

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Health Agency/Public Health Department		(2) MEETING DATE May 16, 2006		(3) CONTACT/PHONE Nancy Rosen (805) 781-5518	
(4) SUBJECT Request to (1) approve an amendment to an existing agreement (Clerk's File) with the State Department of Health Services for Medi-Cal Administrative Activities and (2) authorize the Public Health Administrator/Health Officer to execute subsequent amendments/agreements under this program that do not increase the level of General Fund support required for the Department.					
(5) SUMMARY OF REQUEST The Medi-Cal Administrative Activities (MAA) Program was established by the Federal Department of Health and Human Services to create access to federal funding for local government agencies to assist eligible individuals in gaining access to needed Medi-Cal covered services. This allows local governmental agencies to access federal reimbursement for the cost of specific administrative activities necessary for the proper and efficient administration of the MAA program.					
(6) RECOMMENDED ACTION It is recommended that the Board (1) approve an amendment to an existing agreement with the State Department of Health Services for Medi-Cal Administrative Activities for FY's 2005/06 and 2006/07 and (2) authorize the Public Health Administrator/Health Officer to execute subsequent amendments/agreements under this program that do not increase the level of General Fund Support required for the Department.					
(7) FUNDING SOURCE(S) Federal		(8) CURRENT YEAR COST \$721,695		(9) ANNUAL COST \$721,695	
(10) BUDGETED? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/A					
(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): County Counsel has reviewed and approved the agreement as to form and legal effect. Probation Department has four claiming units in the CBMAA program.					
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____					
(13) SUPERVISOR DISTRICT(S) <input type="checkbox"/> 1st, <input type="checkbox"/> 2nd, <input type="checkbox"/> 3rd, <input type="checkbox"/> 4th, <input type="checkbox"/> 5th, <input checked="" type="checkbox"/> All			(14) LOCATION MAP <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A		(15) Maddy Act Appointments Signed-off by Clerk of the Board <input checked="" type="checkbox"/> N/A
(16) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____)			(17) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions (Orig + 4 copies) <input checked="" type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input type="checkbox"/> N/A		
(18) NEED EXTRA EXECUTED COPIES? <input checked="" type="checkbox"/> Number: <u>2</u> <input checked="" type="checkbox"/> Attached <input type="checkbox"/> N/A			(19) BUDGET ADJUSTMENT REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A		
(20) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) <u>N/A</u>			(21) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		(22) Agenda Item History <input type="checkbox"/> N/A Date <u>11/22/2005</u>
(23) ADMINISTRATIVE OFFICE REVIEW <div style="text-align: right; margin-top: 20px;"> <i>OK - Dan Berkshi</i>  <div style="font-size: 2em; font-weight: bold; transform: rotate(-15deg); display: inline-block;">B-1 5-16-06</div> </div>					



# County of San Luis Obispo • Public Health Department

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**Gregory W. Thomas, M.D., M.P.H.**  
**County Health Officer**  
**Public Health Administrator**

TO: Board of Supervisors

FROM: Gregory Thomas, M.D., M.P.H., Public Health Administrator/Health Officer

DATE: May 16, 2006

SUBJECT: Request to (1) approve an amendment to an existing agreement (Clerk's File) with the State Department of Health Services for Medi-Cal Administrative Activities and (2) authorize the Public Health Administrator/Health Officer to execute subsequent amendments/agreements under this program that do not increase the level of General Fund support required for the Department.

## Recommendation

It is recommended that the Board (1) approve an amendment to an existing agreement with the State Department of Health Services for Medi-Cal Administrative Activities for FY's 2005/06 and 2006/07 and (2) authorize the Public Health Administrator/Health Officer to execute subsequent amendments/agreements under this program that do not increase the level of General Fund Support required for the Department.

## Discussion

The Medi-Cal Administrative Activities (MAA) Program was established by the Federal Department of Health and Human Services to create access to federal funding for local government agencies to assist eligible individuals in gaining access to needed Medi-Cal covered services. This allows local governmental agencies to access federal reimbursement for the cost of specific administrative activities necessary for the proper and efficient administration of the MAA program. The MAA program is split into two different claiming programs County Based MAA (CBMAA) and School Based MAA (SBMAA). The administrative activities for MAA include:

- Medi-Cal outreach,
- Facilitation of Medi-Cal applications,
- Arranging and providing transportation to Medi-Cal services,
- Medi-Cal contract administration,

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- Medi-Cal program planning and policy development, and
- Coordination of the County Based MAA, School Based MAA and Targeted Case Management (TCM) programs. The MAA program provides reimbursement for administration of TCM programs, a Medi-Cal client case management program. The CBMAA/SBMAA/TCM programs enable private and public agencies access to revenue to offset a portion of their costs associated with these types of activities.

The objective of the MAA program is to increase access to medical care for the Medi-Cal population in local communities. The State Department of Health Services (DHS) has designated the San Luis Obispo County Public Health Department as the lead governmental agency in San Luis Obispo County for the County based MAA, School based MAA and TCM programs. Each year the Department of Health Services designates a MAA time survey month to identify and reflect time spent on claimable activities for all the programs. These programs do not reimburse for direct medical services.

The Public Health Department as the lead governmental agency in San Luis Obispo County acts as a pass through entity on behalf of local governmental agencies and subcontracts with community based organizations to access federal reimbursement for MAA activities.

The Public Health Department has designated a coordinator and support staff for these programs. Coordination includes planning, auditing, compliance assurance, educating and disseminating information to all participating agencies that are claiming under the County Based MAA, School Based MAA and TCM programs through the State contracts. The State contract requires Claiming Plans for each participating MAA budget unit or “claiming unit”, an Operation Plan for SBMAA, and Cost Reports for TCM. Public Health Administration coordinates and processes claims for:

- 8 CBMAA claiming units:
  - Public Health- Administration
  - Public Health- AIDS Program
  - Public Health- Family Health Services
  - Public Health- Health Systems
  - Probation- Adult
  - Probation- Juvenile
  - Probation- Juvenile Hall
  - Probation- Revenue Recovery
- 1 SBMAA claiming unit - Lucia Mar Unified School District
- 5 TCM claiming units:
  - Public Health- Family Health Services
  - Public Health- Public Guardian
  - Probation- Adult
  - SLO Child Development Center
  - Life Steps Foundation

These programs pay for administrative expenses related to Medi-Cal clients. In order to determine the reimbursement amount, each staff person providing MAA performs a time study. The time spent performing qualified Medi-Cal administrative activities are reimbursed based upon the percentage of Medi-Cal clients being served.

One of the following three methods are used to determine the rate of Medi-Cal clients being served for each activity; A) Use the countywide Medi-Cal rate provided by DHS (currently 10.8%), B) Use an actual client count to determine the ratio of Medi-Cal clients (about 30% for Family Health Services), and C) Use the 100% rate for activities solely related to Medi-Cal clients.

The proportional salary and qualifying related expenses for MAA activities are then federally reimbursed at approximately 50%. Reimbursement will vary, based upon the time study results, identifying proportion of time spent on which MAA activities and their Medi-Cal client rate.

The examples below are simplified versions of the MAA reimbursement method. Example 1 is for the coordinator/coordination staff, who performs MAA almost exclusively and is paid at the 100% rate for coordination, and Example 2 is for regular staff participating in the MAA program who are paid at varying rates, depending on the type of MAA activities performed. The main differences between these two examples are the activity rate and time spent on MAA, which are in bold type.

Example 1:	Coordinator salary	50,000
	Office expense	<u>5,000</u>
	Subtotal	55,000
	<b>% time performing MAA</b>	<u><b>95%</b></u>
	Subtotal	52,250
	<b>Medi-Cal coordination</b>	<u><b>100%</b></u>
	Subtotal	52,250
	Federal Reimbursement	<u>50%</u>
	Total Reimbursement	26,125

Example 2:	Staff salary	50,000
	Office expense	<u>5,000</u>
	Subtotal	55,000
	<b>% time performing MAA</b>	<u><b>75%</b></u>
	Subtotal	41,250
	<b>Medi-Cal activities</b>	
	<b>(combination of A, B &amp; C)</b>	<u><b>27%</b></u>
	Subtotal	11,137
	Federal Reimbursement	<u>50%</u>
	Total Reimbursement	5,569

A fee is charged each participating claiming unit to cover the remaining 50% of the coordinators

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salary and associated expenses. Most participants are charged 10% of their net invoice. The school is charged 3% of their net invoice. Their fee is lower because they subcontract with a vendor to perform many of the MAA coordinator functions.

Over the last several years there have been many changes in interpretation of the Social Security rules governing these programs by the Federal Centers for Medicare and Medicaid Service and CA Department of Health Services and the reimbursement formulas. In addition there are Federal budget amendments proposed, that may alter the methods used to determine reimbursements under the MAA and TCM programs. The effect the new budget will have on MAA is unclear, however it does not eliminate funding.

#### Other Agency Involvement/Impact

County Counsel has reviewed and approved the agreement as to form and legal effect. Probation Department has four claiming units in the CBMAA program.

#### Financial Considerations

The State recommended renewal agreement for MAA activities allows a maximum amount of \$1,500,000 each for FY's 2005/06 and 2006/07. For FY 2004/05, the Public Health Department received \$420,978 of Federal MAA revenue, which includes \$108,467 of unanticipated revenue generated from FY 2003/04, and Lucia Mar Unified School District received revenue of \$85,308.

In FY 2005/06, the Public Health Department projects MAA revenue to be \$321,715 for Public Health and \$399,980 for Lucia Mar Unified School District. Subsequently, for FY 2006/07 the recommended budget includes revenue of \$402,253 for Public Health, \$407,500 for Lucia Mar, and \$189,000 for the Probation Department, which does not include any additional claiming units.

The maximum amount payable under the terms of this amendment to the agreement allows for future contracting with local community based organizations. The Economic Opportunity Commission, Healthy Kids, First 5: Children & Families Commission of San Luis Obispo, and a vendor representing San Luis Obispo Coastal School District, have recently approached the Public Health Department, and expressed an interest in subcontracting with the county to provide MAA services.

This amendment will allow the Department to maintain the current budgeted level of General Fund support by bringing Federal reimbursement for Medi-Cal Administrative Activities being provided to the community by Public Health, Probation, Schools, and Community Based Organizations.

#### Results

The MAA agreement will allow the Public Health Department to continue to access Federal funding for Medi-Cal Administrative Activities on behalf of the county and Lucia Mar School

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District, including reimbursement for subcontracts with community based organizations.

The funds allow schools and county departments to provide increased access to Medi-Cal services in the community which ultimately leads to a healthier population.

An increase in Medi-Cal client enrollment will also raise the Medi-Cal countywide rate, increasing payment ratios in programs for Public Health, Social Services and Mental Health. The percent of the county's population enrolled in Medi-Cal increased from 10.4% in FY 2003/04 to 10.8% in 2004/05.

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