



Medi-Cal
Targeted Case Management
Provider Manual
SECTION 7

Local Governmental Agency (LGA)
Subcontractors



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I. OVERVIEW

Welfare and Institutions Code Section 14132.44 allows a Local Governmental Agency (LGA) to subcontract with other public and private entities to provide Targeted Case Management (TCM) services. A subcontractor is a person or business in contract (as an "independent contractor" and not an employee) with a LGA to provide some portion or all of the work or services on a project which the LGA has agreed to perform under the Provider Participation Agreement (PPA). The subcontractors, such as Community-Based Organization Community-Based Organization (CBO) and Local Public Entity (LPE), contract with the LGA for the provision of TCM services.

II. CONDITIONS FOR PARTICIPATING IN TCM

TCM service providers, including the LGA and its subcontractors, must comply with federal and state laws, regulations, and policies in providing TCM services. Federal and state laws place limitation on the terms by which subcontractors may participate in TCM. A contract must be in place between the LGA and its subcontractors for TCM services to be provided by the subcontractors. The subcontract must contain language requiring the subcontractor to comply with the conditions and responsibilities outlined in the TCM PPA between the LGA and the Department of Health Care Services (DHCS) prior to providing the TCM services. These policies are summarized as follows:

1. Subcontracts:

- A subcontract must be in place between the LGA and the subcontractors. The subcontract must be effective on the first day of the State Fiscal Year or prior to providing TCM services. All subcontracts must meet the TCM Provider requirements and must be submitted to DHCS as outlined in the Section 3 of the TCM Provider Manual.
- The subcontract will define the scope of services that will be provided by the subcontracted agency.
- The subcontract will outline the funding mechanism/arrangement in supporting the services to be provided.
- The subcontract must be consistent with the DHCS/LGA PPA so all TCM service providers will be held to the same terms and conditions set forth in the PPA between DHCS and the LGA.
- All case managers, case manager supervisors, and support staff to case managers must complete time surveys to account for the specific amount of time they spend performing TCM services and/or activities. Refer to Section 4 of this Manual for more information.

2. TCM Claims:

- TCM claims for each subcontractor are submitted to the LGA and are included as part of the LGA's TCM claims submittal to DHCS. The number of encounters for



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the subcontractor is included on the TCM Summary Invoice for the LGA. Subcontractors are not to submit claims separately or directly to the DHCS TCM program.

3. Federal Financial Participation (FFP):

- All eligible TCM claims are reimbursed at an amount equal to the approved TCM encounter rate multiplied by the FFP rate.

III. LGA SUBCONTRACTOR FUNDING SOURCES FROM PUBLIC ENTITIES OTHER THAN THE LGA

The LGA must establish a Memorandum of Understanding/Contract Agreement with the subcontracting public agency for the performance of TCM services.

Subcontractors receiving funding from public entities other than the LGA must have a funding contract between the contributing public entity and the CBO in order for the LGA to claim federal reimbursement.

IV. STANDARD PROCEDURES FOR MONITORING A SUBCONTRACTOR PROVIDING TCM SERVICES

In order to safeguard the TCM program and ensure that TCM services are being provided in accordance with established laws, regulations and guidelines, the LGA must monitor its subcontractors by implementing the followings:

1. Have a valid subcontractor contract that complies with federal and state laws and regulations for providing TCM services.
2. Identify the funding sources supporting the subcontracted services.
3. Provide routine oversight function throughout the contracted period to ensure TCM program integrity and compliance are fulfilled.
4. Annually, file a TCM Cost Report that includes the TCM services provided by the subcontractor. See Section 5 of this Manual for related Cost Report filing instructions.
5. Assist DHCS in reviewing and/or auditing the subcontractor to ensure it meets all federal and state laws and regulations in providing the TCM services.