August 26, 2002

TO: All Local Governmental Agencies (LGAs) and Targeted Case Management (TCM) Coordinators

SUBJECT: TCM FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP) DECREASE

The purpose of this letter is to advise LGAs that the FMAP will change effective October 1, 2002. The FMAP is used to calculate the maximum federal share for reimbursement to the LGA. The FMAP has decreased to 50.00 percent, effective for TCM services rendered from October 1, 2002 through September 30, 2003. The following chart identifies the FMAP from October 1, 2000 forward:

<table>
<thead>
<tr>
<th>DATES OF SERVICE</th>
<th>FMAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1, 2000-September 30, 2001</td>
<td>51.25 percent</td>
</tr>
<tr>
<td>October 1, 2001-September 30, 2002</td>
<td>51.40 percent</td>
</tr>
<tr>
<td>October 1, 2002-September 30, 2003</td>
<td>50.00 percent</td>
</tr>
</tbody>
</table>

This decrease in the FMAP does not change how an LGA submits TCM claims. The Local and Schools Services Unit (LSSU) will calculate the federal share for reimbursement based on the prevailing FMAP for the date of service. The change in FMAP applies only to TCM claims and does not affect the federal financial participation for the MAA program.

If you have any questions, please contact Ms. Elizabeth Touhey, Chief of the LSSU, at (916) 657-0716 or by e-mail at etouhey@dhs.ca.gov.

Sincerely,

Original signed by Patricia L. Morrison

Patricia L. Morrison, Chief
Administrative Claiming Local and Schools Services Section

cc: See Next Page

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www.consumerenergycenter.org/flex/index.html
cc: Ms. Cathleen Gentry  
LGA MAA/TCM Consultant  
455 Pine Avenue  
Half Moon Bay CA 94109  

Mr. Larry Lee  
Accountant  
Division of Medicaid  
801 I Street, Rm. 210  
Sacramento CA 95814  

Ms. Linda Minamoto  
Associate Regional Administrator  
Centers for Medicare and Medicaid Services  
Division of Medicaid, Region IX  
75 Hawthorne Street, Fourth Floor  
San Francisco CA 94105-3903  

Mr. David Bullard  
Staff Information Systems Analyst  
Information Technology Systems Division  
744 P Street, Room 340  
Sacramento CA 95814