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State/Territory Name: GEORGIA

State Plan Amendment (SPA) #: GA-25-0015

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
230 South Dearborn
Chicago, Illinois 60604

Financial Management Group

July 22, 2026

Stuart Portman
Executive Director
Medical Assistance Plans Division
Georgia Department of Community Health
2 Martin Luther King Jr. Drive, 19th Floor
Atlanta, Georgia 30334

RE: TN # 25-0015

Dear Executive Director Portman:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Georgia State Plan amendment (SPA) to Attachment 4.19-B, GA-25-0015, which was submitted to CMS on October 22, 2025. This plan amendment is to align with the federal School-Based Services (SBS) guidance.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of May 15, 2026. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Ysabel Gavino via email at maria.gavino@cms.hhs.gov.

Sincerely,

[redacted]

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 25 — 0015

2. STATE: GA

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT: (●) XIX ( ) XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
May 15, 2026

5. FEDERAL STATUTE/REGULATION CITATION
1905(r)(5)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 26 $ 0
b. FFY 27 $ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-B, Pages 13.3-13.7

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.19-B, Pages 13.3-13.7

9. SUBJECT OF AMENDMENT
The proposed amendment is to align with the federal School-Based Services (SBS) guidance.

10. 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:

11. SIGNATURE OF STATE AGENCY OFFICIAL
[redacted]

12. TYPED NAME
Perri Nena Smith

13. TITLE
Medical Assistance Plans Attorney

14. DATE SUBMITTED
10/22/25

15. RETURN TO
Stuart Portman
Executive Director, Division of Medical Assistance Plans
Georgia Department of Community Health
2 Martin Luther King Jr. Drive, 19th Floor
Atlanta, Georgia 30334
Email: stuart.portman@dch.ga.gov

FOR CMS USE ONLY

16. DATE RECEIVED
October 22, 2025

17. DATE APPROVED
July 22, 2026

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
May 15, 2026

19. SIGNATURE OF APPROVING OFFICIAL
[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement Review

22. REMARKS

Instructions on Back

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR OTHER TYPES OF CARE OR SERVICE

A. Direct Medical Services Payment Methodology

Providers will be reimbursed on interim basis for School-Based direct Medicaid covered services provided according to a fixed fee schedule.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of Children's Intervention School Services. The agency's fee schedule rate was set as of May 15, 2026, and is effective for services provided on or after that date. All rates for these services can be found in the Part II Policies and Procedures for Children's Intervention School Services (CISS) manual which can be found at the state's website:
https://www.mmis.georgia.gov/portal/PubAccess.Provider%20Information/Provider%20Manuals/tabId/18/Default.aspx

The Department of Community Health (DCH) will use a cost-based methodology for all LEAs. This methodology will consist of a Cost Report, a CMS approved Random Moment Time Study (RMTS) methodology, Cost Reconciliation, and Cost Settlement. If payments exceed Medicaid allowable costs, the excess will be recouped. If payments are less than Medicaid allowable costs, DCH will pay the federal share of the difference to the LEA and submit claims to CMS for reimbursement of that payment.

Data Capture for the Cost of Providing Rehabilitative-Related Services
Data capture for the cost of providing health-related services will be accomplished utilizing the following data sources:
Total direct and indirect costs, less any federal non-Medicaid payments or other revenue offsets for these costs, will be captured utilizing the following data:

a. School-Based direct Medicaid Services cost reports received from school districts as described below
b. Georgia Department of Education (GA DOE) Unrestricted Indirect Cost Rate (UICR);
    i. Direct medical service codes in the CMS-approved Random Moment Time Study Implementation Plan: Direct medical RMTS percentage (IEP/IFSP Services);
    ii. Direct medical RMTS percentage (Direct Medical Services pursuant to other medical plan of care) – To be applied to Nursing Services ONLY
c. School District specific Medicaid Ratios. These aredefined in detail in Section #4 below
    i. Medicaid IEP/IFSP Ratio
    ii. Medicaid Ratio for Other Medical Plan of Care

The ratios are defined in detail in Item #4 on the following pages. To determine the Medicaid- allowable direct and indirect costs of providing direct medical services to Medicaid-enrolled clients in the LEA, the following steps are performed:

1. Allowable Costs: Direct costs for direct medical services include payroll and general ledger cost data that can be directly charged to direct medical services cost pools using the random moment time study results. Direct payroll costs include total compensation (i.e., salaries and benefits and contract compensation) of direct services personnel listed in the descriptions of the covered Medicaid services delivered by school districts. Costs for administrative staff are not included in the annual cost report. These direct costs will be calculated on a district-specific level and will be reduced by any federal payments for these costs, resulting in adjusted direct costs.

   Other direct costs include costs directly related to the approved direct services personnel for the delivery of medical services, such as medically-related purchased services, supplies and materials. Additional direct costs include payments made for out of district health related services, including Medicaid covered health related services provided through approved private schools and special school districts including contracted staff costs. These direct costs are accumulated on the annual School-Based Health Services Cost Report and are reduced by any federal payments for these costs, resulting in adjusted direct costs. The cost report contains the scope of cost and methods of cost allocation that have been reviewed by the Centers for Medicare & Medicaid Services (CMS).

   The source of this financial data will be audited payroll and general ledger records kept at the school district level.

   a. Direct Medical Services
      Non-federal cost pool for allowable providers consists of:

      i. Salaries;
      ii. Benefits;
      iii. Medically-related purchased services; and
      iv. Medically-related supplies and materials

2. Indirect Costs: Indirect costs are determined by applying the school district's specific unrestricted indirect cost rate to its adjusted direct costs. The Georgia Department of Education (GA DOE) has, in cooperation with the United States Department of Education (ED), developed an indirect cost plan to be used by public school districts in Georgia. Pursuant to the authorization in 34 CFR §75.561(b), GA DOE, as the cognizant agency, approves unrestricted indirect cost rates for school districts for the ED. Providers are permitted only to certify Medicaid-allowable costs and are not permitted to certify any indirect costs that are outside their unrestricted indirect cost rate.

Indirect Cost Rate

a. Apply the Georgia Department of Education (GA DOE) Cognizant Agency Unrestricted Indirect Cost Rate applicable for the dates of service in the rate year.
b. The GA DOE UICR is the unrestricted indirect cost rate calculated by the Georgia Department of Education.

3. Time Study Percentages: A CMS-approved time study is used to determine the percentage of time that medical service personnel spend on IEP, IFSP, or other medical plan of care direct medical services, general and administrative time, and all other activities to account for 100 percent of time to assure that there is no duplicate claiming. The RMTS methodology will utilize two distinct cost pools; one cost pool for Direct Medical Services which includes all eligible staff except Licensed Registered Nurses (RN) and Licensed Practical Nurses (LPN) and one also for Direct Medical Services staff but only to include Licensed Registered Nurses (RN) and Licensed Practical Nurses (LPN). The RMTS will generate two Direct Medical Services time study percentages; one for Direct Medical Services pursuant to an IEP or IFSP and one for Direct Medical Services pursuant to other medical plan of care. The Direct Medical Service time study percentages will be applied to only those costs associated with Direct Medical Services to generate a Direct Medical Service Costs amount for services provided pursuant to an IEP or IFSP for both cost pools. The Direct Medical Services Cost amount for services provided pursuant to other medical plan of care will only be applied to the cost pool containing Licensed Registered Nurses (RN) and Licensed Practical Nurses (LPN). The direct medical services costs and time study results must be aligned to ensure proper cost allocation. The CMS approval letter for the time study will be maintained by the DCH and CMS.

- **Direct Service & Administrative Providers –** these providers may perform FFS and administrative claiming activities as well as direct services. Only those provider types included in the approved state plan will be included in the cost pool and time study.
  - Licensed Audiologist
  - Licensed Clinical Social Worker
  - Licensed Dietician
  - Licensed Occupational Therapist
  - Occupational Therapy Assistant
  - Licensed Physical Therapist
  - Physical Therapy Assistant
  - Licensed Speech Language Pathologist
  - Masters Level Speech Language Pathologist (with professional certificate from GA DOE or Certificate of Clinical Competence in Speech Language Pathology by ASHA)
- **Nursing Providers Only Cost Pool -** these providers may perform FFS and administrative claiming activities as well as direct services. These providers may also perform Nursing Free Care service. Only those provider types included in the approved state plan will be included in the cost pool and time study.
  - Licensed Registered Professional Nurse
  - LPNs/ LVNs

4. Medicaid Ratio Determinations: Two distinct Medicaid Ratios will be established for each participating school district. When applied, these ratios will discount the associated Direct Medical Service cost pools by the percentage of Medicaid enrolled students.

a. Medicaid IEP Ratio: The numerator will be the number of Medicaid enrolled students (per FERPA who have parental consent to release information to Medicaid) with an IEP in the LEA (or other claiming entity) and the denominator will be the total number of students with an IEP (which should all be verifiable in an audit) in the LEA (or other claiming entity). This ratio is calculated annually based on census data in October of each year and will be applied to the entire Fiscal Year.

b. Medicaid Eligibility Ratio for Other Medical Plan of Care: The numerator will be the number of Medicaid enrolled students (per FERPA who have parental consent to release information to Medicaid) at each LEA (or other claiming entity) and the denominator will be the total number of students in the LEA (or other claiming entity). This ratio will only be utilized for the Nursing Services Cost Pool calculation of direct medical services pursuant to other medical plans of care. This ratio is calculated annually based on census data in October of each year and will be applied to the entire Fiscal Year.

5. Total Medicaid Reimbursable Cost: The result of the previous steps will be a total Medicaid reimbursable cost for each LEA for Direct Medical Services.

B. Certification of Funds Process

Each LEA will submit a Certification of Public Expenditure of Forms to DCH on an annual basis. On an annual basis, each LEA will certify through its cost report its total actual, incurred Medicaid allowable costs/expenditures, including the federal share and the nonfederal share. Providers are permitted only to certify Medicaid-allowable costs and are not permitted to certify any indirect costs that are outside their unrestricted indirect cost rate.

C. Annual Cost Report Process

For Medicaid services provided in schools during the state fiscal year (July I through June 30), each provider must complete an annual cost report.

The primary purposes of the LEA provider's cost report are to:

l) Document the LEA provider's total CMS approved Medicaid allowable costs of delivering Medicaid coverable services using a CMS reviewed cost allocation methodology.

2) Reconcile the annual interim payments to the LEA provider's total CMS reviewed, Medicaid-allowable costs using a CMS approved cost recognition methodology

D. Annual Cost Reconciliation Process

The annual Children's Intervention School Services (CISS) Cost Report includes a certification of funds statement to be completed. including certifying the provider's actual, incurred costs/expenditures. All filed annual CISS Cost Reports are subject to desk review by DCH or its designee.

The cost reconciliation process must be completed. The total CMS-reviewed, Medicaid allowable scope of costs based on CMS-reviewed cost allocation methodology procedures are compared to the LEA provider's Medicaid interim payments delivered during the reporting period as documented in the Medicaid Management Information System (MMIS), resulting in a cost reconciliation.

For the purposes of cost reconciliation, the state may not modify the CMS-approved scope of costs, the CMS approved cost allocation methodology procedures, or its CMS-approved RMTS for cost-reporting purposes. Any modification to the scope of cost, cost allocation methodology procedures, or RMTS for cost-reporting purposes requires approval from CMS prior to implementation.

E. The Cost Settlement Process

Services delivered during the period covering July 1 through June 30, the annual CISS Cost Report would be included in the annual cost report which is completed annually.

If the LEA provider’s interim payments exceed the actual, certified costs for the delivery of school-based health services to Medicaid clients, the LEA provider will return an amount equal to the overpayment. DCH will submit the federal share of the overpayment to CMS in the federal fiscal quarter following receipt of payment from the provider.

If the LEA provider's actual, certified costs exceed the interim payments, DCH will pay the federal share less any state share of the difference to the provider in accordance with the final actual certification agreement and submit claims to CMS for reimbursement of that payment in the federal fiscal quarter following payment to the provider in accordance with 42 CFR 433 Subpart F.