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California Department of Public Health



ARNOLD SCHWARZENEGGER
Governor

October 5, 2009

TO: MATERNAL, CHILD AND ADOLESCENT HEALTH (MCAH) PROGRAM DIRECTORS
ADOLESCENT FAMILY LIFE PROGRAM (AFLP) DIRECTORS AND COORDINATORS
COMMUNITY BASED ORGANIZATIONS (CBO) AFLP DIRECTORS AND COORDINATORS
BLACK INFANT HEALTH (BIH) COORDINATORS

SUBJECT: SOURCES OF FUNDS ELIGIBLE FOR FEDERAL FINANCIAL PARTICIPATION (FFP)
REVISIONS EFFECTIVE JULY 1, 2009
PROGRAM POLICY ALERT LETTER #2009/10-04

This letter provides guidance to the 61 Local Health Jurisdictions (LHJ) that administer MCAH Programs, AFLP and BIH Programs, and to CBOs that administer the AFLP, regarding the sources of funds eligible for FFP.

Community Based Organizations Administering AFLP

As a result of the 2009-10 Budget Act, State General Funds (SGF) have been eliminated from the AFLP. CBOs have requested clarification on what funds may be used to draw down Title XIX, FFP funds for administrative activities related to the two objectives:

- Assisting individuals eligible for Medi-Cal to enroll in the Medi-Cal program; and/or
- Assisting individuals on Medi-Cal to access Medi-Cal services

Title 42, Section 433.51 of the Code of Federal Regulations provides that the amount expended must be "...certified by the contributing public agency as representing expenditures eligible for FFP under this section." Under these federal regulations, CBOs must use public funds that can be certified by a public agency as funds eligible for draw down of FFP. Prior to the 2009-10 Budget Act, the California Department of Public Health (CDPH) provided SGF to CBOs through grants and CDPH was able to certify these SGF funds as eligible for FFP. Since SGF has been eliminated, CBOs may **only** use public funds received from a governmental/public entity that is certified as eligible for FFP. Examples would include a First 5 grant from the county Prop 10 commission or other funds received from a public agency not earmarked for another project. That public agency must certify that these funds are eligible for FFP. CBOs may not use federal funds, such as Title V, and may not use a redirection of other federal funds to draw down FFP.

Since CBOs do not meet the definition of a public entity, they may not use any of their own funds acquired through non-governmental grants, foundations or other fundraising to draw down FFP. CBOs should contact their Contract Manager or Program Consultant if they are unsure if their funding sources are public funds eligible to draw down FFP.

A copy of the Certification Statement for the Use of Certified Public Funds has been included with this Program Policy Alert Letter. This must be completed by the public agency providing funds to the CBO. CBOs must provide this statement with an original signature to CDPH when they submit their invoice and retain a copy in their secondary documentation file.

Schools or school districts, that are also CBOs administering the AFLP, are public entities whose expenditures are eligible for FFP.

LHJ Administered AFLP, MCAH and BIH Programs (Non-CBO)

As a result of the 2009-10 Budget Act, SGF has also been eliminated from the MCAH and BIH Programs. LHJs that administer AFLP, MCAH and BIH Programs are public entities using certified public expenditures from their own general funds and, therefore, are eligible to draw down Title XIX FFP for administrative activities related to the two objectives above. The LHJs that administer AFLP, MCAH and BIH Programs may not use federal funds, such as Title V, and may not use a redirection of other federal funds to draw down FFP.

New Law Providing Clarification on Certified Public Expenditures

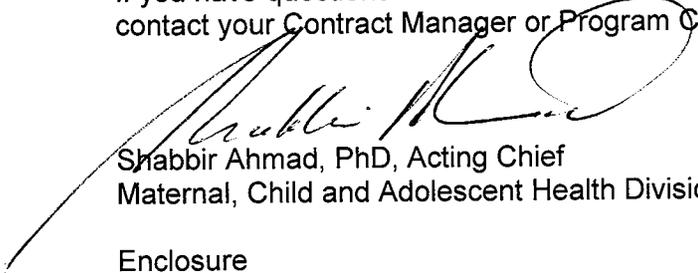
Assembly Bill 2527 (2008), which became effective January 1, 2009, amends section 14132.47 of the Welfare and Institutions Code requiring that "...each participating local governmental agency...certify to the department both of the following: (A) The expenditure of 100 percent of the cost of performing Administrative Claiming process activities. The funds expended for this purpose shall be from the local governmental agency's general fund ...or from any other funds allowed under federal law and regulations, and (B) In each fiscal year that its expenditures represent costs that are eligible for federal financial participation for that fiscal year." Please see link below for additional information.

http://www.leginfo.ca.gov/pub/07-08/bill/asm/ab_2501-2550/ab_2527_bill_20080927_chaptered.html

All program staff reported on their budget must complete Title XIX time studies only if the LHJ expends general funds or the CBO receives certified public agency funds and the public agency certifies these funds as eligible for FFP.

MCAH DIRECTORS/AFLP DIRECTORS AND COORDINATORS
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If you have questions or need technical assistance regarding this Policy Alert Letter, please contact your Contract Manager or Program Consultant.



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Enclosure

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