



UNDERSTANDING SCHOOL-BASED ACCESS PROGRAM (SBAP) COST SETTLEMENT

COST RECONCILIATION PROCESS

FY 2020-2021 Statewide Training

Presented by: Sivic Solutions Group (SSG)

YOUR TEAM



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AGENDA



Welcome & Introductions



Cost Reconciliation

What it is • Sequence • Allowable Costs



Reporting & Outcomes

Tuition • Special Transportation



Cost Settlement

Certified Public expenditure (CPE) • Key Dates



Oversight & Monitoring

What to expect if selected



Additional Resources

Finding additional Cost Reconciliation Information



Questions



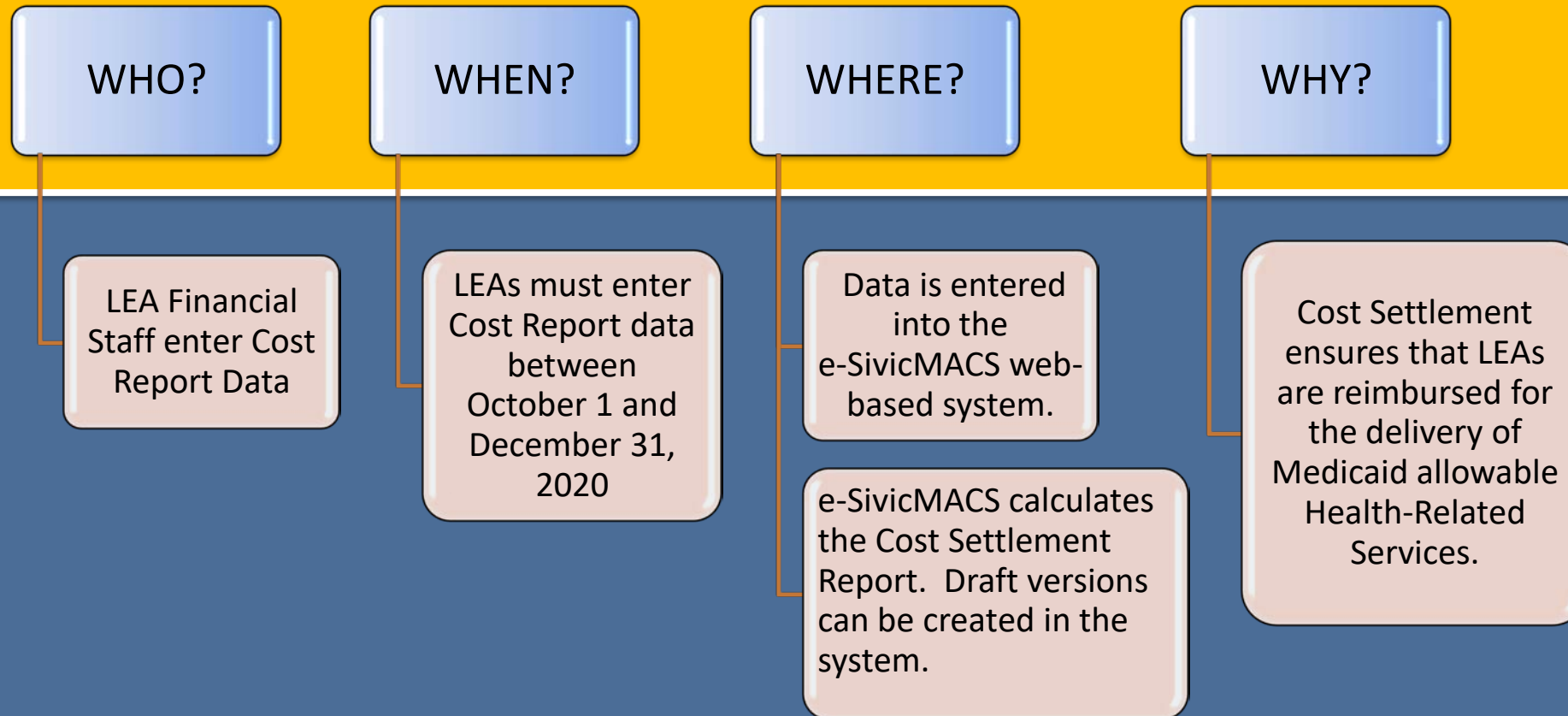
COST RECONCILIATION

The overall process to determine overpayments and underpayments for the fiscal year.

Cost Reconciliation Overview

- LEAs initially receive payment for health-related services rendered based on claims submitted for those services (interim payment process).
- The LEAs' annual, total Medicaid allowable costs are determined when LEAs complete and certify the Annual Cost Report for all school-based direct health-related services delivered during the previous state fiscal year (July 1-June 30).
- Annual Cost Settlement and Quarterly MAC Reports are two separate methods of reporting costs. You will account for all costs in your annual cost settlement regardless of what you report in the quarterly MAC reports.

Cost Reconciliation Overview



Cost Reconciliation

Reporting Costs

Salaried / Contracted Staff Costs
Direct Medical Other Costs
Transportation Staff/Other Costs
Tuition
Depreciation
General Statistics Info



Direct Staff Pool

- ▶ **Credentials and licensing**

Only salaried staff and contracted staff with valid credentials or licensing for entire billing period.

- ▶ **LEA paid benefits**

Health, dental, life, retirement, staff training, professional development, travel expenses, etc.

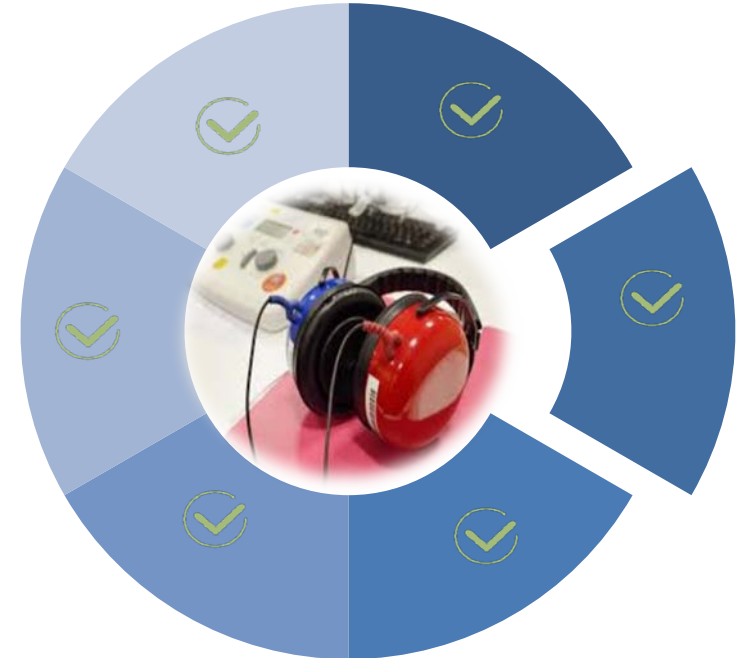
- ▶ **Pre-tax earnings for the period**

Wages, overtime, paid time off, etc. for staff included in the direct staff pool.



Health-Related Supplies & Materials

- ▶ Only include items found on the List of allowable *Health-Related Supplies and Materials*.
- ▶ Documentation must CLEARLY demonstrate purchased item(s) which are on the approved list.
- ▶ Any supplies and materials being claimed must be primarily used for special education student(s)' direct health-related services.



Supplies and materials list can be found on the e-SivicMACS Home Screen

EXAMPLE_(Health-Related Service Materials/Other Costs)

- ▶ What constitutes acceptable documentation?
 - Service Provider Category
 - Dated Invoice
 - Item Description, Quantity, and Unit Price (clearly)
 - Total Cost

VENDOR NO. 2113 CHECK NO. 172442

Account	Purchase Order	Invoice Number	Amount	Description
1111000010811150 640	181191	069387866967	47.29	A LONG WAY HOME: MEMO
1111000010811150 610	181191	069388314014	62.06	MIS PAPER OAK TAG BGA
1111000010811150 640	181191	069388314014	797.40	A LONG WAY HOME: MEMO
1111000010811240 610	181196	074889386507	199.31	AVERY MAGNET SHEETS
1111000010241102 610	180787	076882334662	22.00	KERVA BRAIN BUILDERS G
112310001000A000 610	181416	079307179222	16.81	ASIS #: 867213887X
112310001000A000 610	181416	079307179222	12.32	ASIS #: 8030MG07X
112410001000A000 610	181416	079307179222	10.79	ASIS #: 054530217X
112900001000A000 610	181416	079307179222	5.59	PART NUMBER 33950
1111000010261000 610	180867	079489174841	8.00	PART NUMBER 33950
1111000010251000 610	181331	082563402622	69.54	30 POCKET STORAGE POC
1111000010291000 610	180873	085186794644	12.48	ADOBX 12 PC KHAKI SO
1111000010291000 610	180876	085186794644	61.88	SHOULDER STAPLER
1111000010291000 610	180878	085186794644	11.45	FOAM PLAY MATS
1111000010291000 610	180880	085186794644	15.73	WELCOMES TO 2ND GRADE
112900001000A000 610	181029	087551076855	51.42	INFLATED STABILITY WO
1111000010291000 610	180855	089265359042	29.61	GO TOGETHER FLASH CAR
1238000010261000 640	180718	094126150388	29.61	8 PACK WASHABLE DOT M
1111000010521150 610	181039	096477043648	9.79	BACK FIELD FOR GOOD
1111000010261000 610	181382	103703010995	21.71	BOSTITCH RESORIAL ELE
				MAINSTAYS BUSHLEY C

2113 AMAZON CREDIT PLAN

UNIVEST
08/18/17
172442
AMOUNT \$ *****0.00*

PAY THE SUM OF ZERO DOLLARS AND ZERO CENTS

TO THE ORDER OF V V 0000 I DDD
V V 0 0 0 I D D
V V 0 0 0 I D D
V 0000 I DDD

#172442# 0319134380 0111 07083 5*

AMAZON
PO BOX 530958
ATLANTA, GA 30353-0958

IL DIS
Date of Sale: 07/22/17
Inv: 087551076855
P.O. 181029

S.K.U.	DESCRIPTION	QUANTITY	UNIT	PRICE	EXT. PRICE
170842200	Carson Dellosa Publishing 3-Sc	1.000	EA	8.4800	8.44
8001A0200	VELCRO Brand - Sticky Back - 5	1.000	EA	6.1500	6.15
8002C0000	OPTP Stair - Blue Pair - 8412	1.000	EA	22.9500	22.95
8000H1000	Go Together Flash Cards: 40 Aa	1.000	EA	12.5000	12.50
MISC	SHIPPING AND TAX	1.000	EA	1.3800	1.38

Subtotal 51.42 Tax 0.00 Balance Due 51.42

Transportation Costs

The same rules apply to transportation staff with the big exception that **these staff are NOT on the Direct Staff Pool**. You must enter these individuals manually to include their costs.

Staff includes bus drivers, substitute bus drivers, and mechanics.

NOTE:

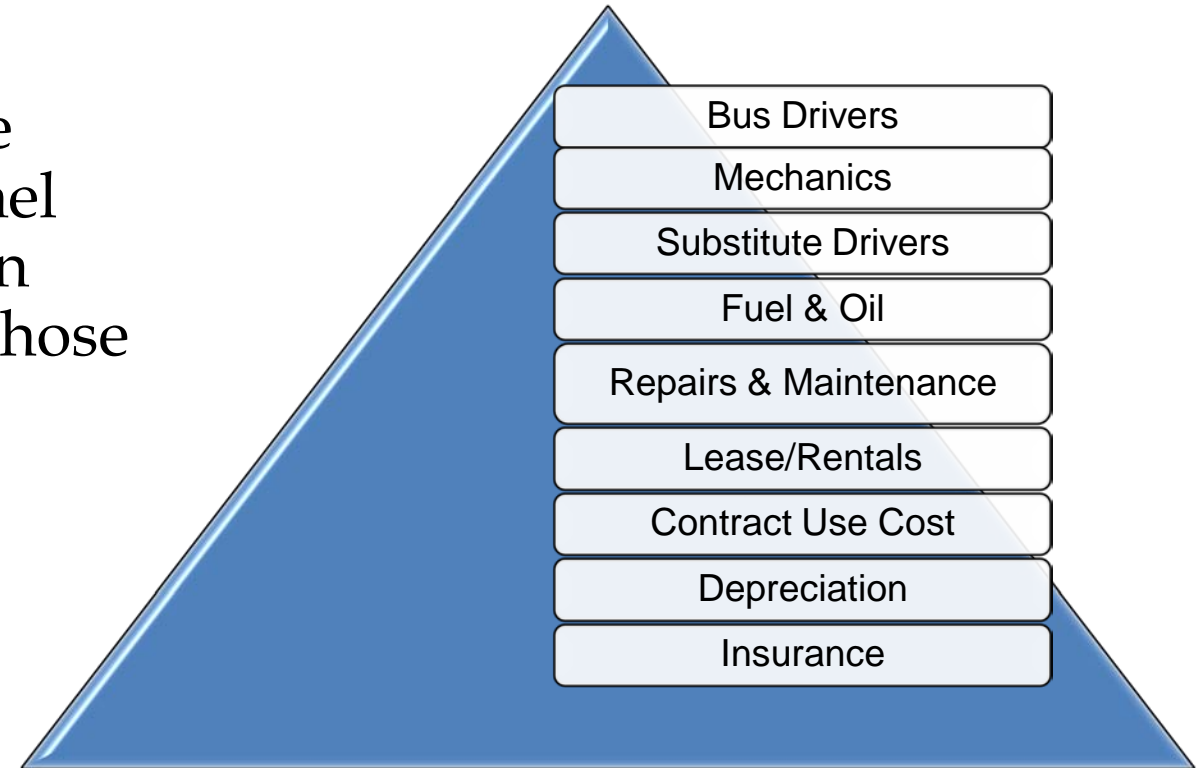
Transportation does **NOT include** district transportation coordinators, bus attendants/aides.



Reporting Special Transportation

Costs may include:

- ▶ Allowable transportation costs include only those personnel and non-personnel costs associated with Special Education reduced by any federal payments for those costs.



Reminder: A LEA must have paid transportation claims to include allowable transportation costs in cost reconciliation

Reporting Special Transportation

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

Tuition Costs

Can my LEA report tuition costs?

Question	Answer
Is your school paying tuition to another school outside the district?	Yes
Is the student receiving Medical Assistance (MA) health-related services that are listed on their IEP from the outside school?	Yes
Is your LEA the home district for the student? (Only one responsible entity can report for a student to ensure no duplication of claiming)	Yes
No claims for the MA health-related service were submitted for the student this school year by either institution? (No double dipping)	Yes
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.	Yes



■ If the answer to ALL questions is Yes, then your LEA can report tuition costs as part of the reconciliation process.

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.

Health-Related Tuition Percentage

- ▶ 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).
- ▶ If you choose to not obtain the Health-Related Tuition Percentage, the institution will default to a rate of 2.5%

Health-Related Tuition Percentage

- ▶ If an institution already has a Health-Related Tuition Percentage rate in SSG's system, it can be found here.

Resources

View	Allowable Direct Medical Services Supplies and Materials
View	Cost Settlement Training 2019
View	System Training - Cost Reporting and Settlement Process 2019
View	SBAP Handbook, September 2019
View	SBAP Cost Settlement Policy FAQ
View	Monitoring Compliance Training
View	FY 2018-2019 Non-Public School Health Related Percentages
View	FY 2018-2019 Data Collection Template for APS & CSBD Costs



Health-Related Tuition Percentage

- ▶ If the LEA chooses to request costs, use the Data Collection Template found here:

Resources

View	Allowable Direct Medical Services Supplies and Materials
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View	FY 2018-2019 Data Collection Template for APS & CSBD Costs



Tuition Costs

Health-Related Tuition Percentage: Data Collection Template for APS/CSBD Costs)

A	B	C	D	E	F	G	H	I	J
Fiscal Year (FY2018-19)	LEA Name	Institution AUN	Institution Name	Institution - <u>Total Special</u> Education Salaries	Institution - <u>Total Special</u> Education Benefits	Institution - <u>Total Special</u> Education Contracted Staff	Institution - Total Salaries	Institution - Total Benefits	Institution - Total Contracted Staff

Column A = Fiscal year for which costs are being requested

Column B = LEA for which the tuition is being provided

Column C = Institution AUN (Providing tuition)

Column D = Institution Name (Providing tuition)

Column E = All Salaries

Column F = All Benefits

Column G = All Contracted Staff costs

Column H = Total Institution Staff Salaries

Column I = Total Institution Staff Benefits

Column J = Total Contracted Staff costs

Only for direct medical service providers giving a health-related service for students with a health-related service on their IEP

Total institution staff, (Special Education Health-Related Providers + all others (Instructional, support, etc.))

Tuition Costs

Health-Related Tuition Percentage: APS Approval by DHS

DHS may approve requests for additional APSs to the approved list when requests include the following verification;

- 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 - not behavioral/mental health services (i.e., facilities focused on behavior). In other words, a service covered under SBAP.
- Student for whom the LEA intends to report tuition is in fact receiving a health-related service that is provided as part of the tuition, and that the service is per the student's IEP.
- If an LEA is sending a student to another LEA, the LEA reporting tuition has determined that the other LEA is not billing for services for the student.

If the LEA cannot provide written documentation, then the school will not be approved for reporting.

Depreciation

- ▶ Straight-line depreciation is used for the planned write-down of the asset over time due to wear and tear and obsolescence.
- ▶ Straight-line depreciation is calculated by dividing the purchase price by the estimated useful life of the asset.
- ▶ Depreciate approved direct medical equipment or transportation equipment valued over \$5000.00.



Depreciation

Fiscal Year* LEA*

Dashboard Salaried/Contracted Staff Direct Medical Other Trans Staff Trans Other Tuition **Depreciation** General Stats Submit for Desk Review

Search Imported File:

Depreciation Category --All-- Service Type Asset Type --All-- Asset ID Asset Description

<input type="checkbox"/>	Depreciation Category	Service Type	Asset Type	Asset ID	Asset Description	Date Placed	Date Removed	Yrs of Life	Cost Amount	Federally Funded	
<input type="checkbox"/>	102 - Transportation	116 - Only Specialized Transportation	121 - Buses	47	30 Passenger Bus	07/01/2014		8	38000.00	0.00	!
<input type="checkbox"/>	102 - Transportation	116 - Only Specialized Transportation	121 - Buses	48	30 Passenger Bus	07/01/2014		8	38000.00	0.00	!
<input type="checkbox"/>	102 - Transportation	116 - Only Specialized Transportation	121 - Buses	46	30 Passenger Bus	07/01/2014		8	38200.00	0.00	!
<input type="checkbox"/>	102 - Transportation	116 - Only Specialized Transportation	121 - Buses	53	30 Passenger Bus	07/01/2014		8	38900.00	0.00	!
<input type="checkbox"/>	102 - Transportation	116 - Only Specialized Transportation	121 - Buses	105	30 Passenger Bus	07/01/2015		8	43835.00	0.00	!
<input type="checkbox"/>	102 - Transportation	116 - Only Specialized Transportation	121 - Buses	104	22 Passenger Bus	07/01/2015		8	64000.00	0.00	!
<input type="checkbox"/>	102 - Transportation	116 - Only Specialized Transportation	121 - Buses	54	30 Passenger Bus	07/01/2014		8	68570.00	0.00	!
<input type="checkbox"/>	102 - Transportation	116 - Only Specialized Transportation	121 - Buses	39	30 Passenger Bus	07/01/2014		8	88100.00	0.00	!
<input type="checkbox"/>	102 - Transportation	116 - Only Specialized Transportation	121 - Buses	38	30 Passenger Bus	07/01/2013		8	92960.00	0.00	!
<input type="checkbox"/>	102 - Transportation	116 - Only Specialized Transportation	121 - Buses	60	48 Passenger Bus	07/01/2013		8	92960.00	0.00	!
<input type="checkbox"/>	102 - Transportation	116 - Only Specialized Transportation	123 - Light Trucks an	109	9 Passenger Vehicle	07/01/2011		8	18000.00	0.00	!
<input type="checkbox"/>	102 - Transportation	116 - Only Specialized Transportation	123 - Light Trucks an	114	9 Passenger Vehicle	07/01/2014		8	22950.00	0.00	!
<input type="checkbox"/>	102 - Transportation	116 - Only Specialized Transportation	123 - Light Trucks an	112	9 Passenger Vehicle	07/01/2015		8	26500.00	0.00	!
Page Total:									\$723,975.00	\$0.00	
Grand Total:									\$723,975.00	\$0.00	

- ▶ Years of useful life DO NOT change from year to year
- ▶ Calculations done automatically by system
- ▶ Once asset exceeds years of useful life, LEA will remove asset from system

Non-Allowable Costs

► Do NOT include:

- Costs for equipment applicable to **ONLY** general education students
- Items costing \$5,000 or less
- 100% Federally funded costs

Statistical Data

Applying Ratios

IEP Ratio

Transportation Ratio

One-Way Trip Ratio

Unrestricted Indirect Cost Ratio



IEP Ratio

Total Number of
MA Eligible
Students with a
Health-Related
Service in their
IEP

This is the number of
students you identify when
doing your December 1
eligibility count.



Total Number of
ALL Students
with a Health-
Related Service
in their IEP

This is the number of all
students with a health-
related services in their IEP,
regardless of MA eligibility



IEP Ratio

- ▶ Used to calculate direct Medicaid allowable expenditures.
- ▶ December 1, 2020 eligibility count used for the current year's (FY 2019-2020) cost settlement.
- ▶ The purpose of the IEP ratio is to determine the Medicaid-allowable portion of costs incurred by LEAs in the provision of health-related services.

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 that fiscal year. To support the IEP Ratio for the 2019-2020 school year, you would need to document eligibility on 12/1/2020.

	A	B	C	D	E	F
1	SPECIAL EDUCATION ROSTER					
2	Student Name	DOB	HealthRelated Service	December 1 Eligibility	Date Verified	Initials
3	Charles		Y	Y	1/16/2020	PS
4	James		Y	N	1/16/2020	PS
5	Franklin		N	N/A		

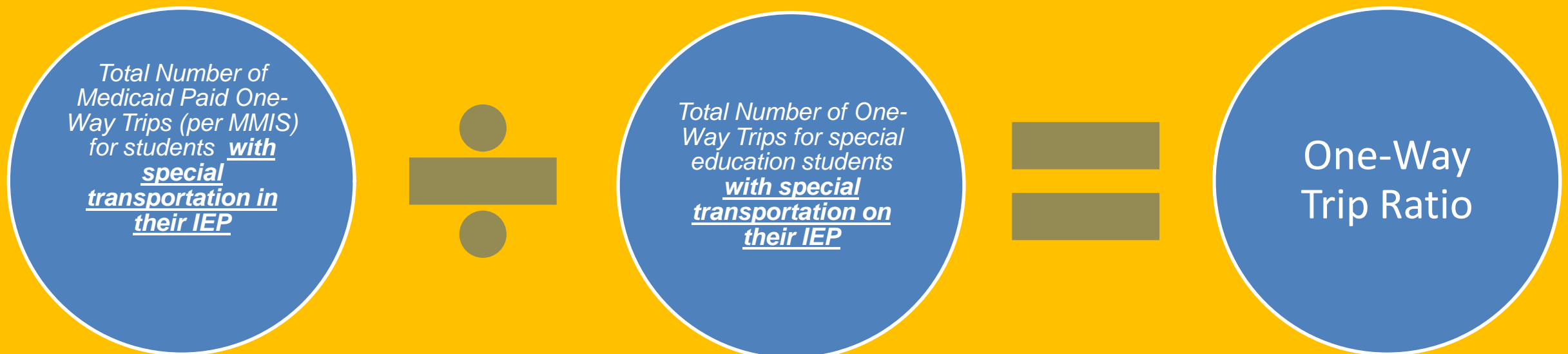
Special Transportation Ratio

- ▶ You do not need to enter a transportation ratio if you are not claiming any transportation costs. **HOWEVER**, if you enter special transportation costs you must enter both the Special Transportation Ratio **AND** One-Way Trip Ratio.
- ▶ What is the Special Transportation Ratio?
 - The Special Transportation Ratio is applied when an LEA cannot discretely break out its special transportation costs from its general transportation costs.



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.



Unrestricted Indirect Cost Rate

- ▶ Indirect costs are an allowable component for LEA reimbursement.
- ▶ Examples of an Indirect Cost: Building Lease, Utilities, etc.

LEA has \$150,000 in
total costs

\$150,000

LEA has a
UICR of 10%

\$15,000

=

The total allowable costs for cost
reconciliation would then be

\$165,000

Unrestricted Indirect Cost Rate (UICR)

- ▶ Each LEA is encouraged to apply for an indirect rate with the Pennsylvania Department of Education (PDE), during the Annual Financial Report (AFR) process. Acquiring your unique UICR is an annual responsibility.
- ▶ UICR is provided by PDE by way of DHS when available. Nothing will be entered here by LEA.
- ▶ The LEA must timely complete the AFR process and specifically request an indirect rate. If PDE does not provide a certified UICR to DHS no later than the February 15, 2021 deadline, a **zero rate** will be applied during cost settlement of FY19-20 resulting in reduced SBAP reimbursement.

COST SETTLEMENT

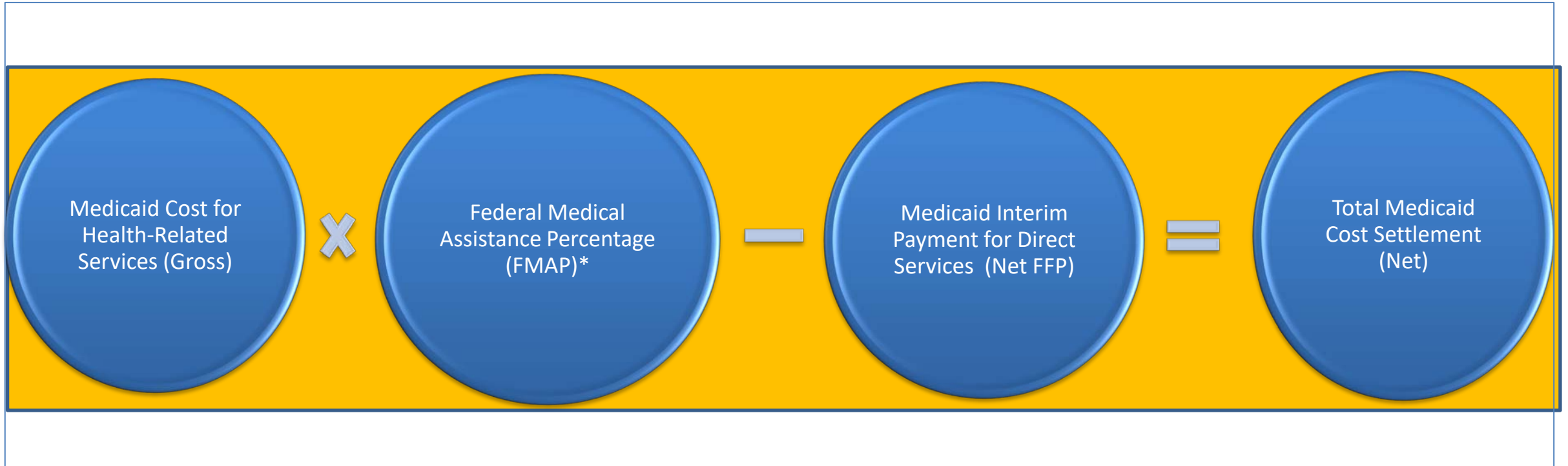


- ✓ Last step in the Cost Reconciliation Process
- ✓ Intended to provide for LEA reimbursement for Medicaid-allowable costs incurred in the delivery of Health-Related Services
- ✓ Costs are reported on an accrual basis. This means expenses are counted when the LEA received the good/service, NOT when the LEA paid for the good/service.

Cost Settlement

- ▶ 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 fiscal year being reported.
- ▶ A notice of cost settlement is issued to the LEA and indicates the amount due to the LEA or to be paid back by the LEA.
- ▶ An LEA receiving a Cost Settlement Notice is required to complete a Certified Public Expenditure (CPE) to certify the expenditures reported are allocable and allowable with the SBAP for the applicable fiscal year being reported.
- ▶ An incomplete CPE form – whether missing account codes, date, signature or a DRAFT, will result in no cost settlement for your LEA.
- ▶ The Cost Reconciliation process is completed within 12 months after the close of the fiscal year.

Cost Settlement Process

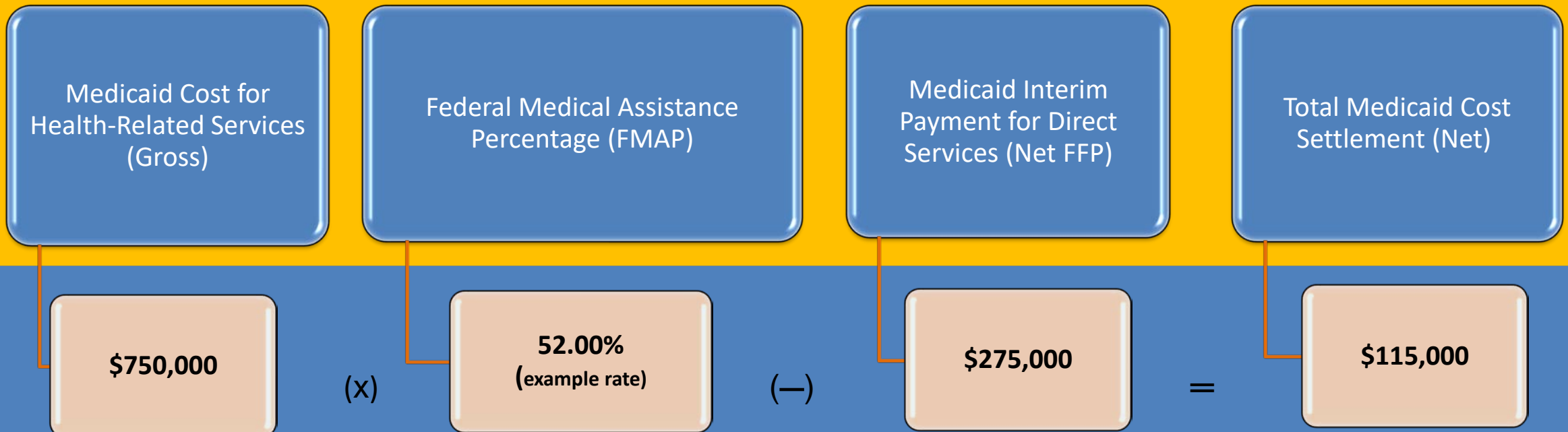


* The federal share based on rates published by Health & Human Services

Cost Settlement Outcomes

► Outcome Example #1:

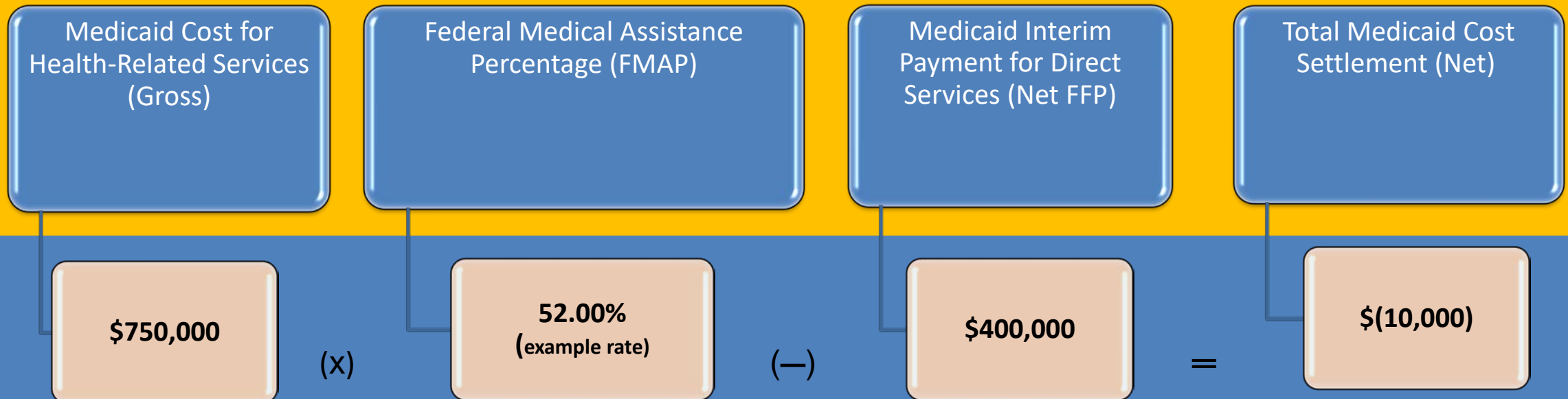
- The Medicaid costs exceed the interim payments received during the school year, resulting in a net settlement payment to the LEA.



Cost Settlement Outcomes

► Outcome Example #2:

- The LEA received interim payments greater than their allowable Medicaid costs, resulting in a required return of the overpayment amount.



Certified Public Expenditure (CPE)

- ▶ 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.
- ▶ Completion of this form is the final and critical step in the cost reconciliation process.

Cost Settlement		Reports
Fiscal Year*	FY 2018-2019 ▼	
LEA*	1092S - Cheltenham Township SD ▼	
<div>Cost Settlement</div> <div>Upload CPE Form</div>		
File Type*	CPE Form ▼	
Select File*	<div>Choose File No file chosen</div> <div>View Uploaded CPE Form</div>	
Submitted By	kwashington	Submitted Date 7/14/2020 12:36:

Certified Public Expenditure (CPE)

- ▶ Make sure to enter expenditure account codes and sign the CPE form. The form is not valid without this information.

Section II:

LEA Financial Account Code

The expenditures identified above as the match for the federal funds received from Medicaid are drawn from the following approved local account(s):

List your school financial account codes these expenditures are drawn from

Sign & Date CPE Form

Signature of Signer
(CEO, CFO, or Superintendent)

Title of Signer

Printed/Typed Name of Signer

Date

- ▶ An incomplete CPE form – whether missing account codes, date, signature, or a DRAFT, will result in no cost settlement for your LEA.

Cost Reconciliation Key Dates

New Interim Rates Effective
(10.1.20)

System Open for 2019-2020
Cost Reconciliation
(10.1.20)

Deadline for Entering Costs
into System
(12.31.20)

Desk Review Close
(3.19.21)

Completed CPE Form Due
(May 2021)

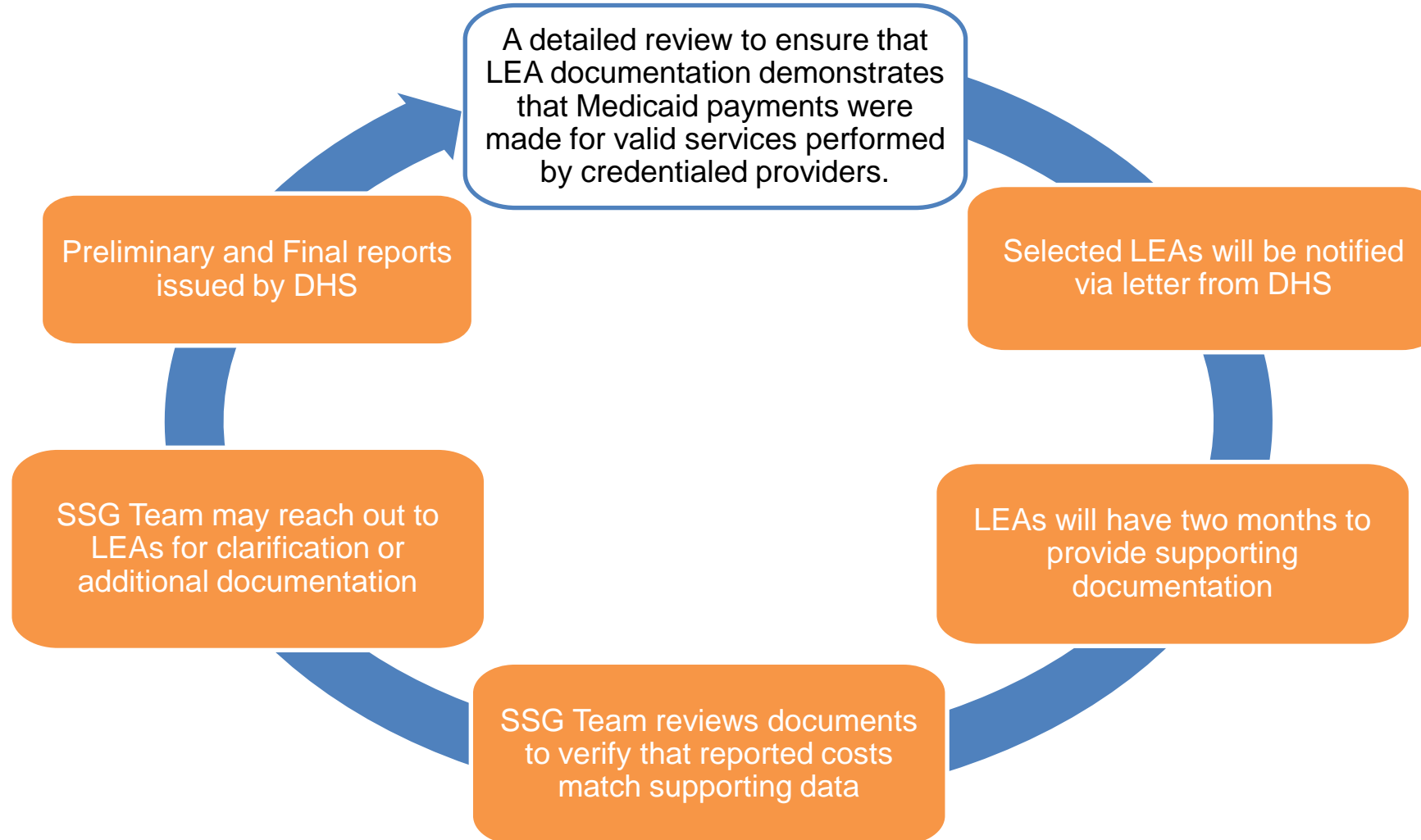
Reimbursement/
Recoupment
(after 6.30.21)



OVERSIGHT & MONITORING

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

Oversight & Monitoring Process



Oversight & Monitoring Process

How Can You Be Prepared?



- ▶ Maintain documentation
- ▶ Attend scheduled trainings and webinars
- ▶ Be familiar with timelines and process due dates
- ▶ **START DATA ENTRY EARLY**

PROGRAM RESOURCES



Cost Settlement Webinars

Cost Settlement Webinar sessions are provided on various days and times to ensure you are prepared for the cost settlement process.



E-SivicMAC Resources

Sivic Solutions Group provides additional resources on the E-SivicMAC home page that are available at the click of a button.



SSG Contact Information

Our Sivic Solutions Group Support team is available for your questions and to provide the support you need by phone or email.



DHS Contact Information

DHS has a dedicated email for when you have specific questions for DHS or wish to update you LEAs contacts.

Cost Settlement Webinars

Date	Time (EST)
Tuesday, October 13, 2020	3:00 PM
Tuesday, October 20, 2020	10:00 AM & 1:00 PM
Monday, October 26, 2020	10:00 AM & 2:00 PM
Thursday, October 29, 2020	3:00 PM
Wednesday, November 4, 2020	9:00 AM
Thursday, November 12, 2020	1:00 PM
Tuesday, November 17, 2020	1:00 PM
Tuesday, December 1, 2020	10:00 AM

Reminder: Don't wait until the last minute to start entering your data

- Toll free: 1-877-916-3222
- PAsupport@sivicsolutionsgroup.com

Program Resources

SBAP Cost Reporting and Settlement - e-SivicMACS
Pennsylvania State
Home



[Schmitt, Paula](#) | [Home](#) | [Logout](#)

Cost Settlement Reports

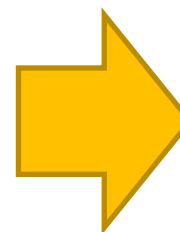
Help Desk

Toll-Free #: (877) 916-3222

Email: PAsupport@sivicsolutionsgroup.com

▶ e-SivicMACS home screen contains resources such as:

- Help Desk
- Allowable Direct Medicaid Services Supplies and Materials List
- Training presentation slides
- SBAP Handbook
- Cost Reconciliation FAQ



Resources

	Description
View	Allowable Direct Medical Services Supplies and Materials
View	Cost Settlement Training 2019
View	System Training - Cost Reporting and Settlement Process 2019
View	SBAP Handbook, September 2019
View	SBAP Cost Settlement Policy FAQ
View	Monitoring Compliance Training
View	FY 2018-2019 Non-Public School Health Related Percentages

SBAP Handbook References

Cost Reconciliation Data Elements

Salaried Staff Costs and Contracted Staff and Services Costs - (*Handbook Section 3*)

Health-Related Services Materials and Other Costs – (*Handbook Section 3*)

Transportation Staff Costs – (*Handbook Section 7.4*)

Transportation Other Costs – (*Handbook Section 7.4*)

Depreciation – (*Handbook Section 7.4*)

Tuition – (*Handbook Section 7.5.a*)

General Statistical Information – (*Handbook Section 9*)

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

THANK YOU!

QUESTIONS?

