

School Health Services (SHS) Program Department of Health Care Policy and Financing (Department)

Annual Training

Annual Cost Reporting

August 2021

Agenda

Introduction
Reimbursement Trends
Fiscal Year (FY) 2020-21 Outlook
Interim Rate Setting
Annual Cost Reporting Timeline
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Program Resources and Contacts



Introduction

Acronyms

Acronym	Full Names
<i>AJ20</i>	April – June 2020
<i>CMS</i>	Centers for Medicare & Medicaid Services
<i>DMP</i>	Direct Medical Percentage
<i>DS</i>	Direct Service
<i>FY</i>	Fiscal Year
<i>IEP</i>	Individualized Education Plan
<i>IFSP</i>	Individualized Family Service Plan
<i>JM20</i>	January – March 2020
<i>OD19</i>	October – December 2019
<i>PPS</i>	Purchased Professional Services
<i>RMTS</i>	Random Moment Time Study
<i>SPA</i>	State Plan Amendment
<i>SPL</i>	Staff Pool List
<i>SHS</i>	School Health Services



Overview

The SHS program is a joint federal and state program that funds allowable medical and transportation services for eligible students

- Districts incur costs for providing services to Medicaid enrolled students
 - Medicaid reimburses a portion of district costs based on what is allowable as outlined in the Centers for Medicare & Medicaid Services (CMS) approved State Plan Amendment (SPA)
- Annual cost settlement reimbursement is based on the district's allowable costs of providing eligible direct medical and specialized transportation services to Medicaid enrolled students as prescribed in their Individualized Education Plan (IEP) /Individualized Family Service Plan (IFSP) or eligible Free Care service to students as prescribed in other plans of care



Receive **monthly interim payments** throughout the FY



Report direct service & transportation costs on the **annual cost report** after the close of the FY

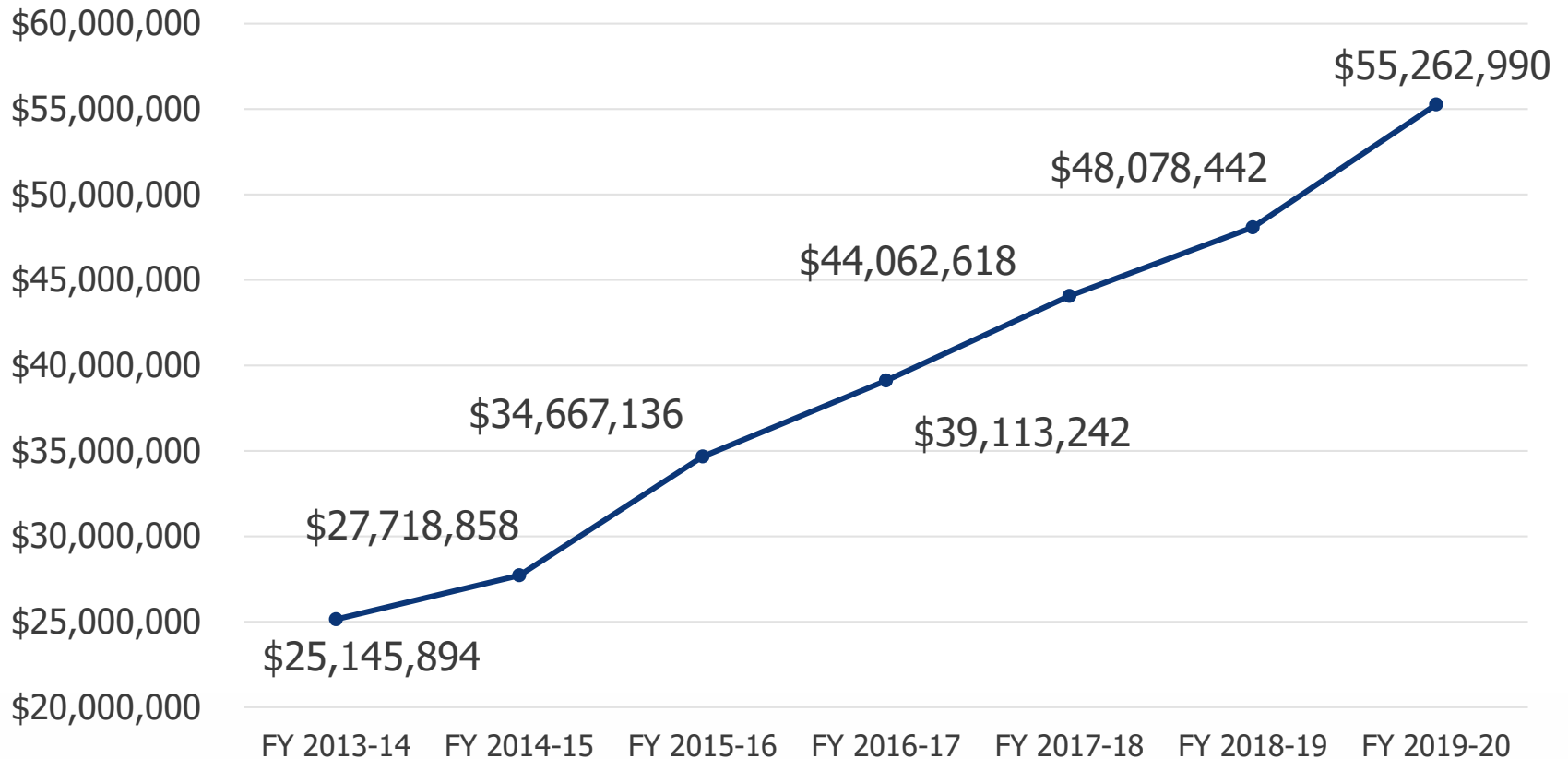


Reconcile costs through the **annual cost settlement** process

Reimbursement Trends

Annual Reimbursement

Annual SHS Statewide Reimbursement (Federal Share Less Withhold)

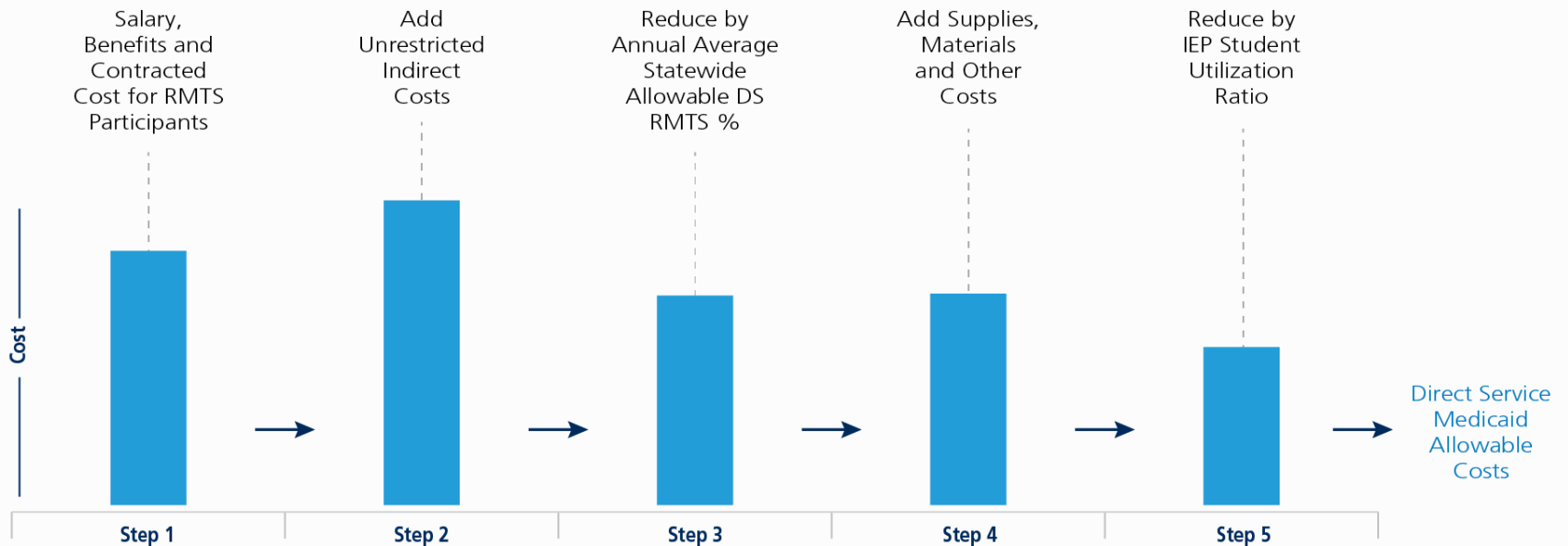


Interactive Activity #1

Select one reaction to the FY 2019-20 reimbursement. Does this surprise you?

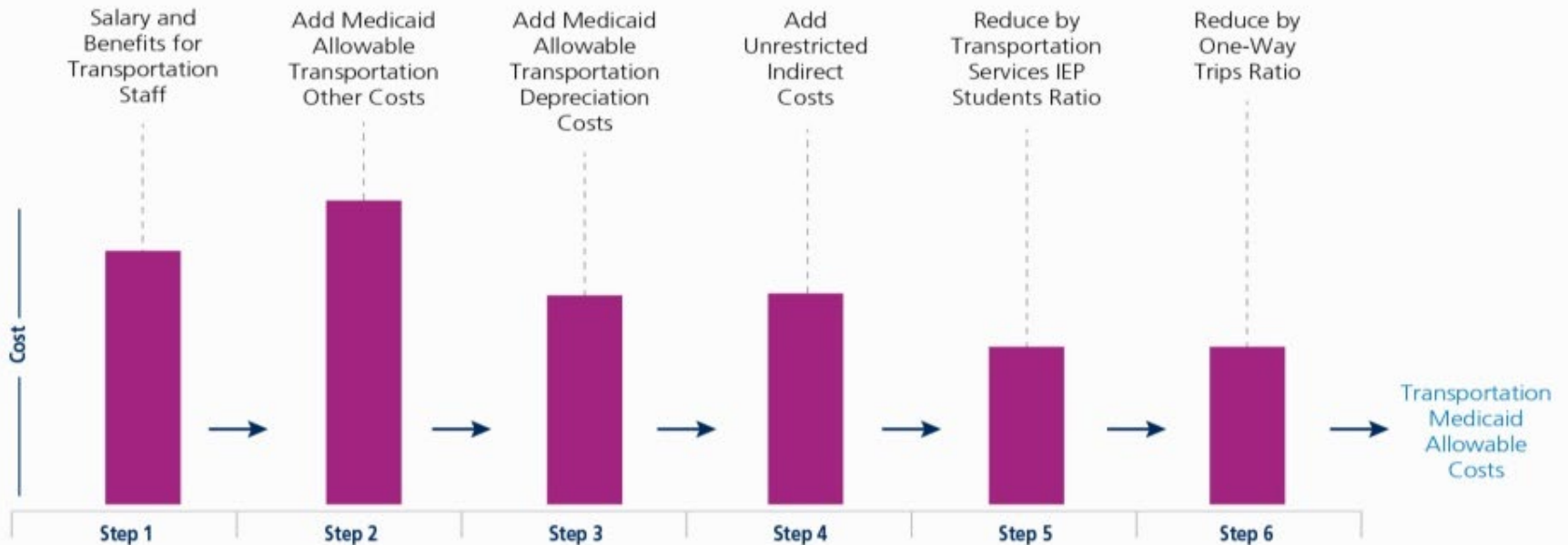
Factors of Reimbursement – Direct Service

Direct Service (DS) Reimbursement Methodology



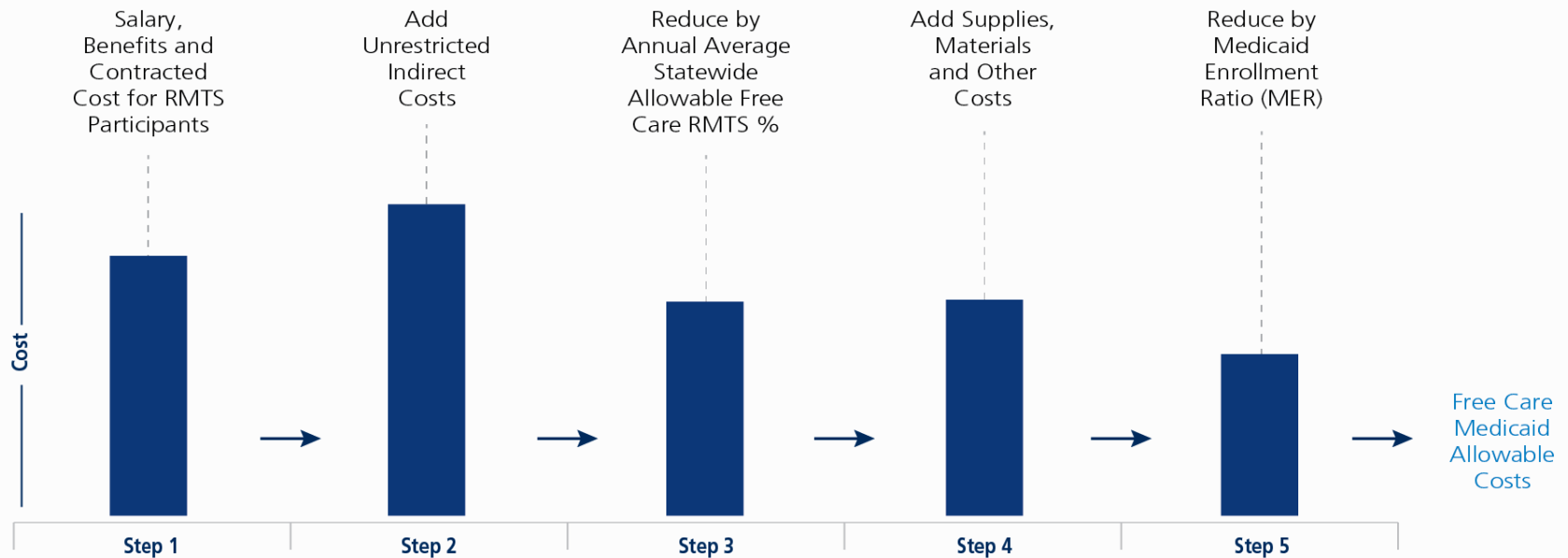
Factors of Reimbursement - Transportation

Transportation Reimbursement Methodology



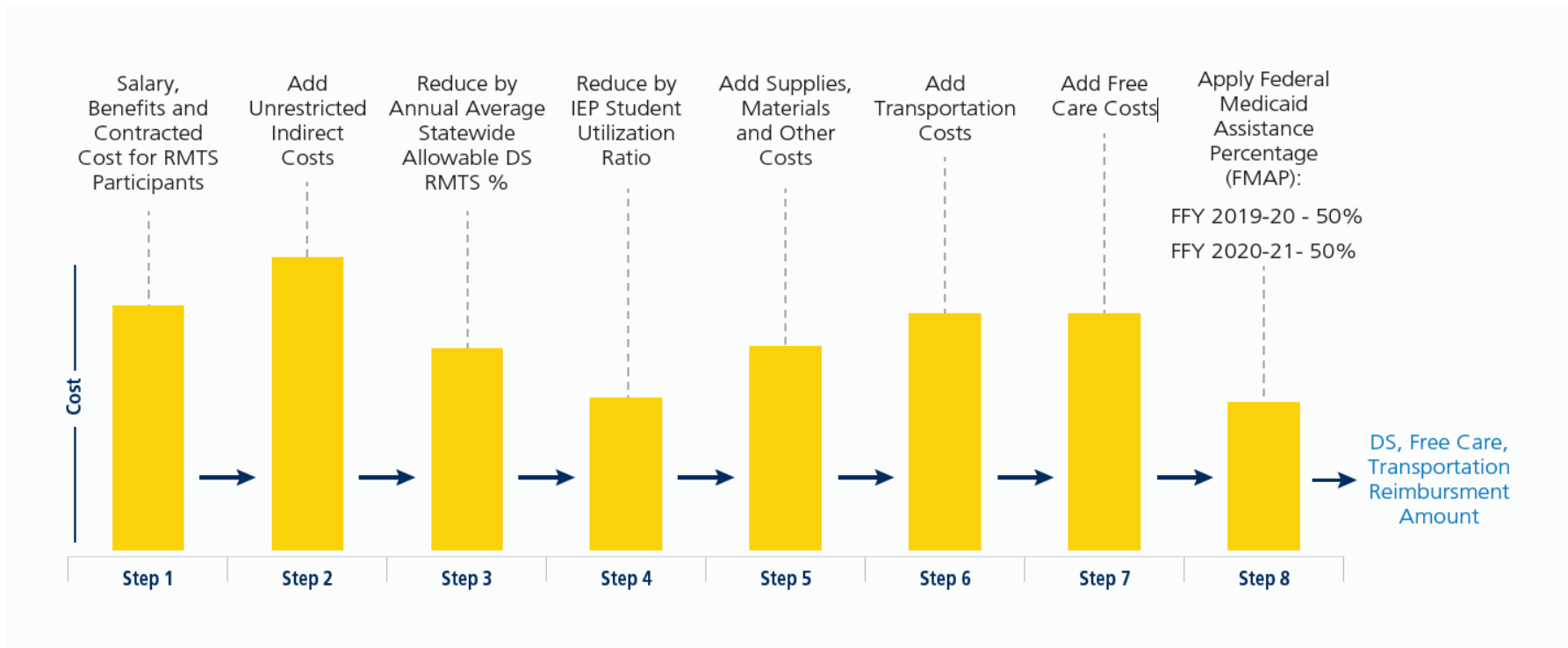
Factors of Reimbursement – Free Care

Free Care Reimbursement Methodology



Factors of Reimbursement - Overall

Direct Service (DS) / Transportation/ Free Care Reimbursement Methodology



FY 2019-20 Reimbursement

Only four months of FY 2019-20 were impacted by the Coronavirus Disease 2019 (COVID-19)

- District costs did not see a huge decrease in costs
 - Contracted costs and transportation were only slightly impacted
- On April 21, 2020, CMS approved an emergency waiver for Colorado to stop the April – June 2020 (AJ20) time study and use an alternate methodology to determine activity percentage results
 - AJ20 was calculated using an average of October – December 2019 (OD19) and January – March 2020 (JM20) time study
 - FY 2019-20 DS Random Moment Time Study (RMTS) percentage was ultimately the same as the AJ20 DS percentage
 - FY 2019-20 Direct Service (DS) Direct Medical Percentage (DMP) was 1.62% higher than FY 2018-19



FY 2020-21 Outlook

FY 2020-21 Factors to consider

Factors that contribute to the total SHS Program reimbursement for FY 2020-21 may look different than previous years

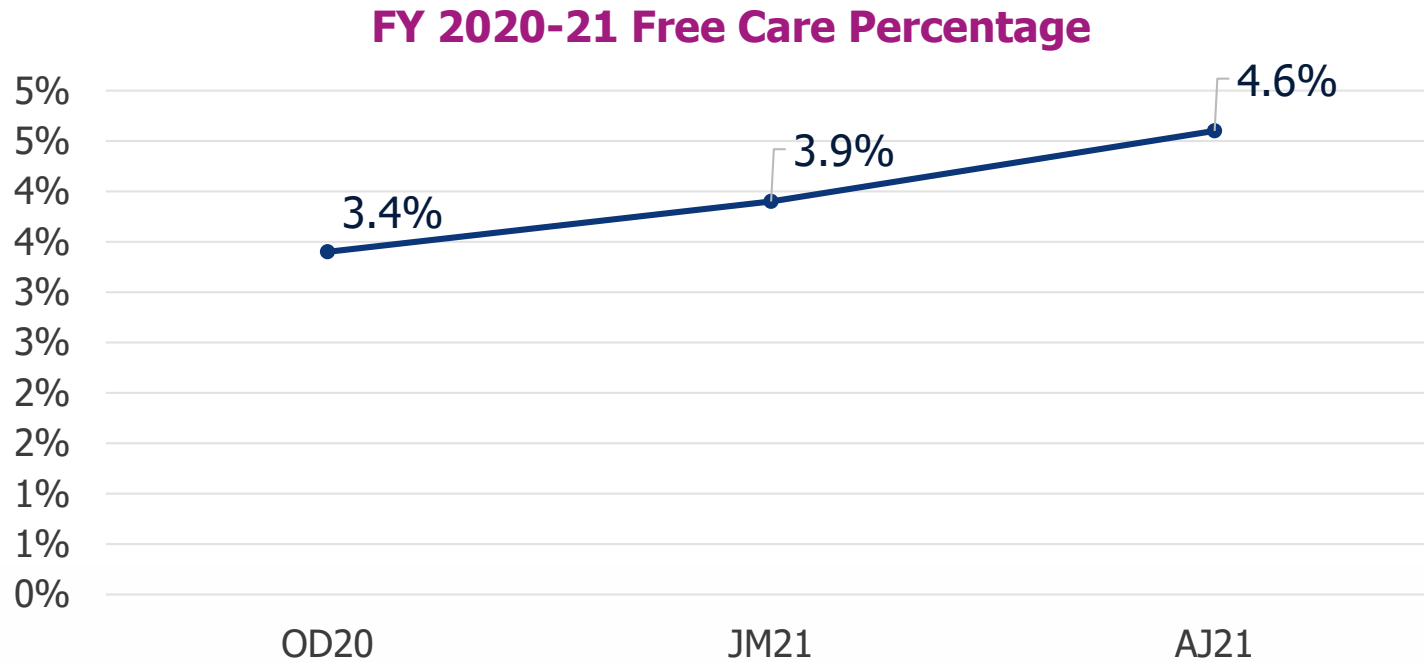
- Salaried staff costs *may not* change significantly
 - Presumably, districts will continue to pay salaried staff as negotiated in their contract
- Contracted staff costs *may* be reduced
- Transportation and Direct Medical 'other costs' are *likely* to decrease
 - Fuel and oil, Purchased Professional Services (PPS), and direct medical supplies
- Overall, the direct medical time study percentage is expected to decrease
- IEP and Transportation student utilization ratios are not expected to decrease



FY 2020-21 Free Care

Free Care was effective FY 2020-21

- The first year of implementation preliminary Free Care RMTS results are 3.97%



Breakout Session

Discuss your district's unique circumstance for FY 2020-21 considering COVID-19 and factors of SHS Program reimbursement. Factors to consider include:

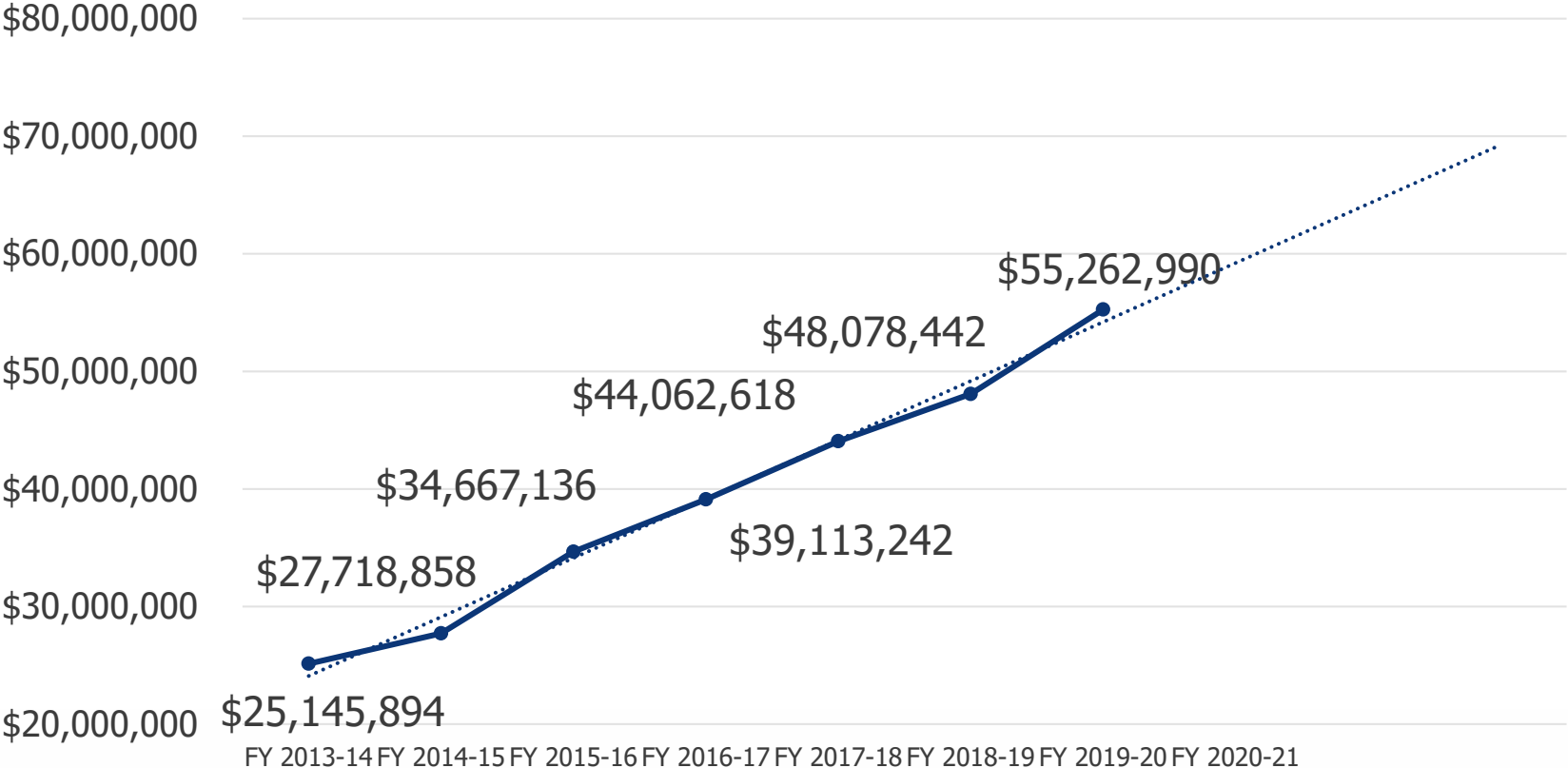
1. What did your return to school look like? Virtual, in-person, or hybrid? How did this affect service delivery?
2. How could this impact DS RMTS percentage results?
3. Were extreme changes made to your staff pool lists? How could this impact total allowable costs for this program?

Interactive Activity #2

Use the annotation tool to place a star stamp on the graph where you anticipate FY 2020-21 reimbursement to be on the next slide.

Anticipated Annual Reimbursement

Annual SHS Statewide Reimbursement (Federal Share Less Withhold)



Interim Rate Setting

FY 2020-21 Interim Rate Review

FY 2020-21 Mid-Year Interim Rate Review considered some of the reimbursement concerns in order to potentially reduce the risk of recoupment

- OD20 preliminary DS DMP was used as an added precaution
- As a result, the recommendation was to stop 26 districts' interim payments for the remainder of the FY
 - Payments were ceased for a varied duration of 1-4 months



FY 2021-22 Interim Rate Setting

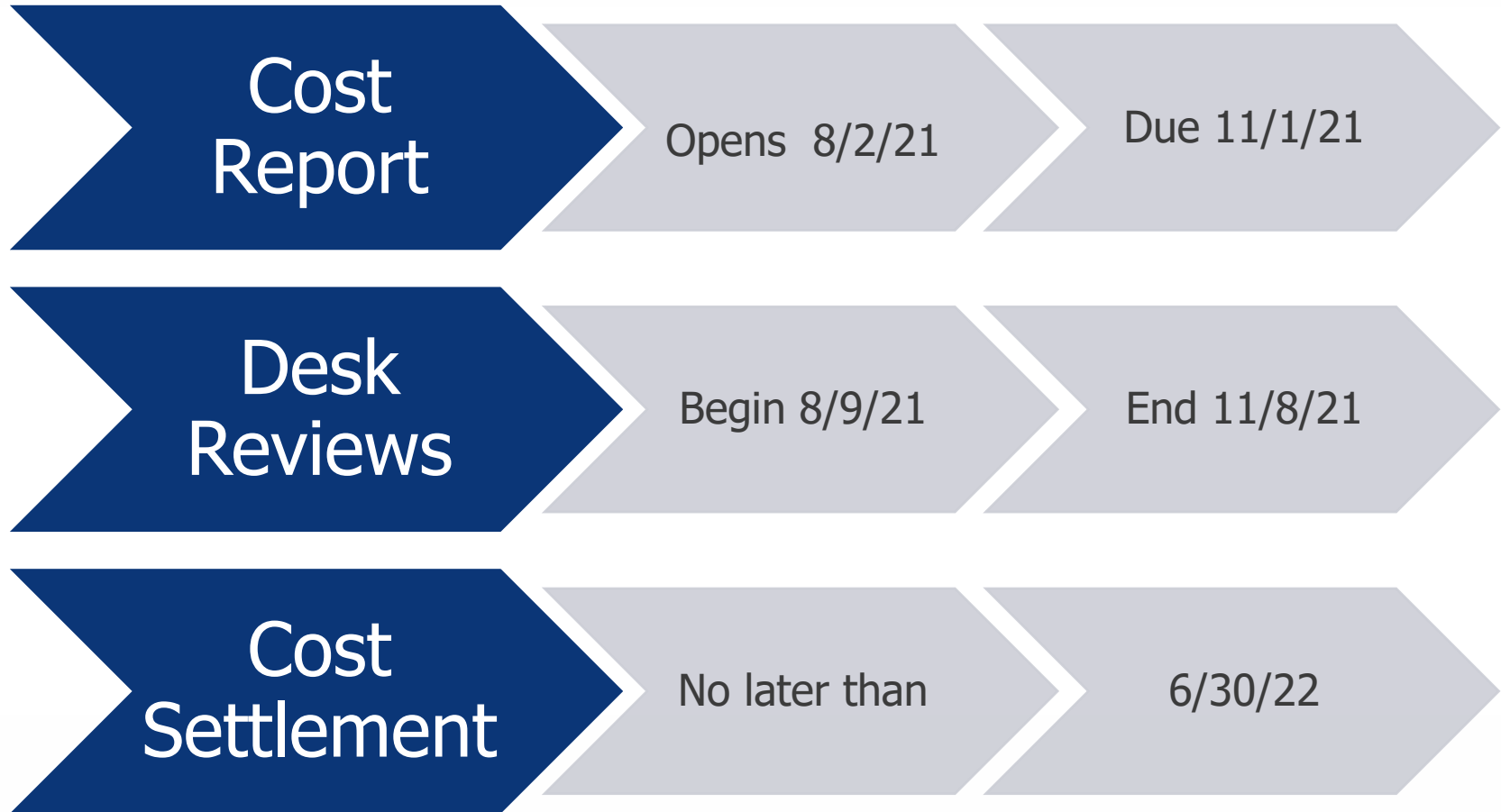


FY 2021-22 Interim Rate setting was calculated considering several conservative factors

- Free Care was included, but at a 1% reduced rate of the OD20 Free Care DMP results
- OD20 preliminary DS DMP was used

Annual Cost Reporting Timeline

Important Dates – FY 2021-22



Cost reporting Helpful Hints

Payroll Cost Reminders

Utilize the job span bar to accurately report allowable payroll costs

- Only costs associated with services provided while on the SPL are allowable on your annual cost report
 - Hover over the job span bar for exact dates eligible for annual cost reporting
 - Accrual accounting methodology is based on dates of service
- Check with Human Resources to ensure the coordinators are aware of anyone who left the district and/or should not have been eligible during the year to report costs and update SPL accordingly
- Staff costs for eligible Free Care providers will be based on costs reported on the salaried and contracted staff screens
- Districts should use the 'Compensation Federal Revenues/Non-Allowable' field to report the portion of costs that were paid with federal funds or that are non-allowable



Direct Medical Other Cost Reminders

Direct Medical Other Costs are allowable ONLY when used in the provision of a direct medical service and are not 100% federally funded

- Districts must be able to answer 'Yes' to the following three questions to confirm the item is allowable:
 - Is the item used for a medical purpose?
 - Is the item used in a direct medical service prescribed in the student's IEP or other plan of care?
 - Is the desired outcome of using the item to achieve direct medical goals?



Transportation Cost Reminders

Transportation Other costs should only be included if they fit the criteria for the Only Specialized Transportation or Not Only Specialized Transportation category and are associated with services as prescribed in an IEP/IFSP

- The list of transportation salaried staff rolls over from the previous annual cost report and must be updated annually
 - Click the red 'X' under the delete column to remove a transportation employee
 - Select 'Add New Line Item' to enter new staff that were not reported in the previous year
 - Transportation payroll will more than likely be lower than in previous years due to districts moving to remote learning
- Districts must review the depreciable assets list annually to ensure each vehicle is still in use, meets eligibility requirements, and is categorized appropriately
 - Don't forget to add newly purchased vehicles



Desk Review Tips

Tips for a successful Desk Review

PCG conducts the desk review after the district has certified their annual cost report that help protect school districts from federal audits and potential pay-back situations by verifying accuracy of reported data outside expectations

- When preparing your cost report, keep clear & organized documentation for ease of reference during the review
- Refer to the job span bar to verify reasonability of reported costs
- Thoroughly respond to warnings/flags confidently
- Review all data reported on each page of the cost report to confirm accuracy
- Start your cost report and certify early if possible – don't wait until the last minute to begin!



Compliance Reminders

Comprehensive Review Reminders

PCG conducts a formal comprehensive review on selected districts upon completion of desk reviews each year

- Review licensure dates prior to placing an individual on the SPL
- Report exact costs to the penny – never round!
- Include bonus/extra duty pay if it pertains to the individual's primary job function
- If reporting only specialized transportation, discretely identifying costs associated with transporting special education students
- Do not include non-allowable costs like general office supplies, car washes, or staff meals



Program Resources and Contacts

Program Resources

Free Care resources can be found in the following locations:



School Health Services Program: colorado.gov/pacific/hcpf/school-health-services



PCG Claiming System: claimingsystem.pcgus.com/co

- Free Care recorded Webinars
- Free Care FAQs
- User Guides
- Stakeholder information
- Program Manual
- Program Calendar
- Training schedule
- Newsletters
- Fact Page
- Annual training PowerPoint presentations
- Staff Pool List Decision Tree



Contact Information

If you have any questions, please feel free to contact us!



Department

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PCG

Annual Help Desk

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RMTS/MAC Help Desk

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Solutions that Matter