



CWDA

June 7, 2011

Ms. Diana Dooley, Chairwoman
California Health Insurance Exchange Board
c/o California Health and Human Services Agency
1600 9th Street, Room 460
Sacramento, CA 95814

Dear Chairwoman Dooley,

Thank you for inviting us to make a presentation at the May 24, 2011, meeting of the California Health Insurance Exchange Board. It was a pleasure to review the role county social service organizations play in determining eligibility for Medi-Cal and other assistance programs for California families.

The purpose of this letter is to provide follow-up information requested by the Board regarding the current cost of eligibility determination for the Medi-Cal program and information on our experience with various modes of application submittal.

Current Administrative Costs. For 2011/12, the State Department of Health Care Services will provide county social service departments \$292 per case, supporting an estimated 4,729,300 average monthly eligibles. This cost figure is comprehensive and inclusive of all costs counties incur to operate the program, encompassing intake and all continuing eligibility work, including mid-year status reports for adults and annual redeterminations required by federal law for all recipients; as well as clerical support, management, due process hearings, staff development, implementation of policy changes, and all other operating costs. In addition to these case management costs, DHCS supports a proportionate share of the SAWS eligibility automation system costs, totaling \$52,977,000 for on-going maintenance and operations. This equates to \$11.20 per recipient per year. The administrative costs reflect an average to perform required functions across the 30-plus programs under the Medi-Cal umbrella, ranging from the most complicated cases to the relatively simple. Under the Administration's proposal to move Healthy Families into Medi-Cal, a topic of current discussion, counties anticipate being able to complete these far simpler eligibility determinations and fulfill the on-going case management responsibilities at a much lower cost per case. We concur with the Administration's budget projections, which assume this work will be completed at the same cost as is currently incurred by MRMIIB for these functions. Additionally, the state and counties have negotiated trailer bill language that will result in the development of a new methodology of budgeting for county administrative costs that takes into account different case complexities, in anticipation of the simplifications that will go into effect in 2014 with the implementation of the federal Affordable Care Act.

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On-Line Application Data. As we mentioned at the Exchange Board meeting, all counties have now implemented the on-line application option. On average, across the state, 8 percent of applications for Medi-Cal (not associated with CalWORKs) are currently begun online. Percentages in early implementing counties range as high as 29 percent. Consequently, we expect statewide use of this option to increase significantly over time, particularly if resources are available for promotional activities. In those counties that also track the number of applications received through the mail, approximately 35 percent are received from the Single Point of Entry (SPE), from community based organizations assisting a family, or directly from families through the mail. Counties that track applications begun via telephone find that about 2 percent are received in this manner. At this time we do not have data to indicate the number of these applications that were completed without in-person contact with a county social service office.

Please let us know if there is any other information that would be helpful to you as you plan for implementation of the Health Insurance Exchange.

Sincerely,



Frank Mecca, Executive Director
County Welfare Directors Association of California

cc: Patricia Powers, Acting Administrative Officer
Joe Munso, Acting Chief Deputy Director