



CWDA

Advancing Human Services
for the Welfare of *All* Californians

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February 26, 2016

To: The Honorable Tony Thurmond, Chair
Assembly Committee on Human Services

Honorable Members
Assembly Budget Subcommittee No. 1

From: Frank J. Mecca, Executive Director

RE: COUNTY MEDI-CAL ADMINISTRATION FUNDING

The County Welfare Directors Association of California (CWDA) respectfully requests your support for the Governor's proposed level of funding for county administration of the Medi-Cal program.

Since January 2013, implementation of the Affordable Care Act (ACA) and related expansions to Medi-Cal eligibility have resulted in an unprecedented growth in the number of Californians enrolled in the program, from 7.6 million enrollees in December 2012 to a projected 13.5 million by 2016-17. The budget assumes that the Medi-Cal caseload will increase 8.1 percent from 2014-15 to 2015-16 (an estimated 727,000 new cases), and grow another 1.5 percent from 2015-16 to 2016-17 (an estimated 62,000 new cases).

Coupled with the steep increase in caseload has been a sharp increase in manual work for county eligibility staff, related primarily to glitches with the CalHEERS enrollment system developed by DHCS and Covered California to implement the ACA. Improvements to CalHEERS continue to be developed and deployed, with active participation from CWDA. However, it will take until at least the end of 2017 to address identified issues.

In recognition of the continued caseload growth and ongoing issues with CalHEERS, the Governor's Budget proposes additional funding for county administrative work. Specifically, the Administration proposes an increase of \$169 million total funds (\$57 million GF) over 2015-16 levels for both the budget year, 2016-17, and the following year, 2017-18. This two-year agreement will provide some predictability for county human services agencies in a time of significant workload demands. CWDA worked with the Administration during the fall and this amount is reflective of that collaboration. We appreciate the inclusion of this much-needed funding in the proposed budget.

The budget further notes that once the eligibility system is stabilized, the state will conduct time studies to inform a new Medi-Cal county administration budgeting methodology. This plan is consistent with our conversations with the Administration, and CWDA will be involved in developing the methodology.

To ensure timely and accurate eligibility determinations for Medi-Cal, it is imperative that counties be able to hire sufficient staff to handle the ACA-related workload. For these reasons, we appreciate the proposed level of funding in the Governor's Budget and urge the subcommittee's adoption of the proposal.

cc: Agnes Lee, Office of the Assembly Speaker
Chris Woods, Office of the Assembly Speaker
Andrea Margolis, Assembly Budget Subcommittee No. 1
Cyndi Hillery, Assembly Republican Fiscal
Jennifer Kent, Department of Health Care Services
Carol Gallegos, Department of Health Care Services
Robert Ducay, Health and Human Services Agency
Matt Paulin, Department of Finance
Adam Dorsey, Department of Finance
Mark Newton, Legislative Analyst's Office
Amber Didier, Legislative Analyst's Office
Farrah McDaid-Ting, California State Association of Counties
County Caucus