

**COOPERATIVE AGREEMENT BETWEEN
THE DEPARTMENT OF SOCIAL SERVICES, MO HEALTHNET DIVISION**

And

**SCHOOL-BASED INDIVIDUALIZED EDUCATION PLAN (IEP)
DIRECT SERVICES COST SETTLEMENT
THROUGH THE MO HEALTHNET PROGRAM**

STATEMENT OF PURPOSE

The Missouri Department of Social Services (DSS), through its MO HealthNet Division (MHD), and the School District, in order to complete and submit annual cost reports and complete the cost settlement of Medicaid Individualized Education Plan (IEP) related direct services activities performed in the school setting, hereby agree to the conditions included in the Cooperative Agreement. Under the MHD IEP school-based direct services program (hereafter referred to as direct services), Missouri public school districts, including public charter schools, may enroll as a Medicaid direct services provider for children who are eligible under the Medicaid program and the Individuals with Disabilities Education Act (IDEA). The Missouri Department of Elementary and Secondary Education (DESE) is responsible for ensuring that school districts comply with the IDEA requirements as well as with the requirements related to the child's IEP. Providers shall be enrolled in accordance with MHD policies.

Providers and school districts submit procedure-specific fee-for-service claims through the State's Medicaid Management Information Systems (MMIS), either directly or through a billing agent, for all MHD allowable direct services provided to eligible children and are reimbursed the federal share of the MHD established rate for the service.

The cost settlement process establishes the actual costs to a school district for the delivery of MO HealthNet covered direct services to its Medicaid-eligible students. The annual cost reporting, reconciliation and settlement process requires submission of a cost report. The cost report captures all payments for services provided in the applicable fiscal year and all relevant associated costs incurred in the same fiscal year.

School districts have the option of participating in the School District Administrative Claiming (SDAC) program and/or Direct Services program. However, participation in the Direct Services program and the Cost Settlement Process requires participation in the statewide Random Moment Time Study (RMTS) that is administered through the SDAC program. The details of the activities and the entire RMTS process are described in detail in the SDAC Manual. Participating school districts must include all medical

performing providers on the school district's quarterly SDAC rosters to be included in the RMTS if they provide Medicaid-billable direct services.

The DSS and the school district enter into this Cooperative Agreement with full recognition of all other existing agreements which the Department may have developed for services to Title XIX eligible participants living within the school district's boundaries and which are currently included in the Title XIX State Plan.

I MUTUAL OBJECTIVES

1. Assure that free appropriate public education is available to all children with disabilities, as defined by the IDEA, by responding to their individual needs, regardless of the nature or severity of their disabilities. "Free appropriate public education" is defined in the IDEA as special education and related services (1) provided to children with disabilities at public expense; (2) under public supervision and direction, and without charge; (3) that meet the standards of the state education agency; and (4) are provided in conformance with an Individualized Education Program (IEP) that is developed consistent with the federal regulations.

- "Special education" is defined in federal regulations (34 CFR 300.26) as specially designed instruction, which meets the unique needs of the child and includes instruction conducted in the classroom, in the home, in hospitals and institutions, and in other settings and instruction in physical education.

"Related services" are defined at 34 CFR 300.24 as "transportation and such developmental, corrective, and other supportive services as are required to assist a child with a disability to benefit from special education."

2. Assure that only those *medically necessary* IDEA services that are described in the federal definition of "medical assistance" as Medicaid services when furnished by qualified participating Medicaid providers and are eligible for federal reimbursement to schools as defined in the State of Missouri. These school-based direct services must be provided by a qualified provider, address a medical or mental disability, assist the eligible student in benefiting from special education programming, and are included and provided in accordance with the child's IEP.

These activities are considered "direct medical services" and are governed by both federal and state rules.

- a) Physical Therapy
- b) Occupational Therapy
- c) Speech Therapy
- d) Private Duty Nursing

- e) Behavioral Health
- f) Hearing Aid
- g) Personal Care Services

MO HealthNet covers direct services included in an IEP under the following conditions:

- the services are medically necessary and included in a Medicaid-covered category (speech therapy, physical therapy, etc.);
 - all other federal and state Medicaid regulations are followed, including those for provider qualifications, comparability of services and the amount, duration and scope provisions; and
 - the services are included in the State's plan or available under EPSDT.
3. Assure a cooperative and collaborative relationship exists at the State and school district levels.
 4. Assure all terms of this Agreement and procedures adhere with 2 CFR 200.
 5. Assure all terms of the Agreement and procedures adhere with 45 CFR.

II RESPECTIVE RESPONSIBILITIES

The Department of Social Services Agrees:

1. Once the cost reconciliation has been calculated (as detailed in the Cost Settlement Manual), if the total certified costs, as identified in the school district's cost report, exceed the interim payments, the State will pay the federal share of the difference to the school district. The Title XIX federal share is in accordance with the provisions of 2 CFR 200 and 42 CFR. The rate of reimbursement for eligible costs will be the Federal Medical Assistance Percentage (FMAP) rate. Changes in federal regulations affecting the matching percentage and/or costs eligible for reimbursement, which become effective subsequent to the execution of this agreement, will be applied as provided in the regulations. Upon finalizing the cost reconciliation calculation, DSS will draw down and make payments to the school district the amount equal to the appropriate Federal Financial Participation (FFP) for this program less DSS administrative costs associated with administration of this program.
2. Once the reconciliation amount has been finalized by the Department or its designee, the school district will receive a cost reconciliation and settlement letter that denotes the final amount due to or from the school district.

3. Schedule and conduct periodic off-site (desk) reviews and onsite reviews of cost reports for all school districts as outlined in the Cost Settlement Manual. These will be performed by MHD or its designee.
4. Monitor and conduct periodic quality control functions as outlined in the Cost Settlement Manual. These will be performed by MHD or its designee.
5. Provide training and technical assistance to staff of the school district regarding the responsibilities assumed within the terms of this agreement.
6. Conduct in service training sessions, either directly or through its designee, for participating school districts on an annual basis.
7. Provide directly through DSS/MHD necessary consultation to the school district on issues related to this agreement as needed by the school district.

The School District agrees to:

1. Sign a Cooperative Agreement. Participation in the direct services cost settlement process involves a contractual relationship between the Missouri DSS/MHD and a school district. This contract or cooperative agreement binds the DSS and a school district's Board of Education in a relationship whereby the DSS is obligated to reimburse the school district when it performs certain claimable activities and annually submit a final and approved cost report on behalf of the school district.

The school district is required to:

- participate in the RMTS;
 - submit on-going fee-for-service claims for direct services to MMIS to receive interim payments;
 - submit electronically the student list for students with IEPs and related services;
 - complete, certify and submit an annual cost report;
 - participate and cooperate with any program and cost data reviews;
 - comply with all program requirements; and
 - provide a written methodology of how it will meet the requirements of the agreement.
2. Participate in the RMTS. The RMTS is a federally-approved process used to identify the proportion of direct services time allowable and reimbursable under Medicaid and is administered through the SDAC program. This information is used for the cost report process described in the MO HealthNet School-Based Individualized Education Plan (IEP) Direct Services Cost Settlement Manual (the Cost Settlement Manual) to enable the school district to conduct a cost settlement at the end of the fiscal year in the direct services program.

Direct and indirect reported expenditures are allocated to Medicaid based on the yearly results of the statewide RMTS conducted on a quarterly basis. Staff expenditures for each school district are identified for staff participating in the RMTS with the inclusion of the applicable school district Indirect Cost Rate (ICR) to cover associated school administrative costs (accountant, business office, etc.).

Participation in the Direct Services cost settlement process requires participation in the statewide RMTS. Participating school districts must include all medical performing providers who provide Medicaid-billable direct services on the quarterly SDAC rosters to be included in the RMTS, ensuring that the performing providers are enrolled as providers with MO HealthNet.

The cost settlement uses the same RMTS process used for the SDAC program. The details of the activities and the entire RMTS process are described in detail in the SDAC Manual.

3. Submit fee-for-service claims for direct services on-going interim payments to MMIS. Participating school districts are required to submit on-going claims to the state MMIS to receive interim payments, using MHD claim submission procedures. A school district does not qualify for the year-end cost settlement process without the submission of on-going fee-for-service claims.
4. Annually complete and submit a cost report. Each year, school districts participating in the Cost Settlement process are required to submit a completed Cost Report. The required information is described in *Section 5 Annual Cost Report* of the Cost Settlement Manual.
5. Submit Cost Reconciliation and Certification of Costs. After finalization of the cost data reconciliation with the interim claims, and approval by MHD Management or its designee, the school district is required to submit a Certification of Costs, signed by the school district's authorized finance officer. The final cost settlement and the Certification of Costs are to be submitted to MHD via the designee no later than 16 months after the close of the state fiscal year (July 1 – June 30).
6. Maintain Program Compliance and Support Reviews. The participating school district will comply with the program requirements and the approved SPA, the signed cooperative/compliance agreement and the Cost Settlement Manual. The school districts will cooperate with MHD or its designee during program and cost data collection and desk reviews and agree to comply with the findings and adjustments to the funding.
7. Submit the total number of IEP students as of December 1 for calculation of the IEP Ratio.

8. Return an amount equal to any overpayment back to the State if the school district's interim payments exceed the total certified costs, as identified in the school district's cost report. The school district can have the repayment deducted from the succeeding payments or have 60 days to return the overpayment to MHD.
9. Adhere to all requirements as detailed in the Cost Settlement Manual.
10. Accept responsibility for any disallowance and incur the penalties of same resulting from the activities associated with this agreement. Return to DSS any federal funds that are deferred and/or ultimately disallowed arising from the direct services claims submitted by DSS on behalf of the school district.
11. Maintain the confidentiality of participant records and eligibility information received from DSS/MHD and use that information only in the administration, technical assistance, and coordination of the Direct Services program.

III PROGRAM DESCRIPTION

Under the MHD direct services program, Missouri public school districts, including public charter schools, may enroll as a Medicaid provider for children who are eligible under the Medicaid program and the IDEA. Providers and school districts submit procedure-specific fee-for-service claims for all MHD allowable direct services provided to eligible children and are reimbursed the federal share of the MHD established rate for the service.

The cost settlement process establishes the actual costs to a school district for the delivery of MO HealthNet covered direct services to its Medicaid-eligible students. The annual cost reporting, reconciliation and settlement process requires submission of a cost report. The cost report captures all payments for services provided in the applicable fiscal year and all relevant associated costs incurred in the same fiscal year.

IV TERMS OF THIS AGREEMENT

The period of this Cooperative Agreement shall begin **DATE**. This agreement may be canceled at any time upon agreement by both parties or by either party after giving thirty (30) days prior notice in writing to the other party provided, however, that reimbursement shall be made for the period when the contract is in full force and effect. Failure to submit a completed and certified cost report by the established deadline for 2 consecutive years will result in the termination of this agreement by DSS/MHD.

Steve Corsi, Psy.D. Acting Director

Date

Department of Social Services

Superintendent

Date

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