Manage Provider Recoupment

FM Accounts Receivable Management	
Manage Provider Recoupment	
Item	**Details**
Description	The ***Manage Provider Recoupment*** business process manages the determination and recovery of overpayments to providers. The State Medicaid Agency (SMA) initiates provider recoupment upon the discovery of an overpayment, for example, as the result of a provider utilization review audit, receipt of a claims adjustment request, or for situations where provider owes monies to the SMA due to fraud or abuse. The business thread begins with discovering the overpayment, then retrieving claims payment information, initiating the recoupment request, or adjudicating a claims adjustment request, and notifying the provider of audit results via the ***Manage Provider Communication*** business process, applying recoupments in the system via the ***Manage Accounts Receivable Information*** business process, and monitoring payment history until the provider satisfies the repayment. The SMA collects recoupments via check sent by the provider or credited against future payments for services.
Trigger Event	Interaction-based Trigger Events to include but not limited to: ● Adjustment claim by the ***Process Claim*** or ***Process Encounter*** business processes. Environment-based Trigger Events to include but not limited to: ● Periodic Provider utilization review audit by the ***Identify Utilization Anomalies*** business process is due. ● Receive adverse action disposition from the ***Determine Adverse Action Incident*** business process. ● Periodic post payment audit by the ***Identify Utilization Anomalies*** business process is due.
Result	● Alert sent to notify provider of recoupment request. ● Alert sent to monitor recoupment activities to ***Manage Accounts Receivable Information*** business process. ● Alert sent to ***Apply Mass Adjustment*** business process for retroactive modifications. ● Tracking information as needed for measuring performance and business activity monitoring.
Business Process Steps	1. **START:** Discover overpayment as the result of a routine adjustment request, a provider utilization review, fraud and abuse case, or involvement of a third-party payer. 2. Retrieve claims payment information. 3. Initiate recoupment request.

FM Accounts Receivable Management	
Manage Provider Recoupment	
Item	**Details**
	4. Send alert to notify provider of recoupment request (e.g., amount owed).
	5. Negotiate agreed upon method of repayment or recoupment.
	6. If applicable, send alert to **Apply Mass Adjustment** business process for retroactive modifications.
	7. **END:** Send alert to monitor recoupment activities to **Manage Accounts Receivable Information** business process.
Shared Data	Claims data store including payment information
	Provider data store including provider network and contract information
	Plan data store including policy and fee information
	Health Benefit data store including benefit program and benefit information
	Member data store including third-party liability information
	Financial data store including accounts receivable information
	Compliance Management data store including compliance incident information
Predecessor	**Identify Utilization Anomalies**
	Process Claim
	Process Encounter
	Determine Adverse Action Incident
Successor	**Send Outbound Transaction**
	Manage Accounts Receivable Information
	Manage Provider Communication
	Apply Mass Adjustment
Constraints	Policies and procedures differ by state. Integration with state accounting system can greatly affect the state's ability to track receivables established by the recoupment.
Failures	● The SMA is unable to agree on amount owed or method of recoupment.
Performance Measures	● Time to complete provider recoupment process: e.g., Real Time response = within ___seconds, Batch Response = within ___hours
	● Accuracy with which recoupments are applied = ___ %
	● Consistency of decisions on suspended claims/encounters = ___%
	● Error rate = ___% or less

Manage TPL Recovery

FM Accounts Receivable Management	
Manage TPL Recovery	
Item	**Details**
Description	The ***Manage TPL Recovery*** business process begins by receiving Third-Party Liability (TPL) information from various sources such as external and internal information matches, tips, referrals, attorneys, compliance management incident, Medicaid Fraud Control Unit (MFCU), providers, and insurance companies. The business process: ● Identifies the provider or TPL carrier, locates recoverable claims. ● Creates the coordination of benefits file. ● Creates post-payment recovery files. ● Sends notification to other payer or provider from the ***Manage Provider Communication*** business process.
Trigger Event	Environment-based Trigger Events to include but not limited to: ● Receive third-party liability information from outside sources via the ***Determine Member Eligibility*** business process. ● Receive third-party liability information from internal and external eligibility information matches. State transition-based Trigger Events: ● Receive claims payment information from ***Process Claim*** or ***Process Encounter*** business process.
Result	● Alert sent to notify third-party liability of recovery request. ● Alert sent to ***Manage Accounts Receivable Information*** business process to monitor for payment. ● Tracking information as needed for measuring performance and business activity monitoring.
Business Process Steps	1. **START:** Receive third-party liability information. 2. Identify the provider or TPL carrier. 3. Locate recoverable claims. 4. Create coordination of benefit files. 5. Create post-payment recovery files. 6. Send alert to notify provider or other payer of recovery request. 7. Conduct follow-up necessary and record activities. 8. Send alert to monitor recoupment activities to ***Manage Accounts Receivable Information*** business process. 9. **END:** Close and archive TPL Recovery case file upon conclusion of activities.

FM Accounts Receivable Management	
Manage TPL Recovery	
Item	**Details**
Shared Data	Financial data store including accounts receivable information Member data store including enrollment information Provider data store including provider network and carrier information Health Insurance Marketplace data store Compliance Management data store including compliance incident information Other Agency Information: • Department of Motor Vehicles (DMV) • Veterans Administration (VA) • Indian Health Service • Immigration and Naturalization Service • Medicaid Fraud Control Unit (MFCU)
Predecessor	**Receive Inbound Transaction** *Determine Adverse Action Incident* *Determine Member Eligibility* *Process Claim* *Process Encounter*
Successor	**Send Outbound Transaction** *Manage Provider Communication* *Manage Accounts Receivable Information*
Constraints	States differ in the rules applied to TPL recoveries. Capabilities related to information matches vary and some States utilize recovery services contractors. The state's integration of eligibility determination systems also has significant impact on their ability to cost avoid versus cost recover.
Failures	• Inability to identify third-party payer from received third-party liability information. • Identified third-party payer denies liability or otherwise refuses to pay.
Performance Measures	• Time to complete the process = Real Time response = within __ seconds, Batch Response = within __hours • Accuracy with which the TPL rules are applied = __% • Consistency with which the TPL rules are applied = __% • Amount of dollars recovered = ___% • Error rate (false recovery demands) = __% or less

Manage Estate Recovery

FM Accounts Receivable Management	
Manage Estate Recovery	
Item	**Details**
Description	***Manage Estate Recovery*** is a business process that requires States to recover certain Medicaid benefits correctly paid on behalf of an individual, by filing liens against a deceased member's or deceased spouse's estate to recover the costs of Medicaid benefits correctly paid during the time the member was eligible for Medicaid. Estate recovery usually applies to permanently institutionalized individuals such as persons in a nursing facility, Intermediate Care Facility for Persons with Mental Retardation (ICF/MR), or other medical institution. The ***Manage Estate Recovery*** business process begins by receiving estate recovery information from multiple sources (e.g., vital statistics and Social Security Administration (SSA) date of death matches, probate petition notices, tips from caseworkers, and reports of death from nursing homes). It generates correspondence (e.g., demand of notice to probate court via **Send Outbound Transaction**, to member's personal representative, generating notice of intent to file claim and exemption questionnaire) via the ***Manage Applicant and Member Communication*** business process. In addition, the business process: • Opens a formal estate recovery case based on estate ownership and value of property. • Determines the value of the estate lien. • Files a petition for a lien. • Files an estate claim of lien. • Conducts case follow-up. • Sends an alert to ***Manage Accounts Receivable Information*** business process, releasing the estate lien when recovery is complete. • Sends an alert to ***Manage Member Information*** business process, updating Member data store. **NOTE:** Do not confuse this with settlements that are recoveries for certain Medicaid benefits correctly paid on behalf of an individual because of a legal ruling or award involving accidents.
Trigger Event	Environment-transition Trigger Events: • Receive estate recovery information* from mail, publication, telephone, facsimile or Electronic Data Interchange (EDI). • Receive member or provider death certificates. * Many States have Medicaid Estate Recovery Plans used to recover an equitable amount of the state and federal shares of the cost paid for the member from the estates of members of medical assistance.
Result	• Estate recovery case file closed upon Receive maximum possible payment. • Tracking information as needed for measuring performance and business

Item	Details
FM Accounts Receivable Management	
Manage Estate Recovery	
	activity monitoring.
Business Process Steps	10. **START:** Receive estate recovery referral information via several different sources (e.g., vital statistics and Social Security Administration (SSA) date of death match, probate petition notices, eligibility caseworker, and nursing homes).
	11. Send demand notice information to member correspondence (e.g., onto probate court).
	12. Send alert to notify deceased representative to complete estate recovery questionnaire.
	13. Open estate recovery case.
	14. Determine value of estate lien by analyzing all Medicaid claims from age 55 forward (e.g., all paid claims equals lien amount).
	15. If applicable, member may file an undue hardship waiver based on state regulations. If the State Medicaid Agency (SMA) grants hardship, staff defers or closes the case.
	16. Generate estate recovery proceedings information (e.g., lien petition, notice of pendency of action) and send via **Send Outbound Transaction**.
	17. Upon court approval, file estate claim of lien.
	18. Case follow-up occurs (every 30 to 90 days).
	19. Send alert to monitor recovery activities to *Manage Accounts Receivable Information* business process.
	20. If applicable, send alert to *Manage Member Information* business process, updating Member data store.
	21. **END:** Closed and archive estate recovery case file upon conclusion of activities.
Shared Data	Financial data store including accounts receivable information
	Member data store including demographics
	Claims data store including payment information
	Vital Statistic records
	SSA records
	Centers for Medicare & Medicaid Services (CMS) Medicare/Medicaid Dual Eligibility reporting
	Health Insurance Marketplace data store
	Judicial records
Predecessor	**Receive Inbound Transaction**
Successor	**Send Outbound Transaction**

FM Accounts Receivable Management	
Manage Estate Recovery	
Item	**Details**
	Manage Applicant and Member Communication
	Manage Accounts Receivable Information
	Submit Electronic Attachment
Constraints	The **Manage Estate Recovery** business process will be in accordance with state specific policy.
Failures	• The SMA or member's representative is unable to meet filing timelines.
Performance Measures	• Time to complete the process = e.g., ___ months, ___ weeks or ___ days • Accuracy with which rules are applied = __% • Consistency with which rules are applied = __% • Error rate = __% or less • Amount of dollars recovered = ___%

Manage Drug Rebate

FM Accounts Receivable Management	
Manage Drug Rebate	
Item	**Details**
Description	The **Manage Drug Rebate** business process describes the process of managing drug rebate that the State Medicaid Agency (SMA) collects from manufacturers. This business process: • Receives quarterly drug rebate information from Centers for Medicare & Medicaid Services (CMS). • Compares drug rebate to quarterly payment history information. • Identifies drug information matches based on manufacturer and drug code. • Applies the rebate factor and volume indicators. • Calculates the total rebate per manufacturer. • Prepares drug rebate invoices. • Sorts the invoices by manufacturer and drug code. • Sends the invoice information to the drug manufacturer via the **Send Outbound Transaction.** • Sends an alert to **Manage Accounts Receivable Information** to monitor for rebate payment.
Trigger Event	Interaction-based Trigger Event: • Receive the CMS quarterly drug rebate information from **Receive Inbound**

FM Accounts Receivable Management	
Manage Drug Rebate	
Item	**Details**
	Transaction.
Result	- Alert sent to invoice the drug manufacturer. - Alert sent to *Manage Accounts Receivable Information* business process to monitor for payment. - Tracking information as needed for measuring performance and business activity monitoring.
Business Process Steps	1. **START:** The state receives a quarterly file from CMS containing the rebate factors by manufacturer, drug code, and volume. 2. Compare file to the corresponding claims history extract for the same quarter. 3. Select drug claims matching the manufacturer and drug codes based on the CMS Drug Product Data. 4. Sort drug claims selected for invoice processing by manufacturer and drug code. 5. Apply the rebate factor and volume indicators to calculate a rebate total per manufacturer. 6. Send alert to invoice manufacturer. 7. **END:** Send alert to monitor payment activities to *Manage Accounts Receivable Information* business process.
Shared Data	CMS Unit Rebate Amount (URA) information Claims data store including both professional and drug payment information Reference data store including drug code and manufacturer information Financial data store including accounts receivable information
Predecessor	**Receive Inbound Transaction**
Successor	**Send Outbound Transaction** *Manage Contractor Communication* *Manage Accounts Receivable Information*
Constraints	The *Manage Drug Rebate* business process will be in accordance with state-specific drug formulary, business rules, and reporting requirements that may differ by state, and will comply with federal mandates.
Failures	- CMS does not send quarterly drug rebate information. - There are no drug claims for rebate matching the manufacturer and drug codes based on the CMS Drug Product Data for the period. **NOTE**: the process could complete with errors (e.g., errors in rebate rates, drug payment file errors), and the SMA would correct these errors or disputed amounts in the *Manage Accounts Receivable Information* business process.

FM Accounts Receivable Management	
Manage Drug Rebate	
Item	**Details**
Performance Measures	- Time to complete the process = e.g., ___ months, ___ weeks or ___ days - Accuracy with which the Drug Rebate rules are applied = __% - Consistency with which the Drug Rebate rules are applied = __% - Amount of drug rebate dollars recovered quarterly = ___% - Error rate = __% or less

Manage Cost Settlement

FM Accounts Receivable Management	
Manage Cost Settlement	
Item	**Details**
Description	The **Manage Cost Settlement** business process begins with the submission of the provider's annual Medicare Cost Report to Medicaid. Staff makes inquires for paid, denied, and adjusted claims information in the Claims data store. The business process includes: - Reviewing provider costs and establishing a basis for cost settlements or compliance reviews. - Receiving audited Medicare Cost Report from intermediaries. - Capturing the necessary provider cost settlement information. - Calculating the final annual cost settlement based on the Medicare Cost Report. - Generating the information for notification to the provider. - Verifying the information is correct. - Producing the notifications to providers. - Establishing interim reimbursement rates. **NOTE:** In some States, the State Medicaid Agency (SMA) may make cost settlements through the **Apply Mass Adjustment** business process.
Trigger Event	Environment-based Trigger Event: - Receive provider costs from claims history data store. - Receive Medicare Cost Report. - Prompt for annual provider cost review.
Result	- Alert sent to notify provider of cost settlement information. - Alert sent to **Manage Accounts Receivable Information** business process to monitor for payment.

FM Accounts Receivable Management	
Manage Cost Settlement	
Item	**Details**
	• Alert sent to *Manage Rate Setting* business process of interim reimbursement rates. • Tracking information as needed for measuring performance and business activity monitoring.
Business Process Steps	1. **START:** Receive Medicare Cost Report from provider. 2. Request annual claims detail information. 3. Review provider costs. 4. Establish a basis for cost settlements or compliance reviews. 5. Receive audited Medicare Cost Report from intermediaries from **Receive Inbound Transaction.** 6. Receive provider cost settlement information from **Receive Inbound Transaction**. 7. Capture the necessary provider cost settlement information. 8. Calculate the final annual cost settlement based on the Medicare Cost Report and prorate for Medicaid services. 9. Establish interim reimbursement rates. 10. Generate cost settlement information identifying the amount of overpayment or underpayment and the reimbursement rates the SMA would consider for the next year. 11. Verify the information is correct. 12. Send alert to notify providers of cost settlements summary information. 13. Send cost settlement summary information to providers via **Send Outbound Transaction**. 14. Send alert to monitor payment activities to *Manage Accounts Receivable Information* (if overpayment) or to *Manage Accounts Payable Information* (if underpayment) business processes. 15. Send alert to conduct retroactive modifications to *Apply Mass Adjustment* business process. 16. **END:** Send alert of interim reimbursement rates to *Manage Rate Setting* business process.
Shared Data	Claims data store including payment information Provider data store including provider network and contract information Financial data store including accounts receivable information Cost log information sent to Centers for Medicare & Medicaid Services (CMS)
Predecessor	**Receive Inbound Transaction**

FM Accounts Receivable Management	
Manage Cost Settlement	
Item	**Details**
Successor	**Send Outbound Transaction** ***Manage Provider Communication*** ***Manage Accounts Receivable Information*** ***Manage Rate Setting*** ***Apply Mass Adjustment***
Constraints	Cost Settlement information will conform to CMS and state-specific reporting requirements.
Failures	• This process has no failure modes that prevent the process from completion. • Delays are the result of delays in the audited Medicare Cost Report. • A provider may file a grievance if it does not agree with established rates or settlement amounts.
Performance Measures	• Time to complete the process = e.g., ___ months, ___ weeks or ___ days • Accuracy with which the SMA applies Cost Settlement rules = __% • Consistency with which the SMA applies Cost Settlement rules = __% • Number of grievances or protests received = __ • Error rate = __% or less

Manage Accounts Receivable Information

FM Accounts Receivable Management	
Manage Accounts Receivable Information	
Item	**Details**
Description	The ***Manage Accounts Receivable Information*** business process is responsible for all operational aspects of collecting money owed to the State Medicaid Agency (SMA). Activities in this business process comply with CFR 45, Cash Management Improvement Act (CMIA), Governmental Accounting Standards Board (GASB) standards and Generally Accepted Accounting Principles (GAAP). Activities included in this business process can be as follows: • Periodic reconciliations between the State Medicaid Enterprise and the state accounting system. • Assign account coding to transactions processed in State Medicaid Enterprise. • Process accounts receivable invoicing (estate recovery, co-pay, drug rebate, recoupment, Third-Party Liability (TPL) recovery, and member premiums). • Manage cash receipting process.

FM Accounts Receivable Management	
Manage Accounts Receivable Information	
Item	**Details**
	• Manage payment-offset process to collect receivables.
	• Respond to inquiries concerning accounts receivable.
	NOTE: States use a variety of solutions including outsourcing to another department or use of a Commercial Off-the-Shelf (COTS) package.
Trigger Event	Environment-based Trigger Events to include but not limited to:
	• Receive initial invoice from *Manage Provider Recoupment, Manage TPL Recovery, Manage Estate Recovery, Manage Drug Rebate,* or *Manage Cost Settlement* business processes.
	• Receive account receivable information from state accounting system. This may be a lien, levy or state judgment from other agencies.
Result	• The SMA modifies account receivables information.
	• Alert sent to collect payment to *Manage Accounts Receivable Funds* business process.
	• Tracking information as needed for measuring performance and business activity monitoring.
Business Process Steps	1. **START:** Receive initial Accounts Receivable invoice to establish the receivable amount and demographic information for the debt owner.
	2. Record Accounts Receivable payments to the account balance.
	3. Adjust balance for additional Accounts Receivable amounts. An adjustment may increase or decrease the balance.
	a. The adjustments include settlements, liens, levies, and/or judgments against the Accounts Receivable.
	b. The SMA may receive the adjustment from *Manage Provider Recoupment, Manage TPL Recovery, Manage Estate Recovery, Manage Drug Rebate,* or *Manage Cost Settlement* business processes or other state or federal agencies.
	4. Produce month-end accounts receivable balance and statement. This includes invoices to the debt owner and summary information for financial reports.
	5. Update the state accounting system.
	6. Send alert to collect payment to *Manage Accounts Receivable Funds* business process.
	7. **END:** Send response to requested function.
Shared Data	Financial data store including accounts receivable information
	Claims data store including premium and payment information
	Contractor data store including contract information
	Member data store including demographics, spend-down, cost share, and patient

FM Accounts Receivable Management	
Manage Accounts Receivable Information	
Item	**Details**
	liability information
	Provider data store including provider network information
	State accounting system accounts receivable information
Predecessor	**Receive Inbound Transaction**
	Manage Cost Settlement
	Manage Drug Rebate
	Manage TPL Recovery
	Manage Estate Recovery
	Manage Provider Recoupment
	Prepare Member Premium Invoice
Successor	**Send Outbound Transaction**
	Manage Accounts Receivable Funds
	Generate Financial Report
	Manage Data
Constraints	The SMA will conform to state-specific accounting and financial requirements.
Failures	• Failure to account for expenditures in accordance with GAAP can result in disallowance of Federal Funding Participation (FFP).
Performance Measures	• Time to complete the process = within __ hours
	• Accuracy with which updates are applied = __%
	• Consistency with which updates are applied = __%
	• Error rate = __%

Manage Accounts Receivable Funds

FM Accounts Receivable Management	
Manage Accounts Receivable Funds	
Item	**Details**
Description	The **Manage Accounts Receivable Funds** business process is responsible for all operations aspects of the collection of payment owed to the State Medicaid Agency (SMA). Activities in this business process comply with Cash Management Improvement Act (CMIA), Governmental Accounting Standards Board (GASB) standards and Generally Accepted Accounting Principles (GAAP).

FM Accounts Receivable Management	
Manage Accounts Receivable Funds	
Item	**Details**
Trigger Event	Environment-based Trigger Events to include but not limited to: • Receive payment (e.g., cash, check, and credit/debit card). Interaction-based Trigger Events to include but not limited to: • Receive electronic payment (e.g., electronic funds transfer). • Receive periodic scheduled electronic payments.
Result	• The State Medicaid Agency (SMA) receives payment and applies to accounts receivable. • Tracking information as needed for measuring performance and business activity monitoring.
Business Process Steps	1. **START:** Receive payment (e.g., cash, check, credit/debit card, electronic funds transfer). 2. Record the payer and payment amount information. 3. Create payment receipt notice. 4. Notify payer of payment receipt (e.g., email, mail, electronic funds transfer). 5. **END:** Apply payment to accounts receivable.
Shared Data	Financial data store including accounts receivable information Claims data store including premium information Contractor data store including contract information Member data store including demographics, spend-down, cost share, and patient liability information Provider data store including provider network information
Predecessor	**Receive Inbound Transaction** *Manage Accounts Receivable Information*
Successor	**Send Outbound Transaction** *Manage Contractor Communication* *Manage Applicant and Member Communication* *Manage Provider Communication*
Constraints	States may have different payment business rules.
Failures	• Inability or failure to load initial records or update information in existing records in the Financial data store. • The SMA received no payments.

FM Accounts Receivable Management	
Manage Accounts Receivable Funds	
Item	**Details**
Performance Measures	• Time to complete the process = within __ hours, ___ minutes • Accuracy with which updates are applied = __% • Consistency with which updates are applied = __% • Error rate = __% or less

Prepare Member Premium Invoice

FM Accounts Receivable Management	
Prepare Member Premium Invoice	
Item	**Details**
Description	States may implement member cost sharing through the collection of premiums for medical coverage provided under Medicaid and Children's Health Insurance Program (CHIP). The State Medicaid Agency (SMA) formulates the premium amounts on factors such as family size, income, age, benefit plan, and in some cases the selected health plan, if covered under managed care, during eligibility determination and enrollment. The **Prepare Member Premium Invoice** business process begins with a timetable (usually monthly) for scheduled invoicing. The business process includes: • Retrieving member premium information. • Performing required information manipulation according to business rules. • Formatting the results into required output information. • Sending member premium invoice alert to the **Manage Applicant and Member Communication** business process. **NOTE:** This business process does not include sending the member premium invoice Electronic Data Interchange (EDI) transaction.
Trigger Event	Environment-based Trigger Events to include but not limited to: • Periodic timetable (e.g., monthly) is due for scheduled invoicing. • Periodic timetable (e.g., monthly) is due for scheduled health insurance premiums invoicing. State transition-based Trigger Events: • Periodic timetable (e.g., monthly) is due for insurance premium eligibility redetermination and payments.
Result	• Alert sent to **Manage Applicant and Member Communication** business process to send invoice. • Tracking information as needed for measuring performance and business

FM Accounts Receivable Management	
Prepare Member Premium Invoice	
Item	**Details**
	activity monitoring.
Business Process Steps	1. **START:** Periodic timetable is due for scheduled invoicing. 2. Retrieve member premium information. 3. Adjust member premium information based on state criteria. 4. Format the results into required output information. 5. Produce member invoice information. 6. **END:** Send alert to generate invoice via ***Manage Applicant and Member Communication*** business process.
Shared Data	Member data store including demographics, cost share, and premium information Claims data store including premium information Financial data store including accounts receivable information
Predecessor	***Manage Accounts Receivable Information***
Successor	***Manage Applicant and Member Communication*** ***Manage Accounts Receivable Information*** ***Manage Accounts Receivable Funds***
Constraints	The ***Prepare Member Premium Invoice*** business process will conform to the state-specific requirements.
Failures	• Member premium information not available.
Performance Measures	• Time to complete process: e.g., Real Time response = within __seconds, Batch Responses = within __ days • Accuracy of decisions = __% • Consistency of decisions and disposition = __% • Error rate = __% or less

Manage Contractor Payment

FM Accounts Payable Management	
Manage Contractor Payment	
Item	**Details**
Description	The ***Manage Contractor Payment*** business process includes the activities necessary to reimburse contractors for services rendered based on a contract executed between the State Medicaid Agency (SMA) and the contractor. When a contractor renders services on behalf of a Medicaid member, the contractor invoices Medicaid according to the specifics defined in the contract. Agency staff responsible for Contract

FM Accounts Payable Management	
Manage Contractor Payment	
Item	**Details**
	Administration process invoices according to the SMA policy including validation of the invoice content to reimbursement details defined in the contract.
Trigger Event	Environment-based Trigger Events to include but not limited to: • Receive invoice from contractor (e.g., email, mail, facsimile). Interaction-based Trigger Events to include but not limited to: • Receive electronic invoice from contractor (e.g., Electronic Data Interchange (EDI)).
Result	• Alert sent to **Manage Accounts Payable Information** business process to generate contractor payment. • Tracking information as needed for measuring performance and business activity monitoring.
Business Process Steps	1. **START:** Receive invoice from contractor. 2. Validate invoice details for reimbursement details defined in the contract. 3. Resolve any invoicing discrepancies discovered with contractor. 4. **END:** Send alert to **Manage Accounts Payable Information** business process to generate contractor payment.
Shared Data	Financial data store including accounts payable information and Recovery Audit Contractor (RAC) recovery information Contractor data store including contract information Member data store including eligibility and benefits information Provider data store including provider network & contract information
Predecessor	**Receive Inbound Transaction** *Prepare Provider Payment*
Successor	*Manage Accounts Payable Information*
Constraints	The **Manage Contractor Payment** business process will adhere to the federal and state policies and business rules that may differ by state.
Failures	• Invoice does not match existing contractor information.
Performance Measures	• Time to complete the process: e.g., Real Time response = within ___seconds, Batch Response = within ___ hours • Accuracy with which rules are applied =___% • Error rate =___% or less

Manage Member Financial Participation

Item	Details
FM Accounts Payable Management	
Manage Member Financial Participation	
Description	The ***Manage Member Financial Participation*** business process is responsible for all operations aspects of preparing member premium payments. This includes premiums for Medicare, also known as Medicare Buy-in, and other health insurance. The business process begins with the alert to determine if the State Medicaid Agency (SMA) should pay a member's premium.
	The SMA will assist low-income Medicare beneficiaries in Medicare cost-sharing, defined as premiums, deductibles, and co-insurance in a process referred to as buy-in. Under the buy-in process the SMA, the Social Security Administration (SSA), and U.S. Department of Health & Human Services (HHS) enter into a contract where States pay the Medicare beneficiary share of premium costs, and, in some instances, deductibles, and co-insurance.
	An exchange of eligibility information between Medicare and the SMA initiates Medicare premium payments. The service agreement between the SMA and business partner determines the intervals for this business process to execute. The business process receives eligibility information from Medicare, performs a matching process against the State Medicaid Enterprise member data store, generates buy-in files to Centers for Medicare & Medicaid Services (CMS) for verification, receives premium payment information from and generates payments to CMS.
	The SMA will pay the private health insurance premiums for members who have private health insurance benefits, if it determines the insurance to be cost effective. In these circumstances, the SMA prepares and sends a premium to the member's private health insurance company.
	Health insurance premium payment initiates with an application for Medicaid where the applicant indicates they have third-party health coverage or by receiving eligibility information via referrals from Home and Community-Based Services (HCBS) Offices, schools, community services organizations, or phone calls directly from members. The business process checks for internal eligibility status as well as eligibility with other payers, producing a report identifying individuals where paying premiums would be cost effective, and notifying members via ***Manage Applicant and Member Communication*** business process.
	NOTE: This business process does not include sending the premium payments as an Electronic Data Interchange (EDI) transaction.
Trigger Event	State transition Trigger Events:
	• Receive alert of Medicare eligibility from Health Insurance Marketplace.
	• Receive alert of Medicaid applicant with third-party insurance.
	Environment-based Trigger Events to include but not limited to:
	• Periodic timetable is due for receipt of Medicare eligibility information.
	• Periodic timetable (e.g., monthly) is due for insurance premium eligibility redetermination and payments.

FM Accounts Payable Management	
Manage Member Financial Participation	
Item	**Details**
	• Receive insurance information either by the member or through a referral.
Result	• Modification to Medicare buy-in reporting.
	• Identification of individuals where paying insurance premiums is cost effective.
	• Alert to send notification of premium payment to member via ***Manage Applicant and Member Communication*** business process.
	• Alert to send notification of premium payment to Medicaid.
	• Alert to ***Manage Accounts Payable Information*** business process for conducting premium payment.
	• If applicable, alert send notification to business partner of member premium payment via ***Manage Business Relationship Communication*** business process.
	• Tracking information as needed for measuring performance and business activity monitoring.
Business Process Steps	1. **START:** Alert to determine if the State Medicaid Agency (SMA) should pay a member's premium.
	2. Prepare Medicaid Premium Payment.
	a. Receive State Data Exchange (SDX), Enrollment Data Base (EDB) file, and/or the SSA Beneficiary Data Exchange (BENDEX) eligibility files from the **Receive Inbound Transaction**.
	b. Perform a matching process against the Member data store.
	c. Generate buy-in file, containing both Medicare Part A and Medicare Part B members (includes all requests for action including discrepancies from previous month).
	d. Send buy-in file to CMS.
	e. Receive CMS responses to the buy-in file (i.e., the Billing File for both Part A and Part B) including eligibles, responses to errors, and Medicare buy-in file information.
	f. Process CMS responses to the submitted buy-in file and assess the file for accuracy and completeness.
	g. Post buy-in modifications to the Member data store.
	h. Produce buy-in reports reflecting potential Medicare eligibles including any additions or deletions to existing Member data store as well as other discrepancies.
	i. Staff researches unmatched and discrepancies to determine appropriate eligibility.
	j. Send problem discrepancy form(s) reflecting potential Medicare eligibles, unmatched, and discrepancies to the Buy-in Administration, and update final Medicare buy-in file for internal use.

FM Accounts Payable Management	
Manage Member Financial Participation	
Item	**Details**

	3. Prepare Health Insurance Premium Payment (HIPP):
	
	    a. Receive insurance information either from an applicant or through a referral.
	
	    b. Check internal and external eligibility information.
	
	    c. Edit eligibility information.
	
	    d. Determine cost effectiveness by collecting information such as policy coverage, past usage, and by making a determination of future need – the requirements for determining cost effectiveness will vary among States.
	
	    e. Produce a report of individuals where paying premiums is cost effective for the SMA.
	
	4. Send alert to conduct premium payment to ***Manage Accounts Payable Information*** business process.
	
	5. If applicable, send alert to notify member of premium payment via ***Manage Applicant and Member Communication*** business process.
	
	6. If applicable, send alert to notify business partner of member premium payment via ***Manage Business Relationship Communication*** business process.
	
	7. **END:** If applicable, send alert to notify Medicare of member premium payment.

Shared Data	Member data store including demographics, cost share, third-party insurance, and premium information Health Insurance Marketplace data store including applicant eligibility and member enrollment information (i.e., dual-eligibility) Financial data store including accounts payable information
Predecessor	**Receive Inbound Transaction** ***Determine Member Eligibility***
Successor	**Send Outbound Transaction** ***Manage Member Information*** ***Manage Applicant and Member Communication*** ***Manage Business Relationship Communication*** ***Manage Accounts Payable Information*** ***Manage Accounts Receivable Information***
Constraints	The ***Manage Member Financial Participation*** business process will adhere to the federal policies and business rules.
Failures	• State Medicaid dual eligibility information does not match Medicare dual eligibility information – errors in BENDEX, EDB, or SDX files.

FM Accounts Payable Management	
Manage Member Financial Participation	
Item	**Details**
Performance Measures	• Time to complete the process: e.g., Real Time response = within ___seconds, Batch Response = within ___ hours • Accuracy with which rules are applied =___% • Consistency with which rules are applied=___% • Error rate =___% or less

Manage Capitation Payment

FM Accounts Payable Management	
Manage Capitation Payment	
Item	**Details**
Description	The *Manage Capitation Payment* business process includes the activities to prepare Primary Care Case Management (PCCM) or Managed Care Organization (MCO) capitation payments. Some States offer members the option of enrolling in a PCCM product that requires the selection of a Primary Care Physician (PCP). The PCP receives a Per-Member-Per-Month (PMPM) capitation payment amount for all members that the State Medicaid Agency (SMA) assigns. The provider payment schedule defines the PCCM capitation rates typically actuary based on an age and gender rating or flat rate. Provider may opt in or out of PCCM plan and does not have to belong to the MCO. A prevailing alternative to the SMA integrated managed care model is to delegate specific member populations to MCOs and pay the MCO a PMPM capitation amount for all assigned members. The *Manage Capitation Payment* business process interrogates the member, provider, and MCO, member assignment and contract capitation information, and creates the information extract necessary to generate the capitation payment. The data extract includes any processing rules and options including retroactive adjustments to member assignments that affect the capitation payment amount to the provider or MCO.
Trigger Event	Environment-based Trigger Events to include but not limited to: • Periodic (e.g., monthly) timetable to conduct capitation information extract.
Result	• Alert sent to *Manage Accounts Payable Information* business process to generate Provider/MCO capitation payments. • Tracking information as needed for measuring performance and business activity monitoring.
Business Process Steps	1. **START:** Timed event triggered on monthly basis to initiate *Manage Capitation Payment* business process to invoke capitation information extract. 2. **END:** Send alert to *Manage Accounts Payable Information* business process to generate provider/MCO capitation payments.

FM Accounts Payable Management	
Manage Capitation Payment	
Item	Details
Shared Data	Financial data store including accounts payable information
	Contractor data store including contract information
	Member data store including eligibility and benefits information
	Provider data store including provider network & contract information
Predecessor	*Enroll Member*
Successor	*Manage Accounts Payable Information*
Constraints	The *Manage Capitation Payment* business process will adhere to the federal and state policies and business rules that may differ by state.
Failures	• No PCP information is available. • No PCCM information is available.
Performance Measures	• Time to complete the process: e.g., Real Time response = within ___seconds, Batch Response = within ___ hours • Accuracy with which rules are applied =___% • Consistency with which rules are applied=___% • Error rate =___% or less

Manage Incentive Payment

FM Accounts Payable Management	
Manage Incentive Payment	
Item	Details
Description	The *Manage Incentive Payment* business process accommodates administration of various incentive compensations to payers, providers, and members. Federal or state policy defines the programs, which are typically short duration and limited in scope. The policy defines specific periods, qualification criteria, and certification or verification requirements. The *Manage Incentive Payment* business process follows the *Manage Program Policy* business process that manages program administrative rules, whether federal or state, and concludes with paying the payer, provider, or member.
Trigger Event	Environment-based Trigger Events to include but not limited to: • Receive addition or modification of incentive program based on federal or state policy.
Result	• Alert sent to *Manage Accounts Payable Information* business process to generate payer, provider or member payment. • Tracking information as needed for measuring performance and business

FM Accounts Payable Management	
Manage Incentive Payment	
Item	**Details**
	activity monitoring.
Business Process Steps	1. **START:** Receive addition or modification of incentive program based on federal or state policy.
	2. The State Medicaid Agency (SMA) disseminates federal or state policy regarding incentive program.
	3. Payer, provider, or member applies for incentive.
	4. State determines if payer, provider, or member is eligible for incentive program.
	5. Payer, provider, or member performs activities defined in incentive program policy.
	6. Payer, provider, or member submits artifacts required for compliance.
	7. Payer, provider, or member requests payment.
	8. State determines appropriate payment based on policy guidelines.
	9. **END:** Send alert to *Manage Accounts Payable Information* business process to generate payment to payer, provider, or member.
Shared Data	Centers for Medicare & Medicaid Services (CMS) Health Information Technology for Economic and Clinical Health (HITECH) Provider Electronic Health Record (EHR) Incentive Program Registration and Attestation (R&A) System
	Financial data store including accounts payable information
	Contractor data store including contract information
	Member data store including demographics information
	Provider data store including provider network information
Predecessor	*Manage Program Policy*
Successor	*Manage Accounts Payable Information*
Constraints	The *Manage Incentive Payment* business process will adhere to the federal and state policies and business rules that may differ by state.
Failures	• Payer, provider, or member is not eligible for incentive program.
	• Payer, provider, or member does not perform activities defined in incentive program policy.
	• Payer, provider, or member does not submit artifacts required for compliance.
Performance Measures	• Time to complete the process: e.g., Real Time response = within ___seconds, Batch Response = within ___ hours
	• Accuracy with which rules are applied =___%
	• Consistency with which rules are applied=___%
	• Error rate =___% or less

Manage Accounts Payable Information

FM Accounts Payable Management	
Manage Accounts Payable Information	
Item	**Details**
Description	The ***Manage Accounts Payable Information*** business process is responsible for all operational aspects of money the State Medicaid Agency (SMA) pays. Activities in this business process comply with Cash Management Act, Governmental Accounting Standards Board (GASB) standards and Generally Accepted Accounting Principles (GAAP). Activities included in this process may be: • Periodic reconciliations between the State Medicaid Enterprise and the system(s) that performs accounting functions. • Assignment of account coding to transactions processed in the State Medicaid Enterprise. • Processing accounts payable invoices created in the State Medicaid Enterprise. • Processing accounts payable invoices created in state accounting system (gross adjustments or other service payments not processed through the State Medicaid Enterprise, and administrative payables). • Loading accounts payable information (warrant number, date, etc.) into the State Medicaid Enterprise. • Managing canceled/voided/stale dated warrants. • Performing payroll activities. • Disbursing federal administrative costs reimbursements to other entities. • Responding to inquiries concerning accounting activities. **NOTE:** States use a variety of solutions including outsourcing to another department or use of a Commercial-Off-the-Shelf (COTS) package.
Trigger Event	Environment-based Trigger Events to include but not limited to: • Receive request for payment. • Receive accounts payable information.
Result	• Modification to accounts payable information. • Alert sent to disburse payment to ***Manage Accounts Payment Disbursement*** business process. • If applicable, alert sent to ***Establish Compliance Incident*** business process for a member's, provider's or contractor's continued failure to make payment. • Tracking information as needed for measuring performance and business activity monitoring.
Business Process Steps	1. **START:** Receive request and information to make payment. 2. Perform requested function.

FM Accounts Payable Management	
Manage Accounts Payable Information	
Item	**Details**
	3. Produce report.
	4. If applicable, alert sent to **Establish Compliance Incident** business process for continued failure to make obligated payments.
	5. Produce financial transaction.
	6. Update financial information.
	7. Send alert to make payment to **Manage Accounts Payment Disbursement** business process.
	8. **END:** Send response to requested function.
Shared Data	State accounting system accounts payable information
	Financial data store including payroll, general ledger, and accounts payable information
	Claims data store including payment information
	Contractor data store including contract information
	Member data store including demographics information
	Provider data store including provider network information
Predecessor	**Receive Inbound Transaction**
	Manage Contractor Payment
	Manage Incentive Payment
	Manage Member Financial Participation
	Manage 1099
	Manage Capitation Payment
Successor	**Send Outbound Transaction**
	Manage Accounts Payment Disbursement
	Generate Financial Report
	Establish Compliance Incident
	Manage Data
Constraints	The SMA will follow federal and state-specific accounting and financial requirements.
Failures	● Failure to account for expenditures in accordance with GAAP can result in disallowance of federal funding participation.
Performance Measures	● Time to complete the process: e.g., Real Time response = within ___seconds, Batch Response = within ___ hours

FM Accounts Payable Management	
Manage Accounts Payable Information	
Item	**Details**
	• Accuracy with which rules are applied =___% • Consistency with which rules are applied=___% • Error rate =___% or less

Manage Accounts Payable Disbursement

FM Accounts Payable Management	
Manage Accounts Payable Disbursement	
Item	**Details**

Description	The *Manage Accounts Payable Disbursement* business process that is responsible for managing the generation of electronic and paper-based reimbursement instruments, includes:
	
	• Calculation of payment amounts fee-for-service claims, pharmacy point-of-sale, and Home and Community-Based Services (HCBS) based on:
	
	  o Priced claim, including any Third-Party Liability (TPL), and crossover or member payment adjustments.
	
	  o Retroactive rate adjustments.
	
	  o Adjustments for previous incorrect payments, taxes, performance incentives, recoupments, garnishments, and liens based on information in the Provider data store, as well as state accounting and budget rules.
	
	  o Payroll processing (e.g., for HCBS providers) which includes withholding payments for payroll, federal and state taxes, as well as union dues.
	
	  o Application of automated or user-defined adjustments based on contract (e.g., adjustments or performance incentives).
	
	• Disbursement of payment from appropriate funding sources per state and the State Medicaid Agency (SMA) accounting and budget rules including:
	
	  o Managed Care Organization (MCO) per member per month premium.
	
	  o Health Insurance Premium Payment (HIPP) Program premium.
	
	  o Medicare premium.
	
	  o Primary Care Case Managers (PCCM) fee.
	
	  o Stop-loss payment.
	
	  o PCCM management fee.
	
	  o Health Insurance Flexibility and Accountability (HIFA) waiver small employer refunds (i.e. Parents of children enrolled in Children's Health Insurance Program (CHIP)).
	
	• If applicable, association of the Electronic Funds Transfer (EFT) with an Accredited Standards Committee (ASC) X12 835 Health Care Claim Payment/Advice or ASC X12 820 Payroll Deducted and Other Group Premium

FM Accounts Payable Management	
Manage Accounts Payable Disbursement	
Item	**Details**
	Payment for Insurance Products transaction.
	• Routing of the payment per the provider or contractor data store payment instructions for EFT or check generation and mailing.
	• Alert sent to the *Manage Accounts Payable Information* business process with updated suspended and paid claims transaction accounting details.
	• Alert sent to the *Manage Accounts Payable Information* business process with updated suspended and paid premium, fees, and stop-loss claims transaction accounting details.
	The SMA will support frequency of payments under the federal Cash Management Improvement Act (CMIA), including real-time payments where appropriate (e.g., Pharmacy Point-of-Sale).
Trigger Event	State transition Trigger Events**:** • Receive payment request from the *Process Claim* business process. • Receive payment request from the *Process Encounter* business process. • Receive premium fee or stop-loss claim information from the *Manage Member Financial Participation* or *Prepare Provider Payment* business processes. Environment-based Trigger Events to include but not limited to: • Receive payment request.
Result	• Provider or contractor received payment either by EFT or check. • Alert sent to send ASC X12 820 Payment Order/Remittance Advice transaction for payment to provider or contractor. • Tracking information as needed for measuring performance and business activity monitoring.

Business Process Steps	1. **START:** Receive request for payment.
	
	 2. Prepare provider payment:
	
	    a. Receive payment information from the *Process Claim* or *Process Encounter.*
	
	    b. Apply automated or user-defined payment calculation rules (e.g., deducting tax per rates in provider files, garnishments, and liens) by accessing information from provider files and sending an alert to the *Manage Accounts Payable Information* business process.
	
	    c. For payroll processing, perform tax withholds and generate information for accounting.
	
	 3. Prepare premium payment:
	
	    a. Receive premium payment information from the *Manage Member Financial Participation* or *Prepare Provider Payment* business processes.

FM Accounts Payable Management	
Manage Accounts Payable Disbursement	
Item	**Details**
	b. Apply automated or user-defined payment calculation rules such as risk adjustment and stop-loss claims, retrospective enrollment, and performance incentives.
	4. Disburse funds as specified by the state and the SMA accounting and budget business rules.
	5. **END:** Route payments as specified by the provider or contractor pay-to instruction or based on information submitted in the standard claim transactions.
Shared Data	Claims data store including payment information
	Health Benefit data store including benefit information and fee schedules
	Provider data store including demographic, tax, pay-to and payment routing instructions, liens, garnishments, adjustments, incentives, rates, and contract information
	Authorization data store including authorization and treatment plan information
	Contractor data store including demographic, tax, pay-to and payment routing instructions, liens, garnishments, adjustments, incentives, reimbursement arrangements, rates, stop-loss claim payments, and contract information
	Financial data store including accounting rules, rates, and funding sources
	Member data store including demographics information
Predecessor	*Manage Accounts Payable Information*
	Manage Provider Information
	Process Claim
	Process Encounter
	Manage Performance Measures
	Generate Remittance Advice
	Manage Member Financial Participation
	Prepare Provider Payment
Successor	**Send Outbound Transaction**
	Manage Accounts Payable Information
	Manage Performance Measures
Constraints	States apply different tax and accounting rules to this business process. Some will not do payroll processing or have performance incentives. Some may associate EFTs with remittance advice transactions. Some will not have an MCO premium or MCO capitation, a PCCM fee, stop-loss, or performance incentives. Some may associate EFTs with premium payment transactions.
Failures	• Calculation of payment and application of payment adjustments may lack

FM Accounts Payable Management	
Manage Accounts Payable Disbursement	
Item	**Details**
	accurate information or be inaccurate.
	• Entity failed to receive EFT or check, the check is not payable due to insufficient funds, or payee returns the check.
	• Unable to process payment due to a mutilated, destroyed or stale dated check.
Performance Measures	• Time to complete process = within __ days
	• Accuracy with which the SMA applies edits = ___%
	• Consistency of decisions and disposition = ___%
	• Error rate = __% or less

Manage 1099

FM Accounts Payable Management	
Manage 1099	
Item	**Details**
Description	The **Manage 1099** business process describes how the State Medicaid Agency (SMA) handles IRS 1099 forms including preparation, maintenance, and corrections. Any payment or adjustment in payment made to a single Social Security Number (SSN) or federal Tax ID Number (TIN) impacts the business process. The **Manage 1099** business process receives payment and/or recoupment information from the **Process Claim** business process or from the **Manage Accounts Payable Information** business process. The **Manage 1099** business process may also receive requests for additional copies of a specific IRS 1099 form or receive notification of an error or a needed correction. The business process provides additional requested copies via the **Manage Provider Communication** or **Manage Contractor Communication** business processes. Staff researches error notifications and requests for corrections for validity and generate a corrected 1099 or a brief explanation of findings.
Trigger Event	Environment-based Trigger Events to include but not limited to: • Request from a provider, state or federal agency. • End of the calendar year. State transition Trigger Events: • Receive information from **Process Claim** or **Manage Accounts Payable Information** business processes indicating payments and/or recoupments. • Receive information from **Manage Provider Information** business process for modifications. • Receive information from **Manage Contractor Information** business process for modifications.

FM Accounts Payable Management	
Manage 1099	
Item	**Details**
Result	• Updated and/or corrected 1099 information (i.e., form, file, paper, or Electronic Data Interchange (EDI) sent to providers, contractors, Internal Revenue Service (IRS), and other state agencies. • Tracking information as needed for measuring performance and business activity monitoring.

Business Process Steps	Preparation/Maintenance
	
	1. **START:** Receive claim payment and adjustment information from *Process Claim* or *Manage Accounts Payable Information* business process.
	
	2. Match TIN or SSN.
	
	3. Update cumulative totals by applying all payments and recoupments, including those from cost settlements and manual checks.
	
	    a. Prepare report of those not getting a 1099.
	
	    b. Produce master report of 1099s.
	
	    c. Review all 1099 reports for accuracy.
	
	4. Prepare 1099 at close of calendar year.
	
	5. Send 1099 to appropriate providers and contractors prior to January 31.
	
	6. **END:** Submit 1099 information to Internal Revenue Service (IRS).
	
	Alternate Path - Additional Requests
	
	1. **START:** Receive request for additional 1099(s).
	
	2. Agency logs request.
	
	3. Verify identity of requesting entity.
	
	4. Re-generate requested 1099(s).
	
	5. Send 1099 to requesting entity.
	
	6. **END:** Agency logs 1099(s) sent.
	
	Alternate Path - Corrections
	
	1. **START:** Receive notification of error or modification request from *Manage Provider Information* or *Manage Contractor Information* business processes
	
	2. Agency logs request.
	
	3. Verify identity of requesting entity.
	
	4. Research error or update request.
	
	5. If no error found, send alert to notify requesting entity of findings. **END:** Business process stops.
	
	6. If error found valid, make necessary modifications.

Item	Details
FM Accounts Payable Management	
Manage 1099	
	7. Prepare corrected or updated 1099. 8. Agency logs 1099 sent. 9. Send corrected 1099 to affected parties. 10. **END:** Submit corrected 1099 information to Internal Revenue Service (IRS).
Shared Data	Financial data store including accounts payable information Claim data store including payment information Contractor data store including demographics and 1099 information Provider data store including demographics and 1099 information 1099 Information sent to Internal Revenue Service (IRS)
Predecessor	**Receive Inbound Transaction** *Process Claim* *Manage Accounts Payable Information* *Manage Provider Information* *Manage Contractor Information*
Successor	**Send Outbound Transaction** *Manage Provider Communication* *Manage Contractor Communication* *Manage Accounts Payable Information*
Constraints	The SMA will follow IRS regulations regarding 1099 requirements.
Failures	● Invalid format or media used.
Performance Measures	● Time to complete process: e.g., Real Time response = within __ seconds, Batch Response = within __hours ● Accuracy of decisions = ___% ● Consistency of decisions and disposition = ___% ● Error rate = __% or less

Formulate Budget

FM Fiscal Management	
Formulate Budget	
Item	**Details**
Description	The ***Formulate Budget*** business process: • Examines the current budget revenue stream and trends, and expenditures. • Assesses external factors affecting the program. • Assesses agency initiatives and plans. • Models different budget scenarios. • Periodically produces a new budget.
Trigger Event	Environment-based Trigger Events to include but not limited to: • Periodic timetable (e.g., annual) is due for budget review. • Receive review request from external forces (e.g., notice of revenue shortfall or overage and/or unforeseen rise in costs).
Result	• New or revised budget. • Tracking information as needed for measuring performance and business activity monitoring.
Business Process Steps	1. **START**: Receive notice or other trigger event to prepare the Office of Governor budget transmittal for Legislative approval. 2. Review current budget including cost and revenue trends, Centers for Medicare & Medicaid Services (CMS) notification of federal grant award, demographics, utilization, and other information. 3. Research factors (e.g., national, legislative, and global) that affect the State Medicaid Agency (SMA) revenue, costs, major initiatives, and benefits. 4. Develop and send Office of Governor budget transmittal. 5. Testify before state legislature and/or convene stakeholders to consider alternatives. 6. Model or modify budget transmittal based on legislative or Office of Governor directives. 7. Legislature publishes finalized budget. 8. **END**: Enter approved budget into state accounting system and other expenditure accounting systems.
Shared Data	Financial data store including budget information Business Activity data store including performance information Plan data store including plan information Health Benefit data store including benefit information

FM Fiscal Management	
Formulate Budget	
Item	**Details**
Predecessor	*Maintain State Plan* *Manage Health Plan Information* *Manage Health Benefit Information* *Manage Performance Measures*
Successor	*Manage Budget Information* *Manage Health Plan Information* *Manage Health Benefit Information*
Constraints	The SMA will follow federal and state requirements for budget management. Economic conditions shift, making less revenue available to fund the approved and planned budget.
Failures	• Failure to receive all levels of required approval (that could result in continued use of previously approved budget).
Performance Measures	• Time to complete process = within ___ days • Accuracy with which edits are applied = ___% • Consistency of decisions and disposition = ___% • Accuracy of budget projections measured against reality = ___%

Manage Budget Information

FM Fiscal Management	
Manage Budget Information	
Item	**Details**
Description	The *Manage Budget Information* business process is responsible for auditing all planned expenses and revenues of the State Medicaid Agency (SMA). Activities in this business process comply with Cash Management Act, Governmental Accounting Standards Board (GASB) standards and Generally Accepted Accounting Principles (GAAP).
Trigger Event	Environment-based Trigger Events to include but not limited to: • Receive request to review budget information (e.g., funding requirements, funding sources).
Result	• Modified budget information. • Tracking information as needed for measuring performance and business activity monitoring.

FM Fiscal Management	
Manage Budget Information	
Item	**Details**
Business Process Steps	1. **START:** Receive request to review or modify approved budget. 2. Review policies and procedures for planning and budgeting to determine if budget meets state and federal requirements. 3. Review long-term goals and objectives plans. 4. Review budget to determine accurate and timely information. 5. Review budget performance monitoring information. 6. Review budget revisions to determine their justification and the SMA makes in a timely manner. 7. Prepare budget modification request to Office of Governor based on state budget policies. 8. Receive approval from Office of Governor to modify budget. 9. **END:** Modify budget information as necessary.
Shared Data	Financial data store including accounts payable, accounts receivable, and budget information
Predecessor	*Formulate Budget* *Manage Fund* *Manage Health Plan Information* *Manage Health Benefit Information*
Successor	*Generate Financial Report* *Maintain State Plan* *Manage Health Plan Information* *Manage Data*
Constraints	The SMA will follow federal and state requirements for budget management. Economic conditions shift, making less revenue available to fund the approved and planned budget.
Failures	• This business process has no failure modes that prevent the process from going to completion.
Performance Measures	• Time to complete process = within __ days • Accuracy with which edits are applied = ___% • Consistency of decisions and disposition = ___% • Error rate = __% or less

Manage Fund

FM Fiscal Management	
Manage Fund	
Item	**Details**
Description	The ***Manage Fund*** business process oversees Medicaid funds, ensures accuracy in their allocation and the reporting of funding sources. Funding for Medicaid services may come from a variety of sources, and often, state funds span across state agency administrations, e.g., Mental Health, Aging, Substance Abuse, physical health, as well as state counties and local jurisdictions. The ***Manage Fund*** business process monitors funds through ongoing tracking and reporting of expenditures and corrects any improperly accounted expenditure. It also deals with projected and actual over and under fund allocations.
	Manage Federal Medical Assistance Percentages (FMAP) The Manage FMAP activity periodically reviews and modifies, as appropriate, FMAP and Enhanced Federal Medical Assistance Percentages (enhanced FMAP) rate used. (See 42 CFR 433.10). The U.S. Department of Health & Human Services (HHS) notifies the state of the FMAP and (enhanced FMAP) that HHS will use in determining the amount of federal matching for state medical assistance (Medicaid), Children's Health Insurance Program (CHIP), and Recovery Audit Contractor (RAC) expenditures for a specified federal fiscal year. The State Medicaid Agency (SMA) reviews and approves the FMAP rates for application in enterprise accounting.
	Manage Federal Financial Participation (FFP) The Manage FFP business activity includes the creation and management of business rules for assigning claims, service payments, and recoveries (including RAC recoveries) to the appropriate FMAP, and the application of administrative costs to the state accounting system. It also includes the oversight of reporting and monitoring Advance Planning Documents or other program documents necessary to secure and maintain FFP.
	Draw and Report FFP The Draw and Report FFP business activity assures that the SMA properly draws federal funds and reports to Centers for Medicare & Medicaid Services (CMS). The SMA is responsible for assuring that the correct FFP rate applies to all expenditures in determining the amount of federal funds to draw. When CMS has approved a Medicaid State Plan, it makes quarterly grant awards to the SMA to cover the federal share of expenditures for services, training, and administration. The grant award authorizes the SMA to draw federal funds as needed in accordance with the Cash Management Improvement Act (CMIA) to pay the federal share of disbursements. The SMA receives FFP in expenditures for the CHIP program.
Trigger Event	Environment-based Trigger Events to include but not limited to: • A request from the legislature, or a new budget approved. • Periodic timetable (e.g., weekly, monthly, quarterly, annual, 3-year plan, 5-year plan) is due for generating required reports. • Receive new match rates or rate modifications from HHS. • Receive notification to apply FMAP rate to service expenditures or recoveries.

FM Fiscal Management	
Manage Fund	
Item	**Details**
	• Periodic timetable (e.g., quarterly) is due for a statement of expenditures. • Continuous oversight of expenditures for an FFP. • The SMA adds a new health plan or health benefit. • Periodic timetable is due for an audit.

Result	• Tracking and trending of all program expenditures and management of them within budget constraints.
	
	• Produces updated FMAP.
	
	• Service expenditure and recovery information with applied FMAP rate.
	
	• Calculation of FFP available for all eligible members, systems, and administration of the State Medicaid Enterprise.
	
	• Content prepared for the following reports:
	
	   o CHIP Program Budget Report (CMS-21B)
	
	   o Medicaid Program Budget Report (CMS-37)
	
	   o Quarterly CHIP Statement of Expenditures (CMS-21)
	
	   o Quarterly Expense Report (CMS-64)
	
	NOTE: The *Generate Financial Report* business process generates and sends the CMS report.
	
	• Tracking information as needed for measuring performance and business activity monitoring.

Business Process Steps	Manage Fund 1. **START:** Establish state appropriation for federal and state funds. 2. Allocate funds to direct and indirect budget categories. 3. Establish reporting requirements. 4. Define report content, frequency, and media. 5. Prepare the information. 6. Compare fund usage with categories, flag funds improperly used. 7. Trend rate of usage of funds versus amounts available, flag-computed shortfalls. 8. Generate defined reports. 9. Review reports for accuracy. 10. Distribute reports. 11. **END:** Review trends and improper use of funds, and manage funds as needed to deal with shortfalls and over allocations. Manage FMAP

FM Fiscal Management	
Manage Fund	
Item	**Details**
	1. **START:** Receive notification of FMAP rates or rate modifications. 2. Review and analyze notification. 3. Verify accuracy of rates in notification. 4. Notify HHS of any disagreement. 5. Resolve any disagreement with HHS. 6. **END:** Publish/load approved rates. Manage FFP 1. Prepare information necessary to create the reports (e.g., CMS-21, CMS-37 and CMS-64). 2. Generate reports. 3. Review generated reports for accuracy and deficiencies. 4. Monitor expenditures, cost, budget, and so forth. 5. Analyze potential program additions, modifications, or deletions for fiscal impact. 6. Modify and update impacted reports and budget. 7. Finalize report. 8. **END:** Send report via the **Send Outbound Transaction.** Draw and Report FFP 1. **START:** Submit Form CMS–37 and Form CMS–21B through the Medicaid Budget and Expenditure System/CHIP Budget and Expenditure System (MBES/CBES). 2. Review the quarterly grant request. 3. Receive the grant award from CMS regardless of whether there are open issues with CMS. The Payment Management System (PMS) deposits funds into the Medicaid account based upon the CMS 37 estimates. 4. Determine the federal share of current expenditures taking into consideration receipts (e.g. estate recovery, recoupments of incorrect billings) and draw federal funds in accordance with the terms of the CMIA. 5. At end of each quarter, complete cash management reconciliation using the PMS 272 report. 6. Submit Form CMS–64 and Form CMS–21 to MBES/CBES. 7. CMS may increase or decrease the grant request amount already deposited according to the resolution of issues process. The SMA sends supporting documentation to the CMS Regional Office for use in its quarterly review to support State Medicaid Enterprise numbers and to address deferrals,

FM Fiscal Management	
Manage Fund	
Item	**Details**
	disallowances, supplemental payment.
	8. The SMA cooperates with CMS reviews of program and administration expenditures and implements corrective action if CMS Financial Management Review (FMR) or Office of Inspector General reviews reveal any federal requirement compliance problems.
	9. Arrange for annual Single Audit for the Comprehensive Annual Financial Report conducted by a state-contracted Certified Public Accountant (CPA) firm in accordance with the provisions of OMB Circular A-133.
	10. **END:** Follow-up and corrective action(s) on audit findings includes the preparation of a summary schedule of prior audit findings and submission of a Corrective Action Plan (CAP).
Shared Data	Financial data store including budget, accounts receivable, and accounts payable information
	Plan data store including health plan information
	Health Benefit data store including benefit package and benefits information
	State Financial Management Applications
	Reference data store including code sets information
Predecessor	**Receive Inbound Transaction**
	Manage Health Plan Information
	Manage Health Benefit Information
Successor	**Send Outbound Transaction**
	Manage Accounts Receivable Information
	Manage Accounts Payable Information
Constraints	State legislative or agency policies augment the information.
	FMAP applies to Medicaid expenditures for services under the Medicaid State Plan with the exception of the following: family planning services, services provided through Indian Health Service facilities, services provided to members eligible under the optional Breast and Cervical Cancer program, and Medicare Part B premiums for Qualified Individuals.
	Manage FFP will conform to state-specific and CMS FFP assignment requirements.
Failures	• The SMA lacks money for budget or is short of revenue.
	• Natural disaster strikes impacting budget management.
	• System failure prevents new rates from loading or rates are loaded incorrectly.
	• The SMA encounters errors in FMAP rate or assignment of rate to individual services.

FM Fiscal Management	
Manage Fund	
Item	**Details**
	• The SMA is unable to balance reports. • The SMA is unable to access all information required for reporting. • There are discrepancies in information invalidate FFP calculations.
Performance Measures	• Time to complete process: e.g., Real Time response = within __ seconds, Batch Response = within __ hours • Accuracy of decisions = ___% • Consistency of decisions and disposition = ___% • Error rate = __% or less

Generate Financial Report

FM Fiscal Management	
Generate Financial Report	
Item	**Details**
Description	It is essential for the State Medicaid Agency (SMA) to be able to generate various financial and program analysis reports to assist with budgetary controls and to ensure that the established benefits and programs are meeting the needs of the member population and are performing according to the intent of the legislative laws or federal reporting requirements. The **Generate Financial Report** business process begins with a request for information or a timetable for scheduled correspondence. The business process includes: • Defining the report attributes (e.g., format, content, frequency, media, and retention). • Defining the state and federal budget categories of service, eligibility codes, provider types, and specialties (taxonomy). • Extracting required financial information from source data stores. • Transforming information to meet business and technical needs of target destination. • Applying necessary encryption algorithms for security. • Sending alert with information to the target destination. **NOTE:** This business process does not include maintaining the benefits, reference, or program information. Maintenance of the health plan, health benefits, and reference information is in separate business processes.
Trigger Event	Environment-based Trigger Events to include but not limited to: • Request to generate on-demand report on financial and/or program information.

FM Fiscal Management	
Generate Financial Report	
Item	**Details**
	• Periodic timetable (e.g., daily, weekly, quarterly) is due for financial reporting.

Result	• The on-demand or scheduled generation of a financial report.
	
	• The financial and program analysis report set sent to the **Send Outbound Transaction**.
	
	• Generation of Centers for Medicare & Medicaid Services (CMS) specific reports such as the following:
	
	   o CHIP Program Budget Report (CMS-21B)
	
	   o Medicaid Program Budget Report (CMS-37)
	
	   o Quarterly CHIP Statement of Expenditures (CMS-21)
	
	   o Quarterly Expense Report (CMS-64)
	
	• Tracking information as needed for measuring performance and business activity monitoring.

Business Process Steps	1. **START:** Receive request for generation of financial report. 2. Agency logs the request. 3. Define required report(s) format, content, frequency, media for the reports, and its retention period. 4. Define data elements necessary to produce the report (e.g., state and federal budget categories of service, eligibility codes, taxonomy codes). 5. Extract required information from source data stores. 6. If applicable, transform information to meet business and technical needs of target destination. 7. If applicable, apply necessary encryption algorithms for security. 8. Agency logs the response. 9. If applicable, send the report to the **Send Outbound Transaction** for delivery to target destination. 10. **END:** Review financial report for analysis or distribution.
Shared Data	Financial data store including accounts receivable, accounts payable, Recovery Audit Contractor (RAC) recoveries, and budget information Claims data store including payment information Member data store including demographics information Provider data store including provider network information Reference data store including code set information
Predecessor	***Manage Budget Information*** ***Manage Accounts Receivable Information***

FM Fiscal Management	
Generate Financial Report	
Item	**Details**
	Manage Accounts Payable Information
Successor	**Send Outbound Transaction** *Manage Data*
Constraints	The generation of financial and program analysis reports will adhere to state-specific or federal laws, regulations, and requirements. These rules will differ by state.
Failures	● Information is unavailable to generate the report.
Performance Measures	● Time to complete process: e.g., Real Time response = within __ seconds, Batch Response = within __ hours ● Accuracy of decisions ● Consistency of decisions and disposition = ___% ● Error rate = __% or less