345,000	(\$19,810,000)
4260-113-0001/0890 Healthy Families	\$6,269,000	\$5,474,000	(\$795,000)
4260-117-0001/0890 HIPAA	\$20,108,000	\$11,923,000	(\$8,185,000)
4260-610-0995 Reimbursements	\$0	\$0	\$0
TOTAL FISCAL INTERMEDIARY	\$485,532,000	\$456,742,000	(\$28,790,000)
GRAND TOTAL - ALL FUNDS	\$92,377,327,000	\$85,038,494,000	(\$7,338,833,000)

Notes:

Proposition 99 funding is from the Cigarette and Tobacco Products Surtax Fund accounts as shown above.

Medi-Cal Funding Summary
November 2015 Estimate Comparison of FY 2015-16 to FY 2016-17

STATE FUNDS

	<u>FY 2015-16</u> <u>Estimate</u>	<u>FY 2016-17</u> <u>Estimate</u>	<u>Difference</u> <u>Incr./(Decr.)</u>
<u>MEDI-CAL Benefits:</u>			
4260-101-0001(3) *	\$15,890,035,000	\$17,592,286,000	\$1,702,251,000
4260-101-0080 CLPP Funds	\$714,000	\$714,000	\$0
4260-101-0232 Prop 99 Hospital Srvc. Acct.	\$92,129,000	\$107,243,000	\$15,114,000
4260-101-0233 Prop 99 Physician Srvc. Acct	\$19,446,000	\$27,055,000	\$7,609,000
4260-101-0236 Prop 99 Unallocated Account	\$31,009,000	\$51,252,000	\$20,243,000
4260-101-3168 Emergency Air Transportation Fund	\$12,600,000	\$8,500,000	(\$4,100,000)
4260-101-3213 LTC QA Fund	\$457,670,000	\$449,673,000	(\$8,094,000)
4260-102-0001 Capital Debt *	\$40,453,000	\$41,141,000	\$688,000
4260-104-0001 NDPH Hosp Supp *	\$1,900,000	\$1,900,000	\$0
4260-601-3096 NDPH Suppl	\$2,356,000	\$1,900,000	(\$456,000)
4260-698-3096 NDPH Hosp Suppl (Less Funded by GF)	(\$1,900,000)	(\$1,900,000)	\$0
4260-105-0001 Private Hosp Supp Fund *	\$118,400,000	\$118,400,000	\$0
4260-601-3097 Private Hosp Suppl	\$140,352,000	\$129,101,000	(\$11,251,000)
4260-698-3097 Private Hosp Supp (Less Funded by GF)	(\$118,400,000)	(\$118,400,000)	\$0
4260-113-0001 Healthy Families *	\$580,481,000	\$276,319,000	(\$304,162,000)
4260-113-3055 County Health Initiative Match Fund	\$0	\$0	\$0
4260-601-0942142 Local Trauma Centers	\$50,897,000	\$40,052,000	(\$10,845,000)
4260-601-0942 Home Health Program Account	\$6,020,000	\$20,700,000	\$14,680,000
4260-601-3156 MCO Tax Fund	\$1,548,342,000	\$292,298,000	(\$1,256,044,000)
4260-601-3172 Public Hosp. Invest., Improve. & Incentive Fund	\$798,142,000	\$800,000,000	\$1,858,000
4260-602-0309 Perinatal Insurance Fund	\$19,621,000	\$12,597,000	(\$7,024,000)
4260-605-0001 SNF Quality & Accountability *	\$48,928,000	\$48,928,000	\$0
4260-605-3167 SNF Quality & Accountability	\$44,069,000	\$44,069,000	\$0
4260-698-3167 SNF Qual & Acct. (Less Funded by GF)	(\$48,928,000)	(\$48,928,000)	\$0
4260-606-0834 SB 1100 DSH	\$1,398,924,000	\$1,297,433,000	(\$101,491,000)
4260-607-8502 Low Income Health Program IGT	\$0	\$0	\$0
4260-610-0995 Reimbursements	\$4,573,776,000	\$5,142,655,000	\$568,879,000
4260-610-3158 Hosp. Quality Assurance Revenue	\$0	\$0	\$0
4260-610-3201 LIHP MCE Out-of-Network ER Svcs.	\$93,664,000	\$35,246,000	(\$58,418,000)
4260-611-3158 Hospital Quality Assurance Revenue	\$4,556,637,000	\$3,606,818,000	(\$949,819,000)
TOTAL MEDI-CAL Benefits	\$30,357,434,000	\$29,977,052,000	(\$380,382,000)
Total Benefits General Fund *	\$16,680,197,000	\$18,078,974,000	\$1,398,777,000
<u>COUNTY ADMINISTRATION:</u>			
4260-101-0001(1) *	\$770,922,000	\$825,553,000	\$54,631,000
4260-113-0001 Healthy Families *	\$27,759,000	\$24,404,000	(\$3,355,000)
4260-117-0001 HIPAA *	\$1,216,000	\$1,122,000	(\$94,000)
4260-601-0942285 Hlthcare Outreach & Medi-Cal Enroll. Acct.	\$7,989,000	\$4,975,000	(\$3,014,000)
4260-601-0942 Home Health Program Account	\$612,000	\$0	(\$612,000)
4260-602-0313 Major Risk Medical Ins Fund	\$2,593,000	\$578,000	(\$2,015,000)
4260-605-3167 SNF Quality & Accountability Admin.	\$3,560,000	\$3,560,000	\$0
4260-610-0995 Reimbursements	\$3,049,000	\$660,000	(\$2,389,000)
TOTAL COUNTY ADMIN.	\$817,700,000	\$860,852,000	\$43,152,000
Total Co. Admin. General Fund *	\$799,897,000	\$851,079,000	\$51,182,000
<u>FISCAL INTERMEDIARY:</u>			
4260-101-0001(2) *	\$161,513,000	\$150,591,000	(\$10,922,000)
4260-113-0001 Healthy Families *	\$1,113,000	\$657,000	(\$456,000)
4260-117-0001 HIPAA *	\$3,162,000	\$2,823,000	(\$339,000)
4260-610-0995 Reimbursements	\$0	\$0	\$0
TOTAL FISCAL INTERMEDIARY	\$165,788,000	\$154,071,000	(\$11,717,000)
Total FI General Fund *	\$165,788,000	\$154,071,000	(\$11,717,000)
 GRAND TOTAL - STATE FUNDS	 \$31,340,922,000	 \$30,991,975,000	 (\$348,947,000)
Grand Total General Fund *	\$17,645,882,000	\$19,084,124,000	\$1,438,242,000

Notes:

Proposition 99 funding is from the Cigarette and Tobacco Products Surtax Fund accounts as shown above.

Medi-Cal Funding Summary
November 2015 Estimate Comparison of FY 2015-16 to FY 2016-17

FEDERAL FUNDS

	<u>FY 2015-16</u> <u>Estimate</u>	<u>FY 2016-17</u> <u>Estimate</u>	<u>Difference</u> <u>Incr./(Decr.)</u>
<u>MEDI-CAL Benefits:</u>			
4260-101-0890(3)	\$49,219,828,000	\$43,561,572,000	(\$5,658,256,000)
4260-102-0890 Capital Debt	\$40,453,000	\$41,141,000	\$688,000
4260-106-0890 Money Follows Person Federal Grant	\$16,090,000	\$20,949,000	\$4,859,000
4260-113-0890 Health Families	\$2,510,974,000	\$2,436,189,000	(\$74,785,000)
4260-601-7502 Demonstration DSH Fund	\$60,178,000	\$0	(\$60,178,000)
4260-601-7503 Health Care Support Fund	\$385,964,000	\$52,086,000	(\$333,878,000)
4260-611-0890 Hospital Quality Assurance	\$5,326,988,000	\$4,392,351,000	(\$934,637,000)
TOTAL MEDI-CAL Benefits	<u>\$57,560,475,000</u>	<u>\$50,504,288,000</u>	<u>(\$7,056,187,000)</u>
<u>COUNTY ADMINISTRATION:</u>			
4260-101-0890(1)	\$3,051,843,000	\$3,137,454,000	\$85,611,000
4260-106-0890(1) Money Follows Person Fed. Grant	\$651,000	\$978,000	\$327,000
4260-107-0890 Prevention of Chronic Disease (MIPCD)	\$4,539,000	\$80,000	(\$4,459,000)
4260-113-0890 Healthy Families	\$93,488,000	\$96,042,000	\$2,554,000
4260-117-0890 HIPAA	\$5,665,000	\$5,006,000	(\$659,000)
TOTAL COUNTY ADMIN.	<u>\$3,156,186,000</u>	<u>\$3,239,560,000</u>	<u>\$83,374,000</u>
<u>FISCAL INTERMEDIARY:</u>			
4260-101-0890(2)	\$297,642,000	\$288,754,000	(\$8,888,000)
4260-113-0890 Healthy Families	\$5,156,000	\$4,817,000	(\$339,000)
4260-117-0890 HIPAA	\$16,946,000	\$9,100,000	(\$7,846,000)
TOTAL FISCAL INTERMEDIARY	<u>\$319,744,000</u>	<u>\$302,671,000</u>	<u>(\$17,073,000)</u>
 GRAND TOTAL - FEDERAL FUNDS	 <u>\$61,036,405,000</u>	 <u>\$54,046,519,000</u>	 <u>(\$6,989,886,000)</u>