



California
Department of
Health Services

SANDRA SHEWRY
Director

State of California—Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
Governor

August 16, 2006

PPL No. 06-017

TO: All Local Governmental Agency (LGA) Coordinators for
County-Based Medi-Cal Administrative Activities (CMAA) and
Targeted Case Management (TCM)

SUBJECT: TRAINING DURING TIME SURVEY MONTH

This Policy and Procedure Letter (PPL) advises LGAs that the activities coded to MAA/TCM during time survey month must *reasonably* represent the *proportion* of MAA/TCM they perform throughout the year.

Time survey percentages affect the amount of federal financial participation (FFP) available throughout the year. A significantly greater amount of time coded to MAA/TCM during time survey month results in artificially high amounts of FFP available during the rest of the year.

Recent audit findings suggest that some LGAs conduct much of their MAA/TCM training during the time survey month. This practice significantly increases the percentage of time staff code to MAA/TCM and results in time survey percentages that do not reasonably represent the amount of MAA/TCM performed throughout the year.

As stated in the Social Security Act, MAA is “the proper and efficient administration” of Medi-Cal. As provided by Office of Management and Budgets Circular A-87, MAA and TCM must manage their expenditures according to the “necessary and reasonable” standard. As the single-state agency responsible for administration of these programs, the California Department of Health Services is obligated to recoup payments that have been made in violation of these principles.

To avoid audit exceptions, LGAs are advised to:

1. Limit the amount of staff training scheduled during time survey month if it is not representative of MAA/TCM activities throughout the year, and/or
2. Be prepared to explain how your time survey percentages reasonably represent the amount of time spent performing MAA/TCM throughout the year.

All Local Governmental Agency (LGA) Coordinators for
County-Based Medi-Cal Administrative Activities (CMAA) and
Targeted Case Management (TCM)

Page 2

August 16, 2006

If you have any questions, please contact Ms. Julie Macko of the CMAA Unit, at
(916) 552-9471 or jmacko@dhs.ca.gov; or Ms. Linda Battles, Chief, TCM Unit, at
(916) 440-7651 or lbattles@dhs.ca.gov.

Sincerely,

Original Signed by Elizabeth Touhey

Elizabeth Touhey, Chief
Administrative Claiming Local and
Schools Services Section

cc: Ms. Cathleen Gentry
MAA/TCM Consultant
Local Governmental Agency
455 Pine Avenue
Half Moon Bay, CA 94019

Gary Diffenderffer – CIA
Audit Supervisor
California Department of Health Services
Audits & Investigations
MS 2106