



SANDRA SHEWRY
Director

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



ARNOLD SCHWARZENEGGER
Governor

October 31, 2008

PPL No. 08-027

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

SUBJECT: **Guidance on New Legislation Regarding Revised Deadlines for Cost
Reports with Subcontractors**

Pursuant to Assembly Bill (AB) 2527 effective January 1, 2009, LGAs may subcontract with public agencies to provide TCM.

For LGAs who participate in a TCM target population where the LGA and/or a private subcontractor currently provide services and an additional public agency provider will be added effective January 1, 2009, LGAs must file a "TCM Cost Report" by the annual deadline of November 1, 2008, with LGA and private subcontractor costs and encounters only. Public agency subcontractor costs and encounters must not be included. To add public agency subcontractor costs and encounters to a cost report filed by November 1, 2008, LGAs must file an "AB 2527 Modified TCM Cost Report" by May 1, 2009.

However, in the case where the LGA's *only* provider in a target population will be a public agency subcontractor effective January 1, 2009, the LGA must file an "AB 2527 TCM Cost Report" by May 1, 2009, ***provided that the LGA indicated intend to participate for Fiscal Year 2008/09 in that target population in the annual TCM Participation Survey***. This one-time extension is specifically granted for the implementation of AB 2527.

Complete Instructions for filing an "AB 2527 Modified TCM Cost Report" and "AB 2527 TCM Cost Report" will be issued by **January 2, 2009**.

If you have any questions or require further assistance regarding this Policy and Procedure Letter, please contact Tracy Albano, Chief, TCM Unit, at (916) 552-9538 or Tracy.Albano@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY ELIZABETH TOUHEY

Elizabeth Touhey, Chief
Administrative Claiming Local and
Schools Services Branch

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cc: Ms. Cathleen Gentry
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