COMMON MESSAGE

Local Educational Consortium (LEC) Committee
School-Based Medi-Cal Administrative Activities SMAA Program Update

Background

Since 1999, the School-Based MediCal Administrative Activities (SMAA) program has been regionally administered through 11 Local Education Consortiums (LECs). The 11 LECs are housed within the following county offices of education: Sonoma, Glenn, Sutter, Contra Costa, Santa Cruz, Stanislaus, Madera, Kern, Orange, San Bernardino and Los Angeles.

The goal of the LEC Committee is to efficiently and effectively administer the SMAA program in a way that maximizes access to services for California’s more than 6 million students.

Purpose

The LEC Common Message is intended to provide information in a common language to county offices of education. Each county office of education (COE) should tailor the information to the unique circumstances of the LEAs located in their county. Even within the same region, a COE’s situation may vary considerably based on its educational, fiscal and operational characteristics. Districts and other entities seeking information may refer to the Common Message released by the COE in the county in which it is located.

Introduction

This edition of the Common Message is intended to provide information and assistance to LEAs regarding the fiscal and compliance impact of policy decisions regarding the School-Based Administrative Activities (SMAA) and LEA Billing Option (LEA BOP) programs.

NEW INFORMATION ITEMS

School-Based Medi-Cal Administrative Activities (SMAA) Backcasting Losses

In October 2014, the Department of Health Care Services (DHCS) reached a settlement agreement with the Center for Medicare and Medicaid Services (CMS) for payment of invoices submitted during the time that the School-Based Medi-Cal Administrative Activities (SMAA) program was in deferral. Part of
this agreement included the requirement that Local Educational Agencies (LEAs) participate in backcasting, a process which compares the SMAA claiming results under the old methodology (i.e. time logs) to the claiming results under the new methodology (i.e. Random Moment Time Survey, RMTS). If the backcasted invoice shows a claimable amount which is less than the interim payment received by the LEA, the LEA will be required to pay back the “overpayment” to DHCS.

Now that the first two rounds of backcasting invoices have been submitted to DHCS, it has become clear that most LEAs will owe money to DHCS as the result of backcasting. This is deeply troubling to the LECs and the California County Superintendents Educational Services Association (CCSESA), particularly because we believe that the backcasting calculation itself is inherently prejudicial.

In order to recoup these backcasting “overpayments” from LEAs, the Governor’s 2018 Budget Proposal includes language that allows the Department of Finance (DOF) to take the “overpayment” amount directly from an LEA’s Prop 98 one-time apportionment. It is unclear exactly when the “overpayment” will be deducted from LEAs’ Prop 98 apportionment, but it appears that the reduction would occur at some point during the 2018/19 school year.

The Region 1 LEC has completed all required backcasting invoices. The final results for Sonoma, Lake, Mendocino, Humboldt and Del Norte county LEAs are attached.

The LEC Committee will continue working with CCSESA and the Education Coalition to oppose these unfair Prop 98 reductions to districts and county offices. To view the Coalition’s letter and fact sheet opposing the Governor’s budget proposal to reduce Prop 98 funding to LEAs, please click: Ed Coalition. For districts that want to voice their opposition to the backcasting losses, please contact your California state representative (find your state representative here: http://findyourrep.legislature.ca.gov/) and share the Coalition’s letter.

0/2 Notification and Response Times

As part of the State Plan Amendment (SPA) 15-021 implementation, the federal Medicaid agency (CMS) is reviewing California’s Random Moment Time Survey (RMTS) notice and response times. Currently, our state plan allows participants to be notified 5 student attendance days prior to receiving a moment and gives the participant 5 student attendance days to respond to a moment. CMS is now proposing zero notification time (i.e. the notification email goes out at the time of the moment) and a 2 day response time. DHCS notified stakeholders of this proposed change on December 22, 2017.

In late January 2018, the LEC Committee, in conjunction with CCSESA and Teachers for Healthy Kids, drafted a letter to DHCS summarizing our concerns with the proposed changes to the notification and response times. The letter, which can be viewed by clicking this link: notification letter, which was signed by most of the statewide education associations, explains that a 0/2 notification time would disrupt the SMAA program and would likely cause issues with meeting statistical validity and compliance rates.

In April 2018, DHCS requested additional information from stakeholders regarding current response rates and times. The LEC Committee synthesized and submitted a response to DHCS’s request, as did other stakeholders. DHCS has confirmed that this information is being used to seek a waiver for California that would allow program participants to receive advance notification and provide additional time for notification.
UPDATE ON PAST ITEMS

Random Moment Time Survey (RMTS) Integration with LEA Billing

Since 2015, the Department of Health Care Services (DHCS) has been working on a State Plan Amendment (SPA) to integrate the LEA Billing Option Program (LEA BOP) into the Random Moment Time Survey (RMTS) methodology currently in use with the School-Based Medi-Cal Administrative Activities (SMAA) Program. In February of 2015, DHCS convened a workgroup to assist with the details of the integration. The workgroup consisted of LEAs, LECs, Navigant, and DHCS. For nearly a year, stakeholders were told that the integration would happen on July 1, 2018. We are now just weeks away from this target date.

On April 25, 2017, the California County Superintendents Educational Services Association (CCSESA) and the LEC Committee provided DHCS with an implementation timeline outlining the necessary components required to successfully integrate the LEA BOP into the SMAA RMTS. This timeline includes essential implementation actions such as the development of training materials, changes to the existing software platform to accommodate LEA Billing, and training of coders and participants. As of May 2018, very few of these items have been completed.

Because essential implementation actions have not been completed, the LEC Committee advised DHCS on April 17, 2018, that without State Plan Amendment (SPA) approval by April 30, 2018, LECs would not be able to implement a smooth integration of the programs. We believe that several weeks is not a reasonable time-frame in which to roll-out a new claiming methodology in a way that meets program standards. Additionally, DHCS still needs to make changes to the SMAA Manual to assure that LEAs have access to the information needed to monitor information to meet federal documentation requirements. As a result, LECs have instead suggested July 1, 2019 as an appropriate target date.

The LEC Committee will continue to work diligently throughout the year to ensure a successful integration of the LEA BOP program and are focused on guaranteeing a smooth launch of the LEA BOP RMTS platform.

SUMMARY OF THIS ISSUE

- SMAA backcasting results may have a serious fiscal impact on districts’ budgets. Districts and county offices are encouraged to contact their LEC or LGA to request an estimate of their backcasting invoices and to use these estimates to budget accordingly.
- CMS has proposed a 0/2 notification/response timeline for RMTS moments. Stakeholders have expressed serious concerns with this change and has submitted data to help DHCS in its efforts to seek a waiver.
- The LEC Committee has serious concerns about whether it will be possible to integrate RMTS with LEA BOP on July 1, 2018, because DHCS has not completed important implementation actions.