



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

CHRIS CHRISTIE  
Governor

KIM GUADAGNO  
Lt. Governor

KIMBERLEY HARRINGTON  
Acting Commissioner

January 17, 2017

TO: Chief School Administrators  
Charter School and Renaissance School Project Leads  
School Business Administrators  
Directors of Special Education

FROM: Kimberley Harrington, Acting Commissioner

SUBJECT: Special Education Medicaid Initiative Fiscal Year 2018 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 maximize participation in SEMI. This memo provides 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 FY 2016, and SEMI timelines.

The New Jersey Department of Education (NJDOE) county offices will provide districts with their individual revenue projection and their final revenue achieved for FY 2016. This information will help districts monitor their progress, assist in the FY 2018 budget submission, and aid in determining if alternate revenue projections or waivers should be considered (see document below, *How SEMI Revenue Projections are Calculated for New Jersey School Districts*). **All alternate revenue projections, waiver requests and action plans must be submitted to the NJDOE's Executive County Superintendent for review and approval in accordance with the timelines below.**

### SEMI Budget Requirements

In preparation of its annual budget submission to the Executive County Superintendent, each district shall recognize no less than 90 percent of the SEMI revenue projection provided by the NJDOE. See document below, *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 and the SEMI waiver request 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 only submit a waiver request if it is projected to have 40 or fewer Medicaid-eligible/special education students for the 2017-18 school year. The Executive County Superintendent will render a decision on waivers within 20 days of receipt of the waiver request.

Note that the due dates for submitting 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 [2017 School Election and Budget Procedures Calendar](#) for due dates of the proposed budget. Action plans must be submitted to the Executive County Superintendent as part of the district's proposed budget submission.

KH/SM/JW/el

### Attachments

c: Members, State Board of Education  
Senior Staff  
Karin Garver  
John Worthington  
Michael Mindlin  
Elaine Lerner  
Fran Leibner  
Jacqueline Grama  
Nancy Kuprewicz  
Nicole Sumner  
Executive County Superintendents  
Executive Directors for Regional Achievement Centers  
Executive County Business Officials  
County Supervisors of Child Study  
NJ LEE Group  
Garden State Coalition of Schools

## Sample District SEMI Revenue Projection

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

### **FY 2016 Recap**

Below is an overview of the district’s final FY 2016 SEMI program performance. An action plan is required for those districts that did not meet at least 90 percent parental consent response and/or 100 percent 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 FY 2018 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
<b>Action Plan Triggers</b>	Parental Consent				
	Revenue Achieved %				
<b>Financial Performance</b>	Random Moment Time Study %	N/A			
	Staff Pool List Certification				N/A
	Financial Certification				

A [SEMI Action Plan Template](#) is available online for the district’s use. A template of suggested activities for consideration in the Action Plan is available through your county office and/or Public Consulting Group (PCG); contact information is at the bottom of this document.

### **FY 2018 Revenue Projection**

Medicaid-Eligible/Special Education Student Count: **226**  
 District Projected Revenue: **\$86,087\***  
 District Budgeted Revenue Requirement: **\$77,478\*\***

### **\*FY 2018 Next Steps**

#### **More than 40 Medicaid-Eligible/Special Education Student Count:**

- Districts projected to have more than 40 Medicaid-Eligible/Special Education students for the FY 2018 school year **must participate** in the SEMI program.
  - These districts must include the district budgeted revenue projection in the FY 2018 district budget (recorded on revenue line 540 “Medicaid Reimbursement”).
- Districts projected to 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. At the end of this memo is a list of items to consider when developing the alternate revenue projection.

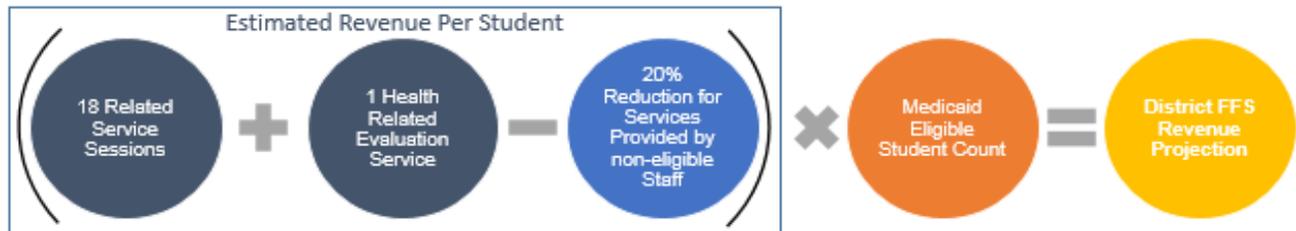
#### 40 or fewer Medicaid-Eligible/Special Education Student Count:

- 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.

#### \*FY 2018 Revenue Assumptions

#### How SEMI Revenue Projections are Calculated for New Jersey School Districts

The basic formula for budgeting SEMI revenue for FY 2018 is as follows:



The Estimated Revenue Per Student is calculated as follows:

- These calculations are based on analysis of past statewide district performance; however, districts are not held to documenting the numbers listed below within a specific fiscal year:
  - 18 (eighteen) SEMI eligible health-related services per year.
  - 1 (one) health-related evaluation service per year.
- Interim reimbursement rates are outlined on each district's individual FY 2018 revenue projection, which are disseminated by the County Offices.
- Reduction for services provided by non-eligible staff.
  - A 20 percent reduction is provided off the top of the estimated revenue per student to account for students who are case managed by Learning Disabilities Teacher-Consultants (LDTCs).
- 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.

\*\*District shall recognize as revenue no less than 90 percent of the SEMI revenue projection.

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 2016 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 percent positive parental consent rate for Medicaid-eligible students.
- All health-related services and health-related evaluation services delivered by Medicaid-qualified providers.
  - Qualifications can be found in the [SEMI Handbook](#).
- All health-related services and health-related 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 if the projection provided by the NJDOE reflects that, for the subsequent school year, the district will have 40 or fewer Medicaid-eligible classified students.**
  - a. Based on the NJDOE's projections, the district will have 40 or fewer Medicaid-eligible classified students for the subsequent school year.
  - b. It is recommended that districts perform a cost benefit analysis, even if 40 or fewer students are projected, prior to submitting a waiver request.
  
- 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 used in calculating the projections are more appropriate given the district's student population and health-related services provided. 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 health-related services but **are not** receiving any of the Medicaid-eligible health-related services described below.

### **Criteria:**

Districts may claim under SEMI when certain health-related services are delivered to special education Medicaid-eligible students. These related services must be documented in the student's Individualized Education Program (IEP) and EdPlan™ and provided by a Medicaid-qualified practitioner. The Medicaid-eligible 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 health-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 who is: certified or endorsed by the Department of Education and holds a current Certificate of Clinical Competence by The American Speech-Language-Hearing Association (ASHA); or certified or endorsed by the Department of Education and holds a current license issued by the New Jersey Audiology and Speech-Language Pathology Advisory Committee.
  - 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, revisions/amendments, and annual reviews, which are memorialized by documenting the date of the IEP meeting as the memorializing date only when health evaluations and assessments were conducted and/or reviewed.**

- a. Initial evaluations, reevaluations, revisions/amendments, 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. Documenting 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 documented 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 health-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-language pathologist or a speech-language pathologist who meets ASHA standards.

“Under the direction” means that the ASHA-certified or New Jersey-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-language pathologist must sign the health-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 (SSSDs) or Department of Children and Families (DCF) campuses. For students attending SSSDs, the sending districts can claim for eligible evaluation services.**

- a. A district can apply for an alternate revenue projection if there are students placed in a Special Services School District who receive their program at that placement. The district may request an alternate revenue projection for the health-related services the student receives at that placement. The reduction should only include the amount of reimbursement for the health-related services that would not be generated for those students.

**More information on SEMI can be found on the [State SEMI Website](#).**

**For additional information, contact:**

- Jacqueline Grama, New Jersey Department of Education, (609) 341-2099, [semi@doe.state.nj.us](mailto:semi@doe.state.nj.us)
- Fran Leibner, New Jersey Department of Education, (609) 984-4955, [semi@doe.state.nj.us](mailto:semi@doe.state.nj.us)
- Nicole Sumner, Public Consulting Group, (609) 275-0250, [njsemi@pcgus.com](mailto:njsemi@pcgus.com)