



Center for Medicaid and State Operations

SMDL #02-018

November 21, 2002

Dear State Medicaid Director:

This letter addresses the Federal matching rate available for administrative activities performed by Skilled Professional Medical Personnel (SPMP) in the school setting. As described below, the purpose of this letter is to inform you that effective January 1, 2003, the enhanced Federal matching rate of 75 percent will no longer be available for the activities performed by SPMP school staff.

Section 1903(a) of the Social Security Act (the Act) provides for variable Federal matching rates to states for administrative functions under Medicaid. The majority of activities that are necessary for the proper and efficient operation of a state Medicaid plan are financed at the Federal financial participation (FFP) rate of 50 percent. However, the costs of certain activities may have been claimed at a higher FFP rate; in particular, section 1903 (a)(2) of the Act provides for Federal matching at 75 percent for compensation and training of SPMP and their directly supporting staff.

Generally, in order for the enhanced matching rate of 75 percent to be available for activities performed by SPMPs, the staff performing such functions must have completed a two year program leading to an academic degree or certificate in a medically related program **and** the activity itself must require the use of their professional training and expertise.

However, although there are employees in schools who have the qualifications needed to be considered an SPMP, CMS has determined that their advanced skills and training are not necessary in order to perform the types of administrative activities that take place in school settings. Administrative activities provided in schools may include: outreach, facilitating eligibility determination, program planning and coordination, training, and referral, coordination and monitoring of services. Many school employees conduct such activities, in addition to or instead of SPMPs. Since school employees without the advanced training of an SPMP are able to perform such administrative activities, performance of these activities does not require the use of an SPMP; nor is not necessary for SPMPs that do perform such activities to utilize their professional training and expertise.

Activities that do require individuals with advanced medical skills and training are likely provided as part of a medical service, and as such are not reimbursable as administrative costs under the Medicaid program. Federal matching for the costs of the activities provided as medical services and performed by such individuals who are qualified Medicaid providers may be

claimed as medical assistance expenditures under the Medicaid program (as distinguished from costs claimed as administration), in accordance with the appropriate requirements associate with claiming for medical assistance expenditures.

In summary, effective January 1, 2003, FFP is no longer available at the enhanced rate of 75 percent for the costs of activities performed by school-based SPMPs. The Medicaid-related administrative activities performed by SPMPs in the school setting may be claimable at the regular 50 percent Federal matching rate for administration under Medicaid. This new policy will be addressed in the forthcoming final Medicaid School-Based Administrative Claiming Guide.

Effective January 1, 2003, claims for administrative costs at the enhanced SPMP matching rate in the school setting are no longer allowable. However, that does not mean all SPMP claims in the past were necessarily allowable. The allowability of SPMP claims for periods prior to the effective date of the policy change will be based on the specific aspects of such claims, in accordance with the requirements for claiming at the enhanced SPMP matching rate.

If you have any questions regarding this letter, please contact Richard Strauss of my staff at (410) 786-2019.

Sincerely,

/s/

Dennis G. Smith
Director

cc:

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