

Senator Dianne Feinstein  
331 Hart Senate Office Building  
Washington D.C. 20510

Senator Barbara Boxer  
112 Hart Office Building  
Washington D.C. 20510



February 23, 2015

RE: School Based Medi-Cal Administrative Activities (SMAA) Program

Dear Senators Feinstein and Boxer,

As members of the California educational community, we would like to request your assistance with resolving serious problems involving the School Based Medi-Cal Administrative Activities (SMAA) program which is under the jurisdiction of the Centers for Medicare and Medicaid Services (CMS). The SMAA program helps to ensure that children are enrolled and retained in the Medi-Cal program, and able to access health services through their schools. Participating school districts and community colleges draw millions in federal funding to California: 50% of SMAA program costs are reimbursed by the federal Medicaid program.

We would like to thank you and your staff for your assistance on our behalf by contacting CMS last Fall to express concerns over the deferred claims for California's school districts totaling nearly \$850 million in payments to schools statewide that have been deferred since 2009. We are asking that you support the California Department of Health Care Services proposal for a global settlement to reimburse school district claims above \$25,001 at a maximum of 75 percent of their invoiced amount so California can move forward with this important program for schools. It will resolve this long standing issue without additional costs for administrating the program and, while not providing full reimbursement, will not require additional work to reconcile claims. CMS had originally asked California to agree to "back cast" or reconcile claims against invoices reflecting cost incurred as long ago as 2009. The justification for not utilizing backcasting is based upon the fact that it is inappropriate to retroactively apply a new methodology to approve or disapprove claims submitted using a significantly different methodology. We support California Department of Health Care Services understanding differing

conditions for this school based program and not agreeing to this condition as set out by CMS.

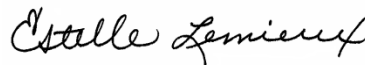
- We are asking that the California Congressional delegation help California's thousands of schools and 6 million students by interceding with CMS to ensure that the needs of our local school districts, community colleges, and county offices of education are met.
- We need CMS to act immediately to approve a proposal submitted on February 20, 2015 by California's Department of Health Care Services to reach a final settlement on unpaid claims for participating local education agencies under deferral. Each day that passes further hurts the financial health of our schools and our children who depend on them. Delaying reimbursements could jeopardize future Medi-Cal outreach in our schools and other SMAA activities, as school districts cannot continue to operate programs that have a financial risk. Over 20 percent of those districts who have participated in this program have dropped out of this program. We need to halt this exodus.
- This proposal would reimburse invoices that are outstanding from as long ago as 2009-10 through 2013-14 at a rate of 100 percent for school districts invoicing less than \$25,000 per quarter (this represents 2.2 percent of the deferred amount) and 75 percent for those above \$25,001 per quarter. This would be a final settlement and no additional paperwork would be required so that this issue can be finally resolved. This is a compromise proposal but will allow California to move forward with implementing a new methodology for claims.

We urge you to please contact the representative from CMS, Acting Director Vikki Wachino, [Victoria.Wachino1@cms.hhs.gov](mailto:Victoria.Wachino1@cms.hhs.gov) (410.786.3337) and Marilyn Tavenner's office ([Marilyn.Tavenner@cms.hhs.gov](mailto:Marilyn.Tavenner@cms.hhs.gov) (410.786.3151) at the Center for Medicaid and Medicare Services since they oversee the program, and ask them to update you on the SMAA program and to help your constituents to resolve this issue by agreeing to DHCS's February 20th proposal. If you need any additional information on California's efforts or have questions on the content of this letter, please contact your district, organization, or Teachers for Healthy Kids, Nena Garcia at [ngarcia@teachersforhealthykids.org](mailto:ngarcia@teachersforhealthykids.org) (916.440.8811).

As always, we greatly appreciate your support of California's students, families and our school community.



**Tom Torlakson**  
State Superintendent of Public Instruction  
California Department of Education



**Estelle Lemieux**  
California Teachers Association



**Erika Hoffman**  
California School Boards Association



**Wesley Smith**  
Association of California School  
Administrators



**Jay Hansen**  
Sacramento City Unified School District



**Sherry Mata**  
Corona-Norco Unified School District



**Martha Alvarez**  
San Diego Unified School District



**Debra M. Pearson**  
Small School Districts Association




**Jeffrey Vaca**  
California Association of School  
Business Officials



**Peter Birdsall**  
California County Superintendents  
Educational Services Association



**Leticia Garcia**  
Riverside County Office of Education



**Ron Rapp**  
California Federation of Teachers



**Kathy Ryan, MSN, RN, PHN, FNP**  
California School Nurses Organization



**Patti Herrera**  
Oakland Unified School District



**Lizitte Navarette**  
**Community College League**  
**Of California**



**Susan Bray**  
**Association of California College**  
**Administrator**



**Dolores Duran-Flores**  
**California School Employee**  
**Association**