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

Transmittal No: 91 LCM-176

Date: September 27, 1991

Division: Administration

TO: Local District Commissioners

SUBJECT: Reporting of Administrative Expenses
for Medicaid Managed Care Programs

ATTACHMENTS: Worksheet

Pursuant to Chapter 409 of the Laws of 1991, local districts are required to report administrative costs associated with Managed Care programs established pursuant to Chapter 710 of the Laws of 1988 (managed care demonstrations) and Chapter 165 of the Laws of 1991.

The following local districts currently have Medicaid Care Plans: Broome, Chemung, Columbia, Delaware, Dutchess, Erie, Fulton, Herkimer, Monroe, Montgomery, Nassau, Niagara, New York City, Onondaga, Orange, Otsego, Rockland, Suffolk, Ulster, Warren, Washington, and Westchester.

The above listed local districts and any others engaged in Managed Care must submit the attached worksheet.

Included in these programs are Health Maintenance Organizations (HMOs), Physician Case Management Programs (PCMPs) and Prepaid Health Service Plans

(PHSPs), and Managed Care Demonstration Plans. Administrative costs for activities relating to managed care programs include but are not limited to:

- Managed Care Plan Development
- Provider Recruitment
- Contract Negotiations
- Marketing
- Provider Liaison
- Recipient Enrollment
- Recipient Disenrollment
- Grievance Monitoring/Resolution
- Enrollee Liaison
- Quality Assurance

In order to comply with the legislation, it will be necessary to provide cost data with relation to any Managed Care initiative by 10/15/91. The attached worksheet is provided for your convenience. A separate worksheet should be completed for each separate program initiative for each state fiscal year that costs were or are to be incurred (4/1/90 to 3/31/91 actual and 4/1/91 to 3/31/92 estimated).

If actual data is not available, estimated data should be provided.

Please remit this information to:

Richard Radzynski, Director
Bureau of Local Financial Operations
40 N. Pearl Street - 8A
Albany, NY 12243

Any questions regarding this procedure should be directed to Upstate, Roland Levie at 1-800-342-3715, extension 4-7549 or Metropolitan, Marvin Gold at (212)804-1108.

Nelson Weinstock
Deputy Commissioner
for Administration