

# 4049400000—Operating Transfers to Health Care

## Health Services

Monica Nino, County Administrator

General Fund	2017-2018 Actual	2018-2019 Adjusted	2019-2020 Requested	2019-2020 Recommended	Increase/ (Decrease)
<b>Expenditures</b>					
Operating Transfers Out	\$42,025,084	\$40,212,308	\$43,137,311	\$43,137,311	\$2,925,003
Total Appropriations	\$42,025,084	\$40,212,308	\$43,137,311	\$43,137,311	\$2,925,003
<b>Earned Revenues By Source</b>					
Aid From Other Governments	\$2,083,420	\$14,427,254	\$17,352,257	\$17,352,257	\$2,925,003
Operating Transfers In	34,378,622	20,000,000	20,000,000	20,000,000	0
Total Revenues	\$36,462,042	\$34,427,254	\$37,352,257	\$37,352,257	\$2,925,003
<b>Net County Cost</b>	\$5,563,042	\$5,785,054	\$5,785,054	\$5,785,054	\$0

## Purpose

This budget provides the required 1991 Realignment matching amounts and transfers to the Health Trust Fund and the Mental Health Trust Fund, Maintenance of Effort (MOE) payments for Health and Mental Health, Medi-Cal Intergovernmental Transfer (IGT) payment to the State, and other health care-related General Fund contributions.

## Major Budget Changes

### Operating Transfers Out

- \$2,925,003 Increase in Vehicle License Fee (VLF) funds transferred to Health Trust Fund.

### Revenues

- \$2,925,003 Increase in VLF Health revenue.

## Program Discussion

The 2019-2020 recommended Operating Transfers to Health Care budget totals \$43,137,311, which is an increase of \$2,925,003 from the 2018-2019 adjusted budget. This change reflects an increase in VLF funds to be transferred to the Health Trust Fund as required by State Welfare and

Institutions (W&I) Code requirements. Realignment funds received by the General Fund offset the amounts transferred to the Health and Mental Health Trust Funds.

An IGT is a transfer of public funds between government entities. The Medicaid funding system utilizes the IGT as a mechanism to transfer Federal funds to local government. The County first remits payment to the State, which subsequently remits these funds to the Centers for Medicare and Medicaid Services (CMS). CMS follows by matching the amount with a predetermined percentage, which is distributed to Medicaid (Medi-Cal in California) managed care health plans, and ultimately received by San Joaquin General Hospital (SJGH) to offset non-reimbursed health care costs. The recommended budget includes \$20.0 million for this program, the same amount as 2018-2019, offset by reimbursement from eligible, non-Medicaid funding within the Hospital Enterprise Fund.

As shown at the bottom of the chart on the following page, \$4,460,182 of the recommended 2019-2020 Net County Cost represents the minimum required Realignment match amounts for SJGH (\$2,138,053), Mental Health (\$1,610,759), Substance Abuse (\$379,489), and Public Health (\$331,881) programs. The remaining \$1,324,872 represents the discretionary County contribution of \$928,073 for the Public Guardian/Conservator and \$396,799 for Substance Abuse Services, which are contained within the Mental Health Fund.

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## Health Services

	2018-2019 Adjusted Budget	2019-2020 Recommended Budget	Increase/ (Decrease)
<b>Appropriations</b>			
<i>Hospital</i>			
Health Trust Match-W&I 17608.10*	\$2,138,053	\$2,138,053	\$0
Health Trust Transfer-W&I 17604	13,901,185	16,831,188	2,930,003
Intergovernmental Transfer-Medicaid	20,000,000	20,000,000	0
<b>Total Hospital</b>	<b>\$36,039,238</b>	<b>\$38,969,241</b>	<b>\$2,930,003</b>
<i>Mental Health</i>			
Mental Health Trust Transfer-W&I 17604	\$491,069	\$491,069	\$0
Mental Health Trust Match-W&I 17608.05*	1,610,759	1,610,759	0
Discretionary-Public Guardian/Conservator**	928,073	928,073	0
<b>Total Mental Health</b>	<b>\$3,029,901</b>	<b>\$3,029,901</b>	<b>\$0</b>
<i>Substance Abuse</i>			
Required Match*	\$379,489	\$379,489	\$0
Discretionary-Ongoing Operations**	396,799	396,799	0
<b>Total Substance Abuse</b>	<b>\$776,288</b>	<b>\$776,288</b>	<b>\$0</b>
<i>Public Health</i>			
Health Trust Match-W&I 17608.10*	\$331,881	\$331,881	\$0
Health Trust Transfer-W&I 17604	35,000	30,000	(5,000)
<b>Total Public Health</b>	<b>\$366,881</b>	<b>\$361,881</b>	<b>(\$5,000)</b>
<b>Total Appropriations</b>	<b>\$40,212,308</b>	<b>\$43,137,311</b>	<b>\$2,925,003</b>
<b>Revenues</b>			
VLF-Mental Health-W&I 17604	\$491,069	\$491,069	\$0
VLF-Health-W&I 17604	13,936,185	16,861,188	2,925,003
Reimbursement from Hospital (non-Medicaid funds)	20,000,000	20,000,000	0
<b>Total Revenues</b>	<b>\$34,427,254</b>	<b>\$37,352,257</b>	<b>\$2,925,003</b>
<b>Net County Cost</b>			
*Required Match	\$4,460,182	\$4,460,182	\$0
**Discretionary	1,324,872	1,324,872	0
<b>Total Net County Cost</b>	<b>\$5,785,054</b>	<b>\$5,785,054</b>	<b>\$0</b>