

FM Accounts Payable Management	
Manage Accounts Payable Disbursement	
Item	Details
Description	<p>The Manage Accounts Payable Disbursement business process that is responsible for managing the generation of electronic and paper-based reimbursement instruments, includes:</p> <ul style="list-style-type: none"> • Calculation of payment amounts fee-for-service claims, pharmacy point-of-sale, and Home and Community-Based Services (HCBS) based on: <ul style="list-style-type: none"> ◦ Priced claim, including any Third-Party Liability (TPL), and crossover or member payment adjustments. ◦ Retroactive rate adjustments. ◦ 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. ◦ Payroll processing (e.g., for HCBS providers) which includes withholding payments for payroll, federal and state taxes, as well as union dues. ◦ 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: <ul style="list-style-type: none"> ◦ Managed Care Organization (MCO) per member per month premium. ◦ Health Insurance Premium Payment (HIPP) Program premium. ◦ Medicare premium. ◦ Primary Care Case Managers (PCCM) fee. ◦ Stop-loss payment. ◦ PCCM management fee. ◦ 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 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.

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	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	<p>State transition Trigger Events:</p> <ul style="list-style-type: none"> • 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. <p>Environment-based Trigger Events:</p> <ul style="list-style-type: none"> • Receive payment request.
Result	<ul style="list-style-type: none"> • 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	<ol style="list-style-type: none"> 1. START: Receive request for payment. 2. Prepare provider payment: <ol style="list-style-type: none"> 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 withholdings and generate information for accounting. 3. Prepare premium payment: <ol style="list-style-type: none"> a. Receive premium payment information from the Manage Member Financial Participation or Prepare Provider Payment business processes. 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.

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Shared Data	<p>Claims data store including payment information</p> <p>Health Benefit data store including benefit information and fee schedules</p> <p>Provider data store including demographic, tax, pay-to and payment routing instructions, liens, garnishments, adjustments, incentives, rates, and contract information</p> <p>Authorization data store including authorization and treatment plan information</p> <p>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</p> <p>Financial data store including accounting rules, rates, and funding sources</p> <p>Member data store including demographics information</p>
Predecessor	<p><i>Manage Accounts Payable Information</i></p> <p><i>Manage Provider Information</i></p> <p><i>Process Claim</i></p> <p><i>Process Encounter</i></p> <p><i>Manage Performance Measures</i></p> <p><i>Generate Remittance Advice</i></p> <p><i>Manage Member Financial Participation</i></p> <p><i>Prepare Provider Payment</i></p>
Successor	<p><i>Send Outbound Transaction</i></p> <p><i>Manage Accounts Payable Information</i></p> <p><i>Manage Performance Measures</i></p>
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	<ul style="list-style-type: none"> • Calculation of payment and application of payment adjustments may lack 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	<ul style="list-style-type: none"> • Time to complete process = within ____ days

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Measures	<ul style="list-style-type: none">• Accuracy with which the SMA applies edits = ____%• Consistency of decisions and disposition = ____%• Error rate = ____% or less