



STATE OF MICHIGAN

DEPARTMENT OF COMMUNITY HEALTH
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JANET OLSZEWSKI
DIRECTOR

September 2009

Dear School Based Services Provider:

The fee-for-service claim specific payment methodology ended June 30, 2008 (the old program). After July 1, 2008, payments are based on annually submitted cost reports. School Based Services (SBS) providers were given notice in a Medicaid Letter (L 09-03) that they had until June 30, 2009, to submit their claims through the Medicaid Management Information System (MMIS). After that date, no claims or adjustments with dates of service prior to July 1, 2008 would be accepted or adjudicated.

The Michigan Department of Community Health (MDCH) Budget Office has completed the reconciliation of the old program. This reconciliation credits the additional stimulus revenue earned due to the enhanced federal match rate from the American Recovery and Reinvestment Act (ARRA) of 2009, and debits any outstanding receivables.

The net revenue for each Intermediate School District may be offset for any or all of the following outstanding receivables for dates of service prior to July 1, 2008:

- Negative claim replacement balances.
- May fee-for-service overpayments. The May 2009 payments were paid incorrectly at the total federal match rate rather than the correct 60% of the federal match rate.
- Program investigation audit collections.
- Manual pended claim review offsets.

Some providers may receive an additional payment as a result of this reconciliation, the remainder will see their interim payment offset by the outstanding liability. These offsets to the interim payment will be done if the outstanding receivables are greater than the total revenue from the stimulus funding. Those providers that will have a reduction of their interim payment will be notified by the MDCH cost settlement staff prior to the offset of the interim payment.

Please share this information with your local districts or other financial staff you deem appropriate. If you have questions or concerns, please contact Linda Sowle, School Based Services Policy Specialist at 517-241-8398 or by e-mail at sowlel@michigan.gov.

Sincerely,

Stephen Fitton, Acting Director
Medical Services Administration