

Calendar Year (CY) 2018 Children's Long Term Support (CLTS) Reconciliation Common Adjustments

This document covers five main topics related to the completion of the CLTS Reconciliation Packet ([F-00963](#)) and the CY 2018 CLTS Reconciliation process:

- Reconciliation Reports Generated by the CLTS Fiscal Team
- CLTS Reconciliation Packet Coding Error Corrections
- CLTS Reconciliation Packet Expenditures Not Authorized for Waiver Funding (ENAWF)
- Recoupment Process for CLTS ENAWF
- Required Locally Controlled Funding Contributions to the CLTS Waiver Program

Reconciliation Reports Generated by the CLTS Fiscal Team

As part of the CY 2018 reconciliation process, the Wisconsin Department of Health Services (DHS) may provide county staff with one or more lists of CLTS waiver service claims that appear to be unallowable and/or inaccurately reported based on the information available to DHS. These lists are meant to be one tool county waiver agencies (CWAs) can use to identify disallowances and/or service claim data errors.

CWAs that do not receive a list during reconciliation should not assume there are no disallowances or coding errors in their claims data. As always, CWAs should rely on independent monitoring activities of provider claims as DHS lists do not definitively include all disallowances and coding errors.

CLTS Reconciliation Packet Coding Error Corrections

Appendices C, D, and E in the CLTS Reconciliation Packet allow counties to adjust how allowable CLTS Waiver Program services impact their available funding through a series of coding error corrections. Below is a list of common situations that may require a coding error correction.

Incorrect service authorization data

Claims in the CLTS Claims Extract data warehouse use the long-term service (LTS) code and funding source information found on their corresponding service authorization. Once CLTS claims are paid against a given service authorization, DHS cannot change the LTS code or funding source information stored in the data warehouse. Therefore, if a CWA wishes to correct the LTS code or funding source information for a paid CLTS claim, they must use appendices C and/or D of the CLTS Reconciliation Packet to make the adjustment. CLTS claims corrected using the CLTS Reconciliation Packet must continue to use an allowable LTS code and funding source based on CLTS waiver guidelines and the participant's eligibility.

Incorrect CLTS-grandfathered expenditures

Per [Numbered Memo 2016-04](#), CWAs may only use CLTS-grandfathered allocations to pay for the CLTS expenses of a Division of Medicaid Services-maintained list of CLTS participants (the CLTS-grandfathered list). CWAs should review their CLTS service claims for the reconciled year to make sure the CLTS service claims for children on the CLTS-grandfathered list are properly assigned to CLTS-grandfathered allocations using LTS codes F, G, P, X, or Z. Similarly, CWAs must ensure that all CLTS service claims paid using LTS codes F, G, P, X, or Z appropriately belong to children on the CLTS-grandfathered list. If a child's CLTS service claims have used the wrong LTS code, the CWA may use appendices C and D of the CLTS Reconciliation Packet to assign the claims to their proper allocation and target group as a coding error correction.

Missing LTS code information

Occasionally, CLTS service claim data does not include a recognized LTS code. This prevents DHS from associating it with its intended CLTS allocation, target group, and funding source. CLTS service claims paid without an LTS code should be treated as a coding error during reconciliation and can be corrected using the CLTS Reconciliation Packet's appendix E in conjunction with appendices C and/or D. CLTS Reconciliation Packets will be considered incomplete until all paid and allowable CLTS service claims have been properly assigned a target group and funding source.

CLTS Reconciliation Packet Waiver Expenditures Not Authorized for Waiver Funding (ENAWF)

The services and expenses must meet several DHS and Centers for Medicare & Medicaid Services requirements to be eligible for CLTS Waiver Program reimbursement. CLTS service expenditures that have been paid via the CLTS third-party administrator (TPA) but do not meet these CLTS Waiver Program requirements must be reported in the CLTS Reconciliation Packet in appendices C, D, and/or E. Below are some common situations that require ENAWF adjustments.

Medicaid waiver services not eligible for Medicaid waiver funding during inpatient hospital stay

As detailed in [C.R.I.B. Sheet #13-01](#), most Medicaid waiver services are not eligible for Medicaid waiver funding during an inpatient hospital stay. Any instances of these services that have not been corrected in the CLTS TPA data before March 14, 2019, must be entered into the CY 2018 CLTS Reconciliation Packet ([F-00963](#)) as ENAWF using appendix C, D, or E.

Other CLTS service expenses not authorized for waiver funding

CWAs are expected to report all CLTS waiver ENAWF in the annual CLTS Reconciliation Packet; however, due to the wide array of reasons for unauthorized waiver expenditures, DHS is not able to provide an exhaustive list of these unallowable service expenses. CWAs are responsible for monitoring all of their CLTS expenditures and ensuring that any improper payments not resolved before the March 14, 2019, CLTS TPA cutoff date are included as an ENAWF in appendix C, D, or E of the CLTS Reconciliation Packet.

Recoupment Process for CLTS ENAWF

DHS must recoup CLTS expenditures that were paid through the TPA and subsequently identified as ineligible CLTS Waiver Program expenditures during the reconciliation process. The process of recouping ineligible CLTS Waiver Program expenditures differs based on the CLTS allocation used and the circumstances that caused the CLTS expenditure to be ineligible. DHS primarily recoups ineligible CLTS Waiver Program expenditures using the two methods listed below.

Recoupment via CLTS TPA claims adjustments

DHS prefers to recoup ineligible CLTS Waiver Program expenditures through the CLTS TPA's claims adjustment process whenever it is reasonably possible. DHS will send these service expense corrections to the CLTS TPA for recoupment directly from providers once the reconciliation process is completed. CWAs are encouraged to contact any CLTS providers that may experience a recoupment as part of the annual CLTS reconciliation. CWA's should inform the provider about the reasons for the recoupment and work with the provider to maintain a healthy CWA-provider relationship.

Although DHS may not reimburse CWAs or providers for ineligible CLTS Waiver Program expenditures, CWAs may reimburse providers directly using county funds. If CWA fiscal and program staff determine that payment to the provider for ineligible CLTS Waiver Program expenditures is still

warranted because the service was provided in good faith and at the CWA's direction, then the CWA should work with the provider to ensure the provider receives appropriate payment for his or her services. CWAs that opt to reimburse providers for ineligible CLTS Waiver Program expenditures should ensure that said reimbursements utilize an appropriate and allowable county funding source.

Recoupment via Community Aids Reporting System (CARS) cash back adjustments

Due to the various situations that can lead to an ineligible CLTS Waiver Program expenditure, accurate corrections and recoupments are not always possible through the CLTS TPA. Under these circumstances, DHS will use CARS to initiate a recoupment from the CWA using the CLTS cash back CARS profiles.

As part of the CLTS Waiver Program reconciliation process, the CWA's CLTS community aids/tax levy activity (CARS profiles 828, 829, and 921) is moved to the CWA's CLTS basic county allocation profiles (CARS profiles 819, 820, and 918). This is done to prioritize the use of the CWA's BASIC COUNTY ALLOCATION funding before the use of the CWA's community aids/tax levy funding, and it takes CARS profiles 828, 829, and 921 to a zero balance.

This also allows CARS profiles 819, 820, and 921 to be temporarily repurposed during reconciliation for the recoupment of ineligible CLTS Waiver Program expenditures. Ineligible CLTS Waiver Program expenditures that need to be recouped via CARS will be applied to CARS profiles 828 and 829, in accordance with the Federal Medicaid Assistance Percentage (FMAP), at the time of reconciliation. Similarly, the all-funds (AF) value of these ineligible expenditures will be applied as a cash back adjustment to CARS profile 921. The cash back amount in CARS profile 921 will then be withheld from the CWA's next CARS payment in order for the CLTS waiver program to recoup the ineligible expenditures.

Here is a list of the most common sources of ineligible CLTS Waiver Program expenditures and the methods DHS uses to recoup the associated funding:

- **Cost shares** are recouped through adjustments to the CWA's cash back CARS profiles.
- **Federal Insurance Contributions Act (FICA) reimbursements** are recouped through adjustments to the CWA's cash back CARS profiles.
- **CLTS Waiver Program service expenditures paid using a CWA's CLTS-Waiver allocation or paid using local match funding** are recouped through adjustments to the CWA's cash back CARS profiles.
- **CLTS-Grandfathered allocation service expenses that overlap with an inpatient setting:** DHS submits all ineligible CLTS Waiver Program expenditures paid using the CWA's CLTS-Grandfathered allocations for recoupment via the CLTS TPA.

Required Locally Controlled Funding Contributions to the CLTS Waiver Program

Each CWA has a required locally controlled funding contribution to the CLTS waiver program as detailed in [numbered memo 2017-CLTS-2](#). DHS may need to make special CLTS allocation adjustments during the annual CLTS reconciliation process to ensure this requirement is met.

As part of the reconciliation process, DHS determines the CWA's initial CLTS overmatch. The overmatch represents a CWA's local funding obligation to the CLTS waiver program, which counts towards a CWA's required locally controlled funding contribution.

DHS determines the CWA's initial CLTS overmatch by combining the CWA's reconciled basic county allocation match, community aids/tax levy match, and state match CLTS expenditures

(excluding CLTS grandfathered expenditures). The amount by which the nonfederal portion of these expenditures exceeds the CWA's nonfederal CLTS waiver allocation (CARS 871) is the CWA's initial CLTS overmatch. This process also prioritizes the use of CLTS waiver program funding before basic county allocation and community aids/tax levy funding.

If the combination of a CWA's initial CLTS overmatch and nonfederal Children's Community Options Program (CCOP) matched CLTS service expenditures do not satisfy the CWA's required locally controlled funding contribution, then DHS must take additional steps. For the reconciled year only, DHS will reduce the CWA's CARS 871 allocation, thereby increasing the CWA's CLTS overmatch. DHS will not reduce CARS 871 allocations below the CWA's base CLTS waiver allocation and will not reduce the CWA's CARS 871 allocation more than necessary to meet the CWA's required contribution.

The reconciled CLTS overmatch is applied to the CWA's basic county allocation. CWAs may offset the basic county allocation impact of their CLTS overmatch with otherwise unspent CCOP funding as part of the CCOP reconciliation process.

Please contact dhscltsfiscal@wisconsin.gov with any concerns or questions regarding the information provided in this document.



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