



Date: January 13, 2011

To: MSP Stakeholders

From: Mark Smith, MSP Program Coordinator, ODE

Re: Questions Related to 2009-10 MSP Cost Report
and Agreed Upon Procedures Engagement (AUPE)

Below are questions received by ODE related to the MSP fiscal documents.

MSP Cost Report

Tab 2: Provider Data

- 1) Row 35 (Provider Restricted Indirect Cost Rate from Cognizant Agency):
How will the district get the 'Indirect Cost Rate'?

Answer: Although not required for MSP, schools may request an indirect cost rate for their district. The request for this rate is made to the Ohio Department of Education, Office of Grants Management. To contact ODE- Grants Management, access the ODE web page < <http://education.ohio.gov> > and search on the term 'Indirect Cost Recovery'. The address for contacting ODE- Grants Management, along with the indirect cost recovery request form, is located there.

- 2) Column B:
Is it possible to have the spreadsheet pull the Medicaid Provider Number and Provider IRN number that is filled in on the Tab: 1 Certification Page?

Answer: Yes. ODE has altered the cost report to pull the Medicaid Provider Number and Provider IRN from the certification page, as well as other statistical data.

Tab 3: Statistics

1) Rows 19-23:

Do IEP students require a direct medical service to be ordered in the IEP as well or just if they have an IEP?

Answer: ODE defines the special education population from those students with eligibility for special education. ODE does not review if direct medical services are received from these eligibles.

2) Rows 20 and 23:

Which students are counted in the “Healthy Start” cell?

Answer: When schools receive Medicaid Eligibility Rate (MER) data from Ohio Department of Job and Family Services (ODJFS), schools will receive the number of students that are qualified for Healthy Start.

3) Rows 25-32:

Can districts claim for transportation?

Answer: Specialized transportation that facilitates a student accessing IEP services is allowable under certain conditions. Please see [ORC 5101: 3-35-06 \(B\)\(1\)](#) for complete details.

4) Cost Report – Statistics – Transportation:

Would it be accurate to re-label the following data components?

a) Row 26:

Current language: Total Medicaid allowable trips

Proposed language: #one-way trips, Medicaid students with IEPs requiring special transportation services

Answer: ODE has changed this label within the cost report.

b) Row 27:

Current language: Total trips or Total specialized transportation trips

Proposed language: #one-way trips, students with IEPs requiring special transportation services

Answer: ODE has changed this label within the cost report.

c) Row 30:

Current language: Total Medicaid HS allowable trips

Proposed language: #one-way trips, Medicaid HS students with IEPs requiring special transportation services

Answer: ODE has changed this label within the cost report.

Tabs 4A, 4B, 4C

1) Do the districts need to fill anything out? There are no shaded areas.

Answer: This section of the cost report does not require any input from districts.

Tab 5A

1) Column B:

a) Does "Salary with Benefits" include Employer Retirement Contribution, Employer – FICA Payroll Taxes and Employer – Medicare Payroll Taxes?

Answer: Yes.

b) There are no columns for whether or not the cost pool is broken down by Full-Time Employees, Part-Time or Contracted. Is this something that the state wants to track?

Answer: ODE is interested in costs associated with service delivery. As part of that data, this cost report captures the percentage of an employee's salary/fringe that is considered part of the Medicaid reimbursable activities. Costs related to contracts are based on costs, not specific hours of service delivery.

2) Row 26:

What would go into "Billing cost for direct medical services"?

Answer: Data entered into this area includes billing agent contract costs.

3) Row 29:

What is an "Audit Fee"?

Answer: The audit fee is the cost associated with the Agreed Upon Procedures Engagement.

Tab 5B

1) Row 17 --- What are examples of "Purchased TCM Services"?

Answer: It is ODE's current understanding that no schools have TCM costs for this cost report period.

Tab 5C

1) If the districts has not billed under Administrative Claiming, do they need to fill this out?

Answer: No data completion would be needed in this area.

Tab 5D

1) Column B Does "Salary with Benefits" include Employer Retirement Contribution, Employer – FICA Payroll Taxes and Employer – Medicare Payroll Taxes? Also we noticed that there are no columns for whether or not the cost pool is broken down by Full-Time Employees, Part-Time or Contracted. Is this something that the state wants to track?

Answer: ODE is interested in costs associated with service delivery. As part of that data, this cost report captures the percentage of an employee's salary/fringe that is considered part of the Medicaid reimbursable activities. Costs related to contracts are based on costs, not specific hours of service delivery.

Tab: 6

1) Rows 35, 41 and 47 --- What goes in these fields?

Answer: These values are indicated by the school district and are related to the interim claims paid from ODJFS.

Tab: Payroll (sample)

- 1) Does "Fringe Benefits" include Employer Retirement Contribution, Employer – FICA Payroll Taxes and Employer – Medicare Payroll Taxes? Also we noticed that there are no columns for whether or not the cost pool is broken down by Full-Time Employees, Part-Time or Contracted. Is this something that the state wants to track?

Answer: ODE is interested in costs associated with service delivery. As part of that data, this cost report captures the percentage of an employee's salary/fringe that is considered part of the Medicaid reimbursable activities. Costs related to contracts are based on costs, not specific hours of service delivery.

- 2) Column K --- Where can we find more literature on what the state match required for federal funds?

Answer: <http://aspe.hhs.gov/health/fmap.htm>

- 3) Column L --- What are some examples of "other amounts to be removed"?

Answer: The area has been included as a generic area for adjustment for any unforeseen costs that a district may choose to remove.

Overall Suggestions

- 1) Tab: Payroll (sample) --- We would encourage this be moved to the front to limit confusion as well as removing the word "(sample)" as this implies that it is merely an example sheet/tab.

Answer: The Payroll tab is a sample, and there are districts that may choose to use something other than this sample document as a reference page. Districts will be permitted to set up a reference page for payroll and may choose to opt out of this sample. Given its optional status, ODE has chosen to leave this page in its presnet position in the spreadsheet.

- 2) Click in the top left corner cell for each worksheet/tab and save so that when opening up the document the districts do not miss any data due to the worksheet already being scrolled down.

Answer: The change has been incorporated into the cost report.

Under "Procurement" in the MSP UAP draft

- 1) I assume that this only pertains to costs that are included in the Cost Report?

Answer: Yes.

- 2) For Contingency and Flat fee arrangement, it says to "prepare a proposed cost adjustment for the entire amount"? What billing agent fee method is allowed on the Cost Report?

Answer: For this cost report, we are only asking for the total value, not further details related to the value.

3.) What is the significance of the \$25,000 threshold and where did this limit come from?

Answer: This threshold comes from EDGAR (Education Department General Administrative Regulations); school districts may opt to set the threshold for procurement at a lower level than EDGAR. Districts are to use whatever is the more restrictive threshold.

4) We (billing agents and schools) are just now learning of these requirements. Very little of this will exist, so what is the penalty if none of this exists in the first full year of MSP?

Answer: Given this year is the initial cost report, allowances will be made for any data detail that is not known by a district. Moving forward for subsequent years, there will be an expectation those data elements are captured.

5) This one says to "prepare a proposed cost adjustment to remove the total amount of payments" if the contract does not include the required items. We are just now learning that the contract requires:

- Individual Student
- Procedures for assessment
- Amount, duration, frequency, type, scope

This is required in the actual contract?

Answer: Again, given this is the inaugural report, and we understand that some data elements may not have been captured, there will be some latitude for districts in supplying these details. Subsequent years will require these data elements to be captured.

Overall Issues

- 1) Wasn't this type of review done earlier on 10% of the population? Now it must be done again?

Answer: For this first initial year, we are asking for this review to be completed in regards to the program's overall assurance measures. However, this information is currently under consideration and may impact future work.

- 2) "Uniform School Accounting (USAS) report" - Can this be any schedule or report that is printed from the School's Accounting System? School's no longer use a 4502 Financial Report, but they can extract the data right out of their USAS accounting system. Since most of these costs are salaries, under 3, is the "representation letter" what is commonly called the "engagement letter"?

Answer: Any data report from USAS or the school district's accounting system using USAS data components is allowable. Schools must be prepared to defend the data in any report from their own accounting system.

- 3) On page 4, under a, it talks about Title VI-B tasks/activities. Title VI-B is a funding source, not a task or activity. Employees may not be aware what funds are used to pay for their salaries or benefits. I am unclear why you would be asking employees about federal program tasks?

Answer: While therapists may not be aware of various funding streams of reimbursement, the school treasurer should be cognizant of whether or not federal funding streams were used to pay for any service costs, as there is a prohibition of federal funding paying for services more than once.

AUPE Comments

- 1) Concern: we are auditing both the "Interim Claiming" and the "Random Moment/Cost Reporting". These two areas are different, and the latter's purpose is to flush out any errors made during the Interim Claiming. It seems to me that we are potentially making "Cost Adjustments" to the Interim Claiming that may have been already adjusted out during the RMTS/Cost Reporting.

Answer: The purpose of the cost report is to reconcile between interim claims and overall allowable costs. It is imperative we verify both figures are correct in order to ascertain the proper level of adjustment between the two values.

- 2) Fixed Assets - The AUP is doing a lot of verification of fixed assets. Isn't this type of audit already being done by a school State Audit? Why would another audit need to verify something that has already been verified?

Answer: The State Audit for school districts does not include costs associated with MSP.

- 3) Will JFS also be telling us what part of our MER data is Healthy Choice?

Answer: ODJFS will supply Healthy Start figures along with other Medicaid Eligibility Rate data.

- 4) If we had Special Education Directors included in the 2nd quarter, where would we have included their costs?

Answer: For this cost reporting period, given the issues associated with the Random Moment Time Study data collection, Ohio was unable to gather the minimum required data for this Cost Pool. Therefore, MSP provider will be unable to reclaim costs associated with this Cost Pool.

- 5) If (sic., a billing agents) wanted to include their costs to the district, where would they be indicated on the cost report?

Answer: Tab 5A (Direct Medical Cost), in the 'Billing Cost for Direct Medical Services' – cell B26.