



State of Vermont
Vermont Department of Education
120 State Street
Montpelier, VT 05620-2501

To: Superintendents
Business Managers
Special Education Directors

From: Bill Talbott, Chief Financial Officer

Date: June 9, 2010

Subject: Medicaid Annual Reinvestment Report Allowable Costs

Each year supervisory unions are required to report on the expenditures of Medicaid Reinvestment dollars. V.S.A § 2959a(e) details how Medicaid Reinvestment dollars may be spent. The statute states that funds shall be spent on:

1. The reasonable costs of administering the Medicaid claims process
2. Prevention and intervention programs
 - a. Designed to identify children with disabilities
 - b. Designed to provide intervention to children with disabilities
 - c. Designed to ensure all student meet the standards
3. Must be provided to children ages 3-22
4. Is expressly linked to the school district's action plan and is directly related to improving student performance.

Examples of expenditures that are not allowable:

5. Services provided to children birth-to age 3
 - a. These services do not meet the age requirements outlined in statute
6. Postage, photocopying, mailing
 - a. These are not program costs
7. Data management staff
 - a. This is not a program
8. Field trips
 - a. Field trips are not a program

Examples of allowable expenditures:

9. Salary, benefit and supply costs to implement a reading recovery program
10. Salary, benefits and program supply costs for anti-bullying program
11. Salary benefit and supply costs for after school homework club

The cost of administering the Medicaid claims process varies greatly by supervisory union. Beginning with FY10, the Department of Education will require the submission of time documentation to support administration cost that are greater than 25% of the grant funds received for the fiscal year.

Questions regarding the above information should be directed to Nicole Tousignant, Medicaid Program Coordinator at nicole.tousignant@state.vt.us or 828-5111.

