

Table of Contents

State/Territory Name: MI

State Plan Amendment (SPA) #: 13-017

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

March 18, 2014

Stephen Fitton, Medicaid Director
Medical Services Administration
Federal Liaison Unit
Michigan Department of Community Health
400 South Pine
Lansing, Michigan 48933

ATTN: Loni Hackney

Dear Mr. Fitton:

Enclosed for your records is an approved copy of the following State Plan Amendment:

- Transmittal: #13-017 School Based Services Transportation
- Effective: October 1, 2013

If you have any questions, please contact Leslie Campbell at (312) 353-1557 or Leslie.Campbell@cms.hhs.gov.

Sincerely,

/s/

Verlon Johnson
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

1 3 - 17

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION:

TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

October 1, 2013

5. TYPE OF PLAN MATERIAL (*Check One*):☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENTCOMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447

7. FEDERAL BUDGET IMPACT:

a. FFY 2014 \$ 0

b. FFY 2015 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Page 16

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):

Attachment 4.19-B, Page 16

10. SUBJECT OF AMENDMENT:

This SPA aligns State Plan language with revisions made by the Michigan Department of Education (MDE) to the Transportation Expenditure Report (SE-4094) by eliminating discrepancies in line numbers referenced in the State Plan and those in the revised report. It is only a technical change and does not change the report otherwise.

11. GOVERNOR'S REVIEW (*Check One*):☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED:

Stephen Fitton, Director

Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Stephen Fitton

14. TITLE:

Director, Medical Services Administration

15. DATE SUBMITTED:

December 18, 2013

16. RETURN TO:

Medical Services Administration

Actuarial Division

Capitol Commons Center - 7th Floor

400 South Pine Street

Lansing, Michigan 48933

Attn: Loni Hackney

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

December 18, 2013

18. DATE APPROVED:

3/18/14

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

October 1, 2013

20. SIGNATURE OF REGIONAL OFFICIAL:

/s/

21. TYPE NAME:

Verlon Johnson

22. TITLE:

Associate Regional Administrator

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

***Policy and Methods for Establishing Payment Rates
(Other than Inpatient Hospital and Long Term Care Facilities)***

- Using the Fall General Collection Student Count data, a file containing the names and birthdates of the special education students within the ISD with health related IEP is transmitted to the Michigan Department of Community Health (MDCH).
 - MDCH uses this list to run an eligibility match process against the Medicaid eligibility system. The ratio of the total number of Medicaid eligible students with health-related IEPs to the total number of students with health-related IEPs is used to determine the Medicaid Eligibility Rate percentage.
- B. Specialized Transportation Services Payment Methodology Determination of Total Medicaid Reimbursable Cost:
1. Medicaid allowable direct costs are captured utilizing the following reports:
 - a. SE-4094: Special Education costs as reported in the current, CMS approved, SE-4094 Transportation Expenditure Report and identified in Step #2. This report contains only the costs associated with Special Education buses used for the specific purpose of transporting only Special Education children. This report does not include any federal dollars.
 - b. Michigan Department of Education Indirect Cost Rate as identified in Step #3.
 2. Allowable direct costs as reported on the SE-4094:
 - a. Salaries (Sec 52 & Sec 53a; Bus Drivers, Aides & Purchased Service – Staff [Bus Drivers & Aides portion only] lines)
 - b. Benefits (Sec 53a; 52 & Sec Employee Benefits line)
 - c. Purchased Services - Vehicle Related Costs (Sec 52 & Sec 53a; Pupil Trans. By Carrier, Pupil Trans. By Carrier (b/y), Family Vehicle K Costs, Contracted Taxis, Pupil Trans. Fleet Ins., & Contracted/Leased Busses lines)
 - d. Supplies (gasoline, oil/grease, tires, etc.) (Sec 52 & Sec 53a; Gasoline/Fuel, Oil/Grease, & Tires/Batteries lines)
 - e. Other expense/Adjustments (Sec 52 & Sec 53a; Other Expense/Adjustment line, only the costs associated with adjustments to allowable costs)
 - f. Bus Amortization (Sec 52 & Sec 53a; Bus Amortization line)
 3. Indirect Costs
Apply the Michigan Department of Education Cognizant Agency Indirect Cost Rate to the net direct costs.
 4. Net direct costs and indirect costs are combined.
 5. Apply Medicaid Eligibility Rate (MER). See Section A, step 6 above.
- C. Annual Reconciliation and Cost Settlement Process Health-related services cost reconciliation and settlement:

Within 90 days after the end of the school fiscal year, the ISDs submit the annual cost report (SE-4096 and SE 4094) to the Michigan Department of Education (MOE) and the Michigan Department of Community Health (MDCH). This filed cost report is used by

TN NO.: 13-17

Approval Date: 3/18/14

Effective Date: 10/01/2013

Supersedes

TN No.: 07-03