

Cost Reporting

Historically school districts and other claiming entities have obtained reimbursement for Medicaid services under a traditional Fee For Service (FFS) model. Under FFS, State Medicaid agencies establish payment rates for covered health services which determine the amount of reimbursement generated. Recent program reviews by the Centers for Medicare and Medicaid Services (CMS) have identified a need to ensure that claiming entities are following a reimbursement methodology that eliminates inappropriate FFS claiming and limits Medicaid reimbursement to actual cost.

Under a Cost Reporting methodology, entities continue to submit claims utilizing established state payment rates to generate “interim” payments. Claiming entities will be required to file Medicaid cost reports that will serve as a tool to reconcile Medicaid FFS interim payments with the actual cost of providing these services.

Fairbanks designed and implemented the first fully-integrated, web-based and statewide Cost Report/Cost Settlement toolset for school-based Medicaid programs in the country. Since then, Fairbanks has become the national thought leader for the Cost Report/Cost Settlement approach in school-based services. Fairbanks provides a completely web-enabled Cost Report solution that significantly improves the

accuracy of Direct Service programs for our clients.

Through our experience with multiple statewide cost reporting and cost settlement programs, Fairbanks has helped those states to transform their programs. Fairbanks provides the necessary knowledge to assist states in designing and implementing a cost settlement approach, and has significant expertise regarding the related federal Centers for Medicare and Medicaid Services (CMS) requirements.

The Fairbanks approach includes comprehensive training, data collection tools with built in data quality and data validation edits, and electronic audit documentation tools that make the Fairbanks system an “all in one” solution. The Fairbanks methodology has resulted in positive financial results for the schools while providing more documentation and audit support for State Medicaid Agencies and CMS than existed in prior approaches.

Key services include:

- Cost Reporting toolset
- Cost Review and Settlement
- Rate Setting
- Program and policy development, implementation and ongoing administration

- Completion of Medicaid cost reporting forms;
- Development of statistical allocation methodologies that optimize the apportioning of costs;
- Implementation and administration of CMS approved Random Moment Time Studies (RMTS);
- Development of interim rates which account for volume, area wages, cost ceilings, and outliers;
- Support throughout Medicaid audits, plus ongoing cost reporting consulting services.

Proven Experience

Fairbanks brings several years of Cost Reporting experience and first-hand knowledge in the development, implementation and CMS approval of the Cost Reporting process.

By selecting Fairbanks LLC to provide Cost Reporting services, State agencies and school districts can utilize a proven methodology that complies with Medicaid cost reporting regulations.

Contact Fairbanks LLC to learn more about our services and qualifications.

Fairbanks understands the challenges of navigating complex Medicaid policies and our core focus is providing expertise to health care, government and education agencies.