



Guide to Cost Reporting for the
School Based Access Program
Direct Service Claiming Program

Pennsylvania Department of Public Welfare

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1. Introduction

Effective with the 2012-2013 school year (i.e., July 1, 2012, through June 30, 2013), Pennsylvania will be implementing an annual cost-based settlement and reconciliation process for its Medicaid School Based Access Program (SBAP) delivered by Pennsylvania Local Education Agencies (LEAs). This process ensures that LEAs are reimbursed by Medicaid for all Medicaid-allowable costs associated with the delivery of medically necessary services to Medicaid-eligible Special Education students.

Any Pennsylvania LEA may participate in the SBAP Program. Each LEA is required to: be enrolled as a Pennsylvania Medicaid provider, submit direct fee for service claims to Medicaid, participate in the Random Moment Time Study (RMTS) process, and submit an annual Cost Report. The Pennsylvania Department of Public Welfare (PADPW) oversees the administration of the SBAP.

2. Reimbursable Activities in the PA School Based Access Program

Direct Medicaid reimbursement for certain medical services provided by LEAs is based on a cost based methodology. Medicaid Services are services that are medically necessary and provided to Medicaid recipients by LEAs in accordance with an Individualized Education Program (IEP) under the Individuals with Disabilities Education Act (IDEA). These services include:

- Assistive Technology Devices
- Nursing Services;
- Nurse Practitioner Services;
- Occupational Therapy Services;
- Orientation, Mobility and Vision Services;
- Personal Care Services;
- Physical Therapy Services;
- Physician Services;
- Psychological, Counseling and Social Work Services; and
- Speech, Language and Hearing Services; and
- Special Transportation Services

To be reimbursable through the Pennsylvania Medicaid Program: the need for the service(s) must be documented in the student's IEP; the services must meet the criteria in the approved Medicaid State Plan; the services must be delivered in accordance with the IEP; the services must be provided by an approved provider type; the provider must participate in the RMTS process; the services must be properly documented; and the student must be eligible for Medicaid services. The LEA must also have submitted interim claims throughout the year for each service type in order for those costs to be reimbursed.

2A. Approved SBAP Services and Service Provider Types

The PA DPW approved SBAP services and service provider types are defined in the **PA DPW School Supportive Health Services Program (SBAP) Manual**.

Each of the approved SBAP covered services outlined below must be medically necessary, provided to a Medicaid eligible child and included in the student's IEP. The following section contains the description of each approved SBAP service and service provider type.

Assistive Technology Devices

Definition:

An assistive technology device (ATD) is any item, piece of equipment, or product system, whether acquired commercially off the shelf, modified, or customized, that is used to increase, maintain, or improve the functional capabilities of a child with a disability and prescribed by a physician.

Qualified Provider Types:

- ATDs are obtained by the LEA from a licensed medical supplier.

Nursing Services

Definition:

Nursing services are professional services prescribed by a physician or other licensed practitioner of the healing arts within the scope of his or her practice under state law and relevant to the medical needs of the beneficiary provided through direct interventions that are within the scope of the professional practice of a Registered Nurse (RN) or Licensed Practical Nurse (LPN) during a face-to-face encounter and on a one-to-one basis.

Limitation:

- Nursing services provided must be documented in a service log.

Qualified Provider Types:

- Currently licensed RN, currently licensed LPN,
- Currently licensed Certified Registered Nurse Practitioner (CRNP).

Nurse Practitioner Services

Nurse Practitioner Services are:

- Evaluation and consultation with providers of covered services for diagnostic and prescriptive services, including participation in a multi-disciplinary team assessment.
- Record review for diagnostic and prescriptive services.
- Diagnostic, prescriptive and evaluation services to determine a beneficiary's medically related condition.

Qualified Provider Types

- Currently licensed Certified Registered Nurse Practitioner (CRNP).

Occupational Therapy Services

Definition:

Occupational therapy services are services, including necessary supplies and equipment as well as direct assistance with the selection, acquisition, training, or use of an ATD, prescribed by a physician or other licensed practitioner of the healing arts within the scope of his or her practice under state law and provided in an individual or group setting by or under the supervision of a currently licensed occupational therapist within the scope of his or her professional practice.

Limitation:

- Occupational therapy services provided must be documented in a service log.

Qualified Provider Types:

- Occupational therapy services are provided by or under the supervision of a currently licensed occupational therapist.
- The standards for supervision by a licensed occupational therapist are set forth in state law, currently codified at 49 Pa.Code § 42.22 (relating to supervision of occupational therapy assistants). Supervision is conducted and documented by the licensed occupational therapist.

Orientation and Mobility Services

Definition:

Orientation and mobility services are services prescribed by a physician or other licensed practitioner of the healing arts within the scope of his or her practice under state law and provided by an Orientation and Mobility Specialist in an individual or group setting.

Limitation:

- Orientation, mobility and vision services provided must be documented in a service log.

Qualified Provider Types:

- Orientation, mobility and vision services are provided by an Orientation and Mobility Specialist certified by the Academy for Certification of Vision Rehabilitation and Education Professionals (ACVREP) who possesses a Pennsylvania Department of Education teaching certification for the visually impaired.

Personal Care

Definition:

Personal care services are prescribed by a physician in accordance with a plan of treatment or otherwise authorized for the individual in accordance with a service plan approved by the State and provided on a one-to-one basis to treat physical or mental impairments or conditions in accordance with the IEP.

Limitation:

- Personal care services provided must be documented in a service log.

Qualified Provider Types:

- Personal care services are provided by an individual who is not a legally responsible relative and who is 18 years of age or older and possesses a high school diploma or general equivalency diploma, a current certification in first aid, and a current certification in cardiopulmonary resuscitation (CPR).

Physical Therapy Services

Definition:

Physical therapy services are services, including necessary supplies and equipment as well as direct assistance with the selection, acquisition, training, or use of an ATD, prescribed by a physician or other licensed practitioner of the healing arts within the scope of his or her practice under state law and provided in an individual or group setting by or under the supervision of a currently licensed physical therapist within the scope of his or her professional practice.

Limitation:

- Physical therapy services provided must be documented in a daily service log.

Qualified Provider Types:

- Physical therapy services are provided by or under the supervision of a currently licensed physical therapist.
- The standards for supervision by a licensed physical therapist are set forth in state law, currently codified at 49 Pa. Code § 40.173 (Supervision of occupational therapy assistants). Supervision is conducted and documented by the licensed physical therapist.

Physician Services

Definition:

- Evaluation and consultation with providers of covered services for diagnostic and prescriptive services including participation in a multi-disciplinary team assessment.
- Record review for diagnostic and prescriptive services.
- Diagnostic prescriptive and evaluation services to determine a beneficiary's medically related condition.

Qualified Provider Types

- Currently licensed doctor of medicine
- Currently licensed doctor of osteopathy.

Psychological, Counseling and Social Work Services

Definition:

Psychological, counseling and social work services are services prescribed by a physician or other licensed practitioner of the healing arts within the scope of his or her practice under Pennsylvania

state law and provided in an individual or group setting by a psychologist, psychiatrist, counselor, therapist or social worker within the scope of his or her professional practice.

Limitation:

- Psychological, counseling and social work services provided must be documented in a service log.

Qualified Provider Types. Psychological, counseling and social work services are provided by:

- A currently licensed psychologist;
- A Pennsylvania Department of Education school-certified psychologist;
- A currently licensed physician with a specialty in psychiatry;
- A currently licensed professional counselor;
- A currently licensed Marriage and Family Therapist; or
- A currently licensed social worker.

Speech, Language and Hearing Services

Definition:

Speech, language and hearing services are services, including necessary supplies and equipment as well as direct assistance with the selection, acquisition, training , or use of an ATD, prescribed by a physician or other licensed practitioner of the healing arts within the scope of his or her practice under state law and provided in an individual or group setting by or under the supervision of a speech pathologist , audiologist or teacher of the hearing impaired within the scope of his or her professional practice.

Limitation:

- Speech, language and hearing services provided must be documented in a service log.

Qualified Provider Types. Psychological, counseling and social work services are provided by:

- A speech pathologist who:
 - o Has a Certificate of Clinical Competence (CCC) from the American Speech-Language-Hearing Association (ASHA); or
 - o Has completed the equivalent educational requirements and work experience necessary for the CCC; or
 - o Has completed the academic program and is acquiring supervised work experience to qualify for the CCC ; or
 - o Is currently licensed as a speech-language pathologist ; or
- A currently licensed audiologist ; or
- A teacher of the hearing-impaired who :
 - o Has a current professional certificate issued by the Council on Education of the Deaf; or
 - o Is currently licensed as a teacher of the hearing-impaired; or
 - o Has a Master's degree, from an accredited college or university, with a major in teaching of the hearing impaired or in a related field with comparable course work and training.

Special Transportation

Definition:

Special transportation services are services prescribed by a physician or other licensed practitioner of the healing arts within the scope of his or her practice under state law and include:

- Travel to and from school and between schools or school buildings on a day when a Medicaid service is on the IEP to be rendered on school premises and special transportation is included on the IEP as a separate service.
- Travel to and from off-site premises on a day when a Medicaid service is on the IEP to be rendered off-site and special transportation is included on the IEP as a separate service ; and
- Use of a specially adapted vehicle (such as a specially adapted bus or van)

Specialized Transportation services may be reimbursed when provided:

- By a school or other entity under contract with the LEA to provide the services.
- In accordance with the Public School Code of 1949 (24 P.S. §§ 1- 101-27-2702) , the Vehicle Code (75 Pa.C.S. §§101-9701), regulations at 22 Pa. Code Chapter 23 (relating to pupil transportation) and 67 Pa. Code Chapters 71 and 171 (relating to school bus drivers, and school buses and school vehicles) .

Limitations:

- Special transportation services must be provided on the same date of service that a Medicaid-covered service, required by the beneficiary's IEP, is received.
- Special transportation services must be provided on a specially adapted school vehicle or other vehicle to or from the location where the Medicaid service is received.
- Special transportation services must represent a one-way trip
- Special transportation services provided must be documented in a transportation log

3. Overview of the Random Moment Time Study (RMTS) Process

The Random Moment Time Study (RMTS) process is a federally approved technique of polling a statistically valid sampling of randomly selected moments (one moment = one minute) that are assigned to randomly selected participants. The RMTS method measures the work effort of the entire group of participants involved in the SBAP Program by sampling and analyzing the work efforts of a randomly selected cross-section of the group. The time study determines the percentage of time that direct medical services staff spend on direct medical services, general and administrative time, and all other activities to account for 100 percent of time, thus assuring that there is no duplicate claiming.

The RMTS is broken into two cost pools of providers; Direct Service Cost Pool, and Administrative Cost Pool. The two pools are mutually exclusive, i.e., no staff can be included in more than one pool.

The Direct Service Cost Pool includes all staff who are expected to provide direct services during the time study period (i.e. Physical Therapists, Counselors, Psychologists, etc.).

The Administrative Cost Pool includes all staff who are not providing direct medical services and are expected to provide administrative services during the time study period (i.e. Administrators, Program Specialists).

3A. Direct Service Cost Pool – (Providers of Direct Medical Services)

- Orientation and mobility specialists
- Audiologists
- Counselor
- Occupational therapists
- Physical therapists
- Psychologists
- Nurses
- Social workers
- Speech language pathologists
- Physician
- Psychiatrists
- Personal Care Workers

3B. Administrative Service Cost Pool – (Providers of Administrative Only Services)

- Administrator
- Nurses (admin)
- Occupational therapists (admin)
- Physical therapists (admin)
- Program specialist
- Psychologists (admin)
- Speech language pathologists (admin)

3C. Random Moment Time Study (RMTS) Process

There are three quarterly time studies: October 1-December 31, January 1 – March 31, and April 1 – June 30.

Each LEA submits its RMTS staff pool list prior to the time study period. Training is provided to LEA coordinators on the time study process. The time study sample is pulled and each participant responds to his/her sampled moment. The Administrative Staff Pool list appears only on the quarterly MAC reports, the Direct Service Staff Pool List appears on both the annual SBAP report and the quarterly MAC reports.

The Pennsylvania RMTS process is a web-based system within which sampled participants respond in narrative form to a few simple questions. They include:

1. Who was with you?
2. What were you doing?
3. Why were you performing this activity?
4. Was the activity regarding a special education student?
5. Was the service provided part of the child's IEP?

Centralized coders then assign the appropriate time study code to the narrative response. At the end of the time study period, the percentages by activity code are calculated.

The RMTS process results in an annual direct medical services time study percentage for the direct services cost pool and a quarterly administrative time study percentage for each cost pool. The direct medical services costs reported on the annual SBAP Medicaid Cost Report are allocated to the Medicaid Program based on the applicable direct medical services time study percentage and the applicable Medicaid IEP Ratio for the LEA.

Payroll costs can only be reported on the Quarterly Financial Submission for staff listed on the LEA time study staff pool lists or for staff that replaced an individual listed on the LEA time study staff pool lists as the staff pool lists are position specific rather than person specific.

Additional details regarding the RMTS process can be found in the [PA RMTS Administrator's Guide](#).

4. Annual Data Submission including the SBAP Medicaid Cost Report

After the end of the school year, school districts and counties will be required to complete the annual SBAP Medicaid Cost Report. The provider must log into the web-based system on an annual basis to enter information including payroll costs for SBAP direct medical services staff, with such information including allocation statistics like the IEP ratio and the specialized transportation ratios, direct medical services supplies and other material costs. The pages that need to be completed in MCRCS as part of the annual Medicaid cost report are:

Page Name
Annual Payroll Information
Direct Medical Services Materials and Supplies
Direct Medical Services Equipment Depreciation
General and Statistical Information
Transportation Payroll Information
Transportation Other Costs
Transportation Equipment Depreciation
Annual Tuition Costs

4A. Annual Payroll Information

This page follows the same structure and format as the *Quarterly Payroll Information Page* used for the quarterly MAC process. It is pre-populated with the name and RMTS job category of each staff person (employee and contracted staff) on the LEA RMTS staff pool lists. The provider can enter the requested payroll information directly into the web-based system or download (export) an Excel spreadsheet, enter the requested payroll information, and upload (import) into the web-based system.

This page includes the following data elements, which are discussed in detail below:

- Last Name
- First Name
- (RMTS) Job Category
- Quarters included in RMTS
- Cost Pool
- Staff Employment Status
- District Job Title
- District Employee ID
- Paid Hours (Employees and Contractors) (Optional)
- Salaries (Employees)
- Employee Benefits, such as health insurance, life insurance, retirement, other employee insurance, and other employee benefits (Employees)
- Purchased Professional Services (PPS) Costs (Contractor Costs)
- Compensation Federal Revenues

In order to comply with CMS provisions, annual costs must be reported using the accrual basis accounting methodology. The LEA must maintain supporting documentation for all information reported on the annual Medicaid Cost Report.

Cost reporting by providers should be consistent with generally accepted accounting principles (GAAP), which are those principles approved by the American Institute of Certified Public Accountants (AICPA).

Direct costing must be used unless otherwise stated in these instructions. Direct costing means that costs incurred for the benefit of, or directly attributable to, a specific service must be charged directly to that particular service. Costs related to each direct medical service must be direct costs. Employee payroll taxes and benefits/insurance costs must be directly associated to the individual employee and cannot be allocated.

Reported costs in this section should be formatted with two decimal places and not rounded to the nearest whole dollar.

If reporting paid hours, number should be formatted with two decimal places and not rounded to the nearest whole hour.

Last Name

This field is pre-populated from information transferred from the RMTS process. The provider needs to verify the accuracy of the pre-populated information, noting any necessary revisions in the LEA cost report supporting documentation file.

First Name

This field is pre-populated from information transferred from the RMTS process. The provider needs to verify the accuracy of the pre-populated information, noting any necessary revisions in the LEA cost report supporting documentation file.

(RMTS) Job Category

This field is pre-populated from information transferred from the RMTS process. While the provider needs to verify the accuracy of the pre-populated information, changes cannot be made to this field by the provider. If the LEA coordinator thinks there is an error in the Job Category field, the LEA coordinator should contact the PCG PA SBAP Team to compare the information in the system with the staff pool lists submitted by the LEA coordinator.

Quarters Included in RMTS

This section is broken into four columns titled JAS, OND, JFM, and AMJ. The columns represent the quarters during which an individual is included in the Random Moment Time Study (RMTS): July-August-September, October-November-December, January-February-March, and April-May-June. Under each column, individuals will be marked with either a 1, indicating he/she was included on the RMTS roster, or a 0, indicating he/she was *not* included on the RMTS roster. LEA's should only report the cost incurred for the employee during the quarters when he/she was included on the RMTS roster.

Staff Employment Status

This is a required field. The provider will need to enter the *Staff Employment Status* (Full Time or Part Time) of the individual from a drop down menu or verify the accuracy of any pre-populated information transferred from the RMTS process, making any necessary revisions. The definitions for full-time and part-time staff are according to each LEA's procedures and processes and each LEA should maintain those definitions in its cost report documentation file. For example, some LEAs consider an aide that works 30 hours per week to be a full-time employee and that is acceptable.

District Job Title

This is an optional field. As such, it is acceptable to be left blank. However, it is recommended that the LEA coordinator enter the participant's District job title. If the *District Job Title* is pre-populated from the RMTS process, the LEA needs to verify the accuracy of the pre-populated information, making any necessary revisions.

District Employee ID

This is an optional field. As such, it is acceptable to be left blank. This field is for the use of the LEA to assist in identifying staff since there may be more than one staff person with the same name. This field can be used to easily reconcile costs to the LEA's financial system and Chart of Accounts. **Do not enter Social Security Numbers in this field.**

Paid Hours (Optional)

This is an optional field. Paid hours are requested so that the system can generate benchmarks. These system edits include hourly compensation calculations that will help to verify the reported payroll costs are indeed for a quarter rather than for a full year. This field should be a reflection of the number of paid hours applicable to the payroll costs reported for each staff person. This can also be a reasonable estimate if data is not readily available and does not have to be exact. Remember to include all paid hours, including paid hours associated with payroll costs reported, including summer school, coaching and other extracurricular activities.

The provider should report the total hours that the individual worked during the reporting period. If the staff person is full time (usually meaning 7.5 or 8.0 paid hours per day), then the number of work days in the quarter should be multiplied by the number of hours per day to arrive at the amount reported in this field. The number of days is the number of “teacher” paid days and not the number of “student” days. Paid hours include hours for paid time off (e.g., sick leave or vacation).

Example:

John Doe is a full-time physical therapist with an employment contract for 7.5 hours per day for 180 days during the 2012-2013 school year. During the Fall 2012 semester (i.e., July 1, 2012, through January 25, 2013), there were 95 work days. Thus, the amount reported in the Paid Hours field for John Doe would be 712.5 (7.5 X 95).

Paid Hours for a part-time employee are calculated in the same manner if the person is scheduled to work the same number of hours per day. However, if the part-time employee is paid hourly, the number of paid hours for the reporting period would be reported.

Paid Hours for contractors are merely the number of hours during the reporting period for which the contractor was paid to provide services. If the contractor bills by sessions rather than actual time (hours), the provider will need to contact the contractor to obtain the contractor’s average time per session in order to report the required paid hours.

Salaries

This is a required field, meaning that any individual whose *Staff Employment Status* is “Full Time” or “Part Time” is required to have a value in this field.

The amount reported in this field is the total gross earnings for the individual as paid by the LEA for the reporting period, including regular wages and extra pay, as well as any amounts paid for paid time off (e.g., sick or annual leave), overtime, bonuses, longevity, stipends, cash bonuses, and/or cash incentives. Salaries are those payments from which payroll taxes are (or should be) deducted. Do not include any reimbursements for expenses such as mileage or other travel reimbursements.

Benefits

Benefits include employer-paid health/medical, life, disability, or dental insurance premiums, as well as employer-paid child day care for children of employees paid as employee benefits on behalf of your staff, retirement contributions, and worker’s compensation costs. Report the expended amounts paid by the LEA which are directly associated with each staff member by type of employee benefit.

The following employee benefits can be captured:

Employee Insurance- Amounts for the employer’s share of any insurance plans, such as life, health, dental, and accident insurance.

Social Security Contributions- Employer’s share of amounts paid by the district for social security.

This can include Social Security- OASDI and Medicare-Hospital Insurance.

State Retirement System Contributions- Employer's share of amounts paid by the district for retirement and long-term disability contributions.

Tuition Reimbursement- Amounts reimbursed by the school district to any employee qualifying for tuition reimbursement on the basis of school district policy.

Unemployment Insurance- Amounts paid by the district to provide unemployment insurance for its employees.

Workers' Compensation- Amounts paid by the district to provide workers' compensation insurance for its employees.

Health Benefits- Amounts paid by the district to provide health benefits, other than insurance, for its current or former employees.

Other Employee Benefits- Employee benefits other than those classified above, including fringe benefits such as automobile allowances, housing or related supplements, moving expenses, and paid parking.

Contracted Costs

Costs incurred for Paid Professional Services (PPS) or Contracted Services. LEA's should report the total cost to the district for services provided through these arrangements. Contracted Costs can only be reported for individuals designated as contracted clinicians in the RMTS. Alternatively, salary and benefit information cannot be reported for individuals designated as contracted clinicians in the RMTS.

Compensation Federal Revenues:

If any of the reported payroll costs for the staff person was paid with federal funds (e.g., IDEA federal payments, Title 1 payments, or ARRA payments), then the amount paid with federal funds should be entered in this field. Please be sure that the amount reported in this field does not exceed the total payroll costs reported for the individual since the system will subtract the amount reported in this field from the total payroll costs to result in the amount paid with state/local funds.

4B. Direct Medical Services Materials and Supplies

This page collects non-payroll costs other than depreciation expense by direct service. Costs to be reported on this page include direct medical materials and supplies.

Direct Medical Services Materials/Supplies

The *Direct Medical Services Materials and Supply Costs* are collected annually through the completion of the SBAP Medicaid Cost Report. Allowable materials and supply costs are those used to provide covered direct medical services for a single item costing \$5,000 or less. Any single item costing more than \$5,000 should be depreciated. See Section 4C for instructions. The following are the CMS approved Direct Medical Services Materials and Supply Costs that can be reported on the annual SBAP Medicaid cost report.

- Audiometer (calibrated annually), tympanometer
- Auditory, speech-reading, speech-language, and communication instructional materials
- Bandages, including adhesive (e.g., band-aids) and elastic, of various
- Battery testers, hearing aid stethoscopes, and earmold cleaning materials
- Blood glucose meter
- Bmi calculator
- Clinical audiometer with sound field capabilities
- Cold packs
- Cotton balls
- Cotton-tip applicators (swabs)
- Current standardized tests and protocols;
- Diapers and other incontinence supplies
- Disposable gloves (latex-free)
- Disposable gowns
- Disposable suction unit
- Ear mold impression materials
- Electroacoustic hearing aid analyzer
- Electronic suction unit
- Evaluation tools (e.g., goniometers, dynamometers, cameras)
- Eye pads
- Fm amplification systems or other assistive listening devices
- Gauze
- Loaner or demonstration hearing aids
- Materials for nonstandard, informal assessment;
- Materials used to assist students with range of motion
- Mobility equipment (e.g., walkers, wheelchairs, scooters)
- Nebulizers
- Otoscope
- Otoscope/ophthalmoscope with battery
- Peak flow meters
- Physician's scale that has a height rod and is balanced
- Portable acoustic immittance meter
- Portable audiometer
- Positioning equipment (e.g., wedges, bolsters, standers, adapted seating, exercise mats)
- Reflex hammer
- Sanitary pads, individually wrapped (may be used for compression)
- Scales
- Scoliometer
- Slings
- Sound-level meter
- Sound-treated test booth
- Sphygmomanometer (calibrated annually) and appropriate cuff sizes
- Splints (assorted)
- Stethoscope
- Supplies for adapting materials and equipment (e.g., strapping, velcro, foam, splinting supplies)
- Surgipads
- Syringes (medication administration / bolus feeding)
- Technology devices (e.g., switches, computers, word processors, software)
- Test materials for central auditory processing assessment
- Test materials for screening speech and language, evaluating speech-reading and evaluating auditory skills
- Tongue depressors
- Triangular bandage
- Vision testing machine, such as titmus
- Visual reinforcement audiometry equipment and other instruments necessary for assessing young or difficult-

to-test children

- Wheelchair

Assistive Technology Devices:

In addition to the CMS Approved List of Materials and Supplies, LEAs may report costs incurred for the purchase of Assistive Technology Devices. An assistive technology device (ATD) is any item, piece of equipment, or product system, whether acquired commercially or off the shelf, modified, or customized, that is used to maintain or improve the functional capabilities of a child with a disability and prescribed by a physician. ATD's costing less than \$5,000 are to be reported by the LEA on the Direct Medical Services Materials and Supplies page of the report. ATD's costing \$5,000 or more are to be reported by the LEA on the Direct Medical Service Equipment Depreciation page of the report. See section 4C for instructions.

Direct Medical Services Materials and Supply Paid With Federal Funds:

If any of the costs reported as "Direct Medical Service Materials and Supply Costs" were paid with federal funds (e.g., IDEA flow-through federal payments, Title 1 payments, or ARRA funds), report the amount of the direct medical services materials/supplies paid from federal funds in this column. The system will subtract the federal amounts from the totals to arrive at the allowable costs paid from state/local funds. Thus, the amount reported in Direct Medical Services Materials and Supply Costs Federal funds cannot exceed the amount reported in Direct Medical Services Materials and Supply Costs.

SYSTEM GENERATED DATA

Provider Category:

All unique values from the *Provider Category* found on the *LEA Payroll Information by Position Page*.

Total Other Costs Net of Federal Funds:

This is calculated by subtracting the *Direct Medical Services Materials and Supply Costs Paid with Federal Funds* from the *Direct Medical Services Material and Supply Costs*.

4C. Direct Medical Services Equipment Depreciation Page

This page will allow reporting of the depreciation of capital assets that are used by the client for the medical services. This equipment should be included on the LEA's fixed asset ledger. Depreciation is the periodic reduction of the value of an asset over its useful life or the recovery of the asset's cost over the useful life of the asset. (Please note this is not market value.)

Allowable depreciation expense for direct medical services includes only pure straight-line depreciation. No accelerated or additional first-year depreciation is allowable. Any single item purchased during the cost-reporting period costing less than \$5,000 must be expensed and reported accordingly.

Required detail must be provided for each depreciable asset and each depreciable asset must be assigned its correct estimated useful life.

USER INPUT

Job Category:

This list is populated with the allowable SBAP direct medical service job categories.

Asset Type:

This list is populated with groups of the most common Asset Types. Please select an Asset Type that most closely categorizes the Medical Service Equipment in question. If you have a piece of equipment that falls under a type that is not listed, please select "Other" in this field and provide a description in the Notes column. Do not combine items under generic descriptions such as "various", "additions" or "equipment". Do not combine items by year purchased (e.g., "2008 computers"). Be specific in providing the description of each depreciable item.

Service Type:

This list is populated with the approved Direct Medical Service types as outlined in the State Plan Amendment. Select the service type for which the direct medical service equipment was used.

Month/Year Placed in Service:

Enter the date the direct medical service equipment was placed into service. Note this should be the date the item was placed into service and not the date the item was purchased.

Month/Year Removed from Service:

Enter the date the direct medical service equipment was removed from service, if applicable. This is only required if the asset was removed from service prior to the end of its useful life.

Years of Useful Life:

The useful life of each asset is derived from the Asset Type. The number of years of useful life of the claimed asset will populate automatically once the Asset Type is selected. If you have an asset that does not fit into a listed Asset Type category, enter the equipment into the bottom row of the table. The minimum useful lives must be consistent with "Estimated Useful Lives of Depreciable Hospital Assets", published by the American Hospital Association (AHA) (Item Number - 061170). Copies of this publication may be obtained by contacting American Hospital Publishing, Inc., Phone: 800-242-2626, Mailing Address: AHPI, Books Division, 737 North Michigan Avenue, Chicago, IL 60611-2615. Please contact Public Consulting Group, Inc., with any questions.

Cost:

Enter the cost of acquiring the asset and preparing it for use. This is the original purchase price for this Medical Service Equipment. This number should be the full amount paid for the equipment regardless of the source of funding. Do not include Goodwill.

Federal Funds:

This is the amount of Federal funding that was used toward the purchase of this equipment.

Notes:

The notes field is available for the district to provide any additional information about the asset being depreciated. The district must use this field to identify the asset if "Other" is selected for the Asset Type.

SYSTEM GENERATED DATA

Prior Accumulated Depreciation:

This is the amount that the equipment has depreciated since the date of purchase. This is calculated by dividing the *Costs Amount* minus the *Federal Funds Amount* by the *Years of Useful Life* divided by 365, which gives you the average depreciation of the equipment per day for the useful life of the asset. That number is then multiplied by the number of days the piece of equipment has been in service, which is the *Month/Year Placed in Service* subtracted from the *Last Day of the Fiscal Year*.

Depreciation for Reporting Period:

This is the amount that the equipment has depreciated during the current year. This can be calculated by dividing the *Cost Amount* minus the *Federal Funds Amount* by the *Years of Useful Life*. The allowable amount of depreciation will be less if, during the reporting period, the asset became fully depreciated or the asset was placed into or taken out of service. Fully depreciated means that the total accumulated depreciation for the asset is equivalent to the depreciation basis. For cost-reporting purposes, the provider is to claim a full month of depreciation for the month the asset was placed into service, no matter what day of the month it occurred. Conversely, the provider is not to claim depreciation for the month the asset was taken out of service, no matter what day of the month it occurred. For example, if

you purchased a depreciable item in December, you would claim six months of depreciation on your cost report for that item (July through December). If you sold an item in March, you would claim nine months of depreciation for that item (July through March).

4E. General and Statistical Information

This page collects information needed by the system to calculate allocation percentages to apply to specific cost items toward the determination of Medicaid-allowable costs.

Unrestricted Indirect Cost Rate

This percentage has been pre-populated from information provided annually by the Pennsylvania Department of Education (PDE), which serves as the cognizant agency responsible for approving LEA indirect cost rates for the United States Department of Education. This percentage is applied by the system to net direct costs (total costs less amount paid with federal funds) toward calculating the amount of allowable indirect costs.

While the provider needs to verify the accuracy of the pre-populated information, changes cannot be made to this field by the provider. If the pre-populated information is incorrect, please contact PCG for assistance.

The application of this percentage is clearly shown on the Cost Summary page of the SPAB Medicaid Cost Report.

Direct Medical Service Percentage

This percentage will be pre-populated from the quarterly RMTS process. This percentage is applied by the system to direct medical service costs as the first allocation method in calculating the amount of allowable direct medical services costs. The application of this percentage is clearly shown on the Cost Summary page.

Individualized Education Program (IEP) Ratio

The direct service Medicaid eligibility rate, referred to as the Individualized Education Program (IEP) Ratio will be calculated annually and used to apportion cost to the Medicaid SBAP program. The numerator will be the number of Medicaid eligible IEP students in the LEA who received a reimbursable direct medical service, as outlined in their IEP. The denominator will be the total number of students in the LEA with an IEP who received direct medical services as outlined in their IEP. Direct medical services are those services billable under the SBAP program. The IEP Ratio calculation is:

$$\text{Numerator} = \frac{\text{Total Medicaid Special Education Students with a SBAP Reimbursable Related Service in their IEP}}{\text{Total Special Education Students with a SBAP Reimbursable Related Service in their IEP}}$$

The application of these percentages is clearly shown on the Cost Summary page of the SBAP Medicaid Cost Report.

LEAs that do not claim for specialized transportation services will only see the Unrestricted Indirect Cost Rate, the Direct Medical Services Percentages, and the IEP Ratio tables on the *General and Statistical Information Page*. Once an LEA reports transportation costs on their annual cost report, the two transportation ratios will be activated on the *General and Statistical Information Page*. All LEAs claiming for the specialized transportation service will need to complete the One Way Trip Ratio however only those LEAs that report transportation costs as “not only specialized transportation” would be required to complete the Specialized Transportation Ratio. The two transportation related ratios are described below.

Specialized Transportation Trip Ratio:

The One Way Trip Ratio is used to allocate transportation service costs to the Medicaid program, similar to the IEP ratio for direct medical services.

The numerator for this ratio is defined as the total number of paid one-way trips for Medicaid Special Education Students with Specialized Transportation Services in their IEP. The numerator will be based on the total number of paid specialized transportation claims data collected by PCG.

The denominator is defined as the total number of one-way trips for Special Education Students with Specialized Transportation Services Documented in their IEP during the cost reporting period. This trip count should include all trips for students receiving specialized transportation services as identified in their IEP regardless of if a medical service was provided on the same day to ensure to proper cost allocation.

$$\text{Numerator} = \frac{\text{Total Number of Paid One-Way Trips for Medicaid Special Education Students with Specialized Transportation Services Documented in the IEP}}{\text{Total Number of One-Way Trips for Special Education Students with Specialized Transportation Services Documented in the IEP}}$$

The LEA is to report the total number of one-way trips (denominator) for Special Education students with Specialized Transportation Services documented in the IEP, per above definition.

During the desk review process, this amount will be compared to the number of one-way trips paid by Medicaid during the cost-reporting period.

Specialized Transportation Ratio:

Whenever possible, the LEA must report only specialized transportation costs when they are discretely captured and maintained by the LEA within their accounting structure. In instances where LEAs do not discretely account for their specialized transportation costs they can report their transportation costs as

not only specialized transportation costs. When a district reports their transportation costs as not only specialized transportation, they will be required to complete the Specialized Transportation Ratio in order to apportion costs to specialized transportation services. The ratio that will be used to apportion not only specialized transportation costs is outlined below.

The numerator for this ratio should be the total number of IEP students (Medicaid and non-Medicaid) receiving transportation services as required in their IEP. Both specialized and non-specialized transportation are included in this amount. The denominator for this ratio should be the total number of students (Medicaid and non-Medicaid) receiving transportation services.

It is important to note that this ratio is only required for LEAs who report Transportation data identified as “not only specialized transportation”. This ratio is not applicable for LEAs who report Transportation data as “specialized transportation”.

$$\text{Numerator} = \frac{\text{Total Number of All Special Education Students with Specialized Transportation Services in their IEP}}{\text{Denominator} = \text{Total Number of ALL Students Receiving Transportation Services}}$$

4F. Transportation Payroll Information

This page is for reporting payroll information for specialized transportation services staff, i.e., drivers, mechanics, and mechanic assistants (employee and professional purchased services).

Cost reporting by providers should be consistent with generally accepted accounting principles (GAAP), which are those principles approved by the American Institute of Certified Public Accountants (AICPA).

The only costs that can be submitted are direct costs. These are costs incurred for the benefit of, or directly attributable to, a specific service. Employee payroll taxes and benefits/insurance costs must be direct costs attributed to the individual employee and cannot be allocated. Reported costs and hours should be formatted with two decimal places and not rounded to the nearest whole dollar and hour, respectively.

USER INPUT

Last Name:

Enter the participant’s last name.

First Name:

Enter the participant’s first name.

Job Category:

Enter the participant's Job Category and each LEA will have to identify whether the individual provides services to general provision of transportation services vs. specialized.

Staff Employment Status

Enter the participant's employment status: full time, part time, or contractor.

Paid Hours (Optional)

This field should be populated with the total hours that they employee worked for the quarter. If the employee is full time, then the employee's weekly hours should be divided by 5 work days to get their average hours per day. This number is multiplied by the number of days worked in the quarter to calculate the number of *Hours* worked. This is an optional field.

Salaries

All participants except contractors are required to have a value in this field. These should be the gross earnings summed for the applicable employees as paid by the LEA. The amount reported in this field is the total gross earnings for the individual as paid by the LEA, including regular wages plus any amounts paid for paid time off (e.g., sick or annual leave), overtime, bonuses, longevity, stipends, cash bonuses, and/or cash incentives. Salaries are those payments from which payroll taxes are (or should be) deducted. Do not include any reimbursements for expenses such as mileage or other travel reimbursements.

Benefits:

Benefits include employer-paid health/medical, life, disability, or dental insurance premiums, as well as employer-paid child day care for children of employees paid as employee benefits on behalf of your staff, retirement contributions, and worker's compensation costs. Report the expended amounts paid by the LEA which are directly associated with each staff member by type of employee benefit.

Please refer to section 4A for how the benefits tie to the chart of accounts.

Compensation Federal Funds:

If any of the employee's compensation was paid for by using federal revenues, then it should be entered here. This should be in addition to what is put into *Employee Salaries*, any benefits columns, or *Purchased Professional Services*.

SYSTEM GENERATED DATA

Gross Compensation Expenditures:

This is a calculation that is a sum of the *Salaries, Retirement, Social Security, Life Insurance, Health Insurance, Other Employee Insurance, and Other Employee Benefits*.

Net Compensation Expenditures:

This is a calculation that is the *Gross Compensation Expenditures* minus *Compensation Federal Funds*.

4G. Transportation Other Costs

Transportation Other Costs Page

This page collects non-payroll costs for specialized transportation services other than depreciation expense. Data will be needed for non-personnel specialized transportation services costs incurred in support of direct medical services.

USER INPUT

Lease/Rental

Report the lease/rental costs of specialized transportation equipment. If a vehicle lease includes both specialized transportation equipment and non-specialized transportation equipment, report them as “General Transportation Costs” and the cost will be allocated to the Special Education program based upon the vehicle ratio entered in the General and Statistical Information page.

Insurance

Report the cost for insurance premiums for specialized transportation vehicles. Costs should be reported with amounts accrued for premiums, modifiers, and surcharges and net of any refunds and discounts actually received or settlements paid during the same cost reporting. If these costs cannot be directly associated to specialized transportation equipment costs, report them as “General Transportation Costs” and the cost will be allocated to the Special Education program based upon the vehicle ratio entered in the General and Statistical Information page.

Maintenance and Repairs

Report repairs and maintenance include those regular maintenance costs, such as tune-ups, oil changes, cleaning, licenses, inspections, and replacement of parts due to normal wear and tear (such as tires, brakes, shocks, and exhaust components) for specialized transportation vehicles. Report maintenance supplies related to specialized transportation vehicles. Major vehicle repairs (such as engine and transmission overhaul and replacement) costing \$5,000 or more must be depreciated and reported as "Depreciation – Specialized Transportation Equipment." If these costs cannot be direct costs only for specialized transportation vehicles, report them as “General Transportation Costs” and the cost will be allocated to the Special Education program based upon the vehicle ratio entered in the General and Statistical Information page.

Fuel and Oil

Report gasoline, diesel, and other fuel and oil costs for specialized transportation vehicles. If these costs cannot be directly associated only to specialized transportation vehicles, report them as “General Transportation Costs” and the cost will be allocated to the Special Education program based upon the vehicle ratio entered in the General and Statistical Information page.

Contract - Transportation Services

Report costs of contracted specialized transportation services. If these costs cannot be directly associated only to specialized transportation services, report them as “General Transportation Costs” and the cost will be allocated to the Special Education program based upon the specialized vehicle ratio entered in the General and Statistical Information page.

Contract - Transportation Equipment

Report costs of contracted specialized transportation services equipment. If these costs cannot be directly associated only to specialized transportation services equipment, report them as “General Transportation Costs” and the cost will be allocated to the Special Education program based upon the specialized vehicle ratio entered in the General and Statistical Information page.

Other

Report items that were bought specifically for specialized transportation services in support of direct medical services. These are items that are not included on the *Transportation Equipment Depreciation Page* because they are all under the minimum cost of \$5,000.

4H. Transportation Equipment Depreciation Page

This page will record depreciation of transportation equipment that is used to provide Medicaid reimbursable services. This equipment should be included on the LEAs fixed asset ledger. Depreciation is the periodic reduction of the value of an asset over its useful life or the recovery of the asset's cost over the useful life of the asset. (Please note this is not market value.)

Allowable depreciation expense for direct medical services includes only pure straight-line depreciation. No accelerated or additional first-year depreciation is allowable. Any single item purchased during the cost-reporting period costing less than \$5,000 must be expensed and reported accordingly.

Required detail must be provided for each depreciable asset and each depreciable asset must be assigned its correct estimated useful life.

USER INPUT

Unique Asset ID:

Each LEA will have to provide the unique asset ID assigned to each asset included on the *Transportation Equipment Depreciation Page*. This will be the number used by the LEA to identify the asset.

Asset Type:

This list is populated with groups of the most common Asset Types, please select an Asset Type the most closely categorizes the Transportation Equipment in question. If you have a piece of equipment that falls under a type that is not listed, please select “Other – please describe” from the drop down list and provide a description in the Notes filed. Do not combine items under generic descriptions such as

"various", "additions" or "equipment". Do not combine items by year purchased (e.g., "2008 buses"). Be specific in providing the description of each depreciable item.

Service Type:

Each LEA will have to identify whether the asset is related to not only specialized transportation vs. only specialized transportation.

Month/Year Placed in Service:

This is the first date that the Transportation Equipment could have been used. This is not to be confused with the date of purchase.

Month/Year Removed from Service:

This is the date that the Transportation Equipment was removed from service. This date is reported only if the asset was removed from service prior to the end of the useful life of the asset.

Years of Useful Life:

This is the estimated useful life of each asset listed on the *Transportation Equipment Depreciation Page*. The LEA is responsible for determining the appropriate useful life for each asset identified based on acceptable industry standards. LEAs may reference the "Estimated Useful Lives of Depreciable Hospital Assets", published by the American Hospital Association (AHA) (Item Number - 061170) for guidance on determining appropriate useful lives of assets. Copies of this publication may be obtained by contacting American Hospital Publishing, Inc., Phone: 800-242-2626, Mailing Address: AHPI, Books Division, 737 North Michigan Avenue, Chicago, IL 60611-2615. Please note that this cost report should not include administrative equipment expense

Cost:

This is the original purchase price for this transportation asset. This number should be the full amount paid for the equipment regardless of the source of funding.

Federal Funds:

This is the amount of Federal funding that was used toward the purchase of this equipment.

Notes:

This field is to be used by LEAs in providing additional information, as necessary, for the assets listed on this page. LEAs must provide a description in this field for any asset identified as "Other – please describe" in the Asset Type field.

SYSTEM GENERATED DATA

Prior Accumulated Depreciation:

This is the amount that the equipment has depreciated since the date of purchase. This is calculated by dividing the *Cost* minus the *Federal Funds* by the *Years of Useful Life* divided by 365, which gives you the average depreciation of the equipment per day for the useful life of the asset. That number is then

multiplied by the number of days the piece of equipment has been in service, which is the *Month/Year Placed in Service* subtracted from the *Last Day of the Fiscal Year*.

Depreciation for Reporting Period:

This is the amount that the equipment has depreciated during the current year. This can be calculated by dividing the *Cost* minus the *Federal Funds* by the *Years of Useful Life of Asset*. The allowable amount of depreciation will be less if, during the reporting period, the asset became fully depreciated or the asset was placed into or taken out of service. Fully depreciated means that the total accumulated depreciation for the asset is equivalent to the depreciation basis. For cost-reporting purposes, the provider is to claim a full month of depreciation for the month the asset was placed into service, no matter what day of the month it occurred. Conversely, the provider is not to claim depreciation for the month the asset was taken out of service, no matter what day of the month it occurred. For example, if you purchased a depreciable item in December, you would claim six months of depreciation on your cost report for that item (July through December). If you sold an item in March, you would claim nine months of depreciation for that item (July through March).

4I. Annual Tuition Costs

This section is used to identify the reimbursable portion of tuition expenditures for approved private schools and other school based out of district providers.

USER INPUT

School:

This field must be used to identify the specific school/program to which tuition was paid. The user should select the name of the appropriate school/program from the drop down list.

Notes:

This field can be used to provide additional information about the school/program to which tuition was paid.

Tuition Cost:

The *Tuition Cost* field should be used to enter the total annual tuition paid to the specific school/program.

Tuition Federal Funds:

The *Tuition Federal Funds* field should be used to enter the portion of the *Tuition Cost* made using Federal Funds.

SYSTEM GENERATED DATA

Net Tuition Costs Less Reductions:

This field is calculated by subtracting the amount entered in the *Tuition Federal Funds* field from the amount entered in the *Tuition Cost* field.

Health Related Percentage:

This field will be pre-populated based on the school/program selected in the *School* field. Each school/program will have a distinct health related percentage. This health related percentage will be calculated on an annual basis using annual financial reports submitted to the Pennsylvania Department of Education.

Health Related Expense:

This field is calculated as the product of *Net Tuition Total Costs Less Reductions* times the *Health Related Percentage*. This is the amount that will be used to determine the Medicaid allowable costs for cost settlement.

4J. Cost Summary Report

This page provides summaries of all of the data included on all of the pages within the cost report and calculations of the Medicaid Allowable costs to be used in the annual cost settlement calculation. Components of the *Cost Summary Report* include the Direct Medical Services Salary and Benefits Summary by Service Type and Job Category, the Transportation Salary and Benefits Summary by Service Type and Job Category, LEA Information Summary Report, Transportation Services Total Costs Summary, and the Tuition Costs Summary. Details for each of these tables are provided below.

Direct Medical Services Salary and Benefits Summary by Service Type and Job Category

This table automatically summarizes the direct services payroll data input in to the *Annual Payroll Information Page*. The data in this table is aggregated based on the Service Type and by the Job Category included on the *Annual Payroll Information Page*.

Transportation Salary and Benefits Summary by Service Type and Job Category

This table automatically summarizes the transportation services payroll data input on the *Transportation Payroll Information Page*. Transportation payroll costs are aggregated by Service Type (Transportation Services (only specialized transportation) or Transportation Services (not only specialized transportation)) and by Job Category within the service type.

LEA Information Summary Report

The LEA Information Summary Report table illustrates the calculation of the Medicaid Allowable Costs for the direct medical services. The table includes expenditure data such as the salary and benefit costs by Service Type from the *Annual Payroll Information Page*, the other costs by Service Type from the *Direct Medical Services Materials and Supplies Page* and the *Direct Medical Services Equipment Depreciation Page*. The *LEA Information Summary Report* also includes Direct Medical Service

Percentages, the Unrestricted Indirect Cost Rate, and the IEP Ratio from the *General and Statistical Information Page*.

Transportation Services Total Costs Summary

The *Transportation Services Total Costs Summary* table illustrates the calculation of the Medicaid Allowable costs for transportation services. The table includes expenditure data such as the salary and benefit costs by Service Type from the *Transportation Payroll Information Page* and other costs by service Type from the *Transportation Other Costs Page* and the *Transportation Equipment Depreciation Page*. The *Transportation Services Total Costs Summary* table also includes the Unrestricted Indirect Cost Rate, the Specialized Transportation Ratio (applied only to expenditures identified as “not only specialized transportation” and the One Way Trip Ratio (Medicaid One Way Trip Ratio) from the *General and Statistical Information Page*.

Tuition Costs Summary

The *Tuition Costs Summary* table illustrates the calculation of the Medicaid Allowable costs for out-of-district tuition IEP direct medical services. The table includes the Net Health Related Tuition Payments as calculated on the *Annual Tuition Costs Page* as well as the Unrestricted Indirect Cost Rate and the IEP Ratio from the *General and Statistical Information Page*.

The sum of the Medicaid Allowable costs from the LEA Information Summary Report, the Transportation Services Total Costs Summary, and the Tuition Costs Summary represents the Total Medicaid Allowable costs to be included in the annual cost settlement calculation.

4K. Certifying the SSHSP Cost Report

Once the information has been reported, the system reviews the information for common errors. Examples of common errors include reporting paid hours and no salaries or contracted compensation, reporting disproportional benefit-to-salary ratios, inclusion of materials and supplies with our corresponding payroll. If one of these common errors is identified, the provider either must make necessary revisions or provide a written explanation as to why the reported information is accurate. Once the edits/reviews have been resolved or explained, the web-based system generates the cost report from the reported information. The provider then certifies the data and electronically submits the cost report.

4L. Certification of Public Expenditures for the Annual Cost Report

Following the completion of the annual cost report and prior to submission, the LEA will be required to certify the public expenditures used for matching purposes to draw down federal funds related to the Medicaid Direct Service Program. A brief description of the instructions and the processes to complete the certification of public expenditures (CPE) form is outlined below. The CPE form will be made available to providers within the web based cost reporting template.

Provider Identification Information

The first section of the CPE form includes the Provider Identification Information. The required fields in this section include LEA Name, LEA Address, National Provider Identification (NPI), and Medicaid Provider Number. For the annual CPE submission, these fields will be pre-populated and will not require additional entry by the LEA.

LEA Name:

National Provider Identification (NPI):

LEA Address:

Medicaid Provider Number:

(Street or P.O. Box, city, state, 5-digit zip)

Reporting Period

For the annual cost settlement, the Reporting Period will be pre-populated on the CPE form based on the claim period the LEA is certifying for SBAP Cost Settlement purposes.

HEREBY CERTIFY that for the reporting period:

From:

To:

Section I

For the annual CPE submission, Section I of the CPE form will contain pre-populated information based upon the expenditures reported by the LEAs. This will include Total Expenditures and Total Medicaid Expenditures.

Total Medicaid Expenditures

The Total Medicaid Expenditures are calculated based on the statewide time study results and the Medicaid IEP ratio for each LEA. The Total Expenditures are aggregated for all direct medical service providers in the Direct Service – Therapy and Direct Service –All Other cost pools for the LEA for SBAP cost settlement purposes. The statewide direct medical service time study results are applied to the Total Expenditures by service type. The resulting amounts are then reduced by the LEA’s Medicaid IEP Ratio to calculate the Medicaid expenditures by service type. Transportation costs are aggregated and then discounted by the trip ratio and if appropriate the vehicle ratio. The sum of these expenditures represents the Total Medicaid Expenditures for the LEA. The Total Medicaid Expenditures is the amount of state and local expenditures that must be certified in order to draw down federal funds reimbursable under the Medicaid SBAP program.

Certification Statement by Officer of the Provider

This section of the form must be reviewed and completed by the LEA’s designated signer to officially certify the public expenditures identified in the section above that were used to match the federal funds under the Medicaid program. The LEA must include the following information in this section:

- Signature of Signer
- Title of Signer
- Date
- Printed/Typed Name of Signer
- Address of Signer
- Contact Phone Number
- Fax Number
- Email Address

It is important to note that the only acceptable signers of this form are the LEA's CEO, CFO, or Superintendent. A form signed by a representative of the LEA other than one of these representatives will be rejected and will require the LEA to re-submit the document.

4M. Submitting the Cost Report

The annual Cost Report is submitted by clicking on the "certify" button, which electronically submits the report to PCG. You then need to print out the Certification of Public Expenditures form, have it signed by an appropriate LEA official, and mail or fax to PCG at the address included on the form. Once the Certification of Public Expenditures form has been received by PCG, the annual Cost Report is considered completed and ready for the desk review/audit, cost reconciliation, and cost settlement processes.

4N. Desk Review Process

The annual reports will be desk reviewed by PCG. LEAs may be requested to answer desk review questions and/or provide copies of documentation to support the information reported on the annual Medicaid Cost Report.

4O. Documentation Requirements

Providers must maintain records that are accurate and sufficiently detailed to substantiate the legal, financial, and statistical information reported on the cost report. These records must demonstrate the necessity, reasonableness, and relationship of the costs (e.g., personnel, supplies, and services) to the provision of services. These records include, but are not limited to, all accounting ledgers, journals, invoices, purchase orders, vouchers, canceled checks, timecards, payrolls, transportation logs, organizational charts, functional job descriptions, work papers used in the preparation of the cost report, trial balances, and cost allocation spreadsheets.

During the reconciliation and cost settlement processes, the desk reviewed Medicaid-allowable costs for the LEA's SBAP Program will be compared to the LEA's interim Medicaid payments for SBAP services delivered during the reporting period. If the provider's federal-share costs exceed the provider's interim Medicaid payments, the provider will receive the difference in a lump sum payment. **If the provider's costs are less the provider's interim payments, the provider is required to repay the difference either with a lump sum recoupment payment or through deductions from future payments. Those excess payments will be sent back to CMS.**

4P. If You Need Help

Please contact PCG for assistance in completing or submitting the Pennsylvania SBAP Medicaid Cost Report. Contact information is posted to the Dashboard of the web-based system.