NAVIGATING THE SCHOOL-BASED ACCESS PROGRAM (SBAP) COST SETTLEMENT

AGENDA

- Introduction
  - Cost Settlement
  - Interim Rates vs Interim Payments (Reports)
  - Timeline
  - System Access
- The Cost Report
  - Overview
  - Direct Medical Service Costs
  - Specialized Transportation Costs
  - Tuition
  - Cost Allocation Factors
- Beyond the Cost Report
  - Desk Review
  - Cost Reconciliation_CPE Forms
- Oversight & Monitoring
  - Overview
- Frequently Asked Questions
YOUR TEAM

Stephanie O’Connor
Project Manager

Aaron Link
Director of Operations

Rebecca Stoddard
Project Manager

COST SETTLEMENT

A cost-based reimbursement methodology used to determine the actual cost of delivering school-based services to special education students.

School-certified annual costs for staff performing Medicaid-eligible health services (total staff cost) Discounted by applying various ratio and percentage factors

Equals allowable Medicaid reimbursement claimed at year end

Minus interim payments

Equals Cost Settlement
INTERIM PAYMENTS VS INTERIM RATES

INTERIM PAYMENTS

Direct Services billed to Medicaid

INTERIM PAYMENTS

Interim Payment ÷ # of services billed (by provider type)

INTERIM RATE
(LEA specific / Annual – Oct. 1, 2021)

INTERIM RATES

- LEAs will initially receive payment for services rendered based on an interim payment process. DHS will determine provider-specific interim rates for school-based direct health-related services per unit of service.
- The provider-specific interim rate is the provisional rate established for a specific service for a time period pending completion of the cost reconciliation process for that period.
- Provider-specific interim rates are adjusted annually for each LEA and for each service type, based on the prior year’s cost settlement by SSG.
- Where NO services have been provided or calculations result in less than $1.00, the default rate for that provider type service will be $1.00.
- Interim Rates can be found in e-sivicMACs under Reports/Interim Rates.

LEAs will be notified of 2021-2022 Interim Rates on October 1, 2021.
COST SETTLEMENT ROADMAP

It is highly recommended that your cost report be completed by December 17, 2021

- **Oct. 1, 2021**
  - Cost Report Open

- **Jan. 31, 2022**
  - Desk Review Opens

- **Early May 2022**
  - Cost Reconciliation Notification to LEAs

- **Dec. 17, 2021**
  - Suggested Submission Deadline

- **Dec. 31, 2021**
  - Cost Report Closes

- **Feb. 28, 2022**
  - Desk Review Closes

- **Late May 2022**
  - Completed CPE Form Due

- **Early May 2022**
  - Cost Reconciliation Notification to LEAs

COST REPORT

- Reportable Direct Medical Service Types
- Unallowable Costs
REPORTABLE DIRECT SERVICE TYPES

Costs may only be included for individuals providing services to MA-enrolled students and only for quarters the provider participated in the RMTS when:

• Current state licensure or certification demonstrating their eligibility to provide such services is maintained.*
• Individual is included on the staff pool list for reported time period.

*NOTE: Failure of the individual to hold the appropriate licensure, or certification, or of the LEA to maintain documentation of such, may result in the recoupment of all MA payments made for services by that provider.

Provider Type
- Audiology
- Hearing Impaired
- Nursing Services
- Occupational Therapy
- Orientation, Mobility & Vision
- Personal Care Assistant
- Physical Therapy
- Psychological, Social Work and Counseling
- Special Transportation
- Speech Language

Additional Handbook Information by Provider
- Definition
- Prescription
- Provider Qualifications
- Credentials
- Supervision (if needed)
- Individual / Group
- Examples of services
- Procedure Codes
- Units of Service

UNALLOWABLE DIRECT MEDICAL COSTS

Costs that may not be included for claiming are:

- Direct costs related to staff that are not identified as eligible time study participants (i.e., costs related to non-special education teachers, cafeteria, transportation, and all other non-school-based administrative areas)
- Direct costs related to eligible staff that fail to hold current, appropriate licensure, or certification, and/or cannot be supported with documentation
- Costs that are paid with 100 percent federal funds
- Any costs that have already been fully or partially paid by other revenue sources (state/federal, recoveries, etc.)
LEAs annually report and certify allowable costs, including:

- Direct health-related services, including salaries, benefits, staff training and professional development, travel expenses and license dues and fee of providers on their Direct Staff Pool List.
  - NOTE: Cost for staff training/professional development, travel and license dues and fees are recorded as benefits.

- Health-related supplies and materials

- Transportation costs, including salaried/contract bus drivers, fuel, repairs and maintenance

- Health-related purchased services, including contracted costs and tuition

ACCURATE REPORTING OF COSTS & COST REPORT ELEMENTS

DIRECT MEDICAL SERVICE COSTS: SALARY & BENEFITS

The financial data reported (salaries, benefits, supplies, purchased services, and other expenditures) must be based on actual (accrual-based) detailed expenditure reports generated by the LEA payroll and financial systems.

**SALARY** - Pre-tax earning for the period when:
- Staff are included in the direct staff pool
- Staff hold current proper license and credentials

**WAGES**
- Overtime
- Paid time off, etc.

**CONTRACTOR COST** - Contracted amount for the period when:
- Staff included in the direct staff pool
- Staff hold current proper license and credentials

**BENEFITS** - EMPLOYER paid benefits for the period when:
- Staff are included in the direct staff pool
- Staff hold current proper license and credentials

- Dental
- Health
- Life
- Retirement
- Staff Training*
- Professional Dev.*
- Travel Expenses*
- License Dues/Fees*

* NOTE: Staff training, professional development, travel expenses and license dues and fees should be recorded (added) in the benefits section with clear “comment” regarding inclusion of additional benefits that may not be obvious

* NOTE: Other expenses such as staff expenses that are part of the contractual agreement should be recorded (added) here and clear “comment” included
DIRECT MEDICAL SERVICE COSTS: **SALARY & BENEFITS**

- The annual financial data to be included in the calculation of the annual cost report for the cost reconciliation process must be completed using **accrual-based accounting**.
- Due to the differences in accounting methodologies (MAC quarterly report VS Cost report), costs entered for the quarterly reports **will not** roll over into the annual cost report.
- Replacements should be clearly documented (who replaced who)

**DOCUMENTATION**

- Individual provider earnings (quarterly and annual) should be broken out by salary and benefits and include an end of report summary that clearly reconciles payroll report and represents claimed costs.
- All financial data used to complete the annual Cost Report should be maintained and kept readily available should the LEA be selected for monitoring

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DIRECT MEDICAL SERVICE COSTS: **HEALTH-RELATED SUPPLIES/MATERIALS**

Allowable supply and material costs are those primarily used to **provide covered direct medical services for special education students**.

- Single items costing $5000 or less
- Single items with a cost of $5000 or more should be depreciated.

The financial costs reported for materials and supplies must be based on actual detailed expenditure reports generated by the LEA financial systems or invoices and be incurred during the reporting period.

- Reportable materials and supplies are **only those listed on the Supplies and Materials List** provided.

Supplies and materials list available on the e-SivicMACS_Home Screen
TRANSPORTATION: APPLYING TRANSPORTATION COSTS

Special transportation services include:

- Travel to and from school and between schools or school buildings on a day when an MA service is on the IEP to be rendered on school premises and special transportation is included on the IEP as a separate service.
- Travel to and from off-site premises on a day when an MA service is on the IEP to be rendered off-site and special transportation is included in the IEP as a separate service.
- Use of a specialty adapted vehicle (such as a specially adapted bus, van or other vehicle such as a wheelchair lift, special harness, safety vest or special car seat).

Special Transportation costs are reportable when LEA had a paid claim within the year, and:

- Transportation is billed as an individual service, when a same-day MA service (on IEP) is rendered
- Services are provided on a specially adapted school vehicle
- Services are documented in a transportation log and represented as a one-way trip (2/day)

TRANSPORTATION COSTS: APPLYING TRANSPORTATION COSTS

Transportation Salary & Benefits

- Reported annually on cost report
- Providers of special transportation only
  - Drivers
  - Substitute Drivers
  - Mechanics

Costs may include:
- Fuel & Oil
- Repairs & Maintenance
- Contract Use Cost
- Insurance
- Lease/Rentals

May not include:
- General Ed (only) Costs
- Federally Funded Costs

Depreciation

- Straight-line depreciation is used for the planned write-down of an asset over time due to wear and tear or obsolescence
- (Cost-Federal funds) ÷ Years of Useful Life
- Costs greater than $ 5000.

- Years of Useful Life # determined by the AHA "The Estimated Useful Life of Depreciable Hospital Assets" - resources are available on the FAQs.
# TRANSPORTATION COSTS: (SPECIAL vs NOT SPECIAL)

<table>
<thead>
<tr>
<th>Description</th>
<th>Only Special Transportation</th>
<th>Not Only Special Transportation</th>
<th>General Education Transportation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation costs for services and assets only used by special education students.</td>
<td></td>
<td>The LEA cannot separate special education transportation costs from general education transportation costs.</td>
<td>These are costs for transportation services provided only to general education students. These costs should NOT be included in your cost report.</td>
</tr>
<tr>
<td>Example</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A bus, driver, fuel, etc. that is special fit with a wheelchair lift and only services special education children.</td>
<td></td>
<td>There is a bus that picks up general education students and some special education students. The costs for the driver, bus, fuel, etc. can be reported as Not Only Special Transportation.</td>
<td>You are not allowed to report the costs of a bus, driver, etc. that only is used to transport general education students.</td>
</tr>
<tr>
<td>What Ratio is applied</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One-way Trip Ratio</td>
<td>Special Transportation Ratio AND One-way Trip Ratio</td>
<td>Not Used</td>
<td></td>
</tr>
</tbody>
</table>

## CLAIMING TUITION COSTS

- Guidelines and Overview
- Tuition and Contracted Costs
- Institution unavailable for Reporting, What to do?
- Health-Related Tuition Percentage (HRT%)
**TUITION COSTS: GUIDELINES & OVERVIEW**

Can my LEA report tuition costs?

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is your school paying tuition to another school outside the district?</td>
<td>Yes</td>
</tr>
<tr>
<td>Is the student receiving Medical Assistance (MA) health-related services that are listed on their IEP from the outside school?</td>
<td>Yes</td>
</tr>
<tr>
<td>Is your LEA the home district for the student? (Only one responsible entity can report for a student to ensure no duplication of claiming)</td>
<td>Yes</td>
</tr>
<tr>
<td>No claims for the MA health-related service were submitted for the student this school year by either institution? (No double dipping)</td>
<td>Yes</td>
</tr>
<tr>
<td>Are you participating fully in the SBAP Program? You must also have received interim payments for delivery of direct health-related services in order to report costs for tuition.</td>
<td>Yes</td>
</tr>
</tbody>
</table>

If you answer YES to all questions, the LEA can report tuition costs:
- To report tuition, the student must be receiving health-related services as documented in his/her IEP.
- LEAs may report 100% tuition costs for eligible students enrolled in an Approved Private School (APS) or Charter School for Blind and Deaf (CSDB), including those with partial PDE funding.

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**TUITION COSTS: TUITION AND CONTRACTED COSTS**

When reporting tuition, Do Not:
- Include out-of-district service providers on the LEA’s Direct Service Cost Pool
- Submit separate claims to receive interim payments for health-related services that are included in tuition

Contracted tuition costs are subject to an individual health-related tuition percentage to determine the Medicaid allowable health-related tuition costs.
TUITION COSTS: HEALTH-RELATED TUITION PERCENTAGE (HRT%)

- Tuition payments (net federal funds) are multiplied by the Health-Related Tuition Percentage.
- Purpose of the Health-Related Tuition Percentage is to determine how much of the tuition costs are being used for Health-Related Services.
- Health-Related Tuition Percentage is unique for each school/institution.
- Calculated by SSG using Annual Financial Report (AFR) information or cost data collected by the LEA.
- LEAs reporting tuition costs may want to obtain Health-Related Tuition Percentage cost data from the applicable institution(s).

Additional information regarding HRT% financial data and/or collection provided during upcoming webinars!

TUITION COSTS: INSTITUTION IS NOT ON TUITION DROP DOWN

DHS may approve requests for the additional institutions when written requests include verification of the following:

- Tuition does not include costs for residential services (Tuition is for daily services only).
- There are health-related services included in the daily tuition rate (no behavioral/mental health services, i.e., facilities focused on behavior). Must be a service covered under SBAP.
- Student for whom the LEA intends to report tuition is in fact receiving a health-related service, provided as part of tuition and is per the student’s IEP.
- If the LEA is sending a student to another LEA, the LEA reporting tuition has verified that the other LEA is not billing for student services

Requests submitted after November 18, 2021 will not be approved.
Individualized education Program (IEP) Ratio

- LEAs are required to provide an IEP Ratio on their annual cost reports.
- Student data and eligibility from December 1, 2020 would be used to determine the IEP ratios for the FY 2020-2021 cost settlement.

\[
\text{Total number of Medicaid Eligible Special Education Students with a Health-Related service in their IEP} \div \text{Total Number of All Special Education Students with a Health-Related Service in their IEP} = \text{IEP Ratio}
\]

Failure to maintain documentation to support your reported ratio (in a monitoring situation) will result in recoupment of all FY received payments, including interim payments.

Additional allocation factors such as FMAP Rate & RMTS% will be included in upcoming cost settlement webinars.
Individualized education Program (IEP) Ratio

How to collect the data for these numbers?

- Start with a list of students with IEPs that includes each student's full name and date of birth.
- Clearly indicate the presence of a health-related service in the IEP.
- Clearly indicate the eligibility status of each student on December 1 of reporting year. To support the IEP Ratio for the 2020-2021 school year, you would need to document eligibility on 12/1/2020.

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
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<tbody>
<tr>
<td>2</td>
<td>Student Name</td>
<td>DOB</td>
<td>HealthRelated Service</td>
<td>December 1 Eligibility</td>
<td>Date Verified</td>
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<tr>
<td>3</td>
<td>Charlotte Jones</td>
<td>6/2/2004</td>
<td>Y</td>
<td>Y</td>
<td>1/16/2020</td>
</tr>
<tr>
<td>4</td>
<td>James Westy</td>
<td>2/25/2006</td>
<td>Y</td>
<td>N</td>
<td>1/16/2020</td>
</tr>
<tr>
<td>5</td>
<td>Franklin Mercer</td>
<td>10/31/2011</td>
<td>N</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

Unrestricted Indirect Cost Rate (UICR)

- The Unrestricted Indirect Cost Rate (UICR) is an allowable component for LEA reimbursement and is used to identify the overhead costs of doing business that cannot be easily identified, but needed for normal district operation (Building Lease, Utilities, etc.)
- The UICRs are LEA-specific, calculated and certified by the Pennsylvania Department of Education (PDE), and are updated annually.
- LEAs must follow PDE's instructions to complete the Indirect Cost section of the Annual Financial Report (AFR) and provide the required information each year, by October 31, in order to receive an approved UICR.
- The UICR is provided to SSG by DHS when available. The LEA will not be able to populate this field.

UICR EXAMPLE

| Net Direct Medical Service (- Federal funds) | $500,000 |
| Indirect Cost Rate (12%) | *12% |
| Indirect Costs | $60,000 |
| Net Direct Service + Indirect Costs | $60,000 |

If the UICR is not requested timely and PDE does not provide a certified UICR to DHS by the February 15, 2022 deadline, a zero rate will be applied, resulting in a reduced SBAP cost settlement.
### Special Transportation Ratio

- The special Transportation Ratio is applied when an LEA cannot discretely separate its special transportation and general transportation costs.

\[
\frac{\text{Total number of Special Education Students With Special Transportation Services in their IEP}}{\text{Total Number of All Students Receiving transportation services (Special Ed & non-Special Ed)}} = \text{SPECIAL TRANSPORTATION Ratio}
\]

The LEA will **not** need to enter a special transportation ratio if NO transportation costs are claimed. HOWEVER, if special transportation costs of any kind are claimed, BOTH Special Transportation and One-Way Trip Ratio(s) must be entered.

### One-Way Trip Ratio

- The One-Way Trip Ratio is used to determine the Medicaid-allowable portion of special transportation costs incurred by LEAs for the provision of SBAP Special Transportation services.

\[
\frac{\text{Total number of MEDICAID PAID One-Way Trips (MMIS) for special education students with Special Transportation Services in their IEP}}{\text{Total Number of One-Way Trips For special education students With special transportation Services in their IEP}} = \text{ONE-WAY TRIP Ratio}
\]

Medicaid PAID One-way Trip data is populated by SSG once available

The LEA will **not** need to enter a one-way trip ratio if NO transportation costs are claimed. HOWEVER, if special transportation costs of any kind are claimed, BOTH Special Transportation and One-Way Trip Ratio(s) must be entered.
BEYOND THE COST REPORT

COST RECONCILIATION

- Desk Review
  - Roles and Responsibilities
  - Timelines
- Cost Reconciliation Notification / CPE Forms
  - Viewing your Cost Settlement
  - Viewing your CPE Form
  - CPE Form

Once all Cost Reports are certified, SSG systemically reviews all the data from the Cost Reports. This process helps with LEA compliance and may minimize pay-back scenarios.

**Tips for Navigating Desk Review**
- Organize your cost report documentation for quick and easy access during the desk review period
- Be ready to respond timely to flags
- Since this is usually a financial flag, the finance officer, bookkeeper, or designee should review the data for accuracy
- If you are not 100% sure if a cost or ratio is accurate and cannot support with documentation, LEAVE THE COST OUT.
COST RECONCILIATION (EARLY MAY 2022)

Cost Settlements are calculated by comparing the total Medicaid allowable costs to the LEA’s interim payments for health-related services provided during the applicable FY being reported. A notice of cost settlement is issued to the LEA and indicated the amount due to OR to be paid by the LEA.

Viewing your Cost Settlement
- View Cost Settlement from the Cost Reconciliation area of e-SivicMACS
- View Cost Summary Report and Cost Settlement Summary (Excel format)
- Approve your Cost Settlement

Cost Settlement and CPE forms will be covered at length in upcoming webinars!

CERTIFIED PUBLIC EXTENDITURE (CPE) FORM (LATE MAY 2022)

- A CPE is a statutorily recognized Medicaid financing approach by which a local education agency, incurs an expenditure eligible for FFP under the state’s approved Medicaid state plan. Based on this certification, the state is able to claim the federal share of these costs, which may then be paid to the LEAs.

Viewing/Completing the CPE Form
- View the CPE Form from the Cost Reconciliation area of e-SivicMACS
- Click View CPE Form / Print
- Add complete Financial Account Codes in Section II
- Complete authorized signer contact information
- Upload into system & click SUBMIT

CPE Form Check List
- Did I complete and submit my LEA’s CPE form timely?
- Did I provide a COMPLETE Financial Account Code(s) in Section II?
- Did I sign the form?
- Did I include complete authorized signer contact information?
- Did I double check I have attached the correct, completed, signed document before clicking UPLOAD and SUBMIT?

Example
10-1211-121-000-10-00-00.00
10-1211-121-000-30-00-00.00
10-1211-121-000-10-00-00.10
10-1211-155-000-10-00-00.10
10-1211-211-000-10-00-00.10
10-1211-231-000-30-00-00.00
10-1211-220-000-10-00-00.00
10-1211-220-000-30-00-00.00
10-1211-230-000-10-00-00.00
10-1211-230-000-30-00-00.00
A number of randomly selected LEAs will be required to participate in Oversight and Monitoring Reviews in order to verify compliance with the components of the cost reconciliation process.

These reviews are conducted annually by Sivic Solutions Group after the cost reconciliation process has been completed.

Upon selection of a review, an LEA must provide source documentation to support the costs and ratios reported on their cost report. Categories may include:

- Salaried Staff
- Contracted Staff and Services
- Direct Medical Service Staff (Credentials & Licensing)
- Direct Medical Materials and Other Costs
- IEP Ratio
- Tuition Payments
- Special Transportation & One-Way Trip ratios
- Transportation Payroll and Other costs

Upon selection of a review, an LEA must provide source documentation to support the information reported on their cost report.

OVERSIGHT & MONITORING: February 2022

A detailed review to ensure that LEA documentation demonstrates that Medicaid payments were made for valid services performed by credentialed providers.

Reports issued by DHS

Selected LEAs will be notified via letter from DHS

SSG Team may reach out to LEAs for clarification or additional documentation

LEAs will have two months to provide supporting documentation

SSG Team reviews documents to verify that reported costs match supporting data
MOST FREQUENTLY ASKED QUESTIONS & ANSWERS

Q. Can the 40/60 students be included in Tuition?
   A. LEAs can claim 100% of the tuition cost, including the subsidy

Q. Can other nursing related supplies (ex. Gloves) that may have been used and purchased for the dental hygienist or another special education group be claimed?
   A. YES, Supplies should be used either by Special Education students only, or by both General and Special Education students. Please do not record the costs for any supplies which would be used only by General Education students.

Q. Can other special education supplies (ex. Furniture and harnesses for special education students) that weren’t directly purchased for health related service providers be claimed?
   A. NO, supplies and materials must be used in the delivery of a health-related service.

Q. Can we include money spent for health-related services such as speech supplies in our quarterly and annual costs if we are using ACCESS money?
   A. YES. You can include costs for direct services on the annual cost report if you used ACCESS money to purchase the items and they are on the approved supplies and materials list.

Q. Why can’t the Quarterly Cost Report import the data in for the Annual Cost Report?
   A. The Quarterly Cost Report is calculated on a cash basis, meaning the cost is reported when it is paid. The Annual Cost Report uses accrual accounting, meaning the cost is reported when it is incurred, not when it is paid.

HOW CAN YOU BE PREPARED?

- Maintain clear documentation that supports costs claimed in cost report
- Attend scheduled trainings and webinars
- Be familiar with timelines and process due dates
- START PROCESS EARLY
COST SETTLEMENT WEBINARS: (1 1/2 hours in length)

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<td>Thursday, October 7, 2021</td>
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<td>Wednesday, October 27, 2021</td>
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<tr>
<td>Tuesday, November 9, 2021</td>
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<tr>
<td>Wednesday, November 17, 2021</td>
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<thead>
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<tr>
<td>Tuesday, October 19, 2021</td>
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</tr>
</tbody>
</table>

PROGRAM RESOURCES

- Allowable Supplies & Material List
- Training presentation slides
- SBAP Handbook
- Cost Reconciliation FAQs
THANK YOU!

ADDITIONAL ASSISTANCE

- **By Phone:**
  Toll free: 1-877-916-3222  
  Live support available  
  M-F, 8:00 am–5:00 pm

- **By email:**
  pasupport@sivicsolutionsgroup.com

- **DHS Dedicated email**
  RA-PWSBAP@pa.gov

SURVEY

We appreciate your feedback!

Please take a few moments to complete the survey at the link below.

https://www.surveymonkey.com/r/7PQSV2Y