

Colorado Department of Health Care Policy and Financing

School Health Services Program Reimbursement Training – August 2013





Agenda

- SHS Overview
- Quarterly Cost Reporting
- Annual Cost Reporting
 - Other Direct Medical and TCM Costs
 - Transportation Costs
- MCRCS
- In-Depth Financial Desk Reviews
- Program Reviews
- Corrective Action Plans
- Resources
- Contact Information



SHS Overview

- There are four areas of reimbursement available to Colorado school districts
 - Although districts are not required to participate in all aspects of the program, they must participate in Direct Service claiming

Areas of Reimbursement
Direct Service (DS) Claiming
Targeted Case Management (TCM) Claiming
Specialized Transportation Claiming
Medicaid Administrative Claiming (MAC)

SHS Overview

- Schools provide an array of health-related (medical) services in addition to traditional “educational services” to ensure that students are able to fully participate in the school environment
 - Form the basis of Medicaid Direct Services (DS) Claiming
- Schools also help to coordinate and gain access to health-related (medical) services for eligible students
 - Form the basis of Targeted Case Management (TCM) Claiming



SHS Overview

- Schools provide necessary transportation services to clients to access to Medicaid services performed in the school or at another site in the community
 - Form the basis of Specialized Transportation Claiming

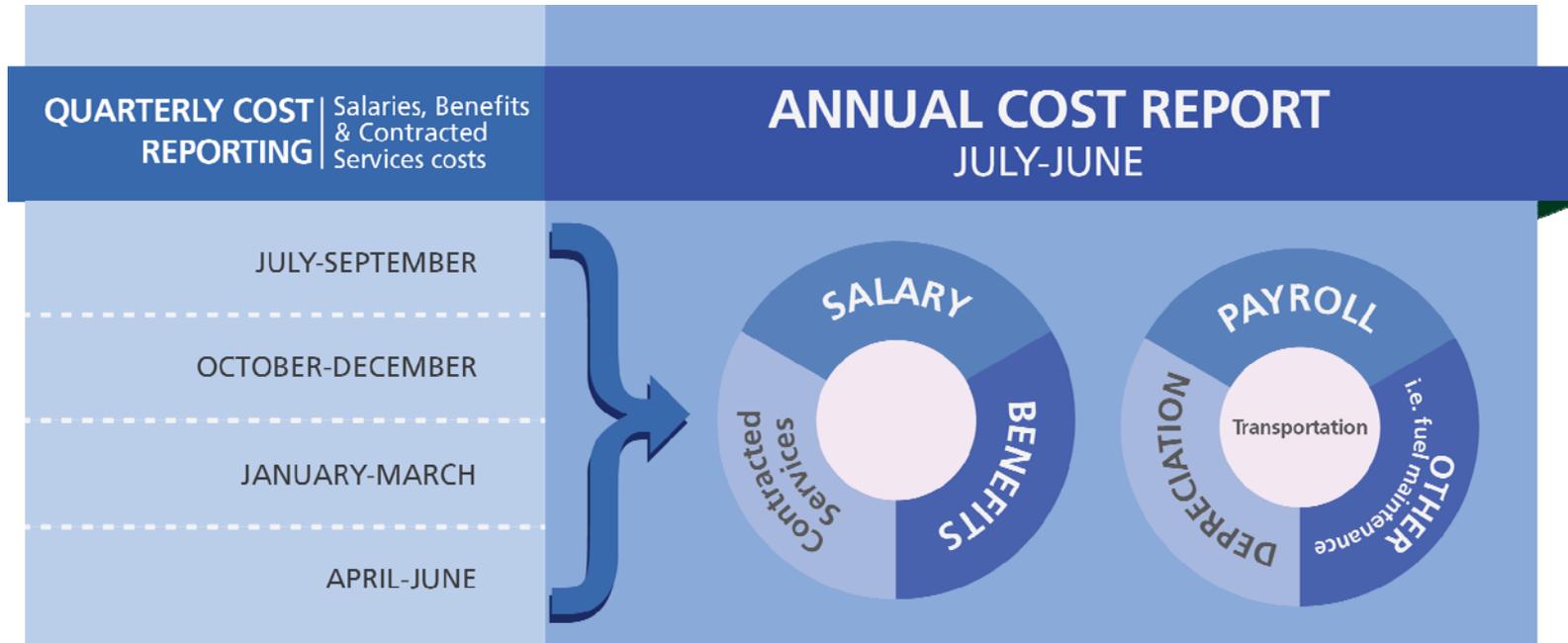


SHS Overview

- Schools assist the state Medicaid agency in informing families about the availability of Medicaid/ EPSDT benefits, in enrolling eligible students and parents into Medicaid, in assisting them in receiving the medical services and supporting administrative and outreach services they require, and in providing medically-necessary services
 - Form the basis of Medicaid Administrative Claiming (MAC)



SHS Overview



Quarterly Cost Reporting

- All districts are required to submit quarterly payroll information for SHS providers
- There are several advantages to this requirement:
 - Quarterly reporting will simplify the annual cost reporting process
 - Payroll data will roll-up into the annual cost report
 - Payroll entries are an important component of cost monitoring for new interim payments
 - Ensures that interim payments will reflect any fluctuations in program expenses



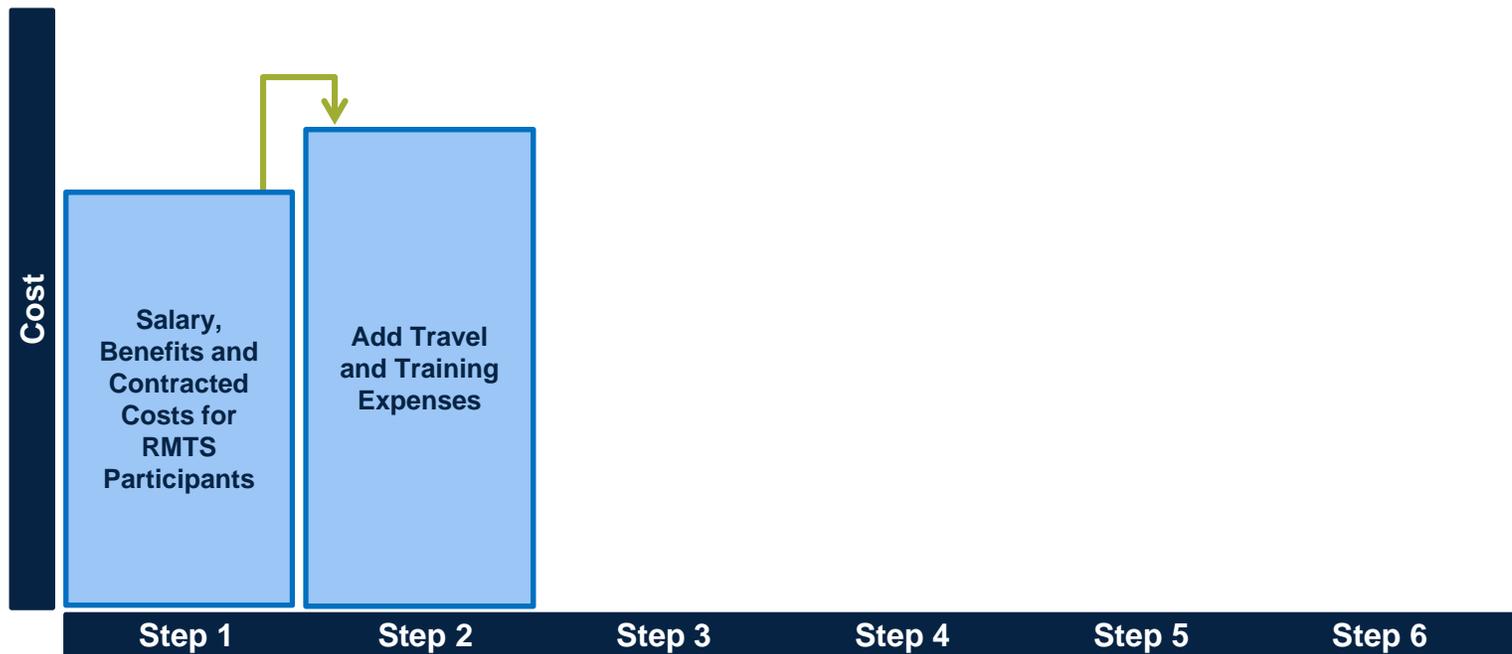
Quarterly Cost Reporting

- MAC claims are calculated on a quarterly basis
 - Based on the state-wide time study results for each cost pool
- District specific information such as accrued costs (e.g. salary and benefits), Medicaid Eligibility Rate (MER), and Unrestricted Indirect Cost Rate (UICR) are applied to the time study results
 - Each cost pool is summarized into one total claim for the district

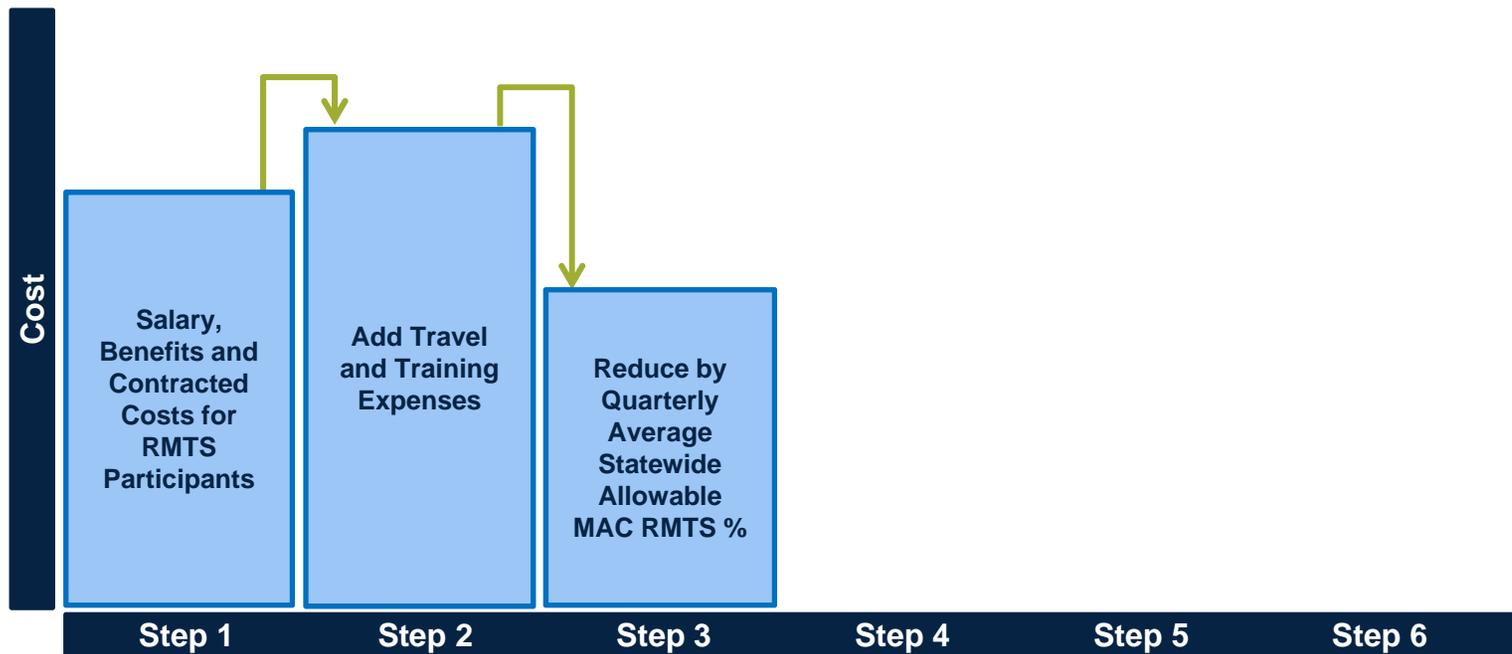
Quarterly Cost Reporting



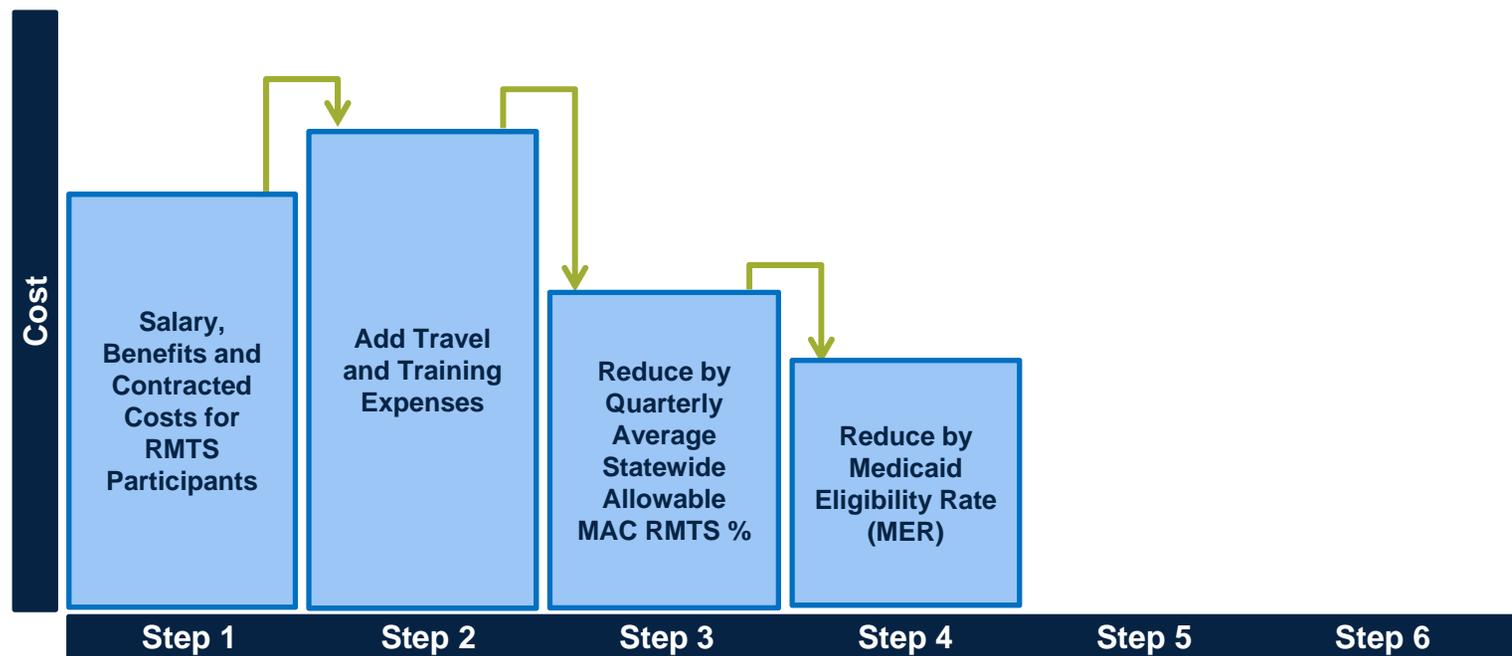
Quarterly Cost Reporting



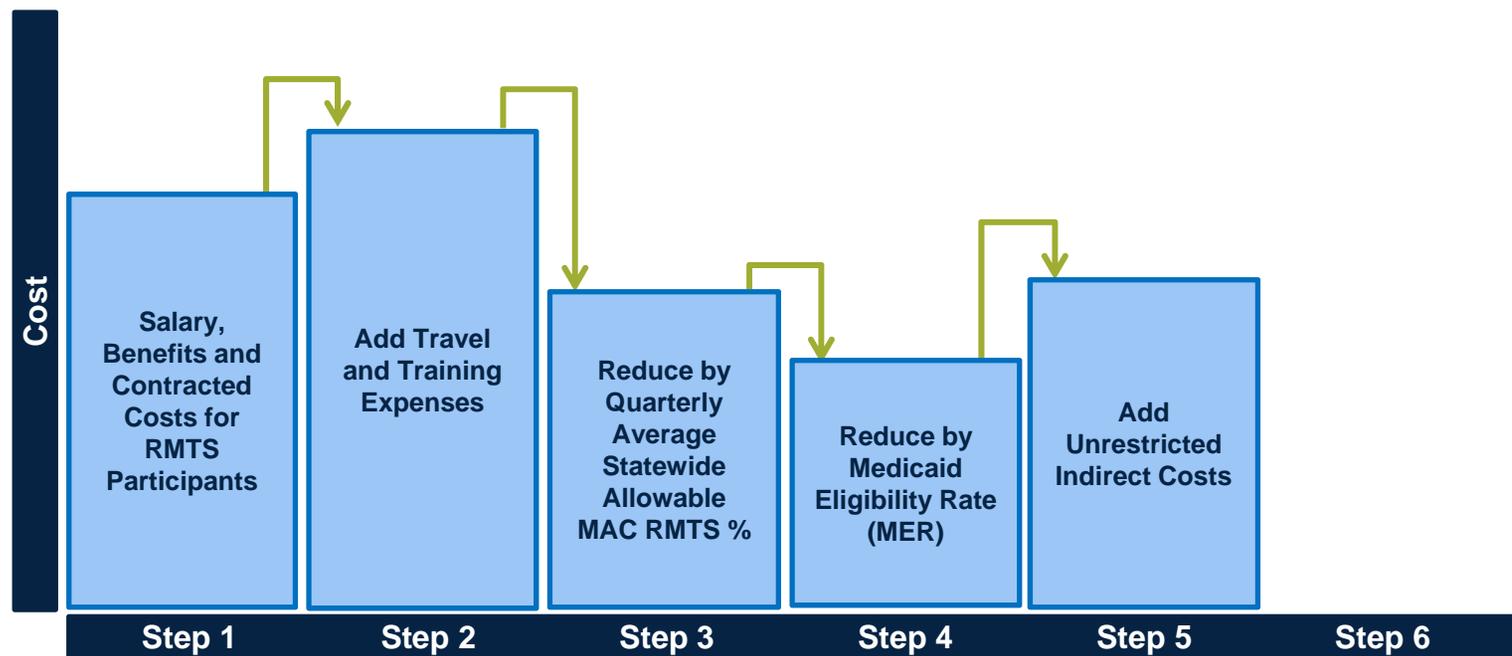
Quarterly Cost Reporting



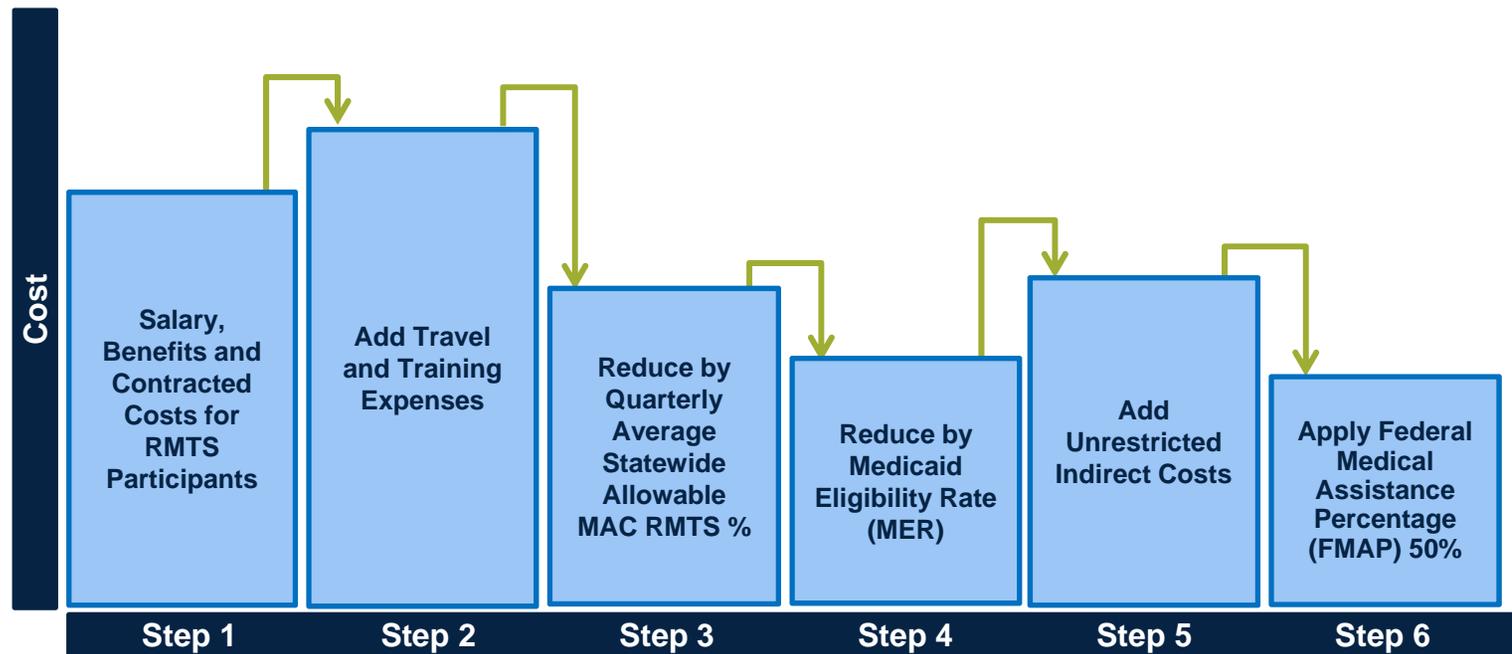
Quarterly Cost Reporting



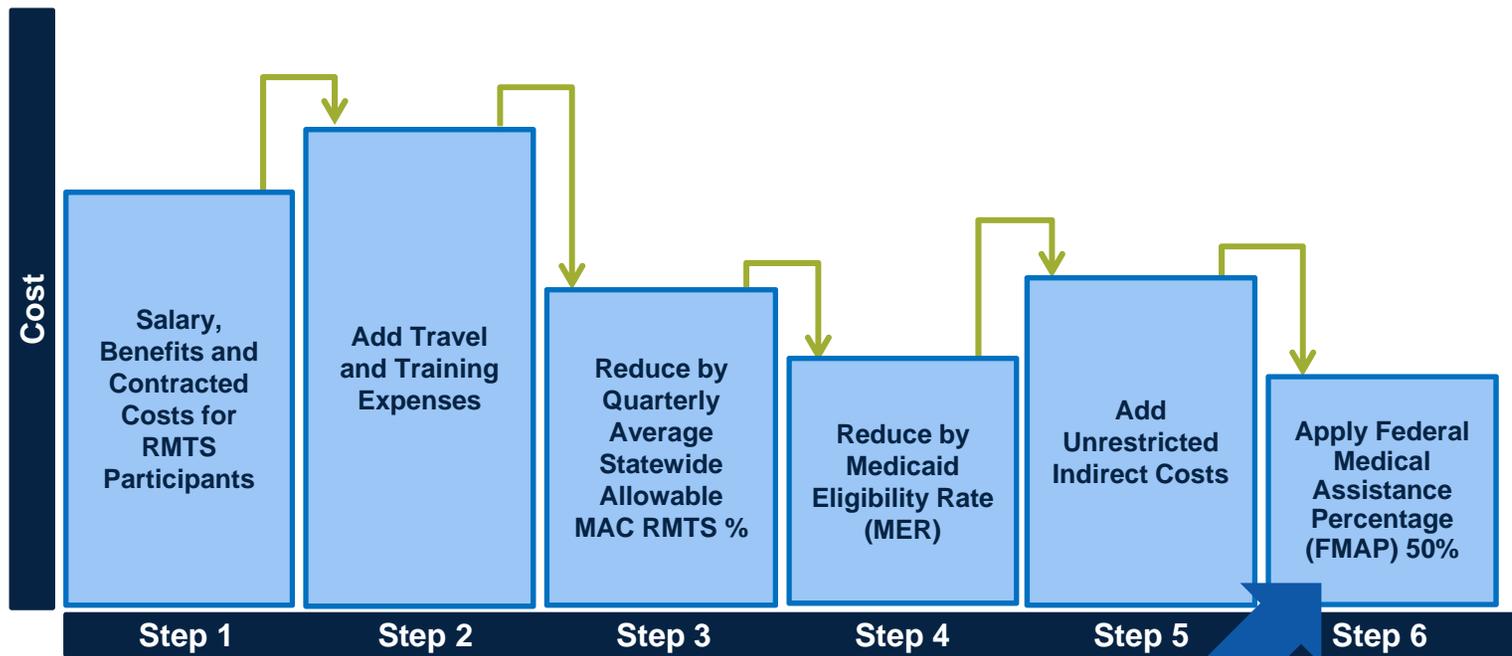
Quarterly Cost Reporting



Quarterly Cost Reporting



Quarterly Cost Reporting



Quarterly Cost Reporting

Year	Gross Claim	Net Claim (50% FFP)	HCPF Admin Fee (10% of Net)	Net District Reimbursement
FY10*	\$2,201,661	\$1,100,831	\$110,083	\$990,747
FY11	\$3,282,302	\$1,641,151	\$164,115	\$1,477,036
FY12	\$3,824,482	\$1,912,241	\$191,224	\$1,721,017
FY13**	\$2,992,307	\$1,496,153	\$149,615	\$1,346,539
TOTAL	\$12,300,752	\$6,150,376	\$615,037	\$5,535,339

*Includes OD09, JM10 and AJ10

**Excludes AJ13



Quarterly Cost Reporting

- Quarterly Financial Compliance Reviews
 - Participation in the SHS program requires districts be subject to a periodic quarterly financial review at least once every three years to determine whether the district is maintaining all the necessary financial records to support reported costs
 - If during the review it is identified that costs were under or over reported the district will be allowed to make the necessary corrections to their quarterly financials
 - Each quarter, two large districts and three small districts will be reviewed
 - Large districts include those with greater than 100 participants
 - 6 participants' salaries and benefits will be reviewed
 - Small districts include those with less than 100 participants
 - 3 participants' salaries and benefits will be reviewed



Quarterly Cost Reporting

- PCG will conduct an engagement call with selected districts two weeks prior to the Quarterly Financial Compliance Review
 - Confirmation letter will follow along with a list of participants being reviewed
 - All requested documentation must be submitted to PCG within nine business days from the date of the confirmation letter
- Financial Documentation
 - System generated reports that display salaries and benefits for full/part time employees
 - Invoices for contracted staff
 - The salary and benefit documentation, as well as contracted staff invoices should display the full account codes, and clearly identify each participant's name as it exists on the roster
 - Copy of the latest financial audit from your CPA firm

Exercise

Quarterly Cost Reporting Calculation

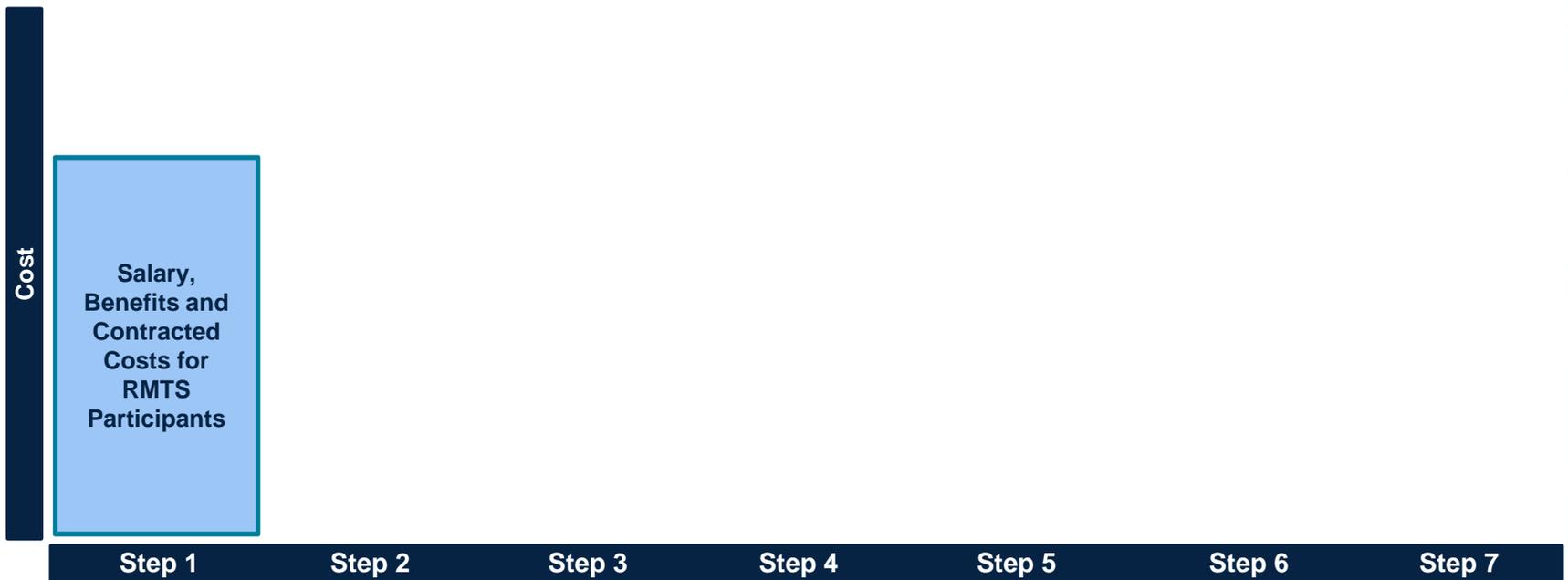


Annual Cost Reporting

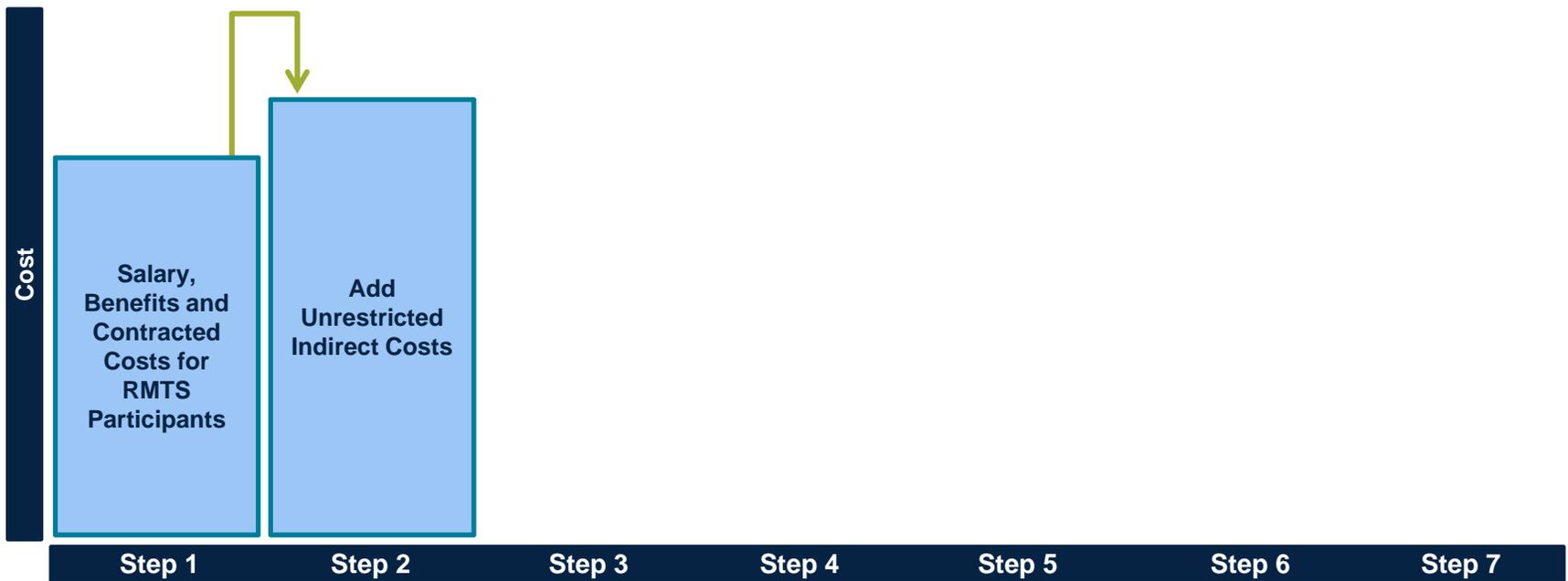
- Reimbursement for DS, TCM, and specialized transportation is cost-based
- What does cost-based mean?
 - The annual cost report is designed to determine a district specific cost associated with providing DS, TCM, and specialized transportation services to Medicaid-eligible IEP or IFSP students
 - The RMTS percentage is used to calculate the reimbursement amounts for all categories of reimbursement
- Certified Public Expenditure (CPE)
 - The cost report calculates a district specific Certified Public Expenditure (CPE) amount
 - CPE amount is the total allowable cost that a district incurred providing DS, TCM, and specialized transportation



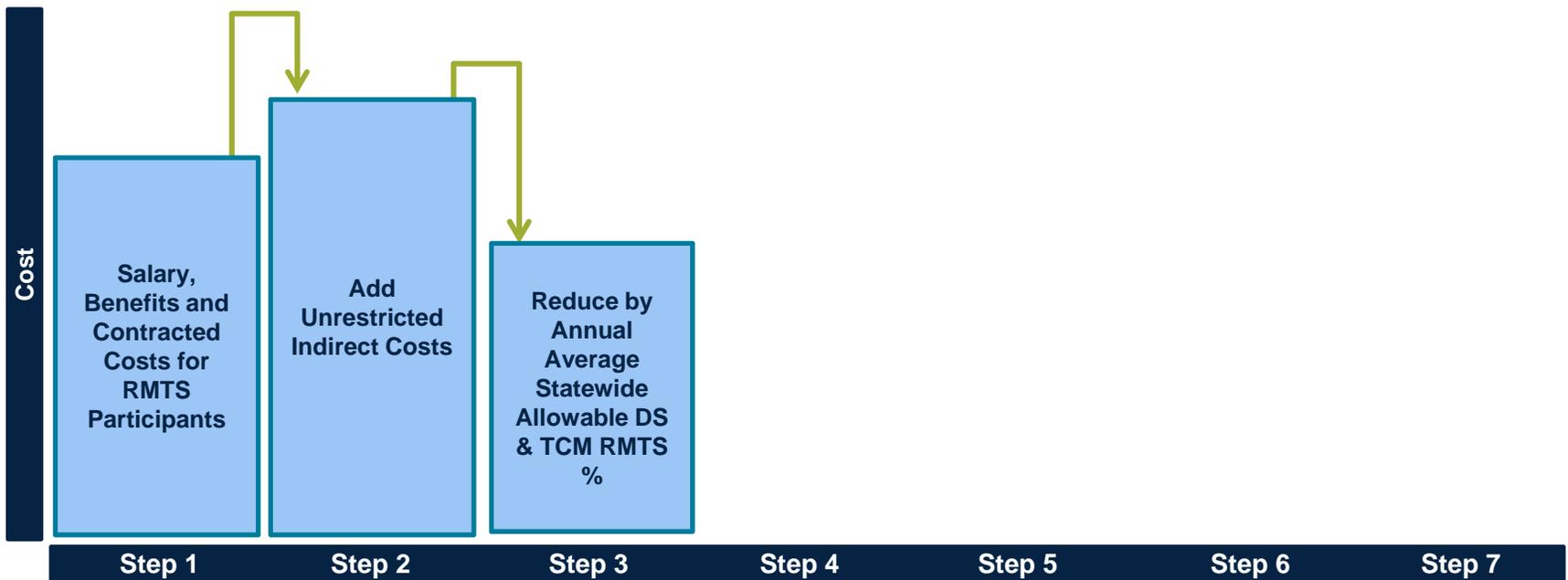
Annual Cost Reporting



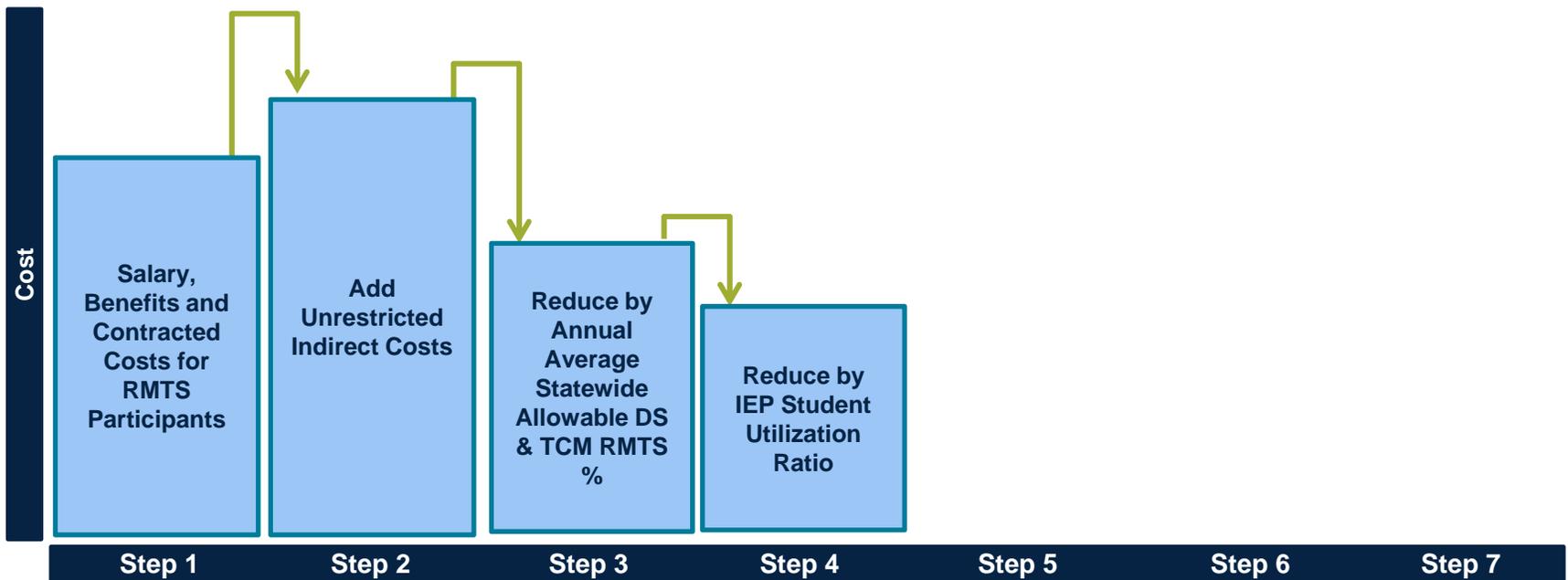
Annual Cost Reporting



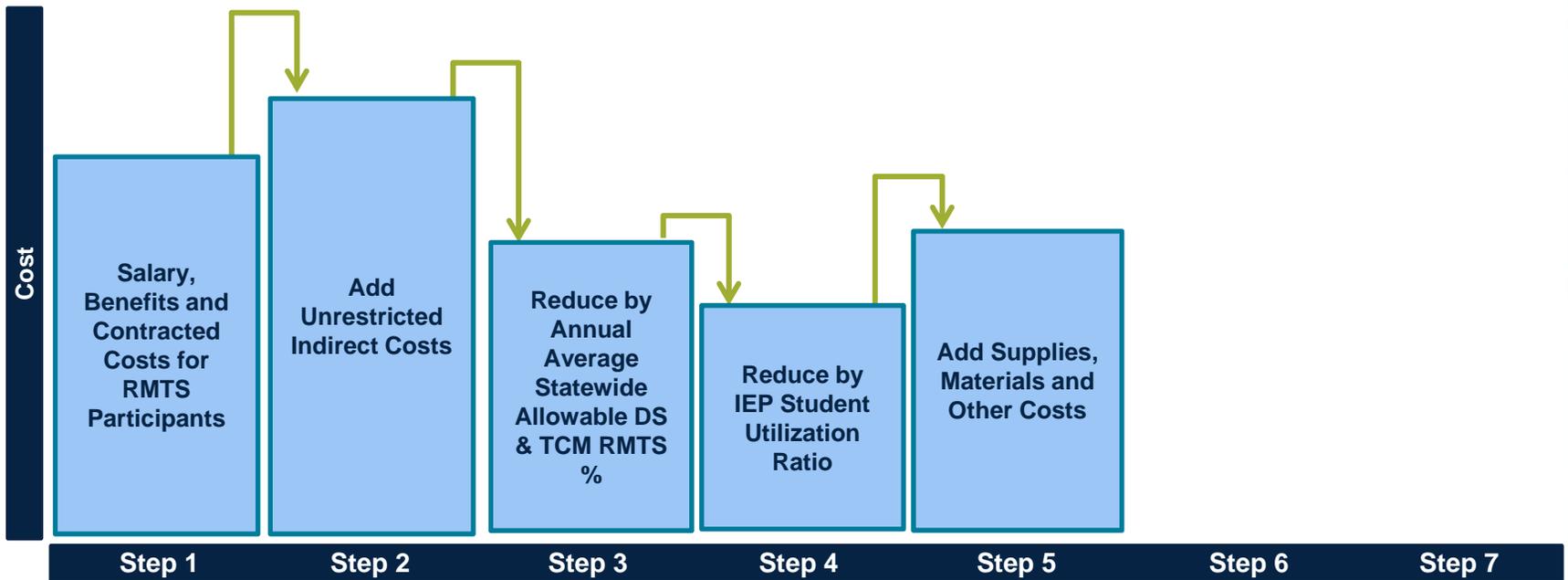
Annual Cost Reporting



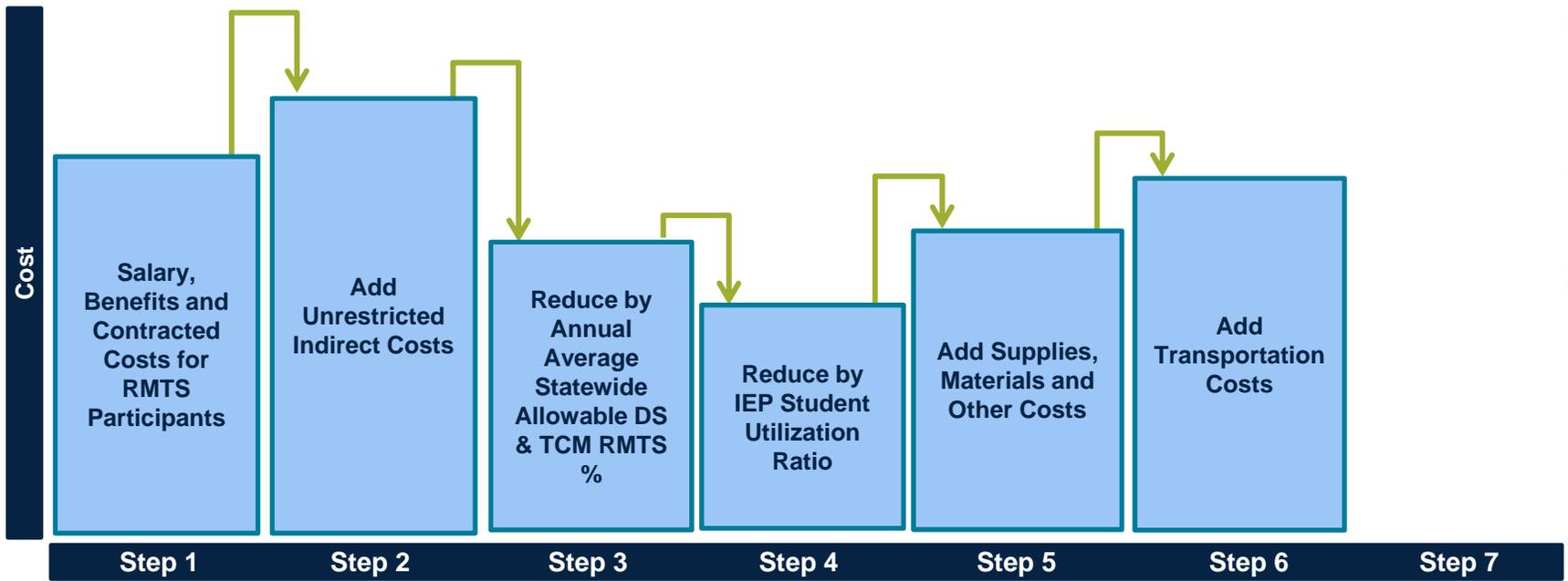
Annual Cost Reporting



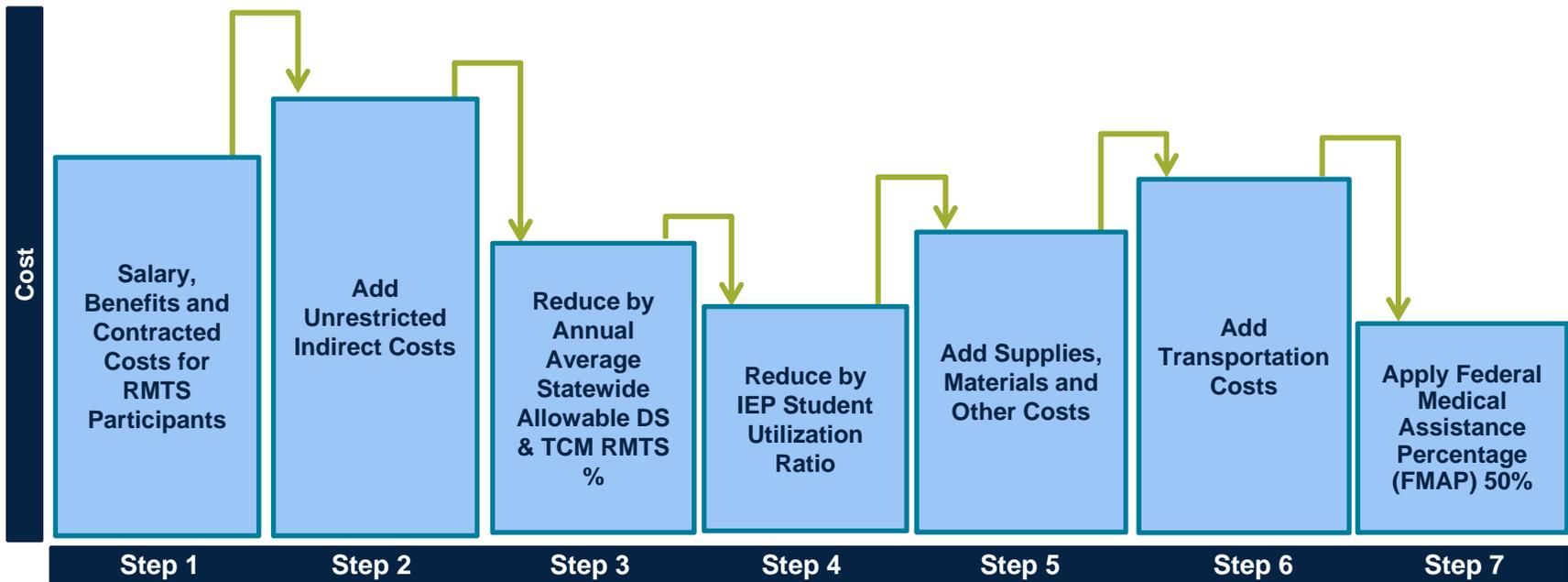
Annual Cost Reporting



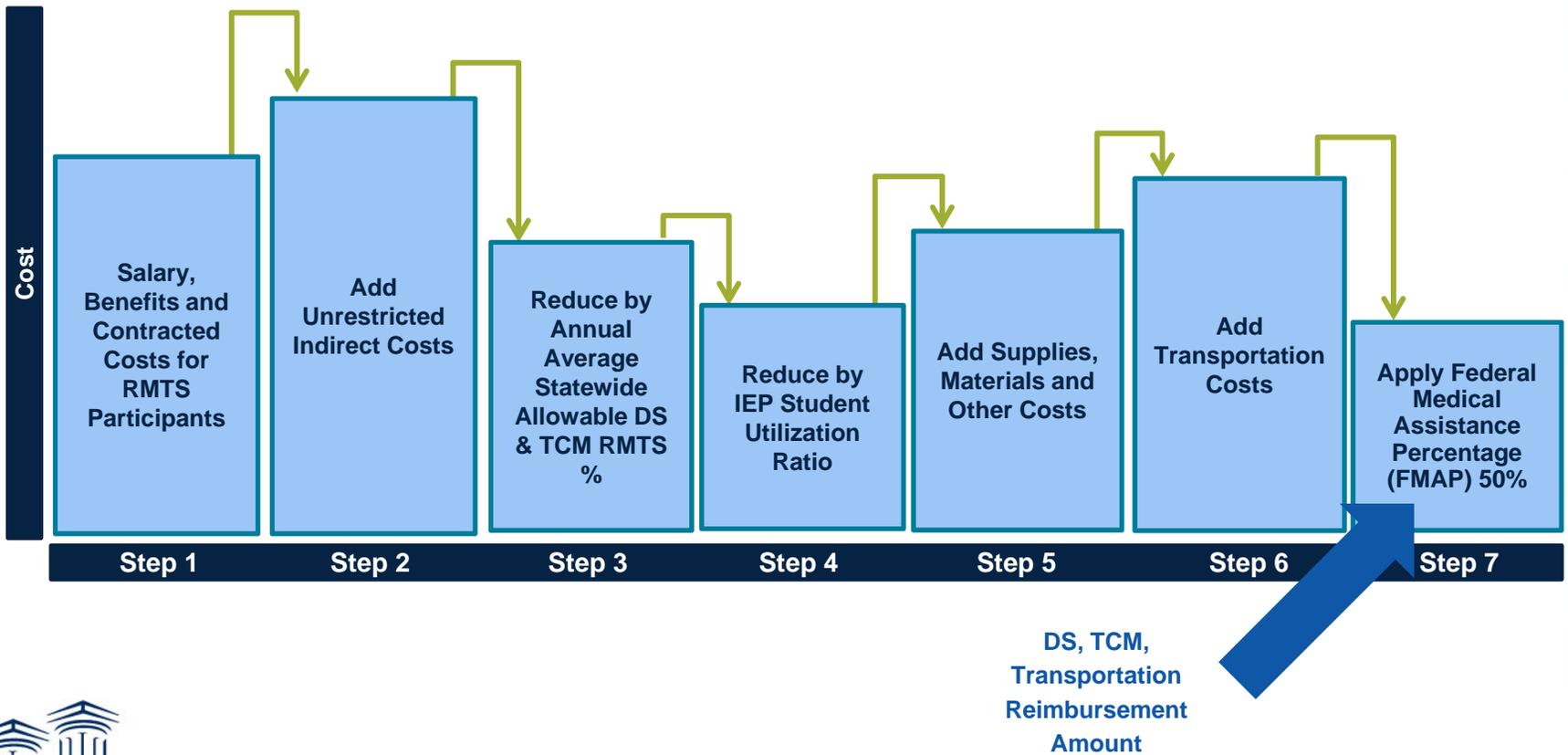
Annual Cost Reporting



Annual Cost Reporting



Annual Cost Reporting



Exercise

Annual Cost Reporting

Certified Public Expenditure (CPE) and Cost Settlement
Calculation: Part I



Annual Cost Reporting - Other Direct Medical and TCM Costs

- School districts can include allowable non-personnel medically-related costs in the cost report
 - These costs cannot be related to educational activities
- According to the cost reporting instructions:
 - “School districts/BOCES may include costs for medically-related purchased services, supplies and materials that were incurred in support of direct medical and or TCM services”

Annual Cost Reporting - Other Direct Medical and TCM Costs

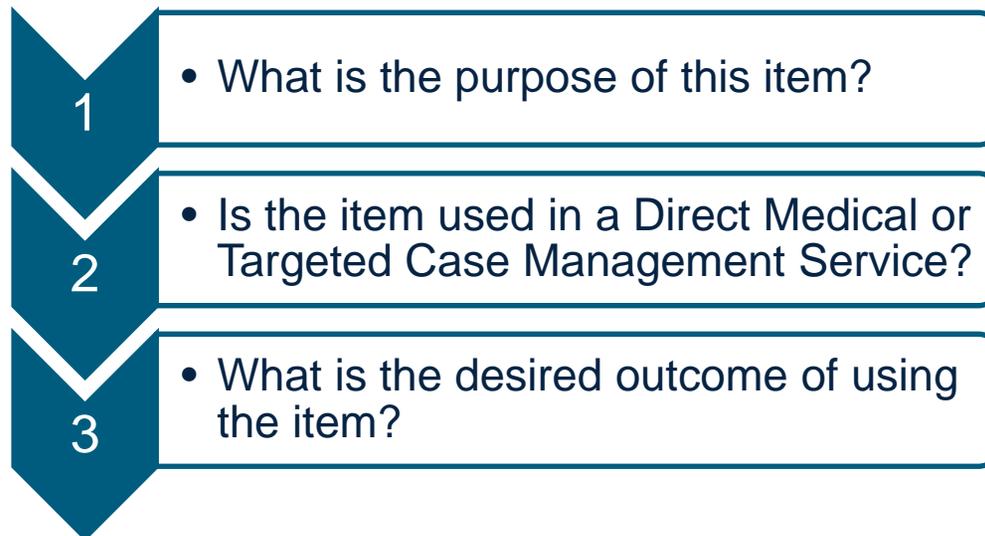
- From school district/ BOCES Chart of Accounts
 - Allowable medically-related costs may be found in the following program and object code:

Cost Category	Program Code	Object Code
Direct Medical Supplies, Materials, and Other Costs	1700 – Special Education	0300 – Purchased Professional and Technical Services
Contracted Medical Services	2100 – Support Services: Students	0500 – Other Purchased Services
		0600 – Supplies
Direct Medical Equipment	2100 – Support Services: Students	0700 - Property



Annual Cost Reporting - Other Direct Medical and TCM Costs

- Before reporting costs for an specific item, please ask the following questions:



- If these questions can not be answered, the cost for an item should not be included
- May need to change accounting practices and/or procurement process in order to include other costs

Annual Cost Reporting - Other Direct Medical and TCM Costs

- Examples of Allowable Other Direct Medical and TCM Costs
 - Mileage Reimbursement for Direct Service/TCM providers
 - Supplies for Physical Therapy
 - Speech/Language Therapy Materials
 - Technology Devices (e.g., switches, computers, word processors, smart boards)
 - Personal Care Services supplies/materials (e.g., equipment and supplies required for adaptive physical education classes or for life skills classes)
 - Positioning Equipment (e.g., wedges, bolsters, standers, adapted seating, exercise mats)
 - Software and hardware dedicated to the provision of direct medical services for clinical evaluation and instructional software

Annual Cost Reporting - Other Direct Medical and TCM Costs

- Examples of Non-Allowable Other Direct Medical and TCM Costs
 - Costs associated with Contracted Workers
 - Billing Agent Fees
 - Medical Gloves*
 - General Medical/First Aid
 - Temporal thermometers
 - Lunch for Medicaid-IEP Students
 - Travel Fees for Special Education Department
 - Educational Materials
 - Adaptive Pens
 - Clinical Instruction Materials*

**Some materials and other costs are not easily categorized as allowable or unallowable. Consult with PCG or the Department for further clarification.*

Exercise

Annual Cost Reporting - Other Direct Medical and TCM Costs

Annual Cost Reporting - Transportation Costs

- Participating districts can receive federal reimbursement for Specialized Transportation services
- What is Specialized Transportation?
- Specialized Transportation services shall:
 1. Be required on the student's IEP or IFSP
 2. Be provided on the same date of a Medicaid allowable service, required by the student's IEP or IFSP, is received and billable to Medicaid
 3. Be on a specially adapted school bus to and from a student's place of residence and the school or the site of a Medicaid allowable service, if it is not provided in the school setting

Annual Cost Reporting - Transportation Costs

- Specialized Transportation services shall:
 4. Not be covered on a regular school bus unless an aide for the transported student(s) is present and is required by the student's IEP or IFSP
 5. Be documented in a transportation log
 6. Include services provided by direct service personnel, such as bus drivers and aides, employed or contracted by the school district

Annual Cost Reporting - Transportation Costs

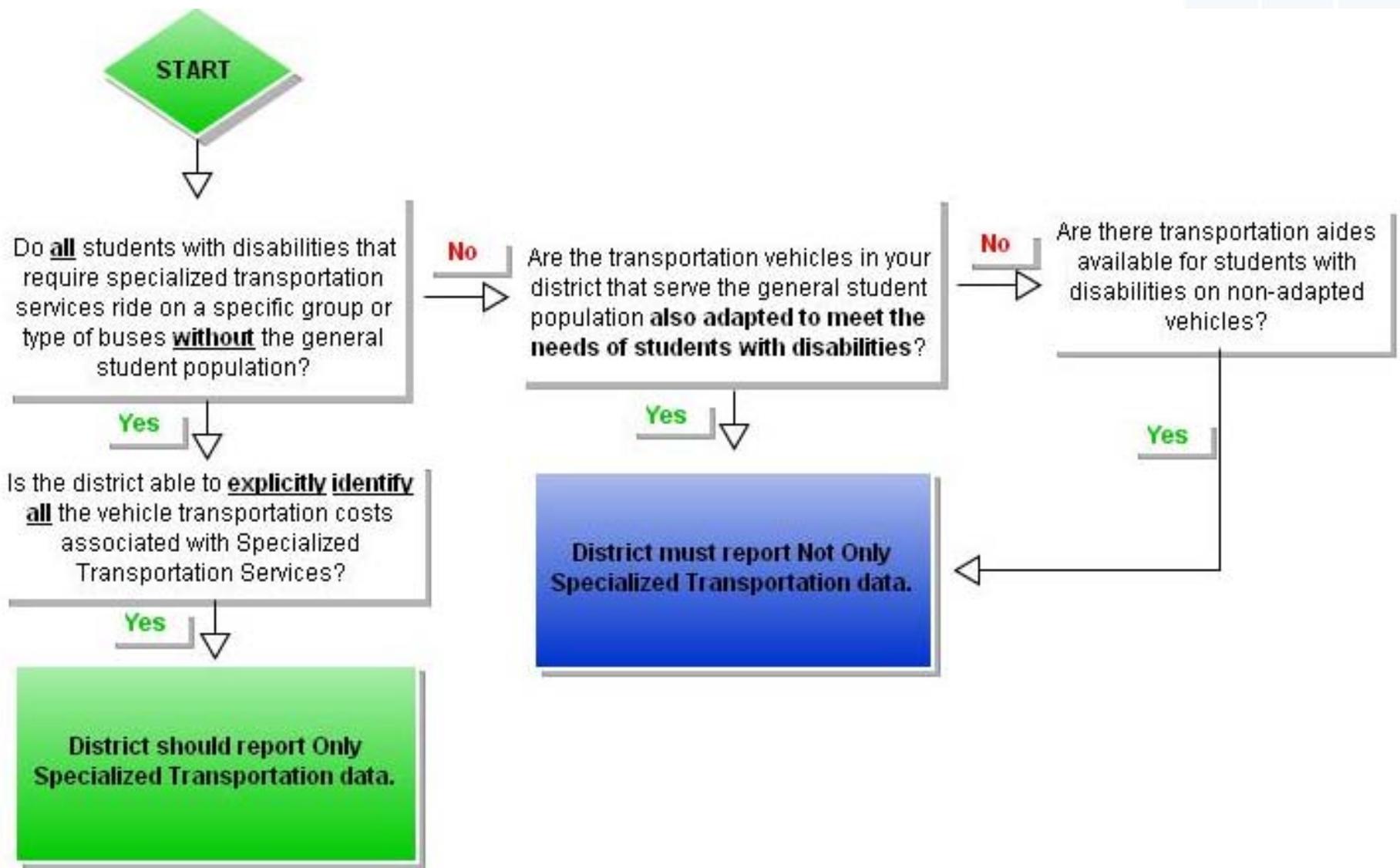
- How are Medicaid allowable Specialized Transportation costs calculated?
 - As reported annually through the Medicaid Cost Report
 - Two main components:
 1. Eligible transportation costs
 2. Relevant transportation ratios

Annual Cost Reporting - Transportation Costs

- How are Medicaid allowable Specialized Transportation costs calculated?
- Key Questions
 - Do **all** students with disabilities that require specialized transportation services ride on a specific group or type of buses **without** the general student population?
 - Is the district able to **explicitly identify all** the vehicle transportation costs associated with Specialized Transportation Services?
 - Are the transportation vehicles in your district that serve the general student population **also adapted to meet the needs of students with disabilities**?
 - Are there transportation aides available for students with disabilities on non-adapted vehicles?



- Please review the following slide



Annual Cost Reporting - Transportation Costs

- **District should report Only Specialized Transportation data**
- District needs to report:
 - Specialized Transportation Payroll
 - Specialized Transportation Other Costs
 - Fuel/oil costs
 - Maintenance and repairs costs
 - Contracted services and equipment costs
 - Insurance costs
 - Lease/rental costs
 - Specialized Transportation Equipment Depreciation
 - Total IEP Students One-Way Trips

Annual Cost Reporting - Transportation Costs

- **District must report Not Only Specialized Transportation data**
- District needs to report:
 - Total Transportation Payroll
 - Total Transportation Other Costs
 - Fuel/oil costs
 - Maintenance and repairs costs
 - Contracted services and equipment costs
 - Insurance costs
 - Lease/rental costs
 - Total Transportation Equipment Depreciation
 - Total IEP Students One-Way Trips
 - Total IEP Students Receiving Transportation
 - Total Students in District Receiving Transportation



Annual Cost Reporting - Transportation Costs

- Calculating Transportation CPE when reporting Only Specialized Transportation

Total Eligible Only Specialized Transportation Costs

Apply Ratio #1:

$$\frac{\text{Total Allowable Medicaid One-Way Trips}}{\text{Total IEP Students One-Way Trips}}$$

Transportation CPE

Annual Cost Reporting - Transportation Costs

- Calculating Transportation CPE when reporting Not Only Specialized Transportation

Total Eligible Not Only Specialized Transportation Costs

Apply Ratio #2:

Total IEP Students Receiving Transportation
Total Students Receiving Transportation

Apply Ratio #1:

Total Allowable Medicaid One-Way Trips
Total IEP Students One-Way Trips

Transportation CPE

Annual Cost Reporting - Transportation Costs

- Refer to the “Guide for School Health Services Program Specialized Transportation Reimbursement” for more information

Exercise

Annual Cost Reporting - Transportation Cost Determination



Annual Cost Reporting

- Participating districts are required to bill for DS or TCM services provided to Medicaid students
 - Participating districts must follow proper billing instructions as outlined in the Colorado Medical Assistance Provider Billing Manual
- Districts will receive payments on a monthly basis based off their total cost identified in the approved or estimated cost report CPEs from up to three fiscal years prior
 - Example: For fiscal year 2013 – 14, the interim payment was based off of fiscal years 2010 – 11, 2011 – 12, and 2012 – 13 CPE estimates
- The total costs for each district will be divided by twelve and each district will receive the same federal portion of costs each month

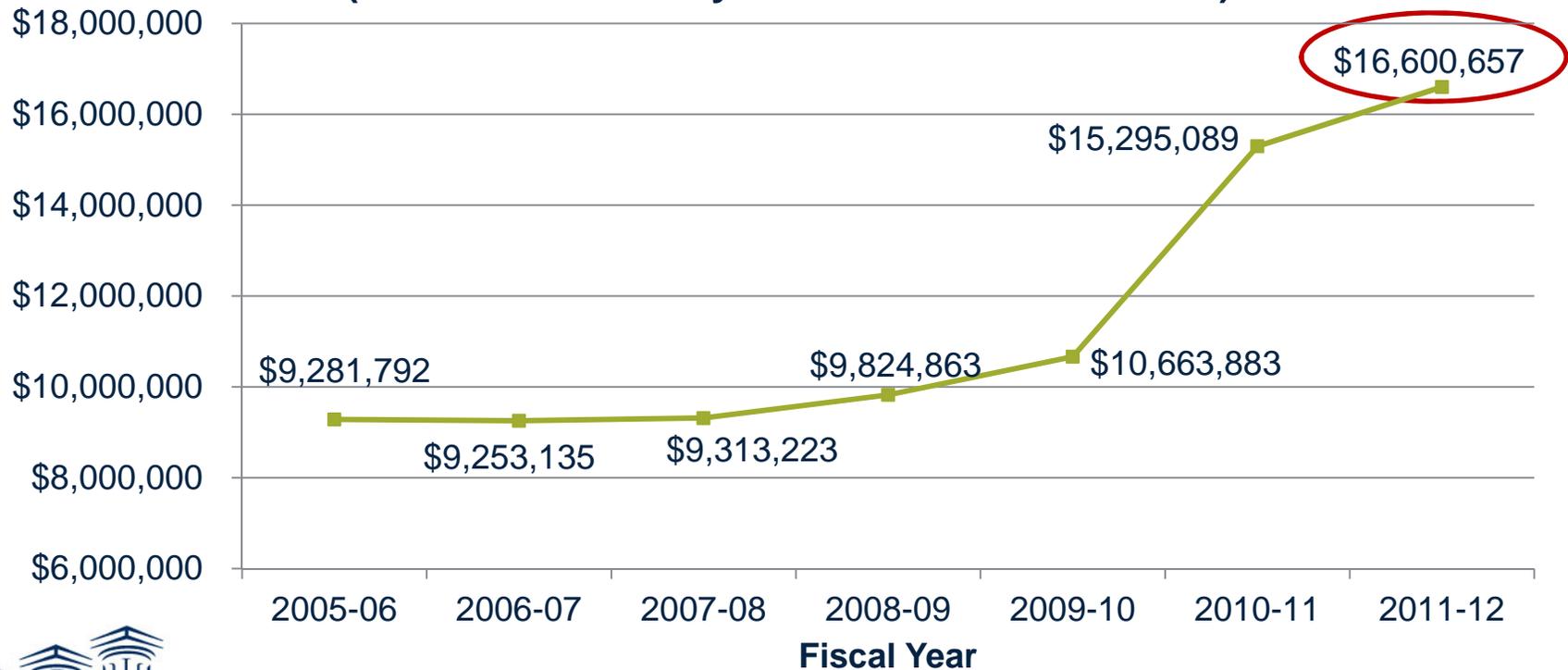


Annual Cost Reporting

- The calculated CPE amount is then compared to interim payments received throughout the year to complete cost reconciliation and settlement process
 - “Interim” payments are made based on estimated Medicaid allowable costs
- Participating districts are still required to submit claims for DS or TCM services (and transportation services, if applicable) provided to Medicaid students
 - Participating districts must follow proper claiming instructions as outlined in the Colorado Medical Assistance Provider Billing Manual

Annual Cost Reporting

**Annual Medicaid DS, TCM, and Specialized Transportation Revenue
(Federal Share Only less 10% State Withhold)**



Exercise

Annual Cost Reporting

Certified Public Expenditure (CPE) and Cost Settlement
Calculation: Part II



Medicaid Cost Reporting and Claiming System (MCRCS)

- MCRCS
 - A web-based cost reporting system for quarterly and annual cost reporting
- Data items collected:
 - Salary and Benefits of providers in RMTS
 - Other Costs related to Direct or TCM Services
 - Transportation Salary and Benefits
 - Transportation Other Costs
 - Transportation Statistics
- Help Desk
 - PCG available to provide assistance with any questions you might have about cost reporting



In-Depth Financial Desk Reviews

- Fiscal Year 2012 – 13 In-Depth Financial Reviews
 - PCG will request backup documentation from 50% of the participating districts

PCG will send data request by October 30, 2013

All reviews will be completed by December 13, 2013

PCG will also be in contact with districts that may need to update their cost report based on in-depth review by December 20, 2013

In-Depth Financial Desk Reviews

- What backup documentation is needed?
 - The documentation used by the district when completing the annual cost report in the MCRCS system
 - PCG will prepare a FAQ document after discussion at stakeholder meeting
 - Examples may vary depending on districts
 - Common Examples: Receipts, general ledger entries, vendor contracts, payroll documentation, student lists

In-Depth Financial Desk Reviews

Provider Salary and Benefits

Large District:
6 Direct Service (DS) and 2 Targeted Case Management (TCM) providers, where applicable.
Small District:
3 DS and 1 TCM provider, where applicable.

Non-Personnel Costs

For large school districts, PCG will review a maximum of 2 DS and 2 TCM cost categories. For small school districts, PCG will review a maximum of 1 DS and 1 TCM cost category.

Transportation

For districts who claimed for transportation, PCG will review all supporting financial documentation. Data to review include:
Transportation Payroll,
Transportation Other Costs and
Transportation Ratios.

Provider Licensure

PCG will review professional licensures for ALL providers listed in RMTS.

In-Depth Financial Desk Reviews

- Fiscal Year 2012 – 13 Cost Settlement
 - Once financial reviews are completed, PCG will prepare yearly cost settlement after contacting districts for corrections
 - Through MCRCS, districts will be able to view a printable Medicaid paid claims summary and a cost settlement page
 - Districts will be able to view cost settlement amounts in MCRCS in March



Program Reviews

- Purpose: To ensure compliance with SHS Program rules and regulations
- When should a district expect a Program Review?
 - Districts should expect to receive a program review every 2-3 years
 - Program Reviews are conducted on-site once during the Fall and Spring of a school year
- Documentation reviewed:
 - Student's IEP, Attendance Records, Service Logs, Transportation Logs, Health Care Plans, TCM Care Plan
- Data request and additional information provided during an Entrance Conference if district is selected

Corrective Action Plan (CAP) Reviews

- Purpose: To ensure that a district successfully implements a CAP and complies with SHS program rules and regulations
- When should a district expect a CAP review?
 - Districts that received a CAP from the Department during a program review will be selected for a CAP review after 1-2 years of CAP implementation
 - CAP reviews are conducted remotely once during the Fall and Spring of a school year
- Documentation Reviewed:
 - Student's IEP, Attendance Records, Service Logs, Transportation Logs, Health Care Plans, TCM Care Plan
- Data request and additional information provided during an Entrance Conference if district is selected

Resources

- Department of Health Care Policy and Financing Website
 - <http://www.colorado.gov/hcpf>
 - Colorado Web-Based Financial Reporting System Guide
 - Program Manual
 - Newsletters
 - Training Materials



Questions



Contact Information

- **If you have any questions, please feel free to contact us!**
- Department of Health Care Policy and Financing
 - Shannon Huska
 - Shannon.Huska@state.co.us / 303-866-3131
- Public Consulting Group (PCG)
 - Laura Scott
 - Juliet McDonnell
 - Doug Grapski
 - Cost Report Help Desk
 - cocostreport@pcgus.com / 866-317-0223





Public Consulting Group, Inc.
148 State Street, Tenth Floor, Boston, Massachusetts 02109
(617) 426-2026, www.publicconsultinggroup.com

