

SHARS Office of the Inspector General Audit Notice of Repayment

For all Local Education Agencies (LEAs) that submitted a School Health and Related Services (SHARS) cost report for Federal Fiscal Year 2011:

Audit Information

The federal Department of Health and Human Services Office of the Inspector General (DHHS OIG) conducted an audit of the random moment time study (RMTS) methodology used in the SHARS program. The audit was for the Federal Fiscal Year 2011 (FFY2011) period of October 1, 2010, through September 30, 2011. The audit report was issued in August 2017. The DHHS OIG asserted that certain moments captured during the RMTS, primarily for personal care services, were coded in a manner that did not align with federal and state program policies. Therefore, they recommended that the Centers for Medicare and Medicaid Services (CMS) disallow the federal share of the resulting payments that had been made to school districts. This report is available to the public at <https://oig.hhs.gov/oas/reports/region6/61400002.pdf>.

Once the audit report was released, the Texas Health and Human Services Commission Provider Finance Department (HHSC PFD) disputed the findings to CMS and attempted to reach a resolution related to the disallowed RMTS-coded moments. HHSC contended that the coded moments should remain allowable, and there should not be any recoupment of federal dollars. CMS and HHSC were able to resolve some moments that had previously been disputed, which resulted in DHHS OIG recalculating and lowering the disallowance to \$16,287,695. This disallowance is a result of a combination of unallowable reimbursements distributed to 572 LEAs in FFY2011. HHSC continued to dispute that school districts should have funds disallowed, but CMS disagreed. HHSC filed a formal appeal of the disallowance to the DHHS Departmental Appeals Board (DAB). The DAB ruled against HHSC. HHSC requested reconsideration by the DAB of their ruling, but the DAB ruled against HHSC's request for reconsideration. This final ruling exhausted all administrative appeal options and renders the \$16,287,695 disallowance by CMS final.

Next Steps

As a result, each LEA that submitted a SHARS cost report for FFY2011 is required to return the federal share to HHSC so it can be repaid to CMS. Detailed calculations and specific amounts owed by each affected LEA will be communicated separately via email. The LEA will have the following recoupment options: the LEA returns the amount owed, the LEA requests that HHSC offset all future claims payments from the LEA until the amount is recovered, or the LEA may contact HHSC to establish a payment plan. Payment plans are typically required to be established with HHSC within 30 days of receipt of a notice. For the 2011 recoupments specifically, HHSC is extending the deadline to request a payment plan to 6 weeks for the LEAs. If the

LEA opts for a payment plan, the LEA must provide notice to HHSC within 6 weeks from the issuance of this notice.

Federal Fiscal Year 2023 SHARS Settlement REMINDER

As a reminder, LEAs participating in SHARS for Federal Fiscal Year 2023 will receive their settlement notices by December 17, 2024. This is a separate settlement process from the FY2011 recoupments explained above. The timeline for FY2023 will not change and LEAs are required to agree, disagree, or disagree with extension within 30 days.

For questions regarding this notice, please contact HHSC-PFD at ProviderFinanceSHARS@hhs.texas.gov.