



**Department of
Job and Family Services**

Ted Strickland, Governor
Douglas E. Lumpkin, Director

July 13, 2010

Ms. Verlon Johnson, Associate Regional Administrator
Centers for Medicare and Medicaid Services - Region V
Division of Medicaid and Children's Health Operations
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601-5519

Dear Ms. Johnson:

On August 12, 2008, Ohio received CMS approval of state plan amendment (SPA) 05-020, which allows Medicaid reimbursement to providers through the Medicaid School Program (MSP). SPA 05-020 was approved with an effective date of July 1, 2005, with ability for Ohio to preserve claiming for services authorized by the new State Plan Amendment for valid claims back to the approved effective date. The period for those back claims is July 1, 2005-September 30, 2009.

Attached for your review and approval is the methodology Office of Ohio Health Plans is proposing for the processing and reconciliation of the back claims.

If you need additional information, please contact Yolanda Cudney of the Bureau of Long Term Care Services and Supports at (614) 466-6742.

Sincerely,

Tracy J. Plouck
State Medicaid Director

cc: David Shaner, CMS RO

Attachment: Back Claiming Proposal

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Medicaid School Program (MSP) Back Claiming Proposal:

In August 2008, Ohio received approval from the Centers for Medicare and Medicaid Services (CMS) to allow Medicaid reimbursement to schools for Medicaid allowable services provided pursuant to an Individualized Education Program (IEP) developed in accordance with the Individuals with Disabilities Education Act (IDEA). As a part of that approval, CMS also allowed Medicaid reimbursement for a back claim period, 07/01/05 through 09/30/09. The Ohio Department of Job and Family Services (ODJFS), in consultation with the Ohio Department of Education (ODE), developed a methodology for addressing this back claiming period. The details of the methodology are as follows:

The methodology will use only the full year audited cost reports submitted by participating MSP providers for the cost reporting period 10/01/09 to 09/30/10. These cost reports will contain the provider costs, the Random Moment Time Study results, and statistical information for the same period, and subject to all the established rules and regulations of the Medicaid School Program (MSP). The cost and statistical information reported will be used to calculate a direct service rate per IEP student. This rate will be applied to the number of students identified in the claims data for the back claiming period. The calculation of the rate involves the following steps:

1. Identify the audited direct service cost, and the unduplicated number of IEP students (both Medicaid and Non- Medicaid) for each MSP provider, and sum for all the MSP providers the audited direct service costs, as well as the unduplicated number of IEP students.
2. Divide the total audited direct service cost by the total unduplicated number of IEP students to derive the statewide direct service rate per IEP student
3. Remove outliers using an agreed upon standard deviation limitation.
4. Adjust the calculated rate for each back claim year by an appropriate Consumer Price Index (CPI), thus there may be a different rate per IEP student for each back claim year.

The adjusted calculated statewide direct service rate per IEP student will be used to determine the reimbursement amount that should have been paid to each provider for the period 7/1/05 through 9/30/09. For each full year of service, the amount calculated for reimbursement will be the adjusted calculated statewide direct service rate per IEP student multiplied by the Medicaid IEP student count for the year. For partial years of service, the rate will be prorated.

The calculated reimbursement amount will be compared to the actual interim reimbursement for the period 7/1/05 through 9/30/09 using the FFP (Federal Financial Participation) rates applicable for the period. Adjustments for over/under payments will be determined and final reimbursement/recoveries made accordingly.

ODJFS is seeking your approval to use this methodology to process and reimburse back claims.