

**FAMILY HEALTH
MAY 2018
LOCAL ASSISTANCE ESTIMATE
for
FISCAL YEARS
2017-18 and 2018-19**

Fiscal Forecasting Division
California Department of Health Care Services
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Management Summary**May 2018 Estimate Compared to FY 2018-19 Appropriation**

	May 18 Est. FY 2018-19	May 18 Approp Est. FY 2018-19	Difference Incr./(Decr.)
<u>California Children's Services</u>			
4260-111-0001 (General Fund)	\$ 85,690,000	\$ 87,254,000	\$ 1,564,000
4260-611-0995 (CDPH Title V Reimb.)	\$ 5,453,000	\$ 5,453,000	\$ 0
County Funds ¹	<u>\$ 83,629,000</u>	<u>\$ 83,629,000</u>	<u>\$ 0</u>
TOTAL CCS	<u>\$ 91,143,000</u>	<u>\$ 92,707,000</u>	<u>\$ 1,564,000</u>
<u>Child Health and Disability Prevention Program</u>			
4260-111-0001 (General Fund)	\$ 3,000	\$ 3,000	\$ 0
TOTAL CHDP	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 0</u>
<u>Genetically Handicapped Persons Program</u>			
4260-111-0001 (General Fund)	\$ 138,227,000	\$ 138,227,000	\$ 0
4260-611-0995 (Enrollment Fees)	\$ 478,000	\$ 478,000	\$ 0
4260-601-3079 (Rebates Special Fund)	\$ 16,259,000	\$ 16,259,000	\$ 0
TOTAL GHPP	<u>\$ 154,964,000</u>	<u>\$ 154,964,000</u>	<u>\$ 0</u>
<u>Every Woman Counts Program</u>			
4260-114-0001 (General Fund)	\$ 5,608,000	\$ 5,608,000	\$ 0
4260-114-0236 (Prop 99)	\$ 14,515,000	\$ 14,515,000	\$ 0
4260-114-0009 (Breast Cancer Control Acct)	\$ 7,989,000	\$ 7,989,000	\$ 0
4260-114-0890 (Center for Disease Control)	\$ 5,128,000	\$ 5,128,000	\$ 0
TOTAL EWC	<u>\$ 33,240,000</u>	<u>\$ 33,240,000</u>	<u>\$ 0</u>
GRAND TOTAL - ALL FUNDS	<u>\$ 279,350,000</u>	<u>\$ 280,914,000</u>	<u>\$ 1,564,000</u>
4260-111-0001	\$ 223,920,000	\$ 225,484,000	\$ 1,564,000
4260-114-0001	\$ 5,608,000	\$ 5,608,000	\$ 0
4260-114-0009	\$ 7,989,000	\$ 7,989,000	\$ 0
4260-114-0236	\$ 14,515,000	\$ 14,515,000	\$ 0
4260-114-0890	\$ 5,128,000	\$ 5,128,000	\$ 0
4260-611-0995	\$ 5,931,000	\$ 5,931,000	\$ 0
4260-601-3079	\$ 16,259,000	\$ 16,259,000	\$ 0
County Funds ¹	<u>\$ 83,629,000</u>	<u>\$ 83,629,000</u>	<u>\$ 0</u>

¹ County Funds are not included in Total Funds. They are shown for display only.

CALIFORNIA CHILDREN'S SERVICES**Funding Summary****Fiscal Years 2017-18 and 2018-19 Compared to November Estimate**

FY 2017-18, May 2018 Estimate Compared to November 2017 Estimate			
	Nov. 2017 Est. FY 2017-18	May 2018 Est. FY 2017-18	Difference Incr./((Decr.)
CCS State-Only Caseload:	15,621	14,885	(736)
4260-111-0001 (General Fund)			
State Only General Fund (4260-111-0001)	\$ 77,478,100	\$ 76,419,500	\$ (1,058,600)
Total General Fund	\$ 77,478,100	\$ 76,419,500	\$ (1,058,600)
Federal Funds			
4260-611-0995 (CDPH Title V Reimbursement)	\$ 5,453,000	\$ 5,453,000	\$ 0
Total Federal Funds	\$ 5,453,000	\$ 5,453,000	\$ 0
Total Funds	\$ 82,931,100	\$ 81,872,500	\$ (1,058,600)

FY 2018-19, May 2018 Appropriation Estimate Compared to November 2017 Estimate			
	Nov. 2017 Est. FY 2018-19	May 2018 Approp Est. FY 2018-19	Difference Incr./((Decr.)
CCS State-Only Caseload:	15,621	14,819	(802)
4260-111-0001 (General Fund)			
State Only General Fund (4260-111-0001)	\$ 83,371,700	\$ 87,254,400	\$ 3,882,700
Total General Fund	\$ 83,371,700	\$ 87,254,400	\$ 3,882,700
Federal Funds			
4260-611-0995 (CDPH Title V Reimbursement)	\$ 5,453,000	\$ 5,453,000	\$ 0
Total Federal Funds	\$ 5,453,000	\$ 5,453,000	\$ 0
Total Funds	\$ 88,824,700	\$ 92,707,400	\$ 3,882,700

May 2018 Estimate, FY 2017-18 Compared to FY 2018-19 Appropriation			
	May 2018 Est. FY 2017-18	May 2018 Approp Est. FY 2018-19	Difference Incr./((Decr.)
CCS State-Only Caseload:	14,885	14,819	(66)
4260-111-0001 (General Fund)			
State Only General Fund (4260-111-0001)	\$ 76,419,500	\$ 87,254,400	\$ 10,834,900
Total General Fund	\$ 76,419,500	\$ 87,254,400	\$ 10,834,900
Federal Funds			
4260-611-0995 (CDPH Title V Reimbursement)	\$ 5,453,000	\$ 5,453,000	\$ 0
Total Federal Funds	\$ 5,453,000	\$ 5,453,000	\$ 0
Total Funds	\$ 81,872,500	\$ 92,707,400	\$ 10,834,900

CALIFORNIA CHILDREN'S SERVICES
Funding Summary
Fiscal Years 2017-18 and 2018-19 Compared to Appropriation

FY 2017-18, May 2018 Estimate Compared to Appropriation			
	Appropriation FY 2017-18	May 2018 Est. FY 2017-18	Difference Incr./((Decr.))
CCS State-Only Caseload:	16,069	14,885	(1,184)
4260-111-0001 (General Fund)			
State Only General Fund (4260-111-0001)	\$ 81,778,900	\$ 76,419,500	\$ (5,359,400)
Total General Fund	\$ 81,778,900	\$ 76,419,500	\$ (5,359,400)
Federal Funds			
4260-611-0995 (CDPH Title V Reimbursement)	\$ 5,453,000	\$ 5,453,000	\$ 0
Total Federal Funds	\$ 5,453,000	\$ 5,453,000	\$ 0
Total Funds	\$ 87,231,900	\$ 81,872,500	\$ (5,359,400)

May 2018 Appropriation Estimate for FY 2018-19 Compared to FY 2017-18 Appropriation			
	Appropriation FY 2017-18	May 2018 Approp Est. FY 2018-19	Difference Incr./((Decr.))
CCS State-Only Caseload:	16,069	14,819	(1,250)
4260-111-0001 (General Fund)			
State Only General Fund (4260-111-0001)	\$ 81,778,900	\$ 87,254,400	\$ 5,475,500
Total General Fund	\$ 81,778,900	\$ 87,254,400	\$ 5,475,500
Federal Funds			
4260-611-0995 (CDPH Title V Reimbursement)	\$ 5,453,000	\$ 5,453,000	\$ 0
Total Federal Funds	\$ 5,453,000	\$ 5,453,000	\$ 0
Total Funds	\$ 87,231,900	\$ 92,707,400	\$ 5,475,500

CALIFORNIA CHILDREN'S SERVICES
Fiscal Year 2018-19 Appropriation
Funding Sources By Program

	<u>Total Funds</u>	<u>State Funds</u>	<u>CDPH Title V Reimb.</u>	<u>County Funds</u>
A. State Only Services				
1. Treatment Costs				
Treatment Base 1/	5,022,000	5,022,000	-	4,522,000
Bone Marrow Xplant 2/	125,000	125,000	-	(125,000)
Small County Adj. 3/	400,000	400,000	-	(400,000)
Total Treatment Base	5,547,000	5,547,000	-	3,997,000
2. Therapy Costs				
Therapy Base	66,583,000	66,583,000	-	66,582,000
MTU Medi-Cal Offset 4/	(5,209,000)	(5,209,000)	-	(1,736,000)
AB3632 5/	779,000	779,000	-	(779,000)
Total Therapy Base	62,153,000	62,153,000	-	64,067,000
3. Enroll/Assess Fees	(51,500)	(51,500)	-	(51,500)
4. Benefits Policy Changes	13,597,400	13,597,400	-	4,365,500
	\$ 81,245,900	\$ 81,245,900	\$ 0	\$ 72,378,000
B. State Only Admin.				
1. County Admin.	11,250,500	5,797,500	5,453,000	11,250,500
2. Fiscal Inter.	26,000	26,000	-	-
3. FI Dental	1,000	1,000	-	-
4. CMS Net	184,000	184,000	-	-
	\$ 11,461,500	\$ 6,008,500	\$ 5,453,000	\$ 11,250,500
Total CCS State Only	\$ 92,707,400	\$ 87,254,400	\$ 5,453,000	\$ 83,628,500
GRAND TOTAL	\$ 92,707,400	\$ 87,254,400	\$ 5,453,000	\$ 83,628,500

NOTE: County Funds are shown for information only, and are not included in Total Funds.

1/ Treatment base includes costs for services rendered out-of-state. There is no county share for these costs.

2/ An estimated \$250,000 in certain bone marrow transplant costs are included in the treatment base regressions at 50% GF, 50% County funds. Since they are funded by 100% GF, \$125,000 is shifted from County to General Fund.

3/ An estimated \$800,000 in catastrophic small county services costs are included in the treatment base regressions at 50% GF, 50% County funds. Since they are funded by 100% GF, \$400,000 is shifted from County to General Fund.

4/ Medical Therapy Unit (MTU) costs are included in the therapy costs used in the base regressions, and are therefore included in the therapy base at 50% GF/50% County funds. The costs that are reimbursed by Medi-Cal reduce program costs 75% GF, 25% County funds.

5/ AB3632 costs are included in the therapy costs used in the base regressions, and are therefore included in the therapy

CALIFORNIA CHILDREN'S SERVICES
Comparison of Assumed Fiscal Impacts of Policy Changes

Fiscal Year 2018-19, Comparison of May 2018 and November 2017 Estimates

POLICY CHG.		NOVEMBER 2017 ESTIMATE		MAY 2018 APPROP ESTIMATE		DIFFERENCE, Incr./(Decr.)		
TYPE	NO. DESCRIPTION	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	
CCS STATE ONLY								
Other	1	ENROLLMENT AND ASSESSMENT FEES	-\$54,000	-\$54,000	-\$51,500	-\$51,500	\$2,500	\$2,500
Co. Admin.	2	COUNTY ADMIN. COSTS	\$11,818,000	\$11,818,000	\$11,250,500	\$11,250,500	-\$567,500	-\$567,500
FI	3	FISCAL INTERMEDIARY EXPENDITURES	\$31,000	\$31,000	\$26,000	\$26,000	-\$5,000	-\$5,000
FI	4	DENTAL ADMIN. EXPENDITURES	\$2,000	\$2,000	\$1,000	\$1,000	-\$1,000	-\$1,000
FI	5	CMS NET	\$196,000	\$196,000	\$184,000	\$184,000	-\$12,000	-\$12,000
Co. Admin.	7	TITLE V REIMBURSEMENT FROM CDPH	\$0	-\$5,992,000	\$0	-\$5,453,000	\$0	\$539,000
Benefits	8	CCS DRUG REBATES	-\$27,000	-\$27,000	-\$41,000	-\$41,000	-\$14,000	-\$14,000
Benefits	9	NEW HIGH COST TREATMENTS - CCS	\$8,355,900	\$8,355,900	\$4,406,500	\$4,406,500	-\$3,949,400	-\$3,949,400
Co. Admin.	10	UNDOCUMENTED CHILDREN FULL SCOPE EXPANSION	-\$1,057,000	-\$518,000	\$0	\$0	\$1,057,000	\$518,000
Benefits	11	CCS-MTP - SPECIAL EDUCATION	\$816,800	\$816,800	\$54,500	\$54,500	-\$762,300	-\$762,300
Benefits	12	HOME HEALTH RATE INCREASE	\$0	\$0	\$7,613,400	\$7,613,400	\$7,613,400	\$7,613,400
Benefits	13	PEDIATRIC DAY HEALTH CARE RATE INCREASE	\$0	\$0	\$1,564,000	\$1,564,000	\$1,564,000	\$1,564,000
CCS TOTAL			<u>\$20,081,700</u>	<u>\$14,628,700</u>	<u>\$25,007,400</u>	<u>\$19,554,400</u>	<u>\$4,925,700</u>	<u>\$4,925,700</u>

¹ Funds are referenced separately in the CCS Funding Sources pages.

* Dollars shown include payment lag and percent in base.

HOME HEALTH RATE INCREASE

POLICY CHANGE NUMBER: 12
IMPLEMENTATION DATE: 1/2019
ANALYST: Sharisse DeLeon

		<u>FY 2017-18</u>	<u>FY 2018-19</u>
FULL YEAR COST	- TOTAL FUNDS	\$0	\$8,699,000
	- GENERAL FUND	\$0	\$8,699,000
PAYMENT LAG		0.0000	0.8752
% REFLECTED IN BASE		0.00%	0.00%
APPLIED TO BASE	- TOTAL FUNDS	\$0	\$7,613,400
	- GENERAL FUND	\$0	\$7,613,400

Purpose:

This policy change estimates the California Children's Services (CCS) State-Only costs of a rate increase for fee-for-service (FFS) home health agency and private duty nursing (PDN) services, effective July 1, 2018.

Authority:

SB 856 (Chapter 30, Statutes of 2018)

Interdependent Policy Changes:

Not Applicable

Background:

Home health services encompass a range of health care services to children and adults that can be provided in home, and are generally less expensive, more convenient, and equally effective as the care received in a hospital or skilled nursing facility (SNF). Home health services include:

- Wound care;
 - IV therapy;
 - Administering oral medications;
 - Insertion of gastronomy and nasogastric tube feedings; and
 - Monitoring serious illnesses and unstable health conditions that no longer require a higher level of care.
- PDN is the care of clients by professionals who provide private care on a one-on-one basis in a client's home.

Home health and PDN services can be provided by home health agencies or individual nurse providers (INPs). Home health agencies hire health professionals such as Registered Nurses (RNs), Licensed Vocational Nurses (LVNs), and Certified Home Health Aids to provide skilled nursing services to a client in their home. INP providers are independent contractors that perform home health services to Medi-Cal beneficiaries. INPs can be RNs or LVNs.

Pursuant to SB 856, the Department shall develop the structure and parameters for rate increases to be made for home health providers of medically necessary in-home services for children and adults in the Medi-Cal fee-for-service system or through home and community-based service waivers.

Reason for Change:

This is a new policy change.

Methodology:

1. The Department will increase certain FFS and Home and Community-Based (HCBS) waiver home health agency and PDN services rates by 50%, effective for dates of service on and after July 1, 2018. Providers in the Medi-Cal FFS delivery systems, as well as the impacted HCBS waivers will receive these rate increases.
2. The rate adjustments are estimated to be implemented in January 2019. The Erroneous Payment Correction (EPC) for the retroactive period from July 2018 to December 2018 is estimated to occur in April 2019.

FY 2018-19	TF	GF
Home Health Rate Increase	\$8,699,000	\$8,699,000
Total FY 2018-19	\$8,699,000	\$8,699,000

Funding:

100% GF (4260-111-0001)

PEDIATRIC DAY HEALTH CARE RATE INCREASE

POLICY CHANGE NUMBER: 13
IMPLEMENTATION DATE: 7/2018
ANALYST: Sharisse DeLeon

		<u>FY 2017-18</u>	<u>FY 2018-19</u>
FULL YEAR COST	- TOTAL FUNDS	\$0	\$1,564,000
	- GENERAL FUND	\$0	\$1,564,000
PAYMENT LAG		0.0000	1.0000
% REFLECTED IN BASE		0.00%	0.00%
APPLIED TO BASE	- TOTAL FUNDS	\$0	\$1,564,000
	- GENERAL FUND	\$0	\$1,564,000

Purpose:

This policy change estimates the California Children's Services (CCS) State-Only costs of a rate increase for fee-for-service (FFS) Pediatric Day Health Care (PDHC) facilities, effective July 1, 2018.

Authority:

SB 840 (Chapter 29, Statutes of 2018)
 SB 856 (Chapter 30, Statutes of 2018)

Interdependent Policy Changes:

Not Applicable

Background:

PDHC is an Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) supplemental skilled nursing services when rendered by a PDHC facility licensed by the Department. PDHC is a day program of less than 24 hours that is individualized and family-centered, with developmentally appropriate activities of play, learning, and social interaction, designed to optimize the individuals medical status and developmental functioning so that he or she can remain within the family.

Pursuant to SB 840 and SB 856, the Department shall develop the structure and parameters for a rate increase in 2018-19 for PDHC facilities.

Reason for Change:

This is a new policy change.

Methodology:

1. The current Medi-Cal FFS reimbursement rate for PDHC services is \$29.41 per hour.
2. The Department will increase the reimbursement rate for certain FFS PDHC facilities by 50%, effective July 1, 2018.

FY 2018-19	TF	GF
PDHC Rate Increase	\$1,564,000	\$1,564,000
Total	\$1,564,000	\$1,564,000

Funding:

100% GF (4260-111-0001)