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Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

January 5, 2011

PPL No. 11-001

TO: Local Governmental Agencies (LGA) and
Targeted Case Management (TCM) Coordinators

SUBJECT: **American Recovery and Reinvestment Act (ARRA), Federal Medical Assistance Percentage (FMAP) Six-Month Extension and Step-Down Process**

This Policy and Procedure Letter (PPL) is to advise LGAs that the FMAP increase under Section 5001 of the ARRA has been extended through June 30, 2011.

On August 10, 2010, the President signed an extension of the ARRA increase in FMAP (Public Law 111-226) which will continue the additional federal assistance for six months, ending June 30, 2011, but will phase down the level of assistance. Prior to the ARRA extension, the ARRA FMAP increase was scheduled to expire on December 31, 2010. The step-down process for California is as follows:

- Current Federal Financial Participation (FFP) with increased FMAP is 61.59%
 - On January 1, 2011, the rate will drop to 58.77%
 - On April 1, 2011, the rate will drop to 56.88%
 - On July 1, 2011, the rate will drop to 50%

Under current law, the enhanced FMAP rates under ARRA are applicable for claims with dates of service through June 30, 2011.

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If you have questions regarding this PPL, please contact Tracy Albano, Chief of the Targeted Case Management unit, by email at Tracy.Albano@dhcs.ca.gov or by telephone at (916) 552-9538.

Sincerely,

ORIGINAL SIGNED BY GERI BAUCOM

Geri Baucom, Chief
Administrative Claiming Local and
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cc: Mr. Patrick Sutton
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