

P. State-Placed Student Issues

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P. State-Placed Student Issues

By definition, a State-Placed student is one placed in a school district other than the district of residence of either of his/her parents or legal guardian. Vermont law makes the school district where the student is residing responsible for the student’s education (16 V.S.A. §1075 (c)). More detailed information regarding the definition of a State-Placed student can be found at http://education.vermont.gov/new/html/pgm_interagency/state_placed.html

BACKGROUND

The connection was made between Medicaid Claims and State-Placed Students because the State-Placed Student appropriation has consistently run over budget even with significant annual increases approved by the Legislature. During the 1999 Legislative Session, Medicaid changed from being based on an interagency agreement to being covered by statutory language 16 V.S.A. § 2959a. Part of the Medicaid provision enacted allows for the State to keep the funds generated for State-Placed Students. This was the means established by the Legislature to provide additional funding so that the Department of Education could pay the costs for State-Placed Students. Thus the State is counting on the funds from the Medicaid claims for State-Placed Students in order to have sufficient funds to pay for State-Placed Student claims.

The last sentence of subsection (c) of 16 V.S.A. § 2959a states:

The commissioner of education may withhold payment due a school district pursuant to § 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 State-Placed Student reimbursement provisions are covered by § 2950. Thus the Department of Education may withhold State-Placed Student reimbursement due a school district if the school district has not submitted whatever Medicaid claims could be filed for that State-Placed Student. Although the law says “may”, the then Commissioner of Finance & Management made it clear when the law passed that “may” here really means that the Department **will** withhold.

WORKSHEET A

Worksheet A is the portion of the Special Education Expenditure Reports by which school districts submit special education costs for State-Placed students. The reporting schedule for Special Education Expenditure Reports and Worksheet A is as follows:

Period Covered by Report	Due Date of Report	Medicaid Claims need to be filed through:
July 1 through October 31	November 15 th	September
July 1 through February 28	March 15 th	January
July 1 through June 30 (estimated)	mid-May (optional)	March
July 1 through June 30	August 1 st	June

REQUIREMENT TO FILE MEDICAID CLAIMS FOR STATE-PLACED STUDENT FUNDING

Schools are required to bill Medicaid claims for the time period that a student appears on Worksheet A. The Medicaid Program Coordinator reviews the Worksheet A to determine the LOC, IEP and Eval claims that could have been billed based on the time period a student appears on Worksheet A.

The current policy is that a \$1,000 withholding from the Worksheet A payment is held for each missing Medicaid claim. The State-Placed student reimbursement held cannot exceed the amount claimed for the student as State-Placed student reimbursement. So, if the State-Placed student reimbursement requested on Worksheet A was \$2,550 for an individual aide for the period October 15th through December 12th, then the total amount of the claim \$2,550 would be held instead of \$3,000 (\$1,000 for each of three LOC claims.)

JUSTIFICATION OF UNBILLED MEDICAID CLAIMS

The following is the procedure that the Department of Education implemented to deal with State-Placed student funding that was held due to missing Medicaid claims once the deadline for filing the Medicaid claims has passed.

1. Justification regarding unbilled Medicaid claims can be sent to the Medicaid Program Coordinator **at any time**. The information will be reviewed and notification regarding the decision will be sent to the supervisory union. Please include as much information as possible when justifying the reason for unbilled claims.
2. In January, notification regarding all missing claims that have not been previously justified will be sent to the supervisory unions to request justification. A letter regarding the reason for the unbilled claims should be sent to the Medicaid Program Coordinator within 30 days. The information will be reviewed and notification regarding the decision will be sent to the supervisory union.

Supervisory unions are strongly encouraged to file appropriate Medicaid claims within the filing deadline. This ensures that the school district receives their funding and the State receives the Medicaid funds needed to help pay State-Placed student claims. The Department realizes that there are a number of reasons that might have prevented the supervisory unions from filing Medicaid claims for State-Placed students. Therefore, there is the opportunity for supervisory unions to explain why the claims were not made and the possibility of eliminating any penalty. When submitting a justification letter please include the level of care the claim would have been billed at.

EDUCATIONAL SURROGATE PARENTS

Students who are in the custody of a State agency have an educational surrogate parent appointed to act as their parent during the special education process. The surrogate parent can sign the Release of Information form (although not always necessary as we have the blanket DCF letter). The surrogate would also review the Medicaid billing paragraph in the IEP.