

## EDMS Massachusetts Annual Cost Report Outline

- I. Cost Reports are due within 6 months of the close of the state fiscal year (December 31). This deadline will hold regardless of holidays and weekends.
- II. A representative of the certifying LEA, such as the school district superintendent or business manager, must certify costs annually using the cost report forms available online. Original certification forms must be printed on school district letterhead, signed and submitted to University of Massachusetts Medical School. Due by January 10 of each year.
- III. Medicaid Eligibility Percentage Determination:
  - a. Total number of IEP students
  - b. Total number of Medicaid IEP students
  - c. Total number of CHIP/Expansion IEP students
  - d. Total number of CHIP IEP students
    - i. Gather school district enrollment information for students:
      1. Between the ages of 3 and 22 (the 22<sup>nd</sup> birthday is the cut-off date)
      2. With Medicaid covered medical services prescribed in the IEP as of January 5
      3. Should include both those students who have an IEP and are enrolled by the School Based Medicaid provider and those attending special-education Chapter 766 schools or collaboratives for whom the School Based Medicaid Provider is financially responsible
    - ii. Access the School Based Medicaid Student matching system to identify the enrolled students identified above who were MassHealth eligible on January 5
    - iii. Identify the number of special education students served by the School Based Medicaid provider as identified above who are eligible for Medicaid, CHIP/Expansion and Chip Programs
    - iv. The medical records of all Medicaid or CHIP students included in this section are subject to audit. The school must therefore exclude from this section any Medicaid or CHIP recipients for whom the school is not able to seek reimbursement and for whom the school does not have proper documentation as of the date the cost report is submitted. Proper documentation includes parental consent.<sup>1</sup>
    - v. This data is used to calculate statistics that are a crucial element of ensuring that the cost report only includes those costs that are appropriately allocable to the Medicaid program<sup>2</sup>
- IV. Annual Salary and Benefits:
  - a. Collect salary and benefit information on practitioners who are involved in the delivery of a medical services for which the School is seeking Medicaid reimbursement for the fiscal year
  - b. Collect information for staff members or contracted staff who conduct billing activities under the School Based Medicaid program
  - c. Information should be included only for staff members included in Job Group 1 of the RMTS except where the staff member would have been included in Job Group 1 but began employment after the RMTS participant template was due, information about that staff member may be included in the cost report
  - d. The cost report is pre-populated with salary, contractual payment and fringe benefit information for each employee or contractor who provides direct services to students, meets provider qualification requirements and was reported in the AAC claim for each quarter for the District
- V. Other Direct Medical Costs

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<sup>1</sup> MassHealth School based Medicaid Program Instruction Guide for Massachusetts School based Program Annual Cost Report, November 2013, p. 13.

<sup>2</sup> *Id.*, p. 14

- a. Medical supplies, materials, purchased services, equipment and other costs
- b. Costs must be consistent with OMB Circular A-87 and should include only costs that are 100% attributable to direct medical services. Materials and supplies are allowable if used exclusively for the delivery of health care services.
- c. Exclusions:
  - i. any costs that are part of the unrestricted indirect cost rate set by DESE
  - ii. Any portion of the costs that are funded by federal grants
  - iii. Are a required state or local match on federal grants
  - iv. Any item with a cost in excess of \$5000 and a useful life of at least one year will be treated as a capital expense and should not be included in the cost report

VI. Tuition Payments

- a. Identification of the reimbursable portion of Approved Special Education School Tuition Expenditures and Massachusetts Special Education Collaborative Tuition Expenditures
- b. Tuition expenditures reported are reduced by a health related percentage for each program
  - i. This percentage represents the amount of time students spend receiving Medicaid covered services v. educational or other non-Medicaid covered services
  - ii. For private special education programs, data from the annual Uniform Financial Statement and Independent Auditor's Report (UFR) is used to calculate the health related percentages. Tuition expenditures for any private special education program that does not complete a UFR cannot be reported.
  - iii. For collaboratives, a Financial Data Request that was jointly developed by DESE and EOHHS must be completed. If not completed, the cost from a collaborative cannot be included.
  - iv. Special Reporting Requirements for Individual Student Program (Sole Source) Tuition Expenditures
    - 1. Schools may include tuition expenditures for students for whom they have been granted an Individual Student Program placement by DESE and for whom a price authorization<sup>3</sup> has been approved by the Operational Services Division
    - 2. Should be reported on the cost report by selecting the appropriate residential or day program listed under *Individual Student Program (Sole Source)*
    - 3. No other tuition expenditures should be reported using the Individual Student Program designation
  - v. Cost-Share Supplemental Report for DCF/DMH/DYS Cost-Share Tuition Expenditures
    - 1. Schools are required to separately identify any tuition expenditures for students with whom they share financial responsibility with:
      - a. The MA Department of Children and Families (DCF)
      - b. The MA Department of Mental Health(DMH)
      - c. The MA Department of Youth Services (DYS)
    - 2. These costs are associated with students placed in a residential treatment facility, and for whom the School pays only a share of the student's total tuition for that facility/program while DCF, DYS or DMH pays the other share
    - 3. This includes students placed in residential treatment facilities for whom the school pays a day-rate tuition

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<sup>3</sup> Under 808 CMR 1.06(7)(b)

4. Schools must enter the total provider's tuition payment for students placed in day and residential facilities, by program
5. Schools must determine the annual amount of tuition for DCF/DMH/DYS Cost-Share students and for other students and separately enter their tuition expenditures
6. The Cost-Share Supplemental Report must be submitted at the same time as the cost report in any cost share tuition is included in the cost report. Documentation records must be maintained and readily available.<sup>4</sup>

VII. Cost Report Reconciliation

- a. Schools must submit per-unit claims for all services for which they seek reimbursement through the cost report. It is expected that the vast majority if not all services provided to students who are included in the statistics section of the cost report will be claimed through MMIS.
- b. Documentation records must be maintained and readily available per section 4.2 of the Provider Contract

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<sup>4</sup> MassHealth School Based Medicaid Program Instruction Guide for Massachusetts School Based Program Annual Cost Report, November 2013, p. 22, p. 28, Appendix B