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October 14, 2014

TO: Each Supervisor

FROM: Cynthia A. Harding, M.P.H.
Interim Director

John Naimo
Auditor-Controller

SUBJECT: **FEASIBILITY REVIEW OF ADDING ACCESS SERVICES TO THE COUNTY OF LOS ANGELES MEDI-CAL ADMINISTRATIVE ACTIVITIES PROGRAM (June 24, 2014 Agenda Item 13)**

This is in response to Supervisor Ridley-Thomas' motion of June 24, 2014 directing the Department of Public Health (DPH), in coordination with the Auditor-Controller (A-C), to investigate the feasibility of adding Access Services (Access) into the Medi-Cal Administrative Activities (MAA) Program. Further, your Board directed DPH to develop a resource plan addressing additional workload, to include such request in the Department's Supplemental Budget Resolution, and to provide a status report on the action steps and resources required to include Access in the County's MAA claiming plan to your Board.

Background

Medi-Cal Administrative Activities Program

The MAA Program assists in the administration of the Medi-Cal Program by improving the availability and accessibility of Medi-Cal services to Medi-Cal eligible and potentially eligible individuals and their families. Medi-Cal related activities under this federal reimbursement program include: outreach, facilitating eligibility determinations, non-emergency transportation, contract administration, program planning, targeted case management, and coordination of MAA and claims administration.

Under California's Medicaid State Plan agreement with Centers for Medicaid and Medicare (CMS), the California Department of Health Care Services (DHCS) has been designated the "single State agency" responsible for the administration and oversight of the Medi-Cal program. The Local Government Agency (LGA) is the local entity that administers the CMAA (County-Based Medi-Cal Administrative Activities) program to perform activities and provide services to Medi-Cal eligible populations. For

CMAA, a claiming unit is defined as part of an LGA, such as a public agency contracted by an LGA to perform CMAA. The claiming unit's claim plan is submitted and approved by the State prior to participation in the CMAA program.

Under the Medi-Cal program, LGAs that meet Medi-Cal requirements and claim qualified expenditures associated with the administration and provision of services for the Medi-Cal program may be eligible to receive reimbursement from the federal government for a portion of the expenditures. The LGAs and any contributing public agency must certify their allowable expenditures for the actual cost of providing services and/or activities (known as "certified public expenditures").

Local Administration of MAA/TCM Program

The County processes claims for MAA reimbursement on behalf of the following Departments and agencies: A-C, DPH, Health Services, Probation, Mental Health–Public Guardian, and First 5 Los Angeles. The DPH LGA's office provides oversight over all the program aspects, coordinating all the MAA department programs, providing time survey training and administering all agreements with the State, County agencies, and First 5 Los Angeles. A-C is responsible for handling all the fiscal aspects with the reviewing of reimbursement claims and the distribution of payments.

Access Services

Access provides transportation service to Los Angeles County residents who are unable to use regular fixed-route (bus or train) services. Access provides Americans with Disabilities Act-compliant paratransit services to eligible individuals for any purpose to or from any location within three-quarters (3/4) of a mile of any fixed-route bus operated by the Los Angeles County public fixed-route bus operators and within three-quarters (3/4) of a mile around Metro Rail stations during the hours that the systems are operational. This service is provided under a contract between the Metropolitan Transportation Authority (MTA) and Access.

Access is not currently part of the MAA Program. However, as mentioned above, Medi-Cal non-emergency transportation activities are reimbursable under this program. Transit entities that provide MAA transportation are eligible to receive a percentage of funding back from the federal government for transporting Medi-Cal eligible individuals to Medi-Cal covered services. The MAA program thus represents a potential source of revenue to support these transportation services for Medi-Cal eligible clients.

Feasibility Review

Our feasibility review consisted of evaluating whether Access could be added as a participant to the County MAA Program. Preliminarily, it is feasible to include a non-County public entity as part of the MAA reimbursement claiming program, as the County's MAA program currently does includes a non-County public entity, i.e., First 5 Los Angeles.

As part of our review, we contacted Ventura and San Diego counties, which have similar MAA transportation components in their MAA Programs. Both counties provided positive feedback in support of this program component in their respective agencies. San Diego County's Metropolitan Transit

System staff also provided insight into the claim process with the State. Based on our review and discussions with neighboring counties, adding Access into the MAA Program is feasible. Access has advised that it has controls in place to ensure that claimed services are within the scope of MAA-eligible services. However, Access's control system was not evaluated as part of this review.

Access will not be seeking a contract for transportation services directly with the County but will seek similar participation as a claimant in the County's MAA Program. DPH has assessed that Access has qualifying local and/or State funds to meet the matching and certified public expenditure requirements to participate in the MAA Program. Access receives eligible funding from Proposition C Sales Tax revenue. Therefore, reimbursements for CMAA are based on certified public expenditures for the provision of MAA and would be disclosed in quarterly invoices.

Access is the only paratransit agency MTA contracts with to provide transportation services for people with disabilities who are unable to use regular public bus and train services.

Access's participation in the MAA Program will enhance the MTA program by leveraging local sales tax funds to draw down MAA revenue and augment overall funding for the program. Access estimates annual MAA reimbursement of $8,200,000, based on its annual operating costs and estimated Medi-Cal beneficiaries. The fiscal impact on MTA was not validated as part of this review.

DPH is eligible to receive an administrative fee, limited to actual costs incurred, as the LGA MAA Coordinator for processing these claims. These funds would offset new or additional MAA staffing costs.

Resource Plan

DPH and the A-C provide essential administrative support to the County's MAA Program. DPH collects claim information, collaborates with the State to identify reimbursement rates, and provides technical assistance and training to MAA Program participants. The A-C reviews and approves claims, and receives and distributes funding on behalf of the County. DPH anticipates requiring one additional staff member as a result of the increase in workload associated with the processing of MAA claims for Access. This request will be incorporated into the upcoming Fiscal Year 2015-16 budget cycle. The A-C has indicated Access-related MAA workload can be performed with existing staff but will revisit the need for additional resources if the workload of the program increases beyond expectations.

To add Access to the MAA Program, the County would also need to enter into a contract with Access. The contract process is expected to take approximately six months. DPH will work with the State MAA Program and Access to create a new claiming plan. The claiming plan must be submitted the quarter prior to Access's initial claim for reimbursement. The State MAA Program typically approves new claiming plans within 60 days. DPH, as the LGA MAA Coordinator, will provide technical assistance and training, as applicable, to support Access's needs as a new claiming unit.

The following table outlines the major tasks that are required to implement the addition of Access into the MAA Program.

Action	Start	Completion	Lead
Development and Board approval of County contract with Access	October 1, 2014	April 1, 2015	DPH
Prepare and submit FY 2015-16 Budget Request	November 1, 2014	January 1, 2015	DPH
Develop and submit MAA claiming plan to State	December 1, 2014	February 1, 2015	DPH
Notify Access of State plan approval	–	April 1, 2015	DPH
Access submits first claim (April-June 2015)	July 15, 2015	July 31, 2015	Access

If you have any questions or need additional information, please let us know.

CAH:JN:omr
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c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

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