

## **SMAA LEA Workgroup Minutes 5/18/16**

The meeting was held to bring districts up to date with some of the latest developments with the SMAA and LEA Billing Option program. First on the agenda was a report back on a recent meeting between education groups and DHCS. This was followed by a presentation and discussion with John Mendoza and his staff from DHCS safety Net Financing.

### **Report of May 12<sup>th</sup> meeting with DHCS**

The Workgroup members who are the liaisons with DHCS reported on the meeting held with DHCS along with other education groups such as CSBA, CTA, CCESA, CDE and representatives from the Health and Welfare Agency on May 12<sup>th</sup>. Below is a list of agenda items and the discussion that occurred:

#### **Deferral-**

The workgroup had requested documents from DHCS regarding an audit of Chino Valley USD by the federal office of the Inspector General that occurred about the same time as the audits were conducted of the three LEAs that led to the deferral of all claims except for those of kern County LEC. CVUSD received 91% of their money in the audit. Our question is why the discrepancy between the findings when the deferral audit meant the loss of for larger districts, 60% of their funds. DHCS agreed to allow the review of documents from Tulare, Turlock and Santa Barbara audits in the next few weeks to better compare audit outcomes. It was also brought up that the back casting proposal is more punitive than is warranted. It was proposed that there should be no back casting from quarters 12/13 forward and this should be presented to CMS.

#### **Manual Status –**

The Manual has not yet been approved by CMS. DHCS is working to correct the “track changes” made to the old manual that had issues before turning it in to CMS in June. This delay affects the outcome of PPLs, IEP clarification, Coding, SMAA invoice status and RMTS percentages. DHCS told the group they had sent in the letter inquiring about counting activities in conjunction with IEPs. Their response was that CMS wanted to see what was in the manual regarding the IEP issue before they would respond to the letter.

#### **Categorical Funding –**

The issue is if for example, if Special Education is considered a categorical program, then can any activities related to the program be reimbursed through MAA? It was pointed out that if DHCS considered classifying Special Ed as a categorically funded program, funding for MAA could be reduced by 54%. It was felt that more clarification and discussion needs to be had between CDE and DHCS on this issue. It was brought up to DHCS that this is a State funding issue

about the new LCFF formula and not something that should be clarified by CMS. (It was reported that CDE is now involved and is helping with DHCS.)

### **Third Party Liability-**

Families have received letters asking for payment for services administered to their children. Districts are also receiving these letters. As a result since this might impact insurance coverage, some parents have now begun to end their parental consent for services. This will reduce reimbursement for the schools. LEAs are responsible for providing these services regardless, and schools could be responsible for the cost. LEAs must provide students free and appropriate services. If schools encroach on families private insurance then according to what was said by the schools organizations to DHCS, they are then violating one law to uphold another. It was clarified that this is not a free care issue it is IDEA Law.

DHCS has stated that they are addressing this issue for better clarification. Faster clarification is being requested as this has become a legal issue. Please send questions or examples of how this issue has affected your district by emailing [LEA@DHCS.CA.GOV](mailto:LEA@DHCS.CA.GOV)

### **Repayment letter –**

Many districts owe or are owed money. DHCS is now sending demand letters to districts that owe to help pay the districts who are still awaiting payment.

### **LEA Billing Option Audits –**

There have been inconsistencies with audits. Some districts have been through each type of audit. LEAs should keep in mind that certain issues are often targeted. Examples are LEAs with TSPs receiving federal salaries, CRCS, Health Aides, Speech services and LBMs.

### **John Mendoza, Chief, Safety Net Division, Department of Health Care Services. Rick Record (LEA Medi-Cal Billing option program) and Tony Teresi (SMAA)**

DHCS is working to have a more collaborative partnership with partners and understanding more about what is going on. Multiple workgroups and stakeholder groups have been formed to discuss important issues and program policy.

**LEA Billing Option:** Rick Record reported that DHCS is in communication with CMS regarding the SPA. It is in the final round of RAI (Request for Additional Information). DHCS is formally submitting these to CMS and it will soon be available to stakeholders. Free Care language has been to the SPA. RMTS is being addressed with the Implementation Advisory workgroup. This

workgroup has Navigant as a convenor. Navigant helps the workgroup address issues, help implement RMTS and cost reports that include direct billing service and administrative portion.

Tele-health Services will give LEAs the opportunity to provide access of care via a remote technology. The provider manual and policy will provide specific guidance and how to bill for these services. Right now it is for speech services only. More services may be added on as the program moves forward.

**MAA:** Tony Teresi reported that DHCS is still trying to resolve the deferral issue and that the department has asked for clarification on the IEP issue but this is tied up with discussions on the manual. The issue of all deferred claims after changes to the program being subject to back casting was also brought up and concerns raised.

**NEXT MEETING:** JUNE 9, 10am