

An interlocal contract (or agreement) is used for Medicaid Administrative Claiming (MAC) in Nevada because local agencies cannot deal directly with the federal government for Medicaid reimbursement.

Federal law requires all Medicaid funds to pass through a single designated state authority—in Nevada, the Division of Health Care Financing and Policy (DHCFP). The interlocal contract creates the official legal bridge between that state agency and local governmental entities such as Nye County School District.