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Department of Health Care Services
LEA Medi-Cal Billing Option Program
Frequently Asked Questions (FAQs)



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General Program Requirements

****PLEASE REVIEW THE LEA MEDI-CAL BILLING OPTION PROVIDER MANUAL FOR COMPLETE LEA PROGRAM AND POLICY INFORMATION****

Q1. Is there a booklet that explains the LEA Medi-Cal Billing Option? Do you send periodic updates to LEA providers regarding program changes?

- A. Yes, there is a specific portion of the Medi-Cal provider manual that explains the LEA Medi-Cal Billing Option Program. To obtain a copy, you can contact the Telephone Service Center (TSC) at 1-800-541-5555, or download an electronic copy on-line via the [Medi-Cal website](#) or on the [LEA Program website](#). Updates to the Medi-Cal provider manual are automatically sent to all enrolled LEA providers; other parties may request to receive provider bulletins and manual replacement pages by calling the TSC at 1-800-541-5555.

Q2. Can private schools participate in the LEA Medi-Cal Billing Option Program?

- A. Private schools do not qualify as LEA providers because they operate independent of federal, state or local government funding. However, the Individuals with Disabilities Education Act (IDEA) 2004 does include provisions to ensure that students in private schools have access to special education services. For example, in certain cases a student may receive services at the public school district where the private school is located. According to California Education Code, Sections 56170 - 56177, a public agency must administer funds and property used to provide special education and related services.

Q3. How can LEAs participate in the LEA Advisory Workgroup meetings?

- A. All LEAs that participate in the LEA Medi-Cal Billing Option may participate in the LEA Advisory Workgroup. Upon receipt of the annual report from the LEA, a LEA Medi-Cal Billing Option Program analyst will include the contact information that the LEA provides on the Provider Enrollment Information sheet to the LEA Ad hoc Workgroup email list. If an LEA would like to participate in the Ad Hoc Workgroup and does not receive an email, they can contact the LEA Medi-Cal Billing Option Program by sending an email to the LEA mailbox at LEA@dhcs.ca.gov.

Q4. What is the timeline for implementing RMTS for the LEA Medi-Cal Billing Option Program?

- A. DHCS is in the process of preparing a timeline for the implementation of RMTS for the LEA Medi-Cal Billing Option Program. Once the timeline is finalized, this information will be shared with all of the stakeholders.

Q5. Why did the LEA paid claims withholds change?

- A. All LEAs are charged withholds from total paid claims reimbursement to reimburse the state for costs to administer the LEA Program. LEAs are currently subject to two withholds for the entire fiscal year. A 1% administrative fee is levied against LEA reimbursements for claims processing and program related costs. A 1.5% withhold is levied against LEA reimbursements to cover program enhancement and audit administration associated costs, not to exceed \$650,000 annually as authorized in Assembly Bill (AB) 92 chapter 712, statutes of 2010, and to fund support activities outlined in [Welfare and Institutions Code \(W&I Code\) 14115.8](#), not to exceed \$1,500,000 annually. The total annual amount of the 1.5% withhold is not to exceed \$2,150,000 annually. As part of assembly bill (AB) 2608, SNFD determined that collecting throughout the entire fiscal year (as opposed to starting and stopping mid-year) would allow for proportionate withhold collection from all LEAs.

Q6. Are there regulations stipulating that a billing vendor may not be paid on a percentage basis?

- A. In the March 2009 provider training sessions, Audits and Investigations personnel cited the following regulations: California Code of Regulations § 51502.1. Requirements for Electronic Claims Submission.

(a) As used in this section, the following definitions shall apply:

(1) "Biller" includes any employee, officer, agent or director of the entity which will bill on behalf of a provider pursuant to a contractual relationship with the provider which does not include payment to billers on the basis of a percentage of amount billed or collected from Medi-Cal.

In addition, the [Code of Federal Regulations, Title 42](#): Public Health, includes detail on payments made to business agents:

PART 447—PAYMENTS FOR SERVICES

Subpart A—Payments: General Provisions

§ 447.10 Prohibition against reassignment of provider claims

(f) Business agents. Payment may be made to a business agent, such as a billing service or an accounting firm, that furnishes statements and receives payments in the name of the provider, if the agent's compensation for this service is—

(1) Related to the cost of processing the billing;

(2) Not related on a percentage or other basis to the amount that is billed or collected;
and

(3) Not dependent upon the collection of the payment.