# **Medicaid 101: For LEA Financial Leadership**

## **Slide 1: Medicaid 101 for LEA Financial Leadership**

Welcome to the Medicaid one oh one [101] training series developed in partnership between MassHealth and the University of Massachusetts Medical School (U-M-M-S). This training is module five in the series and is intended for Local Education Agency Financial Leadership.

## **Slide 2: Distributed April 2021**

This training was distributed in April of twenty twenty-one [2021] and was accurate at the time of distribution. As always, Local Education Agencies are responsible for reviewing information on the School-Based Medicaid Program website, which can be found at website at mass dot gov slash MassHealth slash schools [https://www.mass.gov/masshealth/schools], to determine whether any subsequent guidance has superseded content shared here. MassHealth does plan to update these trainings periodically as needed.

## **Slide 3: Introduction to Medicaid 101 Training Series**

The Medicaid one oh one [101] training series is designed to provide the essentials to understanding the School-Based Medicaid Program that we refer to as S-B-M-P. Some modules are designed for a broad, general audience. Other modules are targeted to the learning needs of a specific audience within each Local Education Agency or L-E-A.

I’m not going to read these all out as I’m sure most of you are aware of the series, but the modules are shown here for your reference in case there are any others that might apply to you and your areas of responsibility.

## **Slide 4: Introduction to Medicaid 101 Training Series**

These are the rest of the modules in the series.

## **Slide 5: Training Agenda**

Here is today’s training agenda. Please note that this module assumes that you have already reviewed the Introduction module in the Medicaid one oh one [101] series. Therefore, the agenda for this training builds upon that background knowledge.

* So, we’ll review the training objectives,
* Explain the Financial Leader’s contribution to your L-E-A’s Medicaid team,
* Discuss the requirements for reporting expenditures for federal match through the School-Based Medicaid Program S-B-M-P,
* Review the process of financial reporting for Administrative Activity Claims, A-A-C, and
* Financial reporting for Direct Service Claiming and the D-S-C Cost Reports,
* Provide the various dates and deadlines that apply to financial leaders,
* And finally, we will provide some resources and discuss some next training steps.

## **Slide 6: Training Objectives**

By the conclusion of this training, we hope that you will:

* Understand the key role that a financial leader plays in your L-E-A’s Medicaid reimbursement program;
* Understand the requirements for identifying and reporting allowable expenditures;
* Return to your L-E-A with information, ideas and perspective on areas where your L-E-A may need to review and improve procedures and controls to ensure that data is submitted for claiming purposes accurately and that your L-E-A will have a successful Medicaid reimbursement program;
* And have an understanding of the allowable expenditures for claiming Medicaid federal matching funds and to be able to determine whether your L-E-A is receiving the maximum allowable Medicaid reimbursement while remaining fully compliant with claiming requirements to minimize any audit risk.

## **Slide 7: Your Contribution to your LEA’s Medicaid Team**

Successful participation in the School-Based Medicaid Program, S-B-M-P, really does require coordination and collaboration among different people responsible for managing each of the key pieces of the Medicaid program.

Financial leadership involvement and oversight of your L-E-A’s reimbursement program is really key to ensuring that your L-E-A maximizes your reimbursement potential while fully complying with program requirements, particularly around the reporting of allowable expenditures.

## **Slide 8: Financial Leadership Role**

A financial leader plays a key role in ensuring accurate expenditure reporting and should be empowered to institute procedures that will efficiently and effectively identify allowable expenditures and ensure reimbursement and compliance. So here we can see what a financial leader is typically responsible for, a whole bunch of areas within S-B-M-P.

Financial leadership should be able to identify allowable costs. This includes:

* Payroll & benefit costs,
* Acquisition costs of capital,
* Materials, equipment and purchased services costs that are in support of Medicaid reimbursable activities,
* And identifying expenditures in the period, which is typically a quarter, that the expense was paid following cash-based accounting principles.

Next, they should ensure compliance with cost principles, which includes:

* Ensuring that only expenditures that were paid from state & local funds are claimed,
* Ensuring that no indirect costs are claimed directly,
* And ensuring compliance with O-M-B Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards that is two C-F-R two hundred [2 CFR 200]. We refer to as the super circular. This is something I’m sure every school business manager is familiar with already, and it provides the overall guiding cost principles that the School-Based Medicaid program follows.

And finally, a financial leader should be involved in creating sustainable internal procedures. Some things to keep in mind when doing this are:

* Developing procedures for identification of expenditures through purchasing or accounts payable processes perhaps,
* Consider training for accounting, payroll, or bookkeeping staff,
* Ensuring a clear line of communication with the R-M-T-S Coordinator,
* And monitoring reimbursement and interim claiming through remittance advices.

## **Slide 9: SBMP Revenue Streams**

The S-B-M-P is a federal reimbursement program. The School-Based Medicaid Program gives L-E-As the opportunity to receive federal matching dollars for state and local expenditures in the areas of:

* Medicaid Administrative Activities. This is the work your school staff does that provides and promotes access to health care services for students and families served by your L-E-A.
* And also, for Direct Medical Services Activities, this is the provision of medical care to students, such as:
	+ Health care services like physical therapy, occupational therapy, speech therapy, nursing care, and personal care services,
	+ As well as behavioral health care services, which include psychological evaluations, and counseling and A-B-A therapy.

The cost-based reimbursementmethodology used to determine each L-E-A’s reimbursement requires quarterly or annual cost reporting, which is simply a record of the allowable state and local expenditures made by the L-E-A related to either Medicaid Administrative Activities or Direct Medical Services Activities.

So, at a high level, in the cost-based reimbursement methodology, the L-E-A’s allowable costs for covered services are multiplied by the statewide R-M-T-S percentages and the L-E-A specific Medicaid Penetration Factor to calculate the Gross Medicaid Allowable Expenditure.

So let’s look at an example of what this looks like on the next slide.

## **Slide 10: Understanding Cost-Based Reimbursement**

* For both the D-S-C and A-A-C reimbursement calculation, we start with each L-E-A’s allowable costs. What costs did my L-E-A incur, for staff and other categories of costs, related to either Direct Services Claiming or Administrative Activities Claiming? The source of this information will come from each L-E-A’s payroll records or other accounting system records of expenditures. In this example, let’s say that my L-E-A’s total allowable costs are five hundred thousand dollars [$500,000].
* Then, we’ll apply the R-M-T-S results, which have quantified what portion of L-E-A staff working hours are spent performing duties that are reimbursable by Medicaid. The source of this information is the statewide R-M-T-S percentages and in our example, we’re going to say that the percentage of time staff spend performing reimbursable work activities was thirty-five percent [35%].
* And finally, we’ll apply the Medicaid Penetration Factor. This factor measures the portion of the students that my L-E-A serves who are also enrolled in MassHealth. The source for this information is the results obtained from the Medicaid eligibility matching process, and in our example, we’re saying that forty-five percent [45%] of my L-E-A’s students are enrolled in MassHealth.
* So, in our example, the gross Medicaid allowable expenditures total of five hundred thousand dollars [$500,000] is multiplied by thirty-five percent [35%], then multiplied by forty-five percent [45%], to equal the seventy-eight thousand seven hundred and fifty [$78,750] Medicaid allowable expenditures total.

## **Slide 11: Allowable Costs for Medicaid Administrative Activities**

So now we want to focus in on the allowable costs because as a financial leader, you’ll want to be sure you’re identifying all allowable costs and reporting them accurately, so that you don’t miss out on any potential reimbursement, and so that you’re confident that the expenditures reported comply with program requirements. So, let’s start by looking at allowable costs for Medicaid Administrative Activities. These are going to be your cost to perform reimbursable work activities in these areas:

1. So, outreach activities. That’s Informing eligible or potentially eligible individuals or families about MassHealth and how to access it.
2. Application assistance to individuals or families in the process of applying for MassHealth.
3. Participating in activities that develop strategies to improve the delivery of covered healthcare services, including performing collaborative activities with other agencies regarding health-related services.
4. Making referrals to health services, coordinating, or monitoring the delivery of covered services to individual students.
5. Assisting an individual to obtain MassHealth-covered transportation.
6. Translation and interpretation services when they’re required to access health-related care.
7. And providing or receiving school staff training related to Medicaid topics.

## **Slide 12: Allowable Costs for Medicaid Administrative Activities**

To identify the allowable costs for Medicaid Administrative activities, you should be asking yourself, “What expenditures did your L-E-A make in support of these reimbursable work activities that we just were talking about on the previous slide?” The allowable costs are going to be in the areas of staff costs, employed and contracted staff costs, materials and supplies, capital costs, indirect costs, out-of-district tuition, and purchased services.

Now we’re going to go into these in more detail coming up.

## **Slide 13: Allowable Costs for Specialized Transportation**

The S-B-M-P program methodology allows L-E-As to receive reimbursement for expenditures related to the provision of specialized transportation through the quarterly Administrative Activity claims.

These costs are claimed through a cost allocation method allowed by C-M-S and reported with the quarterly A-A-C.

The allowable costs for specialized transportation are:

* Payments to transportation providers or transportation company,
* Salary and benefits of drivers if you employ them yourself,
* Costs to operate and maintain specialized transportation vehicles.

Note that specialized transportation is defined as transportation in a vehicle that is specially equipped, adapted, or staffed to accommodate students with specialized medical needs to transport them to school where the student receives Medicaid-covered services or to receive Medicaid covered services from a provider outside of school.

## **Slide 14: Allowable Costs for Direct Medical Services**

Now if we think about the costs for providing direct medical services, again you’re going to ask yourself “What expenditures did your L-E-A make in support of the provision of health care services?” These costs will fall into the categories of staff costs, again employed and contracted staff costs, supplies, equipment, indirect costs, out-of-district tuition and purchased services.

## **Slide 15: Applicable Laws, Regulations, and Published Guidance**

In both reimbursement categories, your L-E-A must accurately identify allowable costs that were funded from state and local dollars that qualify for S-B-M-P federal match. Some basic cost principles apply across the board to all claiming in this program and that’s what we’re going to go over next.

Any L-E-A or subcontractor participating in the School Based Medicaid Program must comply with applicable federal and state laws, regulations, published guidance, and the terms of the provider contract. These include, but are not limited to:

* + - Section nineteen oh two-A [1902(a)] of the Social Security Act,
		- Titles forty-two and forty-five in the Code of Federal Regulation,
		- O-M-B Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, again that’s that two C-F-R two hundred [2 CFR 200] that we refer to as the super circular,
		- O-M-B Circular A-one thirty-three [A-133] which talks about Audits of State and Local Governments,
		- All MassHealth School-Based Medicaid Program Bulletins,
		- MassHealth School-Based Medicaid Program Instruction Guides,
		- And last but not least, the Massachusetts School-Based Medicaid Program provider contract.

All of these documents and guidelines are ones that you should be familiar with, particularly related to the reporting of allowable costs.

## **Slide 16: Requirements for Reporting Expenditures**

When we think about therequirements for reporting expendituresin this program,

* L-E-As must report all expenditures as actual expenditures. There’s no allowance for reporting projected expenditures, planned or budgeted expenditures or replacement values. It’s always actual expenditures during the period in which the expenditure occurred. In other words, the check date of the expenditure determines the reporting period, not the service date that the expenditure may have been for. The only exception to this rule is that prepaid expenditures must be claimed in the period in which the services were rendered.

So, for example:

* + In quarter one: If an L-E-A prepaid a specialized transportation expense through the end of quarter three, the L-E-A would only claim the portion of the expense attributed to services provided in quarter one in their quarter one claim.
	+ Then in Quarter two: The L-E-A would claim the portion of specialized transportation expense attributed to the services provided in quarter two, even though the payment occurred back in quarter one. You’re going to hold it and claim it in quarter two.
	+ And finally in Quarter three: The L-E-A would claim the portion of the expense attributed to services provided in quarter three, even though that payment was made on a prepayment basis back in quarter one.

So, prepayments are the only exception to the cash-based or check date accounting rule.

## **Slide 17: Requirements for Reporting Expenditures**

Some additional requirements for reporting expenditures:

* There are some excluded expenditures to review that are applicable to *ALL* expenditure categories in direct service claiming *and* administrative claiming:
	+ L-E-As must exclude restricted federal funding from the report of any actual L-E-A expenses. Only state and local funding sources may be included.
	+ L-E-As must also exclude expenditures that were used to satisfy a federal matching requirement and that’s the Federal Regulation there.
	+ Any expenditures, including staff salaries, included in the L-E-A’s Indirect Cost Rate must be excluded. We’re going to apply your indirect cost rate to the allowable expenditures reported in your claims, so reporting them directly would actually be counting them twice.
	+ And then in the Direct Service Cost Report:
		- Any costs related to Medicaid billing contractors or vendors that are paid on a contingency fee, which means percent of claim, basis have to be excluded.
		- And costs related to the provision of medical service types that don’t have any corresponding interim claims have to be excluded.

## **Slide 18: Personnel Expenditures**

Personnel expenditures.

* So only staff, employed and contracted, who were included in the first possible R-M-T-S participant list that they could have been included in, following their date of hire or a change in job position that made them newly qualified for participation, may be claimed.
* Only expenditures related to each staff member’s performance of the job position that qualified them for reimbursement in the S-B-M-P may be claimed.
	+ So, by that I mean that costs related to separate and unrelated duties have to be excluded, such as:
		- Stipends that are paid for supervision of extracurricular activities, such as an athletic coach or a club advisor, have to be excluded.
		- And if staff a member holds two job positions, only those costs attributable to the position that qualified them for S-B-M-P reimbursement can be claimed.
* All costs claimed must be actual expenditures as supported by payroll or other accounting records of the L-E-A.
* And only the employer paid portion of benefits can be claimed. It has to be an L-E-A expenditure.

## **Slide 19: Indirect Costs**

The annual indirect cost rates for each L-E-A are calculated and published by the Department of Elementary and Secondary Education and they’re prepopulated in the A-A-C and Cost Report systems. So any costs that are part of what deh-see [DESE] uses to calculate your indirect cost rate, that are reported on the Chart of Accounts in all of these following object codes listed here, are included in the calculation of each L-E-A’s Indirect Cost Rate by deh-see [DESE]. Therefore, your L-E-A must exclude them from A-A-C and Direct Service Cost Reports.

So, here’s the list of the indirect cost codes that have to be excluded and there’s also a link at the bottom to deh-sees [DESE’s] chart of accounts, which I’m sure all of you are very familiar with.

## **Slide 20: Indirect Costs**

For charter schools

A-A-Cs and Direct Service Cost Reports for charter schools are processed using a ten percent [10%] de minimis Indirect Cost Rate and that’s allowed by federal regulation again, part of super circular two C-F-R two hundred [2 CFR 200].

Charter schools are instructed to follow the same guidelines as other School Based Medicaid Providers and exclude from R-M-T-S participation and claims and cost reports any costs related to staff who are part of central district administration. These staff members include people who are the equivalent to a superintendent, assistant superintendent, professional and clerical support staff, a grants manager, director of planning, school business managers, financial officers, director of human resources, a districtwide information and technology staff, or any equivalent schoolwide administration staff. And you can also see School Based Medicaid Provider Bulletin twenty-eight that was issued back in twenty fifteen [2015] goes over the indirect cost rate and exclusion of costs rules in a little bit more detail than what I’ve given here today if you’d like to refer to that.

## **Slide 21: Record Retention and Audit Preparedness**

So, record retention and audit preparedness.

* L-E-As are responsible for ensuring program compliance and must certify, under penalties of perjury, that all administrative claims and the annual cost reports are accurate.
* The federal government does regularly audit the S-B-M-P, and all costs are subject to audit review by MassHealth and other state and federal agencies.
* L-E-As are responsible for ensuring that the appropriate documentation can be produced in the event of an audit or other request by MassHealth or any of these other compliance agencies. Failure to do so may result in a recoupment or termination from the program as described in the provider contract. So, this includes ALL DATA used to support claims and cost reports, such as:
	+ Payroll records,
	+ Accounting records,
	+ Copies of invoices that were paid,
	+ Student data reports that were used as the source for those student eligibility statistics,
	+ Any source data to support acquisition costs of capital assets,
	+ And all related financial records used as the source data for any claimed expenditures.
* The record retention period is six years from the date of cost settlement, which occurs about one year after the end of each fiscal year, so for practical purposes, seven years is what you should have in mind when thinking about record retention.

## **Slide 22: Administrative Activity Claiming**

Administrative Activity Claiming.

* So, we’re gonna review a few key areas where financial leadership by an individual with the skills and training of a school business manager or finance officer is especially needed due to unfortunate frequency with which L-E-As have historically reported data incorrectly.
* Complete instructions for all data elements and expenditures reported in the Administrative Activity Claims are provided in the L-E-A Instruction Guide for Administrative Activity Claiming. It’s published on the School Based Medicaid Program website.
* Financial leadership and oversight of the entire reporting process, including implementing procedures and controls to ensure that staff that are assigned to gather data for claiming purposes will be accurate and successful, is really essential to ensure that your L-E-A receives the maximum allowable Medicaid reimbursement while remaining fully compliant with claiming requirements to minimize any audit risks.
* So therefore, we extremely recommend that financial leadership should review the A-A-C instruction guide in full.

## **Slide 23: AAC: Annual Capital Cost Allocation Factor**

So, capital cost allocation factor.

* L-E-As can include the actual acquisition cost of capital assets in active use and occupancy by the L-E-A during the fiscal year. These costs are used to calculate a capital percentage allocation rate that’s applied to the A-A-C claim. So claimable costs of capital assets are going to fall into one of these three categories:
	+ 1. buildings and fixed assets;
		2. major movable assets; or
		3. net interest expense.
* Capital assets described in this section are reported on an annual basis and cannot vary throughout the year unless you file an amendments for any prior quarters within the same fiscal year, which really would only occur if you were trying to make corrections or something, had been reported incorrectly.
* Reported costs must be supported by adequate property records, and physical inventories must be taken at least once every two years to ensure that the assets exist and are usable, used, and needed. This comes straight from two C-F-R two hundred [2 CFR 200], that’s the super circular.
* Additionally, L-E-As must report the annual total budgeted district-wide salaries and benefits amount and the full-time equivalency that are used in the calculation of the capital percentage rate. So those two numbers, total districtwide salaries and benefits and total districtwide F-T-E, are part of calculating this capital percentage rate.

## **Slide 24: Building and Fixed Assets**

Building and fixed assets.

So, L-E-As must enter the acquisition cost of buildings and fixed assets in active use and occupancy by the L-E-A during the fiscal year. L-E-As are required to report the actual acquisition cost of capital assets, not insured values or replacement values. The notes we have here, all from two C-F-R two hundred [2 CFR 200], again, that’s that super circular. So, there are many things that you need to be aware of in the definition and reporting of capital assets that are defined by the super circular. I don’t want to read regulations to you, but you should be familiar with all of these things and the super circular guidance overall.

## **Slide 25: AAC Capital: Major Movables**

In the area of major movables, the acquisition costs of school district equipment that’s not included in the value of buildings and fixed assets, this means:

* Equipment, that’s tangible property and has a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by your L-E-A for financial statement purposes, or five thousand dollars [$5,000]. Again, this is super circular; or
* General purpose equipment means equipment that’s all kinds of things like office equipment, furnishings, modular offices, telephone networks, IT equipment, air conditioning equipment, reproduction and printing equipment, and even motor vehicles. Again, super circular reference is there for you.
* And capital expenditures for improvements to equipment which materially increase their value or useful life can be included in your major movables actual costs.

## **Slide 26: Net Interest**

Net Interest.

* Because claims are filed during the fiscal year, the net interest expense consists of the L-E-A’s budgeted interest expenses minus earned interest for the fiscal year associated with the financing costs to acquire, construct, or replace capital assets.
* Capital assets are defined in the super circular again and an asset cost includes, as applicable, acquisition costs, construction costs, and other costs capitalized in accordance with gap [GAAP].
* The L-E-A may include no other interest expenses on the claim.
* And allowable interest costs and interest earnings offsets must meet the conditions described in the super circular.

## **Slide 27: AAC Capital: Annual Total Budgeted District-Wide Salaries and Benefits and FTE**

The annual total budgeted district-wide salaries and benefits and F-T-E.

* The L-E-As should report the grand total budgeted amount for the fiscal year of all salaries and benefits for all employees of the school district. It doesn’t matter who they are.
* Because this amount will be used in the calculation of the capital percentage rate as an allocation factor, all salaries and employer shares of benefits for all district staff must be reported in the Administrative Activity claim. This includes part-time and full-time staff, district administration, athletic staff, teaching staff, paraprofessionals, custodians, etc. This includes everybody.

## **Slide 28: AAC: Materials and Supplies**

In A-A-C when we’re talking about materials and supplies:

* L-E-As should enter actual quarterly material and supply expenditures related to the delivery of Medicaid administrative activities.
* Only material and supply costs funded by state and local revenue that assist in the performance of those reimbursable Medicaid administrative activities by staff who participated in the R-M-T-S should be included in the A-A-C.
* Examples of some costs that might be allowable would be: forms, brochures, fliers, office supplies, things like that, that are related to reimbursable administrative activities. For example, Medicaid outreach, scheduling, and arranging transportation. People who do that work probably use office supplies and so forth when carrying out that work.
* Some excluded expenditures: the cost of materials and supplies used in the delivery of health-related services should not be included in the A-A-C.
* These costs may be reimbursable through the Direct Service reimbursement portion of the program when all requirements for reimbursement are met and claimed in the direct service cost report, but they’re never included in a quarterly Administrative Activity claim.

## **Slide 29: AAC:** **Purchased Services**

In Administrative Activity Claiming, when we’re talking about purchased services, L-E-As should enter actual quarterly purchased services expenditures related to the delivery of Medicaid administrative activities. So, examples of some costs that can be included might be:

* An expenditure to a printing service to print flyers that qualify as Medicaid outreach such as perhaps an informational brochure about well-child exams or physicals that are going to be available through school.
* Costs incurred for a consultant who trained direct service practitioners on current clinical best practices or other health-related professional development topics. Health-related trainings are an administrative activity, so you would be able to claim that cost in A-A-C.
* And the cost of maybe an external physician who comes in to review and update nursing standing orders.

Some excluded expenditures would be:

* The cost of purchased services related to the delivery of health-related services and these would not be included in A-A-C. They may be reimbursable through the Direct Service reimbursement portion of the program when all requirements for reimbursement are met. And we’re going to refer you to the Direct Service Claiming Program Guide for additional information about that. But costs related to the provision of medical care, the provision of health services to students are not part of an A-A-C claim.

## **Slide 30: Direct Services Cost Report**

So now let’s turn to the Direct Services Cost Report.

* So, we’re going to review a few key areas again here where financial leadership, a business manager, or finance officer is especially needed. Again, these are areas that have historically had issues, L-E-A’s have had confusion or reported data incorrectly in the past.
* Complete instructions for all data elements and expenditures reported in the Direct Service Cost Reports is of course in that L-E-A Instruction Guide for Direct Service Cost Report which is available on the Resource Center. And this is another document that we strongly encourage you to download and be familiar with.
	+ Financial leadership and oversight of the entire reporting process, again including procedures and controls that ensure that any staff that work on gathering data for claiming purposes will be accurate and your claiming program will be successful, basically ensuring that your L-E-A receives maximum allowable Medicaid reimbursement while remaining fully compliant with claiming requirements is really, you know, what we’re hoping that you will gather from this. So, financial leadership really should review the D-S-C Cost Report guide in full and be familiar with all of the details of the reporting requirements.

## **Slide 31: Cost Report: Materials and Supplies**

So again, in the Cost Reports we have materials and supplies, but this time we’re talking about:

* Quarterly material and supply expenditures related to the delivery of Medicaid-covered services.
	+ So, materials and supply costs are allowable if used exclusively for the delivery of health care services for which the L-E-A is including allowable personnel (employed or contracted) costs, and you can claim the costs of the supplies that those personnel used.

Excluded expenditures would be:

* + Any materials and supplies used in the performance of Medicaid administrative activities. Those aren’t claimed in the cost report. These two categories of materials and supplies, what’s reported in A-A-C and what’s reported in your Direct Service Cost Report are mutually exclusive.

## **Slide 32: Cost Report: Purchased Services**

So in the Cost Report, purchased services, this is the same concept as in the Administrative claim, except that in the cost report, you’re looking for actual purchased services expenditures related to the delivery of Medicaid-covered health care services, such as:

* An expenditure for a Medicaid-covered private duty nurse or personal care services provider, or some type of covered health care practitioner that you might be paying for over and above the tuition cost for a student who’s placed in an out-of-district program.
* Another example might be costs incurred for the services of a contracted Medicaid-qualified provider, such as an optometrist, who comes to school to provide vision screenings over a brief period, making it unreasonable to include the optometrist in the time study, but since vision screenings are a Medicaid covered service, you can include the costs in your cost report when the requirements for reimbursement are met.

So, just a note that in both of these examples, we have practitioners and the cost of those practitioners that can’t be included in the time study. In the first example the practitioner was working out of district. All out of district staff are excluded from the time study. And in the second example the optometrist’s schedule was such that there was no practical way to include them in the time study. But all other requirements for reimbursement remain, including interim claiming. So, when all requirements for reimbursement are met and you have these types of purchased services, they can be included in your Cost Report.

Again, some excluded expenditures:

* Would be any purchased services that are related to the performance of Medicaid administrative activities. Those are claims in the A-A-C not in the Cost Report. Again, these categories are mutually exclusive.

## **Slide 33 Cost Report: Medical Equipment**

In the Cost Report, medical equipment would be actual quarterly expenditures for medical equipment related to the delivery of Medicaid-covered medical services.

* Medical equipment costs are allowable if used exclusively for the delivery of health care services for which the L-E-A is including personnel, that’s employed or contracted, costs.
* So, for example, if your L-E-A participates in reimbursement for physical therapy services, meaning that you’ve included your employed or contracted P-T staff in the time study and they’re maintaining documentation that their services are medically necessary, and they’re submitting interim claims, and so forth, then any equipment that you’ve purchased for the physical therapists to use during their treatment, would be a claimable expenditure.

The excluded expenditures here would be:

* Any item with a per unit cost in excess of five thousand dollars [$5,000] and a useful life of at least one year, that would make it a capital expense and therefore it should not be included as a medical equipment cost in the cost report.

## **Slide 34: Plan to Meet all Deadlines**

A note about meeting deadlines.

So, most deadlines in the Medicaid program have been in place for over ten years. These deadlines are published in all the corresponding instruction guides and they’re also published in an annually updated, sort of easy reference, one-page overview on the S-B-M-P website.

The Annual Direct Service Cost Report deadline is always December thirty-first following the end of the fiscal year. So, for example, fiscal year twenty-one [FY21] ends June thirtieth twenty-one [6/30/21] and the cost report will be due December thirty-first of twenty-one [12/31/21].

Administrative Activity Claims have quarterly deadlines. All A-A-C can be submitted on a quarterly basis to maintain steady cash flow. However, the last possible deadline to submit A-A-C for a fiscal year is October fifteenth following the end of the fiscal year.

So, as you can see in this table, that’s why we state the deadlines for A-A-C in terms of the earliest possible deadline to submit the claim and then the latest possible opportunity to submit the claim. So for any fiscal year all four of the quarterly A-A-C must be submitted by October fifteenth following the end of the fiscal year, but you can choose to file at any of the earlier deadlines if you want the quarterly cash flow.

## **Slide 35: Reimbursement Timeframes**

So let’s review the reimbursement timeframes and we’ll talk about Administrative Activity Claiming first.

So, in our example we’re looking at the first quarter, which runs July first to September thirtieth, the earliest an L-E-A can submit an A-A-C for that quarter is January fifteenth and the latest is October fifteenth. Next, all of the claims submitted in the claiming period are submitted to C-M-S for processing. And finally, the funds are distributed to the L-E-As. So, as you can see, depending on when you file the quarterly A-A-C, you can see the timelines for when the claim is actually submitted to C-M-S and then the estimated timeframe for the funds to be distributed to your L-E-A.

## **Slide 36: Reimbursement Timeframes**

We’ve done the same thing here to illustrate the timeframes related to the direct service program interim claims. So just as a reminder, interim claims are all those individual, per-unit claims submitted to M-M-I-S for all the individual health-care services provided to students.

L-E-As must file interim claims within ninety days of the date of service. So interim claiming is really an ongoing process that’s always happening as services are provided. These claims are accumulated on a quarterly basis, and then submitted to C-M-S for processing.

So for example, if a service is provided on September sixth and your billing occurs very quickly so that the interim claim is billed to M-M-I-S and processed for payment by September thirtieth, the claim will be included in the quarterly submission to C-M-S that will be submitted at the end of October and the estimated timeframe for when you would receive reimbursement for that interim claims would be between January and February. But if you filed the claim at the ninety-day limit in December, the claim would be submitted to C-M-S at the end of January and the estimated date by which you would receive that reimbursement would be in the April to May timeframe.

## **Slide 37: Reimbursement Timeframes**

The final timeframe example is for the annual cost settlement process. In the example shown here, the service year is fiscal year twenty [FY20]. The deadline to file the annual cost report is December thirty-first of twenty twenty [2020] which places the C-M-S submission date at April thirtieth of twenty twenty-one [2021]. And finally, funds are distributed to L-E-As in June of twenty twenty-one [2021]. It is always E-O-H-H-S’s intention to distribute the funds from the cost settlement by the close of the next fiscal year. So we’re always trying to get those payments out by the end of June.

## **Slide 38: Next Training Steps**

Some next training steps.

Just again, to reference that there might be other modules in the Medicaid one oh one [101] training series that apply to your specific training needs. So we’ve listed them here.

## **Slide 39: Next Training Steps**

The S-B-M-P Resource Center, the website, includes a lot of additional information and resources. A couple things of particular interest to the topics reviewed in this training would be the:

* L-E-A Instruction Guide for Administrative Activity Claiming, and of course the
* Instruction Guide for the Direct Service Cost Report

Additionally, all designated Administrative Activity Claim Preparers have access to online training videos, and step-by-step instruction manuals, and other resources that will walk them through all the steps they’ll need to complete a claim. This comes with the designation as your L-E-A’s claim preparer, which again is your choice to assign this responsibility to one or more individuals of your choosing. So for anyone designated, once logged in with your User I-D and password to the Administrative Activity system, they’ll have access to additional resources.

And the same with all designated Cost Report preparers. There are step-by-step instruction manuals and other resources available to them once logged in to the Cost Report system.

## **Slide 40: Contact Information & Resources**

Finally, some additional contact information for MassHealth School-Based Medicaid Program information:

The S-B-M-P website has pretty much everything you need in this program is posted somewhere in that website.

And if you have questions or require assistance with anything at all please contact the U-Mass School-Based Help Desk. We have an email address and phone number shown here and we’re available from seven thirty [7:30] in the morning to seven-thirty [7:30] in the evening Monday through Friday to assist you with any questions you might have at School-based Claiming at U-mass med dot E-D-U [SchoolBasedClaiming@umassmed.edu] or by phone at one eight hundred five three five six seven four one [1-800-535-6741].

Thank you so much and we hope this webinar was helpful.