



DATE: May 15, 2023

Behavioral Health Information Notice No: 23-020

TO: California Alliance of Child and Family Services
California Association for Alcohol/Drug Educators
California Association of Alcohol & Drug Program Executives, Inc.
California Association of DUI Treatment Programs
California Association of Social Rehabilitation Agencies
California Consortium of Addiction Programs and Professionals
California Council of Community Behavioral Health Agencies
California Hospital Association
California Opioid Maintenance Providers
California State Association of Counties
Coalition of Alcohol and Drug Associations
County Behavioral Health Directors
County Behavioral Health Directors Association of California
County Drug & Alcohol Administrators

SUBJECT: Rollback of Federal Medical Assistance Percentages (FMAP), Enhanced Federal Medical Assistance Percentages (eFMAP), and the Statewide Maximum Allowance (SMA) Rates for Specialty Mental Health Services (SMHS), Drug Medi-Cal Organized Delivery System (DMC-ODS) and Drug Medi-Cal (DMC) Non-Narcotic Treatment Program (non-NTP) Services Due to the End of the COVID-19 Public Health Emergency (PHE)

PURPOSE: This Information Notice communicates to counties the new FMAP and eFMAP for each quarter following the end of the COVID-19 PHE, and the expiration of the COVID-19 increased SMA rates for SMHS, DMC-ODS and DMC non-NTP services.

REFERENCE: H.R. 6021, the Families First Coronavirus Response Act (FFCRA) (Pub. L. 116-127). Section 6008; Federal Financial Participation in State Assistance Expenditures. 83 Fed. Reg. 61159 (November 28, 2018); Federal Financial Participation in State Assistance Expenditures. 84 Fed. Reg. 66205 (December 3, 2019).
[California State Plan Amendment \(SPA\) 20-0024](#)
[Behavioral Health Information Notice No: 20-023](#)
[Behavioral Health Information Notice No: 20-031](#)
[Behavioral Health Information Notice No: 20-041](#)

BACKGROUND:

On March 18, 2020, the President signed the FFCRA into law. The FFCRA provided a temporary 6.2 percentage point increase to California's Federal Medical Assistance Percentage (FMAP) under section 1905(b) of the Social Security Act, effective January 1, 2020, and extending through the last day of the calendar quarter in which the public health emergency declared by the Secretary of Health and Human Services for COVID-19, including any extensions, terminates. The FFCRA also provided a 4.34 percentage point increase to the enhanced FMAP (eFMAP) for eligible expenditures.

On May 13, 2020, the federal Centers for Medicare & Medicaid Services (CMS) approved SPA 20-0024, along with the Department of Health Care Services' (DHCS) request for interim payment flexibilities. As a result, for SMHS, DMC-ODS non-NTP services and DMC non-NTP services provided on or after March 1, 2020, DHCS provided interim reimbursement equal to the lower of the county's billed amount or the interim rate increased by 100 percent. SPA 20-0024 also authorized DHCS to settle interim payments for outpatient SMHS, DMC-ODS non-NTP and non-inpatient services, and DMC non-NTP services to allowable cost instead of the lower of allowable cost or usual and customary charge.

POLICY:

With the end of the COVID-19 PHE on May 11, 2023, and in accordance with the guidelines outlined in the FFCRA and SPA 20-024, DHCS will roll back the increases to the FMAP, eFMAP, the SMHS, DMC-ODS and DMC non-NTP interim rates, and will settle interim payments to the lower of allowable cost or usual and customary charge. This process is described in more detail below.

FMAP and eFMAP Rollback

Beginning April 1, 2023, through January 1, 2024, the temporary increases to the FMAP and eFMAP will be reduced each calendar quarter until the FMAP and eFMAP return to their original values (prior to the FFCRA). These FMAP rollbacks have been deployed in the Short Doyle Medi-Cal claiming system.

The table below displays the quarterly changes to the FMAP and eFMAP.

| FMAP Type | Current FMAP (Federal/ State) Available through 3/31/2023 | 1st FMAP Rollback (Federal/ State) Effective 4/1/2023-6/30/2023 | 2nd FMAP Rollback (Federal/ State) Effective 7/1/2023-9/30/2023 | 3rd FMAP Rollback (Federal/ State) Effective 10/1/2023-12/31/2023 | FMAP Funding Ratio (Federal/ State) Beginning 1/1/2024 |
|---------------------------|--|--|--|--|---|
| 1905 (b) FMAP | 56.2/43.8 | 55/45 | 52.5/47.5 | 51.5/48.5 | 50/50 |
| eFMAP (non-CHIP and CHIP) | 69.34/30.66 | 68.5/31.5 | 66.75/33.25 | 66.05/33.95 | 65/35 |

SMHS, DMC-ODS and DMC-SPA Non-NTP SMA Rate Rollback

SMHS, DMC-ODS and DMC non-NTP services provided on or after March 1, 2020, and through May 11, 2023, will be reimbursed an interim payment equal to the lower of the county’s billed amount or the county interim rate or the SMA, increased by 100 percent. At cost settlement, DHCS will settle interim payments to allowable cost, rather than the lower of allowable cost or usual and customary charges, for services provided during this same period of time. Effective May 12, 2023, the SMA for SMHS, DMC-ODS and DMC non-NTP services will be reduced by 100 percent. At cost settlement, DHCS will settle interim payments for all DMC-ODS and DMC services to the lower of allowable cost or usual and customary charges for services provided after May 11, 2023; and will settle interim payments for outpatient SMHS provided by county contract providers to the lower of actual cost or usual and customary charges for services provided after May 11, 2023.

Please contact MedCCC@dhcs.ca.gov with any questions about this BHIN.

Sincerely,

Original signed by

Brian Fitzgerald, Chief
Local Governmental Financing Division