

Donald Ross, Manager
DMAP Policy and Planning Section

Number: DMAP-IM 12-007

Authorized Signature

Issue Date: 1/13/2012

Topic: Medical Benefits

Subject: **Provider announcement:** Feb. 2011 reconciliation planned for Targeted Case Management, Behavioral Rehabilitation Services, and School Based Health Services leverage accounts

Applies to:

- | | |
|--|---|
| <input type="checkbox"/> All DHS employees | <input type="checkbox"/> County Mental Health Directors |
| <input type="checkbox"/> Area Agencies on Aging | <input type="checkbox"/> Seniors and People with Disabilities |
| <input type="checkbox"/> Children, Adults and Families | <input checked="" type="checkbox"/> Other (please specify): DHS and OHA staff and others identified on the SPD, CAF, AMH and DMAP transmittal lists |
| <input type="checkbox"/> County DD Program Managers | |

Message:

DMAP is mailing the following letter to 141 leveraging providers¹. It explains the following:

- The MMIS incorrectly under-drew or overdrew from the provider’s leverage accounts due to three different issues.
- For each issue, DMAP provides a summary of how much the provider was under-drawn or overdrawn, then provides the total that DMAP will recover or pay to the provider to reconcile the leverage account.

DMAP and DHS/OHA Financial Services are still determining how recovery of the overdrawn leverage payments will occur.

If you have any questions about this information, contact:

Contact(s):	Jean Hutchinson and Linda Williams, DMAP Policy Analysts		
Phone/e-mail:	See page 2 of letter	Fax:	503-373-7689

¹ Most Medicaid claims are funded by the State Share (what DMAP pays) and the Federal Share (Medicaid or State Children’s Health Insurance Program funds). *Leveraging providers* pay the State Share into a leverage account. The provider’s leverage account must contain enough funds to pay for the State Share of the claims they expect the MMIS to process; otherwise, the provider will receive an invoice telling the amount of State Share to pay before the MMIS can process the claim.



Date: January 13, 2012

To: Targeted Case Management (TCM), School-Based Health Services (SBHS), and Behavioral Rehabilitation Services (BRS) Providers

From: Don Ross, Manager
Policy and Planning Section, DMAP

Subject: Leverage account reconciliation planned for February 2012

Next month, the Division of Medical Assistance Programs (DMAP) plans to apply special payments and recoveries to leverage accounts for TCM, SBHS and BRS providers.

Why is this happening?

Local match funds have either been overdrawn or under-drawn during leveraged claim processing due to one or more of the following issues:

Issue	Resolution	Payment/ recovery amount ¹	For dates of service
Local match not applied to claim adjustments	Until the system is corrected, DMAP will continue to manually identify and apply local match as follows: <ul style="list-style-type: none"> • Recovery when the adjusted amount is higher than the original claim amount; and • Payment when the adjusted amount is lower than the original claim amount. 	[Amount 1]	12/8/08 through 11/14/11
Incorrect match rate: Local match applied at Medicaid, not CHIP, match rate for CHIP clients.	DMAP corrected this error Nov. 5, 2011. DMAP will apply a special payment for CHIP claims.	[Amount 2]	12/8/08 through 11/5/11

¹ A negative amount is a *recovery amount* that you owe DMAP. A positive amount is a *payment amount* that DMAP owes you.

Issue	Resolution	Payment/ recovery amount ¹	For dates of service
Claims processed as non-leveraged claims: Six providers were not flagged as leveraging providers in the replacement MMIS at go-live, so no local match was deducted for their claims until this error was corrected.	DMAP corrected this error as it was discovered for each provider. DMAP will recover the unpaid local match.	[Amount 3]	12/8/08 through date of resolution
<p align="center">Total payment or recovery for Provider ID «Provider_ID»: A positive amount will be applied as a payment by DHS/OHA Financial Services to your leverage account. A negative amount is the recovery amount.</p>		[Sum of above 3 amounts]	

For more detail about these issues, please refer to the attached letter dated Dec. 27, 2011. DMAP sent this letter to its e-mail lists of current TCM, BRS and SBHS provider contacts.

What happens next?

By mid-February, DHS/OHA Financial Services will apply the total payment or recovery to your leverage account, as shown above. If you have a total recovery amount listed, we will let you know about the specific recovery actions when more information becomes available.

DMAP will also send spreadsheets via secure e-mail to providers who will have a payment or recovery applied to their leverage account. The spreadsheets will list all affected claims for each issue described above, and include instructions to help you use the spreadsheets when reviewing your own records.

Please help us make sure this information gets to the right people. If you did not receive the Dec. 27, 2011 letter sent via e-mail, contact the DMAP Policy Analyst for your program (listed below).

Thank you for your support

Thank you for your continued support of the Oregon Health Plan and the services you provide to our clients. We regret any inconvenience this may cause, and appreciate your patience as we continue to make system improvements.

Questions?

If you have questions about the information in this announcement, please contact the DMAP Policy Analyst for your program.

- **For Behavioral Rehabilitation Services:** Jean Hutchinson, Jean.E.Hutchinson@state.or.us or 503-945-9420 (Salem)
- **For Targeted Case Management and School-Based Health Services:** Linda Williams, Linda.J.Williams@state.or.us or 503-945-6730 (Salem).

Help us improve future announcements:

Go to <https://survey.emp.state.or.us/cgi-bin/qwebcorporate.dll?idx=J2ESKJ> to answer six survey questions about this provider announcement.



500 Summer St NE E35
Salem, OR, 97301

Voice: 503-945-5772 or 1-800-527-5772

FAX: 503-373-7689

TTY: 711

www.oregon.gov/OHA/healthplan

To: Targeted Case Management (TCM),
School-Based Health Services (SBHS), and
Behavioral Rehabilitation Services (BRS)
Providers

From: Jean Hutchinson, DMAP Policy Analyst for Behavioral Rehabilitation Services
Linda J Williams, DMAP Policy Analyst for Targeted Case Management and School-Based Health
Services

Date: December 27, 2011

SUBJECT: Leverage account reconciliation for TCM, SBHS, and BRS providers due to underpayment or overpayment of state share

This is the first in a series of communications on a reconciliation that is being completed on leverage accounts for TCM, SBHS, and BRS providers. More detailed information on this reconciliation will be provided in our next communication, the week of January 9-13.

DMAP and Office of Financial Services analysts have been working to reconcile the leverage accounts for BRS, TCM, and SBHS providers due to three issues:

- 1. Adjustments for Leveraged Claims:** The Medicaid Management Information System (MMIS) does not adjust the leverage accounts when adjustments for leveraged claims are made.
- 2. SCHIP Match Rate:** Recipients eligible for SCHIP have erroneously received the Medicaid match rate rather than the SCHIP match rate.
- 3. Delay in State Share Panel Setup:** Claims for six providers were paid prior to setting up the state share panel for leveraging.

The members of the financial team are working to tease out the details for each leveraged provider impacted by this reconciliation process.

- A provider may be impacted by one to three of the issues above, or in rare cases may not be impacted at all.
- Some providers will owe more state share money, whereas others will receive a refund from the state for state share money they overpaid. Details of how and when the leverage accounts will be adjusted will be provided in our next communication.
- DMAP is preparing spreadsheets with the details of the reconciliation for each provider impacted by one or more of the state share issues above. Spreadsheets will break down the information for each provider by client served.

Issue #1: Adjustments for Leveraged Claims

When a leverage provider submits a claim to the Medicaid Management Information System (MMIS), the system deducts money from their leverage account to cover the state share portion of the claim prior to making payment.

However, if a leverage provider adjusts one of their claims for more than the original claimed amount the MMIS needs to deduct the additional state share amount from the provider's leverage account. If the adjustment amount is less than the original amount claimed the MMIS needs to credit the leverage provider's account. Currently, the MMIS system is not designed to credit or debit the provider's leverage account when a claim adjustment is made.

Long Term Solution for Claim Adjustment Issue

On November 18, 2009, DMAP submitted a request to our MMIS contractor to make the necessary changes to the current system design to accommodate adjustments for leveraged claims requiring a credit or debit to a provider's leverage account. This request was recently moved higher in the prioritization, but it will still be months before it is implemented.

Interim Solution for Claim Adjustment Issue

In the interim, until this change request is implemented, our financial team is using a very labor intensive manual reconciliation process.

Spreadsheets for Prior Period Adjustment Reconciliation

Reconciliation spreadsheets are close to completion for two separate time frames:

- 12/9/08 (New MMIS implementation date) - 3/4/2011
 - 85 providers impacted
 - Net Impact: Providers owe OHA (Note: Net results here and throughout this letter reflect overall totals. Individual provider results can differ. A few providers may be owed money by OHA, whereas many others may owe OHA.)
- 3/5/2011 – 11/14/2011
 - 21 providers impacted
 - Net Impact: Providers owe OHA

Ongoing Reconciliation

Our financial team will continue to use the manual process they have developed to ensure a provider's state share amounts are debited or credited in accordance with claims adjustments:

- The next reconciliation report will be available in January 2012 and will cover the period 11/15/2011 – 12/31/2011.
- This process is scheduled to run quarterly until the MMIS contractor changes the MMIS to automate the adjustment process for leverage accounts.

Issue #2: SCHIP Match Rate

Children are covered either by Medicaid or by the Children's Health Insurance Program (CHIP), depending on their income level. The state share percentage for CHIP is usually lower than the amount for Medicaid (see match rate table at <http://www.dhs.state.or.us/policy/healthplan/guides/local-match.html>).

The MMIS was not matching claims for CHIP recipients at the correct CHIP rate; instead these leverage claims were being matched at the Medicaid rate. This issue resulted in the leveraging providers paying a higher state share than what was required for eligible CHIP recipient claims.

Long Term Solution for CHIP Match Rate Issue

The MMIS financial configuration was corrected as of 11/5/2011. All CHIP eligible claims paid after 11/4/2011 will be matched at the appropriate CHIP rate and the leverage provider match on these claims will be correct.

Q: How does one know how much state share to pay into the leverage account?

A: We are investigating whether there is an easy way for a provider to determine which of their clients are CHIP and which are Medicaid eligible. In the meantime, there are two very workable options:

1. Submit enough match to cover each client as though they were Medicaid eligible. If some of your clients are CHIP, less match will be deducted from your leverage account. Your remittance advice will show how much match is deducted for each client, and what your remaining balance is.
2. Submit claims prior to submitting your match. Your remittance advice will list each claim under the heading "Payable, Not Paid," with the amount of match due. After you send in the amount due, your claims will be paid automatically.

Spreadsheet for Prior Period CHIP Match Rate Reconciliation

A reconciliation analysis was done for each leveraging provider impacted by the CHIP Match Rate issue for the time period December 9, 2008 (new MMIS implementation date) through November 4, 2011. There were 103 leverage providers impacted by this issue. The net impact is that OHA owes providers. A spreadsheet detailing the impact for each provider will be provided to each of these providers.

Issue # 3: Delay in State Share Panel Setup

The MMIS is designed to identify a leverage provider based on the setup of the provider's State Share panel. If there is nothing set up on the provider's State Share panel then the system does not look to see whether the provider has money in a leverage account prior to paying the claim.

Six providers were impacted by a delay in the State Share panel setup when the new MMIS was implemented. This resulted in claims being paid without a deduction from the providers' leverage accounts.

Long Term Solution for State Share Panel Setup issue

All leveraging providers have been identified and provider enrollment forms and required attachment forms for leveraging are in place to ensure providers have the State Share Panel set up correctly.

Spreadsheet for Prior Period Reconciliation for Delay in State Share Panel Setup

A reconciliation analysis has been done for each of the six providers impacted since December 9, 2008. The net impact is that these providers owe OHA. Spreadsheets will be provided detailing the impact at an individual provider level.

Please stay tuned for our next communication the week of January 9-13, 2012. This will include an estimated date for distribution of the detailed, provider-specific spreadsheets containing the above described analyses, and information about how and when the adjustments to the leverage accounts will be made.

If you have a question that cannot wait until our next communication, you may contact:

Jean Hutchinson, DMAP Policy Analyst for Behavioral Rehabilitation Services

Email: Jean.E.Hutchinson@state.or.us

Phone: (503) 945-9420

Or

Linda Williams, DMAP Policy Analyst for Targeted Case Management and School Based Health Services

Email: Linda.J.Williams@state.or.us

Phone: (503) 945-6730