



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:13-003

TO: LOS ANGELES COUNTY ADMINISTRATIVE OFFICER
LOS ANGELES COUNTY HEALTH EXECUTIVES

**SUBJECT: AB 85 Tentative Decision Form –
Los Angeles County**

Purpose

This policy and procedure letter is to provide guidance to Los Angeles County regarding the submission of the county's tentative decision form to meet the provisions specified in Assembly Bill (AB) 85 (Chapter 24, Statutes of 2013).

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 Los Angeles County 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 Los Angeles County 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

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.

- 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.

Enclosed is the Tentative Decision Form for Los Angeles County to complete. The Tentative Decision Form is non-binding and will inform DHCS of the option Los Angeles County has tentatively chosen.

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

If you have 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

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



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Tentative Decision for Determining Payments to the Family Support Subaccount

In compliance with section 17600.50(c) of the Welfare and Institutions code relating to health and humans services, Public Hospital Health System Counties (which includes, Alameda, Contra Costa, Kern, Los Angeles, Monterey, Riverside, San Bernardino, San Francisco, San Joaquin, San Mateo, Santa Clara, and Ventura) must tentatively inform the Director of the Department of Health Care Services by November 1, 2013 of whether the county is choosing the County Savings Determination Process or the 60/40 formula option.

_____ County tentatively chooses the option selected below
County Name

to determine payments to the Family Support Subaccount:

County Savings Determination Process - The formula pursuant to Welfare and Institutions (W&I) Code, Section 17612.1

OR

60/40 formula - 60 percent of the 1991 health realignment funds that otherwise would have been allocated to the counties and 60 percent of the county maintenance of effort, pursuant to W&I Code, Section 17600.50(c)(2).

The county acknowledges that the option selected in this letter is tentative and subject to change at the discretion of the county until the county informs the State of its final decision. The county acknowledges that it is required to adopt a resolution informing the State of its final decision by January 22, 2014. If the county fails to adopt a resolution informing the State by January 22, 2014, 62.5 percent of the 1991 health realignment funds that otherwise would have been allocated to the counties and 62.5 percent of the county maintenance of effort will be used in determining the payments to the Family Support Subaccount, pursuant to W&I Code, Section 17600.50(d)(1).

I hereby certify, under penalty of perjury, that I am the official responsible for tentatively informing the State by November 1, 2013 of the above option in said county for determining its payments to the Family Support Subaccount.

_____ Date _____
County Official (Signature)

_____ County Official Title