



STATE OF NEW JERSEY SCHOOL-BASED HEALTH SERVICES REIMBURSEMENT PROGRAMS PROVIDER HANDBOOK

SEPTEMBER 2024

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ABOUT THIS HANDBOOK

New Jersey (NJ) School Based Health Services (SBHS) is jointly operated by the NJ Departments of Education (DOE), Human Services (DHS), and the Treasury, who are committed to providing equal access to health services. NJ FamilyCare is the name used in the State of NJ for Medicaid and is NJ's public health care coverage program. SBHS plays an important role in the health of children and adolescents. Unless otherwise specified, the program in this guide is governed by NJ Administrative Code 6A:23A-5.3. The specific methods and policies NJ uses to determine how this Medicaid program operates are described within a written Medicaid State plan, which is approved by Centers for Medicare & Medicaid Services (CMS), a federal agency. The contents of this guide reflect the approved policies and provide easy to understand guidance to implement the program within NJ local education agencies (LEAs).

Who should use this Handbook?

All SBHS Coordinators; LEA administrative staff, superintendents, business directors; and school-based health care workers should familiarize themselves with the information available in this guide for valuable information to help conduct business with NJ FamilyCare.

INTRODUCTION

Federal Medicaid reimbursement for school-based health services provided to Medicaid eligible students is available to participating Local Education Agencies (LEAs) in the State of New Jersey. Currently, there are two reimbursement programs: the Special Education Medicaid Initiative (SEMI), which provides reimbursements for the provision of health services, and the Medicaid Administrative Claiming (MAC) program, which reimburses for the indirect costs associated with the provision of those services.

The threshold for participation is detailed in the Department of Education's accountability regulations, N.J.A.C. 6A:23A-5.3. LEAs that are not required to participate may do so voluntarily. Participating LEAs must meet all federal and State Medicaid requirements in order to claim and maintain their share of the Medicaid reimbursement. These requirements are discussed in further details in this Provider Handbook.

The SEMI and MAC programs are jointly operated by the New Jersey Departments of Education (DOE), Human Services (DHS), and the Treasury along with participating LEAs.

SECTION 1: INFORMATION FOR NEWLY PARTICIPATING LEAS

Note: Information in this section is for Local Education Agencies (LEAs) new to participation in SBHS. LEAs who previously participated but have waived in the recent past should review this content as well.

1.1 Pre-Enrollment

LEAs will be notified by the DOE's Office of Special Education when they meet the threshold requirements for participation in SBHS as stated in NJ Administrative Code 6A:23A-5.3(b). LEAs with fewer than 40 Medicaid-Eligible Special Education students may decide not to participate with a waiver. Upon the completion of DOE's pre-enrollment process, LEAs will work with the State's third party vendor, Public Consulting Group (PCG) and the national and state Medicaid offices to complete the provider enrollment process.

1.2 Provider Enrollment

Upon the LEA's completion of the SEMI participation certification process with the Department of Education, the Office of Special Education advises the Medicaid Program that the LEA is eligible to be enrolled as a Medicaid provider. At the direction of the State, PCG sends the LEA a copy of the New Jersey Medicaid Provider Application Package. To enroll, the LEA must complete this package, which consists of the following forms:

1. Special Education Provider Application;
2. Provider Agreement (FD-62);
3. National Provider Identifier (NPI) application instructions;
4. Disclosure of Ownership (HCFA-1513); and
5. Billing Agreement

Technical assistance with completion of the application documents is available by calling NJ FamilyCare's fiscal agent, Gainwell; the provider enrollment contact number is 1-609-588-6036.

Upon completion of the enrollment process, the Medicaid Provider Enrollment Unit will assign the LEA a unique Medicaid provider number. The LEA is responsible for providing, to PCG, the assigned Medicaid Provider Number (MPN) and National Provider Identifier (NPI). An LEA's EDPlan site for program participation will be created once confirmation of an active Medicaid Provider Number is received. PCG will share the LEA's MPN with the Department of the Treasury, which requires the number for the Memorandum of Understanding (MOU) that each LEA must sign. The MOU formalizes the relationship between the Departments of Human Services, Treasury and the LEA. MOU must be completed prior to PCG submitting the LEA's eligible health-related services for Medicaid billing. No claims (Fee-for-Service or MAC) can be submitted by an LEA until they have an active Medicaid Provider Number.

Newly participating LEAs should provide their active MPN and NPI numbers to PCG prior to March 1st of the first fiscal year in which they are required to participate. Any requests sent to PCG after this date will require the district to begin participation on July 1st of the upcoming fiscal year and the State will be notified of their incomplete participation status.

SECTION 2: SBHS MEDICAID OVERVIEW

Enacted in 1965, Title XIX of the Federal Social Security Act established the Medicaid program. Medicaid is a state-administered government health insurance program for eligible low-income individuals and families. Title XIX requires each state to establish a Medicaid program for individuals residing within the state. Medicaid is jointly funded by the federal government and by the individual states. Federal oversight for the Medicaid program lies with the United States Department of Health and Human Services Centers for Medicare and Medicaid Services (CMS). Each state Medicaid agency is also required to provide oversight of its Medicaid program.

Section 1903(c) of the U.S. Code allows Medicaid reimbursement for medically necessary school-based health services provided to Medicaid-eligible students. The services must be covered in the State plan for Medicaid, as approved by CMS, and provided by qualified practitioners with credentials which meet state and federal requirements. Medicaid reimbursement is not available for academic educational services.

In New Jersey, the Medicaid program is administered by the Department of Human Services through the Division of Medical Assistance and Health Services (DMAHS) and is known as NJ FamilyCare. The program includes all federally mandated Medicaid services and covers all federally mandated categories of individuals eligible under federal rules.

Place of Service

For Medicaid purposes, school-based health services may be provided at the school, the student's home (if necessary), or in a community setting as specified in the student's Individualized Education Program (IEP).

Qualified Practitioners

Medicaid reimbursement is available to local education agencies (LEAs) for those services provided by qualified practitioners as defined in Section 7 of this Provider Handbook.

The LEA is responsible for verifying the date each Medicaid service was provided on and that appropriately qualified practitioners provided each service billed to Medicaid on that date.

Medicaid Managed Care

New Jersey enrolls the Medicaid-eligible population into Medicaid Managed Care Organizations (MCOs). The services provided by LEAs and reimbursed under SEMI are independent of the health care provided by the MCOs. **Participation in SEMI has no impact on students' Medicaid health care provided outside of school.**

Medicaid Waiver Cases

Some children, especially those with very severe disabilities, may become eligible for Medicaid services under one of New Jersey's Home and Community-based waiver programs. These programs provide Medicaid coverage in the community for children and adults whose disabilities are severe enough to warrant facility-based care (such as hospitals and nursing homes). Under the waiver programs, there is a "cap" on the expenditures for each case. To avoid duplicating claims, LEA service claims will not be processed for a student who also receives services under a waiver program.

Third-party Liability and Medicaid

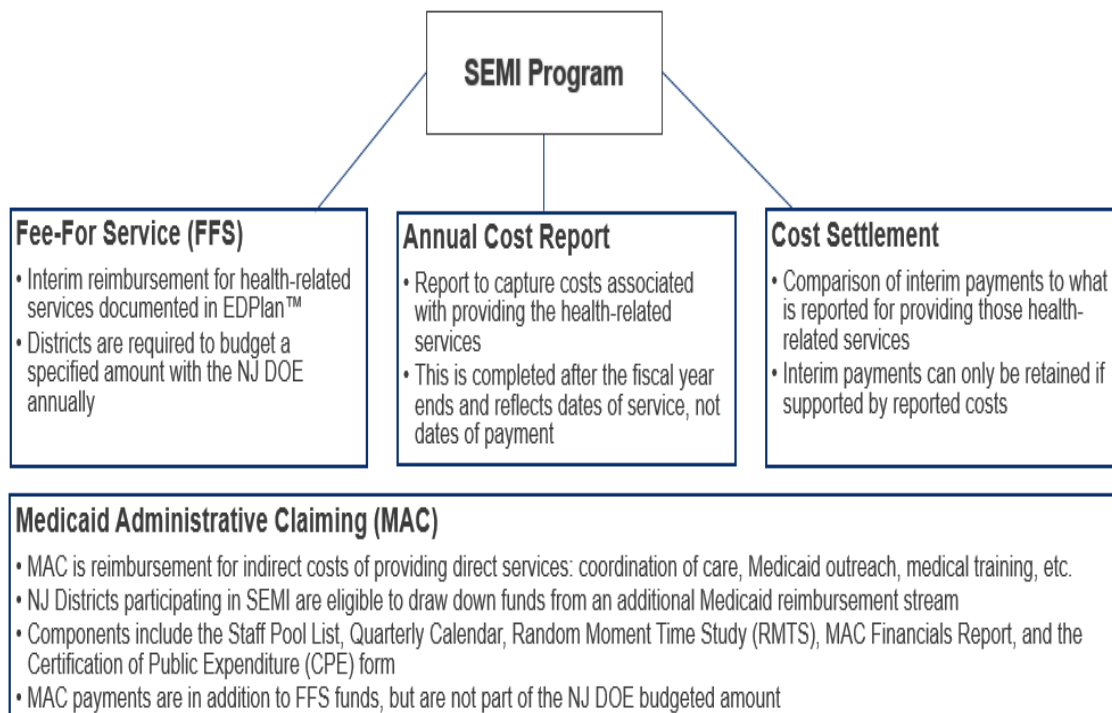
The Medicaid program, by law, is intended to be the payer of last resort; that is, all other liable third-party resources must meet their legal obligation to pay claims for services provided to Medicaid recipients before Medicaid is billed. Examples of third parties that may be liable to pay for services include employment-related private health insurance and court-ordered health insurance derived from non-custodial parents. New Jersey DHS obtains information about other health coverage from each Medicaid beneficiary at the time of application for benefits and pursues third-party resources in accordance with the New Jersey State Plan for Medicaid. This helps to ensure that Medicaid is the payer of last resort for all medical services. In some instances, providers may be reimbursed by Medicaid for a service provided to an individual with other liable health insurance. In these instances, Gainwell Technologies, the Medicaid fiscal intermediary, will follow up with the other health insurance and process all claims with private insurance.

SECTION 3: NEW JERSEY SCHOOL-BASED HEALTH SERVICES (NJ SBHS) PROGRAM OVERVIEW

The NJ SBHS program, which includes the SEMI and MAC programs, allows for recovery of a portion of costs for Medicaid-covered services provided to Medicaid-eligible Special Education students.

Figure 1:

Overview of the SEMI and MAC Programs



3.1 SEMI Overview

Over the course of the school year, an LEA receives interim reimbursement payments for costs associated with the provision of these health-related services. This process is known as Fee-for-Service (FFS) and commonly known as the SEMI component of this program. The actual costs associated with providing these health-related services is calculated through the annual Cost Settlement component of SEMI. The Cost Settlement calculation looks at the expenses associated with the staff list, corresponding salary and benefit data and completion of the Random Moment Time Study (RMTS) to determine work effort. This process, completed at the end of the fiscal year, which is June 30, assesses whether each LEA has been properly reimbursed for their portion of allowable expenses under the SEMI program. The outcome of this reconciliation process is that an LEA may receive either a positive or negative settlement for the year. The Annual Cost Settlement process is explained in greater detail in [Section 9](#). The State also uses this data to determine the interim FFS reimbursement rates for the health-related services.

3.2 MAC Overview

The purpose of the Medicaid Administrative Claiming (MAC) program is to promote the availability of additional reimbursements for work associated with the provision of Medicaid-covered health services. LEAs participating in the MAC program receive reimbursements for the administrative work required to support the Medicaid-funded services provided to students. These quarterly claims utilize data that have already been submitted for the cost settlement component of the SEMI program ([see Section 9](#)), such as staff submitted on the Staff Pool List (SPL) and Random Moment Time Study (RMTS) compliance.

3.3 New Jersey Department of Education Fiscal Accountability Regulations

NJDOE Fiscal Accountability Regulations, set forth at [N.J.A.C. 6A:23A-5.3](#), require every school district and county vocational school district, *except for districts that obtain a waiver*, to take appropriate steps to maximize participation in the program by following the policies and procedures and to comply with **all** program requirements:

- Include 90% of annual revenue projection in district's budget
 - For alternate revenue projection regulations, see [N.J.A.C. 6A:23A-5.3\(c\)](#)
- By the end of each fiscal year, each district must achieve:
 - 100% budgeted fee-for-service revenue
 - 90% parental consent response documented
 - This includes positive, negative and "no response"
- Each period, districts statewide must:
 - Achieve 90% quarterly RMTS compliance rate
 - Sign Certified Public Expenditures (CPE) forms
- Certify required data by assigned deadlines:
 - Staff pool lists (SPL)
 - SPL participants are required to have a unique, valid email address listed in the LEA's Public Consulting Group (PCG) Claiming System account
 - MAC financial Reports
 - Annual Cost Report
- Implement and maintain proper [record retention](#) policies and procedures

3.4 Interim Fee-for-Service Rates

The Fee-for-Service (FFS) interim bill rate for each claim is \$20 gross claim rate. The rates posted are the gross total value of the claims, as submitted to the Centers for Medicare and Medicaid (CMS), the federal Medicaid agency.

Figure 2: Interim Bill Rates for Fiscal Year 2025

Health Related Service	Gross Claim Rate	Federal Share* (50%)	State Share (32.5%)	School Share (17.5%)
Health Evaluation (per evaluation)	\$20	\$10	\$6.50	\$3.50
Medical Transportation (round trip)	\$20	\$10	\$6.50	\$3.50
Direct Medical Service (“Related Service”)	\$20	\$10	\$6.50	\$3.50

The SHBS fee schedule may be viewed on the NJ Provider site. To Access the fee schedule, please follow these instructions:

1. Go to www.njmmis.com (if visiting first time, accept acknowledgement)
2. Click link for Rate and Code Information (bottom left of page)
3. Under the heading Procedure Code Listings select **Procedure Master Listing – School Based Health Services**.

Figure 3: Procedure Codes

Procedure Code Listings

- Procedure Master Listing - Medicaid Fee for Service CY2024 CY2023 CY2022 Archive
- Procedure Master Listing - Anesthesia Services - CY2024
- Procedure Master Listing - Procedures Requiring PA - CY2024
- Procedure Master Listing - Children's Rates - CY2024
- Procedure Master Listing - Outpatient Hospital Services Only - CY2024
- Procedure Master Listing - Outpatient Hospital Laboratory Billing Only - CY2024
- Procedure Master Listing - ACA Enhanced Rates - CY2014
- Procedure Master Listing - Non Covered APIs/Excipients - CY2016 CY2015
- Procedure Master Listing - Outpatient Psychiatric Services Only - CY2024
- Procedure Master Listing - Provider Payment Increase for Specific Codes - CY2024
- Procedure Master Listing - New Codes - CY2024 CY2023 CY2022 Archive
- Procedure Master Listing - Deleted Codes - CY2024 CY2023 CY2022 Archive
- Procedure Master Listing - Ambulatory Surgical Center - CY2024 CY2023 CY2022 Archive
- Procedure Master Listing - Procedure Codes 00001-09999 - CY2024
- Procedure Master Listing - School Based Health Services - FY2025

3.5 Responsibilities of Participating Local Education Agencies (LEAs)

- Pre-enrolls with the Department of Education to certify LEA status by submitting board notice and assurances for program implementation related to participation in the SEMI program
- Completes the Medicaid Provider Application package to enroll as a Medicaid provider with the Medicaid program and receives a unique seven-digit Medicaid provider number which will be used for billing purposes
 1. Obtains assistance, as needed, from the Medicaid office to complete the various forms included in the application package
- Designates PCG as the LEA's Medicaid billing agent by completing the State of New Jersey Submitter/Provider Relationship EDI and Electronic Remittance Advice (ERA) agreements
- Appoints a SEMI Coordinator to coordinate with PCG in fulfilling the LEA's operational responsibilities for SEMI
- Verifies that student health-related services submitted to PCG for Medicaid claiming are included in the student's IEP which is valid for the dates of service
- Verifies that service providers have the appropriate qualifications or credentials for Medicaid billing
- Verifies that signed written positive parental consent to bill Medicaid has been obtained prior to submitting service records to PCG for Medicaid billing
- Verifies that transportation services billed to Medicaid are: (1) for transportation on specialized vehicles; (2) included in the student's IEP which also requires other Medicaid covered services; and (3) for a student who used the transportation service
- Monitors service documentation compliance by related service providers and conducts necessary follow-up
- Complies with New Jersey DOE's Fiscal Accountability Regulations and [record retention](#) responsibilities

3.6 State Agencies Administering the SBHS Programs

Three state agencies are involved in SBHS programs. They are the Departments of Education, Human Services, and the Treasury. These agencies closely coordinate activities related to SBHS programs for the State to maintain appropriate oversight and to help ensure compliance with Medicaid billing requirements. The State agencies and their functions are described in [Section 10](#).

The State agencies can be reached at:

- Department of Education – semi@doe.nj.gov
- Department of the Treasury – semi.nj@treas.nj.gov
- Department of Human Services, Division of Medical Assistance and Health Services (DHMAS)/Medicaid – semi@dhs.nj.gov

3.7 NJ SBHS Program Third-Party Administrator in NJ: Public Consulting Group (PCG)

The State of New Jersey has contracted with Public Consulting Group (PCG) to administer the New Jersey School Based Health Services programs. PCG works with all participating LEAs to help ensure compliance with all aspects of the program and operates the Help Desk, which provides support and assistance to LEAs. Additional details on the services provided by PCG are located in Section 10.

The Help Desk can be reached at:

- By email at njsemi@pcgus.com
- By telephone at 609-275-0250 extension 2
- Through Zendesk in EDPlan and the Claiming System

SECTION 4: PARENTAL CONSENT

Parental consent consists of two separate but related documents regarding the SEMI program. The first document is the notification to parents/guardians of their rights regarding the SEMI program. The second document is the parental consent form. The notification of rights must be given annually to all parents with children participating or eligible for participation in the SEMI program. The parental consent form does not need to be sent annually to parents who provide positive consent on a signed and dated form. Additional information regarding each document is provided below.

Figure 4: Additional Information on Parental Consent Documents

Form Name	Frequency	Requires Parent or Guardian Signature?	Able to be sent electronically?	Do we need to keep track of when it was sent to parents?
<i>Annual Notification</i>	Must be sent to parents on an annual basis.	No	Yes	Yes, for internal district records, this must include the method of how it was shared with parents.
<i>Parental Consent Form</i>	Once positive consent is obtained, it is valid for the lifetime of the student at that school district.	Yes	Yes, if the district has a policy to permit electronic signatures	Yes. Documenting attempts to obtain parental consent permits districts to track multiple attempts using various methods, if positive consent is not obtained, to enter "No Response" for annual efforts.

4.1 Annual Notification to Parents

The United States Department of Education requires LEAs to provide written notification of rights to parents **prior to** obtaining signed SEMI parental consent, and annually thereafter. The annual notification outlines parents' rights and reviews the information the parents are giving consent to be shared with various government agencies. The annual notification does not need to be signed or returned to the LEA. However, the LEA should memorialize the procedures for how and when the notification is distributed to be in compliance with annual distribution requirements outlined by the Individuals with Disabilities Education Act (IDEA) regulations. It is recommended that any substantive changes to the consent forms be reviewed in consultation with an LEA's board attorney.

A sample SEMI parental notification form is available in 11 languages. A sample of the English language version can be found at the end of this section and all of the available language versions are located on Treasury's SEMI and MAC website ([SEMI Documentation](#)) and on PCG's EDPlan site. The available languages are:

- ♦ English
- ♦ Arabic
- ♦ Chinese Cantonese
- ♦ Chinese Mandarin
- ♦ Haitian Creole
- ♦ Hindi
- ♦ Korean
- ♦ Portuguese
- ♦ Punjabi
- ♦ Russian
- ♦ Spanish

4.2 Parental Consent Form

After the parent/guardian has received the written notification form, the LEA must obtain a signed positive SEMI parental consent form, from the parent/guardian of a student before health-related services provided can be submitted to Medicaid for reimbursement. The signed SEMI parental consent form is valid for the length of the student's enrollment in the LEA and does not need to be procured again once positive consent is received from the parent/guardian. SEMI Parental consent does not transfer with a student if the student transfers to another school district.

The original signed and dated copy of the SEMI parental consent form must be maintained, by the LEA, as part of the student's educational records. In EDPlan, SEMI coordinators must indicate, on the student's personal information page, the effective date of the parental consent. Detailed instructions on how to enter the information into EDPlan are provided, in manuals, located on the Home Page of each LEA's EDPlan site.

Parental consent is not required for the LEA to release student information to PCG, in its capacity as the billing agent of the LEA. Additionally, once positive consent is obtained, consent is retroactive for services provided back to the start of the fiscal year. If a parent/guardian revokes a prior positive parental consent, all claiming will cease as of the date the parent/guardian denied consent by checking the "no" box on the form, signed and dated the form.

LEAs which have implemented policies regarding the allowance of electronic signatures are permitted to use either their own software for the capture of electronic signature or the Connect Parent Portal available through EDPlan.

SEMI Parental consent and Medicaid eligibility can be a sensitive topic, so LEA staff members should thoroughly explain the SEMI consent form with that in mind. Parents and guardians should be informed of the purpose for notification and required signature.

Sample SEMI parental consent authorization forms are provided on Treasury's SEMI-MAC website ([SEMI Documentation](#)). The parental consent form is available in the same languages as the annual notification form.

SECTION 5: SERVICE DOCUMENTATION REQUIREMENTS

LEAs must maintain student records, which fully document the basis upon which all claims for reimbursement are made. A complete set of records includes the student's complete IEP, evaluation reports, service encounter documentation, progress notes, billing records, and service provider practitioner credentials. All documentation must be available, if requested, for State and Federal audits.

Each service encounter with a student must be fully documented, including the duration of the encounter. The IEP alone is not sufficient documentation to prove that a service was provided. The basic minimum elements to be documented for each service encounter are:

- Date of service
- Student's name
- Student's date of birth
- Type of service
- Name, signature, and clinical discipline of the service provider
- Duration or units of service
- Service setting (group or individual)
- Location of service

In addition to the above-required elements of documentation, the service provider must document the specific services provided during each encounter and the student's progress toward specified clinical objectives.

Services can be documented electronically using PCG's EDPlan or by using paper logs that are entered into EDPlan on the service provider's behalf.

5.1 Acceptable Forms of Documentation

LEAs have two available formats for documentation of services:

EDPlan: Services documented with EDPlan will include all information required for a completed service record prior to uploading the record for Medicaid billing. Service providers are encouraged to document service data as frequently as possible, but not less than weekly.

Paper Logs: Services documented on paper must be recorded on a related service documentation form. Related service providers are responsible for fully completing the form prior to submitting the logs to the SEMI Coordinator. The service provider and the LEA are responsible for ensuring that only fully completed and accurate logs are submitted. The LEA is responsible for reviewing and maintaining all paper logs and entering the information into EDPlan for billing purposes. Samples of service documentation forms are located on the State's program website ([SEMI Documentation](#)).

5.2 Protecting Personal Information

In documenting health-related services, student information must be handled and maintained in a confidential manner in compliance with the Federal Educational Rights and Privacy Act (FERPA), the Health Insurance Portability and Accountability Act (HIPAA), and Medicaid statutes and regulations. All information regarding the delivery of health-related services must be maintained in the student's file that is accessible in the event of an audit.

5.3 Record Retention

LEAs must maintain all health service and financial records, supporting documents, and other recipient records relating to the delivery of services reimbursed by Medicaid for, at least, seven (7) years from the date of service. All records must be retrievable and made available upon audit. Any forms signed electronically must be retrievable and made available upon request. All questions regarding record retention should be directed to the Department of the Treasury, Record Management Services.

SECTION 6: GENERAL REQUIREMENTS AND COMPLIANCE

6.1 IEP Requirements and Provider Qualifications

Health-related services provided to Medicaid-eligible students and submitted to Medicaid for reimbursement must be:

1. Included in the student's Individualized Education Program (IEP) which is valid for the dates of service; and
2. Administered by a healthcare provider, SEMI-qualified on the dates of service to provide such services, under State and Federal laws and regulations.

Evaluations/referrals for the occupational therapy, physical therapy and speech health services must be completed by SEMI qualified professional with specific professional requirements. The specific professional requirements required for each of these three health services can be found in Section 7 of this Handbook. Copies of the credentials of the professionals completing the evaluations/referrals along with copies of the evaluations/referrals must in the student's records, per [record retention](#) requirements.

Health-related evaluation services must also be administered by SEMI-qualified providers under State and federal statutes and regulations. See [Section 7](#) for requirements on provider qualifications.

6.2 Required Data

To allow verification of the existence of the documentation necessary to support the services billed to Medicaid, each LEA is **required** to enter the following data into EDPlan:

- IEP start and end dates;
- Provider qualification dates;
- Primary disability*;
- Placement where services are rendered;
- Physician authorization dates (nursing services only); and
- Student's date of birth to determine claiming eligibility (SEMI covers students ages 3 through 21)

* The New Jersey Division of Medical Assistance and Health Services has authorized PCG to submit diagnosis codes for School-Based Service claims based on the student disability selected by the LEA staff in EDPlan in accordance with the table below:

Figure 5: Diagnosis Codes

School System Selection	ICD-10 Code
Auditorily Impaired	H902
Autism	F840
Intellectual Disabilities	F70
Communication Impaired	R499
Deaf-Blindness	H918X9
Multiple Disabilities and/or Preschool Disabled	R6250
Orthopedic Impairment	M959
Other Health Impairments	R69
Emotional Regulation Impairment	F938
Specific Learning Disability	F81.9
Speech or Language Impairments	F801
Traumatic Brain Injury	S061X0A
Visual Impairments	H548

PCG will not submit claims to Medicaid for reimbursement until the required data is entered. This requirement is intended to provide verification of the existence and maintenance of the documentation required to support Medicaid claims by the LEA. Failure to maintain such documentation may result in the creation of a financial liability for the LEA.

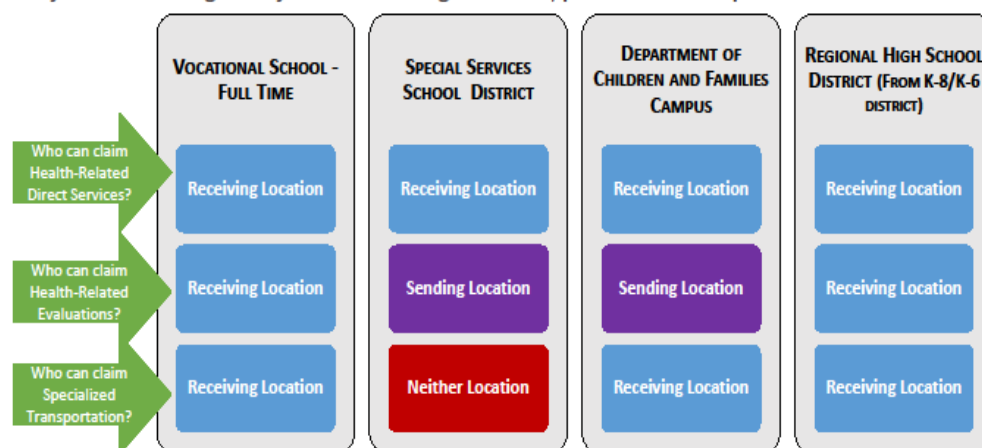
6.3 Sending/Receiving Relationships in SEMI

Generally, the LEA, which pays health-related tuition for a student to attend a program offered by another program, is the LEA eligible to claim the revenue reimbursement associated with the provision of NJ SBHS health-related services.

Figure 6:

SEMI Program Sending/Receiving Relationships

- As a general rule, if your LEA pays tuition for a student to attend another program (you are the financially responsible LEA), you are eligible to claim SEMI services for that student
 - General rule includes sending to: in District/Public Schools, Approved Private Schools For Students With Disabilities, Jointure Commissions, Department Of Education Day Training Schools, Vocational Schools (Half Time Only)
- If you are sending to any of the following locations, please see exceptions to determine who can bill:



6.4 Data Sharing Agreement

For PCG to submit claims to Medicaid for reimbursement on behalf of an LEA, the LEA must complete and sign a Data Sharing Agreement. This agreement allows PCG to act as the LEA's agent and obligates PCG to protect the privacy of the students' information. A sample of the Data Sharing agreement is located on the State's Treasury website at ([SEMI Documentation](#)).

6.5 Payment Error Rate Measurement (PERM) Audit

The Payment Error Rate Measurement (PERM) is a federal program designed to measure and report improper payments in Medicaid programs. The Payment Integrity Information Act (PIIA) of 2019, requires federal agencies to annually review programs that they administer to:

- Identify those that may be susceptible to significant improper payments.
- Estimate the amount of improper payments.
- Submit those estimates to Congress.
- Submit a report on corrective actions the agency is taking to reduce improper payments.


New Jersey's Medicaid program is federally audited every three years, the next cycle will review Medicaid payments from July 1, 2024 through June 30, 2025.

LEA contact by CMS during a PERM Audit

CMS PERM Medical Review Contractor (RC) will only contact an LEA via U.S. mail. If your LEA is contacted by an RC due to a PERM audit, your LEA must comply with the RC's requests for information. You may receive a follow-up phone call from the RC as a reminder. Mailed communication to the LEA from the PERM RC will look similar to the example shown on the right. See below for LEA responsibilities*.

Follow-up Contact by NJ PERM Team

If the LEA is contacted by the NJ PERM team this means your LEA has not adequately complied with a request for records. **If the LEA does not cooperate the associated claims are voided and the payments are returned to the federal and state agencies.** If errors are found, the LEA is required to submit a Corrective Action Plan (CAP) to the state to address the cited finding(s) and provide updates of the CAP implementation periodically. The NJ PERM Team contact is Jonez Brown at jonez.brown@dhs.nj.gov.



CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

Payment Error Rate Measurement Program
CMS PERM Review Contractor,
NCI Information Systems, Inc.
1538 E. Parham Road
Henrico, VA 23228

[[ProviderName]]
 ATTN: [[ContactName]], [[ContactTitle]]
 [[ContactAddress1]] [[ContactAddress2]]
 [[ContactCity]], [[ContactState]] [[ContactZipcode]]

Date: [[RequestDate]]
 Reference ID: [[PERM ID]]
 OMB Control Number: [[OMB#]]
 NPI: [[NPI#]]

Request Type & Purpose: Initial Request for Records (First Request)
 Subject: Records Request - This is an initial request for records

To request a copy of this letter in Spanish, please contact the PERM Customer Service Department at 800-393-3068. Once a Spanish-language letter is requested, all future correspondence for this specific PERM ID will continue in Spanish.

Para solicitar una copia de esta carta en Español, por favor de contactar al Departamento de Servicio al Cliente de PERM al 800-393-3068. Una vez que la carta en Español sea solicitada, toda correspondencia futura específica a este identificación PERM será continuada en Español.

Dear Medicaid and/or CHIP Provider:

The Centers for Medicare & Medicaid Services (CMS), in partnership with the states, is measuring improper payments in Medicaid/CHIP under the Payment Error Rate Measurement (PERM) program. Additional information about the PERM program is addressed on the CMS PERM website (www.cms.gov/PERM). Refer to the "Providers" link on the website.

Reason for Selection: A claim submitted by or on behalf of your organization has been randomly selected for review under this program. The review will be completed by CMS' review contractor, NCI Information Systems, Inc.

Action: Send a Copy of Original Documentation: Federal regulations require that you provide the medical record documentation to support claims for Medicaid/CHIP services upon request*. The pages that follow provide identifying information for the claim or service(s) selected for review, the requested supporting documentation, and submission instructions. Please submit documentation as soon as possible, but no later than the due date provided below which is 75 days after the date of this initial request letter. A written response is required by the due date even if you are unable to locate the requested documents. **Providing medical records for Medicaid/CHIP beneficiaries does not violate the Health Insurance Portability and Accountability Act (HIPAA). Patient authorization IS NOT REQUIRED for the release of the requested documentation.** CMS and its contractors will remain in compliance with the Privacy Act and regulations. No reimbursement can be made for the cost of record reproduction or mailing.

When: [[MedrecDueDate]]
 Please provide the requested documentation by [[MedrecDueDate]]. A response is still required by [[MedrecDueDate]] even if you are unable to locate the requested information.

SECTION 7. COVERED SERVICES AND PRACTITIONER QUALIFICATIONS FOR FEE-FOR-SERVICE (FFS) REIMBURSEMENT

7.1 Covered Health Services

The federal Medicaid program allows participating LEAs to submit reimbursement claims for medically necessary health service(s) provided to students with Individualized Education Programs (IEPs). The health referrals and evaluations used as a basis for determining a student's IEP are also reimbursable when they are prepared and properly documented by SEMI-qualified personnel. The specific requirements for the each of the reimbursable health services listed below are detailed in this Section.

- A. Audiology;
- B. Evaluation services to determine a student's health care needs;
- C. Nursing services;
- D. Occupational Therapy;
- E. Physical Therapy;
- F. Psychological Counseling;
- G. Psychotherapeutic Counseling;
- H. Specialized transportation services; and
- I. Speech Therapy

7.2 Health Services which are Not Reimbursable

The following health services are not reimbursable through the SEMI program:

- Educational services and associated costs, including IEP meetings, which do not include a health-related component;
- Therapy services not documented as medically necessary, in the IEP, on the dates of logged services;
- Verification of a student's Medicaid eligibility;
- Transportation services other than prescribed specialized transportation;
- Services by providers who are not SEMI-qualified or licensed providers for the services rendered as required by federal Medicaid and State statutes and codes;
- Health related services provided without charge to all students, such as health screenings, as defined by federal law;
- Health related services without a valid referral, as outlined within the Speech, Physical, and Occupational Therapy sections below; and
- Health-related services provided as part of an LEA's Extended School Year (ESY) program

7.3 Practitioner Qualifications for Fee-For-Service Reimbursement

Each health service listed below is eligible for a Medicaid reimbursement through the SEMI Program. A SEMI-qualified professional must conduct a health service evaluation and/or referral. If someone other than a SEMI-qualified professional performs the evaluation and/or prepares the referral, neither the health evaluation nor the services provided because of that evaluation/referral will be eligible for reimbursement. State and federal statutes and regulations set the minimal educational standards and the professional licenses required.

Figure 7: Provider Qualification Chart

Provider Type	SEMI Qualification Requirement
Audiologist	NJ License
Nurse	NJ Registered Nurse License
Occupational Therapist	Both NJ DOE Certification AND NJ License
Physical Therapist	Both NJ DOE Certification AND NJ License
Social Worker	NJ DOE Certification
Psychologist	NJ DOE Certification
Speech Therapist*	Both NJ DOE Certification AND NJ License OR Both NJ DOE Certification AND ASHA Certification

* Additional information on the specific qualifications to perform Speech evaluations is found in Section 6.11.

Figure 8: Under the Direction (UDO)* Chart

Service Type	Not SEMI-Qualified Staff Member has...	Can Work Under the Direction of Staff with...
Occupational Therapy	Licensed Certified Occupational Therapy Assistant (COTA) credentials	Both NJDOE Certification AND NJ License
Physical Therapy	Licensed Physical Therapy Assistant (PTA) credentials	Both NJDOE Certification AND NJ License
Speech Therapy	NJDOE Certification Only	Both NJDOE Certification AND NJ License OR Both NJDOE Certification AND ASHA Certification
Nursing	Licensed Practical Nurse NJ License	Registered Nurse NJ License

* UDO Responsibilities – refer to the health-related service type professional guidance for UDO requirements.

7.4 Audiology

In the school setting, an audiologist is a professional trained to prevent, diagnose, and treat hearing and balance disorders. A SEMI-qualified audiologist must have a valid license from the New Jersey Audiology and Speech Language Advisory Commission. The Department of Education does not require a Department of Education certification for Audiologists to provide health services to students above the state license.

Practitioner Qualifications:

Evaluation: A SEMI-valid referral for service must be completed by either a licensed physician or a professional with a valid license issued by the New Jersey Audiology and Speech Language Advisory Commission.

Direct Health Services: To obtain a fee-for-service reimbursement, audiology services must be provided by a SEMI-qualified audiologist with a valid license from the New Jersey Audiology and Speech Language Advisory Commission.

“Under the Direction of”: Direct audiology services cannot be provided by unlicensed individuals even if set up as “under the direction of” a supervising, SEMI-qualified Audiologist.

Record Retention

The LEA **must** retain the following documentation in the student’s records in accordance with New Jersey regulations:

- New Jersey State license – a copy of the actual license issued to the licensee by the New Jersey Audiology and Speech Language Advisory Commission. A printout of the New Jersey Department of Consumer Affairs License Verification website **does not** meet the [record retention](#) requirement.
- The license that is valid at the time of the provided service (either health service or health-related evaluation/referral) must be maintained with the service documentation or IEP.
- All records must be retrievable and made available upon audit.

7.5 Health-Related Evaluation Services

A student's health-related evaluation identifies the need for specific health services and the evaluation results are used to develop the student's IEP. The IEP must include the prescription for the range and frequency of health-related services the student needs to have access to a free, appropriate public education.

Discrete health related evaluations provided by an NJ SBHS Qualified service provider within their respective related service type are eligible for program reimbursement.

See the respective service type in this Handbook for service provider credential requirements.

Note: Special Services School Districts (SSSD) and DCF campuses are not eligible to submit claims for health-related evaluations, as evaluations are performed and are the responsibility of the sending district or the Office of Education, respectively.

Record Retention

The LEA **must** maintain the following documentation:

- Credentials of all SEMI-qualified professionals who prepared the health referrals or evaluations in the student's IEP. The certification and/or New Jersey license that is valid at the time of the evaluation/referral must be maintained with the service documentation or IEP. A printout of the New Jersey Department of Consumer Affairs License Verification website **does not** meet the [record retention](#) requirement.
- Specifics on documentation required to establish that a professional was SEMI-qualified at the time of the evaluation or referral are in each health-related profession's sub-section in this chapter.
- All records must be retrievable and made available upon audit.

7.6 Nursing Services

A student's IEP with a physician's prescription for nursing services may be eligible for SEMI reimbursement. The physician's prescription must state the frequency of the prescribed nursing service and must be delivered by either a registered professional nurse (RN) or a

licensed practical nurse (LPN) working under the direction of an RN. A SEMI-qualified RN or LPN must have an active license issued by the New Jersey Board of Nursing.

The nursing service must be delivered in a manner that is consistent with the prescribing doctor's order and/or prescriptions on file. Nursing services that are delivered "as needed" are not eligible for reimbursement through the SEMI program.

Practitioner Qualifications:

Direct Health Services: Nursing services can be provided by a registered professional nurse (RN) or a licensed practical nurse (LPN) licensed by the New Jersey Board of Nursing under the supervision of a licensed RN.

"Under the direction of": Services by an LPN must be provided "under the direction" of a supervising licensed RN or licensed or otherwise legally authorized physician or dentist. The LPN's supervisor must sign the monthly-related service documentation form or approve the logs of the non-SEMI-qualified LPN in EDPlan.

Record Retention

The LEA **must** retain the following documentation:

- New Jersey State license – a copy of the actual license issued to the RN or LPN. A printout of the New Jersey Department of Consumer Affairs License Verification website **does not** meet the [record retention](#) requirement.
- The license that is valid at the time of the provided service must be maintained with the service documentation or IEP.
- All records must be retrievable and made available upon audit.

7.7 Occupational Therapy

In the school setting, occupational therapists address the physical, cognitive, psychosocial, and sensory components of a student's needs. A SEMI-qualified occupational therapist holds both a New Jersey Department of Education Occupational Therapist certificate and an active license issue by the New Jersey State Occupational Therapy Advisory Council. Evaluations, referrals, and direct health services provided by a SEMI-qualified occupational therapists can be submitted for reimbursement. Additionally, direct health services provided by a Certified Occupational Therapist Assistant (COTA), working under the direction of a SEMI-qualified supervisor, are reimbursable through the SEMI program.

Practitioner Qualifications:

Evaluations - Valid SEMI evaluations and/or referrals for occupational therapy must be prepared by a provider who holds both an active license from the New Jersey State Occupational Therapy Advisory Council and the New Jersey Department of Education School Occupational Therapist certificate. Evaluations and/or referrals conducted by an individual working "under the direction" of a SEMI-qualified Occupational therapist are not eligible for reimbursement nor are direct health services provided based upon that evaluation/referral.

Direct Health Services - Reimbursable direct services may be provided by an active SEMI-qualified occupational therapist holding both the license from the New Jersey State Occupational Therapy Advisory Council and the New Jersey Department of Education School Occupational Therapist certificate or a Certified Occupational Therapist Assistant (COTA) working "under the direction" of a SEMI-qualified occupational therapist.

"Under the Direction of" – Individuals licensed as Certified Occupational Therapist Assistants (COTAs), by the New Jersey State Occupational Therapy Advisory Council, may provide reimbursable direct health services. The supervising SEMI-qualified occupational therapist must sign the monthly-related service documentation form or approve the logs of the non-SEMI-qualified COTA in EDPlan. Only health-related direct services are eligible for reimbursement when provided "under the direction" of a COTA who is supervised by a SEMI-qualified occupational therapist. Evaluations and/or referrals conducted by a COTA do not meet program requirements and neither the evaluation/referral nor the health services provided based on that evaluation/referral are eligible for SEMI reimbursement.

Record Retention

The LEA **must** retain all the following documentation:

- Department of Education School Occupational Therapist certificate – copy of the paper certificate issued before May 14, 2015, or the screen print of certificate issued after May 15, 2015
- New Jersey State license – a copy of the actual license issued to the licensee by the New Jersey State Occupational Therapy Advisory Council. A printout of the New Jersey Department of Consumer Affairs License Verification website **does not** meet the [record retention](#) requirement.
- The certification and/or license that is valid at the time of the provided service (either health service or health-related evaluation/referral) must be maintained with the service documentation or IEP.
- All records must be retrievable and made available upon audit.

7.8 Physical Therapy

In the school environment, physical therapists are responsible for assisting students to improve their strength, balance, coordination and/or mobility so students can access the school environment. Services provided by SEMI-qualified physical therapists and physical therapy assistants working under the direction of a SEMI-qualified supervisor are reimbursable through the SEMI program. A SEMI-qualified physical therapist holds an active license from the New Jersey State Board of Physical Therapy Examiners and a School Physical Therapist certificate from the New Jersey Department of Education.

Practitioner Qualifications:

Evaluation – For an evaluation to be reimbursed through the SEMI program, the evaluation must be conducted by a physical therapist who has an active license from the New Jersey State Board of Physical Therapy Examiners and a School Physical Therapist certificate issued by the New Jersey Department of Education. Evaluations and/or referrals conducted by a physical therapist working “under the direction” of another physical therapist are not eligible for reimbursement nor are direct health services provided based on that evaluation.

Direct Health Services – Physical therapy direct health services may be provided by a physical therapist with an active license from the New Jersey State Board of Physical Therapy Examiners and a School Physical Therapist certificate issued by the New Jersey Department of Education or by a licensed physical therapist assistant working supervised by a SEMI-qualified physical therapist. The New Jersey State Board of Physical Therapy Examiners as a physical therapist assistant must license the physical therapist assistant.

“Under the Direction of” – Direct health services provided by a physical therapist assistant under the direct supervision of a licensed physical therapist are eligible for reimbursement when certain conditions are met. “Direct supervision” requires the supervising physical therapist to be 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 monthly-related service documentation form or approve the logs of the non-SEMI-qualified physical therapist in EDPlan. Evaluations, assessments, referrals, or annual reviews prepared by a licensed physical therapy assistant are not eligible for reimbursement through the SEMI program.

Record Retention

The LEA **must** retain all the following documentation:

- Department of Education School Physical Therapy certificate – copy of the paper certificate issued before May 14, 2015; screen print of certificate issued after May 15, 2015
- New Jersey State license – a copy of the actual license issued to the licensee by the New Jersey State Board of Physical Therapy Examiners. A printout of the New Jersey Department of Consumer Affairs License Verification website **does not** meet the [record retention](#) requirement.
- The certification and/or license valid at the time of the provided service (either health service or health-related evaluation/referral) must be maintained with the service documentation or IEP.
- All records must be retrievable and made available upon audit.

7.9 Psychological Counseling

Psychological counseling, in the school setting, includes the assessment of a student's mental health, learning and behavior and the formulation of recommendations for therapy and support to assist the student succeed academically, socially, behaviorally, and emotionally at school, home and in the community. A SEMI-qualified school psychologist holds a New Jersey Department of Education School Psychologist certificate.

Non-reimbursable Services:

Crisis intervention, guidance counseling, drug counseling/treatment, or other similar services provided on an ad hoc basis and not specified in the IEP are not reimbursable under the SEMI program.

Practitioner Qualifications:

Psychological counseling may be provided by individuals licensed or otherwise authorized to provide psychological counseling by New Jersey law and or the State Board of Social Workers and certified by the Department of Education. School certified psychologists meet this criteria.

“Under the Direction of” – Unlicensed individuals cannot to be set up “under the direction” of another supervising SEMI-qualified school psychologist.

Record Retention

The LEA **must** retain the following documentation:

- Department of Education School Psychologist certificate – copy of the paper certificate issued before May 14, 2015; screen print of certificate issued after May 15, 2015.
- All records must be retrievable and made available upon audit.

7.10 Psychotherapeutic Counseling

A school social worker supports a student, family, or group to address the emotional, mental, and physical well-being of the student. A SEMI-qualified social worker holds a New Jersey Department of Education certificate.

Non-reimbursable Services:

Crisis intervention, guidance counseling, drug counseling/treatment, or other similar services provided on an ad hoc basis and not specified in the IEP are not reimbursable under the SEMI program.

Practitioner Qualifications:

Psychotherapeutic counseling may be provided by individuals certified by the Department of Education. School certified social workers meet this criteria.

“Under the Direction of” – Psychotherapeutic counseling services cannot be provided “under the direction of” a supervising SEMI-qualified social worker.

Record Retention

The LEA **must** retain the following documentation:

- Department of Education School Social Work certificate – copy of the paper certificate issued before May 14, 2015; screen print of certificate issued after May 15, 2015.
- All records must be retrievable and made available upon audit.

7.11 Specialized Transportation Services

Specialized transportation services include transportation to receive Medicaid approved school-based health services. This service is limited to transportation of an eligible child to receive health-related services as listed in a student's IEP.

The specialized transportation service is Medicaid reimbursable if:

1. Provided to a Medicaid-eligible student;
2. Student has an IEP that is valid on the dates of service;
3. Student received health-related services of either audiology, occupational therapy, physical therapy, speech, nursing, or psychological counseling as indicated in his/her IEP on the date for which transportation is claimed; and
4. The LEA incurs the cost of the transportation service.

Specialized transportation services are defined as transportation that requires a specially equipped vehicle, or the use of specialized equipment to ensure a child is taken to and from the child's residence to school or to a community provider's office for IEP health-related services. Specialized transportation service is reimbursable if it is:

1. Transportation provided by or under contract with the LEA, to and from the student's place of residence to the school where the student receives one of the health-related services covered by SEMI; or
2. Transportation provided by or under contract with the LEA, to and from the student's place of residence to the office of a medical provider, who has a contract, with the school to provide one of the health-related services covered by SEMI; or
3. Transportation provided by or under contract with the LEA, from the student's place of residence to the office of a medical provider, who has a contract with the school, to provide one of the health-related services covered by SEMI and returns to school.

For reference, these are some examples that could be listed on IEPs for specialized transportation. Each of these examples should be supported by justification based on health-related reasons:

1. Bus with a lift
2. Door-to-door assistance
3. 1:1 Transportation Aide

4. Car seat required
5. Harness
6. Air-conditioned transportation

When claiming transportation costs as direct services, each LEA will be responsible for maintaining written documentation, such as a trip log, for individual trips provided. No payment will be made to parents providing transportation.

A Special Services School District (SSSD) cannot submit claims for specialized transportation.

LEAs cannot submit specialized transportation claims for students attending a SSSD or DCF campus.

Each provider intending to receive transportation reimbursement must maintain records, which fully document the basis for all claims for specialized transportation services and corresponding health-related justification. A sample specialized transportation trip log is available on the State's website ([SEMI Documentation](#)).

7.12 Speech Therapy

In the school setting, speech therapists help students with language and communication skills. Unlike the other direct health services covered in the SEMI program, there is a difference in the credentials required to conduct an evaluation and refer a student for speech services and the credentials required to either provide and/or supervise the provision of speech services. Only licensed physicians or speech therapists with a Department of Education Speech Language Specialist certification (certification) and a license from the New Jersey Audiology and Speech Language Advisory Commission (license) can conduct evaluations and/or referrals that are reimbursable through the SEMI program. Speech therapists with a DOE certification and a State license are deemed SEMI-qualified for the provision of speech services. An American Speech-Language-Hearing Association (ASHA) Certificate of Clinical Competence can substitute for the State licensure for the providing SEMI qualified speech services. Speech services may be provided “under the direction of” a supervising SEMI-qualified speech therapist.

Practitioner Qualifications:

Note: Practitioner qualifications differ for health-related evaluations and for direct services as described below.

Evaluation/Referral for Speech Services: The evaluation and/or referral for speech services must be completed by either a licensed physician or a provider with both a license from the New Jersey Audiology and Speech Language Advisory Commission and a Speech Language Specialist certification from the New Jersey Department of Education. Providers with an American Speech-Language-Hearing Association (ASHA) Certificate of Clinical Competence, but not a license from the State, cannot provide evaluations and/or referrals, which will be reimbursed by Medicaid. Any referrals for services provided by professionals not meeting these requirements will not be reimbursed through the SEMI program.

Direct Health Services: Speech services provided to students will be considered for Medicaid reimbursement when the services are provided by a practitioner who meets the conditions of one of the scenarios detailed below:

- A. Certified or endorsed by the Department of Education* and holds an American Speech-Language-Hearing Association (ASHA) Certificate of Clinical Competence

- OR -

- B. Certified or endorsed by the Department of Education* and holds a valid license authorized by the State Audiology and Speech-Language Pathology Advisory Committee.

** Provisional certifications are not permissible for use in the SEMI program.*

“Under the Direction of”: Speech services can be provided to student by individuals that meet the minimum qualifications for a Department of Education Certification as a Speech Language Specialist as long as that individual is working “under the direction” of an ASHA-certified or licensed speech provider for SEMI purposes.

Record Retention

The LEA **must** retain the following documentation, as applicable, to each individual speech provider:

- American Speech-Language-Hearing Association (ASHA) Certificate of Clinical Competence (when applicable) – a copy of the certificate valid at the time of the services delivered.
- Department of Education Speech Language Specialist certification – a copy of the paper certificate issued before May 14, 2015; screen print of certificate issued after May 15, 2015.
- New Jersey State license – a copy of the actual license issued to the licensee. A printout of the New Jersey Department of Consumer Affairs License Verification website **does not** meet the [record retention](#) requirement.
- The New Jersey Audiology and Speech Language Advisory Committee license and the New Jersey Department of Education Speech Language Specialist certification valid at the time of the health-related evaluation/referral must be maintained with the service documentation or IEP.
- All records must be retrievable and made available upon audit.

SECTION 8: MEDICAID ADMINISTRATIVE CLAIMING (MAC) PROGRAM

The MAC program is designed to reimburse some of the costs associated with LEA-based health and outreach activities; costs that are not reimbursable under the SEMI/FFS program.

Some of these activities include assisting family and State outreach with:

- Access to the Medicaid program
- Facilitating an application for Medicaid
- Care planning and coordination for Medical/Mental Health Services
- Client assistance to access Medicaid Services
- Program planning, policy developing, and monitoring of Medicaid Services

To receive reimbursement from a MAC financial claim, each LEA must:

1. Submit salary and benefit data as financial documentation by the established program deadline;
2. Submit a Certified Public Expenditures (CPE) form electronically signed by an individual with signatory authority, to be retained on file; and
3. Certify that all reported financial data is accurate.
4. LEA must have an active Medicaid Provider Number, which has been shared with PCG and the State

LEAs are not permitted to report costs associated with the provision of ESY services in a MAC financial report.

All these items must be completed, in the PCG Claiming System. If the SPL is not certified for a time study period, the LEA is not eligible to complete the MAC financial report and will not receive a MAC reimbursement.

MAC Record Retention

Participating districts are required to maintain all cost data, salary detail, and staff/personnel data submitted as part of its quarterly financial submission for a MAC reimbursement. All records must be retrievable and made available for audit purposes.

SECTION 9: ANNUAL COST SETTLEMENT

The cost settlement process is used annually in the State of New Jersey to ensure that LEAs are accurately reimbursed for the costs of providing medically related, school-based services. The cost settlement process accomplishes this through a “retrospective cost based” approach that compares interim reimbursements to reported annual expenditures. This process requires LEAs to demonstrate that the interim reimbursements paid for school-based services accurately reflects the actual cost of providing medical services.

The cost settlement process requires each LEA to submit an annual cost report after the close of the fiscal year. If an LEA’s actual expenditures exceed the amount received in interim reimbursement payments, the LEA will receive a settlement. For LEAs with actual expenditures less than the amount received in interim reimbursements, they may need to return the difference.

LEAs demonstrate actual costs through completion of the following program requirements outlined in Sections 9.1 through 9.4.

9.1 Staff Pool List (SPL)

The SPL is composed of all the staff, both administrative and qualified professionals, which an LEA identifies as involved in the provision of health services covered by the SEMI program. The SPL is used to determine which staff are eligible for the RMTS and allows LEAs to claim a portion of salary and benefit costs for individuals listed in the Staff Pool List for that quarter. The SPL must be certified prior to the start of each time study period, by the established deadlines.

Each SPL participant is required to have a unique, valid email address in the Claiming System, where the SPL is created and certified. If an LEA cannot provide a valid email address for each SPL participant, that participant must be removed from the SPL and the LEA will be unable to claim costs for said individual. LEAs will only be able to report costs for staff included on the SPL.

9.2 Random Moment Time Study (RMTS)

RMTS is used to calculate direct medical service costs and assists in determining potential reimbursement for each district. The RMTS is a five-question online survey administered quarterly to a subset of staff who have been submitted on the LEA staff pool list. It is crucial that staff participate, as costs can only be claimed for RMTS participants.

The RMTS periods reflect the regular school year working calendar for the LEA:

- August through December
- January through March
- April through June

SPL participants are eligible to receive moments starting the first regular staff work day of the school year.

If selected for a moment, participants will be asked to respond to what they were doing at a particular minute in time. These are to be completed regardless of whether the participant was working at that moment or not. Participants will be reminded of upcoming moments no more than two (2) days prior to the prescribed moment. If the RMTS survey is not completed at the prescribed moment, the participant receives a late notification email twenty-four (24) hours after their selected moment. The RMTS survey will be available up to two (2) business days after the prescribed moment to ensure accuracy.

RMTS is a statewide compliance percentage that gets applied to claims received by all participating LEAs. The RMTS benchmark is 90% each quarter and must be met to produce a valid claim. It is important that this compliance rate is met every quarter, as the RMTS results are used in a calculation known as the "direct medical percentage". To help district's compliance percentages, districts can run the Compliance Report on the PCG Claiming System to determine if past moments have been responded to or if they are still outstanding.

9.3 District Calendars

At the start of each time study period, LEAs must complete a calendar listing all scheduled staff days off for that respective period. The calendar, which includes the start and end time of their school day, will be used when drawing the RMTS sample. LEAs should set up work shifts for specific times or dates to reflect staff work schedules at each of the LEA's facilities. The LEA is required to complete the August through December calendar to accurately reflect the first working day of the regular school year. This will help make sure that staff are not selected for moments outside of the school and staff work schedule.

The list of this academic year's statewide holidays, for which no health-related services will be submitted for fee-for-service reimbursement, is in on the State's SBHS website ([SEMI Documentation](#)).

9.4 Annual Cost Settlement Report

LEAs submit an annual cost report after the close of each fiscal year to receive or retain reimbursement for services rendered. Actual costs of providing Medicaid-covered health-related services are compared to Medicaid reimbursement received. If costs exceed the reimbursement, the LEA receives a settlement; conversely, if reimbursement exceeds costs, the LEA pays back the difference. Several factors are included in the determination of LEA costs: salaries, benefits, and other related expenditures for participating direct service staff; the Indirect Cost Rate (ICR) and the statewide direct service RMTS percentage.

Below are the nine CMS-approved cost and data elements used to determine Medicaid costs for Direct Medical Services:

Figure 9: CMS-approved cost and data elements

1. Salary costs for eligible SEMI service providers employed by LEAs
2. Benefit costs for eligible SEMI service providers employed by LEAs
3. Contractor costs for eligible SEMI service providers
4. Approved Direct Medical Service Material and Supply costs
5. Depreciation costs for Approved Direct Medical Service Materials and Supplies
6. Random Moment Time Study (RMTS) Percentage Results (pre-populated by PCG)
7. Approved Private Schools for Students with Disabilities Contracted Costs
8. LEAs Indirect Cost Rates (ICR) (pre-populated by PCG)
9. Individualized Education Program (IEP) Ratio (pre-populated by PCG)

LEAs are required to report gross expenditures and then properly reduce expenditures for funds paid from other federal funding sources.

LEAs are not permitted to report costs associated with the provision of ESY services in an Annual Cost Report.

SECTION 10: ROLES AND RESPONSIBILITIES OF STATE AGENCIES AND VENDOR, PUBLIC CONSULTING GROUP (PCG)

NEW JERSEY DEPARTMENT OF THE TREASURY:

- Researches and resolves fiscal issues for LEAs.
- Provides assistance with SEMI and Medicaid Administrative Claiming (MAC) reimbursement payments.
- Facilitates signing of Memorandum of Understanding (MOU) for SEMI/MAC program by all parties.
- Provides policy guidance.
- Maintains SEMI/MAC public website.
- Serves as Contract Manager on behalf of the State of New Jersey.

NEW JERSEY DEPARTMENT OF EDUCATION:

- Provides policy and guidance.
- Coordinates the process and maintains documentation (LEA Statement of Assurances and Approved Board Minutes) for Board of Education approval for participation by LEA (see sample at [SEMI Documentation](#)).
- Facilitates pre-enrollment process by the LEA for participation in the SEMI program.
- Issues annual SEMI reimbursement revenue projections.
- Approves alternate revenue projections.
- Reviews corrective action plans.

NEW JERSEY DEPARTMENT OF HUMAN SERVICES, DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES (MEDICAID PROGRAM):

- Conducts Medicaid provider enrollment, including issuing Electronic Data Interchange (EDI) Agreement to LEAs for their signature.
- Issues Medicaid provider numbers to LEAs.
- Provides Medicaid technical assistance.
- Communicates requirements of program specifics to ensure that Federal Medicaid regulations are followed.
- Processes and adjudicates claims.
- Provides policy guidance.

**NJ SBHS PROGRAM THIRD PARTY ADMINISTRATOR IN NEW JERSEY -
PUBLIC CONSULTING GROUP (PCG):**

- Receives and processes Billing Agreements (Electronic Data Interchange) from newly Medicaid enrolled LEAs.
- Provides a toll-free Help Desk telephone hotline and email address to provide technical assistance to LEAs regarding SEMI/MAC/Cost Settlement questions
- Manages and hosts EDPlan™ for LEA's electronic service documentation and compliance for the fee-for-service program component of the State's program
 - Conducts Medicaid eligibility verification activities for New Jersey students
 - Provides initial usernames and passwords for LEA providers documenting services within EDPlan
 - Provides system functionality support to service providers for service documentation using EDPlan
- Maintains and hosts PCG Claiming System in supporting various MAC and Cost Settlement program requirements
 - Provides initial usernames and passwords for district administrators
 - Provides training to administrators for reporting and certifying data
- Prepares and submits claims for FFS Medicaid reimbursement, MAC, and Cost Settlement, based on LEA service and compliance documentation, consistent with Medicaid billing requirements
- Supports the State in administering aspects of on-going Medicaid legal and regulatory compliance monitoring and facilitates best-practice sharing across districts
- Complies with all responsibilities outlined in the State Contract

SECTION 11: ACRONYMS TABLE

ASHA	American Speech-Language-Hearing Association
CMS	Centers for Medicare and Medicaid
COTA	Certified Occupational Therapist Assistant
CPE	Certified Public Expenditures
Certification	Department of Education Speech Language Specialist Certification
DCF	New Jersey Department of Children and Families
DMAHS	New Jersey Division of Medical Assistance and Health Services
DOE	New Jersey Department of Education
EDI	Electronic Data Interchange
ERA	Electronic Remittance Advice Agreements
FERPA	Federal Educational Rights and Privacy Act
FFS	Fee-for-Service
HIPAA	Health Insurance Portability and Accountability Act
DHS	Human Services
ICR	Indirect Cost Rate
IEP	Individualized Education Program
IDEA	Individuals with Disabilities Education Act
LPN	Licensed Practical Nurse
LEA	Local Education Agency
MAC	Medicaid Administrative Claiming
MER	Medicaid Eligibility Rate
MCO	Medicaid Managed Care Organizations
MPN	Medicaid Provider Number
MOU	Memorandum of Understanding
NPI	National Provider Identifier
OOE	Office of Education
PCG	Public Consulting Group
RMST	Random Moment Time Study
RN	Registered Professional Nurse
SBHS	School-Based Health Services
SEMI	Special Education Medicaid Initiative
SSSD	Special Services School District
SPL	Staff Pool Lists