

# Processing Claims & Calculating Blended Rates

## Overview

Minute Menu CX is built to process claims that are ready to be submitted to your state agency. When a claim is processed, the system must do two primary things:

1. Apply all USDA edit checks to submitted meal count, menu, and enrollment data
2. Determine the appropriate meal count & free/reduced/paid participation & attendance totals for the claim so the claim can be submitted to the state agency, and along with that, Minute Menu can calculate the dollar totals associated with those claims.

The edit checks applied when processing a claim per item #1 above are discussed separately, in the **Minute Menu CX Claim Errors** help document. This document focuses on item #2 above – specifically, how f/r/p participation totals are determined and how those affect meal counts and computed claim dollar amounts.

Before we begin, it's important to understand that each state uses its own rules when calculating reimbursement levels. The differences in method between two states are sometimes quite substantial, and as a result, the procedures you follow within Minute Menu when calculating claims can vary quite a bit from state to state. This document is intended to be useful for child care centers in every state. As a result, you may have to skip entire sections of this document that aren't relevant in your state.

## Where To Start: Actuals vs. Blended

State agencies approach meal count calculations in one of two ways:

1. Actuals – Each child has a free/reduced/paid status, and each child is tracked per meal. Totals per child by meal are taken for the month, and so the monthly totals include counts of meals by f/r/p status. (For example: Total Free Breakfasts, Total Reduced Breakfasts, and Total Paid Breakfasts, and repeated for each of the other types of meals served).
2. Blended – Rather than counting each child by day by meal, you just arrive at counts of the total number of meals that are served in a month. (For example: Total Breakfasts, and repeated for each of the other types of meals served). You also have total counts of free/reduced/paid children enrolled and/or participating. A percentage is determined based upon these f/r/p counts of children, and that percentage is then applied to each of the total meal counts in the month.

Minute Menu can be configured to work either way. That configuration choice is generally set automatically when you start using the software initially, but you can always contact the Minute Menu support team when you try to process your first claim to ensure the software is properly configured. The configuration choice is recorded in **Administration >> Manage Policies**, under policy choice F1. Feel free to go to Manage Policies and check your current setting.

## Using Actuals

If you use Actuals, the good news is that Minute Menu is very easy. All you need to do to process claims is go to **Claims >> Process Claims**. Each time an individual claim is processed, the system will tabulate your total f/r/p meal counts examining child data, automatically.

For a detailed list of the edit checks used by Minute Menu when processing your claim, see the **Minute Menu CX Claim Errors** help document.

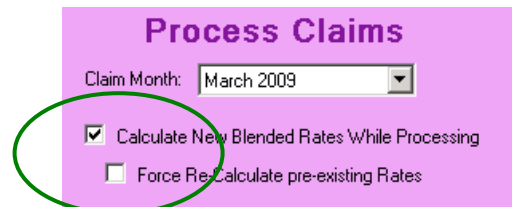
Once you've run the Process Claims function and reviewed your Office Error Reports (OERs), your claims are ready to submit to the state. See the separate help document on **Submitting Claims to the State**. You can ignore the rest of this document.

## Using Blended Rates

Minute Menu will automatically compute blended rates for you. The system can do this when you process claims, or it can do it separately, before claims are processed. How you will use Minute Menu depends on how frequently you choose to calculate rates in your agency.

### Calculating Blended Rates Monthly

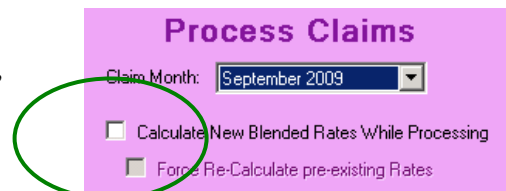
Some agencies are in states that require them to calculate rates each month. If you fall in this category, you will be able to use Process Claims to calculate blended rates each time you process your claims. Be sure to put a check in the Calculate New Blended Rates While Processing box. When re-processing claims, put a check in Force Re-Calculate Pre-Existing Rates if you think any child information has changed and you want Minute Menu to calculate the new rates. (Some agencies have internal controls that allow only certain staff members to re-calculate rates, only when they're certain child info was intentionally changed).



The screenshot shows the 'Process Claims' form. At the top, it says 'Process Claims' in purple. Below that is a 'Claim Month:' label followed by a dropdown menu showing 'March 2009'. Underneath are two checkboxes. The first checkbox, labeled 'Calculate New Blended Rates While Processing', is checked and circled in green. The second checkbox, labeled 'Force Re-Calculate pre-existing Rates', is unchecked.

### Calculating Blended Rates Less Frequently Than Monthly

Some states allow agencies to calculate less frequently than monthly. If you fall in this category, you will want to use the **Claims >> Calculate Blended Rates** function to calculate rates. You will NOT want to calculate rates each time you process claims. As a result, when you use the Process Claims function, be sure the **Calculate New Rates While Processing** box is unchecked.



The screenshot shows the 'Process Claims' form. At the top, it says 'Process Claims' in purple. Below that is a 'Claim Month:' label followed by a dropdown menu showing 'September 2009'. Underneath are two checkboxes. The first checkbox, labeled 'Calculate New Blended Rates While Processing', is unchecked and circled in green. The second checkbox, labeled 'Force Re-Calculate pre-existing Rates', is unchecked.

(Note: For Profit centers must still be verified as being above the 25% threshold each month. This happens automatically when processing claims, even if you don't calculate new blended rates).

## Calculating Blended Rates

**Calculate Blended Claim Rates**

Claim Month: June 2010 ☐ Print Enrollment Rosters Help

☒ Apply New Rates to Existing Claims  
☐ Don't Recalculate Blended Rates

| #                                       | Name            | License | St | Free     | Reduced | Paid   | Month Effective | Paid | Date Determined   |
|---|-----------------|---------|----|----------|---------|--------|-----------------|------|-------------------|
| <input checked="" type="checkbox"/> 123 | Demo Center ABC | Center  | TX | 100.00 % | 0.00 %  | 0.00 % | June, 2010      | -    | 2/1/2011 11:46 AM |

Check All Uncheck All Rate Summary Delete Calculate Close

The Calculate Blended Rates function creates a saved rates level for any individual center in your agency. When you hit the [Calculate] button, it examines every child that is enrolled in the center, effective that month, to determine the appropriate free/reduced/paid blended percentage to apply to that month's claim. The results are displayed on screen. If no rates exist for the current month, it will display the most recent month for which rates do exist.

Historic results are also listed on Manage Center Information on the Oversight tab, when you click the [Show Rates] button (and you can use the Manage Center Information screen to manually edit rates if necessary):

| Free Count | Reduced Count | Paid Count | Claim Month     | License | Free %  | Reduced % | Paid %  | Enrolled |
|------------|---------------|------------|-----------------|---------|---------|-----------|---------|----------|
| 8          | 0             | 3          | March, 2009     | Center  | 72.73 % | 0.00 %    | 27.27 % | 11       |
| 8          | 0             | 3          | February, 2009  | Center  | 72.73 % | 0.00 %    | 27.27 % | 11       |
| 21         | 2             | 4          | October, 2008   | Center  | 77.78 % | 7.41 %    | 14.81 % | 27       |
| 18         | 2             | 2          | September, 2008 | Center  | 81.82 % | 9.09 %    | 9.09 %  | 22       |
| 20         | 2             | 3          | August, 2008    | Center  | 80.00 % | 8.00 %    | 12.00 % | 25       |
| 20         | 2             | 3          | July, 2008      | Center  | 80.00 % | 8.00 %    | 12.00 % | 25       |
| 20         | 2             | 3          | June, 2008      | Center  | 80.00 % | 8.00 %    | 12.00 % | 25       |
| 20         | 2             | 3          | May, 2008       | Center  | 80.00 % | 8.00 %    | 12.00 % | 25       |
| 18         | 2             | 3          | April, 2008     | Center  | 78.26 % | 8.70 %    | 13.04 % | 23       |

Show Claim Rates Add Rate Manually

The rates as calculated using the Calculate Blended Rates function are saved. When a claim is processed, the system will use the most recent available set of rates, and apply those percentages to that month's claim – even if the rates are not for that month. So, if for example you're in a state where you're supposed to recalculate blended rates every October, you would run the Calculate Blended Rates function only once a year, in October. Then every time you Process

Claims, the October rates will be applied to the participation totals for the claim you are processing.

## Child Roster & Blended Rates

The rates as calculated using the Calculate Blended Rates function are always displayed when you print the child roster. In fact, you'll see two different sets of rates on the top of the child roster:

| ENROLLMENT ROSTER: Demo Center (1) |           |           |           |      |                    | Demo Center    |
|------------------------------------|-----------|-----------|-----------|------|--------------------|----------------|
| LICENSE: CenterS                   |           |           |           |      |                    |                |
| Claim Month February 2011          | F: 16     | R: 6      | P: 3      | N: 0 |                    | %(F+R): 88.00% |
| From Roster:                       | F: 64.00% | R: 24.00% | P: 12.00% |      | Roster Count: 25   |                |
| Claim Rates for December 2010      |           |           |           |      |                    |                |
| From Calc Blended Rates:           | F: 66.67% | R: 20.83% | P: 12.50% |      | Enrolled Count: 24 | %(F+R): 87.50% |

The first set of rates, noted as the “From Roster”, provides the counts of free/reduced/paid children as printed on the roster. This reflects the information currently in Minute Menu for the center and for the month in the question.

The second set of rates, noted as “From Calc Blended Rates”, is an exact duplication of the information you see on screen in the Calculate Blended Rates function. It shows what was saved when you last calculated rates.

Notice in this example that the roster uses the month of April 2009, and the blended rates are from March 2009. That is because this agency calculated blended rates less frequently than monthly, and the last time before April they calculated rates was March.

There are different blended percentages for the roster and for the rates. The important thing to note is that when you process a claim for April, the rates as saved for March 2009 will be applied to the participation totals in April. So the Roster offers a comparison of current information vs. the rates that will be applied to the claim.

## Maximizing Your Rates

In some states, you can choose to calculate your rates as often as you like. This means that if your rates are better in, say, November than they were in October, you can use November's rates. If not, you can stick with October's rates. This can add up to be a substantial difference by the end of the fiscal year as center enrollments change over time.

To do this in Minute Menu, you would run the Calculate Blended Rates function each month. When done, click the [Rate Summary] button to get a rate summary report for the new month. If the new month's rate is worse than the prior month, select all the centers and choose [Delete] to delete the rates for the current month. The system will then revert back to the rates that were in effect before you calculated blended rates.



## How Rates Apply to Claims

It's important to note that when rates for one month are applied to a claim for a different month, the system applies those rates to the participated total in the new month. This can give the appearance that the new month's claim rates are slightly different than the prior month's rate, but it's a consequence of changing overall participation counts. To explain by example:

Assume in October that 50 children were enrolled. 20 were free, 10 were reduced, and 20 were paid. This will give you a claim rate moving forward of 40% free, 20% reduced, and 40% paid.

In November, 3 new children started in care. So now, there are 53 children enrolled. If we take October's rate percentages and apply them to the new month, we see the following:

$$\begin{aligned}
 53 \times 40.0\% \text{ free} &= 21.2 \text{ children} \\
 53 \times 20.0\% \text{ reduced} &= 10.6 \text{ children} \\
 53 \times 40.0\% \text{ paid} &= 21.2 \text{ children}
 \end{aligned}$$

Now we can't have part of a child, so we round these numbers to:

21 free children  
 11 reduced children  
 21 paid children

If we then compute percentages for these new totals, we get:

39.6% free  
 20.8% reduced  
 39.6% paid

So the percentages appear to be slightly different. We based the breakdown of free/reduced/paid in the new month on the rates in effect in the old month, but because the count of participation children changed, the math causes the rates to appear slightly different. This won't always happen, but it does happen.

Similarly, sometimes when you're able to re-calculate rates as often as you like, you'll see a slight improvement in rates but the percentage won't be big enough to make a difference in the actual breakdown of free/reduced/paid children. It's helpful to bear this in mind as you use the system to help prevent confusion.

## Who is Counted When Calculating Rates

One of the keys to calculating rates properly is knowing which children are counted when rates are calculated. The list of children counted by the Calculate Blended Rates function is always the same as the list of children you see on the roster (except when dealing with centers that operate an At Risk program). So, if you Calculate Blended Rates and immediately print the child roster, the two will always have identical information. As time passes, though, child information could change. The roster will always reflect current child information, but the rates that are saved will reflect the roster when the rates were last calculated. If you ever see a discrepancy between the two, it's generally because some child information has changed since you last calculated rates.

The specific rules governing which children appear on the roster, and hence which children are counted when calculating blended rates, are quite complex. In some states, you count only claimed children. In others, you can count any children whose enrollment forms cover the month in question. If you go to Administration >> Manage Policies, policy F6 determines this setting. When counting claimed children, you can further limit it to only those children who were actually served a meal, or you can include children who may have been in attendance but were never served a meal in the month. This is governed by policy F6b.

If you're concerned about the accuracy of the blended rate calculation, it's best to contact Minute Menu Support at [cxhelp@minutemenu.com](mailto:cxhelp@minutemenu.com) for assistance.