



## State of New Jersey

DEPARTMENT OF EDUCATION  
PO Box 500  
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JON S. CORZINE  
Governor

LUCILLE E. DAVY  
Commissioner

January 5, 2009

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

FROM: Barbara Gantwerk, Assistant Commissioner  
Division of Student Services

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Gerald J. Vernotica, Assistant Commissioner  
Division of Field Services

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SUBJECT: Special Education Medicaid Initiative (SEMI)

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 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 information on SEMI waiver requirements, updated budget requirements for SEMI, the process to submit alternative SEMI projections, the process to submit a waiver to the statutory requirement to maximize SEMI participation and the requirements for submission of a SEMI action plan for districts that did not maximize SEMI participation in the 2008-2009 school year. The Accountability Regulations can be found on the following web site:

<http://www.state.nj.us/education/code/current/title6a/chap23a.htm>.

### **SEMI Waiver Requirements**

A district may seek a waiver of the requirements to maximize SEMI if it can show that as per the October 15, 2008 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 (see Attachment 2). This information must be based on reliable evidence and on the projection provided by the Department of Education (DOE) 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 department's projections, it may submit the most recent student data for consideration. Please refer to the attached methodology used to calculate projections (Attachment 1). 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 no less than 45 days prior to the submission of the district's proposed budget for the school year to which the waiver request applies. The Executive County Superintendent shall notify the district of the decision on the waiver application within 20 days of receipt of the waiver request.

### **Updated Budget Requirements for SEMI**

The district shall recognize as revenue in its annual district budget no less than 90 percent of SEMI projections provided by the department (see Attachment 2, Sample District SEMI Projection, on the line entitled "District Budgeted Revenues"), unless the district has received a waiver or submitted alternative SEMI revenue projections. The SEMI revenue is recorded on revenue line 390 "Medicaid Reimbursement" in the budget. The amount entered on line 390 will be no less than 90 percent of the revenue projection unless the district on supporting documentation, Item #18 of the budget statement has selected that it has obtained a waiver or has selected that it has submitted alternative revenue projections. When calculating alternate revenue projections, the district must also submit detailed support for their calculation to the Executive County Superintendent in their own format. The district should refer to Attachments 1 and 3 when calculating alternative revenue projections, and to the section below entitled "SEMI Alternative Projection Requirements."

### **SEMI Alternative Revenue Projection Requirements**

A district may seek approval from the Executive County Superintendent to use its own projections of SEMI reimbursement revenue, upon demonstration that the numbers it used in calculating the projections are more accurate than the projections provided by the department. **All alternative revenue projection proposals must be submitted to the Executive County Superintendent no less than 45 days prior to the submission of the district's proposed budget.** A listing of items for consideration when developing the alternative revenue projections is attached (Attachment 3).

### **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 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 by submitting a SEMI action plan to the Executive County Superintendent for review and approval as part of the district's proposed budget submission. Maximum participation of SEMI is defined in the regulations as obtaining 90 percent return rate of parental consent forms for all SEMI eligible students. If applicable, the district shall review the existing action plan previously submitted, and if necessary, modify it to demonstrate the district's current status in terms of maximum participation in the SEMI program. The required components for the SEMI action plan are specified in N.J.A.C. 6A:23A-5.3(g) and a

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sample SEMI action plan format is attached for the district's use (Attachment 4 Excel spreadsheet).

The alternative revenue projections and the waiver request must be submitted to the Executive County Superintendent no later than **January 20, 2009** for the districts that are not applying for a Waiver of Tax Levy Cap and no later than **January 13, 2009** for those that are applying for a Waiver of Tax Levy Cap. Action plans must be submitted to the Executive County Superintendent as part of the district's proposed budget submission. The Executive County Superintendent will render a decision on waivers within 20 days of receipt of the waiver request.

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 or by email at [elaine.lerner@doe.state.nj.us](mailto:elaine.lerner@doe.state.nj.us). Questions regarding a waiver request, alternative SEMI revenue projections and action plans should be forwarded to the county school business administrator.

BG/KPA/esw/Sp.Ed.Medicaid Initiativememo.doc

Attachments

c: Willa Spicer  
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County Superintendents  
County Business Administrators  
County Supervisor of Child Study

## How SEMI revenue projections are calculated for New Jersey school districts

The basic formula for budgeting SEMI revenue for the 2009-2010 school year is as follows:

$$\text{Claimable Student Population} * \text{Annual Revenue per Student} = \text{District SEMI Revenue Projection}$$

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

- **Special Education Student Count as of October 15, 2008**
  - Count is reported by district and posted on DOE website
  - Students sent to Special Services School Districts are not included
  
- **Free and Reduced Lunch Rate as of 2008-2009**
  - 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's reimbursement rates effective July 1, 2008 for these services and meetings are as follows:
  - Direct service = \$9.91 per date of service
  - IEP Meeting = \$285.91 per IEP Meeting
  
- **Annual Revenue per Student:**
  - $(20 \text{ direct services} * \$9.91) + (1 \text{ IEP Meeting} * \$285.91) = \mathbf{\$484.11}$

### **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™
- 20% revenue projection reduction to account for non-claimable IEP meetings (Learning Disability Teacher Consultants (LDTC) are the case managers)

## SAMPLE DISTRICT SEMI PROJECTION

County: **COUNTY NAME**  
 District ID: **DISTRICT ID**  
 District: **DISTRICT NAME**

**FY09-10**

Estimated Medicaid-eligible/Special Ed Count: **500**  
 District Potential Revenue: **\$242,055.00 \*\***

District Budgeted Revenue: **\$217,849.50 \*\*\***

Percent of Parental Consent: **75%**

Minimum Parental Consent Benchmark Percentage: **90%**

**\*FY09 Revenue Assumptions**

- Revenue Potential based on 20 services and 1 IEP Meeting per year, per student and **FY09 SEMI Rates\*\***
- Est. Med/Sped Count is the October 15<sup>th</sup> Count from 2008 multiplied by the Free and Reduced Lunch Rate
- District Budgeted Revenue is 90% of District's potential Revenue, the **minimum** amount that can be budgeted. This will change if the district submitted a waiver or alternative revenue projections.\*\*\*
- Revenue potential based on 100% parental consent rate for all Med/Sped students
- All services and IEP Meetings documented by Medicaid qualified practitioners in EasyTRAC™/EasyIEP

**FY08-09 RECAP\***

Estimated Medicaid-eligible/Special Ed Count: **500**

District Potential Revenue: **\$234,135.00**

District Revenue Achieved: **\$211,000.00**

Percent District Revenue Achieved: **60%**

Percent of Parental Consent: **100%**

**\*FY08-09 Revenue Assumptions**

- FY08 Revenue Achieved calculated from remittance advice received from July 1, 2008 to December 31, 2008
- Revenue Potential based on 20 services and 1 IEP Meeting per year, per student and **FY08 SEMI Rates**
- All services and IEP Meetings documented by Medicaid qualified practitioners in EasyTRAC™/EasyIEP
- Revenue potential based on 100% parental consent rate for all Med/Sped students

**ITEMS FOR CONSIDERATION FOR WAIVER REVIEW AND ALTERNATIVE REVENUE PROJECTIONS**

**Purpose:** This information is being provided to school districts to assist with the development of a request for waiver and submit alternative revenue projections in accordance with N.J.A.C. 6A:23A-5.3. This is the same information that will be used by the Executive County Superintendent to review waivers and alternative revenue projections. Please note that the district will have to provide documentation and/or reliable evidence for the items under each requirement, if applicable. A copy of the board resolution approving the waiver should be included with the waiver request.

**1. Districts may obtain a waiver of the requirements to maximize SEMI participation upon demonstration that for the subsequent school year the district projects, based on reliable evidence, that it will have 30 or fewer Medicaid eligible classified students or that efforts to participate in SEMI would not provide a cost benefit to the district, based on the revenue projections provided by the department.**

- a. Based on reliable evidence, the district will have 30 or fewer Medicaid eligible classified students for the subsequent school year.
- b. Efforts to participate in SEMI will not provide a cost benefit to the district, based on the revenue projections provided by the department.

*(Note- Current reimbursement to the district is \$9.91 for eligible related services and \$285.91 for eligible IEP meetings.)*

**2. Districts may seek approval from the Executive County Superintendent to use its own projection of SEMI reimbursement upon demonstration that the numbers it used in calculating the projections are more accurate.**

- a. Special education students are not receiving the Medicaid eligible services described below.

**Criteria:**

Districts may claim under SEMI when certain related services are delivered to special education Medicaid eligible students. The related services must be documented in the student's Individualized Education Program (IEP) and EasyTRAC™ and provided by a Medicaid qualified practitioner. The Medicaid-covered related services are limited to the following services:

- Physical therapy
- Occupational therapy
- Speech therapy
- Psychological counseling
- Nursing services

The following services are not claimable under SEMI including but not limited to: Crisis intervention, guidance counseling, drug counseling/treatment, other similar services provided on an ad hoc basis and not specified in the IEP, education services and

associated costs, therapy services not documented in IEPs and services delivered on dates not covered by a valid IEP.

- b. Students who are eligible for special education and related services or eligible for speech language services are not receiving Medicaid eligible services from a Medicaid qualified practitioner.

**Criteria:**

A Medicaid qualified practitioner is a:

- Physical therapist licensed by the State Board of Physical Therapy Examiners and certified or endorsed by the Department of Education.
- Occupational therapist licensed by the Occupational Therapy Advisory Council and certified or endorsed by the Department of Education.
- Speech therapist must be: certified or endorsed by the Department of Education and hold a Master's Degree in speech pathology and hold a Certificate of Clinical Competence by American Speech and Hearing Association (ASHA); or certified or endorsed by the Department of Education and hold a Master's degree in speech pathology received after January 1, 1993 and completed the equivalent educational requirements and work experience necessary for ASHA certification. *Note- Speech correctionists are not considered to be Medicaid qualified practitioners but services delivered by those individuals may be eligible to claim if services are provided "under the direction of a Medicaid qualified practitioner" described below. Licenses issued by the **Audiology and Speech-Language Pathology Advisory Committee are not required to be considered a Medicaid qualified practitioner***
- Psychologist or social worker certified or endorsed by the Department of Education. *Note- Counseling services provided by a guidance counselor are not claimable under SEMI.*
- A registered professional nurse (RN) licensed by the New Jersey Board of Nursing.

- c. District did not establish the parental consent benchmark percentage.

**Criteria:**

Districts did not claim for parental refusal to give consent. The district must have documentation to account for negative consent.

- 3. Districts may claim for evaluation services which include initial evaluations, re-evaluations, and annual review meetings if the meeting is attended by at least one Medicaid-qualified practitioner.**

- a. Initial evaluations, re-evaluations and annual review meetings do not include a Medicaid-qualified practitioner.

**Criteria:**

Districts do not claim for individual evaluations provided to students. The date of the IEP meeting constitutes the claimable evaluation services. IEP meetings that are conducted by a learning disabilities teacher consultant are only claimable if another Medicaid qualified practitioner is present at the meeting. Refer to 2(b) for the definition of Medicaid qualified practitioner.

**4. Districts may claim for services provided by physical therapy assistants (PTAs) certified occupational therapy assistants (COTAs), or speech correctionists if they meet the “under the direction requirements.”**

- a. The district does not have appropriately certified staff members to satisfy the “under the direction of” requirements.

**Criteria:**

Physical therapy-“Direct supervision” means the supervising physical therapist is present on-site and readily available to respond to any consequence regarding a student’s treatment or reaction to treatment. The licensed physical therapist must sign the related service documentation form or document a monthly summary event in EasyTRAC™

Occupational therapy - “Supervision” means the responsible and direct involvement of a licensed occupational therapist for the development of an occupational therapy treatment plan and the periodic review of the implementation of that plan. The licensed occupational therapist must sign the related service documentation form or document a monthly summary event in EasyTRAC™.

Speech Therapy Services should be billed to Medicaid only if the services were provided under the direction of a licensed speech therapist who meets ASHA standards.

“Under the direction” means that the ASHA-certified or equivalent personnel:

- Maintains responsibility for the services delivered;
- Sees the student, at least, once;
- Provides input into the type of care provided;
- Monitors treatment status after treatment has begun;
- Meets regularly with the staff being supervised; and
- Is available to the supervised staff.

**5. Districts participating in SEMI cannot claim for related services provided to students who attend a Special Service School Districts (SSSD) or Department of Human Services (DHS) campuses. For students who attend a SSSD, the sending district can claim for eligible IEP meetings.**

- a. Some students attend a SSSD or DHS campuses and are only eligible to claim for evaluations.

**More information on SEMI can be found at the following link:**

<http://www.nj.gov/treasury/administration/Documents/SEMIHandbook.pdf>

**For additional information, contact:**

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