

## Department of Health Care Services Specialty Mental Health Services Program

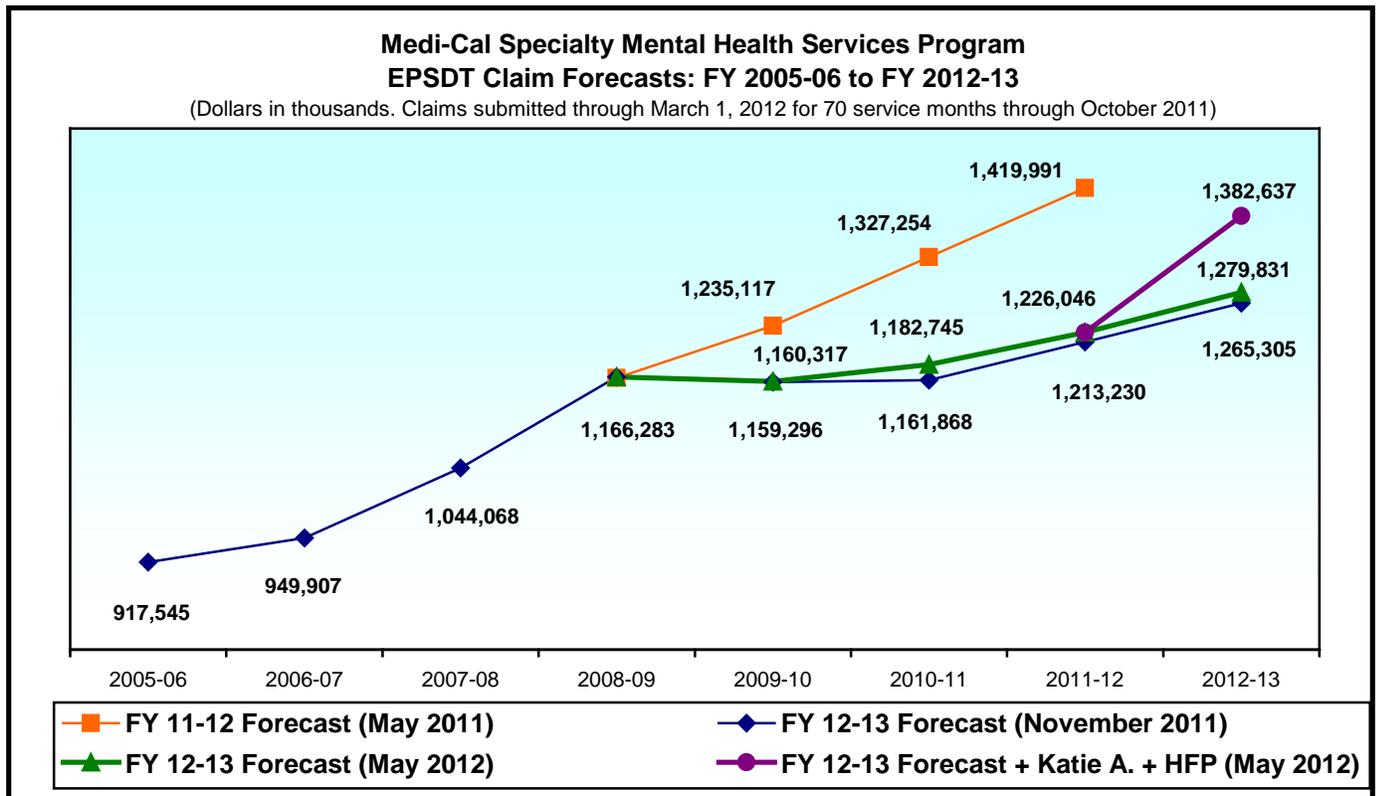
May Revision to the Governor's 2012-13 Budget  
May 2012

The May Revision to the Governor's State Budget for FY 2012-13 provides approximately \$1.787 billion in Medi-Cal Federal Financial Participation (FFP) Reimbursements for the Department of Health Care Services' (DHCS) Specialty Mental Health Services Program. The total budget for mental health services is approximately \$3.688 billion, including \$1.121 B in 1991 Realignment funding and \$781 M in 2011 Local Realignment Funds (LRF)\*.

### Early and Periodic, Screening, Diagnosis, and Treatment (EPSDT)

- The EPSDT total cost estimate is \$1.568 billion (\$884 M FFP) in FY 2012-13 and includes:
  - Claims Forecast: \$1,280 M = \$540M LRF + \$640M FFP + 100M County
  - Katie A. Lawsuit Settlement: \$ 54 M = \$ 27M LRF + \$ 27M FFP
  - Healthy Families Transfer to Medi-Cal: \$ 49 M = \$ 17M LRF + \$ 32M FFP
  - Cost and Audit Settlements: \$ 47 M FFP
  - Supplemental Claims and AB 1297: \$ 138 M FFP
  
- The FY 2012-13 May Revision claim forecast of EPSDT approved claim costs has decreased by \$140 million, compared to Budget Act 2011, and increased \$15 million compared to the FY 2012-13 Governor's Budget. Including the Healthy Families Program (HFP) and Katie A. lawsuit settlement changes, the forecast of FY 2012-13 EPSDT approved claim costs are \$37 M less than the Budget Act 2011 and \$118 M more than the FY 2012-13 Governor's Budget. See Figure 1 for a comparison of the FY 2011-12 and FY 2012-13 EPSDT approved claim forecasts.

FIGURE 1



\*Note this total budget includes non-Medi-Cal Realignment and does not include Mental Health Services Act (MHSA) funding, Special Education Pupils (SEP) funding, or Substance Abuse and Mental Health Service Administration (SAMHSA) grant funding.

## **Specialty Mental Health Services Program**

### **May Revision to the Governor's 2012-13 Budget**

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- The EPSDT May Revision as compared to Governor's Budget includes a total increase of \$189 M for FY 2012-13 as reflected in the following funding sources:
  - \$40 M (LRF) for updated forecast and program adjustments
  - \$149 M (FFP) for updated forecast, program adjustments and audit settlements

The specific increases as compared to Governor's Budget include:

- \$15 M (total funds) due to the availability of additional approved claims for the forecast
- \$43 M (total funds) by computing the Katie A. implementation with full year of costs, rather than the partial year phase-in costs
- \$32 M (total funds) by computing the Healthy Families transition to Medi-Cal with full year costs, rather than partial year Medi-Cal phase-in costs, and an improved cost estimate methodology that uses a 3.5% penetration rate for the HF eligibles into Medi-Cal SMHS
- \$93 M (FFP) for supplemental claims and elimination of the maximum rates per AB 1297
- \$ 6 M (FFP) for cost and audit settlements

#### **Mental Health Managed Care**

- The Managed Care total cost estimate is \$398 million (\$197 M LRF + \$201 M FFP) in FY 2012-13 and about \$31 M more than Budget Act 2011.
- The Managed Care May Revision changes compared to Governor's Budget include the following increases:
  - \$15 M (\$5 M LRF + \$10 M FFP) due to the 877,860 additional Medi-Cal eligibles from the Healthy Families Program
  - \$5.5 M (\$2.77 M LRF + \$2.77 M FFP) for Solano County to assume responsibility of specialty mental health services for eligibles severed by the Medi-Cal Managed Care Plan (Partnership HealthPlan).

#### **Other/Adult Short-Doyle/Medi-Cal**

- The Other/Adult Short-Doyle/Medi-Cal total program cost estimate is \$1.22 billion (\$681 M FFP) in FY 2012-13 and about \$173 M more than Budget Act 2011. This includes:
  - Claims Forecast: \$788 M Total (\$394 M FFP)
  - County Administration: \$245 M Total (\$123 M FFP)
  - Quality Assurance / Utilization Review: \$ 25 M Total (\$ 16 M FFP)
  - Medi-Cal Administrative Activities \$ 42 M Total (\$ 25 M FFP)
  - Less Managed Care Prof. Services: \$ -36 M FFP
  - Over-One-Year Claims \$ 2 M FFP
  - Cost Settlements: \$ 29 M FFP
  - Supplemental Claims and AB 1297: \$128 M FFP

#### **Healthy Families Program**

- The Healthy Families total program cost estimate is \$31.6 million (\$21.4 M FFP) in FY 2012-13 and \$21.8 M less than Budget Act 2011. This includes:
  - Claims Forecast: \$27.7 M Total (\$18.0 M FFP)
  - County Administration: \$ 1.4 M Total (\$ 0.9 M FFP)
  - Cost and Audit Settlements: \$ 2.5 M FFP