



State of New Jersey

DEPARTMENT OF EDUCATION

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January 26, 2016

TO: Chief School Administrators
Charter School and Renaissance School Lead Persons
School Business Administrators
Directors of Special Education

FROM: David C. Hespe, Commissioner

SUBJECT: Special Education Medicaid Initiative FY17 Revenue Projections

In accordance with N.J.S.A. 18A:55-3, school districts are required to maximize their participation in the Special Education Medicaid Initiative (SEMI). The Accountability Regulations at N.J.A.C. 6A:23A-5.3, include programmatic guidelines and standards for local school districts to meet this requirement. The purpose of this memo is to provide additional information on SEMI waiver requirements, SEMI budget requirements, SEMI alternate revenue projection requirements, SEMI action plan requirements for districts that did not maximize SEMI participation in FY15, and SEMI timelines. The Accountability Regulations are located at <http://www.state.nj.us/treasury/administration/pdf/semi-code.pdf>.

Sample revenue projections for FY17 are attached. The district specific projections will be provided to each district by the county office. In addition, this memorandum includes final revenue achieved for FY15 to help districts monitor their progress, assist in the FY17 budget submission (see attachment, *How SEMI Revenue Projections are Calculated for New Jersey School Districts*), and aid in determining if alternate revenue projections or waivers should be considered. **All alternate revenue projections, waiver requests, and action plans must be submitted to the Executive County Superintendent for review and approval in accordance with the timelines listed below.**

SEMI Budget Requirements

In preparation of its annual budget submission to the Executive County Superintendent, each district shall recognize as revenue, no less than 90 percent of the SEMI revenue projection provided by the department (see attachment, *Sample District SEMI Revenue Projection*). This will be entered on line 540, unless the district has received a waiver or submitted an alternate SEMI revenue projection that was approved in the "SEMI support doc" by the Executive County Superintendent.

SEMI Timelines

The SEMI alternate revenue projection must be submitted to the Executive County Superintendent, no later than 45 days prior to the submission of the district's proposed budget, pursuant to N.J.S.A. 18A:7F-5(c) and N.J.S.A. 18A:7F-39. Action plans must be submitted to the Executive County Superintendent as part of the district's proposed budget submission. If applicable, the district may submit a waiver request, only if it has 40 or fewer Medicaid eligible/special education students. The Executive County Superintendent will render a decision on waiver requests within 20 days of receipt of the waiver request.

Note that the due dates for submission of SEMI waivers, SEMI alternate revenue projections, and SEMI action plans could be revised to conform with the state aid notification date that follows the Governor's State Budget Message, pursuant to N.J.S.A. 18A:7F-5(c). Please refer to the 2016 election calendar (to be posted at <http://www.state.nj.us/education/finance/fp/dwb.shtml> when available) for due dates of the proposed budget.

DCH/SM/PM/el/Sp.Ed.Medicaid Initiativememo.doc

Attachments

c: Members, State Board of Education
Senior Staff
Diane Shoener
Peggy McDonald
John Worthington
Michael Mindlin
Elaine Lerner
Jacqueline Grama
Nancy Kuprewicz
Nicole Sumner
Executive County Superintendents
Executive County Business Officials
County Supervisors of Child Study
Garden State Coalition of Schools
NJ LEE Group

SAMPLE DISTRICT SEMI REVENUE PROJECTION

County: **COUNTY NAME**
 District ID: **DISTRICT ID**
 District: **DISTRICT NAME**

FY15 RECAP

Below is an overview of the district’s final FY15 SEMI program performance. An action plan is required for those districts that did not meet at least 90% parental consent response and/or 100% of budgeted revenue by the end of the fiscal year. If any area is listed in red under the “Action Plan Triggers” section below, the district must complete and submit a corrective action plan to the county office, due with the district’s FY17 budget.

Additional financial deadline performance metrics are listed below for districts to identify those areas for improvement, but do not trigger the need for an action plan.

	Program Requirement	First Quarter	Second Quarter	Third Quarter	Final Quarter
Action Plan Triggers	Parental Consent				
	Revenue Achieved %				
Financial Performance	Random Moment Time Study %	N/A			
	Staff Pool List Certification				N/A
	Financial Certification				

A SEMI action plan format is available for the district’s use: [Click to use Action Plan Template](#).

A template of suggested activities for consideration in the Action Plan is available through your county office and/or PCG.

FY17 Revenue Projection

Medicaid-Eligible/Special Education Student Count: **226**

District Projected Revenue: **\$86,087***

District Budgeted Revenue Requirement: **\$77,478****

***FY17 Next Steps**

More than 40 Medicaid-Eligible/Special Ed Student Count:

- Districts projected to have more than 40 Medicaid Eligible/Special Education students for the FY17 school year must participate in the SEMI program
 - These districts must include the district budgeted revenue projection in the FY17 district budget (recorded on revenue line 540 “Medicaid Reimbursement”)
- Districts who have over 40 Medicaid Eligible/Special Education students who have reliable evidence to seek an alternate revenue projection must submit all supporting information to the county office for approval
 - An Alternate Revenue Projection is not a waiver, and districts with an approved Alternate Revenue Projection are still required to fully participate in SEMI program requirements. Attached is a listing of items to consider when developing the alternate revenue projection.

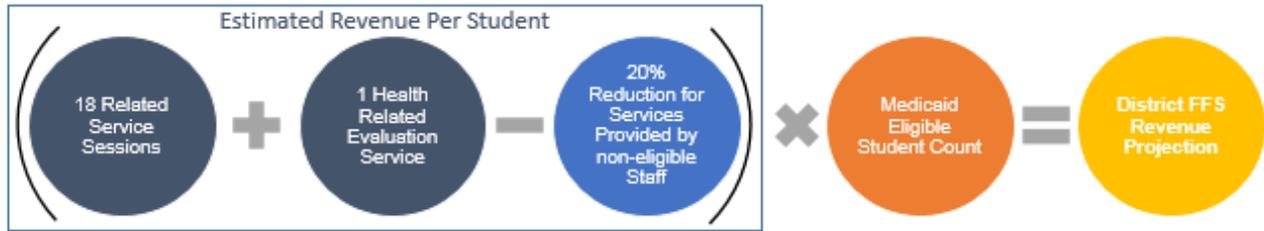
40 or fewer Medicaid-Eligible/Special Ed Student Count:

- Districts that are eligible for a SEMI waiver, including those with a projection revenue of \$0, are required to submit a formal written request accompanied by a board resolution to the Executive County Superintendent in order to be exempt from the SEMI program requirements.

***FY17 Revenue Assumptions**

How SEMI Revenue Projections are Calculated for New Jersey School Districts

The basic formula for budgeting SEMI revenue for FY17 is as follows:



The **Estimated Revenue Per Student** is calculated as follows:

- 18 (eighteen) SEMI eligible health related services per year reimbursed at \$10.85 per date of service.
- 1 (one) health-related evaluation service per year reimbursed at \$313.00 each.
- Reduction for services provided by non-eligible staff.
 - A 20% reduction is provided off the top of the estimated revenue per students to account for student’s case managed by Learning Disability Teacher Consultants (LDTCs).
- Annual Revenue per Student:
 - $(18 \text{ related services} * \$10.85) + (1 \text{ health-related evaluation service} * \$313.00) - (20\% \text{ discount for non-claimable evaluation services } [\$101.66]) = \mathbf{\$406.64 \text{ reimbursement per eligible student}}$

**Note: Since a reduction is accounted for in the projection, additional reductions for LDTCs will not be considered reliable evidence for alternate revenue projection and/or waivers*

The **Medicaid Eligible Student Count** is calculated as follows:

- The Medicaid Eligible Student Count is derived by matching the list of special education students (reported by the district to NJ SMART) to a list of Medicaid eligible students (provided by the state)
- Students showing as a match are added up to determine the total count of Medicaid eligible students from that snapshot in time
 - NJ SMART snapshot used is from Fall 2015 submission

**Note: The count of eligible students is based on district reported data and can fluctuate throughout the year. Disputing the number of Medicaid eligible students will not be considered reliable evidence for alternate revenue projection and/or waiver.*

Additional Assumptions:

- 100% Positive Parental Consent Rate for Medicaid Eligible Students
- All related services and health-related evaluation services delivered by Medicaid qualified providers
 - Qualifications can be found in the SEMI Provider Handbook, available on the State SEMI Website
 - [Link to State SEMI Website](#)
- All related services and evaluation services must be documented in EdPlan™

ITEMS FOR CONSIDERATION FOR WAIVER AND ALTERNATE REVENUE PROJECTIONS

Purpose: This information is being provided to school districts to assist with the development of a request for waiver or submission of an alternate revenue projection in accordance with N.J.A.C. 6A:23A-5.3. This is the same information that will be used by the Executive County Superintendent to review waivers and alternate revenue projections. Please note that the district will have to provide documentation and/or reliable evidence for the items under each requirement, if applicable. A copy of the board resolution must be included with the submitted documents for a waiver request.

1. A district may obtain a waiver of the requirements to maximize SEMI participation upon demonstration that for the subsequent school year the district projects, based on reliable evidence, it will have 40 or fewer Medicaid eligible/special education students or that efforts to participate in SEMI would not provide a cost benefit to the district, based on the revenue projections provided by the department.

- a. Based on reliable evidence, the district will have 40 or fewer Medicaid eligible/special education students for the subsequent school year.
- b. Efforts to participate in SEMI will not provide a cost benefit to the district, based on the revenue projections provided by the department.
- c. It is recommended that districts perform a cost benefit analysis, even if 40 or fewer students are projected, prior to submitting a waiver request.

(Note- Current reimbursement to the district is \$10.85 for eligible related services and \$313.00 for eligible health-related evaluation services.)

2. To submit an Alternate Revenue Projection, a district may seek approval from the Executive County Superintendent to use its own projection of SEMI reimbursement upon demonstration that the numbers it used in calculating the projections are more accurate. Districts that obtain an approved Alternate Revenue Projection are still required to participate in the SEMI program and must meet the approved alternate budgeted amount. The following may be considered reliable evidence:

- a. Students who are eligible for special education and related services but **are not** receiving any of the Medicaid eligible related services described below.

Criteria:

Districts may claim under SEMI when certain related services are delivered to Medicaid eligible/special education students. The related services must be documented in the student's IEP and EasyTrac™/ EasyIEP™ (EdPlan™) and provided by a Medicaid qualified practitioner. The Medicaid-covered related services are limited to the following services:

- Audiology services;
- Nursing services;
- Occupational therapy;
- Physical therapy;
- Psychological counseling; and
- Speech therapy.

The following services are not claimable under SEMI: crisis intervention, guidance counseling, drug counseling/treatment, other similar services provided on an ad hoc basis and not specified in the IEP, education services and associated costs, therapy services not documented in IEPs and services delivered on dates not covered by a valid IEP.

- b. Students who are eligible for special education and related services or eligible for speech language services but **are not** receiving Medicaid eligible services from a Medicaid qualified practitioner.

Criteria:

A Medicaid qualified practitioner is a/an:

- Audiologist licensed by the State Audiology and Speech-Language Pathology Advisory Committee.
 - Physical therapist licensed by the State Board of Physical Therapy Examiners and certified or endorsed by the Department of Education.
 - Occupational therapist licensed by the Occupational Therapy Advisory Council and certified or endorsed by the Department of Education.
 - Speech therapist must be: certified or endorsed by the Department of Education and hold a current Certificate of Clinical Competence by American Speech and Hearing Association (ASHA); or certified or endorsed by the Department of Education and hold a current license issued by the New Jersey Audiology and Speech-Language Pathology Advisory Committee initially received on or after January 1, 1993.
 - Psychologist or social worker certified or endorsed by the Department of Education. *Note- Counseling services provided by a guidance counselor are not claimable under SEMI.*
 - Registered professional nurse (RN) licensed by the New Jersey Board of Nursing.
- c. Students who are eligible for special education and related services for whom your district has received negative SEMI consent (not including “No Response”)

Criteria:

The district must have documentation to account for negative consent.

3. A district may claim for health-related evaluation services which include initial evaluations, reevaluations, and annual review meetings, if the meeting is attended by at least one Medicaid qualified practitioner.

- a. Initial evaluations, reevaluations and annual review meetings that do not include a Medicaid qualified practitioner.

Criteria:

Districts do not claim for individual evaluations provided to students. The date of the IEP meeting memorializes that all individual evaluations are complete in preparing the student’s IEP. Logging the date of the meeting constitutes the claimable evaluation service. Health-related evaluation services that are conducted by a learning disabilities teacher consultant are only claimable if another Medicaid qualified practitioner is present at the meeting, and the meeting date is logged by the qualified provider in EdPlan™, if appropriate. Refer to 2(b) above for the definition of Medicaid qualified practitioner.

4. A district may claim for related services provided by physical therapy assistants (PTAs) certified occupational therapy assistants (COTAs), licensed practical nurses (LPNs), or non-licensed speech therapists, if they meet the “under the direction” requirements.

- a. The district does not have appropriately certified staff members to supervise those that are working “under the direction.”

Criteria:

Physical therapy - “direct supervision” means the physical therapy assistant is in the presence and under the supervision of a certified physical therapist. The licensed physical therapist must sign the related service documentation form or review the services and provide approval in EdPlan™.

Occupational therapy - “supervision” means the responsible and direct involvement of a licensed occupational therapist for the development of an occupational therapy treatment plan and the periodic review of the implementation of that plan. The licensed occupational therapist must sign the related service documentation form or review the services and provide approval in EdPlan™.

Licensed Practical Nurse - “under the direction” requires the supervision of a licensed RN or licensed or otherwise legally authorized physician or dentist to sign the monthly related service documentation form or approve the logs of the Non-SEMI qualified nurse in EdPlan™.

Speech therapy services should be billed to Medicaid only if the related services were provided under the direction of a New Jersey licensed speech therapist or a speech therapist who meets ASHA standards.

“Under the direction” means that the ASHA-certified or NJ licensed personnel:

- Maintains responsibility for the services delivered;
- Sees the student at least once;
- Provides input into the type of care provided;
- Monitors treatment status after treatment has begun;
- Meets regularly with the staff being supervised; and
- Is available to the supervised staff.

The qualified speech therapist must sign the related service documentation form or review the services and provide approval in EdPlan™.

- 5. A district participating in SEMI cannot claim for related services provided to students who attend Special Services School Districts (SSSD) or Department of Children and Families (DCF) campuses. For students attending SSSDs, the sending districts can claim for eligible evaluation services.**

More information on SEMI can be found at the following link:

<http://www.state.nj.us/treasury/administration/pdf/semi-handbook.pdf>

For additional information, contact:

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