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

Transmittal No: 92 LCM-13

Date: January 17, 1992

Division: Administration

TO: Local District Commissioners

SUBJECT: Medicaid Reimbursement to Counties for Preschool  
Children with Handicapping Conditions

ATTACHMENTS: None

Legislation enacted pursuant to Section 5, Chapter 558 of the Laws of 1989, Section 368-e of the Social Services Law (SSL) provides that the New York State Department of Social Services (NYSDSS) shall review claims for reimbursement of the Medicaid federal share of expenditures made by counties and New York City for medical care, services and supplies furnished to preschool children with handicapping conditions or suspected of having handicapping conditions as such children are defined in the Education Law. This legislation is applicable to medical care, services or supplies furnished to Medicaid eligible children on or after July 1, 1989. The purpose of this memorandum is to clarify the claiming approach to be used for these expenditures.

Within each of the counties and New York City there is a designated agency responsible for accumulation of preschool expenditures potentially eligible for reimbursement under the subject legislation (e.g. County Health Dept.). To better control the claims coming into NYSDSS and to ensure completion of claim forms in the proper format, the local social services district will be the agency responsible for submission of claims for reimbursement of the Medicaid federal share. This responsibility will require the establishment of a Memorandum of Understanding/Cooperative Agreement between the local social services district and the designated county preschool agency

outlining the responsibilities of each respective agency. The cooperative agreement shall include at a minimum the following stipulations:

- requirement for submission of claims through the local social services district;
- submission of claims for Medicaid eligible children only;
- reimbursement is for the Medicaid federal share only;
- expenditures being claimed must be for medical care, services or supplies that are Medicaid reimbursable;
- designated county agency must keep a record of:
  - vendor/non-vendor payments;
  - date of service;
  - date of payment;
  - amount paid;
  - children for whom payments were made with appropriate identifying information;
- requirement for timely submission of claims within the 2 year time limit (i.e. 2 years from the date of payment to a private provider of service and 2 years from the date of service for a public provider, e.g. county transportation provider);
- designated county preschool agency must report federal Medicaid share payments received to the New York State Education Department for offset against state aid for local education funding;
- reimbursement is subject to the availability of federal funds;
- state and local match does not include federal funds;

As mentioned above, the legislation passed for the potentially Medicaid eligible expenditures is retroactive to 7/1/89. However, claims for the July - September, 1989 quarter are already beyond the 2-year limit for timely filing and will not be reimbursed by the Federal Health Care Financing Administration (HCFA). Claims for the October - December 1989 quarter would have been beyond the 2-year limit if not reported to HCFA on the 90 Day Quarterly Expenditure Report (QER) for the 7/9/91 quarter which was submitted to HCFA on 12/31/91. Therefore, to prevent the potential loss of Federal reimbursement, the Department's Office of Audit and Quality Control conducted a review in a sample of counties to determine the estimated claims for the period of 10/12/89 and 1/3/90. Based on the results of the sample, an extrapolation of the federal share of claims for the 57 counties and New York City was developed. A calculated claim for the

10/12/89 quarter has already been submitted by the Department on the QER filed with HCFA to protect the Department's right to claim for this quarter. A similar claim will also be submitted to HCFA for the 1/3/90 quarter. Actual claims for the above period (10/89 through 3/90) must still be submitted by the designated preschool agency and filed by the local social services district in order for the Department to adjust the calculated claims to actual amounts claimed.

Claims for reimbursement must be submitted to the Department on DSS-3922 (Financial Summary for Special Projects) claim form on either a monthly or calendar quarterly basis. Instructions for the preparation of the DSS-3922 are found in Volume II, Chapter 3, Page 257 of the Fiscal Reference Manual. All vendor related expenditures should be reported on the DSS-3922 as program expenses in Section C. (Other Expenses) Line 11. Any non-vendor expenses (e.g. county transportation provider) should be reported as an administrative expense on the applicable line of Section A. (Personal Services) or Section B. (Non-Personal Services) of the DSS-3922.

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

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Nelson Weinstock  
Deputy Commissioner  
for Administration