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REIMBURSEMENT

EPSDT Health Services and School Based Health service are reimbursed according to the following methodology:

Cost Reporting

Payroll/Vendor Cost - Total annual salaries and benefits, taxes and vendor cost paid based on payroll record from each LEA's Payroll/Benefits or Accounts Payable System. These amounts will be reported on LDH's direct services cost report form for all direct service employees that participated in the random moment time study. Vendors and vendor costs are added to the cost report by each LEA.

Adjusted Payroll Cost – Total direct cost is reduced by funding percentage to remove any non-state or local amounts from reported salaries, benefits, taxes and vendor costs. The cost reported should not include any amounts for staff or vendor whose compensation is 100 percent reimbursed by a funding source other than state/local funds.

Allocation of Cost to Direct Services - A time study is used to determine the percentage of time EPSDT service providers spend providing EPSDT direct services as well as general and administrative (G and A time). Total G and A time is reallocated to the percentage of all other activities based on the percentage of time spent on each respective activity. This percentage is multiplied by total adjusted payroll cost as determined by the adjusted payroll cost base to allocate cost to school based services. The product represents direct service cost.

Note: vendors do not participate in any EPSDT time study and therefore this percentage is not applied to vendor cost.

Indirect Cost - Indirect cost shall be determined by multiplying each LEA's indirect rate (percentage) assigned by the Department of Education by total direct cost. The sum of direct cost and indirect cost shall be the total employer direct service cost.

Medicaid Eligibility Rate – The Medicaid eligibility rate is calculated by dividing the number of Medicaid enrolled students in the LEA to all students in the LEA. To determine the amount of cost that may be attributed to Medicaid, the total direct service cost is multiplied by each LEA's Medicaid Eligibility Rate. This results in total cost that may be certified as Medicaid's portion of school-based EPSDT services cost.

Billing for Services

LEAs must bill for all EPSDT services performed within one year of the date of service. The dollars received from these claims represent an interim payment for services performed.

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Reconciliation of LEA Certified Costs and Paid Claims

Each LEA must complete and submit an EPSDT Direct Services Cost Report for each program in which they are participating. The cost report(s) should be received by LDH no later than five months after the fiscal year end.

The Department will reconcile the total expenditures (both state and federal share) for each LEA's services. The Medicaid certified cost expenditures from the cost report(s) will be reconciled against the interim claims paid by LDH's fiscal intermediary for each EPSDT program for each cost report year. The Department will issue a notice of final settlement, after all reviews, that denotes the amount due to or from the LEA. This reconciliation is inclusive of all services provided by the LEA.

Cost Report Calculation:

State/Local Cost * Time Study % * (1+Indirect Cost Rate) * Medicaid Eligibility Rate = Certified Cost

Cost Settlement Calculation:

Certified Cost * Federal Medical Assistance Percentage = Federal Share of Certified Cost

Fed. Share of Certified Cost – Interim Billing Claims – LDH Admin Fee = Fed. Share Due to(from) the LEA