

June 12, 2026

*THIS LETTER SENT VIA EMAIL*

Ms. Courtney Miller, Director  
Division of Program Operations  
Medicaid and CHIP Operations Group  
Centers for Medicare & Medicaid Services  
601 East 12th Street, Room 355  
Kansas City, MO 64106

STATE PLAN AMENDMENT 26-0026: TARGETED CASE MANAGEMENT SERVICES –  
MEDICALLY FRAGILE INDIVIDUALS

Dear Ms. Miller:

The Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 26-0026 for your review and approval. This SPA proposes to update the geographic area offering Targeted Case Management (TCM) services for the “Medically Fragile Individuals” TCM group. DHCS seeks an effective date of July 1, 2026, for this SPA.

The revisions were made based on Napa and Sutter Counties’ requests to no longer participate in this TCM target population.

DHCS has determined that Tribal and public notices are not necessary for this proposal.

DHCS is submitting the following documents:

- CMS 179 - Transmittal and Notice of Approval of State Plan Material
- Supplement 1b to Attachment 3.1-A (Clean)
- Supplement 1b to Attachment 3.1-A (Redline)

If you have any questions or need additional information, please contact Mr. Charles Anders, Chief, Local Governmental Financing Division, at (916) 713-8804 or by email at [Charles.Anders@dhcs.ca.gov](mailto:Charles.Anders@dhcs.ca.gov).



Ms. Miller  
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Sincerely,



Tyler Sadwith  
State Medicaid Director  
Chief Deputy Director, Health Care Programs  
California Department of Health Care Services

Enclosures

cc: Saralyn M. Ang-Olson, JD, MPP  
Chief Compliance Officer  
Office of Compliance  
California Department of Health Care Services  
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Health Care Financing  
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Charles Anders, Chief  
Local Governmental Financing Division  
Department of Health Care Services  
[Charles.Anders@dhcs.ca.gov](mailto:Charles.Anders@dhcs.ca.gov)

Regina Zerne, Chief  
Medi-Cal Claims and Services Branch  
Local Governmental Financing Division  
Department of Health Care Services  
[Regina.Zerne@dhcs.ca.gov](mailto:Regina.Zerne@dhcs.ca.gov)

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>2 6</u> — <u>0 0 2 6</u>	2. STATE <u>CA</u>
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3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT  XIX  XXI

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
**July 1, 2026**

5. FEDERAL STATUTE/REGULATION CITATION  
42 U.S.C. § 1396n(g)(1); 42 C.F.R. § 440.169(b)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY 2026 \$ 0  
b. FFY 2027 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
**Supplement 1b To Attachment 3.1-A Page 1**


8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
**Supplement 1b To Attachment 3.1-A Page 1**

9. SUBJECT OF AMENDMENT  
**Targeted Case Management Services - Medically Fragile Individuals**

10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:  
Please note: The Governor's Office does not wish to review the State Plan Amendment.

11. SIGNATURE OF STATE AGENCY OFFICIAL  


12. TYPED NAME  
Tyler Sadwith

13. TITLE  
State Medicaid Director and Chief Deputy Director

14. DATE SUBMITTED  
June 12, 2026

15. RETURN TO  
Department of Health Care Services  
Attn: Director's Office  
P.O. Box 997413, MS 0000  
Sacramento, CA 95899-7413

**FOR CMS USE ONLY**

16. DATE RECEIVED	17. DATE APPROVED
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**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL	19. SIGNATURE OF APPROVING OFFICIAL
20. TYPED NAME OF APPROVING OFFICIAL	21. TITLE OF APPROVING OFFICIAL

22. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
STATE: California

TARGETED CASE MANAGEMENT SERVICES  
**MEDICALLY FRAGILE INDIVIDUALS**

Target Group (42 Code of Federal Regulations 441.18(a)(8)(i) and 441.18(a)(9)):  
Medi-Cal eligible individuals, 18 years or older, who are medically fragile, and have multiple diagnoses. Such individuals must also be:

- a) At high risk for medical compromise due to one of the following conditions:
  - i) Failure to take advantage of necessary health care services, or
  - ii) Noncompliance with their prescribed medical regime, or
  - iii) An inability to coordinate multiple medical, social and other services due to the existence of an unstable medical condition in need of stabilization, or
  - iv) An inability to understand medical directions because of comprehension barriers, or
  - v) A lack of community support system to assist in appropriate follow-up care at home, or
  - vi) Substance abuse, or
  - vii) A victim of abuse, neglect or violence; and
- b) In need of assistance in accessing necessary medical, social, educational, or other services, when comprehensive case management is not being provided elsewhere.

X Target group includes individuals transitioning to a community setting. Case management services will be made available for up to 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).

For those individuals in this target group, who may receive case management services under a waiver program, case management services shall not be duplicated, in accordance with Section 1915(g) of the Social Security Act. This target group excludes persons enrolled in a Home and Community-Based Services waiver program from receipt of Targeted Case Management (TCM) Services.

There shall be a county-wide system to ensure coordination among TCM providers of case management services provided to Medi-Cal beneficiaries who are eligible to receive case management services from two or more programs.

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

     Entire State.

X Only in the following geographic areas: Counties of Alameda, Riverside, San Diego, Santa Cruz, Stanislaus, City of Berkeley, and City of Long Beach.

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

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

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