

Los Angeles has Two Options

NOTE: Tentative Decision by 11/1/13 Adopt by 1/22/14

Chose Option A

60% of 1991 Health Realignment + 60% of Maintenance of Effort (MOE)
(NOTE: If the County's MOE is greater than 25.9% of the total Value of the County's FY 10/11 allocation, the MOE will be limited to 25.9%)

Chose Option B

Lesser of:
B-1 (Revenues – Costs) X .80 (.70 in FY 13/14)
OR
B-2 County Indigent Care Health Realignment

Revenues

1a. Type A Payers

- Medicare
- Commercial Health Insurance
- In-Home Support Services

1a. Type A Revenue

The Greater of:
ACTUAL and HISTORICAL

1a. Type A Revenue Adjustment

If Revenue for the Fiscal Year is less than the Historical **and** all of the following criteria are met continue with Type A Adjustment Calculation:

- Revenue for FY < Historical Base
- Costs for the FY < Historical Base Trended Using the Blended CPI
- Volume for the FY < Historical Base

1b. Type B Payers

- Patient Care Revenues
- State Payments for Financial Services Workers
- Other Federal Payers (Excluding Medicare and Medicaid)

1b. Type B Revenue

The Greater of:
ACTUAL and HISTORICAL

1c. Revenues payable to LAC DHS including Special Local Health Funds (Tobacco Settlement)

B-1 (Revenues – Costs or cost containment limit, whichever is less) X .80 (.70 in FY13/14)

B-1

B-2

B-2 County Indigent Care Health Realignment
 Health Realignment Amount X Realignment Indigent Care Percentage (fixed at 83%)

**Los Angeles County
 AB 85
 Redirection of Realignment**

2. Imputed County Low Income Health Amount (County Subsidy)

HISTORICAL
 \$323,000 (trended by 1% annually from FY 12/13) + County Indigent Care Health Realignment Amount

NOTE: If the trend for any year is greater than the applicable CPI then the applicable CPI should be used

3. Amount in Excess of the Cost Containment Limit
 Expressed as a negative X 0.50

4. Total Costs OR Cost Containment Limit (whichever is lower)

ACTUAL or HISTORICAL
 Net Expenditures for all Operating budget units of LA

If LA County does not adopt a resolution or fails to inform DHCS of their chosen option, then the calculation is 62.5% of County Realignment funds and 62.5% of the MOE