

<b>ADAMHS BOARD FOR MONTGOMERY COUNTY</b>		<b>BP # 206</b>	
<b>TITLE Medicaid Year-End Cost Reconciliation</b>		<b>SUBJECT Fiscal</b>	
		<b>EFFECTIVE DATE</b>	<b>SUPERSEDES DATE</b>
		July 22, 1998	

**PURPOSE**

With the implementation of MACSIS, the Alcohol, Drug Addiction and Mental Health Services Board (ADAMHS) for Montgomery County will be able to adjudicate and pay vendors claims (Medicaid and Non-Medicaid). To facilitate this process, it is necessary to establish guidelines, procedures and policies for vendors' return of funds to ADAMHS that result from Medicaid year-end cost reconciliation.

**POLICY**

It shall be the policy of the ADAMHS Board for Montgomery County to reduce vendors Medicaid payment and Medicaid match in subsequent contract year to satisfy claims resulting from prior year-end cost reconciliation.

**PROCEDURE**

1. Vendors shall use the fiscal year-end audited financial data in calculating their service actual unit cost.
2. ADAMHS Board shall require vendors to perform Medicaid reconciliation during the third quarter of the following contract year.
3. The service actual unit cost shall be multiplied times the actual units of Medicaid services provided to determine the actual Medicaid amount that the vendor earned for the applicable fiscal year.

If the actual earned Medicaid amount is less than the Medicaid reimbursement paid by the ADAMHS Board, the vendor is required to repay ADAMHS for the overpayment (Medicaid amount, and Medicaid match).

4. For those vendors who were overpaid, repayment will be deducted by ADAMHS Board until their obligation has been satisfied.