April 10, 2009

PPL No. 09-007

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

SUBJECT: RECORD RETENTION REQUIREMENTS

The purpose of this Policy and Procedure Letter (PPL) is to inform each LGA and
LEC of the record retention requirements for participation in the MAA and TCM
Programs. This PPL supersedes instructions that were previously issued in PPL
96-010 and PPL 00-013, current DHCS MAA and TCM Provider Manuals, as well
as the current MAA contracts and TCM Provider Participation Agreements.

For MAA, all records in support of allowable MAA activities must be maintained
for a minimum of three fiscal years after the end of the quarter in which the LGA
or LEC receives reimbursement from the Department of Health Care Services
(DHCS) for the expenditures incurred. If an audit is in progress, or is identified as
forthcoming, all records relevant to the audit shall be retained throughout the
audit’s duration or the final resolution of all audit exceptions, deferrals and/or
disallowances whichever is greater.

For TCM, all records in support of allowable TCM services must be maintained for
the greater of (a) three fiscal years after the end of the quarter the LGA receives
reimbursement from the Department of Health Care Services (DHCS) for the
expenditures incurred, or (b) three fiscal years after the date of submission of the
original or amended TCM cost report, whichever is later [per W&I 14170]. If an
audit is in progress, or is identified as forthcoming, all records relevant to the audit
shall be retained throughout the audit’s duration or the final resolution of all audit
exceptions, deferrals and/or disallowances whichever is greater.
MAA records must fully disclose the type and extent of administrative activities performed by appropriate staff. MAA records include, but are not limited to, organizational charts, claiming plans/operational plans, supporting documentation for each claiming unit, annual time survey documentation, MAA Detailed and Summary Invoices and contracts between the LGA or LEC, subcontractors, and other public entities.

TCM records must fully disclose: 1) the name and the beneficiary identification code of the person receiving the TCM services; 2) the name of the provider agency and/or person providing the service; 3) the date and place of service delivery; 4) the nature and extent of the TCM service provided. TCM records include, but are not limited to, supporting documentation for the annual TCM Cost Report and the TCM Summary Invoice, time survey documentation, and encounter logs.

All records in support of allowable MAA activities and/or TCM must be maintained in an audit file and made available to the State and the Federal Governments upon request, in accordance with Title 42 of the Code of Federal Regulations, Section 433.32.

Pursuant to 45 of the Code of Federal Regulations, Section 74.53(e), please note that an auditing agency has the right to timely and unrestricted access to any books, documents, papers, or other records of recipients that are pertinent. In the case of any pending litigations, documentation must be retained until the case is completely closed, and in the case of other issues and potential litigation, it is advisable to retain all documentation until the matters are fully resolved. The regulations do not specify a time limit for an audit. Although it may be up to each LGA or LEC to choose to dispose of records after the three fiscal year retention period, each LGA or LEC should reevaluate their local procedures and or guidelines on record retention to maximize their protection. Each LGA or LEC may find it beneficial to retain records beyond the minimum records retention period outlined in this PPL.
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We appreciate your cooperation and continued participation in the MAA and TCM Programs. If you have any questions, please contact your program analyst.

Sincerely,

ORIGINAL SIGNED BY ELIZABETH TOUHEY

Elizabeth Touhey, Chief
Administrative Claiming Local and
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cc: Ms. Cathleen Gentry
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