October 3, 2018

To:         Members, CSAC-CBHDA 2011 Realignment Behavioral Health Base Working Group

Re:         2018-19 2011 Realignment Behavioral Health Rolling Base

CSAC and CBHDA have continued working with the Departments of Finance and Health Care Services to operationalize the “rolling base” concept for the 2011 Realignment Behavioral Health Account.

The [2011 BH base was set in 2016](http://www.counties.org/csac-bulletin-article/2011-realignment-behavioral-health-base-set), but growth had been distributed on an ad hoc year-to-year basis since 2015-16 using a variety of methodologies. Further, growth allocations received by counties were added to each county’s base, but not in a timely or consistent manner.

The new methodology for determining each county’s growth allocation and “rolling” that individual real dollar allocation into each county’s subsequent base incorporates lessons learned from the last three years of growth distribution. Because the behavioral health sphere remains fluid, CSAC and DoF have agreed to revisit the methodology, which will include close review of claims data, in 2021-22.

The base for each county has been developed for the current year (attached), and the Department of Finance is finalizing the 2017-18 growth amounts. Because of the timing of when growth revenues are known, DoF will issue a revised base percentage soon, which should represent the county-by-county calculation of base and growth in real dollar amounts and subsequently translated into a percentage of the total revenues (2018-19 base revenues + 2017-18 growth revenues) available for distribution in the current year. This is the process and timing that will be used to develop the rolling base each year through 2021-22.

The main points include:

* **Base Methodology:** Maintains the 16-17 Base Percentages. Growth “rolls” into each county’s base based on real dollars, and then each county’s share of the

next year’s base is translated into a percentage share of the total base revenues available. Implemented in the current year (see timing below and

attached schedule)

* **Growth Methodology:** Calculate each county’s share of growth annually using the following formula: 50% based on 80% of the claims data for each county in the year in which the growth accrued and 50% weighted by the cost of the following Medi-Cal Eligible (MEGs) groups (foster care, disabled, and other).
* **Stability:** Formulas are stable and predictable, also fairly forecastable. Also, 2011 Realignment statute remains in place to “restore” base amounts if revenues drop. Calculations are required to be made by DoF.
* **Three-year Deal:** revisit both base and growth formulas and data (claims, etc.) in 2021-22 to study effects of changing populations, policy implementation, etc.

Should you have any questions, please do not hesitate to contact Farrah McDaid Ting at fmcting@counties.org.