



1100 K Street
Suite 101
Sacramento
California
95814

Telephone
916.327-7500

Facsimile
916.441.5507

May 16, 2015

The Honorable Tony Thurmond, Chair
California Assembly Budget Subcommittee No. 1
State Capitol Building, Room 5150
Sacramento, CA 95814

Re: County Medi-Cal Administration Funding – CONCERNS

Dear Assembly Member Thurmond:

The California State Association of Counties (CSAC) has concerns with the Governor's proposed level of 2015-16 funding for county administration of the Medi-Cal program. The \$150 million (\$48.8 million General Fund) proposed in the May Revision is half of what counties estimated is needed to continue to perform critical Medi-Cal administrative duties such as intake, case management, and renewals.

Counties and county eligibility workers have been working hard to ensure the successful implementation of the Affordable Care Act (ACA) and 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 CalHEERS system, and continue to manage scarce resources in the post-Affordable Care Act world.

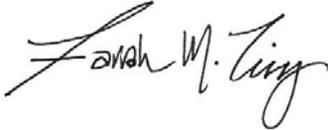
It is clear that work must begin immediately on a budgeting methodology and workload study to further identify and illustrate the local costs of administering the Medi-Cal program. However, in the current budget year (2014-15), county data showed a significant increase in workload and effort – mostly related to the inefficiencies and problems with the state's CalHEERS system – and convinced the Governor to direct a \$150 million mid-year budget augmentation to counties for these costs. Now, five short months later, the proposal to appropriate the same amount for a full budget year is disappointing at best, and could have negative implications for Medi-Cal beneficiaries and applicants alike.

The Legislature has one short month between the May Revision proposal and the Constitutional deadline to enact a 2015-16 budget that accurately reflects the state's costs and responsibilities. Counties and the County Welfare Directors Association have done their best to demonstrate the increased workload and costs in a program that added nearly 3 million beneficiaries in the last 16 months alone. It is for these reasons that we ask you to consider increasing funding for county Medi-Cal administration to \$300 million (\$97.6 General Fund) in 2015-16, and to authorize proposed trailer bill language to embark immediately on a comprehensive work study.

These two actions – provide \$300 million for counties in 2015-16 and authorizing language for the work study – will ensure that the Medi-Cal program continues to serve nearly one-third of California's total population, provide access to critical health care services for our neediest residents, and retain California's reputation as the gold standard of ACA implementation.

If you have additional questions about our concerns with the Governor's proposal to underfund county Medi-Cal administration by half in 2105-16, I can be reached at fmcdaid@counties.org or (916) 650-8110. Thank you.

Sincerely,

A handwritten signature in black ink that reads "Farrah M. Ting". The signature is written in a cursive style with a large, stylized "F" and "T".

Farrah McDaid Ting
Legislative Representative

cc: Honorable Members, Assembly Budget Subcommittee No. 1
Andrea Margolis, Consultant, Assembly Budget Subcommittee No. 1
Eric Swanson, Staff Director, Assembly Republican Fiscal Office
Agnes Lee, Consultant, Office of Assembly Speaker Atkins
Chris Woods, Consultant, Office of Assembly Speaker Atkins
Diana Dooley, Secretary, California Health and Human Services Agency
Jennifer Kent, Director, California Department of Health Care Services
Michael Cohen, Director, California Department of Finance
Michael Wilkening, Health and Human Services Agency
Carol Gallegos, California Department of Health Care Services
Matt Paulin, Program Budget Manager for HHS, Department of Finance
Shawn Martin, Legislative Analyst's Office
Frank Mecca, Executive Director, County Welfare Directors Association