
MEDICAID SCHOOL PROGRAM Information Bulletin, MSP-008

April 28, 2009

2010 Indirect Cost Recovery Plan

All treasurers should have received an email on April 14 from Tracy Knowles of the Ohio Department of Education with attachments called "2010 Indirect Cost Recovery Plan". Under this plan, districts can annually submit detailed cost data and obtain a "Restricted Indirect Cost Rate" (ICR), that can be used to increase certain Federal grants, and a Medicaid ICR that can be used to increase Medicaid School Program reimbursement. The potential problem is that for small and even medium sized districts, it may not be cost effective when you compare possible minimal additional reimbursement against the amount of time involved in gathering the required information and doing the report. Many ICR's only come out to 2% - 5%, and ODE estimates the report taking up to 10 hours to complete. It is not a requirement of the Medicaid School Program that a district have a Medicaid indirect cost rate. Many districts may elect not to complete the report for 2010, until it can be determined the amount of actual additional Medicaid revenue an ICR would generate. The report has an initial due date of May, but an extension can be requested. Please contact Dan Thomas at teamhbs@aol.com, with any Indirect Cost Rate questions.

ESC's Participation in MSP Back-claiming

The decision is now final regarding ESC's participation in MSP back-claiming. If an ESC received 100% reimbursement for its salary and benefit costs associated with providing MSP services to its districts, then the ESC has been paid in full and cannot seek MSP back-claiming reimbursement through the Medicaid School Program. If the ESC received only partial reimbursement for its MSP services, then the ESC could seek MSP back-claiming reimbursement using the remaining un-reimbursed therapy costs. In this case, it may be advantageous to analyze which entity could generate the greater reimbursement (ESC or Local). ODJFS recently sent a survey to each MSP certified ESC requesting back-claiming information and data. If an ESC answers "Yes" to question A.1, then they do not need to complete the additional information and data section. Just sign the report and send it back to ODJFS. Your answer of "Yes" to question A.1 will confirm that all MSP back-claiming will need to be processed by your Local schools. For additional questions please contact Chris Patrone at Chris.Patrone@jfs.ohio.gov.

Title VI-B (IDEA Funds) and Stimulus Dollars

As always, we want to stress the importance of not using IDEA funds to pay for therapy expenses that qualify for Medicaid School Program reimbursement. In order to maximize MSP reimbursement, districts should minimize the use of any Federal funds to pay for MSP therapy costs including salaries, benefits and contracted therapy costs. We are currently working with ODE to come up with clear guidelines as to how current IDEA spending can be reallocated without violating the rules associated with "Supplanting". Districts will also need to use this same caution when Federal Stimulus funds are received and spent.

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