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**State/Territory Name: California**

**State Plan Amendment (SPA) #: 10-012B**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region IX

Division of Medicaid & Children's Health Operations

90 Seventh Street, Suite 5-300 (5W)

San Francisco, CA 94103-6706

DEC 20 2010

Toby Douglas  
Chief Deputy Director  
Health Care Programs  
California Department of Health Care Services  
P.O. Box 997413, MS 0000  
Sacramento, CA 95899-7413

Dear Mr. Douglas:

Enclosed is an approved copy of California State Plan Amendment (SPA) Number 10-012B, effective July 1, 2010. This SPA updates the Mentally Disabled target group language to reflect current practice and align with Federal regulations.

During the review of this SPA, CMS performed an analysis of the reimbursement provisions, which revealed reimbursement issues already identified through the review of CA 09-004 (currently off the clock). These issues will be resolved through the 09-004 SPA review process.

If you have any questions, please contact Kristin Curran at (415) 744-3579 or at [kristin.curran@cms.hhs.gov](mailto:kristin.curran@cms.hhs.gov).

Sincerely,

Gloria Nagle, Ph.D., MPA  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosure

cc: Dina Kokkos-Gonzales, California Department of Health Care Services  
Vickie Orlich, CA Department of Health Care Services

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

**TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**1. TRANSMITTAL NUMBER:  
10-012B**

**2. STATE  
CA**

**3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)**

**4. PROPOSED EFFECTIVE DATE  
July 1, 2010**

**5. TYPE OF PLAN MATERIAL (Check One):**

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

**COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)**

**6. FEDERAL STATUTE/REGULATION CITATION:**

Social Security Act 1905(a)(19)  
42 USC Section 1396 n(g)/Social Security Act 1915(g)  
42 CFR 431.51, 440.169 and 441.18

**7. FEDERAL BUDGET IMPACT:**

a. FFY N/A \$ N/A  
b. FFY N/A \$ N/A

**8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:**

Supplement 1 to Attachment 3.1-A, Pages ~~1-14~~ 8-10

**9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):**

Supplement 1 to Attachment 3.1-A, Pages ~~1-14~~ 8-14

**10. SUBJECT OF AMENDMENT:**

Targeted Case Management for the Mentally Disabled Target Group

**11. GOVERNOR'S REVIEW (Check One):**

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

The Governor's Office does not wish to review the State Plan Amendment.

**12. SIGN**

**13. TYPED NAME:**

Toby Douglas

**14. TITLE:**

Chief Deputy Director

**15. DATE SUBMITTED:**

11/14/10

**16. RETURN TO:**

Department of Health Care Services  
Attn: State Plan Coordinator  
1501 Capitol Avenue, Suite 71.3.26  
P.O. Box 997417  
Sacramento, CA 95899-7417

**FOR REGIONAL OFFICE USE ONLY**

**17. DATE RECEIVED:**

9/30/10

**18. DATE APPROVED:**

DEC 20 2010

**PLAN APPROVED - ONE COPY ATTACHED**

**19. EFFECTIVE DATE OF APPROVED MATERIAL:**

7/1/10

**21. TYPED NAME:**

Gloria Nagle

**22. TITLE:**

Associate Regional Administrator

**23. REMARKS:**

Pen and ink change to Box 8 confirmed by email on 12/21/10

Pen and ink change to Box 9 confirmed by email on 12/21/10

**State Plan under Title XIX of the Social Security Act**  
**State/Territory: CALIFORNIA**

**TARGETED CASE MANAGEMENT SERVICES**

**A. Target Group (42 Code of Federal Regulations (CFR) 441.18(a)(8)(i) and 441.18(a)(9))**

Targeted case management services are provided as part of a comprehensive specialty mental health services program available to Medi-Cal beneficiaries that meet medical necessity criteria established by the State, based on the beneficiary's need for targeted case management established by an assessment and documented in the client plan.

1. For members of the target group who are transitioning to a community setting targeted case management services will be made available for up to 30 calendar days for a maximum of three non-consecutive periods of 30 calendar days or less per hospitalization or inpatient stay prior to the discharge of a covered stay in a medical institution. The target group does not include individuals between ages 22 and 64 who are served in Institutions for Mental Disease or individuals who are inmates of public institutions (State Medicaid Directors Letter (SMDL), July 25, 2000).

**B. Areas of State in which services will be provided (Section 1915 (g)(1) of the Act)**

☒ Entire State  
☐ Only in the following geographic areas

**C. Comparability of services (Sections 1902(a)(10)(B) and 1915(g)(1)**

☐ Services are provided in accordance with Section 1902(a)(10)(B) of the Act  
☒ Services are not comparable in amount duration and scope (Section 1915(g)(1))

**D. Definition of Services (42 CFR 440.169)**

Targeted case management services are defined as services furnished to assist individuals, eligible under the State Plan, in gaining access to needed medical, alcohol and drug treatment, social, educational and other services.

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Targeted case management may be provided face-to-face, by telephone, or by telemedicine with the beneficiary or significant support person and may be provided anywhere in the community. Targeted case management contacts with significant support persons may include helping the eligible beneficiary access services, identifying needs and supports to assist the eligible beneficiary in obtaining services, providing case managers with useful feedback, and alerting case managers to changes in the eligible beneficiary's needs (42 CFR 440.169(e)).

Targeted case management means services that assist a beneficiary to access needed medical, alcohol and drug treatment, educational, social, prevocational, vocational, rehabilitative, or other community services. The service activities include (dependent upon the practitioner's judgment regarding the activities needed to assess and/or treat the beneficiary): communication, coordination, and referral; monitoring service delivery to ensure beneficiary access to service and the service delivery system; monitoring of the beneficiary's progress; placement services; and plan development.

Targeted case management includes the following assistance:

1. Comprehensive assessment and periodic reassessment of individual needs to determine the need for establishment or continuation of targeted case management services to access any medical, educational, social, or other services. These assessment activities include:
  - a. Taking client history;
  - b. Identifying the individual's needs and completing related documentation, reviewing all available medical, psychosocial, and other records, and gathering information from other sources such as family members, medical providers, social workers, and educators (if necessary) to form a complete assessment of the individual; and
  - c. Assessing support network availability, adequacy of living arrangements, financial status, employment status, and potential and training needs.

Assessments are conducted on an annual basis or at a shorter interval as appropriate.
2. Development and Periodic Revision of a Client Plan that is:
  - a. Based on the information collected through the assessment;
  - b. Specifies the goals, treatment, service activities, and assistance to address the negotiated objectives of the plan and the medical, social, educational, and other services needed by the individual;
  - c. Includes activities such as ensuring the active participation of the eligible individual, and working with the individual (or the individual's authorized health care decision maker) and others to develop those goals;

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- d. Identifies a course of action to respond to the assessed needs of the eligible individual; and
- e. Develops a transition plan when a child has achieved the goals of the Client Plan.

**3. Referral and Related Activities:**

- a. To help an eligible individual obtain needed services including activities that help link an individual with medical, alcohol and drug treatment, social, educational providers or other programs and services that are capable of providing needed services, such as making referrals to providers for needed services and scheduling appointments for the individual;
- b. To intervene with the client/others at the onset of a crisis to provide assistance in problem resolution and to coordinate or arrange for the provision of other needed services;
- c. To identify, assess, and mobilize resources to meet the client's needs. Services would typically include consultation and intervention on behalf of the client with Social Security, schools, social services and health departments, and other community agencies, as appropriate; and
- d. Placement coordination services when necessary to address the identified mental health condition, including assessing the adequacy and appropriateness of the client's living arrangements when needed. Services would typically include locating and coordinating the resources necessary to facilitate a successful and appropriate placement in the least restrictive setting and consulting, as required, with the care provider.

**4. Monitoring and Follow-Up Activities:**

- a. Activities and contacts that are necessary to ensure the Client Plan is implemented and adequately addresses the individual's needs, and which may be with the individual, family members, providers, or other entities or individuals and conducted as frequently as necessary, and including at least one annual monitoring, to determine whether the following conditions are met:
  - Services are being furnished in accordance with the individual's Client Plan;
  - Services in the Client Plan are adequate; and
  - There are changes in the needs or status of the individual, and if so, making necessary adjustments in the Client Plan and service arrangements with providers.
- b. Activities to monitor, support, and assist the client on a regular basis in developing or maintaining the skills needed to implement and achieve the goals of the Client Plan. Services would typically include support in the use of psychiatric, medical, educational, socialization, rehabilitation, and other social services.

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TN No. 91-09

Monitoring and update of the Client Plan is conducted on an annual basis or at a shorter interval as appropriate.

E. Qualification of Providers (42 CFR 441.18(a)(8)(v) and 42 CFR 441.18(b))

Targeted Case Management services are provided by certified mental health organizations or agencies and by mental health professionals who are credentialed according to state requirements or non-licensed providers who agree to abide by the definitions, rules, and requirements for Targeted Case Management services established by the Department of Mental Health in conjunction with the Department of Health Care Services, to the extent authorized under state law.

Targeted case management services may be provided by or under the direction (for those providers that may direct services) of the following Licensed Mental Health Professional providers or teams of providers determined to be qualified to provide the service, consistent with state law.

"Licensed Mental Health Professional" means licensed physicians, licensed psychologists, licensed clinical social workers, licensed marriage and family therapists, registered nurses (includes certified nurse specialists and nurse practitioners), licensed vocational nurses, and licensed psychiatric technicians.

"Under the direction of" means that the individual directing service is either directly providing the service, or acting as a clinical team leader, providing direct or functional supervision of service delivery, or review, approval, and signing client plans. An individual directing a service is not required to be physically present at the service site to exercise direction. The licensed professional directing a service assumes ultimate responsibility for the targeted case management service provided. Services are provided under the direction of a physician, a psychologist, a waived psychologist, a licensed clinical social worker, a registered licensed clinical social worker, a marriage and family therapist, a registered marriage and family therapist, or a registered nurse (including a certified nurse specialist, or a nurse practitioner).

"Waivered/Registered Professional" means:

- (1) For a psychologist candidate, an individual who has a professional licensing waiver to the extent authorized under State law; or
- (2) For a marriage and family therapist candidate or a licensed clinical social worker candidate, an individual who has registered with the corresponding state licensing authority for marriage and family therapists or clinical social workers to obtain supervised clinical hours for marriage and family therapist or clinical social worker licensure, to the extent authorized under state law.

The following specific minimum provider qualifications apply for each individual delivering or directing services.

**1) Physicians**

Physicians must be licensed in accordance with applicable State of California licensure requirements. Physicians may direct services.

**2) Psychologists**

Psychologists must be licensed in accordance with applicable State of California licensure requirements. Psychologists may direct services.

A psychologist may also be a Waivered/Registered Professional who has a waiver of psychologist licensure to the extent authorized under State law. Waivered Psychologists may also direct services under the supervision of a Licensed Mental Health Professional in accordance with laws and regulations governing the waiver.

**3) Licensed Clinical Social Workers (LCSW)**

Licensed clinical social workers must be licensed in accordance with applicable State of California licensure requirements. Licensed clinical social workers may direct services.

A clinical social worker may also be a Waivered/Registered Professional who has registered with the state licensing authority for clinical social workers to obtain supervised clinical hours for clinical social worker licensure. Registered clinical social workers may also direct services under the supervision of a Licensed Mental Health Professional in accordance with laws and regulations governing the registration.

**4) Marriage and Family Therapists (MFT)**

Marriage and family therapists must be licensed in accordance with applicable State of California licensure requirements. Marriage and family therapists may direct services.

A marriage and family therapist may also be a Waivered/Registered Professional who has registered with the state licensing authority for marriage and family therapists to obtain supervised clinical hours for marriage and family therapist licensure, to the extent authorized under state law. Registered marriage and family therapists may also direct services under the supervision of a Licensed Mental Health Professional in accordance with laws and regulations governing the registration.



**5) Registered Nurses (RN)**

Registered nurses must be licensed in accordance with applicable State of California licensure requirements. Registered nurses may direct services.

**6) Certified Nurse Specialists (CNS)**

Certified nurse specialists must be licensed in accordance with applicable State of California license requirements. Certified nurse specialists may direct services.

**7) Nurse Practitioners**

Nurse practitioners may be licensed in accordance with applicable State of California licensure requirements. Nurse practitioners may direct services.

The following providers may provide services under the direction of those Licensed Mental Health Professionals (listed above) who may direct a service.

**8) Licensed Vocational Nurses (LVN)**

Licensed vocational nurses must be licensed in accordance with applicable State of California licensure requirements.

**9) Psychiatric Technicians (PT)**

Psychiatric technicians must be licensed in accordance with applicable State of California licensure requirements.

**10) Mental Health Rehabilitation Specialists (MHRS)**

A mental health rehabilitation specialist shall be an individual who has a baccalaureate degree and four years of experience in a mental health setting as a specialist in the fields of physical restoration, social adjustment, or vocational adjustment. Up to two years of graduate professional education may be substituted for the experience requirement on a year-for-year basis; up to two years of post associate arts clinical experience may be substituted for the required educational experience in addition to the requirement of four years' experience in a mental health setting.

**11) Physician Assistants (PA)**

Physician assistants must be licensed in accordance with applicable State of California licensure requirements.

12) Pharmacists

Pharmacists must be licensed in accordance with applicable State of California licensure requirements.

13) Occupational Therapists (OT)

Occupational therapists must be licensed in accordance with applicable State of California licensure requirements.

14) Other Qualified Provider

An individual at least 18 years of age with a high school diploma or equivalent degree determined to be qualified to provide the service by the County Department of Mental Health.

F. Freedom of Choice (42 CFR 441.18(A)(1))

The State assures that the provision of case management services will not restrict an individual's free choice of providers in violation of section 1902(a)(23) of the Act.

1. Eligible individuals will have free choice of any qualified Medicaid provider within the specified geographic area identified in this plan.
2. Eligible individuals will have free choice of any qualified Medicaid providers of other medical care under the plan.

G. Freedom of Choice Exception (Section 1915(g)(1) and 42 CFR 441.18(b))

X Target group consists of eligible individuals who meet medical necessity criteria for specialty mental health services. Providers are limited to qualified Medicaid providers of case management services employed by or contracted with the County Department of Mental Health who are capable of ensuring that individuals receive needed services.

H. Access to Services (42 CFR 441.18(A)(2), 42 CFR 441.18(a)(3), 42 CFR 441.18(a)(6))

The State assures the following:

- Targeted case management services will not be used to restrict an individual's access to other services under the plan.
- Individuals will not be compelled to receive case management services, condition receipt of targeted case management on the receipt of other Medicaid services, or condition receipt of other Medicaid services on receipt of targeted case management services; and
- Providers of case management services do not exercise the agency's authority to authorize or deny the provision of other services under the plan.

management services if there are no services, including as reimbursement other program except for case individualized education program or consistent with section 1903(c) of the Act.

are not reimbursable on days when Psychiatric Health Facility Services or are reimbursed, except for the day of purpose of coordinating placement of the ment for Targeted Case Management will unity and not to institutions.

I. Payment (42 CFR 441.18(a)(4))  
Payment for targeted case management duplicate payments made to public program authorities for this same pu

J. Case Records (42 CFR 441.18(a)(7))  
Providers maintain case records that targeted case management as follows:  
1. The name of the individual  
2. The dates of the targeted case  
3. The name of the provider agency the case management service  
4. The nature, content, units of received and whether goals achieved  
5. Whether the individual has d  
6. The need for, and occurrence  
7. A timeline for obtaining need  
8. A timeline for reevaluation of

K. Limitations  
Targeted case management does not Participation (FFP) is not available in CFR section 441.169 when the target integral and inseparable component Medicaid Manual (SMM) 4302.F).

Targeted case management does not Participation (FFP) is not available in CFR section 441.169 when the target the direct delivery of underlying medical which an eligible individual has been services such as, but not limited to, completion of documentation required adoption placements; recruiting or in serving legal papers; home investigation foster care subsidies; and making p

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