



State of New Jersey

DEPARTMENT OF EDUCATION

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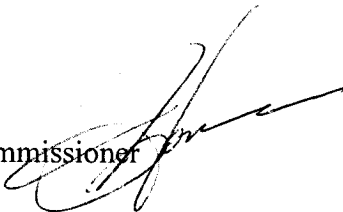
CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

ROCHELLE R. HENDRICKS
Acting Commissioner

January 14, 2011

TO: Chief School Administrators
Charter School Lead Person
School Business Administrators
Directors of Special Education

FROM: Rochelle R. Hendricks, Acting Commissioner 

SUBJECT: Special Education Medicaid Initiative (SEMI)

In accordance with N.J.S.A. 18A:55-3, school districts are required to maximize their participation in the Special Education Medicaid Initiative (SEMI). The adopted Accountability Regulations specified in 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 alternate SEMI projections, the process to submit a request for a waiver of 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 2010-2011 school year. The Accountability Regulations can be found on the following link:

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

Please note the following information related to the SEMI program effective for the 2010-2011 school year moving forward:

- There is one program change with regard to the addition of audiology services, which will be a billable service beginning in January 2011;
- A district may request a waiver from participating in SEMI, if it can document that it has **40** or fewer special education Medicaid eligible students;
- The revenue projection reflects a reduction in the number of direct services from 20 to **18**. This is to account for services delivered by school certified speech correctionists who are not considered to be Medicaid qualified personnel;

- The number of claimable students in the revenue projections is based upon the October 15, 2010 Special Education Student Count submitted to NJSMART and the actual Medicaid eligibility rate of the district. Note: students enrolled in Family Care plans B, C or D are **not** included in the revenue projections, as they are not eligible under SEMI;
- Note that the due dates for submission of waiver requests, alternate revenue projections and SEMI action plans in these statutes may be revised to conform with the state aid notification date that follows the Governor's State Budget Message, pursuant to N.J.S.A. 18A:7F-5(c). Refer to the section SEMI Timelines for information related to due dates for SEMI requirements; and
- The 2009-2010 revenue achieved from July 1, 2009 through June 30, 2010 has been provided to help districts determine if alternate revenue projections should be considered.

Annual SEMI Waiver Requirements

Please note that beginning with the 2010-2011 school year, the requirements of N.J.A.C. 6A:23A-5.3, with respect to the threshold for districts to seek a waiver of the requirements for participation in SEMI, were amended. If a district can show that, as per the October 15, 2010 Special Education Student Count, it had **40** or fewer Special Education Medicaid eligible students, or that efforts to participate in SEMI would not provide a cost benefit to the district, the district is eligible to submit a waiver and supporting information (see Attachments 2 and 3) on an annual basis. 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.

Updated Budget Requirements for SEMI

The district shall recognize as revenue in its annual district budget no less than 90 percent of the SEMI projection provided by the department (see Attachment 2, Sample District SEMI Projection, on the line entitled "District Budgeted Revenue"), unless the district has requested and received approval of a waiver or alternate SEMI revenue projections. The SEMI revenue is recorded on revenue line 390 "Medicaid Reimbursement," in the budget. The amount entered on line 390 shall be no less than 90 percent of the revenue projection unless the district has supporting documentation (Item #18 of the budget statement), has selected that it has obtained a waiver, or has selected that it has submitted alternate revenue projections. When calculating alternate revenue projections, the

district must also submit detailed support for the calculation to the executive county superintendent for review and approval. (Refer to Attachments 1 and 3 and to the section below entitled "SEMI Alternate Projection Requirements," for further information.)

SEMI Alternate 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 DOE. A listing of items for consideration when developing the alternate revenue projections is outlined in 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 in 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 sample SEMI action plan format is included for the district's use (Attachment 4 Excel spreadsheet).

SEMI Timelines

Alternate revenue projections and waiver requests must be submitted to the executive county superintendent no later than 45 days prior to the submission of the district's proposed budget pursuant to N.J.S.A. 18A:7F-5(c) and N.J.S.A. 18A:7F-39. Note that the due dates in these statutes may be revised to conform with the state aid notification date that follows the Governor's State Budget Message, pursuant to N.J.S.A. 18A:7F-5(c). Please refer to the 2011 election calendar (to be posted at <http://www.nj.gov/education/finance/fp/dwb/calendar.pdf> when available) for due dates of the proposed budget. Action plans must be submitted to the executive county superintendent as part of the district's proposed budget submission. The executive county superintendent will issue a decision on waiver requests within 20 days of receipt of the 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 semi@doe.state.nj.us. Questions regarding a waiver request, alternate SEMI revenue projections and action plans, should be forwarded to the executive county business administrator.

RH:BG/JW/elsesw/Sp.Ed.Medicaid Initiativememo.doc

Attachments

c: Members, State Board of Education
 Senior Staff
 Barbara Gantwerk
 Diane Shoener
 James T. McBee
 John Worthington
 Elaine Lerner
 Elise Sadler-Williams
 Nancy Kuprewicz
 Joseph Cicatiello
 Jessica Rod
 Executive County Superintendent
 Executive County Business Administrator
 County Supervisor of Child Study
 NJ LEE Group
 NJ Coalition of Schools

How SEMI Revenue Projections are Calculated for New Jersey School Districts

The basic formula for budgeting SEMI revenue for the 2011-2012 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, 2010 who are also Medicaid eligible
 - Count is reported by district and submitted to NJSMART
 - Students sent to Special Services School Districts are not included
 - Actual Medicaid Eligibility as of 2010-2011
 - Eligibility is collected by the Division of Medical Assistance and Health Services (DMAHS). Eligibility information and student information is provided to Public Consulting Group, which is responsible by contract to match the data and provide an actual Medicaid Eligible student count

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

- Each Special Education student receives:
 - 18 direct services per year which takes into consideration students who receive multiple services a week and students who receive no services
 - One Individual Education Program (IEP) meeting per year
- The district's reimbursement rates effective July 1, 2010 for direct services and IEP meetings are as follows:
 - direct service = \$10.33 per date of service
 - IEP meeting = \$298.09 per IEP meeting
- **Annual Revenue per Student:**
 - $(18 \text{ direct services} * \$10.33) + (\text{one IEP meeting} * \$298.09) = \$494.36$

Additional Assumptions:

- 100 percent Parental Consent Rate for Medicaid Eligible Students
- All direct services and IEP meetings are delivered by Medicaid qualified providers
 - Qualifications can be found in the SEMI Provider Handbook, refer to <http://www.state.nj.us/treasury/administration/semi-mac/semi-mac.htm>
- All services and IEP meetings are documented in EasyTrac™
- A 20 percent revenue projection reduction to account for nonclaimable IEP meetings where Learning Disability Teacher Consultants (LDTCS) are the case managers

SAMPLE DISTRICT SEMI PROJECTION

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

FY11-12

Estimated Medicaid-eligible/Special Ed Count: 226
 District Projected Revenue: \$86,087*
 District Budgeted Revenue: \$77,478**
 Current Percent of Parental Consent: 54%
 Minimum Parental Consent Benchmark Percentage: 90%

***FY11-12 Revenue Assumptions**

- Projected revenue is based on 18 services and one IEP meeting per year, per student and FY10-11 SEMI Rates
- Est. Med/Sped Count is the October 15, 2010 Special Education Count matched against actual Medicaid eligibility information collected by DMAHS
- District Budgeted Revenue is 90 percent of District's Projected Revenue, the minimum amount that can be budgeted. This will change if the district requests and receives approval of a waiver or alternate revenue projections by the county office**
- Projected revenue is based on 100 percent parental consent rate for all Med/Sped students
- All services and IEP meetings are documented by Medicaid qualified practitioners in EasyTrac™/EasyIEP™

FY10-11 RECAP

Estimated Medicaid-eligible/Special Ed Count: 207
 District Budgeted Revenue: \$72,147
 District Revenue Achieved: \$4,351 ***
 Current Percent District Revenue Achieved: 6% ***
 Percent District Revenue Achieved Benchmark: 10%

FY10-11 Revenue Assumptions

- FY10-11 Revenue achieved was calculated from remittance advice received from July 1, 2010 to November 30, 2010 and should be at least 10% ***
- Potential revenue was based on 18 services and one IEP meeting per year, per student and FY 09-10 SEMI Rates
- All services and IEP meetings were documented by Medicaid qualified practitioners in EasyTrac™/EasyIEP
- Projected revenue was based on 100 parental consent rate for all Med/Sped students

FY09-10 RECAP

District Revenue Achieved: \$36,945.28

FY09-10 Revenue Assumptions

- FY09-10 Revenue achieved was calculated from remittance advice received from July 1, 2009 to June 30, 2010

ITEMS FOR CONSIDERATION FOR WAIVER REVIEW AND ALTERNATE REVENUE PROJECTIONS

Purpose: This information is being provided to school districts to assist with the development of a request for waiver and submission of alternate 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 waiver requests and alternate revenue projections. Please note that the district must provide documentation and/or reliable evidence for the items under each requirement, as applicable. A copy of the board resolution approving the waiver request must be included with the waiver request.

1. A district may obtain a waiver of the requirements to maximize SEMI participation upon demonstration that for the subsequent school year:

- a. The district projects, based on reliable evidence, that it will have 40 or fewer Medicaid eligible classified students.
- b. Efforts to participate in SEMI would not provide a cost benefit to the district, based on the revenue projections provided by the department.

(Note- Current reimbursement to the district is \$10.33 for eligible related services and \$298.09 for eligible IEP meetings.)

2. A district 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 than those utilized by the DOE. The information provided below may be used by districts to assist them in considering whether an alternate revenue projection should be requested.

- 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 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
- Audiology services

The following are examples of services not claimable under SEMI: 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 holds an appropriate certification or endorsement issued by the DOE.
- Occupational therapist licensed by the Occupational Therapy Advisory Council and holds an appropriate certification or endorsement issued by the DOE.
- Speech therapist must hold an appropriate certification or endorsement issued and hold a Certificate of Clinical Competence by American Speech and Hearing Association (ASHA); or certified or endorsed by the DOE and hold a license issued by the New Jersey Audiology and Speech-Language Pathology Advisory Committee initially received on or after January 1, 1993; or certified or endorsed by the DOE 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.*
- Psychologist or social worker certified or endorsed by the DOE. *Note- Counseling services provided by a guidance counselor are not claimable under SEMI.*
- Registered professional nurse (RN) licensed by the New Jersey Board of Nursing.
- Audiologist licensed by the State Audiology and Speech-Language Pathology Advisory Committee

- c. District did not obtain 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. A district may claim for IEP meetings following evaluation services which include initial evaluations, reevaluations, and annual review meetings, if the meeting is attended by at least one Medicaid qualified practitioner.**

- a. Initial evaluations, reevaluations 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 service. 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. A district 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 review the services and provide approval 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 review the services and provide approval 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.

The qualified speech therapist must sign the related service documentation form or review the services and provide approval in EasyTrac™.

Districts participating in SEMI cannot claim for related services provided to students who attend Special Services School Districts (SSSD) or Department of Children and Families campuses. For students attending SSSDs, the sending districts can claim for eligible IEP meetings.

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

<http://www.state.nj.us/treasury/administration/pdf/semi-handbook.pdf>

For additional information, contact:

Elaine Lerner, Department of Education, (609) 984-7902, semi@doe.state.nj.us

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