




Division of Fiscal Services
Telephone (619) 691-5550
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MEMORANDUM

DATE: January 12, 2017
TO: Karen Janney, Superintendent
FROM: Karen Michel, Chief Financial Officer 
RE: **SUPERINTENDENT'S UPDATE – MAA/Medical Summaries for Board**

Provided for your information are the following documents:

1. State of the School-Based Medi-CAL Administrative Activities (SMAA) Program
2. State of the LEA Medi-Cal Billing Program

Please let me know if you have any questions.

KM:cz

Attachments



FINANCIAL SERVICES

1130 FIFTH AVENUE • CHULA VISTA, CALIFORNIA 91911
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December 14, 2016

State of the School-Based Medi-CAL Administrative Activities (SMAA) Program

The SMAA program reimburses school districts for the federal share (50%) of the certain costs for administering the Medi-Cal program. Those activities include: Outreach and Referral; Facilitating the Medi-Cal Application; Arranging Non-Emergency/Non-Medical Transportation; and MAA Claims Coordination. Due to a disagreement in the procedure of claiming costs between the Department of Health Care Services (DHCS) and the Centers for Medicare and Medicaid Services (CMS), SMAA claims submitted by LEAs from 09/10 – 14/15 were placed on deferral. In early 2015, a deferral settlement agreement was reached between CMS and DHCS and it was agreed that invoices during the deferral period would be reimbursed based on the following percentages:

Invoice Amount	Settlement Amount
Under < \$20,000	100%
\$20,001 - \$50,000	75%
Over > \$50,000	40%

Once a final agreement is reached on the claiming procedure during the deferral period, these interim payments will be subject to backcasting with the new agreed upon procedures. Which may result in an amount due to either the district or CMS.

Beginning in 14/15 quarter 3, CMS and DHCS agreed to implement a new Random in Moments Time Survey (RMTS) claiming procedure. This procedure is approved by CMS and will not be subject to any type of backcasting. The district recently submitted their RMTS invoice for 14/15 quarter 3 in the amount of \$366,000. Under the previous claiming procedure, the district's quarterly claims invoices averaged \$90,000. The district's third-party vendor, that generates the claims invoices for the district, recognized that the district did an exemplary job in assuring all eligible district salary expenditures were claimed under this new RMTS invoice process.



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December 13, 2016

State of the LEA Medi-Cal Billing Program

The Local Educational Agency (LEA) Medi-Cal Billing Option Program provides the federal share of reimbursement for health assessments and treatment for Medi-Cal eligible children within the school environment. Sweetwater UHSD's Medi-Cal program was audited by the Department of Health Care Services (DHCS) from fiscal years 09/10 – 12/13. The audit findings during this review have resulted in the district having to repay DHCS a total amount of \$4,097,789. This was caused by the district not being able to provide sufficient health care logs and IEPs for claims submitted during this period. An appeal was submitted for the findings in fiscal year 09/10, on the basis that IEPs were destroyed in accordance with 5 CCR § 437 which states:

"Unless forwarded to another district, mandatory interim pupil records may be adjudged to be disposable when the student leaves the district or when their usefulness ceases. Destruction shall be in accordance with Section 16027 of this title during the third school year following such classification."

Unfortunately, this appeal was denied and the district has since committed to a 10 year repayment plan for the amount due from the 09/10 and 10/11 audits. These payments are made by offset of the current year revenue received by the program. Once the 11/12 and 12/13 audits are finalized the district's monthly amount due will be increased. As of 13/14, the district is confident that the necessary documentation has been retained and no substantial findings will occur during future audits. The district is also currently in the process of placing the MediCAL program on its internal audit schedule to ensure this lack documentation doesn't occur again.

Fiscal Year	Amount Due
09/10	\$ 1,633,704
10/11	\$ 1,331,512
11/12	\$ 876,695
12/13	\$ 255,878
Total	\$ 4,097,789

Current monthly payment amount from 09/10 & 10/11 Audit	\$ 22,729
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Estimated new monthly payment amount from 11/12 & 12/13 Audit	\$ 32,841
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Year-To-Date amount repaid	\$ 435,755.63
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Prepared by: Antonio Gurrola Jr.; Budget Analyst
Date Prepared: 12/13/16