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Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

DATE: March 21, 2022 PPL No. 22-004
Supersedes PPL 17-008

TO: Local Educational Consortia (LEC),
Local Governmental Agency (LGA), and
Local Educational Agency (LEA) Coordinators

SUBJECT: Random Moment Time Study (RMTS) Time Study Participant (TSP)
Certification of Funding Source Compliance for the School-Based
Medi-Cal Administrative Activities (SMAA) program

PURPOSE: This Policy and Procedure Letter (PPL) supersedes PPL 17-008 and
defines how TSPs that are 100-percent funded by federal revenue or
fully funded by the Indirect Cost Rate (ICR) are handled in the RMTS
process.

REFERENCE: SMAA Manual, Section 10-3
42 Code of Federal Regulations (C.F.R.) part 433.51

POLICY:

Beginning in state fiscal year (SFY) 2021/22, LEAs must submit their updated
Attachment A Certification of Certified Public Expenditure (CPE) Funding Source to their
LEC or LGA to verify that RMTS participant funding for salary and benefit costs meet
the requirements for CPEs found at 42 C.F.R. part 433.51. This form must be:

- 1) Submitted annually along with the TSP List and any subsequent quarterly TSP changes.
- 2) Printed on the LEA's letterhead.
- 3) Signed by the LEA's fiscal officer to certify that the salary and benefit costs for all TSPs meet federal CPE requirements.

BACKGROUND:

According to the SMAA Manual, Section 10-3:

Claiming unit staff whose salary and benefits are 100-percent funded by federal
programs **must not be included** in the Time Survey Cost (Participant) Pools.
Also, staff positions for which costs are included in the numerator of the Indirect

Cost Rate (ICR) **must not be included** in the Time Survey Cost (Participant) Pools. This includes the costs of salaries and benefits coded to Standard Accounting Code Structure (SACS) Functions 7120, 7190, 7200-7600, 7700, 8100-8400 and 8700.

A moment response is considered an unallowable activity if it is submitted by a TSP who was incorrectly included on the TSP List due to their costs being 100-percent federally funded or funded by the ICR. These moment responses must be coded as Code 17: Not Working/Not Paid, for all periods that the participant was erroneously included on the TSP List. At any time, if it is determined that a TSP should not have been included on the TSP List, the costs of the TSP must not be included on the invoice.

In the SMAA program, LEA staff (including personal service contractors) have been prohibited from participation if they are 100-percent federally funded, or if 100-percent of their funding is included in the SACS function codes used to calculate the ICR. It should be noted that LEA staff may participate if they are partially federally funded or partially funded by the ICR with their costs being proportionally eligible for reimbursement.

Attachment A to this PPL has been updated to replace the term 'Roster Report' with the term 'Time Survey Participant List' or 'TSP List' to match the terminology used in other SMAA materials.

If you have any questions or require further assistance regarding this PPL, please contact us by email at SMAA@dhcs.ca.gov.

Sincerely,

Original signed by Jillian Mongetta

Jillian Mongetta, Chief
Medi-Cal Claims Services Branch
Local Governmental Financing Division
Department of Health Care Services

Enclosure:

Attachment A Certification of Certified Public Expenditure Funding Source