

Bulletin Number: MSA 09-43

Distribution: County Medical Care Facilities

Issued: August 1, 2009

Subject: Special Payments to County Medical Care Facilities

Effective: January 1, 2009

Programs Affected: Medicaid

The Medical Services Administration will make special payments to licensed, county owned or operated, county medical care facilities certified to serve Medicaid beneficiaries for dates of service on and after January 1, 2009, upon approval from the Centers for Medicare and Medicaid Services. The purpose of these payments is to provide funding for unreimbursed costs incurred for services to Medicaid beneficiaries. The facility must have reported Medicaid days and have incurred allowable costs in excess of Medicaid reimbursement for those Medicaid days during the period applicable to the special payment. Allocations to individual facilities will be determined based upon unreimbursed costs certified as public expenditures in accordance with the Code of Federal Regulations (CFR) 42 CFR 433.51.

The most recently filed Medicaid long term care cost reports will be used to determine each county medical care facility's allowable unreimbursed Medicaid costs. Providers must complete an attestation of participation form provided by the Michigan Department of Community Health (MDCH) to be eligible for these special payments. Only facilities in operation at the time of payment are eligible to receive these payments.

An interim payment and reconciliation process will be employed for these payments to qualifying facilities. Allowable unreimbursed costs for services provided to Medicaid beneficiaries will be determined based on information obtained from the most recently filed cost reports. Costs will be trended to the current state fiscal year using an inflation factor, without capital, taken from the Health Care Cost Review, which is published quarterly by Global Insight. Interim payments will then be made to qualifying county medical care facilities.

Interim payments will be reconciled twice. First, an interim reconciliation of the original payments will be conducted based on allowable Medicaid costs. Information needed to reconcile initial payments will be obtained from cost reports filed with MDCH for the applicable reporting period. Second, payments will be adjusted for a final time based on changes to filed cost reports, for the applicable reporting period, resulting from audits of those cost reports conducted by MDCH.

Facilities receiving special payments for unreimbursed Medicaid costs are liable for any overpayment amount identified in the reconciliation process. Providers must repay any overpayment amount within 120 days of the date of notification of overpayment.

Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved

A handwritten signature in black ink that reads "Stephen Fitton". The signature is written in a cursive style with a small dot above the letter 'i' in "Fitton".

Stephen Fitton, Acting Director
Medical Services Administration