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State/Territory Name: MI School Based Health Services

State Plan Amendment (SPA) #: 18-0013

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) School Based Health Services SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
233 N. Michigan Avenue, Suite 600
Chicago, Illinois 60601-5519



Regional Operations Group

August 8, 2019

Kate Massey
State Medicaid Director
Medical Services Administration
Michigan Department of Health & Human Services
400 South Pine Street
Lansing, MI 48933

Dear Ms. Massey:
ATTN: Erin Black

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

- Transmittal #: 18-0013: School-based Health Services
- Effective Date: January 1, 2019
- Approval Date: August 8, 2019

If you have any questions, please contact Keri Toback, of my staff, at (312) 353-1754 or via email.

Sincerely,

/s/

Todd McMillion
Acting Deputy Director
Center for Medicaid & CHIP Services
Regional Operations Group

cc: Erin Black, MDHHS

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 18 - 0013	2. STATE: Michigan
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE January 1, 2019	

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (*Check One*):

- NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION: 1905(a)(4)(b) (EPSDT)	7. FEDERAL BUDGET IMPACT: a. FFY 2019 \$6,250,000 b. FFY 2020 \$25,000,000
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Supplemental to Attachment 3.1-A Pages 13a.1, 13a.1a, 13a.2, 13a.2a, 13a.3, 13a.3a, 13a.4, 13a.5, 13a.5a, 13a.6, 13a.7, 13a.8, 13a.9 Attachment 4.16-A Pages G-1, G-2, G-3, G-4, G-5, G-6, G-7, G-8, G-9 Attachment 4.19-B Pages 14, 15, 16, 17	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Supplemental to Attachment 3.1-A Pages 13a.1, 13a.1a, 13a.2, 13a.2a, 13a.3, 13a.3a, 13a.4, 13a.5, 13a.5a, 13a.6, 13a.7, 13a.8, 13a.9 Attachment 4.16-A Pages G-1, G-2, G-3, G-4, G-5, G-6, G-7, G-8, G-9 Attachment 4.19-B Pages 14, 15, 16, 17

10. SUBJECT OF AMENDMENT:

This SPA will provide authority to expand health related services in the school setting, with nursing and behavioral health services to general education students being the primary focus of the expansion. Language was also added to clarify cost report timelines and licensure requirements.

11. GOVERNOR'S REVIEW (*Check One*):

- GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Kathleen Stiffler, Acting Director
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:
13. TYPED NAME: Kathleen Stiffler	Medical Services Administration Actuarial Division - Federal Liaison Capitol Commons Center - 7 th Floor 400 South Pine Lansing, Michigan 48933
14. TITLE: Acting Director, Medical Services Administration	Attn: Erin Black
15. DATE SUBMITTED: KMRT December 31, 2018 December 27, 2018	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: December 27, 2018	18. DATE APPROVED: August 8, 2019
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PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: January 1, 2019	20. SIGNATURE OF REGIONAL OFFICIAL: /s/
21. TYPE NAME: Todd McMillion	22. TITLE: Acting Deputy Director

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

***AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE
SERVICES PROVIDED TO THE CATEGORICALLY AND MEDICALLY NEEDY***

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TN NO.: 18-0013

Approval Date: 8/8/19 Effective Date: 01/01/2019

Supersedes
TN No.: 07-03

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State of Michigan

***Amount, Duration and Scope of Medical and Remedial Care
Services Provided to the Categorically and Medically Needy***

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TN NO.: 18-0013

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Supersedes
TN No.: 13-11

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Supersedes

TN No.: 07-03

RESERVED

TN NO.: 18-0013

Approval Date: 8/8/19

Effective Date: 01/01/2019

Supersedes
TN No.: 91-23

RESERVED

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Approval Date: 8/8/19

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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)***

22. Intermediate School Districts Services (ISD)

Reimbursement for services provided in the school setting is based on a provider specific, cost-based methodology that is reconciled annually.

An interim payment is issued based on the following determination of estimated cost. The interim payments are based on previous year cost reports and paid monthly to the ISDs.

Services include: Occupational Therapy, Physical Therapy, Speech Language and Hearing, Psychological, Physician, Nursing, Personal Care, Targeted Case Management, Rehabilitative and Transportation and the Services of Licensed Practitioners within their scope of practice. Descriptions of each service and licensed practitioners are included on the corresponding Supplement to Attachment 3.1-A section of this State Plan.

A. Direct Medical Services Payment Methodology
Determination of Total Medicaid Reimbursable Cost:

1. Data capture for the cost of providing health-related services is accomplished utilizing various sources. Medicaid allowable non-federal costs are captured from the following reports:

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)

- a. Medicaid allowable costs are reported on the annual Local Education Agency (LEA) cost report. This is an ISD specific report that identifies direct costs specified in item #2. Each ISD reports costs only for the specific staff that are identified and included in each staff pool. This report does not include any federal dollars.
- b. Cost data reports received from the ISD financial contacts. The cost for Personal Care service staff and Targeted Case Management staff is not included in the Medicaid cost report. These related salaries, fringes benefits are gleaned from financial worksheets submitted by the ISDs. This cost data is captured utilizing the same methodology currently utilized for the Administrative Outreach Program cost reporting.
- c. Michigan Department of Education Indirect Cost Rate.

2. Allowable Direct Costs

Direct costs for direct medical services

- I. Salaries
- II. Benefits
- III. Other medically-related costs directly related to the approved direct services personnel for the delivery of medical services such as purchased services/contract costs, travel, materials and supplies.

3. Indirect Cost Rate

Apply the Michigan Department of Education (MDE) Cognizant Agency Indirect Cost Rate to the net direct costs.

4. Net direct costs and indirect costs calculated in steps 2 and 3 are combined. Random Moment Time Study (RMTS) Discount

5. Random Moment Time Study (RMTS) Discount

Apply the appropriate direct service percentage obtained from the CMS approved RMTS methodology to determine the percentage of time that approved service personnel spend on direct services, that include Medicaid covered services, general and administrative time and all other activities to account for 100% of time to assure there is no duplicate claiming for all covered services. The RMTS methodology utilizes mutually exclusive staff pool(s) and statewide random moment samples are pulled each quarter to include a sufficient number of personnel from each staff pool to ensure the time study results will be statistically valid.

6. Medicaid Eligibility Rate (MER) Discount

Medicaid's portion of total net costs is identified by applying the ISD specific MER to the total net costs.

The MER is calculated using the following methodologies:

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)**Special Education Medicaid Eligibility Rate**

- 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 Health and Human Services (MDHHS).
- MDHHS 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.

General Education Medicaid Eligibility Rate

- Using the fall general collection student count data, a file containing the names and birthdates of general education students within the ISD is transmitted to the Michigan Department of Health and Human Services (MDHHS).
- MDHHS uses this list to run an eligibility match process against the Medicaid eligibility system. The ratio of the total number of Medicaid eligible students to the total number of students 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. The costs from step 4 are then divided by the total number of Special Education one-way trips to get a Special Education per trip rate.
6. The special education per trip rate is then multiplied by the number OF Medicaid eligible one-way trips to get the total cost for Medicaid eligible specialized transportation. Medicaid eligible transportation is defined as transportation provided to a beneficiary with an IEP/IFSP requiring specialized transportation and receiving a medical service on that date.

C. Annual Reconciliation and Cost Settlement Process Health-related services cost reconciliation and settlement:
Within six months after the end of the school fiscal year, the ISDs submit the annual LEA cost report to the Michigan Department of Health and Human Services (MDHHS) This filed cost report is used byTN NO.: 18-0013

Approval Date: 8/8/19

Effective Date: 01/01/2019

Supersedes

TN No.: 13-17

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)***

MDHHS to calculate an interim payment for the following year. Within nine months after the end of the school fiscal year, the filed cost reports are reviewed by MDHHS and an initial settlement is issued. The initial settlement is calculated within three months of the receipt of the finalized cost reports and may result in either an additional payment or recovery of funds.

MDHHS completes the Medicaid Cost Settlement Summary data sheet and Cost Certification form and forwards to the ISDs for approval and signature within 15 months after the end of the school fiscal year. The final cost settlement is processed two months following the date of the Cost Settlement Summary. If the ISD does not agree with the calculated cost settlement totals they must submit an appeal to MDHHS within the first one month after receipt of the Cost Settlement Summary. Any discrepancies must be resolved within the three months between the initial and the final settlement at which time any under/over adjustments are made.

Specialized transportation cost reconciliation and settlement:

On an annual basis the cost per trip is calculated by dividing the total Medicaid reimbursable cost (Section B, steps 1 through 6) by the number of "allowable" one-way trips provided to a Medicaid-eligibly beneficiary and fulfills all of the following requirements: documentation of ridership is on file, the need for the specialized transportation service is identified in the Individualized Education Program (IEP) or Individualized Family Service Plan (IFSP), and a Medicaid-covered service is provided on the same date of service. Personal care services provided on the bus are not qualifying services for the purpose of trip count.

The Medicaid cost settlement amount is obtained by multiplying the total allowable one-way trips billed through the Medicaid Invoice Processing system times the total cost per trip. This total is compared to the interim payments and any over/under settlements are made.

D. Cost Certification:

Two months prior to the final settlement the ISDs receive the Medicaid Cost Settlement Summary Report and Cost Certification Form. Both forms must be signed, dated and returned to MDHHS prior to the final settlement.