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| LOCAL COMMISSIONERS MEMORANDUM |
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DSS-4037EL (Rev. 9/89)

Transmittal No: 91 LCM-109

Date: June 3, 1991

Division: Medical Assistance

TO: Local District Commissioners

SUBJECT: Reimbursement for Case Management

ATTACHMENTS: Public Notice (available on-line)

Federal regulations (42 CFR 477.205) require states to provide a Public Notice of changes in methods and standards for setting payment rates for services provided under the Medicaid Program. Pursuant to these regulations, a notice has been published in the official State publication, the New York State Register, on May 15, 1991 which indicates the reimbursement methodology for Comprehensive Medicaid Case Management for the population to be served under State Medicaid Plan - Target Group E of Case Management Services. Target group E consists of women of child bearing age who are pregnant or parenting and infants under one year of age.

The Federal regulations indicate that copies of the proposed reimbursement methodology must be available in every county for public view. Copies of the notice as it was sent to the New York State Register are enclosed for your information and display. As you will note, the notice which was published in the New York State Register indicates that such copies will be available in the local (County) Social Services district. Therefore, enclosed are a limited number of copies. The Federal regulations only require that we make them available for public review and do not require this Department or you to distribute them to the public. If you are

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in need of further copies of the proposed changes, please contact Mr. Edwin Spence, Division of Medical Assistance at 1-800-342-3715 extension 3-5655.

Should the public wish to comment on those proposed changes, early comment is encouraged. Written comments concerning this initiative should be directed to:

Mr. Michael McNaughton
Local District Policy Communications
New York State Department of Social Services
40 North Pearl Street
Albany, New York 12243

Statewide copies of the reimbursement methodology should be available for review during regular business hours in each local Social Services district office.

In New York City, copies should be available as follows:

New York County: 250 Church Street
New York, NY 10013

Queens County: Queens Center
3720 Northern Blvd.
Long Island City, NY 11101

Sincerely,

Jo-Ann A. Costantino
Deputy Commissioner
Division of Medical Assistance

PUBLIC NOTICE
DEPARTMENT OF SOCIAL SERVICES

Pursuant to 42 CFR 447.205, the Department of Social Services hereby gives notice of the following:

In September 1988, the Department of Social Services amended Subchapter E, Article 3 of Title 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York by adding a new Section 505.16 (18 NYCRR 505.16) effective September 21, 1988.

Section 505.16 includes the standards for the provision and reimbursement of Comprehensive Medical Case Management (CMCM) services as a discrete and independently reimbursed item of service under the state's medical assistance program. The regulations authorize the Commissioner of the Department of Social Services to enter into provider agreements with social services agencies, facilities, individuals and other groups approved by the Commissioner and to reimburse such entities for the costs associated with their provision of case management services to medicaid eligible, target populations on either a statewide basis or in defined geographic areas.

Section 9508 of the federal Consolidated Omnibus, Budget Reconciliation Act of 1985 (COBRA; P.L. 99-272) amended Section 1915 of the Social Security Act to provide case management services as a discrete item of medical assistance. Federally defined as those services which will assist eligible individuals "in gaining access to needed medical, social, educational and other services", case management services may be provided without regard to the usual Medicaid requirements of statewideness and comparability.

Case management services will enable individuals who are high users of services, those having problems accessing care and those belonging to certain age groups, diagnosis or specialized program groups to secure quality services, specific to their needs in a continuum of care.

Section 505.16 of 18 NYCRR provides that entities proposing to provide case management services on a statewide basis must submit to the department, a written proposal for providing case management services setting forth their plans for providing case management services. The target group for the program are as follows.

Women of childbearing age who are pregnant and parenting and infants under 1 year of age in areas where there is a high incidence of low birth weight babies and other low birth weight problems.

Entities seeking to provide case management to this population will be reimbursed based on estimated costs included in provider proposals submitted to the Department for approval. Estimated costs will be reviewed by the Department for appropriateness and allowability. Appropriate and allowable program costs will yield an hourly rate which may be billed in quarter hour segments or visits. All rates will be subject to approval of the Department's Office of Budget Management and the State's Division of Budget.

The New York State medical assistance program (MEDICAID) reimburses programs providing services to eligible members of the target population prospectively, based upon projected costs of personal and non-personal services. During the initial year of operation, the rate is negotiated based on projected costs submitted by the program. Second year rates are based on first year costs trended forward by an inflation factor, derived from the federal consumer price index, with allowance for program modifications based on experience. Subsequent years' costs will be based upon actual costs reported by the program.

The various cost components of the rate are determined on the basis of projected costs and generally accepted cost factors, including:

- o allowability of projected expenditures;
- o usual and customary rates in the geographic area for the category of expense; and
- o satisfactory cost projections, based upon experience or an accountant's certification.

These costs are reviewed by the Division of Medical Assistance with consideration of the needs of the target population and the need for client privacy and confidentiality.

At the end of each fiscal year, each program is required to submit a detailed audited cost report showing actual expenditures made. These cost reports are required to be filed by the end of the third month following the end of the fiscal year. Based on these cost reports, future years' rates may be adjusted to reflect obvious misstatements of projected expenditures.

These cost reports will also be used to establish cost corridors, ceilings, or regional averages for future years' reimbursement rates.

Statewide, copies of the reimbursement methodology are on file and available for review during regular business hours in each local (county) social services district office.

In New York City, copies are available as follows:

New York County:	250 Church Street New York, NY 10013
Queens County:	Queens Center 3220 Northern Boulevard Long Island City, NY 11101

Kings County:	Fulton County 114 Willoughby Street Brooklyn, NY 11201
Bronx County:	Tremont Center 1916 Monterey Avenue Bronx, NY 10457
Richmond County:	Richmond Center 95 Central Avenue St. George Staten Island, NY 10301