

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
San Francisco Regional Office  
90 Seventh Street, Suite 5-300 (5W)  
San Francisco, CA 94103-6706



Division of Medicaid & Children's Health Operations

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October 31, 2016

Mari Cantwell  
Chief Deputy Director, Health Care Programs  
California Department of Health Care Services  
P.O. Box 997413, MS 0000  
Sacramento, CA 95899-7413

Dear Ms. Cantwell:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) has completed its review of the recently proposed changes to the State's School Based Medi-Cal Administrative Activities (SMAA) program, as revised and submitted on August 15, 2016, and then again on October 13, 2016. We are hereby approving these changes. The revisions address CMS policy regarding Individualized Education Programs (IEPs); specifically, that because it is an education requirement, Medicaid does not pay for the administrative activities associated with the development of IEPs.

This approval letter shall be applied in conjunction with the approved SMAA backcasting methodology dated October 28, 2015 and pursuant to CMS' conditional approval letter for the SMAA implementation plan and time survey methodology dated June 27, 2014.

We appreciate the hard work of all of your staff in completing the revisions to this plan.

If you have any questions about this approval letter or the additional source documents requested prior to implementation, please contact Albert Tadakuma at (415) 744-3564 or at his email address: [Albert.Tadakuma@cms.hhs.gov](mailto:Albert.Tadakuma@cms.hhs.gov).

Sincerely,

/s/

Henrietta Sam-Louie  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

cc:

Betty Lai, Chief, Administrative Claiming Local & School Services Branch