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DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

Date: July 24, 2015 **PPL No. 15-019**

To: Local Educational Agencies (LEAs)

Subject: NOTIFICATION OF THE COMPLIANCE PROCESS FOR LEAs THAT DO NOT SUBMIT THE COST AND REIMBURSEMENT COMPARISON SCHEDULE (CRCS) BY THE MANDATED DUE DATE.

This Policy and Procedure Letter (PPL) notifies LEAs participating in the LEA Medi-Cal Billing Option Program that LEAs will be placed on withhold from future reimbursements if they have not submitted the CRCS by the mandated due date of November 30, on each fiscal year, and therefore will be considered out of compliance.

Under the LEA Medi-Cal Billing Option Program, LEAs must annually certify that the public funds expended for LEA services provided are eligible for federal financial participation (FFP) pursuant to the requirements in the Code of Federal Regulations (CFR), Title 42, Section 433.50. The Department of Health Care Services (DHCS) must reconcile the interim Medi-Cal reimbursements to LEAs with the costs to provide the Medi-Cal services.

LEAs are required to adhere to the terms and conditions prescribed in the Provider Participation Agreement (PPA) which includes the annual submission requirement of the CRCS. Failure to submit the CRCS by the mandated due date may result in a 100% withhold from future reimbursements. LEAs that do not submit the CRCS by the annual mandated due date of November 30, will receive written notices to alert them that the requested document is past due. Continued failure to submit the CRCS may then result in subsequent suspension from the LEA Medi-Cal Billing Option Program.

### **Compliance and Reinstatement**

In order to become compliant and to reinstate participation in the LEA Medi-Cal Billing Option Program, LEAs must submit all past due CRCS reports. After the required documents are accepted and filed by DHCS, LEAs will become eligible to receive retroactive reimbursements from the initial date of the withhold.

### **Appeal Process**

LEAs may appeal the withhold of reimbursement funds in writing within thirty (30) days from the withhold date by submitting an appeal letter. The appeal letter must contain the issues being appealed, reasonable evidence to support the appeal and the suggested course of action for consideration. DHCS will make the appropriate final decision on program compliance based upon State and federal guidelines, and will send notification to the LEA in a final correspondence letter, including reason(s) for the decision, within ninety (90) days after the request for an appeal has been received.

Appeal letters must be sent to:

Department of Health Care Services  
Safety Net Financing Division  
Medi-Cal Administrative Claiming Section, LEA Program Unit  
P.O. Box 997436  
Sacramento, CA 95899-7436

Nothing stated in this PPL shall supersede any State or federal regulations or statutes.

If you have any questions concerning this PPL, please contact Mr. Rick Record, Chief, LEA Medi-Cal Billing Option Program, by phone at (916) 552-9222 or by e-mail at [Rick.Record@dhcs.ca.gov](mailto:Rick.Record@dhcs.ca.gov).

The CRCS, as well as additional information and instructions, are located on the LEA website at: <http://www.dhcs.ca.gov/provgovpart/Pages/LEA.aspx>.

Sincerely,

**ORIGINAL SIGNED BY MICHELLE KRISTOFF**

Michelle Kristoff, Chief  
Medi-Cal Administrative Claiming Section