



STATE OF MICHIGAN

DEPARTMENT OF COMMUNITY HEALTH  
LANSING

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**To:** SED Waiver Participating CMHSP Directors  
CEI, Central Michigan, Detroit-Wayne, Genesee, Kalamazoo, Livingston,  
Macomb, Network 180 (Kent), Northern Lakes, Oakland, Saginaw, VanBuren

**FROM:** Doris Gellert, Director  
Bureau of Administration *[Signature]*

**SUBJECT:** CHAMPS - SED Waiver Update; Children's Waiver Program (CWP) Payment Implications

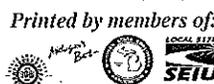
The purpose of this memorandum is to provide information and guidance regarding the SED Waiver and Children's Waiver payment implications. Also to advise you of delays in payment of FY10 SED Waiver benefit claims. DCH intends to arrange a meeting to discuss delayed submission of claims as well as other financing related matters with SED Waiver participants.

**SED Claims Processing**

SED Waiver claims have been submitted and paid outside of the standard MMIS claims processing system and are paid at federal share only. With the conversion to CHAMPS this exception payment system must be phased out. Unfortunately, CHAMPS does not currently have the functionality to accept and pay SED Waiver Benefit Medicaid Fee for Service claims. This is complicated by the expansion of the SED Waiver for the DHS Pilot which provides for a Medicaid payment of both the federal and state share.

With regard to SED Waiver claims payment:

- **For SED Waiver Dates of Service through September 30, 2009.** SED Waiver claims are currently submitted in an 837 batch format through the DEG. From the DEG, these are manually processed through internal systems. This manual system will be shut down as part of the CHAMPS conversion. Because of problems in maintaining this legacy system and to assure payment for FY09 dates of service, CMHSPs should submit all remaining claims for dates of service through September 30, 2009 as soon as possible. Claims for dates of service through September 30, 2009 will continue to be processed through the DEG until legacy system shutdown but require special handling. To assist DCH in tracking (and paying) these claims, when files are sent to the DEG, notification should be provided to [automatedbilling@michigan.gov](mailto:automatedbilling@michigan.gov). These claims are subject to overall Medicaid payment policy (e.g., dates of service no more than 365 days previous, etc). For any files submitted with dates of service through September 30, 2009 the file name is still 5407 and the destination mailbox is dchedi.
- **FY10 Dates of Service.** Due to the expansion of the SED Waiver to incorporate the DHS Pilot, as well as the need to track these expenditures at the claims level, DCH will **not**



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manually process any SED Waiver benefit claims for FY10 dates of service submitted through the DEG after January 15, 2010. Any SED Waiver benefit claims submitted to CHAMPS prior to its functionality will error out and CMHSPs are advised to hold FY10 billings until notified that CHAMPS is able to process these claims. Once operational, dates of service before October 1, 2009 will process only if these claims have been billed timely. We expect CHAMPS capacity will be in place April 2010. At that time the file name for SED Waiver billings will be 4780 and the destination mailbox will be dchedi.

Once CHAMPS is accepting SED Waiver claims, it is important to know that all claims submitted through CHAMPS must be HIPAA compliant. Currently, most claims contain only a Billing NPI with no Rendering NPI and no Referring NPI. A Rendering NPI is required for all services for which the hands-on provider is expected to have an NPI; it is not required for services such as CLS or aide-level respite for which the provider does not have an NPI. As is currently the case, Medicaid State Plan services for which SED Waiver enrollees are eligible can be submitted and processed through CHAMPS when the provider is not a CMHSP.

While the SED Waiver is important, the size of this program is such that DCH does not intend to authorize any advances due to the delays in FY10 payments.

#### **Children's Waiver (CWP) and SED Waiver Payments**

Currently, some CMHSPs providers are enrolled in CHAMPS as both Children's Waiver and SED Waiver specialty providers. However, if enrollment in both of these specialties is under the same NPI, CHAMPS cannot correctly differentiate the intended specialty on the incoming claim. Consequently, for these providers, all Children's Waiver claims are being denied. Furthermore, the billing codes cannot be used to select the correct provider path (CWP or SED) because these waivers share some of the same payable procedure codes. To enable payment of these Children's Waiver claims, all SED providers with the same NPI that are currently enrolled in CHAMPS have been end dated as SED providers. This has enabled CHAMPS to correctly identify the provider specialty and process the Children's Waiver claim.

Once CHAMPS is able to process SED Waiver enrollees, it will be necessary for CMHSPs to re-enroll as SED Waiver providers, but under an NPI that is different from the NPI being used for the Children's Waiver services. Further detail will be provided at a later date.

#### **CMHSP Payment for Injectables provided to Medicaid beneficiaries.**

Medicaid beneficiaries are eligible, as a non-waiver fee-for-service, for injectables when medically necessary. However, these claims will be denied by CHAMPS unless these claims are submitted under the CMHSP clinic NPI number since these are only payable to physicians. In order for the CMHSP to receive reimbursement, the CMHSP must enroll their physicians/non-physician practitioners either individually or under a physician/professional group NPI to allow reimbursement for these services to the CMHSP. Then these claims must be submitted through the physician/professional group NPI. A rendering physician must be associated to this medical group and these rendering physicians must enter their NPI on the claims submissions.

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SED Waiver and CWP enrollees are eligible for injectables as a Mental Health fee-for-service Medicaid State Plan benefit when medically necessary. However, these claims will be denied by CHAMPS if submitted under the SED Waiver or CWP benefit plan since these are only payable to physicians. In order for the CMHSP to receive reimbursement, the CMHSP must follow the procedures outlined above.

DCH will pay injectables claims for dates of service from September 1, 2008 forward and waive the 365 day limitation for claims dated after August 31, 2008. Claims over 365 days should be batched and, upon transmission, notify Automated Billing so these claims will be processed correctly for the old dates of service only. Dates of service after January 15, 2009 will be subject to the usual 365 day limitations.

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