



# Taking the Mystery out of Medicaid – Fiscal Components Training

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Idaho State Dept. of Education

*Supporting Schools and Students to Achieve*

SHERRI YBARRA, ED.S., SUPERINTENDENT OF PUBLIC INSTRUCTION

# Welcome!



Ever feel a little lost or unsure when it comes to your Medicaid process?



# Let's Take the Mystery Out of Medicaid!



# Agenda:



- Brief History of Medicaid Reimbursement in Schools
- Overview of the Fee for Service Medicaid cycle
- Best Practices for account setup and flow
- Medicaid Basics & Match
- To Prepay or not to Prepay? (Trust Accounts)
- Reconciling the Medicaid match claim statements to your general ledger
- Budgeting Medicaid in conjunction with your other funds
- When to draw the line for year-end close outs



# Brief History of Medicaid Reimbursement in Schools



# History of Medicaid in Schools



- 1965 Medicaid, a federal-state matching entitlement begins as Title XIX of the Social Security Act. Individual states develop their own Medicaid plan within the parameters of federal Medicaid laws and regulations.
- On Nov. 29, 1975, then President Gerald Ford signed into law the Education for All Handicapped Children Act (Public Law 94-142).

PRESIDENT GERALD FORD  
SIGNING A NEW LAW



*Parents with handicapped children are optimistic about this change.*

On Nov. 29, 1975, then President Gerald Ford signed into law the Education for All Handicapped Children Act (Public Law 94-142). With the adoption of this act, Congress opens public school doors for many children with disabilities and sets the foundation of the country's commitment to ensuring that children with disabilities have opportunities to develop their talents, share their gifts, and contribute to their communities.

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# Medicaid Fee for Service



- 1988 Medicare Catastrophic Coverage Act. Medicaid may pay for health related services based on a child's IEP/IFSP if the child is Medicaid eligible and if the service is covered in the state Medicaid plan or if medically necessary.
- 1990 Individuals with Disabilities Education Act (IDEA) is adopted into law.



# Medicaid is the Primary Payer Before IDEA Part B



For services provided under IDEA, Medicaid is the primary payer ([Centers for Medicare & Medicaid Services \(CMS\) Letter, issued Dec 15, 2014](#))

“We also note that, even if a state determines that schools or providers of Individuals with Disabilities Education Act (IDEA) services generally are legally liable third parties, the Medicaid statute contains an exception at section 1903(c) of the Act, which requires that Medicaid serve as the primary payer to schools and providers of services in an Individualized Education Program (IEP) or Individualized Family Service Plan (IFSP) under the IDEA.”

Why does this matter? This means if you bill for Medicaid reimbursement for services provided, then *you must spend down Medicaid prior to IDEA Part B funds.*



# Medicaid and IDEA Part B Intro.



In order to better grasp the functionality and relationship between Medicaid and IDEA Part B funds, we will start with the overall all Special Education funding hierarchy.

**There are three main sources of funding for Special Education Programs:**

1. General Funds (Maintenance of Effort)
2. Medicaid Eligible Expenditure Federal Reimbursements
3. IDEA Part B Federal Entitlement Grants

# State Medicaid Plans



- Each state creates a Medicaid state plan that serves as an agreement between a state and the Federal government describing how each state administers its Medicaid programs.
- Our State policy defines which services are reimbursable. These policies are defined in the Medicaid “state plan.”

# Which Services Apply And Are Billable In Idaho's Plan?



- a. Behavioral Intervention
- b. Behavioral Consultation
- c. Crisis Intervention
- d. Habilitative Skill Building (renamed as of March 2020)
- e. Interdisciplinary Training
- f. Medical Equipment and Supplies
- g. Nursing Services
- h. Occupational Therapy and Evaluation
- i. Personal Care Services
- j. Physical Therapy and Evaluation
- k. Psychological Evaluation
- l. Psychotherapy
- m. Skills Building/Community-Based Rehabilitation Services
- n. Speech/Audiological Therapy and Evaluation
- o. Social History and Evaluation
- p. Transportation Services
- q. Interpretive Services

How do we seek reimbursement for these activities that we may qualify for?



# Medicaid School-Based Services Billing Process

From Becoming a Medicaid Provider to Receiving Payment



Karren Streagle, Ph.D. | Alternate Assessment/Low Incidence Disabilities/Medicaid Coordinator  
Idaho State Department of Education

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Idaho Department of Health and Welfare, Division of Medicaid

Always remember...



*Medicaid is insurance.*

# Phases to Reimbursement



1. Before special education (SPED) eligibility
2. SPED eligibility determination
3. Services provided & documented
4. Medicaid claim submitted
5. Payment received

**School-Based Services = SBS**

# Phase 1: Before SPED Eligibility



LEA  
becomes  
Medicaid  
provider



Parent  
signs  
consent  
to assess



Parent  
signs  
One-  
Time  
Consent  
to Bill  
Medicaid



LEA obtains  
physician  
referral/  
recommendation  
for assessment

# Phase 2: SPED Eligibility Determination



Assessment  
Completed  
Student found  
eligible for  
SPED Services



Individualized  
Education  
Program (IEP)  
developed  
**based on  
student's  
individual needs**



Address  
Medicaid  
requirements in  
IEP for billable  
SBS  
  
LEA obtains  
physician  
referral/  
recommendation  
for services



# Phase 3: Services Provided & Document



Medicaid SBS  
provided to  
student



Provider  
documents  
services on  
service detail  
report (SDR)

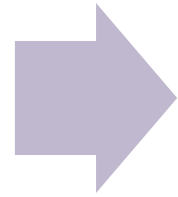


SDR submitted  
to LEA Medicaid  
clerk, secretary,  
biller, etc.

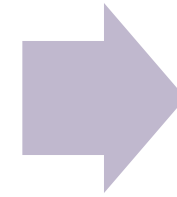
# Phase 4: Medicaid Claim Submitted



Claims  
submitted to  
DXC  
Technology



LEAs may  
submit claims  
or contract with  
billing company



LEA maintains  
required  
documentation  
for 5 years

# Phase 5: Medicaid Payment Received



DXC Technology posts weekly remittance advice (RA)



LEA submits match fund payment



LEA receives payment

# Other Medicaid Considerations



- Not all students in SPED eligible for Medicaid
- Not all IEP services billable
- Additional eligibility requirements for some services
- Teachers, therapists, paraprofessionals, etc. must meet Medicaid provider qualifications
- Reimbursement only for services outlined in IEP

# LEA Billing/Payment Considerations



- Choose if/which SBS to bill
- May contract with billing companies
  - Responsible for all claims submitted
- Monthly *Medicaid match fund statement*
- Remit matching funds before payment
- Up to 365 days to bill



**Back to you, Lisa.**





# Best Practices for Medicaid Account Setup And Flow



# Key Players – Roles & Communication



Communication is key to a smooth balance in Special Education funding.

There are several important roles:

- **Superintendent**: Decides LEA will bill for Medicaid reimbursement.
- **Finance**: Sets up funding structure, budgets, tracks revenue & expense, fiscal compliancy & close outs.
- **Special Education Program**: Serves students, determines eligibility & claiming, notifies finance of staffing serving eligible students.
- **Billing**: Claim processing (could be in house or 3<sup>rd</sup> party). Billing is integral to the timing of revenue flow, which will affect your Maintenance of Effort, or IDEA Part B spending.



# Medicaid – The General Ledger



School Finance is ultimately responsible for the accountability and reconciliation of school district funds. Medicaid reimbursement funds must be transparently displayed, and tracked, utilized, and reconciled on a regular basis.

General ledger (GL) setup is integral to the efficiency, and compliancy to then entire Special Education funding model.



Remember the three main sources of funding for Special Education Programs?

**They must also be spent in a specific order.**

1. General Funds (Meet MOE 1<sup>st</sup>)
2. Medicaid Eligible Expenditure Federal Reimbursements (pays before IDEA)
3. IDEA Part B Federal Entitlement Grants

# Ledger Fund Setup – Medicaid 260



Fund: 260

Revenue function code: 445900

Expenditure function codes: 521, 522, 616

Object Codes: Consider a *unique object code* for match that will stand out from your other services  
Example object coding for Match expense: 6163XX

Follow other object code general use guidelines

# Avoiding Commingling of Federal Funds



## Why do we need a separate fund?

- Commingling of federal funds is *prohibited* under 2 CFR §200.302
- Under Governmental Accounting Standards Boards (GASB) 54 rules, you must prove the funds can be separated from the general fund and prove that they are in a restricted fund and are not open for general use.

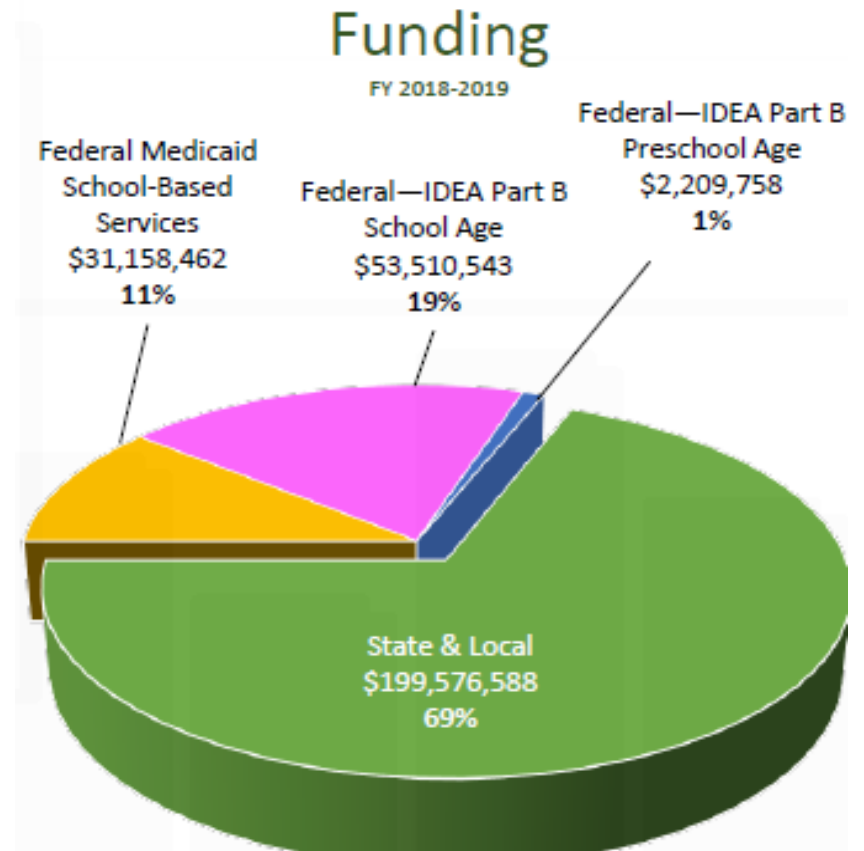


# Reporting Special Education Funding



SDE has reporting requirements to our state legislature

- How much was spent on Special Education with State and Local Funds
- How much was spent on Special Education with Federal Funds?
- How much of Federal Medicaid reimbursement was included?
- The SDE subtracts out the Medicaid match, so it doesn't look like you get more funding than you earn after match.



# Medicaid Funds = Federal Funds



Two pieces of Federal legislation address how Medicaid reimbursements should be viewed as Federal Funds:

- 34 CFR §300.154(g)(2). *Reimbursements* from federal funds, e.g. Medicaid, will not be considered “State/local” for purposes of maintenance of effort.
- 2 CFR §200.502. Medicaid *expenditures* for providing patient care services to Medicaid eligible individuals are not considered federal awards expended unless a State requires the funds to be treated as federal awards expended because reimbursement is on a cost reimbursement basis.

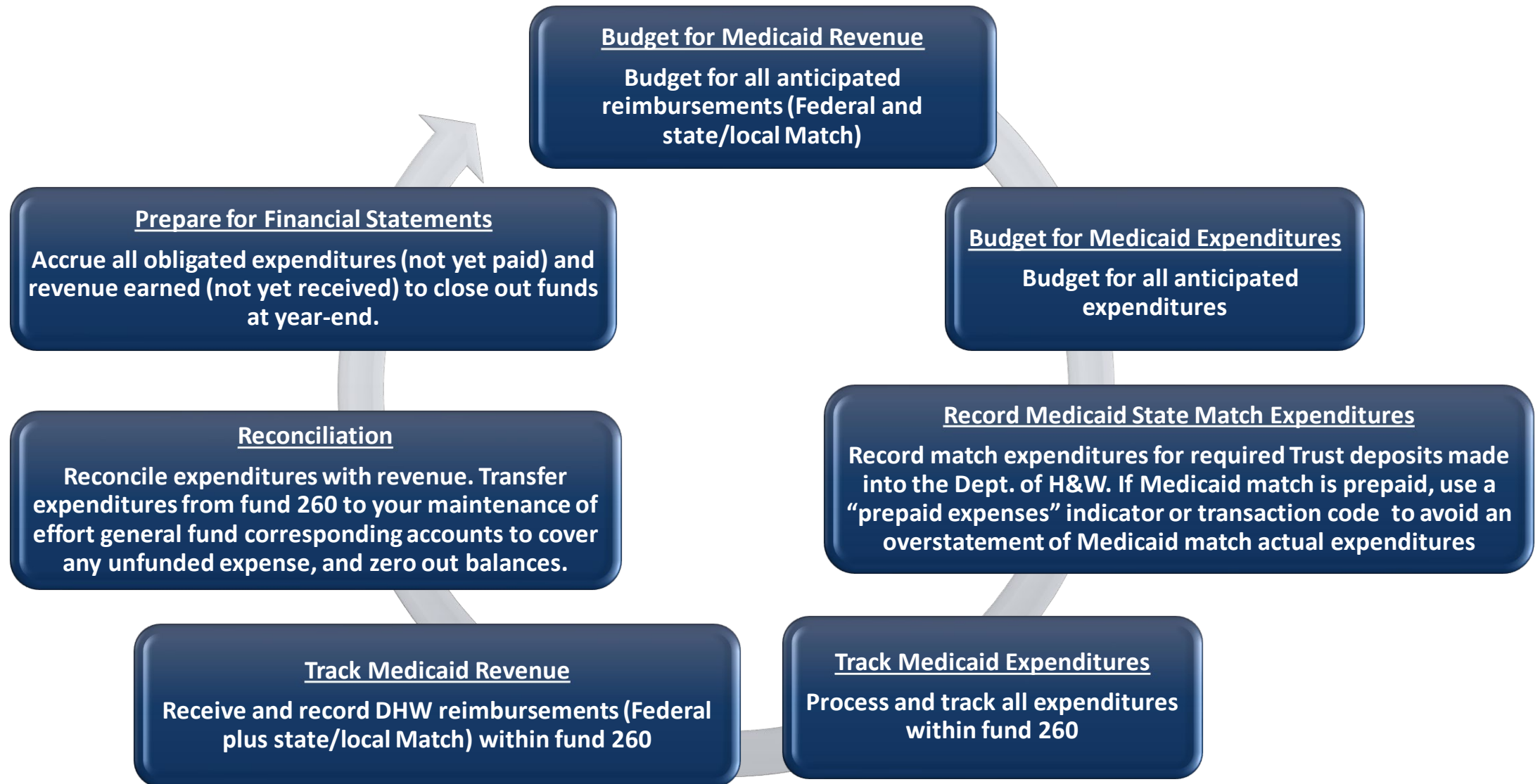
The Idaho Medicaid State Plan reimburses LEAs’ Federal Medicaid dollars on a cost reimbursement basis; therefore, reimbursed Medicaid School-Based Services expenditures are *treated as a Federal award expended* in accordance with the uniform grant guidance.

# Medicaid on the SEFA



- Do I need to report Medicaid reimbursement on the Schedule of Expenditures of Federal Awards (SEFA)? YES!
- Medicaid *expenditures* do not have to be included in the SEFA because they are not included in the threshold amount used to determine whether an entity must have a Single Audit. The [52 Federal Register 43713](#) clarified this issue by stating that Medicaid arrangements between the *States and providers* are not covered by the Single Audit Act. Since the State of Idaho has considered these funds *federal*, you **can add** the Medicaid information to the *notes to the SEFA* for full transparency and disclosure, even though they are not subject to the single audit, nor should count towards the threshold to determine a single audit.

# Medicaid Fund 260 Flowchart







# Medicaid Basics & Match



# Medicaid Funding Basics



- Medicaid is funded by combining state and federal dollars.
- The percentage of the total Medicaid cost the federal government pays is called the FMAP (Federal Medical Assistance Percentage). This determines how much your actual reimbursement after match will be.
- The FMAP is determined by the percentage of a state's population that is eligible for Medicaid. The more individuals in a state who are eligible for Medicaid, the higher the FMAP is.
- Current match fund percentages can be found here: [EXHIBIT 6. Federal Medical Assistance Percentages \(FMAPs\) and Enhanced FMAPs \(E-FMAPs\) by State : MACPAC](#)

# Match Payment Basics



- Under our Medicaid State Plan, there is a portion of eligible expenditures that are *not reimbursed* because these are considered ***State match***.
- School districts are required to put up local match funds to draw down federal reimbursement for covered services.
- Funds used for match or cost sharing for a program must comply with the Uniform Grant Guidance provision 2 CFR 200.306 Cost sharing or matching
- Match funds must be public, non-federal funds (42 CFR § 433.51).

# LEA Match Process With The Dept. of Health & Welfare



## LEAs submit match fund payment

- Idaho Dept. of Health & Welfare (IDHW) mails a monthly Medicaid Match Fund Statement indicating balance due to release payment
  - Payments from IDHW will not be released until they have received the match funds payment
- LEAs may also estimate match funds based on remittance advice (RA) and submit estimated payment to IDHW prior to monthly statement arriving (this means you send excess “prepaid funds” to the Medicaid Trust Account, at the Dept. of Health & Welfare).

# Medicaid Match Funds Statements



**REMIT PAYMENT TO:**  
 IDHW, Bureau of Financial Services  
 PO Box 83720  
 Boise ID 83720-0036

**QUESTIONS:**  
 Cassandre DiBonaventura  
 (208) 334-5021  
[cassandre.dibonaventura@dhw.idaho.gov](mailto:cassandre.dibonaventura@dhw.idaho.gov)

## Key Sections:

- Payment/reimbursement amount
- Match required
- Trust Account balance
- Remaining Match Needed for processing current claims



### Medicaid Match Funds STATEMENT DATE: April 2020

#### School Based Payments Processed by DHW

Date	Eligibility Category	Payment Amount	CHIP Match Required	Medicaid Match Required
3/31/2020	Balance Forward - Match Due*			-
4/27/2020	Medicaid	11,322.07		2,656.16
* Denotes payment was not released due to insufficient matching funds in trust.				
<b>Match Required</b>				<b>2,656.16</b>

#### Trust Account Activity

Date	Type	Amount
3/31/2020	Balance Forward	885.92
4/30/2020	Interest	1.38
<b>Trust Account Balance</b>		<b>887.30</b>

#### SUMMARY - MATCH REQUIREMENTS

Match Required (from above)	\$	2,656.16
Less: Match Withdrawn During Current Month		-
Ending Match Required		<b>2,656.16</b>
Trust Amount Available for Match		887.30
<b>Remaining Match Needed - PLEASE REMIT PAYMENT</b>	<b>\$</b>	<b>1,768.86</b>

## Key Concepts & Takeaways for Medicaid Match:

- Medicaid match must be paid with non-federal funds
- Medicaid match must be booked and recognized as an *expenditure line item*
- Medicaid match must be budgeted
- Medicaid match must be counted towards your Maintenance of Effort (MOE)

# Medicaid Match Expense in MOE



Wait... what?



Why do we include Medicaid Match paid to the Department of Health & Welfare in MOE? Isn't that part of Medicaid?



You use **Non Federal funds** to pay match, which is therefore an expense that is now part of MOE

# OSEP Memo 15-10 – State Match



## Medicaid State Match OSEP MEMO 15-10 (July 27, 2015)

<https://sites.ed.gov/idea/files/idea/policy/speced/guid/idea/memosdcltrs/osepmemo1510leamoeqa.pdf>



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

Date: July 27, 2015

Contact Person: Gregg Corr  
Telephone: 202-245-7309  
OSEP MEMO 15-10

### MEMORANDUM

TO: Chief State School Officers  
State Directors of Special Education

FROM: Melody Musgrove, Ed.D.  
Director  
Office of Special Education Programs (OSEP)

SUBJECT: Issuance of Guidance on the Final Local Educational Agency (LEA) Maintenance of Effort (MOE) Regulations under Part B of the Individuals with Disabilities Education Act (IDEA)

### Question A-9:

May LEAs use their local, or State and local, funds to meet both the LEA MOE requirement and a matching or MOE requirement for a separate Federal program (e.g., Medicaid or Vocational Rehabilitation)?

### Answer:

Yes. In fact, LEAs must include the amount of local only, or State and local, funds spent for the education of children with disabilities when calculating the level of effort required to meet the eligibility and compliance standards, even if those local only, or State and local, funds are also used to meet a matching requirement in another Federal program. The IDEA does not impose a matching requirement. In other words, an LEA that expends local, or State and local, funds for the education of children with disabilities **must include those funds in its LEA MOE calculations** regardless of whether it uses those same funds to comply with a matching or other MOE requirement (of course, an LEA that uses the local funds only method to meet the LEA MOE requirement need not include State funds in its LEA MOE calculations).





## IDAPA 16.03.09 Medicaid Basic Plan Benefits

### **IDAPA 16 – IDAHO DEPARTMENT OF HEALTH AND WELFARE**

#### **Division of Medicaid**

#### **16.03.09 – Medicaid Basic Plan Benefits**

#### **856. SCHOOL-BASED SERVICE: PROVIDER REIMBURSEMENT.**

Payment for health-related services provided by school districts and charter schools must be in accordance with rates established by the Department. (7-1-21)T

**04. Matching Funds.** Federal funds cannot be used as the State's portion of match for Medicaid service reimbursement. School districts and charter schools must, for their own internal record keeping, calculate and document the non-federal funds (maintenance of effort assurance) that have been designated as their certified match.

# Medicaid Match Is An Expense



LEAs ***must*** include state and local funds spent for the education of children with disabilities regardless of whether it uses those same funds to comply with other matching requirements **i.e. Medicaid state match.**

- Medicaid expense was \$100,000
- Reimbursed portion was 71% or \$71,000
- State match was 29% or \$29,000
- **Any portion of state match used for the education of children with disabilities must be included in the maintenance of effort report**
- **You must also recognize this as an expense on your general ledger**

# Methods To Record Match



Medicaid matching funds must be from non-federal funds.

## Methods include:

1. Transfer match revenue from fund 100 to fund 260, and pay match out of fund 260 to The Dept. of Health & Welfare
2. Pay match directly out of fund 100

# Match Method 1: The Transfer of Revenue to Fund 260 for Match



## Steps:

1. Transfer exact match required for each claim from general fund, to fund 260. This is a **Revenue** transfer.
2. Pay The Dept. Of Health & Welfare (H&W) the exact match out of fund 260. In this example, match is \$4,350
3. Bring all or net Medicaid revenue into fund 260.

MEDICAID FUND	
260-445900-0000 MEDICAID REVENUE	10,650.00CR
260-460000-0000 TRANSFER FROM GENERAL FUND	4,350.00CR
	-----
TOTAL REVENUE	15,000.00CR
	=====
260-616310-0000 MEDICAID SERVICES	10,650.00
260-616350-0000 MEDICAID MATCH	4,350.00
	-----
TOTAL EXENDITURES	15,000.00
	=====

The balance of any unreimbursed Medicaid expenditures can be covered with expenditure transfers into MOE to bring the fund balance down to zero.

# Match Transfer Entry Example



Here is an example transferring \$2,000 Medicaid match expense, from fund 100, to fund 260:

Account Description	Account No.	DR	CR
<b>TRANSFER MATCH SPENT TO MEDICAID FUND</b>			
	100-920260	2,000.00	
	100-111100		2,000.00
	260-460000		2,000.00
	260-111100	2,000.00	

# Match Method 1 Benefits



- All things Medicaid are in one fund
  - Transparency
- You can easily budget & monitor all things Medicaid in one fund
- You can still easily demonstrate that your match was paid out of general funds



# Match Method 2: Pay match directly out of fund 100

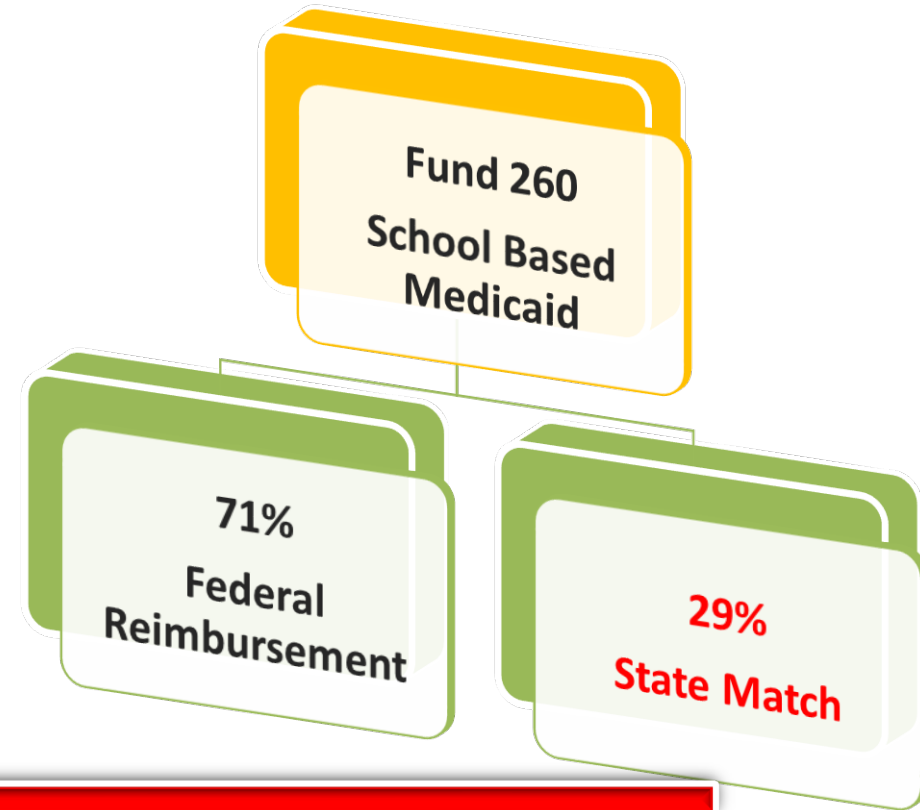
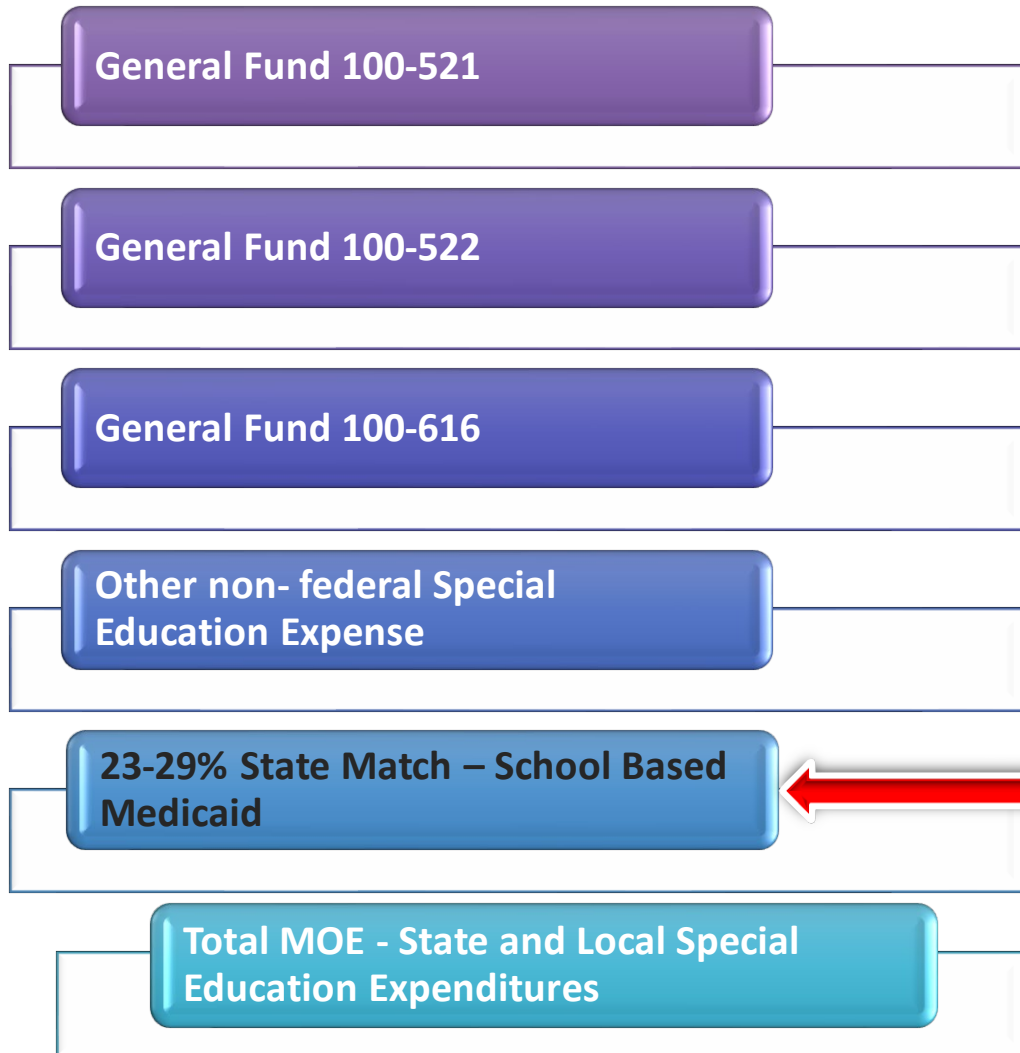


## Steps:

1. Match is part of MOE, so you need to record match where you can find it. Use a unique object code, and or function code so that you can easily find your match expense. Example: 100-616399
2. Match is non-instructional, so it should not be paid in the 521 or 522 function codes
3. If you pay match out of your 616 function, you must pull it back out when you report in the IDEA Part B Application (so you don't overstate MOE).

<i>Enter your district/LEA's Budgeted General M&amp;O expenditures, from State and Local funds, for FY 2022.</i>	
IFARMS 100-521: Special Education Program	\$240,801
IFARMS 100-522: Special Education Preschool Program	\$0
<b>IFARMS 100-616: Special Education Support Services Program</b>	<b>\$0</b>
<b>Combined Total</b>	<b>\$240,801</b>
<i>List below any general fund expenditures for the excess costs of providing Special Education and Related Services not included in one of the function program codes above</i>	
<b>School Based Medicaid State Match</b>	<b>\$25,000</b>
Professional Development	\$0
Transportation Costs	\$0

# Accounting for IDEA Part B MOE At a Glance







# Medicaid Trust Accounts

To Prepay, or Not to Prepay???



# Medicaid Trust Accounts Methods



There are 2 methods for *processing* match payments.

1. Estimate match, and *prepay* it, and maintain a balance in your Trust account.
2. Pay *exact match* required for each claim, based on the Medicaid Match Statement.

# Prepaid Match Expense - Benefits



## To prepay or not to prepay?

### Benefits:

- Claims may be processed faster
- Matching funds will be held in an interest-bearing trust account. The average daily balance during a month must exceed \$100 in order to receive interest for that month.



# Prepaid Match Expense – Additional Requirements



## Additional Requirements for Prepaid Match:

- If you choose to prepay match, you are creating a prepaid asset to your LEA.
- You must record the prepaid match as a prepaid asset on your general ledger.
- You must balance your prepaid account against the interest earned and *match expense* used for claims. Treat it like balancing a bank account. Match expense can be expensed as a fee, like a banking fee.
- You must only claim the required match used for claims as part of Maintenance of Effort.

Note: Auditors should check for these items if you prepay.





# Reconciling the Medicaid Match Claim Statements



# Match Statement Reconciliation



When you get your Match Statement, you need to do two things:

## 1. Record match expense

- Reduce Prepaid If you have a trust balance

## 2. Create a receivable

- Use 445900 revenue function



**REMIT PAYMENT TO:**  
IDHW, Bureau of Financial Services  
PO Box 83720  
Boise ID 83720-0036

**QUESTIONS:**  
Cassandre DiBonaventura  
(208) 334-5021  
[cassandre.dibonaventura@dhw.idaho.gov](mailto:cassandre.dibonaventura@dhw.idaho.gov)

### Medicaid Match Funds STATEMENT DATE: April 2020

#### School Based Payments Processed by DHW

Date	Eligibility Category	Payment Amount	CHIP Match Required	Medicaid Match Required
3/31/2020	Balance Forward - Match Due*			-
4/27/2020	Medicaid	11,322.07		2,656.16
* Denotes payment was not released due to insufficient matching funds in trust.				
<b>Match Required</b>				<b>2,656.16</b>

#### Trust Account Activity

Date	Type	Amount
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Trust Amount Available for Match		887.30
<b>Remaining Match Needed - PLEASE REMIT PAYMENT</b>	<b>\$</b>	<b>1,768.86</b>

# Adjustments to Prepaid Asset Balances



If you carry a prepaid match trust asset balance with Health & Welfare (MEDIC), record your Medicaid match trust payments as an expense, such as 260-616350. Then, you will then need to process an entry to adjust the asset account 260-111500 to actual.

ADJUST MEDICAID TRUST ACCOUNT BALANCE TO ACTUAL			
	PER STATEMENT	TRIAL BALANCE	ADJUSTMENT
	2,132.22	2,892.20	(759.98)
	260-111500		759.98
	260-616350	759.98	

# Viewing Medicaid School Based Services (SBS) Reimbursement



For your accounts receivable, the payment (reimbursement) information can be viewed through multiple methods:

- Medicaid Match Fund Statement from IDHW or Remittance Advice (RA) from [www.idmedicaid.com](http://www.idmedicaid.com)



REMIT PAYMENT TO:  
IDHW, Bureau of Financial Services  
PO Box 83720  
Boise ID 83720-0036

QUESTIONS:  
Ariel Towns  
(208) 334-0604  
ariel.towns@idhw.idaho.gov

SCHOOL DISTRICT [REDACTED]  
[REDACTED]-7991

Medicaid Match Funds  
STATEMENT DATE: July 2021

School Based Payments Processed by DHW

Date	Eligibility Category	Payment Amount	CHIP Match Required	Medicaid Match Required
6/30/2021	Balance Forward - Match Due*			
7/6/2021	Medicaid	15.07	515.81	888.68
7/26/2021	CHIP	50.97		
7/26/2021	Medicaid	91.49	260.15	003.47
	CHIP	69.20		
* Denotes payment was not released due to insufficient matching funds in trust.				
Match Required				88.11

Trust Account Activity

Date	Type	Amount
6/30/2021	Balance Forward	850.49
7/6/2021	Match Withdrawn	(84.49)
7/12/2021	Deposit	800.00
7/26/2021	Match Withdrawn	(83.62)
7/31/2021	Interest	55.42
Trust Account Balance		837.80

SUMMARY - MATCH REQUIREMENTS

Match Required (from above)	\$ 88.11
Less: Match Withdrawn During Current Month	(88.11)
Ending Match Required	-
Trust Amount Available for Match	837.80
<b>NO PAYMENT REQUIRED</b>	\$ -

Idaho Medicaid Management Information System  
Remittance Advice\_SIS  
Remit Date:09/24/2021

Provider: 150 [REDACTED] SCHOOL DISTRICT [REDACTED]  
CLAIM TYPE: 1500

RA NUM: 625 [REDACTED]

Member	FDOS	TDOS	Rev/Proc & Mods Code	QTY Bld	QTY Pd	Billed Amt	Non Allowed Amt	Contract Allowed Amt	Ext Paid Amt	Medicaid Copay Amt	Client Cont Amt	Ext Copay Amt	Ext Coinsur Amt	Ext Deduct Amt	Paid Amt	Detail Message
<b>PAID</b>																
Member	[REDACTED]		Medicaid ID:	000 [REDACTED]												
CLAIM ID	212 [REDACTED]		PT ACCT	54 [REDACTED]		MED REC #		DRG #		Severity Of Illness:	Claim Messages:					
1	08/27/2021	08/27/2021	H0004 HO	25.00	25.00	\$445.00	\$0.00	\$445.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$445.00	
CLAIM TOTAL:						\$445.00	\$0.00	\$445.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$445.00	
CLAIM ID	21264 [REDACTED]		PT ACCT	54 [REDACTED]		MED REC #		DRG #		Severity Of Illness:	Claim Messages:					
1	08/26/2021	08/26/2021	H0004 HN	24.00	24.00	\$309.84	\$0.00	\$309.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$309.84	
2	08/26/2021	08/26/2021	H2019	4.00	4.00	\$71.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
CLAIM TOTAL:						\$381.04	\$0.00	\$309.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$309.84	
Member	[REDACTED]		Medicaid ID:	000 [REDACTED]												
CLAIM ID	212 [REDACTED]		PT ACCT	54 [REDACTED]		MED REC #		DRG #		Severity Of Illness:	Claim Messages:					
1	07/12/2021	07/12/2021	92507 HO	1.00	1.00	\$17.25	\$0.00	\$17.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17.25	
CLAIM TOTAL:						\$17.25	\$0.00	\$17.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17.25	
CLAIM ID	212 [REDACTED]		PT ACCT	54 [REDACTED]		MED REC #		DRG #		Severity Of Illness:	Claim Messages:					
1	07/21/2021	07/21/2021	92507 HO	1.00	1.00	\$17.25	\$0.00	\$17.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17.25	
CLAIM TOTAL:						\$17.25	\$0.00	\$17.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17.25	
CLAIM ID	212 [REDACTED]		PT ACCT	54 [REDACTED]		MED REC #		DRG #		Severity Of Illness:	Claim Messages:					
1	07/26/2021	07/26/2021	92507 HO	1.00	1.00	\$17.25	\$0.00	\$17.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17.25	
CLAIM TOTAL:						\$17.25	\$0.00	\$17.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17.25	
Member	[REDACTED]		Medicaid ID:	000 [REDACTED]												
CLAIM ID	212 [REDACTED]		PT ACCT	54 [REDACTED]		MED REC #		DRG #		Severity Of Illness:	Claim Messages:					
1	05/06/2021	05/06/2021	97530 HO	1.00	1.00	\$33.67	\$0.00	\$33.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33.67	
CLAIM TOTAL:						\$33.67	\$0.00	\$33.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33.67	
CLAIM ID	212 [REDACTED]		PT ACCT	54 [REDACTED]		MED REC #		DRG #		Severity Of Illness:	Claim Messages:					
1	05/27/2021	05/27/2021	97530 HO	1.00	1.00	\$33.67	\$0.00	\$33.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33.67	
CLAIM TOTAL:						\$33.67	\$0.00	\$33.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33.67	
CLAIM ID	212 [REDACTED]		PT ACCT	54 [REDACTED]		MED REC #		DRG #		Severity Of Illness:	Claim Messages:					
1	06/03/2021	06/03/2021	97530 HO	1.00	1.00	\$33.67	\$0.00	\$33.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33.67	
CLAIM TOTAL:						\$33.67	\$0.00	\$33.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33.67	

\*\*\*\*\* Contains HIPAA PHI Sensitive Data \*\*\*\*\*

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# Medicaid Leveraging



Once LEA local match is received and processed by Medicaid, federal funds are released for payment. Then, Medicaid combines the local match funds with the federal funds to reimburse the school district at 100%. This is Medicaid Leveraging.





If an LEA uses a Third Party Biller/Vendor for claiming, where do they pay the admin fee from?

- Under the Idaho Medicaid State plan, the admin fee is not part of the state match. It is treated like an indirect cost to the program just like the cost of a business manager so LEAs do not bill Medicaid for Admin fees. Therefore, you cannot charge the Admin fee to fund 260(reimbursement account).

# Administrative Fee's continued



- 2 CFR § 200.403 Allowability of Costs. Administration fees for the Medicaid billing services are neither necessary for the Performance of the IDEA award, nor allocable to the award, or Maintenance of Effort (§ 200.405 Allocable costs).
- So, the Medicaid Admin fees cannot go in IDEA federal funds 257 or 258, they cannot go towards MOE 100-521,522,616 either. They must come out of General Fund (non federal). The [fiscal manual](#) shows this:

<b>NEVER ALLOWED</b>	<b>MEDICAID ADMINISTRATION SERVICES:</b> Costs for claiming Medicaid funds, including third-party administrators.	The costs for administering Medicaid services may not be charged to the IDEA grant because they are not necessary for the performance of the IDEA grant. 2 CFR 200 403-405
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- Example of where to charge this fee to: 100-6513XX



# Budgeting Medicaid in conjunction with your other funds



## Budgeting Medicaid Expenditures:

- LEAs should make every effort to ensure that all Medicaid eligible services are paid for with general funds, or within fund 260 to ensure they can qualify for reimbursement.
- It may be difficult to determine which staff serve Medicaid eligible students, with billable services.
- That means you may consider paying staff such as aids, or those that won't have Medicaid billable services in the IDEA Part B funds.



# When to Draw the Line for Year End Close Outs – Balancing The Year End Medicaid



# Year End Close Out – Medicaid



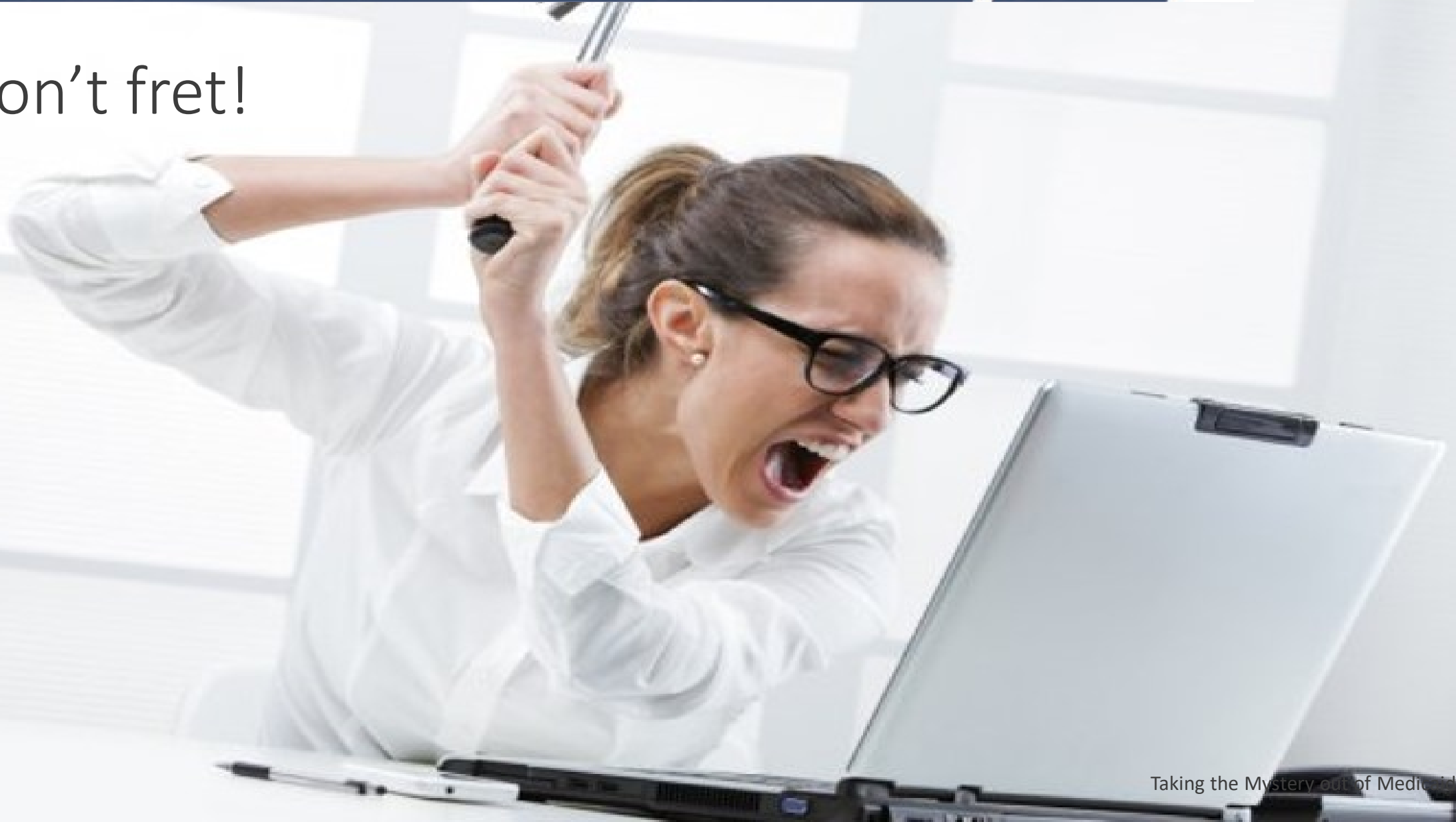
- When do we draw the line in the sand for year end with our Medicaid reimbursements?
- Billing frequency and how caught up on claims you are will affect the timing of reimbursements and your reconciliation process. Less Medicaid could mean higher MOE.
- Communicate regularly with the billing staff, to determine when your final claim for the year will be submitted.
- Pause your quarter 4 IDEA grant reimbursements.
- Finally, setup your final receivables, and spend out plan.



# Balancing Your Medicaid Fund



Don't fret!





# Balancing the Medicaid Fund – Over spent



- Q: What if we **overspend** our Medicaid fund?
- A: You should balance your Medicaid fund by year end, back to zero.

As long as you transferred the correct amount of “match revenue” from fund 100, and you paid that same amount out of your Medicaid fund to Dept. of Health & Welfare, then your overages are truly overages.

You (or your Auditor) would transfer expenditures out of your Medicaid fund back to capture as MOE, such as 100-616 or 100-521.

**\*\*\*Otherwise, you are underreporting your Maintenance of Effort\*\*\***

Example 1		
\$10,650	MEDICAID FEDERAL REVENUE	260-445900-0000
\$4,350	TRANSFER FROM GENERAL FUND	260-460000-0000
<hr/>		
\$15,000	TOTAL REVENUE	
<hr/>		
\$10,650	MEDICAID SERVICES	260-616310-0000
\$4,350	MEDICAID MATCH	260-616350-0000
<hr/>		
\$15,000	TOTAL EXPENDITURES	
BALANCED TO ZERO, FUND NOT OVERSPENT		



Example 2		
\$10,650	MEDICAID FEDERAL REVENUE	260-445900-0000
\$4,350	TRANSFER FROM GENERAL FUND	260-460000-0000
<hr/>		
\$15,000	TOTAL REVENUE	
<hr/>		
\$20,000	MEDICAID SERVICES	260-616310-0000
\$4,350	MEDICAID MATCH	260-616350-0000
<hr/>		
\$24,350	TOTAL EXPENDITURES	
<hr/>		
\$9,350	NEGATIVE FUND BALANCE	
EXPENDITURE OVERAGES SHOULD BE TRANSFERRED BACK TO FUND 100-521 OR 100-616, ETC. FOR ADHERENCE TO MAINTENANCE OF EFFORT REPORTING		



# Balancing the Medicaid Fund – Under spent



- Q: What if we *underspend* our Medicaid fund?
- A: You should balance your Medicaid fund by year end, back to zero.

This means, you need to first meet Maintenance of Effort (MOE), but then you zero out Medicaid, and lastly, you spend IDEA funds.

\*\*\*If you leave revenue in fund 260, you are either over reporting your MOE, or over claiming IDEA funds, or both.



# Breathe – We're here to help



# Special Education Funding Contact Information – Questions???



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