

## Fee for Service Rate Methodology Workgroup

### MEETING NOTES

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**Date:** June 28, 2005

**Time:** 1:00 P.M. to 4:30 P.M.

**Where:** Capitol Commons - Conference Room E  
400 S. Pine  
Lansing, MI 48933

**Attendees:** Lynn Borck (Lapeer), Rick Bechtold (Traverse Bay), Bruce Elkins (Detroit), Bud Ferguson (Ottawa), Linda Garvin (Oakland), Julie Greenway (CMS), Sean Huse (PCG), Ed Kemp (MDCH), Maryann Lorkowski (St. Clair), Deb Marshall (Genesee), Mary Ann McGuire (CMS), Kathy Merry (Wayne), Pam O'Farrell (MDCH), Liz Patrick (Ingham), Susan Powell (Oakland), Bob Readler (Oakland), Jane Reagan (MDE), Michelle Simmons (PCG), Linda Sowle (MDCH), Toni Sturgis (Calhoun), Ann Walton (Calhoun)

**Handouts:** Provider Assurance and Understanding of Compliance L Letter (L 05-23)  
Medicaid Application Page With Disclosure Statement  
PCG Presentation

Highlighted areas are tasks to be completed prior to next meeting.

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- PCG Presentation and Update – Sean Huse
  - 6/8/05 – PCG, Medicaid and Education staff met with Diane Easterling to discuss the FID, SE-4096 and SE-4094. Diane provided copies of the 4096 and 4094 summary sheets. PCG was able to get electronic files for all of the data sources that day from MDE.
    - It was discovered after reviewing the data that not all districts are reporting by program code.
  - Comparison of Other States Payment Methodologies
    - PCG gave a comparison (see PowerPoint presentation) of payment methodologies in Colorado, Texas, Illinois and Tennessee.
    - The ISDs would like a rate comparison of how Michigan compares to other states rates and how our rates compare to the RVUs for the same procedure codes (where there are RVUs). (Linda will prepare a sample comparison prior to the next meeting).
  - Cost Reporting Analysis
    - 4096 and FID not detailed enough
    - Short term remedy is to do a supplemental data request tied back to the expenditure total on the 4096 in addition to the 4096. (Sean will draft the supplemental data request form).
    - Liz Patrick talked to Diane Easterling and the ISDs need to push for the modification of the 4096.
    - A memo needs to be drafted from Paul Reinhart to Michael DeVault outlining the changes needed to the SE-4096 (new column for Purchased services and FTEs) and why. (Linda and Sean will work together on this memo.)
  - MMIS Considerations
    - Cost settlement process
      - ◆ It is not administratively effective to do adjustments against future payments. If the provider's monthly payment total was not great enough to accommodate a negative offset then the offset would have to be done over multiple months. This is staff intensive and prone to errors.
      - ◆ Since we suppress the checks and then do payments via manual payment vouchers, if the provider owed us money we could not do a negative payment voucher to collect it.
    - Allocation of Direct Care Time

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- ◆ We could use the AOP direct care % from the AOP time studies. To do so we will need a more defined breakout of what is included in Code 12. (Michelle will prepare this.
- ◆ Our other option would be to do one time study for the AOP side and one for the FFS side.
- Indirect Cost
  - ◆ We cannot lift the 15% cap from the General Education indirect cost rate as this would negatively impact the School Lunch Program.
  - ◆ Two possible solutions were suggested:
    - One - to request a new indirect rate just for the Medicaid billing, approved by MDE.
    - Two – to use the Special Education indirect rate.
  - ◆ Certification of Local Share
    - We believe that the same data used to develop the rates can be used to certify the local share.
  - ◆ Parental Permission
    - The issue of the new language within the IDEA regulations requiring a one time signed parental permission was brought up.
    - It was our understanding that by signing the Medicaid application this gave parental permission to bill Medicaid for services. (Linda has been researching this item and is seeking guidance from our Office of Legal Affairs).
  - ◆ Fall 2004 Pupil Count
    - The fall 2004 Pupil count is done and the bill back invoices will be prepared and sent out.

Next meeting July 26, 2005