

**State/Territory Name: Missouri**

**State Plan Amendment (SPA) MO-25-0022**

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

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
Center for Medicaid & CHIP Services  
230 South Dearborn  
Chicago, Illinois 60604



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**Financial Management Group**

May 13, 2026

Todd Richardson  
Director MO Health Net  
Missouri Department of Social Services  
Broadway State Office Building  
PO Box 1527  
Jefferson City, MO 65102

RE: TN MO-25-0022

Dear Director Richardson:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Missouri state plan amendment (SPA) to Attachment 4.19-B MO-25-0022, which was submitted to CMS on October 23, 2025. The purpose of this plan amendment update Missouri's school-based reimbursement methodology to align with CMS guidance using a cost-based payment approach.

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 July 1, 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 Robert Bromwell at 410-786-5914 or via email at [robert.bromwell@cms.hhs.gov](mailto:robert.bromwell@cms.hhs.gov).

Sincerely,

A solid black rectangular box redacting the signature of Todd McMillion.

Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

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

**FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 5 - 0 0 2 2

2. STATE

Missou

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

4. PROPOSED EFFECTIVE DATE

July 1, 2026

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

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 433.51

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2026 \$ 0  
b. FFY 2027 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19 -B Pages 48, 48a, 48b, 49, 49a, 50, 50a, 50b, 51, 51a

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19-B pages 48, 49, 50,51

9. SUBJECT OF AMENDMENT

This State Plan Amendment (SPA) is to implement requirements for school-based individualized education plan services based on the CMS "Delivering Services in School-Based Settings: A Comprehensive Guide to Medicaid Services and Administrative Claiming."

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT JAF  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME  
Jessica Bax

13. TITLE  
DSS Director

14. DATE SUBMITTED

10-23-25

15. RETURN TO

MO HealthNet Division  
P.O. Box 6500  
Jefferson City, MO 65102

**FOR CMS USE ONLY**

16. DATE RECEIVED

10/23/2025

17. DATE APPROVED

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2026

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Todd McMillion

21. TITLE OF APPROVING OFFICIAL

Director, Division of Reimbursement Review

22. REMARKS

## School-Based Individualized Education Plan (IEP) Direct Services

The Missouri Department of Social Services (DSS) MO HealthNet Division (MHD) shall provide Medicaid reimbursement for certain Medicaid services provided by a participating public school district (“district”). The medically necessary Medicaid services must be provided by a qualified school-based provider to students who are Title XIX-eligible and eligible for school-based IEP direct services (hereafter referred to as direct services) pursuant to the Individuals with Disabilities Education Act (IDEA), Part B. The direct services covered are physical therapy, occupational therapy, speech therapy, private duty nursing, behavioral health services, hearing aid, and personal care services. Providers shall be enrolled in accordance with MHD policies.

General Description of Payment Methodology

Effective with dates of service on or after July 1, 2026, direct services provided by school districts will be paid on a cost basis. Public schools will initially be paid interim rates on a bi-monthly basis for direct services per unit of service if the provider chooses to file interim claims. The fee schedule for the interim rate for school-based services is the same fee schedule and rate the state pays non-school-based providers for the same non-school-based state plan services.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of school-based services. The agency’s fee schedule rate was set as of July 1, 2025, and is effective for services provided on or after that date. All rates are published on the State agency’s website at <https://apps.dss.mo.gov/fmsFeeSchedules/default.aspx> .

On an annual basis, a provider- specific cost reconciliation and cost settlement for all overpayments and underpayments will be processed. All costs described within this methodology are for Medicaid services provided by qualified personnel or qualified healthcare professionals that have been approved under Attachment 3.1-A of the Medicaid State Plan include the following Medicaid 1905(a) services:

<b>1905(a) Service</b>	<b>1905 (a) Authority</b>	<b>• Provider</b>
Speech-Language Pathology	1905(a)(4)(B)	<ul style="list-style-type: none"> <li>• Speech/Language Therapist/Pathologist</li> <li>• Speech Language Pathology Assistant</li> </ul>
Occupational Therapy	1905(a)(4)(B)	<ul style="list-style-type: none"> <li>• Occupational Therapist</li> <li>• Occupational Therapy Assistant</li> </ul>
Physical Therapy	1905(a)(4)(B)	<ul style="list-style-type: none"> <li>• Physical Therapist</li> <li>• Physical Therapy Assistant</li> </ul>
Private Duty Nursing	1905(a)(8)	<ul style="list-style-type: none"> <li>• Licensed Practical Nurse (LPN) Private Duty Nursing</li> <li>• Registered Nurse (RN) Private Duty Nursing</li> </ul>
Behavioral Health Services	1905(a)(4)(B) 1905(a)(6)	<ul style="list-style-type: none"> <li>• ABA Provisional Licensed Psychologist</li> <li>• ABA Qualified Psychologist</li> <li>• Licensed Assistant Behavior Analyst</li> <li>• Licensed Behavior Analyst</li> <li>• Licensed Clinical Social Worker</li> <li>• Licensed Master Social Worker</li> <li>• Licensed Professional Counselor</li> <li>• Nationally Certified School Psychologist (NCSP) Credentialed School Psychologists</li> <li>• Provisional licensed Assistant Behavior Analyst</li> <li>• Provisional Licensed Behavior Analyst</li> <li>• Provisional Licensed Psychologist</li> <li>• Provisionally Licensed Professional Counselor</li> <li>• Psychiatric Clinical Nurse Specialist</li> <li>• Psychiatric Mental Health Nurse Practitioner</li> <li>• Psychiatrist</li> <li>• Psychologist</li> <li>• Registered Behavior Technician</li> </ul>
Personal Care Services	1905(a)(4)(B) 1905(a)(24)	<ul style="list-style-type: none"> <li>• Personal Care Aide</li> </ul>
Audiology Services	1905(a)(4)(B) 1905(a)(12)	<ul style="list-style-type: none"> <li>• Audiologist</li> <li>• Hearing Instrument Specialist</li> </ul>

### Interim Payment Unit of Service Definition

The units of service are defined by each Health Insurance Portability and Accountability Act (HIPAA)-compliant Current Procedural Terminology (CPT) code or Healthcare Common Procedure Coding System (HCPCS) code. Direct services may be encounter-based or in 15-minute unit increments as defined by the CPT or HCPCS code.

### Specific Components of Cost-Based Payment Methodology

Total direct and indirect costs of providing direct services, less any federal payments for these costs, will be captured utilizing the following sources:

- a. Annual cost reports received from school districts
  1. Direct Costs include:
    - i. Salaries and Benefits of direct medical staff who provide allowable health-related services
    - ii. Contractor costs for providers who deliver allowable health-related services

- iii. Medical supplies and equipment that are purchased to aid in the delivery of health-related services
- b. Missouri Department of Elementary and Secondary Education (DESE) Unrestricted Indirect Cost Rate (UICR). Indirect costs are determined by applying the school district's specific unrestricted indirect cost rate to its net direct costs. Missouri school districts use predetermined fixed rates for indirect costs. The Missouri Department of Elementary and Secondary Education (DESE) is the cognizant agency for the school districts and approves unrestricted indirect cost rates for the school districts for the US Department of Education (USDE). Only Medicaid allowable costs are certified by providers. Providers are not permitted to certify indirect costs that are outside their unrestricted indirect cost rate.
  2. Indirect Costs
    - i. School Districts cannot list indirect costs outside of the UICR
    - ii. The hourly rate for contracted costs does not include an indirect rate
    - iii. The UICR is calculated from costs that are not included in the allowable reported expenditures so there is no duplication of costs
  - c. Direct Medical Services Random Moment Time Study (RMTS) Percentage comprised of Activity Code 4b: Direct Medical Services and Activity Code 10: General Administration
  - d. School district specific IEP Ratio

The UICR is applied to the Allowable costs and will be multiplied by the Direct Medical Services-related RMTS Percentage. The product will be multiplied by the IEP Ratio to determine the total reimbursable costs for each participating school district.

### Cost Reports

Each participating school district will complete an annual cost report for all direct services delivered during the previous State fiscal year (July 1 through June 30). The state opens the Cost Report process 1 year after the end of the reporting year. The cost reconciliation process occurs within federally permissible timeframes consistent with CMS reporting and claiming requirements. The cost report will provide the following detail:

- Document the school district's total Medicaid-allowable direct and indirect costs for delivering direct services, including Direct Medical Equipment costs and health-related supplies and materials
- Reconcile the school district's interim payments to its total Medicaid-allowable costs. Allowable cost is identified by applying cost principles specified at 2 CFR Part 200 and 2 CFR Part 300, as implemented by the Department of Health and Human Services

The annual cost report includes a certification of funds statement, certifying the school district's actual costs and expenditures. The annual cost reports are subject to a desk review by the Department or its designee.

The submission period for the Missouri cost report is open from July 1 through December 31 each year. This six-month timeframe is designed to prevent delays and minimize the need for extensions in the cost report reconciliation and settlement process.

If a school district needs to request a financial adjustment to a submitted cost report, the request must be made in writing within 12 months of the annual cost report settlement date. The district must include all supporting documentation and submit the request to the MO HealthNet Division (MHD) or its designee at least 90 days prior to the expiration of this 12-month period.

Once the adjustment request has been reviewed and processed, a revised cost reconciliation and settlement letter will be issued to the school district outlining the adjustment and the updated settlement or reimbursement amount.

If a compliance review demonstrates that a school district's cost report was in error, MHD or its designee will request the school district to recalculate and resubmit the cost report. Any incorrect cost reports that result in an overpayment to the school district will require the school district to repay the funds.

Each school district certifies annually through its cost report the total actual allowable costs and expenditures incurred, including the federal and non-federal share, the amount of interim payments and the number of units billed for the fiscal year. Certifiable indirect costs are limited to each school district's UICR.

#### Direct Medical Services Random Moment Time Study Percentage

The Random Moment Time Study (RMTS) is used to determine the percentage of time that personnel spend on direct medical services, general and administrative time and all other activities to account for 100% of the time to assure that there is no duplicate claiming. The RMTS is conducted on a quarterly basis consistent with the federal fiscal quarters (July–September, October–December, January–March, and April–June) and includes all regular school days within each quarter. The sample universe excludes weekends, holidays, and other non-working days (e.g., scheduled school breaks or vacation periods) during which no Medicaid services are delivered. The RMTS methodology includes individuals performing direct services and administrative activities.

Cost Pool 1 includes direct services staff, including those who provide only direct services and those who provide direct services in conjunction with administrative services. Cost Pool 2 consists only of staff who perform Medicaid-related administrative activities and do not perform direct services.

RMTS results are used to allocate total allowable costs by identifying the proportion of time spent on direct medical services (Activity Code 4b: IEP direct medical services). Activity Code 10 (General Administration) is equitably distributed across all activity codes (1a through 9b) based on the RMTS results to ensure proper cost allocation and avoid duplication. The resulting direct service percentage is applied to the direct costs within Cost Pool 1 to determine the portion of costs attributable to IEP direct medical services. These costs are then adjusted to include indirect costs by applying the approved indirect cost rate, with the resulting indirect amount added to the direct costs to determine total direct and indirect costs. This total is then multiplied by the Medicaid Eligibility Rate (IEP ratio) to determine the Medicaid-allowable share of IEP-related costs. Finally, allowable other costs, adjusted for indirect costs and reduced by the IEP ratio, are added to determine the total Medicaid-allowable cost eligible for federal financial participation.

#### Cost Pool 1 Direct Service Providers

- ABA Provisional Licensed Psychologist
- ABA Qualified Psychologist

- Audiologist
- Hearing Instrument Specialist
- Licensed Assistant Behavior Analyst
- Licensed Behavior Analyst
- Licensed Clinical Social Worker
- Licensed Master Social Worker
- Licensed Practical Nurse (LPN) Private Duty Nursing
- Licensed Professional Counselor
- Nationally Certified School Psychologist (NCSP) Credentialed School Psychologists
- Occupational Therapist
- Occupational Therapy Assistant
- Personal Care Aide
- Physical Therapist
- Physical Therapy Assistant
- Provisional licensed Assistant Behavior Analyst
- Provisional Licensed Behavior Analyst
- Provisional Licensed Psychologist
- Provisionally Licensed Professional Counselor
- Psychiatric Clinical Nurse Specialist
- Psychiatric Mental Health Nurse Practitioner
- Psychiatrist
- Psychologist
- Registered Behavior Technician
- Registered Nurse (RN) Private Duty Nursing
- Speech/Language Therapist/Pathologist
- Speech Language Pathology Assistant

#### IEP Ratio Determination

A school district-specific IEP ratio will be established for each participating school district. The purpose of the IEP Ratio is to determine Medicaid's portion of direct medical service costs incurred by school districts for the provision of direct medical services. It is calculated by taking the total number of Medicaid-enrolled students (per FERPA who have parental consent to release information to Medicaid), with an IEP in the school district divided by the total number of students with an IEP in the school district. When applied, this IEP ratio will reduce the direct services cost pool by the percentage of participants eligible for MO HealthNet services who have an IEP.

State Plan TN# 25-0022

Supersedes TN# new

Effective Date July 1, 2026

Approval Date May 13, 2026

Districts report student-level enrollment and IEP information to the state through an established data submission process to MO HealthNet's Information Technology Services Division. The total number of students receiving services under an IEP is determined by these student-level submissions, which are consistent with the data reported by the state to the U.S. Department of Education for IDEA Child Count reporting. The data submission will include an unduplicated list of the names and birthdates of students in a school district who were on an IEP on December 1.

For purposes of determining Medicaid eligibility, the state uses these student-level records to perform Medicaid eligibility matching. The IEP student list is matched to the state Medicaid eligibility records for December 1. These records serve as the verifiable and auditable data source for the number of students receiving services under an IEP and the subset of those students who are Medicaid-enrolled. The state maintains these records, and they are available for review during program monitoring, reconciliation, or audit.

The fields on the file for the date of birth and the calendar quarter dates will be in Julian format (CCYYJJJJ.) For *Example*, December 1, 2022 would be 2022335 This file will be matched to the eligibility file and once eligibility is established, an email will be sent by ITSD to the school district and MHD or its designee, containing the number of students submitted, the number of students enrolled for Medicaid, and the percentage of Medicaid enrolled students in the school district (IEP Ratio). The eligible percentage will be carried out to two decimal places.

### Cost Reconciliation and Settlement

The cost reconciliation process is completed after the close of the state fiscal year (July 1 – June 30). The state opens the Cost Report process 1 year after the end of the reporting year. The cost reconciliation process occurs within federally permissible timeframes consistent with CMS reporting and claiming requirements. The total claimable costs are compared to the school district's interim payments for direct services paid for dates of service during the fiscal year, as documented in the MO HealthNet Division's claims processing system. Allowed cost is identified by applying cost principles specified at 2 CFR Part 200 and 2 CFR Part 300 as implemented by the Department of Health and Human Services. After all data is entered into the cost report, the total MO HealthNet-allowable cost is then compared to the MO HealthNet Division (MHD) interim payments paid to the school district during the reporting period as documented in the Medicaid Management Information Systems (MMIS). Any difference between these two totals results in a reconciliation in which the school district will either receive additional funds or pay back a portion of funds received through the interim payments. For integrity purposes, the federally approved scope of costs, cost allocation methodology procedures and the Random Moment Time Study (RMTS) results or processes cannot be modified by the MHD or its designee. Any modifications to these processes require approval from CMS prior to implementation.

If a school district's interim payments exceed the total certified costs, as identified in the school district's cost report, the school district is required to return an amount equal to the overpayment back to the state. The school district has 60 days to return the overpayment to the MO HealthNet Division (MHD). If the total certified costs, as identified in the school district's cost report, exceed the interim payments, the state will pay the federal share of the difference to the school district. Once the reconciliation amount has been finalized by MHD or its designee, the school district will receive a cost reconciliation and settlement letter that denotes the final amount due to or from the school district.

The submission period for the Missouri cost report is open from July 1 through December 31 each year. This six-month timeframe is designed to prevent delays and minimize the need for extensions in the cost report reconciliation and settlement process.

If a school district needs to request a financial adjustment to a submitted cost report, the request must be made in writing within 12 months of the annual cost report settlement date. The district must include all supporting documentation and submit the request to the MO HealthNet Division (MHD) or its designee at least 90 days prior to the expiration of this 12-month period.

Once the adjustment request has been reviewed and processed, a revised cost reconciliation and settlement letter will be issued to the school district outlining the adjustment and the updated settlement or reimbursement amount.

If a compliance review demonstrates that a school district's cost report was in error, MHD or its designee will request the school district to recalculate and resubmit the cost report. Any incorrect cost reports that result in an overpayment to the school district will require the school district to repay the funds.

#### Audit and Record Retention

The MO HealthNet Division and any contractors are aware of Federal regulations listed below and will provide documentation needed to support school-based claims.

1. 42 CFR 431.107 Required provider agreement
2. 45 CFR 447.202 Audits
3. 2 CFR Part 200 and 2 CFR Part 300 Subpart E

In accordance with the state and federal audit requirements, school districts are responsible for maintaining complete and accurate documentation to support all costs and services reported on the IEP Direct Service Cost Report. This documentation must be retained for a minimum of six (6) years. Districts must ensure the following types of records are maintained and readily accessible for audit or review:

- **Documentation of Direct Services Provided**  
This includes service logs, session notes, attendance records, IEPs and other documentation that verifies the delivery of services to students as outlined in their IEPs. Documentation must align with the state's documentation requirements for each service category.
- **Payroll Records**  
Copies of financial reports, accounting system records, invoices, and any other documentation supporting reported costs.