

WORKING DRAFT AS OF 3/26/2025

Current Language + New Proposed

Level 1 Sanction: Disallowance of State and federal funds for reimbursement of the salary of the County Department Director; if no portion of the County Department Director's salary is charged to state and federal funds, then the State Department will go to a Level 2 Sanction

Calculation

Director is paid \$150,000 annually

40% is charged to Medicaid

\$60,000 is Medicaid total

Divided by 12 months = \$5,000 withheld monthly until compliance is attained

Revised, New Proposed Language

Level 1 Sanction: Disallowance of State and federal funds not to exceed 2.5% of the County Department's current state fiscal year allocation provided by the State Department. This amount shall be divided by the number of months in the state fiscal year and disallowed monthly until the County Department attains compliance. Level 1 Sanctions that cross state fiscal years shall utilize the County Department allocation from the state fiscal year in which the Level 1 Sanction originated.

The State Department may elect to disallow less than 2.5% of the County Department's State and federal funds allocation at its discretion.

Calculation

Current SFY allocation = 1,000,000

State and federal funds total from allocation = 800,000 (accounting for 20% local share)

$800,000 \times 0.025 = 20,000$ total disallowance amount

$20,000 / 12$ months in SFY = \$1666.67

\$1666.67 withheld monthly until compliance is attained