

REVISED NOTICE OF PROPOSED CHANGES TO THE MEDICAID STATE PLAN
GOVERNING PAYMENT RATES FOR TARGETED CASE MANAGEMENT

The State Department of Social Services (DSS) proposes to revise the rate setting methodologies for Medicaid Targeted Case Management (TCM) services. These changes will specifically address recommendations by the federal Centers for Medicare and Medicaid Services (CMS).

Changes to Medicaid State Plan

The proposed State Plan Amendments will change the reimbursement methodology for Targeted Case Management for Persons with Developmental Disabilities (TCM-DD) starting November 1, 2010 and Targeted Case Management for Persons with Chronic Mental Illness (TCM-CMI) starting December 1, 2010. The amendments will specify standardize annual cost reports, define cost allocations and implement appropriate time studies.

Fiscal Information

It is anticipated that the revisions to the Targeted Case Management rate setting methodologies will not result in a change to federal Medicaid reimbursements. On an annual basis, federal reimbursement for TCM-DD and TCM-CMI services approximate \$10 million and \$6.7 million respectively.

Additional Information

In accordance with federal requirements governing the Medicaid program, the department will provide upon request a copy of the proposed amendment to the Medicaid State Plan. Requests may be sent to Gary M. Richter, Office of Certificate of Need and Rate Setting, Department of Social Services, 25 Sigourney Street, Hartford, CT 06106-5033 (Phone 860-424-5105, Fax 860-424-4812, gary.richter@ct.gov).

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE/TERRITORY: CONNECTICUT

Methods and Standards for Establishing Rates – Other Types of Care

20. Targeted Case Management

A. Targeted Case Management for Persons with Chronic Mental Illness (TCM-CMI)

1. TCM-CMI services claimed under Medicaid must be substantiated by documentation in the eligible client's permanent service record. A payment for case management services by DSS may not duplicate payments made under the Connecticut Medical Assistance Program for other services which are covered under the program.
2. Payments for TCM-CMI services are made when one or more case management services are rendered in a week and the recipient or their representative approves of such services.
3. Payments for TCM-CMI Services.

Interim per week rates for TCM-CMI services shall be established, based upon estimated costs, for the rate periods December 1, 2010 through June 30, 2011, July 1, 2011 through June 30, 2012 and July 1, 2012 through June 30, 2013. Final reimbursement shall be based on cost reports and time studies submitted by the Department of Mental Health and Addiction Services. The cost reports and time studies will be based upon a methodology approved by the Centers for Medicare and Medicaid Services, consistent with the process described below. The interim rates will be replaced based upon cost report filings for the period and related payment adjustments will be made accordingly.

Prospective rates for subsequent periods will be based upon allowable service costs for the cost report period ending twelve months prior to the start of the rate period updated by the projected increase or decrease in the consumer price index for urban consumers for the twenty-four months between the mid-point of the cost period and the mid-point of the rate year.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE/TERRITORY: CONNECTICUT

- a. For governmental providers, annual cost reports shall be submitted by September 30th after the rate period (July 1 through June 30). Cost reports will include detailed cost data including direct costs, programmatic indirect costs, and general and administrative costs. General and administrative costs include the salaries, fringe benefits and other costs that, while not directly part of TCM-CMI services, constitute costs that support the operations of the TCM-CMI program.
- b. For private providers, annual cost reports shall be submitted to the Department of Mental Health and Addiction Services by September 30th after the close of the previous contract year. The annual cost report must reconcile with the audited financial statements submitted to the Department of Mental Health and Addiction Services in the State Single Audit. All recipients of state funds are subject to the requirements of the State Single Audit Act (SSAA). Private-non-profit providers are required to undergo a state single audit or program specific audit if the provider expends more than \$100,000 dollars of state funds in the provider's fiscal year. The State Single Audit is due to both the Office of Policy and Management and the Department of Mental Health and Addiction Services six months after the close of the provider's fiscal year. Compliance with federal and state single audit standards is a contract requirement.
- c. For governmental providers, direct costs include salary, wage, fringe benefit and other expense costs for TCM-CMI service providers as reported on the cost report. The direct costs are then multiplied by the percent of time governmental service providers spend on TCM-CMI activities as determined by a CMS approved time study methodology.

For private providers, direct service costs include TCM-CMI costs incurred and reported in the cost report. The direct costs are then multiplied by the percent of time private providers spend on TCM-CMI activities as determined by a CMS approved time study methodology.

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- d. Indirect costs shall include: State Wide Cost Allocation Plan, Central Office Distribution, Moveable Equipment Depreciation, Fair Rent of Property, Worker Compensation and Regional Overhead allocated to TCM-CMI Medicaid services. The percentage of staffing costs allocable to case management services shall be applied to indirect costs.
- e. Total TCM-CMI costs are calculated by taking the direct service costs for governmental and private providers (step c) plus the total indirect costs (step d).
- f. A TCM-CMI service week occurs when one or more case management services are rendered in a week regardless of Medicaid eligibility.
- g. The weekly TCM-CMI rate is calculated by dividing the annual TCM-CMI costs (step e) by the total number of annual TCM-CMI service weeks provided during the rate period (step f).
- h. A TCM billing will be triggered when a TCM activity occurs during a week. No more than 1 activity will be billed for each consumer in a week.

4. Audit

All supporting financial documentation, permanent service records, statistical data and all other records related to the provision of TCM-CMI services shall be subject to audit. If an audit discloses discrepancies in the accuracy and/or allowance of actual direct or indirect costs or statistical data as submitted by the Department of Mental Health and Addiction Services, the Department's Medicaid reimbursement rate for the said period shall be subject to adjustment.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Connecticut

- (21) Pediatric and family nurse practitioners - Rates for each procedure shall be set at 90% of physician fees as noted on Attachment 4.19B, page 1(a)ii, item (5) above.

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