

# BUDGET OVERVIEW

*THINGS YOU WANTED TO KNOW, THINGS YOU NEED TO KNOW  
and THINGS YOU DON'T WANT TO KNOW, BUT HAVE TO HEAR ANYWAY*

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New Directors' Orientation Meeting  
May 19, 2008

Presented by

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Program Allocations, Integrity and Support Branch



# Information Flow

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- **Contract Manager**
  - Point person to receive all documents
  - Maintains Central File
  - Answers Budget and Invoice questions
- **Program Consultant**
  - Answers programmatic questions  
(Staffing, FFP, SOW, Progress Reports)
- **MCAH Director Role**
  - Receives CDPH letters, e-mails, and correspondence
  - Director forwards information to appropriate agency fiscal and program staff



# Dates to Remember

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- Time for Agreement/Grant Processing
  - Allocation Funding Application (AFA) package is due July 1<sup>st</sup> (2008)
  - Invoices are due 45 days after the end of the quarter
  - 1<sup>st</sup> Quarter invoice due mid-November
  - 2<sup>nd</sup> quarter invoice due mid-February
  - 3<sup>rd</sup> quarter invoice due mid-May
  - 4<sup>th</sup> quarter invoice due 90 days after the end of the fiscal year or the end of September
  - Final supplemental invoice, if necessary, 120 days after the end of the fiscal year (End of October)



# Before building your budget

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- Before you can start to build your budget you need to understand:
  - Funding Sources
  - Matchable and unmatchable activities, travel, training, operating expenses
  - Enhanced activities, and who can claim them
  - Restrictions, if any, on spending

# Funding Sources

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- **STATE GENERAL FUNDS**



- **TITLE V BLOCK GRANT FUNDS  
(Federal)**

- **TITLE XIX FUNDS (Federal Medi-Cal)**



# California State General Funds

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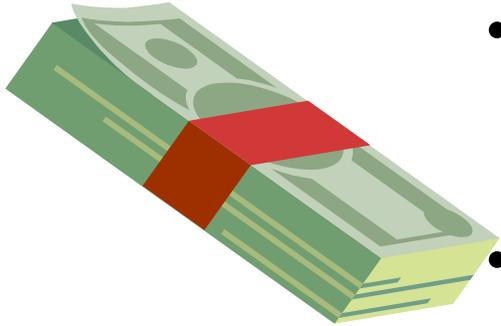


State General Funds are allocated to the 61 Local Health Jurisdictions (LHJs) each fiscal year and are allocated according to the approved State budget

State General Funds can be used in any of the CDPH MCAH invoice columns;  
Unmatched, Non-Enhanced, or Enhanced.

# Title V Funds

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- Title V Funds are a Federal Block Grant, and are allocated each fiscal year according to the final federal budget.
- Title V Funds may only be used in the Unmatched column and may be used to pay for anything on an approved budget.
- The State is required to monitor Title V expenditures ensure that:
  - 30% is spent on Children\* with Special Health Care Needs, and
  - 30% is spent on Preventative and Primary Health Care Services for Children.



\* (The definition of children is 1 year to 20 years of age.)



# Title XIX Funds

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*A ROSE BY ANY OTHER NAME IS STILL  
A ROSE.....*



**Federal Financial Participation by any  
other name is.....**

- FFP
- Medi-Cal
- Medicaid
- Title XIX
- MAA (Medi-Cal Administrative Activities)

# Title XIX Funds (continued)

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- Federal Financial Participation (FFP)  
Activities are reimbursable with Title XIX funds.





# FFP Objectives

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There are two objectives in FFP



1. Assisting individuals eligible for Medi-Cal to enroll in the Medi-Cal program, and/or



2. Assisting individuals on Medi-Cal to access Medi-Cal providers, care, or services.



# Reimbursement Levels

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- There are two levels of reimbursement for FFP
  1. The first is Enhanced .The only staff that can claim enhanced reimbursement are Skilled Professional Medical Personnel (SPMPs). This is the 75/25 match.
  2. The second is Non-Enhanced. Anyone on the budget can claim Non-Enhanced. This is the 50/50 match.

(Every time you hear reimbursement, think FFP objectives)





# FFP and Invoicing

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- To invoice for Title XIX reimbursement, staff is required to time study for one month each quarter, tracking time and activities in 30-minute increments.
- All time on your time study should reflect either MCAH SOW activities or “Other Program.”





# Time study to FFP

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- All MCAH SOW activities during the time study month are automatically Code 11 and therefore reimbursable by MCAH.
- Code 11 is not reimbursable through FFP.
- As you time study note any activity that can be documented as one of the two FFP activities.
- If an activity doesn't qualify for FFP, the time stays Code 11.
- However.....



# Time Study to FFP..... and the fun continues

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- If the activity qualifies for FFP, then you must decide which of the other Function Codes is applicable.
- **Example 1**
  - Your agency is participating in a Health Fair. The first two hours is set-up time, the next two hours are spent working at the agency booth.
  - The four hours is Outreach and can be invoiced to FFP using Code 1, which you can match at 50/50.



# Time Study and ..... .....the fun continues.

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- Travel time would be coded the same as the activity.
- Travel costs to and from the Health Fair are also reimbursable at 50/50 match.
- Time spent preparing for the Health Fair is also reimbursable at the 50/50 match.





# Time Study and ..... .....the fun continues.

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- If you are a Public Health Nurse (PHN) and/or a Perinatal Services Coordinator (PSC), why can't you use a code that is reimbursable at the 75/25 match?
- **Your special medical skill/training is not necessary for that specific activity.**



.....And the fun continues

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- **Example 2**

- You are the new Perinatal Services Coordinator (PSC) and the afternoon is spent in new PSC training.
- This training is coded to Code 6 and is reimbursable at the 75/25 match.
- Travel to and from this training is also reimbursed at the 75/25 match.



# Does it get any better than this?

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- Suppose you are the PHN that gave the training, the time is coded as Code 6.
- The time spent preparing the training is also Code 6 and reimbursable at the 75/25 match.
- **Example 3**
  - A clerical staff person on the MCAH budget and under the direct supervision of the MCAH Director was assigned to help you on this project. She typed, copied, and helped with other duties that freed your time to work on other aspects of the project.



.....On and on it goes.....

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- That clerical staff person can code that time to Code 6 which is reimbursable at the 75/25 match.
- **Example 4**
  - **Back to the Health Fair** A staff person worked 10 hours that day. MCAH will reimburse the 10 hours at straight time. We do not pay overtime.
  - That person wants CTO for the 2 hours. Do not put the CTO on the time study, MCAH has already reimbursed those two hours.

## Just a little more .....

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- Code 10 – Non-specific program time.
- The whole office must attend a fire safety class, not just MCAH staff. MCAH staff will use Code 10 for this time
- Using Code 10 in your FFP worksheet will automatically spread that time among the programs the person works for.



.....Last one!!!!!!

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- Code 12 – Paid time off.
- All paid time off (except CTO) is Code 12.
- Using Code 12 in your FFP worksheet will automatically spread that time among the programs the person works for.





# Budget and Strategy

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- There are two things you should have to build a new budget.
  1. A copy of the final budget for the prior fiscal year.
  2. Duty statements for all staff on the budget.
- The prior year final budget will show you how the money was actually spent. *(The reconciliation page, the last tab in the budget file, will have all the details.)*
- By looking at the duty statements you can get an idea of how many duties might meet the two FFP objectives.



# Budgets continued.....

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- Use the old budget as a starting point for building the next one.
- The Fiscal Officer can provide direction on these considerations for the upcoming fiscal year:
  - Staff changes
  - Salary changes
  - Travel and training changes
  - Equipment lease/purchases
  - Sub-contract changes



# MONEY, MONEY, MONEY.....

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- Use prior year invoices and current duty statements to determine the best estimate of FFP matching percentages on the new fiscal year.
- Contract Managers and Program Consultants are good resources when you have questions.

# Best Guess Budget

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- The budget is always your **best guess**.
- Invoicing is on actual expenditures.
- Seldom is your **best guess** the same as actual expenditures.
- Fiscal staff will, at some point, mess up your perfect budget with pesky actual expenditures.
- When that happens, you will learn about budget revisions.



# Brief Budget Summary

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- Five line item budget
  - I. Personnel: Staff salaries & benefits.
  - II. Operating Expenses: Expenses necessary to run the program.
  - III. Capitol Expenditures: Major equipment over \$5,000.
  - IV. Other Charges: Subcontracts, equipment, office furniture. Anything that is not a day to day expense.
  - V. Indirect costs: Costs associated directly to the agency, janitorial, insurance, accounting, etc. These costs are spread among applicable Public Health programs.



# Operating Expenses

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## Operating Expenses

- All expenses incurred in performing the activities in the SOW are allowable: rent, phones, utilities, office supplies, computer maintenance, etc.
- Most operating expenses are matchable.
- A few that are **not** matchable are:
  - Educational materials
  - Incentives
  - MCAH membership
  - Toll Free lines
  - SIDS Activities and materials
  - The above items may be invoiced using unmatched Title V, unmatched SGF, or unmatched Agency Funds.



# Budget Restrictions

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- Here is a partial list of “not on our budget” items:
  - Food
  - Malpractice Insurance
  - Purchasing or improving land or buildings
  - Any costs not directly related to the MCAH Program SOW
- Any items not allowed on the budget will need to be removed before the budget can be approved.





# What costs are Matchable?

## 50/50 match

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- These are matchable if they meet one of the two FFP objectives:
  - Travel
  - Training
  - Staff & client transportation
  - Operating Expenses
  - Salaries
  - Collaboration
  - Health care planning



# What costs are Enhancable? 75/25 match

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- Costs or activities related to SPMPs:
  - Training to SPMPs given by SPMPs
  - Administrative medical case management
  - Program planning and policy development
  - Quality management activities
  - Collaborative activities that involve planning and resource development with other agencies that will:
    - Improve cost effectiveness of the health care delivery system
    - Improve availability of medical services



# What costs are Title V or SGF only?

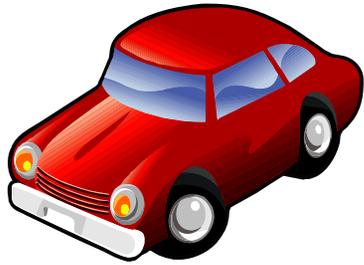
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- Allowable budget items that can't be matched can be budgeted with Title V, SGF, or Agency funds.
  - MCAH Dues
  - SIDS activities and materials
  - Incentives
  - Toll free line
  - Educational materials
  - Memberships and subscriptions

# When is Travel Matchable?

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- Travel to and from:
  - A matchable activity
  - Training related to the FFP objectives
  - Conferences related to FFP objectives
  - Outreach





# When is Training Matchable?

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- Training is matchable when It meets the FFP objectives:
  - Time Study/FFP training
  - Staff training to help clients with Medi-Cal enrollment



# Enhancable Travel & Training

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- Training, Travel Time, and Travel Costs are Enhancable when:
  - The Training is by a SPMP for SPMPs and relates to either of the two FFP objectives
  - Travel Time and Travel Costs are to and from an Enhancable training

**ANY  
QUESTIONS?**

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