

# SECTION 9

## TCM Contracts

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**Provider Agreement**

In order for a LGA to claim reimbursement for Medicaid TCM, federal regulations require that an interagency Agreement or contract be in place between the single state Agency responsible for administering the Medicaid program and the agency to whom any administrative responsibilities have been delegated. In California, the contract between DHS and the LGA is called the TCM Provider Participation Agreement.

**Lateral Agreement/  
Memorandum of  
Understanding (MOU)**

The TCM provider agreement is designed so the LGA may act on behalf of other governmental agencies claiming reimbursement for TCM. However, if these agencies intend to seek reimbursement through TCM, then a similar agreement or contract needs to be developed with the LGA that holds the DHS contract. Its language mirrors the DHS contract so that other participating agencies may be held to the same terms and conditions set forth in the contract between DHS and the LGA.

**Contract Agencies**

LGAs and governmental agencies within local LGAs may deliver their services through contract providers. These contract agencies or community-based organizations may also participate in TCM. The contract language needs to reflect the intent of the contract agency to perform TCM and its cost. Its language mirrors the DHS contract so that other participating agencies may be held to the same terms and conditions set forth in the contract between DHS and the LGA.

All subcontracts must meet the qualifications as outlined in the Requirements for Targeted Case Management, Section T.2 of this manual.

Contract agencies performing only treatment services (for which they may be paid a rate) with the funds received from the public entity, should not time survey and the costs should not be included in the TCM claim.

**TARGETED CASE MANAGEMENT CONTRACTS**

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**Host County/DHS Contract**

The LGA designated to be the administrative and fiscal intermediary for all LGAs is considered to be the “Host County” and contracts with DHS to perform administrative activities. Annually, DHS determines the staffing requirements upon which the DHS projected costs are based. The projected costs include the anticipated salaries, benefits, overhead, operating expenses, and equipment necessary to administer the TCM program.

The contract requires the host county to submit invoices and collect from each LGA their portion of the payment for the LHS projected administrative costs, for which each participating LGA is liable. Funds are remitted to DHS within sixty (60) days of receipt of the DHS invoice.

**Host County/LGA Contract**

The Host County contracts with participating LGAs and invoices the LGA for the annual participating fee. The contract specifies the responsibility of the Host County and the LGA and includes the scope of work for the Host County contractors.