

O. Grant Awards

Grant Awards2
School District Codes2
Use of Medicaid Reinvestment Funds3
Medicaid Reinvestment Funds Used for Administration.....3
Reporting on the Use of Medicaid Reinvestment Funds3
State Children’s Health Insurance Program (SCHIP).....3
Reasons for Not Receiving a Grant Award.....4

O. Grant Awards

GRANT AWARD

The Department of Education will send each supervisory union a grant award for any claims that have been paid during the grant period. The grant is based on the claims shown as paid on a remittance advice, as well as claims submitted through the Department of Education. The grant award contains the reimbursement for all types of Medicaid claims including: LOC, IEP, Reevaluation, PNMI, and DME claims. The Medicaid reimbursement generated is the federal rate times the amount of the claims. However, in the Vermont School-Based Health Services program, the grant to the supervisory union is calculated as 50% of that reimbursement. The following is the current statutory language concerning the grant awards generated from Medicaid claims per 16 V.S.A. §2959a:

(c) At least annually, the commissioner of education shall pay to each supervisory union submitting Medicaid bills under this section, 50 percent of the reimbursed funds generated by the supervisory union's bill, excluding claims generated by state-placed students. Unless the supervisory union has agreed to use the funds to operate a supervisory unionwide program or to distribute the funds in a different manner, upon receipt, the supervisory union shall distribute the funds to its member school districts based on how the funds were generated. The commissioner of education may withhold payment due a school district pursuant to section 2950 of Title 16 for a Medicaid-eligible state-placed student if the school district has not submitted a Medicaid claim for reimbursable services for that student.

The Grant Award will show a breakdown by school district of the grant amount, the State-Placed retained/unretained amounts and additional SCHIP revenue. The State-Placed amount is the dollar amount generated by the school district for State-Placed Student claims. This amount is retained by the Department of Education, since the bulk of the special education costs for State-Placed students is paid by the Department. Any questions about the amounts shown on the grant award should be referred to the Department contact listed on the Grant Award.

Copies of the grant awards are distributed to the Superintendent, Business Manager, Special Education Director, Medicaid clerk and Medicaid field representative. Grant awards are distributed on the following cycle:

| | |
|---|------------------|
| claims paid with RA dates July to September | paid mid-October |
| claims paid with RA dates October to December | paid mid-January |
| claims paid with RA dates January to March | paid mid-April |
| claims paid with RA dates April and May | paid mid-June |
| claims paid with RA dates in June | paid mid-July |

Attached to the Grant Award sent to the special education director and the Medicaid clerk are the following:

- Summary of Claims Activity by Student (even if there is no grant award)
- Listing of State-Placed Student Retained/Unretained Amounts

SCHOOL DISTRICT CODES

Grant Awards are broken down by school districts. This is due to the statutory requirement to distribute information to school districts based on how the funds are generated. If a supervisory union has a different agreement on how funds are to be distributed, the supervisory union is responsible for collecting the information to make that distribution.

USE OF MEDICAID REINVESTMENT FUNDS

When the basis for Medicaid funding changed from the interagency agreement to statutory language, the allowable uses of the funds changed. The current statutory requirement for using these funds is as follows:

(e) School districts shall utilize funds received under this section to pay for reasonable costs of administering the Medicaid claims process, and for prevention and intervention programs in grades pre-K through 12. The programs shall be designed to facilitate early identification of and intervention with children with disabilities and to ensure all students achieve rigorous and challenging standards adopted in the Vermont framework of standards and learning opportunities or locally adopted standards. A school district shall provide an annual written justification to the commissioner of education of the use of the funds. Such annual submission shall show how the funds' use is expressly linked to those provisions of the school district's action plan that directly relate to improving student performance. A school district shall include in its annual report the amount of the prior year's Medicaid reimbursement revenues and the use of Medicaid funds consistent with the purposes set forth in this subsection.

MEDICAID REINVESTMENT FUNDS USED FOR ADMINISTRATION

A change in the above statutory language was made during the 2002 Legislative session to specifically allow use of the Medicaid reimbursement funds for the reasonable costs of administering the Medicaid claims process. This certainly includes the salary and benefits of the Medicaid clerk for the time spent on the Medicaid claims process as well as supplies and equipment for that position. This replaces the original guideline of 10% with a more flexible rule. Supervisory unions need to be able to provide a detailed accounting of the funds charged to the Medicaid reimbursement funds for administration.

REPORTING ON THE USE OF MEDICAID REIMBURSEMENT FUNDS

The last two sentences in the statutory language above requires that supervisory unions report annually to the Department of Education on how they use these funds. Beginning in FY06 the Department of Education will collect detailed information from supervisory unions/school districts regarding how Medicaid funds were spent. The report requires a breakdown of how funds were distributed by the supervisory unions and function/object codes for how money was spent.

STATE CHILDREN'S HEALTH INSURANCE PROGRAM (SCHIP)

The State Children's Health Insurance Program (SCHIP) is a Medicaid eligibility category. Services provided to children enrolled via SCHIP receive a federal reimbursement rate that is higher than standard reimbursement rate.

The additional reimbursement for SCHIP students appears on a separate line of the Grant Award.

REASONS FOR NOT RECEIVING A GRANT AWARD

A notification letter may be sent in lieu of a Grant Award. The following are the most common reasons a Grant Award or check are not generated:

- No RA's were generated during the grant period
- The amount of State-Placed funds retained or adjusted/recouped exceeded the amount of paid claims
- The Grant Award and check are held due to a missing or incomplete Medicaid Reinvestment Report or Health Services Report
- The Grant Award is generated but a check is not sent due to a missing Department of Education financial report or funds are held by the tax department