

## Fee for Service Rate Methodology Workgroup

### MEETING NOTES

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**Date:** October 23, 2007 (Tuesday)

**Time:** 1:00 p.m. – 3:00 p.m.

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

**Attendees:** Scott Barlow, Lynn Borck, Delores Brown, Michael DeVault, Penny Dipple, Bud Ferguson, Sherri Gensterblum, Toni Hornberger, Deb Johnson, Ed Kemp, Tom Koepke, Maryann Lorkowski, Lynette Lynch, Deb Marshall, Joan McCray, Kathy Merry, Pam O'Farrell, Liz Patrick, Susan Powell, Jane Reagan, Paul Reinhart, Jeff Siegel, Michelle Simmons, Linda Sowle, Dave Stirdivant, Toni Sturgis, Tanisha Vogl

**Handouts:** CMS Cost Certification Form  
CMS Questions and Responses  
State Plan Pages  
PERM L Letter  
PERM Provider List and Documentation Requirements  
MDCH Comments on Proposed Federal Rule 2261-P  
MDCH Comments on Proposed Federal Rule 2287-P

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#### Budget Update – Paul Reinhart

- FY08 budget deficit after the income tax increase and service taxes remains at \$440 Million
- Backcasting update given by Director Reinhart.

#### SPA Update

- CMS has requested that the object codes 4120 (Purchased Services – Equipment Repair) and 4220 (Purchased Services – Rental of Special Education Instructional Equip. i.e. wheelchairs) be deleted from the allowable costs.
  - MDCH indicated that these object codes were previously agreed to by CMS and the costs reported in them are only those that are medically related
  - CMS indicated that the costs will be allowed for one year but that after MDCH must either establish new object codes or remove these costs from the allowable cost pool.
- CMS has requested that MDCH use the CMS cost certification form rather than the one developed by the workgroup.
  - The workgroup agreed to use the CMS cost certification form.
- The responses to the CMS questions were shared with the workgroup.

#### PERM (Payment Error Rate Measurement) Audits

- The L Letter and information regarding the PERM audit were first shared with the workgroup in June, 2006. In the L Letter it explains that any errors or non responses will count against the state.
- The L Letter was handed out again and a listing of SBS providers that were selected for the PERM audit shared with the workgroup. Since Michigan was selected for the 2006 audit the state will not be selected for another PERM audit until 2009.
- **The workgroup requested the name of a contact at MDCH for questions.**
  - If providers have questions regarding the records submitted for documentation they may call Ann LaForest (517-335-6653)
  - If there are general questions they should contact the CMS contractor Livanta LLC, Robin Reed at 301-957-2380

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- The CMS and NASMD (National Association of State Medicaid Directors) websites contain information pertaining to the PERM audits. The web address for both is listed below:
  - [www.cms.hhs.gov/perm](http://www.cms.hhs.gov/perm)
  - [www.nasmd.org/issues/perm\\_resources.asp#06](http://www.nasmd.org/issues/perm_resources.asp#06)

### Proposed Federal Rules

- CMS-2261-P – Rehab
  - Comments from MDCH and Covington and Burling shared with the workgroup.
- CMS-2287-P – Elimination of SBS Administration and Transportation
  - Comments from MDCH and Covington and Burling shared with the workgroup.

### Bridges Update

- We have heard that the Bridges project has been delayed but are unable to verify this.
- Providers have asked if they can begin submitting 10 digit recipient IDs effective in November if Bridges is not up.
  - MDCH has sent the question to Provider Support for follow up.

### Miscellaneous

- Wayne RESA informed the workgroup that they have posted all of their false claims information on their webpage if others would like to use their documents as templates to develop their own.
- SCHIP legislation is still unresolved. If passed it would provide for a moratorium on SBS negative actions until January, 2010.

### Next Meetings (the conference room will be available for the group from Noon thru 4:00):

- November 20, 2007 1:00-3:00 (Combined AOP and FFS meeting)
- December 11, 2007 1:00-3:00
- January 29, 2008 1:00-3:00
- February 19, 2008 1:00-3:00 (Combined AOP and FFS meeting)
- March 18, 2008 1:00-3:00
- April 22, 2008 1:00-3:00
- May 20, 2008 1:00-3:00 (Combined AOP and FFS meeting)