

Health Agenda

Page 15

Issues 918 and 924 Governor's Federal Medi-Cal Flexibility & Stabilization

Proposed Compromise

1. Adopt Budget Bill Language to provide for the State to assertively obtain federal funds owed to California. Suggested language is as follows:

- x. It is the intent of the Legislature to actively pursue the receipt of federal funds within the Medicaid (Medi-Cal) Program which are past due from the federal government, including but not limited to: (1) disability insurance benefits which resulted in state expenditures instead of federal Medicare expenditures; (2) the retroactive payment of Part B Premiums due to systemic errors by the Social Security Administration; (3) needed adjustments to formulas that penalize California, such as the Medicare Part D "clawback"; and (4) receipt of federal funds due to California under various existing Medi-Cal Waiver programs.

2. Utilize existing Budget Control Section 8.25 to make adjustments to the Medi-Cal Program as federal funds are received for this purpose. A total of \$1 billion (federal funds) is assumed to be received. This figure is based upon receiving the approximate \$700 million owed to the State from disability insurance expenditures funded by Medi-Cal, instead of Medicare, Medicare Part D clawback funds of \$75 million, and over \$400 million which could be obtain from other Waivers. Other issues are also viable as noted.