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# **School Health and Related Services (SHARS)**

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**Informal Review Information Session  
Presented by HHSC Rate Analysis**

# Cost Report Reconciliation Process

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- Medicaid services provided by school districts in Texas to Medicaid-eligible students are known as School Health and Related Services (SHARS). SHARS allows local school districts, including public charter schools, to obtain Medicaid reimbursement for certain health-related services prescribed by a health professional and documented in a student's Individualized Education Program (IEP).
- Centers for Medicare & Medicaid Services (CMS) requires annual cost reporting, cost reconciliation, and cost settlement processes for all Medicaid SHARS services delivered by school districts.
- The primary purpose of the cost report is to document the provider's costs for delivering SHARS services to reconcile the provider's interim payments received for SHARS services with its actual total Medicaid allowable costs.



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# Cost Report Reconciliation Process

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- The cost reconciliation process must be completed within 24 months of the end of the reporting period covered by the annual SHARS cost report.
- If a provider has not complied with all cost report requirements HHSC will recoup all federal funds issued as interim payments for services delivered during the reporting period.
- The total Medicaid-allowable costs are compared to the provider's interim payments for SHARS delivered during the reporting period, which results in a cost reconciliation.



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# Settlement Notices

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- On December 3, 2021 settlement notices will be issued to all districts that submitted a 2020 SHARS Cost Report and that have complied with all cost reporting requirements.
- Settlement notices are issued via email by Fairbanks LLC ([info@fairbanks.com](mailto:info@fairbanks.com)).
- Settlement notices are issued to inform districts that all HHSC reviews have been completed, any adjustments made are now available for review that a settlement amount has been calculated and is being proposed to the district.



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# Settlement Notices



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## Settlement notices include:

- Instructions
- Deadlines
- Resources/contact information

**ANNOUNCEMENT  
SCHOOL HEALTH AND RELATED SERVICES  
20YY COST REPORT SETTLEMENT  
ACTION REQUIRED BY MM/DD/YYYY**

This announcement serves as the Health and Human Services Commission (HHSC) Rate Analysis Department's (RAD) official notice of the 20YY School Health and Related Services (SHARS) cost report settlement results. Immediate action is necessary and failure to act may impact your Independent School District's (ISD) Medicaid funding.

The 20YY SHARS cost report settlement is available on the State of Texas Automated Information Reporting System (STAIRS) formerly known as the Fairbanks System. The Superintendent, Chief Financial Officer, Business Officer, or other ISD Official with legal authority must coordinate with the SHARS Primary Financial Contact to review the 20YY SHARS cost report settlement. Only a SHARS Primary Financial Contact has access to STAIRS to enter agreement or disagreement on behalf of the ISD Official.

Required Actions

- By **MM/DD/YYYY** - The SHARS Financial Contact along with the ISD Official is required to log on to STAIRS and review Step 8 of the SHARS cost report.
- By **MM/DD/YYYY** - The SHARS Primary Financial Contact must enter agreement or disagreement on behalf of the ISD Official in Step 8 of the SHARS cost report. If agree/disagree is not entered, HHSC will determine the district is in agreement with the cost report settlement and will proceed with payout or recoupment, as appropriate.

To review the report, the following action is required by the SHARS Financial Contact:

- Visit [www.fairbanksllc.com](http://www.fairbanksllc.com) and log in using your name and password;
- Select the "SHARS Cost Report" tab;
- Utilize the drop down function and select the 20YY Cost Report identified as "10/01/20YY through 09/30/20YY";
- Scroll down to Step 8. Adjustments/Reconciliation/Settlement Report; Read the settlement notice and acknowledge settlement notice has been read, and continue to the report page;
- Carefully review the SHARS adjustment report and continue to settlement page;
- Enter information for the Superintendent, Chief Financial Officer, Business Officer, or other ISD Official with legal authority to bind the district;
- Select the appropriate action (e.g. Agree/Disagree)

For assistance regarding SHARS cost report, cost reconciliation and settlement questions please email your request to the SHARS Rate Analyst at [ra\\_shars@hhsc.state.tx.us](mailto:ra_shars@hhsc.state.tx.us).

For assistance with STAIRS please contact the Fairbanks Information Center at: 888-321-1225 or [info@fairbanksllc.com](mailto:info@fairbanksllc.com).



# Step 10

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Step 10 of the SHARS Cost Report is activated once settlement notices are issued. As stated in the settlement notice, districts must log into STAIRS within 30 days of the date of the notice to “Agree” or “Disagree” with the proposed settlement.

Step 10 consists of 3 parts:

1. Settlement Notice
2. Adjustment Report
3. Agree/Disagree Entry

Once the district’s response has been entered it will receive a confirmation notice that includes instructions on how to proceed. The instructions will vary depending on the district’s response.



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# Step 10

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- After the reconciliation period has expired, HHSC will process the payout or recoupment calculated for districts that Agree with their proposed settlement.
- Cost reports that are “Disagreed” to are withheld from payment until an informal review determination has been issued.
- If no response is received from a district within the allotted time frame, the cost reporting system will agree with the settlement amount by default.



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# Informal Review Requests/Process

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- An ISD or the Superintendent, CFO, Business Officer, or other ISD Official with legal authority who disagrees with the adjustments made during the cost reconciliation process has the right to request an informal review of the adjustments.
- If a district does not submit an informal review request, no action will be taken as a result of its “Disagree” response.
- A “Disagree” response reflects a disagreement with the contained data. It is not an opportunity to submit additional claims material.
- The Informal Review period for the 2019 – 2020 Cost Report will begin on December 6, 2021



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# Informal Review vs Cost Report Correction

- Cost Report Correction Request Instructions
  - Corrections may be made up to 60 days after the original due date of the cost report (4/2 – 5/31).

To make a correction to a cost report:

- Scan and send a written district-initiated correction request to [ra\\_shars@hhsc.state.tx.us](mailto:ra_shars@hhsc.state.tx.us)
- Correction requests must be on district letterhead, dated and signed by the Financial Contact.
- Correction requests must be notarized.
- Requests should include:
  - District Name
  - District NPI and TPI
  - Year of the cost report in need of correction
  - Brief description of the issue/correction
  - Length of time needed to complete the revisions



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Intent to Enter Specialized Transportation Expenses

Do you intend to report Specialized Transportation Expenses?

No

# Informal Review Requests/Process

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## TAC Rule §355.110

- **HHSC Rate Analysis must receive a written request for an informal review by hand delivery, United States (U.S.) mail, or special mail delivery no later than 30 calendar days from the date on the written notification of the adjustments.**
  - If the 30th calendar day is a weekend day, national holiday, or state holiday, then the first business day following the 30th calendar day is the final day the receipt of the written request will be accepted.
  - HHSC Rate Analysis will extend this deadline if it receives a written request for the extension by hand delivery, U.S. mail, or special mail delivery no later than 30 calendar days from the date of the written notice of adjustments.
  - **A request for an informal review or extension that is not received by the stated deadline will not be accepted.**
- The request must include a concise statement of the specific actions or determinations being disputed, the ISD's recommended resolution, & any supporting documentation deemed relevant. It is the responsibility of the interested party to render all pertinent information at the time of its request for an informal review. **A request for an informal review that does not meet these requirements will not be accepted.**
- The written request for the informal review or extension must be signed by an individual legally responsible for the conduct of the interested party. **Informal review requests signed and/or submitted by a district's vendor/third party contractor will not be accepted.**
- Failure to follow these instructions will result in the denial of the district's informal review request. If a district's request is denied, HHSC will proceed with the settlement as if the district had "Agreed."



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# Informal Review Requests/Process

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- Upon receipt of a district's informal review request, HHSC will review the documents submitted and will determine the appropriate course of action.
- Additional information may be requested by HHSC staff.
  - The additional information must be submitted no later than 14 calendar days from the date the district receives the request for additional information.
    - If the 14th calendar day is a weekend day, national holiday, or state holiday, then the first business day following the 14th calendar day is the final day the receipt of the additional information will be accepted.
    - Information received after 14 calendar days may not be used in the informal review written decision unless the interested party receives written approval of the lead staff member to submit the information after 14 calendar days.
    - A request for an extension to the 14-calendar-day due date must be received by HHSC Rate Analysis prior to the 14th calendar day.



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# Informal Review Requests/Process

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- HHSC remains in constant contact with districts while conducting informal reviews.
- Within 30 calendar days of the date a written request for informal review that complies with all requirements is received or the date additional information is due or received, whichever is later, the lead staff member will issue the agency's written decision by email and certified mail.
  - If the 30th calendar day is a weekend day, national holiday, or state holiday, then the first business day following the 30th calendar day is the final day by which the written decision must be sent.



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# Informal Review Requests/Process

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- Districts must sign and submit a new Cost Report Certification Form and Claimed Expenditures Form so that HHSC can process any new settlement amounts resulting from an Informal Review.
- Districts that disagree with the results of the informal review can request a formal appeal.
- Submission of the new forms does not waive the district's right to request a formal appeal.
- The new forms are required in order for HHSC to initiate the settlement payment/recoupment process.
  - If a formal appeal is requested, granted, and a decision is made in favor of the district, any supplemental payment due to the district will be issued separately.



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# Informal Review Requests/Process

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## Formal Appeal Process

If a district does not agree with the informal review decision made by the HHSC Rate Analysis Department, the district has an option to appeal through the HHSC appeal process. Formal appeals are conducted in accordance with the provisions of Chapter 357, Subchapter I of the Texas Administrative Code (related to Hearings under the Administrative Procedure Act). Written requests for a formal appeal from the interested party must be received within 15 calendar days after the interested party receives the written decision. Requests must be sent directly to:

HHSC Appeals Division

Mail Code W-613

P.O. Box 149030

Austin, TX 78714-9030

This written request for a formal appeal must state the basis of the appeal of the adverse action and include a legible copy of the written decision from the informal review. The formal appeal is limited to issues that were considered in the informal review process. See TAC Rule §355.110 for additional appeal details and information.



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# Common Review Requests Items

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1. Direct Medical Services IEP Ratio
2. Specialized Transportation for IEP One-Way Trip Ratio
3. Direct Medical Services Payroll, Benefits, and Taxes Costs
4. Direct Medical Services Other Cost Summary Data
  - Personal Care Services



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# Common Review Requests Items

## Direct Medical Services IEP Ratio

The IEP Ratio is used in the calculation of Medicaid-allowable costs for direct medical services.

### Total Medicaid IEP Students

- Report the unduplicated count of IEP's for Medicaid-eligible students that require one or more direct medical services covered under the Medicaid SHARS program during the cost-reporting period.

### Total IEP Students

- Report the unduplicated count of all IEP's for all students (Medicaid and non-Medicaid) that require one or more direct medical service covered under the Medicaid SHARS program during the cost-reporting period.

Direct Medical Services Individualized Education Program (IEP) Ratio	
00.00.10 Total # of Medicaid students with IEPs requiring direct medical services	12
00.00.11 Total # of students with IEPs requiring direct medical services	12
00.00.12 IEP ratio (item 00.00.10 divided by item 00.00.11)	100%



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# Common Review Requests Items

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## Direct Medical Services IEP Ratio Cont'd

- The IEP ratio is a Medicaid vs. Non-Medicaid student count.
- A student's inclusion in the numerator of the IEP Ratio is not dependent on whether the district billed for Medicaid services provided to the student. Rather, it is dependent on the student's Medicaid eligibility.
- If the student was Medicaid eligible during the reporting period, he or she should be included in the numerator as well as the denominator of the IEP Ratio.
- If the student was not Medicaid eligible during the reporting period, but did have an IEP for one or more direct medical services during the cost reporting period, he or she should only be included in the denominator.



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# Common Review Requests Items

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## Direct Medical Services IEP Ratio Cont'd

### IEP Ratio Supporting Documentation

- Provide a Medicaid eligibility list which includes:
- Medicaid column. For students who are Medicaid, please provide their Medicaid number. For those who aren't, please leave blank.
- Provide the formula/method used to calculate the IEP ratio.
- Ensure LD-only students are not included in the ratio.



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# Common Review Requests Items

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## Specialized Transportation for IEP One-Way Trip Ratio

- Transportation services are available to Medicaid-eligible recipients under the age of 21 years, who are eligible for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) services and for whom the services are medically necessary.

### **Total number of one-way trips for Medicaid students with IEP's requiring specialized transportation services**

- Report the total number of specialized transportation one-way trips during the cost-reporting period. Medicaid reimburses on the basis of one-way trips on days when medical services were delivered pursuant to an IEP.

### **Total number of one-way trips for students with IEP's requiring specialized transportation**

- Report the total number of specialized transportation one-way trips during the cost-reporting period for all students (Medicaid and non-Medicaid) whose IEP's require specialized transportation services.



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# Common Review Requests Items

## Specialized Transportation for IEP One-Way Trip Ratio Cont'd

- The one-way specialized transportation trips provided on a day when medical services pursuant to an IEP were provided divided by the total number of one-way specialized trips.
- One-way trip ratio = (total one-way trips for Medicaid students with IEP's requiring specialized transportation services)/(total one-way trips for all students with IEP's requiring specialized transportation services).

Specialized Transportation Services <u>One-Way Trip Ratio</u>	
00.00.13 Total number of <u>one-way trips for Medicaid students</u> with IEPs requiring specialized transportation services	71,026
00.00.14 Total number of <u>one-way trips for students</u> with IEPs requiring specialized transportation	150,409
00.00.15 One-Way Trip Ratio (item 00.00.13 divided by item 00.00.14)	47.22%



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# Common Review Requests Items

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## Specialized Transportation for IEP One-Way Trip Ratio Cont'd

### One-Way Trip Ratio supporting documentation

Provide actual trips logs with the following elements:

1. Signature on each log, dated in the appropriate month/year
2. Route name/number
3. District name
4. Logs need to be from the cost report period (October 2019 - Sept 2020), anything outside of these dates cannot be included in ratio
5. Provide documentation or confirm that another direct medical service was provided the same day as each trip (needs to be available in the event of an audit)
6. Provide a Medicaid eligibility list which includes:
  - Medicaid column for students who are Medicaid eligible
  - For students who are not Medicaid eligible, please leave blank
  - Provide a column that indicates whether or not the student required specialized transportation



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# Common Review Requests Items

## Direct Medical Services Payroll, Benefits, and Taxes Costs

The provider is required to maintain the requested employee information, payroll and benefits, and federal funding reduction information for each individual employee and contracted staff delivering covered services during the reporting period. Report the requested information by type of service provided (i.e., audiology & hearing services).

Provider Category	Number of Employees (headcount)	Number of Contractors (headcount)	Employee Hours	Contractor Hours	Gross Salaries	Contractor Payments	Employer-Paid Retirement	Employer-Paid FICA	Employer-Paid Medicare	Federal Funding Amount	State Unemployment (Payroll Taxes or Reimbursing Employer Costs)	Federal Unemployment	Worker's Compensation Costs (including Self-Insurance Costs)	Child Day Care	Dental Insurance	Disability Insurance	Health Insurance	Life Insurance	Other Benefit	
Audiologist	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Audiology Assistant	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Counselor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Delegated Nursing	1	0	1,011.17	0	\$18,201	0	\$410	0	\$264	0	0	0	0	0	0	0	0	\$8	0	0
LVN & LPN	4	0	6,592.15	0	\$118,659	0	\$2,492	\$0	\$1,677	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,957	\$0	\$0
RN & APN	1	0	1,539.17	0	\$46,175	0	\$1,174	\$0	\$626	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,708	\$0	\$0
Occupational Therapist	0	1	0	1,097.37	0	\$41,700	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Occupational Therapy Assistant	0	2	0	3,325.56	0	\$76,488	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Personal Care Services	31	1	53,973.92	1,941.35	\$1,142,661	\$44,651	\$31,374	\$0	\$11,800	\$275,098	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$69,262	\$0	\$0
Physical Therapist	0	1	0	729.63	0	\$23,348	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Physical Therapy Assistant	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Physician	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Psychologist	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Speech Pathologist	2	0	2,878.47	0	\$109,382	0	\$3,144	\$0	\$1,545	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16	\$0	\$0
Speech Pathologist Assistant	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0



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# Common Review Requests Items

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## **Direct Medical Services Payroll, Benefits, and Taxes Costs Cont'd**

Per TAC Rule §354.1342(8), districts must bill for each cost category for which it intends to seek reimbursement through the annual cost report. All associated costs will also be disallowed if the cost category is not billed for at least once.



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# Common Review Requests Items

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## Direct Medical Services Payroll, Benefits, and Taxes Costs Cont'd

Documentation includes but not limited to:

- Accounting ledgers
- Journals
- Invoices
- Timecards
- Payrolls
- Insurance policies
- Organizational charts
- Time studies
- Functional job descriptions
- Verification of credentials work papers used in the preparation of the cost report, trial balances, and cost allocation spreadsheets.



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# Common Review Requests Items

## Direct Medical Services Other Cost Summary Data

### Direct Medical Travel and Required Continuing Education

- Direct medical services required continuing education is allowable for professional staff for licensure and/or certification required to perform direct medical services. Allowable expenditures include training and continuing education seminars, travel and other staff cost to maintain professional licensure and/or certification. Allowable staff travel expenditures include mileage reimbursements, gasoline/oil allowances/reimbursements, cab fare, bus fare, hotel, air fare and other travel reimbursements paid to staff.

### Appendix A

- Appendix A is an all-inclusive list of Medicaid-allowable costs for direct medical services. The list provided in Appendix A includes the only approved materials and supplies. Any request for additional items not included will require CMS approval.



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Cost Category	Direct Medical Travel	Required Continuing Education	Appendix A Other Direct Medical (less than \$5,000)	Other Reductions
	<a href="#">Enter Detail</a>	<a href="#">Enter Detail</a>	<a href="#">Enter Detail</a>	<a href="#">Enter Detail</a>
Nursing Services	0	0	\$773	0
Occupational Therapy (OT)	0	0	\$7,992	0
Personal Care Services	0	0	\$3,239	0
Physical Therapy (PT)	0	0	\$836	0
Speech and Language Services (SLP)	0	0	\$4,458	0

# Common Review Requests Items

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## Direct Medical Services Other Cost Summary Data

### Exclusions to Direct Medical Services Costs

- Personal Care Services (PCS) provider cannot claim continuing education and direct medical travel costs associated with travel for continuing education (hotel, airfare, etc.) as there is no licensure associated with PCS.
- Supplies and materials associated with academics/instruction are not allowable costs under Appendix A.



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# Common Review Requests Items

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## Direct Medical Services Other Cost Summary Data

### Supporting documentation for Appendix A costs

- Invoices
- Purchase orders
- Vouchers
- Canceled checks
- Mileage logs
- Flight logs
- Asset records
- Inventory records



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# Summary



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- Settlement notices will be issued on December 3, 2021
- Districts must complete Step 10 within 30 days of the date printed on the notice
- Informal review requests must be submitted timely and complete or will be denied.



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# Thank you

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**HHSC Provider Finance**

**SHARS Help Line: (512) 730-7400**

**SHARS Mailbox:**

**[providerfinanceshars@hhs.texas.gov](mailto:providerfinanceshars@hhs.texas.gov)**