

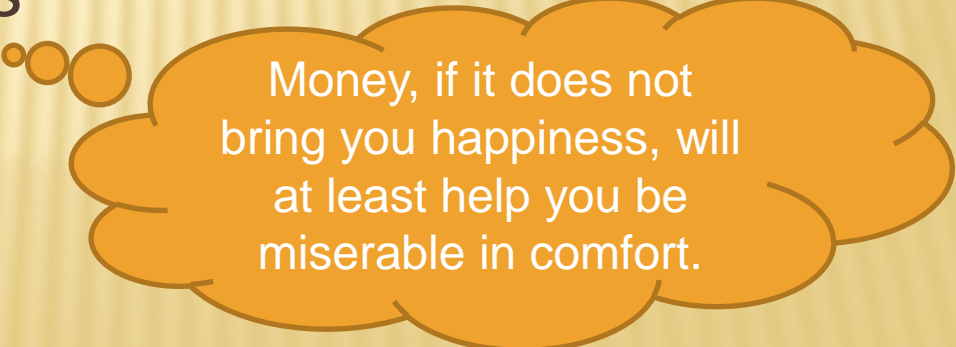
MAXING MEDICAID



Or, how to get Medicaid to pay for all costs of serving recipients

MEDICAID REVENUE IS A GOOD THING

- ✗ Goal – to get Medicaid to reimburse your costs for providing services to their recipients
- ✗ Means
 - + Describe Alabama's experience and methods
 - + Provide practical tool to share experiences
 - + Immediate opportunity made possible by ARRA favorable match rates



Money, if it does not bring you happiness, will at least help you be miserable in comfort.

THREE WAYS TO SOLVE A BUDGET DEFICIT



Rule #1
Increase Revenue

Rule #2
Cut Costs

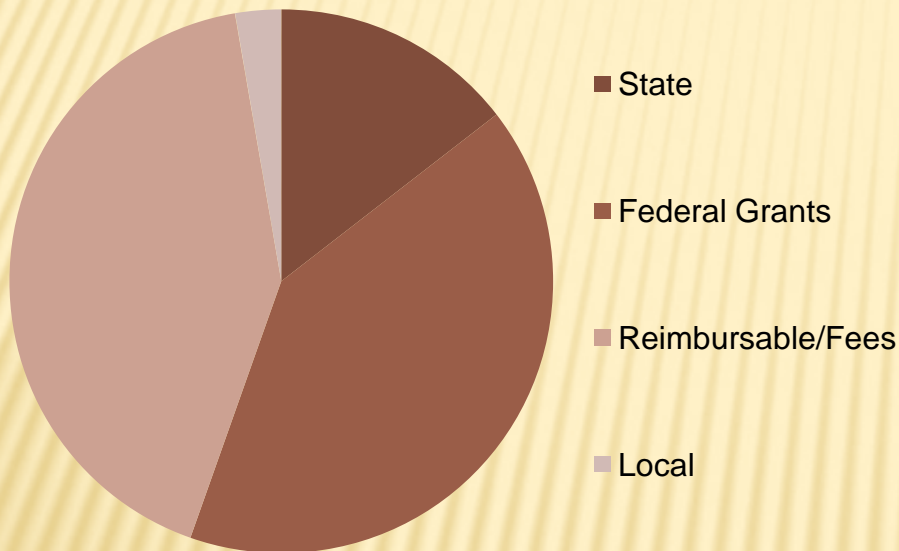
Rule #3
See Rules #1 and #2

WHY LOOK AT ALABAMA?

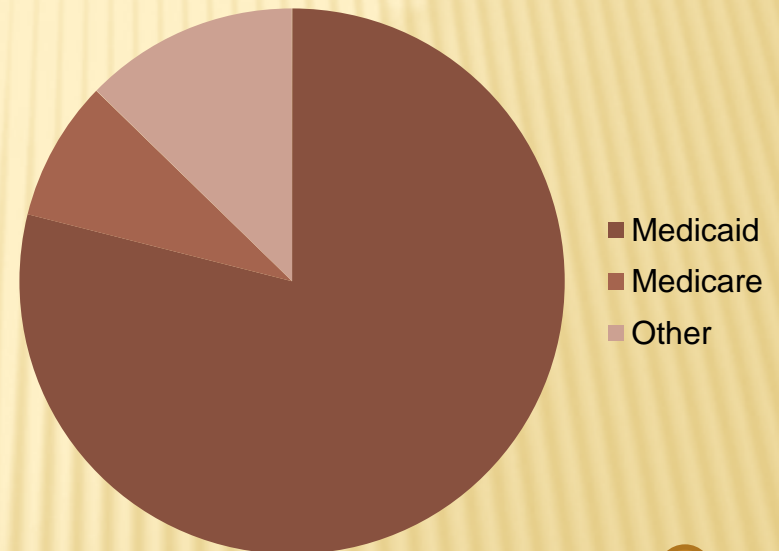
- + ASTHO Funding survey results
 - × ASTHO staff noted a higher proportion of revenue from reimbursable funding than any other state
 - × Concern that the data may have been overstated in error
 - × On checking we found out there was an error – we misclassified \$18 million of lab Medicaid reimbursements as fees – in other words the reimbursables were understated.
- + For FY2011, we anticipate total 3rd party revenue of over \$180,000,000.
- + Alabama is happy to share, but even more interested in getting better -- we want to learn from your experience as well

PUBLIC HEALTH / MEDICAID PARTNERSHIP

ADPH Revenue 2010 WIC food and CHIP



Reimbursable/Fees Revenue 2010



Offer to pay the State
Share. 66% of
something is better
than 100% of nothing.

WHAT DOES IT TAKE?



RESOURCES, COST ACCOUNTING SYSTEM

✗ Units

- + Visits, hours, minutes, etc.

✗ Dollars at all levels must be captured

+ Direct


- ✗ Personnel
- ✗ Other

+ Allocated program cost

+ Administrative and General

- ✗ Cash
- ✗ Non-cash

+ Reconciliation to general ledger



Allocation of personnel cost is best accomplished through time reporting not “hard wired” payroll

BASIS FOR REIMBURSEMENT

✖ Unit basis

- + Unit may be visit, hour, part of hour, lab test performed
- + Typically there will be a Current Procedural Terminology (CPT) code either real or pseudo that defines the service
- + Unit is defined based on the contract and/or description in the official CPT
- + Medicaid pays for the number of units provided to recipients based on unit cost

✖ Cost share basis

- + Service is delivered to a defined population
- + It is possible to identify the Medicaid population so that Medicaid share can be calculated

COORDINATION OF SYSTEMS ESSENTIAL

All must be aligned

Medicaid
Contract

Protocol

Unit
Definition

Cost and
General
Ledger

RESOURCES, ORGANIZATIONAL

- ✖ Information Technology for billing
 - + Capture of charges
 - + Bounce, Pull, and Bill
- ✖ Staffing – Division of Cost Recovery
 - + Bloodhound persona
 - + Relentless problem solvers and obstacle overcomers
 - + Working denials

REVIEW AND ACT

- ✖ Revenue budget essential
- ✖ Matching receipts
 - + To cost
 - + To budget
 - + To other indicators
 - ✖ Last year's actuals
 - ✖ Other productivity indicators such as number of newborns
- ✖ Unit step-down analysis
 - + Gross units provided
 - + Billed
 - + Paid
- ✖ Act on findings

RELATIONSHIPS, MEDICAID

Whatever Medicaid's question is -- the answer is always "yes"

+ The contract thing

- × Services and units must be aligned with the contract
- × Cooperation is essential in the identification of eligibles

+ The people thing

- × Public Health and Medicaid are family – don't lose sight of that fact and don't let them either
- × Look for ways to help Medicaid but never ask for a quid pro quo – let them find ways to help Public Health

RELATIONSHIPS , PUBLIC HEALTH

- Turf
- Status
- Complexity
- Inertia



Those that do the work get the revenue. Those that get the revenue pay the match.