



Comprehensive School and Community Treatment (CSCT) Intergovernmental Transfer Guidance (IGT) Non-Federal Funds Match Funding Options for Districts

Effective Date

The Montana Legislature (HB 671) has transferred the requirement for managing the CSCT program from the Department of Public Health and Human Services (DPHHS) to the Office of Public Instruction (OPI) effective July 1, 2021. HB 671 requires the implementation of a new IGT process for CSCT services.

IGT

- Schools are required to provide a non-federal funds match for CSCT services which are sent to OPI for fund source confirmation and then transferred to DPHHS to meet the Medicaid required match. Today, that match is 35%.

Example

The school district receives a bill from a provider \$100.00

The school district sends the matching amount to OPI \$35.00

Expenditure: XX-XXX-XXXX-XXX-**PRC**

*Program code may not be made from federal funds or from the CSCT reimbursement

*Recommend use of **PRC**

The DPHHS reimburses the school district \$100.00

Fund: 15 - Miscellaneous Programs Fund

Revenue: 3356 - Medicaid CSCT reimbursement

PRC: Unique Project Reporter Code is required

*Further guidance on allowable uses for booked match funds will be provided

Matching Funds

- The CSCT local match must come from a non-federal source
- The CSCT local match may not come from Medicaid CSCT reimbursement (Revenue 3356)
- The OPI recommends that districts track CSCT matching funds with unique project reporter codes



Reimbursement

- These funds must be deposited to the Miscellaneous Programs Fund (15) using Medicaid CSCT reimbursement (Revenue 3356)
- A unique project reporter code is required
- If actual provider costs are less than the approved community rate, school may only bill and be reimbursed for actual costs. Receipt of reimbursement funds over actual is classified as program income and is prohibited.

Administrative/Indirect Costs

- The OPI has requested an indirect cost rate of 17% for school districts. Below is an example of how the 17% indirect cost rate could factor in if OPI's request is granted:

Example:

Daily Community rate approved by Medicaid:	\$100.00
Indirect Costs reimbursement to districts (part of the community rate).	17.00
Actual Cost of Services:	83.00
District required match	35.00

District receives the Medicaid payment of:	\$100.00
District keeps \$17.00 for administrative/indirect costs	17.00
District pays actual costs of services	83.00
The amount of funds not returned to the district:	\$18.00

Note: This is an example only of the method by which the funds would flow including the indirect cost request.

Audit

- School must show an expense has been incurred
- Reimbursement must be recorded
- School must provide proof through records that a match payment was paid from authorized funds
- An unauthorized match expenditure will result in money being returned to the Department of Public Health & Human Services.

For additional information, please contact Jay Phillips at 406-444-4523 or jphillips3@mt.gov



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.

<p>Use of ESSER Funds to pay 100% of the cost of CSCT Services. Use of these funds is not an allowable Match.</p>	<p>Social Emotional and Student-Wellbeing are clear appropriate uses of ESSER funds.</p>	
<p>Multi-District Agreements are funds from district's general fund, budgeted funds that could be used as an allowable Medicaid match.</p>	<p>The intent of this section is 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.</p>	<p>MCA 20-3-363</p>
<p>Use of ESSER Funds to supplant where general/non-federal funds are budgeted for the match.</p>	<p>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.</p>	
<p>Gifts, legacies, devises, and administration of endowment funds. Unspecified donations may, at the discretion of the Trustees be placed to any fund/use. These funds would be considered non-federal funds.</p>	<p>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, devise, or the proceeds in any budgeted or nonbudgeted 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.</p>	<p>MCA 20-9-604</p>



<p>Transfer of Funds – Improvement of School Safety & Security – may be a viable option for the match and funds transferred would be non-federal funds.</p>	<p>programs to support school and student safety and security, including but not limited to active shooter training, threat assessments, and restorative justice;</p>	<p>MCA 20-9-236 (b)</p>
<p>Use of Tuition Funds – Permissive Levy</p>	<p>For students with an IEP that requires SED services, tuition funds could be used for the match</p>	
<p>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.</p>	<p>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.</p>	<p>HB 279- 2021 Legislative Session</p>

This section is to provide guidance on the negotiated rate with third party providers to ensure that districts do not run afoul of state or federal requirements or create an auditing issue.

The OPI and DPHHS will be using an Inter-governmental Transfer (IGT) method that allows the OPI to transfer the local district match for Medicaid reimbursement to DPHHS. DPHHS must validate and verify to the Centers for Medicaid and Medicare Services (CMS), that the required match from non-federal funds has occurred. This is an accounting process handled on your behalf through an MOU between the OPI and DPHHS.

DPHHS is working on an amendment to the Montana State plan that includes CSCT. The goal of DPHHS is to negotiate a daily community rate as the reimbursement rate by CMS for the allowable services. The OPI has agreed to a 17% indirect cost or administrative cost rate to be part of the daily rate. The administrative cost rate is included for the express purpose of reimbursing districts for the administrative costs related to providing this service to its eligible students.

The OPI, in addition, is sending the accounting guidance directly to clerks. In order to fulfill the financial requirements for reimbursement and to ensure that the valid and transparent match occurs for services, the following guidelines are provided to districts:

- The current reimbursement rate is \$17.87 per unit or ~ \$72 per day. This rate has not been increased for a number of years.



- The OPI believes that, in order to address the severe shortage of mental health professionals, the minimum negotiated daily rate should be no less than 83 percent of the CMS negotiated rate. The 17% administrative cost rate to be included, ensures the 100% and holds the use of CSCT federal and non-federal funds in a full transparent mode, ensures districts are not “making” money on the CSCT program by “coloring” federal funds and your match funds differently. Otherwise, this creates an audit issue from the perspective of the OPI.

The goal is to ensure our SED students, that are served by the CSCT services, are receiving sustainable services that ensure the health and well-being of Montana children, while using the expertise of DPHHS to navigate the Medicaid reimbursable services for school districts along with the OPI’s expertise in Montana School Finance and ensuring the public is well-informed of the use of funds from all sources.

For additional information on non-federal match options, please contact Sharyl Allen at 406-444-5458 or sharyl.allen@mt.gov