



Informational Packet

Protocol for Gross Adjustments for Providers of Waiver Services with *Cash Flow Concerns*

ODP Communication Number: Packet 102-10

AUDIENCE: All Waiver Providers

PURPOSE: This Office of Developmental Programs (ODP) Informational Packet is intended to remind all providers that gross adjustments (payments) are available to providers who experience significant cash flow issues. In order to obtain a gross adjustment, a provider must complete a specific request form, provide the required documentation, and receive an approval from ODP. This communication explains in more detail the ODP gross adjustment protocol.

The Department of Public Welfare (DPW) understands provider concerns that the transition to a prospective cost based system may result in cash flow issues for some providers. During this transition period, DPW is willing to work with providers who experience cash flow issues, and in some cases, provide a gross adjustment to providers. While DPW is willing to work with providers in these instances, providers must first show a good faith effort toward attempting to use the new payment system prior to receiving any gross adjustment. At present, approximately 93 percent of provider claim submissions have been approved as “clean claims”.

The Department will consider a request for a gross adjustment when a provider encounters a significant cash flow issue that impacts its ability to operate that is related to billing issues, particularly if that issue can impact its ability to pay staff salaries or otherwise compromises the health and safety of Medical Assistance recipients.

After the provider's request is reviewed, a determination will be made whether to provide a gross adjustment for any situation that meets the criteria established by DPW as warranting a gross adjustment. If the gross adjustment request is approved, the payment will be made either by check or Electronic Funds Transaction (EFT). If the provider's 13-digit MPI and service location code have been set up to accept EFT transactions, the payment from the gross adjustment will be sent as an EFT. If no EFT is set up on the provider's 13-digit MPI and service location code, a check will be mailed to the provider. Gross adjustment amounts are reflected on the provider's remittance advice (RA) under “Net Gross Adjustment” which is located on the Summary Page of the RA.

The next page of this communication contains a table titled, ***Protocol for Gross Adjustments When Providers of Waiver Services Experience Cash Flow Concerns***. This protocol was originally included with the 2009-2010 provider rate letters, dated May 08, 2009. The table has two columns. One column contains "Action" steps and the second column contains the "Expected Completion Date" for each "Action" step related to the DPW gross adjustment protocol. The ***Emergency Funding Request Form*** begins on page 4. This form must be completed and signed before it is sent to the appropriate party.

After the ***Emergency Funding Request Form*** is completed and signed, please submit the signed form and required accompanying documentation to the appropriate ODP Regional Program Manager (RPM) or the appropriate ODP Regional Fiscal Officer assigned to your area. The form and documents may be submitted via the United States Postal Service or scanned and e-mailed (with an original signature to follow by mail).

PROTOCOL FOR GROSS ADJUSTMENTS WHEN PROVIDERS OF WAIVER SERVICES EXPERIENCE CASH FLOW CONCERNS

Action	Expected Completion Date
1. A provider experiencing cash flow problems submits an Emergency Funding Request Form to the appropriate ODP regional office.	As soon as the problem is discovered
2. The ODP regional office reviews the request and determines if the problem is: <ol style="list-style-type: none"> a. related to a billing issue; b. impacts the provider’s ability to pay staff salaries or vendors; or c. otherwise affects the health and safety of waiver participants; or d. an unusual circumstance that for other reasons requires intervention. <p>If the billing issue can be resolved quickly at the regional level, regional office will work with the provider to resolve the issue. Situations which cannot be resolved quickly at the regional level will be sent to the ODP Central Office for resolution.</p>	Within 2 business days
3. ODP Central Office reviews the issue to determine whether it meets the criteria for a gross adjustment. ODP will also provide a detailed explanation of any denial. If ODP determines that the request meets the criteria for a gross adjustment, ODP will send a request for a gross adjustment to the Comptroller’s Office and to the Office of Medical Assistance Programs (OMAP).	Within 5 business days
4. OMAP approves and issues remittance advice (RA). <p>Both the credit and the debit for this gross adjustment will be entered into PROMISE™ and reflected on the RA. The debit and credit will be entered for the 13-digit MPI and provider service location code so when the billing issue is resolved the receivable is properly offset.</p>	Within between 5 and 10 business days
5. Payment is made.	Usually within 8 business days of the issuance of the RA.
6. Payment made through a gross adjustment is offset through PROMISE™ against future paid claims once the billing issues, which caused the cash flow issue, have been resolved and future billings are made by the provider.	Within 30 days of payment of the claim absent agreement for a different time period.

INSTRUCTIONS: Please fill in the information requested below so that the Office of Developmental Programs (ODP) may review and process as quickly as possible. In addition to the information below, ODP encourages providers to attach all other information and documentation that you feel is relevant for the Department to make its final determination.

Contact Information	
<i>Provider Agency Name:</i>	
<i>Business Address:</i>	
<i>Provider MPI (9-digits)</i>	
<i>Provider Service Location Code</i>	<i>(ONE CODE ONLY)</i>
<i>Name of Provider Contact:</i>	
<i>Title of Provider Contact:</i>	
<i>Provider Contact Phone Number:</i>	
<i>Provider Contact E-mail:</i>	

Funds Requested	
1. Total amount requested	
2. Date by which funds are requested (mm/dd/yyyy)	

Cash on Hand	
3. As of the date of this request, what is your current cash balance or cash on hand?	
4. What are your total anticipated cash receipts over the next 15 days?	
5. What are your total anticipated cash disbursements over the next 15 days?	
6. Anticipated cash balance = 3+4-5	
7. What was your cash balance during the same period in 2008 and 2009?	
8. What were your total revenues for the past two years?	

Statement of Need	
9.	In addition to checking all boxes that apply below, please include a detailed description of the need for a gross adjustment and the purpose for which funds will be applied.
<input type="checkbox"/>	could affect the health and safety of waiver participants or prevent the provider from fulfilling the requirements of an individual service plan (ISP)
<input type="checkbox"/>	impairs the provider's ability to pay staff salaries or vendors

Statement of Need

- is related to a billing issue
- requires the provider to increase short-term borrowing above historical levels
- is another circumstance that for other reasons requires intervention

Written Narrative Description of Need (use additional sheets as necessary):

Blank area for the written narrative description of need.

Available Lines of Credit for the provider organization as defined by the MPI under "Contact Information"	
Lending Institution Name	Available Credit Amount
13.	\$
14.	\$
15.	\$

Provider Billing Information	
10. Have you submitted and have you been reimbursed for claims through the PROMISE billing system? (Enter Yes or No.)	<input type="checkbox"/> Yes <input type="checkbox"/> No
11. Are you encountering billing difficulties? (Enter Yes, No.)	<input type="checkbox"/> Yes <input type="checkbox"/> No
12. If yes, please explain the difficulties. If no, please enter N/A.	
13. If you are experiencing billing difficulties, please identify the amount of outstanding billings as well as the time period the amount represents.	
14. When was the billing difficulty discovered?	
15. What actions were taken by the provider to resolve these issues?	
16. Most frequent denial/suspension codes	
17. Percentage of claims denied as compared to total claims submitted	
18. Most common claims denial reason	

I certify the information on this form is true and correct; and, these statements are made subject to the penalties of 18 Pa.C.S. §4904 relating to unsworn falsification to authorities.

CEO Printed Name _____

CEO Signature _____ Date _____

CFO Printed Name _____

CFO Signature _____ Date _____