

SHARS FFY23 Cost Report Ratios

HHSC is distributing this notification to inform School Health and Related Services (SHARS) Local Education Agencies (LEAs) that for the Federal Fiscal Year 2023 (FFY23) SHARS cost reports, there appear to be some significant discrepancies in reported Individualized Education Plan (IEP) ratios compared to the number of unduplicated Medicaid-enrolled children for whom interim claims were submitted and paid.

HHSC implemented requirements for interim claiming of services through [Title 1, Texas Administrative Code §355.8443](#) in response to CMS requirements. Beginning FFY23, participating SHARS providers were required to submit:

- At least one interim claim for each child for each service type provided;
- interim claims for all Personal Care Services (PCS) provided; and,
- interim claims for all eligible specialized transportation trips provided.

A letter with background information regarding changes to group PCS in the SHARS program and additional information about the FFY23 cost report ratios was posted to the [SHARS website](#).

Impact on FFY23 Cost Reports

The numerator of the IEP ratio must include only Medicaid-enrolled students for which at least one interim claim was valid and **paid**, in addition to all PCS and transportation services a student received. **For cost reports containing discrepancies**, HHSC will adjust the IEP ratios for LEAs who reported more Medicaid-enrolled students in the numerator of their IEP ratios than the total number of Medicaid-enrolled students for whom they had paid interim claims and proof of parental consent to bill Medicaid.

Also provided on the [SHARS website](#) is a file that provides, for each SHARS-participating LEA, a comparison of the numerator of the IEP ratio reported in the State of Texas Automated Information and Reporting System (STAIRS), the number of Medicaid-enrolled students for which at least one interim claim was paid, and the number of students for which parental consent was obtained based on the provider submitted Federal and State Statutory Compliance Risk Assessment Form.

Next Steps

Financial examinations of FFY23 cost reports will begin by August 2024. At that time, all LEAs should be prepared to provide information to HHSC in a timely manner when requested.

For questions regarding this notice, please contact the HHSC SHARS staff at (512) 730-7400 or [email us](#).