

Agenda

- School Supportive Health Services Program and Medicaid Overview
- Random Moment Time Study (RMTS) Overview
- Introduction to the SSHSP Cost Reimbursement and Settlement Process
- Instructions for Medicaid Cost Report Submission
- Medicaid Cost Reporting and Claiming System (MCRCS) Demonstration
- SSHSP Cost Settlement Calculation
- Contacts and Questions



SSHSP and Medicaid Overview

SSHSP and Medicaid Overview

- In New York, the school-based Medicaid program is called the Preschool/School Supportive Health Services Program (SSHSP)
- The SSHSP is administered jointly by the New York State Department of Health (NYSDOH) and the New York State Education Department (NYSED)
 - NYSDOH is the single State agency responsible for administering New York's Medicaid program and is responsible for setting Medicaid policy and reimbursement rates for the SSHSP
 - SED is responsible for implementation of SSHSP and setting Special Education policy
- SSHSP provides an array of services beyond traditional education services, the aim of which is to ensure that students are fully able to participate in the school environment

SSHSP and Medicaid Overview

- Medicaid provides reimbursement for medically necessary services that are provided by school districts, counties, and 4201 schools for Medicaid eligible students with an Individualized Education Program (IEP)
- **Prior to October 1, 2011:**
 - In order to receive Medicaid reimbursement, school districts, counties, and 4201 schools must adhere to billing requirements
 - Services provided under SSHSP are reimbursed based on the SSHSP Medicaid fee schedule

SSHSP Overview

- **Effective October 1, 2011:**
 - In order to receive Medicaid reimbursement, school districts, counties, and 4201 schools must adhere to billing requirements
 - Services will be cost reimbursed
 - An annual Medicaid cost report must be filed by each school district, county, and 4201 school by December 31st of each year
 - All Medicaid cost reports will cover a full fiscal year corresponding to the period July 1 – June 30
 - Medicaid costs will be calculated through a series of calculations using the submitted annual cost report
 - School districts, counties, and 4201 schools will continue to be reimbursed on an interim basis based upon the Medicaid fee schedule
 - Medicaid costs will be compared to Medicaid interim payments and a settlement will be calculated for each school district, county, and 4201 school



Random Moment Time Study (RMTS) Overview

RMTS Overview

- For school districts, counties, and §4201 schools to participate and bill services under the SSHSP, they must participate in the Random Moment Time Study (RMTS):
 - Coordinators will be identified from each school district, county and §4201 school and must provide rosters of employees eligible to bill for Medicaid eligible services
 - Eligible employees must complete their moments, if selected
- Results from the RMTS are used to identify the proportion of allowable and reimbursable direct service time under Medicaid to be used for SSHSP cost reporting
- The RMTS results will determine the amount of Medicaid reimbursement generated through the SSHSP



Introduction to the SSHSP Reimbursement and Cost Settlement Process

Introduction to the SSHSP Cost Settlement Process

- Effective October 1, 2011, the New York State Department of Health will implement a cost based reimbursement methodology for the SSHSP
 - This means that payments received for dates of service on or after October 1, 2011 will be subject to the cost reimbursement methodology
 - Any payments received for dates of service prior to October 1, 2011 will not be subject to a cost reimbursement and cost settlement process

Note: The cost report effective date is DATE OF SERVICE DRIVEN, not date of payment driven.

Introduction to the SSHSP Cost Settlement Process

What is cost based reimbursement?

- A cost based reimbursement methodology determines the actual cost of delivering SSHSP services to special education students
- Cost based reimbursement ensures that school districts, counties, and 4201 schools are reimbursed their costs for the delivery of medical services and that the Medicaid agency is not reimbursing providers more than cost

How will cost based reimbursement impact school districts, counties, and 4201 schools?

- In order to identify the cost of delivering Medicaid school-based services, school districts, counties, and 4201 schools will participate in an annual cost settlement process
- The cost settlement process will include the submission of an annual Medicaid Cost Report

Introduction to the SSHSP Cost Settlement Process

What are the possible results of cost settlement for each school district, county, and 4201 school?

(1) If Medicaid costs exceed reimbursement received, a settlement will be due:

Cost Settlement	Test 1
Medicaid Cost for Direct Medical Services – Gross	\$510,000
Federal Financial Participation <small>(Federal Share based on FFP Rates published by the US Department of Health and Human Services)</small>	50.00%
Medicaid Cost for Direct Medical Services – Net FFP	\$255,000
Medicaid Interim Payments Received for Direct Medical Services – Net FFP	\$200,000
Medicaid Cost Settlement Amount – Net FFP	\$55,000

Introduction to the SSHSP Cost Settlement Process

(2) If Medicaid costs are less than reimbursement received, school districts, counties, and 4201 schools will pay back the difference:

Cost Settlement	Test 2
Medicaid Cost for Direct Medical Services – Gross	\$450,000
Federal Financial Participation (Federal Share based on FFP Rates published by the US Department of Health and Human Services)	50.00%
Medicaid Cost for Direct Medical Services – Net FFP	\$225,000
Medicaid Interim Payments Received for Direct Medical Services – Net FFP	\$300,000
Medicaid Cost Settlement Amount – Net FFP	(\$75,000)

Introduction to the SSHSP Cost Settlement Process

How does the SSHSP cost settlement process pertain to the RMTS?

- The SSHSP cost settlement process directly links to the RMTS
 - Only those employees listed on a school district, county, or 4201 school roster are eligible to participate in the cost settlement process
 - Contractors are not included in the RMTS and should not be included on rosters
 - The RMTS is used to determine on average how much time direct medical service providers spend delivering direct medical services
 - This percentage is called the “direct medical percentage” and is used to calculate direct medical service costs

Introduction to the SSHSP Cost Settlement Process

Medicaid Allowable Costs and Cost Report Data Elements

- Medicaid Allowable Costs included in the annual Medicaid Cost Report must:
 - Include costs related to Special Education
 - Relate to a direct medical service, specifically those included in the approved State Plan
 - Tie back to an individual Special Education student's IEP

Introduction to the SSHSP Cost Settlement Process

Medicaid Allowable Costs and Cost Report Data Elements

- CMS has established the types of costs that are eligible for cost reimbursement under the SSHSP
- CMS has outlined the methodology in which these costs are allocated and apportioned to the Medicaid program
- CMS approved a cost reimbursement methodology that includes 9 elements for direct medical services and 7 elements for specialized transportation services (to be described in the following slides)

Introduction to the SSHSP Cost Settlement Process

Medicaid Allowable Costs and Cost Report Data Elements for Direct Medical Services

The 9 CMS-approved cost and data elements used to determine Medicaid costs for Direct Medical Services include:

1. Salary costs for eligible SSHSP service providers employed by school districts, §4201 schools and counties
2. Benefit costs for eligible SSHSP service providers employed by school districts, §4201 schools and counties
3. Approved Direct Medical Service Material and Supply costs
4. Depreciation costs for Approved Direct Medical Service Materials and Supplies
5. Random Moment Time Study (RMTS) Percentage Results (*pre-populated by PCG*)
6. Contractor costs for eligible SSHSP service providers
7. Non-Public School Tuition Costs
8. School District, County, and §4201 School Indirect Cost Rates (ICR) (*pre-populated by PCG*)
9. Individualized Education Program (IEP) Ratio

Introduction to the SSHSP Cost Settlement Process

1. Salary costs for eligible SSHSP service providers employed by school districts, counties, and 4201 schools include:

- Regular wages or extra pay
- Paid time off (e.g., sick or annual leave)
- Overtime
- Bonuses or longevity
- Stipends
- Cash Bonuses and/or cash incentives

Note: Salaries are those payments from which payroll taxes are deducted. The reported salaries should be the total gross earnings for the individual as paid by the school district, county, or 4201 school for the reporting period

Introduction to the SSHSP Cost Settlement Process

2. Benefit costs for eligible SSHSP service providers employed by school districts, counties, and 4201 schools include:

- Employer-paid health/medical, life, disability, or dental insurance premiums
- Employer-paid child day care for children of employees
- Retirement contributions
- Worker's compensation costs

Note: Report the expended amounts paid by the school district, county, or 4201 school which are directly associated with each staff member by type of employee benefit

Introduction to the SSHSP Cost Settlement Process

1. & 2. Salary and Benefit costs for eligible SSHSP service providers

- Only those salary and benefit costs for eligible SSHSP service providers that were included on the Staff Pool List are eligible for SSHSP cost reimbursement
- School districts, counties, and 4201 schools are required to report gross expenditures and then properly reduce expenditures for **funds paid from federal funding sources**

Introduction to the SSHSP Cost Settlement Process

3. Approved Direct Medical Service Material and Supply Costs

- What types of Material and Supply costs will be included in the cost settlement process?
 - CMS has approved a very limited list of direct medical service material and supply costs (see handout)
 - **Only those items included within the approved list** can be reported on the Medicaid cost report
 - Examples include: battery testers, hearing aid, stethoscopes, electronic suction units, wheelchairs, blood glucose meters, etc.
 - These costs are **collected and reported annually** on the Medicaid cost report
 - Direct Medical Service Material and Supply Costs applicable only to General Education students **should not** be reported on the cost report

Introduction to the SSHSP Cost Settlement Process

4. Depreciation costs for Approved Direct Medical Service Materials and Supplies

- What is Depreciation?
 - “Depreciation” is the systematic and rational allocation of the acquisition cost of an asset over its estimated useful life
- What type of depreciation needs to be used in order to report costs on the Medicaid Cost Report?
 - Allowable depreciation expenses for direct medical services include OMB-A-87 allowable methodologies, including pure straight-line depreciation
 - **Straight-line depreciation method** is a method of calculating the depreciation of an asset which assumes the asset will lose an equal amount of value each year
 - The annual depreciation is calculated by dividing the purchase price by the estimated useful life of the asset

Introduction to the SSHSP Cost Settlement Process

4. Depreciation costs for Approved Direct Medical Service Materials and Supplies (cont.)

- When is it required to report direct medical service materials and supplies as depreciated cost?
 - If a single direct medical service material and supply cost exceeds \$5,000, then the item should be depreciated
 - **Only those items included within the approved list** can be reported on the Medicaid cost report
- When will depreciable costs need to be reported?
 - These costs are only **collected and reported annually** on the Medicaid cost report

Introduction to the SSHSP Cost Settlement Process

4. Depreciation costs for Approved Direct Medical Service Materials and Supplies (cont.)

- **Example:** A wheelchair is purchased by a school district, county, or 4201 school for \$6,000 on July 1, 2012 and has a useful life of 5 years.
 - How does the school district, county, or 4201 school identify what is the useful life of a wheelchair?
 - The useful life of a wheelchair is estimated by the school district, county, or 4201 school
 - The school district, county, or 4201 school may use industry standards in order to report the useful life of a wheelchair
 - If the school district, county, or 4201 school does not have a fixed asset ledger that reports the useful life of an asset, a school district, county, or 4201 school may consult the "Estimated Useful Lives of Depreciable Hospital Assets", published by the American Hospital Association (AHA)

Introduction to the SSHSP Cost Settlement Process

4. Depreciation costs for Approved Direct Medical Service Materials and Supplies (cont.)

- **Example:** A wheelchair is purchased by a school district, county, or 4201 school for \$6,000 on July 1, 2012 and has a useful life of 5 years
 - How does the school district, county, or 4201 school calculate the depreciation cost of the wheelchair?
 - Depreciation cost is calculated by dividing the acquisition cost of \$6,000 by the estimated useful life of 5 years
 - This results in a calculated depreciation cost of \$1,200 for state fiscal year 2013 (July 1, 2012 to June 30, 2013)

Introduction to the SSHSP Cost Settlement Process

4. Depreciation costs for Approved Direct Medical Service Materials and Supplies (cont.)

- **Example:** A wheelchair is purchased by a school district, county, or 4201 school for \$6,000 on **October 1, 2012** and has a useful life of 5 years
 - The Medicaid cost reimbursement and settlement process was effective July 1, 2012, so this requires the school district, county, or 4201 school to prorate the expense
 - This is accomplished by dividing the annual allowable expense of \$1,200 by the number of months in the fiscal year or 12 in this case. $\$1,200/12 = \100 per month
 - The \$100 per month cost is then multiplied by 9, which is the number of months the wheelchair was in use for the reporting period (July 1, 2012 to June 30, 2013)

Introduction to the SSHSP Cost Settlement Process

4. Depreciation costs for Approved Direct Medical Service Materials and Supplies (cont.)

- **Example:** A wheelchair is purchased by a school district, county, or 4201 school for \$6,000 on **October 1, 2012** and has a useful life of 5 years
 - Therefore, the final allowable depreciation cost would be \$900 in this example (\$100 of depreciation cost per month * 9 months = \$900)
 - For the remaining 4 years of the useful of the wheelchair, the allowable depreciation cost would be \$1,200 per year

Introduction to the SSHSP Cost Settlement Process

5. Random Moment Time Study (RMTS) results (also known as the Direct Medical Service Percentage)

- What is the direct medical service percentage?
 - The direct medical service percentage is calculated by PCG based on the results of the quarterly Random Moment Time Study
 - When the results of the RMTS are coded, specific codes identify, on average, how much time direct medical service providers spend performing direct medical services
 - The direct medical percentage is a statewide average rate and is not specific to a school district, county, or 4201 school
 - The direct medical percentage used within the Medicaid cost report is the average from the three quarterly time study periods that occurred throughout the state fiscal year (October - December, January - March, and April - June)

Introduction to the SSHSP Cost Settlement Process

5. Random Moment Time Study (RMTS) results (cont.)

- What is the purpose of the direct medical service percentage?
 - The purpose of the direct medical service percentage is to determine the amount of costs incurred by school districts, counties, and 4201 schools on average in providing direct medical services
 - In other words, direct medical service staff have school district, county, and 4201 school specific responsibilities other than delivering direct medical services and CMS requires a mechanism (the RMTS in this case) to apportion these costs
 - The RMTS direct medical service percentage is applied to permissible costs to determine what portion of these costs pertain to the provision of direct medical services

Introduction to the SSHSP Cost Settlement Process

5. Random Moment Time Study (RMTS) results (cont.)

- Example:
 - If the direct medical services percentage was 65% and a school district, county, or 4201 school paid a PT \$60,000 per year, the direct medical service costs would be \$39,000
 - How is this calculated?
 - Salary times the direct medical service percentage
 $\$60,000 \times 0.65 (65\%) = \$39,000$
 - In this example, \$39,000 of cost would be recognized as direct medical service cost within the Medicaid cost report

Introduction to the SSHSP Cost Settlement Process

6. Contracted Staff Costs for Eligible SSHSP service providers

- Contracted staff costs include compensation paid for all services contracted by the school district, county, or 4201 school for an individual who delivered any SSHSP services to Medicaid and/or non-Medicaid clients
 - **Note:** The reported costs should be the total costs for the individual as paid by the school district, county, or 4201 school for the reporting period.
- School districts, counties and 4201 schools are required to report gross expenditures and then properly reduce expenditures for funds **paid from other federal funding sources**

Introduction to the SSHSP Cost Settlement Process

7. Annual Tuition Costs

- This section identifies the reimbursable portion of tuition expenditures for approved private schools and other school based out-of-district providers
- The cost report must include the following:
 - The specific school/program to which tuition was paid
 - The total annual tuition paid to the specific school/program
 - The portion of tuition payments made using federal funds

Introduction to the SSHSP Cost Settlement Process

7. Annual Tuition Costs

- The data entered will be used to calculate the *Tuition Payments Net Federal Funds*

$$(\text{Tuition Payments}) - (\text{Federal Funds}) = \text{Tuition Payments Net Federal Funds}$$

- This value will then be multiplied by the *Health Related Percentage* which is distinct for each school/program and will be calculated by PCG based on data from the Agency's Consolidated Fiscal Report (CFR)

$$(\text{Tuition Payments Net Federal Funds}) \times (\text{Health Related Percentage}) = \text{Health Related Expense}$$

- The *Health Related Expense* will then be used to determine the Medicaid allowable costs for cost settlement

Introduction to the SSHSP Cost Settlement Process

8. School District, County, and §4201 School Indirect Cost Rate (ICR)

- CMS recognizes that school districts, counties, and §4201 schools incur indirect costs for SSHSP program administration
 - Indirect costs represent the expenses of doing business that are not readily identified within a particular grant, contract, or program, but are necessary for the general operation of the organization to conduct its activities
- Each School District, County, and §4201 School in New York State has its own ICR
- PCG will pre-populate each individual school district, county, or §4201 school's ICR into the Medicaid cost report form
- The ICR is applied to net direct costs (total costs less amount paid with federal funds) in order to allow for proper identification of indirect costs

Introduction to the SSHSP Cost Settlement Process

9. Individualized Education Program (IEP) Ratio

- What is the IEP Ratio?
 - The ratio is calculated and reported annually on the Medicaid SSHSP Cost Report
 - The IEP Ratio is the total Number of Medicaid Eligible Special Education Students With a Prescribed Direct Medical Service in their IEP divided by the Total Number of ALL Special Education Students With a Prescribed Direct Medical Service in their IEP

**IEP
Ratio**

=

$$\frac{\text{Total Number of Medicaid Eligible Special Education Students with a Prescribed Direct Medical Service in their IEP}}{\text{Total Number of ALL Special Education Students with a Prescribed Direct Medical Service in their IEP}}$$

- Direct medical services are defined as those services billable under the SSHSP program

Introduction to the SSHSP Cost Settlement Process

9. Individualized Education Program (IEP) Ratio

- What is the purpose of the IEP Ratio?
 - The purpose of the IEP ratio is to allocate direct medical service costs to the Medicaid program
 - In other words, it is used to determine Medicaid's portion of direct medical service costs incurred by school districts, counties, and 4201 schools for the provision of SSHSP direct medical services
- NYSDOH and PCG are responsible for calculating the numerator and school districts, counties, and 4201 schools are responsible for reporting the denominator

Introduction to the SSHSP Cost Settlement Process

- School districts, counties, and 4201 schools will be responsible for entering the denominator of the IEP ratio
- The denominator is the number of ALL Special Education students with a prescribed medical service in the IEP
- The denominator must reflect the number of children enrolled in Special Education with a Prescribed Medical Service (billable under the SSHSP program) in the IEP
- The denominator must be from the **October 1st** student count for special education students that receive medical services each fiscal year

Introduction to the SSHSP Cost Settlement Process

Now that we know about the SSHSP Medicaid Cost Report process, how do the pieces fit together?

Calculation Step	Cost Report Element Description	Value	Cost Report Element #
A	Salary Costs of SSHSP Direct Service Providers (net of federal funds)	\$900,000	1
B	Benefit Costs of SSHSP Direct Service Providers (net of federal funds)	\$100,000	2
C	Direct Service Non Personnel Cost (net of federal funds)	\$65,000	3
D	Direct Service Non Personnel Depreciation Cost (net of federal funds)	\$24,530	4
E	Total Direct Service Costs (net of federal funds) (Sum of Steps A through D)	\$1,089,530	

Introduction to the SSHSP Cost Settlement Process

Calculation Step	Cost Report Element Description	Value	Cost Report Element #
E	Total Direct Medical Service Costs (net of federal funds) (Sum of Steps A through D)	\$1,089,530	See Prior Slide
F	Direct Medical Service % (from RMTS)	65.00%	5
G	(Step E × Step F)	\$708,195	
H	Contract Costs of SSHSP Direct Medical Service Providers (net of federal funds)	\$100,000	6
I	Out of District Tuition Costs	\$50,000	7
J	(Step G + Step H + Step I)	\$858,195	
K	Indirect Cost Rate	1.15	8
L	(Step J × Step K)	\$986,924	
M	Individualized Education Program Ratio	50.00%	9
N	SSHSP Medicaid Eligible Direct Service Cost (Step L × Step M) (Calculated Cost Reimbursement)	\$493,462	

Introduction to the SSHSP Cost Settlement Process

Medicaid Allowable Costs and Cost Report Data Elements for Specialized Transportation Services

The 7 CMS-approved cost and data elements used to determine Medicaid costs for Specialized Transportation Services include:

1. Salary costs for eligible specialized transportation service providers
2. Benefit costs for eligible specialized transportation service providers
3. Approved Specialized Transportation Non Personnel costs
4. Depreciation costs for Approved Specialized Transportation Non Personnel costs
5. School District, County, and §4201 School Indirect Cost Rates (ICR) *(pre-populated by PCG)*
6. Specialized Transportation Ratio *(if needed)*
7. One Way Trip Ratio

Introduction to the SSHSP Cost Settlement Process

1. Salary costs for eligible specialized transportation service providers include:

- Regular wages or extra pay
- Paid time off (e.g., sick or annual leave)
- Overtime
- Bonuses or longevity
- Stipends
- Cash Bonuses and/or cash incentives

Note: Salaries are those payments from which payroll taxes are deducted. The reported salaries should be the total gross earnings for the individual as paid by the school district, county, or 4201 school for the reporting period

Introduction to the SSHSP Cost Settlement Process

2. Benefit costs for eligible specialized transportation service providers include:

- Employer-paid health/medical, life, disability, or dental insurance premiums
- Employer-paid child day care for children of employees
- Retirement contributions
- Worker's compensation costs

Note: Report the expended amounts paid by the school district, county, or 4201 school which are directly associated with each staff member by type of employee benefit

Introduction to the SSHSP Cost Settlement Process

1. & 2. Salary and Benefit costs for eligible specialized transportation service providers

- Only those salary and benefit costs for eligible specialized transportation service providers are eligible for SSHSP cost reimbursement
 - Eligible specialized transportation service providers include Bus Drivers, Bus Attendants, Mechanics, Substitute Drivers
- School districts, counties, and 4201 schools are required to report gross expenditures and then properly reduce expenditures for **funds paid from federal funding sources**
- Costs can be reported as specialized transportation only or not specialized transportation only (details on later slide)

Introduction to the SSHSP Cost Settlement Process

3. Approved Specialized Transportation Non Personnel costs

- CMS has approved a list of specialized transportation non personnel costs, including:
 - Lease or Rental Costs
 - Insurance Costs
 - Maintenance and Repair Costs
 - Fuel and Oil Costs
 - Purchases under \$5,000
 - Contract Costs – for transportation services and transportation equipment
- **Only those items included within the above categories** can be reported on the Medicaid cost report
- Costs can be reported as either specialized transportation only or not specialized transportation only (details on later slide)

Introduction to the SSHSP Cost Settlement Process

4. Depreciation costs for Approved Specialized Transportation Non Personnel Costs

- Depreciation for specialized transportation assets follows a similar process as that for the depreciation of direct medical service materials and supplies
- If a single specialized transportation non personnel item cost exceeds \$5,000, then the item should be depreciated
- Costs can be reported as specialized transportation only or not specialized transportation only (details on later slide)

Introduction to the SSHSP Cost Settlement Process

5. School District, County, and 4201 School Indirect Cost Rate (ICR)

- CMS recognizes that school districts, counties, and 4201 schools incur indirect costs for SSHSP program administration
 - Indirect costs represent the expenses of doing business that are not readily identified within a particular grant, contract, or program, but are necessary for the general operation of the organization to conduct its activities
- Each School District, County, and 4201 School in New York State has its own ICR
- PCG will pre-populate each individual school district, county, and 4201 school's ICR into the Medicaid cost report form
- The ICR is applied to net direct costs (total costs less amount paid with federal funds) in order to allow for the proper identification of indirect costs

Introduction to the SSHSP Cost Settlement Process

6. Specialized Transportation Ratio

- What is the Specialized Transportation Ratio?
 - The Specialized Transportation Ratio is used when a school district, county, or 4201 school can not discretely break out its specialized transportation costs from its general transportation costs

$$\text{Specialized Transportation Ratio} = \frac{\text{Total Number of IEP Students Receiving Specialized Transportation Services}}{\text{Total Number of ALL Students Receiving Transportation Services (Specialized or Non Specialized)}}$$

- The ratio is calculated and reported annually on the Medicaid SSHSP Cost Report
- The ratio is applied to those costs identified as “not specialized transportation only”

Introduction to the SSHSP Cost Settlement Process

7. One Way Trip Ratio

- What is the One Way Trip (OWT) Ratio?
 - The ratio is calculated and reported annually on the Medicaid SSHSP Cost Report
 - A Medicaid one-way trip is defined as a trip in which a Medicaid enrolled student who has specialized transportation services in their IEP and received another Medicaid-covered service provided by the school district, county, or 4201 school on the day of the trip. The numerator will be completed by PCG based on paid claims data

**OWT
Ratio**

$$= \frac{\text{Total Number of Medicaid One Way Trips}}{\text{Total Number of ALL One Way Trips}}$$

- The purpose of the One Way Trip ratio is to allocate specialized transportation costs to the Medicaid Program
 - In other words, it is used to determine Medicaid's portion of specialized transportation costs incurred by School districts, counties, and 4201 schools for the provision of SSHSP specialized transportation services

Introduction to the SSHSP Cost Settlement Process

Now that we know about the SSHSP Medicaid Cost Report process for Specialized Transportation, how do the pieces fit together?

Calculation Step	Cost Report Element Description	Value	Cost Report Element #
A	Salary Costs of SSHSP Specialized Transportation Service Providers (net of federal funds)	\$225,000	1
B	Benefit Costs of SSHSP Direct Specialized Transportation Providers (net of federal funds)	\$65,000	2
C	Specialized Transportation Non Personnel Cost (net of federal funds)	\$45,000	3
D	Special Transportation Non Personnel Depreciation Cost (net of federal funds)	\$14,000	4
E	Total Specialized Transportation Service Costs (net of federal funds) (Sum of Steps A through D)	\$349,000	

Introduction to the SSHSP Cost Settlement Process

Calculation Step	Cost Report Element Description	Value	Cost Report Element #
E	Total Specialized Transportation Service Costs (net of federal funds) (Sum of Steps A through D)	\$349,000	See Previous Slide
F	Indirect Cost Rate	1.15	5
G	Step E times Step F	\$401,350	
H	Specialized Transportation Ratio	32.00%	6
I	Step G times Step H	\$128,432	
J	One Way Trip Ratio	48.00%	7
K	SSHSP Medicaid Eligible Specialized Transportation Cost (Step I times Step J)	\$61,647	

Introduction to the SSHSP Cost Settlement Process

Now that we know how the SSHSP Medicaid Direct Medical Service and Specialized Transportation Costs are calculated, how is the settlement determined?

Calculation Step	Cost Report Element Description	Value	Cost Report Element #
A	SSHSP Medicaid Eligible Direct Service and Specialized Transportation Cost	\$555,109	See Step N for Direct Service and Step K for Specialized Transportation
B	SSHSP Medicaid Interim Payments Received (Received through traditional billing process)	\$395,745	
C	Medicaid Cost Settlement Gross Amount	\$159,364	
	State Share at 50%	\$79,682	
	Federal Share at FY 2013 FMAP Rate of 50% (Federal Share based on FFP Rates published by the US Department of Health and Human Services)	\$79,682	



Instructions for Cost Report Submission

Instructions for Cost Report Submission

- The SSHSP Medicaid Cost Report will be prepared through the Medicaid Cost Reporting and Claiming System (MCRCS) website at:

<https://costreporting.pcgus.com>

- Each district must identify those individuals that will have access to the MCRCS and at what level:
 - (1) *District Level Administrator*. Required to “manage” the district’s contacts (or web-based system users), and the only level with the ability to certify costs. District Level Administrator includes the role of Report Editor
 - (2) *Report Editor*. Can add, delete, or edit information in the MCRCS system prior to certification by the District Level Administrator
 - (3) *Report Viewer*. Can only view information in the MCRCS system and cannot add, delete, or edit information

Instructions for Cost Report Submission

- When the link for the Medicaid Cost Report is selected, the system will show the status of the report
- Examples of what the report status will look like are seen here:

 **Not Applicable:** There is no staff pool uploaded for this Quarterly Submission. This is a result of your district not participating in the random moment time study for the corresponding date range. No costs can be submitted for this quarter.

 **Not Started:** All previous reports for this school year have been completed/certified. Accordingly, Information can now be entered for this reporting period. Once information has been entered the status for this report will change to In Process.

 **In Process:** Information has been entered for this report. Once all the information has been reported and any Edits have been resolved or explained, the report can be completed/certified.

 **Certified:** This report has been completed and it is locked and ready for desk review. No edits can be made to the information. If changes are needed, please contact PCG through the contact information on the dashboard to have the report uncertified.

Instructions for Cost Report Submission

Resolve System Edits

- Once all information is entered by the school district, county, or 4201 school, the system will perform standard edit checks on the data
- The school district, county, or 4201 school is responsible for reviewing any system edits that arise and either resolving or explaining the edits
- Some potential common errors include:
 - Reporting salaries higher than expected thresholds
 - Reporting benefits higher than expected thresholds
 - Reporting more federal funding costs than total costs

Instructions for Cost Report Submission

Final Data Review and Certification

- Once all data has been entered and edits have been resolved or explained, school districts, counties, and 4201 schools must review and certify the report
 - School districts, counties, and 4201 schools will first review the summaries of financial data provided
 - When satisfied that the data is accurate and complete, the reviewer will click the “certify” button
 - Clicking the “certify” button finalizes the report and electronically submits the report to PCG



Medicaid Cost Reporting and Claiming System (MCRCS) Demonstration



SSHSP Cost Settlement Calculation

SSHSP Cost Settlement Calculation

Medicaid Cost Report Desk Reviews

- School districts, counties, and 4201 schools will certify and submit cost reports to PCG
- PCG will perform desk reviews of all submitted cost reports
- During the desk review process, PCG will review all cost report data submitted by school districts, counties, and 4201 schools to ensure accuracy and completeness
- PCG will especially focus on:
 - System edit checks and explanations provided by the school districts, counties, and 4201 schools
 - Cost or statistical outliers in the data reported

SSHSP Cost Settlement Calculation

Final Cost Settlement Calculations

- School districts, counties, and 4201 schools have 22 months to submit SSHSP claims under current timely filing requirements for the SSHSP program
 - Therefore, services pertaining to June 30, 2013 can be billed and submitted by school districts, counties, and 4201 schools until April 30, 2015
 - Due to this fact, school districts, counties, and 4201 schools must wait until after May 31, 2015 for the final cost reconciliation and settlement to be calculated
- While school districts, counties, and 4201 schools have 22 months to submit SSHSP claims under timely filing requirements for the SSHSP program, it is highly recommended that billing occur as soon as possible

SSHSP Cost Settlement Calculation

Certification of Public Expenditure Forms

- After all final calculations have been made and entered into MCRCS, the system will calculate each school district, county, and 4201 school's final cost settlement amount
- School districts, counties, and 4201 schools will be notified that cost settlements have been finalized and will then be responsible for reviewing the final cost settlement information in MCRCS and approving the settlement
- A Certification of Public Expenditure (CPE) form can then be printed from MCRCS
- This form must be signed by an authorized officer of the school district, county, or 4201 school (CEO, CFO, Superintendent) and mailed to PCG at the address listed on the form and to NYSDOH
- CPE forms **MUST** be returned to PCG and NYSDOH

SSHSP Cost Settlement Calculation

Monitoring Process for SSHSP Medicaid Cost Reports

- After all cost settlement processes have been completed, PCG will also be conducting comprehensive audits of a random sample of school district, county, and 4201 school cost reports
- These audits will be comprehensive in evaluating:
 - Salary and benefit costs reported for staff listed on the RMTS
 - Licensing and credentials of direct service staff listed on the RMTS
 - Direct medical materials and supplies costs reported
 - Depreciation expenses reported for direct medical equipment
 - Contracted staff costs
 - Student counts reported for the numerator of the IEP Ratio
- School districts, counties, and 4201 schools need to maintain supporting documentation for all financial and statistical information reported during the SSHSP cost settlement process

Important Dates

September 5, 2012	Deadline to submit roster for October 1 – December 31, 2012 RMTS
September 12, 2012	Deadline for one-time adjustments to rosters
October 1, 2012	Deadline to submit roster for period of October 1, 2011 – June 30, 2012 (Employees must be included on this roster in order to participate in cost reporting for the period of October 1, 2011 – June 30, 2012)
November 1, 2012	Deadline to submit supplemental form for contracted staff to PCG
December 31, 2012	Annual cost report due to PCG



Contacts and Questions

Contacts

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