

Date: March 13, 2017

To: Medicaid in Schools (MSP) Stakeholders

Re: Change in Medicaid Eligibility Rate (MER) Process

The Medicaid Eligibility Rate (MER) is a calculation that affects the level of reimbursement a district receives from the MSP Program. The MER determines the number of students in the district who are Medicaid eligible. There is a calculation of Medicaid Eligibility Rates on both the overall population, as well as the special education population.

In an effort to make MSP transparent, both the Ohio Department of Education (ODE) and the Ohio Department of Medicaid (ODM) encourage all eligible services to be interim claimed in order to establish a clear audit trail on reimbursements that are associated with the program.

In an effort to maximize those claiming activities, Ohio developed a Related Services MER that would more discretely define not only Medicaid levels, but also billing levels associated with the program. While this 'Related Services MER' would offer another perspective in understanding billing activities, most school billing systems were currently not tracking IEPs that lacked related services in them. To make that determination after the fact would require a large commitment of time and effort that potentially could affect a school's ability to staffing scheduled IEP service delivery.

Recognizing the burden this effort would take, Ohio has made the decision to not use the 'Related Services MER' in the 7/1/2014 to 6/30/2015 cost report. MER data due to the Ohio Department of Medicaid on 3/31/2017 does NOT need to include related services data.

Both the Department and ODM recognizes efforts made by many- if not most districts- in completing this year's cost report. In an effort to minimize any re-keying efforts on the cost report itself, instructions for using the existing cost report with some modest modifications is attached. Additionally, ODE and ODM reviewed the Agreed Upon Procedures Engagement (AUPE) letter used to review MSP costs. Please continue to use the same AUPE issued previously for all areas, except for the section under the IEP student utilization ratios (procedure 2). An AUPE with the updated section 2 is on the ODE website. The changes in the cost report instructions are directly associated only with the use of the Related Services MER.

This change in the MER calculation makes certain Ohio MSP has a clear process of auditing of the factors that affect overall reimbursements. At a future date, a discussion will occur regarding the feasibility of moving back to a related services MER, but until then we have no immediate plans to do so.

We appreciate your continuing collaboration and cooperation in administering the Medicaid Schools Program.

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