



JENNIFER KENT  
DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

DATE: February 16, 2017

PPL No. 17-002

TO: Local Educational Consortia (LEC), Local Governmental Agency (LGA), Local Educational Agency (LEA) and Coordinators for the County-Based Medi-Cal Administrative Activities (CMAA), Targeted Case Management (TCM), LEA Medi-Cal Billing Option Program (LEA BOP), and School-Based Medi-Cal Administrative Activities (SMAA) Programs

**SUBJECT: Rescinding Policy and Procedure Letters (PPL) 13-004, 13-014, and 16-019 Regarding Subrecipient Monitoring for CMAA, TCM, LEA BOP, and SMAA Contracts**

The purpose of PPL 17-002 is to rescind PPLs 13-004, 13-014, and 16-019 regarding subrecipient monitoring requirements for CMAA and SMAA, and to expand the scope of the subject to TCM and LEA BOP.

Pursuant to Title 2 of the Code of Federal Regulations (CFR), Part 200.300, the Department of Health Care Services' (DHCS') Medi-Cal Programs CMAA, TCM, LEA BOP, and SMAA **are administered through contractors and not subrecipients**. Also, LECs, LEAs, LGAs, and their subcontractors are considered contractors for the purposes of U.S. Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). A contractor is defined in the Uniform Guidance at Title 2, CFR, Part 200.23. Please note that the term "vendors" was used in lieu of "contractors" under the previous Uniform Guidance.

Additionally, only subrecipients are subject to monitoring requirements outlined in the OMB Uniform Guidance, including the requirement to maintain a Dun and Bradstreet Universal Numbering System (DUNS) number. Since the CMAA, TCM, LEA BOP, and SMAA programs are administered through contractors, maintaining a DUNS number is not necessary for participation in the programs. DHCS is in the process of revising the provision in CMAA, TCM, LEA BOP, and SMAA contracts and/or provider participation agreements to this effect.

It is DHCS' understanding that contractors are not required to report funding received from the CMAA, TCM, LEA BOP, or SMAA programs on the Schedule of Expenditures of Federal Awards (SEFA), however, DHCS defers to the providers' legal counsel for a final determination of SEFA reporting requirements.

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For further assistance regarding this PPL, please contact Jose Garcia at (916) 324-0058 or [CMAA@dhcs.ca.gov](mailto:CMAA@dhcs.ca.gov).

Sincerely,

**ORIGINAL SIGNED BY**

Betty Lai, Chief  
Medi-Cal Claims and Services Branch  
Safety Net Financing Division