

# ***IOWA PLAN FOR HIGH COST FUND***

## **The Federal Act**

The 2004 amendments to the Individuals with Disabilities Education Act (IDEA 04) gives States an option to set aside funding (as prescribed in the act) for the creation of a Risk Pool to assist local school districts in addressing the special education costs of children with disabilities who have high needs.

The High Needs Risk Pool is established in Section 611(e) (3) of the 2004 amended act. The act directs States desiring to create a High Needs Risk Pool to develop a State Plan that establishes a definition of a high needs child with a disability, the criteria for participation in this program, the process for the distribution of funds, and a distribution schedule. This is the High Needs Risk Pool State Plan developed for use in Iowa.

## **The State Plan**

### **Purpose:**

The High Needs Risk Pool is a pool of funds which are made available to assist AEAs and LEAs in covering the instructional program costs of children with disabilities who meet the criteria established within IDEA 04 and this Plan.

### **Definition:**

A high needs child is a student who is:

- 1) identified as requiring special education,
- 2) has an IEP,
- 3) the special education needs of the child are in excess of the typical needs of a child with a disability, and
- 4) the costs of providing the special education services for such a child will have a significant impact on the financial resources of a school district. This impact could impair the district's ability to provide an educational program to all students in their district.

### **Criteria to Receive Reimbursement:**

An LEA or AEA will receive funds through this program to reimburse them for excess special education costs, when the following criteria are met:

- 1) The LEA or AEA submits a properly completed claim form by August 1<sup>st</sup> through the Department of Education's Tuition In Billing program on the DE secure website.
- 2) The claim must include only appropriate costs incurred. Appropriate costs are those associated with providing direct special education instructional services to a child as identified within such child's IEP.
- 3) The appropriate special education instructional costs must exceed three times the State's average per pupil expenditure as defined in Section 8101 of the ESEA and as calculated annually by the Department using the most recent data available reported to the Department and subsequently reported in the National Public Education Financial Survey.
- 4) The LEA or AEA will provide any substantiating documentation requested by the Department to properly administer this program. Such documentation may include, but is not limited to, a copy of the contract(s) for service(s), attendant invoices and payment records, the child's IEP, payroll records, and invoices for

instructional supplies and materials all associated specifically with the special education program provided to the high needs child.

- 5) The claim filed by the LEA or AEA does not qualify as a foster care claim, termination of rights claim, or a non-public claim under current Iowa law. In these cases, the LEA or AEA should file the appropriate claim with the Department through the Tuition In Billing program located on the DE secure website as opposed to a High Cost Claim.
- 6) The amount of the high cost fund claim submitted by the LEA or AEA will be reduced by the costs of services provided that would be an eligible, reimbursable expense under Medicaid, whether billed to Medicaid or not. The LEA or AEA needs to seek Medicaid reimbursement for these services. The criteria used to establish the Medicaid eligibility and amount considered as Medicaid are as follows:
  - a. A student with a valid Medicaid number is considered eligible, with or without parental consent to claim Medicaid.
  - b. The amount of Medicaid utilized to reduce the reimbursement allowable under this Plan shall be determined by comparing the actual net Medicaid reimbursement received for services provided to the student or the average amount of net Medicaid reimbursement per student, whatever amount is larger.

#### **Timelines:**

The timelines for this program are as follows:

- 1) The SEA will post the Plan to the Department's website and will contain the requirements for meeting the established criteria for filing a claim under the program.
- 2) The LEA or AEA will determine if any child would meet these criteria and make provision for the documentation of costs throughout the school year.
- 3) High Cost Claims are filed through the Department's Tuition In Billing program on the DE secure website and are due on August 1<sup>st</sup> following the school year when services were provided to the student. If a claim is not filed by August 1<sup>st</sup> following the school year when services were provided to the student, the entire claim will be denied.
- 4) The claims are audited and processed by the Department upon submission. Once approved by the Department, the claims shall be paid. If the claim is not approved, the LEA or AEA will be informed by the Department.

#### **Post Annual Audit:**

Each LEA and AEA is required to have a financial audit annually. If the final audit determines an overpayment was made to the LEA or AEA related to this program, the LEA or AEA must refund the overpayment to the Department immediately.

#### **Claims exceed funds available:**

If claims submitted under this program exceed the funds available, the Department will prorate the amount paid to the claimants filing claims. Any amount of funds set aside that are not claimed by August 1<sup>st</sup> shall be passed through to the AEAs as an increase to their Part B allocation.

#### **Link to the Tuition-In Billing program:**

Here is the link to the Department's website where instructions for the Tuition-In Billing can be found, Page 23, High Cost Fund Claims.

[https://educateiowa.gov/sites/files/ed/documents/16-17\\_sfin\\_TIB%20Instructions%20--%20All%20Screens.pdf](https://educateiowa.gov/sites/files/ed/documents/16-17_sfin_TIB%20Instructions%20--%20All%20Screens.pdf)