



## End of Year Cost Reporting – Supplies, Materials and Equipment

Do not forget to account for supplies, materials and equipment costs that can be included in your school-based Medicaid end of year cost reconciliation process.

### Section 6 – Other Direct Medical Costs

Other direct medical costs include medical supplies, materials, purchased services, equipment and other costs. These costs must be consistent with OMB Circular A-87 and should only include costs that are 100% attributable to direct medical services. Exclude any costs that are part of the unrestricted indirect cost rate set by DESE. Exclude any portion of the costs that are funded by federal grants or are a required state or local match on federal grants.

Materials and supplies are allowable if used exclusively for the delivery of health care services. Consult Appendix A for a list of materials and supplies that may qualify. Only materials and supplies used in Medicaid covered services for which the School-Based Medicaid Provider is including personnel costs can be included.

NOTE: Any item with a cost in excess of \$5,000 and a useful life of at least one year will be treated as a capital expense, and should not be included in the cost report.

Account description: The description of medical supplies, materials, purchased services, other costs, and direct medical equipment whose costs are included in the cost report

Trial Balance Amount: The annual total amount of medical supplies, materials, purchased services, other costs, and direct medical equipment.

[Click](#) to review State guidance on Cost Report Supplies and Expenses.