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PPL 17-010

TO: All Local Governmental Agency (LGA) Coordinators for the Targeted Case Management (TCM) Program

SUBJECT: **Instructions on How to Input Claimable Medi-Cal Encounters Into Federal Medical Assistance Percentage (FMAP) Categories on Worksheet F of the TCM Cost Report**

The Department of Health Care Services (DHCS) TCM Program utilizes the Centers for Medicare and Medicaid Services (CMS) approved cost report template and the TCM Cost Report Instruction Manual to implement reimbursement methodology stated in the TCM portion of the State Plan. Properly entering TCM Medi-Cal encounters into the TCM Cost Report is an essential aspect of this reimbursement methodology. This Policy Procedure Letter (PPL) provides direction on entering **claimable** TCM Medi-Cal only encounters.

TCM cost report materials, including the TCM Cost Report Template and the TCM Cost Report Instruction Manual, can be located at the following website:

<http://www.dhcs.ca.gov/provgovpart/Pages/2013-14TCMCostReport.aspx>

**Note:** **Worksheet F** (Part I and II) is located under the TCM Cost Report Template as a ZIP file.

**Worksheet F – Summary of Encounters (LGA and Subcontractors)**

The purpose of Worksheet F is to summarize the total encounters that will be used to determine the cost per encounter on Worksheet G. Pursuant to California Code of Regulations (CCR), title 22, section 51185, an encounter is defined as a face-to-face contact, with the beneficiary for the purpose of rendering one or more TCM service components by a TCM case manager. A TCM service provider needs to maintain an updated TCM encounter log to capture all TCM encounter-related services that were provided during the cost report period. The three categories include:

1. Claimable TCM Medi-Cal Only Encounters: encounters include all TCM Medi-Cal encounters with a claimable status.

2. Non-claimable TCM Medi-Cal Only Encounters: encounters consist of TCM Medi-Cal encounters that are not reimbursable through TCM program.
3. TCM Non-Medi-Cal Encounters: encounters that received a non-eligible status due to Medi-Cal ineligibility.

Note: In both parts of Worksheet F, the purple cells represent the area where the TCM service provider can enter their data; all other cells have a formula and are locked to prevent data entry.

### **Maintaining the TCM Encounter Log to Substantiate the Provided TCM Services**

Pursuant to Welfare and Institutions Code, Section 14132.44, cost reports should be filed with DHCS no later than November 1, after the close of the State Fiscal Year (FY). On an ongoing basis, for each business day, the LGA and its subcontractors are required to maintain an updated TCM encounter log to support the provided services they report in the cost report for the fiscal period (ending June 30). The TCM encounter log helps in determining the actual rate in providing TCM services; it also supports the LGA in claiming Federal Financial Participation (FFP). LGA billing staff need to:

1. Ensure that all claimable encounters entered into the TCM System must coincide with the records in the TCM encounter log.
2. Update the TCM encounter log per information from the TCM System.
3. Ensure TCM payments received from the State reconcile to Invoices submitted.
4. Update the TCM System for paid invoices once the payment is received.

Per the TCM Provider Manual T.7-2-1, all records supporting expenditures for TCM services must be retained with the LGA for a minimum of three (3) years after the end of the quarter in which the expenditures were incurred.

### **Instructions for Worksheet F, Part I: Input TCM Encounters**

Worksheet F, Part I is a log used by a TCM service provider to capture all TCM encounters provided: claimable, non claimable, and non Medi-Cal encounters; however, this PPL gives instructions to input only claimable encounters into appropriate FMAPs of the Worksheet F, Part 2.

Instructions:

1. In the LGA section of the Worksheet F, Part I template, using the TCM System encounter log data and the Affordable Care Act (ACA) data provided by DHCS, input the claimable, non-claimable, and the non-Medi-Cal number of encounters by each reported Budget Unit and/or specific subcontractor. In the sample table below, 1,253 was entered in the Budget Unit 1 cell (Line 1); 256 was entered in the subcontractor 1 cell (Line 6) under the Claimable column 1. Non-Claimable and Non-Medi-Cal Encounters were also entered in column 2 and column 4.

2. For the remaining cells, no numbers need to be manually entered since there is already an existing formula in the template that automatically calculates the subtotal and total; the cells in the following lines and columns have a formula: Line 5, LGA/LPE Subtotal; Line 18, subcontractor Subtotal; Line 19, Total; Column 3, Subtotal; Column 5, Total.
3. The Total for Claimable, Column 1, Line 19, in Worksheet F, Part I must match the number in the Total Claimable, Column 5, Line 2 of Worksheet F, Part II.

**Note:** Ensure all encounters with a pending status have been adjudicated prior to the twelve month expiration date.

TCM Encounter Summary

Part I

Medi-Cal Encounters							
Description	Claimable	Non Claimable	Subtotal	Non Medi-Cal Encounters	Total	Medi-Cal Encounters to Total Encounters Percentage	Claimable Medi-Cal Encounters to Total Medi-Cal Encounters Percentage
	1	2	3	4	5	6	7
<i>LGA/LGA Governmental Subcontractors</i>							
1 Budget Unit 1	1,253	234	1,487	765	2,252	66.0302%	84.2636%
2 Budget Unit 2		456	456	34	490	93.0612%	0.0000%
3 Budget Unit 3			-		-	0.0000%	0.0000%
4 Budget Unit 4			-		-	0.0000%	0.0000%
5 <b>LGA/LPE Subtotal</b>	1,253	690	1,943	799	2,742	70.8607%	64.4879%
<i>LGA Non-Governmental Subcontractors</i>							
6 Contractor 1	256	65	321	532	853	37.6319%	79.7508%
7 Contractor 2		45	45	234	279	16.1290%	0.0000%
8 Contractor 3			-		-	0.0000%	0.0000%
9 Contractor 4			-		-	0.0000%	0.0000%
10 Contractor 5			-		-	0.0000%	0.0000%
11 Contractor 6			-		-	0.0000%	0.0000%
12 Contractor 7			-		-	0.0000%	0.0000%
13 Contractor 8			-		-	0.0000%	0.0000%
14 Contractor 9			-		-	0.0000%	0.0000%
15 Contractor 10			-		-	0.0000%	0.0000%
16 Contractor 11			-		-	0.0000%	0.0000%
17 Contractor 12			-		-	0.0000%	0.0000%
18 <b>Contractor Subtotal</b>	256	110	366	766	1,132	32.3322%	69.9454%
19 <b>Total</b>	<b>1,509</b>	<b>800</b>	<b>2,309</b>	<b>1,565</b>	<b>3,874</b>	<b>59.6025%</b>	<b>65.3530%</b>

**Worksheet F, Part II – Claimable Medi-Cal TCM Encounter**

Worksheet F, Part II is used to classify the total **claimable** Medi-Cal encounters into different FMAP categories during a cost report period. FMAPs are the percentage rates used to determine the matching funds rate allocated annually to certain medical and social services programs. For the TCM Program the FMAP percentage rates are used for reimbursement purposes to determine the matching funds rate allocated annually to LGAs. If more than one FMAP rate is available during the period, FFP is calculated by applying different FMAPs:

- The FMAP rate for regular, non- ACA encounters is **50%**.
- The FMAP rate is **100%** for ACA encounters provided from FY 2013-14, Quarter 3, through FY 2016-17, Quarter 2.

- The FMAP rate is **95%** for ACA encounters provided from FY 2016-17, Quarter 3, through FY 2017-18 Quarter 2.
- For FY 2017-18, Quarter 3 and 4, LGAs will be notified about additional FMAP rates, should there be a change.

**Instructions for Worksheet F Part II**

1. Input the appropriate FMAP rate in Columns 1-4 (FMAP 1 is Column 1). A sample table is provided below.
2. Input the number of claimable Medi-Cal encounters in Line 2, under each FMAP rate – this includes Budget Unit and/or subcontractor encounters combined. The Total Claimable (Column 5, Line 2) automatically adds all the Claimable Medi-Cal Encounters; no need to input data there.
3. The Total Claimable number is a combined total for both LGA Governmental and Non-Governmental Subcontractor services provided. Column 5, Line 2 (1,509) of Part II must equal to Column 1, Line 19 (1,509) in Part I.

Note: The **Percentage of Total Claimable** is automatically calculated as data is entered; **do not** input any numbers in Line 3.

**Summary of Encounters (LGA and Subcontractors)**

**Worksheet F**

LGA Name: 0 LGA NPI: 0  
Reporting Period: 0

**Summary of Claimable Medi-Cal TCM Encounter**

**Part II**

Description	FMAP 1	FMAP 2	FMAP 3	FMAP 4	Total Claimable
	1	2	3	4	5
1 FMAP Rate	50.0000%	100.0000%	95.0000%		
2 Claimable Medi-Cal Encounter	1,107	312	90		1,509
3 Percentage of Total Claimable	73.3598%	20.6759%	5.9642%	0.0000%	100.0000%

For any questions regarding this PPL, e-mail the TCM program at [dhcs-tcm@dhcs.ca.gov](mailto:dhcs-tcm@dhcs.ca.gov).

Sincerely,

**ORIGINAL SIGNED BY**

Shelly Taunk, Chief  
County-Based Claiming and Inmate Services Section