



CITY OF LONG BEACH

DEPARTMENT OF HEALTH AND HUMAN SERVICES

C-5

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October 20, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the repayment of funds for FY 2011 Targeted Case Management Program activities to the State of California Department of Health Care Services for overpayment in the amount of \$81,472, plus interest. (Citywide)

BACKGROUND

The State Department of Health Care Services (DHCS) administers the County Based MediCal Administrative Activities (MAA) and Targeted Case Management (TCM) Program. The MAA portion of the program allows reimbursement of costs for the performance of administrative activities that directly support efforts to identify and enroll potential eligible individuals into MediCal. The TCM program provides reimbursement for case management services to: MediCal beneficiaries under the age of 21; the medically fragile; and individuals at risk of institutionalization, communicable diseases or negative health or psycho-social outcomes. The City of Long Beach Department of Health & Human Services (DHHS) has participated in these programs since the early 1990s and has received over \$7 million for these activities.

DISCUSSION

In FY 2009, Local Government Agencies (LGA) were instructed by the DHCS to use an interim one-month time study methodology in the preparation of cost reports for invoice reimbursement for the MAA and TCM programs until a permanent time study methodology was approved.

In July 2013, a new permanent Perpetual Time Study (PTS) methodology was developed by the DHCS, and approved by the Center for Medicare and Medicaid Services, to determine eligible activities and billable hours for reimbursement. The PTS methodology resulted in a decrease in eligible activities, and staffing reductions that occurred after FY 2009 further decreased the reimbursement claim.

On August 12, 2015, the DHCS Audit and Investigation Branch used the results of the 2013 PTS methodology to reconcile reimbursable activities in the FY 2011 TCM Cost Report. As a result of this audit, the DHCS determined that the DHHS was overpaid \$81,472 for TCM activities for the FY 2011. It is estimated that a repayment of an additional \$150,000 will be required for FY 2012 and FY 2013 for the TCM Program. Future repayments of the MAA Program are also anticipated. However, at this time, it is unknown if and when these programs will be audited or when repayment will be due.

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This matter was reviewed by Deputy City Attorney Gary Anderson on September 29, 2015, and by Budget Management Officer Victoria Bell on September 30, 2015.

TIMING CONSIDERATIONS

City Council action is requested on October 20, 2015 to allow the Health Department to expedite the refund check to the State of California Department of Health Care Services, Safety Net Financing Division.

FISCAL IMPACT

The refund of \$81,472, plus interest, will be paid from the Health Fund, and funded by non-grant public health revenue from the State. Sufficient funds are budgeted in the Health Fund (SR 130) in the Department of Health and Human Services (HE). There is no local job impact associated with the recommended action.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KELLY COLOPY
DIRECTOR
HEALTH AND HUMAN SERVICES

APPROVED:



PATRICK H. WEST
CITY MANAGER