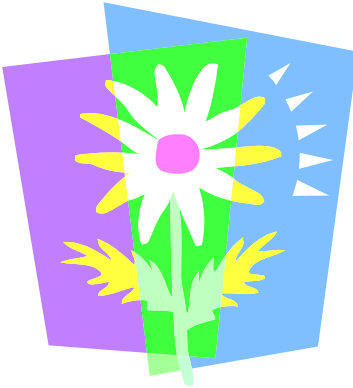


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Public Focus. Proven Results.™



## PCG IS RELOCATING TO PHOENIX

PCG will be moving the project office from Tempe to Downtown Phoenix in June. Starting June 8<sup>th</sup> please send all correspondence to our new address:

**Public Consulting Group, Inc.**  
**101 N. First Avenue, Suite 1800**  
**Phoenix, AZ 85003**

Our phone number, fax and email addresses will remain the same.

While you are updating your address books with our new address, please make sure to change your PCG contact information from Diane Sanders to Florie Wong (fwong@pcgus.com). As always, your assigned PCG Account Manager, the DSC Coordinator, and other project members are available to provide program support.

## CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS)

On May 1, 2009 CMS released its proposed Rule 2287-P2 which, among other things, rescinds in its entirety CMS final Rule 2287-F which was intended to eliminate Medicaid reimbursement for the costs of school-based Medicaid administration and most specialized transportation services. It is anticipated that proposed Rule 2287-P2 will be published as a final rule by July 1, 2009.

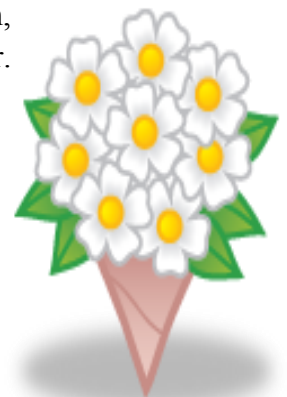
**What does this mean for AZ LEAs?** LEAs can still access Medicaid Reimbursement for allowable School Based Services. LEAs should continue to document transportation services and submit allowable claims to PCG for processing and payment. LEAs should also continue to participate in the MAC program next year to be eligible to receive reimbursement.

## HAPPY MOTHERS DAY!



To all the Mothers and Grandmothers, that we have the pleasure of working with, PCG would like to extend our thanks and wish you a wonderful year.

*We hope you enjoyed your special day!*



## IMPORTANT DSC DEADLINES

**May 15<sup>th</sup>** - Q1-09 Certification of Match Form(s) Due

## DSC CLAIMING

Please note that there is a new change in the processing of DSC claims. In an effort to improve the claims processing cycle and qualify for the enhanced FMAP, PCG will no longer be suspending claims for Eligibility. The enhanced FMAP means more reimbursement for claims approved to the LEA. If a claim for a student is submitted and they are not eligible, then PCG will deny the claim. PCG will continue to suspend claims up to 30 days for Transportation until a related health claim has been paid.



### MAC RMTS COMPLIANCE

Due to the continued oversight and scrutiny of the MAC program by CMS, AHCCCS and PCG are currently identifying ways in which to improve program compliance and strengthen current practices. A potential change to the MAC program includes an enhanced sampling methodology which will increase the number of moments each quarter. In preparation of such changes, LEAs must be more proactive with program participation. It is critical to the outcome of the quarterly MAC time study that all participants selected complete their moment as identified. Remember this is a statewide claim and everyone selected to participate in the time study is essential to the accuracy of the MAC claim.

AHCCCS and PCG will be monitoring LEA compliance and participation with the time study on a quarterly basis. LEAs should strive for 100% compliance and complete all moments selected for participants in their District or Charter. CMS requires a minimum 85 percent compliance rate. In order to understand our current compliance, PCG has completed a preliminary review of individual LEA's participation for Q1 2009 and found that out of 30 selected LEAs, 8 did not meet an 85% compliance rate.

In preparation of program changes, PCG is requiring MAC Coordinators to monitor and follow up with participants throughout the quarter. Due to the more stringent oversight of the program, LEAs should expect that penalties will result for failure to comply. If the LEA does not meet an 85% compliance rate for multiple quarters, the LEA may not be allowed to receive MAC reimbursement until their quarterly time study participation meets the compliance requirements. PCG will be reaching out to the LEAs that did not meet the 85% compliance last quarter. RMTS compliance will be closely monitored beginning Q2 2009 and results will be provided to AHCCCS. If you need assistance in accessing or understanding how to use the reports available to you within the RMTS system, please contact your PCG Account Manager.

### DISTRICT WIDE EXPENDITURES (DWE) UPDATE

In order to improve accuracy in reporting for the Q4-08 and Q1-09 MAC claims, PCG will not be including DWE in the MAC claim calculation for these two quarters. Financial templates for Q1-09 were sent to participating LEAs on April 30, 2009, reflecting this change.

### PERSONNEL SALARY AND BENEFITS - FUNCTIONS 2500, 2600 AND 2840

An analysis was conducted on the methodology used by the Arizona Department of Education (ADE) to calculate the Non-Restricted Indirect Cost Rate (IDCR). The current methodology used in Arizona, which has been approved by the Federal Department of Education, utilizes Function Codes 2500, 2600 and 2840 in the calculation of that rate. Since these function codes are currently used in the calculation, it is important that the LEAs **do not** report them on the personnel salary and benefits portion of the quarterly financial template. This includes all sub-function codes (i.e., 2501-2599, 2601-2699 and 2841-2849). If a LEA inadvertently includes salary and benefit costs under Functions 2500, 2600 and/or 2840, a PCG representative will contact the LEA to explain the costs are not allowable under the MAC program. The LEA will be instructed to remove the costs and submit a revised financial template to PCG before a quarterly MAC claim can be filed on their behalf.

### IMPORTANT MAC DEADLINES

**May 13<sup>th</sup>** - RSVP deadline for MAC Financial Training

**May 14<sup>th</sup>** - MAC Financial Training (WebEx) 10:00AM

**May 15<sup>th</sup>** - MAC Financial Training (WebEx) 1:00PM

**June 1<sup>st</sup>** - Q1-09 MAC Financial Templates Due

