



# Oregon

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December 11, 2008

To: Providers of School-Based Health Services,  
Behavioral Rehabilitative Services and  
Targeted Case Management Services

From: Jim Scherzinger, DHS Deputy Director of Finance

Subject: Conversion to replacement MMIS and Local Match Payments

## **New System**

As you may know DHS has implemented a new Medicaid Management Information System (MMIS) effective December 9, 2008. The new system offers a better way to comply with the federal requirement to pay the local match first. Part of our business process for this conversion is to reconcile and review the account balances for the local match payment. Your provider account balance can have a negative, zero or positive balance. Here's what you need to know.

## **Carryover of Balances to New System**

### **Negative Balance**

A negative account balance indicates the local match providers owe DHS. DHS Financial Services has established accounts receivables for these transactions and have sent invoices for these amounts.

### **Zero Balance**

A zero balance means there are no funds available for local match in your account. Therefore no balance will be carried forward to the replacement MMIS. Local match must be paid before any further claims can be paid.

### **Positive Balance**

A positive balance means you have local match funds available for additional claims processing and these funds will be carried forward to the replacement MMIS for that purpose.

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## **Processing of New Claims**

As of December 9, 2008 you can submit claims in the new MMIS. (BRS providers, TCM Pregnant Substance Abusing Women, and TCM HIV providers must have new provider numbers to bill in the new system.) Claims will suspend unless local match funds are available in your account. You can submit the local match payment by electronic funds transfer (EFT) or check. You **must** complete the MMIS Local Match Leveraging Form for **each** match payment submitted.

### **The Local Match Leveraging Form**

Please find the current MMIS Local Match Leveraging form on the OHP Web site at:  
[www.oregon.gov/DHS/healthplan/forms/omapforms.shtml#misc](http://www.oregon.gov/DHS/healthplan/forms/omapforms.shtml#misc).

E-Mail the completed Word version of this form to:

[Medicaid.leveraging@state.or.us](mailto:Medicaid.leveraging@state.or.us).

If you submit your local match payment electronically, please indicate “MMIS” in the subject line of the email. If you submit the local match by check, mail the completed form with the check to:

**DHS Receipting Unit  
P. O. Box 14006  
Salem, OR. 97309-5030**

Funds received by 5:00 p.m. each Wednesday at DHS will ensure the match is available for the weekend claims processing deadlines.

### **How Local Match Claims Are Processed Through MMIS**

The provider submits the claim(s) and the data are reflected in the MMIS system. Providers can choose from two methods to submit the local match payment:

- 1) Submit the claim without the local match payment and Leveraging Form:
  - MMIS performs weekly claims processing and calculates the amount of local match required to satisfactorily process the claim;
  - The claim will suspend during the weekly claims processing cycle;
  - The MMIS system will produce a remittance advice indicating the error of 453 on the explanation of benefits. You will get this advice for every claim you submit via electronic or hard copy format;

- Insufficient local match funds in your provider account will cause the MMIS system to produce a detailed paper provider remittance advice. This advice will be mailed to you. The remittance advice has several different portions. The Provider Remittance Advice Leverage Claims Payable – Not Paid portion, which is available only on paper, provides a column which reflects the amount of state share (local match) necessary for each claim by recipient ID. If you want more information about the remittance advice, please contact Provider Services at 800-336-6016.

NOTE: This method delays the reimbursement of expenditures, but provides detail about the amount of local match necessary to complete the payment process. DHS is working to change when detailed information is presented on the remittance advice (RA). When this change is implemented, the RA will reflect the detail whether there are sufficient or insufficient funds.

2) Continue using a 40% estimate to satisfy the local match payment:

- Submit the local match payment along with the Leveraging Form;
- MMIS performs weekly processing and calculates the amount of local match required to satisfactorily process the claim;
- MMIS looks for local match in the provider's account and determines if funding is sufficient to satisfy the provider's local match share;
- The calculated amount of local match funds are used to process claims until funds are exhausted or there are no further claims to process. Remaining balances are used for the next billing by the provider;
- If there are not enough funds to pay all of a specific claim, that claim will not pay and will be suspended by the financial component of MMIS until the next reimbursement cycle. All prior claims will be paid;
- When funding is available, the claim is successfully processed and the RA is prepared; and
- RA and check or Electronic Funds Transfer (EFT) are issued and distributed to provider. The RA indicates claims that paid, the account balance and any claims that were suspended due to lack of local match.
- If you had sufficient funds to pay the local match on all claims, you will not receive the detailed portion of the remittance advice.

- **Flowchart of Process (attached)** To turn the chart upright to read it online:  
Click on “View - Rotate view - Clockwise”

### **Questions**

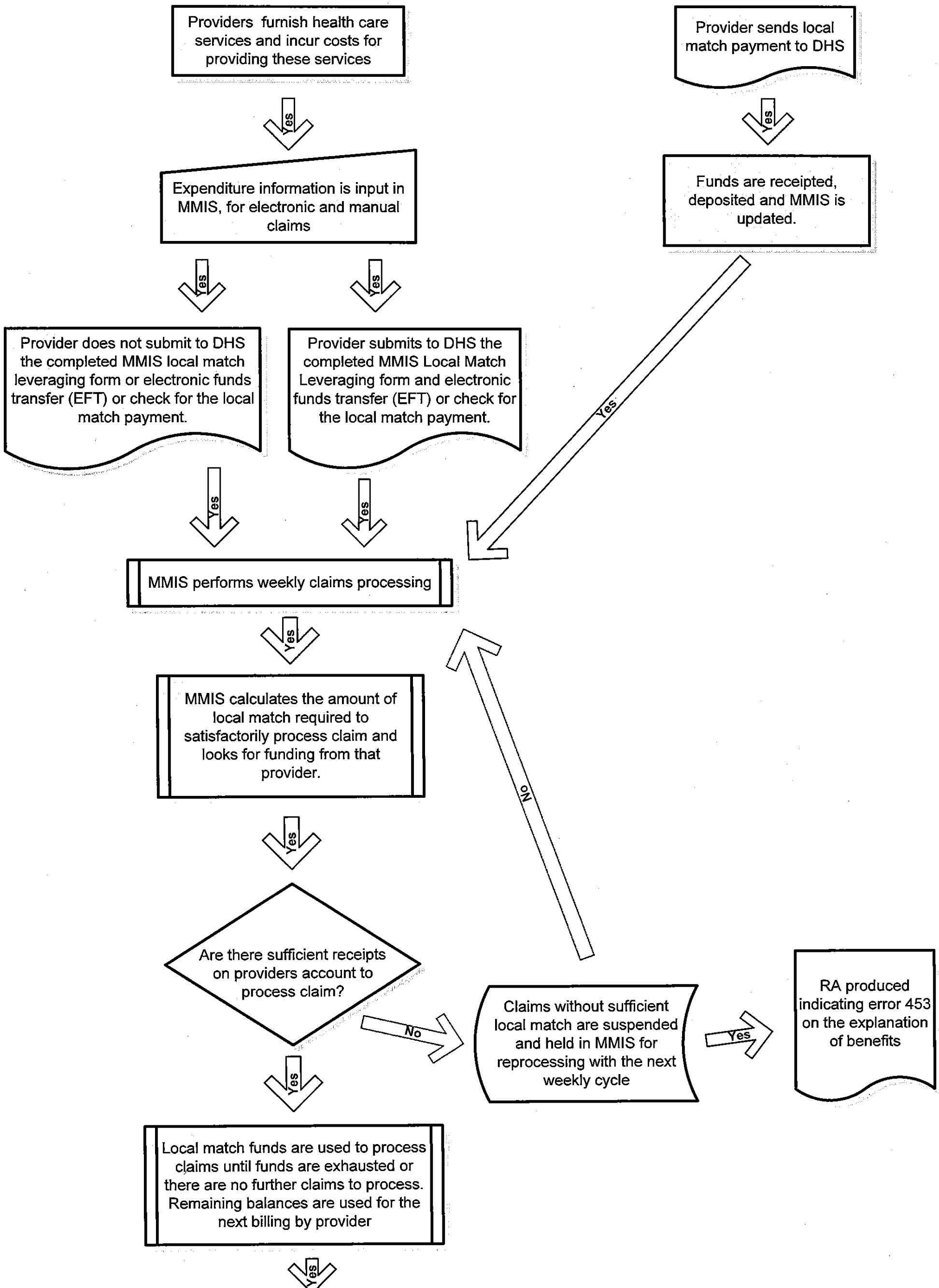
- If you have questions about **claims processing and the remittance advice**, contact Provider Services at 800-336-6016.
- If you have questions about the **local match**, e-mail [medicaid.leveraging@state.or.us](mailto:medicaid.leveraging@state.or.us).

DMAP 08-966 1208

# Local Match Process for Medicaid and State Children's Health Insurance Program (SCHIP)

## Claims Processing

## Local Match Funds Processing



Claim is successfully processed, Remittance Advice (RA) is prepared. RA and check or Electronic Funds Transfer (EFT) are issued and distributed to provider. RA indicates claims that paid, the account balance (if appropriate) and any claims that were suspended due to lack of local match.