

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Health Services Agency *mod*

BOARD AGENDA # *B-7

Urgent

Routine

AGENDA DATE April 3, 2012

CEO Concurs with Recommendation YES NO
ph
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Increase Appropriations for the Fiscal Year 2011 -2012 Health Services Agency Public Health Budget by \$432,670 for the California Children's Services Program Funded by Departmental Fund Balance

STAFF RECOMMENDATIONS:

1. Approve the increase in appropriations for the Fiscal Year 2011-2012 Health Services Agency Public Health Budget of \$432,670 for the California Children's Services Program funded by departmental fund balance.
2. Direct the Auditor-Controller to increase appropriations as detailed on the budget journal form.

FISCAL IMPACT:

The California Children's Services is a mandated program that is funded by Federal and State allocations and through required County contributions generally from realignment revenues. The amount of required County contribution is determined by actual utilization and cost of medical services provided to the enrolled children. The estimated County contribution for diagnosis and treatment of \$666,000 was included in the Health Services Agency (HSA) Public Health division budget for Fiscal Year 2011-2012.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2012-139

On motion of Supervisor Chiesa, Seconded by Supervisor Withrow
and approved by the following vote,

Ayes: Supervisors: Chiesa, Withrow, Monteith, De Martini, and Chairman O'Brien

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

FISCAL IMPACT (Continued):

Claim volumes however have exceeded this projected amount and an additional \$432,670 of County contribution is required to pay the providers of care. The source of this additional contribution would be from the Health Services Agency Public Health division fund balance, such that there would be no impact to the County General Fund. If approved by the Board of Supervisors, approximately \$1.8 million of the restricted fund balance would remain in the Public Health fund after this action.

DISCUSSION:

California Children's Services (CCS) is a mandated program with every county in the State of California being required to have a CCS program. The enabling statute is Health and Safety Code, 123800. Welfare and Institutions Code and the California Code of Regulations (Title 22, Section 51013) mandates that the CCS program act as an "agent of Medi-Cal" for Medi-Cal beneficiaries with CCS eligible conditions. The legislative intent is that the CCS program will provide necessary medical services for children with CCS eligible conditions whose parents cannot pay for those services either wholly or in part.

The CCS program provides diagnostic and treatment services, medical case management, and physical and occupational therapy services to children under age 21 with certain physical limitations and chronic health conditions or diseases. Examples of CCS-eligible conditions include, but are not limited to, chronic medical conditions such as cystic fibrosis, hemophilia, cerebral palsy, cancer, traumatic injuries and infectious diseases. CCS also provides medical therapy services that are delivered at public schools.

Children eligible for CCS must be residents of California, have CCS eligible conditions, and have family adjusted gross income of \$40,000 or less in the most recent tax year. Children in families with higher incomes may still be eligible for CCS if the estimated cost of care to the family in one year is expected to exceed 20 percent of the family's adjusted gross income. The County, through the HSA, is responsible for authorization of medically necessary services and medical case management of CCS eligible conditions for children deemed eligible according to the State's eligibility rules. The HSA's medical cost payment obligation is primarily based on the insured status of the CCS eligible child. For instance, the medical care costs for CCS conditions for children enrolled in Medi-Cal are covered by Medi-Cal. For children enrolled in Healthy Families, the HSA is responsible for 17.5% of the medical care costs, while the balance is covered by State and federal funds. For CCS eligible children that do not qualify for coverage under Medi-Cal or Healthy Families, the HSA is responsible for 50% and the State is responsible for 50%.

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Claims under this Diagnosis and Treatment portion of the California Children's Services program are adjudicated by the State. As funding is necessary to satisfy the claims liability, the State invoices the Health Services Agency for the required County contribution. The State will not release claims until the County has certified the County contribution, through a statement provided by the Auditor-Controller's office. Currently there are submitted claims not being paid to providers by the State because the current allocation for payment of services has been exhausted. This occurred only recently and was largely due to only two catastrophic cases, each identified in the last sixty days. With one of the cases, due to the specific diagnosis and treatment, the opportunity existed to apply for 100% State payment liability. Staff pursued this and while the State has confirmed full State payment liability, this will be retroactively reconciled through a quarterly invoicing process. In addition to pursuing this offset, HSA staff is also pursuing claims payment errors made by the State which total approximately \$169,000. Work continues with the State to bring this to resolution, but with no date of an anticipated correction and provider claims in suspense, staff recommends the Board approve the requested increase in appropriations, while staff continues to pursue the recovery.

If the full funding is not provided, claims will remain in suspension and paid in the future from the 2012-2013 certified allocation. Such a deferral will only create a further problem in the new fiscal year. Additionally, delaying payment to providers often creates reluctance by providers to provide care for this population of patients, resulting in reduced access to healthcare services and necessarily adding to the HSA staff time necessary to secure services for these ill children.

The State has indicated that funds are available in the CCS State allocation to match the proposed additional County funding.

POLICY ISSUES:

Approval of this item supports the Board of Supervisors priority of A Healthy Community and Efficient Delivery of Public Services by ensuring appropriate medical services are made available and through the most cost effective local processes possible.

STAFFING IMPACT:

Existing staff of the Health Services Agency will perform services associated with this item.

Department Contact:

Colleen Woolsey, Associate Director (209) 558-6833

