

West Virginia School Based Health Services Medicaid Overview

July 12, 2022

Public Consulting Group, LLC



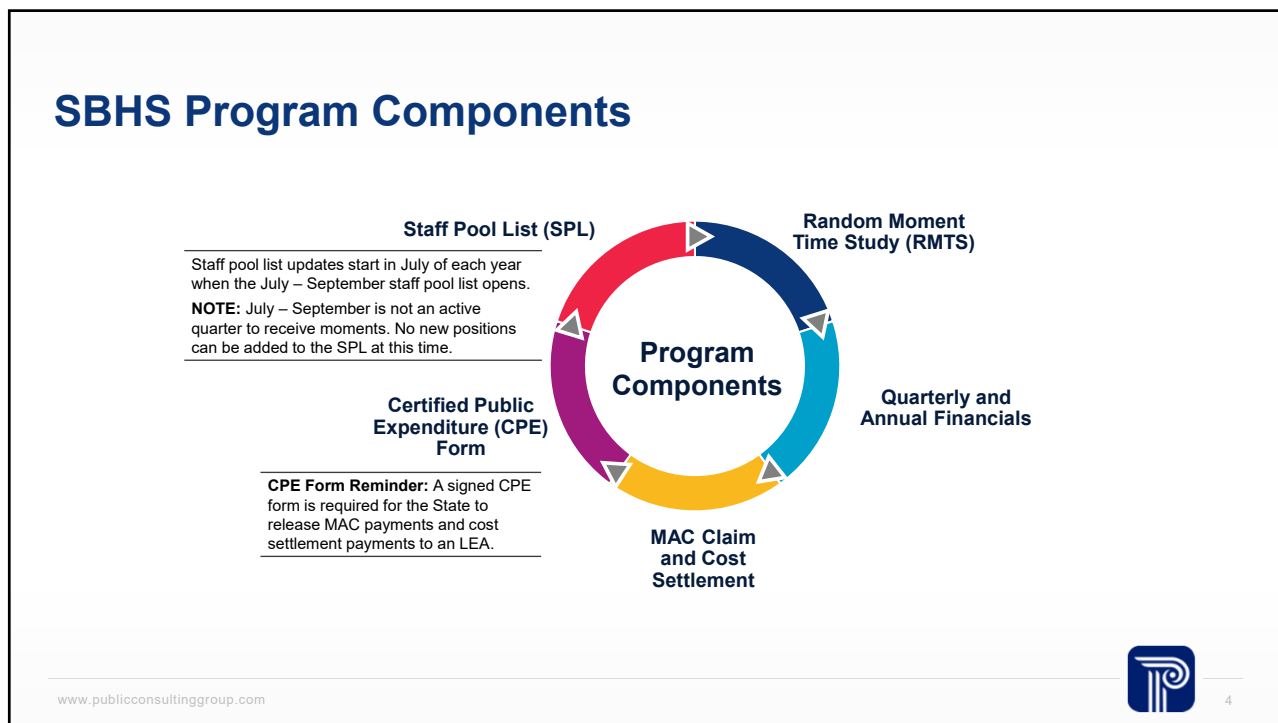
Solutions that Matter

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WVSBHS 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, Medicaid 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.



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. Only direct replacements can be made. No new positions can be added and no obsolete positions should be removed at this time.



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.



Quarterly Certifications Reminders

Calendars

- Counties create and certify their individual calendars each quarter to determine dates the County will be in session. Moments issued to participants are based on this information.
 - ✓ Identify the latest earliest time and latest end time within the county.
 - ✓ Utilize shifts for providers on specific days/times or for morning/afternoon shifts.

Staff Pool Lists

- Direct Service Pools must include only qualified (holds the required certification or licensure) direct service providers – employees – who are providing or could provide health-related services in an IEP.
 - ✓ Assign a CC Email to each position.
 - ✓ Ensure last name and email address of an existing job position are current.
 - ✓ Do not overuse vacancy positions, which are eligible for moments.



RMTS Compliance

Moment Responses

RMTS directly impacts the level of reimbursement to LEAs.

- Statewide response rate must be at least 85%
- It is important for participants to both respond timely to the moment and provide a clear description of the activity during the moment.

Reimbursement

RMTS directly impacts the level of reimbursement to LEAs. RMTS results are used to:

- Develop the Direct Medical Percentage used in the Cost Settlement Process
- Develop each participating County's quarterly MAC reimbursement



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 18 – July 29.

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



Desk Reviews for the Administrative Claim

Desk Review Overview

Purpose of the Desk Review

Upon LEA certification of the Administrative Claim, PCG begins the Desk Review process.

The Desk Review closely examines each LEA's reporting information, including:

Salaries and Contracted
Staff Costs

Employee Benefits

Staff Travel, Professional
Dues and Fees

Materials and Supplies



Desk Review Overview

LEAs reported costs are compared against state-wide thresholds. Outlier costs are identified and reviewed to ensure compliance.

- LEAs are responsible for reviewing the identified information and either:
 - ✓ Confirm the reported information is accurate; or,
 - ✓ Make any necessary adjustments.
- In some cases, a further follow up explanation could be requested if the LEA made any additional adjustments in response to the desk review process

Follow up clarification, even though it may seem redundant at times, is extremely important.

For Example:

A Speech Pathologist does not work during the summer and receives their summer salary in a lump sum payment during the April-June quarter. Their regular quarterly salary may be reported as \$18,000, but the summer payout should increase it to \$35,000.

- When entering the salary an extra zero was added by the LEA and is now \$350,000.
- The LEA comments based on the edit check in the Claiming System because they expect the increase but doesn't actually review the salary for the participant.



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

Example Calculation for the ADMINISTRATIVE Cost Pool

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
Administrative	0.1405%	\$1,348,515	N/A	N/A	\$1,895
Administrative	0.00%	\$1,348,515	N/A	N/A	\$0
Administrative	0.00%	\$1,348,515	78.76%	N/A	\$0
Administrative	0.00%	\$1,348,515	78.76%	N/A	\$0
Administrative	0.03512%	\$1,348,515	78.76%	N/A	\$373
Administrative	0.21075%	\$1,348,515	78.76%	N/A	\$2,238
Administrative	5.65508%	\$1,348,515	78.76%	N/A	\$60,062
Administrative	17.00035%	\$1,348,515	N/A	5.77%	\$13,228

Example Administrative 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). The example calculation above is completed for each cost pool as reported by the LEA.



Calculating the Administrative Claim

EXAMPLE LEA MAC CLAIM	
Description	Amount
Direct Service Providers	\$ 29,770
Targeted Case Management	\$ 6,621
Personal Care	\$ -
Administrative (see previous slide for calculation example)	\$ 77,796
Gross Claim Subtotal	\$ 114,187
<i>Indirect Cost Rate (x 16.21%)</i>	<i>\$ 18,510</i>
Total Gross Claim Amount	\$ 132,697
<i>Federal Financial Participation (FFP) Rate</i>	<i>x 50%</i>
Total Net Claim Subtotal	\$ 66,349

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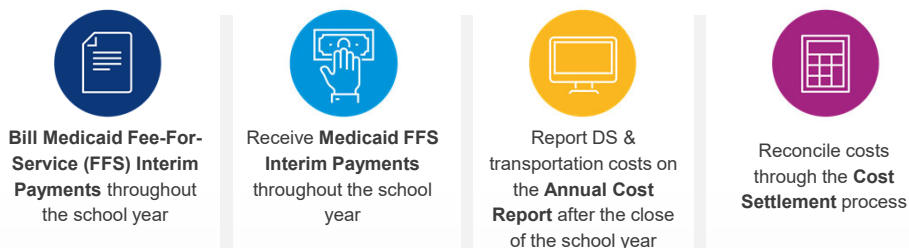
Cost Settlement

School Based Health Services: Overview

Counties incur costs for providing services to eligible special education students

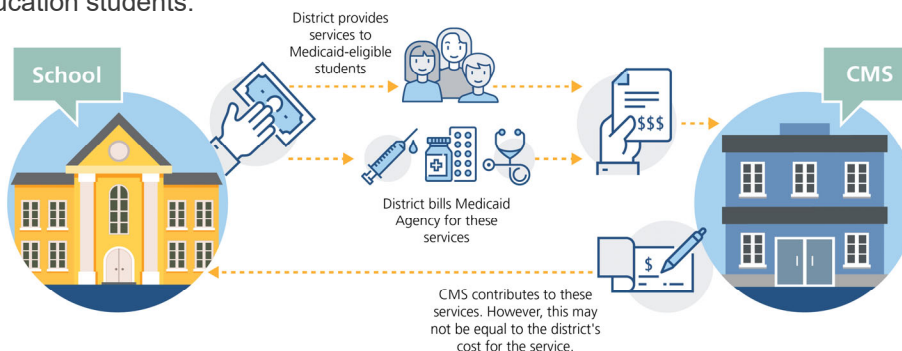
- Medicaid will reimburse a portion of the costs counties incur based on what is allowable and outlined in the Centers for Medicare and Medicaid Services (CMS) approved state plan amendment

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



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 a requirement 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	Annual Cost Settlement
Offers reimbursement for Medicaid allowable administrative activities, such as outreach, and activities that support Annual Services.	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 MAC Costs	Components of Direct Service Costs
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Annual reporting • Accrual Based Accounting • IEP Ratio • Direct Service Contractor Costs are reported • Direct Service Contract providers are NOT included in the RMTS • Administrative Costs are NOT reported
<p>Cost report provides an additional reimbursement stream <i>in addition</i> to funding for provision of direct medical services</p>	<p>Cost report tied directly to the interim reimbursement that counties receive through Medicaid billing for direct medical services</p>

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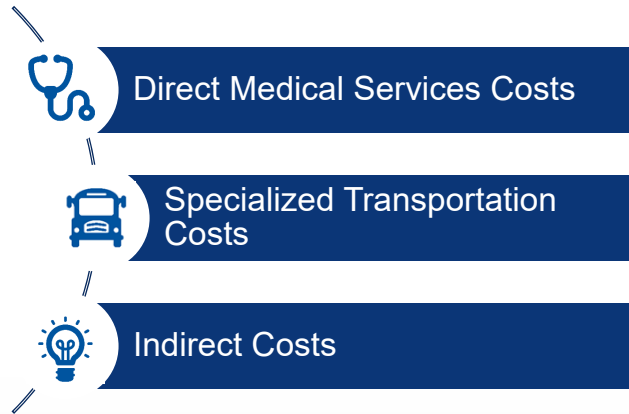


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Claiming Allowable Costs for the Annual Cost Report

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 and Direct Service Contractors are the only individuals included on the Annual Cost Report.
- Note that Administrative Personnel are not included on this report.

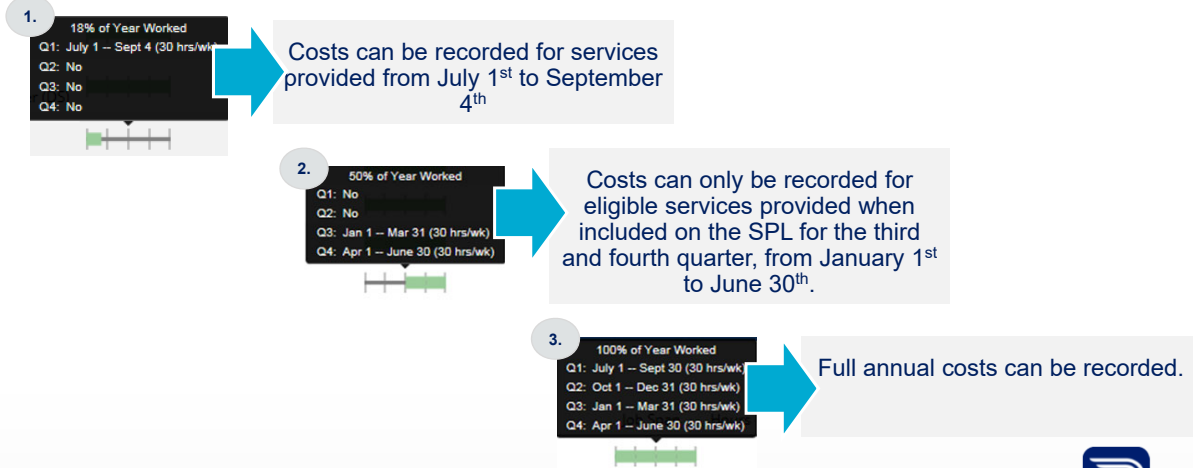
Materials and Supplies

- 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



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



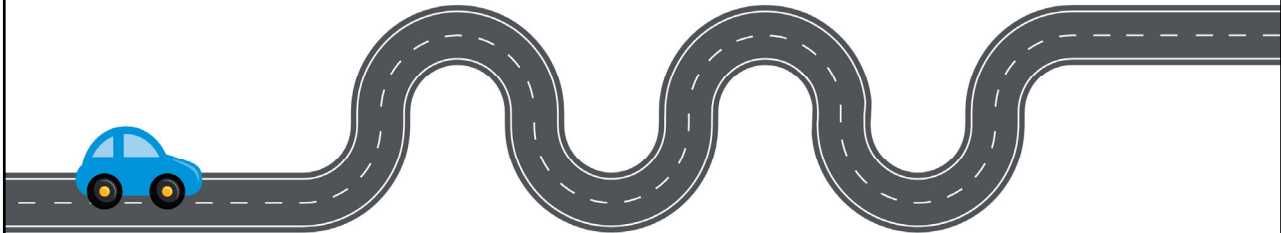
Counties may report salary and benefit costs for **drivers, bus aides, and mechanics** who provide specialized transportation



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



Transportation Service Type: Only and Not Only

	Only Specialized Transportation	Not Only Specialized Transportation	General Transportation Costs
Report When:	Costs that pertain only to providing specialized transportation services should be reported as 'Specialized Only'. These are costs that can be isolated from your general transportation costs.	If an LEA is unable to isolate special transportation costs from general transportation costs.	Any costs pertaining to transportation costs for only general education students should not be included.
Example:	Salaries and benefits coded to 227XX (Special Education Transportation) and buses with a wheelchair lift which transport only special education students.	A bus is adapted to transport special education students per their IEP, but also transports general students. Fuel costs may be listed as 'Not Only Specialized' if the total fuel cost includes fuel for both specialized vehicles and general transport vehicles.	Unallowable costs that include buses that only transport general education students (including related bus driver salaries) or fuel, maintenance, and insurance costs for these vehicles if separately available in the accounting system.
Ratio(s) Applied:	One-Way Trip Ratio ONLY	Specialized Transportation Ratio <u>AND</u> One-Way Trip Ratio	N/A

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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

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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).

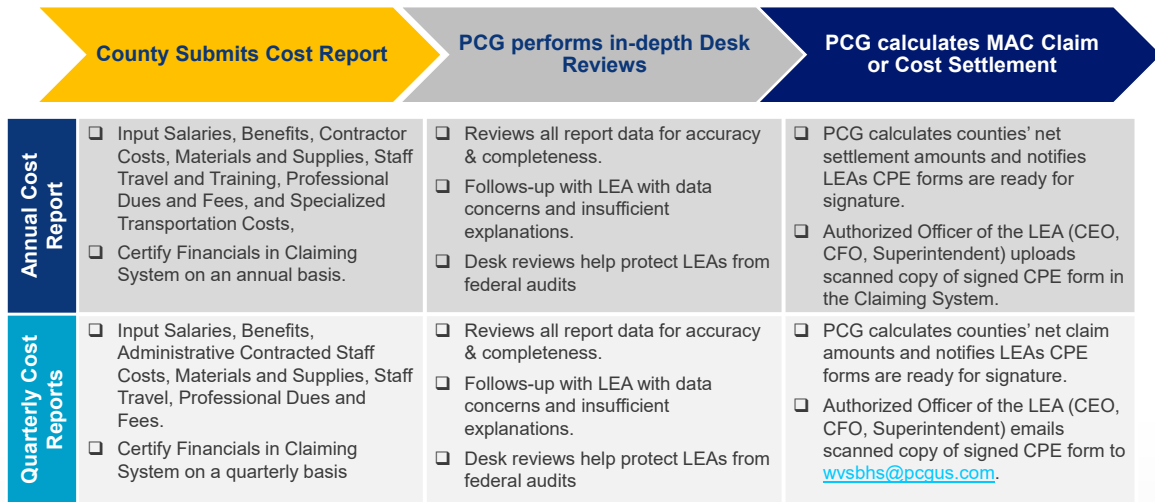
- The system will subtract out the federal funds and find the net.



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

Financial Reporting Process & Timelines

Financial Reporting Process

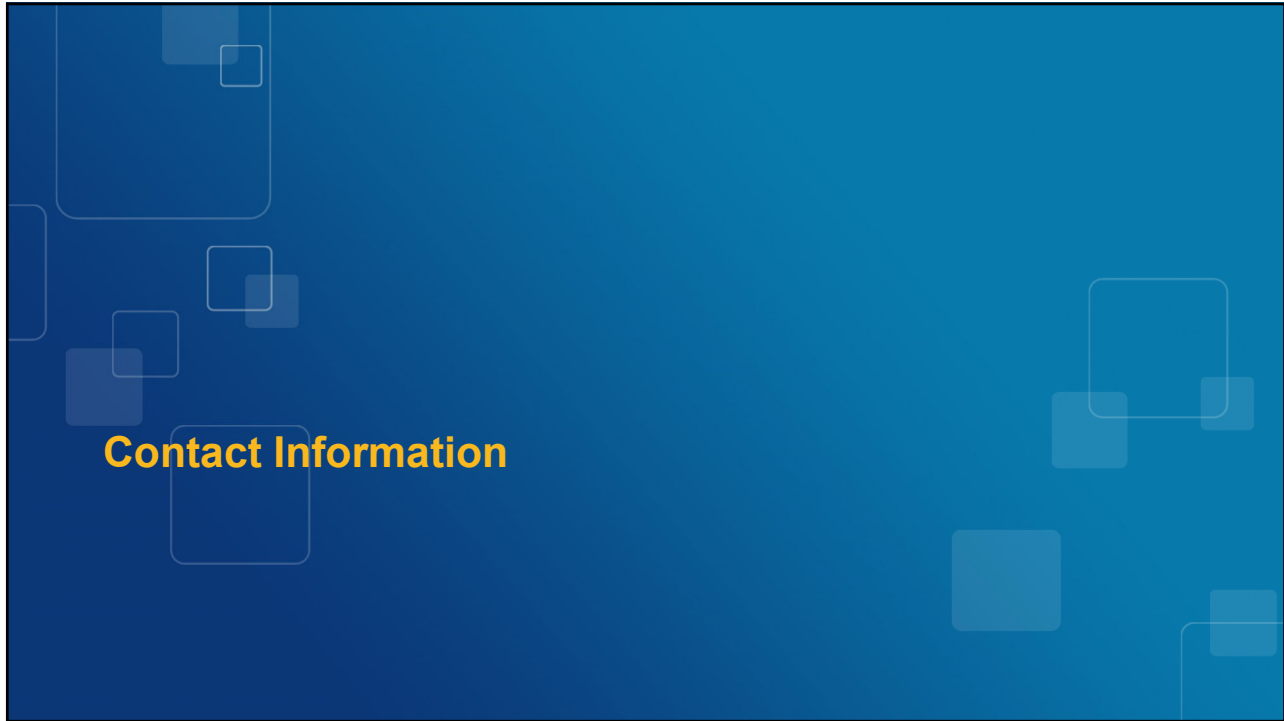


Upcoming Dates and Timeline

Type	Description	Start	Deadline
MAC	Oct – Dec 2020 Quarterly CPE Collection	August 1, 2022	August 12, 2022
MAC	Apr – Jun 2022 Quarterly Financials	July 5, 2022	August 18, 2022
SPL	Jul – Sept 2022 SPL Certification	July 18, 2022	July 29, 2022
MAC	Jan – Mar 2022 Desk Reviews	July 18, 2022	July 29, 2022
SPL	Oct – Dec 2022 SPL Certification	August 5, 2022	September 8, 2022
MAC	Jul – Sept 2022 Quarterly Financials	October 1, 2022	November 14, 2022
MAC	Apr – Jun 2022 Desk Reviews	October 2022	TBD
ACR	FY22 Annual Cost Report	October 2022	December 31, 2022

MAC = Medicaid Administrative Claiming
 SPL = Staff Pool List
 ACR = Annual Cost Report





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Solutions that Matter