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DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

DATE: May 26, 2015

MHSUDS INFORMATION NOTICE NO.: 15-019

TO: COUNTY BEHAVIORAL HEALTH PROGRAM DIRECTORS
COUNTY DRUG & ALCOHOL ADMINISTRATORS
COUNTY BEHAVIORAL HEALTH DIRECTOR'S ASSOCIATION
CALIFORNIA COUNCIL OF COMMUNITY MENTAL HEALTH AGENCIES
COALITION OF ALCOHOL AND DRUG ASSOCIATIONS

SUBJECT: REVISED CERTIFIED PUBLIC EXPENDITURE (CPE) SUBMISSION
PROCESS

PURPOSE

This bulletin transmits a revision to the existing CPE submission process for counties submitting Drug Medi-Cal (DMC) claims for adjudication through the Short-Doyle System. A previous ADP Bulletin (#11-17) provided detailed information on the specific CPE requirements for Federal Financial Participation (FFP) for Drug Medi-Cal (DMC) under the State-County contracts as well as the documentation requirements for DMC claims reimbursement.

DISCUSSION

All DMC claims must satisfy the requirements outlined in ADP Bulletin #11-17 in order to be adjudicated and reimbursed, which includes a signed CPE form along with the DMC claims submission since July 1, 2011. The current requirement is that the CPE form submitted must identify the claimed amount identified on the 837P claim file, which could account for both approved and denied claims.

Effective immediately, counties can submit their CPE form reflecting the approved amount of the 837P claim file (after the claims have been adjudicated). The amount on the CPE form would then reflect the amount paid to the contracted providers. While claims will still continue to be adjudicated regardless of when the CPE is submitted, payment will still not be processed by DHCS until the CPE is submitted.

The practical effect of this change is that counties are not required to certify public expenditures for claims where the counties receive notification of the denied claim(s) via an 835 transaction. DHCS anticipates that this change in the CPE process reduces payments for ineligible or fraudulent DMC claims and reduce the expenditure of funds and staff resources for claims, which should not have been paid.

Title XIX of the Social Security Act (SSA), Section 1903(a), provides, in part, that the Federal Government shall pay to the state a percentage “of the total amount expended” for providing medical assistance (which includes DMC services). The amount expended must be “. . . certified by the contributing public agency as representing expenditures eligible for FFP [federal financial participation] under this section”, per Title 42 of the Code of Federal Regulations (CFR), Section 433.51.

Federal guidance and the state law that implements CPE programs require the public agency using the CPE process submit a certification to the state attesting that the total-funds (total computable) amount of its claimed expenditures are eligible for FFP, in accordance with the Medicaid State Plan and the provisions of section 433.51 (quoted above). The certification must be submitted to DHCS, and would be used as the basis for DHCS to claim FFP within two years from the date of the expenditure. CPEs must be supported by auditable documentation that identifies the relevant category of expenditure under the state plan, and demonstrates the actual expenditures incurred by the county in providing services to Medi-Cal beneficiaries.

The county should also include and identify expenditures for DMC in their general ledgers, spend a specific amount for those services, and certify that the expenditures were made to provide DMC services to Medi-Cal beneficiaries. Such payments should also be supported by the county contracts with DHCS, invoices/certifications from the provider to county requesting payment, and warrants/remittance advices from the county that specify the payment was for DMC services. CMS’s current guidance emphasizes the importance of such documentation.

QUESTIONS/MAINTENANCE

If there are further questions regarding this information notice please contact your assigned Fiscal Management and Accountability Branch Analyst.

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EXHIBITS

1. DHCS Certification for Federal Reimbursement (Form DHCS 100224A)
2. Fiscal Management and Accountability Branch County Assignment Listing

Sincerely,

Original signed by

Karen Baylor, Ph.D., LMFT, Deputy Director
Mental Health & Substance Use Disorder Services