

1. Program Title: CMISP Treatment Account

Program Description: County Medically Indigent Services Program (CMISP) is a program of "last resort" designed to meet the health care needs of individuals who are not otherwise eligible for public healthcare programs such as Medi-Cal or Medicare and who meet the County's socioeconomic eligibility standards. CMISP is mandated by the State of California, Title 17 of the Welfare and Institutions Code, to provide access to primary, specialty and inpatient care medical care for medically indigent persons.

	Base	Unfunded	Recommended	Percentage
Appropriations	\$62,883,690	\$7,333,386	\$55,550,304	11.7%
Reimbursements (-)	-4,669,927	0	-4,669,927	0.0%
Net Appropriations	58,213,763	7,333,386	50,880,377	12.6%
Revenues:				
Federal	22,799,078	1,220,541	21,578,537	5.4%
State	0	0	0	
Realignment	22,173,332	0	22,173,332	0.0%
Prop 172	0	0	0	
Fees	0	0	0	
Other	0	0	0	
Total Revenues	44,972,410	1,220,541	43,751,869	2.7%
Carryover				
Net Cost	\$13,241,353	\$6,112,845	\$7,128,508	46.2%
Fulltime Equivalent Positions	0.0	0.0	0.0	

Categorical Reduction: \$0

Non-categorical Reduction: \$7,333,386

Program Impact:

The CMISP Treatment Account is being reduced by \$5,071,772 in General Fund outlay. To cover the General Fund reduction, as well as the loss of realignment and federal revenue, the CMISP Treatment Account must reduce appropriations by \$7,816,711.

The reduction is partially mitigated by a net reduction in the Low Income Health Program (LIHP). Should the Medi-Cal expansion occur on January 1, 2014 as scheduled, the expenditure amount needed for the contract with the healthcare provider is reduced by \$2,441,082 from 2012-13. The reduction in federal revenue of \$1,220,541 is due to the reduction in the LIHP contract so is totally mitigated by this reduction. The total cut of \$2.44 million also covers the reduction of \$897,055 in Health Realignment revenue and approximately half of the reduction in reimbursements.

The remaining \$5,000,000 in General Fund allocation and \$376 thousand reduction in reimbursements will be covered by a reduction in treatment payments for the medically indigent.

In 2012-13, the amount budgeted for the medically indigent was \$15,813,922. For 2013-14, this is reduced to \$10,438,293.

It is difficult to discern the impact of this \$5.4 million reduction. In 2010-11 and 2011-12, total appropriations for the CMISP Treatment Account were \$40,720,844 and \$36,081,521, respectively. The typical number served was 28,000 medically indigent. The number of LIHP enrollees anticipated to transition to Medi-Cal in January 2014 is 14,000 roughly half of the known CMISP population. If approximately half remain, most will be eligible for Medi-Cal while some number of the remaining individuals will be residual CMISP and require county funds.

The federal poverty level (FPL) for the new expanded population of childless adults for Medi-Cal is 138% of FPL and the County's LIHP has a ceiling of 67% FPL. The number of current CMISP eligible clients who would convert to Medi-Cal because of the raised FPL would affect the total amount needed for treatment payments. The effect would be for half of the fiscal year and would be further affected by the eligibility process and timeliness. It is also unknown if there will be sufficient funds to cover the medically indigent costs due to claiming in arrears.

Other factors affecting projection may include individuals seeking coverage due to mandates, outreach and enrollment strategies, and delays associated with program start up for Medi-Cal expansion or Covered California. It is also unknown if there will be sufficient funds to cover the medically indigent costs due to claiming in arrears. Budget allocation must take into account claim payment lags for specialty and hospital services as well as eligibility backlog which delays claims.

The increase in Medi-Cal eligible clients from the current CMISP eligible clients as a result of expanding eligibility to 138% of FPL, could potentially close the gap between the 1/3 loss of funding (i.e., 5.4 M) and 1/4-year savings provided by half of the known CMISP population (LIHP enrollees) converting to Medi-Cal (i.e., 50% or 1/2 the cost for 1/2 the year). The eligibility process and timeliness would affect how many of the expanded population would convert. DHHS is committed to transferring as many CMISP patients to Medi-Cal on January 2014. The department would like to devote resources to work toward optimizing the number of people who transition on day one and take steps to minimize the claims in arrears. To accomplish this aim, DHHS would actually spend more treatment funding in achieving the enrollment of LIHP eligible clients to more than 14,000 and to speed the transition of new enrollees into Medi-Cal. More resources would also need to be provided to assist in the processing of eligibility, beginning even in the current fiscal year. It is worth noting that counties have not yet received confirmation from the State that the transition to Medi-Cal will occur on January 1, 2014.
