

**CANCER DETECTION PROGRAMS:
EVERY WOMAN COUNTS
(CDP: EWC)
November 2010
Estimate Package**

2011-12 GOVERNOR'S BUDGET



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1. Fiscal Comparison Tables

Table 1a: Expenditure Comparison: FY 2010-11 Budget Act to 2010-11 Estimated (in thousands)

EWC Activity	2010-11 Budget Act					2010-11 Estimated					Difference - Need / (Savings)				
	Total	0236	0009	FF	GF	Total	0236	0009	FF	GF	Total	0236	0009	FF	GF
Service Category															
Office Visits and Consults	13,069	4,549	642	919	6,960	12,744	4,549	642	919	6,635	-325	0	0	0	-325
Screening Mammograms**	17,193	5,984	845	1,208	9,156	16,766	5,984	845	1,208	8,729	-427	0	0	0	-427
Diagnostic Mammograms**	5,202	1,811	256	366	2,770	5,073	1,811	256	366	2,641	-129	0	0	0	-129
Diagnostic Breast Procedures	6,598	2,296	324	464	3,514	6,434	2,296	324	464	3,350	-164	0	0	0	-164
Case Management	13,704	4,769	673	963	7,298	13,363	4,769	673	963	6,957	-341	0	0	0	-341
Other Clinical Services	7,677	2,672	377	540	4,088	7,486	2,672	377	540	3,897	-191	0	0	0	-191
Subtotal Service Categories	63,443	22,081	3,117	4,459	33,786	61,866	22,081	3,117	4,459	32,209	-1,577	0	0	0	-1,577
Local Assistance Contracts	3,544	0	3,544	0	0	3,544	0	3,544	0	0	0	0	0	0	0
Cost Savings															
Tiered-Case Management (\$50/\$0)	-13,700	0	0	0	-13,700	-7,117	0	0	0	-7,117	6,583	0	0	0	6,583
Medi-Cal Rate Reduction	0	0	0	0	0	-370	0	0	0	-370	-370	0	0	0	-370
No New Enrollment Savings for 2010-11 for Five Months	0	0	0	0	0	-5,690	0	0	0	-5,690	-5,690	0	0	0	-5,690
No Women 40-49 Savings for 2010-11 for Five Months	0	0	0	0	0	-9,590	0	0	0	-9,590	-9,590	0	0	0	-9,590
Subtotal Cost Savings	-13,700	0	0	0	-13,700	-22,767	0	0	0	-22,767	-9,067	0	0	0	-9,067
Total Local Assistance Appropriation	53,287	22,081	6,661	4,459	20,086	42,643	22,081	6,661	4,459	9,442	-10,644	0	0	0	-10,644

**Includes \$2.85 million in digital mammography paid at analog rates for FY 2010-11 and \$3 million in FY 2011-12.

*** General funds to be reappropriated through FY 2013-14.

1. Fiscal Comparison Tables (continued)

Table 1b: Expenditure Comparison: FY 2010-11 Budget Act to 2011-12 Estimates (in thousands)

EWC Activity	2010-11 Budget Act					2011-12 Estimates					Difference - Need / (Savings)				
	Total	0236	0009	FF	GF	Total	0236	0009*	FF	GF	Total	0236	0009*	FF	GF
Service Category															
Office Visits and Consults	13,069	4,549	642	919	6,960	14,721	4,549	1,466	919	7,787	1,651	0	824	0	827
Screening Mammograms**	17,193	5,984	845	1,208	9,156	19,365	5,984	1,929	1,208	10,244	2,172	0	1,084	0	1,088
Diagnostic Mammograms**	5,202	1,811	256	366	2,770	5,860	1,811	584	366	3,100	657	0	328	0	329
Diagnostic Breast Procedures	6,598	2,296	324	464	3,514	7,432	2,296	740	464	3,931	834	0	416	0	418
Case Management	13,704	4,769	673	963	7,298	15,435	4,769	1,537	963	8,165	1,731	0	864	0	867
Other Clinical Services	7,677	2,672	377	540	4,088	8,647	2,672	861	540	4,574	970	0	484	0	486
Subtotal Service Categories	63,443	22,081	3,117	4,459	33,786	71,459	22,081	7,117	4,459	37,802	8,016	0	4,000	0	4,016
Local Assistance Contracts	3,544	0	3,544	0	0	3,544	0	3,544	0	0	0	0	0	0	0
Cost Savings															
Tiered-Case Management (\$50/\$0)	-13,700	0	0	0	-13,700	-9,183	0	0	0	-9,183	4,517	0	0	0	4,517
Medi-Cal Rate Reduction	0	0	0	0	0	-840	0	0	0	-840	-840	0	0	0	-840
No New Enrollment Savings for 2010-11 for Five Months	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
No Women 40-49 Savings for 2010-11 for Five Months	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Cost Savings	-13,700	0	0	0	-13,700	-10,023	0	0	0	-10,023	3,677	0	0	0	3,677
Total Local Assistance Appropriation	53,287	22,081	6,661	4,459	20,086	64,980	22,081	10,661	4,459	27,779	11,693	0	4,000	0	7,693

* Includes estimated \$4 million disencumbered from the BCCA fund in FY 2009-10.

**Includes \$2.85 million in digital mammography paid at analog rates for FY 2010-11 and \$3 million in FY 2011-12.

+ No request for additional authority. \$7.693 million will be covered by reappropriated 2010-11 General Fund Savings.

1. Fiscal Comparison Tables (continued)

Table 1c: Expenditure Comparison: 2010-11 Estimated to 2011-12 Estimates (in thousands)

EWC Activity	2010-11 Estimated					2011-12 Estimates					Difference				
	Total	0236	0009	FF	GF	Total	0236	0009*	FF	GF	Total	0236	0009*	FF	GF
Service Category															
Office Visits and Consults	12,744	4,549	642	919	6,635	14,721	4,549	1,466	919	7,787	1,976	0	824	0	1,152
Screening Mammograms**	16,766	5,984	845	1,208	8,729	19,365	5,984	1,929	1,208	10,244	2,600	0	1,084	0	1,516
Diagnostic Mammograms**	5,073	1,811	256	366	2,641	5,860	1,811	584	366	3,100	787	0	328	0	459
Diagnostic Breast Procedures	6,434	2,296	324	464	3,350	7,432	2,296	740	464	3,931	998	0	416	0	582
Case Management	13,363	4,769	673	963	6,957	15,435	4,769	1,537	963	8,165	2,072	0	864	0	1,208
Other Clinical Services	7,486	2,672	377	540	3,897	8,647	2,672	861	540	4,574	1,161	0	484	0	677
Subtotal Service Categories	61,866	22,081	3,117	4,459	32,209	71,459	22,081	7,117	4,459	37,802	9,593	0	4,000	0	5,593
Local Assistance Contracts	3,544	0	3,544	0	0	3,544	0	3,544	0	0					
Cost Savings															
Tiered-Case Management (\$50/\$0)	-7,117	0	0	0	-7,117	-9,183	0	0	0	-9,183	-2,066	0	0	0	-2,066
Medi-Cal Rate Reduction	-370	0	0	0	-370	-840	0	0	0	-840	-470	0	0	0	-470
No New Enrollment Savings for 2010-11 for Five Months	-5,690	0	0	0	-5,690	0	0	0	0	0	-5,690	0	0	0	-5,690
No Women 40-49 Savings for 2010-11 for Five Months	-9,590	0	0	0	-9,590	0	0	0	0	0	-9,590	0	0	0	-9,590
Subtotal Cost Savings	-22,767	0	0	0	-22,767	-10,023	0	0	0	-10,023	12,744	0	0	0	12,744
Total Local Assistance Appropriation	42,643	22,081	6,661	4,459	9,442	64,980	22,081	10,661	4,459	27,779	22,337	0	4,000	0	18,337

* Includes estimated \$4 million disencumbered from the BCCA fund in FY 2009-10.

**Includes \$2.85 million in digital mammography paid at analog rates for FY 2010-11 and \$3 million in FY 2011-12.

2. Program Background

The mission of the California Department of Public Health (CDPH) Cancer Detection Section (CDS) is to save lives by preventing and reducing the devastating effects of cancer for Californians through early detection, diagnosis and treatment services. With services focusing on low-income, uninsured and underserved women, Cancer Detection Programs: Every Woman Counts (*CDP: EWC*) offers multi-faceted, early detection and diagnosis services for breast and cervical cancer, coupled with continuous monitoring to reduce missed or delayed cancer diagnoses.

CDP: EWC Authority

In 1990, the Centers for Disease Control and Prevention (CDC) created the National Breast and Cervical Cancer Early Detection Program (NBCCEDP) through Public Law 101-354. Public Law 101-354 authorizes CDC to grant funds to states to screen a reasonable number of low-income, uninsured women for breast and cervical cancers, provide referrals for follow-up and medical treatment for women with abnormal test results, develop and disseminate information for preventing breast and cervical cancers, improve the training of health professionals in preventing these cancers, and monitor the quality of screening procedures. The California Health and Safety Code, Section 104150, provides authorization for participation in this federal special project and establishes the program within the Department of Health Services [(DHS) - CDPH is the successor Department)].

California Assembly Bill 478 (Chapter 660, Statutes of 1993) created the Breast Cancer Act and established the State's Breast Cancer Early Detection Program within DHS. The funding source is derived from a dedicated two-cent increase in the tobacco tax.

CDP: EWC is a quality improvement and outcome-driven public health program that serves to raise the quality and accessibility of cancer screening services for low income underserved women. The intended outcome is to reduce breast and cervical cancer deaths. The enabling statutes noted that paying for medical bills is not the only barrier to care for the most vulnerable women. *CDP: EWC* must provide support services to recruit and maintain screening in the underserved populations of African-American, Asian-Pacific Islander, and American Indian women, as well as older and rural women. *CDP: EWC* delivers these services with the support of Regional Contractors, the statewide 800 number, and other contracts.

3. Future Fiscal Issues and New Major Assumptions

FUTURE FISCAL ISSUES

A. Anticipated Decrease in Funds

CDP: EWC submitted a May Revise Letter (MRL) for fiscal year (FY) 2009-10 which increased the funding in FY 2009-10 to pay for anticipated clinical claims for both FY 2008-09 and FY 2009-10 and to propose policy changes to screen women 50+ years of age. On January 1, 2010, *CDP: EWC* stopped enrollment of women 40-49 years of age for breast cancer screening. Additionally, due to a delay in implementing the policy change to only screen women 50+ years of age, CDPH put a moratorium on all new enrollments for breast cancer screening.

CDP: EWC submitted a MRL for FY 2010–11 to decrease the spending authority for the Breast Cancer Control Account (BCCA). The BCCA is an allocated source of funding based on a two-cent tobacco tax. The tax is a declining source of revenue; therefore, a reduction in revenues for FY 2011-12 is also anticipated.

Proposition 99 (Prop 99) funds are also a declining source of revenue. In FY 2008–09, \$26.5 million of Prop 99 funds were appropriated to *CDP: EWC*. In FY 2009–10, the appropriation was reduced by \$4.5 million to \$22.1 million. In the Governor's budget for FY 2010–11, the proposed appropriation remained at \$22.1 million. The 2011-12 Governor's budget maintains funding at this level.

To address the increase in clinical claims and the decrease in budget for *CDP: EWC*, program has shifted millions of dollars from support services to local assistance in recent years. Additionally, *CDP: EWC* continues to evaluate program effectiveness of the professional education program, Regional Contractors, and data collection contractors to determine if additional funds can be identified to shift from non-clinical claims support to local assistance clinical claims costs.

B. Possible Increase in Funds

In late-May 2010, *CDP: EWC* was notified by Federal NBCCEDP that its grant was increased in FY 2010–11 by \$859,000 for a total of \$7.2 million. CDPH allocated the entire increase to pay clinical claims. For FY 2011–12, *CDP: EWC* will again request an increase in federal funding based on eligible population and prior year performance. Grant awards for FY 2011-12, CDC NBCCEDP funding are expected to be announced in spring/summer 2011.

The 2010-11 Enacted Budget includes an appropriation of \$20.1 million Local Assistance General Fund (GF). In FY 2010-11 Legislative Budget Hearings, Conference Committee actions proposed a GF appropriation for *CDP: EWC* in order to provide funding to lift the moratorium on new enrollments, provide breast

cancer screening services for women 40+ years of age, provide annual screenings, and offer two-tiered case management payments to providers of \$0/\$50.

In FY 2009-10, CDP: EWC implemented policy changes to avoid overspending on clinical claims. The policy changes included not serving women aged 40-49 and allowing no new enrollments for women aged 50+ which caused a surplus of \$4 million in the BCCA fund. Due to this there will be a one time \$4 million increase in BCCA funds in FY 2011-12.

C. Single Point of Enrollment

In FY 2010-11, CDS proposes to assess the feasibility of a single point of enrollment for women served by the program. This will address the audit findings of the Bureau of State Audits dated June 2010 Report 2010-103, provide for a centrally managed enrollment process for eligible women, increase accuracy of projections, and reporting of caseload and the women served. *CDP: EWC* providers would no longer directly enroll women, but would continue to provide clinical services (e.g., provide office visits and referrals for mammograms) and would still be required to submit data using the *CDP: EWC* data reporting system, DETecting Early Cancer (DETEC). *CDP: EWC* would no longer need to rely on probabilistic matching to ensure women are enrolled only once into the program. *CDP: EWC* may need to do a Feasibility Study Report (FSR) in order to establish a single point of enrollment. The FSR process is lengthy and *CDP: EWC* may not have it completed by July 2011 making it difficult to implement single point of enrollment by FY 2011-12.

CDPH will continue to evaluate the benefits of adding the single point of enrollment infrastructure and will dovetail its efforts with Health Care Reform, if appropriate.

D. Fiscal Intermediary Claims Processing Costs

In the FY 2010-11 MRL, *CDP: EWC* included \$355,000 additional turnover/takeover costs charged by the Department of Health Care Services (DHCS) fiscal intermediary contractor which were charged to the BCCA support budget. On May 28, 2010, CDPH was notified of additional turnover/takeover costs to be charged by the DHCS fiscal intermediary contractor for claims processing for FY 2010-11. Previously, these costs were \$.72 per claim. The new rate will be increased to \$.88 per claim. This increase of approximately \$270,000 will be charged to the BCCA support budget. On November 19, 2010, CDPH was informed that the cost per claim would go down to \$.54. This change is due to the new intermediary contractor not taking over the processing of claims until June 2011. This late start means that most turnover/takeover costs will be postponed into future fiscal years. Based on this history, CDPH anticipates that

there will be an additional, yet indeterminate cost for clinical claims processing for future years.

NEW MAJOR ASSUMPTIONS

All assumptions are new beginning in FY 2010-11.

A. Projection Methodology for Expenditures

Expenditure estimates for FY 2011–12 will be derived using the percent change model

The percent change model will be used to forecast expenditures by calculating a percentage change in expenditures over time to predict future expenditures. This model will use actual expenditures from previous fiscal years to determine the percentage of change between years and project future expenditures. *CDP: EWC* will use as a base the clinical claims costs for the first six months of FY 2008-09 and FY 2009-10. This aims to capture the increase in costs *CDP: EWC* has experienced without the policy changes of no new enrollments, and no longer serving women 40-49 years of age.

The percentage of increase will be used to project clinical claims costs into FY 2011-12 and will include women 40+ years of age. *CDP: EWC* will use these percentages, not knowing the number of new women that will actually enroll in the program after a long period of no new enrollments. After costs are projected into FY 2011-12, two-tiered case management fees and the reduction in Medi-Cal rates will be deducted.

B. New Enrollments

In January 2010, *CDP: EWC* eliminated providing breast cancer screening services to women 40–49 years of age and stopped all new enrollments for women 50+ years of age. This was done in an effort to avoid overspending available authority in FY 2009–10.

New enrollments for women 40+ years of age began on December 1, 2010. The FY 2010-11 Budget Act appropriated on-going General Fund appropriation in the amount of \$20.1 million, with the intention that CDPH allow services and new enrollments for women 40+ years of age.

CDPH will estimate the funding amount needed for FY 2010-11 and beyond to serve women 40+ years of age through the annual estimate process and the quarterly reporting requirements in accordance with Budget Act of 2010 Health Trailer Bill (Chapter 717, Statutes of 2010), SEC 168 and 169.

C. Change in Medi-Cal Rate for Mammography

FY 2010-11, AB 1613 (2010 Healthcare Trailer Bill) added Welfare & Institutions Code section 14105.08, which mandates that Medi-Cal reimbursement rates for radiology services may not exceed 80 percent of the corresponding Medicare rate. This change will decrease mammography rates from \$72.16 to \$69.86 or 3.18 percent. This change took place October 1, 2010.

D. Tiered Case Management Payments

Primary care providers who provide screening services to women enrolled in *CDP: EWC* are obligated to provide quality assurance data to CDS. They are allowed to bill for reimbursement (termed "case management") for this important quality assurance service. Based on Conference Committee actions and the appropriation of \$20.1 million General Fund in FY 2010–11, *CDP: EWC* effective July 1, 2010, implemented a revised case management fee of \$0 for women with normal screenings and \$50 for women with abnormal screening results who require follow-up diagnostic services. Prior to this, case management reimbursement was \$50 for every woman, regardless of screening results

Lives can be saved only if women who need services are systematically identified, referred, and given access to recommended health care services. Case management is a vital office system to ensure that CDS collects and tracks data in order to comply with CDC policy and California Revenue and Taxation (R&T) Code Section 30461.6: "Program shall collect data and maintain records that are determined by the State Department of Public Health to be necessary to facilitate the state department's ability to monitor and evaluate the effectiveness of the entities of the program."

E. Digital Mammography

Assembly Bill (AB) 359 was signed into law on January 1, 2010. It allows *CDP: EWC* to pay for digital mammography at analog mammography rates. *CDP: EWC* estimated that annual costs would be \$3 million; however, actual costs will not be known until the May Revision estimates are due. At that time, *CDP: EWC* will include the impact of digital mammography costs.

F. Reappropriation

CDPH estimates a savings of \$10.6 million GF in FY 2010-11 and will reappropriate this amount into FY 2011-12.

Budget Bill Language:

4265-490—Reappropriation, Department of Public Health. Notwithstanding any other provision of law, as of June 30, 2011, the appropriation provided in the following citation is reappropriated for the purposes specified and shall be available for encumbrance or expenditure until June 30, 2014:

0001—General Fund

(1) Item 4265-111-0001, Budget Act of 2010 (Ch. 712, Stats. 2010)

(a) Of the available balance in Schedule (2) 20.10-Chronic Disease Prevention and Health Promotion, up to \$10,644,000 is available for reappropriation for local assistance costs for the Every Woman Counts Program.

REVISED MAJOR ASSUMPTIONS

There are no Revised Major Assumptions to report at this time.

DISCONTINUED MAJOR ASSUMPTIONS

There are no Discontinued Major Assumptions to report at this time.

4. Funding and Expenditure History

The *CDP: EWC* program is funded by four funding sources. The first, Prop 99 Unallocated, is a tobacco tax based fund. Due to a decreasing incidence of smoking, Prop 99 funds are a declining source of revenue. From a high of \$30.8 million in FY 2006-07 funding has fallen to \$22.1 million in FY 2009-10. Funding for FY 2010-11 remains static at \$22.1 million.

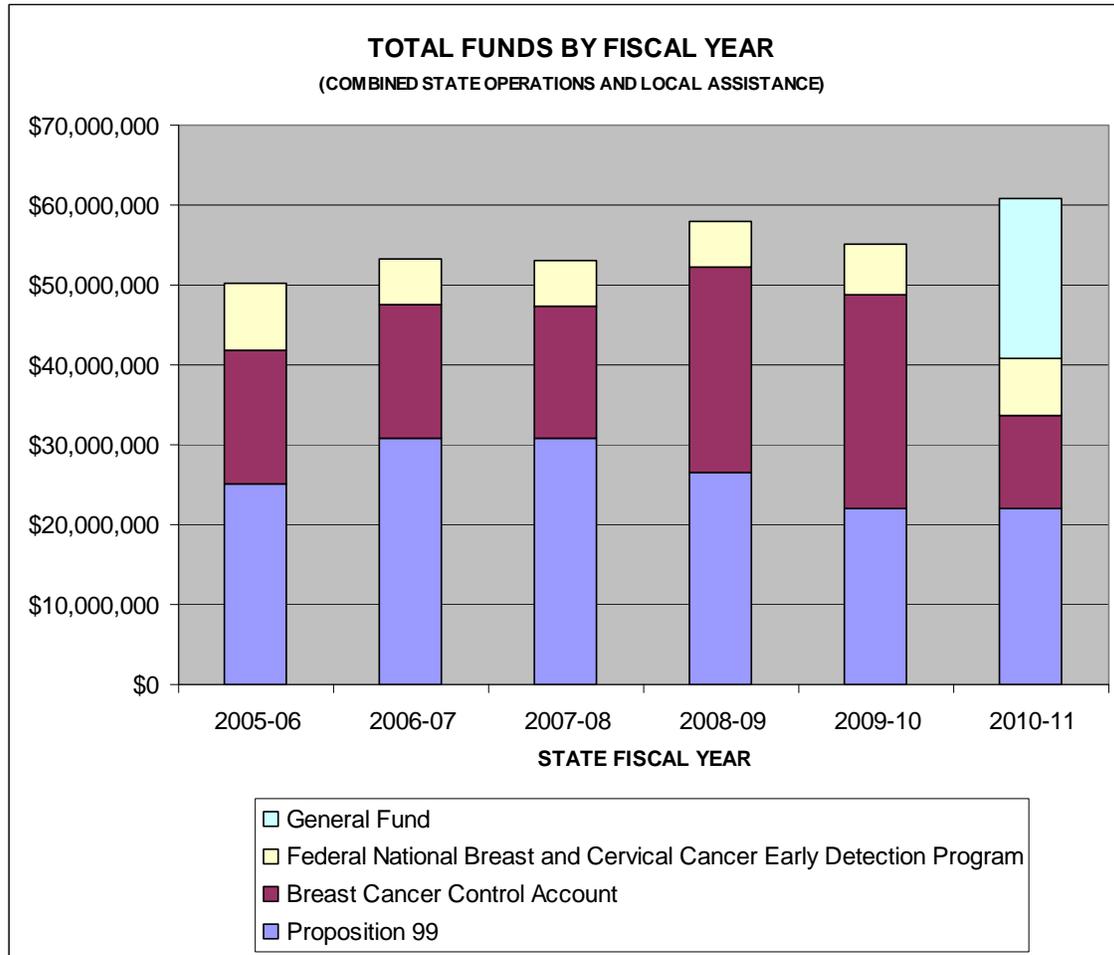
The second funding source for *CDP: EWC* is the BCCA. The BCCA is funded by a two cent tobacco tax. *CDP: EWC* receives one cent of the tax with the other one cent going to research. Like the Prop 99 fund, the BCCA is a declining source of revenue.

The third source of funding *CDP: EWC* receives is from the CDC. Funding from the CDC began in 1990 and has continued into FY 2010-11. The program, known as the NBCCEDP, offers funding to programs to do outreach, education and screening for women for cervical and breast cancer. In FY 2010-11, *CDP: EWC* received \$7.2 million, an increase of \$859,000 over 2009-10 funding. For FY 2011-12, *CDP: EWC* will again request an increase in funding. The total grant amount for 2011-12 will not be known until the spring/summer of 2011.

The fourth source of funding is GF. For FY 2010-11, the Budget Conference Committee recommended, and the Governor approved an ongoing \$20.1 million GF appropriation. This appropriation will be spent solely on clinical claims. With this appropriation, cervical cancer screening services will continue to be open to women 25+ years of age and breast cancer screening services will be opened up to women 40+ years of age. Figure 1 shows total *CDP: EWC* funding by fiscal year.

The 2010-11 state operations budget for *CDP: EWC* is \$4.9 million for BCCA and \$2.7 million for NBCCEDP.

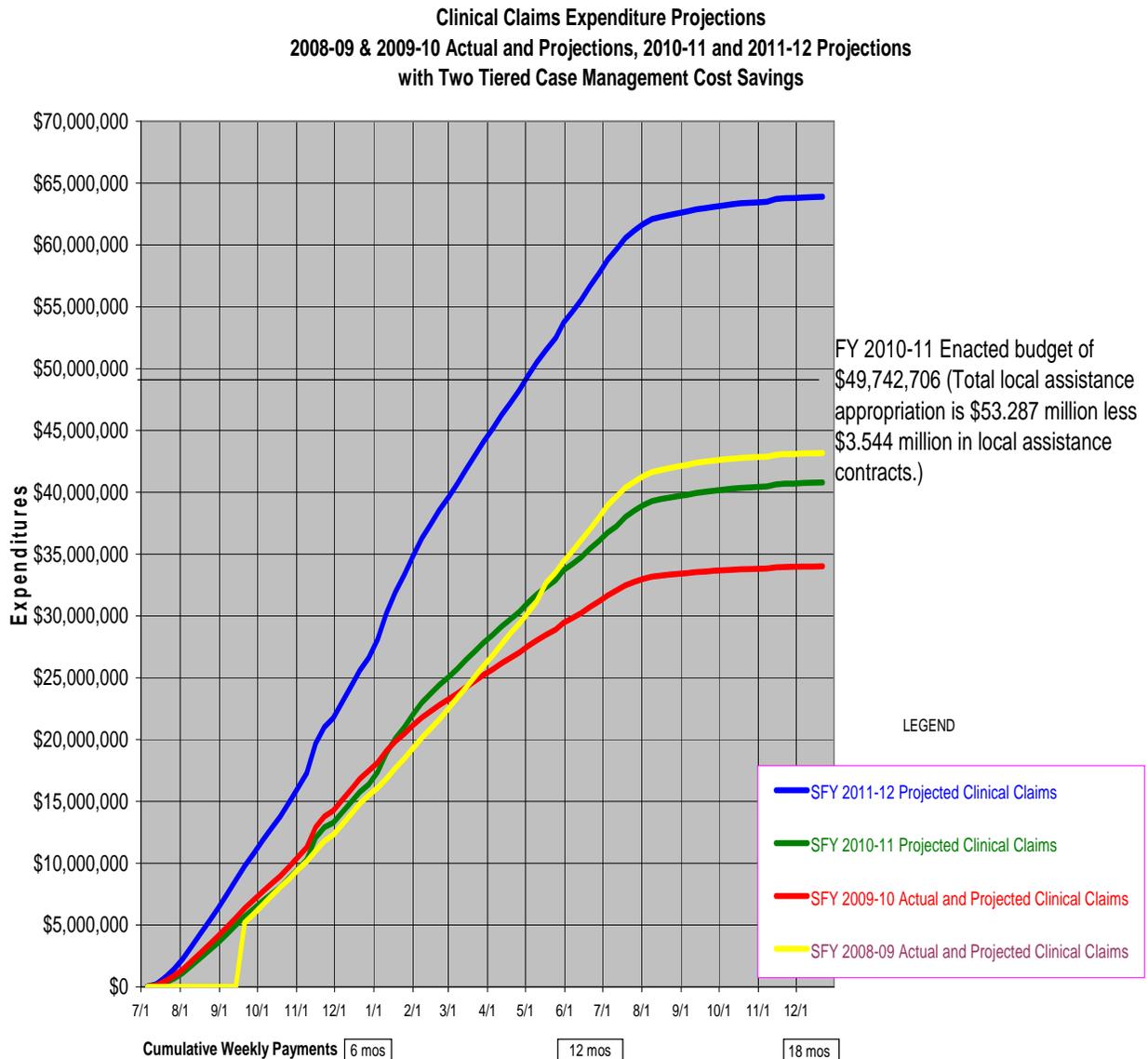
Figure 1



In FY 2009-10, *CDP: EWC* received a one time augmentation of \$13.8 million from the BCCA fund. This augmentation was intended for clinical claims with \$6.3 million earmarked for FY 2008-09 and \$7.5 million for FY 2009-10.

Clinical claims costs account for the majority of expenditures for *CDP: EWC* and are expected to rise in the future. Costs for FY 2009-10 decreased as a result of putting policy changes into place. These changes included increasing the eligibility age for breast cancer screening services to 50+ years of age, and no new enrollments. Figure 2 shows clinical claims expenditures and projections by fiscal year.

Figure 2



*For second six months of FY 2009-10 the eligibility age for breast services was raised and no new enrollments were allowed for women 50+ years of age.

*For first five months of FY 2010-11 the eligibility age for breast services was raised and no new enrollments were allowed for women 50+ years of age.

*In addition, there is savings for case management which is being paid at \$0 for normal screenings and \$50 for abnormal screening as of July 1, 2010.

Note: Above projections were made using the percent change model.

Approximately 80% of all funds spent on clinical claims

In FYs 2007-08, 2008-09 and 2009-10, CDPH spent between 78-80% of all appropriated funds from all fund sources on clinical claims. To maintain spending approximately 80% on clinical claims, *CDP: EWC* has reduced the amount spent on contracts and redirected fiscal intermediary costs to be paid out of support funds.

To illustrate this, in FY 2008-09 *CDP: EWC* moved \$5 million in the BCCA local assistance and support funding from contracts to clinical claims. In addition \$1.2 million in fiscal intermediary costs were moved from local assistance funds to support funds. In FY 2009-10, \$1.5 million was moved from BCCA local assistance/support contracts to pay for additional clinical claims. In FY 2010-11, a shortfall of BCCA revenues required a further reduction of BCCA support funds in the amount of \$1.7 million.

5. Fund Condition Statement Breast Cancer Control Account Fund 0009

Table 2

0009 Breast Cancer Control Account (\$)	2009-10	2010-11	2011-12
BEGINNING BALANCE	13,827	5,468	5,240
Prior Year Adjustment	6,095		
ADJUSTED BEGINNING BALANCE	19,922	5,468	5,240
REVENUES, TRANSFERS AND OTHER ADJUSTMENTS			
Revenues			
150300 Income From Surplus Money Investments	117	76	76
Transfers and Other Adjustments			
FO0004 From Breast Cancer Fund per Revenue and Taxation Code Section 30461.6	11,808	11,379	10,879
Total Revenues, Transfers and Other Adjustments	11,925	11,455	10,955
TOTAL RESOURCES	31,847	16,923	16,195
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures			
0840 State Controller (State Operations)	21	51	29
4260 Department of Health Care Services (State Operations)	7	94	112
4265 Department of Public Health State Operations	5,974	4,872	5,038
Local Assistance	20,377	6,661	10,661 ¹
8880 Financial Information System for California (State Ops)	0	5	5
TOTAL EXPENDITURES	26,379	11,683	15,845
FUND BALANCE	5,468	5,240	350

¹ Estimated \$4 million will be used in FY 2011-12 from BCCA funds disencumbered in FY 2009-10. This is a one time augmentation.

6. Projection Methodology

COST ESTIMATES USING PERCENT CHANGE MODEL

Clinical Claims Costs

As a base, *CDP: EWC* will use the clinical claims costs for the same six months of FY 2008-09 and FY 2009-10. This aims to capture the increase in costs *CDP: EWC* has experienced without the policy changes of no new enrollments and no longer serving women 40-49 years of age. We found the increase to be 16 percent. This percentage was used to project costs into Current Year (CY) 2010-11 in the amount of \$61.9 million.

To project clinical claims costs for Budget Year (BY) 2011-12 we continued to use an increase of 16 percent. This is due to the fact that percentage of increase in costs from year to year continues to rise. In addition, we do not have a way to predict the number of women who will enroll in the program after a long period of no new enrollments. The estimated projected clinical claims cost for BY 2011-12 is \$71.4 million.

The projected clinical cost for BY 2011-12 is broken down by service category in Table 3. The distribution among the service categories were developed by comparing the amount of each service category to total cost.

Table 3 – FY 2011-12 Projection by Service Category

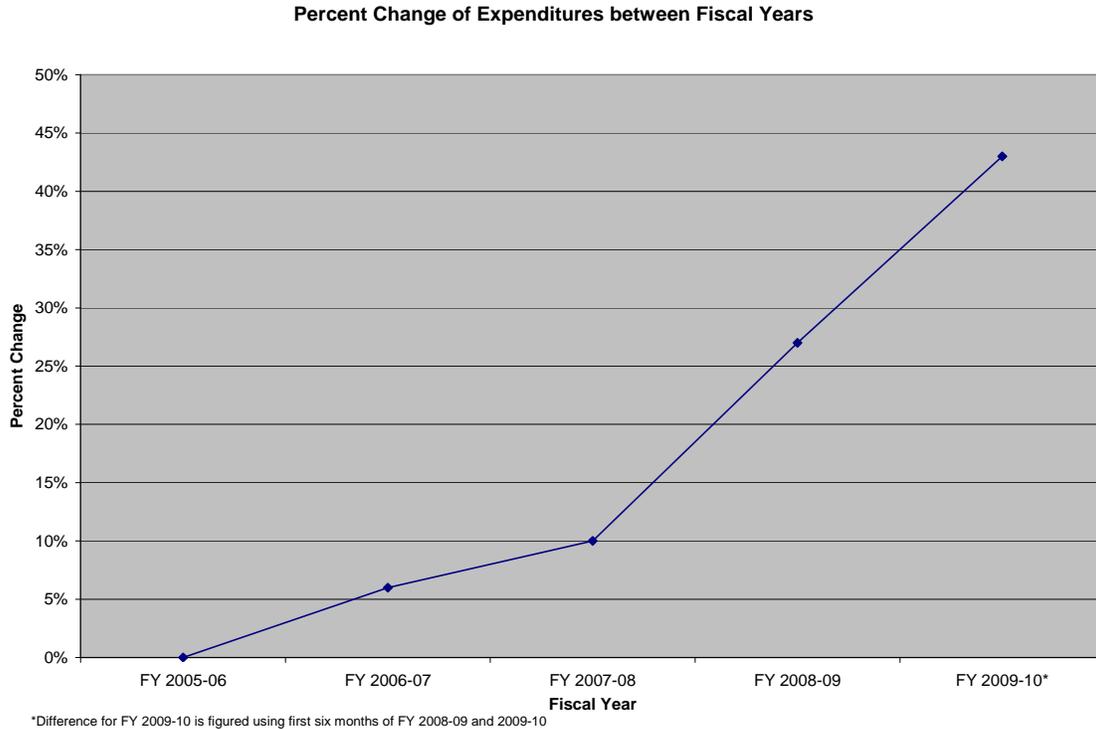
Service Category	Total Cost	% of Total
Office Visits and Consults	14,721,000	20.6%
Screening Mammograms	19,365,000	27.1%
Diagnostic Mammograms	5,860,000	8.2%
Diagnostic Breast Procedures	7,432,000	10.4%
Case Management	15,435,000	21.6%
Other Clinical Services ¹	8,647,000	12.1%
Total	71,459,000	100.0%

¹ Includes cervical screening and diagnostic services and other services such as use of rooms, medications, and supplies.

- Projected clinical claims costs for BY 2011-12: \$71.4 million.

Figure 3 shows the percent change in clinical claims expenditures between FY 2005-06 and 2009-10.

Figure 3



Case Management Costs

Case management (CM) costs for FY 2011-12 are projected using a comparison of actual costs from FYs 2007-08 to 2009-10. After a projected cost for CM is determined using women 40+ years of age with a fee of \$50, we subtract the cost for a two-tiered system, \$50 for abnormal screenings and \$0 for normal screenings, to determine the savings. The projected cost of CM for women 40+ years of age at \$50 for every CM claim is \$15.4 million. After deducting the cost for normal screenings the cost savings for FY 2011-12 is estimated to be \$9.2 million for women 40+ years of age.

The estimated cost savings for CM in FY 2010-11 of \$7.1 million is lower than the projected savings of \$13.7 million listed on page 13 of the June 14, 2010 Legislative Analyst's Office (LAO) report *Fiscal and Policy Options for the Every Woman Counts Program*. One of the differences in the estimated savings is due to the discovery that a report received from the DHCS titled MR-N 145 included in the line item for CM the costs of cervical office visits. This error, while resulting in an overstatement of CM costs, did not cause an overpayment of total clinical claims costs. *CDP: EWC* refigured the CM cost savings using the electronic clinical claims data received from DHCS.

- Projected Case Management Cost Savings in BY 2011-12: \$9.2 million

Opening New Enrollments

CDP: EWC began accepting new enrollments of women 40+ years of age on December 1, 2010. Due to this *CDP: EWC* will realize a cost savings for the first 5 months of FY 2010-11: 1) For new women who were 50+ years of age and not enrolled into the program between the months of July through November 2010. 2) For women aged 40-49 who were not enrolled in the program during the same period of time. These cost savings are projected based on past percentage of costs for new enrollments of women 50+ years of age and women aged 40-49.

- Projected savings for 5 months of no new enrollments for women aged 50+ in CY 2010-11: \$5.7 million.
- Projected savings for 5 months of not enrolling women aged 40-49 in CY 2010-11: \$9.6 million.

Change in Medi-Cal Rate for Mammography

FY 2010-11, AB 1613 (2010 Healthcare Trailer Bill) added Welfare & Institutions Code section 14105.08, which mandates that Medi-Cal reimbursement rates for radiology services may not exceed 80 percent of the corresponding Medicare rate. This change will decrease mammography rates from \$72.16 to \$69.86 or 3.18 percent. To estimate the cost savings we calculate the percentage of mammography costs in past years to the total clinical claims costs. Using the calculated percentage we applied it to the projected clinical claims costs for FY 2010-11 and FY 2011-12.

- Projected savings for the change in mammography rates for BY 2011-12: \$840,000.

7. Caseload

Caseload is determined by dividing the projected annual clinical claims cost of \$61.4 million (see Table 1b \$64.980 million - \$3.544 million contract costs = \$61.4 million clinical claims costs) by the annual average cost of service per woman (\$156.48). *CDP: EWC* defines caseload as the number of unique women who receive at least one paid service during the fiscal year. Probabilistic matching is used to supplement often-unreliable clients' identifiers (because identifiers are generated potentially at multiple service points). We estimated the annual average cost of service per woman by applying a 2 percent annual increase rate to the FY 2008-09 average cost (\$147.45), the most recent year with reliable cost information. The 2 percent increase rate is derived from a comparison of average cost per woman using the same six months of FY 2008-09 and FY 2009-10 to capture the increase in costs *CDP: EWC* has experienced without policy changes of no new enrollments and no longer serving women 40-49 years of age. (See Table 4)

	Average Cost Per Woman	Calculated Caseload	
FY 2008-09	\$ 147.45	291,000	*
FY 2009-10	\$ 150.40	241,000	**
FY 2010-11	\$ 153.41	255,000	+
FY 2011-12	\$ 156.48	393,000	++

* Serving woman 40+ no cost savings policies in place
 ** 6 months no new enrollments, no women 40-49
 + 5 months no new enrollments and no women 40-49.
 7 months new enrollments, women 40+, reduction in mammography rates, tiered case management
 ++ New enrollments, women 40+, reduction in mammography rates, tiered case management

- The projected caseload for BY 2011-12 is 393,000.

8. Acronyms

AB – *Assembly Bill*

BCCA – *Breast Cancer Control Account*. This is *CDP: EWC's* portion of a two-cent tobacco tax. The BCCA receives one cent of this tax. It is a declining fund source.

BY – *Budget Year*

CDP: EWC – *Cancer Detection Programs: Every Woman Counts*. This is the program responsible for the screening and education of women regarding breast and cervical cancer.

CDPH – *California Department of Public Health*. The Department which oversees the *CDP: EWC* program.

CDS – *Cancer Detection Section*. The Section of the CDPH which is responsible for the *CDP: EWC* program.

CM – *Case Management*

CY – *Current Year*

DETEC – *DETECTing EARLY Cancer*. A centralized reporting system providers use to submit data.

DHCS – *California Department of Health Care Services*. This is the department responsible for processing *CDP: EWC* clinical claims.

DHS – *Department of Health Services*. The former department which housed the *CDP: EWC* program. CDPH is a successor department.

FY – *Fiscal Year*

LAO – *Legislative Analyst's Office*

MRL – *May Revise Letter*

NBCCEDP – *National Breast and Cervical Cancer Early Detection Program*. This is the federally funded portion of the *CDP: EWC* program.

USPSTF – *United States Preventative Services Task Force*. The task force which makes recommendations on screening policies for breast and cervical cancer.