

AMENDED IN ASSEMBLY MAY 16, 2016

AMENDED IN SENATE MAY 12, 2015

AMENDED IN SENATE APRIL 6, 2015

**SENATE BILL**

**No. 123**

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**Introduced by Senator Liu**

*(Principal coauthor: Assembly Member Santiago)*

January 15, 2015

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An act to amend Section 14132.47 of, and to add and repeal Section 14132.465 of, amend, repeal, and add Sections 14115.8 and 14132.47 of, and to add Sections 14005.272, 14005.273, 14132.471, 14132.472, and 14132.473 to, the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 123, as amended, Liu. ~~Report: School-Based Medi-Cal Administrative Activities program.~~ *Medi-Cal: school-based administrative activities.*

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed by, and funded pursuant to, federal Medicaid Program provisions. Existing law establishes an administrative claiming process under which local governmental agencies and local educational consortia contract with the department for the purpose of obtaining federal matching funds to assist with the performance of administrative activities relating to the Medi-Cal program. Existing law defines a local educational agency for these purposes as a local educational agency that participates under the process

as a subcontractor to the local educational consortium in its service region.

~~This bill would require the Legislative Analyst, in consultation with the State Department of Education and the State Department of Health Care Services, to review and prepare specific recommendations relative to the administration and oversight of the School-Based Medi-Cal Administrative Activities program. The bill would require the Legislative Analyst to submit a report containing the specific recommendations to the Legislature and the Governor by July 1, 2016, and would require the report to include, but not necessarily be limited to, an evaluation of specified entities, administrative structures, and information.~~

~~Existing law authorizes a participating local governmental agency or a local educational consortium to charge an administrative fee to any entity claiming Administrative Claiming through that agency.~~

~~This bill would require the State Department of Health Care Services to annually post on its Internet Web site the administrative fee percentage charged by each local governmental agency or local educational consortium.~~

~~This bill also would make various technical and nonsubstantive changes.~~

*Existing law provides that specified services provided by local educational agencies (LEAs) are covered Medi-Cal benefits and requires the department to perform various activities with respect to the billing option for services provided by LEAs. Existing law establishes the Local Educational Agency Medi-Cal Recovery Fund, which consists of proportionately reduced federal Medicaid funds allocable to LEAs, to be used, upon appropriation by the Legislature, only to support the department to meet the requirements relating to the LEA billing option, the annual amount of which may not exceed \$1,500,000.*

*This bill would, commencing with the 2017–18 fiscal year, recast and revise the Administrative Claiming process for local educational agencies that conduct school-based administrative activities relating to the Medi-Cal program. The bill would require the department to contract with each participating local educational agency to perform administrative activities necessary for the proper and efficient administration of the Medi-Cal program, as specified, and would designate this activity as the School-Based Administrative Claiming process program. The bill would eliminate the authority for the establishment of local educational consortia in this regard, as well as*

*the authority of local governmental agencies or local educational consortia, to subcontract with private or public entities to assist with the performance of administrative activities necessary for the proper and efficient administration of the Medi-Cal program under the conditions specified by the department. The bill would require the department to administer or oversee the administration of a single statewide random moment time survey for the purposes of the program. The bill would make related legislative findings and declarations.*

*This bill would require the department to prepare and file an annual report with the Legislature for the School-Based Administrative Claiming process program, which would include specified information relating to the operation, components, and rates of school-based Medicaid systems. The bill would require the department to prepare and post on its Internet Web site an annual report of the costs of administering the School-Based Administrative Claiming process program and the LEA billing option and list local educational agency participation in each.*

*This bill would require the department to enter into an interagency agreement or memorandum of understanding (MOU) with the State Department of Education to coordinate the efforts of both departments with respect to the process. The bill would require the department and the State Department of Education to develop an appeals process, as specified, to contest an action of the department or the State Department of Education. Any savings available to the department from the restructuring of the Administrative Claiming process made by the bill would be directed toward the implementation of the interagency agreement or MOU described in the bill, including, but not limited to, providing necessary State Department of Education staff support.*

*This bill would authorize the State Department of Health Care Services to withhold a percentage of funds to be reimbursed to local educational agencies for the purpose of defraying the cost of operating the School-Based Administrative Claiming process program, the LEA billing option, and the appeals process, as specified. The bill would provide that the Local Educational Agency Medi-Cal Recovery Fund shall fund the LEA billing option program until the earlier of the termination of federal financial participation in the LEA billing option, or January 1, 2018. The bill would require the department to return funds in the Local Educational Agency Medi-Cal Recovery Fund to local educational agencies, as specified, no later than January 1, 2018.*

*This bill would require the department to establish a School-Based Health Program and Policy Workgroup, as specified, for the purpose of advising the department on issues related to the delivery of school-based Medi-Cal services to students in the state. The bill would require the department to consult with the advisory group in connection with developing the interagency agreement or MOU described above.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. (a) *The Legislature finds and declares all of the*  
2     *following:*

3     (1) *Effective cross-agency collaboration is vital to deliver*  
4     *high-quality school-based health services to California students.*

5     (2) *Existing federal directives require the chief executive officer*  
6     *of a state or designee of that officer to ensure that an interagency*  
7     *agreement or other mechanism for interagency coordination is in*  
8     *effect between each noneducational public agency (health) and*  
9     *the state education agency to ensure that a Free Appropriate Public*  
10    *Education (FAPE) is provided for students. California does not*  
11    *currently have the required interagency agreement.*

12    (3) *The federal Department of Education and the federal*  
13    *Department of Health and Human Services, in a key January 2016*  
14    *policy letter, recognize the critical role that health care coverage*  
15    *and health services play in ensuring all students are ready and*  
16    *able to learn, and recommend action steps to better coordinate*  
17    *health and education services to build strong and sustainable*  
18    *partnerships and commitments between health and education*  
19    *agencies at the local, state, and federal levels.*

20    (4) *The student success strategic priority in State Superintendent*  
21    *of Public Instruction Tom Torlakson's 2015 Blueprint 2.0 includes*  
22    *Section 3.13, which prioritizes the development of infrastructure*  
23    *at the State Department of Education to improve cross-agency*  
24    *collaboration in support of student health.*

25    (5) *In Report 2014-130 issued on August 20, 2015, the State*  
26    *Auditor recommended that the State Department of Health Care*  
27    *Services institute significant structural changes to school-based*  
28    *Medi-Cal programs in order to improve administration and*  
29    *oversight, increase federal funding, and cut costs.*

1 (6) *Building an effective, transparent infrastructure and*  
2 *accountability system to fully utilize all available federal Medicaid*  
3 *funds is a critical component of developing the capacity to deliver*  
4 *school-based health and mental health programs.*

5 (7) *These vital programs must be operated at a level that meets*  
6 *the benchmark of national best practices in order to meet the needs*  
7 *of California's most vulnerable children.*

8 (b) *It is the intent of the Legislature to ensure effective*  
9 *coordination between health and education agencies at the state,*  
10 *county, and local levels to address the achievement gap in our*  
11 *schools and health and education equity issues in California.*

12 SEC. 2. *Section 14005.272 is added to the Welfare and*  
13 *Institutions Code, to read:*

14 14005.272. (a) *The department, in consultation with the State*  
15 *Department of Education, shall establish a School-Based Health*  
16 *Program and Policy Workgroup for the purpose of advising the*  
17 *department on issues related to the delivery of school-based*  
18 *Medi-Cal services to students in the state. The scope of the*  
19 *workgroup shall include, but not be limited to, improving the*  
20 *operation of and participation in all of the following school-based*  
21 *health programs:*

22 (1) *The School-Based Administrative Claiming process program*  
23 *described in Section 14132.471.*

24 (2) *The local educational agency Medi-Cal billing option*  
25 *described in Section 14132.06.*

26 (3) *The Early and Periodic Screening, Diagnosis, and Treatment*  
27 *(EPSDT) Program described in Section 14700.*

28 (4) *Other school-based health and mental health programs,*  
29 *including school-based health centers which may receive Medi-Cal*  
30 *funding.*

31 (b) *The workgroup shall also provide input to the department*  
32 *and the State Department of Education on the development and*  
33 *continuing operations of an office of school-based health programs*  
34 *within the State Department of Education.*

35 (c) *The workgroup shall be representative of the diversity of*  
36 *California local education agencies with respect to size, type, and*  
37 *geographic diversity and shall include representatives from county*  
38 *offices of education and urban, suburban, and rural local*  
39 *educational agencies. The workgroup shall also include the LEA*  
40 *Ad Hoc Workgroup described in Section 14132.06 and members*

1 *with expertise in the school-based health programs described in*  
2 *paragraphs (1) to (4), inclusive, of subdivision (a).*

3 *SEC. 3. Section 14005.273 is added to the Welfare and*  
4 *Institutions Code, to read:*

5 *14005.273. Commencing with the 2017–18 state fiscal year,*  
6 *and annually for each year thereafter, the department shall publish*  
7 *the following information together on a section of its Internet Web*  
8 *site*

9 *(a) An annual report that details the costs of operating the*  
10 *School-Based Administrative Claiming process program described*  
11 *in Section 14132.471, including the cost of conducting the random*  
12 *moment time survey described in subdivision (b) of Section*  
13 *14132.471 and any vendor fees. The report shall also list each*  
14 *participating local educational agency. The initial report prepared*  
15 *and posted pursuant to this subdivision shall also report on cost*  
16 *savings realized through the restructuring of the Administrative*  
17 *Claiming process program through implementation of the*  
18 *School-Based Administrative Claiming process program described*  
19 *in Section 14132.471.*

20 *(b) An annual report that details the costs of operating the local*  
21 *educational agency (LEA) Medi-Cal billing option program*  
22 *described in Section 14132.06. The report shall also list each local*  
23 *educational agency participating in the LEA Medi-Cal billing*  
24 *option program.*

25 *(c) An annual report regarding the rate of participation of local*  
26 *educational agencies in the Early and Periodic Screening,*  
27 *Diagnosis, and Treatment (EPSDT) Program described in Section*  
28 *14700.*

29 *SEC. 4. Section 14115.8 of the Welfare and Institutions Code*  
30 *is amended to read:*

31 *14115.8. (a) (1) The department shall amend the Medicaid*  
32 *state plan with respect to the billing option for services by local*  
33 *educational agencies (LEAs), to ensure that schools shall be*  
34 *reimbursed for all eligible services that they provide that are not*  
35 *precluded by federal requirements.*

36 *(2) The department shall examine methodologies for increasing*  
37 *school participation in the Medi-Cal billing option for LEAs so*  
38 *that schools can meet the health care needs of their students.*

39 *(3) The department, to the extent—possible possible, shall*  
40 *simplify claiming processes for LEA billing.*

1 (4) The department shall eliminate and modify state plan and  
2 regulatory requirements that exceed federal requirements when  
3 they are unnecessary.

4 (b) If a rate study for the LEA Medi-Cal billing option is  
5 completed pursuant to Section 52 of Chapter 171 of the Statutes  
6 of 2001, the department, in consultation with the entities named  
7 in subdivision (c), shall implement the recommendations from the  
8 study, to the extent feasible and appropriate.

9 (c) In order to assist the department in formulating the state plan  
10 amendments required by subdivisions (a) and (b), the department  
11 shall regularly consult with the State Department of Education,  
12 representatives of urban, rural, large and small school districts,  
13 and county offices of education, the local education consortium,  
14 and local educational agencies. It is the intent of the Legislature  
15 that the department also consult with staff from Region IX of the  
16 federal Centers for Medicare and Medicaid Services, experts from  
17 the fields of both health and education, and state legislative staff.

18 (d) Notwithstanding any other law, or any other contrary state  
19 requirement, the department shall take whatever action is necessary  
20 to ensure that, to the extent there is capacity in its certified match,  
21 an LEA shall be reimbursed retroactively for the maximum period  
22 allowed by the federal government for any department change that  
23 results in an increase in reimbursement to local educational agency  
24 providers.

25 (e) The department may undertake all necessary activities to  
26 recoup matching funds from the federal government for  
27 reimbursable services that have already been provided in the state's  
28 public schools. The department shall prepare and take whatever  
29 action is necessary to implement all regulations, policies, state  
30 plan amendments, and other requirements necessary to achieve  
31 this purpose.

32 (f) The department shall file an annual report with the  
33 Legislature that shall include at least all of the following:

34 (1) A copy of the annual comparison required by subdivision  
35 (i).

36 (2) A state-by-state comparison of school-based Medicaid total  
37 and per eligible child claims and federal revenues. The comparison  
38 shall include a review of the most recent two years for which  
39 completed data is available.

(3) A summary of department activities and an explanation of how each activity contributed toward narrowing the gap between California's per eligible student federal fund recovery and the per student recovery of the top three states.

(4) A listing of all school-based services, activities, and providers approved for reimbursement by the federal Centers for Medicare and Medicaid Services in other state plans that are not yet approved for reimbursement in California's state plan and the service unit rates approved for reimbursement.

(5) The official recommendations made to the department by the entities named in subdivision (c) and the action taken by the department regarding each recommendation.

(6) A one-year timetable for state plan amendments and other actions necessary to obtain reimbursement for those items listed in paragraph (4).

(7) Identification of any barriers to local educational agency reimbursement, including those specified by the entities named in subdivision (c), that are not imposed by federal requirements, and a description of the actions that have been, and will be, taken to eliminate them.

(g) (1) These activities~~shall~~ *shall, until the earlier of the termination of federal financial participation in the billing option for services by LEAs pursuant to this section or January 1, 2018,* be funded and staffed by proportionately reducing federal Medicaid payments allocable to LEAs for the provision of benefits funded by the federal Medicaid program under the billing option for services by LEAs specified in this section. Moneys collected as a result of the reduction in federal Medicaid payments allocable to LEAs shall be deposited into the Local Educational Agency Medi-Cal Recovery Fund, which is hereby established in the Special Deposit Fund established pursuant to Section 16370 of the Government Code. These funds shall be used, upon appropriation by the Legislature, only to support the department to meet all the requirements of this section. If at any time this section is repealed, it is the intent of the Legislature that all funds in the Local Educational Agency Medi-Cal Recovery Fund be returned proportionally to all LEAs whose federal Medicaid funds were used to create this fund. The annual amount funded pursuant to this paragraph shall not exceed one million five hundred thousand dollars (\$1,500,000).

(2) Moneys collected under paragraph (1) shall be proportionately reduced from federal Medicaid payments to all participating LEAs so that no one LEA loses a disproportionate share of its federal Medicaid payments.

*(3) No later than January 1, 2018, the department shall proportionately return all funds in the Local Educational Agency Medi-Cal Recovery Fund to all LEAs whose federal Medicaid funds were used to create the fund.*

(h) (1) The department may enter into a sole source contract to comply with the requirements of this section.

(2) The level of additional staff to comply with the requirements of this section, including, but not limited to, staff for which the department has contracted for pursuant to paragraph (1), shall be limited to that level that can be funded with revenues derived pursuant to subdivision (g).

(i) The activities of the department shall include all of the following:

(1) An annual comparison of the school-based Medicaid systems in comparable states.

(2) Efforts to improve communications with the federal government, the State Department of Education, and local educational agencies.

(3) The development and updating of written guidelines to local educational agencies regarding best practices to avoid audit exceptions, as needed.

(4) The establishment and maintenance of a local educational agency user-friendly, interactive Internet Web site.

(5) Collaboration with the State Department of Education to help ensure LEA compliance with state and federal Medicaid requirements and to help improve LEA participation in the Medi-Cal billing option for LEAs.

*(j) This section shall remain in effect only until January 1, 2018, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2018, deletes or extends that date.*

SEC. 5. Section 14115.8 is added to the Welfare and Institutions Code, to read:

14115.8. (a) (1) The department shall amend the Medicaid state plan with respect to the billing option for services by local educational agencies (LEAs) to ensure that schools shall be

1 *reimbursed for all eligible services that they provide that are not*  
2 *precluded by federal requirements.*

3 *(2) The department shall examine methodologies for increasing*  
4 *school participation in the Medi-Cal billing option for LEAs so*  
5 *that schools can meet the health care needs of their students.*

6 *(3) The department, to the extent possible, shall simplify*  
7 *claiming processes for LEA billing.*

8 *(4) The department shall eliminate and modify state plan and*  
9 *regulatory requirements that exceed federal requirements when*  
10 *they are unnecessary.*

11 *(b) If a rate study for the LEA Medi-Cal billing option is*  
12 *completed pursuant to Section 52 of Chapter 171 of the Statutes*  
13 *of 2001, the department, in consultation with the entities named*  
14 *in subdivision (c), shall implement the recommendations from the*  
15 *study to the extent feasible and appropriate.*

16 *(c) In order to assist the department in formulating the state*  
17 *plan amendments required by subdivisions (a) and (b), the*  
18 *department shall regularly consult with the State Department of*  
19 *Education, representatives of urban, rural, large and small school*  
20 *districts, county offices of education, the local education*  
21 *consortium, and local educational agencies. It is the intent of the*  
22 *Legislature that the department also consult with staff from Region*  
23 *9 of the federal Centers for Medicare and Medicaid Services,*  
24 *experts from the fields of both health and education, and state*  
25 *legislative staff.*

26 *(d) Notwithstanding any other law, or any other contrary state*  
27 *requirement, the department shall take whatever action is*  
28 *necessary to ensure that, to the extent there is capacity in its*  
29 *certified match, an LEA shall be reimbursed retroactively for the*  
30 *maximum period allowed by the federal government for any*  
31 *department change that results in an increase in reimbursement*  
32 *to local educational agency providers.*

33 *(e) The department may undertake all necessary activities to*  
34 *recoup matching funds from the federal government for*  
35 *reimbursable services that have already been provided in the*  
36 *state's public schools. The department shall prepare and take*  
37 *whatever action is necessary to implement all regulations, policies,*  
38 *state plan amendments, and other requirements necessary to*  
39 *achieve this purpose.*

1     (f) *The department shall file an annual report with the*  
2 *Legislature that shall include at least all of the following:*

3     (1) *A copy of the annual comparison required by subdivision*  
4 *(i).*

5     (2) *A state-by-state comparison of school-based Medicaid total*  
6 *and per eligible child claims and federal revenues. The comparison*  
7 *shall include a review of the most recent two years for which*  
8 *completed data is available.*

9     (3) *A summary of department activities and an explanation of*  
10 *how each activity contributed toward narrowing the gap between*  
11 *California's per eligible student federal fund recovery and the per*  
12 *student recovery of the top three states.*

13     (4) *A listing of all school-based services, activities, and*  
14 *providers approved for reimbursement by the federal Centers for*  
15 *Medicare and Medicaid Services in other state plans that are not*  
16 *yet approved for reimbursement in California's state plan and the*  
17 *service unit rates approved for reimbursement.*

18     (5) *The official recommendations made to the department by*  
19 *the entities named in subdivision (c) and the action taken by the*  
20 *department regarding each recommendation.*

21     (6) *A one-year timetable for state plan amendments and other*  
22 *actions necessary to obtain reimbursement for those items listed*  
23 *in paragraph (4).*

24     (7) *Identification of any barriers to local educational agency*  
25 *reimbursement, including those specified by the entities named in*  
26 *subdivision (c), that are not imposed by federal requirements and*  
27 *a description of the actions that have been, and will be, taken to*  
28 *eliminate those barriers.*

29     (g) *The activities described in this section shall be funded*  
30 *pursuant to Section 14132.473.*

31     (h) (1) *The department may enter into a sole source contract*  
32 *to comply with the requirements of this section.*

33     (2) *The level of additional staff to comply with the requirements*  
34 *of this section, including, but not limited to, staff for which the*  
35 *department has contracted for pursuant to paragraph (1), shall*  
36 *be limited to that level that can be funded with revenues derived*  
37 *pursuant to subdivision (g).*

38     (i) *The activities of the department shall include all of the*  
39 *following:*

1     (1) *An annual comparison of the school-based Medicaid systems*  
2     *in comparable states.*

3     (2) *Efforts to improve communications with the federal*  
4     *government, the State Department of Education, and local*  
5     *educational agencies.*

6     (3) *The development and updating of written guidelines to local*  
7     *educational agencies regarding best practices to avoid audit*  
8     *exceptions, as needed.*

9     (4) *The establishment and maintenance of a local educational*  
10    *agency user-friendly, interactive Internet Web site.*

11    (5) *Collaboration with the State Department of Education to*  
12    *help ensure LEA compliance with state and federal Medicaid*  
13    *requirements and to help improve LEA participation in the*  
14    *Medi-Cal billing option for LEAs.*

15    (j) *This section shall become operative on January 1, 2018.*

16    SEC. 6. *Section 14132.47 of the Welfare and Institutions Code*  
17    *is amended to read:*

18    14132.47. (a) *It is the intent of the Legislature to provide local*  
19    *governmental agencies the choice of participating in either or both*  
20    *of the Targeted Case Management (TCM) and Administrative*  
21    *Claiming process programs at their option, subject to the*  
22    *requirements of this section and Section 14132.44.*

23    (b) *The department may contract with each participating local*  
24    *governmental agency or each local educational consortium to assist*  
25    *with the performance of administrative activities necessary for the*  
26    *proper and efficient administration of the Medi-Cal program,*  
27    *pursuant to Section 1903a of the federal Social Security Act (42*  
28    *U.S.C. Sec. 1396b(a)), and this activity shall be known as the*  
29    *Administrative Claiming process.*

30    (c) (1) *Subject to the requirements of paragraph (2) of*  
31    *subdivision (f), as a condition for participation in the*  
32    *Administrative Claiming process, each participating local*  
33    *governmental agency or each local educational consortium shall,*  
34    *for the purpose of claiming federal Medicaid reimbursement, enter*  
35    *into a contract with the department and shall certify to the*  
36    *department the total amount the local governmental agency or each*  
37    *local educational consortium expended on the allowable*  
38    *administrative activities.*

39    (2) *The department shall deny the claim if it determines that the*  
40    *certification is not adequately supported, or does not otherwise*

1 comply with federal requirements, for purposes of claiming federal  
2 financial participation.

3 (d) Each participating local governmental agency or local  
4 educational consortium may subcontract with private or public  
5 entities to assist with the performance of administrative activities  
6 necessary for the proper and efficient administration of the  
7 Medi-Cal program under the conditions specified by the department  
8 in regulations.

9 (e) Each Administrative Claiming process contract shall include  
10 a requirement that each participating local governmental agency  
11 or each local educational consortium submit a claiming plan in a  
12 manner that shall be prescribed by the department in regulations,  
13 developed in consultation with local governmental agencies.

14 (f) (1) The department shall require that each participating local  
15 governmental agency or each local educational consortium certify  
16 to the department both of the following:

17 (A) The expenditure of 100 percent of the cost of performing  
18 Administrative Claiming process activities. The funds expended  
19 for this purpose shall be from the local governmental agency's  
20 general fund or the general funds of local educational agencies or  
21 from any other funds allowed under federal law and regulation.

22 (B) In each fiscal year that its expenditures represent costs that  
23 are eligible for federal financial participation for that fiscal year.  
24 The department shall deny the claim if it determines that the  
25 certification is not adequately supported for purposes of federal  
26 financial participation.

27 (2) (A) (i) A city that is not a participating local governmental  
28 agency, or any other local public entity, that contracts with a local  
29 governmental agency pursuant to subdivision (d) and that is located  
30 within a county that is a participating local governmental agency  
31 pursuant to this section, may submit certification to the local  
32 governmental agency of amounts expended for Administrative  
33 Claiming services in accordance with Section 433.51 of Title 42  
34 of the Code of Federal Regulations.

35 (ii) A city or other local public entity that submits certification  
36 pursuant to this paragraph shall comply with the requirements of  
37 paragraph (1), with other requirements applicable to local  
38 governmental agencies that the department determines, in  
39 regulations, to be applicable, and with all applicable federal  
40 requirements.

1 (iii) The local governmental agency shall forward the city's or  
2 local public entity's certification to the department for the purposes  
3 of claiming federal financial participation.

4 (iv) As applicable, the local governmental agency shall obtain  
5 and retain appropriate certifications from the expending city or  
6 local public entity, together with documentation of the underlying  
7 expenditures, as required by the department.

8 (B) A tribe or tribal organization, as defined in subdivision (n),  
9 that is not participating in Administrative Claiming process  
10 activities as a local governmental agency, may contract with, and  
11 submit to a tribe or tribal organization that is contracting with, the  
12 department pursuant to subdivision (b) amounts expended for  
13 Administrative Claiming process activities that it is certifying in  
14 accordance with Section 433.51 of Title 42 of the Code of Federal  
15 Regulations and other applicable federal law and regulations. The  
16 tribe or tribal organization receiving the certification shall forward  
17 it to the department for purposes of claiming federal financial  
18 participation. The certification shall comply with all of the  
19 requirements for certification set forth in subparagraph (A).

20 (g) (1) Notwithstanding any other provision of this section, the  
21 state shall be held harmless, in accordance with paragraphs (2)  
22 and (3), from any federal audit disallowance and interest resulting  
23 from payments made to a participating local governmental agency  
24 or local educational consortium pursuant to this section, for the  
25 disallowed claim.

26 (2) To the extent that a federal audit disallowance and interest  
27 results from a claim or claims for which any participating local  
28 governmental agency or local educational consortium has received  
29 reimbursement for Administrative Claiming process activities, the  
30 department shall recoup from the local governmental agency or  
31 local educational consortium that submitted the disallowed claim,  
32 through offsets or by a direct billing, amounts equal to the amount  
33 of the disallowance and interest, in that fiscal year, for the  
34 disallowed claim. All subsequent claims submitted to the  
35 department applicable to any previously disallowed administrative  
36 activity or claim, may be held in abeyance, with no payment made,  
37 until the federal disallowance issue is resolved.

38 (3) Notwithstanding paragraph (2), to the extent that a federal  
39 audit disallowance and interest results from a claim or claims for  
40 which the participating local governmental agency or local

1 educational consortium has received reimbursement for  
2 Administrative Claiming process activities performed by an entity  
3 under contract with, and on behalf of, the participating local  
4 governmental agency or local educational consortium, the  
5 department shall be held harmless by that particular participating  
6 local governmental agency or local educational consortium for  
7 100 percent of the amount of the federal audit disallowance and  
8 interest, for the disallowed claim.

9 (h) The use of local funds required by this section shall not  
10 create, lead to, or expand the health care funding obligations or  
11 service obligations for current or future years for any participating  
12 local governmental agency or local educational consortium, except  
13 as required by this section or as may be required by federal law.

14 (i) The department shall deny any claim from a participating  
15 local governmental agency or local educational consortium if the  
16 department determines that the claim is not adequately supported  
17 in accordance with criteria established pursuant to this subdivision  
18 and implementing regulations before it forwards the claim for  
19 reimbursement to the federal Medicaid Program. In consultation  
20 with local governmental agencies and local educational consortia,  
21 the department shall adopt regulations that prescribe the  
22 requirements for the submission and payment of claims for  
23 administrative activities performed by each participating local  
24 governmental agency and local educational consortium.

25 (j) Administrative activities shall be those determined by the  
26 department to be necessary for the proper and efficient  
27 administration of the state's Medicaid plan and shall be defined  
28 in regulation.

29 (k) If the department denies any claim submitted under this  
30 section, the affected participating local governmental agency or  
31 local educational consortium may, within 30 days after receipt of  
32 written notice of the denial, request that the department reconsider  
33 its action. The participating local governmental agency or local  
34 educational consortium may request a meeting with the director  
35 or his or her designee within 30 days to present its concerns to the  
36 department after the request is filed. If the director or his or her  
37 designee cannot meet, the department shall respond in writing  
38 indicating the specific reasons for which the claim is out of  
39 compliance to the participating local governmental agency or local

1 educational consortium in response to its appeal. Thereafter, the  
2 decision of the director shall be final.

3 (l) To the extent consistent with federal law and regulations,  
4 participating local governmental agencies or local educational  
5 consortium may claim the actual costs of nonemergency,  
6 nonmedical transportation of Medi-Cal eligibles to Medi-Cal  
7 covered services, under guidelines established by the department,  
8 to the extent that these costs are actually borne by the participating  
9 local governmental agency or local educational consortium. A  
10 local educational consortium may only claim for nonemergency,  
11 nonmedical transportation of Medi-Cal eligibles for Medi-Cal  
12 covered services, through the Medi-Cal administrative activities  
13 program. Medi-Cal medical transportation services shall be claimed  
14 under the local educational agency Medi-Cal billing option,  
15 pursuant to Section 14132.06.

16 (m) As a condition of participation in the Administrative  
17 Claiming process and in recognition of revenue generated to each  
18 participating local governmental agency and each local educational  
19 consortium in the Administrative Claiming process, each  
20 participating local governmental agency and each local educational  
21 consortium shall pay an annual participation fee through a  
22 mechanism agreed to by the state and local governmental agencies  
23 and local educational consortia, or, if no agreement is reached by  
24 August 1 of each year, directly to the state. The participation fee  
25 shall be used to cover the cost of administering the Administrative  
26 Claiming process, including, but not limited to, claims processing,  
27 technical assistance, and monitoring. The department shall  
28 determine and report staffing requirements upon which projected  
29 costs will be based. The amount of the participation fee shall be  
30 based upon the anticipated salaries, benefits, and operating  
31 expenses, to administer the Administrative Claiming process and  
32 other costs related to that process.

33 (n) (1) For the purposes of this section, “participating local  
34 governmental agency” means a county, chartered city, Native  
35 American Indian tribe, tribal organization, or subgroup of a Native  
36 American Indian tribe or tribal organization, under contract with  
37 the department pursuant to subdivision (b).

38 (2) Each participating Native American Indian tribe, tribal  
39 organization, or subgroup of a Native American Indian tribe or  
40 tribal organization may claim, as a Medi-Cal Administrative

1 Activity, facilitating Medi-Cal applications, which includes, but  
2 is not limited to, using the California Healthcare Eligibility,  
3 Enrollment, and Retention System.

4 (o) For purposes of this section, “local educational agency”  
5 means a local educational agency, as defined in subdivision (h) of  
6 Section 14132.06, that participates under the Administrative  
7 Claiming process as a subcontractor to the local educational  
8 consortium in its service region.

9 (p) (1) For purposes of this section, “local educational  
10 consortium” means a local agency that is one of the service regions  
11 of the California County Superintendent Educational Services  
12 Association.

13 (2) Each local educational consortium shall contract with the  
14 department pursuant to paragraph (1) of subdivision (c).

15 (q) (1) Each participating local educational consortium shall  
16 be responsible for the local educational agencies in its service  
17 region that participate in the Administrative Claiming process.  
18 This responsibility includes, but is not limited to, the preparation  
19 and submission of all administrative claiming plans, training of  
20 local educational agency staff, overseeing the local educational  
21 agency time survey process, and the submission of detailed  
22 quarterly invoices on behalf of any participating local educational  
23 agency.

24 (2) Each participating local educational consortium shall ensure  
25 local educational agency compliance with all requirements of the  
26 Administrative Claiming process established for local governmental  
27 agencies.

28 (3) Ninety days prior to the initial participation in the  
29 Administrative Claiming process, each local educational  
30 consortium shall notify the department of its intent to participate  
31 in the process, and shall identify each local educational agency  
32 that will be participating as its subcontractor.

33 (r) (1) Each local educational agency that elects to participate  
34 in the Administrative Claiming process shall submit claims through  
35 its local educational consortium or through the local governmental  
36 agency, but not both.

37 (2) Each local educational agency participating as a  
38 subcontractor to a local educational consortium shall comply with  
39 all requirements of the Administrative Claiming process established  
40 for local governmental agencies.

1 (s) A participating local governmental agency or a local  
2 educational consortium may charge an administrative fee to any  
3 entity claiming Administrative Claiming through that agency.

4 (t) The department shall continue to administer the  
5 Administrative Claiming process in conformity with federal  
6 requirements.

7 (u) The department shall provide technical assistance to all  
8 participating local governmental agencies and local educational  
9 consortia in order to maximize federal financial participation in  
10 the Administrative Claiming process.

11 (v) ~~This~~ *(1) Subject to paragraph (2), this section shall be*  
12 *applicable to Administrative Claiming process activities performed,*  
13 *and to moneys paid to participating local governmental agencies*  
14 *for those activities in the 1994–95 fiscal year and thereafter, and*  
15 *to local educational consortia in the 1998–99 fiscal year and*  
16 *thereafter.*

17 *(2) This section shall not be applicable to Administrative*  
18 *Claiming process activities performed in the 2017–18 fiscal year*  
19 *and thereafter.*

20 (w) Nothing in this section or Section 14132.44 shall be  
21 construed to prevent any state agency from participating in the  
22 Administrative Claiming process or from contracting with others  
23 to engage in these activities.

24 (x) *This section shall remain in effect only until January 1, 2018,*  
25 *and as of that date is repealed, unless a later enacted statute, that*  
26 *is enacted before January 1, 2018, deletes or extends that date.*

27 *SEC. 7. Section 14132.47 is added to the Welfare and*  
28 *Institutions Code, to read:*

29 *14132.47. (a) It is the intent of the Legislature to provide local*  
30 *governmental agencies the choice of participating in the Targeted*  
31 *Case Management (TCM) or the Administrative Claiming process*  
32 *program, or both, at their option, subject to the requirements of*  
33 *this section and Section 14132.44.*

34 *(b) The department may contract with each participating local*  
35 *governmental agency to assist with the performance of*  
36 *administrative activities necessary for the proper and efficient*  
37 *administration of the Medi-Cal program, pursuant to Section*  
38 *1903a of the federal Social Security Act (42 U.S.C. Sec. 1396b(a)),*  
39 *and this activity shall be known as the Administrative Claiming*  
40 *process.*

1     (c) (1) Subject to the requirements of paragraph (2) of  
2     subdivision (f), as a condition for participation in the  
3     Administrative Claiming process, each participating local  
4     governmental agency shall, for the purpose of claiming federal  
5     Medicaid reimbursement, enter into a contract with the department  
6     and shall certify to the department the total amount the local  
7     governmental agency expended on the allowable administrative  
8     activities.

9     (2) The department shall deny the claim if the department  
10    determines that the certification is not adequately supported, or  
11    does not otherwise comply with federal requirements, for purposes  
12    of claiming federal financial participation.

13    (d) Each participating local governmental agency may  
14    subcontract with private or public entities to assist with the  
15    performance of administrative activities necessary for the proper  
16    and efficient administration of the Medi-Cal program under the  
17    conditions specified by the department in regulations.

18    (e) Each Administrative Claiming process contract shall include  
19    a requirement that each participating local governmental agency  
20    submit a claiming plan in a manner that shall be prescribed by  
21    the department in regulations developed in consultation with local  
22    governmental agencies.

23    (f) (1) The department shall require that each participating  
24    local governmental agency certify to the department both of the  
25    following:

26    (A) The expenditure of 100 percent of the cost of performing  
27    Administrative Claiming process activities. The funds expended  
28    for this purpose shall be from the local governmental agency's  
29    general fund or from any other funds allowed under federal law  
30    and regulation.

31    (B) That the agency's expenditures represent costs that are  
32    eligible for federal financial participation for each fiscal year.  
33    The department shall deny the claim if the department determines  
34    that the certification is not adequately supported for purposes of  
35    federal financial participation.

36    (2) (A) (i) A city that is not a participating local governmental  
37    agency, or any other local public entity, that contracts with a local  
38    governmental agency pursuant to subdivision (d) and that is  
39    located within a county that is a participating local governmental  
40    agency pursuant to this section may submit certification to the

1 *local governmental agency of amounts expended for Administrative*  
2 *Claiming services in accordance with Section 433.51 of Title 42*  
3 *of the Code of Federal Regulations.*

4 *(ii) A city or other local public entity that submits certification*  
5 *pursuant to this paragraph shall comply with the requirements of*  
6 *paragraph (1), with other requirements applicable to local*  
7 *governmental agencies that the department determines, in*  
8 *regulations, to be applicable, and with all applicable federal*  
9 *requirements.*

10 *(iii) The local governmental agency shall forward the city's or*  
11 *local public entity's certification to the department for the purposes*  
12 *of claiming federal financial participation.*

13 *(iv) As applicable, the local governmental agency shall obtain*  
14 *and retain appropriate certifications from the expending city or*  
15 *local public entity together with documentation of the underlying*  
16 *expenditures, as required by the department.*

17 *(B) A tribe or tribal organization, as defined in subdivision (n)*  
18 *that is not participating in Administrative Claiming process*  
19 *activities as a local governmental agency may contract with, or*  
20 *submit to a tribe or tribal organization that is contracting with,*  
21 *the department pursuant to subdivision (b) amounts expended for*  
22 *Administrative Claiming process activities that it is certifying in*  
23 *accordance with Section 433.51 of Title 42 of the Code of Federal*  
24 *Regulations and other applicable federal law and regulations. The*  
25 *tribe or tribal organization receiving the certification shall forward*  
26 *the certification to the department for purposes of claiming federal*  
27 *financial participation. The certification shall comply with all of*  
28 *the requirements for certification set forth in subparagraph (A).*

29 *(g) (1) Notwithstanding any other provision of this section, the*  
30 *state shall be held harmless, in accordance with paragraphs (2)*  
31 *and (3), from any federal audit disallowance and interest resulting*  
32 *from payments made to a participating local governmental agency,*  
33 *pursuant to this section, for the disallowed claim.*

34 *(2) To the extent that a federal audit disallowance and interest*  
35 *results from a claim or claims for which any participating local*  
36 *governmental agency has received reimbursement for*  
37 *Administrative Claiming process activities, the department shall*  
38 *recoup from the local governmental agency that submitted the*  
39 *disallowed claim, through offsets or by a direct billing, amounts*  
40 *equal to the amount of the disallowance and interest in that fiscal*

1 year for the disallowed claim. All subsequent claims submitted to  
2 the department applicable to any previously disallowed  
3 administrative activity or claim may be held in abeyance, with no  
4 payment made, until the federal disallowance issue is resolved.

5 (3) Notwithstanding paragraph (2), to the extent that a federal  
6 audit disallowance and interest results from a claim or claims for  
7 which the participating local governmental agency has received  
8 reimbursement for Administrative Claiming process activities  
9 performed by an entity under contract with, and on behalf of, the  
10 participating local governmental agency, the department shall be  
11 held harmless by that particular participating local governmental  
12 agency for 100 percent of the amount of the federal audit  
13 disallowance and interest for the disallowed claim.

14 (h) The use of local funds required by this section shall not  
15 create, lead to, or expand the health care funding obligations or  
16 service obligations for current or future years for any participating  
17 local governmental agency, except as required by this section or  
18 as may be required by federal law.

19 (i) The department shall deny any claim from a participating  
20 local governmental agency if the department determines that the  
21 claim is not adequately supported in accordance with criteria  
22 established pursuant to this subdivision and implementing  
23 regulations before the department forwards the claim for  
24 reimbursement to the federal Medicaid program. In consultation  
25 with local governmental agencies, the department shall adopt  
26 regulations that prescribe the requirements for the submission and  
27 payment of claims for administrative activities performed by each  
28 participating local governmental agency.

29 (j) Administrative activities shall be those determined by the  
30 department to be necessary for the proper and efficient  
31 administration of the state's Medicaid plan and shall be defined  
32 in regulation.

33 (k) If the department denies any claim submitted under this  
34 section, the affected participating local governmental agency may,  
35 within 30 days after receipt of written notice of the denial, request  
36 that the department reconsider its action. The participating local  
37 governmental agency may request a meeting with the director or  
38 his or her designee within 30 days to present the agency's concerns  
39 to the department after the request is filed. If the director or his  
40 or her designee cannot meet, the department shall respond in

1 *writing to the participating local governmental agency in response*  
2 *to its appeal, indicating the specific reasons for which the claim*  
3 *is out of compliance. The decision of the director shall be final.*

4 *(l) To the extent consistent with federal law and regulations,*  
5 *participating local governmental agencies may claim the actual*  
6 *costs of nonemergency, nonmedical transportation of Medi-Cal*  
7 *eligibles to Medi-Cal covered services, under guidelines*  
8 *established by the department, to the extent that these costs are*  
9 *actually borne by the participating local governmental agency.*

10 *(m) As a condition of participation in the Administrative*  
11 *Claiming process and in recognition of revenue generated to each*  
12 *participating local governmental agency in the Administrative*  
13 *Claiming process, each participating local governmental agency*  
14 *shall pay an annual participation fee through a mechanism agreed*  
15 *to by the state and local governmental agencies, or, if no agreement*  
16 *is reached by August 1 of each year, directly to the state. The*  
17 *participation fee shall be used to cover the cost of administering*  
18 *the Administrative Claiming process, including, but not limited*  
19 *to, claims processing, technical assistance, and monitoring. The*  
20 *department shall determine and report staffing requirements upon*  
21 *which projected costs will be based. The amount of the*  
22 *participation fee shall be based upon the anticipated salaries,*  
23 *benefits, and operating expenses to administer the Administrative*  
24 *Claiming process and other costs related to that process.*

25 *(n) (1) For the purposes of this section, “participating local*  
26 *governmental agency” means a county, charter city, Native*  
27 *American Indian tribe, tribal organization, or subgroup of a Native*  
28 *American Indian tribe or tribal organization, under contract with*  
29 *the department pursuant to subdivision (b). A participating local*  
30 *governmental agency for the purposes of this section does not*  
31 *include a local educational agency or an agency under contract*  
32 *with the department for the purpose of claiming reimbursement*  
33 *for school-based administrative activities related to the Medi-Cal*  
34 *program.*

35 *(2) Each participating Native American Indian tribe, tribal*  
36 *organization, or subgroup of a Native American Indian tribe or*  
37 *tribal organization may claim, as a Medi-Cal Administrative*  
38 *Activity, facilitating Medi-Cal applications, which includes, but*  
39 *is not limited to, using the California Healthcare Eligibility,*  
40 *Enrollment, and Retention System.*

1     (o) A participating local governmental agency may charge an  
2     administrative fee to any entity claiming Administrative Claiming  
3     through that agency.

4     (p) The department shall continue to administer the  
5     Administrative Claiming process in conformity with federal  
6     requirements.

7     (q) The department shall provide technical assistance to all  
8     participating local governmental agencies in order to maximize  
9     federal financial participation in the Administrative Claiming  
10    process.

11    (r) This section shall be applicable to Administrative Claiming  
12    process activities performed and to moneys paid to participating  
13    local governmental agencies for those activities in the 1994–95  
14    fiscal year and thereafter.

15    (s) Nothing in this section or Section 14132.44 shall be  
16    construed to prevent any state agency from participating in the  
17    Administrative Claiming process or from contracting with others  
18    to engage in these activities.

19    (t) This section shall become operative on January 1, 2018.

20    SEC. 8. Section 14132.471 is added to the Welfare and  
21    Institutions Code, to read:

22    14132.471. (a) It is the intent of the Legislature to provide  
23    local governmental agencies with the option to participate in the  
24    Targeted Case Management (TCM) program and to provide local  
25    educational agencies with the option to participate in the  
26    Administrative Claiming process program, subject to the  
27    requirements of this section and Section 14132.44.

28    (b) (1) Beginning no later than the 2017–18 state fiscal year,  
29    the department shall administer, or oversee the administration of,  
30    a single statewide quarterly random moment time survey for the  
31    School-Based Administrative Claiming process program.

32    (2) The statewide quarterly random moment time survey  
33    described in paragraph (1) shall not apply to the Los Angeles  
34    Unified School District (LAUSD), which shall conduct its own  
35    random moment time survey. Data from the random moment time  
36    survey conducted by LAUSD shall not be included in the statewide  
37    random moment time survey described in paragraph (1).

38    (c) The department shall contract with each participating local  
39    educational agency to perform administrative activities necessary  
40    for the proper and efficient administration of the Medi-Cal

1 *program, pursuant to Section 1903a of the federal Social Security*  
2 *Act (42 U.S.C. Sec. 1396b(a)), and this activity shall be known as*  
3 *the School-Based Administrative Claiming process.*

4 *(d) (1) As a condition of participation in the School-Based*  
5 *Administrative Claiming process program, each participating*  
6 *local educational agency, for the purpose of claiming federal*  
7 *Medicaid reimbursement, shall enter into a contract with the*  
8 *department and shall certify to the department, pursuant to*  
9 *subdivision (f), the total amount the local educational agency*  
10 *expended on the allowable administrative activities.*

11 *(2) The department shall deny the claim if the department*  
12 *determines that the certification is not adequately supported, or*  
13 *otherwise does not comply with federal requirements, for purposes*  
14 *of claiming federal financial participation.*

15 *(e) Each School-Based Administrative Claiming process contract*  
16 *shall include a requirement for each participating local educational*  
17 *agency to submit a claiming plan in a manner that shall be*  
18 *prescribed by the department in regulations developed in*  
19 *consultation with local educational agencies.*

20 *(f) (1) The department shall require each participating local*  
21 *educational agency to certify to the department both of the*  
22 *following:*

23 *(A) That the local educational agency expended funds from its*  
24 *general fund or from any other fund allowed under federal law*  
25 *and regulation to pay for 100 percent of the cost of performing*  
26 *School-Based Administrative Claiming process program activities.*

27 *(B) For each fiscal year, that the local educational agency's*  
28 *expenditures represent costs that are eligible for federal financial*  
29 *participation for that fiscal year.*

30 *(2) A tribe or tribal organization, as described in subdivision*  
31 *(n), may contract with, or submit to a tribe or tribal organization*  
32 *that is contracting with, the department pursuant to subdivision*  
33 *(b) amounts expended for School-Based Administrative Claiming*  
34 *process activities that it is certifying in accordance with Section*  
35 *433.51 of Title 42 of the Code of Federal Regulations and other*  
36 *applicable federal law and regulations. The tribe or tribal*  
37 *organization receiving the certification shall forward the*  
38 *certification to the department for purposes of claiming federal*  
39 *financial participation. The certification shall comply with all of*

1 *the requirements for certification set forth in subparagraph (A) of*  
2 *paragraph (1).*

3 *(g) (1) Notwithstanding any other provision of this section, the*  
4 *state shall be held harmless, in accordance with paragraphs (2)*  
5 *and (3), from any federal audit disallowance and interest resulting*  
6 *from payments made to a participating local educational agency*  
7 *pursuant to this section for the disallowed claim.*

8 *(2) To the extent that a federal audit disallowance and interest*  
9 *results from a claim or claims for which a participating local*  
10 *educational agency has received reimbursement for School-Based*  
11 *Administrative Claiming process activities, the department shall*  
12 *recoup from the local educational agency that submitted the*  
13 *disallowed claim, through offsets or by a direct billing, amounts*  
14 *equal to the amount of the disallowance and interest, in that fiscal*  
15 *year, for the disallowed claim. All subsequent claims submitted to*  
16 *the department applicable to a previously disallowed*  
17 *administrative activity or claim may be held in abeyance, with no*  
18 *payment made, until the federal disallowance issue is resolved.*

19 *(3) Notwithstanding paragraph (2), to the extent that a federal*  
20 *audit disallowance and interest results from a claim or claims for*  
21 *which the participating local educational agency has received*  
22 *reimbursement for School-Based Administrative Claiming process*  
23 *activities performed by an entity under contract with, and on behalf*  
24 *of, the participating local educational agency, the department*  
25 *shall be held harmless by that particular participating local*  
26 *educational agency for 100 percent of the amount of the federal*  
27 *audit disallowance and interest for the disallowed claim.*

28 *(h) The use of local funds required by this section shall not*  
29 *create, lead to, or expand the health care funding obligations or*  
30 *service obligations for current or future years for a participating*  
31 *local educational agency, except as required by this section or as*  
32 *may be required by federal law.*

33 *(i) (1) The department shall, in consultation with local*  
34 *educational agencies, adopt regulations that prescribe the*  
35 *requirements for the submission and payment of claims for*  
36 *administrative activities performed by each participating local*  
37 *educational agency.*

38 *(2) The department shall deny a claim from a participating local*  
39 *educational agency if the department determines that the claim is*  
40 *not adequately supported in accordance with criteria established*

1 pursuant to this subdivision and implementing regulations before  
2 the department forwards the claim for reimbursement to the federal  
3 Medicaid Program.

4 (j) Administrative activities shall be those determined by the  
5 department to be necessary for the proper and efficient  
6 administration of the state's Medicaid plan and shall be defined  
7 in regulation.

8 (k) If the department denies a claim submitted under this section,  
9 the affected participating local educational agency, within 30 days  
10 after receipt of written notice of the denial, may request that the  
11 department reconsider its action. The participating local  
12 educational agency may request a meeting with the director or his  
13 or her designee within 30 days to present its concerns to the  
14 department after the request is filed. If the director or his or her  
15 designee cannot meet, the department shall respond in writing to  
16 the participating local educational agency in response to its request  
17 for reconsideration, indicating the specific reasons for which the  
18 claim is out of compliance. The local educational agency may  
19 appeal the decision of the director pursuant to the appeals process  
20 established by the department and the State Department of  
21 Education pursuant to paragraph (3) of subdivision (a) of Section  
22 14132.471.

23 (l) To the extent consistent with federal law and regulations,  
24 participating local educational agencies may claim the actual  
25 costs of nonemergency, nonmedical transportation of Medi-Cal  
26 eligibles to Medi-Cal covered services, under guidelines  
27 established by the department, to the extent that these costs are  
28 actually borne by the participating local educational agencies. A  
29 local educational agency may only claim for nonemergency,  
30 nonmedical transportation of Medi-Cal eligibles for Medi-Cal  
31 covered services, through the Medi-Cal administrative activities  
32 program. Medi-Cal medical transportation services shall be  
33 claimed under the local educational agency Medi-Cal billing  
34 option, pursuant to Section 14132.06.

35 (m) As a condition of participation in the School-Based  
36 Administrative Claiming process and in recognition of revenue  
37 generated to each local educational agency in the School-Based  
38 Administrative Claiming process, each local educational agency  
39 shall pay an annual participation fee through a mechanism agreed  
40 to by the state and local educational agencies. The participation

1 fee shall be used to cover the cost of administering the  
2 School-Based Administrative Claiming process, including, but not  
3 limited to, claims processing, technical assistance, and monitoring.  
4 The department shall determine and report staffing requirements  
5 upon which projected costs will be based. The amount of the  
6 participation fee shall be based upon the anticipated salaries,  
7 benefits, and operating expenses to administer the School-Based  
8 Administrative Claiming process and other costs related to that  
9 process.

10 (n) (1) For the purposes of this section, “participating local  
11 educational agency” includes a Native American Indian tribe,  
12 tribal organization, or subgroup of a Native American Indian tribe  
13 or tribal organization under contract with the department pursuant  
14 to subdivision (c).

15 (2) Each participating Native American Indian tribe, tribal  
16 organization, or subgroup of a Native American Indian tribe or  
17 tribal organization may claim, as a Medi-Cal administrative  
18 activity, facilitating Medi-Cal applications, including, but not  
19 limited to, using the California Healthcare Eligibility, Enrollment,  
20 and Retention System.

21 (o) For purposes of this section, “local educational agency”  
22 includes county offices of education, special education local plan  
23 areas, Healthy Start programs, and local educational agencies,  
24 as defined in subdivision (h) of Section 14132.06, that participate  
25 in the School-Based Administrative Claiming process program as  
26 a contractor with the department.

27 (p) (1) Each participating local educational agency shall be  
28 responsible for the preparation and submission of all  
29 administrative claiming plans, training of local educational agency  
30 staff, and the submission of detailed quarterly invoices.

31 (2) Each participating local educational agency shall comply  
32 with all requirements of the School-Based Administrative Claiming  
33 process program.

34 (3) Ninety days prior to the initial participation in the  
35 School-Based Administrative Claiming process program, each  
36 local educational agency shall notify the department of its intent  
37 to participate in the program.

38 (q) Each local educational agency that elects to participate in  
39 the School-Based Administrative Claiming process program shall  
40 submit claims directly to the department.

1 (r) The department shall continue to administer the  
2 School-Based Administrative Claiming process program in  
3 conformity with federal requirements.

4 (s) The department shall, by July 1, 2017, in conjunction with  
5 the State Department of Education pursuant to the interagency  
6 agreement or memorandum of understanding developed pursuant  
7 to Section 14132.471, provide technical assistance to all  
8 participating local educational agencies in order to maximize the  
9 allowable federal financial participation in the School-Based  
10 Administrative Claiming process program.

11 (t) This section shall be applicable to School-Based  
12 Administrative Claiming process activities performed in the  
13 2017–18 fiscal year and thereafter.

14 (u) The department shall prepare and file an annual report with  
15 the Legislature for the School-Based Administrative Claiming  
16 process program, similar to the annual report the department is  
17 required to file for the local educational agency Medi-Cal billing  
18 option program pursuant to Section 14115.8.

19 (v) This section and Section 14132.44 shall not be construed to  
20 prevent a state agency from participating in the School-Based  
21 Administrative Claiming process program or from contracting  
22 with others to engage in these activities.

23 (w) This section shall not be construed to prohibit county offices  
24 of education or local government agencies from providing services  
25 to local educational agencies to facilitate participation in  
26 school-based health programs on a fee-for-service basis. This  
27 section shall not be construed to prohibit a county office of  
28 education or a local educational consortium providing services  
29 to a local educational agency from contracting with private or  
30 public entities to assist with the performance of administrative  
31 activities necessary for the proper and efficient administration of  
32 the Medi-Cal program under the conditions specified by the  
33 department in regulations.

34 SEC. 9. Section 14132.472 is added to the Welfare and  
35 Institutions Code, to read:

36 14132.472. (a) By July 1, 2017, the department shall enter  
37 into an interagency agreement or memorandum of understanding  
38 (MOU) with the State Department of Education to coordinate the  
39 efforts of both departments with respect to the School-Based  
40 Administrative Claiming process program described in Section

1 14132.471 and the local educational agency (LEA) Medi-Cal  
2 billing option (the LEA billing option) described in Section  
3 14132.06. The agreement or MOU shall focus on the following:

4 (1) Maximizing the department's Medicaid Program expertise.

5 (2) Coordinating functions and resources between the  
6 department and the State Department of Education, and building  
7 personnel capacity at the State Department of Education, to assist  
8 local educational agencies in implementing and meeting the  
9 requirements of the School-Based Administrative Claiming process  
10 and the LEA billing option at the local level. That coordination  
11 shall include an agreement regarding the use of funds withheld  
12 pursuant to Section 14132.473.

13 (3) Developing a process by which a local educational agency  
14 may appeal an action of the department or the State Department  
15 of Education with respect to the School-Based Administrative  
16 Claiming process program or the LEA billing option. The appeals  
17 process shall utilize the Office of Administrative Hearings, or  
18 another neutral third party acceptable to the department and the  
19 State Department of Education, as the appeals authority.

20 (b) In developing the interagency agreement or MOU described  
21 in subdivision (a), the department shall do all of the following:

22 (1) Estimate the cost savings resulting from the restructuring  
23 of the Administrative Claiming process program through  
24 implementation of the School-Based Administrative Claiming  
25 process program described in Section 14132.471. The department  
26 shall provide the estimate of cost savings, data used to support  
27 the estimate, and a description of the methodology used to calculate  
28 the estimate to the State Department of Education.

29 (2) Consult with relevant nonprofit organizations involved in  
30 facilitating information sharing among state Medicaid and  
31 education agencies involved in the administration of Medicaid  
32 claiming for school-based services to identify, and implement if  
33 feasible, best practices that accomplish the coordination of efforts  
34 required by subdivision (a).

35 (3) Consult with the School-Based Health Program and Policy  
36 Workgroup established pursuant to Section 14005.272 regarding  
37 the impact of the implementation of the School-Based  
38 Administrative Claiming process program on operations at the  
39 local level.

1 (c) Any savings resulting from the restructuring of the  
2 Administrative Claiming process program through implementation  
3 of the School-Based Administrative Claiming process program  
4 and available to the department shall be directed toward  
5 implementation of the interagency agreement or MOU entered  
6 into pursuant to this section, including, but not limited to, providing  
7 necessary State Department of Education staff support and support  
8 to county offices of education.

9 SEC. 10. Section 14132.473 is added to the Welfare and  
10 Institutions Code, to read:

11 14132.473. (a) Commencing with the 2017–18 state fiscal  
12 year, and for each year thereafter, the department may withhold  
13 up to 5 percent of the total funds to be reimbursed to local  
14 educational agencies pursuant to the School-Based Administrative  
15 Claiming process program described in Section 14132.471 and  
16 the local educational agency Medi-Cal billing option program  
17 described in Section 14132.06, for the following purposes:

18 (1) Defraying the costs of administering the School-Based  
19 Administrative Claiming process program and the local  
20 educational agency Medi-Cal billing option program.

21 (2) Implementing the interagency agreement or MOU entered  
22 into pursuant to Section 14132.472.

23 (3) Providing necessary staff support to the State Department  
24 of Education.

25 (4) Providing necessary staff support to county offices of  
26 education and local educational agencies.

27 (5) Carrying out the duties and activities required by Section  
28 14115.8.

29 (b) The State Department of Education may use funds from the  
30 withholding described in subdivision (a) to support an office of  
31 school-based health programs within the State Department of  
32 Education.

33 (c) Commencing with the 2017–18 state fiscal year, and for  
34 each year thereafter, the department may withhold an additional  
35 1 percent of the total funds to be reimbursed to local educational  
36 agencies pursuant to the School-Based Administrative Claiming  
37 process program described in Section 14132.471 and the local  
38 educational agency Medi-Cal billing option program described  
39 in Section 14132.06, for the purpose of defraying the costs of the

1 *appeals process developed pursuant to paragraph (3) of*  
2 *subdivision (a) of Section 14132.472.*

3 *(d) To the extent that the department withholds reimbursed*  
4 *funds pursuant to subdivision (a), the department shall adjust the*  
5 *percentage withheld based on an annual reconciliation of the costs*  
6 *necessary to carry out the purposes described in paragraphs (1)*  
7 *to (5), inclusive, of subdivision (a).*

8 *(e) This section shall be implemented only to the extent that*  
9 *federal financial participation is not jeopardized. The department*  
10 *shall seek any federal approvals necessary for the implementation*  
11 *of this section.*

12 ~~SECTION 1. Section 14132.465 is added to the Welfare and~~  
13 ~~Institutions Code, immediately following Section 14132.46, to~~  
14 ~~read:~~

15 ~~14132.465. (a) The Legislative Analyst, in consultation with~~  
16 ~~the State Department of Education and the State Department of~~  
17 ~~Health Care Services, shall review and prepare specific~~  
18 ~~recommendations relative to the administration and oversight of~~  
19 ~~the School-Based Medi-Cal Administrative Activities program. A~~  
20 ~~report containing the specific recommendations shall be submitted~~  
21 ~~to the Legislature and the Governor by July 1, 2016. The report~~  
22 ~~shall consider the report on the School-Based Medi-Cal~~  
23 ~~Administrative Activities program issued by the California State~~  
24 ~~Auditor in 2015, and shall include, but not necessarily be limited~~  
25 ~~to, an evaluation of all of the following:~~

26 ~~(1) The appropriate state agency or agencies to administer the~~  
27 ~~program.~~

28 ~~(2) Oversight of the administration of the program, including~~  
29 ~~oversight of the state agency, local governmental agencies, and~~  
30 ~~local educational consortia.~~

31 ~~(3) The structure of the program and role of each entity,~~  
32 ~~including the local governmental agencies and local educational~~  
33 ~~consortia, how the structures and roles vary across the state, and~~  
34 ~~the efficiency of those structures and roles in providing funds to~~  
35 ~~local educational agencies.~~

36 ~~(4) The relationships, interactions, and communications state~~  
37 ~~agencies have with the federal Centers for Medicare and Medicaid~~  
38 ~~Services, and the process used to disseminate information from~~  
39 ~~the federal Centers for Medicare and Medicaid Services to local~~  
40 ~~educational agencies.~~

1     ~~(5) The process for reimbursing claims submitted by local~~  
2     ~~educational agencies, including the amount reimbursed compared~~  
3     ~~to the amount claimed, the time between submission of a claim~~  
4     ~~and the reimbursement of that claim, and how the claim and~~  
5     ~~reimbursement process varies across the state.~~

6     ~~(6) The purposes for which local educational agencies use~~  
7     ~~program funds.~~

8     ~~(7) The relationship between local governmental agencies or~~  
9     ~~local educational consortia and the private or public entities that~~  
10    ~~have been subcontracted to assist with the performance of~~  
11    ~~administrative activities.~~

12    ~~(8) The rates charged by the local governmental agency and~~  
13    ~~local educational consortia, how those rates vary across the state,~~  
14    ~~and how rates are determined.~~

15    ~~(9) The ability of a local educational agency to contract with a~~  
16    ~~local governmental agency or a local educational consortium of~~  
17    ~~its choosing.~~

18    ~~(10) The feasibility of convening a local educational agency~~  
19    ~~advisory body for the purposes of providing technical assistance~~  
20    ~~to local educational agencies and communicating with the~~  
21    ~~administering state agency.~~

22    ~~(11) The extent to which the state is maximizing federal funds~~  
23    ~~available for the program.~~

24    ~~(12) How capacity to operate the program can be built within~~  
25    ~~local educational agencies.~~

26    ~~(b) For purposes of this section, “local governmental agency”~~  
27    ~~shall have the same meaning as specified in subdivision (n) of~~  
28    ~~Section 14132.47 of the Welfare and Institutions Code, “local~~  
29    ~~educational agency” shall have the same meaning as specified in~~  
30    ~~subdivision (o) of Section 14132.47 of the Welfare and Institutions~~  
31    ~~Code, and “local educational consortium” shall have the same~~  
32    ~~meaning as specified in subdivision (p) of Section 14132.47 of the~~  
33    ~~Welfare and Institutions Code.~~

34    ~~(c) (1) A report to be submitted to the Legislature pursuant to~~  
35    ~~subdivision (a) shall be submitted in compliance with Section 9795~~  
36    ~~of the Government Code.~~

37    ~~(2) Pursuant to Section 10231.5 of the Government Code, this~~  
38    ~~section is repealed on January 1, 2021.~~

39    ~~SEC. 2. Section 14132.47 of the Welfare and Institutions Code~~  
40    ~~is amended to read:~~

1     ~~14132.47. (a) It is the intent of the Legislature to provide local~~  
2 ~~governmental agencies the choice of participating in either or both~~  
3 ~~of the Targeted Case Management (TCM) and Administrative~~  
4 ~~Claiming process programs at their option, subject to the~~  
5 ~~requirements of this section and Section 14132.44.~~

6     ~~(b) The department may contract with each participating local~~  
7 ~~governmental agency or each local educational consortium to assist~~  
8 ~~with the performance of administrative activities necessary for the~~  
9 ~~proper and efficient administration of the Medi-Cal program,~~  
10 ~~pursuant to Section 1903(a) of the federal Social Security Act (42~~  
11 ~~U.S.C. Sec. 1396b(a)), and this activity shall be known as the~~  
12 ~~Administrative Claiming process.~~

13     ~~(c) (1) Subject to the requirements of paragraph (2) of~~  
14 ~~subdivision (f), as a condition for participation in the~~  
15 ~~Administrative Claiming process, each participating local~~  
16 ~~governmental agency or each local educational consortium shall,~~  
17 ~~for the purpose of claiming federal Medicaid reimbursement, enter~~  
18 ~~into a contract with the department and shall certify to the~~  
19 ~~department the total amount the local governmental agency or each~~  
20 ~~local educational consortium expended on the allowable~~  
21 ~~administrative activities.~~

22     ~~(2) The department shall deny the claim if it determines that the~~  
23 ~~certification is not adequately supported, or does not otherwise~~  
24 ~~comply with federal requirements, for purposes of claiming federal~~  
25 ~~financial participation.~~

26     ~~(d) Each participating local governmental agency or local~~  
27 ~~educational consortium may subcontract with private or public~~  
28 ~~entities to assist with the performance of administrative activities~~  
29 ~~necessary for the proper and efficient administration of the~~  
30 ~~Medi-Cal program under the conditions specified by the department~~  
31 ~~in regulations.~~

32     ~~(e) Each Administrative Claiming process contract shall include~~  
33 ~~a requirement that each participating local governmental agency~~  
34 ~~or each local educational consortium submit a claiming plan in a~~  
35 ~~manner that shall be prescribed by the department in regulations~~  
36 ~~developed in consultation with local governmental agencies.~~

37     ~~(f) (1) The department shall require that each participating local~~  
38 ~~governmental agency or each local educational consortium certify~~  
39 ~~to the department both of the following:~~

1     ~~(A) The expenditure of 100 percent of the cost of performing~~  
2     ~~Administrative Claiming process activities. The funds expended~~  
3     ~~for this purpose shall be from the local governmental agency's~~  
4     ~~general fund or the general funds of local educational consortia or~~  
5     ~~from any other funds allowed under federal law and regulation.~~

6     ~~(B) In each fiscal year that its expenditures represent costs that~~  
7     ~~are eligible for federal financial participation for that fiscal year.~~  
8     ~~The department shall deny the claim if it determines that the~~  
9     ~~certification is not adequately supported for purposes of federal~~  
10    ~~financial participation.~~

11    ~~(2) (A) (i) A city that is not a participating local governmental~~  
12    ~~agency, or any other local public entity, that contracts with a local~~  
13    ~~governmental agency pursuant to subdivision (d) and that is located~~  
14    ~~within a county that is a participating local governmental agency~~  
15    ~~pursuant to this section, may submit certification to the local~~  
16    ~~governmental agency of amounts expended for Administrative~~  
17    ~~Claiming services in accordance with Section 433.51 of Title 42~~  
18    ~~of the Code of Federal Regulations.~~

19    ~~(ii) A city or other local public entity that submits certification~~  
20    ~~pursuant to this paragraph shall comply with the requirements of~~  
21    ~~paragraph (1), with other requirements applicable to local~~  
22    ~~governmental agencies that the department determines, by~~  
23    ~~regulation, to be applicable, and with all applicable federal~~  
24    ~~requirements.~~

25    ~~(iii) The local governmental agency shall forward the city's or~~  
26    ~~local public entity's certification to the department for the purposes~~  
27    ~~of claiming federal financial participation.~~

28    ~~(iv) As applicable, the local governmental agency shall obtain~~  
29    ~~and retain appropriate certifications from the expending city or~~  
30    ~~local public entity, together with documentation of the underlying~~  
31    ~~expenditures, as required by the department.~~

32    ~~(B) A tribe or tribal organization, as defined in subdivision (n),~~  
33    ~~that is not participating in Administrative Claiming process~~  
34    ~~activities as a local governmental agency, may contract with, and~~  
35    ~~submit to a tribe or tribal organization that is contracting with, the~~  
36    ~~department pursuant to subdivision (b) amounts expended for~~  
37    ~~Administrative Claiming process activities that it is certifying in~~  
38    ~~accordance with Section 433.51 of Title 42 of the Code of Federal~~  
39    ~~Regulations and other applicable federal law and regulations. The~~  
40    ~~tribe or tribal organization receiving the certification shall forward~~

1 it to the department for purposes of claiming federal financial  
2 participation. The certification shall comply with all of the  
3 requirements for certification set forth in subparagraph (A):

4 (g) (1) Notwithstanding any other provision of this section, in  
5 accordance with paragraphs (2) and (3), the state shall be held  
6 harmless from any federal audit disallowance and interest resulting  
7 from payments made to a participating local governmental agency  
8 or local educational consortium pursuant to this section, for the  
9 disallowed claim.

10 (2) To the extent that a federal audit disallowance and interest  
11 results from a claim or claims for which any participating local  
12 governmental agency or local educational consortium has received  
13 reimbursement for Administrative Claiming process activities, the  
14 department shall recoup from the local governmental agency or  
15 local educational consortium that submitted the disallowed claim,  
16 through offsets or by a direct billing, amounts equal to the amount  
17 of the disallowance and interest, in that fiscal year, for the  
18 disallowed claim. All subsequent claims submitted to the  
19 department applicable to any previously disallowed administrative  
20 activity or claim, may be held in abeyance, with no payment made,  
21 until the federal disallowance issue is resolved.

22 (3) Notwithstanding paragraph (2), to the extent that a federal  
23 audit disallowance and interest results from a claim or claims for  
24 which the participating local governmental agency or local  
25 educational consortium has received reimbursement for  
26 Administrative Claiming process activities performed by an entity  
27 under contract with, and on behalf of, the participating local  
28 governmental agency or local educational consortium, the  
29 department shall be held harmless by that particular participating  
30 local governmental agency or local educational consortium for  
31 100 percent of the amount of the federal audit disallowance and  
32 interest, for the disallowed claim.

33 (h) The use of local funds required by this section shall not  
34 create, lead to, or expand the health care funding obligations or  
35 service obligations for current or future years for any participating  
36 local governmental agency or local educational consortium, except  
37 as required by this section or as may be required by federal law.

38 (i) The department shall deny any claim from a participating  
39 local governmental agency or local educational consortium if the  
40 department determines that the claim is not adequately supported

1 in accordance with criteria established pursuant to this subdivision  
2 and implementing regulations before it forwards the claim for  
3 reimbursement to the federal Medicaid Program. In consultation  
4 with local governmental agencies and local educational consortia,  
5 the department shall adopt regulations that prescribe the  
6 requirements for the submission and payment of claims for  
7 administrative activities performed by each participating local  
8 governmental agency and local educational consortium.

9 (j) Administrative activities shall be those determined by the  
10 department to be necessary for the proper and efficient  
11 administration of the state's Medicaid plan and shall be defined  
12 in regulation.

13 (k) If the department denies any claim submitted under this  
14 section, the affected participating local governmental agency or  
15 local educational consortium may, within 30 days after receipt of  
16 written notice of the denial, request that the department reconsider  
17 its action. The participating local governmental agency or local  
18 educational consortium may request a meeting with the director  
19 or his or her designee within 30 days to present its concerns to the  
20 department after the request is filed. If the director or his or her  
21 designee cannot meet, the department shall respond in writing  
22 indicating the specific reasons for which the claim is out of  
23 compliance to the participating local governmental agency or local  
24 educational consortium in response to its appeal. Thereafter, the  
25 decision of the director shall be final.

26 (l) To the extent consistent with federal law and regulation,  
27 participating local governmental agencies or local educational  
28 consortium may claim the actual costs of nonemergency,  
29 nonmedical transportation of Medi-Cal eligibles to Medi-Cal  
30 covered services, under guidelines established by the department,  
31 to the extent that these costs are actually borne by the participating  
32 local governmental agency or local educational consortium. A  
33 local educational consortium may only claim for nonemergency,  
34 nonmedical transportation of Medi-Cal eligibles for Medi-Cal  
35 covered services, through the Medi-Cal administrative activities  
36 program. Medi-Cal medical transportation services shall be claimed  
37 under the local educational agency Medi-Cal billing option,  
38 pursuant to Section 14132.06.

39 (m) As a condition of participation in the Administrative  
40 Claiming process and in recognition of revenue generated to each

~~participating local governmental agency and each local educational consortium in the Administrative Claiming process, each participating local governmental agency and each local educational consortium shall pay an annual participation fee through a mechanism agreed to by the state and local governmental agencies and local educational consortia, or, if no agreement is reached by August 1 of each year, directly to the state. The participation fee shall be used to cover the cost of administering the Administrative Claiming process, including, but not limited to, claims processing, technical assistance, and monitoring. The department shall determine and report staffing requirements upon which projected costs will be based. The amount of the participation fee shall be based upon the anticipated salaries, benefits, and operating expenses, to administer the Administrative Claiming process and other costs related to that process.~~

~~(n) (1) For the purposes of this section, “participating local governmental agency” means a county, chartered city, Native American Indian tribe, tribal organization, or subgroup of a Native American Indian tribe or tribal organization, under contract with the department pursuant to subdivision (b):~~

~~(2) Each participating Native American Indian tribe, tribal organization, or subgroup of a Native American Indian tribe or tribal organization may claim, as a Medi-Cal Administrative Activity, facilitating Medi-Cal applications, which includes, but is not limited to, using the California Healthcare Eligibility, Enrollment, and Retention System.~~

~~(o) For purposes of this section, “local educational agency” means a local educational agency, as defined in subdivision (h) of Section 14132.06, that participates under the Administrative Claiming process as a subcontractor to the local educational consortium in its service region.~~

~~(p) (1) For purposes of this section, “local educational consortium” means a local agency that is one of the service regions of the California County Superintendent Educational Services Association.~~

~~(2) Each local educational consortium shall contract with the department pursuant to paragraph (1) of subdivision (c).~~

~~(q) (1) Each participating local educational consortium shall be responsible for the local educational agencies in its service region that participate in the Administrative Claiming process.~~

1 This responsibility includes, but is not limited to, the preparation  
2 and submission of all administrative claiming plans, training of  
3 local educational agency staff, overseeing the local educational  
4 agency time survey process, and the submission of detailed  
5 quarterly invoices on behalf of any participating local educational  
6 agency.

7 (2) Each participating local educational consortium shall ensure  
8 local educational agency compliance with all requirements of the  
9 Administrative Claiming process established for local governmental  
10 agencies.

11 (3) Ninety days prior to the initial participation in the  
12 Administrative Claiming process, each local educational  
13 consortium shall notify the department of its intent to participate  
14 in the process, and shall identify each local educational agency  
15 that will be participating as its subcontractor.

16 (r) (1) Each local educational agency that elects to participate  
17 in the Administrative Claiming process shall submit claims either  
18 through its local educational consortium or through the local  
19 governmental agency, but not both.

20 (2) Each local educational agency participating as a  
21 subcontractor to a local educational consortium shall comply with  
22 all requirements of the Administrative Claiming process established  
23 for local governmental agencies.

24 (s) A participating local governmental agency or a local  
25 educational consortium may charge an administrative fee to any  
26 entity claiming Administrative Claiming through that agency. The  
27 department shall annually post on its Internet Web site the  
28 administrative fee percentage charged by each local governmental  
29 agency or local educational consortium.

30 (t) The department shall continue to administer the  
31 Administrative Claiming process in conformity with federal  
32 requirements.

33 (u) The department shall provide technical assistance to all  
34 participating local governmental agencies and local educational  
35 consortia in order to maximize federal financial participation in  
36 the Administrative Claiming process.

37 (v) This section shall be applicable to Administrative Claiming  
38 process activities performed, and to moneys paid to participating  
39 local governmental agencies for those activities in the 1994-95

1 ~~fiscal year and thereafter, and to local educational consortia in the~~  
2 ~~1998-99 fiscal year and thereafter.~~  
3 ~~(w) This section or Section 14132.44 shall not be construed to~~  
4 ~~prevent any state agency from participating in the Administrative~~  
5 ~~Claiming process or from contracting with others to engage in~~  
6 ~~these activities.~~

O