

February 11, 2011

COUNTY FISCAL LETTER (CFL) No. 10/11-52

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY FISCAL OFFICERS  
ALL COUNTY AUDITOR CONTROLLERS  
ALL COUNTY PROBATION OFFICERS

SUBJECT: PHASE DOWN OF THE INCREASED FEDERAL  
MEDICAL ASSISTANCE PERCENTAGE (FMAP) RATE  
DUE TO THE AMERICAN RECOVERY AND  
REINVESTMENT ACT (ARRA) FOR THE FOSTER CARE  
(FC) AND ADOPTION ASSISTANCE PROGRAM (AAP)

REFERENCE: CFL 09/10-10 DATED AUGUST 26, 2009

This CFL provides updated FC and AAP information regarding the temporary extension of the ARRA enhanced FMAP through a three-part phase down of the FMAP. Effective January 1, 2011, the FMAP rate was adjusted to the first of the three phase down rates.

### **Background**

As described in CFL 09/10-10, the ARRA program increased the FMAP rate from 50 percent to 56.2 percent for the December 2008 quarter through the December 2010 quarter.

### **Phase-Out of 6.2 Percent FMAP Increase**

Effective January 1, 2011, the three-part phase down of the FMAP was begun:

<b><u>Quarter</u></b>	<b><u>FMAP Rate</u></b>
Ending December 31, 2010	56.2%
January 1, 2011 - March 31, 2011	53.2%
April 1, 2011 - June 30, 2011	51.2%
Beginning July 1, 2011	50.0%

**Claiming**

The state is modifying the CA 800 assistance claims and instructions for FC and AAP to reflect the phase down of the FMAP rate enhancement from 6.2 percent to 3.2 percent effective January 1, 2011. Effective with the April 2011 claim, the second ARRA FMAP phase down will reduce the FMAP rate enhancement from 3.2 percent to 1.2 percent. Effective July 1, 2011, the 6.2 percent ARRA FMAP rate enhancement will be completely phased out and the FMAP will revert to 50 percent indefinitely.

The table below reflects the state and county shares as follows:

January	<u>3.20% ARRA</u>	<u>Foster Care</u>	<u>Adoptions Assistance</u>
	County Share	1.92%	0.80%
	State Share	<u>1.28%</u>	<u>2.40%</u>
	Total	3.20%	3.20%
April	<u>1.20% ARRA</u>	<u>Foster Care</u>	<u>Adoptions Assistance</u>
	County Share	0.72%	0.30%
	State Share	<u>0.48%</u>	<u>0.90%</u>
	Total	1.20%	1.20%

The FC and AAP overpayment claims will be adjusted at the state level to reflect the ARRA FMAP phase down. Adjustments will reflect the appropriate sharing ratios in place for the month indicated on the claim.

If you have any questions regarding this CFL, please direct them to the Fiscal Systems Bureau electronic mailbox at [fiscal.systems@dss.ca.gov](mailto:fiscal.systems@dss.ca.gov). If you have questions regarding claiming, please contact [assistance.claims.@dss.ca.gov](mailto:assistance.claims.@dss.ca.gov)

Sincerely,

***Original Document Signed By:***

FRAN MUELLER  
Deputy Director  
Administration Division