

School Based Health Services: Annual Medicaid Cost Report and Cost Settlement Training

October 29, 2025

Public Consulting Group LLC



School Based Health Services Overview

The School Based Health Services (SBHS) program allows for a recovery of a portion of the costs associated with providing health-related services to Medicaid eligible special education students.

Medicaid will reimburse a portion of the costs counties incur based on what is allowable and outlined in the Centers for Medicare and Medicaid Services (CMS) approved state plan amendment.

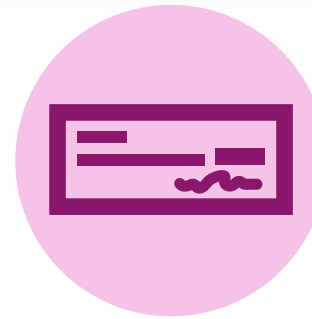
The SBHS program reimbursement is based on the county's actual cost of providing eligible direct medical services (DS), and specialized transportation services to students who are Medicaid-eligible and have an Individualized Education Program (IEP).



Program Overview

The school-based Medicaid program is a joint federal and state program that funds allowable medical and transportation services for eligible students

- Counties 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)



Interim Payments



Medicaid Administrative Claiming (MAC)



Annual Cost Settlement

MAC & Cost Settlement Differences



Cost Settlement

Delivery of Direct Medical Services

- Reimbursement for performing IEP prescribed direct medical services to Medicaid-eligible students
- Direct Medical Services:
 - Physical Therapy
 - Occupational Therapy
 - Speech Language Therapy
 - Nursing Services
 - Personal Care & targeted Case Management
 - Psychological Services
 - Audiology Services



Medicaid Administrative Claiming MAC

Activities that support the delivery of medical services

- Reimbursement for Medicaid allowable administrative activities
- Examples of Medicaid allowable administrative activities:
 - Attending medical/Medicaid-related training
 - Medicaid outreach
 - Facilitating eligibility determinations
 - Care coordination

What are Reimbursable Administrative Activities?

The MAC program offers Federal reimbursement for the costs of administrative activities that support the delivery of direct services

Remember:

- These examples represent general allowable activities

Medicaid Outreach

Facilitating Medicaid
Eligibility
Determination

Program Planning,
Policy Development,
and Interagency
Coordination Related
to Medicaid Services

Arranging for
Translation Related
to Medicaid Services

Arranging for
Transportation
Related to Medicaid
Services

Medicaid Related
Training

Referral,
Coordination and
Monitoring of
Medicaid Services

MAC and Cost Settlement Reporting Differences



Quarterly MAC Reports

Costs associated with **Medicaid Administrative Claiming (MAC)**

Report costs for direct service staff (except for direct service contractors), support staff, and administrative staff

Cash Accounting (date of PAYMENT driven reporting)

Cost report provides an **additional revenue stream** in addition to funding for provision of direct medical services



Annual Cost Settlement Reports

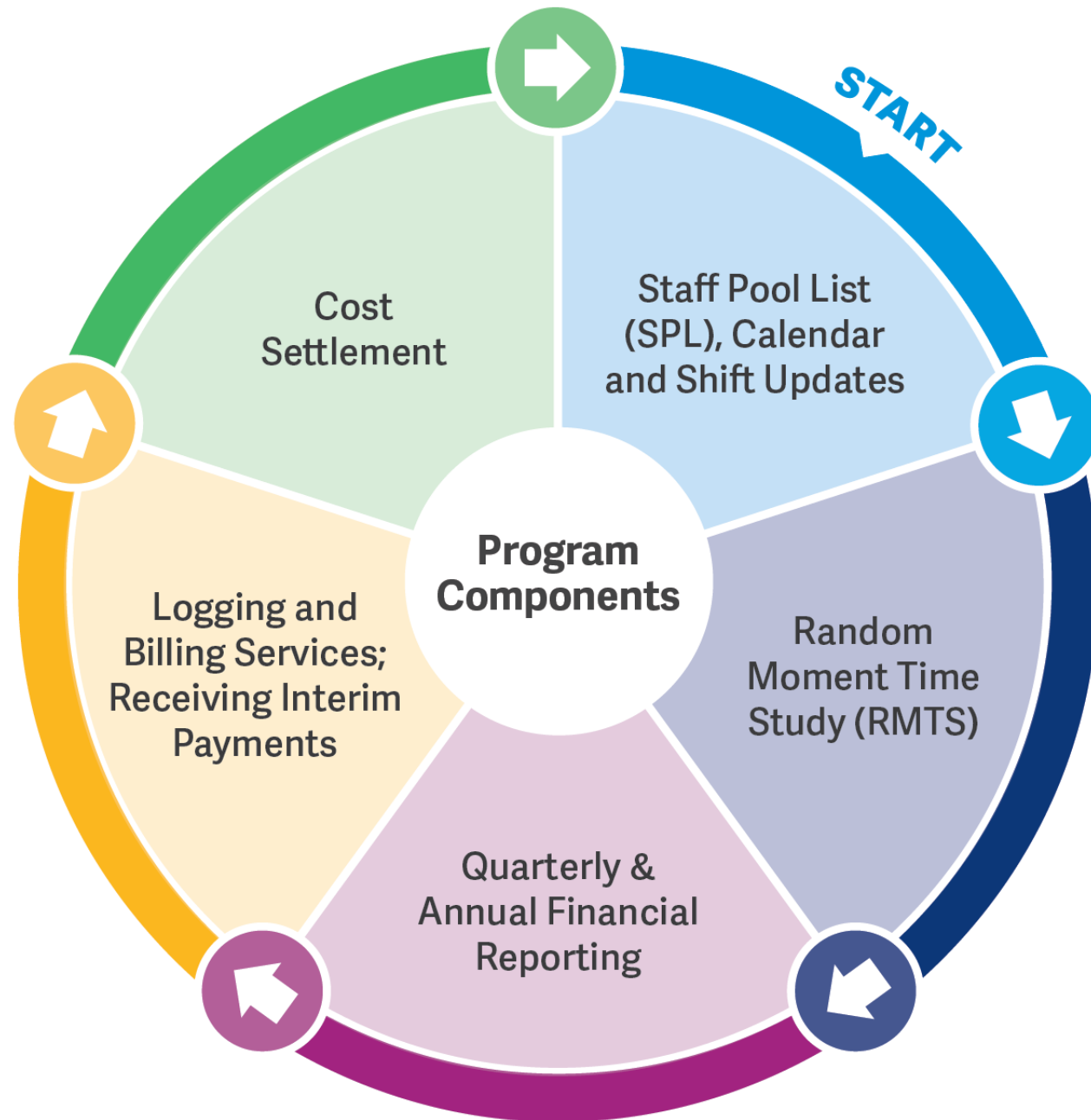
Costs associated with **Direct Service (DS)** and **Specialized Transportation**

Report costs for direct service and specialized transportation staff (including direct service contractors)

Accrual Accounting (date of SERVICE driven reporting)

Cost report tied directly to the **interim revenue** that a county receives through Medicaid billing for SBHS services

Program Components



All Hands-on Deck

Administrative Staff

Admin staff supporting Medicaid at your LEA.

Finance Staff

Responsible for reporting quarterly and annual financials and corresponding CPE forms.

Special Education Director

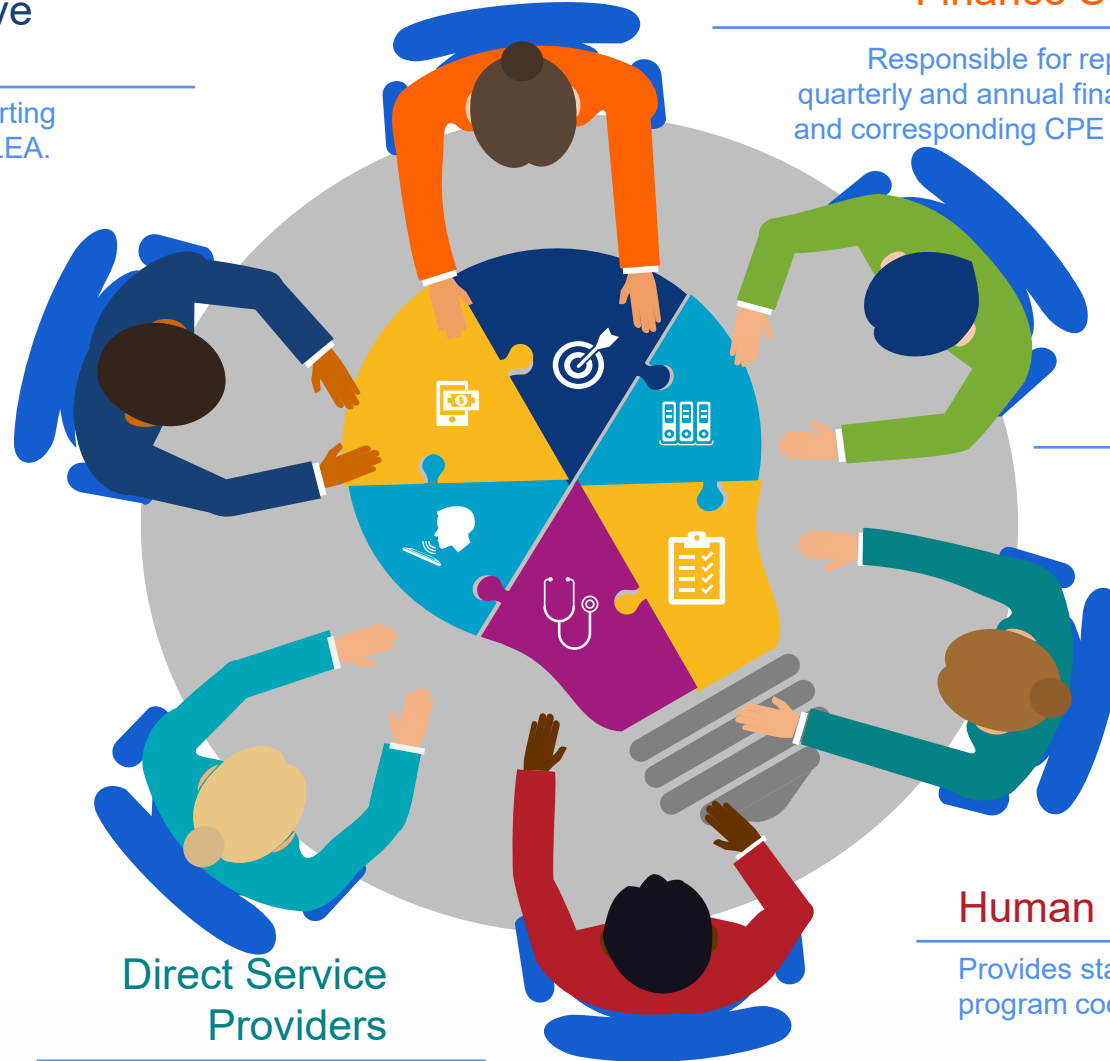
Program coordinator responsible for updating the SPL and maintaining RMTS compliance.

Human Resources

Provides staff change updates to program coordinator.

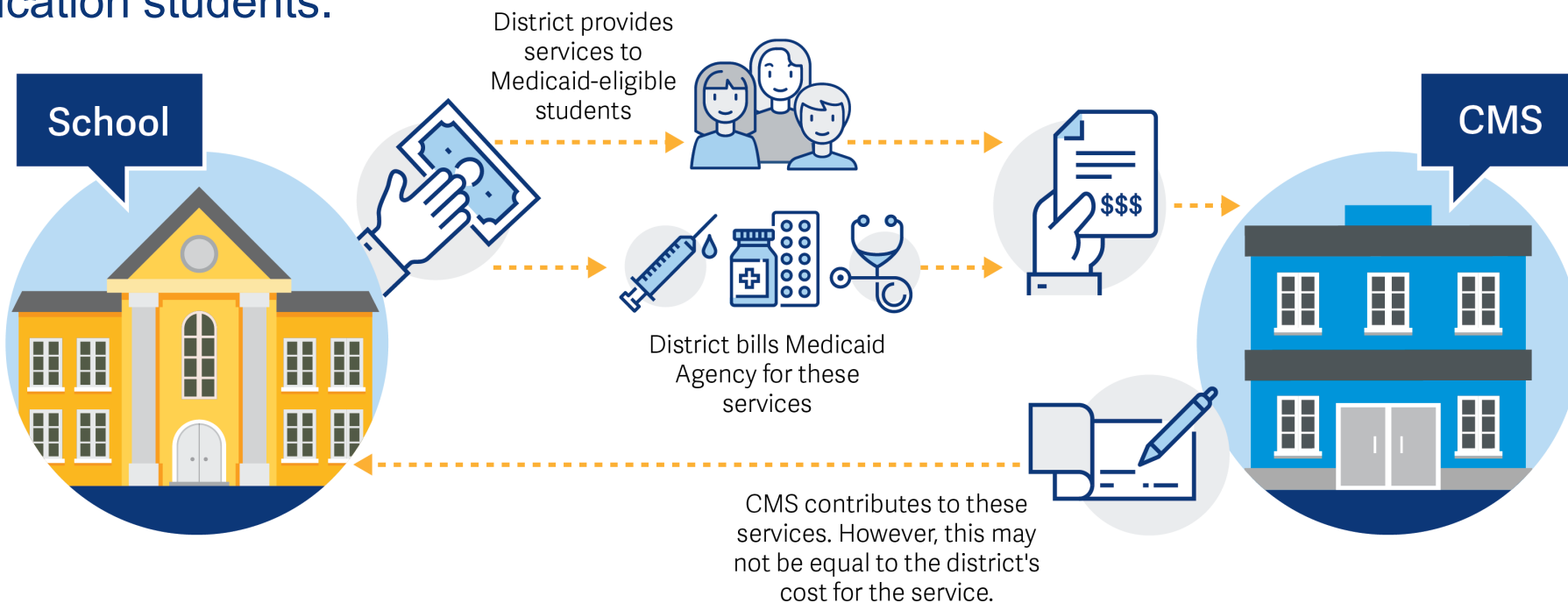
Direct Service Providers

Providers routinely rendering direct services to students with IEPs .



Why is there a Cost Settlement Process?

Cost settlement ensures that counties are reimbursed appropriately with a cost-based reimbursement methodology to determine the actual cost of delivering SBHS related services to special education students.



Cost Settlement compares ACTUAL COSTS to MEDICAID INTERIM PAYMENTS (received through regular Fee-for-Service billing).

School Based Services Cost Based Reimbursement Methodology

Cost settlement is a relationship between two variables:

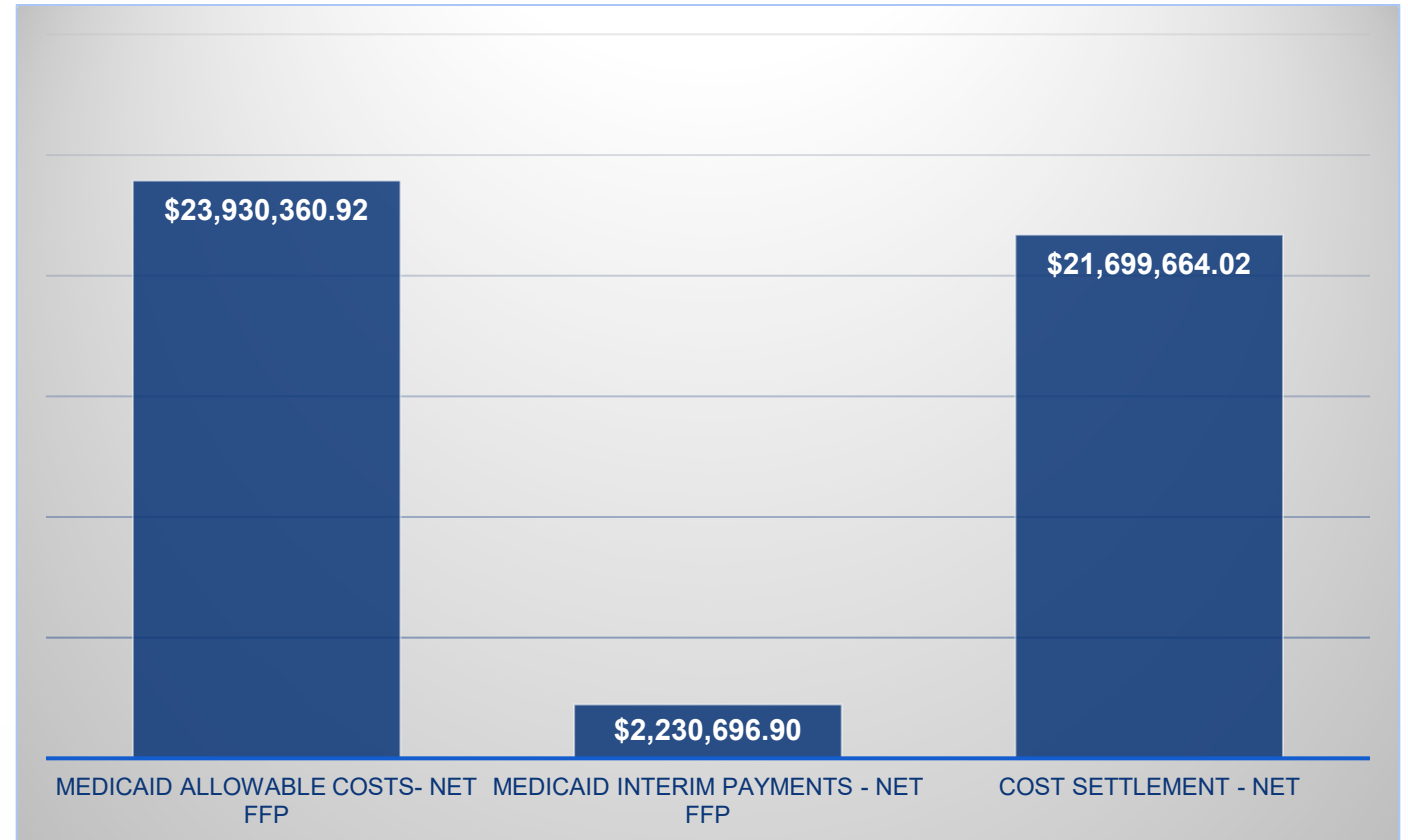
- Medicaid Allowable Costs
- Medicaid Interim Payments

Medicaid Allowable Cost minus Medicaid Interim Payments equals your Cost Settlement

Medicaid Allowable Cost is your reimbursement ceiling and represents what you receive for the delivery of direct services

In FY24, West Virginia received 90% of the Medicaid Allowable Costs through the Cost Settlement

Focus should be placed on understanding the variables which determine the Medicaid Allowable Costs rather than focusing on amounts distributed in Cost Settlement



Cost Settlement Scenarios

The Annual Cost Report is a requirement for counties to report their **actual costs** for providing SBHS services to reconcile with the interim revenue received.

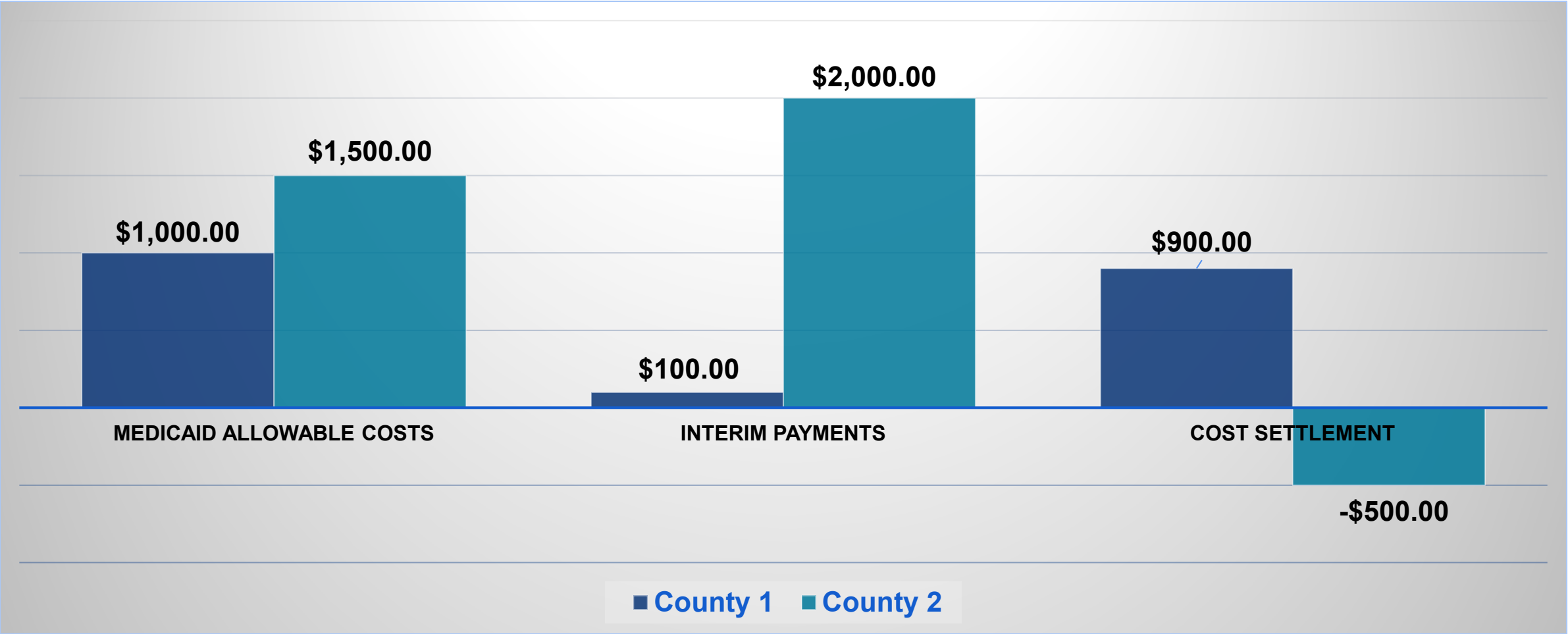
If the county's Medicaid Allowable Costs are less than the interim payments received, the county will **pay back the difference**, refunding the amount due.

Medicaid Allowable Costs	Interim Payments Received	Settlement Due
\$100,000	\$110,000	(\$10,000)
County owes back \$10,000		

If the county's Medicaid Allowable Costs exceed the interim payments received, the county will **receive a payment** for the amount due.

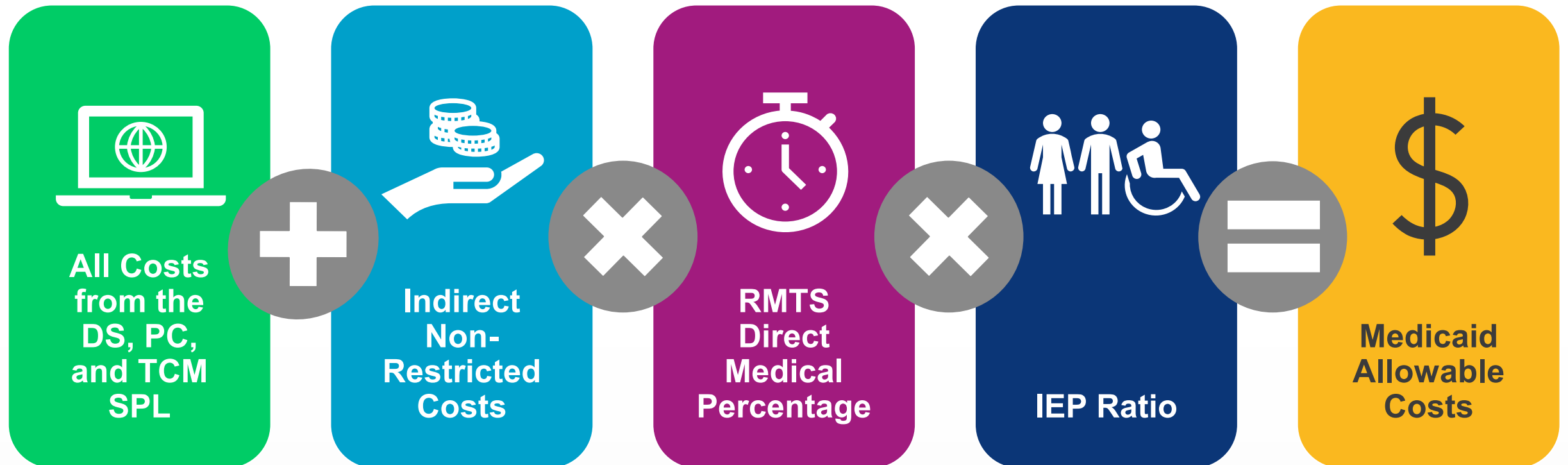
Medicaid Allowable Costs	Interim Payments Received	Settlement Due
\$120,000	\$110,000	\$10,000
County is owed \$10,000		

Which County Received more Reimbursement?



Understanding how the Variables Determine your Medicaid Allowable Costs – Direct Service, Personal Care, and TCM

Understanding the variables which determine the Medicaid Allowable Costs is critical



What is the Staff Pool List and RMTS?



Staff Pool List (SPL)

The SPL is the foundation of both the MAC and Annual Cost Settlement process and is certified three times per year.

The SPL indicates who at your county provides services on behalf of the MAC/SBHS program. ALL employees who perform Medicaid eligible services should be included in the appropriate cost pool, UNLESS:

- 100% Federally Funded
- Direct Service Contracted Employee



Random Moment Time Studies (RMTS)

The RMTS process is a federally approved technique of producing a statistically valid sampling of randomly selected moments (one moment = one minute) that are assigned to randomly selected participants.

Each county's SPL or "list" of staff employees is eligible to RMTS moments and respond to the survey.

This study determines the portion of time individuals spend doing reimbursable activities.

This variable is extremely impactful in determining your final Medicaid Allowable Costs

The Staff Pool is the Foundation of your Reimbursement

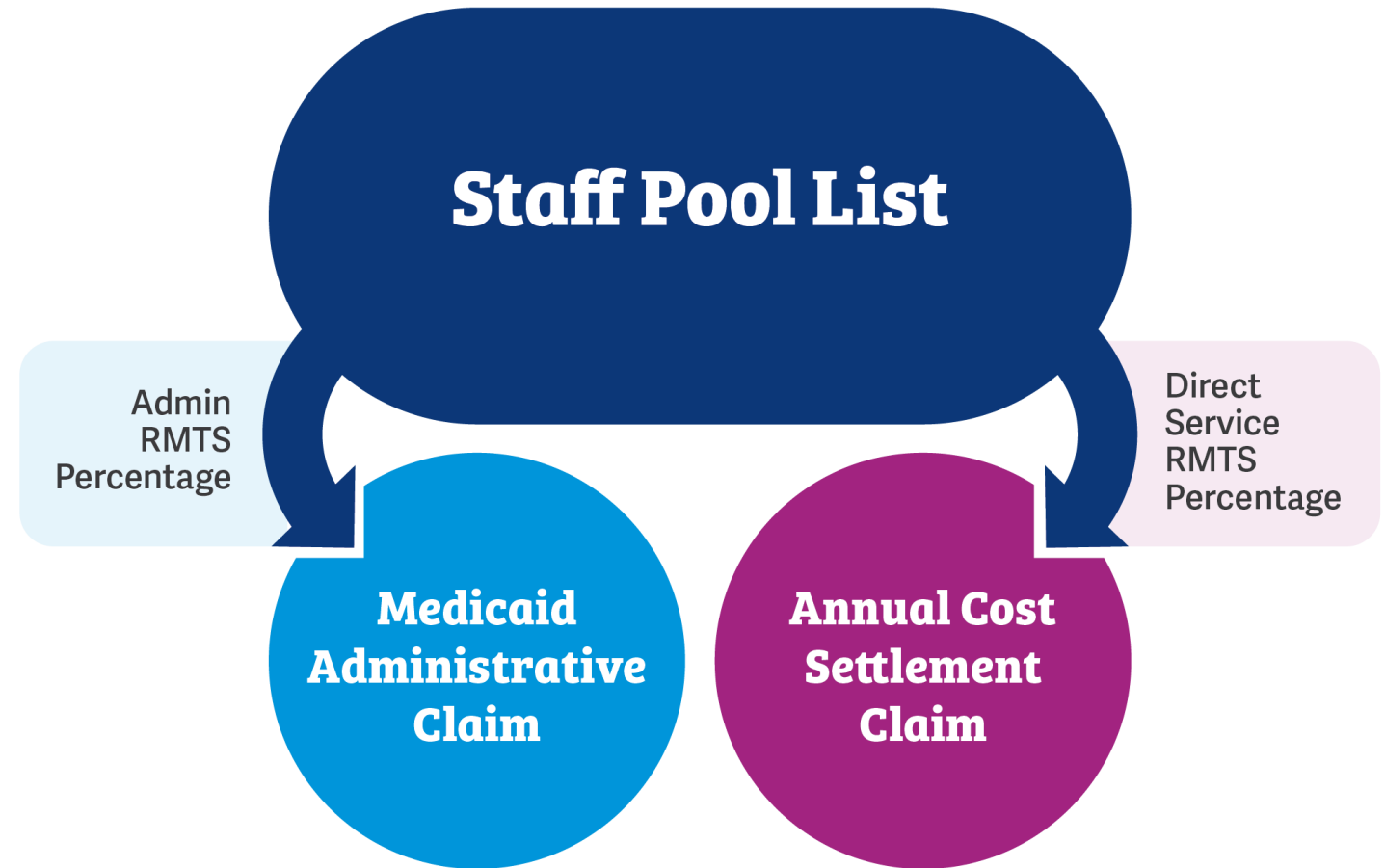
The SPL is the foundation of the Cost Settlement and MAC programs because it determines:

- Who will be part of the RMTS - a major part of the MAC and cost settlement calculations
- Who you can report costs for on quarterly financials
- Who you can report costs for during annual cost reporting

Moment responses then determine what percent of all the costs that you report are reimbursable

Responses capture a wide range of activity including:

- Medicaid Administrative activity
- Direct Service activity



In FY24 Medicaid Allowable Costs represented 12% of all costs reported

Costs associated with the Staff Pool List



- Total Costs Reported - Direct Service, Personal Care, TCM
- Medicaid Allowable Costs - Direct Service, Personal Care, TCM



Direct Medical Percentage



%

The purpose of this percentage is to identify the percentage of time providers spend, on average, performing eligible direct medical services



Calculated from the results of the quarterly Random Moment Time Study (RMTS) - the average results of the three quarterly time study periods (Oct – Dec, Jan – Mar, and Apr – Jun) that occurred during the fiscal year



It is a state-wide percentage and is not county specific



This percentage is applied to the Direct Medical Service Costs and directly affects the cost settlement for every county

Direct Medical Percentage

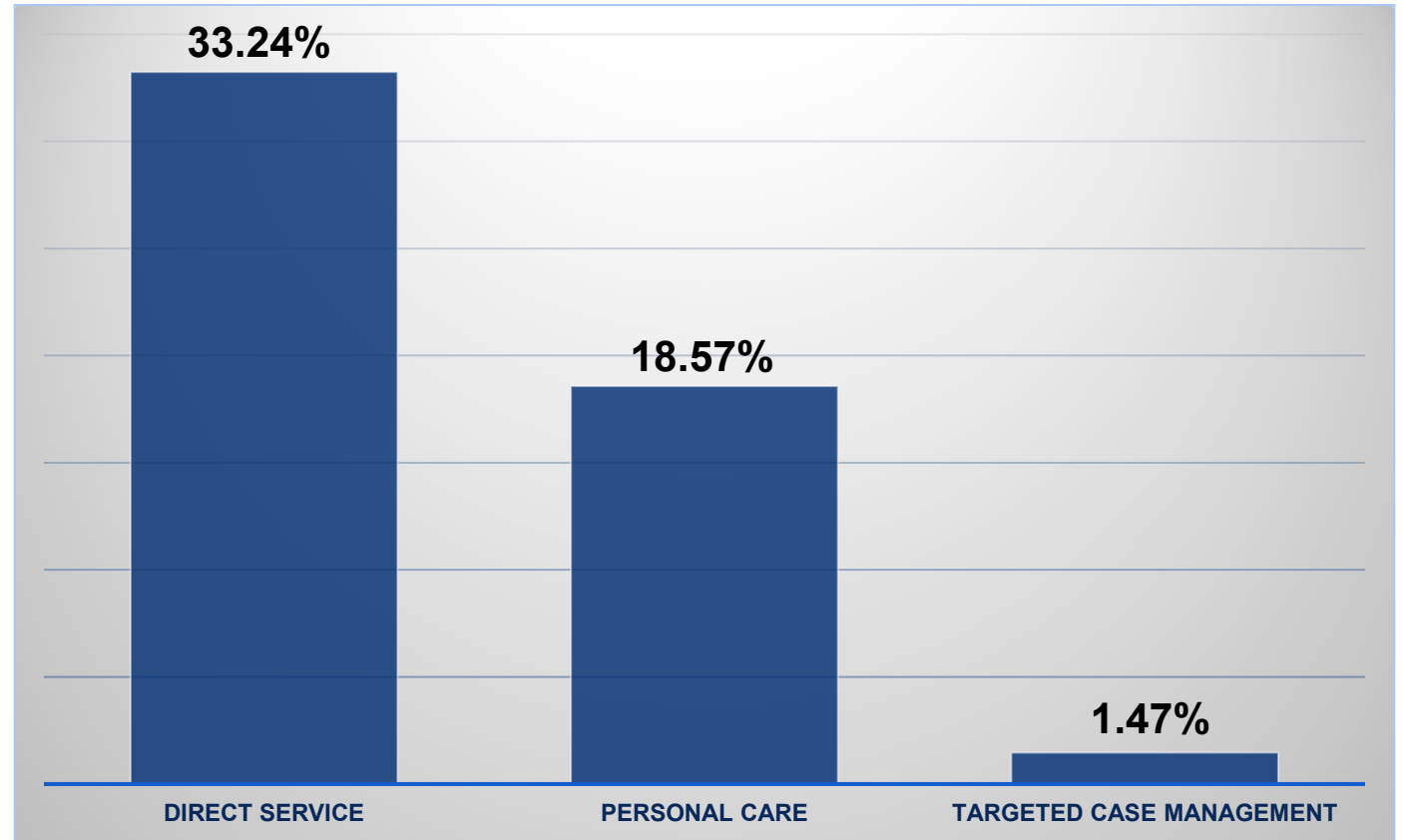
Moments completed throughout 2023-2024 indicate how often providers were delivering IEP services

Direct Service Cost Pool: Delivering IEP services 33.24% of their time

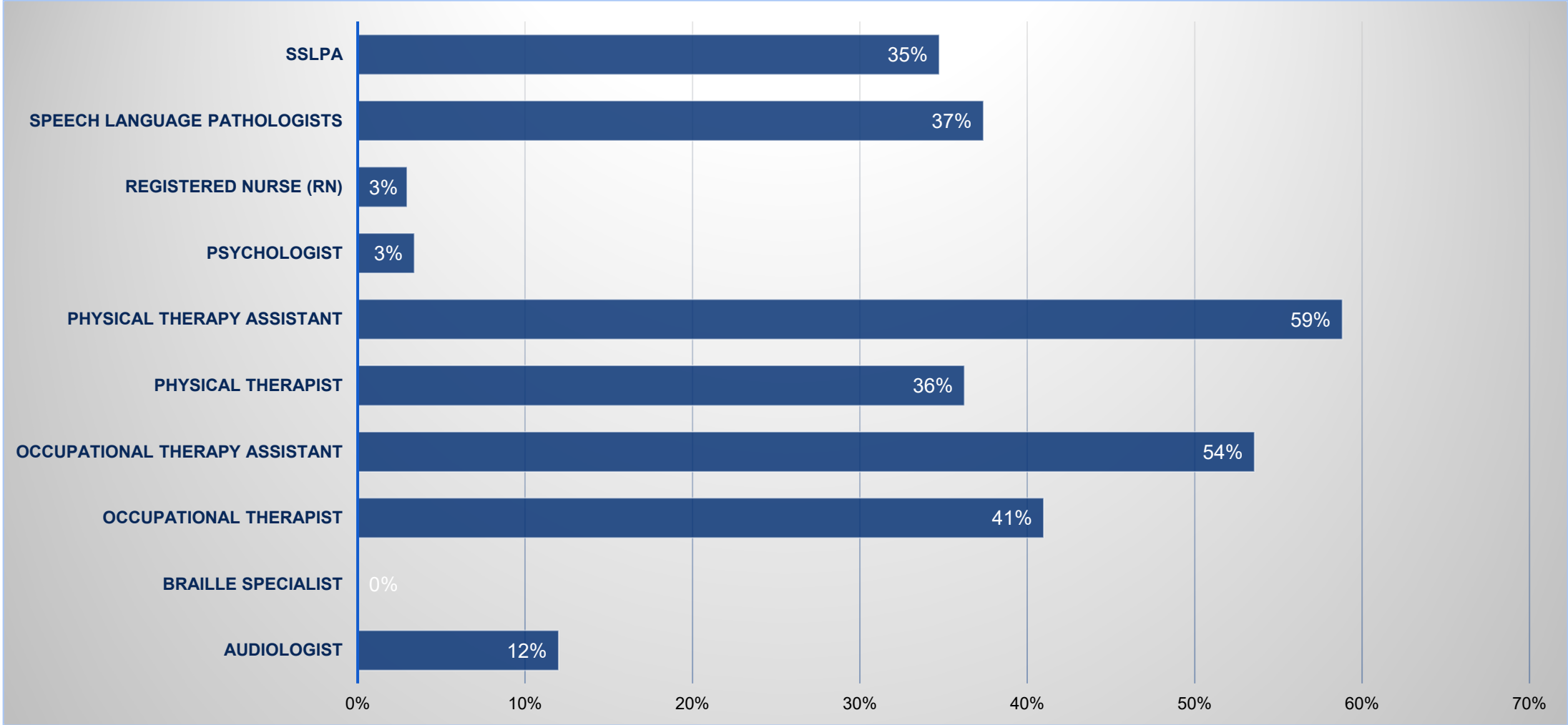
- \$100 in reported costs net \$33.24

Personal Care Cost Pool: Delivering IEP services 18.57% of their time

- \$100 in reported costs net \$18.57
- Target Case Management Cost Pool: Delivering IEP services 1.47% of their time
 - \$100 in reported costs net \$1.47



Direct Medical Percentage: Responses by Job Category



What can we control?



Staff Pool List (SPL)

Are all eligible staff on the Staff Pool List?

Make replacements on the Staff Pool List when staff turnover occurs

Shift federal funds away from supporting positions on the Staff Pool List



Random Moment Time Studies (RMTS)

Ensure calendar and shifts correctly identify when staff are working

Participants should understand the purpose of the RMTS

Participants respond to moments and clearly identify the activity they were engaged in at the time of the moment

The staff pool consist of individuals who engage in direct services and Medicaid Administrative activities

Coordinators are educating participants and following up when moments aren't completed

Provide educational resources to participants located in the PCG Claiming System

Direct Medical Percentage “Takeaways”

Recap

Direct Medical Percentages are the same for all LEAs and applicable to all cost reports

Poor performing LEAs impact all LEAs statewide

Monitor RMTS compliance

Staff understanding improves participation. It's important for them to know their responses are important can help increase funding for their LEA

Do your PCA's know what is in "their students" IEP or service plan

Shifts identify when participants are working

- Every LEA must have at least one shift that specifies the **earliest start time** and the **latest end time** for the LEA.
- Assigning shifts to participants increases the chances of them being selected during their scheduled working time.
- Once SPLs are certified and moments are generated, shifts **cannot** be altered until the next quarter opens for updates.
- LEAs can create shifts for staff pool list participants to accommodate different schedules based on school type, building, part-time status, or other set weekly schedules.
- Consider shifts for part-time or contracted employees who have unique set schedules.

The screenshot displays the PCG Claiming System interface. The top navigation bar includes links for Home, Users, Staff Pool, Calendar, Moments, Configuration, and Reports. The 'Configuration' dropdown menu is open, showing 'Shifts' as a selected option. A blue arrow points to this menu. Below the navigation bar, the 'Quarterly Milestone Summary' section lists several tasks: 'Quarterly Start Process' (with sub-items 'Certify Staff Pool List' and 'Certify Calendar'), 'Quarterly Claim Process' (with 'Certify Financials'), and 'Quarterly CPE Form Process'. The main content area shows a 'Welcome to the PCG Claiming System!' message and 'Georgia Updates' regarding quarterly financials and training materials. Overlaid on this is the 'Create New Shift' modal. A blue arrow points to the 'Shifts' dropdown in the modal. The modal contains fields for 'Shift' (SLPMWF) and 'Position' (1), an 'Inactive' checkbox, and a table for defining the shift schedule.

Week	Begin Time	End Time	Delete
Monday	8:00 AM	12:00 PM	✕
Wednesday	8:00 AM	12:00 PM	✕
Friday	8:00 AM	12:00 PM	✕

At the bottom of the modal are 'Cancel' and 'Create New Shift' buttons.

Non-Allowable Costs: Federal Funds

Costs paid for by the county using federal funds (i.e. **IDEA**, **ESSER**, etc.) should not be represented in the cost settlement calculation.

To assure federal funds are properly removed, the county must report costs as a gross amount (State, Local & Federal Dollars) and then identify the federal funds amount (Federal Dollars).

- The system will subtract out the federal funds and find the net.



Staff members or costs that are 100% federally funded should not be reported and **should not be included on the Staff Pool List.**

Positions to Include

Direct Service Providers

- Licensed Audiologist
- Licensed Registered Nurse (RN)
- Licensed Occupational Therapist
- Licensed Physical Therapist
- Certified Speech Language Pathologist
- Licensed and State Certified Psychologist
- Licensed School Psychologist
- Licensed Psychologist Independent Practitioner

Targeted Case Management Providers

- Special Education Teachers
- Targeted Case Management Providers

Personal Care Providers

- Personal Care Provider

Administrative Service Providers

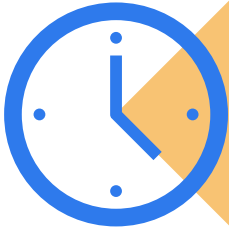
- School Administrators – Principals and Assistant Principals.
- State Certified Counselor
- Non-certified Psychologist/Psychologist Interns
- Non-certified Social Worker
- Psychologist Intern
- Special Education Administrator
- School Bilingual Assistant
- Speech Language Pathologist(Non-Masters Level and Non-Licensed)
- Program Specialist
- Other groups/individuals that may be identified by the LEA

Staff Pool List (SPL) Decisions



Who from your district routinely performs Medicaid-related activities?

- These are the people that should be on your SPL!



Medicaid-related activities include:

- School health services prescribed in an IEP
- Administrative and outreach activities that support Medicaid school health services



Important notes:

- You **MAY** include staff that are partially federally funded
- You **MAY NOT** include staff that are 100% federally funded

The Individualized Education Program (IEP) Ratio Variable is also a major driver of your Medicaid Allowable Costs

The **Individualized Education Program Ratio** identifies the portion of costs that pertain to the delivery of direct medical services specifically to Medicaid-eligible special education students



Total Number of **Medicaid Eligible Special Education Students** with an IEP Prescribed Direct Medical Service



Total Number of **ALL Special Education Students** with an IEP Prescribed Direct Medical Service



IEP Ratio “Takeaways”

Ensure Medicaid numbers are updated in WVEIS for *all* eligible students—not just those with billing consent

Services like transportation, personal care, and targeted case management should be identified in the WVEIS Medicaid “tab”

Direct services (PT, OT, speech, nursing, psych) are pulled directly from IEPs

WVDE issues a Medicaid audit tool each fall prior to the December 1 child count for updating the Medicaid fields, but the best practice is to identify Medicaid eligible children ongoing, allowing service provider to bill their logged services

New reenrollment requirements could lead to a drop in Medicaid eligibility

Time that counties spend completing Medicaid enrollment outreach is a Medicaid Administrative reimbursable activity

Transportation Reimbursement

Specialized Transportation services include:

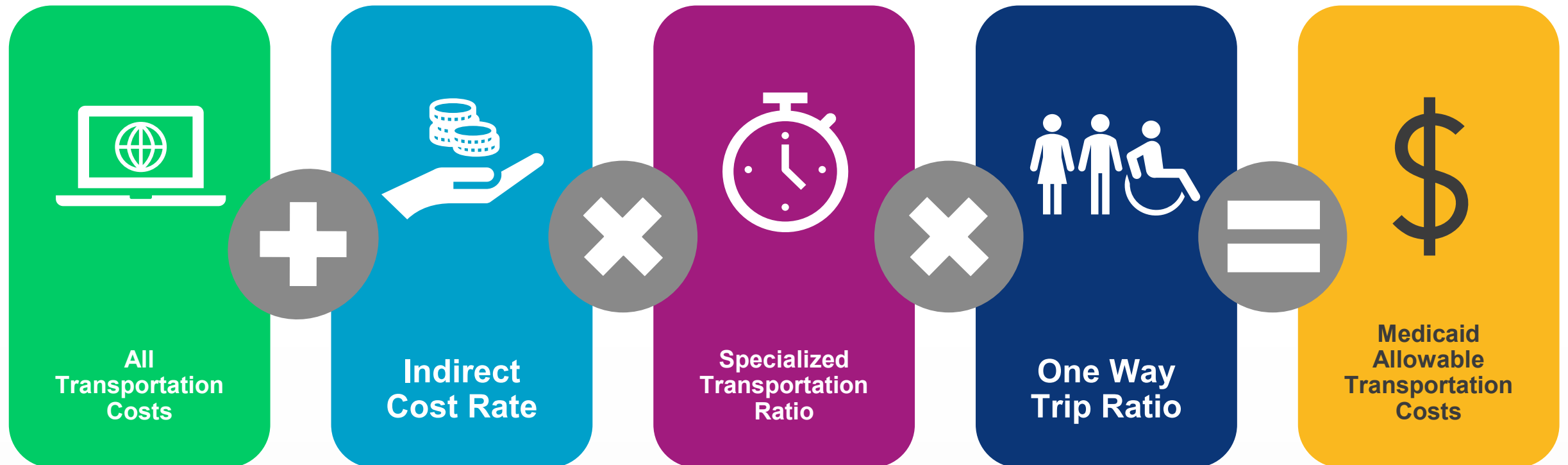
- Travel to and from a Medicaid covered direct IEP service to be rendered on school premises or another location
- Use of a specially adapted vehicle (such as a specially adapted bus or van)
- Specialized transportation included on the IEP as a separate service

County is reimbursed for Specialized Transportation if:

- Vehicle has modified specialized equipment
- Transport occurs on the same day student receives a direct medical service
- Written in IEP (retain copies)
- Keep bus logs of one-way trips
- Bill Medicaid & log service

Medicaid Allowable Costs – Transportation

Understanding the variables which determine the Medicaid Allowable Transportation Costs is critical



Specialized Transportation Costs



DHHR has indicated that only a bus with a lift meets the criteria to provide specialized transportation



Only buses with a lift and their associated drivers would be considered specialized transportation



This vehicle must be used to transport a student who has specialized transportation listed in their IEP



An IEP alone is not enough to qualify transportation as specialized – Medicaid will not cover transportation costs for (as an example) a student with Speech Therapy in their IEP who is able to ride a regular school bus.

Transportation Medicaid Allowable Costs are 2.15% of all Transportation costs reported

Costs from Transportation



Specialized Transportation Apportioning Ratios

SPECIALIZED TRANSPORTATION RATIO

The **Specialized Transportation Ratio** is used when reporting Not Only Specialized Transportation costs:



Total Number of **Medicaid Eligible Students Receiving Specialized Transportation Services** per their IEP



Total Number of **ALL Students Receiving Transportation Services** (Specialized & Non-Specialized)

ONE WAY TRIP RATIO

The **One Way Trip Ratio** is used when reporting all types of Specialized Transportation costs.



Total Number of **Paid Medicaid One Way Trips for Specialized Transportation** (Per MMIS)



Total Number of **ALL One Way Trips for Medicaid Eligible Students with Specialized Transportation** in their IEP (Per Bus Logs)

Specialized vs. 'Not Only' Specialized

School districts categorize allowable transportation costs as either 'only' specialized or 'not only' specialized transportation

Specialized

- The costs **exclusively** pertain to a physically modified vehicle that transports students with specialized transportation in their IEP; AND
- Costs can be discretely associated to specialized transportation with supporting documentation

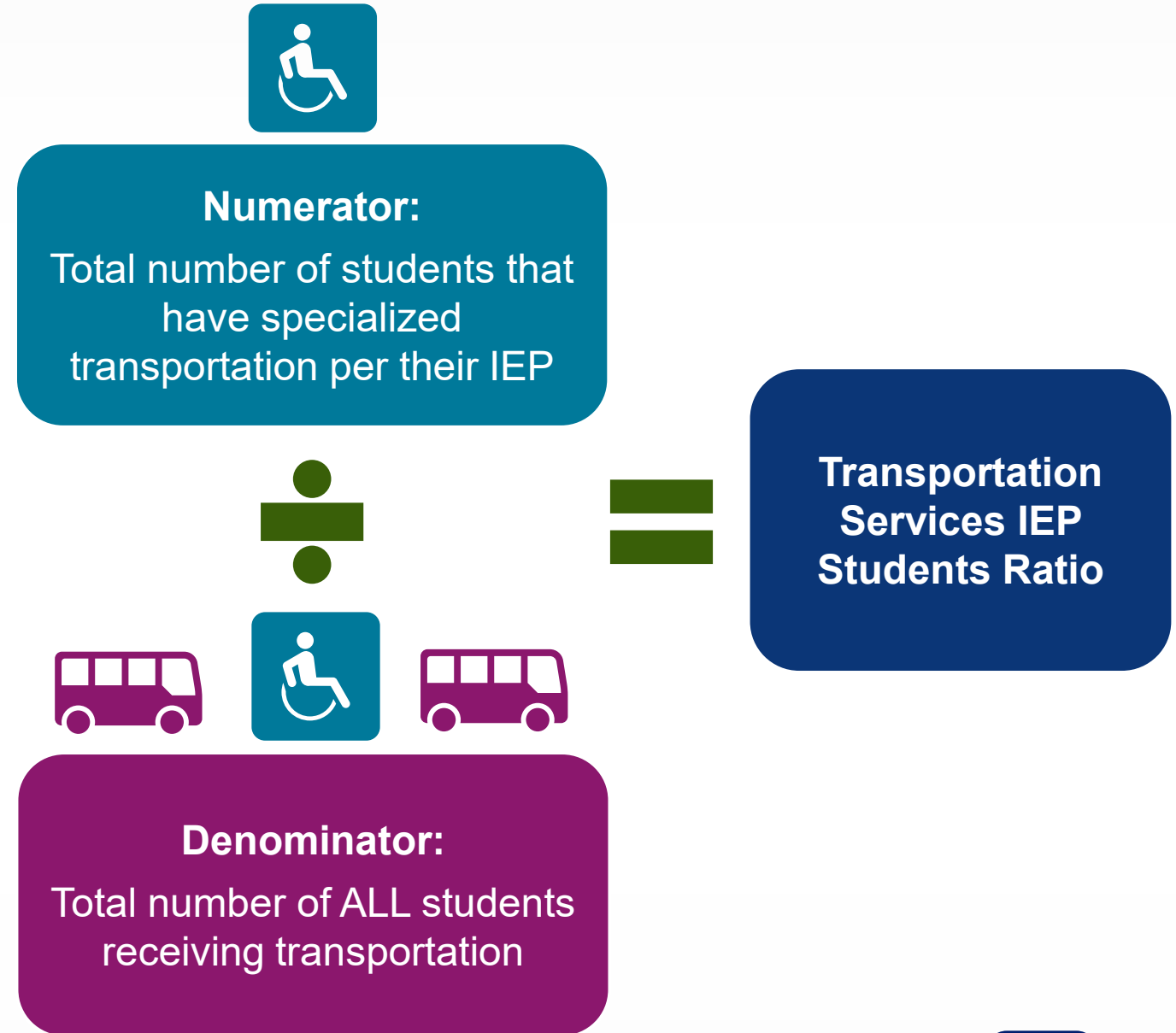
Not Only Specialized

- The costs **cannot** be discretely identified as specialized transportation;
- Are costs shared between general and special education transport; OR
- Costs are unidentifiable between general education and special education student services
 - Purchased in bulk
 - Associated with a 'shared' vehicle that is physically modified to meet the needs of the students requiring specialized transportation

Specialized Transportation Ratio

The Specialized Transportation ratio allocates costs reported in the “not only” specialized transportation category to the portion of transportation costs associated with special education transportation

- ✓ Numerator and denominator are both reported by school district
- ✓ If your school is unable to isolate costs by system-generated reports to the portion that is *EXCLUSIVE* to the transport of special education students, you are required to report this ratio
- ✓ If your school district solely reports ‘only’ specialized transportation costs, this ratio is not applicable
- ✓ The count of students that can be taken on a snapshot date or a rolling total throughout the year



Reporting Specialized vs. Not Only Specialized Cost

Vehicles	Bus Driver	Contract Transportation Services	Mechanic	Maintenance and Repairs, Fuel and Oil, Lease/Rental
<div> <div>←</div> <div>Only Specialized</div> <div>→</div> </div>				
Vehicle is physically modified and only transports special education students with specialized transportation prescribed in their IEP	Bus drivers and substitute bus drivers only transports special education students	Contract is only for transportation of special education students	Mechanic only works on specialized vehicles that exclusively transport special education students	Costs are only for specialized vehicles that exclusively transport special education students
<div> <div>←</div> <div>Not Only Specialized</div> <div>→</div> </div>				
Vehicle drives at least one route exclusively for students that have specialized transportation prescribed in their IEP	Bus driver has multiple routes but drives a physically modified vehicle that transports specialized transportation students for at least one route	Contract has at least one route that exclusively transports students with specialized transportation prescribed in their IEP	Mechanic works on both specialized and general education vehicles	Costs cannot be separated, items are purchased in bulk, or invoices do not identify exact vehicle that can be identified as exclusively specialized

Transportation Costs

Counties may report salary and benefit costs for **drivers**, **bus aides**, and **mechanics** who provide specialized transportation



Counties may report costs for **Renting** or **Contracting** specialized transportation services



Counties may report costs for **Renting** or **Contracting** specialized transportation services



Counties may **depreciate** costs for all **vehicles** which provide specialized transportation



Counties may report **fuel and oil** for all vehicles which provide specialized transportation



Counties may report **repairs and maintenance** for all vehicles which provide specialized transportation



Transportation Service Type: Only and Not Only

	Only Specialized Transportation	Not Only Specialized Transportation	General Transportation Costs
Report When:	Costs that pertain only to providing specialized transportation services should be reported as 'Specialized Only'. These are costs that can be isolated from your general transportation costs.	If a county is unable to isolate special transportation costs from general transportation costs.	Any costs pertaining to transportation costs for only general education students <i>should not</i> be included.
Example:	Salaries and benefits coded to 227XX (Special Education Transportation) and buses with a wheelchair lift which transport only special education students.	A bus is adapted to transport special education students per their IEP, but also transports general students. Fuel costs may be listed as 'Not Only Specialized' if the total fuel cost includes fuel for both specialized vehicles and general transport vehicles.	Unallowable costs that include buses that only transport general education students (including related bus driver salaries) or fuel, maintenance, and insurance costs for these vehicles if separately available in the accounting system.
Ratio(s) Applied:	One-Way Trip Ratio ONLY	Specialized Transportation Ratio <u>AND</u> One-Way Trip Ratio	N/A

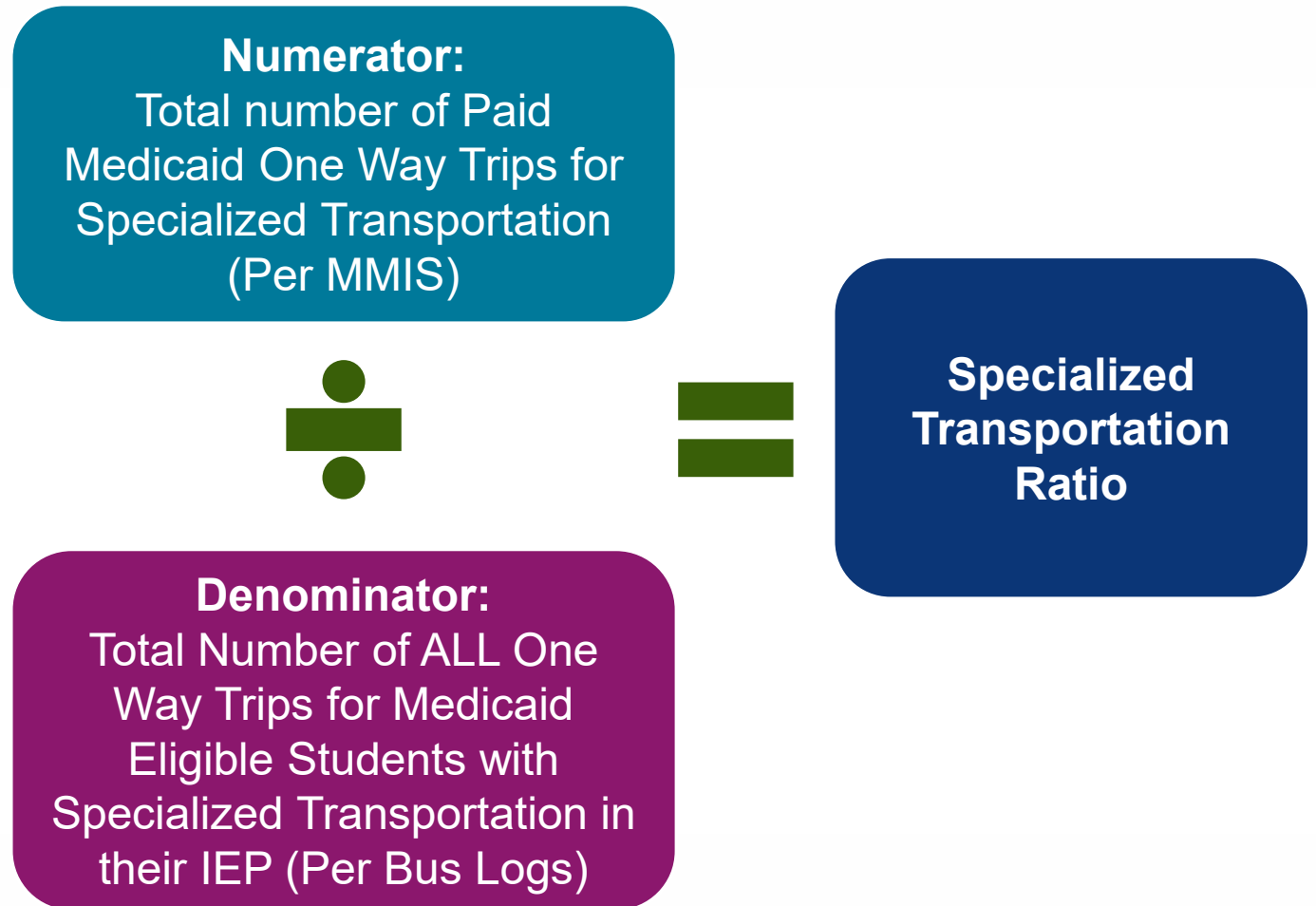
One Way Trip Ratio

Trip ratio apportions costs to the ***population of students eligible for reimbursement***

- ✓ Numerator is populated by MMIS data
- ✓ Denominator is populated by the county with bus logs
- ✓ Bus logs must be kept to support the trip ratio
- ✓ Trip ratio is applied to ALL transportation costs

Documentation is **KEY**

- ✓ Bus logs and a tracking mechanism (i.e., spreadsheet) must be kept to support the denominator



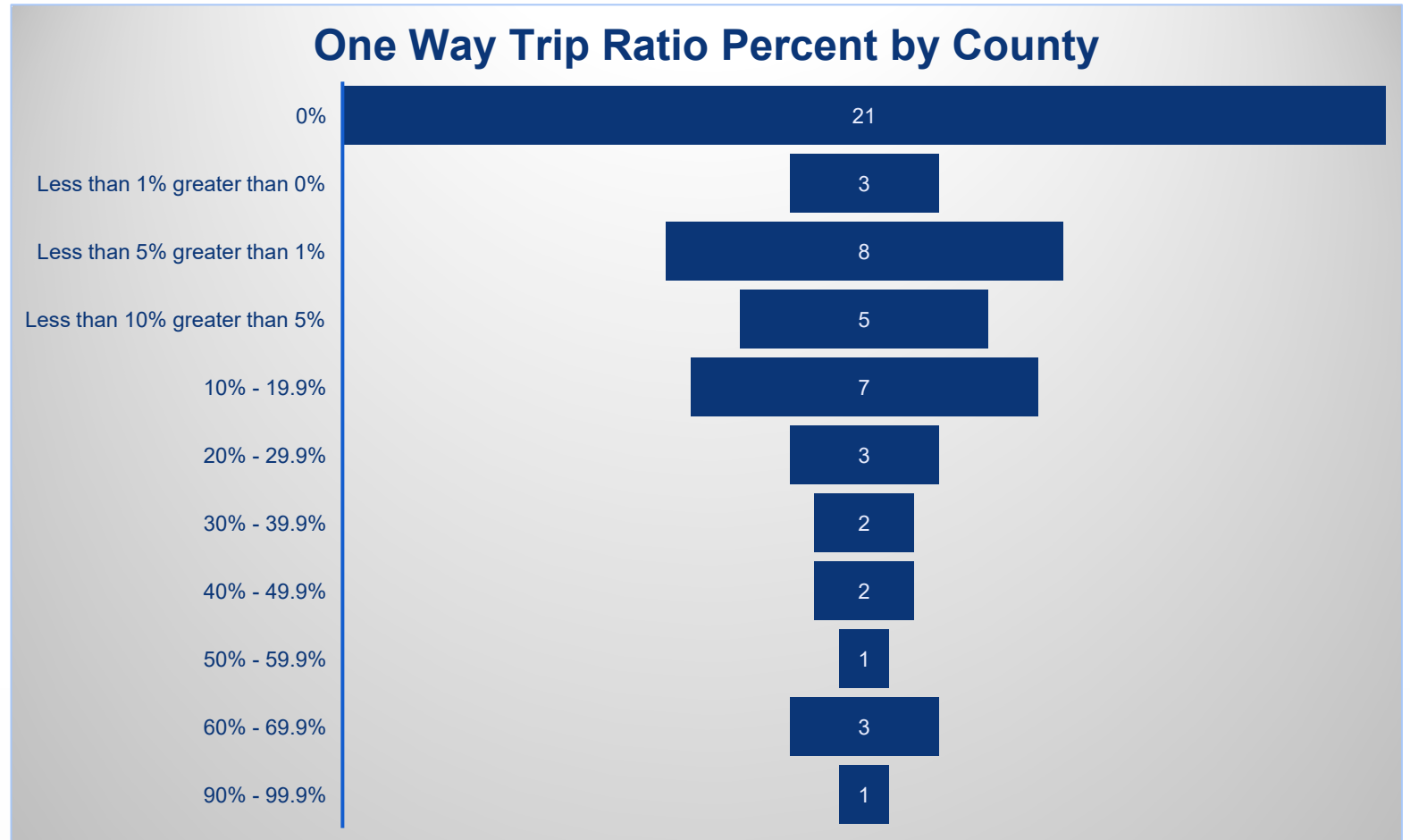
Increasing Paid One-Way Trips Increases your Transportation Medicaid Allowable Costs

37 counties have a one-way trip ratio less than 10%.

This means for every 100 one-way bus trips taken by Medicaid Eligible Students with specialized transportation in their IEP, less than 10 were documented and/or reimbursed.

Transportation claims are paid if the student received a paid direct service on the same day the transportation occurred.

Increasing service documentation, especially for students who also receive specialized transportation, will increase your transportation Medicaid Allowable Costs



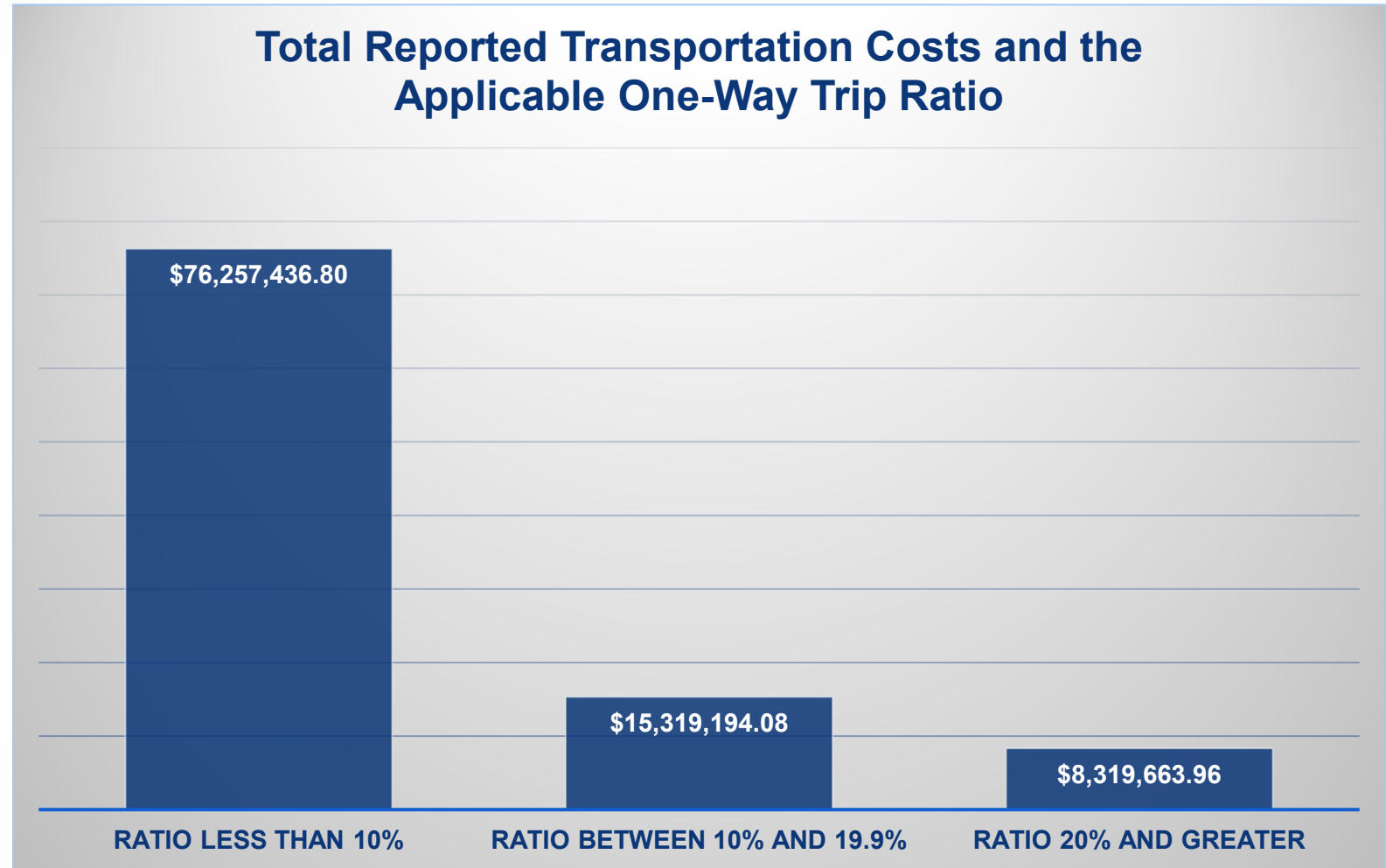
Understanding the Financial Impact of a Low One-Way Trip Ratio

Greater than 75% of all reported transportation costs were subject to a one-way trip ratio of less than 10%

This relationship of high transportation costs and low paid one-way trips exacerbates the reduction in Medicaid Allowable Transportation Costs

The low one-way trip ratios are associated with counties with the highest transportation costs

If Direct Service documentation increased, paid one-way trips increase, and you receive a greater percentage of your transportation costs



Specialized Transportation “Takeaways”

Transportation claims must match a Medicaid-billable service, billed on the same date of service

Avoid holding transportation claims, or any claims, until year-end.

Bill monthly and check remittance for denied claims and errors, ensuring sufficient time to correct and re-submit

Strategize in advance which students to bill for by identifying billable services on the IEP. For instance, if your LEA struggles with feeling overwhelmed or unsure of where to begin, a strategy is to identify a student with multiple services that can be matched for billing transportation and a direct service, and possibly Target Case Management for the coordination of these services.

Improperly billed claims may be flagged by Gainwell and removed from cost settlement, risking fund recovery. Low volume billers could be at risk of having claims reversed, leaving no interim claims to justify claimed expenses.

How to I review this information in the Claiming System?

PCG CLAIMING SYSTEM
West Virginia School Based Health Services

FY24 : Jul-Sep 2023 District:

Home Users Staff Pool Calendar Notifications Quarterly Annual Configuration Reports

Quarterly Milestone Summary

Quarterly Start Process

✓ Certify Staff Pool List
Call, Eric
08/09/2019 02:16 PM

Certify Calendar
0%

Quarterly Claim Process

✓ Certify Financials
02/05/2020 02:20 PM

Quarterly CPE Form Process

PCG Message

Welcome to the PCG Claiming System. For more information, contact the Office of Special Education at 304-957-9833, x53539. Email: wvsbhs@pcgus.com or 777-777-7777.

July-September quarterly report

Once the quarter is under review, students and staff are not eligible for reimbursement.

Starting April 1, 2019, the report will include a specific date and time of the moment. After the moment passes, participants and the CC person also need to provide a moment link 6, 24 hours and 30 hours after the moment.

- Salaried Staff
- Transportation Salaried Staff
- Direct Medical Services Other Costs
- Transportation Other Costs
- Contractor Costs
- Direct Medical Equipment Depreciation
- Transportation Equipment Depreciation
- General and Statistical Information
- Interim Payments
- Cost Report
- Desk Review
- Cost Settlement
- CPE Form

1

Log into the claiming system at:
<https://claimingsystem.pcgus.com/wv>

2

Choose the appropriate Fiscal Year (FY24)
NOTE: For the Annual Cost Report – the Quarter does not matter

3

Navigate to the “Annual” section and work through the report

Find my Data in the Cost Settlement Calculation

Find the aggregate numbers that determine the ratios

Find how these ratios determine the Medicaid Allowable Costs from the Total Costs Reported

Find the Total Medicaid Allowable Costs (Direct Service and Transportation) used in the Cost Settlement Calculation

View Cost Settlement data trends from previous year

The screenshot shows the 'Services' menu of a software application. At the top, there are filters for 'FY23', 'Jul-Sep 2022', and 'District: Dalbo'. The menu has tabs for 'Notifications', 'Quarterly', 'Annual', 'Configuration', and 'Reports'. A 'PCG Message' section is visible on the left. The 'Services' list on the right includes: Salaried Staff, Transportation Salaried Staff, Direct Medical Services Other Costs, Transportation Other Costs, Contractor Costs, Direct Medical Equipment Depreciation, Transportation Equipment Depreciation, General and Statistical Information, Interim Payments, Cost Report, Desk Review, Cost Settlement, CPE Form, and Cost Settlement Summary. Four purple arrows point from the text on the left to specific items in the menu: the first arrow points to 'General and Statistical Information', the second to 'Cost Report', the third to 'Cost Settlement', and the fourth to 'Cost Settlement Summary'.

Services

FY23 : Jul-Sep 2022 District: Dalbo

Notifications Quarterly Annual Configuration Reports

PCG Message

Welcome to the P

SBHS Updates:

- The October-December 2021 report is due on Friday, August 30th.
- The July - September 2021 report is due on November 8th.

Click2Learn training videos for SPL items including: fill

Salaried Staff

Transportation Salaried Staff

Direct Medical Services Other Costs

Transportation Other Costs

Contractor Costs

Direct Medical Equipment Depreciation

Transportation Equipment Depreciation

General and Statistical Information

Interim Payments

Cost Report

Desk Review

Cost Settlement

CPE Form

Cost Settlement Summary

Contact Information

Contact Information

If you have any questions about the Annual Medicaid Cost Report, or the Cost Settlement process, please reach out to us!



Public Consulting Group

WVSBHS@pcgus.com

1-877-908-1745, Ext 3

Thank you for joining us today!

Questions/comments after today's session?

Please contact us at WVSBHS@pcgus.com



Solutions that Matter