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DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

Date: September 28, 2015

CCS Information Notice: 15-08

TO: ALL COUNTY CALIFORNIA CHILDREN'S SERVICES (CCS)  
ADMINISTRATORS AND SYSTEMS OF CARE DIVISION(SCD) STAFF

SUBJECT: REVISED ENHANCED FEDERAL MEDICAL ASSISTANCE  
PERCENTAGE (FMAP) FOR TITLE XXI STATE CHILDRENS HEALTH  
INSURANCE PROGRAM (CHIP) FUNDING

Since the inception of the former Healthy Families Program (HFP) in 1997, California Children's Services (CCS) claimed Title XXI Children's Health Insurance Program (CHIP) federal financial participation (FFP) for expenses for all services, both medical assistance and administrative, for Healthy Families Program (HFP) subscribers at the enhanced Federal Medical Assistance Percentage (FMAP) of 65 percent pursuant to Section 2105(b) of the Social Security Act. The county share of cost for this cohort was 17.5 percent of diagnosis and treatment costs for the CCS HFP subscribers who met CCS financial eligibility criteria and the associated CCS county administration costs.

In 2012, pursuant to the provisions of AB 102 (Ch. 29, Statutes of 2011), these HFP subscribers were transitioned to the Medi-Cal Optional Targeted Low Income Children's Program (OTLICP). These former HFP children are now covered by Medi-Cal. The FFP for OTLICP Medi-Cal remains Title XXI CHIP Funding at the enhanced 65 percent FMAP. The county share of cost remained at 17.5 percent.

Section 2101(a) of the Affordable Care Act amended Section 2105(b) of the Social Security Act to increase the Title XXI CHIP enhanced FMAP for states by 23 percentage points for the period that begins October 1, 2015 and ends September 30, 2019 (federal fiscal years 2016 through 2018). The revised CHIP FMAP rate for California for this period will be 88 percent. This will reduce the county share of cost for CCS diagnosis and treatment services and county administration for the OTLICP Medi-Cal caseload from 17.5 percent to 6 percent effective October 1, 2015.

Instructions in the Children's Medical Services Plan and Fiscal Guidelines for the completion of the quarterly CCS Diagnosis and Treatment Administrative Expenditure Invoices that are affected by this change are being revised and will be available for

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quarterly expenditure reporting for the second quarter of state fiscal year 2015-16 after January 1, 2016.

If you have any questions, please contact Harvey Fry at (916) 327-1231 or via e-mail at [Harvey.Fry@dhcs.ca.gov](mailto:Harvey.Fry@dhcs.ca.gov).

Sincerely,

**ORIGINAL SIGNED BY LOUIS R. RICO**

Louis R. Rico, Chief  
Systems of Care Division