



Minnesota Department of **Human Services**

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**DATE:** September 30, 2014

**TO:** County Human Services Agencies  
**Attention: Fiscal Supervisors and other interested staff**

**FROM:** Chris Ricker  
Health & Human Service Finance Manager  
Financial Operations Division

**SUBJECT:** Third Quarter 2014 Fiscal Memo

Below, please find nine items for your review along with several corresponding attachments.

**1. Enhanced MA Reimbursement Funding Analysis – MACSSA Webinar**

In response to counties who have expressed interest in learning more about the enhanced MA administrative reimbursement made available under the Affordable Care Act (ACA), we were asked to provide information and analysis to members of the Minnesota Association of Social Service Agencies (MACSSA). Human service directors were presented with the attached information on Thursday, September 11th.

The PowerPoint presentation from the webinar meeting is attached so that all county fiscal supervisors are sure to receive the information that was presented.

If you have any questions on the PowerPoint, please contact DiAnn Robinson at (651) 431-3739 or [diann.robinson@state.mn.us](mailto:diann.robinson@state.mn.us)

**2. Deadline Change for Submission of Annual Central Services Cost Allocation Plans**

The annual deadline for submitting Central Services Cost Allocation Plans (county-wide indirect annual cost report) has been changed to December 31<sup>st</sup>. These cost allocation plans are used to establish indirect cost allocations for the Income Maintenance Random Moment Time Study (IMRMS) as well as the Social Services Time Study (SSTS) on an annual basis.

The annual reports due December 31, 2014 are based upon indirect costs incurred during calendar year 2013 and will be used calendar year 2015.

If you have any questions regarding the annual cost allocation plans, please contact Heide Moris at (651) 431-3774 or [heide.moris@state.mn.us](mailto:heide.moris@state.mn.us)

### **3. Mental Health Reporting Requirements**

Counties have had some questions recently as to whether the Adult Mental Health Division had established new limits and/or reporting requirements in situations where there are variances between reported Grant expenditures and budgeted amounts. Specifically they have heard about a 10% variance limit and are not sure exactly if this is to be applied by BRASS Code or total Grant amount. Some of the confusion may be traced to the following statement included in the Award Letters:

“The AMHI or county will notify and seek approval from the Adult Mental; Health Division (AMHD) if services are added or discontinued or if the total annual expenditures of any grant (e.g. AMHI, Crisis, PATH, Housing with Supports, CSP, or ICRS) is expected to vary by more than 10%.”

The DHS Financial Operations Division has been in discussions with the Adult Mental Health Division about these questions, and based on those discussions we can make the following clarification. For Calendar Year (CY) 2014 (with one exception described below) there are no new Budget Revision reporting requirements for overspending or underspending of either individual BRASS Codes or Grants in total. Any communication received to the contrary for CY 2014 can be disregarded. The only exception to this is that DHS requests that your assigned program consultant from the Adult Mental Health Division be notified by any county that expects to have **underspending** of more than 10% for CY 2014 in any of the following grant categories - AMHI, Crisis, PATH, Housing with Supports, CSP, or ICRS. This exception applies only to each of these Grants in total and not to individual BRASS Codes. This requirement **only applies to underspending** and not to overspending.

The notification of underspending also includes Integrated Fund counties and Non-Integrated Fund AMHI counties. Although DHS does not require Integrated Fund counties and Non-Integrated Fund AMHI counties to report all these individual grant and/or categories of expenditures on separate Forms 2895 the assigned program consultant from the Adult Mental Health Division needs to be informed if any of the individual grants which make up these larger funds is going to be under-utilized for those purposes.

Integrated Fund counties and Non-Integrated Fund AMHI counties may have a question about whether this exception applies to them, because in the past, DHS has not required Integrated Fund counties to report all these individual grant expenditures on separate Forms 2895. Similarly, non-Integrated Fund AMHI counties have not been required to report Crisis grant or ICRS grant expenditures on separate Forms 2895. However, even though up to now DHS has not required this separate grant expenditure breakdown from them, they would still be required to notify their assigned program consultant from the Adult Mental Health Division if any of the above listed grant categories are expected to be more than 10% underspent.

Any changes for CY 2015 will be announced in the CY2015 Mental Health Bulletin and future award letters.

For questions about the Mental Health reporting, including the DHS-2895, please contact Ray Truelson at (651) 431-3780 or [ray.truelson@state.mn.us](mailto:ray.truelson@state.mn.us)

#### **4. Not Newly Eligible - Medical Assistance MMIS Recipient Claims**

Claims with a date of service of January 1, 2014 - December 31, 2014 for a recipient with eligibility type NA (not newly eligible) will be eligible for 75% Federal Financial Participation (FFP). Enhanced federal financial participation for this group continues, changing annually. See table below.

Individuals who are assigned the major program MA or EH with the eligibility type NA (not newly eligible) have all of the following characteristics:

- Childless adults age 21 – 64 years old
- Certified disabled by Social Security Administration (SSA) or State Medical Review Team (SMRT)
- Social Security can be either Supplemental Security Income (SSI) or Retirement Survivor Disability Insurance (RSDI) but cannot be receiving Medicare. Persons who receive RSDI for disability are eligible for Medicare after having been disabled for 2 years.
- Have MAGI household income prior to 5% disregard of less than 100% of federal poverty guidelines. MAGI income is a new way of determining income eligibility for MA recipients and involves the Minnesota Adjusted Gross Income (MAGI) from the recipient's previous year's taxes.

MA NA recipients are considered "not newly eligible" because this group of people could have had coverage as MA DX (disabled person) as of 12/1/09 and the MA AX category which we are covering under early expansion of MA (states could choose to do this) is considered newly eligible because this group of people were formerly GAMC which was state funded only coverage for non-disabled childless adults below certain income guidelines.

MA NA recipients will have their eligibility determined by MNSure not in MAXIS/MMIS. MMIS will still have recipients who are disabled and have their income calculated non-MAGI and will be coded as MA DX. MA/DX federal financial participation will still be 50%. Disabled recipients needing DD, BI, CAC and CAD waiver services will still need to have that eligibility determined by the county.

**Changes to claims for the NA group are not yet operational. Counties currently will not see a different percentage until the changes are made in the MMIS system. Counties will be notified when this change is operational.**

**How will Minnesota getting 75% Federal funding for the Newly Eligible NA group impact county finances in 2014?**

For eligible claims paid with date of service 1/1/14 – 12/31/14 paid after 1/1/14:

- County cutbacks on Mental Health Targeted Case Management (MH-TCM) and Vulnerable Adult and Developmentally Delayed (VADD-TCM) claims will be 25%
- County share of contracted vendor claims for TCM will be 25%
- County share of Long Term Care claims will be 5%
- County share of MA recoveries will be 12.5%

**How will Minnesota getting 80% Federal funding for the Newly Eligible NA group impact county finances in 2015?**

For eligible claims paid with date of service 1/1/15 – 12/31/15 paid after 1/1/15:

- County cutbacks on Mental Health Targeted Case Management (MH-TCM) and Vulnerable Adult and Developmentally Delayed (VADD-TCM) claims will be 20%
- County share of contracted vendor claims for TCM will be 20%
- County share of Long Term Care claims will be 4%
- County share of MA recoveries will be 10%

The federal percentage for both the newly eligible and not newly eligible groups change over a period of time from 2014 – 2020. The table below outlines the changes for both groups.

FMAP Rate for ACA Medical Expansion	2014	2015	2016	2017	2018	2019	2020
Newly Eligible Adults AX	100%	100%	100%	95%	94%	93%	90%
Not Newly Eligible NA	75%	80%	85%	86%	90%	93%	90%

For questions about the Not Newly Eligible claims, please contact Becky Path at (651) 431-3771 or [rebecca.path@state.mn.us](mailto:rebecca.path@state.mn.us)

**5. SSIS Reimbursement of iPads**

Per Tom Kine of SSIS, the purchase of iPads **is not eligible** for Federal Financial Participation (FFP). FFP may be claimed for costs associated with the Statewide Automated Child Welfare Information System (SACWIS). SSIS has not initiated a project at this time to develop a uniform mobile solution statewide; tablet use by social workers is being pursued on a county-by-county-basis. Due to the absence of a statewide implementation, SSIS cannot fund these purchases.

The SSIS Partnership Committee discussed the SSIS Mobile Application Pilot and the use of other tablet-based applications at their January 22, 2014 meeting. Because counties are already implementing a variety of tablet-based solutions, two examples being Northwoods Compass Co-Pilot and Caseworks, and SSIS is sponsoring the Redmane Mobile Application Pilot, the decision was made to not pursue a single statewide mobile solution and to forego federal funding.

This allows counties the maximum amount of flexibility in developing a solution that meets their unique needs. SSIS is developing a uniform data interface for use by tablet-based applications as a part of its Mobile Application Pilot. The Federal Administration for Children and Families has been supportive of the development of this interface. All SSIS related questions should be directed to the SSIS Help Desk at (651) 431-4801 or [Dhs.Ssishelp@state.mn.us](mailto:Dhs.Ssishelp@state.mn.us)

## **6. Now on CountyLink**

The following items have been added to our tab (Fiscal Reporting & Accounting) on the CountyLink website.

A new section, Allocation Amounts for 2015, has been added. The following 10 items are new to this section:

- Adult Mental Health 2015. If you have any questions on this summary, please contact Ray Truelson at (651) 431-3780 or [ray.truelson@state.mn.us](mailto:ray.truelson@state.mn.us)
- Basic Sliding Fee 2015. If you have any questions on this summary, please contact Jerry Medicott at (651) 431-3781 or [gerlad.medlicott@state.mn.us](mailto:gerlad.medlicott@state.mn.us)
- Children's Mental Health 2015. If you have any questions on this summary, please contact Jerry Medicott at (651) 431-3780 or [ray.truelson@state.mn.us](mailto:ray.truelson@state.mn.us)
- DD-SILS 2015. If you have any questions on this summary, please contact Phyllis Meath at (651) 431-3484 or [phyllis.meath@state.mn.us](mailto:phyllis.meath@state.mn.us)
- Emergency General Assistance 2015. If you have any questions on this summary, please contact Rick Hallanger at (651) 431-3756 or [richard.hallanger@state.mn.us](mailto:richard.hallanger@state.mn.us)
- Family Response 2015. If you have any questions on this summary, please contact Brad Thomas at (651) 431-3759 or [bradley.thomas@state.mn.us](mailto:bradley.thomas@state.mn.us)
- Family Support Grant 2015. If you have any questions on this summary, please contact Phyllis Meath at (651) 431-3484 or [phyllis.meath@state.mn.us](mailto:phyllis.meath@state.mn.us)
- MFIP Consolidated Fund 2015. If you have any questions on this summary, please contact Jerry Medicott at (651) 431-3781 or [gerlad.medlicott@state.mn.us](mailto:gerlad.medlicott@state.mn.us)
- Parental Support Outreach 2015. If you have any questions on this summary, please contact Brad Thomas at (651) 431-3759 or [bradley.thomas@state.mn.us](mailto:bradley.thomas@state.mn.us)

- Vulnerable Children and Adults Act (VCAA) 2015. If you have any questions on this summary, please contact Jerry Medicott at (651) 431-3781 or [gerlad.medlicott@state.mn.us](mailto:gerlad.medlicott@state.mn.us)

**Allocation amounts for 2014:**

- Vulnerable Children and Adults Act (VCAA) 2014. If you have any questions on this summary, please contact Jerry Medicott at (651) 431-3781 or [gerlad.medlicott@state.mn.us](mailto:gerlad.medlicott@state.mn.us)

**Allocation utilization summaries:**

- EGA Allocation Summary 2015. If you have any questions on this summary, please contact Rick Hallanger at (651) 431-3756 or [richard.hallanger@state.mn.us](mailto:richard.hallanger@state.mn.us)
- EGA Allocation Summary 2014. If you have any questions on this summary, please contact Rick Hallanger at (651) 431-3756 or [richard.hallanger@state.mn.us](mailto:richard.hallanger@state.mn.us)
- MFIP Consolidated Grant Summary June CY2014. If you have any questions on this summary, please contact Jerry Medicott at (651) 431-3781 or [gerlad.medlicott@state.mn.us](mailto:gerlad.medlicott@state.mn.us)

**Child Support Reports:**

This is a new section. All of the reports listed are new. If you have any questions on these reports, please contact Matt Hanson at (651) 431-3747 or [matthew.hanson@state.mn.us](mailto:matthew.hanson@state.mn.us)

**Mental Health Maintenance of Effort:**

If you have any questions on the following reports, please contact Ray Truelson at (651) 431-3780 or [ray.truelson@state.mn.us](mailto:ray.truelson@state.mn.us)

- 2014 Mental Health CSP MOE Progress Report
- 2014 Mental Health Progress Report
- 2013 CSP MH MOE Preliminary Results
- 2013 Mental Health MOE Standard Calculation
- 2013 Mental Health MOE Alternative Calculation

**Target Case Management Rates:**

- TCM SFY 2015. If you have any questions on this report, please contact Bridgit Olson at (651) 431-3800 or [bridgit.olson@state.mn.us](mailto:bridgit.olson@state.mn.us)

## Title IV-E Ratios

If you have any questions on the following report, please contact Deb Jensen at (651) 431-3740 or [deb.jensen@state.mn.us](mailto:deb.jensen@state.mn.us)

- Title IV-E Child County Ratios
- Title IV-E Ratios – Child Count Details

## Quarterly Fiscal Memo

If you have any questions on the following memos, please contact Julie Spurgeon at (651) 431-3782 or [julie.spurgeon@state.mn.us](mailto:julie.spurgeon@state.mn.us)

- 2014 AMSSA Conference Memo
- 2014 Quarter 2

## 7. Financial Operations Division Bulletins Published Since Last Fiscal Memo

- Bulletin 14-32-09 (July 7, 2014) **Instructions for Completing the MFIP-Consolidated Fund Report, Form DHS-2902.** Instructions for completing the quarterly MFIP-Consolidated Fund Support Services Fiscal Report (DHS-2902). If you have any questions regarding this bulletin, please contact Jerry Medicott at (651) 431-3781 or [gerald.medlicott@state.mn.us](mailto:gerald.medlicott@state.mn.us)
- Bulletin 14-32-10 (July 7, 2014) **Pre-Northstar Foster Care Program Maintenance Rates.** Maintenance and difficulty of care payment rates by age category for the Pre-Northstar foster care program. If you have any questions regarding this bulletin, please contact Deb Jensen at (651) 431-3740 or [deb.jensen@state.mn.us](mailto:deb.jensen@state.mn.us)
- Bulletin 14-32-11 (July 7, 2014) **Northstar Care for Children Maintenance and Supplemental Difficulty of Care Payment Rates.** Maintenance and supplemental difficulty of care payment rates by age category effective January 1, 2015 through June 30, 2016. If you have any questions regarding this bulletin, please contact Deb Jensen at (651) 431-3740 or [deb.jensen@state.mn.us](mailto:deb.jensen@state.mn.us)
- Bulletin 14-32-12 (July 31, 2014) **Financial Information to Assist Counties with Preparation of Calendar Year 2015 Human Services Budgets.** Information for county human service agencies to assist them in preparing calendar year (CY) 2015 budgets. If you have any questions regarding this bulletin, please see the contact list on pages 13 and 14.
- Bulletin 14-32-13 (August 8, 2014) **Changes to DHS BRASS Manual for Calendar Year 2015.** Budgeting, Reporting and Accounting for Social Services (BRASS) Manual for calendar year (CY) 2015. If you have any questions on BRASS codes and definitions, please contact Mary Klinghagen at (651) 431-4792 or [mary.klinghagen@state.mn.us](mailto:mary.klinghagen@state.mn.us) and questions regarding BRASS accounting, the SEAGR Report (DHS-2557) and other financial reporting, please contact Julie Spurgeon at (651) 431-3782 or [julie.spurgeon@state.mn.us](mailto:julie.spurgeon@state.mn.us)

- Bulletin 14-32-14 (September 3, 2014) **Title IV-E Foster Care Per Diem Rates for Children's Residential Facilities and Child Placing Agencies.** Quarterly list of Title IV-E eligible children's group residential facilities and Rule 4 child placing agencies. If you have any questions regarding this bulletin, please contact Deb Jensen at (651) 431-3740 or [deb.jensen@state.mn.us](mailto:deb.jensen@state.mn.us)

## **8. Personnel Changes**

Brad Thomas has been hired as the Children and Family Services Fiscal Manager. His duties used to be performed by Lynn Nguyen who is now the Economic Opportunities Grant Fiscal Manager.

Please refer to the attached Health & Human Service Finance staff listing for complete information on all FOD HHSF staff.

## **9. Next quarterly memo publication date**

The publication date of the next quarterly memo is scheduled for Friday, December 19, 2014. If you have any suggestions on topics, please contact Julie Spurgeon. Also, if you are receiving this memo and would no longer like to receive it, or know someone that you would like to receive it directly from DHS, please contact Julie Spurgeon at (651) 431-3782 or [julie.spurgeon@state.mn.us](mailto:julie.spurgeon@state.mn.us)

## HEALTH & HUMAN SERVICE FINANCE

### DHS Financial Operations Division

*As of September 30, 2014*

#### **Chris Ricker: Manager of Health & Human Service Finance**

(651) 431-3545 or [chris.ricker@state.mn.us](mailto:chris.ricker@state.mn.us)

Directs the policies, planning, staff, units, and overall operations of Health Care Accounting, Economic Support, Time Studies and Rates, and Grants and Allocations units. Directly supervises the staff in the Program Specialists Unit.

#### **Sara Warner: Administrative Assistant**

(651) 431-3776 or [sara.warner@state.mn.us](mailto:sara.warner@state.mn.us)

Provides administrative support to managers, supervisors and division staff

#### **Julie Spurgeon: County Human Service Accounting and Reporting Fiscal Manager**

(651) 431-3782 or [julie.spurgeon@state.mn.us](mailto:julie.spurgeon@state.mn.us)

Administers fiscal reporting by counties to DHS for human service activity including management of the SEAGR Report (DHS-2557), BRASS, Social Services Fund Report (DHS-2556), MA county confirmation report, standard Invoice Field Codes, and the annual County Human Service Cost Report; Provides technical assistance to counties and DHS staff regarding accounting and fiscal reporting to DHS; Approves county requests for fiscal report deadline extensions.

#### **Becky Path: Health Care Accounting Supervisor**

(651) 431-3771 or [rebecca.path@state.mn.us](mailto:rebecca.path@state.mn.us)

Supervises the Health Care Accounting staff responsible for submission of federal quarterly reports for Medicaid and CHIP (CMS 64/21), 1099s, tax liens on MMIS providers, and county MMIS billings.

#### **Sarah Britten: Accounting Officer Senior**

(651) 431- 3753 or [sarah.e.britten@state.mn.us](mailto:sarah.e.britten@state.mn.us)

Fund accountant for Moving Home Minnesota, Consolidated Chemical Dependency Treatment Fund (CCDTF), and manages 1099 process for MMIS providers who receive a paper warrant.

#### **Robyn Hietpas: Fund Accountant for MA and CHIP**

(651) 431-3768 or [robyn.j.hietpas@state.mn.us](mailto:robyn.j.hietpas@state.mn.us)

Fund accountant for Medicaid and CHIP and responsible for submission of CMS 64/21. Also acts as fund accountant for Consumer Support Grant and Alternative Care Program.

**Ermias Kifle: Fund Accountant for MA Administration**

(651) 431-3755 or [ermias.kifle@state.mn.us](mailto:ermias.kifle@state.mn.us)

Fund accountant for Medical Assistance Administration and Health Information Technology and coordinates county invoices and advances.

**Jim Schorey: Accounting Officer Senior**

(651) 431- 3754 or [jim.schorey@state.mn.us](mailto:jim.schorey@state.mn.us)

Develops reporting and structures to support most of the unit operations. Compiles, calculates, and validates the Accounts Payable (IBNR) report to federal and state agencies.

**Shawn Tobias: Economic Support Unit Supervisor**

(651) 431-3727 or [shawn.tobias@state.mn.us](mailto:shawn.tobias@state.mn.us)

Supervises the fiscal policy, operations and staff involved in the fiscal management of Economic Support, Interim Assistance and Child Care programs and systems.

**Cindy Barnier: Economic Support Accounting Technician**

(651) 431-3752 or [cindy.barnier@state.mn.us](mailto:cindy.barnier@state.mn.us)

Performs Interim Assistance Payment Program accounting functions; Complete and submit federal Social Security Administration (SSA) forms; research and resolve client and SSA inquiries; and review, code, and process payments to clients and SSI providers. Responds to requests for copies of redeemed state warrants (includes MAXIS & MEC<sup>2</sup>). Process and report on MAXIS Miscellaneous refunds. Provides additional accounting support for Economic Support Unit.

**Rick Hallanger: MAXIS Operations Accountant**

(651) 431-3756 or [richard.hallanger@state.mn.us](mailto:richard.hallanger@state.mn.us)

Responsible for MAXIS and MEC<sup>2</sup> operations and drawing of federal funding and submission of wire transfers for MAXIS and MEC<sup>2</sup> daily activity in various accounts.

**Matt Hanson: Child Support and SNAP Fiscal Manager**

(651) 431-3747 or [matthew.hanson@state.mn.us](mailto:matthew.hanson@state.mn.us)

Responsible for Child Support and SNAP administrative reimbursement, federal fiscal reporting, and FSET fiscal activities.

**Peter Stahley: TANF and Child Care Fiscal Manager**

(651) 431-3748 or [peter.l.stahley@state.mn.us](mailto:peter.l.stahley@state.mn.us)

Responsible for overall TANF and Child Care activity including preparation of TANF and Child Care federal fiscal reports; Responsible for MAXIS benefit issuance and MAXIS county invoices.

## **David Hanson: Grants & Allocations Unit Supervisor**

(651) 431-3737 or [david.m.hanson@state.mn.us](mailto:david.m.hanson@state.mn.us)

Supervises the fiscal policy, operations, and staff involved with the fiscal management of social service grants and allocations.

### **Deb Jensen: Title IV-E Fiscal Management Analyst**

(651) 431-3740 or [deb.jensen@state.mn.us](mailto:deb.jensen@state.mn.us)

Administers overall Title IV-E accounting and claiming including federal reporting and preparation of the quarterly Title IV-E federal claim. Provides fiscal policy expertise and analytical resources for fiscal management of the federal Title IV-E program.

### **Rhonda Lord: Foster Care Maintenance and Adoption Assistance Accountant**

(651) 431-3787 or [rhonda.lord@state.mn.us](mailto:rhonda.lord@state.mn.us)

Administers the Title IV-E foster care maintenance claiming, auditing, and payment system. Provides accounting support for the Relative Custody Assistance and Subsidized Adoption programs.

### **Phyllis Meath: Community Partnerships Fiscal Manager**

(651) 431-3484 or [phyllis.meath@state.mn.us](mailto:phyllis.meath@state.mn.us)

Administers the Children's Trust Fund, Child Care Quality and Availability grants, Family Support Grant, and DD-SILS.

### **Jerry Medicott: Block Grant and Consolidated Fund Fiscal Manager**

(651) 431-3781 or [gerald.medlicott@state.mn.us](mailto:gerald.medlicott@state.mn.us)

Administers the VCA grant which includes Title XX social service block grant, MFIP Consolidated Fund Support Services, and the ICWA grant.

### **Linda Mueller: Refugee Program Fiscal Manager**

(651) 431-3786 or [linda.mueller@state.mn.us](mailto:linda.mueller@state.mn.us)

Responsible for federal fiscal budgets and reports for the Refugee Programs and county activity and vendor contracts used to administer the Refugee Programs in Minnesota.

### **Lynn Nguyen: Economic Opportunities Grants Fiscal Manager**

(651) 431-3483 or [lynn.t.nguyen@state.mn.us](mailto:lynn.t.nguyen@state.mn.us)

Administers the Community Services Block Grant, Emergency Service Grant Program, Supportive Housing Program, Emergency Assistance Food Program, MN Economic Opportunity Grants, Transitional Housing Program Grants, Community Food and Nutrition, and Emergency Food and Shelter.

**Brad Thomas: Children and Family Service Fiscal Manager**

(651) 431-3759 or [bradley.thomas@state.mn.us](mailto:bradley.thomas@state.mn.us)

Administers Title IV-B Parts 1 and 2, Alternative Response grants, SELF grant, and Family Group Decision Making grant.

**Ray Truelson: Mental Health Grants Fiscal Manager**

(651) 431-3780 or [ray.truelson@state.mn.us](mailto:ray.truelson@state.mn.us)

Administers the Children's Mental Health and Adult Mental Health grants.

**DiAnn Robinson: Time Studies & Rates Unit Supervisor**

(651) 431-3739 or [diann.robinson@state.mn.us](mailto:diann.robinson@state.mn.us)

Supervises the fiscal policy, operations, and staff involved in the fiscal management of division time studies and TCM rate setting activity.

**Heide Moris: County Federal Administrative Reimbursement Specialist**

(651) 431-3774 or [heide.moris@state.mn.us](mailto:heide.moris@state.mn.us)

Project manager for the Income Maintenance Cost Allocation (IMCA) system, the Income Maintenance Random Moment Time Study (IMRMS), the associated cost report (DHS-2550), and the associated federal administrative reimbursement.

**Bridgit Olson: Federal Time Studies Program Accountant**

(651) 431-3800 or [bridgit.olson@state.mn.us](mailto:bridgit.olson@state.mn.us)

Project manager for the following time studies: Social Service Time Study (SSTS), Placing Agencies Time Study (PATS), Group Facilities (GRF), Mental Health Certified Facilities (MHC) projects and their associated federal administrative reimbursement, as well as Targeted Case Management rate setting for child welfare (CW-TCM), mental health (MH-TCM) and vulnerable and developmentally disabled adults (VA/DD).

**Danna Reese: Tribal & Collaborative Reimbursement Specialist**

(651) 431-3785 or [danna.reese@state.mn.us](mailto:danna.reese@state.mn.us)

Project manager for the following time studies: Local Collaborative Time Study (LCTS), Medicaid Administrative Tribal Time Study (MATTS), Social Services Administrative Tribal Time Study (SSATTS) and their associated federal administrative reimbursement.

# Enhanced MA Reimbursement

# Fiscal Analysis

Financial Operations Division  
MN DHS

MACSSA Webinar  
September 11, 2014

# Enhanced MA Reimbursement

## Today's Presenters

Chris Ricker

Health & Human Service Finance Manager

Financial Operations Division

MN Dept. of Human Services

DiAnn Robinson

Supervisor of Time Studies & Rates

Financial Operations Division

MN Dept. of Human Services

# Enhanced MA Reimbursement

## Outline

- Overview of IMCA
- Factors affecting reimbursement
- MA earnings analysis
- County feedback
- Moving forward

# Enhanced MA Reimbursement

## Overview of IMCA

### IMRMS – Income Maintenance Random Moment Study

- *Federally approved* time study designed to capture and document statistically valid sample of county Income Maintenance activity used for claiming FFP
  - Web-based
  - Random moment time study
  - Long-standing federally approved mechanism used to claim federal administrative FFP for county Income Maintenance

# Enhanced MA Reimbursement

## Overview of IMCA

### IMRMS – Income Maintenance Random Moment Study

- *Federally approved* time study designed to capture and document statistically valid sample of county Income Maintenance activity used for claiming FFP
  - Eligibility Workers select programs and activities that best represent what they are doing at the time of a random moment
  - Only valid selections made by IMRMS participants constitute the federally-allowed time study results used for calculation of federal administrative reimbursement

# Enhanced MA Reimbursement

## Overview of IMCA

- IMCA – Income Maintenance Cost Allocation
  - Formerly known as “CACR”
    - (County Administrative Cost Report)
  - Counties report eligible costs quarterly on DHS 2550 – Income Maintenance Quarterly Expense Report

# Enhanced MA Reimbursement

## Overview of IMCA

IMCA allocates costs for a number of programs:

- Child Care
- Child Support
- MA
- MFIP
- Refugee
- SNAP
- TANF
- Other smaller programs

# Enhanced MA Reimbursement

## Factors Affecting Reimbursement

**Your county's MA administrative claim  
is made up of three factors:**

1. Eligible costs from the quarterly 2550
2. Time study results from the IMRMS
3. FFP%

# Enhanced MA Reimbursement

## Overview of IMCA

- Not all MA activity and costs are payable at the enhanced FFP rate of 75%

### 75%

- Core eligibility determination activity by eligibility workers
- Salaries and benefits of those performing eligibility determinations

### 50%

- Other activities of eligibility workers
- Indirect costs

# Enhanced MA Reimbursement

## Factors Affecting Reimbursement

### *Federally Approved* IMCA Reimbursement Formula:

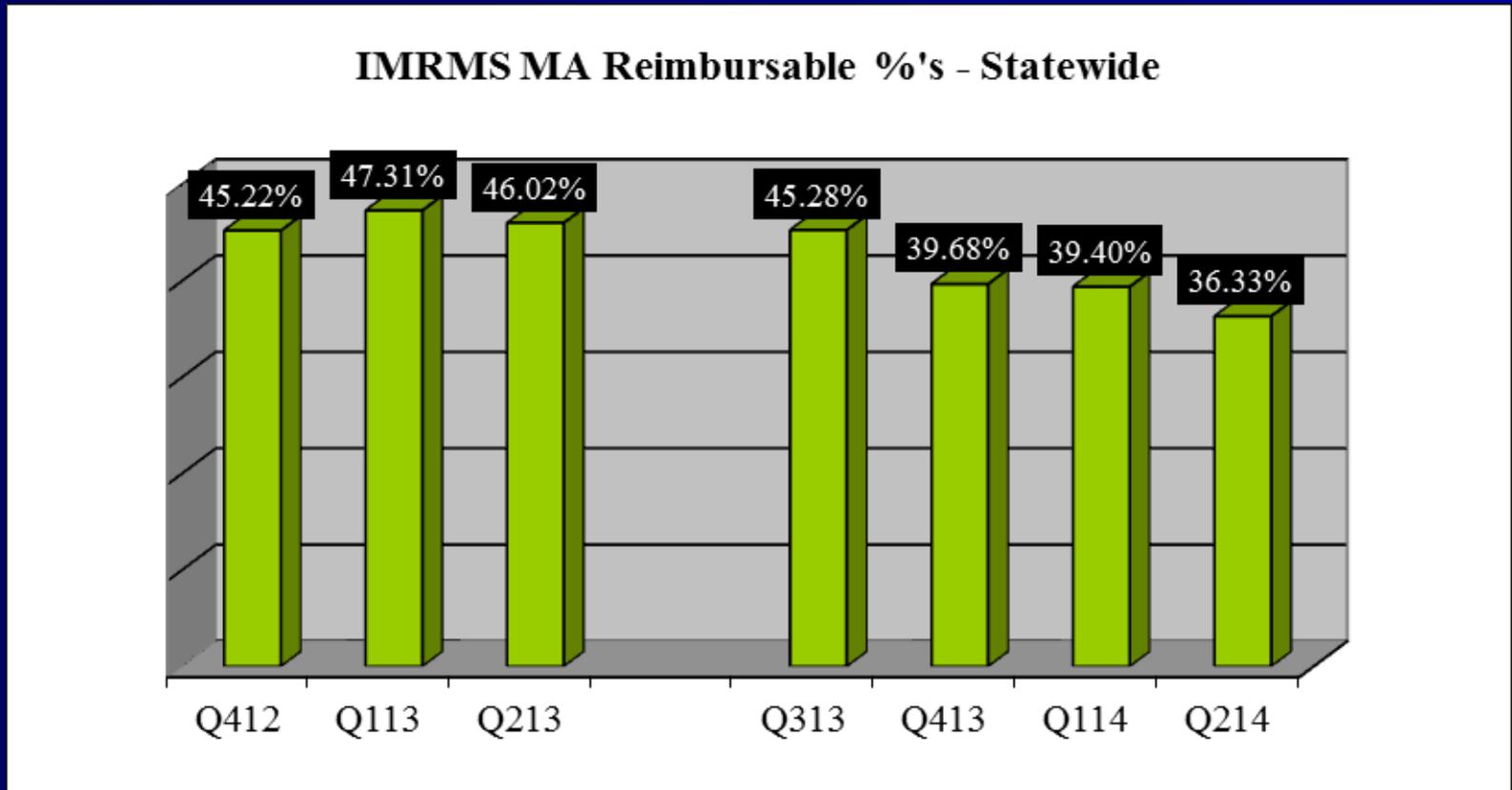
Eligible costs  $\times$  Valid time study %'s  $\times$  FFP %

=

Administrative Earnings

# Enhanced MA Reimbursement

## MA Earnings Analysis

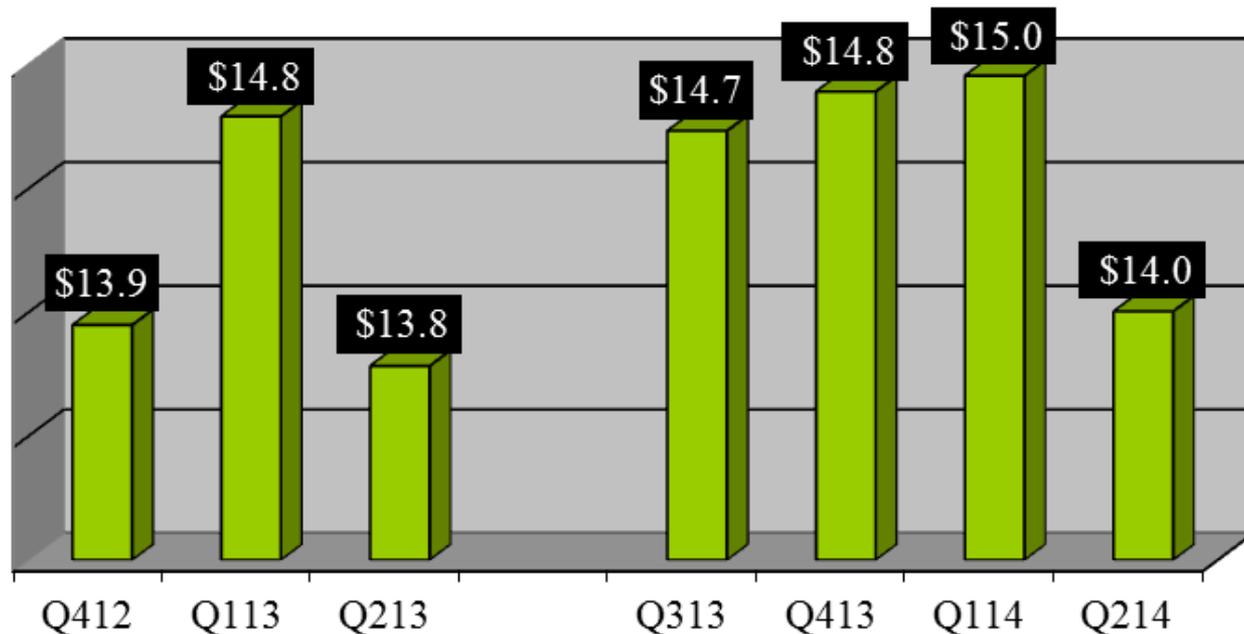


Enhanced MA began Q313 with Operational Readiness Training

# Enhanced MA Reimbursement

## MA Earnings Analysis

IMRMS MA Earnings - Statewide (in Millions)

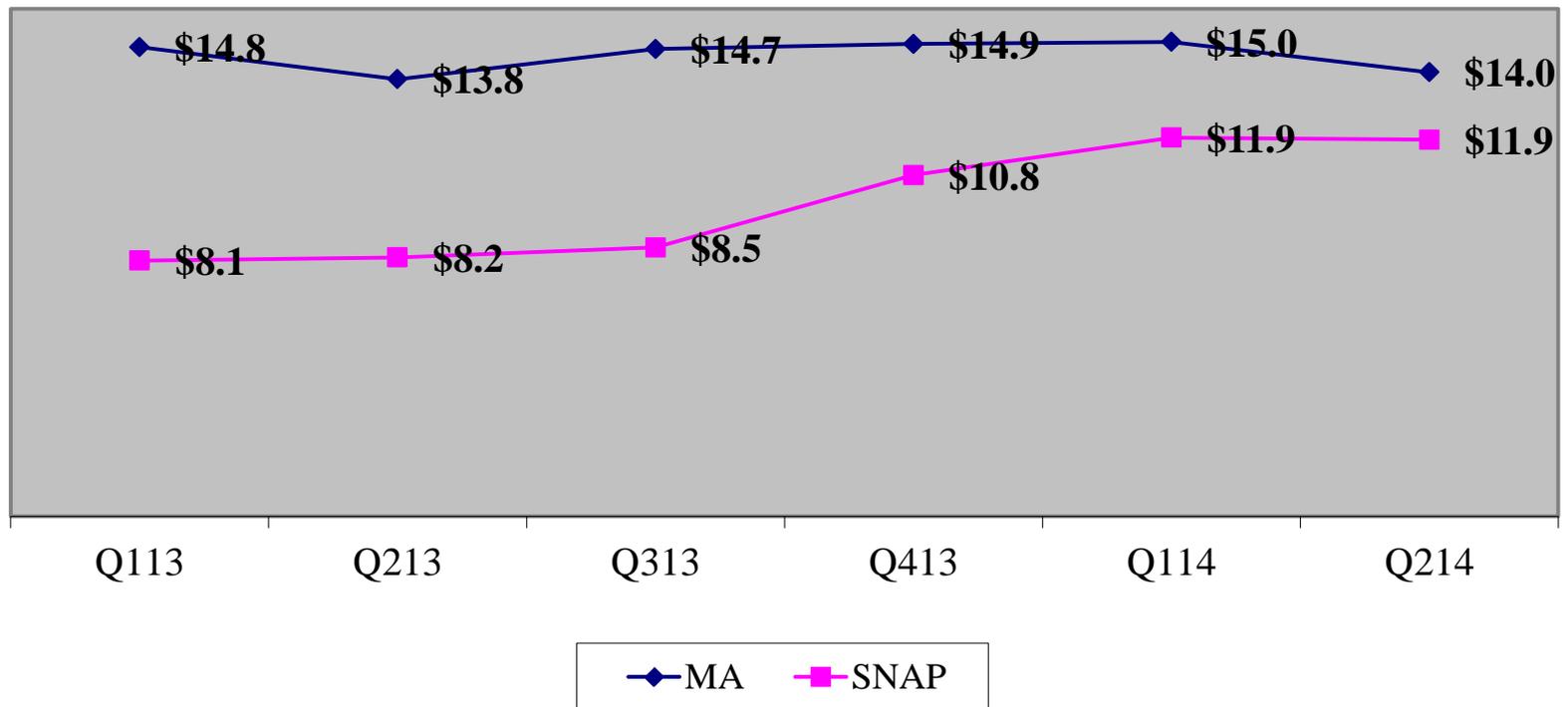


Enhanced MA began Q313 with Operational Readiness Training

# Enhanced MA Reimbursement

## MA Earnings Analysis

MA / SNAP Correlation - (Earnings in Millions)



SNAP is up approximately \$3.5M since Q313

# Enhanced MA Reimbursement

## County Feedback



In an attempt to better understand why MA enhanced earnings have fallen short of county projections, a number of counties were contacted to seek local input on what's behind the trend in time study results that make up the federal claim.

# Enhanced MA Reimbursement

## County Feedback



### MNsure System

“ Technical issues related to MNsure prevented staff from being able to work in the system. There were limitations in what work could be done. Income Maintenance workers were not able to determine eligibility in MNsure. For a time, they really could not do that much. This changed around March 2014 when Open Enrollment was almost over. ”

“ The MNsure system has not been very user friendly, and consequently—there were/are back logs. As a result, health care is taking a back seat right now. ”

# Enhanced MA Reimbursement

## County Feedback



### MNsure System

“ Staff is not as familiar with the MNsure system as they are with MAXIS. ”

“ The state is processing paper applications—not the counties. ”

“ Counties are encouraging clients to apply online. As a result, the healthcare activity at the county is decreasing. ”

“ Counties stop putting applications in MAXIS, and there are no new applications going into MAXIS. ”

# Enhanced MA Reimbursement

## County Feedback



Some of the counties we contacted were not surprised that MA activity has slumped. They are *concerned* – but not surprised due to the feedback they provided.



They also expect that MA activity will decrease as more clients migrate over to CURAM (MNsure system).

# Enhanced MA Reimbursement

## County Feedback



### **Case Banking**

Specialization among eligibility workers in some counties

# Enhanced MA Reimbursement

## County Feedback



### Case Banking

“ Prior to MNsure, eligibility workers selected three programs while doing eligibility determinations: MA / SNAP / TANF --because the MA determinations were “piggy-backed” with SNAP (formerly Food Stamps) and TANF (Cash Assistance). Essentially—everyone did healthcare.

Now with MNsure, workers are specialized. They have an ACA case load and no longer “piggy back” the determinations. As a result, only SNAP / TANF programs are selected by eligibility workers who are not specialized to work with MNsure. ”

# Enhanced MA Reimbursement

## County Feedback



In the absence of *increased* MA activity and a big push in SNAP cases related to the State's high error rate, this explains a corresponding increase in SNAP.



# Enhanced MA Reimbursement

## County Feedback



### **IMRMS Code Selection – Uncertainty / Errors**

Effective 10/1/2013 – new activities were added to the IMRMS. Initial uncertainty with the new activities and errors in activity code selection by the participants has affected reimbursement.

There have been many occurrences of participants selecting an “MA program” and a “non-MA activity”.

# Enhanced MA Reimbursement

## County Feedback



### **IMRMS Code Selection – Uncertainty / Errors**

IMRMS Matrix – this is a one page “at a glance” document that graphically depicts valid vs. invalid combinations of programs and activities.

IMRMS participants have always had the IMRMS matrix available to them to assist with activity code selection – it is included in the participant training materials.

Counties are working with staff to provide re-training.

# Enhanced MA Reimbursement

MOVING FORWARD



# Enhanced MA Reimbursement

## Moving Forward

### DHS Efforts to Assist Counties

1. Two separate communications were sent to all counties notifying them of the high rate of invalid responses
  - October 2013
  - July 2014
2. We are unable to make assumptions about what the IMRMS participants “intended” to select when they chose invalid combinations of programs and activities. “Speculative” time study results are not allowed by the feds – only valid selections by the IMRMS participants.

# Enhanced MA Reimbursement

## Moving Forward

### DHS Efforts to Assist Counties

3. We are working with IT staff to implement changes to the IMRMS that would block invalid combinations.

This is not a step that we are taking lightly. There are federal concerns at stake (e.g. federal perception of DHS guiding a participant's choice). Although we have historically taken a conservative approach on this matter, we have sought outside counsel on the matter and have decided to move forward with the change in an effort to assist counties.

# Enhanced MA Reimbursement

## QUESTIONS