

Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
233 North Michigan Avenue, Suite 600  
Chicago, Illinois 60601-5519



April 30, 2018

Marie Zimmerman, State Medicaid Director  
Minnesota Department of Human Services  
P.O. Box 64983  
St. Paul, MN 55164-0983

Dear Ms. Zimmerman:

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

Transmittal #17-0024      --Allows certain targeted case management services for adults to be provided via interactive video.

   --Effective Date: July 1, 2017

   --Approval Date: April 30, 2018

If you have any additional questions, please have a member of your staff contact Sandra Porter at (312) 353-8310 or via e-mail at [Sandra.Porter@cms.hhs.gov](mailto:Sandra.Porter@cms.hhs.gov).

Sincerely,

/s/

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

Enclosures

cc:     Ann Berg, DHS  
       Sean Barrett, DHS

Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
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April 30, 2018

Marie Zimmerman, State Medicaid Director  
Minnesota Department of Human Services  
P.O. Box 64983  
St. Paul, MN 55164-0983

Dear Ms. Zimmerman:

**Re: CMS Companion Letter – TN 17-24**

This letter is being sent as a companion to our approval of Minnesota state plan amendment Transmittal Number (TN) 17-24 submitted September 29, 2017 proposing to allow certain targeted case management services for adults to be provided via interactive video.

During our review of TN 17-24, we identified concerns regarding the lack of required case management plan language in Attachment 3.1-A and Attachment 4.19-B. To address these concerns, we require the state to submit a plan amendment revising the plan language to comply with regulations.

**Attachment 3.1-A**

1. Pursuant to regulations at 42 CFR 441.18, the state plan must specify if case management services are being provided to Medicaid-eligible individuals who are in institutions. Where case management is provided to beneficiaries in institutions, state plan assurances are needed that case management services to individuals transitioning to a community setting cannot exceed 180 consecutive days of a covered stay in a medical institution. Additionally, an assurance is needed that 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. Please add the assurances to the plan.
2. Minnesota's State Plan pages currently indicate that targeted case management (TCM) services are provided in accordance with section 1902(a)(10)(b) of the Social Security Act. Please remove this reference. TCM services, by their very nature, are not provided in accordance with section 1902(a)(10)(b) since they are provided only to members of a target group.

**Attachment 4.19-B**

CMS has concerns with the county-negotiated rate and the county certification public expenditures (CPE) for services provided by the county. To resolve the concerns related to the county negotiated rate, we accept the state submitting a state plan amendment within 90 days of receipt of this companion letter to end the county negotiated rates by June 30, 2021. Additionally, we require the state to submit to CMS for review and approval, a cost report and instructions prior to the implementation of the new payment methodology. The new payment methodology must address the following issues:

3. On Attachment 4.19-B pages 59-60, the state describes a negotiated rate that is not an acceptable payment methodology for the providers of case management. Because the payment rates must be under the control of the State Medicaid Agency, the rate negotiated with a provider is not compliant with Section 1902(a)(30)(A) of the Social Security Act which requires the state to have economic and efficient rates. Furthermore, this payment does not conform to the provisions of 42 CFR 430.10 and 447.252(b), which require that the State plan include a comprehensive description of the methods and standards used to set payment rates. States must provide methodologies and procedures to ensure that payment for care and services available under the plan safeguard against unnecessary utilization of such care and services.
4. An additional concern is the county funding of Certified Public Expenditures (CPE) services provided by the county. Regulations at 42 CFR 433.51 provide for the certification by the contributing public agency as representing the expenditure eligible for Federal Financial Participation. A county may certify an expenditure up to the full cost of providing an eligible service to a Medicaid beneficiary, or a county can certify the total computable amount of a rate paid to a provider on behalf of the Medicaid agency. However a county as a governmental agency cannot certify the cost of the rate when it is also the provider. Because the government provider is funding a "Medicaid payment" and the funding provided is based on incurred costs, the payment methodology in the State Plan must be cost-based via a CMS approved cost report. For all services where the funding is CPE, the plan must adhere to the following standards:
  - (a) provide for reimbursement to the governmental provider at no more than cost,
  - (b) provide the level of cost (full cost or a % of cost, but no more than full cost) the governmental provider will be reimbursed, and
  - (c) provide the methodology to identify total cost.

The state has ninety days from the date of this letter to address the issues described above. During this time period, the state must either submit a SPA with the additional information or a corrective action plan describing in detail how the state will resolve the issue in a timely manner. Failure to respond may result in the initiation of a formal compliance process. During the 90-day compliance period, CMS will be available to provide technical assistance if needed.

If you have any questions concerning this SPA, please contact Sandra Porter, of my staff, at (312) 353-3721 for more information.

Sincerely,

/s/

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

cc: Ann Berg, DHS  
Sean Barrett, DHS

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D. Definition of Services: (continued)

The monthly payment is limited to the following components of case management services:

1. At a minimum, in order to ~~recover~~ receive payment:
  - A. for an adult, the case management service provider, must document at least a:
    - (1) face-to-face contact with the client or the client's legal representative; or
    - (2) telephone contact with the client or the client's legal representative ~~if and document~~ a face-to-face contact with the client or the client's legal representative occurred within the preceding two months.

Interactive video may be used in lieu of a face-to-face contact if the client resides in a hospital, nursing facility, residential mental health facility, or an intermediate care facility for persons with developmental disabilities. The use of interactive video may substitute for no more than 50 percent of the required face-to-face contacts.

- B. for a child, the case management service provider must document at least a face-to-face contact with the client or the client's parents or legal representative.
2. Contacts between the case manager or case manager associate and their clinical supervisor concerning the client.
3. Development, review, and revision of the client's individual community support plan and functional assessment.
4. Time spent by the case manager or case manager associate traveling to meet face-to-face with a client who resides outside of the county of financial responsibility, or to meet face-to-face with the client's family, legal representative, or primary caregiver.
5. Time spent by the case manager or case manager associate traveling within the county of financial responsibility to meet face-to-face with the client or the client's family, legal representative, or primary caregiver.

STATE: MINNESOTA  
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Supplement 1b to ATTACHMENT 3.1-A  
Page 1

Approved: 4/30/18

Supersedes: 05-11(b) (03-17, 02-04)

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
STATE/TERRITORY: MINNESOTA  
RELOCATION SERVICE COORDINATION SERVICES

**A. Target Group (section 1915(g) of the Act):**

Relocation service coordination services are provided to recipients residing in inpatient hospitals, nursing facilities, and intermediate care facilities for persons with ~~mental retardation~~ developmental disabilities (ICFs/~~MRDD~~) who choose to move from an institution to the community.

**B. Areas of the State in which services will be provided:**

- Entire state.
- Only in the following geographic areas (authority section 1915 (g)(1) of the Act is invoked to provide services less than statewide).

**C. Comparability of services:**

- Services are provided in accordance with section 1902(a)(10)(B) of the Act.
- Services are not comparable in amount, duration, and scope. Authority of section 1915(g)(1) of the Act is invoked to provide services without regard to the requirements of section 1902 (a)(10)(B) of the Act.

**D. Definition of services:**

Relocation service coordination services are activities that are coordinated on an individual client basis and are designed to help recipients residing in institutions to gain access to needed

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Supplement 1c to ATTACHMENT 3.1-A  
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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
STATE/TERRITORY: MINNESOTA

**TARGETED CASE MANAGEMENT SERVICES FOR PERSONS NOT RECEIVING  
SERVICES PURSUANT TO A §1915(c) WAIVER WHO ARE  
VULNERABLE ADULTS, ADULTS WITH ~~MENTAL RETARDATION~~ DEVELOPMENTAL  
DISABILITIES OR  
RELATED CONDITIONS, OR ADULTS WITHOUT A PERMANENT RESIDENCE**

**A. Target Group (section 1915 (g) of the Act):**

Targeted case management services are provided to a recipient who is at least 18 years of age, who has significant functional impairments, who does not receive services pursuant to a § 1915(c) waiver who is:

1. In need of service coordination to attain or maintain living an integrated community setting; and
2. A vulnerable adult in need of adult protection, defined as an individual with a physical, mental or emotional disability:
  - (a) that impairs the recipient's ability to provide adequately for the recipient's own care without assistance, including the provision of food, shelter, clothing, health care, or supervision; and
  - (b) because of the disability and the need for assistance, the recipient has an impaired ability to protect himself or herself from maltreatment;
3. An adult with ~~mental retardation~~ developmental disabilities or a related condition; or
4. An adult who has not had a permanent residence for at least one year or on at least four occasions in the last three years.

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Supersedes: 05-11(a), 02-04

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**B. Areas of the State in which services will be provided:**

- Entire state.  
 Only in the following geographic areas (authority section 1915(g) (1) of the Act is invoked to provide services less than statewide).

**C. Comparability of services:**

- Services are provided in accordance with section 1902(a)(10)(B) of the Act.  
 Services are not comparable in amount, duration, and scope. Authority of section 1915(g)(1) of the Act is invoked to provide services without regard to the requirements of section 1902(a)(10)(B) of the Act.

**D. Definition of services:**

Targeted case management services are activities that are coordinated on an individual recipient basis and are designed to help recipients to gain access to needed medical, social and recreational, educational, vocational, advocacy, legal, and other services necessary to meet the recipient's needs. It does not include therapy, treatment, legal, or outreach services.

Targeted case management services include:

1. Assessment of a recipient's need for targeted case management services.
2. Development, completion, and regular review and revision of a written individual service plan with the recipient and the recipient's legal representative, and others identified by the recipient, designed to help a recipient to gain access to needed medical, social and recreational, educational, vocational, advocacy, legal and other related services. The plan must be reviewed at least annually with the recipient and the recipient's legal representative. The plan must be revised when there is a change in the recipient's status.

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D. **Definition of services:** (continued)

3. Routine communication with the recipient and the recipient's family, legal representative, caregivers, service providers, and other relevant people identified as necessary to the development or implementation of the goals of the individual service plan.
4. Coordinating referrals for, and the provision of, targeted case management services for the recipient with appropriate service providers.
5. Coordinating and monitoring the overall service delivery to ensure quality of services, appropriateness, effectiveness, and continued need.
6. Assistance to the recipient and the recipient's legal representative to help make an informed choice of services.
7. Advocating on behalf of the recipient when service barriers are encountered, or referring the recipient and the recipient's legal representative to an independent advocate.
8. Meeting face-to-face with the recipient at least twice a year. The use of interactive video may substitute for no more than 50 percent of the required face-to-face meetings.
9. Completing and maintaining necessary documentation supporting and verifying targeted case management activities.
10. If a recipient is a resident or inpatient of an inpatient hospital, nursing facility, or intermediate care facility for persons with ~~mental retardation~~ developmental disabilities (ICF/~~MRDD~~), coordinating with the facility discharge planner in the 180-day period before the recipient's discharge. Institutions for mental diseases (IMDs) are not included in this facility list.

The above components of targeted case management services must fall within the following parameters to be eligible for medical assistance payment:



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**D. Definition of services:** (continued)

1. If a recipient is a resident or inpatient of an inpatient hospital, nursing facility, or ICF/~~MRDD~~, payment for services is limited to the last 180 consecutive days before discharge.
2. Case management services will not duplicate those provided as part of the facility's discharge plan.

**E. Qualifications of providers:**

**A provider of targeted case management services** must be an enrolled medical assistance provider and:

1. a local social services agency; or
2. an entity under contract with the local social services agency.

Case managers must meet the following standards:

1. Demonstrated capacity and case management experience in providing case management services to coordinate and link community resources.
2. Administrative capacity and case management experience in serving the target population for whom it will provide services.
3. Administrative capacity to ensure quality of services in accordance with federal and state requirements.
4. A financial management system providing accurate documentation of services and costs under federal and state requirements.
5. Capacity to document and maintain individual case records in accordance with federal and state requirements.
6. Coordinate with local social service agencies responsible for planning for community social services, conducting adult protective investigations, and conducting prepetition screenings for commitments.

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D. Definition of Services: (continued)

The monthly payment is limited to the following components of case management services:

1. At a minimum, in order to ~~recover~~ receive payment:
  - A. for an adult, the case management service provider, must document at least a:
    - (1) face-to-face contact with the client or the client's legal representative; or
    - (2) telephone contact with the client or the client's legal representative if and document a face-to-face contact with the client or the client's legal representative occurred within the preceding two months.

Interactive video may be used in lieu of a face-to-face contact if the client resides in a hospital, nursing facility, residential mental health facility, or an intermediate care facility for persons with developmental disabilities. The use of interactive video may substitute for no more than 50 percent of the required face-to-face contacts.
  - B. for a child, the case management service provider must document at least a face-to-face contact with the client or the client's parents or legal representative.
2. Contacts between the case manager or case manager associate and their clinical supervisor concerning the client.
3. Development, review, and revision of the client's individual community support plan and functional assessment.
4. Time spent by the case manager or case manager associate traveling to meet face-to-face with a client who resides outside of the county of financial responsibility, or to meet face-to-face with the client's family, legal representative, or primary caregiver.
5. Time spent by the case manager or case manager associate traveling within the county of financial responsibility to meet face-to-face with the client or the client's family, legal representative, or primary caregiver.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
STATE/TERRITORY: MINNESOTA  
RELOCATION SERVICE COORDINATION SERVICES

**A. Target Group (section 1915(g) of the Act):**

Relocation service coordination services are provided to recipients residing in inpatient hospitals, nursing facilities, and intermediate care facilities for persons with ~~mental retardation~~ developmental disabilities (ICFs/~~MRDD~~) who choose to move from an institution to the community.

**B. Areas of the State in which services will be provided:**

- Entire state.
- Only in the following geographic areas (authority section 1915 (g) (1) of the Act is invoked to provide services less than statewide): N/A

**C. Comparability of services:**

- Services are provided in accordance with section 1902(a) (10) (B) of the Act.
- Services are not comparable in amount, duration, and scope. Authority of section 1915(g) (1) of the Act is invoked to provide services without regard to the requirements of section 1902 (a) (10) (B) of the Act.

**D. Definition of services:**

Relocation service coordination services are activities that are coordinated on an individual client basis and are designed to help recipients residing in institutions to gain access to needed

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Supplement 1c to ATTACHMENT 3.1-B  
Page 1

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
STATE/TERRITORY: MINNESOTA

**TARGETED CASE MANAGEMENT SERVICES FOR PERSONS NOT RECEIVING  
SERVICES PURSUANT TO A §1915(c) WAIVER WHO ARE  
VULNERABLE ADULTS, ADULTS WITH ~~MENTAL RETARDATION~~ DEVELOPMENTAL  
DISABILITIES OR  
RELATED CONDITIONS, OR ADULTS WITHOUT A PERMANENT RESIDENCE**

**A. Target Group (section 1915 (g) of the Act):**

Targeted case management services are provided to a recipient who is at least 18 years of age, who has significant functional impairments, who does not receive services pursuant to a §1915(c) waiver who is:

1. In need of service coordination to attain or maintain living an integrated community setting; and
2. A vulnerable adult in need of adult protection, defined as an individual with a physical, mental or emotional disability:
  - (a) that impairs the recipient's ability to provide adequately for the recipient's own care without assistance, including the provision of food, shelter, clothing, health care, or supervision; and
  - (b) because of the disability and the need for assistance, the recipient has an impaired ability to protect himself or herself from maltreatment;
3. An adult with ~~mental retardation~~ developmental disabilities or a related condition; or
4. An adult who has not had a permanent residence for at least one year or on at least four occasions in the last three years.

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**B. Areas of the State in which services will be provided:**

- Entire state.  
 Only in the following geographic areas (authority section 1915(g) (1) of the Act is invoked to provide services less than statewide).

**C. Comparability of services:**

- Services are provided in accordance with section 1902(a)(10)(B) of the Act.  
 Services are not comparable in amount, duration, and scope. Authority of section 1915(g)(1) of the Act is invoked to provide services without regard to the requirements of section 1902(a)(10)(B) of the Act.

**D. Definition of services:**

Targeted case management services are activities that are coordinated on an individual recipient basis and are designed to help recipients to gain access to needed medical, social and recreational, educational, vocational, advocacy, legal, and other services necessary to meet the recipient's needs. It does not include therapy, treatment, legal, or outreach services.

Targeted case management services include:

1. Assessment of a recipient's need for targeted case management services.
2. Development, completion, and regular review and revision of a written individual service plan with the recipient and the recipient's legal representative, and others identified by the recipient, designed to help a recipient to gain access to needed medical, social and recreational, educational, vocational, advocacy, legal and other related services. The plan must be reviewed at least annually with the recipient and the recipient's legal representative. The plan must be revised when there is a change in the recipient's status.

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Supersedes: 05-11(a), 02-04

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D. **Definition of services:** (continued)

3. Routine communication with the recipient and the recipient's family, legal representative, caregivers, service providers, and other relevant people identified as necessary to the development or implementation of the goals of the individual service plan.
4. Coordinating referrals for, and the provision of, targeted case management services for the recipient with appropriate service providers.
5. Coordinating and monitoring the overall service delivery to ensure quality of services, appropriateness, effectiveness, and continued need.
6. Assistance to the recipient and the recipient's legal representative to help make an informed choice of services.
7. Advocating on behalf of the recipient when service barriers are encountered, or referring the recipient and the recipient's legal representative to an independent advocate.
8. Meeting face-to-face with the recipient at least twice a year. The use of interactive video may substitute for no more than 50 percent of the required face-to-face meetings.
9. Completing and maintaining necessary documentation supporting and verifying targeted case management activities.
10. If a recipient is a resident or inpatient of an inpatient hospital, nursing facility, or intermediate care facility for persons with ~~mental retardation~~ developmental disabilities (ICF/~~MRDD~~), coordinating with the facility discharge planner in the 180-day period before the recipient's discharge. Institutions for mental diseases (IMDs) are not included in this facility list.

The above components of targeted case management services must fall within the following parameters to be eligible for medical assistance payment:

**D. Definition of services:** (continued)

1. If a recipient is a resident or inpatient of an inpatient hospital, nursing facility, or ICF/~~MRDD~~, payment for services is limited to the last 180 consecutive days before discharge.
2. Case management services will not duplicate those provided as part of the facility's discharge plan.

**E. Qualifications of providers:**

**A provider of targeted case management services** must be an enrolled medical assistance provider and:

1. a local social services agency; or
2. an entity under contract with the local social services agency.

Case managers must meet the following standards:

1. Demonstrated capacity and case management experience in providing case management services to coordinate and link community resources.
2. Administrative capacity and case management experience in serving the target population for whom it will provide services.
3. Administrative capacity to ensure quality of services in accordance with federal and state requirements.
4. A financial management system providing accurate documentation of services and costs under federal and state requirements.
5. Capacity to document and maintain individual case records in accordance with federal and state requirements.
6. Coordinate with local social service agencies responsible for planning for community social services, conducting adult protective investigations, and conducting prepetition screenings for commitments.

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19.c. **Relocation service coordination services** as defined in, and to the group specified in, Supplement 1b to Attachments 3.1-A/B (in accordance with section 1905(a)(19) or section 1915(g) of the Act).

Providers bill for relocation service coordination services, ~~including~~ provided face-to-face, via interactive video, and by telephone contacts, for the last 180 consecutive days before a recipient's discharge from an institution.

The payment allowed is:

- \$15.53/unit when provided by a county, a federally recognized American Indian tribe providing services to recipients through Indian Health service or 638 facilities, or a private vendor.
- A negotiated rate, with a cap of \$15.53/unit, for a provider under contract with a county or federally recognized American Indian tribe providing services to recipients through Indian Health Service or 638 facilities.

One unit = 15 minutes.



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19.d. **Targeted case management services for persons not receiving services pursuant to a §1915(c) waiver who are vulnerable adults** or adults with mental retardation developmental disabilities or related conditions as defined in, and to the group specified in, Supplement le, to Attachments 3.1-A/B (in accordance with section 1905(a)(19) or section 1915(g) of the Act).

1. Payment is made on a monthly basis. Payment is based on:
  - a) At least one telephone contact per month between the case manager and the recipient or the recipient's family, primary caregiver, legal representative, or other relevant person identified as necessary to the development or implementation of the goals of the individual service plan.
  - b) A face-to-face contact at least every three months between the case manager and the recipient or the recipient's family, primary caregiver, legal representative, or other relevant person identified as necessary to the development or implementation of the goals of the individual service plan. Interactive video may be used in lieu of a face-to-face contact if the client resides in a hospital, nursing facility, residential mental health facility, or an intermediate care facility for persons with developmental disabilities
2. The monthly rate for targeted case management services provided by entities under contract with a county is based on the monthly rate negotiated by the county. The negotiated rate must not exceed the rate charged by the entity for the same service to other payers.
  - a) If the service is provided by a team of contracted vendors, the county may negotiate a team rate with the vendor who is a member of the team. The team must determine how to distribute the rate amongst its members. No payment received by contracted vendors will be returned to the county except to pay the county for advance funding provided by the county to the vendor.

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19.d. **Targeted case management services for persons not receiving services pursuant to a §1915(c) waiver who are vulnerable adults or adults with ~~mental retardation~~ developmental disabilities or related conditions as defined in, and to the group specified in, Supplement 1e, to Attachments 3.1-A/B (in accordance with section 1905(a)(19) or section 1915(g) of the Act).**

- b) If the service is provided by a team that includes contracted vendors and county staff, the costs of county staff participation in the team must be included in the rate for county-provided service. In this case, the contracted vendor and the county may each receive separate payment for services provided by each entity in the same month. In order to prevent duplication of services, each entity must document, in the client's file, the need for team case management and a description of the roles of the team members.

**Rate Methodology for County Staff:**

The rate will be the same as the rate in effect for mental health targeted case management for adults (item 19.a.).