



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



ARNOLD SCHWARZENEGGER  
Governor

August 31, 2007

**PPL No. 07-014**

TO: Local Educational Consortia (LEC) and  
Local Governmental Agency (LGA) Coordinators for the  
School-Based Medi-Cal Administrative Activities (SMAA) and  
County-Based Medi-Cal Administrative Activities (CMAA) Programs

SUBJECT: Submitting Invoices as Placeholders

This Policy and Procedure Letter advises LECs and LGAs participating in the SMAA or CMAA programs that corrected and revised invoices submitted to the California Department of Health Care Services (DHCS) must be accompanied by a cover letter describing the reason(s) for the submittal of a corrected invoice.

DHCS has found that some LECs and LGAs knowingly submit incorrect invoices as placeholders in order to meet the 15-month submission deadline for SMAA or the 18-month submission deadline for CMAA. These LECs and LGAs then submit corrected or revised invoices that are meant to represent a final tally of program expenditures. DHCS has been advised that some LEC and LGA MAA Coordinators participate in this practice to compensate for the delays of some claiming units in submitting their claims to the LEC or LGA.

This practice is contrary to the certification made by each LEC and LGA Coordinator on each MAA invoice—that the information provided is “true and correct, based on actual expenditures incurred for the period claimed.” The Certification Statement also informs LEC and LGA Coordinators “that knowing misrepresentation constitutes violation of the Federal False Claims Act.” DHCS will not approve invoices that are determined to be placeholders.

DHCS may make such a determination by requesting general ledger or other documentation that substantiates amounts shown on the invoice, specifically for the worksheet cells on the “Data Collection & Other Cost Summary” (SMAA) and MAA Detail Invoice (CMAA), as indicated in the following table, but not limited to these cells.

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<u>SMAA</u>			<u>CMAA</u>	
Data Collection and Other Cost Summary Sheet			Detailed MAA Invoice	
	<u>Row</u>	<u>Columns</u>	<u>Row(s)</u>	<u>Cost Pool(s)</u>
1.	36	A and B	1.	A 1, 2, 3A, and 6
2.	40	A and B	2.	B 1, 2, 3A, and 6
3.	Cell 56J	Cell 56J	3.	H 1, 2, 3A, and 6

DHCS shall deny invoices from LECs or LGAs that fail to provide such documentation as requested and refer the invoices to DHCS's Audits and Investigations to determine if the Federal False Claims Act may apply. When an invoice is determined to be a placeholder, the submittal date of any corrected invoice for that quarter will be the submittal date of that invoice. DHCS may deny invoices that are found to have been originally submitted as placeholders with inaccurate amounts in order to meet the submittal deadline.

Requests for supporting documentation may be made for any invoice at any time; and may be made more often for LECs or LGAs that have submitted frequent revisions or corrections to their invoices.

If you have any questions, please contact Barbara Schultz, Chief, SMAA Unit, at (916) 552-9616 or [barbara.schultz@dhcs.ca.gov](mailto:barbara.schultz@dhcs.ca.gov), or Linda Hayes, Chief, CMAA Unit, at (916) 341-3969 or [linda.hayes@dhcs.ca.gov](mailto:linda.hayes@dhcs.ca.gov).

Sincerely,

**Original Signed by Elizabeth Touhey**

Elizabeth Touhey, Chief  
Administrative Claiming Local  
and Schools Services Branch

cc: Ms. Cathleen Gentry  
MAA/TCM Consultant  
Local Governmental Agency  
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