

CMHDA Distribution Workgroup Proposed AB100 Allocation Methodologies

All Directors Conference Call

May 9, 2011

Known Participants: Kristy Kelly (Lake), Chair; Mike Geiss, CMHDA Fiscal Consultant; Patricia Ryan (CMHDA); Don Kingdon; Suzanne Tavano (Contra Costa); Brad Luz, Tom Sherry (Sutter-Yuba); Martin Polt (Nevada); Rita Downs (Calaveras); Karolyn Stein (Humboldt); Louise Rogers (San Mateo); Alan Edwards (Orange); Meloney Roy (Ventura); Wayne Clark (Monterey); Jo Robinson, Edwin Batongbacal (San Francisco); Alfredo Aguirre (San Diego); Jerry Wengerd (Riverside); Mary Ann Bennett (Sacramento); Jim Waterman (Kern); Leslie Tremaine (Santa Cruz); Vic Singh (San Joaquin); Alan Yamamoto, Gary Ernst (San Benito). Ann Detrick (Santa Barbara), Marlene Gold (Alameda), group from Tulare, Tracie Riggs (Tuolumne), Michael Beaton (Fresno), Kristin Bengyel (Amador), someone from Tehama and Allan Rawland (San Bernardino).

The following methodologies regarding distribution of MHSa-diverted funds for the Medi-Cal managed care and EPSDT programs pursuant to AB 100 were recommended by the CMHDA Governing Board, following preliminary work by a smaller Distribution Work Group. **Note:** *The following recommendations do not include a recommended methodology for distribution of the \$98.6 million of MHSa-diverted funds for special education mental health services (AB 3632), due to the fact that there are still too many unanswered questions from the state as to the structure and funding of that program in FY 2011-12. CMHDA is in discussions with the Administration to seek answers to those questions, and will bring the Distribution Work Group back together, and come back to All Directors for approval of a recommendation, when we have more to work with:*

1. Managed Care - \$183.59M

- a. Recommended Allocation Methodology
 - i. Use same approach for increase in FY11/12 managed care allocations as was used for decreasing prior year managed care allocations (as funds were reduced, so go increases in funds).
 - ii. Each county receives a proportionate increase of approximately 40.7% over their FY10/11 managed care allocation (note that FY10/11 managed care allocations do not equal the amount of cash for managed care each county received in FY10/11 due to the redistribution of \$8M to correct for DMH not reimbursing withhold to 16 counties in FY09/10. Refer to CMHDA website Financial Services Committee handouts 1/6/11 column C).

FY 2011/12 Medi-Cal Specialty Mental Health Managed Care Allocations

	FY2009/10	FY2010/11	Recommended FY2011/12	FY2011/12 Increase
Total County Allocations	\$112,521,998	\$129,932,997	\$182,840,000	40.7%
SCERP	\$750,000	\$750,000	\$750,000	0.0%
Total Funding	\$113,271,998	\$130,682,997	\$183,590,000	40.5%

MOTION APPROVED UNANIMOUSLY: Support the above recommended methodology.

2. EPSDT - \$578.981M

- a. Recommended Allocation Methodology
 - i. Methodology will be based on actual EPSDT expenditures and number of Medi-Cal EPSDT beneficiaries
 - ii. Each individual county's initial EPSDT baseline and 10% match on growth is not factored into the approach
 1. Total EPSDT expenditures irrespective of individual county's initial baseline and 10% growth will be used
 - iii. Most recent actual EPSDT expenditures are calendar year 2009 EPSDT approved Medi-Cal claims
 1. System and business rule changes with SD Phase 2 resulted in inaccurate data after 1/1/10
 2. Approved claims data approximates cost under the certified public expenditure requirement that DMH began enforcing in FY09/10
 3. FY09/10 cost reports cannot be used because not all counties have submitted FY09/10 cost reports
 4. Actual CY09 EPSDT expenditures are a reasonable estimate of relative EPSDT program expenditures among counties
 - a. Does not accurately represent counties that have significantly increased or decreased EPSDT programs since CY09
 - iv. Number of Medi-Cal EPSDT beneficiaries represented by Medi-Cal beneficiaries from March 2010 for ages 0 – 18
 1. Most recent data not available for ages 19-21
 2. March 2010 chosen because DHCS indicates "counts for the most recent 11 months are not considered complete and should be used with caution."
 3. Number of Medi-Cal EPSDT beneficiaries represents the potential risk covered by this allocation

4. Most recent number of Medi-Cal EPSDT beneficiaries provides an adjustment to the actual expenditures to more recent risk
- v. Methodology applies 85% of actual expenditures and 15% EPSDT beneficiaries
 1. The majority of counties local EPSDT contribution is less than 20% when the FMAP is 50%
 - a. Statewide average is around 10%

MOTION APPROVED: Support above recommended methodology. 3 abstentions (Nevada, Calaveras, Santa Cruz); 1 oppose (Humboldt).

Concerns expressed by dissenting voters:

1. *Need more time to review, look at other potential data and alternatives.*
2. *Should have given more consideration to how the methodology would impact small counties. Specifically, a question was asked about whether Small Counties should be “made whole” per history, and someone else was concerned that SD II implementation had delayed claims processing for this time period.*
3. *We should have looked at more than one year of data.*

Response: *Staff responded that other than continuing the SCERP, the small county-specific impact was not taken into consideration. Kristy Kelly and staff emphasized that this is for one year, that there is a need to provide a recommendation to the state ASAP pursuant to AB 100 transition towards number of beneficiaries to manage risk in the future, and that principles of distribution rather than impacts on individual counties was the focus. Staff also reminded members that we were recommending an approach to distribution, but that we do not have the final say. Also, that that the message needed to be pretty straightforward and simple if we were to be heard. We agreed that the discussions for future years needed to be more complex and would take more time.*

Methodology		Funds Redistributed		Number of Counties Negatively Impacted			
Expenditures	Beneficiaries	Amount	Percent	<10%	10%-20%	>20%	Highest
100%	0%	0	0	0	0	0	
50%	50%	\$62.5M	10.8%	7	6	10	44%
75%	25%	\$31.3M	5.4%	13	9	1	22%
80%	20%	\$25.0M	4.3%	14	9	0	18%
85%	15%	\$18.8M	3.2%	21	2	0	13%
90%	10%	\$12.5M	2.2%	23	0	0	9%
95%	5%	\$6.3M	1.1%	23	0	0	4%

