

reported in period one (7/1/08) are reimbursed at 50% and may be subject to a state approved negotiated rate. SMHS units and costs reported in period 2 (10/1/08 – 12/31/08) are reimbursed at 61.59% and may be subject to a state approved negotiated rate. SMHS units and costs reported in period three (1/1/09 – 6/30/09) are reimbursed at 61.59% and are not subject to a state approved negotiated rate.

35. Q: For non-county LEs, what other funding sources are acceptable as match for Federal Financial Participation (FFP), such as fundraising revenue, donations, and Supplemental Security Income (SSI)?

A: Federal statute and regulation permits State and local units of government to participate in the financing of the non-Federal portion of medical assistance expenditures (CFR433.50). A unit of government is a State, a city, a county, a special purpose district, or other governmental unit in the State that has taxing authority, direct access to tax revenues, is a State university Teaching hospital with direct appropriations from the State treasury, or is an Indian tribe as defined in Section 4 of the Indian Self-Determination and Education Assistance Act, as amended (25 U.S.C. 450b). Only payments made to non-County LEs by the Mental Health Plan may be considered as match for Federal Financial Participation. Fundraising revenue and donations collected by a non-County LE are not permitted to finance the non-federal share of medical assistance expenditures.

36. Q: Is Federal Funding the first payer or last? What is the regulation that covers this?

A: Medicaid is intended to be the payer of last resort. All third parties must meet their legal obligation to pay claims before Medicaid will pay for the care of an individual eligible for Medicaid. The Code of Federal Regulations, Title 42, Chapter IV, Part 433, Subpart D addresses issues related to third party liability.

37. Revised

Q: Do you know how we need to report the Mental Health Services Act (MHSA) Prevention and Early Intervention (PEI) and Workforce Education and Training (WET) programs in the cost report?

A: There are two places in the cost report where expenditures from Mental Health Services Act (MHSA) funds are reported. The MH 1995 on the summary cost report asks Mental Health Plans to report total distributions received, total expenditures made, and interest income earned in the fiscal year. The MH 1992 on the detailed cost report asks each LE to identify the sources of revenue used to make expenditures on administration, research and evaluation; utilization review, and particular modes of service. Only county LEs reports expenditures made on administration, research and evaluation; and utilization review. Both county LEs and non-county LEs report

expenditures made on particular modes of service. The amount of expenditures by source of revenue for particular modes should match the gross costs reported on the MH 1966 for the particular mode of service, which flows from the MH 1901_Schedule C. In the past, the Department of Mental Health has required the total amount of MHSA expenditures reported on the MH 1995 to match the sum of all LE expenditures reported on line 23 (MHSA) of the MH 1992.

The types of activities that are performed through the Prevention and Early Intervention (PEI) activities likely fit within the treatment modes and service functions or the outreach services mode (45) and service functions. Any activities performed through the PEI component that do not clearly fit an existing mode and service function definition should be reported under mode 60, service function 78 (Other Non-Medi-Cal Client Support Expenditures).

The types of activities that are performed through the Workforce Education and Training (WET) component of the MHSA may not fit any of the mode and service function definitions. Any activities performed through the WET component that do not clearly fit an existing mode and service function definition should be reported under Mode 60, service function 78 (Other Non-Medi-Cal Client Support Expenditures).

~~The types of activities that are performed through the Prevention and Early Intervention (PEI) and Workforce Education and Training (WET) components of the MHSA may not fit any of the mode and service function definitions. A LE should not report expenditures for activities that do not meet a mode and service function definition. A LE with these types of MHSA expenditures should list them on the MH 1962 as a negative adjustment to gross expenditures reported on the MH 1960 to ensure those costs are not allocated to modes and service functions on the MH 1901_Schedule C.~~

~~Mental Health Plans are still required to report all expenditures from MHSA distributions on the MH 1995. But the Department of Mental Health will not require that the amount of expenditures from MHSA distributions reported on the MH 1995 equal the amount of expenditures from MHSA distributions reported on the MH 1992_Sum. The expenditures reported on the MH 1995 should include those made on PEI and WET activities, while those reported on the MH 1992 may not.~~