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SENATE BILL

No. 123

Introduced by Senator Liu
(Principal coauthor: Assembly Member Santiago)
(Coauthor: Assembly Member Thurmond)

January 15, 2015

An act to amend Section 14115.8 of, to amend, repeal, and add Section 14132.47 of, and to add Sections 14005.272, 14005.273, 14005.274, 14132.471, and 14132.472 to, the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 123, as amended, Liu. 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 the department is authorized to contract with local governmental agencies and local educational consortia 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.

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, including amendment of the Medicaid state plan to ensure that schools shall be reimbursed for all eligible services they provide. Existing law requires the department to file an annual report with the Legislature that provides information related to these activities, as specified. Existing law requires the department to regularly consult with the State Department of Education, school district representatives, county offices of education, the local educational consortium, and local educational agencies to assist in formulating those state plan amendments. Existing law funds these activities by requiring the department to proportionately reduce federal Medicaid payments allocable to LEAs, collect the reductions, and deposit them into the Local Educational Agency Medi-Cal Recovery Fund, as specified.

This bill would additionally require the department to contract directly with ~~a~~ *an* LEA, if the LEA chooses and the department has developed a process governing direct contracting, to perform school-based administrative activities necessary for the proper and efficient administration of the Medi-Cal program, as specified. The bill would designate the contracting between the department and participating local educational agencies, local educational consortia, and local governmental agencies to perform those school-based administrative activities as the School-Based Administrative Claiming process program. The bill would authorize the department to administer or oversee the administration of a single statewide random moment time survey, or a reduction in the number of quarterly random moment time surveys conducted in the state, for the purposes of the program. The bill would make related legislative findings and declarations.

This 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. The bill would also require the department to include in that report the annual report related to the LEA billing option.

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 LEA billing option and the School-Based Administrative Claiming process program. The bill would require the department to develop an appeals process, as specified, to contest an action of the department.

This bill would require the department and the State Department of Education to establish and jointly administer ~~and chair~~ a School-Based Health Program and Policy Workgroup, as specified, in order to assist the department in formulating state plan amendments required to implement the LEA billing option described above and for the purpose of advising the department on issues related to the delivery of school-based Medi-Cal services to students in the state, as specified. The bill would require the department to consult with the advisory group in connection with developing the interagency agreement or MOU described above. The bill would authorize the department and the State Department of Education to use moneys collected by the department to fund the LEA Medi-Cal billing option program activities and amounts withheld from LEAs by agreement with the department to meet the requirements of the interagency agreement or MOU described above and to fund staffing requirements for the workgroup.

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) The United States Department of Education and the United
- 6 States Department of Health and Human Services, in a key January
- 7 2016 policy letter, recognize the critical role that health care

1 coverage and health services play in ensuring all students are ready
2 and able to learn, and recommend action steps to better coordinate
3 health and education services to build strong and sustainable
4 partnerships and commitments between health and education
5 agencies at the local, state, and federal levels.

6 (3) The student success strategic priority in State Superintendent
7 of Public Instruction Tom Torlakson's 2015 Blueprint 2.0 includes
8 Section 3.13, which prioritizes the development of infrastructure
9 at the State Department of Education to improve cross-agency
10 collaboration in support of student health.

11 (4) In Report 2014-130 issued on August 20, 2015, the State
12 Auditor recommended that the State Department of Health Care
13 Services institute significant structural changes to school-based
14 Medi-Cal programs in order to improve administration and
15 oversight, increase federal funding, and cut costs.

16 (5) Building an effective, transparent infrastructure and
17 accountability system to fully utilize all available federal Medicaid
18 funds is a critical component of developing the capacity to deliver
19 school-based health and mental health programs.

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

23 (b) It is the intent of the Legislature to ensure effective
24 coordination between health and education agencies at the state,
25 county, and local levels to address the achievement gap in our
26 schools and health and education equity issues in California.

27 SEC. 2. Section 14005.272 is added to the Welfare and
28 Institutions Code, to read:

29 14005.272. (a) The department and the State Department of
30 Education shall, no later than July 1, 2017, establish and jointly
31 administer ~~and chair~~ a School-Based Health Program and Policy
32 Workgroup for the purpose of advising on issues related to the
33 delivery of school-based Medi-Cal services to students in the state.
34 *The director of the department or his or her designee shall be*
35 *designated as the chair and the Superintendent of Public*
36 *Instruction or his or her designee shall be designated as the vice*
37 *chair of the workgroup.* The workgroup shall develop
38 recommendations for an interagency agreement between the
39 department and the State Department of Education pursuant to
40 Section 14132.472, and assist the department in formulating the

1 state plan amendments required by subdivisions (a) and (b) of
2 Section 14115.8. The scope of the workgroup shall include, but
3 not be limited to, improving the operation of and participation in
4 the following school-based health programs:

5 (1) The School-Based Administrative Claiming process program
6 described in Section 14132.471.

7 (2) The local educational agency (LEA) Medi-Cal billing option
8 described in Section 14132.06.

9 (b) The workgroup shall be representative of the diversity of
10 California LEAs with respect to size, type, and geographic diversity
11 and shall include representatives from county offices of education,
12 urban, suburban, and rural LEAs, and LECs and LGAs described
13 in Section 14132.471 and from Region IX of the federal Centers
14 for Medicare and Medicaid Services. The workgroup shall also
15 include *representatives of* the LEA Ad Hoc Workgroup described
16 in Section 14132.06 and members with expertise in the
17 school-based health and mental health programs.

18 (c) The workgroup shall, no later than January 1, 2018, provide
19 input to the department and the State Department of Education on
20 the development and continuing operations of the interagency
21 agreement or memorandum of understanding described in Section
22 14132.472. The recommendations of the workgroup shall identify
23 opportunities for effective coordination between the state's health
24 and education systems at the state, regional, and local level, identify
25 ways the department can maximize its school-based Medicaid
26 program expertise, recommend an appeals process for the
27 School-Based Administrative Claiming process program and the
28 LEA billing option, and identify necessary legislation or state plan
29 amendments to support its recommendations.

30 (d) (1) The workgroup shall, on a regular basis, provide input
31 to the department and the State Department of Education on the
32 degree to which the process and implementation of the
33 School-Based Administrative Claiming process program described
34 in Section 14132.471 and the LEA Medi-Cal billing option program
35 described in Section 14132.06 are meeting the needs of LEAs with
36 respect to cost-effectiveness, program structure, and operational
37 effectiveness, including the process of appeals and balancing
38 withheld funds and actual expenses.

39 (2) The workgroup shall advise the department and the State
40 Department of Education on creating consistency across local

1 educational consortia (LECs), local governmental agencies (LGAs),
2 and the department with respect to contracts and processes for the
3 School-Based Administrative Claiming process program described
4 in Section 14132.471.

5 (3) The workgroup shall make recommendations that include,
6 but are not limited to, determining the opportunities for and the
7 benefits, costs, and feasibility of the following:

8 (A) Increasing LEA participation and maximizing allowable
9 federal financial participation in the School-Based Administrative
10 Claiming process program and the LEA Medi-Cal billing option
11 program.

12 (B) Increasing contracting options for LEAs participating in the
13 School-Based Administrative Claiming process program, such as
14 allowing an LEA to contract with an LEC or LGA outside of the
15 LEA's region.

16 (C) Reducing the number of quarterly random moment time
17 surveys.

18 (D) Identifying areas that may require a state plan amendment.

19 (E) Integrating and expanding other school-based health and
20 mental health programs with the School-Based Administrative
21 Claiming process program and the LEA Medi-Cal billing option
22 program, including, but not limited to, those being implemented
23 in accordance with the LEA's local control and accountability plan
24 described in Section 52060 of the Education Code.

25 (F) Improving and streamlining the annual school-based
26 Medi-Cal report described in Section 14005.273.

27 (e) The workgroup may form technical advisory subcommittees
28 as necessary that shall report back to the workgroup on the
29 development of plans and timelines to implement the changes and
30 expanded options described in this section.

31 (f) The department shall make available to the workgroup staff
32 any information on other school-based dental, health, and mental
33 health programs, including, but not limited to, the mental health
34 programs described in Section 14700 and school-based health
35 centers that may receive Medi-Cal funding.

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

38 14005.273. Commencing with the 2017–18 state fiscal year,
39 and annually for each year thereafter, the department shall publish

1 the following information in a single annual school-based Medi-Cal
2 report on a section of its Internet Web site:

3 (a) The costs to the state of operating the School-Based
4 Administrative Claiming process program described in Section
5 14132.471 and any related fees passed on to local educational
6 agencies (LEAs).

7 (b) A list of all participating LEAs.

8 (c) The costs and fees being charged to LEAs as reported to the
9 department by local educational consortia and local governmental
10 agencies.

11 (d) Comparisons of costs with other states, summary of
12 department activities, workgroup recommendations for program
13 improvement, identifications of barriers to reimbursement and
14 actions taken to eliminate barriers, and other information in the
15 format required for the LEA Medi-Cal billing option program
16 report described in Section 14115.8.

17 (e) The costs of operating the LEA Medi-Cal billing option
18 program described in Section 14132.06. The report shall also list
19 each local educational agency participating in the LEA Medi-Cal
20 billing option program.

21 SEC. 4. Section 14005.274 is added to the Welfare and
22 Institutions Code, to read:

23 14005.274. (a) The department shall develop a process by
24 which a local educational agency may appeal an action of the
25 department with respect to the School-Based Administrative
26 Claiming process program described in Section 14132.471 and
27 the LEA billing option described in Section 14115.8. The appeals
28 process shall use the Office of Administrative Hearings and
29 Appeals pursuant to Section 14171 or another neutral third party
30 acceptable to the department as the appeals authority and shall
31 require the local educational agency to pay for the cost of the
32 appeal.

33 (b) In developing the appeals process described in subdivision
34 (a), the department shall take into account the recommendations
35 of the workgroup described in Section 14005.272.

36 SEC. 5. Section 14115.8 of the Welfare and Institutions Code
37 is amended to read:

38 14115.8. (a) (1) The department shall amend the Medicaid
39 state plan with respect to the billing option for services by local
40 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 (d) of Section 14005.272, shall implement the
15 recommendations from the study, to the extent feasible and
16 appropriate.

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

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

31 (e) The department shall file an annual report with the
32 Legislature that shall be included in the annual report referenced
33 in Section 14005.273 and that shall include at least all of the
34 following:

35 (1) A copy of the annual comparison required by subdivision
36 (h).

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

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

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

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

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

16 (7) Identification of any barriers to local educational agency
17 reimbursement, including those specified by the entities named in
18 subdivision (d) of Section 14005.272, that are not imposed by
19 federal requirements, and a description of the actions that have
20 been, and will be, taken to eliminate them.

21 (f) (1) These activities shall be funded and staffed by
22 proportionately reducing federal Medicaid payments allocable to
23 LEAs for the provision of benefits funded by the federal Medicaid
24 program under the billing option for services by LEAs specified
25 in this section. Moneys collected as a result of the reduction in
26 federal Medicaid payments allocable to LEAs shall be deposited
27 into the Local Educational Agency Medi-Cal Recovery Fund,
28 which is hereby established in the Special Deposit Fund established
29 pursuant to Section 16370 of the Government Code. These funds
30 shall be used, upon appropriation by the Legislature, only to
31 support the department to meet all the requirements of this section.
32 If at any time this section is repealed, it is the intent of the
33 Legislature that all funds in the Local Educational Agency
34 Medi-Cal Recovery Fund be returned proportionally to all LEAs
35 whose federal Medicaid funds were used to create this fund. The
36 annual amount funded pursuant to this paragraph shall not exceed
37 one million five hundred thousand dollars (\$1,500,000).

38 (2) Moneys collected under paragraph (1) shall be
39 proportionately reduced from federal Medicaid payments to all

1 participating LEAs so that no one LEA loses a disproportionate
2 share of its federal Medicaid payments.

3 (3) Moneys collected under paragraph (1) and withheld amounts
4 agreed to by LEAs as a part of an LEA Medi-Cal billing option
5 program provider participation agreement administered by the
6 department may be used by the department and the State
7 Department of Education to meet the requirements of the
8 interagency agreement or memorandum of understanding
9 referenced in Section 14132.472 and the staffing needed to jointly
10 administer and chair the workgroup described in Section
11 14005.272.

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

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

19 (h) The activities of the department shall include all of the
20 following:

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

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

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

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

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

35 SEC. 6. Section 14132.47 of the Welfare and Institutions Code
36 is amended to read:

37 14132.47. (a) It is the intent of the Legislature to provide local
38 governmental agencies the choice of participating in either or both
39 of the Targeted Case Management (TCM) and Administrative

1 Claiming process programs at their option, subject to the
2 requirements of this section and Section 14132.44.

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

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

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

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

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

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

37 (A) The expenditure of 100 percent of the cost of performing
38 Administrative Claiming process activities. The funds expended
39 for this purpose shall be from the local governmental agency's

1 general fund or the general funds of local educational agencies or
2 from any other funds allowed under federal law and regulations.

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

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

16 (ii) A city or other local public entity that submits certification
17 pursuant to this paragraph shall comply with the requirements of
18 paragraph (1), with other requirements applicable to local
19 governmental agencies that the department determines, in
20 regulations, to be applicable, and with all applicable federal
21 requirements.

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

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

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

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

7 (2) To the extent that a federal audit disallowance and interest
8 results from a claim or claims for which any participating local
9 governmental agency or local educational consortium has received
10 reimbursement for Administrative Claiming process activities, the
11 department shall recoup from the local governmental agency or
12 local educational consortium that submitted the disallowed claim,
13 through offsets or by a direct billing, amounts equal to the amount
14 of the disallowance and interest, in that fiscal year, for the
15 disallowed claim. All subsequent claims submitted to the
16 department applicable to any previously disallowed administrative
17 activity or claim, may be held in abeyance, with no payment made,
18 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 governmental agency or local
22 educational consortium has received reimbursement for
23 Administrative Claiming process activities performed by an entity
24 under contract with, and on behalf of, the participating local
25 governmental agency or local educational consortium, the
26 department shall be held harmless by that particular participating
27 local governmental agency or local educational consortium for
28 100 percent of the amount of the federal audit disallowance and
29 interest, for the disallowed claim.

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

35 (i) The department shall deny any claim from a participating
36 local governmental agency or local educational consortium if the
37 department determines that the claim is not adequately supported
38 in accordance with criteria established pursuant to this subdivision
39 and implementing regulations before it forwards the claim for
40 reimbursement to the federal Medicaid program. In consultation

1 with local governmental agencies and local educational consortia,
2 the department shall adopt regulations that prescribe the
3 requirements for the submission and payment of claims for
4 administrative activities performed by each participating local
5 governmental agency and local educational consortium.

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

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

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

36 (m) As a condition of participation in the Administrative
37 Claiming process and in recognition of revenue generated to each
38 participating local governmental agency and each local educational
39 consortium in the Administrative Claiming process, each
40 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. This responsibility includes, but is not limited to, the preparation and submission of all administrative claiming plans, training of local educational agency staff, overseeing the local educational

1 agency time survey process, and the submission of detailed
2 quarterly invoices on behalf of any participating local educational
3 agency.

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

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

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

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

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

24 (t) The department shall continue to administer the
25 Administrative Claiming process in conformity with federal
26 requirements.

27 (u) The department shall provide technical assistance to all
28 participating local governmental agencies and local educational
29 consortia in order to maximize federal financial participation in
30 the Administrative Claiming process.

31 (v) (1) Subject to paragraph (2), this section shall be applicable
32 to Administrative Claiming process activities performed, and to
33 moneys paid to participating local governmental agencies for those
34 activities in the 1994–95 fiscal year and thereafter, and to local
35 educational consortia in the 1998–99 fiscal year and thereafter.

36 (2) This section shall not be applicable to Administrative
37 Claiming process activities performed on or after ~~July~~ January 1,
38 2018.

39 (w) Nothing in this section or Section 14132.44 shall be
40 construed to prevent any state agency from participating in the

1 Administrative Claiming process or from contracting with others
2 to engage in these activities.

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

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

8 14132.47. (a) It is the intent of the Legislature to provide local
9 governmental agencies the choice of participating in the Targeted
10 Case Management (TCM) or the Administrative Claiming process
11 program, or both, at their option, subject to the requirements of
12 this section and Section 14132.44.

13 (b) The department may contract with each participating local
14 governmental agency to assist with the performance of
15 nonschool-based administrative activities necessary for the proper
16 and efficient administration of the Medi-Cal program, pursuant to
17 Section 1903a of the federal Social Security Act (42 U.S.C. Sec.
18 1396b(a)), and this activity shall be known as the Administrative
19 Claiming process.

20 (c) (1) Subject to the requirements of paragraph (2) of
21 subdivision (f), as a condition for participation in the
22 Administrative Claiming process, each participating local
23 governmental agency shall, for the purpose of claiming federal
24 Medicaid reimbursement, enter into a contract with the department
25 and shall certify to the department the total amount the local
26 governmental agency expended on the allowable administrative
27 activities.

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

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

37 (e) Each Administrative Claiming process contract shall include
38 a requirement that each participating local governmental agency
39 submit a claiming plan in a manner that shall be prescribed by the

1 department in regulations developed in consultation with local
2 governmental agencies.

3 (f) (1) The department shall require that each participating local
4 governmental agency certify to the department both of the
5 following:

6 (A) The expenditure of 100 percent of the cost of performing
7 Administrative Claiming process activities. The funds expended
8 for this purpose shall be from the local governmental agency's
9 general fund or from any other funds allowed under federal law
10 and regulations.

11 (B) That the agency's expenditures represent costs that are
12 eligible for federal financial participation for each fiscal year. The
13 department shall deny the claim if the department determines that
14 the certification is not adequately supported for purposes of federal
15 financial participation.

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

24 (ii) A city or other local public entity that submits certification
25 pursuant to this paragraph shall comply with the requirements of
26 paragraph (1), with other requirements applicable to local
27 governmental agencies that the department determines, in
28 regulations, to be applicable, and with all applicable federal
29 requirements.

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

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

37 (B) A tribe or tribal organization, as defined in subdivision (n),
38 that is not participating in Administrative Claiming process
39 activities as a local governmental agency may contract with, or
40 submit to a tribe or tribal organization that is contracting with, the

1 department pursuant to subdivision (b) amounts expended for
2 Administrative Claiming process activities that it is certifying in
3 accordance with Section 433.51 of Title 42 of the Code of Federal
4 Regulations and other applicable federal law and regulations. The
5 tribe or tribal organization receiving the certification shall forward
6 the certification to the department for purposes of claiming federal
7 financial participation. The certification shall comply with all of
8 the requirements for certification set forth in subparagraph (A).

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

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

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

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

39 (i) The department shall deny any claim from a participating
40 local governmental agency if the department determines that the

1 claim is not adequately supported in accordance with criteria
2 established pursuant to this subdivision and implementing
3 regulations before the department forwards the claim for
4 reimbursement to the federal Medicaid program. In consultation
5 with local governmental agencies, the department shall adopt
6 regulations that prescribe the requirements for the submission and
7 payment of claims for administrative activities performed by each
8 participating local governmental agency.

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 may,
15 within 30 days after receipt of written notice of the denial, request
16 that the department reconsider its action. The participating local
17 governmental agency may request a meeting with the director or
18 his or her designee within 30 days to present the agency's concerns
19 to the department after the request is filed. If the director or his or
20 her designee cannot meet, the department shall respond in writing
21 to the participating local governmental agency in response to its
22 appeal, indicating the specific reasons for which the claim is out
23 of compliance. The decision of the director shall be final.

24 (l) To the extent consistent with federal law and regulations,
25 participating local governmental agencies may claim the actual
26 costs of nonemergency, nonmedical transportation of Medi-Cal
27 eligibles to Medi-Cal covered services, under guidelines established
28 by the department, to the extent that these costs are actually borne
29 by the participating local governmental agency.

30 (m) As a condition of participation in the Administrative
31 Claiming process and in recognition of revenue generated to each
32 participating local governmental agency in the Administrative
33 Claiming process, each participating local governmental agency
34 shall pay an annual participation fee through a mechanism agreed
35 to by the state and local governmental agencies, or, if no agreement
36 is reached by August 1 of each year, directly to the state. The
37 participation fee shall be used to cover the cost of administering
38 the Administrative Claiming process, including, but not limited
39 to, claims processing, technical assistance, and monitoring. The
40 department shall determine and report staffing requirements upon

1 which projected costs will be based. The amount of the
2 participation fee shall be based upon the anticipated salaries,
3 benefits, and operating expenses to administer the Administrative
4 Claiming process and other costs related to that process.

5 (n) (1) For the purposes of this section, “participating local
6 governmental agency” means a county, charter city, Native
7 American Indian tribe, tribal organization, or subgroup of a Native
8 American Indian tribe or tribal organization, under contract with
9 the department pursuant to subdivision (b). A participating local
10 governmental agency for the purposes of this section does not
11 include a local educational agency or an agency under contract
12 with the department for the purpose of claiming reimbursement
13 for school-based administrative activities related to the Medi-Cal
14 program.

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, which includes, but
19 is not limited to, using the California Healthcare Eligibility,
20 Enrollment, and Retention System.

21 (o) A participating local governmental agency may charge an
22 administrative fee to any entity claiming Administrative Claiming
23 through that agency.

24 (p) The department shall continue to administer the
25 Administrative Claiming process in conformity with federal
26 requirements.

27 (q) The department shall provide technical assistance to all
28 participating local governmental agencies in order to maximize
29 federal financial participation in the Administrative Claiming
30 process.

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

35 (s) Nothing in this section or Section 14132.44 shall be
36 construed to prevent any state agency from participating in the
37 Administrative Claiming process or from contracting with others
38 to engage in these activities.

1 (t) This section shall be implemented to the extent that federal
2 financial participation is available and any necessary federal
3 approvals have been obtained.

4 (u) The department may seek approval of any state plan
5 amendments necessary to implement this section.

6 (v) Notwithstanding Chapter 3.5 (commencing with Section
7 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
8 the department may implement, interpret, or make specific this
9 section by means of all-county letters, provider bulletins, or similar
10 instructions.

11 (w) This section shall become operative on January 1, 2018.

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

14 14132.471. (a) It is the intent of the Legislature to provide
15 local governmental agencies with the option to participate in the
16 Targeted Case Management (TCM) program and to provide local
17 educational agencies with the option to participate in the
18 Administrative Claiming process program, subject to the
19 requirements of this section and Section 14132.44.

20 (b) (1) Beginning no later than July 1, 2018, the department,
21 based on the input of the workgroup described in Section
22 14005.272, may administer, or oversee the administration of, a
23 single statewide quarterly random moment time survey for the
24 School-Based Administrative Claiming process program, or a
25 reduction in the number of random moment time surveys conducted
26 in the state.

27 (2) The statewide quarterly random moment time survey
28 described in paragraph (1) shall not apply to the Los Angeles
29 Unified School District (LAUSD), which shall conduct its own
30 random moment time survey. Data from the random moment time
31 survey conducted by LAUSD shall not be included in the statewide
32 random moment time survey described in paragraph (1).

33 (c) (1) The department may contract with a participating local
34 educational consortium or local governmental agency and shall,
35 if a local educational agency chooses and the department has
36 developed a process for direct contracting, contract with a local
37 educational agency to perform school-based administrative
38 activities necessary for the proper and efficient administration of
39 the Medi-Cal program, pursuant to Section 1903a of the federal

1 Social Security Act (42 U.S.C. Sec. 1396b(a)). This activity shall
2 be known as the School-Based Administrative Claiming process.

3 (2) A local educational agency that contracts with the department
4 pursuant to paragraph (1) may contract with a participating local
5 educational consortium or local governmental agency to perform
6 some or all of the duties imposed on a participant by this section.

7 (3) For purposes of this section, “participating local educational
8 agency, local educational consortium, or local governmental
9 agency” or “participant” means a local educational agency, local
10 educational consortium, or local governmental agency that
11 contracts with the department pursuant to paragraph (1).

12 (d) (1) As a condition of participation in the School-Based
13 Administrative Claiming process program, each participating local
14 educational agency, local educational consortium, or local
15 governmental agency shall, for the purpose of claiming federal
16 Medicaid reimbursement, enter into a contract with the department
17 and shall certify to the department, pursuant to subdivision (f), the
18 total amount the local educational agency expended on the
19 allowable administrative activities. A local educational agency
20 may certify the amount expended on allowable administrative
21 activities either directly to the department or through a local
22 educational consortium or local governmental agency.

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

27 (e) Each School-Based Administrative Claiming process contract
28 shall include a requirement for each participating local educational
29 agency, local educational consortium, or local governmental agency
30 to submit a claiming plan in a manner that shall be prescribed by
31 the department in regulations developed in consultation with local
32 educational agencies, local educational consortia, and local
33 governmental agencies.

34 (f) (1) The department shall require each participating local
35 educational agency, local educational consortium, or local
36 governmental agency to certify to the department both of the
37 following:

38 (A) That the participant claiming federal Medicaid
39 reimbursement expended funds from its general fund or from any
40 other fund allowed under federal law and regulations to pay for

1 100 percent of the cost of performing School-Based Administrative
2 Claiming process program activities.

3 (B) For each fiscal year, that the expenditures of the participant
4 claiming federal Medicaid reimbursement represent costs that are
5 eligible for federal financial participation for that fiscal year.

6 (2) A tribe or tribal organization, as described in subdivision
7 (n), may contract with, or submit to a tribe or tribal organization
8 that is contracting with, the department pursuant to subdivision
9 (b) amounts expended for School-Based Administrative Claiming
10 process activities that it is certifying in accordance with Section
11 433.51 of Title 42 of the Code of Federal Regulations and other
12 applicable federal law and regulations. The tribe or tribal
13 organization receiving the certification shall forward the
14 certification to the department for purposes of claiming federal
15 financial participation. The certification shall comply with all of
16 the requirements for certification set forth in subparagraph (A) of
17 paragraph (1).

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

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

36 (3) Notwithstanding paragraph (2), to the extent that a federal
37 audit disallowance and interest results from a claim or claims for
38 which the participating local educational agency, local educational
39 consortium, or local governmental agency has received
40 reimbursement for School-Based Administrative Claiming process

1 activities performed by an entity under contract with, and on behalf
2 of, the participant, the department shall be held harmless by that
3 particular participant for 100 percent of the amount of the federal
4 audit disallowance and interest for the disallowed claim.

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

11 (i) (1) The department shall, in consultation with participating
12 local educational agency, local educational consortium, or local
13 governmental agency, adopt regulations that prescribe the
14 requirements for the submission and payment of claims for
15 administrative activities performed by each participant.

16 (2) The department shall deny a claim from a participating local
17 educational agency, local educational consortium, or local
18 governmental agency if the department determines that the claim
19 is not adequately supported in accordance with criteria established
20 pursuant to this subdivision and implementing regulations before
21 the department forwards the claim for reimbursement to the federal
22 Medicaid program.

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

27 (k) If the department denies a claim submitted under this section,
28 the affected participating local educational agency, local
29 educational consortium, or local governmental agency, within 30
30 days after receipt of written notice of the denial, may request that
31 the department reconsider its action. The participant may request
32 a meeting with the director or his or her designee within 30 days
33 to present its concerns to the department after the request is filed.
34 If the director or his or her designee cannot meet, the department
35 shall respond in writing to the participant in response to its request
36 for reconsideration, indicating the specific reasons for which the
37 claim is out of compliance. The participant may appeal the decision
38 of the director pursuant to the appeals process established by the
39 department pursuant to Section 14005.274.

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

13 (m) As a condition of participation in the School-Based
14 Administrative Claiming process and in recognition of revenue
15 generated to a participating local educational agency, local
16 educational consortium, or local governmental agency in the
17 School-Based Administrative Claiming process, each participant
18 shall pay an annual participation fee through a mechanism agreed
19 to by the state and the participant. The participation fee shall be
20 used to cover the cost of administering the School-Based
21 Administrative Claiming process. The department shall determine
22 and report staffing requirements upon which projected costs will
23 be based. The amount of the participation fee shall be based upon
24 the anticipated salaries, benefits, and operating expenses to
25 administer the School-Based Administrative Claiming process and
26 other costs related to that process.

27 (n) (1) For the purposes of this section, “participating local
28 ~~government~~ *governmental* agency” includes a Native American
29 Indian tribe, tribal organization, or subgroup of a Native American
30 Indian tribe or tribal organization under contract with the
31 department pursuant to subdivision (c).

32 (2) Each participating Native American Indian tribe, tribal
33 organization, or subgroup of a Native American Indian tribe or
34 tribal organization may claim, as a Medi-Cal administrative
35 activity, facilitating Medi-Cal applications, including, but not
36 limited to, using the California Healthcare Eligibility, Enrollment,
37 and Retention System.

38 (o) (1) For purposes of this section, “local educational agency”
39 includes county offices of education, special education local plan
40 areas, Healthy Start programs, and local educational agencies, as

1 defined in subdivision (h) of Section 14132.06, that participate in
2 the School-Based Administrative Claiming process program as a
3 contractor with the department.

4 (2) For purposes of this section, “local educational consortium”
5 means a local agency that is one of the service regions of the
6 California County Superintendent Educational Services
7 Association.

8 (p) (1) Each participating local educational agency, local
9 educational consortium, or local governmental agency that
10 contracts with the department pursuant to paragraph (1) of
11 subdivision (c) shall be responsible for the preparation and
12 submission of all administrative claiming plans, training of local
13 educational agency staff, and the submission of detailed quarterly
14 invoices.

15 (2) A participating local educational consortium shall be
16 responsible for a local educational agency with which it contracts
17 that participates in the School-Based Administrative Claiming
18 process program solely as a subcontractor to the local educational
19 consortium. This responsibility includes, but is not limited to, the
20 preparation and submission of all administrative claiming plans,
21 training of local educational agency staff, overseeing the local
22 educational agency time survey process, the submission of detailed
23 quarterly invoices on behalf of any participating local educational
24 agency, and ensuring that the local educational agency complies
25 with all requirements of the School-Based Administrative Claiming
26 process program.

27 (3) Each participating local educational agency, local educational
28 consortium, or local governmental agency shall comply with all
29 requirements of the School-Based Administrative Claiming process
30 program.

31 (4) Ninety days prior to the initial participation in the
32 School-Based Administrative Claiming process program, each
33 local educational agency, local educational consortium, or local
34 governmental agency shall notify the department of its intent to
35 participate in the program.

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

1 may submit claims directly to the department, or to a local
2 educational consortium or local governmental agency.

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

6 (s) This section shall be applicable to School-Based
7 Administrative Claiming process program activities performed on
8 or after ~~July~~ *January* 1, 2018.

9 (t) This section and Section 14132.44 shall not be construed to
10 prevent a state agency from participating in the School-Based
11 Administrative Claiming process program or from contracting
12 with others to engage in these activities.

13 (u) This section shall not be construed to prohibit county offices
14 of education, local educational consortia, or local governmental
15 agencies from providing services to local educational agencies to
16 facilitate participation in school-based health programs on a
17 fee-for-service basis; however, local governmental agencies and
18 local educational consortia shall only require local educational
19 agencies to contract for services that are actually provided and
20 necessary for the performance of oversight and monitoring
21 responsibilities, including training regarding random moment time
22 surveys, random moment time survey study tasks, roster updates,
23 and financial review. This section shall not be construed to prohibit
24 a county office of education or a local educational consortium
25 providing services to a local educational agency from contracting
26 with private or public entities to assist with the performance of
27 administrative activities necessary for the proper and efficient
28 administration of the Medi-Cal program under the conditions
29 specified by the department in regulations.

30 (v) This section shall be implemented to the extent that federal
31 financial participation is available and any necessary federal
32 approvals have been obtained.

33 (w) The department may seek approval of any state plan
34 amendments necessary to implement this section.

35 (x) Notwithstanding Chapter 3.5 (commencing with Section
36 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
37 the department may implement, interpret, or make specific this
38 section by means of all-county letters, provider bulletins, or similar
39 instructions.

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

3 14132.472. (a) By July 1, 2018, the department shall enter
4 into an interagency agreement or memorandum of understanding
5 (MOU) with the State Department of Education to coordinate the
6 efforts of both departments with respect to the School-Based
7 Administrative Claiming process program described in Section
8 14132.471 and the local educational agency (LEA) Medi-Cal
9 billing option (the LEA billing option) described in Section
10 14132.06. The interagency agreement or MOU shall take into
11 consideration the recommendations of the workgroup established
12 by Section 14005.272 provided pursuant to subdivision (c) of
13 Section 14005.272.

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

16 (1) Consult with relevant nonprofit organizations involved in
17 facilitating information sharing among state Medicaid and
18 education agencies involved in the administration of Medicaid
19 claiming for school-based services to identify, and implement if
20 feasible, best practices that accomplish the coordination of efforts
21 required by subdivision (a).

22 (2) Consult with the workgroup established pursuant to Section
23 14005.272 regarding the role of the State Department of Education
24 on the impact of the implementation of the School-Based
25 Administrative Claiming process program and the LEA billing
26 option on operations at the local level and any changes to the MOU
27 that the workgroup recommends.

28 (3) Develop a schedule for the regular ongoing meetings of the
29 workgroup established pursuant to Section 14005.272 to provide
30 feedback to the department and the State Department of Education.

31 (4) Ensure that the MOU components developed in collaboration
32 of *with* the State Department of Education and with the input of
33 the workgroup established pursuant to Section 14005.272 are
34 severable.