

PUBLIC SCHOOLS OF NORTH CAROLINA

STATE BOARD OF EDUCATION Howard N. Lee, *Chairman*

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

WWW.NCPUBLICSCHOOLS.ORG

July 31, 2008

MEMORANDUM

TO: Directors, Exceptional Children Programs
Directors, Charter Schools

FROM: Mary N. Watson, Director *MNW*
Exceptional Children Division

RE: **Key Changes to the North Carolina Medicaid Plan for LEAs**

Please be aware of the recent changes to the North Carolina Medicaid Plan which was approved by the Centers for Medicare and Medicaid Services on July 14, 2008. The effective date is July 18, 2007. This amendment and other policy changes include significant changes to policy and procedures for North Carolina. Some of the key changes to our State Medicaid Plan and the Policy are listed below.

Policy Section

- Medical doctor order required *prior to treatment* for **all** IEP treatment services and medications effective July 1, 2008.
- State Plan Amendment (SPA) approved effective date of July 18, 2007.
- Addition of nursing services
 - RN must develop plan of care for nursing services.
 - LPN and delegated staff work under the supervision of RN for nursing services.
 - Three rates of reimbursement: RN, LPN, delegated tasks.
 - Nursing services must be included in the IEP for reimbursement.
 - Services must be rendered in accordance with NC Board of Nursing regulations.
 - Documentation required as outlined in Division of Medical Assistance (DMA) policy.
 - Staff must be employed by or under contract with the school.
- Pre-vocational assessment and training removed from reimbursable occupational therapy services.
- Audiologist qualifications changed to licensure only.

Financial Section

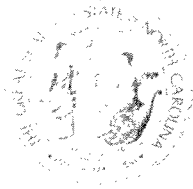
- Beginning with cost reporting periods ending on or after June 30, 2008, the DMA will begin using a cost-based methodology for all Local Educational Agencies (LEAs).
- Cost-based methodology will consist of a cost report, time study and reconciliation.
- If payments exceed Medicaid-allowable costs, the provider will remit the federal share of the overpayment at the time the cost report is submitted; and
- If the actual, certified costs of an LEA provider exceed the interim payments, the DMA will pay the federal share of the difference to the provider in accordance with the final actual certification agreement and submit claims to the Centers for Medicare and Medicaid Services (CMS) for reimbursement of that payment in the federal fiscal quarter following payment to the provider.

EXCEPTIONAL CHILDREN DIVISION

Mary N. Watson, Director

6356 Mail Service Center, Raleigh, North Carolina 27699-6356 | (919) 807-3969 | Fax (919) 807-3243

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Random Moment Time Study Section

- The CMS have approved North Carolina's School-Based Random Moment Time Study (RMTS) methodology, which was implemented October 1, 2007.
- Participation in the School-Based Random Moment Time Study is required for LEAs to be reimbursed for both the Medicaid Administrative Claiming and Direct Service/Fee for Service Programs.
- LEAs are required to reach an 85% return response rate per district per quarter.
- If an individual district has non-returns greater than 15% and greater than five moments for a quarter, the LEA is in default and will receive a warning letter.
- If the same LEA is in default (as previously defined) the next quarter, after being warned, the LEA will not be able to participate in the time study for a one-year period of time.
- Based on approval of the time study, the State agrees to monitor the time study to assure proper use of the time study codes and proper application of the methodology.
- The State agrees to provide summary reports to the CMS Regional Office detailing the results, issues and concerns identified in the monitoring process on a quarterly basis.
- The State agrees to provide oversight of outside entity contracted to operate or monitor the time study process.

DMA Contacts

Policy - Nora Poisella - Nora.Poisella@ncmail.net or (919) 855-4310

Financial - Kimberly Ibrahim - Kimberly.Ibrahim@ncmail.net or (919) 855-4200

Time Study - Sandy Frederick - Sandy.Frederick@ncmail.net or (919) 855-4153

Resources

- The LEA State Plan may be viewed on DMA's website at <http://www.dhhs.state.nc.us/dma/sp.htm>
- This information will also be linked to or posted on DPI's website at <http://www.ncpublicschools.org/ec/medicaid>
- The LEA Fee Schedule is published on the North Carolina Department of Health and Human Services, Division of Medical Assistance (DMA) Website located at http://www.dhhs.state.nc.us/dma/fee/LEA_Fee.xls
- The LEA policy webpage is: <http://www.ncdhhs.gov/dma/bh/8h.pdf>

Informational Sessions for State Medicaid Plan Amendment

The North Carolina Department of Public Instruction, Exceptional Children Division and the Division of Medical Assistance will offer four informational sessions across the state to provide information regarding the amended State Medicaid Plan as it applies to LEA providers. LEA providers and specifically School Nurses, Exceptional Children Program Directors, finance staff and compliance staff are strongly encouraged to attend. No registration is required. Directions to each site is included in this memo.

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All informational sessions are scheduled from 9:00am until 4:00pm as follows:

- | | |
|--------------------|--|
| September 3, 2008 | WRESA, AB Tech Enka Campus, 1459 Sand Hill Road, Enka, NC 28728, Room 200 (Large Conference Center), located on the 2 nd floor |
| September 4, 2008 | Atkins High School Auditorium, 3605 Old Greensboro Rd, Winston-Salem, NC 27101 |
| September 12, 2008 | NC DOT Training Center - 313 Chapanoke Road, Raleigh, NC 27603 (919) 662-3582 http://www.ncdot.org/it/training/Maps.html Rooms 203 & 204 |
| September 19, 2008 | Edgecombe Community College, Tarboro Campus, McIntyre Auditorium, 2009 W. Wilson St. Tarboro, NC 27886 |

Directions to each site are provided below and on the DPI Medicaid webpage at <http://www.ncpublicschools.org/ec/medicaid/>

Tentative Agenda

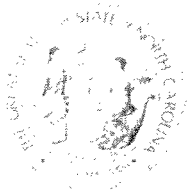
- | | |
|-------------|--|
| 9-11am | Revised Time Study - Sandy Frederick, DMA Addition of Nursing Services - Nora Poisella, DMA Jessica Gerdes, DHHS Lauren Holahan, DPI Laurie Ray, DPI |
| 11-11:45am | Questions and Answers |
| 11:45-12:45 | Lunch, on your own |
| 1-3pm | Cost Report/Rate Setting - Kimberly Ibrahim, DMA Paul LeSieur, DPI Stephanie English, DPI |
| 3-3:45pm | Questions and Answers |

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DIRECTIONS:

September 3, 2008

WRESA, AB Tech Enka Campus, 1459 Sand Hill Road, Enka, NC 28728, Room 200 (Large Conference Center), located on the 2nd floor.

From I-40 West: Take Exit 44 and turn right on 19-23 South. Continue 1 mile to traffic light at Asbury Road (to the right) and Sand Hill Road (to the left). West Ridge Shopping Center will be on the right. Turn left on Sand Hill Road. Take second drive on the left, about 200 yards. WRESA is on the 1st Floor of the Haynes Center (on the right).

From I-40 East: Take Exit 37, turn right, then left at traffic light on 19-23 North. Continue 5.4 miles to traffic light at Asbury Road (to the left) and Sand Hill Road (to the right). Turn right on Sand Hill Road. Take second drive on the left, about 200 yards. WRESA is on the 1st Floor of the Haynes Center (on the right).

September 4, 2008

Atkins High School Auditorium, 3605 Old Greensboro Rd, Winston-Salem, NC 27101

From Business I-40 East, take U.S. 158 exit (Reidsville Road). Go to first light and turn left on Old Greensboro Road. The School is about 1/3 mile on right, next to Petree Elementary.

September 12, 2008

NC DOT Training Center - 313 Chapanoke Road, Raleigh, NC 27603 (919) 662-3582 <http://www.ncdot.org/it/training/Maps.html> Rooms 203 & 204
From I-40/440, take exit #299 Hammond Road, turn right onto Chapanoke, Building is on the left. The building has a pink tint with the number "313" on top right corner of the building. Upon entering the building from the side entrance, follow the hallway around to the elevator. It is located at the center of the building. Take the elevator to the second floor. Turn to your right after exiting the elevator and you will see Suite 201. Enter the Suite, the first door to your left is Room 201. Room 202 is next door. Take the first hallway to your left and then the second door to your left is room 202. Rooms 203 and 204 are directly across the hall.

September 19, 2008

Edgecombe Community College, Tarboro Campus, McIntyre Auditorium, 2009 W. Wilson St. Tarboro, NC 27886

From Western North Carolina:

Take Hwy. 64 East out of Raleigh.

Take Exit 484 in Tarboro (65 miles East of Raleigh).

Take a right at the exit.

Go left at the next traffic signal (Hwy. 111).

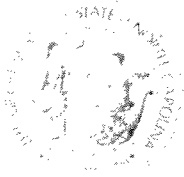
ECC is 1 mile on the right.

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From the South:

Take I-95 to 64 and go East; or

Take Hwy. 111 from Goldsboro; or

Take Hwy. 258 into Tarboro. Turn left at the 2nd stoplight. ECC is approximately 2 miles on the left; or

Take Hwy. 33 from Greenville to 64 West and take Exit 484.

Take a left off the exit. Go left (Hwy. 111), ECC on right; or

Take Hwy. 42 (from Wilson) to Hwy. 111, turn left (15 miles).

From the East:

Take 64 to Exit 484. Take a left off the exit.

Go left (Hwy. 111). ECC is on the right.

We hope you and others from your school system will take time to attend these important informational sessions. If you have questions or concerns, please contact Laurie Ray at (919) 636-1827 or laurie_ray@med.unc.edu or Lauren Holahan at (919) 843-4466 or lauren_holahan@med.unc.edu.

MNW/LR/LH/TW/pp

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