Michigan Department of Community Health School Based Services

New Reimbursement Methodology Presentation

August 2008

Agenda

- Description of New Reimbursement Methodology
- Explanation of Quarterly Processes
- Explanation of Annual Processes
- Where to Go For More Information

Description of New Reimbursement Methodology

Description of New Reimbursement Methodology: Overview

- Program is now a cost-based, provider-specific annually reconciled and cost settled reimbursement methodology
  - Cost-based means that the level of reimbursement is calculated based on program costs incurred
  - Provider-specific means that each ISD will be paid unique "interim payments" based on their specific costs
  - Annually reconciled means that each year the interim payments made on a monthly basis will be summed and compared to actual costs incurred for the year
  - Cost settled means that any difference between the sum of the monthly interim payments and the actual costs incurred will be paid or recovered once the reconciliation is complete
- The reimbursement process for the direct medical services is comprised of the following components:
  - The SBS fee-for-service (FFS) procedure code specific billing process
  - The random moment time study (RMTS) process
  - The interim payment process, and
  - The cost reconciliation and cost settlement process

Description of New Reimbursement Methodology: Fee-For-Service Specific Procedure Code Billing

- CMS requires SBS providers to submit procedure specific fee for service claims for all Medicaid allowable services
  - Procedure specific claims do not generate payments
  - Requirements remain the same for submission of claims
  - Required to monitor services provided, eligibility of recipient, and provide an audit trail
  - Interim payments are dependent upon continued claim submission
- Twelve months to claim for dates of service prior to July 1, 2008 under prior fee for service methodology
  - Opportunity ends July 1, 2009

Description of New Reimbursement Methodology: Random Moment Time Study (RMTS)

- Quarterly RMTS results are produced and converted to a percentage
  - Percentage is one of the allocation factors applied to the program costs to determine total Medicaid allowable costs
- New staff pools in RMTS
  - Targeted Case Management staff
  - Personal Care Services staff
- Former AOP staff pool is now split into two staff pools
  - AOP only staff
  - FFS/Direct Medical staff
- All 4 RMTS staff pools will require 3,000 moments each
  - Necessary to meet CMS statistical validity requirements
- Importance of staff pool lists
  - Only staff who are included in the staff pool lists for RMTS can be included on Medicaid Allowable Expenditure Reports

Description of New Reimbursement Methodology: Interim Payment Process

- Beginning July 2008, ISDs will receive monthly interim reimbursement payments
  - Based on an estimated monthly cost formula that uses prior year actual costs plus any inflation or program changes
    - For the current year, ISDs received estimates for FY09 monthly payments based on 2006 SY payments, reduced by 25%. Monthly payment equals 1/12 of this base after FMAP and 60% share is applied
  - ISDs may request further reduction or increase in monthly payment by calling MDCH
    - Must submit written documentation of significant changes in coverage, service utilization, or staff costs to justify and increase an interim payment
- If claim volume decreases significantly or drops to zero in any two consecutive months, all interim payments will be suspended until the provider is contacted and the issue is resolved

Description of New Reimbursement Methodology: Cost Reconciliation and Cost Settlement Process

- Cost reporting requirements
  - Annually - Medicaid Allowable Expenditure Report (MAER) for direct medical and transportation costs
  - Quarterly - Targeted Case Management and Personal Care Services Financial Worksheets
    - Staff listed on cost report forms must match staff listed in RMTS staff pools
- Cost Reconciliation Methodology

Allowable costs (MAER & financial worksheets for TCM and PCS)	x	Indirect Cost Rate	x	Annual average % time claimable to Medicaid from RMTS	x	Discounted by the Medicaid Eligibility Rate	x	Federal Medical Assistance Percentage (FMAP) rate	=	**Medicaid Reimbursement Amount**

- Medicaid reimbursed amount will be compared to the sum of interim payments to determine final settlement amount

Explanation of the Quarterly Processes

RMTS

- Statewide RMTS will be continually administered each school year
  - Results will be compiled quarterly and averaged annually
  - Each quarter for each staff pool = 3,000 moments (Summer quarter 800 moments)
- Staff pools must be complete and up-to-date
  - 4 Staff Pools
    - FFS/Direct Medical Staff
    - Personal Care Services Staff
    - Targeted Case Management Staff
    - AOP Only Staff
  - RMTS staff lists will be used to determine allowable costs during cost reconciliation process
    - Only those staff who participate in RMTS will be eligible for cost reporting

RMTS: Staff Pools

- Fee for Service/ Direct Medical Staff – consists of staff that perform FFS/Direct Medical activities
  - ASHA certified speech language pathologist
  - TSLIs under the direction of and ASHA certified SLP or audiologist
  - Audiologist
  - Counselor
  - LPN/RN
  - OT/COTA
  - PT/PTA
  - Orientation & Mobility Specialist
  - Physician
  - Psychiatrist
  - Psychologist
  - Social Worker

RMTS: Staff Pools

- Personal Care Services Staff – consists of staff who perform direct care personal services
  - Bilingual aides
  - Health aides
  - Instructional aides
  - Paraprofessionals
  - Program assistants
  - Teacher aides
  - Trainable aides
- Targeted Case Management Staff – consists of staff who perform TCM activities in a school setting
  - BA or equivalent coursework in specific Special Education area
  - At least 3 years experience in direct care of individual with special needs
  - RN in Michigan

RMTS: Compliance Management

- Throughout the quarter, randomly selected participants from each staff pool will complete their random moment entries.
- RMTS Coordinators are responsible for logging onto the RMTS web site to review compliance. The web site address as well as the Coordinator's username and password will be distributed to the RMTS Coordinator one week prior to the start of the quarter. This information will also provide detailed instructions on using the RMTS system to check compliance.
- The RMTS web site will provide the coordinator with information related to what RMTS forms have been completed as well as those that have not been completed.
- RMTS Coordinators should follow up with participants who have not yet completed their moments.
- RMTS Coordinators will receive an email every other week to remind them to check their random moment time study compliance.

TCM and PCS Financial Reporting

- Costs for staff submitted in TCM and PCS staff pools are reported on financial worksheets provided quarterly by PCG.

A1 SPREADSHEET

SPREADSHEET	Staff Participants
LEA	ALLEGAN PUBLIC SCHOOLS
LEA ID	3030
ISD-DPS	ALLEGAN AREA EDUCATIONAL SERVICE AGENCY
Program	TARGETED CASE MANAGEMENT
School Year Ending	June 30, 2009

INSTRUCTIONS: Fill in highlighted cells below

Quarter	ISD-DPS ID	ISD-DPS	LEA ID	LEA	Position ID	Position Title	Participant's F
2008Q1	1	Allegan Area ESA	3030	Allegan Public	23	Case Manager	Joe
2008Q1	1	Allegan Area ESA	3030	Allegan Public	23	Case Manager	Jane

LEA	ALLEGAN PUBLIC SCHOOLS
LEA ID	003030
ISD-DPS	ALLEGAN AREA EDUCATIONAL SERVICE AGENCY
Program	TARGETED CASE MANAGEMENT
School Year Ending	June 30, 2009

MACS Claim Details

Unrestricted Indirect Cost Rate 15.43%

Instructions: Please complete the shaded areas on this page. The remaining boxes will be filled in as you complete the workbook. Once you have completed this page, please complete all of the financia two spreadsheets. After completing the entire workbook, please e-mail the file to miaop@pcgus.com and fax this SIGNED sheet ONLY to 312-425-0565 - ATTN: MI Schools.

Date Submitted

Amended Costs: If you are submitting amended costs for previously submitted financial costs for Targeted Case Management, enter date in cell below.

Date Submitted

LEA ID		Count of Participants	TOTAL SALARIES	TOTAL BENEFITS	TOTAL COST from WORKSHEET
003030	Staff Participants	2	$ 43,725.00	$ 20,700.00	$ 64,425.00
TOTAL		2	$ 43,725.00	$ 20,700.00	$ 64,425.00

CERTIFICATION STATEMENT

I certify that to the best of my knowledge for the period stated above represents actual expenses accumulated under the provider agreement with the Michigan Department of Community Health. The claim provider agreement with the Michigan Department of Community Health and does not duplicate any Federal claims for reimbursement. I have verified that the unrestricted indirect cost rate listed above is c year.

LEA Summary / Staff Participants

Explanation of the Annual Processes

Annual Cost Report Completion: LEA and PSA Responsibilities

- Submit completed Medicaid Allowable Expenditure Report (MAER) annually to ISD
  - The MAER is comprised of two data input sheets:
    - Medicaid Allowable Direct Medical Expenditure Report Entry Form which utilizes a subset of SE-4096 expenditures
    - Medicaid Allowable Specialized Transportation Expenditure Report Entry Form which utilizes a subset of the SE-4094 expenditures
  - Expenditures reported on the MAER must reflect both the Section 52 and Section 53 costs and must exclude any Section 51(a) (6) or federal funds
- Keep documentation to verify all amounts recorded for a period of not less than seven years
  - Any supplies and materials or purchased services must be medically related and documentation must be maintained
  - Lack of documentation will result in a disallowance of these costs in the event of an audit

Annual Cost Report Completion: Medicaid Allowable Expenditure Report (MAER)

- Cost Categories
  - Allowable cost categories are non-federally funded expenditures that were incurred during the claiming period
    - Include salaries, wages, fringe benefits and medically related supplies, purchased services and materials
  - Unallowable costs are any costs supported by federal funds
- FTE count is submitted for each clinician category on MAER
  - Count includes only staff included in RMTS
- Total number of one way trips is entered on Transportation MAER
- Cost data must be maintained throughout the school year according to Chart of Account cost categories
  - Provides CMS audit trail for cost report
  - School districts may need to adapt their accounting process to meet needs of cost report
    - Detail needed at function and object code level

Annual Cost Report Completion: Medicaid Allowable Expenditure Report (MAER)

Medicaid Allowable Direct Medical Expenditure
Report Entry Form
July 1, 2008 through June 30, 2009
(Data Input Sheet)

District ISD Name:
District Code / LEA Code:

Sum of Section 52 and 53a Costs from the SE-4096, page 3, Columns 3, 4, 5 and 8			FTE Count	Salaries	Benefits 2100, 2800 & 2920	Purchased Services 3130, 3190, 4120 & 4220	Other Expend. 7410	Total
Line	**Function Code**	**Title and Object Code**		**(3)**	**(4)**	**(5)**	**(8)**	**(9)**
1	213	Physician (1410)						$0
2	213	RN/LPN (1450)						$0
3	213	PT/PTA (1470)						$0
4	213	OT/COTA (1480)						$0
5	214	Psychologist/Psych (1430)						$0
6	215	Speech Therapist (1280)						$0
7	215	Audiologist (1490)						$0
8	215	Supervised TSLI's (1240)						$0
9	216	Social Worker (1440)						$0
10	217	O&M Specialist (1290)						$0
11		**Total**		**$0**	**$0**	**$0**	**$0**	**$0**

☐ If there are revised expenditures that affect the above lines, check the box to the left and contact MDCH Hospital and Health Plan Reimburesement Division, Special Program Section, at (517) 335-5330 with the details.

Note: Check this box and contact MDCH if there are revisions to the expenditures

Annual Cost Report Completion: Medicaid Allowable Expenditure Report (MAER)

Note: LEAs must track and report the total number of one way trips

Medicaid Allowable Transportation Expenditure
Report Entry Form
July 1, 2008 through June 30, 2009
(Data Input Sheet)

District ISD Name:
District Code / LEA Code:
Total Number of One Way Trips:

			FTE Count	Expenditure Spec Ed - Sec 52	Expenditure Spec Ed -Sec 53	Total
Line	**Object Code**	**Title**		**(4)**	**(6)**	**(9)**
1	1610	Bus Driver				$0
2	1630	Aides				$0
3	2000	Employee Benefits				$0
4	32XX	Local Expenses				$0
5	3310	Pupil Trans Common Carrier				$0
6	3330	Pupil Trans Family Veh Cost				$0
7	3310	Family Vehicle Contract Cost				$0
8	3930	Pupil Transp Fleet Insurance				$0
9	4230	Contracted/Leased Buses				$0
10	4XXX	Other Vehicle Related Costs				$0
11	5710	Gasoline				$0
12	5710	Oil/Grease				$0
13	5720	Tires/Batteries				$0
14	7000	Other Expenses/Adjustment (related to object codes listed				$0
15	7000	Bus Amortization				$0
16		**Total**	**0**	**$0**	**$0**	**$0**

July, 2008

Annual Cost Report Completion: ISD Responsibilities

- Ensure that all LEA/PSA reports are submitted and complete
- Compile all LEA/PSA MAER reports using the Summary Software Application
  - Application can be downloaded from the MDCH web site
  - Generates Medicaid Allowable Expenditure Summary Report
  - Populates the following information:
    - Personal Care Services expenditures
    - Targeted Case Management expenditures
    - Indirect Cost Rate
    - Medicaid IEP Eligibility Rate
- Review the data for accuracy and reasonableness
- Electronically transmit the summary data file to MDCH
- Sign and forward, via mail or fax, the cost certification form to MDCH
- Keep track of Interim Payments and Initial/Final settlements to be included in Interim Comparison Form spreadsheet

Annual Cost Report Completion: Medicaid Allowable Expenditure Summary Report

Note: this worksheet is viewable only by the ISD

SCHOOL BASED SERVICES MEDICAID-ALLOWABLE EXPENDITURE SUMMARY REPORT
(ISD viewable only - no data entry)
July 1, 2008 - June 30, 2009

LEA/ISD Name:	
District/LEA School Code:	

MEDICAL COSTS FOR CLAIMING MEDICAID FEDERAL MATCH

	A	B	C	D	E	F
Line	**Title and Object Code**	**SE-4096 Function Code**	**FTE Count**	**Total Allowable Costs**	**RMTS Allowable %**	**Medicaid Allocated Cost (Colm**
1	Physician (Obj. 1410)	213	0	0	0.00%	0
2	RN & LPN (Obj. 1450)	213	0	0	0.00%	0
3	PT & PTA (Obj. 1470)	213	0	0	0.00%	0
4	OT & COTA (Obj. 1480)	213	0	0	0.00%	0
5	Psychologist & Psychiatrist (Obj. 1430)	214	0	0	0.00%	0
6	Speech Therapist (ASHA CCC) (Obj. 1280)	215	0	0	0.00%	0
7	Audiologist (Obj. 1490)	215	0	0	0.00%	0
8	Supervised TSLI's (Obj. 1240)	215	0	0	0.00%	0
9	Social Worker (Obj. 1440)	216	0	0	0.00%	0
10	O&M Specialist (Obj. 1290)	217	0	0	0.00%	0
TCM and Personal Care Costs from Quarterly Cost Reports						
11	TCM (from PCG financials)		0	0	0.00%	0
12	Personal Care (from PCG financials)		0	0	0.00%	0
13	Subtotal Direct Costs (total of column E Lines 1-10)					0
14	Indirect Costs (Unrestricted Indirect Cost Rate, Medicaid column)(Line 13 X Line 14)				0.00%	0
15	Total Allowable Health Service Costs (Line 14 + Line 15)					0
16	Medicaid Eligibity Rate					0.00%
17	Total Medicaid Allowable Health Service Costs (Line 15 x Line 16)					0

SPECIALIZED TRANSPORTATION COSTS

From the SE-4094 report:			**Total Allowable Costs**
18	Transportation Costs (SE-4094 columns 4 & 6, Lines 2,4,7,8,13,14,15,16,17,18,20,21,22,26 & 27)		0
19	Indirect Costs (Unrestricted Indirect Cost Rate, Medicaid column)	0.00%	0
20	Total Allowable Transportation Costs (Line 18 + Line 19)		0
21	Total One-Way Special Education Bus Trips (from ISD count)		0
22	Total Cost per One-Way Trip (Line 20 / Line 21)		#DIV/0!
23	Total Allowable Trips (from IP paid claims history)		0
24	Total Medicaid Allowable Transportation Costs (Line 23 x Line 22)		

Annual Cost Report Completion: ISD Composite Reconciliation & Settlement Report

ISD COMPOSITE RECONCILIATION & SETTLEMENT
MICHIGAN MEDICAID SCHOOL BASED SERVICES
July 1, 2008 - June 30, 2009
(ISD viewable only - no data entry)

Note: this worksheet is viewable only by the ISD

SBS Medicaid Provider Name:	
NPI Number:	
Legacy Provider ID:	

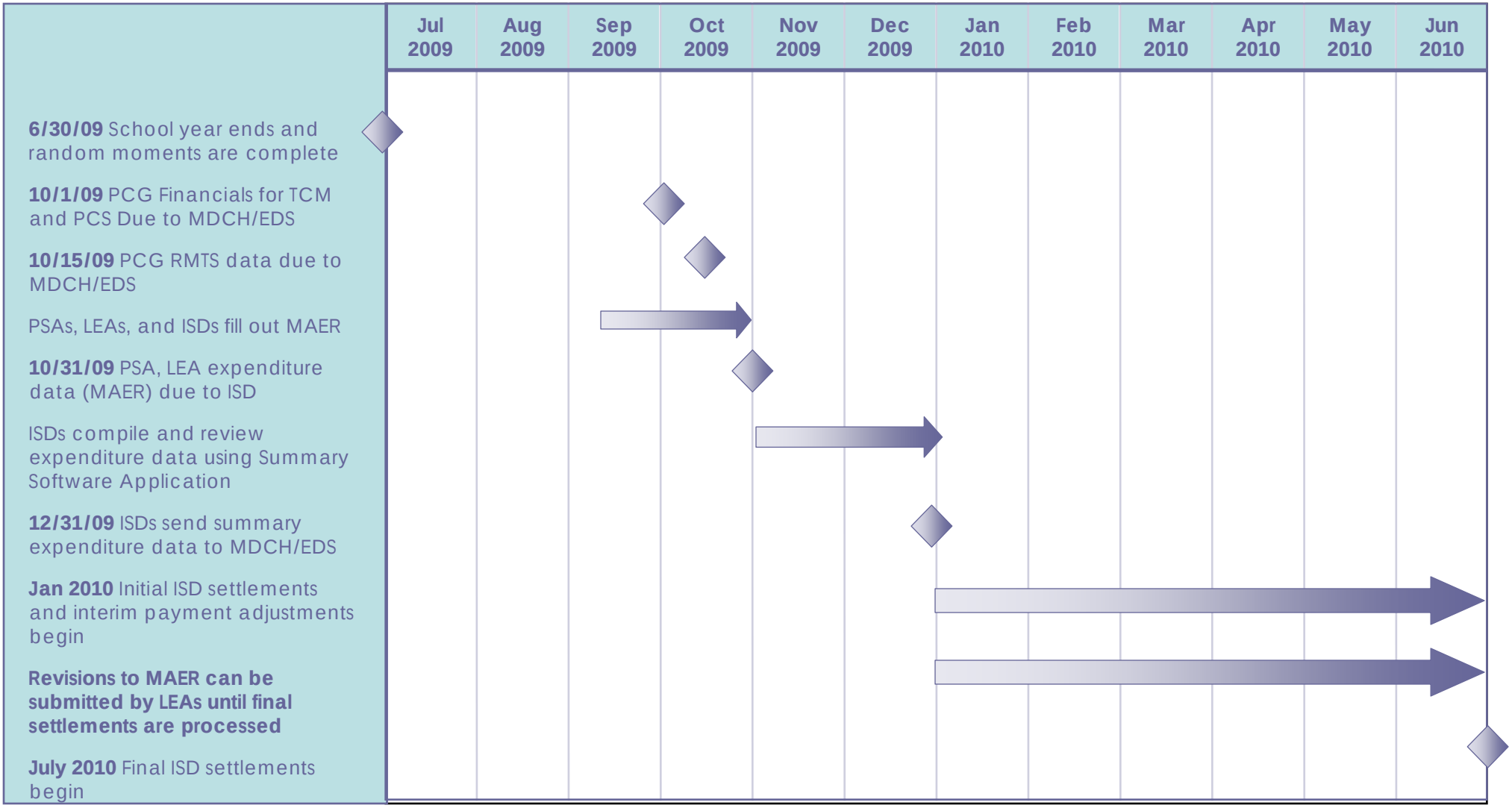
MEDICAL COSTS FOR CLAIMING MEDICAID FEDERAL MATCH AS COMPARED TO INTERIM PAYMENTS

	July thru September Costs		Gross Costs - Qtr. 1 (SFY)	Total Federal - Qtr. 1 - prior year FMAP	ISD Share (60% of Federal Share)
1	Medicaid Allowable Health Service Costs (including Transportation) - MAER & PCG Financials		$0	$0	$0
2	Interim Payments and Settlements				$0

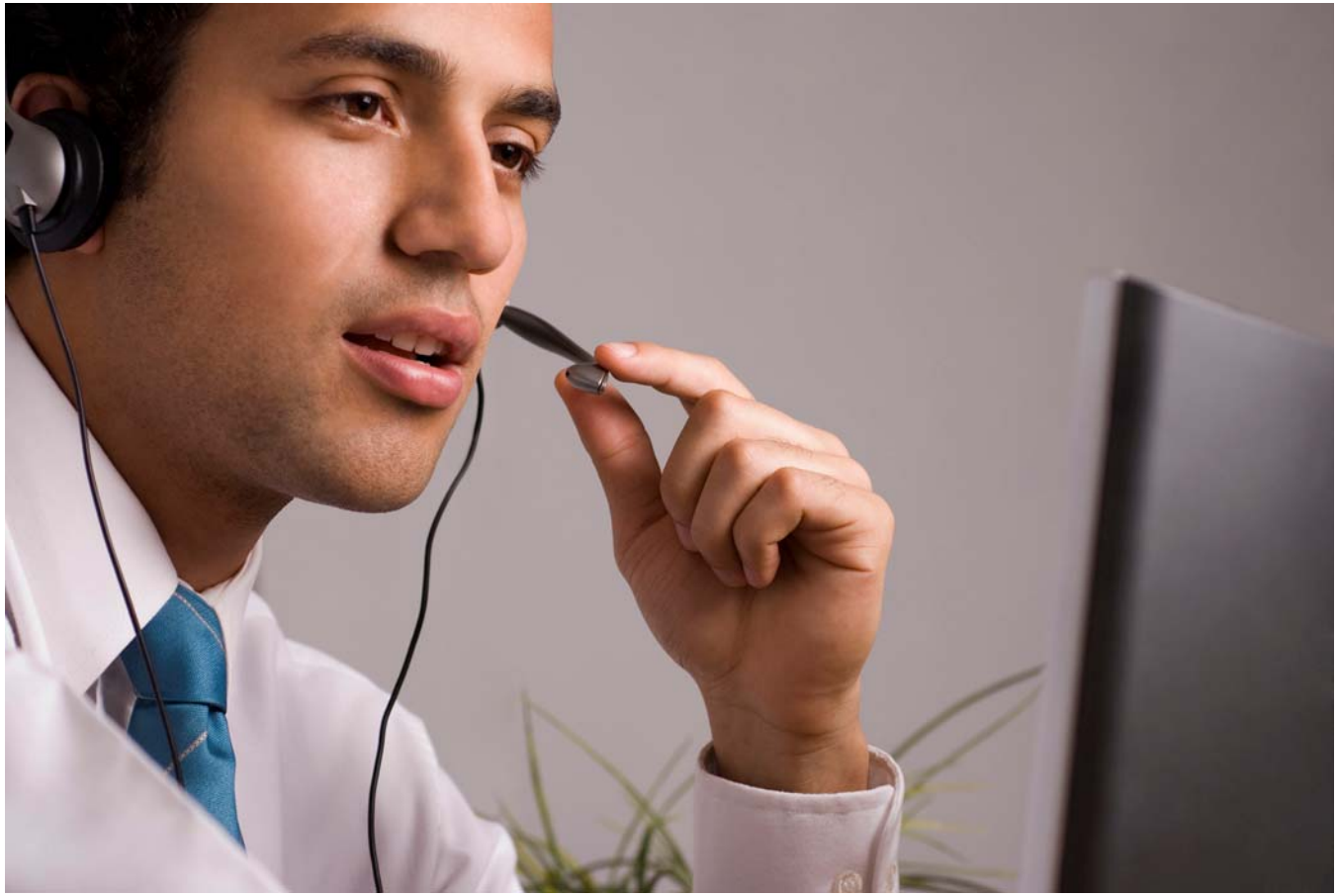
	October thru June Costs		Gross Costs - Qtrs. 2-4 (SFY)	Total Federal Qtrs. 2-4 (current year FMAP)	ISD Share (60% of Federal Share)
3	Allowable Medicaid Health Service Costs (including Transportation) - MAER & PCG Financials		$0	$0	$0
4	Interim Payments and Settlements				$0

5	Total Full Year Medicaid Allowable Costs (Line 1 plus Line 3)	$0
6	Total Full Year Interim Payments and Settlements (Line 2 plus Line 4)	$0
7	**Amount Due To/From the Intermediate School Dist/Detroit Public Schools (Line 5 minus Line 6)**	**$0**

Timeline of Cost Settlement Process for 2008-2009 Services



Where to Go for Assistance



Where to Go for Assistance

- MDCH coverage or policy
  - MDCH: Linda Sowle, SowleL@michigan.gov, (517) 241-8398
- Cost settlement process, cost revisions, website forms, expenditure reporting
  - MDCH: (517) 335-5330
- Quarterly Process RMTS / Financial worksheets for PCS and TCM
  - PCG: Sandy Pillar, SPillar@pcgus.com, 1-(888)-277-6334
- Michigan Department of Education (MDE) special education coding or cost categories
  - MDE Finance Management Unit, www.michigan.gov/ose-eis , (517) 241-4517
- Presentation and Overview documentation
  - www.michigan.gov/medicaidproviders
  - click on "Billing and Reimbursement“
  - click on "Provider Specific Information“
  - scroll down and click on "School Based Services“
  - you will see on this page the four documents listed under Fee For Service Cost Reporting Documents.