Guide to Cost Reporting for the Medicaid School Based Claiming Program

Arizona Health Care Cost Containment System

Draft 10/1/2021
1. Introduction

The Arizona Health Care Cost Containment System (AHCCCS), in accordance with the signed Intergovernmental Agreement between AHCCCS and the Arizona Department of Education (ADE), provides direct Medicaid reimbursement, through its Medicaid School-Based Claiming (MSBC) Program, for certain Medicaid services provided by a participating Arizona Local Education Agency (LEA). A LEA is a public school district, a charter school not sponsored by a school district, and the Arizona School for the Deaf and Blind.

_**Medicaid School-Based Claiming:**_

MSBC is a joint federal-state program that offers reimbursement for both the provision of covered medically necessary school-based direct medical services and for the costs of administrative activities, such as outreach, which support the MSBC Program. Schools can provide a wide range of health care and related services to their students, which may or may not be reimbursable under the Medicaid program.

Schools are often involved in informing families of their potential eligibility for Medicaid or in helping them arrange medical appointments for children. These activities are considered “administrative,” and schools can receive reimbursement through Medicaid.

Both types of claiming must comply with federal and state guidelines related to provider qualifications, covered services, claiming requirements, documentation, and the Random Moment Time Study (RMTS).

Any Arizona LEA may participate in the Direct Service Claiming (DSC) Program. LEA participation in this program is voluntary. If LEA’s wish to participate in the Medicaid Administrative Claiming (MAC) program, they are required to also participate in the DSC program. LEAs cannot participate solely in MAC. Each participating LEA is required to be enrolled as an Arizona Medicaid provider, complete a Participation Agreement with the AHCCCS contracted ThirdParty Administrator (TPA), participate in the RMTS process, and submit quarterly and annual cost reports to the TPA. AHCCCS oversees the administration of the MAC and DSC programs administered by the TPA.

2. Reimbursable Direct Medical Services and Administrative Activities in the AZ Medicaid School-Based Claiming Program

Direct Medicaid reimbursement is provided under the DSC program for medically necessary medical or mental/behavioral health services provided by participating LEAs. Direct medical services are Medicaid covered services that are medically necessary and provided to Medicaid enrolled student beneficiaries by LEAs in accordance with an Individualized Education Program (IEP), Individualized Family Service Plan (IFSP), 504 Plan, other individualized health or behavioral health plan, or where medical necessity has been otherwise established.

- Audiology Services
- Behavioral Health Services
- Nursing Services
• Personal Care Services
• Occupational Therapy Services
• Physical Therapy Services
• Speech-Language Pathology Services
• Specialized Transportation Services
• Physician Services

All reimbursable services must meet the service definitions as described in the AHCCCS Medical Policy Manual (AMPM) and the AHCCCS Fee-For-Service Provider Manual. These services must be identified in:
  • An Individualized Education Program (IEP),
  • An Individualized Family Service Plan (IFSP), or
  • Other Medical Plans of Care:
    ▪ A Section 504 plan,
    ▪ Any other documented individualized health or behavioral health plan, or where medical necessity has been otherwise established.

These services must also be:
  • Medically necessary as treatment or as part of an assessment, diagnostic evaluation, or evaluation of a student’s need for services.
  • Ordered or prescribed by a qualified provider in accordance with the AHCCCS AMPM.
  • Provided by a qualified provider who is employed or under contract with the LEA. The provider must meet all applicable federal and state licensure and certification requirements and have a valid AHCCCS Provider Identification Number for the date the service was rendered.

2A. Approved DSC Services and Service Provider Types

The AHCCCS approved DSC services and service provider types are defined in the AHCCCS Medical Policy Manual (AMPM), Chapter 710. Refer to AMPM 710 and Medicaid School-Based Claiming Codes and Rates for approved DSC services and service provider types.

2B. Medicaid Administrative Claiming

MAC is a joint state-federal program that allows Arizona LEAs to receive quarterly reimbursement through the claiming process for costs associated with employing individuals or contractors who support the Medicaid program by routinely performing Medicaid administrative and outreach activities. Administrative activities provided in schools may include outreach, facilitating eligibility determination, program planning and coordination, training and referral, coordination, and monitoring of services.

Quarterly cost reports are used to calculate reimbursement for MAC, or reimbursement associated with the provision of administrative and outreach activities that support the MSBC Program.
  • For MAC, the RMTS is used to determine the amount of time direct service and administrative staff spend performing administrative and outreach activities that support the proper and efficient operation of the state Medicaid program. LEAs are only reimbursed for costs of those staff that are included in the RMTS.
3. Overview of the Random Moment Time Study Process

The RMTS process is a federally approved technique of polling a statistically valid sampling of randomly selected moments (one moment = one minute) that are assigned to randomly selected participants. The RMTS method measures the work effort of the entire group of participants involved in the Medicaid DSC and MAC Programs by sampling and analyzing the work efforts of a randomly selected cross-section of the group. The time study determines the percentage of time that is spent on direct medical services, MAC allowable general and administrative time, and all other activities to account for 100 percent of time, thus assuring that there is no duplicate claiming.

The RMTS is broken into three mutually exclusive cost pools of providers, based on the type of services provided: Cost Pool 1 (Direct Service Providers), Cost Pool 2 (Personal Care Providers), and Cost Pool 3 (Administrative Service Providers Only). The three pools are mutually exclusive, i.e., no participant can be included in more than one pool. The pools include both LEA employees and contractors.

- The Direct Service Providers Cost Pool 1 is comprised of direct service staff, including those who conduct direct services and administrative activities as well as direct service staff only and the respective costs for these staff. Only qualified providers in the approved Arizona State Plan can be included in Direct Service pools.

- The Personal Care Providers Cost Pool 2 is comprised of personal care direct service providers who provide direct services and the respective costs for these staff. Personal care services providers were separated from the other direct service providers as their training, background, and role in the LEA is significantly different from traditional direct service providers. In order to ensure that the most accurate time study results are captured for these two groups of service providers, it was determined that two separate cost pools would be most appropriate.

- The Administrative Service Providers Only Cost Pool 3 is comprised of administrative service staff only. Administrative service staff include those who provide support or outreach for the MSBC Program and the respective costs for these staff.

3A. Direct Service Providers Cost Pool 1 (Providers of Direct Medical Services & MACServices)

- Physicians
- Licensed Professional Counselors (LPC)
- Licensed Marriage and Family Therapists (LMFT)
- Speech-Language Pathologists (SLP)
- Audiologists
- Occupational Therapists
- Physical Therapists
- Certified Occupational Therapy Assistants
- Physical Therapy Assistants
- Speech-Language Pathology Assistants
- Licensed Clinical Social Workers (LCSW)
- Licensed Independent Substance Abuse Counselor (LISAC)
• Licensed Psychologists
• Psychiatrists (MD or DO)
• Registered Nurses (RN)
• Licensed Practical Nurses (LPN)
• Nurse Practitioner (NP)
• Board Certified Behavior Analyst (BCBA)
• Board Certified Behavior Analyst-Doctoral (BCBA-D)
• Behavior Analyst Assistants

3B. Personal Care Providers Cost Pool 2

• School-Based Health Aides

3C. Administrative Service Providers Only Cost Pool 3 (Providers of MAC Services Only)

• Audiology Assistants
• Interpreters and Interpreter Assistants
• Bilingual Specialists
• Administrators for Exceptional Student Education
• Special Education Teachers
• Program and Staffing Specialists
• Student Services Personnel
• Augmentative Specialists
• Dietitians
• Liaisons and Certain Teachers for Exceptional Student Education
• Guidance Counselors
• School-Based Psychologists
• Orientation and Mobility Specialists
• And other groups/individuals that may be identified by the LEA that perform administrative outreach activities that do not bill Medicaid for school-based direct medical services.

3D. Random Moment Time Study (RMTS) Process

The sampling period is defined as the three-month period comprising each quarter of the school calendar year. The quarterly RMTS will be utilized for both the DSC and MAC components of the MSBC Program. The following are defined as:

• Quarter 1 = July 1 – September 30
• Quarter 2 = October 1 – December 31
• Quarter 3 = January 1 – March 31
• Quarter 4 = April 1 – June 30
There are three quarterly time studies: October 1-December 31, January 1–March 31, and April 1–June 30. The majority of LEA staff work during a traditional school year. Since the time study results captured during a traditional time study are reflective of any other activities that would be performed during the summer quarter (July – September), a summer quarter time study will not be conducted. Arizona will use an average of the three (3) previous quarter’s time study results to calculate a claim for the July-September period.

Each LEA submits its staff pool list prior to the time study period. Training is provided to LEA coordinators on the time study process. The time study sample is pulled, and each participant responds to his/her sampled moment. Staff pool lists will not be modified once the sample has been generated and the quarter has started with the exception of replacement positions.

The Arizona RMTS process is a web-based system where sampled participants respond to a few simple questions. They include:

- Who were you working with during the sample moment?
- Describe in detail the activity you were performing during your sampled moment.
- Describe in detail why you were doing this activity during your sampled moment.
- Is the service you provided part of the child’s medical plan of care where medical necessity has been otherwise established?
  - Radio buttons with the options of
    - Yes - IEP/IFSP
    - Yes - Medical plan of care other than an IEP/IFSP (i.e., student health plan, chronic illness plan, nursing plan, physician’s order, crisis intervention services)
    - Yes - Medical necessity established in other method.
    - No
    - N/A

Centralized coders then assign the appropriate time study code to the moment responses. At the end of the time study period, the percentages by activity code are calculated.

The RMTS process results in an annual direct medical services and quarterly administrative services time study percentage. The direct medical services costs reported on the annual DSC Medicaid Cost Report and the administrative costs reported quarterly on the MAC claim are allocated to the Medicaid Program based on the applicable direct medical services and administrative services time study percentage and the applicable Medicaid IEP/IFSP Enrollment Ratio and Medicaid Enrollment Ratio for Other Medical Plans of Care for the LEA.

Payroll costs can only be reported for participants listed on the LEA staff pool lists or for staff that replaced an individual listed on the LEA staff pool lists. Staff pool lists are position specific rather than person specific. Two distinct Medicaid Enrollment Ratios will be established for each participating LEA - the Medicaid IEP/IFSP Enrollment Ratio and the Medicaid Enrollment Ratio for Other Medical Plans of Care. See Section 5A below.

Additional details regarding the RMTS process can be found in the AHCCCS Time Study Implementation Guide.

4. Quarterly Financial Submissions

The following schedule highlights the Quarterly Financial Submission for 2021-2022. The submissions for
subsequent years will follow a similar schedule and all participating LEAs will be informed of the schedule at the start of the fiscal year.

<table>
<thead>
<tr>
<th>Cost Report Period</th>
<th>Submission Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2021, to September 30, 2021</td>
<td>November 14, 2021</td>
</tr>
<tr>
<td>October 1, 2021, to December 31, 2021</td>
<td>February 14, 2022</td>
</tr>
<tr>
<td>January 1, 2022, to March 31, 2022</td>
<td>May 15, 2022</td>
</tr>
<tr>
<td>April 1, 2022, to June 30, 2022</td>
<td>August 14, 2022</td>
</tr>
</tbody>
</table>

Each Quarterly Financial Submission includes the reporting of payroll information (i.e., paid hours, salaries, payroll taxes, and employee benefits for employees and paid hours and contracted staff costs for contractors) for staff listed on the RMTS staff pool lists for the reporting period.

To complete a quarterly submission, you must enter and certify cost data for the Quarterly Salaried and Contracted Staff, which includes the payroll information for each employee or contractor included on the RMTS roster.

The quarterly reporting process serves dual purposes for both DSC and MAC. On a quarterly basis, LEAs report the salary, benefit, purchased professional service (PPS), and any associated federal costs for all staff included in the quarterly RMTS. The quarterly costs for direct service and administrative staff are used to calculate the quarterly MAC reimbursement for administrative duties.

4A. LEA Payroll Information by Position

As stated previously, this page is pre-populated with the name and RMTS job category of each staff person (employee and contracted staff) on the LEA RMTS staff pool lists. The provider can enter the requested payroll information directly into the web-based system or download (export) an Excel spreadsheet, enter the requested payroll information, and upload (import) into the web-based system.

This page includes the following data elements, which are discussed in detail below:

- Last Name
- First Name
- (RMTS) Job Category
- Cost Pool
- Staff Employment Status
- LEA Job Title
- Job Span
- LEA Employee ID
- Paid Hours (Employees and Contractors) (Optional)
- Salaries (Employees)
- Employee Benefits, such as health insurance, life insurance, retirement, other employee insurance, and other employee benefits (Employees)
- Purchased Professional Services (PPS) Costs (Contractor Costs)
• Compensation Federal Revenues or Non-Allowable

To comply with CMS provisions, quarterly costs must be reported using the cash basis accounting methodology. The LEA must maintain supporting documentation for all information reported on the Quarterly Financial Submissions and the annual Medicaid Cost Report.

Cost reporting requirements, by providers should be consistent with 2 CFR Part 200, Subpart E and with generally accepted accounting principles (GAAP), which are those principles approved by the American Institute of Certified Public Accountants (AICPA).

Direct costing must be used unless otherwise stated in these instructions. Direct costing means that costs incurred for the benefit of, or directly attributable to, a specific service must be charged directly to that service. Costs related to each direct medical service, or the MAC Program must be direct costs. Employee payroll taxes and benefits/insurance costs must be directly associated to the individual employee or contractor and cannot be allocated.

Reported costs in this section should be formatted with two decimal places and not rounded to the nearest whole dollar.

_Last Name_: This field is pre-populated from information transferred from the RMTS process. The provider needs to verify the accuracy of the pre-populated information, noting any necessary revisions in the LEA cost report supporting documentation file.

_First Name_: This field is pre-populated from information transferred from the RMTS process. The provider needs to verify the accuracy of the pre-populated information, noting any necessary revisions in the LEA cost report supporting documentation file.

(RMTS) _Job Category_: This field is pre-populated from information transferred from the RMTS process. While the provider needs to verify the accuracy of the pre-populated information, changes cannot be made to this field by the provider. If the LEA coordinator thinks there is an error in the Job Category field, the LEA coordinator should contact PCG to compare the information in the system with the staff pool lists submitted by the LEA coordinator.

_Staff Employment Status_: This is a required field. The provider will need to enter the Staff Employment Status (Direct Payroll or Contracted) of the individual from a drop-down menu or verify the accuracy of any pre-populated information transferred from the RMTS process, making any necessary revisions. The definitions for full-time and part-time staff are according to each LEA’s procedures and processes and each LEA should maintain those definitions in its cost report documentation file. For example, some LEAs consider an aide that works 30 hours per week to be a full-time employee and that is acceptable.

_LEA Job Title_: This is an optional field. As such, it is acceptable to be left blank. However, it is recommended that the LEA coordinator enter the participant’s LEA job title. If the LEA Job Title is pre-populated from the RMTS process, the LEA needs to verify the accuracy of the pre-populated information, making any necessary revisions.

_Job Span_: This is information pertaining to the amount of time the provider was on the staff pool list for the reporting period. For Annual cost reporting costs can only be included for time periods which the provider was active on the staff pool list. For Quarterly costs reporting, costs can only be included if they were paid within
the quarter you are currently reporting for.

**LEA Employee ID:** This is an optional field. As such, it is acceptable to be left blank. This field is for the use of the LEA to assist in identifying staff since there may be more than one staff person with the same name. This field can be used to easily reconcile costs to the LEA’s financial system and Chart of Accounts. Do not enter Social Security Numbers in this field.

**Paid Hours (Optional):** This is an optional field. As such, it is acceptable to be left blank.

**Salaries:** This is a required field, meaning that any individual whose Staff Employment Status is “Direct Payroll” is required to have a value in this field. Of course, an individual whose Staff Employment Status is “Contracted” would not have any amount reported in this field.

The amount reported in this field is the total gross earnings for the individual as paid by the LEA for the reporting period, including regular wages and extra pay, as well as any amounts paid for paid time off (e.g., sick or annual leave), overtime, bonuses, longevity, stipends, cash bonuses, and/or cash incentives. Salaries are those payments from which payroll taxes are (or should be) deducted. Do not include any reimbursements for expenses such as mileage or other travel reimbursements.

In the Arizona Department of Education Chart of Accounts, all employee salaries are listed under 6100 Personal Services – Salaries.

**Benefits:** Benefits include employer-paid health/medical, life, disability, or dental insurance premiums, as well as employer-paid child day care for children of employees paid as employee benefits on behalf of your staff, retirement contributions, and worker’s compensation costs. Report the expended amounts paid by the LEA which are directly associated with each staff member by type of employee benefit.

In the Arizona Department of Education Chart of Accounts, all employee benefits are listed under 6200 Personal Services – Employee Benefits.

The following employee benefits can be captured in accordance with the ADE chart of accounts:

6210 **Employee Insurance**- Amounts for the employer’s share of any insurance plans, such as life, health, dental, and accident insurance.

6220 **Social Security Contributions**- Employer’s share of amounts paid by the district for social security. (Although object codes 6221 and 6222 are optional, districts must maintain adequate records to separately identify Social Security and Medicare.)
   - 6221 **Social Security- OASDI**
   - 6222 **Medicare-Hospital Insurance**

6230 **State Retirement System Contributions**- Employer’s share of amounts paid by the district for retirement and long-term disability contributions to the Arizona State Retirement. (Although object codes 6231 and 6232 are optional, districts must maintain adequate records to separately identify State Retirement and Long-Term Disability.)
   - 6231 **State Retirement**
6232  **Long-Term Disability**

6240  **Tuition Reimbursement**- Amounts reimbursed by the school district to any employee qualifying for tuition reimbursement on the basis of school district policy.

6250  **Unemployment Insurance**- Amounts paid by the district to provide unemployment insurance for its employees. These charges may be distributed to functions in accordance with the salary budget or may be charged to function 2310.

6260  **Workers’ Compensation**- Amounts paid by the district to provide workers’ compensation insurance for its employees. These charges may be distributed to functions in accordance with the salary budget or may be charged to function 2310.

6270  **Health Benefits**- Amounts paid by the district to provide health benefits, other than insurance, for its current or former employees.

6290  **Other Employee Benefits**- Employee benefits other than those classified above, including fringe benefits such as automobile allowances, housing or related supplements, moving expenses, and paid parking. Districts may establish sub codes for various accrued amounts.

**Purchased Professional Services (PPS) Costs:** Any individual whose Staff Employment Status is “Contracted” is required to have a value in this field. An individual whose Staff Employment Status is “Direct Payroll” would not have any amount reported in this field. Report compensation paid for all services contracted by the LEA for an individual who delivered any school-based health services to Medicaid and/or non-Medicaid recipients during the quarter.

Although unlikely, it is possible that a staff person could be both “Direct Payroll” and “Contractor,” with one set of duties as an employee and a separate set of duties as a contractor. Be prepared to respond during the desk review and audit processes as to why a person is listed twice.

**Compensation Federal Revenues or Non-Allowable:** If any of the reported payroll costs for the staff person was paid with federal funds (e.g., IDEA federal payments, or Title 1 payments) or other non-allowable funds, then the amount paid with federal funds should be entered in this field. Please be sure that the amount reported in this field does not exceed the total payroll costs reported for the individual since the system will subtract the amount reported in this field from the total allowable costs to result in the amount paid with state/local funds.

Please see Table 1 as an exhibit of an example of LEA Payroll Information by Position.
Table – 1a and 1b

1a. Salaried Staff Example:

<table>
<thead>
<tr>
<th>Status</th>
<th>District</th>
<th>Employee ID</th>
<th>Name (Last, First)</th>
<th>Job Category</th>
<th>Cost Pool</th>
<th>District Job Title</th>
<th>Job Span</th>
<th>Paid Hours</th>
<th>Salary</th>
<th>Employer-Paid Benefits</th>
<th>Comp Fed Rev / Non-Allowable</th>
<th>Gross</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Bradshaw, Charlotte</td>
<td>Physical Therapy Assistants</td>
<td>Direct Service Providers</td>
<td>PTA</td>
<td></td>
<td></td>
<td>$12,589.32</td>
<td>$5,789.32</td>
<td>$6,521.33</td>
<td>$18,378.64</td>
<td>$11,857.31</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Brown, Jackie</td>
<td>Physical Therapists</td>
<td>Direct Service Providers</td>
<td>PT</td>
<td></td>
<td></td>
<td>$14,583.25</td>
<td>$4,856.32</td>
<td>0.00</td>
<td>$19,439.57</td>
<td>$19,439.57</td>
</tr>
</tbody>
</table>

Explanation: Reviewed the amount and verified it is accurate.

<table>
<thead>
<tr>
<th>Status</th>
<th>District</th>
<th>Employee ID</th>
<th>Name (Last, First)</th>
<th>Job Category</th>
<th>Cost Pool</th>
<th>District Job Title</th>
<th>Job Span</th>
<th>Paid Hours</th>
<th>Salary</th>
<th>Employer-Paid Benefits</th>
<th>Comp Fed Rev / Non-Allowable</th>
<th>Gross</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Drake, Tim</td>
<td>Physical Therapists</td>
<td>Direct Service Providers</td>
<td>PT</td>
<td></td>
<td></td>
<td>$12,589.32</td>
<td>$5,789.32</td>
<td>0.00</td>
<td>$18,378.64</td>
<td>$18,378.64</td>
</tr>
</tbody>
</table>

Explanation: Reviewed the amount and verified it is accurate.

<table>
<thead>
<tr>
<th>Status</th>
<th>District</th>
<th>Employee ID</th>
<th>Name (Last, First)</th>
<th>Job Category</th>
<th>Cost Pool</th>
<th>District Job Title</th>
<th>Job Span</th>
<th>Paid Hours</th>
<th>Salary</th>
<th>Employer-Paid Benefits</th>
<th>Comp Fed Rev / Non-Allowable</th>
<th>Gross</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Gelaf, Monica</td>
<td>Speech-Language Pathologists</td>
<td>Direct Service Providers</td>
<td>School SLP</td>
<td></td>
<td></td>
<td>$15,608.32</td>
<td>$4,856.32</td>
<td>0.00</td>
<td>$20,554.64</td>
<td>$20,554.64</td>
</tr>
</tbody>
</table>

Explanation: Highly experienced staff and above average salary.

1b. Contracted Staff Example:

<table>
<thead>
<tr>
<th>Status</th>
<th>Location</th>
<th>Contractor ID</th>
<th>Name (Last, First)</th>
<th>Job Category</th>
<th>Cost Pool</th>
<th>District Job Title</th>
<th>Job Span</th>
<th>Paid Hours</th>
<th>Contracted Staff Costs</th>
<th>Comp Fed Rev / Non-Allowable</th>
<th>Gross</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PCG Unified District</td>
<td>Young, Lisa</td>
<td>Certified Occupational Therapy Assistants</td>
<td>Direct Service Providers</td>
<td>COTA</td>
<td></td>
<td></td>
<td></td>
<td>$4,500.00</td>
<td>$0.00</td>
<td>$4,500.00</td>
<td>$4,500.00</td>
</tr>
</tbody>
</table>
4B. Importing and Exporting Data into the System

To expedite the data submission process, the LEA coordinator can organize its data in a spreadsheet using an application such as Microsoft Excel™, and then the LEA can upload its information into the system.

At the top of various pages, including the Salaried Staff and Contracted Staff Page, there are import/export buttons.

The first step will be to export the template from the system by clicking Export. The system will then ask the user to Open or Save the file. It is suggested that you save the file to your desktop or network drive so that you can find it easily for upload. Once you have saved the template file, please open it in a spreadsheet application, such as Microsoft Excel™. You can now enter in the salaries/benefits, contracted staff costs, and/or compensation from federal / non – allowable funds etc, into the spreadsheet. Please do not format any of the cells to currency or as a date. For all currency, please enter decimals only without currency symbols or commas.

Once you are finished editing the template, save your file. Once saved, you will return to the page for which you are importing the data and click Browse. You will choose the file that you just updated and saved on your desktop. You will notice that the path to the file then displays in the field to the left of the Browse button. Click Import.

If the system detects no errors in your data, you will be asked to confirm, and it will upload it to the system immediately. If there are errors, you will see them listed by Row ID and specific error. You will need to correct all these errors before the system will allow you to upload any data.

Table – 2
Import Salaried Staff

<table>
<thead>
<tr>
<th>Import Log:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Header checks passed</td>
</tr>
<tr>
<td>ERROR on line 2: pctOfRange(): dates are not in order!</td>
</tr>
<tr>
<td>ERROR on line 3: pctOfRange(): dates are not in order!</td>
</tr>
<tr>
<td>ERROR on line 4: pctOfRange(): dates are not in order!</td>
</tr>
<tr>
<td>ERROR on line 5: pctOfRange(): dates are not in order!</td>
</tr>
<tr>
<td>ERROR on line 6: pctOfRange(): dates are not in order!</td>
</tr>
<tr>
<td>ERROR on line 7: pctOfRange(): dates are not in order!</td>
</tr>
<tr>
<td>ERROR on line 8: pctOfRange(): dates are not in order!</td>
</tr>
</tbody>
</table>

Please see below for common import/export issues.

Troubleshooting- Common Import/Export Issues: Here are some suggestions to avoid common problems that users experience when importing information into the system.
1. The cells should not be formatted. Information that is formatted as Currency or Date will not upload into the system correctly. General formatting is preferable. For all currency, please enter in decimals only without currency symbols or commas.

2. If the data is sorted, make sure that all users are still in line with the same Row ID they had upon exporting the template, which is found in the first column of the spreadsheet.

3. Do not enter information in any column that did not have a column header when you exported the template. If the LEA coordinator is receiving an error that the application cannot find Column ##, then you need to delete those specified columns. For example, if you get the error, “cannot find Column 19,” count out the columns from left to right—the 19th column will be column “S” in Excel™. Delete that column and attempt to upload your data again.

4. Functions can be used to calculate your data, but before importing your file into the system you will want to turn all functions into values. This is accomplished by selecting the entire worksheet (ctrl + a), copying the worksheet (ctrl + c), and finally pasting the worksheet as values which can be found under Edit>Paste Special (Excel 2003™) or Home>Paste>Paste Values (Excel 2007™).

5. Uploads do not allow for additional spreadsheets not already present in the initial download. If you are working in multiplespreadsheets to calculate values, those spreadsheets will be deleted once you save the file.

4C. Next Steps

As stated previously, once the information has been entered or uploaded into the system, the cost-reporting system analyzes the reported information and reviews it for common errors or costs that exceed normal LEA specific costs by job category. The errors currently flagged include: “High or Very High Salary,” “High or Very High Salary to Benefit Ratio,” “Costs Entered are Zero,” “Salary is Entered with No Benefits,” “Costs Entered are a Negative Value.” If one of these warnings are triggered, the provider either must make necessary revisions to eliminate the audit/edit or elect one of six pre-populated explanations as to why the reported information is accurate. Explanations are reviewed by PCG and additional follow up is conducted with the LEA when necessary. A record of all exceptions and comments are saved for compliance. Once the edits/reviews have been resolved or explained, the web-based system generates the cost report from the reported information. The provider then certifies the data and electronically submits the cost report.

4D. Documentation Requirements

Providers must maintain records that are accurate and sufficiently detailed to substantiate the legal, financial, and statistical information reported on the cost report. These records must demonstrate the necessity, reasonableness, and relationship of the costs (e.g., personnel, supplies, and services) to the provision of services. These records include, but are not limited to, all accounting ledgers, journals, invoices, purchase orders, vouchers, canceled checks, timecards, payrolls, organizational charts, functional job descriptions, work papers used in the preparation of the financial data, trial balances, and cost allocation spreadsheets.

As noted in the AMPM, the provider is required to maintain cost report work papers for a minimum period of seven years or until the completion of any audit, whichever is longer following the end of each period.

4E. If You Need Help

LEAs can contact PCG for assistance in completing or submitting the Quarterly Financial Submissions. Contact information is posted to the Dashboard of the system.
5. Annual Data Submission and Cost Report

After the end of the school year, the information reported in the Quarterly Financial Submissions allowable for the DSC Program is transferred to the annual DSC Medicaid Cost Report. The provider must log into the web-based system on an annual basis to enter information other than payroll costs for DSC direct medical services staff, with such information including allocation statistics, direct medical services supplies and other material costs. The pages that need to be completed in MCRCS once per year are:

Table – 3

The annual cost report is due on or before December 1. Beginning in FY23, the cost report may be due earlier based on AHCCCS defined deadlines.

5A. General and Statistical Information

This page collects information needed by the system to calculate allocation percentages to apply to specific cost items toward the determination of Medicaid-allowable costs.

*Unrestricted Indirect Cost Rate (UICR):* This percentage has been pre-populated from information provided by the Arizona Department of Education (ADE), which serves as the cognizant agency responsible for approving LEA indirect cost rates for the UnitedStates Department of Education. This percentage is applied by the system to net direct costs (total costs less amount paid with federal funds) toward calculating the amount of allowable indirect costs.

If the LEA does not have an *(UICR)* calculated by ADE, the LEA has no Medicaid-allowable indirect costs for the annual cost report.

While the coordinator needs to verify the accuracy of the pre-populated information; changes cannot be made to this field by the coordinator. If the pre-populated information is incorrect, please contact PCG for assistance.

The application of this percentage is clearly shown on the Cost Report page of the web-based system.

Table – 4
**Direct Medical Services Percentage:** These percentages have been pre-populated from the quarterly RMTS process with percentage applicable to costs associated with the Direct Medical Service: 1) Direct Medical Services IEP/IFSP RMTS percentage and 2) Direct Medical Service provided under Other Medical Plans of Care RMTS percentage. There will be two mutually exclusive cost pools (Direct Service and Personal Care) Direct Medical Services IEP/IFSP RMTS percentages. These percentages are applied by the system to direct medical services costs as the first allocation method in calculating the amount of allowable direct medical services costs. The application of these percentages is clearly shown on the Cost Report page.

**Medicaid Enrollment Ratio Determination:**

1) **Medicaid IEP/IFSP Enrollment Ratio:**
The direct service Medicaid eligibility rate, referred to as the IEP/IFSP Ratio will be calculated annually and used to apportion cost to the MSBC Program. The numerator will be the number of Medicaid enrolled IEP/IFSP students in the LEA who received a reimbursable direct medical service, as outlined in their IEP/IFSP. The denominator will be the total number of students in the LEA with an IEP/IFSP who received direct medical services as outlined in their IEP/IFSP. Direct medical services are those services billable under the DSC program. LEAs will submit students file to PCG detailing all students who make up the denominator (all special education students who have at least one IEP/IFSP prescribed reimbursable related service). PCG will determine the numerator by performing a Medicaid match on that student file. The data and match will be a ‘snapshot’ of enrollment based on a specific date identified by AHCCCS, such as October 1st. The IEP/IFSP Ratio calculation is:

\[
\text{Numerator} = \text{Total Medicaid Special Education Students with an IEP/IFSP-Prescribed Reimbursable Related Service} \\
\text{Denominator} = \text{Total Special Education Students with an IEP/IFSP-Prescribed Reimbursable Related Service}
\]

The application of these percentages is clearly shown on the Cost Report page of the DSC Medicaid Cost Report.

**Table – 5**

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Numerator</th>
<th>Denominator</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>IEP Ratio</td>
<td>130</td>
<td>227</td>
<td>57.27%</td>
</tr>
</tbody>
</table>

2) **Medicaid Enrollment Ratio for Other Medical Plans of Care:**
The direct service Medicaid eligibility rate, referred to as the Medicaid Enrollment Ratio (MER) will be calculated annually and used to apportion cost to the MSBC Program. LEAs will submit students file to PCG detailing all students who make up the denominator (all enrolled students who have at least one). PCG will determine the numerator by performing a Medicaid match on that student file. The data and match will be a ‘snapshot’ of enrollment based on a specific date identified by AHCCCS, such as October 1st. The IEP/IFSP Ratio calculation is:

The numerator will be the number of Medicaid enrolled students. The denominator will be the total number of students in the LEA. The MER Ratio calculation is:
Numerator = Total Medicaid Enrolled Students
Denominator = Total Number of Students

The application of these percentages is clearly shown on the Cost Summary page of the DSC Medicaid Cost Report.

**Table – 6**

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Numerator</th>
<th>Denominator</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>MER Ratio</td>
<td>624</td>
<td>2298</td>
<td>27.15%</td>
</tr>
</tbody>
</table>

**Total Number of One-Way Trips for Medicaid Special Education Students with Specialized Transportation Services Documented in the IEP/IFSP:**
The specialized transportation trip ratio is used to allocate transportation service costs to the MSBC Program, like the IEP/IFSP and MER ratio for direct medical services.

A Medicaid one-way trip is defined as a trip in which a Medicaid enrolled student who has specialized transportation services in their IEP/IFSP and received another Medicaid-covered service provided by the LEA on the day of the trip. The numerator will be completed by PCG based on paid transportation claims data.

The denominator is defined as the total number of one-way trips provided for all special education students requiring specialized transportation services during the cost reporting period. This trip count should include all trips for students riding specialized vehicles regardless of if a medical service was provided on the same day to ensure proper cost allocation.

Numerator = Total Number of paid One-Way Trips for Medicaid Special Education Students with Specialized Transportation Services Documented in the IEP/IFSP
Denominator = Total Number of One-Way Trips for Special Education Students with Specialized Transportation Services Documented in the IEP/IFSP

**Table – 7**

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Numerator</th>
<th>Denominator</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialized Transportation Trip Ratio</td>
<td>7595</td>
<td>43574</td>
<td>17.43%</td>
</tr>
</tbody>
</table>

LEA is to report the total number of one-way trips (denominator) for all special education students during the cost-reporting period, per above definition.

**Total Number of Specialized Vehicles Used for Special Education Transportation Purposes:**
Report the total number of specialized vehicles used to provide medical transportation services to special education students in accordance with their IEP/IFSPs.
**Total Number of Vehicles Used for Transportation Purposes:** Report the total number of student transport vehicles owned or operated by the LEA. Whenever possible, the LEA must report specialized transportation costs when they are discretely captured and maintained by the LEA within their accounting structure. In instances where costs cannot be identified as specialized transportation costs, then these costs can be reported as general transportation costs, but the appropriate ratio will be applied to apportion costs to specialized transportation services. The ratio that will be used to apportion general transportation costs is outlined below.

A specialized vehicle is defined as a student transport vehicle that is designed to transport disabled passengers per physical modification, as necessary.

Numerator = Total Number of Vehicles Used for Special Education Transportation Purposes  
Denominator = Total Number of Vehicles Used for Student Transportation Purposes

**Table – 8**

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Numerator</th>
<th>Denominator</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialized Transportation Vehicle Ratio</td>
<td>16</td>
<td>56</td>
<td>28.57%</td>
</tr>
</tbody>
</table>

**5B. Transportation Payroll Information**

This page is for reporting payroll information for specialized transportation services staff, i.e., drivers, mechanics, and mechanic assistants, and bus aides (not included in the Personal Care Cost Pool) (employee and professional purchased services).

Cost reporting, by coordinators should be consistent with 2 CFR Part 200 and with (GAAP), which are those principles approved by the (AICPA).

The only costs that can be submitted are direct costs. These are costs incurred for the benefit of, or directly attributable to, a specific service. Employee payroll taxes and benefits/insurance costs must be direct costs attributed to the individual employee and cannot be allocated. Reported costs and hours should be formatted with two decimal places and not rounded to the nearest whole dollar and hour, respectively.

**USER INPUT**

*Service Type:* Select Transportation Services Specialized (exclusively dedicated to the transport of special education students with special education transportation prescribed in their IEP/IFSP, or General (shared duties between general education transport and the transport of special education students with special education transportation prescribed in their IEP/IFSP). No costs associated with staff exclusively dedicated to the transport of regular general education students should be reported.

*Job Category:* Select bus driver, mechanic, mechanic assistant, or bus aide.

*Employee ID:* Enter unique employee identification number.
**First Name:** Enter the transportation staff’s first name.

**Last Name:** Enter the transportation staff’s last name.

**Job Title:** Enter the LEA assigned job title.

**Employment Status:** Enter the participant’s employment status: full time, part time, or contractor.

**Hours Paid (Optional):** This field should be populated with the total hours that they employee worked for the quarter. If the employee is full time, then the employee’s weekly hours should be divided by 5 workdays to get their average hours per day. This number is multiplied by the number of days worked in the quarter to calculate the number of Hours worked. This is an optional field.

**Employee Salary:** Enter the gross earnings for the applicable employee. The amount reported in this field is the total gross earnings for the individual as paid by the LEA, including regular wages plus any amounts paid for paid time off (e.g., sick or annual leave), overtime, bonuses, longevity, stipends, cash bonuses, and/or cash incentives. Salaries are those payments from which payroll taxes are (or should be) deducted. Do not include any reimbursements for expenses such as mileage or other travel reimbursements.

**Employer-Paid Benefits:** Benefits include employer-paid health/medical, life, disability, or dental insurance premiums, as well as employer-paid child day care for children of employees paid as employee benefits on behalf of your staff, retirement contributions, and worker’s compensation costs. Report the expended amounts paid by the LEA which are directly associated with each staff member by type of employee benefit.

Please refer to section 4A for how the benefits tie to the chart of accounts.

**Compensation Federal Revenues / Non-Allowable Costs:** If any of the employee’s compensation was paid for by using federal revenues or were associated with a non-allowable function or duty, then it should be entered here. These amounts should be included in reported Employee Salaries and Employer-Paid Benefits, and will subtracted from the gross dollar amount reported to determine the net allowable costs used to calculate MSBC Program reimbursement.

**SYSTEM CALCULATION**

**Gross Compensation Expenditures:** This is a calculation that is a sum of the Salaries and Employer-Paid Benefits reported.

**Net Compensation Expenditures:** This is a calculation that is the Gross Compensation Expenditures minus Compensation Federal Revenues / Non-Allowable Costs.
Table – 9

<table>
<thead>
<tr>
<th>Agency</th>
<th>Service Type</th>
<th>Job Cat</th>
<th>Employee ID</th>
<th>Name</th>
<th>Title</th>
<th>Title Status</th>
<th>Hours</th>
<th>Salary</th>
<th>Employee Paid Benefits</th>
<th>Comp Fed Rev</th>
<th>Gross</th>
<th>Non-Allowable</th>
<th>Gross</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCG Unified District</td>
<td>Transportation Services</td>
<td>(specialized trans)</td>
<td>E0000004</td>
<td>Aliki, Zeki</td>
<td>Driver</td>
<td>Full Time</td>
<td>1</td>
<td>$42,000.00</td>
<td>$1,200.00</td>
<td>$10,000.00</td>
<td>$43,000.00</td>
<td>$13,200.00</td>
<td>$33,200.00</td>
<td>$33,200.00</td>
</tr>
<tr>
<td>PCG Unified District</td>
<td>Transportation Services</td>
<td>(specialized trans)</td>
<td>E0000005</td>
<td>Evans, Tank</td>
<td>Driver</td>
<td>Full Time</td>
<td>1</td>
<td>$42,000.00</td>
<td>$1,200.00</td>
<td>$10,000.00</td>
<td>$43,000.00</td>
<td>$13,200.00</td>
<td>$33,200.00</td>
<td>$33,200.00</td>
</tr>
<tr>
<td>PCG Unified District</td>
<td>Transportation Services</td>
<td>(general trans)</td>
<td>E0000006</td>
<td>Joe, Chicken</td>
<td>Driver</td>
<td>Full Time</td>
<td>1</td>
<td>$42,000.00</td>
<td>$1,200.00</td>
<td>$10,000.00</td>
<td>$43,000.00</td>
<td>$13,200.00</td>
<td>$33,200.00</td>
<td>$33,200.00</td>
</tr>
<tr>
<td>PCG Unified District</td>
<td>Transportation Services</td>
<td>(specialized trans)</td>
<td>E0000007</td>
<td>Maverick, Cody</td>
<td>Driver</td>
<td>Full Time</td>
<td>1</td>
<td>$42,000.00</td>
<td>$1,200.00</td>
<td>$10,000.00</td>
<td>$43,000.00</td>
<td>$13,200.00</td>
<td>$33,200.00</td>
<td>$33,200.00</td>
</tr>
</tbody>
</table>

5C. Other Specialized Transportation Costs

Transportation Other Costs Page: This page collects non-payroll costs for specialized transportation services other than depreciation expense. Data will be needed for non-personnel specialized transportation services costs incurred in support of direct medical services. All other costs must be categorized as specialized (exclusively dedicated to the transport of special education students with special education transportation prescribed in their IEP/IFSP), or general (associated with vehicles that have shared routes between general education transport and the transport of special education students with special education transportation prescribed in their IEP/IFSP, or items bought in bulk). No costs associated with vehicles that are exclusively dedicated to the transport of regular general education students should be reported.

USER INPUT

Lease/Rental: Report the lease/rental costs of specialized transportation vehicles as either specialized or general according to the definition of each in section 5C above.

Insurance: Report the cost for insurance premiums for specialized transportation vehicles as either specialized or general according to the definition of each in section 5C above. Costs should be reported with amounts accrued for premiums, modifiers, and surcharges and net of any refunds and discounts received or settlements paid during the same cost reporting.

Maintenance and Repairs: Maintenance and Repair costs include those regular maintenance costs, such as tune-ups, oil changes, cleaning, licenses, inspections, and replacement of parts due to normal wear and tear (such as tires, brakes, shocks, and exhaust components) for specialized transportation vehicles. Report maintenance supplies related to specialized transportation vehicles as either specialized or general according to the definition of each in section 5C above.

Fuel and Oil: Report gasoline, diesel, propane and other fuel and oil costs for specialized transportation vehicles as either specialized or general according to the definition of each in section 5C above.

Purchased Professional Services and/or Equipment.

Transportation Services: Report costs of contracted specialized transportation services as either specialized or
Transportation Equipment: Report costs of contracted specialized transportation services equipment as either specialized or general according to the definition of each in section 5C above. See below for example of Transportation Other Costs:

Table – 10

5D. Specialized Transportation Equipment Depreciation

This page will record depreciation of transportation equipment that is used to provide Medicaid reimbursable services. This equipment should be included on the LEAs fixed asset ledger. Depreciation is the periodic reduction of the value of an asset over its useful life or the recovery of the asset's cost over the useful life of the asset. (Please note this is not market value.)

Allowable depreciation expense for direct medical services includes only pure straight-line depreciation. No accelerated or additional first-year depreciation is allowable. Any single item purchased during the cost-reporting period costing less than $5,000 must be expensed and reported accordingly.

Required detail must be provided for each depreciable asset and each depreciable asset must be assigned its correct estimated useful life.

USER INPUT

Asset Type: Select either bus or cars and minivans from the list of eligible depreciable asset types.

Unique Asset Identification (ID): Enter the unique asset identification number associated with the depreciable asset that corresponds to general asset ledger.

• Description: Enter a brief description of the depreciable asset (bus number, etc.)

Service Type: Select Transportation Services Specialized (exclusively dedicated to the transport of special education students with special education transportation prescribed in their IEP/IFSP, or General (shared routes between general education transport and the transport of special education students with special education transportation prescribed in their IEP/IFSP). No vehicles exclusively dedicated to the transport of regular general education students should be reported each fiscal year and can be excluded if routing requirements for the fiscal year being reported are not met.

Placed in Service: This is the first date (month and year) that the depreciable asset could have been used.
This is not to be confused with the date of purchase.

**Removed from Service:** This is the last day (month and year) that the depreciable asset was owned by the LEA. This is not to be confused with the last date of use if still owned and operable by the LEA but does not meet the routing requirements to be depreciated for the applicable fiscal year reporting in which case the asset should be excluded.

**Years of Useful Life:** This is a number that is used as set by the state accounting guidelines. Required detail must be provided for each depreciable asset (e.g., specialized transportation vehicle or equipment) and each depreciable asset must be assigned a correct estimated useful life. Please note that this cost report should not include administrative equipment expense.

**Cost:** This is the original purchase price for this transportation asset. This number should be the full amount paid for the equipment regardless of the source of funding.

**Federal Funds and Other Deductions:** This is the amount of Federal funding that was used toward the purchase of each asset.

**SYSTEM CALCULATION**

**Prior Period Accumulated Depreciation:**
This is the amount that the asset has depreciated since the date of purchase. This is calculated by dividing the *Purchase Price Amount* minus the *Federal Funding Amount* by the *Useful Life of Asset* divided by 12, which gives you the average depreciation of the equipment per month for the useful life of the asset. That number is then multiplied by the number of months the piece of equipment has been in service and included as a depreciable asset, which is the *Date Placed in Service* subtracted from the *Last Day of the previous Fiscal Year* (or removed from service date if applicable).

**Depreciation for Reporting Period:**
This is the amount that the equipment has depreciated during the current fiscal year. This can be calculated by dividing the *Purchase Price Amount* minus the *Federal Funding Amount* by the *Useful Life of Asset*. The allowable amount of depreciation will be less if, during the reporting period, the asset became fully depreciated or the asset was placed into or taken out of service. Fully depreciated means that the total accumulated depreciation for the asset is equivalent to the depreciation basis. For cost-reporting purposes, the provider is to claim a full month of depreciation for the month the asset was placed into service, no matter what day of the month it occurred. Conversely, the provider is not to claim depreciation for the month the asset was taken out of service, no matter what day of the month it occurred. For example, if you purchased a depreciable item in December, you would claim six months of depreciation on your cost report for that item (July through December). If you sold an item in March, you would claim nine months of depreciation for that item (July through March).
Table – 11

5E. Annual Salaried and Annual Contracted Staff Costs

These pages list all staff included in quarter staff pool lists by employment type (salaried or contracted) with information on the exact allowable time frame according to participation in the RMTS during the fiscal year. All costs reported should be on an accrual basis and be associated with work performed within the fiscal year.

**USER INPUT**

**Hours Paid:** This is an optional field but can be populated with total number of hours paid associated with the salary or contracted costs reported.

**Employee Salary or contracted costs:** This is the total sum of *Salaries or contracted costs* for each provider listed on the *Salaried Staff or Contracted Staff Pages.*

**Employer-Paid Benefits:** This is the sum of *Benefits* for each provider listed on the *Salaried Staff Page.* These are not applicable for contracted staff.

**Compensation Federal Revenues / Non-allowable Costs:** This is the total sum of *Federal Funds and Other Reductions* for each provider reported on the *Salaried and Contracted Staff Pages.*

5F. Certifying the Annual DSC Cost Report

Once the information has been reported, the system reviews the information for common errors. Examples of common errors include reporting paid hours and no salaries or contracted compensation, reporting disproportional benefit-to-salary ratios, inclusion of materials and supplies with our corresponding payroll. If one of these common errors is identified, the provider either must make necessary revisions or provide a written explanation as to why the reported information is accurate. Once the edits/reviews have been resolved or explained, the web-based system generates the cost report from the reported information. The provider then certifies the data and electronically submits the cost report.

The system summarizes the cost information by service and applies the applicable allocation percentage(s) (i.e., Direct Medical Services Time Study Percentage and IEP/IFSP Ratio) to result in the total Medicaid-allowable
costs per service, both federal and state shares. The system combines the Medicaid-allowable costs per service resulting in the total Medicaid-allowable costs for direct medical services and transportation services.

**Annual Cost Report**

**SYSTEM CALCULATION**

**Direct Medical Services Salary and Benefits Summary**

**Salaries:** This is the total of all reported salaries by service type. A carrot drop-down option may be available to expand total by provider type.

**Benefits:** This is the total of all reported employer-paid benefits by service type. A carrot drop-down option may be available to expand total by provider type.

**Contracted Costs:** This is the total of all reported contracted costs reported by service type. A carrot drop-down option may be available to expand total by provider type.

**Total Costs:** This is the total sum of Salaries, Benefits, and Contracted Costs for each provider category.

**Federal Funds and Other Reductions:** This is the total sum of Federal Funds and Other Reductions for each provider category reported on the Salaried and Contracted Staff Page.

**Net Total Costs Less Reductions:** This is calculated by subtracting Federal Funds and Other Reductions from Total Costs for each provider category.

Table 12 on the following page illustrates the Direct Medical Services Salary and Benefits Summary Page in the annual DSC Cost Report.

**Table – 12**

<table>
<thead>
<tr>
<th>Service Type</th>
<th># Line Items</th>
<th>Salaries</th>
<th>Benefits</th>
<th>Contracted Staff Costs</th>
<th>Total Costs</th>
<th>Fed Funds and Other Reductions</th>
<th>Net Total Costs Less Reductions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupational Therapy Services</td>
<td>7</td>
<td>$154,495.00</td>
<td>$20,500.00</td>
<td>$65,000.00</td>
<td>$239,995.00</td>
<td>$89,564.00</td>
<td>$150,431.00</td>
</tr>
<tr>
<td>Personal Care Providers</td>
<td>5</td>
<td>$16,050.00</td>
<td>$6,750.00</td>
<td>$8,862.75</td>
<td>$31,662.75</td>
<td>$0.00</td>
<td>$31,662.75</td>
</tr>
<tr>
<td>Speech Language and Hearing Services</td>
<td>7</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$7,893.50</td>
<td>$7,893.50</td>
<td>$0.00</td>
<td>$7,893.50</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$170,545.00</td>
<td>$27,250.00</td>
<td>$81,756.25</td>
<td>$279,551.25</td>
<td>$89,564.00</td>
<td>$189,987.25</td>
</tr>
</tbody>
</table>

**Transportation Salary and Benefit Summary**

**Salaries:** This is the total of all reported salaries by service type (specialized or general transportation services).
Benefits: This is the total of all reported employer-paid benefits by service type (specialized or general transportation services).

Total Costs: This is the total sum of Salaries, Benefits, and Contracted Costs for each service type category.

Federal Funds and Other Reductions: This is the total sum of Federal Funds and Other Reductions for each provider category reported on the Salaried and Contracted Staff Page.

Net Total Costs Less Reductions: This is calculated by subtracting Federal Funds and Other Reductions from Total Costs for each provider category.

Table – 13

Transportation Salary and Benefits Summary

<table>
<thead>
<tr>
<th>Service Type</th>
<th># line items</th>
<th>Salaries</th>
<th>Benefits</th>
<th>Total Costs</th>
<th>Fed Funds and Other Reductions</th>
<th>Net Total Costs Less Reductions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation Services (general trans)</td>
<td>6</td>
<td>$180,199.40</td>
<td>$59,191.84</td>
<td>$239,391.24</td>
<td>$0.00</td>
<td>$239,391.24</td>
</tr>
<tr>
<td>Transportation Services (specialized trans)</td>
<td>13</td>
<td>$315,865.54</td>
<td>$118,332.17</td>
<td>$434,197.71</td>
<td>$0.00</td>
<td>$434,197.71</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$496,064.94</td>
<td>$177,524.01</td>
<td>$673,588.95</td>
<td>$0.00</td>
<td>$673,588.95</td>
</tr>
</tbody>
</table>

Direct Medical Services Total Cost Summary

Net Direct Costs Less Reductions: This is calculated by subtracting Federal Funds and Other Reductions from Total Costs for each provider category.

Unrestricted Indirect Cost Rate: As mentioned in Section 5A above, the LEA’s specific UICR provided by ADE applied to net direct costs less reductions to calculate indirect costs.

Indirect Costs: This value is calculated by multiplying the LEA’s specific UICR to the Net Direct Costs Less Reductions.

Net Direct Costs Plus Indirect Costs: This value is the sum of Net Direct Costs and plus Indirect Costs.

Direct Medical Percentage: As mentioned in Section 5A above, the annual percentages from the General and Statistical Information Page that represent the amount of time spent statewide on direct medical activities.

Net DMS: This value is the product of Net Direct Costs Plus Indirect Costs multiplied by the Direct Medical Service Percentage from direct medical time study results found on the General and Statistical Information Page.

IEP/IFSP Ratio: As mentioned in Section 5A above, the ratio of the number of Medicaid enrolled IEP/IFSP students in the LEA who received a reimbursable direct medical service, as outlined in their IEP/IFSP, divided by the total number of students in the LEA with an IEP/IFSP who received direct medical services as outlined in their IEP/IFSP.

Allowable Costs: This value is the result of the application of IEP/IFSP Ratio to the Net Direct Medical Service
costs, capturing the total Medicaid-allowable costs per service type, both state and federal shares.

**Transportation Total Cost Summary**

*Net Direct Costs Less Reductions:* This is calculated by subtracting Federal Funds and Other Reductions from Total Costs for each service type category (specialized or general transportation).

*Depreciation Costs:* The total depreciation for reporting period based on transportation equipment depreciation page (specialized or general transportation).

*Depreciation Offsets:* The total depreciation offsets for reporting period based on transportation equipment depreciation page (specialized or general transportation).

*Other Costs:* Total other costs reported by service type (specialized or general transportation) based on transportation other costs page.

*Other costs federal funds:* The total amount of federal funds reported by service type (specialized or general transportation) based on transportation other costs page.

*Total Costs:* The sum of Net Direct Costs Less Reductions, Depreciation Costs less Depreciation Offsets, and Other Costs less other costs federal funds.

*Indirect Costs:* This value is calculated by multiplying the LEA’s specific UICR to the Net Direct Costs Less Reductions.

*Net Direct Costs Plus Indirect Costs:* This value is the sum of Net Direct Costs and Indirect Costs.

*Specialized Transportation Vehicle Ratio:* The resulting ratio of reported specialized transportation vehicles divided by the total number of student transport vehicles as reported on the General & Statistical Data page. This ratio is only applicable to the general transportation service type since the specialized transportation service type is associated with costs that exclusively pertain to the transport of special education students with specialized transportation prescribed in their IEP/IFSP and thus is always 100%.

*Specializes Transportation Trip Ratio:* This is the resulting ratio of paid Medicaid one-way trips divided by the total number of special education trips provided to students with specialized transportation prescribed within their IEP as reported on the General & Statistical Data page.

*Allowable Costs:* This value is the result of the application of Vehicle Ratio to the Net Direct plus Indirect Costs, capturing the total Medicaid-allowable costs per service type (general or specialized transportation), both state and federal shares.

The following table illustrates the Direct Medical Services Total and Transportation Total Cost Summaries.
5G. Certification of Public Expenditures for the Annual Cost Report

Following the completion of the annual cost report and prior to submission, the LEA will be required to certify the public expenditures used for matching purposes to draw down federal funds related to the Medicaid Direct Service Program in accordance with 42 CFR 433.51. A brief description of the instructions and the processes to complete the certification of public expenditures (CPE) form is outlined below. The CPE form will be made available to providers within the web-based cost reporting template.

**Provider Identification Information:**
The first section of the CPE form includes the Provider Identification Information. The required fields in this section include LEA Name, LEA Address, National Provider Identification (NPI), and Medicaid Provider Number. For the annual CPE submission, these fields will be pre-populated and will not require additional entry by the LEA.

**Reporting Period:**
For the annual cost settlement, the Reporting Period will be pre-populated on the CPE form based on the claim period the LEA is certifying for DSC Cost Settlement purposes.

HEREBY CERTIFY that for the reporting period: From: Jul 01, 2017 To: Jun 30, 2018

**Claimed Expenditures**
For the annual CPE submission, Claimed Expenditures of the CPE form will contain pre-populated information based upon the expenditures reported by the LEAs. This will include Total Allowable Medicaid Costs or Total Medicaid Costs for Direct Medical Services and Transportation.

The Total Medicaid Costs are aggregated for all direct medical service providers in the Direct Service and Personal Care cost pools and transportation costs. The Total Medicaid costs are the amount of state and local expenditures that must be certified to draw down federal funds reimbursable under the Medicaid DSC program.

**Certification Statement by Officer of the Provider:**
This section of the form must be reviewed and completed by the LEA’s designated signer to officially certify the public expenditures identified in the section above that were used to match the federal funds under the Medicaid program. The LEA must include the following information in this section:

- Signature of Signer
- Title of Signer
- Date
- Printed/Typed Name of Signer
- Address of Signer
- Contact Phone Number
- Fax Number
- Email Address

It is important to note that the only acceptable signers of this form are the LEA’s CEO, CFO, or Superintendent. A form signed by a representative of the LEA other than one of these representatives will be rejected and will require the LEA to re-submit the document.
5H. Submitting the Cost Report

The annual Medicaid Cost Report is submitted by clicking on the “Sign CPE Form” button, which electronically submits the report to PCG. The annual Medicaid Cost Report is considered completed and ready for the desk review/audit, cost reconciliation, and cost settlement processes.

5I. Desk Review Process

The annual reports will be desk reviewed by PCG. LEAs may be requested to answer desk review questions and/or provide copies of documentation to support the information reported on the annual Medicaid Cost Report.

5J. Cost Settlement

This page compiles the final direct medical and transportation allowable costs from the Annual Cost Report page and reconciles those allowable costs against paid claims data by service type. Only those service types with associated paid claims will have Medicaid Allowable Costs considered in the reconciliation process after the application of the Federal Medicaid Assistance Percentage by applicable portion of the fiscal year.

During the reconciliation and cost settlement processes, the desk reviewed Medicaid-allowable costs for the LEA’s DSC Program will be compared to the LEA’s interim Medicaid payments for DSC services delivered during the reporting period. If the provider’s federal-share costs exceed the provider’s interim Medicaid payments, the provider will receive the difference in a lump sum payment. If the provider’s costs are less the provider’s interim payments, the provider is required to repay the difference with a lump sum recoupment.
payment. Those excess payments will be sent back to CMS. The sum of Medicaid Allowable Costs will be decreased by the sum of Total Medicaid paid claims by service type to determine total Cost Settlement Federal Share Amount Due to or From Provider. The total cost settlement is also subject to a fee by AHCCCS for program administration.

5K. Requirements

Providers must maintain records that are accurate and sufficiently detailed to substantiate the legal, financial, and statistical information reported on the cost report. These records must demonstrate the necessity, reasonableness, and relationship of the costs (e.g., personnel, supplies, and services) to the provision of services. These records include, but are not limited to, all accounting ledgers, journals, invoices, purchase orders, vouchers, canceled checks, timecards, payrolls, transportation logs, organizational charts, functional job descriptions, work papers used in the preparation of the cost report, trial balances, and cost allocation spreadsheets.

As noted in the AMPM, the LEA is required to maintain cost report work papers for a minimum period of seven years or until the completion of any audit, whichever is longer following the end of each cost-reporting period.

5L. If You Need Help

Please contact PCG for assistance in completing or submitting the Arizona DSC Medicaid Cost Report. Contact information is posted to the Dashboard of the web-based system.