



State of New Jersey

DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

JON S. CORZINE
Governor

LUCILLE E. DAVY
Commissioner

August 1, 2008

TO: Chief School Administrator
Charter School Lead Person
School Business Administrator
Director of Special Education

FROM: Lucille E. Davy, Commissioner

SUBJECT: Special Education Medicaid Initiative

In accordance with New Jersey Statutes Annotated 18A:55-3 school districts are required to maximize their participation in the Special Education Medicaid Initiative (SEMI). The newly adopted Accountability Regulations specified in New Jersey Administrative Code (N.J.A.C.) 6A:23A-5.3 include programmatic guidelines and standards for local school districts to maximize participation in SEMI. This memo is being sent to provide additional information on the SEMI program and the recently promulgated regulations including updated reimbursement percentages for school districts, the process to obtain a Medicaid provider number and the requirements for submission of a SEMI action plan for districts that did not maximize SEMI participation in the 2007-2008 school year. In addition, this memo also provides useful information on the process to submit a waiver to the statutory requirement to maximize SEMI participation. The Accountability Regulations can be found on the following web site: <http://www.state.nj.us/education/code/current/title6a/chap23a.htm>.

SEMI Updated Information

The SEMI program has evolved since its inception in 1993. Several enhancements have been made to the SEMI program resulting in a user-friendly program, as well as increases in the reimbursement percentage from 15% to 35% to districts and the reimbursement rates for related services and IEP meetings. Currently districts receive \$276.00 for eligible IEP meetings and \$9.60 for eligible related services. As always, the funds received on behalf of the SEMI program are unrestricted funds. The program now offers a web-based system, at no cost to the district, enabling student information and claims to be entered electronically. In addition, Public Consulting Group (PCG), the New Jersey SEMI vendor, conducts monthly Medicaid eligibility matches, assisting districts to effectively identify those students that are Medicaid eligible for whom parental consent is required. The web-based system also allows districts to track the provision of related services provided to students that were determined eligible for special education and related services or eligible for speech language services. Detailed information regarding the SEMI program is provided in the SEMI

Chief School Administrator
Charter School Lead Person
School Business Administrator
Director of Special Education
August 1, 2008
Page 2

Handbook which can be found on the following web site:
<http://www.nj.gov/treasury/administration/SemiMac.htm>.

SEMI Steps for Start Up

In order for districts to participate in SEMI the following process must be followed: the district must obtain a Medicaid Provider Number; sign a Data Sharing Agreement with PCG; implement a process for obtaining parental consent; contact PCG to schedule a start-up meeting and obtain information on establishing an EasyTRAC™ web site. Information detailing this process is attached (Attachment 1).

SEMI Waiver Requirements

A district may seek a waiver of the requirements to maximize SEMI if they can show that as per the December 1, 2007 Special Education Student Count, it had 30 or fewer Special Education-Medicaid eligible students or that efforts to participate in SEMI would not provide a cost benefit to the district. This information must be based on reliable evidence and on the projection provided by PCG of the district's eligible students or available SEMI reimbursement for the budget year. If a district does not agree with the accuracy of the PCG projections, they may submit the most recent student data for consideration; see attached methodology used to calculate projections (Attachment 2). For the most recent projections of eligible students and anticipated revenue to be used in a waiver request, the district should contact the county office of education. All waiver requests must be submitted to the Executive County Superintendent by September 1, 2008.

SEMI Action Plan

In accordance with N.J.A.C. 6A:23A-5.3(f), each district that has not achieved maximum participation in the SEMI program in the 2007-08 school year or failed to comply with all program requirements set forth in N.J.A.C. 6A:23A-5.3(e), shall demonstrate a good faith effort to achieve maximum participation and to maximize available SEMI revenue during the 2008-2009 school year by submitting a SEMI action plan to the Executive County Superintendent for review and approval by **September 1, 2008**. Maximum participation of SEMI is defined in the regulations as obtaining 90 percent return rate of parental consent forms for all SEMI eligible students. In subsequent years, each district that has not achieved maximum participation (less than 90 percent parental consent for SEMI eligible students) in the prebudget year or that has failed to comply with all program requirements as set forth in N.J.A.C. 6A:23A-5.3(e), shall submit a SEMI action plan to the Executive County Superintendent for review and approval as part of the district's proposed budget submission. The required components for the SEMI action plan are specified in N.J.A.C. 6A:23A-5.3(g), a sample SEMI action plan format is attached for your use (Attachment 3).

Chief School Administrator
Charter School Lead Person
School Business Administrator
Director of Special Education
August 1, 2008
Page 3

The waiver and action plan must be submitted to the Executive County Superintendent by September 1, 2008. The Executive County Superintendent will render a decision on waivers no later than September 30, 2008.

If you have any questions regarding the status of your district or general questions regarding the SEMI program, you can contact Elaine Lerner in the Office of Special Education Programs at (609) 984-7902. Questions regarding a waiver request should be forwarded to the county school business administrator.

LED/el

Attachments

c: Senior Staff
Roberta Wohle
Beth Brooks
Elaine Lerner
Orlando Castro
Elise Sadler-Williams
Nancy Kuprewicz
Joseph Cicatiello
Jessica Rod
County Superintendent
County Business Administrator
County Supervisor of Child Study

Steps for Participating in SEMI

In order to submit reimbursement claims for students under SEMI, all districts are required to have a Medicaid Provider Number. Many districts may have inactive provider numbers assigned in the past and in most cases these provider numbers can be reinstated. Districts that have a reinstated provider number do not need to complete the Medicaid provider application.

The first step in the process involves contacting Elaine Lerner in the New Jersey Department of Education, Office of Special Education Programs (NJOSEP) at elaine.lerner@doe.state.nj.us to determine whether or not the district already has an assigned Medicaid Provider Number.

a. If the district has a provider number:

- The DOE will fax the backup documents to the district which reflects the assignment of the provider number. It is recommended that the district maintains copies of these documents.
- The district should contact Jessica Rod of PCG at jrod@pcgus.com to confirm that the Medicaid Provider Number can be reinstated, schedule a start up meeting and establish an EasyTRAC™ web site which is provided at no cost to the district.
- The district should sign the Data Sharing Agreement with PCG. This document can be obtained by contacting either Elaine Lerner of NJOSEP or Jessica Rod of PCG.
- The district should begin implementing a process for obtaining parental consent for their students who are classified as receiving special education and related services or classified as eligible for speech language services.
- The district should attend SEMI trainings.

b. If the district does not have a provider number:

- The district should complete the LEA Assurance Certification form and to obtain Board Approval for participating in SEMI. The Assurance Certification form can be obtained from NJOSEP through the following email address elaine.lerner@doe.state.nj.us.
- The district should submit the LEA Assurances and Board Approval to Elaine Lerner. Once these documents are received, NJOSEP will notify the Office of Provider Enrollment Division of Medical Assistance and Health Services (DMAHS) of the district's intent to participate in SEMI.
- The Office of Provider Enrollment will send a New Jersey Medicaid provider enrollment package to the district's chief school administrator to be completed and submitted to that office for their review.
- The Office of Provider Enrollment will notify the district of their assigned Medicaid Provider Number and will send copies of that notification to NJOSEP and PCG.
- The district should sign the data sharing agreement with PCG. This document can be obtained by contacting either Elaine Lerner or Jessica Rod.

Attachment 1

- The district should contact Jessica Rod of PCG at jrod@pcgus.com, schedule a start up meeting and establish an EasyTRAC™ web site which is provided at no cost to the district.
- The district should begin implementing a process for obtaining parental consent for their students who are classified as receiving special education and related services or classified as eligible for speech language services.
- The district should attend SEMI trainings.

How SEMI revenue projections are calculated for New Jersey school districts

The basic formula is as follows:

Claimable Student Population * Annual Revenue per Student = District SEMI Revenue Projection

The **Claimable Student Population** is calculated as follows:

- **Special Education Student Count as of December 1, 2007**
 - Count is reported by district and posted on DOE website
 - Students sent to Special Services School Districts are not included
- **Free and Reduce Lunch Rate**
 - This rate is reported by the district to DOE
 - The Free and Reduced Lunch Rate is used as a proxy in lieu of an actual Medicaid Eligibility Rate
- **Claimable Student Population:**
 - **Special Education Count * Free and Reduced Lunch Rate**

The **Annual Revenue per Student** is calculated as follows:

- Each Special Education student receives:
 - **20 direct services per year**
 - 2 services per month for 10 months
 - Takes into consideration students who receive multiple services a week and students who receive no services
 - **1 IEP Meeting per year**
 - Students may have more than 1 IEP Meeting in a year (revisions, triennials, etc.)
- The District reimbursement for these services and meetings are as follows:
 - Direct service = \$9.59 per date of service
 - IEP Meeting = \$276.75 per IEP Meeting
- **Annual Revenue per Student:**
 - $(20 \text{ direct services} * \$9.59) + (1 \text{ IEP Meeting} * \$276.75) = \mathbf{\$468.55}$

Additional Assumptions:

- 100% Parental Consent Rate for Medicaid Eligible Students
- All services and IEP Meetings delivered by Medicaid qualified providers
 - Qualifications can be found in the SEMI Provider Handbook
 - Visit the following website for a copy of the Handbook:
 - <http://www.nj.gov/treasury/administration/SemiMac/SemiProg.htm>
- All services and IEP Meetings documented in EasyTRAC™