

OFFICE OF THE NEW YORK STATE COMPTROLLER



Thomas P. DiNapoli, State Comptroller

Robin Lois, Deputy Comptroller

April 2014

To: School District Chief Fiscal Officers

From: Division of Local Government and School Accountability

Subject: Accounting for Medicaid Reimbursements Paid by the Department of Health and the Resulting State Aid Deduction

Please share this document with others who would benefit from this information.

Purpose of Bulletin

The purpose of this bulletin is to provide guidance related to the accounting for Medicaid reimbursements paid by the Department of Health (DOH) and the resulting State Aid Deduction for those Medicaid reimbursements based upon a change in the Medicaid reimbursement methodology.

Accounting Treatment

Education Law Section 3609-b allows some or all of the state share of moneys due to a school district pursuant to Title XIX of the Social Security Act to be assigned on behalf of the school district to the DOH. Since the appropriation authority for the federal share is already in the DOH budget, assigning the authority for the state share from SED to the DOH enables the DOH to make 100 percent of the payment. Therefore, the Medicaid reimbursement received from DOH will be comprised of both the federal share and the state share, and districts should account for this reimbursement accordingly. As of the date of this bulletin, the state share is 50 percent and the federal share is 50 percent. If this split changes in the future, districts' journal entries as displayed below would need to reflect the new percentages.

The following are illustrative journal entries to record: a) DOH's payment of \$10,000 for Medicaid reimbursement for special education programs provided pursuant to Article 89 of the Education Law; and, b) SED's payment of Basic Formula Aid - Excess Cost Aids (Education Law Section 3609-b) using a \$100,000 state appropriation reduced by the state share of the DOH Medicaid reimbursement:

a)

Account	Subaccount	Debit	Credit
A200 Cash		\$10,000	
A980 Revenues			\$10,000
A4601 Medicaid Assistance	\$5,000		
A3101 Basic Formula Aid - Excess Cost Aids (Education Law Section 3609-b)	\$5,000		

As mentioned above and illustrated in this journal entry, the state share, an amount currently equal to 50 percent of the Medicaid reimbursement received by the district, will be used by SED as a reduction to the district's Basic Formula Aid - Excess Cost Aids (Education Law Section 3609-b) calculation.

b)

c) Account	Subaccount	Debit	Credit
A200 Cash		\$95,000	
A980 Revenues			\$95,000
A3101 Basic Formula Aid - Excess Cost Aids (Education Law Section 3609-b)	\$95,000		

Therefore, if SED had a state appropriation of \$100,000 in Basic Formula Aid - Excess Cost Aids (Education Law Section 3609-b) for the district, it would reduce that amount by the already paid \$5,000 state share Medicaid reimbursement. SED would pay the district \$95,000 more in Basic Formula Aid - Excess Cost Aids (Education Law Section 3609-b).

Additional Information

If you have questions pertaining to this bulletin, please contact the State Comptroller's regional office (http://www.osc.state.ny.us/localgov/regional_directory.pdf) that serves your school district. For more information on the School Supportive Health Services Program (SSHSP), contact NYS Education Department, Medicaid in Education Unit at medined@mail.nysed.gov.