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PPL 20-018

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

**SUBJECT: Beneficiary Notification when LGAs Discontinue Participation in a Target Population**

This Policy and Procedure Letter (PPL) provides clarification and guidance to LGAs regarding the Centers for Medicare and Medicaid Services' (CMS') requirement to provide a written notification to Medi-Cal beneficiaries when the LGA discontinues participation in the voluntary TCM program or discontinues providing services to a voluntary Med-Cal TCM target population. Additionally, the Department of Health Care Services (DHCS) is providing a Uniform Notification Template (UNT) with this PPL which provides Medi-Cal beneficiaries the information CMS requires.

### Notification Requirements

Per 42 Code of Federal Regulations (CFR) section 431.206(c)(2), a written notice to beneficiaries is required, "At the time the agency denies an individual's claim for eligibility, benefits, or services; or denies a request for exemption from mandatory enrollment in an Alternative Benefit Plan; or takes other action, as defined at § 431.201 [...]." Per 42 CFR section 431.201, other action means a termination, suspension, or reduction of covered benefits or services.

Further, beneficiaries must receive a written notification within 30 days of the LGA's election to discontinue participation in a TCM target population. The issued notification will inform the beneficiaries that the LGA will no longer receive federal reimbursement for the TCM services provided to the beneficiaries.

If this discontinuation occurs during DHCS' Annual Participation Prerequisite (APP) submission process, the LGA must notify beneficiaries by June 1 of each state fiscal year (SFY).

## **Written Notification Guidelines**

In accordance with federal guidelines, the LGA may use DHCS' UNT or an equal substitute when providing written notification to the beneficiaries. The language in the UNT informs beneficiaries of the termination, reduction, or suspension of a previously covered Medi-Cal TCM service.

If the LGA elects to use a different form, per 42 CFR section 431.210, the written notice must at least contain:

- (a) A statement of what action the LGA intends to take and the effective date of such action;
- (b) A clear statement of the specific reasons supporting the intended action;
- (c) The specific regulations that support, or the change in Federal or State law that requires, the action;
- (d) An explanation of –
  - (1) The individual's right to request a local evidentiary hearing if one is available, or a State agency hearing; or
  - (2) In cases of an action based on a change in law, the circumstances under which a hearing will be granted; and
- (e) An explanation of the circumstances under which Medicaid is continued if a hearing is requested.

In addition, per 42 CFR section 431.206, if LGAs are going to continue to provide access to TCM (or similar) services through another mechanism besides Medi-Cal TCM, the LGA is required to inform the beneficiaries of continued access to TCM (or similar) services even though the LGA will no longer participate in Medi-Cal TCM for a specific target population or receive federal reimbursement for the TCM services through DHCS. If the LGAs shift beneficiaries out of a TCM target population and into a similar, non-federally funded program, the LGA must notify the beneficiaries of the new fair hearing and appeals process based on the funding source of the new program.

## **No Appeal Rights**

Because participation in the Medi-Cal TCM program is voluntary, per 42 CFR section 431.210(d)(1), the information provided in the beneficiary notification is not subject to an administrative hearing or appeal. Nevertheless, LGAs are responsible for ensuring that they comply with all applicable state and federal requirements, including tendering this notice.

## **Providing Notification Documentation to DHCS**

Upon noticing the beneficiaries, the LGA is required to provide two separate documents to DHCS:

1. The LGA must electronically submit a copy of the individual notification letter(s). Because the notification letter contains Protected Health Information (PHI), the electronic submission must be sent via secured means to DHCS' TCM inbox ([dhcs-tcm@dhcs.ca.gov](mailto:dhcs-tcm@dhcs.ca.gov)). The LGA must submit electronic copies to DHCS within 30 days of the date the notification letters were sent to beneficiaries, or by June 1 of the SFY (whichever occurs first). The notices must contain all the elements discussed in the written notification guidelines section above.
2. In addition to the notification copy(s) submitted to DHCS, the LGA must inform DHCS of the following: (1) the last date the LGA provided TCM services to each beneficiary under the TCM federally funded program for each target population, and (2) whether the LGA will continue to provide the beneficiary with non-federally funded TCM (or like) services. To provide this information, LGAs must complete and submit the DHCS provided Notice Log Template accompanying this PPL to DHCS by June 30 of each SFY or within 30 days of removing a target population. Due to the PHI that will be within the Notice Log, LGAs must submit the Notice Log to DHCS by electronic submission via secured email to DHCS' TCM inbox ([dhcs-tcm@dhcs.ca.gov](mailto:dhcs-tcm@dhcs.ca.gov)) or another DHCS/LGA agreed upon secured method for file transfers.

Please contact DHCS at [dhcs-tcm@dhcs.ca.gov](mailto:dhcs-tcm@dhcs.ca.gov) with any questions regarding this PPL.

Sincerely,

### **ORIGINAL SIGNED BY**

Shelly Taunk, Chief  
County Based Claiming and Inmate Services Section