

DEPARTMENT OF HEALTH & HUMAN SERVICES

8325 Security Boulevard
Baltimore, MD 21207

T-82

Long said!
Case management
Responsibilities
& financial related
strategies

Dec 1990

Ms. Linda J. Schofield
Director
Medical Care Administration
Department of Income Maintenance
110 Bartholomew Avenue
Hartford, Connecticut 06106

Dear Ms. Schofield:

This is in response to your recent letter requesting further clarification of the requirements of case management with respect to the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) program. In order to prevent any further confusion, we will attempt to comprehensively explain the relationship of case management and EPSDT.

The Omnibus Budget Reconciliation Act of 1989 (OBRA 89) significantly modified the EPSDT program with the addition of section 1905(m) of the Social Security Act (the Act). Among other things, section 1905(m) of the Act requires States to provide any services included in section 1905(n) of the Act, when medical necessity for the service is shown by an EPSDT screen, whether or not such services are covered under the State plan.

Case management services are included in section 1905(n)(19) of the Act. Therefore, they must be provided to an EPSDT recipient when found to be medically necessary. Targeted Case Management (TCM) services are not mandatory under EPSDT. This is because TCM services are found at section 1919(g)(1) of the Act, rather than 1905(n) of the Act.

When the need for case management activity is found to be medically necessary, the State has several options. Some of these options are:

- o Provision of the case management by an existing service provider (such as a doctor or clinic referring the child to a specialist).
- o Provision of the case management by the Medicaid agency, or its designee. (Its designee could be

Attachment

0000

mother State agency such as Title V, the Health Department, or an entity with which the Medicaid agency has a contractual agreement.) Such administrative case management, when limited to coordination of access to Medicaid funded medical services (42 CFR 441.61 and 441.62) may be found to be necessary for the proper and efficient administration of the State plan. As such, it would qualify for administrative Federal financial participation (FFP) at the 50 percent or the 75 percent rate, whichever is applicable.

- o Case management services provided under the authority of section 1905(a)(19) of the Act. Under this authority, case management may be used to reach out beyond the bounds of the Medicaid program to coordinate access to a broad range of services, regardless of the source of funding for the services to which access is gained. Note that the services to which access is gained must be found by the Medicaid agency to be "medically necessary" for the child. However, the medically necessary services do not have to be medical in nature, or reimbursable under the Medicaid State Plan. (As an example, case management services could be used to help an adolescent with an abusive, alcoholic parent gain access to Alateen. The need for participation in this organization could have been found medically necessary in order to prevent further psychological damage to the adolescent. Alateen is not a covered Medicaid service. However, a case manager could help the child gain access to the organization and its meetings.) Reimbursement for case management services furnished under section 1905(a)(19) of the Act is at the Federal Medical Assistance Percentage.
- o Coordination of two or more of the above. The only caveat involved is that Medicaid may not pay for duplication of services. If a case management activity is furnished under one authority, it should not be duplicated under another. Coordination of two or more of the above options could be confusing to the recipient, who may wonder whose guidance to follow. When a State intends to effect a coordination of case management sources, we recommend there be a clear delineation of the duties and responsibilities (and billing practices) of each,

In response to your specific question about section 1915(g)(2) of the Act, it should be noted that this section does not, in and of itself, provide the authority for claiming FFP under the Medicaid program. However, section 1905(a)(19) of the Act incorporates the definition of case management services found

Page 3 - Ms. Linda J. Schofield

at section 1915(g)(2) of the Act. Therefore, case management services, as defined in section 1915(g)(2) of the Act, but provided under the authority of section 1905(a)(19) of the Act, are mandatory for EPSDT recipients for whom they are found to be medically necessary.

At this time, we are not aware of any States who have elected the case management benefit under section 1905(a)(19) of the Act as a distinct State plan benefit, available to all recipients, regardless of the EPSDT program. As you point out, there are no regulations published for the case management benefit either section 1905(a)(19) or section 1915(g) of the Act, although an NPRM is currently under development. However, the subject is covered in the State Medicaid Manual beginning in section 4302.

If you have any questions regarding this information, please contact Cindy Ruff of my staff at (301) 966-1292.

Christine Nye
Director
Medicaid Bureau

FME-13:Ruff:redraft 12/7/90
Disk:Cindy:Doc. A-1832.HC
Typist:lbrown:64449