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Protect Medicaid Case Management Services

Proposed CMS Rule Would Limit Use of Case Management and Targeted Case Management Services

On December 4, 2007, the Centers for Medicare and Medicaid Services (CMS) issued an Interim Final Rule on Optional State Plan Case Management Services. This regulation, which clarifies the definition of covered case management services, implements section 6052 of the Deficit Reduction Act (DRA). Among the major changes contained in the Interim Final Rule:

- Medicaid beneficiaries receiving case management can have only one plan and one case manager.
- Case management must be billed in increments of 15 minutes or less.
- No bundling of any kind is allowed for case management services in Fee-for-Service states.
- Case management cannot be a required service and case managers cannot function as gate-keepers to other services.

What Are Case Management Services?

Case management services are designed to support a variety of people – children in foster care, people with developmental disabilities, people with HIV/AIDS, and individuals with serious mental illnesses – by facilitating access to needed medical, social and educational programs. These services are key to allowing people with mental illness reduce their dependence on inpatient services and helping clients remain in their communities, avoiding lengthy and expensive hospitalizations.

How Would This Rule Impact Services?

Medicaid is the single largest source of funding for America's public mental health system. It is estimated that rehabilitative services and Targeted Case Management (TCM) combine to produce more than 50 percent of all federal funding for community-based services for people with mental illnesses and other disabilities. CMS' proposed rule would restrict community providers' ability to use and be reimbursed under this important service option.

Congressional Action

On April 23, 2008 the full House of Representatives passed legislation (HR 5613) to delay implementation of the case management regulation - along with six other recently released Medicaid regulations - for one year, by a vote of 349-62. In the Senate, legislation to delay these Medicaid regulations is most likely to be attached to the next supplemental appropriations bill.

REQUEST: The National Council urges Congress to enact legislation to delay implementation of the case management regulation, along with the six other Medicaid regulations included in HR 5613, for one year.

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