



# Expenditure Allowability Support

## Purpose

The purpose of this document is to support districts/BOCES in understanding what expenditures are considered allowable and other considerations on expenditure allowability.

## On Expenditure Allowability

When thinking about expenditure allowability, first ask two questions: (1) does it align with the Local Services Plan (LSP), and (2) is it satisfying a health need? Districts/BOCES receive many purchase requests. It is essential to be good stewards of these dollars and maximize the help provided to students in your district.

Questions to consider when spending Medicaid reimbursement dollars:

1. What is the health need being satisfied?
  - a. Would a reasonable person be able to identify the health need being satisfied?
2. Is there a lower-cost alternative that will equally satisfy the health need?
  - a. A lower-cost alternative frees up dollars to spend on other health services without sacrificing the degree to which a health need is satisfied.
3. Will the purchase accomplish its intended purpose?
  - a. Would a reasonable person see how the purchase would satisfy the health need?
4. What is your gut telling you about this purchase?
  - a. If you feel unsure about a purchase, contact the CDE Medicaid Consultant for support.

Strategies to assist you in determining expenditure allowability for goods/services:

- ❖ Review your LSP quarterly to ensure it is up to date.
  - The LSP was created using community feedback to determine how Medicaid reimbursement dollars will be spent. Keeping it up to date will help the district/BOCES ensure future purchases align with the community's needs.
- ❖ Can you bill for the good/service?
  - Goods/services that are allowable as billable items in the Medicaid program are also considered allowable expenditure and can receive reimbursement dollars. Remember that CDE recommends limiting administrative costs to 20% of total reimbursement spending.
- ❖ Has the good/service in question been approved in the past?
  - Oftentimes, requests received are already present as examples in CDE support documents such as this or listed in the LSP guidelines under the appropriate health service category. Review these items as they are released or updated.
- ❖ Discuss the purchase and your concerns with the CDE Medicaid Consultant via meeting or phone call.

## Previously rejected requests

For the below items, we recommended that the district/BOCES use another source of funds. Also included was the reasoning provided to the district/BOCES:

- Transportation FTE costs for the general population.

**Reasoning:** Transportation FTE costs must be for specialized transportation drivers.

- Costs relating to non-specialized transportation vehicles. This does not include costs for specialized equipment added to non-specialized vehicles like lifts.

**Reasoning:** General transportation does not satisfy a health need. Equipment to support those with a health need is allowable.

- Student monetary “incentives,” usually associated with a training or event.

**Reasoning:** Incentivizing students through dollars does not satisfy a health need. Other funds are recommended for this purpose.

- General education programming like reading/math lessons or associated costs.

**Reasoning:** This is not satisfying a health need. Health-related programming is allowable and can include items like bullying prevention, suicide prevention, nutrition, or CPR/First Aid.

- Purchase of clothing for general reasons such as dress code violations.

**Reasoning:** Clothing to correct dress code violations does not satisfy a health need. Alternatively, clothing to be used in the changing of soiled clothing is allowable.

- Laptop or other equipment purchased for non-school health services program FTE (ex: replacement laptop for a math teacher or academic counselor).

**Reasoning:** Equipment and supplies purchased must support those providing health needs or involved in the administration of the School Health Services program.

- A vacuum for a life skills training program for high-risk youth.

**Reasoning:** In this case, if the vacuum is part of the curriculum, it would be allowable. However, if not, it may be excessive when a broom can also serve the same purpose.

- Use reimbursement funds to pay for an exam to qualify for a CDE endorsement.

**Reasoning:** While the cost of renewing a license renewal is covered, the fees associated with qualifying for the license are not.