

# **Medicaid Cost Based Reimbursement (MCBR) Budget and Financial Status Report (FSR) MDHHS Guidance**

*Revision Date: 11-29-2018*

## **Allowed Funding Categories that can be used towards the MCBR Match:**

- **1<sup>st</sup> and 2<sup>nd</sup> Party Fees and Collections**
  - Defined in a), b) and c) below.
  - a) 1st party funds from private payers, including patients and any member of the general population receiving services.
  - b) 2nd party funds from organizations, private or public, who might reimburse services for a group or under a special plan.
  - c) Any Other Collections that are Non-Federal.
- **3<sup>rd</sup> Party Fees and Collections (Private Health Insurance Only)**
  - *Note: Federal Funds cannot be used to Match Federal Funds.*
  - Defined in a) below.
  - a) 3rd Party Fees - Funds from private health insurance, Medicaid and Medicare health insurance directly related to the cost of providing patient care or other services.
- **Local Funds-Other (County Government Funding Only)**
  - Defined in a) below.
  - a) County Government funding and other private grants and donations.

## **Medicaid Cost Based Reimbursement Payments and Match Requirements:**

The Family Planning FMAP (Federal Medical Assistance Percentage) is 90% multiplied by 100% of your Full Medicaid Cost balance amount.

The remaining 10% amount left over is the match contribution amount the Local Health Department is responsible for reporting.

- **Note:** The 90% FMAP for Family Planning is Constant Year to Year.

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**Family Planning Example:** Health Department (HD) expends \$100,000 in Medicaid Full Cost. The HD will report a \$90,000 payment and will be responsible to report a match amount of \$10,000.

## **SEE TABLE A Example to Determine Calculations for Family Planning (MCBR)**

**Table A FY2018 Example**

<b>Calculating the FY 2018 Family Planning Match Amount Using the Factor Method</b>										
Federal Share %	÷	Match %	=	<b>Factor Calculation</b>						
0.900	÷	0.100	=	<b>9.00</b>						
Federal Share Amount	÷	<b>Factor</b>	=	Match Amount						
\$ 90,000	÷	<b>9.000</b>	=	\$ 10,000						
<b>FY 2018 Family Planning - How to Determine the Full Medicaid Cost Amount with the FMAP % and Match %</b>										
Federal Share Amount	÷	FMAP %	=	Full Medicaid Cost Amount		Full Medicaid Cost Amount	*	Match %	=	Match Amount
\$ 90,000	÷	0.900	=	\$ 100,000		\$ 100,000	*	0.100	=	\$ 10,000

The Other Medicaid FMAP (Federal Medical Assistance Percentage) rates are as follows:

FY 2014 - 0.6632	FY 2017 - 0.6515
FY 2015 - 0.6554	FY 2018 - 0.6478
FY 2016 - 0.6560	FY 2019 - 0.6445

- **Note:** The Other Medicaid FMAP Changes Year to Year
- **Note:** Some populations receive enhanced FMAP rates that are applied to the final settlement based on populations served. For purposes of calculating the required match amount related to the interim payments, use the above standard FMAP rate. By using the standard FMAP rate, this will ensure sufficient match for Federal share payments.

The Other Medicaid FMAP (Federal Medical Assistance Percentage) is multiplied by 100% of your Full Medicaid Cost balance amount. The remaining percentage amount left over is the match contribution amount the Local Health Department is responsible for reporting.

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**Other Medicaid Example for FY18:** Health Department (HD) expends \$100,000 in Medicaid Full Cost. The HD will report a \$64,780 payment and will be responsible for a match amount of \$35,220.

## **SEE TABLE B Example to Determine Calculations for Other Medicaid (MCBR)**

**Table B FY2018 Example**

Calculating the FY 2018 Other Medicaid Match Amount Using the Factor Method										
Federal Share %	÷	Match %	=	Factor Calculation						
0.6478	÷	0.3522	=	1.8393						
Federal Share Amount	÷	Factor	=	Match Amount						
\$ 64,780	÷	1.8393	=	\$ 35,220						
FY 2018 Other Medicaid - How to Calculate the Full Medicaid Cost Amount with the FMAP % and Match %										
Federal Share Amount	÷	FMAP %	=	Full Medicaid Cost Amount		Full Medicaid Cost Amount	*	Match %	=	Match Amount
\$ 64,780	÷	0.6478	=	\$ 100,000		\$ 100,000	*	0.3522	=	\$ 35,220

## **Reporting of MCBR funding and match on the Financial Status Report (FSR)**

- Report Medicaid Cost Based Reimbursement interim pre-payments in the Source of Funds Section, under the category labeled **Federal Cost Based Reimbursement** on the FSR and the MCBR Tracking Form. Interim pre-payments are paid/received within the quarter they are earned, so these payments must be reported in each fiscal quarter the funding was paid/received in (Q1, Q2, Q3, Q4).
- MCBR payments received that were not previously reported on FSR's but put into reserves (per special exception reporting granted by Sr. Deputy Directors of MDHHS Financial Operations Administration) should be reported as Local Funds-Other when used.
- MCBR settlements (additional settlements or negative adjustments) should be excluded from FSR reporting when received. According to FSR Preparation Instructions, Fees and Collections (including Medicaid) are to be reported when earned. The settlements occur subsequent to the period in which they are earned and should therefore not be reported.

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- Other Medicaid interim pre-payments will need to be distributed to the programs they were earned in based on the Local Public Health Departments methodology to divide up these funds.
- Report the required match amount under the appropriate categories that qualify for matching funds on the FSR.
- The appropriate match amount must be available and expended in relationship to the MCBR amount received and reported on the FSR during the Fiscal Year.
- The Medicaid Cost Based Reimbursement Tracking Form **Must Be Attached** to the Final FSR in EGRAMS for **Each Program** and filled out completely to show your total MCBR earnings. Attach the Form in EGRAMS next to the category labeled (Federal Cost Based Reimbursement) next to line 4. Make sure you have the correct Fiscal Year Tracking Form.

## **Budgeting for MCBR**

Record the MCBR Amount and the Required Match Amount on your budget. Request budget amendments as needed for reporting accuracy.