1. **DHCS Update**

   There have been staff changes at DHCS. Betty Li and Jose Garcia have left. Three new analysts have been hired. Tony Teresi is still there. It is unknown if Jennifer Kent will be staying on.

   Governor Gavin Newsom included in his recent budget that DHCS and CDE should be more closely aligned on programs such as LEA Billing and those impacting special education children. How this will be implemented was left unsaid.

   A mistake was made by the Department of Finance regarding SMAA deferral payments. The recent funds school districts received included their full allocation without deducting funds owed due to the SMAA deferral. Originally the deferred amount owed was to be withheld from the total and staggered between two payments to the LEAs. Because this was not done, the total amount owed must be subtracted in full from the next payment. This could be of concern as some districts may not be getting back enough money to pay DHCS. A list will be posted on CDE’s website of the allocations per district. The LEA Workgroup asked that a recoupment list also be posted so districts may see with they owe. Both links will be sent out to the workgroup when available. DHCS is in the process of trying to resolve the possible issues from this mistake.

   The recent OIG report done by the Federal Office of Inspector General looked at RMTS. The program fell short in a number of categories. A list of comments and concerns were submitted to DHCS. DHCS extended the comment period to February 8th. Some of the issues found in the OIG pertain to the State Plan Amendment (SPA).

2. **State Plan Amendment- Update**

   DHCS plans for any issues pertaining to the SPA to be resolved before it takes effect in July 2019. One issue was that of school district collaboration with health plans. This will now be addressed separately under the Managed Care Division within DHCS and not included in the SPA. Training for LECs/LGAs on implementation will be scheduled soon.

3. **Legislation and State Budget**

   - A recent meeting was held to discuss reinstatement of Healthy Start in schools, as most districts have done away with the program. At this time there are no funding sources to do this. United Way will sponsor the bill and Assembly Member Buffy Wicks from Alameda County will carry the bill.
   - A bill, similar to SB 834 from last year, will be sponsored by CTA to set up an Office of School Health. Before Tom Torlakson left his position, he set up an office for school health, but it currently has no funding. The bill would include a
small allocation from districts to partly fund the office. There will be a meeting on 2/26 with Tom Herman listed as heading the Office of School Health.
  - AB 258 Jones Sawyer would set up a program through CDE using cannabis money to fund school nurses, school psychologist, and social workers. It is modeled after a program from Colorado.

4. Expansion of Medi-Cal
The Governor plans to expand Medi-Cal to undocumented adults up to age 26 beginning in July. Currently eligibility stops at age 19. School districts may keep this in mind for parents of students, continuing education, etc.

5. Public Charge is a concern for families as anyone in the process of becoming a citizen could jeopardize their application by receiving public benefits. Medi-Cal is not counted under that benefit at this time. However, concerned families are discontinuing their Medi-Cal coverage. This will affect schools as they are the payer of last resort for students with IEPs. A possible solution is special funding to go directly to schools. Please share if your district is affected by this issue.
   See the attached slides for additional information on Public Charge.

6. Referrals for School-based Services (see attached memo)
Monarch Health Plan in Orange County sent the attached memo concerning IEP services. In the document it states that the LEA is required to send a denial letter to the health plan prior their authorization for services (see below).
This is a concern for LEAs as to when and what type of denial is required for related services. However, IEP testing includes both educational and medical considerations. Clarification on this issue is being requested.

_MHP Memo, Q # 7: What if the child hasn’t had an IEP yet but needs therapy?_ Children without an IEP and who have not previously received LEA physical therapy (PT), occupational therapy (OT), or speech therapy (ST) services, will receive an initial, six (6)-month authorization for requested LEA services based on a Medical Necessity determination. A denial from the Member’s LEA for LEA services is required prior to Monarch’s authorizing ongoing services beyond the initial six (6)-month authorization.