CA# 16835

STATE OF CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

GRAY DAVIS, *Governor*

DEPARTMENT OF HEALTH SERVICES
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April 23, 1999

Ms. Sally Richardson, Director
Center for Medicaid State Operations
Health Care Financing Administration
7500 Security Boulevard
Baltimore, MD 21244-1850

Dear Ms. Richardson:

We are pleased to submit for your review and approval the enclosed document, "State of California, Medicaid Demonstration Project for Family Planning, Access, Care and Treatment Program."

This Waiver document represents a recognition of the need to provide access to health care services, specifically family planning services, for the low-income population of California. The target population of this Medicaid Demonstration Project is low-income individuals who are uninsured or have no source of health care coverage for family planning services. The incidence of new cases of sexually transmitted infections **(STIs)** in California is one of the highest in the nation. This Medicaid Demonstration Project will ensure access to family planning services and treatment of STIs to our vulnerable populations.

It is the intent of the State to have all drug and medical supply utilization for the Family Planning, Access, Care and Treatment Program be eligible for Federal Financial Participation (FFP), as outlined in Section 1903 of the Social Security Act. Family planning drugs and medical supplies would receive 90 percent FFP, while all other drug and medical supplies used would be reimbursed at the State's current Federal Medical Assistance Percentage.

We are enclosing ten copies plus a disk in order to facilitate your review, My staff is available to assist you if you or your staff have any questions or need further information concerning the enclosed document.

Sincerely:

FOR J. Douglas Porter
Deputy Director
Medical Care Services

Enclosures

cc: **See** next **page.**

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EXECUTIVE SUMMARY

In order to increase access to care and decrease unintended pregnancies in California, the Family PACT (Planning, Access, Care, and Treatment) program was implemented in accordance with the fiscal year (FY) 1996-97 Budget Trailer Bill, Assembly Bill (AB) 3483. This legislation added provisions to the Welfare and Institutions Code, commencing with Section 24000. AB 3483 provides for additional State funding for an expanded family planning services program for a limited time period, to allow assessment of program design and results. The Office of Family Planning currently administers the Family PACT program in the Primary Care and Family Health organization of the California Department of Health Services. The Department's Medical Care Services organization operates the Family PACT program in conjunction with California's Title XIX program.

The target population of the Family PACT program is eligible low-income (at or below 200 percent of the federal poverty level) individuals in California. These are individuals at risk for pregnancy who are not otherwise eligible for Medi-Cal, and have no other source of health care coverage for family planning services, or have a Medi-Cal spend down on the date of service. California projects that providing family planning services to individuals at or below 200 percent of the federal poverty level will cost the State and federal government less than the cost of prenatal care, delivery, and infant health care.

The goal of the Family PACT program is to make available comprehensive family planning clinical services, which provide women and men the means to establish their desired number and spacing of children. The services covered under this program include:

- reproductive health information,' education, and counseling services;
- pregnancy testing and counseling;
- medical family planning services, including appropriate laboratory and pharmacy services;
- general reproductive health care and preventive services limited to cancer screening and Sexually Transmitted Infections/HIV;
- preconception counseling; and
- sterilization services.

A Unique aspect of the Family PACT program allows for an increase in the size of the provider network. The program is open to any Medi-Cal enrolled provider, and more importantly, clients are not restricted to public, or community-based clinics. Client

enrollment in the Family PACT program is also simplified, based on self-reporting, and occurs within a few minutes at the provider's office where services are to be provided.

The objectives of the Family PACT program include:

- reduce the rate of unintended pregnancies among women;
- increase access to publicly funded family planning services for low income residents;
- increase the use of effective contraceptive methods by clients receiving publicly funded family planning services;
- promotion of improved reproductive health; and
- reduce the overall cost of unintended pregnancies.

The Family PACT program was developed using 100 percent State funding. To ensure continuation of the program, federal funding is needed through this Section 1115 demonstration waiver. Approval of this demonstration waiver will provide necessary federal funds to allow the program to continue providing access to more of the target population, continue conducting provider outreach activities and increase the utilization of services by the population that is now accessing services.

Evaluation of the program will be through a contract with the University-of California. The evaluation will determine how well the program achieved the above stated goal and objectives. In addition, the federal Health Care Financing Administration andor its contractor will be provided access to all data needed to conduct an independent evaluation of this demonstration waiver.

Notice of public hearings on the proposed Family PACT demonstration waiver was published in the California Office of Administrative Law ***Notice Register.*** Two hearings were conducted: one in Sacramento and the other in Los Angeles. The hearings were presided over by a duly authorized hearing officer. The hearing officer presented an oral overview of the Family PACT demonstration waiver. Management, fiscal and family planning service related information was presented also. Public response was received prior to, during, and after the hearings. The review and comment period remained open for public comments for 30 days. At the conclusion of this time, the comments were evaluated and incorporated into the Family PACT demonstration waiver proposal, as appropriate (see Exhibit B).

The above described public notice and hearing process were conducted in compliance with the draft Section 1115 Demonstration Proposal Guide, released by the federal Health Care Financing Administration (HCFA) on March 14, 1995. Public notification requirements are also contained in the September 27, 1994, ***Federal Register:*** Volume 59, Number 186, Page 4925

INTRODUCTION

California has a long history of legislatively mandated family planning services dedicated to the belief that women and men have the right to those services necessary to determine timing, number, and spacing of children. The California Department of Health Services (DHS), through its Office of Family Planning (OFP) clinical services program, has set a national standard in providing comprehensive family planning with reproductive health education and counseling. These standards include the confidential access to all method options, with additional preventive services to promote reproductive health.

The first and foremost recommendation from the committee in the Institute of Medicine report, ***"The Best Intentions – Unintended Pregnancy and the Well-Being of Children and Families"*** is that the nation should adopt a new social norm:

> ***"All pregnancies should be intended – that is, they should be consciously and clearly desired at the time of conception."***[1]

The significance of this issue is apparent. For example in 1988:

- 82 percent of teenage pregnancies and 88 percent of pregnancies among never-married women were unintended.
- There is a well-accepted correlation of unintended pregnancies with multiple, complex, socio-economic issues involving welfare and poverty, violence and abuse.
- There is increased evidence of maternal and infant morbidity and mortality with unintended pregnancies.

In September 1990, the United States (U.S.) Department of Health and Human Services recommended the reduction of unintended pregnancies by 30 percent for the Year 2000 Objectives? These are lofty goals for the nation and California. The term unintended pregnancy is general and includes pregnancies that a woman states as unplanned. This complex problem, in which over 50 percent of all pregnancies are unintended, results in a high rate of pregnancies (29 percent) ending in abortion. Unintended pregnancy trends are higher among unmarried teens, peri-menopausal women, and women in poverty. Unfortunately, the cost burden to the individuals affected (women, men, and families) as well as to society is difficult to estimate.

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1 **Summary** ***The Best Intentions – Unintended Pregnancy and the Well-Being of Children and Families.*** **Institute of Medicine (Washington, D.C., 1995), p.7.**

2 ***Healthy People 2000,*** **U.S. Department of Health** and Human **Services, Public Health Service, dated September, 1990.**

More than 1.9 million women with incomes at or below 200 percent of the federal poverty level are in need of subsidized family planning services in California. As of January 1996, about 525,000 of these women-in-need did not have access to low-cost family planning health care.

Early Focus on Family Planning

Historically, direct client family planning services were provided to medically indigent populations through contracts between the Office of Family Planning (OFP) and public and private, nonprofit agencies. Most of these contract relationships were long-term, and dated back to when OFP was created in 1974. Clinical service contractors included county health departments, hospitals, primary care clinics, universities, and other nonprofit organizations. Through a "capped" contracting system, State-subsidized comprehensive family planning services, i.e., clinical services with health education and counseling programs to women and men throughout California, were delivered.

Through these contractors, family planning health care was provided by highly specialized health professionals through approximately 120 agencies and 484 clinic sites throughout California, including a master contractor in Los Angeles County with 27 clinical service subcontractors and approximately 91 sites.

Medi-Cal Covered Family Planning Services

In addition to these family planning services, the Medi-Cal program also covers family planning services provided to the Medicaid eligible population. Medi-Cal family planning services are medical and surgical services performed by or under the supervision of a licensed physician. Laboratory and radiology procedures, drugs and assistive devices prescribed by a licensed physician are also Medi-Cal covered family planning services. Medi-Cal family planning services include, but are not limited to:

- patient visits for the purpose of family planning;
- family planning information including contraceptive methods and instruction in pregnancy prevention that are provided during a regular patient visit;
- insertions of devices or performance of other invasive contraceptive procedures;
- surgical procedures: tubal ligations and vasectomies;
- contraceptive drugs or devices;
- treatment for complications resulting from previous family planning procedures
- laboratory procedures, radiology, and drugs associated with family planning procedures; and
- other services, including hospital services, blood and blood derivatives, related to family planning or to its complications.

The primary difference between the **Medi-Cal** scope of "family planning services" and the Family **PACT** scope of benefits is that the Family **PACT** program offers a more comprehensive approach to general reproductive health, to include the management of sexually transmitted infections (STI) and cervical dysplasia, and the provision of reproductive health education and counseling throughout all services.

Medi-Cal family planning services may be rendered in physician offices, homes, emergency rooms, or clinics. In fiscal year (FY) 1998-99, the projected Medi-Cal program expenditures for family planning services is approximately $24.0 million.

ENVIRONMENT

Family PACT Creation

The Family PACT (Planning, Access, Care and Treatment) program was implemented in 1997 to increase access to care and decrease unplanned pregnancies in California. The implementing statutes provide for additional State funding for an expanded family planning services program for a limited period of time, to allow assessment of program design and results. This program targets all eligible low-income (at or below 200 percent of the federal poverty level) individuals in California at risk of pregnancy. These are individuals who are not otherwise eligible for Medi-Cal and have no other source of health care coverage for family planning services, or have an unmet Medi-Cal spend down on the date of service. With Family PACT, DHS implemented an important and "historic" program, achieving a first for both California and the nation. Family PACT guarantees access to family planning services by all low-income women and men in California by closing the gap in medical coverage.

Family PACT services include contraception, male and female sterilizations, and limited infertility assessment. Comprehensive clinical services include breast and cervical cancer screening and sexually transmitted infection screening and treatment. Educational and counseling services, as they relate to the client's decision-making regarding reproductive health and personal behavior, are included as part of the package of preventive and health care services, and may be reimbursed separately.

To more fully realize the goal of universal access, Family PACT is designed to reduce barriers to care. By increasing the size of the provider network, distance between potential clients and sources of care was greatly reduced in California. By opening enrollment to any Medi-Cal enrolled provider, clients were offered a much greater choice of care, and are no longer restricted to public or community-based clinics. Client enrollment was kept very simple and based on client self-report, and occurs within a matter of a few minutes at the location of any Family PACT provider.

In addition, Family PACT providers are encouraged to expand their client population through itemized fee-for-service reimbursement for any allowable service. This feature, plus the growth in the number of providers, has greatly expanded the family planning beneficiary population in California. With the exception of vasectomies and reproductive health education and counseling services, Family PACT providers are reimbursed in accordance with the reimbursed rates established under the Medi-Cal program.

Private Public Partnership

In 1996, DHS convened an active workgroup of family planning experts and providers to create the new program. Subgroups met to discuss policies, standards, client benefits and enrollment, provider enrollment, and monitoring.

Participation by the private sector is a cornerstone of Family PACT. When the program began in January 1997, all Medi-Cal providers who agreed to deliver services consistent with Family PACT standards were eligible to enroll. Within the first 2 years, over 2,200 providers have signed up for the Family PACT program, compared to the approximately 120 contractors before the program started. More than half of these new providers are private physicians, or physician groups. Thus, with Family PACT, the State created a public/private partnership out of a traditional categorical public health program, and privatized a significant source of these services in California.

Family PACT Enrollment Projections .

Since the implementation of the Family PACT program, there has already been a significant increase in the size and type of the provider community, as well as an increase in the beneficiary population. A broad mix of provider types represents the current provider community. Much of this growth in provider enrollment under Family PACT has come from the private sector. Physicians and physician groups now comprise almost 70 percent of the provider mix of Family PACT providers; the remainder are primarily community clinics, county clinics, Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (see Figure 1). However, the increase in client enrollment still has been largely with clinics. Thus, while the majority of providers are private physicians and physician groups, community and county clinics, FQHCs, and Rural Health Clinics are serving 80 percent of all clients of the Family PACT program.

Despite the increase in the number of providers enrolled in the Family PACT program, a large population of individuals with unmet need still exists. Consequently, the Family PACT program must continue expanding access to more of the target population including those more difficult to reach, and increase the utilization of services by the population that is now accessing services. Continuation of these efforts will ensure that objectives of the program are achieved.

FIGURE 1

Providers and Clients Enrolled in Family PACT
(between January 1997, and April 1998 by provider type)

Provider Type	Percent of Providers Enrolled	Percent of Clients Enrolled
community Clinic	9.75%	40.31%
FQHC-RHC-LA County[3]	16.29%	24.58%
Physicians	45.18%	10.51%
County Health Dept. Clinics	1.12%	9.72%
Physician Group	23.30%	8.89%
County Hospital Outpatient	0.76%	3.38%
Community Outpatient Hospital	2.08%	1.05%
Clinic Exempt Licensure	0.36%	0.81%
Free Clinic	0.20%	0.55%
Certified Nurse Midwife	0.71%	0.16%
Certified Nurse Practitioner	0.25%	0.03%
Total	100.00%	100.00%
	N = 1970	N = 828,061

If California is to ensure the continuation of its Family PACT program, provider enrollment must continue to be open in the years ahead. Any Medi-Cal provider will be able to enroll in Family PACT after attending a legislatively mandated orientation session and completing the application and enrollment agreement. This requirement ensures that providers are providing services consistent with standards set for the Family PACT program. If the program is assured continued funding, it is expected that Family PACT providers will soon offer comprehensive family planning services at over 2,500 clinic/office sites in California.

3 LA *County* refers to the Los Angeles County Department of Health Services operated providers.

Need for Family Planning Services

Among California residents, the Medi-Cal program funded **48.2** percent of all births in **1994.**[4] In order to decrease the societal burden of unplanned and unintended pregnancies, access to family planning services needs to be expanded. Many of this at-risk population are not eligible for the Medi-Cal until they become pregnant.

The **OFP** legislative mandate since **1974** has been to ensure access to high quality, comprehensive family planning services. For many low-income women, the health examinations and laboratory screening services provided through the Family PACT program are an entree to the health care system that women would not otherwise have access to for preventive or primary care services. According to a recent survey of a large sample of California family planning clinic clients', **69** percent of women entering care for the first time said they had no regular doctor or source of health care. Latina women more often reported no source of health care. Los Angeles County had the highest proportion of women reporting no source of care. These and other similar county data corroborate the need to support the Family PACT program in delivering comprehensive services that stress the value of preventive health services.

According to a special report, *"Men as* Partners *in Reproductive Health',"* the inclusion of men in reproductive health care is vital to support decision making regarding contraception, use of family planning methods, and **safe** sex practices. According to this report, "Men who are educated about reproductive health issues are more likely to support their partners in decisions on contraception and use of family planning. . . . Men need to share the responsibility of disease prevention as well as the risks and benefits of **contraception."**[6]

The need for reproductive health services to men is clearly evident. California has been Unique in including men in family planning, and Family PACT and **OFP** have consistently offered clinical services to women and men. Currently, 5 percent of enrolled Family PACT clients are males (see Figure 2). Clinical and educational services for men include counseling and education regarding contraception, provision for barrier methods, presumptive treatment for STI, HIV screening and sterilizations.

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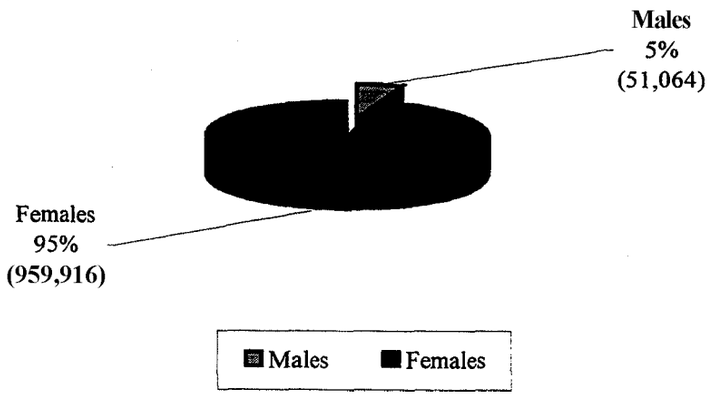
4 Executive summary *Profile of Women's Health Status in California 1984-1994.* **California Department of Health Services, Office of Women's Health, (March 1997), page 86.**

5 **Executive summary Report Findings of Client Satisfaction Survey Prior to Family PACT, Lewin Group, dated October 6, 1997.**

6 **Mary Nell Wegner, Evelyn Landry, David Wilkimson and Joanne Tzanis, "Men as Partners in Reproductive Health: From Issues to Action,"** *International Family Planning Perspectives,* **Vol. 24, Number 1, March 1998, pages 38-42.**

FIGURE 2
Number of Family PACT Clients, by Sex
(as of August 31, 1998)



Numerous studies have been conducted regarding the savings in actual public health care dollars resulting from the adequate provision of family planning services. According to ***Family Planning Perspectives,*** for every $1.00 spent on family planning services an average of $4.40 is saved by averting expenditures for medical services, welfare services, and nutritional services.[7] With California as one of the fastest growing states, the net savings from increasing family planning expenditures will be enormous.

California's comprehensive family planning services are unique. If the existing Family PACT program is continued well into the next millennium, the goal of reducing unintended pregnancies in California as outlined in the Year 2000 Objectives may be attainable.

In the spirit of one of California's media campaigns on "Partnership for Responsible Parenting – **A Truth** about Sex", the truths advocated about the prevention of unintended pregnancy and STI are actually concerned with relationship issues. Family planning is about planning families within female and male partnerships.

7 **Jacqueline Darroch Forest** and **Susheela Singh, "Public-Sector Savings Resulting from Expenditures for Contraceptive Services."** *Family Planning Perspectives,* **Vol.** *22,* **Number** 1 **(January/February 1990), pages** *6-15.*

The Family PACT program was initially implemented in California to test the cost-effectiveness of instituting a broader family planning services program. The continuation of the program has been contingent upon the availability of adequate State general funds. According to the California Department of Finance current budgetary projections, there is insufficient funding to continue this program past the current FY. The Legislative Analyst's Office has projected a budgetary shortfall for the current FY, and predicts that State revenues in California will decline in FY 1999-00. Clearly, California's ability to provide publicly subsidized family planning services is eroding. Thus, we are requesting federal participation in this program in order to ensure that these services continue to be made available and the Medi-Cal program receives the financial benefit of reduced costs for deliveries and infant health care.

The provision of family planning (and perinatal) services, to California's Medi-Cal eligible population appears to be secure at this time, due to the federal financial participation for the cost of Medi-Cal covered services. There is no current threat to this portion of California's two-fold family planning services platform, i.e., family planning services will continue to be available as covered benefits of the Medi-Cal program.

Title X Family Planning Program

California has only one Title X grantee, the California Family Health Council (CFHC). CFHC is a private, non-profit organization, which awards federal Title X family planning funds to agencies throughout California. This federally funded program is also designed to reduce barriers to family planning services for special populations who are low income, i.e., between 200 – 250 percent of the federal poverty level. This program provides services aimed at populations at high risk of unintended pregnancy, with a focus on special populations, i.e., homeless, adolescents, substance abusers, and the developmentally disabled.

CFHC contracts with 65 agencies dispersed throughout California to provide family planning services to women and men who have incomes of up to 250 percent of the federal poverty level, i.e., covering a 200–250 percent population which is not covered under the Family PACT program. CFHC and its contractors provide family planning services at approximately 200 service sites. Approximately 650,000 clients were served at these sites. During 1998, the total Title X grant to CFHC was approximately $20.2 million. DHS does not have a role in the administration or oversight of this grant program.

Experience with Federal Waivers

California has extensive experience in the implementation and operation of Medicaid waivers. There are twenty-five Medicaid waivers currently in effect in California (see Exhibit C). This proposed new waiver will not impact these other waivers.

PROGRAM ADMINISTRATION

California Department of Health Services
DHS is the primary State agency charged with protecting and improving the health of the public, and reducing the occurrence of preventable disease. In these endeavors, DHS is responsible for the following:

- administering the Medi-Cal program;
- certifying and licensing inpatient facilities;
- conducting medical and financial audits of Medi-Cal and public health providers;
- administering a broad array of preventive service programs designed to minimize the incidence and prevalence of communicable diseases, environmental and occupational hazards, injuries, and chronic diseases; and provide primary and family health care; and
- formulating policies and initiatives to achieve improved access to high-quality, affordable health care for low-income and underserved populations.

Medical Care Services
Medical Care Services (MCS) is responsible for the overall management of the Medi-Cal program, which includes the coverage of certain family planning services. The Payment Systems Division, in cooperation with Electronic Data Systems (EDS)[8], is and will continue to be responsible for provider and client enrollment in Family PACT, family planning service claims processing, and providing general public response concerning provider enrollment and billing issues. The Rate Development Branch of the Medi-Cal Policy Division will be responsible for administering the Section 1115 demonstration waiver, and will serve as the direct liaison between DHS and the federal Health Care Financing Administration (HCFA). All MCS organizations associated with this demonstration waiver are identified in Exhibit D.

8 Electronic Data Systems is the current Medi-Cal fiscal intermediary, and is responsible for processing claims submitted by Family PACT providers.

Office of Family Planning

OFP is responsible for the administration of the Family PACT Program. The OFP is part **of** the **Primary** Care and Family Health organization (see Exhibit E). The **OFP** administers all programmatic functions for Family PACT, including program policy and **standards** on provider and client eligibility, program monitoring, quality improvement services, and program evaluations.

The Deputy Directors of Medical Care Services and the **Primary** Care and Family Health organizations report to the DHS Chief Deputy Director, and Director (see Exhibit F).

BENEFITS AND ELIGIBLES

Program Benefits

Benefits to clients of Family PACT focus on the goal of the program, to make available comprehensive, high quality services which provide women and men the means to establish their desired number and spacing of children. The benefits of the Family PACT program include:

- all FDA approved birth control methods, devices and supplies that are in keeping with current standards of practice;
- a comprehensive reproductive health history, physical examination and pap smear;
- emergency services directly related to the contraceptive method and follow-up;
- pregnancy testing and counseling;
- prevention and treatment of STI;
- HIV testing and counseling;
- limited diagnostic services for fertility management;
- male and female sterilization; and
- reproductive health education and counseling services.

Limited fertility management is included as a family planning benefit in order to determine pregnancy risk status. Basic assessment is limited to history and physical exam with laboratory screening for female hormonal levels and male sperm count. Fertility assessment is an essential part of reproductive health care in situations where fertility is in doubt, in order to determine the need for temporary or permanent contraceptive methods including the high cost methods of Norplant or sterilization procedures.

Couples who are seeking pregnancy and have been unsuccessful may be offered education and counseling for the fertility awareness method ***(FAM)*** of family planning. However, infertility services are limited to **FAM** and do not include more extensive technical or pharmaceutical measures.

The Family PACT program does not cover abortions, or services ancillary to abortions. The program also does not cover any pregnancy care other than the diagnosis of pregnancy.

Contraceptive methods include:

oral contraceptives
Depo/DMPA injections
Norplant implants
IUDs
diaphragm
cervical cap
spermicide foam, jelly, inserts, film, and suppositories
male condom
female condom
fertility awareness method
natural family planning
sterilization

Reproductive health education and counseling services include:

- family planning education, including detailed information on availability of options and all elements of informed consent and informed choice. It is provided in a group setting of two or more family planning clients or for an individual, by a clinician and/or counselor for females and males; and
- family planning counseling *and/or* risk factor reduction with interventions (short, medium or long) provided to an individual female or male by a clinician and/or counselor.

Additional conditions are addressed as they relate to family planning. These services include:

- ***female STI services.*** This includes screening and immunization for Hepatitis B, treatment and management of specific **STIs,** excluding HIV;
- ***male STI services*** limited to treatment and includes contact and partner management only;
- ***dysplasia services,*** including cervical cancer screening, and treatment and management of dysplasia incident to family planning method services;
- ***female urinary tract infection services:*** screening, treatment and management incident to family planning services; and
- ***HIV screening*** for females and males.

Client Eligibility and Enrollment

Clients must be residents of California and have a family income at or below 200 percent of the federal poverty level. These are individuals who are not otherwise eligible for Medi-Cal, and have no other source of health care coverage for family planning services, or have a Medi-Cal spend down on the date of service. Clients must be at risk for pregnancy and seeking family planning services.

Generally, family planning clients are healthy, motivated and compliant with instructions and methods. In the first year of the program, with only 8 full months of operation, more than 600,000 clients were seen in the Family PACT program statewide. This represented a 25 percent increase over the same period for the previous FY (see Figures 3 and 4. As of January 1999, approximately 1.2 million clients have enrolled in the Family PACT program.

FIGURE 3
Cumulative Number of Enrolled Family PACT Clients
(as of June 30, 1998)

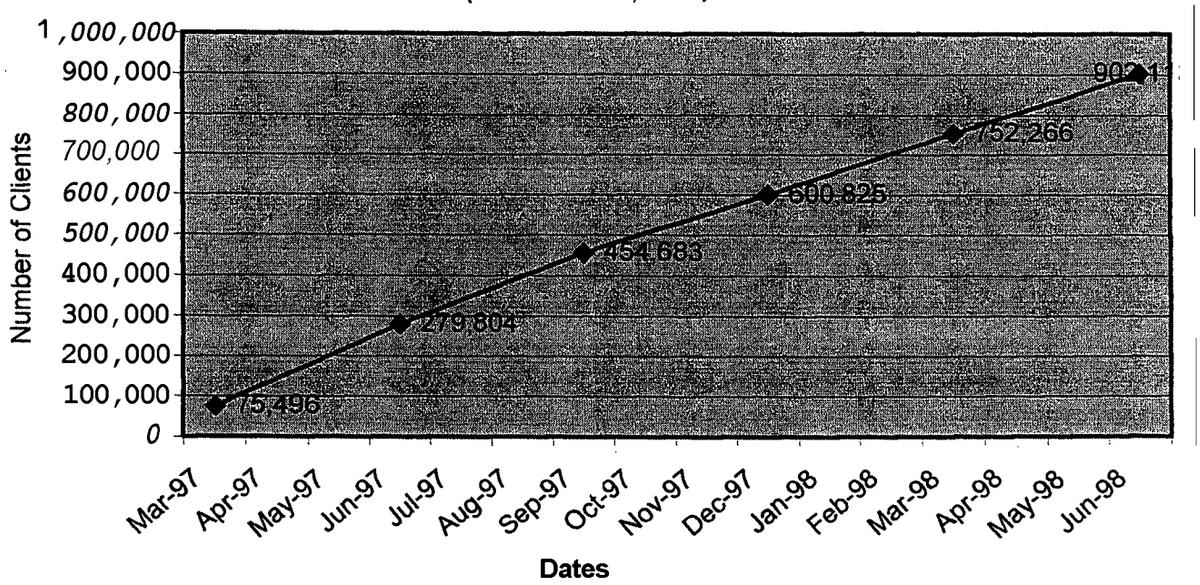
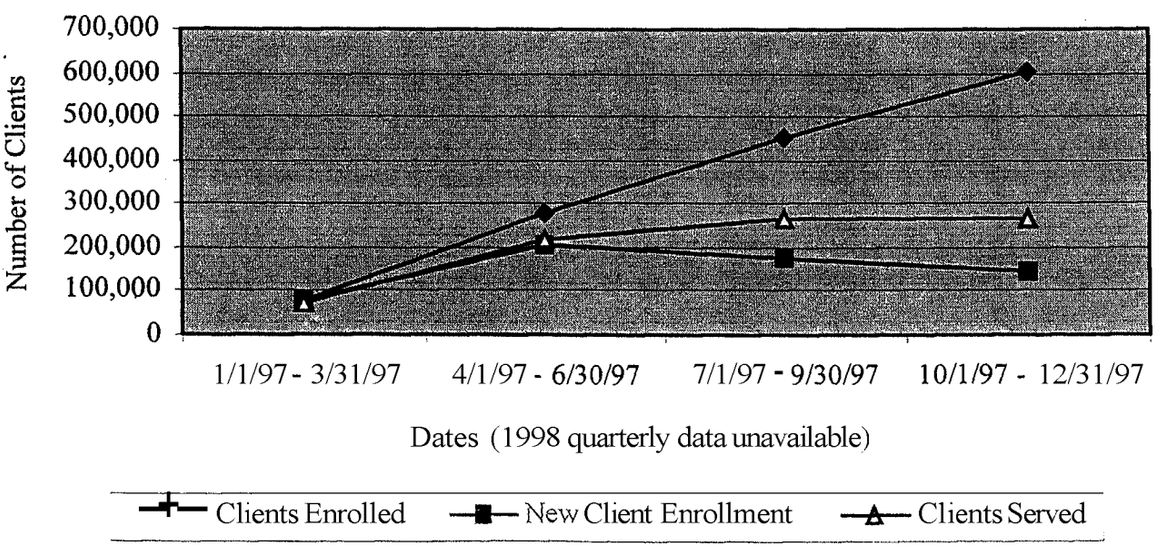
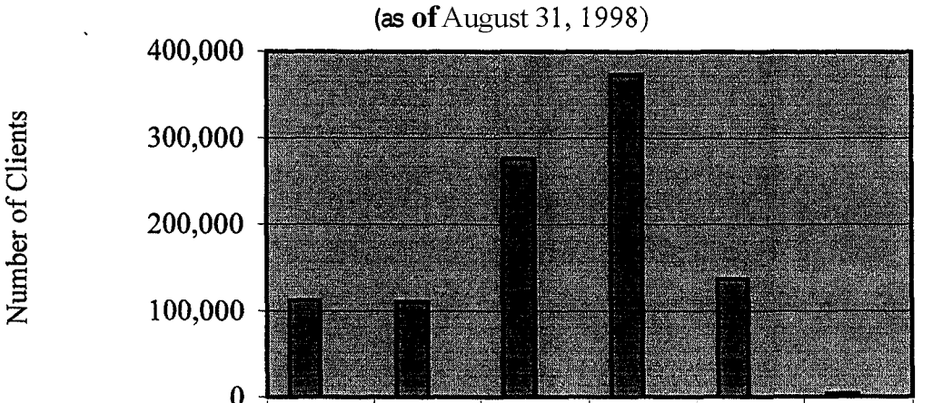


FIGURE 4
Clients Ehrolled, New Client Ehrollment, and Clients Served
(as of December 31, 1997)



The majority of clients were Hispanic (61 percent), followed by whites (24 percent). The majority of clients were between the ages of 20 and 35 (64 percent), and about 22 percent were 19 years or younger (see Figure 5).

FIGURE 5
Number of Family PACT Clients, by Age
(as of August 31, 1998)



	Age < 18	Age 18-19	Age 20-24	Age 25-34	Age 35-55	Other
Number	112,015	109,990	275,638	373,205	136,923	3,209
Percent	11%	11%	27%	37%	14%	0%

Age

According to a survey conducted by the Lewin Group for OFP prior to the implementation of the Family PACT program, the majority of women using family planning services are not married (63 percent), although a higher proportion of Latinas were married (89 percent). The majority was attending school, employed outside the home or both (65 percent), and the majority was Catholic (61 percent), which probably reflects the high percentage of Latina clients.

The Family PACT medical provider determines eligibility at the point of service, by having the clients complete a self-certification form. Only the provider of the full scope of family planning services can determine client eligibility and enroll Family PACT clients. Client eligibility is based upon the individual's self-declaration of gross annual or monthly income, family size and other source of family planning health care coverage, signed under penalty of perjury.

Upon successful completion of the eligibility process, the medical provider activates the client's Health Access Programs (HAP) card. This card can then be used at other family planning providers as well as pharmacies and laboratories to enter the client identification number to verify eligibility' and submit claims under the Family PACT program. Certification of client eligibility by the medical provider is required annually. Medical providers must verify that established clients continue to be eligible for services.

Immigration Status

This demonstration waiver will include claims for federal funds for family planning services provided to U.S. citizens and nationals, and individuals qualified under Section 431 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). In addition, consistent with the provisions of Section 1903(v) of the federal Social Security Act, this demonstration waiver will include the claiming of emergency services regardless of the individual's citizenship or immigration status.

Due to the sensitive and timely nature of rendering family planning services, it is imperative that California place no barriers to access of these services. To require proof of legal residency or citizenship status of clients seeking family planning services would create a significant barrier to access. Proof of legal residency or citizenship would also be contrary to California's extensive efforts to reduce unintended pregnancies and to provide the means for women and men to establish their desired number and spacing of children. Therefore, the eligibility process to enroll Family PACT clients does not require clients to provide documentation to substantiate immigration/citizenship status.

The State estimates that ten percent of the Family PACT clients will not meet the immigration or citizenship status requirements as stated in PRWORA. In this regard, project claims submitted for federal funding of services will be reduced by ten percent to account for non-emergency services provided to individuals who do meet the immigration/citizenship requirements specified in PRWORA. Services to these individuals will be covered by State funding only.

DELIVERY NETWORK

All providers participating in this demonstration waiver must provide services consistent with the standards of care as defined by federal guidelines and OFP standards for comprehensive family planning, which include requirements for client education, counseling and medical services.

Provider Eligibility and Enrollment

Family PACT medical providers are licensed, Medi-Cal enrolled providers who elect to provide the full scope of comprehensive family planning education, counseling and medical services specified by Family PACT, consistent with standards of care issued by DHS. This includes a number of provider types, from private physicians and physician groups, to rural health clinics and FQHCs, to hospital outpatient departments, and others. All licensed Medi-Cal pharmacies and laboratory providers are eligible to participate.

The enrollment process for medical providers who render the full scope of family planning services involves the completion of a Family PACT application and enrollment agreement and mandatory attendance at an orientation session. All medical providers who participate in Family PACT, are required to attend a legislatively mandated orientation session. Licensed Medi-Cal pharmacies and laboratories are exempt from these two enrollment requirements; i.e., they are automatically eligible to bill for services rendered to Family PACT clients. The orientation sessions cover the client eligibility and the medical component of the program. These orientation sessions are conducted in workshops geared for medical practitioners, as well as billing/office staff, and are scheduled throughout the State on a regular basis.

During the early implementation of the Family PACT program, approximately 17,000 Medi-Cal providers who represented appropriate categories of service, were sent invitations and Family PACT provider enrollment packets. Provider enrollment will continue to be open in the years ahead, and any Medi-Cal provider that agrees to adhere to program standards will be eligible to enroll in the Family PACT program.

Provider Network

By the end of December 1998, over 2,200 providers have been enrolled in Family PACT. About 70 percent of these are private physicians in individual or group practice settings. Approximately 15 percent are FQHCs or rural health clinics, 10 percent are community clinics and three percent are county health department providers. Physician specialties are primarily ob/gyns (44 percent), general practice (26 percent), family practice (14 percent), internal medicine (6 percent), and pediatrics (4 percent). Of the physician applicants, approximately three-fourths are board certified.

Very few providers were previous contractors with OFP. Two-thirds of the clinic-type applicants had been contractors, while one-third were new to the program. Among the physician group, all were new to the state funded categorical family planning program (previously OFP and now Family PACT).

Being a current Medi-Cal provider in good standing was a prerequisite for applying to participate in Family PACT. About half of all applicants have client mixes in which about half their clients are covered by the Medi-Cal program. Most also have a low proportion of private health insurance patients.

Provider Support Services

OFP offers professional education, training and technical assistance, resource support and support staff training to all Family PACT providers. It is the intent of these provider support services to promote ongoing quality improvement and compliance with program standards for quality care. Provider support services focus on the following general areas:

- client education and counseling materials;
- skills building for client counseling and education;
- clinical review and update for providers with emphasis on contraceptive technology and STI;
- integration of Family PACT in the practice setting;
- customized enrollment and assistance for providers in rural, remote and underserved areas;
- billing procedures and coding; and
- Internetservices.

OFP, in conjunction with EDS, provides client education materials to all Family PACT providers. EDS maintains a large volume (up to 240 different pieces of client education brochures) available at no cost to Family PACT providers. Providers may order directly from EDS in sufficient quantities to serve their family planning clients.

OFP, through the Center for Health Training, maintains a special recruitment and enrollment program for new providers in rural, remote and underserved regions of the State. Providers may receive on-site technical assistance to assist them in successfully integrating Family PACT in their practice setting.

Clinical review and update, as well as special programs for enhancing client education and counseling services, are also available through OFP and its contractors.

Provider Participation Benefits
Benefits of participation for providers in Family PACT include:

- Reimbursements well within market range for the cost of providing care;
- Familiar billing system with timely reimbursement, especially if services are billed electronically;
- Access to women in their reproductive years. Reproductive health is the primary service they need during this time of their lives. Because many women prefer to receive all their health care from one provider, this is particularly beneficial for family practice providers. For those who wish to maintain a separate relationship with an OB-Gyn, Family PACT provides access to women between pregnancies;
- Continuity of care for clients who may be periodically covered by the Medi-Cal program;
- Access to the primary decision-makers for family health care; and
- The number of clients served can be increased to a provider's maximum capacity. As long as the clients meet the eligibility criteria, they can be served and Family PACT provider services reimbursed.

Program Standards
Family PACT providers will be held accountable to the same set of standards that former OFP contractors used, but will be given much greater flexibility in determining the service mix for their clients. Thus, within the context of general program standards and a defined package of benefits, providers will have more latitude in determining the services they provide, based on community standards of practice and their own current medical practice and the immediate needs of their clients.

Standards cover the following elements of service:

Informed Consent
Informed consent must be solicited from all clients in a language the client understands, and must be documented in writing by the individual giving consent.

Confidentiality
Services must be provided in a manner that respects the privacy and dignity of the individual. Clients must be informed of the confidentiality of services and assured that their identity will not be revealed without written permission to anyone, including their parents or partners, except as provided by law. All personal client

information must be treated as privileged communication and held confidential; it must not be divulged without individual Written consent, except as required by law.

Availability of Contraceptive Options
All Federal Drug Administration (FDA)-approved contraceptive methods and their applications, consistent with recognized medical practice standards, fertility awareness methods and sterilization procedures, as well as basic, limited infertility services, must be made available to clients by the provider. If the provider lacks the specialized skills to provide IUDs, Norplant, and male and female sterilization, or there is insufficient volume to ensure and maintain high skill level for these procedures, clients must be referred to another qualified provider for these methods. All counseling and referral to care options appropriate to a positive or negative pregnancy test result must be provided in an unbiased manner, allowing the client full freedom of choice.

Linguistic and Cultural Competence
All services must be provided in a culturally .sensitive manner and communicated in a language understood by the client. All print and audiovisual materials must be appropriate in terms of the client's language and literacy level.

Access to Care
Services must be provided without cost to eligible clients. Appointments for established clients must be available within a reasonable time, generally less than three weeks. New clients who cannot be seen within this time must be referred to other qualified providers. Referrals to local resources must be made available to clients when beyond the scope of the provider organization, including but not limited to domestic violence and substance abuse related services.

Clinical and Preventive Services
The scope of family planning and clinical preventive services for female clients includes a comprehensive health history, and initial physical examination including a breast and pelvic exam, laboratory tests as medically indicated, including a pap smear, provision of contraceptives as described above, pregnancy testing and counseling, follow-up care for complications, referrals to other providers for needed medical services, and dysplasia screening and treatment services. For male clients, services include counseling and education,

non-prescriptive contraceptive barrier methods, sterilization, and presumptive treatment of **STIs.** Females also may receive screening, diagnosis, and treatment and follow-up for STI, and Hepatitis B testing and vaccination, and screening when provided within the context of family planning services. HIV testing and counseling are available for both females and males.

Education and Counseling Services

Education and counseling must include individual assessment of the client's family planning educational needs and knowledge about reproductive health, including a description of services; relevant reproductive anatomy and physiology, methods options and STI/HIV prevention; preventive health care; psychosocial issues, such as partner relationships and communication, risk taking and decision making.

Each client must receive adequate information to make an informed choice about family planning methods, including a verbal and written description of all FDA approved methods, a description of the implications and consequences of sterilization, specific instructions on use, care, and possible danger signs, the opportunity to ask questions, and written information about how to obtain services for family planning related emergencies.

Pregnancy test clients must be provided with all information appropriate to the test results in order to make an informed choice. Clients with positive results must be given information about prenatal care, adoption and termination options. Clients with negative results must be given information about family planning services and preconception care, as appropriate.

ACCESS

The intent of Family PACT is to promote universal access to comprehensive family planning services by expanding the provider community. The provider community was expanded by a transition from a limited local assistance public sector contract program to a statewide fee-for-service delivery system available to both public and private practice providers. This services system continues to close the gap between those at risk for pregnancy with access to family planning health care, and those without access to needed comprehensive family planning services.

The ongoing growth of the Family PACT program to ensure client access will include three components:

1. Increased direct client services.
2. Increased provider support services.
3. Public awareness and information.

Direct Client Services

During the first two years of the program, approximately 54,000 new clients were enrolled per month. Although this may slowly decline, ongoing need will still increase at least in proportion to population growth. Additionally, the word will spread to those clients more difficult to reach as social consciousness is raised and Family PACT becomes more known as a source of valuable health care and as an entry point to health care in general.

Provider Support Services

The early implementation phase of this program began with recruitment and orientation of new providers. There is still a need to recruit providers especially in rural, remote and urban under served areas.

The success of this unique program is directly linked to provider compliance with standards for comprehensive family planning. Resources must be increasingly available for provider education, training, technical assistance and quality improvement strategies. This program is a "health care" model, as opposed to a "medical" model. There is an essential component for individual client needs assessment and reproductive health education and counseling. Provider resources must be available to ensure the integration of this new special program into the wide variety of practice systems.

Public Awareness and Information

Notwithstanding the implementation of the Family **PACT** program, there is an ongoing need for social marketing campaigns to raise public awareness about the value of family planning.' Information includes messages that promote reproductive health, information about the prevention **of** unintended pregnancies and about disease prevention practices to reduce **STI.**

Marketing of the program is directed at low-income women **and** men of childbearing age. Providers are encouraged to use all local resources for conveying information on family planning services, i.e., personal face-to-face referrals, telephone referrals, and other communication mechanisms. The Family PACT program also has available family planning infomation for the general public which is disseminated through a toll free number ((800) 942-1054)) which is a referral line for Family **PACT** providers.

The Family **PACT** program collaborates with other programs that serve a similar population. Such programs include the Early and Periodic Screening, Diagnosis and Treatment (EPSDT), Women, Infants and Children **(WIC),** Healthy Families, and Maternal and Child Health (MCH) programs.

BUDGET NEUTRALITY

Assumptions for Budget Neutrality Calculations

Family PACT Cost Avoidance

1. The following assumptions demonstrate the estimated cost avoidance generated by the Family PACT program by outlining the expected cost of services without Family PACT.

2. 1,228,000 clients have been enrolled in Family PACT as of the end of 1998.

3. 5% of the clients are male, leaving 95% female clients who are at risk for pregnancy.

1,228,000 Total Enrolled as of 12/98
(61,400) Males
1,166,600 Females Enrolled as of 12/98

4. The Office of Family Planning (OFP) assumes that, if not for Family PACT, 50% of these women would use no form of contraception. OFP further assumes that 25% would use barriers; 8% would use each of the following: injectables, IUDs, and tubal ligations; and 1% would buy pills out of pocket. Given these assumptions, the number of pregnancies would be as follows, based on annual failure rates described in an April, 1995 study in the American Journal of Public Health (AJPH):

Method	% Using Method	Number Using Method	% Pregnant in 1 Year	Number of Pregnancies in 1 Year
No Method	50%	583,300	85.0%	495,805
Barriers	25%	291,650	14.0%	40,831
Injectables	8%	93,328	0.3%	280
IUDs	8%	93,328	1.0%	933
Tubal Ligations	8%	93,328	.05%	467
Oral Contraceptives	1%	11,666	5.0%	.583
Total	100%	1,166,600		538,899

Overall annual pregnancy rate of 46%

5. Under the Family PACT program, an unintended pregnancy rate of approximately 6% per year is assumed to be occurring. Therefore, if not for Family PACT, the net increase in pregnancies would be:

538,899 Total Pregnancies Without Family PACT
(69,996) Pregnancies Under Family PACT
468,903 Net Increase in Pregnancies Per Year

6. It is assumed that these pregnancies would occur evenly throughout the year (1/12 per month). A growth rate of .8% per month is projected from 1/1999 to 6/1999, then .7% per month in 1999/2000. It is assumed that the Family PACT program would reach 75% of potential eligibles in 7/2000. Growth thereafter is expected to parallel the projected state population growth rate.

7. Based on the same AJPH study, the results of these unintended pregnancies would be as follows:

47.0%	would result in abortions
13.3%	would end in miscarriages
39.7%	would result in live births
100.0%	

8. The cost for health care during the prenatal period is approximately $957, and the cost for a delivery is approximately $2,656 (total of $3,613). It is assumed that these costs would be paid for by Medi-Cal, with federal sharing at the FMAP rate. For undocumented persons and unqualified immigrants, the assumption is made that there would be no federal sharing for health care during the prenatal period, but there would be federal sharing for deliveries. For this estimate, all prenatal care costs are shown in the month of delivery, as this care is often paid under a global fee to the provider at the time of delivery.

9. The estimated cost for one year of infant health care is approximately $2,817 ($235 per month). (This is a preliminary cost estimate that will be further researched.) It is assumed that this cost would also be covered by Medi-Cal, with federal sharing at the FMAP rate. There may be additional costs beyond the one-year guaranteed eligibility, but as it is not known how long the children are likely to be covered, only one year has been assumed.

Family PACT Costs Under Waiver

1. Actual Family PACT program expenditures for July-December 1998 are $83,111,000. Growth of **.8%** per month is projected from 1/1999 through 6/1999, then .7% per month in 1999/2000. It is assumed that the Family PACT program would reach 75% of potential eligibles in 7/2000. Growth thereafter is expected to parallel the projected state population growth rate.

2. Under the Waiver, Federal Financial Participation (FFP) is assumed to be available at 90%.

3. Costs for undocumented persons and unqualified immigrants are assumed to be excluded from the Waiver and are budgeted as 100% General Fund. It is assumed that 10% of the Family PACT participants are undocumented persons or unqualified immigrants.

.BUDGETNEUTRALITY SUMMARY

TOTAL FUNDS	Year 1 1999/2000	Year2 2000/01	Year 3 2001/02	Year4 2002/03	Year5 2003/04	Total
COST AVOIDANCE						
Prenatal Care	($181,706,000)	($196,190,000)	($200,781,000)	($203,950,000)	($207,023,000)	($989,650,000)
Deliveries	($504,296,000)	($544,494,000)	($557,234,000)	($566,031,000)	($574,559,000)	($2,746,614,000)
Infant Health Care	($534,865,000)	($577,500,000)	($591,012,000)	($600,342,000)	($609,388,000)	($2,913,107,000)
Total	($1,220,867,000)	($1,318,184,000)	($1,349,027,000)	($1,370,323,000)	($1,390,970,000)	($6,649,371,000)
COST WITH WAIVER						
Family PACT Costs	$181,054,000	$189,801,000	$193,015,000	$196,282,000	$199,605,000	$959,757,000
Net Cost Avoidance	($1,039,813,000)	($1,128,383,000)	($1,156,012,000)	($1,174,041,000)	($1,191,365,0001	($5,689,614,000)

FFP	Year 1 1999/2000	Year2 2000/01	Year 3 2001/02	Year4 2002/03	Year 5 2003/04	Total
COST AVOIDANCE						
Prenatal Care 1/	($84,499,000:	($91,234,000;'	($93,369,000	($94,843,000:	($96,272,000)	($460,217,000:
Deliveries 21	($260,570,000)	($281,340,000;	($87,923,000	($292,468,000)	($296,875,000:	($1,419,176,000;
Infant Health Care 2/	($276,365,000)	($298,394,000	($305,376,000	($310,197,000)	($314,871,000:	($1,505,203,000)
Total	($621,434,000;'	($670,968,000	($686,668,000	($697,508,000)	($708,018,000;	($3,384,596,000
Family PACT Costs 3/	$146,654,000	$153,739,000	$156,342,000	$158,989,000	$161,680,000	$777,404,000
Net Cost Avoidance	($474,780,0001	($517,229,000)	($530,326,000)	($538,519,000)	($546,338,0001	($2,607,192,000

GENERAL FUND	Year 1 199912000	Year 2 2000/01	Year 3 2001/02	Year4 2002/03	Year5 2003/04	Total
COST AVOIDANCE						
Prenatal Care	($97,207,000:	($104,956,000:	($107,412,000)	($109,107,000)	($110,751,000:	($529,433,000
Deliveries	($243,726,000:	($263,154,000:	($269,311,000)	($273,563,0003	($277,684,000)	($1,327,438,000:
Infant Health Care	($258,500,000:	($279,106,000:	($285,636,000:	($290,145,000:	($294,517,000)	($1,407,904,000;
Total	($599,433,000)	($647,216,000)	($662,359,0001	($672,815,000)	($682,952,000)	($3,264,775,000)
COST WITH WAIVER						
Family PACT Costs	$34,400,000	$36,062,000	$36,673,000	$37,294,000	$37,925,000	$182,354,000
Net Cost Avoidance	($565,033,000)	($611,154,000)	($625,686,000)	($635,521,0001	($645,027,0001	($3,082,421,000)

1/ FMAP (51.67%) assumed, except no FFP assumed for undocumented persons and unqualified immigrants (10% of costs).
2/ FMAP (51.67%) assumed.
3/ 90% FFP assumed, except no FFP assumed for undocumented persons and unqualified immigrants (10% of costs).

BUDGET NEUTRALITY WORKSHEET

YEAR 1 - FISCAL YEAR 1999-2000

TOTAL FUNDS	7/99	8/99	9/99	10/99	11/99	12/99	1/00	2/00	3/00	4/00	5/00	6/00	Total
COST AVOIDANCE													
Prenatal Care	($14,492,808)	($14,609,562)	($14,727,273)	($14,845,941)	($14,964,709)	($15,084,426)	($15,205,102)	($15,326,742)	($15,449,356)	($15,557,502)	($15,666,404)	($15,776,069)	($181,705,895)
Deliveries	($40,222,464)	($40,546,496)	($40,873,184)	($41,202,528)	($41,532,148)	($41,864,405)	($42,199,321)	($42,536,915)	($42,877,211)	($43,177,351)	($43,479,592)	($43,783,950)	($504,295,565)
Infant Health Care	($42,660,648)	($43,004,322)	($43,350,813)	($43,700,121)	($44,049,722)	($44,402,120)	($44,757,337)	($45,115,395)	($45,476,319)	($45,794,653)	($46,115,215)	($46,438,022)	($534,864,686)
Total	($97,375,920)	($98,160,380)	($98,951,270)	($99,748,590)	($100,546,579)	($101,350,951)	($102,161,759)	($102,979,053)	($103,802,885)	($104,529,506)	($105,261,212)	($105,998,041)	($1,220,866,146)
COST WITH WAIVER													
Family PACT Costs	$14,515,747	$14,617,357	$14,719,678	$14,822,716	$14,926,475	$15,030,960	$15,136,177	$15,242,130	$15,348,825	$15,456,267	$15,564,461	$15,673,412	$181,054,206
Net Cost Avoidance	($82,860,173)	($83,543,023)	($84,231,592)	($84,925,874)	($85,620,104)	($86,319,991)	($87,025,582)	($87,736,923)	($88,454,060)	($89,073,239)	($89,696,751)	($90,324,629)	($1,039,811,940)

FFP	7/99	8/99	9/99	10/99	11/99	12/99	1/00	2/00	3/00	4/00	5/00	6/00	Total
COST AVOIDANCE													
Prenatal Care 1/	($6,739,591)	($6,793,885)	($6,848,624)	($6,903,808)	($6,959,038)	($7,014,711)	($7,070,828)	($7,127,395)	($7,184,414)	($7,234,705)	($7,285,348)	($7,336,345)	($84,498,692)
Deliveries 2/	($20,782,947)	($20,950,374)	($21,119,174)	($21,289,346)	($21,459,661)	($21,631,338)	($21,804,389)	($21,978,824)	($22,154,655)	($22,309,737)	($22,465,905)	($22,623,167)	($260,569,517)
Infant Health Care 2/	($22,042,757)	($22,220,333)	($22,399,365)	($22,579,853)	($22,760,491)	($22,942,575)	($23,126,116)	($23,311,125)	($23,497,614)	($23,662,097)	($23,827,732)	($23,994,526)	($276,364,584)
Total	($49,565,295)	($49,964,592)	($50,367,163)	($50,773,007)	($51,179,190)	($51,588,624)	($52,001,333)	($52,417,344)	($52,836,683)	($53,206,539)	($53,578,985)	($53,954,038)	($621,432,793)
COST WITH WAIVER													
Family PACT Costs 3/	$11,757,755	$11,840,059	$11,922,939	$12,006,400	$12,090,445	$12,175,078	$12,260,303	$12,346,126	$12,432,548	$12,519,576	$12,607,213	$12,695,464	$146,653,906
Net Cost Avoidance	($37,807,540)	($38,124,533)	($38,444,224)	($38,766,607)	($39,088,745)	($39,413,546)	($39,741,030)	($40,071,218)	($40,404,135)	($40,686,963)	($40,971,772)	($41,258,574)	($474,778,887)

GENERAL FUND	7/99	8/99	9/99	10/99	11/99	12/99	1/00	2/00	3/00	4/00	5/00	6/00	Total
COST AVOIDANCE													
Prenatal Care	($7,753,217)	($7,815,677)	($7,878,649)	($7,942,133)	($8,005,671)	($8,069,715)	($8,134,274)	($8,199,347)	($8,264,942)	($8,322,797)	($8,381,056)	($8,439,724)	($97,207,203)
Deliveries	($19,439,517)	($19,596,122)	($19,754,010)	($19,913,182)	($20,072,487)	($20,233,067)	($20,394,932)	($20,558,091)	($20,722,556)	($20,867,614)	($21,013,687)	($21,160,783)	($243,726,048)
Infant Health Care	($20,617,891)	($20,783,989)	($20,951,448)	($21,120,268)	($21,289,231)	($21,459,545)	($21,631,221)	($21,804,270)	($21,978,705)	($22,132,556)	($22,287,483)	($22,443,496)	($258,500,102)
Total	($47,810,625)	($48,195,788)	($48,584,107)	($48,975,583)	($49,367,389)	($49,762,327)	($50,160,426)	($50,561,709)	($50,966,202)	($51,322,967)	($51,682,227)	($52,044,003)	($599,433,353)
COST WITH WAIVER													
Family PACT Costs	$2,757,992	$2,777,298	$2,796,739	$2,816,316	$2,836,030	$2,855,882	$2,875,874	$2,896,004	$2,916,277	$2,936,691	$2,957,248	$2,977,948	$34,400,300
Net Cost Avoidance	($45,052,633)	($45,418,490)	($45,787,368)	($46,159,267)	($46,531,359)	($46,906,445)	($47,284,552)	($47,665,705)	($48,049,925)	($48,386,276)	($48,724,979)	($49,066,055)	($565,033,053)

1/ FMAP (51.67%) assumed, except no FFP assumed for undocumented persons and unqualified immigrants (10% of costs).
2/ FMAP (51.67%) assumed.
3/ 90% FFP assumed, except no FFP assumed for undocumented persons and unqualified immigrants (10% of costs).

BUDGET NEUTRALITY WORKSHEET

YEAR 2 - FISCAL YEAR 2000-01

TOTAL FUNDS	7/00	8/00	9/00	10/00	11/00	12/00	1/01	2/01	3/01	4/01	5/01	6/01	Total
COST AVOIDANCE													
Prenatal Care	($15,886,502)	($15,997,707)	($16,109,691)	($16,222,459)	($16,336,016)	($16,450,368)	($16,473,798)	($16,496,766)	($16,519,734)	($16,542,702)	($16,565,670)	($16,588,638)	($196,190,051)
Deliveries	($44,090,437)	($44,399,070)	($44,709,864)	($45,022,833)	($45,337,993)	($45,655,359)	($45,720,384)	($45,784,128)	($45,847,872)	($45,911,616)	($45,975,360)	($46,039,104)	($544,494,020)
Infant Health Care	($46,763,088)	($47,090,430)	($47,420,063)	($47,752,003)	($48,086,267)	($48,422,871)	($48,491,838)	($48,559,446)	($48,627,054)	($48,694,662)	($48,762,270)	($48,829,878)	($577,499,869)
Total	($106,740,027)	($107,487,207)	($108,239,618)	($108,997,295)	($109,760,276)	($110,528,598)	($110,686,020)	($110,840,340)	($110,994,660)	($111,148,980)	($111,303,300)	($111,457,620)	($1,318,183,941)
COST WITH WAIVER													
Family PACT Costs	$15,695,355	$15,717,328	$15,739,332	$15,761,367	$15,783,433	$15,805,530	$15,827,658	$15,849,817	$15,872,007	$15,894,228	$15,916,480	$15,938,763	$189,801,298
Net Cost Avoidance	($91,044,672)	($91,769,879)	($92,500,286)	($93,235,928)	($93,976,843)	($94,723,068)	($94,858,362)	($94,990,523)	($95,122,653)	($95,254,752)	($95,386,820)	($95,518,857)	($1,128,382,643)

FFP	7/00	8/00	9/00	10/00	11/00	12/00	1/01	2/01	3/01	4/01	5/01	6/01	Total
COST AVOIDANCE													
Prenatal Care 1/	($7,387,700)	($7,439,414)	($7,491,490)	($7,543,930)	($7,596,738)	($7,649,915)	($7,660,810)	($7,671,491)	($7,682,172)	($7,692,853)	($7,703,534)	($7,714,214)	($91,234,261)
Deliveries 2/	($22,781,529)	($22,941,000)	($23,101,587)	($23,263,298)	($23,426,141)	($23,590,124)	($23,623,722)	($23,656,659)	($23,689,595)	($23,722,532)	($23,755,469)	($23,788,405)	($281,340,061)
Infant Health Care 2/	($24,162,488)	($24,331,625)	($24,501,946)	($24,673,460)	($24,846,174)	($25,020,097)	($25,055,733)	($25,090,666)	($25,125,599)	($25,160,532)	($25,195,465)	($25,230,398)	($298,394,183)
Total	($54,331,717)	($54,712,039)	($55,095,023)	($55,480,688)	($55,869,053)	($56,260,136)	($56,340,265)	($56,418,816)	($56,497,366)	($56,575,917)	($56,654,468)	($56,733,017)	($670,968,505)
COST WITH WAIVER													
Family PACT Costs 3/	$12,713,238	$12,731,036	$12,748,859	$12,766,707	$12,784,581	$12,802,479	$12,820,403	$12,838,352	$12,856,326	$12,874,325	$12,892,349	$12,910,398	$153,739,053
Net Cost Avoidance	($41,618,479)	($41,981,003)	($42,346,164)	($42,713,981)	($43,084,472)	($43,457,657)	($43,519,862)	($43,580,464)	($43,641,040)	($43,701,592)	($43,762,119)	($43,822,619)	($517,229,452)

GENERAL FUND	7/00	8/00	9/00	10/00	11/00	12/00	1/01	2/01	3/01	4/01	5/01	6/01	Total
COST AVOIDANCE													
Prenatal Care	($8,498,802)	($8,558,293)	($8,618,201)	($8,678,529)	($8,739,278)	($8,800,453)	($8,812,988)	($8,825,275)	($8,837,562)	($8,849,849)	($8,862,136)	($8,874,424)	($104,955,790)
Deliveries	($21,308,908)	($21,458,070)	($21,608,277)	($21,759,535)	($21,911,852)	($22,065,235)	($22,096,662)	($22,127,469)	($22,158,277)	($22,189,084)	($22,219,891)	($22,250,699)	($263,153,959)
Infant Health Care	($22,600,600)	($22,758,805)	($22,918,117)	($23,078,543)	($23,240,093)	($23,402,774)	($23,436,105)	($23,468,780)	($23,501,455)	($23,534,130)	($23,566,805)	($23,599,480)	($279,105,686)
Total	($52,408,310)	($52,775,168)	($53,144,595)	($53,516,607)	($53,891,223)	($54,268,462)	($54,345,755)	($54,421,524)	($54,497,294)	($54,573,063)	($54,648,832)	($54,724,603)	($647,215,436)
COST WITH WAIVER													
Family PACT Costs	$2,982,117	$2,986,292	$2,990,473	$2,994,660	$2,998,852	$3,003,051	$3,007,255	$3,011,465	$3,015,681	$3,019,903	$3,024,131	$3,028,365	$36,062,245
Net Cost Avoidance	($49,426,193)	($49,788,876)	($50,154,122)	($50,521,947)	($50,892,371)	($51,265,411)	($51,338,500)	($51,410,059)	($51,481,613)	($51,553,160)	($51,624,701)	($51,696,238)	($611,153,191)

1/ FMAP (51.67%) assumed, except no FFP assumed for undocumented persons and unqualified immigrants (10% of costs).
2/ FMAP (51.67%) assumed.
3/ 90% FFP assumed, except no FFP assumed for undocumented persons and unqualified immigrants (10% of costs).

BUDGET NEUTRALITY WORKSHEET

YEAR 3 - FISCAL YEAR 2001-02

TOTAL FUNDS	7/01	8/01	9/01	10/01	11/01	12/01	1/02	2/02	3/02	4/02	5/02	6/02	Total
COST AVOIDANCE													
Prenatal Care	($16,610,649)	($16,632,660)	($16,654,671)	($16,676,682)	($16,698,693)	($16,720,704)	($16,742,715)	($16,764,726)	($16,786,737)	($16,808,748)	($16,830,759)	($16,852,770)	($200,780,514)
Deliveries	($46,100,192)	($46,161,280)	($46,222,368)	($46,283,456)	($46,344,544)	($46,405,632)	($46,466,720)	($46,527,808)	($46,588,896)	($46,649,984)	($46,711,072)	($46,772,160)	($557,234,112)
Infant Health Care	($48,894,669)	($48,959,460)	($49,024,251)	($49,089,042)	($49,153,833)	($49,218,624)	($49,283,415)	($49,348,206)	($49,412,997)	($49,477,788)	($49,542,579)	($49,607,370)	($591,012,234)
Total	($111,605,510)	($111,753,400)	($111,901,290)	($112,049,180)	($112,197,070)	($112,344,960)	($112,492,850)	($112,640,740)	($112,788,630)	($112,936,520)	($113,084,410)	($113,232,300)	($1,349,026,860)
COST WITH WAIVER													
Family PACT Costs	$15,961,077	$15,983,423	$16,005,800	$16,028,208	$16,050,647	$16,073,118	$16,095,620	$16,118,154	$16,140,719	$16,163,316	$16,185,945	$16,208,605	$193,014,632
Net Cost Avoidance	($95,644,433)	($95,769,977)	($95,895,490)	($96,020,972)	($96,146,423)	($96,271,842)	($96,397,230)	($96,522,586)	($96,647,911)	($96,773,204)	($96,898,465)	($97,023,695)	($1,156,012,228)

FFP	7/01	8/01	9/01	10/01	11/01	12/01	1/02	2/02	3/02	4/02	5/02	6/02	Total
COST AVOIDANCE													
Prenatal Care 1/	($7,724,450)	($7,734,686)	($7,744,922)	($7,755,157)	($7,765,393)	($7,775,629)	($7,785,865)	($7,796,101)	($7,806,336)	($7,816,572)	($7,826,808)	($7,837,044)	($93,368,963)
Deliveries 2/	($23,819,969)	($23,851,533)	($23,883,098)	($23,914,662)	($23,946,226)	($23,977,790)	($24,009,354)	($24,040,918)	($24,072,483)	($24,104,047)	($24,135,611)	($24,167,175)	($287,922,866)
Infant Health Care 2/	($25,263,875)	($25,297,353)	($25,330,830)	($25,364,308)	($25,397,786)	($25,431,263)	($25,464,741)	($25,498,218)	($25,531,696)	($25,565,173)	($25,598,651)	($25,632,128)	($305,376,022)
Total	($56,808,294)	($56,883,572)	($56,958,850)	($57,034,127)	($57,109,405)	($57,184,682)	($57,259,960)	($57,335,237)	($57,410,515)	($57,485,792)	($57,561,070)	($57,636,347)	($686,667,851)
COST WITH WAIVER													
Family PACT Costs 3/	$12,928,472	$12,946,573	$12,964,698	$12,982,848	$13,001,024	$13,019,226	$13,037,452	$13,055,705	$13,073,982	$13,092,286	$13,110,615	$13,128,970	$156,341,851
Net Cost Avoidance	($43,879,822)	($43,936,999)	($43,994,152)	($44,051,279)	($44,108,381)	($44,165,456)	($44,222,508)	($44,279,532)	($44,336,533)	($44,393,506)	($44,450,455)	($44,507,377)	($530,326,000)

GENERAL FUND	7/01	8/01	9/01	10/01	11/01	12/01	1/02	2/02	3/02	4/02	5/02	6/02	Total
COST AVOIDANCE													
Prenatal Care	($8,886,199)	($8,897,974)	($8,909,749)	($8,921,525)	($8,933,300)	($8,945,075)	($8,956,850)	($8,968,625)	($8,980,401)	($8,992,176)	($9,003,951)	($9,015,726)	($107,411,551)
Deliveries	($22,280,223)	($22,309,747)	($22,339,270)	($22,368,794)	($22,398,318)	($22,427,842)	($22,457,366)	($22,486,890)	($22,516,413)	($22,545,937)	($22,575,461)	($22,604,985)	($269,311,246)
Infant Health Care	($23,630,794)	($23,662,107)	($23,693,421)	($23,724,734)	($23,756,047)	($23,787,361)	($23,818,674)	($23,849,988)	($23,881,301)	($23,912,615)	($23,943,928)	($23,975,242)	($285,636,212)
Total	($54,797,216)	($54,869,828)	($54,942,440)	($55,015,053)	($55,087,665)	($55,160,278)	($55,232,890)	($55,305,503)	($55,378,115)	($55,450,728)	($55,523,340)	($55,595,953)	($662,359,009)
COST WITH WAIVER													
Family PACT Costs	$3,032,605	$3,036,850	$3,041,102	$3,045,360	$3,049,623	$3,053,892	$3,058,168	$3,062,449	$3,066,737	$3,071,030	$3,075,330	$3,079,635	$36,672,781
Net Cost Avoidance	($51,764,611)	($51,832,978)	($51,901,338)	($51,969,693)	($52,038,042)	($52,106,386)	($52,174,722)	($52,243,054)	($52,311,378)	($52,379,698)	($52,448,010)	($52,516,318)	($625,686,228)

1/ FMAP (51.67%) assumed, except no FFP assumed for undocumented persons and unqualified immigrants (10% of costs).
2/ FMAP (51.67%) assumed.
3/ 90% FFP assumed, except no FFP assumed for undocumented persons and unqualified immigrants (10% of costs).

BUDGET NEUTRALITY WORKSHEET

YEAR 4 - FISCAL YEAR 2002-03

TOTAL FUNDS	7/02	8/02	9/02	10/02	11/02	12/02	1/03	2/03	3/03	4/03	5/03	6/03	Total
COST AVOIDANCE													
Prenatal Care	($16,874,781)	($16,896,792)	($16,918,803)	($16,940,814)	($16,962,825)	($16,984,836)	($17,006,847)	($17,028,858)	($17,050,869)	($17,072,880)	($17,094,891)	($17,116,902)	($203,950,098)
Deliveries	($46,833,248)	($46,894,336)	($46,955,424)	($47,016,512)	($47,077,600)	($47,138,688)	($47,199,776)	($47,260,864)	($47,321,952)	($47,383,040)	($47,444,128)	($47,505,216)	($566,030,784)
Infant Health Care	($49,672,161)	($49,736,952)	($49,801,743)	($49,866,534)	($49,931,325)	($49,996,116)	($50,060,907)	($50,125,698)	($50,190,489)	($50,255,280)	($50,320,071)	($50,384,862)	($600,342,138)
Total	($113,380,190)	($113,528,080)	($113,675,970)	($113,823,860)	($113,971,750)	($114,119,640)	($114,267,530)	($114,415,420)	($114,563,310)	($114,711,200)	($114,859,090)	($115,006,980)	($1,370,323,020)
COST WITH WAIVER													
Family PACT Costs	$16,231,297	$16,254,021	$16,276,777	$16,299,564	$16,322,383	$16,345,234	$16,368,117	$16,391,032	$16,413,979	$16,436,959	$16,459,971	$16,483,015	$196,282,349
Net Cost Avoidance	($97,148,893)	($97,274,059)	($97,399,193)	($97,524,296)	($97,649,367)	($97,774,406)	($97,899,413)	($98,024,388)	($98,149,331)	($98,274,241)	($98,399,119)	($98,523,965)	($1,174,040,671)

FFP	7/02	8/02	9/02	10/02	11/02	12/02	1/03	2/03	3/03	4/03	5/03	6/03	Total
COST AVOIDANCE													
Prenatal Care 1/	($7,847,279)	($7,857,515)	($7,867,751)	($7,877,987)	($7,888,223)	($7,898,458)	($7,908,694)	($7,918,930)	($7,929,166)	($7,939,401)	($7,949,637)	($7,959,873)	($94,842,914)
Deliveries 2/	($24,198,739)	($24,230,303)	($24,261,868)	($24,293,432)	($24,324,996)	($24,356,560)	($24,388,124)	($24,419,688)	($24,451,253)	($24,482,817)	($24,514,381)	($24,545,945)	($292,468,106)
Infant Health Care 2/	($25,665,606)	($25,699,083)	($25,732,561)	($25,766,038)	($25,799,516)	($25,832,993)	($25,866,471)	($25,899,948)	($25,933,426)	($25,966,903)	($26,000,381)	($26,033,858)	($310,196,784)
Total	($57,711,624)	($57,786,901)	($57,862,180)	($57,937,457)	($58,012,735)	($58,088,011)	($58,163,289)	($58,238,566)	($58,313,845)	($58,389,121)	($58,464,399)	($58,539,676)	($697,507,804)
COST WITH WAIVER													
Family PACT Costs 3/	$13,147,351	$13,165,757	$13,184,189	$13,202,647	$13,221,130	$13,239,640	$13,258,175	$13,276,736	$13,295,323	$13,313,937	$13,332,577	$13,351,242	$158,988,704
Net Cost Avoidance	($44,564,273)	($44,621,144)	($44,677,991)	($44,734,810)	($44,791,605)	($44,848,371)	($44,905,114)	($44,961,830)	($45,018,522)	($45,075,184)	($45,131,822)	($45,188,434)	($538,519,100)

GENERAL FUND	7/02	8/02	9/02	10/02	11/02	12/02	1/03	2/03	3/03	4/03	5/03	6/03	Total
COST AVOIDANCE													
Prenatal Care	($9,027,502)	($9,039,277)	($9,051,052)	($9,062,827)	($9,074,602)	($9,086,378)	($9,098,153)	($9,109,928)	($9,121,703)	($9,133,479)	($9,145,254)	($9,157,029)	($109,107,184)
Deliveries	($22,634,509)	($22,664,033)	($22,693,556)	($22,723,080)	($22,752,604)	($22,782,128)	($22,811,652)	($22,841,176)	($22,870,699)	($22,900,223)	($22,929,747)	($22,959,271)	($273,562,678)
Infant Health Care	($24,006,555)	($24,037,869)	($24,069,182)	($24,100,496)	($24,131,809)	($24,163,123)	($24,194,436)	($24,225,750)	($24,257,063)	($24,288,377)	($24,319,690)	($24,351,004)	($290,145,354)
Total	($55,668,566)	($55,741,179)	($55,813,790)	($55,886,403)	($55,959,015)	($56,031,629)	($56,104,241)	($56,176,854)	($56,249,465)	($56,322,079)	($56,394,691)	($56,467,304)	($672,815,216)
COST WITH WAIVER													
Family PACT Costs	$3,083,946	$3,088,264	$3,092,588	$3,096,917	$3,101,253	$3,105,594	$3,109,942	$3,114,296	$3,118,656	$3,123,022	$3,127,394	$3,131,773	$37,293,645
Net Cost Avoidance	($52,584,620)	($52,652,915)	($52,721,202)	($52,789,486)	($52,857,762)	($52,926,035)	($52,994,299)	($53,062,558)	($53,130,809)	($53,199,057)	($53,267,297)	($53,335,531)	($635,521,571)

1/ FMAP (51.67%) assumed, except no FFP assumed for undocumented persons and unqualified immigrants (10% of costs).
2/ FMAP (51.67%) assumed.
3/ 90% FFP assumed, except no FFP assumed for undocumented persons and unqualified immigrants (10% of costs).

BUDGET NEUTRALITY WORKSHEET

YEAR 5 - FISCAL YEAR 2003-04

TOTAL FUNDS	7/03	8/03	9/03	10/03	11/03	12/03	1/04	2/04	3/04	4/04	5/04	6/04	Total
COST AVOIDANCE													
Prenatal Care	($17,136,999)	($17,157,096)	($17,178,150)	($17,199,204)	($17,220,258)	($17,241,312)	($17,262,366)	($17,283,420)	($17,304,474)	($17,325,528)	($17,346,582)	($17,367,636)	($207,023,025)
Deliveries	($47,560,992)	($47,616,768)	($47,675,200)	($47,733,632)	($47,792,064)	($47,850,496)	($47,908,928)	($47,967,360)	($48,025,792)	($48,084,224)	($48,142,656)	($48,201,088)	($574,559,200)
Infant Health Care	($50,444,019)	($50,503,176)	($50,565,150)	($50,627,124)	($50,689,098)	($50,751,072)	($50,813,046)	($50,875,020)	($50,936,994)	($50,998,968)	($51,060,942)	($51,122,916)	($609,387,525)
Total	($115,142,010)	($115,277,040)	($115,418,500)	($115,559,960)	($115,701,420)	($115,842,880)	($115,984,340)	($116,125,800)	($116,267,260)	($116,408,720)	($116,550,180)	($116,691,640)	($1,390,969,750)
COST WITH WAIVER													
Family PACT Costs	$16,506,091	$16,529,200	$16,552,341	$16,575,514	$16,598,720	$16,621,958	$16,645,229	$16,668,532	$16,691,868	$16,715,237	$16,738,638	$16,762,072	$199,605,400
Net Cost Avoidance	($98,635,919)	($98,747,840)	($98,866,159)	($98,984,446)	($99,102,700)	($99,220,922)	($99,339,111)	($99,457,268)	($99,575,392)	($99,693,483)	($99,811,542)	($99,929,568)	($1,191,364,350)

FFP	7/03	8/03	9/03	10/03	11/03	12/03	1/04	2/04	3/04	4/04	5/04	6/04	Total
COST AVOIDANCE													
Prenatal Care 1/	($7,969,219)	($7,978,564)	($7,988,355)	($7,998,146)	($8,007,937)	($8,017,727)	($8,027,518)	($8,037,309)	($8,047,100)	($8,056,890)	($8,066,681)	($8,076,472)	($96,271,918)
Deliveries 2/	($24,574,765)	($24,603,584)	($24,633,776)	($24,663,968)	($24,694,159)	($24,724,351)	($24,754,543)	($24,784,735)	($24,814,927)	($24,845,119)	($24,875,310)	($24,905,502)	($296,874,739)
Infant Health Care 2/	($26,064,425)	($26,094,991)	($26,127,013)	($26,159,035)	($26,191,057)	($26,223,079)	($26,255,101)	($26,287,123)	($26,319,145)	($26,351,167)	($26,383,189)	($26,415,211)	($314,870,536)
Total	($58,608,409)	($58,677,139)	($58,749,144)	($58,821,149)	($58,893,153)	($58,965,157)	($59,037,162)	($59,109,167)	($59,181,172)	($59,253,176)	($59,325,180)	($59,397,185)	($708,017,193)
COST WITH WAIVER													
Family PACT Costs 3/	$13,369,934	$13,388,652	$13,407,396	$13,426,166	$13,444,963	$13,463,786	$13,482,635	$13,501,511	$13,520,413	$13,539,342	$13,558,297	$13,577,278	$161,680,373
Net Cost Avoidance	($45,238,475)	($45,288,487)	($45,341,748)	($45,394,983)	($45,448,190)	($45,501,371)	($45,554,527)	($45,607,656)	($45,660,759)	($45,713,834)	($45,766,883)	($45,819,907)	($546,336,820)

GENERAL FUND	7/03	8/03	9/03	10/03	11/03	12/03	1/04	2/04	3/04	4/04	5/04	6/04	Total
COST AVOIDANCE													
Prenatal Care	($9,167,780)	($9,178,532)	($9,189,795)	($9,201,058)	($9,212,321)	($9,223,585)	($9,234,848)	($9,246,111)	($9,257,374)	($9,268,638)	($9,279,901)	($9,291,164)	($110,751,107)
Deliveries	($22,986,227)	($23,013,184)	($23,041,424)	($23,069,664)	($23,097,905)	($23,126,145)	($23,154,385)	($23,182,625)	($23,210,865)	($23,239,105)	($23,267,346)	($23,295,586)	($277,684,461)
Infant Health Care	($24,379,594)	($24,408,185)	($24,438,137)	($24,468,089)	($24,498,041)	($24,527,993)	($24,557,945)	($24,587,897)	($24,617,849)	($24,647,801)	($24,677,753)	($24,707,705)	($294,516,989)
Total	($56,533,601)	($56,599,901)	($56,669,356)	($56,738,811)	($56,808,267)	($56,877,723)	($56,947,178)	($57,016,633)	($57,086,088)	($57,155,544)	($57,225,000)	($57,294,455)	($682,952,557)
COST WITH WAIVER													
Family PACT Costs	$3,136,157	$3,140,548	$3,144,945	$3,149,348	$3,153,757	$3,158,172	$3,162,594	$3,167,021	$3,171,455	$3,175,895	$3,180,341	$3,184,794	$37,925,027
Net Cost Avoidance	($53,397,444)	($53,459,353)	($53,524,411)	($53,589,463)	($53,654,510)	($53,719,551)	($53,784,584)	($53,849,612)	($53,914,633)	($53,979,649)	($54,044,659)	($54,109,661)	($645,027,530)

1/ FMAP (51.67%) assumed, except no FFP assumed for undocumented persons and unqualified immigrants (10% of costs).
2/ FMAP (51.67%) assumed.
3/ 90% FFP assumed, except no FFP assumed for undocumented persons and unqualified immigrants (10% of costs).

OFP PROJECT BUDGET

BUDGET CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL YEARS 1-5
A. PERSONNEL Increase estimated at 5% per year	$ 630,292	$ 661,807	$ 694,897	$ 729,642	$ 766,124	$ 3,482,762
B. FRINGE BENEFITS Benefits are estimated at average of 34% of salary	$ 214,299	$ 225,014	$ 236,265	$ 248,078	$ 260,482	$ 1,184,138
C. TRAVEL	$ 33,600	$ 33,600	$ 33,600	$ 33,600	$ 33,600	$ 168,000
D. EQUIPMENT	$ 37,500	$ 37,500	$ 37,500	$ 37,500	$ 37,500	$ 187,500
E. SUPPLIES	$ 49,500	$ 49,500	$ 49,500	$ 49,500	$ 49,500	$ 247,500
F. FACILITIES OPERATIONS	$ 102,000	$ 102,000	$ 102,000	$ 102,000	$ 102,000	$ 510,000
G. SYSTEMS	$ 500,000	$ 550,000	$ 605,000	$ 665,500	$ 732,050	$ 3,052,550
H. EVALUATION	$ 1,587,440	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 9,587,440
I. PROVIDER SUPPORT SERVICES AND OUTREACH	$ 5,825,000	$ 6,700,000	$ 7,704,000	$ 8,860,000	$ 10,187,950	$ 39,276,950
TOTAL ADMIN. BUDGET	$ 9,979,631	$ 10,359,421	$ 11,462,762	$ 12,725,820	$ 14,169,206	$ 57,696,840

OFP PROJECT BUDGET DETAIL

A. PERSONNEL

	Monthly FTE Salary	Annual FTE Salary	FTE	Waiver
Nurse Consultant III-Supervisor	$ 4,160	$ 49,992	1	$ 49,992
Nurse Consultant III-Specialist	$ 4,166	$ 49,992	4	$ 199,968
Nurse Consultant II	$ 3,797	$ 45,564	4	$ 182,256
Associate Program Analyst	$ 3,430	$ 41,160	2.5	$ 102,900
Research Analyst II	$ 3,602	$ 43,324	1	$ 43,324
Word Processing Technician	$ 1,760	$ 21,120	2	$ 42,240
Office Assistant	$ 1,602	$ 18,224	0.5	$ 9,612
	$ 22,523	$ 270,376		$ 630,292

B. BENEFITS
Benefits are estimated at 34% and include retirement, OASDI, dental , medical and vision insurance.

C. TRAVEL
Travel and per diem estimated at an average cost of $33,600 per fiscal year.

D. EQUIPMENT
Computer and equipment replacement estimated at $37,500 per year.

E. SUPPLIES
General office supplies, xeroxing, postage

F. FACILITIES OPERATION
Rent, Telephone, etc. estimated at $6,800 per FTE

G. SYSTEM
Allows for a 10% increase annually for additional claims and upgrade system.

H. EVALUATION
Estimated at 2,000,000 per year for years 2-5

I. PROVIDER SUPPORT SERVICES AND OUTREACH
Training sessions, education materials, provider enrollment, 800 number, education and counseling services, preventive clinical services, STI /HIV services costs at actual for year 1 and 2; estimated at 15% increase for years 3-5.

RDB PROJECT BUDGET

BUDGET CATEGORY	YEAR1	YEAR2	YEAR3	YEAR4	YEAR 5	TOTAL OF YEARS 1-5
A. PERSONNEL Estimate 5% annual increase	$133,524	$140,200	$147,210	$154,570	$162,298	$737,802
B. BENEFITS Estimated at .27566	$36,807	$38,647	$40,579	$42,608	$44,738	$203,379
C. TRAVEL	$26,500	$26,500	$26,500	$26,500	$26,500	$132,500
D. EQUIPMENT	$15,550	$15,550	$15,550	$15.550	$15,550	$77,750
E. SUPPLIES	$10,500	$10,500	$10,500	$10,500	$10,500	$52,500
F. FACILITIES OPERATIONS	$23,800	$23,800	$23,800	$23,800	$23,800	$1 19,000
TOTAL	$246,681	$255,197	$264,139	$273,528	$283,386	$1,322931

RDB PROJECT BUDGET DETAIL

A. PERSONNEL

	Monthly FTE Salary	Annual FTE Salary	FTE	Waiver
Assoc Govt Prog Analyst	$3430	$41,160	1.0	$41,160
Research Prog Spec II	$4337	$52,044	1.0	$52,044
Word Processing Tech	$1760	$21,120	1.0	$21,120
Office of Legal Services				
Legal Counsel	$3,200	$38,400	0.5	$19,200
Totals	$12,727	$152,724	3.5	$133,524

B. BENEFITS
Benefits are estimated at .27566 and include retirement, OASDI, Dental, medical and vision insurance. $36,807

C. TRAVEL
Travel and per diem estimated at an average of $10,600 per FTE. $26,500

D. EQUIPMENT
Computer and equipment replacement estimated at $3,300 per FTE. **$15,550**

D. SUPPLIES
General office supplies, xeroxing, postage estimated at $3,000 per FTE. $10,500

F. FACILITIES OPERATION
Rent, telephone,etc., estimated at $6,800 per FTE. $23,800

PROJECT EVALUATION

Evaluation Methodology

Evaluation of the Family PACT waiver will assess the degree to which the stated goal and objectives of the program have been met. The objectives to be measured are:

1. Has Family PACT reduced unintended pregnancies?

2. Has Family PACT increased access for low-income residents to family planning services?

3. Is Family PACT a cost-effective program for both the federal and State governments?

4. Has Family PACT improved general reproductive health outcomes?

To maintain objectivity in the evaluation process, a contract will be granted to one of the University of California (UC) campuses. Relying on the UC academic expertise and tradition of scientific inquiry, knowledgeable and experienced subcontractors will be selected. Data for the evaluation will come from the Family PACT claims processing statistics as maintained by DHS, as well as client-specific infomation that will come from chart reviews, client and provider surveys.

Increased access will be determined by a comparison of pre- and post-implementation data that will allow an analysis of program usage by service and also by demographic segment. Paid claim analyses will indicate which segments of the population have taken advantage of specific services available. Client-specific data will allow the evaluator to determine utilization variations by region, age, and ethnicity.

Cost effectiveness, which can be partially determined by dividing additional cost into the increase in access to services and/or dividing total cost into number of services performed, will be studied for the most part through claim analyses and cost tracking.

A more specific evaluation design report will be submitted to HCFA for approval within 120 days of implementation. This will include a detailed analysis plan that describes how the effects of the demonstration waiver will be isolated from other initiatives occurring in California. The report will also include an integrated presentation and discussion of the specific hypotheses that are being

tested, as well as the outcome measures to be used in evaluating the impact of the demonstration waiver and the data sources, which will assess the outcomes.

Evaluation elements are described below:

1. Medical record data abstraction and analysis involves review of medical charting by Family PACT providers. This could include on-site chart review, using a sampling methodology.

2. On-site assessment of provider compliance with standards involves direct observation of the provider to obtain data unavailable through claim data or chart review.

3. Beneficiary and provider surveys. A baseline survey will be conducted during the first year of the waiver project. A comparison survey will be developed for post implementation.

4. A seven (7) county case study will provide for in depth data collection and analyses of the impact at the community level.

5. Specialized Family PACT claims analyses will track costs over time to look at program costs, cost shifting, and economic efficiency.

6. Assessment of non-medical provider (pharmacy and lab) participation will allow assessment of initial outcomes and include case studies and trend analysis.

Additional data, as required by HCFA or its contractor, will be provided upon request. HCFA and/or its contractor will also have access to all data needed to conduct an independent evaluation of the demonstration waiver.

WAIVER PROVISIONS

California is requesting a waiver of various provisions contained in the federal Social Security Act (SSA) to implement this Medicaid demonstration waiver. Below is a discussion of each SSA provision and how it relates to this demonstration waiver:

- **Section 1902(a)(5):** A waiver of this SSA provision is requested to allow Family PACT providers to make (point of service) eligibility determinations.

- **Section 1902(a)(10)(A):** A waiver of this SSA provision is requested to extend eligibility to a group of individuals (Family PACT clients) who are not otherwise Medicaid eligible.

- **Section 1902(a)(10)(B):** A waiver of this SSA provision is requested to allow California to render certain specialty family planning services, such as fertility assessment, only to Family PACT clients. In effect, these services are not available to all other Medi-Cal eligibles. A waiver of this SSA provision is also necessary to allow California to restrict the scope of benefits for Family PACT clients to only family planning services covered by the Family PACT program, and not offer the full scope of Medi-Cal covered services to this population.

- **Section 1902(a)(17):** A waiver of this SSA provision is requested to implement a streamlined eligibility process for individuals covered under the Family PACT program. This streamlined eligibility process involves each eligible client completing and signing a self-certification form declaring his/her gross annual or monthly income. Program eligibility is determined solely on the basis of income.

- **Section 1902(a)(23):** A waiver of this SSA provision is requested to allow California to restrict Family PACT clients to obtain program services from the Family PACT provider network.

- **Section 1905(a):** A waiver of this SSA provision is requested to allow coverage of non-Medicaid services, e.g., health counseling and education, infertility services.

PUBLIC NOTICE

Consistent with HCFA policy, HCFA's draft Proposal Guidelines for Section 1115 State Health Care Reform Demonstrations, and as required under California statute (California Welfare and Institutions Code, Section 14497), the State undertook the following public notification and hearing process for the proposed waiver project. The public hearing process was conducted in accordance with the notice and hearing requirements set forth in the Medi-Cal regulations in Title XXII, California Code of Regulations, Section 53520(f) through (g) and Section 53522. Public hearings regarding the proposed waiver project were held in Sacramento on March 22, 1999, and in Los Angeles on March 23,1999.

Notice of the time, date and place of the hearings was published in the March 12,1999, California Office of Administrative Law ***California Regulatory Notice Register,*** ten days prior to the first hearing. Notifications were mailed also to health care partners of family planning services (stakeholders,public advocates, major providers of family planning services, county health departments, planned parenthood association clinics, and others) and to all other interested parties who requested individual notice.

2. The working draft was made available to the public by the State more than ten days prior to the public hearings.

3. The hearings were conducted by a hearing officer appointed by the State, who explained the general nature and scope of the proposed demonstration project and the hearing process. DHS representatives also presented management, fiscal and medical information regarding the project. Following these presentations, members of the public were invited to present testimony and comments. At the conclusion of the hearings, the hearing record remained open for additional written comments to ensure that 30 days had elapsed since the date that informational materials were made available to the public.

4. The public comments received during this process were considered in development of the final proposal and will be kept on file for future consideration. Based on the hearing record, the hearing officers issued a report, which is set forth as Exhibit B.