

## Low Income Health Program (LIHP) Frequently Asked Questions (FAQs)

Topic	No.	Question	Answer
Actuarial Evaluation	1	Has the state conducted any actuarial evaluation to determine what this will cost LIHP programs to provide, for medical, mental health, pharmacy and ancillary on a per member per month basis?	No. The State has not conducted an actuarial evaluation. We encourage Counties to conduct their own locally specific evaluations for planning purposes.
Additional Benefits	2	What is the process and timeline by which a county would propose including other add-on services allowable under Medicaid to the core benefits?	For CMS approval prior to implementation of the county's LIHP, any additional add on services to your program should be included in your application. Counties may propose including add-on after the application process is completed but CMS approval will be on a flow basis.
Administrative Cost Claiming	3	Could we do specific administrative sub-contracts?	Yes.
	4	What is the estimated timeline for developing the new administrative cost claiming protocols and when can claims be submitted for services commencing November 1, 2010? How quickly can counties expect payment from these claims? Will the State attempt to be consistent with Administrative Claiming protocols under the prior Medi-Cal Hospital/Uninsured Care Demonstration?	DHCS will be engaging in discussions with CMS beginning in January regarding the administrative cost claiming protocol. We will base these discussions on the prior Medi-Cal Hospital/Uninsured Care Demonstration administrative cost claiming protocol. Once the protocol is approved by CMS, and a contract is executed between DHCS and the county, the claims can be submitted for reimbursement of allowable administrative expenses beginning the effective date of the approved county LIHP.
	5	Will time studies continue to be required?	It is possible that a time study methodology will be required.
	6	How are the administrative costs claiming protocols defined?	The approved protocol will be defined in Attachment J of the STCs.
	7	Are there any limitations (dollar or per member per month) to claiming administrative costs?	No.

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Administrative Cost Claiming	8	Can start-up costs which may be different from ongoing administrative costs be reimbursed?	The start-up costs allowed under the protocol, that DHCS will develop with CMS approval for claiming these costs, will be reimbursed. It is recommended that counties maintain documentation of their start-up costs associated with the development of their LIHP project.
Administrative Costs	9	In general, counties use the same staff and/or contractors to administer MCE and HCCI. Will counties be able to separately apportion administrative costs for HCCI and MCE based on percentage of LIHP population enrolled in each program (MCE or HCCI)?	This approach will be discussed with CMS in development of the administrative cost claiming protocol.
Applications	10	When will DHCS get out the timelines for new counties to submit applications and approve of the coverage expansion projects?	DHCS will post the timeline by December 24, 2010 on the DHCS website address at <a href="http://www.dhcs.ca.gov/provgovpart/Pages/lihp.aspx">http://www.dhcs.ca.gov/provgovpart/Pages/lihp.aspx</a> .
Attachments	11	When will the required cost claiming protocol (Attachment G) and other draft claiming attachments be provided to counties for review?	DHCS is negotiating with CMS, and will always work collaboratively with its stakeholders to provide updates.
Behavioral Health Claiming	12	What are the guidelines and timeline for the claiming mechanisms that can be used for behavioral health services component of our LIHP?	This approach will be discussed with CMS in the development of the behavioral health services cost claiming protocol.
Behavioral Health Needs Assessment	13	Please confirm that the behavioral health needs assessment and detailed plan as described in paragraphs 66 – 68 of the STCs will be done by the State and not by counties. It is assumed that counties may be called upon to provide information to the State for this LIHP waiver activity.	Yes.

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Capitation Rate	14	How would the cost of additional services be factored into a capitation rate for counties, if capitation is used?	Counties will establish the capitation rate and the costs would be included in that rate.
Capitation Rate	15	If the county decides to use a capitation rate for the LIHP, what is the county required to do?	The county must develop their capitation rate methodology and submit to DHCS for review and approval. For approval prior to implementation of the county's LIHP, the capitation rate methodology should be included in your application. Counties may submit their capitation rate methodology after the application process is completed and the approval will be on a flow basis.
Carved Out Mental Health Benefits	16	Is it possible to enroll individuals in MCE for carved out mental health benefits only?	No. Counties may not restrict MCE coverage to only mental health services.
Cash Flow and Payments	17	How will cash flow and payment of the federal share work, including the process for claiming?	DHCS will be providing the federal share of the payment to the LIHP counties. The process for claiming the federal share will depend on the claiming methodology (CPE or capitation rate) developed by each county and approved by DHCS.
	18	Will any of the federal funds received by a LIHP need to be approved through the state budget process or will these funds flow directly to the county?	The federal funds projected for reimbursement of LIHP expenditures will be included in the annual State Budget process. However, this process in and of itself will not delay the reimbursement process for the county.
Charity Care	19	Does LIHP intersect with the State's provision that non-profit hospitals provide charity care to uninsured individuals who meet the hospitals' financial charity care standards overseen by office of statewide health planning and development (OSHPD)?	No.
Claiming and Funding Mechanisms	20	Can a County switch its federal payment mechanism from CPEs to capitated rate payments in a future year?	Yes.

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Claiming and Funding Mechanisms	21	What is the process to change from the originally selected federal payment mechanism to another after the first year.	DHCS will include this process in the proposed claiming and reimbursement protocol for the LIHP that will be submitted to CMS for review and approval.
Claiming and Funding Mechanisms	22	Does the county determine their own claiming process?	The counties select the payment methodology, such as CPEs or capitated rate payments, and they must adhere to the claiming process developed for that methodology in the approved cost reimbursement protocol for the LIHP.
	23	Will different claiming methodologies be required to determine costs for HCCI and MCE within the same county?	No. The same claiming methodology would be used for both HCCI and MCE with the costs tracked and identified separately for each program.
Component Clarification	24	Do the counties have to pay prospective payment system (PPS) rates to federally qualified health center (FQHC)?	Yes.
Eligibility	25	Do Legal Permanent Residents have to meet the 5 year residence rule to enroll in LIHP?	Yes.
	26	Can the Medi-Cal eligibility data systems (MEDS) be used to validate citizenship status?	DHCS is currently reviewing this option for the LIHP projects.
	27	Should LIHP applicants be enrolled pending receipt of citizen and/or identification documents?	If an applicant declares that he/she is a U.S. citizen or a U.S. national, and is determined to be otherwise eligible, the applicant can be enrolled while he/she obtains citizenship/identity documentation.
	28	Is there a deadline for an enrollee to obtain citizenship/identification documentation?	There is no deadline as long as the enrollee is making a good faith effort to obtain citizenship/identification documentation in accordance with All County Welfare Directors Letter (ACWDL) 07-12.
	29	Can the social security match (SSN) be used to verify citizenship?	DHCS is currently reviewing this option for the LIHP projects.
MOE	30	What is the state fiscal year associated with the 2006 maintenance of effort (MOE) requirement?	The State Fiscal Year is 2006-07.

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MOE	31	How is the MOE determined?	The MOE is based on the total amount of nonfederal funds expended by a county for health care services provided to its low-income, uninsured population that are similar to those to be provided under their LIHP project, that were not reimbursed by another payor, and were provided to individuals who would have been eligible for the LIHP during the baseline year.
	32	Will State realignment or general fund amounts be increased for counties participating in LIHP?	No.
	33	Does the MOE baseline include expenditures that are not expected to be repeated?	No.
	34	Does the MOE baseline include borrowed funds and carryover funds from prior years?	Yes.
Network Adequacy	35	Does paragraph 81 of the STCs on Plan Readiness and Contracts pertain to the seniors and persons with disabilities (SPD) population only?	Yes.
Provider Choice	36		Yes. The expenditure authority exempts county-based delivery systems from certain specified requirements regarding managed care organizations.
Safety Net Care Pool Expenditure	37	Does paragraph 35.a.v apply only to the current ten HCCI counties and not new counties?	Yes.