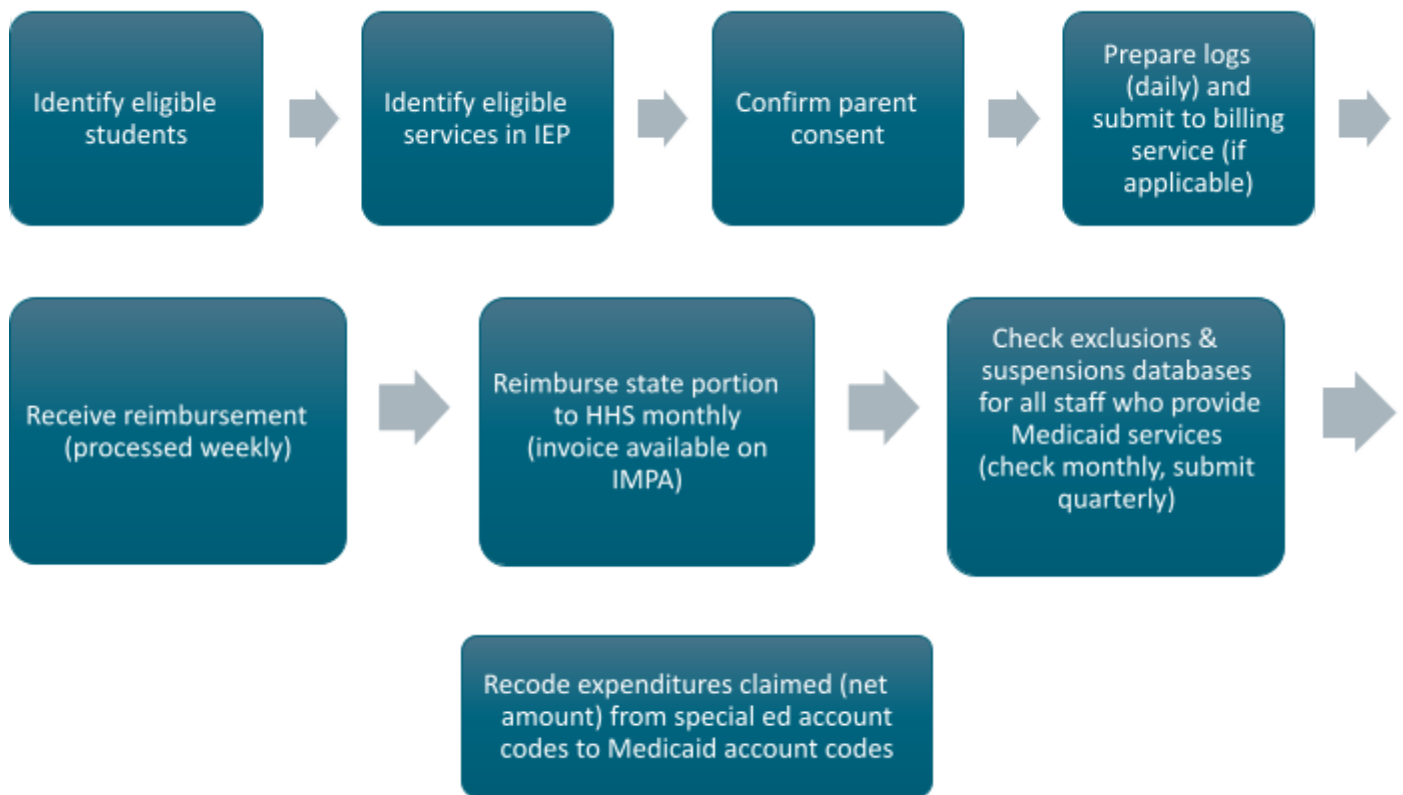


Accounting for School-Based Medicaid

(updated 5/20/2024)

Medicaid is a federal/state cost sharing benefit program for health and medically necessary services for low-income individuals ([CFDA 93.778](#)). This document is intended to provide guidance to school districts and AEAs for School-Based Medicaid claiming, billing, and coding. The first section shows a high-level lifecycle of School-Based Medicaid claims. The 'Recording School-Based Medicaid Journal Entries' section provides examples of the entries to make when School-Based Medicaid reimbursements are received and how to reclassify related expenditures. The final section, 'Accessing School-Based Medicaid Invoices', illustrates how districts access invoices in the Iowa Medicaid Portal Application (IMPA).

Lifecycle of School-Based Medicaid Claims



IEP = Individualized Education Plan

HHS = Iowa Department of Health and Human Services

Notes:

- Payments to HHS are not expenditures and are recorded to the balance sheet instead.
- Reimbursement is based on the services provided, not the direct cost.
- School-Based Medicaid state share rate changes annually on October 1st.

Recording School-Based Medicaid Journal Entries

Additional information is available on the Department's [Uniform Financial Accounting](#) web page.

Example: Recording Medicaid Reimbursement

Scenario: Claims submitted and district receives \$10,000 (assume 65% is federal & 35% is state)

- \$6,500 (\$10,000 x 65%) credit to revenue (federal)
- \$3,500 (\$10,000 x 35%) credit to payable (state)

District pays \$3,500 to HHS (account payable)

Journal entries to record reimbursement

Option 1: Record amounts received with the portion due to HHS in the payable account separately when the revenue is received.

<u>Description</u>	<u>Debit Amt</u>	<u>Credit Amt</u>
Cash (10-XXXX-XXX-XXXX-101)	\$10,000.00	
Intergovernmental Payables (10-XXXX-XXXX-2XX-3321-410)		\$3,500.00
Medical Assistance Program (Medicaid) (10-XXXX-XXXX-2XX-4634-4634)		\$6,500.00
Record the amount repaid to HHS		
Intergovernmental Payables (10-XXXX-XXXX-2XX-3321-410)	\$3,500.00	
Cash (10-XXXX-XXX-XXXX-101)		\$3,500.00

Option 2: Record amounts received including the portion due to HHS together with Medicaid revenue. Then reclassify to the payable account when paid to HHS.

<u>Description</u>	<u>Debit Amt</u>	<u>Credit Amt</u>
Cash (10-XXXX-XXX-XXXX101)	\$10,000.00	
Medical Assistance Program (Medicaid) (10-XXXX-XXXX-2XX-4634-4634)		\$10,000.00
<i>Reclassify amounts due to HHS in payable account (when HHS invoice is available at the end of the month)</i>		
Medical Assistance Program (Medicaid) (10-XXXX-XXXX-2XX-4634-4634)	\$3,500.00	
Intergovernmental Payables (10-XXXX-XXXX-2XX-3321-410)		\$3,500.00
<i>Record the amount repaid to HHS</i>		
Intergovernmental Payables (10-XXXX-XXXX-2XX-3321-410)	\$3,500.00	
Cash (10-XXXX-XXX-XXXX-101)		\$3,500.00

Example: Reclassifying Special Education Expenditures to Medicaid

Scenario: The district has 3 students for whom they bill Medicaid for reimbursement.

- Student A: level 2, receiving transportation and behavior (para) services, \$3,000 (FS: \$1,950)
 - Federal share (FS): $\$3,000 \times 65\% = \$1,950$
- Student B: level 2, receiving nursing and transportation services, \$2,000 (FS: \$1,300)
 - FS: $\$2,000 \times 65\% = \$1,300$
- Student C: level 2, receiving nursing and transportation services, \$5,000 (FS: \$3,250)
 - FS: $\$5,000 \times 65\% = \$3,250$

Percentage claimed:

- Student A – 30% transportation, 70% behavior (para) services:
 - Reclassify \$585 (FS: $\$1,950 \times 0.3$) Level 2 special ed transportation expenditures.
 - Reclassify \$1,365 (FS: $\$1,950 \times 0.7$) of level 2 special ed para expenditures.
- Student B – 75% nursing services, 25% transportation:
 - Reclassify \$975 (FS: $\$1,300 \times 0.75$) of level 2 special ed nursing expenditures.
 - Reclassify \$325 (FS: $\$1,300 \times 0.25$) of level 2 transportation expenditures.
- Student C – 80% nursing services, 20% transportation:
 - Reclassify \$2,600 (FS: $\$3,250 \times 0.8$) of level 2 special ed nursing expenditures.
 - Reclassify \$650 (FS: $\$3,250 \times 0.2$) of level 2 transportation expenditures.

Notes:

- Remember to allocate FICA and IPERS to salaries.
- Expenditures are required to be allocated by special education level.

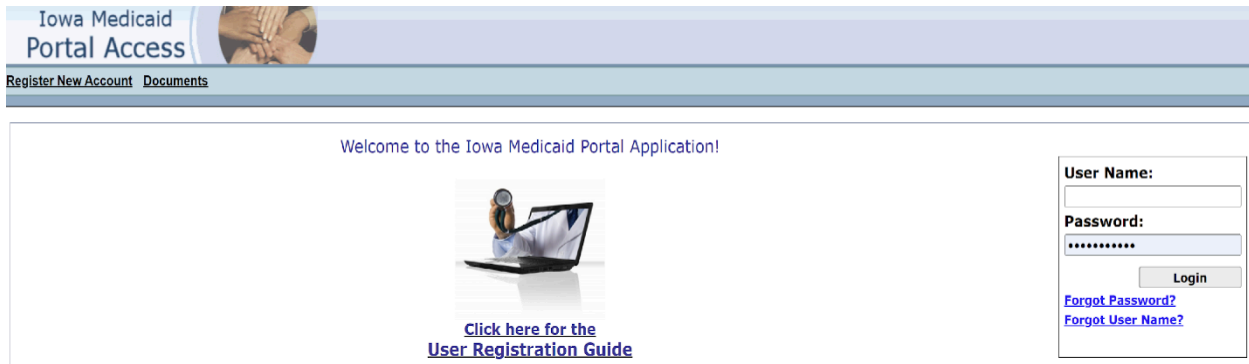
Journal entries to reclassify special education expenditures

<u>Description</u>	<u>Debit Amount</u>	<u>Credit Amount</u>
<i>Reclassifying the expenditures originally charged to special education projects:</i>		
Classroom 1:1 Para (10-XXXX-1000-2XX-4634-10X)	\$ 1,165.77	
Classroom 1:1 Para FICA (10-XXXX-1000-2XX-4634-22X)	\$ 89.18	
Classroom 1:1 Para IPERS (10-XXXX-1000-2XX-4634-23X)	\$ 110.05	
Nursing Services (10-XXXX-2134-2XX-4634-13X)	\$ 3,053.21	
Nursing Services FICA (10-XXXX-2134-2XX-4634-22X)	\$ 233.57	
Nursing Services IPERS (10-XXXX-2134-2XX-4634-23X)	\$ 288.22	
Medical Supplies (10-XXXX-2134-2XX-4634-61X)	\$ -	
Other Medicaid expenditure (10-XXXX-XXXX-2XX-4634-XXX)	\$ -	
Classroom 1:1 Para (10-XXXX-1000-2XX-330X-10X)		\$ 1,165.77
Classroom 1:1 Para FICA (10-XXXX-1000-2XX-330X-22X)		\$ 89.18
Classroom 1:1 Para IPERS (10-XXXX-1000-2XX-330X-23X)		\$ 110.05
Nursing Services (10-XXXX-2134-2XX-330X-13X)		\$ 3,053.21
Nursing Services FICA (10-XXXX-2134-2XX-330X-22X)		\$ 233.57
Nursing Services IPERS (10-XXXX-2134-2XX-330X-23X)		\$ 288.22
Medical Supplies (10-XXXX-2134-2XX-330X-61X)		\$ -
Other expenditure (10-XXXX-XXXX-2XX-330X-XXX)		\$ -
<i>Record Medicaid transportation expenditures:</i>		
Private transportation contractor (10-XXXX-27XX-2XX-4634-515)	\$ -	
District transportation using mileage rate (10-XXXX-27XX-2XX-4634-955)	\$ 1,560.00	
Private transportation contractor (10-XXXX-27XX-330X-515)		\$ -
District transportation using mileage rate (10-XXXX-27XX-2XX-4634-955)		\$ 1,560.00

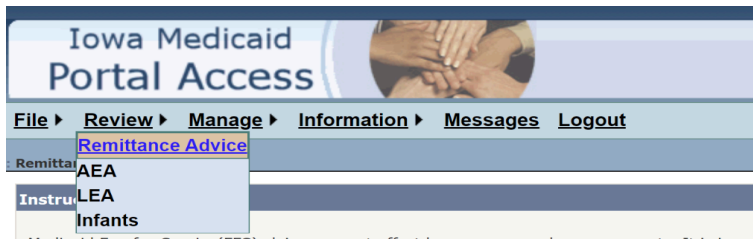
Accessing School-Based Medicaid Invoices

School-Based Medicaid invoices are located in [IMPA](#). Steps to retrieve the invoices are provided below.

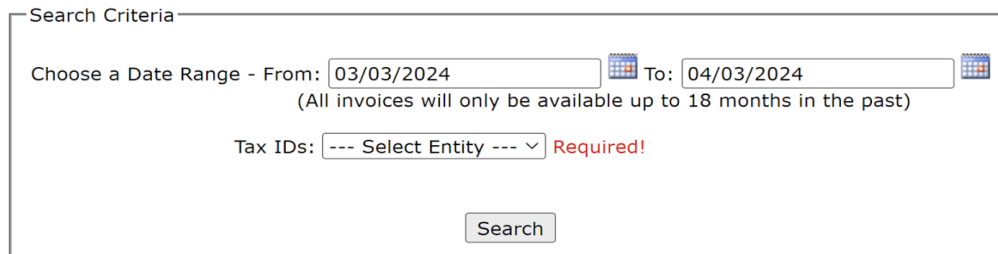
Step 1: Log in by entering the user name and password.



Step 2: Once logged in, navigate to Remittance Advice found in the Review menu.



Step 3: Enter a date range in the search criteria to find the appropriate invoice.



Note: Billing services, if used, should be able to provide a report of claims for each student. Use the report to reallocate expenditures by program level and other account code dimensions. Reclassification entries can be done monthly or annually.

Questions

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