

## **LEA Claims Erroneously Submitted at 50% of the Maximum Allowable Rate**

The Department has recognized a number of LEA claims that were billed at less than 100% of the Maximum Allowable Rate for the 2006/07 and 2007/08 Fiscal Years. Instead of asking each LEA to perform a manual correction of these claims on the CRCS, we have made the following determination: Since these claims have already been paid and the Interim Reimbursement and Units of Service Reports include the correct number of units, the reimbursement side of the equation should “wash out” during the CRCS settlement process.

Therefore, it is unnecessary for LEAs to amend or adjust claims that were erroneously submitted and paid at fifty percent of the Maximum Allowable Rate. The CRCS settlement process will account for differences between interim reimbursements received by the LEA and the LEA’s cost of providing Medi-Cal services. Since the units of service for erroneously submitted claims were correct, the LEA’s “percent of time providing LEA services” should be accurate on the CRCS (see Worksheet A-3/B-3, columns G and I for further explanation of the “percent of time” calculations).

The only aspect of the CRCS that will require adjustment due to the erroneously billed claims is the interim reimbursement portion. This adjustment is the purpose of the CRCS settlement process. The LEA’s cost of providing LEA Medi-Cal services will be compared to the LEA’s interim reimbursements received and a difference will be calculated. If the LEA’s costs are greater than the interim reimbursements, the LEA will be paid the difference; if the LEA’s costs are less than the interim reimbursements, the LEA’s future paid claims will be withheld until the difference is recovered by DHCS. As a reminder, LEA claims should be billed at the LEA’s established charge or one hundred percent of the Maximum Allowable Rate, whichever is less.

### **The Technical Explanation of the Settlement Process for these claims:**

The units of service are included in the CRCS to determine the “Hours Spent Providing Medi-Cal Services”. This figure, by practitioner type, is then divided by the LEA’s “Annual Hours Required to Work”, in order to arrive at a “Percent of Time Providing LEA Services”. The “Percent of Time” figure (by practitioner type) is then applied to the LEA’s direct personnel costs for that respective practitioner to arrive at an estimated cost of providing LEA services. Since the units of service are correct for paid claims that were billed at less than 100% of the Maximum Allowable Rate, the “percent of time” figures should be accurate for the practitioner types represented by the incorrectly billed claims. A correct “percent of time” will result in an accurate estimated Medi-Cal cost of providing LEA services for each practitioner type, which is eventually compared to reimbursement in the settlement process.