

LEGAL NOTICE

STATE OF NEW JERSEY

DEPARTMENT OF HEALTH AND SENIOR SERVICES

DEPARTMENT OF HUMAN SERVICES DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

School-Based Rehabilitative Services

TAKE NOTICE that the New Jersey Department of Human Services (DHS), Division of Medical Assistance and Health Service (DMAHS) is proposing to modify the payment method for School-Based Rehabilitative Services. Effective for dates of service on and after July 1, 2011 and subject to payment at fee-for-service rates, DHS is proposing to implement a Cost Settlement and Reconciliation model for all School-Based Rehabilitative Service reimbursement.

The School-Based Rehabilitative Services program is governed by Title XIX of the Social Security Act (the Act). Federal regulations require a public process, with opportunity for review of, and comment on, proposed rates and the underlying methodology. (See 42 CFR 447.205.) This notice is intended to satisfy the federal requirements.

The proposed change to the payment methodology for School-Based Rehabilitative Services is the implementation of a cost settlement and reconciliation model for all School-Based Rehabilitative Service reimbursement. Under the proposed payment methodology, Local Education Agencies (LEAs) will continue to be reimbursed based on established statewide rates on an interim basis. At the conclusion of the fiscal year, LEAs will complete a cost report, which, with the results of an approved random moment time study (RMTS) and a Medicaid IEP ratio, will be used to determine the Medicaid reimbursable costs incurred by the LEA for the provision of direct medical services to Medicaid students. Through the cost settlement and reconciliation process, this cost will be compared to the interim payments received by the LEA to determine the final settlement amount. With the proposed change in reimbursement methodology, the gross incremental certified expenditures are estimated to be \$ 8,500,000 annually.

The purpose of this change is to more accurately match payments to the cost of services being provided to Medicaid recipients receiving direct medical services, outlined on the Individualized Education Plan (IEP), in the school setting. The Certified Public Expenditure (CPE) will be furnished by the participating Local Education Agencies (LEAs). This change is contingent on approval of available federal financial participation by the Centers for Medicare and Medicaid Services.

A copy of this Notice is available for public review at the local Medical Assistance Customer Centers and the twenty-one County Welfare Agencies.

In addition, a copy of this notice may be found on the DHS website under Public Notices at <http://www.state.nj.us/humanservices/providers/grants/public/index.html> and on the DHSS website under Orders, Bulletins, Notices and Extensions at <http://www.state.nj.us/health/legal/orders.shtml>.

Comments or inquires must be submitted in writing within 30 days of the date of this notice to:

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