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

Transmittal No: 94 LCM-23

Date: March 3, 1994

Division: Health & Long Term  
Care

TO: Local District Commissioners

SUBJECT: Medicaid Administrative Funding for Early Intervention

ATTACHMENTS: Attachment A - Model Cooperative Agreement between the  
Social Services District and the Designated Municipal  
Early Intervention Agency  
(Available On-Line)

Section 368-f of the Social Services Law (SSL) provides that the New York State Department of Social Services (Department) must review claims for reimbursement of Medicaid administrative expenditures made by designated early intervention agencies on behalf of the social services district (SSD) for the administration of the Early Intervention Program. Reimbursement is limited to payment of federal funds received or to be received by the Department on account of such expenditures. Section 368-f applies for such administrative expenditures incurred on or after September 1, 1993. The purpose of this memorandum is as follows:

- o to provide a model cooperative agreement;
- o to identify the types of administrative services for which federal financial participation (FFP) is available; and
- o to clarify what claiming approach will be used for these expenditures.

Within each of the counties and New York City there is a designated public agency responsible for the accumulation of early intervention expenditures potentially eligible for reimbursement under the legislation. A list of the locally designated early intervention officers appears in an earlier memorandum, 93 LCM-107, attachment 4, dated August 19, 1993.

1. COMPLETION OF A COOPERATIVE AGREEMENT

The SSD will be the agency responsible for submitting claims for reimbursement of the Medicaid federal share. To better control the claims being submitted to the Department and to ensure claim forms are completed in the proper format, the SSD and the designated early intervention agency must enter into a cooperative agreement which outlines the responsibilities of each respective agency. Attachment A to this memorandum is a cooperative agreement which may be used by the SSD as a model for formulating the required agreement between the district and the designated early intervention agency. For a SSD which is also the designated early intervention agency, no agreement is necessary.

The cooperative agreement must include, at a minimum, the following:

- o claims must be submitted through the social services district;
- o claims will be submitted only for Medicaid eligible children;
- o claims submitted by the designated early intervention agency must reflect 100% of the MA early intervention administrative expenditures.
- o the reimbursement is for the Medicaid federal share only;
- o the expenditures being claimed must be for the administration of the Early Intervention Program (refer to section 2 below for information on the types of allowable expenditures);
- o the designated early intervention agency must prepare a budget which outlines the proposed amounts to be expended for administration of the Early Intervention Program and maintain documentation to support the administrative costs for which it is claiming Medicaid administrative reimbursement;
- o the designated early intervention agency must keep a record of the following information:
  - vendor/non-vendor payments;
  - date of service;
  - date of payment;
  - amount paid; and
  - children for whom payments were made with appropriate identifying information;
- o claims must be submitted timely within the two year time limit, i.e., two years time from the date of payment;
- o the designated early intervention agency must report federal Medicaid payments received to the New York State Department of Health for offset against local claims for early intervention in accordance with the regulations and policies of the State Commissioner of Health. Federal Medicaid payments will be used to reduce local early intervention expenditures and in turn reduce State aid for local early intervention funding;

- o the reimbursement is subject to the availability of federal funds; and
- o the State and local match does not include federal funds.

Point number 13 in the model cooperative agreement indicates that no monetary consideration shall be payable by either the SSD or the designated early intervention agency for performance under this cooperative agreement. This does not preclude the claiming of the federal share of administrative costs related to the compilation of these claims.

## 2. ALLOWABLE ADMINISTRATIVE EXPENDITURES

Federal financial participation for Medicaid administrative activities is available to designated early intervention agencies that act on behalf of the SSD to identify and assess the health care needs of infants and toddlers eligible for the Early and Periodic Screening and Diagnosis and Treatment (EPSDT), known as the Child/Teen Health Plan in New York State. Designated early intervention agencies plan, coordinate, and monitor the delivery of preventive and treatment services to meet the child's needs. The following details the types of administrative activities that are potentially eligible for reimbursement:

- o Assistance with the Medicaid eligibility process

assist any child who is at risk of developmental delay, and the child's family to access Medicaid, e.g., collect information for the Medicaid application, help to complete the necessary forms and update any forms when the child's circumstances change. (For purposes of the Early Intervention Program, "children at risk" means children from birth through two years of age who may experience a disability because of medical, biological or environmental factors which may produce developmental delay as determined by the State Commissioner of Health through regulation. The designated early intervention agency has identified these children as presently ineligible for early intervention services and must coordinate efforts to track and screen them.)

- o Outreach to Medicaid eligible children and families, and health and child care service providers

conduct public awareness activities including the development and distribution of publications, brochures, and posters; presentations by the early intervention official or his/her designee; conduct early intervention training initiatives; prepare and/or disseminate information about the Child/Teen Health Plan to Medicaid eligible families and foster care providers; and provide assistance to the family in identifying a primary care provider.

o Coordination of screenings, examinations, assessments and evaluations

make referrals, if requested, for Medicaid eligible children who are found to be at risk of developmental delay, to receive screenings, examinations, assessments, and evaluations for health, vision, hearing, dental, developmental, and/or mental health, and arrange transportation.

o Immunizations

prepare and disseminate information on childhood immunization requirements; schedule appointments and arrange transportation, if requested, for the at risk population; recruit providers to immunize children and assist them to become Medicaid providers.

o Case planning and coordination by the Local Early Intervention Official or his/her designee

plan, coordinate, and monitor health-related care plans that are developed for Medicaid eligible children, including the individualized family services plan (IFSP). These activities may include: review of interim, final or revised IFSPs, case closings, scheduling of IFSP meetings, attendance at IFSP meetings, and preparation of materials for case/IFSP reviews.

NOTE: Case planning, case management and coordination activities performed by a child's service coordinator are not allowable administrative expenditures.

o Newborn care for the at risk population

arrange newborn care for the Medicaid eligible at risk population; coordinate health education regarding infant health and development, accident prevention and disease prevention; and arrange transportation, if requested.

o Health education

prepare and disseminate health education materials to assist parents to understand a child's development; and conduct workshops and training sessions.

o Interagency coordination

work with other agencies to plan, deliver and evaluate early intervention services; identify service delivery reforms and coordinate public and private agency activities; address identified gaps in local health services; improve the early identification of health problems, attend periodic local interagency coordinating council meetings and complete assignments that arise from such meetings, and provide updated information for inclusion in the State's resource directory (SATIRN II).

o Monitoring, and auditing

conduct periodic quality assurance reviews of early intervention evaluators, service providers, and service coordinators (Comprehensive Medicaid Case Management (CMCM) case managers); conduct site visits, fiscal audits, and contract monitoring.

o Transportation Services

provide transportation and scheduling assistance, if requested, for early intervention diagnostic and treatment services to a Medicaid eligible child, to the extent transportation services are specified in the child's individualized family services plan (IFSP).

o Preparation of Medicaid claims

identify Medicaid eligible children and the applicable periods of eligibility; third party recovery efforts; accumulate and submit early intervention expenditures for medical care, services and supplies that are potentially eligible for reimbursement to the Medicaid Management Information System (MMIS), as well as accumulate and submit claims for reimbursement for allowable administrative expenditures to the SSD in accordance with Section 368-f of the SSL.

o Transportation for early intervention official and his/her designee

any related travel expenditures incurred by the local early intervention official and his or her designee(s) in the performance of any of the above Medicaid administrative activities.

### 3. CLAIMING PROCESS

The designated early intervention agency will submit to the SSD all claims for Medicaid administrative expenditures incurred by the Early Intervention Program. These claims should be submitted as part of the SSD's normal voucher payment process on either a monthly or quarterly basis, at local option.

These vouchers should include the amounts of salaries, fringe benefits, directly identified expenditures, and a proportional share of overhead and A-87 costs (not funded by other federal sources) being claimed for the program. The SSD will pay the early intervention agency 50% of the total amount (which represents the federally funded share only). The SSD will then claim reimbursement from the Department by reporting the total expenditures as an "Object of Expense Code 35 - Cooperative Agreements, other than Title IV-D" under the F17 function code on Schedule 923B. This will carry through to Schedule D, Column 11, Line 15. This will be further claimed for reimbursement on Schedule D-17 in a column headed "LEIA" (Local Early Intervention Agency) on Line 12, Non-salary costs assigned to function (from DSS-923B). These costs are claimed at 50% federal share and 50% local share on the Schedule D-17 as there is no State funding of these expenditures.

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These costs will be reported to the Department on a DSS-3922, Financial Summary for Special Projects on Line 8 - Contractual Services.

The detailed instructions for filing the DSS-3922 are contained in the Fiscal Reference Manual, Volume II, Chapter 3, page 261.

A SSD which is designated the local early intervention agency may claim its administrative costs related to this initiative through the normal claiming mechanism (Schedule D-4, Calculation of Medical Assistance Eligibility Determination/Authorization/Payments Cost Shares - DSS-2347-B2). The State share of these SSD administrative expenditures is eligible for exemption to the State cap on administrative expenditures. As such, the expenditures should be tracked and identified as an exempt area to be included with the submission of local plans for exemption as required by 93 ADM-25 "Submission of Local Plans for Exempt Areas 1992-93 State Share Administrative Cap."

If you have any questions regarding this claiming process, please contact the Bureau of Local Financial Operations (Upstate Office) Roland Levie at 1-800-343-8859, extension 4-7549 (OA USER ID AX2060) or (Metropolitan Office) Marvin Gold (212) 383-1733 (OA USER ID OFM270).

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Sue Kelly  
Deputy Commissioner  
Health and Long Term Care

ATTACHMENT A

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

(hereafter referred to as "SSD"), and

MUNICIPAL Early Intervention Agency \_\_\_\_\_  
(Name of Local Agency)

with offices at \_\_\_\_\_ (hereinafter  
(address)

referred to as "designated EI agency").

WHEREAS, early intervention services for infants and toddlers, birth through 2 years who have, or are at risk of, developmental disabilities are authorized to be furnished under Chapter 428 of the Laws of 1992 and Chapter 231 of the Laws of 1993; and

WHEREAS, Section 368-f of the Social Services Law (SSL) authorizes payment of federal Medical Assistance funds to counties and the City of New York for administrative expenditures incurred on behalf of the SSD, 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 early intervention (EI) agency, to be responsible for accumulation of early intervention expenditures potentially eligible for reimbursement under Section 368-f of the SSL and submission of claims for reimbursement to the SSD; and

WHEREAS, the SSD is to receive claims for reimbursement from the designated EI agency and submit such claims to the New York State Department of Social Services (Department) for reimbursement; and

WHEREAS, the SSD and the designated EI agency must cooperate in the collection and submission of claims data in furtherance of the purpose of Section 368-f of the SSL; and

WHEREAS, the designated EI agency must be able to identify children eligible for Medical Assistance, and the applicable periods of eligibility, with respect to whom the agency has provided administrative services, on behalf of the SSD, in order to make claims for payment as authorized under Section 368-f of the SSL; and

WHEREAS, individually identifiable information concerning recipients of Medical Assistance is confidential under Section 369 (4) of the SSL and Section 1902(a)(7) of the 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

WHEREAS, Medical Assistance confidentiality requires that the designated EI 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 EI agency and SSD agree to cooperate in the submission of claims for early intervention administrative services under Section 368-f of the SSL in accordance with the terms and conditions hereinafter stated:

1. The designated EI agency will forward all Medicaid administrative claims for reimbursement to SSD on a voucher on a monthly or quarterly basis, at local option. The SSD will in turn submit a DSS-3922 for these expenditures to the Department.
2. The designated EI agency agrees to forward only claims for Medical Assistance eligible children.
3. Expenditures being claimed by the designated EI agency on behalf of the SSD must be for Medicaid administrative activities involving the identification and assessment of the health care needs of EPSDT eligible infants, toddlers and their families, and in planning, coordinating, and monitoring the delivery of preventive and treatment services to meet those needs which are reimbursable through the Medical Assistance program.
4. The designated EI agency must prepare a budget outlining the proposed amounts to be expended. The budget should indicate the salaries, fringe benefits, direct costs, i.e., travel, office space, supplies, telephone, etc., and indirect costs associated with the staff that will be performing Medicaid administrative duties. The designated EI agency must maintain documentation to support the Medicaid administrative costs for which it is claiming reimbursement, i.e., time records, salary and non-salary expenditure records, etc.
5. The designated EI agency must keep a record of:
  - o vendor/non-vendor payments;
  - o date of service;
  - o date of payment;
  - o amount paid; and
  - o children for whom payments were made with appropriate identifying information.
6. All records necessary to support claims for Medicaid administrative reimbursement must be maintained for a minimum period of six (6) years and must be made available for audit by the Department, 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.



7. Prospective claiming begins September 1, 1993. Claims for reimbursement for retroactive periods must be submitted within the federally mandated two (2) year time limitation (i.e. two (2) years from the date of payment).
8. The designated EI agency acknowledges that its County or the City of New York will receive Medical Assistance reimbursement for the federal share only.
9. The designated EI agency is required to report federal Medicaid payments to the New York State Department of Health for offset against local claims for early intervention in accordance with the regulations and policies of the State Commissioner of Health.
10. The designated EI agency acknowledges that reimbursement is subject to the availability of federal funds.
11. The designated EI agency acknowledges that the State and local match for the federal Medical Assistance payments received does not include any federal funds and records are maintained to support this acknowledgment.
12. This Cooperative Agreement may be terminated: (a) by the mutual consent of the designated EI agency and SSD; (b) by the designated EI agency or SSD upon 30 days written notice to the other party; or (c) by SSD for cause upon the material default of the designated EI agency in the performance of the terms and conditions of this Cooperative Agreement, in which case the Cooperative Agreement will terminate immediately upon the giving of written notice by SSD to the designated EI agency. Upon termination of this Cooperative Agreement, the designated EI agency will promptly destroy any individually identifiable information concerning recipients of Medical Assistance except as required to be maintained by SSL and regulations promulgated thereunder to support claims for payment made under the Medical Assistance program and certify accordingly. The obligation of the EI 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 designated EI agency.
13. No monetary consideration shall be payable by either the designated EI agency or SSD for performance under this Cooperative Agreement.
14. This Cooperative Agreement will become effective immediately upon execution by the parties and terminate pursuant to the provisions of Section 11 herein.

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

\_\_\_\_\_  
Designated EI Agency

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

\_\_\_\_\_  
Department of Social Services

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_