



County Welfare Directors Association of California
925 L Street, Suite 350
Sacramento, CA 95814
(916) 443-1749



California State Association of Counties
1100 K Street, Suite 101
Sacramento, CA 95814
(916) 327-7500

May 20, 2015

To: The Honorable Holly Mitchell, Chair
Senate Budget Subcommittee No. 3

Honorable Members
Senate Budget Subcommittee No. 3

From: Farrah McDaid-Ting, Legislative Representative, CSAC
Cathy Senderling-McDonald, Deputy Executive Director, CWDA

RE: County Medi-Cal Administration – ADOPT INCREASED FUNDING

The California State Association of Counties (CSAC) and County Welfare Directors Association of California (CWDA) urge the subcommittee's adoption of a mechanism to provide increased funding for county Medi-Cal administration, including related budget bill language.

As noted in previous memos and testimony from our organizations, the Administration's May Revise proposed the same total level of funding for 2015-16 as was provided in 2014-15, including the continuation of a current-year augmentation of \$150 million (total funds) that was provided in January. CWDA had requested that the augmentation – which was available for just six months of the fiscal year – be annualized to \$300 million total funds for 2015-16, in order to minimally fund the workload required by the ACA. The flat funding level proposed by the May Revise is not enough for counties to effectively operate the program on the state's behalf, given the significant ongoing workload that county eligibility workers continue to face.

Since the May Revise was released, we have been able to identify a source of funding that can supplement the county Medi-Cal administration budget without affecting the budget year bottom line. Specifically, we are requesting an early reversion of current-year CalFresh administrative funds and one-time redirection of those funds via budget bill language to the Medi-Cal administration budget item. These funds are available because of a decline in the projected 2014-15 caseload due to the improving economy, resulting in the availability of \$31 million General Fund previously budgeted for caseload that will not be needed. This is a one-time option, because the caseload has already been adjusted accordingly for budget year.

Counties operate the Medi-Cal program on the state's behalf, and county eligibility staff take the issues of customer service and program integrity very seriously. For these reasons, our organizations are pleased to support the proposed funding mechanism and related budget bill

language, and we urge your adoption of this critical solution, which we estimate will result in \$95 million additional funds being available, when federal matching funds are accounted for.

With regard to future budgeting decisions for this program area, the Administration has offered to begin discussions with us shortly regarding the 2016-17 budget process and the transition to a new budget methodology including workload measurement for 2017-18. We look forward to participating in those discussions.

Thank you for your consideration of county funding needs for the effective and efficient administration of Medi-Cal eligibility. Please do not hesitate to contact us if you have any questions.

cc: Marjorie Swartz, Office of the President Pro Tem
Jennifer Troia, Office of the President Pro Tem
Craig Cornett, Office of the President Pro Tem
Michelle Baass, Consultant, Senate Budget and Fiscal Review Subcommittee No. 3
Samantha Lui, Consultant, Senate Budget and Fiscal Review Subcommittee No. 3
Kirk Feely, Consultant, Senate Republican Fiscal Office
Chantele Denny, Consultant, Senate Republican Fiscal Office
Shawn Martin, Legislative Analyst's Office
Diana Dooley, Secretary, Health and Human Services Agency
Michael Wilkening, Health and Human Services Agency
Jennifer Kent, Director, Department of Health Care Services
Carol Gallegos, California Department of Health Care Services
Michael Cohen, Director, Department of Finance
Matt Paulin, Program Budget Manager, HHS, Department of Finance
Will Lightbourne, Director, California Department of Social Services
Farrah McDaid Ting, California State Association of Counties
County Caucus