

DMA
2007 Local Education Agencies
Cost Report Training

Due Date : March 1, 2009

Presented by: Kimberly Ibrahim

AGENDA

- **WELCOME**
- **PROCESS OVERVIEW**
- **GENERAL INFORMATION/INSTRUCTIONS**
- **SPECIFIC EXHIBITS/LINE ITEM INSTRUCTIONS**
- **CONCLUSION-**
 - **Submitting Your Cost Report**
 - **Additional Information/Q&A**

LEA Cost Report Process

- Cost Reporting Process
- Time Study Components
- Rate Setting Components
- Cost Report Training and Materials
- Cost Settlement

Cost Reporting Process

- Effective July 1, 2007, the Division of Medical Assistance (DMA) will begin using a cost based methodology for all Local Education Agencies (LEAs). This methodology will consist of a cost report, time study and reconciliation. If payments exceed Medicaid-allowable costs, the excess will be recouped.

Time Study Components

1. Time Study Methodology

- The time study is to:
 - *Determine the percentage of time medical service personnel spend on IEP-related medical services, general and administrative time.*
 - *Assure that there is no duplicate claiming relative to claiming for administrative costs.*

2. Time Study Allocation Percentages

- Once the time study is completed, the allocation percentages are determined for each of the time study codes listed on Exhibit 5 of the cost report.
- The time study allocation percentages should be entered into Exhibit 5 of the cost report to calculate the percentage of allowable reimbursement for Direct Medical Services and Direct Administrative Cost.

Rate Setting Components

1. Interim payments

- For covered services shall be reimbursed based on the NC Medicaid Fee Schedule which is 95 percent of the Medicare Fee Schedule RBRVS .

2. Interim payments (For Nursing Services Only)

- The interim payment for Attendant Care Services is equal to the current rate for Personal Care Services. The interim rate for RN Services and LPN Services are established by using the national average hourly salary for RNs and LPNs based on data from the US Department of Labor.

3. Approval Process

- All rate changes are presented to the DHHS Rate Review Board for approval prior to implementation.

Cost Settlement

- If a provider's interim payments exceed the actual, certified costs for Medicaid services, the provider will remit the federal share of the overpayment at the time the cost report is submitted.
- If the actual, certified costs of a LEA provider exceed the interim payments, DMA will pay the federal share of the difference to the provider in accordance with the final actual certification agreement and submit claims to CMS for reimbursement of that payment in the federal fiscal quarter following payment to the provider.

Cost Report and Training Materials

<http://www.dhhs.state.nc.us/dma/> (link to be added)

- **[2007 School Based Services Cost Report](#)**
- **[Instruction Manual](#)**

– **[Contact Information:](#)**

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LINE ITEM INSTRUCTIONS

- EXHIBIT “1” – Final Certification Statement
- EXHIBIT “2” – Provider Data
- EXHIBIT “3” – Cost Allocation Statistics
- EXHIBIT “4A” – Summary of Cost for Direct Medical Services
- EXHIBIT “4B” – Summary of Cost for Administrative Activities
- EXHIBIT “4C” – Summary of Cost for Supplies and Materials
- EXHIBIT “5” – Time Study Results Allocation
- EXHIBIT “6” – Cost by Discipline for Direct Medical Services
- EXHIBIT “7” – Other Direct Medical Cost
- EXHIBIT “8” – Other Direct Cost for Administrative Activities
- EXHIBIT “9” – Reconciliation and Settlement

What is required by March 1, 2009:

1. **Completed Cost Report**
2. **Exhibit 1 (with original signatures)**
3. **Financial Statements - audited or unaudited**

SUBMITTING YOUR **COST REPORT**

- DMA must receive an accurate and complete cost report by **March 1, 2009**. This includes all Exhibits, Exhibit 1 with original signatures and Financial Statements which reconcile to the cost report. Providers not submitting the cost report to DMA by this date, shall be assessed a **twenty percent (20%)** penalty against future payments until the agency submits the required cost report.
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Are there any questions?

Thank you for attending the
2007 School Based Services
Cost Report
Training Class.