



DIANA M. BONTÁ, R.N., Dr. P.H.
Director

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



GRAY DAVIS
Governor

September 24, 2003

PPL No. 03-010

TO: All Local Governmental Agencies (LGAs)
Targeted Case Management (TCM) Coordinators

SUBJECT: **REVISED PROCEDURE FOR SUBMITTING TCM ANNUAL COST REPORTS FOR FISCAL YEAR (FY) 2003/2004**

Each LGA participating in TCM is required to submit a Cost Report identifying the prior year costs of providing TCM services. The Cost Reports are due by November 1, 2003, per California Code of Regulations, Section 51535.7(a). The Cost Report will establish the TCM encounter rate for FY 2003/2004. Hardcopies of Cost Reports with an official postmark, a FedEx date, or a UPS date on or before November 1, 2003, are required. Additionally, e-mailed Cost Reports are due on or before November 1, 2003.

A separate Cost Report must be submitted to the Department of Health Services (DHS) for each program area in which the LGA is participating. The six program areas are Public Health, Outpatient Clinics, Public Guardian/Conservator, Aging and Adult Services/Linkages, Adult Probation, and Community.

To increase the speed and efficiency of the cost report approval process, DHS is implementing new criteria for the cost report submittal package. Please implement each of the following when you prepare your cost report package in order for your Cost Report to be approved:

- Use the TCM 2003 Cost Report Instructions.
- The only version of the cost report acceptable this year is the 2003 DHS-mandated Cost Report Template (Excel). Any reports not received in this format will be returned to the LGA.
- Identify the LGA, reporting period, and TCM program name in the header of the certification statement, on each Worksheet, and on each supporting schedule/document.



Do your part to help California save energy. To learn more about saving energy, visit the following web site:
www.consumerenergycenter.org/flex/index.html

All Local Governmental Agency (LGA) Coordinators for
Targeted Case Management (TCM)

Page 2

September 24, 2003

- Include a cover letter for each target population, on official LGA letterhead from the LGA MAA/TCM Coordinator, explaining any differences from the FY 2002/2003 cost report or deviations from the TCM 2003 Cost Report Instructions.
- Include a signed TCM Cost Report Checklist .
- Include a Table of Contents that accurately lists page numbers of the items in the cost report. Each page of the cost report must be numbered.
- Tab and label each section of the cost report to correspond with the Table of Contents.
- Place all corresponding documentation behind appropriate cost report worksheets.
- Submit a certification statement signed by an appropriate LGA representative, stating the title of the signer.
- If a contractor's cost report comprises or is a part of the official LGA cost report, an appropriate LGA representative must certify that they have reviewed the contractor cost report(s) for accuracy and validity and sign the "Certify Validity of Contractor's cost report(s)" section in the TCM Cost Report Checklist (page 2).
- All abbreviations and acronyms are defined.
- The Encounter Methodology Worksheet in the 2003 DHS-mandated Cost Report Template must be used to explain the methodology and rationale for projecting Medi-Cal encounters for FY 2003/2004.
- In Worksheet A, the figure in Column 4, Line 7 must equal zero.
- In Worksheet A, the figure in Column 7, Line 7, must match your General Ledger or supporting fiscal document. If this figure does not match one of these documents, the LGA must submit a supporting schedule that details how the figure in Column 7, Line 7, ties to the General Ledger or supporting fiscal document.
- The names of the documents that support the amounts for salaries, benefits, and operating costs are entered in the space provided in the Salaries and Benefits schedule.

All Local Governmental Agency (LGA) Coordinators for
Targeted Case Management (TCM)

Page 3

September 24, 2003

- The percentages entered in the Salaries and Benefits, schedule 2A, must be rounded to two decimals and not rounded up to whole percents.
(Example: 9.85%, **not** 10.00%)
- Submit “copies” of signed hardcopies of time surveys for September or October 2002. If time surveys from September or October 2003 were used, an explanation is provided in the cover letter. Time surveys must be in accord with PPL 03-008.
- **Optional:** Submit an electronic version of the time surveys combined into one file to DHS with the cost report, if they were used. Name the file with the first four characters of the LGA name, plus the two characters of the TCM program, plus “TS” for Time Surveys as follows: PH-Public Health, LK-Aging/Linkages, OC-Outpatient Clinics, PG-Public Guardian/Conservator, AP-Adult probation, CO-Community, OC-Outpatient Clinics. (Example for Mendocino Public Guardian Time Surveys: MendPGTS.) **Note:** DHS is aware that some LGAs/Programs will have the same file name. Upon receipt, DHS will adjust the file name(s) based on the sender.
- Submit a hard copy (mail) of the 2003/2004 DHS-mandated Cost Report.
- Submit an electronic copy (e-mail) of the FY 2003/2004 DHS-mandated Cost Report on or before November 1, 2003. Keep this file intact with all worksheets in one file. Name the file with the first six characters of the LGA name, plus the two characters of the TCM program as follows: PH-Public Health, LK-Aging/Linkages, OC-Outpatient Clinics, PG-Public Guardian/Conservator, AP-Adult probation, CO-Community, OC-Outpatient Clinics. (Example for Mendocino Public Guardian: MendocPG.) **Note:** DHS is aware that some LGAs/Programs will have the same file name. Upon receipt, DHS will adjust the file name(s) based on the sender.
- Emphasize figures that are brought forward from supporting documentation into the cost report’s Worksheets A–D and Schedules using either of the following methods in the supporting documentation:
 1. Color-code, circle, or label figures in the supporting documentation and similarly identify the same figures in the worksheets in which they appear.

For your convenience, TCM Time Survey Templates are now available on the TCM website which can accommodate up to 30, 60, or 200 surveys. If your program exceeds 200 staff, contact DHS for assistance.

All Local Governmental Agency (LGA) Coordinators for
Targeted Case Management (TCM)

Page 4

September 24, 2003

Failure to submit a complete cost report with all supporting documentation in the requested format will result in:

1. Immediate notice issued to the Coordinator to submit missing documentation within one week,
2. Failure to submit all documentation requested by one-week deadline will result in an additional one-week deadline, and
3. Failure to submit missing documentation by the "second" one-week deadline will result in the inability to participate in the program associated with the cost report in question.

Please provide an alternate contact for the cost report preparer.

If you have any questions concerning this PPL, please contact Ms. Elizabeth Touhey, Chief of the Local and Schools Services Unit, at (916) 552-9616 or by e-mail at etouhey@dhs.ca.gov.

Sincerely,

Original Signed by Mary Lamar-Wiley

Mary Lamar-Wiley, Acting Chief
Medi-Cal Benefits Branch

cc: Ms. Susan Ruiz
Health Insurance Specialist
Centers for Medicare & Medicaid Services
75 Hawthorne Street, Fifth Floor
San Francisco, CA 94105

Mr. Brian Burdullis, Accountant
Centers for Medicare & Medicaid Services
Division of Medicaid and Children's Health
801 I Street, Room 210
Sacramento, CA 95814

Ms. Cathleen Gentry
LGA MAA/TCM Consultant
455 Pine Avenue
Half Moon Bay, CA 94109