



RE: School Based Medicaid Administrative Activities (SMAA) Program

Dear Members of the California Legislature

As members of the California education community, are writing to ask you to sign the attached letter to our Congressional delegation. It is about the School Based Medi-Cal Administrative Activities (SMAA) program, which provides funding for 982 Local Education Agencies (LEAs) and helps ensure that children are enrolled and retained in the Medi-Cal program and able to access needed health and mental health services.

We are requesting your immediate assistance in asking our Congressional delegation to intercede with the federal Medicaid agency (CMS) to approve at least the partial payment of claims that are being held up for all districts as the result of a federal review of three districts in the state. Local Education Agencies which include school districts, including community colleges, receive federal reimbursement for 50% of the costs of outreach, enrollment, and linkage activities that take place within an educational setting. Reimbursement from the federal government's Centers for Medicare and Medicaid Services (CMS) can be as high as \$200 million per year, which is matched with an equal amount of school budget funds. These funds often support school nurses, psychologists, health aides, family resource centers and other activities related to ensuring that children are accessing and receiving health and mental health services.

This program administered by the Department of Health Care Services has had its claims for reimbursement deferred by CMS since June 2012 going back as far as the third quarter of the 2009-10 year. Three districts were audited and some problems were found. As a result of the audit, all the other Local Education Agencies have seen many of their claims for services already provided held up for payment by the actions of CMS.

This letter asks that CMS release funding for this program while claims from districts are being reviewed by the State and CMS. Programs are closing and staff are being laid off or cut back to the levels supported without federal reimbursement.

California's Department of Health Care Services has been negotiating with CMS on implementing a new claiming system for California, one that would allow better oversight by the state and would be easier for districts to use. CMS would like California to implement this new methodology by July 1, 2014. Given the size, complexity and diversity of the schools in California, what is being supported by CMS is based upon their needs rather than the needs of our education community. DHCS has indicated that efforts to allow districts to retain control over significant aspects of the program have been rebuffed by CMS.

We need your assistance in ensuring that our local districts have a voice in this program since they ultimately shoulder the liability. We need our delegation to relay to CMS the urgency of this request to immediately release funds for participating local education agencies and to give California a year to work out the details of the new plan. The proposal for claiming currently being considered will greatly reduce the federal reimbursement for necessary services to our most vulnerable students and their families. For these reasons, we are asking that you sign the attached letter.

cc: State Superintendent Tom Torlakson
Toby Douglas, Director, Department of Health Care Services
Secretary Diana Dooley, California Health and Human Services Agency