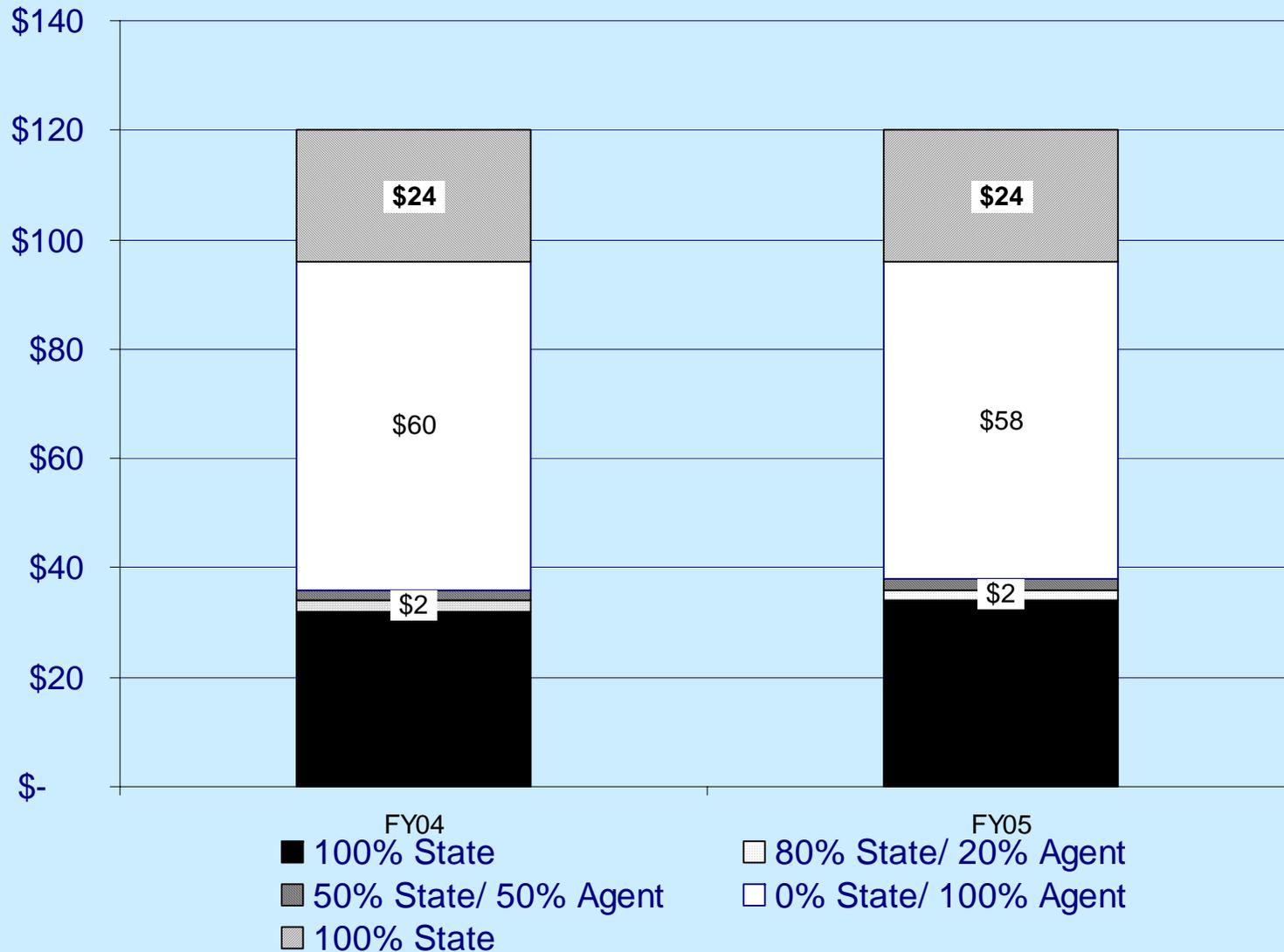


MI Choice Home and Community Based Waiver Agent Payment

**Report to the Michigan Medicaid
Long Term Care Task Force
(November 8, 2004)**

Michigan Department of Community Health
Medical Services Administration
Steve Bachleda/Jim Schwartz

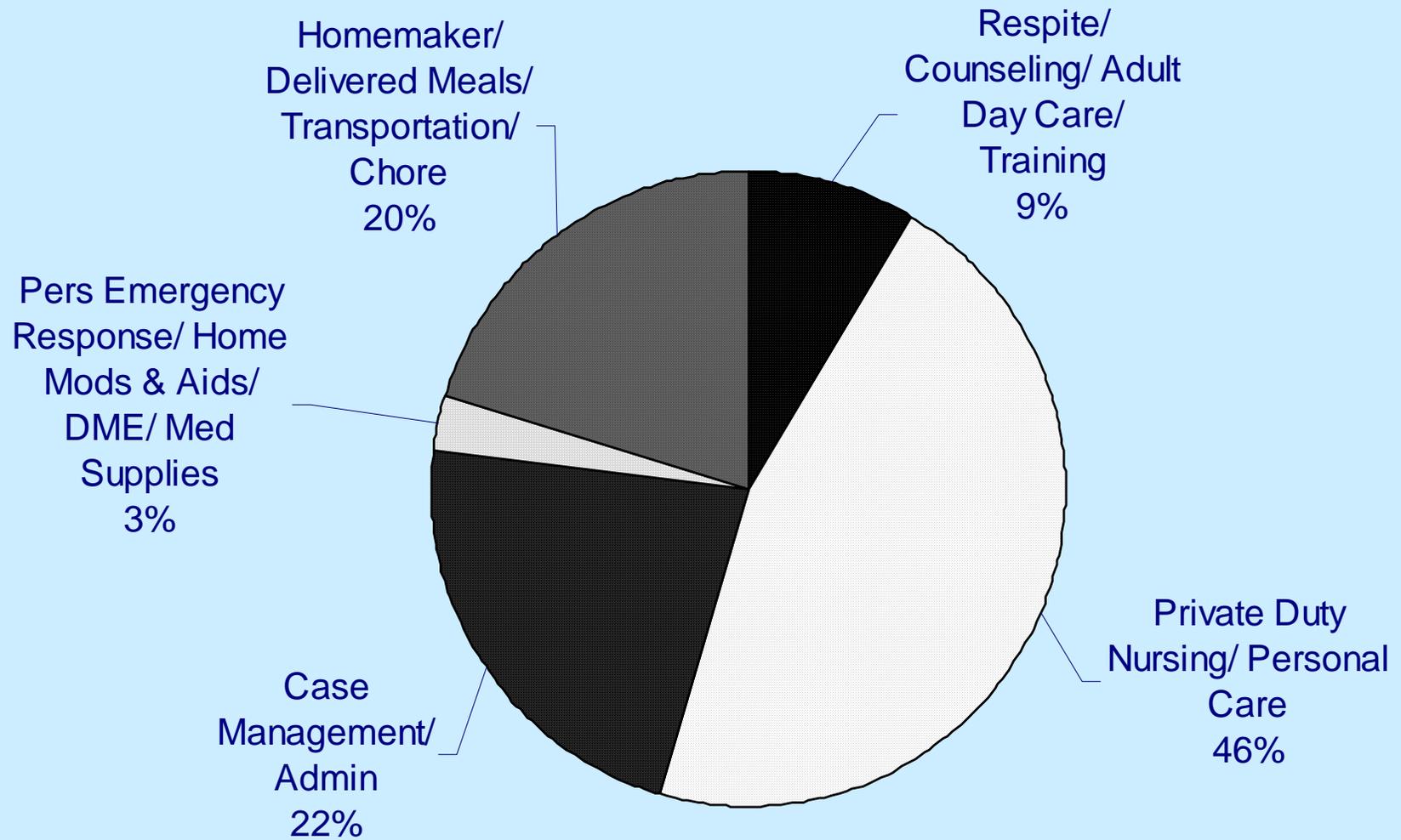
MI Choice Services Per Diem Reimbursement Formula



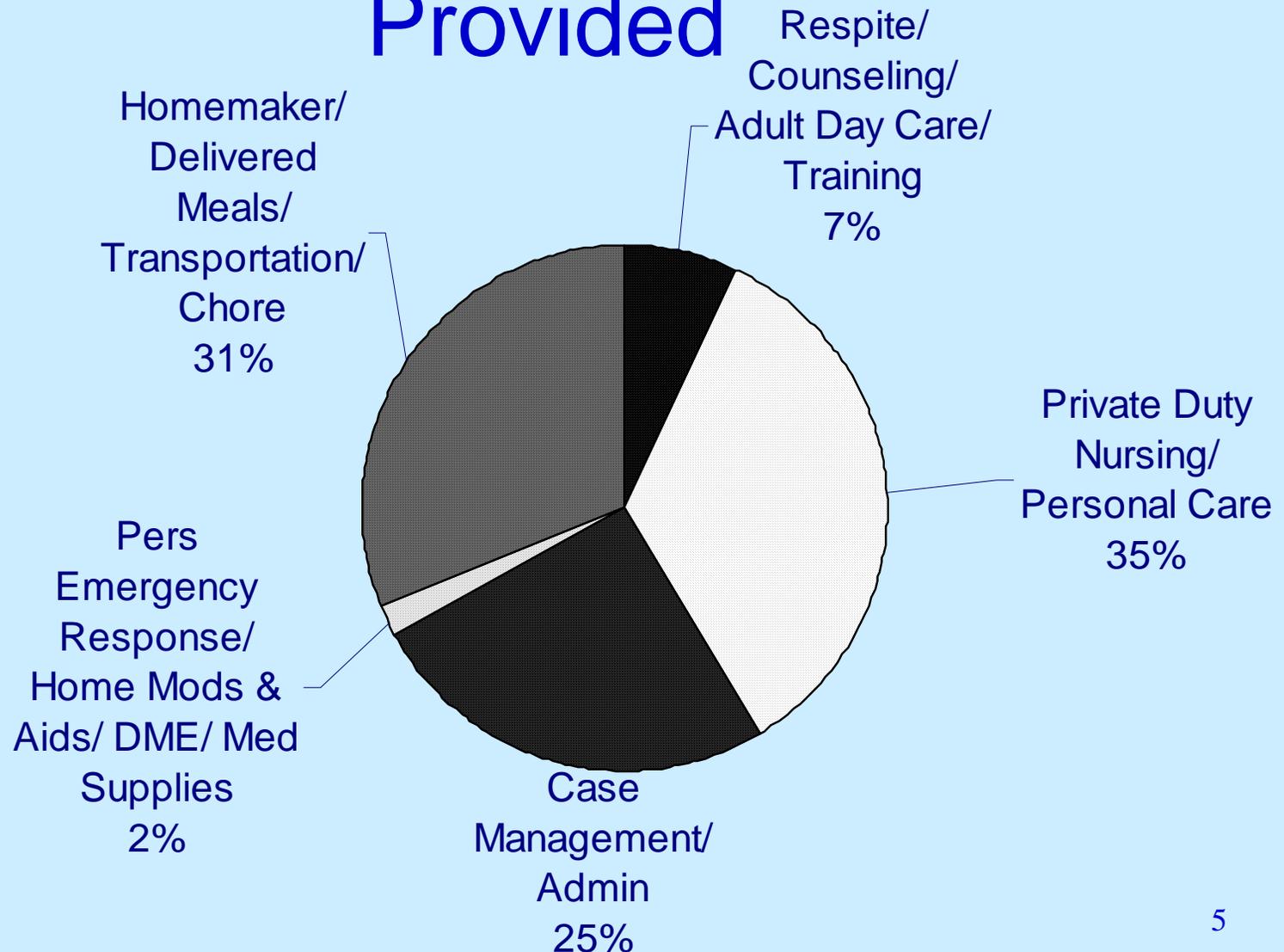
MI Choice Waiver Agent Reimbursement Formula

		Patient A	Patient B	Patient C	Patient D	Patient E	Formula Patient Totals	Formula Aggregate Totals	Avg/Day	% of Costs
State Payment	Patient Costs >>>	\$ 15.00	\$ 37.00	\$ 30.00	\$ 100.00	\$ 22.00	\$ 204.00	\$ 204.00	<u>\$ 40.80</u>	100%
100%	Up to \$32	\$ 15.00	\$ 32.00	\$ 30.00	\$ 32.00	\$ 22.00	\$ 131.00	\$ 160.00	<u>\$ 32.00</u>	
80%	\$32-\$34	\$ -	\$ 1.60	\$ -	\$ 1.60	\$ -	\$ 3.20	\$ 8.00	<u>\$ 1.60</u>	
50%	\$34-\$36	\$ -	\$ 1.00	\$ -	\$ 1.00	\$ -	\$ 2.00	\$ 5.00	<u>\$ 1.00</u>	
0%	\$36-\$96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	<u>\$ -</u>	
100%	More than \$96	\$ -	\$ -	\$ -	\$ 4.00	\$ -	\$ 4.00	\$ 4.00	<u>\$ 4.00</u>	
		\$ 15.00	\$ 34.60	\$ 30.00	\$ 38.60	\$ 22.00	\$ 140.20	\$ 177.00	<u>\$ 34.60</u>	85%
									<u>\$ 173.00</u>	
MI Choice Payment										
	Services	\$ 15.00	\$ 34.60	\$ 30.00	\$ 38.60	\$ 22.00	\$ 140.20	\$ 177.00	<u>\$ 35.40</u>	87%
	Case Mgt/Adm	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 45.00	\$ 45.00	<u>\$ 9.00</u>	22%
		\$ 24.00	\$ 43.60	\$ 39.00	\$ 47.60	\$ 31.00	\$ 185.20	\$ 222.00	<u>\$ 44.40</u>	109%

MI Choice Waiver Services Dollars



MI Choice Waiver Units of Service Provided



Terms and Definitions

AAA	Area Agency on Aging
Agent to Agent Transfer Costs	The participant day cost of those individuals who transfer from agent to agent whose cost were not recognized in the contract terms at the initiation of the contract.
Case Management and Administrative Costs	The \$9 or \$10 PPD amount paid to cover all expenditures other than direct services expenditures i.e., normal business administrative and general expenses, and care management expenses

Terms and Definitions (cont'd.)

Gap Services	Services authorized by waiver agents for waiver participants when needed for a situation that requires immediate attention to alleviate a barrier crucial to the participant's independence when no other resources, including waiver services, are available to address the specific need. Waiver agents must authorize Gap Services in the participant's service plan.
MMIS	Medicaid Management Information System. The claims processing and information retrieval system used by Michigan Medicaid.
MOU	Memorandum of Understanding entered into to service unusually high cost MI Choice clients.

Terms and Definitions (cont'd.)

Participant Day	Any day in which a Medicaid beneficiary is entitled to receive MIChoice Waiver services.
Temporarily Ineligible Services	Services authorized by waiver agents for temporarily ineligible participants (TIP). Examples of TIP services include: <ul style="list-style-type: none">▪ Authorized waiver services provided to a waiver participant on the same day as the participant's nursing home admission.▪ Waiver services provided to a waiver participant when FIA has temporarily revoked Medicaid eligibility for the participant.
Waiver Agent	An Area Agency on Aging or other local agency contracted with the Michigan Department of Community Health to provide MI Choice services to participants in the geographic area.

Waiver Agent Payment and Settlement

PROGRAM:	
"BUDGET HCBS ED Waiver program"	\$100,000,000.00
ALLOCATION (Pro-rata based upon 2002 individual waiver costs and Participant ALOS plus \$15,000. NFTI)	\$99,926,524.00
Contingency Set-Aside (Agent to Agent transfer costs and other contingencies)	\$73,476.00

MOU Payment Process

- MDCH will make the MOU payment
 - in addition to the regular waiver program per diem rate
 - or as specified in the contract between MDCH and the waiver agent

Example of the MOU Payment Calculation

Total approved individual beneficiary MOU amount	\$215 per day
Minimum amount recognized for an MOU	\$96 per day
Department responsibility for MOU	\$119 per day
Minimum amount recognized for an MOU	\$96 per day
Normal reimbursable Per Diem rate	\$34 per day
Net waiver agent responsibility for MOU expenses	\$62 per day

Example MOU Payment cont'd.

- In this example, the Contractor would be responsible for \$62 a day of this beneficiary's MOU expenses.
- The department would ultimately be responsible for:
 - \$119 [$\215 less $(\$62 + \$34)$] plus the aggregated average per participant day cost not to exceed \$34 plus the cost sharing as outlined in Part II, Section IV (B)(1)(c) of this contract.

MOU Adjustment

MOU Begin Date	MOU End Date	MOU Appd Per Diem	Days of MOU Elig	Hosp and/or NH days	Net MOU Days	*Allow MOU Exp.	Total Individual Cost per Bi - Query	MOU Prog Days	Ind. Ave. PPD Cost	Ave. PPD Cost less \$96	Lesser of Allowable or Actual	MOU Adjust.
05/01/03	11/30/03	31.63	153	4	149	\$4,712.87	\$18,587.38	149	\$124.75	\$28.75	\$4,283.38	\$4,283.38
10/01/02	11/30/02	5.50	61	0	61	\$335.50	\$270.00	61	\$4.43	-\$91.57	-\$5,586.00	\$0.00
08/01/03	02/28/04	6.86	61	0	61	\$418.46	\$4,965.00	61	\$81.39	-\$14.61	-\$891.00	\$0.00
10/01/02	03/31/04	240.00	151	0	151	\$36,240.00	\$31,485.85	151	\$208.52	\$112.52	\$16,989.85	\$16,989.85
					8,479			8,479				
						*MOU Appd Per Diem * Net MOU Days					\$655,776.52	<u>\$680,000.00</u>

COSTS INCURRED BY WAIVER AGENTS FOR MOU's - 10/1/02 thru 9/30/03

WAIVER AGENT	Total Count	# of MOU's	Total MOU Days	Average MOU Days per Participant	Actual Total Cost of MOU Days	Average Cost Per Participant Day	Actual MOU Pymt in Excess of Rate Settlement Amt.
1	9	3	973	324.3	\$131,858.63	\$135.52	\$30,023.51
2	74	25	8,145	325.8	\$1,478,190.97	\$181.48	\$663,010.15
3	7	3	799	266.3	\$134,183.40	\$167.94	\$43,123.51
4	5	3	730	243.3	\$78,493.50	\$107.53	\$7,898.92
5	2	1	365	365.0	\$259,844.26	\$711.90	\$36,689.50
6	24	10	3,214	321.4	\$658,448.16	\$204.87	\$347,068.75
7	20	12	2,270	189.2	\$323,141.03	\$142.35	\$110,977.40
8	33	13	3,956	304.3	\$738,562.06	\$186.69	\$351,420.14
9	5	3	612	204.0	\$117,039.61	\$191.24	\$49,455.61
10	16	6	1,521	253.5	\$188,654.19	\$124.03	\$46,407.17
11	6	3	750	250.0	\$110,808.70	\$147.74	\$44,728.52
12	10	5	1,089	217.8	\$250,545.65	\$230.07	\$62,283.45
13	15	7	2,010	287.1	\$239,375.16	\$119.09	\$46,807.55
14	9	5	1,348	269.6	\$205,097.05	\$152.15	\$78,385.17
15	3	2	266	133.0	\$29,391.75	\$110.50	\$3,855.75
16	5	2	629	314.5	\$71,561.44	\$113.77	\$7,226.68
17	19	10	2,173	217.3	\$259,844.26	\$119.58	\$44,926.23
18	13	4	1,495	373.8	\$316,767.23	\$211.88	\$173,074.23
Totals	275	117	32,345		\$5,591,807.05		
AVERAGE		7		270.01		\$172.88	\$2,147,362.24

Individual Waiver Agent

Maximum Contract amount	<u>\$11,655,419.00</u>	
Amount paid \$971,280 @month)		\$11,655,360.00
Approved Services Cost (MMIS) Before MOU adjustment \$9,200,000)	\$8,520,000.00	
102 Gap services (100% state funds)	\$700.00	
105 Temp. Ineligible services (100% state funds)	\$400.00	
MOU cost in excess of \$96 PPD (This amount was removed from the Approved Services total)	\$680,000.00	
Admin. Costs (\$9 x 272,400 Part. Days)	<u>\$2,451,600.00</u>	
Recognizable Costs for settlement purposes	\$11,652,700.00	
Aggregated Ave. Cost PPD for services (Because this is less than the aggregated average cost limit of \$34 PPD no risk share is warranted)	\$31.28	
Reimbursable Costs		\$11,652,700.00
Net Due the State		\$2,660.00

Contact Information

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