

FAMILY HEALTH
MAY 2026
LOCAL ASSISTANCE ESTIMATE
for
FISCAL YEARS
2025-26 *and* 2026-27



The Great Seal

STATE OF CALIFORNIA
DEPARTMENT OF HEALTH CARE SERVICES

**FAMILY HEALTH
MAY 2026
LOCAL ASSISTANCE ESTIMATE
for
FISCAL YEARS
2025-26 and 2026-27**

Fiscal Forecasting Division
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Family Health Local Assistance Estimate

Management Summary

May 2026 Estimate

This document is intended to provide a high-level overview of the May 2026 Family Health Local Assistance Estimate (Estimate).

High-Level Summary of Estimated Spending. The Department of Health Care Services (DHCS) estimates Family Health spending to be \$292.7 million total funds (\$265.5 million General Fund) in Fiscal Year (FY) 2025-26 and \$297.9 million total funds (\$275.1 million General Fund) in 2026-27. This does not include Certified Public Expenditures of local governments or General Fund expenditures in other state Departments.

Document Organization. This document is divided into several sections that provide more detail on estimated funding amounts and the primary factors driving the estimates. These sections include:

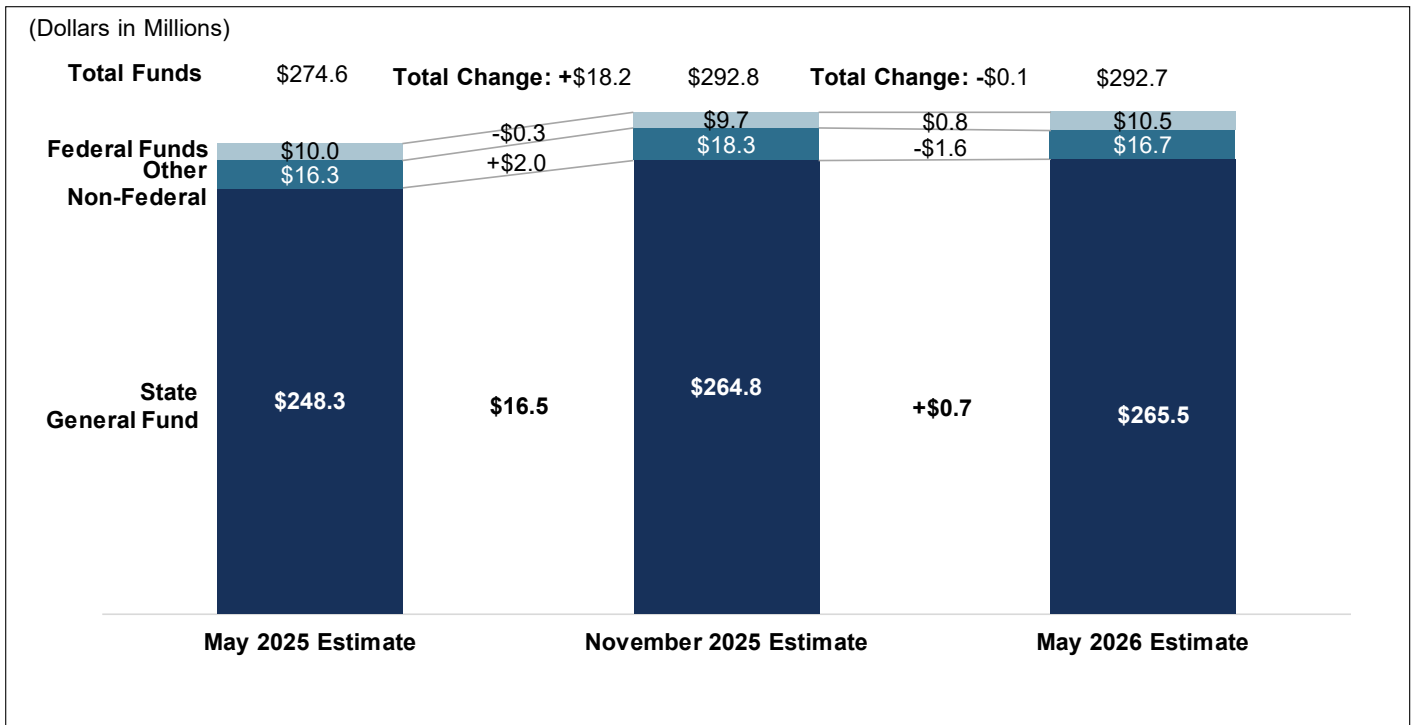
- Summary of Estimate Totals
- Major Drivers of Changes in General Fund Spending
- Caseload Projections
- Base Expenditures Projections

Summary of Estimate Totals

This section provides a summary of bottom-line total spending amounts in the Estimate. Later sections will describe new proposals and other factors that drive changes in projected spending.

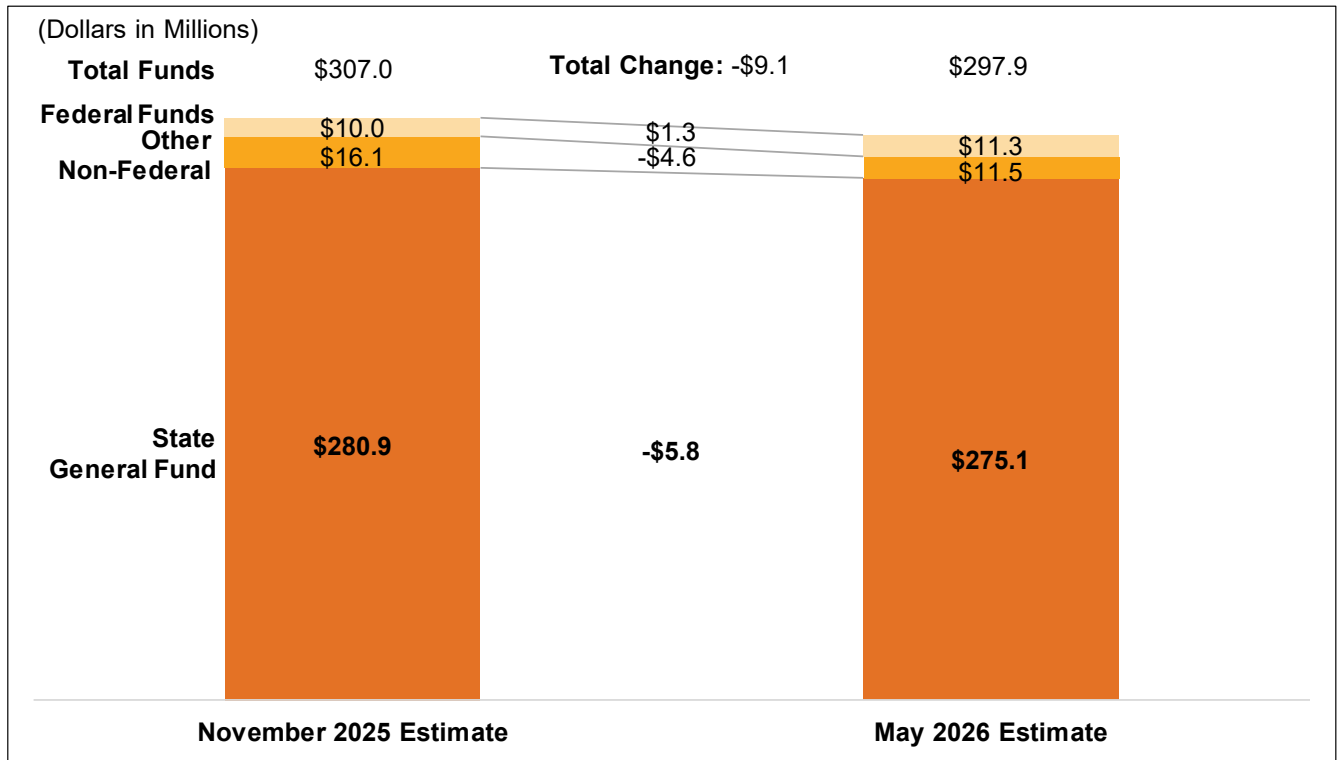
As shown below, the Estimate for 2025-26 projects a \$0.1 million, or less than 0.1 percent, decrease in total spending and a \$0.7 million, or 0.3 percent, increase in General Fund spending compared to the November 2025 Estimate.

2025-26 Comparison



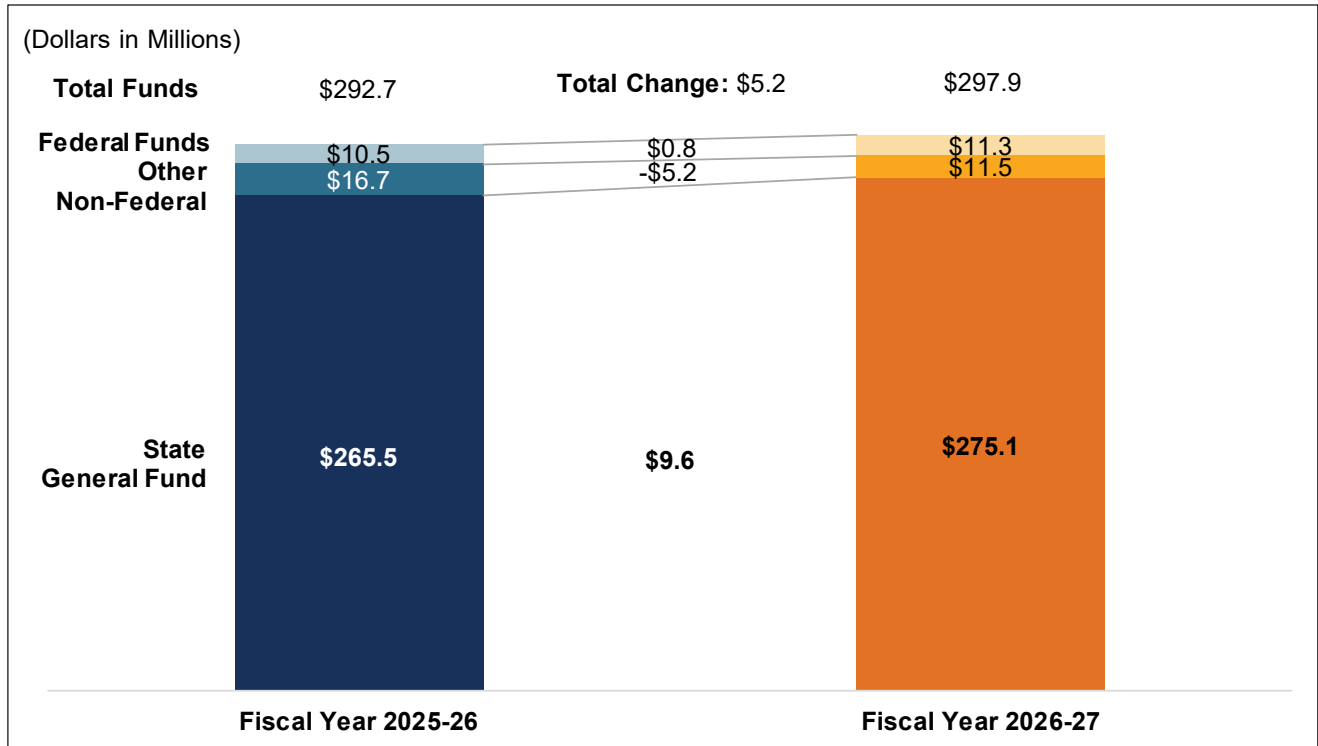
As shown below, the Estimate for 2026-27 projects a \$9.1 million, or 3.0 percent, decrease in total spending and a \$5.8 million, or 2.1 percent, decrease in General Fund spending compared to the November 2025 Estimate.

2026-27 Comparison



As shown below, the Estimate projects that total spending will increase by \$5.2 million, or 1.8 percent, and General Fund spending will increase by \$9.6 million, or 3.6 percent, between 2025-26 and 2026-27.

Year over Year Change from 2025-26 to 2026-27



Major Drivers of Changes in General Fund Spending

The primary funding source for Family Health is the State General Fund. Several factors contribute to changes in projected General Fund spending for Family Health, in the Estimate. The narrative that follows describe the most significant factors driving changes in General Fund spending.

Summary of Major Drivers of Changes in General Fund Spending Between November 2025 and May 2026 Estimates

- ***California Children’s Services (CCS) Base Expenditures Projections.*** Additional months of actual therapy costs were higher than projected, increasing 2025-26 CCS base expenditures from the prior Estimate. The projected decrease in CCS base expenditures between fiscal years is based on the projections returning to the historical trend.
- ***Title V Reimbursement from California Department of Public Health (CDPH).*** 2025-26 and 2026-27 are budgeting \$5.0 million in reimbursements, which is an increase of approximately \$0.8 million from the prior estimate. This is due to executing an updated interagency agreement with the CDPH.
- ***CCS Non-Blood Factor Drug Rebates Transfer Timing.*** 2025-26 budgets \$3.9 million General Fund savings and 2026-27 budgets \$2 million General Fund savings for CCS Non-Blood Blood Drug Rebates. The decrease of \$2 million General Fund savings from 2025-26 to 2026-27 is due to an additional drug rebate transfer is estimated in 2025-26 and annual transfers are assumed to resume in 2026-27.
- ***CCS & GHPP State-Only Rx Rebate Aggregator Savings.*** The Department contracts with Prime Therapeutics to negotiate and execute contracts to allow Medi-Cal to collect California specific, non-Medicaid drug rebates for covered drugs provided through Medi-Cal Rx to Medi-Cal members with Unsatisfactory Immigration Status (UIS) and those enrolled in State-Only CCS and GHPP. Savings are estimated to be \$0.4 million General Fund in 2025-26 and \$1.3 million General Fund in 2026-27. From 2025-26 to 2026-27, estimated savings increase by \$0.9 million General Fund due to three quarters of savings are estimated to be transferred in 2026-27 compared to one quarter in 2025-26.
- ***Genetically Handicapped Persons Program (GHPP) Expenditures.*** Additional months of actual data were slightly lower than projected, decreasing 2025-26 and 2026-27 GHPP base expenditures from the prior Estimate by -\$2.9 million and -\$2.8 million, respectively. The projected increase of \$15.7 million for GHPP base

expenditures between fiscal years is based on the historical growth trend. These costs are slightly offset by increased projected savings in 2026-27 of \$1.6 million and year-over-year of \$6.7 million from the health insurance premium reimbursement program resulting from the expectation of higher enrollment in the program.

- ***Every Woman Counts (EWC) Base Expenditures.*** EWC base expenditures are expected to be lower than the prior Estimate due to incorporating a lower trend in actual expenditures because of the various Medi-Cal expansions. 2025-26 budgets \$9.6 million total funds, which is a decrease of about \$2.2 million from the prior estimate. 2026-27 budgets \$9.3 million total fund, which is a decrease of about \$2.8 million from the prior estimate. 2025-26 and 2026-27 budget \$0 General Fund, which results in no change in spending for 2025-26 but a decrease in spending for 2026-27 of about \$0.1 million.
- ***Revised Cigarette and Tobacco Products Surtax Revenue.*** 2025-26 included a revenue transfer amount of \$7.1 million, which is a decrease of approximately \$1.6 million from the prior Estimate. 2026-27 budgets a revenue transfer amount of \$6.3 million, which is a decrease of approximately \$2.5 million from the prior Estimate. These decreases are due to revised revenue and base expenditure projections.
- ***Revised Breast Cancer Control Account Revenue.*** 2025-26 budgets a revenue transfer amount of \$4.4 million, which is a decrease of approximately \$0.6 million from the prior Estimate. 2026-27 budgets a revenue transfer amount of \$1.1 million, which is a decrease of approximately \$3.6 million from the prior Estimate and a decrease of \$3.2 million between fiscal years. These decreases are due to revised revenue projections and EWC program General Fund need.
- ***EWC – Regional Center Contracts.*** Costs related to the Regional Center Contracts have been removed for 2026-27 from the Family Health Estimate. These amounts have shifted to State Operations to align support cost needs.
- ***Centers for Disease Control (CDC) and Prevention Fund Increased GF Offset for Screenings.*** 2025-26 budgets \$5.4 million CDC Prevention funds to the General Fund, which results in no change from the prior Estimate. 2026-27 budgets \$6.3 million CDC prevention funds to the General Fund, resulting in an increase from the prior Estimate of about \$0.5 million. This change is due to the CDC's requirement for National Breast and Cervical Cancer Early Detection Program grant recipients to increase screenings by 5% each fiscal year.

Caseload Projections

This section provides an overview of caseload projections for Family Health Programs as of the Estimate. Projected caseload levels by program are summarized in the tables below:

California Children’s Services (CCS)

	PY	CY	BY	Change from	
	FY 2024-25	FY 2025-26	FY 2026-27	PY to CY	CY to BY
CCS State Only					
May 2026	13,231	12,166	12,265	-8.05%	0.81%
November 2025	13,231	12,718	12,718		
Change from November 2025	-	(552)	(453)		
% Change from November 2025	0.00%	-4.34%	-3.56%		

CCS caseload is based on average quarterly members. CCS State Only caseload continues to decline due to redeterminations and case closures. Projections have been brought down to the September 2025 level of approximately 12,200 members per quarter.

Genetically Handicapped Persons Program (GHPP)

	PY	CY	BY	Change from	
	FY 2024-25	FY 2025-26	FY 2026-27	PY to CY	CY to BY
GHPP State Only					
May 2026	589	514	519	-12.73%	0.97%
November 2025	589	517	518		
Change from November 2025	-	(3)	1		
% Change from November 2025	0.00%	-0.58%	0.19%		

GHPP caseload is based on average monthly members. GHPP State Only caseload declined to around 515 members per month in January 2025 and has remained relatively flat. Projections continue at this same level.

Every Woman Counts (EWC)

EWC	PY	CY	BY	Change from	
	FY 2024-25	FY 2025-26	FY 2026-27	PY to CY	CY to BY
May 2026	8,237	6,770	6,526	-17.81%	-3.60%
November 2025	8,237	8,663	8,862		
Change from November 2025	-	(1,893)	(2,336)		
% Change from November 2025	0.00%	-21.85%	-26.36%		

EWC caseload is based on average monthly users by date of payment. Caseload has been declining since June 2022. EWC caseload may be impacted by various new policies that will be implemented in 2025-26 and beyond. However, the extent of any such impact is currently indeterminate.

Base Expenditure Projections

This section provides an overview of base expenditures projections for Family Health Programs as of the Estimate. Projected expenditure levels by program are summarized in the tables below:

California Children’s Services

(In thousands)

CCS Base	FY 2025-26, TF	FY 2026-27, TF	CY to BY	As a %
May 2026	\$86,899	\$85,460	\$(1,439)	-1.7%
November 2025	\$82,928	\$85,255		
Change from November 2025	\$3,971	\$205		
% Change	4.8%	0.2%		

	CY to BY	Change from Nov 2025				
		FY 2025-26		FY 2026-27		
CCS Treatment	\$96	3.7%	\$(113)	-4.1%	\$(80)	-3.0%
CCS Therapy	\$(1,535)	-1.8%	\$4,084	5.1%	\$285	0.3%
Net Change	\$(1,439)	-1.7%	\$3,971	4.8%	\$205	0.2%

Additional months of actual therapy costs were higher than projected, increasing 2025-26 CCS base expenditures from the prior Estimate. The projected decrease in CCS base expenditures between fiscal years is based on the projections returning to the historical trend.

Genetically Handicapped Persons Program

(In thousands)

GHPP Base	FY 2025-26, TF	FY 2026-27, TF	CY to BY	As a %
May 2026	\$180,003	\$195,685	\$15,682	8.7%
November 2025	\$182,909	\$198,510		
Change from November 2025	\$(2,906)	\$(2,825)		
% Change	-1.6%	-1.4%		

Additional months of actual data were slightly lower than projected, decreasing 2025-26 and 2026-27 GHPP base expenditures from the prior Estimate. The projected increase in GHPP base expenditures between fiscal years is based on the historical growth trend.

Every Woman Counts

(In thousands)

	FY 2025-26, TF	FY 2026-27, TF	CY to BY	As a %
EWC Base				
May 2026	\$9,612	\$9,316	\$(296)	-3.1%
November 2025	\$11,845	\$12,112		
Change from November 2025	\$(2,233)	\$(2,796)		
% Change	-18.9%	-23.1%		

Assuming funds are available, the estimated EWC base expenditures are delineated above. EWC base expenditures are lower than the prior Estimate due to incorporating a lower trend in actual expenditures because of the various Medi-Cal expansions.

Management Summary

Fiscal Year 2025-26

Comparison of Appropriation, November 2025, and May 2026 Estimates

	<u>Appropriation FY 2025-26</u>	<u>Nov. 25 Est. FY 2025-26</u>	<u>May 26 Est. FY 2025-26</u>	<u>Chg Approp - May 26 Est.</u>	<u>Chg Nov. 25 - May 26 Est.</u>
<u>California Children's Services</u>					
4260-111-0001 (General Fund)	\$ 85,155,000	\$ 83,376,000	\$ 86,520,000	\$ 1,365,000	\$ 3,144,000
4260-601-3079 (Rebates Special Fund)	\$ 2,052,000	\$ 4,049,000	\$ 4,080,000	\$ 2,028,000	\$ 31,000
4260-611-0995 (CDPH Title V Reimb.)	\$ 4,240,000	\$ 4,240,000	\$ 5,030,000	\$ 790,000	\$ 790,000
County Funds ¹	\$ 90,716,000	\$ 91,118,000	\$ 95,093,000	\$ 4,377,000	\$ 3,975,000
TOTAL CCS	\$ 91,447,000	\$ 91,665,000	\$ 95,630,000	\$ 4,183,000	\$ 3,965,000
<u>Genetically Handicapped Persons Program</u>					
4260-111-0001 (General Fund)	\$ 163,174,000	\$ 181,385,000	\$ 179,019,000	\$ 15,845,000	\$ (2,366,000)
4260-611-0995 (Enrollment Fees)	\$ 407,000	\$ 483,000	\$ 613,000	\$ 206,000	\$ 130,000
4260-601-3079 (Rebates Special Fund)	\$ 52,000	\$ 56,000	\$ 477,000	\$ 425,000	\$ 421,000
TOTAL GHPP	\$ 163,633,000	\$ 181,924,000	\$ 180,109,000	\$ 16,476,000	\$ (1,815,000)
<u>Every Woman Counts Program</u>					
4260-114-0001 (General Fund)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
4260-114-0236 (Prop 99)	\$ 8,946,000	\$ 8,770,000	\$ 7,131,000	\$ (1,815,000)	\$ (1,639,000)
4260-114-0009 (Breast Cancer Control Acct)	\$ 4,812,000	\$ 4,984,000	\$ 4,368,000	\$ (444,000)	\$ (616,000)
4260-114-0890 (Center for Disease Control)	\$ 5,787,000	\$ 5,468,000	\$ 5,468,000	\$ (319,000)	\$ 0
TOTAL EWC	\$ 19,545,000	\$ 19,222,000	\$ 16,967,000	\$ (2,578,000)	\$ (2,255,000)
GRAND TOTAL - ALL FUNDS	\$ 274,625,000	\$ 292,811,000	\$ 292,706,000	\$ 18,081,000	\$ (105,000)
4260-111-0001	\$ 248,329,000	\$ 264,761,000	\$ 265,539,000	\$ 17,210,000	\$ 778,000
4260-114-0001	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
4260-114-0009	\$ 4,812,000	\$ 4,984,000	\$ 4,368,000	\$ (444,000)	\$ (616,000)
4260-114-0236	\$ 8,946,000	\$ 8,770,000	\$ 7,131,000	\$ (1,815,000)	\$ (1,639,000)
4260-114-0890	\$ 5,787,000	\$ 5,468,000	\$ 5,468,000	\$ (319,000)	\$ 0
4260-611-0995	\$ 4,647,000	\$ 4,723,000	\$ 5,643,000	\$ 996,000	\$ 920,000
4260-601-3079	\$ 2,104,000	\$ 4,105,000	\$ 4,557,000	\$ 2,453,000	\$ 452,000
County Funds ¹	\$ 90,716,000	\$ 91,118,000	\$ 95,093,000	\$ 4,377,000	\$ 3,975,000

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

Management Summary**Fiscal Year 2025-26 Compared to Fiscal Year 2026-27**

	May 26 Est. FY 2025-26	May 26 Est. FY 2026-27	Difference Incr./(Decr.)
<u>California Children's Services</u>			
4260-111-0001 (General Fund)	\$ 86,520,000	\$ 87,033,000	\$ 513,000
4260-601-3079 (Rebates Special Fund)	\$ 4,080,000	\$ 2,144,000	\$ (1,936,000)
4260-611-0995 (CDPH Title V Reimb.)	\$ 5,030,000	\$ 5,030,000	\$ 0
County Funds ¹	\$ 95,093,000	\$ 93,796,000	\$ (1,297,000)
TOTAL CCS	\$ 95,630,000	\$ 94,207,000	\$ (1,423,000)
<u>Genetically Handicapped Persons Program</u>			
4260-111-0001 (General Fund)	\$ 179,019,000	\$ 188,098,000	\$ 9,079,000
4260-611-0995 (Enrollment Fees)	\$ 613,000	\$ 613,000	\$ 0
4260-601-3079 (Rebates Special Fund)	\$ 477,000	\$ 1,312,000	\$ 835,000
TOTAL GHPP	\$ 180,109,000	\$ 190,023,000	\$ 9,914,000
<u>Every Woman Counts Program</u>			
4260-114-0001 (General Fund)	\$ 0	\$ 0	\$ 0
4260-114-0236 (Prop 99)	\$ 7,131,000	\$ 6,286,000	\$ (845,000)
4260-114-0009 (Breast Cancer Control Acct)	\$ 4,368,000	\$ 1,148,000	\$ (3,220,000)
4260-114-0890 (Center for Disease Control)	\$ 5,468,000	\$ 6,253,000	\$ 785,000
TOTAL EWC	\$ 16,967,000	\$ 13,687,000	\$ (3,280,000)
GRAND TOTAL - ALL FUNDS	\$ 292,706,000	\$ 297,917,000	\$ 5,211,000
4260-111-0001	\$ 265,539,000	\$ 275,131,000	\$ 9,592,000
4260-114-0001	\$ 0	\$ 0	\$ 0
4260-114-0009	\$ 4,368,000	\$ 1,148,000	\$ (3,220,000)
4260-114-0236	\$ 7,131,000	\$ 6,286,000	\$ (845,000)
4260-114-0890	\$ 5,468,000	\$ 6,253,000	\$ 785,000
4260-611-0995	\$ 5,643,000	\$ 5,643,000	\$ 0
4260-601-3079	\$ 4,557,000	\$ 3,456,000	\$ (1,101,000)
County Funds ¹	\$ 95,093,000	\$ 93,796,000	\$ (1,297,000)

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

Management Summary

Fiscal Year 2026-27

Comparison of Appropriation, November 2025, and May 2026 Estimates

	<u>Approp Est. FY 2025-26</u>	<u>Nov. 25 Est. FY 2026-27</u>	<u>May 26 Est. FY 2026-27</u>	<u>Chg Approp - May 26 Est.</u>	<u>Chg Nov. 25 - May 26 Est.</u>
<u>California Children's Services</u>					
4260-111-0001 (General Fund)	\$ 85,155,000	\$ 87,706,000	\$ 87,033,000	\$ 1,878,000	\$ (673,000)
4260-601-3079 (Rebates Special Fund)	\$ 2,052,000	\$ 2,052,000	\$ 2,144,000	\$ 92,000	\$ 92,000
4260-611-0995 (CDPH Title V Reimb.)	\$ 4,240,000	\$ 4,240,000	\$ 5,030,000	\$ 790,000	\$ 790,000
County Funds ¹	\$ 90,716,000	\$ 93,446,000	\$ 93,796,000	\$ 3,080,000	\$ 350,000
TOTAL CCS	\$ 91,447,000	\$ 93,998,000	\$ 94,207,000	\$ 2,760,000	\$ 209,000
<u>Genetically Handicapped Persons Program</u>					
4260-111-0001 (General Fund)	\$ 163,174,000	\$ 193,124,000	\$ 188,098,000	\$ 24,924,000	\$ (5,026,000)
4260-611-0995 (Enrollment Fees)	\$ 407,000	\$ 483,000	\$ 613,000	\$ 206,000	\$ 130,000
4260-601-3079 (Rebates Special Fund)	\$ 52,000	\$ 56,000	\$ 1,312,000	\$ 1,260,000	\$ 1,256,000
TOTAL GHPP	\$ 163,633,000	\$ 193,663,000	\$ 190,023,000	\$ 26,390,000	\$ (3,640,000)
<u>Every Woman Counts Program</u>					
4260-114-0001 (General Fund)	\$ 0	\$ 117,000	\$ 0	\$ 0	\$ (117,000)
4260-114-0236 (Prop 99)	\$ 8,946,000	\$ 8,770,000	\$ 6,286,000	\$ (2,660,000)	\$ (2,484,000)
4260-114-0009 (Breast Cancer Control Acct)	\$ 4,812,000	\$ 4,706,000	\$ 1,148,000	\$ (3,664,000)	\$ (3,558,000)
4260-114-0890 (Center for Disease Control)	\$ 5,787,000	\$ 5,737,000	\$ 6,253,000	\$ 466,000	\$ 516,000
TOTAL EWC	\$ 19,545,000	\$ 19,330,000	\$ 13,687,000	\$ (5,858,000)	\$ (5,643,000)
GRAND TOTAL - ALL FUNDS	\$ 274,625,000	\$ 306,991,000	\$ 297,917,000	\$ 23,292,000	\$ (9,074,000)
4260-111-0001	\$ 248,329,000	\$ 280,830,000	\$ 275,131,000	\$ 26,802,000	\$ (5,699,000)
4260-114-0001	\$ 0	\$ 117,000	\$ 0	\$ 0	\$ (117,000)
4260-114-0009	\$ 4,812,000	\$ 4,706,000	\$ 1,148,000	\$ (3,664,000)	\$ (3,558,000)
4260-114-0236	\$ 8,946,000	\$ 8,770,000	\$ 6,286,000	\$ (2,660,000)	\$ (2,484,000)
4260-114-0890	\$ 5,787,000	\$ 5,737,000	\$ 6,253,000	\$ 466,000	\$ 516,000
4260-611-0995	\$ 4,647,000	\$ 4,723,000	\$ 5,643,000	\$ 996,000	\$ 920,000
4260-601-3079	\$ 2,104,000	\$ 2,108,000	\$ 3,456,000	\$ 1,352,000	\$ 1,348,000
County Funds ¹	\$ 90,716,000	\$ 93,446,000	\$ 93,796,000	\$ 3,080,000	\$ 350,000

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

CALIFORNIA CHILDREN'S SERVICES
Funding Summary

Fiscal Years 2025-26 and 2026-27 Compared to November Estimate

FY 2025-26, May 2026 Estimate Compared to November 2025 Estimate

	<u>Nov. 2025 Est. FY 2025-26</u>	<u>May 2026 Est. FY 2025-26</u>	<u>Difference Incr./((Decr.)</u>
CCS State-Only Caseload:	12,718	12,166	(552)
State Funds			
State Only General Fund (4260-111-0001)	\$ 83,375,500	\$ 86,519,500	\$ 3,144,000
Rebate Special Fund (4260-601-3079)	\$ 4,049,000	\$ 4,080,000	\$ 31,000
Total State Fund	\$ 87,424,500	\$ 90,599,500	\$ 3,175,000
Federal Funds			
4260-611-0995 (CDPH Title V Reimbursement)	\$ 4,240,000	\$ 5,030,000	\$ 790,000
Total Federal Funds	\$ 4,240,000	\$ 5,030,000	\$ 790,000
Total Funds	\$ 91,664,500	\$ 95,629,500	\$ 3,965,000

FY 2026-27, May 2026 Estimate Compared to November 2025 Estimate

	<u>Nov. 2025 Est. FY 2026-27</u>	<u>May 2026 Est. FY 2026-27</u>	<u>Difference Incr./((Decr.)</u>
CCS State-Only Caseload:	12,718	12,265	(453)
State Funds			
State Only General Fund (4260-111-0001)	\$ 87,705,500	\$ 87,032,500	\$ (673,000)
Rebate Special Fund (4260-601-3079)	\$ 2,052,000	\$ 2,144,000	\$ 92,000
Total State Fund	\$ 89,757,500	\$ 89,176,500	\$ (581,000)
Federal Funds			
4260-611-0995 (CDPH Title V Reimbursement)	\$ 4,240,000	\$ 5,030,000	\$ 790,000
Total Federal Funds	\$ 4,240,000	\$ 5,030,000	\$ 790,000
Total Funds	\$ 93,997,500	\$ 94,206,500	\$ 209,000

May 2026 Estimate, FY 2025-26 Compared to FY 2026-27

	<u>May 2026 Est. FY 2025-26</u>	<u>May 2026 Est. FY 2026-27</u>	<u>Difference Incr./((Decr.)</u>
CCS State-Only Caseload:	12,166	12,265	99
State Funds			
State Only General Fund (4260-111-0001)	\$ 86,519,500	\$ 87,032,500	\$ 513,000
Rebate Special Fund (4260-601-3079)	\$ 4,080,000	\$ 2,144,000	\$ (1,936,000)
Total State Fund	\$ 90,599,500	\$ 89,176,500	\$ (1,423,000)
Federal Funds			
4260-611-0995 (CDPH Title V Reimbursement)	\$ 5,030,000	\$ 5,030,000	\$ 0
Total Federal Funds	\$ 5,030,000	\$ 5,030,000	\$ 0
Total Funds	\$ 95,629,500	\$ 94,206,500	\$ (1,423,000)

CALIFORNIA CHILDREN'S SERVICES

Funding Summary

Fiscal Years 2025-26 and 2026-27 Compared to Appropriation

FY 2025-26, May 2026 Estimate Compared to Appropriation

	<u>Appropriation FY 2025-26</u>	<u>May 2026 Est. FY 2025-26</u>	<u>Difference Incr./((Decr.)</u>
CCS State-Only Caseload:	14,284	12,166	(2,118)
State Funds			
State Only General Fund (4260-111-0001)	\$ 85,155,000	\$ 86,519,500	\$ 1,364,500
Rebate Special Fund (4260-601-3079)	\$ 2,052,000	\$ 4,080,000	\$ 2,028,000
Total State Fund	\$ 87,207,000	\$ 90,599,500	\$ 3,392,500
Federal Funds			
4260-611-0995 (CDPH Title V Reimbursement)	\$ 4,240,000	\$ 5,030,000	\$ 790,000
Total Federal Funds	\$ 4,240,000	\$ 5,030,000	\$ 790,000
Total Funds	\$ 91,447,000	\$ 95,629,500	\$ 4,182,500

May 2026 Estimate for FY 2026-27 Compared to FY 2025-26 Appropriation

	<u>Appropriation FY 2025-26</u>	<u>May 2026 Est. FY 2026-27</u>	<u>Difference Incr./((Decr.)</u>
CCS State-Only Caseload:	14,284	12,265	(2,019)
State Funds			
State Only General Fund (4260-111-0001)	\$ 85,155,000	\$ 87,032,500	\$ 1,877,500
Rebate Special Fund (4260-601-3079)	\$ 2,052,000	\$ 2,144,000	\$ 92,000
Total State Fund	\$ 87,207,000	\$ 89,176,500	\$ 1,969,500
Federal Funds			
4260-611-0995 (CDPH Title V Reimbursement)	\$ 4,240,000	\$ 5,030,000	\$ 790,000
Total Federal Funds	\$ 4,240,000	\$ 5,030,000	\$ 790,000
Total Funds	\$ 91,447,000	\$ 94,206,500	\$ 2,759,500

CALIFORNIA CHILDREN'S SERVICES
Fiscal Year 2025-26
Funding Sources By Program

	<u>Total Funds</u>	<u>General Funds</u>	<u>CDPH Title V Reimb.</u>	<u>Rebate Special Fund</u>	<u>County Funds</u>
A. State Only Services					
1. Treatment Costs					
Treatment Base 1/	2,102,000	2,102,000	-	-	2,103,000
Bone Marrow Xplant 2/	125,000	125,000	-	-	(125,000)
Small County Adj. 3/	<u>400,000</u>	<u>400,000</u>	-	-	<u>(400,000)</u>
Total Treatment Base	2,627,000	2,627,000	-	-	1,578,000
2. Therapy Costs					
Therapy Base	87,896,000	87,896,000	-	-	87,895,000
MTU Medi-Cal Offset 4/	(4,384,000)	(4,384,000)	-	-	(1,461,000)
AB3632 5/	<u>760,000</u>	<u>760,000</u>	-	-	<u>(760,000)</u>
Total Therapy Base	84,272,000	84,272,000	-	-	85,674,000
3. Enroll/Assess Fees	(28,500)	(28,500)	-	-	(28,500)
4. Benefits Policy Changes	<u>-</u>	<u>(4,080,000)</u>	-	4,080,000	<u>(93,000)</u>
	\$ 86,870,500	\$ 82,790,500	\$ 0	\$ 4,080,000	\$ 87,130,500
B. State Only Admin.					
1. County Admin.	7,962,000	2,932,000	5,030,000	-	7,962,000
2. Fiscal Inter.	479,000	479,000	-	-	-
3. FI Dental	2,000	2,000	-	-	-
4. CMS Net	<u>316,000</u>	<u>316,000</u>	-	-	-
	\$ 8,759,000	\$ 3,729,000	\$ 5,030,000	\$ 0	\$ 7,962,000
Total CCS State Only	\$ 95,629,500	\$ 86,519,500	\$ 5,030,000	\$ 4,080,000	\$ 95,092,500
GRAND TOTAL	\$ 95,629,500	\$ 86,519,500	\$ 5,030,000	\$ 4,080,000	\$ 95,092,500

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 base at 50% GF, 50% County funds. Since they are funded by 100% GF, 50% of the total AB3632 costs are shifted from County to General Fund.

CALIFORNIA CHILDREN'S SERVICES
Fiscal Year 2026-27
Funding Sources By Program

	<u>Total Funds</u>	<u>General Funds</u>	<u>CDPH Title V Reimb.</u>	<u>Rebate Special Fund</u>	<u>County Funds</u>
A. State Only Services					
1. Treatment Costs					
Treatment Base 1/	2,198,000	2,198,000	-	-	2,197,000
Bone Marrow Xplant 2/	125,000	125,000	-	-	(125,000)
Small County Adj. 3/	<u>400,000</u>	<u>400,000</u>	-	-	<u>(400,000)</u>
Total Treatment Base	2,723,000	2,723,000	-	-	1,672,000
2. Therapy Costs					
Therapy Base	86,714,000	86,714,000	-	-	86,713,000
MTU Medi-Cal Offset 4/	(4,760,000)	(4,760,000)	-	-	(1,587,000)
AB3632 5/	<u>783,000</u>	<u>783,000</u>	-	-	<u>(783,000)</u>
Total Therapy Base	82,737,000	82,737,000	-	-	84,343,000
3. Enroll/Assess Fees	(27,500)	(27,500)	-	-	(27,500)
4. Benefits Policy Changes	-	<u>(2,144,000)</u>	-	2,144,000	<u>(154,000)</u>
	\$ 85,432,500	\$ 83,288,500	\$ 0	\$ 2,144,000	\$ 85,833,500
B. State Only Admin.					
1. County Admin.	7,962,000	2,932,000	5,030,000	-	7,962,000
2. Fiscal Inter.	470,000	470,000	-	-	-
3. FI Dental	2,000	2,000	-	-	-
4. CMS Net	<u>340,000</u>	<u>340,000</u>	-	-	-
	\$ 8,774,000	\$ 3,744,000	\$ 5,030,000	\$ 0	\$ 7,962,000
Total CCS State Only	\$ 94,206,500	\$ 87,032,500	\$ 5,030,000	\$ 2,144,000	\$ 93,795,500
=====					
GRAND TOTAL	\$ 94,206,500	\$ 87,032,500	\$ 5,030,000	\$ 2,144,000	\$ 93,795,500

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 base at 50% GF, 50% County funds. Since they are funded by 100% GF, 50% of the total AB3632 costs are shifted from County to General Fund.

CALIFORNIA CHILDREN'S SERVICES
Program Requirements, Total Funds
Fiscal Year 2025-26

May 2026 Estimate Compared to November 2025 Estimate, Total Funds
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	Nov. 2025 Est. FY 2025-26	May 2026 Est. FY 2025-26	Difference Incr./(Decr.)
A. Total CCS State Only Services	\$ 82,902,500	\$ 86,870,500	\$ 3,968,000
1. Treatment Services	2,740,000	2,627,000	(113,000)
2. Medical Therapy Program	80,188,000	84,272,000	4,084,000
3. Benefits Policy Changes	-	-	-
4. Enroll/Assessment Fees	(25,500)	(28,500)	(3,000)
B. CCS Administration			
1. County Administration	7,962,000	7,962,000	-
2. Fiscal Intermediary	800,000	797,000	(3,000)
TOTAL CCS STATE ONLY PROGRAM	\$ 91,664,500	\$ 95,629,500	\$ 3,965,000
 TOTAL CCS PROGRAM	\$ 91,664,500	\$ 95,629,500	\$ 3,965,000

CALIFORNIA CHILDREN'S SERVICES
Program Requirements, State Funds and Federal Funds
Fiscal Year 2025-26

May 2026 Estimate Compared to November 2025 Estimate, State Funds

	Nov. 2025 Est. FY 2025-26	May 2026 Est. FY 2025-26	Difference Incr./.(Decr.)
A. Total CCS State Only Services	<u>\$ 82,902,500</u>	<u>\$ 86,870,500</u>	<u>\$ 3,968,000</u>
1. Treatment Services	2,740,000	2,627,000	(113,000)
2. Medical Therapy Program	80,188,000	84,272,000	4,084,000
3. Benefits Policy Changes	-	-	-
4. Enroll/Assessment Fees	(25,500)	(28,500)	(3,000)
B. CCS Administration			
1. County Administration	3,722,000	2,932,000	(790,000)
2. Fiscal Intermediary	800,000	797,000	(3,000)
TOTAL CCS STATE ONLY PROGRAM	<u>\$ 87,424,500</u>	<u>\$ 90,599,500</u>	<u>\$ 3,175,000</u>
TOTAL CCS PROGRAM	<u>\$ 87,424,500</u>	<u>\$ 90,599,500</u>	<u>\$ 3,175,000</u>

May 2026 Estimate Compared to November 2025 Estimate, Federal Funds

	Nov. 2025 Est. FY 2025-26	May 2026 Est. FY 2025-26	Difference Incr./.(Decr.)
A. Total CCS Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
1. Benefits Policy Changes	-	-	-
B. CCS State-Only Administration			
1. County Administration	4,240,000	5,030,000	790,000
TOTAL CCS PROGRAM	<u>\$ 4,240,000</u>	<u>\$ 5,030,000</u>	<u>\$ 790,000</u>

CALIFORNIA CHILDREN'S SERVICES**Program Requirements, Total Funds****Fiscal Year 2025-26****May 2026 Estimate Compared to Appropriation, Total Funds**

	Appropriation	May 2026 Est.	Difference
	FY 2025-26	FY 2025-26	Incr./(Decr.)
A. Total CCS State Only Services	<u>\$ 78,911,000</u>	<u>\$ 86,870,500</u>	<u>\$ 7,959,500</u>
1. Treatment Services	3,222,000	2,627,000	(595,000)
2. Medical Therapy Program	75,715,000	84,272,000	8,557,000
3. Benefits Policy Changes	-	-	-
4. Enroll/Assessment Fees	(26,000)	(28,500)	(2,500)
B. CCS Administration			
1. County Administration	11,867,000	7,962,000	(3,905,000)
2. Fiscal Intermediary	669,000	797,000	128,000
TOTAL CCS STATE ONLY PROGRAM	<u>\$ 91,447,000</u>	<u>\$ 95,629,500</u>	<u>\$ 4,182,500</u>
TOTAL CCS PROGRAM	<u>\$ 91,447,000</u>	<u>\$ 95,629,500</u>	<u>\$ 4,182,500</u>

CALIFORNIA CHILDREN'S SERVICES
Program Requirements, State Funds and Federal Funds
Fiscal Year 2025-26

May 2026 Estimate Compared to Appropriation, State Funds

	Appropriation FY 2025-26	May 2026 Est. FY 2025-26	Difference Incr./(Decr.)
A. Total CCS State Only Services	<u>\$ 78,911,000</u>	<u>\$ 86,870,500</u>	<u>\$ 7,959,500</u>
1. Treatment Services	3,222,000	2,627,000	(595,000)
2. Medical Therapy Program	75,715,000	84,272,000	8,557,000
3. Benefits Policy Changes	-	-	-
4. Enroll/Assessment Fees	(26,000)	(28,500)	(2,500)
B. CCS Administration			
1. County Administration	7,627,000	2,932,000	(4,695,000)
2. Fiscal Intermediary	669,000	797,000	128,000
TOTAL CCS STATE ONLY PROGRAM	<u>\$ 87,207,000</u>	<u>\$ 90,599,500</u>	<u>\$ 3,392,500</u>
TOTAL CCS PROGRAM	<u>\$ 87,207,000</u>	<u>\$ 90,599,500</u>	<u>\$ 3,392,500</u>

May 2026 Estimate Compared to Appropriation, Federal Funds

	Appropriation FY 2025-26	May 2026 Est. FY 2025-26	Difference Incr./(Decr.)
A. Total CCS Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
1. Benefits Policy Changes	-	-	-
B. CCS State-Only Administration			
1. County Administration	4,240,000	5,030,000	790,000
TOTAL CCS STATE ONLY PROGRAM	<u>\$ 4,240,000</u>	<u>\$ 5,030,000</u>	<u>\$ 790,000</u>
TOTAL CCS PROGRAM	<u>\$ 4,240,000</u>	<u>\$ 5,030,000</u>	<u>\$ 790,000</u>

CALIFORNIA CHILDREN'S SERVICES**Program Requirements, Total Funds****Fiscal Year 2026-27****May 2026 Estimate Compared to November 2025 Estimate, Total Funds**

	Nov. 2025 Est. FY 2026-27	May 2026 Est. FY 2026-27	Difference Incr./(Decr.)
A. Total CCS State Only Services	<u>\$ 85,229,500</u>	<u>\$ 85,432,500</u>	<u>\$ 203,000</u>
1. Treatment Services	2,803,000	2,723,000	(80,000)
2. Medical Therapy Program	82,452,000	82,737,000	285,000
3. Benefits Policy Changes	-	-	-
4. Enroll/Assessment Fees	(25,500)	(27,500)	(2,000)
B. CCS Administration			
1. County Administration	7,962,000	7,962,000	-
2. Fiscal Intermediary	806,000	812,000	6,000
TOTAL CCS STATE ONLY PROGRAM	<u>\$ 93,997,500</u>	<u>\$ 94,206,500</u>	<u>\$ 209,000</u>
TOTAL CCS PROGRAM	<u>\$ 93,997,500</u>	<u>\$ 94,206,500</u>	<u>\$ 209,000</u>

CALIFORNIA CHILDREN'S SERVICES
Program Requirements, State Funds and Federal Funds
Fiscal Year 2026-27

May 2026 Estimate Compared to November 2025 Estimate, State Funds

	Nov. 2025 Est. FY 2026-27	May 2026 Est. FY 2026-27	Difference Incr./.(Decr.)
A. Total CCS State Only Services	<u>\$ 85,229,500</u>	<u>\$ 85,432,500</u>	<u>\$ 203,000</u>
1. Treatment Services	2,803,000	2,723,000	(80,000)
2. Medical Therapy Program	82,452,000	82,737,000	285,000
3. Benefits Policy Changes	-	-	-
4. Enroll/Assessment Fees	(25,500)	(27,500)	(2,000)
B. CCS Administration			
1. County Administration	3,722,000	2,932,000	(790,000)
2. Fiscal Intermediary	806,000	812,000	6,000
TOTAL CCS STATE ONLY PROGRAM	<u>\$ 89,757,500</u>	<u>\$ 89,176,500</u>	<u>\$ (581,000)</u>
TOTAL CCS PROGRAM	<u>\$ 89,757,500</u>	<u>\$ 89,176,500</u>	<u>\$ (581,000)</u>

May 2026 Estimate Compared to November 2025 Estimate, Federal Funds

	Nov. 2025 Est. FY 2026-27	May 2026 Est. FY 2026-27	Difference Incr./.(Decr.)
A. Total CCS Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
1. Benefits Policy Changes	-	-	-
B. CCS State Only Administration			
1. County Administration	4,240,000	5,030,000	790,000
TOTAL CCS STATE ONLY PROGRAM	<u>\$ 4,240,000</u>	<u>\$ 5,030,000</u>	<u>\$ 790,000</u>
TOTAL CCS PROGRAM	<u>\$ 4,240,000</u>	<u>\$ 5,030,000</u>	<u>\$ 790,000</u>

CALIFORNIA CHILDREN'S SERVICES
Program Requirements, Total Funds
Budget Year Compared to Current Year

May 2026 Estimate, FY 2025-26 Compared to FY 2026-27, Total Funds			
	May 2026 Est.	May 2026 Est.	Difference
	FY 2025-26	FY 2026-27	Incr./ (Decr.)
A. Total CCS State Only Services	<u>\$ 86,870,500</u>	<u>\$ 85,432,500</u>	<u>\$ (1,438,000)</u>
1. Treatment Services	2,627,000	2,723,000	96,000
2. Medical Therapy Program	84,272,000	82,737,000	(1,535,000)
3. Benefits Policy Changes	-	-	-
4. Enroll/Assessment Fees	(28,500)	(27,500)	1,000
B. CCS Administration			
1. County Administration	7,962,000	7,962,000	-
2. Fiscal Intermediary	797,000	812,000	15,000
TOTAL CCS STATE ONLY PROGRAM	<u>\$ 95,629,500</u>	<u>\$ 94,206,500</u>	<u>\$ (1,423,000)</u>
TOTAL CCS PROGRAM	<u>\$ 95,629,500</u>	<u>\$ 94,206,500</u>	<u>\$ (1,423,000)</u>

CALIFORNIA CHILDREN'S SERVICES
Program Requirements, State Funds and Federal Funds
Budget Year Compared to Current Year

May 2026 Estimate, FY 2025-26 Compared to FY 2026-27, State Funds

	May 2026 Est. FY 2025-26	May 2026 Est. FY 2026-27	Difference Incr./(Decr.)
A. Total CCS State Only Services	<u>\$ 86,870,500</u>	<u>\$ 85,432,500</u>	<u>\$ (1,438,000)</u>
1. Treatment Services	2,627,000	2,723,000	96,000
2. Medical Therapy Program	84,272,000	82,737,000	(1,535,000)
3. Benefits Policy Changes	-	-	-
4. Enroll/Assessment Fees	(28,500)	(27,500)	1,000
B. CCS Administration			
1. County Administration	2,932,000	2,932,000	-
2. Fiscal Intermediary	797,000	812,000	15,000
TOTAL CCS STATE ONLY PROGRAM	<u>\$ 90,599,500</u>	<u>\$ 89,176,500</u>	<u>\$ (1,423,000)</u>
TOTAL CCS PROGRAM	<u>\$ 90,599,500</u>	<u>\$ 89,176,500</u>	<u>\$ (1,423,000)</u>

May 2026 Estimate, FY 2025-26 Compared to FY 2026-27, Federal Funds

	May 2026 Est. FY 2025-26	May 2026 Est. FY 2026-27	Difference Incr./(Decr.)
A. Total CCS Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
1. Benefits Policy Changes	-	-	-
B. CCS State Only Administration			
1. County Administration	5,030,000	5,030,000	-
TOTAL CCS STATE ONLY PROGRAM	<u>\$ 5,030,000</u>	<u>\$ 5,030,000</u>	<u>\$ 0</u>
TOTAL CCS PROGRAM	<u>\$ 5,030,000</u>	<u>\$ 5,030,000</u>	<u>\$ 0</u>

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

Fiscal Year 2025-26, Comparison of May 2026 and November 2025 Estimates								
<u>POLICY CHG.</u>			NOVEMBER 2025 ESTIMATE		MAY 2026 ESTIMATE		DIFFERENCE, Incr./.(Decr.)	
<u>TYPE</u>	<u>NO.</u>	<u>DESCRIPTION</u>	<u>TOTAL FUNDS</u>	<u>STATE FUNDS</u>	<u>TOTAL FUNDS</u>	<u>STATE FUNDS</u>	<u>TOTAL FUNDS</u>	<u>STATE FUNDS</u>
Other	1	ENROLLMENT AND ASSESSMENT FEES	-\$25,500	-\$25,500	-\$28,500	-\$28,500	-\$3,000	-\$3,000
Co. Admin.	2	COUNTY ADMIN. COSTS	\$7,962,000	\$7,962,000	\$7,962,000	\$7,962,000	\$0	\$0
FI	3	FISCAL INTERMEDIARY EXPENDITURES - CSS	\$482,000	\$482,000	\$479,000	\$479,000	-\$3,000	-\$3,000
FI	4	DENTAL ADMIN. EXPENDITURES	\$2,000	\$2,000	\$2,000	\$2,000	\$0	\$0
FI	5	CMS NET	\$316,000	\$316,000	\$316,000	\$316,000	\$0	\$0
Co. Admin.	6	TITLE V REIMBURSEMENT FROM CDPH	\$0	-\$4,240,000	\$0	-\$5,030,000	\$0	-\$790,000
Benefits	7	CCS NON-BLOOD FACTOR REBATES	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	8	CCS - CGM REBATES	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	9	CCS State-Only Rx Rebate Aggregator	\$0	\$0	\$0	\$0	\$0	\$0
CCS TOTAL			<u>\$8,736,500</u>	<u>\$4,496,500</u>	<u>\$8,730,500</u>	<u>\$3,700,500</u>	<u>-\$6,000</u>	<u>-\$796,000</u>

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

* Dollars shown include payment lag and percent in base.

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

Fiscal Year 2026-27, Comparison of May 2026 and November 2025 Estimates								
<u>POLICY CHG.</u>			<u>NOVEMBER 2025 ESTIMATE</u>		<u>MAY 2026 ESTIMATE</u>		<u>DIFFERENCE, Incr./(Decr.)</u>	
<u>TYPE</u>	<u>NO.</u>	<u>DESCRIPTION</u>	<u>TOTAL FUNDS</u>	<u>STATE FUNDS</u>	<u>TOTAL FUNDS</u>	<u>STATE FUNDS</u>	<u>TOTAL FUNDS</u>	<u>STATE FUNDS</u>
Other	1	ENROLLMENT AND ASSESSMENT FEES	-\$25,500	-\$25,500	-\$27,500	-\$27,500	-\$2,000	-\$2,000
Co. Admin.	2	COUNTY ADMIN. COSTS	\$7,962,000	\$7,962,000	\$7,962,000	\$7,962,000	\$0	\$0
FI	3	FISCAL INTERMEDIARY EXPENDITURES - CSS	\$464,000	\$464,000	\$470,000	\$470,000	\$6,000	\$6,000
FI	4	DENTAL ADMIN. EXPENDITURES	\$2,000	\$2,000	\$2,000	\$2,000	\$0	\$0
FI	5	CMS NET	\$340,000	\$340,000	\$340,000	\$340,000	\$0	\$0
Co. Admin.	6	TITLE V REIMBURSEMENT FROM CDPH	\$0	-\$4,240,000	\$0	-\$5,030,000	\$0	-\$790,000
Benefits	7	CCS NON-BLOOD FACTOR REBATES	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	8	CCS - CGM REBATES	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	9	CCS State-Only Rx Rebate Aggregator	\$0	\$0	\$0	\$0	\$0	\$0
CCS TOTAL			<u>\$8,742,500</u>	<u>\$4,502,500</u>	<u>\$8,746,500</u>	<u>\$3,716,500</u>	<u>\$4,000</u>	<u>-\$786,000</u>

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

* Dollars shown include payment lag and percent in base.

ENROLLMENT AND ASSESSMENT FEES

POLICY CHANGE NUMBER: 1
IMPLEMENTATION DATE: 7/1994
ANALYST: Shan Tang

		<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST	- TOTAL FUNDS	- \$28,500	- \$27,500
	- GENERAL FUND	- \$28,500	- \$27,500
PAYMENT LAG		1.0000	1.0000
% REFLECTED IN BASE		0.00%	0.00%
APPLIED TO BASE	- TOTAL FUNDS	- \$28,500	- \$27,500
	- GENERAL FUND	- \$28,500	- \$27,500
	- COUNTY FUNDS	- \$28,500	- \$27,500

Purpose:

This policy change estimates the total collected annual assessment fees and enrollment fees from California Children's Services (CCS) clients.

Authority:

Health & Safety Code 123870 and 123900

Interdependent Policy Changes:

Not Applicable

Background:

The CCS program requires an annual assessment fee and an annual enrollment fee. The fees are based on family income and CCS services received. Fees received are split 50/50 between the State and the counties by offsetting the counties' allocated fee revenues against the State's portion of reimbursements to the counties. Clients are evaluated on a case by case basis and not all clients are assessed a fee.

Reason for Change:

There is no significant change from the prior estimate, for both FY 2025-26 and FY 2026-27.

There is no significant change between fiscal years in the current estimate.

Methodology:

1. Enrollment and assessment fees are estimated using the trend in enrollment and assessment fees received for September 2016 - September 2025.

	<u>FY 2025-26</u>	<u>FY 2026-27</u>
Enrollment Fees:	\$52,000	\$50,000
Assessment Fees:	<u>\$5,000</u>	<u>\$5,000</u>
Total:	\$57,000 (\$28,500 GF Offset)	\$55,000 (\$27,500 GF Offset)

Funding:

General Fund (4260-111-0001)

County Funds*

* Not Included in Total Funds

COUNTY ADMIN. COSTS

POLICY CHANGE NUMBER: 2
IMPLEMENTATION DATE: 7/2003
ANALYST: Shan Tang

		<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST	- TOTAL FUNDS	\$7,962,000	\$7,962,000
	- GENERAL FUND	\$7,962,000	\$7,962,000
PAYMENT LAG		1.0000	1.0000
% REFLECTED IN BASE		0.00%	0.00%
APPLIED TO BASE	- TOTAL FUNDS	\$7,962,000	\$7,962,000
	- GENERAL FUND	\$7,962,000	\$7,962,000
	- COUNTY FUNDS	\$7,962,000	\$7,962,000

Purpose:

This policy change estimates the county administrative costs of California Children's Services (CCS) State Only Program.

Authority:

Health & Safety Code 123955(a)(e)

Interdependent Policy Changes:

Not Applicable

Background:

Beginning in FY 2003-04, a portion of County Administrative Costs are claimed under the CCS State Only Program. The State reimburses counties for 50% of their CCS State Only program county administrative budget costs.

Reason for Change:

There is no change in FY 2025-26 or FY 2026-27 from the prior estimate.

There is no change between fiscal years in the current estimate.

Methodology:

1. Starting with the November 2024 Estimate, the county administrative costs estimate is updated to reflect recent caseload and PMPM data.
2. The CCS county administrative costs are \$7,962,000 for both FY 2025-26 and FY 2026-27.

Funding:

General Fund (4260-111-0001)

County Funds*

* Not included in Total Funds

FISCAL INTERMEDIARY EXPENDITURES - CSS

POLICY CHANGE NUMBER: 3
IMPLEMENTATION DATE: 7/1993
ANALYST: Tyler Welter

		<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST	- TOTAL FUNDS	\$479,000	\$470,000
	- GENERAL FUND	\$479,000	\$470,000
PAYMENT LAG		1.0000	1.0000
% REFLECTED IN BASE		0.00%	0.00%
APPLIED TO BASE	- TOTAL FUNDS	\$479,000	\$470,000
	- GENERAL FUND	\$479,000	\$470,000

Purpose:

This policy change estimates the expenditures paid to the medical and pharmacy fiscal intermediaries (FIs) for the administrative cost of adjudicating California Children's Services (CCS) State Only medical and pharmacy claims.

Authority:

Health & Safety Code 123822
Governor's Executive Order N-01-19

Interdependent Policy Changes:

Not Applicable

Background:

The CCS State Only program utilizes FIs to adjudicate and pay medical and pharmacy claims. Effective October 1, 2020, the Gainwell Technology Services (GTS) and IBM contractors began processing medical and pharmacy claims. The processing of pharmacy claims was shifted to Medi-Cal Rx with the Assumption of Operations, which began January 1, 2022.

Reason for Change:

There is a decrease for FY 2025-26 and an increase for FY 2026-27, from the prior estimate, due to the Consumer Price Index (CPI) adjustments. There is a decrease from FY 2025-26 to FY 2026-27, in the current estimate, due to projected decreases in Medi-Cal Rx expenditures.

Methodology:

1. Based on actual and projected volumes for the current year, the estimated medical FI administrative costs are \$416,000 in FY 2025-26 and \$419,000 in FY 2026-27.
2. The estimated Medi-Cal Rx costs are \$63,000 in 2025-26 and \$51,000 in FY 2026-27.
3. The total estimated FI costs for CCS are \$479,000 GF in FY 2025-26 and \$470,000 GF in FY 2026-27.

Funding:

100% General Fund (4260-111-0001)

DENTAL ADMIN. EXPENDITURES

POLICY CHANGE NUMBER: 4
IMPLEMENTATION DATE: 8/2003
ANALYST: Tyler Welter

		<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST	- TOTAL FUNDS	\$2,000	\$2,000
	- GENERAL FUND	\$2,000	\$2,000
PAYMENT LAG		1.0000	1.0000
% REFLECTED IN BASE		0.00%	0.00%
APPLIED TO BASE	- TOTAL FUNDS	\$2,000	\$2,000
	- GENERAL FUND	\$2,000	\$2,000

Purpose:

This policy change estimates the administrative expenditures for the adjudication of California Children's Services (CCS) State Only dental claims.

Authority:

Health & Safety Code 123822

Interdependent Policy Changes:

Not Applicable

Background:

CCS State Only dental claims are currently adjudicated by the Fiscal Intermediary-Dental Business Operations (FI-DBO) contractor. The administrative costs are reimbursed based on cost per adjudicated claim and Treatment Authorization Request (TAR). The FI-DBO scans and processes claims and TARs.

The FI-DBO contractor took over adjudicating from the dental Administrative Services Organization (ASO) contractor and scanning business functions from the dental Fiscal Intermediary (FI) contractor on May 13, 2024. The administrative costs are reimbursed based on FI-DBO bid rates per document imaged, claim/TAR data captured, and per manually adjudicated claim/TAR.

Reason for Change:

There is no change from the previous estimate for FY 2025-26 or FY 2026-27. There is no change from FY 2025-26 to FY 2026-27 in the current estimate.

Methodology:

1. For FY 2025-26 the FI-DBO contractor CCS State Only dental claim & TAR scanning rates are \$1.09. The FI-DBO contractor claim & TAR adjudication rates are \$3.76 and \$7.36 respectively.
2. For FY 2026-27 the FI-DBO contractor CCS State Only dental claim & TAR scanning rates are \$1.10. The FI-DBO contractor claim & TAR adjudication rates are \$3.81 and \$7.45, respectively.
3. Rate estimates are based on corresponding contractor Bid Sheets. FY 2026-27 rates include a 1.25% inflationary adjustment.
4. The estimated administrative expenditures for the scanning and adjudication of CCS State Only dental claims are outlined below.

FY 2025-26	Estimated Claims	Rates	Annual Expenditure
FI-DBO Claims (Scanning)	244	\$1.09	\$265
FI-DBO TARs (Scanning)	99	\$1.09	\$108
FI-DBO Claims (Adjudication)	244	\$3.76	\$919
FI-DBO TARs (Adjudication)	99	\$7.36	\$730

*Totals differ due to rounding.

\$2,000 GF

FY 2026-27	Estimated Claims	Rates	Annual Expenditure
FI-DBO Claims (Scanning)	244	\$1.10	\$269
FI-DBO TARs (Scanning)	99	\$1.10	\$109
FI-DBO Claims (Adjudication)	244	\$3.81	\$930
FI-DBO TARs (Adjudication)	99	\$7.45	\$739

*Totals differ due to rounding.

\$2,000 GF

Funding:

100% GF (4260-111-0001)

CMS NET

POLICY CHANGE NUMBER: 5
IMPLEMENTATION DATE: 7/2004
ANALYST: Shan Tang

		<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST	- TOTAL FUNDS	\$316,000	\$340,000
	- GENERAL FUND	\$316,000	\$340,000
PAYMENT LAG		1.0000	1.0000
% REFLECTED IN BASE		0.00%	0.00%
APPLIED TO BASE	- TOTAL FUNDS	\$316,000	\$340,000
	- GENERAL FUND	\$316,000	\$340,000

Purpose:

This policy change estimates the costs for Children's Medical Services Network (CMS Net).

Authority:

AB 442 (Chapter 1161, Statutes of 2002)
 Health & Safety Code 123800 et seq.
 AB 2724 (Chapter 73, Statutes of 2022)

Interdependent Policy Changes:

Not Applicable

Background:

The California Children's Services (CCS) program utilizes the CMS Net automated system to support case management activities such as patient registration, medical and financial eligibility determination, letter generation, and authorization of services. CMS Net was implemented in 1992 for the State and several small counties. In 2004, CMS Net was expanded to all 58 CCS counties and the Genetically Handicapped Persons Program.

Reason for Change:

There is no change in FY 2025-26 or FY 2026-27 from the prior estimate.

There is no significant change between fiscal years in the current estimate.

Methodology:

1. CMS Net costs are allocated to the CCS programmatic caseload (CCS State-Only vs. CCS Medi-Cal), based on a four year average of prior CMS Net actual expenditures.
2. CMS Net system costs for FY 2025-26 are estimated to be \$4,727,000. FY 2026-27 costs are estimated to be \$5,092,000.
3. The cost for CMS Net are projected to be:

	FY 2025-26		Average		CMS Net
		Actuals	Percentage	Allocation	
CCS State-Only	\$	189,183	6.7%	\$	316,000
CCS Medi-Cal	\$	2,648,048	93.3%	\$	4,411,000
Total	\$	2,837,231	100%	\$	4,727,000

	FY 2026-27		Average		CMS Net
		Actuals	Percentage	Allocation	
CCS State-Only	\$	189,183	6.7%	\$	340,000
CCS Medi-Cal	\$	2,648,048	93.3%	\$	4,752,000
Total	\$	2,837,231	100%	\$	5,092,000

4. Data processing estimated costs are based on:
 - a) system utilization;
 - b) system functionality, including the Health Insurance Portability and Accountability Act (HIPAA) compliance and disaster recovery; and
 - c) the Stephen P. Teale Data Center base rates, including increasing licensing fees.
5. CCS State Only costs for CMS Net are 100% General Fund.

Funding:

100% General Fund (4260-111-0001)

TITLE V REIMBURSEMENT FROM CDPH

POLICY CHANGE NUMBER: 6
IMPLEMENTATION DATE: 7/2007
ANALYST: Tyler Welter

		<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST	- TOTAL FUNDS	\$0	\$0
	- GENERAL FUND	-\$5,030,000	-\$5,030,000
	- FEDERAL FUNDS TITLE V	\$5,030,000	\$5,030,000
PAYMENT LAG		1.0000	1.0000
% REFLECTED IN BASE		0.00%	0.00%
APPLIED TO BASE	- TOTAL FUNDS	\$0	\$0
	- GENERAL FUND	-\$5,030,000	-\$5,030,000
	- FEDERAL FUNDS TITLE V	\$5,030,000	\$5,030,000

Purpose:

This policy change estimates the Title V grant authorized for the California Children's Services (CCS) program.

Authority:

Social Security Act 501 & 505 (42 USC 701 & 705)
Incoming Funds Request (IFR) 25-50078

Interdependent Policy Changes:

Not Applicable

Background:

The federal Title V Maternal and Child Health Program provides funding for preventive and primary care services for children; infant and mothers; and children and youth with special health care needs (CYSHCN). The CCS program is California's designated CYSHCN program and, therefore, receives a portion of California's Title V funds. The California Department of Public Health (CDPH), as the single state agency for Title V, administers the Title V grant. The Title V federal funding for the CCS program is shown as a reimbursement in the Department's Family Health Estimate.

Effective May 1, 2016, the Medi-Cal expansion provided full scope Medi-Cal coverage to children and adolescents under the age of 19 with unsatisfactory immigration status. The administration costs have transitioned to Medi-Cal and will no longer be accounted as savings to CCS State Only.

Reason for Change:

There is an increase in the reimbursement for FY 2025-26 and FY 2026-27, from the prior estimate, due to executing an updated IFR. There is no change from FY 2025-26 to FY 2026-27 in the current estimate.

Methodology:

1. The Department entered a state agency agreement with CDPH is effective from July 1, 2025, through June 30, 2026, for Title V grant reimbursement. The state agency agreement is expected to be extended from July 1, 2026, through June 30, 2027.
2. The amount expected to be received is \$5,030,000 in FY 2025-26 and FY 2026-27.

Funding:

CDPH Title V Reimbursement (4260-611-0995)

100% General Fund (4260-111-0001)

CCS NON-BLOOD FACTOR REBATES

POLICY CHANGE NUMBER: 7
IMPLEMENTATION DATE: 10/2019
ANALYST: Autumn Recce

		<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST	- TOTAL FUNDS	\$0	\$0
	- GENERAL FUND	-\$3,997,000	-\$2,000,000
	- REBATE SPECIAL FUND	\$3,997,000	\$2,000,000
PAYMENT LAG		1.0000	1.0000
% REFLECTED IN BASE		0.00%	0.00%
APPLIED TO BASE	- TOTAL FUNDS	\$0	\$0
	- GENERAL FUND	-\$3,997,000	-\$2,000,000
	- REBATE SPECIAL FUND	\$3,997,000	\$2,000,000
	- COUNTY FUNDS	-\$10,000	-\$10,000

Purpose:

This policy change estimates the non-blood factor (non-BF) drug rebate transfers for the California Children's Services (CCS) program.

Authority:

Omnibus Budget Reconciliation Act (OBRA) of 1990, Title IV, sec. 4401(a)(3), 104 Stat.
 Title XIX, Section 1927 of the Social Security Act (SSA)
 Medi-Cal Hospital Uninsured Care Section 1115(a) Medicaid Demonstration
 Bridge to Reform Section 1115(a) Medicaid Demonstration
 Medi-Cal 2020 Section 1115(a) Medicaid Demonstration

Interdependent Policy Changes:

Not Applicable

Background:

The Department began collecting non-BF drug rebates for the CCS State-Only Program in October 2019 and issued retroactive invoices for the time period of FY 2006-07 Q1 through FY 2018-19 Q4. Current non-BF rebates were invoiced quarterly for the time period of FY 2019-20 Q1 through FY 2020-21 Q2.

CCS was not renewed as a Designated State Health Program (DSHP) with the Medi-Cal 2020 Section 1115(a) Medicaid Demonstration Waiver extension approval. CCS's DSHP designation ended December 31, 2020. The rebates for the October 2020 – December 2020 paid claims are the last collected rebates associated under the DSHP designation.

Reason for Change:

There is no change in FY 2025-26 and FY 2026-27, from the prior estimate.

The change from FY 2025-26 to FY 2026-27 in the current estimate is due to an additional transfer to the GF is estimated in FY 2025-26.

Methodology:

1. \$44,127,000 TF has been collected for CCS State-Only non-BF drug rebates as of October 31, 2025.
2. CCS non-BF drug rebate drug transfers to the GF are offset against CCS State-Only expenditures and cannot exceed these expenditures. Therefore, only a total of \$14,829,000 out of the \$22,063,000 in the state's share of rebates has been transferred to the GF from FY 2019-20 through FY 2024-25.
3. The remaining balance of \$7,234,000 GF will be carried over and budgeted to GF in FY 2025-26, FY 2026-27, and future fiscal years.
4. The majority of the County Fund share of rebates have been disbursed to counties. It is estimated \$10,000 will be disbursed to counties in FY 2025-26 and \$10,000 in FY 2026-27.
5. CCS State-Only non-BF drug rebate transfers to the GF for FY 2025-26 and FY 2026-27 are estimated to be:

CCS Non-BF Rebates	TF	GF	Drug Rebates Special Fund	CF*
FY 2025-26	\$0	(\$3,997,000)	\$3,997,000	(\$10,000)
FY 2026-27	\$0	(\$2,000,000)	\$2,000,000	(\$10,000)

Funding:

Children's Medical Services Rebates Fund (4260-601-3079)

100% General Fund (4260-111-0001)

County Funds*

*Not Included in Total Fund

CCS - CGM REBATES

POLICY CHANGE NUMBER: 8
IMPLEMENTATION DATE: 3/2025
ANALYST: Whitney Li

		<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST	- TOTAL FUNDS	\$0	\$0
	- GENERAL FUND	-\$52,000	-\$52,000
	- REBATE SPECIAL FUND	\$52,000	\$52,000
PAYMENT LAG		1.0000	1.0000
% REFLECTED IN BASE		0.00%	0.00%
APPLIED TO BASE	- TOTAL FUNDS	\$0	\$0
	- GENERAL FUND	-\$52,000	-\$52,000
	- REBATE SPECIAL FUND	\$52,000	\$52,000
	- COUNTY FUNDS	-\$52,000	-\$52,000

Purpose

This policy change estimates the product rebates savings for continuous glucose monitoring (CGM) systems and supplies for eligible populations under the age of 21 in the California Children's Services (CCS) program.

Authority

Welfare & Institutions Code Section 14132(m)

Interdependent Policy Changes:

Not Applicable

Background

CGM systems take glucose measurements at regular intervals, 24 hours a day, and translate the readings into dynamic data, generating glucose direction and rate of change. Currently, CGM devices are a benefit for all eligible CCS members.

The Department has rebate agreements with various manufacturers for CGM systems and supplies for CGM paid claims effective January 1, 2022. The CGM rebates will be deposited into the Children's Medical Services Rebate Fund (4260-601-3079). Rebates will offset the General Fund (GF) and County costs for some CGMs. CCS providers will bill for the applicable CGM devices and accessories through Medi-Cal Rx.

Reason for Change

There is no change in FY 2025-26 and FY 2026-27 from the prior estimate.

There is no change from FY 2025-26 to FY 2026-27 in the current estimate.

Methodology

1. Assume CGM rebates are available for claims paid on or after January 1, 2022.
2. Rebate collections for all CGM manufacturers with rebate agreements began in April 2022.
3. Assume rebates from the Children's Medical Services Rebate Fund are transferred to the General Fund starting in March 2025.
4. On average, assume \$13,000 Total Fund rebates per quarter in FY 2024-25 and onward. Starting in FY 2025-26, assume that the transfer of four quarters' of rebates occurs in a one time transfer of \$52,000 Total Fund each Fiscal Year through FY 2026-27.
5. Rebates are shared with the counties.
6. On a cash basis, total estimated rebate savings in FY 2025-26 and FY 2026-27 are:

CGM Rebate Savings	TF	GF	Drug Rebates Special Fund	CF*
FY 2025-26	\$0	(\$52,000)	\$52,000	(\$52,000)
FY 2026-27	\$0	(\$52,000)	\$52,000	(\$52,000)

Funding:

Children's Medical Services Rebate Fund (4260-601-3079)

100% General Fund (4260-111-0001)

County Funds*

*Not Included in Total Fund

CCS State-Only Rx Rebate Aggregator

POLICY CHANGE NUMBER: 9
IMPLEMENTATION DATE: 10/2025
ANALYST: Autumn Recce

		<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST	- TOTAL FUNDS	\$0	\$0
	- GENERAL FUND	-\$31,000	-\$92,000
	- REBATE SPECIAL FUND	\$31,000	\$92,000
PAYMENT LAG		1.0000	1.0000
% REFLECTED IN BASE		0.00%	0.00%
APPLIED TO BASE	- TOTAL FUNDS	\$0	\$0
	- GENERAL FUND	-\$31,000	-\$92,000
	- REBATE SPECIAL FUND	\$31,000	\$92,000
	- COUNTY FUNDS	-\$31,000	-\$92,000

Purpose:

This policy change estimates the savings from collecting State-Only drug rebates for the California Children's Services (CCS) program.

Authority:

Budget Act of 2025

Interdependent Policy Changes:

Not Applicable

Background:

The Department entered into a contract with Prime Therapeutics (the Contractor) to negotiate and execute contracts to allow Medi-Cal to collect California specific, non-Medicaid drug rebates for covered drugs provided through Medi-Cal Rx to Medi-Cal members with Unsatisfactory Immigrant Status (UIS) and those enrolled in CCS State-Only and Genetically Handicapped Persons Program (GHPP) State-Only. The Contractor's administrative costs will be a percentage of the total California specific, non-Medicaid drug rebates collected, and the estimated savings reflected in this policy change reflect the net total (i.e., less the Contractor's administrative costs) of CCS State-Only drug rebates. The savings net of the Contractor's administrative costs for the GHPP State-Only rebates and the Medi-Cal UIS rebates and can be found in the GHPP State-Only Rx Rebate Aggregator policy change and the Medi-Cal Local Assistance Estimate, Medi-Cal Drug Rebate Fund policy change, respectively.

The CCS State-Only rebates will be deposited into the Children's Medical Services Rebate Fund (4260-601-3079). Rebates will offset the General Fund (GF) and the County Fund share of rebates will be disbursed to counties.

Reason for Change:

This is a new policy change.

Methodology:

1. Assume implementation will be no sooner than October 1, 2025.
2. CCS State-Only drug rebates are invoiced quarterly and due seven months after the quarter ends. A one-time exception will occur with the first invoiced quarter, October-December 2025, which is assumed to be collected in May 2026.
3. Assume one quarter of CCS State-Only drug rebates will be collected and transferred to the GF in FY 2025-26 and three quarters of CCS State-Only drug rebates will be collected and transferred to the GF in FY 2026-27.
4. On a cash basis, total estimated rebate savings in FY 2025-26 and FY 2026-27 are:

CCS Rx Rebate Aggregator Rebates	TF	GF	Drug Rebates Special Fund	CF*
FY 2025-26	\$0	(\$31,000)	\$31,000	(\$31,000)
FY 2026-27	\$0	(\$92,000)	\$92,000	(\$92,000)

Funding:

Children's Medical Services Rebates Fund (4260-601-3079)

100% General Fund (4260-111-0001)

County Funds*

*Not Included in Total Fund

CALIFORNIA CHILDREN'S SERVICES
Total Average Quarterly Caseload by Program

**Total Non-Medi-Cal Caseload
(CC State Only)**

<u>All Counties</u>	Fiscal Year	Fiscal Year	Fiscal Year	FY 2025-26 -
	<u>2024-25 1</u>	<u>2025-26</u>	<u>2026-27</u>	<u>FY 2026-27</u> <u>% Change</u>
CCS State Only	13,231	12,166	12,265	0.81%
SUBTOTAL	13,231	12,166	12,265	0.81%

**Total Medi-Cal Caseload
(CC Medi-Cal)**

<u>All Counties</u>	Fiscal Year	Fiscal Year	Fiscal Year	FY 2025-26 -
	<u>2024-25 1</u>	<u>2025-26</u>	<u>2026-27</u>	<u>FY 2026-27</u> <u>% Change</u>
CCS Medi-Cal ²	174,382	171,737	172,670	0.54%
SUBTOTAL	174,382	171,737	172,670	0.54%

**Total Caseload
(CC State Only and CCS Medi-Cal)**

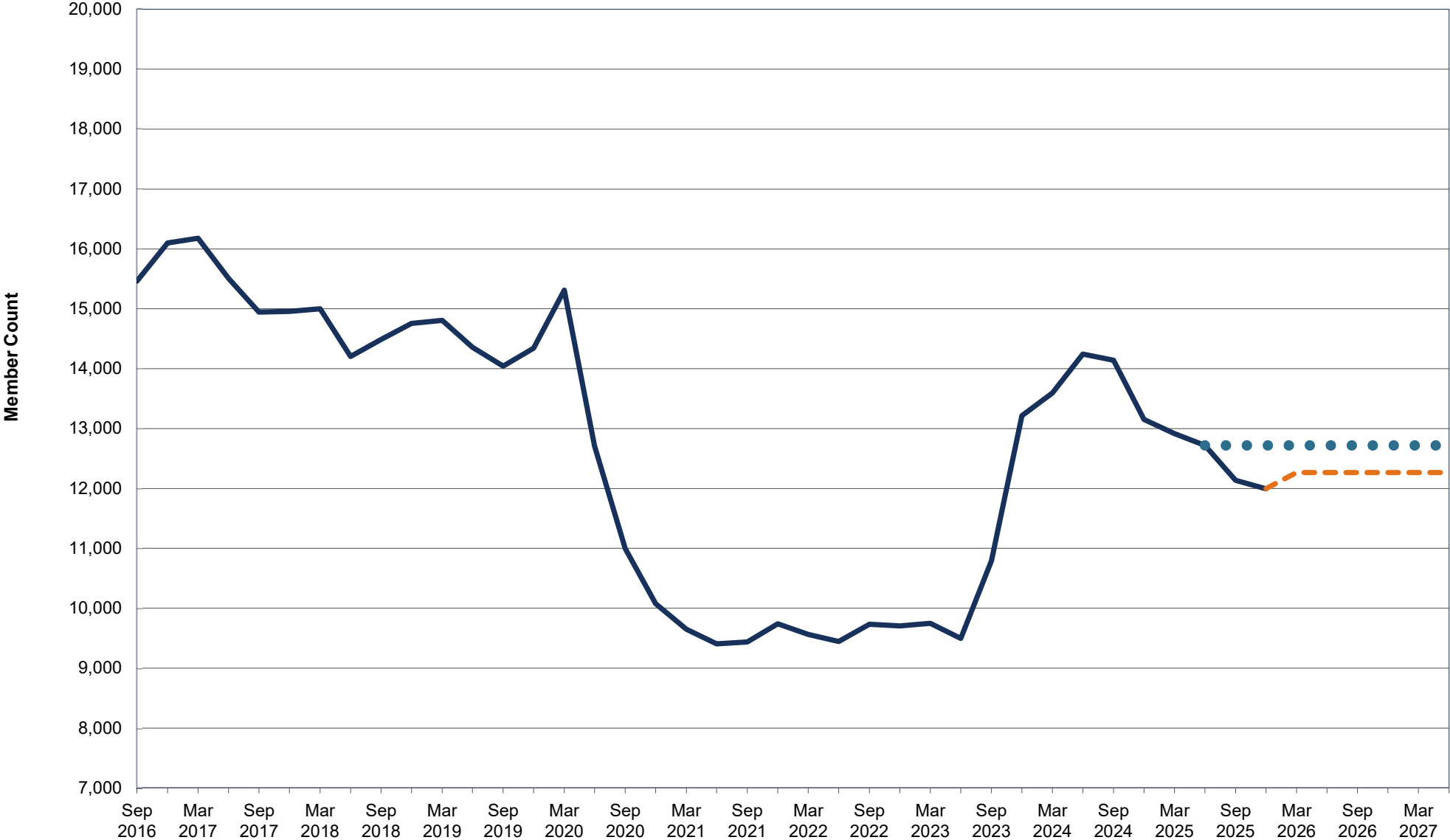
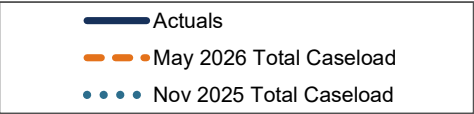
<u>All Counties</u>	Fiscal Year	Fiscal Year	Fiscal Year	FY 2025-26 -
	<u>2024-25 1</u>	<u>2025-26</u>	<u>2026-27</u>	<u>FY 2026-27</u> <u>% Change</u>
CCS State Only	13,231	12,166	12,265	0.81%
CCS Medi-Cal	174,382	171,737	172,670	0.54%
TOTAL	187,613	183,903	184,935	0.56%

¹ Actual caseload.

² CCS Medi-Cal includes members eligible through the Medi-Cal OTLIP Program.

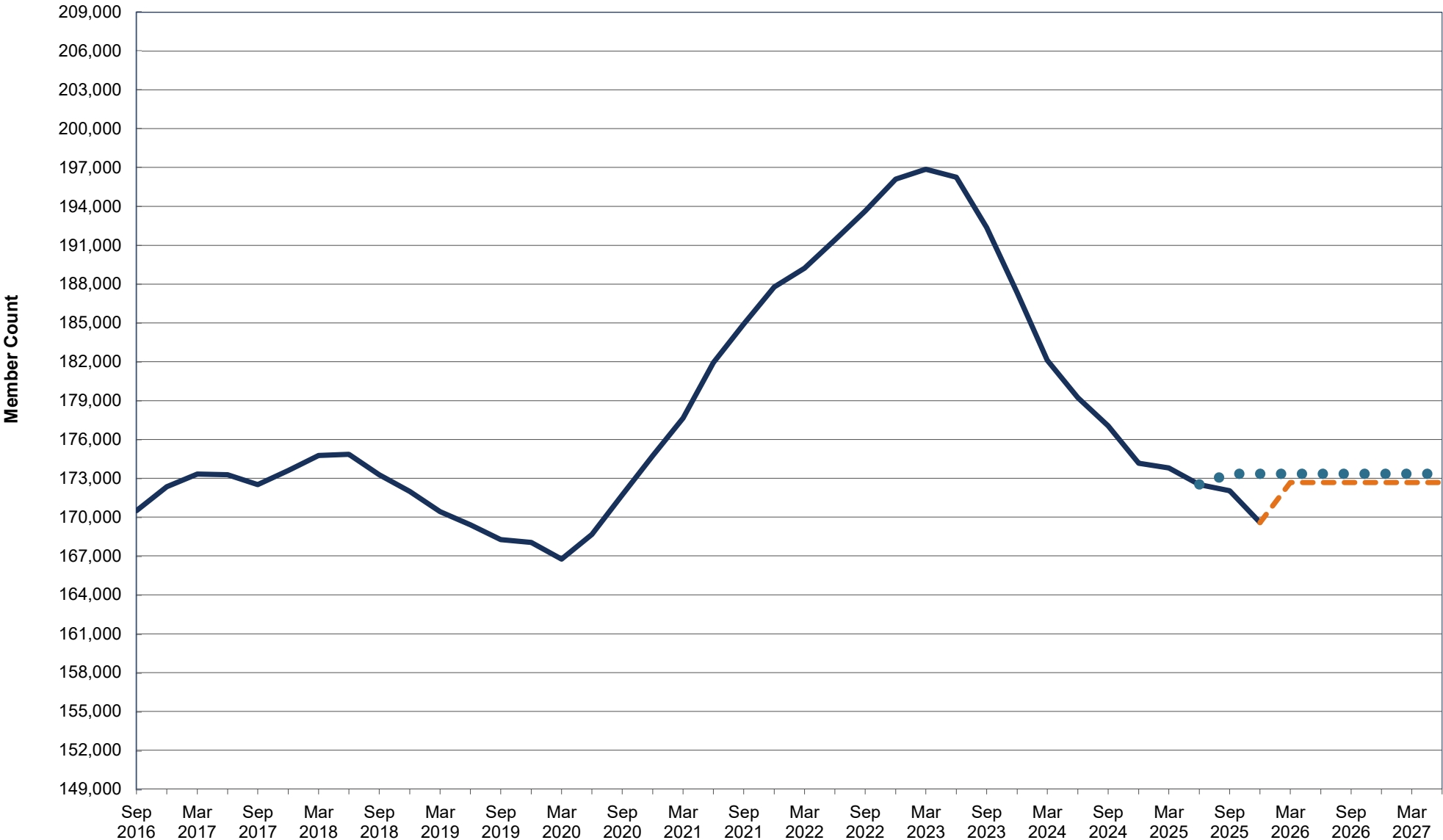
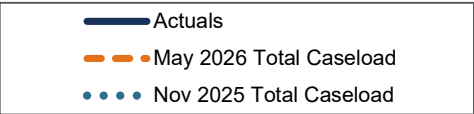
Statewide Caseload Projections for: CCS State Only

Average Quarterly Member Count by Quarter's Month-End



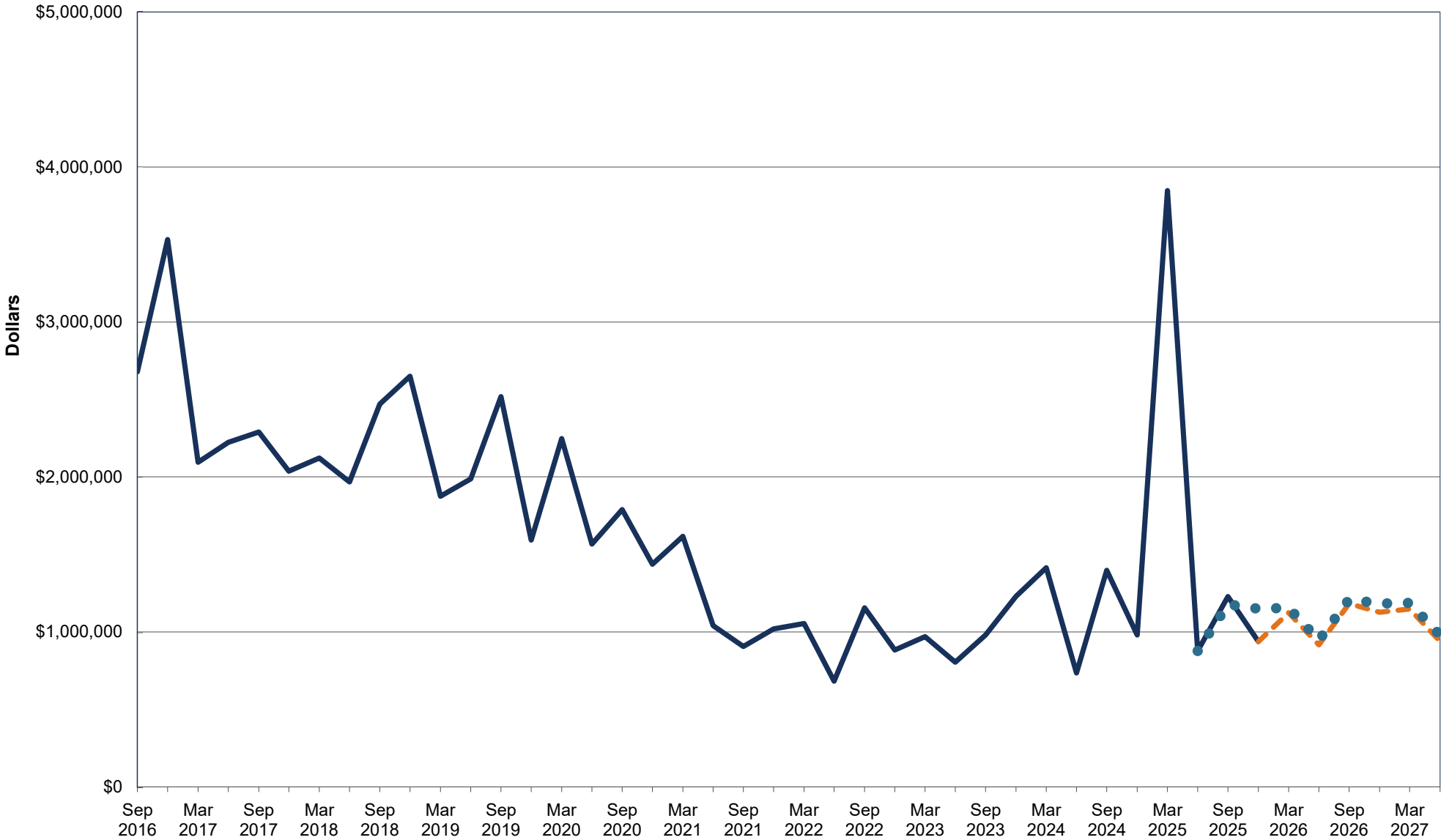
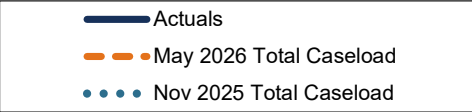
Statewide Caseload Projections for: CCS Medi-Cal Only

Average Quarterly Member Count by Quarter's Month-End



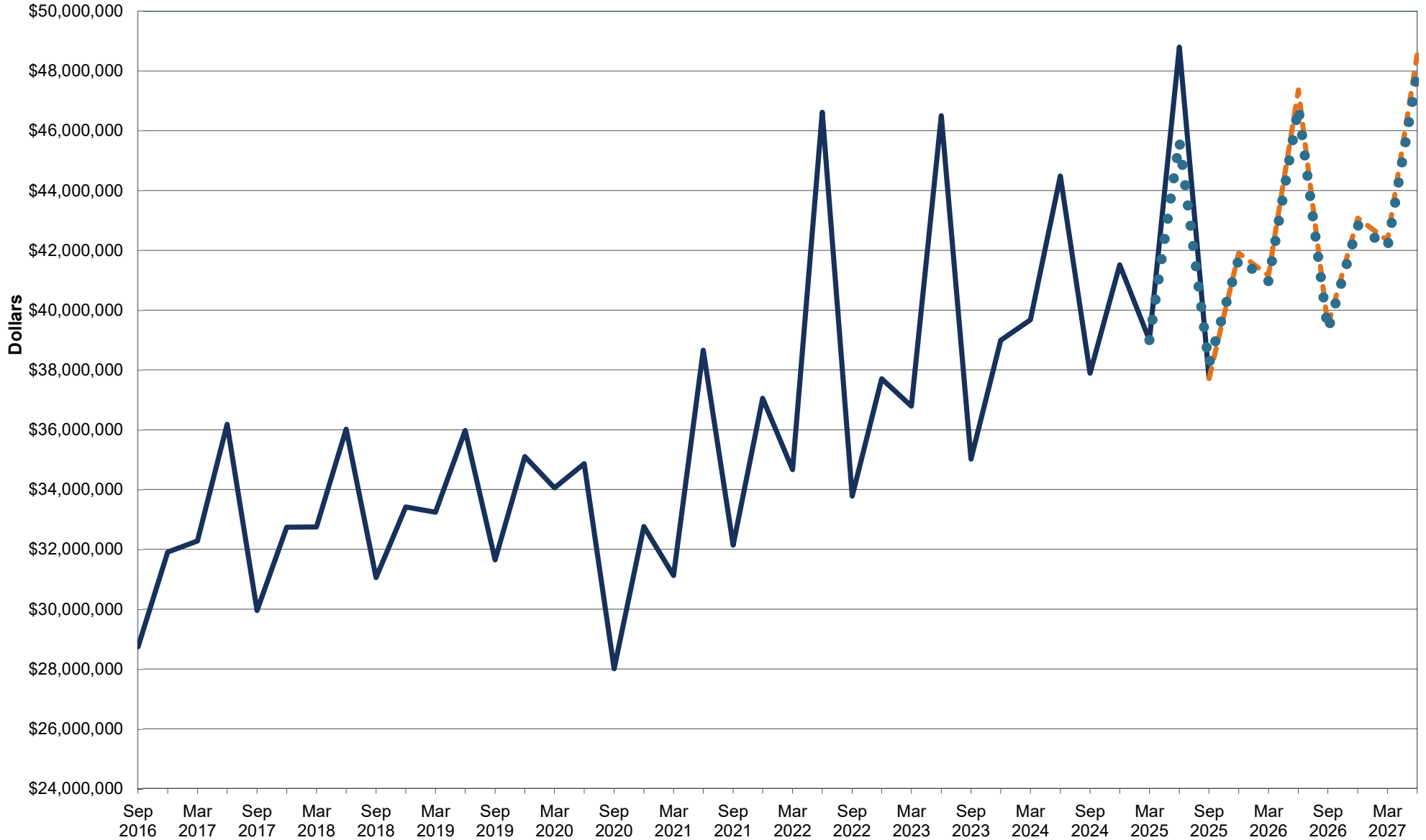
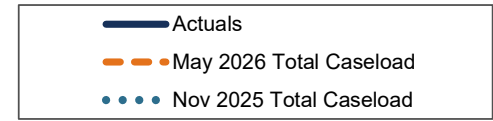
Statewide State Only Services Projections for: CCS Treatment Expenditures (Includes County Funds)

Quarterly Expenditures by Quarter's Month-End



Statewide State Only Services Projections for: CCS Therapy Expenditures (Includes County Funds)

Quarterly Expenditures by Quarter's Month-End



**GENETICALLY HANDICAPPED PERSONS PROGRAM
Funding Summary**

FY 2025-26, May 2026 Estimate Compared to November 2025 Estimate

	<u>Nov. 2025 Est. FY 2025-26</u>	<u>May 2026 Est. FY 2025-26</u>	<u>Difference Incr./(Decr.)</u>
State-Only Caseload:	517	514	(3)
Net Dollars:			
4260-111-0001 (General Fund)	\$181,385,100	\$179,019,200	(\$2,365,900)
4260-611-0995 (Enrollment Fees)	\$483,300	\$613,400	\$130,100
4260-601-3079 (Rebate Special Fund)	\$56,000	\$477,000	\$421,000
Total	<u>\$181,924,400</u>	<u>\$180,109,600</u>	<u>(\$1,814,800)</u>

FY 2026-27, May 2026 Estimate Compared to November 2025 Estimate

	<u>Nov. 2025 Est. FY 2026-27</u>	<u>May 2026 Est. FY 2026-27</u>	<u>Difference Incr./(Decr.)</u>
State-Only Caseload:	518	519	1
Net Dollars:			
4260-111-0001 (General Fund)	\$193,124,100	\$188,097,600	(\$5,026,500)
4260-611-0995 (Enrollment Fees)	\$483,300	\$613,400	\$130,100
4260-601-3079 (Rebates Special Fund)	\$56,000	\$1,312,000	\$1,256,000
Total	<u>\$193,663,400</u>	<u>\$190,023,000</u>	<u>(\$3,640,400)</u>

May 2026 Estimate, FY 2025-26 Compared to FY 2026-27

	<u>May 2026 Est. FY 2025-26</u>	<u>May 2026 Est. FY 2026-27</u>	<u>Difference Incr./(Decr.)</u>
State-Only Caseload:	514	519	5
Net Dollars:			
4260-111-0001 (General Fund)	\$179,019,200	\$188,097,600	\$9,078,400
4260-611-0995 (Enrollment Fees)	\$613,400	\$613,400	\$0
4260-601-3079 (Rebates Special Fund)	\$477,000	\$1,312,000	\$835,000
Total	<u>\$180,109,600</u>	<u>\$190,023,000</u>	<u>\$9,913,400</u>

GENETICALLY HANDICAPPED PERSONS PROGRAM
Funding Summary
Fiscal Years 2025-26 and 2026-27 Compared to Appropriation

FY 2025-26, May 2026 Estimate Compared to Appropriation

	<u>Appropriation</u> <u>FY 2025-26</u>	<u>May 2026 Est.</u> <u>FY 2025-26</u>	<u>Difference</u> <u>Incr./.(Decr.)</u>
State-Only Caseload:	599	514	(85)
Net Dollars:			
4260-111-0001 (General Fund)	\$163,173,500	\$179,019,200	\$15,845,700
4260-611-0995 (Enrollment Fees)	\$406,700	\$613,400	\$206,700
4260-601-3079 (Rebates Special Fund)	\$52,000	\$477,000	\$425,000
Total	<u>\$163,632,200</u>	<u>\$180,109,600</u>	<u>\$16,477,400</u>

May 2026 Estimate for FY 2026-27 Compared to FY 2025-26 Appropriation

	<u>Appropriation</u> <u>FY 2025-26</u>	<u>May 2026 Est.</u> <u>FY 2026-27</u>	<u>Difference</u> <u>Incr./.(Decr.)</u>
State-Only Caseload:	599	519	(80)
Net Dollars:			
4260-111-0001 (General Fund)	\$163,173,500	\$188,097,600	\$24,924,100
4260-611-0995 (Enrollment Fees)	\$406,700	\$613,400	\$206,700
4260-601-3079 (Rebates Special Fund)	\$52,000	\$1,312,000	\$1,260,000
Total	<u>\$163,632,200</u>	<u>\$190,023,000</u>	<u>\$26,390,800</u>

**GENETICALLY HANDICAPPED PERSONS PROGRAM
Funding Sources By Component
Fiscal Year 2025-26**

May 2026 Estimate Compared to November 2025 Estimate, Total Funds

	Nov. 2025 Est. <u>FY 2025-26</u>	May 2026 Est. <u>FY 2025-26</u>	Difference <u>Incr./.(Decr.)</u>
1. Base Expenditure Estimate	\$ 182,909,000	\$ 180,003,000	\$ (2,906,000)
2. Policy Changes	\$ (2,028,600)	\$ (933,400)	\$ 409,600
	-----	-----	-----
Total for Services	\$ 180,880,400	\$ 179,069,600	\$ (2,496,400)
Fiscal Intermediary	\$ 1,044,000	\$ 1,040,000	\$ (4,000)
	-----	-----	-----
Total GHPP Program	\$ 181,924,400	\$ 180,109,600	\$ (2,500,400)

May 2026 Estimate Compared to November 2025 Estimate, General Fund

	Nov. 2025 Est. <u>FY 2025-26</u>	May 2026 Est. <u>FY 2025-26</u>	Difference <u>Incr./.(Decr.)</u>
1. Base Expenditure Estimate	\$ 182,909,000	\$ 180,003,000	\$ (2,906,000)
2. Policy Changes	\$ (2,567,900)	\$ (2,023,800)	\$ 544,100
	-----	-----	-----
Total for Services	\$ 180,341,100	\$ 177,979,200	\$ (2,361,900)
Fiscal Intermediary	\$ 1,044,000	\$ 1,040,000	\$ (4,000)
	-----	-----	-----
Total GHPP Program	\$ 181,385,100	\$ 179,019,200	\$ (2,365,900)

**GENETICALLY HANDICAPPED PERSONS PROGRAM
Funding Sources By Component
Fiscal Year 2026-27**

May 2026 Estimate Compared to November 2025 Estimate, Total Funds

	Nov. 2025 Est. <u>FY 2026-27</u>	May 2026 Est. <u>FY 2026-27</u>	Difference <u>Incr./((Decr.))</u>
1. Base Expenditure Estimate	\$ 198,510,000	\$ 195,685,000	\$ (2,825,000)
2. Policy Changes	\$ (5,854,600)	\$ (6,682,000)	\$ (827,400)
	-----	-----	-----
Total	\$ 192,655,400	\$ 189,003,000	\$ (3,652,400)
Fiscal Intermediary	\$ 1,008,000	\$ 1,020,000	\$ 12,000
	-----	-----	-----
Total GHPP Program	\$ 193,663,400	\$ 190,023,000	\$ (3,640,400)

May 2026 Estimate Compared to November 2025 Estimate, General Fund

	Nov. 2025 Est. <u>FY 2026-27</u>	May 2026 Est. <u>FY 2026-27</u>	Difference <u>Incr./((Decr.))</u>
1. Base Expenditure Estimate	\$ 198,510,000	\$ 195,685,000	\$ (2,825,000)
2. Policy Changes	\$ (6,393,900)	\$ (8,607,400)	\$ (2,213,500)
	-----	-----	-----
Total for Services	\$ 192,116,100	\$ 187,077,600	\$ (5,038,500)
Fiscal Intermediary	\$ 1,008,000	\$ 1,020,000	\$ 12,000
	-----	-----	-----
Total GHPP Program	\$ 193,124,100	\$ 188,097,600	\$ (5,026,500)

GENETICALLY HANDICAPPED PERSONS PROGRAM
Funding Sources By Component
Current Year vs Budget Year

May 2026 Estimate, FY 2025-26 Compared to FY 2026-27, Total Funds

	May 2026 Est. FY 2025-26	May 2026 Est. FY 2026-27	Difference Incr./.(Decr.)
1. Base Expenditure Estimate	\$ 180,003,000	\$ 195,685,000	\$ 15,682,000
2. Policy Changes	\$ (933,400)	\$ (6,682,000)	\$ (5,748,600)
Total for Services	\$ 179,069,600	\$ 189,003,000	\$ 9,933,400
Fiscal Intermediary	\$ 1,040,000	\$ 1,020,000	\$ (20,000)
Total GHPP Program	\$ 180,109,600	\$ 190,023,000	\$ 9,913,400

May 2026 Estimate, FY 2025-26 Compared to FY 2026-27, General Fund

	May 2026 Est. FY 2025-26	May 2026 Est. FY 2026-27	Difference Incr./.(Decr.)
1. Base Expenditure Estimate	\$ 180,003,000	\$ 195,685,000	\$ 15,682,000
2. Policy Changes	\$ (2,023,800)	\$ (8,607,400)	\$ (6,583,600)
Total for Services	\$ 177,979,200	\$ 187,077,600	\$ 9,098,400
Fiscal Intermediary	\$ 1,040,000	\$ 1,020,000	\$ (20,000)
Total GHPP Program	\$ 179,019,200	\$ 188,097,600	\$ 9,078,400

**GENETICALLY HANDICAPPED PERSONS PROGRAM
Base Expenditures**

<u>Fiscal Year</u>	<u>Average GHPP Only Caseload 1/</u>	<u>Average Annual Cost/Case</u>	<u>Total Program Expenditures 1/</u>
2024-25	589	\$ 337,400	\$ 198,710,000
	-----	-----	-----
Actuals	589	\$ 337,400	\$ 198,710,000
2025-26	514	\$ 350,200	\$ 180,003,000
	-----	-----	-----
Estimate	514	\$ 350,200	\$ 180,003,000
2026-27	519	\$ 377,000	\$ 195,685,000
	-----	-----	-----
Estimate	519	\$ 377,000	\$ 195,685,000

1/ Actual expenditure data is complete through January 2026.

Actual caseload data is complete through January 2026.

GENETICALLY HANDICAPPED PERSONS PROGRAM**Average Monthly Caseload Estimate****Fiscal Year 2025-26**

	<u>Total Caseload</u>	<u>Medi-Cal Caseload</u>	<u>GHPP Only Caseload</u>
Base	1,068	554	514
Impact of Policy Changes (PCs)	0	0	0
Total	<u>1,068</u>	<u>554</u>	<u>514</u>

Fiscal Year 2026-27

	<u>Total Caseload</u>	<u>Medi-Cal* Caseload</u>	<u>GHPP Only* Caseload</u>
Base	1,130	611	519
Impact of Policy Changes (PCs)	0	0	0
Total	<u>1,130</u>	<u>611</u>	<u>519</u>

GENETICALLY HANDICAPPED PERSONS PROGRAM**Average Monthly State-Only Caseload Comparison****FY 2025-26, May 2026 Estimate Compared to November 2025 Estimate**

	Nov. 2025 Est. <u>FY 2025-26</u>	May 2026 Est. <u>FY 2025-26</u>	Difference <u>Incr./(Decr.)</u>
Base	517	514	(3)
Impact of Policy Changes (PCs)	0	0	0
Total	<u>517</u>	<u>514</u>	<u>(3)</u>

Fiscal Year 2025-26 Compared to Fiscal Year 2026-27

	May 2026 Est. <u>FY 2025-26</u>	May 2026 Est. <u>FY 2026-27</u>	Difference <u>Incr./(Decr.)</u>
Base	514	519	5
Impact of Policy Changes (PCs)	0	0	0
Total	<u>514</u>	<u>519</u>	<u>5</u>

GENETICALLY HANDICAPPED PERSONS PROGRAM**Average Monthly Medi-Cal Caseload Comparison****FY 2025-26, May 2026 Estimate Compared to November 2025 Estimate**

	Nov. 2025 Est. <u>FY 2025-26</u>	May 2026 Est. <u>FY 2025-26</u>	Difference <u>Incr./((Decr.)</u>
Base	525	554	29
Impact of Policy Changes (PCs)	<u>0</u>	<u>0</u>	<u>0</u>
Total	525	554	29

Fiscal Year 2025-26 Compared to Fiscal Year 2026-27

	May 2026 Est. <u>FY 2025-26</u>	May 2026 Est. <u>FY 2026-27</u>	Difference <u>Incr./((Decr.)</u>
Base	554	611	57
Impact of Policy Changes (PCs)	<u>0</u>	<u>0</u>	<u>0</u>
Total	554	611	57

GENETICALLY HANDICAPPED PERSONS PROGRAM
Comparison of Assumed Fiscal Impacts of Policy Changes

Fiscal Year 2025-26, Comparison of May 2026 and November 2025 Estimates

<u>POLICY CHG.</u>		<u>NOVEMBER 2025 ESTIMATE</u>		<u>MAY 2026 ESTIMATE</u>		<u>DIFFERENCE, Incr./(Decr.)</u>	
<u>TYPE</u>	<u>NO. DESCRIPTION</u>	<u>TOTAL FUNDS</u>	<u>STATE FUNDS</u>	<u>TOTAL FUNDS</u>	<u>STATE FUNDS</u>	<u>TOTAL FUNDS</u>	<u>STATE FUNDS</u>
Other	1 ENROLLMENT FEES	\$0	\$0	\$0	\$0	\$0	\$0
FI	2 FISCAL INTERMEDIARY EXPENDITURES - GHPP	\$1,044,000	\$1,044,000	\$1,040,000	\$1,040,000	-\$4,000	-\$4,000
Other	3 GHPP PREMIUM COSTS	\$229,000	\$229,000	\$227,000	\$227,000	-\$2,000	-\$2,000
Benefits	4 GHPP PREMIUM SAVINGS	-\$2,257,600	-\$2,257,600	-\$1,160,400	-\$1,160,400	\$1,097,200	\$1,097,200
Benefits	5 GHPP CGM REBATES	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	6 GHPP State-Only Rx Rebate Aggregator	\$0	\$0	\$0	-\$411,000	\$0	-\$411,000
	GHPP TOTAL	-\$984,600	-\$984,600	\$106,600	-\$304,400	\$1,091,200	\$680,200

Fiscal Year 2026-27, Comparison of May 2026 and November 2025 Estimates

<u>POLICY CHG.</u>		<u>NOVEMBER 2025 ESTIMATE</u>		<u>MAY 2026 ESTIMATE</u>		<u>DIFFERENCE, Incr./(Decr.)</u>	
<u>TYPE</u>	<u>NO. DESCRIPTION</u>	<u>TOTAL FUNDS</u>	<u>STATE FUNDS</u>	<u>TOTAL FUNDS</u>	<u>STATE FUNDS</u>	<u>TOTAL FUNDS</u>	<u>STATE FUNDS</u>
Other	1 ENROLLMENT FEES	\$0	\$0	\$0	\$0	\$0	\$0
FI	2 FISCAL INTERMEDIARY EXPENDITURES - GHPP	\$1,008,000	\$1,008,000	\$1,020,000	\$1,020,000	\$12,000	\$12,000
Other	3 GHPP PREMIUM COSTS	\$316,000	\$316,000	\$323,000	\$323,000	\$7,000	\$7,000
Benefits	4 GHPP PREMIUM SAVINGS	-\$6,170,600	-\$6,170,600	-\$7,005,000	-\$7,005,000	-\$834,400	-\$834,400
Benefits	5 GHPP CGM REBATES	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	6 GHPP State-Only Rx Rebate Aggregator	\$0	\$0	\$0	-\$411,000	\$0	-\$411,000
	GHPP TOTAL	-\$4,846,600	-\$4,846,600	-\$5,662,000	-\$6,073,000	-\$815,400	-\$1,226,400

¹ Funds are referenced separately in the GHPP Funding Summary pages.

ENROLLMENT FEES

POLICY CHANGE NUMBER: 1
IMPLEMENTATION DATE: 7/1993
ANALYST: Sasha Jetton

		<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST	- TOTAL FUNDS	\$0	\$0
	- GENERAL FUND	-\$613,400	-\$613,400
PAYMENT LAG		1.0000	1.0000
% REFLECTED IN BASE		0.00%	0.00%
APPLIED TO BASE	- TOTAL FUNDS	\$0	\$0
	- GENERAL FUND	-\$613,400	-\$613,400
	- ENROLLMENT FEES FUND	\$613,400	\$613,400

Purpose:

The policy change estimates the Genetically Handicapped Persons Program (GHPP) enrollment fees.

Authority:

Health & Safety Code 125166

Interdependent Policy Changes:

Not Applicable

Background:

Members receiving GHPP services may be assessed enrollment fees. Collection of enrollment fees occur on the client's enrollment anniversary date.

GHPP enrollment fees are assessed based on a sliding scale. Effective December 1, 2009, the Department increased GHPP enrollment fees to 1.5% of Adjusted Gross Income (AGI) for families with incomes between 200% and 299% of the Federal Poverty Level (FPL), and 3% of AGI for families with incomes 300% or greater than the FPL.

GHPP enrollment fees are waived due to financial hardships. Fee collections for these individuals will be re-assessed at the end of the members current eligibility period.

Reason for Change:

Enrollments fees are projected to be higher in FY 2025-26 & 2026-27 as compared to the prior estimate due to enrollment fee enforcement, new member enrollment, and members re-enrolling after case closures.

There is no change between fiscal years in the current estimate.

Methodology:

Enrollment fees of \$608,600 were collected in FY 2024-25, and \$362,600 collected as of January 2026 for FY 2025-26. Averaging the fees collected in these 19 months, the estimated enrollment fees for FY 2025-26 and FY 2026-27 are \$613,400.

FY 2025-26: $(\$608,600 + 362,600) \div 19 \times 12 = \$613,400$ (\$613,400 GF)

FY 2026-27: $(\$608,600 + 362,600) \div 19 \times 12 = \$613,400$ (\$613,400 GF)

Note: Calculated fees may not tie to totals due to rounding.

Funding:

100% GF (4260-111-0001)

GHPP Enrollment Fees (4260-611-0995)

FISCAL INTERMEDIARY EXPENDITURES - GHPP

POLICY CHANGE NUMBER: 2
IMPLEMENTATION DATE: 7/2003
ANALYST: Tyler Welter

		<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST	- TOTAL FUNDS	\$1,040,000	\$1,020,000
	- GENERAL FUND	\$1,040,000	\$1,020,000
PAYMENT LAG		1.0000	1.0000
% REFLECTED IN BASE		0.00%	0.00%
APPLIED TO BASE	- TOTAL FUNDS	\$1,040,000	\$1,020,000
	- GENERAL FUND	\$1,040,000	\$1,020,000

Purpose:

This policy change estimates the expenditures paid to the fiscal intermediary (FI) for the administrative cost of adjudicating Genetically Handicapped Persons Program (GHPP) medical, pharmacy, and dental claims.

Authority:

Health & Safety Code 125130
 Governor's Executive Order N-01-19

Interdependent Policy Changes:

Not Applicable

Background:

The GHPP utilizes FIs to adjudicate and pay medical, pharmacy, and dental claims. Effective October 1, 2020, the Gainwell (GTS) and IBM contractors began processing medical and pharmacy claims. The processing of pharmacy claims was shifted to Medi-Cal Rx with the Assumption of Operations, which began January 1, 2022.

Dental claims are currently adjudicated by the 2022 Gainwell Fiscal Intermediary-Dental Business Operations (FI-DBO) contractor. The FI-DBO contract costs are reimbursed based on cost per adjudicated claim and Treatment Authorization Request (TAR). The FI-DBO scans and processes claims and TARs. The administrative costs are reimbursed based on FI-DBO bid rates per document imaged, claim/TAR data captured, and per manually adjudicated claim/TAR.

Reason for Change:

There is a decrease for FY 2025-26 and an increase for FY 2026-27, from the prior estimate, due to the Consumer Price Index (CPI) adjustments. There is a decrease from FY 2025-26 to FY 2026-27, in the current estimate, due to projected decreases in Medi-Cal Rx expenditures.

Methodology:

1. Based on actual and projected volumes for the current year, the estimated medical FI administrative costs are \$944,000 in FY 2025-26 and \$943,000 in FY 2026-27.
2. Based on actual and projected volumes for the current year, the estimated dental FI administrative costs are \$1,000 in FY 2025-26 and FY 2026-27.
3. The estimated Medi-Cal Rx costs are \$95,000 in FY 2025-26 and \$76,000 in FY 2026-27.
4. The total estimated medical, pharmacy, and dental FI administrative costs for GHPP are **\$1,040,000 GF** in **FY 2025-26** and **\$1,020,000 GF** in **FY 2026-27**.

Funding:

100% General Fund (4260-111-0001)

GHPP PREMIUM COSTS

POLICY CHANGE NUMBER: 3
IMPLEMENTATION DATE: 12/2009
ANALYST: Sasha Jetton

		<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST	- TOTAL FUNDS	\$227,000	\$323,000
	- GENERAL FUND	\$227,000	\$323,000
PAYMENT LAG		1.0000	1.0000
% REFLECTED IN BASE		0.00%	0.00%
APPLIED TO BASE	- TOTAL FUNDS	\$227,000	\$323,000
	- GENERAL FUND	\$227,000	\$323,000

Purpose:

This policy change estimates the cost of the premium payments for the Genetically Handicapped Persons Program (GHPP) clients who enroll in a commercial insurance plan.

Authority:

Health & Safety Code 125157(c)

Interdependent Policy Changes:

GHPP Premium Savings

Background:

Effective December 1, 2009, GHPP implemented a Health Insurance Premium Reimbursement (HIPR) program for GHPP clients, who are eligible to enroll in or are enrolled in commercial insurance plans. The program reimburses GHPP clients for commercial insurance premium payments that cover the client's full range of health care services. Program savings for GHPP clients who enroll in a commercial insurance plan are budgeted in the GHPP Premium Savings policy change.

The Department may, when it determines that it is cost effective, pay the premium for, or otherwise subsidize the subscriber cost-sharing obligation for third-party health coverage.

Reason for Change:

There is no significant change from the prior estimate for FY 2025-26 and FY 2026-27.

The increase between FY 2025-26 and FY 2026-27 in the current estimate is due to the anticipated enrollment of nine additional clients in FY 2026-27.

Methodology:

1. Assume the average monthly premium costs per enrollee are \$750 for Hemophilia, \$560 for Cystic Fibrosis, \$440 for Sickle Cell, \$480 for Metabolic, and \$100 for Huntington's based on recent premium costs for participants.
2. As of January 2026, 30 clients are enrolled and participating in the program. The total member months for current clients are:

	Member Months	
	FY 2025-26	FY 2026-27
Hemophilia	60	60
Cystic Fibrosis	179	180
Sickle Cell	119	120
Metabolic	12	12
Huntingtons	12	12

3. Assume twelve new clients will enroll in FY 2025-26. The estimated member months for additional clients are:

	Member Months	
	FY 2025-26	FY 2026-27
Hemophilia	4	24
Cystic Fibrosis	25	60
Sickle Cell	13	60

4. Assume nine new clients will enroll in FY 2026-27. The estimated member months for additional clients are:

	Member Months
	FY 2026-27
Hemophilia	5
Cystic Fibrosis	33
Sickle Cell	40

5. Total Member Months:

	Member Months	
	FY 2025-26	FY 2026-27
Hemophilia	64	89
Cystic Fibrosis	204	273
Sickle Cell	132	220
Metabolic	12	12
Huntington's	12	12
Total	424	606

6. Projected Premium Payments (Rounded):

	FY 2025-26	FY 2026-27
Total Funds	\$ 227,000	\$ 323,000
General Funds	\$ 227,000	\$ 323,000

Funding:

100% GF (4260-111-0001)

GHPP PREMIUM SAVINGS

POLICY CHANGE NUMBER: 4
IMPLEMENTATION DATE: 12/2009
ANALYST: Sasha Jetton

		<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST	- TOTAL FUNDS	-\$12,113,000	-\$18,856,000
	- GENERAL FUND	-\$12,113,000	-\$18,856,000
PAYMENT LAG		1.0000	1.0000
% REFLECTED IN BASE		90.42%	62.85%
APPLIED TO BASE	- TOTAL FUNDS	-\$1,160,400	-\$7,005,000
	- GENERAL FUND	-\$1,160,400	-\$7,005,000

Purpose:

This policy change estimates the program savings for the Genetically Handicapped Persons Program (GHPP) clients covered by a commercial insurance plan.

Authority:

Health & Safety Code 125157(c)

Interdependent Policy Changes:

GHPP Premium Costs

Background:

Effective December 1, 2009, GHPP implemented a health insurance premium reimbursement program for GHPP clients, who are eligible to enroll in or are enrolled in commercial insurance plans. The program reimburses GHPP clients for commercial insurance premium payments that cover the client's full range of health care services.

Reason for Change:

There is no significant change from the prior estimate for FY 2025-26 nor FY 2026-27.

The increased savings between FY 2025-26 and FY 2026-27 in the current estimate is due to the anticipated enrollment of nine additional clients, or 180 additional member months in FY 2026-27.

Methodology:

1. As of January 2026, 32 members are enrolled and participating in the program. The total member months for current members are 382 for FY 2025-26 and 384 FY 2026-27.
2. Assume twelve new clients will enroll in FY 2025-26 and nine new clients will enroll in FY 2026-27. The estimated member months for additional members in FY 2025-26 are 42 and in FY 2026-27 are 222.
3. The total member months for all members are 424 in FY 2025-26 and 606 in FY 2026-27.
5. Assume the savings per member enrolled is equal to the Annual Weighted Cost per Case in the May 2026 Family Health Estimate:

FY 2025-26	FY 2026-27
\$350,200	\$377,000

6. Projected Savings (Rounded):

	FY 2025-26	FY 2026-27
Total Funds	\$12,113,000	\$18,856,000
General Funds	\$12,113,000	\$18,856,000

Funding:

100% GF (4260-111-0001)

GHPP CGM REBATES

POLICY CHANGE NUMBER: 5
IMPLEMENTATION DATE: 3/2025
ANALYST: Whitney Li

		<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST	- TOTAL FUNDS	\$0	\$0
	- GENERAL FUND	-\$66,000	-\$79,000
	- REBATE SPECIAL FUND	\$66,000	\$79,000
PAYMENT LAG		1.0000	1.0000
% REFLECTED IN BASE		0.00%	0.00%
APPLIED TO BASE	- TOTAL FUNDS	\$0	\$0
	- GENERAL FUND	-\$66,000	-\$79,000
	- REBATE SPECIAL FUND	\$66,000	\$79,000

Purpose

This policy change estimates the product rebates savings for continuous glucose monitoring (CGM) systems and supplies for eligible populations in the Genetically Handicapped Persons Program (GHPP).

Authority

Welfare & Institutions Code Section 14132(m)

Interdependent Policy Changes:

Not Applicable

Background

CGM systems take glucose measurements at regular intervals, 24 hours a day, and translate the readings into dynamic data, generating glucose direction and rate of change. Currently, CGM devices are a benefit for all eligible GHPP members.

The Department has rebate agreements with various manufacturers for CGM systems and supplies for CGM paid claims starting on January 1, 2022. The CGM rebates will be deposited into the Children's Medical Services Rebate Fund (4260-601-3079). Rebates will offset the General Fund (GF) for some CGMs. GHPP providers will bill for the applicable CGM devices and accessories through Medi-Cal Rx.

Reason for Change

The change in FY 2025-26 and FY 2026-27, from the prior estimate, is due to an increase in projected average rebate savings and higher than anticipated actual claims paid.

The change, from FY 2025-26 to FY 2026-27, in the current estimate is due to an increase in projected average rebate savings and higher than anticipated actual claims paid.

Methodology

1. Assume GHPP rebates are available for claims paid on or after January 1, 2022.
2. Rebate collections began in April 2022.
3. For FY 2025-26 and FY 2026-27, average rebates are projected at \$14,500 per quarter.
4. The automated rebate system will go-live in FY 2025-26 with a one-time quarter lag. Rebates collected for FY 2025-26 capture claims paid from July 2024 through June 2025.
5. Transfers of rebate savings are assumed to occur once annually.
6. On a cash basis, total estimated rebate savings in FY 2025-26 and FY 2026-27 are:

GHPP Rebate Savings	TF	GF	Drug Rebates Special Fund
FY 2025-26	\$0	(\$66,000)	\$66,000
FY 2026-27	\$0	(\$79,000)	\$79,000

Funding:

Children's Medical Services Rebate Fund (4260-601-3079)
100% General Fund (4260-111-0001)

GHPP State-Only Rx Rebate Aggregator

POLICY CHANGE NUMBER: 6
IMPLEMENTATION DATE: 10/2025
ANALYST: Autumn Recce

		<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST	- TOTAL FUNDS	\$0	\$0
	- GENERAL FUND	-\$411,000	-\$1,233,000
	- REBATE SPECIAL FUND	\$411,000	\$1,233,000
PAYMENT LAG		1.0000	1.0000
% REFLECTED IN BASE		0.00%	0.00%
APPLIED TO BASE	- TOTAL FUNDS	\$0	\$0
	- GENERAL FUND	-\$411,000	-\$1,233,000
	- REBATE SPECIAL FUND	\$411,000	\$1,233,000

Purpose:

This policy change estimates the savings from collecting State-Only drug rebates for the Genetically Handicapped Persons Program (GHPP).

Authority:

Budget Act of 2025

Interdependent Policy Changes:

Not Applicable

Background:

The Department entered into a contract with Prime Therapeutics (the Contractor) to negotiate and execute contracts to allow Medi-Cal to collect California specific, non-Medicaid drug rebates for covered drugs provided through Medi-Cal Rx to Medi-Cal members with Unsatisfactory Immigrant Status (UIS) and those enrolled in California Children's Services (CCS) State-Only and GHPP State-Only. The Contractor's administrative costs will be a percentage of the total California specific, non-Medicaid drug rebates collected, and the estimated savings reflected in this policy change reflect the net total (i.e., less the Contractor's administrative costs) of GHPP State-Only drug rebates. The savings net of the Contractor's administrative costs for the CCS State-Only rebates and the Medi-Cal UIS rebates and can be found in the CCS State-Only Rx Rebate Aggregator policy change and the Medi-Cal Local Assistance Estimate, Medi-Cal Drug Rebate Fund policy change, respectively.

The GHPP State-Only rebates will be deposited into the Children's Medical Services Rebate Fund (4260-601-3079). Rebates will offset the General Fund (GF).

Reason for Change:

This is a new policy change.

Methodology:

1. Assume implementation will be no sooner than October 1, 2025.
2. GHPP State-Only drug rebates are invoiced quarterly and due seven months after the quarter ends. A one-time exception will occur with the first invoiced quarter, October-December 2025, which is assumed to be collected in May 2026.
3. Assume one quarter of GHPP State-Only drug rebates will be collected and transferred to the GF in FY 2025-26 and three quarters of GHPP State-Only drug rebates will be collected and transferred to the GF in FY 2026-27.
4. On a cash basis, total estimated rebate savings in FY 2025-26 and FY 2026-27 are:

GHPP Rx Rebate Aggregator	TF	GF	Drug Rebates Special Fund
FY 2025-26	\$0	(\$411,000)	\$411,000
FY 2026-27	\$0	(\$1,233,000)	\$1,233,000

Funding:

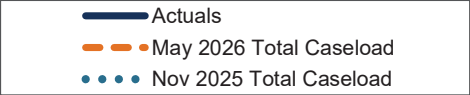
Children's Medical Services Rebate Fund (4260-601-3079)
100% General Fund (4260-111-0001)

GHPP Trend Report
(Includes Actuals & Projected Base Values)

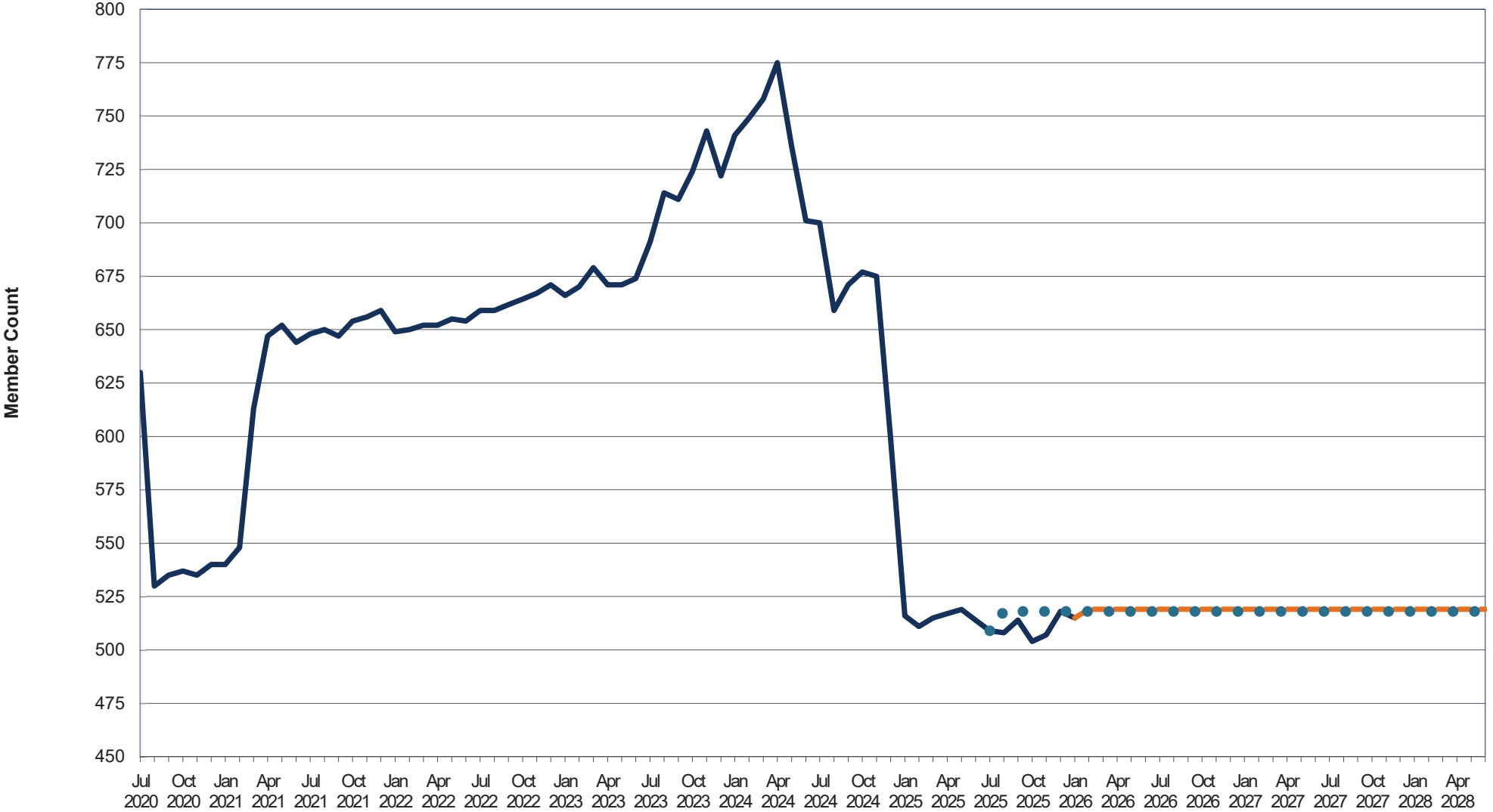
Total				
<u>Quarter</u>	<u>Total Caseload</u>	<u>Medi-Cal Caseload</u>	<u>GHPP Only Caseload</u>	<u>Total GHPP Only Payments</u>
1	1,661	956	705	\$ 37,755,910
2	1,640	910	730	32,307,641
3	1,632	883	749	37,097,095
4	1,548	811	737	25,248,386
2023-24	1,620	890	730	\$ 132,409,000
1	1,388	711	677	\$ 80,449,715
2	1,314	664	650	40,016,214
3	1,019	505	514	39,135,014
4	1,028	511	517	39,109,449
2024-25	1,187	598	589	\$ 198,710,000
1	1,040	530	510	\$ 46,617,492
2	1,060	550	510	45,801,824
3	1,080	562	518	44,864,134
4	1,094	575	519	42,719,798
2025-26	1,068	554	514	\$ 180,003,000
1	1,108	589	519	\$ 50,396,929
2	1,122	603	519	49,013,540
3	1,137	618	519	48,815,268
4	1,151	632	519	47,459,503
2026-27	1,130	611	519	\$ 195,685,000

Note: 1) Expenditures reflect Total Cash Payments, Not accrued expenses.
 2) FY 2025-26 reflects actuals and projected base estimate values.
 3) FY 2026-27 reflects projected base estimate values.

Statewide Caseload Projections for: GHPP State Only

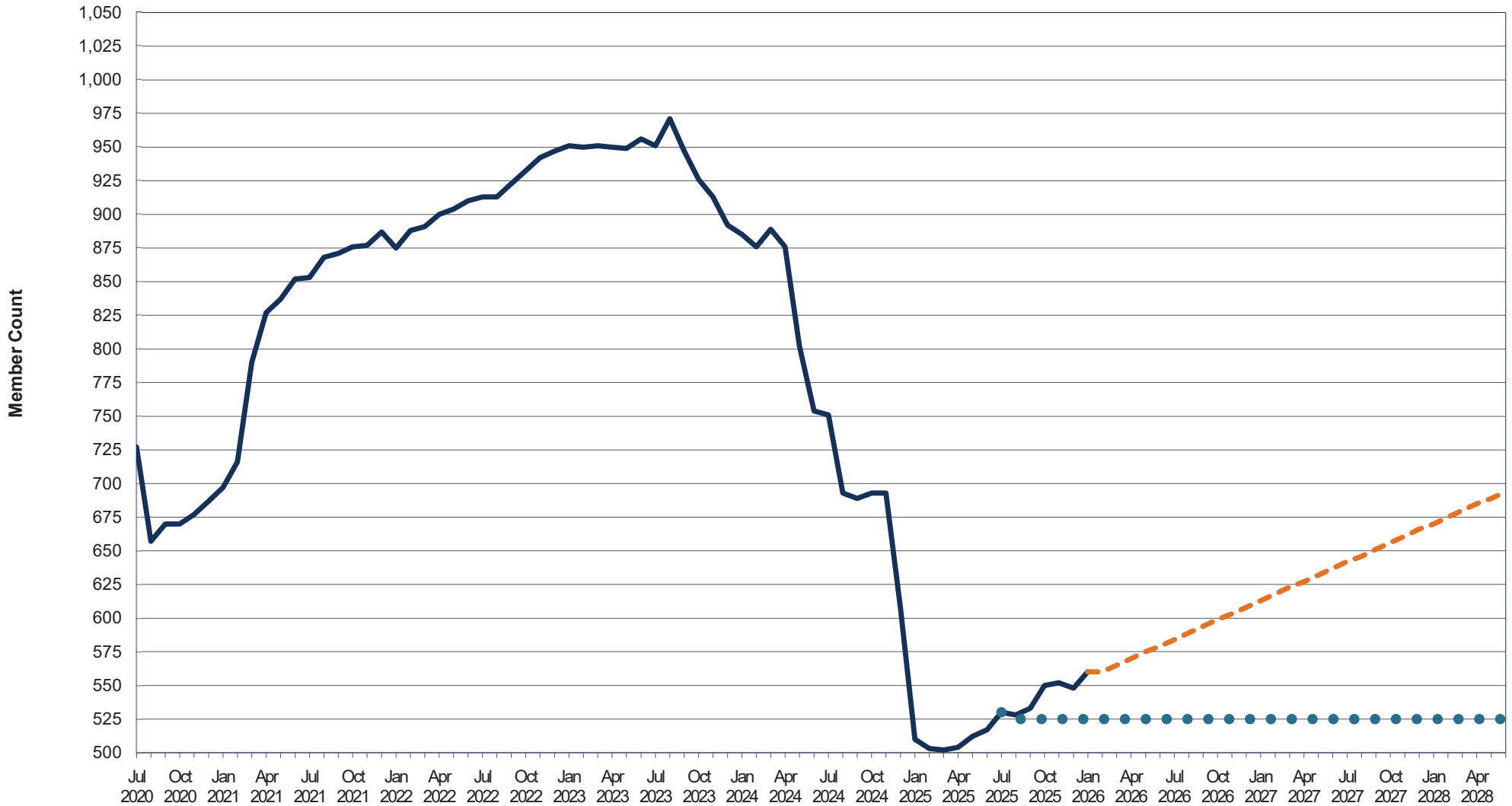
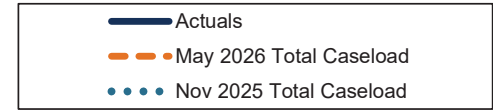


Average Monthly Member Count by Month



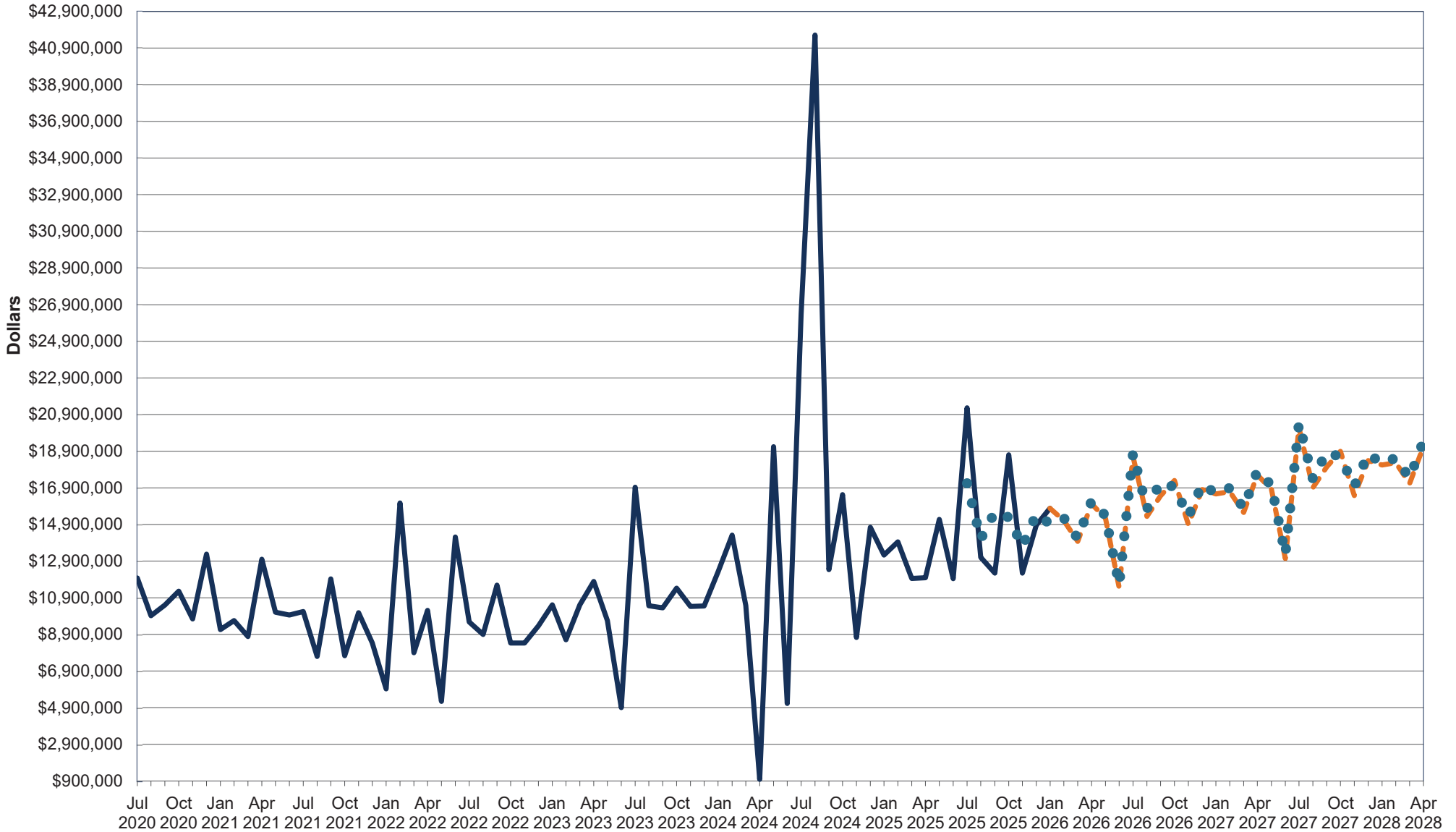
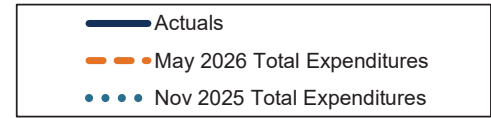
Statewide Caseload Projections for: GHPP Medi-Cal Only

Average Monthly Member Count by Month



Statewide State Only Services Projections for: GHPP Treatment Expenditures

Expenditures by Month



EVERY WOMAN COUNTS PROGRAM

Funding Summary

FY 2025-26, May 2026 Estimate Compared to November 2025 Estimate

	Nov 2025 Est. <u>FY 2025-26</u>	May 2026 Est. <u>FY 2025-26</u>	Difference <u>Incr./(Decr.)</u>
Caseload:	8,663	6,770	(1,893)
Net Dollars:			
4260-114-0001 (General Fund)	\$0	\$0	\$0
4260-114-0236 (Prop 99)	\$8,770,000	\$7,131,000	(\$1,639,000)
4260-114-0009 (BCCA)	\$4,984,000	\$4,368,000	(\$616,000)
4260-114-0890 (CDC)	\$5,468,000	\$5,468,000	\$0
Total	<u>\$19,222,000</u>	<u>\$16,967,000</u>	<u>(\$2,255,000)</u>

FY 2026-27, May 2026 Estimate Compared to November 2025 Estimate

	Nov 2025 Est. <u>FY 2026-27</u>	May 2026 Est. <u>FY 2026-27</u>	Difference <u>Incr./(Decr.)</u>
Caseload:	8,862	6,526	(2,336)
Net Dollars:			
4260-114-0001 (General Fund)	\$117,000	\$0	(\$117,000)
4260-114-0236 (Prop 99)	\$8,770,000	\$6,286,000	(\$2,484,000)
4260-114-0009 (BCCA)	\$4,706,000	\$1,148,000	(\$3,558,000)
4260-114-0890 (CDC)	\$5,737,000	\$6,253,000	\$516,000
Total	<u>\$19,330,000</u>	<u>\$13,687,000</u>	<u>(\$5,643,000)</u>

May 2026 Estimate, FY 2025-26 Compared to FY 2026-27

	May 2026 Est. <u>FY 2025-26</u>	May 2026 Est. <u>FY 2026-27</u>	Difference <u>Incr./(Decr.)</u>
Caseload:	6,770	6,526	(244)
Net Dollars:			
4260-114-0001 (General Fund)	\$0	\$0	\$0
4260-114-0236 (Prop 99)	\$7,131,000	\$6,286,000	(\$845,000)
4260-114-0009 (BCCA)	\$4,368,000	\$1,148,000	(\$3,220,000)
4260-114-0890 (CDC)	\$5,468,000	\$6,253,000	\$785,000
Total	<u>\$16,967,000</u>	<u>\$13,687,000</u>	<u>(\$3,280,000)</u>

EVERY WOMAN COUNTS PROGRAM

Funding Summary

FY 2025-26, May 2026 Estimate Compared to Appropriation

	Appropriation <u>FY 2025-26</u>	May 2026 Est. <u>FY 2025-26</u>	Difference <u>Incr./((Decr.)</u>
Caseload:	9,255	6,770	(2,485)
Net Dollars:			
4260-114-0001 (General Fund)	\$0	\$0	\$0
4260-114-0236 (Prop 99)	\$8,946,000	\$7,131,000	(\$1,815,000)
4260-114-0009 (BCCA)	\$4,812,000	\$4,368,000	(\$444,000)
4260-114-0890 (CDC)	\$5,787,000	\$5,468,000	(\$319,000)
Total	<u>\$19,545,000</u>	<u>\$16,967,000</u>	<u>(\$2,578,000)</u>

May 2026 Estimate, FY 2026-27 Compared to FY 2025-26 Appropriation

	Appropriation <u>FY 2025-26</u>	May 2026 Est. <u>FY 2026-27</u>	Difference <u>Incr./((Decr.)</u>
Caseload:¹	9,255	6,526	(2,729)
Net Dollars:			
4260-114-0001 (General Fund)	\$0	\$0	\$0
4260-114-0236 (Prop 99)	\$8,946,000	\$6,286,000	(\$2,660,000)
4260-114-0009 (BCCA)	\$4,812,000	\$1,148,000	(\$3,664,000)
4260-114-0890 (CDC)	\$5,787,000	\$6,253,000	\$466,000
Total	<u>\$19,545,000</u>	<u>\$13,687,000</u>	<u>(\$5,858,000)</u>

¹ The May 2026 caseload estimate is based on updated data through January 2026.

Caseload is the average monthly unduplicated users by date of payment.

EVERY WOMAN COUNTS PROGRAM
Funding Sources By Component
Fiscal Year 2025-26

May 2026 Estimate Compared to November 2025 Estimate, Total Funds

	Nov 2025 Est.	May 2026 Est.	Difference
	<u>FY 2025-26</u>	<u>FY 2025-26</u>	<u>Incr./((Decr.))</u>
1. Base Expenditure Estimate	\$11,845,000	\$9,612,000	(\$2,233,000)
2. Policy Changes	\$2,975,000	\$2,975,000	\$0
	-----	-----	-----
Total for Services	\$14,820,000	\$12,587,000	(\$2,233,000)
Fiscal Intermediary	\$4,402,000	\$4,380,000	(\$22,000)
	-----	-----	-----
Total EWC Program	\$19,222,000	\$16,967,000	(\$2,255,000)

May 2026 Estimate Compared to November 2025 Estimate, General Funds

	Nov 2025 Est.	May 2026 Est.	Difference
	<u>FY 2025-26</u>	<u>FY 2025-26</u>	<u>Incr./((Decr.))</u>
1. Base Expenditure Estimate	\$11,845,000	\$9,612,000	(\$2,233,000)
2. Policy Changes	(\$16,247,000)	(\$13,992,000)	\$2,255,000
	-----	-----	-----
Total for Services	(\$4,402,000)	(\$4,380,000)	\$22,000
Fiscal Intermediary	\$4,402,000	\$4,380,000	(\$22,000)
	-----	-----	-----
Total EWC Program	\$0	\$0	\$0

EVERY WOMAN COUNTS PROGRAM
Funding Sources By Component
Fiscal Year 2026-27

May 2026 Estimate Compared to November 2025 Estimate, Total Funds

	Nov 2025 Est.	May 2026 Est.	Difference
	<u>FY 2026-27</u>	<u>FY 2026-27</u>	<u>Incr./((Decr.))</u>
1. Base Expenditure Estimate	\$12,112,000	\$9,316,000	(\$2,796,000)
2. Policy Changes	\$2,897,000	\$0	(\$2,897,000)
	-----	-----	-----
Total for Services	\$15,009,000	\$9,316,000	(\$5,693,000)
Fiscal Intermediary	\$4,321,000	\$4,371,000	\$50,000
	-----	-----	-----
Total EWC Program	\$19,330,000	\$13,687,000	(\$5,643,000)

May 2026 Estimate Compared to November 2025 Estimate, General Funds

	Nov 2025 Est.	May 2026 Est.	Difference
	<u>FY 2026-27</u>	<u>FY 2026-27</u>	<u>Incr./((Decr.))</u>
1. Base Expenditure Estimate	\$12,112,000	\$9,316,000	(\$2,796,000)
2. Policy Changes	(\$16,316,000)	(\$13,687,000)	\$2,629,000
	-----	-----	-----
Total for Services	(\$4,204,000)	(\$4,371,000)	(\$167,000)
Fiscal Intermediary	\$4,321,000	\$4,371,000	\$50,000
	-----	-----	-----
Total EWC Program	\$117,000	\$0	(\$117,000)

Notes:

1) Projections are based on cash basis.

EVERY WOMAN COUNTS PROGRAM
Funding Sources By Component
Current Year vs Budget Year

May 2026 Estimate, FY 2025-26 Compared to FY 2026-27, Total Funds

	May 2026 Est. FY 2025-26	May 2026 Est. FY 2026-27	Difference Incr./((Decr.))
1. Base Expenditure Estimate	\$9,612,000	\$9,316,000	(\$296,000)
2. Policy Changes	\$2,975,000	\$0	(\$2,975,000)
	-----	-----	-----
Total for Services	\$12,587,000	\$9,316,000	(\$3,271,000)
Fiscal Intermediary	\$4,380,000	\$4,371,000	(\$9,000)
	-----	-----	-----
Total EWC Program	\$16,967,000	\$13,687,000	(\$3,280,000)

May 2026 Estimate, FY 2025-26 Compared to FY 2026-27, General Funds

	May 2026 Est. FY 2025-26	May 2026 Est. FY 2026-27	Difference Incr./((Decr.))
1. Base Expenditure Estimate	\$9,612,000	\$9,316,000	(\$296,000)
2. Policy Changes	(\$13,992,000)	(\$13,687,000)	\$305,000
	-----	-----	-----
Total for Services	(\$4,380,000)	(\$4,371,000)	\$9,000
Fiscal Intermediary	\$4,380,000	\$4,371,000	(\$9,000)
	-----	-----	-----
Total EWC Program	\$0	\$0	\$0

Notes:

1) Projections are based on cash basis.

EVERY WOMAN COUNT PROGRAM
Comparison of Assumed Fiscal Impacts of Policy Changes

Fiscal Year 2025-26, Comparison of May 2026 and November 2025 Estimates

POLICY CHG.			NOVEMBER 2025 ESTIMATE		MAY 2026 ESTIMATE		DIFFERENCE, Incr./(Decr.)		
TYPE	NO. DESCRIPTION		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	
FI	1	FISCAL INTERMEDIARY EXPENDITURES - EWC	1	\$4,402,000	\$4,402,000	\$4,380,000	\$4,380,000	-\$22,000	-\$22,000
Other	2	CIGARETTE AND TOBACCO PRODUCTS SURTAX FUND	1	\$0	\$0	\$0	\$0	\$0	\$0
Other	3	BREAST CANCER CONTROL ACCOUNT	1	\$0	\$0	\$0	\$0	\$0	\$0
Other	4	CENTERS FOR DISEASE CONTROL AND PREVENTION FUND	1	\$0	-\$5,468,000	\$0	-\$5,468,000	\$0	\$0
Benefits	5	REGIONAL CONTRACTS	1	\$2,975,000	\$2,975,000	\$2,975,000	\$2,975,000	\$0	\$0
EWC TOTAL				\$7,377,000	\$1,909,000	\$7,355,000	\$1,887,000	-\$22,000	-\$22,000

Fiscal Year 2026-27, Comparison of May 2026 and November 2025 Estimates

POLICY CHG.			NOVEMBER 2025 ESTIMATE		MAY 2026 ESTIMATE		DIFFERENCE, Incr./(Decr.)		
TYPE	NO. DESCRIPTION		TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	TOTAL FUNDS	STATE FUNDS	
FI	1	FISCAL INTERMEDIARY EXPENDITURES - EWC	1	\$4,321,000	\$4,321,000	\$4,371,000	\$4,371,000	\$50,000	\$50,000
Other	2	CIGARETTE AND TOBACCO PRODUCTS SURTAX FUND	1	\$0	\$0	\$0	\$0	\$0	\$0
Other	3	BREAST CANCER CONTROL ACCOUNT	1	\$0	\$0	\$0	\$0	\$0	\$0
Other	4	CENTERS FOR DISEASE CONTROL AND PREVENTION FUND	1	\$0	-\$5,737,000	\$0	-\$6,253,000	\$0	-\$516,000
Benefits	5	REGIONAL CONTRACTS	1	\$2,897,000	\$2,897,000	\$0	\$0	-\$2,897,000	-\$2,897,000
EWC TOTAL				\$7,218,000	\$1,481,000	\$4,371,000	-\$1,882,000	-\$2,847,000	-\$3,363,000

¹ Funds are referenced separately in the EWC Funding Summary pages.

FISCAL INTERMEDIARY EXPENDITURES - EWC

POLICY CHANGE NUMBER: 1
IMPLEMENTATION DATE: 07/2012
ANALYST: Tyler Welter

		<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST	- TOTAL FUNDS	\$4,380,000	\$4,371,000
	- GENERAL FUND	\$4,380,000	\$4,371,000
PAYMENT LAG		1.0000	1.0000
% REFLECTED IN BASE		0.00%	0.00%
APPLIED TO BASE	- TOTAL FUNDS	\$4,380,000	\$4,371,000
	- GENERAL FUND	\$4,380,000	\$4,371,000

Purpose:

This policy change estimates the costs for the Fiscal Intermediary (FI) expenditures related to the Every Woman Counts (EWC) program.

Authority:

Health & Safety Code 104150(c)

Interdependent Policy Changes:

Not Applicable

Background:

The EWC program utilizes the FI to adjudicate medical claims. FI expenditures consist of processing costs, system development notices (SDNs), and EWC calls to FI telephone services. The SDNs are used to make improvements to DETEC, the program's web-based enrollment and data collection system, and to add, delete, or modify EWC covered procedures in CA-MMIS.

Effective October 1, 2019, the Gainwell Technologies, LLC and IBM contractors began processing medical claims.

Reason for Change:

There is a decrease for FY 2025-26 and an increase for FY 2026-27, from the prior estimate, due to the Consumer Price Index (CPI) adjustments. There is a decrease from FY 2025-26 to FY 2026-27, in the current estimate, due to the CPI adjustment.

Methodology:

1. The total estimated EWC FI administrative costs are:

Total EWC FI Costs	FY 2025-26	FY 2026-27
Processing Costs	\$3,880,000	\$3,871,000
SDNs	\$500,000	\$500,000
Total	\$4,380,000	\$4,371,000

Funding:

100% General Fund (4260-114-0001)

CIGARETTE AND TOBACCO PRODUCTS SURTAX FUND

POLICY CHANGE NUMBER: 2
IMPLEMENTATION DATE: 7/2012
ANALYST: Tyler Welter

	<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST - TOTAL FUNDS	\$0	\$0
- GENERAL FUND	-\$7,131,000	-\$6,286,000
- PROP 99 FUND	\$7,131,000	\$6,286,000
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00%	0.00%
APPLIED TO BASE - TOTAL FUNDS	\$0	\$0
- GENERAL FUND	-\$7,131,000	-\$6,286,000
- PROP 99 FUND	\$7,131,000	\$6,286,000

Purpose:

This policy change shifts the Cigarette and Tobacco Products Surtax (CTPS/Proposition 99) funds from the Unallocated Accounts to the General Fund.

Authority:

Revenue & Taxation Code 30124(b)(6)
California Tobacco Health Education Act of 1988 (Proposition 99)

Interdependent Policy Changes:

Not Applicable

Background:

CTPS/Proposition 99 funds breast and cervical cancer screening and diagnostics for uninsured low-income women in the Every Woman Counts (EWC) program. These restricted funds pay clinical claims expenditures. Services include:

- Office visits and consults,
- Screening mammograms,
- Diagnostic mammograms,
- Diagnostic breast procedures,
- Case management, and
- Other clinical services.

The EWC program began budgeting on a cash basis as of July 1, 2017.

Reason for Change:

There is a decrease in the revenue transfer amounts for FY 2025-26 and FY 2026-27, from the prior estimate, due to updated projections. There is a decrease in the revenue transfer amount from FY 2025-26 to FY 2026-27, in the current estimate, due to updated revenue projections.

Methodology:

1. The CTPS/Proposition 99 funds are budgeted based on EWCs annual claims expenditures.
2. The EWC program will receive \$7,131,000 in FY 2025-26 and \$6,286,000 in FY 2026-27.

Funding:

Proposition 99 Unallocated Local Assistance (4260-114-0236)
100% General Fund (4260-114-0001)

BREAST CANCER CONTROL ACCOUNT

POLICY CHANGE NUMBER: 3
IMPLEMENTATION DATE: 07/2012
ANALYST: Tyler Welter

	<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST - TOTAL FUNDS	\$0	\$0
- GENERAL FUND	-\$4,368,000	-\$1,148,000
- BCCA FUND	\$4,368,000	\$1,148,000
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00%	0.00%
APPLIED TO BASE - TOTAL FUNDS	\$0	\$0
- GENERAL FUND	-\$4,368,000	-\$1,148,000
- BCCA FUND	\$4,368,000	\$1,148,000

Purpose:

This policy change shifts the Breast Cancer Control Account (BCCA) funds to the General Fund (GF).

Authority:

Revenue & Taxation Code 30461.6
 AB 49 (Chapter 351, Statutes of 2014)

Interdependent Policy Changes:

Not Applicable

Background:

BCCA partially funds the provision of early breast cancer detection services for uninsured and underinsured women in the Every Woman Counts (EWC) program. The BCCA is funded by one cent of a two-cent tobacco tax. BCCA funds may be used for direct services such as:

- Direct services contracts,
- Screening,
- Medical referrals,
- Outreach and health education,
- Clinical claims, and
- Processing costs.

Starting July 1, 2018, the Department began receiving revenue from the Department of Motor Vehicles for fees collected from the specialty license plate program in accordance with Assembly Bill 49 (Chapter 351, Statutes of 2014). Funds from the sales of the specialty license plate program are deposited into the BCCA and used to increase breast cancer awareness and screening services for uninsured and underinsured women.

The EWC program began budgeting on a cash basis as of July 1, 2017.

Reason for Change:

There is a decrease in the revenue transfer value from the prior estimate for FY 2025-26 and FY 2026-27, and in the current estimate from FY 2025-26 to FY 2026-27, due to updated revenue trends.

Methodology:

1. The EWC program will receive \$4,368,000 of BCCA funds in FY 2025-26 and \$1,148,000 in FY 2026-27. This amount includes revenues received from the specialty license plate program.

Funding:

Breast Cancer Control Account (4260-114-0009)
100% General Fund (4260-114-0001)

CENTERS FOR DISEASE CONTROL AND PREVENTION FUND

POLICY CHANGE NUMBER: 4
IMPLEMENTATION DATE: 07/2012
ANALYST: Tyler Welter

		<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST	- TOTAL FUNDS	\$0	\$0
	- GENERAL FUND	-\$5,468,000	-\$6,253,000
	- CDC FUNDS	\$5,468,000	\$6,253,000
PAYMENT LAG		1.0000	1.0000
% REFLECTED IN BASE		0.00%	0.00%
APPLIED TO BASE	- TOTAL FUNDS	\$0	\$0
	- GENERAL FUND	-\$5,468,000	-\$6,253,000
	- CDC FUNDS	\$5,468,000	\$6,253,000

Purpose:

This policy change shifts the grant funding from the Centers for Disease Control and Prevention (CDC) fund to the General Fund.

Authority:

Health & Safety Code 104150(a)(b)
Affordable Care Act of 2010

Interdependent Policy Changes:

Not Applicable

Background:

The CDC provides federal funding through the National Breast and Cervical Cancer Early Detection Program (NBCCEDP) for direct service contracts and clinical claims for the Every Woman Counts (EWC) program. The CDC's guidance requires grantees to continue providing screening to priority populations while allowing opportunity to expand activities to reach the eligible populations.

The program offers funding for:

- Breast and cervical cancer outreach and screening,
- Education on preventive benefits, and
- Assuring high quality clinical services.

Reason for Change:

There is no change in FY 2025-26 from the previous estimate. The increase in FY 2026-27, from the previous estimate, is due to the required screening volume increase. The increase from FY 2025-26 to FY 2026-27, in the current estimate, is due to the grant required increase in screening volume.

Methodology:

1. The CDC grant is a \$7 million multi-year contract beginning June 30, 2022, through June 2, 2027. The Department intends to apply for grant renewal at the end of this 5-year period.
2. The CDC has directed NBCCEDP recipients to increase screening each FY during the five-year grant cycle. The projected amounts, for the remaining grant years, are as follows:
 - FY 2025-26 is \$5,468,000; and
 - FY 2026-27 is \$6,253,000.
3. The FY 2025-26 and FY 2026-27 estimates are as follows:

(Dollars in Thousands)

Funding Type	FY 2025-26	FY 2026-27
Local Assistance	\$5,468	\$6,253
Support	\$1,532	\$747
NBCCEDP Grant for EWC	\$7,000	\$7,000

Funding:

CDC Federal Fund (4260-114-0890)
100% General Fund (4260-114-0001)

REGIONAL CONTRACTS

POLICY CHANGE NUMBER: 5
IMPLEMENTATION DATE: 7/2012
ANALYST: Tyler Welter

	<u>FY 2025-26</u>	<u>FY 2026-27</u>
FULL YEAR COST - TOTAL FUNDS	\$2,975,000	\$0
- GENERAL FUND	\$2,975,000	\$0
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00%	0.00%
APPLIED TO BASE - TOTAL FUNDS	\$2,975,000	\$0
- GENERAL FUND	\$2,975,000	\$0

Purpose:

This policy change estimates the Every Woman Counts (EWC) program's Regional Contractor costs.

Authority:

Health & Safety Code 104150(c)
 Revenue & Taxation Code 30461.6
 CA Health Collaborative Contract #23-30078
 Community Health Partnership Contract #23-30077
 Vietnamese American Cancer Foundation Contract #23-30136
 Santa Barbara County Contract #23-30135
 Vision Y Compromiso Contract # 25-50160

Interdependent Policy Changes:

Not Applicable

Background:

As required by the National Breast and Cervical Cancer Early Detection Program grant, the Department provides tailored health education to priority populations, quality clinical follow-up for recipients, and primary care provider network support. These services are provided through contractors located in 10 geographical regions of California.

The objective of each Regional Contractor is to:

- Promote breast and cervical cancer awareness, and
- Promote high quality screening services through management of a regional primary care provider network.

The EWC program began budgeting on a cash basis as of July 1, 2017.

Reason for Change:

There is no change for FY 2025-26 from the prior estimate. There is a decrease for FY 2026-27 from the prior estimate, and from FY 2025-26 to FY 2026-27 in the current estimate, due to assuming these costs have shifted to State Operations to address support cost needs.

Methodology:

1. Effective July 1, 2023, all regional contracts were renewed.
2. The contracts are funded as follows:

Contracts	FY 2025-26	FY 2026-27
CA Health Collaborative	\$1,969,500	\$0
Community Health Partnership	\$266,800	\$0
Vietnamese American Cancer Foundation	\$306,400	\$0
Santa Barbara County	\$354,300	\$0
Vision Y Compromiso	\$78,000	\$0
Total	\$2,975,000	\$0

Funding:

100% General Fund (4260-114-0001)

EWC Trend Report
(Includes Actuals & Projected Base Values)

Total			
<u>Quarter</u>	<u>Base Estimate Caseload</u>	<u>Total Caseload</u>	<u>Total EWC Payments</u>
July-Sept 2022			\$6,269,000 *
Oct-Dec 2022			\$5,439,000 *
Jan-Mar 2023			\$6,759,000 *
April -June 2023			\$5,816,000 *
FY 2022-23	20,326	20,326 *	\$24,283,000
July-Sept 2023			\$6,406,000 *
Oct-Dec 2023			\$5,646,000 *
Jan-Mar 2024			\$4,504,000 *
April -June 2024			\$3,699,000 *
FY 2023-24	15,195	15,195 *	\$20,255,000
July-Sept 2024			\$3,027,000 *
Oct-Dec 2024			\$2,832,000 *
Jan-Mar 2025			\$2,320,000 *
April -June 2025			\$2,870,000 *
FY 2024-25	8,237	8,237 *	\$11,049,000
July-Sept 2025			\$2,555,000 *
Oct-Dec 2025			\$2,503,000 *
Jan-Mar 2026			\$2,225,000 **
April -June 2026			\$2,329,000 **
FY 2025-26	6,770	6,770 **	\$9,612,000
July-Sept 2026			\$2,329,000 **
Oct-Dec 2026			\$2,329,000 **
Jan-Mar 2027			\$2,329,000 **
April -June 2027			\$2,329,000 **
FY 2026-27	6,526	6,526 **	\$9,316,000

Notes:

1) Caseload now identifies average monthly users by date of payment.

* Actuals

** Estimated

FAMILY HEALTH INFORMATION ONLY
May 2026
FISCAL YEARS 2025-26 & 2026-27

INTRODUCTION

The Family Health Local Assistance Estimate provides information and State-only costs for the California Children's Services (CCS) Program, the Genetically Handicapped Persons Program (GHPP), and the Every Woman Counts (EWC) Program.

The Family Health Local Assistance Estimate can be segregated into two main components for each program:

- (1) the base and
- (2) policy changes

The base estimate is the anticipated level of program expenditures assuming no changes in program direction. The base estimates are derived from a historical trend analysis of actual expenditure patterns. The policy changes are the estimated fiscal impacts of any program changes which are either anticipated to occur at some point in the future, have occurred so recently that they are not yet fully reflected in the historical data base, or are estimates of expenditures not included in the base estimate.

California Children's Services Program

The CCS Program provides diagnostic and treatment services, medical case management, and physical and occupational therapy health care services to children under 21 years of age with CCS-eligible conditions (e.g., severe genetic diseases, chronic medical conditions, infectious diseases producing major sequelae, and traumatic injuries). A child eligible for CCS Program coverage must be a resident of California, have one or more CCS -eligible conditions, and be in a family with an adjusted gross income of \$40,000 or less in the most recent tax year. Children in families with higher incomes may still be eligible for CCS if the estimated cost of care to the family in one year is expected to exceed 20% of the family's adjusted gross income.

Base funding for State-only CCS Program services and case management is composed of 50% county funds (CF) and 50% State General Fund (GF). Services and case management for Medi-Cal -eligible children are funded by a combined 50% match of GF and Title XIX federal financial participation (FFP). Services and case management authorized for children who are enrolled in Medi-Cal's Optional Targeted Low Income Children's Program (OTLICP) are funded by 65% federal Title XXI FFP and a combined 17.5% CF and 17.5% GF. In October 2015, Title XXI FFP increased to 88%, reducing the CF/GF split to 6% apiece. In October 2019, Title XXI FFP decreased to 76.5%, increasing the CF/GF split to 11.75% apiece. In October 2020, Title XXI FFP returned to its historic level of 65%, increasing the CF/GF split to 17.5%. In addition to the funding streams above, CCS is also supported by a

fixed level of Federal Title V Maternal and Child Health (MCH) funding. GF expenditures were reduced by federal funding by the Safety Net Care Pool (SNCP) under the Bridge to Reform (BTR) Demonstration. The BTR ended October 31, 2015. At this time, the Department is not assuming the continuation of the SNCP Designated State Health Programs. SNCP final reconciliations will continue to be budgeted.

CCS benefit costs and administrative costs are budgeted on a cash basis.

The Medical Therapy Program (MTP) is a sub-program of CCS, offering physical and occupational therapy as well as case management services at no cost to eligible residents who have physically disabling chronic conditions.

Genetically Handicapped Persons Program

The GHPP provides comprehensive health care coverage for persons with specified genetic diseases including: cystic fibrosis; hemophilia; sickle cell disease and thalassemia; chronic degenerative neurological diseases including Huntington's Disease, Friedreich's Ataxia, and Joseph's Disease; and metabolic diseases including phenylketonuria. GHPP also provides access to social support services that may help ameliorate the physical and psychological problems resulting from the client's health condition. To meet eligibility requirements, applicants must reside in California; have a qualifying genetic disease; and pay the annually assessed enrollment fee. GHPP clients with an adjusted gross income between 200% and 299% of the federal income guidelines pay an enrollment fee that is 1.5% of their adjusted gross income; clients/families at an income level of 300% or greater of federal income guidelines pay an enrollment fee equal to 3% of their adjusted gross income.

GHPP benefit and administrative costs are budgeted on a cash basis beginning in FY 2005-06.

Every Woman Counts Program

The Every Woman Counts (EWC) Program provides free breast and cervical cancer screening and diagnostic services to uninsured and underinsured individuals residing in the State of California with income at or below 200% of the federal poverty level. Breast Cancer screening is available for individuals age 40 and older, as well as, symptomatic individuals regardless of age. Cervical Cancer screening is available for individuals age 21 and older.

EWC covered benefits and categories of service include office visits, screening, diagnostic mammograms, and diagnostic breast procedures, such as ultrasound, fine needle and core biopsy, Pap test and HPV co-testing, colposcopy and other cervical cancer diagnostic procedures and case management.

Currently, the EWC program is funded with a combination of Cigarette and Tobacco Products Surtax Unallocated Fund, Breast Cancer Fund, Centers for Disease Control and Prevention National Breast and Cervical Cancer Early Detection Program Grant, and General Fund.

The EWC program began budgeting on a cash basis as of July 1, 2017.

BASE ESTIMATES

Historical cost data are used to make the base budget projections using regression equations. The general functional form of the regression equations is:

$$\begin{aligned} \text{CASES} &= f(\text{TND}, \text{S.DUM}, \text{O.DUM}) \\ \text{EXPENDITURES} &= f(\text{TND}, \text{S.DUM}, \text{O.DUM}) \\ \text{TREATMENT \$} &= f(\text{TND}, \text{S.DUM}, \text{O.DUM}) \\ \text{MTU \$} &= f(\text{TND}, \text{S.DUM}, \text{O.DUM}) \end{aligned}$$

Where:

$$\begin{aligned} \text{TREATMENT \$} &= \text{Total quarterly net treatment expenditures for each county group.} \\ \text{MTU \$} &= \text{Total quarterly medical therapy unit expenditures for each county group.} \\ \text{TND} &= \text{Linear trend variable.} \\ \text{S.DUM} &= \text{Seasonally adjusting dummy variable.} \\ \text{O.DUM} &= \text{Other dummy variables (as appropriate) to reflect exogenous shifts in the expenditure function (e.g. rate increases, price indices, etc.).} \end{aligned}$$

California Children's Services Program

A nine-year data base of summary claim information on CCS treatment services and medical therapy unit expenditures is used to make the base budget projections using regression equations. Independent regressions are run on net treatment services expenditures (TREATMENT \$) and medical therapy unit expenditures (MTU \$).

Following the estimation of coefficients for these variables during the base period, the independent variables are extended into the projection period and multiplied by the appropriate coefficients. The quarterly values for each expenditure category are then added together to arrive at quarterly expenditure estimates and summed to annual totals by county.

The net cost/savings for each Policy Change item is applied to the base estimate, after adjustment for the estimated percentage of each item reflected in the base.

Genetically Handicapped Persons Program

The most recent five years of actual GHPP caseload and expenditure data are used to make the budget projections using regression equations. The data system for GHPP includes only summary caseload and expenditure data for the base period. Independent regressions are run on aggregated caseload counts and expenditure data by month.

Estimates for expenditures are based on a history of payment data which is projected into the budget year and a future year.

The net cost/savings for each Policy Change item is applied to the base estimate, after adjustment for the estimated percentage of each item reflected in the base.

Every Woman Counts Program

The most recent three years of actual EWC caseload and expenditure data are used in the regression equations for the base projections.

The net cost/savings for each Policy Change item is applied to the base estimate, after adjustment for the estimated percentage of each item reflected in the base.

INFORMATION ONLY:**CALIFORNIA CHILDREN'S SERVICES**1. Whole Child Model (WCM) Program

To improve access to health care for the Children and Youth with Special Health Care Needs (CYSHCN) and to eliminate the fragmentation that exists in the current CCS health care delivery system, the Department implemented the WCM program implemented in 2018. As of January 1, 2025, WCM operates in 33 counties. **The additional counties are Del Norte, Humboldt, Lake, Lassen, Marin, Mendocino, Merced, Modoc, Monterey, Napa, Orange, San Luis Obispo, San Mateo, Santa Barbara, Santa Cruz, Siskiyou, Shasta, Solano, Sonoma, Trinity, and Yolo.**

To move incrementally toward a better integrated and coordinated system of care for CCS, the Department developed a multi-year framework for a "Whole Child" model that builds on existing successful models and delivery systems. This balanced approach was designed to ensure maintenance of core CCS provider standards and a network of pediatric specialty and subspecialty care providers by implementing a gradual change in CCS Program service delivery with an extended phase-in and stringent readiness and monitoring requirements that will ensure continuity of care and continued access to high-quality specialty care. The WCM Program provides an organized delivery system of care for comprehensive, coordinated services through enhanced partnerships among Medi-Cal managed care plans, children's hospitals, specialty care providers, and counties.

In July 2018, the first phase of the WCM incorporated CCS Program services into the integrated care systems of most County-Organized Health Systems (COHS). COHS are county-developed and operated Medi-Cal managed care health plans with strong community ties. These plans are required to demonstrate support from various stakeholders that may include the respective County CCS Program, local providers and hospitals, and local families of children with CCS eligible medical conditions or local advocacy groups representing those families. Phase two implemented on January 1, 2019, and Phase three implemented on July 1, 2019.

In alignment with the California Advancing and Innovating Medi-Cal's (CalAIM) core principles to standardize benefits and reduce complexity of the varying models of care delivery, the Department expanded WCM, through the Health Omnibus Bill (AB 118), into 12 additional COHS counties on January 1, 2025. These counties are Butte, Colusa, Glenn, Mariposa, Nevada, Placer, Plumas, San Benito, Sierra, Sutter, Tehama, and Yuba.

Alternate Health Care Service Plan (AHCSPP)

On January 1, 2024, Kaiser implemented as an AHCSPP in eight existing WCM counties: Marin, Napa, Orange, San Mateo, Santa Cruz, Solano, Sonoma, and Yolo.

As of January 1, 2025, Kaiser Permanente is also available as an AHCS in the four new WCM expansion counties: Mariposa, Placer, Sutter, and Yuba.

2. Budget Impacts of Pharmaceutical Benefits for CCS Members

Medical breakthroughs have brought to market a growing number of cell, gene, and immune therapies. These therapies are a Medi-Cal benefit available to eligible CCS members as potential cures or disease severity mitigation for members with genetic diseases and to treat CCS members with cancer or to prevent transplant rejection. Physician administered drugs have also expanded rapidly, including the use of high-cost immunotherapy for rare cancers and medium-cost drugs used to treat common conditions like diabetes, obesity, and inflammatory diseases. While the long-term effects of these therapies are likely to greatly improve the quality and duration of life, and ultimately lower member health care costs, the considerable up-front costs are creating short-term affordability challenges.

3. California Children's Services - Medical Therapy Program in Special Education

Given established case law, the CCS-Medical Therapy Program (MTP) has been required to provide educationally necessary PT/OT services without regard to medical necessity for CCS-MTP clients/pupils enrolled in special education who have CCS-MTP PT/OT services included in their Individual Education Program (IEP) when included in the IEP as a "related service." Any proposed change in the level of PT/OT services, when included in the IEP in this fashion, based on CCS-MTP medical findings can be vetoed by a member of the IEP team, which includes the parent/family when the level of services that will be required under the precedent established by the court exceeds the levels based solely on medical necessity. In addition, because these services are not medically necessary, they are deemed not eligible for federal financial participation funding. The majority of the children in special education with an IEP are being monitored currently with minimal expenses, as most county MTPs have moved their medically necessary therapy plans away from direct interject with IEPs. Although the risk is ongoing, there have been no cases in the last six years where active therapy is maintained without regard to medical necessity.

4. State Pharmaceutical Assistance Program (SPAP)

The CCS State-Only program is considered a federal SPAP. As an SPAP, the Department is able to negotiate with drug ~~manufacturers~~ **manufacturers** for rebates. These rebates would be separate from the Medicaid rebates and the Department's State Supplemental rebates approved under California's Medicaid State Plan. SPAP rebates are exempt from Medicaid Best Price. The Department is reviewing the best course toward moving forward with obtaining rebates for the CCS State-Only program.

GENETICALLY HANDICAPPED PERSONS PROGRAM

1. Health Insurance Premium Reimbursement (HIPR) Program

The HIPR program is a voluntary program that pays private health insurance premiums for State-Only members who have pre-existing medical conditions and meet the program's eligibility requirements. HIPR Program enrollment projections are based on the last five years of actual enrollment data. Letters about the program are sent to medically eligible members with other health coverage at the time of program enrollment or renewal. The letters may cause an increase to the HIPR Program enrollment and result in financial savings to the GHPP State-Only expenditures for the upcoming fiscal years. Currently, there is no volume or savings estimates to report.

2. State Pharmaceutical Assistance Program (SPAP)

The GHPP State-Only program is considered a federal SPAP. As an SPAP, the Department is able to negotiate with drug manufacturers for rebates. These rebates would be separate from the Medicaid rebates and the Department's State Supplemental rebates approved under California's Medicaid State Plan. SPAP rebates are exempt from Medicaid Best Price. The Department is reviewing the best course toward moving forward with obtaining rebates for the GHPP State-Only program.

EVERY WOMAN COUNTS PROGRAM1. Correction of Denied Provider Claims

The Every Woman Counts (EWC) program utilizes the Fiscal Intermediary (FI) to adjudicate clinical claims. Issues were discovered with the claims adjudication process that resulted in denied clinical claims. Currently one Problem Statements (PS) has been issued for claim denials. The identified claims adjudication problems are EWC specific. The FI has determined that system changes are required to correctly adjudicate the claims. System changes are costly and can take anywhere from 90 days to up to one year to resolve depending on the complexity of the work to be performed. Once the system changes are in place, the FI will issue an Erroneous Payment Correction (EPC) to re-adjudicate denied claims.

2. Washington State Attorney General's Office

Washington State Attorney General's Office Breast Cancer Prevention Fund (BCPF), a nonprofit, used Legacy Telemarketing, a commercial fundraiser, to raise funds in Washington, California, and Texas, claiming that a majority of the money raised was used to provide mammograms for un- and underinsured women. After investigation, the Attorney General's Office (AGO) filed suit against the trustees of BCPF, finding that less than a fifth of the money raised went to the cause. As part of the settlement agreement, the funds were distributed to organizations that provide low- or no-cost mammograms (or analogous cancer screenings) to un- or underinsured women. WA State V. Breast Cancer Prevention Fund Settlement Policy Change was deactivated after the May 2019 cycle. Every Women Counts program received a check from the Washington State v. Breast Cancer Prevention Fund settlement after the Policy Change was deactivated. Washington State anticipates this will be the last check per the bankruptcy Trustee.

DISCONTINUED POLICY CHANGES

Fully Incorporated Into Base Data/Ongoing

CCS

Not applicable.

GHPP

Not applicable.

EWC

Not applicable.

DISCONTINUED POLICY CHANGES

Time-Limited/No Longer Applicable

CCS

Not applicable.

GHPP

Not applicable.

EWC

Not applicable.

DISCONTINUED POLICY CHANGES

Withdrawn

CCS

Not applicable.

GHPP

Not applicable.

EWC

Not applicable.