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DATE: February 10, 2022

PPL No. 22-003

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

SUBJECT: Additional Information and Guidance on the American Rescue Plan Act (ARPA)

PURPOSE: In addition to PPL 21-043, this Policy and Procedure Letter (PPL) addresses the impact of the ARPA on the LGAs. The ARPA is a federal legislation mandate, and therefore, the Department of Health Care Service (DHCS) must adhere to the ARPA's requirements.

REFERENCE: Section 9817 of the American Rescue Plan Act

**BACKGROUND:**

Section 9817 of the ARPA provides a temporary enhanced Federal Medical Assistance Percentage (FMAP) for certain Medicaid expenditures for Medicaid Home and Community-Based Services (HCBS) programs during the Public Health Emergency as a result of COVID-19, beginning April 1, 2021. This translates to a potential of \$4.6 billion for California's Medicaid HCBS programs.

DHCS is required to preserve all existing HCBS in amount, duration, and scope, which were in effect as of April 1, 2021, in order to receive the increased FMAP from the Centers for Medicare and Medicaid Services (CMS). The State will allocate the increased FMAP claimed from CMS for activities that enhance, expand, and strengthen HCBS under the Medicaid program.

**LGAs are currently not allowed to withdraw from the TCM Program**

In order for DHCS to qualify for the enhanced FMAP under ARPA, the TCM program must comply with ARPA's Maintenance of Effort requirements, which means that TCM services must continue until March 31, 2024 in the same amount, duration, and scope, of services established as of April 1, 2021 by the State Plan. Therefore, LGAs will not

be permitted to withdraw from the TCM Program for State Fiscal Year (SFY) 2022-23 and SFY 2023-24, nor remove target populations from its service populations.

For reference, the five TCM target populations are as follows:

- Target population 14 - Children under the age of 21
- Target population 15 - Medically fragile individuals
- Target population 16 - Individuals at risk of institutionalization
- Target population 17 - Individuals in jeopardy of negative health or psycho- social outcomes
- Target population 18 - Individuals with a communicable disease

LGAs are required to continue to adhere to all policies and procedures provided in the TCM Provider Manual, which include requirements set by Welfare and Institutions Code Section 14132.44(d), requiring that LGAs that provide TCM services shall have all of the following:

- Established procedures for performing monitoring
- A countywide system to prevent duplication of services and to ensure coordination and continuity of care among providers of case management services
- A fee mechanism, specific to TCM services

Per ARPA, LGAs are only required to provide services to the target populations that were in effect on April 1, 2021. ARPA does not require LGAs to provide additional TCM services. LGAs are also not required to expand their target populations, and are only required to provide services to beneficiaries that request services. LGAs can choose to add new target populations. However, LGAs are required to continue providing TCM services to beneficiaries in all of their existing target populations until March 31, 2024.

Please email [DHCS-TCM@dhcs.ca.gov](mailto:DHCS-TCM@dhcs.ca.gov) for any questions regarding this PPL.

Sincerely,

Jillian Mongetta  
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