

If a county does not submit a proposal, DMH will request additional information when the paid claims are 10 percent higher than the previous year and the current year's figures are above the statewide average monthly cost per eligible.

The Interagency Agreement between DMH and DHS which specifies the actual mechanism for the transfer of dollars from DHS to DMH and then to the counties has been amended to include an estimate of the total SGF for EPSDT for three FYs 1996/97, 1997/98 and 1998/99. This should reduce delays in payment at the beginning of the fiscal years once the state budget is approved.

Use of Other Funding Sources

DMH supports the building of long term relationships with other agencies. This is especially critical for system of care services for children and youth who receive services from various human service agencies. Funding for this collaboration may come from grants or through shared resources at the local level.

The state funding for expanded EPSDT services is not intended to replace these resources. By May 1, counties shall report the amount of funds other than realignment or state managed care funds that will be used in the following fiscal year as the local/state match for EPSDT services that exceeds the amount used for that purpose in the base line year of FY 1994/95. When such other funds are available, EPSDT SGF for that amount will not be provided. If the FY 1994/1995 base line included grant funding that has since been reduced, the base line will be reduced accordingly. However, there will be no change in the base line if there was funding provided by another county entity or from schools in FY 1994/1995 that have since been reduced.

Funds used: 1) For administrative/overhead costs; 2) For services for beneficiaries other than full scope Medi-Cal eligible children ages 0 to 2 1/2; 3) For non-Medi-Cal services for full scope Medi-Cal eligible children and/or; 4) Where the revenue is used to reduce the cost of mental health services should not be reported as "other funds."

When the Health Care Financing Administration approves the use of funds for the social work component of group homes as match for Medi-Cal services, DMH will send out a letter describing procedures for ensuring that there is no duplicate funding under the EPSDT program.

No Change in Funding Methodology

Please note that the funding methodology described in the EPSDT DMH letter dated January 29, 1996, will continue to be used for distribution, adjustments, and cost settlement.

Cost Settlement

Although DMH distributes EPSDT funds as an initial interim payment based on numbers of eligibles and historical services for children and youth and then on a quarterly adjustment based on paid claims, the final payment will be reconciled and settled at the time of the cost report settlement process. Specifics regarding this process can be found in Attachment 3, which deals with EPSDT cost settlement issues.