

# Medicaid in Education Alert

New York State Office of Health Insurance Programs (NYS OHIP)  
New York State Education Department (NYSED)  
Preschool/School Supportive Health Services Program (SSHSP)  
Medicaid in Education Units

Issue #12-05

TO: All SSHSP Medicaid Providers

FROM: NYS OHIP SSHSP & NYSED  
Medicaid in Education Units

DATE: March 1, 2012

SUBJECT: Preschool/School Supportive Health Services Program (SSHSP)  
and Certified Public Expenditures

The New York State Department of Health (DOH) recently submitted a Medicaid State Plan Amendment (SPA) to enhance the Preschool/School Supportive Health Services Program (SSHSP) reimbursement methodology. DOH intends to utilize Certified Public Expenditures (CPEs), an annual cost reconciled and settled reimbursement methodology, in an effort to increase federal funding of the SSHSP. The CPE methodology will allow NYS to request additional federal funding for SSHSP costs that are not completely covered by current Medicaid reimbursement. DOH has contracted with Public Consulting Group, Inc. (PCG) to implement and support the additional reimbursement methodology. **Current Medicaid documentation and claiming activities pursuant to SPA #09-61 remain the same.** CPE reimbursement methodology takes the following into consideration:

- actual costs including employee salaries, fringe benefits, contract costs, and equipment purchases and maintenance,
- time spent by practitioners delivering Medicaid reimbursable services, and
- interim Medicaid reimbursement received from encounter based billing.

PCG will provide training on CPEs to school districts, counties, and §4201 schools immediately following Phase III mandatory relevant employee compliance training sessions provided by SED, in collaboration with DOH, which begin in March 2012. PCG's training on CPEs will consist of an overview of the new processes, resources and materials related to CPEs. Additionally, PCG plans to conduct a number of in-depth informational webinars on the CPE process and will establish a call center to support questions on the CPE reimbursement methodology. CPE training materials will be posted at

<http://www.oms.nysed.gov/medicaid/>.

A partial overview of the CPE process is described below:

### **Financial Reporting**

Pending approval of the State Plan Amendment (SPA), school districts, counties and §4201 schools that receive payments from Medicaid for school supportive health services provided on and after 10/1/2011 will be required to operate under the CPE methodology.

Each school district, county, and §4201 school will complete a report on its student demographic statistics and actual costs including salary, fringe benefit, transportation, and non-personnel medical costs. The report will be used in the cost settlement process. Medicaid revenues received will be reconciled against Medicaid costs using statistical data and a cost reporting process that identifies Medicaid costs related to the direct services provided by relevant employees.

As is the current practice, throughout the fiscal year, school districts, counties and §4201 schools submit fee-for-service school-based Medicaid claims for direct services. The associated claims payments are reimbursed through interim rates which are published on SED's Medicaid in Education webpage coupled with associated CPT codes. This practice allows providers to receive prospective reimbursement for providing services prior to filing the annual cost report. In addition, it provides an audit trail for both the State and federal governments and ensures that Medicaid eligibility is verified.

The cost settlement process for Medicaid direct services provided during fiscal year 2011-2012 will be completed during the 7/1/2012 – 6/30/2013 school year.

### **Random Moment Time Study (RMTS)**

Quarterly random moment time studies will be used to determine the amount of time on average that school district, county and §4201 school practitioners spend on Medicaid direct services and administrative activities. The billing providers will be responsible for certifying the staff pool lists. A random sample of practitioners across the State will be selected from the pool for each quarterly time study. An individual employee's chance of being selected from the pool is small. Time study results are essential to the cost reconciliation process.

Each school district, county and §4201 school must appoint an RMTS Coordinator. Each RMTS Coordinator is required to review, update, and certify the staff pool roster on a quarterly basis, prior to the beginning of each new quarter. This ensures that allowable costs for those practitioners can be claimed by the school districts, counties and §4201 schools during the reconciliation process. All updates and certifications are made directly in the RMTS system. The time study quarters are as follow:

- October 1 – December 31
- January 1 – March 31
- April 1 – June 30

The time study is not administered during the summer quarter (July 1 - September 30). The summer quarter calculations are based on an average of the other nine months of the fiscal year.

### **Cost Settlement**

The Medicaid program will not pay more for services than what it costs to provide those services.

After each school district, county and §4201 school has completed its quarterly RMTS and annual cost report, a cost settlement process is initiated. For the 2011-2012 school year, if a school district, county or §4201 school has Medicaid costs in excess of its Medicaid revenues, the resulting difference would be paid by CMS to the State of New York. If a school district, county or §4201 school has Medicaid costs lower than its Medicaid revenues, then it will have to refund the difference to the State Medicaid program. However, because the SSHSP rates are set at 75 percent of the mid-Hudson Medicare rates, refunds are not likely to occur.

If you have any questions or comments regarding this alert, please contact PCG at [nysshsp@pcgus.com](mailto:nysshsp@pcgus.com).