

## **NOTICE**

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

#### **FFY 2022 Cost Report Settlement Notices: Delay**

**For all Local Education Agencies (LEAs) that submitted a SHARS cost report for Federal Fiscal Year 2022:**

#### **Summary:**

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 period of October 1, 2010, through September 30, 2011, and the audit report was issued in August 2017. The DHHS OIG determined certain moments captured during the RMTS were coded in a manner that did not align with federal and state program policies and recommended that the state refund the federal share of the resulting unallowable reimbursement for that period. This report is available to the public at <https://oig.hhs.gov/oas/reports/region6/61400002.pdf>.

Upon release of the audit report, the Texas Health and Human Services Commission Provider Finance Department (HHSC PFD) worked with its federal oversight partners, the Centers for Medicare and Medicaid Services (CMS), to reach resolution related to the disallowed RMTS coded moments, primarily for personal care services. HHSC PFD contended that the coded moments should remain allowable and there should not be any recoupment of federal dollars. CMS disagreed and issued a disallowance for approximately \$18M.

HHSC filed a formal appeal of the disallowance to the DHHS Departmental Appeals Board (DAB). The DAB upheld the disallowance and denied HHSC's subsequent request for reconsideration.

The result of this decision requires HHSC PFD to recode certain RMTS moments for personal care services and recalculate the statewide RMTS percentage to determine the fiscal impact for the FFY 2022 cost reports in the SHARS program.

*The recalculation will have direct fiscal impacts to FFY 2022 cost reports and those submitted in future years. HHSC PFD does not intend to recoup funds prior to the FFY 2022 cost reporting period (October 1, 2021 – September 30, 2022).*

**To ensure HHSC PFD can complete the analysis related to the total fiscal impact of the audit findings, the FFY 2022 cost report settlements will not be ready for release until further notice.**

#### **Next Steps:**

Once HHSC PFD successfully recalculates the total fiscal impact of the DHHS OIG audit finding, we will be able to release all settlement notices to providers. HHSC PFD hopes to issue FFY 2022 settlement notices before the holidays and will keep LEAs apprised of any updates as they are available.

For questions regarding this notice, please contact the HHSC SHARS staff at (512) 730-7400 or email us at [ProviderFinanceSHARS@hhs.texas.gov](mailto:ProviderFinanceSHARS@hhs.texas.gov). For help with STAIRS, please contact the Fairbanks Information Center at (888) 321-1225 or at [info@fairbanksllc.com](mailto:info@fairbanksllc.com).