

Next meeting will be May 7th at 1:15pm
Number: 1-800-914-8405, Access Code: 1785191#

Agenda: 4/23/15 SMAA/LEA call

Stakeholders Meeting

DHCS LEA Workgroup Meeting

Budget Hearing

SB123 Update and Request

Issue with the Implementation of the RMTS

Stakeholders Call on 4/20/15:

Full minutes from meeting attached

These are comments from the LEA group, including Cathy Bennett, Tanya Perry, Sherry Purcell, Dawn Bray, Jeremy Ford, as well as Hellan Dowden from the call with DHCS, LECs and LGAs.

10% sample to LECs/LGAs: DHCS stated they would be sending instructions this week to the LEC's and LGA's first.

Real Time Access to LEA coordinators: LEA's have requested real time access. DHCS's fear is that it could encourage fraud. However, the codes are locked and cannot be changed. LECs/LGAs seemed supportive of this but DHCS ids having a hard time grasping this concept.

Deadline for Coding Report: DHCS wanted the reports by the end of April. There was push back since these are not needed until the books close for districts. It makes little difference if LEA's have access to the codes in May or July, the moments cannot be changed just to which code they are assigned to. Sherry Purcell made the point that the code does not need to be finalized until the books have been closed and claims are invoiced. The main concern should not be expecting districts have everything completed in 30 days.

The issue here is the need for review for accuracy which is what needs to be matched with time records. LEAs are the only ones who can do this within the district. There is a step before an appeal and this is not being taken into consideration. This step is outside of a formal appeal process.

DHCS then said the coding report will be extended to May 31st. LEA's are expected to have all moments completed by the end of May. DHCS has not taken into account that TSP's will be gone in June.

A Coding Appeals form was presented by DHCS. Their intent is for the form to be used if an LEA has an issue with how a moment is coded. They can use the form to issue and appeal to DHCS. DHCS should instead consider LEC's/LGA's and LEA's collaborating over these issues, and resolving issues that way first. Only if there were unable to reach an agreement would an appeal be issued.

The Quality Assurance report is meant to be an overview report of the whole quarter after all the codes have been verified. The form does not include much detail at this time.

DHCS and LEA workgroup meeting on 4/20/15

(John Mendoza, Stacy Fox, Tony Teresi from DHCS LECs and LGAs on the phone and in person, Dawn Bray, Tanya Perry, Jeremy Ford and Cathy Bennett

Full minutes from the meeting are attached as well as the responses

An LEA "wishlist" was presented to DHCS with the most pressing concerns for LEA's.

The conversation continued with why LEA's can't have real time viewing of the moments. LEC's and LGA's were more supportive in the earlier stakeholders call with real time access than they were at this meeting. There was discussion of limiting access to certain codes- 17, 18, possible new code 19. Their constant concern is that fraud will take place if LEAs have too much access. Real time access to completed moments will continue to be a request presented by the LEA's.

LEA coordinators cannot see the 5 student day attendance moment notifications. In some cases the LEA coordinators have the 5 calendar days, not the 5 student days. This issue will not be fixed until the 2nd quarter of next year.

LEA's would like the ability to send the link for a moment to the TSP's directly instead of needing to ask the LEC or LGA to send it to them. As long as it's still a closed system there shouldn't be a reason why LEA's shouldn't be able to do this. The reason this was necessary was explained to DHCS. Examples were given as to why coordinators need the option to resend the link to TSP's.

The issue of communication not being effective down to the TSP level was brought up to DHCS. This is in part due to materials and trainings not being written well. DHCS asked for examples to be submitted for things that need to change. As for training the LEA's don't have much access to those screens. It is difficult to make suggestions when coordinators cannot see what TSPs are viewing. Stacy Fox the head of the unit at DHCS was unaware that there is no training except for the online screens for TSPs.

The LEA's have asked DHCS to establish a calendar of deadlines on their website. DHCS said they would do this. They want a list of what things should be posted. (If you have any ideas on what should be added to the website, please let us know).

The manual was also discussed. It is being reviewed by a committee. This committee is unknown to LEA's at this time, Tony will check with Michelle before presenting a list of committee members. DHCS will be sending the updated manual for LEA's to review before they send it to CMS. DHCS will postpone sending to CMS for 10 days; 5 days for LEA's to comment, and 5 days for DHCS to review whatever changes may need to be made.

As the different issues were being presented to DHCS, John Mendoza's response was that the LEC's and LGA's signed a contract with PCG and they did not specify that this information be included. So PCG does not have to provide service for any of these items/issues until a new contract is negotiated.

During the call with the MAA LEA workgroup, it was brought up that PCG only does statewide systems. PCG has never worked with intermediaries such as LECs/LGAs. This could account for some of the problems. In other states PCG can deal directly with the school districts, but they don't deal with intermediaries, and so their system isn't set up for it.

Budget hearing:

Assembly Budget Subcommittee 1 heard testimony on the MAA program. Many people testified. This included school districts, education groups, teachers and school nurses. Testimony pointed out the millions that districts would lose, as well as the issue with rules being retroactively applied, how critical MAA is to the school districts and offering support for an appeal if as DHCS contends the problem is with CMS.

The new DHCS Director, Jennifer Kent, spoke on the deferral. She just took over the position so didn't have a great deal of familiarity with the program. DHCS still refuses to appeal.

During the MAA LEA Workgroup call the concern was raised that DHCS may have given up their right to appeal by signing the agreement on April 1st. This was after the school district and education groups signed onto a letter concerning an appeal, still it appears that DHCS will not appeal. Why is this? A comment was made that if DHCS did give up their appeal rights then they may be liable to the schools, and the school districts could sue them.

It was reported that the Governor's office wants the stakeholders to work on a backcasting proposal with DHCS. A proposal was presented to DHCS, and they refused to submit it. It would have made the cost pools equivalent in backcasting in the worker-log system. Many districts

would have been made whole. CMS was worried that school districts would get more than their invoiced amount. This could have been fixed with a cap on the amount received.

We continue to wait for response from DHCS following submission of data provided by CTA After a meeting that was held on the deferral on April 13th. Below is a simplified example of why backcasting doesn't work:

Added explanation.

Oakland Unified School District Data Explanation

April 23rd Meeting.

DHCS has committed to processing 40% interim payments for all outstanding invoices. OUSD was already paid at 100% for 10-11, but CMS has not paid DHCS. OUSD will have to pay back the balance of 10-11 out of the future interim invoice payments.

The current backcasting methodology agreed to by DHCS and CMA will take RMTS MAA % numbers and apply that to original invoices. We are using 5% just as an estimate, but that number can be higher or lower. Based on national examples it is not likely to vary in the extreme. This backcasting included the 40% interim amount, putting a hold on those payments.

The cost pool change to backcasting is what we are asking for DHCS to integrate into the current methodology proposal with CMS. We believe this change to the backcasting proposal would create a more equitable resolution to the process and is more in line with previous CMS appeal board decisions.

Cost Proposal Summary

This addresses the unnecessary reduction of claims caused by technical differences in how eligible staff costs are calculated under worker log and RMTS. Just as importantly, this proposal ensures that there are no significant differences between the periods used in the backcasting method.

Under worker log, eligible staff costs were limited to those participants whose time surveys were claimed on the final invoice; under RMTS, these costs can increase dramatically since they include staff costs for all eligible participants. The difference between an LEA's worker log and RMTS staff costs is directly related to this technicality and, if left unaccounted for, will unfairly reduce final backcasted claim amounts.

This proposal can be used as a component of DHCS' current proposal. While there are several ways to account for cost differential, the method we've proposed requires limited work for all parties (which we understand is a priority given the resources expended by LEAs, LECs/LGA, and the Department over the last three years), and strengthens the overall proposal so that it can better meet the requirements set forth by CMS for an acceptable backcasting method.

This proposal will factor in removal of unallowable staff from both the original invoice and an equal reduction for applying the new cost pool. For LEAs with no unallowable staff, this method will not have those reductions build in.

Step-by-Step

Step 1: Calculate the LEA's average quarterly salary and benefit (S&B) costs used in their RMTS-based claims (14/15 Q3, Q4, and 15/16 Q2, Q3). This average will be used to adjust the S&B costs for each claim that requires backcasting.

Step 2: Calculate the percentage change (increase or decrease) between the LEA's *original* worker log S&B costs for the backcasted quarter and their average quarterly S&B costs under RMTS (Step 1).
Formula = (Averaged RMTS Costs – Original Worker Log S&B) / Original Worker Log S&B = Difference.
Multiply Difference by 100 = Percentage Change.

Step 3: Reduce the *original* worker log S&B costs by removing costs for all non-authorized/approved classifications. Result will be an *adjusted* worker log S&B cost that accounts for the removal of unauthorized positions per CMS direction.

Step 4: Multiply the *adjusted* worker log S&B costs (Step 3) by the percentage change (increase or decrease) from Step 2 to produce a worker log S&B cost pool adjustment.

Step 5: Add the worker log S&B cost pool adjustment from Step 4 to the adjusted worker log S&B cost pool from Step 3 to produce a worker log cost that accounts for *both* the removal of unauthorized positions and the cost differential caused by the difference in how eligible costs are calculated in worker log vs RMTS.

Step 6: Apply RMTS MAA time to the new worker log S&B from Step 5. Calculate other costs (direct charge, ICR, etc.). Result is final claim amount.

SB123 LUI

Senator Liu has requested information on fees that are paid by LEAs to their LEC or LGAs for Health Committee staff. You can also send the following information to ngarcia@teachersforhealthykids.org

Fee amount from your LEC or LGA for 2013-14 and 2014-15 and if you know already the future contract amount for 15-16.

Any fees that are being charged if they are separate from this amount such as those charged by PCG or Fairbanks or any additional fees from the LECs/LGAs

Also, include if you were able to direct charge fees previously and no longer can do this.

If you have been paid from the deferred amount settlement, let us know if your fees were subtracted from what you owed and the amount.

If you can attach the contracts that would be good but a summary would really help in your e-mail. If there is anything else you think needs to be pointed out please do so.

Her bill will be heard in Senate Health next Wednesday, April 29th. If you are interested in supporting or opposing it you can let her know by contacting her staff Ed.Honowitz@sen.ca.gov.

RMTS implementation issues:

Districts were told staff will receive a 24 hour advance notice email that they will be receiving a moment. In three districts this email is not being sent. PCG and LEC system says that it is being sent out. Some districts did receive the notice last quarter, but this quarter they are not receiving notification. The LEA representatives will raise the issue at the next stakeholders call and report to the group. It was asked if the representatives would ask if PCG changed this and if so why were the LEA's not notified?

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