



TOBY DOUGLAS
DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

October 1, 2013

PPL:13-002

TO: PUBLIC HOSPITAL COUNTY ADMINISTRATIVE OFFICERS
PUBLIC HOSPITAL COUNTY HEALTH EXECUTIVES

**SUBJECT: AB 85 Historical Data Request and Tentative Decision Form –
Public Hospital Health System Counties**

Purpose

This policy and procedure letter is to provide guidance to the Public Hospital Health System counties regarding the submission of the county's historical data and tentative decision form to meet the provisions specified in Assembly Bill (AB) 85 (Chapter 24, Statutes of 2013).

The Public Hospital Health System counties referred to in this letter are the counties of Alameda, Contra Costa, Kern, Monterey, Riverside, San Bernardino, San Francisco, San Joaquin, San Mateo, Santa Clara and Ventura.

Background

California elected to implement a state-run Medicaid Expansion afforded by the Affordable Care Act. On June 27, 2013, Governor Brown signed into law AB 85 that provides a mechanism for the State to redirect State health realignment funding to fund social service programs.

The redirected amount for the Public Hospital Health System counties will be determined according to the formula options that were developed in consultation with the counties and the Department of Health Care Services (DHCS) to ensure continued viability of the county safety net.

AB 85 presents the Public Hospital Health System counties the ability to choose one of the following options to calculate the redirection amount:

- The 60/40 Formula approach redirects 60 percent of the 1991 health realignment funds and 60 percent of the county maintenance of effort.¹
- The County Savings Determination Process, which is a formula-based approach that measures certain county health care costs and revenues, and redirects 80% (70% in fiscal year (FY) 2013-14) of the savings realized by the county.

AB 85 requires counties to tentatively inform DHCS of the option selected to calculate their redirection amount by November 1, 2013. Enclosed is the Tentative Decision Form for counties to complete. The Tentative Decision Form is non-binding and will inform DHCS of the option each county has tentatively chosen.

AB 85 requires counties that select the formula approach to submit their historical amounts to DHCS for review. The formula-based approach uses the county's revenues for FY 2008-09 through FY 2011-12 to determine percentages or historical amounts used for indigent health services, including Medi-Cal beneficiaries and the uninsured, in the annual redirection formula. Enclosed are the Historical Data Submission Guide and Historical Data Submission Form. The Historical Data Submission Guide will provide counties with guidance on completing the Historical Data Submission Form that will be used to determine the percentages or historical amounts. The Historical Data Submission Form is to be completed by the counties and submitted by October 31, 2013.

Please see below for additional information regarding the enclosed documents:

Tentative Decision Form

As required by Section 17600.50(c) of the Welfare and Institutions (W&I) Code, each county is required to tentatively inform the State by November 1, 2013 of the option selected to determine the amount of savings to be redirected. The tentative, non-binding decision form provides the mechanism for counties to notify the State of their tentative decision.

Please complete and return the form to:

Department of Health Care Services
Realignment Unit, MS 4519
P.O. Box 997436
Sacramento, CA 95899-7436

Historical Data Submission Form

Section 17612.3(c)(1) states that by October 31, 2013, each county must determine the predetermined amounts or historical percentages that will be used in the County Savings

¹ The amount of the MOE that is counted for this purpose is limited to 25.9% of the total value of the county's 2010-11 FY allocation of realignment.

Determination Process and provide the calculation to DHCS. This worksheet serves as the data submission for the historical amounts and percentages. The data provided should be accompanied by supporting documentation and source documents as noted in the historical data submission guide.

The completion of this data submission form is only necessary to the extent that a county elects to pursue the County Savings Determination Process which is the formula-based approach option for calculating the county's redirection amount.

Please complete and email the data submission form and supporting documentation to AB85@dhcs.ca.gov.

Historical Data Submission Companion Guide

This document further explains the data DHCS requests the counties to report in the historical data submission form.

Certification Form

A certification by an appropriate county official on behalf of the county is requested along with the data submission. The county official must certify that the data submitted is true and accurate.

Thank you for your collaboration on this data submission effort. Please email all submissions to AB85@dhcs.ca.gov.

DHCS is available to meet with counties who need additional guidance or answer any questions. Please contact Michelle Gibbons, Chief of the Realignment Unit at (916) 552-8494 or AB85@dhcs.ca.gov.

Thank you,

Original signed by Pilar Williams

Pilar Williams
Deputy Director, Health Care Financing

Enclosures:

- Tentative Decision Form
- Historical Data Submission Guide
- Historical Data Submission Form
- Certification Form

Page 4
AB 85
October 1, 2013

cc: Diane Cummins
Special Advisor
Department of Finance
915 L Street
Sacramento, CA 95814

Farrah McDaid Ting
Associate Legal Representative
California State Associate of Counties (CSAC)
1100 K Street, Suite 101
Sacramento, CA 95814

Melissa Stafford Jones
President CEO
California Association of Public Hospitals and Health Systems (CAPH)
70 Washington Street, Suite 215
Oakland, CA 94607