



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



GAVIN NEWSOM
GOVERNOR

Date: January 15, 2021

PPL No. 21-001

To: Local Governmental Agencies (LGAs) for the County-Based Medi-Cal Administrative Activities (CMAA), School-Based Medi-Cal Administrative Activities (SMAA), and the Targeted Case Management (TCM) Programs; the Local Educational Consortia (LEC) and the Local Educational Agency (LEA) Coordinators for the SMAA Program

SUBJECT: Claiming Reimbursement for Participation Fees

This Policy and Procedure Letter (PPL) supersedes PPL 16-007 and defines the reimbursement requirements for participation fees related to the CMAA, SMAA, and the TCM programs. LGAs and LECs participating in any of these three programs are required to pay a participation fee to the Department of Health Care Services (DHCS) which covers the costs for:

- (1) the non-federal share of DHCS' staff and related expenses; and
- (2) the CMAA/SMAA/TCM Host County Liaison and related expenses.

Fifty percent of the DHCS staff costs and related expenses required to administer the CMAA, SMAA, and TCM programs are paid through each program's respective Host County contracts. These payments are matched with federal funds representing the remaining fifty percent.

The portion of the participation fee used to pay the non-federal share of these costs (#1 above) is not claimable by any LEC, LGA, or LEA as stated under the established terms and conditions of the Host County Contract and the program specific DHCS agreement. LECs, LGAs and LEAs are prohibited from claiming FFP for this portion of the participation fee.

The portion of the participation fee used to pay costs for the Host County Liaison and related expenses (#2 above) that have not been previously matched are claimable and eligible for FFP. For the CMAA and the TCM programs, DHCS determines what

percentage of the participation fee represents costs that are not claimable (#1 above) on an annual basis. Then, DHCS issues an annual PPL stating the percentage of the participation fee that is claimable for federal reimbursement and describes how LGAs may claim it. For the SMAA program, the portion of the participation fee used to pay costs for the Host County Liaison and related expenses (#2 above) are deemed necessary to administer the program and can be direct charged through the quarterly SMAA invoices. These direct charges are claimable and eligible for FFP.

LGAs that participate in, or would like to participate in TCM only, and wish to claim reimbursement for the claimable portion of the participation fee (#2 above) are required to enter into a CMAA contract with DHCS and obtain necessary approvals of the required CMAA claiming plans.

To comply with 2 Code of Federal Regulations part 200 et seq., LECs and LGAs are prohibited from claiming federally matched costs to administer the CMAA, SMAA, and TCM programs as it would exceed the 50 percent federal match that is allowed. Further, participating LECs and LGAs must have an agreement in place with each claiming unit that prohibits claiming federal reimbursement for all federally matched participation costs in the CMAA, SMAA, or TCM programs.

If you have any questions or require further assistance regarding this PPL, please contact the CMAA program at cmaa@dhcs.ca.gov, the SMAA program at smaa@dhcs.ca.gov and the TCM program at tcm-dhcs@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY

Jillian Mongetta, Chief
Medi-Cal Claims and Services Branch
Department of Health Care Services