Children & Families
Commission of Orange County

Agenda Item No. 2
November 5, 2008 Meeting

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DATE: October 23, 2008

TO: Children and Families Commission of Orange County

FROM: Michael M. Ruane, Executive Director

SUBJECT: **Impact of MAA and TCM Fiscal Leveraging Community Program**

SUMMARY:
The Commission allocates funding for a wide range of programs to ensure that children in Orange County are healthy and ready to succeed. A strategic operating principle in implementing these programs is to focus on sustainability and fiscal leveraging to maximize community capacity to provide the needed services. This agenda item provides an update on the Commission's fiscal leveraging program and the benefits to the community.

BACKGROUND:
Fiscal leveraging is the process of using Proposition 10 funds to match other available funds including federal, state, or other grant funding sources. The Commission, in partnership with the County of Orange Health Care Agency, has developed a local capacity for agencies to leverage their Commission Proposition 10 grant award, as eligible certified public expenditures, to receive Federal Medicaid reimbursement for their participation in Medi-Cal Administrative Activities (MAA) and Targeted Case Management (TCM) Medicaid programs.

TCM is a case management program targeting high-risk populations to assist them in gaining access to needed medical, social, educational, and other services. The MAA program is focused on outreach to assist individuals to access Medi-Cal and health care services. The fiscal leveraging program activities include complex arrangements in relation to contractual responsibilities, reporting responsibilities and the flow of dollars (Attachment 1).

Progress Highlights - 36 MAA and 7 TCM claiming units have participated in the fiscal leveraging program since it began. Total revenue generated to date includes:

Fiscal Leveraging Strategy	Revenue Generated Thru June 2007	FY 2006/07 Claims *	FY 2006/07 Claiming Units
MAA (Grantees)	$ 3,328,133	$697,689	22
TCM (Grantees)	$ 4,110,025	$825,011	6
MAA (Commission)	$ 4,923,099	$288,511	1
Total	$ 12,361,257	$1,811,211	29

** Claims are in process with the State and expected to be available later this fiscal year.*

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A table listing the agencies that are currently participating in the fiscal leveraging program is included on Attachment 2. This current level of leveraging is stabilized and anticipated to continue if programs operate at current funding levels.

MOMS Orange County is an example of a Commission funded program that has maximized their enhanced Commission funding through participation in the TCM program. In the last 7 years, MOMS has been able to increase the numbers served by approximately 85%, averaging a 10% increase in service capacity a year.

To effectively implement the fiscal leveraging programs, and ensure program compliance, the MAA/TCM Coordinator has diligently developed and refined grantee trainings and tools. This past month, fiscal and programmatic training included TCM Time Survey Training (79 staff) and MAA Time Survey Training (94 staff). The trainings help to ensure that staff are accurately implementing fiscal leveraging guidelines and are maximizing reimbursement potential. The state MAA unit recently came down for a site visit to review training of community organizations for the MAA time studies as part of their review of California's best practices. We are honored that Orange County has been recognized in this manner.

Benefits for Community Programs –The community benefits in using Proposition 10 revenue to leverage MAA and TCM include:

- Increased access for children to community health prevention and medical services. Agencies leveraging dollars can incrementally increase service capacity over time to meet community demands.
- Increased responsiveness of the health care system in providing health care services for young children and their families. MAA activities include developing strategies to increase system capacity, close service gaps, and promote inter-agency coordination.
- Increased overall fiscal stability, flexibility and responsiveness of community- based agencies during fluctuating economic conditions.

Current Program Challenges - For several years, the California Department of Health Care Services (CDHCS) has delayed issuing policy letters to help clarify questions posed by participating counties throughout California related to program requirements and funds that may be used to earn Medicaid reimbursement. Earlier this year, CDHCS identified an inconsistency in how California statute was constructed regarding with whom the local government agency could contract and which public entities could certify funds for expenditures to earn federal Medicaid reimbursement.

In June 2008, Assemblywomen Patty Berg agreed to carry forward AB 2527, a bill to amend the California Welfare and Institutions Code to make technical changes to the statute to clarify that Proposition 10 funds could be used to participate in these programs. AB 2527 was successfully signed into law and will become effective January, 2009. The language clarifies the requirements and operation of claiming programs, which will help to resolve the issues. The CDHCS also plans to issue follow-up policy letters that will further help to clarify the claiming by independent public entity commissions. The Health Care Agency MAA/TCM Administrative Coordinator along with the First 5 Association of California have been instrumental in maintaining communication across the State on this important issue

Future Plans and Actions - Staff are in the process of developing an approach to document increased service capacity in implementing a community based fiscal leveraging program. In addition, staff continue to work with participating agencies on how to incrementally increase and expand programs by reinvesting reimbursements into existing programs. Also, given increasing State and Federal focus on substantiation of claims, additional emphasis will be given to program compliance monitoring and quality assurance support activities.

STRATEGIC PLAN & FISCAL SUMMARY:
The fiscal leveraging program and update have been specifically reviewed in relation to the Strategic Plan and is designed to further the Healthy Children Goal, among others. This agenda item does not include a funding request.

PRIOR COMMISSION ACTIONS:
1. July 2006 – Approved expansion of fiscal leveraging program with MOMS Orange County
2. October 5, 2005 – Approved expenditure plan for Commission's MAA reimbursement revenues
3. November 18, 2002 – Approved revised fiscal leveraging MOU with County of Orange
4. December 5, 2001 – Approved fiscal leveraging plan

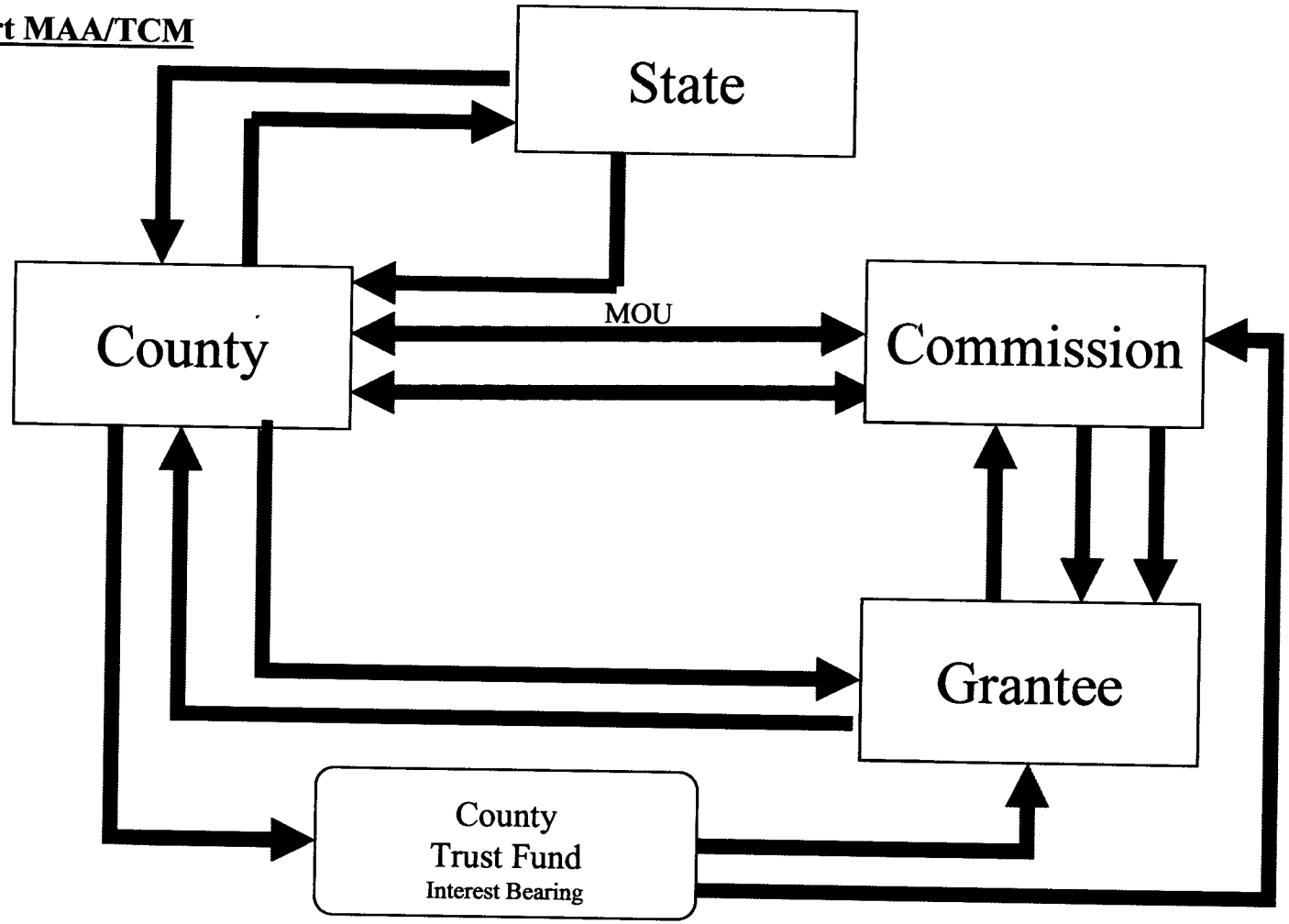
RECOMMENDED ACTION:
Receive update on fiscal leveraging program.

ATTACHMENTS:
1. MAA and TCM Fiscal Leveraging Relationships
2. Grantees Participating in MAA and TCM Fiscal Leveraging Programs

Contact: Alyce Mastrianni

Attachment 1 - MAA and TCM Fiscal Leveraging Relationships

Flow Chart MAA/TCM



Purple: **Certified Public Expenditure**
Green: **Leveraged Dollar Flow**
Red: **Contractual Responsibility**
Blue: **Reporting Responsibility**

Attachment 2

Children and Families Commission of Orange County
Grantees Participating in MAA and TCM Fiscal Leveraging Programs

MAA - Participating Agencies

Anaheim Memorial Medical Center
Children's Bureau of So CA
Children's Hospital of Orange County
City of Garden Grove
Coastal Community Hospital
Delhi Center
Families Costa Mesa
Family Support Network
Fountain Valley Regional Hospital
Garden Grove Hospital & Medical Center
Hospital Association of Southern CA
Institute for Healthcare Advancement
Orangewood Children's Foundation
PHFE / Children's Health Initiative Orange County
St. Joseph Hospital of Orange
The Raise Foundation
UCI Medical Center
Western Medical Center – Anaheim
Western Medical Center – Santa Ana
YMCA of Orange County
Children and Families Commission of Orange County

TCM - Participating Agencies

Children's Bureau of Southern California
Child Abuse Prevention Center
MOMS Orange County
St. Jude Medical Center
Visiting Nurses Association