

School Based ACCESS Program (SBAP)

Breakout Session “B” Cost Reconciliation Process

Presented by: Sivic Solutions Group (SSG)

Fall 2018 Statewide Training

Sivic Solutions Group (SSG)



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Agenda

- Welcome & Introductions
- Cost Reconciliation Process Overview
 - What is Cost Reconciliation
 - What data elements are needed for Cost Reconciliation
- Things to Remember
 - Tuition
 - Special Transportation
 - Certified Public Expenditure (CPE) Form
- Monitoring Process
 - What to expect if my LEA is selected for Oversight and Monitoring
- Additional Assistance
 - Where and when to get more information about cost reconciliation
- Questions

Cost Reconciliation Overview

- Cost Reconciliation is the overall process to determine all overpayments and underpayments for the period.
 - Process determines the difference between the Allowable Medicaid costs for the school year and the “interim” reimbursements received by the LEA during the year.
- Cost Settlement is the last step in the Cost Reconciliation process. This is the end goal to ensure that LEAs are reimbursed for all Medicaid allowable costs for the delivery of Medicaid allowable direct medical services.
 - Note: Cost reconciliation does not include quarterly Medicaid Administrative Claiming (MAC) payments that LEA has received during the school year.
- 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 Reconciliation Outcomes

- Outcome #1:
 - The Medicaid costs exceed the interim reimbursements received during the school year, resulting in additional settlement dollars being paid to the LEA.

Cost Reconciliation	Outcome #1
Medicaid Cost for Direct Medical Services – Gross	\$750,000
Federal Medical Assistance Percentage (FMAP) (The Federal Share based on rates published by HHS)	52.00% (example rate)
Medicaid Cost for Direct Medical Services – Net	\$390,000
Medicaid Interim Payment for Direct Services (Net FFP)	\$275,000
Total Medicaid Cost Settlement (Net)	\$115,000

Cost Reconciliation Outcomes

- Outcome #2:
 - The Medicaid costs are less than the interim reimbursements received during the school year, resulting in LEA paying back the difference

Cost Reconciliation	Outcome #1
Medicaid Cost for Direct Medical Services – Gross	\$750,000
Federal Medical Assistance Percentage (FMAP) (The Federal Share based on rates published by HHS)	52.00% (example rate)
Medicaid Cost for Direct Medical Services – Net	\$390,000
Medicaid Interim Payment for Direct Services (Net FFP)	\$400,000
Total Medicaid Cost Settlement (Net)	\$(10,000)

Cost Reconciliation Overview

Cost Reconciliation Data Elements

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

Cost Reconciliation Overview

Salaried Staff and Contracted Staff and Services

- Pre-tax earnings for the period. Include wages, overtime, bonuses, paid time off, etc. for employees included in the direct staff pool.
- LEA Paid Benefits such as health, dental, life, retirement, staff training, professional development, travel expenses, etc., for employees included in the direct staff pool.
- Payments made to contracted staff members included in the direct staff pool.

Cost Reconciliation Overview

Transportation Staff Costs

- Pre-tax earnings for the period. Include wages, overtime, bonuses, paid time off, etc. for employees included in the direct cost pool.
- LEA Paid Benefits such as health, dental, life, retirement, etc., for employees included in the direct staff pool.
- The same rules apply to transportation staff with the big Exception that these staff are not on the Direct Service Staff Pool. You will need to enter these individuals manually to include their costs.
- Staff includes bus drivers and substitute bus drivers and mechanics
- Transportation Staff DOES NOT include District Transportation Coordinators, bus attendants/aides

Cost Reconciliation Overview

Direct Medical Services Materials and Other Costs

- Only include materials and supplies found on the “List of Allowable Direct Medical Services Supplies and Materials”.
 - This list can be found on the e-SivicMACS Home Screen.
- Documentation should CLEARLY demonstrate purchased item(s) are on the approved list.
- It is important to know that any items being claimed must be purchased to assist in the provision of a direct health-related service.

Cost Reconciliation Overview

Depreciation

- Depreciate approved direct medical equipment or transportation equipment valued over \$5,000.

- Straight-line depreciation method means that depreciation is calculated by dividing purchase price by the estimated useful life of the asset.
 - The annual depreciation is calculated by dividing the purchase price by the estimated useful life of the asset.

- **Do NOT INCLUDE:**
 - Costs for equipment applicable to ONLY general education students
 - Items costing \$5,000 or less
 - 100% Federally funded costs

Cost Reconciliation Overview

General Statistical Information

- IEP Ratio
 - Used to calculate direct Medicaid allowable expenditures;
 - Based on data on December 1, 2017;
 - The purpose of the IEP ratio is to determine Medicaid’s portion of direct medical service costs incurred by LEAs for the provision of direct medical services.

Numerator: *Total Number of Medicaid Eligible IEP Students with a Direct Medical Service in their IEP*

Denominator: *Total Number of ALL IEP Students with a Direct Medical Service in their IEP*

Cost Reconciliation Overview

General Statistical Information:

Unrestricted Indirect Cost Rates (UICR)

Indirect costs are an allowable component for LEA reimbursement;

- Examples of an Indirect Cost: Building Lease, Utilities, etc.

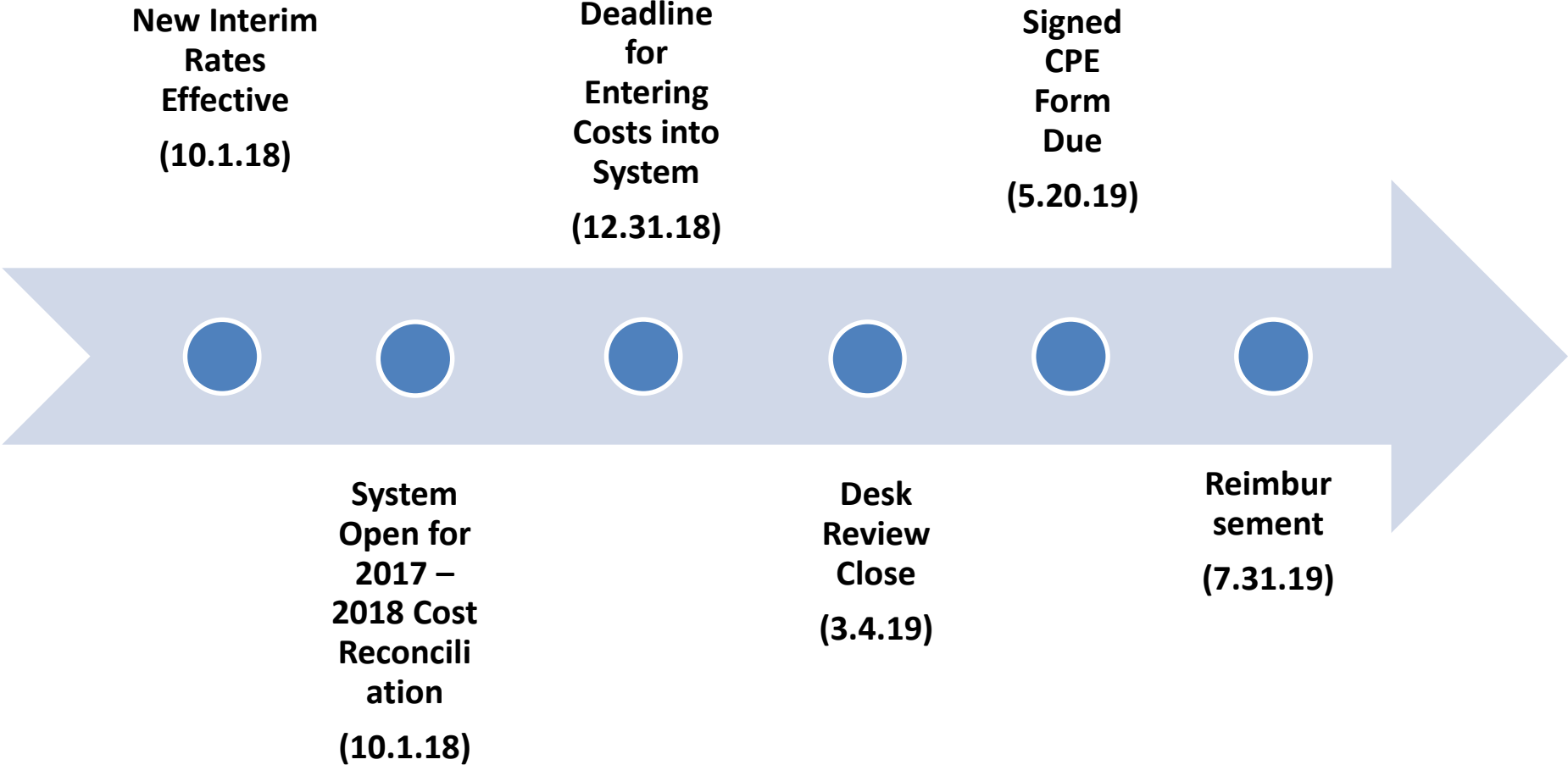
The UICR is added to account for additional costs of doing business that cannot be easily identified within a particular grant, contract, or program, but are necessary for the general operation of the organization

- Example:
 - LEA has \$150,000 in total costs
 - LEA has a UICR of 10%
 - The total allowable costs for costs reconciliation would then be
 - $\$150,000 + \$15,000 = \underline{\$165,000}$

Each LEA is encouraged to apply for a unique UICR with the Department of Education;

If an LEA does not receive an LEA-specific UICR, a zero rate will be applied resulting in reduced SBAP reimbursement

Cost Reconciliation Key Dates



Things to Remember - Tuition

Tuition

- LEAs may claim 100% tuition costs for eligible students enrolled in an APS or CSDB, including those with partial Department of Education (PDE) funding.
- To claim tuition, a student must have an IEP with a Health Related Service listed in their IEP.
- LEAs claiming Tuition costs may want to obtain Health-Related Tuition Percentage cost data from the applicable institution(s).
 - Approved Private Schools (APS)
 - Charter School for Blind and Deaf (CSBD)

Things to Remember - Tuition

- When to Claim Tuition?

Question	Answer
Is your school paying tuition to another school outside the district?	Yes
Is the student receiving a Medical Assistance (MA) health-related services that is 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? (No double dipping)	Yes

- If the answer to ALL four questions is Yes, then your LEA can claim tuition cost as part of reconciliation process.

Things to Remember - Tuition

- What is Reportable?
 - Tuition is for students who are receiving a medically necessary school based health services which is documented in his or her IEP.
 - LEAs may claim payments to an out of district school for both tuition and separate health-related service(s) for the same student. The LEA may include both tuition and contracted costs on their cost report.

- Health-Related Tuition Percentage
 - Statistical method for determining the percentage of tuition used for health related services.
 - What to do if unable to locate an institution in the Tuition tab?

	CS for School Year 2016 - 2017	CS for School Year 2017 - 2018
Data Source for Public and Charter School Data	PDE AFR Report for 2015 -2016	PDE AFR Report for 2016 -2017
Data Source for APS & Private Schools	Cost Information Collected by LEA; or default 2.5%	Cost Information Collected by LEA; or default 2.5%

Things to Remember - Tuition

Health-Related Percentage

- Tuition payments (net Federal Funds) are multiplied by the Health Related Percentage;
- Health-Related Percentage is unique for each school/institution;
- Calculated by SSG using Annual Financial Report (AFR) information or cost data collected by LEA;
- Purpose of the Health-Related Percentage is to determine how much of the tuition costs is being used for direct medical services.

Things to Remember - Tuition

Institution Code
Institution Name
Expense Type

Tuition Screen from Prior Years

<input type="checkbox"/>	<u>Institution</u>	<u>Expense Type</u>	<u>Expense Amount</u>	<u>Federally Funded</u>	<u>Claimable Amt</u>
No Record(s) Found					

Tuition Screen Updates

1. LEA must enter names of students.
2. LEA must certify students have a health-related service on their IEP and are Medicaid eligible.



<u>Institution</u>	<u>Student(s) Name</u>	<u>Expense Type</u>	<u>Expense Amount</u>	<u>Federally Funded</u>	<u>Claimable Amt</u>

I verify that the identified student(s) included in the reported tuition payments are receiving at least one SBAP eligible direct medical service as part of the student's IEP.



Things to Remember – Special Transportation

- Allowable transportation costs include only those personnel and non-personnel costs associated with Special Education reduced by any federal payments for those costs.
 - The costs may include:
 - Bus Drivers
 - Mechanics
 - Substitute Drivers
 - Fuel & Oil
 - Repairs & Maintenance
 - Lease/Rentals
 - Contract Use Cost
 - Depreciation
 - Insurance

- **Reminder:** A LEA must have a paid transportation claim to include allowable transportation costs in cost reconciliation

Things to Remember – Special Transportation

- 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.

Numerator: *Total Number of Special Education Students with Special Transportation Services in their IEP*

Denominator: *Total Number of ALL Students Receiving Transportation Services (Special and Non Special)*

Things to Remember – Special Transportation

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

***Numerator:** Total Number of Medicaid Paid One Way Trips (per MMIS)*



***Denominator:** Total One Way Trips for students with special transportation in their IEP*

Things to Remember – 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.	When transportation costs are for both general education students AND special education students and the LEA is unable to separate the two.	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 reports 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

Things to Remember – CPE Form

- The final and critical step in the cost reconciliation process.

Sample Data Participant Data Admin Claim Cost Settlement Reports				
Fiscal Year*	FY 2014-2015			
LEA*	101 - Cheltenham			
Cost Settlement		Upload CPE Form		
1. Calculate		2. View Cost Settlement		3. View CPE Form
Calculated By	AMosby	Calculated Date	9/9/2016 5:37:20 PM	
Approved By		Approved Date		
Approve				

- Certified public expenditures (CPEs). 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.

Things to Remember – CPE Form

- 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

Signature of Signer
(CEO, CFO, or Superintendent)

Title of Signer

Sign & Date CPE Form

Printed/Typed Name of Signer

Date

- Not completing the CPE form, or not completing all of the CPE form sections will result in no cost settlement for your LEA.

Oversight and Monitoring Process

- A detailed review of costs to make sure that Medicaid payments are being made for valid expenditures.
- Selected LEAs will be notified via letter from DHS and then supporting data will be requested for specific reported costs.
- LEAs will have two months to provide supporting documentation, such as financial system reports or provider licenses, via the e-SivicMACS application for SSG team review.
- SSG Team reviews documents to verify that reported costs match supporting data.
- SSG Team may reach out to LEAs for clarification or additional documentation, this is accomplished using “Response/Discussion” link.
- Preliminary and Final reports issued by DHS.

Additional Assistance

Webinar Trainings: Annual Cost Report

Date	Time (EST)
Friday; October 5, 2018	3:00 PM
Friday; October 19, 2018	1:00 PM
Thursday; October 26, 2018	10:00 AM
Thursday; November 1, 2018	3:00 PM
Friday; November 9, 2018	9:00 AM
Thursday; November 15, 2018	1:00 PM
Friday; November 30, 2018	1:00 PM
Friday; December 7, 2018	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

Additional Assistance

- e-SivicMACS home screen contains resources such as:
 - Allowable Direct Medicaid Services Supplies and Materials List
 - Training presentation slides
 - SBAP Handbook
 - Cost Reconciliation FAQ

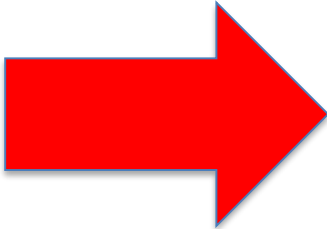
SBAP Cost Reporting and Settlement - e-SivicMACS
 Pennsylvania State
 Home



[Link, Aaron](#) | [Home](#) | [Logout](#)

Cost Settlement Reports

Help Desk	
Toll-Free #:	(877) 916-3222
Email:	PAsupport@sivicsolutionsgroup.com



Resources	
	Description
View	Approved Direct Medical Services List
View	Cost Settlement Training 2017
View	System Training - Cost Reporting and Settlement Process 2017
View	SBAP Handbook, March 2018
View	SBAP Cost Settlement Policy FAQ
View	FY15-16 Compliance Review Training

Questions

