

County Medi-Cal Administration Costs

Background

California has been on the leading edge of Affordable Care Act (ACA) implementation. Since 2014, county Medi-Cal eligibility workers have processed more than 3 million new enrollees, on top of sustaining the administrative workload associated with maintaining eligibility for existing enrollees—all 9 million of them.

The rapid growth in Medi-Cal caseload, coupled with ongoing technical difficulties at the state level, has created significant workload and costs at the local level. Counties and county eligibility workers have been working to provide efficient and timely eligibility determinations for both new and existing Medi-Cal beneficiaries. In fact, counties were responsible for eliminating the huge 2014 Medi-Cal application backlog created by the state's CalHEERS system. This system remains unstable and requires county workers to implement numerous costly and time-consuming workarounds to complete eligibility determinations.

In previous years, the Legislature has approved current-year augmentations for county Medi-Cal administration costs. This funding has allowed counties to retain and hire caseworkers and almost keep up with

the unprecedented demand, which has increased because many of the new enrollees are now up for their annual eligibility redeterminations.

The Governor has proposed nearly \$170 million above 2015-16 levels for county Medi-Cal administration costs for 2016-17 and 2017-18. CSAC strongly supports this proposal and is asking the Legislature to approve this increased funding level.

The Governor also proposes to begin work on a Medi-Cal county administration workload study, with the aim of identifying county costs and developing an accurate budgeting methodology. CSAC supports the effort and is asking that the work be completed and data prepared for implementation by 2018.

These two actions—providing nearly \$170 million more for counties in the next two fiscal years and authorizing and undertaking the work study—will ensure that the Medi-Cal program continues to serve nearly one-third of California's total population with access to critical health care services and retains California's national reputation as the gold standard of ACA implementation.

Talking Points

- CSAC supports the Governor's January budget proposal to **increase county Medi-Cal administration funding** by nearly \$170 million in 2016-17 and 2017-18.
- **CSAC also supports efforts to undertake a time- and work-study** to help determine the true local costs of administering the Medi-Cal program on behalf of the state. Data collected in the study will inform a new, more accurate budgeting methodology.

