

**November 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 Fiscal Intermediary Tab of the Medi-Cal Estimate has been moved to the Other Administration Tab. These items continue to be budgeted in the Medi-Cal's Fiscal Intermediary component. The policy changes related to the Fiscal Intermediary can be found under the following subsections: DHCS-MEDICAL FI, DHCS-HEALTH CARE OPTIONS, AND DHCS-DENTAL FI.

<b><u>FY 2015-2016 ESTIMATE:</u></b>	<b><u>Total Funds</u></b>	<b><u>Federal Funds</u></b>	<b><u>State Funds</u></b>
<b>OTHER ADMINISTRATION</b>			
County Administration	\$1,873,713,000	\$1,682,974,000	\$190,739,000
Fiscal Intermediary	\$485,532,000	\$319,744,000	\$165,788,000
<b>Total Other Administration Tab</b>	<b>\$2,359,245,000</b>	<b>\$2,002,718,000</b>	<b>\$356,527,000</b>

**Management Summary:**

<b>COUNTY ADMINISTRATION</b>	<b>\$3,973,886,000</b>	<b>\$3,156,186,000</b>	<b>\$817,700,000</b>
Shown in Other Administration Tab	\$1,873,713,000	\$1,682,974,000	\$190,739,000
Shown in County Administration Tab	\$2,100,173,000	\$1,473,212,000	\$626,961,000
<b>FISCAL INTERMEDIARY</b>	<b>\$485,532,000</b>	<b>\$319,744,000</b>	<b>\$165,788,000</b>
Shown in Other Administration Tab	\$485,532,000	\$319,744,000	\$165,788,000

<b><u>FY 2016-2017 ESTIMATE:</u></b>	<b><u>Total Funds</u></b>	<b><u>Federal Funds</u></b>	<b><u>State Funds</u></b>
<b>OTHER ADMINISTRATION</b>			
County Administration	\$1,865,909,000	\$1,680,633,400	\$185,275,600
Fiscal Intermediary	\$456,742,000	\$302,671,000	\$154,071,000
<b>Total Other Administration Tab</b>	<b>\$2,322,651,000</b>	<b>\$1,983,304,400</b>	<b>\$339,346,600</b>

**Management Summary:**

<b>COUNTY ADMINISTRATION</b>	<b>\$4,100,412,000</b>	<b>\$3,239,560,000</b>	<b>\$860,852,000</b>
Shown in Other Administration Tab	\$1,865,909,000	\$1,680,633,400	\$185,275,600
Shown in County Administration Tab	\$2,234,503,000	\$1,558,926,600	\$675,576,400
<b>FISCAL INTERMEDIARY</b>	<b>\$456,742,000</b>	<b>\$302,671,000</b>	<b>\$154,071,000</b>
Shown in Other Administration Tab	\$456,742,000	\$302,671,000	\$154,071,000

## OTHER ADMINISTRATION POLICY CHANGE SUMMARY

NO.	POLICY CHANGE TITLE	FISCAL YEAR 2015-16		FISCAL YEAR 2016-17	
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
<b><u>DHCS-OTHER</u></b>					
1	BTR - LIHP - ADMINISTRATIVE COSTS	\$198,382,000	\$0	\$7,650,000	\$0
2	CCS CASE MANAGEMENT	\$184,969,000	\$62,931,000	\$190,064,000	\$64,538,700
3	MEDI-CAL ADMINISTRATIVE ACTIVITIES	\$176,139,000	\$0	\$321,586,000	\$0
4	COUNTY SPECIALTY MENTAL HEALTH ADMIN	\$106,737,000	\$0	\$109,291,000	\$0
5	POSTAGE & PRINTING	\$38,317,000	\$19,437,000	\$26,032,000	\$13,219,500
6	OTLICP AND MEDI-CAL ACCESS PROGRAM	\$36,559,000	\$8,076,100	\$36,559,000	\$6,279,100
7	EPSDT CASE MANAGEMENT	\$33,718,000	\$11,871,300	\$33,718,000	\$11,871,300
8	ARRA HITECH INCENTIVE PROGRAM	\$32,709,000	\$2,747,000	\$12,556,000	\$732,000
9	SMHS COUNTY UR & QA ADMIN	\$17,329,000	\$600,000	\$17,120,000	\$215,000
10	DRUG MEDI-CAL COUNTY ADMINISTRATION	\$15,851,000	\$1,287,000	\$18,574,000	\$1,864,000
11	SMH MAA	\$15,763,000	\$0	\$16,521,000	\$0
12	PAVE SYSTEM	\$14,610,000	\$1,858,500	\$14,021,000	\$2,197,100
13	MIS/DSS CONTRACT	\$12,476,000	\$3,317,000	\$12,476,000	\$3,317,000
14	PASRR	\$10,223,000	\$2,555,800	\$9,936,000	\$2,484,000
15	CCI-ADMINISTRATIVE COSTS	\$9,695,000	\$4,721,500	\$7,148,000	\$3,574,000
16	LITIGATION RELATED SERVICES	\$9,980,000	\$4,990,000	\$9,980,000	\$4,990,000
17	INTERIM AND FINAL COST SETTLEMENTS-SMHS	\$9,558,000	\$0	\$0	\$0
18	ACTUARIAL COSTS FOR RATE DEVELOPMENT	\$9,075,000	\$4,415,000	\$16,872,000	\$8,207,500
19	NEWBORN HEARING SCREENING PROGRAM	\$7,700,000	\$3,850,000	\$7,700,000	\$3,850,000
20	MEDI-CAL RECOVERY CONTRACTS	\$5,685,000	\$1,421,300	\$5,685,000	\$1,421,300
21	MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)	\$5,039,000	\$1,652,300	\$5,291,000	\$1,734,800
22	HIPAA CAPITATION PAYMENT REPORTING SYSTEM	\$4,865,000	\$1,216,300	\$4,487,000	\$1,121,800
23	CA-MMIS REPLACEMENT OVERSIGHT	\$4,803,000	\$575,500	\$7,074,000	\$847,100
24	PREVENTION OF CHRONIC DISEASE GRANT PROJECT	\$4,539,000	\$0	\$80,000	\$0
25	MEDS MODERNIZATION	\$3,680,000	\$368,000	\$2,915,000	\$291,500

## OTHER ADMINISTRATION POLICY CHANGE SUMMARY

NO.	POLICY CHANGE TITLE	FISCAL YEAR 2015-16		FISCAL YEAR 2016-17	
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
	<b><u>DHCS-OTHER</u></b>				
26	CA-MMIS REPLACEMENT & OTHER STATE TRANSITION	\$3,157,000	\$378,000	\$2,277,000	\$273,100
28	BUSINESS RULES EXTRACTION	\$2,580,000	\$645,000	\$0	\$0
29	SDMC SYSTEM M&O SUPPORT	\$2,325,000	\$1,162,500	\$2,325,000	\$1,162,500
30	SSA COSTS FOR HEALTH COVERAGE INFO.	\$2,188,000	\$1,094,000	\$2,188,000	\$1,094,000
31	SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES	\$1,900,000	\$1,900,000	\$950,000	\$950,000
32	MITA	\$1,740,000	\$174,000	\$2,582,000	\$258,200
33	ETL DATA SOLUTION	\$1,389,000	\$364,400	\$398,000	\$39,800
34	HEALTH HOMES PROGRAM - CONTRACTOR COSTS	\$1,225,000	\$612,500	\$0	\$0
35	FAMILY PACT PROGRAM ADMIN.	\$1,207,000	\$603,500	\$1,207,000	\$603,500
36	MMA - DSH ANNUAL INDEPENDENT AUDIT	\$1,200,000	\$600,000	\$1,200,000	\$600,000
37	CALIFORNIA HEALTH INTERVIEW SURVEY	\$1,000,000	\$0	\$1,000,000	\$0
38	ENCRYPTION OF PHI DATA	\$750,000	\$375,000	\$750,000	\$375,000
39	POSTAGE AND PRINTING - THIRD PARTY LIAB.	\$553,000	\$276,500	\$596,000	\$298,000
40	CCT OUTREACH - ADMINISTRATIVE COSTS	\$330,000	\$0	\$630,000	\$0
41	ACA EXPANSION ADMIN COSTS	\$330,000	\$165,000	\$0	\$0
42	RATE STUDIES FOR MAIC AND AAC VENDOR	\$305,000	\$152,500	\$305,000	\$152,500
43	MEDICARE BUY-IN QUALITY REVIEW PROJECT	\$300,000	\$150,000	\$0	\$0
44	ANNUAL EDP AUDIT CONTRACTOR	\$257,000	\$128,500	\$0	\$0
45	DENTAL PAPD PROJECT MANAGER	\$247,000	\$61,800	\$226,000	\$56,500
46	RECOVERY AUDIT CONTRACTOR COSTS	\$236,000	\$118,000	\$193,000	\$96,500
47	MAGI-CHIP QUALITY CONTROL TEST CERTIFICATION	\$125,000	\$62,500	\$125,000	\$62,500
48	EPOCRATES	\$107,000	\$53,500	\$107,000	\$53,500
49	CCS CASE MANAGEMENT SUPPLEMENTAL PAYMENT	\$100,000	\$0	\$100,000	\$0
50	Q5i AUTOMATED DATA SYSTEM ACQUISTION	\$59,000	\$29,500	\$59,000	\$29,500
51	TAR POSTAGE	\$59,000	\$29,500	\$59,000	\$29,500

## OTHER ADMINISTRATION POLICY CHANGE SUMMARY

NO.	POLICY CHANGE TITLE	FISCAL YEAR 2015-16		FISCAL YEAR 2016-17	
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
<b><u>DHCS-OTHER</u></b>					
52	COORDINATED CARE MANAGEMENT PILOT	\$23,000	\$11,500	\$0	\$0
53	DMC COUNTY UR & QA ADMIN	\$0	\$0	\$18,537,000	\$0
99	PERFORMANCE OUTCOMES SYSTEM	\$0	\$0	\$23,748,000	\$11,874,000
	<b>DHCS-OTHER SUBTOTAL</b>	<b>\$992,093,000</b>	<b>\$147,037,900</b>	<b>\$952,898,000</b>	<b>\$150,764,100</b>
<b><u>DHCS-MEDICAL FI</u></b>					
54	MEDICAL FI OPERATIONS	\$93,742,000	\$30,470,300	\$90,473,000	\$29,306,000
55	MEDICAL FI SYSTEM REPLACEMENT PROJECT	\$49,644,000	\$7,809,000	\$67,423,000	\$10,605,500
56	MEDICAL FI COST REIMBURSEMENT	\$39,547,000	\$11,420,800	\$30,307,000	\$9,423,600
57	MEDICAL FI HOURLY REIMBURSEMENT	\$23,077,000	\$5,018,400	\$23,072,000	\$5,517,800
58	MEDICAL FI OTHER ESTIMATED COSTS	\$20,978,000	\$4,178,300	\$10,532,000	\$3,083,000
59	MEDICAL FI ENHANCEMENTS	\$5,302,000	\$635,200	\$0	\$0
60	MEDICAL FI MISCELLANEOUS EXPENSES	\$3,157,000	\$1,083,300	\$2,120,000	\$691,000
61	MEDICAL FI DIAGNOSIS RELATED GROUPS	\$70,000	\$35,000	\$26,000	\$13,000
62	MEDICAL FI OPTIONAL CONTRACTUAL SERVICES	\$0	\$0	\$804,000	\$80,400
	<b>DHCS-MEDICAL FI SUBTOTAL</b>	<b>\$235,517,000</b>	<b>\$60,650,100</b>	<b>\$224,757,000</b>	<b>\$58,720,300</b>
<b><u>DHCS-HEALTH CARE OPT</u></b>					
63	HCO OPERATIONS	\$52,650,000	\$25,477,100	\$39,189,000	\$18,851,600
64	HCO COST REIMBURSEMENT	\$41,490,000	\$20,076,400	\$46,094,000	\$22,170,700
65	HCO CCI - CAL MEDICCONNECT AND MLTSS	\$18,357,000	\$9,178,500	\$11,665,000	\$5,832,500
66	HCO - ENROLLMENT CONTRACTOR COSTS	\$17,633,000	\$8,532,600	\$10,262,000	\$4,936,400
67	HCO ESR HOURLY REIMBURSEMENT	\$13,716,000	\$6,636,700	\$14,013,000	\$6,740,100
68	HCO- SPD TRANSITION TO MANAGED CARE RURAL COUN	\$727,000	\$363,500	\$0	\$0
	<b>DHCS-HEALTH CARE OPT SUBTOTAL</b>	<b>\$144,573,000</b>	<b>\$70,264,700</b>	<b>\$121,223,000</b>	<b>\$58,531,400</b>
<b><u>DHCS-DENTAL FI</u></b>					

## OTHER ADMINISTRATION POLICY CHANGE SUMMARY

NO.	POLICY CHANGE TITLE	FISCAL YEAR 2015-16		FISCAL YEAR 2016-17	
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
<b><u>DHCS-DENTAL FI</u></b>					
69	DENTAL FI OPERATIONS	\$82,288,000	\$26,734,000	\$85,134,000	\$27,689,300
70	DENTAL FI HOURLY REIMBURSEMENT	\$12,334,000	\$3,083,500	\$12,769,000	\$3,192,300
71	DENTAL FI COST REIMBURSEMENT	\$7,369,000	\$3,504,300	\$7,444,000	\$3,541,800
72	DENTAL FI FEDERAL RULE - REVALIDATION	\$1,438,000	\$719,000	\$1,438,000	\$719,000
73	DENTAL FI FEDERAL RULE - DATABASE CHECKS	\$375,000	\$187,500	\$375,000	\$187,500
74	DENTAL FI HIPAA ADDENDUM SECURITY RISK ASSESME	\$320,000	\$80,000	\$320,000	\$80,000
75	DENTAL FI CONLAN, SCHWARZMER, STEVENS V. BONTA	\$195,000	\$97,500	\$195,000	\$97,500
76	DENTAL FI CD-MMIS COSTS	\$77,000	\$19,300	\$20,000	\$5,000
100	DENTAL FI -BENEFICIARY OUTREACH & ED PROGRAM-AD	\$1,046,000	\$447,500	\$3,067,000	\$1,307,000
<b>DHCS-DENTAL FI SUBTOTAL</b>		<b>\$105,442,000</b>	<b>\$34,872,500</b>	<b>\$110,762,000</b>	<b>\$36,819,300</b>
<b><u>OTHER DEPARTMENTS</u></b>					
77	PERSONAL CARE SERVICES	\$298,575,000	\$0	\$297,785,000	\$0
78	HEALTH-RELATED ACTIVITIES - CDSS	\$260,425,000	\$0	\$319,875,000	\$0
79	CALHEERS DEVELOPMENT	\$142,998,000	\$31,594,800	\$129,171,000	\$25,568,100
80	CDDS ADMINISTRATIVE COSTS	\$50,873,000	\$0	\$44,254,000	\$0
81	MATERNAL AND CHILD HEALTH	\$29,965,000	\$0	\$29,893,000	\$0
82	DEPARTMENT OF SOCIAL SERVICES ADMIN COST	\$28,803,000	\$0	\$29,998,000	\$0
83	HEALTH OVERSIGHT & COORD. FOR FOSTER CARE CHILD	\$25,143,000	\$0	\$24,879,000	\$0
84	ACA OUTREACH AND ENROLLMENT COUNSELORS	\$15,978,000	\$7,989,000	\$9,950,000	\$4,975,000
85	FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT COS	\$11,671,000	\$3,560,000	\$11,463,000	\$3,560,000
86	CLPP CASE MANAGEMENT SERVICES	\$5,596,000	\$0	\$4,200,000	\$0
87	DEPARTMENT OF AGING ADMINISTRATIVE COSTS	\$3,584,000	\$0	\$4,085,000	\$0
88	CHHS AGENCY HIPAA FUNDING	\$1,215,000	\$0	\$840,000	\$0
89	KIT FOR NEW PARENTS	\$1,119,000	\$0	\$1,119,000	\$0
90	MEDI-CAL INPATIENT SERVICES FOR INMATES	\$1,017,000	\$0	\$1,017,000	\$0

## OTHER ADMINISTRATION POLICY CHANGE SUMMARY

NO.	POLICY CHANGE TITLE	FISCAL YEAR 2015-16		FISCAL YEAR 2016-17	
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
<b><u>OTHER DEPARTMENTS</u></b>					
91	TOBACCO QUITLINE ADMINISTRATIVE SERVICES	\$1,000,000	\$0	\$1,000,000	\$0
92	VETERANS BENEFITS	\$956,000	\$0	\$956,000	\$0
93	CDPH I&E PROGRAM AND EVALUATION	\$994,000	\$0	\$946,000	\$0
94	VITAL RECORDS DATA	\$900,000	\$0	\$883,000	\$0
95	CDDS DENTAL SERVICES	\$308,000	\$308,000	\$120,000	\$120,000
96	MERIT SYSTEM SERVICES FOR COUNTIES	\$195,000	\$97,500	\$195,000	\$97,500
97	PIA EYEWEAR COURIER SERVICE	\$305,000	\$152,500	\$382,000	\$191,000
	<b>OTHER DEPARTMENTS SUBTOTAL</b>	<b>\$881,620,000</b>	<b>\$43,701,800</b>	<b>\$913,011,000</b>	<b>\$34,511,600</b>
	<b>GRAND TOTAL</b>	<b>\$2,359,245,000</b>	<b>\$356,527,000</b>	<b>\$2,322,651,000</b>	<b>\$339,346,600</b>

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

MAY PC#	NOV. PC#	POLICY CHANGE TITLE	2015-16 APPROPRIATION		NOV. 2015 EST. FOR 2015-16		DIFFERENCE	
			TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
<b><u>DHCS-OTHER</u></b>								
1	3	MEDI-CAL ADMINISTRATIVE ACTIVITIES	\$295,361,000	\$0	\$176,139,000	\$0	-\$119,222,000	\$0
2	2	CCS CASE MANAGEMENT	\$183,247,000	\$64,425,750	\$184,969,000	\$62,930,980	\$1,722,000	-\$1,494,770
4	4	COUNTY SPECIALTY MENTAL HEALTH ADMIN	\$103,275,000	\$0	\$106,737,000	\$0	\$3,462,000	\$0
5	1	BTR - LIHP - ADMINISTRATIVE COSTS	\$50,685,000	\$0	\$198,382,000	\$0	\$147,697,000	\$0
6	7	EPSDT CASE MANAGEMENT	\$33,718,000	\$11,871,250	\$33,718,000	\$11,871,250	\$0	\$0
8	6	OTLICP AND MEDI-CAL ACCESS PROGRAM	\$36,559,000	\$13,466,850	\$36,559,000	\$8,076,110	\$0	-\$5,390,740
9	8	ARRA HITECH INCENTIVE PROGRAM	\$13,517,000	\$1,154,000	\$32,709,000	\$2,747,000	\$19,192,000	\$1,593,000
10	5	POSTAGE & PRINTING	\$26,032,000	\$13,219,500	\$38,317,000	\$19,437,000	\$12,285,000	\$6,217,500
11	9	SMHS COUNTY UR & QA ADMIN	\$17,294,000	\$600,000	\$17,329,000	\$600,000	\$35,000	\$0
12	11	SMH MAA	\$16,183,000	\$0	\$15,763,000	\$0	-\$420,000	\$0
13	10	DRUG MEDI-CAL COUNTY ADMINISTRATION	\$17,742,000	\$2,113,000	\$15,851,000	\$1,287,000	-\$1,891,000	-\$826,000
14	13	MIS/DSS CONTRACT	\$12,476,000	\$3,317,000	\$12,476,000	\$3,317,000	\$0	\$0
15	16	LITIGATION RELATED SERVICES	\$9,980,000	\$4,990,000	\$9,980,000	\$4,990,000	\$0	\$0
16	--	DMC COUNTY UR & QA ADMIN	\$18,537,000	\$0	\$0	\$0	-\$18,537,000	\$0
17	26	CA-MMIS REPLACEMENT & OTHER STATE TRANSITIO	\$3,820,000	\$563,500	\$3,157,000	\$378,000	-\$663,000	-\$185,500
18	15	CCI-ADMINISTRATIVE COSTS	\$10,705,000	\$5,226,500	\$9,695,000	\$4,721,500	-\$1,010,000	-\$505,000
19	20	MEDI-CAL RECOVERY CONTRACTS	\$5,869,000	\$1,467,250	\$5,685,000	\$1,421,250	-\$184,000	-\$46,000
20	25	MEDS MODERNIZATION	\$3,995,000	\$485,000	\$3,680,000	\$368,000	-\$315,000	-\$117,000
21	14	PASRR	\$9,072,000	\$2,268,000	\$10,223,000	\$2,555,750	\$1,151,000	\$287,750
22	21	MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)	\$4,902,000	\$1,613,500	\$5,039,000	\$1,652,250	\$137,000	\$38,750
23	23	CA-MMIS REPLACEMENT OVERSIGHT	\$8,286,000	\$992,800	\$4,803,000	\$575,500	-\$3,483,000	-\$417,300
24	22	HIPAA CAPITATION PAYMENT REPORTING SYSTEM	\$4,865,000	\$1,216,250	\$4,865,000	\$1,216,250	\$0	\$0
25	19	NEWBORN HEARING SCREENING PROGRAM	\$7,700,000	\$3,850,000	\$7,700,000	\$3,850,000	\$0	\$0
26	29	SDMC SYSTEM M&O SUPPORT	\$2,325,000	\$1,162,500	\$2,325,000	\$1,162,500	\$0	\$0
27	--	FAMILY PACT EVALUATION	\$2,861,000	\$1,430,500	\$0	\$0	-\$2,861,000	-\$1,430,500
28	28	BUSINESS RULES EXTRACTION	\$1,720,000	\$430,000	\$2,580,000	\$645,000	\$860,000	\$215,000
29	24	PREVENTION OF CHRONIC DISEASE GRANT PROJEC	\$1,375,000	\$0	\$4,539,000	\$0	\$3,164,000	\$0
30	30	SSA COSTS FOR HEALTH COVERAGE INFO.	\$2,207,000	\$1,103,500	\$2,188,000	\$1,094,000	-\$19,000	-\$9,500
31	35	FAMILY PACT PROGRAM ADMIN.	\$1,207,000	\$603,500	\$1,207,000	\$603,500	\$0	\$0
32	33	ETL DATA SOLUTION	\$1,420,000	\$367,450	\$1,389,000	\$364,350	-\$31,000	-\$3,100

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

MAY PC#	NOV. PC#	POLICY CHANGE TITLE	2015-16 APPROPRIATION		NOV. 2015 EST. FOR 2015-16		DIFFERENCE	
			TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
<b><u>DHCS-OTHER</u></b>								
33	42	RATE STUDIES FOR MAIC AND AAC VENDOR	\$1,000,000	\$500,000	\$305,000	\$152,500	-\$695,000	-\$347,500
34	38	ENCRYPTION OF PHI DATA	\$750,000	\$375,000	\$750,000	\$375,000	\$0	\$0
35	32	MITA	\$2,565,000	\$256,500	\$1,740,000	\$174,000	-\$825,000	-\$82,500
36	31	SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES	\$950,000	\$950,000	\$1,900,000	\$1,900,000	\$950,000	\$950,000
37	52	COORDINATED CARE MANAGEMENT PILOT	\$23,000	\$11,500	\$23,000	\$11,500	\$0	\$0
38	36	MMA - DSH ANNUAL INDEPENDENT AUDIT	\$856,000	\$428,000	\$1,200,000	\$600,000	\$344,000	\$172,000
39	41	ACA EXPANSION ADMIN COSTS	\$847,000	\$423,500	\$330,000	\$165,000	-\$517,000	-\$258,500
40	39	POSTAGE AND PRINTING - THIRD PARTY LIAB.	\$555,000	\$277,500	\$553,000	\$276,500	-\$2,000	-\$1,000
42	40	CCT OUTREACH - ADMINISTRATIVE COSTS	\$360,000	\$0	\$330,000	\$0	-\$30,000	\$0
44	45	DENTAL PAPD PROJECT MANAGER	\$247,000	\$61,750	\$247,000	\$61,750	\$0	\$0
49	47	MAGI-CHIP QUALITY CONTROL TEST CERTIFICATION	\$125,000	\$62,500	\$125,000	\$62,500	\$0	\$0
50	48	EPOCRATES	\$107,000	\$53,500	\$107,000	\$53,500	\$0	\$0
52	49	CCS CASE MANAGEMENT SUPPLEMENTAL PAYMENT	\$100,000	\$0	\$100,000	\$0	\$0	\$0
53	51	TAR POSTAGE	\$56,000	\$28,000	\$59,000	\$29,500	\$3,000	\$1,500
54	50	Q5i AUTOMATED DATA SYSTEM ACQUISTION	\$59,000	\$29,500	\$59,000	\$29,500	\$0	\$0
57	17	INTERIM AND FINAL COST SETTLEMENTS-SMHS	\$9,558,000	\$0	\$9,558,000	\$0	\$0	\$0
95	37	CALIFORNIA HEALTH INTERVIEW SURVEY	\$1,000,000	\$0	\$1,000,000	\$0	\$0	\$0
96	34	HEALTH HOMES PROGRAM - CONTRACTOR COSTS	\$1,380,000	\$690,000	\$1,225,000	\$612,500	-\$155,000	-\$77,500
--	12	PAVE SYSTEM	\$0	\$0	\$14,610,000	\$1,858,500	\$14,610,000	\$1,858,500
--	18	ACTUARIAL COSTS FOR RATE DEVELOPMENT	\$0	\$0	\$9,075,000	\$4,415,000	\$9,075,000	\$4,415,000
--	43	MEDICARE BUY-IN QUALITY REVIEW PROJECT	\$0	\$0	\$300,000	\$150,000	\$300,000	\$150,000
--	44	ANNUAL EDP AUDIT CONTRACTOR	\$0	\$0	\$257,000	\$128,500	\$257,000	\$128,500
--	46	RECOVERY AUDIT CONTRACTOR COSTS	\$0	\$0	\$236,000	\$118,000	\$236,000	\$118,000
<b>DHCS-OTHER SUBTOTAL</b>			<b>\$927,473,000</b>	<b>\$142,084,850</b>	<b>\$992,093,000</b>	<b>\$147,037,940</b>	<b>\$64,620,000</b>	<b>\$4,953,090</b>
<b><u>DHCS-MEDICAL FI</u></b>								
--	54	MEDICAL FI OPERATIONS	\$0	\$0	\$93,742,000	\$30,470,250	\$93,742,000	\$30,470,250
--	55	MEDICAL FI SYSTEM REPLACEMENT PROJECT	\$0	\$0	\$49,644,000	\$7,808,950	\$49,644,000	\$7,808,950
--	56	MEDICAL FI COST REIMBURSEMENT	\$0	\$0	\$39,547,000	\$11,420,800	\$39,547,000	\$11,420,800
--	57	MEDICAL FI HOURLY REIMBURSEMENT	\$0	\$0	\$23,077,000	\$5,018,350	\$23,077,000	\$5,018,350

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

MAY PC#	NOV. PC#	POLICY CHANGE TITLE	2015-16 APPROPRIATION		NOV. 2015 EST. FOR 2015-16		DIFFERENCE	
			TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
<b><u>DHCS-MEDICAL FI</u></b>								
--	58	MEDICAL FI OTHER ESTIMATED COSTS	\$0	\$0	\$20,978,000	\$4,178,300	\$20,978,000	\$4,178,300
--	59	MEDICAL FI ENHANCEMENTS	\$0	\$0	\$5,302,000	\$635,200	\$5,302,000	\$635,200
--	60	MEDICAL FI MISCELLANEOUS EXPENSES	\$0	\$0	\$3,157,000	\$1,083,250	\$3,157,000	\$1,083,250
--	61	MEDICAL FI DIAGNOSIS RELATED GROUPS	\$0	\$0	\$70,000	\$35,000	\$70,000	\$35,000
<b>DHCS-MEDICAL FI SUBTOTAL</b>			<b>\$0</b>	<b>\$0</b>	<b>\$235,517,000</b>	<b>\$60,650,100</b>	<b>\$235,517,000</b>	<b>\$60,650,100</b>
<b><u>DHCS-HEALTH CARE OPT</u></b>								
58	63	HCO OPERATIONS	\$38,371,000	\$18,898,250	\$52,650,000	\$25,477,090	\$14,279,000	\$6,578,840
59	65	HCO CCI - CAL MEDICONNECT AND MLTSS	\$16,135,000	\$8,067,500	\$18,357,000	\$9,178,500	\$2,222,000	\$1,111,000
60	64	HCO COST REIMBURSEMENT	\$40,681,000	\$20,035,250	\$41,490,000	\$20,076,400	\$809,000	\$41,150
62	67	HCO ESR HOURLY REIMBURSEMENT	\$13,716,000	\$6,755,100	\$13,716,000	\$6,636,650	\$0	-\$118,450
63	66	HCO - ENROLLMENT CONTRACTOR COSTS	\$10,275,000	\$5,060,400	\$17,633,000	\$8,532,550	\$7,358,000	\$3,472,150
64	68	HCO- SPD TRANSITION TO MANAGED CARE RURAL C	\$727,000	\$363,500	\$727,000	\$363,500	\$0	\$0
66	--	HCO PPDs - COST SAVINGS	-\$2,996,000	-\$1,475,500	\$0	\$0	\$2,996,000	\$1,475,500
<b>DHCS-HEALTH CARE OPT SUBTOTAL</b>			<b>\$116,909,000</b>	<b>\$57,704,500</b>	<b>\$144,573,000</b>	<b>\$70,264,690</b>	<b>\$27,664,000</b>	<b>\$12,560,190</b>
<b><u>DHCS-DENTAL FI</u></b>								
87	69	DENTAL FI OPERATIONS	\$83,761,000	\$27,295,500	\$82,288,000	\$26,734,000	-\$1,473,000	-\$561,500
88	70	DENTAL FI HOURLY REIMBURSEMENT	\$12,334,000	\$3,083,500	\$12,334,000	\$3,083,500	\$0	\$0
89	71	DENTAL FI COST REIMBURSEMENT	\$7,369,000	\$3,504,250	\$7,369,000	\$3,504,250	\$0	\$0
90	76	DENTAL FI CD-MMIS COSTS	\$75,000	\$18,750	\$77,000	\$19,250	\$2,000	\$500
91	75	DENTAL FI CONLAN, SCHWARZMER, STEVENS V. BON	\$195,000	\$97,500	\$195,000	\$97,500	\$0	\$0
92	74	DENTAL FI HIPAA ADDENDUM SECURITY RISK ASSES	\$320,000	\$80,000	\$320,000	\$80,000	\$0	\$0
93	72	DENTAL FI FEDERAL RULE - REVALIDATION	\$1,438,000	\$719,000	\$1,438,000	\$719,000	\$0	\$0
94	73	DENTAL FI FEDERAL RULE - DATABASE CHECKS	\$375,000	\$187,500	\$375,000	\$187,500	\$0	\$0
--	100	DENTAL FI -BENEFICIARY OUTREACH & ED PROGRAM	\$0	\$0	\$1,046,000	\$447,500	\$1,046,000	\$447,500
<b>DHCS-DENTAL FI SUBTOTAL</b>			<b>\$105,867,000</b>	<b>\$34,986,000</b>	<b>\$105,442,000</b>	<b>\$34,872,500</b>	<b>-\$425,000</b>	<b>-\$113,500</b>

**OTHER DEPARTMENTS**

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

MAY PC#	NOV. PC#	POLICY CHANGE TITLE	2015-16 APPROPRIATION		NOV. 2015 EST. FOR 2015-16		DIFFERENCE	
			TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
<b>OTHER DEPARTMENTS</b>								
3	79	CALHEERS DEVELOPMENT	\$144,728,000	\$35,660,250	\$142,998,000	\$31,594,800	-\$1,730,000	-\$4,065,450
7	84	ACA OUTREACH AND ENROLLMENT COUNSELORS	\$35,536,000	\$17,768,000	\$15,978,000	\$7,989,000	-\$19,558,000	-\$9,779,000
41	94	VITAL RECORDS DATA	\$883,000	\$0	\$900,000	\$0	\$17,000	\$0
67	77	PERSONAL CARE SERVICES	\$265,178,000	\$0	\$298,575,000	\$0	\$33,397,000	\$0
68	78	HEALTH-RELATED ACTIVITIES - CDSS	\$260,425,000	\$0	\$260,425,000	\$0	\$0	\$0
69	80	CDDS ADMINISTRATIVE COSTS	\$40,652,000	\$0	\$50,873,000	\$0	\$10,221,000	\$0
70	82	DEPARTMENT OF SOCIAL SERVICES ADMIN COST	\$26,467,000	\$0	\$28,803,000	\$0	\$2,336,000	\$0
71	81	MATERNAL AND CHILD HEALTH	\$34,824,000	\$0	\$29,965,000	\$0	-\$4,859,000	\$0
72	83	HEALTH OVERSIGHT & COORD. FOR FOSTER CARE C	\$25,143,000	\$0	\$25,143,000	\$0	\$0	\$0
73	85	FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPOR	\$11,843,000	\$3,358,000	\$11,671,000	\$3,560,000	-\$172,000	\$202,000
74	86	CLPP CASE MANAGEMENT SERVICES	\$5,200,000	\$0	\$5,596,000	\$0	\$396,000	\$0
75	87	DEPARTMENT OF AGING ADMINISTRATIVE COSTS	\$3,538,000	\$0	\$3,584,000	\$0	\$46,000	\$0
76	88	CHHS AGENCY HIPAA FUNDING	\$1,215,000	\$0	\$1,215,000	\$0	\$0	\$0
77	91	TOBACCO QUITLINE ADMINISTRATIVE SERVICES	\$1,000,000	\$0	\$1,000,000	\$0	\$0	\$0
78	92	VETERANS BENEFITS	\$956,000	\$0	\$956,000	\$0	\$0	\$0
79	93	CDPH I&E PROGRAM AND EVALUATION	\$946,000	\$0	\$994,000	\$0	\$48,000	\$0
80	89	KIT FOR NEW PARENTS	\$1,119,000	\$0	\$1,119,000	\$0	\$0	\$0
81	90	MEDI-CAL INPATIENT SERVICES FOR INMATES	\$1,017,000	\$0	\$1,017,000	\$0	\$0	\$0
82	96	MERIT SYSTEM SERVICES FOR COUNTIES	\$195,000	\$97,500	\$195,000	\$97,500	\$0	\$0
83	95	CDDS DENTAL SERVICES	\$40,000	\$40,000	\$308,000	\$308,000	\$268,000	\$268,000
84	97	PIA EYEWEAR COURIER SERVICE	\$382,000	\$191,000	\$305,000	\$152,500	-\$77,000	-\$38,500
<b>OTHER DEPARTMENTS SUBTOTAL</b>			<b>\$861,287,000</b>	<b>\$57,114,750</b>	<b>\$881,620,000</b>	<b>\$43,701,800</b>	<b>\$20,333,000</b>	<b>-\$13,412,950</b>
<b>OTHER ADMINISTRATION SUBTOTAL</b>			<b>\$2,011,536,000</b>	<b>\$291,890,100</b>	<b>\$2,359,245,000</b>	<b>\$356,527,030</b>	<b>\$347,709,000</b>	<b>\$64,636,930</b>
<b>GRAND TOTAL COUNTY AND OTHER ADMIN.</b>			<b>\$4,107,726,000</b>	<b>\$924,303,750</b>	<b>\$4,459,418,000</b>	<b>\$983,487,680</b>	<b>\$351,692,000</b>	<b>\$59,183,930</b>

**COMPARISON OF FISCAL IMPACTS OF OTHER ADMINISTRATION POLICY CHANGES  
CURRENT YEAR COMPARED TO BUDGET YEAR  
FISCAL YEARS 2015-16 AND 2016-17**

NOV. PC#	POLICY CHANGE TITLE	NOV. 2015 EST. FOR 2015-16		NOV. 2015 EST. FOR 2016-17		DIFFERENCE	
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
<b>DHCS-OTHER</b>							
1	BTR - LIHP - ADMINISTRATIVE COSTS	\$198,382,000	\$0	\$7,650,000	\$0	-\$190,732,000	\$0
2	CCS CASE MANAGEMENT	\$184,969,000	\$62,930,980	\$190,064,000	\$64,538,710	\$5,095,000	\$1,607,730
3	MEDI-CAL ADMINISTRATIVE ACTIVITIES	\$176,139,000	\$0	\$321,586,000	\$0	\$145,447,000	\$0
4	COUNTY SPECIALTY MENTAL HEALTH ADMIN	\$106,737,000	\$0	\$109,291,000	\$0	\$2,554,000	\$0
5	POSTAGE & PRINTING	\$38,317,000	\$19,437,000	\$26,032,000	\$13,219,500	-\$12,285,000	-\$6,217,500
6	OTLICP AND MEDI-CAL ACCESS PROGRAM	\$36,559,000	\$8,076,110	\$36,559,000	\$6,279,120	\$0	-\$1,796,990
7	EPSDT CASE MANAGEMENT	\$33,718,000	\$11,871,250	\$33,718,000	\$11,871,250	\$0	\$0
8	ARRA HITECH INCENTIVE PROGRAM	\$32,709,000	\$2,747,000	\$12,556,000	\$732,000	-\$20,153,000	-\$2,015,000
9	SMHS COUNTY UR & QA ADMIN	\$17,329,000	\$600,000	\$17,120,000	\$215,000	-\$209,000	-\$385,000
10	DRUG MEDI-CAL COUNTY ADMINISTRATION	\$15,851,000	\$1,287,000	\$18,574,000	\$1,864,000	\$2,723,000	\$577,000
11	SMH MAA	\$15,763,000	\$0	\$16,521,000	\$0	\$758,000	\$0
12	PAVE SYSTEM	\$14,610,000	\$1,858,500	\$14,021,000	\$2,197,100	-\$589,000	\$338,600
13	MIS/DSS CONTRACT	\$12,476,000	\$3,317,000	\$12,476,000	\$3,317,000	\$0	\$0
14	PASRR	\$10,223,000	\$2,555,750	\$9,936,000	\$2,484,000	-\$287,000	-\$71,750
15	CCI-ADMINISTRATIVE COSTS	\$9,695,000	\$4,721,500	\$7,148,000	\$3,574,000	-\$2,547,000	-\$1,147,500
16	LITIGATION RELATED SERVICES	\$9,980,000	\$4,990,000	\$9,980,000	\$4,990,000	\$0	\$0
17	INTERIM AND FINAL COST SETTLEMENTS-SMHS	\$9,558,000	\$0	\$0	\$0	-\$9,558,000	\$0
18	ACTUARIAL COSTS FOR RATE DEVELOPMENT	\$9,075,000	\$4,415,000	\$16,872,000	\$8,207,500	\$7,797,000	\$3,792,500
19	NEWBORN HEARING SCREENING PROGRAM	\$7,700,000	\$3,850,000	\$7,700,000	\$3,850,000	\$0	\$0
20	MEDI-CAL RECOVERY CONTRACTS	\$5,685,000	\$1,421,250	\$5,685,000	\$1,421,250	\$0	\$0
21	MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)	\$5,039,000	\$1,652,250	\$5,291,000	\$1,734,750	\$252,000	\$82,500
22	HIPAA CAPITATION PAYMENT REPORTING SYSTEM	\$4,865,000	\$1,216,250	\$4,487,000	\$1,121,750	-\$378,000	-\$94,500
23	CA-MMIS REPLACEMENT OVERSIGHT	\$4,803,000	\$575,500	\$7,074,000	\$847,100	\$2,271,000	\$271,600
24	PREVENTION OF CHRONIC DISEASE GRANT PROJECT	\$4,539,000	\$0	\$80,000	\$0	-\$4,459,000	\$0
25	MEDS MODERNIZATION	\$3,680,000	\$368,000	\$2,915,000	\$291,500	-\$765,000	-\$76,500
26	CA-MMIS REPLACEMENT & OTHER STATE TRANSITION	\$3,157,000	\$378,000	\$2,277,000	\$273,100	-\$880,000	-\$104,900
28	BUSINESS RULES EXTRACTION	\$2,580,000	\$645,000	\$0	\$0	-\$2,580,000	-\$645,000

**COMPARISON OF FISCAL IMPACTS OF OTHER ADMINISTRATION POLICY CHANGES  
CURRENT YEAR COMPARED TO BUDGET YEAR  
FISCAL YEARS 2015-16 AND 2016-17**

NOV. PC#	POLICY CHANGE TITLE	NOV. 2015 EST. FOR 2015-16		NOV. 2015 EST. FOR 2016-17		DIFFERENCE	
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
<b>DHCS-OTHER</b>							
29	SDMC SYSTEM M&O SUPPORT	\$2,325,000	\$1,162,500	\$2,325,000	\$1,162,500	\$0	\$0
30	SSA COSTS FOR HEALTH COVERAGE INFO.	\$2,188,000	\$1,094,000	\$2,188,000	\$1,094,000	\$0	\$0
31	SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES	\$1,900,000	\$1,900,000	\$950,000	\$950,000	-\$950,000	-\$950,000
32	MITA	\$1,740,000	\$174,000	\$2,582,000	\$258,200	\$842,000	\$84,200
33	ETL DATA SOLUTION	\$1,389,000	\$364,350	\$398,000	\$39,800	-\$991,000	-\$324,550
34	HEALTH HOMES PROGRAM - CONTRACTOR COSTS	\$1,225,000	\$612,500	\$0	\$0	-\$1,225,000	-\$612,500
35	FAMILY PACT PROGRAM ADMIN.	\$1,207,000	\$603,500	\$1,207,000	\$603,500	\$0	\$0
36	MMA - DSH ANNUAL INDEPENDENT AUDIT	\$1,200,000	\$600,000	\$1,200,000	\$600,000	\$0	\$0
37	CALIFORNIA HEALTH INTERVIEW SURVEY	\$1,000,000	\$0	\$1,000,000	\$0	\$0	\$0
38	ENCRYPTION OF PHI DATA	\$750,000	\$375,000	\$750,000	\$375,000	\$0	\$0
39	POSTAGE AND PRINTING - THIRD PARTY LIAB.	\$553,000	\$276,500	\$596,000	\$298,000	\$43,000	\$21,500
40	CCT OUTREACH - ADMINISTRATIVE COSTS	\$330,000	\$0	\$630,000	\$0	\$300,000	\$0
41	ACA EXPANSION ADMIN COSTS	\$330,000	\$165,000	\$0	\$0	-\$330,000	-\$165,000
42	RATE STUDIES FOR MAIC AND AAC VENDOR	\$305,000	\$152,500	\$305,000	\$152,500	\$0	\$0
43	MEDICARE BUY-IN QUALITY REVIEW PROJECT	\$300,000	\$150,000	\$0	\$0	-\$300,000	-\$150,000
44	ANNUAL EDP AUDIT CONTRACTOR	\$257,000	\$128,500	\$0	\$0	-\$257,000	-\$128,500
45	DENTAL PAPD PROJECT MANAGER	\$247,000	\$61,750	\$226,000	\$56,500	-\$21,000	-\$5,250
46	RECOVERY AUDIT CONTRACTOR COSTS	\$236,000	\$118,000	\$193,000	\$96,500	-\$43,000	-\$21,500
47	MAGI-CHIP QUALITY CONTROL TEST CERTIFICATION	\$125,000	\$62,500	\$125,000	\$62,500	\$0	\$0
48	EPOCRATES	\$107,000	\$53,500	\$107,000	\$53,500	\$0	\$0
49	CCS CASE MANAGEMENT SUPPLEMENTAL PAYMENT	\$100,000	\$0	\$100,000	\$0	\$0	\$0
50	Q5i AUTOMATED DATA SYSTEM ACQUISTION	\$59,000	\$29,500	\$59,000	\$29,500	\$0	\$0
51	TAR POSTAGE	\$59,000	\$29,500	\$59,000	\$29,500	\$0	\$0
52	COORDINATED CARE MANAGEMENT PILOT	\$23,000	\$11,500	\$0	\$0	-\$23,000	-\$11,500
53	DMC COUNTY UR & QA ADMIN	\$0	\$0	\$18,537,000	\$0	\$18,537,000	\$0
99	PERFORMANCE OUTCOMES SYSTEM	\$0	\$0	\$23,748,000	\$11,874,000	\$23,748,000	\$11,874,000
	<b>DHCS-OTHER SUBTOTAL</b>	<b>\$992,093,000</b>	<b>\$147,037,940</b>	<b>\$952,898,000</b>	<b>\$150,764,130</b>	<b>-\$39,195,000</b>	<b>\$3,726,190</b>

**COMPARISON OF FISCAL IMPACTS OF OTHER ADMINISTRATION POLICY CHANGES  
CURRENT YEAR COMPARED TO BUDGET YEAR  
FISCAL YEARS 2015-16 AND 2016-17**

NOV. PC#	POLICY CHANGE TITLE	NOV. 2015 EST. FOR 2015-16		NOV. 2015 EST. FOR 2016-17		DIFFERENCE	
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
<b><u>DHCS-OTHER</u></b>							
<b><u>DHCS-MEDICAL FI</u></b>							
54	MEDICAL FI OPERATIONS	\$93,742,000	\$30,470,250	\$90,473,000	\$29,306,000	-\$3,269,000	-\$1,164,250
55	MEDICAL FI SYSTEM REPLACEMENT PROJECT	\$49,644,000	\$7,808,950	\$67,423,000	\$10,605,500	\$17,779,000	\$2,796,550
56	MEDICAL FI COST REIMBURSEMENT	\$39,547,000	\$11,420,800	\$30,307,000	\$9,423,550	-\$9,240,000	-\$1,997,250
57	MEDICAL FI HOURLY REIMBURSEMENT	\$23,077,000	\$5,018,350	\$23,072,000	\$5,517,800	-\$5,000	\$499,450
58	MEDICAL FI OTHER ESTIMATED COSTS	\$20,978,000	\$4,178,300	\$10,532,000	\$3,083,000	-\$10,446,000	-\$1,095,300
59	MEDICAL FI ENHANCEMENTS	\$5,302,000	\$635,200	\$0	\$0	-\$5,302,000	-\$635,200
60	MEDICAL FI MISCELLANEOUS EXPENSES	\$3,157,000	\$1,083,250	\$2,120,000	\$691,000	-\$1,037,000	-\$392,250
61	MEDICAL FI DIAGNOSIS RELATED GROUPS	\$70,000	\$35,000	\$26,000	\$13,000	-\$44,000	-\$22,000
62	MEDICAL FI OPTIONAL CONTRACTUAL SERVICES	\$0	\$0	\$804,000	\$80,400	\$804,000	\$80,400
	<b>DHCS-MEDICAL FI SUBTOTAL</b>	<b>\$235,517,000</b>	<b>\$60,650,100</b>	<b>\$224,757,000</b>	<b>\$58,720,250</b>	<b>-\$10,760,000</b>	<b>-\$1,929,850</b>
<b><u>DHCS-HEALTH CARE OPT</u></b>							
63	HCO OPERATIONS	\$52,650,000	\$25,477,090	\$39,189,000	\$18,851,600	-\$13,461,000	-\$6,625,490
64	HCO COST REIMBURSEMENT	\$41,490,000	\$20,076,400	\$46,094,000	\$22,170,720	\$4,604,000	\$2,094,320
65	HCO CCI - CAL MEDICCONNECT AND MLTSS	\$18,357,000	\$9,178,500	\$11,665,000	\$5,832,500	-\$6,692,000	-\$3,346,000
66	HCO - ENROLLMENT CONTRACTOR COSTS	\$17,633,000	\$8,532,550	\$10,262,000	\$4,936,440	-\$7,371,000	-\$3,596,110
67	HCO ESR HOURLY REIMBURSEMENT	\$13,716,000	\$6,636,650	\$14,013,000	\$6,740,120	\$297,000	\$103,470
68	HCO- SPD TRANSITION TO MANAGED CARE RURAL COUNTIES	\$727,000	\$363,500	\$0	\$0	-\$727,000	-\$363,500
	<b>DHCS-HEALTH CARE OPT SUBTOTAL</b>	<b>\$144,573,000</b>	<b>\$70,264,690</b>	<b>\$121,223,000</b>	<b>\$58,531,380</b>	<b>-\$23,350,000</b>	<b>-\$11,733,310</b>
<b><u>DHCS-DENTAL FI</u></b>							
69	DENTAL FI OPERATIONS	\$82,288,000	\$26,734,000	\$85,134,000	\$27,689,250	\$2,846,000	\$955,250
70	DENTAL FI HOURLY REIMBURSEMENT	\$12,334,000	\$3,083,500	\$12,769,000	\$3,192,250	\$435,000	\$108,750
71	DENTAL FI COST REIMBURSEMENT	\$7,369,000	\$3,504,250	\$7,444,000	\$3,541,750	\$75,000	\$37,500
72	DENTAL FI FEDERAL RULE - REVALIDATION	\$1,438,000	\$719,000	\$1,438,000	\$719,000	\$0	\$0
73	DENTAL FI FEDERAL RULE - DATABASE CHECKS	\$375,000	\$187,500	\$375,000	\$187,500	\$0	\$0

**COMPARISON OF FISCAL IMPACTS OF OTHER ADMINISTRATION POLICY CHANGES  
CURRENT YEAR COMPARED TO BUDGET YEAR  
FISCAL YEARS 2015-16 AND 2016-17**

NOV. PC#	POLICY CHANGE TITLE	NOV. 2015 EST. FOR 2015-16		NOV. 2015 EST. FOR 2016-17		DIFFERENCE	
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
<b><u>DHCS-DENTAL FI</u></b>							
74	DENTAL FI HIPAA ADDENDUM SECURITY RISK ASSES	\$320,000	\$80,000	\$320,000	\$80,000	\$0	\$0
75	DENTAL FI CONLAN, SCHWARZMER, STEVENS V. BON	\$195,000	\$97,500	\$195,000	\$97,500	\$0	\$0
76	DENTAL FI CD-MMIS COSTS	\$77,000	\$19,250	\$20,000	\$5,000	-\$57,000	-\$14,250
100	DENTAL FI -BENEFICIARY OUTREACH & ED PROGRAM	\$1,046,000	\$447,500	\$3,067,000	\$1,307,000	\$2,021,000	\$859,500
	<b>DHCS-DENTAL FI SUBTOTAL</b>	<b>\$105,442,000</b>	<b>\$34,872,500</b>	<b>\$110,762,000</b>	<b>\$36,819,250</b>	<b>\$5,320,000</b>	<b>\$1,946,750</b>
<b><u>OTHER DEPARTMENTS</u></b>							
77	PERSONAL CARE SERVICES	\$298,575,000	\$0	\$297,785,000	\$0	-\$790,000	\$0
78	HEALTH-RELATED ACTIVITIES - CDSS	\$260,425,000	\$0	\$319,875,000	\$0	\$59,450,000	\$0
79	CALHEERS DEVELOPMENT	\$142,998,000	\$31,594,800	\$129,171,000	\$25,568,050	-\$13,827,000	-\$6,026,750
80	CDDS ADMINISTRATIVE COSTS	\$50,873,000	\$0	\$44,254,000	\$0	-\$6,619,000	\$0
81	MATERNAL AND CHILD HEALTH	\$29,965,000	\$0	\$29,893,000	\$0	-\$72,000	\$0
82	DEPARTMENT OF SOCIAL SERVICES ADMIN COST	\$28,803,000	\$0	\$29,998,000	\$0	\$1,195,000	\$0
83	HEALTH OVERSIGHT & COORD. FOR FOSTER CARE CH	\$25,143,000	\$0	\$24,879,000	\$0	-\$264,000	\$0
84	ACA OUTREACH AND ENROLLMENT COUNSELORS	\$15,978,000	\$7,989,000	\$9,950,000	\$4,975,000	-\$6,028,000	-\$3,014,000
85	FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT	\$11,671,000	\$3,560,000	\$11,463,000	\$3,560,000	-\$208,000	\$0
86	CLPP CASE MANAGEMENT SERVICES	\$5,596,000	\$0	\$4,200,000	\$0	-\$1,396,000	\$0
87	DEPARTMENT OF AGING ADMINISTRATIVE COSTS	\$3,584,000	\$0	\$4,085,000	\$0	\$501,000	\$0
88	CHHS AGENCY HIPAA FUNDING	\$1,215,000	\$0	\$840,000	\$0	-\$375,000	\$0
89	KIT FOR NEW PARENTS	\$1,119,000	\$0	\$1,119,000	\$0	\$0	\$0
90	MEDI-CAL INPATIENT SERVICES FOR INMATES	\$1,017,000	\$0	\$1,017,000	\$0	\$0	\$0
91	TOBACCO QUITLINE ADMINISTRATIVE SERVICES	\$1,000,000	\$0	\$1,000,000	\$0	\$0	\$0
92	VETERANS BENEFITS	\$956,000	\$0	\$956,000	\$0	\$0	\$0
93	CDPH I&E PROGRAM AND EVALUATION	\$994,000	\$0	\$946,000	\$0	-\$48,000	\$0
94	VITAL RECORDS DATA	\$900,000	\$0	\$883,000	\$0	-\$17,000	\$0
95	CDDS DENTAL SERVICES	\$308,000	\$308,000	\$120,000	\$120,000	-\$188,000	-\$188,000
96	MERIT SYSTEM SERVICES FOR COUNTIES	\$195,000	\$97,500	\$195,000	\$97,500	\$0	\$0

**COMPARISON OF FISCAL IMPACTS OF OTHER ADMINISTRATION POLICY CHANGES  
CURRENT YEAR COMPARED TO BUDGET YEAR  
FISCAL YEARS 2015-16 AND 2016-17**

NOV. PC#	POLICY CHANGE TITLE	NOV. 2015 EST. FOR 2015-16		NOV. 2015 EST. FOR 2016-17		DIFFERENCE	
		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS
<b>OTHER DEPARTMENTS</b>							
97	PIA EYEWEAR COURIER SERVICE	\$305,000	\$152,500	\$382,000	\$191,000	\$77,000	\$38,500
	<b>OTHER DEPARTMENTS SUBTOTAL</b>	<b>\$881,620,000</b>	<b>\$43,701,800</b>	<b>\$913,011,000</b>	<b>\$34,511,550</b>	<b>\$31,391,000</b>	<b>-\$9,190,250</b>
	<b>OTHER ADMINISTRATION SUBTOTAL</b>	<b>\$2,359,245,000</b>	<b>\$356,527,030</b>	<b>\$2,322,651,000</b>	<b>\$339,346,560</b>	<b>-\$36,594,000</b>	<b>-\$17,180,470</b>
	<b>GRAND TOTAL COUNTY AND OTHER ADMIN.</b>	<b>\$4,459,418,000</b>	<b>\$983,487,680</b>	<b>\$4,557,154,000</b>	<b>\$1,014,922,510</b>	<b>\$97,736,000</b>	<b>\$31,434,830</b>

## MEDI-CAL OTHER ADMINISTRATION POLICY CHANGE INDEX

POLICY CHANGE NUMBER	POLICY CHANGE TITLE
<b><u>DHCS-OTHER</u></b>	
1	<a href="#">BTR - LIHP - ADMINISTRATIVE COSTS</a>
2	CCS CASE MANAGEMENT
3	MEDI-CAL ADMINISTRATIVE ACTIVITIES
4	COUNTY SPECIALTY MENTAL HEALTH ADMIN
5	POSTAGE & PRINTING
6	OTLICP AND MEDI-CAL ACCESS PROGRAM
7	EPSDT CASE MANAGEMENT
8	ARRA HITECH INCENTIVE PROGRAM
9	SMHS COUNTY UR & QA ADMIN
10	<a href="#">DRUG MEDI-CAL COUNTY ADMINISTRATION</a>
11	SMH MAA
12	PAVE SYSTEM
13	MIS/DSS CONTRACT
14	PASRR
15	CCI-ADMINISTRATIVE COSTS
16	LITIGATION RELATED SERVICES
17	INTERIM AND FINAL COST SETTLEMENTS-SMHS
18	ACTUARIAL COSTS FOR RATE DEVELOPMENT
19	NEWBORN HEARING SCREENING PROGRAM
20	<a href="#">MEDI-CAL RECOVERY CONTRACTS</a>
21	MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)
22	HIPAA CAPITATION PAYMENT REPORTING SYSTEM
23	CA-MMIS REPLACEMENT OVERSIGHT
24	PREVENTION OF CHRONIC DISEASE GRANT PROJECT
25	MEDS MODERNIZATION
26	CA-MMIS REPLACEMENT & OTHER STATE TRANSITION
28	BUSINESS RULES EXTRACTION
29	SDMC SYSTEM M&O SUPPORT
30	<a href="#">SSA COSTS FOR HEALTH COVERAGE INFO.</a>
31	SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES
32	MITA
33	ETL DATA SOLUTION
34	HEALTH HOMES PROGRAM - CONTRACTOR COSTS
35	FAMILY PACT PROGRAM ADMIN.
36	MMA - DSH ANNUAL INDEPENDENT AUDIT
37	CALIFORNIA HEALTH INTERVIEW SURVEY

## MEDI-CAL OTHER ADMINISTRATION POLICY CHANGE INDEX

POLICY CHANGE NUMBER	POLICY CHANGE TITLE
<b><u>DHCS-OTHER</u></b>	
38	ENCRYPTION OF PHI DATA
39	POSTAGE AND PRINTING - THIRD PARTY LIAB.
40	<a href="#">CCT OUTREACH - ADMINISTRATIVE COSTS</a>
41	ACA EXPANSION ADMIN COSTS
42	RATE STUDIES FOR MAIC AND AAC VENDOR
43	MEDICARE BUY-IN QUALITY REVIEW PROJECT
44	ANNUAL EDP AUDIT CONTRACTOR
45	DENTAL PAPD PROJECT MANAGER
46	RECOVERY AUDIT CONTRACTOR COSTS
47	MAGI-CHIP QUALITY CONTROL TEST CERTIFICATION
48	EPOCRATES
49	CCS CASE MANAGEMENT SUPPLEMENTAL PAYMENT
50	<a href="#">Q5i AUTOMATED DATA SYSTEM ACQUISITION</a>
51	TAR POSTAGE
52	COORDINATED CARE MANAGEMENT PILOT
53	DMC COUNTY UR & QA ADMIN
99	PERFORMANCE OUTCOMES SYSTEM
<b><u>DHCS-MEDICAL FI</u></b>	
54	MEDICAL FI OPERATIONS
55	MEDICAL FI SYSTEM REPLACEMENT PROJECT
56	MEDICAL FI COST REIMBURSEMENT
57	MEDICAL FI HOURLY REIMBURSEMENT
58	<a href="#">MEDICAL FI OTHER ESTIMATED COSTS</a>
59	MEDICAL FI ENHANCEMENTS
60	MEDICAL FI MISCELLANEOUS EXPENSES
61	MEDICAL FI DIAGNOSIS RELATED GROUPS
62	MEDICAL FI OPTIONAL CONTRACTUAL SERVICES
<b><u>DHCS-HEALTH CARE OPT</u></b>	
63	HCO OPERATIONS
64	HCO COST REIMBURSEMENT
65	HCO CCI - CAL MEDICCONNECT AND MLTSS
66	HCO - ENROLLMENT CONTRACTOR COSTS
67	<a href="#">HCO ESR HOURLY REIMBURSEMENT</a>

## MEDI-CAL OTHER ADMINISTRATION POLICY CHANGE INDEX

POLICY CHANGE NUMBER	POLICY CHANGE TITLE
	<b><u>DHCS-HEALTH CARE OPT</u></b>
68	HCO- SPD TRANSITION TO MANAGED CARE RURAL COUNTIES
	<b><u>DHCS-DENTAL FI</u></b>
69	DENTAL FI OPERATIONS
70	DENTAL FI HOURLY REIMBURSEMENT
71	DENTAL FI COST REIMBURSEMENT
72	DENTAL FI FEDERAL RULE - REVALIDATION
73	DENTAL FI FEDERAL RULE - DATABASE CHECKS
74	DENTAL FI HIPAA ADDENDUM SECURITY RISK ASSESSMENT
75	DENTAL FI CONLAN, SCHWARZMER, STEVENS V. BONTA
76	<a href="#">DENTAL FI CD-MMIS COSTS</a>
100	DENTAL FI -BENEFICIARY OUTREACH & ED PROGRAM-ADMIN
	<b><u>OTHER DEPARTMENTS</u></b>
77	PERSONAL CARE SERVICES
78	HEALTH-RELATED ACTIVITIES - CDSS
79	CALHEERS DEVELOPMENT
80	CDDS ADMINISTRATIVE COSTS
81	MATERNAL AND CHILD HEALTH
82	DEPARTMENT OF SOCIAL SERVICES ADMIN COST
83	HEALTH OVERSIGHT & COORD. FOR FOSTER CARE CHILDREN
84	<a href="#">ACA OUTREACH AND ENROLLMENT COUNSELORS</a>
85	FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT COSTS
86	CLPP CASE MANAGEMENT SERVICES
87	DEPARTMENT OF AGING ADMINISTRATIVE COSTS
88	CHHS AGENCY HIPAA FUNDING
89	KIT FOR NEW PARENTS
90	MEDI-CAL INPATIENT SERVICES FOR INMATES
91	TOBACCO QUITLINE ADMINISTRATIVE SERVICES
92	VETERANS BENEFITS
93	<a href="#">CDPH I&amp;E PROGRAM AND EVALUATION</a>
94	VITAL RECORDS DATA
95	CDDS DENTAL SERVICES
96	MERIT SYSTEM SERVICES FOR COUNTIES
97	PIA EYEWEAR COURIER SERVICE

## BTR - LIHP - ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 1  
 IMPLEMENTATION DATE: 7/2012  
 ANALYST: Andrew Yoo  
 FISCAL REFERENCE NUMBER: 1589

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$198,382,000	\$7,650,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$198,382,000	\$7,650,000

### 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.

**BTR - LIHP - ADMINISTRATIVE COSTS**

OTHER ADMIN. POLICY CHANGE NUMBER: 1

**Reason for Change from Prior Estimate:**

The change is due to:

- Updated administrative claiming data,
- A higher than previously expected DY 2011-12 payment,
- Inclusion of DY 2012-13 in FY 2015-16,
- Updated DY 2013-14 and delaying the payment to FY 2015-16, and
- Delayed DY 2010-11 to FY 2016-17.

**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 2011-12, DY 2012-13, and DY 2013-14 for administrative payments will be processed in FY 2015-16.
4. Estimates for start-up costs are based on historical data and invoices for DY 2010-11 will be processed in FY 2016-17.
5. Estimated administrative costs are expected to be as follows:

(Dollars in Thousands)

<b>FY 2015-16</b>	<b>TF</b>	<b>LIHP-MCE FF</b>
DY 2011-12	\$76,554	\$76,554
DY 2012-13	\$89,524	\$89,524
DY 2013-14	\$32,304	\$32,304
<b>Total FY 2015-16</b>	<b>\$198,382</b>	<b>\$198,382</b>

(Dollars in Thousands)

<b>FY 2016-17</b>	<b>TF</b>	<b>LIHP-MCE FF</b>
DY 2010-11 (Start-up costs)	\$7,650	\$7,650
<b>Total FY 2016-17</b>	<b>\$7,650</b>	<b>\$7,650</b>

**Funding:**

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

## CCS CASE MANAGEMENT

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

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$184,969,000	\$190,064,000
STATE FUNDS	\$62,930,980	\$64,538,710
FEDERAL FUNDS	\$122,038,020	\$125,525,290

### 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 50 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 (PPC) 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 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:**

CMS Net amounts and funding allocations 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 2015-16, the CCS case management costs are based on budgeted county expenditures of \$151,969,000 in the May 2015 Estimate.

## CCS CASE MANAGEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 2

For FY 2016-17, caseload is expected to increase 1.85% from FY 2015-16 to FY 2016-17.

$$\$151,969,000 \times (1 + 1.85\%) = \$154,780,000$$

3. Assume administrative costs of \$176,000 in FY 2015-16 and \$1,057,000 in FY 2016-17 for the Medi-Cal expansion of undocumented children which are funded at 100% GF.
4. For FY 2015-16, PPC Nurse Liaison costs are estimated as follows:
  - Each county has 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 75 and 100 palliative care participants.
  - PPC caseload is expanding to seven additional counties, with a staggered rollout, through FY 2015-16. Each county will have 17-18 members enrolled.

$$\$200,000 \times 8 \text{ (counties)} = \$1,600,000$$

$$\$200,000 \times 1 \text{ (county)} \times 4 \text{ (pairs of nurse/clerk)} = \$800,000$$

$$\$1,600,000 + \$800,000 = \$2,400,000 \text{ PPC Nurse Liaison costs for original counties.}$$

$$\$2,400,000 + \$517,000 \text{ (expansion Nurse Liaison costs)} = \$2,917,000$$

5. For FY 2016-17, 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.
  - 16 counties will be active the full FY.
  - Of the 16 counties, one county has between 75 and 100 palliative care participants.

$$\$200,000 \times 15 \text{ (counties)} = \$3,000,000$$

$$\$200,000 \times 1 \text{ (county)} \times 4 \text{ (pairs of nurse/clerk)} = \$800,000$$

$$\$3,000,000 + \$800,000 = \$3,800,000$$

6. County data processing costs associated with CMS Net for CCS Medi-Cal are estimated to be \$1,794,000 in FY 2015-16 and \$1,788,000 in FY 2016-17.
7. Medi-Cal OTLICP costs are separate from other Medi-Cal costs. The following Medi-Cal OTLICP costs include the county share of cost:

	FY 2015-16	FY 2016-17
County Administration:	\$31,656,000	\$31,656,000

8. County data processing costs associated with CMS Net for OTLICP are estimated to be \$265,000 in FY 2015-16 and \$258,000 in FY 2016-17.
9. 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.

$$\text{FY 2015-16:} \quad (\$2,160,000) \text{ TF}$$

$$\text{FY 2016-17:} \quad (\$2,160,000) \text{ TF}$$

## CCS CASE MANAGEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 2

10. 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.
11. Enhanced, Title XIX (75% FFP), funding is available for Skilled Professional Medical Personnel (SPMP) for the Medi-Cal and OTLICP populations in FY 2015-16 and FY 2016-17.

<b>FY 2015-16</b>				
CCS Medi-Cal	<b>TF</b>	<b>GF</b>	<b>FF</b>	<b>CF*</b>
CCS Case Management	\$151,969,000	\$57,243,000	\$94,726,000	
Medi-Cal Expansion	\$176,000	\$176,000		
Pediatric Palliative Care	\$2,917,000	\$729,000	\$2,188,000	
CMS Net	\$1,794,000	\$897,000	\$897,000	
<b>Subtotal</b>	<b>\$156,856,000</b>	<b>\$59,045,000</b>	<b>\$97,811,000</b>	
CCS Medi-Cal/OTLICP				
CCS Case Management	\$30,008,000	\$4,919,000	\$25,089,000	\$1,649,000
CMS Net	\$265,000	\$47,000	\$218,000	
<b>Subtotal</b>	<b>\$30,273,000</b>	<b>\$4,966,000</b>	<b>\$25,307,000</b>	<b>\$1,649,000</b>
Health Plan of San Mateo	(\$2,160,000)	(\$1,080,000)	(\$1,080,000)	
<b>Total</b>	<b>\$184,969,000</b>	<b>\$62,931,000</b>	<b>\$122,038,000</b>	<b>\$1,649,000</b>

<b>FY 2016-17</b>				
CCS Medi-Cal	<b>TF</b>	<b>GF</b>	<b>FF</b>	<b>CF*</b>
CCS Case Management	\$154,780,000	\$58,302,000	\$96,478,000	
Medi-Cal Expansion	\$1,057,000	\$1,057,000		
Pediatric Palliative Care	\$3,800,000	\$950,000	\$2,850,000	
CMS Net	\$1,788,000	\$894,000	\$894,000	
<b>Subtotal</b>	<b>\$161,425,000</b>	<b>\$61,203,000</b>	<b>\$100,222,000</b>	
CCS Medi-Cal/OTLICP				
CCS Case Management	\$30,541,000	\$4,385,000	\$26,157,000	\$1,115,000
CMS Net	\$258,000	\$31,000	\$227,000	
<b>Subtotal</b>	<b>\$30,799,000</b>	<b>\$4,416,000</b>	<b>\$26,384,000</b>	<b>\$1,115,000</b>
Health Plan of San Mateo	(\$2,160,000)	(\$1,080,000)	(\$1,080,000)	
<b>Total</b>	<b>\$190,064,000</b>	<b>\$64,539,000</b>	<b>\$125,525,000</b>	<b>\$1,115,000</b>

\* County Funds are not included in the Total Fund

## CCS CASE MANAGEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 2

### Funding:

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>	<b>CF*</b>
50% GF / 50% Title XIX (4260-101-0001/0890)	\$76,637,000	\$38,318,000	\$38,318,000	
25% GF/75% Title XIX (4260-101-0001/0890)	\$90,964,000	\$22,741,000	\$68,223,000	
35% GF / 65% Title XXI (4260-113-0001/0890)	\$66,000	\$23,000	\$43,000	
17.5% GF / 17.5% CF / 65% Title XXI (4260-113-0001/0890)	\$3,831,000	\$813,000	\$3,019,000	\$813,000
12% GF / 88% Title XXI (4260-113-0001/0890)	\$199,000	\$24,000	\$175,000	
6% GF / 6% CF / 88% Title XXI (4260-113-0001/0890)	\$13,096,000	\$836,000	\$12,260,000	\$836,000
100% GF (4260-101-0001)	\$176,000	\$176,000		
<b>Total</b>	<b>\$184,969,000</b>	<b>\$62,931,000</b>	<b>\$122,038,000</b>	\$1,649,000

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>	<b>CF*</b>
50% GF / 50% Title XIX (4260-101-0001/0890)	\$78,055,000	\$39,027,000	\$39,028,000	
25% GF/75% Title XIX (4260-101-0001/0890)	\$93,233,000	\$23,308,000	\$69,925,000	
12% GF / 88% Title XXI (4260-113-0001/0890)	\$258,000	\$31,000	\$227,000	
6% GF / 6% CF / 88% Title XXI (4260-113-0001/0890)	\$17,461,000	\$1,115,000	\$16,346,000	\$1,115,000
100% GF (4260-101-0001)	\$1,057,000	\$1,057,000		
<b>Total</b>	<b>\$190,064,000</b>	<b>\$64,538,000</b>	<b>\$125,526,000</b>	\$1,115,000

\* County Funds are not included in the Total Fund

## MEDI-CAL ADMINISTRATIVE ACTIVITIES

OTHER ADMIN. POLICY CHANGE NUMBER: 3  
 IMPLEMENTATION DATE: 7/1992  
 ANALYST: Andrew Yoo  
 FISCAL REFERENCE NUMBER: 235

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$176,139,000	\$321,586,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$176,139,000	\$321,586,000

### 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.

In June 2011, CMS approved the Department's request to allow LGAs participating in the County Medi-Cal Administrative Activities (CMAA) program to submit interim claims for MAA reimbursements utilizing FY 2009-10 time survey data for FY 2010-11, FY 2011-12, and FY 2012-13 claims. CMS also stipulated that CMAA program interim claims would require reconciliation. On May 3, 2013, CMS

## MEDI-CAL ADMINISTRATIVE ACTIVITIES

OTHER ADMIN. POLICY CHANGE NUMBER: 3

approved the CMAA Implementation Plan which included a new, statistically valid time survey methodology and a revised operational plan. The CMAA program will use FY 2013-14 time survey data to backcast invoices for FY 2010-11, FY 2011-12, and FY 2012-13.

### Reason for Change from Prior Estimate:

The change is due to:

- Decreased CMAA backcasting estimates,
- Decreased CMAA and Tribal MAA baseline estimates adjusted based on actual prior year payments,
- An additional three quarters of FY 2012-13 SMAA claims in FY 2015-16, and
- Reduced SMAA claim amounts per settlement for FY 2013-14 and FY 2014-15.

### Methodology:

#### County Medi-Cal Administrative Activities

1. For the FY 2015-16 CMAA estimate, FY 2012-13 invoice totals of \$63,282,000 was used as the baseline estimate. FY 2012-13 was the last year of fully paid invoices, which occurred in FY 2014-15. A 5% growth factor was added to this baseline to account for inflation.

$$\$63,282,000 \times (1+5\% \text{ increase}) = \$66,446,000$$

FY 2015-16 includes CMAA backcasting invoices for the following years:

CMAA Backcasting	FY 2015-16
FY 2010-11	\$1,424,000
FY 2011-12	\$1,425,000
FY 2012-13	\$1,425,000
Total	\$4,274,000

In addition, FY 2015-16 includes payments for prior year claims:

CMAA Prior Year Claims	FY 2015-16
FY 2011-12	\$54,000
FY 2012-13	\$458,000
Total	\$512,000

**Total CMAA FY 2015-16:**  $\$66,446,000 + \$4,274,000 + \$512,000 = \$71,232,000$

2. The CMAA FY 2016-17 estimate is based on the FY 2015-16 baseline of \$66,446,000, plus an additional 5% growth factor.

**Total CMAA FY 2016-17:**  $\$66,446,000 \times (1+5\% \text{ increase}) = \$69,768,000$

#### Tribal Medi-Cal Administrative Activities (TMAA)

3. The TMAA FY 2015-16 estimate is based on FY 2014-15 paid invoices in the amount of \$887,000 with a 5% growth factor.

**Total TMAA FY 2015-16:**  $\$887,000 \times (1+5\% \text{ increase}) = \$931,000$

## MEDI-CAL ADMINISTRATIVE ACTIVITIES

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4. The FY 2016-17 estimate uses the base from FY 2015-16 with a 5% growth factor.

**Total TMAA FY 2016-17:** \$931,000 x (1+5% increase) = **\$978,000**

<b>FY 2015-16</b>	<b>\$931,000</b>
<b>FY 2016-17</b>	<b>\$978,000</b>

### School Medi-Cal Administrative Activities

5. The FY 2015-16 SMAA estimate includes the remaining settlement amount for FY 2012-13 and FY 2013-14 invoices that remain to be paid, plus an estimate for FY 2014-15 Q1 and Q2 invoice claims.

<b>SMAA (Based on CMSsettlement)</b>	<b>FY 2015-16</b>
FY 2012-13 (Q1-Q4) Remaining settlement amount	\$40,379,000
FY 2013-14 (Q1-Q4) Remaining invoice claims	\$42,398,000
FY 2014-15 (Q1-Q2) Estimated claims	\$21,199,000
<b>SMAA Total</b>	<b><u>\$103,976,000</u></b>

6. For FY 2016-17, SMAA includes an estimate of FY 2014-15 Q3 and Q4 invoice claims, an estimate of FY 2015-16 Q1 and Q2 invoice claims, and backcasting estimates for FY 2009-10 and FY 2010-11.

<b>SMAA (Based on CMSsettlement)</b>	<b>FY 2016-17</b>
FY 2014-15 (Q3-Q4) Estimated claims	\$85,310,000
FY 2015-16 (Q1-Q2) Estimated claims	\$89,576,000
FY 2009-10 Backcasting	\$9,859,000
FY 2010-11 Backcasting	\$66,095,000
<b>SMAA Total</b>	<b><u>\$250,840,000</u></b>

7. Total MAA reimbursements for FY 2015-16 and FY 2016-17 on a cash basis are:

<b>FY 2015-16</b>	<b>TF</b>	<b>FF</b>
CountyMAA	\$71,232,000	\$71,232,000
TribalMAA	\$931,000	\$931,000
SchoolMAA	\$103,976,000	\$103,976,000
<b>Total</b>	<b>\$176,139,000</b>	<b>\$176,139,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>FF</b>
CountyMAA	\$69,768,000	\$69,768,000
TribalMAA	\$978,000	\$978,000
SchoolMAA	\$250,840,000	\$250,840,000
<b>Total</b>	<b>\$321,586,000</b>	<b>\$321,586,000</b>

### Funding:

100% Title XIX FFP (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 2015-16	FY 2016-17
TOTAL FUNDS	\$106,737,000	\$109,291,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$106,737,000	\$109,291,000

### DESCRIPTION

**Purpose:**

This policy change estimates the county administrative costs for the Specialty Mental Health Medi-Cal Program and Healthy Families Program administered by county mental health departments.

**Authority:**

Welfare & Institutions Code 14711(c)

**Interdependent Policy Changes:**

Not Applicable

**Background:**

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

**Reason for Change from Prior Estimate:**

The Specialty Mental Health Services (SMHS) costs have increased slightly based on additional claims payment data up to June 2015.

**Methodology:**

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

(Dollars In Thousands)

Fiscal Year	MC	HFP	CHIP	Total
FY 2013-14	\$201,317	\$1,027	\$3,007	\$205,351
FY 2014-15	\$206,104	\$0	\$4,130	\$210,234
FY 2015-16	\$210,609	\$0	\$4,221	\$214,830
FY 2016-17	\$214,852	\$0	\$4,306	\$219,157

## COUNTY SPECIALTY MENTAL HEALTH ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER: 4

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

(Dollars In Thousands)

Fiscal Year	Accrual	FY 2015-16	FY 2016-17
MC	\$201,317	\$20,132	\$0
HFP	\$1,027	\$0	\$0
CHIP	\$3,007	\$403	\$0
FY 2013-14	\$205,351	\$20,535	\$0
MC	\$206,104	\$138,090	\$20,610
CHIP	\$4,130	\$2,767	\$413
FY 2014-15	\$210,234	\$140,857	\$21,023
MC	\$210,609	\$48,440	\$141,108
CHIP	\$4,221	\$971	\$2,828
FY 2015-16	\$214,830	\$49,411	\$143,936
MC	\$214,852	\$0	\$49,416
CHIP	\$4,306	\$0	\$990
FY 2016-17	\$219,157	\$0	\$50,406

3. Mental Health administration costs are shared between federal funds (FF) and county funds. MC claims are eligible for 50% federal reimbursement. CHIP claims are eligible for federal reimbursement of 65%. Beginning October 1, 2015, enhanced CHIP funding increases to 88%.

(Dollars In Thousands)

Claim Type	FY 2015-16			FY 2016-17		
	TF	FF	County	TF	FF	County
MC	\$206,662	\$103,331	\$103,331	\$211,134	\$105,567	\$105,567
CHIP*	\$4,141	\$3,406	\$735	\$4,232	\$3,724	\$508
<b>Total</b>	\$210,803	<b>\$106,737</b>	\$104,066	\$215,366	<b>\$109,291</b>	\$106,075

**Funding:**

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

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

## POSTAGE & PRINTING

OTHER ADMIN. POLICY CHANGE NUMBER: 5  
 IMPLEMENTATION DATE: 7/1993  
 ANALYST: Melinda Yegge  
 FISCAL REFERENCE NUMBER: 231

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$38,317,000	\$26,032,000
STATE FUNDS	\$19,437,000	\$13,219,500
FEDERAL FUNDS	\$18,880,000	\$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 14124.5 and 10725  
 Title 42, Code of Federal Regulations (CFR), Section 435.905  
 Title 45, Code of Federal Regulations (CFR), Section 164.520

**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), IRS form 1095B, Home Community Base Services (HCBS) and Waiver Personal Care Services (WPCS) notices, 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 and the Earned Income Tax Credit (EITC) notice are 100% general fund (GF).

**Reason for Changes from Prior Estimate:**

The primary change is related to the additional Affordable Care Act (ACA) mailing costs associated with printing and postage for the required IRS 1095B form that will be distributed to all beneficiaries in early 2016. Newly Qualified Immigrants (NQI), Home Community Based Services (HCBS) and Waiver Personal Care Services (WPCS) printing and mailing costs are added to this estimate as well.

**Methodology:**

1. The Department estimates the printing and postage costs for FY 2015-16 and FY 2016-17 are:

## POSTAGE & PRINTING

OTHER ADMIN. POLICY CHANGE NUMBER: 5

(Dollars in Thousands)						
<b>FY 2015-16</b>		<b>Printing</b>	<b>Mailing</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Mass Mailings		\$1,000	\$14,000	\$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*	\$550	\$0	\$550	\$550	\$0
	IRS 1095B	\$3,000	\$9,000	\$12,000	\$6,000	\$6,000
	NQI	\$0	\$0	\$0	\$0	\$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
HCBS & WPCS		\$35	\$100	\$135	\$67	\$68
<b>TOTAL (Rounded)</b>		<b>\$10,013</b>	<b>\$28,304</b>	<b>\$38,317</b>	<b>\$19,437</b>	<b>\$18,880</b>
<b>FY 2016-17</b>		<b>Printing</b>	<b>Mailing</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
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
<b>TOTAL (Rounded)</b>		<b>\$5,828</b>	<b>\$20,204</b>	<b>\$26,032</b>	<b>\$13,220</b>	<b>\$12,812</b>

**Funding:**

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

100 % GF (4260-101-0001)\*

## OTLICP AND MEDI-CAL ACCESS PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 6  
 IMPLEMENTATION DATE: 1/2013  
 ANALYST: Melinda Yegge  
 FISCAL REFERENCE NUMBER: 1748

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$36,559,000	\$36,559,000
STATE FUNDS	\$8,076,110	\$6,279,120
FEDERAL FUNDS	\$28,482,890	\$30,279,880

### DESCRIPTION

**Purpose:**

This policy change estimates the contract costs and other administrative vendor services for the Optional Targeted Low Income Children Program (OTLICP) and Medi-Cal Access Program (MCAP).

**Authority:**

AB 1494 (Chapter 28, Statutes of 2012)

**Interdependent Policy Changes:**

Not Applicable

**Background:**

Effective January 1, 2013, the Managed Risk Medical Insurance Board (MRMIB) contracted with MAXIMUS for Single Point of Entry (SPE) application services and other administrative vendor services for the Healthy Families Program (HFP), Access for Infants and Mothers (AIM) and Child Health and Disability Prevention (CHDP) Gateway.

HFP subscribers began transitioning into Medi-Cal as OTLICP starting January 1, 2013. Completed applications were sent to the SPE for screening and forwarded to the county welfare departments (CWD) for a Medi-Cal eligibility determination for the children's percent programs or to the new OTLICP.

The AIM infants above 250% of poverty level began transitioning into Medi-Cal Access Infants Program beginning November 1, 2013. The transition ended on February 1, 2014. The AIM Program was transitioned from MRMIB to the Department as of July 1, 2014. AIM has been renamed the Medi-Cal Access Program.

Beginning January 1, 2014, the Department instructed MAXIMUS to close out SPE for HFP and CHDP Gateway and refer applicants to the application portal and toll-free line at Covered California. The shutdown process was completed in FY 2013-14.

As of July 1, 2014, all MRMIB programs, including the MAXIMUS contract, transitioned to the Department. For FY 2015-16 and FY 2016-17, MAXIMUS will provide administrative vendor services for Medi-Cal Access Program, Medi-Cal Access Infants Program and OTLICP. Due to the number of applications still available in the community, the HFP applications continue to be received by MAXIMUS and are then forwarded to the appropriate CWD for a determination without the benefit of screening for accelerated enrollment.

In September 2013 the HFP and Children's Health Insurance Program (CHIP) were transitioned into the Medi-Cal program. Title XXI CHIP program requires the State to contract with an External Quality

## OTLICP AND MEDI-CAL ACCESS PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 6

Review Organization (ERQO) to conduct performance measures validation, performance improvement projects, focus studies, encounter data activities, and an annual survey and other EQRO activities for the duration of the contract. In July 2014 the Department became responsible to have the EQRO conduct the annual survey and other EQRO activities under the terms of the contract.

In October 2015 eligibility for MCAP will be integrated into the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS). It is anticipated that this integration will increase enrollment in MCAP. By December 2015 initial data will be available to help determine the scale of the increase.

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 2015-16 and FY 2016-17 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 XXI 88/12 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, Title XXI 65/35 FMAP AND Title XXI 88/12 FMAP.

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Contract Costs	\$22,200,000	\$4,138,000	\$18,062,000
Applications Processing	\$2,865,000	\$786,000	\$2,079,000
Letters and Notices	\$697,000	\$191,000	\$506,000
Printing and Courier Fees	\$110,000	\$30,000	\$80,000
Call Minute Rate per Minute	\$3,852,000	\$1,056,000	\$2,796,000
Transaction Forwarding Fee	\$874,000	\$240,000	\$634,000
Implementation Costs	\$5,961,000	\$1,635,000	\$4,326,000
<b>Total</b>	<b>\$36,559,000</b>	<b>\$8,076,000</b>	<b>\$28,483,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Contract Costs	\$22,200,000	\$2,919,000	\$19,281,000
Applications Processing	\$2,864,000	\$670,000	\$2,194,000
Letters and Notices	\$697,000	\$163,000	\$534,000
Printing and Courier Fees	\$111,000	\$26,000	\$85,000
Call Minute Rate per Minute	\$3,852,000	\$901,000	\$2,951,000
Transaction Forwarding Fee	\$875,000	\$205,000	\$670,000
Implementation Costs	\$5,960,000	\$1,395,000	\$4,565,000
<b>Total</b>	<b>\$36,559,000</b>	<b>\$6,279,000</b>	<b>\$30,280,000</b>

## OTLICP AND MEDI-CAL ACCESS PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 6

**Funding:**

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
50% Title XIX/50% GF (4260-101-0890/0001)	\$4,807,700	\$2,403,850	\$2,403,850
65% Title XXI/35% GF (4260-113-0890/0001)	\$7,812,825	\$2,734,489	\$5,078,336
88% Title XXI/12% GF (4260-113-0890/0001)	\$23,438,475	\$2,812,617	\$20,625,858
75% Skilled Professional FMAP/25% GF	\$500,000	\$125,000	\$375,000
<b>Total</b>	<b>\$36,559,000</b>	<b>\$8,075,956</b>	<b>\$28,483,044</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
50% Title XIX/50% GF (4260-101-0890/0001)	\$4,807,700	\$2,403,850	\$2,403,850
88% Title XXI/12% GF (4260-113-0890/0001)	\$31,251,300	\$3,750,156	\$27,501,144
75% Skilled Professional FMAP/25% GF	\$500,000	\$125,000	\$375,000
<b>Total</b>	<b>\$36,559,000</b>	<b>\$6,279,006</b>	<b>\$30,279,994</b>

## EPSDT CASE MANAGEMENT

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

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$33,718,000	\$33,718,000
STATE FUNDS	\$11,871,250	\$11,871,250
FEDERAL FUNDS	\$21,846,750	\$21,846,750

### DESCRIPTION

**Purpose:**

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

**Authority:**

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

**Interdependent Policy Changes:**

Not Applicable

**Background:**

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

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

**Reason for Change from Prior Estimate:**

There is no change.

**Methodology:**

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

	TF	GF	FFP
<b>Allocation</b>	<b>\$33,718,000</b>	<b>\$11,871,000</b>	<b>\$21,847,000</b>

**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)

## ARRA HITECH INCENTIVE PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 8  
 IMPLEMENTATION DATE: 7/2010  
 ANALYST: Candace Epstein  
 FISCAL REFERENCE NUMBER: 1370

	<u>FY 2015-16</u>	<u>FY 2016-17</u>
TOTAL FUNDS	\$32,709,000	\$12,556,000
STATE FUNDS	\$2,747,000	\$732,000
FEDERAL FUNDS	\$29,962,000	\$11,824,000

## 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:**

OA 62 Medical FI Optional Contractual Services  
 PC 170 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.

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

## ARRA HITECH INCENTIVE PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 8

EHR Incentive Program, which occurred on October 3, 2011. An IAPD Update (IAPD-U) was submitted for CMS review and approved on July 6, 2015. The IAPDU requests additional funds for ongoing Department administrative costs for Federal Fiscal Year (FFY) 2016, as well as support 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 administration of the Incentive Program. Multiple contracts are required in order to complete the assessments. 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 facilitate the ongoing development and evaluation of the program.

The Medi-Cal Fiscal Intermediary (FI), Xerox State Healthcare, LLC continues to develop 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 cost of the incentive program application portal developed by Xerox, which is eligible for FFP, is budgeted in PC 104 Medical FI Optional Contractual Services. 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.

In addition to CAIR 2.0, the Department will administer the following projects to support MU of EHRs by eligible Medi-Cal professionals and hospitals:

- The Department and CDPH partnered on the California Reportable Disease Information Exchange (CalREDIE) project to implement a computer application system for web-based disease reporting and surveillance.
- The Department awarded contracts to multiple vendors who provide HER system technical assistance to eligible providers preparing to meet AIU and/or MU objectives.
- The Department contracted with the University of California, San Francisco (UCSF) to conduct periodic surveys over the course of the EHR Incentive Program which are required to refine the initial landscape assessment of HER use and to document activities. A California Physicians' Use of EHR survey was 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 Information Technology (HIT)/Health Information Exchange (HIE) Stakeholder Summit (Summit) in November 2015 for FY 2015-16. The Summit is anticipated to reoccur at a later date in FY 2016-17. 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.

## ARRA HITECH INCENTIVE PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 8

**Reason for Change from Prior Estimate:**

For FY 2015-16, CAIR 2.0 project costs have increased due to initial infrastructure costs and the procurement of licenses. Due to the delayed launch of the Provider Technical Assistance Program from FY 2014-15 to FY 2015-16, project costs for FY 2015-16 have increased. CalREDIE project costs have increased in FY 2015-16 due to changes in project requirements.

**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 2015-16 and FY 2016-17, the 10% non-federal share will be provided by the MRMIF.
4. 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.
5. In FY 2015-16 and FY 2016-17, the 10% non-federal share for the other projects will be provided by outside entities.
6. Xerox projects are eligible for ARRA HITECH funding under the FI contract.

<b>FY 2015-16</b>	<b>TF</b>	<b>Reimbursement</b>	<b>SF</b>	<b>FF</b>
CAIR 2.0 (90% FF/10% GF)	\$3,929,000	\$0	\$0	\$3,929,000
CalREDIE (90% FF/10% GF)	\$961,000	\$0	\$0	\$961,000
Provider Technical Assist. (90% FF/10% SF)*	\$25,935,000	\$0	\$2,593,000	\$23,342,000
California HIT/HIE Summit (90% FF/10% GF)	\$349,000	\$0	\$0	\$349,000
Other projects (90% FF/10% GF)	\$1,535,000	\$154,000	\$0	\$1,381,000
<b>Total</b>	<b>\$32,709,000</b>	<b>\$154,000</b>	<b>\$2,593,000</b>	<b>\$29,962,000</b>
Xerox projects (PC 104)	\$800,000	\$80,000	\$0	\$720,000
<b>Total FY 2015-16</b>	<b>\$33,509,000</b>	<b>\$234,000</b>	<b>\$2,593,000</b>	<b>\$30,682,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>Reimbursement</b>	<b>SF</b>	<b>FF</b>
CAIR 2.0 (90% FF/10% GF)	\$3,929,000	\$0	\$0	\$3,929,000
CalREDIE (90% FF/10% GF)	\$961,000	\$0	\$0	\$961,000
Provider Technical Assist. (90% FF/10% SF)*	\$5,782,000	\$0	\$578,000	\$5,204,000
California HIT/HIE Summit (90% FF/10% GF)	\$349,000	\$0	\$0	\$349,000
Other projects (90% FF/10% GF)	\$1,535,000	\$154,000	\$0	\$1,381,000
<b>Total</b>	<b>\$12,556,000</b>	<b>\$154,000</b>	<b>\$578,000</b>	<b>\$11,824,000</b>
Xerox projects (PC 104)	\$800,000	\$80,000	\$0	\$720,000
<b>Total FY 2016-17</b>	<b>\$13,356,000</b>	<b>\$234,000</b>	<b>\$578,000</b>	<b>\$12,544,000</b>

**Funding:**

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

## SMHS COUNTY UR &amp; QA ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER: 9  
 IMPLEMENTATION DATE: 7/2012  
 ANALYST: Julie Chan  
 FISCAL REFERENCE NUMBER: 1729

	<u>FY 2015-16</u>	<u>FY 2016-17</u>
TOTAL FUNDS	\$17,329,000	\$17,120,000
STATE FUNDS	\$600,000	\$215,000
FEDERAL FUNDS	\$16,729,000	\$16,905,000

## 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.

The responsibility for Specialty Mental Health child welfare and protective services was realigned to the counties in 2011 as part of 2011 Public Safety Realignment. Pursuant to Proposition 30, legislation enacted after September 30, 2012, that has an overall effect of increasing the costs already borne by a local agency for programs or levels of service mandated by 2011 Realignment shall apply to local agencies only to the extent that the state provides annual funding for the cost increase. Local agencies are not obligated to provide programs or levels of service required by legislation, above the level for which funding has been provided. Therefore, funding for the remaining non-federal costs for counties is 100% General Funds.

**Reason for Change from Prior Estimate:**

The UR and QA costs increased based on additional historical data up to June 2015.

**Methodology:**

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

## SMHS COUNTY UR &amp; QA ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER: 9

(Dollars in Thousands)

Fiscal Year	Accrual	FY 2015-16	FY 2016-17
FY 2013-14	\$24,106	\$723	\$0
FY 2014-15	\$24,680	\$17,029	\$740
FY 2015-16	\$25,219	\$7,061	\$17,401
FY 2016-17	\$25,727	\$0	\$7,204
Total		\$24,813	\$25,345

- SPMP are eligible for enhanced federal reimbursement of 75%. All other personnel are eligible for 50% federal reimbursement.
- Based on historical claims received, assume 60% are SPMP and the remaining 40% of the total claims are other personnel costs.
- 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 2015-16				
Personnel	TF	FF	CF	GF
SPMP	\$14,888	\$11,166	\$3,722	\$0
Other	\$11,125	\$5,563	\$4,962	\$600
<b>Total</b>	<b>\$26,013</b>	<b>\$16,729</b>	<b>\$8,684</b>	<b>\$600</b>

- FY 2016-17 includes an estimate for additional work, at the county level, to collect and report data elements and post Mental Health Plan (MHP) data on the county's website as specified by the Special Terms and Conditions (STC) related to the SMHSwaiver.

(Dollars in Thousands)

FY 2016-17				
Personnel	TF	FF	CF	GF
SPMP	\$15,207	\$11,405	\$3,802	\$0
Other	\$10,138	\$5,069	\$5,069	\$0
STC	\$861	\$431	\$215	\$215
<b>Total</b>	<b>\$26,206</b>	<b>\$16,905</b>	<b>\$9,086</b>	<b>\$215</b>

**Funding:**

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

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

## DRUG MEDI-CAL COUNTY ADMINISTRATION

OTHER ADMIN. POLICY CHANGE NUMBER: 10  
 IMPLEMENTATION DATE: 7/2014  
 ANALYST: Joel Singh  
 FISCAL REFERENCE NUMBER: 1813

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$15,851,000	\$18,574,000
STATE FUNDS	\$1,287,000	\$1,864,000
FEDERAL FUNDS	\$14,564,000	\$16,710,000

### DESCRIPTION

**Purpose:**

This policy change estimates the administrative costs for counties who provide Drug Medi-Cal (DMC) services under the Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver.

**Authority:**

State Plan Amendment #09-022

**Interdependent Policy Changes:**

Not Applicable

**Background:**

The DMC program provides certain medically necessary substance use disorder treatment services. These services are provided by providers under contract with the counties or with the State. The Department requires counties to report and bill for their administrative expenses separately from direct treatment services expenses. This policy change budgets administrative costs for the following DMC programs:

- Narcotic Treatment Program
- Intensive Outpatient Treatment Services
- Outpatient Drug Free Treatment Services
- Residential Treatment Services

Effective July 1, 2015, the DMC-ODS waiver was amended to allow the Department to expand DMC RTS coverage to non-perinatal beneficiaries in facilities with no bed capacity limits. Counties will begin participating in the waiver in four phases. Phases one and two will be implemented in FY 2015-16 and include 22 counties. Phases three and four will be implemented in FY 2016-17 and include 31 counties. Prior to July 1, 2015, RTS was available only to perinatal beneficiaries.

**Reason for Change from the Prior Estimate:**

The changes are due to the following:

- RTS cost for regular DMC beneficiaries has been added due to the expansion of services to non-perinatal beneficiaries.
- Cost projection has been updated with updated cost report data.

**DRUG MEDI-CAL COUNTY ADMINISTRATION**

OTHER ADMIN. POLICY CHANGE NUMBER: 10

**Methodology:**

1. Based on updated cost report data and projections for DMC county administrative expenses from FY 2011-12 through FY 2014-15, the Department projects a 10.3% increase for Regular DMC (excluding RTS) and a 9.7% increase for Perinatal DMC services.
2. RTS expansion to counties will occur in phases, therefore cost is adjusted to reflect percentage of phase-in in each fiscal year.

<b>Regular DMC</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>
Narcotic Treatment Program	\$11,516,000	\$12,702,000
Intensive Outpatient Treatment	\$3,505,000	\$3,866,000
Outpatient Drug Free	\$8,989,000	\$9,915,000
Residential Treatment Services	\$622,000	\$1,855,000
<b>Perinatal DMC</b>		
Narcotic Treatment Program	\$36,000	\$39,000
Intensive Outpatient Treatment	\$171,000	\$188,000
Outpatient Drug Free (ODF)	\$110,000	\$121,000
Residential Treatment Services	\$241,000	\$264,000
<b>Total</b>	<b>\$25,190,000</b>	<b>\$28,950,000</b>

3. The estimated DMC county administration cost for FY 2015-16 and FY 2016-17 is:

<b>FY 2015-16</b>	<b>County Admin Cost</b>	<b>Title XIX</b>	<b>Title XXI</b>	<b>County</b>	<b>GF</b>
Regular DMC	\$24,633,000	\$14,060,000	\$154,000	\$9,171,000	\$1,248,000
Perinatal DMC	\$557,000	\$188,000	\$162,000	\$168,000	\$39,000
<b>Total</b>	<b>\$25,190,000</b>	<b>\$14,248,000</b>	<b>\$316,000</b>	<b>\$9,339,000</b>	<b>\$1,287,000</b>

<b>FY 2016-17</b>	<b>County Admin Cost</b>	<b>Title XIX</b>	<b>Title XXI</b>	<b>County</b>	<b>GF</b>
Regular DMC	\$28,338,000	\$16,145,000	\$182,000	\$10,191,000	\$1,820,000
Perinatal DMC	\$612,000	\$205,000	\$178,000	\$185,000	\$44,000
<b>Total</b>	<b>\$28,950,000</b>	<b>\$16,350,000</b>	<b>\$360,000</b>	<b>\$10,376,000</b>	<b>\$1,864,000</b>

**Funding:**

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

## SMH MAA

OTHER ADMIN. POLICY CHANGE NUMBER: 11  
 IMPLEMENTATION DATE: 7/2012  
 ANALYST: Julie Chan  
 FISCAL REFERENCE NUMBER: 1722

	<u>FY 2015-16</u>	<u>FY 2016-17</u>
TOTAL FUNDS	\$15,763,000	\$16,521,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$15,763,000	\$16,521,000

## 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 the most current available claims data. Also, the payment lag has been adjusted based on updated expenditure data.

**Methodology:**

1. County mental health plans submit claims for reimbursement on a quarterly basis. Claims may be submitted up to six months after the close of a fiscal year.
2. Based on claims from FY 2008-09 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 fiscal year.

## SMH MAA

OTHER ADMIN. POLICY CHANGE NUMBER: 11

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	\$26,897	4.81%	\$1,294
FY 2015-16	\$28,191	4.81%	\$1,356
FY 2016-17	\$29,547	4.81%	\$1,421

5. Based on historical claims received, assume 9.29% of fiscal year claims will be paid in the year the services occur. The remaining 90.71% is paid in the following year.

(Dollars in Thousands)

Fiscal Years	Accrual	FY 2015-16	FY 2016-17
FY 2014-15	\$26,897	\$24,398	\$0
FY 2015-16	\$28,191	\$2,619	\$25,572
FY 2016-17	\$29,547	\$0	\$2,745
Total	\$84,635	\$27,017	\$28,317

6. MH MAA total expenditures are shared between FFP and county funds (CF). 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 33.38% of costs are eligible for 75% reimbursement and the remaining 66.62% are eligible for 50% reimbursement.

(Dollars in Thousands)

Expenditures	FY 2015-16			FY 2016-17		
	TF	FF	CF	TF	FF	CF
Medical	\$9,018	\$6,764	\$2,254	\$9,452	\$7,089	\$2,363
Other	\$17,999	\$8,999	\$9,000	\$18,865	\$9,432	\$9,433
<b>Total</b>	<b>\$27,017</b>	<b>\$15,763</b>	<b>\$11,254</b>	<b>\$28,317</b>	<b>\$16,521</b>	<b>\$11,796</b>

**Funding:**

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

## PAVE SYSTEM

OTHER ADMIN. POLICY CHANGE NUMBER: 12  
 IMPLEMENTATION DATE: 1/2016  
 ANALYST: Jason Moody  
 FISCAL REFERENCE NUMBER: 1932

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$14,610,000	\$14,021,000
STATE FUNDS	\$1,858,500	\$2,197,100
FEDERAL FUNDS	\$12,751,500	\$11,823,900

### DESCRIPTION

**Purpose:**

This policy change estimates the costs for completing the Provider Application and Validation for Enrollment (PAVE) system with a new contractor.

**Authority:**

42, Code of Federal Regulations 455 Subpart E

**Interdependent Policy Changes:**

Not Applicable

**Background:**

The Department is deploying an enterprise-wide enrollment portal and associated business processes to automate provider management activities to comply with provider integrity mandates under the Affordable Care Act (ACA). Some of the requirements are:

- Perform monthly database checks on enrolled providers and associated entities that manage, own, or have a controlling interest;
- Enroll all ordering, referring, or prescribing (ORP) providers that bill claims to Medi-Cal;
- Periodic checks of all enrolled providers against various exclusionary databases as well as the Social Security Death Master File; and
- Revalidation of all providers every five years.

The Department's Fiscal Intermediary (FI) has taken steps to accomplish DD&I of the PAVE system. Due to contractual issues and delays, the Department is contracting with a new contractor for completing the DD&I and ongoing maintenance and operations (M&O) of the PAVE system.

**Reason for Change from Prior Estimate:**

This is a new policy change.

**Methodology:**

1. Of the DD&I costs, \$3 million is budgeted in the FI contract (OA-102 Medical FI Other Estimated Costs) and offsets the FY 2015-16 DD&I costs in this policy change.

## PAVE SYSTEM

OTHER ADMIN. POLICY CHANGE NUMBER: 12

2. FY 2015-16 and FY 2016-17 costs are as follows:

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
DD&I	\$14,100,000	\$1,410,000	\$12,690,000
DD&I (FI contract)	(\$3,000,000)	(\$300,000)	(\$2,700,000)
M&O*	\$2,650,000	\$662,000	\$1,988,000
Consultants	\$860,000	\$86,000	\$774,000
<b>Total</b>	<b>\$14,610,000</b>	<b>\$1,858,000</b>	<b>\$12,752,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
DD&I	\$7,000,000	\$700,000	\$6,300,000
M&O*	\$5,300,000	\$1,325,000	\$3,975,000
Consultants	\$1,721,000	\$172,000	\$1,549,000
<b>Total</b>	<b>\$14,021,000</b>	<b>\$2,197,000</b>	<b>\$11,824,000</b>

**Funding:**

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

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

## MIS/DSS CONTRACT

OTHER ADMIN. POLICY CHANGE NUMBER: 13  
 IMPLEMENTATION DATE: 7/2002  
 ANALYST: Jason Moody  
 FISCAL REFERENCE NUMBER: 252

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$12,476,000	\$12,476,000
STATE FUNDS	\$3,317,000	\$3,317,000
FEDERAL FUNDS	\$9,159,000	\$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, maintenance and operation of the MIS/DSS are accomplished through a multi-year contract. The Department has awarded a 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 2015-16 and FY 2016-17:

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
<b>Total</b>	<b>\$12,476,000</b>	<b>\$3,317,000</b>	<b>\$9,159,000</b>

**MIS/DSS CONTRACT**

OTHER ADMIN. POLICY CHANGE NUMBER: 13

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
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
<b>Total</b>	<b>\$12,476,000</b>	<b>\$3,317,000</b>	<b>\$9,159,000</b>

**Funding:**

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

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

## PASRR

OTHER ADMIN. POLICY CHANGE NUMBER: 14  
 IMPLEMENTATION DATE: 7/2013  
 ANALYST: Jason Moody  
 FISCAL REFERENCE NUMBER: 1720

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$10,223,000	\$9,936,000
STATE FUNDS	\$2,555,750	\$2,484,000
FEDERAL FUNDS	\$7,667,250	\$7,452,000

### 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: 14

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

The Department is in the process of issuing a Request for Offer for the following enhancements:

- Addressing issues related to the effectiveness of evaluation questions and reconfiguring them accordingly.
- 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 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 will begin December 31, 2015 and continue to June 30, 2016.

### Reason for Change from Prior Estimate:

Costs have been updated for the increased Level II evaluations for FY 2015-16.

### Methodology:

1. A new Level II evaluations contractor was hired in January 2015 and payments began in February 2015.
2. Electronic training costs for the NFs and general acute care hospitals are based on an industry-wide survey. The end date for electronic training costs is June 30, 2016.
3. The IT project requires funds 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.

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Evaluations	\$9,748,000	\$2,437,000	\$7,311,000
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
<b>Total</b>	<b>\$10,223,000</b>	<b>\$2,555,000</b>	<b>\$7,668,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Evaluations	\$9,748,000	\$2,437,000	\$7,311,000
Ongoing M&O Costs	\$188,000	\$47,000	\$141,000
<b>Total</b>	<b>\$9,936,000</b>	<b>\$2,484,000</b>	<b>\$7,452,000</b>

### Funding:

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

## CCI-ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 15  
 IMPLEMENTATION DATE: 7/2012  
 ANALYST: Candace Epstein  
 FISCAL REFERENCE NUMBER: 1677

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$9,695,000	\$7,148,000
STATE FUNDS	\$4,721,500	\$3,574,000
FEDERAL FUNDS	\$4,973,500	\$3,574,000

### DESCRIPTION

**Purpose:**

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

**Authority:**

SB 1008 (Chapter 33, Statutes of 2012)  
 SB 1036 (Chapter 45, Statutes of 2012)  
 SB 94 (Chapter 37, Statutes of 2013)  
 SB 75 (Chapter 18, Statutes of 2015)

**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: 15

### Methodology:

1. The CCI development, implementation and operation costs began July 2012 and will continue through FY 2016-17.
2. The Affordable Care Act (ACA) authorized 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 expired 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.

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>	<b>ACA FF</b>
Stakeholder and Advocate Outreach	\$4,248,000	\$2,124,000	\$2,124,000	\$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
<b>Total</b>	<b>\$9,695,000</b>	<b>\$4,722,000</b>	<b>\$4,596,500</b>	<b>\$376,500</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Stakeholder and Advocate Outreach	\$4,248,000	\$2,124,000	\$2,124,000
Encounter Data Quality & Perform. Measures	\$1,000,000	\$500,000	\$500,000
Evaluation	\$900,000	\$450,000	\$450,000
EQRO Monitoring	\$1,000,000	\$500,000	\$500,000
<b>Total</b>	<b>\$7,148,000</b>	<b>\$3,574,000</b>	<b>\$3,574,000</b>

### Funding:

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

## LITIGATION RELATED SERVICES

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

	FY 2015-16	FY 2016-17
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 2015-16, and \$7,880,000 for FY 2016-17.
2. Based on prior actuary costs and the Department's projected workload, costs will be \$2,100,000 in FY 2015-16 and \$2,100,000 in FY 2016-17.

**LITIGATION RELATED SERVICES**

OTHER ADMIN. POLICY CHANGE NUMBER: 16

(Dollars in Thousands)	FY 2015-16		FY 2016-17	
	TF	GF	TF	GF
Litigation Representation	\$7,880	\$3,940	\$7,880	\$3,940
Consulting Actuaries	\$2,100	\$1,050	\$2,100	\$1,050
<b>Total</b>	<b>\$9,980</b>	<b>\$4,990</b>	<b>\$9,980</b>	<b>\$4,990</b>

**Funding:**

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

## INTERIM AND FINAL COST SETTLEMENTS-SMHS

OTHER ADMIN. POLICY CHANGE NUMBER: 17  
 IMPLEMENTATION DATE: 7/2015  
 ANALYST: Julie Chan  
 FISCAL REFERENCE NUMBER: 1757

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$9,558,000	\$0
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$9,558,000	\$0

### 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:**

There is no change.

**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: 17

<b>Interim Settlements</b>			
FY 2009-10	<b>Underpaid</b>	<b>Overpaid</b>	<b>Net FF</b>
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
MHMAA	\$956,000	\$0	\$956,000
HFP Admin*	\$790,000	\$0	\$790,000
<b>Total FY 2009-10</b>	<b>\$12,129,000</b>	<b>(\$2,562,000)</b>	<b>\$9,567,000</b>
FY 2010-11	<b>Underpaid</b>	<b>Overpaid</b>	<b>Net FF</b>
SMH Admin	\$11,368	(\$20,994)	(\$9,626)
MCHIP*	\$47	(\$248)	(\$201)
UR/QA	\$3,836	(\$4,186)	(\$350)
MHMAA	\$798	(\$223)	\$575
HFP Admin*	\$189	(\$30)	\$159
<b>Total FY 2010-11</b>	<b>\$16,238</b>	<b>(\$25,681)</b>	<b>(\$9,443)</b>
<b>Total FY 2015-16</b>	<b>\$12,145,238</b>	<b>(\$2,587,681)</b>	<b>\$9,557,557</b>

4. The net FFP to be paid in FY 2015-16 is shown below:

	<b>FY 2015-16</b>
100% Title XIX FF (4260-101-0890)	\$8,422,000
100% Title XXI FF (4260-113-0890)*	\$1,136,000
<b>Total</b>	<b>\$9,558,000</b>

**Funding:**

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

100% Title XXI FF (4260-113-0890)\*

## ACTUARIAL COSTS FOR RATE DEVELOPMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 18  
 IMPLEMENTATION DATE: 9/2015  
 ANALYST: Andrew Yoo  
 FISCAL REFERENCE NUMBER: 1937

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$9,075,000	\$16,872,000
STATE FUNDS	\$4,415,000	\$8,207,500
FEDERAL FUNDS	\$4,660,000	\$8,664,500

### DESCRIPTION

**Purpose:**

This policy change estimates the costs for contracted actuarial rate development services.

**Authority:**

Not Applicable

**Interdependent Policy Changes:**

Not Applicable

**Background:**

Federal requirements for obtaining federal financial participation (FFP) require that managed care capitation rates be actuarially sound. Actuarially sound capitation rates require:

- Rates are developed in accordance with generally accepted actuarial principles,
- Practices are appropriate for the populations to be covered,
- The services to be furnished under the contract,
- Rates have been certified by actuaries who meet the qualification standards established by the American Academy of actuaries, and
- Follow the practice standards established by the Actuarial Standards Board.

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

**Reason for Change from Prior Estimate:**

This is a new policy change.

**Methodology:**

1. This policy change collectively budgets for all actuarial services received for different managed care programs.
2. Per payment terms, 10% of the contractor's fees are withheld for six months pending completion of outstanding projects.
3. Specific costs are identified for existing workloads (Coordinated Care Initiative (CCI), Affordable Care Act (ACA) Expansion, and Health Homes Program), however, ongoing actuarial services are needed as these, and other new, programs are integrated into the overall managed care delivery system rate setting process.

## ACTUARIAL COSTS FOR RATE DEVELOPMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 18

The FY 2015-16 and FY 2016-17 amounts on an accrual basis are estimated to be:

PC #	PC Title	FY 2015-16	FY 2016-17
OA-15	CCI - Administrative Costs	\$1,010,000	\$1,010,000
OA-41	ACA Expansion Admin Costs	\$517,000	\$517,000
OA-34	Health Homes Program - Contractor Costs	\$650,000	\$650,000
N/A	Ongoing Actuarial Services	\$7,000,000	\$15,100,000
	<b>Total</b>	<b>\$9,177,000</b>	<b>\$17,277,000</b>

The FY 2015-16 and FY 2016-17 amounts on a cash basis are estimated to be:

(Dollars in Thousands)

	TF	GF	FF
<b>FY 2015-16</b>	<b>\$9,075</b>	\$4,415	\$4,660
<b>FY 2016-17</b>	<b>\$16,872</b>	\$8,208	\$8,664

**Funding:**

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

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

## NEWBORN HEARING SCREENING PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 19  
 IMPLEMENTATION DATE: 7/2014  
 ANALYST: Jason Moody  
 FISCAL REFERENCE NUMBER: 1824

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$7,700,000	\$7,700,000
STATE FUNDS	\$3,850,000	\$3,850,000
FEDERAL FUNDS	\$3,850,000	\$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 Infant Data Management Service (IDMS). 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 IDMS supports the reporting, tracking, monitoring and quality assurance activities of the NHSP. The IDMS 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 IDMS and HCC contract breakdowns are as follows:

- IDMS contract
  - IDMS contract #14-90182 began on December 19, 2014 and has a two-year term.
  - The Request for Proposal (RFP) process will begin in late FY 2015-16 to award an IDMS contract effective December 2016.
- HCC contracts
  - A single, statewide HCC RFP has been awarded, contract #15-92041, and started on July 1, 2015 to replace the separate HCC contracts.
  - The new contract supersedes the following HCC contracts and has a five-year term.
    - HCC contract #10-87040 A02, Loma Linda, expired on June 30, 2015.
    - HCC contract #10-87041 A02, Miller Children's Hospital, expired 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: 19

**Reason for Change from Prior Estimate:**

There is no change.

**Methodology:**

1. The estimated IDMS and HCC contract costs for FY 2015-16 and FY 2016-17 are as follows:

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

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
HCC contract	\$6,500,000	\$3,250,000	\$3,250,000
IDMS contract (current)	\$500,000	\$250,000	\$250,000
IDMS contract (new)	\$700,000	\$350,000	\$350,000
<b>Total</b>	<b>\$7,700,000</b>	<b>\$3,850,000</b>	<b>\$3,850,000</b>

**Funding:**

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

## MEDI-CAL RECOVERY CONTRACTS

OTHER ADMIN. POLICY CHANGE NUMBER: 20  
 IMPLEMENTATION DATE: 2/2008  
 ANALYST: Candace Epstein  
 FISCAL REFERENCE NUMBER: 1551

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$5,685,000	\$5,685,000
STATE FUNDS	\$1,421,250	\$1,421,250
FEDERAL FUNDS	\$4,263,750	\$4,263,750

### 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:

Dep. of Industrial Relations – Electronic Adjudication Management System (EAMS)	14-90130
Dep. of Industrial Relations – Worker's Compensation Information System (WCIS)	14-90133
Department of Social Services	10-87009 A01
Department of Social Services	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;
2. Identification and recovery of Medi-Cal expenditures in WC actions;

## MEDI-CAL RECOVERY CONTRACTS

OTHER ADMIN. POLICY CHANGE NUMBER: 20

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.

The contract with the Department of Industrial Relations currently sunsets on January 1, 2017. Proposed legislation will eliminate the sunset date.

### Reason for Change from Prior Estimate:

FY 2015-16 estimates have decreased for the following reasons:

- WC Contract costs decreased due to temporary suspension of data transmissions, contractor staff turnover and workload process changes, and
- Online Database Contract costs increased due to higher Lexis-Nexis contract costs in FY 2015-16.

### Methodology:

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

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Health Insurance	\$5,100,000	\$1,275,000	\$3,825,000
WC	\$433,000	\$108,000	\$325,000
Online Database Contracts	\$152,000	\$38,000	\$114,000
<b>Total</b>	<b>\$5,685,000</b>	<b>\$1,421,000</b>	<b>\$4,264,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Health Insurance	\$5,100,000	\$1,275,000	\$3,825,000
WC	\$433,000	\$108,000	\$325,000
Online Database Contracts	\$152,000	\$38,000	\$114,000
<b>Total</b>	<b>\$5,685,000</b>	<b>\$1,421,000</b>	<b>\$4,264,000</b>

### Funding:

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

## MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)

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

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$5,039,000	\$5,291,000
STATE FUNDS	\$1,652,250	\$1,734,750
FEDERAL FUNDS	\$3,386,750	\$3,556,250

### DESCRIPTION

**Purpose:**

This policy change estimates the system development, maintenance and operations, and other Department reimbursements for the Medi-Cal Eligibility Data System (MEDS).

**Authority:**

Not Applicable

**Interdependent Policy Changes:**

Not Applicable

**Background:**

MEDS is a statewide database containing eligibility information for public assistance programs administered by the Department and other departments. 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.

Maintenance and operations (M&O) 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. These system development and M&O costs are offset by reimbursements made from other departments.

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.

**Reason for Change from Prior Estimate:**

The FY 2015-16 costs increased based on FY 2014-15 actuals and a planned 5% increase in M&O costs.

**MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS)**

OTHER ADMIN. POLICY CHANGE NUMBER: 21

**Methodology:**

1. The following are the projected costs for FY 2015-16 and FY 2016-17.

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>	<b>Reimbursement</b>
System Development (50% FF / 50% GF)	\$466,000	\$233,000	\$233,000	\$0
Maintenance & Operations (75% FF / 25% GF)	\$4,205,000	\$1,051,000	\$3,154,000	\$0
Other Department Reimbursement (100% Reimbursement)	\$368,000	\$0	\$0	\$368,000
<b>Total</b>	<b>\$5,039,000</b>	<b>\$1,284,000</b>	<b>\$3,387,000</b>	<b>\$368,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>	<b>Reimbursement</b>
System Development (50% FF / 50% GF)	\$490,000	\$245,000	\$245,000	\$0
Maintenance & Operations (75% FF / 25% GF)	\$4,415,000	\$1,104,000	\$3,311,000	\$0
Other Department Reimbursement (100% Reimbursement)	\$386,000	\$0	\$0	\$386,000
<b>Total</b>	<b>\$5,291,000</b>	<b>\$1,349,000</b>	<b>\$3,556,000</b>	<b>\$386,000</b>

**Funding:**

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

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

100% Reimbursement (4260-601-0995)

## HIPAA CAPITATION PAYMENT REPORTING SYSTEM

OTHER ADMIN. POLICY CHANGE NUMBER: 22  
 IMPLEMENTATION DATE: 10/2012  
 ANALYST: Sharisse DeLeon  
 FISCAL REFERENCE NUMBER: 1318

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$4,865,000	\$4,487,000
STATE FUNDS	\$1,216,250	\$1,121,750
FEDERAL FUNDS	\$3,648,750	\$3,365,250

### DESCRIPTION

**Purpose:**

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

**Authority:**

45 CFR Part 162

**Interdependent Policy Changes:**

Not Applicable

**Background:**

The CAPMAN system was implemented by the Department in July 2011. The HIPAA compliant transaction automated and improved the capitation calculation process. CAPMAN allows detailed reporting at the beneficiary level while increasing the effectiveness of monthly reconciliations and supporting 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. A one-year optional extension will be exercised to extend the contract to April 30, 2017, in order to continue enhancements to the systems to complete the incorporation of a paperless accounting interface and accommodate the CCI Duals Demonstration project.

**Reason for Change from Prior Estimate:**

There is no change.

**Methodology:**

1. The contract costs will be \$17,456,040 upon approval of the contract amendment. Payments started August 2013.

## HIPAA CAPITATION PAYMENT REPORTING SYSTEM

OTHER ADMIN. POLICY CHANGE NUMBER: 22

2. The remaining balance of \$9,351,800 will be paid out over FY 2015-16 and FY 2016-17.
3. Contract costs:

(Dollars in Thousands)

<b>Fiscal Year</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
<b>FY 2015-16</b>	<b>\$4,865</b>	<b>\$1,216</b>	<b>\$3,649</b>
<b>FY 2016-17</b>	<b>\$4,487</b>	<b>\$1,122</b>	<b>\$3,365</b>

**Funding:**

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

## CA-MMIS REPLACEMENT OVERSIGHT

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

	<u>FY 2015-16</u>	<u>FY 2016-17</u>
TOTAL FUNDS	\$4,803,000	\$7,074,000
STATE FUNDS	\$575,500	\$847,100
FEDERAL FUNDS	\$4,227,500	\$6,226,900

## DESCRIPTION

**Purpose:**

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

**Authority:**

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

**Interdependent Policy Changes:**

Not Applicable

**Background:**

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

**Reason for Change from Prior Estimate:**

FY 2015-16 costs decreased due to a delay, resulting in costs shifting from FY 2015-16 to FY 2016-17. Expenditures have also been updated based on actuals received.

**Methodology:**

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

FY	FY 2015-16			FY 2016-17		
	TF	GF	FF	TF	GF	FF
50% Title XXI / 50% GF	\$22,000	\$11,000	\$11,000	\$32,000	\$16,000	\$16,000
90% Title XIX / 10% GF	\$4,685,000	\$468,500	\$4,216,500	\$6,901,000	\$690,000	\$6,211,000
100% GF	\$96,000	\$96,000	\$0	\$141,000	\$141,000	\$0
<b>Total</b>	<b>\$4,803,000</b>	<b>\$575,500</b>	<b>\$4,227,500</b>	<b>\$7,074,000</b>	<b>\$847,000</b>	<b>\$6,227,000</b>

**Funding:**

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

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

100% GF (4260-101-0001)

## PREVENTION OF CHRONIC DISEASE GRANT PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER: 24  
 IMPLEMENTATION DATE: 2/2012  
 ANALYST: Candace Epstein  
 FISCAL REFERENCE NUMBER: 1635

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$4,539,000	\$80,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$4,539,000	\$80,000

### 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:**

The FY 2015-16 estimate was revised to include the full amount of the approved by CMS per the Notice of Grant Awards.

**Methodology:**

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

## PREVENTION OF CHRONIC DISEASE GRANT PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER: 24

2. On June 15, 2015, the Department submitted a request for the following:
  - A \$206,000 carryover request of unspent funds from Project Year 2014-15 (9/13/14 - 9/13/15) to be carried over into Project Year 2015-16 (9/13/15 – 9/12/16).
  - A \$932,000 continuation request for Project Year 2015-16 (9/13/15 – 9/12/16).
3. FY 2015-16 estimated expenditures increased to \$4,539,000. Previous FY 2014-15 and FY 2015-16 estimates did not reflect CMS-approved funding for the project period of 9/13/14 – 9/12/15.

<b>FY 2015-16</b>	<b>TF</b>	<b>FF</b>
Project Year 2014-15	\$2,289,000	\$2,289,000
Project Year 2015-16	\$2,250,000	\$2,250,000
<b>FY 2015-16 Total</b>	<b>\$4,539,000</b>	<b>\$4,539,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>FF</b>
Project Year 2015-16	<b>\$80,000</b>	<b>\$80,000</b>

**Funding:**

MIPCD Federal Grant (4260-107-0890)

## MEDS MODERNIZATION

OTHER ADMIN. POLICY CHANGE NUMBER: 25  
 IMPLEMENTATION DATE: 2/2013  
 ANALYST: Jason Moody  
 FISCAL REFERENCE NUMBER: 1731

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$3,680,000	\$2,915,000
STATE FUNDS	\$368,000	\$291,500
FEDERAL FUNDS	\$3,312,000	\$2,623,500

### DESCRIPTION

**Purpose:**

This policy change estimates the cost to hire contractors to comply with a new state project approval process, develop Advance Planning Documents (APDs), participate in the project planning efforts, and maintain existing Business Rules Extraction (BRE) software.

**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 December 2018. In FY 2015-16, the project schedule has been aligned with the State's new project approval requirements and resource needs have been adjusted to reflect the joint project partnership with the Office of Systems Integration and Department of Social Services.

In FY 2016-17, additional items are needed for the MEDS Modernization Project.

- County Welfare Director's Association (CWDA) consultants serve as the principal liaison between CWDA and the MEDS Modernization Project team.
- Information Technology Project Oversight and Consulting (ITPOC) review and provide feedback on project approval requests and project planning documents.
- Independent Verification and Validation (IV&V) externally monitor project office and contractor efforts. IV&V reviews both products and processes.
- Operating Expenses and Equipment (OEE) costs are necessary to cover general expense, printing, communications, travel, and training costs for the contracted consultants.

**Reason for Change from Prior Estimate:**

Project planning and technical consulting needs decreased while enterprise architect consulting costs increased due to a larger than anticipated volume of work effort. Project support and other contractor costs shifted to FY 2016-17.

**MEDS MODERNIZATION**

OTHER ADMIN. POLICY CHANGE NUMBER: 25

**Methodology:**

1. The FY 2015-16 and FY 2016-17 costs are based on estimated payments for the project planning, enterprise architect consulting, and Business Rules Extraction (BRE) software maintenance. FY 2015-16 also includes costs for technical consulting.
2. In addition, FY 2016-17 will include costs for project support, CWDA consultants, ITPOC, IV&V, and OEE.

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Project Planning	\$610,000	\$61,000	\$549,000
Technical Consulting Services	\$500,000	\$50,000	\$450,000
Enterprise Architect Consulting	\$2,000,000	\$200,000	\$1,800,000
BRE Software Maintenance	\$570,000	\$57,000	\$513,000
<b>Total</b>	<b>\$3,680,000</b>	<b>\$368,000</b>	<b>\$3,312,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Project Planning	\$610,000	\$61,000	\$549,000
Enterprise Architect Consulting	\$665,000	\$67,000	\$598,000
Project Support	\$540,000	\$54,000	\$486,000
BRE Software Maintenance	\$570,000	\$57,000	\$513,000
CWDA Consultants	\$240,000	\$24,000	\$216,000
ITPOC	\$56,000	\$6,000	\$50,000
IV&V	\$150,000	\$15,000	\$135,000
OE&E	\$84,000	\$8,000	\$76,000
<b>Total</b>	<b>\$2,915,000</b>	<b>\$292,000</b>	<b>\$2,623,000</b>

**Funding:**

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

## CA-MMIS REPLACEMENT & OTHER STATE TRANSITION

OTHER ADMIN. POLICY CHANGE NUMBER: 26  
 IMPLEMENTATION DATE: 5/2010  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1322

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$3,157,000	\$2,277,000
STATE FUNDS	\$378,000	\$273,100
FEDERAL FUNDS	\$2,779,000	\$2,003,900

### 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), testing tools, 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 2015-16 contract costs decreased due to contracts not procured as planned as well as the delay in the procurement of others.

**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: 26

	FY 2015-16			FY 2016-17		
	TF	GF	FF	TF	GF	FF
50% Title XIX / 50% GF	\$14,000	\$7,000	\$7,000	\$10,000	\$5,000	\$5,000
90% Title XIX / 10% GF	\$3,080,000	\$308,000	\$2,772,000	\$2,221,000	\$222,000	\$1,999,000
100% GF	\$63,000	\$63,000	\$0	\$46,000	\$46,000	\$0
<b>Total</b>	<b>\$3,157,000</b>	<b>\$378,000</b>	<b>\$2,779,000</b>	<b>\$2,277,000</b>	<b>\$273,000</b>	<b>\$2,004,000</b>

**Funding:**

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

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

100% GF (4260-101-0001)

## BUSINESS RULES EXTRACTION

OTHER ADMIN. POLICY CHANGE NUMBER: 28  
 IMPLEMENTATION DATE: 7/2015  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1814

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$2,580,000	\$0
STATE FUNDS	\$645,000	\$0
FEDERAL FUNDS	\$1,935,000	\$0

### 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 the Centers for Medicare and Medicaid Services (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 was approved by CMS on March 6, 2015.

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:**

In FY 2014-15, an invoice of \$860,000 was expected to be paid. However, due to invoicing delays, these costs shifted from FY 2014-15 to FY 2015-16.

**BUSINESS RULES EXTRACTION**

OTHER ADMIN. POLICY CHANGE NUMBER: 28

**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. The BRE suite of tools and services were procured in March 2015 and the services will be completed by March 2016.
3. Total estimated costs are \$2.58 million TF (\$645,000 GF).
4. The one-time payment of \$2.58 million TF (\$645,000 GF) was made in July 2015.

	<b>TF</b>	<b>GF</b>	<b>FF</b>
<b>FY 2015-16</b>	<b>\$2,580,000</b>	<b>\$645,000</b>	<b>\$1,935,000</b>

**Funding:**

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

## SDMC SYSTEM M&amp;O SUPPORT

OTHER ADMIN. POLICY CHANGE NUMBER: 29  
 IMPLEMENTATION DATE: 7/2013  
 ANALYST: Jason Moody  
 FISCAL REFERENCE NUMBER: 1732

	<u>FY 2015-16</u>	<u>FY 2016-17</u>
TOTAL FUNDS	\$2,325,000	\$2,325,000
STATE FUNDS	\$1,162,500	\$1,162,500
FEDERAL FUNDS	\$1,162,500	\$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 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 contractor was hired in July 2014, and payments began in September 2014.
3. 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 the SDMC system.

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
<b>Total</b>	<b>\$2,325,000</b>	<b>\$1,162,000</b>	<b>\$1,163,000</b>

**SDMC SYSTEM M&O SUPPORT**

OTHER ADMIN. POLICY CHANGE NUMBER: 29

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Contractor cost	\$2,000,000	\$1,000,000	\$1,000,000
M&O	\$325,000	\$162,000	\$163,000
<b>Total</b>	<b>\$2,325,000</b>	<b>\$1,162,000</b>	<b>\$1,163,000</b>

**Funding:**

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

## SSA COSTS FOR HEALTH COVERAGE INFO.

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

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$2,188,000	\$2,188,000
STATE FUNDS	\$1,094,000	\$1,094,000
FEDERAL FUNDS	\$1,094,000	\$1,094,000

### DESCRIPTION

**Purpose:**

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

**Authority:**

Social Security Act 1634(a)

**Interdependent Policy Changes:**

Not Applicable

**Background:**

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

**Reason for Change from Prior Estimate:**

Recent actual billings from SSA came in lower than previously projected.

**Methodology:**

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

(Dollars in Thousands)	TF	GF	FF
<b>FY 2015-16</b>	<b>\$2,188</b>	<b>\$1,094</b>	<b>\$1,094</b>
<b>FY 2016-17</b>	<b>\$2,188</b>	<b>\$1,094</b>	<b>\$1,094</b>

**Funding:**

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

## SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES

OTHER ADMIN. POLICY CHANGE NUMBER: 31  
 IMPLEMENTATION DATE: 7/2002  
 ANALYST: Candace Epstein  
 FISCAL REFERENCE NUMBER: 258

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$1,900,000	\$950,000
STATE FUNDS	\$1,900,000	\$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.

**Reason for Change from Prior Estimate:**

Payments for FY 2014-15 were paid in FY 2015-16 because of a delay in processing the contract renewal.

**Methodology:**

1. Based on contract provisions, the administrative activities costs will be \$1,900,000 for FY 2015-16 and \$950,000 for FY 2016-17.

**Funding:**

100% State GF (4260-101-0001)

## MITA

OTHER ADMIN. POLICY CHANGE NUMBER: 32  
 IMPLEMENTATION DATE: 1/2011  
 ANALYST: Sharisse DeLeon  
 FISCAL REFERENCE NUMBER: 1137

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$1,740,000	\$2,582,000
STATE FUNDS	\$174,000	\$258,200
FEDERAL FUNDS	\$1,566,000	\$2,323,800

### 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.

To operate more effectively and efficiently, the Department must take steps to achieve the maturity goals of the MITA Framework and focus strategic planning, system changes, and upgrades around department-wide business processes rather than focusing on separate program needs. These steps will prevent the Department from potentially duplicating efforts regarding hardware, software, and resources across the enterprise.

This MITA project will help mature the business processes and position the Department to be more flexible as it serves the growing number of members. Enacting the MITA Framework and associated governance will also allow the Department to more quickly and accurately react to federal and state laws. Additionally, the Department will be better prepared to use the immense amounts of Medicaid data the Department collects daily to better manage the program.

The Department conducts an annual MITA State Self-Assessment (SS-A) required by CMS, which includes a State MITA roadmap.

**Reason for Change from Prior Estimate:**

Adjusted existing contract costs based on actual payments made in FY 2015-16.

**MITA**

OTHER ADMIN. POLICY CHANGE NUMBER: 32

**Methodology:**

1. The MITA project will employ contracted positions to enter the implementation phase in FY 2015-16 and FY 2016-17. Therefore, FY 2015-16 amounts include the costs associated with the new contracts, in addition to the existing contract that ended August 31, 2015.
2. Existing contract costs were paid in July 2015 and August 2015, with remaining payments to be made in September 2015.
3. The new contracts are effective November 2015. Payments for the new contracts will begin December 2015 and take 19 months to complete.
4. Projected costs:

<b>Fiscal Year</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
<b>FY 2015-16</b>	<b>\$1,740,000</b>	<b>\$174,000</b>	<b>\$1,566,000</b>
<b>FY 2016-17</b>	<b>\$2,582,000</b>	<b>\$258,200</b>	<b>\$2,323,800</b>

**Funding:**

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

## ETL DATA SOLUTION

OTHER ADMIN. POLICY CHANGE NUMBER: 33  
 IMPLEMENTATION DATE: 9/2013  
 ANALYST: Jason Moody  
 FISCAL REFERENCE NUMBER: 1768

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$1,389,000	\$398,000
STATE FUNDS	\$364,350	\$39,800
FEDERAL FUNDS	\$1,024,650	\$358,200

### 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 project will begin production in January 2016.

**Reason for Change from Prior Estimate:**

Some DD&I costs shifted from FY 2015-16 to FY 2016-17.

**Methodology:**

1. The contractor began DD&I work in August 2013 and will continue through December 2016. This DD&I contract includes implementation and stabilization.
2. The DD&I contract for consulting services to provide technical support is being procured in FY 2015-16 and will continue through December 2016.
3. The software will be procured in September 2015.
4. The Department has developed an Advance Planning Document Update that extended the project to meet the additional CMS requirements. The anticipated completion date of the DD&I phase is December 2016. M&O will start in January 2017, after DD&I is complete.

## ETL DATA SOLUTION

OTHER ADMIN. POLICY CHANGE NUMBER: 33

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
DD&I (90% FF / 10% GF)	\$136,000	\$14,000	\$122,000
Software (75% FF / 25% GF)	\$1,103,000	\$275,000	\$828,000
Hardware (50% FF / 50% GF)	\$150,000	\$75,000	\$75,000
<b>Total FY 2015-16</b>	<b>\$1,389,000</b>	<b>\$364,000</b>	<b>\$1,025,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
DD&I (90% FF / 10% GF)	\$52,000	\$5,000	\$47,000
M & O (90% FF / 10% GF)	\$346,000	\$35,000	\$311,000
<b>Total FY 2016-17</b>	<b>\$398,000</b>	<b>\$40,000</b>	<b>\$358,000</b>

**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)

## HEALTH HOMES PROGRAM - CONTRACTOR COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 34  
 IMPLEMENTATION DATE: 12/2015  
 ANALYST: Jerrold Anub  
 FISCAL REFERENCE NUMBER: 1911

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$1,225,000	\$0
STATE FUNDS	\$612,500	\$0
FEDERAL FUNDS	\$612,500	\$0

### DESCRIPTION

**Purpose:**

This policy change estimates contractor costs for the Health Home Program (HHP).

**Authority:**

AB 361 (Chapter 642, Statutes of 2013)

SB 75 (Chapter 18, Statutes of 2015)

**Interdependent Policy Changes:**

PC 118 - 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, 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.

SB 75 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:**

Due to delays in establishing the contracts, costs for FY 2015-16 have decreased slightly.

**Methodology:**

1. Assume establishment of contracts with outside vendors beginning November 1, 2015.
2. These vendors will be contracted for the following administrative activities: project management, 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.
4. These contracted administrative costs for FY 2015-16 are expected to be:

**HEALTH HOMES PROGRAM - CONTRACTOR COSTS**

OTHER ADMIN. POLICY CHANGE NUMBER: 34

(Dollars in Thousands)	TF	FF	HHP Fund*
<b>FY 2015-16</b>	<b>\$1,225</b>	\$613	\$612

**Funding:**

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

50% HHP Fund (4260-601-0942)\*

## FAMILY PACT PROGRAM ADMIN.

OTHER ADMIN. POLICY CHANGE NUMBER: 35  
 IMPLEMENTATION DATE: 7/2012  
 ANALYST: Joel Singh  
 FISCAL REFERENCE NUMBER: 1675

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$1,207,000	\$1,207,000
STATE FUNDS	\$603,500	\$603,500
FEDERAL FUNDS	\$603,500	\$603,500

### DESCRIPTION

**Purpose:**

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

**Authority:**

AB 1464 (Chapter 21, Statutes of 2012)

**Interdependent Policy Changes:**

Not Applicable

**Background:**

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

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

**Reason for Change from Prior Estimate:**

There is no change.

**Methodology:**

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

	TF	GF	FF
<b>FY 2015-16</b>	<b>\$1,207,000</b>	<b>\$603,500</b>	<b>\$603,500</b>
<b>FY 2016-17</b>	<b>\$1,207,000</b>	<b>\$603,500</b>	<b>\$603,500</b>

**Funding:**

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

## MMA - DSH ANNUAL INDEPENDENT AUDIT

OTHER ADMIN. POLICY CHANGE NUMBER: 36  
 IMPLEMENTATION DATE: 7/2009  
 ANALYST: Andrew Yoo  
 FISCAL REFERENCE NUMBER: 266

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$1,200,000	\$1,200,000
STATE FUNDS	\$600,000	\$600,000
FEDERAL FUNDS	\$600,000	\$600,000

### DESCRIPTION

**Purpose:**

This policy change estimates the administrative costs of contracting for the annual independent audit 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:**

The change is due to increased contractor costs for the additional hours needed to complete the current audit activities through December 31, 2015.

**Methodology:**

1. Each fiscal year, all auditing activity will cost \$1,200,000 (\$600,000 GF).
2. The current contract ends December 31, 2015. On January 1, 2016, a new contractor will take over starting with the FY 2012-13 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: 36

4. In FY 2016-17, the Department will make final payment for the FY 2012-13 audit and partial payment for the FY 2013-14 audit.

<b>Fiscal Years</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
<b>FY 2015-16</b>	<b>\$1,200,000</b>	<b>\$600,000</b>	<b>\$600,000</b>
<b>FY 2016-17</b>	<b>\$1,200,000</b>	<b>\$600,000</b>	<b>\$600,000</b>

**Funding:**

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

## CALIFORNIA HEALTH INTERVIEW SURVEY

OTHER ADMIN. POLICY CHANGE NUMBER: 37  
 IMPLEMENTATION DATE: 7/2015  
 ANALYST: Candace Epstein  
 FISCAL REFERENCE NUMBER: 1902

	FY 2015-16	FY 2016-17
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 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, 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 ended June 30, 2015.

Effective July 1, 2015, the Department contracts directly with UCLA to utilize CHIS for program needs and performance. The prior contract with CDPH had limited the Department's ability to increase survey contents necessary for program administration. The new contract is funded by Federal Financial Participation (FFP); the non-federal share is paid through certified public expenditures (CPEs).

**Reason for Change from Prior Estimate:**

There is no change.

**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. Estimated expenditure for FY 2015-16 and FY 2016-17 is \$1,000,000 FFP.

**Funding:**

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

## ENCRYPTION OF PHI DATA

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

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$750,000	\$750,000
STATE FUNDS	\$375,000	\$375,000
FEDERAL FUNDS	\$375,000	\$375,000

### DESCRIPTION

**Purpose:**

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

**Authority:**

Not Applicable

**Interdependent Policy Changes:**

Not Applicable

**Background:**

The Department acquired hardware, supplies, and 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 additional backup, recovery, and storage for the business programs, and
- Ensure the data is secure and managed.

**ENCRYPTION OF PHI DATA**

OTHER ADMIN. POLICY CHANGE NUMBER: 38

**Reason for Change from Prior Estimate:**

There is no change.

**Methodology:**

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

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
	<b>\$750,000</b>	<b>\$375,000</b>	<b>\$375,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
	<b>\$750,000</b>	<b>\$375,000</b>	<b>\$375,000</b>

**Funding:**

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

## POSTAGE AND PRINTING - THIRD PARTY LIAB.

OTHER ADMIN. POLICY CHANGE NUMBER: 39  
 IMPLEMENTATION DATE: 7/1996  
 ANALYST: Candace Epstein  
 FISCAL REFERENCE NUMBER: 240

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$553,000	\$596,000
STATE FUNDS	\$276,500	\$298,000
FEDERAL FUNDS	\$276,500	\$298,000

### 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/insert 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 2015-16	Postage	Printing	Total
Personal Injury	\$123,000	\$18,000	\$141,000
Estate Recovery	\$117,000	\$279,000	\$396,000
Overpayments	\$7,000	\$1,000	\$8,000
Cost Avoidance	\$5,000	\$1,000	\$6,000
*AB 155 Invoices	\$1,000	\$0	\$1,000
**Document Folder Inserter	\$0	\$1,000	\$1,000
<b>Total</b>	<b>\$253,000</b>	<b>\$300,000</b>	<b>\$553,000</b>

**POSTAGE AND PRINTING - THIRD PARTY LIAB.**

OTHER ADMIN. POLICY CHANGE NUMBER: 39

<b>FY 2016-17</b>	<b>Postage</b>	<b>Printing</b>	<b>Total</b>
Personal Injury	\$130,000	\$19,000	\$149,000
Estate Recovery	\$123,000	\$308,000	\$431,000
Overpayments	\$7,000	\$1,000	\$8,000
Cost Avoidance	\$5,000	\$1,000	\$6,000
*AB 155 Invoices	\$1,000	\$0	\$1,000
**Document Folder Inserter	\$0	\$1,000	\$1,000
<b>Total</b>	<b>\$266,000</b>	<b>\$330,000</b>	<b>\$596,000</b>

\*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:

	<b>TF</b>	<b>GF</b>	<b>FF</b>
<b>FY 2015-16</b>	<b>\$553,000</b>	<b>\$276,500</b>	<b>\$276,500</b>
<b>FY 2016-17</b>	<b>\$596,000</b>	<b>\$298,000</b>	<b>\$298,000</b>

**Funding:**

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

## CCT OUTREACH - ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 40  
 IMPLEMENTATION DATE: 4/2011  
 ANALYST: Randolph Alarcio  
 FISCAL REFERENCE NUMBER: 1556

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$330,000	\$630,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$330,000	\$630,000

### 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. In addition, CMS approved the Department's proposal to continue to use 100% federal funding for administrative, marketing, and outreach activities under the general MFP grant, effective January 1, 2016, through the end of the MFP grant period. 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: 40

### Methodology:

1. Costs began in April 2011 totaling approximately \$11,400 during FY 2010-11; approximately \$11,300 in FY 2012-13; approximately \$202,000 paid in FY 2013-14; and approximately \$286,000 in FY 2014-15.
2. Assume costs for Outreach & Marketing Summits, scheduled to begin in May 2015, have been delayed to FY 2016-17.
3. As of July 1, 2015, \$240,000 continues to be available under the supplemental grant.
4. Assume the remaining grant funds plus the additional MFP grant funding of \$330,000 will be paid between July 2015 and June 2016 for administrative support and marketing and outreach.
5. Assume \$630,000 from the additional MFP grant funding is expected to be paid in FY 2016-17. Approximately \$360,000, will be for administrative support and approximately \$270,000 will be for the Outreach and Marketing Summits.
6. Estimated costs are based on proposed expenditures for the following activities:
  - ADRC planning and implementation,
  - ADRC/MFP collaborative strategic planning,
  - MDS 3.0 Section Q referrals policy development,
  - MDS/Options counseling training sessions,
  - Home and Community-Based Advisory Workgroup Series,
  - Marketing and outreach mail campaign, and
  - CCT/MFP Summits.

FY 2015-16	TF	GF	FF
CCT Costs (PC 39):			
Total Non-DD costs and DD FFP	\$20,537,000	\$2,186,000	\$18,351,000
CCT Savings (PC 51):			
Total Non-DD savings and DD FFP	(\$12,414,000)	(\$6,207,000)	(\$6,207,000)
QoL CCT Costs (PC 48)	\$143,000	\$0	\$143,000
CCT Fund Transfer to CDSS & CDDS (PC 42)	\$3,803,000	\$0	\$3,803,000
<b>CCT Outreach - Admin costs (OA 40)</b>	<b>\$330,000</b>	<b>\$0</b>	<b>\$330,000</b>
Total of CCT PCs including pass through	\$12,399,000	(\$4,021,000)	\$16,420,000

## CCT OUTREACH - ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 40

FY 2016-17	TF	GF	FF
CCT Costs (PC 39):			
Total Non-DD costs and DD FFP	\$32,282,000	\$4,303,000	\$27,979,000
CCT Savings (PC 51):			
Total Non-DD savings and DD FFP	(\$22,518,000)	(\$11,259,000)	(\$11,259,000)
QoL CCT Costs (PC 48)	\$139,000	\$0	\$139,000
CCT Fund Transfer to CDSS & CDDS (PC 42)	\$4,090,000	\$0	\$4,090,000
<b>CCT Outreach - Admin costs (OA 40)</b>	<b>\$630,000</b>	<b>\$0</b>	<b>\$630,000</b>
Total of CCT PCs including pass through	\$14,623,000	(\$6,956,000)	\$21,579,000

**Funding:**

MFP Federal Grant (4260-106-0890)

## ACA EXPANSION ADMIN COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 41  
 IMPLEMENTATION DATE: 9/2013  
 ANALYST: Katy Clay  
 FISCAL REFERENCE NUMBER: 1795

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$330,000	\$0
STATE FUNDS	\$165,000	\$0
FEDERAL FUNDS	\$165,000	\$0

### 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 including:

- 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:**

Costs for actuarial work are budgeted in a separate policy change as of the November 2015 estimate.

**Methodology:**

1. The Department estimates IT consultant services for the ACA expansion population will cost \$330,000 TF (\$165,000 GF) in FY 2015-16.

**Funding:**

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

## RATE STUDIES FOR MAIC AND AAC VENDOR

OTHER ADMIN. POLICY CHANGE NUMBER: 42  
 IMPLEMENTATION DATE: 9/2015  
 ANALYST: Julie Chan  
 FISCAL REFERENCE NUMBER: 1483

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$305,000	\$305,000
STATE FUNDS	\$152,500	\$152,500
FEDERAL FUNDS	\$152,500	\$152,500

### 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). The outcome of this study will not result in the establishment of new MAICs.

In order to obtain the necessary drug pricing information, the Department entered into a contract with Mercer. Mercer will conduct a survey of the purchase prices paid by California retail pharmacies for MAIC qualifying drugs and prepare a report comparing the results of that survey to the NADAC and the amount Medi-Cal currently reimburses for each product. The contract with Mercer is from September 1, 2015 to June 2016. The Department plans to hire a new contractor in FY 2016-17 to transition from the current Average Wholesale Price reimbursement to a new AAC based methodology.

**RATE STUDIES FOR MAIC AND AAC VENDOR**

OTHER ADMIN. POLICY CHANGE NUMBER: 42

**Reason for Change from Prior Estimate:**

The implementation date changed from July 1, 2015 to September 1, 2015.

**Methodology:**

1. The current contract, for \$305,000, is from September 1, 2015 to June 2016.
2. Assume the contractor costs in FY 2016-17 will be the same as FY 2015-16.

<b>Contractors</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>
Project Management Contractor	<b>\$305,000</b>	\$0
MAIC/AAC Vendor Contractor	\$0	<b>\$305,000</b>

**Funding:**

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

## MEDICARE BUY-IN QUALITY REVIEW PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER: 43  
 IMPLEMENTATION DATE: 10/2012  
 ANALYST: Candace Epstein  
 FISCAL REFERENCE NUMBER: 1590

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$300,000	\$0
STATE FUNDS	\$150,000	\$0
FEDERAL FUNDS	\$150,000	\$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 and on May 17, 2012, the Department of General Services approved extending the agreement to June 30, 2015. UMASS assisted the Department in auditing the invoices received from CMS to pay the Medicare premiums. The Department did not 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:**

Near the end of the contract, UMASS submitted approximately 5,000 cases for review of potential overpayment recoveries. As these cases still need to be reviewed by the Social Security Administration before a final invoice amount can be determined, the Department agreed to extend the deadline for UMASS to submit the final contract invoice for the contract that expired June 30, 2015.

**Methodology:**

1. The cost of the contractor is 10% of the amount recovered.
2. 5,000 cases were submitted for potential recoveries. The Department estimates that 980 of these cases are likely to result in recovery. Based on 980 cases pending SSA's review, assume the amount recovered will be \$3,000,000 for FY 2015-16.

**MEDICARE BUY-IN QUALITY REVIEW PROJECT**

OTHER ADMIN. POLICY CHANGE NUMBER: 43

3. Assume the cost of the contractor will be \$300,000 in FY 2015-16.

$\$3,000,000 \times 10\% = \$300,000$  annual contractor cost for FY 2015-16

	<b>TF</b>	<b>GF</b>	<b>FF</b>
<b>FY 2015-16</b>	<b>\$300,000</b>	<b>\$150,000</b>	<b>\$150,000</b>

**Funding:**

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

## ANNUAL EDP AUDIT CONTRACTOR

OTHER ADMIN. POLICY CHANGE NUMBER: 44  
 IMPLEMENTATION DATE: 8/2013  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1734

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$257,000	\$0
STATE FUNDS	\$128,500	\$0
FEDERAL FUNDS	\$128,500	\$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:**

There are two changes: 1) the final invoice was not received in FY 2014-15, resulting in costs shifting from FY 2014-15 to FY 2015-16, and 2) the final invoice was higher than previously estimated.

**Methodology:**

1. The estimate is based on actual bid amounts.
2. 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.

	TF	GF	FF
<b>FY 2015-16</b>	<b>\$257,000</b>	<b>\$128,500</b>	<b>\$128,500</b>

**Funding:**

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

## DENTAL PAPD PROJECT MANAGER

OTHER ADMIN. POLICY CHANGE NUMBER: 45  
 IMPLEMENTATION DATE: 6/2013  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1739

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$247,000	\$226,000
STATE FUNDS	\$61,750	\$56,500
FEDERAL FUNDS	\$185,250	\$169,500

### DESCRIPTION

**Purpose:**

This policy change estimates the cost of a Certified Project Manager (CPM) assisting in the development of a Planning Advanced Planning Document (PAPD) 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: 45

**Reason for Change from Prior Estimate:**

Due to contract limitations and the need to reprocur a new Medi-Cal Dental Administrative Services Organization (ASO) contract, the Department is in the process of procuring a new CPM contract for the period November 1, 2015 through May 31, 2017. FY 2015-16 costs remain the same; however, costs for FY 2016-17 are new.

**Methodology:**

1. Due to the need to reprocur a new Medi-Cal Dental ASO contract total estimated project costs have increased from \$629,000 TF (\$157,250 GF) to \$868,000 TF (\$217,000 GF).
2. The current project manager was hired in June 2013 and the current contract will end October 31, 2015.
3. The Department is in the process of procuring a new CPM contract for the period November 1, 2015 through May 31, 2017.
4. Payments for the new contractor will begin in November 2015.

	TF	GF	FF
<b>FY 2015-16</b>	<b>\$247,000</b>	<b>\$62,000</b>	<b>\$185,000</b>

	TF	GF	FF
<b>FY 2016-17</b>	<b>\$226,000</b>	<b>\$57,000</b>	<b>\$169,000</b>

**Funding:**

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

## RECOVERY AUDIT CONTRACTOR COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 46  
 IMPLEMENTATION DATE: 4/2016  
 ANALYST: Candace Epstein  
 FISCAL REFERENCE NUMBER: 1740

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$236,000	\$193,000
STATE FUNDS	\$118,000	\$96,500
FEDERAL FUNDS	\$118,000	\$96,500

### DESCRIPTION

**Purpose:**

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

**Authority:**

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

**Interdependent Policy Changes:**

Not Applicable

**Background:**

Section 6411 (a) of the ACA requires states to contract with one or more RACs for the purpose of auditing Medicaid claims, identifying underpayments and overpayments, recouping overpayments, and educating providers. The Department awarded Health Management Systems, Inc. (HMS) this contract in April 2012 and approved the contract in April 2013. This policy change budgets the recovery audit contractor costs. See the PC 32 Recovery Audit Contractor Savings for the identified and recovered savings.

The four provider types identified for RAC audit are Optometrists, Podiatrists, Non-Emergency Medical Transportation (NEMT) and Speech Therapists. As the audit yielded no findings for the first wave of provider types, the Department began its planned provider expansion and is now auditing Physicians, Laboratories, Hospice, and Durable Medical Equipment providers. The combined billing for these providers for the past three years is \$2,217,795,914. From this billing, the Department estimates that \$1.1 billion is not part of the managed care expansion and eligible for RAC recovery. HMS estimates 1% is recoverable from their automated system; however, the Department is using an estimate of 0.5% recovery for the calculations. The Department assumes a more conservative approach, as there are no actuals available to support the 1% assumption.

**Reason for Change from Prior Estimate:**

Expansion of audits to new provider types resulted in an increase of estimated recoveries. There were no recoveries in the May 2015 estimate. As this policy change only applies when there are recoveries, it was inactive in May 2015.

**Methodology:**

1. Underpayments are not anticipated for FY 2015-16 and FY 2016-17.
2. Cost applies to the Department only when savings are identified and recovered.

## RECOVERY AUDIT CONTRACTOR COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 46

3. Previously, there were no estimated payments for FY 2014-15 and FY 2015-16. Based on the 0.5% estimated recoveries for new providers for FY 2015-16 and FY 2016-17, HMS will be paid at the rate of 12.5% of the recoveries.
4. Total Estimated Recoveries for FY 2015-16 = \$1,891,000 TF  
RAC costs = 12.5% x \$1,891,000 = \$236,375 TF
5. Total Estimated Recoveries for FY 2016-17 = \$1,547,000 TF  
RAC costs = 12.5% x \$1,547,000 = \$193,375 TF

	<b>TF</b>	<b>GF</b>	<b>FF</b>
<b>FY 2015-16</b>	<b>\$236,000</b>	\$118,000	\$118,000
<b>FY 2016-17</b>	<b>\$193,000</b>	\$96,500	\$96,500

**Funding:**

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

## MAGI-CHIP QUALITY CONTROL TEST CERTIFICATION

OTHER ADMIN. POLICY CHANGE NUMBER: 47  
 IMPLEMENTATION DATE: 3/2015  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1868

	FY 2015-16	FY 2016-17
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 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 and Medicaid Eligibility Quality Control 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 given specific guidance regarding the process for certifying the test cases for the second pilot and 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 pricing for consultant contracts, the estimated contract costs are \$125,000 TF (\$62,500 GF) for FY 2015-16 and FY 2016-17.

**Funding:**

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

## EPOCRATES

OTHER ADMIN. POLICY CHANGE NUMBER: 48  
 IMPLEMENTATION DATE: 4/2007  
 ANALYST: Julie Chan  
 FISCAL REFERENCE NUMBER: 1157

	<u>FY 2015-16</u>	<u>FY 2016-17</u>
TOTAL FUNDS	\$107,000	\$107,000
STATE FUNDS	\$53,500	\$53,500
FEDERAL FUNDS	\$53,500	\$53,500

## DESCRIPTION

**Purpose:**

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

**Authority:**

Contract #10-87055

**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 Planning, Access, and Treatment (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 for FY 2015-16. The contract ends in July 2016. The Department plans to extend the contract through FY 2016-17.

<u>Fiscal Year</u>	<u>TF</u>	<u>GF</u>	<u>FFP</u>
FY 2015-16	\$107,000	\$53,500	\$53,500
FY 2016-17	\$107,000	\$53,500	\$53,500

**Funding:**

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

## CCS CASE MANAGEMENT SUPPLEMENTAL PAYMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 49  
 IMPLEMENTATION DATE: 7/2012  
 ANALYST: Stephanie Hockman  
 FISCAL REFERENCE NUMBER: 1388

	FY 2015-16	FY 2016-17
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 2015-16 and FY 2016-17.

**FFP**

<b>FY 2015-16</b>	<b>\$100,000</b>
<b>FY 2016-17</b>	<b>\$100,000</b>

**Funding:**

100% Title XIX (4260-101-0890)

## Q5i AUTOMATED DATA SYSTEM ACQUISITION

OTHER ADMIN. POLICY CHANGE NUMBER: 50  
 IMPLEMENTATION DATE: 8/2011  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1440

	FY 2015-16	FY 2016-17
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, the Centers for Medicare and Medicaid Services issued guidance to states that ended previous quality control programs and implements a series of four new pilot programs that will replace the Medicaid Eligibility Quality Control and Payment Error Rate Measurement 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.

**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:

FY	FY 2015-16			FY 2016-17		
	TF	GF	FF	TF	GF	FF
Ongoing Costs	<b>\$59,000</b>	<b>\$29,500</b>	<b>\$29,500</b>	<b>\$59,000</b>	<b>\$29,500</b>	<b>\$29,500</b>

**Funding:**

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

## TAR POSTAGE

OTHER ADMIN. POLICY CHANGE NUMBER: 51  
 IMPLEMENTATION DATE: 7/2003  
 ANALYST: Randolph Alarcio  
 FISCAL REFERENCE NUMBER: 267

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$59,000	\$59,000
STATE FUNDS	\$29,500	\$29,500
FEDERAL FUNDS	\$29,500	\$29,500

### DESCRIPTION

**Purpose:**

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

**Authority:**

Welfare & Institutions Code, section 14103.6

**Interdependent Policy Changes:**

Not Applicable

**Background:**

Medi-Cal beneficiaries receive health care services from medical, pharmacy, or dental providers enrolled in the Medi-Cal Program. Providers must receive authorization from Medi-Cal in order to provide and/or be paid for some of these services. The form a provider uses to request authorization is called a Treatment Authorization Request (TAR).

TARs are used by Medi-Cal to help ensure that necessary medical, pharmacy, or dental services are provided to Medi-Cal recipients and that providers are reimbursed appropriately. TARs are confidential documents and the information included on them is protected by state and federal privacy laws.

**Reason for Change from Prior Estimate:**

Effective May 2015, there was an increase in United States Postal Service (USPS) postage rates which increased the overall estimated costs in FY 2015-16 and FY 2016-17.

**Methodology:**

1. TAR postage costs for Medi-Cal are assumed to be \$59,000 for FY 2015-16 and FY 2016-17.
2. Estimates are based on actual expenditures from July 2014 through June 2015.

**Funding:**

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

## COORDINATED CARE MANAGEMENT PILOT

OTHER ADMIN. POLICY CHANGE NUMBER: 52  
 IMPLEMENTATION DATE: 2/2010  
 ANALYST: Jason Moody  
 FISCAL REFERENCE NUMBER: 1125

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$23,000	\$0
STATE FUNDS	\$11,500	\$0
FEDERAL FUNDS	\$11,500	\$0

### DESCRIPTION

**Purpose:**

This policy change estimates the costs for the Coordinated Care Management (CCM) pilot project.

**Authority:**

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: 52

**Reason for Change from Prior Estimate:**

There is no change.

**Methodology:**

1. The final payment for the UCLA IE will be issued by December 31, 2015. The following chart shows the FY 2015-16 costs:

<u>FY 2015-16</u>	<u>TF</u>	<u>GF</u>	<u>FF</u>
UCLA IE	\$23,000	\$11,500	\$11,500

**Funding:**

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

## DMC COUNTY UR &amp; QA ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER: 53  
 IMPLEMENTATION DATE: 7/2016  
 ANALYST: Joel Singh  
 FISCAL REFERENCE NUMBER: 1871

	<u>FY 2015-16</u>	<u>FY 2016-17</u>
TOTAL FUNDS	\$0	\$18,537,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$0	\$18,537,000

## DESCRIPTION

**Purpose:**

This policy change estimates the federal fund reimbursement for 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 and 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.

DMC UR and QA administrative activities are expected to begin July 1, 2016.

**Reason for Change from Prior Estimate:**

Due to delay in implementation, DMC UR and QA services start date has shifted from July 1, 2015 to July 1, 2016.

**Methodology:**

1. Assume the UR and QA will begin July 1, 2016.
2. UR and QA expenditures are shared between FF and county funds (CF).
3. Assume the DMC cost of performing UR and 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 \$38,022,000 TF.
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 \$28,517,000 TF.  
 $(\$38,022,000 \times 75\% = \$28,517,000)$
6. SPMP are eligible for enhanced federal reimbursement of 75%. All other personnel are eligible for 50% federal reimbursement.

**DMC COUNTY UR & QA ADMIN**

OTHER ADMIN. POLICY CHANGE NUMBER: 53

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

(Dollars in Thousands)

<b>FY 2016-17</b>	<b>TF</b>	<b>FFP</b>	<b>CF</b>
SPMP	\$17,110	\$12,833	\$4,277
Other Personnel	\$11,407	\$5,704	\$5,703
<b>Total</b>	<b>\$28,517</b>	<b>\$18,537</b>	<b>\$9,980</b>

**Funding:**

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

## MEDICAL FI OPERATIONS

OTHER ADMIN. POLICY CHANGE NUMBER: 54  
 IMPLEMENTATION DATE: 7/2015  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1916

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$93,742,000	\$90,473,000
STATE FUNDS	\$30,470,250	\$29,306,000
FEDERAL FUNDS	\$63,271,750	\$61,167,000

### DESCRIPTION

**Purpose:**

This policy change estimates the operational costs of the Medical Fiscal Intermediary (FI) contract.

**Authority:**

Contract # 09-86210

**Interdependent Policy Changes:**

Not Applicable

**Background:**

The FI contract requires the FI to process claims submitted by Medi-Cal providers for services rendered to Medi-Cal beneficiaries. The FI Contract was awarded to Xerox State Healthcare, LLC (Xerox), on December 8, 2009 and became effective May 3, 2010, which began the takeover phase. The FI contract term runs through June 30, 2016, with five one year optional extensions which could extend the contract through June 30, 2021. The term Medical FI is also used interchangeably, to differentiate the Medical FI from the Dental FI, also overseen by the Department.

Many functions of the Medical FI Contract services are performed and paid under the Base Volume Method of Payment (BVMP) or All Volume Method of Payment processes. For BVMP categories, the Contractor bid on fixed transaction volume ranges and a fixed rate for each range. For the All Volume Method of Payment categories, the Contractor is paid a fixed rate per transaction. The Department receives a discount when total transactions fall below the base range, and pays a premium when total transactions exceed the base range.

- The volume ranges and corresponding bid rates vary from year to year.
- The State Medi-Cal caseload also varies from year to year.

Operations constitute all contractual responsibilities required for the Contractor to administer and operate the California Medicaid Management Information System (CA-MMIS). These cost categories consist of:

- General Adjudicated Claim Lines (ACLs) - Lines of service associated with a Medi-Cal medical claim. Payments to FI are based on the number of ACLs processed.
- Online Drug ACLs – Lines of service associated with a Medi-Cal online drug claim. Payments to FI are based on the number of ACLs processed.
- Prospective Drug Use Review (DUR) – DUR is performed during adjudication of on-line

## MEDICAL FI OPERATIONS

OTHER ADMIN. POLICY CHANGE NUMBER: 54

pharmacy claims and is the process of utilization review and quality assessment of drug prescribing and dispensing and educational intervention; before and after the drug is dispensed.

- Retrospective DUR – Similar to Prospective DUR, “retrospective” reviews of claims data are done to identify patterns of improper use of drug program benefits among providers and recipients.
- Encounter Claim Lines – Lines of service associated with encounters received from Managed Care Organizations (MCO) contracted to process Medi-Cal claims.
- California Eligibility Verification and Management Systems (CA-EVS/CMS) processing - A non-mainframe system that includes on-line, real time processing of eligibility verification, share of cost, Medi-services, and pharmacy claims transaction using a POS devices, AEVS, CERTS, Internet, or through approved user-developed/modified systems.
- Medicare Drug Discount Program – The processing of inquiries that consists of unique requests for Medicare prices for CA-EV/CMS by provider for the beneficiary for a date of service.
- Treatment Authorization Requests (TARS) – The process used by providers to request for authorization to provide specified service(s) to a recipient.
- Telephone Services Center (TSC) – Claim volume associated with Contractor work activity and responsibility to telephone responses to provider and beneficiary inquiries received over telephone lines.

Xerox 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:**

The change is due to updated General and Online Drug ACLs, and increases in TSC costs.

### **Methodology:**

1. Operations costs are fixed price rates based on volumes within minimum and maximum ranges under the FI contract.
2. Costs are shared between FF and general funds (GF).
3. Medi-Cal Administration/Operations costs are funded at 75% FF and 25% GF
4. 16.1% of the TSC costs are funded at 50% GF and 83.9% of TSC costs are funded at 25% GF.

**MEDICAL FI OPERATIONS**

OTHER ADMIN. POLICY CHANGE NUMBER: 54

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
General ACLs (75% FF/25% GF, 50% FF/50% GF)	\$60,151,000	\$21,052,000	\$39,099,000
On-Line ACLs (75% FF/25% GF, 50% FF/50% GF)	\$4,448,000	\$1,557,000	\$2,891,000
Prospective DUR (75% FF/25% GF)	\$320,000	\$80,000	\$240,000
Retrospective DUR (50% FF/50% GF)	\$76,000	\$38,000	\$38,000
Encounter Claim Lines (75% FF/25% GF)	\$530,000	\$133,000	\$397,000
CA-EVS/CMS Processing (75% FF/25% GF)	\$4,800,000	\$1,200,000	\$3,600,000
Medicare Drug Discount (100% GF)	\$17,000	\$17,000	\$0
TARS (75% FF/25% GF)	\$9,900,000	\$2,475,000	\$7,425,000
TSC (75% FF/25% GF, 50% FF/50% GF)	\$13,500,000	\$3,919,000	\$9,581,000
<b>Total Operations Costs</b>	<b>\$93,742,000</b>	<b>\$30,471,000</b>	<b>\$63,271,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
General ACLs (75% FF/25% GF, 50% FF/50% GF)	\$56,709,000	\$19,848,000	\$36,861,000
On-Line ACLs (75% FF/25% GF, 50% FF/50% GF)	\$4,416,000	\$1,546,000	\$2,870,000
Prospective DUR (75% FF/25% GF)	\$320,000	\$80,000	\$240,000
Retrospective DUR (50% FF/50% GF)	\$76,000	\$38,000	\$38,000
Encounter Claim Lines (75% FF/25% GF)	\$635,000	\$158,750	\$476,250
CA-EVS/CMS Processing (75% FF/25% GF)	\$4,900,000	\$1,225,000	\$3,675,000
Medicare Drug Discount (100% GF)	\$17,000	\$17,000	\$0
TARS (75% FF/25% GF)	\$9,900,000	\$2,475,000	\$7,425,000
TSC (75% FF/25% GF, 50% FF/50% GF)	\$13,500,000	\$3,919,000	\$9,581,000
<b>Total Operations Costs</b>	<b>\$90,473,000</b>	<b>\$29,306,750</b>	<b>\$61,166,250</b>

\*Totals may differ due to rounding.

**Funding:**

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

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

FI 100% GF (4260-101-0001)

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

## MEDICAL FI SYSTEM REPLACEMENT PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER: 55  
 IMPLEMENTATION DATE: 12/2015  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1924

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$49,644,000	\$67,423,000
STATE FUNDS	\$7,808,950	\$10,605,500
FEDERAL FUNDS	\$41,835,050	\$56,817,500

### DESCRIPTION

**Purpose:**

This policy change estimates the California Medicaid Management Information System (CA-MMIS) replacement costs.

**Authority:**

Contract # 09-86210

**Interdependent Policy Changes:**

Not Applicable

**Background:**

The FI contract requires the FI to process claims submitted by Medi-Cal providers for services rendered to Med-Cal beneficiaries. The FI Contract was awarded to Xerox State Healthcare, LLC (Xerox), on December 8, 2009 and became effective May 3, 2010, which began the takeover phase. The FI contract term runs through June 30, 2016, with five one year optional extensions which could extend the contract through June 30, 2021. The term Medical FI is also used interchangeably, to differentiate the Medical FI from the Dental FI, also overseen by the Department.

System Replacement (SR) constitutes the contractual responsibilities required for the Contractor to replace the existing CA-MMIS, as defined by the FI Contract. The Department plans to replace the 30-year old CA-MMIS, which ensures timely and accurate claims processing for Medical providers. The Department continues to update the current system to incorporate technological advances. The updates address new business and legislative requirements. The CA-MMIS legacy system is extremely complex, difficult to maintain, and near the end of its useful life cycle. There are five Releases:

- Release 1: Health Enterprise Framework
- Release 2: Initial Claims Processing
- Release 3: Pharmacy, Medical Supplies, PADs, and Long Term Care Claims and Drug Rebate
- Release 4: Medical Authorizations and Claims
- Release 5: Claims and Supporting Processes

At the end of each Release, business functionality is provided the Department in the form of code that can be transferred into the system and built upon in future Releases. This solution is more beneficial to the Department than the previous approach, which did not provide business functionality until the completion of the project. Currently, while the System Replacement aspect of the FI contract details works to be done in the original approach and in phases, an amendment to formally reflect the new approach, its Releases, processes, milestones, and payment implications, is currently under

**MEDICAL FI SYSTEM REPLACEMENT PROJECT**

OTHER ADMIN. POLICY CHANGE NUMBER: 55

development. This approach, although not specifically detailed in the contract, is how CA-MMIS manages the project and any future payments for SRP would only be made after the finalizing the amendment.

**Reason for Change from Prior Estimate:**

The change is due to the delay of Releases scheduled for FY 2015-16 as well as a shift in payments due to the pending amendment. Further payments will not be made prior to the approval of the amendment.

**Methodology:**

1. Costs are shared between federal funds (FF) and general funds (GF).

FY	FY 2015-16			FY 2016-17		
	TF	GF	FF	TF	GF	FF
<b>SR Costs</b>	<b>\$49,644,000</b>	<b>\$7,809,000</b>	<b>\$41,835,000</b>	<b>\$67,423,000</b>	<b>\$10,606,000</b>	<b>\$56,817,000</b>

\*Totals may differ due to rounding.

**Funding:**

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

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

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

FI 100% GF (4260-101-0001)

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

## MEDICAL FI COST REIMBURSEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 56  
 IMPLEMENTATION DATE: 7/2015  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1917

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$39,547,000	\$30,307,000
STATE FUNDS	\$11,420,800	\$9,423,550
FEDERAL FUNDS	\$28,126,200	\$20,883,450

### DESCRIPTION

**Purpose:**

This policy change estimates the total cost reimbursement of the of the Medical Fiscal Intermediary (FI) contract.

**Authority:**

Contract #09-86210

**Interdependent Policy Changes:**

Not Applicable

**Background:**

The FI contract requires the FI to process claims submitted by Medi-Cal providers for services rendered to Med-Cal beneficiaries. The FI Contract was awarded to Xerox State Healthcare, LLC (Xerox), on December 8, 2009 and became effective May 3, 2010, which began the takeover phase. The FI contract term runs through June 30, 2016, with five one year optional extensions which could extend the contract through June 30, 2021. The term Medical FI is also used interchangeably, to differentiate the Medical FI from the Dental FI, also overseen by the Department.

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 and are paid dollar for dollar, with no overhead or profit included. Any of the following costs may be cost reimbursed under the contract:

- Postage - Postal rates utilized to mail documents to providers, beneficiaries, the State, the federal government, or any other Medi-Cal or State program-related business. Return envelope postage is also reimbursable.
- Parcel Services and Common Carriers - The actual charges paid for parcel services and common carriers for the delivery of: Medi-Cal and other health program claim and Treatment Authorization Request (TAR) forms to providers; and documents, materials, and equipment to providers, beneficiaries, and State or federal offices.
- Personal Computers, Monitors, Printers, Related Equipment, and Software – The installation and monthly charges for data lines; and the purchase, lease, installation, and maintenance of desktops for State staff at Field Office and Contractor facilities, or at the Direction of the Contracting Officer and Point-of-Sale (POS) devices.
- Printing – Costs to print the forms, documents, and other State program printing requests as

## MEDICAL FI COST REIMBURSEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 56

directed by the State.

- Telephone Toll Charges – Actual telecommunication charges paid for by the Contractor for maintaining toll-free lines available to providers and beneficiaries, telephone lines for audiotext equipment, Computer Media claims, TAR submissions, the Print and Distribution Center, on-line pharmacy claims processing and on-line eligibility verification, and any other beneficiary or provider use lines. Excludes all other direct or indirect costs associated with telephone toll charges.
- Data Center Access – Actual charges incurred by the Contractor for access to records contained in the Medi-Cal Eligibility Data System and the utilization of the telecommunications network, as charged by the Department of Technology Services Data Center.
- Special Training Sessions – Payment for training sessions that exceeds the fixed price training bid.
- Facilities Improvement and Modifications – The direct costs for modifications and improvements to facilities, for the purposes of housing State or federal on-site audit and monitoring staff.
- Audits and Research – Annual audits for the Electronic Data Processing Application System shall be cost reimburse for the direct cost of the audit as paid to the independent auditor by the Contractor, excluding procurement costs or effort expended by the Contractor.
- Sales Tax – The Department will reimburse the Contractor only for the actual sales and/or use tax paid by the Contractor to the California Board of Equalization for the Operations of this Contract.
- Change Order and/or Amendments – Certain costs associated with Contract Change Orders/Amendments can be paid through Cost Reimbursement.
- The Medi-Cal Print and Distribution Center – Contractor shall be reimbursed for the Medi-Cal Print and Distribution Center staff required to perform the functions of printing as described in the Contract. The Department will also reimburse the Contractor for all space, cost of equipment, fire suppressant system, cabinets, staff, printing and distribution services.
- Drug Use Review (DUR) and Eligibility Verification Telecommunications – Real-time drug use approvals and eligibility verifications that take place via California Point of Services.
- Field Office Automation Group (FOAG) equipment and furniture – Direct costs incurred for the purchase and maintenance of computer equipment and furniture for FOAG staff located in State offices. Excludes supplies, purchase and maintenance for computer equipment and furniture in TAR Processing Centers.
- Independent Verification & Validation (IV&V) and Consultant Contracts – IV&V and Consultant Contracts utilized for Operational project oversight that are paid through Cost Reimbursement.

Costs under these categories consist of direct costs, or subsets thereof, which can be specifically identified with the particular cost objective.

**MEDICAL FI COST REIMBURSEMENT**

OTHER ADMIN. POLICY CHANGE NUMBER: 56

**Reason for Change from Prior Estimate:**

The change is due to cost reimbursable items related to ICD-10 not being paid in FY 2014-15. Costs therefore, shifted from FY 2014-15 to FY 2015-16.

**Methodology:**

1. Contract costs are shared between federal funds (FF) and general funds (GF).

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Postage (50% FF/50% GF)	\$2,683,000	\$1,341,500	\$1,341,500
Parcel Services & Common Carriers (50% FF/50% GF)	\$109,000	\$54,500	\$54,500
Equipment/Services (50% FF/50% GF, 75% FF/25% GF)	\$7,878,000	\$2,007,000	\$5,871,000
Print/Distribut. Center (75% FF/25% GF, 50% FF/50% GF)	\$1,152,000	\$460,750	\$691,250
Other Direct Costs (50% FF/50% GF, 75% FF/25% GF)	\$1,648,000	\$618,000	\$1,030,000
Facilities Improvement & Modification (50% FF/50% GF)	\$713,000	\$356,500	\$356,500
Audits & Research (50% FF/50% GF)	\$800,000	\$400,000	\$400,000
Change Orders (50% FF/50% GF)	\$8,000	\$4,000	\$4,000
Sales Tax (75% FF/25% GF)	\$5,330,000	\$1,332,500	\$3,997,500
Consultant Contracts (75% FF/25% GF, 90% FF/10%)	\$15,114,000	\$3,665,000	\$11,449,000
Telecommunication (75% FF / 25% GF)	\$1,291,000	\$322,750	\$968,250
Other Cost Reimb. Items (50% FF/50% GF, 90% FF/10%)	\$2,821,000	\$858,500	\$1,962,500
<b>Total</b>	<b>\$39,547,000</b>	<b>\$11,421,000</b>	<b>\$28,126,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Postage (50% FF/50% GF)	\$2,683,000	\$1,341,500	\$1,341,500
Parcel Services & Common Carriers (50% FF/50% GF)	\$109,000	\$54,500	\$54,500
Equipment/Services (50% FF/50% GF, 75% FF/25% GF)	\$5,537,000	\$1,421,750	\$4,115,250
Print/Distribut. Center (75% FF/25% GF, 50% FF/50% GF)	\$1,383,000	\$553,250	\$829,750
Other Direct Costs (50% FF/50% GF, 75% FF/25% GF)	\$1,977,000	\$741,500	\$1,235,500
Facilities Improvement & Modification (50% FF/50% GF)	\$778,000	\$389,000	\$389,000
Audits & Research (50% FF/50% GF)	\$400,000	\$200,000	\$200,000
Change Orders (50% FF/50% GF)	\$0	\$0	\$0
Sales Tax (75% FF/25% GF)	\$5,084,000	\$1,271,000	\$3,813,000
Consultant Contracts (75% FF/25% GF, 90% FF/10%)	\$9,336,000	\$2,264,000	\$7,072,000
Telecommunication (75% FF / 25% GF)	\$1,291,000	\$322,750	\$968,250
Other Cost Reimb. Items (50% FF/50% GF, 90% FF/10%)	\$1,729,000	\$864,500	\$864,500
<b>Total</b>	<b>\$30,307,000</b>	<b>\$9,423,750</b>	<b>\$20,883,250</b>

\*Totals may differ due to rounding.

**Funding:**

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

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

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

FI HIPAA 50% FF / 50% GF (4260-117-0001/0890)

FI HIPAA 75% FF / 25% GF (4260-117-0001/0890)

FI HIPAA 90% FF / 10% GF (4260-117-0001/0890)

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

## MEDICAL FI HOURLY REIMBURSEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 57  
 IMPLEMENTATION DATE: 7/2015  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1918

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$23,077,000	\$23,072,000
STATE FUNDS	\$5,018,350	\$5,517,800
FEDERAL FUNDS	\$18,058,650	\$17,554,200

### DESCRIPTION

**Purpose:**

This policy change estimates the hourly reimbursement costs of the Medical Fiscal Intermediary (FI) contract.

**Authority:**

Contract #09-86210

**Interdependent Policy Changes:**

Not Applicable

**Background:**

The FI contract requires the FI to process claims submitted by Medi-Cal providers for services rendered to Med-Cal beneficiaries. The FI Contract was awarded to Xerox State Healthcare, LLC (Xerox), on December 8, 2009 and became effective May 3, 2010, which began the takeover phase. The FI contract term runs through June 30, 2016, with five one year optional extensions which could extend the contract through June 30, 2021. The term Medical FI is also used interchangeably, to differentiate the Medical FI from the Dental FI, also overseen by the Department.

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, plus profit. Hourly reimbursed areas consist of the Systems Group (SG) and Field Office Automation Group (FOAG) Pharmacists. The SG staff consists of technical and supervisory staff that design, develop, and implement Department required modifications and/or provide technical support to the CA-MMIS. FOAG Pharmacists administer processes and review drug Treatment Authorization Requests (TAR) in accordance with the Department's criteria, guidelines and policy. They provide consultation services to Contractor staff consultants, physicians, nurses, and Field Office personnel. FOAG Pharmacists independently evaluate and adjudicate TARs and maintain currency with continuously evolving healthcare practices, equipment and technology.

**Reason for Change from Prior Estimate:**

The change is due to an increase in estimated billable SG hours.

**Methodology:**

1. SG costs are based on Contract Bid Price for SG Hourly Reimbursements.
2. Costs are shared between federal funds (FF) and general funds (GF), based on fixed price Base Volume Method of Payment bid rates.

**MEDICAL FI HOURLY REIMBURSEMENT**

OTHER ADMIN. POLICY CHANGE NUMBER: 57

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Systems Group			
Non-HIPAA (75% FF / 25% GF and 90% FF / 10% GF)	\$12,514,000	\$3,065,000	\$9,449,000
HIPAA (75% FF / 25% GF and 90% FF / 10% GF)	\$10,012,000	\$1,815,000	\$8,197,000
Systems Group Total	\$22,526,000	\$4,880,000	\$17,646,000
FOAG Pharmacists (75% FF / 25% GF)	\$551,000	\$138,000	\$413,000
<b>Total Hourly Reimbursement</b>	<b>\$23,077,000</b>	<b>\$5,018,000</b>	<b>\$18,059,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Systems Group			
Non-HIPAA (75% FF / 25% GF and 90% FF / 10% GF)	\$12,931,000	\$3,108,000	\$9,823,000
HIPAA (75% FF / 25% GF and 90% FF / 10% GF)	\$9,595,000	\$2,273,000	\$7,322,000
Systems Group Total	\$22,526,000	\$5,381,000	\$17,145,000
FOAG Pharmacists (75% FF / 25% GF)	\$546,000	\$137,000	\$409,000
<b>Total Hourly Reimbursement</b>	<b>\$23,072,000</b>	<b>\$5,518,000</b>	<b>\$17,554,000</b>

**Funding:**

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

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

FI HIPAA 75% FF / 25% GF (4260-117-0001/0890)

FI HIPAA 90% FF / 10% GF (4260-117-0001/0890)

## MEDICAL FI OTHER ESTIMATED COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 58  
 IMPLEMENTATION DATE: 7/2015  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1921

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$20,978,000	\$10,532,000
STATE FUNDS	\$4,178,300	\$3,083,000
FEDERAL FUNDS	\$16,799,700	\$7,449,000

### DESCRIPTION

**Purpose:**

This policy change estimates the total of other estimated costs of the Medical Fiscal Intermediary (FI) contract.

**Authority:**

Contract # 09-86210

**Interdependent Policy Changes:**

Not Applicable

**Background:**

The FI contract requires the FI to process claims submitted by Medi-Cal providers for services rendered to Medi-Cal beneficiaries. The FI Contract was awarded to Xerox State Healthcare, LLC (Xerox), on December 8, 2009 and became effective May 3, 2010, which began the takeover phase. The FI contract term runs through June 30, 2016, with five one year optional extensions which could extend the contract through June 30, 2021. The term Medical FI is also used interchangeably, to differentiate the Medical FI from the Dental FI, also overseen by the Department.

Costs under this category consist of payment to the Contractor for other contract services, such as:

- Beneficiary ID Cards (BIC) – Plastic card issued by the Department to each Medi-Cal recipient.
- Health Access Program Cards (HAP) - Plastic card issued by the Department to beneficiaries participating in Family Planning, Access, Care, and Treatment (FPACT) and other special health care programs.
- Provision 11 & 57 – Provisions of the Contract that require all CA-MMIS hardware, equipment, and software Operations, technical standards, and supportive services meet all performance requirements for both Legacy and Replacement Systems.
- Rebate Accounting and Information System (RAIS) Medi-Cal – The processing of RAIS invoices/claims in fee-for-services.
- RAIS Managed Care Organizations (MCO) – The processing of RAIS invoices/claims for MCOs.
- Cost containment – Items brought to the attention of the Department by the Contractor that result in savings in Medi-Cal program expenditures and which the Contractor shares a portion of the savings.

## MEDICAL FI OTHER ESTIMATED COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 58

- Fixed price hourly billable Systems Group: projects such as PAVE and ICD-10, etc.

### Reason for Change from Prior Estimate:

Changes are due to changes in the individual categories including BIC, RAIS, cost containment, as well as the fixed billable remaining SG costs for the PAVE project shifting to FY 2015-16, with no payments being made in FY 2016-17.

### Methodology:

1. Costs are shared between federal funds (FF) and general funds (GF).
2. Provision 11 & 57 are updated annually based on the General Adjudicated Claim Line (ACL) volume.  
 FY 2015-16: \$0.01012 (Phase price per amendment) x 163,217,299 General ACLs = \$1,651,759  
 FY 2016-17: \$0.01012 (Phase price per amendment) x 196,667,809 General ACLs = \$1,990,278
3. Payment calculated by a transaction rate multiplied by volume basis, based on Contract Year and General ACL volume.

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Beneficiary ID Cards (75% FF / 25% GF)	\$1,200,000	\$300,000	\$900,000
Health Access Program Cards (75% FF / 25% GF)	\$280,000	\$70,000	\$210,000
Provision 11 & 57 (75% FF / 25% GF)	\$1,990,000	\$498,000	\$1,492,000
RAIS Medi-Cal (75% FF / 25% GF)	\$1,500,000	\$375,000	\$1,125,000
RAIS MCO (75% FF / 25% GF)	\$4,100,000	\$1,024,000	\$3,076,000
Cost Containment (50% FF / 50% GF)	\$1,800,000	\$900,000	\$900,000
Fixed Priced Billable SG (90% FF / 10% GF)	\$10,108,000	\$1,011,000	\$9,097,000
<b>Total Other Estimated Costs</b>	<b>\$20,978,000</b>	<b>\$4,178,000</b>	<b>\$16,800,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Beneficiary ID Cards (75% FF / 25% GF)	\$1,200,000	\$300,000	\$900,000
Health Access Program Cards (75% FF / 25% GF)	\$280,000	\$70,000	\$210,000
Provision 11 & 57 (75% FF / 25% GF)	\$1,652,000	\$413,000	\$1,239,000
RAIS Medi-Cal (75% FF / 25% GF)	\$1,500,000	\$375,000	\$1,125,000
RAIS MCO (75% FF / 25% GF)	\$4,100,000	\$1,025,000	\$3,075,000
Cost Containment (50% FF / 50% GF)	\$1,800,000	\$900,000	\$900,000
<b>Total Other Estimated Costs</b>	<b>\$10,532,000</b>	<b>\$3,083,000</b>	<b>\$7,449,000</b>

\*Totals may differ due to rounding.

### Funding:

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

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

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

FI HIPAA 90% FF / 10% GF (4260-117-0001/0890)

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

## MEDICAL FI ENHANCEMENTS

OTHER ADMIN. POLICY CHANGE NUMBER: 59  
 IMPLEMENTATION DATE: 7/2015  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1920

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$5,302,000	\$0
STATE FUNDS	\$635,200	\$0
FEDERAL FUNDS	\$4,666,800	\$0

### DESCRIPTION

**Purpose:**

This policy estimates the cost of enhancements of the Medical Fiscal Intermediary (FI) contract.

**Authority:**

Contract # 09-86210

**Interdependent Policy Changes:**

Not Applicable

**Background:**

The FI contract requires the FI to process claims submitted by Medi-Cal providers for services rendered to Med-Cal beneficiaries. The FI Contract was awarded to Xerox State Healthcare, LLC (Xerox), on December 8, 2009 and became effective May 3, 2010, which began the takeover phase. The FI contract term runs through June 30, 2016, with five one year optional extensions which could extend the contract through June 30, 2021. The term Medical FI is also used interchangeably, to differentiate the Medical FI from the Dental FI, also overseen by the Department.

Enhancements are work activities that have been identified as a new feature or modification of an existing feature requiring a change to the automated system. The Contractor is paid for the Design, Development and Implementation of each Enhancement. Unlike regular operations activities, Enhancements are not always part of the FI Budget. Costs in this category may be due to new laws or regulations such as Health Insurance Portability and Accountability Act (HIPAA), International Classification of Diseases, 10<sup>th</sup> revision (ICD-10), Affordable Care Act (ACA), etc., that alter the bid requirements, changes in hardware or software requirements, technical and/or schedule delays that cause a shift in milestone payment dates, etc.

These cost categories consist of:

- HIPAA ICD-10 – Intended to modify the California Medicaid Management Information System (CA-MMIS) to accept and process all claims/transactions submitted with ICD-10 diagnosis and procedure codes in order for the Department to be HIPAA compliant.
- Business Rules Extraction (BRE) – Utilized to define a new rules base for the legacy MMIS and store the rules, once confirmed, in a requirements traceability tool for tracking future testing management and updating.

**MEDICAL FI ENHANCEMENTS**

OTHER ADMIN. POLICY CHANGE NUMBER: 59

**Reason for Change from Prior Estimate:**

Project and invoicing delays resulted in a shift of costs from FY 2014-15 to FY 2015-16.

**Methodology:**

1. Costs are shared between federal funds (FF) and general funds (GF).

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
HIPAA ICD-10 (100% GF, 90% FF/10% GF, 50% FF/50% GF)	\$3,302,000	\$395,000	\$2,907,000
BRE (100% GF, 90% FF / 10% GF, 50% FF / 50% GF)	\$2,000,000	\$240,000	\$1,760,000
<b>Total</b>	<b>\$5,302,000</b>	<b>\$635,000</b>	<b>\$4,667,000</b>

**Funding:**

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

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

FI 100% GF (4260-101-0001)

FI HIPAA 90% FF / 10% GF (4260-117-0001/0890)

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

## MEDICAL FI MISCELLANEOUS EXPENSES

OTHER ADMIN. POLICY CHANGE NUMBER: 60  
 IMPLEMENTATION DATE: 7/2015  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1922

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$3,157,000	\$2,120,000
STATE FUNDS	\$1,083,250	\$691,000
FEDERAL FUNDS	\$2,073,750	\$1,429,000

### DESCRIPTION

**Purpose:**

This policy change estimates the cost of miscellaneous expenses of the Medical Fiscal Intermediary (FI) contract.

**Authority:**

Contract #09-86210

**Interdependent Policy Changes:**

Not Applicable

**Background:**

The FI contract requires the FI to process claims submitted by Medi-Cal providers for services rendered to Medi-Cal beneficiaries. The FI Contract was awarded to Xerox State Healthcare, LLC (Xerox), on December 8, 2009 and became effective May 3, 2010, which began the takeover phase. The FI contract term runs through June 30, 2016, with five one year optional extensions which could extend the contract through June 30, 2021. The term Medical FI is also used interchangeably, to differentiate the Medical FI from the Dental FI, also overseen by the Department.

Pursuant to an interagency agreement with the Department, the California State Controller's Office (CSCO) issues warrants to Medi-Cal providers and the California State Treasurer's Office (CSTO) provides funds for warrant redemption. The CSCO also provides the Department various administrative and project activities as they relate to the electronic claims process for the Health Enterprise (HE) System.

Pursuant to an interagency agreement with the California Department of Consumer Affairs (CDCA), Medical Board of California, the Department purchases licensure data. This data gives the Department the ability to verify that prospective providers are currently licensed prior to enrollment in the Medical program. It also enables the Department to verify the validity of the referring provider license number on Medi-Cal claims.

Pursuant to an interagency agreement with the Department, the California Office of Systems Integration (COSI) assists in the procurement of a consultant to perform an overall health assessment of the Department's California Medicaid Management Information System (CA-MMIS) Project.

Also included are the administrative costs for the Family Planning, Access, Care, and Treatment Family Pact (FPACT) program which provides services at no cost to low-income residents of reproductive age.

**MEDICAL FI MISCELLANEOUS EXPENSES**

OTHER ADMIN. POLICY CHANGE NUMBER: 60

**Reason for Change from Prior Estimate:**

The changes are due to the addition of two new interagency agreements which have resulted in an increase in costs related to warrant and Remittance Advice Detail (RAD) production, and the addition of HE, and health assessment costs. FPACT costs, previously budgeted separately in the FI Estimate, have now been included in this policy change.

**Methodology:**

1. Costs are shared between federal funds (FF) and general funds (GF).

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
CSCO - Warrants and RADs (75% FF / 25% GF)	\$1,331,000	\$332,750	\$998,250
CSCO - Postage (50% FF / 50% GF)	\$976,000	\$488,000	\$488,000
CSCO - HE Claims - Admin. (75% FF / 25% GF)	\$67,000	\$16,750	\$50,250
CSTO - Warrant Redemption (75% FF / 25% GF)	\$81,000	\$20,250	\$60,750
CDCA - Provider Verification File (75% FF / 25% GF)	\$2,000	\$500	\$1,500
COSI - CA-MMIS Health Assessment (75% FF / 25% GF)	\$500,000	\$125,000	\$375,000
FPACT (50% FF / 50% GF)	\$200,000	\$100,000	\$100,000
<b>Total*</b>	<b>\$3,157,000</b>	<b>\$1,083,000</b>	<b>\$2,074,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
CSCO - Warrants and RADs (75% FF / 25% GF)	\$1,331,000	\$332,750	\$998,250
CSCO - Postage (50% FF / 50% GF)	\$444,000	\$222,000	\$222,000
CSCO - HE Claims - Admin. (75% FF / 25% GF)	\$62,000	\$15,500	\$46,500
CSTO Warrant Redemption (75% FF / 25% GF)	\$81,000	\$20,250	\$60,750
CDCA - Provider Verification File (75% FF / 25% GF)	\$2,000	\$500	\$1,500
COSI - CA-MMIS Health Assessment (75% FF / 25% GF)	\$0	\$0	\$0
FPACT (50% FF / 50% GF)	\$200,000	\$100,000	\$100,000
<b>Total</b>	<b>\$2,120,000</b>	<b>\$691,000</b>	<b>\$1,429,000</b>

\*Totals may differ due to rounding.

**Funding:**

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

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

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

## MEDICAL FI DIAGNOSIS RELATED GROUPS

OTHER ADMIN. POLICY CHANGE NUMBER: 61  
 IMPLEMENTATION DATE: 7/2015  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1919

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$70,000	\$26,000
STATE FUNDS	\$35,000	\$13,000
FEDERAL FUNDS	\$35,000	\$13,000

### DESCRIPTION

**Purpose:**

This policy change estimates the cost of developing and implementing a Medical payment methodology based in Diagnostic Related Groups (DRG) to the Medical Fiscal Intermediary (FI) contract.

**Authority:**

Contract # 09-86210  
 SB 853 Chapter 717, Statutes of 2010

**Interdependent Policy Changes:**

Not Applicable

**Background:**

The FI contract requires the FI to process claims submitted by Medi-Cal providers for services rendered to Med-Cal beneficiaries. The FI Contract was awarded to Xerox State Healthcare, LLC (Xerox), on December 8, 2009 and became effective May 3, 2010, which began the takeover phase. The FI contract term runs through June 30, 2016, with five one year optional extensions which could extend the contract through June 30, 2021. The term Medical FI is also used interchangeably, to differentiate the Medical FI from the Dental FI, also overseen by the Department.

SB 853 requires the Department to develop and implement a Medi-Cal payment methodology based on DRG. The DRG reflects the costs and staffing levels associated with quality of care for patients unless otherwise specified. As the implementation of SB 853 was not originally known or knowable at the time the Contract was procured, and requires an increased level of work and effort, the Department has agreed to reimburse Xerox for all documentable expenses that are as a direct result of efforts to implement the DRG requirement.

**Reason for Change from Prior Estimate:**

FY 2015-16 costs have decreased due to a reduction in billable hours. This Change Order (CO) will end June 30, 2016, resulting in a decrease in staffing and activities needed, such as, outreach and education.

**Methodology:**

1. Certain costs such as software, travel expenses, etc. can be paid through Cost Reimbursement. These costs are budgeted in the Medical FI Cost Reimbursement OA policy change.
2. The Contract allows for overhead and profit to be included in CO expenses, not to exceed thirty-percent.

## MEDICAL FI DIAGNOSIS RELATED GROUPS

OTHER ADMIN. POLICY CHANGE NUMBER: 61

3. Assume this CO will end in June 30, 2016, and the last payment is expected to be made in FY 2016-17.
4. Costs are shared between federal funds (FF) and general funds (GF).
5. The administration costs of this policy change are budgeted below.

	FY 2015-16			FY 2016-17		
	TF	GF	FF	TF	GF	FF
<b>DRG Administration</b>	<b>\$70,000</b>	<b>\$35,000</b>	<b>\$35,000</b>	<b>\$26,000</b>	<b>\$13,000</b>	<b>\$13,000</b>

**Funding:**

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

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

## MEDICAL FI OPTIONAL CONTRACTUAL SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 62  
 IMPLEMENTATION DATE: 8/2016  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1923

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$0	\$804,000
STATE FUNDS	\$0	\$80,400
FEDERAL FUNDS	\$0	\$723,600

### DESCRIPTION

**Purpose:**

This policy change estimates the cost of optional contractual services (OCS) of the Medical Fiscal Intermediary(FI) contract.

**Authority:**

Contract # 09-86210

**Interdependent Policy Changes:**

Not Applicable

**Background:**

The FI contract requires the FI to process claims submitted by Medi-Cal providers for services rendered to Med-Cal beneficiaries. The FI Contract was awarded to Xerox State Healthcare, LLC (Xerox), on December 8, 2009 and became effective May 3, 2010, which began the takeover phase. The FI contract term runs through June 30, 2016, with five one year optional extensions which could extend the contract through June 30, 2021. The term Medical FI is also used interchangeably, to differentiate the Medical FI from the Dental FI, also overseen by the Department.

OCS are contractor-proposed methods of providing services, functions, and procedures above contract requirements to improve the California Medicaid Management Information System (CA-MMIS) performance. OCS can apply to the CA-MMIS Legacy System or to the CA-MMIS Replacement System. Unlike regular operations activities, OCS are not always part of the FI Budget. Costs in this category are due to the contractor proposing an OCS and the Department approving the OCS. The identified costs are for the implementation of the Medicaid Incentive program, which provide incentives to providers who adopt and use Electronic Health Records in accordance with the Health Information Technology for Economic and Clinical Health Act.

**Reason for Change from Prior Estimate:**

Due to compliance issues related to OCS, no payments will be made in FY 2015-16.

**Methodology:**

- Costs are shared between federal funds (FF) and general funds (GF).

FY 2016-17	TF	GF	FF
<b>OCS costs</b>	<b>\$804,000</b>	<b>\$80,000</b>	<b>\$724,000</b>

**Funding:**

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

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

## HCO OPERATIONS

OTHER ADMIN. POLICY CHANGE NUMBER: 63  
 IMPLEMENTATION DATE: 7/2014  
 ANALYST: Randolph Alarcio  
 FISCAL REFERENCE NUMBER: 1856

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$52,650,000	\$39,189,000
STATE FUNDS	\$25,477,090	\$18,851,600
FEDERAL FUNDS	\$27,172,910	\$20,337,400

### 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, and six one-year optional extension years, with current operations ending on December 31, 2018. Funds paid on the contract use a mixture of Federal Funds (FF) and General Funds (GF) (50/50 for Administration; and 65/35 or 88/12 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: 63

- 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:

Prior year unpaid invoices for May and June of FY 2014-15 will be paid in FY 2015-16.

### 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 2014-15 will be paid in FY 2015-16 for a total of \$14,280,000.

(Dollars in Thousands)

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>	<b>GF</b>	<b>FF</b>	<b>GF</b>	<b>FF</b>
		<b>Title XIX</b>	<b>Title XIX</b>	<b>Title XXI</b>	<b>Title XXI</b>	<b>Enhanced XXI</b>	<b>Enhanced XXI</b>
		<b>50%</b>	<b>50%</b>	<b>35%</b>	<b>65%</b>	<b>12%</b>	<b>88%</b>
Transactions	\$10,665	\$5,066	\$5,066	\$47	\$87	\$48	\$352
Packet Mailings	\$7,857	\$3,732	\$3,732	\$34	\$64	\$35	\$259
BDE PacketMailings	\$183	\$87	\$87	\$1	\$1	\$1	\$6
BDA/CallCenter	\$4,824	\$2,291	\$2,292	\$21	\$39	\$22	\$159
PPD	\$458	\$218	\$217	\$2	\$4	\$2	\$15
SPD Inserts	\$66	\$33	\$33	\$0	\$0	\$0	\$0
Medi-Cal Publications	\$394	\$187	\$187	\$2	\$3	\$2	\$13
HIF	\$174	\$83	\$82	\$1	\$1	\$1	\$6
Base VolumeIncrease	\$13,749	\$6,531	\$6,531	\$60	\$112	\$62	\$453
Prior Year Unpaid Invoices	\$14,280	\$6,783	\$6,783	\$62	\$116	\$64	\$471
<b>Total</b>	<b>\$52,650</b>	<b>\$25,011</b>	<b>\$25,010</b>	<b>\$230</b>	<b>\$427</b>	<b>\$237</b>	<b>\$1,735</b>

**HCO OPERATIONS**

OTHER ADMIN. POLICY CHANGE NUMBER: 63

(Dollars in Thousands)

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>	<b>GF</b>	<b>FF</b>
		<b>Title XIX</b>	<b>Title XIX</b>	<b>Enhanced XXI</b>	<b>Enhanced XXI</b>
		<b>50%</b>	<b>50%</b>	<b>12%</b>	<b>88%</b>
Transactions	\$10,763	\$5,112	\$5,113	\$65	\$473
Packet Mailings	\$8,205	\$3,897	\$3,898	\$49	\$361
BDE PacketMailings	\$183	\$87	\$87	\$1	\$8
BDA/Call Center	\$4,979	\$2,365	\$2,365	\$30	\$219
PPD	\$669	\$318	\$318	\$4	\$29
SPD Inserts	\$66	\$33	\$33	\$0	\$0
Medi-Cal Publications	\$399	\$190	\$189	\$2	\$18
HIF	\$176	\$84	\$83	\$1	\$8
Base Volume Increase	\$13,749	\$6,531	\$6,531	\$82	\$605
Prior Year Unpaid Invoices	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$39,189</b>	<b>\$18,617</b>	<b>\$18,617</b>	<b>\$234</b>	<b>\$1,721</b>

**Funding:**

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

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

FI 88% Title XXI / 12% GF (4260-113-0001/0890)

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

## HCO COST REIMBURSEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 64  
 IMPLEMENTATION DATE: 7/2014  
 ANALYST: Randolph Alarcio  
 FISCAL REFERENCE NUMBER: 1858

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$41,490,000	\$46,094,000
STATE FUNDS	\$20,076,400	\$22,170,720
FEDERAL FUNDS	\$21,413,600	\$23,923,280

### 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:**

The increase is due to hiring additional Systems Group (IT) staff for the increase in scope of work for new managed care populations and projects.

**Methodology:**

1. Contract costs are shared between federal funds (FF) and General Fund (GF).
2. Printing and postage line items include costs for all cost reimbursed mailings and the reduced costs from the mailings of Personalized Provider Directories (PPD) in the PPD counties of Sacramento and Los Angeles, in lieu of costs for mailing full county-wide provider directories. The printing and mailing of PPDs in Sacramento and Los Angeles counties in lieu of full county-wide directories is a cost savings to the Department, with total savings to date of \$23,044,048 for the time period of February 2009 through April 2015.

## HCO COST REIMBURSEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 64

(Dollars in Thousands)	TF	GF	FF	GF	FF	GF	FF
		Title XIX	Title XIX	Title XXI	Title XXI	Enhanced XXI	Enhanced XXI
<b>FY 2015-16</b>		(50%)	(50%)	(35%)	(65%)	(12%)	(88%)
Postage	\$18,728	\$8,896	\$8,896	\$82	\$152	\$84	\$618
Printing	\$5,511	\$2,618	\$2,617	\$24	\$45	\$25	\$181
Other HCO Informing Materials	\$4,577	\$2,174	\$2,174	\$20	\$37	\$21	\$151
Customer Assistance Telephone	\$1,451	\$689	\$689	\$6	\$12	\$7	\$48
Development of New Informing Mat.	\$166	\$79	\$79	\$1	\$1	\$1	\$5
Translation Services	\$476	\$226	\$226	\$2	\$4	\$2	\$15
Data Access	\$396	\$188	\$188	\$2	\$3	\$2	\$14
Miscellaneous	\$1,106	\$525	\$526	\$5	\$9	\$5	\$36
Special Training Sessions	\$145	\$69	\$69	\$1	\$1	\$1	\$6
PCs, Printers, Copy Machines	\$103	\$49	\$49	\$0	\$1	\$0	\$3
Additional Systems Group Staff	\$1,672	\$794	\$794	\$7	\$13	\$7	\$54
Travel and Per Diem	\$126	\$60	\$60	\$1	\$1	\$1	\$4
Temporary Staff	\$583	\$277	\$277	\$3	\$5	\$3	\$19
Medi-Cal Publications Mailings	\$6,450	\$3,064	\$3,064	\$28	\$52	\$29	\$213
<b>Total</b>	<b>\$41,490</b>	<b>\$19,708</b>	<b>\$19,708</b>	<b>\$181</b>	<b>\$337</b>	<b>\$187</b>	<b>\$1,368</b>

(Dollars in Thousands)	TF	GF	FF	GF	FF
		Title XIX	Title XIX	Enhanced XXI	Enhanced XXI
<b>FY 2016-17</b>		(50%)	(50%)	(12%)	(88%)
Postage	\$20,601	\$9,785	\$9,786	\$124	\$906
Printing	\$6,062	\$2,879	\$2,880	\$36	\$267
Other HCO Informing Materials	\$5,035	\$2,392	\$2,391	\$30	\$222
Customer Assistance Telephone	\$1,596	\$758	\$758	\$10	\$70
Development of New Informing Mat.	\$183	\$87	\$87	\$1	\$8
Translation Services	\$524	\$249	\$248	\$3	\$24
Data Access	\$435	\$207	\$206	\$3	\$19
Miscellaneous	\$1,217	\$578	\$578	\$7	\$54
Special Training Sessions	\$160	\$76	\$76	\$1	\$7
PCs, Printers, Copy Machines	\$114	\$54	\$54	\$1	\$5
Additional Systems Group Staff	\$4,337	\$2,060	\$2,060	\$26	\$191
Travel and Per Diem	\$139	\$66	\$66	\$1	\$6
Temporary Staff	\$641	\$304	\$305	\$4	\$28
Medi-Cal Publications Mailings	\$5,050	\$2,399	\$2,399	\$30	\$222
<b>Total</b>	<b>\$46,094</b>	<b>\$21,894</b>	<b>\$21,894</b>	<b>\$277</b>	<b>\$2,029</b>

**Funding:**

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

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

FI 88% Title XXI / 12% 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: 65  
 IMPLEMENTATION DATE: 7/2014  
 ANALYST: Randolph Alarcio  
 FISCAL REFERENCE NUMBER: 1860

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$18,357,000	\$11,665,000
STATE FUNDS	\$9,178,500	\$5,832,500
FEDERAL FUNDS	\$9,178,500	\$5,832,500

### 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:**

Costs for FY 2015-16 increased due to the addition of telephone call center (TCC) staffing through September 2016.

## HCO CCI - CAL MEDICCONNECT AND MLTSS

OTHER ADMIN. POLICY CHANGE NUMBER: 65

### Methodology:

- 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.
- The FY 2015-16 and FY 2016-17 costs are below:

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
Printing/Postage	\$8,103,000	\$2,102,000
Equipment/Non-Equipment	\$1,174,000	\$989,000
Staffing	\$9,080,000	\$8,574,000
<b>Total</b>	<b>\$18,357,000</b>	<b>\$11,665,000</b>

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

	<b>TF</b>	<b>GF</b>	<b>FF</b>
<b>FY 2015-16</b>	<b>\$18,357,000</b>	<b>\$9,178,000</b>	<b>\$9,179,000</b>

	<b>TF</b>	<b>GF</b>	<b>FF</b>
<b>FY 2016-17</b>	<b>\$11,665,000</b>	<b>\$5,833,000</b>	<b>\$5,832,000</b>

### 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 - ENROLLMENT CONTRACTOR COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 66  
 IMPLEMENTATION DATE: 7/2015  
 ANALYST: Randolph Alarcio  
 FISCAL REFERENCE NUMBER: 1864

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$17,633,000	\$10,262,000
STATE FUNDS	\$8,532,550	\$4,936,440
FEDERAL FUNDS	\$9,100,450	\$5,325,560

### 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.

**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.

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 for the following changes:

- Effective January 1, 2014, the ACA established a new income eligibility standard for Medi-Cal, based upon a Modified Adjusted Gross Income of 133% of the federal poverty level for adults.
- California enacted legislation to establish eligibility for full scope Medi-Cal benefits for undocumented children under 19 years of age.

**Reason for change from Prior Estimate:**

The contractor costs for the expansion of full-scope coverage to undocumented children were added to this policy change.

**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 - ENROLLMENT CONTRACTOR COSTS**

OTHER ADMIN. POLICY CHANGE NUMBER: 66

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
Telephone Call Center (TCC) Enrollment Operations	\$7,871,000	\$5,970,000
System Group Staff	\$2,404,000	
TCC and Postage and Printing Cost for Undoc. Children	\$7,358,000	\$4,292,000
<b>Total</b>	<b>\$17,633,000</b>	<b>\$10,262,000</b>

(Dollars in Thousands)

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Title XIX (50% FF / 50% GF)	\$16,752	\$8,376	\$8,376
Title XXI (65% FF / 35% GF)	\$221	\$77	\$144
Enhanced Title XXI (88% FF / 12% GF)	\$660	\$79	\$581
<b>Total</b>	<b>\$17,633</b>	<b>\$8,532</b>	<b>\$9,101</b>
<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Title XIX (50% FF / 50% GF)	\$9,750	\$4,875	\$4,875
Enhanced Title XXI (88% FF / 12% GF)	\$512	\$62	\$450
<b>Total</b>	<b>\$10,262</b>	<b>\$4,937</b>	<b>\$5,325</b>

**Funding:**

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

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

FI 88% Title XXI / 12% GF (4260-113-0001/0890)

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

## HCO ESR HOURLY REIMBURSEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 67  
 IMPLEMENTATION DATE: 7/2014  
 ANALYST: Randolph Alarcio  
 FISCAL REFERENCE NUMBER: 1857

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$13,716,000	\$14,013,000
STATE FUNDS	\$6,636,650	\$6,740,120
FEDERAL FUNDS	\$7,079,350	\$7,272,880

### DESCRIPTION

**Purpose:**

This policy change estimates the Enrollment Services Representative's (ESRs) hourly reimbursement 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 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.

**Reason for change from Prior Estimate:**

There is no change.

**Methodology:**

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

## HCO ESR HOURLY REIMBURSEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 67

2. Costs are shared between federal funds (FF) and General Fund(GF).
  - 50/50 for Administration,
  - 65/35 for Medicaid Expansion Children's Health Insurance Program (MCHIP), and
  - 88/12 for Medicaid Expansion MCHIP (starting October 2015).
3. The estimated costs for FY 2015-16 and FY 2016-17 are based on 155 ESRs per year.

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Title XIX (50% FF / 50% GF)	\$13,030,000	\$6,515,000	\$6,515,000
Title XXI (65% FF / 35% GF)	\$171,000	\$60,000	\$111,000
Title XXI (88% FF / 12% GF)	\$515,000	\$62,000	\$453,000
<b>Total</b>	<b>\$13,716,000</b>	<b>\$6,637,000</b>	<b>\$7,079,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Title XIX (50% FF / 50% GF)	\$13,312,000	\$6,656,000	\$6,656,000
Title XXI (88% FF / 12% GF)	\$701,000	\$84,000	\$617,000
<b>Total</b>	<b>\$14,013,000</b>	<b>\$6,740,000</b>	<b>\$7,273,000</b>

### Funding:

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

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

FI 88% Title XXI / 12% 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: 68  
 IMPLEMENTATION DATE: 7/2014  
 ANALYST: Randolph Alarcio  
 FISCAL REFERENCE NUMBER: 1862

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$727,000	\$0
STATE FUNDS	\$363,500	\$0
FEDERAL FUNDS	\$363,500	\$0

### 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.

Prior to the implementation of AB 1467, managed care was in 30 counties. AB 1467 expanded 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 transitioned 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 change.

## HCO- SPD TRANSITION TO MANAGED CARE RURAL COUNTIES

OTHER ADMIN. POLICY CHANGE NUMBER: 68

**Methodology:**

1. Costs are negotiated per agent costs through a contract amendment.
2. Costs are shared between federal funds (FF) and General Fund(GF).

	<b>FY 2015-16</b>
QA AnalystStaff	\$21,000
Customer ServiceRepresentatives	\$706,000
<b>Total</b>	<b>\$727,000</b>

	<b>TF</b>	<b>GF</b>	<b>FF</b>
<b>FY 2015-16</b>	<b>\$727,000</b>	<b>\$363,000</b>	<b>\$364,000</b>

**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: 69  
 IMPLEMENTATION DATE: 7/2014  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1887

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$82,288,000	\$85,134,000
STATE FUNDS	\$26,734,000	\$27,689,250
FEDERAL FUNDS	\$55,554,000	\$57,444,750

### 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 has acquired approval for a one-year extension of the current contract with Delta for the period July 1, 2015 through September 30, 2016. The Department will seek approval for an additional one-year extension of the contract for the period October 1, 2016 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.

**DENTAL FI OPERATIONS**

OTHER ADMIN. POLICY CHANGE NUMBER: 69

**Reason for change from Prior Estimate:**

FY 2015-16 costs increased slightly due to updated estimates based on actual ACSL, TAR, and TSC minute volumes and caseload adjustments. Additionally, per the FI contract, processing rates are currently increased annually by the California Consumer Price Index.

**Methodology:**

1. Operations costs are fixed price rates based on volumes within minimum and maximum ranges under the Dental FI contract.
2. ACSL/TAR volumes determine the Dental Administration/Operations costs. Provider Enrollment activities account for 15% of the total ACSL/TAR costs.
  - a. Provider Enrollment costs:
    - i. 69% of costs are funded at 50% FF and 50% GF
    - ii. 31% of costs are funded at 75% FF and 25% GF
  - b. Remaining costs are funded at 75% FF and 25% GF
3. TSC costs:
  - a. 69% of costs are funded at 50% FF and 50% GF
  - b. 31% of costs are funded at 75% FF and 25% GF

(Dollars in Thousands)

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Administration/Operations (75% FF / 25% GF)	\$46,567	\$11,642	\$34,925
Provider Enrollment (50% FF / 50% GF and 75% FF / 25% GF)	\$8,217	\$3,472	\$4,745
Total ACSL/TAR	\$54,784	\$15,114	\$39,670
TSC - Provider (50% FF / 50% GF and 75% FF / 25% GF)	\$18,080	\$7,638	\$10,442
TSC - Beneficiary (50% FF / 50% GF and 75% FF / 25% GF)	\$9,424	\$3,982	\$5,442
Total TSC	\$27,504	\$11,620	\$15,884
<b>Total Operations Costs</b>	<b>\$82,288</b>	<b>\$26,734</b>	<b>\$55,554</b>

**DENTAL FI OPERATIONS**

OTHER ADMIN. POLICY CHANGE NUMBER: 69

(Dollars in Thousands)

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Administration/Operations (75% FF / 25% GF)	\$47,999	\$12,000	\$35,999
Provider Enrollment (50% FF / 50% GF and 75% FF / 25% GF)	\$8,471	\$3,579	\$4,892
Total ACSL/TAR	\$56,470	\$15,579	\$40,891
TSC – Provider (50% FF / 50% GF and 75% FF / 25% GF)	\$18,855	\$7,966	\$10,889
TSC – Beneficiary (50% FF / 50% GF and 75% FF / 25% GF)	\$9,809	\$4,144	\$5,665
Total TSC	\$28,664	\$12,110	\$16,554
<b>Total Operations Costs</b>	<b>\$85,134</b>	<b>\$27,689</b>	<b>\$57,445</b>

**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: 70  
 IMPLEMENTATION DATE: 7/2014  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1888

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$12,334,000	\$12,769,000
STATE FUNDS	\$3,083,500	\$3,192,250
FEDERAL FUNDS	\$9,250,500	\$9,576,750

### 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 has acquired approval for a one-year extension of the current contract with Delta for the period July 1, 2015 through September 30, 2016. The Department will seek approval for an additional one-year extension of the contract for the period October 1, 2016 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:**

There is no change.

**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: 70

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

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Systems Group (SG)	\$6,816,000	\$1,704,000	\$5,112,000
HIPAA SG	\$840,000	\$210,000	\$630,000
SURS	\$4,678,000	\$1,169,000	\$3,509,000
<b>Total</b>	<b>\$12,334,000</b>	<b>\$3,083,000</b>	<b>\$9,251,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Systems Group (SG)	\$6,986,000	\$1,746,000	\$5,240,000
HIPAA SG	\$940,000	\$235,000	\$705,000
SURS	\$4,843,000	\$1,211,000	\$3,632,000
<b>Total</b>	<b>\$12,769,000</b>	<b>\$3,192,000</b>	<b>\$9,577,000</b>

**Funding:**

FI HIPAA 75% FF / 25% GF (4260-117-0001/0890)

FI 75% Title XIX FF / 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: 71  
 IMPLEMENTATION DATE: 7/2014  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1889

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$7,369,000	\$7,444,000
STATE FUNDS	\$3,504,250	\$3,541,750
FEDERAL FUNDS	\$3,864,750	\$3,902,250

### 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 has acquired approval for a one-year extension of the current contract with Delta for the period July 1, 2015 through September 30, 2016. The Department will seek approval for an additional one-year extension of the contract for the period October 1, 2016 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.

**DENTAL FI COST REIMBURSEMENT**

OTHER ADMIN. POLICY CHANGE NUMBER: 71

Costs under these categories consist of direct costs, or a subset thereof, which can be specifically identifiable with the particular cost objective.

**Reason for change from Prior Estimate:**

There is no change.

**Methodology:**

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

<b>FY 2015-16</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Printing (50% FF / 50% GF)	\$1,300,000	\$650,000	\$650,000
Data Center Access (75% FF / 25% GF)	\$1,000	\$250	\$750
Postage/Parcel Service (50% FF / 50% GF)	\$1,500,000	\$750,000	\$750,000
Special Training, Conf., Travel (50% FF / 50% GF)	\$130,000	\$65,000	\$65,000
Audits (50% FF / 50% GF)	\$170,000	\$85,000	\$85,000
Facilities Improvement (75% FF / 25% GF)	\$110,000	\$27,500	\$82,500
Toll Free Phone Charges (75% FF / 25% GF)	\$610,000	\$152,500	\$457,500
Knox-Keene Annual Assess. (50% FF / 50% GF)	\$2,898,000	\$1,449,000	\$1,449,000
Misc. (50% FF / 50% GF)	\$650,000	\$325,000	\$325,000
<b>Total*</b>	<b>\$7,369,000</b>	<b>\$3,504,000</b>	<b>\$3,865,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>
Printing (50% FF / 50% GF)	\$1,300,000	\$650,000	\$650,000
Data Center Access (75% FF / 25% GF)	\$1,000	\$250	\$750
Postage/Parcel Service (50% FF / 50% GF)	\$1,500,000	\$750,000	\$750,000
Special Training, Conf., Travel (50% FF / 50% GF)	\$130,000	\$65,000	\$65,000
Audits (50% FF / 50% GF)	\$170,000	\$85,000	\$85,000
Facilities Improvement (75% FF / 25% GF)	\$110,000	\$27,500	\$82,500
Toll Free Phone Charges (75% FF / 25% GF)	\$610,000	\$152,500	\$457,500
Knox-Keene Annual Assess. (50% FF / 50% GF)	\$2,898,000	\$1,449,000	\$1,449,000
Misc. (50% FF / 50% GF)	\$725,000	\$363,000	\$362,000
<b>Total*</b>	<b>\$7,444,000</b>	<b>\$3,542,000</b>	<b>\$3,902,000</b>

\*Totals may differ due to rounding.

**Funding:**

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

FI 75% Title XIX FF / 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: 72  
 IMPLEMENTATION DATE: 7/2014  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1893

	FY 2015-16	FY 2016-17
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 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 acquired approval for a one-year extension of the current contract with Delta for the period July 1, 2015 through September 30, 2016. The Department will seek approval for an additional one-year extension of the contract for the period October 1, 2016 through June 30, 2017.

Effective March 2011, CMS mandated federal rules that apply to the Medi-Cal Dental Program. The current CMS 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 TF (\$719,000 GF).

**DENTAL FI FEDERAL RULE - REVALIDATION**

OTHER ADMIN. POLICY CHANGE NUMBER: 72

**FY 2015-16:** 258.25 revalidations x \$464 per revalidation x 12 months = **\$1,438,000 TF****FY 2016-17:** 258.25 revalidations x \$464 per revalidation x 12 months = **\$1,438,000 TF**

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

	<b>TF</b>	<b>GF</b>	<b>FF</b>
<b>FY 2015-16</b>	<b>\$1,438,000</b>	<b>\$719,000</b>	<b>\$719,000</b>

	<b>TF</b>	<b>GF</b>	<b>FF</b>
<b>FY 2016-17</b>	<b>\$1,438,000</b>	<b>\$719,000</b>	<b>\$719,000</b>

**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: 73  
 IMPLEMENTATION DATE: 7/2014  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1894

	FY 2015-16	FY 2016-17
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 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 acquired approval for a one-year extension of the current contract with Delta for the period July 1, 2015 through September 30, 2016. The Department will seek approval for an additional one-year extension of the contract for the period October 1, 2016 through June 30, 2017.

Effective March 2011, CMS mandated federal rules that apply to the Medi-Cal Dental Program. The current CMS 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 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: 73

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 TF (\$187,500 GF).

**FY 2015-16:** 20,292 checks x \$1.54 per check x 12 months = **\$375,000 TF**

**FY 2016-17:** 20,292 checks x \$1.54 per check x 12 months = **\$375,000 TF**

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

	TF	GF	FF
<b>FY 2015-16</b>	<b>\$375,000</b>	<b>\$187,500</b>	<b>\$187,500</b>

	TF	GF	FF
<b>FY 2016-17</b>	<b>\$375,000</b>	<b>\$187,500</b>	<b>\$187,500</b>

**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: 74  
 IMPLEMENTATION DATE: 7/2014  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1892

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$320,000	\$320,000
STATE FUNDS	\$80,000	\$80,000
FEDERAL FUNDS	\$240,000	\$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 acquired approval for a one-year extension of the current contract with Delta for the period July 1, 2015 through September 30, 2016. The Department will seek approval for an additional one-year extension of the contract for the period October 1, 2016 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.

## DENTAL FI HIPAA ADDENDUM SECURITY RISK ASSESSMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 74

2. The cost break down for billable hours for the security risk assessment process 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 TF (\$80,000 GF).

**FY 2015-16:** 114 hours/month x \$234/hour x 12 months = **\$320,000 TF**

**FY 2016-17:** 114 hours/month x \$234/hour x 12 months = **\$320,000 TF**

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

	TF	GF	FF
<b>FY 2015-16</b>	<b>\$320,000</b>	<b>\$80,000</b>	<b>\$240,000</b>

	TF	GF	FF
<b>FY 2016-17</b>	<b>\$320,000</b>	<b>\$80,000</b>	<b>\$240,000</b>

**Funding:**

FI HIPAA 75% FF / 25% GF (4260-117-0001/0890)

\*\*\*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: 75  
 IMPLEMENTATION DATE: 7/2014  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1891

	<u>FY 2015-16</u>	<u>FY 2016-17</u>
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 acquired approval for a one-year extension of the current contract with Delta for the period July 1, 2015 through September 30, 2016. The Department will seek approval for an additional one-year extension of the contract for the period October 1, 2016 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.

**Reason for change from Prior Estimate:**

There is no change.

**Methodology:**

- 1) Costs are estimated based on the number of Correspondence Counts which include the Conlan 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.

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OTHER ADMIN. POLICY CHANGE NUMBER: 75

- 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 TF (\$97,500 GF).

**FY 2015-16:** 120 counts x \$135.14 per count x 12 months = **\$195,000 TF**

**FY 2016-17:** 120 counts x \$135.14 per count x 12 months = **\$195,000 TF**

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

	<b>TF</b>	<b>GF</b>	<b>FF</b>
<b>FY 2015-16</b>	<b>\$195,000</b>	<b>\$97,500</b>	<b>\$97,500</b>

	<b>TF</b>	<b>GF</b>	<b>FF</b>
<b>FY 2016-17</b>	<b>\$195,000</b>	<b>\$97,500</b>	<b>\$97,500</b>

**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 CD-MMIS COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 76  
 IMPLEMENTATION DATE: 12/2015  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1890

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$77,000	\$20,000
STATE FUNDS	\$19,250	\$5,000
FEDERAL FUNDS	\$57,750	\$15,000

### 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 has acquired approval for a one-year extension of the current contract with Delta for the period July 1, 2015 through September 30, 2016. The Department will seek approval for an additional one-year extension of the contract for the period October 1, 2016 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, the Centers for Medicare and Medicaid Services (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 funding will be available for these costs.

The Department has instructed the current 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

**DENTAL FI CD-MMIS COSTS**

OTHER ADMIN. POLICY CHANGE NUMBER: 76

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. The amendment to implement this change was approved by CMS on June 29, 2015.

**Reason for change from Prior Estimate:**

There is no material change. The turnover bid price has been renegotiated and approved by CMS.

**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
<b>FY 2015-16</b>	<b>\$77,000</b>	<b>\$19,000</b>	<b>\$58,000</b>

	TF	GF	FF
<b>FY 2016-17</b>	<b>\$20,000</b>	<b>\$5,000</b>	<b>\$15,000</b>

**Funding:**

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

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

## PERSONAL CARE SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 77  
 IMPLEMENTATION DATE: 4/1993  
 ANALYST: Randolph Alarcio  
 FISCAL REFERENCE NUMBER: 236

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$298,575,000	\$297,785,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$298,575,000	\$297,785,000

### 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  
 IA 09-86307 IPO

**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: 77

(Dollars in Thousands)

<b>FY 2015-16</b>	<b>TF</b>	<b>DHCS FFP</b>	<b>CDSS GF/ County Match</b>
EW Time & Health Related	\$498,150	\$249,075	\$249,075
CMIPS II	\$99,000	\$49,500	\$49,500
<b>Total</b>	<b>\$597,150</b>	<b>\$298,575</b>	<b>\$298,575</b>
<b>FY 2016-17</b>	<b>TF</b>	<b>DHCS FFP</b>	<b>CDSS GF/ County Match</b>
EW Time & Health Related	\$503,870	\$251,935	\$251,935
CMIPS II	\$91,700	\$45,850	\$45,850
<b>Total</b>	<b>\$595,570</b>	<b>\$297,785</b>	<b>\$297,785</b>

Totals may differ due to rounding.

**Funding:**

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

## HEALTH-RELATED ACTIVITIES - CDSS

OTHER ADMIN. POLICY CHANGE NUMBER: 78  
 IMPLEMENTATION DATE: 7/1992  
 ANALYST: Randolph Alarcio  
 FISCAL REFERENCE NUMBER: 233

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$260,425,000	\$319,875,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$260,425,000	\$319,875,000

### 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.

**Methodology:**

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

## HEALTH-RELATED ACTIVITIES - CDSS

OTHER ADMIN. POLICY CHANGE NUMBER: 78

(Dollars in Thousands)

<b>FY 2015-16</b>	<b>TF</b>	<b>DHCS FFP</b>	<b>CDSS GF/ County Match</b>
CWS	\$289,208	\$154,604	\$154,604
CWS/CMS	\$11,130	\$5,565	\$5,565
CSBG/APS	\$220,512	\$100,256	\$110,256
<b>TOTAL</b>	<b>\$520,850</b>	<b>\$260,425</b>	<b>\$260,425</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>DHCS FFP</b>	<b>CDSS GF/ County Match</b>
CWS	\$428,190	\$214,095	\$214,095
CWS/CMS	\$11,060	\$5,530	\$5,530
CSBG/APS	\$200,500	\$100,250	\$100,250
<b>TOTAL</b>	<b>\$639,750</b>	<b>\$319,875</b>	<b>\$319,875</b>

**Funding:**

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

## CALHEERS DEVELOPMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 79  
 IMPLEMENTATION DATE: 6/2012  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1679

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$142,998,000	\$129,171,000
STATE FUNDS	\$31,594,800	\$25,568,050
FEDERAL FUNDS	\$111,403,200	\$103,602,950

### 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 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 allows 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 and implemented the technology solutions for ongoing maintenance of MEDS changes and integration with CalHEERS.

## CALHEERS DEVELOPMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 79

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 (D&I) 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:

Project expenditures have been revised based on updated work plan.

### Methodology:

1. Contractors began D&I work in July 2012 with payments beginning in August 2012. O&M started in January 2015.
2. In FY 2015-16 and FY 2016-17, 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 2015-16 and 2016-17, costs incurred are for CalHEERS' D&I and O&M. 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
4. Effective FY 2016-17, the Department will submit a separate Implementation Advance Planning Document (IAPDU) for CMS approval for the Department's Enterprise Innovation and Technology Services (EITS) contractor costs that will no longer be included in the CalHEERS IAPDU.

<b>FY2015-16:</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>	<b>Reimbursements</b>
Title XIX (50% FF / 50% GF)	\$3,520,000	\$1,760,000	\$1,760,000	\$0
Title XXI (65% FF / 35% GF)	\$4,731,000	\$1,656,000	\$3,075,000	\$0
Title XXI (88% FF / 12% GF)	\$14,195,000	\$1,703,000	\$12,492,000	\$0
Title XIX (75% FF / 25% GF)	\$84,787,000	\$21,197,000	\$63,590,000	\$1,627,000
Title XIX (90% FF / 10% GF)	\$30,598,000	\$3,060,000	\$27,538,000	\$592,000
Title XIX (100% FF)	\$2,948,000	\$0	\$2,948,000	\$0
<b>Total</b>	<b>\$142,998,000</b>	<b>\$29,376,000</b>	<b>\$111,403,000</b>	<b>\$2,219,000</b>

**CALHEERS DEVELOPMENT**

OTHER ADMIN. POLICY CHANGE NUMBER: 79

<b>FY2016-17:</b>	<b>TF</b>	<b>GF</b>	<b>FF</b>	<b>Reimbursements</b>
Title XIX (75% FF / 25% GF)	\$81,975,000	\$20,494,000	\$61,481,000	\$0
Title XXI (88% FF / 12% GF)	\$17,735,000	\$2,128,000	\$15,607,000	\$0
Title XIX (90% FF / 10% GF)	\$29,461,000	\$2,946,000	\$26,515,000	\$0
Sub Total	\$127,146,000	\$25,333,000	\$102,086,000	\$0
DHCS EITS contractor costs	\$2,025,000	\$235,000	\$1,517,000	\$273,000
<b>Total</b>	<b>\$129,171,000</b>	<b>\$25,568,000</b>	<b>\$103,603,000</b>	<b>\$273,000</b>

**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)

88% Title XIX / 12 % GF (4260-101-0001/0890)

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

## CDDS ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 80  
 IMPLEMENTATION DATE: 7/1997  
 ANALYST: Jason Moody  
 FISCAL REFERENCE NUMBER: 243

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$50,873,000	\$44,254,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$50,873,000	\$44,254,000

### 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)/State Operated Community Facility (SOCF) 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 included in the CDDS budget on an accrual basis and 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: 80

<b>FY 2015-16</b>	<b>DHCS FFP</b>	<b>CDDS GF</b>	<b>IA#</b>
1 DC/SOCF Medi-Cal Admin.	\$12,174,000	\$12,174,000	03-75282/83
DC/SOCFHIPAA*	\$163,000	\$0	03-75282/83
2 DC/SOCF Medi-Cal Elig	\$550,000	\$550,000	01-15378
3 HCBS Waiver Admin.	\$18,471,000	\$18,471,000	01-15834
4 RC Medicaid Admin.	\$12,237,000	\$4,079,000	03-75734
5 NHR Admin.	\$441,000	\$441,000	03-75285
6 TCMHeadquarters Admin.	\$425,000	\$425,000	03-75284
TCM RC Admin.	\$5,774,000	\$5,774,000	03-75284
TCM HIPAA*	\$638,000	\$0	03-75284
<b>Total</b>	<b>\$50,873,000</b>	\$41,914,000	

<b>FY 2016-17</b>	<b>DHCS FFP</b>	<b>CDDS GF</b>	<b>IA#</b>
1 DC/SOCF Medi-Cal Admin.	\$6,385,000	\$6,385,000	03-75282/83
DC/SOCFHIPAA*	\$163,000	\$0	03-75282/83
2 DC/SOCF Medi-Cal Elig	\$550,000	\$550,000	01-15378
3 HCBS Waiver Admin.	\$18,071,000	\$18,071,000	01-15834
4 RC Medicaid Admin.	\$12,551,000	\$4,184,000	03-75734
5 NHR Admin.	\$595,000	\$595,000	03-75285
6 TCMHeadquarters Admin.	\$349,000	\$349,000	03-75284
TCM RC Admin.	\$4,952,000	\$4,952,000	03-75284
TCM HIPAA*	\$638,000	\$0	03-75284
<b>Total</b>	<b>\$44,254,000</b>	\$35,086,000	

**Funding:**

100% Title XIX (4260-101-0890)

100%HIPAAFFP(4260-117-0890)\*

## MATERNAL AND CHILD HEALTH

OTHER ADMIN. POLICY CHANGE NUMBER: 81  
 IMPLEMENTATION DATE: 7/1992  
 ANALYST: Candace Epstein  
 FISCAL REFERENCE NUMBER: 234

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$29,965,000	\$29,893,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$29,965,000	\$29,893,000

### 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.
- ▮ Effective July 1, 2014, SB 852 (Chapter 25, Statutes of 2014) restored the General Fund for the Black Infant Health Program.

**Reason for Change from Prior Estimate:**

The changes are due to updated expenditures and to the restoration of the General Fund for the Black Infant Health Program.

**Methodology:**

1. The Department claims Title XIX federal funds with Certified Public Expenditures (CPE) from local

**MATERNAL AND CHILD HEALTH**

OTHER ADMIN. POLICY CHANGE NUMBER: 81

agencies.

2. Annual expenditures on the accrual basis are \$29,954,000. Cash basis expenditures vary from year-to-year based on when claims are actually paid.
3. The FY 2015-16 budgeted amounts include \$9,540,000 for FY 2014-15 and \$20,425,000 for FY 2015-16.
4. The FY 2016-17 budgeted amounts include \$1,298,000 for FY 2014-15, \$8,753,000 for FY 2015-16, and \$19,842,000 for FY 2016-17.
5. The following estimates have been provided on a cash basis by CDPH.

<b>FY 2015-16</b>	<b>DHCS FFP</b>	<b>CDPH GF</b>	<b>County Match</b>
BIH	\$4,802	\$2,375	\$1,521
CPSP, PCG & SOW	\$23,264		\$15,456
AFLP	\$1,899		\$1,426
<b>Total</b>	<b>\$29,965</b>	\$2,375	\$18,404

<b>FY 2016-17</b>	<b>DHCS FFP</b>	<b>CDPH GF</b>	<b>County Match</b>
BIH	\$3,687	\$1,534	\$1,383
CPSP, PCG & SOW	\$23,890		\$16,017
AFLP	\$2,316		\$1,703
<b>Total</b>	<b>\$29,893</b>	\$1,534	\$19,103

**Funding:**

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

## DEPARTMENT OF SOCIAL SERVICES ADMIN COST

OTHER ADMIN. POLICY CHANGE NUMBER: 82  
 IMPLEMENTATION DATE: 7/2002  
 ANALYST: Randolph Alarcio  
 FISCAL REFERENCE NUMBER: 256

	<u>FY 2015-16</u>	<u>FY 2016-17</u>
TOTAL FUNDS	\$28,803,000	\$29,998,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$28,803,000	\$29,998,000

## 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: 82

**Methodology:**

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

<b>FY 2015-16</b>	<b>TF</b>	<b>DHCS FFP</b>	<b>CDSS GF</b>
IHSS PCSP	\$14,027,000	\$7,014,000	\$7,013,000
IHSS Health Related	\$112,000	\$56,000	\$56,000
CWS/CMS for Medi-Cal	\$570,000	\$285,000	\$285,000
IHSS Plus Option Sec. 1915(j)	\$3,694,000	\$1,847,000	\$1,847,000
SAWS	\$508,000	\$254,000	\$254,000
Medi-Cal State Hearings	\$11,704,000	\$10,201,000	\$10,202,000
Public Inquiry and Response	\$298,000	\$149,000	\$149,000
Medicaid Disability Evaluation Services	\$17,994,000	\$8,997,000	\$8,997,000
<b>TOTAL</b>	<b>\$48,907,000</b>	<b>\$28,803,000</b>	<b>\$28,803,000</b>
<b>FY 2016-17</b>	<b>TF</b>	<b>DHCS FFP</b>	<b>CDSS GF</b>
IHSS PCSP	\$14,030,000	\$7,015,000	\$7,015,000
IHSS Health Related	\$112,000	\$56,000	\$56,000
CWS/CMS for Medi-Cal	\$570,000	\$285,000	\$285,000
IHSS Plus Option Sec. 1915(j)	\$3,620,000	\$1,810,000	\$1,810,000
SAWS	\$510,000	\$255,000	\$255,000
Medi-Cal State Hearings	\$19,600,000	\$9,800,000	\$9,800,000
Public Inquiry and Response	\$480,000	\$240,000	\$240,000
Medicaid Disability Evaluation Services	\$21,073,000	\$10,537,000	\$10,536,000
<b>TOTAL</b>	<b>\$59,995,000</b>	<b>\$29,998,000</b>	<b>\$29,997,000</b>

\*Totals may differ due to rounding.

**Funding:**

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

## HEALTH OVERSIGHT & COORD. FOR FOSTER CARE CHILDREN

OTHER ADMIN. POLICY CHANGE NUMBER: 83  
 IMPLEMENTATION DATE: 7/1999  
 ANALYST: Jason Moody  
 FISCAL REFERENCE NUMBER: 246

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$25,143,000	\$24,879,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$25,143,000	\$24,879,000

### 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:**

On January 1, 2010, the Department, in collaboration with CDSS, implemented the following requirements of the federal Fostering Connections to Success and Increasing Adoptions Act of 2008:

- 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.

CDSS and the Department implemented 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 responsibility for HCPCFC was realigned to the counties in 2011 as part of 2011 Public Safety Realignment. Pursuant to Proposition 30, legislation enacted after September 30, 2012, that has an overall effect of increasing the costs already borne by a local agency for programs or levels of service mandated by 2011 Realignment shall apply to local agencies only to the extent that the state provides annual funding for the cost increase. Local agencies are not obligated to provide programs or levels of service required by legislation, above the level for which funding has been provided. Therefore, funding for the remaining non-federal costs for counties is 100% General Funds.

**Reason for Change from Prior Estimate:**

There is no change.

## HEALTH OVERSIGHT & COORD. FOR FOSTER CARE CHILDREN

OTHER ADMIN. POLICY CHANGE NUMBER: 83

**Methodology:**

1. CDSS provides the annual Local Revenue Fund of \$8,381,000 for FY 2015-16 and \$8,293,000 for FY 2016-17.

(Dollars in Thousands)

<b>FY 2015-16</b>	<b>TF</b>	<b>CDSS GF</b>	<b>DHCS FFP</b>
	\$33,524	\$8,381	<b>\$25,143</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>CDSS GF</b>	<b>DHCS FFP</b>
	\$33,172	\$8,293	<b>\$24,879</b>

**Funding:**

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

## ACA OUTREACH AND ENROLLMENT COUNSELORS

OTHER ADMIN. POLICY CHANGE NUMBER: 84  
 IMPLEMENTATION DATE: 7/2014  
 ANALYST: Katy Clay  
 FISCAL REFERENCE NUMBER: 1820

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$15,978,000	\$9,950,000
STATE FUNDS	\$7,989,000	\$4,975,000
FEDERAL FUNDS	\$7,989,000	\$4,975,000

### 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)  
 SB 75 (Chapter 18, Statutes of 2015)

**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:

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

## ACA OUTREACH AND ENROLLMENT COUNSELORS

OTHER ADMIN. POLICY CHANGE NUMBER: 84

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:

- ▮ The Department adjusted FY 2015-16 funding based on actual expenditures and reforecasting amounts pursuant to SB 75's program extensions through FY 2017-18.
- ▮ The Department added \$750,000 in remaining funds from the application assistance program to county outreach grants, pursuant to SB 75.

### Methodology:

1. The Department estimates \$25,928,000 will be spent on these activities in FY 2015-16 and FY 2016-17. It is assumed the remaining \$12,708,000 will be spent on these outreach, enrollment, and renewal assistance activities in FY 2017-18.
2. Per SB 75, Section 48(f) (amendment to Section 70 of Chapter 23 of the Statutes of 2013), after all enrollment assistance payments have been made for applications received through June 30, 2015, any remaining funds shall be allocated to the county outreach and enrollment grants under Section 71 of Chapter 23 of the Statutes of 2013.
3. Per SB 101 (Chapter 361, Statutes of 2013) Section 5(d), the Department has authority to expend in aggregate up to \$500,000 annually 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)).
4. The funds will be spent as follows:

(Dollars in Thousands)

<b>FY 2015-16</b>	<b>TF</b>	<b>Special Fund</b>	<b>FF</b>
Enrollment Counselors	\$6,028	\$3,014	\$3,014
Outreach and Enrollment	\$6,450	\$3,225	\$3,225
Renewal Assistance	\$4,000	\$2,000	\$2,000
Support Adjustment (4260-501-0942)	(\$500)	(\$250)	(\$250)
<b>Total</b>	<b>\$15,978</b>	<b>\$7,989</b>	<b>\$7,989</b>

(Dollars in thousands)

<b>FY 2016-17</b>	<b>TF</b>	<b>Special Fund</b>	<b>FF</b>
Enrollment Counselors	\$0	\$0	\$0
Outreach and Enrollment	\$6,450	\$3,225	\$3,225
Renewal Assistance	\$4,000	\$2,000	\$2,000
Support Adjustment (4260-501-0942)	(\$500)	(\$250)	(\$250)
<b>Total</b>	<b>\$9,950</b>	<b>\$4,975</b>	<b>\$4,975</b>

### Funding:

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

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

## FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 85  
 IMPLEMENTATION DATE: 7/2007  
 ANALYST: Candace Epstein  
 FISCAL REFERENCE NUMBER: 1192

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$11,671,000	\$11,463,000
STATE FUNDS	\$3,560,000	\$3,560,000
FEDERAL FUNDS	\$8,111,000	\$7,903,000

### 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 (L&C)
- Skilled Nursing Facilities (SNF)

**Skilled Nursing Facility:** 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.

**Licensing and Certification:** Previous estimates included only the projected reimbursements for the Provider Certification Unit. This estimate also includes the projected reimbursements of the Nurse Aide Registry and the Nurse Aide Training and Competency Evaluation Program (NAR/NATCEP) and the Central Application Unit which were not included in prior years. CHSI is currently negotiating the amendment of the contract with the Department to include the reimbursement for the NAR/NATCUP, the Central Applications Unit, and the Provider Certification Unit.

**CHSI 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 no longer has a shared contract with CDPH to provide federal funding for CHIS. The**

## FFP FOR DEPARTMENT OF PUBLIC HEALTH SUPPORT COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 85

Department's contract with CDPH ended on June 30, 2015.

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 costs reflect updated actual expenditures.
- L&C costs reflect updated actual expenditures, as well as the addition of projected reimbursements for NAR/NATCEP and the Central Applications Unit.
- For CLPP, FY 2015-16 changes reflect updated expenditures and realignment 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 2015-16 (Cash Basis)	DHCS FFP*	DHCS SP**	CDPH GF	Other Match
MCAH	\$1,900,000		\$1,900,000	
Office of AIDS	\$463,000		\$463,000	
CLPP	\$1,770,000			\$1,770,000
CHSI	\$135,000			\$135,000
Licensing and Certification	\$3,843,000			\$3,843,000
Skilled Nursing Facilities	\$3,560,000	\$3,560,000		
<b>Total</b>	<b>\$11,671,000</b>	<b>\$3,560,000</b>	\$2,363,000	\$5,748,000

FY 2016-17 (Cash Basis)	DHCS FFP*	DHCS SP**	CDPH GF	Other Match
MCAH	\$1,900,000		\$1,900,000	
Office of AIDS	\$390,000		\$390,000	
CLPP	\$1,770,000			\$1,770,000
Licensing and Certification	\$3,843,000			\$3,843,000
Skilled Nursing Facilities	\$3,560,000	\$3,560,000		
<b>Total</b>	<b>\$11,463,000</b>	<b>\$3,560,000</b>	\$2,290,000	\$5,613,000

### 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: 86  
 IMPLEMENTATION DATE: 7/1997  
 ANALYST: Candace Epstein  
 FISCAL REFERENCE NUMBER: 239

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$5,596,000	\$4,200,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$5,596,000	\$4,200,000

### 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 are prior year costs to be incurred in the current year due to delay in local jurisdictions invoicing to the state.

**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 2015-16	DHCS FFP	CDPH CLPP Fee Funds
Administrative Costs	\$5,596	\$5,596

FY 2016-17	DHCS FFP	CDPH CLPP Fee Funds
Administrative Costs	\$4,200	\$4,200

## CLPP CASE MANAGEMENT SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 86

**Funding:**

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

## DEPARTMENT OF AGING ADMINISTRATIVE COSTS

**OTHER ADMIN. POLICY CHANGE NUMBER:** 87  
**IMPLEMENTATION DATE:** 7/1984  
**ANALYST:** Randolph Alarcio  
**FISCAL REFERENCE NUMBER:** 253

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$3,584,000	\$4,085,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$3,584,000	\$4,085,000

## 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: 87

**Methodology:**

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

(Dollars in Thousands)

	FY 2015-16		FY 2016-17	
	CDA GF	FFP	CDA GF	FFP
<b>CBAS Support</b>				
FY 2014-15 DOS	\$4	\$3		
FY 2015-16 DOS	\$1,560	\$1,806	\$48	\$56
FY 2016-17 DOS			\$1,872	\$2,184
<b>Total CBAS</b>	\$1,564	\$1,809	\$1,920	\$2,240
<b>MSSP Support</b>				
FY 2014-15 DOS	\$4	\$4		
FY 2015-16 DOS	\$1,256	\$1,450	\$39	\$45
FY 2016-17 DOS			\$1,259	\$1,452
<b>Total MSSP</b>	\$1,260	\$1,454	\$1,298	\$1,497
<b>ADRC Support*</b>				
FY 2015-16 DOS		\$321		\$10
FY 2016-17 DOS				\$338
<b>Total ADRC</b>		\$321		\$348
<b>Grand Total</b>	\$2,824	\$3,584	\$3,218	\$4,085

**Funding:**

100% Title XIX (4260-101-0890)

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

## CHHS AGENCY HIPAA FUNDING

OTHER ADMIN. POLICY CHANGE NUMBER: 88  
 IMPLEMENTATION DATE: 7/2001  
 ANALYST: Sharisse DeLeon  
 FISCAL REFERENCE NUMBER: 257

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$1,215,000	\$840,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$1,215,000	\$840,000

### 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
<b>FY 2015-16</b>	<b>\$1,215,000</b>	\$1,215,000
<b>FY 2016-17</b>	<b>\$840,000</b>	\$840,000

**Funding:**

100% HIPAA (4260-117-0890)

## KIT FOR NEW PARENTS

OTHER ADMIN. POLICY CHANGE NUMBER: 89  
 IMPLEMENTATION DATE: 7/2001  
 ANALYST: Julie Chan  
 FISCAL REFERENCE NUMBER: 249

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$1,119,000	\$1,119,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$1,119,000	\$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 funds (FF) for the "Welcome Kits" distributed to parents of Medi-Cal eligible newborns by the CCFC (Proposition 10).

**Reason for Change from Prior Estimate:**

There is no change.

**Methodology:**

1. CCFC will distribute an estimated 370,000 kits in FY 2015-16 and FY 2016-17, of these kits, 46% are expected to be distributed to Medi-Cal eligible newborns.

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

2. Approximately 51% of the kits distributed will be basic kits and 49% will be custom kits. The basic kit costs \$13.10 and the customized kit, which contains an additional item specific to the county of birth, costs \$13.19.

$$\begin{aligned}
 170,200 \text{ Medi-Cal kits} \times 51\% &= 86,802 \text{ basic kits} \times \$13.10 &= \$1,137,000 \\
 170,200 \text{ Medi-Cal kits} \times 49\% &= 83,398 \text{ custom kits} \times \$13.19 &= \underline{\$1,100,000} \\
 \text{Total} &&= \$2,237,000
 \end{aligned}$$

3. 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.
4. For the FY 2016-17 expenditures, \$559,000 of the costs are from the last quarter of FY 2015-16 and \$1,678,000 of the costs are from the first three quarters of FY 2016-17.

**KIT FOR NEW PARENTS**

OTHER ADMIN. POLICY CHANGE NUMBER: 89

<b>Cash Basis</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>
FY 2014-15	\$ 559,000	\$0
FY 2015-16	\$1,678,000	\$ 559,000
FY 2016-17	\$0	\$1,678,000
Total	\$2,237,000	\$2,237,000
<b>FFP Total</b>	<b>\$1,119,000</b>	<b>\$1,119,000</b>

**Funding:**

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

## MEDI-CAL INPATIENT SERVICES FOR INMATES

OTHER ADMIN. POLICY CHANGE NUMBER: 90  
 IMPLEMENTATION DATE: 3/2011  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1665

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$1,017,000	\$1,017,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$1,017,000	\$1,017,000

### DESCRIPTION

**Purpose:**

This policy change estimates the federal match provided to the California 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)  
 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: 90

**Reason for Change from Prior Estimate:**

There is no change.

**Methodology:**

1. Implementation of the Inmate Eligibility Program began April 1, 2011.
2. Reimbursements for CDCR's administrative costs began in March 2011.
3. The federal share of ongoing administrative costs is \$1,017,000 in FY 2015-16 and FY 2016-17.

**Funding:**

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

## TOBACCO QUITLINE ADMINISTRATIVE SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 91  
 IMPLEMENTATION DATE: 1/2014  
 ANALYST: Joel Singh  
 FISCAL REFERENCE NUMBER: 1680

	FY 2015-16	FY 2016-17
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 the 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.

**Methodology:**

1. Total Tobacco Quitline Services administration costs are \$4 million annually.
2. Assume 50% of callers are Medi-Cal beneficiaries and the State receives 50% FFP.
3. The estimated annual FFP is \$1,000,000.

**Funding:**

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

## VETERANS BENEFITS

OTHER ADMIN. POLICY CHANGE NUMBER: 92  
 IMPLEMENTATION DATE: 12/1988  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 232

	FY 2015-16	FY 2016-17
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 15-92032

**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:**

- The contract amounts for FY 2015-16 and FY 2016-17 are estimated to be \$956,000. The non-federal match is budgeted at CDVA.

(Dollars in Thousands)

FY	FY 2015-16			FY 2016-17		
	Cash Basis	TF	CDVAGF	DHCS FF	TF	CDVAGF
Administrative	\$436	\$218	\$218	\$436	\$218	\$218
Workload Units	\$1,476	\$738	\$738	\$1,476	\$738	\$738
<b>Total</b>	\$1,912	\$956	<b>\$956</b>	\$1,912	\$956	<b>\$956</b>

**Funding:**

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

## CDPH I&E PROGRAM AND EVALUATION

OTHER ADMIN. POLICY CHANGE NUMBER: 93  
 IMPLEMENTATION DATE: 7/2003  
 ANALYST: Candace Epstein  
 FISCAL REFERENCE NUMBER: 261

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$994,000	\$946,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$994,000	\$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: 93

<b>FY 2015-16</b>	<b>TF</b>	<b>CDPH GF</b>	<b>DHCS FF</b>
FY 2014-15	\$663,000	\$332,000	\$332,000
FY 2015-16	\$1,324,000	\$662,000	\$662,000
<b>Total</b>	<b>\$1,987,000</b>	<b>\$994,000</b>	<b>\$994,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>CDPH GF</b>	<b>DHCS FF</b>
FY 2015-16	\$568,000	\$284,000	\$284,000
FY 2016-17	\$1,324,000	\$662,000	\$662,000
<b>Total</b>	<b>\$1,892,000</b>	<b>\$946,000</b>	<b>\$946,000</b>

**Funding:**

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

## VITAL RECORDS DATA

OTHER ADMIN. POLICY CHANGE NUMBER: 94  
 IMPLEMENTATION DATE: 8/2015  
 ANALYST: Candace Epstein  
 FISCAL REFERENCE NUMBER: 1774

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$900,000	\$883,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$900,000	\$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 March 2015 to August 2015 with first records being exchanged in August 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 2015-16.
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: 94

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 2015-16

\$1.51 per record x (20,000 death records + 45,000 birth records) x 11 months = \$1,080,000 TF  
(\$810,000 FFP)

FY 2016-17

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

<b>FY 2015-16</b>	<b>TF</b>	<b>HSSF</b>	<b>FFP</b>
Data Interchange Development	\$100,000	\$10,000	\$90,000
Data Provision	\$1,080,000	\$270,000	\$810,000
<b>Total</b>	<b>\$1,180,000</b>	<b>\$280,000</b>	<b>\$900,000</b>

<b>FY 2016-17</b>	<b>TF</b>	<b>HSSF</b>	<b>FFP</b>
<b>Total</b>	<b>\$1,178,000</b>	<b>\$295,000</b>	<b>\$883,000</b>

**Funding:**

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

## CDDS DENTAL SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 95  
 IMPLEMENTATION DATE: 11/2011  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 1631

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$308,000	\$120,000
STATE FUNDS	\$308,000	\$120,000
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:**

FY 2015-16 costs increased due to errors in invoicing CDDS, resulting in an updated estimated annual cost for processing claims. FY 2015-16 costs also include outstanding invoice amounts from FY 2013-14 and FY 2014-15.

**Methodology:**

1. Assume the cost of processing claims is \$120,000 annually.
2. Outstanding invoices from prior years will be paid in FY 2015-16.
3. All costs are reimbursed by CDDS.

**Funding:**

Reimbursement GF (4260-610-0995)

## MERIT SYSTEM SERVICES FOR COUNTIES

OTHER ADMIN. POLICY CHANGE NUMBER: 96  
 IMPLEMENTATION DATE: 7/2003  
 ANALYST: Sandra Bannerman  
 FISCAL REFERENCE NUMBER: 263

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$195,000	\$195,000
STATE FUNDS	\$97,500	\$97,500
FEDERAL FUNDS	\$97,500	\$97,500

### DESCRIPTION

**Purpose:**

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

**Authority:**

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:**

There is no change.

**Methodology:**

1. CalHR provided the estimates on a cash basis.
2. The estimated reimbursement is \$195,000 TF (\$97,500 GF) in FY 2015-16 and \$195,000 TF (\$97,500 GF) in FY 2016-17.

**Funding:**

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

## PIA EYEWEAR COURIER SERVICE

OTHER ADMIN. POLICY CHANGE NUMBER: 97  
 IMPLEMENTATION DATE: 7/2003  
 ANALYST: Julie Chan  
 FISCAL REFERENCE NUMBER: 1114

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$305,000	\$382,000
STATE FUNDS	\$152,500	\$191,000
FEDERAL FUNDS	\$152,500	\$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:**

The estimated expenditures for FY 2015-16 were reduced based on fewer packages shipped in FY 2014-15 and FY 2015-16.

**Methodology:**

1. The contract with State Delivery Service Inc. expired at the end of FY 2014-15. Their cost per package was \$1.375 plus three percent fuel surcharge. The new contract with Unity Courier Service charges \$1.75 per package rate and no fuel surcharge.
2. The number of shipped packages is 187,000 for FY 2014-15. The number of estimated packages to be shipped is 216,000 for FY 2015-16 and 220,000 in FY 2016-17.

FY 2014-15	$\$1.375 \times 1.03 \times 187,000 = \$265,000$
FY 2015-16	$\$1.375 \times 1.03 \times 36,000 = \$ 51,000$ $+ \$1.75 \times 180,000 = \$315,000$ Total packages 216,000 = \$366,000
FY 2016-17	$\$1.75 \times 220,000 = \$385,000$

**PIA EYEWEAR COURIER SERVICE**

OTHER ADMIN. POLICY CHANGE NUMBER: 97

3. Payments for the third and fourth quarter of FY 2014-15 services were made in FY 2015-16.

<b>Cash Basis</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>
FY 2014-15 Services	\$128,000	\$0
FY 2015-16 Services	\$177,000	\$189,000
FY 2016-17 Services	\$0	\$193,000
<b>Total</b>	<b>\$305,000</b>	<b>\$382,000</b>

**Funding:**

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

## PERFORMANCE OUTCOMES SYSTEM

OTHER ADMIN. POLICY CHANGE NUMBER: 99  
 IMPLEMENTATION DATE: 7/2016  
 ANALYST: Julie Chan  
 FISCAL REFERENCE NUMBER: 1948

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$0	\$23,748,000
STATE FUNDS	\$0	\$11,874,000
FEDERAL FUNDS	\$0	\$11,874,000

### DESCRIPTION

**Purpose:**

This policy change estimates the cost to reimburse mental health plans the cost of capturing and reporting new functional assessment data. County mental health plans will collect, manage, use, and report additional functional assessment data as part of the Performance Outcomes System (POS) for Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) mental health services.

**Authority:**

Welfare & Institutions Code 14707.5

**Interdependent Policy Changes:**

Not Applicable

**Background:**

W&I Code, Section 14707.5 requires the Department to develop a POS for EPSDT 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.

Through implementation of the POS, California will have a coordinated method for data collection, be able to evaluate specific measures of mental health services, and establish an ongoing process for quality improvement. The POS implementation plan consists of the following:

- Establishing the POS methodology,
- Initial performance outcomes reporting from existing Department databases,
- Functional assessment data reporting,
- Continuous quality improvement, and
- Tracking the continuum of care for children/youth.

In order to meet the POS project milestones, a Quality Assurance/Improvement team will be needed at the county level to collect, manage, use and report information obtained from the additional functional assessment data collected. This will require modifying existing data systems and increasing staff time or enhancing current staffing levels to implement the Quality Improvement Plan.

The responsibility for Specialty Mental Health child welfare and protective services was realigned to the counties in 2011 as part of 2011 Public Safety Realignment. Pursuant to Proposition 30, legislation enacted after September 30, 2012, that has an overall effect of increasing the costs already borne by a local agency for programs or levels of service mandated by 2011 Realignment shall apply to local agencies only to the extent that the state provides annual funding for the cost increase. Local agencies are not obligated to provide programs or levels of service required by legislation, above the level for

## PERFORMANCE OUTCOMES SYSTEM

OTHER ADMIN. POLICY CHANGE NUMBER: 99

which funding has been provided. Therefore, funding for the remaining non-federal costs for counties is 100% General Funds.

### Reason for Change from Prior Estimate:

This is a new policy change.

### Methodology:

- County personnel costs are based on estimated costs for:
  - Clerical staff for data collection, and
  - Training for county clinicians.
- Assume annual personnel costs are \$16,890,000 and 45.296% benefit rate for personnel costs.

$$\$16,890,000 \times 1.45296 = \$24,540,000$$

- Assume county staff will begin the hiring process July 2016. This hiring effort will be for all staff. Assume a six-month phase-in.

$$\$24,540,000 \times 77.9\% \text{ lag factor} = \$19,117,000$$

- Assume training costs are \$4,631,000 for 14,842 county clinicians to receive eight hours of training to implement the tools for data collection. The costs are based on the number of estimated number of clinicians with an hourly wage of \$39.
- Assume the personnel and training costs are eligible for reimbursement at 50%.
- The estimated total FY 2016-17 costs including ongoing personnel costs and training costs are:

	TF	FF	GF
Ongoing Personnel Costs	\$19,117,000	\$9,558,500	\$9,558,500
Training Costs	\$4,631,000	\$2,315,500	\$2,315,500
<b>Total FY 2016-17</b>	<b>\$23,748,000</b>	<b>\$11,874,000</b>	<b>\$11,874,000</b>

### Funding:

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

## DENTAL FI -BENEFICIARY OUTREACH & ED PROGRAM- ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER: 100  
 IMPLEMENTATION DATE: 1/2016  
 ANALYST: Jerrold Anub  
 FISCAL REFERENCE NUMBER: 1949

	FY 2015-16	FY 2016-17
TOTAL FUNDS	\$1,046,000	\$3,067,000
STATE FUNDS	\$447,500	\$1,307,000
FEDERAL FUNDS	\$598,500	\$1,760,000

### DESCRIPTION

**Purpose:**

The policy change estimates the administrative cost of implementing strategies to increase utilization for Medi-Cal dental services.

**Authority:**

Welfare & Institutions Code (WIC) Section 14132.91  
 Contract 04-35745

**Interdependent Policy Changes:**

PC 46 Beneficiary Outreach and Education Program

**Background:**

In 2014 the California State Auditor (CSA) performed an audit of the Medi-Cal Dental Program. Among the findings/recommendations outlined in CSA's final report was a request that the Department require Delta Dental to develop an annual dental outreach and education program, as required by the provisions of Delta's contract and WIC Section 14132.91. Outreach activities outlined in Delta's Outreach and Education Program plan seek to increase utilization of these services, particularly in counties where utilization levels are lowest. Outreach and education will help increase beneficiary awareness that they have dental benefits and may access assistance in locating a dentist and scheduling an appointment. Certain administrative activities related to this effort are payable under the contract.

**Reason for Change from Prior Estimate:**

This is a new policy change.

**Methodology:**

1. Assume the beneficiary outreach and education program will begin January 1, 2016.
2. Assume for Telephone Service Center (TSC) costs, 69% is funded at 50% FF and 50% GF; 31% is funded at 75% FF and 25% GF. TSC costs are \$975,000 (TF) in FY 2015-16 and \$2,922,000 (TF) in FY 2016-17.
3. Assume cost reimbursable items (brochures, banners, newspaper ads, etc...) are funded at 50% FF and 50% GF. These costs are \$72,000 (TF) in FY 2015-16 and \$145,000 in FY 2016-17.
4. The increase in administrative costs for FY 2015-16 and FY 2016-17 will be:

## DENTAL FI -BENEFICIARY OUTREACH & ED PROGRAM- ADMIN

OTHER ADMIN. POLICY CHANGE NUMBER: 100

FY 2015-16	TF	GF	FF
Title XIX (50/50)	\$ 744,000	\$ 372,000	\$ 372,000
Title XIX (75/25)	\$ 302,000	\$ 75,500	\$ 226,500
<b>Total</b>	<b>\$1,046,000</b>	<b>\$ 447,500</b>	<b>\$ 598,500</b>

FY 2016-17	TF	GF	FF
Title XIX (50/50)	\$2,161,000	\$1,080,500	\$1,080,500
Title XIX (75/25)	\$906,000	\$226,500	\$679,500
<b>Total</b>	<b>\$3,067,000</b>	<b>\$1,307,000</b>	<b>\$1,760,000</b>

(Numbers may vary due to rounding)

**Funding:**

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

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

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