

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
San Francisco Regional Office  
90 Seventh Street, Suite 5-300 (5W)  
San Francisco, CA 94103-6706  
Division of Medicaid & Children's Health Operations



March 29, 2016

Mari Cantwell  
Chief Deputy Director, Health Care Programs  
California Department of Health Care Services  
P.O. Box 997413, MS 0000  
Sacramento, CA 95899-7413

**Re: Mental Health Medi-Cal Administrative Activities Implementation Plan**

Dear Ms. Cantwell:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of the plan entitled, "Mental Health (MH) Medi-Cal Administrative Activities (MAA) Implementation Plan," as submitted in final form on September 15, 2015. I am pleased to inform you that CMS hereby approves the state's Mental Health Medi-Cal Administrative Activities Implementation Plan for purposes of claiming Medi-Cal administrative expenditures incurred by Local Government Agencies (LGAs) on behalf of the Department of Health Care Services (DHCS). This approval is effective on the date of issuance of this letter, and subject to the conditions outlined below.

The conditions of this approval are as follows:

- 1) In accordance with 45 Code of Federal Regulation (CFR) 95.507 (b) (6), the State of California (the state) will submit an amendment to its cost allocation plan (CAP), referencing the methodology approved herein, to the Cost Allocation Services Division in the U.S. Department of Health and Human Services.
- 2) CMS reserves the right to request changes to these deliverables in order to meet federal Medicaid claiming requirements.
- 3) The state agrees that any regulations or national guidelines issued by CMS relating to the use of time study codes, methodologies for conducting time studies or other elements of administrative claims, will be promptly incorporated into its program on a prospective basis.
- 4) The state agrees to make CMS aware of any changes to the forms and/or documents that are subsequently developed or modified for use by this program. CMS reserves the right to request that any substantive changes be reviewed and approved prior to implementation or reimbursement of any service occurs.

- 5) The state agrees to monitor and provide oversight to the overall implementation process including, but not limited to, review of training materials, observation of training sessions, and the overall time study process.
- 6) The time study methodology will be implemented consistently across all counties and claiming units.
- 7) The state agrees to provide quarterly summary reports by the claiming unit to the CMS regional and central offices detailing the results and issues/concerns identified in the monitoring process.
- 8) The state agrees to provide oversight of any outside entities contracted (by the state or county/counties) to operate or monitor the CA MH MAA time study and the overall time study process.
- 9) In accordance with 45 CFR 92.20(b) and 92.42, any costs claimed under the claiming plan are subject to review and/or audit and must be supported by adequate, auditable source documentation. The state agrees that any costs claimed under the approved program are subject to review or audit.
- 10) The state agrees to maintain source documentation to support the claims for all costs related to this program.
- 11) The state agrees to adhere to the regulations at 42 CFR 432.2, 432.45, 432.50, and 433.15 that govern claiming compensation and training for skilled professional medical personnel (SPMP).
- 12) The state agrees to change the examples listed on page 12 of the MH MAA implementation plan and any corresponding training slides for activity 16 “Case Management of non-Open Cases.” The examples listed are intake and referral activities instead of case management activities which should be reflected here.

This approval letter does not relieve the state of its responsibility to comply with changes in federal laws and regulations, and for the state to ensure that claims for federal funding are consistent with all applicable requirements.

We appreciate the work and time your staff devoted to developing this plan. Any questions concerning this matter may be directed to Albert Tadakuma at (415) 744-3564 or via email at [Albert.Tadakuma@cms.hhs.gov](mailto:Albert.Tadakuma@cms.hhs.gov).

Sincerely,

/s/

Kristin C. Dillon  
Acting Associate Regional Administrator  
Division of Medicaid & Children’s Health Operations

cc: Chuck Anders, Fiscal Management and Outcomes Reporting Branch, Mental Health Services Division