October 21, 1996

PPL No. 96-027

To All County Medi-Cal Administrative Activities (MAA)/
Targeted Case Management (TCM) Coordinators and
Advisory Committee Members

TARGETED CASE MANAGEMENT CLAIMS SUBMISSION REQUIREMENTS

The purpose of this transmittal is to clarify the fiscal year (FY) 1995-96 claims
submission requirements for local governmental agencies (LGA) participating in the Targeted
Case Management (TCM) program.

The FY 1994-95 TCM cost reports were due to the Department of Health Services (DHS)
by September 30, 1996. The FY 1994-95 TCM cost reports are currently undergoing review by
DHS and will be used to establish the TCM encounter rate for FY 1995-96. To avoid systemic
problems with verifying Medi-Cal eligibility beyond the fifteen (15) month file retention period,
LGAs were instructed in Policy and Procedure Letter (PPL) No. 96-014, dated July 25, 1996, to
submit all TCM claims for FY 1995-96 to DHS without the TCM encounter rate and the
hardcopy TCM Summary Invoice. The process was implemented as a temporary procedure until
DHS established the TCM encounter rate for each LGA. The Federal Liaison Unit (FLU) has
recently received claims from several LGAs which indicate a need to further clarify this
temporary procedure.

FY 1995-96 Claims Submission Requirements Prior to the Establishment of the
TCM Encounter Rate.

LGAs should prepare and submit only the TCM floppy disk to FLU. FLU will process
the floppy disks through the TCM claims processing system and will identify approved
TCM encounters eligible for Medi-Cal reimbursement, and produce a report which
identifies invalid TCM encounters, i.e., inaccurate information on the floppy disk or
beneficiaries who are ineligible for the Medi-Cal program. The report entitled “TCM
Claim Denial Register” will be returned to the LGA identifying the TCM encounter
records rejected by the claims processing system, and the reason for the rejection.
LGAs should research, correct and resubmit the TCM encounter claims to FLU. Each LGA should maintain records of valid encounters to prepare the required hardcopy TCM Summary Invoice. The TCM Summary Invoice for all approved TCM encounters must not be submitted to FLU until the TCM encounter rate is established for FY 1995-96.

In the letter from DHS establishing the TCM encounter rate for FY 1995-96, LGAs will be instructed to prepare the hardcopy TCM Summary Invoice only for approved TCM encounters submitted prior to the establishment of the TCM encounter rate.

- **FY 1995-96 Claims Submission Requirement After the Establishment of the TCM Encounter Rate.**

LGAs should prepare and submit the TCM floppy disk and the hardcopy TCM Summary Invoice to FLU, in accordance with the instructions contained in PPL No. 96-007.

FLU will process the floppy disks through the TCM claims processing system, and as appropriate, will return to the LGA the report entitled “TCM Claim Denial Register.” The TCM Claim Denial Register will identify encounter records rejected by the TCM claims processing system, and the reason for rejection. FLU will process for payment encounter records approved by the TCM claims processing system and will deduct from the TCM Summary Invoice encounter records rejected by the claims processing system. A copy of the revised TCM Summary Invoice will be returned to the LGA.

It is the responsibility of each LGA to ensure encounter records are submitted only once to FLU for Medi-Cal reimbursement. In addition, LGAs are reminded that quarters or FYs must not be combined on the TCM Summary Invoice. Please refer to the TCM claims processing instructions contained in PPL No. 96-007.
If you have any questions regarding this matter, please contact the Patient Access Unit or FLU analyst assigned to your LGA.

Sincerely,

Darryl Nixon, Chief
Medi-Cal Benefits Branch

<table>
<thead>
<tr>
<th>Targeted Case Management:</th>
<th>X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medi-Cal Administrative Activities:</td>
<td></td>
</tr>
<tr>
<td>Policy Effective Date:</td>
<td>7-1-95</td>
</tr>
<tr>
<td>Policy Reference: PPL Nos.</td>
<td>96-007, 96-014</td>
</tr>
</tbody>
</table>

cc: Cathleen Gentry
Host County Liaison
455 Pine Avenue
Half Moon Bay, CA 94019

Bill Lasowski, Director
Division of Financial Management
Medicaid Bureau
Health Care Financing Administration
P.O. Box 26678, MSC 4-17-27
Baltimore, MD 21207-0278

Richard Chambers
Associate Regional Administration
Division of Medicaid
Health Care Financing Administration
75 Hawthorne Street, Fourth Floor
San Francisco, CA 94105