

Amended and Adopted: 2-3-83  
Amended: 3-28-84  
Amended: 1-29-10

## **Amendment to Parameters and Guidelines**

Statutes 1981, Chapters 102 and 1163; and

DHS All County Letters

*Medi-Cal Beneficiary Probate*

05-PGA-33 (4032)

This amendment is effective beginning with claims filed for the July 1, 2005 through June 30, 2006 period of reimbursement.

### **I. SUMMARY OF MANDATE**

Statutes 1981, chapter 102, effective June 28, 1981 added Probate Code Section 700.1; and Statutes 1981, chapter 1163 effective October 2, 1981 amended Probate Code Section 700.1. In part, Section 700.1 states that where a deceased person has received or may have received health care under the provisions of Chapter 7 (commencing with Section 14000) of Chapter 8 (commencing with Section 14200), Part 3, Division 9, Welfare and Institutions Code, the heirs, the executor, the administrator, or the person in possession of any property of the decedent shall give the Director of Health Services or his or her successor notice of the death no later than 90 days from the date of death. Such notice shall be mailed postage prepaid, and addressed to the director at his or her Sacramento office.

The Department of Health Services prepared two (2) all county letters to Public Guardians/Public Administrators; one dated February 18, 1982 and the second dated March 31, 1982 which included a suggested form letter. The purpose of the all county letters was to provide clarification of Probate Code Section 700.1 and request specific information.

### **II. BOARD OF CONTROL DECISION**

On December 2, 1982 the Board of Control found that Statutes 1981, Chapters.102 and 1163, and State Department of Health Services all county letters of February 18, 1982 and March 31, 1982 imposed reimbursable state mandated costs.

### **III. ELIGIBLE CLAIMANTS**

Only counties are eligible to file for reimbursement, as under State of California law the Office of Public Guardian/Public Administrator is a county function.

### **IV. PERIOD OF REIMBURSEMENT**

This amendment is effective beginning with claims filed for the July 1, 2005 through June 30, 2006 period of reimbursement.

Statutes 1981, chapter 102 became operative on June 28, 1981. Statutes 1981, chapter 1163 became operative on October 2, 1981. The test claim was filed on July 8, 1982. Revenue and Taxation Code Section 2253.8 states that test claims must be submitted on or before November 30 following a given fiscal year in order to obtain reimbursement for costs incurred during the given fiscal year. Therefore, costs incurred during 1981-82 and subsequent fiscal years would be reimbursable unless otherwise limited.

**V. REIMBURSABLE ACTIVITIES**

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct based upon personal knowledge." Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

Probate Code Section 700.1, and the all county letters of February 18, 1982 and March 31, 1982 with its form letter requested the following information:

<u>Description</u>	Probate Code	All County	
<u>Section 700.1</u>	letters dated	<u>2-18-82 &amp; 3-31-92</u>	
Notice of Death	<b>X</b>	-	
Death Certificate	<b>X</b>	<b>X</b>	
Probate Number	-	<b>X</b>	
Medi-Cal Number		<b>X</b>	<b>X</b>
Estate Inventory & Appraisal		<b>X</b>	<b>X</b>
Date of Death			<b>X</b>
Approximate Estate Value			<b>X</b>
Social Security Number			<b>X</b>
Date of Birth			<b>X</b>
Marital Status			<b>X</b>
Type of Probate			<b>X</b>

Counties shall be reimbursed for the increased costs directly related to providing information as required above.

## **VI. REIMBURSABLE COSTS**

### Salary and Fringe Benefits:

Classification of employee, number of- hours devoted to mandated functions, hourly rate, and fringe benefits.

### Other Costs:

Computer costs, mileage, death certificates, forms, etc. Claimants must provide justification for these costs.

### Allowable Indirect Costs:

Indirect costs are defined as costs, which are incurred for a common or joint purpose, benefiting more than one program, and are not directly assignable to a particular department or program without efforts disproportionate to the result achieved. Indirect costs may include both (1) overhead costs of the unit performing the mandate, and (2) the costs of central government services distributed to other departments based on a systematic and rational basis through a cost allocation plan.

Compensation for indirect costs is eligible for reimbursement utilizing the procedure provided in the OMB Circular A-87. Claimants have the option of using 10 % of direct labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) for the department if the indirect cost rate claimed exceeds 10%. If more than one department is claiming indirect costs for the mandated program, each department must have its own ICRP prepared in accordance with OMB Circular A-87. An ICRP must be submitted with the claim when the indirect cost rate exceeds 10%.

### Offsetting Revenues:

Claimants shall pursue reimbursement for the costs claimed above, from a decedent's estate before seeking SB 90 reimbursement. The full amount of estate reimbursement shall be subtracted from the SB 90 reimbursement claim.

## **VII. CLAIM PREPARATION**

Claimants shall categorize the activities necessary to carry out the mandated functions using the categories cited in the Reimbursable Costs Section. Claimants shall provide appropriate case load statistics to support claimed costs.

## **VIII. RECORD RETENTION**

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter<sup>1</sup> is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section V, must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

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<sup>1</sup> This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

To be Completed by Claimant

REQUIRED CERTIFICATION:

The following certification must accompany the claim:

I DO HEREBY CERTIFY:

    THAT Sections 1090 to 1096, inclusive, of the Government Code and other applicable provisions of the law have been complied with; and,

    THAT I am the person authorized by the local agency to file claims with the State of California.

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Telephone Number