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| LOCAL COMMISSIONERS MEMORANDUM |
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Transmittal No: 97 LCM-3

Date: January 14, 1997

Division: Office of Medicaid
Management

TO: Local District Commissioners

SUBJECT: Incentive Payments to Districts for Assistance in Meeting
Personal Care (1995-1996) or Home Care (1996-1997) Cost
Savings Targets

ATTACHMENTS: None

Section 92 of Chapter 81 of the Laws of 1995 and Section 226 of Chapter 474 of the Laws of 1996 directed the Department to establish state share Medical Assistance savings targets to be attained in personal care services and home care services respectively for each social services district.

Section 92-a of Chapter 81 of the Laws of 1995 directed the Department to develop and issue a methodology to give counties incentive payments up to a total of \$1.0 million state share to districts based upon savings in the Personal Care Program. These payments were issued in September, 1996.

Section 227 of Chapter 474 of the Laws of 1996 directs the Department to establish a methodology to give administrative assistance payments, not to exceed one million in state share Medical Assistance, to districts which are subject to savings targets developed pursuant to Section 226 of this chapter. The purpose of these payments is to assist the districts in achieving savings. These payments, subject to the approval of the Department, may be used for activities related to achieving the targets and may include hiring professional or administrative staff and developing enhanced technical resources. Districts were separately notified of the amounts of incentive funds available to them.

These payments are not reimbursement for administrative activities. They are to be considered as state share total payments with no federal share being claimed. Districts may still receive federal financial participation if these payments are used for the administration of programs.

The Office of Fiscal Management (OFM) has advised that a 75% federal matching share is available for administrative activities related to policy planning and administration. This enhanced rate is available for skilled professional medical personnel with professional education and training in the field of medical care or appropriate medical practice and directly supporting staff of the Medicaid agency if the following conditions are met:

As described in federal regulations, professional education and training means that the person performing the activities must have completed a two year or longer program leading to an academic degree or certificate in a medically related profession. This is demonstrated by the possession of a medical license, certificate, or other document issued by a recognized national or State medical licensure or certifying organization or a degree in a medical field issued by a college or university certified by a professional medical organization.

The skilled professional medical personnel must have duties and responsibilities that require professional knowledge and skill.

Directly supporting staff are secretarial, stenographic, and copying personnel and file and records clerks who provide clerical services that are directly necessary for the completion of the professional medical responsibilities of the skilled professional medical staff. The skilled professional medical staff must directly supervise the supporting staff and the performance of the supporting staff's work.

As required under federal regulation 42 CFR 432.50, the following qualifications are needed to claim federal reimbursement:

- o skilled professional medical personnel as defined above may act as a liaison to coordinate the medical aspects of service among medical care providers;
- o skilled professional medical personnel as defined above may furnish expert medical opinions for the adjudication of administrative appeals;
- o skilled professional medical personnel as defined above may participate in medical review or independent professional review team activities;

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- o skilled professional medical personnel as defined above may assess through case management activities, the necessity for and adequacy of medical care and services required by individual recipients.

In addition, federal regulations found in 42CFR 432.50(d)(2) require a written agreement between the district and the State Medicaid agency. Such agreement must state that the federal matching funds claimed meet federal criteria.

Activities involving the direct provision of care, such as nursing care, are eligible for federal matching funds at the 50% rate.

Districts are advised that incentive payments made pursuant to either Section 92-a of Chapter 81 of the Laws of 1995 or Section 227 of Chapter 474 of the Laws of 1996 may be eligible for this enhanced FFP.

Questions concerning this transmittal should be directed to Richard Alexander, Medical Assistance Specialist III, at (518) 473-5506.

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Office of Medicaid Management