



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



EDMUND G. BROWN JR.
GOVERNOR

PPL 12-006

DATE: March 30, 2012

TO: Local Educational Agencies (LEAs)

SUBJECT: LEA Medi-Cal Billing Option Program- Changes To Standardized Account Code Structure Resource Code 5640

This Policy and Procedure Letter (PPL) is to notify LEAs participating in the LEA Medi-Cal Billing Option Program that as of July 1, 2009, Standardized Account Code Structure (SACS) Resource Code 5640 revenues will no longer be considered federal income for the purpose of the LEA Medi-Cal Billing Option Program. This is pursuant to California Code of Regulations (CCR), Title 22, Section 51535.5, reimbursement to LEA providers.

According to Title XIX, Medical Assistance Program, California Department of Education (CDE) SACS Resource Code 5640 is used for reporting the allocation of federal revenue, by the Department of Health Care Services (DHCS), for revenue received as a reimbursement for the cost of Medi-Cal covered services delivered by LEA providers participating in the LEA Medi-Cal Billing Option Program.

Title 22 CCR section 51270, provides specific instructions on how federal reimbursements received by an LEA program participant shall be restricted for reinvestment to fund only those activities identified in Education Code Section 8804(g) for school children and their families.

LEAs should include allowable expenses funded with SACS Resource Code 5640 in the Cost and Reimbursement Comparison Schedule (CRCS) for Fiscal Year (FY) 2009-10 and FY 2010-11. Accordingly, instructions for the FY 2009-10 CRCS form have been updated to reflect this change. Furthermore, beginning July 1, 2011 and onward, LEA's should include allowable expenses funded with SACS Resource Code 5640 funds in the CRCS.

This change affects only the application of these funds as they apply to the LEA Medi-Cal Billing Option Program. These funds should not be categorized as federal grant funds or federal funds that can be used to match another federal program.

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For further instructions as to the use of these funds within the CDE fiscal management structure, please refer to PCA/Resource detail located at:

<http://www2.cde.ca.gov/sacsquery/pcadetail.asp?pca=10013&resourcecode=5640>

It is the responsibility of the LEAs to ensure that Medi-Cal furnished services performed by qualified practitioners in the LEA Medi-Cal Billing Option Program are not also reported as School-Based Medi-Cal Administrative Activities to avoid duplicate payments.

If you have any questions concerning this PPL, please contact Mr. Rick Record, Administrative Support/LEA Program Unit Chief, at (916) 552-9065 or by email at Rick.Record@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY GERI BAUCOM

Geri Baucom, Chief
Administrative Claiming, Local and School Services Branch