



## Fee for Service Rate Methodology Workgroup

### MEETING NOTES

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**Date:** January 29, 2008 (Tuesday)

**Time:** 1:00 p.m. – 3:00 p.m.

**Where:** Capitol Commons Center - Conference Room E  
400 S. Pine  
Lansing, MI 48933

**Attendees:** Scott Barlow, Lynn Borck, John Dickey, Bud Ferguson, Sherri Gensterblum, Christine Gottleber, Toni Hornberger, Deb Johnson, Ed Kemp, Tom Koepke, Maryann Lorkowski, Lynette Lynch, Deb Marshall, Kathy Merry, Pam O'Farrell, Liz Patrick, Susan Powell, Cindy Rae, Jane Reagan, Jeff Siegel, Michelle Simmons, Carol Sink, Regina Smith, Linda Sowle, Toni Sturgis, Jolene Tobey, Anne Werner, and Tanisha Vogl  
EDS: Dave Hemingway and David Willhite

**Handouts:** PCG PowerPoint Presentation

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#### **Cost Settlement Flow Process - EDS**

- EDS prepared an outline of the cost reconciliation and settlement process for the groups review. The first cost settlement will not occur until January, 2010.
  - Process Flow:
    - a. A spreadsheet style cost report application is delivered to the provider for completion. Delivery options include download from web, email, or CD via postal service
    - b. Completed data is returned by the provider to the state. Return delivery options include email or CD via postal service.
    - c. An application is used to load cost report data into the hospital database. (Currently EDS loads hospital cost report data on behalf of the hospital division.)
    - d. Cost report data can be viewed online. Viewing options include a special viewer program or a specially secured "read only" version of the cost report. Specific users may have permission to perform limited updates to cost report data
    - e. The system allows storage of multiple amended versions of cost reports for specific facilities and fiscal periods. It could be possible to view each amended version of a cost report (including the original).

#### **CMS Response to No Billing Letter**

- The response received from CMS on 1/22/08 indicates that MDCH must continue to process the procedure specific claims even though the payment is made based on a cost allocation process.
- CMS has cited the reasons for this requirement as
  - 1) This would provide eligibility verification;
  - 2) This would provide utilization and management information;
  - 3) This would provide a complete audit trail;
  - 4) This would provide for monitoring through the utilization and review data.
  - 5) This would allow for tighter internal controls.

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### Roll Out Issues

- Adjustments:  
We still need someone from the workgroup to document the process flow for adjustments to the SE-4096. We need to know who receives the notice for an adjustment and how we are then going to get that data to MDCH.
- List of LEAs:
  - EDS will need a list of LEAs and what ISD they are under so that they can create the appropriate flow for the costs to roll up to the ISD level and so they can create the forms.
  - Scott will provide this by the end of February.

### SGD Evaluations

- Evaluations for ATD equipment are being performed by the School OTs and PTs for Durable Medical Equipment (DME) provided by Medical suppliers without regard to the DME coverage policy and procedures.
- With the new chapter re-write we need to clarify the ATD language related to these assessments.

### Home Care

- The SBS SPA currently references only services performed "in the school setting".
- We have requested and received clarification from CMS on this issue. Their response is as follows:  
"CO is actually OK with viewing "in the school setting" to encompass services provided outside the physical school building. Services provided in the home by school practitioners would be an extension of the services provided "at school", and the reimbursement would be the same, irregardless of whether they were provided at school or at home.  
It's a good thing I checked with them. " – Julie Greenway
- Linda will add this new language to the policy chapter.

### CMS-2287 Proposed Federal Rule to Eliminate Transportation and Administration

- Since the effective date for this federal rule is September 1, 2008 the group was asked if they wanted to end the program before the new methodology thus not having to establish a cost reimbursement method for only two months.
- They wish to keep the process as they feel a moratorium is likely.

### SPA Update

- MDCH is awaiting the response from CMS on the Random Moment Time Study methodology
- Once the response is received staff will begin writing policy drafts for review.
- Kathy Merry provided a legislative update and indicated that a request for a moratorium until January 2010 has been attached to the Tribal Health bill.
- The Tribal Health Bill S 1200 has passed the Senate with the SBS moratorium language below attached:  
"DELAYED IMPLEMENTATION OF DECEMBER 4, 2007, INTERIM FINAL RULE.--The interim final rule published on December 4, 2007, at pages 68,077 through 68,093 of volume 72 of the Federal Register (relating to parts 431, 440, and 441 of title 42 of the Code of Federal Regulations) shall not take effect before April 1, 2009..

### Questions

- None

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### **Next Meetings (the conference room will be available for the group from Noon thru 4:00):**

- February 19, 2008 1:00-3:00 (Combined AOP and FFS meeting) - CANCELLED
- March 18, 2008 1:00-3:00
- April 22, 2008 1:00-3:00
- May 20, 2008 1:00-3:00 (Combined AOP and FFS meeting)