



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

AB-483 Local educational agency: Medi-Cal billing option. (2023-2024)

SHARE THIS:  

Date Published: 10/10/2023 09:00 PM

Assembly Bill No. 483

CHAPTER 527

An act to amend Section 14115.8 of the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor October 08, 2023. Filed with Secretary of State October 08, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

AB 483, Muratsuchi. Local educational agency: Medi-Cal billing option.

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 the 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 that are provided by a local governmental agency or local educational agency (LEA).

Existing law requires the department to engage in specified activities relating to the LEA Medi-Cal Billing Option, including amending the Medicaid state plan to ensure that schools are reimbursed for all eligible services, consulting with specified entities in formulating state plan amendments, examining methodologies for increasing school participation in the LEA Medi-Cal Billing Option, and conducting an audit of a Medi-Cal Billing Option claim consistent with prescribed requirements, such as generally accepted accounting principles. Existing law requires the department to issue and regularly maintain a program guide for the LEA Medi-Cal Billing Option program. Existing law requires the department to file an annual report with the Legislature that includes, among other things, a summary of department activities.

This bill would require the department, when conducting an audit of a Medi-Cal Billing Option claim, to complete the audit and notify the LEA of the findings within 18 months of the date that the Cost and Reimbursement Comparison Schedule (CRCS) is submitted. The bill would require the department to provide an interim settlement or final settlement within 12 months of the March 1 due date for the CRCS. The bill would require the department to update and distribute the program guide to all participating LEAs by July 1, 2024, as specified. The bill would require the department's summary of activities in the above-described report to also include training for LEAs and a summary of the number of audits conducted of Medi-Cal Billing Option claims, as specified. The bill would make other technical, nonsubstantive changes to these provisions.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 14115.8 of the Welfare and Institutions Code is amended 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 reimbursed for all eligible services that they provide that are not precluded by federal requirements.

(2) The department shall examine methodologies for increasing school participation in the Medi-Cal Billing Option for LEAs so that schools can meet the health care needs of their students.

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

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

(5) (A) The department shall, in consultation with the LEA Ad Hoc Workgroup established pursuant to subdivision (c), and consistent with any applicable federal requirements, issue and regularly maintain a program guide for the LEA Medi-Cal Billing Option program. The program guide shall contain a billing manual that includes, but is not limited to, an explanation of billing, auditing, costs reporting, time studies, federal and state compliance rules, fiscal and programmatic compliance information regarding processes, documentation, and guidance necessary for the proper submission of claims, and auditing of LEAs, charter schools, and community colleges, as required under the LEA Medi-Cal Billing Option program.

(B) The program guide described in subparagraph (A) shall include, but not be limited to, state plan amendments, Frequently Asked Questions, policy and procedure letters, a plain language explanation of the certified public expenditure processes used to report and reconcile program costs from interim reimbursement to final cost settlement, trainings, provider manuals, and all other types of instructional materials relevant to the LEA Medi-Cal Billing Option program.

(C) (i) The department shall distribute the program guide to all participating LEAs, charter schools, and community colleges by January 1, 2020. Distribution of the program guide may occur by electronic mail or by notification by electronic mail of the posting of the guide on the department's internet website.

(ii) The department shall distribute an updated program guide to all participating LEAs, including charter schools and community colleges, by July 1, 2024, that includes the requirements described in subparagraphs (A) and (B). The department may distribute the program guide by electronic mail or by notification by electronic mail of the posting of the guide on the department's internet website.

(D) The department shall only adopt a revision of the program guide after providing 30 calendar days' written notification of the revision, including a statement of justification, to the LEA Ad Hoc Workgroup and all other participating LEAs, charter schools, and community colleges. The department may provide written notice by electronic mail. Under extraordinary circumstances, when revisions are necessary to reflect changes required by state or federal law or otherwise mandated by the federal Centers for Medicare and Medicaid Services and those changes require immediate action, the department may provide less than 30 calendar days' written notice.

(b) The department shall conduct an audit of a Medi-Cal Billing Option claim consistent with, but not limited to, all of the following:

(1) (A) The program guide and any revisions made pursuant to paragraph (5) of subdivision (a), including any revisions that are necessary to reflect changes required by state or federal law or otherwise mandated by the federal Centers for Medicare and Medicaid Services, that are in effect at the time the service was provided.

(B) Generally accepted accounting principles.

(C) Federal audit regulations, as set forth in Part 200 (commencing with Section 200.0) of Title 2 of the Code of Federal Regulations (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), or its successor.

(D) Reasonable cost principles under the federal Medicare Program, as set forth in Part 413 (commencing with Section 413.1) of Title 42 of the Code of Federal Regulations, or its successor.

(E) The federal Centers for Medicare and Medicaid Services Provider Reimbursement Manual Part 1 (CMS Publication 15-1).

(F) Any and all applicable federal or state statutes and regulations.

(2) (A) The department shall complete an audit and notify an LEA of the audit findings within 18 months of the date that the Cost and Reimbursement Comparison Schedule (CRCS) is submitted. This timeline may be extended by no more than three months upon a determination that the LEA has not provided sufficient documentation as requested by the auditor.

(B) The department shall provide an interim settlement or final settlement of the Medi-Cal share of each LEA's costs within 12 months of the March 1 due date of the CRCS.

(C) When a final settlement is not issued within 12 months of the March 1 due date, the department shall complete final settlement no later than 18 months after the date that the CRCS is submitted.

(D) LEAs shall be reimbursed for all eligible services that meet federal requirements.

(3) For purposes of this subdivision, an audit shall refer to the audit and cost recovery process described in Section 14170.

(c) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may issue and regularly maintain the program guide described in this section without taking regulatory action.

(d) If a rate study for the LEA Medi-Cal Billing Option is completed pursuant to Section 52 of Chapter 171 of the Statutes of 2001, the department, in consultation with the entities named in paragraph (1) of subdivision (e), shall implement the recommendations from the study, to the extent feasible and appropriate.

(e) (1) In order to assist the department in formulating the state plan amendments required to implement this section, the department shall regularly consult with the LEA Ad Hoc Workgroup, consisting of, but not limited to, representatives of the State Department of Education, LEAs, including urban, rural, large and small school districts, and county offices of education, and local education consortia. It is the intent of the Legislature that the department also consult with staff from Region IX of the federal Centers for Medicare and Medicaid Services, experts from the fields of both health and education, and state legislative staff.

(2) The department shall ensure that any LEA participating in the Medi-Cal Billing Option program may participate virtually in any trainings or stakeholder meetings, including those meetings conducted pursuant to paragraph (1).

(f) Notwithstanding any other law, or any other contrary state requirement, the department shall take whatever action is necessary to ensure that, to the extent there is capacity in its certified match, an LEA shall be reimbursed retroactively for the maximum period allowed by the federal government for any department change that results in an increase in reimbursement to LEA providers.

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

(h) The department shall, on or before December 31 of each year, file with the Legislature, and publish on its internet website, an annual report that shall include at least all of the following:

(1) A copy of the annual comparison required by subdivision (m).

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

(3) A summary of department activities, including training for LEAs, 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 (e) 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 LEA reimbursement, including those specified by the entities named in subdivision (e), that are not imposed by federal requirements, and a description of the actions that have been, and will be, taken to eliminate them.

(8) (A) A statewide summary of financial findings related to the process identified in the program guide for the most recently completed audited state fiscal year. The summary of findings shall be updated in subsequent years until all filed CRCS reports have been audited.

(B) For purposes of subparagraph (A), the "most recently completed audited state fiscal year" means the most recent state fiscal year where 70 percent or more of the filed CRCSSs have been audited.

(C) A description of changes to the cost settlement process that shall include all of the following:

(i) A summary of the number of audits conducted of Medi-Cal Billing Option program CRCSSs.

(ii) A summary of the difference between interim reimbursement and the CRCSSs.

(iii) A summary related to audit findings of noncompliance.

(i) The department shall provide semiannual Medi-Cal Billing Option billing forums to LEAs to provide guidance on appropriate billing practices.

(j) The department shall make targeted technical assistance available to LEAs that experience a 25 percent or greater difference between their submitted cost report and the final audited settlement, including assisting LEAs to understand the actions needed to reduce differences between submitted cost reports and the final audited settlement.

(k) (1) These activities shall 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 withheld pursuant to this paragraph shall not exceed 5 percent of total Medicaid payments allocable to LEAs for the provision of benefits funded by the federal Medicaid program under the billing option for services by LEAs.

(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.

(l) (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 (i).

(m) 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 LEAs.

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

(4) The establishment and maintenance of an LEA user-friendly, interactive internet website.

(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.