

West Virginia School Based Health Services Medicaid Overview

7/13/2020

Public Consulting Group, Inc.

Agenda

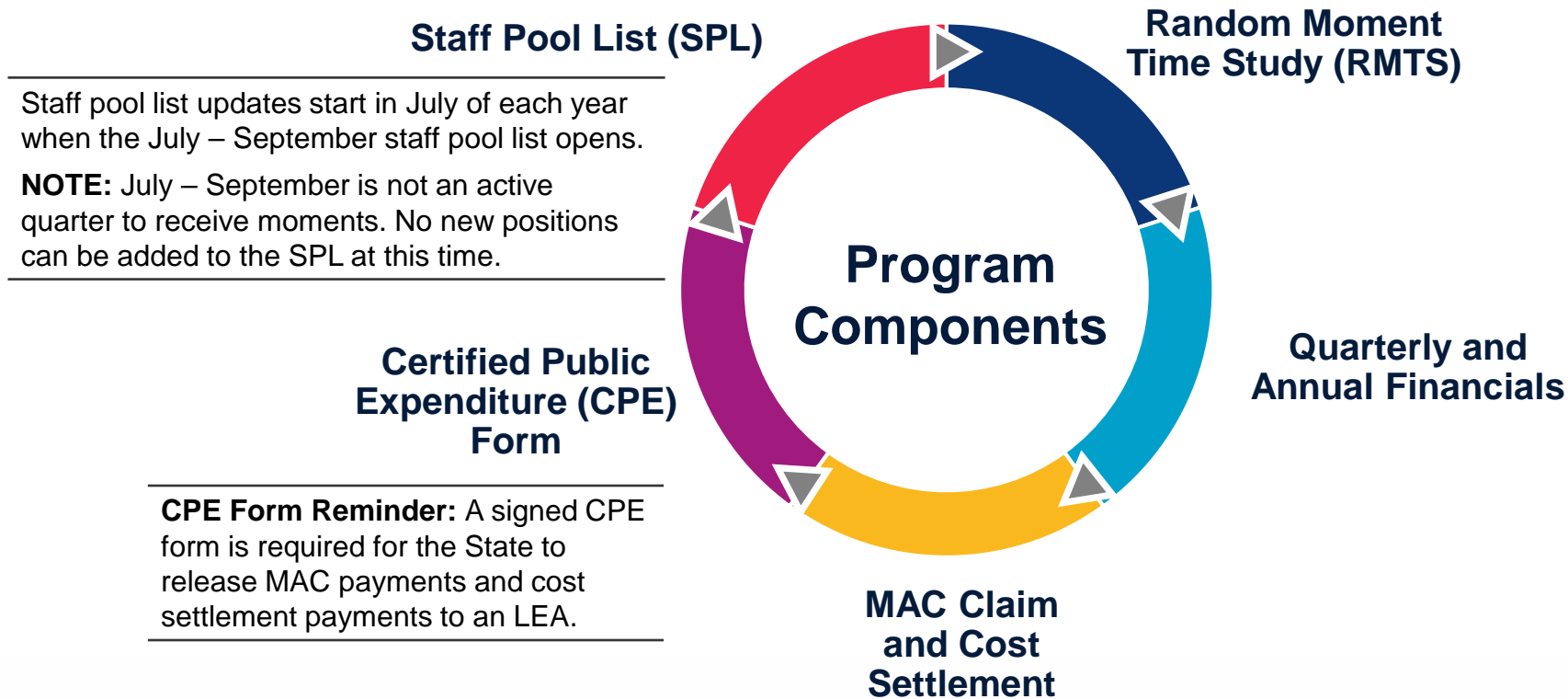
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The background is a solid blue color with several decorative elements. On the left side, there are several overlapping squares of varying sizes and shades of blue. Some of these squares have white outlines. On the right side, there are more squares, some with white outlines, and some with solid blue fills. The overall aesthetic is clean and modern.

WVSBHS Program Components

SBHS Program Components



SBHS Program Components

The School Based Health Services (SBHS) program allows for a recovery of a portion of the costs associated with providing health-related services to Medicaid eligible special education students

Fee-For Service (FFS)

- Interim reimbursement for health-related services
- Involves logging services and associated service documentation

Annual Cost Report

- Report to capture costs associated with providing the health-related services
- This is completed after the fiscal year ends and reflects dates of service, not dates of payment

Cost Settlement

- Comparison of interim payments to what is reported for providing those health-related services
- Interim payments can only be retained if supported by reported costs

Medicaid Administrative Claiming (MAC)

- MAC is reimbursement for indirect costs of providing direct services: coordination of care, Medicaid outreach, medical training, etc.
- WV counties participating in SBHS are eligible to draw down funds from an additional Medicaid reimbursement stream
- MAC payments are in addition to cost settlement funds.



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Medicaid Administrative Claiming

WV Medicaid Administrative Claiming

- The Medicaid Administrative Claiming (MAC) Program offers reimbursement for the costs of the administrative activities, such as outreach, that support the DHHR/BMS School Based Health Services program.
- These activities fall into several categories:
 - ✓ Medicaid Outreach
 - ✓ Facilitating Medicaid Eligibility Determination
 - ✓ Arranging Transportation Related to Medicaid Services
 - ✓ Translation Related to Medicaid Services
 - ✓ Program Planning, Policy Development, and Interagency Coordination Related to Medicaid Services
 - ✓ Medicaid-Related Training
 - ✓ Referral, Coordination and Monitoring of Medicaid Services



Typical MAC Reimbursable Activities

- The following activities are examples of services which may be reimbursable under the MAC program.

Medicaid Outreach to families regarding the WV Medicaid program and available services

Attending an IEP meeting and discussing health-related services

Observing a child as part of the process for referring students for intervention services

Scheduling/ coordinating medical screens or mental health diagnostic services

Arranging Transportation Services to Medicaid Services

Arranging and Providing Translation (Oral, Sign Language, Braille Transcription) Regarding Medicaid Services, Outreach and Enrollment

Random Moment Time Study (RMTS) and Staff Pool Lists

What is the SPL and RMTS?



Staff Pool List (SPL)

The SPL is the foundation of both the MAC and Annual Cost Settlement process and is certified four times per year.

The SPL indicates who at your district provides services on behalf of the MAC/SBHS program.

Each district's SPL or "list" of staff employees is eligible to RMTS moments and respond to the survey.

July – September SPL is not an active quarter to receive moments. No new positions can be added at this time, only direct replacements can be made.



Random Moment Time Studies (RMTS)

The RMTS process is a federally approved technique of producing a statistically valid sampling of randomly selected moments (one moment = one minute) that are assigned to randomly selected participants.

This study determines the portion of time individuals spend doing reimbursable activities.

Who should be added to the four cost pools?

Direct Service

- Licensed Audiologist
- Audiologist Assistant
- Licensed Registered Nurse (RN)
- Licensed Occupational Therapist
- Licensed Occupational Therapy Assistant
- Licensed Physical Therapist
- Licensed Physical Therapy Assistant
- Certified Speech Language Pathologist
- Certified Speech Language Pathologist Assistant
- Licensed and State Certified Psychologist
- Licensed School Psychologist
- Licensed Psychologist Independent Practitioner

Administrative

- Contracted Medicaid Billing Specialist
- School Administrators – Principals and Assistant Principals.
- State Certified Counselor
- Non-certified Psychologist/Psychologist Interns
- Non-certified Social Worker
- Psychologist Intern
- Special Education Administrator
- School Bilingual Assistant
- Speech Language Pathologist (Non-Masters Level and Non-Licensed)
- Program Specialist
- Other groups/individuals that may be identified by the LEA

Targeted Case Management

- Special Education Teacher
- Targeted Case Management Specialist
- Special Needs Care Coordinator

Personal Care Providers

- Personal Care Aide
- Classroom Aide
- Interpreter

Reminder: The participants certified each quarter must meet the provider credential and license requirements necessary to provide services.

July-September Certification Period

Reporting Cost for the July – September Quarter

A Time Study is not conducted during the July – September quarter, but costs are reported for this period. RMTS results from subsequent quarters are averaged for the July – September calculation, and the April-June staff roster certified is used to determine the number of positions eligible for cost reporting.



The SPL will be open for updates and certification from **July 27 – August 7**.

During the certification period, **only direct replacements can be made**. Vacancies can be filled and existing positions can be replaced but **no new positions can be added** for the July – September quarter.

Coordinators should work together with Chief School Business Officials (CSBO) or treasurers to make these changes.

The certified SPL will populate the participants eligible to report costs.

Claiming Allowable Costs for MAC

Claiming Allowable Costs for MAC



Only costs incurred by providers are allowable

- ✓ Report only those costs associated with specific individuals listed on the Staff Pool List (i.e. how much it costs to employ each staff person)

Claiming Allowable Costs for MAC

Salaries

- Include all costs paid (gross) to the participant including any additional compensation

Employee Benefits

- Include all benefits paid to staff
- Some examples include:
 - ✓ Dental Insurance
 - ✓ Health and Accident Insurance
 - ✓ Life Insurance
 - ✓ Long-term Disability Insurance
 - ✓ FICA
 - ✓ Medicare
 - ✓ Tuition Reimbursement
 - ✓ Worker's Compensation
 - ✓ Teachers Retirement or Other Retirement Payments



Claiming Allowable Costs for MAC

Staff Travel

- Costs for specific staff related to travel for trainings
- Examples include:
 - ✓ Mileage to trainings
 - ✓ Conference related travel expenses

Staff Professional Dues and Fees

- Report by service the total costs for professional dues and fees associated with the staff listed in the Quarterly Financial Report.

Contracted Staff Costs

- Contracted Staff are only allowable to be included on the Administrative Staff Pool.
 - ✓ Example: SBHS Admin who are billing on-behalf of other LEAs

Claiming Allowable Costs for MAC

Materials & Supplies

- Materials & Supplies must be identified as used by the staff for which they are included
- Materials & Supplies can be identified using a “reasonable allocation method”
 - Some methods include - headcount or FTE
- Please do not include any other costs used by direct medical service providers to deliver services to each individual student. These are reported as *direct medical-other costs* on the Annual Cost Report.

Claiming Allowable Costs for MAC

What Costs are Non-Allowable?

- **Federal funds**

- ✓ The Claiming System requires that total costs be reported, with a separate column for reporting costs paid with Federal funds.
- ✓ Staff who are 100% federally funded should not be included in the staff pool list

- **State flow-through funds**

- ✓ Funds received from the Federal government by the State of West Virginia and then distributed to Local Education Agencies (LEA)

- **Costs included in the Unrestricted Indirect Cost Rate calculation**

- ✓ Staff who are in the Indirect Cost Pool should not be included in the staff pool list to avoid double dipping

Calculating the Administrative Claim

Calculating the Claim

The main components used to calculate a claim include:

- ✓ Random Moment Time Study Results (Statewide)
- ✓ Quarterly Expenditure Data (District-Specific)
- ✓ Medicaid Eligibility Rates—MER (District-Specific)
- ✓ Unrestricted Indirect Cost Rates—ICR (District-Specific)
- ✓ Federal Financial Participation—FFP (State)

The claim is calculated by distributing the allowable costs and applying these factors.

Calculating the Administrative Claim

Cost Pool	Percent of Time Spent on Reimbursable Activity X	Total Costs Entered into Claiming System X	Medicaid Eligibility Rate X	General Admin Overhead Factor X	= Total Gross Claim Amount
X	0.1405%	\$1,348,515	N/A	N/A	\$1,895
X	0.00%	\$1,348,515	N/A	N/A	\$0
X	0.00%	\$1,348,515	78.76%	N/A	\$0
X	0.00%	\$1,348,515	78.76%	N/A	\$0
X	0.03512%	\$1,348,515	78.76%	N/A	\$373
X	0.21075%	\$1,348,515	78.76%	N/A	\$2,238
X	5.65508%	\$1,348,515	78.76%	N/A	\$60,062
X	17.00035%	\$1,348,515	N/A	5.77%	\$13,228

Cost Pool Total Gross Claim: \$77,796

- The MAC claim is calculated by taking the Total Costs Entered by the District into the Claiming System and allocating them into each of the separate cost pools: **Direct Service, Targeted Case Management, Personal Care and Administrative Support.**
- Once four cost pools have been established, the total costs for each are separately multiplied through both the quarterly **Statewide** Random Moment Time Study (RMTS) percentages and the LEA's Medicaid Eligibility Rate (MER).



Calculating the Administrative Claim

EXAMPLE LEA MAC CLAIM		
Description		Amount
Direct Service Providers	\$	29,770
Targeted Case Management	\$	6,621
Personal Care	\$	-
Administrative	\$	54,376
<i>Gross Claim Subtotal</i>		
	\$	90,767
<i>Indirect Cost Rate (x 16.21%)</i>		
	\$	14,713
<i>Total Gross Claim Amount</i>		
	\$	105,480
<i>Federal Financial Participation (FFP) Rate</i>		x 50%
Total Net Claim Subtotal		
	\$	52,740



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Cost Settlement

School Based Health Services: Overview

Counties incur costs for providing services to eligible special education students

- Medicaid will reimburse a portion of the costs counties incur based on what is allowable and outlined in the Centers for Medicare and Medicaid Services (CMS) approved state plan amendment

The **School Based Health Services (SBHS)** is based on counties' true cost of providing eligible direct medical services (DS), and specialized transportation services to Medicaid-eligible Individualized Education Program (IEP) students



Bill Medicaid Fee-For-Service (FFS) Interim Payments throughout the school year



Receive Medicaid FFS Interim Payments throughout the school year



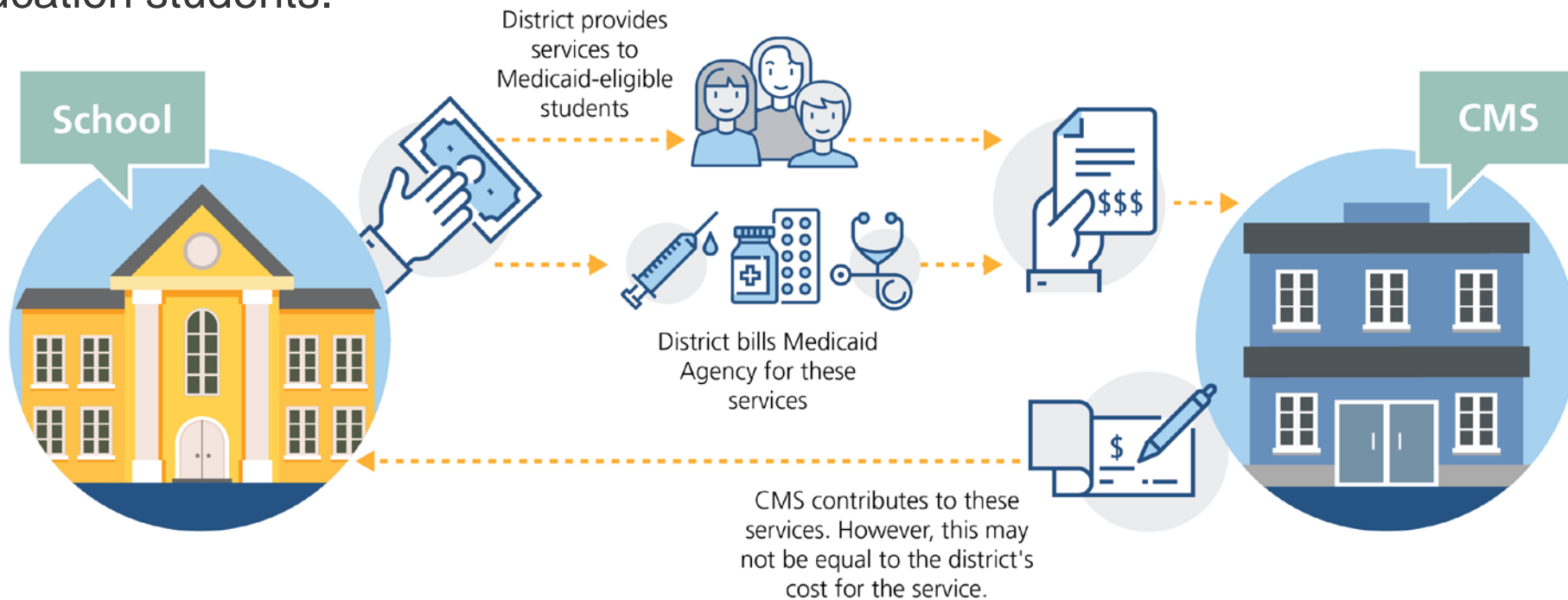
Report DS & transportation costs on the Annual Cost Report after the close of the school year



Reconcile costs through the Cost Settlement process

Why is there a Cost Settlement Process?

Cost settlement ensures that counties are reimbursed appropriately with a cost-based reimbursement methodology to determine the actual cost of delivering SBHS related services to special education students.



Cost Settlement compares the actual cost incurred by LEAs to the Medicaid interim payments (received through regular Fee-for-Service billing).

Cost Settlement Scenarios

The Annual Cost Report is an **opportunity** for LEAs to report their true costs for providing SBHS services in order to reconcile with the interim revenue received.

If the county's Medicaid Allowable Costs are less than the interim payments received, the county will **pay back the difference**, refunding the amount due.

Medicaid Allowable Costs	Interim Payments Received	Settlement Due
\$100,000	\$110,000	(\$10,000)
County owes back \$10,000		

If the county's Medicaid Allowable Costs exceed the interim payments received, the county will **receive a payment** for the amount due

Medicaid Allowable Costs	Interim Payments Received	Settlement Due
\$120,000	\$110,000	\$10,000
County is owed \$10,000		



Difference Between the Quarterly and Annual Reports

Difference Between the Quarterly and Annual Reports

MAC (Quarterly) Medicaid Administrative Claiming

Offers reimbursement for Medicaid allowable administrative activities, such as outreach, and activities that support Annual Services.

Components of MAC Costs

- Quarterly reporting
- Cash Based Accounting
- Medicaid Eligibility Rate (MER)
- **ALL** Staff must be included in the RMTS to report costs
- Costs for each of the four Staff Pools are reported

Cost report provides an additional reimbursement stream *in addition to* funding for provision of direct medical services

Annual Cost Settlement

Supports the Delivery of Direct Medical Services and Specialized Transportation. Reimbursement is provided for medically necessary services that are provided to Medicaid eligible students.

Components of Direct Service Costs

- Annual reporting
- Accrual Based Accounting
- IEP Ratio
- Direct Service Contract providers are **NOT** included in the RMTS
- Administrative Costs are **NOT** reported
- Direct Service Contractor Costs are reported

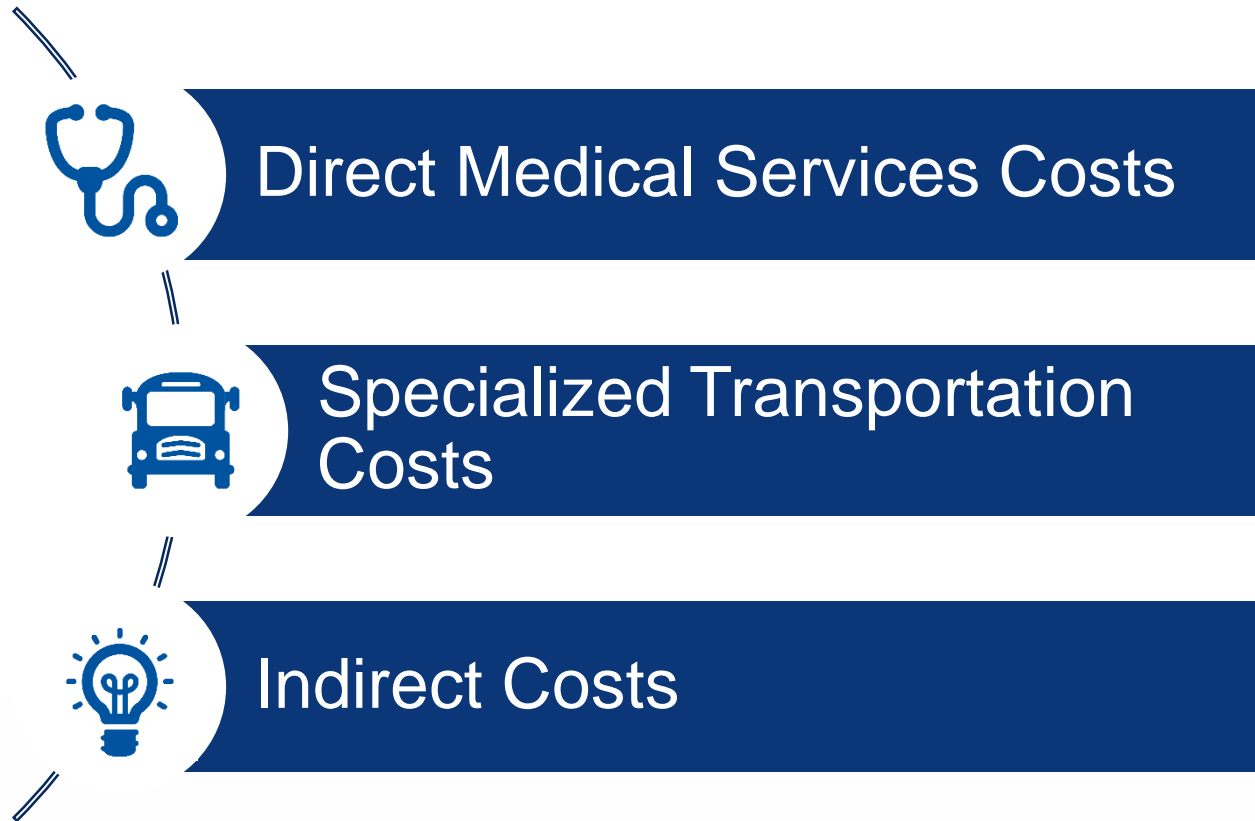
Cost report tied directly to the interim reimbursement that counties receive through Medicaid billing for direct medical services



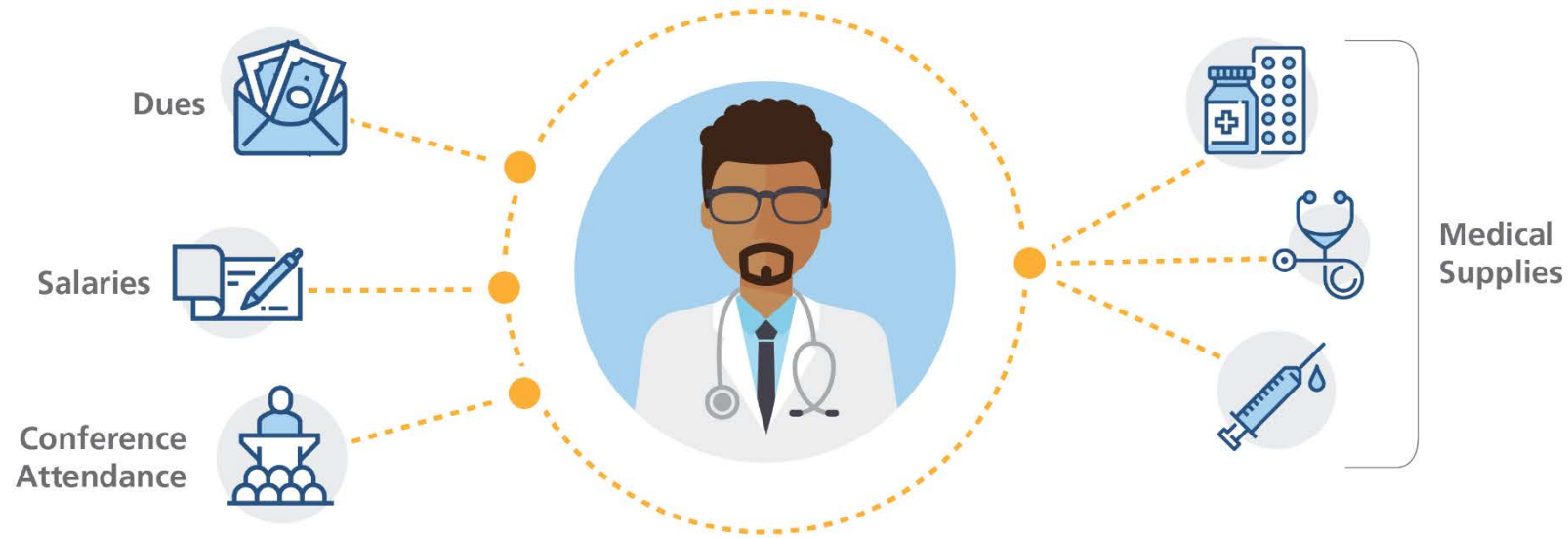
Claiming Allowable Costs for the Annual Cost Report

Annual Cost Report - Cost Reporting Elements

The cost reimbursement methodology includes the following cost and data elements:



Direct Medical Services Total Costs



Salary, Benefits, and Contractors

- Direct Medical Service providers on the Staff Pool List are the only individuals included on the Annual Cost Report.
- Note that Administrative Personnel are not included on this report.

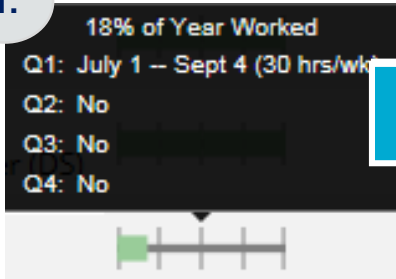
Materials and Supplies, Staff Travel & Training and Professional Dues and Fees

- Travel completed to attend a staff training
- Professional dues and fees specific to a provider's job at the county
- Materials and supplies on the CMS List of Allowable Materials and Supplies

Job Span Toolbar Examples

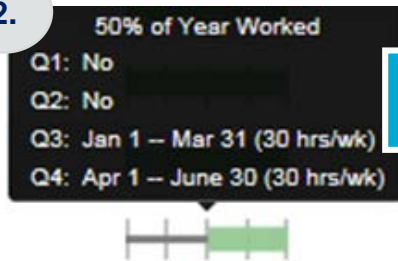
Always refer to the Job Span Toolbar to determine allowable costs

1.



Costs can be recorded for services provided from July 1st to September 4th

2.



Costs can only be recorded for eligible services provided when included on the SPL for the third and fourth quarter, from January 1st to June 30th.

3.



Full annual costs can be recorded.

Transportation Reimbursement

Specialized Transportation Services include:

- Travel to and from a Medicaid covered direct IEP service to be rendered on school premises or another location.
- Specialized transportation is included on the IEP as a separate service.
- Use of a specially adapted vehicle (such as a specially adapted bus or van).

LEA's can report Specialized Transportation if:

- Vehicle has modified specialized equipment
- Transport occurs on the same day student receives a direct medical service
- Written in IEP (retain copies)
- Keep bus logs of one-way trips
- Bill Medicaid & log service



Specialized Transportation Costs



DHHR has indicated that only a bus with a lift meets the criteria to provide specialized transportation.

Only buses with a lift and their associated drivers would be considered specialized transportation.

This vehicle must be used to transport a student who has specialized transportation listed in their IEP.

If these conditions are met, this cost may be included on the cost report as 'only specialized transportation.'

An IEP alone is not enough to qualify transportation as specialized – Medicaid will not cover transportation costs for (as an example) a student with Speech Therapy in their IEP who is able to ride a regular school bus.

Transportation Costs



Counties may report salary and benefit costs for **drivers, bus aides, and mechanics** who provide specialized transportation



Counties may report costs for **Renting or Contracting** specialized transportation services



Counties may report **insurance** for all vehicles which provide specialized transportation



Counties may **depreciate** costs for all **vehicles** which provide specialized transportation



Counties may report **fuel and oil** for all vehicles which provide specialized transportation



Counties may report **repairs and maintenance** for all vehicles which provide specialized transportation

Unrestricted Indirect Cost Rate (UICR)

The **Indirect Cost Rate** is used to include 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: overhead costs, such as heating or electricity
- The UICR will be prepopulated in the system by PCG based upon data provided by WVDE
- LEA's without an approved ICR will use a default rate of 10%

Example Calculation:

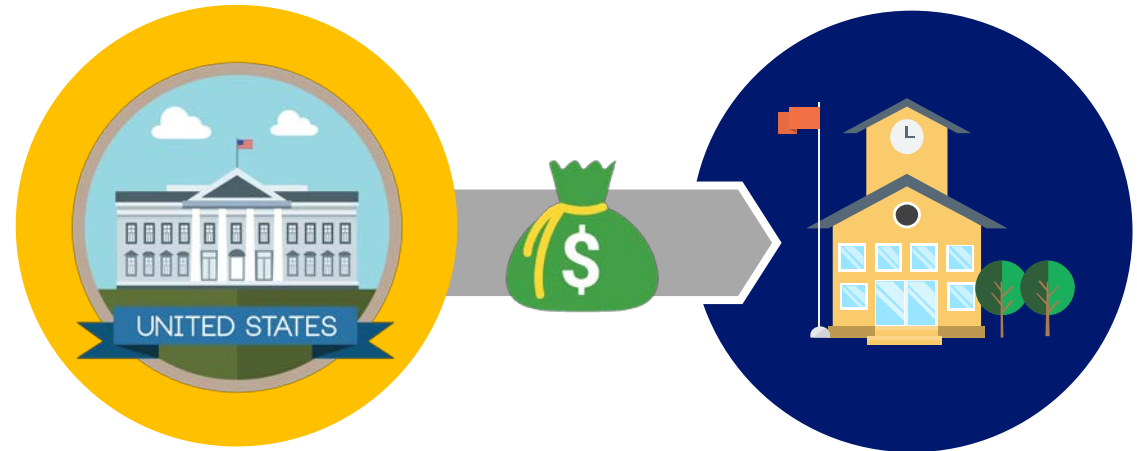
Net Direct Service Costs (less federal funds)	\$800,000
Indirect Cost Rate (10%)	.10
Indirect Costs	\$80,000
Net Direct Service Costs + Indirect Costs	\$880,000

Non-Allowable Costs: Federal Funds

Costs paid for by the county using federal funds are not represented in the cost settlement calculation.

To assure federal funds are properly removed, the county must report costs as a gross amount (State, Local & Federal Dollars) and then identify the federal funds amount (Federal Dollars).

- The system will subtract out the federal funds and find the net.



Staff members or costs that are 100% federally funded should not be reported and should not be included in the RMTS staff pool list.

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Financial Reporting Process & Timelines

Financial Reporting Process



	County Submits Cost Report	PCG performs in-depth Desk Reviews	PCG calculates MAC Claim or Cost Settlement
Annual Cost Report	<ul style="list-style-type: none"> Input Salaries, Benefits, Contractor Costs, Materials and Supplies, Staff Travel and Training, Professional Dues and Fees, and Specialized Transportation Costs, Certify Financials in Claiming System on an annual basis. 	<ul style="list-style-type: none"> Reviews all report data for accuracy & completeness. Follows-up with LEA with data concerns and insufficient explanations. Desk reviews help protect LEAs from federal audits 	<ul style="list-style-type: none"> PCG calculates counties' net settlement amounts and notifies LEAs CPE forms are ready for signature. Authorized Officer of the LEA (CEO, CFO, Superintendent) electronically signs CPE form in the Claiming System.
Quarterly Cost Reports	<ul style="list-style-type: none"> Input Salaries, Benefits, Administrative Contracted Staff Costs, Materials and Supplies, Staff Travel, Professional Dues and Fees. Certify Financials in Claiming System on a quarterly basis 	<ul style="list-style-type: none"> Reviews all report data for accuracy & completeness. Follows-up with LEA with data concerns and insufficient explanations. Desk reviews help protect LEAs from federal audits 	<ul style="list-style-type: none"> PCG calculates counties' net claim amounts and notifies LEAs CPE forms are ready for signature. Authorized Officer of the LEA (CEO, CFO, Superintendent) emails scanned copy of signed CPE form to wvsbhs@pcgus.com.



Upcoming Dates and Timeline

Type	Description	Start	Deadline
MAC	Quarterly Financials Desk Reviews	July 1, 2020	July 22, 2020
SPL	July – September 2020 SPL Certification	July 27, 2020	August 7, 2020
MAC	April – June 2020 Quarterly Financials	July 1, 2020	August 14, 2020
SPL	October – December 2020 SPL Certification	August 10, 2020	September 11, 2020
MAC	April – June 2020 Desk Reviews	October 2020	TBD
MAC	July – September 2020 Quarterly Financials	October 1, 2020	November 14, 2020
ACR	FY20 Annual Cost Report	October 2020	December 31, 2020

MAC = Medicaid Administrative Claiming

SPL = Staff Pool List

ACR = Annual Cost Report



Contact Information



Contact Information



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Solutions that Matter