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| LOCAL COMMISSIONERS MEMORANDUM |
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DSS-4037EL (Rev. 9/89)

Transmittal No: 92 LCM-148

Date: September 25, 1992

Division: Administration

TO: Local District Commissioners

SUBJECT: Medicaid Funding for Expenditures Relating to Children with
Handicapping Conditions

ATTACHMENTS: A - Prototype Cooperative Agreement Between Social
Services Districts and the Designated Preschool
Agency

(Available On-Line)

The purpose of this LCM is to transmit the attached prototype cooperative agreement and to present procedures necessary for the designated preschool agency to claim Federal Medicaid reimbursement for administrative costs associated with preparing this claim, as detailed in 92-LCM-13. Administrative reimbursement, for claims preparation only, will be available to the designated preschool agency, pursuant to the cooperative agreement, when claimed to social services districts. Pursuant to the provisions of State Social Services Law, only Federal reimbursement is available. The Federal share of the gross administrative cost expended for the preparation of claims for reimbursement will be revenue to the designated preschool agency. It should be noted that reimbursement to State Education Department approved preschools for administrative costs (e.g. billing, clerical support) is not available as it is considered a component of the tuition rate for service.

Social services districts may use this prototype agreement as a model for formulating the required agreement between social services district and the designated preschool agency. Of course, for those social services districts which are the designated preschool agency, no agreement is necessary. Point number 11 in the prototype indicates that no monetary consideration shall be payable by either the social services districts or the preschool agency for performance under this cooperative agreement. This does not preclude the claiming of Federal share administrative costs related to the compilation of claims.

Claims for administrative expenditures incurred by the designated preschool agency, for claims preparation only, should follow a format similar to the DSS-3922 (Financial Summary for Special Projects) which social services districts submit to the Department. A fully allocated cost package may be submitted, including salaries and fringe benefits, directly identified expenditures, and a proportional share of overhead and A-87 costs. Unless staff are fully dedicated to claims preparation, time studies must support the percentage of their time claimed for reimbursement. These costs should be reported by the social services districts to this Department using the DSS-3922, line 8 (Contractual Services). Instructions for filing the DSS-3922 are contained in the Fiscal Reference Manual, Volume II, Chapter 3, page 261. 92-LCM-13 contains instructions for claiming program costs associated with this program.

Social services districts may claim their administrative costs related to this initiative through the normal claiming mechanism (Schedule D-4, Calculation of Medical Assistance Eligibility Determination/Authorization/Payments Cost Shares). The State share of these local district administrative expenditures is deemed to be eligible for exemption to the State cap on administrative expenditures. As such, they should be tracked and identified as an exempt area to be included with the submission of local plans for exemption.

As an update to 92-LCM-13, which indicates that social services districts will be responsible for submission of the DSS-3922 beginning with the 4-6/90 quarter, social services districts will now be responsible for submission of the DSS-3922 for this program beginning with the 7-9/90 quarter.

If you have any questions with regard to the above, please contact Roland Levie (Upstate Office) at 1-800-342-3715, extension 4-7549 (OA User ID OFM030) or Marvin Gold (Metropolitan Office) at (212)804-1108 (OA User ID OFM270).

Nelson Weinstock
Deputy Commissioner
for Administration

COOPERATIVE AGREEMENT made by and between _____ COUNTY DEPARTMENT OF SOCIAL SERVICES, with offices at _____ (address)

(hereafter referred to as "CDSS"), and _____

COUNTY _____ (name of county agency)

with offices at _____ (hereinafter referred to as "designated preschool agency").

WHEREAS, supportive health services for pre-school children with handicapping conditions or such pre-school children suspected of having handicapping conditions are authorized to be furnished under Article 89 of the Education Law of the State of New York; and

WHEREAS, Section 368-e of the Social Services Law authorizes payment of federal Medical Assistance funds to counties and the City of New York for furnishing medical care, services and supplies to pre-school children with handicapping conditions or such pre-school children suspected of having handicapping conditions, if the requirements of the Medical Assistance program are satisfied; and

WHEREAS, each county and the City of New York have designated an agency, the designated preschool agency, to be responsible for accumulation of preschool expenditures potentially eligible for reimbursement under Section 368-e of the Social Services Law and submission of claims for reimbursement to the social services district; and

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WHEREAS, CDSS is to receive claims for reimbursement from the designated preschool agency and submit such claims to the New York State Department of Social Services for reimbursement; and

WHEREAS, CDSS and the designated preschool agency must cooperate in the collection and submission of claims data in furtherance of the purpose of Section 368-e of the Social Services Law; and

WHEREAS, the designated pre-school agency must be able to identify children eligible for Medical Assistance, and the applicable periods of eligibility with respect to whom the County has made expenditures for medical care, services and supplies under a program of supportive health services for pre-school children with handicapping conditions, in order to make claims for payment as authorized under Section 368-e of the Social Services Laws; and

WHEREAS, individually identifiable information concerning recipients of Medical Assistance is confidential under Section 369 (subd. 3) of the Social Services Law and Section 1902(a)(7) of the Federal Social Security Act (42 USC 1396a(a)(7)) and may be used or disclosed only for a purpose directly connected with the administration of the Medical Assistance program; and

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WHEREAS, Medical Assistance confidentiality requires that the designated pre-school agency preserve the confidentiality of individually identifiable information concerning recipients of Medical Assistance and use or disclose such information only for a purpose directly connected with the administration of the Medical Assistance program;

NOW THEREFORE, the designated pre-school agency and CDSS agree to cooperate in the submission of claims for supportive health services for pre-school children with handicapping conditions under Section 368-e of the Social Services Law in accordance with the terms and conditions hereinafter stated:

1. The designated pre-school agency will forward all claims for Medical Assistance reimbursement to CDSS on the DSS-3922 (Financial Summary for Special Projects) on a quarterly basis. CDSS will in turn submit the DSS-3922 to the New York State Department of Social Services (SDSS).
2. The designated pre-school agency agrees to forward claims for Medical Assistance eligible children only.
3. Expenditures being claimed by the County through the designated pre-school agency must be for medical care, services or supplies that are reimbursable through the Medical Assistance program.

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4. Providers of pre-school supportive health services under contract with the County will be required to request written consent from the parent or guardian of a child receiving pre-school supportive health services to bill the Medical Assistance program and to determine whether such child has Third Party Health Insurance coverage.

5. The designated pre-school agency must keep a record of:
 - o vendor/non-vendor payments
 - o date of service
 - o date of payment
 - o amount paid
 - o children for whom payments were made with appropriate identifying information

These records must be maintained for a minimum period of six years and must be made available for audit by SDSS, the Office of State Comptroller, the United States Health Care Financing Administration, the United States Office of the Comptroller General and their authorized agents or designees.

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6. Claims for reimbursement for retroactive periods must be submitted within the federally mandated two year time limitation (i.e. two years from the date of payment to a private provider and two years from the date of service for a public provider). Prospective claiming begins 10/1/92.
7. The designated pre-school agency acknowledges that the County will receive Medical Assistance reimbursement for the federal share only.
8. The designated pre-school agency is required to report federal Medical Assistance payments to the New York State Education Department for offset against State aid for local education funding.
9. The designated pre-school agency acknowledges that reimbursement is subject to the availability of federal funds.
10. This Cooperative Agreement may be terminated: (a) by the mutual consent of the designated pre-school agency and CDSS; (b) by the designated pre-school agency or CDSS upon 30 days written notice to the other party; or (c) by CDSS for cause upon the material default of the designated pre-school agency in the performance of the terms and conditions of this Cooperative Agreement, in which case the Cooperative

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Agreement shall terminate immediately upon the giving of written notice by CDSS to the designated pre-school agency. Upon termination of this Cooperative Agreement, the designated pre-school agency shall promptly destroy any individually identifiable information concerning recipients of Medical Assistance except as required to be maintained by the Social Services Law and regulations promulgated thereunder to support claims for payment made under the Medical Assistance program and certify accordingly. The obligation of the preschool agency to protect and maintain the confidentiality of individually identifiable information concerning recipients of Medical Assistance shall survive the termination of this Cooperative Agreement and continue to bind the pre-school agency.

11. No monetary consideration shall be payable by either the designated pre-school agency or CDSS for performance under this Cooperative Agreement.

12. This Cooperative Agreement shall become effective immediately upon execution by the parties and terminate pursuant to the provisions of Section 10 herein.

IN WITNESS WHEREOF, the parties hereby execute this Cooperative Agreement on the date set opposite their respective signature.

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(Designated Pre-School Agency)

DATE: _____

BY: _____

TITLE: _____

Co. Department of Social Services

DATE: _____

BY: _____

TITLE: _____