SB 123 was discussed during the DHCS SMAA LEA workgroup call on 7/27/16
Call participants included DHCS, LECs/LGAs, several LEAs and Ed Honowitz from Senator Lui’s office.
SB 123 was discussed and concerns addressed during the call. All amendments recently made to the bill are listed below. The bill is in Assembly Appropriations currently and will be heard in early August.

LEA Annual Reports to the Legislature:
http://www.dhcs.ca.gov/provgovpart/Pages/LEAReportLegislature.aspx

Several highlights of the changes made to SB 123:

· Inserted dates for completion of some of the key elements: Workgroup established by 7/17, Workgroup recommendations for MOU by 1/18, MOU completed by 7/18.
· The appeals process language has been moved from the MOU (Sec. 8) and is now in a separate Section 4 (as recommended by CDE).
· Based on CCSESA concerns that too much focus was being put on the Workgroup exploring allowing LEAs to contract with LECs/LGAs outside their region, we have now framed that as exploring additional contracting options for LEAs and listed it as one of the basic areas that the workgroup will explore.
· Added considering costs as part of the process the Workgroup would look at when making recommendations (as per CCSESA request).
· Clarified that a single statewide RMTS survey or a reduction in RMTS surveys, from the current nine statewide, could be explored by the workgroup but is not required (we discussed this with you going out of Assm. Ed).
· Removed several reporting elements to reduce costs including reporting on the LEAs participating in the EPSDT and related mental health programs and reporting on cost savings from Workgroup recommendations.
· Clarified that funds withheld in the LEA Billing Option program could be used to pay for CDE staff participation in the Workgroup and for ongoing CDE participation as developed in the MOU. Current code already allows DHCS to utilize these withheld funds for operational costs.
· Clarified that LECs/LGAs shall only be responsible for providing services to those LEAs that contract through them (as recommended by CCSESA). If DHCS does develop a direct contract system, the agency would be responsible for services to those direct contracted LEAs.
· Added language that clarified that changes would be subject to CMS approval and state plan amendments if required.