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1.0 General Report Overview

The Medicaid Contract Settlement Worksheet will be utilized to identify and/or calculate the specialty managed care capitation (authorization) estimated for the fiscal year (FY), if a forced lapse exist, the maximum Medicaid savings / Medicaid lapse and verification that prior year Medicaid savings has been utilized or has approval from the Michigan Department of Community Health (MDCH) to utilize in a future FY.

The Medicaid Contract Settlement Worksheet will be utilized in tandem with the Medicaid Contract Reconciliation and Cash Settlement (CRCS). The CRCS worksheet provides a mechanism to close out the financial components of the Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Contract (contract). The CRCS will be used in evaluating any remaining financial obligations due to the PIHP or the MDCH. The financial information reflected in the report should represent revenue and expenditures on an accrual basis of accounting through the fiscal year (FY) ending September 30th and recorded as specified in the contract. The CRCS summarizes the resources and expenditures associated to the contract, the disposition of funding (surplus/deficit) and the cash settlement of the contract.

Please refer to the instructions for the CRCS for further details.

2.0 Report - Due Dates

The Medicaid Contract Settlement worksheet is due

<u>Report Period</u>	<u>Report Type</u>	<u>Due Date</u>
October 1 – September 30	Projection	July 31 st
October 1 – September 30	Interim	November 10 th
October 1 – September 30	Final	January 31 st

3.0 Report Submission


3.1 Report Submitted via US Mail

This is no longer applicable. Electronic report submission required.

3.2 Report Submission – Electronic

The report should be submitted electronically to the department by the due date identified in 2.0 above at MDCH-MHSA-Contracts-MGMT@michigan.gov.

The report's file name must identify the reporting fiscal year, period covered (submission type), agency name, report title and date of submission. Example: For the FY 10 projection reporting package submitted from network180 for the Medicaid Contract Settlement Worksheet report, the file name should read

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FY10 PROJ network180 MEDCRCS 07-29-2010. Note: The Medicaid Contract Settlement Worksheet is part of the Medicaid Contract Reconciliation and Cash Settlement file.

Refer to the Electronic Report Submission Guidelines for report submission specifications.

4.0 Report Specific Navigation or Terminology

The Medicaid Contract Settlement worksheet includes cell shading to assist the end user with completion of the form.

Worksheet headers are shaded in light green.

Cells requiring data entry are shaded in yellow.

Cells that are formula driven and should not have data entered are not shaded.

Worksheet protection has been enabled.

Precision as displayed functionality has been enabled. As such, Excel will utilize the displayed value instead of the stored value when it recalculates formulas.

The term "Submission Type" on the worksheet refers to the reporting period. i.e., Interim, Final, Projection.

Column headings are specific to each section of the worksheet and may change from section to section. The column headings are shaded to assist in identification.

5.0 Instructions for Completion of the Report

Enter the name of the PIHP on the line labeled "PIHP".

Select the appropriate Fiscal Year (FY) from the drop down menu.

Select the Submission Type from the drop down menu.


Enter the date of report submission on the line labeled "Submission Date".

5.1 Section 1 – Specialty Managed Care – Medicaid

This section represents the estimated Medicaid specialty managed care capitation (authorization) that the PIHP will receive to fund services provided and authorized in the contract for the fiscal year being settled.

Section 1.a – * Current FY Accrual Breakdown:

This section represents the accrued revenue activity that occurred after 9/30. This section serves as support for the amount entered in cell 1.d – * Current FY Accruals Established for Period Ending 9/30.

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Section 1.a.1 – Current FY SP (b) / (b3) Paid Thru

After the narrative “Current FY SP (b) / (b3) Paid Thru” enter the date associated to the last cash payments that were the basis for this report submission. In the “amount” column, enter the amount of State Plan (b) and (b3) services specialty managed care capitation payments received after 9/30.

Section 1.a.2 – Current FY SP (b) / (b3) Open as of

After the narrative “Current FY SP (b) / (b3) Open as of” enter the date associated to the estimated remaining SP (b) / (b3) payments that were the basis for this report submission. In the “amount” column enter the amount of the estimated SP (b) / (b3) services specialty managed care capitation payments open accrual after 9/30.

Section 1.a.3 – Current FY HSW Paid Thru

After the narrative “Current FY HSW Paid Thru”, enter the date associated to the last cash payments that were the basis for this report submission. In the “amount” column enter the amount of HSW services specialty managed care capitation payments received after 9/30.

Section 1.a.4 – Current FY HSW Open as of

After the narrative “Current FY HSW Open as of” enter the date associated to the estimated remaining HSW payments that were the basis for this report submission. In the “amount” column enter the amount of the estimated HSW services specialty managed care capitation payments open accrual after 9/30.

Section 1.a.5 – Payment Sub-total


This cell represents the cash and accrued specialty managed care capitation payments received after 9/30. The cell is formula driven. The formula is *the sum of Current FY SP (b) / (b3) Paid Thru (1.a.1), Current FY SP (b) / (b3) Open as of (1.a.2), Current FY HSW Paid Thru (1.a.3) and Current FY HSW Open as of (1.a.4).*

Section 1.a.6 – Current FY SP (b) / (b3) Recoveries Thru

After the narrative “Current FY SP (b) / (b3) Recoveries Thru” enter the date associated to the last recoveries that were the basis for this report submission. In the “amount” column, enter the amount of State Plan (b) and (b3) services specialty managed care capitation recoveries that occurred after 9/30.

Section 1.a.7 – Current FY SP (b) / (b3) Recoveries Open as of

After the narrative “Current FY SP (b) / (b3) Recoveries Open as of” enter the date associated to the estimated open recoveries that were the basis for this report submission. In the “amount” column, enter the amount of estimated SP (b) / (b3) services specialty managed care capitation recoveries open as of 9/30.

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Section 1.a.8 – Current FY HSW Recoveries Thru

After the narrative “Current FY HSW Recoveries Thru”, enter the date associated to the last recoveries that were the basis for this report submission. In the “amount” column, enter the amount of HSW services specialty managed care capitation recoveries that occurred after 9/30.

Section 1.a.9 – Current FY HSW Recoveries Open as of

After the narrative “Current FY HSW Recoveries Open as of” enter the date associated to the estimated open recoveries that were the basis for this report submission. In the “amount” column, enter the amount of estimated HSW services specialty managed care capitation recoveries open as of 9/30.

Section 1.a.10 – Recovery Sub-total

This cell represents the cash and accrued specialty managed care capitation that was recovered after 9/30. The cell is formula driven. The formula is *the sum of Current FY SP (b) / (b3) Recoveries Thru (1.a.6), Current FY SP (b) / (b3) Recoveries Open as of (1.a.7), Current FY HSW Recoveries Thru (1.a.8) and Current FY HSW Recoveries Open as of (1.a.9).*

Section 1.a.11 – Net Current Year Accrual

This cell represents the net cash and accrued specialty managed care capitation activity that occurred after 9/30. The amount in this cell corresponds to the amount in cell 1.d – * Current FY Accruals Established for Period Ending 9/30. The cell is formula driven. The formula is *plus Payment Sub-total (1.a.5) plus Recovery Sub-Total (1.a.10).*

Section 1.b – * * Prior Year Accruals:

This section represents the prior year(s) accrued activity that occurred during the current FY.

Section 1.b.1 – Prior Year 1


Enter the net amount of the specialty managed care capitation accrued activity for the prior FY that occurred before 9/30.

Section 1.b.2 – Prior Year 2

Enter the net amount of the specialty managed care capitation accrued activity for the FY two years prior that occurred before 9/30.

Section 1.b.3 – Total Prior Year Accrual

This cell represents the total of specialty managed care capitation accrued activity for the year(s) prior to the current FY that occurred before 9/30. The amount in this cell corresponds to the amount in cell 1.f – * * Prior FY Accruals Established for Period Ending 9/30. The cell is formula driven. The formula is *the sum of Prior Year 1 (1.b.1) and Prior Year 2 (1.b.2).*

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Section 1.c – Current FY Capitation Payments Received through 9/30

Enter the amount of capitation payments received for the State Plan (b), State Plan (b3) and Habilitation Support Waiver (c) programs through 9/30.

Section 1.d – * Current FY Accruals Established for Period Ending 9/30

Enter the amount of any accruals established for the current FY (ending 9/30). The amount in this cell should reconcile with Section 1.a.11 – Net Current Year Accrual.

Section 1.e – Sub-Total

This cell represents the total cash and accrued revenue for the current FY. The cell is formula driven. The formula is *sum of Current FY Capitation Payments Received through 9/30 (1.c) and * Current FY Accruals Established for Period Ending 9/30 (1.d)*.

Section 1.f – ** Prior FY Accruals Established for Period Ending 9/30

Enter the amount of the prior year(s) accrued revenue activity that occurred during the current FY. The amount in this cell should reconcile with Section 1.b.3 – Total Prior Year Accrual.

Section 1.g – Total Current FY Settlement Accrued Revenue

This cell represents the total cash and accrued revenue for the current FY. The cell is formula driven. The formula is *plus Sub-Total (1.e) less ** Prior FY Accruals Established for Period Ending 9/30 (1.f)*.

5.2 Section 2 – Forced Lapse to MDCH


This section represents the amount that must be lapsed back to the MDCH. Typically, forced lapse represents unspent funding provided to the PIHP by the MDCH for a specific purpose, project, and/or target population. These funds shall continue to be expended for the purpose that they were earmarked for and may not be re-directed for any other use without prior written approval from the MDCH. Any unspent special purpose funding shall lapse back to the MDCH.

Section 2.a – Medicaid Specialty Managed Care Forced Lapse

Enter the amount of special purpose funds that must be lapsed back to the MDCH. The amount of forced lapse must be entered as a negative amount.

Section 2.a.1 – Explanation of Forced Lapse

Enter an explanation of the specialty managed care special purpose funds that must lapse back to the MDCH. If the space provided is not sufficient, additional information may be entered in Section 5 – Narrative: Both CRCS and Contract Settlement Worksheet.

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5.3 Section 3 – Medicaid Savings / Medicaid Lapse Calculation

This section is entirely formula driven. This section represents the calculation of Medicaid savings and Medicaid lapse. This determination of Medicaid savings and Medicaid lapse is symmetrical to calculation of risk.

Section 3.a – Specialty Managed Care – Medicaid Capitation

This cell represents the cash and accrued specialty managed care capitation for the current FY. The cell is formula driven. The formula is *plus Total Managed Care Capitation (1.d) from the Medicaid CRCS worksheet, PIHP Contract Cost Settled column.*

Section 3.a.1 – Band # 1 (95 – 100%)

The PIHP shall retain unexpended risk corridor related funds between 95% and 100%. The cell is formula driven. The formula is *Specialty Managed Care – Medicaid Capitation (3.a) times 5% rounded to zero decimal places.*

Section 3.a.2 – Band # 2 (90 – 95%)

The second savings band is shared equally between the MDCH and the PIHP. The cell is formula driven. The formula is *Specialty Managed Care – Medicaid Capitation (3.a) times 5% rounded to zero decimal places.*

Section 3.b – Balance Available for Savings (from Medicaid CRCS worksheet)


This cell represents surplus funds available for Medicaid savings and/or lapse to the MDCH. The cell is formula driven and is an IF/THEN/ELSE statement. The formula is *IF Net Medicaid Services Surplus / (Deficit) (3.c) from the Medicaid CRCS worksheet is less than or equal to zero, THEN zero, ELSE Net Medicaid Services Surplus / (Deficit) (3.c).*

Column: Medicaid Lapse

This column represents the portion of the surplus Medicaid funding that must lapse to the MDCH. The column is formula driven by band. For Band # 1, since the PIHP retains the first 5%, the cell is grayed out. For Band # 2, since the State and PIHP share equally in savings / lapse, the formula is *plus Band # 2 less Medicaid savings (PIHP share).* For Band # 3, since the entire amount has to be lapsed to the State, the formula is *plus Band # 3.*

Column: Medicaid Savings

This column represents the portion of the surplus Medicaid funding that the PIHP may earn as Medicaid savings. The column is formula driven by band. For Band # 1, since the PIHP retains the first 5%, the formula is *plus Band # 1.* For Band # 2, since the State and PIHP share equally in savings and lapse, the formula is *Band # 2 times 50% rounded to zero decimal place.* For Band # 3 Liability, since the entire amount has to be lapsed to the State, the cell is grayed out.

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Column: Total Savings Corridor

The column represents the total savings corridor. The column is formula driven. The formula is the *sum of Medicaid Lapse and Medicaid Savings*.

Section 3.b.1 – Band # 1

This cell represents the amount available for savings / lapse in the first band and is formula driven. The formula is an IF/THEN/ELSE statement. The formula is *IF Balance Available for Savings (from Medicaid CRCS worksheet) (3.b) is less than or equal to Band # 1 (3.a.1), THEN Balance Available for Savings (from Medicaid CRCS worksheet) (3.b), ELSE Band # 1 (3.a.1)*.

Section 3.b.2 – Sub-Total – Band # 1

This cell represents the amount available for savings / lapse after consideration of Band # 1 and is formula driven. The formula is *plus Balance Available for Savings (from Medicaid CRCS worksheet) (3.b) less Band # 1 (3.b.1)*.

Section 3.b.3 – Band # 2

This cell represents the amount available for savings / lapse in the second band and is formula driven. The formula is an IF/THEN/ELSE statement. The formula is *IF Sub-Total Band # 1 (3.b.2) is less than Band # 2 (3.a.2), THEN Sub-Total Band # 1 (3.b.2), ELSE Band # 2 (3.a.2)*.

Section 3.b.4 – Sub-Total – Band # 2

This cell represents the amount available for savings / lapse after consideration of Band # 2 and is formula driven. The formula is *plus Sub-Total – Band # 1 (3.b.2) less Band # 2 (3.b.3)*.

Section 3.b.5 – Band # 3


This cell represents the amount available for lapse in the third band and is formula driven. The formula is *plus Sub-Total – Band # 2 (3.b.4)*.

Section 3.b.6 – Totals

This row represents the total Medicaid Lapse, Medicaid Savings and Total Savings Corridor. The row is formula driven. The formula is the *sum of Band # 1 (3.b.1), Band # 2 (3.b.3) and Band # 3 (3.b.5)*.

5.4 Section 4 – Medicaid Savings – Prior Year Earnings to Expend

This section compares the prior year Medicaid savings earned to the amount of prior year Medicaid savings being utilized in the current FY. The PIHP shall develop and implement a reinvestment strategy for all Medicaid savings realized that shall be directed to the Medicaid population. All Medicaid savings must be invested according to the criteria contain in Section 7.7.2 of the contract. Typically, any earned Medicaid savings from the prior FY unexpended at the end of the FY must be returned to the MDCH. However, if a final MDCH audit report creates new Medicaid

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savings, the PIHP will have one year following the date of the final audit to expend the additional Medicaid savings.

Columns: FY

Each of the FY columns represents the available FY in which the savings was earned. Enter in the header of each column, the FY that the Medicaid savings was earned.

Column: Total

This column represents the total FY available savings and current FY activity. The column is formula driven. The formula is the *sum of FY column 1, FY column 2 and FY column 3.*

Section 4.a – Prior Year Medicaid Savings Earned

Enter the amount of Medicaid savings earned from the previous FY(s) and available for use in the current FY. Additionally, as per the column instructions, label each column with the FY in which the Medicaid savings was earned.

Section 4.b – Current Year Expenditures

Enter the amount of expenditures funded with Medicaid savings. All expenditures funded with Medicaid savings must be in compliance with the PIHP developed Reinvestment Strategy; which was created following the criteria outlined in Section 7.7.2 of the contract. The expenditure amount in the Total column must reconcile with FSR Medicaid line A 123.

Section 4.c – Balance of Medicaid Savings

This row represents the balance of the prior year Medicaid savings. The row is formula driven. The formulas are the *plus Prior Year Medicaid Savings Earned (4.a) less Current Year Expenditures (4.b).*

5.5 Section 5 – Narrative: Both CRCS and Contract Settlement Worksheet

This section should be utilized to provide comments that would assist in the settlement process. The space can be used for narrative that pertains to both the CRCS and the Contract Settlement Worksheet.