

### **Medicaid FAQs: Medicaid Accounting**

#### How can Medicaid funding be expended?

Medicaid funding is a reimbursement for previously incurred Medicaid-eligible expenditures. Medicaid-eligible expenditures are for those services listed on the IEP of Medicaid –eligible students. Another way to look at it is that Medicaid funding has already been expended before it is received.

#### Will a district have any Medicaid funding carryover?

No. Because Medicaid funding is a reimbursement for previously incurred Medicaid-eligible expenditures, the district will not have Medicaid funding on hand or carried over.

#### What must Medicaid accounting records show?

The accounting records must show Medicaid program expenditures to the extent of the federal Medicaid reimbursement and special education expenditures for the match portion of the claim not reimbursed by Medicaid. This is the same amount as the portion returned to the state. The same match cannot be used for more than one program and no federal program can be a match for another federal program.

#### Does the district need to record expenditures as Medicaid and record a receivable on its accounting records when the Medicaid expenditure is incurred and the claim is filed?

Yes. The district is encouraged to record the transactions that way. However, if the reimbursement is received in the same fiscal year, including the accrual period as the Medicaid eligible expenditures, the district can wait until the reimbursement is received and then make corrective general journal entries to the extent of the reimbursement. Since Medicaid is a reimbursement of specific services pursuant to the IEP, the match generally is already coded as a special education expenditure. If the district reimbursement is not received during the same fiscal year, the district will estimate and record a receivable for the total amount to be received, a payable for the portion returned to the state, and revenue or deferred revenue for the Medicaid portion. The district will also reclassify expenditures to Medicaid for the Medicaid portion. If the Medicaid revenue is generally received within the same fiscal year, the district may record a revenue rather than a deferred revenue, even if not received within the accrual period.

#### If the district has a billing service fee, how does the district account for the fee?

The fee is not a cost that can be claimed against Medicaid. The fee is a cost that can be charged to the special education weighting plan funding.

#### What are the financial advantages of participation in the Medicaid program?

In a district that would have had a special education deficit, Medicaid funding reduces dollar-for-dollar the need for additional property taxes to support the special education program. In a district that would have had a special education positive balance, that positive balance is increased. If the positive balance increases to an amount in excess of the allowable carryover, the excess state funding over the allowable carryover is distributed to other districts in the state that had special education deficits, and the excess property taxes are returned to the taxpayers in the district.

#### Is the guidance available for recording Medicaid in the districts' records?

Yes, journal entries are available on the department's website. Go to [educateiowa.gov](http://educateiowa.gov), select the A to Z index, click on U, then scroll down to Uniform Financial Accounting for Iowa LEAs and AEAs. Open the file called UFA Journal Entries. Select the far right tab called Medicaid Journal Entries.

**Medicaid FAQs: LEAs and AEAs**

How can my district start or restart participating in Medicaid?

DE staff will help start or restart or consider participating by: first, reviewing a sample of IEPs for billable services; second, offering an estimate of likely reimbursement; third, rolling out staff education; and fourth, explaining to you the availability of free billing software. Provider enrollment or re-enrollment is easy.

Are LEAs required to participate?

No. Iowa LEAs are encouraged, but are not mandated, to participate.

Are AEAs required to participate?

Yes. Iowa AEAs are mandated to participate by Iowa Code section 256B.15: "Effective November 1, 1988, all area education agencies in the state shall participate in the program and begin billing for and collecting for the covered services."

Is there a lifetime benefit limit for Medicaid services?

No. For those school-based services allowed by Medicaid and identified in the IEP, there is no lifetime benefit limit.

If scheduled service is missed, can it be made up later?

Yes. The services listed in the IEP should be provided, so rescheduling a service would be appropriate. The originally scheduled time that is missed cannot be submitted for Medicaid reimbursement as only the "contact" time is allowed.

Is hearing aid consultation covered by Medicaid?

Yes. If the hearing aid is listed in the IEP as being required for the benefit of the child, then the consultation and fitting of a hearing aid by an audiologist would be covered by Medicaid.

Would a reference to the student's Individual Health Plan (IHP) in the IEP be sufficient documentation?

Yes. A reference to the IHP for additional detail of services is appropriate documentation. It is not expected that the IEP would include the vast detail of health services that are in an IHP.

If the professional who is supervising and providing the signoff of the interventions of a paraprofessional is funded with federal resources, can Medicaid still be claimed?

Yes. That portion of the costs of the professional which were reimbursed by Medicaid would be coded to Medicaid rather than the other federal source.

Does the IEP need to identify the signoff professional for paraprofessional services?

No. The IEP will list the services to be provided to the child and does not normally list the specific name of the professional. If services are delivered by a paraprofessional, this is noted in the special education services description without naming specific individuals.

Is the IEP Review process considered assessment?

Yes. Most of the direct services have four components: screening, assessment, individual service and service in a group. The assessment component includes monitoring of treatment implementation and evaluation of the child's state in relation to established goals and treatment plan. This would include the IEP Review activities.

What is the top age for record retention?

Iowa Administrative Code 441- 79.3(3) states that Medicaid requires documentation be retained for five years after the claim submission date, not five years after the date of service, for a Medicaid-eligible student. That is not always easy to remember, so providers often use the adjudicated date, which would be more time than using the submission date. Iowa Administrative Code also advises providers to review record retention as required by a provider's licensing authority or accrediting body, which may mean even more restrictive guidelines. A "top age" is not a good measure for record retention.

What records must we retain?

Iowa Administrative Code 441- 79.3(2) "d" (26) specifies that for services provided by area education agencies and local education agencies, the following records, at minimum, must be maintained and provided to Iowa Medicaid Program Integrity Unit, if requested for document reviews: 1. Service notes or narratives; 2. Individualized Education Program (IEP) or Individualized Family Service Plan (IFSP) in place at the time of services being reviewed; 3. Individual Health Plan (IHP); and 4. Behavioral Intervention Plan (BIP).

**Medicaid FAQs: LEAs and AEAs (cont'd.)**

Is the Behavior rubric an acceptable indicator of results?

Depending on the goals of the IEP, the Behavior rubric would probably be a good component of the overall progress of the student. There would probably need to be some additional information to reflect what specific behaviors changed to cause the change in the rubric score.

Did Parent Consent change? Do LEAs still need to get annual consent?

Yes. Parent Consent for AEA and LEA services to those aged 3-21 did change. No, LEAs and AEAs do not still need to get annual consent for services to those aged 3-21. In 2013, the US Department of Education issued a final regulation on consent and notification requirements for accessing a student's Medicaid coverage to pay for services on an IEP. The amended federal regulation and Iowa rule requires one-time consent and written notification for schools to access Medicaid or other public insurance benefits and annual notification thereafter. This reduces paperwork for LEAs and AEAs and increases the quality of information given to parents. The first IEP meeting after July 1 2013, or next increase in services after July 1, 2013, will need a signature of a new consent form. Consent will not need annual re-signing. However, annually, parents are to receive a notification regarding consent and rights. This rule change does not change Parent Consent requirements for IFSP services to those aged 0-3.

Does it matter when I submit claims?

Yes. Please submit claims promptly rather than waiting until year end. Submitting claims promptly and not waiting until year end not only allows the LEA to receive its money sooner, but if any claim needs re-submission or additional documentation, LEA health and transportation staff are still available. Submitting timely makes it easier to match the net revenues received with the related expenditures, since both occur within the same fiscal year, and the district wouldn't need to estimate what the net revenues and related expenditures were. Claims for the fiscal year not received by the end of the accrual period will need to be recorded as receivable and deferred revenue (using the Medicaid project code) in the district's accounting records. Early filing may help alleviate the extra entries.

How can I learn if there are Medicaid billable services on an IEP?

If LEA staff are not sure if there are billable services on a particular or on a few IEPs, call the DE with student and building details, and DE staff will review web IEPs and contact you. If LEA staff wishes to learn more about reading IEPs, select the names of some students who have IEPs at your LEA and then contact the DE who will then meet with you. Together, you and the DE staff will review those IEPs for covered services, and DE staff will help you learn to read IEPs, identify billable services, and identify the necessary accompanying documents, such as an Individualized Health Plan or Behavior Intervention Plan.

Whom do I contact about the status of my Medicaid Provider Application?

Iowa Medicaid Enterprise Provider Services Unit should be contacted at (800) 338-7909 or (515) 256-4609. Ask for provider enrollment.

For behavioral health paraprofessional services to be billed, does the student need a Behavior Intervention Plan?

Yes. Iowa Medicaid requires that the IEP order the services and requires that there be a signed Behavior Intervention Plan that is current or is specified in the IEP as being both current and linked to that IEP.

For behavioral health therapy, not paraprofessional service, does the student need a Behavior Intervention Plan?

No. Screening, individual assessment, and direct services of individual, group, or family therapy are benefits in the Medicaid programs, when they are in the IEP or linked to a service in the IEP. These are recognized services, if provided by a licensed or certified school psychologist, by a licensed school social worker or by a licensed guidance counselor. These services do not require a Behavior Intervention Plan. However, it is expected that the Mental Health professional would have a treatment plan that would be available in the future.

When do we need to use International Classification of Diseases Tenth Edition (ICD-10) diagnoses?

Iowa Medicaid is recommending that you begin now to seek ICD-10 diagnoses for the services you are billing. Iowa Medicaid is requiring that you provide those ICD-10 diagnoses on all claims submitted after September 2014.

**Medicaid FAQs: Early Access**

If the professional who is supervising and providing the signoff of the interventions of a paraprofessional is funded with federal resources, can Medicaid still be claimed?

Yes. That portion of the costs of the professional which were reimbursed by Medicaid would be coded to Medicaid rather than the other federal source.

What is the definition of a licensed person for Family Training?

Family Training services can be provided by "any licensed practitioner," so nurses, occupational therapists, physical therapists, psychologists, social workers and special educators would be recognized. Family Training provides counseling, guidance, feedback and support to the family of an eligible child, in understanding the special needs of the child, and assisting families in developing specialized parenting skills necessary to maximize growth and development of that child.

If scheduled service is missed, can it be made up later?

Yes. Services identified in the IFSP should be provided to the child. If an appointment is missed, it can be made up later. Medicaid will reimburse for services actually provided the child but not for missed appointments. If the re-scheduled appointment is still within the time stated in the IFSP, then the provider can request reimbursement from Medicaid.

Can the foster parent sign as the Early ACCESS parent?

No. The foster parent cannot sign as the Early Access parent, unless the foster parent is appointed as surrogate. Under Iowa Department of Human Services (DHS) rules, foster parents cannot sign. If there is a question as to whether the foster parent has the legal responsibility for the child, we would recommend contacting the DHS office that made the assignment for assistance.

Does the Early Access Service Coordinator need to be listed on IFSP?

Yes, the person listed as the Service Coordinator is the only person eligible to seek reimbursement for service coordination coded services.

Is there a lifetime benefit limit for Medicaid services?

No. For those services allowed by Medicaid and identified in the IFSP, there is no lifetime benefit limit.

Is the IFSP Review considered assessment?

Yes. The assessment service includes "monitoring of IFSP implementation," which means activities and procedures designed to document a child's progress during treatment and to adjust the treatment plan as needed.