



Region IX

Division of Medicaid & Children's Health Operations

90 Seventh Street, Suite 5-300 (5W)

San Francisco, CA 94103-6706

MAY 31 2012

Toby Douglas, Director  
California Department of Health Care Services  
1501 Capitol Avenue, 6th Floor, MS 0000  
Sacramento, CA 95814

Dear Mr. Douglas:

We have reviewed the proposed State Plan Amendment (SPA) 12-009, submitted to the Centers for Medicare and Medicaid Services (CMS) on March 7, 2012. This SPA was submitted in response to the companion letter issued with the approval of SPA 11-019. SPA 12-009 was submitted to remove "Individualized Health and Support Plan" (IHSP) from Supplement 1c to Attachment 3.1-A as the State no longer pays for targeted case management services (TCM) for children under an IHSP.

Our review has indicated that the proposed SPA is not approvable as currently submitted. Additional information is needed before this amendment can be approved. Therefore, we are issuing a request for additional information (RAI) pursuant to Section 1915(f)(2) of the Act.

1. Please revise the plan page to include a summary of the provider qualifications specified in Part B or Part H of Public Law 99-457. The state plan page may not reference State codes in lieu of providing a description.
2. Please provide an explanation for how the State is assuring freedom of choice of TCM providers for this target group. These requirements, which are described in 42 CFR 431.51, require states to permit beneficiaries to obtain services from any qualified provider that undertakes to provide the services.
3. In an email dated May 23, 2012, State staff indicated that they are still working to further update the State Plan pages for this target group using the Targeted Case Management template provided by CMS. This template was recently used by the State to update the State Plan pages for other target groups so that the target group description is comprehensive. Once these updates are complete and submitted to CMS, we will provide additional feedback.

We are requesting this additional/clarifying information under Section 1915(f) of the Social Security Act (added by PL 97-35). This has the effect of stopping the 90-day clock with respect to CMS taking further action on this State Plan submittal. A new 90-day clock will begin when we receive your official response to this request for additional information.

In accordance with our guidelines to the State Medicaid Directors dated January 2, 2001, if the State does not respond to our request for additional information or communicate an alternate action plan within 90 days from the date of this letter, we will initiate disapproval action on the amendment. Thank you in advance for your continued cooperation in processing this SPA. If you have any questions, please contact Kristin Dillon at (415) 744-3579 or via email at [Kristin.Dillon@cms.hhs.gov](mailto:Kristin.Dillon@cms.hhs.gov).

Sincerely,

ORIGINAL SIGNED

Gloria Nagle, Ph.D., M.P.A.  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

cc: Kenya Cantwell, Centers for Medicare and Medicaid Services  
Stephen Halley, Department of Health Care Services

State Plan under Title XIX of the Social Security Act  
State/Territory: \_\_\_

**TARGETED CASE MANAGEMENT SERVICES**  
**[Target Group]**

Target Group (42 Code of Federal Regulations 441.18(a)(8)(i) and 441.18(a)(9)):  
**[Describe target group and any subgroups. If any of the following differs among the subgroups, submit a separate State plan amendment describing case management services furnished; qualifications of case management providers; or methodology under which case management providers will be paid.]**

\_\_\_ Target group includes individuals transitioning to a community setting. Case-management services will be made available for up to \_\_\_\_\_ **[insert a number; not to exceed 180]** consecutive days of a covered stay in a medical institution. The target group does not include individuals between ages 22 and 64 who are served in Institutions for Mental Disease or individuals who are inmates of public institutions). (State Medicaid Directors Letter (SMDL), July 25, 2000)

Areas of State in which services will be provided (§1915(g)(1) of the Act):

\_\_\_ Entire State

\_\_\_ Only in the following geographic areas: **[Specify areas]**

Comparability of services (§§1902(a)(10)(B) and 1915(g)(1))

\_\_\_ Services are provided in accordance with §1902(a)(10)(B) of the Act.

\_\_\_ Services are not comparable in amount duration and scope (§1915(g)(1)).

Definition of services (42 CFR 440.169): Targeted case management services are defined as services furnished to assist individuals, eligible under the State Plan, in gaining access to needed medical, social, educational and other services. Targeted Case Management includes the following assistance:

- ❖ Comprehensive assessment and periodic reassessment of individual needs, to determine the need for any medical, educational, social or other services. These assessment activities include
  - taking client history;
  - identifying the individual's needs and completing related documentation; and
  - gathering information from other sources such as family members, medical providers, social workers, and educators (if necessary), to form a complete assessment of the eligible individual;**[Specify and justify the frequency of assessments.]**
  
- ❖ Development (and periodic revision) of a specific care plan that is based on the information collected through the assessment that
  - specifies the goals and actions to address the medical, social, educational, and other services needed by the individual;
  - includes activities such as ensuring the active participation of the eligible individual, and working with the individual (or the individual's authorized health care decision maker) and others to develop those goals; and

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- identifies a course of action to respond to the assessed needs of the eligible individual;
  - ❖ Referral and related activities (such as scheduling appointments for the individual) to help the eligible individual obtain needed services including
    - activities that help link the individual with medical, social, educational providers, or other programs and services that are capable of providing needed services to address identified needs and achieve goals specified in the care plan; and
  - ❖ Monitoring and follow-up activities:
    - activities and contacts that are necessary to ensure the care plan is implemented and adequately addresses the eligible individual's needs, and which may be with the individual, family members, service providers, or other entities or individuals and conducted as frequently as necessary, and including at least one annual monitoring, to determine whether the following conditions are met:
      - services are being furnished in accordance with the individual's care plan;
      - services in the care plan are adequate; and
      - changes in the needs or status of the individual are reflected in the care plan. Monitoring and follow-up activities include making necessary adjustments in the care plan and service arrangements with providers.
- [Specify the type of monitoring and justify the frequency of monitoring.]**

\_\_\_ Case management includes contacts with non-eligible individuals that are directly related to identifying the eligible individual's needs and care, for the purposes of helping the eligible individual access services; identifying needs and supports to assist the eligible individual in obtaining services; providing case managers with useful feedback, and alerting case managers to changes in the eligible individual's needs.  
(42 CFR 440.169(e))

Qualifications of providers (42 CFR 441.18(a)(8)(v) and 42 CFR 441.18(b)):

**[Specify provider qualifications that are reasonably related to the population being served and the case management services furnished.]**

Freedom of choice (42 CFR 441.18(a)(1)):

The State assures that the provision of case management services will not restrict an individual's free choice of providers in violation of section 1902(a)(23) of the Act.

1. Eligible individuals will have free choice of any qualified Medicaid provider within the specified geographic area identified in this plan.
2. Eligible individuals will have free choice of any qualified Medicaid providers of other medical care under the plan.

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Freedom of Choice Exception (§1915(g)(1) and 42 CFR 441.18(b)):

\_\_\_ Target group consists of eligible individuals with developmental disabilities or with chronic mental illness. Providers are limited to qualified Medicaid providers of case management services capable of ensuring that individuals with developmental disabilities or with chronic mental illness receive needed services: **[Identify any limitations to be imposed on the providers and specify how these limitations enable providers to ensure that individuals within the target groups receive needed services.]**

Access to Services (42 CFR 441.18(a)(2), 42 CFR 441.18(a)(3), 42 CFR 441.18(a)(6)):

The State assures the following:

- Case management (including targeted case management) services will not be used to restrict an individual's access to other services under the plan.
- Individuals will not be compelled to receive case management services, condition receipt of case management (or targeted case management) services on the receipt of other Medicaid services, or condition receipt of other Medicaid services on receipt of case management (or targeted case management) services; and
- Providers of case management services do not exercise the agency's authority to authorize or deny the provision of other services under the plan.

Payment (42 CFR 441.18(a)(4)):

Payment for case management or targeted case management services under the plan does not duplicate payments made to public agencies or private entities under other program authorities for this same purpose.

Case Records (42 CFR 441.18(a)(7)):

Providers maintain case records that document for all individuals receiving case management as follows: (i) The name of the individual; (ii) The dates of the case management services; (iii) The name of the provider agency (if relevant) and the person providing the case management service; (iv) The nature, content, units of the case management services received and whether goals specified in the care plan have been achieved; (v) Whether the individual has declined services in the care plan; (vi) The need for, and occurrences of, coordination with other case managers; (vii) A timeline for obtaining needed services; (viii) A timeline for reevaluation of the plan.

Limitations:

Case management does not include, and Federal Financial Participation (FFP) is not available in expenditures for, services defined in §440.169 when the case management activities are an integral and inseparable component of another covered Medicaid service (State Medicaid Manual (SMM) 4302.F).

Case management does not include, and Federal Financial Participation (FFP) is not available in expenditures for, services defined in §440.169 when the case management activities constitute the direct delivery of underlying medical, educational, social, or other

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services to which an eligible individual has been referred, including for foster care programs, services such as, but not limited to, the following: research gathering and completion of documentation required by the foster care program; assessing adoption placements; recruiting or interviewing potential foster care parents; serving legal papers; home investigations; providing transportation; administering foster care subsidies; making placement arrangements. (42 CFR 441.18(c))

FFP only is available for case management services or targeted case management services if there are no other third parties liable to pay for such services, including as reimbursement under a medical, social, educational, or other program except for case management that is included in an individualized education program or individualized family service plan consistent with §1903(c) of the Act. (§§1902(a)(25) and 1905(c))

**[Specify any additional limitations.]**

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