



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



GAVIN NEWSOM  
GOVERNOR

**Date:** January 25, 2021 PPL 21-004

**To:** County Representatives for the Medi-Cal County Inmate Program (MCIP)

**SUBJECT:** **Temporary Increase of 6.2 percent Federal Medicaid Assistance Percentage (FMAP) during the COVID-19 Public Health Emergency**

This Policy and Procedure Letter (PPL) informs all county representatives participating in MCIP 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 declared by the Secretary of Health and Human Services for COVID-19 (Public Health Emergency).

### 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 Public Health Emergency ends.<sup>1</sup>

The FMAP for Certified Public Expenditure based claims is determined by when the certifying entity incurs the allowable costs (Designated Public Hospitals). The FMAP for all other claims is determined by when DHCS reimburses the provider (Non-Designated Public Hospitals and Private Hospitals). The 6.2 percent increase in FMAP is only available for expenditures for which there is federal matching under section 1905(b) of the Act (ordinarily 50 percent).

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<sup>1</sup> To qualify for the increase, the FFCRA requires maintaining eligibility standards no more restrictive than before January 1, 2020.

### **MCIP Claims Payment Method**

The Department of Health Care Services (DHCS) will continue the process of retrieving MCIP paid claims submitted to the Fiscal Intermediary (FI) and using the data to calculate the non-federal share costs to bill participating counties. Because MCIP claims are paid through the FI, starting November 2020 (unless the Public Health Emergency ends), the enhanced FMAP will be applied automatically and all eligible claims will include the enhanced FMAP of 6.2 percent for a total FMAP of 56.2 percent. The FI will address claims prior to October 2020 through an Erroneous Payment Correction. Hospital providers within the participating counties are to continue submitting claims to the FI through the normal process. There is no action needed from the counties or the hospital providers.

**Note:** Affordable Care Act (ACA) encounters are not eligible to receive the additional FMAP.

### **Termination of State of Emergency**

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

For questions regarding this PPL, please contact DHCS' Inmate Medi-Cal Claiming Unit at [DHCSIMCU@dhcs.ca.gov](mailto:DHCSIMCU@dhcs.ca.gov)

Sincerely,

### **ORIGINAL SIGNED BY**

Shelly Taunk, Chief  
County Based Claiming and Inmate Services Section