

AB 1297 (CHESBRO)

Medi-Cal: Mental Health

Summary

The Medi-Cal program provides general mental health care services for Medi-Cal beneficiaries, and specialty mental health services are provided by county Mental Health Plans (MHPs).

AB 1297 will ensure timely federal Medicaid reimbursement for Specialty Medi-Cal Mental Health Managed Care services for California's Medi-Cal beneficiaries living with serious mental illness.

Problem

AB 1297 seeks to eliminate burdensome state-only requirements in order to ensure California accesses all available federal resources.

The features of the Specialty Medi-Cal Mental Health Managed Care program are determined by the state's federally-approved Medicaid state plan amendments and Medicaid 1915(b) waiver. In addition to these federal requirements, California has established some state-only requirements for county Mental Health Plans to follow, some of which needlessly limit the federal Medicaid reimbursement available to the program.

Solution

AB 1297 will bring the state's requirements for Specialty Medi-Cal Mental Health Managed Care into alignment with federal requirements in order to maximize federal reimbursement.

The bill clarifies that the state's standards and guidelines for this program must be consistent with federal Medicaid requirements and approved state plan and waivers in three important areas:

1. For purposes of federal reimbursement, require **reimbursement amounts** to be consistent with federal Medicaid requirements and approved state plans and waivers. The goal of this provision is to eliminate California's use of administratively-established Statewide Maximum Allowances (SMAs), and instead, utilize existing federal Medicaid Upper Payment Limits.
2. Clarify that **administrative costs** should be consistent with federal Medicaid requirements and approved state plans and

waivers. Therefore, delete the provision in current law limiting administrative costs to 15% of the total cost of direct client services. As the government entities that certify the full public expenditure of funds in order to draw down federal matching funds, counties are entitled to be fully reimbursed by the federal government for their costs of providing services.

3. Require claims to be submitted by MHPs within the **timeframes** specified in federal Medicaid requirements and approved state plans and waivers. The goal of this provision is to eliminate California's use of an administratively-established submission deadline of six months for Specialty Medi-Cal Mental Health Managed Care claims. At present, the federal timeframe for Medicaid claims submission is twelve months.

Fiscal Impact

AB 1297 has no impact on the State General Fund. The following county mental health departments have estimated the additional Medicaid federal funds they would receive in the most recent fiscal year if they were able to be fully reimbursed, per AB 1297:

- * San Francisco County: \$12 million
- * San Mateo County: \$5.4 million
- * Orange County: \$4 million
- * Marin County: \$3.1 million
- * Riverside County: \$2.8 million
- * Sutter-Yuba Counties: \$2.2 million
- * Solano County: \$2.1 million

Support

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