

## Introduction

The SBMP is reimbursed on a cost basis – meaning – the total funds reimbursed to an LEA are based on the amount of money the LEA spent on services. It is not determined by services provided as it is in other areas of health care. In order to accurately determine the cost, LEAs are asked to complete a Cost Report on an annual basis.

The final result of the cost report shows how much of an LEAs cost is eligible to be considered for reimbursement. It does not show the amount of money an LEA can expect to receive in the cost settlement. However, an LEA can calculate the estimated reimbursement based on the cost report. Instructions for making those estimates can be found later in this guide.

The cost report templates are prepared by Postlethwaite & Netterville and sent to LEAs by the beginning of September. They are sent to every LEA contact on file with LDH. When there are changes to those contacts, please notify LDH by emailing Anissa Young at [Anissa.Young-Ned@la.gov](mailto:Anissa.Young-Ned@la.gov). Some information comes pre-set into the template including:

- Unrestricted Indirect Cost percentage
- The Medicaid Discount Factor
- The Random Moment Time Study data
- For each employee (this information is pulled from the RMTS):
  - The employee ID number
  - Employee name
  - Job title
  - Number of quarters the employee participated in the time study

The remaining information must be entered by the LEA as described in this guide.

## Due Date

The cost reports are due by November 30<sup>th</sup>.

Cost reports that have not been received by the due date will be deemed non-compliant and may be subject to a non-refundable reduction of 5 percent of the total cost settlement. This reduction may be increased an additional 5 percent each month until the completed cost report is submitted or the penalties total 100 percent. LEAs that have not filed their cost report by six months or more beyond the due date cannot bill for services until the cost report is filed.

Extensions may be provided, however, they must be arranged with LDH in advance and include documentation of a valid hardship. Email to [Anissa.Young-Ned@la.gov](mailto:Anissa.Young-Ned@la.gov) request an extension.

They must be sent in **both** electronic and hard copy.

- Electronically: email to [MAC@la.gov](mailto:MAC@la.gov)
- **Notarized** hard copy mailed to:
  - Medicaid Administrative Claiming
  - PO Box 2977
  - Baton Rouge, LA 70821

## **Allowable Costs**

### Employee Costs:

Required Personnel Qualifications to be Included in the Cost Report

- The staff member must have participated in the RMTS.
- At least a portion of the staff members salary must have been paid with state/local funds.
- The staff member meets the qualifications for a provider in the SBMP. Click [here](#) for a list of all qualified providers.
- The staff member must have completed some interim billing during the year.

Employee Costs that must be excluded:

- Stipends paid for extracurricular activities (like athletic coaching).
- For staff who hold two part-time job positions where only one is qualified for Medicaid participation, such as a part-time occupational therapy assistant (OTA) who also works part time in the cafeteria, only those costs attributable to the salaries and benefits earned as the OTA should be included.

### Vendor Costs:

- The vendor meets the qualifications for a provider in the SBMP. Click [here](#) for a list of all qualified providers.
- Vendors are reimbursed based on a rate per service.
- This rate includes all vendor's direct and indirect costs.
- The service rate should cover the time spent providing the direct service, administrative time and any other time related to tasks related to that service.
- Vendors are only at a school to provide the direct services enumerated in the contract.
- Vendors are not expected to perform any additional general and administrative tasks for the LEA.

### Definitions of pre-populated Data

- Unrestricted Indirect Cost Percentage (ICR): LDOE prepares the percent based on the previous years AFR.
- Medicaid Discount Rate: The percentage of students in the LEA on Medicaid as of the 10/1 count.

## **Completing the Cost Report**

Please keep the following in mind when completing the cost report:

- Complete shaded areas or areas below shaded headings only. Do not alter any formulas.
- Use the Cost Report template for the current fiscal year, and do not use prior year cost reports.
- Include only cost related to the cost report year.
- Round to the nearest dollar.

There are 3 different types of Cost Reports you may complete – depending on the services your LEA provides.

1. Direct Service Cost Report
2. Personal Care Service Cost Report
3. Special Transportation Cost Report

### 1. Direct Service Cost Reports (Nursing, Behavioral Health and Therapy):

You will complete a separate cost report for each of the three RMTS pools (Nursing, Behavioral Health and Therapy). If you do not have any providers in one or more of the pools, you will not complete a cost report for that pool. The Direct Service Cost Report includes the following sections:

1. Data Input
2. Time Study Percentage
3. Annual Salary and Benefits
4. Total Costs
5. CPE

1. Data Input:

Informational Data – This information will be used throughout the claim form where needed. Once this information is entered here, the spreadsheet will auto-populate the completed information in other sheets in the workbook where this same information is needed. Complete the following for column B:

- a. Line 6 – Enter Name of Business Manager or CFO
- b. Line 7 – Enter Phone Number
- c. Line 8 – Enter Email Address
- d. Line 9 – Enter Mailing Address
- e. Line 10 – Enter Mailing Address Line 2
- f. Line 11 – Enter City, State and Zip
- g. Line 15 - The Unrestricted Indirect Cost Rate (ICR) is calculated by LDOE and will be entered by the Louisiana Department of Health (LDH). **No action or input is required from the districts in these cells.**
- h. Line 16 – The Medicaid Discount Rate is calculated by LDOE and will be entered by the Louisiana Department of Health (LDH). **No action or input is required from the districts in these cells.**

2. T – S %: Time Study Percentage:

Time Study Results - The time study percentages are calculated based on the results of the four quarterly statewide random moment samples performed during the cost report year. The information on this page will be completed by LDH. **No action or input is required from the districts in these cells.**

3. Annual Salary and Benefits (Behavioral, Nursing and Therapy)

- a. Employee Section - The employee section is populated with the Employee ID, Employee Name, and Job Title provided by the LEA during the time study process. If an employee did not participate in the time study, the information will not appear and cannot be added. Complete each column for all employees listed. If the cost report contains a duplicate employee, only enter payroll information once.
  - i. Columns B through E are already completed with the employee ID number, employee's name, job title, and number of quarters the employee participated in the time study.
  - ii. Column F – Enter an "E" for employee. Only employees should be listed in the employee section of the cost report.
  - iii. Column G – Enter the percentage of the employee's salary paid through state/local funds.
  - iv. Column H – Enter the percentage of the employee's salary paid through IDEA funds.
  - v. Column I – Enter the percentage of the employee's salary paid through federal funds.
  - vi. Columns J & K – If funds other than state/local funds, IDEA funds, or federal funds are used to pay the employee's salary, specify the fund type in Column J and enter the percentage of the employee's salary paid through the specific fund listed in Column J in Column K.
  - vii. Column L calculates columns G through K. The total should equal 100%. If the total does not equal 100%, column L will be highlighted red. Make the corrections needed to ensure Column L equals 100%.
  - viii. Column M – Enter the employer portion of retirement
  - ix. Column N – Enter the employer portion of health insurance

- x. Column O – Enter the employer portion of dental insurance
  - xi. Column P – Enter the employer portion of Medicare tax
  - xii. Column Q – Enter the employer portion of FICA tax
  - xiii. Column R – Enter the gross annual salary payments
- b. Vendor Section - The vendor section of the cost report is completed by the LEA based on vendor costs incurred during the cost report year.
- i. Column B – Enter company or agency contracted.
  - ii. Column C – Enter the individual provider’s name.
  - iii. Column D – Enter provider’s job title. The job title must be one allowable in the SBMP. A full list can be found: [Covered Services and Qualified Providers](#).
  - iv. Column E – Leave this column blank.
  - v. Column F – “V” for vendor. Only vendors should be listed in the vendor section of the cost report.
  - vi. Column G – Enter the percentage of the vendor’s invoices paid through state/local funds.
  - vii. Column H – Enter the percentage of the vendor’s invoices paid through IDEA funds.
  - viii. Column I – Enter the percentage of the vendor’s invoices paid through federal funds.
  - ix. Columns J & K – If funds other than state/local funds, IDEA funds, or federal funds are used to pay the vendor’s invoices, specify the fund type in Column J and enter the percentage of the vendor’s invoices paid through the specific fund listed in Column J in Column K.
  - x. Column L calculates columns G through K. The total should equal 100%. If the total does not equal 100%, column L will be highlighted red. Make the corrections needed to ensure Column L equals 100%.
  - xi. Column M – Enter the amount of payments made to the vendor.
4. Total Costs
- a. Certification
    - i. The information on the Total Costs sheet will automatically populate based on the information entered in the Data Input sheet, the Time Study Percentage sheet, and the Annual Salary and Benefits sheet. When the cost report is printed, the Total Costs page must be signed and dated.
5. CPE
- a. Signature & Notary
    - i. The CPE page will automatically populate the expenditures and state share of Medicaid expenditures. When the cost report is printed, the CPE page must be signed, dated, and notarized.
2. Personal Care Services Cost Report  
Complete the Personal Care Services Cost Report the same as the three direct services cost reports above with the following modifications:
- a. Column B – enter the Employee Number – This could be a number assigned by the LEA. It is unusual to use an employee’s complete Social Security number.
  - b. Column C – enter the Employee Name (Last Name, First Name)
  - c. Column D – enter Employee Job Title as child-specific aide. Employee must work exclusively one on one with a student as part of a written plan of care.
  - d. Column E – leave blank

### 3. Special Transportation Cost Report

The Special Transportation Cost Report is a separate cost report from the others.

The School Based Specialized Transportation Cost Report is made up of the following five sections:

1. Data Input
2. Other Direct Costs
3. Annual Salary and Benefits
4. Total Costs
5. CPE

#### 1. Data Input:

Informational Data – This information will be used throughout the claim form where needed. Once this information is entered here the spreadsheet will auto-populate the completed information in other sheets in the workbook where this same information is needed. Complete the following for column B:

- a. Line 6 – Enter Name of Business Manager or CFO
- b. Line 7 – Enter Phone Number
- c. Line 8 – Enter Email Address
- d. Line 9 – Enter Mailing Address
- e. Line 10 – Enter Mailing Address Line 2
- f. Line 11 – Enter City, State and Zip
- g. Line 15 – The Unrestricted Indirect Cost Rate (ICR) will be entered by the Louisiana Department of Health (LDH). The ICR is calculated and provided to LDH by the Louisiana Department of Education. **No action or input is required from the districts in this cell.**
- h. Line 17 – Enter the number of Medicaid Eligible trips from the [Bus Log Tracking Schedule](#)
- i. Line 18 – Enter the number of total trips from the Bus Log Tracking Schedule

**Note:** The allocation to Medicaid is through a specific identification methodology. This will be detailed in the Transportation Log Tracking section below.

#### 2. Other Direct Costs:

Other direct cost is the allowable direct cost associated with Specialized Transportation that is not salaries benefits and taxes. Enter the General Fund amounts from the Annual Financial Report (AFR) for the following:

- |  |                          |
|--|--------------------------|
| a. Col. B, Ln. 8 – Fuel cost             | Key punch code – 0044125 |
| b. Col. B, Ln. 9 – Repairs & Maintenance | Key Punch Code – 0044025 |
| c. Col. B, Ln. 10 – Rentals              | Key Punch Code – 0044035 |
| d. Col. B, Ln. 11 – Contract Vehicle Use |                          |

#### 3. Annual Salary and Benefits:

The Annual Salary and Benefits sheet consists of four sections:

- Specialized Transportation Bus Aides
- Specialized Transportation Bus Drivers
- Mechanics – Cost must be separated and categorized as Specialized Transportation on the AFR.
- Specialized Transportation Substitutes

The salaries, benefits and taxes reported on the cost report must be related to specialized transportation. Any amounts related to regular bus trips, field trips or athletic events, etc., must be removed from the amounts reported. All of the following sections of the Annual Salaries and Benefits page will be completed with by the LEA:

- a. Column B. and C. - Employee Number – This could be a number assigned by the LEA. It is unusual to use an employee’s complete Social Security number.
- b. Column F – Enter an “E” for employee or “V” for vendor.
- c. Column G – Enter the percentage of the employee’s salary paid through state/local funds.
- d. Column H – Enter the percentage of the employee’s salary paid through IDEA funds.
- e. Column I – Enter the percentage of the employee’s salary paid through federal funds.
- f. Columns J & K – If funds other than state/local funds, IDEA funds, or federal funds are used to pay the employee’s salary, specify the fund type in Column J and enter the percentage of the employee’s salary paid through the specific fund listed in Column J in Column K. Column L calculates columns G through K. The total should equal 100%. If the total does not equal 100%, column L will be highlighted red indicating the need to correct it.
- g. Column M – Enter the employer portion of retirement
- h. Column N – Enter the employer portion of health insurance
- i. Column O – Enter the employer portion of dental insurance
- j. Column P – Enter the employer portion of Medicare tax
- k. Column Q – Enter the employer portion of FICA tax
- l. Column R – Enter the gross annual salary payments
- m. Column S – Enter state and local portion of vendor payments

#### IV. Total Costs

##### A. Certification

1. The information on the Total Costs sheet will automatically populate based on the information entered in the Data Input sheet, the Trips Numbers, and the Annual Salary and Benefits sheet. When the cost report is printed, the Total Costs page must be signed and dated.

#### V. CPE

##### A. Signature & Notary

1. The CPE page will automatically populate the expenditures and state share of Medicaid expenditures. When the cost report is printed, the CPE page must be signed, dated, and notarized.

#### [The Bus Log Tracking Schedule](#)

The Bus Log Tracking Schedule is a guide for LEAs to use to track all trips on LEA designated specialized transportation buses. These buses must be designated by the LEA as Specialized Transportation and have specialized equipment to meet the special accommodation needs of students. All students riding on these specialized transportation buses, regardless of bus assignment, must be counted for each one way trip to or from school or service. No more than one trip should be counted for each student to and one trip from school each day.

The School Based Specialized Transportation Bus Log Tracking Schedule is intended to assist the LEA in determining the count of Medicaid trips and total trips for each cost report year. The LEA may include any information necessary to maintain the accuracy of this count but the Bus Log Tracking Schedule must contain each of the following elements:

- Date of the trip – Bus logs must be kept for each school day.
- Student Number – The student number helps identify individual students.

- Student Name – All students on the bus must be documented each day using an affirmative count.
- Bus Number – Each bus log should include the bus number and signatures of the Drive and Bus Aide.
- Medicaid Eligibility – Medicaid Number or indicate if the student is Medicaid eligible.
- Trip to School – Indicate with a Yes or No or ✓ or ✗.
- Trip from School - Indicate with a Yes or No or ✓ or ✗.
- Allowable Medicaid Service – Service must be listed on the IEP and received on the day of the trip.
- Specialized Transportation on IEP - Indicate with a Yes or No or ✓ or ✗.

## Preparing for the Audit

When compiling and entering the cost report information, it is helpful to save any reports used to obtain the information in an easily accessible desktop or server folder that can be easily provided to the auditors during the on-site monitoring visit.

## Common Errors

1. Not turning the cost report in on time.
2. Sending in the electronic version but not the hard copy or visa versa. The cost report is not considered complete until both are turned int.
3. Using a previous years cost report instead of the one for the current year.
4. Missing signatures on the hard copy.
5. Including individuals who are paid 100% with federal funds.
6. Including individuals with zero cost.

## Using the Cost Report to Estimate the Cost Settlement

### Estimates for Direct Services:

The Cost Report provides the total amount eligible for reimbursement but until it is reviewed, it is not final. Once completed by the LEA, it undergoes a desk review with Postlethwaite & Netterville who may make edits and/or changes. While they will not actively inform LEAs of any changes made, you may ask for an explanation to justify any changes. Because of the potential for these changes, the methodology set out below provides an estimate – but not a guarantee – of the funds the LEA may expect to receive.

4. Calculate the total federal reimbursement available by subtracting the state responsibility from the total Medicaid eligible expenditure.
  - a. On the CPE page, G16 – G17 = the total federal reimbursement available to the LEA
5. Calculate the administrative fee due to LDH and subtract it from the total federal reimbursement available to the LEA.
  - a. For behavioral health, the fee is 5%
  - b. For all other programs, the fee is 15%
6. If the LEA owes any funds back due to adjustments from prior years, subtract these at this time (this information would have been provided to the LEA the prior year).
7. Subtract the total amount in interim billing the LEA received for those services for that fiscal year.
8. The result should be the final cost settlement estimate (which is still subject to change pending the results of the audit).