



Commonwealth of Kentucky School District
Cost Reporting & Cost Settlement Monitoring
August 2015

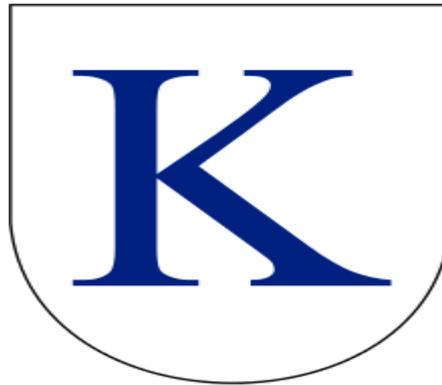


Agenda

1	Fairbanks and Kentucky
2	Medicaid Program
3	Medicaid & Schools
4	Program Overview
5	Cost Report Monitoring
6	Cost Report Documentation

Fairbanks and Kentucky

- Fairbanks has been contracted by DMS to implement the KY School Based fee-for service and Specialized Transportation Cost Reports
- Fairbanks has worked closely with DMS, KDE and the local school districts to complete and review the cost reports for fiscal years 2009, 2010, 2011, 2012, 2013, 2014. We will be opening the FY 2015 Cost Report system on March 1, 2016.



- Our team has trained and will continue training school district personnel in the cost report process, collect all district level reports, perform audits of the program, and submit to DMS a cost reconciliation report for the year-end settlements

Medicaid School Based Services

There are two distinct Medicaid reimbursement programs that school systems may participate in:

Medicaid School Based Services	
Medicaid Administrative Claiming (SBAC in KY)	Fee For Service (FFS)
<p>Federal Medicaid Reimbursement for administrative activities such as:</p> <ul style="list-style-type: none">• Coordination of medical and mental health related services covered by Medicaid• Linking students to Medicaid services• Monitoring the delivery of medical and mental health services performed in the school system	<p>Federal Medicaid Reimbursement for direct medical services such as:</p> <ul style="list-style-type: none">• Speech Therapy• Physical Therapy• Occupational Therapy• Nursing• Mental Health• Audiology• Specialized Transportation

Relationship of RMTS to Cost Report

- The CMS approved plan requires that providers submit an annual FFS Cost Report, with cost reconciliation and cost settlement processes.
- The plan also requires that providers must participate in the RMTS time study for SBAC in order to bill for FFS.
- In order to remain eligible for FFS reimbursement, a district **must** participate in RMTS. Participation includes but is not limited to:
 - Ensuring RMTS Program Contact has been trained
 - Ensuring the RMTS Participant List is updated each quarter
 - Meet the 85% RMTS participation rate requirement
- The results of the time study are the basis for the calculation of the direct medical services percentage that is used during the cost reporting process to allocate costs to the Medicaid program.

Direct Service Cost Report Overview

The following annual expenditures can all be claimed for the Direct Service providers (that have been listed on the quarterly Participant Lists and participated in the Random Moment Time Studies)

- Salaries
- Materials & Supplies
- Benefits
- Travel & Training
- Contractor Payments
- Dues & Fees

<u>Title</u>	<u>Employee Hours</u>	<u>Contractor Hours</u>	<u>Gross Salary</u>	<u>Contractor Payments</u>	<u>Benefits</u>	<u>Materials and Supplies</u>	<u>Travel and Training</u>	<u>Dues and Fees</u>
			(A)	(B)	(C)	(D)	(E)	(F)
ASHA Certified Speech Language Therapist	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Direct Service Cost Report Process

Once the expenditures are collected, in order to calculate the Medicaid Allowable Costs, the following data needs to be obtained:

- IEP Ratio - which consists of
 - NUMERATOR is the *Medicaid Eligible Special Education Student Count* - this is the count of unduplicated direct service paid claims (provided to Fairbanks from DMS)
 - DENOMINATOR is the *Special Education Student Count* – this is the total count of special education students within the LEA
- **Direct Medical Service Time Study Percentage** – this percentage is determined from the quarterly RMTS process

Transportation Cost Report Overview

- Specialized transportation to and from school may be claimed as a Medicaid service when the following conditions are met
 - Need for specialized transportation is stated in child's IEP (T5 students)
 - Approved medical service is provided the day transportation is claimed
 - Interim payments for service are billed as a one way trip
- Transportation costs that can be included in cost report:
 - Bus drivers Salaries and Benefits
 - Mechanics Salaries and Benefits
 - Fuel
 - Repairs and Maintenance
 - Rentals
 - Contract Use
 - Vehicle Depreciation

Transportation Cost Report Process

Transportation Data process includes:

- **Eligible T5 Student Count** (special needs student whose IEP lists Transportation as a Related service AND has either a special arrangement, special equipment or a special vehicle)– In this step the LEA will enter this number of students that meet this definition in the two sections in this Transportation step .
- **Medicaid Eligible T5 Student Count** - This number will be preloaded by Fairbanks. This number is the number of students with a paid transportation claim provided by DMS
- **Total Students in District Receiving Transportation** - this number is the **general and special education transportation** population.
- **Total Vehicles**- This refers to the total number of vehicles in the Transportation department, regardless of general or special education related.

From reporting to review

Online Reporting

- LEAs log on to report Direct Service and Transportation expenditures.

Desk Reviews

- All LEAs' reported data is run through a number of different calculations to measure its relation to other LEAs, as well as its own data from previous periods.

Field Audits

- Ten percent of LEAs are selected for a more in depth review and analysis of Cost Reporting methods and supporting documentation.

Maintaining Documentation

It is critical to maintain proper Cost Report documentation because the process spans over 2 years!

March 2015  June 2017



This becomes especially important when staffing changes occur within these overlapping Cost Reporting years!!

Documentation for Direct Service Personnel

- Payroll and/or MUNIS reports tied directly to the employee, detailing salary and benefits (including an explanation of what benefits are included)
- Job description and/or copy of licensure, where applicable
- For contracted employees a copy of the employment contract
- If Federal Funds are involved, indicate on payroll or MUNIS the codes used for these funds (i.e. payroll code 200)

Documentation for Transportation Personnel

- Payroll and/or MUNIS reports from Transportation Department detailing salary and benefits
- For contracted employees a copy of the employment contract
- If Federal Funds are involved, indicate on payroll or MUNIS coding for these funds

Documentation for Transportation Non-Personnel

- Invoice and/or MUNIS reports from Transportation Department detailing:
 - Fuel
 - Repairs & Maintenance
 - Rentals
 - Contract Use Costs
- If Federal Funds are involved, indicate on payroll or MUNIS the codes used for these funds (i.e. payroll code 200)



Documentation for Transportation

- Run MUNIS or ad hoc report from Transportation Department illustrating T5 student count
- Run MUNIS or ad hoc report from Transportation Department illustrating total count of students receiving transportation
- Run MUNIS or ad hoc report from Transportation Department demonstrating total count of all buses in operation (general and special education)
- For depreciation of Specially Equipped Vehicle - run MUNIS or ad hoc report from Transportation Department detailing:
 - VIN
 - Vehicle Cost
 - Model Year for all Specialized Transportation Vehicle



Open Discussion

- ❖ What do you find to be the most challenging piece of data to document?
- ❖ Can other LEAs suggest some tips to make this easier?
- ❖ What can Fairbanks do to help you with this process?
- ❖ What is your process for creating your documentation file for each Cost Report year?

