

# College Station Independent School District



*Success...each life...each day...each hour*

## MEMORANDUM

To: Dr. Clark Ealy, Superintendent  
From: Mike Martindale, Deputy Superintendent  
Date: January 9, 2019  
Subject: Medicaid Cost Report Settlement  
Agenda Item: J – 1.

## BACKGROUND


College Station ISD participates in the School Health and Related Services (SHARS) program which allows school districts to request reimbursement for Medicaid health-related services. Nursing services, occupational or physical therapy, psychological services, speech therapy and special transportation are examples of services the district may request reimbursement for when students are both eligible for special education and require these services in order to participate in the educational program.

The district changed vendors for third-party Medicaid administration billing services in December 2017 through a Request for Proposal (RFP) process. From August 2015 to December 2017, the district's vendor for these services was Lone Star Educational Billing Services, Inc. (LSEBS). Fees for these services did not exceed \$50,000 per year for the first two years of service.

Cost report settlement payments are paid two years in arrears. The district received the 2016 cost settlement prepared by LSEBS during a time in which they were our vendor. However, the district did not receive the reimbursement funds until after the date of contract termination. As per our contract with LSEBS, the district must pay the administrative fees associated with the annual cost report settlement payments submitted while LSEBS and the district were still under contract.

  
**Mike Martindale**  
Deputy Superintendent -  
Chief Financial Officer

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**CLARK C. EALY, Ph.D.**  
Superintendent of Schools

# College Station Independent School District

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Carmella Shafer, Director of Purchasing, and Molley Perry, Chief Administrative Officer, recommend that the district authorize payment for the 2016 Medicaid Cost Report Settlement fee in the amount of \$65,318.70 to Lone Star Billing Services (LSEBS) for Shared Health and Related Services (SHARS) reimbursements using the 2018-19 General Fund.

## **RECOMMENDATION**

It is recommended that the College Station ISD Board of Trustees approve the payment for the 2016 Medicaid Cost Report Settlement fee in the amount of \$65,318.70 to Lone Star Billing Services (LSEBS) for Shared Health and Related Services (SHARS) reimbursements using the 2018-19 General Fund.

**Mike Martindale**  
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