



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



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DIRECTOR

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DATE: August 11, 2020

PPL No. 20-038

TO: Local Education Agency (LEA) Providers

SUBJECT: NOTIFICATION OF TEMPORARY INCREASE OF 6.2 FEDERAL  
MEDICAID ASSISTANCE PERCENTAGE (FMAP) DURING THE  
COVID-19 PUBLIC HEALTH EMERGENCY

This Policy and Procedure Letter (PPL) provides guidance to all LEAs participating in the LEA Medi-Cal Billing Option Program (BOP) regarding the temporary 6.2 percent increase to the FMAP for qualifying expenditures effective January 1, 2020, and extending through the last day of the calendar quarter in which the public health emergency (PHE) declared by the Secretary of Health and Human Services for COVID-19.

Effective as of the date of this PPL, the Department of Health Care Services (DHCS) will commence the process to reimburse eligible expenditures the temporary 6.2 percent FMAP increase to claims submitted by the LEA until the end of the PHE.

### Background

House Resolution (H.R.) 6021, the Families First Coronavirus Response Act (FFCRA), provides a temporary 6.2 percentage increase to each qualifying state and territory's FMAP under section 1905(b) of the Social Security Act (the Act) for expenditures incurred on or after January 1, 2020 through the end of the calendar quarter in which the PHE ends. The 6.2 percent increase in FMAP is only available for expenditures for which federal matching is ordinarily 50 percent per section 1905(b). In other words, it is only available for aid codes eligible for a 50 percent FMAP and not under any other enhanced aid code category.

### Claims Processing

DHCS will begin updates to the paid claims processing system so that eligible direct medical service claims are reimbursed with the new FMAP of 56.2 percent. Once the paid claims system updates are made, previously paid claims with dates of service on or after January 1, 2020, will be automatically reprocessed using an Erroneous

Payment Correction to reimburse LEAs the additional FMAP. LEAs do not need to take any additional action on prior paid claims that qualify for the increased FMAP rate.

**Termination of State of Emergency**

This PPL will cease to be in effect upon the last day of the calendar quarter in which the PHE ends, at which time DHCS will no longer reimburse the LEAs the additional 6.2 percent FMAP.

If you have questions concerning this PPL, please contact the LEA Medi-Cal Billing Option Program by e-mail at [LEA@dhcs.ca.gov](mailto:LEA@dhcs.ca.gov).

Sincerely,

**ORIGINAL SIGNED BY**

Rick Record, Chief  
Local Educational Agency Medi-Cal Billing Option Program