

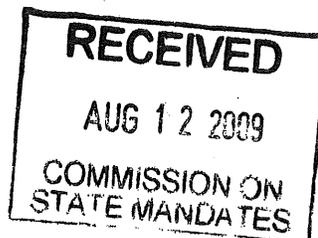


DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

ARNOLD SCHWARZENEGGER, GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

August 10, 2009



Ms. Paula Higashi
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Dear Ms. Higashi:

The Department of Finance (Finance) has reviewed the test claim submitted by Alameda County (claimant) for Claim No. 08-TC-04, "Medi-Cal Eligibility of Juvenile Offenders." Commencing on page 4 of the test claim, the claimant has identified the following as new reimbursable state mandates activities:

County Probation Department Juvenile Detention Facility

1. Provide specified information to the County Welfare Department (CWD) relating to a ward of the county who is scheduled to be released.
2. Contact the parent or guardian (if minor), to provide an opportunity to opt out of the eligibility determination.
3. Maintain records regarding the wards.
4. Coordinate with the Social Service Agency for Medi-Cal Screening.

County Welfare Department

1. Draft and adopt new written policies.
2. Initiate an application and determine Medi-Cal eligibility.
3. Provide sufficient documentation to enable the ward to receive medical care upon release.

Prior laws required counties to determine Medi-Cal eligibility. The following are submitted for your review:

- 1) Federal law requires the designation of an administrator for the Medicaid program. The Department of Health Care Services (DHCS) has been appointed to administer the California plan known as "Medi-Cal." Through this program, the DHCS distributes federal and state funding to counties for providing administrative services and health care to qualified persons. The Code of Federal Regulations also requires agencies to redetermine eligibility, with respect to circumstances that may change, at least every 12 months.
- 2) The California Code of Regulations delegates determination of eligibility to counties and, like the federal law, requires agencies to determine continuing eligibility every 12 months. A funding mechanism exists to compensate counties for determining initial and continuing Medi-Cal eligibility for all applicants.

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State funds are appropriated to the DHCS in the annual Budget Act under Item 4260-101-0001, Schedule (1) Eligibility (County Administration), based on projected amounts. Providers submit expenditures through the Electronic Data Systems, the fiscal intermediary for the Medi-Cal Fee for Service System that pays providers. The DHCS receives monthly expenditure reports from counties and other state agencies, then reimburses for the cost of approved services. Eligibility determinations are reimbursed for all applicants even if subsequently found to be ineligible.

Federal funds are appropriated in Item 4260-101-0890. The DHCS combines the reports on the CMS-64 certification of public expenditures quarterly. An estimated claim is then submitted to draw down federal financial participation funds from the Center for Medicare & Medicaid Services, Department of Health and Human Services, a federal agency. Payment is based on the Federal Medical Assistance Percentage, which ranges between 50 and 85 cents reimbursement for every dollar.

In cases where a deficiency may occur, the DHCS may request approval from Finance to transfer funds between schedules or from other specified items within the Budget. The authority for transfers is in the annual Budget Act as provisional language under Item 4260-101-0001.

As a result of our review, Finance believes partial approval of the test claim may be appropriate for the sole requirement on the County Probation Department to provide specified information of a ward to the CWD, if additional costs have been incurred. Finance also believes that counties are fully reimbursed through state and federal funding for all costs related to eligibility determination for the Medi-Cal program.

As required by the Commission's regulations, a "Proof of Service" has been enclosed indicating that the parties included on the mailing list which accompanied your February 9, 2009 letter have been provided with copies of this letter via either United States Mail or, in the case of other state agencies, Interagency Mail Service.

If you have any questions regarding this letter, please contact Carla Castañeda, Principal Program Budget Analyst at (916) 445-3274.

Sincerely,



Diana L. Ducay
Program Budget Manager

Enclosures

Enclosure A

DECLARATION OF CARLA CASTAÑEDA
DEPARTMENT OF FINANCE
CLAIM NO. CSM-08-TC-04

1. I am currently employed by the State of California, Department of Finance (Finance), am familiar with the duties of Finance, and am authorized to make this declaration on behalf of Finance.
2. We concur that the sections relevant to this claim are accurately quoted in the test claim submitted by claimants and, therefore, we do not restate them in this declaration.

I certify under penalty of perjury that the facts set forth in the foregoing are true and correct of my own knowledge except as to the matters therein stated as information or belief and, as to those matters, I believe them to be true. As to the attachments included with this filing, I certify they are authentic copies downloaded from the websites of the California Office of Administrative law (www.westlaw.com), Official California Legislative Information (www.leginfo.ca.gov), and Electronic Code of Federal Regulations (www.ecfr.gpoaccess.gov).

August 10, 2009
at Sacramento, CA

Carla Castañeda
Carla Castañeda

PROOF OF SERVICE

Test Claim Name: Medi-Cal Eligibility of Juvenile Offenders
Test Claim Number: CSM-08-TC-04

I, the undersigned, declare as follows:

I am employed in the County of Sacramento, State of California, I am 18 years of age or older and not a party to the within entitled cause; my business address is 915 L Street, Floor, Sacramento, CA 95814.

On 8-10-2009, I served the attached recommendation of the Department of Finance in said cause, by facsimile to the Commission on State Mandates and by placing a true copy thereof: (1) to claimants and nonstate agencies enclosed in a sealed envelope with postage thereon fully prepaid in the United States Mail at Sacramento, California; and (2) to state agencies in the normal pickup location at 915 L Street, Floor, for Interagency Mail Service, addressed as follows:

A-16
Ms. Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
Facsimile No. 445-0278

Ms. Annette Chinn
Cost Recovery Systems, Inc.
705-2 East Bidwell Street, #294
Folsom, CA 95630

Ms. Harmeet Barkschat
Mandate Resource Services, LLC
5325 Elkhorn Boulevard, #307
Sacramento, CA 95842

B-08
Ms. Ginny Brummels
State Controller's Office
Division of Accounting & Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

A-15
Ms. Susan Geanacou
Department of Finance
915 L Street, Suite 1280
Sacramento, CA 95814

Mr. J. Bradley Burgess
Public Resource Management Group
895 La Sierra Drive
Sacramento, CA 95864

Mr. David Wellhouse
David Wellhouse & Associates, Inc.
9175 Kiefer Boulevard, Suite 121
Sacramento, CA 95826

Mr. Allan Burdick
MAXIMUS
3130 Kilgore Road, Suite 400
Rancho Cordova, CA 95670

Mr. Glen Everroad
City of Newport Beach
3300 Newport Boulevard
P.O. Box 1768
Newport Beach, CA 92659-1768

Mr. Leonard Kaye
County of Los Angeles
Auditor-Controller's Office
500 W. Temple Street, Room 603
Los Angeles, CA 90012

Proof of Service
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Ms. Carla Castaneda
Department of Finance
915 L Street, 12th Floor
Sacramento, CA 95814

Ms. Sharon K. Joyce
Department of Corrections
Legal Affairs Division
P.O. Box 942883
Sacramento, CA 95283-0001

Mr. Louie Martinez
Alameda County
1221 Oak Street, Suite 555
Oakland, CA 94612

Ms. Bonnie Ter Keurst
County of San Bernardino
Office of the Auditor/Controller-Recorder
222 West Hospitality Lane
San Bernardino, CA 92415-0018

Ms. Lisa Velasquez
Department of Health Care Services
1501 Capitol Avenue, MS 0010
P.O. Box 997413
Sacramento, CA 95814

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on 8-10-2009 at Sacramento, California.

K Montelongo