

LEC COMMITTEE QUESTIONS FOR DHCS – 11/05/2013 rev. 11-25-13

INTERIM CLAIMING QUESTIONS – *Information needed as soon as possible*

1. Will all current SMAA program guidance for 2013/2014 Interim Claiming be found in the June 2012 SMAA Manual, 2013/2014 DHCS trainings, and 2013/2014 DHCS web postings?

Answer to Question #1: Yes, as well as all applicable Policy and Procedure Letters (PPLs) issued related to the SMAA claiming process and procedures.

2. Please clarify that we are using the 2012-13 manual for interim claiming, and that any changes made to codes etc. listed in the Draft plan are not to be implemented in 13-14.

Answer to Question #2: Yes, 2013-2014 Interim Claiming is based on the 2012-2013 SMAA Manual. The 2013-2014 Draft Manual has not yet been approved.

3. There has been no change to code 4 on the 2013/2014 SMAA Time Survey form. Is code 4 considered Initial Medi-Cal Outreach for 2013/2014 interim claiming?

Answer to Question #2 & #3: Yes, for 2013-2014 Interim Claiming all definitions for all codes remain unchanged from prior years.

4. Has DHCS defined small districts and rural districts in terms of justification? Are there specific objective criteria that must be included in written justification statements?

Answer to Question #4: The definition of Small Rural School District is as follows:

“The total number of students in average daily attendance (ADA) at all of the schools served by the LEA is fewer than 600, or each county in which a school served by the LEA is located has a total population density of fewer than 10 persons per square mile.”

5. When will the 2012 Time Survey grid be revised with the Code 4 changes and also the date on the time survey? We print the time survey grid for training purposes (it's sent to a commercial printer), we need to have it changed quickly.

Answer to Question #5: Any changes related to Code 4 do not take effect until the new manual has been approved. The 2013 Time Survey form is currently on-line at <http://www.dhcs.ca.gov/provgovpart/Pages/SMAATimeSurveyForms.aspx>

6. Is the time survey universe GRID only for the second quarter of 2013/14 or for the entire year?

Answer to Question #6: Submission of an SMAA Participant Universe Grid will be required prior to each quarter in SFY 2013-2014.

7. Are there guidelines regarding blue ink signatures on the SMAA Claiming Unit Participant Universe form?

Answer to Question #7: There are no requirements that any Interim Claiming or Reasonableness Test Criteria forms be signed in blue ink.

8. Must the time survey pre-approval packages be sent via Acrobat PDF?

Answer to Question #8: Adobe Acrobat PDF is the preferred format.

9. Just to confirm, is a duty statement and a “description of activity code duties” form required for all job classifications listed on the GRID?

Answer to Question # 9: Please see PPL 13-015.

10. Are job classifications of all principals for all grades approved?

Answer to Question #10: Yes, all principals for all grades are approved as long as the 20% limit on Clerical/Administration is maintained.

11. If a district chooses not to time survey for 2nd quarter, but wants to time survey for 3rd quarter, do they still have to comply with the November 25th timeframe? We have a new claiming unit that isn't going to start participating until 3rd quarter and they have a lot of work to do to get ready (i.e. duty statement development etc.) and cannot meet the 25th deadline.

Answer to Question #11: See PPL 13-015. The timeline has been extended to December 2, 2013 for Interim Claiming documents. If the LEA chooses not to time survey for the second quarter, they may time survey for quarter 3 but they will not be able to submit an averaged invoice for 13-14-Q1.

12. If a district opts out of 2013-14 interim claiming are there any repercussions to participating in RMTS in 2014-15?

Answer to Question # 12: Yes, because LEAs will need to average the first quarter of SFY 2014-2015 using the data from the last 3 quarters of 2013-2014.

REASONABLENESS TEST CRITERIA (RTC) QUESTIONS

1. If Teachers - various selected positions (special ed., resource, etc.) is listed on the authorized list why do we still have to submit RTC certs for these positions?

Answer to RTC Question #1: The RTC Certification form shows DHCS that the RTC has been applied to the specific invoice. LEAs are not required to submit Description of Activity Code Duties or Supplemental Description of Activity Code Duties forms for positions that can be classified using the Time Survey Participant Universe Authorized Positions list.

2. The explanation on the CMS64 - Dec. 2011 date was a bit fuzzy but I am hoping that once the list is posted that will help clarify what the actual "deferred" invoice is for each unit.

3. Does DHCS have a list of each invoice initially identified for the deferral? When will the list be posted?

Answer to RTC Question #2 & #3: In order to avoid confusion, the list of deferred invoices will not be posted to the web site but will be made available to each LEC/LGA. LEAs should work with their LEC/LGA to identify the appropriate deferred invoice(s).

4. I am still unclear on the procedure for those districts who were "cleared" from the deferral. At which point do we have to submit RTC certifications?

Answer to RTC Question #4: For districts that were cleared under the original deferral, if the original deferred invoice was paid, DHCS is not requiring repayment for that invoice so the RTC does not apply. However, the RTC process will have to be applied to all remaining invoices regardless if the invoice was paid. If the application of the RTC results in an overpayment, that amount must be repaid to DHCS.

I understand that the certs are due for the "deferred" invoices by 4/30/2014 but, still unclear about the 15 month date and how that plays into when we have to get the remainder of the certs in.

Answer to RTC Question #5: All 2010/2011 invoices and 2011/2012 Q1 and Q2 invoices submitted since the deferral began and that have not been paid are going through a process known as "early claiming." This essentially places all unpaid invoices on hold with respect to the two-year claiming limit. As the 2-year claiming deadline for 11/12 Q3 and Q4 invoices moves closer, those invoices that have not been cleared from the deferral will go on the early claim list as well. All early claimed invoices are in line to be paid once they are released from deferral. There is currently no end date to the early claiming process so, in theory, those invoices can stay on early claim indefinitely. If at some point in the future CMS chooses to impose a deadline, DHCS will make that date available but as of right now there is no end date to the early claim process.

6. What about my LEC invoice and where is the category for that?

Answer to RTC Question #6: If this refers to direct charge LECs, they were exempt from the deferral.

7. I was confused about the question about RTC being sent before revised invoice - I thought it all had to be sent together?

Answer to RTC Question #7: Submitting a complete package with any invoice revisions/corrections is the preferred process. However, if a claiming unit is unsure about any portion of the RTC, they have the option of submitting the RTC form first in order to receive DHCS input prior to making any revisions/corrections. All RTC forms must be submitted electronically through the general SMAA email box at smaa@dhcs.ca.gov All invoice revisions/corrections must be submitted in hard copy format with the appropriate original signatures.

8. The PPL issued for vendor fees has the following statement (emphasis added):

*"Per-person fee reimbursement will be limited to only the **job classifications** that participate in the quarterly Time Study regardless of the number of participants trained. If the application of the RTC resulted in the disallowance of **specific job classifications** from the Time Study, then the vendor fees being claimed for reimbursement must be reduced by a concomitant amount."*

So if there are 5 nurses trained, and 3 nurses ended up in the invoice, there is no disallowance of fees, correct?

Answer to RTC Question #8: In the scenario listed above, there is only a disallowance of vendor fees if one of the 3 staff that actually time study are removed from the invoice due to the application of the RTC or for any other reason.

9. When vendor fees of an amount greater than 15% of the quarterly invoice are claimed, is there specific documentation that could support the quarterly cost on an annual basis? Is there a standard accounting practice that would allow a LEA to properly claim the cost?

For example - A LEA claims \$100,000 during a fiscal year. The vendor fee for the year is \$15,000, and it is paid in the fourth quarter. The district averages for the fourth quarter and claims \$20,000 for the fourth quarter of the year.

The \$15,000 vendor fee is 75% of the fourth quarter claim. The \$15,000 vendor fee is 15% of the total \$100,000 claimed for the fiscal year. The \$15,000 fee is the single vendor SMAA fee claimed for the fiscal year.

Answer to RTC Question #9: The vendor fee calculation is done on an annual basis. The exception would be those claiming units that do not have all quarters deferred in a fiscal year. In the case where all four invoices are not deferred, the fees will be calculated for the

deferred quarter(s) only within that fiscal year. This process applies to invoices through 11/12-4. Beginning with the 12/13 invoices, the vendor fee calculation must accompany each invoice and will be calculated on a quarterly basis. Each claiming unit will use the RTC Vendor Fee form to report fees.

10. What if the vendor charges on a per person fee and some of the participants participate in the time survey process, but only have code 1 on their survey, can the vendor still charge the lea?

Answer to RTC Question #10: The vendor can charge the LEA whatever amount the LEA agrees to but the LEA can only seek reimbursement of fees for costs actually incurred. So, if the staff member is trained and participates in the time survey, the cost is valid as long as all of the requirements for certified public expenditure calculations are met.

11. If a district has already revised an invoice(s) based on the first certification criteria (and the district issued a check to DHCS). First will DHCS notify the LEC if the check has been processed and second should that revised invoice and check be voided and the district will now revise their invoices based on the new RTC criteria. Please explain/advise.

Answer to RTC Question #12: This situation would be handled on a case-by-case basis. The payment for the particular invoice situation listed above would need to be reconciled after the application of the RTC has been applied to the revised invoice.

12. What if: An invoice meets all criteria except the vendor fees are too high....do we fill out the RTC and make note of the vendor fees, attach the time survey results, and wait until DHCS/CMS approves before preparing the revised invoice?

Answer to RTC Question #12: If the invoice meets all RTC criteria except the vendor fee limits, a revised invoice should be submitted along with the RTC Certification form, Time Study Data and any necessary payments to DHCS.

13. What if: A vendor charges \$150 per participant for 10 participants, but 3 participants had no MAA time.....the fees are legitimate, but the participants had no billable time....do we need to adjust the MAA invoice to include fees of \$150 per participant for only 7 people?

Answer to RTC Question #13: See Answer to RTC Question #8.

14. When we prepare the RTC, and adjustments were made to time survey results do we note the year/quarter as "revised"? 10/11-3 R1?

Answer to RTC Question #14: It would only be considered a "revised" invoice if DHCS issued payment for the original invoice. If no payments have been issued, it would be considered a "corrected" invoice.

15. If a job classification has been approved on one quarter's RTC grid/invoice, do we have to go through the same procedure for each subsequent invoice for the same district?

Answer to RTC Question # 15: The RTC must be applied to all invoices submitted during the deferral period.