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**State/Territory Name: OH**

**State Plan Amendment (SPA) #: 15-005**

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  
233 North Michigan Avenue, Suite 600  
Chicago, Illinois 60601-5519



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October 27, 2015

John B. McCarthy, Director  
Ohio Department of Medicaid  
P.O. Box 182709  
50 West Town Street, Suite 400  
Columbus, Ohio 43218

RE: TN 15-005

Dear Mr. McCarthy:

Enclosed for your records is an approved copy of the following State Plan Amendment (SPA):

Transmittal #15-005                   - Payment for services: Targeted Case Management (TCM)  
  for Individuals with Intellectual Disabilities (IID)  
  - Effective Date: January 1, 2015

If you have any questions, please have a member of your staff contact Christine Davidson at (312) 886-3642 or by email at [christine.davidson@cms.hhs.gov](mailto:christine.davidson@cms.hhs.gov).

Sincerely,

/s/

Ruth A. Hughes  
Associate Regional Administrator  
Division of Medicaid and Children's Health Operations

Enclosure

cc: Sarah Curtin, ODM  
Becky Jackson, ODM  
Greg Niehoff, ODM

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

1. TRANSMITTAL NUMBER:  
**15-005 Revised**

2. STATE  
**OHIO**

**FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES**

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

TO: REGIONAL ADMINISTRATOR  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
January 1, 2015

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:

42 CFR 440.169  
42 CFR 440.225  
42 CFR 441.18

7. FEDERAL BUDGET IMPACT:

a. FFY 2015    \$ 47,575 (thousands)  
b. FFY 2016    \$ 63,000 (thousands)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Item 19-a, Target Group C: DD, Pages 1 and 2

Attachment 4.19-B, Item 19-a, Target Group C: DD, Page 3 of 3

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*):

Attachment 4.19-B, Item 19-a, Target Group C: DD, Page 1 of 2 (TN 10-008)

Attachment 4.19-B, Item 19-a, Target Group C: DD, Page 2 of 2 (TN 10-008)

(New)

10. SUBJECT OF AMENDMENT:

Payment for services: Targeted Case Management (TCM) services provided to individuals with intellectual disabilities

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 State Medicaid Director is the Governor's Designee**

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: **John B. McCarthy**

14. TITLE: **STATE MEDICAID DIRECTOR**

15. DATE SUBMITTED: 03/31/2015

16. RETURN TO:

**Becky Jackson  
Ohio Department of Medicaid  
P.O. BOX 182709  
Columbus, Ohio 43218**

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: 3/31/15

18. DATE APPROVED: 10/27/15

**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
1/1/15

20. SIGNATURE OF REGIONAL OFFICIAL:  
/s/

21. TYPED NAME:  
**Ruth A. Hughes**

22. TITLE:  
**Associate Regional Administrator**

23. REMARKS:

19. Case management services and tuberculosis related services.
- a. Methods and standards for payment/reimbursement of case management services as defined in, and to the group specified in, Supplement 1 to Attachment 3.1-A Target Group C: DD (in accordance with Section 1905(a) (19) of Section 1915(g) of the Act).

**Rates:**

Qualified Targeted Case Management (TCM) providers, which are limited to County Boards of Developmental Disabilities (CBDDs), are reimbursed for the actual incurred costs of providing TCM to eligible Medicaid beneficiaries. The CMS-approved Medicaid cost report is submitted by the CBDDs at the end of May for the previous calendar year. Reconciliation is completed after all county board cost reports have been audited for the reporting period. CBDDs are paid an interim rate of \$15.48 per fifteen minute unit for providing TCM services. Once all CBDD cost reports have been audited, a final settlement will be processed. The payments will be paid to each provider in an amount based on the provider's reconciled costs for providing TCM services to Medicaid recipients, less amounts already paid to the provider for TCM services under the state plan. Reconciled costs will be calculated using CMS-approved cost reporting methods. Government providers are required to comply with cost allocation principles found in 2 CFR 225. For purposes of the TCM payments, effective for services provided on or after 01/01/2015, costs shall be calculated as described in paragraphs A through F.

**A. Direct Services Payment Methodology**

The annual cost settlement methodology will consist of audited CMS-approved cost reports and cost reconciliation. If Medicaid payments exceed Medicaid-allowable costs, the excess will be recouped and returned to the federal government.

The Medicaid-allowable direct and indirect costs of providing direct services to Medicaid recipients receiving Targeted Case Management services are determined as follows:

- (1) Direct costs are those that can be identified directly to a particular program/cost objective. These costs are primarily made up of payroll and other expenses related to the compensation of employees, but also include costs not related to compensation, such as cost of materials, equipment, travel, and similar items that can be directly assigned to the benefitting program/cost objective as described in 2 CFR 225.
- (2) Indirect costs are those that are general in nature and not directly assignable to a particular program/cost objective. These indirect costs are allocated through the approved cost report to ensure that all revenue and non-revenue producing programs/cost objectives receive the appropriate share of these costs.
- (3) Determine the amount of each provider's Medicaid reimbursement for claims incurred during the provider's fiscal year and adjudicated to a paid status through the Medicaid Information Technology System (MITS).

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- (4) Determine the amount of each provider's reconciled costs for the provider's fiscal year for providing TCM services for Medicaid-eligible persons.
- (5) Determine the cost settlement ceiling which will be the lesser of the CBDD's actual cost per unit or 112% times a weighted statewide average cost per unit. The 112% weighted statewide average rate will be calculated by removing outliers and weighting the average using the total number of units. Outliers are defined as any rate exceeding three standard deviations from the mean rate; these outliers will be removed prior to calculation of the average. Costs will be settled at the lower of the CBDD's audited rate or the cost settlement ceiling. Reimbursement will not exceed the cost of providing service to Medicaid-eligible persons.
- (6) If the amount calculated in item (5) is greater than zero, the provider will receive a payment equal to the amount calculated in item (5) multiplied by the Federal Medical Assistance Percentage (FMAP) rate in effect at the time of the payment. If the amount calculated in item (5) is less than zero, the Medicaid reimbursement exceeds the cost calculated in item (4). The federal portion of the overpayment would be collected and returned to the federal government.

All expenditures reported and allocation methodologies used must be in compliance with 2 CFR 225 and all reports are audited. Audits are currently performed by the office of the Ohio auditor of State.

#### B. Certification of Expenditures

Qualified targeted case management (TCM) providers, which are limited to CBDDs, certify actual incurred costs of providing TCM to eligible Medicaid beneficiaries. Each provider must certify its expenditures as eligible for federal financial participation in order to settle to actual incurred costs for Medicaid TCM services.

#### C. Annual Cost Report Process

CBDDs are required to file a cost report for the preceding calendar year not later than the last date of May unless a later date is established.

Cost reports are filed and audited. The audit is certified as complete and a copy of the certified audit is filed in the office of the clerk of the governing body, executive officer of the governing body, and chief fiscal officer of the audited CBDD.

#### D. The Cost Reconciliation Process

CBDDs are paid an interim rate of \$15.48 per fifteen minute TCM unit. Once all CBDD cost reports have been audited, a cost settlement will be processed. The payments will be paid to

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each provider in an amount based on the provider's reconciled costs for providing TCM services to Medicaid recipients, less amounts already paid to the provider for TCM services under the state plan. Reconciled costs will be calculated using CMS-approved cost reporting methods. CBDDs are required to comply with cost allocation principles found in 2 CFR 225.

**E. The Cost Settlement Process**

For purposes of these payments, effective for services provided on or after 1/1/15, for costs calculated in item A of this document for payments exceeding the Medicaid allowable costs, the provider will remit the federal share of the overpayment. Reconciliation is completed after the Ohio Auditor of State has audited all county board cost reports for the reporting period.

**Unit Definition:**

A unit of service is equivalent to fifteen (15) minutes. Minutes of service provided to a specific individual can be accrued over one calendar day. The number of units that may be billed during a day is equivalent to the total number of minutes of TCM provided during the day for a specific individual divided by fifteen plus one additional unit if the remaining number of minutes is eight or greater minutes.

**Claims Payment Process:**

Providers will submit claims to the Ohio Department of Developmental Disabilities (DODD). For all providers of TCM, DODD will have a voluntary reassignment of claims payment form on file.

DODD will receive the claims through their system, conduct up-front edits and forward the claims to the Ohio Department of Medicaid for adjudication.

DODD will post claims adjudication status as well as remittance advice information to their secure website for providers to access and download.

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TN: NEW

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