March 3, 2000

TO: All Local Governmental Agencies (LGAs)
Medi-Cal Administrative Activities (MAA) and
Targeted Case Management (TCM) Coordinators

SUBJECT: INCREASE IN THE FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP) FOR TCM PROGRAMS

The purpose of this letter is to advise LGAs participating in the TCM program, that the FMAP has changed. As explained in Policy and Procedure Letter No. 97-009, dated June 6, 1997, the FMAP is used to ascertain the maximum federal amount the LGA will be reimbursed.

The FMAP was increased to 51.67 percent, effective for TCM services rendered from October 1, 1999 through September 30, 2000. The following chart identifies the FMAP since the inception of the TCM program:

<table>
<thead>
<tr>
<th>DATES OF SERVICE</th>
<th>FMAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 1995 - September 30, 1996</td>
<td>50 percent</td>
</tr>
<tr>
<td>October 1, 1996 - September 30, 1997</td>
<td>50.23 percent</td>
</tr>
<tr>
<td>October 1, 1997 - September 30, 1998</td>
<td>51.23 percent</td>
</tr>
<tr>
<td>October 1, 1998 - September 30, 1999</td>
<td>51.55 percent</td>
</tr>
<tr>
<td>October 1, 1999 - September 30, 2000</td>
<td>51.67 percent</td>
</tr>
</tbody>
</table>

An increase in the FMAP does not change how TCM claims are submitted by the LGA. The Federal Liaison Unit will calculate the federal share for reimbursement based on the prevailing FMAP for the period of service. It should be noted that the change in FMAP applies only to Medical Assistance claims and does not affect the federal financial participation for the MAA program.

If you have any questions, please contact Ms. Alice Childress, Chief of the Administrative Claiming Unit, at (916) 657-0627 or by e-mail at achildres@dhs.ca.gov.

Sincerely,

Original signed by D. Mitchell

David Mitchell, Chief

cc: See Next Page.
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Medi-Cal Administrative Activities (MAA) and
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Page 2

<table>
<thead>
<tr>
<th>Medi-Cal Administrative Activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Targeted Case Management:</td>
<td>X</td>
</tr>
<tr>
<td>Policy Effective Date:</td>
<td>October 1, 1999</td>
</tr>
<tr>
<td>Policy Reference:</td>
<td>PPL No. 97-009, 97-027, 98-010</td>
</tr>
</tbody>
</table>

cc:  Ms. Cathleen Gentry
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     MAA/TCM Consultant
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     Half Moon Bay, CA 94109

     Ms. Pam Montoya, Co-Chair
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