



## MICHIGAN DEPARTMENT OF COMMUNITY HEALTH

### SCHOOL BASED SERVICES

#### MEDICAID ALLOWABLE EXPENDITURE REPORT TRAINING

#### QUESTIONS AND ANSWERS

May 2009

#### **General:**

1. Is the SE-4096/4094 duplicated on the Medicaid Allowable Expenditure Report (MAER) report?  
Can you cut and paste to the MAER?

*Answer: No, the MAER should be a subset of the costs reported on SE-4096/4094 because you are only including allowable participants from Time Study Rosters and allowable medically related costs within certain object codes.*

*For that reason, you should not cut and paste the totals from the 4096/4094 to the MAER. The MAER in most cases will not include all of the FTEs, Salaries, and Benefits that were reported on the 4096 or the 4094.*

2. If staff is federally funded, then the Full Time Employee (FTE) on the 4096 is already reduced to only reflect the non-federally funded portion. When they report this on the MAER will they report the reduced FTE, or reduced salary and benefits, or both? (2 employees are 50% federally funded and show a total of 1.00 FTE on 4096. Should MAER show 1.00 or 2.00 FTE because the cost reported would already be reduced to the non-federally funded amount? The seems like they are penalized twice for the employees)

*Answer: This would be counted as two FTEs. The FTE count is only being used as a reasonableness check to make sure that the salary reported per staff FTE is not excessive. It will not be used to discount the reimbursement.*

3. Should the federally funded portion of the cost to employ a provider be removed from the costs reported on the MAER?

*Answer: Yes, federal funds are not to be included on the MAER report.*

4. Why are we completing quarterly financials if they cannot be used to complete the MAERs?

*Answer: The quarterly financials are used for part of the costs reported on the MAER. Several data sources are used for the financial data reported the MAER. Cost data is gleaned from the SE-4096 for allowable medical professionals, from the SE-4094 for allowable transportation costs, and from the PCG quarterly financial worksheets for allowable Personal Care Services (PCS) and Targeted Case Management (TCM) services costs. The PCG quarterly financial worksheets also continue to be utilized to calculate the Administrative Outreach Program (AOP) quarterly claim.*

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5. If a Local Educational Agency (LEA) has no Direct Service or Transportation Costs, do they complete an MAER?

*Answer: The transportation worksheet still needs to be completed with a zero entry. This can be done by either the LEA or by the Intermediate School District (ISD). If there are no entries on the LEA cost report the Summary Software will autofill with zeros. The Summary Software edits to make sure that all cost reports for all LEAs under the ISD are present before the summary roll up is done. If an LEA never bills then the ISD should contact the Cost Settlement area and have the LEA removed from the list of qualified LEAs that bill Medicaid under that ISD.*

6. If an FTE is less than 1.00, do they include 100% of salary and benefits, or do they discount the salary and benefits by the FTE? (I.e. Provider is 80% Special Education and 20% Gen Education, should they report 80% of the cost of the employee, or 100%?)

*Answer: During the State Plan approval process CMS approved the SE-4096 as the source of reported costs for the direct services portion of the School Based Services program. The only exception to this rule was for Nursing Service costs that are reported under General Education costs. CMS did not approve the inclusion of any other General Education costs. For details regarding the allowable function and object codes please refer to the MDCH – MAER Training on the School Based Services Provider Specific webpage at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders) >> Billing and Reimbursement >> Provider Specific Information >> School Based Services. Revised November 2010.*

7. Can a blank excel template, which was used in the training for the proposed method of completing the MAER, be made available for districts?

*Answer: There isn't a template available since there are multiple system software approaches that could be used to do this function.*

8. How was the information collected previously?

*Answer: This is a new reimbursement methodology mandated by the Federal government (Centers for Medicare and Medicaid – CMS). Previously claims were paid on a procedure specific basis with statewide fee screens per procedure code.*

9. How should costs for subs be reported?

*Answer: The process for the reporting of the cost for long term substitutes can be found in the Policy Bulletin MSA 09-34.*

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10. Does staff need to have received a time study moment in the quarter to be included on MAER?

*Answer: No, they need to be eligible to receive a moment, i.e. on the staff pool list. As long as they meet the requirements to be on the Direct Service staff pool and are in fact included on that staff pool list, then that provider and associated costs are allowable on the MAER.*

11. What types of Dues and Fees are allowable?

*Answer: Allowable Dues and Fees must be 1) be associated with a Direct Service Time Study Allowable employee, and 2) be medically related. This would include such things as professional association dues, etc.*

12. Do we need to apply DS percentage to dues and fees amount? Or just check to see that there were included on DS staff pool list.

*Answer: The entire amount of the allowable dues and fees should be included on the MAER. The time study results will be applied at the summary level.*

13. Can a simple certification form be placed on MDCH website that ISD's can make locals sign to certify that the data given to the ISD was accurate?

*Answer: This has been done and is available on the MDCH website at: [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders) >> Billing and Reimbursement >> Provider Specific Information >> School Based Services.*

14. Is there a penalty for not completing the MAER on time?

*Answer: If the MAER is not filed on time the ISD will receive immediate notification that the next monthly interim payment is suspended. Upon receipt of the MAER the interim payments will be resumed. Requests for an extension of the due date will be considered on an individual basis and must be made in advance to Vaughn Allen via mail at, MDCH Special Program Section, P.O. Box 30479, Lansing, MI 49809, by telephone at (517)-335-1355 or via email at [allenv2@michigan.gov](mailto:allenv2@michigan.gov).*

15. What are interim payments based off of right now?

*Answer: The current Interim payments are based on 75% of the fiscal 2006 payment total. They will be adjusted to reflect prior year costs once the 2008/2009 initial settlements are completed.*

16. If detail on a per person basis for dues and fees does not exist, what is the best way to figure this out?

*Answer: The total cost could be divided by number of employees and then multiplied by the number of allowable employees on the staff pool list.*

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#### **Staff Pool Summary Rosters:**

1. Confusion about AOP and Direct Medical Staff rosters: What if the nurse is billing but is not included on the 4096, can they be included on the MAER? Social worker, not in Special Education but listed in Direct Service?

*Answer: The clinician must be on the appropriate staff pool list, providing Medicaid eligible services, and a qualified provider. Any allowable costs may be included as long as all federal funding is excluded.*

2. Do the schools need to make sure that staff including costs on the MAER are at least 50% Special Education funded to be included?

*Answer: The 50% rule of thumb that did not come from the Michigan Department of Community Health (MDCH). This rule was given as a guideline to make sure that sufficient local dollars were available to fund the claim for the federal share. This rule of thumb does not apply to the new methodology. Utilizing our new methodology all non-federal dollars for allowable providers rendering allowable services can be included on the MAER.*

3. A part time employee- unpaid time off is 40%, will that have a negative effect on the Time Study results- should they just take that person off?

*Answer: If the person does not perform the tasks as a regular part of their job they should not be on the staff pool list. Part time status is not an impact.*

4. Does anything related to the time study rosters change? Do they stop going through Chicago?

*Answer: No, you will continue to complete your staff pool lists and submissions to Public Consulting Group (PCG). Changes were implemented in July of 2008 to support this new methodology for reimbursement. PCG and MDCH continue to refine processes as requested by the schools.*

5. Should coordinators be including staff that is working with students 21+ on the time study rosters?

*Answer: Yes, the Medicaid Eligibility Rate (MER) will discount for those students under 21.*

6. Contractor Costs, can contractors be included on staff pool lists?

*Answer: Yes.*

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7. When will staff pool list be distributed? Who will it be distributed to?

*Answer: Staff pool lists are distributed in June, August, October, and January. They are distributed to the contact list submitted to PCG.*

8. The first quarter only represents about a month of salary. Should this be reflected on MAER?

*Answer: Yes.*

9. What is the standard for considering someone employed for an entire quarter?

*Answer: The staff person must be hired within a month of the beginning of the quarter to be included in the quarter for time study purposes.*

10. Can we add Employee ID to staff pool list that PCG sends?

*Answer: This modification is being considered.*

11. Concerns about staff that are paid out of Special Education Funds being on Direct Service Staff Pool List.

*Answer: There can be multiple fund sources for reported expenditures as long as the costs reported are non-federal and all requirements of participation in the Medicaid School Based Services program are met.*

#### **Summary Software:**

1. Will the software be able to sort years?

*Answer: Only one fiscal year of costs are turned in at a time. If you are amending a previous cost report years you would submit the prior year separately.*

2. Our indirect cost rates are on an individual LEA level, what is reflected in the Summary software?

*Answer: The Summary Software will reflect the Indirect Cost Rate at the LEA level.*

3. Single Sign On (SSO); is this the CHAMPS log on?

*Answer: Yes this is the same secure sign on used for the CHAMPS provider re-validations.*

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4. Difference between Medicaid IEP eligibility rate used in Administrative Outreach Program (AOP) claim to that that is used in MAER?

*Answer: The eligibility rate used for the AOP program measures the percentage of “all” students against the eligible population for the county of the Intermediate School District (ISD). The Medicaid Individualized Educational Program (IEP)/Individualized Family Services Plan (IFSP) eligibility rate utilized for the direct services, personal care services, specialized transportation and targeted case management services is based on the number of Special Education Students with health-related support services indicated in their IEPs and IFSPs that are Medicaid eligible. This provides for a much more accurate level of eligibility for the direct medical portion of the program.*

5. Who should be signing the certification form?

*Answer: This is decided by each individual ISD.*

6. Will the Michigan Medicaid Forms (MMF) summary software auto download to the C drive? Or can they choose any location they want to download the file to, as long as they know the location?

*Answer: As long as the location is known it is up to the ISD what file location is chosen.*

7. Can a totals line be added to Reconciliation Tab of the MMF software?

*Answer: This modification has been added to the MMF software.*

8. Will the MAER run on Mac computers that use “Virtual PC” (excel on MAC)?

*Answer: Paper forms may be downloaded and printed then mailed to the ISD for those who do not have access to a personal computer*

9. If amended MAERS are received from LEAs, will the ISD then upload the cost report as normal and the software will overwrite existing report?

*Answer: Yes the new report will overwrite the previous version of the cost report.*

10. Is the Interim Payment broken into Fee-for-service (FFS) and transportation?

*Answer: The interim payment is not broken out by these categories but the MAER and Summary Software does display the totals for FFS and Transportation separately.*

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11. Will there be any checks done on the data submitted in the summary software for accuracy and reasonableness?

*Answer: The audit area at MDCH will be auditing and performing reasonableness checks on all the data submitted on the MAER.*

#### **Timeline:**

1. Why were staff not advised of this new methodology earlier?

*Answer: There have been multiple Bulletins and L Letters advising all of the School Based Service providers (all 59 Intermediates School Districts, Detroit Public Schools and the Michigan School for the Deaf and Blind) and all billing agents for the enrolled providers of the new methodology and all of the changes that accompany it. L Letter 08-01, dated February 12, 2008, specifically described the impending changes mandated by CMS.*

2. Why are we getting documentation so late (Time Study summary lists)?

*Answer: The time study lists are distributed on the same schedule as they always have been.*

3. When will interim payment be adjusted?

*Answer: The interim payments will be adjusted to reflect prior year costs after the initial settlements are completed.*

#### **Allocating Settlement Revenues:**

1. How should we allocate this money?

*Answer: Effective with the new methodology (7/1/08) there is no longer payment detail by specific procedure code. Thus how the ISD chooses to distribute the Medicaid revenue received will be the choice of the ISD.*

2. How will money be paid to the ISD/Collected by MDCH if necessary?

*Answer: Any additional monies owed to the ISD will be paid via a gross adjustment.*

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#### **Transportation Issues:**

1. What if we have a different bus run schedule in the summer than during the school year? How do we calculate the total number of trips to submit on the MAER?

*Answer: The total number of trips submitted on the MAER transportation form should be calculated by combining the summer trips with the school year trips between July 1 and June 30 for the school year being submitted. The methods for coming up with the number of trips are described in the training presentation.*

2. SE-4094: Our district has a four day week. How does that factor in?

*Answer: This would reduce the number of trips and the costs.*

3. My district does not bill for transportation, should we still send in a blank cost report?

*Answer: Yes or the ISD can submit zero on behalf of the LEA.*

4. How should data be reported for students that receive more than 2 transportation trips per day?

*Answer: Only two specialized transportation one-way trips are allowable per day, per student.*

5. To get number of trips for reporting on the 4094, a district is counting all trips for a 1-week period and then multiplying by the number of weeks on the school year. Can this same method be used to calculate the number of trips for the transportation part of the MAER?

*Answer: Yes this method can be used; however it will drive down the reimbursement since the total number of transportation trips reported is the denominator to calculate the total cost per trip. If the denominator is larger than needed the cost per trip amount will be less. The cost per trip is multiplied by the actual trips billed through the Medicaid invoice processing system to calculate the actual reimbursement and future interim payments.*

6. How do we account for Transportation?

*Answer: If by "account" you mean document; there should be trip logs kept for all trips billed. If by "account" you mean how you account for the revenue received from transportation; it is recorded as "local source revenue" for all dates of service after July 1, 2008. If neither of these were your intended question please feel free to contact the Michigan Department of Community Health, School Based Services Policy Specialist at 517-241-8398.*



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7. Are transportation dollars federal dollars? Whereas FFS revenue is considered state dollars? If so, will the reconciliation and settlement tab need to be broken up so that the districts can properly report the amount that is federal and state funds. After reconciliation, how should districts be reporting these funds, state of Federal or split dollars?

*Answer: Effective July 1, 2008 transportation revenue dollars are the same as FFS revenue dollars and are considered "local source revenue."*

8. If a bus is shared by regular and Special Education students (with specialized transportation on their IEP) should the district report the cost? Or are they not allowable cost because there are regular Education students on the bus?

*Answer: The bus must be funded by Special Education dollars for the specific use of transporting special education students.*

9. Are regular taxis/medicabs funded through Special Education funds allowed to be reported on the MAER?

*Answer: No.*

10. Was the non-bus log method for getting the number of one way trips for transportation approved by CMS?

*Answer: All facets of our methodology have been reviewed by CMS.*

11. What is the difference between a Personal Care Aide and a Transportation Aide?

*Answer: A personal care aide is like a one-on-one aide, and a transportation aide only rides the bus.*

#### **Contractors/Misc. Issues:**

1. Is MDCH going to review and question costs on the MAER similar to the 4096? Are these questions going to be routed through the ISD or the LEA?

*Answer: The Summary Software required the name of the person completing the form. Any questions would be directed to that person first.*

2. Personal Care costs are already listed on Quarterly financials—should they be removed if PC does not file for billing?

*Answer: If the Personal Care provider has no intention of ever billing they should be removed since this would be a compliance issue.*