

RMD Bulletin

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CONTRACT CHANGES FOR THE TRANSITION OF HEALTHY FAMILIES TO MEDI-CAL



In March 2013, the State began transitioning children in Los Angeles County from their Healthy Families Plan (HFP) to Medi-Cal. Please refer to RMD Bulletins 13-016 and 13-017. This transition to Medi-Cal will not require amendments to contract providers' Legal Entity (LE) Agreements.

The existing LE Agreement states that contract providers' provisional payments are based on the Financial Summary. The Financial Summary allocates funding by Funded Programs at the Medi-Cal/Healthy Families and Non Medi-Cal/Non Healthy Families level.

Refer to Financial Exhibit A of the LE Agreement, Section A 2 (d) which states: The Contractor understands and agrees that the Financial Summary is the aggregation of funds provided under specific subprograms that are allocated or awarded based on Contractor's areas of expertise and its ability to provide specific services and/or serve specific populations through specific programs as indicated in Contractor's Negotiation Package, approved by the Director. The Contractor understands and agrees that this aggregation of funds is intended to facilitate provisional payments to the Contractor for eligible services rendered under this DMH Legal Entity Agreement and to facilitate the ability of the County to obtain reimbursement from its funding sources, including federal and State reimbursement for eligible services to Medi-Cal and Healthy Families beneficiaries.

The children transitioned from the HFP will now be considered Medi-Cal beneficiaries who are eligible for services appropriate to their needs that are reimbursable under Medi-Cal.

In addition, the existing LE Agreement states that the Subprogram Schedule is used for monitoring purposes only. The Subprogram Schedule includes Healthy Families as a funding source of a Subprogram within a Funded Program. With the transition of children from HFP to Medi-Cal, LA County will continue to identify the claims for children that transitioned to Medi-Cal by the respective aid codes for monitoring of services and costs. The federal reimbursement for these children remains at sixty five percent.

Refer to Financial Exhibit A of the LE Agreement, Section A 2 (f) which states: The Contractor understands and agrees that the Subprogram Schedule reflects the specific

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subprogram amounts per Funded Program as indicated in the Negotiation Package; and (g) which states: The Contractor understands and agrees that the Subprogram Schedule will be used to monitor mental health services provided within a Funded Program and will not be used at cost settlement. The Contractor shall comply with DMH Policy Shifting Guidelines for the Legal Entity Agreement to accommodate deviations from the specific subprogram amounts to ensure specific program/subprogram outcomes are achieved.

If you have any questions or need additional information, please contact your Lead District Chief or you may send an e-mail to FSB@dmh.lacounty.gov.