

School Finance Hot Topics – May 13, 2015

Upcoming Issues/Events

- At the request of the WV School Board Association, the Office of School Finance has been working on a monthly financial report template that CSBOs will be encouraged to utilize for their monthly board reporting. We have discussed this template with a select group of CSBOs and hope to have the format finalized later this week.
- As a reminder, FY16 budgets are due June 1, 2015 (the statutory deadline of May 30th falls on a Saturday giving counties until the next business day to submit.). Please be sure to submit your budget by the deadline. We will pull the budgets on June 2, 2015 and hope that all counties will have successfully transmitted. Due to the nature of the data analysis that we perform on the budgets, it is much more efficient if we obtain one data file and prepare our pivot tables for all counties at one time. A delay by even one county delays the analysis for the entire state.
- The OSF Annual Summer Conference will be held on July 15-17, 2015 at the Bridgeport Conference Center. July 15th will be federal programs day with a special presentation regarding purchasing policies and what constitutes a contract. July 16th will be our financial statement day with presentations regarding GASB 68, State Compliance Supplement changes, etc. July 17th will be a technology day with Office 365, E-Rate, Zoom, etc. If you have not already registered, please do so soon. We hope to see you there!

Teacher-in-Residence

WVC §18A-3-1(e) establishes the Teacher-in-Residence program. This program was established during the 2012 Legislative Session. It allows institutions of higher education to create a program option in conjunction with a county which would allow candidates to complete their student teaching experience as the teacher of record in cases where significant teacher shortages exist. The teacher in-residence is not a regularly employed teacher of the county, but receives a stipend of no less than 65% of the state aid funding due to the county for the teacher-in-residence.

The question was recently asked as to whether the days spent teaching as a Teacher-in-Residence would count towards the 133 days required to receive a year of experience for pay purposes. **Per discussion with the WVDE Office of Legal services, yes, the days spent teaching as a Teacher-in-Residence would count towards the 133 day requirement because a teacher-in-residence is performing the same duties a regular classroom teacher or substitute teacher.** It is similar to the logic applied in the Bright v. Tucker County case for head start teachers.

WVC §18A-4-1 defines a year of experience as follows:

(1) "Years of experience" means the number of years the teacher has been employed in the teaching profession, including active work in educational positions other than the public schools, and service in the armed forces of the United States if the teacher was under contract to teach at the time of induction. For a registered professional nurse employed by a county board, "years of experience" means the number of

years the nurse has been employed as a public school health nurse, including active work in a nursing position related to education, and service in the armed forces if the nurse was under contract with the county board at the time of induction. For the purpose of section two of this article, the experience of a teacher or a nurse shall be limited to that allowed under their training classification as found in the minimum salary schedule.

Notary Public

Notary Publics are required by WVC § 39-4-20(d) to be bonded or have certification of coverage under certain types of insurance policies. See excerpt below:

Before issuance of a commission as a notary public, the applicant for a commission shall submit to the Secretary of State an assurance in the form of: (1) A surety bond or its functional equivalent in the amount of \$1,000; or (2) certification that the applicant is covered under a: (A) Professional liability insurance policy; (B) an errors and omission insurance policy; (C) a commercial general liability insurance policy; or (D) their equivalent, in the amount of \$1,000. The assurance must be issued by a surety or other entity licensed or authorized to do business in this state. The assurance must cover acts performed during the term of the notary public's commission and must be in the form prescribed by the Secretary of State. If a notary public violates law with respect to notaries public in this state, the surety or issuing entity is liable under the assurance. The notary public shall give thirty days' notice to the Secretary of State before canceling any assurance or loss of insurance coverage. The surety or issuing entity shall notify the Secretary of State not later than thirty days after making a payment to a claimant under the assurance. A notary public may perform notarial acts in this state only during the period that a valid assurance is on file with the Secretary of State.

Each county board's BRIM policy does not suffice as equivalent coverage since the BRIM policy contains an exclusionary clause that excludes from coverage any claims "brought about or contributed to by fraud, dishonesty, or criminal act." Therefore, all notaries have to purchase a separate surety bond with \$1,000 coverage in order to apply to be a notary.

It is permissible for county boards of education to pay the costs associated with their employees obtaining the government notary public commission in accordance with WVC §39-4-31. Per discussion with a representative of the Office of the WV Secretary of State, all services provided by a government notary must take place on the premises of their employment, meaning that their notary stamp cannot be removed from the school/central office. Government employees are now permitted to notarize all documents that a private notary would be permitted to notarize.

§39-4-31. Government notaries public.

(a) State and local government employees may be commissioned as government notaries public to act for and in behalf of their respective state and local government offices.

(b) A state or local government employee commissioned under this section shall meet the requirements for qualification and appointment prescribed in this article except that the head of the state or local government office where the applicant is employed, or his or her designee, shall execute a certificate that the application is made for the purposes of the office and in the public interest and submit it to the Secretary of State together with the application for appointment as a notary public.

(c) The costs of application and all notary supplies for a commissioned state or local government employee shall be paid from funds available to the office in which he or she is employed.

(d) All fees received for notarial services by a government notary public appointed for and in behalf of a state or local government office shall be remitted by him or her to the state or local government office in which he or she is employed.

(e) A government notary public must comply with all provisions of this article in the performance of notarial acts.

(f) A government notary public may acknowledge any document required to be acknowledged by a notary public: *Provided*, That a government notary public may not operate privately.

Per WVC §39-4-30, government notaries can charge a maximum fee of up to \$5.00 for each signature notarized. Any such fees must be remitted to the school in accordance with WVBE Policy 1224.1 (Accounting Procedures Manual for Public Schools in West Virginia). It would be up to each county board to decide whether their governmental notaries will charge a fee for the services provided. It is recommended that county boards develop a policy to govern notary services provided by the county's government notaries to ensure consistency in the services provided and fees charged.

Please note that per WVC §6-2-10, the surety bond for notary publics must be recorded with the county clerk. Nothing in WVC §39-4 exempts notaries from the requirements of WVC §6-2-10. Note this is the same code section that requires the Superintendent bond to be recorded. See the applicable code section below:

§6-2-10. Bonds of county officers; required for deputy sheriffs.

Every commissioner of a county commission and every clerk of a circuit court shall give bond with good security, to be approved by the circuit court, or the judge thereof in vacation; and **every sheriff, deputy sheriff, surveyor of lands, clerk of a county commission, assessor, county superintendent of schools, notary public and magistrate shall give bond with good security, to be approved, unless otherwise provided by law, by the county commission of the county in which such officer is to act.**

The penalty of the bond of each commissioner of a county commission shall be not less than twenty thousand dollars and not more than two hundred thousand dollars, the amount to be fixed by the circuit court of the county, or the judge thereof in vacation, by order entered of record on the proper order books of both the county and circuit courts; of the clerk of the circuit court, not less than ten thousand nor more than fifty thousand dollars; of the sheriff, not less than one hundred thousand dollars nor more than the aggregate amount of all state, county, district, school, municipal and other moneys which will probably come into his hands during any one year of his term of office; of the deputy sheriff, not less than thirty-five thousand nor more than one hundred thousand dollars; of the surveyor of lands, not less than one thousand nor more than three thousand dollars; of the clerk of the county commission, not less than ten thousand nor more than fifty thousand dollars; of the assessor, not less than two thousand nor more than five thousand dollars; of the county superintendent of schools, not less than ten thousand nor more than fifty thousand dollars; of a notary public, not less than two hundred fifty nor more than one thousand dollars. Any public body required to pay the premiums on official bonds may provide a blanket bond policy for two or more such official

bonds: Provided, That the bond herein required to be given by a notary public may be given before the clerk of the county commission, in the vacation of said commission, and approved by it at its next regular session.

For the purposes of this section, "deputy sheriff" shall mean a person appointed by a sheriff as his deputy whose primary duty as such deputy is within the scope of active, general law enforcement and as such is authorized to carry deadly weapons, patrol the highways, perform police functions, make arrests or safeguard prisoners.

The bond described in this section is not required for deputy sheriffs if a county purchases professional liability insurance pursuant to the provisions of section three, article fourteen-a, chapter seven of this code.

Recent Legislation of Interest

Senate Bill 12 – Wage Payments upon Termination of Employment

Senate Bill 12 is effective 90 days from passage, which is June 11, 2015. This bill amends WVC §21-5-1 and §21-5-4. The major provisions of the bill are as follows:

- Extends the timeline by when an employer must pay an employee who is discharged, or who quits or resigns, his or her wages for work performed while employed;
- Specifies that the wages are to be paid on or before the next regular payday on which the wages would otherwise be due and payable;
- Reduces the amount of the liquidated damages that an employer is required to pay for failure to comply with this requirement from three times the unpaid wages to two times the unpaid wages;
- Clarifies that this section regulates only the timing of wage payments upon separation from employment and not whether overtime pay is due;
- Clarifies further that liquidated damages that can be awarded under this section are not available to employees claiming they were misclassified as exempt from overtime under state of federal wage and hour laws.

House Bill 2478 – Foundation Allowance for Transportation

House Bill 2478 is effective July 1, 2015. The bill added propane as an alternative fuel for which the additional ten percent allowance under the Public School Support Program applies. The bill also capped the allowance for the replacement of school buses at \$15 million for the 2015-16 year and at \$18 million for the 2016-17 year.

Senate Bill 60 – Food Handler's Permit

Senate Bill 60, effective June 12, 2015, adds WVC §16-2-16 which will apply to school cafeteria workers (ex: school cooks, cafeteria managers, etc.). The major provisions are as follows:

- Specifies that a food handler permit or card issued pursuant to the procedures of a local county health department shall be valid for at least one year but not longer than three

- years;
- Further specifies that the permit or card shall be valid in all counties of the State, if the applicant pays an additional fee, not to exceed \$10;
- States that if required (by a county health department), a permit or card shall be obtained within thirty days of a person being hired in a restaurant or other applicable food establishment;
- Requires the Bureau for Public Health to develop minimum guidelines for training programs for individuals seeking a food handler permit or card that may be adopted by local county health departments;
- Allows county health departments to use training courses developed by the American National Standards Institute or other nationally recognized entities for food safety training in lieu of state guidelines.

Senate Bill 342 – Error Corrections Required by CPRB

Senate Bill 342 is effective ninety days from passage, on June 10, 2015. The major provisions of this bill are as follows:

- Specifies how the correction of errors in overpayments or underpayments of employee or employer contributions, annuities or other benefit payments made to or by any of the West Virginia public employees retirement systems are to be corrected, including the West Virginia Public Employees Retirement System, the Deputy Sheriff Retirement System, the Municipal Police Officers and Firefighters Retirement System, the Emergency Medical Services Retirement System, the State Teachers' Retirement System, the Teachers' Defined Contribution Retirement System, the State Police Death, Disability and Retirement System, the State Police Retirement System, and the Judges' Retirement System and clarifying scope, application and requirements for error correction by the Consolidated Public Retirement Board (CPRB);
- Specifies that the Consolidated Public Retirement Board (CPRB), upon learning of any errors, is to correct them in a timely manner with the intent of placing the affected individual, entity and retirement board in the position each would have been in had the error not occurred, regardless of whether the error was the fault of an individual, entity or board;
- Clarifies in the situation where a correction is being made for an overpayment to the retirement system by an employer that the CPRB shall credit the employer with the overpayment to be offset against future employer contributions;
- Clarifies further in the situation where a correction is being made for an overpayment to the retirement system by an employer where the employer has no future liability of employer contributions that the board is to refund the erroneous contributions directly to the employer, and specifies that no earnings or interest on the overpayment are to be returned;
- Directs the CPRB to refund directly to an employee any overpayments of employee contributions, where the employee does not have a future liability of employee

contributions to the retirement system;

- Directs the CPRB to correct any error in a timely manner where the retirement system has made an overpayment to any member, retirant, beneficiary, entity, or other individual; specifying that if the correction of the error occurs after annuity payments have commenced, the CPRB is to prospectively adjust the payment of the benefit to the correct amount; and specifying further that no interest shall accumulate on any corrective payment;
- Directs the CPRB to correct any error in a timely manner where the retirement system has made an underpayment to any member, retirant, beneficiary entity, or other individual; specifying that if the correction of the error occurs after annuity payments have commenced, the CPRB is to prospectively make the payment in a lump sum; and specifying further that no interest shall be paid on any corrective payment;
- Specifies that in cases where the CPRB finds that an individual, employer, or both are not eligible to participate, the CPRB is to notify the parties involved of the determination and terminate participation; states that any erroneous payments are to be returned to the employer or individual; and states further than erroneous service credited to an individual is to be removed;
- Specifies further that in cases where the CPRB finds that an individual, employer, or both have not participated in the retirement system, but were eligible and required to be a participant, the CPRB is to notify the parties involved and require that they prospectively commence participation; and specifies further that service credit for service prior to the commencement of participation is to be granted only if the board receives the required employer and employee contributions.

Senate Bill 361 – Prevailing Wage

Senate Bill 361 was effective April 13, 2015. While this bill made significant changes to how the prevailing wage rates are established and who performs the calculations, the biggest impact on the county boards of education is the change related to which projects are required to pay prevailing wage. Prevailing Wage now only applies to projects in excess of \$500,000.

§21-5A-3. Fair minimum rate of wages; determination; filing; schedule of wages part of specifications

Any public authority authorized to let to contract the construction of a public improvement, shall, before advertising for bids for the construction thereof, ascertain from ~~the state commissioner of labor~~ Workforce West Virginia, the fair minimum rate of wages, ~~including fair minimum overtime and holiday pay,~~ to be paid by the successful bidder to the laborers, ~~workmen~~ workers or mechanics in the various branches or classes of the construction to be performed; and such schedule of wages shall be made a part of the specifications for the construction and shall be published in an electronic or other medium and incorporated in the bidding blanks by reference when approved by ~~the commissioner of labor~~ Workforce West Virginia where the construction is to be performed by contract. The “fair minimum rate of

wages," for the intents and purposes of this article, shall be the prevailing rate of wages paid in the ~~locality in regions~~ of this state as hereinbefore defined to the ~~majority of workmen~~ workers, laborers or mechanics in the same trade or occupation in the construction industry. ~~The commissioner of labor or a member of his or her department designated by him or her~~ Workforce West Virginia shall assemble the data as to the fair minimum wage rates and shall file wage rates. Rates shall be established and filed as hereinafter provided on January 1₁ of each year, unless otherwise specified within this article. These rates shall prevail as the minimum wage rate ~~on~~ for all public improvements for which bids are asked during the year beginning with the date when such new rates are filed and, until the new rates are filed, the rates for the preceding year shall remain in effect: *Provided*, That such rates shall not remain in effect for a period longer than fifteen months from the date they are published, but; this provision shall not affect construction of a public improvement then underway: **Provided, however, That this section applies only to contracts let for public improvements whose cost at the time the contract is awarded will be paid with public money in an amount greater than \$500,000.**

HB 2381 – Teacher Mentoring Increment for NBPTS Classroom Teachers at Persistently Low Performing Schools

House Bill 2381 is effective July 1, 2015. This provides a \$2,000 bonus annually to classroom teachers who hold a valid certificate issued by the National Board of Professional Teaching Standards (NBPTS), who are employed at a school designated as a persistently low performing school by WVDE, and who serve in a mentoring capacity for other teachers at the school. The State Minimum Salary Schedules have been updated to reflect this additional bonus (similar to the \$3,500 NBPTS bonus and the \$2,500 bonus for student support personnel). Once eligible, a teacher remains eligible for five consecutive years of employment in the same school in the same assignment regardless of a subsequent change in the designation of the school as a persistently low performing school (assuming that their certificate with NBPTS remains valid).

HB 2702 – Early Childhood Classroom Assistant Teachers (ECCATs)

The major provisions of this bill are as follows:

- This bill modifies the titles of ECCATs from Temporary, Permanent, and Paraprofessional to I, II and III respectively.
- The individuals who are eligible for full retirement benefits before July 1, 2020 (who previously remained an aide) shall now be granted a permanent authorization by the State Superintendent (ECCAT II).
- Any kindergarten aide who is full-time and eligible for retirement benefits before the first day of the instructional term of the 2020-21 year may not be subject to RIF/transfer to create a vacancy for a less senior ECCAT.
- An individual who has held or holds an aide title and becomes employed as an ECCAT shall hold multiclassification status that includes aide and/or paraprofessional titles.
- This bill did NOT change the pay grades for ECCATs even though the titles changed.

HB 2755 – Jointly Established Schools

W. Va. Code §18-5-11a was amended to clarify the manner in which positions are filled and seniority is earned at a school that is jointly established by two counties. Gilmer County and Lewis County are the first counties to jointly establish a school. The new school will open in the fall of 2015. The bill provides that the receiving county (Lewis) may not fill any vacancies created by the retirement or voluntary transfer of employees of the receiving county school from February 1 of the school year immediately preceding the opening of the school until January 1 following the opening of the jointly established school until the vacancies have been offered to qualified individuals from the sending county (Gilmer) school who would have been subject to a reduction in force. The bill also clarifies that employees of the sending county who are hired by the receiving county shall accrue seniority in both the sending and receiving counties during the time in which they continue to be employed at the jointly established school.

Amy Willard

From: Chief Financial Officers <K12-CFO@LISTSERV.WVNET.EDU> on behalf of Samuel Pauley <sepauley@K12.WV.US>
Sent: Thursday, April 16, 2015 9:35 AM
To: K12-CFO@LISTSERV.WVNET.EDU
Subject: Requirements for proper routing of Budget Revisions

CSBOs,

Over the past several months various offices within the Department have notified the Office of School Finance (OSF) of improper routing of LEA budget revisions. Many of the problems were caused by the conversion from WVFIMS to WVOASIS last summer. Due to that conversion, OSF has worked with the Office of Data Management & Analysis to retool the budget revision routing process in order to reduce errors on the front-end and to make it easier for OSF to manage errors on the back-end. Other routing problems have occurred due to inconsistencies or errors in the way the budget revisions are entered into WVEIS by the county. OSF and the Office of Data Management & Analysis have made significant changes to help reduce those types of errors, but not all can be prevented from the WVDE side. To help you understand how the routing process works, I am including the summary of programming actions below:

- The system first looks at the budget revision type (supplement, transfer, or carryover). If the budget revision is entered as a carryover type of entry, the programming will automatically route those entries to either me (Barbour – McDowell Counties) or Kristen Lanham-Meadows (Mercer – Wyoming Counties). Therefore, it is very important that all carryover entries are marked as such before submitting them to WVDE for approval. (Note that the programming has always routed carryovers this way; therefore, this is not one of the recent programming changes.)
- Secondly, the system will try to identify the project code of the first expenditure line of the entry. OSF is now maintaining a listing of project codes and their respective WVDE authorized approver. Please note that not all projects can be routed in this manner (ex: project codes 28YXX are other state grants which typically do not come from one specific office and cannot be routed to one specific WVDE approver). County employees with the CFO role in WOW can review this listing in the WVDE Grant Awards menu under the heading “BSR Routings” (see images 1 & 2 at the end of this e-mail). If the programming matches the project code of the first expenditure line to a project code in the “BSR Routings” report, the entry will route to the e-mail address contained in the “BSR Routings” report.
- If the first two steps above are not met, the programming will then look to the “commitment number” field of the entry to try to route it to the appropriate WVDE approver. For “old” commitment numbers beginning with a “C,” the program will look for the last WVDE coordinator to approve an entry containing that “C” number. For the “new” WVOASIS commitment numbers, many of which begin with “GRTAWD0402,” the programming looks to a table that is maintained by the various WVDE offices when setting up the grant awards in the E-Grants module. The programming will route the entry to the WVDE approver’s e-mail address that is contained within that table.
- At this point, if the programming has not routed the entry based upon the first three steps above, the entry is considered to “not have a home” and it gets routed to Laura Pauley in the Office of Federal Programs. For each entry that incorrectly routes to her, Laura must reach out to either the county or OSF to determine where the entry should have gone. In most cases, WVDE will need to reach out to the county to have them fix an error that was made when keying the entry.

As you can see from the steps above, it is vital that entries are entered into WVEIS accurately and in a consistent format in order to facilitate proper routing and timely approvals. To ensure budget revisions are entered correctly, OSF has compiled the following list of tips/requirements which should be followed by all LEA personnel as they are entering budget revisions into WVEIS and submitting them to WVDE through WOW:

- Ensure that the entry is appropriately identified in WOW as a supplement, transfer, or carryover.
- Ensure that the first line of the entry contains an expenditure line containing the correct project number in the account code.
- Do not include multiple unrelated project numbers in an entry. For example, do not include special education supplements and transfers in the same journal entry with unrestricted supplements and transfers. The entry would only route to either the Office of Special Programs or OSF. The entry could not be approved by one of those offices alone. Therefore, the entry should be broken up into two entries so that only the special education projects are in one entry and the unrestricted projects are in one entry. Please note that all carryover entries are to route to OSF, so it is acceptable to include multiple project codes within one carryover entry.
- Do not enter a description within the account line string. Please make all attempts to use the description field in WVEIS to describe the entry. If you prefer to have a description listed in the account line string, it cannot be at the beginning of the entry or the entry will not route properly; therefore, please include it only after the last line of the journal entry. You can also add reasons for the entry within WOW, which OSF strongly encourages LEAs to utilize rather than using the account line string.
- Enter all “C” numbers and “GRTAWD” numbers in their entirety and with no spaces or special characters. “C” numbers are a total of 10 digits and you must key in the leading “C” and zeros in WOW. “GRTAWD” numbers are a total of 20 digits and should also include the leading “GRTAWD0402” and all zeros.
- Ensure that the commitment number agrees to the grant award document. OSF has noted numerous instances in which digits are transposed or omitted from the commitment number.
- Once the entry is submitted for WVDE approval, WOW will tell you the e-mail address of the WVDE Coordinator who received the entry. Note that the entry should show that it routed to an e-mail address. If just a WVDE Coordinator’s name shows up at the bottom of the entry in WOW once it has been submitted, an error has occurred. Please review the “requested” information at the bottom of the entries to make sure that they routed correctly. You can refer to the “BSR Routings” report for many of the entries. If the entry did not route appropriately, you should contact the receiving coordinator and ask them to disregard the entry. If you cannot determine why an entry is routing incorrectly by referring to the tips/requirements listed above, please contact your OSF Coordinator and we will assist you in determining the cause of the problem.

The last item to note is that with all of the programming changes that have been made in recent months, many of the routing issues have already been corrected, but the entries must be resubmitted through WOW in order for the new programming to route the entry to the correct WVDE approver. **Please look through your listing of unprocessed requests and resubmit entries that were last submitted prior to March 29, 2015, the effective date of the most current programming change.** Upon resubmitting entries that were previously routed incorrectly, you should see that the entry has gone to the correct WVDE coordinator for approval.

Image 1:

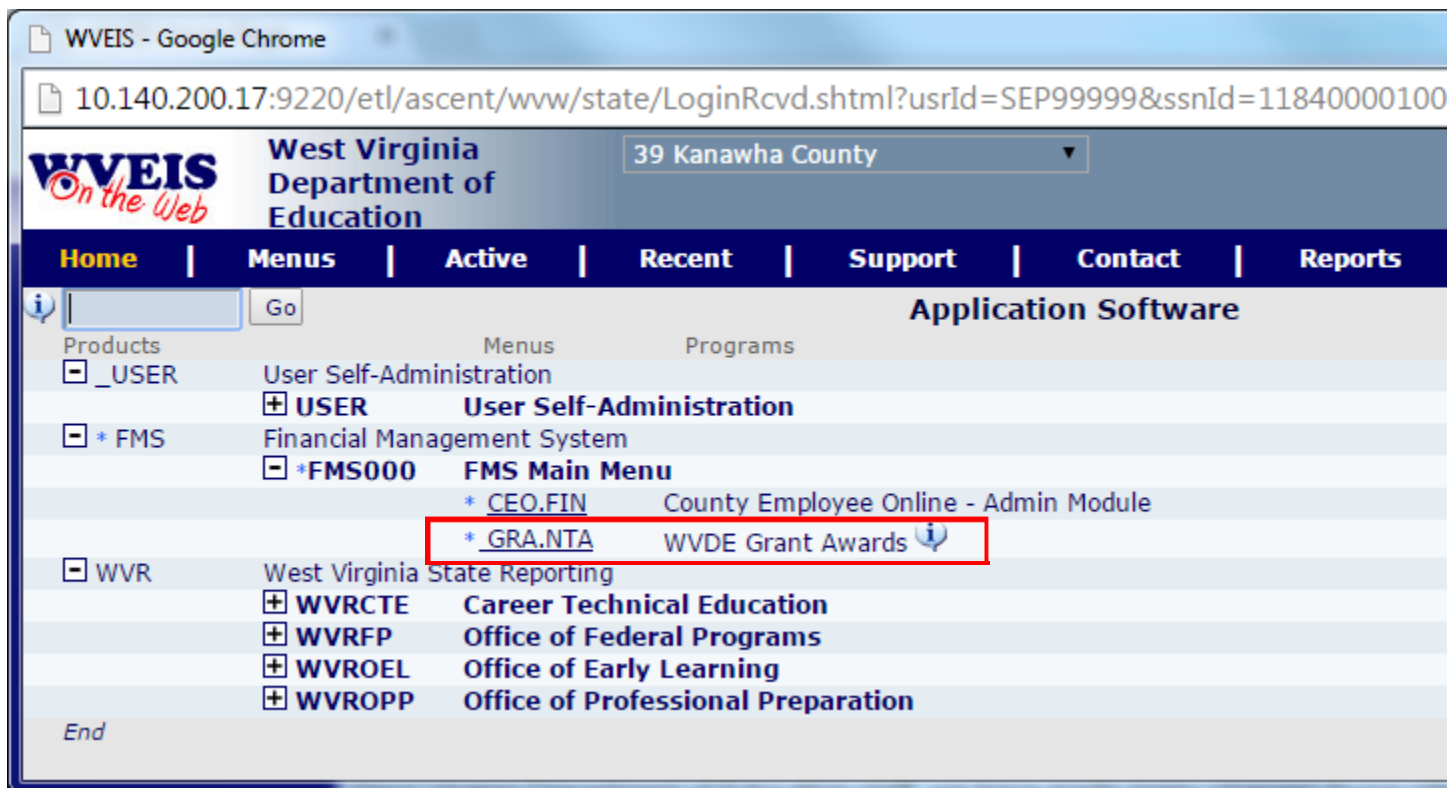


Image 2:


WVEIS - Google Chrome



























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WVEIS *On the Web* **West Virginia Department of Education** 39 Kanawha County
GRA.NTA: WVDE Grant Awards

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WVDE Grant Awards WOW



-  **Budget Revisions**
 -  **BSR Routings**
 -  BSR Report All
-  **Requests Processed**
 -  WVDE Approved
 -  WVDE not Required
-  **Requests Unprocessed**
 -  Requests Unprocessed-all
 -  Requests Unprocessed-07
 -  Requests Unprocessed-08
 -  Requests Unprocessed-09
 -  Requests Unprocessed-10
 -  Requests Unprocessed-11
 -  Requests Unprocessed-12
 -  Requests Unprocessed-01
 -  Requests Unprocessed-02
 -  Requests Unprocessed-03
 -  Requests Unprocessed-04
 -  Requests Unprocessed-05
 -  Requests Unprocessed-06
-  **Grant Award Acceptance**
 -  Awards Not Accepted All
 -  Awards Not Accepted FY
 -  Awards Accepted FY
 -  Grant Award Cabinet
 -  Grant Award Cabinet Oasis

Thank you,
Sam

To: County Superintendents, County Special Education Directors, and
County Chief School Business Officials

From: Pat Homberg, Executive Director of the Office of Special Programs ^{PH}
Amy Willard, Executive Director of the Office of School Finance ^{ABW}

Date: April 28, 2015

Subject: Medicaid School-Based Health Services

As you are aware, WVDE has been working with the West Virginia Department of Health and Human Resources (DHHR) since 2012 regarding changes to the Medicaid billing process. The School-Based Health Services State Plan Amendment (SPA) was approved by the federal Centers for Medicare and Medicaid Services (CMS) in November 2014 with an effective date of July 1, 2014. The biggest conceptual change as the result of the SPA is the annual cost settlement process that will be performed beginning with the 2014-15 school year. The cost settlement will compare each county's computed actual cost for performing the Medicaid eligible services based on the Random Moment Time Study (RMTS) results against the Fee-for-Service billing paid for services rendered during the fiscal year.

As WVDE has worked with DHHR to implement the changes contained in the SPA, there have been some changes already made during the current school year. However, there are many additional changes that are still upcoming. The detailed information outlined below is presented in separate sections to highlight the various changes and clarify what changes have already been implemented during the 2014-15 school year versus upcoming changes for the 2015-16 school year.

Targeted Case Management Fee-for-Service Billing Change (Effective 2014-15):

As the result of the final approval of the State Plan by CMS, there was a fee-for-service billing change from one monthly unit of Care Coordination per student to multiple fifteen minute units for Targeted Case Management (TCM) per student. If you review the differences in the billing rates, approximately seven units of TCM equals the one monthly unit of Care Coordination. However, the number of TCM units performed for each Medicaid eligible student will vary depending on the needs of the student. Some students will require less than seven units and other may require more. **LEAs cannot instruct their staff performing the TCM services that they are required to bill at least 7 units of TCM per month.** DHHR would consider that to be fraud and it would be a clear red flag to Medicaid auditors. Further, even though seven units of TCM would provide the same amount of fee-for-service billing as the one monthly unit we previously billed, our ultimate level of reimbursement for the service will be based on the annual cost settlement and our actual cost of performing the services per the RMTS. The allowable response rate for TCM has typically been low (approximately 2% to 3%) based on prior RMTS results, so the actual cost calculated on the cost report will likely be less than the amount billed through the fee-for-service billing, resulting in a payback to DHHR for the TCM cost pool.

Specialized Transportation Fee-for-Service Billing Change (Effective 2014-15):

The final approved state plan also necessitated a fee-for-service billing change related to specialized transportation. Previously, LEAs were able to bill for daily roundtrip specialized transportation so long as the Medicaid eligible student rode the bus in both the morning and the afternoon. **Effective for the 2014-15 school year, LEAs can bill for specialized transportation ONLY on days where another Medicaid eligible service is provided to the student (ex: Speech, OT, PT, TCM, etc.).** This change has had a significant negative financial impact for LEAs since the number of days for which specialized transportation can be billed per student decreased drastically. Although specialized transportation revenues are down, the billing process for specialized transportation is more complicated. The billing specialists have to match the transportation logs with the other Medicaid eligible services provided to each student to determine which days they can actually bill for specialized transportation. The billing is now based on one-way trips instead of roundtrips, which is actually beneficial because we can receive some reimbursement for days in which students have an alternate means of transportation to or from school. In addition, some RESAs have opted to take a conservative approach and wait until the other Medicaid eligible service claim is approved and processed by BMS before billing for specialized transportation for that date in order to reduce the number of claim denials for specialized transportation. While this approach will result in fewer denied and/or resubmitted claims, it also results in a delay in billing for specialized transportation which impacts the timing of the reimbursement from BMS.

Potential Sanctions for RMTS Response Rates Under 85% (Upcoming Change)

Although the general cost report methodology has already been approved by the federal Centers for Medicare and Medicaid Services (CMS), the West Virginia Department of Health and Human Resources (DHHR) is still negotiating the approval of a time study implementation guide which outlines the specific details. The WVDE Office of School Finance has reviewed a draft of the implementation guide and submitted a substantial list of questions/comments to DHHR. One significant new change in the draft time study implementation guide is in regards to potential sanctions if each LEA does not meet the minimum RMTS response rate of 85%. While DHHR had initially included quarterly sanctions for failure to meet the minimum response rate, CMS is pushing for sanctions lasting 12 months. If CMS prevails and the sanctions included in the final time study implementation guide are for 12 months, any county with a response rate of less than 85% will be prohibited from billing Medicaid for a period of 12 months most likely beginning with the first day of the following quarter. While DHHR is going to try to limit the sanctions to only the pool where the response rate is less than 85%, they are not certain that CMS will agree. Although this issue does not yet have a final resolution, **it is important that LEAs closely monitor their RMTS response rates for the remainder of the 2014-15 school year to ensure they do not drop below 85%.** CMS

is also requiring DHHR to increase the number of moments for each cost pool beginning in the 2016-17 year, which will make the achievement of the 85% response rate even more difficult to achieve.

Fee-for-Service Billing (Upcoming Change)

In addition to changes related to the time study/cost report, there will be significant changes related to the Fee-for-Service Medicaid billing as well. The WVDE Offices of Special Programs and School Finance have been working closely with DHHR's Bureau for Medical Services (BMS) on a School-Based Health Services Policy Manual which will detail each Medicaid covered service, the associated billing codes, the required qualifications of the individuals performing the service, etc. The goal is for this policy manual to be placed on public comment by BMS by May 20, 2015 with an effective date of at least August 1, 2015. This policy manual will be a valuable resource for LEAs once finalized. **Until the policy manual has been finalized by BMS after the public comment period, LEAs should not be making changes to their current procedures/documentation based on the draft manual unless specifically instructed to do so by WVDE.**

Throughout the development of this draft policy manual, WVDE and BMS have been consulting with the RESA billing specialists, county Special Education Directors, and other LEA staff for content level expertise. We have received reports that incomplete draft information is being passed back to the LEAs which is resulting in confusion among the various parties. BMS will provide detailed training on the policy manual once it is finalized. **Separate webinars will be provided for each category of Medicaid covered services (ex: Speech, Targeted Case Management, Personal Care Services, Nursing, etc.).** This will allow the individual service providers to access the training materials online prior to the start of the 2015-16 school year. **In addition, BMS plans to provide in person training for RESA billing personnel prior to the beginning of the school year.** Information regarding all available training opportunities will be provided upon finalization.

As a general reminder, all of the Medicaid billing changes are the result of federally mandated changes. DHHR did not seek to make these changes – CMS required them. DHHR recognizes that these changes are significant to LEAs and are attempting to make things as simple as possible whenever the federal regulations allow.

If you have questions regarding the Medicaid changes, please contact Jeremy Brunty, Coordinator from the Office of Special Programs at 304-558-2696 or Jeremy.brunty@k12.wv.us or Amy Willard, Executive Director of School Finance at 304-558-6300 or awillard@k12.wv.us.