

**GENERAL INFORMATION SYSTEM**  
**DIVISION:** Office of Managed Care

11/21/05

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**GIS 05 MA/044**

**TO:** Local District Commissioners, Managed Care Coordinators

**FROM:** Jennifer Dean, Director  
Bureau of Intergovernmental Affairs, Office of Managed Care

**SUBJECT:** Medicaid Cap And Managed Care Grants

**EFFECTIVE DATE:** Immediately

**CONTACT PERSON:** Dennis Kerwin by email at [djk08@health.state.ny.us](mailto:djk08@health.state.ny.us)

This message is to clarify questions that arose subsequent to the Office of Managed Care's October 31, 2005 correspondence regarding LDSS Managed Care Grants and the process beginning January 1, 2006.

Local districts claim costs for the managed care grants through the Special Projects claim form 3922 and, as you know, the managed care grants are cost shared at 50% federal and 50% state currently. (Since there is no local share for these costs, they will not be included in the expenditures being used to determine the 2005 local share base year amount).

For the service period ending December 31, 2005, districts will claim managed care grant expenditures on the form 3922 as they do now. They will receive reimbursement for 100% of the claim, assuming they have not exceeded the value of their grant. The grants themselves will be cancelled effective December 31, 2005.

After January 1, 2006, and for activities conducted after January 1, 2006, districts will claim ALL administrative expenses (including the total costs related to what is now the managed care grant) on the Schedule D. In other words, after January 1, 2006, LDSS expenditures formerly covered by the grants are categorized as local administrative costs, rather than categorically managed care. For these former managed care grant-related expenditures and all other administrative expenditures, districts will receive reimbursement for 100%(cost share 50% federal, 50% state) of the amount claimed on the Schedule D.

I hope that this clarifies any questions you may have regarding the new process.

Please e-mail Dennis Kerwin at [djk08@health.state.ny.us](mailto:djk08@health.state.ny.us), with any questions regarding Medicaid administrative funding after December 31, 2005.