

**Schedule 13**

**Funding Request for the FY 2024-25 Budget Cycle**

**Health Care Policy and Financing**

**Request Title**

**S-09 Public School Health Services Funding Adjustment  
BA-09 Public School Health Services Funding Adjustments**

Dept. Approval By: *Erin Dabney* X **Supplemental FY 2023-24**

OSPB Approval By: *Adrian Leiter* X **Budget Amendment FY 2024-25**

Summary Information	Fund	FY 2023-24		FY 2024-25	FY 2025-26	
		Initial Appropriation	Supplemental Request	Base Request	Budget Amendment	Continuation Request
	<b>Total</b>	<b>\$161,383,372</b>	<b>\$31,045,678</b>	<b>\$161,383,372</b>	<b>\$40,727,855</b>	<b>\$40,727,855</b>
	FTE	0.0	0.0	0.0	0.0	0.0
<b>Total of All Line Items Impacted by Change Request</b>	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$78,719,855	\$12,461,174	\$78,719,855	\$21,707,414	\$21,707,414
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$82,663,517	\$18,584,504	\$82,663,517	\$19,020,441	\$19,020,441

Line Item Information	Fund	FY 2023-24		FY 2024-25	FY 2025-26	
		Initial Appropriation	Supplemental Request	Base Request	Budget Amendment	Continuation Request
	<b>Total</b>	<b>\$161,383,372</b>	<b>\$31,045,678</b>	<b>\$161,383,372</b>	<b>\$40,727,855</b>	<b>\$40,727,855</b>
	FTE	0.0	0.0	0.0	0.0	0.0
06. Other Medical Services, (A) Other Medical Services, (1)	GF	\$0	\$0	\$0	\$0	\$0
Other Medical Services, Public School Health Services	CF	\$78,719,855	\$12,461,174	\$78,719,855	\$21,707,414	\$21,707,414
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$82,663,517	\$18,584,504	\$82,663,517	\$19,020,441	\$19,020,441

Auxiliary Data	
Requires Legislation?	NO
Type of Request?	Health Care Policy and Financing Prioritized Request
	Interagency Approval or Related Schedule 13s: None



**Department Priority: S-09/BA-09**  
**Request Detail: Public School Health Services Funding Adjustment**

Summary of Funding Change for FY 2023-24			
		Incremental Change	
	FY 2023-24 Appropriation	FY 2023-24 Request	FY 2024-25 Request
Total Funds	\$161,383,372	\$31,045,678	\$40,727,855
FTE	0.0	0.0	0.0
General Fund	\$0	\$0	\$0
Cash Funds	\$78,719,855	\$12,461,174	\$21,707,414
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$82,663,517	\$18,584,504	\$19,020,441

**Summary of Request**

The Department requests \$31.0 million total funds including \$12.4 million cash funds and \$18.6 million federal funds in FY 2023-24 and \$40.8 million total funds including \$21.7 million cash funds and \$19.0 million federal funds in FY 2024-25 and ongoing to align spending authority with projected costs of providing local school health services and related administration. The cash funds portion of this request is comprised entirely of certified public expenditure. This change represents less than a 0.5 percent change to the Department’s budget.

This request will align program costs with the post-pandemic environment and continue to allow the Department to maximize federal reimbursement to participating school districts, funds that must be used for primary and preventative health services to children identified and specified under the district’s local service plan. The program represents two pillars of the Department’s Performance Plan with the Operational Excellence and Customer Service pillar supported by program compliance with strict federal guidelines and the pillar, Care Access, supported by the required use of the federal funds as specified above. The Public School Health Services Program aligns with Step 4 on the evidence continuum as an Evidence Informed program.

Requires Legislation	Evidence Level	Impacts Another Department?	Statutory Authority
No	2	No	25.5-5-318 C.R.S.

### **Current Program**

The Public School Health Services (SHS) Program, established in Colorado in 1997 via SB 97-101 “Medicaid Reimbursement For Schools”<sup>1</sup> and co-administered by the Department and the Colorado Department of Education (DOE), allows Colorado’s public school districts and state-operated educational institutions access to federal Medicaid funds for the partial reimbursement of their costs of providing medically-necessary health services to Medicaid eligible students as prescribed in the student’s Individual Education Program (IEP) or Individualized Family Service Plan (IFSP)<sup>2</sup>. Covered services may include direct medical services including rehabilitative therapies and Early and Periodic Screening, Diagnostic and Treatment (EPSDT) services, and Specialized Non-Emergency Transportation services for students from kindergarten through 12th grade.

The non-federal share of this reimbursement comes from certified public expenditures (CPE) which is a statutorily recognized Medicaid financing approach by which a governmental entity, such as a public school district, incurs an expenditure eligible for federal financial participation (FFP) under the State’s approved Medicaid State Plan. The governmental entity then certifies that the funds expended are public funds and used to support the full cost of providing the Medicaid-covered service or the administrative activity. Based on this certification, the state can claim the federal share of these costs and no other state funds are required.

CPE-based financing must recognize actual costs incurred. The Centers for Medicare and Medicaid Services (CMS) require providers to use a federally approved cost reporting methodology to document the actual cost of providing the services, typically determined through a statistically valid time study, periodic cost reporting, and reconciliation of any interim payments to actual incurred cost. For qualifying school-based administrative activities, the amount of time that school staff members spend on Medicaid-related activities is also determined based on time studies.

The SHS Program facilitates provider reimbursements through its federally-approved, cost-based methodology whereby the Department and its contractor calculate the amount of CPE to assure

<sup>1</sup> [https://leg.colorado.gov/sites/default/files/images/olls/1997a\\_sl\\_222.pdf](https://leg.colorado.gov/sites/default/files/images/olls/1997a_sl_222.pdf)

<sup>2</sup> The IEP is a written plan developed by the school’s IEP team that describes a plan for the child’s education. Every IEP is tailored to a child’s specific circumstances and needs. Required components of an IEP include: an assessment of a child’s academic and functional performance level; annual educational goals; the educational and related services that a school will provide to help a child reach his or her goals; any program modifications or accommodations for school personnel to help support the child participate or make progress in their education; and a plan to measure a child’s progress toward annual goals. The IFSP is similar to an IEP but focused on the needs of infants and toddlers.

compliance with federal requirements. The methodology used to determine the amount of allowable CPE is described below:

- For each participating provider, the vendor first compiles cost pool information; including salary, benefits and contracted costs for all random moment time study<sup>3</sup> (RMTS) participants, and indirect costs.
- The costs are then converted to allowable Medicaid costs by applying the statewide RMTS percentages against the direct service (DS) cost pool.
- The allowable costs are then adjusted to reflect the program's qualifying clients by applying the Individual Education Program<sup>4</sup> (IEP) student utilization ratio<sup>5</sup>.
- Costs of supplies, materials, transportation, and other costs are added.

Program reimbursements are made to providers via interim payments and, upon final reconciliation of annual cost report data, a cost settlement payment. Additionally, a separate but similar calculation is used for determining the Medicaid administrative claiming<sup>6</sup> (MAC) component of the program which is reimbursed on a quarterly basis.

Beginning in FY 2020-21, the SHS program expanded its scope of allowable services to include services that are outside of those listed in a student's Individualized Education Program (IEP) or Individualized Family Service Plan (IFSP), but are included in other student health plans such as a 504 disability plan, behavior plan, nursing plan, physician orders or crisis intervention services. The Department's decision to include these services, known as "Free Care Services", follows guidance from the CMS in a letter to State Medicaid Directors<sup>7</sup>. Further information can be found in the Department's FY 2020-21 budget request, R-18 Public School Health Services Program Expansion.

### ***Problem or Opportunity***

---

<sup>3</sup> The Random Moment Time Study (RMTS) is a federally approved statistical sampling technique used to determine Medicaid reimbursement at school districts and BOCES. Participants are randomly selected to complete the survey regarding a 1-minute moment in time. The time study, conducted on a quarterly basis, gathers information on how staff members spend their time on certain health related activities.

<sup>4</sup> An Individualized Education Program (IEP), or the similar Individualized Family Service Plan (IFSP), are documents developed for each public school child who needs special education. The document, created by key school staff and the child's parents, lists reasonable learning goals for the child and the services that the school district will provide the child.

<sup>5</sup> The IEP Student Utilization Ratio is a program participant specific ratio where the numerator is the total Medicaid IEP students on December 1<sup>st</sup>, as identified through the eligibility verification match from MMIS, and the denominator is the total number of IEP students on December 1<sup>st</sup>.

<sup>6</sup> Medicaid administrative claiming (MAC) refers to activities related to the administration of the state's Medicaid plan including costs associated with identifying and enrolling populations in need of Medicaid services, linking individuals and families to service providers, and coordinating and monitoring health related services.

<sup>7</sup> <https://www.medicaid.gov/federal-policy-guidance/downloads/smd-medicaid-payment-for-services-provided-without-charge-free-care.pdf>

SHS program costs for FY 2023-24 are projected to be greater than the Department's current spending authority. As the program recovers from the Covid-19 pandemic the delivery of health services in schools has returned to pre-pandemic levels with many program indicators showing signs of growth similar to the Department's pre-pandemic environment. Without sufficient spending authority reimbursement of the federal share to the providers may be delayed, and delays in reimbursement may discourage provider participation in the program and potentially lead to the reduction of health services offered to children.

### ***Proposed Solution and Anticipated Outcomes***

The Department requests \$31.0 million total funds including \$12.4 million cash funds and \$18.6 million federal funds in FY 2023-24 and \$40.8 million total funds including \$21.7 million cash funds and \$19.0 million federal funds in FY 2024-25 and ongoing to align spending authority with projected costs of providing local school health services and related administration. The cash funds portion of this request represents funds certified as public expenditures incurred by school districts or boards of cooperative educational services that are eligible for federal financial participation under Medicaid and do not impact any State cash funds.

The Medicaid funds received through the SHS Program are entirely federal funds. The federal funds are made available to deliver primary and preventative health services to Colorado's public school children identified and specified under the provider's local services plan (LSP). The LSP, written by the school district with community input, describes the types and cost of services to be provided with the funds. This allows providers to address some of the health care needs unique to their local communities. The most common areas to use the funds according to a provider's LSP are to fund nursing services and for mental health needs for all students.

Types of services that can be funded include, but are not limited to, the following:

- Clinic aid or nurse services.
- Dental, vision and pharmacy vouchers to uninsured or under-insured students.
- Outreach and enrollment assistance toward access of medical assistance benefits for uninsured families.
- Health supplies and equipment; and
- Physical or mental health services.

By allowing the Department to reimburse SHS providers on a timely basis for their incurred Medicaid costs, the approval of this request would ensure the retention of current participating providers and help attract new providers to the program, thus furthering the Department's mission of improving health care access and outcomes.

## ***Promoting Equitable Outcomes***

The SHS program serves low-income Colorado students, especially students with special needs. Additionally, the federal reimbursement funding must be used for primary and preventative health services to all students as identified and specified under the district's local service plan.

## ***Assumptions and Calculations***

This request is based on the Department's expected amount of aggregate certified public expenditures calculated in accordance with the methodology previously described. Detailed calculations for this request are provided in the attached appendix.

Table 1 shows a summary of the total incremental funding request by fiscal year, line item and fund source. The federal medical assistance percentage (FMAP) used for the calculation of federal funds varies according to applicable period and component of program. Tables 2.1 through 2.3 show the calculations to determine the incremental requests. The MAC component receives the standard 50% federal match while the interim payments and cost settlement components receive the applicable FMAP at the time the cost was incurred.

Tables 3.1 and 3.2 illustrate the crosswalk between the program's cost report year totals and the corresponding state fiscal year in which the reimbursement payments are made. These tables are necessary because the program's interim payments are made in one state fiscal year and the cost settlement payments occur in the following state fiscal year. The quarterly MAC payments of each cost report year also span the same two fiscal years with two payments occurring in each state fiscal year. MAC payments within a cost report year have historically shown little variance. The Department assumes for cost projection purposes that each quarterly MAC payment is equal to one-fourth of the allowable MAC reimbursement attributable to each cost report year.

Tables 4.1 and 4.2 show historical and projection data for interim payments and cost settlement payments respectively. The Department's contracted vendor determines the allocation percentage, shown in table 4.2 row B, by using three years of historical data and modifications based on provider input. Table 4.3 shows a schedule of current year aggregate interim payments with fund splits.

Tables 5.1 and 5.2 show the historical and projected calculations of direct services and specialized transportation allowable reimbursements. The reimbursements are calculated for each cost report year by applying the formula components to the direct services cost pool in accordance with the program's federally approved methodology. Growth is expected for both cost pools, along with indirect costs, consistent with the program's 5-year historical trends. Additionally, formula components are expected to follow their upward trend as the SHS program continues to mature amid the increased training and outreach efforts of the Department and participating providers. Table 5.3 shows the projected expenditures resulting from SHS program expansion to include free-care services. The methodology sequencing is similar to the direct

service components with the direct services cost pool figure applied against ratios specific applicable to the provision of the free care services.

Tables 6.1 and 6.2 show the historical and projected calculations of Medicaid administrative claiming allowable reimbursements. These reimbursements are derived from two cost pools as MAC services are performed by those within the direct services cost pool (row A) and the MAC-specific cost pool (row D). Growth is expected in all cost pools, along with indirect costs, consistent with the program's 5-year historical trends.

### ***Supplemental, 1331 Supplemental or Budget Amendment Criteria***

The supplemental criteria applicable to this request is the existence of new data received in November 2023 that resulted in substantive changes in funding needs. Critical data and calculations for determining current fiscal year expenditures of the SHS program are not available to the Department until November of each state fiscal year.



S-9, BA-9 Public School Health Services Adjustment  
Appendix A: Assumptions and Calculations

Table 1.1 Summary by Line Item FY 2023-24								
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds <sup>(1)</sup>	Reappropriated Funds	Federal Funds	Source
A	(6) Other Medical Services; Public School Health Services	\$31,045,678	0.0	\$0	\$12,461,174	\$0	\$18,584,504	Table 2.1 Row F
<b>B</b>	<b>Total</b>	<b>\$31,045,678</b>	<b>0.0</b>	<b>\$0</b>	<b>\$12,461,174</b>	<b>\$0</b>	<b>\$18,584,504</b>	

<sup>(1)</sup> Cash funds represent funds certified as public expenditures incurred by school districts or boards of cooperative educational services that are eligible for federal financial participation under Medicaid.

Table 1.2 Summary by Line Item FY 2024-25								
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds <sup>(1)</sup>	Reappropriated Funds	Federal Funds	Source
A	(6) Other Medical Services; Public School Health Services	\$40,727,855	0.0	\$0	\$21,707,414	\$0	\$19,020,441	Table 2.2 Row G
<b>B</b>	<b>Total</b>	<b>\$40,727,855</b>	<b>0.0</b>	<b>\$0</b>	<b>\$21,707,414</b>	<b>\$0</b>	<b>\$19,020,441</b>	

<sup>(1)</sup> Cash funds represent funds certified as public expenditures incurred by school districts or boards of cooperative educational services that are eligible for federal financial participation under Medicaid.

S-9, BA-9 Public School Health Services Adjustment  
Appendix A: Assumptions and Calculations

Table 2.1 FY 2023-24 Incremental Request								
Row	Description	Total Funds	General Fund	Cash Funds (CPE)	Reappropriated Funds	Federal Funds	FMAP	Source
<i>Public School Health Services - Provider Payments</i>								
A	Initial Appropriation	\$161,383,372	\$0	\$78,719,855	\$0	\$82,663,517	51.22%	FY 2023-24 Long Bill (SB 23-214)
B	Medicaid Administrative Claiming (MAC)	\$16,065,994	\$0	\$8,032,997	\$0	\$8,032,997	50.00%	Table 3.1, Row A [FY 2023-24 projected]
C	Cost Settlement	\$66,731,944	\$0	\$29,428,787	\$0	\$37,303,157	55.90%	Table 3.1, Row B [FY 2023-24 projected]
D	Interim Payment	\$109,631,112	\$0	\$53,719,245	\$0	\$55,911,867	51.00%	Table 3.1, Row C [FY 2023-24 projected]
E	Estimated Expenditures	\$192,429,050	\$0	\$91,181,029	\$0	\$101,248,021	52.62%	Row B + Row C + Row D
F	Incremental Request	\$31,045,678	\$0	\$12,461,174	\$0	\$18,584,504	NA	Row E - Row A

Table 2.2 FY 2024-25 Incremental Request								
Row	Description	Total Funds	General Fund	Cash Funds (CPE)	Reappropriated Funds	Federal Funds	FMAP	Source
<i>Public School Health Services - Provider Payments</i>								
A	Initial Appropriation	\$161,383,372	\$0	\$78,719,855	\$0	\$82,663,517	50.00%	FY 2023-24 Long Bill (SB 23-214)
B	FY 2024-25 Base Request	\$161,383,372	\$0	\$78,719,855	\$0	\$82,663,517	50.00%	Row A
C	Medicaid Administrative Claiming (MAC)	\$17,062,381	\$0	\$8,531,191	\$0	\$8,531,190	50.00%	Table 3.1, Row A [FY 2024-25 projected]
D	Cost Settlement	\$62,834,512	\$0	\$30,788,911	\$0	\$32,045,601	51.00%	Table 3.1, Row B [FY 2024-25 projected]
E	Interim Payment	\$122,214,334	\$0	\$61,107,167	\$0	\$61,107,167	50.00%	Table 3.1, Row C [FY 2024-25 projected]
F	Estimated Expenditures	\$202,111,227	\$0	\$100,427,269	\$0	\$101,683,958	50.31%	Row C + Row D + Row E
G	Incremental Request	\$40,727,855	\$0	\$21,707,414	\$0	\$19,020,441	NA	Row B - Row F

S-9, BA-9 Public School Health Services Adjustment  
Appendix A: Assumptions and Calculations

Row	Reimbursement Component	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 projected	FY 2024-25 projected	FY 2025-26 projected
A	Medicaid Administrative Claiming (MAC)	\$12,209,685	\$12,421,215	\$17,644,334	\$13,620,981	16,065,994	17,062,381	17,947,656
B	Cost Settlement	\$32,064,937	\$32,156,293	\$26,544,867	\$40,036,266	66,731,944	62,834,512	55,164,960
C	Interim Payment	\$81,203,580	\$81,245,080	\$89,260,797	\$98,733,664	109,631,112	122,214,334	125,701,418
D	<b>Total Aggregate CPE</b>	<b>\$125,478,202</b>	<b>\$125,822,588</b>	<b>\$133,449,998</b>	<b>\$152,390,911</b>	<b>192,429,050</b>	<b>202,111,227</b>	<b>198,814,034</b>

Row	Cost Report Year	Reimbursement Component	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23 projected	FY 2023-24 projected	FY 2024-25 projected	FY 2025-26 projected	Total
A	CRY 2018-19	MAC	\$5,539,193	-	-	-	-	-	-	\$114,207,017
		Interim Payment	-	-	-	-	-	-	-	
		Cost Settlement	\$32,064,937	-	-	-	-	-	-	
B	CRY 2019-20	MAC	\$6,670,492	\$6,193,825	-	-	-	-	-	\$126,224,190
		Interim Payment	\$81,203,580	-	-	-	-	-	-	
		Cost Settlement	-	\$32,156,293	-	-	-	-	-	
C	CRY 2020-21	MAC	-	\$6,227,390	\$9,511,776	-	-	-	-	\$123,529,113
		Interim Payment	-	\$81,245,080	-	-	-	-	-	
		Cost Settlement	-	-	\$26,544,867	-	-	-	-	
D	CRY 2021-22	MAC	-	-	\$8,132,558	\$5,303,797	-	-	-	\$142,733,418
		Interim Payment	-	-	\$89,260,797	-	-	-	-	
		Cost Settlement	-	-	-	\$40,036,266	-	-	-	
E	CRY 2022-23	MAC	-	-	-	\$8,317,184	\$7,748,810	-	-	\$181,531,602
		Interim Payment	-	-	-	\$98,733,664	-	-	-	
		Cost Settlement	-	-	-	-	\$66,731,944	-	-	
F	CRY 2023-24 projected	MAC	-	-	-	-	\$8,317,184	\$8,317,184	-	\$189,099,992
		Interim Payment	-	-	-	-	\$109,631,112	-	-	
		Cost Settlement	-	-	-	-	-	\$62,834,512	-	
G	CRY 2024-25 projected	MAC	-	-	-	-	-	\$8,745,197	\$8,745,197	\$194,869,687
		Interim Payment	-	-	-	-	-	\$122,214,334	-	
		Cost Settlement	-	-	-	-	-	-	\$55,164,960	
H	CRY 2025-26 projected	MAC	-	-	-	-	-	-	\$9,202,460	\$200,845,294
		Interim Payment	-	-	-	-	-	-	\$125,701,418	
		Cost Settlement	-	-	-	-	-	-	-	
I	<b>Total Aggregate CPE</b>		<b>\$125,478,202</b>	<b>\$125,822,588</b>	<b>\$133,449,998</b>	<b>\$152,390,911</b>	<b>\$192,429,050</b>	<b>\$202,111,227</b>	<b>\$198,814,034</b>	<b>\$613,744,586</b>

S-9, BA-9 Public School Health Services Adjustment  
Appendix A: Assumptions and Calculations

Table 4.1 - Historical Amounts of Interim Payments and Cost Settlement Payments by Cost Report Year							
Row	Item	Cost Report Year 2018-19	Cost Report Year 2019-20	Cost Report Year 2020-21	Cost Report Year 2021-22	Cost Report Year 2022-23 <sup>(1)</sup>	Source
A	Interim Payments for Direct Services & Specialized Transportation	\$70,896,005	\$81,203,580	\$81,245,080	\$89,260,797	\$98,733,664	Annual Cost Settlement Report
B	Cost Settlement for Direct Services & Specialized Transportation	\$32,064,937	\$32,156,293	\$26,544,867	\$40,036,266	\$66,731,944	
C	<b>Total Allowable Reimbursement for Direct Services &amp; Specialized Transportation</b>	<b>\$102,960,942</b>	<b>\$113,359,873</b>	<b>\$107,789,947</b>	<b>\$129,297,063</b>	<b>\$165,465,608</b>	Row A + Row B

<sup>(1)</sup>Preliminary data for Cost Report Year 2022-23 provided to Department by contracted vendor in November 2023. Final cost report data will be available in March 2024.

Table 4.2 - Projected Amounts of Interim Payments and Cost Settlement Payments by Cost Report Year					
Row	Item	Cost Report Year 2023-24	Cost Report Year 2024-25	Cost Report Year 2025-26	Source
A	<b>Total Allowable Reimbursement for Direct Services &amp; Specialized Transportation</b>	<b>\$172,465,624</b>	<b>\$177,379,294</b>	<b>\$182,440,375</b>	Table 5.2, Row M
B	Interim Payment Allocation Percentage <sup>(1)</sup>	63.57%	68.90%	68.90%	Provided by Department's contracted vendor on 11/02/2023
C	Interim Payments for Direct Services & Specialized Transportation	\$109,631,112	\$122,214,334	\$125,701,418	Row A * Row B
D	Cost Settlement for Direct Services & Specialized Transportation	\$62,834,512	\$55,164,960	\$56,738,957	Row A - Row C

<sup>(1)</sup>Allocation percentage for Cost Report Year 2024-25 & Cost Report Year 2025-26 assumed to equal the percentage from pre-pandemic Cost Report Year 2018-19

S-9, BA-9 Public School Health Services Adjustment  
Appendix A: Assumptions and Calculations

<b>Table 4.3 - Schedule of Interim Payments FY 2023-24</b>						
Row	Description	Total Funds	Cash Funds (CPE)	Federal Funds	FMAP	Source
A	July 2023	\$9,135,926	\$4,339,565	\$4,796,361	52.50%	Payment Schedule provided by Department's School Health Services staff
B	August 2023	\$9,135,926	\$4,339,565	\$4,796,361	52.50%	
C	September 2023	\$9,135,926	\$4,339,565	\$4,796,361	52.50%	
D	October 2023	\$9,135,926	\$4,430,924	\$4,705,002	51.50%	
E	November 2023	\$9,135,926	\$4,430,924	\$4,705,002	51.50%	
F	December 2023	\$9,135,926	\$4,430,924	\$4,705,002	51.50%	
G	January 2024	\$9,135,926	\$4,567,963	\$4,567,963	50.00%	
H	February 2024	\$9,135,926	\$4,567,963	\$4,567,963	50.00%	
I	March 2024	\$9,135,926	\$4,567,963	\$4,567,963	50.00%	
J	April 2024	\$9,135,926	\$4,567,963	\$4,567,963	50.00%	
K	May 2024	\$9,135,926	\$4,567,963	\$4,567,963	50.00%	
L	June 2024	\$9,135,926	\$4,567,963	\$4,567,963	50.00%	
<b>M</b>	<b>Totals</b>	<b>\$109,631,112</b>	<b>\$53,719,245</b>	<b>\$55,911,867</b>	<b>51.00%</b>	

S-9, BA-9 Public School Health Services Adjustment  
Appendix A: Assumptions and Calculations

Table 5.1 - Historical Calculations of Direct Services (DS) & Specialized Transportation Costs by Cost Report Year							
Row	Item	Cost Report Year 2018-19	Cost Report Year 2019-20	Cost Report Year 2020-21	Cost Report Year 2021-22	Cost Report Year 2022-23	Source
A	Salaries, Benefits & Contracted Staff Costs	\$398,658,969	\$443,043,593	\$450,545,145	\$468,251,679	\$566,675,696	Annual Program Expenditures Report
B	Indirect Costs %	20.05%	14.49%	17.48%	18.92%	16.73%	
C	<b>Subtotal</b>	<b>\$478,590,092</b>	<b>\$507,248,170</b>	<b>\$529,313,141</b>	<b>\$556,863,794</b>	<b>\$661,506,523</b>	<b>Row A * (1 + Row B)</b>
D	RMST <sup>(1)</sup> %	41.75%	43.41%	35.33%	37.49%	38.74%	Annual Program Expenditures Report
E	<b>Subtotal</b>	<b>\$199,811,363</b>	<b>\$220,196,431</b>	<b>\$187,006,333</b>	<b>\$208,768,236</b>	<b>\$256,267,627</b>	<b>Row C * Row D</b>
F	Supplies & Materials Costs	\$3,411,388	\$2,463,174	\$3,266,372	\$1,540,488	\$2,704,021	Annual Program Expenditures Report
G	<b>Subtotal</b>	<b>\$203,222,751</b>	<b>\$222,659,605</b>	<b>\$190,272,705</b>	<b>\$210,308,724</b>	<b>\$258,971,648</b>	<b>Row E + Row F</b>
H	IEP <sup>(2)</sup> %	46.75%	46.33%	46.63%	54.69%	56.56%	Annual Program Expenditures Report
I	<b>Total Allowable Reimbursement - Direct Services</b>	<b>\$94,998,439</b>	<b>\$103,151,131</b>	<b>\$88,729,313</b>	<b>\$115,021,511</b>	<b>\$146,461,674</b>	<b>Row G * Row H</b>
J	Specialized Transportation	\$7,962,503	\$10,208,742	\$10,339,061	\$3,376,195	\$6,145,694	Annual Program Expenditures Report
K	<b>Total Allowable Reimbursement - Direct Services &amp; Specialized Transportation</b>	<b>\$102,960,942</b>	<b>\$113,359,873</b>	<b>\$99,068,374</b>	<b>\$118,397,706</b>	<b>\$152,607,368</b>	<b>Row I + Row J</b>
L	Total Allowable Reimbursement - Free Care Services			\$8,721,573	\$10,899,357	\$12,858,239	Table 5.3, Row I
M	<b>Grand Total</b>			<b>\$107,789,947</b>	<b>\$129,297,063</b>	<b>\$165,465,607</b>	<b>Row K + Row L</b>

<sup>(1)</sup> Random Moment Time Study weighted percentage based on annual average statewide allowable DS

<sup>(2)</sup> Individualized Education Program (IEP) student utilization ratio applied on a district-specific basis

Table 5.2 - Projected Calculations of Direct Services (DS), Specialized Transportation & Free Care Services by Cost Report Year							
Row	Item	Cost Report Year 2023-24	Cost Report Year 2024-25	Cost Report Year 2025-26	Source		
A	Salaries, Benefits & Contracted Staff Costs	\$583,675,967	\$601,186,246	\$619,221,834	Growth rate of 3%; Due to pandemic and economic uncertainty the growth rate of this cost pool is expected to be moderate compared to recent years.		
B	Indirect Costs %	16.73%	16.73%	16.73%	Percentage from CRY 2022-23		
C	<b>Subtotal</b>	<b>\$681,351,719</b>	<b>\$701,792,271</b>	<b>\$722,846,039</b>	<b>Row A * (1 + Row B)</b>		
D	RMST <sup>(1)</sup> %	39.34%	39.34%	39.34%	5-Year Average from CRY 2018-19 to CRY 2022-23		
E	<b>Subtotal</b>	<b>\$268,043,766</b>	<b>\$276,085,079</b>	<b>\$284,367,632</b>	<b>Row C * Row D</b>		
F	Supplies & Materials Costs	\$2,677,089	\$2,677,089	\$2,677,089	5-Year Average from CRY 2018-19 to CRY 2022-23		
G	<b>Subtotal</b>	<b>\$270,720,855</b>	<b>\$278,762,168</b>	<b>\$287,044,721</b>	<b>Row E + Row F</b>		
H	IEP <sup>(2)</sup> %	56.56%	56.56%	56.56%	Percentage from CRY 2022-23		
I	<b>Total Allowable Reimbursement - Direct Services</b>	<b>\$153,106,450</b>	<b>\$157,654,222</b>	<b>\$162,338,428</b>	<b>Row G * Row H</b>		
J	Specialized Transportation	\$6,145,694	\$6,145,694	\$6,145,694	Amount from CRY 2022-23		
K	<b>Total Allowable Reimbursement - Direct Services &amp; Specialized Transportation</b>	<b>\$159,252,144</b>	<b>\$163,799,916</b>	<b>\$168,484,122</b>	<b>Row I + Row J</b>		
L	Total Allowable Reimbursement - Free Care Services	\$13,213,480	\$13,579,378	\$13,956,253	Table 5.3, Row I		
M	<b>Grand Total</b>	<b>\$172,465,624</b>	<b>\$177,379,294</b>	<b>\$182,440,375</b>	<b>Row K + Row L</b>		

<sup>(1)</sup> Random Moment Time Study percentage based on annual average statewide allowable DS

<sup>(2)</sup> Individualized Education Program student utilization ratio which applied on a district-specific basis

S-9, BA-9 Public School Health Services Adjustment  
Appendix A: Assumptions and Calculations

Table 5.3 - Historical Calculations of Free Care Services by Cost Report Year							
Row	Item	Cost Report Year 2018-19	Cost Report Year 2019-20	Cost Report Year 2020-21	Cost Report Year 2021-22	Cost Report Year 2022-23	Source
A	Salaries, Benefits & Contracted Staff Costs	This space left blank intentionally	This space left blank intentionally	\$450,545,145	\$468,251,679	\$566,675,696	Annual Program Expenditures Report
B	Indirect Costs %			17.57%	18.96%	16.73%	
C	<b>Subtotal</b>			<b>\$529,696,959</b>	<b>\$557,044,091</b>	<b>\$661,506,523</b>	<b>Row A * (1 + Row B)</b>
D	RMTS <sup>(1)</sup> %			3.93%	5.03%	4.76%	Annual Program Expenditures Report
E	<b>Subtotal</b>			<b>\$20,817,090</b>	<b>\$28,019,318</b>	<b>\$31,487,710</b>	<b>Row C * Row D</b>
F	Supplies & Materials Costs			\$3,266,372	\$1,540,488	\$2,704,021	Annual Program Expenditures Report
G	<b>Subtotal</b>			<b>\$24,083,462</b>	<b>\$29,559,806</b>	<b>\$34,191,731</b>	<b>Row E + Row F</b>
H	IEP <sup>(2)</sup> % - MAC figure			36.21%	36.87%	37.61%	Annual Program Expenditures Report
I	<b>Total Direct Services CPE Amounts</b>			<b>\$8,721,573</b>	<b>\$10,899,357</b>	<b>\$12,858,239</b>	<b>Row G * Row H</b>

<sup>(1)</sup> Random Moment Time Study weighted percentage based on annual average statewide allowable DS

<sup>(2)</sup> Individualized Education Program (IEP) student utilization ratio applied on a district-specific basis

Table 5.4 - Projected Calculations of Free Care Services by Cost Report Year							
Row	Item	Cost Report Year 2023-24	Cost Report Year 2024-25	Cost Report Year 2025-26	Source		
A	Salaries, Benefits & Contracted Staff Costs	\$583,675,967	\$601,186,246	\$619,221,834	Table 5.2, Row A		
B	Indirect Costs %	16.73%	16.73%	16.73%	Table 5.2, Row B		
C	<b>Subtotal</b>	<b>\$681,351,719</b>	<b>\$701,792,271</b>	<b>\$722,846,039</b>	<b>Row A * (1 + Row B)</b>		
D	RMTS <sup>(1)</sup> %	4.76%	4.76%	4.76%	Table 5.2, Row D		
E	<b>Subtotal</b>	<b>\$32,432,342</b>	<b>\$33,405,312</b>	<b>\$34,407,471</b>	<b>Row C * Row D</b>		
F	Supplies & Materials Costs	\$2,704,021	\$2,704,021	\$2,704,021	Table 5.2, Row F		
G	<b>Subtotal</b>	<b>\$35,136,363</b>	<b>\$36,109,333</b>	<b>\$37,111,492</b>	<b>Row E + Row F</b>		
H	IEP <sup>(2)</sup> % - MAC figure	37.61%	37.61%	37.61%	Table 6.2, Row H		
I	<b>Total Allowable Reimbursement - Free Care Services</b>	<b>\$13,213,480</b>	<b>\$13,579,378</b>	<b>\$13,956,253</b>	<b>Row G * Row H</b>		

<sup>(1)</sup> Random Moment Time Study percentage based on annual average statewide allowable DS

<sup>(2)</sup> Individualized Education Program student utilization ratio which applied on a district-specific basis

S-9, BA-9 Public School Health Services Adjustment  
Appendix A: Assumptions and Calculations

Table 6.1 - Historical Calculations of Medicaid Administrative Claiming (MAC) by Cost Report Year							
Row	Item	Cost Report Year 2018-19	Cost Report Year 2019-20	Cost Report Year 2020-21	Cost Report Year 2021-22	Cost Report Year 2022-23	Source
A	Salaries, Benefits & Contracted Staff Costs - Direct Services (DS)	\$398,658,969	\$443,043,593	\$442,511,378	\$465,912,468	\$555,380,441	Medicaid Administrative Claims Report
B	RMTS% for MAC - Direct Services (DS)	2.46%	2.65%	2.78%	2.11%	2.45%	RMTS Calculation Report
C	<b>Subtotal</b>	<b>\$9,807,011</b>	<b>\$11,740,655</b>	<b>\$12,301,816</b>	<b>\$9,830,753</b>	<b>\$13,606,821</b>	<b>Row A * Row B</b>
D	Salaries, Benefits & Contracted Staff Costs - MAC	\$106,889,846	\$113,880,458	\$120,357,905	\$134,776,980	\$118,737,059	Medicaid Administrative Claims Report
E	RMTS% - MAC Administrative	16.79%	17.66%	20.34%	14.23%	16.44%	RMTS Calculation Report
F	<b>Subtotal</b>	<b>\$17,946,805</b>	<b>\$20,111,289</b>	<b>\$24,480,798</b>	<b>\$19,178,764</b>	<b>\$19,520,373</b>	<b>Row D * Row E</b>
G	<b>Total</b>	<b>\$27,753,816</b>	<b>\$31,851,944</b>	<b>\$36,782,614</b>	<b>\$29,009,517</b>	<b>\$33,127,194</b>	<b>Row C + Row F</b>
H	Medicaid Eligibility Rate	33.94%	32.45%	32.45%	39.12%	40.61%	Medicaid Administrative Claims Report
I	<b>Adjusted Total</b>	<b>\$9,419,645</b>	<b>\$10,335,956</b>	<b>\$11,935,958</b>	<b>\$11,348,824</b>	<b>\$13,454,302</b>	<b>Row G * Row H</b>
J	Indirect Cost Rate	19.39%	24.46%	31.86%	18.39%	19.41%	Medicaid Administrative Claims Report
K	<b>Total Allowable Reimbursement - MAC</b>	<b>\$11,246,075</b>	<b>\$12,864,317</b>	<b>\$15,739,166</b>	<b>\$13,436,355</b>	<b>\$16,065,994</b>	<b>Row I * (1 + Row J)</b>

<sup>(1)</sup> Random Moment Time Study weighted percentage based on annual average statewide allowable DS & TCM

Table 6.2 - Projected Calculations of Medicaid Administrative Claiming (MAC) by Cost Report Year					
Row	Item	Cost Report Year 2023-24	Cost Report Year 2024-25	Cost Report Year 2025-26	Source
A	Salaries, Benefits & Contracted Staff Costs - Direct Services (DS)	\$603,365,311	\$655,496,074	\$712,130,935	Growth rate of 8.64%; consistent with growth from CRY 2018-19 to CRY 2022-23
B	RMTS% for MAC - Direct Services (DS) <sup>(1)</sup>	2.36%	2.36%	2.36%	Average rate of 2.36%; from CRY 2018-19 to CRY 2022-23
C	<b>Subtotal</b>	<b>\$14,259,534</b>	<b>\$15,491,557</b>	<b>\$16,830,028</b>	<b>Row A * Row B</b>
D	Salaries, Benefits & Contracted Staff Costs - MAC	\$121,895,465	\$125,137,884	\$128,466,552	Growth rate of 2.66%; consistent with growth from CRY 2018-19 to CRY 2022-23
E	RMTS% - MAC Administrative	16.44%	16.44%	16.44%	Percentage from CRY 2022-23
F	<b>Subtotal</b>	<b>\$20,039,614</b>	<b>\$20,572,668</b>	<b>\$21,119,901</b>	<b>Row D * Row E</b>
G	<b>Total</b>	<b>\$34,299,148</b>	<b>\$36,064,225</b>	<b>\$37,949,929</b>	<b>Row C + Row F</b>
H	Medicaid Eligibility Rate	40.61%	40.61%	40.61%	Percentage from CRY 2022-23
I	<b>Adjusted Total</b>	<b>\$13,930,281</b>	<b>\$14,647,150</b>	<b>\$15,413,011</b>	<b>Row G * Row H</b>
J	Indirect Cost Rate	19.41%	19.41%	19.41%	Percentage from CRY 2022-23
K	<b>Total Allowable Reimbursement - MAC</b>	<b>\$16,634,368</b>	<b>\$17,490,393</b>	<b>\$18,404,919</b>	<b>Row I * (1 + Row J)</b>

<sup>(1)</sup> Random Moment Time Study weighted percentage based on annual average statewide allowable DS & TCM