

APPENDIX C: SAMPLE FUNDING OBLIGATION CALCULATIONS

Table 1: Base Community Reinvestment Funding Obligations (\$ in Millions)

MCP	Contract Revenues A ¹	Net Income B	Net Income ≤ 7.5% of Contract Revenues C = Lesser of B or 0.075 * A	5% of Net Income ≤ 7.5% of Contract Revenues D = 0.05 * C	Net Income > 7.5% of Contract Revenues E = B - C	7.5% of Net Income > 7.5% of Contract Revenues F = 0.075 * E	Overall Base Obligation G = D + F
MCP A	\$2,000.00	\$200.00	\$150.00	\$7.50	\$50.00	\$3.75	\$11.25
MCP B	\$2,000.00	\$150.00	\$150.00	\$7.50	\$0.00	\$0.00	\$7.50
MCP C	\$2,000.00	\$100.00	\$100.00	\$5.00	\$0.00	\$0.00	\$5.00

¹ Column identifiers (e.g., A, B, C) are unique to each table and do not carry over between tables. For instance, Column A in Table 1 is not equivalent to Column A in Table 2

Table 2: Base Community Reinvestment Funding Allocation (\$ in Millions)

MCP	Overall Base Obligation A	County	Medi-Cal Member Months B	Square Root of Membership C = \sqrt{B}	County Allocation % of MCP Members D = C / Total of All MCP Counties	Proportionate Share of Base Obligation E = A * D
MCP A	\$11.25	County 1	90,000	300	23.419%	\$2.63
MCP A	\$11.25	County 2	45,000	212	16.560%	\$1.86
MCP A	\$11.25	County 3	15,000	122	9.561%	\$1.08
MCP A	\$11.25	County 4	90,000	300	23.419%	\$2.63
MCP A	\$11.25	County 5	30,000	173	13.521%	\$1.52
MCP A	\$11.25	County 6	30,000	173	13.521%	\$1.52
-	Total	-	300,000	1,280	100%	\$11.25

MCP	Overall Base Obligation A	County	Medi-Cal Member Months B	Square Root of Membership C = \sqrt{B}	County Allocation % of MCP Members D = C / Total of All MCP Counties	Proportionate Share of Base Obligation E = A * D
MCP B	\$7.50	County 7	60,000	245	55.051%	\$4.13
MCP B	\$7.50	County 8	40,000	200	45.949%	\$3.37
	Total		100,000	445	100%	\$7.50

MCP	Overall Base Obligation A	County	Medi-Cal Member Months B	Square Root of Membership C = \sqrt{B}	County Allocation % of MCP Members D = C / Total of All MCP Counties	Proportionate Share of Base Obligation E = A * D
MCP C	\$5.00	County 9	100,000	316	100%	\$5.00

**Table 3: Quality Achievement Community Reinvestment Funding Allocation
(\$ in Millions)**

MCP	7.5% of Net Income A = 7.5% of Net Income in Column B Table 1	County	County Allocation % of MCP Members B = Medi-Cal Member Months/Total Membership of All MCP Counties	Proportionate Share of 7.5% of Net Income² C = A * B
MCP A	\$15.00	County 1	30.0%	\$4.50
MCP A	\$15.00	County 2	15.0%	\$2.25
MCP A	\$15.00	County 3	5.0%	\$0.75
MCP A	\$15.00	County 4	30.0%	\$4.50
MCP A	\$15.00	County 5	10.0%	\$1.50
MCP A	\$15.00	County 6	10.0%	\$1.50

² Column C represents the Quality Achievement Community Reinvestment funding obligation for any county in which the MCP receives an Enforcement Tier 2 or Tier 3 assignment. See Table 4 below for more information.

MCP	7.5% of Net Income A = 7.5% of Net Income in Column B Table 1	County	County Allocation % of MCP Members B = Medi-Cal Member Months/Total Membership of All MCP Counties	Proportionate Share of 7.5% of Net Income³ C = A * B
MCP B	\$11.25	County 7	60.0%	\$6.75
MCP B	\$11.25	County 8	40.0%	\$4.50

MCP	7.5% of Net Income A = 7.5% of Net Income in Column B Table 1	County	County Allocation % of MCP Members B = Medi-Cal Member Months/Total Membership of All MCP Counties	Proportionate Share of 7.5% of Net Income⁴ C = A * B
MCP C	\$7.50	County 9	100.0%	\$7.50

³ Column C represents the Quality Achievement Community Reinvestment funding obligation for any county in which the MCP receives an Enforcement Tier 2 or Tier 3 assignment. See Table 4 below for more information.

⁴ Column C represents the Quality Achievement Community Reinvestment funding obligation for any county in which the MCP receives an Enforcement Tier 2 or Tier 3 assignment. See Table 4 below for more information.

Table 4: Quality Achievement Community Reinvestment Funding Obligation (\$ in Millions)

MCP	County	County Allocation if Within Tier 2 or 3 A = Column C in Table 3	Quality Tier	Subject to Quality Achievement Requirement?	Actual County Allocation B = Value of Column A for any County within Tier 2 or 3
MCP A	County 1	\$4.50	Tier 2	Y	\$4.50
MCP A	County 2	\$2.25	Tier 2	Y	\$2.25
MCP A	County 3	\$0.75	Tier 2	Y	\$0.75
MCP A	County 4	\$4.50	Tier 1	N	-
MCP A	County 5	\$1.50	Tier 1	N	-
MCP A	County 6	\$1.50	Tier 3	Y	\$1.50

MCP	County	County Allocation if Within Tier 2 or 3 A = Column C in Table 3	Quality Tier	Subject to Quality Achievement Requirement?	Actual County Allocation B = Value of Column A for any County within Tier 2 or 3
MCP B	County 7	\$6.75	Tier 3	Y	\$6.75
MCP B	County 8	\$4.50	Tier 3	Y	\$4.50

MCP	County	County Allocation if Within Tier 2 or 3 A = Column C in Table 3	Quality Tier	Subject to Quality Achievement Requirement?	Actual County Allocation B = Value of Column A for any County within Tier 2 or 3
MCP C	County 9	\$7.50	Tier 1	N	-

Table 5: Total Community Reinvestment Funding Allocation (\$ in Millions)

MCP	County	Base County Allocation A = Column E in Table 2	Quality Achievement County Allocation⁵ B = Column B in Table 4	Total County Allocation⁶ C = A + B
MCP A	County 1	\$2.63	\$4.50	\$7.13
MCP A	County 2	\$1.86	\$2.25	\$4.11
MCP A	County 3	\$1.08	\$0.75	\$1.83
MCP A	County 4	\$2.63	-	\$2.63
MCP A	County 5	\$1.52	-	\$1.52
MCP A	County 6	\$1.52	\$1.50	\$3.02

⁵ 2 Column C represents the Quality Achievement Community Reinvestment funding obligation for any county in which the MCP receives an Enforcement Tier 2 or Tier 3 assignment. See Table 4 below for more information.

⁶ At the county-level reflect the minimum amount MCPs are required to invest as required under the MCP Contract and this APL. MCPs may choose to fund Community Reinvestment initiatives in excess of these amounts.

MCP	County	Base County Allocation A = Column E in Table 2	Quality Achievement County Allocation⁷ B = Column B in Table 4	Total County Allocation⁸ C = A + B
MCP B	County 7	\$4.13	\$6.75	\$10.88
MCP B	County 8	\$3.37	\$4.50	\$7.87

MCP	County	Base County Allocation A = Column E in Table 2	Quality Achievement County Allocation⁹ B = Column B in Table 4	Total County Allocation¹⁰ C = A + B
MCP C	County 9	\$5.00	-	\$5.00

⁷ 2 Column C represents the Quality Achievement Community Reinvestment funding obligation for any county in which the MCP receives an Enforcement Tier 2 or Tier 3 assignment. See Table 4 below for more information.

⁸ At the county-level reflect the minimum amount MCPs are required to invest as required under the MCP Contract and this APL. MCPs may choose to fund Community Reinvestment initiatives in excess of these amounts.

⁹ 2 Column C represents the Quality Achievement Community Reinvestment funding obligation for any county in which the MCP receives an Enforcement Tier 2 or Tier 3 assignment. See Table 4 below for more information.

¹⁰ At the county-level reflect the minimum amount MCPs are required to invest as required under the MCP Contract and this APL. MCPs may choose to fund Community Reinvestment initiatives in excess of these amounts.

Table 6: Example A: Total Community Reinvestment Funding Obligations over Investment Period (\$ in Millions)*

Net Income Reporting Year	Total Net Income	Base 5% Obligation	2026 plan	2027 plan and investments	2028 plan and investments	2029 investments
CY 2024	\$100	\$5	Q3: 3yr plan	\$3	\$1	\$1
CY 2025	\$125	\$6.25	-	Q3: 2yr plan	\$5	\$1.25
CY 2026	\$50	\$2.5	-	-	Q3: 1yr plan	\$2.5
Total:	-	\$13.75	-	\$3	\$6	\$4.75

For simplicity, Table 6 assumes only an obligation of 5% of net income.

Table 7: Example B: Total Community Reinvestment Funding Obligations over Investment Period (\$ in Millions)

Net Income Reporting Year	Total Net Income	Base 5% Obligation	2026 plan	2027 plan and investments	2028 plan and investments	2029 investments
CY 2024	\$75	\$3.75	Q3: 3yr plan	\$2	\$1	\$1.75
CY 2025	\$0	\$0	-	No plan required	\$0	\$0
CY 2026	\$50	\$2.5	-		Q3: 1 yr plan	\$2.5
Total:	-	\$6.25	-	\$2	\$1	\$3.25

For simplicity, Table 7 assumes only an obligation of 5% of net income.

Table 8: Example C: Total Community Reinvestment Funding Obligations over Investment Period, including Voluntary Investments (\$ in Millions)

Net Income Reporting Year	Total Net Income	Base 5% Obligation	2026 plan	2027 plan and investments	2028 plan and investments	2029 investments
CY 2024	\$200	\$10	Q3: 3yr plan	\$3	\$2	\$2
Voluntary Investment*	-	-	-	\$1	\$1	\$1
CY 2025	\$100	\$5	-	Q3: 2 yr plan	\$2.5	\$2.5
CY 2026	\$100	\$5	-		Q3: 1 yr plan	\$5
Total:	-	\$20	-	\$4	\$5.5	\$10.5

For simplicity, Table 8 assumes only an obligation of 5% of net income. In this example, the MCP has an obligation of \$10M based on CY 2024 net income. The MCP signed a grant in January 2025 to a grantee for \$1M per year, 2027-2029. The MCP claims this \$1M per year against their total obligation and develops a Community Reinvestment Plan for the remaining \$7M to be spent over 2027-2029.