

ITUP Summary: Governor's Health Budget 2006-07 (*May '06 Revise*)

Medi-Cal

- ❑ \$1 billion in total funds spending growth to \$35 billion
- ❑ \$500 million in General Fund growth to \$14.4 million
- ❑ Caseload grows by 126,000 (1.9%) from 6.7 million to 6.8 million
 - *May revise lowers caseload projection to 6,664,700*
- ❑ \$246 million additional federal funds for safety net hospitals in 2005-6 and \$571 million additional federal funds in 2006-7 from the federal waiver
- ❑ *May revise includes \$120 million in selected managed care rate increases*
- ❑ Slow growth in managed care for aged and disabled
 - Care management demonstration projects incorporating medical care, mental health and alcohol and drug treatment services
 - Increased voluntary enrollment in managed care
 - Mandatory managed care in two counties beginning in 2008
- ❑ Mandatory managed care for families in 15 medium sized counties
 - Three counties (Placer, El Dorado and Imperial) begin in 06-07
- ❑ Reform Adult Day Health Care, reduce fraud and abuse (General Fund savings \$9.3 million)
- ❑ Freeze growth in county administrative costs for salaries and overhead (General Fund savings \$42 million)
- ❑ 5% Provider Rate reductions (General Fund savings \$42.6 million)
 - *Eliminated in May revise*
- ❑ Federal match for prenatal care (General Fund savings \$90 million annually, \$180 million in 2005-06)
- ❑ Long term care rate increases (\$40 million annually)
- ❑ Implementation of Medicare Part D for prescription drugs (\$212 million General Fund)
 - *May revise reduces the cost of implementation by \$164 million*
- ❑ *May revise identifies \$260 million in drug rebates*
- ❑ Increase in fee for service base (over \$500 million General Fund), primarily for services to the aged and disabled, 3/4th of the increase is for pharmacy and 1/4th for inpatient hospital costs
- ❑ Increase in Medicare Buy-In costs (\$147 million General Fund)
- ❑ Federal match for MIA-Long Term Care and Breast and Cervical Cancer Treatment (General Fund savings \$22 million)
- ❑ Federal match for CCS and GHPP (General Fund savings \$40 million)
 - *Slight decline in projected enrollment in May revise*
- ❑ \$17.7 million in Prop 99 funds designated for Orthopedic Hospital MediCal settlement

Major Risk Medical Insurance Board

- ❑ 10% growth in total funds to \$1.2 billion

Healthy Families

- ❑ Enrollment growth of 105,800 kids in 06-7 (12.8% enrollment growth)
 - *May revise reduces caseload projected growth from 12.8% to 11.1% (867,727 is projected enrollment by 2007)*
- ❑ Spending grows from \$908 million to \$1.047 billion (15.3%)

AIM

- ❑ Total cost \$115 million, of which federal matching is \$64 million
 - *May revise reduces projected growth due to slower enrollment*

MRMIB

- ❑ Total cost of \$41 million

Children's Health Initiatives Bridge Funding

- ❑ *\$23 million in May revise*
- ❑ *Financing for 24,000 children on county waiting lists*

Children

95% of all eligible children are already enrolled in M-C and 90% already enrolled in HF, leaving 400,000 eligible for programs but not enrolled

- ❑ \$72 million for children's enrollment efforts
 - Outreach grants to counties (\$20 million)
 - CAA incentive payments (\$2.5 million)
 - *May revise modification of \$25 extra bonus for enrollment and retention of children through Health-E-App*
 - *Projects enrollment increases of 20,000 children*
 - Health-E-App available at all sites (\$2.5 million)
 - Public education campaign (\$3.4 million)
 - Retention improvements in Medi-Cal (caseload growth of \$45 million)
 - Streamlined enrollment in Healthy Families (caseload growth of \$9.6 million)
 - County Matching Fund (\$1.5 million annually)

Children's Medical Services (CCS, CHDP and GHPP)

- ❑ \$31 million (12%) increase in total funds to \$255 million
 - *May revise augmentation of \$10 million for program caseload and cost increases*

May '06 Revise in italics