

TASB Special Education Solutions

Monthly Webinar Series

Cost Reports

Presented by Dario Avila

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COST REPORTS

MONTHLY TASB SCHOOL MEDICAID WEBINAR SERIES - JANUARY 2021

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AGENDA

- **Cost Report Purpose**
- **Cost Report Submission Requirements**
- **STAIRS**
- **Allowable Costs**
- **Cost Reconciliation Process**
- **Cost Report Certification Forms**
- **Standards for an Acceptable Cost Report**
- **Sanctions for Non-Compliance**
- **Other Details to Remember**
- **Contact Information**

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COST REPORT PURPOSE



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- Centers for Medicare & Medicaid Services (CMS) requires annual cost reporting, cost reconciliation, and cost settlement processes for all Medicaid services delivered by school districts that participate in Texas' School Health and Related Services (SHARS) program.
- The primary purpose of the cost report is to document the provider's costs for delivering SHARS services to reconcile the provider's interim payments received for SHARS services with its actual total Medicaid allowable costs.

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COST REPORT SUBMISSION REQUIREMENTS




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- Active Texas Provider Identifier with Texas Medicaid & Healthcare Management (TMHP)
- Random Moment Time Study (RMTS) participation throughout the reporting period
- Must have billed for services with dates of service that fall within the reporting period
- Attend cost report (preparer) training for the applicable reporting period
- Each participating SHARS provider/district must submit its own district specific cost report

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- Cost reports are submitted using HHSC's web-based cost reporting application known as the State of Texas Automated Information Reporting System
- Preparer training is required to be given access to enter cost information
- [FFY 2020 Cost Report Training Schedule](#)
- New for FFY 2020
 - Upload center
 - Depreciation rollover
 - Increase in edit checks

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- **Step 3 – Direct Medical Services Costs**
 - Staff* salaries/wages
 - Payroll taxes
 - Benefits
 - Appendix A Items
 - Required Continuing Education
 - Direct Medical Travel
 - Assets over \$5,000 (For Depreciation)
 - Other Costs
 - Federal Funds
- **Step 4 – Transportation Services Costs**
 - Staff salaries/wages
 - Payroll taxes
 - Benefits
 - Required Continuing Education
 - Private Payments to Parents
 - Specially-Adapted Vehicle Assets over \$5,000 (For Depreciation)
 - Other Costs
 - Federal Funds

*Limited to the positions reported on the district's participant list. Staff costs can only be reported for the quarters the positions were reported on the district's PL, but are position specific, not person specific.

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COST RECONCILIATION PROCESS

Cost are reported in total but reduced in STAIRS automatically to calculate the district's Medicaid allowable costs using the following CMS approved allocation ratios:

- Direct Medical Services Time Study Percentage
- Direct Medical Services IEP Ratio
- Specially-Adapted Vehicles Ratio
- One-Way Trip Ratio

Additional costs are added if the district has an indirect cost rate.


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COST RECONCILIATION PROCESS

Proposed Reconciliation	
Reduce by interim payments made by TMHP during cost report period by date (NOT FINAL)	(\$435,806.24)
Total Proposed Reconciliation	(\$435,806.24)
Medicaid Allowable Amount Costs	\$3,692,872
FMAP rate	56.88%
Federal Portion of Medicaid Costs	\$2,100,505.59
1% SHARS Administrative Fee	\$21,005.06
Proposed Reconciliation (see details above)	(\$435,806.24)
Proposed Settlement Amount (NOT FINAL)	\$1,593,694.29

Once reduced by the CMS approved allocation ratios for SHARS, the district's total Medicaid allowable costs are used to calculate the district's settlement payment/recoupment.



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**COST REPORT
CERTIFICATION
FORMS**



Preparer Certification Form

- Signed by the person that prepared the cost report.
- Used to acknowledge by that the cost report was prepared in accordance to all SHARS cost report rules and regulations and that the information submitted is true, accurate and complete based on district data.

Cost Report Certification Form*

- Formally acknowledges that the cost report is true, correct and complete, and was prepared in accordance to all rules and regulations


Claimed Expenditures Form*

- Certifies that expenditures reported are allocable and allowable to the State Medicaid program under Title XIX of the Social Security Act and in accordance with all procedures, instructions and guidance issued by the single state agency and in effect during the cost report year


*Form must be signed by an individual with signature authority for the conduct of the district. Signature must be notarized or submitted as a digital signature that is in compliance with HHSC's [digital signature policy](#).

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**STANDARDS FOR
AN ACCEPTABLE
COST REPORT**



Each cost report must:

- be completed in accordance with the cost report instructions and reimbursement methodology rules;
- be completed for the correct cost-reporting period;
- be completed using the accrual, modified accrual, or cash basis method of accounting for governmental entities;
- reconcile to the district's trial balance and general ledger accounts;
- report dollar amounts properly rounded to the nearest dollar and report statistical information to two decimal places;
- calculate all percentages used in calculations to at least two decimal places;
- have complete edit explanations with sufficient detail to explain all variances;
- be submitted in the SHARS web-based cost report system; and
- have signed, notarized/or electronically signed in accordance with HHSC's digital signature policy, original certification pages uploaded and submitted in STAIRS on or before the posted due date.

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SANCTIONS FOR NON-COMPLIANCE



Each SHARS provider must complete an annual cost report for all SHARS services delivered during the previous federal fiscal year covering October 1 through September 30.

Failure to file a complete and acceptable cost report by the cost report due date in accordance with all instructions and rules will result in recoupment of all interim payments received during the cost report year.

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OTHER DETAILS TO REMEMBER





- All SHARS cost reports that are filed are subject to audit and/or desk review by HHSC or its designee
- Extensions can be requested but are generally only approved for just cause
- Edits can be made to a submitted cost report during the 60-day correction period that begins immediately after the cost report due date

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QUESTIONS??






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Sign up at tasb.org/specialeducation.





SHARS MATTERS

September 2020

SHARS Amidst COVID-19

All of us have been impacted by the COVID-19 pandemic in some way, shape, or form. Even the School Health and Related Services (SHARS) program has been temporarily modified to accommodate for the changes school districts have had to implement to ensure the health and safety of their students and communities. Throughout the ongoing global pandemic, we have remained in constant contact with state and federal agencies to stay informed of all the latest

SHARS Matters quarterly e-newsletter



Free Monthly School Medicaid Webinar Series


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THANK YOU!




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