

DRAFT INSTRUCTIONS FOR 2004-05 SCHOOL YEAR

2004-05 MEDICAID COST CALCULATION INSTRUCTIONS

The Department of Human Services (DHS) Excel worksheet for developing your annual Medicaid cost calculations includes a tab for each of the following disciplines:

- Nursing
- Occupational Therapist/Certified Occupational Therapist Assistant
- Physical Therapist/Licensed Physical Therapist Assistant
- Speech Language Pathologist/Speech Language Therapist Assistant
- Audiologist
- Psychiatrist
- Psychologist
- Delegated Health Care/Attendant
- Licensed Clinical Social Worker/MSW
- Transportation

The directions for completing each tab are the same. To complete the worksheet, actual audited costs must be used from the prior school year. For example, if you are calculating costs for the 2004-05 school year, you would use actual costs from the 2003-04 school year to complete the worksheet. At the top of the "SUMMARY" tab, please list your district, district ID number, name, and contact number for a person who can respond to questions about information submitted on the worksheet. The rest of the SUMMARY tab will automatically fill in when you complete the tab(s) for each discipline.

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Box 1A - Costs Attributable to the Discipline

Column A

Line

1. Enter the actual salaries and benefits (S&B) for the licensed billable staff in the discipline. Only staff that is licensed to bill Medicaid can have their salaries and benefits included in this line. This line should include all assistants (COTA with OT; LPTA with PT; SLPA with SLP; and MSW with LCSW). **Do not include staff who are licensed but who not bill Medicaid.**

An exception to the license requirement is when you are calculating the costs for DHC/Attendants; do include their costs. However, do not include the costs of a teacher who may be qualified as a DHC unless performing DHC duties is a primary function of the teacher.

2-10 Enter the actual costs for the categories that are related to the delivery of Medicaid services by the Medicaid billable staff. Listed below are the descriptions of costs permitted to be claimed under OMB Circular A-87. No COSTS WHICH ARE INCLUDED IN YOUR ODE APPROVED RESTRICTED INDIRECT RATE CAN BE CLAIMED AS A DIRECT EXPENSE.

EMPLOYEE TRAVEL EXPENSES ARE allowable for expenses for transportation, lodging, subsistence, and related items incurred by employees traveling on official business. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip, and results in charges consistent with those normally allowed in like circumstances in non-federally-sponsored activities.

COMMUNICATION COSTS of telephone, mail, messenger, and similar communication services are allowable.

PUBLICATIONS AND PRINTING COSTS, including the costs of printing (including the processes of composition, plate-making, press work, and binding, and the end products produced by such processes), distribution, promotion, mailing, and general handling are allowable

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MATERIALS AND SUPPLIES are allowable. Purchases should be charged at their actual prices after deducting all cash discounts, trade discounts, rebates, and allowances received. Withdrawals from general stores or stockrooms should be charged at cost under any recognized method of pricing, consistently applied. Incoming transportation charges are a proper part of materials and supply costs. Also included here would be software used to operate your SBHS services.

PROFESSIONAL SERVICE COSTS for professional and consultant services rendered by persons or organizations that are members of a particular profession or possess a special skill, whether or not officers or employees of the governmental unit, are allowable.

Memberships and subscriptions

- a. Costs of the governmental unit's memberships in business, technical, and professional organizations are allowable.
- b. Costs of the governmental unit's subscriptions to business, professional, and technical periodicals are allowable.
- c. Costs of meetings and conferences where the primary purpose is the dissemination of technical information, including meals, transportation, rental of meeting facilities, and other incidental costs are allowable.
- d. Costs of membership in civic and community, social organizations are allowable as a direct cost with the approval of the Federal-awarding agency.
- e. Costs of membership in organizations substantially engaged in lobbying are unallowable.

REPAIR OF EQUIPMENT USED BY DISCIPLINE. The cost of repairs of equipment used by discipline may be included in a district's cost calculations.

TRAINING provided for employee development is allowable to the extent which it benefits the Federal award.

ADVERTISING expense for vacant positions within the discipline may be included in a district's cost calculations.

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Box 1A (Continued)

Column B and Column C

In column B please insert the percentage of the total costs used by the discipline. Generally, we are assuming that most of the districts are able to track all of the costs of a discipline; thus the percentage to be listed for each expense in Column B should be 100%. However, if the costs for a discipline cannot be uniquely identified, please specify the percentage of the cost that is applicable to the discipline .

1. Because you are calculating the hourly costs of the discipline, 100% of the salaries and benefits of the discipline staff is automatically included in the calculation.

2-10 Enter the percentage of the costs that is directly attributable to the discipline. If all costs are related to the discipline, enter 100%. If less than 100%, please attach a copy of the worksheet that you used to determine the applicable percentage

Column "C will automatically fill in with the adjusted cost.

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Box 1B - Prorated Costs of Management and Support Staff

Column A

Line

11, 12, and 13 In these lines please enter the total actual salaries, benefits, and direct costs (not included in your ODE indirect rate) of the respective staffs that perform work related to the activities of the licensed billable staff. Use Line 11 for Management; Line 12 for Operations and Program staff, and Line 13 for Clerical staff. Line 11 for Management has two separate line entries because it is likely that more than one layer of Management may have duties associated with the discipline for which you are determining the hourly cost.

Please note that you are allowed to include the direct costs in each of the lines that are associated with supporting the activities of the discipline. The only allowable costs are the same as those listed for the discipline in Box 1A.

Column B and C

11. If the manager supervises only the discipline for which you are establishing rates, allocate 100% of the manager's salary to Line 11. However, if the manager supervises more than one discipline, only allocate on Line 11 the percent of the manager's salary and benefits that applies to the discipline for which you are establishing costs. For example, assume a manager supervises a total of 15 FTE, of which five are licensed billable FTE. Since the licensed billable staff makes up one-third or 33% of the total staff, then you would enter 33% on line 11. Please attach a copy of the worksheet used to determine the percentage.

12. Follow the same instructions provided for Line 11 above. Staff that can be included in this line would be any non-licensed staff who do not bill Medicaid. Staff that cannot be included in this line would be any licensed staff that you may have but who do not bill Medicaid.

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13. Follow the same instructions provided for Line 11 above.

Column "C" will automatically fill in with the adjusted cost.

Box 1C - Calculation of Hourly Rate

14. Enter the number of licensed billable FTE in the discipline. (If calculating DHC/Attendants, include their number here). Please determine FTE using the standard ratio of the number of hours worked per year divided by 173.34.
15. This line computes the cost per licensed billable FTE.
16. This line computes the cost per hour based upon 900 instructional hours per year.
17. Enter the current school year ODE approved restricted indirect rate for your district. Please remember that any of the costs included in the calculation of your restricted indirect rate cannot be claimed elsewhere.
18. This line computes the calculated hourly rate with the indirect rate added in.

This line calculates the 15-minute billing amount.

Calculation of Transportation Daily Cost

Reimbursement for IEP/IFSP transportation services shall be based upon the daily cost of transporting IEP/IFSP students. Reimbursement shall be based on your district's previous fiscal year's audited costs for IEP/IFSP transportation services. Transportation expenditures may include salaries and benefits of attendants and drivers, vehicle maintenance and repairs, garage expenditures, vehicle expenditures including depreciation, interest and insurance and vehicle supply expenditures including fuel. Costs for IEP/IFSP transportation services will not exceed actual, reasonable costs and will be cost settled on an annual basis. Each district will be responsible for maintaining written documentation that supports the calculation of the IEP/IFSP daily cost amount.

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The daily cost amount shall be calculated by taking the total annual IEP/IFSP transportation costs divided by the total number of IEP/IFSP students transported annually, and dividing that result by the total number of school days. On the worksheet please fill in the shaded boxes with the requested information; the bottom line will automatically calculate the daily rate for transportation services.