

## ITUP Draft Summary Governor's Health Budget 2006-07

### MediCal

- ❑ \$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
- ❑ \$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
- ❑ 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)
- ❑ 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)
- ❑ Increase in fee for service base (over \$500 million General Fund), primarily for services to the aged and disabled, 3/4<sup>th</sup> of the increase is for pharmacy and 1/4<sup>th</sup> 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)
- ❑ \$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)
- ❑ Spending grows from \$908 million to \$1.047 billion (15.3%)

### *AIM*

- ❑ Total cost \$115 million, of which federal matching is \$64 million

### *MRMIP*

- ❑ Total cost of \$41 million

## **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)
  - Health-E-App available at all sites (\$2.5 million)
  - Public education campaign (\$3.4 million)
  - Retention improvements in MediCal (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