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Authorized Signature

Number: SPD-IM-06-012
Issue Date: 1/27/06

Topic: Developmental Disabilities

Subject: Cash Advance Recovery - Begin August 2006

Applies to (check all that apply):

- | | | | |
|-------------------------------------|-------------------------------|-------------------------------------|---|
| <input type="checkbox"/> | All DHS employees | <input checked="" type="checkbox"/> | County Mental Health Directors |
| <input type="checkbox"/> | Area Agencies on Aging | <input type="checkbox"/> | Health Services |
| <input type="checkbox"/> | Children, Adults and Families | <input type="checkbox"/> | Seniors and People with Disabilities |
| <input checked="" type="checkbox"/> | County DD Program Managers | <input checked="" type="checkbox"/> | Other (please specify): all DD eXPRS Service Providers and Counties |

Message: This is to advise you of a change in date for DHS to begin the Cash Advance Recovery in eXPRS. eXPRS will not begin recovery of the previously disbursed Cash Advance until August 2006. See below for details.

Background

Recently you received a DHS Information Memorandum (see [SPD-IM-06-006](#)), indicating there would be a one month delay to begin the Cash Advance Recovery process in eXPRS. It had originally been scheduled to begin in January 2006, and was being postponed until February 2006.

DHS has received a number of requests from counties and providers to further postpone the Cash Advance Recovery process. There are continuing concerns about cash flow problems for providers in this transition year from the former payments in advance, to the current "fee for service" process of eXPRS where payments are made only after services have been provided. DHS is sensitive to the issues associated with this major change.

New Dates for Recovery of Funds

As a result, new dates have been established to begin the Cash Advance Recovery process in eXPRS. The new date to begin the recovery is August 2006.

In August, the first cash advance claims will be voided by eXPRS, creating a Provider Liability Account (PLA). As regular claims are submitted by a provider and processed for payment, the system will check the PLA to see if there is a "balance owing." If there is, eXPRS will not make a payment to the county. It will show on the Remittance Advice that a "recovery," rather than a payment, was made. Providers will be able to track funds "recovered" by eXPRS from the county, on the Remittance Advice as indicated above.

The process of recovering 1/6 of the cash advance will continue each month from August through

December. The final 1/6 amount will not be recovered until May 2007. Counties will have no funds recovered in the months of January 2007, February 2007, March 2007, and April 2007. In May, the last cash advance claim will be reversed in eXPRS, and remaining funds withheld at that time.

Recommendation

DHS must again emphasize to counties, the importance of working to adjust their provider payment schedule closer to the end of the month, to lessen the cash flow burden on the providers. It is hoped that the postponement of the Cash Advance Recovery into August of FY 2006-2007 will provide additional time to achieve this.

Counties that chose not to pass along the cash advance, in whole or in part, to their providers may have unique circumstances related to provider payments. Counties should communicate clearly with their providers about any such differences that will impact payments during the cash advance recovery process.

If you have any questions about this information, contact:

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