

**Letter No. 05-93**  
**Medical Care Facility Intergovernmental**  
**Transfer/Proportionate Share Reimbursement**

May 10, 1993

TO: Medical Care Facility Administrators, Chairperson of Social Services Board and County  
Treasurers of Counties Operating Medical Care Facilities

FROM: Richard L. Baldermann, CPA  
Administrator  
Local Audit and Finance Division

RE: Accounting for Medicaid Payment--Intergovernmental Transfer, Proportionate Share  
Reimbursements and Management Fee

On or about July 20, 1993, you will receive a wire transfer of money for your county medical care facility's (MCF) allocation of the Proportionate Share Reimbursement. You are required to immediately wire transfer 97.66359% (intergovernmental transfer) of the amount you received to NBD for deposit into the State of Michigan account. In addition, you will, by separate wire, transmit an Intergovernmental Transaction Management Fee of .01083 percent (decimal equivalent .0001083) of the total received, to another financial institution. You will be mailed detailed instructions for the wire transfers in a separate memo prior to July 20<sup>th</sup>.

Upon notification of receiving the wire transfer and after your wire transfers of the 97.66359% Intergovernmental Transfer to the State at NBD and the .01083% Intergovernmental Transaction Management Fee, the following journal entries will be required to record these transactions:

County General Ledger--Medical Care Facility Fund:

|             |                 |     |     |
|-------------|-----------------|-----|-----|
| 291-000-001 | Cash            | XXX |     |
| 291-000-400 | Revenue Control |     | XXX |

To record the MCF's receipt of the wire transfer of the Proportionate Share Reimbursement.

|             |                     |     |     |
|-------------|---------------------|-----|-----|
| 291-000-700 | Expenditure Control | XXX |     |
| 291-000-001 | Cash                |     | XXX |

To record the wire transfers of the MCF's Intergovernmental Transfer Payment and Management Fees to the financial institutions.

Medical Care Facility Accounting Records:

|                    |  |     |     |
|--------------------|--|-----|-----|
| 291-671.01-001     | Cash   | XXX |     |
| 291-671.01-400/678 | Revenue-Proportionate Share<br>Reimbursement |     | XXX |

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Medical Care Facility Intergovernmental  
Transfer/Proportionate Share Reimbursement  
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To record the receipt of the Proportionate Share Reimbursement.

|                    |   |     |     |
|--------------------|---|-----|-----|
| 291-671.01-700/958 | Expenditure-Intergovernmental Transfer<br>Payment           | XXX |     |
| 291-671.01-700/959 | Expenditure-Intergovernmental<br>Transaction Management Fee | XXX |     |
| 291-671.01-001     | Cash  |     | XXX |

To record the Intergovernmental Transfer payment to the State and the Intergovernmental Transfer Management Fee.

Following are descriptions for the newly assigned revenue and expenditures accounts for Medical Care Facilities.

If you have any questions, please call (517) 373-3227 or write Michigan Department of Treasury, Local Audit and Finance Division, P.O. Box 30728, Lansing, Michigan 48909-8228.

05/04/93

UNIFORM ACCOUNTING PROCEDURES MANUAL FOR COUNTY MEDICAL CARE FACILITIES

CHAPTER 3

|     |  |   |
|-----|--|---|
| 678 | <u>PROPORTIONATE SHARE REIMBURSEMENT</u> -- This revenue account is used to record the county medical care facility's receipt of the Proportionate Share Reimbursement from the State.   |   |
|     | This account is:   |   |
|     | DEBITED--  | with any adjustments, and when closing this account to fund balance or other equity account.  |
|     | CREDITED--   | with the collections described above.   |
|     | NOTE:  | The revenue reported in this account is <u>not</u> deducted or used as an offset when computing the Medicare/Medicaid daily patient cost of care reimbursement rate.  |
| 958 | <u>INTERGOVERNMENTAL TRANSFER</u> -- This account is used to record the county medical care facility's 97.66359% of the Proportionate Share Reimbursement as an Intergovernmental Transfer to the State.                                       |   |
|     | This account is:   |   |
|     | DEBITED--  | with the amount of the Intergovernmental transfer.  |
|     | CREDITED--   | with any adjustments, and when closing this account to fund balance or other equity account.  |
|     | NOTE:  | This expenditure is not included with the regular operating expenditures of the facility that are accumulated for computing the Medicare/Medicaid cost reporting procedures for the daily patient care reimbursement rate. Intergovernmental Transfer payments are to be reported within the other section of the facility's financial reports along with adjustments for depreciation and/or maintenance of effort. (MOE)                |
| 959 | <u>INTERGOVERNMENTAL TRANSACTION MANAGEMENT FEE</u> -- This account is used to record the county medical care facility's .01083% if the Proportionate Share Reimbursement as the facility's management fee for the Intergovernmental Transfer. |   |
|     | This account is:   |   |
|     | DEBITED--  | with the amount of the Intergovernmental Transaction Management Fee.  |
|     | CREDITED--   | with any adjustments, and when closing this account to fund balance or other equity account.  |
|     | NOTE:  | This expenditure is not included with the regular operating expenditures of the facility that are accumulated for computing the Medicare/Medicaid cost reporting procedures for the daily patient care reimbursement rate. Intergovernmental Transactions Management Fees are to be reported within the other section of the facility's financial reports along with the adjustments for depreciation and/or maintenance of effort. (MOE) |

**MICHIGAN  
ASSOCIATION  
OF COUNTIES**

935 North Washington Avenue  
Lansing, Michigan 48906  
517/372-5374 FAX: 517/482-4599

TO: County Treasurers with Medical Care Facilities, Medical Care Facility Administrators  
and Social Services Board Members

FROM: Ann K. Beaujean, Senior Legislative Coordinator

DATE: May 10, 1993

RE: Fiscal Year 1992-93 Medicaid Intergovernmental Transfer

Over the last few months, the Michigan Association of Counties has been working cooperatively with representatives of the Department of Management and Budget to implement a Medicaid Intergovernmental Transfer program for county medical care facilities (MCF) and hospital long term care units (HLTCU). The program, which has its legal foundation in the fiscal year 1992-93 Social Services Budget Act, will help Michigan avoid dramatic budget reductions by maximizing Federal Medicaid matching revenues. In a few simple wire transfers, your county MCF and HLTCU, which are Class III providers, will realize a significant financial benefit.

The program, as proposed, will run in the following fashion. On approximately July 1, 1993, Michigan will request Federal Medicaid matching funds for \$122,362,900 in State Medicaid spending. The Federal government will then forward \$154,726,900 to Michigan in the form of Federal Medicaid match. When this revenue is received, the State of Michigan will have a total of \$277,089,800 to make proportionate share payments to Class III providers.

On or about July 20, 1993, the State of Michigan will then wire transfer \$277,089,800 of proportionate share payments into the accounts of 45 Class III Medicaid providers based on their 1991 Medicaid days. The enclosed spread sheet outlines the facilities and their corresponding payment levels.

Using Allegan County as an example, on or about July 20, 1993, the state will wire transfer a proportionate share payment to the Allegan County Medical Facility of \$3,309,229. The county treasurer will book this payment into the MCF account as outlined in the enclosed May 10, 1992 treasury memo from Richard L. Baldermann. Upon receipt, the Allegan County treasurer will then initiate two outgoing wire transfers. In Allegan County's case, the first wire will be an intergovernmental transfer to the State of Michigan for \$3,231,912. A second wire transfer of \$358 would then be made to a second account to cover transaction management fees. In three simple wire transfers, Allegan County Medical Care Facility will receive \$76,959.

Michigan Medicaid Program  
 Long Term Care Facility Proportional Share Pool - Class III Facilities Owned by Local Governments  
 April 28, 1993

|    | COUNTY            | Provider                 | Group | FYE       | MedicaidDays | Share | Amount Paid   | Transfer to State | Transaction Management | Balance     |
|----|-------------------|--------------------------|-------|-----------|--------------|-------|---------------|-------------------|------------------------|-------------|
| 1  | Allegan Co        | Allegan MCF              | MCF   | 31-Dec-91 | 18,669       | 1.19% | \$3,309,229   | \$3,231,912       | \$358                  | \$76,959    |
| 2  | Antrim Co         | Meadowbrook MCF          | MCF   | 31-Dec-91 | 30,324       | 1.94% | \$5,375,170   | \$5,249,584       | \$582                  | \$125,004   |
| 3  | Barry Co          | Thornapple               | MCF   | 31-Dec-91 | 35,632       | 2.28% | \$6,316,055   | \$6,168,486       | \$684                  | \$146,885   |
| 4  | Bay Co            | Bay MCF                  | MCF   | 31-Dec-91 | 51,862       | 3.32% | \$9,192,952   | \$8,978,167       | \$996                  | \$213,789   |
| 5  | Benzie Co         | The Maples               | MCF   | 31-Dec-91 | 17,823       | 1.14% | \$3,159,268   | \$3,085,455       | \$342                  | \$73,471    |
| 6  | Branch Co         | MapleLawn MCF            | MCF   | 31-Dec-91 | 31,989       | 2.05% | \$5,670,304   | \$5,537,822       | \$614                  | \$131,868   |
| 7  | Calhoun Co        | Calhoun MCF              | MCF   | 31-Dec-91 | 37,626       | 2.41% | \$6,669,508   | \$6,513,681       | \$722                  | \$155,105   |
| 8  | Cass Co           | Cass MCF                 | MCF   | 31-Dec-91 | 23,431       | 1.50% | \$4,153,331   | \$4,056,292       | \$450                  | \$96,589    |
| 9  | Charlevoix Co     | Grandvue MCF             | MCF   | 31-Dec-91 | 22,246       | 1.42% | \$3,943,280   | \$3,851,149       | \$427                  | \$91,704    |
| 10 | Eaton Co          | Eaton MCF                | MCF   | 31-Dec-91 | 23,830       | 1.52% | \$4,224,057   | \$4,125,366       | \$457                  | \$98,234    |
| 11 | Emmet Co          | Emmet MCF                | MCF   | 31-Dec-91 | 32,635       | 2.09% | \$5,784,813   | \$5,649,656       | \$626                  | \$134,531   |
| 12 | Gogebic Co        | Gogebic MCF              | MCF   | 31-Dec-91 | 31,311       | 2.00% | \$5,550,124   | \$5,420,450       | \$601                  | \$129,073   |
| 13 | Grand Traverse Co | Grand Traverse MCF       | MCF   | 31-Dec-91 | 44,704       | 2.86% | \$7,924,139   | \$7,738,999       | \$858                  | \$184,282   |
| 14 | Hillsdale Co      | Hillsdale MCF            | MCF   | 31-Dec-91 | 48,892       | 3.13% | \$8,666,496   | \$8,464,011       | \$939                  | \$201,546   |
| 15 | Houghton Co       | Houghton MCF             | MCF   | 31-Dec-91 | 64,478       | 4.12% | \$11,429,238  | \$11,162,204      | \$1,238                | \$265,796   |
| 16 | Huron Co          | Huron MCF                | MCF   | 31-Dec-91 | 31,520       | 2.02% | \$5,587,170   | \$5,456,631       | \$605                  | \$129,934   |
| 17 | Ingham Co         | Ingham MCF               | MCF   | 31-Dec-91 | 61,012       | 3.90% | \$10,814,862  | \$10,562,182      | \$1,171                | \$251,509   |
| 18 | Iosco Co          | Iosco MCF                | MCF   | 31-Dec-91 | 15,980       | 1.02% | \$2,832,582   | \$2,766,401       | \$307                  | \$65,874    |
| 19 | Iron Co           | Iron MCF                 | MCF   | 31-Dec-91 | 33,820       | 2.16% | \$5,994,864   | \$5,854,799       | \$649                  | \$139,416   |
| 20 | Isabella Co       | Isabella MCF             | MCF   | 31-Dec-91 | 18,605       | 1.19% | \$3,297,884   | \$3,220,832       | \$357                  | \$76,695    |
| 21 | Jackson Co        | Jackson MCF              | MCF   | 31-Dec-91 | 55,278       | 3.54% | \$9,798,465   | \$9,569,533       | \$1,061                | \$227,871   |
| 22 | Lapeer Co         | Lapeer MCF               | MCF   | 31-Dec-91 | 45,607       | 2.92% | \$8,084,203   | \$7,895,323       | \$876                  | \$188,004   |
| 23 | Lenawee Co        | Lenawee MCF              | MCF   | 31-Dec-91 | 41,005       | 2.62% | \$7,268,462   | \$7,098,641       | \$787                  | \$169,034   |
| 24 | Macomb Co         | Martha T Berry MCF       | MCF   | 31-Dec-91 | 54,248       | 3.47% | \$9,615,889   | \$9,391,222       | \$1,041                | \$223,626   |
| 25 | Manistee Co       | Manistee MCF             | MCF   | 31-Dec-91 | 23,403       | 1.50% | \$4,148,368   | \$4,051,445       | \$449                  | \$96,474    |
| 26 | Marquette Co      | Marquette MCF            | MCF   | 31-Dec-91 | 41,067       | 2.63% | \$7,279,452   | \$7,109,374       | \$788                  | \$169,290   |
| 27 | Mason Co          | Oakview MCF              | MCF   | 31-Dec-91 | 20,621       | 1.32% | \$3,655,236   | \$3,569,835       | \$396                  | \$85,005    |
| 28 | Menominee Co*     | Pinecrest MCF            | MCF   | 31-Dec-91 | 49,789       | 3.19% | \$8,825,496   | \$8,619,296       | \$956                  | \$205,244   |
| 29 | Muskegon Co       | Brookhaven               | MCF   | 31-Dec-91 | 64,912       | 4.15% | \$11,506,168  | \$11,237,337      | \$1,246                | \$267,585   |
| 30 | Newyago Co        | Newaygo MCF              | MCF   | 31-Dec-91 | 31,635       | 2.02% | \$5,607,555   | \$5,476,540       | \$607                  | \$130,408   |
| 31 | Oakland Co        | Oakland MCF              | MCF   | 31-Dec-91 | 33,977       | 2.17% | \$6,022,693   | \$5,881,978       | \$652                  | \$140,063   |
| 32 | Oceana Co         | Oceana MCF               | MCF   | 31-Dec-91 | 32,792       | 2.10% | \$5,812,643   | \$5,676,836       | \$630                  | \$135,177   |
| 33 | Sanilac Co        | Sanilac MCF              | MCF   | 31-Dec-91 | 23,404       | 1.50% | \$4,148,545   | \$4,051,618       | \$449                  | \$96,478    |
| 34 | Schoolcraft Co    | Schoolcraft MCF          | MCF   | 31-Dec-91 | 22,922       | 1.47% | \$4,063,107   | \$3,968,176       | \$440                  | \$94,491    |
| 35 | Shiawassee Co     | Shiawassee MCF           | MCF   | 31-Dec-91 | 42,621       | 2.73% | \$7,554,911   | \$7,378,397       | \$818                  | \$175,696   |
| 36 | St. Joseph Co     | Fairview                 | MCF   | 31-Dec-91 | 19,475       | 1.25% | \$3,452,099   | \$3,371,444       | \$374                  | \$80,281    |
| 37 | Tuscola Co        | Tuscola MCF              | MCF   | 31-Dec-91 | 34,147       | 2.18% | \$6,052,827   | \$5,911,408       | \$656                  | \$140,763   |
| 38 | Baraga Co         | Baraga HLTCU             | HLTCU | 30-Sep-91 | 8,470        | 0.54% | \$1,501,375   | \$1,466,297       | \$163                  | \$34,915    |
| 39 | Berrien Co        | Berrien General HLTCU    | HLTCU | 30-Sep-91 | 49,688       | 3.18% | \$8,807,593   | \$8,601,812       | \$954                  | \$204,827   |
| 40 | Luce Co           | Helen Newberry Joy HLTCU | HLTCU | 31-Dec-91 | 12,130       | 0.78% | \$2,150,139   | \$2,099,903       | \$233                  | \$50,003    |
| 41 | Kent Co           | Kent Community HLTCU     | HLTCU | 31-Dec-91 | 78,925       | 5.05% | \$13,990,083  | \$13,663,217      | \$1,515                | \$325,351   |
| 42 | Saginaw Co        | Saginaw Community HLTCU  | HLTCU | 31-Dec-91 | 63,021       | 4.03% | \$11,170,973  | \$10,909,973      | \$1,210                | \$259,790   |
| 43 | Ontonagon Co      | Ontonagon HLTCU          | HLTCU | 31-Mar-91 | 9,743        | 0.62% | \$1,727,024   | \$1,686,674       | \$187                  | \$40,163    |
| 44 | Kalkaska Co       | Kalkaska HLTCU           | HLTCU | 31-Dec-91 | 12,291       | 0.79% | \$2,178,677   | \$2,127,774       | \$236                  | \$50,667    |
| 45 | Mackinac Co       | Mackinac Straits HLTCU   | HLTCU | 31-Mar-91 | 15,641       | 1.00% | \$2,772,492   | \$2,707,715       | \$300                  | \$64,477    |
|    | Total             |                          |       |           | 1,563,201    |       | \$277,089,801 | \$270,615,847     | \$30,007               | \$6,443,947 |

|             |               |            |
|-------------|---------------|------------|
| Pool        | \$277,089,800 |            |
| State       | \$270,615,851 | 97.66359%  |
| Transaction | \$30,000      | 0.01083%   |
| Balance     | \$6,443,949   | 2.32558%   |
| Total       | \$277,089,800 | 100.00000% |