ELIMINATION OF THE "TAKE-BACK"

The purpose of this letter is to notify all local governmental agencies (LGAs) that the fiscal year (FY) 1998-99 Budget Trailer Bill, Assembly Bill (AB) No. 2780, recently amended Sections 14132.44(m) and 14142.47(m), of the Welfare and Institutions (W&I) Code. These amendments eliminated the requirement that LGAs contribute to the Department of Health Services (DHS), a portion of the revenues received under the MAA/TCM program, commonly referred to as the "take-back." These amendments apply to claims approved for MAA/TCM services performed on or after July 1, 1998.

Pursuant to W&I Code, Sections 14132.44(m) and 14142.47(m), LGAs are advised that the "take-back" shall continue to apply to claims approved for FYs 1994-95 to 1997-98, inclusive. Consequently, the DHS shall continue to determine each LGA’s share of the "take-back" for these FYs. The LGAs will be invoiced for their share of the "take-back" no later than February 15th of each year, based on MAA/TCM claims approved for payment through January 1st of each year. Thereafter, each LGA must remit its respective "take-back" to the DHS no later than April 1st. This "take-back" determination and remittance schedule shall continue until all MAA/TCM claims for FYs 1994-95 to 1997-98 have been adjudicated.

If you have any questions regarding the elimination of the "take-back," please contact the Administrative Claiming Unit analyst assigned to your LGA.

Sincerely,

David Mitchell, Chief
Medi-Cal Benefits Branch

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Targeted Case Management: X
Medi-Cal Administrative Activities: X
Policy Effective Date: July 1, 1998
Policy Reference: PPL 97-005, 96-020,

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bcc: Ms. Kathy Jones, Author

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