

ATTACHMENT S CLAIMING PROTOCOL - HEALTH WORKFORCE DEVELOPMENT

Introduction

As described in the Special Terms and Conditions (STCs) of Rhode Island's Section 1115(a) Demonstration #11-W-00242/1 approved by the Centers for Medicare and Medicaid Services (CMS) on October 20, 2016, the state may claim FFP to solely support the goals of the State's Health System Transformation Project (HSTP). These STCs provide expenditure authority, which enables Rhode Island to operate its Section 1115 Medicaid Demonstration. Accordingly, Rhode Island established a Designated State Health Program (DSHP) for health workforce training programs and related expenditures to support the program at the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island. This expenditure authority will promote health care objectives that increase efficiency and quality of care through initiatives that transform service delivery networks.

This Health Workforce Development (HWD) DSHP enables Rhode Island ("RI" or "State") to promote improved access and quality of care for Medicaid beneficiaries in the State by supporting the education and training of the health care workforce which results in employment and/or continuing education of employees in settings that provide care and services to Rhode Island Medicaid beneficiaries.

Through these STCs, CMS also approved and Rhode Island established the following Designated State Health Programs (Program Groups or Program) for which FFP can be claimed:

- Wavemaker Fellowship
- Other DSHPs
 - Tuberculosis Clinic at Miriam Hospital
 - Center for Acute Infectious Disease Epidemiology
 - Rhode Island Child Audiology Center
 - Consumer Assistance Programs
 - Office of the Child Advocate
 - Commission on the Deaf and Hard of Hearing

Through these DSHPs, additional CNOM (Costs Not Otherwise Matchable) activities have been identified for which Federal Financial Participation (FFP) may be claimed. Allowable DSHP claims for each Program are limited to the allowable DSHP costs incurred for the months of the time period defined by the STCs (STC 82).

This document addresses the Health Workforce Development DSHP. The other Program Groups are addressed in separate Protocols. (See Attachment Q for Wavemaker and Attachment P for all other DSHPs.) This document along with Attachments P and Q are attachments to those STCs

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and contain the protocol for determination of the expenditures eligible for FFP, the claiming and reporting methods and identify the records required to be maintained to support the STCs.

As stated in STC 85, “the annual limit the state may claim FFP for workforce training programs is limited to total costs, in accordance with the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”. The Office of Management and Budget (OMB) circular effective December 26, 2013, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”, defined at 2 CFR 200.402, as amended from time to time (also called “Super-circular”) provides guidance for determining the allowable costs under this protocol.

All claimable DSHP expenditures will be paid from the IHEs general funds up to the amount of the State’s annual appropriation to each IHE which meet CMS’s conditions as eligible state share in claiming FFP. These expenditures will not include expenditures used to meet any federal maintenance of effort requirements nor to provide match for any other federal purpose or grant.

Rhode Island Medicaid will enter into an Interagency Service Agreements (ISA) with each of the three State colleges/universities. Each Agreement will specify what can count as a DSHP expenditure, documentation requirements of the school, and an assurance that the school gives RI Medicaid authority to submit the claim based on their documented, eligible DSHP expenditures. In accordance with the ISA, each state college/university will provide verification that the DSHP eligible expenses are accurate and complete and are based on the instructions provided to each school in this claiming protocol. The IHE will submit expenditures on a quarterly basis (Exhibit B) and provide an "Expenditure Verification" (EV) form (Exhibit A) signed by the appropriate financial officer at the school, e.g., the Chief Financial Officer or Controller. This EV will be submitted to RI EOHHS for review and validation. These expenditure reports will be a part of the quarterly report to CMS.

After review of the EV document and expenditures, EOHHS will submit the claim to CMS for the verified eligible expenditures. In order to provide CMS with timely assurance and support for the DSHP payments, the State will document through a quarterly report to CMS the expenditure detail supporting the request for DSHP payments. EOHHS will report expenditures under the Other/Misc. line for 64 and 37 report purposes, unless otherwise instructed by CMS. Federal funds will be claimed within two years following the calendar quarter in which the state makes expenditures for the HWD DSHP.

IHE Expenditures

Per STC # 85, “the state may claim FFP for health workforce training programs and related supports at the University of Rhode Island, Rhode Island College and Community College of Rhode Island.” Each IHE will determine the “Allowable Costs” for each “Allowable

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(Educational) Program” in each accounting quarter, within the terms defined under the STCs, commencing with date of approval of the STCs, October 20, 2016.

Expenditures for DSHP allowable Health Workforce Development (“HWD”) are defined in the STCs as those incurred by Rhode Island’s three public Institutions of Higher Education including the University of Rhode Island, Rhode Island College and the Community College of Rhode Island to educate and train health professionals in fields to benefit Medicaid beneficiaries. The focus of the discussion following will be on the identification of allowable expenditures incurred by IHEs in training health care professionals.

Expenditures Claimable for FFP

Expenditures incurred for health workforce training and development activities must be allowable, reasonable and allocable and support the goals of the Rhode Island HSTP initiative.

These expenditures, termed “Allowable Costs”) are made on behalf of qualified individuals who graduate from an “Allowable Program” who work for “qualified employers”, where,

- The healthcare workforce is comprised of “qualified individuals (*students*)” and defined as individuals who:
 - Graduate from an allowable program offered by one of the state’s public higher education institutions;
 - Obtain employment in Rhode Island with one or more “qualifying employers” that provide services to Medicaid enrollees (such as hospitals, nursing homes, health centers, and other participating providers); or
 - Individuals who are currently employed by a “qualifying employer” and who complete a continuing education program provided by the state schools designed to increase the ability of the individual to improve the quality, outcomes, and/or cost effectiveness of care and services to Medicaid enrollees;
- “Allowable Programs” are those Programs (degree, certificate, license academic offerings) that train students for a health care profession, are defined for each IHE; programs will vary by IHE depending upon the IHE’s focus, course, degree and educational offerings and will be collectively determined through discussion and analysis between each IHE and EOHHS. “Allowable Programs” may include but are not limited to the following*:
 - Department of Nursing
 - Department of Pharmacy
 - Health Care Administration
 - Allied Health Programs
 - Dental Health Programs
 - Rehabilitative Health Programs

*The IHEs quarterly expenditure reports will be a part of the quarterly report to CMS and will include the specific programs with the respective CIP Codes listed on each school’s report.

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- “Qualified employers” are defined as those employers that are Rhode Island Medicaid providers;
- “Allowable Costs” will include:
 - The total costs of qualifying health training program at the three state schools, determined in accordance with the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (aka “Super Circular”).
 - Adjusted by the “percentage of qualifying students” in each program in the previous year.
- “Total Cost”, defined in the Super-circular, “is the sum of the allowable direct and allocable indirect costs less any applicable credits...such as purchase discounts, rebates or allowances.”
 - “Direct costs” are those costs specifically identified with delivery of a particular objective, in this case, DSHP direct costs are those for delivery of healthcare educational training. DSHP direct costs would include salary and benefits for those who directly deliver the health training programs (e.g., the faculty) and for direct costs necessary to the educational process such as, educational materials, educational subscriptions, guest lecture fees, teaching lab supplies.
 - “Indirect costs” include those costs that are necessary to the educational process and the granting of degrees and certificates but apply to the entire institution that provides the education and training. For purposes of computing “total costs”, each IHE will use the rates approved in their current Indirect Rate Agreement approved by the U. S. Department of Health And Human Services Division of Cost Allocation Services. The rates in these agreements were approved in accordance with the authority of the Office of Management and Budget Circular A-21 (which has been super-ceded by the Super-circular”). The current indirect rate agreements can be found on each IHEs website.

Identification of Allowable Programs

Working in collaboration with the IHE, EOHHS will identify those educational programs that train individuals for a career in the health care professions. Each program will be associated with the **CIP** code for that instructional program as defined by the National Center for Education Statistics Classification of Instructional Programs (**CIP**) which provides a taxonomic scheme that supports the accurate tracking, assessment, and reporting of fields of study and program completions activity. From this taxonomic listing of CIP codes, EOHHS together with the IHEs will identify courses of study that train individuals for a career in the health care professions.

Identification of Allowable Costs

Working in collaboration with EOHHS, the IHE will identify the expenditures associated with those programs of study that meet the requirements for credentials for each of the allowable health care degrees or certificates. The allowable costs will be guided by the standards defined in the OMB’s then current Super-Circular with the IHE’s federally-negotiated and approved indirect rate(s) including on-campus and off-campus rates, as appropriate, utilized to develop Total Costs as defined in #85 of the above referenced STCs.

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Determination of Allowable Costs

Each IHE uses an integrated accounting system which classifies expenditures based upon academic departments. Though not all utilize the same system, they accumulate, process, and employ coding structures in similar formats for reporting and audit purposes. The charts of accounts structures have these primary coding structure elements: fund, organization, account, and program. Transactions in the systems require these coding structures to store, process, and report out expenditures for all programs, including the programs to be claimed under this DSHP.

Through their respective chart of accounts, each IHE records and classifies expenditures for each academic department in the respective accounting systems by functional area. The respective costs of each academic department aggregate to the total costs of the IHEs as presented in their respective Financial Statements.

Additionally, to provide consistency across the IHEs in the determination of Allowable Costs, principles from the National Association of College and University Business Officers (NACUBO) Accounting Principles Council will be utilized in guiding functional reporting of expenses and types of natural expense categories of expense reporting. NACUBO is a membership organization representing more than 2,100 colleges and universities across the country with the mission to advance business practices for higher education institutions. Among the functional reporting categories are: Instructional, Research, Public Service, Academic Support, Student Services Administration, Institutional Support, Operations and Maintenance of Plant, Scholarships and Fellowships, and Auxiliary Operations.

Expenditures to be claimed under this Protocol can be classified as “Instructional” using the NACUBO principles and are included in the respective financial statements of each IHE. The IHE’s financial statements are audited annually and, since each IHE is a component unit of the State of Rhode Island, are included in the State’s Comprehensive Annual Financial Report (CAFR).

The IHE will complete the section titled “To be Completed by IHE” on “Allowable Cost Reporting” template at **Exhibit B** of this Attachment for each calendar quarter and will include allowable costs incurred on or after the date of approval of the STCs, October 20, 2016, in accordance with the requirements of this Attachment S.

Reporting of Allowable Costs

Using the IHE’s accounting system, the IHE will identify the allowable costs, as described above by Allowable Program, incurred in a calendar quarter commencing with the date of CMS’ approval of the STCs (October 20, 2016) and will complete and submit the template in **Exhibit B** to EOHHS no later than forty (40) days after the end of each calendar quarter. EOHHS reserves the right to submit DSHP qualifying and allowable expenditures received from an IHE for FFP claiming as long as the expenditures were incurred no more than 2 years prior to the date of FFP claim, in accordance with the federal regulation at 45 CFR Part 95, Subpart A.

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Verification of Allowable Costs

Along with the completed Allowable Cost template (**Exhibit B**), the IHE will provide an Expenditure Verification form (EV) (**Exhibit A**) to this Claiming Protocol attesting that the reported expenditures are accurate, are those only for Allowable Programs, include only Allowable Costs and are not used as match or MOE (Maintenance of Effort) for any federal program or grant.

Substantiation of Allowable Costs

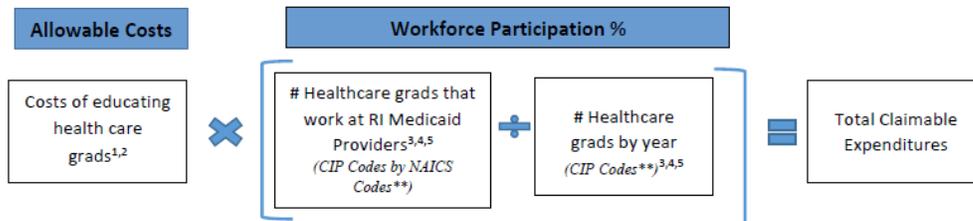
For all expenses claimed under this project, the expenses must be auditable and comply with all IHE approval and processing procedures and be properly authorized, documented, and recorded in the respective purchasing, payroll and accounting systems. The IHE will provide reports, procedure narratives and such other documentation as requested by EOHHS as needed for audit or such other compliance or documentation purposes as arise from time to time.

All labor expenditures must be auditable and be supported by records produced by the IHE’s human resource and payroll systems, e.g., payroll register. All salary and benefit expenditures included in **Exhibit B** will be subject to audit and the IHE will retain sufficient documentation for each expenditure to withstand audit.

Workforce Calculation Methodology

The amount of FFP to be claimed under this protocol is determined by:

- A. Each IHE determining the “Allowable Costs” for each “Allowable (Educational) Program” in each accounting quarter; and,
- B. Adjusted by the “percentage of qualifying students” in each program in the previous year as depicted in the following graphic:

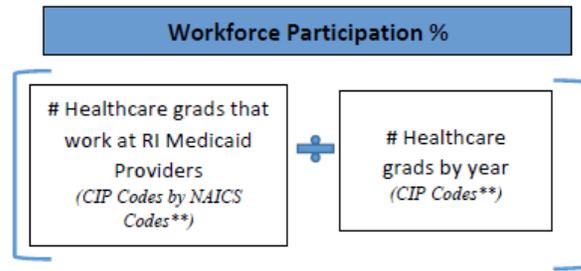


- (1) Expenditures from general ledger with transaction detail
- (2) Wage detail supported by payroll records
- (3) Employment from DLT (RI Dept. Labor & Training), Providence Plan, other external agencies
- (4) Graduates from RI Office of Postsecondary Commissioner, Providence Plan, other
- (5) CIP** codes will be used to match IHE Allowable Programs with those employed in Rhode Island, NAICS** codes will be used to select only those graduates that are employed in a provider that supports Medicaid beneficiaries

** CIP = Classification of Instructional Program
NAICS = North American Industrial Classification

As in the formula above in “Expenditures Claimable for FFP”, the percent (%) to be applied to Allowable Costs by IHE will be calculated using the percent calculation, shown here and above, and described below.

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- A. The percent (%) (“Workforce Participation %”) will be determined by matching the:
1. The Numerator = Graduates of an IHE employed by a Rhode Island Medicaid provider as determined from wage records by person by type of Rhode Island employer by health-related NAICS Code (North American Industry Classification System).

The North American Industry Classification System or **NAICS** (pronounced "nakes") is a numbering system (called “NAICS code”) that employs a five or six-digit code at the most detailed industry level. EOHHS will review the NAICS classifications and identify those codes that are relevant to health care providers.

Against,

2. The Denominator = Graduates¹ from each IHE trained in a health profession, as determined by CIP Code (Classification of Instructional Programs).

¹Where “graduate” is an employed individual in Rhode Island who graduated from an “allowable health care training program”, as defined by allowable CIP codes.

- B. The Workforce Participation % will be calculated utilizing the most recently available graduation and employment data. The lag time for availability of relevant graduation and employment data is approximately one year after the end of the academic year; for example, 2015 data is available in the Summer of 2016; therefore, as an approximation for the 2017 workforce %, the most recently available actual data (2015 for academic year 2017) will be utilized for application to the 2016-2017 academic year costs. Thereafter, the participation % to be applied to the allowable costs will be based on the most recently available actual academic year data.

Workforce Data Source

Both the graduate level data and the employer data will be obtained by EOHHS from agencies which specialize in tracking of labor and employment statistics and include the Rhode Island Office of the Postsecondary Commissioner, the Rhode Island Department of Labor and Training and the Providence Plan (<http://provplan.org/>).

Claiming

Upon receipt of **Exhibit A** with the attachment **Exhibit B** from each IHE, EOHHS will review the submission and, as necessary, within 10 business days of receipt raise questions with the IHE for resolution within 10 business days. Once the IHE affirms the submitted costs, EOHHS will apply the Workforce percentage defined in “Workforce Calculation Methodology” above and

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calculate “Total Claimable Expenditures”. EOHHS will then follow their existing procedures for claiming the FFP.

Reporting

EOHHS will include claimed DSHP expenditures on the CMS-64 schedule for each quarter. The IHEs quarterly expenditure reports will be a part of the quarterly report to CMS and will include the specific programs with the respective CIP Codes listed on each school’s report.

Changes to Previously Claimed Amounts

EOHHS shall inform the IHE of any communication and provide the IHE with a copy of any letter or other communication from state or federal officials or staff relating to questions, audits, review, request for information, deferral, recoupment or disallowance of FFP for expenditures certified by the IHE.

The IHE shall inform EOHHS of any communication and provide EOHHS with a copy of any letter or other communication from state or federal officials or staff relating to questions, audits, review, request for information, deferral, recoupment or disallowance of FFP for expenditures certified by the IHE pursuant to this Agreement.

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Exhibit A: Expenditure Verification (EV) Form



Designated State Health Program EXPENDITURE VERIFICATION (EV)

The State of Rhode Island and Providence Plantations Medicaid Agency (EOHHS) requires certain information to enable EOHHS to recognize costs incurred for services rendered for Designated State Health Program (DSHP) as allowable expenditures. The Expenditure Verification (EV) form provides EOHHS with verification of expenditures by Rhode Island’s public Institutions of Higher Education which will allow EOHHS to draw federal matching funds.

This mandatory form will be retained as part of the fiscal documentation for EOHHS.

The completed and signed EV form must be submitted to the attention of the DSHP Project Director by FAX to (401) 462-4652; by email to paul.loberti@ohhs.ri.gov or mailed to:

Paul G. Loberti, MPH
Administrator for Medical Services & DSHP Project Director
RI EOHHS
Hazard Building
74 West Road
Cranston, RI 02920

SECTION I – IHE INFORMATION	
Report Period <input type="text"/>	Federal Identification Number <input type="text"/>
Name and Address – IHE <input type="text"/>	

SECTION II - VERIFICATION

This is to verify that:

- I am authorized to review, sign, and submit this form on behalf of this IHE.
- This IHE expended \$ _____ in general funds for eligible Rhode Island Designated State Health Programs (DSHP), as approved by CMS October 20, 2016 in the 11-W-00242/1 amendment to Rhode Island’s section 1115 Demonstration Waiver. Attached in Exhibit B, is the Allowable Cost report showing the expenditures identified for the approved DSHP program(s).
- The report period submitted is: _____ (mm-dd-yy), through _____ (mm-dd-yy).
- These expenditures do not include costs used to meet federal maintenance of effort requirements nor to provide match for any other federal purpose or grant and do not exceed the State’s annual appropriation.
- Records documenting these expenditures are available for audit by EOHHS.
- I have reviewed the foregoing and verify that the information reported is true and correct to the best of my knowledge and belief.

SECTION III – SIGNATURE	
SIGNATURE – Authorized Representative <input type="text"/>	Date Signed <input type="text"/>
Name – Authorized Representative (print) <input type="text"/>	Telephone Number – Authorized Representative <input type="text"/>
Title – Authorized Representative <input type="text"/>	Email Address – Authorized Representative <input type="text"/>

Exhibit B: Allowable Cost Reporting

Allowable Cost Reporting Template

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**Health Workforce Development
Allowable Cost Reporting**

(a)	(b)	(c)	(d)	(e)	(f)	(g) = (f) *%	(h) = (f) *%	(i) = (g)+(h)	(j) = (e)+(i)
Line #	CIP Ref ¹	College	Dept Name ¹	Total Direct Costs ^{2,3}	Indirect Cost Base (i.e., salary and/or fringe cost component of .(e))	Indirect Costs On Campus ⁴	Indirect Costs Off Campus ⁴	Total Indirect Costs	Total Costs
						(%)	(%)		
						0%	0%		
1		Health Sciences	Psych/CPRC			0.00	0.00	-	-
2		Health Sciences	Psychology			0.00	0.00	-	-
3		Health Sciences	Human Dev/Fam Studies			0.00	0.00	-	-
4		Health Sciences	Communicative Disorders			0.00	0.00	-	-
5		Health Sciences	Physical Therapy			0.00	0.00	-	-
6		Health Sciences	Gerontology			0.00	0.00	-	-
7		Health Sciences	Kinesiology			0.00	0.00	-	-
8		Health Sciences	King. Child Development			0.00	0.00	-	-
9		Health Sciences	Health Studies			0.00	0.00	-	-
10		Health Sciences	Nutrition			0.00	0.00	-	-
11		CEPS	Medical Lab Science			0.00	0.00	-	-
12		Nursing	Nursing Admin			0.00	0.00	-	-
13		Nursing	Nursing Instruction			0.00	0.00	-	-
14		Pharmacy	Pharmacy Dean			0.00	0.00	-	-
15		Pharmacy	Pharmacy Practice			0.00	0.00	-	-
16		Pharmacy	Biomedical and Pharmaceut. Science			0.00	0.00	-	-
Grand Total				-	-	-	-	-	-
						BOX A	Work Force Employment in RI⁵		
						BOX B	Total Graduates⁵		
						BOX C	Work Force Participation % in RI⁵ %		
						BOX D	Total Allowable Costs \$		

Footnotes

- ¹ Department/Program must be matched with one or more CIP codes
- ² \$'s reported in accordance with guidance of Supercircular and NACUBO Principles
- ³ Funding sources as defined
- ⁴ Federally approved indirect rates
- ⁵ Data provided by RI Office of the Post-Secondary Commissioner, the Rhode Island Department of Labor and Training and the Providence Plan

Instructions for Completing Allowable Cost Reporting Template

Column Ref	Instructions	Responsibility
Column A	This column identifies the line number of the data and is used for reference purposes only. The IHE should add or delete lines as appropriate to the number of Departments listed in Column D.	IHE
Column B	Insert the CIP code in this column that identifies the program of instruction in Column D as classified under the National Center for Education Statistics Classification of Instructional Programs.	IHE
Column C	Insert the name of the Department or College the Allowable educational Program in Column D is offered under.	IHE
Column D	Insert the name of the Allowable educational Program agreed to with EOHHS	IHE
Column E	Insert the total Allowable Costs for the respective Allowable Program.	IHE
Column F	Insert the total Allowable Costs to which the indirect rate is applicable for the respective Allowable Program.	IHE
Column G	Insert the federally approved On-Campus indirect rate in Cell G6. The remainder of Column G will automatically calculate.	IHE
Column H	Insert the federally approved Off-Campus indirect rate in Cell H6. The remainder of Column H will automatically calculate.	IHE
Column I	Column I will automatically populate and total Columns G and H and represents the total of Indirect Costs by Allowable Program.	Calculated
Column J	Column J will automatically populate and total Columns E and I and represents the Total Allowable Costs by Allowable Program.	Calculated

EOHHS will then apply the % of Workforce Participation of Program Graduates by IHE to total Allowable Costs for that IHE as follows (*see "Workforce Calculation Methodology" herein for reference*):

Box A	Populate the number of graduates that obtained relevant employment in Rhode Island with data provided by the external reporting agencies.
Box B	Populate the number of graduates from the IHE with data provided by the external reporting agencies.
Box C	Automatically calculates by dividing Box A by Box B to yield the Workforce Participation %.
Box D	Automatically calculates multiplying total Allowable Costs by Box C the Workforce Participation % and represents the total amount of Allowable Costs that EOHHS will claim for FFP match.