

Welcome and Introduction

Raquel Donaldson, Senior Program Analyst (SSA)

Raquel welcomed everyone to the call and shared the following information about the fiscal year (FY) 2023 cost formula development process:

Every year Social Security sends out the cost formula and it is usually a simple process. For FY21, the Rehabilitation Services Administration (RSA) started using the RSA-17 form and Social Security was unable to create an updated cost formula.

Eric Schmidt from the Maryland VR and his finance team volunteered to develop a new cost formula. In conjunction with SSA's Office of Budget and Office of Finance, they created a solid draft of the new cost formula.

Once created, six State Vocational Rehabilitation Agency (SVRA) Coordinators (Oregon-General, Virginia-General, Pennsylvania, Kentucky, Utah, and Florida-General) and their respective finance teams tested the cost formula. After testing, all seven SVRAs met with SSA to give feedback which was incorporated into the final cost formula all SVRAs are now using. The SVRA group also helped with updating the cost formula letter that was sent with the GovDelivery message for this call.

Social Security Welcome

Robert Pfaff, Director OES (SSA)

Robert welcomed everyone to the call and thanked the group of SVRAs for their efforts to work together with Social Security on the challenge of creating a cost formula for fiscal year 2023.

Welcome

Eric Schmidt, Program Manager, Social Security Programs/Program Income Division of Rehabilitation Services (DORS), State of Maryland

Eric discussed the following regarding the development of the cost formula:

Why revamp the Cost Reimbursement formula?

- New forms don't include the same rows/calculations as the prior forms.
- There is no direct correlation between the SSA cost formula's required rows on the old form (RSA-2) and the new rows on the new form (RSA-17).
- Due to reporting changes (quarterly instead of annually), more forms are needed, and calculations need to be made regarding totals across multiple forms.

- Additionally, states may carry over and expend some funds from one fiscal year to another, requiring more than one set of forms to capture all the costs. These carryover funds also need to be accounted for to ensure that they are not being included twice in the total Administrative, Counseling and Placement (ACP) costs.

Calculation Summary: What exactly are we trying to provide to SSA?

- The total ACP for Step 1 of the formula equates to the Total Federal Expenditures (Step 1, Part I) from lines that are included in the RSA-17 forms from the 'current' and 'carryover' fiscal years MINUS the Total Client Service Expenditures (Step 1, Part II) your agency spent over the same fiscal years.
 - These Total Client Service Expenditures must be removed because they are paid dollar for dollar on the detailed VR Expenditures that states submit on the cost reimbursement claims submitted to SSA, and don't need to be included in the calculation for the ACP rate.
 - If this was not subtracted, then states would be requesting funds from SSA for direct services twice.
- The total for Step 2 of the formula equates to the Total Unique Number of Individuals served under an IPE (Individual Plan for Employment) and was previously revised a couple years ago using RSA-911 data and requires states to identify the total unique number of individuals served under an IPE for the fiscal year
 - This is the number that Step 1 is divided by to calculate an average Annual Cost per individual (Step 3 of the formula)
 - That annual cost is then divided by 12 to arrive at an average monthly cost per individual (Step 4 of the formula)

What is submitted to SSA?

- Submit only the final dollar figure from the Cost Formula Calculation.
 - This is the Average Monthly ACP Cost Per Individual (Step 4 of the formula)
- Retain documentation including:
 - Two fiscal years of RSA-17 forms (due to carryover of funds)
 - Agency accounting reports documenting the total client expenditures (Part II of Step 1)
 - RSA-911 data/calculations used to arrive at Step 2, Total Number of Individuals Served

Eric reviewed the Cost Formula worksheet and sample data from Maryland's RSA-17 form and accounting reports. SSA sent the worksheet to all SVRAs with the GovDelivery message for this call.

Questions & Answer (SSA)

Question: Does the model accommodate RSA's shift to bi-annual reporting beginning with the federal fiscal year 2024 awards?

Answer: The form will have to be revamped when we go to the semi-annual reporting. This is just related to the quarterly reporting form.

Question: When will the forms be sent to various states?

Answer: The FY23 cost formula worksheet, training notes and narrative were attached to the GovDelivery message for this call. If you do not have the documents, email VR.Helpdesk@ssa.gov to request them. Once your ACP cost is reviewed and approved, you will receive an approval letter. The blank Cost Containment Policies will be included.

Question: When will the recording be posted?

Answer: The recording for the call will be posted to the Events Archive page within the next month. There is a freeze on updates to the website for the next three weeks.

Question: Since the fiscal year is ending in a few weeks, are we expected to use this for any claims that we currently have pending?

Answer: Yes, this is for any claims that you have for FY23, and that does not mean that the ACP needed will be the FY23. However, do not hold on to any of your claims. Even if you are awaiting the calculation of your FY23 cost formula, please send them when the VR closure date has ended. We will place the claims in diary with a note that we are waiting for the FY23 cost formula to process the claims.

Question: The definitions on the cost formula worksheet states "annually in October, due by March". Is this the window we have to submit to Social Security?

Answer: Normally Social Security sends out the cost formula in September or October, giving the SVRAs until March of the following year to submit your information. However, Social Security is beyond the normal timeframe, so the expectation is to submit all claims as soon as possible. The sooner you submit your cost formula, the sooner you will be reimbursed.

Question: What is the difference between the federal year timeframe and the performance year timeframe? VR works on a physical year schedule, not a fiscal year schedule.

Answer: You must follow the federal fiscal year schedule, which is in line with the RFA forms that must be submitted.

Question: What will happen if I don't get my cost formula information in by the date the claims I have already submitted expires?

Answer: The claims will be placed back in diary for another 30 days. There is no expiration set for now.

Question: When carrying over months from another year, you mentioned quarter eight. Should we include the liquidation period for the 2021 grant year, or do we use the fiscal year end of 9/30/2022?

Answer: You should use the final report for quarter eight because the information is cumulative. You have to back out the previous quarter four information.

Question: As it relates to the form, are we going to have to rely heavily on our finance or accounting departments to get the information needed for the cost formula?

Answer: It will differ from state to state. It may be from RSA -911 data or other data compiled by your finance or accounting department. Start coordinating with them first.

Question: Are we including participants that are not Ticketholders into the total number of individuals served?

Answer: No, you are not. You are counting participants that are eligible for services and have completed an Individual Plan for Employment, within the fiscal year timeframe. Ticket status is not factored into the total.

Question: We are under one agency number for our general and our blind services. Do we need to submit two separate cost formulas?

Answer: If you submit RSA documentation separately for each agency, yes, you must submit two separate cost formulas. If you send combined RSA documentation, you will submit one cost formula.

Question: On the cost formula worksheet column, I "Input" lines five and six. Do we change the reporting period dates to 10/1/2022 to 9/30/2023, or do we leave it as 10/1/2021 to 9/30/2022?

Answer: Leave the dates as 10/1/2021 to 9/30/2022. That is the reporting period for Fiscal Year 2023.

Question: How long will the cost formula be good?

Answer: The cost formula you submit now is for the Fiscal Year 2023, which is for any case that closes October 1, 2022, to September 30, 2023.

Question: If we are just submitting the FY23 cost formula, and we have to wait for it to be

approved, will this delay reimbursements? What happens when the new federal fiscal year rolls on October 1? Do we keep submitting requests and will they be evaluated under this cost formula?

Answer: The FY23 cost formula is for claims on cases that close October 1, 2022, to September 30, 2023.

Question: When the claims are received and placed into diary with the comment “Need FY23 cost formula to process claim”, have they been approved for payment at that point?

Answer: If additional information is needed such as justification for the late start of SGA, a signed IPE and case notes, pre-payment validation review is required, multiple claims submitted for one participant, etc., the claim may not be delayed or denied. If the claim only needs the cost formula, it can be approved for payment when the claim is processed.