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PPL No. 22-010R
Revised

TO: Local Educational Consortia (LEC), Local Governmental Agency (LGA),
and Local Educational Agency (LEA) Coordinators for the
School-Based Medi-Cal Administrative Activities (SMAA) Program

SUBJECT: The Medi-Cal Eligibility Rate (MER) and Data Match Output File

PURPOSE: This Policy and Procedure Letter (PPL) provides guidance to LEC,
LGA, and LEA coordinators concerning how to calculate the MER
using the data match output file with new eligibility indicators.

REFERENCE: SMAA Manual

BACKGROUND:

Activity Codes

The SMAA program uses activity codes to capture administrative activities that are “allowable” and “unallowable” for federal reimbursement. Of the “allowable” codes, there are two methods of reimbursement: 1) some administrative activities, such as outreach and Medi-Cal application assistance, are reimbursable for all students regardless of if they are a Medi-Cal beneficiary, and 2) some administrative activities, such as arranging transportation to a Medi-Cal appointment, are only reimbursable when they are provided to qualifying Medi-Cal beneficiaries. This second category, the Medi-Cal beneficiary-specific activities, is reduced or “discounted” by the students who do not qualify as Medi-Cal beneficiaries. This percentage is known as the Medi-Cal eligibility rate (MER).

The following SMAA codes are allowable codes that require discounting by the MER:

CODE 8: Referral, Coordination, and Monitoring of Medi-Cal Covered
Services

CODE 10: Transportation-Related Activities in Support of Medi-Cal Covered
Services

CODE 12: Translation-Related to Medi-Cal Covered Services

CODE 14: Program Planning and Policy Development, and Interagency Coordination
Related to Medi-Cal Services

For more information on activity codes, please refer to the [SMAA manual section 5](#).

MER Calculation

The MER's numerator is the number of the LEA's enrolled students who are qualified Medi-Cal beneficiaries and the denominator is the total number of students enrolled with the LEA. The MER is calculated as follows:

$$\text{MER} = \frac{\text{Total Number of Medi-Cal-Enrolled Students who are FFP Qualified}}{\text{Total Number of Students}}$$

This calculation ensures that for "discounted" codes, the SMAA program is only reimbursing LEAs for the portion of the Medi-Cal administrative activities provided to qualifying Medi-Cal beneficiaries in that LEA.

Input File

The MER's numerator is identified using a data match program that verifies a qualifying Medi-Cal enrolled student or "beneficiary" within an LEA. LEAs must submit their student data per the Data Use Agreement format (see Attachment A) to their LEC or LGA coordinator. The LEC or LGA coordinator then submits the student data as an input file to the Department of Health Care Service's (DHCS) MOVEit software using a Secure File Transfer Protocol. The DHCS data match program then generates an output file that can be downloaded from the MOVEit software by the LEC and LGA coordinators to verify Medi-Cal eligibility for each student. This output file provides details for the entire LEA student population, identifying their Medi-Cal enrollment status.

Frequency

The MER must be calculated for each LEA at least twice per state fiscal year (SFY) using the most up to date student roster at the time of calculation, either in the first and third quarters or the second and fourth quarters of the SFY. The MER calculated in the first quarter (July – September) will also be applied to the second quarter (October – December), and the MER calculated in the third quarter (January – March) will also be applied to the fourth quarter (April – June). Similarly, a MER calculated in the second quarter will be applied to the first quarter, and the MER calculated in the fourth quarter will be applied to the third quarter.

Output File Information

The output file includes information from the Medi-Cal Eligibility Data System (MEDS) that identifies Medi-Cal beneficiaries and the type and duration of their Medi-Cal enrollment. Current enrollment information is included as well as the 12 months prior to the month the report is generated. As a result, 13 months of data are provided in the output file.

In order for a beneficiary to be included in the MER's numerator, their eligibility for the SMAA program must be confirmed in each month of the quarter. There are various factors that account for SMAA program eligibility. For that reason, the SMAA program is adding a new eligibility indicator to the data match output file labeled "FFP Qualified".

FFP stands for Federal Financial Participation and refers to the percentage of federal funding that states receive for Medicaid expenditures. The “FFP Qualified” data element indicates whether or not a beneficiary meets all federal requirements for claiming FFP. While some students may qualify for the state Medi-Cal program, they may not meet federal Medicaid requirements for FFP. Along with the FFP Qualified criteria, students must also be eligible for the SMAA program which is reflected in the “Eligible” column of the output file.

An additional eligibility factor on the output file is the Medi-Cal “Share of Cost” (SOC). If a beneficiary’s family’s income is too high to qualify for free Medi-Cal, they may have a SOC. The SOC refers to how much the beneficiary is required to pay for medical services before Medi-Cal starts to pay for their medical services. Beneficiaries only need to meet their share of cost during the months they seek out Medi-Cal medical services. However, if a beneficiary does not meet the SOC in a specific month, they are not Medi-Cal eligible and therefore cannot be included in the numerator for that month.

POLICY:

Submitting the Input File

Effective immediately, all LECs and LGAs must use the following procedure to notify DHCS when an input file is uploaded to the MOVEit software. To submit files for processing, please follow the below instructions:

1. Upload your file to the MOVEit folder at <https://etransfer.dhcs.ca.gov/> with the appropriate naming convention:
 - a. County name LGA, or
 - b. County name LEC
2. Send a notification email:
 - a. To: PSUMembers@dhcs.ca.gov
 - b. Cc: Your assigned SMAA analyst
3. Please use the following subject line:
 - a. Files Uploaded for SMAA processing – County name/LGA, or
 - b. Files Uploaded for SMAA processing – County name/LEC
4. Within the notification email, please include the input file’s folder location:
 - a. The folder location is as follows – MOVEIT folder:/DHCS-SNFD/County name/LGA, or
 - b. The folder location is as follows – MOVEIT folder:/DHCS-SNFD/County name/LEC

MER Criteria

To ensure that MER calculations are accurate, DHCS is proceeding with the following methodology: each student’s FFP and SMAA eligibility percentage, including meeting the Medi-Cal SOC, must be derived from the average of the three months within a quarter. To be eligible for the SMAA program within a given month, students must meet the following criteria in the following order:

1. Must be found as a match in the MEDS¹
2. Must be FFP qualified
3. Must be SMAA eligible
4. Must meet their Medi-Cal SOC for the month, if applicable

All customized MER calculation programming must account for this criteria in the specified order.

Calculating the MER

The data match output file categorizes the four criteria into the following columns:

1. Match or No Match
2. FFP Qualified
3. Eligible Prior (*name of month*)
4. Share of Cost Met

The data match output file provides a “Y” or an “N” which indicates that the criteria was met or not met, respectively. If a beneficiary has an “N” in either the “Match or No Match” or “FFP Qualified” category, the beneficiary is ineligible for the SMAA program and no further calculations are necessary. (Please note, a blank in the “FFP Qualified” category is considered to be the same as an “N”). If the beneficiary has a “Y” in both of these categories, then you must look at the remaining two categories to determine eligibility for each month.

Assuming “Match or No Match” and “FFP Qualified” are both marked with “Y”, each month’s eligibility is then based on the answers to “Eligible Prior (*month*)” and “Share of Cost Met”. All four of these categories must have a “Y” in order for a beneficiary to be eligible for the month.

Although this is not an exhaustive list, the following table is representative of four possible student criteria scenarios and how they affect eligibility. This example assumes that, in the ordered criteria list mentioned above, (1) “Match or No Match” and (2) “FFP Qualified” are both marked with a “Y”. Monthly eligibility is reflected in numerical values; “1” for eligible and “0” for ineligible students.

Report Date: January 2021

	Eligible Prior (January)	Share of Cost Amount	Share of Cost Met	Eligibility Status	Numerical Value Assigned
1.	Y	\$200	Y	Eligible	1
2.	Y	\$150	N	Ineligible	0
3.	N		Y	Ineligible	0
4.	Y		Y	Eligible	1

Key: *Eligible* = 1; *Ineligible* = 0

¹ At times, the data match program cannot find a beneficiary’s input data due to improper spacing in the input file or non-enrollment in Medi-Cal, resulting in indeterminate data labeled as “No Match”.

In row 1, the student is eligible because both categories have a “Y”; the student was eligible for SMAA in January of 2020, as shown in the “Eligible Prior (January)” column, and met their \$200 SOC within the month.

In row 2, the student is ineligible because both categories do not have a “Y”; even though the student was eligible for SMAA in January of 2020, as shown in the “Eligible Prior (January)” column, they did not meet their \$150 SOC within the month.

In row 3, the student is ineligible because even though the student met their SOC, they were not eligible for SMAA in January of 2020, as shown in the “Eligible Prior (January)” column. (Please note, when there is a “Y” in the SOC met column and no specified SOC amount, it is implied that the SOC is considered to be met).

In row 4, the student is eligible because both categories have a “Y”; the student was eligible for SMAA in January of 2020, as shown in the “Eligible Prior (January)” column, and met their SOC.

Once eligibility is determined for all three months within a quarter, LEAs, utilizing their preferred customized MER calculation program, must average the numerical values assigned to each month and convert this average to a decimal. For example, if a beneficiary was eligible for two out of the three months of quarter 3, their eligibility for January through March is two divided by three or 0.67. This calculation process is then repeated for each beneficiary listed on the output file. Once all eligibility calculations are determined, the average for each quarter is calculated by adding all enrollment decimals within the quarter and dividing by the total number of enrolled students served by the LEA, which is the total number of students on the output file. The percentage derived from this calculation will be the MER (see example table below).

	Student	Numerical Value Assigned Jan	Numerical Value Assigned Feb	Numerical Value Assigned Mar		Eligibility for Jan - Mar 2021
1	Student Name	1	1	0	2/3	0.67
2	Student Name	0	0	0	0/3	0.00
3	Student Name	0	1	1	2/3	0.67
4	Student Name	1	0	0	1/3	0.33
	Total					1.67
	Average (Total divided by 4 (the number of students) yields the MER)					0.4175 (= 41.75%)

Key: Eligible = 1; Ineligible = 0

Rows 1 and 3 indicate that the students were only eligible for the SMAA program for two out of the three months within quarter three. Therefore, their average is two divided by three or .67.

Row 2 indicates that the student was ineligible for all months within quarter three, resulting in an eligibility decimal of zero.

Row 4 indicates that the student was only eligible for the SMAA program for one out of the three months within quarter three, resulting in an eligibility decimal of .33 or one divided by three.

MER calculations based upon output files generated in 2022 or later must be based upon the methodology in this PPL.

Please email SMAA@dhcs.ca.gov if you have any questions.

Sincerely,

ORIGINAL SIGNED BY

Brian Fitzgerald, Division Chief
Local Governmental Financing Division
Department of Health Care Services

Enclosure:
Attachment A Data Use Agreement

Attachment A
Department Of Health Care Services
Data Use Agreement
Data Match Record Layouts

The following table illustrates the Data Match Record Layout for the input file.

FIELD	SIZE	POSITION	COLUMN HEADING
Social Security Number	9	1-9	SSN
Last Name	20	10-29	Last Name
First Name	15	30-44	First Name
Middle Initial	1	45	Middle Initial
Date of Birth (CCYYMMDD)	8	46-53	DOB
Sex	1	54	Sex (Optional)
Provider Id	9	55-63	Provider Id
School Name	20	64-83	School Name
User data	20	84-103	User Data
County Code	2	104-105	County Code