Changes in the School Based Access Program (SBAP)

April 23, 2013 Webcast
(9:30-11:00 AM)

Listen to audio over your computer speakers
(If you prefer to listen by phone, you may dial-in using the numbers at the top of your screen. Phone lines will be available 10 minutes prior to the event start.)
Presenters

• Sandra M. Edling, PRSBA, Assistant Director of Management Services, Montgomery County Intermediate Unit
• Pete Marshall, PCG Education
• Don Seidel, PCG Education
Agenda

- Brief Program Background including Federal Audit and Change in State Vendor
- Program Changes Summary and Possible Revenue Implications (billing rates and allowable costs)
- Random Moment Time Study - Brief Overview and Key Considerations
- Looking Ahead: Brief Overview of Cost Settlement
- Cost Submission Process – Key Considerations and FAQ’s
- Tips on maximizing your SBAP reimbursement
Program Background

• SBAP Program provides Federal reimbursement (not “funding”) for cost of health related services provided to Medicaid eligible students with disabilities
  – www.publicconsultinggroup.com/client/paaccess/

• Also reimburses for allowable administrative activities performed in support of the state Medicaid agency

• Via a competitive request for proposal process, Public Consulting Group was awarded the statewide contract effective July 1, 2012

• Federal Audit was initiated, prior to PCG assuming the contract
  – Many program changes have resulted, coinciding with PCG’s contract start
  – State Plan Amendment pending
SBAP Program Overview

Roles and Responsibilities

- SBAP allows districts to receive reimbursement for the cost of providing PA Medicaid covered services to Medicaid eligible, special education students
  - Revenue available only when Federal and State Medicaid requirements are met

**Federal Medicaid Oversight**
Centers for Medicare and Medicaid Services (CMS)
  - Sets Federal requirements that must be implemented on a state level

**State Oversight**
Department of Public Welfare, Dept. of Education
  - Determines requirements for Pennsylvania

**Operational & Project Oversight**
Public Consulting Group
  - Manages web-based systems used to accurately collect required data
  - Assists districts with program requirements
  - Submits claims to Medicaid

**Day-to-Day Operations & Oversight**
Districts/IU’s
  - Manages all program requirements at local level
  - Maintains Compliance
  - Document services, Participate in time study, Provide cost data

Support from Business Administrators is crucial to Program success
Program Changes - Federal Audit

1. CMS requirement to remove IEP billing and collateral services billing
2. CMS requirement to move from a Monthly billing log to a Daily log
3. CMS requirement to move from a “service duration” record to capturing the time in/time out for services on service provider logs
4. CMS requirement that all School Districts billing to Medicaid for Direct Services must be involved in Random Moment Time Study (RMTS), including both service provider and administrative cost pools.
5. CMS requirement to move from School Districts providing budgeted costs to providing Actual costs
6. CMS requirement for DPW to conduct Cost Settlement (Reconciliation) with at the end of the school year to ensure payments equal actual costs
7. CMS requirement to specify either one way or round trip for Special Transportation.
Possible Revenue Implications

• In a July 2012 Penn Link, PDE advised districts to plan for a reduction in reimbursement from previous years.

• Elimination of reimbursement for IEP meetings and collateral services will impact revenue negatively.

• Full participation in RMTS will enable MAC claims to be submitted for all districts – this will increase revenue for districts who did not participate in the past, though will likely not fully offset the decrease.
  • Only about 150 districts participated in past years in MAC.

• Revenue impact of required compliance data submission is unknown.
Possible Revenue Implications (cont’d)

• Cost Settlement will also affect reimbursement
  • DPW kept interim rates methodology the same as FY12, except overhead was capped at 25% to conform with Federal requirements
  • Exact impact may vary by district and will not be known until all claims are submitted and calculated, after SY 2012/2013
  • Primary revenue drivers are number of compliant services documented and claimed, as well as actual costs incurred
Random Moment Time Study (RMTS)
Random Moment Time Study (RMTS)

• In keeping with Federal preference, as of Oct 1, 2012, PA moved from a 15 minute time study to RMTS
• All districts must now participate in RMTS if they wish to obtain reimbursement for direct services provided
• RMTS serves two purposes
  1. Required for expected annual cost settlement for direct service claims (captures amount of time spent on direct services)
  2. Required for Medicaid Administrative Claiming (MAC) (captures amount of time spent on allowable administrative activities)
• The time study is performed for the three quarters during the school year (Oct-Dec, Jan-Mar, and Apr-Jun)
RMTS (cont’d)

• Ahead of each quarter, districts must provide PCG a staff roster delineating which staff will participate
• The next staff pool roster deadline will be in September 2013
• Reminders will be sent out well ahead of the deadline
• Two staff pools:
  • 1. Direct Service providers – those who are qualified to bill direct service to Medicaid (e.g. PT, OT, SPL etc)
  • 2. Administrative staff – rule of thumb is that they spend 50% or more time working in the Special Education program
RMTS (cont’d)

- 6,000 “moments” are issued via email each quarter statewide
  - Participants must respond to the email, or “moment,” by logging on to the PCG RMTS website and answering a few simple questions
- Statewide random sampling means in any given quarter, district staff may have many, few, or no “moments” to respond to
- Please monitor your staff’s responsiveness using the RMTS website for your district
  - Require minimum 85% response rate
  - Districts with a lower response rate are subject to penalty
- More detailed RMTS information, including recorded webinars and training manuals, can be found on the PCG website
  - www.publicconsultinggroup.com/client/paaccess/
Medicaid Cost Reporting and Claiming System (MCRCSS) and Cost Settlement
Looking Ahead

Cost Settlement *(State Plan Pending)*

- Districts are reimbursed for the *actual allowable costs* of providing Medicaid covered services through the Cost Settlement process
  - If reimbursement received via interim claims payments is less than reported costs, districts receives a positive settlement
- Districts enter required service, staff, and cost information using PCG systems
  - Without timely and accurate compliance of all requirements, districts could be ineligible for reimbursement and/or end the year in a payback situation
  - Requires coordination across district offices and staff
- State Plan still pending

State Plan still pending
Cost Report Overview

Cost Report Process “drills down” to Medicaid Eligible Medical Cost

- Educational, Admin and Medical Costs
- Medical Cost Identified by Time Study %
- Medicaid Cost Identified by Medical Eligibility %
Cost Report Overview: Allowable Cost Calculation

Each fiscal year the CR compares total Medicaid allowable cost to the Medicaid reimbursement received.

**Total Cost**
- Include Total Cost for All Licensed Clinicians that are:
  - Included on MAC roster
  - Eligible to bill FFS
  - State and locally funded

**Discount Factors**
- Apply Direct Medical Time Study Percentage
  - Represents percentage of activities coded to direct medical services provided per IEP
- Apply Indirect Cost Rate (ICR)

**Total Medicaid Allowable Cost**
- Apply District Special Education Medicaid Eligibility Ratio (MER) to Subtotal Cost
  - MER based on total number of Medicaid eligible/SPED students
Medicaid Cost Reporting and Claiming System (MCRCS)

- Enter cost data as specified in PCG training sessions
- Detailed training information is available at the PCG website
- MCRCS allows for quarterly capture of actual cost data for MAC and eventual annual cost settlement
- Transportation costs should be entered at year end – more information will be provided at a later date
Overview – Direct Medical Services

- Medicaid Allowable Costs and Cost Report Data Elements for Direct Medical Services
  - The 9 CMS-approved cost and data elements used to determine Medicaid costs for Direct Medical Services include:
    1. Salary costs for eligible SBAP service providers employed by school districts
    2. Benefit costs for eligible SBAP service providers employed by school districts
    3. Contractor costs for eligible SBAP service providers
    4. Approved Direct Medical Service Material and Supply costs
    5. Depreciation costs for Approved Direct Medical Service Materials and Supplies
    6. Random Moment Time Study (RMTS) Percentage Results (*pre-populated by PCG*)
    7. School District Unrestricted Indirect Cost Rates (UICR) (*pre-populated by PCG*)
    8. Individualized Education Program (IEP) Ratio (*pre-populated by PCG*)
  - **Note:** reporting period is DATE OF SERVICE DRIVEN, not date of payment driven
**Annual Cost Report**  
**Direct Services Calculation**

<table>
<thead>
<tr>
<th>Calculation Step</th>
<th>Cost Report Element Description</th>
<th>Value</th>
<th>Cost Report Element #</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Salary &amp; Benefit Costs of Direct Service Providers (net of federal funds)</td>
<td>$900,000</td>
<td>1, 2</td>
</tr>
<tr>
<td>B</td>
<td>Contractor Costs of Direct Service Providers (net of federal funds)</td>
<td>$100,000</td>
<td>3</td>
</tr>
<tr>
<td>C</td>
<td>Direct Service Non Personnel Cost (net of federal funds)</td>
<td>$65,000</td>
<td>4</td>
</tr>
<tr>
<td>D</td>
<td>Direct Service Non Personnel Depreciation Cost (net of federal funds)</td>
<td>$24,530</td>
<td>5</td>
</tr>
<tr>
<td>E</td>
<td>Total Direct Service Costs (net of federal funds) (Sum of Steps A through D)</td>
<td>$1,089,530</td>
<td></td>
</tr>
</tbody>
</table>
## Annual Cost Report
### Direct Services Calculation

<table>
<thead>
<tr>
<th>Calculation Step</th>
<th>Cost Report Element Description</th>
<th>Value</th>
<th>Cost Report Element #</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td>Total Direct Medical Service Costs (net of federal funds) (Sum of Steps A through D)</td>
<td>$1,089,530</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>Direct Medical Service % (from RMTS)</td>
<td>65.00%</td>
<td>6</td>
</tr>
<tr>
<td>G</td>
<td>(Step E × Step F)</td>
<td>$708,195</td>
<td></td>
</tr>
<tr>
<td>H</td>
<td>Out of District Tuition Costs</td>
<td>$50,000</td>
<td>7</td>
</tr>
<tr>
<td>I</td>
<td>(Step G + Step H)</td>
<td>$758,195</td>
<td></td>
</tr>
<tr>
<td>J</td>
<td>Indirect Cost Rate</td>
<td>1.15</td>
<td>8</td>
</tr>
<tr>
<td>K</td>
<td>(Step I × Step J)</td>
<td>$871,924</td>
<td></td>
</tr>
<tr>
<td>L</td>
<td>Individual Education Program Ratio</td>
<td>50.00%</td>
<td>9</td>
</tr>
<tr>
<td>M</td>
<td>SBAP Medicaid Eligible Direct Service Cost (Calculated Costs)</td>
<td>$435,962</td>
<td></td>
</tr>
</tbody>
</table>
### Annual Cost Report
#### Final Cost Settlement Calculation

<table>
<thead>
<tr>
<th>Calculation Step</th>
<th>Cost Report Element Description</th>
<th>Value</th>
<th>Cost Report Element #</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Medicaid Eligible Direct Service and Specialized Transportation Cost</td>
<td>$497,609</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>Medicaid Interim Payments Received (Received through traditional billing process)</td>
<td>$395,745</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>Medicaid Cost Settlement Gross Amount</td>
<td>$101,864</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Federal Share at FY 2013 FMAP Rate of 50% (Federal Share based on FFP Rates published by the US Department of Health and Human Services)</td>
<td>$50,932</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>Payment Due to LEA (Federal Share Only)</td>
<td>$50,932</td>
<td></td>
</tr>
</tbody>
</table>
### Key Differences in Financial Reporting

<table>
<thead>
<tr>
<th></th>
<th>Quarterly Financials</th>
<th>Annual Cost Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting Method</td>
<td>Cash Basis</td>
<td>TBD</td>
</tr>
<tr>
<td>Salary/Benefits and Contracted Costs</td>
<td>Both administrative and direct service cost pools in the Staff Pool List</td>
<td>Only direct service cost pool in the Staff Pool List</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>Applicable to administrative Medicaid outreach activities</td>
<td>Applicable to direct service delivery to special education students.</td>
</tr>
<tr>
<td>Direct Support Staff Costs</td>
<td>Applicable only if providing support to those listed on Staff Pool List</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Depreciation</td>
<td>Not Applicable</td>
<td>Applicable to materials over $5,000</td>
</tr>
<tr>
<td>Specialized Transportation</td>
<td>Not Applicable</td>
<td>Applicable only if transportation billed in School Year 2012-2013</td>
</tr>
</tbody>
</table>
Typical Deadlines

- **Staff Roster Due** – Typically 30 days prior to *start* of the quarter (e.g. Sept 1, Dec 1, Mar 1)
  - Next Deadline – Sept 1, 2013 (reminders will be sent)
- **Actual Quarterly Costs Submission** – Typically 45 days after the close of the quarter (e.g. Feb 15, May 15, Aug 15, Nov 15)
  - Next Deadline – May 15, 2013
- **Annual Cost Report Data Submission** – First data request typically **45** days after the close of the fiscal year, with final data due no later than December 15
Miscellaneous

- **10 mo vs 12 mo employees**
  - Enter on the cost report for the quarter you are paying the salary out, when you incur the cost

- **FAI Account**
  - Account access instructions have not changed. It takes at least a month between a fully compliant service being submitted and the revenue showing up in your account

- **Costs for July 2012-Sept 2012**
  - Process for handling these costs has not been finalized – information will be provided in the future

- **I submit quarterly costs so why do I also need to do an annual cost report?**
  - If you have already provided the data (e.g. salaries), you will not need to re-submit. There may be costs (e.g. transportation) which you will be asked to provide annually. Further instruction is forthcoming
Misc (cont’d)

• **Reports**
  - Scorecard report showing all critical data
  - Exception Reports – shows claims that could be run if PCG had all required compliance data

• **Claims Low**
  - This varies by district. Rates for Oct 2012 forward were not set until mid FEB 2013. PCG began claiming soon after. All claims which contain required compliance data are now being submitted and paid. If you are using a third party vendor, you should check with that vendor what has been submitted to PCG, or call PCG.

• **ESY Costs**
  - Staff have to be in a time study prior to any costs being included
Tips for Optimizing SBAP Reimbursement

A. Start with the IEP Process
   1. Train your Staff on the Full MA Application Process
   2. Describe what Benefits are available outside of the school
   3. Create a list of local providers who accept MA
   4. Be specific about how it benefits your district

B. Parent Communication
   1. Packets Prepared by the School
   2. Consider becoming a DPW Community Partner
   3. Present to Parent Groups in your Community
C. Who is Eligible?
   1. Are you checking MA Eligibility Regularly?
   2. Upload a new list of students to Easy Trac regularly

D. Random Moment Time Study
   1. Vacant Positions – Remember to Include
   2. Are you Monitoring for Compliance?
Tips for Optimizing SBAP Reimbursement

E. Completing the Logs

1. Is Everyone completing the logs? Including Full & Part-Time staff
2. Are all of your contracted therapists completing the logs?
3. Are you having your Extended School Year therapists complete the logs (assuming they are not IDEA funded)?

F. First Aid/CPR Training

1. Necessary for Personal Care Aides to Bill
2. Consider the Cost Benefit of possibly paying your PCAs to have this completed outside of the normal school day
Tips for Optimizing SBAP Reimbursement

G. Maximizing Schedules
   1. When possible, maximize the scheduling of MA eligible students to the caseloads of therapists who are eligible to bill in the SBAP.
   2. Monitor licensure requirements to ensure updates are made, as necessary

H. Maximizing State vs Federal Funds
   1. Only services paid for via State or Local dollars may be billed to the SBAP.
   2. Consider reallocating your federal IDEA dollars to pay for other supplementary services or non-MA billable services.
Tips for Optimizing SBAP Reimbursement

I. New Parental Consent Guidelines
   2. Requires that you only need to obtain a Parental Consent one time
   3. Requires that you notify Parent’s of their rights annually

J. Exception Reports
   1. How are you utilizing the Exception Reports as a tool?
   2. What is the flow of communication on common errors?
Tips for Optimizing SBAP Reimbursement

K. MCRCS Reporting
   1. Are you capturing all costs?
   2. Training/Staff Development & Staff Travel
   3. Materials & Supplies

L. Engaging your Whole Organization
   1. Special Education Department is Key Player
   2. Business Manager needs to know to support MCRCS Reporting
   3. Transportation Department – New Round-Trip Logs
   4. Other Administration – Impact on Revenue will affect the whole organization
Tips for Optimizing SBAP Reimbursement

M. Support to the Program

1. Have you dedicated someone to the process?
2. Network – Call your IU for assistance
3. Network - Find out who your ACCESS neighbors are
4. Encourage staff – it’s been a tough year!
Time for Questions

- Send text questions and share comments using the “Chat” function at the left side of your screen.
- Type message in box and click the arrow to send.
REMINDER: Webcast host sites are asked to collect all Attendance Forms and return to the PASBO office for attendance and credit purposes. Forms must be received by April 30.

- Accountants needing CPE credit must check CPE on the Attendance Form. CPE certificates will be available to download at www.pasbo.org. You will be notified when certificates have been posted.

Thank you for your participation!
Join us for upcoming PASBO programs

For information or to register online, go to: http://www.pasbo.org/workshopseries.asp

• Are Your Booster Clubs And PTOs/PTAs in Compliance with Tax Law? - April 25/Webcast
• Applications in Data Management – April 29 to May 31/Online Course
• Use It or Lose It: What You Need to Know About Federal Program Expenditures - April 30/Webcast
• Cost Reduction Ideas for Facilities - May 1/Webcast
• Tax Assessment and Tax Exemption Appeals - May 7/Webcast
• Is Your Internet Banking Secure? Guess Again! - May 13/Webcast
• Custodial Train-The-Trainer Workshop - May 14/Grove City & May 15/Harrisburg & May 16/Walnutport (Allentown area)