



## CSCT Accounting Guidance Document 2021-2022 School Year

### Background

The Montana Legislature (HB 671) has transferred the management of the Comprehensive School and Community Treatment (CSCT) program from the Department of Public Health and Human Services (DPHHS) to the Office of Public Instruction (OPI), effective July 1, 2021. The OPI is responsible for providing districts with the official guidance. The below accounting and process guidance provides school districts with OPI's determined process and requirements of related to Intergovernmental Transfer (IGT). Districts should anticipate updated guidance as factors change and the updates to the DPHHS system and the OPI's direct cost tools are finalized.

### Interim Match Funding

Until the IGT process is implemented the 2021 Legislature provided \$2.2 million in bridge funding to pay the local state match for Medicaid claims effective July 1, 2021. Until the bridge funding has been exhausted school districts will not be required to submit match funds for CSCT services eligible for Medicaid reimbursement. Districts will be provided updates related to remaining bridge funding on at least a monthly basis.

### IGT

IGT is an intergovernmental transfer of funds from one government entity to another. In this case, it is a transfer from the school district to the OPI and from the OPI to DPHHS.

Schools are required to provide to OPI a non-federal funds match (at this time 35% of the claims) for CSCT services eligible for Medicaid Reimbursement. OPI will confirm match funds remitted are from a non-federal source which are then transferred to DPHHS for claims processing for the Medicaid reimbursement.

### Per Diem Rate

DPHHS has proposed in their State Plan Amendment a per diem rate for services. The rates being proposed are a per diem rate of \$96.00 and a Frontier Rate of \$110.40 (115% of per diem rate). Should these rates be approved by CMS, this is the rate for claims (65% by CMS +35% by district = per diem rate).

\$96.00 Example:

Provider minimum negotiated rate (65%): \$62.40

District Local State Match (35%): \$33.60

### Negotiated Rates with Providers

The negotiated rate is the agreed-upon amount districts will pay to 3rd-party providers for Medicaid eligible services to CSCT students with a serious emotional disability diagnosis (SED).

The negotiated rate for all districts is, at a minimum, to be set at the percent by which CMS will reimburse claims. The district negotiated rate today would be 65% of the submitted claim.

## Reimbursement

Funds reimbursed, Medicaid and Match, must be deposited into the Miscellaneous Programs Fund (15) using Medicaid CSCT reimbursement (Revenue Code 3356).

A unique project reporter code is recommended.

If actual provider costs are less than the approved per diem rate negotiated by DPHHS and the Center for Medicaid Services (CMS), provider may only bill and be reimbursed for actual costs. Receipt of reimbursement funds over actual service costs is classified as program income and is prohibited. The school district is required to return any program income to DPHHS.

## Local State Matching Funds

The current local state match is 35%. The local state match must be paid from non-federal funds.

The local district match may not come from Medicaid CSCT reimbursement (Revenue 3356).

The OPI recommends that districts track CSCT matching funds with unique project reporter codes.

## Local State Match Certification

Since the Eligible Non-Federal Expenditures for CSCT Match Report completed before FY 2019 was disallowed by CMS in 2016 for being too general, the OPI is working diligently to identify direct costs related to CSCT services provided to district-eligible students. With the assistance of districts, the OPI is working to identify specific, related, district-incurred costs that can be verified. If a district can identify 35% in costs, the district's local state match dollars used for the claim would a 100 percent return..

Below are examples of potential direct costs. It is expected that districts can add to this initial list.

- IT support
- IT services
- Supplies
- Copy Costs
- Custodial Services
- Time and Effort Logs (District Clerk, Sped Director, Principal, Superintendent, Consultation w/Classroom Teachers)
- Space Costs for 3rd party in place of actual rents
- Utilities
- Furniture, fixtures

The OPI will be working with districts to develop a MAEFAIRS form where direct costs can be compiled. It is believed that this process will ensure local control on the expenses claimed for CSCT services. The OPI's audit team will complete random spot checks on direct cost expenses to mitigate the risk districts will have audit issues related to the new CSCT requirements.

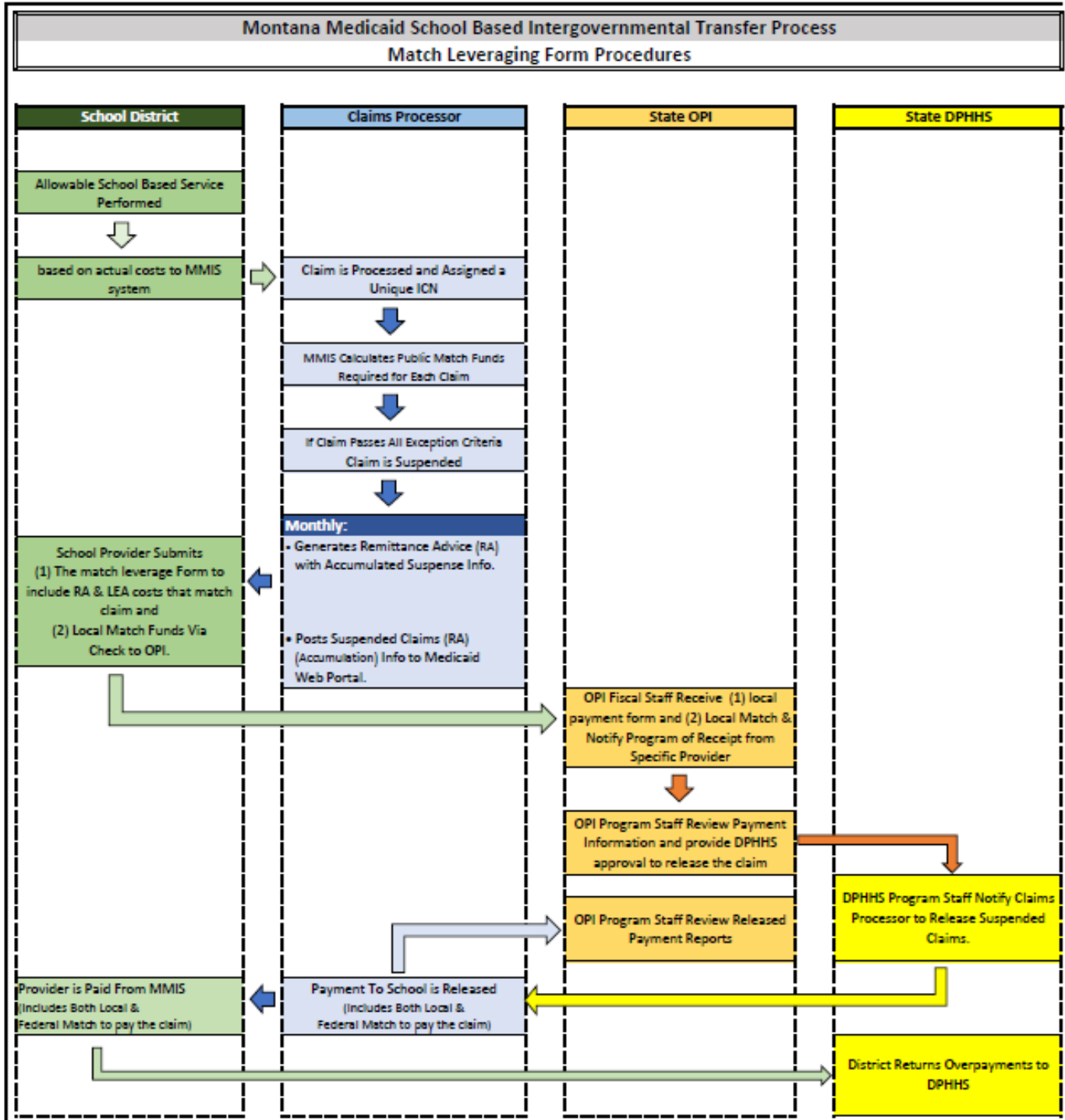
## District Options for Match Funding

The purpose of this guidance section is to provide districts with viable options that may be used to meet the match requirement for CSCT programs services that are planned for billing to Medicaid for reimbursement. There are two suggested options for the use of ESSER funds. In addition, there are three options identified in current flexibilities afforded to school district trustees in Montana Code Annotated.

Use of ESSER Funds to pay 100% of the cost of CSCT Services. Use of these funds is not an allowable Match.	Social-Emotional and Student-Wellbeing are appropriate uses of ESSER funds.	
Multi-District Agreements are funds from the district's general fund, budgeted funds that could be used as an allowable Medicaid match.	This section intends to increase the flexibility and efficiency of school districts without an increase in local taxes. Agreements may need to be amended to include uses for CSCT.	MCA 20-3-363
Use of ESSER Funds to supplant where general/non-federal funds are budgeted for the match.	The use of ESSER funds for current non-federal expenses, e.g., staffing, HVAC systems, IT updates, summer enrichment, etc., as it meets the need to prepare, prevent, respond to COVID.	
Gifts, legacies, devises, and administration of endowment funds: Unspecified donations may be placed to any fund/use at the Trustees' discretion. These funds would be considered non-federal funds.	Unless otherwise specified by the donor, devisor, or testator, when a district receives a gift, legacy, or devise, the trustees may deposit the gift, legacy, or the proceeds in any budgeted or non-budgeted fund at the discretion of the trustees and may thereafter transfer any portion of the gift, legacy, devise, or proceeds to any other fund at the discretion of the trustees. Note: For most districts, this is very limited funding.	MCA 20-9-604
Transfer of Funds – Improvement of School Safety & Security – may be a viable option for the match and funds transferred would be non-federal funds.	Programs to support the school and student safety and security, including but not limited to active shooter training, threat assessments, and restorative justice;	MCA 20-9-236 (b)
Use of Tuition Funds – Permissive Levy	For students with an IEP that requires SED services, tuition funds could be used for the match	
Tax credit scholarship program and the innovative educational program identifies that any program, service, instructional methodology, or adaptive equipment used to expand opportunity for a child with a disability as defined in MCA 20-7-401 is allowable.	School districts that have identified CSCT services for children with disabilities may seek tax credit scholarships to pay for the match for Medicaid-eligible students.	HB 279- 2021 Legislative Session

## Flow Chart

The flowchart provides an overview of the claims process. The process begins with the school district and ends with the school district. The Claims Processor system, MMIS, is a DPHHS system. The local school districts pay the local state match to the OPI, where it is placed in a state special revenue account for the sole purpose of IGT process. Each district's match funds are accurately tracked by the OPI in the state special revenue account. The OPI has established internal controls to mitigate the risk of overpayment to districts.



## School District IGT Accounting Activity

### School District Match (Per DPHHS Remittance Advice)

DR XXX-995-6205-925-PRC - Resource Transfer to OPI for CSCT Match

CR XXX-101-PRC - Cash

### School District Receives Medicaid Payment (Claim+Match)

DR X15-101-PRC - Cash

CR X15-3356-PRC - Medicaid Reimbursement - CSCT

### School District Pays 3rd Party Provider

DR X15-280-2140-330-PRC - CSCT Services

CR X15-101-PRC - Cash

### School District Pays CSCT Direct Costs

DR X15-280-XXXX-XXX-PRC - CSCT Direct Costs

CR X15-101-PRC - Cash

*Note: CSCT match funds can't be used to meet future match requirements and could be applied to future CSCT direct costs.*

### Outstanding Provider Bills Medicaid Fiscal Year End

DR X15-280-2140-330-PRC - CSCT Services

CR X15-621 - Accounts Payable

DR X15-180 - Due from Other Governments

CR X15-3356-PRC - Medicaid Reimbursement - CSCT

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