

**COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH**

**F A C T   S H E E T**

**FY 2001-2002**

**EARLY PERIODIC SCREENING, DIAGNOSIS AND TREATMENT (EPSDT)  
TITLE XIX MEDI-CAL PAYMENTS TO MENTAL HEALTH SERVICE PROVIDERS  
(ALL SUPERVISORIAL DISTRICTS)**

**SUBJECT:**

Request for Appropriation Adjustment for Fiscal Year (FY) 2003-2004 for \$2,536,000.

**REQUEST:**

To approve an Appropriation Adjustment to increase FY 2003-2004 Services and Supplies (S&S) appropriation in the amount of \$2,536,000 of which \$1,456,000 represents the Federal Financial Participation (FFP) portion, and \$1,080,000 represents the State General Fund (SGF) portion. The increase in appropriation will allow the Department of Mental Health (DMH) to reimburse twenty-three (23) mental health service providers for FY 2001-2002 EPSDT Title XIX Medi-Cal services.

The funding will be from \$1,456,000 in FFP, \$1,040,000 in SGF, and \$40,000 of over-realized SGF, prior year revenue retained in the realignment trust account.

**CONTRACTOR:**

During FY 2001-2002 contract agencies provided EPSDT Title XIX Medi-Cal services to Los Angeles County beneficiaries. Payments for \$2,536,000 of those services were delayed due to 1) the State of California's Medi-Cal approval process which can occur up to fifteen months after the close of the fiscal year in which the services were delivered and 2) the delayed payment nature of the SGF and FFP payments. After the close of FY 2001-2002 and through July 2003, DMH received State Medi-Cal approvals for FY 2001-2002 EPSDT Title XIX Medi-Cal services provided by Non-Governmental Agencies (NGAs) totaling \$2,536,000.

**INTENT:**

The County's contract providers rendered and billed the EPSDT Title XIX Medi-Cal program for eligible services to EPSDT Medi-Cal beneficiaries in FY 2001-2002, and the State adjudicated and approved these billable EPSDT services. Contract providers have performed these EPSDT Title XIX Medi-Cal services and should be paid for them.

There is no net County cost for this action. DMH has received from the State the following: 1) \$1.456 million of FFP (recorded in the FFP trust); 2) \$1.040 million of SGF (recorded in the Advances Payable account); and 3) \$40,000 of over-realized SGF, prior year revenue recognized in FY 2002-2003 and which resulted in the additional

\$40,000 of realignment funds being retained in the realignment trust account to fund this request.

**JUSTIFICATION:**

The State's Medi-Cal claims process allows for Medi-Cal dates of service in one fiscal year to be adjudicated/processed by the State up to fifteen (15) months after the close of the fiscal year in which the services were delivered. In July 2003, or 12 months into the 15 month period, DMH has received State Medi-Cal approvals for FY 2001-2002 that occurred after the close of FY 2001-2002, and owes NGAs \$2,536,000 in EPSDT Title XIX Medi-Cal services that were not part of and exceeded the Maximum Contract Amounts. Therefore, this Board action will allow DMH to make timely disbursements totaling \$2,536,000 for FY 2001-2002 approved EPSDT Title XIX Medi-Cal services to the 23 affected contract providers helping them maintain positive cash flows.

**CONTRACTING PROCESS:**

No new contracts or contract amendments will be required for this action.