

Q1: Can you please clarify what you would like as the County official budget plan? Are you looking for the whole document which in many of the bigger counties is very large, like 600+ pages?

A1: DHCS will review additional LGA documentation if the TCM BU has funding shortages. Normally the county budget book (annual document that the state controller's office makes available) is produced for this purpose. Please provide DHCS with the PDF file of the LGA budget plan that illustrates the information for defined TCM BU (future fiscal year plans that lists the actual numbers for the cost reported year) with your submission of the Cost Report. If the document is too large to include in an e-mail, please include the website location for the LGA budget plan on the cover letter.

Q2: The slide listing the required documents to be submitted with the cost report did not include the Non-LGA CPE Certification and LGA Attestation Statements. Please clarify whether these documents should be submitted with the cost report.

A2: On page 7 of the TCM Cost Report Instruction Manual, Funding Certification/Attestation Statement(s) – Signed (blue ink) by the Financial Officer(s) or an authorized signatory is listed as a required document. A certification statement, signed by the Financial Officer(s) or an authorized LGA signatory, must accompany the Cost Report and attest to the validity and allowability of the reported cost data. On the TCM Website at the following address, the Certification Statements for LGAs and Non-LGAs are posted.

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

Q3: When we are talking budget unit (BU), is it better to go bigger now?

A3: Per page 12 of the TCM Cost Report Instruction Manual, for TCM purposes, a BU is defined as the budgetary/organizational unit identifiable on the LGA organization chart and general ledger that provides TCM and other Non-TCM services by staff within the Unit. The BU is to only include 100% labor costs of any staff within the Unit, as well as non-labor costs incurred for providing all services. Total funding that supports this defined BU shall be separately identifiable in the general ledger. The TCM BU shall also be readily identifiable on the LGA organizational chart and LGA accounting structure.

Policy and Procedure Letter (PPL) 18-015 provides further clarification on the BU:

A TCM BU is an organizational unit identified on both the LGA's organization chart (physical structure) and the LGA's accounting system (accounting structure) that provides TCM and other non-TCM services by staff within the BU.

The total expenses of the BU shall include the labor and non-labor costs incurred for providing the TCM and non-TCM services, and total program revenues received by the BU substantiated by the LGA's financial statements generated from the accounting structure, such as the LGA's general ledger or trial balance of the BU. LGAs should consider the following to properly identify the BU:

1. Does the identified TCM BU trace back to the LGA's organization chart (physical structure) and LGA's financial statements generated from the accounting structure? If no, reevaluate the BU to align with the LGA's physical structure and accounting structure.
2. Does the BU that was identified under the accounting structure fully represent a physical unit that is identified in the LGA's organization chart? If no, identify the physical unit as a TCM BU, and report all related expenses, program revenues, and NCC on the Cost Report.
3. Are indirect costs that support the TCM BU operation included when classifying the BU? (Note: Indirect costs that support the BU operation include indirect costs incurred at different layers of the county structure which indirectly relate to the TCM BU's operation). If yes, these indirect costs are indirect overhead expenses that support the TCM BU operation. These indirect overhead expenses shall be recorded and recognized as expenses in the defined TCM BU general ledger to ensure proper indirect cost allocation to prevent duplicate federal reimbursement.
4. When completing the Cost Report, are there costs included that are not recognized as BU expenses per the TCM BU's trial balance or general ledger? If yes, follow pages 16 and 22 of the TCM Cost Report Instruction Manual to add expenses from outside the BU.

Q4: Where is the Net County Cost (NCC) identified in the county budget book in the regulation and in the cost report instructions?

A4: The NCC is not defined in the TCM Cost Report Instructions Manual as this is a term used by the counties.

Q5: Bullet #2 does not make sense on page 69 (Non-TCM), does not provide TCM services - correct?

A5: Bullet #2 on page 69 is referring to the non-TCM staff in the BU that provides TCM services. In other words, the BU as a whole provides TCM services, but the BU is comprised of non-TCM staff also. See excerpt below from the TCM Cost Report Instruction Manual page 15 which states:

Non-TCM Staff – Staff, within the BU that provides TCM services, who neither provides nor supports the provision of TCM services. These may be staff that provide direct medical care, transportation, pharmacy, MAA, or any other services that are not TCM. These staff also include case managers' direct supervisors and direct support staff who did not time survey and were present during the time of the time survey period.

Q6: Under what circumstances would revenue be required to be adjusted or offset in Column 9 on Worksheet D (with information from Worksheet D-1)?

A6: Per the TCM Cost Report Instructions Manual, Column 9 of Worksheet D reflects the adjustment amounts from Worksheet D-1. Cells are formula-driven. A funding

adjustment is needed on Worksheet D-1 if the funding payment does not meet the CPE requirements for eligible Federal reimbursement.

Per page 32 of the TCM Cost Report Instruction Manual, a private donation is one of the funding sources that supports TCM services for ABC LGA BU. If the private donation does not meet CPE requirements per 42 CFR Section 433.51, W&I code 14132.44(f), and 22 CCR Section 51535.7, ABC LGA must propose an adjustment to eliminate this funding source in Worksheet D-1.

Q7: Do federal, private, and other funding sources pay for TCM services?

A7: The Federal Government reimburses TCM services, if the services are paid by CPE sources.

The Private funds can be used to support TCM services, as long as the usage of the private donation meet the donation requirements. For example, if the private donation is specifically meant to support TCM, then they can pay for TCM services.

Other funding sources may be used to pay for TCM services, depending on the arrangement of the funding utilization. For example, LGA subcontracts TCM services to a CBO, First 5 funds the CBO (not the LGA) to provide TCM services. First 5 funds can be considered "other funding sources" that can pay for TCM services. Then, an LGA (TCM participant), can claim federal reimbursement for TCM services supported by First 5 funds.

There is no prohibition to the type of funding sources for the TCM Program, but to claim for Federal reimbursement only CPE sources are eligible.

Q8: For Worksheet D, do we need to include prior year revenues that posted in the GL in the current year? How do we present it in Worksheet D?

A8: Per TCM Cost Report Instruction Manual, Worksheet D instructions, total of Column 4 should agree with current year's general ledger. If the prior year's revenue is posted / recorded in this year's general ledger, this information will be presented in Worksheet D, Column 4.

Q9: What is the difference then between columns 4 in Worksheet D versus the net county cost reported in D-1?

A9: Column 4 represents the total revenues that are posted / recorded in the TCM BU's general ledger. The Net County Cost reported on Worksheet D-1 is the additional funding to cover the TCM Program, if the BU is short funded for the year.

Q10: What is an FMAP rate?

A10: The Federal Medical Assistance Percentages (FMAPs) are used in determining the amount of Federal matching funds for State expenditures for assistance payments for certain social services, and State medical and medical insurance expenditures.

Q11: If a TCM staff code few hours each week in another bureau and it is not in our TCM budget unit, that bureaus did not provide TCM services, do we need to include his or her time in TCM Cost Report? Please clarify.

A11: Yes, but it depends on whether the BU is defined correctly or not. If the BU is defined correctly per the TCM Cost Report Instructions Manual or PPL#:18-015 and other existing program rules, the time and cost of the TCM staff in TCM cost report should reflect the actual Full Time Equivalent (FTE) for the physical TCM BU.

For example, the BU is properly defined and reflects budgeted 50.5 FTEs, the fifty-first person that is hired for the 0.5 position most likely will either hired as a full time employee (0.5 FTE worth of responsibilities for TCM BU and 0.5 FTE responsibilities for other BUs), or hired as a part-timer for the TCM BU by the LGA.

If this person is hired as a full time non-TCM staff, total expenses should reflect 0.5 worth of non-TCM FTE in TCM cost report. If this person is hired as a full time G&A staff, total expenses should reflect 0.5 worth of G&A FTE in TCM cost report. If the person is hired as full time but only has 0.5 worth of FTE for TCM BU, and his/her responsibilities is for TCM and non-TCM within TCM BU, total expenses should reflect 0.5 worth of FTE under TCM category in TCM cost report.

Keep in mind that this person will need to Time Survey for 1.0 FTE worth if he/she is not hired as a part-timer to comply with time survey requirements. If the time tracking records shows the actual time spent on TCM BU's activities (including TCM and non-TCM activities for TCM BU) is 0.6 FTE, and 0.4 FTE for other BUs, total expenses reported in TCM cost report should reflect 0.6 FTE worth. Total time reported on Worksheet C should only include 0.6 FTE worth of time for the BU.

If the person is hired as a part-timer for the BU, include all time and expenses in TCM cost report.

Q12: In the worksheet G part II interim payments, do we need to report all TCM interim revenue we receive from the State from July 2017 to June 2018? Please clarify. How about for the ACA invoices revenue, do we need to report it? Does it that also apply from July 2017 to June 2018 revenue that we receive from the State?

A12: Per the Cost Report Instruction Manual page 43, the interim payment amounts must reflect the total of, (1) payments the LGA received and (2) pending DHCS payments for submitted invoices in this Cost Report period.

All Interim payments are entered onto the Cost Report Template on Worksheet G, Part II, line 3.1 (Interim Payments Received), 3.2 (Invoices Submitted and Pending), and then automatically totaled in line 3 (Interim Payments – Total).

The interim payments should reflect the total payment for the entire services period irrelevant to when payment is received.

Q13: In the Worksheet G interim payment, how we report in the TCM Cost report if it is an ACA payment we receive from the State. Please clarify.

A13: On Worksheet G Part II, line 3.1, please enter the payments your LGA has received from DHCS, it does not need to be broken out by ACA Enhanced Payments or Non-Enhanced payments. The place to report ACA information is Worksheet F, Part II, for claimable Med-Cal Encounters.