

## School Based Health Services: Medicaid Cost Report and Cost Settlement Training FY 2015 - 2016

State of West Virginia  
Department of Health and Human Services  
Bureau of Medical Services

December 1, 2016

**PCG | Health**  
Public Focus. Proven Results.™

### Agenda

- Overview of School Based Health Services and Cost Settlement
- Annual Medicaid Cost Report
  - Direct Medical Service Costs
  - Specialized Transportation Costs
- Annual Cost Settlement Process

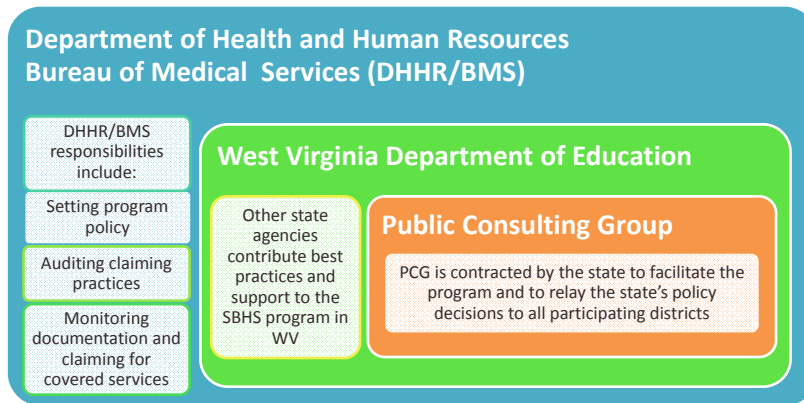
## Overview of School Based Health Services and Cost Settlement

### Cost Settlement Overview

- In accordance with West Virginia's State Plan, LEAs are required to participate in an annual cost reconciliation process.
- Effective for dates of services beginning July 1, 2014, services will be cost reimbursed based on an annual CMS-approved Medicaid cost report filed by each LEA.
- The Medicaid cost report captures the actual costs of providing Medicaid covered health-related services as reported by the LEAs, which will be compared to Medicaid reimbursement received through SBHS interim payments for the fiscal year in order to determine the cost settlement.
  - Interim payments are those payments received by the LEA for direct services throughout the fiscal year.

## SBHS Support Within West Virginia

- The MAC and SBHS programs are administered by DHHR/BMS with support from WVDE and Public Consulting Group.
- All program policies and guidelines result from Federal CMS



## Cost Settlement Calculation

### Step 1: Calculating Allowable Costs

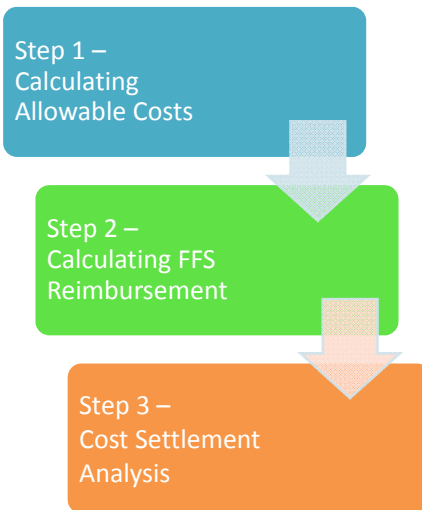
- Allowable costs are calculated to determine the district expense of providing health related services to special education students

### Step 2: Calculating Fee-For-Service (FFS) Reimbursement

- Total revenue of interim claims is calculated to determine amount of reimbursement received by the district throughout the fiscal year

### Step 3: Cost Settlement Analysis

- Actual costs are compared to the amount of FFS interim payments that the district received throughout the year
  - This ensures districts are being reimbursed the appropriate amount to cover the costs of providing services



## Interpreting the Cost Settlement Calculation

The following example outlines the final cost settlement results for three LEAs and how to interpret the results.

**LEA A, LEA B and LEA C**, have the same amount of NET Medicaid Allowable cost, in this example, **\$100** each, as determined through the annual cost report.

	NET Medicaid Allowable Cost	NET Medicaid Interim Payments for FFS claims	Cost Settlement	
LEA A	\$100	- \$75	= \$25	← LEA A Receives \$25 through Cost Settlement.
LEA B	\$100	- \$50	= \$50	← LEA B Receives \$50 through Cost Settlement.
LEA C	\$100	- \$125	= -\$25	→ LEA C Pays Back \$25 due to Cost Settlement.

The **total reimbursement for all three LEAs is \$100** based on the calculation of their NET Medicaid Allowable through the Medicaid cost report.

**LEA A** receives \$75 through Medicaid Interim Payments for FFS claims plus \$25 through Cost Settlement

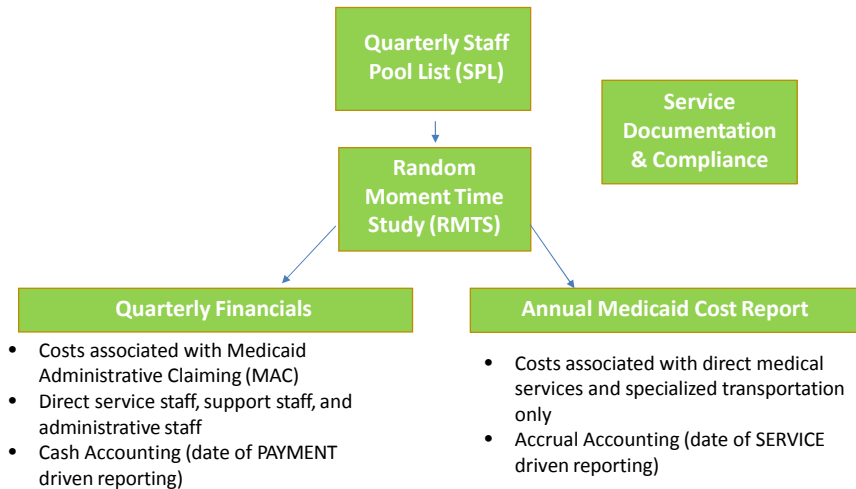
**LEA B** receives \$50 through Medicaid Interim Payments for FFS claims plus \$50 through Cost Settlement

**LEA C** receives \$125 through Medicaid Interim Payments for FFS claims minus \$25 through Cost Settlement

## Annual Medicaid Cost Report

### *Allowable Cost Components*

## FY 16 Cost Settlement SBHS Program Components



## Reporting Allowable Costs Staff Pool List

The Staff Pool List (SPL) is the foundation of a district's ability to claim costs in the Cost Settlement process

*Eligible staff must be included on the SPL for every quarter in which your district incurred costs for those individuals*

Staff Pool List – Participants Per Cost Pool			
<b>Direct Service</b> <ul style="list-style-type: none"> <li>• Speech, Occupational, Physical Therapists; Audiologists; Nurses; Psychologists;</li> </ul>	<b>Targeted Case Management</b> <ul style="list-style-type: none"> <li>• Special Education Teacher</li> </ul>	<b>Personal Care</b> <ul style="list-style-type: none"> <li>• Aides</li> </ul>	<b>Administrative</b> <ul style="list-style-type: none"> <li>• Staff Performing Medicaid Outreach Activities</li> </ul>

### Takeaway

- Districts who have not submitted staff on the SPL cannot report any expenditures for that staff member during cost settlement, so review each quarter!

## Annual Medicaid Cost Report Cost Reporting Requirements

All costs captured on the SBHS Annual Medicaid Cost Report must be reported on an **accrual basis**.

- This is a requirement by the Centers for Medicare and Medicaid Services (CMS).
- Under an accrual based accounting methodology, expenses are recorded at the time in which the transaction occurs, rather than when the payment is made.
- Expenses are counted when the LEA receives the goods or services.
  - The LEA does not have to wait until the expense is actually paid to record a transaction.

### Example of Accrual Based Reporting:

- In July 2016, the LEA pays salaries and benefits for the last two weeks of June 2016.
- This expense occurred in July 2016, but pertained to services provided in June 2016.
- This expense should be recorded on the July 2015 - June 2016 annual cost report when the transaction occurred, not when it was paid.

## Annual Medicaid Cost Report Cost Reporting Elements

Only allowable costs approved by CMS can be reported on the cost report.

- CMS approved a cost reimbursement methodology that includes a number of data elements
- Cost and data elements related to **direct health-related services** include:
  - Salary costs for eligible direct service providers;
  - Benefit costs for eligible direct service providers;
  - Health-related Purchased Services costs for eligible direct service providers;
  - Approved Direct Medical Service Materials and Supplies costs;
  - Depreciation costs for Approved Direct Medical Service Equipment;
  - Random Moment Time Study (RMTS) Direct Medical Service Percentage Results (*statewide factor*); and
  - Individualized Education Program (IEP) Ratio (LEA specific).

### Reminder:

*Please ensure your LEA maintains all documentation to support allowable costs reported. This includes financial documentation & transportation logs.*

## Annual Medicaid Cost Report Cost Reporting Elements

- The CMS-approved cost elements related to **transportation** include:
  - Salary costs for eligible transportation staff;
  - Benefit costs for eligible transportation staff;
  - Contract costs for eligible transportation staff;
  - Other allowable transportation costs (such as fuel, insurance, repairs & maintenance, etc.); and
  - Depreciation costs for approved transportation service equipment.

**Reminder:**

*Please ensure your LEA maintains all documentation to support allowable costs reported. This includes financial documentation & transportation logs*

## FY 16 Cost Settlement Annual Cost Report Deadline

The Annual Medicaid Cost Report for the reporting period  
July 1, 2015 to June 30, 2016 is due on

**December 31<sup>st</sup>, 2016.**



# Annual Medicaid Cost Report

## *Direct Medical Service Costs*

# Annual Medicaid Cost Report Getting Started – Annual Financials

Click on the Annual field for the list of schedules to complete.



## Annual Medicaid Cost Report Annual Payroll Information

**Record Salary and Benefits for those staff listed on the staff pool list throughout the year.**

- Only record salaries and benefits for the quarters each employee was listed on the staff pool list.

**Salaries:** Regular wages, extra pay, PTO, overtime, bonuses/longevity, stipends, and cash incentives for full-time and part-time staff

- Total pre-tax earnings for the claimable period

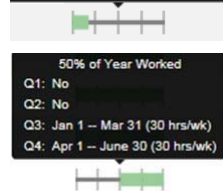
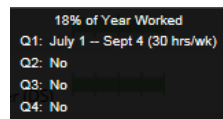
**Employee Benefits:** Employer-paid health/medical, life, disability, or dental insurance, employer-paid child care for children of employees, retirement contributions, worker's compensations costs

- Report amount directly associated with each individual by benefits type

### Reminder:

- Report gross Salaries, Benefits, and Contract Costs for eligible SBHS **direct service providers** that were included on the appropriate Staff Pool Lists **ONLY**.
- Properly reduce these by any sources of federal funding.

## Annual Medicaid Cost Report Entering Employee Costs – Job Span Toolbar



- The system indicates the amount of time an employee was listed on the Staff Pool List by the Job Span toolbar.
- *Please note that the period July-Sept may not accurately reflect staff participation in the RMTS.*
  - If an individual was included on any other quarter for the fiscal year and was working and performing Medicaid eligible services during the July-September quarter, LEAs in WV are allowed to include the costs for that quarter.

### Reminder:

- Recall that **you can only include employee costs for the period they were listed on the Staff Pool List.**

## Annual Medicaid Cost Report Entering Employee Costs - Warnings

- Warnings will be triggered within the system if data is outside of expected norms.

### Examples:

- *Salary entered with 0 benefits*
- *Salary is higher than expected*

Warnings:	<ul style="list-style-type: none"> <li>Salary entered with 0 benefits</li> <li>Salary is low for job</li> </ul>
Explanation:	Employee is part-time; employee is only enrolled in dental benefit plan

- Explanations are required for any warnings.
- If appropriate, please provide a clear and reasonable explanation for the warning.

### Reminder:

- Clear explanations reduce the possibility of follow up from PCG during the desk review process.

## Annual Medicaid Cost Report Contractor Costs

- Contracted staff costs include compensation paid for all services contracted by the LEA for an individual who delivered any SBHS services to Medicaid and/or non-Medicaid clients.
  - Costs should be reported by service type and vendor.*

### Reminder:

- LEAs are required to report gross expenditures and then properly reduce expenditures for funds **paid from other federal funding sources**.

## Annual Medicaid Cost Report

### Direct Medical Services Other Costs

- CMS has approved a very limited list of direct medical service material and supply costs. *Only those items included within the approved list* can be reported on the Medicaid cost report.
  - Examples include: battery testers, hearing aid stethoscopes, electronic suction unit, wheelchair, blood glucose meter, etc.
- Reported materials and supplies should tie to a direct service provider listed on the cost report.
  - In the system, service types appear only for those service categories for which a cost was reported on the Salaried Staff or Contractor Costs page.
- Direct Medical Service Material and Supply Costs applicable only to General Education students **should not** be reported on the cost report.

#### Reminder:

- The CMS Approved Materials and Supplies list is posted on the homepage of the PCG Claiming System under resources.

## Annual Medicaid Cost Report

### Direct Medical Services Other Costs

#### X Do NOT Include X

- Costs for materials and supplies applicable to **ONLY** general education students
- Items costing more than \$5,000
  - *Depreciate these items in the next section*
- 100% Federally funded costs

**Helpful Hint:** When determining whether or not a particular cost is eligible (such as for technology equipment) think about *how the item is used*.

- Items reported should be used solely or predominantly for special education students and for providing direct medical services. Items of a solely educational (and not medical) nature should not be included.
- If you still can't determine whether or not to include a cost, PCG can help!

## Annual Medicaid Cost Report

### Direct Medical Equipment Depreciation

- If a single direct medical service material and supply cost exceeds \$5,000, then the item should be depreciated.
  - This equipment should be included on the LEA's fixed asset ledger.
- The **straight-line depreciation method** is a method of calculating the depreciation of an asset which assumes the asset will lose an equal amount of value each year.
  - The annual depreciation is calculated by dividing the purchase price by the estimated useful life of the asset.
- Only those items included within the approved list can be reported on the Medicaid cost report.

#### X Do NOT Include X

- Costs for equipment applicable to ONLY general education students
- Items costing \$5,000 or less
- 100% Federally funded costs

## Annual Medicaid Cost Report

### Direct Medical Service Costs

Sample District Calculation:

1. Report Total Expenditures		2. Reduce by Direct Medical Percentage (Not Applied to Contractor Costs)			3. Add Indirect Costs			4. Reduce Net Total by IEP Ratio	
Total Direct Medical Service Costs	Total Direct Medical Service Contractor Costs	Direct Medical Service Percentage	Net Total Direct Medical Service Costs	Total Costs	Unrestricted Indirect Cost Rate	Indirect Costs	Net Total Costs	IEP Ratio	Medicaid Allowable Costs
\$350,000	\$50,000	56.75%	\$198,625	\$248,625	10%	\$ 24,863	\$ 273,488	65.50%	\$ 179,134

## Determining Allowable Costs: Report Total Expenditures

**Annual Cost Report**

- Once a year districts are required to submit costs that were incurred for the following areas:
  - Staff (Salaried and Contracted) - Salary, Health Insurance, Life Insurance, Retirement, Social Security, Other Benefits, Federal Revenue Compensation
  - Transportation Costs – if applicable
  - Direct Medical Service Other Costs, Equipment Depreciation

**Sample District**

- District reported \$350,000 in total direct medical service costs and \$50,000 in contractor costs for FY16.

**Takeaway**

- Annual Cost Report for fiscal year 2016 is due on December 31<sup>st</sup>
  - If the district does not complete an accurate cost report the total interim reimbursements will be in excess of actual costs.

## Determining Allowable Costs: Reduce by Direct Medical Service Percentage

**Direct Medical Service Percentage**

- Gross expenditures are reduced by the direct medical service percentage to isolate the portion of a service provider's time that is spent performing medical services
- Providers on the SPL participate in the quarterly RMTS and respond to moments, which are coded and used to derive a state-wide average percentage
  - The percentage used in the Medicaid Cost Report is the average of the results of the three quarterly time study periods (Oct-Dec, Jan-Mar, Apr-June)

**Sample District**

- The state-wide direct medical service percentage for the sample year was 56.75%
  - This means the average of all three quarters showed direct service providers spent 57% of their time providing direct medical services and 43% of their time performing other administrative duties
  - The Direct Medical Service Percentage is not applied to contractor costs.

**Takeaway**

- Since the RMTS is used to determine the state-wide Direct Medical Service Percentage, it is important to ensure sampled staff are responding to moments.

## Determining Allowable Costs: Adding Indirect Costs

**Unrestricted Indirect Cost Rate (UICR)**

- The UICR is added to account for additional costs of doing business that cannot be easily identified within a particular grant, contract, or program, but are necessary for the general operation of the organization
  - Example: overhead costs, such as heating or electricity
  - The application of this percentage will increase the overall Net Total Costs

**Sample District**

- The Unrestricted Indirect Cost Rate for the sample district was 10.00%; this was applied to the Net Direct Medical Services costs to calculate Indirect Costs of \$24,863.

**Takeaway**

- The UICR will be prepopulated in the system by PCG based upon data provided by WVDE.

## Determining Allowable Costs: Reduce Net Total by the IEP Ratio

**IEP Ratio**

- This ratio isolates the portion of direct medical services costs related to the provision of direct medical services to Medicaid eligible students.
  - Direct services are defined as those services billable under the SBHS program
  - The ratio will reduce the Net Total Cost to reflect the Medicaid Allowable Costs

<b>IEP Ratio =</b>	Total Number of Medicaid Eligible Special Education Students with a Prescribed Direct Medical Service in their IEP
	Total Number of ALL Special Education Students with a Prescribed Direct Medical Service in their IEP

**Sample District**

- The IEP Ratio for the sample district was 65.50%

**Takeaway**

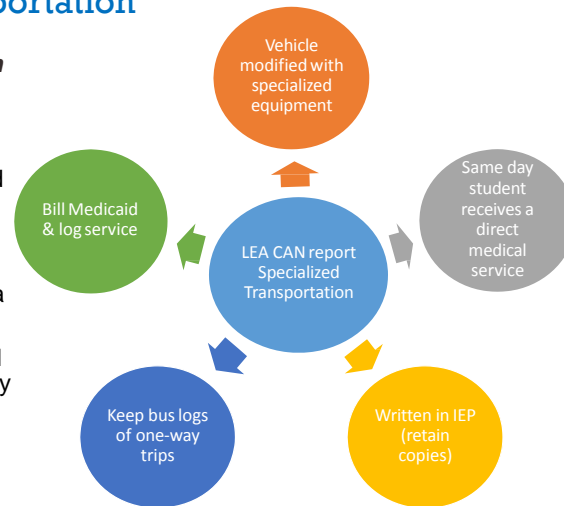
- The IEP ratio is derived from the December 1<sup>st</sup> student count information submitted to WVDE by each LEA. The IEP ratio will be pre-populated in the system by PCG.

## Annual Medicaid Cost Report *Specialized Transportation Costs*

### Annual Medicaid Cost Report Specialized Transportation

**Specialized Transportation Services** include:

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



## Annual Medicaid Cost Report

### Reporting Specialized Transportation Costs

#### Transportation Cost Categories

**'Only Specialized Transportation'** includes those costs which pertain solely to providing specialized transportation services. These are costs which can be isolated from general transportation costs and identified as attributable only to the provision of specialized transportation services.

- *Examples of these costs may include:* a driver who transports special education students with specialized transportation in their IEP in an adapted bus, a vehicle that has been modified with a wheelchair lift, or insurance costs for the aforementioned modified vehicle.

**'Not Only Specialized Transportation'** includes those costs which can be attributed to both specialized transportation and general transportation. Costs should be listed under this category if the total cost does not separate specialized transportation costs from general transportation costs.

- *Examples of these costs may include:* a driver who transports both special education and general education students in a modified vehicle, the cost of a contract to provide all transportation services for a district, or the salary of a mechanic who works on all district vehicles.

**Costs pertaining only to general education students should not be included** on the cost report if they are separately identifiable within the accounting system.

## Annual Medicaid Cost Report

### Reporting Specialized Transportation Costs

#### Only Specialized Transportation

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.

Examples may include salaries and benefits for any staff listed under code 227XX (Specialized Transportation) and buses with a wheelchair lift which transport only special education students.

#### Not Only Specialized

Costs should be listed under 'Not Only Specialized' if you are unable to isolate specialized transportation costs from general transportation costs.

A bus may be listed as 'Not Only Specialized' if it is adapted to transport special education students per their IEP, but also transports general education students who live along the bus route.

Fuel costs may be listed as 'Not Only Specialized' if the total fuel cost includes fuel for both specialized transportation vehicles and general transportation vehicles.

#### General Transportation Costs

Any costs pertaining to transportation costs for only general education students **should not** be included.

These unallowable costs may include buses that only transport general education students (including related bus driver salaries) or fuel, maintenance, and insurance costs for these vehicles if separately identifiable in the accounting system.



## Annual Medicaid Cost Report Reporting Specialized Transportation Costs

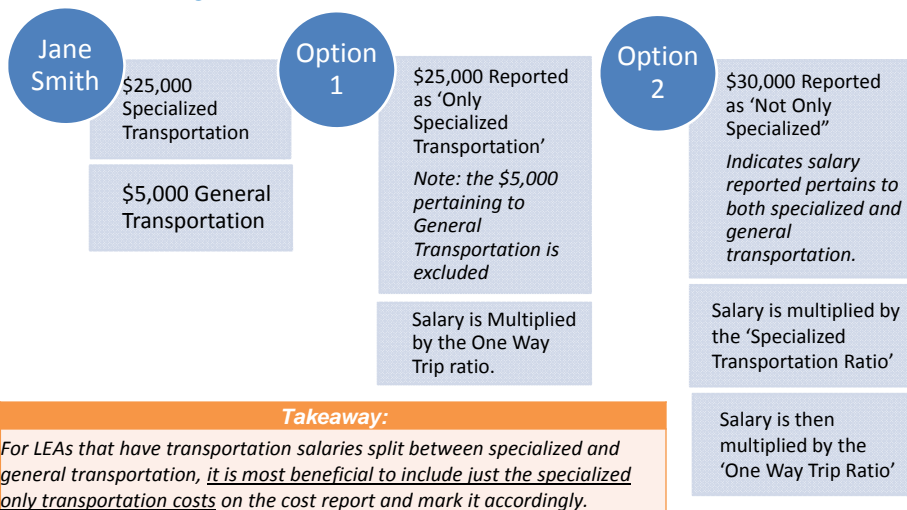
### Reporting Costs as Only Specialized Transportation:

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.*
- If these conditions are met, this cost may be included on the cost report as 'only specialized transportation.'

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.

## Annual Medicaid Cost Report Reporting Specialized Transportation Costs



## Annual Medicaid Cost Report Specialized Transportation – Salaried Staff

Report gross Salaries, Benefits, and Contract Costs for eligible SBHS specialized transportation providers

- Eligible special education transportation service providers include: Bus Drivers, Bus Attendants, Mechanics, Substitute Drivers
- *These employees should not be included on the Staff Pool List.*

**Salaries:** Regular wages, extra pay, PTO, overtime, bonuses/longevity, stipends, and cash incentives for full-time and part-time staff

- Total pre-tax earnings for the claimable period

**Employee Benefits:** Employer-paid health/medical, life, disability, or dental insurance, employer-paid child care for children of employees, retirement contributions, worker's compensations costs

- Report amount directly associated with each individual by benefits type

**Federal Funds:** Reduce expenditures for funds paid from other federal funding sources.

## Annual Medicaid Cost Report Specialized Transportation – Other Costs

### **Approved Specialized Transportation Non-Personnel costs**

CMS has approved a list of special education transportation non-personnel costs, including:

- Lease or Rental Costs
- Insurance Costs
- Maintenance and Repair Costs
- Fuel and Oil Costs
- Major Purchases under \$5,000
- Contract Costs – for transportation services and transportation equipment
- Only those items included within the above categories can be reported on the Medicaid cost report

#### **Reminder:**

- Costs can be reported as either 'only specialized transportation' or 'not only specialized transportation.'

## Annual Medicaid Cost Report Specialized Transportation Equipment Depreciation

### Depreciation costs for Approved Special Education Transportation Non-Personnel Costs

- Depreciation for special education transportation assets follows a similar process as that for the depreciation of direct medical service materials and supplies
- If a single special education transportation non-personnel item cost exceeds \$5,000, then the item should be depreciated
- This equipment should be included on the LEA's fixed asset ledger.

#### Reminder:

- Costs can be reported as either 'only specialized transportation' or 'not only specialized transportation.'
- Do not include costs for Direct Medical and Transportation equipment applicable to ONLY general education students

## Annual Medicaid Cost Report Calculation of Medicaid Allowable Costs

### Calculation of Medicaid Allowable Costs

#### Transportation Salary and Benefits Summary

Service Type	# line items	Salaries	Benefits	Total Costs	Fed Funds and Other Reductions	Staff Costs
▶ Only Specialized Transportation	1	\$20,000.00	\$7,800.00	\$27,800.00	\$3,000.00	\$24,800.00
▶ Not Only Specialized Transportation		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		\$20,000.00	\$7,800.00	\$27,800.00	\$3,000.00	\$24,800.00

#### Transportation Total Costs Summary

Service Type	Staff Costs	Other Costs	Other Cost Fed Funds	Total Costs	Unrestricted Indirect Cost Rate	Indirect Costs	Net Direct Costs Plus Indirect Costs	Specialized Transportation Ratio	One Way Trip Ratio	Medicaid Allowable Costs
Only Specialized Transportation	\$24,800.00	\$1,666.67	\$166.67	\$26,300.00	10 %	\$2,630.00	\$28,930.00	100 %	10 %	\$2,893.00
Not Only Specialized Transportation	\$0.00	\$12,450.00	\$1,900.00	\$10,550.00	10 %	\$1,055.00	\$11,605.00	5.71 %	10 %	\$66.27
Totals	\$24,800.00	\$14,116.67	\$2,066.67	\$36,850.00		\$3,685.00	\$40,535.00			\$2,959.27

## Annual Medicaid Cost Report Specialized Transportation Ratio

The **Specialized Transportation Ratio** is used when specialized transportation costs cannot be discreetly broken out their from general transportation costs.

- Only applies to costs reported as Not Only Specialized.
- PCG will populate the numerator and denominator.

$$\text{Specialized Transportation Ratio} = \frac{\text{Total Number of Medicaid Eligible Students Receiving Specialized Transportation Services per Their IEP}}{\text{Total Number of ALL Students Receiving Transportation Services (Specialized \& Non-Specialized)}}$$

## Annual Medicaid Cost Report One Way Trip Ratio

The **Specialized Transportation One Way Trip Ratio** allocates a portion of specialized transportation costs to the Medicaid Program.

- PCG will input the numerator based on paid claims data, but if you report any specialized transportation, then you must input the denominator.

$$\text{OWT Ratio} = \frac{\text{Total Number of Paid Medicaid One Way Trips For Specialized Transportation (Per MMIS)}}{\text{Total number of All One Way Trips for Medicaid Eligible Students with Specialized Transportation in their IEP (Per Bus Logs)}}$$

A Medicaid **One Way Trip** is defined as a trip to or from school for a special education student with specialized transportation in their IEP on the same day the student received a SBHS direct medical service.

- Transportation to **AND** from school would be considered two one way trips.

## Annual Medicaid Cost Report General and Statistical Information

PCG CLAIMING SYSTEM  
West Virginia School Based Health Services

Home People Calendar Moments Notifications Qual [176] 10-Sep-2015 District

General and Statistical Information (Opened)

Export Options Import

Variable Value  
IndirectCostRate

Ratio	Numerator	Denominator	Ratio	Warning	Explanation
IEP			0%		
OneWayTrip		10	0%		
SpecializedTransportation	20	100	20%		

Submit Changes

- If including transportation costs, you must complete the one way trip ratio on the *General and Statistical* page.
- PCG will input the IEP ratio, Specialized Transportation ratio, and the Indirect Cost Rate on this page.

## Annual Medicaid Cost Report Cost Report

After entering all applicable data into the cost report, review the summarized information on the Cost Report page.

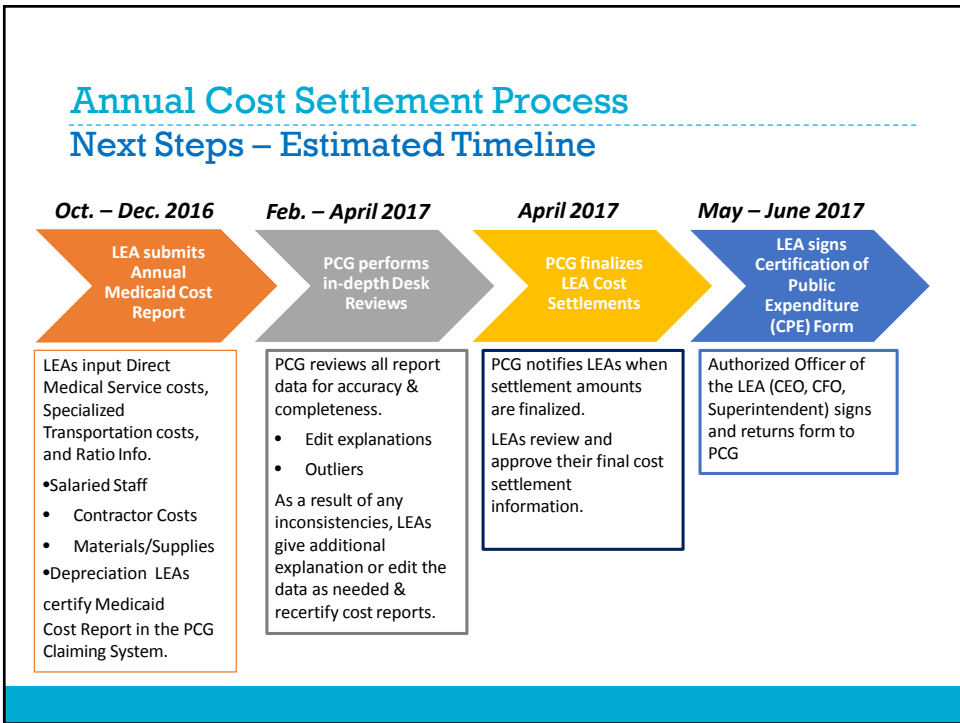
If this information is accurate and the cost report is complete, click *Certify Annual Financials* to submit and lock your cost report submission.

Cost Report

Medical Order Report

Category	Code	Unit	Rate	Quantity	Amount	Unit	Rate	Quantity	Amount
Direct Medical Services Salary and Benefits Summary									
Direct Medical Services Total Costs Summary									
Transportation Salary and Benefits Summary									

# Annual Cost Settlement Process



## Desk Reviews

- The LEA's annual cost report will be reviewed by PCG prior to the completion of the Cost Settlement, which is intended to ensure that all elements of the cost report fall within the expected statewide thresholds
- Types of Desk Review Edits include:
  - Annual Edit Explanations: Reviewing the LEA's explanations for each annual edit provided in the Claiming System to ensure reasonability.
  - Annual Payroll: Ensuring costs were reported according to an accrual basis accounting method for the quarters in which the individuals were active on the staff pool list.
  - Non Payroll Costs: Comparing by service type, the total amount of non-payroll costs reported against the total amount in Annual Payroll for that service type. If the percent variance exceeds a certain threshold, the LEA is asked to review the Other Costs reported.
  - Equipment Depreciation: Ensuring the reasonability of the reported Direct Medical Equipment Depreciation, including, the Purchase Price and Years of Useful Life.

## Annual Cost Settlement Process

### Certification of Public Expenditure Forms

- After all final calculations have been made and entered into the PCG Claiming System, the system will calculate each LEA's final cost settlement amount.
- LEAs will be notified that cost settlements have been finalized.
- LEAs will then be responsible for reviewing the final cost settlement information in the system and approving the settlement.
- A Certification of Public Expenditure (CPE) form can then be printed from PCG Claiming System
  - This form must be signed by an authorized officer of the LEA (CEO, CFO, Superintendent)
  - CPE forms must be returned to PCG and DHHR/BMS.

## Annual Cost Settlement Process

### Cost Settlement Payment/Recoupment

Once an LEA agrees to the cost settlement amount and returns the CPE form to PCG and DHHR/BMS, DHHR/BMS will process payment or recoupment from the LEA.

- A cost settlement payment will be made if Medicaid costs exceeds SBHS Medicaid payments received.
- If Medicaid costs are less than SBHS Medicaid payments received, the LEA will be responsible for paying back the overpayment.

## Annual Cost Settlement Process

### Monitoring Process for SBHS Medicaid Cost Reports

- After all cost settlement processes have been completed, PCG will be conducting comprehensive audits of a random sample of LEA cost reports.
- These audits will be comprehensive in evaluating:
  - Salary and benefit costs reported for staff listed on the RMTS;
  - Licensing and credentials of direct service staff listed on the RMTS;
  - Direct medical materials and supplies costs reported;
  - Depreciation expenses reported for direct medical equipment; and
  - Contracted staff costs;
  - Student counts reported for the numerator of the IEP Ratio.
- LEAs need to maintain supporting documentation for all financial and statistical information reported during the SBHS cost settlement process.



## Contact Information

### PCG Contacts

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](mailto:WVSBHS@pcgus.com)  
1-877-908-1745



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[www.publicconsultinggroup.com](http://www.publicconsultinggroup.com)