

Agenda

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



SSHSP and Medicaid Overview

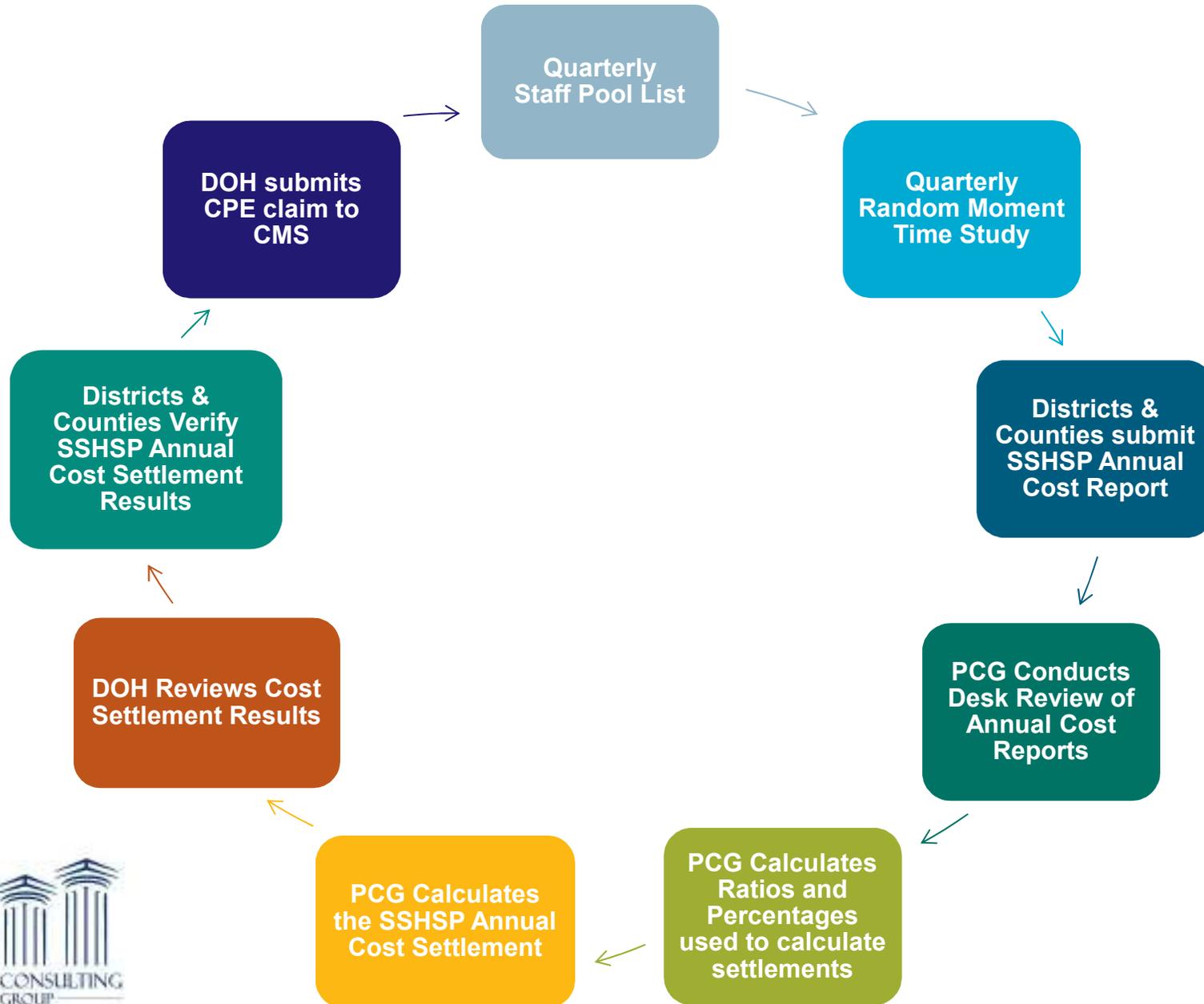
SSHSP and Medicaid Overview

- In New York, the school-based Medicaid program is called the Preschool/School Supportive Health Services Program (SSHSP) and is administered jointly by the Department of Health and State Education Department.
- Medicaid provides reimbursement for medically necessary services that are provided by SSHSP providers (public school districts and counties) to Medicaid-eligible students with an Individualized Education Program (IEP).

SSHSP and Medicaid Overview

- School districts and counties participating in SSHSP are responsible for submitting claims to Medicaid throughout the year as services are provided and receive interim payments based on a fee schedule.
- School Districts which employ direct medical clinicians who provide Medicaid billable services are responsible for including those clinicians on the quarterly RMTS rosters.
- Following the close of each Fiscal Year, all districts and counties participating in SSHSP are required to submit an Annual Medicaid Cost Report.

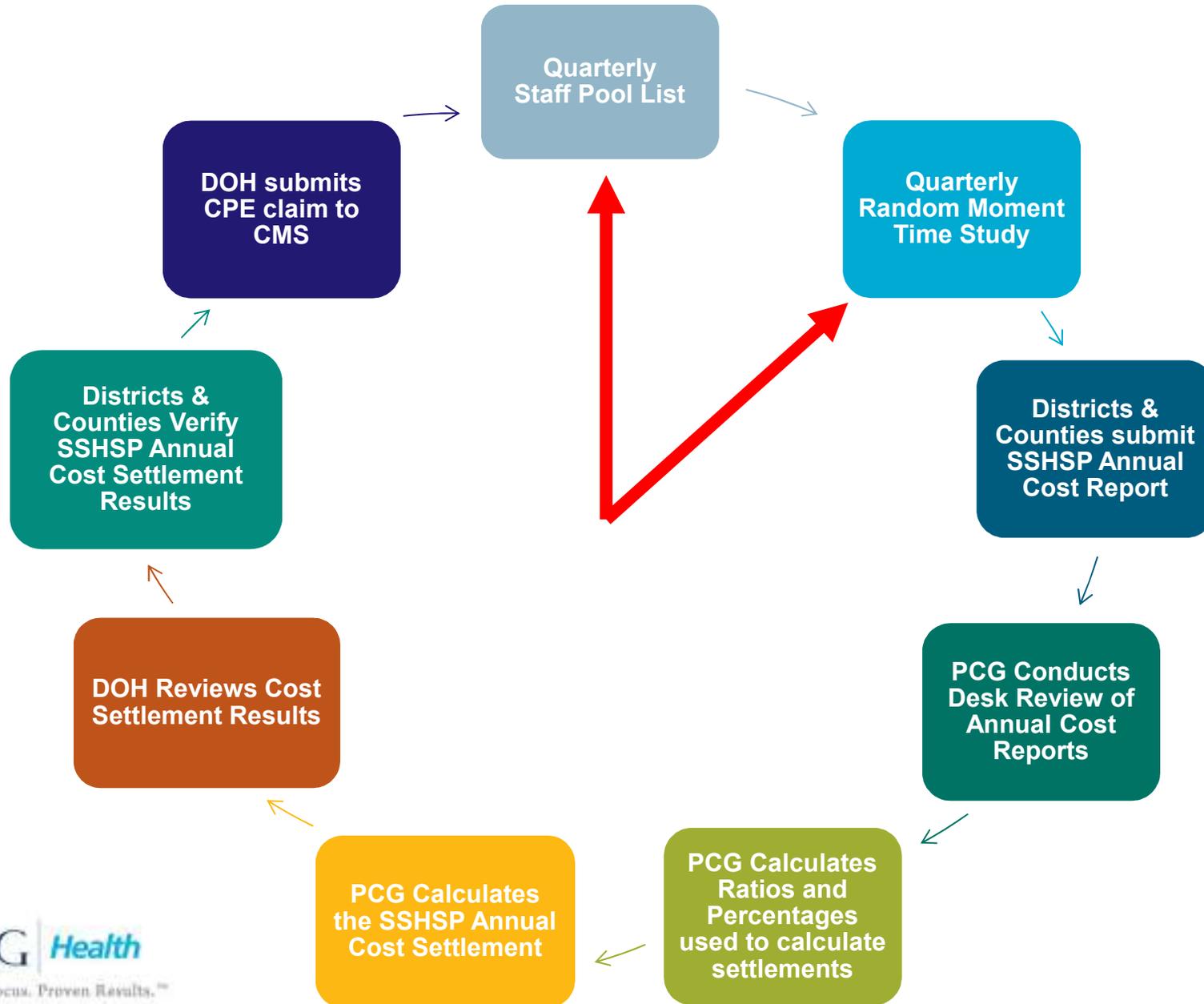
SSHSP Annual Cost Settlement Cycle





Random Moment Time Study (RMTS) Overview

SSHSP Annual Cost Settlement Cycle



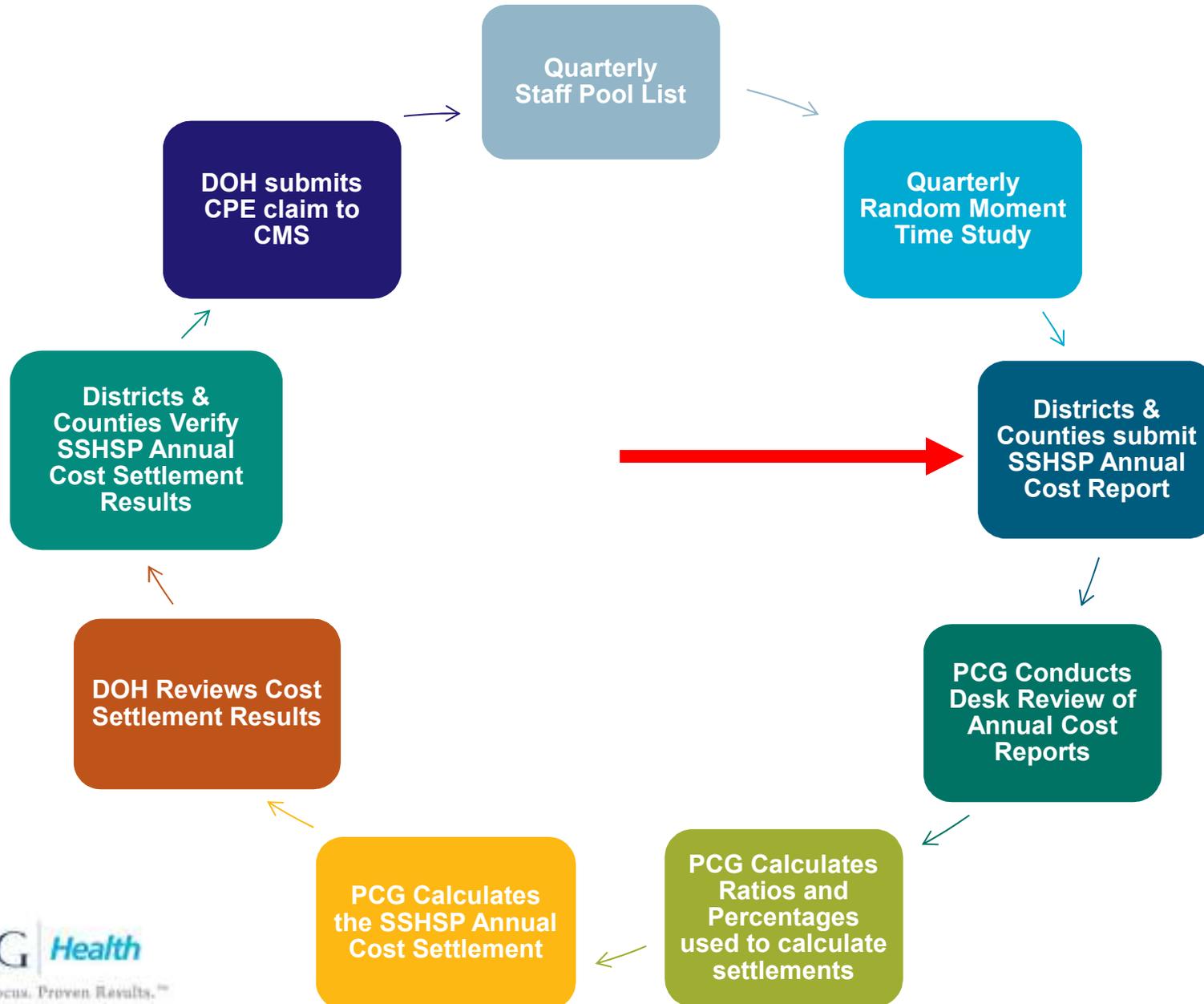
RMTS Overview

- For school districts and counties to participate and bill services under the SSHSP, they must participate in the Random Moment Time Study (RMTS):
 - Coordinators have been identified from each school district 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



SSHSP Cost Report and Cost Settlement Process

SSHSP Annual Cost Settlement Cycle



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 reimbursement for the delivery of medical services reflects the actual cost of providing the service
- District and counties are responsible for submitting the Annual Medicaid Cost Report in order to determine their allowable cost settlement

SSHSP Cost Settlement Process

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

(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 (FFP) <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

SSHSP Cost Settlement Process

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

Cost Settlement	Test 2
Medicaid Cost for Direct Medical Services – Gross	\$450,000
Federal Financial Participation (FFP) <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	\$225,000
Medicaid Interim Payments Received for Direct Medical Services – Net FFP	\$300,000
Medicaid Cost Settlement Amount – Net FFP	(\$75,000)

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 the salaries of those employees listed on a school district or county RMTS roster are eligible to be included in the cost settlement process
 - Contractors are not included in the RMTS and should not be included on rosters
 - Districts or counties with 100% contracted clinicians do not need to participate in the RMTS

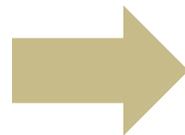
SSHSP Cost Settlement Process

- The RMTS is used to capture the percentage of time direct medical staff spend on providing direct medical services
 - This percentage is called the “direct medical percentage” and is used to calculate direct medical service costs

Administrative Activity



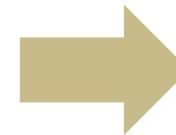
Refer student for speech therapy



Administrative Activity



Discuss speech services in an IEP meeting



Direct Service



Provide speech therapy

SSHSP Cost Settlement Process

Medicaid Allowable Costs and Cost Report Data Elements

- Medicaid Allowable Costs included in the annual Medicaid Cost Report must:
 - Relate to one of the following direct medical services which are included in the State Plan

Occupational Therapy
Physical Therapy
Speech Therapy
Audiological Evaluations
Psychological Counseling
Skilled Nursing
Medical Evaluations
Medical Specialist Evaluations
Psychological Evaluations

- Tie back to an individual student's IEP
- Be reported using Accrual Based Accounting

SSHSP Cost Settlement Process

DOs and DON'Ts of Cost Reporting

- Report costs using accrual based accounting (based on the date of service)



DO report using accrual based accounting (date of service).



DO NOT report using cashed based accounting (date of payment).

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 a cost reimbursement methodology that includes 11 elements for direct medical services and 7 elements for specialized transportation services (to be described in the following slides)

SSHSP Cost Settlement Process

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

The 7 CMS-approved cost elements used to determine Medicaid costs for Direct Medical Services include:

1. Salary costs for eligible SSHSP service providers employed by school districts and counties
2. Benefit costs for eligible SSHSP service providers employed by school districts and counties
3. Contract costs for eligible SSHSP service providers contracted by school districts and counties by outside agencies
4. Approved direct medical service material, supply, and equipment costs
5. Depreciation costs for approved direct medical service equipment
6. Annual tuition costs for private schools and other non-public entities
7. Annual intergovernmental agreement costs for contract and tuition arrangements between public schools and counties

Districts and counties are required to report gross expenditures as well as any funding from federal sources (other than Medicaid) so that they may be netted out of overall cost.

SSHSP Cost Settlement Process

1. Salary costs for eligible SSHSP service providers employed by school districts and counties 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 during the reporting period.

SSHSP Cost Settlement Process

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

- Employer-paid health/medical, life, disability, or dental insurance premiums
- Employer paid payroll taxes such as Medicare, Social Security
- 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 or county which are directly associated with each staff member by type of employee benefit.

Note: FICA payments may be reported under the category for Social Security.

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 Quarterly RMTS roster are eligible for SSHSP reimbursement
 - Quarters marked with a “1” denote the individual participated in the RMTS and the district/county should report costs related to that period.
 - Quarters marked with a “0” denote the individual did not participate in the RMTS and the district/county should exclude costs related to that period.
 - All individuals who participate in the RMTS during the October-December quarter will automatically be marked with a “1” for the July-September quarter

Last Name	First Name	Job Category	JAS	OND	JFM	AMJ
Baggins	Bilbo	Physical Therapist	1	1	0	0

SSHSP Cost Settlement Process

3. Annual Contract Costs for Eligible SSHSP service providers

- Contracted staff costs include compensation paid for services contracted by the school district or county with any outside private agency (such as BOCES) or individual (such as an independent therapist) who delivered any SSHSP services to Medicaid and/or non-Medicaid students
- Only costs incurred from agencies other than public schools or counties may be included under Annual Contractors Cost.
- School districts and counties must report the service type, contracted vendor or individual, total amount paid, and any amount paid using federal funds.
- All individuals whose cost are captured in this section must be included on the Supplemental Form for Contracted Practitioners.

SSHSP Cost Settlement Process

4. Approved Direct Medical Service Material, Supply and Equipment Costs

- CMS has approved a very limited list of direct medical service material, supply, and equipment costs (Available on the MCRCS Dashboard)
 - **Only those items included within the approved list** can be reported on the Medicaid cost report
 - Examples include: hearing aids, stethoscopes, wheelchairs, etc.
- Districts and counties can report costs for materials, supplies, and equipment which are actively used for the provision of a direct medical service

SSHSP Cost Settlement Process

4. Approved Direct Medical Service Material, Supply and Equipment Costs

- Example: A student uses an iPad during the provision of Speech Therapy provided by a Licensed Speech Pathologist. Can this cost be included?
 - **Yes** – The item was used for the provision of a direct medical service.
- Example: A student with a Speech Disability uses an iPad only during general education classes. Can this cost be included?
 - **No** – The item was not used for the provision of a direct medical service.

SSHSP Cost Settlement Process

DOs and DON'Ts of Cost Reporting

- Report Materials, Supplies and Equipment costs related to the provision of direct medical services.



DO report the cost of Materials, Supplies, and Equipment used during the provision of a direct medical service.



DO NOT report the cost of Materials, Supplies, and Equipment used only during general education.

SSHSP Cost Settlement Process

5. Depreciation costs for Approved Direct Medical Service Equipment

- 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 will be determined using pure straight-line depreciation as defined in OMB-A-87
 - **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

SSHSP Cost Settlement Process

5. Depreciation costs for Approved Direct Medical Service Equipment (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

SSHSP Cost Settlement Process

6. Annual Tuition Costs

- This section identifies the reimbursable portion of tuition expenditures for approved private schools and other entities other than public schools and counties
- Only tuition costs incurred for students with at least one direct medical service in their IEP can be reported
- The cost report must include the following:
 - The specific school/agency to which tuition was paid
 - The total annual tuition paid to the specific school/program
 - The portion of tuition payments made using federal funds

Note: If the cost for the providers at a tuition school are reported in the Annual Contractors Cost section, the remaining tuition cost **cannot** be reported in this section.

SSHSP Cost Settlement Process

DOs and DON'Ts of Cost Reporting

- Report cost paid to an agency or vendor under either Annual Contractors Costs **OR** Annual Tuition Costs



DO report the cost of services provided by an outside vendor as a contract OR tuition



DO NOT report the cost of services provided by an outside vendor as a contract *and* tuition. Do not split the cost between the two sections.

SSHSP Cost Settlement Process

7. Annual Intergovernmental Agreements (IA)

- This section identifies expenses and revenues related to contract and tuition services between school districts and counties
- Starting with the FY2014 report **and applying retroactively to the FY2013 and FY2012 reports**, school districts and counties will be required to report contract and tuition expenses paid to other school districts or counties under the Annual Intergovernmental Agreements section
- Districts and counties will also be required to validate revenues received from other districts and counties for the provision of contract or tuition services

SSHSP Cost Settlement Process

7. Annual Intergovernmental Agreements (cont.)

- IA contract expenses paid to a school district or county are reported in the same manner as Annual Contract Costs
 - The district/county must report the service type, contracted entity, total amount paid, and any amount paid using federal funds.
- IA tuition expenses paid to a school district or county are reported in the same manner as Annual Tuition Costs
 - The district/county must report the tuition school, total amount paid, and any amount paid using federal funds.

SSHSP Cost Settlement Process

7. Annual Intergovernmental Agreements (cont.)

- IA revenues will be compiled by PCG
 - After the reports are certified, PCG will extract IA expenses and provide each school district and county a summary of revenues based on reported expenses
- IA contract revenues received from a school district or county are reported for services provided by the reporting entity to another entity's students
 - The district/county must validate the service type, entity from which revenue was received, total amount received, and the total amount from federal funds
- IA tuition revenues received from a school district or county are reported for services provided by the reporting entity to another entity's students
 - The district/county must validate the entity from which revenue was received, total amount received, and the total amount from federal funds

SSHSP Cost Settlement Process

7. Annual Intergovernmental Agreements (cont.)

Example: A school district contracts with a county for Speech Therapy.

- The school district reports an expense to the county under IA Contract Expenses
- Once all reports are certified, PCG extracts this information from the school district's report and provides it to the county
- The county will then include that amount under IA Contract Revenues

School District A	County A
Expense: \$1,000 – Speech Therapy	Revenue: \$1,000 – Speech Therapy
School District A IEP Ratio: 40%	School District A IEP Ratio: 40%
Medicaid Allowable Expense: \$400	Medicaid Allowable Revenue: \$400
Net Medicaid Cost: \$0	

SSHSP Cost Settlement Process

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

The 4 CMS-approved data elements used to determine Medicaid costs for Direct Medical Services include:

1. Random Moment Time Study (RMTS) percentage or Direct Medical Service (DMS) percentage results
2. School District and County Indirect Cost Rates (ICR)
3. Health Related Tuition Percentages
4. Individualized Education Program (IEP) Ratio

Each direct service data element applied to the cost report is populated by PCG.

SSHSP Cost Settlement Process

1. Random Moment Time Study (RMTS) results (also known as the Direct Medical Service [DMS] 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 or county
- The average from the three quarterly time study periods that occurred throughout the school fiscal year (October - December, January - March, and April - June) (no time study for July – September) are used to calculate the DMS%
- The DMS% is applied to all reported Salary, Benefit, Materials, Supplies, and Equipment Costs

SSHSP Cost Settlement Process

2. School District and County Indirect Cost Rate (ICR)

- CMS recognizes that school districts and counties 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 in New York State has its own ICR
- Counties are given a flat 10% ICR
- The ICR is applied to Annual Payroll Costs, Annual Material, Supplies, and Equipment Costs, and Annual Equipment Depreciation costs (total costs less amount paid with federal funds) in order to allow for proper identification of indirect costs
 - The ICR is not applied to contract or tuition costs

SSHSP Cost Settlement Process

3. Health Related Percentage for Annual Tuition Costs

- Tuition costs 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/agency and will be calculated by PCG based on data from the agency or school's Consolidated Fiscal Report (CFR) or the school district's Annual Financial Report (ST-3)

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

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

SSHSP Cost Settlement Process

3. Health Related Percentage for IA Tuition

- When reporting an IA tuition expense, the health related percentage is applied in the same manner used for Annual Tuition Costs

$$\begin{aligned} & \text{(Tuition Expense Net Federal Funds) x} \\ & \text{(Health Related Percentage of reported entity)} \\ & = \text{Health Related Expense} \end{aligned}$$

- When determining the IA tuition revenue, **the health related percentage for the reporting district/county will be applied**

$$\begin{aligned} & \text{(Tuition Expense Net Federal Funds) x} \\ & \text{(Health Related Percentage of reporting entity)} \\ & = \text{Health Related Revenue} \end{aligned}$$

SSHSP Cost Settlement Process

4. Individualized Education Program (IEP) Ratio

- What is the IEP Ratio?
 - The ratio is calculated and reported annually on the Medicaid SSHSP Cost Report

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

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

SSHSP Cost Settlement Process

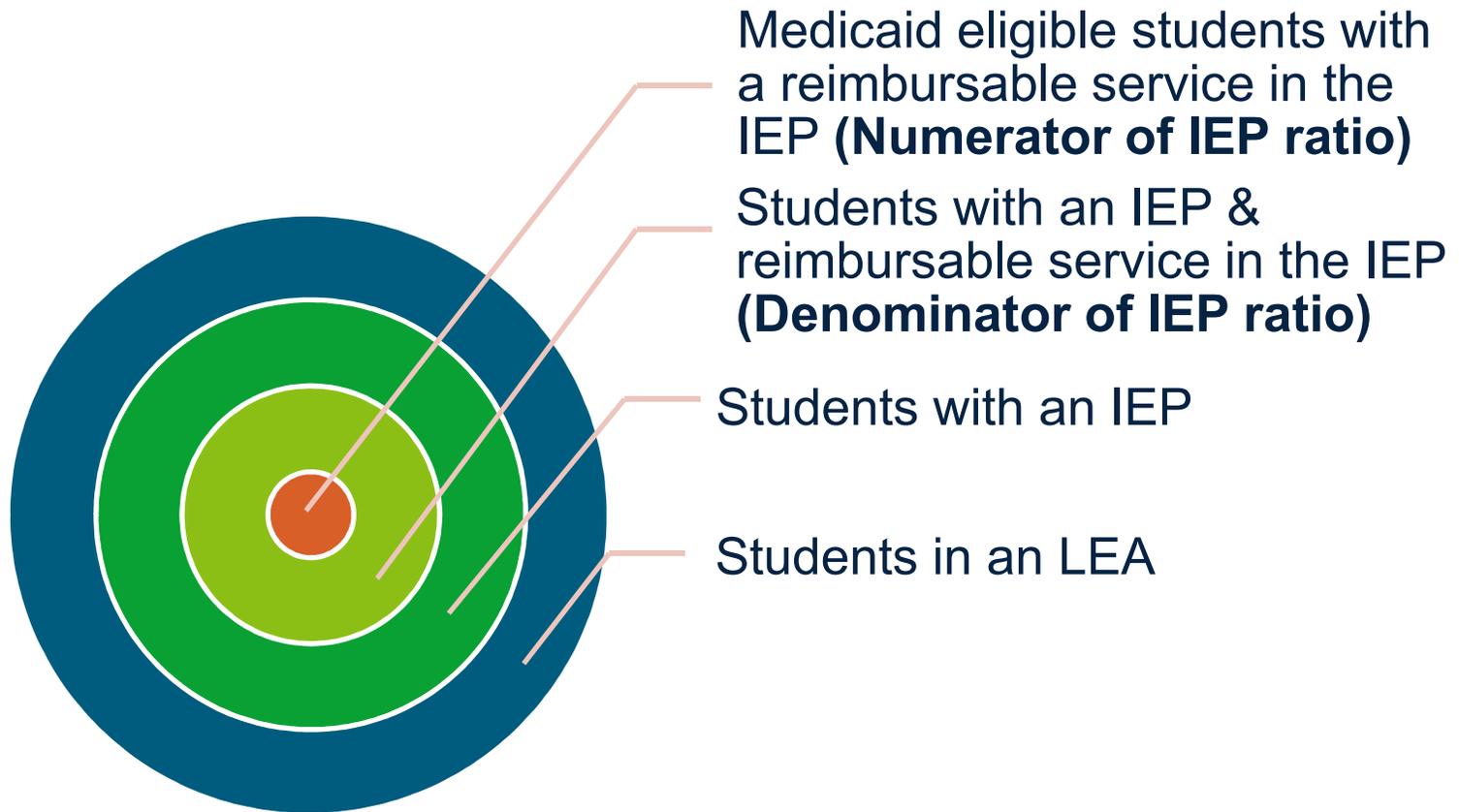
4. Individualized Education Program (IEP) Ratio

- 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 and counties for the provision of SSHSP direct medical services

IEP Ratios will be uploaded by PCG into the Medicaid Cost Report and Claiming System (MCRCS) and applied to each cost report in order to determine the Medicaid Allowable Direct Cost

SSHSP Cost Settlement Process

4. Individualized Education Program (IEP) Ratio



SSHSP Cost Settlement Process

4. Individualized Education Program (IEP) Ratio

- School districts and counties are responsible for submitting a list identifying each student with at least one direct medical service in their IEP to the Central New York Regional Information Center (CNYRIC)
- The list must be from the first Wednesday in October student count (BEDS day) for special education students that receive medical services each fiscal year
- Upon receiving these lists, CNYRIC will identify the number of students in each school district and county that are Medicaid eligible and calculate an IEP ratio for each school district and county cost report
- SED's contractor, CNYRIC, will make the calculated IEP ratio available to each school district and county and to SED. SED will provide every IEP ratio to DOH to be uploaded by PCG into the MCRCS

SSHSP Cost Settlement Process

4. Individualized Education Program (IEP) Ratio (Application)

- The IEP ratio corresponding to each LEA will be applied to an LEAs Payroll, Materials, Supplies and Equipment, Contract Cost and Tuition cost
- Example:
 - The IEP ratio for an LEA is 40% and a school district or county paid \$500,000 for all cost categories except Intergovernmental Agreements
 - How is this calculated?
 - **$\$500,000 \times 0.40 (40\%) = \$200,000$**
 - In this example, \$200,000 of cost would be recognized as Medicaid direct medical service cost within the Medicaid cost report

SSHSP Cost Settlement Process

4. Individualized Education Program (IEP) Ratio (Application)

- The applied IEP ratio will correspond to the LEA completing a cost report **with one exception – intergovernmental agreement revenues**
- Intergovernmental Agreement revenue offsets will be subject to the IEP ratio of the student’s home LEA (as opposed to the LEA rendering the service)

- Example:



School District A (SDA)

- Student’s home district
- Pays SDB for services rendered
- Reports intergovernmental expense on cost report
- SDA’s IEP ratio is applied

School District B (SDB)

- Provides service to SDA student
- Receives payment from SDA
- Reports intergovernmental revenue on cost report
- SDA’s IEP Ratio is applied

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
A	Salary Costs of SSHSP Direct Service Providers (net of federal funds)	\$900,000
B	Benefit Costs of SSHSP Direct Service Providers (net of federal funds)	\$100,000
C	Direct Service Non Personnel Cost (net of federal funds)	\$65,000
D	Direct Service Non Personnel Depreciation Cost (net of federal funds)	\$24,530
E	Total Direct Service Costs (net of federal funds) (Sum of Steps A through D)	\$1,089,530
F	Direct Medical Service % (from RMTS)	55.00%
G	(Step E × Step F)	\$599,242

SSHSP Cost Settlement Process

Calculation Step	Cost Report Element Description	Value
G	(Step E × Step F)	\$599,242
H	Indirect Cost Rate	1.15
I	(Step G x Step H)	\$689,128
J	Contract Costs of SSHSP Direct Medical Service Providers (net of federal funds)	\$100,000
K	Out of District Tuition Costs	\$40,000
L	Intergovernmental Expenditures	\$10,000
M	(Step I + Step J + Step K + Step L)	\$839,128
N	Individualized Education Program Ratio	50.00%
O	SSHSP Medicaid Eligible Direct Service Cost (Step M × Step N)	\$419,564
P	Intergovernmental Revenues (After application of home district IEP ratio)	(\$15,000)
Q	SSHSP Medicaid Eligible Direct Service Cost (Step O + Step P) (Calculated Cost Reimbursement)	\$404,564

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 and County Indirect Cost Rates (ICR) (*pre-populated by PCG*)
6. Specialized Transportation Ratio
7. One Way Trip Ratio

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 or county for the reporting period

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 or county which are directly associated with each staff member by type of employee benefit

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, Mechanics, Substitute Drivers
- School districts and counties are required to report gross expenditures and then properly reduce expenditures for **funds paid from federal funding sources**
- Costs associated with both Specialized and non-Specialized transportation should be reported

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

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

SSHSP Cost Settlement Process

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

- CMS recognizes that school districts and counties 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 in New York State has its own ICR
- PCG will pre-populate each individual school district and county's ICR into the Medicaid cost report form
- The ICR is applied to net specialized transportation costs (total costs less amount paid with federal funds) in order to allow for the proper identification of indirect costs

SSHSP Cost Settlement Process

6. Specialized Transportation Ratio

- What is the Specialized Transportation Ratio?
 - The Specialized Transportation Ratio is used to break out specialized transportation costs from general transportation costs

$$\text{Specialized Transportation Ratio} = \frac{\text{Total Number of Medicaid Eligible Special Education Students Receiving Specialized Transportation Services per their IEP}}{\text{Total Number of ALL Students Receiving Transportation Services (Specialized or Non Specialized)}}$$

- The ratio is calculated by the district or county and reported annually on the Medicaid SSHSP Cost Report

SSHSP Cost Settlement Process

7. One Way Trip Ratio

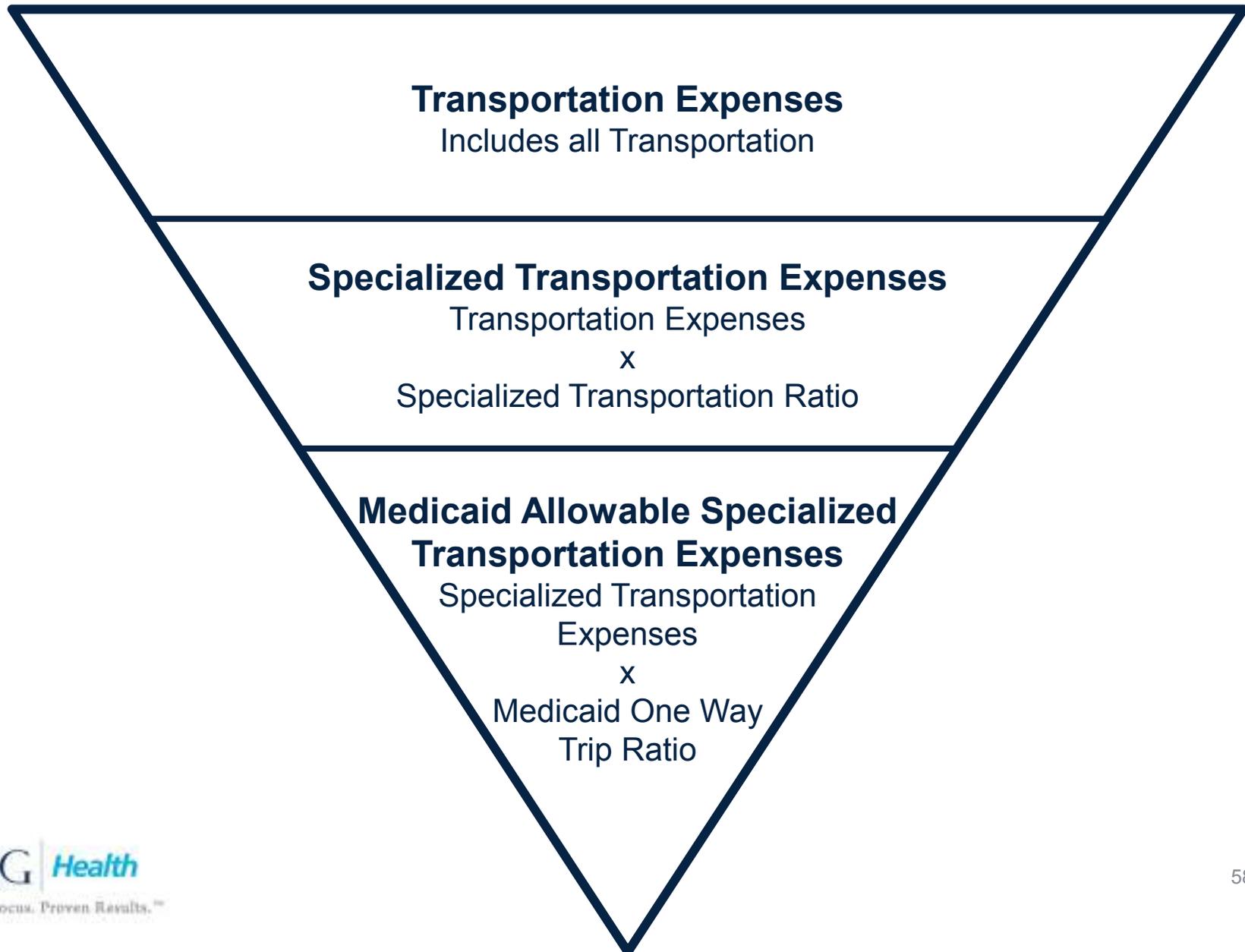
- What is the One Way Trip (OWT) Ratio?
 - The ratio is calculated and reported annually on the Medicaid SSHSP Cost Report
 - A Medicaid one-way trip is defined as a trip in which a Medicaid enrolled student who has specialized transportation services in their IEP and received another Medicaid-covered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

**OWT
Ratio**

$$= \frac{\text{Total Number of Medicaid Paid One Way Trips (per MMIS)}}{\text{Total One Way Trips for Medicaid eligible students with specialized transportation in their IEP (from bus logs)}}$$

- 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 and counties for the provision of SSHSP specialized transportation services

SSHSP Cost Settlement Process



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
A	Salary Costs of SSHSP Specialized Transportation Service Providers (net of federal funds)	\$225,000
B	Benefit Costs of SSHSP Direct Specialized Transportation Providers (net of federal funds)	\$65,000
C	Specialized Transportation Non-Personnel Cost (net of federal funds)	\$45,000
D	Special Transportation Non-Personnel Depreciation Cost (net of federal funds)	\$14,000
E	Total Specialized Transportation Service Costs (net of federal funds) (Sum of Steps A through D)	\$349,000

SSHSP Cost Settlement Process

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

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
A	SSHSP Medicaid Eligible Direct Service and Specialized Transportation Cost	\$466,211
B	SSHSP Medicaid Interim Payments Received (Received through traditional billing process)	\$365,745
C	Medicaid Cost Settlement Gross Amount	\$100,466
	State Share at 50%	\$50,233
	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)	\$50,233



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/ny>

- 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 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 or county the system will perform standard edit checks on the data
- The school district or county 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

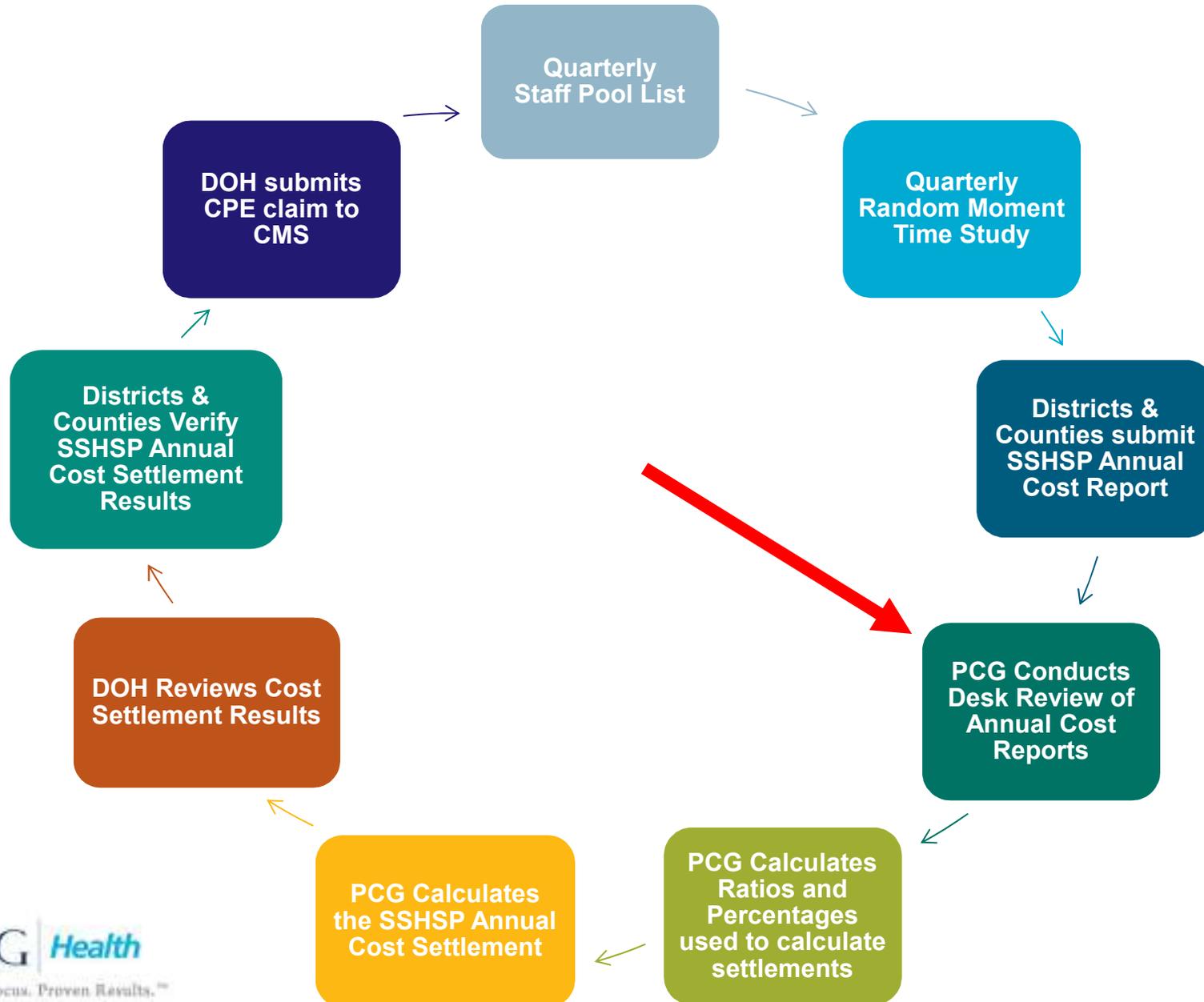
Final Data Review and Certification

- Once all data has been entered and edits have been resolved or explained, school districts and counties must review and certify the report
 - School districts and counties 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



Desk Review Process Overview

SSHSP Annual Cost Settlement Cycle



Desk Review Process

Desk Review Purpose

- Upon school district or county certification of the SSHSP Medicaid Cost Report, PCG begins the desk review process.
- The desk review closely examines each district and county's reporting information including:
 - Quarters reported for annual payroll information;
 - IEP ratio student counts;
 - Transportation ratios; and
 - Annual contract and tuition costs.

Desk Review Process

Desk Review Process

- Districts and counties reported costs and ratios are compared against statewide thresholds. Outlier costs are identified and reviewed to ensure compliance.
- Additionally, reports are checked against prior year reports to identify any major changes.

Desk Review Process

Desk Review Process

- PCG will send each district and county a Desk Review email via NYSSHSP@pcgus.com.
- Upon receipt, each district and county will need to respond and either confirm the information is accurate or request to make an adjustment to allow for corrections.
- Once the districts' and counties' Desk Review responses are received via email, PCG will respond and either:
 - Request further explanation if there are still outstanding questions;
 - Open the applicable report(s) if an adjustment has been requested; or,
 - Close out the desk review if all items are resolved.

Desk Review Process

Below is an example of a Desk Review email. Each email is unique to each district or county. As you can see below, the Example District is being asked to review Annual Payroll.

Example District:

On behalf of the New York School Supportive Health Services Program (SSHSP), Public Consulting Group (PCG) has completed a comprehensive desk review of your 2011-12 Direct Service Claiming Annual Medicaid Cost Report that you certified in the Medicaid Cost Reporting and Claiming System (<https://costreporting.pcgus.com/NY>).

In reviewing your district's cost report, there were some items identified that require further clarification or additional information. Please review each of the following items and provide the requested responses by close of business on **Friday, May 23, 2014**. Please enter your responses directly in the "Provider Response" area below each bulleted item.

Annual Payroll Data

- In reviewing the Annual Payroll data, PCG identified that there were multiple individuals showing an Annual Benefits to Salary ratio which is greater than expected. Please see the attached spreadsheet showing the individuals that were identified. Can you confirm that the values reported on the Annual Cost Report are accurate for these individuals?*

Desk Review Process

- Below is an example of a provider response. The Example District documented that they reviewed the salaries and benefits and identified one error, listed below and confirmed all other costs were reported accurately.

Annual Payroll Data

- *In reviewing the Annual Payroll data, PCG identified that there were multiple individuals showing an Annual Benefits to Salary ratio which is greater than expected. Please see the attached spreadsheet showing the individuals that were identified. Can you confirm that the values reported on the Annual Cost Report are accurate for these individuals?*

LEA Response: We have reviewed the information to ensure all costs have been reported accurately.

1. Matthew S.: Health Insurance costs were reported as \$36,214.50. This was an error and should be changed to \$3,621.45.
2. Leslie W.: Leslie opts for a higher priced insurance plan to include better vision coverage hence why her benefits are higher than normal. These costs are correct.

We are requesting to open the annual FY12 SSHSY Medicaid Cost Report to make corrections to Matthew's payroll costs as described above.

Desk Review Process

- Below is an example of the Reviewer Response. The “Reviewer” is PCG.

- *In reviewing the Annual Payroll data, PCG identified that there were multiple individuals showing an Annual Benefits to Salary ratio which is greater than expected. Please see the attached spreadsheet showing the individuals that were identified. Can you confirm that the values reported on the Annual Cost Report are accurate for these individuals?*

LEA Response: We have reviewed the information to ensure all costs have been reported accurately.

1. Matthew S.: Health Insurance costs were reported as \$36,214.50. This was an error and should be changed to \$3,621.45.
2. Leslie W.: Leslie opts for a higher priced insurance plan to include better vision coverage hence why her benefits are higher than normal. These costs are correct.

We are requesting to open the annual FY12 SSHSY Medicaid Cost Report to make corrections to Matthew’s payroll costs as described above.

Reviewer Response: Thank you for your review. As requested, we have opened you FY12 SSHSP Medicaid Cost Report so you can adjust the Annual Payroll information for Mr. Matthew S. Please notify us once your adjustments are complete and your report is re-certified.

Desk Review Process

- Once the district or county has completed the adjustments and re-certified their reports, PCG will conduct a secondary Desk Review of the revised information. If there are no outstanding concerns, PCG will send a closing email (see below).

Dear Example District:

Thank you for your response to the FY 2012 SSHSP Medicaid Cost Report desk review. The desk review is now complete. Please note, as a New York school-based Medicaid provider, the district must maintain documentation of all data submitted on the FY 2012 SSHSP Medicaid Cost Report in the event the report is to be reviewed or audited in the future.

The communication thread between the district and the reviewer is embedded in the email below and outlines our correspondence throughout the desk review process.

We greatly appreciate your cooperation.

Thank you,

Public Consulting Group
NYSSHSP@pcgus.com
866-912-2974

Desk Review Process

Desk Review Reminders

- A district or county's Desk Review must be completed in order for the fiscal year cost settlement result to be calculated.
- Please respond by the due date stated in the email. **All follow-up correspondence must be responded to in a timely fashion.**
- PCG Help Desk is available via phone and email for any questions or assistance regarding the desk review process.



SSHSP Cost Settlement Calculation

SSHSP Annual Cost Settlement Cycle

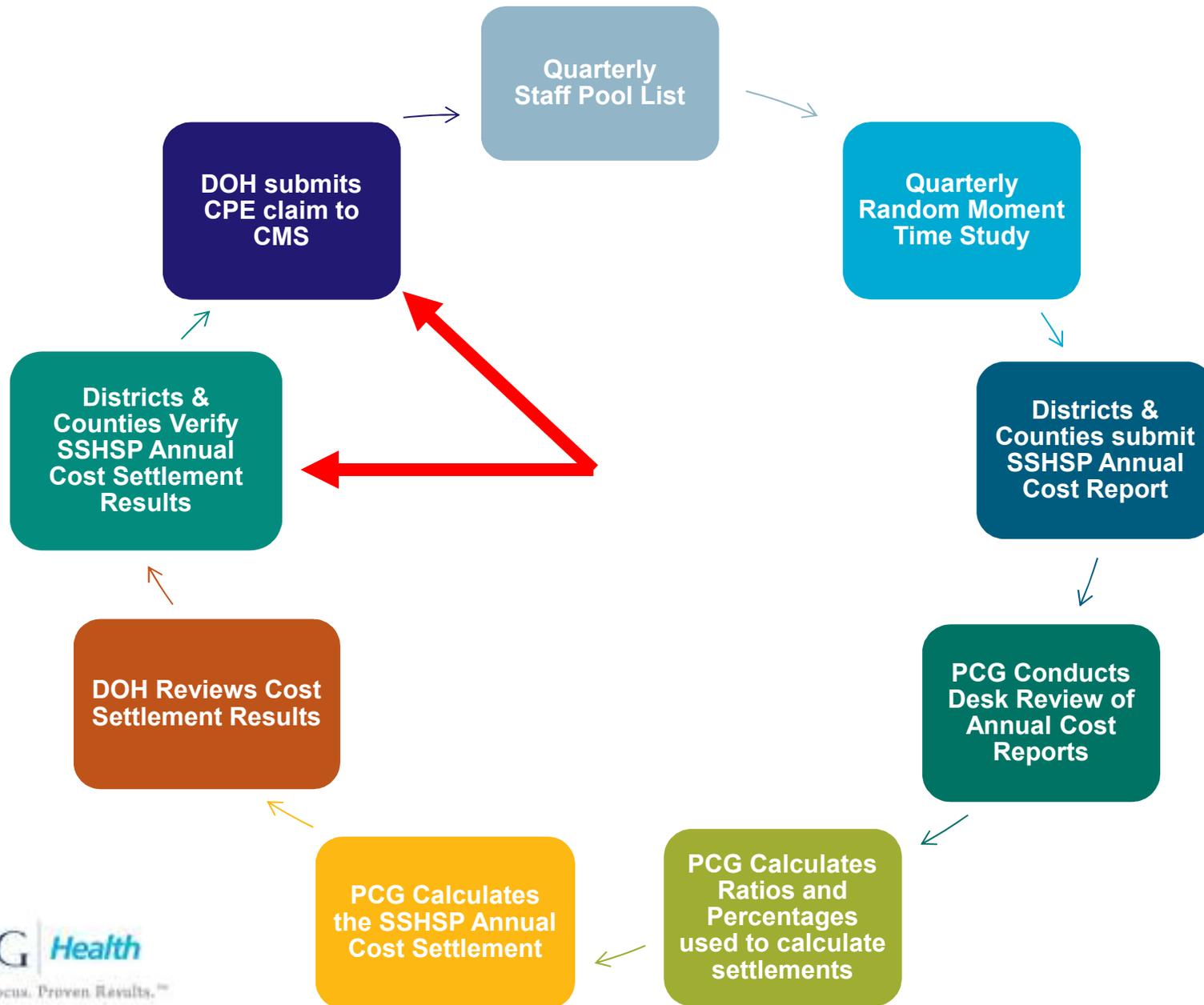


SSHSP Cost Settlement Calculation

Final Cost Settlement Calculations

- School districts and counties currently have 11.5 months to submit SSHSP claims under current timely filing requirements for the SSHSP program
 - The claiming window was shortened to 11.5 months effective December 24, 2013, per Medicaid Alert 13-14
 - School districts and counties must wait until after the claiming window closes for the final cost reconciliation and settlement to be calculated
- While school districts and counties will have 11.5 months to submit SSHSP claims under timely filing requirements for the SSHSP program, it is highly recommended that billing occur as soon as possible
- Once paid claims are finalized, PCG will net these out of the overall cost reported by each school district and county in order to calculate the final settlement

SSHSP Annual Cost Settlement Cycle



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 and county's final cost settlement amount
- School districts and counties 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 or county (CEO, CFO, Superintendent) and mailed to PCG at the address listed on the form and to NYSDOH
- CPE forms **MUST** be returned to both 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 and county 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 and counties are required to maintain supporting documentation for all financial and statistical information reported during the SSHSP cost settlement process for a period of six years from the date services are furnished or paid, whichever is later (18 NYCRR 504.3(a))



Medicaid Cost Reporting and Claiming System (MCRCS) Demonstration

Important Dates

October 1, 2014	MCRCS opened to districts and counties to begin cost report.
November 14, 2014	Deadline to submit supplemental form for contracted staff to PCG.
November 14, 2014	Annual cost report due to PCG.
December 1, 2014	PCG Desk Reviews begin
January 23, 2015	Desk Reviews Finalized (LEAs and PCG)
July 31, 2015	PCG calculates Annual Settlements
August 14, 2015	Districts/Counties approve settlements in MCRCS
August 28, 2015	Completed CPE forms due to DOH and PCG



Contacts and Questions

Contacts

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Patrick Fisher

Megan Shaughnessy

Ashley Licardo

Joe Weber

Questions?





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