



Targeted Case Management (TCM) State Plan Amendment Reimbursement Methodology

- ▶ Case management services include activities which assist eligible Medicaid beneficiaries in gaining access to needed medical, social, educational, and other services. The four components of TCM are:
 - ▶ Assessment
 - ▶ Care Planning
 - ▶ Referral and Linkage; and
 - ▶ Monitoring and Follow-up
- ▶ The current TCM reimbursement range is from \$23.66 to \$82.58 per 15 minute unit of service. This is based upon the most recent cost report.
- ▶ SCDHHS was directed by CMS in May 2011 to amend the Medicaid State Plan for TCM. States are being asked to use a standardized template for submitting information concerning this SPA. This process includes updating the state's reimbursement methodology for TCM.
- ▶ The TCM market based rates were developed based on an analysis of annual compensation and fringe, supervision, travel, training, supplies and indirect cost of contracting state agencies and Department proposed productivity factors.
- ▶ The benefits of a market based rate include a uniform, consistent, and equitable approach to reimbursing for services.
- ▶ Market rates also remove the need for annual cost reports at a later date if state matching funds are transferred to the Medicaid agency.
- ▶ The proposed rates will be \$15.00 and \$20.00 per 15 minute TCM unit and will be applicable to all TCM providers. A face to face TCM encounter involving travel to the recipient's home/setting will be reimbursed at the \$20.00 rate. All other TCM encounters will be reimbursed at the \$15.00 rate.
- ▶ North Carolina's current TCM rate for at-risk adults is \$12.87 per 15 minute unit.
- ▶ It is anticipated that state agencies currently providing TCM services will be allowed a transition period of 18 months to fully implement the change from a cost based rate to a market based rate.
- ▶ During this time, state agency specific cost based rates will be recognized as a component of the rate. Beginning January 1, 2012, the proposed effective date, the cost based component will comprise 75% of the TCM rate while the market based rate will make up 25%. On July 1, 2013, this blend of rates will shift to a 50/50 ratio.
- ▶ The full implementation of the market based rate for TCM services will begin during SFY 2014.
- ▶ SCDHHS has discussed this pending effort with State agencies for over a year. A draft rate was proposed in the fall after state agencies submitted SFY 2013 budget requests.
- ▶ SCDHHS held a public meeting regarding the TCM SPA on January 24th. Almost 100 persons attended or were connected via webcast. The majority of the comments received have been related to the proposed rate.
- ▶ Written comments were accepted through January 31st.
- ▶ SCDHHS plans to submit the SPA to CMS by April 20, 2012.