

# Illinois Medicaid School-Based Health Services (SBHS) Program Changes

## Frequently Asked Questions:

### *Local Education Agency (LEA) Business Officials*

#### SUMMARY

The Illinois Department of Healthcare and Family Services (HFS) submitted a Medicaid State Plan Amendment (SPA) to the federal Centers for Medicare and Medicaid Services (CMS) to update and expand the Illinois Medicaid School-Based Health Services (SBHS) program. This SPA includes two changes:

- A. Expand Fee-for-Services (FFS) claiming outside of IEP/IFSP services to any Medicaid-enrolled student in the general education population
- B. Move to a cost settlement reimbursement methodology

Upon CMS approval of the SPA, all changes will be retroactive to July 1, 2021.

The issues related to A are covered in a separate FAQ for health and mental health practitioners. The issues related to B are covered in this FAQ for LEA business officials.

#### COST SETTLEMENT

##### **Does every LEA have to participate in cost settlement?**

Yes, if the district wishes to participate in the School-Based Medicaid Fee-for-Service Program. During this fiscal year Illinois Medicaid has moved from the previous rate settlement methodology to cost settlement. To receive Medicaid reimbursement for FFS and administrative claiming, an LEA must participate in the Random Moment Time Study (RMTS) and the cost settlement process. If an LEA no longer wishes to receive School-Based Medicaid reimbursement then they do not need to participate in the RMTS.

##### **What is cost settlement?**

Cost settlement is a cost-based reimbursement methodology used to determine the actual cost of delivering school-based health services. At the end of the fiscal year, it compares the actual total cost of providing services incurred by LEAs to the interim reimbursement payments received throughout the year. Actual allowable costs are determined through the completion of the Annual Medicaid Cost Report at the end of the year.

In order to receive reimbursement, all eligible service providers must participate in the Random Moment Time Study (RMTS) process. If a service provider is not included in RMTS, no expenditures associated with that service provider will be included in the cost report.

Cost settlement is an administrative process that does not impact the provision of services to students.

##### **Which school health and mental health practitioners must be included in cost settlement?**

All [current school-based licensed and qualified practitioners](#) already involved in Medicaid claiming for special education students with IEPs/IFSPs are covered as eligible service providers. The U-200 Handbook for Local Education Agencies is found here:

<https://www2.illinois.gov/hfs/SiteCollectionDocuments/092818LEAHdbkPolicyAudiologyRefFinal.pdf>

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The expansion will cover additional service providers:

- Licensed Clinical Professional Counselors (LCPCs)
- Licensed Marriage and Family Therapists
- Orientation and Mobility Specialists
- Licensed Clinical Psychologists (LCP)
- Registered Behavior Technicians (RBT)

#### **How is cost settlement calculated?**

The following factors are used to calculate the cost of delivering health services by an LEA.

- Reported Costs: The salary, benefits, and contracted staff costs for the direct medical service providers listed on the quarterly staff pool list. Reported costs are specific to an individual LEA.
- Indirect Costs: The Unrestricted Indirect Cost Rate (UICR) that is calculated annually by ISBE. The UICR for each LEA is used in the calculation. This is an LEA specific item.
- Direct Medical Service Percentage: The percentage of time spent on the delivery of services for special education (IEP/IFSP) students and services for the expanded general population students. A separate percentage will be calculated for each of these groups. These percentages are calculated from RMTS and will be the same for all LEAs statewide.
- Medicaid Eligibility Ratios (MERs): Two MERs will be used. For the IEP/IFSP student population: the ratio of the number of Medicaid eligible students who have a billable IEP/IFSP service and the total number of students with a billable IEP/IFSP service districtwide. For the non-IEP/IFSP student population: the ratio of the number of Medicaid enrolled students and the total number of students. MER ratios are specific to an individual LEA.
- Federal Medical Assistance Percentage (FMAP): The percentage of Medicaid reimbursement that is paid for by the federal government. FMAP is the same for all LEAs in the state and is established at the federal level for ALL Medicaid programs, not just school services.

Final calculation: If an LEA's allowable costs exceed the interim payments received, the LEA will receive a payment for the difference. If an LEA's allowable costs are less than the interim payments received, the LEA will pay back the difference. Adjustments are calculated at the end of the fiscal year upon LEA submission of the Annual Medicaid Cost Report.

#### **What processes stay the same with cost settlement?**

- LEAs still submit a quarterly staff list, calendar, and shifts.
- RMTS results are still used for quarterly administrative claiming and the annual cost determination process.
- LEAs must still maintain a quarterly 85% response rate in completion of RMTS.
- LEAs must submit financial data quarterly.
- Administrative claims and payments are still calculated and distributed quarterly.
- Transportation costs will still be collected and included in the cost report.
- FFS billing guidelines remain the same.

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#### **What processes are changing with cost settlement?**

- a) All LEAs billing FFS must participate in RMTS in order to receive reimbursement.
- b) All service providers billing FFS must participate in RMTS. This includes previously eligible service providers, newly eligible service providers under the FFS expansion, and School Health Aides (SHAs). If a service provider has billed for services, but has not participated in RMTS, the financial expenditure data for those providers will not be issued included in the cost report.
- c) RMTS notification and submission windows will decrease (due to a federal rule change).
- d) Annual RMTS results will be used to calculate settlement instead of rates.

#### **When do these changes go into effect?**

Upon CMS approval of the SPA, the cost settlement process will be used for FY2021-2022, beginning July 1, 2021. Any LEA and service provider seeking reimbursement must have participated in the RMTS process beginning October 1, 2021. Service providers are eligible for their financial expenditure data included relative to each quarter they are included in RMTS.

*For example, a school nurse added to RMTS beginning October 1, 2021 is eligible for their financial expenditures beginning October 1, 2021. A school nurse added to RMTS beginning April 1, 2022 is eligible for their financial expenditures for only the April-June quarter of FY2022.*

## **TECHNICAL ASSISTANCE**

#### **Who can we contact with questions?**

Public Consulting Group (PCG) is contracted by HFS to implement the RMTS process, prepare and submit quarterly claims to HFS, perform the annual cost settlement process, maintain an online claiming platform and LEA assistance hotline, and support HFS and school districts in administering the SBHS program

- Hotline (toll-free): 833-976-1847
- Email: [ilmac@pcgclaimingsystem.zendesk.com](mailto:ilmac@pcgclaimingsystem.zendesk.com)
- Website: <https://claimingsystem.pcgus.com/il>