

United States Senate

WASHINGTON, DC 20510

PROTECT OUR MOST VULNERABLE MEDICAID BENEFICIARIES *Become an original cosponsor of legislation delaying Medicaid Case Management and Targeted Case Management Regulations*

January 25, 2008

Dear Colleagues:

We write to bring to your attention legislation that would delay through March 2009 recently proposed regulatory action by the Centers for Medicare and Medicaid Services (CMS). This particular regulation drastically cuts Medicaid funding for case management and targeted case management (TCM) services that currently assist Medicaid-eligible adults and children with complex situations -- including beneficiaries with disabilities, mental illness and children in foster care -- access much-needed medical, social, educational and other services.

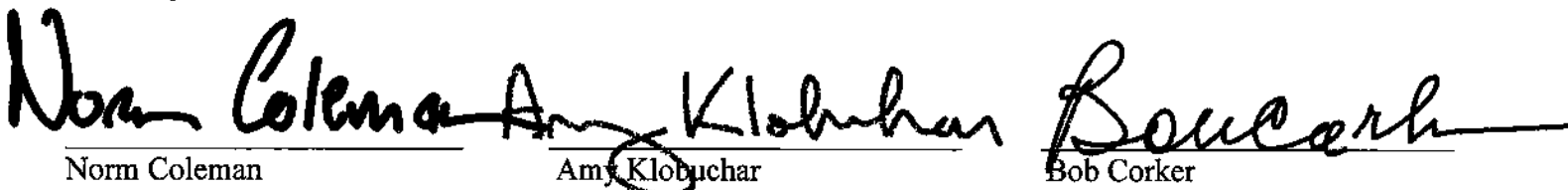
Through Section 6052 of the Deficit Reduction Act (DRA), Congress clarified the scope of the case management and TCM benefit, excluding from the definition the direct delivery of certain underlying medical, educational, or social services, all the while prominently iterating that many case management services remain allowable, legitimate Medicaid expenses. The recently issued interim final rule, however, goes far beyond the statutory provisions of the DRA.

For instance, the regulation significantly restricts the timeline for case management services necessary to successfully transition an individual from an institution to the community. Additionally, by prohibiting states from making fee-for-service payments for case management services in increments that exceed 15 minutes, the regulation also makes it next to impossible to thoroughly assess and assist needy individuals, such as the seriously mentally ill who receive assertive community treatment (ACT). The regulation also negatively impacts the child welfare and foster care systems and the vulnerable children they serve by largely prohibiting payment for TCM services offered by child welfare workers and those who contract with State child welfare and child protective services agencies. Finally, the regulation's overreaching is evidenced by the significant discrepancy in estimated cost savings. While CBO anticipated \$760 million over five years in savings from Congress's policy changes to case management and TCM in the DRA, CMS expects that through its regulation, \$1.28 billion will be saved.

This regulation, issued in interim final form and rapidly going into effect on March 3, 2008, must be delayed so that CMS can review the original intent of the DRA provisions, and preserve legitimate case management and TCM services for our most vulnerable Medicaid-eligible individuals.

To join us as an original co-sponsor, or if you have any questions, please contact Andrew McKechnie with Senator Coleman (4-5641) or Ryan Crowley with Senator Klobuchar (4-3244).

Sincerely,


Norm Coleman Amy Klobuchar Bob Corker