

2013-14 Budget Impact effective Jan 1, 2014			
	Per 1991-92	Per CSAC 11-12	Per SCO 11-12
Total Deduction	300,000,000	300,000,000	300,000,000
% Allocation	0.008975	0.007625	0.008353
Monterey County Deduction	\$ 2,692,500	\$ 2,287,500	\$ 2,505,900

**Option 1 "60/40" split:** Counties may elect to have 60% of the amount of their Health Realignment Funds (base and growth) plus the amount of their statutory MOE redirected. Counties with an MOE that is greater than the average for their group, when compared to their total Health Realignment funds, may instead choose to use that average to determine the redirection (average is 25.9% for hospital counties and 14.6% for the non-hospital, non-CMSP counties). The impact for counties at or above the average MOE is that the sharing ration would be closer to 75%/25% for hospital counties and 69%/31% for non-hospital counties. The dollar amount for redirection will be re-calculated annually based on each year's Health Realignment revenues.

**Option 2 Savings Formula:** Alternatively, counties may elect the option of using a "Savings Formula", which documents costs and assumed revenues for each year to determine the amount of their Health Realignment funds to be redirected. AB 85 defines two variations of the formula: one for hospital counties and one for non-hospital counties. Both versions of the formula include a cap on the amount of Health Realignment funds that can be redirected at the proportion of Health Realignment funds that a county used for indigent care during the base years of FY 08/09 through FY 11/12.

For counties choosing the Savings Formula, the amount of Health Realignment funds to be redirected each year will be based on estimated savings for each county determined by DHCS. The final true up process will take place 30 months after the start of each fiscal year. At that point, counties whose savings (less the 20% for "shared savings") are greater than the estimated amount that was withheld will pay the state the difference. If a county's savings (less the 20% for "shared savings") come in under the estimated amount, the state will pay the county the difference.

1. 60-40 Split		2a. Cap - Proportion used on indigent care		2b. Cap - 100% MOE used for Indigent	
	Per 2011-12				
Total STR	2,609,952	total STR/VLF	43,222,627	total STR/VLF	43,222,627
Total Realignment	7,583,086	avg annual	10,805,657	avg annual	10,805,657
Total MOE	3,367,970				
TOTAL	13,561,008	<b>Indigent Care</b>	<b>% of STR/VLF to Total</b>	<b>Indigent Care</b>	<b>Amt of STR/VLF</b>
		2008-09	41.79%	2008-09	2,832,030
<b>60% to State</b>	<b>8,136,605</b>	2009-10	43.82%	2009-10	2,832,030
		2010-11	43.82%	2010-11	2,832,030
40% to County	5,424,403	2011-12	45.72%	2011-12	2,832,030
		Average	43.79%	Average	2,832,030
<b>Impact to County re PH responsibility</b>		<b>Cap Redirected to State</b>	<b>4,731,535</b>	<b>Cap Redirected to State</b>	<b>2,832,030</b>
Estimated Exp for 2012-13	10,437,554				
<b>Deficit with 60:40 Split</b>	<b>(5,013,151)</b>				