Policy: The Missouri Department of Mental Health along with Medicaid is requiring providers to complete variance reporting on a yearly basis. Mid-Missouri Supported Living, LLC will report variances on a yearly basis. A variance form will be used to calculate the number of hours provided to the individual and compared to the number of hours that Mid-Missouri Supported Living, LLC billed for the year.

Comments:

- Variance Reports will be submitted to the appropriate Regional Office Provider Relations no later than January 31, following the year of the variance reporting.
  Example: January 1, 2016 through December 31, 2016 variance reports will be submitted to the Regional Office Provider Relations no later than January 31, 2017.

- Calculating the Variance Report
  - If a staff person works 1:1 with an individual that time frame will count hour for hour.
    Example: if a staff person works 8 hours in a 24-hour period with only one individual, then that time will count as 8 hours.
  - If a staff person works 1:2 (one staff person to two individuals supported) then the time is divided between each individual:
    Example: if a staff person works 8 hours in a 24-hour period and works with two individuals, then 4 hours will be assigned to each individual supported.

- Special Note Regarding Calculating Variance Report Compared to Billing:
  - ISL budgets are based on a staffing pattern and based on 365 days (366 with leap year). There are times when an individual is away from the ISL and the days are not billed (hospital visits, home visits, camp, etc.)
  - When calculating the variance report and comparing them to the year-end total of hours that are to be provided, the number will be determined as follows:
  - Take the total number of hours per month on the ISL budget and multiply it by 12 months. This will give you the total number of hours that can be billed for per year if services were provided. If the individual was not present and the agency did not bill for a certain amount of days for the year, this needs to be subtracted from the total number of hours that can be billed for. For example: if the individual was in the hospital for 10 days during the variance year being calculated, you would take the total number of hours that can be billed for and subtract 10 days' worth of services that were not billed for and not provided.
    Example: If the budget for Joe Doe is 651.79 hours per month you would multiply this by 12 months (651.79 hours x 12 months = 7821.48 hours). John was in the hospital for 10 days so Mid Missouri Supported Living, LLC did not provide services for ten days and Mid Missouri Supported Living, LLC did not bill the State for these ten days. ((7821.48 – 240 hours (10 days x 24 hours) so the total number of hours Mid Missouri Supported Living, LLC should provide proof for would be 7581.48 for the variance report year).

- In the event that services were not provided, and money needs to be returned to the State based on the variance reports, the money should be returned based on the following:
  - 60% of the daily rate goes toward actual employee salaries and benefits. The remaining 40 percent is administrative costs. 60 percent of the daily rate would need to be returned to the State if services were not provided.

Approved by: _____

Robert Palmer, RN, BSN, Owner MMSL