

Fee for Service Rate Methodology Workgroup

MEETING NOTES

Date: October 11, 2005 (Tuesday)

Time: 1:00 p.m. – 3:00 p.m.

Where: Capitol Common - Conference Room F
400 S. Pine
Lansing, MI 48933

Attendees: Lynn Borck, Nichole Buda, Michael DeVault, Bruce Elkins, Linda Garvin, Julie Greenway, Toni Hornberger, Tammy Hurlbert, Sean Huse, Amy Jarboe, Ed Kemp, Thomas Koepke, Terry Latimer, Maryann Lorkowski, Helen McNamara, Kathy Merry, Liz Patrick, Donna Pletcher, Susan Powell, Robert Readler, Jane Reagan, Candy Redman, Chris Ruda, John Shaughnessy, Jeff Siegel, Linda Sowle, Dave Stirdivant, Toni Sturgis, Ryan Velzy, Mark Watters

Handouts: PCG Presentation

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

- Introductions
- PCG Presentation
 - Time Study Analysis
 - SBS Administrative Outreach Program (AOP) Activity Codes Definitions
 - ◆ Code 1 – Medicaid Outreach and Public Awareness
 - ◆ Code 2 – Non-Medicaid Outreach
 - ◆ Code 3 – Facilitating Medicaid Eligibility Determination
 - ◆ Code 4 – Facilitating Application for Non-Medicaid Programs
 - ◆ Code 5 – Program Planning, Policy Development and Interagency Coordination Related to Medical Services
 - ◆ Code 6 – Program Planning, Policy Development and Interagency Coordination Related to Non-Medical Services
 - ◆ Code 7 – Referral, Coordination and Monitoring of Medical Services
 - ◆ Code 8 – Referral, Coordination and Monitoring of Medical Services Performed by SPMPs
 - ◆ Code 9 – Referral, Coordination and Monitoring of Non-Medical Services
 - ◆ Code 10 – Medicaid-Specific Training on Outreach, Eligibility and Services
 - ◆ Code 11 – Medicaid-Specific Training on Outreach, Eligibility and Services Performed by SPMPs
 - ◆ Code 12 – Non-Medicaid Training
 - ◆ Code 13 – Direct Medical Services
 - ◆ Code 14 – Transportation and Translation services in Support of Medicaid Covered Services
 - ◆ Code 15 – Transportation and Translation for Non-Medicaid Services
 - ◆ Code 16 – General Administration
 - ◆ Code 17 – School-Related and Educational Activities
 - ◆ Code 18 – Not Scheduled to Work and Not Paid
 - MMIS Requirement Analysis
 - Clinician specific data not stored in MMIS or on the invoice submitted to Medicaid
 - Billing Practices
 - Providers will need to modify their billing practices depending upon which Interim rate methodology is chosen.
 - Peer State SBSHS Billing Analysis

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- Pros and Cons for Option #1 – RVU method
 - Pros
 - ◆ No changes in ISD or State information or billing system
 - ◆ Similar process to current Medicare fee screens and other Michigan provider fee screens
 - ◆ Rates would work for both encounter codes and time based codes
 - Cons
 - ◆ Additional surveys needed
 - ◆ Difficult to manage multiple cost calculations
- Pros and Cons for Option #3 – Time Based method
 - Pros
 - ◆ Would reimburse at a service specific level for actual time spent performing direct services
 - ◆ Billing would occur on clinician level basis
 - ◆ Clinician time study results would be applied to each individual clinician
 - Cons
 - ◆ MMIS can't process bills in this format
 - ◆ Along with billing retraining, there would be systems changes needed for MDCH
 - ◆ Billing on a clinician level basis would be a lengthy process and may cause many new steps in the work plan
 - ◆ ISDs would need to start tracking time units on bills
- Prior Targeted Case Management (TCM) Rate Setting Approach
 - Qualified providers were RNs, Teacher Consultants, Special Ed. Instructors (meeting the special additional criteria), and Speech Pathologists
- TCM Rate Development (Current Formula)
 - Salary and wages, fringe benefits, allowable indirect, administrative time factor, inflated annually
- TCM Rate Methodology Option 1
 - Rebase the current rate using FY04 expenditure date and a time study
- TCM Rate Methodology Option 2
 - Add additional qualified providers to cost pool and use the 7 step time based methodology
- Next Steps
 - PCG
 - ◆ Develop Indirect Cost Rate white paper for comments.
 - ◆ SE-4096 modifications.
 - ◆ Discuss final methodology.
 - ◆ Review Personal Care Services.
 - ◆ Draft SPA and methodology documentation.
 - ◆ Submit final methodology to CMS
 - ◆ Transportation analysis.
- Next meeting:
 - October 25, 2005 1:00-3:00