



State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

DATE: May 14, 2015

PPL 15-007

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

SUBJECT: **Introduction of the TCM Downward Rate Adjustment Request Form for the Department of Health Care Services' (DHCS) TCM Program**

This Policy and Procedure Letter (PPL) is to inform the LGAs participating in the TCM Program of a **new** process and implementation for requesting an encounter rate downward adjustment.

According to the State Plan Amendment (SPA) 10-010 Section C.1(e) "The Department will adjust the rate downward on an annual basis if requested by the LGA." The DHCS will adjust the encounter rate downward only once each fiscal year. The LGA Coordinators are required to complete and submit a TCM Downward Rate Adjustment Request Form with their submission of the TCM Cost Report to the DHCS/Audits and Investigations (A&I) on November 1, of each fiscal year.

To complete the request for a TCM downward rate adjustment, please include the following information in the form:

1. The LGA Name (by using the dropdown provided),
2. The original Cost Report interim rate,
3. The desired downward adjusted interim encounter rate, and
4. The justification for the downward adjusted rate (in the space provided on the form).

Pending review and approval, the DHCS TCM Program and A&I may request additional documentation as justification for the downward adjusted rate request. The following are examples of questions to consider for your justification.

- Was there a change in staffing within your LGA?
- Why should your encounter rate be lower than the stated rate in your Cost Report?
- Are you expecting the number of TCM encounters in the current fiscal year to increase or decrease?

May 14, 2015

Form Submission:

1. Please e-mail your encounter rate downward adjustment request with the submission of your Cost Report to DHCS A&I at dhsaitcm@dhcs.ca.gov and a copy to the TCM Program at dhcs-tcm@dhcs.ca.gov by November 1, of each year.
2. Mail a hard copy of your encounter rate downward adjustment request signed in blue ink to the address below. The hard copy should be mailed within fifteen business days after your online submission to DHCS A&I.

Regular Mail:

Department of Health Care Services
Safety Net Financing Division, MS 4603
Targeted Case Management Unit
P. O. Box 997436
Sacramento, CA 95899-7436

Overnight Mail:

Department of Health Care Services
Safety Net Financing Division, MS 4603
Targeted Case Management Unit
1501 Capitol Avenue, Suite 71.3024
Sacramento, CA 95814

If you have any questions regarding this PPL, e-mail the TCM Program at dhcs-tcm@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY MICHELLE KRISTOFF

Michelle Kristoff, Chief
Medi-Cal Administrative Claiming Section

Enclosure