



# CLIENT ADVISORY

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### **CMS Medicaid Program; Optional State Plan Case Management Services**

On November 30, 2007 the Centers for Medicare & Medicaid Services ("CMS") issued an interim final rule for implementing Section 6052 of the Deficit Reduction Act of 2005. This rule clarifies Medicaid's definition of covered case management and targeted case management services, addresses concerns about improper billing of non-Medicaid services to the Medicaid program by some states, and includes significant beneficiary protections that ensure comprehensive and coordinated services to meet the needs of beneficiaries.

Case management services are defined as "services that assist individuals eligible under the plan in gaining access to needed medical, social, educational, and other services." The intent is to assist individuals in gaining access to needed services, consistent with current laws and regulations. Case management services include:

- Assessment and periodic reassessment of an eligible individual to determine needs.
- Development and periodic revision of a specific care plan based on the assessment or reassessment.
- Referral to services.
- Monitoring and follow-up.

Case management services exclude activities that:

- Are an integral component of another Medicaid service.
- Include the direct delivery of medical, educational, social, or other service to which an eligible individual has been referred.
- The administration of foster care programs.
- Constitute the administration of any other non-medical program.

Targeted case management services are defined as "case management services furnished to particular defined target groups or in any defined locations without regard to requirements related to the statewide provision of services or comparability of services."

Both case management services and targeted case management services are to include only services to individuals who are residing in a community setting or transitioning to a community setting following an institutional stay. This rule also intends to make clear that Federal Financial Participation ("FFP") is available for community case management services for the transition of an individual under age 21 who is receiving inpatient psychological services after discharge from a medical institution to the community.

Finally, this rule states that FFP is only available for case management services or targeted case management services if there are no other third parties liable to pay for these services. It is estimated that Federal Medicaid spending on these services will be significantly reduced due to this interim rule.

For more information please contact Popovits & Robinson at 708/479-3230.

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