



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

DATE: September 29, 2014

PPL No. 14-014

TO: Local Educational Consortia (LEC) and  
Local Governmental Agency Coordinators (LGA) and  
Local Educational Agencies (LEA)

Subject: **SMAA Participant Cost Allocation and Categorical Funding – Duplicative Claiming for Positions is Not Allowable**

The Department of Health Care Services (DHCS), LEAs, LECs, and LGAs are required to take all reasonable measures to avoid duplication of payments as required by Office of Management and Budget (OMB) Circular A-87 and the 2013 Medicaid School-Based Administrative Claiming Guide.

**The purpose of this Policy and Procedure Letter (PPL) is to notify LEAs, LECs, and LGAs that claiming reimbursement for any positions funded whole or in part by categorical revenue for the School-Based Medi-Cal Administrative Activities (SMAA) program is not allowable.** Participant salary and benefit costs that are paid from state and federal issued categorical funding streams are not eligible to be included in determining certified public expenditure (CPE) calculations on the MAA invoice. The 2003 Medicaid School-Based Administrative Claiming Guide, Section IV (B)(4) requires:

Federal, state and local governmental resources should be expended in the most cost-effective manner possible. In determining the administrative costs that are reimbursable under Medicaid, duplicate payments are **not** allowable. That is, states may not claim FFP for the costs of allowable administrative activities that have been or should have been reimbursed through an alternative mechanism or funding source. The state must provide assurances to CMS of non-duplication through its administrative claims and the claiming process. Furthermore, in no case should a program or claiming unit in a local jurisdiction be reimbursed more than the actual cost of that program or claiming unit, including state, local, and federal funds.

OMB Circular A-87, Attachment A (C)(1)(h), requires that costs: “Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.”

If you have any questions or require further assistance regarding this PPL, please contact Tony Teresi, Chief, School-Based MAA Unit at (916) 552-9049, or [Tony.Teresi@dhcs.ca.gov](mailto:Tony.Teresi@dhcs.ca.gov)

Sincerely,

**ORGINIAL SIGNED BY MICHELLE KRISTOFF**

Michelle Kristoff, Chief  
Administrative Claiming, Local and School Services Branch