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State/Territory Name: MO

State Plan Amendment (SPA) #: 19-0012

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 East 12th Street, Suite 355
Kansas City, Missouri 64106-2898



Kansas City Regional Operations Group

December 26, 2019

Jennifer Tidball, Acting Director
Missouri Department of Social Services
Broadway State Office Building
P.O. Box 1527
Jefferson City, MO 65102-1527

Dear Ms. Tidball:

On June 17, 2019, the Centers for Medicare & Medicaid Services (CMS) received Missouri's State Plan Amendment (SPA) transmittal #19-0012. This SPA is an adding cost-based reimbursement process for school – based IEP specialized transportation services based on certified public expenditures.

SPA #19-0012 was approved December 26, 2019, with an effective date of July 1, 2020, as requested by the state. Enclosed is a copy of the CMS-179 summary form, as well as the approved pages for incorporation into the Missouri State Plan.

If you have any questions regarding this amendment, please contact Karen Hatcher or Deborah Read at (816) 426-5925.

Sincerely,

Megan K. Buck, Acting Director
Division of Medicaid Field Operations - North

Enclosure

cc:
Todd Richardson, Medicaid Director
Amanda Clutter
Marissa Crump
Glenda Kremer

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: <u>1 9 -- 0012</u>	2. STATE Missouri
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE July 1, 2019 * July 1, 2020	

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: 42 CFR 433.51	7. FEDERAL BUDGET IMPACT: a. FFY 2020 \$7,000,000 * \$1,925,000 b. FFY 2021 \$7,700,000
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: 3.1-A page 10hh, 4.19-B page 52, 4.19-B page 53	9. PAGE NUMBER OF THE SUPERSEDES PLAN SECTION OR ATTACHMENT (If Applicable): New material
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10. SUBJECT OF AMENDMENT:
Cost-based reimbursement process for school-based IEP specialized transportation services based on certified public expenditures.

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

12. SIGNATURE OF STATE AGENCY OFFICIAL: 13. TYPE NAME: Jennifer R. Tidball 14. TITLE: Acting Director 15. DATE SUBMITTED: 6/14/19	16. RETURN TO: MO HealthNet Division P.O. Box 6500 Jefferson City, MO 65102
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FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 06/17/2019	18. DATE APPROVED: 12/26/2019
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 07/01/2020	20. SIGNATURE OF REGIONAL OFFICER: 21. TYPED NAME: Megan K. Buck
23. REMARKS:	22. TITLE: Acting Director, Division of Program Operations

* Pen and Ink changes per State Response dated 8.21.19 and RAI response dated 10.28.19.

School-Based Individualized Education Plan (IEP) Specialized Transportation Services

Specialized transportation includes transportation of a child to/from an appropriate provider site to receive medically appropriate and necessary IEP/IFSP services, including transportation to/from a participating school district.

Specialized transportation costs include those for adapted vehicles defined as: “a vehicle with wheelchair lifts, other special modifications or appropriate adaptations which are necessary to equip a vehicle to transport children with disabilities.”

Specialized transportation services will be provided in compliance with federal requirements and will be paid when an eligible participant’s need for special transportation is specified in the IEP/IFSP as a required service. The child must require specialized transportation in an adapted vehicle based on the needs of an individual with a disability. A medical service must be provided on the day that specialized transportation is billed. School districts will bill Medicaid for a one-way trip on a mileage basis, and will subsequently complete an annual cost report detailing allowable transportation costs.

Specialized transportation is covered only when it is necessary to receive another Medicaid service, and the need for both the Medicaid service and the specialized transportation are specified in the IEP/IFSP. Similar transportation would be required if the child was not in a school setting.

State Plan TN#: 19-0012

Effective Date: 07/01/2020

Supersedes TN#: New Page

Approval Date: 12/26/2019

School-Based Individualized Education Plan (IEP) Specialized Transportation Services Payment Methodology

Effective dates of service on or after July 1, 2020, providers will be paid on a cost basis. Providers will be reimbursed based on interim rates for school-based IEP direct services (hereafter referred to as direct services) and specialized transportation services at the lesser of the providers billed charges or the interim rate. This reimbursement as part of a cost-based methodology will include an annual cost report and reconciled settlement. On an annual basis, a cost reconciliation and cost settlement will be processed for all over and under payments. Specialized transportation may be claimed as a Medicaid service by meeting the following conditions:

- 1) Specialized transportation is listed explicitly in the IEP/IFSP as a required service;
- 2) An eligible direct medical service, listed in the IEP/IFSP, is provided on the day that specialized transportation is provided; and
- 3) The service billed only represents the costs associated with one-way trips in specially adapted vehicles for direct medical services as listed in the IEP/IFSP.

Specialized transportation costs included on the cost report will only include those personnel and non-personnel costs associated with transportation to or from an IEP/IFSP Medicaid service. The expenditures identified in the cost report include the following:

- 1) Drivers;
- 2) Aides/Monitors;
- 3) Mechanics;
- 4) Substitute Drivers;
- 5) Fuel;
- 6) Repairs and Maintenance;
- 7) Rentals;
- 8) Contracted Use Cost;
- 9) Insurance; and
- 10) Vehicle Depreciation

The source of these costs will be audited Chart of Accounts data kept at the school district level and by the appropriate contractor determined by the Missouri Department of Social Services (DSS). The Chart of Accounts is uniform throughout the state of Missouri. Costs will be reported on a cash or accrual basis, depending on the school district.

State Plan TN#: 19-0012**Effective Date:** 07/01/2020**Supersedes TN#:** New Page**Approval Date:** 12/26/2019

Specialized transportation costs include those for wheelchair lifts and other special modifications or appropriate adaptations which are necessary to equip a vehicle to transport children with disabilities.

A- Methodology for specialized transportation: For school districts that are not able to discretely identify the specialized transportation cost from the general education transportation costs, a specialized transportation cost discounting methodology will be applied. A rate will be established and applied to the total transportation cost of the school district. This rate will be based on a ratio of total IEP students receiving specialized transportation as documented in their IEP/IFSP to the total students receiving transportation. The result of this rate (% of total students that are IEP/IFSP students receiving specialized transportation) will be multiplied by the school district's General Transportation Costs and will be included on the cost report.

B. Methodology for specialized transportation: For school districts that are able to identify the specialized transportation costs, the school district will include those costs as indicated on page 52, of Attachment 4.19B of the state plan.

Costs for both A. and B. above will be discounted in the cost report using the Medicaid One Way Trip Ratio - A school district-specific Medicaid One Way Trip Ratio will be established for each participating school district. When applied, this Medicaid One Way Trip ratio will discount the transportation costs by the percentage of Medicaid IEP one way trips. This ratio ensures that only Medicaid allowable transportation costs are included in the cost reconciliation. The Medicaid One Way Trip Ratio will be calculated based on the ratio of Medicaid Enrolled IEP/IFSP One Way Trips divided by the total number of IEP/IFSP One Way Trips.