

State of Texas

A Successful Transition to a New Paradigm of Cost Reporting and Cost Settlement

Overview:

Fairbanks was awarded a contract by the Texas Health and Human Services Commission (HHSC) in 2007 to develop and implement a Cost Report and Cost Settlement methodology for the School Health and Related Services (SHARS) program. The SHARS program is the State of Texas direct services program for the schools. HHSC was in need of the following services from Fairbanks:

- State Plan Amendment & Cost Allocation Plan development
- Program negotiations with federal Centers for Medicare and Medicaid Services (CMS)
- Statewide training development and delivery
- Training tracking process with system access connected to Training attendance
- Secure, web-based software developed, hosted and maintained for statewide use
- System maintained data collection and calculation tool with flexible data edit checks
- System maintained adjustment and edit tracking tool
- System tracking of all State of Texas adjustments discovered in reviews and audits
- 24 Hour/day toll-free Help Desk support
- Reporting capabilities to support both standard and ad hoc needs

Fairbanks Approach:

Since 2007, Fairbanks has worked with HHSC as a partner in deploying a statewide Cost Report and Cost Settlement methodology for the over 1200 Independent School Districts (ISD) in the State of Texas. By leveraging the State of Texas Random Moment Time Study (RMTS) results, Fairbanks

has developed a web-based toolset that allows for annual cost reporting and cost settlement to actual costs of delivering direct services to children in the school setting. Fairbanks worked with HHSC to implement the web-based technology and deploy an “all in one” system that tracks all required information in support of the cost reporting and cost settlement CMS approved methodology. This “all in one” Fairbanks system allows all claiming entities and the State of Texas access to an easy to track and audit set of data.

Fairbanks has worked collaboratively with HHSC and end users throughout the design, development, delivery and ongoing maintenance phases of the project. Fairbanks and HHSC have approached the software and services as a “living” toolset that is updated and improved on a regular basis to allow for easier system access and more effective SHARS claiming by all entities.



Results:

Texas is one of the first States in the country to implement this CMS approved methodology and all Cost Reports were collected, analyzed, reviewed, audited and settled for the 2006-2007 school year. In each subsequent school year, Fairbanks and HHSC have completed the Cost Settlement process for the over 1200 Independent School Districts in Texas. In 2010, HHSC awarded Fairbanks with a new four year contract to continue to provide SHARS Cost Report and Cost Settlement services for the State of Texas. As a result of the Cost Settlement approach, the schools in Texas collect approximately \$200m in annual SHARS reimbursement.

As used in this document,
"Fairbanks" means Fairbanks LLC.

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