



State of California-Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
Governor

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Supercedes: N.L. No.: 19-0594

TO: CALIFORNIA CHILDREN'S SERVICES (CCS) PROGRAM COUNTY
ADMINISTRATORS, MEDICAL DIRECTORS, CHILDREN'S MEDICAL
SERVICES (CMS) BRANCH STAFF

SUBJECT: INSTRUCTIONS FOR CERTIFICATION OF FUNDING UNDER HEALTH
AND SAFETY CODE SECTION 123945

This numbered letter supercedes CCS NL 19-0594, dated May 13, 1994, and provides updated instructions relating to the certification of funding under Health and Safety Code 123945 (State Emergency Aid).

The State/Local Program Realignment legislation that was enacted in 1991 amended Section 123945 (formerly Section 266) of Health and Safety Code to allow services to be paid with 100 percent state funds when counties find themselves in a "budget shortfall" and specific criteria are met. The enclosed "Instructions for Certification of Funding under Health and Safety Code Section 123945" have been revised for use by counties that meet the criteria as set forth in Section 123945. For those counties that do not meet the criteria this is for information only.

If you have any questions regarding these procedures, including the attachments, please contact your appropriate state Regional Office.

Original Signed by Marian Dalsey, M.D., M.P.H.

Marian Dalsey, M.D., M.P.H., Acting Chief
Children's Medical Services Branch

**HEALTH AND SAFETY CODE SECTION 123945
State Emergency Aid**

For those counties with a total appropriation of county funds not exceeding one hundred twenty-five thousand dollars (\$125,000), and upon the expenditure of the county funds equivalent to a county appropriation pursuant to Section 123940, the department may, to the extent funds are available from state appropriated funds for the California Children's Services Program and upon certification of the county that there are insufficient revenues from the account established pursuant to Chapter 6 (commencing with Section 17600) of Division 9 of the Welfare and Institutions Code, pay for services for cases deemed by the department to represent emergencies or cases where medical care cannot be delayed without great harm to the child.

HEALTH AND SAFETY CODE SECTION 123940
County Appropriations and Expenditures; State Matching

(a) (1) Annually, the board of supervisors shall appropriate a sum of money for services for handicapped children of the county, including diagnosis, treatment, and therapy services for physically handicapped children in public schools, equal to 25 percent of the actual expenditures for the county program under this article for the 1990-91 fiscal year, except as specified in paragraph(2).

(2) If the state certifies that a smaller amount is needed in order for the county to pay 25 percent of costs of the county's program from this source. The smaller amount certified by the state shall be the amount that the county shall appropriate.

(b) In addition to the amount required by subdivision (a), the county shall allocate an amount equal to the amount determined pursuant to subdivision (a) for purposes of this article from revenues allocated to the county pursuant to Chapter 6 (commencing with Section 17600) of Division 9 of the Welfare and Institutions Code.

(c) (1) The state shall match county expenditures for this article from funding provided pursuant to subdivisions (a) and (b).

(2) County expenditures shall be waived for payment of services for children who are eligible pursuant to paragraph (2) of subdivision (a) of Section 123870.

(d) The county may appropriate and expend moneys in addition to those set forth in subdivision (a) and (b) and the state shall match the expenditures, on a dollar-for-dollar basis, to the extent that state funds are available for this article.

(e) Nothing in this section shall require the county to expend more than the amount set forth in subdivision (a) plus the amount set forth in subdivision (b) nor shall it require the state to expend more than the amount of the match set forth in subdivision (c).

**Instructions for Certification for Funding Under Health and Safety Code
Section 123945**

County and state California Children's Services (CCS) programs share in the cost of providing services to children with CCS-eligible medical conditions through allocation of funds to cover payment of services for diagnosis, treatment, and school-based therapy service expenditures. County CCS programs with a total appropriation of county funds of \$125,000 or less and whose expenditures of these funds will be exceeded during the fiscal year, may request the state program to pay for services from state-appropriated funds pursuant to Health and Safety Code Section 123945, Attachment A.

When a county that meets the criteria in Section 123945 realizes there is going to be a budget shortfall in their diagnostic, treatment, and therapy budget, the county shall immediately notify their state Regional Office. If, after a review of the county's anticipated funding shortfall by the state Regional Office staff, there are no alternative solutions identified, then the county is responsible for requesting 100 percent state funding for CCS eligible medical care which cannot be delayed without great harm to a child.

To qualify for 100 percent state funding, the county program must complete the "Certification for Funding under Health and Safety Code Section 123945", Attachment B, which states that the following criteria has been met:

1. The total county appropriation made pursuant to Section 123940 of the Health and Safety Code, Attachment C, for the county's share of CCS costs do not exceed \$125,000 for the fiscal year in question.
2. In the fiscal year in question, the county has expended county funds for the CCS program at least equivalent to the county appropriation made pursuant to Section 123940.
3. The county certifies that there are insufficient revenues, in the current fiscal year from the account established at the time of State Local Program Realignment pursuant to the provisions of Chapter 6 (commencing with Section 17600) of Division 9 of the Welfare and Institutions Code, to cover emergencies or cases where medical care cannot be delayed without great harm to the child.

The certification is to be completed and signed by the county Auditor-Controller and forwarded to the Chief of the Administrative Unit at the state CCS program. A copy is also to be sent to the appropriate state Regional Office.

The state CMS program will determine if sufficient state funds are available for medical care for a CCS patient whose cost of care for the remainder of the fiscal year will be funded from state funds. Upon determination that state funds are

available, a letter advising of the effective date and of the additional level of costs that will be covered under the Section 123945 provisions will be forwarded to the county. Should the county experience another budget shortfall in a subsequent fiscal year re-certification will be required.

The following will apply to services and claims paid after certification approval:

1. New Referrals—Coverage will be limited to children who without the requested medical care would result in one or all of the following:
 - a. Potential life-threatening injury or illness.
 - b. Measurable, significant loss of physical functioning.
 - c. Significant risk of deterioration of the patient’s condition if medical care is not provided.
2. Requests for new services on open cases will be authorized for those services that meet the criteria under “New Referrals”.
3. Claims for services authorized prior to the approval of certification shall be processed for payment using state funds.

Instructions to the county for the claiming of state funds for expenditures relating to diagnostic, treatment, and therapy program costs are in the claiming procedures for the “ (Independent or Dependent) County Quarterly Report of Expenditures for Diagnostic and Treatment” and the “Medical Therapy Program”.

All documentation pertaining to Certification for Funding under Health and Safety Code Section 123945 shall be retained by the county in the case file for a period of five years in accordance with the State Record Act. This documentation shall include the county letter requesting Section 123945 funding, the Certification Form, the state approval letter, and any other documentation pertinent to the request.