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To: Board of Education

From: Mitch Taylor

Date: April 3, 2015

Subject: Agenda Item (Section – Consent Agenda)

All Local Education Agencies (LEAs) enrolled as Medicaid providers and participating in LEA Medicaid Administrative Claiming (MAC) are required to have a current written participation agreement. Attached is our participation agreement between Montgomery County Schools and the NC Department of Public Instruction. This agreement must be signed by the Chairman of the Board and the Supertendent.

I will be available to answer any questions you may have.

The resolution is an action item and will require a vote.

NORTH CAROLINA MEDICAID
ADMINISTRATIVE CLAIM PROGRAM

LOCAL BOARD OF EDUCATION PARTICIPATION AGREEMENT

THIS PARTICIPATION AGREEMENT (Agreement) is entered into between the North Carolina Department of Public Instruction (DPI) and the **Montgomery County** Schools Board of Education for the purpose of facilitating the implementation of Medicaid administrative claiming and subsequent reimbursement. This Agreement covers those administrative activities that the **Montgomery County** Schools Board of Education certifies qualify for reimbursement under the Medicaid program as set forth in Title XIX of the Social Security Act. This Agreement also authorizes DPI to transfer to the **Montgomery County** Schools Board of Education those Medicaid administrative reimbursements DPI receives on behalf of the **Montgomery County** Schools Board of Education pursuant to DPI's interagency agreement with the North Carolina Department of Health and Human Services Division of Medical Assistance.

DEFINITIONS. The following definitions apply to this Participation Agreement:

DMA - North Carolina Department of Health and Human Services' Division of Medical Assistance.

FFP - Federal Financial Participation reimbursements due for qualified expenditures under Medicaid.

CMS -United States Department of Health and Human Services' Centers for Medicare and Medicaid Services (the successor agency to the Federal Health Care Financing Administration (HCFA).

LEA - Local education agency, including the Board of Education and its authorized administrators.

Participating LEA - A LEA that has a participation agreement with DPI for purposes of Medicaid administrative claiming and reimbursement.

Medicaid - The health insurance program as set forth in Title XIX of the Social Security Act.

Repayments - Any funds, including penalties and interest, due to a federal or state agency on account of any FFP inappropriately obtained or paid on claims filed under this Agreement.

DPI – Department of Public Instruction.

I. Introduction

A. Interagency Agreement

DMA and DPI have entered into an interagency agreement to facilitate the payment of FFP to **Montgomery County** Schools Board of Education in the State of North Carolina.

B. Purpose

The purpose of this Agreement is to define the responsibilities of DPI and the **Montgomery County** Schools Board of Education (itself and its agents or designees) in the claiming and distribution of FFP, the certification of other funding for use in claiming federal matching funds, the determination of eligible Medicaid administrative claiming services and eligible providers for these purposes, the provision of information regarding procedures, the monitoring and quality assurance of outreach services and the maintenance of this Agreement.

II. Medicaid Administrative Reimbursement Activities

Activities that can be claimed for FFP shall be consistent with those specified in the Public Assistance Cost Allocation Plan and CMS-approved Random Moment Time Study Implementation Plan for the Medicaid Administrative Claim Program.

III. Responsibilities

A. DPI

1. Pursuant to the interagency agreement between DMA and DPI, DPI is responsible for submitting appropriate and accurate claims to DMA for Medicaid administrative costs incurred by participating County Boards of Education. DPI, through this Agreement, hereby delegates and assigns to the **Montgomery County** Schools Board of Education the responsibility for submitting those appropriate and accurate claims to DPI, including the responsibility for developing and executing any time studies upon which the claims are based.

2. DPI agrees to maintain a separate account in the State Treasury for the deposit and disbursement of FFP it receives based upon an allocation of the documented, actual allowable costs for Medicaid administrative activities performed by the **Montgomery County** Schools Board of Education.

1. DPI will distribute FFP to the **Montgomery County** Schools Board of Education when the following conditions are met:

   a. Claims are filed in accordance with the Cost Allocation Plan and Random Moment Time Study Implementation Plan as approved by CMS;

   b. Administrative costs are reimbursed at the applicable FFP rate;

   c. Acceptable procedures are in place to offset federal revenue; and

   d. The Office of Management and Budget Circular A-87 is used for determining and allocating reasonable costs.

2. DPI reserves the right to suspend payment of claims to **Montgomery County** Schools Board of Education if DPI determines that the payments are not due under this Agreement or Medicaid or when directed and as directed by CMS or DMA.

B. The Montgomery County Schools Board of Education

1. The **Montgomery County** Schools Board of Education shall assure the maintenance of records in accordance with federal regulations as specified in 42 C.F.R. § 431.17 and any state requirements that may apply. The Montgomery County Schools Board of Education shall also assure the maintenance of records necessary to fully disclose the extent and nature of administrative activities for a period of five years after reimbursement for services. If an audit has been started, the records shall be retained until the audit is completed and all exceptions are resolved. The Montgomery County Schools Board of Education shall assure that all records are available upon request from DPI, DMA, the State Auditor, CMS, and/or any duly authorized representative for audit purposes. The Montgomery County Schools Board of Education shall also maintain all records in accordance with the Cost Allocation Plan and Random Moment Time Study Implementation Plan as reviewed and approved by CMS and used as the basis for the reimbursement of claims.

2. The **Montgomery County** Schools Board of Education will be responsible for all aspects of any time study process used to substantiate any claims, including: (1) the development and maintenance of the roster of personnel eligible for Medicaid administrative reimbursement; and (2) selection of a statistically valid random sample of participants to complete the time study survey.

3. The **Montgomery County** Schools Board of Education will be responsible to designate an employee as the LEA Coordinator or MAC Program Contact. This single individual is designated within the LEA to

provide oversight for the implementation of the time study and to ensure that policy decisions are implemented appropriately. The LEA must also designate an Assistant LEA Coordinator to provide back up support for time study responsibilities. The **Montgomery County** Schools Board of Education must certify any staff providing services or participating in the time study meet the educational, experiential and regulatory requirements.

4. The **Montgomery County** Schools Board of Education shall assure that LEA personnel are properly trained to complete any time study surveys and shall conduct training sessions for personnel responsible for monitoring local time study compliance requirements as set forth in the Random Moment Time Study Implementation Plan, approved by CMS. Such training shall be designed, developed, and implemented, to assure compliance with Medicaid requirements. Training shall be offered at least quarterly. The **Montgomery County** Schools Board of Education shall submit to DPI quarterly reports on training efforts/findings.

5. The **Montgomery County** Schools Board of Education will provide DPI the claim information necessary to request FFP. The **Montgomery County** Schools Board of Education shall process claims in accordance with federal regulations and submit to DPI within 75 days from the close of the quarter or the date of this Agreement, whichever is later, using a form specified by DPI for administrative costs incurred in the administration of this program. The **Montgomery County** Schools Board of Education may only submit claims for direct costs for employees or contract employees who perform Medicaid administrative activities or, with prior federal approval, for indirect costs claimed under this contract in accordance with federal regulations. In addition, **Montgomery County** Schools Board of Education will submit claims only when:

   a. Sufficient documentation is submitted with the claim to support the amount; and

   b. Administrative costs are claimed at the applicable FFP rate; and

   c. Acceptable procedures are in place to offset federal revenue; and

   d. The Office of Management and Budget Circular A-87 is used for determining and allocating reasonable costs; and

   e. The claims are submitted in accordance with the methodology as specified in the Cost Allocation Plan and Random Moment Time Study Implementation Plan as approved by CMS, including financial data, source information, time study surveys and compliance, and allocation of allowable costs.

6. The **Montgomery County** Schools Board of Education and any designee operating on behalf of the **Montgomery County** Schools Board of Education will send to DPI updates of changes regarding additions and deletions of County Boards of Education (s) participating in the MAC program, new consortiums, or any changes in participation in existing consortiums within 30 calendar days from the date of change.

7. The **Montgomery County** Schools Board of Education, and any designee operating on behalf of the **Montgomery County** Schools Board of Education, will maintain the confidentiality of any client records and eligibility information received from the DMA or DPI and use that information only in the administration, technical assistance and coordination of the administrative claiming function.

8. The **Montgomery County** Schools Board of Education shall certify to DPI the amount of the non-federal share of expenses related to the Medicaid administrative claim.

9. The **Montgomery County** Schools Board of Education will consult with DPI on any disputes or other issues arising out of this Agreement.

10. The **Montgomery County** Schools Board of Education agrees to assist DPI in the proper and efficient administration of the Medicaid outreach program.

11. The **Montgomery County** Schools Board of Education, and any designee, shall adhere to all applicable Medicaid policies and procedures.

12. The **Montgomery County** Schools Board of Education shall ensure that only eligible personnel are reflected in the cost claim.

13. The **Montgomery County** Schools Board of Education shall share information and coordinate activities with County Health Departments, local area Mental Health Programs, and County Departments of Social Services.

14. The **Montgomery County** Schools Board of Education shall train the LEA personnel responsible for financial data collection activities.

15. The **Montgomery County** Schools Board of Education shall certify that all LEA expenditures for which reimbursement is claimed under this Agreement are reimbursable by Medicaid in accordance with the terms of this Agreement.

16. The **Montgomery County** Schools Board of Education shall perform quality reviews of all cost data in accordance with Section V below.

17. The **Montgomery County** Schools Board of Education shall provide to DPI any information that is necessary to respond to any audit exception and shall ensure that audit exceptions are addressed in the manner prescribed by DMA.

IV. Funds Flow

A. Upon receipt of FFP, DPI agrees to distribute to the **Montgomery County** Schools Board of Education the FFP received for claims filed by the **Montgomery County** Schools Board of Education, except as provided for under Section VI below. DPI shall disburse the FFP to the **Montgomery County** Schools Board of Education upon receipt by DPI or as soon thereafter as practicable.

B. The parties understand that distributions under this Agreement are contingent upon the availability of federal and state funds and FFP.

V. SSAE 16 Requirement

The **Montgomery County** Schools Board of Education will require the contractor providing claim reimbursement services to provide an SSAE 16 audit on an annual basis to ensure that the necessary controls, policies and procedures are in place to validate that claims that are filed are in accordance with the methodology as defined in the Cost Allocation Plan as approved by CMS.

VI. Disallowance of Claims; Audit Exceptions

A. DPI will notify the **Montgomery County** Schools Board of Education of receipt of any notification from the federal government regarding deferral or disallowance of any claim made for Medicaid services. DPI shall coordinate the State's response with the **Montgomery County** Schools Board of Education regarding any such notifications within the time limits prescribed by the notice.

B. DPI and the **Montgomery County** Schools Board of Education shall cooperate in preparing appeals of adverse federal audit exceptions, when DPI and the **Montgomery County** Schools Board of Education, or its designee considers an appeal is warranted. If the appeal is successful, any funds withheld as a result of deferrals or disallowances shall be restored to the **Montgomery County** Schools Board of Education upon DPI's receipt of those funds.

C. In the event that CMS disallows any FFP paid to the **Montgomery County** Schools Board of Education or an audit conducted by an agency with oversight responsibility for the Medicaid administrative claims results in a finding that FFP was obtained or paid inappropriately to the **Montgomery County** Schools Board of Education for claims filed under this Agreement and the finding requires repayment of any portion of FFP, then the repayment of such funds, including any

penalties and interest, shall be delivered to DMA following instructions as directed by DMA.

D. Legal Liability for Repayments

The procedures for effecting repayments described in this section shall not affect or diminish the **Montgomery County** Schools Board of Education's legal obligations under this Agreement or liability for breach.

VII. Confidentiality

A. General Obligations to Maintain Confidentiality

1. Names of persons receiving public assistance are confidential, as are the names of children with or at risk of disabilities. Education records of Medicaid-eligible children with or at risk of disabilities are protected by the Family Education Rights and Privacy Act of 1974.

2. The parties agree that they shall not use any information, systems, or records made available to either party for any purpose other than to fulfill the obligations specified herein. The parties agree to be bound by the same standards of confidentiality that apply to the employees of both parties and the State of North Carolina. The terms of this section shall be included in any subcontracts to be executed by either party for work under this Agreement. The parties specifically agree to comply with state and federal confidentiality laws and regulations applicable to the programs under which this Agreement is funded which include, but are not limited to Section 2.31 of P.L. 93-282 and 42 C.F.R. § 431 Subpart F. The **Montgomery County** Schools Board of Education, or any designee acting on behalf of the **Montgomery County** Schools Board of Education is responsible for obtaining copies of all Medicaid rules governing confidentiality. The parties are responsible for assuring compliance with all applicable laws and regulations governing confidentiality by their respective employees and contractors.

B. Exchanges of Confidential Information

When the **Montgomery County** Schools Board of Education, DPI or DMA exchange confidential information:

1. They shall preserve the confidential nature of the information;

2. They may use the confidential information only for the purposes for which it was made available;

3. They must take appropriate steps to safeguard the information; and

4. They must limit access to the confidential information to personnel who require the information to perform their duties or who have statutory authority to access the information.

VIII. Nondiscrimination

The **Montgomery County** Schools Board of Education shall abide by Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX for the Education Amendments of 1972, the Age Discrimination Act of 1975, which prohibit discrimination because of race, color, religion, sex, national origin, ancestry, age, marital status, or physical or mental handicap, and further agree to take affirmative action to ensure that no unlawful discrimination is committed.

IX. Periodic Review

A. Annual Basis

At least once a year the **Montgomery County** Schools Board of Education and DPI shall review the entire Agreement. Such review shall be for the purpose of continuing the Agreement, developing additional agreements and/or including clarifications as may be necessary.

B. Periodic Review

At the request of either party, a formal review may be scheduled to modify, incorporate, enlarge or terminate this Agreement.

X. Change in the Agreement

Any changes to this Agreement shall be subject to interagency discussions, concurrence in writing, and approval, thereafter to be incorporated into this document.

XI. Term of Agreement

This Agreement shall continue in force unless otherwise terminated as provided in Section XII.

XII. Termination

A. Termination For Cause

1. Should either party materially breach any of its obligations under this Agreement, the non-breaching party, upon thirty (30) days written notice to the breaching party, may terminate this Agreement if the breaching party fails to cure such material breach within sixty (60) days of having been notified of a material breach.

2. During the period of notification and cure, the parties remain obligated to continue performing their responsibilities contained in this Agreement.

B. Termination Without Cause

Either party may terminate this Agreement without giving any reason therefore by serving notice in writing to the other party of its intent to terminate 30 days prior to the effective date of the proposed termination.

C. FFP and Claims Pending at Time of Termination

1. Termination by any party with or without cause does not relieve DPI of the responsibility to pay FFP received under this Agreement to the **Montgomery County** Schools Board of Education nor does it relieve DPI of the responsibility to submit claims for periods up to and including the day of termination, provided the FFP is due for claims properly submitted under this Agreement and the claims are properly submitted under this Agreement.

2. Both parties agree that in the event of termination, each party will assist the other in an orderly transition of responsibilities and cooperate fully until such transition has been completed.

XIII. Prohibition of Illegal Acts

Nothing contained herein shall be construed as an agreement to perform any illegal act or to perform any act not permitted to either the **Montgomery County** Schools Board of Education or DPI. In the event this Agreement becomes illegal, it shall be terminated immediately, subject to processing matching fund requests for Medicaid administrative outreach activities performed prior to such termination. Should any portion or portions of the Agreement be found to be illegal, the said portion or portions shall not be construed to render the entire Agreement void, but shall be severed from the Agreement upon such finding.

XIV. Statutes, Laws and Regulations

Nothing contained herein serves to limit, alter or amend either the **Montgomery County** Schools Board of Education's or DPI's duties, rights or responsibilities as set out in the applicable State and federal Statutes, law or regulations.

XV. Effect of Delegation

The delegation of any duties specified in this Agreement shall not relieve a party of its obligations under the Agreement.

XVI. Effective Date of Agreement

This Agreement shall be effective upon signature of the parties.

Montgomery County Schools
Board of Education by:

Chairman of the Board (Date)

Attested by:

Superintendent of (Date)
Montgomery County Schools

North Carolina Department of Public Instruction:

June St. Clair Atkinson (Date)
Superintendent of Public Instruction