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Medicaid Annual Reinvestment Report Instructions

Background

School districts are able to submit Medicaid claims for some of the IEP services provided to students. This only applies to students who are enrolled in Medicaid and only if approval is obtained from the student's legal guardian. To be claimable under Medicaid, the service has to fall under categories allowed for the School-Based Health Service Program under the Medicaid State Plan and is deemed medically necessary by a physician. Also the service must be provided by or performed under the direction of an appropriately credentialed service provider based on Medicaid criterion.

As the bulk of costs of the special education services provided are eligible for State funding formula reimbursement, the revenue generated by the School-Based Health Services claims is divided between the supervisory union submitting the claim and the State Education/General Fund. Supervisory unions under 16 V.S.A. §2959a receive half of the funds generated by their resident students in the form of a grant. To distribute these funds, the Agency of Education prepares grant awards using revenue code 5481. The law requires:

Unless the supervisory union has agreed to use the funds to operate a supervisory union wide program or to distribute the funds in different manner, upon receipt, the supervisory union shall distribute the funds to its member school districts based on how the funds were generated.

The law also limits how supervisory unions and their member school district use the funds under subsection (e):

(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.

The agency has previously attempted to collect this information with other information but the result did not provide enough detail to satisfy the statutory requirement. On June 28, 2005, a memorandum from Bill Talbott was distributed notifying supervisory unions that

they would be required to report on Medicaid Reinvestment funds spent starting with FY-2006 and that a project ID or a fund account should be used to track funds spent.

Instructions for Part 1

This is a summary report of the Medicaid reinvestment funds granted during FY-2015 under **revenue code 5481** from the Agency of Education. One form should be submitted containing information on the supervisory union as well as its member school districts. The top section of the report is used to report information for the supervisory union entity while the rest of the form is used for information for its member school districts.

Balance as of July 1, 2014 (supervisory union and member school districts): The balance of Medicaid reinvestment funds received prior to July 1, 2014 that was unspent as of July 1, 2014. The amount reported by both the supervisory union and its member districts should match the "Balance as of June 30, 2014" as reported on the FY-2014 report. If the balance does not match an explanation must be provided.

Grant Funds Received during FY-2015 (supervisory union only): The actual amount of funds received by the supervisory union from the Agency of Education under revenue code 5481 from July 1, 2014 through June 30, 2015.

Funds Received from Supervisory Union during FY-2015 (member school districts only): For member school districts, indicate the amount of funds received from the supervisory union of funds the supervisory union of revenue code 5481 funds during the period of July 1, 2014 through June 30, 2015.

Distributed to Member Districts during FY-2015 (supervisory union only): The amount of funds that the supervisory union distributed to its member districts during the period July 1, 2014 through June 30, 2015 which should equal the total of the amount reported below as received by the member school districts from the supervisory union during the period.

Funds Spent during FY-2015 (supervisory union and member school districts): This will be the total expenditures made during FY-2015 which were charged to the project ID or fund account for Medicaid Reinvestment Funds (revenue code 5481). You will need to detail and justify these expenditures on Parts 2 & 3 for each reporting entity separately.

Balance as of June 30, 2015 (supervisory union and member school districts): The balance of Medicaid reinvestment funds unspent as of June 30, 2015.

Instructions for Part 2

A separate Part 2 is completed for each supervisory union and member school district which spent Medicaid Reinvestment funds during the period from July 1, 2014 through June 30, 2015. The report is completed by grouping expenditures that relate to the same purpose. The first category which is "Medicaid Claims Administration" is printed on the form. If the supervisory union or school district is using Medicaid Reinvestment funds to pay for these costs, then the function code or codes is indicated along with the amount paid

during FY-2015. This might include the costs of salary and benefits for a Medicaid Clerk as well as office expenses such as copying, telephone service, and supplies.

For all other expenditures, you need to group related expenditures. For example, if the funds were used to pay for speech services for kindergarten students who had speech difficulties, then the expenditure group for that service could be Kindergarten speech services. The expenditures would probably have all been coded to 2150 and the amount spent would be listed in the third column. Similarly if one of the things funded was after school homework assistance, you would list that as an expenditure group with the function codes where the expense was recorded in the accounting system as well as the amount. You will need to account for all of the Medicaid reinvestment funds that were spent by the supervisory union or school district for the fiscal year.

Instructions for Part 3

This section provides “annual written justification” as required by the statute. In this section, you need to provide justification for all the expenditures listed in Part 2 **except Medicaid Claims Administration**. Separate Part 3’s are required for each individual school district or supervisory union. You can provide justification for an individual expenditure group or you may provide a justification that covers more than one expenditure group from Part 2.

The information required for each justification is explained below.

A. Item Numbers Covered by Justification (from Part 2):

List the item numbers from Part 2 that this justification covers.

B. Service Being Provided:

Explain for the expenditure groups identified in A what specific prevention or intervention service is being provided.

C. Grade Levels Served:

Indicate for this group of expenditures what grade levels are provided service.

D. Student Population Served or Benefiting from Expenditures (criteria used to determine who receives service):

Explain which students the services are provided to or the criteria used to decide which students receive the services in this expenditure group.

E. Explanation of how this group of costs will result in improving student performance:

Provide a brief narrative explaining how the provision of services included in this group is expected to improve student performance.

Example Completed Justification Group:

Group 1 – A. Item Numbers Covered by Justification (from Part 2): 2 – <i>Speech Services for Kindergarten Students</i>
B. Service Being Provided: <i>Speech Language Pathologist works with a small group to student to provide more specialized instruction.</i>
C. Grade Levels Served: <i>Kindergarten Students</i>
D. Student Population Served or Benefiting from Expenditures (criteria used to determine who receives services): <i>Each Kindergarten teacher identifies students that she believes would benefit from speech/language services.</i>
E. Explanation of how this group of costs will result in improving student performance <i>Speech/language assistance provided to kindergarten students who are experiencing some difficulty is used to help these students keep up with their classmates and ensure that they are successful in the critical area of language acquisition.</i>