



# PUBLIC SCHOOLS OF NORTH CAROLINA

DEPARTMENT OF PUBLIC INSTRUCTION | June St. Clair Atkinson, Ed.D., *State Superintendent*

WWW.NCPUBLICSCHOOLS.ORG

July 10, 2015

To LEA Superintendents  
Charter School Administrators  
Finance Officers  
Exceptional Children Program Directors

From  June St. Clair Atkinson, State Superintendent  
 William J. Hussey, Director Exceptional Children Division

## ALLOCATION OF MEDICAID FEE-FOR-SERVICE REIMBURSEMENTS

Pursuant to a recent North Carolina Office of State Auditor (OSA) financial-related audit of the LEA Medicaid claiming program, the Department of Public Instruction (DPI) is issuing the following guidance to ensure appropriate use of Medicaid funds by all NC LEAs. NC LEAs are required use all Medicaid fee-for-service (FFS) reimbursements to provide medical and related services to students with disabilities. FFS reimbursements are claims for which a local school district can be reimbursed at a set rate for educationally related medical services it provides to students, only if the service is described in the student's IEP and is covered by the State Medicaid Plan.

FFS claims should be reinvested in Exceptional Children (EC) programs upon reimbursement. This opinion is due to the fact that these expenditures derive almost exclusively from EC program budgets. This memo serves as formal notice that all LEA Medicaid FFS reimbursements must be allocated to programs for students with disabilities. DPI will monitor LEA compliance with this directive during regularly scheduled EC monitoring visits.

Questions regarding this notice may be directed to Tracy Riddle or DPI Medicaid Consultants at:

Tracy Riddle – [Tracy.Riddle@dpi.nc.gov](mailto:Tracy.Riddle@dpi.nc.gov) or (919) 807- 3948

Lauren Holahan - [lauren\\_holahan@med.unc.edu](mailto:lauren_holahan@med.unc.edu) or (919) 428-7201

Laurie Ray - [laurie\\_ray@med.unc.edu](mailto:laurie_ray@med.unc.edu) or (919) 636-1827

JSA:WH:ja

## OFFICE OF THE STATE SUPERINTENDENT

June St. Clair Atkinson, Ed.D., *State Superintendent* | [june.atkinson@dpi.nc.gov](mailto:june.atkinson@dpi.nc.gov)

6301 Mail Service Center, Raleigh, North Carolina 27699-6301 | (919) 807-3430 | Fax (919) 807-3445