



Board Agenda Item 54

DATE: August 19, 2025

TO: Board of Supervisors

SUBMITTED BY: Joe Prado, Interim Director, Department of Public Health

SUBJECT: Retroactive FY 2025-26 California Department of Health Care Services Allocations

RECOMMENDED ACTION(S):

1. **Approve retroactive submission of the FY 2025-26 California Department of Health Care Services allocation plan for child health services under California Children's Services, effective July 1, 2025, to June 30, 2026 (\$6,821,682);**
2. **Approve retroactive submission of the FY 2025-26 California Department of Health Care Services allocation budget for the monitoring and oversight reporting under California Children's Services, effective July 1, 2025, to June 30, 2026 (\$362,796); and**
3. **Approve and authorize the Chairman to execute the retroactive Certification Statement for California Children's Services as required by the California Department of Health Care Services.**

There is no additional Net County Cost associated with the recommended actions. Approval of the recommended actions will allow the County to continue to receive non-competitive funding from the California Department of Health Care Services (DHCS) to administer the California Children's Services (CCS) program and to support monitoring and oversight (M&O) reporting activities to DHCS. The combined allocations are 6%, or \$459,988, decrease from prior fiscal year and will cover anticipated FY 2025-26 CCS program costs. The estimated County match of \$271,465 will be funded with Health Realignment. This item is countywide.

ALTERNATIVE ACTION(S):

There are no viable alternative actions as the County is mandated under Health and Safety Code (H&SC) Section 123850 to administer the CCS program. Should your Board not approve the recommended actions, the Department would not have sufficient funds to offset mandated program costs.

RETROACTIVE AGREEMENT:

The Department received the FY 2025-26 allocations from DHCS on July 1, 2025. Both are retroactive to July 1, 2025, and are due to DHCS by August 29, 2025. This item is brought to your Board in accordance with the agenda item processing timelines.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The FY 2025-26 non-competitive combined allocations of \$7,184,478, which is primarily comprised of Federal and State funding, represents a \$459,988 (6%) decrease from the prior year allocation of \$7,644,466. The combined funding of \$7,184,478 will cover approximately 96% of anticipated FY2025-26 program costs. Sufficient

appropriations and estimated revenues are included in the Department's Org 5620 FY 2025-26 Recommended Budget. The allocation allows recovery of indirect costs, and the Department's indirect cost rate is 24.47%.

The recommended CCS allocation plan includes the required County match of \$271,465. If the County's total allocation is expended, program expenditures will be covered by Health Realignment.

DISCUSSION:

Across the State, CCS programs are administered as a partnership between county health departments and DHCS, in accordance with H&SC Section 123800 et seq. The program provides medical case management, diagnostic and treatment services to infants, children, and youth under the age of 21 with CCS-eligible medical conditions such as congenital heart disease, cancer, cystic fibrosis, chronic lung disease, serious birth defects, hearing loss and cerebral palsy.

Recommended action number one supports the following administrative activities performed by the County CCS program:

- Medical review, evaluation and determination of children and youth under 21 applying for CCS benefits;
- Review and determination of residential and financial eligibilities of medically qualified individuals;
- Authorization of appropriate diagnostic services, treatment, therapy, specialized medical care and related services eligible CCS clients;
- Medical case management to ensure eligible infants, children and youth receive authorized medical services;
- Review, authorization, and purchase of supplies and other services needed for treatment of the eligible CCS medical condition(s);
- Assessments, interventions and coordination of care;
- Assistance, consultation and guidance to providers and hospitals on the CCS authorization process;
- Support for family navigation through consultation and linking to community resources and other family support organizations; and
- Assessment, intervention and guidance to clients and families in developing transition plans as the CCS client ages out.

DHCS determined each county's annual allocation using the CCS program's average expenditures during FY 2020-21 through FY 2023-24, and the average caseload for calendar year 2024.

Recommended action number two will fund personnel, operating, and indirect costs related to new quarterly and annual reporting by the County to DHCS.

Beyond administration of the CCS program and in accordance with H&SC Section 123940, CCS counties share with the State and Federal government financial responsibility for providing medically necessary services such as diagnostics, treatment, medication, and therapy to eligible clients. The counties pay their share of cost on a quarterly basis.

A special program within the CCS program is the Medical Therapy Program (MTP). The MTP provides medically necessary occupational and physical therapy services for eligible children and youth. These services are provided at the Medical Therapy Units located in three Fresno County public schools. DHCS provides a separate allocation to fund the MTP however, counties are not required to submit a plan or budget details.

To finalize the allocation process, DHCS requires your Board to certify approval of the recommended CCS Plan and that the County will comply with applicable laws, regulations, and policies related to the CCS

program. The recommended CCS allocation plan and CCS M&O allocation budget are retroactive to July 1, 2025, and serve in lieu of an agreement. Upon approval of the recommended actions by your Board, no additional executed documents are required to receive funding.

REFERENCE MATERIAL:

BAI #55, November 5, 2024

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - FY 2025-26 CCS Administrative and CCS M&O Budget

On file with Clerk - CCS FY 2025-26 Allocation Memo

CAO ANALYST:

Ronald W. Alexander Jr.