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REIMBURSEMENT

Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Health Services and Medicaid services provided in schools, 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 local education agency's (LEA) Payroll/Benefits or Accounts Payable System. These amounts will be reported on the Louisiana Department of Health's (LDH) 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&A time). Total G&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 Medicaid services provided in schools. 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 cost of Medicaid services provided in schools.

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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Centers for Medicare and Medicaid Services (CMS) requires each LEA to bill for all Medicaid services provided. CMS and the Office of Inspector General (OIG) rely on this billing data for documentation of the number of services provided by each LEA, and the billing data give them a mechanism to compare the cost reimbursed to the number of services being provided. If there are no claim submissions within an 18 month period, the State Medicaid Management Information System (MMIS) automatically terminates eligibility of a provider number making the LEA MEDICAID INELIGIBLE. Any LEA that is Medicaid ineligible will have all interim claims denied, and its cost report for all the programs in which the LEA participated will be rejected.

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) shall 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

Charter School Billing Under One Tax Identification Number (Parent Companies)

It is the responsibility of each charter school to ensure that its Medicaid provider numbers remains active. In the event that a charter school's provider number under the umbrella of the parent company becomes inactive, it may cause the cost report settlement for all of the schools under that tax identification number to become ineligible for cost settlement.

All participating LEAs are required to maintain an active status with Medicaid. If an LEA's Medicaid provider number become inactive or if one LEA of a group that shares a single tax identification becomes inactive, it may cause the entire cost report to be denied and the cost settlement forfeited.

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Cost reports must be submitted annually. The due date for filing annual cost reports is November 30. There shall be no automatic extension of the due date for filing of cost reports. If an LEA experiences unavoidable difficulties in preparing its cost report by the prescribed due date, one 30-day extension may be permitted, upon written request submitted to the Department prior to the due date. The request must explain in detail why the extension is necessary. Extensions beyond 30 days may be approved for situations beyond the LEA's control.

Cost reports that have NOT been received by the due date will be deemed non-compliant and may be subject to a non-refundable reduction of 5 percent of the total cost settlement. This reduction may be increased by an additional 5 percent each month until the completed cost report is submitted or the penalties total 100 percent. LEAs that have not filed their cost report by six months or more beyond the due date cannot bill for services until the cost report has been filed.

Change in School-Based Claiming Settlements

School-based claiming has always been separated by "program". Each program has its own time study and cost report based on the cost and billing data calculations.

The individual cost settlement amounts for each program (Therapy Services, Behavioral Health Services, Nursing Services, Personal Care Services, and Other Medical Direct Services) will be combined into one cost settlement for the LEA. As has been done in prior years, settlement letters will be sent to the LEA with the individual final cost reports for record-keeping.

Medicaid Administrative Claiming (MAC) cost reports are derived by using the MAC-related time study results and costs related to each of the EPSDT programs. All costs will have been certified by the LEA with the EPSDT cost report, so no additional signatures or certifications are required for MAC; therefore, MAC cost reports shall remain separate.

Vendor Rate per Service for Providing EPSDT Services

Beginning with the 2021 cost report year, vendors will be reimbursed based on a **rate per service**. This rate includes all of a vendor's direct and indirect costs. The service rate should cover the time spent providing the direct service, administrative time, and any other time related to tasks related to that service. Vendors are not subject to the time study process. Vendors are only at a school to provide the direct services enumerated in the contract. Vendors are not expected to perform any additional G&A tasks for the LEA.

Process Changes related to Recoupment of Overpayments to LEAs

Presently, the process of recouping overpayments from LEAs is restricted to offsetting payments with current or previous overpayments within the same type of service (Nursing, Therapy, Behavioral Health, etc.). In the future, recoupments will cross types of services. These proceeds will be applied to the earliest cost report year with an overpayment. For example, if an LEA has an overpayment for nursing services and an amount due for therapy services, the payment for the therapy services will be applied to the LEA's overpayment for the nursing services. The net

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balance from this offset will:(1)be used to offset overpayments in other periods (from oldest period moving toward the current period); (2) create a net overpayment that will be carried forward and offset against future billings and/or or payments; and (3) remitted to the LEA.

Failing to Respond to the Random Moment Time Study (RMTS)

LEAs must make every effort to ensure all time study moments are completed and submitted by all participants. Participants have 48 hours from the time of the moment to complete each moment. Reminder emails are sent to the participant and the Medicaid Coordinator each morning until the moment expires. Once a time study moment has expired it can no longer be completed and is deemed not returned. Any LEA that fails to return at least 85 percent of its Moments from the time study for two quarters in a cost report year for any program will be suspended from that program for the entire cost report year.

The time study percentage used the for cost reimbursement calculation is an average of the four quarterly statewide time study results for each Medicaid service provided in schools. LEAs must participate in all four time study quarters to be reimbursed all cost for the fiscal year. Any LEA that does not submit a cost report for any program for which any billings were submitted will be required to pay back any billing dollars received for that cost report year. This will be handled in the school-based claiming cost settlement process.